



**Finolex**  
**Cables Limited**  
AN IS/ISO 9001 CERTIFIED COMPANY

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04<sup>th</sup> June, 2025

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
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Sub: **Transcript of the Analysts/Investors Meet held on 2<sup>nd</sup> June 2025 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 02<sup>nd</sup> June, 2025 at 4.00 pm (IST) to discuss financial results of the Company for the quarter and Financial Year ended on 31<sup>st</sup> March, 2025.

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**

**Gayatri Kulkarni**  
**Assistant Company Secretary**  
**& Compliance Officer**

Encl.: As above

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**XCEEDS**  
**EXPECTATIONS**



**“Finolex Cables Limited  
Q4 FY '25 Earnings Conference Call”  
June 02, 2025**



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

**Moderator:** Good evening, everyone, and thank you for joining us on Finolex Cables Limited Q4 FY '25 Earnings Conference Call. Today, we have with us Mr. Mahesh Viswanathan, Director, CEO and Chief Financial Officer from Finolex Cables. Before we begin, I would like to state that some of the statements made in today's discussion may be forward-looking in nature. We will begin the call with the opening remarks from the management, after which we will have the forum open for an interactive Q&A session.

As a reminder, all participant lines will be in the listen only mode and should you need assistance during this conference call, you may signal the 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 Mr. Mahesh Viswanathan. Thank you, and over to you, sir.

**Mahesh Viswanathan:** Thank you, Neerav. Good afternoon, everybody. Thank you for joining on this call. I'm sure by now, you must have seen the results, reviewed them, dissected them. And you will have questions, I'll be happy to answer them. By way of introduction, the quarter has been decent. After a difficult second and third quarter, I think we have pulled back with a growth of about 14% quarter-on-quarter and 35% from the immediately preceding quarter.

Profit numbers are also good. At INR208 crores, the profit before tax, the highest that we have seen so far per quarter. Margins were under pressure throughout the year. There has been a lot of volatility on the commodity side. And that, together with a few changes in the mix has resulted in a lower contribution, lower margin during the year.

Some of it, we will be able to catch up. Those are timing differences, which we will be able to catch up. The rest, the product mix and so on, we'll have to see how to manage those in the future. Barring this short comments, I do not have much more by way of an introduction.

So let's go straight into the Q&A session. So I'm open to questions now.

**Moderator:** Thank you very much. The first question is from the line of Vidit Trivedi from Asian Market Securities. Please go ahead.

**Vidit Trivedi:** I have 2 questions. First is, could you please elaborate on the commercial potential and the margin profile of the e-beam products which were launched during the year? And second is, any guidance for the capex for this year and the coming year? And any update on the BharatNet opportunity?

**Mahesh Viswanathan:** Okay. So 3 questions, actually. On the e-beam project that was commissioned early this year, January. And we have launched 2 sets of products in the market. One is on the construction side, building were, which is our most premium wire, it has all the features, halogen-free flame resistant as well as e-beam cured. So in terms of life, minimum life of about 25 years. And in terms of performance, far superior to everything else that we have got so far.

That was launched in -- towards the end of February. Simultaneously, we also launched the solar cables. There was a little bit of delay in getting the BIS approval, which we now have. So

these are 2 offerings that are available at this point in time. We expect the plan to generate revenue when it is in full steam of about INR500 crores to INR600 crores per year from these 2 products. Newer products will add on to that revenue stream. So that's one question answered. Your second question was on the capex. Last year...

**Vidit Trivedi:** Sorry to interrupt you. Second was on the margin profile of these new launch products?

**Mahesh Viswanathan:** Okay. We still have to find the right pricing part for it. They have just been launched. So at the moment, the launch prices are quite attractive. But I think over the next 3 to 4 months as we see demand picking up, that is when our final pricing policy very much.

So I think it's a little early to talk about that at this moment. The second part of your question was on capex. '24, '25, our capex has been about -- actual spend has been INR236 crores. We had announced a INR500 crores plan 2 years ago. Out of which about INR160 crores was spent in '23, '24. 235 -- INR236 crores was spent in the last fiscal. The remaining part will be spent in the current year. Most of it -- so all those projects should get closed by the end of this fiscal.

Additionally, always, there is a reinstatement capex of about INR40 crores, INR50 crores. So that is something that will be spent. We're working on a few other plants, but not ready as yet to make an announcement. So once those are finalized, we'll come back.

