Jagan gets a warning from Jaipal

NEW DELHI, NOVEMBER 27

Amid rising differences between the Congress and its erstwhile ally YS Jaganmohan Reddy, an upset party leadership today sounded a stern warning to the Kadalapetta MP for his “undesirable” actions.

Newly appointed Andhra Pradesh Chief Minister Kiran Kumar Reddy, meanwhile, met party president Sonia Gandhi, Prime Minister Manmohan Singh and other senior leaders to discuss with them the Cabinet formation and state affairs, including the open rebellion by Jaganmohan. The Congress is angry with Jagan after his channel Sakshi targeted top leadership of the party, including Sonia and Rahul Gandhi and the Prime Minister.

Terming Jagan’s actions as “very undesirable”, senior party leader and union minister Jaipal Reddy today said Sakshi was being “misused” to weaken the party. “Everybody knows that the channel is owned by him (Jagan) and the channel is run for his own political purposes. The channel is being misused to weaken the party. It is very undesirable,” he said.

Maintaining that Jagan was “violating party discipline”, Jaipal Reddy said the party High Command was looking into this matter and would take action in due course of time. He said while Jagan’s late father YS Rajasekhara Reddy was a “tremendously loyal Congressman”, the son, “otherwise dynamic, seems to be confused”.

There is speculation that Jagan’s supporters will be wooed with ministerial berths to drive a wedge in his camp.

The main agenda of Kiran Reddy, who discussed with the High Command situation in the tense situation in Telangana, region and growing trouble in the state party unit in wake of group activities by Jagan, also finalised with it probable candidates for ministerial berths.

YSR’s brother YS Vivekananda Reddy is camping in the Capital in search of a cabinet berth. Sources said he may be accommodated to send across the message that party was concerned about YSR’s family.

The Cabinet is likely to be constituted on Sunday, a day before the Winter Session of the Andhra Pradesh Assembly begins. Sources say while it will not be an all together new cabinet as Kiran Reddy is likely to retain most of the ministers from former chief minister K Rosaiah’s cabinet, it will make some changes. P. Subashchandra Bose, social welfare minister, and B. Srinivas Reddy, mines minister, may be eased out. The post of the deputy CM will go to a leader from Telangana and for that Geetha Reddy is the front runner.

Open rebellion by Jagan has become a major headache for the party.

While YSR’s son is almost daring the party to take some action against him, the party would not like to make him a “martyr” by taking action against him as this is what he wants.

Party leaders believe Jagan wants to float a regional party and wants Congress to throw him out so that he becomes a “martyr”. Sources say he may even be issued a show cause notice for persistently “anti-party” behaviour.
MOIL float

Mumbai, Nov. 26:
The initial public offer of Manganese Ore (India) Ltd (MOIL), was subscribed 0.76 times on the first day of the issue today, generating a demand worth Rs 863 crore.
COPPER LIKELY TO STAY FIRM

- The refined copper market balance for August 2010 indicates a production deficit of about 19,000 tonnes, says International Copper Study Group (ICSG).
- Production in two other major world refiners, Chile and the United States, which account for about one quarter of world production, decreased by a combined 2.3 per cent.
- During the first eight months of 2010, world apparent usage grew by 8.3 per cent compared with that in same period of 2009.
- In August, world mine production increased by almost three per cent from that in August 2009.
- The average LME cash price for October 2010 was $8,292.40 per tonne up from the August 2010 average of $7,709.30 per tonne.

![Graph showing refined output and refinery capacity utilisation](image)

