

PATEL IS FIFTH RBI GOVERNOR IN FREE INDIA TO RESIGN

Relevant for: Indian Economy | Topic: Issues relating to Growth & Development - Banking, NPAs and RBI

Urjit Patel is the fifth RBI governor in independent India to have resigned from his post before his term, whether first or second, was over.

The first RBI Governor to do so was Benegal Rama Rau who was Governor from 1949 to 1957. Experts of the central bank's history say that Rau resigned because of his differences with then Finance Minister TT Krishnamachari who allegedly upbraided Mr. Rau in front of the entire Cabinet.

The next such incident was KR Puri, who served as Governor for only a little more than a year and a half between 1975 and 1977. Puri was appointed by Prime Minister Indira Gandhi and subsequently removed when the Janata government took over.

RN Malhotra was appointed as Governor in 1985 and in 1988 was given a three- year extension. Under normal circumstances, his term would have ended in 1991, but he resigned in 1990 after it was conveyed to him that the government wanted him out.

Bimal Jalan, who was Governor from November 1997 to September 2003, also cut short his extended term as he took over a Rajya Sabha seat at the time.

However, the precedent for an RBI Governor resigning was set before Independence, when the first Governor, Sir Osborn Smith resigned in 1937 due to differences with the Finance Member of the Viceroy's Council.

Our existing notification subscribers need to choose this option to keep getting the alerts.

END

Downloaded from **crackIAS.com**

© **Zuccess App** by crackIAS.com