

# Subsidiaries of the Reserve Bank of India

## National Housing Bank

1988 – New Delhi

National Housing Bank (NHB), a wholly owned subsidiary of Reserve Bank of India (RBI), was set up on 9 July 1988 under the National Housing Bank Act, 1987.

NHB is an apex financial institution for housing. NHB has been established with an objective to operate as a principal agency to promote housing finance institutions both at local and regional levels and to provide financial and other support incidental to such institutions and for matters connected therewith.

NHB registers, regulates and supervises Housing Finance Company (HFCs), keeps surveillance through On-site & Off-site Mechanisms and co-ordinates with other Regulators.

**NHB has been established to achieve, inter-Alia, the following objectives –**

- To promote a sound, healthy, viable and cost effective housing finance system to cater to all segments of the population and to integrate the housing finance system with the overall financial system.
- Promote a network of dedicated housing finance institutions to adequately serve various regions and different income groups.
- To augment resources for the sector and channelise them for housing.
- Make housing credit more affordable.
- To regulate the activities of housing finance companies based on regulatory and supervisory authority derived under the Act.
- Encourage augmentation of supply of buildable land and also building materials for housing and to upgrade the housing stock in the country.
- To encourage public agencies to emerge as facilitators and suppliers of serviced land, for housing.

## Deposit Insurance and Credit Guarantee Corporation

1978 – Mumbai

Deposit Insurance and Credit Guarantee Corporation (DICGC) is a subsidiary of Reserve Bank of India. It was established on 15 July 1978 under Deposit Insurance and Credit Guarantee Corporation Act, 1961 for the purpose of providing insurance of deposits and guaranteeing of credit facilities.

DICGC insures all bank deposits, such as saving, fixed, current, recurring deposits for up to the limit of **Rs. 100,000 of each deposits in a bank.**

## Banks covered by Deposit Insurance Scheme

(I) **All commercial banks** including the branches of foreign banks functioning in India, Local Area Banks and Regional Rural Banks.

(II) **Co-operative Banks** – All eligible co-operative banks as defined in Section 2(gg) of the DICGC Act are covered by the Deposit Insurance Scheme. All State, Central and Primary co-operative banks functioning in the States/Union Territories which have amended their Co-operative Societies Act as required under the DICGC Act, 1961, empowering RBI to order the Registrar of Co-operative Societies of the respective

States/Union Territories to wind up a co-operative bank or to supersede its committee of management and requiring the Registrar not to take any action for winding up, amalgamation or reconstruction of a co-operative bank without prior sanction in writing from the RBI, are treated as eligible banks. At present all Co-operative banks are covered by the Scheme.

The Union Territories of Lakshadweep and Dadra and Nagar Haveli do not have Co-operative Banks.

### Registration of new banks as insured banks

Under Section 11 of the DICGC Act, 1961, all new commercial banks are required to be registered as soon as may be after they are granted licence by the Reserve Bank of India under Section 22 of the Banking Regulation Act, 1949.

Following the enactment of the Regional Rural Banks Act, 1976 all Regional Rural Banks are required to be registered within 30 days from the date of their establishment in terms of Section 11A of the DICGC Act, 1961.

**Co-operative Banks** - A new co-operative bank is required to be registered as soon as may be after it is granted a licence by the RBI.

A primary co-operative credit society becoming a primary co-operative bank is to be registered within **3 months from the date of its application for licence.**

### Insurance coverage

Initially, under the provisions of Section 16(1) of the DICGC Act, the insurance cover was limited to 1,500/- only per depositor(s) for deposits held by him (them) in the "same right and in the same capacity" in all the branches of the bank taken together.

However, the Act also empowers the Corporation to raise this limit with the prior approval of the Central Government. Accordingly, the insurance limit was enhanced from time to time as follows:

- 5,000/- with effect from 1st January 1968
- 10,000/- with effect from 1st April 1970
- 20,000/- with effect from 1st January 1976
- 30,000/- with effect from 1st July 1980
- 1,00,000/- with effect from 1st May 1993 onwards.

### Types of Deposits Covered

DICGC insures all bank deposits, such as saving, fixed, current, recurring, etc. except the following types of deposits.

- (i) Deposits of foreign Governments;
- (ii) Deposits of Central/State Governments;
- (iii) Inter-bank deposits;
- (iv) Deposits of the State Land Development Banks with the State co-operative banks;
- (v) Any amount due on account of and deposit received outside India;
- (vi) Any amount which has been specifically exempted by the corporation with the previous approval of the RBI.

## Bharatiya Reserve Bank Note Mudran

1995

Bharatiya Reserve Bank Note Mudran Private Limited (BRBNMPL) is the one of the subsidiaries of Reserve Bank of India which prints bank notes (Indian rupees) for Reserve Bank of India (RBI).

It was established in 1995 to address the demand for bank notes. It has two presses in Mysore and Salboni.

Currency Note Press, Nashik and Bank Note Press, Dewas also prints bank note for RBI.

## National Institute of Bank Management

1969 – Pune

National Institute of Bank Management (NIBM) is an Indian institution for research, training and consultancy in banking and finance. It is located in Pune. The campus is self-contained, with residential and educational facilities.

NIBM was established in 1969 by the Reserve Bank of India in consultation with the Government of India as an **autonomous "think-tank" for the Indian banking system**.

It is intended to further the government's objective of developing the banking industry in India, making the industry more cost-effective, and thus better equipped to aid national development.

The institute focuses on helping managers in the field make their organizations competitive both domestically and internationally.

## Indira Gandhi Institute of Development Research

1987 - Mumbai

Indira Gandhi Institute of Development Research (IGIDR), Mumbai is an advanced research institution established by The Reserve Bank of India in 1987 on the occasion of its golden jubilee.

The Institute's mission is to carry out **research on developmental issues from a multi-disciplinary point of view**. It has one of the largest Social Sciences libraries in Asia. The institute has an M.Phil./Ph.D. programme in Development Studies and also an MSc programme in Economics.

### The primary objectives of the Institute are :

- To promote and conduct research on development from a broad inter-disciplinary perspective.
- To promote co-operative endeavour and interaction between research scholars and institutions in India and abroad.
- To undertake projects or activity which renders itself useful for the furtherance of development and social welfare.
- To carry out training for advanced degrees viz. Master's and Doctorate award.