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# Volatile copper and aluminum prices poses a significant risk to our industry

Most countries in the world work on variable prices with metals which constitute the bulk of material content, however, this system is not prevailing in India, says Hiten Khatau, Chairman & Managing Director, Cable Corporation of India in an interview with *Projects Info*.

**Can you brief us about company's operation in the field of wires and cables? What are the sectors you cater to?**

CCI has been in the Extra High Voltage (EHV) cables segment up to 220 KV EHV cables for more than fifteen years which is a major and critical component in the power sector. We are providing our EHV cables to major Indian utilities, such as Power grid, Tamil Nadu Electricity Board, KSEB, and Karnataka Power Transmission Corporation and also to countries like Bangladesh for more than 10-15 years.

Our product range includes underground cables with different insulations. We manufacture EHV cables, high voltage cables (HT) and low tension (LT) cables. The cable that we manufacture caters to the transmission and distribution sector of the power sector. Our products transmit power from one point to another. Our clients include all infrastructure projects, industries, transmission and generation companies etc., in fact, anywhere where electricity is required.

**Do you have any plans to**

**increase your product offering to other sectors?**

As far as recent development in the segment is concern, we are in the process of developing cables in the areas of solar and wind energy.

**For companies catering to power transmission projects, what is the share of high and low tension cables in your product mix?**

The total share of high and low tension cables in our product mix is around 40 per cent, whereas EHV cables contribute around 60 per cent.

**Are your products certified by Indian quality standards? How are your products different from your peers?**

We have quality management system as per ISO, over and above, we follow the standard quality assurance system also. In the recent times, we have introduced kaizen & 5S principle in our organisation to make our manufacturing process efficient.

Worldwide, we have proven MDCV technology to manufacture EHV cables which ensures the quality of manufacture. At



various stages of manufacturing, many parameters have been tried and tested conforming to relative fields and the final products have been tested for electrical parameters as per various national and international specs.

**What are the investment as well as capacity addition plans for the next two years?**

The company has already added third plant at Sinnar in Nashik manufacturing high voltage and extra high voltage cables. The state of the art plant has been manufacturing HT and

EHV cables which ranges from 11 kV to 132 kV. The expansions will double the capacity of EHV cables for CCI.

**The price of copper (which is a key raw material for cables) is volatile in the international market. What strategy have you adopted to hedge the risk?**

Volatility in copper and aluminum prices are a significant risk factor for the cable industry because most of our orders are on firm price basis. Most countries in the world work on variable prices with metals which constitute the bulk of material content. However, this system is not prevailing in India. We have tried and mitigate this risk through hedging and other mechanisms, but the way forward in the long term would be to change the system towards variable price in line with other countries.

**Does cheap import from Chinese manufacturers make you worry?**

Government policies should provide level playing field, and encourage local industry in terms of increasing the special

import duty on Chinese products (as Chinese manufacturers have access to lower cost raw materials and duties resulting in their products being brought in at much lower prices) or give preference of price to the local players in tendering process against international companies. The steel industry as well as the power equipment industry in India has been facing a major challenge in terms of Chinese competition and the same is in case for EHV cable industry.

**What is the strategy the company is adopting to meet the evolving needs of your customers?**

CCI's vision is to be the brand leader and the company of choice in the power sector, across all customers and stakeholders. Though capacity enhancement is happening, the same is leading towards unhealthy competition, in some segments. Very often standards, quality and ethical business practices have been compromised due to demand and supply mismatch. **Send your feedback to: [feedback@ASAPPmedia.com](mailto:feedback@ASAPPmedia.com)**