The last part of your question was on the BharatNet project. We had participated in -- as a consortium partner, we had taken part and we have placed bids in 2 of those circles. Unfortunately, we did not -- our consortium did not get any place position in those 2 bits. However, many of the winners across the 16 circles, have used our manufacturers authorization to place their bids so we are in discussion with many of those winners, and we are hopeful of a decent level of business in the current and the next years.

**Moderator:** Next question is from the line of Sonali Salgaonkar from Jefferies India.

**Sonali Salgaonkar:** So my first question is regarding the mix change that you were talking about in your initial remarks. Maybe I understand what exactly have you changed in the production mix and what percentage does each end user segment account for...

**Mahesh Viswanathan:** In construction wide still accounts for the majority of sales, but what has changed in terms of mix is the stand-alone sales through in the form of standard boxes. That has come down vis-a-vis project sales. And as you know, project sales is where the price is discounted to some extent. So the composition of project sales to total has changed over the last few years, and this year was more pronounced. So that's the major reason.

**Sonali Salgaonkar:** So if I recollect, we were about 65% to 70% B2C or retail and the reminder was B2B in that way, where are we in B2B or projects now?

- Mahesh Viswanathan:** No. Like the -- we do not sell directly to any project, we sell it through our distribution channel only. So in that sense, our sales are routed through the channel. However, we know that many of those sales are going 2 projects. And therefore, there is a discounting on the price.
- Sonali Salgaonkar:** Yes, very clear. So what is the mix right now of projects versus, say, 3 years back?
- Mahesh Viswanathan:** That would have changed maybe between -- about the 8% to 10%, that would be a shift.
- Sonali Salgaonkar:** So incremental delta 8% to 10% towards project?
- Mahesh Viswanathan:** Correct.
- Sonali Salgaonkar:** So my second question is regarding the BharatNet commentary that you made that many of the bidders, I didn't quite understand that. Are you saying that many of the bidders are going to use other optic fiber cables for that?
- Mahesh Viswanathan:** See, at this time around quite a few of the bidders are not actually producing optic fiber cable. So they will have to source their cables through from somebody. And therefore, they were allowed to use manufacturers authorization to place their bids. And this is not new it's happened in the past as well. But the numbers of non-OFC manufacturers have been more this time around.
- Sonali Salgaonkar:** And by when do you expect the volumes of OFC to pick up for this BharatNet?
- Mahesh Viswanathan:** I think the orders have recently been released. While the bid mechanics concluded sometime last November, the actual orders have been -- have gone out to the eventual winners sometime in March or April. So the procurement process is on -- they have 3 years to build and 10 years afterwards to service. So there is -- it is the procurement process has just started for most people.
- Sonali Salgaonkar:** Understood. Sir, my third question would be regarding pricing actions. Could you quantify what are the price increases that you've taken in Q4? And some April to now, has there been any pricing changes in cables and wire?
- Mahesh Viswanathan:** Well, we had one day before yesterday. So in the last fiscal, there were 12x when prices were revised only on wires. So it's almost once a month. There have been a few cases where -- about six cases where the prices were revised downwards and another 6x when the prices went up. That is purely a reaction to the volatility that was there during the year on commodity prices. So net impact, I think costs would have gone up about 12.5% to 13%.
- Sonali Salgaonkar:** In the fiscal FY '25, right?
- Mahesh Viswanathan:** Yes. In the fiscal.
- Sonali Salgaonkar:** Yes. During April and May, you mentioned that about -- just about a few days that you took up pricing decision?

