



# SOUTHERN MAGNESIUM AND CHEMICALS LIMITED

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

SOUTHERN MAGNESIUM AND CHEMICALS LIMITED  
 Un-audited Financial Results for the quarter and nine months ended 31.12.2015

PART - 1

Rupees (lakhs)

	Particulars	Quarter Ended (Un-Audited)			Nine Months Ended (Un-Audited)		Year ended (Audited)
		31.12.15	30.09.15	31.12.14	31.12.15	31.12.14	31.03.2015
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
1	Income from operations:						
	(a) Net Sales / Income from operations (Net of excise duty)	62.13	107.76	156.05	234.22	327.83	546.64
	(b) Other operating Income	0.00	0.00	0.00	0.00	0.00	0.00
	<b>Total income from operations (net)</b>	<b>62.13</b>	<b>107.76</b>	<b>156.05</b>	<b>234.22</b>	<b>327.83</b>	<b>546.64</b>
2	Expenses						
	a) Cost of raw materials consumed	10.69	8.17	86.76	91.52	131.42	205.99
	b) Changes in inventories of finished goods and work-in-progress	14.55	32.85	(16.86)	(21.30)	(5.18)	4.88
	c) Employee benefits expense	11.37	11.52	11.20	34.20	28.57	43.65
	d) Depreciation and amortization expense	0.43	0.43	0.41	1.29	1.23	1.05
	e) Other Expenses	5.49	6.01	8.49	25.44	23.38	30.39
	<b>Total Expenses</b>	<b>42.53</b>	<b>58.98</b>	<b>70.02</b>	<b>131.15</b>	<b>179.45</b>	<b>286.55</b>
3	Profit/ (Loss) from operations before other income & finance exceptional items (1-2)	19.60	48.78	85.03	103.07	148.38	260.09
4	Other Income	0.38	0.14	0.43	0.66	1.30	2.14
5	Profit/ (Loss) before finance & exceptional items (3+4)	19.98	48.92	86.46	103.73	149.68	262.23
6	Finance Cost	2.89	2.50	1.94	7.09	6.00	5.99
7	Profit/(Loss) after financial but before exceptional items (5-6)	17.09	46.42	84.52	96.65	143.68	256.24
8	Exceptional items	0.00	0.00	0.00	0.00	88.08	81.10
9	Profit/ (Loss) from ordinary activities before Tax (7+8)	17.09	46.42	84.52	96.65	209.76	337.34
10	Tax expense	0.00	0.00	0.00	0.00	0.00	11.70
11	Net Profit/(Loss) from ordinary activities after tax (9-10)	17.09	46.42	84.52	96.65	209.76	325.64
12	Extraordinary items	0.00	0.00	0.00	0.00	0.00	0.00
13	Net Profit/ (Loss) for the period (11-12) (See Note no. 3 given below)	17.09	46.41	85	96.65	209.76	325.64
14	Paid up equity Share Capital (Rs. 10/- Share Face value)	300	300	300	300	300	300
15	Reserves excluding revaluation reserves as per Balance Sheet of previous accounting year	10	10	10	10	10	10
16	Earnings per Share (EPS) (in rupees)						
	a) Basic and diluted EPS -Rs. (before extraordinary items).	0.57	1.55	2.82 (See note no. 4 below)	3.22	6.99 (See note no. 4 below)	10.69
	b) Basic and diluted EPS -Rs. (after Extraordinary items)	0.57	1.55	2.82	3.22	6.99	10.69



