



SOUTHERN MAGNESIUM AND CHEMICALS LIMITED

Deccan Chambers, 5th Floor, 6-3-666/B, Somajiguda, Hyderabad-500 082
Phones: 23311789, 23312341, Fax: 040-23319871 E-Mail: southernmagnesium@gmail.com
CIN : L27109TG1985PLC005303

To
The Bombay Stock Exchange Limited,
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai - 400 001

Date: 13.02.2018
Place: Hyderabad

SUB: Intimation to BSE about outcome of Board Meeting -Reg

Dear Sir / Madam,

With reference to the above cited subject, Board of Directors of the company at their meeting held on Tuesday, 13th February 2018, inter-alia has transacted the following items of agenda:

2. Financial Results with Limited Review report have been approved for quarter ended 31.12.2017.

This is for your information and record.

For Southern Magnesium and Chemicals Limited

**Mr. Rajender Prasad Nuthakki
Joint Managing Director & CFO**



SOUTHERN MAGNESIUM AND CHEMICALS LIMITED

Deccan Chambers, 5th Floor, 6-3-666/B, Somajiguda, Hyderabad-500 082
 Phones: 23311789, 23312341, Fax: 040-23319871 E-Mail: southernmagnesium@gmail.com
 CIN : L27109AP1985PLC005303

UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED December 31, 2017

Particulars	(Amount In Lakhs.)				
	Quarter Ended			Nine Months Ended	
	31.12.17	30.09.17	31.12.16	31.12.17	31.12.16
	Un-Audited	Un-Audited	Un-Audited	Un-Audited	Un-Audited
I Revenue from operations	10.97	77.38	286.00	136.04	539.08
II Other income	0.83	0.99	1.14	2.76	3.07
III Total Revenue(I+II)	11.80	78.37	287.14	138.80	542.15
IV Expenses					
Cost of materials consumed	0.00	3.38	60.04	66.97	226.68
Purchase of stock In trade					
Change in inventories of finished goods, stock in trade and work in progress	13.32	71.32	48.75	50.95	(41.85)
Employee benefit Expenses	12.45	12.54	12.77	37.71	37.05
Finance costs	2.53	2.33	1.44	1.00	6.82
Depreciation and amortisation expenses	1.79	0.51	0.43	2.78	1.30
Other expenses	6.08	19.22	14.60	36.34	41.96
Total Expenses(IV)	36.17	109.31	138.03	201.17	271.96
V Profit before tax	(24.37)	(30.94)	149.11	(62.37)	270.19
VI Tax expense:					
Current tax	-	-	49.00	-	89.00
Deferred tax					
Deferred tax					
VII Profit for the period (VII-VIII)	(24.37)	(30.94)	100.11	(62.37)	181.19
VIII OTHER COMPREHENSIVE INCOME					
A-(i) Items that will be reclassified to the profit or loss					
(ii) Income tax on items that will be reclassified to the profit or loss					
B-(i) Items that will not be reclassified to the profit or loss					
a) Remeasurement of Defined employee benefit plans					
(ii) Income tax on items that will not be reclassified to the profit or loss					
Total Other Comprehensive Income (net of taxes)					
Total Comprehensive Income for The Period	(24.37)	(30.94)	100.11	(62.37)	181.19
IX Earnings per Equity share-Basic and diluted (Not Annualised)	(0.81)	(1.03)	3.34	(2.08)	6.04
Weighted average number of equity shares (In no's)	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000

Notes:

1. The company has presented for the first time, its financial results under Indian accounting standards ("Ind AS") from April 1, 2017 and accordingly these financial results have been prepared in accordance with the recognition and measurement principles laid down in the Ind AS-34-Interim financial reporting prescribed under section 133 of the companies act 2013 read with the relevant rules issued thereunder and the other accounting principles generally accepted in India. Financial results for the comparative period have also been presented in accordance with the recognition and measurement principles of Ind AS-34

2. Reconciliation of Net profit between the financial results as previously reported (referred to as "Previous GAAP") and Ind AS for

Nature of Adjustments	Note no	(Amount In Lakhs.)	
		For the Quarter ended 31.12.2016	For the Nine months ended 31.12.2016
AS per the Previous GAAP		100.11	181.19
Ind AS Adjustments		-	-
AS per Ind AS		100.11	181.19

For Southern Magnesium & Chemicals Limited

Joint Managing Director



SOUTHERN MAGNESIUM AND CHEMICALS LIMITED

Deccan Chambers, 5th Floor, 6-3-666/B, Somajiguda, Hyderabad-500 082
Phones: 23311789, 23312341, Fax: 040-23319871 E-Mail: southernmagnesium@gmail.com
CIN : L27109AP1985PLC005303