- Mahesh Viswanathan:** Effective yesterday, prices have changed by 3%.
- Sonali Salgaonkar:** Prices between, so upwards?
- Mahesh Viswanathan:** Yes.
- Sonali Salgaonkar:** Understood. Sir, my last question is regarding EHV. A lot has been talked about the solid opportunity in EHV. Any thoughts or plans to increase our projects there?
- Mahesh Viswanathan:** EHV, the growth prospects are still very good. There is concentration of requirements around the plus 160kV plus range. But as you know, these are projects which are very long in every part of that business, whether it is the tendering or the decisions on the tenders are subsequently on our and execution. Currently, I think the market size is approximately anywhere between \$400 million to \$500 million worth likely improvement towards \$1.5 billion, \$2 billion is not far-fetched.
- I think at this moment, we are reasonably placed in terms of ability to get orders. But then the business being -- a long lead time business, it takes more than 18 months, 20 months to complete a particular project and then more time to collect the monies around the project. So that's the nature of this particular business.
- Sonali Salgaonkar:** So currently, as of FY '25, how much of your revenue is coming from EHV?
- Mahesh Viswanathan:** That is in the JV. It's not in our books.
- Moderator:** Next question is from the line of Manoj Gori from Equirus Securities.
- Manoj Gori:** So I have one question. If I look at the FY '25 performance and when I look at the other companies reporting the numbers and the commentaries probably somewhere we feel like we have underperformed in the via space, especially in the B2C side. And you just highlighted like some of the growth in FY '25 has been driven from the project business.
- So what are the areas? And what were the reasons which led to this underperformance versus peers probably how should we look at things in the coming time. Is this -- are these issues behind us, so probably will take some time for this underperformance to arrest and probably then grow in line or better than the industry?
- Mahesh Viswanathan:** Okay. My first statement was after a difficult second and third quarter. So second and third quarter was difficult for us. First quarter was across the board. I think everyone faced a problem in terms of the in terms of the lack of enthusiasm from the market after the initial reports around the election. But subsequently, as others have gotten off the mark quicker than us. That is true. But I think we've done a fairly good fourth quarter.
- In terms of growth in the fourth quarter, our numbers are not very different from our peers. Some of them have larger volumes, yes, but the growth numbers are not very different. So I

think -- we have -- we had lagged in the second and third quarters, but have caught up in the fourth quarter. And I think that is something that is behind us right now.

**Manoj Gori:** Right, sir. Sir, secondly, if you look at from the demand perspective, what we are seeing is probably from last 2, 2.5 years, we are seeing wires relatively growing slower than cables...

**Mahesh Viswanathan:** This is true.

**Manoj Gori:** We are a wire dominant company. How do you see demand environment panning out from, let's say, FY '26 or FY '27 point of view? If you can break it into two parts, FY '26 and '27, both individually. And what would be the trigger? Because obviously, real estate, we have been talking a lot that there should be some pickup, but we are not seeing any major signs of revival of demand for is as a category. How should we see this?

**Mahesh Viswanathan:** I think there is -- if you look at the registration and other data that is there, there is definitely inventory reduction from the -- on the unit side. Simultaneously new projects are getting announced as they near completion is when the demand for wires would pick up. As you said, we were expecting the pickup to happen over at least the second half of last year, which is not. But I think with the kind of construction activity that is going on, it wouldn't be far-fetched to say that the current fiscal from the second half, you should see a revival in demand.

Hopefully, the level of volatility that was there last year, doesn't continue through this year. If there is stability, then I think things would pick up. Yes. The business -- this is what I believe at this point in time. And I think you should see growth next year for sure and probably from the second half of this year.

**Manoj Gori:** Sir, lastly, if I may touch up on the margins. In Q3 and Q4, we have relatively done better on margin delivery. Should we assume that probably those margin pressures, which we are witnessing the worst is behind us. From year onwards, either this should be the base case margin profile and probably we might see gradual improvement.

**Mahesh Viswanathan:** I would say that there should be gradual improvement. I think if you look at our numbers over the last 5, 6 years, this '24, '25 was probably the first year when the margins have taken a dip and then come back to -- and not yet come back to where it was, but going towards that.

I do believe that most of the margin pressure related issues are behind us. We have addressed them as best as we can. And I think that from now, one should see stable to renewal growth over the next period.

**Moderator:** Next question is from the line of Kaustav Bubna from BMSPL Capital.

**Kaustav Bubna:** Just wanted an update on the optic fiber cable capacities that were supposed to come up? Or what's the update over there?

**Mahesh Viswanathan:** Okay. So on the optic fiber business, there were a few measures that we were taking. The first one was to set up a preform facility. So the facility is ready. It's been mechanically installed and completed. We are waiting for the production trials to start that is slated for sometime this month. When that is over, then that should take about 2 to 3 months before the trials are over and the plant stabilizes. So from then onwards, then I think we have the product in the market as well as for our own consumption. So that would be the preform.

The second step was on the fiber capacity increase. Fiber capacity -- the machine is expected sometime towards the second half of this year. I think somewhere around December time frame and would take another 2 to 3 months to install and commission. So when that is done, fiber capacity will go up from the current 4 million kilometers to 6 million kilometers.

