INTERNATIONAL JOURNAL OF RESEARCH IN COMMERCE & MANAGEMENT

A Monthly Double-Blind Peer Reviewed (Refereed/Juried) Open Access International e-Journal - Included in the International Serial Directories
Indexed & Listed at:
Ulrich's Periodicals Directory ©, ProQuest, U.S.A., Cabell's Directories of Publishing Opportunities, U.S.A., Google Scholar,
Indian Citation Index (ICI), J-Gage, India [link of the same is duly available at Inflibnet of University Grants Commission (U.G.C.)],
Index Copernicus Publishers Panel, Poland with IC Value of 5.09 (2012) & number of libraries all around the world.
Circulated all over the world & Google has verified that scholars of more than **7835 Cities** in **197 countries/territories** are visiting our journal on regular basis.
Ground Floor, Building No. 1041-C-1, Devi Bhawan Bazar, JAGADHRI – 135 003, Yamunanagar, Haryana, INDIA
http://ijrcm.org.in/

CONTENTS

CALL FOR MANUSCRIPTS

We invite unpublished novel, original, empirical and high quality research work pertaining to the recent developments & practices in the areas of Computer Science & Applications; Commerce; Business; Finance; Marketing; Human Resource Management; General Management; Banking; Economics; Tourism Administration & Management; Education; Law; Library & Information Science; Defence & Strategic Studies; Electronic Science; Corporate Governance; Industrial Relations; and emerging paradigms in allied subjects like Accounting; Accounting Information Systems; Accounting Theory & Practice; Auditing; Behavioral Accounting; Behavioral Economics; Corporate Finance; Cost Accounting; Econometrics; Economic Development; Economic History; Financial Institutions & Markets; Financial Services; Fiscal Policy; Government & Non Profit Accounting; Industrial Organization; International Economics & Trade; International Finance; Macro Economics; Micro Economics; Rural Economics; Co-operation; Demography: Development Planning; Development Studies; Applied Economics; Development Economics; Business Economics; Monetary Policy; Public Policy Economics; Real Estate; Regional Economics; Political Science; Continuing Education; Labour Welfare; Philosophy; Psychology; Sociology; Tax Accounting; Advertising & Promotion Management; Management Information Systems (MIS); Business Law; Public Responsibility & Ethics; Communication; Direct Marketing; E-Commerce; Global Business; Health Care Administration; Labour Relations & Human Resource Management; Marketing Research; Marketing Theory & Applications; Non-Profit Organizations; Office Administration/Management; Operations Research/Statistics; Organizational Behavior & Theory; Organizational Development; Production/Operations; International Relations; Human Rights & Duties; Public Administration; Population Studies; Purchasing/Materials Management; Retailing; Sales/Selling; Services; Small Business Entrepreneurship; Strategic Management Policy; Technology/Innovation; Tourism & Hospitality; Transportation Distribution; Algorithms; Artificial Intelligence; Compilers & Translation; Computer Aided Design (CAD); Computer Aided Manufacturing; Computer Graphics; Computer Organization & Architecture; Database Structures & Systems; Discrete Structures; Internet; Management Information Systems; Modeling & Simulation; Neural Systems/Neural Networks; Numerical Analysis/Scientific Computing; Object Oriented Programming; Operating Systems; Programming Languages; Robotics; Symbolic & Formal Logic; Web Design and emerging paradigms in allied subjects.

Anybody can submit the **soft copy** of unpublished novel; original; empirical and high quality **research work/manuscript** ***anytime*** in ***M.S. Word format*** after preparing the same as per our **GUIDELINES FOR SUBMISSION**; at our email address i.e. infoijrcm@gmail.com or online by clicking the link **online submission** as given on our website (***FOR ONLINE SUBMISSION, CLICK HERE***).

GUIDELINES FOR SUBMISSION OF MANUSCRIPT

1. **COVERING LETTER FOR SUBMISSION**:

DATED: _____________

THE EDITOR

IJRCM

Subject: **SUBMISSION OF MANUSCRIPT IN THE AREA OF** _______________________________________.

(e.g. Finance/Mkt./HRM/General Mgt./Engineering/Economics/Computer/IT/ Education/Psychology/Law/Math/other, please specify)

DEAR SIR/MADAM

Please find my submission of manuscript titled '____' for likely publication in one of your journals.

I hereby affirm that the contents of this manuscript are original. Furthermore, it has neither been published anywhere in any language fully or partly, nor it is under review for publication elsewhere.

I affirm that all the co-authors of this manuscript have seen the submitted version of the manuscript and have agreed to inclusion of their names as co-authors.

Also, if my/our manuscript is accepted, I agree to comply with the formalities as given on the website of the journal. The Journal has discretion to publish our contribution in any of its journals.

