INDO COUNT
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8th June, 2026

National Stock Exchange of India Ltd.
Listing Department
Exchange Plaza,
Bandra Kurla Complex, Bandra (East),
Mumbai – 400 051
Company Symbol: ICIL

BSE Limited
Department of Corporate Services
Floor 25, Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai – 400 001
Scrip Code No: 521016

Subject: Transcript of the Investors' Conference Call held on 1st June, 2026 for Q4 & FY26 Results

Dear Sir/Madam,

In continuation to our earlier intimation dated 1st June, 2026 regarding audio recording of the Investors' Conference Call and pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing herewith the transcript of Investors' Conference Call held on 1st June, 2026 at 11:30 a.m. (IST) for Q4 & FY26 Results.

The transcript is also available on Company's website at:
https://www.indocount.com/images/investor/Transcript-of-Q4-FY26-Investors%E2%80%99-Conference-Call-Held-on-June-1-2026.pdf

You are requested to kindly take note of the same.

Thanking you,

Yours faithfully,

For **Indo Count Industries Limited**

Satnam Singh Saini

Digitally signed by Satnam Singh Saini
Date: 2026.06.08 12:20:08 +05'30'

Satnam Saini
Company Secretary & GM- Legal

Encl.: A/a

"Indo Count Industries Limited
Q4 and FY26 Earnings Conference Call"
June 01, 2026

"E&OE - This transcript is edited for factual errors and readability. In case of discrepancy, the audio recordings uploaded on the stock exchange on 01/06/2026 will prevail. Further, no unpublished price sensitive information was shared/discussed in the call"

MANAGEMENT: **MR. MOHIT JAIN – EXECUTIVE VICE CHAIRMAN – INDO COUNT INDUSTRIES LIMITED**
MR. MURALIDHARAN – GROUP CHIEF FINANCIAL OFFICER – INDO COUNT INDUSTRIES LIMITED
MR. MANISH BHATIA – CHIEF FINANCIAL OFFICER – INDO COUNT INDUSTRIES LIMITED

Moderator: Ladies and gentlemen, good day and welcome to Indo Count Industries Limited Q4 and FY26 Earnings Conference Call. This conference call may contain forward-looking statements about the company, which are based on the 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 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 Q4 and FY26 Earnings Call. I'm also joined by our Group CFO, Mr. Muralidharan; Manish Bhatia, our CFO; and Strategic Growth Advisors, our IR advisors. We hope you've had the chance to review the financial results and investor presentation available on the stock exchange and on our company website.

Before moving forward on to the operational performance and summarizing how FY26 has been for Indo Count, I would like to share a proud milestone with all our stakeholders. As informed in the previous quarter, the company was honoured with the Gold Trophy for the highest exports of bed sheets in the cotton made-ups category. This marks the sixth consecutive year for Indo Count has achieved this recognition, reflecting our consistent leadership and commitment to setting benchmarks in export excellence.

The award ceremony was held on 25th of May, where we had the privilege of receiving the award from Ms. Nirmala Sitharaman, our Honourable Finance Minister. It was a moment of immense pride and encouragement for the entire team at Indo Count.

Let me now share insights on our performance. Even in the toughest macroeconomic environment, we ended FY26 at a similar level to FY25 in terms of revenue, thereby delivering a resilient performance. Our focus during FY26 remained centred around 3 key priorities: First, protecting market share. Volume and core business revenues remained subdued and volatile during the year due to the evolving implications of the U.S. tariff situation.

In certain cases, a part of the tariff impact and the Russia oil-related penalty impact was absorbed to protect customer relationships and preserve market share. Due to these challenges, our core business witnessed a low-teen decline during the year. Importantly, business stability remained intact with no loss of any customer or order cancellation during the year.

Strong customer engagement, stable wallet share with existing customers and continued operational reliability reinforce our confidence in the strength of our current business model. We believe the company is now entering its next phase of accelerated growth.

Second, scaling utility bedding and U.S. brands; Utility bedding, a major highlight during the year included the continued expansion of our diversified product portfolio into utility bedding. These adjacencies are opening up significantly larger wallet share opportunities into existing customers, while also enabling access to new customers.

Major milestone during the year was successfully -- was the successful commencement of operations of our North Carolina facility, our first greenfield manufacturing facility in the United States for utility bedding. While this addition -- sorry with this addition, the total number of utility bedding manufacturing facilities in the United States has increased to 3, more than doubling our annual pillow manufacturing capacity from 13 million pillows to 31 million pillows and 1.5 million quilts per annum.