The last stage was for adding another line to the cabling capacity. The building is ready. But once the fiber line is commissioned, that's when those equipments would come in. But those are fairly simple to install, it should not take too much of time. Within 6 months, that can be made ready.

**Kaustav Bubna:** And could you speak a little bit about what's happening with pricing on the fiber side and...

**Mahesh Viswanathan:** The last fiscal fiber prices went through one of their lowest numbers. Partly, in view of the excess capacity as well as excess stocks available in China. While India had brought in additional duty, the prices kept falling, and I have even heard of \$2.5 a kilometer kind of numbers at which price it's really unrealistic to produce.

But having said that, over the last 2 to 3 months, we have seen a change in the way the fiber market has been developing. Globally, the consumption and demand related activities in the U.S. have strengthened very quickly, and there is a lot of demand in North America. There is also additional demand coming in from Europe. So we are seeing prices firming up now. So it's closer to \$3.5 right now as opposed to \$2.5, which was prevailing for most of the year last year.

**Moderator:** Next question is from the line of Saket Kapoor from Kapoor & Company.

**Saket Kapoor:** To take the discussion forward on the OF and the OFC prices. So you were alluding to the fact that the prices for OFC has moved up from an average of 2.5 to 3.5. This is what just -- that is for the fiber and -- that is the fiber price, okay. Then what are the fiber cable prices, OFC prices?

**Mahesh Viswanathan:** That would depend on the design of the cable, right? So you might have 2 fibers, 4 fibers, 288 fibers so the design mix, the price change. I mean there is no standard single price for all the cables.

**Saket Kapoor:** Sorry, sir. Come again?



- Mahesh Viswanathan:** I'm saying there is no standard single price for all the cables because the price of the cable will depend on the design of the cable.
- Saket Kapoor:** If we take the utilization levels for the optic fiber cable for our company and also for the country, domestically, how have the utilization levels been for the last fiscal? And what kind of uptick we have seen in the utilization levels for the current 2 months of this fiscal?
- Mahesh Viswanathan:** Last year, I think was fairly low across the board because government orders had been delayed. And like I mentioned earlier, while the tendering process for the Bharat Broadband project got completed sometime in November, orders have been released only sometime in March or April -- sorry, February or March.
- So orders to the cable manufacturers have not -- there were not much. So the utilization levels would have been fairly low last year, around 50%, 55%. This year, I think that should change because the delivery of those 16 circles is required to be done in 3 years. And while there is fiber capacity, cabling capacity will have to catch up because peak capacity may not be sufficient. So I think the utilization levels will improve in the current and the next fiscal for sure.
- Saket Kapoor:** Because I'm just coming to the point by the comment by one of the leading optic fiber cable manufacturer in the country where in their release, they have mentioned about utilizing reaching the optimum level of, say, 90% to 100% by the month of July on the basis of what the tendering process has been. So are we also expecting those high levels of optic fiber cable utilization by the first or the second quarter? Or what's the outlook currently for the same, sir?
- Mahesh Viswanathan:** Okay. My gut feel says that it would be more later than earlier. I think July is probably -- from where I stand, it's probably a little optimistic but later for sure.
- Saket Kapoor:** Okay. For the later half, we can expect higher utilization level.
- Mahesh Viswanathan:** That's for sure, yes.
- Saket Kapoor:** And these are on premise of both the global demand from the data centers and also the domestic demand coming up from the BharatNet tendering. These are the 2 demand drivers, the key demand drivers.
- Mahesh Viswanathan:** Correct. So the BharatNet project, which has been tendered out recently, that only completes 16 circles. So this is Phase 3. There are other states which are doing it on their own. So for example, Gujarat, Maharashtra, I think Karnataka -- not Karnataka, Tamil Nadu, Andhra they are all doing it on their own. So that is still expected to come shortly. Those DPRs are I understand currently being made.
- Gujarat had come out with the tender, but the others not yet. So that demand is going to drive the requirement of cables over the next 2 to 3 years. Besides that, of course, there will be consumption in data centers. There is also consumption happening at the last mile

connectivity. So as the 5G rollout happens or as the acceptance happens, there'll be more fiber-to-home applications. So that will also consume different kind of cables.

**Saket Kapoor:** Okay. So in just a summary, we can conclude that the worst for the optic fiber cable demand and utilization levels are behind, and going ahead, the -- what seems to be coming 2, 3 years, they are going to run at full steam depending upon how and when the projects get opened up and for the process to continue.

