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Cash for contract claims

Date: August 04 2009

Richard Baker, Nick McKenzie and Som Patidar in New Delhi

A RESERVE Bank of Australia subsidiary allegedly paid a six-figure sum to an Indian political lobbyist as part of a campaign to break into the world's biggest banknote market.

A complainant with intimate knowledge of the operations of polymer banknote maker Securrency has told Australian Federal Police that a senior company executive allegedly disclosed to him in 2007 that a \$120,000 donation was made to Indian political figures.

According to the complainant, the Securrency executive said the political donation was hidden in the company's accounts under "marketing expenses". Securrency denies the allegation, saying it has not made political donations in India or elsewhere.

It is yet to win a contract in India.

Indian sources have confirmed Securrency paid a Mumbai lobbyist with ties to senior figures in one of India's main political parties tens of thousands of dollars in 2007.

Mumbai accountant and property developer Satinder Singh Bachher received the payment.

It is unclear if that payment is the one allegedly referred to by the Securrency executive as a political donation.

Some of Securrency's rivals only make large commission payments after contracts have been awarded, to avoid perceptions of kickbacks. There is no evidence that Securrency paid any kickbacks in India.

Mr Bachher has repeatedly refused to be interviewed by *The Age*. Indian Government officials have told *The Age* that Mr Bachher and his company, Bachher Investments, have links to the leadership of the centre-right Bharatiya Janata Party.

The BJP is the major opposition party in India. In alliance with other conservative parties, it was in power between 1998 and 2004.

Indian sources claimed Mr Bachher helped facilitate meetings between Securrency executives and Indian Government officials when the BJP-led coalition held power.

AFP is investigating Securrency, which is half-owned by the Reserve Bank, following a series of reports by *The Age* about the company's payments to foreign businessmen used to help win lucrative contracts.

Securrency and the Australian Government have long regarded India as a prize market for Securrency's banknotes. Australian diplomats and ministers, including Foreign Minister Stephen Smith, have extensively lobbied Indian Government officials on Securrency's behalf.

Reserve Bank assistant governor Bob Rankin, chairman of Securrency and sister firm Note Printing Australia, yesterday again refused to answer any questions about the companies, citing the federal police inquiry.

The bank refused to say if it was allowing Securrency to continue using businessman Donald McArthur as its African agent, after it emerged he had pleaded guilty to reckless and fraudulent transactions relating to one of South Africa's biggest corporate collapses.

Securrency has paid him tens of thousands of dollars into an account in the Seychelles, an Indian Ocean tax haven.

Securrency has said its overseas agents are appointed with the assistance of Australian Government trade agency Austrade, and Australian embassies.

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