NAME OF CORRESPONDING AUTHOR	:
Designation/Post*	:
Institution/College/University with full address & Pin Code	:
Residential address with Pin Code	:
Mobile Number (s) with country ISD code	:
Is WhatsApp or Viber active on your above noted Mobile Number (Yes/No)	:
Landline Number (s) with country ISD code	:
E-mail Address	:
Alternate E-mail Address	:
Nationality	:

* i.e. Alumnus (Male Alumni), Alumna (Female Alumni), Student, Research Scholar (M. Phil), Research Scholar (Ph. D.), JRF, Research Assistant, Assistant Lecturer, Lecturer, Senior Lecturer, Junior Assistant Professor, Assistant Professor, Senior Assistant Professor, Co-ordinator, Reader, Associate Professor, Professor, Head, Vice-Principal, Dy. Director, Principal, Director, Dean, President, Vice Chancellor, Industry Designation **etc**. ***The qualification of author is not acceptable for the purpose***.

NOTES:

a) The whole manuscript has to be in ***ONE MS WORD FILE*** only, which will start from the covering letter, inside the manuscript. ***pdf. version is liable to be rejected without any consideration***.

b) The sender is required to mention the following in the **SUBJECT COLUMN of the mail**:

New Manuscript for Review in the area of (e.g. Finance/Marketing/HRM/General Mgt./Engineering/Economics/Computer/IT/ Education/Psychology/Law/Math/other, please specify)

c) There is no need to give any text in the body of the mail, except the cases where the author wishes to give any **specific message** w.r.t. to the manuscript.

d) The total size of the file containing the manuscript is expected to be below **1000 KB**.

e) Only the **Abstract will not be considered for review** and the author is required to submit the **complete manuscript** in the first instance.

f) ***The journal gives acknowledgement w.r.t. the receipt of every email within twenty-four hours*** and in case of non-receipt of acknowledgment from the journal, w.r.t. the submission of the manuscript, within two days of its submission, the corresponding author is required to demand for the same by sending a separate mail to the journal.

g) The author (s) name or details should not appear anywhere on the body of the manuscript, except on the covering letter and the cover page of the manuscript, in the manner as mentioned in the guidelines.

2. **MANUSCRIPT TITLE**: The title of the paper should be typed in **bold letters**, **centered** and **fully capitalised**.
3. **AUTHOR NAME (S) & AFFILIATIONS**: Author (s) **name**, **designation**, **affiliation** (s), **address**, **mobile/landline number** (s), and **email/alternate email address** should be given underneath the title.
4. **ACKNOWLEDGMENTS**: Acknowledgements can be given to reviewers, guides, funding institutions, etc., if any.
5. **ABSTRACT**: Abstract should be in **fully Italic printing**, ranging between **150** to **300 words**. The abstract must be informative and elucidating the background, aims, methods, results & conclusion in a **SINGLE PARA**. ***Abbreviations must be mentioned in full***.
6. **KEYWORDS**: Abstract must be followed by a list of keywords, subject to the maximum of **five**. These should be arranged in alphabetic order separated by commas and full stop at the end. All words of the keywords, including the first one should be in small letters, except special words e.g. name of the Countries, abbreviations etc.
7. **JEL CODE**: Provide the appropriate Journal of Economic Literature Classification System code (s). JEL codes are available at www.aeaweb.org/econlit/jelCodes.php. However, mentioning of JEL Code is not mandatory.
8. **MANUSCRIPT**: Manuscript must be in ***BRITISH ENGLISH*** prepared on a standard A4 size ***PORTRAIT SETTING PAPER***. *It should be free from any errors i.e.* ***grammatical, spelling*** *or* ***punctuation.*** *It must be thoroughly edited at your end*.
9. **HEADINGS**: All the headings must be bold-faced, aligned left and fully capitalised. Leave a blank line before each heading.
10. **SUB-HEADINGS**: All the sub-headings must be bold-faced, aligned left and fully capitalised.
11. **MAIN TEXT**:

THE MAIN TEXT SHOULD FOLLOW THE FOLLOWING SEQUENCE:

INTRODUCTION
REVIEW OF LITERATURE
NEED/IMPORTANCE OF THE STUDY
STATEMENT OF THE PROBLEM
OBJECTIVES
HYPOTHESIS (ES)
RESEARCH METHODOLOGY
RESULTS & DISCUSSION
FINDINGS
RECOMMENDATIONS/SUGGESTIONS
CONCLUSIONS
LIMITATIONS
SCOPE FOR FURTHER RESEARCH
REFERENCES
APPENDIX/ANNEXURE

The manuscript should preferably be in ***2000 to 5000 WORDS***, But the limits can vary depending on the nature of the manuscript.

12. **FIGURES & TABLES:** These should be simple, crystal **CLEAR**, **centered**, **separately numbered** & self-explained, and the **titles must be above the table/figure**. **Sources of data should be mentioned below the table/figure**. *It should be ensured that the tables/figures are referred to from the main text*.
13. **EQUATIONS/FORMULAE:** These should be consecutively numbered in parenthesis, left aligned with equation/formulae number placed at the right. The equation editor provided with standard versions of Microsoft Word may be utilised. If any other equation editor is utilised, author must confirm that these equations may be viewed and edited in versions of Microsoft Office that does not have the editor.
14. **ACRONYMS:** These should not be used in the abstract. The use of acronyms is elsewhere is acceptable. Acronyms should be defined on its first use in each section e.g. Reserve Bank of India (RBI). Acronyms should be redefined on first use in subsequent sections.
15. **REFERENCES:** The list of all references should be alphabetically arranged. ***The author (s) should mention only the actually utilised references in the preparation of manuscript*** and they may follow Harvard Style of Referencing. **Also check to ensure that everything that you are including in the reference section is duly cited in the paper**. The author (s) are supposed to follow the references as per the following:

