

Introduction

The Reserve Bank of India is the Central Bank of the Country entrusted with monetary stability, the management of currency and the supervision of the financial as well as the payment system. Central Banks are a relatively recent innovation and most central banks, as we know them today, were established around the early twentieth century.

Established in 1935, its functions and focus have evolved in response to the changing economic environment.

Establishment

The Reserve Bank of India was established on April 1, 1935 in accordance with the provision of the Reserve Bank of India Act 1934. The central office of the Reserve Bank was initially established in Calcutta but was permanently moved to Mumbai in 1937. The central office is where the Governor sits and where policies are formulated. Though originally privately owned, since nationalization in 1979, the Reserve Bank is fully owned by the Government of India.

Brief History

The Reserve Bank of India was set up on the basis of the recommendations of the Hilton Young Commission. The Reserve Bank of India Act, 1934 provides the statutory basis of the functioning of the Bank, which commenced operation on April 1, 1935.