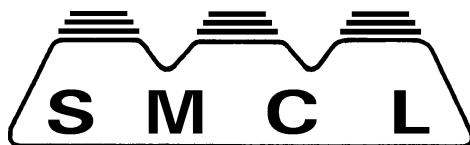


SOUTHERN MAGNESIUM AND CHEMICALS LIMITED



**TWENTY SEVENTH ANNUAL REPORT
2012 - 2013**

BOARD OF DIRECTORS

Sri N. RAVI PRASAD	Managing Director
Sri N. RAJENDER PRASAD	Joint Managing Director
Smt. MARIYAMMA	APIDC Nominee Director (w.e.f.01.02.2013)
Sri K. ESHWARAIAH	Director (up to 18.12.2012 & w.e.f. 30.05.2013)
Sri SNEHAL THAKKAR	Director (up to 30.05.2013)
Sri V. S. S. PRAKASH	Director

REGISTERED OFFICE: Deccan Chambers, 5th Floor, 6-3-666/B,
Somajiguda, Hyderabad – 500 082
Ph: 040-23311789, Fax No: 040-23319871

AUDITORS: K S Rao & Co.
Chartered Accountants,
Hyderabad.

BANKERS: Andhra Bank
Somajiguda, Hyderabad

WORKS: Gowripatnam
West Godavari District

MINES:

1. Mulugu Mandal
Warangal District
Andhra Pradesh
2. Venkatayapalam Village
Khammam District
Andhra Pradesh

LISTED AT: 1) BSE Limited

**REGISTRAR &
SHARE TRANSFER AGENTS:** Aarhi Consultants Private Limited,
1-2-285, Domalguda
Hyderabad-500029
Ph.Nos.040-27638111/27634445
Email : info@aarhiconsultants.com

NOTICE

Notice is hereby given that the 27th Annual General Meeting of the Members of Southern Magnesium and Chemicals Limited will be held on Monday, the 30th September, 2013 at 11.30 AM at Hotel I. K. London Residency, 6-3-656, Kapadia Lane, Somajiguda, Hyderabad – 500 082 to transact the following business.

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2013, the Profit & Loss Account and Cash Flow Statement for the year ended on that date together with the Schedules and Notes attached thereto, along with the Reports of Auditors and Directors thereon.
2. To appoint a Director in place of Sri. V. S. S. Prakash, who retires by rotation and being eligible, offers himself for re-appointment.
3. To re-appoint M/s. K. S. Rao & Co., Chartered Accountants, Hyderabad as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company and to fix their remuneration.

“Resolved that the Statutory Auditors M/s.K.S.Rao & Co, Chartered Accountants, Hyderabad be and are hereby appointed as Auditors of the Company to hold office from the conclusion of this 27th Annual General Meeting of the Company until the conclusion of next Annual General Meeting of the Company at such remuneration as may be determined by the Board of Directors of the Company”.

SPECIAL BUSINESS:

4. To consider and if thought fit, to pass with or without modifications the following resolution as an Ordinary Resolution.
“RESOLVED THAT Smt. Mariamma who was appointed as an APIDC Nominee Director of the company by the Board of Directors at their meeting held on 01.02.2013 and who holds office under section 260 of the Companies Act 1956 until the date of the Annual General Meeting and in respect of who the company has received a notice in writing proposing his candidature for the office of the Director be and is hereby appointed as a APIDC Nominee Director of the Company liable to retire by rotation.”
5. To consider and if thought fit, to pass with or without modifications the following resolution as an Ordinary Resolution.
“RESOLVED THAT Sri. K. Eshwaraiah who was appointed as an Additional Director of the company by the Board of Directors at their meeting held on 30.05.2013 and who holds office under section 260 of the Companies Act 1956 until the date of the Annual General Meeting and in respect of who the company has received a notice in writing proposing his candidature for the office of the Director be and is hereby appointed as a Director of the Company liable to retire by rotation.”

For and on behalf of the board of Directors
SOUTHERN MAGNESIUM AND CHEMICALS LIMITED

Sd/-
(N.Ravi Prasad)
 Managing Director

Place: Hyderabad
 Date: 29.08.2013

NOTES:

1. An Explanatory Statement pursuant to section 173(2) of the companies Act, 1956 in relation to the Special Business of the Meeting is annexed hereto and forms part of this notice.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY OR PROXIES TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF / HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.** Proxies, in order to be effective must be received by the company not less than 48 hours before the commencement of the meeting.
3. The Register of Members and Share Transfer Books of the Company will be closed from 27.09.2013 to 30.09.2013 (Both days inclusive).
4. Members are requested to produce the Attendance Slip duly signed as per the Specimen Signature recorded with the Company/Depository Participant for admission to the meeting hall.
5. Members are requested to notify immediately any change in their address to the Share Transfer Agents and in case their shares are held in dematerialized form, this information should be passed on to their respective Depository Participants.
6. A Member desirous of receiving any information on the accounts or operations of the company is requested to forward his/her queries to the company at least 7 working days prior to the meeting, so that the required information can be made available at the meeting.

7. Members holding shares in physical form are requested to notify immediately any change in their address along with address proof, i.e., Electric /Telephone Bill, Driving License or a copy of passport and Bank particulars to the company or its Registrar & Share Transfer Agent and in case their shares are held in dematerialized form, this information should be passed on directly to their respective Depository Participants and not to the company/RTA without delay.
8. Members, who hold shares in de-materialized form, are requested to bring their Client ID and DP IDs for easier identification of attendance at the meeting.
9. It shall be mandatory for the transferee(s) to furnish copy of PAN Card to the Company/RTAs for registration of transfer of shares for securities market transactions and off market/private transaction involving transfer of shares in physical form of listed companies.
10. As part of Green Initiative in Corporate Governance the Ministry of Corporate Affairs (MCA), Government of India vide its Circular has allowed paperless compliances by Companies inter-alia stating that if the Company sends official documents to their shareholders electronically, it will be in compliance with the provisions of Section 53 of the Companies Act, 1956. Keeping in view shareholders are requested to update their E-Mail ID with their DP.

For and on behalf of the board of Directors
SOUTHERN MAGNESIUM AND CHEMICALS LIMITED

Place: Hyderabad
 Date: 29.08.2013

Sd/-
(N.Ravi Prasad)
 Managing Director

EXPLANATORY STATEMENT

(Pursuant to section 173 (2) of the companies act 1956)

ITEM NO.4

The members may note that Smt. Mariamma was inducted into Board as APDIC Nominee Director of the company, with effect from 01.02.2013 pursuant to the provisions of Section 260 of the Companies Act, 1956 and holds the office as such up to the date of ensuing Annual General Meeting. The company has received notice in writing from member of the Company along with the requisite deposit under Section 257 read with section 190 of the Companies Act, 1956 proposing the candidature of the above said person for the Office of APIDC Nominee Director whose period of office is determinable by retirement of Directors by rotation.

As per the provisions of section 257 of the Act, any such proposal ought to be approved by the members in the General Meeting.

Hence, the Board recommends the resolution for your approval.

None of Directors except Smt.Mariamma may be deemed to be concerned or interested in the resolution.

ITEM NO.5

The members may note that Sri. K. Eshwaraiah was inducted into Board as Additional Director of the company, with effect from 30.05.2013 pursuant to the provisions of Section 260 of the Companies Act, 1956 and holds the office as such up to the date of ensuing Annual General Meeting. The company has received notice in writing from member of the Company along with the requisite deposit under Section 257 read with section 190 of the Companies Act, 1956 proposing the candidature of the above said person for the Office of Director whose period of office is determinable by retirement of Directors by rotation.

As per the provisions of section 257 of the Act, any such proposal ought to be approved by the members in the General Meeting.

Hence, the Board recommends the resolution for your approval.

None of Directors except Sri. K. Eshwaraiah may be deemed to be concerned or interested in the resolution.

For and on behalf of the board of Directors
SOUTHERN MAGNESIUM AND CHEMICALS LIMITED

Place: Hyderabad
 Date: 29.08.2013

Sd/-
(N.Ravi Prasad)
 Managing Director

DIRECTORS' REPORT

Your Directors have pleasure in presenting the 27th Annual Report and the Audited Accounts for the year ended 31st March, 2013.

FINANCIAL REPORT / OPERATIONS:

(Rs. In Lakhs)

Particulars	Current Year As on 31.03.2013	Previous Year As on 31.03.2012
Net Sale and other Income	208.97	163.61
Profit/(Loss) Before Depreciation and Interest	60.02	(2.49)
Depreciation, and Interest	4.81	8.62
Net Profit / Net Loss (-)	55.21	(11.11)
Total Cum. Loss	602.40	(657.61)

It is with deep sorrow that we bring to your attention that our Founder and former Chairman, Padmashree Dr. N. B. Prasad has left for heavenly abode on 29th April this year leaving a big void amongst us. The Board wishes to place on record the unstinted support, advice and guidance that he has given during the last nearly three decades and for the selfless contributions he has made.

