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03rd June 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 29th May 2026 at 4.30 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 29th May 2026 at 4.30 pm (IST) to discuss financial results of the Company for the quarter and Financial Year ended on 31st March 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

Siddhesh Mandke
Company Secretary &
General Manager (Legal)

Encl.: As above

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**“Finolex Cables Limited
Q4 and FY26 Earnings Conference Call”**

May 29, 2026



**MANAGEMENT: MR. MAHESH VISWANATHAN – DEPUTY CHIEF
EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER
– FINOLEX CABLES LIMITED**

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

Moderator: Ladies and gentlemen, good day, and welcome to the Finolex Cables Limited Q4 and FY26 Earnings Conference Call. As a reminder, all participant lines will remain 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 the operator by pressing star then zero on your touch-tone telephone. Please note that this conference is being recorded.

I will now hand the conference over to Mr. Pranay Premkumar from Dentsu One Investor Relations team for opening remarks. Thank you, and over to you, Pranay.

Pranay Premkumar: Thank you, Ryan. Good evening and thank you all for joining us on the Finolex Cables Q4 and FY26 Earnings Conference Call. Today, we have with us Mr. Mahesh Viswanathan, Deputy CEO and Chief Financial Officer from Finolex Cables Limited.

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 risks that the company faces. Please restrict your questions to the quarter performance and to strategic questions only.

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

Mahesh Viswanathan: Thank you, Pranay, and welcome, ladies and gentlemen. I'm sure you by now have seen the results, analysed and dissected it at your end. Briefly, I will go through the highlights. Revenue for Quarter-4 was up by about 22%, both year-on-year and quarter-on-quarter. For the full year, revenue was up about 19%.

EBITDA for Quarter-4, there was a 7% improvement year-on-year and 22% quarter-on-quarter. For the full year was about 14% better than last year. PAT for the quarter was approximately 6% better Y-o-Y and 19% better quarter-on-quarter. PAT for the full year was about 14% better than last year.

These are broad numbers. Of course, towards the end of Quarter-4, we had the shock from the Middle East, which resulted in cost increases across the board, while the LME copper did stay low for a couple of weeks, the rupee depreciation as well as cost hikes in most other raw materials meant that at the end, we were left with the higher cost of production than before and therefore, margins were slightly under pressure.

If I go into the individual segments for electrical sector, revenue was at INR 1,697 crores in the quarter was the highest that we've achieved, and it was about 22% higher Y-o-Y and 21% higher quarter-on-quarter. For the full year, about 22% higher than the previous year. EBIT numbers were also fairly strong, 30% higher on a quarter-on-quarter basis and 17% higher Y-o-Y. For the full year, EBIT was about 18% better than last year.

Some comments on the sector. There were certain product lines, which did extremely well, certain product lines where the growth was slightly lower and one product line where the growth was actually lower. Auto batteries, industrial flexibles and power, all these sectors did extremely well, generating approximately high-double digit growth in volume terms. Auto was about 30% higher. Flexibles were about 17% higher, and power was about 21% higher.

Solar cables, which we introduced last year in the fourth quarter, have been very well accepted, and we are nearing capacity utilization at this point in time. We are looking at increasing the capacity going forward. Building wire was steady, but had been impacted through the year because of constant copper price increases which meant that we had to pass it through to the customers. There were times when there was a resistance from the market. But overall, in the year, a very marginal volume growth.

Agricultural applications was one area where there was an issue. The pre-seasonal monsoon plus continued monsoon both impacted the volumes. It was down by about 15%-16%. The year end Middle East disturbances, like I mentioned earlier, had some impact in terms of increased RM costs. And together, coupled with the INR depreciation meant that the overall cost of production was higher, inventory costs crept up a little bit. And that, of course, impacted the end of the year margins a little bit.

We had, during the year, close to 14 price changes, all upwards. And the effective price change at the market was about 24%-25% in most of the SKUs, this is on electrical. Coming now to communications side. Revenues, if you saw was kind of flat for the year, whereas quarter 4, we did well. We were up by about 30% Y-o-Y as well as quarter-on-quarter. Some background to this, fiber prices during most of the year, at least for the first 7-8 months were pretty low, but started hardening towards the end of quarter 3 and since then have continued to climb.

