

**CHAPTER IV**  
**FINDINGS AND SUGGESTIONS**

## **CHAPTER - IV**

### **FINDINGS AND SUGGESTIONS**

The findings of the present study are summarized in the first part of this chapter and few suggestions are made in the second part.

#### **4.1 FINDINGS**

##### **A) Ratio Analysis**

- 1) The current ratio in Menon Bearings Limited is above the standard ratio of 2:1.. The actual ratio is nearly 3:1 in Menon Bearings Limited.
- 2) As against the standard quick ratio of 1:1 the actual ratio in Menon Bearings Limited is above 2:1 which indicates the high presence quick assets.
- 3) The debtors turnover ratio shows that it is more than 100 days are required to convert the debtors in to cash. In other words huge amount is blocked in the account receivables for more than three months.
- 4) Inventory Turnover Ratio shows that nearly two months period is required for converting inventories in to cash.
- 5) Gross Profit Ratio in Menon Bearings Limited has come down from 44% in the year 2001-02 to 34% in the year 2005-06. There is continuous reduction in gross profit ratio during the period of study.
- 6) Net Profit Ratio has also reduced from 15% in the year 2001-02 to 6% in the year 2005-06. Thus there is a sharp decline in the net profit ratio over the period of five years of the study.

## **B. Working Capital**

Net working capital of Menon Bearings Limited has almost doubled (From Rs.982 lakhs to Rs.1888 lakhs during the period from 2001-02 to 2005-06. There has been increase in net working capital in all the years of the study except the year 2003.

The current assets have increased from Rs.1399 lakhs to Rs.2992 lakhs where as current liabilities have increased from Rs.416 lakhs to Rs.1104 lakhs respectively during the period from 2001-02 to 2005-06. Inventory has increased from Rs.360 lakhs to Rs.428 lakhs. Cash and bank balances have increased from Rs.291 lakhs to Rs.778 lakhs. The loans and advances show very high increase from Rs.332 lakhs to Rs.1164 lakhs which means that the cash and bank balances have increased by more than 260 percent and loans and advances have increased by more than 376 percent.

As regards current liabilities the provisions have increased from Rs.297 lakhs to Rs.807 lakhs.

Funds flow analysis of Menon Bearings Limited shows the sources of funds and their application during the period of study. The main sources of funds are operations of the company and the secured and unsecured loans. Funds have come occasionally from sale of investments and fixed assets. Regarding application of funds it is observed that funds have been applied for repayment of loans, purchase of fixed assets, purchase of investments, payment of dividend and taxes.

From the funds statements it is observed that funds from operation have increased from Rs.243 lakhs in the year 2001-02 to Rs.514 lakhs in the year 2004-05, but they have reduced to Rs.262 lakhs in the year 2005-06. In the year 2003 there was increased in secured loans of Rs.513 lakhs

where as it was Rs.469 lakhs. In the year 2004-05 and Rs.196 lakhs in the year 2005-06.

In the year 2002-03, the company purchased fixed assets of Rs. 294 lakhs, Rs. 301 lakhs in the year 2003-04 and Rs.302 lakhs in the year 2004-05. Investments of Rs.284 lakhs were made in the year 2004-05, Rs. 96 lakhs in the year 2005-06.

## **4.2 SUGGESTIONS**

From the findings of the study a few suggestions may be made to the company regarding its funds management.

- 1] The current ratio is much higher than the standard ratio. It is therefore suggested to reduce the extent of current assets.
- 2] The presence of liquid assets may be reduced and the funds so realized may be diverted to production activities or repayment of loans.
- 3] Attempts should be made to collect cash from the debtors at the earliest period. Presently the company acquires more than 100 days for this purpose. If this period is brought down to 60 days then the need of borrowed fund will be reduced.
- 4] The period of conversion of inventory in to cash may be reduced so that the circulation of inventory to cash will be speeded up.
- 5] As regards profitability it may be suggested to improve the profitability position. The continuous decline in the gross profit needs to be reversed. The net profit ratio has come down to 6% which should be increased to two digits. The company should develop necessary policies of cost reduction and control so as to arrest fall in the net profit ratio.

