

04:05 PM   19 JAN <b>MARKET STATS</b> ▼	SENSEX <b>27,309</b> ▲ 50.96	NIFTY 50 <b>8,435</b> ▲ 18.10	GOLD (MCX) (Rs/10g.) <b>28,588</b> ▼ -203.00	USD/INR <b>68.13</b> ▲ 0.05	<b>CREATE PORTFOLIO</b>	<b>Download ET MARKETS APP</b>	CHOOSE LANGUAGE ENG
--	---------------------------------	----------------------------------	---	--------------------------------	-------------------------	--------------------------------	------------------------

# RBI officials to meet CVC, CBI to ensure no witch-hunt of bankers in probing bad loans

By [Sangita Mehta](#), ET Bureau | Updated: Jun 11, 2016, 02:36 AM IST

[Post a Comment](#)

MUMBAI: Executives from the Reserve Bank of India and bank chiefs will meet the Chief Vigilance Commissioner and the [Central Bureau of Investigation](#) officials as early as next week to come up with a framework that would attempt to ensure there is no witch-hunt of bankers in the name of probing bad loans, said two people familiar with the plans.

The meeting is likely to be on June 15 that is mostly aimed at removing the fear among bankers that they may end up being probed even if the intention behind granting loans were bonafide, said those people.

"In case of a default, if there is no due diligence that does not mean that there is connivance on the part of the lender," said Harshavardhan Madabhushi, general secretary of Associates Bank Officers Association.

Lending by state-run bankers to companies of lesser credit profile have almost come to a grinding halt as a slew of cases, including the one on [Kingfisher Airlines](#), has led to them being targeted even when the loans have been made in good faith.

The governor of the RBI, and [Finance Minister](#) Arun Jaitley have in the past spoken of the need to end the fear psychosis among bankers which is holding back economic revival. Employees of PSBs are subject to [CVC](#) inquiry if a borrowers fails to repay the loan. Many a times, the probe by agencies haunt bankers even after retirement, and their benefits are held back pending disposal of cases.

"CBI and CVC has to bear in mind that banking involves risk where lenders evaluate the risk associated with the loan.

One find faults in retrospect," said a senior bank officer. "But now things have come to a state where a number of bankers have stopped taking decision on loans for fear of their decision going wrong. This in turn will affect economy since loan growth would suffer."

A huge pile of dud loans led to a number of number of PSBs reporting huge losses in the fiscal year 2016.

Stay on top of business news with The Economic Times App. [Download it Now!](#)

**RELATED COMPANIES** EXPAND  
[Kingfisher...](#)

**Budget 2017:**  
[Can Arun Jaitley make you & economy happy?](#)  
[Click for our special Budget 2017 coverage](#)

- Live Market
- News
- Portfolio
- Mobile
- Live TV
- Newsletter
- Commodities
- Speed
- QnA
- Blogs
- Alerts
- RSS

**Other Times Group news sites**

Times of India | इकनॉमिक टाइम्स  
 ટાઇમ્સ ટીવી | Mumbai Mirror  
 Times Now | Indiatimes  
 नवभारत टाइम्स | महाराष्ट्र टाइम्स  
 ವಿಜಯ ಕರ್ನಾಟಕ | Lifehacker  
 Gizmodo | Eisamay | IGN India  
 NavGujarat Samay

**Living and entertainment**

Timescity | iDiva | Zoom |  
 Luxpresso | Gaana | Happytrips |  
 Cricbuzz | Get Smartapp

**Networking**

itimes | MensXP.com

**Hot on the Web**

Donald Trump  
 Inauguration | Income Tax Slabs  
 Budget 2017 | Sensex, Nifty Live  
 Income Tax Calculation | UP &  
 Punjab Assembly Elections 2017  
 BUDGET 2017-What's Cheaper &  
 Expensive

**Services**

ads2book | Gadgetsnow | Free Business Listings  
 Simplymarry | Astrospeak | Timesjobs | Magicbricks | Zigwheels | Timesdeal |  
 dineout | Filmipop | Remit2India | Gaana | Greetzap | Techradar | Alivear |  
 Google Play