

## CENTRE EXTENDS TENURE OF NALCO CHIEF

DC CORRESPONDENT  
BHUBANESWAR, OCT. 11

The tenure of National Aluminium Company Limited (Nalco), Mr B.L. Bagra as the chairman-cum-managing director of the central Navratna public sector unit has been extended up to December 2011.

Mr Bagra, who joined as Nalco director (finance) in 2007, was given this additional charge in February this year. He has been instrumental in creating Vision 2020 for the Company and a long-term corporate plan. Besides, he has successfully initiated various growth oriented greenfield projects and brownfield projects, a Nalco spokesperson said here on Tuesday.

A chartered accountant, Mr Bagra has 34 years of rich experience in transport, mining, power and seeds sectors.

# Posco India Looks to Tie Up with SAIL for Future Projects

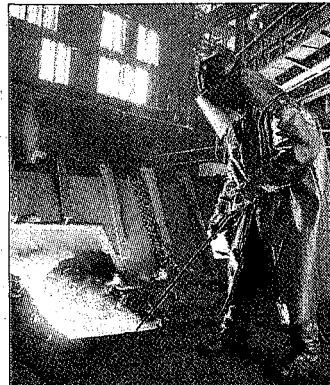
OUR BUREAU  
NEW DELHI

Posco India is interested in partnering state-owned Steel Authority of India Ltd (SAIL) in future projects, including a proposed project at Sindri, even as previous issues between the two companies remain unresolved. Posco's new India head Yoon Yong Won met Union steel minister Beni Prasad Verma on Wednesday to discuss some of these issues.

The ₹16,000-crore, 3 million-tonne steel project at Bokaro seeks to put to use SAIL's existing land and huge dumps of iron ore fines and Posco's patented non-coking coal technology. But the two firms have not agreed on who would hold majority shareholding.

Verma said he is hopeful of reaching an agreement during his proposed visit to Korea in November. Yoon, who also serves as an advisor to Posco's CEO, extended the Korean steelmaker's interest in working with SAIL in other projects, like the fertiliser plant at Sindri where SAIL hopes to set up a gas-based plant.

The steel minister asked Posco to rope in SAIL into its much-delayed Orissa project. Yoon said he would convey the minister's views to Posco CEO Joon Yang Chung. The other key issue with regards to the Bokaro joint venture is the cost of iron ore fines, lying from years of mining at nearby Bolani and Gua. Posco is keen on accessing the fines at a 20% discount to the market price. "We are committed to the Korean government which has invested heavily in the development of this patented Finex technology and have to retain majority stake in the interest of our intellectual property right," said Yoon.



SAILING THROUGH

Verma, on the other hand, said that SAIL would aim to have an equal share in the company. Ministry officials said SAIL was also exploring possibilities, such as a structuring of management, whereby Posco could ensure it retained operational control. The 3-mtpa plant will be built in two stages, and the 1.5 million tonnes cold rolled mill will cost ₹16,000 crore. This includes land, existing facilities, iron ore fine dumps and fresh fines from its mines.

"India is a huge and important market for Posco and it will continue to invest in the country in the future. We already have the Orissa project, the SAIL joint ventures and projects in Karnataka and Maharashtra," said Mr Yoon. The Korean steelmaker has waited for six years for its steel plant in Orissa to take off. Posco vice-president Vikash Sharan said the state had acquired 2,200 acres and they expect land acquisition to pick up after Diwali.

Posco seeks to use SAIL's land and iron ore fines with its own patented non-coking coal technology at the Bokaro Steel plant

# How Sajjan Jindal Turned Steel King to Ore Pauper in 4 Months

Jindal's JSW Steel has no captive mines & its supply contracts with NMDC have been annulled

**MV RAMSURYA &  
RAKHI MAZUMDAR**  
MUMBAI | KOLKATA

Four months ago, Sajjan Jindal's JSW Steel raced past Tata Steel to emerge as India's second-largest steelmaker. But he didn't get too much time to enjoy the view at the top. A series of abrupt and unexpected events has since hit iron ore supplies, stalling production at his plant in Vijaynagar. It is now running at just 30% of the installed capacity of 10 million tonnes.

This July, the Supreme Court ordered suspension of mining in Karnataka, following reports of rampant illegal mining, and directed sale of about 25 million tonnes of seized ore through e-auctions. Things got worse for JSW in September, when the court asked NMDC, the state-owned miner, to annul all long-term contracts with steelmakers in Karnataka and start selling only through auctions. JSW had contracts with NMDC for the supply of a fourth of its total requirements. This tap has now run dry for Jindal.

