

Reserve Banks in India Act, 1934

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ABSTRACT

*In the world every country has its Central Bank to control the banking institutions and financial institutions in the country for making strong economic system to compete in the world market. During the British regime the Reserve Bank of India was owned privately and established on 1st April, 1935 under the RBI Act, 1934. Initially the RBI was established in Calcutta and permanently moved to Bombay in the year 1937. The Governor of RBI sits in Head Office at Mumbai. All the policies are formulated by RBI. It was nationalized in the year 1949 fully owned by Government of India. Its preamble states to regulate the issue of Bank Note to keep reserve to secure monetary stability. To operate the currency and credit system of India. To have monetary policy framework, to meet challenge economy and to maintain price stability. Its affairs are governed by the Central Board of Directors. The Reserve Bank of India was nationalized with effect from **1st January, 1949** on the basis of the Reserve Bank of India (Transfer to Public Ownership) Act, 1948*

KEY WORDS: Monetary Economic Monetary Policy, Reserve

INTRODUCTION:

The Reserve Bank of India as the Bank of our country Central. It was established on 1st April, 1935 under Reserve Bank of India Act, 1934 (Act No. 2 of 1934). It was originally started as the shareholders' bank and its paid up capital was 5 crores. It was nationalized in the year 1948. India has to embark upon the economic development and growth. The affairs of R.B.I. are managed by the Central Board of Directors.

1. Establishment of RBI: - The Reserve Bank of India was established in 1935 under the provisions of the Reserve Bank of India Act, 1934 in Calcutta, eventually moved permanently to Mumbai. Though originally privately owned, was

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