- All works cited in the text (including sources for tables and figures) should be listed alphabetically.
- Use (**ed.**) for one editor, and (**ed.s)** for multiple editors.
- When listing two or more works by one author, use --- (20xx), such as after Kohl (1997), use --- (2001), etc., in chronologically ascending order.
- Indicate (opening and closing) page numbers for articles in journals and for chapters in books.
- The title of books and journals should be in italic printing. Double quotation marks are used for titles of journal articles, book chapters, dissertations, reports, working papers, unpublished material, etc.
- For titles in a language other than English, provide an English translation in parenthesis.
- ***Headers, footers, endnotes*** *and* ***footnotes*** *should* ***not be used*** *in the document.* However, **you can mention short notes to elucidate some specific point**, which may be placed in number orders before the references.

PLEASE USE THE FOLLOWING FOR STYLE AND PUNCTUATION IN REFERENCES:

BOOKS

- Bowersox, Donald J., Closs, David J., (1996), "Logistical Management." Tata McGraw, Hill, New Delhi.
- Hunker, H.L. and A.J. Wright (1963), "Factors of Industrial Location in Ohio" Ohio State University, Nigeria.

CONTRIBUTIONS TO BOOKS

- Sharma T., Kwatra, G. (2008) Effectiveness of Social Advertising: A Study of Selected Campaigns, Corporate Social Responsibility, Edited by David Crowther & Nicholas Capaldi, Ashgate Research Companion to Corporate Social Responsibility, Chapter 15, pp 287-303.

JOURNAL AND OTHER ARTICLES

- Schemenner, R.W., Huber, J.C. and Cook, R.L. (1987), "Geographic Differences and the Location of New Manufacturing Facilities," Journal of Urban Economics, Vol. 21, No. 1, pp. 83-104.

CONFERENCE PAPERS

- Garg, Sambhav (2011): "Business Ethics" Paper presented at the Annual International Conference for the All India Management Association, New Delhi, India, 19–23

UNPUBLISHED DISSERTATIONS

- Kumar S. (2011): "Customer Value: A Comparative Study of Rural and Urban Customers," Thesis, Kurukshetra University, Kurukshetra.

ONLINE RESOURCES

- Always indicate the date that the source was accessed, as online resources are frequently updated or removed.

WEBSITES

- Garg, Bhavet (2011): Towards a New Gas Policy, Political Weekly, Viewed on January 01, 2012 http://epw.in/user/viewabstract.jsp

PRIVATIZATION OF PUBLIC SECTOR BANKS IN INDIA: A STUDY

Dr. JYOTIRMOY KOLEY
ASST. PROFESSOR
POST-GRADUATE DEPARTMENT OF COMMERCE
HOOGHLY MOHSIN COLLEGE
CHINSURAH

ABSTRACT
The Reserve Bank of India (RBI) has recently suggested the central government for the privatization of public sector banks (PSBs) in India. The increasing level of non-performing assets (NPAs) and declining level of profitability of the PSBs are the most possible reasons for making such kind of suggestion by the RBI. If the government goes for privatization, then the main purpose to facilitate bank credit to the marginal section of the society of the banking nationalization policy formed in 1969 and 1980 may be affected. This may also lead to huge unrest among bank employees of the PSBs. The present study attempts to analyze and compare the performance of the public sector banks (PSBs) and private sector banks (PVBs) in India to reach the need for privatization. The research reveals that numerically, the performance of the PVBs is better than the PSBs from NPAs and profitability perspectives. But there are many social welfare issues of public interest where the PSBs are doing well.

KEYWORDS
RBI, NPAs, central government, public sector banks, private sector banks, profitability, privatization, nationalization, public interest, social welfare.

JEL CODE
L33

1. INTRODUCTION
Presently, the central government of India is very worried about the increasing level of NPAs and declining level of profitability of the PSBs in which the government has more than 50% stake. So, from the banking business, the government has been suffering from losses over the last five years. Though, the works of government cannot be just profit oriented. At the same time, the regulator of the Indian banking sector, the RBI has recently suggested for privatization of the PSBs in India. As a result, the government may think about moving towards the decision of privatization of the PSBs. So, nowadays, this hot topic of privatization is coming under the scanner for discussion with mixed opinions. But, if we, just look into the main objective behind the nationalization of banks in India in 1969 as well as 1980, we could see that was to facilitate bank credit to the marginal section of society which is popularly termed the priority sector lending. Presently, as per banking sector reforms, at least 40% (higher of) the adjusted net bank credit (ANBC) or credit equivalent of off-balance sheet exposure (CEOBE) should be allowed as a credit to the marginal section of the society under the priority sector lending (PSL) scheme in India. Both the PSBs and PVBs have been following the norms of reforms and also doing well under the PSL scheme for society. The current study has tried to analyze the need for the privations of PSBs in India.

