

Companies probed in India bribes scam

REUTERS, New Delhi

The Central Bureau of Investigation (CBI) is probing 21 sizeable companies for links to a bribes-for-loans scandal that has hit lending and infrastructure shares and hurt the country's image as an investment destination.

The scandal, in which eight financial executives from the public and private sectors have been arrested, is one of several to dog the government of Prime Minister Manmohan Singh, putting to the test the ability of one of the world's fastest growing emerging economies to crack down on corruption.

Many of the companies the CBI has linked to the bribes scandal are connected to the booming infrastructure sector -- builders of dams, hydroelectric plants, energy equipment makers and property developers.

Shares in these sectors fell sharply yesterday. The stock market regulator SEBI has also stepped in with its own investigation into related possible insider trading, a source at SEBI told Reuters.

The Indian bond and rupee markets remained unaffected as traders did not view it as a risk to the banking system.

Analysts said the scandal, which comes just a few days after Singh had to defend his government in another case involving mobile phone licences sold for below-market prices, could harm investor sentiment.

"This is just unfolding at this point in time. These are very serious issues which impact investor sentiment," said Nitin Jain, Singapore-based principal of fund manager Kotak Mahindra.

"If we can clearly say that we have done something right at this point in time and do proper things at this point in time then it's salvageable but otherwise it does have a potential to impact

investor sentiments towards India from a medium-term perspective," Jain said.

Investors, so far, remain keen to tap into a country with a young and fast-urbanising population of 1.2 billion. Economic growth is forecast at 8.5 percent in 2010-11, and then 9 and 10 percent a year after that, rivalled only by China among major economies.

But the revelations of one scandal after the other in recent months marks a change from the days when corruption and graft would never make it onto the front page on most of the country's top media outlets.

Analysts say this is due to the explosion of 24-hour television channels, a more assertive opposition and a growing middle class fed up with rampant graft throughout society.

MORE COMPANIES LINKED TO BRIBES

"Notices have been sent to 21 companies. It includes big to medium size companies, including real estate companies," a CBI official, who did not want to be named, told Reuters.

"Preliminary evidence points to the fact that the case is limited to individuals. So fall out is unlikely that it is big."

Several leading Indian companies have already acknowledged that they have been asked for information. Some of these companies were already named in court documents filed by the CBI on Wednesday, including the world's third largest wind turbine maker Suzlon Energy. Suzlon has denied any wrongdoing.

On Wednesday, federal agents arrested senior officials at state-run Central Bank of India, Punjab National Bank and Bank of India -- all major banks with operations across the country.

The CBI said the executives arrested had received bribes from private broker Money Matters Financial Services, which acted as a mediator of corporate loans and other facilities.



A documentary of the Korean War is screened on the Yalu River Broken Bridge, also known as the no-name bridge, yesterday in China's Liaoning province. The bridge was bombed by the US in 1950 during the Korean War and eventually dismantled halfway from the North Korea side shortly after the Korean War armistice. Fear spread on South Korea's islands bordering North as the hardline regime threatened more attacks on South.

Top UN official to meet Suu Kyi

AFP, Yangon

A senior UN official will meet Myanmar's democracy icon Aung San Suu Kyi during a two-day visit to Yangon this weekend, a government official in the military-ruled country said yesterday.

UN Secretary General Ban Ki-moon's chief of staff, Vijay Nambiar, will also hold talks with the leader of the army-backed party that has claimed victory in this month's election, said the official, who did not want to be named.

Suu Kyi was released from seven straight years of house arrest on November 13, less than a week after a poll that her party boycotted because of rules that appeared to exclude the dissident from participating.

A source at her National League for Democracy (NLD) party, which has been officially disbanded because of its decision to shun the election, also confirmed the planned meeting between Nambiar and Suu Kyi.

Nitish Kumar sworn in as Bihar CM

IANs, Patna

Janata Dal (United) leader Nitish Kumar was sworn in as chief minister for a second consecutive term at Gandhi Maidan here yesterday.