3. The Company's business activity falls within a single business segment i.e magnesium, in terms of IND AS 108 on operating
4. The format for unaudited quarterly results as prescribed in SEBI's Circular CIR/CFD/CMD/15-2015, dated 30th November 2015, has been modified to comply with requirements of SEBI's circular dated 5th July, 2016. The company has opted to present Ind AS compliant figures for the corresponding quarter ended December 2016 without subjecting to limited review or audit. However, the management has exercised necessary due diligence to ensure that the financial results provide a true and fair view of the Company's affairs.
5. The above unaudited financial results have been reviewed by the audit committee and approved by the board at their meeting held on 13-2-2018. The statutory auditors of the company have carried out limited review of the results for the quarter ended December 31, 2017.
6. Previous year/period figures have been regrouped and reclassified wherever necessary to conform to those of the current

For and on behalf of Board of Directors

N.Rajender Prasad
Joint Managing Director

Place : Hyderabad
Date : 13.02.2018



SOUTHERN MAGNESIUM AND CHEMICALS LIMITED

Deccan Chambers, 5th Floor, 6-3-666/B, Somajiguda, Hyderabad-500 082

Phones: 23311789, 23312341, Fax: 040-23319871 E-Mail: southernmagnesium@gmail.com

CIN : L27109AP1985PLC005303

Note No.	PARTICULARS	Amount in ₹	
		As per Previous GAAP	As per IndAS
1	Revenue from Operations:		
	A. <i>Sale of Products</i>		
	a. Magnesium Powder	13,343,427	13,343,427
	b. Magnesium Turnings	260,100	260,100
		<u>13,603,527</u>	<u>13,603,527</u>
	<i>Less: Goods and Service Tax</i>	-	-
		-	-
	Total	<u>13,603,527</u>	<u>13,603,527</u>
2	Other Income:		
	A. Interest Income on		
	a. Bank and other Deposits	276,264	276,264
	B. <i>Other Non-operating Income (Net of Expenses)</i>	-	-
		-	-
	Total	<u>276,264</u>	<u>276,264</u>
3	Cost of Materials Consumed		
	Opening Stock	-	-
	Add : Purchases	6,697,298	6,697,298
		<u>6,697,298</u>	<u>6,697,298</u>
	<i>Less : Value of Raw materials sold</i>	-	-
	<i>Less : Closing Stock</i>	-	-
		-	-
	Total	<u>6,697,298</u>	<u>6,697,298</u>
4	Changes in inventories of Stock-In-Trade:		
	a. Inventory at the beginning of the period		
	(i) Magnesium Metal powder	85,211	85,211
	(ii) Magnesium Metal Ingots	71,219	71,219
	(iii) Magnesium Powder imp	25,638,347	25,638,347
	Sub - Total	<u>25,794,777</u>	<u>25,794,777</u>
	b. Inventory at the end of the period		
	(i) Magnesium Metal powder	89,377	89,377
	(ii) Magnesium Metal Ingots	148,993	148,993
	(iii) Magnesium Powder imp	20,461,325	20,461,325
	Sub - Total	<u>20,699,695</u>	<u>20,699,695</u>
		-	-
	Total	<u>5,095,082</u>	<u>5,095,082</u>
5	Employee Benefits Expense:		
	a. Salaries, Wages and Bonus	3,437,134	3,437,134
	b. Staff welfare expenses	159,338	159,338
	c. Contribution to provident and other funds	174,732	174,732
	Total	<u>3,771,204</u>	<u>3,771,204</u>
6	Finance Costs		
	a. Interest on others	641,348	641,348
	Total	<u>641,348</u>	<u>641,348</u>
7	Depreciation and amortisation expense:		
	a. Depreciation on Property, Plant and Equipment	277,683	277,683
	Total	<u>277,683</u>	<u>277,683</u>

For Southern Magnesium & Chemicals Limited


Joint Managing Director



SOUTHERN MAGNESIUM AND CHEMICALS LIMITED

Deccan Chambers, 5th Floor, 6-3-666/B, Somajiguda, Hyderabad-500 082
Phones: 23311789, 23312341, Fax: 040-23319871 E-Mail: southernmagnesium@gmail.com
CIN : L27109AP1985PLC005303

8 Other expenses:

1 Power Charges	224,242	-	224,242
2 Post & Telegrams	69,539	-	69,539
3 Telephone Charges	84,688	-	84,688
4 Carriage & Fright	176,787	-	176,787
5 Travelling & Conveyance	1,204,215	-	1,204,215
6 Advertisement	48,436	-	48,436
7 Appeal Fees	5,000	-	5,000
8 Bank Charges	53,745	-	53,745
9 Books & Periodicals	1,435	-	1,435
10 Building Maintenance	111,672	-	111,672
11 Certification fees	2,876	-	2,876
12 Computer Maintenance	13,987	-	13,987
13 Consumption of General Stores	1,360	-	1,360
14 Directors Sitting Fees	1,500	-	1,500
15 E Voting Charges	4,784	-	4,784
16 Entertainment	96,974	-	96,974
17 Filing Fee	4,200	-	4,200
18 General Charges	66,054	-	66,054
19 Income Tax 2015-16	-	-	-
20 Insurance	102,911	-	102,911
21 L D Charges	-	-	-
22 Audit Fee	41,400	-	41,400
23 Listing Fees	215,625	-	215,625
24 Machinery Maintenance	146,996	-	146,996
25 Net Charges	30,536	-	30,536
26 ESI Contributions	3,623	-	3,623
27 Packing Material	6,167	-	6,167
28 Printing Stationery	76,659	-	76,659
29 Professional Charges	148,143	-	148,143
30 Rates & Taxes	95,586	-	95,586
31 RTA Charges	27,674	-	27,674
32 Service Tax	10,130	-	10,130
33 Subscription	14,970	-	14,970
34 Tender Schedule Exp	200	-	200
35 Vehicle Maintenance	171,134	-	171,134
36 PF Administration Charges	29,016	-	29,016
37 Foreign Exchange Fluxation	50,394	-	50,394
38 Sales tax	291,494	-	291,494
Total	3,634,152	-	3,634,152

