"Indo Count Industries Limited
Q1 FY27 Earnings Conference Call"
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Moderator: Ladies and gentlemen, good day, and welcome to the Indo Count Industries Limited Q1 FY27 Earnings Conference Call. This conference call may contain forward-looking statements about the company, which are based on beliefs, opinions and expectations of the company as on the date of this call. These statements are not the guarantees of future performance and involve risks and uncertainties that are difficult to predict.

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 touchtone phone. Please note that this conference is being recorded.

I now hand over the conference over to Mr. Mohit Jain, Executive Vice Chairman. Thank you, and over to you, sir.

Mohit Jain: Good morning, and a very warm welcome to all of you joining us for the Indo Count Industries Limited Q1 FY27 Earnings Call. I'm also joined by Group CFO, Mr. K. Muralidharan; Manish Bhatia, our CFO; and Strategic Growth Advisors, our Investor Relations advisors. We hope you had the chance to review the financial results and investor presentation available on the stock exchange and on our company website.

Before I begin with the business update, I would like to take a moment to pay a tribute to late Mr. Kailash Lalpuria, who is an integral part of Indo Count and a highly respected leader in the textile industry.

For more than a decade, Mr. Lalpuria played a pivotal role in shaping the strategic direction and growth of Indo Count. He was instrumental in making several important strategic choices that has helped in building Indo Count into a strong institution.

I now come to the business update. Q1 FY27 marks a strong start to the year, achieving several important milestones. We delivered our highest ever quarterly revenue, reflecting the growing scale and momentum across our businesses. A particularly encouraging development has been the rapid scale-up of our new business, which has nearly tripled over the past one year.

This demonstrates the strength of our diversification strategy and gives us increasing confidence in its contribution to our growth going forward. Importantly, our EBITDA margin is on a recovery trajectory, supported by improving operating leverage and better volumes across the business. While there are still some cost pressures as we scale, the underlying operating performance continues to strengthen.

Our performance for Q1 is in line with our stated guidance for the year of INR5,500 crores with approximately 13% EBITDA margins. Our U.S. manufacturing operations also continue to perform well. Overall, utilization has remained around 60% to 65% despite the recent addition of our greenfield facility in North Carolina in January 2026.

The ability to maintain these utilization levels while absorbing significant new capacity is a strong indicator of our capabilities. Overall, we believe these developments provide a strong foundation for sustained growth and improved profitability through FY27 and beyond.

Before I move to further details, I would like to highlight a couple of important developments that reinforce our confidence in the opportunity ahead. We recently participated in Bharat Tex 2026, India's largest textile trade fair and received an encouraging response from both global and domestic customers across our product portfolio. We engage with distributors, direct retailers, LFS partners, corporate gifting and hospitality buyers.

Another important milestone has been our continued progress on sustainability. Sustainable and responsible growth remains firmly embedded in our strategy with a strong focus on energy efficiency, responsible sourcing and integrating ESG principles across our operations. These efforts have been recognized through three prestigious awards by the Confederation of Indian Textile Industry during Bharat Tex 2026. These recognitions reinforce our commitment to building a business that delivers growth while creating long-term value responsibly.

On a long-term basis, India is firmly emerging as a preferred global sourcing partner with a strong track record in quality, innovation and delivery. The FTAs with the U.K. and EU, along with positive progress on the U.S. trade deal are creating a more favorable and level playing field for Indian textile exporters and are expected to accelerate the shift in global sourcing towards India.

Let me talk about core business performance now. Our core business was impacted by the U.S. tariff situation last year. We are now seeing early signs of recovery. Q1 FY27 volumes stood at 23 million meters compared to 20.5 million meters in Q4 FY26, representing a 12% sequential growth.

Volume throughput was impacted by container availability constraints arising from the West Asia conflict. With the external environment stabilizing, we expect this momentum to strengthen through the year. Q1 volume should not be viewed as a benchmark for the full year as Q1 is typically a softer quarter for us, while Q2, Q3 are stronger, driven by the U.S. festive period.