- 6] As regards the composition of current assets it is observed that the proportion of inventory has reduced from 20 percent to 14 percent. No doubt the company has been successful in controlling its inventories. It may be suggested to further bring down this proportion by using various inventory management practices like Just In Time.
- 7] The proportion of loans and advances has increased from 27 percent to 39 percent. It may be suggested to bring down this percentage to a moderate level so that additional funds will be available for operations and the burden of borrowing will be reduced.
- 8] The proportion of cash and bank balance has increased from 25 percent to 29 percent. The quick acidity ratio is also high. It may, therefore, suggested to bring down this proportion so as to reduce the extent idle liquid assets.
- 9] The proportion of debtors has come down from 28 percent to 21 percent and no doubt this shows good management of debtors but there is always a scope to further bringing it down by resorting to efficient credit and collection practices.

On the whole the funds management in Menon Bearings Limited is good. There has been net increase in working capital by more than two times. However, there is ample scope to manage the various components of working capital namely inventory debtors, cash and advances, more efficiently to ensure better management of working capital.

## **ANNEXURES**

- A.1 Profit and Loss Accounts of Menon Bearings Limited from  
2001- 2002 to 2005-2006.
- A.2 Balance Sheets of Menon Bearings Limited from  
2001-2002 to 2005-2006.

## **BIBLIOGRAPHY**

**A.1 PROFIT AND LOSS ACCOUNT OF MENON BEARINGS LIMITED**  
**FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2002**

Particulars	2002	2001
<b>1. INCOME</b>		
Sales	135992250	139907,205
Other Income	4,929,565	2,656,294
Increase / (Decrease) in stock	1,291,601	(4,330,874)
<b>TOTAL</b>	<b>142,213,416</b>	<b>138,232,625</b>
<b>2. EXPENDITURE</b>		
Raw Material & Stores Consumed	48,451,783	48,151,061
Manufacturing Expenses	18,116,323	16,476,872
Payments to 7 Provision For Employees	15,918,749	14,676,385
Administrative, Selling & distribution Expenses	17,613,963	15,847,355
Cost of Finance	5,055,550	8,222,728
Depreciation	8,993,550	8,358,412
Preoperative Expenses W/O	318,400	318,400
<b>TOTAL</b>	<b>114,468,318</b>	<b>112,051,213</b>
<b>3. PROFIT BEFORE TAXATION</b>	<b>27,745,097</b>	<b>26,181,412</b>
Provision for Income Tax (Current)	7,600,000	6,826,451
Deferred Tax Liability	(773,549)	8,000,000
<b>4. PROFIT AFTER TAXATION</b>	<b>20,918,646</b>	<b>18,181,412</b>
<b>5. BALANCE OF PROFIT AS PER LAST BALANCE SHEET</b>	<b>47,482,386</b>	<b>35,395,806</b>
Less : Transferred to Deferred Tax Liability	8,732,903	
Add : Excess Provision	333,964	51,507
<b>6. BALANCE PROFIT AVAILABLE FOR APPROPRIATIONS</b>	<b>60,002,093</b>	<b>53,628,725</b>
<b>7. APPROPRIATIONS</b>		
Dividend	3,736,000	4,670,000
Tax on Dividend		476,340
General Reserve	1,000,000	1,000,000
<b>8. BALANCE OF PROFIT CARRIED TO BALANCE SHEET</b>	<b>55,266,093</b>	<b>47,482,385</b>
<b>9. Notes to Accounts</b>		
<b>10. BASIC AND DILUTED EARNING PER SHARE</b>	<b>4.48</b>	<b>3.89</b>