The greenfield facility is ramping up well, while our existing 2 U.S. utility bedding manufacturing facilities are currently operating at around 65% utilization. We are witnessing encouraging demand and believe that overall utilization levels of 60%, 65% across all 3 facilities is achievable going forward in FY27.

The brand business. Our U.S. brand business also witnessed strong traction during the year, supported by the relaunch of the 180-year-old American heritage brand, Wamsutta in the U.S. market. Additionally, during the year, we signed Tommy Hilfiger as a licensed brand partner for utility bedding products, taking our total licensed brand portfolio to 6.

We further expanded our product portfolio through a sourcing-led strategy across curtains, towels, bath rugs, blankets in addition to sheets, utility and fashion bedding. So, the seeds we sowed over the last few quarters are now beginning to yield visible results. New business revenues for FY26 stood at INR792 crores, supported by consistent sequential growth throughout the year. We expect this momentum to continue into FY27 as well.

For FY26, revenue from the new business segment stood at INR270 crores, which is approximately USD30 million. On an annualized basis, taking Q4 FY26 as the base quarter, we are operating at nearly 40% of our targeted new business revenue ambition of approximately USD275 million by 2028.

Third, scaling non-U.S. revenues. As a part of our strategy to further diversify core business revenues, we undertook several initiatives to strengthen our presence across non-U.S. markets. In FY26, non-U.S. core business revenues contributed approximately 30% of total core business revenues, with multiple FTAs now in place across several countries and the U.K. and EU in the pipeline, we expect stronger traction from these markets going forward and anticipate non-U.S. revenues to grow by 20% in FY27.

On the domestic front, our India business led by our brands, Boutique Clothing and Layers remained steady, contributing nearly 2.25% of revenues during FY26. We continue to deepen engagement with channel partners and strengthen our market presence in India to drive future growth opportunities. Our products are available at nearly 2,000 touch points in the country, enabling us to drive market share.

Summing up. Looking ahead, we believe demand visibility will improve gradually as the tariff overhang eases further, supported by the proposed U.S. trade agreement and other FTAs. We are already witnessing encouraging traction from the strategic investments undertaken over the last 2 years. Our strengthened global manufacturing and distribution capabilities, including the new U.S. facility are enhancing supply chain responsiveness, deepening customer confidence and positioning Indo Count as a preferred long-term sourcing partner for large global retailers.

From an operational standpoint, we have largely completed our planned growth investments, positioning the company to benefit from significant operating leverage opportunities going forward. We remain sharply focused on driving efficiencies, improving product mix, optimizing costs and increasing the share of value-added offerings. We are confident that these initiatives will support further margin expansion as volumes normalize and demand conditions strengthen.

Before discussing the outlook for FY27, I would like to highlight the significant achievement on the ESG front. Our S&P Global ESG score has increased substantially to 78 from 45 over the last 2 years, well above the industry average of 35. This places us amongst the top 3 percentile globally within the textile, apparel and luxury goods industry on ESG performance. This recognition reflects our continued focus on sustainable growth, responsible manufacturing practices and long-term value creation for all stakeholders, further reinforcing our leadership position in ESG.

Coming to FY27, the way forward. We believe FY27 will be a defining year for the company, not only in terms of stronger profitability, but also with meaningful improvement in volumes and margins. Simply put, we are on track to deliver a record year in FY27. We expect volumes to be in the range of 105 million to 110 million meters compared to 94 million meters achieved in FY26.

On the revenue front, we are targeting consolidated revenues of approximately INR5,500 crores, implying revenue growth of over 30% in FY27 compared to FY26. This translates into an incremental revenue addition of nearly INR1,300 crores in FY27, a record for Indo Count in its history. Of this, around approximately INR4,000 crores is expected to come from the core business, while approximately INR1,500 crores will be contributed by the new business.

The core business is expected to reach new highs, while the new business will remain on track to nearly double from the existing FY26 levels of INR792 crores. On the margin front, we are targeting EBITDA margin of around 13%, driven by disciplined execution, improving demand conditions, normalization of U.S. trade environment and revenue diversification opportunities arriving from a more level playing field in markets such as the U.K. and the EU, supported by long-standing customer relationships.