Core business revenue stood at INR837 crores in Q1 FY27, up 4% sequentially. The change in product mix impacted quarterly realizations. However, the underlying volume trajectory remains steady and EBITDA margins improved. It is also important to highlight that quarterly realizations can fluctuate depending on the product mix.

On a full year basis, however, we expect realizations to remain broadly intact. We remain confident of delivering our FY27 volume guidance of 105 million to 110 million meters and core business revenue of approximately INR4,000 crores.

Non-U.S. core business. Our non-U.S. core business contributed to approximately 30% during the quarter. The U.K. FTA restores a level playing field for Indian exporters, while the expected EU FTA will further open a large market on duty-free terms.

Together with the existing duty-free access to Australia, Japan, New Zealand and the Middle East, these arrangements significantly strengthen our global opportunity. As mentioned in the previous earnings call, we expect strong traction from non-U.S. markets going forward and anticipate revenues from non-U.S. markets to grow by 20% plus in FY27.

New business performance. Coming to our new business comprising utility bedding and the U.S.A. brand business, momentum continued to strengthen with Q1 FY27 revenue reaching INR387 crores. This performance was supported by established facility in Ohio and Arizona, the newly commissioned greenfield facility in North Carolina and the launch of Wamsutta in July '25.

We remain firmly on track to achieve our FY27 business revenue target of INR1,500 crores. On an annualized basis, Q1 FY27 revenue represents nearly 60% of our targeted USD275 million new business ambition for 2028, providing a strong foundation for the next phase of growth.

Update on our Bhilad plant. Our Bhilad, Gujarat manufacturing facility was temporarily impacted by heavy rainfall and flooding from 23rd July 2026. The facility has partially resumed operations from 12th August 2026 with normalization expected in a phased manner. A preliminary survey has been conducted by the insurance company appointed surveyors and the insurance claim process has been initiated. We are adequately insured to cover the losses.

To conclude, Indo Count is well positioned to capture the next phase of global home textile growth, combining trusted quality, sustainability, strong brands and increasing direct consumer connect. Looking further ahead, we remain committed to our INR8,000 crores revenue aspiration by CY2028, supported by continued core business growth and our USD275 million new business ambition.

With this, I will now hand over to Manish to take you through the financial numbers.

Manish Bhatia: Good morning, everyone, and thank you for joining Q1 FY27 earnings call. I will first provide a brief overview of our performance, following which we will open the floor for questions. So quarterly highlights, Q1.

Volume. Sales volume for Q1 FY27 stood at 23 million meters compared to 20.5 million meters in the previous quarter, reflecting a 12% quarter-on-quarter growth, supported by an improvement in overall demand as the uncertainty surrounding U.S. tariffs eased. Sales volume for Q1 FY27 declined 3% Y-o-Y, primarily on account of container availability constraints, a temporary logistical issue that impacted dispatches.

Total income. Total income for Q1 FY27 stood at INR1,224 crores compared to INR1,088 crores in the previous quarter, registering a 13% growth, driven by higher volumes in the core businesses and continued scale-up of new businesses. On a Y-o-Y basis, the total income grew 27%, largely led by increasing contribution from the new business.

EBITDA. EBITDA for Q1 FY27 stood at INR160 crores compared to INR116 crores in the previous quarter, registering a 38% quarter-on-quarter growth driven by improved operating leverage as utilization level increased across both the core and new businesses.

The strong performance was partially offset by higher employee costs, primarily due to the commencement of the operations at the Greenfield facility and the continued ramp-up across other facilities. EBITDA margin improved by 241 bps to 13.1% from 10.7% in Q4 FY26.

On a Y-o-Y basis, EBITDA grew 34% with EBITDA margin expanding by 74 basis points from 12.4% in Q1 FY26, reflecting better operating leverage. PAT for Q1 FY27 stood at INR63 crores compared to INR24 crores in the previous quarter, representing a 2.5x sequential increase driven by improved operating efficiency, lower finance costs and the absence of the one-off IGST refund related expense incurred in the previous quarter.

