

## A STUDY ON PRIVATIZATION OF BANKS IN INDIA

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### ABSTRACT

*The Banking Regulation Act, 1949 defines “Banking “as “the means of accepting, for the purpose of lending or investment of deposits of money from the public repayable on demand or otherwise. It also defines “Banking Company” as any company which transaction business. Banking is entirely different and distinctive from any other business institution. It is made up of common man’s deposits. The decision to privatize banks is taken after 51 years of independence. The first time the nationalization of banks happened in 1969. The responsibility to select Public Sector Banks to be privatized in the FY2021-22 was given to NITI Aayog. Central Bank and the Indian Overseas Bank are the foremost choices for privatization. The two departments: Department of Financial Services (DFS) and the Department of Investment and Public Asset Management (DIPAM) will scrutinize and decide which bank will be privatized. Finance Minister Mrs. Nirmala Sitharaman said in her 2021-22 Budget Speech that in 2021-22-year the government will privatize two banks. The paper tries to find the reason for the Privatization of banks, why only few banks are going to be privatized, the effect of post-Privatization, challenges in the way of its implementation.*

**KEYWORDS:** Privatization, Banks, Government, Impact.

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