JSW Steel needs 16 million tonnes of ore a year, but does not own a mine nor has enough contracts for assured supply. It now has to depend almost entirely on auctions.

Jindal, 51, has perhaps hit the worst patch of his career. The CBI 'visited' his offices on October 3, seeking information about its iron ore procurement. He has a ₹14,200-

crore debt to service, the ₹2,157-crore Ispat Industries acquisition to digest and a 2-million tonne expansion to rethink. The stock has lost half its value in exactly a year, and 8.9% in the past month. In contrast, the Sensex declined 16% in one year and rose 0.4% in a month.

Unlike other large steelmakers such as the Tatas, JSW Steel does not own captive mines. "No company can run just on the basis of buying raw materials through auctions," says JSW Steel Joint MD Seshagiri Rao, sitting in his fourth-floor office in the sprawling Jindal Mansion in south Mumbai. "Our costs are going up and our customers are worried."

Rao, who oversees the finances for JSW and is widely seen as the group's second-in-command, isn't being dramatic. Earlier, JSW was buying ore from NMDC at ₹2,880 a tonne. With that contract now cancelled, the company bought 1.3 million tonnes from the auction at about ₹4,330 a tonne. The reserve price at the October 4 auction was ₹3,300 for high-grade ore.

Sajjan Jindal was travelling abroad and was unavailable for comment.

Mumbai-based Elara Capital estimates JSW's EBITDA will fall to about \$75 a tonne from \$125 due to higher costs. That's a hit of \$50 million (₹250 crore) for every million tonne of steel it makes.

**Ore Prices to Rise Further >> 21**

## A Costly Fight for Iron Ore

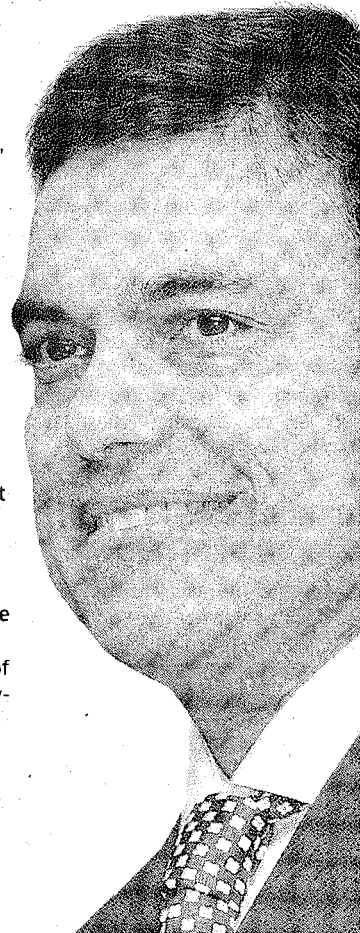
**JSW Steel** has 10 MT of capacity, but plants are running at 30% capacity due to paucity of ore

**Following a** Supreme Court order, ore contracts with NMDC at ₹2,880 per tonne were cancelled

**JSW Steel** bought 1.3 MT of iron ore at ₹4,330 a tonne in October

**EBIDTA per tonne** will drop to \$75. This means a hit of \$50 million for every million tonne of steel produced

**The company** is letting go of real estate buyers, focusing instead on lucrative auto sector clients



# Iron Ore Prices Set to Rise Further

►► From Page 1

Iron ore prices have risen by 75% since last year, and look set to go up further. Demand from China pushed up ore prices to \$200 a tonne in March 2008. This incentivised rampant illegal mining in Karnataka and Goa. According to Commodity Online, iron ore is likely to sell above \$150 a tonne till 2020.

Ore prices are not the only challenge. Even availability is. Over 40 companies are now fighting it out at the ore auctions. About 400,000 tonne went up for bidding on September 14; JSW managed to get less than half of it. It also got 1.3 million tonne out of the 2 million tonne put up for auction on October 4.

But JSW Steel isn't confident of getting adequate quantities of ore in the auctions. It has cut production to just 3 million tonne. It has been forced to let go of old buyers in real estate and infrastructure and focus only on lucrative automotive clients.

"Considering the red-tapism in various issues associated with the release as well as pricing of iron ore in Karnataka, we believe the routine supply of ore from these mines for JSW is not likely to flow in the short term," says Ravindra Deshpande, an analyst with Elara Capital.

