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Finolex Cables Limited
AN IS/ISO 9001 CERTIFIED COMPANY

FCL:SEC:SE:26:92 **18th November 2026**

Corporate Relations Department BSE Limited 1st Floor, New Trading Ring Rotunda Building, P J Towers Dalal Street, Fort Mumbai – 400 001	The Manager Listing Department National Stock Exchange of India Ltd `Exchange Plaza', C-1, Block G, Bandra – Kurla Complex, Bandra (E), Mumbai – 400 051
Scrip Code: 500144	Scrip Code: FINCABLES

Sub: **Transcript of the Analysts/Investors Meet held on 13th November 2026 at 4.00 PM.**

Ref: **Regulation 30 read with Clause 15(a) of PART A of Schedule III of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.**

Dear Sir/Madam,

Pursuant to the above referred Regulation, please find attached the Transcript of the Analyst/Investor Meet held on 13th November 2026 at 4.00 pm (IST) to discuss financial results of the Company for the quarter ended on 30th September 2026.

The transcript of recording can also be accessed on the Company's website at https://www.finolex.com/View/Page/Analyst-meeting-transcript.

Kindly take the same on record.

Thanking you,

Yours faithfully,
For FINOLEX CABLES LIMITED

NIRNOY SUR
Digitally signed by NIRNOY SUR
Date: 2026.11.18 12:25:20 +05'30'

Nirnoy Sur
Company Secretary &
General Manager (Legal)

Encl.: As above

“Finolex Cables Limited

Q2 & H1 FY27 Earnings Conference Call”

November 13, 2026

MANAGEMENT: **MR. MAHESH VISWANATHAN – CHIEF EXECUTIVE OFFICER – FINOLEX CABLES LIMITED**
MR. SACHIN NAIK – CHIEF FINANCIAL OFFICER – FINOLEX CABLES LIMITED

MODERATOR: **MR. PRANAY PREMKUMAR – DENTSU ONE, INVESTOR RELATIONS**

Moderator: Ladies and gentlemen, good day and welcome to Finolex Cables Limited Q2 and H1 FY27 Earnings Conference Call. As a reminder, all participant lines will be in the listen-only mode, and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star then zero on your touch-tone phone. Please note that this conference is being recorded.

I now hand the conference over to Pranay Premkumar from Dentsu One Investor Relations Team. Thank you, and over to you, sir.

Pranay Premkumar: Thank you, Saisa. Good evening, and thank you all for joining us on the Finolex Cables Q2 and H1 FY27 earnings conference call. Today, we have with us from the management, Mr. Mahesh Viswanathan, Chief Executive Officer, and Mr. Sachin Naik, Chief Financial Officer. We will begin the call with the opening remarks from the management, after which we will have the forum open for the interactive Q&A session.

I must remind you that the discussion in today's earnings call may include certain forward-looking statements and must be viewed, therefore, in conjunction with the risk that the company faces. Please restrict your questions to the quarter performance and to strategic questions only.

I would now request Mr. Mahesh Viswanathan for his opening remarks. Thank you, and over to you, sir.

Mahesh Viswanathan: Thank you, Pranay. Good afternoon, ladies and gentlemen, and thank you all for joining us on this call today. I will make some brief opening remarks on the direction that the quarter took us, and Sachin will then walk you through the numbers. I am sure you have already seen the data that has been uploaded into the Stock Exchange as well as the presentation that has been hosted on our website earlier today.

This quarter broadly, went very well for us. Our year-on-year revenue performance improved by almost 65%. The margins stood firm at a gross margin level of about 20%. At the EBIT and PAT levels, the numbers were even better. We clocked an EBIT of about 13.5% for the quarter, up from 10.4% in the last corresponding period of last year. For the six- months period, also the EBIT was about 13% higher than the previous year's 10% numbers.

In terms of the individual segments, we have, as you know, two large segments, electrical and communication. Electrical cables also recorded a revenue growth of about 65%, and communication cables was almost double of last year's numbers.