WORLD REFINED COPPER USAGE AND SUPPLY TRENDS, 2010

<table>
<thead>
<tr>
<th></th>
<th>January-August 2009</th>
<th>May 2010</th>
<th>June 2010</th>
<th>July 2010</th>
<th>August 2010</th>
</tr>
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<tbody>
<tr>
<td>Mine production</td>
<td>10,413</td>
<td>10,526</td>
<td>1,332</td>
<td>1,362</td>
<td>1,368</td>
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<tr>
<td>Mine capacity</td>
<td>12,888</td>
<td>13,234</td>
<td>1,690</td>
<td>1,639</td>
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<td>Capacity utilisation (%)</td>
<td>80.8</td>
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<td>83.1</td>
<td>80.7</td>
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<tr>
<td>Refined production</td>
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<td>12,653</td>
<td>1,597</td>
<td>1,628</td>
<td>1,622</td>
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<td>Refinery capacity</td>
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<td>2,028</td>
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<tr>
<td>Capacity utilisation (%)</td>
<td>77</td>
<td>80</td>
<td>79</td>
<td>83</td>
<td>80</td>
</tr>
<tr>
<td>Refined usage1</td>
<td>12,020</td>
<td>13,016</td>
<td>1,709</td>
<td>1,717</td>
<td>1,671</td>
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<tr>
<td>Refined balance2</td>
<td>-47</td>
<td>-363</td>
<td>-112</td>
<td>-89</td>
<td>-49</td>
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<tr>
<td>Seasonally adjusted refined balance3</td>
<td>178</td>
<td>-121</td>
<td>-49</td>
<td>-31</td>
<td>-33</td>
</tr>
</tbody>
</table>

Note: Figures in 1000 metric tonnes. p = preliminary.
1) Based on EU apparent usage.
2) Surplus/deficit is calculated using refined production minus refined usage.
3) Surplus/deficit is calculated using seasonally adjusted refined production minus seasonally adjusted refined usage.
Source: ICSG press release.
HINDALCO TO COMPLETE PHASE-I OF HIRAKUD PLANT EXPANSION BY JAN

The company expects no delay in commissioning of phase-II

SHUBHASHISH
Mumbai, 27 November

Hindalco Industries, the Aditya Birla group’s flagship company, is set to complete the first phase expansion of its Hirakud aluminium smelter by December or January 2011. The company missed its original deadline, September 30, due to torrential rain and lightning in July.

In phase-I, the company is expanding the capacity of its Hirakud smelter to 161 kilo tonne per annum (ktpa) from 155 ktpa by adding 28 pots.

“Phase-I, which was to be completed by the second quarter of the current financial year, is still under phased commissioning. Out of the 28 pots, 18 have been commissioned. The balance will be commissioned by December 2010 or January 2011. The delay, of about a quarter, in commissioning the balance pots is due to the outage in early July,” a company spokesperson said in an email.

The company was able to add 18 pots by the end of the first quarter, but could not add any pot in the second quarter due to rain and power outage. The company was hit by a production loss of 20,000 tonnes due to the outage.

Moreover, the site grading, which was 80 per cent complete by the end of July, has not moved further. “The site grading was completed to the extent of 80 per cent by July 2010. The balance site grading is not on the project activity path at present. It will become necessary only once certain designs are finalised and the ordered equipment arrives,” the spokesperson said.

Hindalco stressed the project activity progressed in accordance with the schedule during the last quarter. “Major orders have been placed. We expect the project schedule to progress within the announced timeline of completion.”

The company expects no delay in commissioning phase-II — expansion from 161 ktpa to 235 ktpa. “For Phase-II (addition of 80 pots), the projected timelines remain the same — commissioning of 30 pots by December 2011 and the remaining 50 pots by March 2012.”

After the production loss of 20,000 tonnes and the delay in commissioning, Hindalco is trying to find a solution to extreme weather conditions.

The spokesperson said, “Regarding the power outage that happened in July, alongside the restoration of the affected pots at Hirakud currently, Hindalco has also constituted an expert team to identify steps to avoid the recurrence of such events. Accordingly, corrective action is being taken, including connectivity to a more stable (220 Kv) grid.”
Tara Jewels’ IPO to raise ₹200 crore

Tara Jewels, a Mumbai-based diamond jewellery manufacturer and retailer, plans to enter the capital market in January to raise ₹200 crore. According to Chairman and Managing Director Rajeev Sheth, the proceeds of the issue will be used for setting up retail stores and expanding the existing manufacturing capacity. The company has submitted the draft red herring prospectus to the Securities and Exchange Board of India and is awaiting clearance.

