

# **Study on Banking System in India**

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**Abstract:** *The RBI regulates the financial and banking systems, establishes monetary policy, and establishes standards for exchange controls. The Reserve Bank of India Act of 1934 and the Banking Regulations Act of 1949 give the RBI the authority to control the Indian banking industry. A bank is a type of financial institution and financial intermediary that receives deposits, processes them into loans, either directly or through the capital markets. Customers with capital shortfalls and customers with capital surpluses are connected by a bank. The Indian economy is supported by solid foundations, as evidenced by the fact that the HI FY07 GDP growth was 9.1%, the best growth in any six-month period since the HI FY04, and by the fact that the average index of industrial output growth, at 10.2%, was the strongest run in the previous 11 years.*

**Keywords:** RBI