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## PART - 2

### A. Particulars of Shareholding

S.no	PARTICULARS	Quarter Ended (Un-Audited)			Nine Months Ended (Un-Audited)		Year ended (Audited)
		31.12.15	30.09.15	31.12.14	31.12.15	31.12.14	31.03.2015
1	Public Share holding - Number of shares - percentage of share holding	13,01,200 43.35%	13,01,200 43.35%	13,01,200 43.35%	13,01,200 43.35%	13,01,200 43.35%	13,01,200 43.35%
2	Promoters and Promoter Group Shareholding	16,98,800	16,98,800	16,98,800	16,98,800	16,98,800	16,98,800
	a) Pledge / encumbered						
	- Number of shares	Nil	Nil	Nil	Nil	Nil	Nil
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	Nil	Nil	Nil	Nil	Nil	Nil
	- Percentage of shares (as a % of the total share Capital of the company)	Nil	Nil	Nil	Nil	Nil	Nil
	b) Non-encumbered						
	-Number of Shares	16,98,800	16,98,800	16,98,800	16,98,800	16,98,800	16,98,800
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	100%	100%	100%	100%	100%	100%
	- Percentage of shares (as a % of the total share Capital of the company)	56.65%	56.65%	56.65%	56.65%	56.65%	56.65%

### B. Investor Complaints

S.no	Particulars	Quarter Ended 31.12.2015
1	Pending at the beginning of the quarter	Nil
2	Received during the quarter	Nil
3	Disposed of during the quarter	Nil
4	Remaining unresolved at the end of the quarter	Nil

Place : Hyderabad

Date : 10.02.2016

Sd/-  
(N.Rajender Prasad)  
Jt. Managing Director

The above Results were subjected to a limited review by the statutory auditors of the Company and were reviewed and recommended by the Audit Committee and approved by the Board of Directors at their meeting held on 18th February 2016.

2 Sales figures are net of duties and taxes

3 Profits and EPS for the periods under report are subject to book profit tax (MAT) which is considered at the relevant end-year.

4 Subject to Preference dividend of Rs.5.00 (Rs) per annum which is considered at the year end.

5

Effective April 01, 2014, the Company has revised its estimates of useful lives of its fixed assets as prescribed in part 'C' of Schedule II to the Companies Act 2013. "Carrying amount less residual value" of the assets whose remaining useful life has become 'Nil' at the beginning of the period has been added to the debit balance in statement of Profit & Loss amounting to Rs. 19,782, debit balance in the statement of Profit & Loss as on 01.04.2014 is more by Rs. 19,782.

6 The company has not adopted AS-15 "Employee Benefits" for providing its liability towards employee benefits. The impact on the above results could not be ascertained due to non-adoption of AS-15



TO  
THE BOARD OF DIRECTORS  
SOUTHERN MAGNESIUM AND CHEMICALS LIMITED  
HYDERABAD.

**REVIEW REPORT ON FINANCIAL INFORMATION OF SOUTHERN MAGNESIUM  
AND CHEMICALS LIMITED FOR THE QUARTER AND NINE MONTHS ENDED  
31<sup>ST</sup> DECEMBER 2015 TO BE SUBMITTED TO STOCK EXCHANGES**

1. We have reviewed the accompanying statement of unaudited financial results of **SOUTHERN MAGNESIUM AND CHEMICALS LIMITED**, 6-3-666/B, 5th Floor, Deccan Chambers, Somajiguda, Hyderabad – 500 082, Telangana ("the Company") for the period ended 31<sup>st</sup> December, 2015 being submitted by the Company pursuant to the requirements of Clause 41 of the Listing Agreement with the Stock Exchanges except for the disclosures regarding 'Public Shareholding' and 'Promoter Group Shareholding' which have been traced from the disclosures made by the management and have not been reviewed by us. This statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on these financial statements based on our review.

**Scope of Review**

2. We conducted our review in accordance with Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information performed by the Independent Auditor of the Entity" issued by the 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 of material misstatements. A review is limited primarily to enquiries of company personal and analytical procedures apply to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly and, we do not express an audit 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 133 of the Companies Act 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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 period ended 31<sup>st</sup> December 2015, income tax and shareholder's funds.*





**Conclusion**

3. 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 accounting standards specified under section 133 of the Companies Act 2013 read with Rule 7 of Companies (Accounts) Rules 2014 and other recognized accounting practices 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 including the manner in which it is to be disclosed, or that Listing Agreement, including the manner in which it is to be disclosed, or that it contains any material misstatement.

For K.S.RAO & CO.,  
Chartered Accountants  
Firm's Regn. No. 003109S

(P. GOVARDHANA REDDY)  
Partner  
Membership No. 029193

Place : Hyderabad  
Date : 10.02.2016