Individually, performances from multiple business lines contributed to these numbers. Building wire, which is our mainstay, the volume growth was in the low single digits, but all other product lines, whether it is agri or solar, they more than doubled their volumes, although the volumes on agri were coming from a smaller base.

Auto improved by about 70%. Industrials went up by about 25%. On the communication side, fiber and optic fiber cables went up by about 25%. All this resulted in the kind of revenue that we have had for the quarter. And in line with that, the rest of the performance has also been fairly good.

I will now hand it over to Sachin to take you through the numbers in detail.

Sachin Naik: Thank you, Mahesh, and good afternoon to everyone on the call. Let me take you through our financial performance for the Q2 and the first half ended 30th September 2026. Starting with the standalone top line, our revenue from operations for Q2 was INR2,269 crore, which represents a strong 65% Y-o-Y growth over the INR1,376 crore in quarter 2 of last year, and a 13% sequential increase over the INR2,013 crore in quarter 1 of this year.

For the half year, revenue stood at INR4,282 crore, which is again up 55% compared to INR2,771 crore in H1 of last year. Our standalone EBITDA, excluding other income, more than doubled year-on-year, to INR309 crore in Q2 compared to INR143 crore in Q2 of last year, and INR248 crore in Q1 of this year.

Our EBITDA margins have expanded by 322 basis points year-on-year to 13.6%, which is driven mainly by operating leverage and better margins in certain segments in communication cables. For H1 FY27, the EBITDA stood at INR557 crore versus INR274 crore in the prior year, with margin improvement by 312 basis points to 13%.

Other income for the quarter was INR89 crore compared to INR110 crore last year, primarily reflecting the treasury yield movements and dividend from our associate company. Depreciation has increased to INR23 crore from INR14 crore last year due to the capitalizations which were done in FY26. Profit before tax for Q2 grew 57% year-on-year to INR375 crore against the INR239 crore last year.

Standalone PAT stood at INR286 crore, again up 53% year-on-year from INR187 crore, and it is up 29% sequentially from the INR221 crore in Q1. On a consolidated basis, the Q2 PAT came to INR273 crore, which is up 68% year-on-year from INR163 crore, and that is after considering the INR35 crore of our share from associate and joint ventures. For H1, the consolidated PAT stood at INR522 crore versus INR325 crore last year.

Segmentally, electrical cables constitute 86% of our quarterly revenue at INR1,960 crore. This is up 65% year-on-year from the INR1,188 crore and 11% sequentially, and the segment EBIT grew by 68% to INR217 crore, the EBIT margins holding steady at 11%.

Communication cables have delivered a very strong quarter with revenue growing 116% year-on-year to INR230 crore from the INR106 crore of last year, and it has grown 30% over our Q1 of this year. The segment EBIT has jumped to about INR69 crore from INR1.2 crore in Q2 last year, reflecting both scale and good margins in the optic fiber cable. Our other segment, which includes the FMEG products and trading of electrical goods, has recorded a quarterly revenue of INR73 crore, which is up 12% year-on-year. There has been an EBIT improvement of 40% against last year.

A quick word on the balance sheet and cash flows. We continue to maintain a net zero debt balance sheet with a consolidated net worth of INR6,484 crore as on 30th of September, and our total cash and liquid investment is close to about INR2,000 crore. You will notice that the net cash flow from operating activities for H1 was a negative of INR106 crore, which was entirely driven by working capital adjustments, specifically an inventory buildup of INR460 crore during

the period. This was a conscious call to secure certain supplies, and we expect the inventory levels and operating cash flows to normalize over the second half of the year.

With that, we are happy to open the floor to your questions.

Moderator: Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Sumit Ambekar from Parami Financial Services Private Limited. Please go ahead.

Sumit Ambekar: I wanted to understand the optic fiber cables, the division that we are in. Do we supply to hyperscalers, data centers, or just telecom?

Mahesh Viswanathan: We supply to both. For Hyperscalers, they have still not started acquiring cables or ordering cables in large numbers. At some point in time, that will happen.