BS REPORTER
लोकायुक्त ने कर्नाटक सरकार को लगाई फटकार

वेळात्मकः (प्रत्येक)। कर्नाटक की भूमि सरकार के समय दर्ज की लोकायुक्त संगठन एसिइए ने अपनी कई रिपोर्टें पर राज्य सरकार की कठिन निकृप्तता के लिए उन्हें निर्देश给予了 करने के कई आवेदनों का अनुच्छेद कर दिया।

एसिइए ने यह संकेत दिया कि, “मैं निर्देश दिया है कि यह समस्या को कई रिपोर्टें सीधी हुई है। लेकिन अब तक उनके अंतर्गत से बिसर्गीय पर भी कार्रवाई नहीं हुई है।” यह इस बात से खारा नहीं कि सरकार ने उनके पूर्व मंत्री के बारे में दिक्कतें नहीं की थीं। यह रिपोर्ट के अनुसार राजस्थान की राजस्थान में यह पहले से ही ज्ञात किया जा रहा है। उन्होंने कहा, “मैं अपने रीति-रूप के अंतर्गत पर एक रिपोर्ट सीधी! सरकार ने उस पर कोई कार्रवाई नहीं की। अंतः खान के खिलाफ कोई बारीकी नहीं की गई।”

एसिइए ने भूमि पोतालों को न्यायिक जांच पर लिए को कहा एहसास जानने या और कार्रवाई की हो या नहीं की हो। उन्होंने कहा, “मैंने समय रोक दिया, जिसे अभी पहले की न्यायिक जांच का आदेश दिया गया है।” रिपोर्ट के अनुसार जिस में दिक्कतें नहीं की थीं, उन्होंने कहा, “यह भी कहा कि परी की सरकार को लोकायुक्त में निर्देश दिया गया है। यह हमें यह स्पष्ट बताता है कि यह सरकार की निर्देशात्मक बात पर निरस्त हो गई है।”
MOIL India — IPO

Blend of strengths

Quality ore reserves, low operating costs and booming domestic market lend sheen.

INVEST AT CUTOFF

Adarsh Gopalakrishnan

Investors could consider applying to the IPO of Indian manganese producer MOIL India, which appears attractively priced given its quality ore reserves, low operating costs and booming domestic market. At the higher end of the offer price band of Rs 353-355 per share, the company would trade at an EV/EBITDA ratio of 4.0 times and 10.8 times its trailing 12-month earnings. The enterprise valuation is at a discount to global peers such as Bramet and Eurasia Natural Resources.

THE MODEL

Manganese ore, which the company mines, is processed into ferro-manganese alloys such as High Carbon Ferro Manganese or Silicon Manganese which are inputs for steel production (stainless steel as well). These alloys help improve the quality of steel through increased corrosion resistance and hardness.

MOIL produced over a million tonnes of manganese in the last fiscal. Most of its output is sold domestically in the ore form to ferro-alloy producers such as Maharashtra Elektristsamt and SAIL’s Bhilai Steel Plant, among others.

The company’s net sales and profits grew at a compounded growth rate of 32 and 51 per cent to Rs 3,969 crore and Rs 466 crore, respectively, between FY07 and FY10, thanks to capacity additions at the company’s two largest mines of Balaghat and Dongri-Buzurg.

Aided by 10 per cent growth in domestic steel consumption and higher steel prices, the first half of FY2010-11 saw net sales and profits soar by 48 and 64 per cent to Rs 6,439 crore and Rs 831 crore, respectively.

The company’s high-quality reserves, coupled with low mining leases, royalty and labour costs, make for low operating costs, making it one of the most cost-efficient global miners of manganese with net profit margins in the 48-51 per cent range over the last three fiscal years. The company’s growth plans include spending over Rs 1,000 crore over the next five years on raising ore output to 1.5 million tonnes in 2014 from the current 1 million tonnes and setting up two value-added ferro-alloy production facilities with a capacity of 1,63,000 tonnes.

The mine expansion is estimated to cost Rs 1,760 crore (Rs 104 per share), use leverage (it is currently a zero debt entity) or turn to its solid operating cash flows.

MINE EXPANSION PLANS

To fund its expansion plans, the company could use existing cash holding of Rs 1,760 crore (Rs 104 per share), use leverage (it is currently a zero debt entity) or turn to its solid operating cash flows.

