



KINEMAS

and trade bills, giving loan to the Government for buying and selling of valuable commodities. It also is the representative of the Government in the IMF (International Monetary fund.) and represents the membership of India.

their customers. RBI lends money to a Commercial bank of the country.

4- Controller of the Credit.

The RBI Undertaking the Responsibility of Controlling Credit Created by Commercial Banks. RBI uses two methods to control the Extra flow of money in the Economy. These methods are Quantitative and Qualitative techniques to control and regulate the credit flow in the country.

5- Custodian of foreign Reserve.

For the purpose of keeping foreign Exchange rate stable, the Reserve Bank buys and sells foreign currencies and also protects the country's foreign Exchange funds. RBI sells the foreign currency in the foreign Exchange market, when the supply decreases in the economy and vice-versa.

6- Other function:

The Reserve bank of India performs a number of other developmental works. These works include the function of clearing house arranging credit for agriculture (which has been transferred to NABARD). Collecting and publishing the Economic data, buying and selling government securities.

# function of RBI

## 1- Issue of Notes

The Reserve bank has a monopoly for printing the currency of notes in the country. It has the sole right of issue currency notes of various denominations. Except one rupee note (which is issued by ministry of finance). The Reserve Bank has adopted the minimum Reserve System for issuing/printing the currency notes. Since 1957,

## 2- Banker to the Government

The Second important function of the Reserve Bank is to act as the Banker, Agent and adviser to the Government of India and States. It performs all the banking function of the State and Central Government and it also tenders useful advice to the government on matters related to Economic and monetary policy. It also manages the public debt of the government.

## 3- Banker bank

The Reserve Bank performs the same function for the other Commercial bank as the other banks ordinarily perform for