REVIEW OF OPERATIONS:

During the year 2012-13, the Company had an income of Rs. 208.97 Lakhs against which the Company incurred a net profit of Rs. 55.21 Lakhs as compared to the income of Rs. 163.61 Lakhs and a net loss of Rs. 11.11 Lakhs in the previous year 2011-12.

DIVIDEND:

In view of the accumulated losses, your Directors have decided not to recommend dividend for the year.

PUBLIC DEPOSITS:

Your Company has not accepted any deposits falling within the meaning of Sec.58A of the Companies Act, 1956 read with the Companies (Acceptance of Deposits) Rules, during the financial year under review.

LISTING:

The equity shares of your company are listed on BSE Limited.

CAPITAL OF THE COMPANY:

The Authorised Capital of the company stands at Rs. 5,00,00,000/- divided into 40,00,000 equity shares of Rs. 10/- each and 10,00,000 preference shares of Rs.10/- each. The Issued, Subscribed and Paid up capital of the company stands at Rs. 4,00,00,000 divided into 30,00,000 equity shares of Rs 10/- each and 10,00,000 preference shares of Rs.10/- each.

SUBSIDIARY COMPANY:

The Company has no subsidiaries.

INSURANCE:

The company's assets have been adequately insured against major risks.

DIRECTORS:

In accordance with the Companies Act, 1956 read with Articles of Association of the company, the Director namely Sri. V. S. S. Prakash, Director retires by rotation and is eligible for re-appointment. Your Board recommends the re-appointment of the Director above in the best interests of the company.

Sri. Snehal A Thakkar resigned the Board on 30.05.2013 and the Board of Directors of the company places on record their sincere appreciation and thanks for the valuable guidelines and contribution given by Sri. Snehal A Thakkar.

Sri. K. Eshwaraiah was appointed as additional director on the board w.e.f. 30.05.2013.

BRIEF PROFILE OF SRI. V. S. S. PRAKASH:

Particulars	Sri. V. S. S. Prakash
Date of Birth	12.05.1958
Date of Appointment	30.04.2009
Qualifications	B.com
No. of Shares held in the Company	Nil

BRIEF PROFILE OF SMT.MARIYAMMA

Particulars	Smt.Mariyamma
Date of Birth	22.05.1957
Date of Appointment	01.02.2013
Qualifications	DGM, APIDC (APIDC Nominee Director)
No. of Shares held in the Company	Nil

BRIEF PROFILE OF SRI. K. ESHWARAIAH:

Particulars	Sri. K. Eshwaraiah
Date of Birth	12.08.1954
Date of Appointment	30.05.2013
Qualifications	DGM RRL (Retd.,) APIDC
No. of Shares held in the Company	Nil
Directorships held in other companies	Nil

DIRECTORS RESPONSIBILITY STATEMENT:

As required under section 217(2AA) of the Companies Act, 1956, your Directors confirm that:

- I) In the preparation of the Annual Accounts, the Applicable accounting standards have been followed.
- II) The Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for the period:
- III) Proper and sufficient care has been taken for the maintenance of adequate accounting record in accordance with the provisions of the Companies Act 1956 for safeguarding the assets of the Company and for the preventing and detecting fraud and other irregularities.
- IV) The Directors have prepared the Annual Accounts on a going concern basis.

PARTICULARS OF EMPLOYEES

There is no employee who is falling under section 217 (2A). Therefore, the disclosures required to be made under section 217 (2A) of the Companies Act, 1956 and the rules made there under are not applicable.

AUDITORS

Your directors propose the appointment of M/s. K. S. Rao & Co, Chartered Accountants, Hyderabad as statutory auditors to hold office until the conclusion of the next Annual General Meeting of the company.

COST AUDITOR

Your Directors have appointed Sri Karuchola Koteswara Rao, Hyderabad, Cost Accountant, as the cost auditor for the financial year 2012-13.

CLARIFICATIONS ON AUDITORS' COMMENT IN AUDITORS REPORT:

1. Emphasis of matter: In view of the losses of the Company, the Board has taken decision to provide for gratuity when it materializes.
2. Basis for qualified opinion: Although this net worth of the Company has been eroded, the Company is presently making profits and hopes to come to positive net worth in the coming years.

MANAGEMENT DISCUSSION AND ANALYSIS:

A detailed review of operations, performance and future outlook of your Company and its businesses is given in the Management Discussion and Analysis, which forms part of this Report.

CORPORATE GOVERNANCE

As a listed company, necessary measures have been taken to comply with the listing agreements of Stock Exchanges. A report on Corporate Governance, along with a certificate of compliance from the Auditors is given elsewhere in the Annual report.

CODE OF CONDUCT:

The Code of conduct has been circulated to all the members of the Board and Senior Management and the compliance of the same has been affirmed by them. Code of conduct has also been placed signed on the website of the company. A declaration signed by the Managing Director is given elsewhere in the Annual report.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

A) Conservation of Energy	Nil
B) Technology absorption, adoption and innovation.	
Specific areas in which R & D carried out by the company	Nil
Benefits derived as a result of the above R & D	Nil
Future plan of action	Nil
Expenditure on R & D	
a. Capital	Nil
b. Recurring	Nil
c. Total	Nil
d. Total R & D Expenditure as a percentage of	
Total Turnover	Nil
1) Efforts made towards Technology	N.A
2) Benefits derived as a result of the above efforts	N.A
3) In case of imported technology imported during 1 st 5 years (reckoned for the beginning of the	
Financial year) following information is furnished:	
a) Technology	N.A
b) Year Import	N.A
c) Has Technology been fully absorbed	N.A
d) If not fully absorbed, area not applicable	N.A
e) Where this has not been the case, reason therefore and future plans of action	N.A

C) FOREIGN EXCHANGE EARNING & OUT GO

During the year Foreign Exchange out go was Rs.85.67 lakhs and Foreign Exchange earnings was Rs. Nil.

ACKNOWLEDGEMENT

Your Directors wish to place on record their appreciation for the excellent service rendered by all the employees of the Company.

DECLARATION BY MANAGING DIRECTOR OF AFFIRMATION BY DIRECTORS AND SENIOR MANAGEMENT PERSONNEL OF COMPLIANCE WITH THE CODE OF CONDUCT:

The shareholders

I, N. Ravi Prasad, Managing Director of the Company do hereby declare that the directors and senior management of the Company have exercised their authority and powers and discharged their duties and functions in accordance with the requirements of the code of conduct as prescribed by the company and have adhered to the provisions of the same.

For and on behalf of the board of Directors
Southern Magnesium and Chemicals Limited

Place: Hyderabad
 Date: 29.08.2013

Sd/-
 (N.Ravi Prasad)
 Managing Director

MANAGEMENT DISCUSSION AND ANALYSIS

The Company was set up to produce primary Magnesium metal. However due to dumping magnesium metal from china we had to shift on focus to downstream products. Today we are largely produce magnesium powders, turnings, and also regular magnesium metal ingots.

OPPORTUNITIES, RISKS, CONCERNS THREATS & OUTLOOK:

We are focused on increasing our market share of existing, products, and forging strong relationship with customers, laying there by a robust foundation for sustainable growth.

The year 2013-14 looks promising with its own sets of challenges and opportunities for us and it is expected that there will be growth in chemical and pharmaceuticals industry.

With global recession and idle/new capacities abroad and a weaker rupee, there is increasing threat of raw material cost increasing. Steep increase in imports into the country and withdrawal of safe guard duty are the concern.

INTERNAL CONTROL SYSTEMS & ADEQUACY:

The Company has established an appropriate system of internal control to ensure that there exists a proper control over all the transactions and that all its assets are properly safeguarded and not exposed to risk arising out of unauthorised use or disposal. The Internal Audit conducted at all divisions for all the key areas of business. The Internal Control System is supplemented by a programme of Internal Audits to ensure that the assets are properly accounted for and the business operations are conducted in adherence to laid down policies and procedures. The Internal Audit is oriented towards review of controls and operational improvements.

FINANCIAL AND OPERATIONAL PERFORMANCE:

Highlights of financial and operational Performance are given below:

Particulars	As at 31.03.2013 (Rs in lakhs)
Net Sale and other Income	208.97
Profit (loss) before Depreciation and interest	60.02
Depreciation And Interest	4.81
Net Profit/ (Net loss)	55.21
Total Cum. Loss	602.40

SEGMENT WISE OR PRODUCT WISE PERFORMANCE: Not Applicable

HUMAN RESOURCES, INDUSTRY DEVELOPMENT RELATIONS:

Relations with the employees remained cordial in general throughout the year. In order to optimise the contribution of the employees to the Company's business and operations, in- house training is given to the employees to induce contribution to productivity increase and development programmes for all levels of employees have been devised. Occupational Health Safety and Environmental Management are given utmost importance.