As margins gradually move towards normalized levels, higher volume throughput on a stable cost base is expected to further support margin expansion. FY27 will represent a phase of converting investments into growth momentum with accelerated scaling across businesses and continued progress towards our stated objective of doubling our revenues by 2028 over the FY25 base.

To conclude, over the last 2 years, we have proactively invested across capacity expansion, brand building and distribution, creating a strong platform for the company's next phase of growth. Going forward, our focus will increasingly be on optimizing asset utilization, enhancing operating leverage and strengthening cash flow generation.

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

Manish Bhatia: Good morning, everyone, and thank you for joining the Q4 and FY26 earnings call. I will first provide a brief overview of our performance, following which we will open the floor for questions. It is important to note that FY26 is not directly comparable to FY25 due to 2 key factors.

First, there was no impact of U.S. tariff situation in the base period. And second, revenue contribution from the new business commenced only from second half of FY25. Quarterly highlights for Q4 FY26. Sales volume for Q4 FY26 stood at 20.5 million meters due to elevated U.S. tariffs. Total income for Q4 FY26 stood at INR1,088 crores compared to INR1,074 crores in Q3 FY26, showcasing a steady performance and continued momentum in the new business, which helped offset weakness in the core business.

Total income grew by 6% on a year-on-year basis due to higher contribution from new business, favourable exchange rate and normalization of down trading scenario. EBITDA for Q4 FY26 stood at INR116 crores compared to INR102 crores in Q3 FY26, a growth of 14% quarter-on-quarter, driven by higher contribution from new businesses, both utility bidding and USA brand business and a favourable exchange rate. EBITDA grew 22% on Y-o-Y basis due to normalization of down trading scenario, improved realizations in the core business and favourable exchange rate.

EBITDA margin for the quarter was 10.7% versus 9.5% in Q3 FY26 and 9.3% in Q4 FY25. PAT for Q4 FY26 stood at INR24 crores, which is similar level to Q3 FY26 and growth of 15% versus Q4 FY25 PAT of INR21 crores. Flow-through to PAT remained relatively lower on account of higher interest and depreciation due to commencement of new U.S. manufacturing facilities.

I'll come to now yearly highlights for financial year FY26. Sales volume for FY26 stood at 94.1 million meters compared to 106.4 million meters due to volatile demand scenario pertaining to U.S. tariff.

Total income for FY26 stood at INR4,211 crores compared to INR4,191 crores in FY25, a steady performance despite of temporary weakness in the core business since our new business more than doubled as compared to FY25.

EBITDA for FY26 stood at INR461 crores compared to INR577 crores in FY25 due to incubation cost of new businesses, lower absorption of fixed costs and partly sharing of tariff on a case-to-case basis. EBITDA margin for the year stood at 11% versus 13.8% in FY25. PAT for FY26 stood at INR127 crores compared to INR250 crores in FY25. We expect stronger EBITDA to PAT conversion in FY27 with a target of 13% -- around 13% EBITDA margin in FY27. EPS for FY26 stood at INR6.4 per share.

Some other highlights related to net debt and working capital. Net debt as on 31st March 2026 stood at INR760 crores as compared to INR960 crores same period last year, a reduction of around INR200 crores.

Long-term debt as on 31st March 2026 stood at INR425 crores. Our working capital days remained stable at 121 days versus last year of 132 days. The Board of Directors has recommended final dividend of INR1.50 per equity share for the face value of INR2 each, subject to shareholders' approval. We have planned capex outlay of INR250 crores to be completed in the next 12 to 18 months, and this will be funded through a mix of internal accruals and debt.

With this, I open the floor for Q&A.

Moderator: The first question is from the line of Pritesh Chheda from Lucky Investment.

Pritesh Chheda: Sir, I have two questions. So, the first question is with respect to margin. Now we have 2 positives and 1 negative. So, 1 is lower tariff, higher INR as positive and higher cotton price as a negative. So how does this play out on margins over the next, let's say, 4 quarters and in that how does this play out on your debt, for whatever outstanding debt versus capex we have. So how should we look at this from FY'27? This is my first question.

Mohit Jain: So, I think on margins, all the moving parts, as you just mentioned, that's how we've guided 13%. Having said that, of course, in the last 30 to 60 days, we've seen every single raw material components, whether it's coal, gas, energy, raw material like cotton, cotton yarn, everything has gone up. So as any company, we would also have inventory in the pipeline, but we have to go and correct our pricing with our customer, which has happened multiple times before.