PAT margin expanded by 294 bps to 5.2% from 2.2% in Q4 FY26. On a Y-o-Y basis, PAT grew 62% with PAT margin expanding by 114 bps, reflecting stronger operational performance and improved flow-through from the top line to bottom line. EPS for Q1 FY27 stood at INR3.19 per share.

With this, I open the floor for questions.

Moderator: Thank you very much. We will now begin with the question-and-answer session. We do have our first question from the line of Abhishek .

Abhishek: Congrats on a good set of results. And my question was regarding the Bhilad plant. So you called out that there is some disruption to the operations. So I just wanted to know whether what is the impact on the -- what would be the impact on the volumes considering that the plant has been closed for about, say, 15 to 20 days now.

And you also called out that Q2 and Q3 are good quarters. I assume that there will be inventory with you. So considering the disruption in operation, how do you look at Q3 and Q4? Is there any deferment in shipping the orders?

Mohit Jain: On the Bhilad facility, let me tell you that we are fully insured. It's only increasing our scale of operations in every department out there. over the next couple of quarters, we are confident to serve each and every customer for all their orders. So we should be able to make up our lost ground.

Abhishek: Okay. So I assume that you were able to kind of offset the production loss in Bhilad, in other plant?

Mohit Jain: That's the endeavour.

Abhishek: Okay. Okay. Okay. And just another bookkeeping question. So I see the other income has on Y-on-Y basis, it's slightly on the higher side. So like what's the reason? Is some forex gain or something?

Mohit Jain: What is on the higher side, come again, you were not clear.

Abhishek: Other income.

Mohit Jain: Our other income is in line. If you see last year it was INR80 crores, right now, it's INR20 crores.

Abhishek: I might have missed something, sorry.

Moderator: Next question is the line of Raman KV from Sequent Investment.

Raman KV: Sir, I just have two questions. One is I just want to understand what's the margin difference across our core business, which is bed linen versus our new business, which is like utility bedding and branded business. How much of a margin difference these two businesses have?

Mohit Jain: No. As we have mentioned, Raman, that our objective, once our utility bedding business achieves full scale, we expect to do 15% also on the utility bedding business. Of course, as we scale up more than our new greenfield project has just started. So any new facility that starts, there's a gestation period.

So keeping that in mind, that's why the margins on that facility is on the lower side. But otherwise, our bed linen business, you can get a respective idea from our stand-alone numbers. So we've done slightly better than 15% in this quarter. But over a period of time, we expect both businesses to do similar margins.

Raman KV: So bed linen and utility business are like a 15% margin business. So my assumption is our branded business should be a much better -- higher realization business. So is there any margin difference?

Mohit Jain: So again, as we mentioned, I just want to be clear that from a long-term perspective, we expect our bed linen business to do 15%. We expect our utility bedding business to do 15%, and our brand business should do 100 to 200 basis points better than 15%.

Raman KV: Understood. Yes. That was my main thing. And second question is from the revenue perspective, how much revenue was from U.S.A. during this quarter versus last quarter?

Mohit Jain: From the new business or from the U.S. I did not follow.

Raman KV: Overall. So I was asking on a consolidated basis, how much revenue was from U.S. during this quarter versus the last quarter?

Mohit Jain: So I can tell you our core business, 70% of our revenue comes from the U.S. and 30% comes from non-U.S. countries. And the new business is all U.S. So the INR387 crores is all U.S. So you can do the math.

Moderator: Our next question is from Navin Baid from Nuvama AMC.

Navin Baid: I just wanted to sort of clarify whether there was any tariff refund in the quarter? And if yes, then how did we accounted for?

Mohit Jain: There's no tariff refund in the quarter, Navin, at this point of time.

Moderator: Our next question is from the line of Kalash Jain from AlfAccurate Advisors. Hello, Kalash Jain, please go ahead with your question.