Sumit Ambekar: Sir, how is the pricing determined?

Mahesh Viswanathan: Pricing will depend on the design of the cable.

Sumit Ambekar: Could you put some color on it?

Mahesh Viswanathan: Traditionally, the demand has been driven by telecom players. They have been around for several years now, so their design standards are more or less known to everybody. There are not too many differences between one and the other. It has become a standard product for a lot of people, except when, of course, they go into large fiber count cables.

On the cables that are going into data centers, the designs are different. The count also can grow very high. We have heard of fiber count going up to 13,000 fibers in a cable. Those kind of requirements have not yet started to appear in India. There are some of them who are asking for those in the U.S. and European markets, but that is still a product or a scenario in development.

The outlook at the moment is that as and when those cables become more frequently ordered items, the pricing will become a little more transparent. At this point in time, the inquiries being very few in number, you can't generalize and say, "Okay, this is the level of pricing that you will have on these products.

Sumit Ambekar: Sir, a basic follow-up question. Just trying to understand. Let's say if it is selling at per kilometer for $ 15. Let's say for 1,300 kind of fibers that go in a cable to a data center. Should I multiply it by $15 into 1,300 kind of a number? Or the pricing is different?

Mahesh Viswanathan: It is not that simple, because it is not just that you are putting so many fibers into a tube. There would be other matters to consider as well. That is why I said it is design dependent, and it is also process dependent. The typical equipment that are there when you make a 144 or a 244-fiber count cable, will be different from the equipment that is necessary to make a much larger count, and therefore that has its own operating costs, and those will have to be covered, so it is not a simple math question.

Moderator: The next question is from the line of Mr. Achal Lohade from Nuvama Institutional Equities. Please go ahead.

Achal Lohade: Good afternoon, sir. The first question is with respect to the communication cables. If you could help us understand what was the capacity utilization and what has been the realization change on a Y-o-Y or a Q-o-Q basis for Q2?

Mahesh Viswanathan: In terms of realization change, not much really. The numbers are kind of similar. In fact, they would have been slightly lower than Q1. For some fiber types, the prices have dipped a little bit, not too much. The standard fiber, which had gone up to about INR1,200 per kilometer, has now tapered off to about INR1,150 or so. To that extent, there would have been a small change, but otherwise, not much.

Exports also contributed to the growth in this quarter. Most of it has come from volume growth. The telecom sector has also picked up. If you recall last quarter when I spoke to you, I mentioned that the contract with Bharti was being signed at that point in time. Subsequent to that, they have started picking up materials, so that has also resulted in the additional output. That's broadly it.

Achal Lohade: In terms of the capacity utilization in Q2?

Mahesh Viswanathan: Capacity utilization, I think, on fiber draw side, our expanded capacity is likely to come into play maybe towards the end of this quarter or early next quarter. Until such time, the existing draws are being fully utilized.

On the preform side, as I mentioned last quarter, it is a period of stabilization. It takes anywhere between three to six months before the plant is stable and everybody is trained and comfortable with the process. That process is still ongoing. At the moment, I think their effective usage is probably around half. Once this stabilization period is over and everybody's comfortable with the process, then I think we should be able to take it up higher.

Achal Lohade: Fair to say in Q4 we should see a full, as in the ramp-up should happen on the preform front?

Mahesh Viswanathan: Most of the stabilization should have happened by the end of this year or maybe one month later, but, people take a little bit of time to get familiar with it. If there are recipe changes, then with the recipe changes, because it's not just one product that we are making there. It's called preform generically, but then you have different grades depending on the end use. Therefore, people need to get used to each of those recipes. Unless you run it for a continuous period of time, your ability to master the process controls takes a little bit of time, but yes, that would be the hope.

Achal Lohade: How are the OFC, the cable prices, the fiber prices trending in this quarter? Have they kind of moderated further or they are kind of stable?

