

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:5237

ANSWERED ON:24.04.2015

SECURITY BREACH AT HOSHANGABAD MINT

Poddar Smt. Aparupa;Raju Shri Gokaraju Ganga;Reddy Shri Ch. Malla

Will the Minister of FINANCE be pleased to state:

(a) whether the Government is aware of the serious security breach at Madhya Pradesh's Hoshangabad mint in the manufacture of bank note papers using defective security thread with Arabic inscriptions;

(b) if so, the details thereof;

(c) whether any inquiry has been conducted by the Government in this regard, if so, the details thereof and the outcome thereon; and

(d) whether action has been taken by the Government against the erring officials, if so, the details thereof and if not the reasons therefor and other steps being taken in this regard including preventive steps thereon?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JAYANT SINHA)

(a) & (b) Yes Sir. Security Printing & Minting Corporation of India Limited (SPMCIL) reported to Government about the use of defective thread in the manufacturing of CWBN paper at Security Paper Mill (SPM), Hoshangabad supplied by M/s Aristocraft International Pvt. Ltd., New Delhi.

(c) Government ordered an enquiry by Shri P.C. Sharma, former Director, CBI to enquire into the serious breach of security that occurred at SPM, Hoshangabad in the manufacturing of banknote paper using defective security thread, who has submitted his report.

(d) Keeping in view the lapses detected in the enquiry, Government has asked SPMCIL to implement the recommendations of the enquiry Committee for system improvement so that such events do not occur in future. It has also been decided to fix responsibility for the lapses on the officials in-charge at the time of incident and accordingly, show cause notices have been issued to three officials of SPMCIL.