SENIOR MANAGEMENT DISCLOSURES:

The Company's senior management makes disclosures to the Board relating to all material financial and commercial transactions as when they occur.

CAUTIONARY STATEMENT:

Statement in this Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations or predictions may be 'forward-looking statements' within the meaning of applicable securities laws and regulations and such forward-looking statements involve risks and uncertainties. Actual results could differ materially from those expressed or implied important factors that could make a difference to the Company's operations include raw material availability and prices, cyclical demand and pricing in the Company's principal markets, changes in Government regulations, tax regimes, economic developments within India and the Countries in which the Company conducts business and other incidental factors. The Company undertakes no obligation to publicly update or revise any forward looking statements, whether as a result of new information, future events, or otherwise. Readers are cautioned not to place undue reliance on these forward looking statements that speaks only as of their dates.

For and on behalf of the board of Directors
Southern Magnesium and Chemicals Limited

Sd/-
(N.Ravi Prasad)
Managing Director

Place: Hyderabad
Date: 29.08.2013

REPORT ON CORPORATE GOVERNANCE

1. Company's Philosophy on code of Governance:

Corporate Governance is a synonym for sound management, transparency and disclosure. The Company's Philosophy of Corporate Governance envisages the highest level of transparency, accountability equity in all its dealings with shareholders, employees, government and lenders. The Company's guiding principles are focused to achieve the highest standards of corporate governance. In compliance with the disclosure requirements of Clause 49 of the Listing Agreement executed with the Stock Exchanges the details are set out below:

2. Board of Directors:

Composition and Category of Directors:

The Board of Directors Comprises 2 Executive Directors and 4 Non-Executive Directors. The Composition of the Board is in conformity with the listing requirements.

The details of the Directors being appointed/ re-appointed on retirement by rotation at the ensuing Annual General Meeting, as required pursuant to Clause 49(IV) (G) of the Listing Agreement, are mentioned in the Directors' Report, forming part of the Annual Report.

The names and categories of the Directors on the Board, their attendance at Board Meetings held during the year and the number of Directorships and Committee Chairmanships/Memberships held by them in other companies is given below. Other Directorships do not include alternate directorships, directorships of the private limited companies, section 25 companies and of companies incorporated outside India. Chairmanship/Membership of board Committees includes only Audit and shareholders/ Investor Grievances Committees.

Pecuniary relationship or transaction of the Non-executive Directors vis-à-vis the company. None of the Non-executive Directors has any pecuniary relationship or transactions with the company.

During the Year under review 4 Board Meetings were held on 30.05.2012, 14.08.2012, 14.11.2012 and 01.02.2013.

The compositions of the Board Directors and their attendance at the meeting during the year and at the last Annual General Meeting as also number of other Directorship of committees are as follows:

Name of Director	Category Directorship	No. of Board Meetings Attended	Attendance At Last A.G.M	No. of Other Directorship	Committee Memberships in other cos.
Mr. N. Ravi Prasad	Promoter Managing Director	4	Yes	2	-
Mr. N. Rajender Prasad	Promoter Joint Managing Director	4	Yes	2	-
*Mr.K. Eshwaraiah	Independent Non – Executive Director	-	No	-	-
***Mr. Snehal A.Thakkar	Independent Non – Executive Director	3	No	-	-
Mr.V. S. S. Prakash	Independent Non – Executive Director	3	Yes	-	-
**Mrs. Mariyamma	Nominee Director Independent Non – Executive Director	1	No	2	-

* Appointed w.e.f. 30.05.2013

**Appointed w.e.f. 01.02.2013

***Resigned w.e.f. 30.05.2013

AUDIT COMMITTEE

The composition of the Audit Committee is in compliance with the clause 49 of the Listing Agreement and the terms of reference, role and scope are in line with those prescribed by clause 49 of the Listing Agreement with the Stock Exchanges.

The Audit Committee comprises of 3 (Three) Non-executive Independent Directors and One Executive Director. The Audit Committee met 4 (Four) times during the year under review on 30.05.2012, 14.08.2012, 14.11.2012, 01.02.2013

The Composition of Audit Committee and the details of meeting attended are given below:

Sl. No	Name	Position held in the Committee	Number of committee meeting attended
1	Mr. Snehal A. Thakkar (Up to 30.05.2013)	Chairman	4
2	Mrs. Mariyamma	Member/Chairperson	1
3	Mr. K. Eshwaraiah(w.e.f. 30.05.2013)	Member	-
4	Mr. N. Rajender Prasad	Member	4
5	Mr. V. S. S. Prakash	Member	4

During these meetings, the Committee inter alia, reviewed the financial statements including changes in accounting policies and practices before submitting to the Board, recommended the appointment of statutory Auditors including fixation of audit fee, and reviewed the company's financial and risk management policies.

INVESTORS' GRIEVANCE COMMITTEE:

The responsibilities of the committee include

- (a) to approve share transfers and transmissions and
- (b) to approve splitting of share certificates, consolidation of share certificates and related matters including wish you of fresh share certificates in lieu of the split / consolidated certificates and redressal of all share holders queries and grievances. The Committee has been meeting at regular intervals to resolve the complaints and replied / resolved to the satisfaction of the investors.

During the year the committee met on 20.12.2012, 21.02.2013,30.03.2013

The Composition of share holders / investors' grievance committee and the details of meeting attended are given below.

Sl. No	Name	Position held in the Committee	Number of committee meeting attended
1	Mr. Snehal A Thakkar(up to 30.05.2013)	Chairman	-
2	Mr. K. Eshwaraiah	(w.e.f. 30.05.2013)	Member -
3	Mr.N.Rajender Prasad	Member	3
4	Mr.V.S.S.Prakash	Member	3

REMUNERATION COMMITTEE:

The responsibilities of remuneration committee are to appraise the performance of Executive Directors and senior officers of the Company and to determine and recommended to the Board compensation payable to the above said persons.

The Composition of remuneration committee and the details are given below.

S.No.	Name	Position held in the Committee
1	Mr.K.Eshwaraiyah(w.e.f.30.05.2013)	Chairman
2	Mr.N.Rajender Prasad	Member
3	Mr.V.S.S.Prakash	Member

The details of the share holding and salary / perquisites paid to the Managing Directors and Joint Managing Director for the Financial Year ended 2013 are as under:

S.No.	Name	Salary	Provident Fund	Perquisites	Total	No. of Equity Shares held
1	Mr. N. Ravi Prasad	672000	50400	27069	749469	299850
2	Mr. N. Rajender Prasad	672000	50400	7200	729600	160200

The sitting fees paid for the year 2012-13 to the Board Directors, Audit Committee, Remuneration Committee share holders / investors Grievances Committee are as under.

Name	Sitting Fee
Mr. Snehal A Thakkar	1500

DETAILS ON GENERAL BODY MEETINGS:

Financial Year	Date	Time	Location
2011-2012	29.09.2012	11.30 A.M	Hotel I. K. London, 6-3-656, Kapadia Lane, Somajiguda, Hyderabad – 500 082
2010-2011	30.09.2011	11.30 A.M	Hotel I. K. London, 6-3-656, Kapadia Lane, Somajiguda, Hyderabad – 500 082
2009-2010	30.09.2010	11.30 A.M	Hotel I. K. London, 6-3-656, Kapadia Lane, Somajiguda, Hyderabad – 500 082

POSTAL BALLOT:

During the year 2012-13, there are no resolutions passed under Postal Ballot pursuant to Section 192 A of the Companies Act, 1956.

DISCLOSURES:

- There were no significant related party transactions that may have potential conflict with the interests of the Company at large.
- In the preparation of financial statements, no treatment materially different from that prescribed in Accounting Standards had been followed.
- There were no penalties or strictures imposed on the Company by the Stock Exchanges or SEBI or any statutory authority on any matter related to capital markets at any time during the last 3 years.
- The Company has complied with the non –mandatory requirements to relating to remuneration committee.
- Managing Director of the Company has furnished the requisite Certificates to the Board of Directors under Clause 49 of the Listing Agreement.

MEANS OF COMMUNICATION:

The Quarterly Financial Results and Share Holding Pattern of the Company are furnished to the Stock Exchange.

GENERAL SHARE HOLDERS INFORMATION:**Annual General Meeting:**

Date & Time : Monday, 30.09.2013 at 11.30 A.M.

Venue : Hotel I. K. London, 6-3-656, Kapadia Lane, Somajiguda,
Hyderabad – 500 082

Financial Calendar (Tentative): Financial Year April 2013- to March, 2014

First Quarter Results : 17.07.2013

Second Quarter Results : 14.11.2013

Third Quarter Results : 14.02.2014

Fourth Quarter Results : 30.05.2014

Book Closure Dates : 27.09.2013 to 30.09.2013 (Both Dates inclusive)

Listing on Stock Exchange : BSE Limited

Listing Fees : Listing fee for the year 2013-14 has not been paid

Stock Code : For equity shares: BSE: 513498

ISIN No. : For equity shares: - **INE308N01012**

Stock Market Price Data:

Trading of Shares are in suspension, hence data is not available.

