



## 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 : L27109AP1985PLC005303

SMCL/BSE/2016-17/121

27<sup>th</sup> July, 2016

To,  
The Bombay Stock Exchange,  
Phiroze Jeejeebhoy Towers  
Dalal Street  
Mumbai- 400001

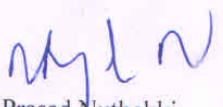
**SUB: Intimation to BSE the outcome of board meeting under Reg 30**

Sir,

This Intimation is being given under regulation 30 read with Schedule III Part A of SEBI (LODR), 2015 as part of dissemination of information regarding outcome of the board meeting.  
Commencement of Board meeting 11:30 AM.  
Conclusion of the meeting 12:30 PM.

- a) Financial Results with Limited review report have been approved for quarter ended 30.06.2016.
- b) Re-appointment of Key Managerial Personnel subject to ratification by members at AGM as mentioned below:
  - i. Mr. Ravi Prasad Nuthakki as Managing Director and Chief Executive Officer for a period of 3 (three) years.
  - ii. Mr Rajendra Prasad Nuthakki as Joint Managing Director and Chief Financial Officer for a period of 3 (three) years.
- c) Annual General Meeting for the Financial Year 2015-2016 will be held on 25<sup>th</sup> August 2016.
- d) Book Closure period has been fixed from 18<sup>th</sup> August 2016 to 25<sup>th</sup> August 2016.
- e) Ratification subject to modification by members the appointment of M/S K.S Rao as Statutory Auditors of the company who shall hold office from this AGM to the Next AGM.

Regards  
For Southern Magnesium and Chemicals Limited

  
Rajender Prasad Nuthakki  
Joint Managing Director.

**SOUTHERN MAGNESIUM AND CHEMICALS LIMITED**  
**Un-audited Financial Results for the 1st Quarter ended 30th June 2016**

**PART - 1**

S.no	PARTICULARS	Rupees (lakhs)			
		Quarter ended		Year Ended	
		30.06.2016	31.03.2016	30.06.2015	31.03.2016
		Un-Audited	Audited	Un-Audited	Audited
<b>1</b>	<b>Income from operations</b>				Rs
	(a) Net Sales / Income from operations (Net of excise duty)	114.74	87.21	50.54	321.43
	(b) Other operating Income	0.00	0.00	13.80	0.00
	<b>Total income from operations (net)</b>	<b>114.74</b>	<b>87.21</b>	<b>64.34</b>	<b>321.43</b>
<b>2</b>	<b>Expenses</b>				
	a) Cost of raw materials consumed	82.32	115.64	72.66	207.15
	b) Changes in inventories of finished goods and work-in-progress	(37.77)	(95.73)	(68.69)	(117.03)
	c) Employee benefits expense	12.16	12.09	11.31	46.28
	d) Depreciation and amortization expense	0.43	0.44	0.43	1.73
	e) Other Expenses	12.01	7.02	13.95	32.47
	<b>Total Expenses</b>	<b>69.15</b>	<b>39.46</b>	<b>29.66</b>	<b>170.50</b>
<b>3</b>	<b>Profit/ (Loss) from operations before other income, finance cost &amp; exceptional items (1-2)</b>	<b>45.59</b>	<b>47.75</b>	<b>34.68</b>	<b>150.83</b>
<b>4</b>	Other Income	0.60	2.00	0.15	2.66
<b>5</b>	<b>Profit/ (Loss) before finance cost &amp; exceptional items (3+4)</b>	<b>46.19</b>	<b>49.76</b>	<b>34.83</b>	<b>153.50</b>
<b>6</b>	Finance Cost	2.72	2.37	1.70	9.46
<b>7</b>	<b>Profit after finance cost but before exceptional items (5-6)</b>	<b>43.47</b>	<b>47.39</b>	<b>33.13</b>	<b>144.03</b>
<b>8</b>	Exceptional items	0.00	0.00	0.00	0.00
<b>9</b>	<b>Profit/ (Loss) from ordinary activities before Tax (7+8)</b>	<b>43.47</b>	<b>47.39</b>	<b>33.13</b>	<b>144.03</b>
<b>10</b>	Tax expense	0.00	0.00	0.00	49.69
<b>11</b>	<b>Net Profit / (Loss) from ordinary activities after tax (9-10)</b>	<b>43.47</b>	<b>47.39</b>	<b>33.13</b>	<b>94.34</b>
<b>12</b>	Extraordinary items (net of tax expense)	0.00	0.00	0.00	0.00
<b>13</b>	<b>Net Profit/ (Loss) for the period (11-12)</b>	<b>43.47</b>	<b>47.39</b>	<b>33.13</b>	<b>94.34</b>
<b>14</b>	<b>Paid up equity Share Capital (Rs.10/- Share Face value)</b>	<b>300.00</b>	<b>300.00</b>	<b>300.00</b>	<b>300.00</b>
<b>15</b>	<b>per Balance Sheet of previous accounting year (Capital Reserve)</b>	<b>10.00</b>	<b>10.00</b>	<b>10.00</b>	<b>10.00</b>
<b>16</b>	<b>Earnings per Share (EPS) (in rupees)</b>				
	a) Basic and diluted EPS Rs (before extraordinary items )	1.45	4.18	1.10	3.14
	b) Basic and diluted EPS Rs (after Extraordinary items)	1.45	4.18	1.10	3.14

## PART - 2

## A. Particulars of Shareholding

S.no	PARTICULARS	Quarter ended		Year Ended	
		30.06.2016	31.03.2016	30.06.2015	31.03.2016
		Un-Audited	Audited	Un-Audited	Audited
<b>1</b>	<b>Public Share holding</b>				
	- Number of shares	13,01,200	13,01,200	13,01,200	13,01,200
	- percentage of share holding	43.35%	43.35%	43.35%	43.35%
<b>2</b>	<b>Promoters and Promoter Group Shareholding</b>	16,98,800	16,98,800	16,98,800	16,98,800
	a) Pledge / encumbered				
	- Number of shares	Nil	Nil	Nil	Nil
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	Nil	Nil	Nil	Nil
	- Percentage of shares (as a % of the total share Capital of the company)	Nil	Nil	Nil	Nil
	b) Non-encumbered				
	- Number of Shares	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%
	- Percentage of shares (as a % of the total share Capital of the company)	56.65%	56.65%	56.65%	56.65%

## B. Investor Complaints

S.no	Particulars	Quarter ended
		30.06.2016
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

Figures for the previous quarters/ reporting periods have been regrouped to conform with the requirements of the Schedule III to the Companies Act, 2013

Place: Hyderabad  
Date  
Notes

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

- Sales figures are net of duties and taxes
- The above financial results were reviewed and recommended by the Audit Committee and approved by the Board of Directors in their respective meetings held on 27.07.2016
- There are no pending shareholders complaints.
- The company has not adopted AS-15 Employee Benefits issued by ICAI for providing its liability towards employee benefits. The impact on the above results due to non-adoption of AS-15 "Employee Benefits" could not be ascertained.



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 ENDED 30<sup>th</sup> June 2016 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 Quarter ended 30<sup>th</sup> June, 2016 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. Management is responsible for the preparation and fair presentation of this interim financial information in accordance with the terms of Clause 41 of the Listing Agreement entered into by the said Entity with Stock Exchanges. Our responsibility is to express a conclusion on this interim financial information 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 of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, 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 quarter ended 30<sup>th</sup> June 2016, 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 Clause 41 of the 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



*M. N. Prasad*  
(M. Naga Prasad)  
Partner  
Membership No. 231388

Place : Hyderabad  
Date : 27.07.2016