The industry understands Jindal's plight. "Any large steel company would need assured supplies of ore to operate in the long term. Steel companies have been facing difficulties due to the crisis," says NMDC Chairman Rana Som. "Initially there may be hiccups but once continuous auctions take place, the flow gets better," he adds.

JSW bids aggressively at all e-auctions conducted in Karnataka. According to an official familiar with the auction process, Jindal executives keep a close tab on the ore that would feature in each lot. "Typically, each lot contains about 4,000 tonne, which is equal to the amount that can be carried by a train rake, the most common form of transporting

iron ore. They also try to find out the grade of ore to be offered in each auction and then bid aggressively. Being big helps their case," the official said.

"Companies such as JSW Steel have been successful in recent auctions," says NMDC's Som. The state-owned MSTC conducts the actions under the supervision of the Supreme Court-appointed Central Empowered Committee.

JSW Steel misses not owning an iron ore mine. "Their biggest disadvantage is not going in for iron ore mines early on," says the head of a rival company that competes with JSW in various product categories. "They realised it three-four years ago, but by then, it was too late," he adds, asking not to be named. Iron ore and coal account for 75% of the total production cost for any steel company.

In 2008, JSW acquired the mineral concessions for eight mines

in Chile, which have been producing about 1 million tonne. But Jindals can't cart this ore to India due to pro-

hibitive freight expenses. Ironically, JSW sells the Chilean ore in the open market.

## PANAJI BROUGHT TO A HALT BY MINING LOBBY

AGE CORRESPONDENT  
PANAJI, OCT. 12

The pro-mining lobby of Goa, including locals who earn their livelihoods from mining, blocked road and river traffic at the capital city of Panaji on Wednesday. The agitators demanded that the government, while clamping down on illegal mining, should ensure that legal mining was not hampered in the state. Around 50 ore-carrying barges blocked the Mandovi and Zuari rivers, thus bringing river traffic to a halt in the morning. Fishing trawlers could not go out to the sea and the feeder boats of the various floating casinos were stranded at the docks.

The roads in the capital were also blocked by around 15,000 agitators, mainly truck drivers and machinery operators who are dependent on the mines. Around a third of Goa's iron-ore mines are operated without valid licences.



CABINET MEETING

# CPSEs may get ample autonomy

**MUKESH RANJAN**  
NEW DELHI, OCT. 12

In a bid to facilitate large Central Public Sector Enterprises (CPSEs) to compete with China in acquiring raw material assets in abroad, the government is set to clear a policy, which aims to provide ample autonomy to the companies in their efforts.

Revealing this sources in the government said, "To facilitate cash-rich CPSEs go global, the department

of heavy industries (DHI) framed the policy paper and has now placed it on agenda of the Union Cabinet, which will meet on Thursday, for its approval." Once approved by the Union Cabinet, the policy would be applicable by the CPSEs in agriculture, mining, manufacturing and power sectors. Sources said, the policy seeks enhancing acquisition powers of Maharatna CPSEs from ₹5,000 crores, subject to a ceiling of 15 per cent to 25 per cent of

the net worth of the company.

It also proposes that acquisition powers of Navratna companies be increased from ₹1,000 crores in a single project to ₹3,000 crores, subject to a ceiling of 25 per cent of the net worth of the CPSEs, they added.

As per the Cabinet note, the sources said, the policy also seeks constituting a Co-ordination Committee of Secretaries (CcoS) to be headed by Cabinet secretary to consider proposals,

which are beyond the powers of the boards of the CPSEs and also required coordinated inter-sectoral approach. For servicing the CcoS, the policy note suggests creation of a separate cell in the department of public enterprises (DPEs). Meanwhile, the Union Cabinet is also likely to approve a MoU between ministry of panchayati raj, government of India and ministry of foreign affairs, the government of Switzerland on local governance.