Registrar and Share Transfer Agents:

Aarathi Consultants Private Limited,
1-2-285, Domalguda
Hyderabad-500029
Ph.Nos.040-27638111/27634445
Email : info@aarthiconsultants.com

Share Transfer System:

The Physical shares transfers are processed and the share certificates are returned to the shareholders within a maximum period of 15 days from the date of receipt, subject to the document being valid and complete in all respects.

Any transferee who wishes to demat the shares may approach a Depository Participant along with a duly filled Demat Request Form, who shall, on the basis of the Share Certificate, generate a demat request and send the same to the Registrar and Share Transfer Agents (RTA). On receipt, the Depository Registrar confirms the request.

All the requests for Dematerialization of shares are processed and the confirmation is given within 21 days on receipt.

Name & Details of Compliance Officer:

Mr. N. Rajender Prasad
Deccan Chambers, 5th Floor, 6-3-666/B,
Somajiguda, Hyderabad – 500 082
Ph: 040-23311789
Fax No: 040-23319871
Email Id : southernmagnesium@gmail.com

Distribution of Shareholding as on 31st March, 2013:

No .of Shares	No. of Share Holders		No of Shares Held	
	Nos	%	Nos	%
Up to 500	3794	95.28	524200	17.47
501 - 1000	83	2.08	65200	2.17
1001-2000	39	0.98	59600	1.99
2001-3000	30	0.75	75900	2.53
3001-4000	3	0.08	11000	0.37
4001-5000	3	0.08	14300	0.48
5001-10000	6	0.15	58000	1.93
Above 10001	24	0.60	2191800	73.06
Total	3982	100	3000000	100

Shareholding pattern as on 31st March, 2013:

Particulars	Category	No. of shares held	Percentage of shareholding
A	Shareholding of Promoter and promoter group		
1.	Promoters & Persons acting in concert	1698800	56.63
	Sub- Total A	1698800	56.63
B	Public Shareholding		
1.	Institutions	437500	14.58
2.	Non- Institutions		
	a) Bodies Corporate	NIL	NIL
	b) Indian public and others	863700	28.79
	c) Any others		
	i) NRI's	NIL	NIL
	ii) Clearing Members	NIL	NIL
	Sub Total B	1301200	43.37
	Grand Total (A+B)	3000000	100.00

Dematerialization of Shares and Liquidity:

The Company has obtained demat connectivity with CDSL and the ISIN is INE308N01012. All the shareholders are requested to contact Registrars and Share transfer Agents at the above mentioned address for Dematerialisation of shares.

Address for Investor correspondences:

Mr. N. Rajender Prasad
 Deccan Chambers, 5th Floor,6-3-666/B,
 Somajigua, Hyderabad – 500 082
 Ph: 040-23311789
 Fax No: 040-23319871
 Email Id : southernmagnesium@gmail.com

CEO/MD Certification:

As required by the clause 49 (V) of the Listing Agreement, the certificate from CEO is attached elsewhere in the annual report.

Compliance Certificate:

The Practicing Company Secretary has certified that the company has complied with the conditions of the Corporate Governance as stipulated in clause 49 of the listing agreement and the same forms part of the Annual Report. The Certificate from the Practicing Company Secretary will be sent to the stock exchange along with the Annual Report of the Company.

CERTIFICATE ON CORPORATE GOVERNANCE

To

The Members of
Southern Magnesium and Chemicals Limited

We have reviewed the compliance of conditions of Corporate Governance by M/s. Southern Magnesium and Chemicals Limited, for the year ended on March 31, 2013, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to a review of the procedures and implementations thereof adopted by the Company for ensuring compliance with the conditions of the certificate of Corporate Governance as stipulated in the said Clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement.

No investor grievances are pending for a period exceeding one month against the Company as per the records maintained by the Company

We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For S.S. Reddy & Associates
Practicing Company Secretaries

Sd/-

S. Sarveswara Reddy

C. P. No. 7478

Place: Hyderabad

Date: 29.08.2013

MANAGING DIRECTOR CERTIFICATE

Dear Share Holders,

I N. Ravi Prasad, Managing Director of M/s. Southern Magnesium and Chemicals Limited, Certify that:

1. We have reviewed the financial statements for the year and that to the best of our knowledge and belief:
 - (a) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (b) These statements present a true and fair view of the state of affairs of the Company and of the results of the operations and cash flows. The financial statements have been prepared in conformity, in all material respects, with the existing generally accepted accounting principles including accounting standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of Company's code of conduct.
3. We accept overall responsibility for establishing and monitoring the Company's internal control system for financial reporting and evaluating its effectiveness. Internal Audit function monitors the internal control system for financial reporting, which encompasses the examination and evaluation of the adequacy and effectiveness. Internal Audit works with all levels of management and Statutory Auditors, and reports significant issues to the Audit Committee of the Board. The Auditors and Audit Committee are apprised of any corrective action taken with regard to significant deficiencies and material weakness.
4. We indicate to the Auditors and to the Audit Committee:
 - (a) Significant changes in internal controls over financial reporting during the year;
 - (b) Significant changes in the accounting policies during the year;
 - (c) No instances of significant fraud of which we have become aware of and which involve the management or other employees who have significant role in the Company's internal control system over financial reporting.

However, during the year there were no such changes and instances.

For and on behalf of the board of Directors
Southern Magnesium and Chemicals Limited

Place: Hyderabad
Date: 29.08.2013

Sd/-
(N.Ravi Prasad)
Managing Director

INDEPENDENT AUDITORS' REPORT

To the Members of SOUTHERN MAGNESIUM AND CHEMICALS LIMITED

Report on the Financial Statements

We have audited the accompanying Financial Statements of SOUTHERN MAGNESIUM AND CHEMICALS LIMITED, HYDERABAD (A.P) ("The Company") which comprise the Balance Sheet as at 31st March, 2013 and the Statement of Profit and Loss and Cash flow Statement for the year then ended, and Summary of Significant Accounting Policies and other explanatory information.

Management's responsibility for the Financial Statements

Management is responsible for the preparation of these Financial Statements that give a true and fair view of the Financial position, Financial performance and Cash flows of the Company in accordance with the Accounting Standards referred in the sub-section(3C) of section 211 of the Companies Act 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our Audit. We conducted our Audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain the reasonable assurance about whether the financial statements are free from material misstatement.

An Audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatements of the financial statements, whether due to fraud or error. In making those risk assessments, the Auditor considers internal control relevant to the company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the management, as well as evaluating the overall presentation of the Financial statements

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Basis for qualified opinion:

The Company has not adopted and complied with the requirements of AS-15 'Employee Benefits' in respect of the Gratuity liability, which constitutes a departure from the Accounting standards referred to in section 211(3C) of the Act. In view of this the liability of the company in this regard could not be ascertained. Consequently, we are unable to comment about the impact of this on the profit for the year, income tax and shareholder's funds.

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion Paragraph, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- (b) In the case of the Statement of Profit and Loss, of the profit for the year ended on the date; and
- (c) In the case of the Cash flow statement, of the cash flows for the year ended on that date.

Emphasis of matter

We draw attention to Note 21.1 in the financial statements which states that the Company's current liabilities exceeded its current assets by Rs. 2.32 crores. Further, as indicated by the Company's Balance Sheet as at March 31, 2013, the net worth of the Company has eroded completely. These conditions, indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

Report on other Legal and Regulatory requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - (a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (b) in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - (c) the Balance Sheet, the Statement of Profit and Loss and Cash Flow statement dealt with by this report are in agreement with the books of account;
 - (d) except for the matter described under the basis for qualified opinion paragraph, in our opinion, the Balance sheet, Statement of Profit and Loss, and Cash flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Act;
 - (e) on the basis of Written representations received from the Directors as on March 31, 2013 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a Director in terms of clause (g) of sub-section (1) of section 274 of the Act;
 - (f) Since the Central Government has not issued any notification as to the rate at which cess is to be paid under section 441A of the Companies Act 1956 nor has it issued any rules under the said section prescribing the manner in which such cess is to be paid, no cess is due and payable by the company.

