

QUICK SUCCESSION

Shaktikanta Das, eco secy during DeMo, is RBI guv

Surojit Gupta & Sidhartha | TNN

New Delhi: The government moved swiftly on Tuesday to appoint Shaktikanta Das — who as economic affairs secretary in 2015-2017 emerged as a strong defender of demonetisation — as the 25th governor of the Reserve Bank of India for three years, opting for a safe pair of hands and a consensus builder to mend the tattered ties between the Centre and the central bank.



BUCK STOPS HERE: Das (L) & Urjit Patel unveiling the newly minted ₹2000 note minutes after the PM announced demonetisation on Nov 8, 2016

The appointment came within 24 hours of Urjit Patel's sudden resignation as governor, and signals the government's resolve not to allow uncertainty to linger.

Das (61), who was a Tamil Nadu cadre IAS officer, resigned as member of the 15th Finance Commission on Tuesday, and is expected to take charge of RBI in a day or two, said people close to the development.

Shakti, as he's popularly known, joins a long list of governors who moved from North Block to Mumbai's Mint Road, the last being Raghuram Rajan, who had served as chief economic adviser before being sent to take over the reins from D Subbarao. The star cast of finance ministry officials includes Subbarao, Y V Reddy, Bimal Jalan, S Venkitaramanan, R N Malhotra, Manmohan Singh, I G Patel, K R Puri and L K Jha.

► **Das will have to reorient, P 24**

Das will have to reorient the way RBI has worked

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While Raghuram Rajan and D Subbarao took over when the economy was in the midst of a crisis, Shaktikanta Das will step into RBI's 18th floor office at a time when relations between the central bank and the government have hit rock bottom. One of the first challenges may be to decide on the board meeting scheduled for Friday, which economic affairs secretary Subhash Garg said stands as of now. The meeting is expected to discuss steps to ease the liquidity pressure facing non-banking finance companies, the framework for weak banks, as well as RBI's governance structure.

What will help Das in dealing with such contentious issues is his experience in dousing fires. On behalf of the finance ministry, he coordinated with the RBI and other government agencies in implementing demonetisation. He also was instrumental in bridging differences between North Block and Mint Road when relations had soured over the government's attempt to take away the public debt management office from RBI.

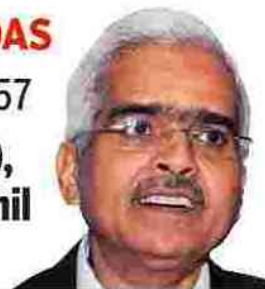
Over the next few months, the St Stephen's College alumnus will have to use all his skills to reorient the way the RBI has worked over the last few years and yet ensure that

KNOW YOUR GOVERNOR

SHAKTIKANTA DAS

BORN | Feb 26, 1957

Joined IAS in 1980, was assigned Tamil Nadu cadre



KEY JOBS

- Worked on getting key investment into Tamil Nadu, such as Hyundai's plant
- Has been part of budget teams at the Centre and in his state

► As revenue secy, worked on GST implementation, getting info on overseas black money

► As economic affairs secy drafted Insolvency Code, amended RBI Act to set up MPC, suggested FIPB abolition

► Was member of 15th Finance Commission, India's sherpa at G20

the independence of the central bank is not compromised. Das, as people in the government are aware, is no push-over. What is expected to come handy is his familiarity with the finance ministry's point of view as well as his relationship with finance minister Arun Jaitley and top bureaucrats such as SC Garg, his successor in the department of economic affairs, as well as officials in the PMO.

Das is also familiar with key issues facing RBI, having served on the central bank's board and overseen the setting up of the Monetary Policy Committee. In addition, he was the secretary responsible for drafting the Insolvency & Bankruptcy Code.

Speaking to TOI about Das, C Rangarajan, the 19th RBI governor, said, "He has long experience in economic issues. He was the Sherpa at G-20 and has a good knowl-

edge of economic issues both at home and overseas. He will make a good governor. He is stepping into a new institution and should stand by what it stands for. He should ensure the credibility and integrity of that institution and maintain its autonomy."

India Inc is hopeful that the former civil servant will understand its needs better than Patel, who was criticised for not being a communicator and for often ignoring the market reality. "We in industry are confident that the liquidity squeeze in the banking and non-banking financial sector, which is spilling over into the various segments of industry, will be taken up with all urgency by Mr Das and there would be seamless flow of credit to industry and trade, especially to MSMEs," Bharti Enterprises vice-chairman Rakesh Bharti Mittal told TOI.