



# SOUTHERN MAGNESIUM AND CHEMICALS LIMITED

Deccan Chambers, 5<sup>th</sup> Floor, 6-3-666/B, Somajiguda, Hyderabad-500 082  
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 CIN : L27109TG1985PLC005303

## UN AUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED AND YEAR ENDED JUNE 30, 2018

Particulars	(Amount in Lakhs.)			
	For the Quarter ended		For Year ended	
	30-Jun-18 (Un Audited)	31-Mar-18 (Audited)	30-Jun-17 (Un Audited)	31-Mar-18 (Audited)
I Revenue from operations	1.15	20.41	53.07	161.83
II Other income	0.86	0.85	0.95	3.61
III Total Revenue(I+II)	2.01	21.26	54.02	165.45
IV Expenses				
Cost of materials consumed	-	11.01	63.59	77.99
Change in inventories of finished goods, stock in trade and work in progress	0.38	(0.95)	(33.69)	50.00
Employee benefit Expenses	12.33	13.30	12.72	51.01
Finance costs	3.23	2.68	1.55	9.09
Depreciation and amortisation expenses	1.78	1.80	0.48	4.57
Other expenses	4.09	7.25	16.43	49.02
Total Expenses(IV)	21.81	35.14	61.08	241.68
V Profit before Exceptional items and tax	(19.79)	(13.88)	(7.06)	(76.24)
VI Exceptional items	-	(33.30)	-	(33.30)
VII Tax expense:				
Current tax	-	-	-	-
Deferred tax	-	(1.72)	-	(1.72)
VII Profit / Loss for the period (VII-VIII)	(19.79)	(45.47)	(7.06)	(107.82)
VIII OTHER COMPREHENSIVE INCOME				
A-(i) Items that will be reclassified to the profit or loss	-	-	-	-
(ii) Income tax on items that will be reclassified to the profit or loss	-	-	-	-
B-(i) Items that will not be reclassified to the profit or loss				
a) Remeasurement of Defined employee benefit plans	-	-	-	-
(ii) Income tax on items that will not be reclassified to the profit or loss	-	-	-	-
Total Other Comprehensive Income (net of taxes)	-	-	-	-
Total Comprehensive Income for the Period	(19.79)	(45.47)	(7.06)	(107.82)
IX Earnings per Equity share-Basic and diluted (Not Annualised)	(0.98)	(1.52)	(0.24)	(3.59)
Weighted average number of equity shares (In no's)	3,000,000	3,000,000	3,000,000	3,000,000

### Notes:

- The unaudited financial results of the Company have been prepared in accordance with the Indian Accounting standards (IND AS) as prescribed under section 133 of the Companies Act 2013 read with the Companies (Indian Accounting Standard) Rules 2015 (as amended).
- The above results for the quarter ended 30th June 2018, were reviewed by Audit Committee and approved by the Board of Directors in their meeting held on 14th August 2018 and Statutory Auditors have carried out limited review.
- The Company's business activity falls within a single business segment i.e. Magnesium in terms of IND AS 108 on operating.
- Consequent to the introduction of Goods and Service Tax (GST) with effect from 1st July 2017, revenues are required to be shown net of GST. The revenues for the earlier period i.e. before 1st July 2017 are shown including excise duty.
- 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.
- The figures of the quarter ended March, 2018 are the balancing figures between audited figures irrespective of full financial years upto 31st March 2018 and the unaudited published year to date figures upto 31st December, 2017 being the date of the end of the third quarter of respective year, which are subject to limited review.
- Previous figures have been regrouped or rearranged wherever necessary to confirm current year classification.

For and on behalf of Board of Directors

(N. Rajender Prasad)

Joint Managing Director & CFO

Place: Hyderabad  
 Date : 14-08-2018

Southern Magnesium and Chemicals Limited  
 CIN No.- L27109TG1985PLC005303  
 STATEMENT OF PROFIT AND LOSS FOR THE QUARTER YEAR ENDED JUNE 30, 2018