Some of the reasons behind this, there is an explosion of data center applications in the U.S. and in Europe, which is practically eating up all available fiber supply. Currently, raw material availability is a constraint for everybody. Most capacities in China and Japan are blocked completely. Added to this is the newly found military obligations that have also pulled in a lot of fiber both the wars in Russia and in the Middle East have triggered newer applications and apparently fiber is getting consumed there.

That has resulted in a hard supply kind of a scenario at this point in time, which has helped the fiber prices harder. But I think the advantage to us in terms of improvement in revenue, we should see some during the second half of this year. Our commitments locally, domestically, have been long-term yearly contracts, and those were at fixed prices, so until those contracts run out, we will not see the benefit coming into our financials. Hopefully, next year, when we renegotiate the prices that should change.

On the fiber-related expansion part, we have commissioned the preform plant. I said in the last call that trials are likely to begin February and end in a month's time, so mid-March, we

commissioned the plant, and the plant should take another 2-3 months to settle down and stabilize. As of now, the performance is quite encouraging.

The second part of that program, which was the fiber draw capacity expansion that should get completed by, July. Some capex will still come in the current year, but the preform related capex, Phase 1, where we were setting up the plant for 100 metric tons that has been completed now.

Coming now to capex. Overall, we have spent about INR 240 crores last year, including infusion into the JV with Sumitomo. In the current year, that is 26-27, we expect to further spend another INR 200 crores on capacity expansion plans and complete the optic fiber preform-related capex, which is remaining, that will be another INR 100 crores, so that will be total spend in the current year.

The cash flow from operations was about INR 50 crores lower than last year. But towards the end of the year, like I mentioned earlier, after the disturbances started in the Middle East, we had to take additional inventory coverage. If you looked at our balance sheet numbers, the inventory is up by about INR 300-odd crores, so part of that investment has gone in there.

Because at that point in time, nobody was sure how long this, who would last or what impact it would have in the medium or even short term so we needed to protect ourselves to be able to run the plants in April, in May, so some amount of prebuying but at higher expenditure was done. I think we should be able to pass on the costs over a period of time to the end customer. It should not be a very long drag on the margins.

The other piece of information that I have is that the extra high-voltage JV with Sumitomo, that turned profitable this year. On a revenue of about INR 450 crores, we generated a profit of about INR 21 crores and the outlook is decent. We started the year with an order book of about INR 380 crores and so I think we have turned around the one corner.

These are broadly the comments that I had to make before giving the floor to you. I'm now free to take questions. Thank you.

Moderator:

Thank you. Ladies and gentlemen, we will now begin the question-and-answer session. We take the first question from the line of Manoj Gori from Equirus Capital.

Manoj Gori:

My first question. First, obviously, I would like to congratulate you on your new role. My first question is on the Communication Cable segment. Obviously, when we look at the quarter, this was the record quarterly performance on the revenue side. And even we saw some improvement on the margins, which would have been because of the scale benefit also.

Now preform benefits are yet to kick in, and we have seen relatively better improvement on the margins. As you highlighted in your opening remarks that given the demand, especially from the West markets and some supply challenges, there is a huge scope for business into Communication Cable segment.

For our purpose, how should we look at the growth from here on? And probably, where do you expect given the current prices, where should we expect that the margins probably by FY27 should settle for Communication Cable segment? That's my first question.

Mahesh Viswanathan:

Okay. At the moment, like I mentioned, supply chain, there are still some challenges. The one is on the regular business side; there is an extremely high demand towards data centers. But beyond that, there is this military application, defense application, which is also pulling in a lot of material. There are some restrictions in being able to participate in that because your raw material supplier also puts in covenants saying this cannot be used for military applications and so on, the opportunities then get a little limited on that side.