2. LITERATURE REVIEW
Several studies have been conducted by many academicians and researchers on different aspects of the privation of PSBs in India over time. Some of them are highlighted below.

Tripathi (2019) studied various pros and cons of the privatization of public sector banks and analyzed the issue through the solution-oriented approach. He found that the privatization of public sector banks may be done to a limited extent on a temporary basis, but more focus should be given to strengthening regulations, governance, norms, and procedures, and improving human resource management of public sector banks.

Agarwal (2022) examined the need and efficiency of the privatization of public sector banks by evaluating and comparing the performance and the NPAs of both public and private sector banks. Finally, he reached a mixed opinion and suggested that the government should frame suitable policies to manage the NPAs of public sector banks.

Garje (2022) tried to show how few private sector banks (20) have been nationalized in the year 1980 and how the central government wants to privatize the same banks, now. He said that the motives behind the nationalization and the privatization seem to be contradictory which has been highlighted by him. He concluded that the strong public sector banks should not be privatized rather they should be given autonomy status like Navaratna status given to strong public sector undertakings.

Sarala (2020) analyzed various issues like the objectives of privatization, the inefficiency of public sector banks, the importance of private sector banks, RBI guide-lines for private sector banks, and the impact of financial sector reforms. He found that in the case of privatization, the banking sector will be dominated by a handful of big industrialists. He also revealed that the direction which the central government wants to give to the banking policy is adverse to the objective of nationalization and the constitutional obligation of equitable distribution of wealth.

Keshava (2016) studied privatization, and how it brings benefits and success to the banking sector. He presented that privatization leads to a monopoly which will increase public suffering and reduce the equality and efficiency of the banking sector. It would bring new culture in banking not only for small borrowers but also for small savers.

3. OBJECTIVE OF THE STUDY
The objective of the study is to analyze the need for privatization of public sector banks in India.

4. RESEARCH METHODOLOGY
4.1 DATABASE: The study is analytical in nature, purely based on secondary data. The data have been collected from the various related research-based articles, journals, and papers published by many researchers over time in India and various annual reports of the RBI from 2011-12 to 2020-21.

4.2 METHODOLOGY: The performance of the PSBs and PVBs has been analyzed and compared with the help of three parameters (i) the share of PSL to ANBC or CEOBE (%), (ii) the share of net NPAs to net advances (%) and (iii) profitability-return on assets (ROA %). The tables, graphs, and statistical tools (correlation test) have been applied to analyze the data to draw logical research conclusions. The processing and analysis of data have been done with the help of ms-excel and statistical package (SPSS-20.0 version).

5. HYPOTHESIS
Six sets of hypotheses have been formulated to achieve the research objective. These are as follows:

H_1 There is no correlation between the share of PSL to ANBC or CEOBE (%) and the share of net NPAs to net advances (%) of the PSBs

H_2 There is no correlation between the share of PSL to ANBC or CEOBE (%) and ROA (%) of the PSBs

H_3 There is no correlation between the share of net NPAs to net advances (%) and ROA (%) of the PSBs

H_4 There is no correlation between the share of PSL to ANBC or CEOBE (%) and the share of net NPAs to net advances (%) of the PVBs

H_5 There is no correlation between the share of PSL to ANBC or CEOBE (%) and ROA (%) of the PVBs

H_6 There is no correlation between the share of net NPAs to net advances (%) and ROA (%) of the PVBs

6. ANALYSIS AND DISCUSSIONS

The data collected from the annual reports of the RBI from 2011-12 to 2020-21 have been analyzed below:

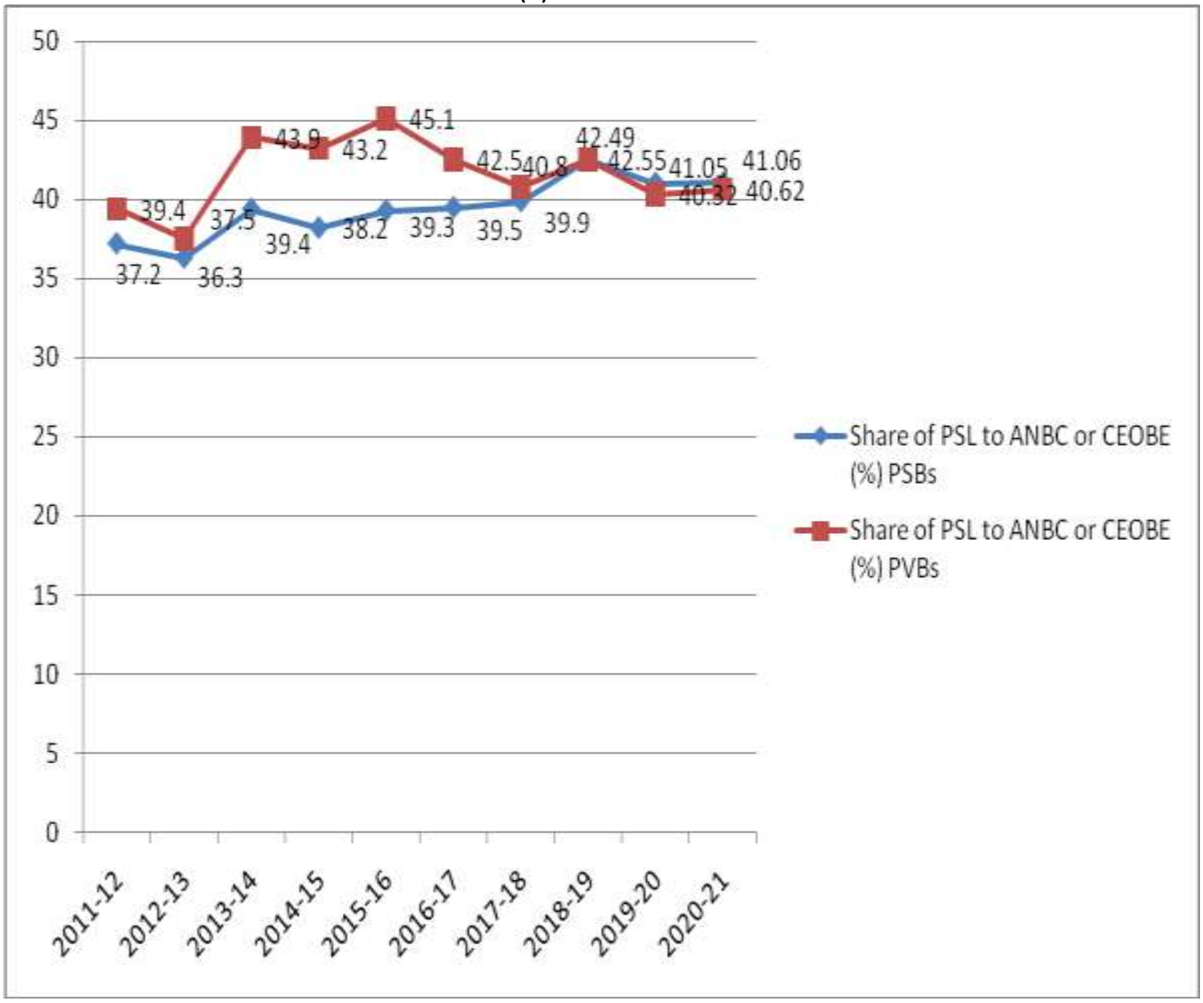
TABLE 1: PERFORMANCE OF PUBLIC SECTOR BANKS AND PRIVATE SECTOR BANKS FROM 2011-12 TO 2020-21

	Performance of Public Sector Banks			Performance of Private Sector Banks		
Year	Share of PSL to ANBC or CEOBE (%)	Share of net NPAs to net advances (%)	ROA (%)	Share of PSL to ANBC or CEOBE (%)	Share of net NPAs to net advances (%)	ROA (%)
2011-12	37.2	1.5	0.88	39.4	0.5	1.53
2012-13	36.3	2	0.78	37.5	0.5	1.63
2013-14	39.4	2.6	0.5	43.9	0.7	1.65
2014-15	38.2	2.9	0.46	43.2	0.9	1.68
2015-16	39.3	5.7	-0.07	45.1	1.4	1.5
2016-17	39.5	6.9	-0.1	42.5	2.2	1.3
2017-18	39.9	8	-0.84	40.8	2.4	1.14
2018-19	42.55	4.8	-0.65	42.49	2	0.63
2019-20	41.05	3.7	-0.23	40.32	1.5	0.51
2020-21	41.06	3.1	0.3	40.62	1.4	1.2

(Source: Compiled by Researcher from Annual Reports of RBI from 2011-12 to 2020-21)

Observation: From the above table-1, it has been observed that the share of PSL to ANBC or CEOBE (%) for the PVBs is higher in the initial seven years from 2011-12 to 2017-18, but the same is slightly lower in the last three years from 2018-19 to 2020-21 in comparison to the PSBs in India. The share of net NPAs to net advances (%) for the PSBs is higher than the PVBs over the last ten years from 2011-12 to 2020-21. The ROA of the PSBs is lower than the PVBs over the last ten years from 2011-12 to 2020-21. Rather, the ROA of the PSBs is negative from 2015-16 to 2019-20. So, in an overall sense, the overall performance of the PVBs is better than the PSBs over the last ten years from 2011-12 to 2020-21.