Kalash Jain: So like as you mentioned in your initial remarks that there was some container issues in 1Q. So how is the situation now? And like are you confident of volumes shipping out the volumes in the next two, three quarters?

Mohit Jain: So as we speak, we are confident of achieving our guidance of 105 to 110 million meters and INR4,000 crores revenue. The container issue continues.

Kalash Jain: Okay. And on the new business, so 2Q and 3Q are usually stronger for the new business?

Mohit Jain: No. The new business is very new for us. So it will take us some time to get the -- what's the variability in the business. From a core business perspective, I would say that Q2 and Q3 have historically been the higher quarters.

Kalash Jain: Okay. So you expect this run rate to continue in the next two, three quarters?

Mohit Jain: What run rate?

Kalash Jain: The INR370 crores that we have done in the new business?

Mohit Jain: So for the new business, we have given a guidance of INR1,500 crores for the full year. So we should be able to be on track for that.

Moderator: Our next question is from the line of Bhavin Chheda from Enam Holdings.

Bhavin Chheda: Overall, very good numbers and very strong guidance also in the presentation. Sir, a few questions. First, to continue on the tariff refund, though you said that there is no tariff refund in the quarter.

Can you guide us whether you are expecting any tariff refund, any filings made or any filing made by distributor on client for the goods supplied by Indo Count and how the discussions are going around with the clients on the same?

Mohit Jain: Bhavin, we do not expect any material financial benefit from the potential U.S. tariff refund, Bhavin. Nearly 80% of our exports are on FOB basis where the tariff is borne by the importer.

As the process is still evolving and discussions with customers are going on, it would be premature to quantify the amount or the proportion that might ultimately come to the company. In our view, we'll have a greater perspective and clarity by the end of the year, and we'll keep all the investors updated on the same.

Bhavin Chheda: Sure. Sir, my second question is on the bed linen realization was approximately INR357 a meter, which I see on a Y-o-Y basis was just higher by 1.5% despite rupee depreciating by over 9%, 10% and tariff coming in Q1 much lower than what it was last year, why we don't see it getting reflected in rupee realization because even assuming dollar realization being same. So has there been an impact of product mix or we are still to take price hikes upon the clients?

Mohit Jain: So we have seen an impact on product mix in first quarter. But as I've mentioned that look at our realizations on a yearly basis. So on a yearly basis, we'll be absolutely fine.

And as far as your question on price increase, as we had mentioned last year -- last call also that, of course, as we are aware that post, as the war took place in February end, all raw material prices have gone up. So on a case-to-case basis, we've gone back to all our customers, and we've concluded all our price conversations. So those are -- those impacts will come from Q2 onwards.

Bhavin Chheda: Okay. So in the rupee terms, we'll keep on seeing price improving as the impact of the client negotiation that comes in through, right?

Mohit Jain: Yes. Yes.

Bhavin Chheda: Right. And my last question on the non-U.S. business. Obviously, the U.K. tariff FTA has come through. So how much of the business we have in U.K.? And how we are seeing on the client interaction, whether clients have started sourcing more -- has there been new client inquiries, if any update on that? Because we obviously will have 9% to 10% benefit there now.

Mohit Jain: Our U.K. business is anyway has been between 8 and 10%. Having said that, we have a very active office in the U.K. with the team there. And our interaction has -- let's say, we were interacting with a client, I'm making it up 4 times in a year, that interaction has gone up 8 times in a year.

So the interaction, whether it's the U.K. or the EU has gone up, whatever we've seen from the past with FTA, it's not that -- it's not a switch on and off, right? As soon as the FTAs happen, something happens dramatically the same quarter or next quarter. It takes, I would say, 12 to 18 months to pan out. So we are seeing that visibility going forward on the positive side.

Bhavin Chheda: Sure. And obviously, you've also given a guidance of over 20% revenue growth you're seeing in the non-U.S. business. So is that partly reflecting new business in U.K. plus EU area?

Mohit Jain: Absolutely, those countries and other parts of the world also.