BENCHMARKED TO GLOBAL RATES

The company currently sells manganese ore on quarterly pricing based on the international benchmark set by Japanese steel producers in discussion with manganese producers such as BHP Billiton, Vale, Assmang, among others.

MOIL charges a premium to international prices.

HOWEVER...

However, manganese supply and prices are directly linked to steel output and prices, since ferro-alloy producers account for over 90 per cent of manganese consumption. Steel prices have had a tough ride since the start of the year with any sign of pricing momentum thwarted by negative news. The most recent is the Irish debt crisis and further Chinese efforts to cool its economy.

With prices expected to remain flat even over the next term, manganese ore prices are expected to remain on a tight leash as well. Despite these jitters, a healthy domestic market in short supply of manganese, high-quality ore reserves and industry topping margins provide MOIL with a semblance of a defence against increasingly volatile steel markets.

RISKS

The heavy dependence on demand from the steel sector leaves the company’s realisations broadly exposed to the increasingly volatile steel cycle.

Another key risk for the company is hurdles to obtain mining permits and environmental clearances for the mines it operates. The company is awaiting licences or renewal for 23 per cent of its total mining leases. The company’s top three mines of Balaghat, Donni Buzurg and Ukwa account for close to 70 per cent of its total reserves. They account for an even higher percentage of the company’s high grade ore reserves which enables it to command a premium.

The company currently pays a royalty of between 1 and 3 per cent of the manganese ore it sells. In the event of the implementation of the proposed mining Bill the company would be required to pay 26 per cent of its profits to the local population, which would have a material effect on the company’s profitability.

Its reserves are estimated at just over 24 million tonnes of manganese ore, providing the company revenue visibility for 15-20 years at current rates of production. The company is reported to be scouting or exploring buying opportunities for domestic and overseas manganese assets to augment its existing reserves.

ISSUE DETAILS

The proceeds of this offer, which could range between Rs 1,120 crore and Rs 1,235 crore, are entirely by way of divestment and will be shared by the Union Government and those of Maharashtra and Madhya Pradesh. 30 per cent of the company’s shares are on offer at a price band of between Rs 340 and Rs 375 (After 5 per cent discount Rs 323-356 for retail investors).
Gold, silver decline further on global cues

Press Trust of India
Mumbai, Nov. 27

Silver continued to slide on the bullion market on Saturday on heavy off-loading by stockists and speculators amidst weak global cues.

Gold also declined owing to lack of local buying interest and jewellery demand.

Silver ready (999 fineness) slumped by Rs 350 a kg and ended at Rs 22,005.

Standard gold (99.5 per cent purity) moved down by Rs 40 for 10 gm and closed at Rs 20,345.

Pure gold (99.9 per cent purity) also fell by a similar margin to settle Rs 20,445 for ten gm.

Chennai: Bar silver (a kg): Rs 41,595; retail silver (1 gm): Rs 44.50; standard gold: Rs 20,440; retail ornament gold (22 carat): Rs 1,901.

Kolkata: Silver ready: Rs 41,350; Gold ready: Rs 20,660.
Copper thieves on the prowl as metal surge spurs crime spree in US cities

Thanks to the boom, city services around the US are being hit, leaving law enforcement agencies scrambling to understand the scope of the problem and how to confront it.

**Ben Pwnter NEW YORK 9/7/14**

For almost a year, Mid City Recycling operated out of a warehouse near a liquor store on South Industrial Boulevard in the south side of Dallas. The startup seemed to have popped up out of nowhere.

Out front there was a side-walk sign with a Mexican flag letting everyone know that the proprietors spoke Spanish. Beside it, a small truck draped with a banner read, "We Pay Big Bucks."

For five weeks during the summer of 2009, undercover agents with the Dallas Police Metal Theft Unit watched Mid City One at a time, they pulled into the rutted parking lot in unmarked sedans or SUVs. With tiny spy cameras attached to their shirts, they lurked in buckets of insulated electrical wiring and suspiciously stripped transmission lines, threading past dunes of scrap metal piled high enough to block out the ceiling lights far overhead. The metal was weighed on a small scale and the transaction finished at a glance in a cashier's window.