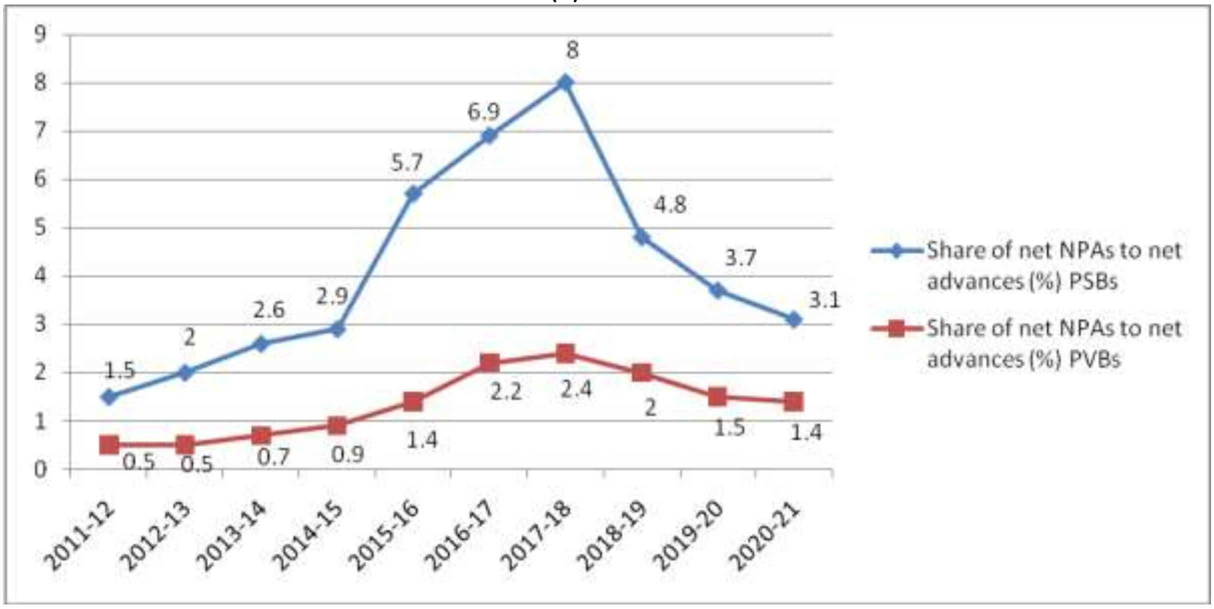
GRAPH 1: THE SHARE OF PSL TO ANBC OR CEOBE (%) OF THE PSBs AND THE PVBs IN INDIA FROM 2011-12 TO 2020-21



(Source: Compiled by Researcher from Annual Reports of RBI from 2011-12 to 2020-21)

Observation: From the above graph-1, it has been observed that the share of PSL to ANBC or CEOBE (%) for the PVBs is higher in the initial seven years from 2011-12 to 2017-18, but the same is slightly lower in the last three years from 2018-19 to 2020-21 in comparison to the PSBs in India.

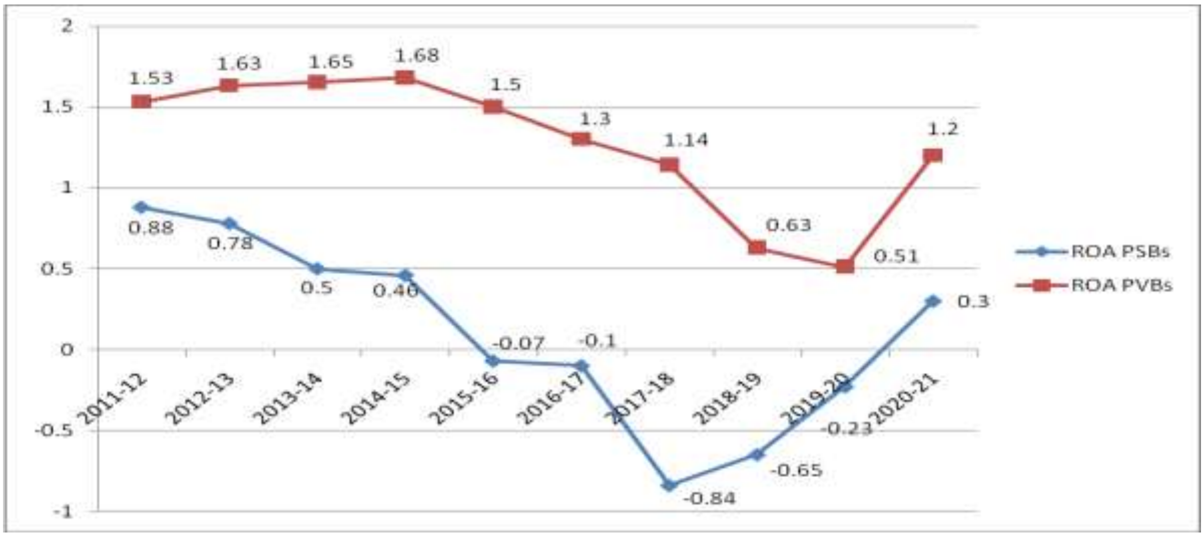
GRAPH 2: THE SHARE OF NET NPAS TO NET ADVANCES (%) OF THE PSBs AND THE PVBs IN INDIA FROM 2011-12 TO 2020-21



(Source: Compiled by Researcher from Annual Reports of RBI from 2011-12 to 2020-21)

Observation: From the above graph-2, it has been found that the share of net NPAs to net advances (%) for the PSBs is higher than the PVBs over the last ten years from 2011-12 to 2020-21.

GRAPH 3: ROA OF THE PSBs AND THE PVBs IN INDIA FROM 2011-12 TO 2020-21



(Source: Compiled by Researcher from Annual Reports of RBI from 2011-12 to 2020-21)

Observation: From the above graph-3, it has been seen that the ROA of the PSBs is lower than the PVBs over the last ten years from 2011-12 to 2020-21. Rather, the ROA of the PSBs is negative from 2015-16 to 2019-20.