**A.1 PROFIT AND LOSS ACCOUNT OF MENON BEARINGS  
LIMITED FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2003**

PARTICULARS	2003	2002
<b>1. INCOME</b>		
Sales	17,44,79,185	13,59,92,250
Other Income	66,01,640	49,29,565
Increase / (Decrease) in stock	38,29,636	12,91,601
<b>TOTAL</b>	<b>18,49,10,461</b>	<b>14,22,13,416</b>
<b>2. EXPENDITURE</b>		
Raw Material & Stores Consumed	6,55,10,347	4,84,51,784
Manufacturing Expenses	2,21,31,303	1,81,16,324
Payments to & Provision For Employees	2,38,04,067	1,59,18,749
Administrative, Selling & Distribution Expenses	2,17,37,638	1,76,13,963
Cost of finance	71,21,555	50,50,550
Depreciation	97,27,817	89,93,550
Preoperative Expenses W/O	3,318,400	3,18,400
<b>TOTAL</b>	<b>15,03,51,127</b>	<b>11,44,68,322</b>
<b>3. PROFIT BEFORE TAXATION</b>	<b>3,45,59,333</b>	<b>2,77,45,094</b>
Provision for Income Tax (Current)	1,00,00,000	86,92,356
Deferred Tax Liability	<u>(13,07,644)</u>	68,26,451
<b>4. PROFIT AFTER TAXATION</b>	<b>2,58,66,977</b>	<b>2,09,18,643</b>
<b>5. BALANCE OF PROFIT AS PER LAST BALANCE SHEET</b>	<b>5,52,66,090</b>	<b>4,74,82,386</b>
Less : Transferred to Deferred Tax Liability	--	87,32,903
Add : Excess Provision	--	3,33,964
<b>6. BALANCE PROFIT AVAILABLE FOR APPROPRIATIONS</b>	<b>8,11,33,067</b>	<b>6,00,02,090</b>
<b>7. APPROPRIATIONS</b>		
Dividend	70,05,000	37,36,000
Tax on Dividend	8,75,625	
General Reserve	<u>20,00,000</u>	98,80,625
		<b>10,00,000</b>
<b>8. BALANCE OF PROFIT CARRIED TO BALANCE SHEET</b>	<b>7,12,52,442</b>	<b>5,52,66,090</b>
<b>9. Notes to Accounts</b>		
<b>10. BASIC AND DILUTED EARNING PER SHARE</b>	<b>5.54</b>	<b>4.48</b>



**A.1 PROFIT AND LOSS ACCOUNT OF MENON BEARINGS LIMITED**  
**FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2004**

PARTICULARS	2004	/2003
<b>1. INCOME</b>		
Sales	19,31,36,641	17,44,79,185
Other Income	75,88,219	66,01,640
Increase / (Decrease) in stock	13,49,469	38,29,636
<b>TOTAL</b>	<b>20,20,74,329</b>	<b>18,49,10,461</b>
<b>2. EXPENDITURE</b>		
Raw Material & Stores Consumed	7,99,52,787	6,55,10,347
Manufacturing Expenses	2,46,08,204	2,21,31,303
Payments to & Provision For Employees	2,23,56,826	2,38,04,067
Administrative, Selling & Distribution Expenses	1,79,66,745	2,17,37,638
Cost of Finance	78,48,402	71,21,555
Depreciation	1,16,68,316	97,27,817
Preoperative Expenses W/O	1,59,059	3,318,400
<b>TOTAL</b>	<b>16,45,60,339</b>	<b>15,03,51,127</b>
<b>3. PROFIT BEFORE TAXATION</b>	<b>3,75,13,990</b>	<b>3,45,59,335</b>
Provision for Income Tax (Current)	1,40,00,000	1,38,53,297
Deferred Tax Liability	-1,46,703	86,92,356
<b>4. PROFIT AFTER TAXATION</b>	<b>2,36,60,693</b>	<b>2,58,66,979</b>
<b>5. BALANCE OF PROFIT AS PER LAST BALANCE SHEET</b>	<b>7,12,52,444</b>	<b>5,52,66,090</b>
Less : Previous Year Expenses	21,717	7,12,30,727
<b>6. BALANCE PROFIT AVAILABLE FOR APPROPRIATIONS</b>	<b>9,48,91,420</b>	<b>8,11,33,069</b>
<b>7. APPROPRIATIONS</b>		
Dividend	1,40,10,000	70,05,000
Tax on Dividend	17,51,250	8,75,625
General Reserve	38,00,000	20,00,000
<b>8. BALANCE OF PROFIT CARRIED TO BALANCE SHEET</b>	<b>7,53,30,170</b>	<b>7,12,52,444</b>
<b>9. Notes to Accounts</b>		
<b>10. BASIC AND DILUTED EARNING PER SHARE</b>	<b>5.07</b>	<b>5.54</b>