Mahesh Viswanathan: They have been stable. There has been a small change, like I mentioned, from 1,200 to 1,150 odd. Otherwise, it has been stable. It will depend anyway on if there are going to be any changes on the input cost, especially around gases and helium. If the Middle East situation settles, then you could see a drop in the cost and therefore a drop in the selling prices also, but then if it continues to be as volatile as it is today, then the same situation might prevail.

Achal Lohade: Got it. If you could remind us, in terms of the potential revenue from the existing capacities and on the expanded capacity, assuming the current price, what would that potential revenue be for this communication cables division, sir?

Mahesh Viswanathan: Okay. I think I took everybody through this arithmetic some time ago. The expanded capacity of fiber would be approximately 8 million kilometers a year.

Achal Lohade: Right.

Mahesh Viswanathan: If I am only selling fiber, nothing else, at an average of about INR1,200 a kilometer, then you can do the math. It will be about INR960 crore a year at full capacity, but if I am selling a mix of fiber and cables, then it will be another 15%-20% higher than that, because there will be a value add.

Achal Lohade: Understood.

Mahesh Viswanathan: As long as the price remains where it is today.

Achal Lohade: Got it. The other question, or rather clarification I wanted to check, that you said the building wire volume growth was kind of a low single digit, right? Have I understood right?

Mahesh Viswanathan: Correct.

Achal Lohade: Of our total electrical cables, how much would be building wires as a percentage of volume and as percentage of revenue, ballpark?

Mahesh Viswanathan: About 60%.

Achal Lohade: 60% to 70% of volume or value, sir?

Mahesh Viswanathan: Both, I think.

Achal Lohade: Okay. Understood. Just last question, if I may, with respect to the intensified competition, how are you seeing the pricing in the market in general? Are you seeing any stress, or things are business as usual as we speak?

Mahesh Viswanathan: I think you're referring to UltraTech coming in?

Achal Lohade: Yes, sir.

Mahesh Viswanathan: Okay. They came in towards the end of September, so in the quarter, there was not much of an impact. I think we should see a full quarter before we comment on it. We are being watchful of what they might do in the environment, and we are cognizant of the fact that they carry a large purse with them. That part we are clear about, so we will be watchful in terms of what actions they take.

Where possible, we will try and predict what their moves could be, and where it is not possible, we will have to react. Yes, we are aware of their pocket size as well, and their potential abilities.

No complacent views at the moment, but we still have to see how the market reaction to them is at first.

Achal Lohade: As of now, if I were to just ask factually, you are not seeing any impact so far?

Mahesh Viswanathan: It was only two weeks in the quarter, so I don't want to talk about current quarter because that will be getting ahead of myself. In the quarter July to September, their presence was there only for a couple of weeks, so it is too little a time to say anything about it. Going forwards, I think, yes, the intensity that is shown in the marketplace, plus how commodities behave, will have a bearing on what actions one need to take.

Moderator: Thank you very much. The next question is from the line of Sushil Choksey from Indus Equity Advisors. Please go ahead.

Sushil Choksey: Sir, initial remark about communication cable, can you just elaborate the number for Q1, Q2, and the margin?

Mahesh Viswanathan: You want the numbers?

Sushil Choksey: Yeah. I didn't hear it well, that's why I asked you.

Sachin Naik: Yes sure. For communication cable, the revenue has grown 116% Y-o-Y. Last year, it was INR106 crore and has gone to INR230 crore, so, that's 116% growth. And over Q1, it has grown about 30%. The segment EBIT has jumped from INR1.2 crore last year to about INR69 crore this year.

Sushil Choksey: Thank you. Sir, my question, based on the current capacity utilization across all the verticals, what are we projecting in enhancement of our capacity if we have an outlook as what it stands today for next 24-36 months?

Mahesh Viswanathan: Come again?

Sachin Naik: You are asking specifically for optical fibers?

Sushil Choksey: Across. I said across.

Mahesh Viswanathan: Individual product lines will have different business cycles, right? On the fiber and related part, we have already specified what our expansion plans were, and we are working on that. Fiber would go to about 8 million kilometers, preform would go to an equivalent of 4 million kilometers of fiber, and cables would go up to between 12 million kilometers and 15 million kilometers of cabling capacity, so, that is what the end result would look like, and that would be in about seven to eight months' time from now.