for K.S.Rao & Co.,
Chartered Accountants
Firms' Regn. No. 003109S

Place : Hyderabad
Date : 30-05-2013

Sd/-
(P. Govardhan Reddy)
Partner
Membership No. 029193

ANNEXURE REFERRED TO IN PARAGRAPH 1 OF OUR REPORT OF EVEN DATE

Statement on the Companies (Auditor's Report) Order 2003

Re: SOUTHERN MAGNESIUM AND CHEMICALS LIMITED

- i)
 - (a) The Company maintains proper records showing full particulars, including quantitative details and situation of fixed assets;
 - (b) The fixed assets have been physically verified by the management at reasonable intervals and no material discrepancies were noticed on such verification.
 - (c) The company had not disposed off any fixed assets during the year.
- ii)
 - (a) Management had physically verified the inventory at reasonable intervals.
 - (b) In our opinion the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
 - (c) The Company maintains proper records of inventory and no material discrepancies were noticed on physical verification.
- iii) Sub-para (a) to (d) of paragraph (iii) with regard to Principal recoveries and overdue amounts, are not applicable since the Company has not granted any loans.
 - (e) The Company has taken unsecured loans in earlier years from two Companies and other three parties covered in the register maintained under section 301 of the Act. The maximum amount outstanding at the beginning of the year was Rs.260.50 lakhs and the year end balance was Rs.240.50 lakhs and
 - (f) In our opinion the terms and conditions on which the unsecured loans were availed by the Company are not prima facie prejudicial to the interest of the company.
 - (g) The company has repaid principal amount of Rs.20.00 lakhs during the year and the loans are interest free.
- iv) In our opinion there are adequate internal control systems commensurate with the size of the company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and there were no weaknesses in internal control system.
- v)
 - (a) There were no transactions that need to be entered into a register required to be maintained under section 301 of the Act during the year except acceptance of unsecured loans from directors and inter corporate deposits.
 - (b) In view of the above comment, clause – v (b) is not applicable.
- vi) The Company has not accepted deposits from the public, so the directives issued by the Reserve Bank of India and the provisions of sections 58A, 58AA or any other relevant provisions of the Act and the rules framed there under are not applicable to the Company during the year under report.
- vii) The Company has no internal audit system. However, there are adequate internal control procedures commensurate with its size and nature of its business.
- viii) It is informed that Cost Accounts and records have been made and maintained and the same were not reviewed by us.
- ix)
 - (a) The Company is not regular in depositing undisputed statutory dues including Provident Fund and Sales Tax.

An undisputed amount of Rs.3,01,195/- in respect of interest on Sales Tax was in arrears as at 31.03.2013 for a period of more than six months from the date they became payable.

The Company deposits regularly Excise Duty, Service Tax and Income Tax. During the year under report there were no amounts depositable in respect of Investor Protection Fund, Employee's State Insurance, Wealth Tax, Customs Duty.

- (b) There are no dues of sales tax, income tax, custom tax, wealth tax, cess which have not been deposited on account of any dispute.
- x) Company's accumulated losses at the end of the financial year were more than 50% of its net worth and it had not incurred cash loss in the period under report and incurred cash loss in the immediately preceding financial year.
- xi) Company has not borrowed money from a financial institution or from a bank. Hence, clause (xi), of the above said order is not applicable with regard to defaults in repayments of dues.
- xii) The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii) This clause is not applicable to the Company since this Company is neither a Chit Fund nor Nidhi/ mutual benefit fund Society.
- xiv) The Company is not dealing or trading in shares, securities, debentures and other investments.
- xv) As per the information given by the Company it has not given any guarantee for loans taken by others from bank or financial institutions.
- xvi) During the year under report the Company has not availed term loans. Hence clause (xvi) of the above said order is not applicable.
- xvii) In our opinion the funds raised on short-term basis were not used for long term investment.
- xviii) During the period under report the company had not made any preferential allotment of shares to parties and companies covered in the Register maintained under section 301 of the Act.
- xix) This clause is not applicable since the Company has not issued any Debentures.
- xx) During the period under report the management has not raised any money through public issue.
- xxi) During the year under report no fraud on or by the company has been either noticed or reported.

For K.S.RAO & CO.
Chartered Accountants
Firm Registration No.003109S

Sd/-
(P. Govardhana Reddy)
Partner
Membership No. 029193

Place : Hyderabad
Date : 30.05.2013

BALANCE SHEET AS AT 31ST MARCH, 2013

(All amounts are in Rupees), unless otherwise stated

Particulars	Note No.	As at	
		31 March 2013	31 March 2012
Equity and Liabilities			
(1) Shareholders' funds			
(a) Share capital	2	40,000,000	40,000,000
(b) Reserves and surplus	3	(59,240,226)	(64,761,487)
		(19,240,226)	(24,761,487)
(2) Current liabilities			
(a) Short-term borrowings	4	26,088,142	29,623,505
(b) Trade payables		407,133	188,226
(c) Other current liabilities	5	8,931,927	8,873,801
(d) Short-term provisions	6	152,685	155,035
		35,579,887	38,840,567
Total		16,339,661	14,079,080
Assets			
(1) Non-current assets			
Fixed assets	7		
(i) Tangible assets		3,950,902	4,166,317
(ii) Intangible assets		-	-
		3,950,902	4,166,317
(2) Current assets			
(a) Inventories	8	4,535,959	3,045,636
(c) Trade receivables	9	6,546,754	5,727,808
(d) Cash and cash equivalents	10	260,768	113,941
(e) Short-term loans and advances	11	1,004,438	987,838
(f) Other current assets	12	40,840	37,540
		12,388,759	9,912,763
Total		16,339,661	14,079,080
Significant Accounting Policies	1		
Other Disclosures	21		

The notes on accounts form an integral part of the financial statements.

Per our report of even date

For K.S.RAO & CO.

Chartered Accountants

Firm Registration No.003109S

Sd/-

(P.GOVERDHANA REDDY)

Partner

Membership No. 029193

Place : Hyderabad

Date : 30.05.2013

For and on behalf of the Board of Directors

Sd/-

(N.Ravi Prasad)
Managing Director

Sd/-

(N.Rajender Prasad)
Joint Managing Director

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2013

(All amounts are in Rupees, unless otherwise stated)

Particulars	Note No.	Current Year	Previous Year
Revenue from operations	13	20,879,639	15,583,944
Other income	14	17,061	18,090
Total Revenue		<u>20,896,700</u>	<u>15,602,034</u>
Expenses			
(1) Cost of raw materials consumed	15	11,888,951	9,432,476
(2) Changes in inventories of finished goods	16	(2,228,461)	(112,567)
(3) Employee benefits expense	17	2,558,472	1,982,213
(4) Finance costs	18	233,713	428,752
(5) Depreciation and amortization expense	7	247,215	433,763
(6) Other expenses	19	2,082,849	2,359,788
Total expenses		<u>14,782,739</u>	<u>14,524,425</u>
Profit before exceptional and extraordinary items and tax		6,113,961	1,077,609
Exceptional items:	20		
- (1) Profit on sale of assets		-	759,262
(2) Revocation Charges paid to Bombay Stock Exchange		(592,700)	-
(3) Stocks written off		-	(2,948,788)
Profit/ (Loss) before extraordinary items and tax		<u>5,521,261</u>	<u>(1,111,916)</u>
Extraordinary Items		-	-
Profit/ (Loss) before tax		<u>5,521,261</u>	<u>(1,111,916)</u>
Tax expense:			
(1) Current tax	24.4.1	-	-
(2) Deferred tax	24.4.2	-	-
Profit / (Loss) for the period		<u>5,521,261</u>	<u>(1,111,916)</u>
Earnings per equity share	24 (c)		
(1) Basic		1.67	(0.54)
(2) Diluted		1.67	(0.54)
Significant Accounting Policies	1		
Other Disclosures	21		

The notes on accounts form an integral part of the financial statements

Per our report of even date

For K.S.RAO & CO.

Chartered Accountants

Firm Registration No.003109S

Sd/-

(P.GOVERDHANA REDDY)

Partner

Membership No. 029193

Place : Hyderabad

Date : 30.05.2013

For and on behalf of the Board of Directors

Sd/-

(N.Ravi Prasad)

Managing Director

Sd/-

(N.Rajender Prasad)

Joint Managing Director

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2013

(All amounts are in Rupees, unless otherwise stated)

Sl. No.	Particulars	As at 31 March 2013	As at 31 March 2012
1	Cash Flow from Operating Activities		
	Profit / (Loss) for the period after before tax	5,521,261	(1,111,916)
	Adjustments for:		
	Depreciation	247,215	433,763
	(Profit)/ Loss on sale of assets	-	(759,262)
	Interest expense	233,713	428,752
	Interest received	(16,557)	(18,081)
	Operating Profit before Working Capital changes	5,985,632	(1,026,744)
	Increase/ (Decrease) in Trade Payables	218,907	(530,835)
	Increase/ (Decrease) in Other current liabilities	58,126	(1,571,792)
	Increase/ (Decrease) in Short-term provisions	(2,350)	111,695
	(Increase)/ Decrease in Inventories	(1,490,323)	(850,706)
	(Increase)/ Decrease in Trade receivables	(818,946)	(1,246,409)
	(Increase)/ Decrease in Short-term loans and advances	(16,600)	(167,618)
	(Increase)/ Decrease in Other current assets	(3,300)	(26,500)
	Cash generated from operations	3,931,145	(5,308,909)
	Interest paid during the year	(233,713)	(428,752)
	Net cash flow from Operating Activities (A)	3,697,432	(5,737,661)
2	Cash Flow from Investing Activities		
	Purchase of Fixed Assets	(31,800)	(36,618)
	Sale of Fixed Assets	-	2,454,472
	Interest received during the year	16,557	18,081
	Net cash used in Investing Activities (B)	(15,243)	2,435,935
3	Cash Flow from Financing Activities		
	Repayment of short-term borrowings	(3,535,362)	(453,818)
	Proceeds from Short-term borrowings	-	3,573,505
	Net cash used in Financing Activities (C)	(3,535,362)	3,119,687
	Net Increase/ (Decrease) in Cash and Cash equivalents (A+B+C) (D)	146,827	(182,039)
	Cash and Cash equivalents at the beginning of the year	113,941	295,980
	Cash and Cash equivalents at the end of the year	260,768	113,941

Per our report of even date

For K.S.RAO & CO.

