

RBI Establishment

Reserve Bank of India

RBI is the **central Bank of India** and controls the entire money issue, circulation the entire money issue, circulation and control by its monetary policies and lending policies by periodical updates or corrections to discipline the economy. **The central bank of India**, founded in **1935**, which maintains the monetary policy of its national currency, the rupee, and the nation's currency reserves. It is also known as the **Bank of last resort/Banker's bank/Government's bank**.

The reserve bank of India was established on April 1, 1935 in accordance with the provisions of the Reserve Bank of India Act, 1934. The Central Office of the Reserve Bank of India was initially established in Calcutta but was permanently moved to Mumbai in 1937. Though originally privately owned, since nationalization in 1949, the Reserve Bank is fully owned by the Government of India.

Functions of RBI:

- 1) **Monetary Authority:** Formulates implements and monitors the monetary policy.
- 2) **Regulator and supervisor of the financial system:** Prescribes broad parameters of banking operations within which the country's banking and financial system functions.
- 3) **Manager of Foreign Exchange:** Manages the Foreign Exchange Management Act, 1999.
- 4) **Issuer of Currency:** Issues and exchanges or destroys currency and coins not fit for circulations.
- 5) **Development role:** Performs a wide range of promotional functions to support national objectives.
- 6) **Bankers to the Government:** performs merchant banking function for the central and the state governments; also acts as their banker.
- 7) **Bankers to banks:** maintains banking accounts of all scheduled banks.

Central board of RBI:

The Reserve Bank's affairs are governed by a central board of directors. The board is appointed by the Government of India in keeping with the Reserve Bank of India Act. They are appointed/nominated for a period of four years

Official Directors:

Full-time: Governor and not more than four Deputy Governors

- Dr. Raghuram Rajan (Governor)
- Shri H.R. Khan (Deputy Governor)
- Dr. Urjit R. Patel (Deputy Governor)
- Shri R. Gandhi (Deputy Governor)
- Shri S. S. Mundra (Deputy Governor)

RBI Establishment

Other Important facts related to RBI:

- Reserve Bank of India Act passed in 1934.
- Reserve Bank of India (RBI) established on 1 April 1935.
- Reserve Bank of India (RBI) established on the recommendation of Hilton-Young Commission.
- RBI is the sole authority in India to issue Bank notes in India.
- Emblem of RBI: Panther and Palm Tree.
- Chintaman Dwarkanath Deshmukh (C D Deshmukh) was the governor of RBI at the Time of nationalization of RBI in 1949.
- 1st women Deputy Governor of RBI -K.J.Udeshi.
- RBI is not expected to perform the function of accepting deposits from the general public
- The first Governor of the Reserve Bank of India from 01.04.1935 to 30.06.1937 was Sir Osborne Smith.