There could be some laggard effect. But keeping everything -- all of this in mind is what we've given the guidance for standing where we are today. As far as the debt is concerned, we have a long-term debt repayment of around between INR85 crores to INR90 crores every year right now for the next couple of years. So that will get repaid. Otherwise, the rest of the cash flow goes into some capex. We have announced a capex of INR250 crores, which will be funded by internal accruals, 75% and 25% by debt. And it goes to reducing our working capital.

Pritesh Chheda: And my second question is from your guidance, what -- so there is a substantial jump in the new business revenue, which is actually doubling. Maybe you want to call out some data points on why this confidence and on doubling on the base of INR800 crores, that would be very helpful.

Mohit Jain: We've been very transparent, and we are already at a run rate of almost INR1,100 crores as we speak. In our Q4, we've done INR270-odd crores. So, if you multiply that by 4, you'll get the run rate. So, keeping that in mind. And we've always said that our total target is $275 million, which is roughly INR2,500 crores. So, if we want to get there, we have to keep moving on the -- moving in the right direction. So, we have business visibility as we speak that is showing that. So that's how we've been able to give the guidance.

Moderator: Next question is from the line of Abhishek Shankar from ICICI Direct.

Abhishek Shankar: Congrats on a good set of results. My first question is on the -- just continuing on the EBITDA margins. Thanks for the guidance, though. But if we see the EBITDA margin you have guided for 13%. So going ahead FY27...

Moderator: Ladies and gentlemen, we have lost the connection for the current participant. So, we'll move on to the next question. We will take our next question from the line of Aman Agarwal from Carnelian Capital.

Aman Agarwal: Congrats on a good set of numbers. My first question was on the volume growth, which we have guided for FY27, right? So, we are estimating the revenue to go from somewhere around INR3,300 crores, INR3,400 crores on organic business from - to INR4,000 crores basically, right? So, what is giving us confidence?

Like I understand we are sitting on a low base and FY25, we were at similar kind of numbers. But given the fuel price increase and the inflation, do you see a risk of U.S. slowdown? And how do you see the confidence basically on these numbers?

Mohit Jain: We have seen that in the United States, which is our largest market, all retail customers have increased their retail prices and consumers have now accepted the current retail prices. So, retailers with current tariff situation are willing to make decisions of buying inventory, goods are selling. So that's how -- that gives us the confidence of giving this guidance.

Aman Agarwal: Okay. And now coming to the margin piece, like can you speak on the new utility business we have like for the 2 old plants which we acquired, like have we reached EBITDA breakeven and like on the greenfield facility we commenced in Q4, like when can we target EBITDA breakeven on that facility basically?

Mohit Jain: So now we are not looking at utility bedding as facility-wise. I mean, because we were ramping up, that's how we were giving the breakup as to which facility is doing how much. Going forward, it is a cumulative utilization level.

So, we are looking at doing 60%, 65% utilization in the coming year, which is a substantial jump from last year because the last year, which is FY26, we only had 13 million units of pillow manufacturing specifically. Now we are going to 31 million pillows. So, of 31 million, we are saying we'll do 60%, 65%. At that number, we are EBITDA positive.

Aman Agarwal: So, we will reach EBITDA breakeven in FY27 basically, right or that...

Mohit Jain: EBITDA positive, yes. So, there's no overhang of what we have mentioned in the previous years that we have taken a brunt of 150 to 200 basis points to launch these new businesses. So that will get over from Q1 onwards.

Aman Agarwal: Understood, sir. But sir, on this margin, like earlier, we used to do 15%, 16% kind of margins like on a sustainable basis. So, like when we are guiding for this 13% margins now that tariffs are mostly behind and the drag from this brand business, which we were trying to build is also mostly gone. So why are you seeing only 13% margins and not reversal back to something like 15%, which we used to do earlier?

Mohit Jain: Sure. So that's a good point. I mean, so from our core business, we expect to do around 15%. And as we are ramping up our new business, then our target is to get to overall 15% levels, if not higher. But -- so in the guidance that we've given, we have kept our core business at roughly 15%. And the new business yet -- earlier it was a drag on the -- it was a negative margin, but now it's turning to be EBITDA positive. So, it will take some time to keep adding. So, it's only going to start adding now. It's not a subtraction, which it was last year.