Chartered Accountants

Firm Registration No.003109S

Sd/-

(P.GOVERDHANA REDDY)

Partner

Membership No. 029193

Place : Hyderabad

Date : 30.05.2013

For and on behalf of the Board of Directors

Sd/-

(N.Ravi Prasad)

Managing Director

Sd/-

(N.Rajender Prasad)

Joint Managing Director

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2013

2 Share Capital

(All Amounts in Rupees)

PARTICULARS	As At	As At
	31.03.2013	31.03.2012
Share Capital		
<u>Authorised:</u>		
40,00,000 - Equity Shares of Rs 10/- each.	40,000,000	40,000,000
10,00,000 - 5% Redeemable Cumulative Preference Shares of Rs 10/- each.	10,000,000	10,000,000
<u>Issued, subscribed and paid up:</u>		
30,00,000 - Equity Shares of Rs 10/- each, fully paid up	30,000,000	30,000,000
10,00,000 - 5% Redeemable Cumulative Preference Shares of Rs 10/- each.	10,000,000	10,000,000
	<u>40,000,000</u>	<u>40,000,000</u>

A. The details of share holders holding morethan 5% of total number of shares is given below:

Name of the Share Holder	As at 31st March 2013		As at 31st March 2012	
	Number of shares held	% out of total number of shares of the company	Number of shares held	% out of total number of shares of the company
M/s. Andhra Pradesh Industrial Development Corporation	337,500	11.25%	337,500	11.25%
Mr. N. Ravi Prasad	299,850	10.00%	299,850	10.00%
Dr. N.B. Prasad	443,990	14.80%	225,000	7.50%
M/s. Pumps India Private Limited	-	0.00%	218,990	7.30%
Mr. N. Ranga Prasad	171,000	5.70%	171,000	5.70%
Mr. N. Rajendra Prasad	160,200	5.34%	160,200	5.34%
Total	1,412,540		1,412,540	

B. The reconciliation of number of shares outstanding as at the beginning and end of the reporting period is given below:

Particulars	Equity Shares		Preference Shares	
	Number of Share held	Amount	Number of shares held	Amount
Shares outstanding at the beginning of the year	3,000,000	30,000,000	1,000,000	10,000,000
Add: Shares Issued during the year	-	-	-	-
	3,000,000	30,000,000	1,000,000	10,000,000
Less: Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	3,000,000	30,000,000	1,000,000	10,000,000

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2013

C. Rights, preferences and restrictions attached to shares

- a. **Equity Shares:** The company has one class of equity shares having a par value of Rs.10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.
- b. Preference Shares: 5% Cumulative Redeemable Preference shares were issued by the Company with the following periods of redemption:

Date of issue	No. of preference shares	Face value	Amount in Rs.	Time Limit for redemption*
29.03.1999	300,000	10/-	3,000,000	Redeemable at par after 3 years and before 7 years
29.03.1999	300,000	10/-	3,000,000	Redeemable at par after 3 years and before 5 years
28.09.1999	100,000	10/-	1,000,000	Redeemable at par after 3 years before 10 years.
17.04.2000	200,000	10/-	2,000,000	Redeemable at par after 3 years and before 7 years
24.07.2000	100,000	10/-	1,000,000	Redeemable at par after 3 years and before 10 years.

* Period of redemption is extended up to March 2015 vide a resolution passed on 27.09.2005 through postal ballot.

The above shares are redeemable at par.

3 Reserves and Surplus

(All amounts are in Rupees, unless otherwise stated)

Particulars	As at 31 March 2013		As at 31 March 2012	
	Capital Reserve - Subsidy received		1,000,000	-
<u>Balance in Statement of Profit and Loss</u>				
Balance as per last financial statements	(65,761,487)		(64,649,571)	
Profit / (Loss) for the period	5,521,261	(60,240,226)	(1,111,916)	(65,761,487)
Total		(59,240,226)		(64,761,487)

4 Short-term borrowings

Particulars	As at 31 March 2013	As at 31 March 2012
Unsecured		
Loans repayable on demand		
A. Related Parties (Interest-free)		
Inter Corporate Deposits	3,750,000	3,750,000
Directors	20,300,000	22,300,000
B. Others		
Shriram City Union Finance Limited	2,038,142	3,573,505
Total	26,088,142	29,623,505

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2013

5 Other current liabilities

(All amounts are in Rupees, unless otherwise stated)

Particulars	As at 31 March 2013	As at 31 March 2012
Dues to Directors	4,646,350	4,731,926
Advances from customers	1,699,862	1,699,862
Creditors for expenses	1,744,033	2,011,628
Other payables - Statutory dues		
TDS	13,571	30,227
Excise duty	498,972	253,833
VAT and CST	310,457	126,787
Provident fund	18,582	18,918
Profession tax	100	620
Total	8,931,927	8,873,801

6 Short-term provisions

Particulars	As at 31 March 2013	As at 31 March 2012
Provision for employee benefits		
Gratuity	100,000	100,000
Bonus	52,685	55,035
Total	152,685	155,035

Notes to Financial Statements for the year ended 31st March, 2013

7 Fixed Assets

(All amounts are in Rupees, unless otherwise stated)

Particulars	GROSS BLOCK			DEPRECIATION / AMORTISATION			NET BLOCK			
	As at 31.03.2012	Additions during the year	Deletions during the year	As at 31.03.13	Upto 31.03.12	For the Year	On deletions	Upto 31.03.13	As at 31.03.13	As at 31.03.12
(a) Tangible Assets										
Land:										
Factory	235,862	-	-	235,862	-	-	-	-	235,862	235,862
Mines	105,000	-	-	105,000	-	-	-	-	105,000	105,000
Mines - Lease Hold	197,651	-	-	197,651	-	-	-	-	197,651	197,651
Buildings:										
Factory	4,135,121	-	-	4,135,121	2,517,757	138,113	-	2,655,870	1,479,251	1,617,364
Non-Factory	2,497,589	-	-	2,497,589	783,294	40,711	-	824,005	1,673,584	1,714,295
Plant and Machinery	1,404,803	-	-	1,404,803	1,303,063	31,500	-	1,334,563	70,240	101,740
Furniture and Fixtures	258,584	-	-	258,584	258,517	-	-	258,517	67	67
Vehicles	632,318	-	-	632,318	600,702	-	-	600,702	31,616	31,616
Office equipment	286,321	26,800	-	313,121	219,565	13,600	-	233,165	79,956	66,756
Electrical Installations	82,966	-	-	82,966	78,766	-	-	78,766	4,200	4,200
Weighing Machines	405,491	5,000	-	410,491	385,216	5,000	-	390,216	20,275	20,275
Fire Fighting Equipment	29,810	-	-	29,810	28,439	-	-	28,439	1,371	1,371
Data Processing Equipment	112,840	-	-	112,840	83,451	18,291	-	101,742	11,098	29,389
Lab Equipment	814,615	-	-	814,615	773,884	-	-	773,884	40,731	40,731
Total	11,198,971	31,800	-	11,230,771	7,032,654	247,215	-	7,279,869	3,950,902	4,166,317
Previous Year	15,496,497	36,618	4,334,144	11,198,971	9,237,825	433,763	2,638,934	7,032,654	4,166,317	6,258,672
(b) Intangible Assets										
Process Knowhow	500,000	-	-	500,000	500,000	-	-	500,000	-	-
Total	500,000	-	-	500,000	500,000	-	-	500,000	-	-
Previous Year	500,000	-	-	500,000	500,000	-	-	500,000	-	-

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2013

8 Inventories

(All amounts are in Rupees, unless otherwise stated)

