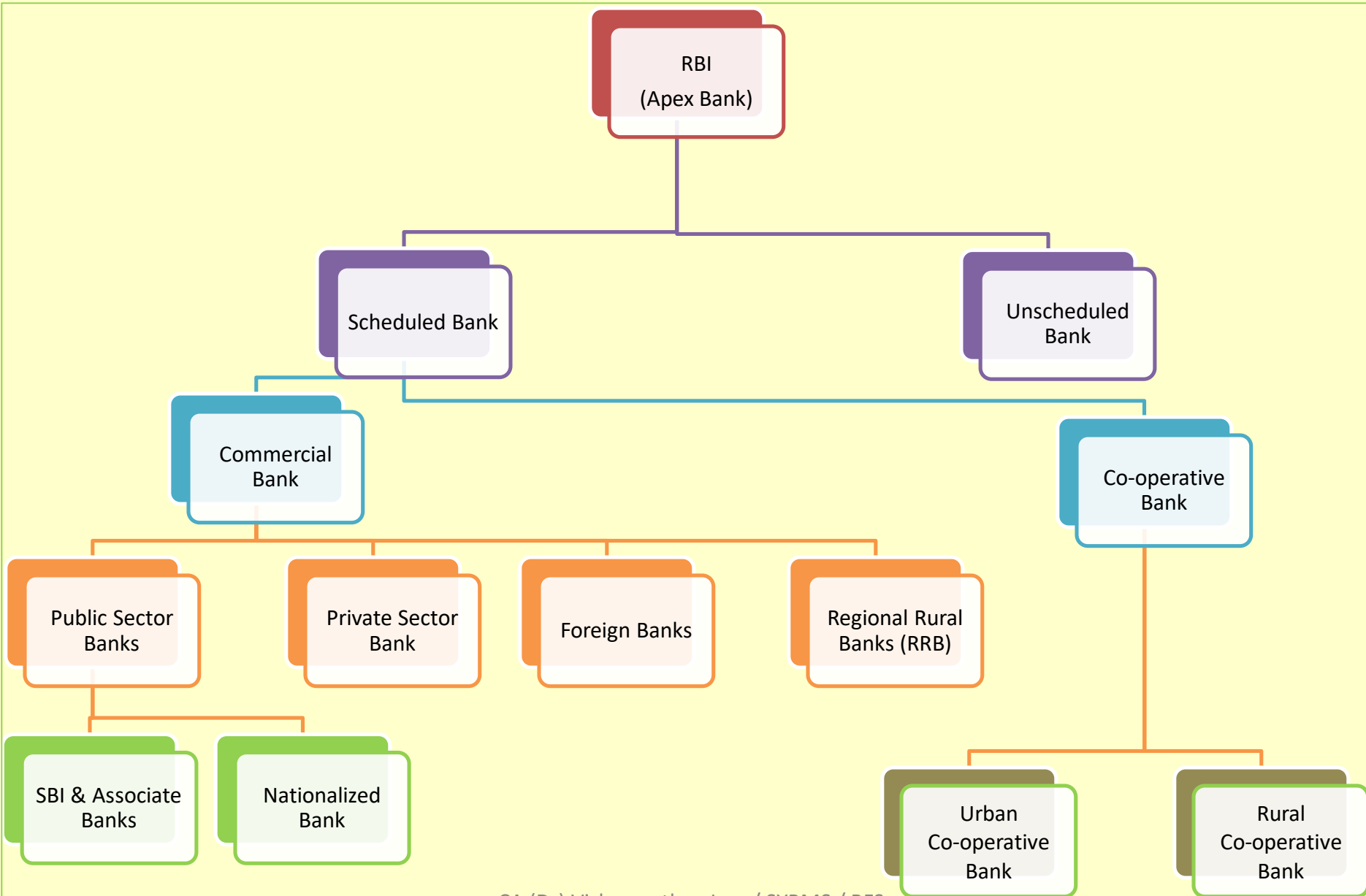


Chapter 3 : Banking Institutions and RBI

By

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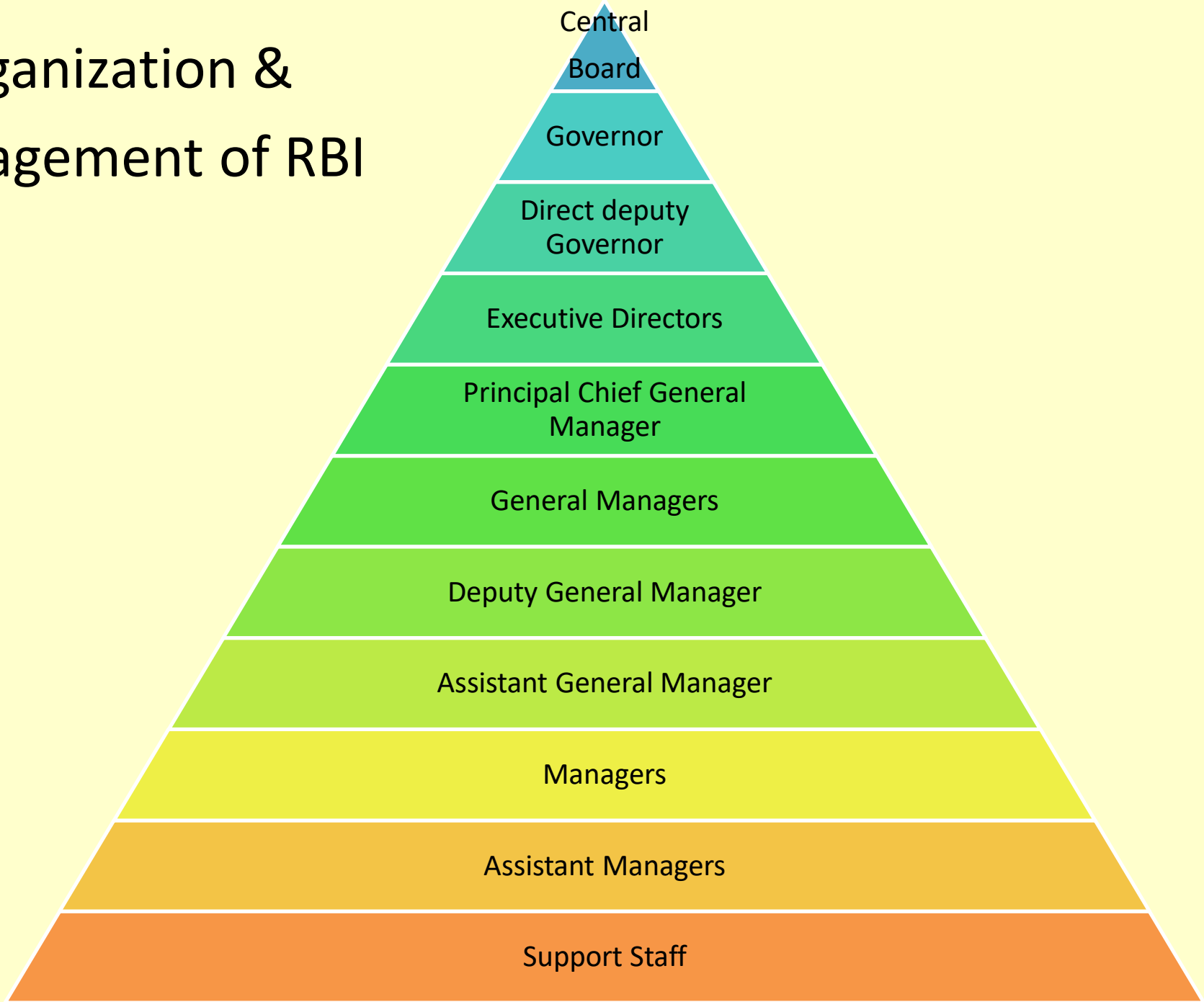
Classification of Banking Industry



- Scheduled Bank:

- The banks included in the Second Schedule of RBI
- The paid up capital and reserves are not less than 5 lakhs
- All nationalised banks and almost all the private sector banks are commercial scheduled banks in India. Even the Foreign banks are scheduled banks in India

- Organization & Management of RBI



- Central Board of Directors
 - The Central Board of Directors is at the top of the Reserve Bank's organisational structure.
 - The central Board of Directors are appointed by the Government under the provisions of RBI Act.
 - Central Board is formed to supervise and delegate specific functions to Local Boards and various committees.
- Governor:
 - The Governor is the Reserve Bank's Chief Executive Officer (CEO)
 - The Governor is responsible for supervising and directing the affairs and business of RBI

- Executive Directors:
 - The Central Government nominates fourteen directors (14) on the Central Board.
 - One Director is representing from each of the four Local Boards.
 - The other ten (10) represent different sectors of the economy like Agriculture, Pharma, Infrastructure, Education, Trade and professions.
 - All these appointments are made for a period of 4 years.
 - The Government also nominates a Government Official as a Director representing the Government

- Local Boards:
 - The Reserve bank has four (4) Local Boards
 - The Local Boards represent the Western, Eastern, Northern and Southern areas of the country.
 - These Local Boards are located at Mumbai, Kolkata, New Delhi and Chennai.
 - Each Board has Five(5) members appointed by the Central Government for a term of 4 years
 - The primary function of Local Boards is to represent the territorial and the economic interest of their respective areas.
 - They also perform other functions delegated to them.