Particulars		Note No.	As per Previous GAAP	Impact of IndAS	Impact of IndAS for April to	Amount in ₹ As per IndAS
i.	Revenue from Operations	16	115,000	-	-	115,000
ii.	Other Income	17	86,417	-	-	86,417
iii.	<b>Total Income (i + ii)</b>		<b>201,417</b>	-	-	<b>201,417</b>
<b>IV. Expenses:</b>						
	Cost of Materials Consumed	18	-	-	-	-
	Purchases of Stock-in-Trade		-	-	-	-
	Changes in Inventories of Stock-in-Trade	19	38,350	-	-	38,350
	Employee Benefits Expense	20	1,233,302	-	-	1,233,302
	Finance Cost	21	322,648	-	-	322,648
	Depreciation and amortisation expense	22	177,665	-	-	177,665
	Other expenses	23	407,112	-	1,715	408,827
	<b>Total expenses (IV)</b>		<b>2,179,078</b>	-	<b>1,715</b>	<b>2,180,793</b>
V.	Profit before exceptional items and tax (III - IV)		<b>(1,977,661)</b>	-	<b>(1,715)</b>	<b>(1,979,376)</b>
vi.	Exceptional Items (Add/less)		-	-	-	-
Vii.	Profit before tax		<b>(1,977,661)</b>	-	<b>(1,715)</b>	<b>(1,979,376)</b>
<b>VIII. Tax Expenses:</b>						
	a. Current Tax		-	-	-	-
	i. Relating to current		-	-	-	-
	b. Deferred tax		-	-	-	-
	i. On Temporary		-	-	-	-
	<b>Total Tax Expenses (VI)</b>		-	-	-	-
IX.	Profit for the period (VII - VIII)		<b>(1,977,661)</b>	-	<b>(1,715)</b>	<b>(1,979,376)</b>
<b>X. Other Comprehensive Income</b>						
	i. Items that will not be reclassified subsequently to profit or loss		-	-	-	-
	ii. Income tax relating to items that will not be reclassified to profit or loss		-	-	-	-
	<b>Total Other Comprehensive Income for the period (VIII)</b>		-	-	-	-
Xi.	Total Comprehensive Income for The Period (VII + VIII)		<b>(1,977,661)</b>	-	<b>(1,715)</b>	<b>(1,979,376)</b>
Xii.	Earnings per equity share from Continuing operations: Basic and Diluted (Not Annualised)	24	(0.66)	-	-	(0.66)

For Southern Magnesium & Chemicals Limited

  
 Joint Managing Director

**Lease hold workings**

Commencement Date	25-Apr-88	4/1/1988
Period of lease	99 years	3/31/2018
Initial Amount of lease	169740	-10956
Amortization per period	1714.54545	-30.0164
Expired amortization upto 1/01/29 years	49722	
Amortized in opening	1715	
Current year amortization	116588	
Closing balance of lease	3500000	
Land development compensation		

4/1/2018 opening Reserves	49722	49722
4/1/2018 to Lease hold Land		
Lease rent	1715	1715
to Lease hold Land		
Lease hold land	169740	
land development(exceptional)	3330260	
To Land development		3500000

**For Southern Magnesium & Chemicals Limited**

  
**Joint Managing Director**

**Lease hold workings**

Commencement Date 25-Apr-88  
 Period of lease 99 years  
 Initial Amount of lease 169740  
 Amortization per period 1714.545  
 Expired amortization upto 1/04/2017 years 49722  
 Amortized in opening 1715  
 Current year amortization 118303  
 Closing balance of lease 3500000  
 Land development compensation 3500000

4/1/1988  
 3/31/2017  
 -10591 -29.0164

4/1/2018	opening Reserves	49722	49722
4/1/2018	to Lease hold Land		
	Lease rent	1715	1715
	to Lease hold Land		
	Lease hold land	169740	
	land development(exceptional)	3330260	
	To Land development		35000000

For Southern Magnesium & Chemicals Limited

  
 Joint Managing Director

**Southern Magnesium and Chemicals Limited**

Notes to Financial statements for the year ended 30th June, 2018

**14. Revenue from operations**

Particulars	Current Year	Previous
Sale of products (Net of taxes)	115,000	16,183,258
Less: Excise duty	115,000	16,183,258
	-	538,481
<b>Total</b>	<b>115,000</b>	<b>15,644,777</b>

**15. Other Income**

Particulars	Current Year	Previous
Interest Income	86,417	361,608
Credit balance written back	-	-
Foreign Exchange Fluxuation	-	-
<b>Total</b>	<b>86,417</b>	<b>361,608</b>

For Southern Magnesium & Chemicals Limited

  
Joint Managing Director

Southern Magnesium and Chemicals Limited  
 CIN No.: L27109TG1985PLC005303  
 NOTES TO THE FINANCIAL STATEMENTS AS AT JUNE 30, 2018