Particulars	As At 31.03.2013	As At 31.03.2012
Raw materials	-	738,138
Finished goods	4,535,959	2,307,498
Total	<u>4,535,959</u>	<u>3,045,636</u>

Finished Goods have been valued at the lower of cost and net realisable value

The inventories have been valued and certified by the Managing Director

9 Trade Receivables (Unsecured)

Particulars	As At 31.03.2013	As At 31.03.2012
Debts outstanding for a period exceeding six months		
Considered good	498,557	63,805
Considered doubtful	<u>701,830</u>	<u>701,830</u>
	1,200,387	765,635
Other debts considered good	5,346,368	4,962,173
Total	<u>6,546,755</u>	<u>5,727,808</u>

10 Cash and cash equivalents

Particulars	As At 31.03.2013	As At 31.03.2012
Balances with banks	66,529	57,006
Cash on hand	48,669	56,935
Fixed Deposit (Margin Money)	145,570	-
Fixed deposit receipts are held by a bank as 100% margin, with a lien marked in their favour for the bank guarantees issued by them.		
Total	<u>260,768</u>	<u>113,941</u>

11 Short-term loans and advances

Particulars	As At 31.03.2013	As At 31.03.2012
Unsecured, Considered Good		
Advance for purchase and expenses	743,049	736,629
Advances to staff	-	3,612
Advance tax & tax deducted at source	107,572	60,401
Deposits recoverable	117,196	187,196
Earnest Money Deposit	<u>36,621</u>	-
Total	<u>1,004,438</u>	<u>987,838</u>

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2013

12 Other current assets

(All amounts are in Rupees, unless otherwise stated)

Particulars	As At 31.03.2013	As At 31.03.2012
Balance with Central Excise	34,392	37,540
Internet accrued	6,448	-
Total	<u>40,840</u>	<u>37,540</u>

13 Revenue from operations

Particulars	Current Year	Previous Year
Sale of products	21,784,659	16,529,361
Income from Job work	1,517,406	498,600
	<u>23,302,065</u>	<u>17,027,961</u>
Less: Excise duty	<u>(2,422,426)</u>	<u>(1,444,017)</u>
Total	<u>20,879,639</u>	<u>15,583,944</u>

14 Other Income

Particulars	Current Year	Previous Year
Interest Income	16,557	18,081
Credit balances written off	-	9
Interest Income Pertaining to Previous year	504	-
Total	<u>17,061</u>	<u>18,090</u>

15 Raw materials consumed

Particulars	Current Year	Previous Year
Opening Stock of Raw Materials	738,138	-
Add: Purchases during the year	<u>11,150,813</u>	<u>13,119,402</u>
	11,888,951	13,119,402
Less: Stocks written off	<u>-</u>	<u>2,948,788</u>
	11,888,951	10,170,614
Less: Closing Stock of Raw Materials	<u>-</u>	<u>738,138</u>
Total	<u>11,888,951</u>	<u>9,432,476</u>

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2013

Details of raw materials consumed

(All amounts are in Rupees, unless otherwise stated)

Particulars	Current Year	Previous Year
Magnesium Metal	2,729,445	3,073,161
Magnesium Powder	9,159,506	6,359,315
Total	<u>11,888,951</u>	<u>9,432,476</u>

16 Changes in inventories of finished goods

Particulars	Current Year	Previous Year
Opening Stock:		
Finished Goods	2,307,498	2,194,931
Work-in-progress	-	-
	<u>2,307,498</u>	<u>2,194,931</u>
Closing Stock:		
Finished Goods	4,535,959	2,307,498
Work-in-progress	-	-
	<u>4,535,959</u>	<u>2,307,498</u>
(Increase)/ Decrease in inventories	(2,228,461)	(112,567)

17 Employee Benefits Expense

Particulars	Current Year	Previous Year
Salaries, Wages and Bonus	2,402,893	1,867,301
Staff welfare expenses	36,046	33,044
Contribution to provident fund	119,533	81,868
Total	<u>2,558,472</u>	<u>1,982,213</u>

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2013

18 Finance Costs

(All amounts are in Rupees, unless otherwise stated)

Particulars	Current Year	Previous Year
Interest expense	212,713	428,752
Other Borrowing Costs	21,000	-
Total	<u>233,713</u>	<u>428,752</u>

19 Other Expenses

Particulars	Current Year	Previous Year
Consumption of general stores	4,380	2,760
Power	212,164	215,475
Repairs to : Plant and machinery	147,449	61,573
: Other assets	3,944	14,816
Insurance	12,925	3,940
Rates and taxes, excluding, taxes on income	15,373	19,797
Payments to Auditor as : auditor	28,090	28,090
: for certification	10,111	7,721
Packing material	127,184	79,047
Carriage and freight	519,330	329,059
Postage, telegrams and telephones	157,524	153,259
Revocation charges paid to Bombay Stock Exchange	-	250,000
Travelling and conveyance	101,530	143,451
Vehicle maintenance	54,825	123,973
General charges	354,206	392,848
Professional charges	78,776	278,923
Liquidator damage charges	9,899	206,188
Excise duty (See Note - 21.3)	245,139	48,867
Total	<u>2,082,849</u>	<u>2,359,788</u>

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2013

1. Significant Accounting Policies

a) The financial statements are prepared on the basis of historical cost.

b) Fixed Assets:

Tangible fixed assets are stated at cost net of depreciation provided.

c) Depreciation

Depreciation on the tangible fixed assets is provided on Straight line Method Basis in accordance with Schedule XIV to the Companies Act, 1956.

d) Inventory:

a. Raw materials are valued at cost.

- b. Finished goods and Work in progress are valued at lower of cost and net realisable value. Excise duty against finished goods lying in bonded godown at the end of the year is considered by making appropriate adjustments in the statement of profit and loss.
- c. Stocks are valued on the basis of 'weighted average cost' method.
- e) **Provident Fund**
Provident Fund contributions are remitted to Provident Fund Commissioner and the same are charged to revenue.
- f) **Contingent Liabilities**
All Contingent Liabilities are indicated by way of a note and would be paid/ provided upon crystallization.
21. Other disclosures
- 21.1 Financial statements of the Company have been prepared on "Going concern basis" despite complete erosion of net worth and the current liabilities exceeding the current assets by Rs.2,31,91,128 as at 31 March 2013.
- 21.2 Arrears of Fixed cumulative dividends on preference shares.

Particulars	Current Year Rs.	Previous Year Rs.
Arrears of cumulative Dividend on 5 % preference shares	67.25	62.25
(The Cumulative Preference Shareholders have agreed for reduction in the rate of dividend payable from 14% to 5% with retrospective effect from 1999 and the time for the maturity of the cumulative preference shares has been extended till March 2015.) (Refer Note – 2C(b))		

- 21.3 Excise Duty expenditure of Rs. 2,45,139/- represents the differential excise duty in respect of finished goods as on 31.03.2012 and as on 31.03.2013.

23. Additional Information :

- a. Value of imports calculated on C.I.F basis during the financial year in respect of:

Particulars	Current Year Rs.	Previous Year Rs.
Raw materials	78,29,721	97,19,762
Total	78,29,721	97,19,762

- b. Earnings in foreign exchange:

The Company has no earnings in foreign exchange for the year to report.

- c. The value of consumption of imported and indigenously obtained raw materials, stores and spare parts and the percentage of each to the total consumption:

Particulars	Current Year Rs.		Previous Year Rs.	
	Amount	%	Amount	%
Indigenous	33,13,743	27.89	30,73,161	32.58
Imported	85,67,859	72.11	63,59,315	67.42
Total	1,18,81,602		94,32,476	100

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2013

24. Disclosures in accordance with the requirements of Accounting Standards stated under the Companies (Accounting Standards) Rules, 2006.

The Company has made disclosures in accordance with the Accounting Standards as applicable for the year under report.

24.1 Segment Reporting

The Company operates only in one segment i.e, manufacture and sale of magnesium metal related products and hence, Segment Reporting in accordance with Accounting Standard -17 is not applicable.