Afterward the footage was reviewed by Lieutenant Richard Dwyer, then the unit commander. "This is a great picture of the roof," he said when one of the men returned with useless footage from a poorly angled camera. They kept filming. Dwyer wanted proof that Mid City was functioning as a black market. If they could find that proof, they would be slightly closer to bringing a crime spree under control.

Dallas, like many cities, was being rocked by copper theft. That might not sound as threatening as bank heists or murder sprees, yet the scope and frequency of the crime threatened to disrupt a far more important target — the wiring and plumbing that makes up the central nervous system of the city itself. And Dallas was, and is, alone.

Thanks to a boom in the copper market, city services around the US are being hit, leaving law enforcement agencies scrambling to understand the scope of the problem and how to confront it.

In Dallas, between 2002 and 2007, reported metal thefts spiked almost 1,000%, to 3,339 per year. That number dipped in 2008 but was still around 2,400. Using a toolkit of wrenches, work gloves, and power saws, crooks were dissembling the city — even prying bouquets vases out of local graveyards.

"They used to say thieves would steal anything not nailed down," says Dwyer, who ran metal theft field operations from spring 2007 until late fall 2010. "Now even if it's nailed down they want it."

Since 2001 the price of copper has gone from less than $1 per pound to more than $4 per pound on the Comex exchange in New York. In response, looters and scavengers nationwide are stealing copper where they can.

Within the last three years, copper thieves have disabled 120 cell tower sites across 17 states in eastern Virginia and North Carolina. They stripped the wire from an airplane control tower in Ohio, endangering in-flight communications.

They scuttled the irrigation system of Pinata, Arizona, causing $10 million in damage and ruining a harvest.

In 2008, according to a survey by the industry-sponsored Electrical Safety Foundation International, utilities experienced an estimated 60,000 incidents of copper theft nationwide, resulting in an estimated $80.4 million of damage. An informal search of local news headlines nationwide turns up dozens of would-be thieves electrocuted while trying to steal live lines.

A 2008 report by the FBI, "Copper Thefts Threaten US Critical Infrastructure," warned that the persistent, widespread theft "presents a risk to both public safety and national security."

In 2009, the US shipped an estimated 184,000 tonnes of copper, largely to China. For the first nine months of 2010, the US has shipped 20% more than it did during the same period a year earlier, according to the Institute of Scrap Recycling Industries, a trade association that represents recycling yards internationally.

About one-third of all copper goes towards pumping out flat screens, smartphones, and iPads that are then shipped worldwide, mainly to Americans. Much of the rest goes to building China’s own power lines, cell phone towers and heating systems.

"There has been tremendous growth while there is tightness," says John Mothersole, a metals analyst at IHS Global Insight. "The former peak is now the floor, and we’ll continue to see record gains."

Copper futures reached $4.0955 a pound on Comex on November 11, the highest since May 2008. Lance Cohen, president of Capital Commodities, estimates the price will reach $5.08 in 2011. The US produces about 11% of the world’s total secondary copper supply, according to Mothersole.

Back at the station, Gamez placed a phone call from a man threatening that his house has been stripped of copper. He wants a full-scale investigation and a translator to interview some neighbours. He hasn’t given Gamez a chance to say that he’s bilingual. Gamez puts one hand on the end of the receiver and calls over to Winkle.

"He wants to monopolise my time," he says. Winkle leans back, spotting the prize trophy in their evidence stash, a large-than-life copper John Wayne bust. He splits a plum into a plastic cup and chucks. "He won’t," he says. The guy’s copper is probably already at a metal yard. Now they just have to find it."
DNA, Mumbai
Friday, 26th November 2010, Page: 11

Hind Zinc cuts prices 2%/

Hindustan Zinc Ltd cut prices of zinc by ₹3,800 a tonne to ₹111,300, the company said. The company has also slashed lead prices by ₹5,300 to ₹116,300. The company aligns its product prices in line with the trend on the London Metal Exchange.
SC seeks State's view on plea against iron ore export ban

NEW DELHI, PTI: The Supreme Court on Friday sought to ascertain the Karnataka government's stance on a petition challenging a July 2010 order banning the transportation of iron ore outside the state for overseas export.