Note No.	PARTICULARS	Amount in ₹			
		As per Previous GAAP	Impact of Ind AS for June	Impact of Ind AS for April to March	As per Ind AS
<b>16</b>	<b>Revenue from Operations:</b>				
	A. Sale of Products				
	a. Magnesium Powder	115,000	-	-	115,000
	b. Magnesium Turnings	-	-	-	-
		<u>115,000</u>			<u>115,000</u>
	Add Excise Duty	-	-	-	-
	Less: Discount	-	-	-	-
	Less: Goods and Service Tax	-	-	-	-
		<u>115,000</u>			<u>115,000</u>
<b>17</b>	<b>Other Income:</b>				
	A. Interest Income on				
	a. Bank and other Deposits	86,417	-	-	86,417
		<u>86,417</u>			<u>86,417</u>

For Southern Magnesium & Chemicals Limited  
  
 Joint Managing Director



18 Cost of Materials Consumed		
Opening Stock	-	-
Add : Purchases	-	-
Less : Value of Raw materials sold	-	-
Less : Closing Stock	-	-
<b>Total</b>	-	-

19 Changes in inventories of Stock-In-Trade:		
a. Inventory at the beginning of the period		
(i) Magnesium Pcs.	75,743	75,743
(ii) Magnesium Turnings	42,756	42,756
(iii) Magnesium Powder (imported)	17,504,578	17,504,578
<b>Sub - Total</b>	<b>17,623,078</b>	<b>17,623,078</b>
b. Inventory at the end of the period		
(i) Magnesium Pcs.	75,743	75,743
(ii) Magnesium Turnings	42,756	42,756
(iii) Magnesium Powder (imported)	17,472,075	17,472,075
<b>Sub - Total</b>	<b>17,590,575</b>	<b>17,590,575</b>
<b>Total</b>	<b>38,350</b>	<b>37,503</b>

20 Employee Benefits Expense:		
a. Salaries, Wages and Bonus	1,134,514	3,134,514
b. Contribution to Provident Fund	58,284	58,284
c. Staff Welfare Expenses	40,504	40,504
<b>Total</b>	<b>1,233,302</b>	<b>1,233,302</b>

21 Finance Costs		
a. Interest on Bank overdraft	322,648	322,648
<b>Total</b>	<b>322,648</b>	<b>322,648</b>

22 Depreciation and amortisation expense:		
a. Depreciation on Property, Plant and Equipment	177,665	177,665
<b>Total</b>	<b>177,665</b>	<b>177,665</b>

For Southern Magnesium & Chemicals Limited  
  
 Joint Managing Director

**23. Other expenses:**

a. Consumption of general stores	2,850	-	2,850
b. Power and Fuel	62,324	-	62,324
c. Repairs to : Buildings Machinery Others	13,468 7,300	-	20,768
Vehicle maintenance	30,043	-	30,043
d. Sales Expenses: Facile duty	925	-	925
Freight & Others - Domestic Sales	-	-	-
e. Payments to Auditors As Auditors for Certification	13,570	-	13,570
f. Rates and Taxes	10,100	-	10,100
g. Postage, Telegrams and Telephones	15,356	-	15,356
h. Travelling, Conveyance and Vehicle expenses	34,921	-	34,921
i. Insurance	71,014	-	71,014
j. General charges	84,826	-	84,826
k. Professional charges	66,262	-	66,262
l. Lease rental Amortization	-	1,715	1,715
<b>Total</b>	<b>412,959</b>	<b>1,715</b>	<b>414,674</b>

**24. Earnings Per Equity Share:**

a. Total Comprehensive Income for the period	(1,977,661)	(1,715)	(1,979,376)
b. Weighted average number of equity shares of Rs. 10/-each	3,000,000	-	3,000,000
Earnings per equity share (Basic and Diluted)/(Not Annualised) -(a) / (b)	(0.66)	-	(0.66)

For Southern Magnesium & Chemicals Limited

  
Joint Managing Director





**Limited Review Report – Financial Results**

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

1. We have reviewed the accompanying Statement of Unaudited Financial Results of **SOUTHERN MAGNESIUM AND CHEMICALS LIMITED** ("the Company") for the quarter ended 30<sup>th</sup> June, 2018 (the "statement") being submitted by the company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016.

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

2. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, Review of Interim Financial Information performed by the Independent Auditor of the Entity, issued by Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free from material misstatements. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

3. The figures for the quarter ended 30th June, 2017 included in the statement under report were reviewed by another firm of Chartered Accountants, who were the immediate preceding statutory auditors, who expressed an unmodified conclusion thereon. Our conclusion is not modified in respect of the said matter.





*Brahmayya & Co.,*

CHARTERED ACCOUNTANTS

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

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

for BRAHMAYYA & CO,  
Chartered Accountants  
Firm's Regn No. 0005135



*K. Shraavan*

(K.SHRAVAN)

Partner

Membership No. 215798

Place : Hyderabad  
Date : 14.08.2018