ABSTRACT

The topic under the study is Financial Management in Banks in Kerala. The importance of the banking industry has to be understood in the context of economic growth and its role as not only a critical financial intermediary but as a facilitator of money flows in the economic system. Indian commercial banks are the oldest institutions having a wide network of branches, commanding utmost public confidence and having the lion’s share in the total banking operations. To perform its role in a country's economy successfully, a commercial banking system requires a delicate balance between risk-taking and maintaining public confidence. Hence an efficient administration is of paramount importance in its pursuit to achieve their goals. Application of the modern management principles and techniques are essential for the smooth conduct of the affairs of the banks. Management of financial resources in banks is one important area where major resolutions are made. Financial management is the acquisition, financing and management of assets with an overall goal in mind. The study envisages the various financial management aspects in the scheduled banks in the private sector incorporated in the State of Kerala. There were six scheduled banks in Kerala when the study began. But at present there are only four scheduled
banks after the take over of The Lord Krishna Bank Ltd. by Centurion Bank of Punjab and The Nedungadi Bank Ltd. by The Punjab National Bank. The Federal Bank Limited, The South Indian Bank Limited, The Catholic Syrian Bank Limited and The Dhanalakshmi Bank Limited are the four scheduled banks which come under the study. The main purpose of the study is to assess the extent and magnitude of the financial management in the scheduled banks in Kerala. The study includes analysing the financing decisions, investment decisions and asset management decisions in banks. The study comprehensively covers how the financial decisions affect the size, growth, risk and return of the banks. The study aims at bringing out the current financial management principles and practices of the scheduled banks. Data was analysed within the general framework of financial management concepts and principles. Upon analysis of data, about 142 specific and individual findings are arrived at which are categorized under the respective objectives of the study. The findings of the study throw light on the new wave of changes that are on the anvil in the banking industry.