I think we will get a little more clarity once there is some finite information about what's happening in the Middle East. That keeps spooking the market every other day. And to predict what we will end up with at the end of '27, even though it is not a long-term prediction, is a little difficult at this point in time. Also, because of the exposure to defense applications, some governments have put in MROs on export of certain raw materials. We need to work around and see how those challenges are overcome.

While there is a big opportunity at this point in time and the prevailing fiber prices are fairly high at the same time, securing the required raw material also poses certain challenges so we need to work around it. At this point in time, I'm not able to really commit to a number or even predict a number but I think it should improve beyond what we have seen this year. This year, we ended the year with about, I think EBIT numbers was about 6%. I think we should do better than that.

Manoj Gori:

Sure, sure. Got it. So, my second question is on the JV. So, after a long period, we have taken a lot of efforts on the EHV side. And probably this is the first year where we have finally seen some numbers actually flowing in. Can you highlight like what are the steps that we have taken, how should we look at this business from a 2-year, 3-year view, where we can actually end up by FY28 or '29 in terms of revenue? Because PBT when we look at INR21 crores at INR458 crores of revenue, close to around 5%. So probably the things are looking relatively brighter year. So what's the overall thought process on this business?

Mahesh Viswanathan:

It has been a challenge for us over the last several years that we've been invested in this JV. Challenges were mainly around getting credentials for participation, showing experience and some of the voltage grades becoming commoditized in the meantime.

In the last year, our focus was more on the higher voltage grids and also a mix of projects where there were only supplies and projects which were turnkey basis, that gave us a little bit of, once we started getting in purely supply orders, then the cash turnaround times became smaller, whereas when you get into a project-based business, then the turnaround times are much longer.

Typically, you are unable to clear your receivables until the entire project is completed. And with the EPC part involved getting clearances and right of way in many of our cities or even

sometimes in villages becomes a time-consuming issue, which drags the project for longer periods.

This year, we've been able to get an order blend of both pure supply as well as full turnkey solutions, that improved the operations quite a bit. The second part was to ensure and see that the key equipment, the capacity utilization improves further. At this point in time, the most key machinery there is occupied more than 80%.

In fact, we are planning to enhance capacity there so that, that would help us in increasing the overall plant capacity towards the 70%- 75% numbers. Utilization of capacity has been better this year, and that means fixed cost absorption is obviously better. And focus on the blend of orders that we were getting. I think that is going to continue to drive the strategy.

On the market side, there is a very large market. Currently, I think the size is about \$0.5 billion to \$750 million. But the requirements that we are seeing when we talk to utilities across the country. Eventually in 3 to 4 years, that size could go up to \$4 billion to \$5 billion so that's the kind of market expansion that we are seeing, or we are likely to see.

It is also backed up by the fact that many in the competition are today trying to and, some are adding and some are trying to add capacity of similar technology that we have. Until last year, they were not willing to spend that money but over the last year, we have seen many more from the competition follow the same technology that we have in terms of the vertical insulation so that is something that is catching up, so both from the market side as well as from our own experience, we see that there is scope for growth.

Moderator:

Manoj, I would request you to please join back the queue for follow-up questions. We take the next question from the line of Veenit from Investec.

Veenit:

I had one question in particular. When we look at housing wires, that hasn't been doing well for us as well as the industry as much as we would have liked, particularly considering how real estate cycle has been over the last few years, particularly post-COVID, it had picked up quite sharply. So what is stopping wires as a segment to grow at least, let's say, in high-single digit in terms of volumes?

Mahesh Viswanathan:

I think the runaway price escalation on copper, probably in terms of trade stocking is not at conservative levels. It is where they are looking at it tightly because like I said, we've had 14 changes over the last year and we've had one more this year.

I think that's been an issue. But where the material is going to projects, we don't seem to have a major issue. The retail part of stock and sell, which is, I think, a concern. For a distributor, a dealer to invest for amounts of money and hope that the price holds. I think that would be a challenge. That is a risk that less people are willing to take at this point in time.