**A.1 PROFIT AND LOSS ACCOUNT OF MENON BEARINGS LIMITED**  
**FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2005**

PARTICULARS	31/03/2005	31/03/2004
<b>1. INCOME</b>		
Sales	26,65,87,615	19,31,36,641
Other Income	70,39,065	75,88,219
Increase / (Decrease) in stock	2,30,946	13,49,469
<b>TOTAL</b>	<b>27,38,57,626</b>	<b>20,20,74,329</b>
<b>2. EXPENDITURE</b>		
Raw Material & Stores Consumed	11,37,54,700	7,99,52,787
Manufacturing Expenses	3,20,62,700	2,46,08,204
Payments to & Provision For Employees	2,61,69,660	2,23,56,826
Administrative, Selling & Distribution Expenses	3,18,60,448	1,79,66,745
Cost of Finance	74,87,170	78,48,402
Depreciation	1,41,07,445	1,16,68,316
Preoperative Expenses W/O		1,59,059
<b>TOTAL</b>	<b>22,54,42,123</b>	<b>16,45,60,339</b>
<b>3. PROFIT BEFORE TAXATION</b>	<b>4,84,15,504</b>	<b>3,75,13,990</b>
Provision for Income Tax (Current)	1,70,00,000	1,81,43,783
Deferred Tax Liability	11,43,783	1,38,53,297
<b>4. PROFIT AFTER TAXATION</b>	<b>3,02,71,721</b>	<b>2,36,60,693</b>
<b>5. BALANCE OF PROFIT AS PER LAST BALANCE SHEET</b>	<b>7,53,30,169</b>	<b>7,12,52,444</b>
Add : Previous Year Adjustments for Taxation	7,53,256	
Less : Previous Year Expenses	3,65,265	21,717
<b>6. BALANCE PROFIT AVAILABLE FOR APPROPRIATIONS</b>	<b>10,59,89,881</b>	<b>9,48,91,420</b>
<b>7. APPROPRIATIONS</b>		
Proposed Dividend	1,86,80,000	1,40,10,000
Tax on Dividend	24,39,608	17,51,250
General Reserve	48,50,000	38,00,000
<b>8. BALANCE OF PROFIT CARRIED TO BALANCE SHEET</b>	<b>8,00,20,273</b>	<b>7,53,30,170</b>
<b>9. Notes to Accounts</b>		
<b>10. BASIC AND DILUTED EARNING PER SHARE</b>	<b>6.48</b>	<b>5.07</b>

**A.1 PROFIT AND LOSS ACCOUNT OF MENON BEARINGS LIMITED**  
**FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2006**

