FINANCIAL MANAGEMENT
Theory and Practice
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TRINITY PRESS
(An Imprint of Laxmi Publications Pvt. Ltd.)
To
my Students
for their inspiration
and
my Wife, Meera Mathur,
and my Daughters,
Archana Mathur
and
Kartika Mathur
for their sustained support
Financial Management is critical to the success of any organization. It is all the more so in the case of business organizations, since almost all decisions taken have financial implications. It becomes, therefore, imperative for all executives in a business organization to acquire a fairly good knowledge of the fundamental principles of financial management and control.

Several books by Indian and foreign authors on the subject are available in the market. However, not all of them are reader-friendly. Dr. Satish B. Mathur's *Financial Management: Theory and Practice* is an exception. It is written in a conversational style. The narrative is lucid. Difficult and complex topics like analysis and interpretation of financial statements, management and control of working capital, classification and control of costs and cost-volume-profit analysis are presented in a manner that readers may go through them with ease and sustained interest. In writing the book, the author has brought to bear on it his personal experience as a senior executive with the State Bank of India for almost three decades. As a senior faculty at the Indian Institute of Management, Lucknow, he knows what the requirements of students are.

I congratulate Dr. Mathur on his endeavour to produce a book covering the basic and essential aspects of financial management and control. I am sure that the book will be widely used by students and faculty in academic institutions as well as practising executives in industry and financial institutions.

(C. Rangarajan)
My friends, colleagues and well-wishers, in banks, industries and academia, and the top and senior executives of banks and industries, participating in my Management Development Programmes (MDPs), and the PGP students at the Indian Institute of Management, Lucknow, have been persuading me, to venture into writing a comprehensive book on ‘Financial Management’, in the Indian context and conditions, citing suitable illustrative live cases and examples, drawn from Indian experiences. They were, perhaps, thinking that, with my vast and varied experience as a professional banker with the State Bank of India for around three decades, in several senior positions, I may be able to do full justice to the subject.

In fact, their such a high opinion of, and expectation from me, had been more a deterrent, rather than a facilitating factor, in my daring to take up such a demanding endeavour on my part. Besides, my varied experience and widespread knowledge in the area had made me feel that the task was rather too stupendous, difficult and demanding, even to make a humble beginning in this direction. But then, it took me long precious time to realise that howsoever long and difficult a journey may be, it can be completed only after taking the first step; that is, when a small beginning is made. Thus, the hard and hefty, concerted and concentrated efforts, made in the right direction, and in right earnest, have made it possible for me to place the book, my humble work, before you.

A book, like one’s own baby, is invariably the most beloved and beautiful one to its author. But then, the real judges are, definitely and decidedly, the readers themselves. And, if they would think that the book has presented the difficult and dull subject like ‘Financial Management’ in a quite easy-to-understand, interesting and entertaining manner, I would think that my sincere endeavour was worth the effort. And, if the readers, the students (of B.Com. and M.Com., MBA and PGP, degrees and diplomas), the Chartered Accountants, the professional and practising bankers and industrialists, experience that, while reading the book, they tend to feel as if the author had personally been talking to them, instead, on a one-to-one basis, I would sincerely thank them all, and think that my sincere and strenuous efforts have been amply rewarded. I sincerely feel that even the practising professionals of commercial banks and industries may find the book quite relevant for reference and refreshing purposes.

A summary, containing the essence of each Chapter at its end, may be found very useful and handy for the students at the time of their examination. Even the Professors, teaching the subject, may find the synopsis immensely useful for preparing the required transparencies or slides on Power-Point Software, for use in their lecture sessions. I earnestly solicit valuable suggestions from my worthy readers, for bringing in further improvements in the next edition of the book.

Satish B. Mathur
At the very outset, I must thank my friends and colleagues in banks and academia, and the top and senior executives of industries and banks, who participated in my Management Development Programmes (MDPs), and the PGP students at the Indian Institute of Management, Lucknow, for their persistent persuasion and encouragement, which made it possible for me to write the book on the subject.

I am immensely grateful to Meera Mathur, my wife, for her self-less sacrifice and support, and valuable views, from time to time. My hearty gratitude is due to my lovely dear daughters – Archana Mathur and Kartika Mathur, for their free and frank opinion, and constructive suggestions, which have gone a long way in making the book so very reader-friendly, lucid and easy-to-understand, even by non-experts and non-finance executives, in the business and industry. I am greatful to the publisher for timely publication this book.

Satish B. Mathur
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