Most of these funds have already been spent. Some amount of money is pending at this point in time, but most of these funds have already been spent.

Sushil Choksey: Any backward integration on the same, and do we enhance our capacity from 8 million kilometers to double in near future?

Mahesh Viswanathan: Backward integration is the preform, right?

Sushil Choksey: Beyond preform.

Mahesh Viswanathan: Beyond preform, going to silicon dioxide? Silicon tetrachloride? No, we have not thought of that.

Sushil Choksey: Okay. Increasing the capacity from 8 million kilometers to 16 million kilometers or 12 million kilometers or something, what is viable?

Mahesh Viswanathan: What is viable, we will have to study that, and no decisions have been made at this point of time.

Sushil Choksey: What is the comparative price between global markets and domestic? As of today, on a quarter run rate, what kind of order book we run if we have to estimate?

Mahesh Viswanathan: For Global prices and us, there would be some small difference, and the difference would normally be around duties imposed in different territories. Beyond that, at this point, it will only be duty and freight, and not more than that. What was the second part of your question?

Sushil Choksey: Second was, any disparity between the global and domestic market? That you answered the question.

Mahesh Viswanathan: Right. The first part was?

Sushil Choksey: The order book visibility.

Mahesh Viswanathan: Order book visibility, well, like I mentioned, I think we are booked for another quarter and a half.

Sushil Choksey: Coming to my last question on solar, there seems to be a big capacity implementation on the horizon led by hydrogen, data center, and many such aspects in India. Large corporates like Reliance and many such would be implementing 50 GW-100 GW for captive consumption. Solar cable is a must. How are we shaping up for this segment, and what kind of capacity addition are we targeting?

Mahesh Viswanathan: Again, this we spoke in the last quarter meeting as well. We are doubling our capacity. The equipment is on order at this point of time. I think we should be getting the equipment somewhere around early January, and it will take us a couple of months to install it. From April onwards, we will have double the capacity that we have today. Today's capacity is about 5,000 km a month. That would go up to 10,000 km.

Moderator: Thank you very much. The next question is from the line of Surya K from PhillipCapital. Please go ahead.

Surya K.: Hello, sir. Thank you for the opportunity. The question I have is similar to what one of the earlier participants asked. I wanted to discuss more about the competition that we have. I mean, 2-3 years back, we didn't have so many companies in the listed space doing the kind of work that

we are doing. Now, we have so many players in the listed space only. How do you think we can do well compared to the competition, and what will be our winning moves, sir?

Mahesh Viswanathan: I think one is our product quality. It speaks for itself. The market understands our quality as a premium product and is prepared to pay a premium for it. Now, obviously, if there is a price war, then nobody wins. I think, if matters get to a stage where everybody's fighting on price, at some point in time, sanity will prevail.

Having said that, the economy is still bound to grow, and there are still plenty of opportunities for all these participants to have meaningful business representations there. I think in terms of overall shares, what might happen is that you might see a consolidation of many of the non-listed entities or some of the smaller entities over a period of time.

As a market, India is large enough to be served by 5-6 people, and I think that is probably what might happen a few years down the line. At the same time, you do not know how big the market will open up and become in five years' time as well. It is difficult to make a kind of prediction at this point of time, but I think we have our plans in place.

Surya K.: Understood, sir. What we have seen in other sectors or industries also where there is an increased participation or we would say increased competition now, is that the margin sustainability is a very big risk, and even if some players do it, it is at the cost of working capital. How are you planning to sustain the margins, sir?

Mahesh Viswanathan: If you look at our numbers, barring a few instances in the last year, our margins have been more or less stable. They would be in the 10%-11% bracket. Sometimes there is an improved number, like this quarter for instance, 13%. But I think anywhere around 11%-11.5% is something that is sustainable in the long run.

The second point that you talked about was the impact it might have on working capital. Yes, that is likely to be there if you take exposures on credit or build inventory beyond what is necessary. As long as those calls are taken after sufficient thought, I don't think they are a big problem.