PARTICULARS	2006	2005
<b>1. INCOME</b>		
Sales	24,56,77,210	26,65,87,615
Other Income	72,72,662	70,39,065
Increase / (Decrease) in stock	12,34,970	2,30,946
<b>TOTAL</b>	<b>25,41,84,842</b>	<b>27,38,57,626</b>
<b>2. EXPENDITURE</b>		
Raw Material & Stores Consumed	10,96,00,072	11,37,54,700
Manufacturing Expenses	2,84,83,762	3,20,62,700
Payments to & Provision For Employees	2,54,80,412	2,61,69,660
Administrative, Selling & Distribution Expenses	3,15,51,433	3,18,60,448
Cost of Finance	1,10,36,545	74,87,170
Depreciation	1,60,84,048	1,41,07,446
Preoperative Expenses W/O		
<b>TOTAL</b>	<b>22,22,36,272</b>	<b>22,54,42,124</b>
<b>3. PROFIT BEFORE TAXATION</b>	<b>3,19,48,570</b>	<b>4,84,15,503</b>
Provision for Income Tax (Current)	1,30,00,000	
Deferred Tax Liability (Assets)	(18,56,976)	
Fringe Benefit Tax Liability	4,50,000	
	<u>1,15,93,024</u>	1,81,43,783
<b>4. PROFIT AFTER TAXATION</b>	<b>2,03,55,546</b>	<b>3,02,71,720</b>
<b>5. BALANCE OF PROFIT AS PER LAST BALANCE SHEET</b>	<b>8,00,20,272</b>	<b>7,53,30,169</b>
Add : Previous Year Adjustments for Taxation		7,53,256
Less : Previous Year Expenses	4,15,646	3,65,265
<b>6. BALANCE PROFIT AVAILABLE FOR APPROPRIATIONS</b>	<b>9,99,60,171</b>	<b>10,59,89,880</b>
<b>7. APPROPRIATIONS</b>		
Proposed Dividend	1,02,74,000	1,86,80,000
Tax on Dividend	14,40,928	24,39,608
General Reserve	21,00,000	48,50,000
	<u>1,38,14,928</u>	48,50,000
<b>8. BALANCE OF PROFIT CARRIED TO BALANCE SHEET</b>	<b>8,61,45,243</b>	<b>8,00,20,272</b>
<b>9. Notes to Accounts</b>		
<b>10. BASIC AND DILUTED EARNING PER SHARE</b>	<b>4.36</b>	<b>6.48</b>

## A.2 BALANCE SHEET OF MENON BEARINGS LIMITED

AS AT 31<sup>ST</sup> MARCH 2002

PARTICULARS	2002	2001
<b>SOURCES OF FUNDS :</b>		
<b>1 SHAREHOLDERS FUNDS</b>		
a. Shareholders Funds	46,70,000	46,700,000
b. Reserves & Surplus	62,516,093	53,732,385
	109,216,093	100,432,385
<b>2 LOAN FUNDS</b>		
Secured Loans	22,900,378	26,198,956
Unsecured Loans	38,050,898	38,050,898
Total Rs.	1,70,167,369	164,682,239
<b>APPLICATION OF FUNDS</b>		
<b>3 FIXED ASSETS</b>		
Gross Block	1,06,847,471	100,504,337
Less : Depreciation	49,985,948	41,009,893
Net Block	56,861,523	59,494,444
Capital Work in Process	6,218,779	4,085,364
<b>4. INVESTMENTS</b>	1,935,036	2,035,036
<b>5. CURRENT ASSETS, LOANS &amp; ADVANCES</b>		
Inventory	33,744,090	36,027,766
Sundry Debtors	47,057,618	41,687,163
Cash and Bank Balances	41,923,402	29,061,593
Loans And Advances	44,444,860	33,133,316
Total	1,67,169,970	139,909,838
<b>Less : Current Liabilities &amp; Provisions</b>		
a) Current Liabilities	19,171,715	11,931,381
b) Provisions	35,364,329	29,712,208
Total	54,536,044	41,643,589
Net Current Assets	112,633,926	98,266,249
Deferred Tax Liability	(7,959,354)	
<b>6. MISCELLANEOUS EXPENDITURE</b>	477,459	801,146
<b>Total</b>	170,167,369	164,682,238