- Veenit:** Sir, I meant the tertiary demand. Now given wires as a proportion of doing up a house is so small, why are we seeing volumes not picking up? Or people deferring their purchases as far as the tertiary sales and housing wire is concerned?
- Mahesh Viswanathan:** I responded saying when I meant project sales, those are the sales which are going into builders or contractors or developers. That is stable. That has not dropped off. The retail one where you go to the hardware market or the electrical market and where the distributor is selling it or the dealer is selling it, that has taken a hit.
- Veenit:** Understood. And do you expect a similar phenomenon to play out in FY27 as well given price increases? Or we should see some bit of improved demand, let's say, in the next 12 months or so?
- Mahesh Viswanathan:** I'm not going to put my neck out there. I do not know how to predict that part. It depends all on the price movements finally.
- Moderator:** We take the next question from the line of Pathanjali Srinivasan from Sundaram Mutual Fund.
- Pathanjali Srinivasan:** Congrats on your new role. I have two questions. Firstly, we showed an improvement in terms of margins for our Communication Cables business. Could you explain as to what caused this? Is it like a product mix or pricing? What is the reason for this? And you also mentioned in your opening remarks that we have some contracts with customers, so the pricing may not change. So, will we benefit when the fiber prices have improved or will we not get a meaningful benefit there?
- Mahesh Viswanathan:** We should benefit except that the timeframe is probably around second quarter.
- Pathanjali Srinivasan:** Got it, sir. And the first question?
- Mahesh Viswanathan:** First question was how did we get 6%? There were a few orders besides the long-term contract which were taken at current prices, that improved the numbers.
- Pathanjali Srinivasan:** Okay, sir. And just one last question related to this. So, with our future orders when we say we have contracts, what proportion of our business is contracted and what will be like unutilized or uncontracted capacity? And preform started in this quarter. So, we start getting benefits from that only in this quarter, and we also have Q1 additional capacity coming for fiber. So, will all these things change our overall revenue base in a meaningful way?
- Mahesh Viswanathan:** Yes, it should change, but you will not see it in quarter 2. The preform part of it, like I mentioned, we commissioned it in March. For any plant with this technology to settle down, which takes about 3 to 4 months. I expect that benefit to kick in from the earliest I can talk about the end of quarter 2 or maybe quarter 3.
- And the fiber draw capacity, which will get increased will get commissioned towards the end of quarter 2 so any benefit that we would get from that will only be after that, so the second half

provided there are no other hiccups on the supply chain part should be much better than last year.

Pathanjali Srinivasan: Got you, sir. In the last quarter, you mentioned that your revenue potential can be around INR 650 crores after this entire capacity comes. But this quarter, you're talking some INR 160 crores of revenue. So, is this largely price driven? So, at current prices, can the revenue be like ballpark of INR 1,200 crores, INR 1,300 crores?

Mahesh Viswanathan: Again, depends on the end user, at the SKU level, depending how complicated the construction of the cable is, for example, cable, which has got 2 fibers or 4 fibers it's not a very difficult design to make you are just paying for the raw material.

But as it goes into multiple fiber counts, are higher fiber counts, 144, 288 or even beyond that, then the revenue per kilometer changes and changes substantially. It depends on what that order configuration looks like. But yes, given the price levels that are existing today, it can be beyond INR 750 crores.

Moderator: We take the next question from the line of Tushar Dhonde from Shanghavi Family Office.

Tushar Dhonde: First of all, congratulations on your induction to the new role. I have few questions. First one being, sir, if I see the Communication Cable has segment has showed a good growth in this quarter Y-o-Y basis? I was just asking you to what's our outlook over here? I mean next few quarters could we expect similar such growth coming over the next few quarters as our preform capacity is live?

And on the preform capacity, you did mention that we will try to consume it internally. And then if we are left with the capacity, we will also try to sell it outside. How are we thinking on that? Do we have tied up with the customers for the selling of that capacity? And then I have a follow-up.

Mahesh Viswanathan: At this point in time, right now, the situation is that, like I mentioned in my opening remarks, fiber availability is a big issue at this point in time. There is no fiber to be had anywhere in the world and so any fiber that I can draw from my preform, I would use it myself, so selling a preform at this point in time, probably not the right area so that is today's case, how it might change 3 months from now, 5 months from now, that is something that we will have to look at, at that point in time. The second part of your question was?