## एनएमडीसी 14 को नीलाम करेगी लौह अयस्क

नई दिल्ली, 12 अक्टूबर (भाषा)। सार्वजनिक क्षेत्र की एनएमडीसी शुक्रवार को कर्नाटक में इस्पात और उसके सहायक उद्योगों को तीन लाख टन लौह अयस्क की बिक्री के लिए इसकी ई नीलामी करेगी।

एनएमडीसी के चेअरमैन राणा सोम ने बताया, '14 अक्टूबर को, हम करीब 3 लाख टन लौह अयस्क की नीलामी करने जा रहे हैं।' उन्होंने कहा कि कंपनी ई नीलामी के जरिए लौह अयस्क की बिक्री बढ़ाने की संभावना तलाश रही है। एनएमडीसी की ओर से 10 दिन के भीतर यह दूसरी नीलामी होगी। इससे पहले कंपनी ने 4 अक्टूबर को करीब 2 लाख टन लौह अयस्क की बिक्री की थी। कंपनी ने सुप्रीम कोर्ट की ओर से नियुक्त निगरानी समिति से सप्ताह में नीलामी संख्या दोगुनी करने का अनुरोध किया है जिससे लौह अयस्क का भंडार जमा होने की समस्या से बचा जा सके।

पिछले महीने सुप्रीम कोर्ट की ओर आदेश दिए जाने के बाद सार्वजनिक क्षेत्र की एनएमडीसी द्वारा लौह अयस्क की नीलामी आवश्यक हो गई है। न्यायालय ने एनएमडीसी को कर्नाटक से उत्पादित लौह अयस्क की बिक्री प्रतिस्पर्धी बोली के जरिए करने का निर्देश दिया था। एनएमडीसी अकेली ऐसी कंपनी है जिसे राज्य में खनन प्रतिबंध के दायरे से बाहर रखा गया है। कंपनी इस समय, कर्नाटक में अपनी दो खदानों से प्रतिदिन करीब 20 हजार टन लौह अयस्क का उत्पादन कर रही है।

## PRICE CARD

As on Oct 12	International	Domestic
<b>METALS (\$/tonne)</b>		
Aluminium	2,185.00	2,614.38
Copper	7,215.50	9,211.60
Nickel	18,845.00	22,773.69
Lead	1,956.50	2,348.86
Tin	22,250.00	26,552.29
Zinc	1,880.50	2,450.98
Steel-HRC	707.00	898.69
Gold (\$/ounce)	1,688.23*	1,700.00
Silver (\$/ounce)	32.93*	34.75
<b>ENERGY</b>		
Crude Oil (\$/bbl)	111.60*	105.28
Natural Gas (\$/mmBtu)	3.59*	3.54
<b>AGRI COMMODITIES (\$/tonne)</b>		
Wheat	238.32	226.31
Maize	263.43*	204.25
Sugar	669.50*	601.21
Palm oil	970.00	1,088.85
Rubber	4,052.51*	4,373.98
Coffee Robusta	1,918.00*	2,124.18
Cotton	2,290.60	2,282.04

Conversion rates: 1) 1 ounce = 31.1032316 gm  
2) 1 US dollar = ₹48.96 \*As on Oct 12, 1800 hrs IST

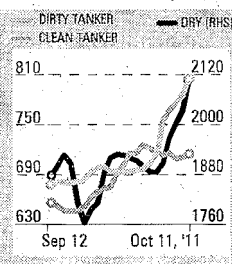
Notes: 1) International metal are LME spot prices and domestic metal are Mumbai local spot prices except for steel.  
2) International crude oil is Brent crude and domestic crude oil is Indian basket.  
3) International natural gas is Nymex near month future & domestic natural gas is MCX near-month future.  
4) International wheat, white sugar & coffee robusta are LIFFE future prices of near-month contract.  
5) International maize is MATIF near month future, rubber is Tokyo-TOCOM near-month future and palm oil is Malaysia FoB spot price.  
6) Domestic wheat & maize are NCDEX future prices of near-month contract, palm oil & rubber are NCDEX spot prices.  
7) Domestic coffee is Kamataka robusta and sugar is M30 Mumbai local spot price.  
8) International cotton is cotton no.2-NYBOT near-month future & domestic cotton is NCDEX spot prices.  
9) International metals, Indian basket crude, Malaysia palm oil, wheat LIFFE and coffee Kamataka robusta pertains to previous days price.