## A.2 BALANCE SHEET OF MENON BEARINGS LIMITED

AS AT 31<sup>ST</sup> MARCH 2003

PARTICULARS	2003	2002
<b>SOURCES OF FUNDS :</b>		
<b>1 SHAREHOLDERS FUNDS</b>		
a. Shareholders Funds	4,67,00,000	4,67,00,000
b. Reserves & Surplus	8,05,02,442	6,25,16,093
	<u>12,72,02,442</u>	<u>10,92,16,093</u>
<b>2 LOAN FUNDS</b>		
Secured Loans	7,42,10,273	2,29,00,378
Unsecured Loans	3,95,37,542	3,80,50,898
Total Rs.	<u>24,09,50,257</u>	<u>17,01,67,369</u>
<b>APPLICATION OF FUNDS</b>		
<b>3 FIXED ASSETS</b>		
Gross Block	12,84,95,446	10,68,47,471
Less : Depreciation	5,94,37,275	4,99,85,948
Net Block	<u>6,90,58,171</u>	<u>5,68,61,523</u>
Capital Work in Process	1,64,54,224	62,18,779
<b>4. INVESTMENTS</b>	19,35,036	19,35,036
<b>5. CURRENT ASSETS, LOANS &amp; ADVANCES</b>		
Inventory	4,21,09,778	3,37,44,090
Sundry Debtors	5,98,54,691	4,70,57,618
Cash and Bank Balances	5,94,86,512	4,19,23,402
Loans And Advances	7,59,80,621	4,44,44,860
Total	<u>23,71,31,602</u>	<u>16,71,69,970</u>
<b>Less : Current Liabilities &amp; Provisions</b>		
a) Current Liabilities	2,44,65,353	1,91,71,715
b) Provisions	5,29,70,772	3,53,64,329
Total	<u>7,74,36,125</u>	<u>5,45,36,044</u>
Net Current Assets	15,99,95,477	11,26,33,926
Deferred Tax Liability	(66,51,710)	(79,59,354)
<b>6. MISCELLANEOUS EXPENDITURE</b>	1,59,059	4,77,459
Total	<u>24,09,50,257</u>	<u>17,01,67,369</u>

## A.2 BALANCE SHEET OF MENON BEARINGS LIMITED

AS AT 31<sup>ST</sup> MARCH 2004

PARTICULARS	2004	2003
<b>SOURCES OF FUNDS :</b>		
<b>1 SHAREHOLDERS FUNDS</b>		
a. Shareholders Funds	4,67,00,000	4,67,00,000
b. Reserves & Surplus	8,83,80,169	8,05,02,442
	13,50,80,169	12,72,02,442
<b>2 LOAN FUNDS</b>		
Secured Loans	5,18,92,790	7,42,10,273
Unsecured Loans	4,29,72,273	3,95,37,542
	9,48,65,063	11,37,47,815
<b>3 DEFERRED TAX LIABILITY</b>	65,05,007	66,51,711
Total Rs.	23,64,50,239	24,76,01,968
<b>APPLICATION OF FUNDS</b>		
<b>4 FIXED ASSETS</b>		
Gross Block	15,57,11,561	12,84,95,446
Less : Depreciation	7,04,51,912	5,94,37,274
Net Block	8,52,59,649	6,90,58,172
Capital Work in Process	59,52,733	1,64,54,224
<b>5 INVESTMENTS</b>	18,79,090	19,35,036
<b>6 CURRENT ASSETS, LOANS &amp; ADVANCES</b>		
Inventory	5,26,59,328	4,21,09,778
Sundry Debtors	5,09,38,946	5,98,54,691
Cash and Bank Balances	6,89,19,704	5,94,86,512
Loans And Advances	8,26,77,016	7,62,80,621
Total	25,51,94,994	23,77,31,602
Less : <b>Current Liabilities &amp; Provisions</b>		
a) Current Liabilities	4,02,96,126	2,47,65,353
b) Provisions	7,15,40,101	5,29,70,772
Total	11,18,36,227	7,77,36,125
Net Current Assets	14,33,58,767	15,99,95,477
<b>7 MISCELLANEOUS EXPENDITURE</b>		1,59,059
Total	23,64,50,239	24,76,01,968

