

## Nothing wrong in recruiting outsiders as public sector bank chiefs: apex court

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*Rejects PIL challenging the Centre's policy of allowing private bank officials to be appointed to the top posts*

New Delhi, September 23:

The Supreme Court on Friday dismissed a PIL (public interest litigation) challenging the Centre's policy of allowing private bank officials to be appointed Managing Directors or CEOs of public sector banks.

A Bench comprising Chief Justice TS Thakur and Justices AM Khanwilkar and DY Chandrachud rejected the petition filed by the Bank Officers' Confederation challenging the policy pertaining to such appointments and held that there was nothing wrong with it.

The court had on May 5 sought responses from the government and Reserve Bank of India on the PIL, which had also challenged reduction of cut-off age for being considered for the top post from 58 years to 55.

The plea had contended that the cut-off age for eligibility was "unjustly, irrationally and unilaterally" reduced against the advice and views of the Appointments Committee of Cabinet.

The PIL, filed by former president of All-India Bank Officers Confederation KD Kheda, had challenged the February 26 advertisement for appointment of CEOs and MDs of Bank of India, Bank of Baroda, Canara Bank, Punjab National Bank and IDBI Bank.

Quoting provisions of the Banking Companies Acquisition and Transfer of Undertakings Act 1980, the plea had contended that only whole-time directors of public sector banks, whose names are cleared by the Central Vigilance Commission, can be appointed to head public sector banks.

It had alleged that eligibility criteria for the posts of CEO and MD of the five banks have been set "with a sole objective of making all existing executives directors of public sector banks ineligible."

"Executive Directors of PSBs, who were the only persons eligible under the old policy, will automatically become ineligible solely on account of the cut-off age of 55 years with three years board experience, which is purposely and qualifiedly reduced in the case of appointment of MD and CMD only for these five large PSBs," the petition said.

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