Based on a petition filed by Baldota Group-owned mining firm MSPL Limited against the ban, a Bench comprising Justices B V Ramakrishna and A K Patnaik issued a notice to the state government seeking a reply within three weeks. The Bench, however, declined to grant any immediate relief to MSPL Ltd, which complained that over six lakh tonnes of iron was lying unutilised in its premises due to the government's refusal to issue a mineral dispatch permit.

The Karnataka High Court had on November 19 upheld the state government's July 28 order imposing a blanket ban on the issuance of mineral dispatch permits for transportation of iron ore for overseas export.

"The petitioner has been hit very hard by the export ban order. It is a reputed company engaged in the mining and export of iron ore and is registered as an export-oriented unit," the firm said.
Fundamentally strong MOIL

MOIL Ltd, whose initial public offering (IPO) opens for subscription today, seems to be attractively priced considering its strong fundamentals and investors can subscribe to the issue for decent gains in the medium term.

MOIL, the largest manganese ore producer in India, accounts for over 50% domestic market share and is well positioned to benefit from strong growth in steel production capacity in India. The company has access to almost 17% (21.7 million tonnes) of total proved and probable reserves in India and also holds 69.5 million tonnes of measured, indicated and inferred mineral resources of manganese ore. The demand for manganese ore, which is primarily used in manufacturing of ferro alloys for steel production, would remain strong in coming years as Indian crude steel production capacities almost double from 66.94 million tonnes in 2009 to 124 million tonnes by 2012. To cater to the growing demand, the company is looking to ramp up its manganese ore production capacity from 1.1 million tonnes per annum (mtpa) currently to over 1.5 mtpa by year 2016 with an estimated capex of around ₹768 crore.

MOIL is also involved in exploration and development activities to increase its manganese ore reserves. The Ministry of Mines has allocated 314.71 hectares in Maharashtra for MOIL to explore potential mineral deposits. MOIL has applied for prospecting licences with respect to this area.

Apart from being the largest producer, MOIL has an edge over its peers in domestic and international markets because of its superior ore quality. The company’s proved and probable manganese reserves are better in quality than other producers as almost 55% of these reserves have average Mn (manganese) content of over 40% while 27.5% of them are with Mn content of 36-39.9%. The company, which has seven underground mines and three opencast mines, also benefits from favourable geological and mining conditions, which enable easy extraction, making it one of the lowest cost producers in the world.

The company, which derives almost 85% of its revenues from manganese ore sales, is also engaged in production of value-added products such as high carbon ferromanganese and electrolytic manganese dioxide. MOIL is looking to expand its value-added production capacity from current 10,000 tonnes per annum (tpa) to 183,500 tpa for which it has entered into two separate joint ventures with SAIL and Rashtriya Ispat Nigam Ltd. Also, it has beneficiation facilities at its two plants to upgrade the quality of manganese ore and a captive wind power generation plant of 20 mw.

These forward integration initiatives would lead to better margins and aid revenues for the company going forward.

The company has over the last three years consistently reported operating margins of over 71% (except for fiscal 2010 due to global slowdown) and has reported net profit margins close to 50% during this period. Further, it has strong cash flows and is debt-free with cash reserves of ₹71,763 crore. At the upper end of the price band of ₹340-375, the stock is available at 13.5 times its fiscal 2010 earnings per share and 9.5 times its expected fiscal 2011 earnings (based on half-yearly numbers). Retail investors, who are getting 5% discount on the final price set by the company, may subscribe to the issue considering its strong position and fundamentals.
SC seeks K'taka's view on iron ore ban

New Delhi: The Supreme Court issued a notice to the Karnataka state government asking why it must not admit a plea by mining firm MSPL Ltd in July 2010, that challenged a ban on iron ore exports from the state. A bench comprising Justices R V Raveendran and A K Patnaik issued a notice to the state government seeking a reply within three weeks. The bench, however, declined to grant any immediate relief to MSPL Ltd, which complained that 6,49,706 tonnes of iron ore was lying unutilised in its premises due to the government's refusal to issue a miner dispatch permit. The Karnataka High Court had on November 19 upheld the state government's July 28 order imposing a blanket ban on the issuance of miner dispatch permits for transportation of iron ore for overseas export.
Karnataka Lok Ayukta sends notices to CM and 13 ministers

YEDDY BACK IN THE DOCK FOR CORRUPTION

By Aravind Gowda in Bangalore

THE BJP government in Karnataka received another jolt on Saturday after state Lok Ayukta Justice N. Santosh Hegde revealed that there were several complaints of corruption against chief minister B.S. Yeddyurappa and 13 members of his cabinet.

