

- RRBs can also set branches set up for urban operations and their area of operation may include semi urban or urban areas too.
- **Ownership:**
 - RRBs are jointly owned by Central Government, concerned State Government and Sponsor Banks with the issued capital shared in the proportion of 50%, 15% and 35% respectively.
- **Priority Sector Lending:** The RRBs are required to provide 75% of their total credit as priority sector lending(PSL).



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Monetary Policy Committee

What is Monetary Policy Committee?

- It is a **statutory** committee of RBI which decides India's Monetary Policy.
- The formation of the monetary policy committee was mooted by the Urjit Patel committee.
- The committee suggested that monetary policy be rule-based and not discretion-based. The final decision on monetary policy should not lie with the RBI governor alone but on a group of people.
- Targeting inflation is to be the core objective of the central bank, and it will be answerable to law-makers if it failed to achieve the target.
- It is mandated by law to ensure that retail inflation stays within a band of two percentage points of the target inflation rate of 4%.