Tushar Dhonde: Growth in the segment.

Mahesh Viswanathan: Yes. Look, as you are all aware, like in the West, there is an explosion of data centers coming into our country as well. And I think the government is also pushing to ensure that our data is hosted within our country and not outside. I'm guessing that will add to the number of data centers that get installed here over a period of time.

So yes, there is going to be growth. There is also going to be growth with the applications around AI and similar technologies. So it is, I think, the right time to be in this industry. Barring these hiccups around war disrupting supply chains, I think it should be a period of reasonably good growth over the next few years.

Tushar Dhonde: Okay. That's great to hear, sir. I just needed a clarification on the EBIT margin segmented and EBIT margin you calculate. I did see that communication cables has seen a significant jump. I just wanted to make sure that have we included other income as part of our EBIT margin calculation as well?

Mahesh Viswanathan: No. Other income is not included in this.

Tushar Dhonde: Other income is not included in this?

Mahesh Viswanathan: No. That is shown as unallocable items.

Tushar Dhonde: Okay.

Mahesh Viswanathan: At company level, it gets included, but at the segment level, not. Is that clear?

Tushar Dhonde: At company level, other income is around INR 32 crores, and at unallocable level, it's coming to be around INR 6 crores. I'm guessing the INR 24 crores would have been already included in above?

Mahesh Viswanathan: No. You're talking about other income on the top line, right?

Tushar Dhonde: For this quarter, it's around INR 32 crores.

Mahesh Viswanathan: If you look at the total that is around INR 237 crores for the year.

Tushar Dhonde: Yes, right.

Mahesh Viswanathan: And if you look at the unallocable total, that is about INR 224 crores for the year.

Moderator: We take the next question from the line of Nikhil Purohit from Fident Asset Management.

Nikhil Purohit: First question, what is the maximum revenue potential from the electrical cables segment? And currently, what is our utilization rate? And what is the target utilization rate for next year?

Mahesh Viswanathan: We keep enhancing capacities by rebalancing almost every year. Within the capex that we spend, there is a certain amount which is spent every year on adding 2 different lines. Basis, the capacity that was available, let's say end of March, utilization would be around the mid-60s, there is some ability to grow further.

Nikhil Purohit: Maximum revenue potential?

Mahesh Viswanathan: Revenue potential can be at about 80%-85% if somebody is operating, they are doing a good job because this is not a single machine, one process. These are multiple machines with multiple processes. Not all of them are equally balanced, there will be always some bottleneck either at the beginning or at the end or in the middle.

And therefore, if someone is able to achieve 80%- 85%, I think they are doing a fairly good job of running the plant. There is a headroom, 66% is where we're operating so about 15% headroom is still available. Your revenues at current prices can go up by another 15% without major investments.

Nikhil Purohit: Got it. Got. And could you give the Retail versus project mix this quarter. And where do you see this going again because of the margins that play out because of the share?

Mahesh Viswanathan: The retail versus project, you're talking about electrical wire?

Nikhil Purohit: Correct.

Mahesh Viswanathan: I think in the past our retail to project ratio would have been, 80/20. Now, probably it's around two-thirds, one-third.

Nikhil Purohit: Okay. And just last question on the communication side. So what is our utilizable capacity for OFC right now? And when will we hit the 8 million fiber kilometer mark and our target utilization because you said the fixed contract should get over by quarter 2, I think. So if you could throw some light there.

Mahesh Viswanathan: The draw capacity that we have currently is 4 million kilometers. That should cross 8 by hopefully by end of second quarter, that means 8 million capacity will be available from beginning third quarter, so 4 million is what is available for us to operate in this point time. We are close to three and a quarter, I think, at this point in time.

Nikhil Purohit: Sorry. Our utilization rate, you said is, in optic fiber cables.

Mahesh Viswanathan: It'll be about 3.2 out of the 4.