Source: Bloomberg Compiled by BS Research Bureau

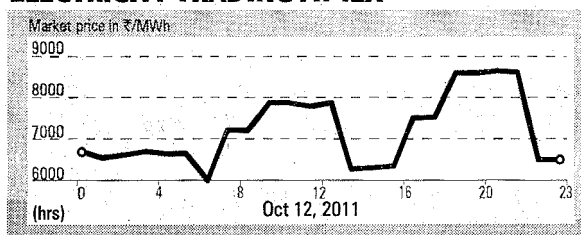
## BALTIC EXCHANGE INDICES

	Oct 11, 11	chg%*
Baltic Dry	2,106	3.64
Baltic Supramax	1,554	0.58
Baltic Panamax	1,982	2.06
Baltic Capesize	3,474	6.08
Baltic Handysize	794	1.02
Baltic Clean Tanker	715	0.56
Baltic Dirty Tanker	807	2.80

\* over previous close



## ELECTRICITY TRADING AT IEX





# Pranab disappointed at poor industrial growth

sns & pti

NEW DELHI, 12 OCT: Industrial production grew by a dismal 4.1 per cent in August as high interest rates and gloomy global indicators weighed on factory output, which may lower the country's overall economic growth.

A disappointed Union finance minister Pranab Mukherjee said the numbers are "not encouraging... it may affect the GDP of second (July-September) quarter." For the first quarter, GDP growth was at an 18-month low of 7.7 per cent. The factory output, as measured by the index of industrial production (IIP), expanded by 4.5 per cent in August 2010. Mining was the worst performing sector, showing a YoY deceleration of 3.4 per cent in August this fiscal. Capital goods, which had turned negative in July, however reversed the trend and registered a growth of 3.9 per cent in August. The discouraging performance by the industry is not likely to influence the Reserve Bank, when it reviews the

interest rate scenario again on October 25, experts said. For the April-August period, IIP growth stood at 5.6 per cent, against 8.7 per cent a year ago, as per today's data.

The RBI has hiked rates 12 times since March 2010 raising it by 350 basis points to control near double digit inflation.

Global indicators like slowdown in the US economy and the debt problems in Europe, also had a rub-off on the Indian industry.

But a robust export growth of 52.1 per cent during April-September was a rare bright spot on the country's industrial economy.

The leading chambers-- CII, Ficci-- asked for "investment boosting measures" to revive the sentiment.

Meanwhile, notwithstanding subdued IIP (index of industrial production) numbers for the month of August, Dalal Street today reacted to positive global cues, particularly from Europe, posting significant surge in benchmarks. The BSE bellwether Sensex closed at 16,958.39 points. **sns**

# Great expectations from NMDC's mines

The only functional miner in the state is facing a challenge in stepping up output to meet market demands

By RUCHIRA SINGH  
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DONIMALAI (BELLARY)

At NMDC Ltd's Donimalai mines in Karnataka's Bellary district, large posters featuring chairman Rana Som's photograph and captioned "Mission 35,000" urge employees to produce more so that iron ore-starved steel plants in the state can be saved from closure.

NMDC is the only functional miner in the state after the Supreme Court ordered a closure in July to check illegal mining and environment degradation. For the state-run producer, supplying enough iron ore to the 64 steel and iron factories is a tall order.

In August, the Supreme Court ordered NMDC to produce 1 million tonnes (mt) of iron ore a month from its Donimalai and Kumaraswamy mines in Karnataka. But officials said NMDC's daily output ranges between 28,000 and 32,000 tonnes a day, compared with the 35,000 tonnes a day required to meet the target.

Som said NMDC was confident that its mines in Karnataka will start producing the desired amount with the help of several measures that were being implemented.

"We have increased the points of operations, hired machinery and redeployed workers," Som said in an interview. "We are using our existing workers on more points."

NMDC had also stepped up exploration work at its mines to expedite the process of setting up new mines in the existing areas, he said.

Still, if India's largest iron ore miner has to deliver on its promises, it will have to better its track record of missed targets. In 2010-11 the company produced 25 mt of iron ore against a target of 30 mt, blaming slow evacuation and fewer rakes as a reason for having to reduce production.

In the year before that, NMDC could produce 24 mt, lower than its target of 28 mt as Maoists blew up a slurry pipe-



## SERIES-IV

line in Chhattisgarh.

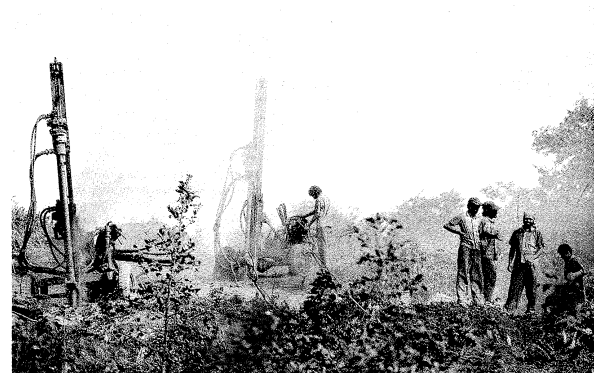
NMDC does have a chance of producing 1mt a month provided it successfully meets its challenges, said Giriraj Daga, senior analyst at Nirmal Bang Securities.