6.1 Hypothesis Testing-1 Relating to the PSBs

H_1 There is no correlation between the share of PSL to ANBC or CEOBE (%) and the share of net NPAs to net advances (%) of the PSBs

H_2 There is no correlation between the share of PSL to ANBC or CEOBE (%) and ROA (%) of the PSBs

H_3 There is no correlation between the share of net NPAs to net advances (%) and ROA (%) of the PSBs

TABLE 2: CORRELATION TEST

		Share of PSL to ANBC or CEOBE (%)	Share of net NPAs to net advances (%)	ROA (%)
Share of PSL to ANBC or CEOBE (%)	Pearson Correlation	1	.428	-.748
	Sig. (2-tailed)		.217	.013
	No	10	10	10
Share of net NPAs to net advances (%)	Pearson Correlation	.428	1	-.849
	Sig. (2-tailed)	.217		.002
	No	10	10	10
ROA (%)	Pearson Correlation	-.748	-.849	1
	Sig. (2-tailed)	.013	.002	
	No	10	10	10

(Source: Compiled by Researcher)

Interpretation: The Pearson Correlation or P-value of the test at the 5% level of significance is 0.217 which is more than 0.05. So, the null hypothesis is accepted and the alternative hypothesis is rejected. Therefore, it can be concluded that there is no correlation between the share of PSL to ANBC or CEOBE (%) and the share of net NPAs to net advances (%) of the PSBs.

The Pearson Correlation or P-value of the test at the 5% level of significance is 0.013 which is less than 0.05. So, the null hypothesis is rejected and the alternative hypothesis is accepted. Therefore, it can be concluded that there is a strong negative correlation between the share of PSL to ANBC or CEOBE (%) and ROA (%) of the PSBs.

The Pearson Correlation or P-value of the test at the 5% level of significance is 0.002 which is less than 0.05. So, the null hypothesis is rejected and the alternative hypothesis is accepted. Therefore, it can be concluded that there is a strong negative correlation between the share of net NPAs to net advances (%) and ROA (%) of the PSBs.

6.2 Hypothesis Testing-2 Relating to the PVBs

H_4 There is no correlation between the share of PSL to ANBC or CEOBE (%) and the share of net NPAs to net advances (%) of the PVBs

H_5 There is no correlation between the share of PSL to ANBC or CEOBE (%) and ROA (%) of the PVBs

H_6 There is no correlation between the share of net NPAs to net advances (%) and ROA (%) of the PVBs

TABLE 3: CORRELATION TEST

		Share of PSL to ANBC or CEOBE (%)	Share of net NPAs to net advances (%)	ROA (%)
Share of PSL to ANBC or CEOBE (%)	Pearson Correlation	1	.251	.104
	Sig. (2-tailed)		.483	.775
	No	10	10	10
Share of net NPAs to net advances (%)	Pearson Correlation	.251	1	-.609
	Sig. (2-tailed)	.483		.062
	No	10	10	10
ROA (%)	Pearson Correlation	.104	-.609	1
	Sig. (2-tailed)	.775	.062	
	No	10	10	10

(Source: Compiled by Researcher)

Interpretation: The Pearson Correlation or P-value of the test at the 5% level of significance is 0.483 which is more than 0.05. So, the null hypothesis is accepted and the alternative hypothesis is rejected. Therefore, it can be concluded that there is no correlation between the share of PSL to ANBC or CEOBE (%) and the share of net NPAs to net advances (%) of the PVBs.

The Pearson Correlation or P-value of the test at the 5% level of significance is 0.775 which is more than 0.05. So, the null hypothesis is accepted and the alternative hypothesis is rejected. Therefore, it can be concluded that there is no correlation between the share of PSL to ANBC or CEOBE (%) and ROA (%) of the PVBs.

The Pearson Correlation or P-value of the test at the 5% level of significance is 0.062 which is more than 0.05. So, the null hypothesis is accepted and the alternative hypothesis is rejected. Therefore, it can be concluded that there is no correlation between the share of net NPAs to net advances (%) and ROA (%) of the PVBs.

7. FINDINGS OF THE STUDY

The findings from the above analysis are affirmed as under:

1. There is no correlation between the share of PSL to ANBC or CEOBE (%) and the share of net NPAs to net advances (%) of the PSBs.
2. There is a strong negative correlation between the share of PSL to ANBC or CEOBE (%) and ROA (%) of the PSBs.
3. There is a strong negative correlation between the share of net NPAs to net advances (%) and ROA (%) of the PSBs.
4. There is no correlation between the share of PSL to ANBC or CEOBE (%) and the share of net NPAs to net advances (%) of the PVBs.
5. There is no correlation between the share of PSL to ANBC or CEOBE (%) and ROA (%) of the PVBs.
6. There is no correlation between the share of net NPAs to net advances (%) and ROA (%) of the PVBs.