Nitish Kumar, who is Bihar's 32nd chief minister, steered the National Democratic Alliance (NDA) to an incredible victory -- winning 206 of 243 seats.

Nitish Kumar was Thursdays formally invited to form the government again. Earlier, Nitish Kumar was unanimously elected leader of the NDA legislature party -- comprising legislators of his JD(U) and BJP.

He along with other NDA leaders met Governor Debananda Konwar and handed over letters of support from the newly elected legislators of the twin-party alliance.

According to sources close to Nitish Kumar, a 35-member council of ministers with 20 from the JD-U and 15 from the BJP would also be sworn in Friday.

Rio braces for more violence

Drug crackdown continues; 30 killed in six days

AFP, Rio De Janeiro

Residents of Rio's northern slums braced for more violence yesterday as hundreds of reinforcements joined a widening crackdown on drug gangs that has killed at least 30 people in six days.

Armoured vehicles rumbled through the pockmarked streets of the Vila Cruzeiro slum on Thursday as elite police units backed by helicopters and snipers battled drug traffickers under a cloud of black smoke from torched buses.

Police claimed to have wrested control of the densely populated area back from drug gangs but TV helicopters filmed scores of armed men fleeing up the surrounding hills into neighbouring districts.

"We've taken an important step, but nothing's been won," state security chief Jose Beltrame told reporters, warning that operations would continue.

"It's important to arrest people, to gather up drugs and ammunition, but it's more important to get them out of the territory," he said, referring to the drug traffickers that rule many of Rio's largest slums.

N Korea warns of US-South war drill

BBC ONLINE

North Korea has warned that impending joint military exercises by the South and the US are pushing the region to "the brink of war".

A group of naval ships, led by a nuclear-powered US aircraft carrier, is heading to the Yellow Sea to take part in the drills, due to begin on Sunday.

At least four South Koreans died on Tuesday when the North shelled the Southern island of Yeonpyeong.

The incident has led to the South replacing its defence minister.

Kim Kwan-jin, 61, a former chairman of the joint chiefs of staff, has been named to replace Kim Tae-yong, who resigned after criticism that he was too slow to respond to the attack on Yeonpyeong.

The barrage of shells was one of the worst incidents between the two Koreas since the end of the Korean war in 1953, which concluded without a peace treaty.

"The situation on the Korean Peninsula is inching closer to the brink of war due to the reckless plan of those trigger-happy elements to stage again war exercises targeted against the [North]," the North's official KCNA news agency said.

'OUTRAGEOUS ACT'

Fresh artillery-like sounds were heard on North Korean territory close to Yeonpyeong on Friday.

The BBC's Chris Hogg, in Seoul, says military sources reported that it could have been a military exercise by the North.

However, he says many on the island suspect it may be an attempt to manipulate a tense situation. Residents were ordered to take cover in shelters.

The US commander in South Korea, Gen Walter Sharp, was inspecting the damage on Yeonpyeong on Friday but US officials said he did not hear the latest blasts.

Gen Sharp said Tuesday's attack was a clear violation of the 1953 armistice.

"We at United Nations Command will investigate this completely and call on North Korea to stop any future attacks," he said.

Meanwhile, Japan's parliament yesterday adopted a resolution calling the attack "an outrageous act of violence".

The resolution said Japan "should consider new sanctions and make more efforts to strengthen ties with countries concerned in order to step up international pressure on North Korea".

Pyeongyang blames Seoul, which is holding military exercises close to Yeonpyeong at the time, for this week's incident.

Advertisement for Islami Bank Bangladesh Limited, Operations Wing, ECSD. Includes notice inviting tender for computer and related hardware.

Advertisement for BRAC University, Postgraduate Admissions Spring 2011. Lists MA in English and MS in Biotechnology.

Tender Notice for Construction of TB & Immunology Labs at Level-8 of Hospital Building ICDDR,B, Mohakhali, Dhaka 1212

Table with columns for agency name, procurement method, budget, project details, tender package name, dates, and eligibility criteria for tenders.