"It takes time to step up production," said Daga. "By January, they will be able to meet the target of 1 million tonne per month." The biggest challenge NMDC faces is to boost production from its new mine, Kumaraswamy, where it has been allowed to mine temporarily.

"The company could refrain from ordering new equipment because the litigation on Kumaraswamy will resume," Daga said.

The Kumaraswamy mine was earlier shut by the Karnataka high court owing to a litigation. For NMDC, this mine is crucial as it has to supplement production from the aging Donimalai mine.

Donimalai, set up in 1977, has reserves for seven years, according to company officials, but analysts say high-grade iron ore can be produced only for two more years if the current rate of mining continues. The other big challenge NMDC faces is the evacuation of the iron ore from its



Boosting production: (Top, above) The NMDC mines in Donimalai in Bellary district.

mines by the buyers.

Currently, iron ore in Karnataka is being sourced from NMDC and old stocks from around 100 mines to the tune of 25 mt, via online auctions.

These auctions are facing teething problems and buyers have been complaining about the series of permits required for transporting the ore, delaying deliveries.

These delays could hurt NMDC as it will increase pit head stocks and even force the

company to halt production.

"After the Supreme Court order to sell iron ore through electronic auctions, NMDC will have to store entire material in its own stockyard," Daga said. "We believe, the company will find it difficult to store more than three-four days of production at the peak production capacity."

The demands from the four integrated steel plants and the 60 big and small sponge iron units in the state are high.

"There are many practical constraints. Instead of iron ore flowing in, it is just trickling in," said Vikas Sharma, senior vice-president—commercial and services at JSW Steel Ltd, which has a 10mt steel plant in Toranagallu.

"Our request is to let us continue (our long-term contract) with NMDC till the electronic auction gets stabilized."

In a district where miners have ravaged hills and valleys in search of ore and the puni-

## E-AUCTION: THE CHALLENGES

- Bidding slow owing to bandwidth
- Irregular auctions
- Communication at remote mines difficult
- Infrastructure like weighbridges defunct
- Lorry owners' lobby demanding more money
- Wait for permits causing delays
- Too many bidders vying for too little ore

Source: Karnataka steel and iron plants associations

tive action by the Supreme Court has thrown 200,000 people out of jobs, NMDC stands out as the ethical miner that has taken care of its mines, its people and the environment.

Now, it is time for it to show that the company can also step up production to meet the needs of its customers.

This is the fourth part of a series on the aftermath of a Supreme Court ban on illegal mining in Bellary. The third part dealt with lorry owners' loan repayment issues and rising social unrest in the area.

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To read previous stories in this series and to view a slideshow, go to [www.livemint.com/miningrow.htm](http://www.livemint.com/miningrow.htm)

## **Remove deficiency in plant: SC to Sterlite**

**New Delhi:** The Supreme Court has directed **Sterlite Industries India Ltd** to remove deficiencies in its copper plant at Tuticorin, Tamil Nadu, which is causing environment pollution.

In an interim order, an apex court bench directed the Tamil Nadu Pollution Control Board to issue a direction to the firm within two weeks and give a reasonable time to it to take appropriate measures to stop pollution. **PTI**



# Clouds hung over India Inc in August

By Mail Today Bureau in New Delhi

INDIA'S industrial output remained sluggish for the second month in a row clocking a mere 4.1 per cent growth during August, official figures released on Wednesday showed.

The August figure is a wee bit higher than the 3.8 per cent growth recorded in July (revised upward from 3.3 per cent) but lower than the 4.5 per cent in the corresponding period last year.

The industrial growth rate measured by the index of industrial production (IIP) now works out to 5.6 per cent for April-August, down from 8.7 per cent in the year-ago period.

In August, the manufacturing sector, which constitutes over 75 per cent of the index, grew by 4.5 per cent compared with 4.7 per cent in the same month last year.

India Inc has attributed the slowdown in the industrial growth rate to the tight monetary policy being followed by the Reserve Bank of India (RBI) to control inflation, which remains stubbornly high at over nine per cent.