Moderator: We'll take the next question from the line of Kaustubh Pawaskar.

Kaustubh Pawaskar: This is Kaustubh here. Congrats on a good set of numbers Sir, I have one question. Your stand-alone EBITDA margins for this quarter, it has improved to around 13.9%. So if we look to the pre-tariff as well, your stand-alone EBITDA margins was around 14% to 14.5%.

Going ahead, considering the fact that there are certain supply disruption and the cost has gone up, also this Bhilad facility, which was non-operational for around 20 days. So considering that, should we expect some decline in margins in quarter 2, quarter 3 at standalone level.

Moderator: Members of the management team?

Mohit Jain: Yes, yes, I can hear you, ma'am.

Moderator: Yes, sir. Please proceed.

Mohit Jain: Kaustubh, can you hear me?

Kaustubh Pawaskar: Yes, sir.

Mohit Jain: Yes. So what I said is that I'll not be able to guide you at such a precise level, but our endeavor is to maintain our 13% blended margin on a consolidated basis. So look at it from that perspective, some quarter here and there a little bit does not matter. So for the full year, that's our endeavor.

Kaustubh Pawaskar: Right. Sir, just from the understanding point of view, are we expecting any one time losses because of this disruption what you have seen in the Bhilad facility. Anything on that front, if you could help us?

Mohit Jain: Sure, sure. No, all our facilities are adequately insured, whether it's for property, whether it's for inventory, whether it's for loss of profit. So as a company, we are adequately insured in all our locations, including Bhilad, of course.

Moderator: We'll take the next question from the line of Jatin Damania from SVAN Investments.

Jatin Damania: Sir, just one question, which is on the new business. So on the new business other than the bedding and utility, can you throw a light how are the branding and the licensing brand business doing in Q1 and how one should see a ramp-up over there?

Mohit Jain: So our endeavor is to do around USD100 million over the last next three years in that business. And right now, split remains two-third of our revenue coming from our utility bedding business, which is the manufacturing business, you can say, and one-third of the revenue coming from brands.

On the branded business, we are selling not only what we produce. So we are selling all soft home textiles, which includes towels, bath mats, window treatments, rugs, utility bedding, which is pillows, mattress protectors, down alt comforters, bed linen, quilts, comforters, blankets, throws, so a whole gamut of products. So our expectation is that in the whole year, we'll do around INR500 crores in this business.

And in this quarter, we've done slightly above INR125 crores. If you look at one-third of INR387 crores roughly. So it's going in the right direction. And as we had mentioned that Wamsutta also, we launched just a year ago now, if you think about it, and it's slow and steady, but the building blocks are there.

Jatin Damania: Sure, sir. And brand business a 100 to 200 bps better margin than our existing business of 15% that's what we are guiding.

Mohit Jain: Once we get to USD100 million, that's when that will trigger -- because right now, there's a more -- we have the whole team in place. There's more investment going in to build -- these are very new businesses. So I think it's commendable for the company to be able to build a INR1,500 crores revenue in less than 18 months.

Jatin Damania: So that's commendable. And on this investment also, are we looking at any further investments on the employee front in terms of growing our business to USD100 million or probably the investment is already done?

Mohit Jain: I mean there would be some balancing investments. There's always -- it's not 100% done, but I would say 70%, 75% is in place. But I mean, it's an evolving economy, evolving business. We are also learning as we are moving forward.

Moderator: We'll move on to the next question. That is from the line of Shradha Agrawal from Asian Market Securities.

Shradha Agrawal: Congratulations on a very resilient performance. Two questions. First is in terms of our utility bedding business, how should we look at the ramp-up of utilization over the next two, three quarters? And then I have a follow-up.

Mohit Jain: So for utility bedding for this year, our endeavor is to be at 60 to 65% utilization. Our new facility just came on stream somewhere middle of January. So even keeping that in mind, we were able to be around those utilization levels in Q1, and we think we should be stable around these levels for the rest of the year also. So for the full year, you should look at 60, 65%.