Nikhil Purohit: And if we hit the 75% rate. We guided 8% to 9% EBIT margins. We've already hit 6%. So is it right to assume that earlier you said that it should improve in FY27, we hit the 9% mark?

Mahesh Viswanathan: Yes, subject to no supply chain constraints being there. There are supply chain issues at this point in time. Especially things that we import either from Europe or China, there are difficulties or time lags in getting those so that needs to be resolved.

Nikhil Purohit: But the fixed contracts problem should not ideally stop our growth, right, apart from quarter 1.

Mahesh Viswanathan: No, that should not. We will renegotiate; the contract is valid until June. And the next contract when they come with the tender and the bids, we will renegotiate.

- Nikhil Purohit:** Got it. And within FMEG, what kind of growth did we see in the PVC conduits and Fans business for FY26, just to understand?
- Mahesh Viswanathan:** Fan has been a difficult product line this year because in the initial part of the year, you had unseasonal rains, and towards the second half of the year, there were changes to the BIS norms, which meant that people were destocking any inventory that they had and they wouldn't want to take fresh inventories, that has been an issue. Fan actually did not grow in volume terms. Conduits has done very well, we are now operating at close to 85%, I think.
- Moderator:** We take the next question from the line of Akshat Mehta from Seven Rivers Holdings.
- Akshat Mehta:** Yes, sure. Can you just help me understand in the communication cables how much is coming from optic fiber and how much is coming from other communication cables on a rough basis?
- Mahesh Viswanathan:** About three-fourths will be optic fiber related.
- Akshat Mehta:** And sir, just wanted to understand since you just started, it's been 2 months since you started the preform plant. Where are we getting and how easy it is for us to get germanium?
- Mahesh Viswanathan:** That is the challenge. That is, I kept referring to supply chain difficulty that is the challenge. Fortunately, we do not require massive amounts, but it is a challenge that we need to overcome.
- Akshat Mehta:** Currently, how much inventory of germanium would be there with us, for how many months?
- Mahesh Viswanathan:** I think that is sufficient to run a few months.
- Akshat Mehta:** Okay. And any kind of, you know, that you have for the FMEG segment as well that we want to grow and we are focusing right now on optic fiber more as a whole?
- Mahesh Viswanathan:** As I said, I didn't get your question.
- Akshat Mehta:** I just want to understand if there is any kind of outlook that you can give on the FMEG business as well.
- Mahesh Viswanathan:** Yes. Our performance has been under par there. That is something that we realize and appreciate. We are relooking at the portfolio in terms of what kind of products are we having there? Do we need to modify some of those? We are also looking at how to strengthen the teams. Distribution is something that we've been working on and that we will continue to engage with the distributors to ensure that both geography as well as products are fully covered. It is going to be a continuous exercise this year. We definitely want to make this success in the same manner as the other product lines.
- Moderator:** We take the next question from the line of Vidit Trivedi from Asian Market Securities.
- Vidit Trivedi:** Most of the questions have been answered. Just one clarification. I remember we met you in the month of December last year, and you have said we are working certainly something in the

exports area. So how exports are shaping up for us? And what is the exports percentage this year?

Mahesh Viswanathan: This year, our team was completely revamped. I think we've had a team in place for about 6 months of the year, and they have made inroads and have done well. Earlier '24- '25 export performance was, just around INR 30 crores which went up to INR 52 crores this year.

We are looking at much higher numbers for the current fiscal. The team is a completely new and is better prepared, I think we should be able to show a larger revenue share from the export side. Until last year, the revenue share was, let's say, about 0.5% to just under 1%. I see it climbing to about 2% to 3% over the next 2 years.

Moderator: We take the next question from the line of Sushil C Choksey from Indus Equity Advisors.

Sushil C Choksey: Congratulations on your new designation and very good result. Sir, my first question is, given the situation, boom in solar, not only in India but outside of China also because of the energy crisis and led by data center, defense and other optic fiber also, what is the potential to maximize capacity what we have, but double the capacity or enhance our capacity and how much time will it take? And what kind of capex is required for that? And current capex, which you announced, what is the breakup of that?

