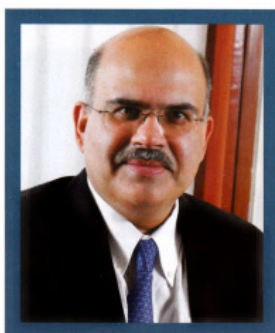


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INTERVIEW


Set up in 1957 as an Indo-German collaborative effort, Cable Corporation of India is synonymous with India's cable industry having to its credit many firsts like the country's first EHV cable producer. **Hiten Khatau** sheds more light on the current status of the overall cable industry, which recorded a decline in the first quarter of FY13. Khatau is cautiously optimistic on the prospects, asserting that much depends on the pace of implementation of government-sponsored power sector projects. An interview by **Venugopal Pillai**.

Outlook will improve only when investment plans get implemented

— Hiten Khatau, CMD,
Cable Corporation of India Ltd

The electrical equipment industry, and in particular the cables industry, showed negative growth in the first quarter of FY13. What is your reaction?

Yes, the cable industry has shown negative growth in the first quarter and this is likely to continue during the second quarter too. Main cause is the delay in implementation of proposed projects and the general slowdown in all spheres. Once Government initiatives are in place, we expect demand to bounce back. We expect fourth quarter should be good. However, the year has already borne the brunt.



Slowdown in the implementation of government-sponsored projects in the power sector appears to be a universal feeling. What is the ground reality?

The ground reality is same as the general feeling! Implementations are delayed and lost time may not be made up. Also there is considerable delay in realization of payments, adversely affecting cash flows. Overall it's a difficult period and we will have to wait for the situation to improve.

What is your view on the several multinationals that are setting up manufacturing facilities for EHV cables in India?

Yes, multinationals are setting up plants and this is going to increase competition. Projected demands are not yet happening and this is going to lead to capacities in excess of demand, even in the EHV segment. The situation of over-capacity already exists in other segments like LT/HT cables.

Even otherwise, multinationals today are importing and supplying from abroad very low prices. All this is because we do not have any policies in place favouring local manufacturers.

All said, EHV cables do appear to offer a feasible solution to India's power distribution needs in urban and semi-urban areas. How do you gauge the demand prospects?

All utilities have a plan in place for transmission of bulk power over high voltages to reduce losses. Time frames shall get decided with actual availability of power and requisite finances

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FOCUS: CABLES & CONDUCTORS

for executing these plans. The implementation will depend on the implementation of power generation projects planned by government.

CCI has been a pioneer in EHV cables. Tell us more on the range and also the current status of CCI's plans to make 400kV EHV cables.

We have already made 400kV cables which are under testing. As usual, we are ready ahead of demands coming in: We definitely hope to cash in on opportunities as they arise.

What is your outlook for the power cables industry in the wake of huge investment outlays for the power T&D sector but also keeping in mind the general slowdown?

The Government has made ambitious plans. But we are behind schedule in implementation of plans. The outlook seems good as the plans will get implemented. But definitely prices are going to be under pressure with the capacities being built. We



will have to operate efficiently to keep afloat. The revenues will happen but we need to watch the bottom lines; they are going to be difficult to achieve!

