



## BANKING TERMINOLOGY

# 2. FUNCTION OF RBI



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# RBI

RBI & ITS FUNCTION

SUBSIDIARY OF RBI

PRINTING PRESS OF RBI

BANK & NBFC

## RBI FUNCTION

- Sole authority of issue of currency (**except one rupee note**) (one rupee note dually signed by finance secretary & present FS is **I V SOMNATHAN\*** (for 52 year term only\*))
  - Distributor of ONE rupee coin.
  - **BANKER's Bank.**
  - Representing India at IMF & WORLD BANK.
  - ADVISORY body of government of India.
  - Custodian and manager of foreign exchange.
  - **Lender to last RESORT.**
  - Granting licenses to banks & NBFC under **Sec 22 of BR ACT..** (whereas Nationalization of Banks is role of GOI)
  - Banker to the government
  - Controlling NDTL (Net Demand and Time Liability) of Banks
  - **11. Credit control of RBI: / Monetary policy:** Monetary policy refers to the use of instruments under the control of the central bank to regulate the availability, cost and use of money and credit. (OBJ- Maintaining price stability, Ensuring adequate flow of credit)
- \*Note- Nationalization of Bank is not the function of RBI, it is the part of Government of India only

*Thanks*

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