

## **A STUDY ON FINANCIAL PERFORMANCE EVALUATION OF INDIAN BANKING INDUSTRY WITH REFERENCE TO PUBLIC SECTOR BANKS**

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### **ABSTRACT**

The year 2012-13 was marked by slowing growth, lingering inflation pressures and risks from persisting twin deficits. Policy efforts helped contain fiscal deficits and moderate inflation towards the later part of the year. However, significant challenges remain ahead for reviving growth while maintaining macro-financial stability. In this context, it becomes important to address structural constraints to growth, improve governance, address asset quality concerns and correct external imbalances. India's real GDP growth continued to moderate for the second successive year in 2012-13 and dropped to 5.0 per cent, the lowest in the past 10 years. A combination of factors has contributed to growth moderation over past two years. These include structural impediments, high inflation for three years and cyclical slowdown in both global and domestic economies. Consequently, activity in all major sectors of the economy decelerated during the year, with the industrial sector suffering the most. While the agriculture sector slowed for the second consecutive year in 2012-13 due to the weak monsoon, industrial and services sector growth decelerated for the third consecutive year after the recovery from the global crisis in 2009-10.

**KEYWORDS:** Slowing Growth, Lingering Inflation Pressures and Risks