## A.2 BALANCE SHEET OF MENON BEARINGS LIMITED

AS AT 31<sup>ST</sup> MARCH 2005

PARTICULARS		2005	2006
<b>SOURCES OF FUNDS :</b>			
<b>1</b>	<b>SHAREHOLDERS FUNDS</b>		
	a. Shareholders Funds	4,67,00,000	4,67,00,000
	b. Reserves & Surplus	9,79,20,273	8,83,80,170
		<u>14,46,20,273</u>	<u>13,50,80,169</u>
<b>2</b>	<b>LOAN FUNDS</b>		
	Secured Loans	9,88,05,959	5,18,92,790
	Unsecured Loans	4,61,73,022	4,29,72,273
		<u>14,49,78,981</u>	<u>4,29,72,273</u>
<b>3</b>	<b>DEFERRED TAX LIABILITY</b>	76,48,790	65,05,007
	Total Rs.	<u>29,72,48,044</u>	<u>23,64,50,239</u>
<b>APPLICATION OF FUNDS</b>			
<b>4</b>	<b>FIXED ASSETS</b>		
	Gross Block	19,06,50,609	15,57,11,561
	Less : Depreciation	8,44,96,649	7,04,51,912
	Net Block	<u>10,61,53,960</u>	<u>8,52,59,649</u>
	Capital Work in Process	9,95,835	59,52,733
<b>5</b>	<b>INVESTMENTS</b>	3,05,80,112	18,79,090
<b>6</b>	<b>CURRENT ASSETS, LOANS &amp; ADVANCES</b>		
	Inventory	4,69,01,304	5,26,59,328
	Sundry Debtors	7,21,59,582	5,09,38,946
	Cash and Bank Balances	7,28,59,582	6,89,19,704
	Loans And Advances	8,05,03,906	8,26,77,016
	Total	<u>27,23,78,568</u>	<u>25,51,94,994</u>
	<b>Less : Current Liabilities &amp; Provisions</b>		
	a) Current Liabilities	3,56,54,219	4,02,96,126
	b) Provisions	7,72,06,212	7,15,40,101
	Total	<u>11,28,60,431</u>	<u>11,18,36,227</u>
	Net Current Assets		
<b>7</b>	<b>MISCELLANEOUS EXPENDITURE</b>	15,95,18,137	14,33,58,767
	Total	<u>29,72,48,044</u>	<u>23,64,50,239</u>

## A.2 BALANCE SHEET OF MENON BEARINGS LIMITED

AS AT 31<sup>ST</sup> MARCH 2006

PARTICULARS	2006	2005
<b>SOURCES OF FUNDS :</b>		
<b>1 SHAREHOLDERS FUNDS</b>		
a. Shareholders Funds	4,67,00,000	4,67,00,000
b. Reserves & Surplus	10,61,45,243	9,79,20,273
	15,28,45,243	14,46,20,272
<b>2 LOAN FUNDS</b>		
Secured Loans	11,84,38,102	9,88,05,959
Unsecured Loans	4,90,89,679	4,61,73,022
	16,75,27,781	14,49,78,981
<b>3 DEFERRED TAX LIABILITY</b>	57,91,814	76,48,790
Total Rs.	32,61,64,838	29,72,48,043
<b>APPLICATION OF FUNDS</b>		
<b>4 FIXED ASSETS</b>		
Gross Block	19,22,02,745	
Less : Depreciation	9,95,78,613	
Net Block	9,26,24,132	10,61,53,960
Capital Work in Process	45,79,075	9,95,835
<b>5 INVESTMENTS</b>	4,02,05,590	3,05,80,112
<b>6 CURRENT ASSETS, LOANS &amp; ADVANCES</b>		
Inventory	4,28,11,581	4,69,01,303
Sundry Debtors	6,21,81,739	7,21,59,582
Cash and Bank Balances	7,77,87,388	7,28,13,776
Loans And Advances	11,63,80,563	8,05,03,906
Total	29,91,61,271	27,23,78,567
Less : Current Liabilities & Provisions		
a) Current Liabilities	2,96,61,094	3,56,54,219
b) Provisions	8,07,44,136	7,72,06,212
Total	11,04,05,230	11,28,60,431
Net Current Assets	18,87,56,041	15,95,18,136
<b>7 MISCELLANEOUS EXPENDITURE</b>		
Total	32,61,64,838	29,72,48,043