9 Earnings Per Equity Share:

a. Total Comprehensive Income for the period	(6,236,976)	-	(6,236,976)
b. Weighted average number of equity shares of Rs. 10/-each	3,000,000	-	3,000,000
Earnings per equity share (Basic and Diluted)(Not Annualised) - (a) / (b)	(2.08)	-	(2.08)

For Southern Magnesium & Chemicals Limited

Joint Managing Director



SOUTHERN MAGNESIUM AND CHEMICALS LIMITED

Deccan Chambers, 5th Floor, 6-3-666/B, Somajiguda, Hyderabad-500 082
Phones: 23311789, 23312341, Fax: 040-23319871 E-Mail: southernmagnesium@gmail.com
CIN : L27109AP1985PLC005303

UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2017

Extract of Unaudited Financial Results for the Quarter and Nine months ended December 31, 2017

(₹ in lakhs)

Particulars	Quarter ended			Nine months ended	
	12/31/2017	9/30/2017	12/31/2016	12/31/2017	12/31/2016
	(UNAUDITED)	(UNAUDITED)	(UNAUDITED)	(UNAUDITED)	(UNAUDITED)
Total Income from Operations (net)	10.97	77.38	286.00	136.04	539.08
Net Profit/(Loss) for the period (before tax and exceptional items)	(24.37)	(30.94)	149.11	(62.37)	270.19
Net Profit/(Loss) for the period (before tax after exceptional items)	(24.37)	(30.94)	149.11	(62.37)	270.19
Net Profit/(Loss) for the period after tax (after exceptional items)	(24.37)	(30.94)	100.11	(62.37)	181.19
Total comprehensive income for the period	(24.37)	(30.94)	100.11	(62.37)	181.19
Equity Share Capital	30,000,000	30,000,000	30,000,000	30,000,000	30,000,000
Earnings Per Share (Not Annualised):					
Basic : (₹)	(0.81)	(1.03)	3.34	(2.08)	6.04
Diluted : (₹)	(0.81)	(1.03)	3.34	(2.08)	6.04

Notes:

The above is an extract of the detailed format of Quarter ending unaudited financial results filed with the Stock Exchanges under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The full format of the quarter ending unaudited financial results are available on the Stock Exchange Websites (www.bseindia.com) and on the Company's Website:.

The above unaudited financial results have been reviewed by the audit committee and approved by the board at their meeting held on 13-2-18. The statutory auditors of the company have carried out limited review of the results for the quarter ended 31st December, 2017.

For and on behalf of Board of Directors

N. Rajender Prasad
Joint Managing Director

Place : Hyderabad
Date : 13.02.2018



Brahmayya & Co.,

CHARTERED ACCOUNTANTS

VIJAYAWADA, HYDERABAD, VISAKHAPATNAM, GUNTUR, KAKINADA, TANUKU, ALSO AT CHENNAI, BANGALORE AND ADONI.

Limited Review Report

Review Report

To the Board of Directors of Southern Magnesium and Chemicals Limited,

1. We have reviewed the accompanying Statement of Unaudited Financial Results of **SOUTHERN MAGNESIUM AND CHEMICALS LIMITED** ("the Company") for the quarter and nine months ended December 31, 2017 (the "statement") being submitted by the company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016.

This statement is the responsibility of the Company's Management and has been approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting", prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to issue a report on these financial statement based on our review.

2. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, Review of Interim Financial information performed by the Independent Auditor of the Entity, issued by Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free from material misstatements. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
3. The figures for quarter and nine months ended December 31, 2016 included in this statement under report were reviewed/audited by another firm of Chartered Accountants, who were the immediate preceding statutory auditors, who expressed an unmodified conclusion/opinion thereon.





Brahmayya & Co.,

CHARTERED ACCOUNTANTS

VIJAYAWADA, HYDERABAD, VISAKHAPATNAM, GUNTUR, KAKINADA, TANUKU, ALSO AT CHENNAI, BANGALORE AND ADONI.

4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with applicable Indian Accounting Standards (Ind AS) and other recognized accounting principles and policies, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016, including the manner in which it is to be disclosed, or that it contains any material misstatement.

for **BRAHMAYYA & CO.**
Chartered Accountants
Firm's Regn No. 000513S



K. Shraavan

(K.SHRAVAN)

Partner

Membership No. 215798

Place : Hyderabad
Date : 13.02.2018