"I cannot reveal the names of the 13 ministers as investigations are still on," Justice Hegde said. "We have issued notices to some of the ministers, including the chief minister. Preliminary investigations against a few other ministers are in progress."

The revelation comes only a few days after the BJP central leadership gave a clean chit to Yeddyurappa, who found himself in the middle of land scams and charges of nepotism.

Justice Hegde said there were 14 different complaints of corruption against Yeddyurappa, out of which seven were disposed of after preliminary investigations. "We have issued a notice seeking an explanation from the CM in connection with one particular case. We are investigating into the remaining complaints," he added.

But neither did Justice Hegde reveal the nature of complaints nor did he elaborate on Turn to Page 2
Karnataka CM faces corruption heat again

Continued from page 1

the corruption charges saying they could hamper the investigation process. Hegde pointed out that he had brought the complaints against the min- ister after he received notice of the chief minister’s “I am just doing my job. I am supposed to look into complaints of corruption against public servants.”

However, the Bjp had launched a smear campaign against him: “They say I am anti-BJP and opposed to Yeddyu- rappa. Why should I be? I am against all those indulging in corruption, irrespective of the political party,” he retorted. “If I really wanted to nail the CM without any basis, I could have made an issue out of these 14 complaints against him,” he confided. He said he had repeatedly having withdrawn his resignation following the intervention of Advani. Hegde had resigned in July of this year, saying the Karnataka government is protecting the corrupt. He withdraw- ed his resignation only after the Bjp leader L.K. Advani intervenes. “I cannot resign when in power,” Justice Hegde said. “I will complete my term and carry on with the investigations. I will leave my post only if the government removes me through the constitutional process.”

The war of words between Hegde and Yeddyurappa broke out after the govern- ment ordered an inquiry into the various land and de-notification scams that emerged over the last couple of weeks even as the Lok Ayukta had commenced investigations into the matter. It resulted in Bjp legislators staging a demonstration in front of his office on Saturday. The legislators demanded that he apprise them of the steps taken by the chief minister for having “instigated” him.

"How can the govt hand over the case to another panel?"

But the Lok Ayukta did not attach much importance to it. “Let them do whatever they want to. I will do my duty,” he said.

This is the second time in five months that Yeddyurappa and Justice Hegde are at loggerheads with each other. After several land scams involving Yeddyu- rappa surfaced, the Janata Dal (dec) lodged an official complaint with the Lok Ayukta seeking an inquiry.

Yeddyurappa launched an inquiry into the land de-notification ordered by Yeddyu- rappa. At the same time, Yeddyurappa ordered an independent inquiry into land de-notifications carried out by all governments since 1999 by a panel headed by retired Karnataka High Court judge.

Hegde, who had already begun an investigation, was upset with the CM’s simultaneous inquiry and said he would order another inquiry when the Lok Ayukta raised the “already existing report on the matter,” Justice Hegde asked. “If the government does not follow the rules, let the CM wind up the institution as it was done to the court,” Hegde retorted.

He further said the government should have taken permission from Lok Ayukta before ordering an independent inquiry by a panel. The law does not allow simultaneity or parallel investigations into the same matter. We will continue with our investigation,” Yeddyurappa refused to comment.

JUDGE WHO TOOK ON CORRUPTION

Santosh N. Hegde, a former Supreme Court justice took over as Karnataka Lok Ayukta in August 2006. His courage came to the fore when he took on the might of the bureaucracy by netting IAS and IPS officers for corruption. He was not afraid to take on the politically powerful, and those he caught went to jail. His probe into a scam, which involved the then-satellite navigation company, led to the conviction of several top officials. He was known for his integrity and commitment to the cause of justice.