Our way of working has been on the channel side, no credit, and on the inventory side, fairly tight management. Buy only what you need to consume in a particular month, and do not take long calls, especially when the commodity markets are so volatile, because what is true today may not be true two weeks from now. We don't take long calls. We only take calls which help us to run a particular month.

Surya K.: One last question, sir, regarding the response you gave for the first question about the consolidation of players in the industry and all. Are there no players that we can inorganically grow and acquire instead of doing our own capex currently? Do we also have any backend plans to do any inorganic or M&A activity going forward?

Mahesh Viswanathan: Well, inorganic plans have been there, but not on the wire side, because I think on the wire side, we do not need a brand to piggyback on. Our brand is fairly strong, and whatever we do, we will not want to dilute it with something else. That is something that we are clear about. But on non-

wire-related products and non-cable-related products, there could be opportunities. One of the reasons why we are sitting on that cash pile is to see if there is an opportunity that we can cash in on.

Moderator: Thank you very much. The next question is from the line of Harsh Singh from Sameeksha Capital. Please go ahead.

Harsh Singh: Congratulations on the good set of numbers. Firstly, if I look at the EBIT level margins for the communication cables division, they are almost touching 30% now. Do we have any guidance of what the stable margins would be in the long term, and how would this impact the overall margin profile of the company?

Mahesh Viswanathan: I had explained this last time to say that the way the prices of fiber have suddenly jumped over the last 6-8 months was a key reason as to why the margins are where they are. I had also said that this is not likely to last for a very long time. A couple of quarters maybe, but at some point of time, it will normalize to the mid-teens. I think that is something that will happen, if not this quarter, then definitely in the future.

Harsh Singh: Understood. Thank you for saying the background again there. Secondly, on the cash flow side, obviously, as you mentioned, the OCF has turned negative due to inventory stocking. Again, with the business mix shifting towards communication cables, do we expect the working capital days to change in any manner?

Mahesh Viswanathan: No, actually, on the growth in the inventory numbers, we took a call towards the end of September that we wanted to complete our casting within a certain period of time in October. Therefore, what we would have otherwise purchased in the month of October, we purchased it towards the end of September. Therefore, there is an extra inventory sitting in the books on the closing date. I think this will normalize over a period of time. Hopefully by the end of this quarter, it should normalize. That is one part.

The second is the reason that the inventory values are up are also a function of the commodity prices. When it touched INR14,500, then your multiplication numbers go up. That is the second part, which again, we expect that it will normalize not too distant in the future.

On the receivable side, I think our number of days still has slightly gone up from 15 to 18, but that is within the ballpark. 16 to 17 is what we've had in the past. I think 15 was a little too tight, and probably 18 is the result also of when those sales actually happened. If it happened on the last two days of the month, then yes, obviously they would be outstanding at the end of the day.

Moderator: Thank you very much. The next question is from the line of Umesh Gupta from AlphaOptimus PMS. Please go ahead.

Umesh Gupta: Congratulations on good results. My first question is on the optical fiber segment. This 30% growth on Q-on-Q basis, what led to this? Was there any volume growth in this, or it was because of price?

Mahesh Viswanathan: No, the volume went up by about 25% in the quarter.

Umesh Gupta: In Q2 versus Q1?

Mahesh Viswanathan: Q2 versus Q2.

Umesh Gupta: No, I am asking Q2 versus Q1.

Mahesh Viswanathan: Yes. There was a 30% volume growth there as well.

Umesh Gupta: This entire Q2 growth vis-a-vis Q1 has come through volume?

Mahesh Viswanathan: Largely from volume.

Umesh Gupta: Now you are operating at full capacity?

Mahesh Viswanathan: Let me clarify that part to you. Fiber, by the end of this year, we will have an expanded capacity of 8 million kilometers. After that, 4 million kilometers is under testing at this point of time.

