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INTERVIEW



Cable Corporation of India is synonymous with India's cable industry. It has to its credit many firsts like the country's first EHV cable producer and even the first cable company to replace copper, the only material used then, with aluminium. Even today, CCI is a market leader in every segment. **Hiten Khatau** takes us through the company's illustrious journey and offers a glimpse of its future plans. He asserts that product quality and reliability have always given CCI the upper edge over competition. An interview by **Venugopal Pillai**.

CCI has always kept abreast with latest technology

Hiten Khatau, CMD,
Cable Corporation of India Ltd

Cable Corporation has completed more than 50 years of operations in India. Take this through this long corporate journey. We started in collaboration with Siemens, Germany, and we have been the first to introduce many different types of cables for the Indian market. During these 50 years, we have been providing innovative cabling solutions—from concept to commissioning—to consumers in India and overseas. Over the years, we have invested substantially in R&D and have kept abreast with the latest technologies available worldwide.

CCI has had many milestones during these 50 years with significant pioneering efforts by introducing new products and technologies in India from time to time. In its early days, CCI pioneered the development of low voltage cables with special PVC

insulation which was then not being used in the country. CCI also introduced specialized cables and also compounds which not only met the requirement of its customers but were import substitutes, thus saving the country precious foreign exchange.

What about EHV cables?

Yes, CCI was the first company in India to produce extra high voltage (EHV) cables with its first production and installation of 230kV cables in 1992. It was the only company in Asia (other than Japan) to be licensed the highly specialized MDCV technology for manufacture of EHV cables. CCI was also the first company in India to introduce aluminum sheathed cables way back in 1998. In 1998, CCI also became the first company to manufacture and install submarine cables, which have been installed between the main line of Vivekananda Rock Memorial.

How has the electrical equipment market moved in this period?

The electrical equipment market in India has been growing and will take a giant leap forward in the coming period. It is expected to grow due to the priority given to the power sector by the government. This has led to substantial investments by both private and public sectors.

Do you plan to re-enter the household cable segment that CCI exited way back in the 1960s?

CCI manufactured household wires as well as special wiring back in 1960. However, once the business was reserved for small-scale sector, CCI exited this business and changed its focus to



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specialized and technology-intensive products. CCI continues to hold the leading position in the technology and quality aspects in the industry rather than simple house wiring.

Please describe in detail your plans of increasing capacity and product range in the EHV cable segment.

CCI already has two EHV lines (one of which is under commissioning) with capabilities of manufacturing voltages up to 500kV. As on date CCI is the largest producer of 230kV cables in India with the largest market share in EHV cables.

We understand that CCI excels in specialized and customized industrial cables. Tell us about your future plans in this direction.

Besides increasing its range in the EHV segment, CCI is actively working on offering its specialized cables to established sectors like, oil and gas specialties, railways etc, or emerging sectors like renewable energy etc in the near future.

We have been pioneering development of application oriented cables for many areas namely steel, cement, shipping, defense etc. Cables for solar energy application and other areas are also on the anvil.

You once mentioned that cables for renewable energy would be a future thrust area for CCI. Are plans firming up?

Renewable energy both solar and wind apart from biomass is going to form a major proportion of power generated in the



country. You would have seen that solar is becoming cheaper than what it was a few years back and worldwide efforts are on to make it cheaper. With our available resources solar energy would be a very viable proposition. Government is encouraging and investing in this alternative for adding megawatts to our ambitious power generation plans.

What is the current status on the brownfield expansions at your Nashik manufacturing plants?

We have two plants already commissioned and operating one producing LT & HT cables and the other, EHV cables. We have

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recently commissioned a CCV Line for EHV cables, thus having both CCV and MDCV processes for making EHV cables. Besides, we are in the process of adding the facilities for elastomeric, special cables and strengthening the R&D setup. We will thus have a totally integrated setup.

What is your overall take on the projects business given that there are fears of an industrial slowdown ahead?

No doubt, we anticipate a slowdown in the industrial, infrastructure and capital goods sectors. However, in the medium to long term, growth in the power sector, especially the T&D segment and the infrastructure segment is on a fast pace and these sectors will grow significantly.

Tell us about the landmark F1 racing circuit project that CCI recently completed for the Jaypee Group.

CCI bagged the prestigious cable supply order for India's first Formula One race track at the Buddh International Circuit in Greater Noida, and finished installation of the 230kV cable system on the track. The first event of India's Grand Prix was held on October 30. CCI had bagged the prominent order from Noida-based Jaypee Sports International (JPSI) over global and domestic competition. JPSI has built the 5.14-km track located in Gautam Buddh Nagar on the outskirts of Greater Noida, 35 km from Delhi.

The total turnkey contract envisaged a supply of approximately 8 km of 1x800 sqmm aluminum conductor XLPE Insulated cable, straight-through joints, outdoor termination kits along with allied material.

Private sector participation in the power T&D space has increased significantly over the recent years. How do you assess the overall impact of this on your business?

The power T&D space is still dominated by the public sector. There is limited participation by private sector in T&D area. However, we expect that in the coming years the private sector will have a larger share. The way of doing business is very different in the public and private sectors. Both have their advantages and disadvantages. Speed of decision-making, preference and price premium for superior quality along with quicker payment are some of the advantages of the private sector.

Currently, how much of your business comes from the power utilities segment? Do you envisage any change in this proportion in the near future? How is CCI faring on the exports front?

Our EHV segment business comes predominantly from utility sector. Our LT/HT business is predominantly from industrial sector. Since Transmission is going to continue with utilities we do not see any substantial change in the segmentation in the immediate future.

We have not been active in exports in the recent past, though were exporting earlier. Considering the significant devaluation of the Indian Rupee, we are once again actively pursuing exports.

The cables business is exposed to vagaries of fluctuation in prices of copper and aluminium. This, as we understand, is not factored in the procurement process of most power utilities. What is your take on the matter?

Worldwide, price variation during execution of a contract is an accepted norm. In India however firm price is insisted. This brings in an element of speculation and is unhealthy. Once price variation is accepted, it will make transactions cleaner and smooth. It will benefit both the supplier and consumer.

Given that power transmission will see massive investments in the XII Plan period and beyond, do you intend to diversify into power conductors?

No! We do not intend to enter the power conductor segment. There are already many players in that field.

The power cables business is getting very competitive of late with massive capacity build-up by domestic and even multinational companies. How does a traditional leader like CCI react to this new environment?

Yes, capacity build up is happening, leading to unhealthy competition, in some segments. Very often standards, quality and ethical business practices are compromised due to this demand / supply mismatch.

However, CCI as a brand is respected by customers as being representative of quality, technology, ethical business practices, reliability and longevity of product. This will always give us an advantage over many others in the market place.