Mahesh Viswanathan: The current capex that I announced includes doubling the solar capacity so we are cognizant of the potential there, and we are going to double the line there and that would be helpful for us, not just on the fiber side, but also on the power cable side, both for ourselves as well as for the JV. We are engaging with all those customers.

The gestation time for these orders was pretty long, so you need the resources there, before the order book starts, I think both JV and us have certain amount of capacity to cater to the data center needs and power cables. As I mentioned earlier on when I was talking about the JV, we are seriously looking at expanding some of the capacities there also.

Sushil C Choksey: And what is our potential capability to go further backward where communication optic fiber cables are concerned from where we are at preform?

Mahesh Viswanathan: Going behind preform means that we will have to produce the silica. At this point in time, that is not in our plans at this point in time.

Moderator: We take the next question from the line of Pathanjali Srinivasan from Sundaram Mutual Fund.

Pathanjali Srinivasan: Just to confirm 2 things, sir. One is you mentioned that the revenue potential from the expanded line can be around INR 750 crores. I think right now, based on whatever...

Mahesh Viswanathan: I meant including the existing stuff, the overall capacity. After we expand, then the potential could be around INR 750 crores.

- Pathanjali Srinivasan:** Correct. That is for 8 million kilometers. Is that correct?
- Mahesh Viswanathan:** Yes
- Pathanjali Srinivasan:** Okay. And how will the benefit of preform show up, sir? Will it show up as lower cost of production? Or how will that show up?
- Mahesh Viswanathan:** One of the earlier questions also was, are we going to earmark a certain capacity to sell preforms outside. Now that is a possibility. It depends on what the market conditions are at any point in time. It's a flexibility that we will have so if I am short on cable orders, and higher on fiber orders, then I will sell the preform.
- It gives us flexibility. I think overall, the intention is to use the preform to convert it into fiber, which again to convert it into cable and then sell it, which means our ability to participate in tenders where pricing sometimes becomes aggressive is available to us or depending on situations like today where the fiber prices are extremely high, we don't have to sell the preform. We can convert it into fiber and take that profitability into the books; it is not a static onetime charge that I will have. It will be dynamic as the market demands.
- Pathanjali Srinivasan:** Got it, sir. Just a related question I have, sir. So here, when you mentioned that if we use it internally, like versus previously you would have been buying from outside, what would the margin benefit be there from this?
- Mahesh Viswanathan:** I don't have the exact numbers in front of me. But typically, once your production line stabilizes, you should be able to get it better than market. Whether I'm able to get it better than market at 5% or 10%, that would depend on how quickly I'm able to stabilize operations. That's about as much as I can say at this point in time. I don't want to stick my neck to a single figure.
- Pathanjali Srinivasan:** No, sir, I was expecting only a range. I'm not trying to get a very specific number.
- Mahesh Viswanathan:** Yes. That's what I'm saying, depending on how quickly we are able to stabilize the operations, I think we should be better than market by anywhere between 5% and 10% because the preform seller is also making some money.
- Pathanjali Srinivasan:** Got it, sir. Congrats on good set of numbers.
- Moderator:** We take the next question from the line of Miraj Shah from Sameeksha Capital.
- Miraj Shah:** Sir, if you could just repeat the capex figures that you mentioned, is it INR 200 crores or INR 300 crores? That's my first question. Secondly, if you could also let me know what are your -- what is your guidance for the coming years in terms of revenue and margins?
- And lastly, my final question is that if you could, this quarter, we have seen our operating expenses as a percentage of sales come down. When I look at the past 12 quarters, we are in one of the sweetest spots. We are currently, our employee expenses as a percentage of sales and other

expenses as a percentage of sales, both are lowest in the past 12 quarters. So, do we expect them to continue in this range? Or do we expect it to revert to normalcy?

Mahesh Viswanathan: Let me answer your questions one by one. Your first question was on the capex; I said capacity enhancement is about INR 200 crores. Additionally, the plan of expansion on the optic fiber, optic fiber cable side, which we had announced 2 years ago and which is ongoing, there is a balance of about INR 100 crores to be spent because like I said, the expansion to 8 million kilometers of fiber will get over in July or August, so all that will cost another INR 100 crores, so totally INR 300 crores, out of which INR 200 crores is completely new, which is for capacity enhancements. Is that clear?

