**Abstract**

The economic scene in the post independence period has seen a sea change; the end result being that the economy has made enormous progress in diverse fields. There has been a quantitative expansion as well as diversification of economic activities. The financial system is possibly the most important institutional and functional vehicle for economic transformation. Finance is a bridge between the present and the future and whether it is the mobilisation of savings or their efficient, effective and equitable allocation for investment, it is the success with which the financial system performs its functions that sets the pace for the achievement of broader national objectives. Indian financial system consists of financial market, financial instruments and financial intermediaries. So the presence of a regulator or controller will be better to balance the economy from the burdens like inflation, deflation, crisis etc. So far RBI had completed 80 years of its services and still continuing. This paper is about the major functions of RBI in India as the apex body of Indian financial institutions