Shradha Agrawal: But why is that the case if we've already achieved 60%, 55% utilization in 1Q. So are we not...

Mohit Jain: We are not a magician.

Shradha Agrawal: No, that's true. But for the next nine months.

Mohit Jain: I would have done 20%, then you would have asked me why 20%. If you've done 60%, 65%, you're asking me why. So I mean, there can be ups and downs in businesses. So at this point of time, if we are able to do 60%, 65%, we are very satisfied. And that's the level that we'll be at.

Shradha Agrawal: Right. And in terms of input cost inflation, have we been able to pass on that to retailers in the U.S. on the utility side?

Mohit Jain: Yes. Because the utility bedding business, we are competing with facilities or competitors within the country. So everybody is at the same level playing field.

Shradha Agrawal: And what is the ratio between cotton and non-cotton for our utility business?

Mohit Jain: It's a mixed basket, depending on the customer trends, what customers are looking for. A lot of these are performance-based fabrics. So we use products like nylon, polyester, stretch fabrics, mix of cotton with these.

So it's a whole gamut of products. And we have a global sourcing team in place. We have an office in Shanghai with people there. So they do global sourcing. And depending on the product, raw materials are sourced accordingly.

Shradha Agrawal: No, sir, which is why, I mean, we've seen a higher input inflation in non-cotton-based products because of the Middle East crisis. So to what extent have we been able to pass on that inflation to customers?

Mohit Jain: We are able to pass that on. I mean there could be some laggard effect of two, three months here and there, but otherwise, it's passed on. And if it's something consistent, then there's value engineering that can be done on the product also.

Shradha Agrawal: Okay. And the other question is in terms of our core business, the branded portfolio in the core business. So like the new business, you said that you are sourcing from other players as well, and it's not only own manufacturing that we supply. So within the core business, branded portfolio also, do we source from other players? Or is it just our own production that we supply in the branded mix?

Mohit Jain: Out of the core business, it's only our production, if that's your question?

Shradha Agrawal: So just bed linen and that to our manufacturing, nothing sourced from outside.

Mohit Jain: In the core business number?

Shradha Agrawal: Yes, yes.

Mohit Jain: Correct. Correct. Correct. We manufacture bed linen, quilts, comforters, utility bedding, all of that is here.

Shradha Agrawal: Right. And how should we look at the core business branded mix margins vis-a-vis the non-branded margins in core business?

Mohit Jain: So I just want to clarify one point. So for the 4 brands that we have, which is Wamsutta, Fieldcrest, Waverly and Gaiam, which are our four what we are classifying as our U.S. brands, any business that even produced at our facility in India at Indo Count the meterage comes in the overall meter, but the revenue is captured in new business, okay?

The rest of the business, when we are declaring that our overall business mix, 20% is a branded portfolio. A lot of that -- those are our house brands that we will be selling on e-commerce on Amazon, Wayfair, Overstock, other platforms. So there, the blended margin of the core business remains at 15%.

Shradha Agrawal: No. So what I'm trying to say is that new business comprises of two segments, right? One is your utility and the other is branded. That branded business sourcing is from other countries, other players. But in your core business, branded business, the sourcing is from your manufacturing only?

Mohit Jain: So again, just hear me out. In our branded business, let's say, if you are making -- if we are selling a towel or a curtain, which we do not produce at Indo Count, those are sourced from outside. But if you are selling a bed sheet, that is sourced within our own company from a manufacturing facility either Kolhapur or Bhilad and that number is coming under the new business under brands.

Shradha Agrawal: Got it. So in your total 30% branded business, how much would be sourcing from outside?

Mohit Jain: We've said our total branded business is 20%.

Shradha Agrawal: 20%, yes.

Mohit Jain: Irrespective of anything. And our total brand business this quarter has been roughly around INR125 crores. So 10% is under these new brands, if you take it as a part of the whole company, roughly.

Moderator: The next question is from the line of Saransh Gupta from SVAN Investments.

