



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: 29.05.2018
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, 29th May 2018, inter-alia has transacted the following items of agenda:

- Financial Results along with Audit Report have been approved for Quarter and financial year ended 31.03.2018.

This is for your information and record.

For Southern Magnesium and Chemicals Limited

N. Rajender Prasad
Joint Managing Director & CFO



SOUTHERN MAGNESIUM AND CHEMICALS LIMITED

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Date: 29.05.2018

To
Department of Corporate Services
BSE Limited,
14th Floor, PJ Towers,
Dalal Street,
Mumbai – 400 001

Dear Sir,

Sub: Declaration pursuant to Regulation 33 (3) (d) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended

Ref: Scrip code: 513498, Scrip ID: SOUTHMG

In terms of Regulation 33 (3) (d) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, we confirm that the Statutory Auditors, Brahmayya & Co, have issued an Audit Report dated 29.05.2018 with unmodified opinion on the Audited financial results of the company for the quarter and year ended 31.03.2018

Thanking You,

Yours Faithfully,

For Southern Magnesium and Chemicals Limited

(N. Rajender Prasad)

Jt. Managing Director and CFO



Brahmayya & Co.,

CHARTERED ACCOUNTANTS

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

Auditor's Report on Quarterly Financial Results & Year to Date Financial Results of **Southern Magnesium and Chemicals Limited** Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015

To

Board of Directors of **SOUTHERN MAGNESIUM AND CHEMICALS LIMITED.**

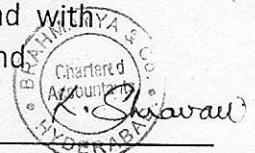
We have audited the accompanying quarterly financial results of **SOUTHERN MAGNESIUM AND CHEMICALS LIMITED** ("Company") for the quarter ended 31st March, 2018 and the year to date financial results for the period from 1st April, 2017 to 31st March, 2018 attached herewith, being submitted by the company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated 5th July 2016.

These quarterly financial results as well as the year to date financial results have been prepared on the reviewed financial results up to the end of the third quarter and audited annual Ind AS financial statements respectively, which are the responsibility of the company's management. Our responsibility is to express an opinion on these financial results based on our audit of such Ind AS financial statements, which have been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard, prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India.

We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatement(s). An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.

Based on our audit conducted as above, in our opinion and to the best of our information and according to the explanation given to us these quarterly financial results as well as the year to date financial results:

- i) are presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated 5th July 2016. in this regard; and





Brahmayya & Co.,

CHARTERED ACCOUNTANTS

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

- ii) give a true and fair view of the net loss, other comprehensive income and other financial information for the quarter ended 31st March, 2018 as well as the year to date financial results for the period from 1st April, 2017 to 31st March, 2018.

The comparative financial information of the Company for the quarter and year ended 31st March 2017, included in these financial results, are based on the previously published financial results/statements for the said periods prepared in accordance with the Companies (Accounting Standards) Rules, 2006 and other accounting principles generally accepted in India audited by predecessor auditor and whose audit report dated 12th May 2017 expressed an unmodified opinion, as adjusted for the differences in the accounting principles adopted by the company on transition to Ind AS, which has been audited by us.

The statement includes the result for the quarter ended 31st March 2018 and the corresponding quarter ended in the previous year as reported in these financial results are the balancing figure between audited figures in respect of the full financial year and the published year to date figures up to the end of the third quarter of the current and previous financial year respectively. Also the figures upto the end of third quarter of the respective financial year had only been reviewed and not subjected to the audit.

Our opinion is not modified in respect of above matter.

Place : Hyderabad
Date : 29.05.2018

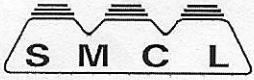
for BRAHMAYYA & CO.
Chartered Accountants
Firm's Regn No. 000513S



K. Shrawan
(K.SHRAVAN)

Partner

Membership No. 215798



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AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED March 31, 2018

Particulars	For the Quarter Ended			For Year ended	
	31-Mar-18	31-Dec-17	31-Mar-17	31-Mar-18	31-Mar-17
	(Audited)	(Unaudited)	(Audited)	(Audited)	(Audited)
I Revenue from operations	20.41	10.97	114.17	161.83	651.92
II Other income	0.85	0.83	2.67	3.62	7.09
III Total Revenue(I+II)	21.26	11.80	116.84	165.45	659.01
IV Expenses					
Cost of materials consumed	11.02		94.40	77.99	403.44
Purchase of stock In trade	-		-	-	-
Change in inventories of finished goods, stock in trade and work in progress	(0.95)	13.32	(50.95)	50.00	(175.15)
Employee benefit Expenses	13.30	12.45	33.76	51.01	70.81
Finance costs	2.68	2.53	1.62	9.09	8.44
Depreciation and amortisation expenses	1.80	1.79	0.60	4.57	1.90
Other expenses	7.29	6.08	19.22	49.02	59.45
Total Expenses(IV)	35.14	36.17	98.65	241.68	368.89
V Profit before Exceptional items andtax	(13.88)	(24.37)	18.19	(76.24)	290.12
VI Exceptional items	(33.30)	-	-	(33.30)	-
VII Tax expense:					
Current tax	-	-	6.01	-	100.47
Deferred tax	-1.72	-	-	(1.72)	-
VII Profit / Loss for the period (VII-VIII)	(45.47)	(24.37)	12.18	(107.82)	189.65
VIII OTHER COMPREHENSIVE INCOME					
A-(i) Items that will be reclassified to the profit or loss	-	-	0	-	-
(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	(45.47)	(24.37)	12.18	(107.82)	189.65
IX Earnings per Equity share-Basic and diluted (Not Annualised)	(1.52)	(0.81)	0.41	(3.59)	6.32
Weighted average number of equity shares (In no's)	3,000,000	3,000,000	3000000	3,000,000	3,000,000