**Mahesh Viswanathan:** Yes, I think it is a positive output for sure.

**Saket Kapoor:** Okay. Sir, just a small question on the total capacity of optic fiber cable in the country, taking into account the type of capacity addition that has happened over the last few years, what is the total capacity? And where are we in terms of our market shares domestically?

**Mahesh Viswanathan:** Our shares have been around 11% in this market. Total capacity, I would be guessing if I make a number, I think I'll have to look up at those numbers before I say something right now. I can come back to you later.

**Saket Kapoor:** So now on the electrical cable part of the story, sir, how are we seeing the demand drivers for the EHV cable and also the new setup being for the renewable segment that is leading to the new distribution line being set up. How are we seeing the demand drivers from there? And what portion of our revenue is derived from the EHV segment, the extra high voltage?

**Mahesh Viswanathan:** So like I mentioned earlier, the EHV part of the business is being done by a joint venture. So those numbers are not included in our stand-alone results, only the profit or losses accounted in our consolidated results. But EHV as a segment seems to be growing. I earlier mentioned that current level of the market is about \$500 million. And we see that it can grow up to \$2 billion in the next 4 to 5 years. So that's the potential that is there. Players, there are multiple players in India also now.

And some of them are now entering the field with technology that we brought in 10 years ago or what Universal brought in 15 years ago. So there is definitely a place for multiple players at this point in time. The difference between the traditional wire business as well as this is that the gestation period in this business is fairly long.

Each project takes anywhere between 12 to 24 months to complete. So your sales recognition is not at one point in time, it spreads over 24 months. So that's the challenge, and that's the business. So from an existing level of \$500 million to a potential of \$2 billion is the market size...

**Saket Kapoor:** Sorry, I interrupted you. You wanted to conclude?

**Mahesh Viswanathan:** That is on the EHV part. You had another question, which is on the renewables. So we have -- like I mentioned earlier, we have introduced wires and cables, which are cured by e-beam. The application primarily was to address the solar power industry. These are cables with an

extremely long life. So if you expect, for example, a panel to last 25, 30 years, you would also expect the cables to last the same number of years. Otherwise, we'll have to keep changing the cables every so often.

Once they're cured by E-beam, that results in a very long life for these cables. We have launched them in February, and we have recently got our certifications through BIS also. And we expect this industry to grow.

I think currently, the volume of these cables that are sold are anywhere between 20,000 to 25,000 kilometers per month, and that can only increase given the fact that our government's target to improve the power generation from solar and wind generation is climbing and the targets for the future years are even higher than what they are today.

So we do see a large potential in this space. Additionally, the E-beam facility, we have also launched a premium provider product. So this will go into building into construction, where we expect the life of the wire to be a minimum of 25 years. So that would also add to overall volumes, plus it would add to the premiumization of the product.

**Saket Kapoor:** And sir, in this space, are these the E-beam cross-link solar PVs cables? Or what are the product portfolio...

**Mahesh Viswanathan:** These are cross-linked Polyethylene.

**Saket Kapoor:** Come again, sir?

**Mahesh Viswanathan:** These are XLPE cured by E-beam.

**Saket Kapoor:** Okay. So these are different electron beam and the one you mentioned at 2 different types.

**Mahesh Viswanathan:** No, no. The curing is done by an electron beam. So the cable is finished with XLPE, but it is -- after it is finished, it is cured the bar through an E-beam process.

**Saket Kapoor:** Okay. So we have the entire setup to...

**Mahesh Viswanathan:** We have the setup. We have got 2 accelerators, one at NAV and the other one at 1.5 NAV. So we can pure multiple sizes of products through the machine.

**Saket Kapoor:** And are we also in the submersible cable and the coaxial cables, sir?

**Mahesh Viswanathan:** We are in submersible cables. We are in what we call 3 core flats. Those are basically some moment for submersible applications, so water and so on. And you talked about coaxial, yes, we have lines both in Goa as well as in our OFC factory. We are long-term suppliers to Tata Play to Sun TV to Airtel to most of the DTH operators.

**Saket Kapoor:** So we can conclude that for at least for the segmented reporting for OFC part also, we are going to see improved margins going ahead with the utilization levels improving, and also the

prices also for OF improving from -- by \$1, as you mentioned. So in all, there are both the price as well as the demand pool that we are going to witness going ahead?