The machines have been installed, but the handover has not happened as yet because we have not certified and said that we have accepted all the conditions of handover. That testing is going on. What is left therefore is the previous 4 million kilometers that we have.

Umesh Gupta: The other question was on the margins. Well, you said it in Q1 also, that the margins would normalize of this segment. Now with this preform coming up, whenever it comes, you think that will have a positive impact on the margins, and up to what extent? Would you be able to quantify?

Mahesh Viswanathan: Theoretically, it should have an impact. There are two parts to it. One is, you reduce your dependence on third-party suppliers for your preform, which means you improve your supply chain management there. The second is, it allows you, in tender conditions, a little more flexibility than otherwise. In the past, we have seen, especially in telecom tenders, there was a point in time when only the OFC manufacturers would participate in those tenders.

But over the last two or three tender cycles of BharatNet, we have seen that a lot of EPC players are also participating there. We have seen the tendency of drop in prices, like especially the last round of BharatNet tender were at aggressively low prices.

Having access to preform would give us a lot more flexibility in quoting for those projects if a need arises. Those are advantages. Yes, when you backward integrate, you also do have a bit of value that you will capture for yourself, so yes, margins should be accretive.

Umesh Gupta: Lastly, I mean, this is a repetition, but since you did say in Q1 that these margins will rationalize, and they did not in Q2, and they are still favorable, so in Q3, do you really think that the margins will come down, or you still think that the tailwinds are strong enough that these kind of high margins can sustain?

Mahesh Viswanathan: I don't think they can sustain for a very long period of time. 30% is not something that is going to sustain for a long time. I'm clear about that, but when will it start tapering off? It'll depend on opportunity to opportunity. As long as today, the demand for fiber overseas and availability of preform and fiber overseas is so restricted that some of the global majors have already made statements that they are booked until 2027 end, but when this bubble can burst is not something that one can predict.

You know, if you just take the last 10 days' history, on 4th, you had the results from the U.S. On 5th, there was some news about taking regulatory action against or around AI. Immediately, tech stocks fell, the market turned.

Those kinds of sentiments acting on the market is something that is very difficult to predict. All I can say is, yes, there is a healthy demand around the product lines. What we hear from global majors is that it is likely to continue for quite some time, but everybody is also maneuvering their internal supply chains to be able to consistently supply material across the globe.

At that point when supply chains become resilient enough to cater to the demand without too much of a pressure on themselves, you will see prices getting back to some level of normalcy. Now, that could be tomorrow, after three monthsor after six months. Very difficult for me to predict. All I tried to say last time around was that this is not something that is likely to be permanent. It should normalize at some point in time.

Umesh Gupta: Yes, but I mean, just extending for the sake of argument, if the complexity goes up, would you still be able to maintain these margins, or there is a possibility of margin going up also, right? If the complexity of your fiber count goes up, there the prices could still be much higher than your current realization, isn't it?

Mahesh Viswanathan: Possible, but then, there would be other factors which would also take the cost up.

Umesh Gupta: Okay. Lastly, on preform prices, are they stable or have you seen any violent kind of moves which happened probably earlier this year? Are they still there in spot market, or what is your reading on the preform prices?

Mahesh Viswanathan: I think there is a little more stabilization than what was there in Q1 or the Q4 of last year. But of course, it depends on what grade of preform one is looking at. The exotic ones are still quite pricey. The standard ones have kind of settled down, I think.

Moderator: Thank you very much. The next question is from the line of Ankit Soni from Mirae Asset Financial Group. Please go ahead.

Ankit Soni: Hi, sir. Just a point, in the Q1, you sort of like highlighted large opportunities on the export side for the optic fiber business, which were carrying a fairly little larger margin. Do you want to highlight something over there? Are we getting into some of those days, or how is the market looking for you in optic fiber export?

Mahesh Viswanathan: There is a fairly strong demand from overseas. Just like I mentioned a little while ago, most of the global majors have indicated that their lines are booked until the end of 2027. If there is somebody who has not secured their allocation or quantities by now, then they will have to pay a higher price to get whatever they need.