It now remains to be seen whether the RBI will pause with its rate hike strategy on account of the slowdown in industrial output growth when it reviews its credit policy on October 25.

## At 4.1%, industrial output slows down on tight money policy

The RBI has already hiked rates 12 times since March, 2010, to control inflation, which stood at 9.8 per cent in August.

RBI deputy governor Subir Gokarn said the central bank's decision to further hike rates will depend on the inflationary situation.

There was also a 3.4 per cent decline in the mining output in August against a growth of 5.9 per cent in the year-ago month. This could impact the power generation sector in the coming months due to the lower coal output.

Growth in capital goods production slowed to 3.9 per cent in August, in comparison to a growth of 4.7 per cent in the same month of 2010. This reflects a deceleration in the level of investment taking place in the economy, which in turn has an impact on the growth rate in the coming months.

The Federation of Indian Chambers of Commerce and Industry (Ficci) said that investment demand has been affected in the last few months on account of monetary tightening measures.

"We expect the growth in industrial sector and investments to be low in coming months also, as the impact of the rising cost of credit would continue," Ficci said.

During August, 2011, electricity production exhibited a sharp improvement, growing by 9.5 per cent, as against a mere one per cent growth in August, 2010.

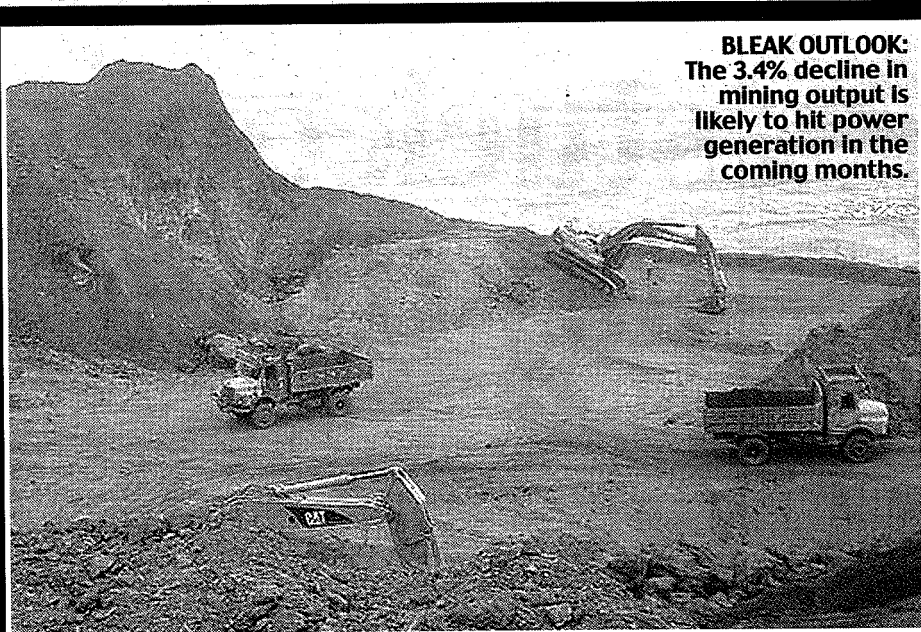
However, the output of consumer durables, such as refrigerators and washing machines,

slowed to 4.6 per cent in August against a growth of 8.1 per cent last year, due to hardening interest rates on consumer loans.

Production of fast moving consumer goods (FMCG), such as soaps, cosmetics and processed foods, also grew by a mere 2.9 per cent in August.

Growth in overall output of consumer goods also slowed down to 3.7 per cent in August

**BLEAK OUTLOOK:**  
The 3.4% decline in mining output is likely to hit power generation in the coming months.



## AILING AUGUST

SECTOR	AUGUST (2011-12)*	AUGUST (2010-11)*
Mining	-3.4	5.9
Manufacturing	4.5	4.7
Electricity	9.5	1.0
Overall	4.1	4.5

\* Figures in percentage

The deceleration in industrial growth is now clearly apparent. RBI should pay heed to today's data release and pause its interest rate hikes

— Chandrajit Banerji,  
DIRECTOR GENERAL, CII

this year, compared to a growth of 4.6 per cent in August, 2010.

"The deceleration in industrial growth is now clearly apparent, with both consumer and capital goods segments showing sluggish growth. RBI should pay heed to today's data release and pause its interest rate hikes in its forthcoming policy," said Chandrajit Banerji, director general, Confederation of Indian Industry (CII).