**Mahesh Viswanathan:** Yes, we should see those.

**Saket Kapoor:** Okay. And sir, for the EHV cable, what is our just concluding, sir -- for the EHV cable, what is our market share and we're the dominant player, you did mention the name?

**Mahesh Viswanathan:** Okay. So like I said, again, the EHV part of the business, we do through a JV. We do not do it directly in this entity. There, the dominant player in India so far has been Universal Cables. Currently, Universal is there. We are there.

KEIs there. Polycab is there. Havells is there. But so far, only Universal and us, we have the vertical process the others use horizontal process. All of them are acquiring equipment to put in vertical processes. It takes time. It takes about 2 years before it can get implemented. But things are moving.

**Saket Kapoor:** And as in the harness cable segment, are we also a player there or will participate?

**Mahesh Viswanathan:** We supply virus to the harness manufacturers. We supply our wires to...

**Saket Kapoor:** What portion of our sales are -- do we derive from this segment? What kind of the market share we have? Or what is the size TAM, the target market?

**Mahesh Viswanathan:** The size -- currently, our size in this market is about INR400 crores, INR500 crores. Most of the harness manufacturers are our customers. The overall market size will be much larger, but the dominant player here is Motherson.

**Moderator:** Next question is from the line of [Swayam Ranawat 39:05] from Pinpoint Ex Capital.

**Swayam Ranawat:** Yes, sir. So my question is related to optical fiber. Like you mentioned that demand is picking up from domestically also and internationally and prices are more over bottomed out. So like, sir, what could be the capacity utilization for our company in preform and fiber capacity going forward? Like if you can give any ballpark percentage going forward?

**Mahesh Viswanathan:** So it will depend on how many projects get announced. So the comment that I made earlier was with reference to what is happening on the BharatNet project. And therefore, I do see that going forward, the requirement of cables would firm up, which means that downstream requirements also would follow similarly.

You want the utilization to be as high as it can be. We had -- while when the project was being announced, we said if we operate at 70%, then the payback is in about 4.5 years or so. So right now, the preform factory is while it is mechanically completed, production is yet to start.

The trials are going to start this month. So it will be another 3 months before the product is available. And the initial usage will be lower because as people get used to the production

formalities, the processes. And only then they'll be able to ramp it up. So first year who is not going to be very high. But from the second year onwards, I expect at least a ramp-up to initially 60%, 70%.

**Swayam Ranawat:** Got it, sir. And sir, given that our capacity utilization will increase in future. So can we see some margin improvement over there? And if yes, then...

**Mahesh Viswanathan:** That is the reason why we went into this business because it is in a way a backward integration. It reduces your dependency on someone else. It reduces imports. So today, when you buy the product, you want to buy it for a certain period of time, say, your inventory levels are much higher, whereas you make it on your own, then your inventory levels can be managed with lower numbers as well. So those are all savings that you will get -- so we definitely expect this project to result in attrition to the margins.

**Swayam Ranawat:** Got it, sir. And sir, if I'm correct, then our capacity would be finalized by this FY itself?

**Mahesh Viswanathan:** When you say finalized, what do you mean?

**Swayam Ranawat:** Either commercialize like it will be used for selling products?

**Mahesh Viswanathan:** So our intent when we set up this factory was the output of this factory would be used to make fiber on our own. Currently, we are importing the entire set of reforms from overseas. So once this factory goes live, then that import would stop and our initial requirement -- I mean our requirement would be met by internal production. That is how you get the margin accretion. And if there is excess capacity available, of course, we could sell the preforms out in the market as well.

**Swayam Ranawat:** And sir, you mentioned that 60%, 70% fiber utilization would be by next year?

**Mahesh Viswanathan:** No brief on my side.

**Swayam Ranawat:** Okay. Okay, sir. And sir, are we looking for export side also?

**Mahesh Viswanathan:** So far, we have been looking, but we have contracts with our suppliers who are also in that business overseas. So there are certain territories where we have mutually agreed that we will not compete in. And therefore, we have not been active there. But if I'm making the product myself, then those agreements are no longer relevant, and we could.

**Moderator:** As there are no further questions, I would now like to hand the conference over to Mr. Viswanathan for closing comments.

**Mahesh Viswanathan:** So thanks, everyone, for participating in the conference. I hope I've been able to respond to your queries adequately. Thank you.

**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.