8. CONCLUSIONS

From the above study, it has been found that the credit allowed by the PSBs under the PSL scheme has no correlation with their NPAs. It means that the PSBs' NPAs level has been hiking due to some other reasons. On the other hand, due to the increasing level of NPAs, the profitability (ROA) of the PSBs is being hampered over the years. It has also been observed that there is a strong negative correlation between the share of PSL to ANBC or CEOBE (%) and ROA (%) of the PSBs. It means that the more credit allowed by the PSBs under the PSL scheme will lead to more decline in profitability (ROA) of the PSBs. So, the banking sector nationalization objective is supposed to be one of the obstacles to the low profitability of PSBs. But, the most negative impact on the profitability has been coming from the increasing level of NPAs of the PSBs.

On the contrary, the study shows that there is no correlation at all among PSL, NPAs, and ROA of the PVBs. The PSL of the PVBs is higher and sometimes quite at par with the PSBs. But, the NPAs level is always much lower than the PSBs. The ROA of the PVBs is also always much higher than the PSBs.

As the PVBs are performing very well over the years in those above-mentioned perspectives, the central government wants the PSBs to perform in a similar manner. The government may think that the desired performance may be achieved by the PSBs through privatization. It is not that the government has not taken any steps for the performance improvement of the PSBs. The capital infusion programme has been done by the government so many times to strengthen the PSBs but the results were not up to the expectation.

On the other hand, we should not forget that the PSBs are doing very well in social accountability aspects in India. The Pradhan Mantri Jan-Dhan Yojana (PMJDY) is one of the superior financial inclusion programmes in India, where PSBs are doing exceptionally well. Apart from that the various aspects of the financial inclusion programme like the opening of zero balance accounts, issue of Ru-pay debit cards, bank branch expansion, availability of more no of ATMs, and availability of good and reliable Business Correspondents (BCs) throughout the nation where the PSBs are doing very well in comparison to the PVBs.

The demand of the time is to reduce the level of NPAs in the PSBs. Now, the government needs to identify the exact reasons for the continuous hiking of the NPAs level in the PSBs. Those reasons should be sorted out properly as soon as possible. That solution will definitely have a positive impact on the profitability of the PSBs. Thereafter; the government may turn back into the banking nationalization policy. Otherwise, the process of privatization might disrupt the public interest, social welfare, and stability.

Finally, it can be concluded that the central government has to think about a lot of technical, financial, and social aspects before making any concrete decision about the privatization of PSBs in India.

9. SUGGESTIONS

Some suggestions may be given to the burning issue of privatization of the PSBs in India. These are as follows:

1. The PSBs should improve the quality of management of NPAs.
2. The central government should think and implement the recommendations, proposed by different banking sector reform committees formed over time in India, to reduce the government stake in the PSBs.
3. The human resource management of the PSBs should be improved.
4. The privatization of the PSBs may be a temporary solution. Instead of doing so, the government should strengthen the regulations, governance, norms, and procedures of the PSBs.
5. Above all, the government should always keep in mind the protection of public interest, social welfare, stability, and safety net in the Indian banking sector.

REFERENCES

1. Agarwal, C. (2022). Performance of Public Sector Bank & Private Sector Bank in the Current Scenario for the Need of Privatization (In the Context of India) (2008-2020). *Journal of Research in Humanities and Social Science,* 10(4), 75-82.

2. Garje, R. (2022). Privatization of Banks Boon or Bane. *Journal of Research in Humanities and Social Science,* 10(4), 29-36.
3. Keshava.(2016). Impact of Privatization on Indian Banking Sector. International Journal of Advanced Trends in Engineering and Technology, 1(1), 105-107.
4. Sarala, M.S. (2020). Privatization of Indian Banking Sector: A Boon or Bane. *International Journal of Advanced Research in Commerce, Management & Social Science,* 3(04),265-269.
5. Tripathi, A. (2019). Privatization of Public Sector Banks: A Necessary Evil or An Unnecessary Debate. *International Journal of Scientific Development and Research,* 4(6), 221-222.

REQUEST FOR FEEDBACK

Dear Readers

At the very outset, International Journal of Research in Commerce & Management (IJRCM) acknowledges & appreciates your efforts in showing interest in our present issue under your kind perusal.

I would like to request you to supply your critical comments and suggestions about the material published in this issue, as well as on the journal as a whole, on our e-mail **infoijrcm@gmail.com** for further improvements in the interest of research.

If you have any queries, please feel free to contact us on our e-mail **infoijrcm@gmail.com**.

I am sure that your feedback and deliberations would make future issues better – a result of our joint effort.

Looking forward to an appropriate consideration.

With sincere regards

Thanking you profoundly

Academically yours

Sd/-
Co-ordinator

DISCLAIMER

ABOUT THE JOURNAL

In this age of Commerce, Economics, Computer, I.T. & Management and cut throat competition, a group of intellectuals felt the need to have some platform, where young and budding managers and academicians could express their views and discuss the problems among their peers. This journal was conceived with this noble intention in view. This journal has been introduced to give an opportunity for expressing refined and innovative ideas in this field. It is our humble endeavour to provide a springboard to the upcoming specialists and give a chance to know about the latest in the sphere of research and knowledge. We have taken a small step and we hope that with the active co-operation of like-minded scholars, we shall be able to serve the society with our humble efforts.

Our Other Journals