



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

SOUTHERN MAGNESIUM AND CHEMICALS LIMITED Un-audited Financial Results for the 1st Quarter ended 30th June 2014

PART - 1

| S.no | PARTICULARS | Rupees (lakhs) | | | |
|------|---|--------------------------|--------------------------|-----------------------|-----------------------|
| | | Quarter ended | | | Year Ended |
| | | 30.06.2014 Un-Audited | 30.06.2013 Un-Audited | 31.03.2014 Audited | 31.03.2014 Audited |
| 1 | Income from operations | | | | Rs. |
| | (a) Net Sales / Income from operations (Net of excise duty) | 36.88 | 62.98 | 38.87 | 175.68 |
| | (b) Other operating Income | 0.00 | 0.00 | 0.00 | 0.00 |
| | Total income from operations (net) | 36.88 | 62.98 | 38.87 | 175.68 |
| 2 | Expenses | | | | |
| | a) Cost of raw materials consumed | 1.11 | 35.11 | 31.13 | 94.59 |
| | b) Changes in inventories of finished goods and work- in-progress | 10.35 | (0.75) | (11.09) | (7.62) |
| | c) Employee benefits expense | 7.45 | 6.41 | 7.65 | 27.91 |
| | d) Depreciation and amortization expense | 0.40 | 0.48 | 0.54 | 2.00 |
| | e) Other Expenses | 3.97 | 4.87 | 13.63 | 30.35 |
| | Total Expenses | 23.28 | 46.12 | 41.86 | 147.23 |
| 3 | Profit/ (Loss) from operations before other income, finance cost & exceptional items (1-2) | 13.60 | 16.86 | (2.99) | 28.45 |
| 4 | Other Income | 0.39 | 0.03 | 0.02 | 0.23 |
| 5 | Profit/ (Loss) before finance cost & exceptional items (3+4) | 13.99 | 16.89 | (2.97) | 28.68 |
| 6 | Finance Cost | 0.60 | 1.21 | 1.39 | 4.99 |
| 7 | Profit / (Loss) after finance cost but before exceptional items (5-6) | 13.39 | 15.68 | (4.36) | 23.69 |
| 8 | Exceptional items | 0.13 | 0.00 | 0.00 | - |
| 9 | Profit/ (Loss) from ordinary activities before Tax (7- 8) | 13.52 | 15.68 | (4.36) | 23.69 |
| 10 | Tax expense | 0.00 | 0.00 | 0.00 | 0.00 |
| 11 | Net Profit / (Loss) from ordinary activities after tax (9-10) | 13.52 | 15.68 | (4.36) | 23.69 |
| 12 | Extraordinary items | 0.00 | 0.00 | 0.00 | 0.00 |
| 13 | Net Profit/ (Loss) for the period (11-12) | 13.52 | *15.68 | *(4.36) | 23.69 |
| 14 | Paid up equity Share Capital (Rs.10/- Share Face value) | 300 | 300 | 300 | 300 |
| 15 | Reserves excluding revaluation reserves as per Balance Sheet of previous accounting year | 10 | 10 | 10 | 10 |
| 16 | Earnings per Share (EPS) (in rupees) | | | | |
| | a) Basic and diluted EPS, Rs. (before extraordinary items), | *0.45 | *0.52 | *(0.15) | 0.62 |
| | b) Basic and diluted EPS, Rs. (after Extraordinary items) | *0.45 | *0.52 | *(0.15) | 0.62 |

* subject to preference dividend of Rs.5,00,000 per annum which is considered at the year ended.



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PART - 2

A. Particulars of Shareholding

| S.no | PARTICULARS | Quarter ended | | | Year Ended |
|------|--|---------------|------------|------------|------------|
| | | 30.06.2014 | 30.06.2013 | 31.03.2014 | 31.03.2014 |
| | | Un-Audited | Un-Audited | Audited | Audited |
| 1 | Public Share holding | | | | |
| | - 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% |
| 2 | Promoters and Promoter Group Shareholding | 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 | | | Year Ended |
|------|--|---------------|------------|------------|------------|
| | | 30.06.2014 | 30.06.2013 | 31.03.2014 | 31.03.2014 |
| 1 | Pending at the beginning of the quarter | NIL | NIL | NIL | NIL |
| 2 | Received during the quarter | NIL | NIL | NIL | NIL |
| 3 | Disposed of during the quarter | NIL | NIL | NIL | NIL |
| 4 | Remaining unresolved at the end of the quarter | NIL | NIL | NIL | NIL |

1. Figures for the previous quarters/ reporting periods have been regrouped to conform with those of current period

Place : Hyderabad
Date : 13.08.2014

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

- Sales figures are net of duties and taxes
The above Results were subject 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 13th August 2014.
- Effective April 01, 2014, the Company has revised its estimates of useful lives of its fixed assets as prescribed in part 'C' of second Schedule 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/-.
- Consequent to the adoption of estimates of useful lives given in Schedule II, the profit for the Quarter ended 30th June, 2014 is more by Rs. 8,535 and debit balance in the statement of Profit & Loss is less by Rs. 8,461/-.
Net Deferred tax asset which is not recognised as gone up by Rs. 3,498/-.
- The figures for the Quarter ended March 31, 2014 are the balancing figures between audited figures in respect of the full financial year 2013-2014 and the published un-audited year to date figures upto the Quarter ended December 31, 2013.
- 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 could not be ascertained due to non - adoption of AS-15 "Employee Benefits"



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 30th JUNE 2014 TO BE SUBMITTED TO STOCK EXCHANGES

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 STATE) for the Quarter ended 30th June 2014 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 audited 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

We conducted our review in accordance with Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". 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 estimated gratuity liability and liability towards Leave Encashment in accordance with AS-15 Employee Benefits issued by ICAI. Exact variance due to non-adoption of AS-15 and its impact on the Profit for the quarter ended 30th June 2014 cannot be quantified.

Conclusion

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Interim Financial Information has not been prepared in all material respects, in accordance with and in terms of Clause 41 of the Listing Agreements with the Stock exchanges and has not disclosed the information required to be disclosed, including the manner in which it is to be disclosed, or that it contains any material misstatement.

Place : Hyderabad
Date : 13th August, 2014.

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

(P.GOVARDHANA REDDY)
Partner
Membership No.029193