Miraj Shah: Yes, Clear, sir.

Mahesh Viswanathan: Okay. Your second part was on guidance. I actually do not give out any guidance, especially in a situation like today, where you do not know whether the war is ending tomorrow because you keep hearing that today is ending, no but it's not ending. And tomorrow, I have an agreement, no, I don't have an agreement. So, it is a very volatile situation.

I don't think I should be predicting anything. All we do is internally, we have targets that we are working towards and that is subject to certain constraints not being there or certain level of constraints not being there. At this point in time, I would not like to, talk about any guidance numbers. And there was a third point that you wanted, what is that?

Miraj Shah: Our other expenses and employee costs as a percentage of sales.

Mahesh Viswanathan: I think on an annual basis, it should be similar. In between quarters, you might see differences. But overall, at an annual level, we should be similar to what we have today.

Miraj Shah: To what we did in FY26?

Mahesh Viswanathan: Yes.

Moderator: We take the next question from the line of Prateek Shrivastava from Nivesh Wisdom.

Prateek Shrivastava: First of all, congratulations on your promotion. Sir, my question again on the OFC side of things. So sir, if it from the first half of FY25 -- sorry, overall FY25 and overall FY26, I see the revenues from our communications being the same around INR 500 crores. Can I understand that, sir, that you are saying that in the first half of FY26, prices were depressed. They only started recovering towards the second half. So can you give in terms of volume, what was the volume growth between FY25 and FY26?

Mahesh Viswanathan: About 7%.

Prateek Shrivastava: About 7%. Okay. And what are we targeting, sir, moving into the next year, in terms of volume growth?

Mahesh Viswanathan: Again, we made our budgets 2 months ago. At that point in time, the expectation around what is happening in the Middle East was that it should settle soon. But it's been 3 months since that act started and no 2 days are different. You go back and forth, back and forth, back and forth. There is no clarity as yet, which means quite a bit of the supply chain is impacted. And then you heard someone asked a question about germanium. Again, the supplies have to come either from China or from Europe.

Both have put serious restrictions on exports from their side because they themselves have extremely high demand. And the fact that it can be used for defense purposes is, I guess, worrying most people so to be able to predict which way things will move at this point in time is kind of difficult. I would like to avoid making that prediction.

Prateek Shrivastava: So, is this problem faced by the entire industry? Or is it just with...

Mahesh Viswanathan: It is faced by many people in the industry. Anybody that is producing preform would face it. Anybody that is buying preform and drawing the preform would also face it because glass is not available for any kind of money. There are very few people who are able to get glass from outside and only those that have signed on long-term contracts, where, again, the price is going crazy. It is a problem that is being faced today. Now how it will pan out in 3 months, I won't be able to comment on that, I hope it turns out for the better. But at this point in time, I'm not able to tell.

Prateek Shrivastava: Yes, sir, that we can understand. And my last question, sir, on the order book on this side of things, can you throw some light on the order book we have?

Mahesh Viswanathan: The order book, like I said, there is one major contract, which will come up for renewal in, end of June. I don't see why we should not be able to renew it because we've been their suppliers for the last 8 years, product-wise, they are very happy with us and quality-wise, they are very happy with us. I don't see why that should not repeat. Beyond that, and that takes up about slightly more than half of the capacity. The balance is sold to other customers. In terms of volume, I don't see why we should not do something similar or better than last year.

Prateek Shrivastava: And the size of the order book, sir?

Mahesh Viswanathan: I don't have that number in front of me. But I'm quite comfortable with saying that it should be better than last year.

Moderator: Ladies and gentlemen, we take that as the last question and conclude the question-and-answer session. I now hand the conference over to the management for their closing comments.

Mahesh Viswanathan: Thank you. Thank you for all your good wishes, and thanks for participating in today's meeting.

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



*Finolex Cables Limited
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