Yes, there are some cases where we also get inquiries. At the moment, we are supplying to Malaysia, but we have also supplied to Europe and to the U.S. in the last quarter. There are inquiries which are coming.

Ankit Soni: Okay. Was there anything in this quarter from U.S. and Europe?

Mahesh Viswanathan: Yes, we have supplied. The jump in the communication cables was up to INR230 crore. There is, I think, about INR25 crore or INR28 crore of exports there.

Ankit Soni: Okay. Just wanted to understand, is the inquiry pipeline sort of increasing what you see in the last quarter and this quarter?

Mahesh Viswanathan: Yes, we do.

Moderator: Thank you very much. The next question is from the line of Mr. Achal Lohade from Nuvama Institutional Equities. Please go ahead.

Achal Lohade: Sir, thank you for the follow-up opportunity. Just a clarification. When you said the margins of mid-teens, I presume that was for the fiber, but given the preform and given the DC cables, would it be fair to say that the margins could be actually closer to early 20s on a sustained basis, given the preform benefit?

Mahesh Viswanathan: You said preform, and what is the other thing you said?

Achal Lohade: For the data center cables, basically DC cables. Right now, it is more telecom cable. With the post-preform expansion, is it fair to say that ideally our preform should be used for those DC cables where the value addition could be the highest?

Mahesh Viswanathan: Well, value addition depending on the design could be high. I don't say no, but at the same time, it also depends on what global capacity gets free around the time the hyperscalers come big into India. It is difficult for me to predict it could be north of 15% or south of 15% at this point in time. I am being careful when I tell you that the numbers could be in the mid-teens.

Achal Lohade: Okay. Let me reframe the question, sir. The mid-teens margin, what you said, is considering the preform expansion as well as the product mix, everything put together. Have I understood that?

Mahesh Viswanathan: It is for the segment, yes.

Achal Lohade: Right. The second question I had was, if theoretically copper prices were to fall, let's say, 10% or 15% quickly, right? This is again a very hypothetical situation I am kind of trying to get the answer to. What happens in terms of the near term and also medium term? Do the volumes actually increase, or there is no real volume increase even after the pricing fall?

Mahesh Viswanathan: Okay. If commodity prices fall, there will be an expectation from the market to drop the prices. That will happen. A small change may not trigger a change in the pricing, but a 10% change, like you mentioned, is a significant change, and that will trigger a price correction. Market will expect it, and in fact, demand it.

The consumption part of it, in the short term, when the price falls, I do not know that people are just going to buy it and stock it with no end use in sight. There might be some small change, but I do not see substantial changes there. Likewise, if demand or if the underlying need for the product is still there, then even if there is a price rise, that quantity will still move. I am not saying it is totally inelastic or elastic, but the underlying demand will continue.

Achal Lohade: And does the impact drive substantial correction in the margin as well?

Mahesh Viswanathan: Obviously. I mean, if there is a substantial reduction in the price of a commodity, and consequently there is a change in the selling price, then there would definitely be a margin loss to the extent of the inventory that somebody is sitting on, but that is something that is going to be there for whoever is the market participant there.

Achal Lohade: Just a small clarification, sir. If you could help us, what is the typical inventory days we keep in terms of raw material and finished goods? That's my last question.

Mahesh Viswanathan: We have around 60-62 days, something like that, in the past. This quarter- end, it is slightly higher. It is slightly over 70, I think, but typically around 60 to 65 days, somewhere around that.

Achal Lohade: That is split in terms of RM and finished goods?

Mahesh Viswanathan: This will be across all the forms, raw material or semi-finished goods or finished goods or branches.

Moderator: Thank you very much. Ladies and gentlemen, that was the last question. I would now like to hand the conference over to Mr. Mahesh Viswanathan for closing comments.

Mahesh Viswanathan: Yes. Very quick closing comments. Thank you for the participation and for the insightful questions. Thank you.

Sachin Naik: Have a great evening, everyone.

Moderator: Thank you very much. On behalf of Finolex Cables Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your lines. Thank you.

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