Aman Agarwal: Just to understand from a point of view like the end-run rate for FY27, like Q4 FY27 should be higher than 13% margins basically, right? Because the margins will gradually improve in the new business and as it start contributing better margins, then the overall margins can actually improve from what we are guiding?

Mohit Jain: We would not be -- I mean, very difficult to comment on that at this point of time.

Aman Agarwal: Okay. Got it. My final question, sir, was on the FY28 target, which we have reaffirmed in the presentation in that we expect to be 2x the revenue compared to FY25. So, we were sitting at around INR4,000 crores kind of revenue in '25. So that implies INR8,000 crores kind of revenue in '28 basically, right? And since we are guiding for INR5,500 crores kind of revenue in FY27, so in FY28, we are expecting 40%, 45% kind of revenue growth. So, is it achievable or like that might be a bit overstressed basically?

Mohit Jain: So, we've been clear from day 1, if you see we are seeing 2028, we'll get to that run rate. So that's the idea. So, it's not '27, '28 financial year. So, by 2028, we should be at that run rate. So, we are just holding on to that number yet. And even keeping in mind that we've had a blip year, which is '25, '26, yet we are maintaining our guidance.

Aman Agarwal: Right. So mostly like FY28, '29, we should be meeting this target basically?

Mohit Jain: I've explained to you. I cannot explain more than this, Aman.

Moderator: We will take our next question from the line of Abhishek Shankar from ICICI Direct.

Abhishek Shankar: I'm sorry, my line got cut. So, I have 2 bookkeeping questions. So, the first question is in your Slide number 15, you have mentioned revenues of INR3,419 crores. So, I just wanted to know what's the split of this basically?

Mohit Jain: This is a core business. So, if you do INR3,419 crores and add it to INR792 crores, you get to total revenue, hopefully.

Abhishek Shankar: Yes. So that I understand. So, in that INR3,419 crores, if I am calculating it correctly, it is stand-alone plus what is the difference? Where is it coming from?

Mohit Jain: Let's say, our bed sheet business, which we are selling in the U.S. or U.K. or any of our subsidiaries, the UAE, that gets warehoused there and then sold. So, all of that is part of the core business. And if you see on the right side, we've explained it also.

Abhishek Shankar: Okay, okay. Great sir, yes and my second question is basic bookkeeping question and what tax rate should we assume going ahead?

K. Muralidharan : 25% is the tax rate. So, you should assume that...

Moderator: Next question is from the line Vansh Solanki of RSPN Ventures.

Vansh Solanki: So, my question is on the Q4 volume side that the Q4 volumes were drastically reduced from around 24 million, 25 million range to 20 million. So, I understand the U.S. tariff was there, but it was in the previous quarters also. So, like there was any delay in orders some kind of thing or like why this happened because the U.S. tariff was in full year, not just in quarter 4?

Mohit Jain: So, Vansh, when we get orders 60 days at least in advance, roughly, so all our customers that were placing orders were keeping 50% U.S. tariff in mind. So, keeping 50% for India. That's where we saw a drop in the business and the volatility. It's only in February that towards the end of February, it became 10%, and that's where clarity came in. And that's how we are seeing business come back to normal levels and product mix come back to normal levels.

Vansh Solanki: Okay. So, what I understood is that customers have placed orders in the quarter 3, which you have delivered in quarter 4. But in the quarter 3, the U.S. tariff was hyped, and that's why the customer hasn't placed the order. Is my understanding correct?

Mohit Jain: Yes. Even in January, it was 50%. It was only in mid-February that it started coming down.

Vansh Solanki: Okay. Okay. That makes -- understanding level. And also, you have guided for 13% EBITDA margin. So, this margin is with other income or without other income?

Mohit Jain: With other income. All our margin guidance and EBITDA, just the way we are presenting our numbers.

Vansh Solanki: Okay. But in this quarter 4, the other income is like drastically increased to INR30 crores. So, is there any one-off or forex implementation or what ?

Mohit Jain: It's more forex accounting. It's all part of business income. So certain hedges get accounted in sales and certain hedges, which are not hedged come in other income, but it's all part of revenue. So, there's no “Other-other income”. It's all related to the business.

Vansh Solanki: Okay. And do you see the other income will be sustained by INR25 crores, INR40 crores

Mohit Jain: It all depends on our hedge rate and what the forex rates are. As far as you are concerned, you should look at the total revenue.

Moderator: Vansh, does that answer your question?