Notes:

1. These Financial results have been prepared in accordance with Indian Accounting Standards (Ind AS) prescribed under Section 133 of Companies Act, 2013 read with relevant rules issued there under and in terms of SEBI (Listing obligations and Disclosure requirements) Regulations, 2015 as modified by circular No. CIR/CFD/FAC/62/2016 dated July 05, 2016.

2. Reconciliation of Net Profit /Loss between financial results as previously reported (referred to as "Previous GAAP") and Ind AS for the period quarter and year ended on 31st March, 2017 as under:

For Southern Magnesium & Chemicals Limited

Joint Managing Director



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Nature of Adjsutment	Note No	For the Quarter ended 31-03-2017	For the Quarter ended 31-03-2017
As per Previous GAAP		12.18	189.65
Adjsutments as per Ind AS		-	-
As Per Ind AS		12.18	189.65

3. 'Reconciliation of Equity between the financial results as previously reported (referred to as "previous GAAP") and Ind AS for the year ended April 01,2016 and March 31,2017 are as under:

Particulars	Note No	As at 31 st March 2017	As at April,01 2016
Total Equity As per Previous GAAP		-49.82	-239.46
Adjsutments as per Ind AS		-	-
Equity as per Ind AS		-49.82	-239.46

3. The Company's business activity falls within a single business segment i.e Magnesium in terms of IND AS 108 on operating
4. For the quarter ended March 31,2018 and December31,2017 and for the year ended March 31,2018 , Income from operations are disclosed net of Goods and Service Tax (GST). Incase of remaining periods , income from operations are disclosed inclusive of excise duty and the same has been in other expenses also. Revenue from the operations (net), for the above /years are not comparable with the previus periods/years to that extent.
5. In view of very limited strength of employees, presently working with the Company, the requirements of Ind AS-19 Employee Benefits in respect of gratuity could not be complied with. However provision for gratuity as required under Payment of Gratuity Act has been provided for and is being paid as and when the liability arises.
6. The above financial results have been reviewed by the audit committee and approved by the board at their meeting held on 29 May,2018. The statutory auditors of the company have expressed an unmodified audit opinion.
7. The figures of the quarter ended March 31,2018 and March ,2017 are the balancing figures between audited figures for the full financial years and published year to date figures upto third quarter of the respective financial year.
8. Previous figures have been regrouped or rearranged wherever necessary to confirm current year classificaation.

For and on behalf of Board of Directors

N. Rajender Prasad
 Joint Managing Director

Place : Hyderabad
 Date : 29-05-2018



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Statement of Assets and Liabilities

Particulars	Amount in ₹	
	As at 31.03.2018	As at 31-03- 2017
ASSETS		
Non-current assets		
(a) Property, Plant and Equipment	49.08	31.25
b) Other Non Current Assets	1.18	-
	<u>50.26</u>	<u>31.25</u>
Current assets		
(a) Inventories	227.15	290.99
(b) Financial Assets	-	-
(i) Trade receivables	21.60	120.60
(ii) Cash and cash equivalents	47.05	52.87
(iii) Others financial assets	5.07	111.20
(c) Other current assets	3.86	2.75
	<u>304.74</u>	<u>578.42</u>
Total Assets	<u>354.99</u>	<u>609.66</u>
EQUITY AND LIABILITIES		
Equity		
(a) Equity Share capital	300.00	300.00
(b) Other Equity	(158.14)	(49.82)
	<u>141.86</u>	<u>250.18</u>
Liabilities		
Non - current liabilities		
(a) Financial Liabilities		
(i) Borrowings	29.80	-
(b) Deferred tax liabilities	6.07	7.79
(c) Provisions	-	7.90
	<u>35.87</u>	<u>15.69</u>
Current liabilities		
(a) Financial Liabilities		
(i) Borrowings	118.11	122.14
(ii) Trade payables	-	-
Micro and small enterprises	-	-
Creditors other than micro and small enterprises	9.76	62.15
(iii) Other financial liabilities	9.23	-
(b) Other current liabilities	6.92	27.21
(c) Provisions	33.25	132.29
	<u>177.26</u>	<u>343.79</u>
Contingent Liabilities and Commitments		
Total Equity and Liabilities	<u>354.99</u>	<u>609.66</u>

For and on behalf of Board of Directors

Place : Hyderabad
 Date : 29.05.2018


 N. Rajender Prasad
 Joint Managing Director