

# MEGHMANI ORGANICS LIMITED

## NOTES ON ACCOUNTS TO CONSOLIDATED BALANCE SHEET AND PROFIT & LOSS ACCOUNT (CONTD...)

Deferred Tax Assets are mainly represented by the tax effect of provision for doubtful receivables / bad debts written off and others include Liability for leave encashment and retirement benefits and disallowances under Section 43B & 40(b) of Income Tax Act. and carry forward losses. The movement for the relevant periods in the Group's Deferred Tax assets is as follows:

	Provision for doubtful debts	Others	Total
At April 1 2008	(50.98)	(52.32)	(103.30)
Charge to Income/Expenses for the year	0	(157.64)	(157.64)
Adjusted to Pre-Operative Expenses	0	13.15	13.15
At March 31 2009	(50.98)	(196.81)	(247.79)

### 4. EARNING PER SHARE

Particulars	31.03.2009	31.03.2008
Net Profit after Minority Interest attributable to shareholders	371,213,989	307,496,426
Weighted average number of equity shares at the end of year	254,314,211	242,579,957
Nominal value of share	1.00	1.00
Basic / Diluted earning per share	1.46	1.27

### 5. FINANCIAL DERIVATIVES

The Group uses derivative contracts to manage its foreign currency exposures relating to the underlying transactions and firm commitments. The Group doesn't enter into any derivative instruments for trading or speculation purpose. The derivative contracts outstanding as on 31st, March 2009 are as under.

Sr. No.	Particulars	No of contracts	Amount in USD (in lacs)	Amount in Euro (in lacs)	Rs. in Lacs
1	Forward Contract	43	102.50	7.50	5704.60
2	Option Contract	5	555.00	-	28149.60
3	Option & Swap Contract (ECB)-MOL	1	30.00	-	1521.60
4	Option & Swap Contract (ECB)-MEL	1	22.92	-	1162.44
5	Option & Swap Contract (ECB)-MFL	3	171.42	-	8694.42

### 6. BORROWING COST

The Group has incurred borrowing cost of Rs.2664.14 lacs on qualifying assets till the year ending 31st March 2009, being project of the group company under implementation the same has been shown as part of expenses incurred during construction period, included in capital work in progress and would be capitalised on completion of project.

### 7. SEGMENT REPORTING

For management purpose, the Group is currently organised into three major operating divisions Pigments. Agro Chemicals and Basic Chemicals. These divisions are the basis on which the Group reports its primary segment information.