24.2 Related Party Disclosures

The Related party disclosures as required by AS – 18 are given below:

S.No.	Related Parties	Nature of Relationship
1	Southern Electrodes Ltd	Associate Companies
2	Pumps (India) Pvt. Ltd	
4	Sri.N.Ravi Prasad, Managing Director	Key Management Personnel
5	Sri.N.Rajender Prasad, Joint Managing Director	
6	Smt.N.Anantha Lakshmi	Relatives of Key Management personnel
7	Sri.N.B.Prasad	
8	Sri N.Ram Prasad	

1. Transactions with associate Companies

S.No.	Nature of transaction	Current Year Rs.	Previous Year Rs.
1	Inter Corporate Deposits received:		
	Outstanding at the beginning of the year	37,50,000	37,50,000
	Received during the year	-	-
	Repaid during the year	-	-
	Outstanding at the close of the year	37,50,000	37,50,000
2	Current Liabilities:		
	Outstanding at the beginning of the year	13,02,618	22,89,220
	Received during the year	1,50,000	8,32,898
	Repaid during the year	4,43,898	18,19,500
	Outstanding at the close of the year	10,08,720	13,02,618

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2013

2. Transactions with Key Management personnel

S.No.	Nature of transaction	Current Year Rs.	Previous Year Rs.
1	Remuneration	13,44,000	9,74,752
2	Un secured Loans:		
	Outstanding at the beginning of the year	98,00,000	1,00,00,000
	Received during the year	-	-
	Repaid during the year	20,00,000	2,00,000
	Outstanding at the close of the year	78,00,000	98,00,000
3	Current Liabilities:		
	Outstanding at the beginning of the year	6,70,164	25,11,188
	Received during the year	59,11,472	44,08,706
	Repaid during the year	55,01,729	62,49,730
	Outstanding at the close of the year	10,79,907	6,70,164

3. Transactions with relatives of Key Management personnel

S.No.	Nature of transaction	Current Year Rs.	Previous Year Rs.
1	Un secured Loans:		
	Outstanding at the beginning of the year	1,25,00,000	1,25,00,000
	Received during the year	-	-
	Repaid during the year	-	-
	Outstanding at the close of the year	1,25,00,000	1,25,00,000
2	Current Liabilities:		
	Outstanding at the beginning of the year	40,61,762	46,20,997
	Received during the year	-	-
	Repaid during the year	5,00,000	5,59,235
	Outstanding at the close of the year	35,61,762	40,61,762

24.3 Earnings per share

The computation of earnings per share as required under AS – 20 is given below:

Particulars	Current Year Rs.	Previous Year Rs.
Profit /(Loss) as per Profit & Loss Account	55,16,217	(11,11,916)
Less: Preference Dividend @ 5% of Rs. 1,00,00,000	(5,00,000)	(5,00,000)
Earnings available to Equity shareholders	50,16,217	(16,11,916)
Number of equity Shares outstanding	30,00,000	30,00,000
Basic and diluted earnings per share in Rupees (face value of Rs.10/-)	1.67	(0.54)

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2013

24.4 Taxes on income

24.4.1 Current Tax

Provision for current tax is not made, in view of the brought forward unabsorbed depreciation and business loss, in accordance with the provisions of the Income-tax Act, 1961 as well as book profits tax under Section 115JB of the Income-tax Act, 1961.

24.4.2 Deferred Tax

In view of the absence of reasonable certainty that sufficient future taxable income will be available against which deferred tax asset can be realized, the Company has considered it prudent not to provide for deferred tax asset of Rs. 82,72,453 (Previous Year Rs. 1,11,68,149), in accordance with Accounting Standard – 22, Accounting for taxes on income, resulted on account of brought forward losses and unabsorbed depreciation.

S.No.	Items of Deferred Tax Assets	Current Year Rs.	Previous Year Rs.
1	Unabsorbed Depreciation	2,97,32,903	3,37,65,112
2	Unabsorbed Loss	-	23,21,026
3	Disallowances under 43 B	98,295	9,745
4	Disallowances under 40(a)(ia)	1,250	35,811
	Total (A)	<u>2,98,32,448</u>	<u>3,61,31,694</u>

S.No.	Items of Deferred Tax Liabilities	Current Year Rs.	Previous Year Rs.
1	Net Block as per books	329,50,902	41,66,317
2	Net Block as per I.T. Act	8,90,148	8,91,785
	Total (B)	<u>30,60,754</u>	<u>32,74,532</u>

Particulars	Current Year Rs.	Previous Year Rs.
Net Deferred Tax Asset (A-B)	<u>2,67,71,694</u>	<u>3,28,57,162</u>
Tax thereon @ 33.99%	<u>82,72,453</u>	<u>1,11,68,149</u>

25. Dues to Micro, Small and Medium Enterprises
On the basis of details furnished by the suppliers, there are no amounts to be reported as dues to micro, small and medium enterprises as required under section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act").
26. Previous Year's figures
Previous Year's figures have been reclassified, wherever necessary so as to conform with the requirements of the Revised Schedule VI to the Companies Act, 1956.

Per our report of even date

For K.S.RAO & CO.

Chartered Accountants

Firm Registration No.003109S

Sd/-

(P.GOVERDHANA REDDY)

Partner

Membership No. 029193

Place : Hyderabad

Date : 30.05.2013

For and on behalf of the Board of Directors

Sd/-

(N.Ravi Prasad)

Managing Director

Sd/-

(N.Rajender Prasad)

Joint Managing Director



SOUTHERN MAGNESIUM AND CHEMICALS LIMITED

Regd. Office: DECCAN CHAMBERS (5th Floor), 6-3-666/B, Somajiguda, Hyderabad - 500 082.

ATTENDANCE SLIP

(To be handed over at the entrance of the meeting hall)

Name of the attending Member (In Block Letters)

Member's Registered Folio Number

Name of Proxy (In Block Letters)

(To be filled, if the Proxy attends instead of the Member)

No. of Shares held _____

I hereby record my presence at the Twenty Sixth Annual General Meeting of the Company held at Hotel I.K. London,6-3-656, Kapadia Lane, Somajiguda; Hyderabad – 500 082; on Monday the 30th September 2013 at 11.30 A.M.

(Member's / Proxy's Signature)

(To be signed at the time of handing over this slip)

Note: Since it will not be possible to distribute copies of the Annual Report at the Meeting Hall, the Members are requested to bring their copy of the Annual Reprout to the Meeting.

----- TEAR HERE -----



SOUTHERN MAGNESIUM AND CHEMICALS LIMITED

Regd. Office: DECCAN CHAMBERS (5th Floor), 6-3-666/B, Somajiguda, Hyderabad - 500 082.

FROM OF PROXY

FOLIO NO.

I/We _____ of _____ being a Member / Members of the above named Company hereby appoint _____ of _____ or failing him _____ of _____ as my / our proxy to attend and vote for me / us and on my/our behalf at the Twenty Sixth Annual General Meeting of the Company to be held on Monday, the 30th September 2013 and at any adjournment thereof. Signed this _____ of _____ 2013

Affix Rev- enue Stamp

Signature

Note: This Instrument of Proxy should be deposited at the Registered Office of the Company not less than 48 (Forty Eight) hours before the time of holding the meeting.

BOOK-POST
Printed Matter



If undelivered please return to :

SOUTHERN MAGNESIUM AND CHEMICALS LIMITED

Regd. Office: DECCAN CHAMBERS (5th Floor), 6-3-666/B,
Somajiguda, Hyderabad - 500 082.

Phone : 23311789, 23312341



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

FORM B

Format of covering letter of the annual audit report to be filed with the Stock Exchange

1.	Name of the Company	Southern Magnesium and Chemicals Limited
2.	Annual Financial Statements for the Year ended	31 March 2013
3.	Type of Audit qualification	Qualified
4.	Frequency of qualification	Appeared first time 2007-08 repetitive since 6 years
	Draw attention to relevant notes in the annual financial statements and management response to the qualification in the directors report:	<p>Basis for Qualified Opinion The Company has not adopted and complied with the requirements of AS-15 'Employees Benefits' in respect of the Gratuity liability, which constitutes a departure from the Accounting standards referred to in section 211 (3C) of the Act. In view of this the liability of the company in this regard could not be ascertained. Consequently, we are unable to comment about the impact of this on the profit for the year, income tax and shareholder's funds. (refer Page No.15)</p> <p>Emphasis of matter We draw attention to Note 21.1 in the financial statements which states that the Company's Current liabilities exceeded its current assets by Rs.2.32 crores. Further, as indicated by the Company's Balance Sheet as at March, 31, 2013, the net worth of the Company has eroded completely. These conditions, indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. (refer page No.16)</p> <p>Managements Response 1) Basis for qualified opinion: In view of the losses of the Company, the Board has taken decision to provide for gratuity when it materializes. 2) Emphasis of matter: Although this net worth of the Company has been eroded, the Company is presently making profits and hopes to come to positive net worth in the coming years. (refer page No.5)</p>
	Additional comments from the Board/Audit Committee Chair:	Nil

Signed by

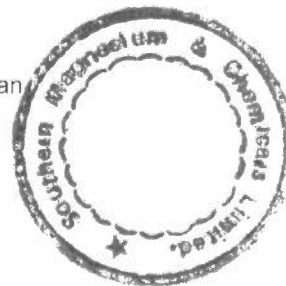
For Southern Magnesium and Chemicals Ltd

N. Ravi Prasad
Managing Director



For Southern Magnesium and Chemicals Ltd

Snehal A Thakkar
Audit Committee Chairman



For K S Rao & Co
Chartered Accountants
Firms' Regn. No. 003109S

P. Govardhan Reddy
Partner
Membership No.029193

