

Independent Auditor's Review Report on Quarterly and Year to Date Unaudited Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, as amended

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 December 31, 2025 and year-to-date results for the period from April 01, 2025 to December 31, 2025 ("the statement") attached herewith, being submitted by the company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").
2. This statement, which is the responsibility of the Company's Management and 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 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to issue a report on these financial statements based on our review.
3. We conducted our review of the statement 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 statement is free from material misstatement. A review of interim financial information consists of making inquiries, primarily of personnel 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.
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 the recognition and measurement principles laid down in the aforesaid Indian Accounting Standards ('Ind AS') specified under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms Listing Regulations, 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. 000513S



K. Shraavan
(K.SHRAVAN)
Partner

Membership No. 215798

UDIN: 26215798CPPREJH87

Date : 05.02.2026
Place : Hyderabad



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
 CIN : L27109TG1985PLC005303

Southern Magnesium and Chemicals Limited
 CIN- L27109TG1985PLC005303

Regd. office : Deccan Chambers, 5th Floor, 6-3-666/B, Somajiguda, Hyderabad - 500 082
Un-Audited Financial Results for Quarter and the Nine Months Ended 31st December, 2025

| Particulars | For the Quarter ended | | | Nine Months ended | | Rs. in lakhs |
|--|-----------------------|---------------|---------------|-------------------|-----------------|-----------------|
| | 31-12-2025 | 30-09-2025 | 31-12-2024 | 31-12-2025 | 31-12-2024 | 31-03-2025 |
| | (Un-Audited) | (Un-Audited) | (Un-Audited) | (Un-Audited) | (Un-Audited) | (Audited) |
| I Revenue from operations | 58.18 | 165.81 | 173.85 | 245.69 | 1,162.37 | 1,243.49 |
| II Other income | 14.90 | 12.51 | 15.70 | 38.15 | 36.57 | 56.92 |
| III Total Income | 73.08 | 178.32 | 189.55 | 283.84 | 1,198.94 | 1,300.41 |
| IV Expenses | | | | | | |
| Cost of raw materials consumed | 20.97 | 120.87 | 96.07 | 163.32 | 533.58 | 562.94 |
| Changes in inventories of finished goods and work-in-progress | 18.55 | (12.84) | 0.75 | (12.69) | 38.30 | 71.48 |
| Employee benefits expense | 18.48 | 21.38 | 22.43 | 62.26 | 104.96 | 132.37 |
| Finance costs | 10.44 | 10.04 | 5.00 | 28.63 | 6.73 | 14.71 |
| Depreciation and amortization expense | 0.58 | 1.28 | 1.53 | 3.14 | 4.57 | 6.10 |
| Other expenses | 9.51 | 9.89 | 16.18 | 30.14 | 74.16 | 85.55 |
| Total expenses (IV) | 78.53 | 150.62 | 141.96 | 274.80 | 762.31 | 873.15 |
| V Profit/(Loss) before exceptional items and tax (III-IV) | (5.45) | 27.70 | 47.59 | 9.04 | 436.63 | 427.26 |
| VI Exceptional items | - | - | - | - | - | - |
| VII Profit/(Loss) before tax (V+VI) | (5.45) | 27.70 | 47.59 | 9.04 | 436.63 | 427.26 |
| VIII Tax expense: | | | | | | |
| Current tax | (1.44) | 3.86 | 12.81 | 2.42 | 110.31 | 109.15 |
| Deferred tax | 0.07 | 3.11 | (0.15) | (0.14) | (0.35) | (1.66) |
| IX Profit/(Loss) for the period (VIII-IX) | (4.08) | 20.73 | 34.93 | 6.76 | 326.68 | 319.77 |
| X Other Comprehensive income | | | | | | |
| 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 | - | - | - | - | - | - |
| Total Other Comprehensive Income for the period (VIII) | - | - | - | - | - | - |
| XI Total Comprehensive Income/(loss) for The Period (VII + VIII) | (4.08) | 20.73 | 34.93 | 6.76 | 326.68 | 319.77 |
| XII Equity Share Capital | 300.00 | 300.00 | 300.00 | 300.00 | 300.00 | 300.00 |
| XIII Other Equity | | | | | | |
| XIV Earnings per equity share -Basic and Diluted (of Rs.10 each) | (0.14) | 0.69 | 1.16 | 0.23 | 10.89 | 10.66 |

Notes:

- The Unaudited financial results of the Company have been prepared in accordance with the Indian Accounting Standards ("Ind AS") prescribed under section 133 of the Companies Act, 2013 ("the Act") read with relevant rules issued thereunder and other accounting principles generally accepted in India and in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015
- The above Unaudited financial results for the quarter and nine months ended 31st December, 2025, were reviewed by Audit Committee and approved by the Board of Directors of the Company at their respective meetings held on 5th February, 2026. The above results have been subjected to limited review by the statutory auditors of the Company. An unqualified report has been issued by them thereon.
- The Company's business activity falls within a single business segment i.e Magnesium in terms of IND AS 108 on operating segments.
- Previous year/period figures have been regrouped wherever necessary to conform current year/period classification.
- The Government of India has consolidated 29 existing labour legislations into a unified framework comprising four labour codes viz the Code on Wages, 2019, the Code on Social Security, 2020, the Industrial Relations Code, 2020, and the Occupational Safety, Health and Working Conditions Code, 2020 (collectively referred to as the "Codes"). The Codes have been made effective from November 21, 2025. The Ministry of Labour & Employment published draft Central Rules and FAQs to enable assessment of the financial impact due to changes in regulations. The incremental impact of these changes, assessed by the Company, on the basis of the information available, consistent with the guidance provided by the Institute of Chartered Accountants of India, is not material and has been recognised in the financial results of the Company for the quarter and nine months ended December 31, 2025. Once Central/ State Rules are notified by the Government on all aspects of the Codes, the Company will evaluate impact, if any, on the measurement of employee benefits and would provide appropriate accounting treatment.

For and on behalf of the Board of Directors


 N. Rajender Prasad
 Managing Director

Place: Hyderabad
 Date: 05-02-2026