Vansh Solanki: Yes.

Moderator: We will take our next question from the line of Kanan Sonpal from Capri Global Capital.

Riken Gopani: This is Riken Gopani from Capri Family Office. I have 2 questions. Firstly, sir, if you could help me understand a little bit about the U.S. demand scenario. While you have given an encouraging guidance of 16% growth in the core business, is it driven to some extent by inventory restocking in U.S.? Or if you could give some colour on the reasons why you think there could be reasonably good growth given all the current scenario that you are seeing in the U.S.

Mohit Jain: Sure. Riken, right, you sir?

Riken Gopani: Yes, Riken here.

Mohit Jain: So, in the U.S., it's interesting. Despite the inflationary pressure, we have not observed any material impact on the demand scenario. In fact, with the U.S. tariff overhang settling down, we believe that the trade environment is improving in FY27. So, keeping that in mind, we're expecting normalization of our core business revenue and volume on account of better demand scenario.

Riken Gopani: Okay. And are the -- just a follow-up here. So, are the end customers also restocking? Are they at normalized inventory levels? Or where are they in their cycle?

Mohit Jain: No. So, there's no restocking that is happening. So, retailers have increased their prices, as I mentioned, and customers are buying at that price. So, the sales flow is at normalized levels.

Riken Gopani: Got it. That is quite helpful. And the second question is with regards to margins. Of course, there are certain headwinds which you did allude related to raw materials because of the current scenario. If you could specifically call out as to what is the kind of impact that is having on the operating performance today?

Mohit Jain: We would not be able to give you any specific number. But as we are all aware, globally, there's not a single input cost that hasn't gone up, whether it's polyester yarns, polyester fibre, cotton, cotton yarns, dyes and chemicals, oil, gas. So, it's packaging material. So, everything is -- so we are factoring in all this, and we will have to reprice our contracts with our customers, which we are in the process of doing. And we should be able -- we should be fine.

Riken Gopani: And the tailwind for us in terms of margins moving from 11% to 13%, apart from currency and operating leverage as we sort of grow the new business, are there any other tailwinds that you would want to call out?

Mohit Jain: I think also what we are seeing is better utilization of our U.S. assets. And also, we are in a normalized non-tariff environment-- I mean, regularized tariff environment, let's say. So as long as India is at a similar tariff to all other countries globally, then we are fine. We are okay to compete. How do you compete when your tariff is 50% and your other competitors at 20%, right? So even in an environment like that, we have kept every single customer and every single program within that customer for the company.

Moderator: We take our next question from the line of Bhavika Singhvi.

Bhavika Singhvi: There has been an impact on the raw material side. If we talk about the cotton here, tell us how you -- what's the mix of the sourcing from domestically and how much we import because recently, there has been news that government has waived import duty on cotton. So how is going to benefit Indo Count in terms of margin improvement in on?

Manish Bhatia: Bhavika, so for Indo Count, we mentioned before also around 30% of our raw material, which is cotton gets imported. So, we use Egyptian cotton, American cotton predominantly, which comes from overseas. 70% is sourced domestically. The cotton that we buy as a company more or less is what we call long staple or extra-long staple cotton, which was anyway -- which has always been exempted in India from duty because it's 32 millimetre in length and above.

The recent notification that has come out on Friday, Saturday will put India on a global level playing field as far as raw material prices is concerned. So, it basically makes Indian cotton competitive. Otherwise, when you have an 11% tariff or duty on imported raw material, then the Indian vendors can price the product accordingly in terms of raw material. So, this will allow all companies in India to compete in a better manner. So, it will help us also.

Bhavika Singhvi: And second question is on the current scenario as we see that there is a lot of demand opportunities are created like globally for the textile sector. So do you see like the situation also exists in the U.S. where, as you already mentioned that there has been demand in the scenario. But is the demand is above the average demand like the buying have increased in U.S. or it's just a normal thing.

Mohit Jain: No, the U.S. demand, if I remove the tariff here, which was -- I mean, if that one blip or speed bump, were we remove then it's a normal demand.

Moderator: Next question is from the line of Aman Agarwal from Carnelian Capital.

Aman Agarwal: Just one more question. It was on Wamsutta, like can you talk a bit on how that brand is doing? Like if you can share any numbers, like how is the monthly revenue run rate from Wamsutta? How do we expect Wamsutta basically ramp up in FY27 and going forward?

