

A Study on Financial Performance of Small Finance Banks

Mr. A. Prasanth¹ and Mr. G. Mohanprasanna²

Professor, Department of Management Science¹

Student II MBA, Department of Management Science²

Hindusthan College of Engineering and Technology, Coimbatore, India

Abstract: *Small Finance Banks are a new entrant into the Indian banking system with a differentiated focus on financial inclusion. A preliminary assessment of these banks brings out a rapid growth in their branches and asset base marked by a healthy asset quality and high return on assets. These banks have been reasonably successful in reaching out to under-served sectors. The study aims at the annual report of the 3 companies (Au small finance bank, Equities finance bank and Ujjivan small finance bank) from 2018 – 2022. The annual reports were extracted from the parent website of the companies itself, after IPO have been issued. To identify financial performance of these banks. The findings of study is good and efficient financial performance needs suggestion like A consistent high ratio is needed for the revenue and operation for getting converted to cash, The depreciation rate is to be modified to manipulate the earnings other ways volatility of the same flag off risks, Expenses must be written off directly from the balance sheet instead of being routed through profit loss statement this helps in inflating the profit, A high yield depicts proper statement of cash and equivalents. A low ratio is needed to display sub stained capes, The cash generated by the business must be siphoned off to check whether reported earnings or revenue are believable, Faster growth in auditors remuneration with regard to companies operation must raise concerns surrounding auditor"s objectivity. all this prospects are intact and give rise to a good and efficient financial performance of these banks. Based on this study on financial performance we come to conclusion that all this banks perform financially well.*

Keywords: Financial performance of small finance bank

BIBLIOGRAPHY

- [1]. JASIR, M. (2022). A STUDY ON FINANCIAL PERFORMANCE OF VARIOUS SMALL FINANCE BANKS. *Peer Reviewd journal*, 82-88.
- [2]. MANOJ, R. (2021). A STUDY ON FINANCIAL ANALYSIS OF SMALL FINANCE BANK . *Bhopal School of Social Sciences*, 59.
- [3]. Mulwa, J. M. (2016). Commercial Bank Diversification and Financial . *Journal of Finance and Investment Analysis*, 31-52.
- [4]. Mwau, J. (2016). Commercial Bank Diversification and Financial Performance: The Moderating Role of Risk. *Journal of Finance and Investment Analysis*, 31-52.
- [5]. mwende, M. J. (2019). Effect of Equity Finance on Financial Performance of Small and Medium Enterprises in . *International Journal of Business and Social Science*, 60-70.
- [6]. Paramasivan, S. (2021). Impact of Capital Structure on Financial Performance . *International Journal of Mechanical Engineering*, 753-757.
- [7]. Ray, M. (2021). Financial Analysis of Small Finance Banks in India through CAMEL Rating. *Turkish Online Journal of Qualitative Inquiry*, 2059-2068.
- [8]. Sangmi. (2010). Analyzing financial performance of commercial banks. *Pakistan Journal of Commerce and Social Sciences*, 40-55.