Saransh Gupta: I just wanted one clarity. Sir, as India's relative tariff position in the U.S. is improving, so how are we positioning Indo Count ahead of the upcoming trade agreement? Like are we seeing customers shifting towards India? And is there a bigger opportunity that is available for market share gain or still there would be a price mix?

Mohit Jain: See, India is extremely well positioned. Even at 50% tariff, we, as a company, did not lose a single order or a single customer. So now with at 10%, India as a country is extremely competitively placed. Having said that, even all our neighboring countries, everybody is between 10% to 12.5%.

So nobody is at a major disadvantage or an advantage, let's say. China erstwhile has a 301-tariff, which has been there in 2019. So that has always remained there. from our product category perspective, we are really not competing on those product categories at this point of time.

So today, I mean, in our product category of bed linen, I mean, home textiles, I would say, in general, India is extreme -- was extremely well-positioned and continues to be extremely well-positioned.

Moderator: We'll move on to the next question that is from the line of Raman KV from Sequent Investments.

Raman KV: I just have one question. Sequentially, our interest cost has declined. Have we repaid any of the borrowings? Or have we refinanced the existing borrowings? And going forward, what will be the interest cost for the year?

Manish Bhatia: See in Q4, we had a onetime hit of around INR13 crores on a GST issue. That has been taken, it's not there in Q1. So that's the only change. Otherwise, our interest cost remains flat more or less.

Raman KV: So around INR70 crores of interest payment will be there during this year, INR70 crores to INR80 crores, right?

Manish Bhatia : Similar, yes.

Raman KV: And if I can ask, can you -- what's the weighted average cost of that?

Mohit Jain: Raman, I mean, our interest cost, we are at a INR30 crores run rate per quarter, so we are at INR120 crores, not INR70 crores.

Raman KV: Yes, sorry, yes. INR120 crores, my bad. So what's our interest cost at?

Mohit Jain: Depends bank to bank. I mean, but we are competitively -- we have a rating of A1+, and we are competitively priced. I mean we cannot tell you the exact cost because it will change from bank to bank. between 6% to 7% should be a roughly range.

Moderator: The next question is from the line of Pranav Malhotra from Starship India.

Pranav Malhotra: Yes. My question pertains to the margin. Basically, do we see 15% as a ceiling because if you're going towards branded and also chasing like e-commerce I believe on Amazon, as you've mentioned. So do we believe that we can break through the 15%? Or is that going to be a ceiling?

Mohit Jain: No, Pranav, we don't have any ceiling in our mind. I mean we have to take one step at a time. So we're coming through a tough tariff situation. And so we are at least.

Pranav Malhotra: Sorry, this is for the long term, I'm asking like not just for this year.

Mohit Jain: No. So for long-term, you can say right now, our target is to stabilize at 15 to 16% margins as a company as a whole. And we'll keep recalibrating this as we move on and we understand more as to how the business is progressing, how markets are progressing.

Pranav Malhotra: Okay. So thank you so much. And just one question on the U.S. ground situation. Like we had read that the retail sentiment has been improving. And we believe that we can do better numbers like in the macros. So do we also view that in the core volumes like 110 meters, we can exceed that or like obviously, as we see developments throughout the year?

Mohit Jain: At this point of time, we are comfortable with 105 to 110 million meters, keeping in mind that the customer offtake will be on the positive side.

Moderator: Thank you. Ladies and gentlemen, due to time constraint, we take that as our last question. I now hand the conference over to the management for the closing comments.

Mohit Jain: Thank you, everyone, for joining us today. We hope we've been able to address all your queries. Should you have any further questions, please feel free to get in touch with SGA, our Investor Relation Advisors. Thank you once again for your continued interest and support. We look forward to connecting with you on our next call. Thank you.

Moderator: Thank you, members of the management team. Ladies and gentlemen, on behalf of Indo Count Industries Limited, that concludes this conference call. We thank you for joining us, and you may now disconnect your lines. Thank you.