

A senior [finance](#) ministry [official](#) on Monday described the arrests of top officials of state-run [Bank of Maharashtra](#) (BoM) last week as an "aberration" and said it should not be construed that "bankers are being hounded".

The economic offences wing of the [Pune police](#) last Wednesday arrested BoM's [managing director](#) Ravindra Marathe, [executive director](#) Rajendra Gupta, [zonal manager](#) Nityanand Deshpande, former [chairman Sushil Muhnoot](#) and three other officials in a cheating case lodged against real estate developer DS [Kulkarni](#) and his wife.

The arrests had riled the entire [banking](#) sector so much that national bankers' lobby IBA held an emergency meeting last Friday here and called for setting up an external panel to give clearance to arrest senior bankers. It also had decided to make a representation to the government.

Stating that the [BoM](#) incident should not be taken as bankers are being hounded, the [official](#) said the [state police](#) action is not fair as well.

"It seems to be a bit of an aberration. It should be set right; there is a proper mechanism in place. In the normal course, the [state police](#) do not have any jurisdiction on [Central government](#) employees," the [official](#) said.

The official who was addressing the media on the sidelines of [the AIIB](#) annual summit, also underlined that "whether bankers are being hounded, I disagree with that."

The [finance](#) ministry official further said being a large country such aberrations do happen but they only help make the system better for the future.

The official pointed out that under the country's federal structure, if any action has to be taken against a [central government](#) employee, the state concerned has to refer it to the CBI. Similarly, if the Centre wants to take action against a state government official, it needs to take the permission of the state concerned.

On the IBA proposal to set up an external committee to give permission to arrest senior bankers for alleged wrongdoings, the official said, "One aberration should not become sensational news. Sometimes, over sensationalising something is harmful."

The official also said the IBA did not protest but only highlighted their concerns.

"They did not protest. They have told us in a very dignified way about what is the wrong happening. They have highlighted their concerns, which is not the same thing as a protest," the [finance](#) ministry official said.

The arrests came a day ahead of the annual general meeting of the bank, wherein the entire shareholders backed the management.

The move also drew the ire of the [bank](#) unions, which wrote to the [banking](#) secretary protesting against the arrests.

BoM's [managing director](#) Marathe was arrested in spite of the fact that the around Rs 100

crore loan was extended when he was not heading the [bank](#) at all and that the Rs 94.52 crore outstanding amount is fully secured.