Mohit Jain: So as far as Wamsutta is concerned is revenues are ramping up gradually. We began sales in only Q2 FY26 and have steadily added more categories to expand the portfolio other than just bed linen. At this point of time, revenues are yet small, and we'll be able to share more colour in the coming quarters. But it's an important brand for us, and we are moving in the right direction.

Moderator: Next question is from the line of Shirish Pardeshi from Motilal Oswal.

Shirish Pardeshi: Sir, I have 2 questions. With the 3 capacities in the U.S., what percentage of U.S. business is catered from these 3 facilities? Because the utilization level is also ramping up. So, I think you have given about 31 million pillows and 1.5 million quilt. But I was just more interested how is this business is catering locally?

Mohit Jain: So, Shirish, just to give clarification, the products that we are manufacturing in the U.S. are basically sleeping pillows and quilts. So those are not products that we are manufacturing in our India facility. So, these are -- you need to have U.S. manufacturing and multiple points of distribution with being a bulky product.

So, this complements our current product because we -- our customers are predominantly customers that we already sell to, for example, who we sell fashion bedding, bed linen, bed sheets to. So, this is an addition of a product category for us as a company. And this product category, what we refer to as utility bedding is in terms of retail sales as big a category as our bed sheet business in the United States.

Shirish Pardeshi: So, within the U.S. business, what percentage of this revenue forms?

Mohit Jain: Within our -- I'm not able to follow your question.

Shirish Pardeshi: So, in the U.S. business, I mean, you are saying that INR792 crores is the new business. So, in the new business, what is the percentage of this business? And if INR1,500 crores, what will be the contribution of this business?

Mohit Jain: It's 2/3, 1/3. 2/3 is coming from utility bedding of the new business and 1/3 is coming from brands.

Shirish Pardeshi: So, if I understand correctly, the scale-up and volume as goes up, you will have a strong operating leverage in terms of volume leverage.

Mohit Jain: That's why we will break even and get EBITDA positive.

Shirish Pardeshi: Okay. And how this business will scale up over the next 2, 3 years? And what is the path through margin story?

Mohit Jain: So, our expectation in the utility bedding segment is to do a 15% margin. And on the brand business, we expect to do 1% to 2% higher than 15%. Our total targeted revenue from this category is approximately INR2,500-odd crores, $275 million.

Shirish Pardeshi: Okay. My second and last question, out of 6 brands like Wamsutta, Tommy Hilfiger, what we have got just now, what is this business overall in terms of export or maybe to the overall business? And within this, which are the brands? I mean, I can understand Wamsutta is a very strong brand, but it's more of a middle or mass segment. So, I was more keen to build up what is the number or what is -- how these brands within these businesses are growing?

Mohit Jain: Sure. So, I'll give you some clarifications for you and for everyone. So, when we say in our new business, our brand business, our brand business consists of 4 brands. The first one is Fieldcrest, which is again a very old heritage brand in the home textile space for many, many years, over 100 years. Our second brand is called Waverly.

Our third brand is GAIAM, which is a health and wellness brand. And the fourth brand is Wamsutta, which is positioned as a luxury brand, affordable luxury brand, I would say. So, it's not on the middle level. It's at the highest level of every retailer, you can say.

So, these are the 4 brands that when we are giving you information or sharing data, when we say our brand business out of our new business is amongst these 4 brands. In the current year that has gone by, we have done INR792 crores roughly of revenue, out of which you can take 1/3 would have come from these 4 brands. So that's roughly around INR250-odd crores, which we expect to grow to INR500 crores. The other 2 brands are Beauty Rest and Tommy Hilfiger, which are specific to the utility bedding business, which is pillows, quilts, mattress pad. And those we count within our utility bedding revenue, just for clarification.

Overall, as a company, our branded business is 20% of our revenue overall. So that means we have some home brands, we have online brands that we are selling that are owned by Indo Count. So, all of that plus these new brands, all put together is 20%.

Shirish Pardeshi: That's helpful. Just last, if I can squeeze in. Can you share something about the margin part also?

Mohit Jain: So as far as the new brands are concerned, which are the 4 brands, there we are selling a complete lifestyle of soft home textiles. That includes bed linen, fashion bedding, utility, towels, bath rugs, curtains, window, blankets. So there, we expect to do 100 to 200 basis points better margin than our core margin of, let's say, our targeted 15%.

Moderator: We will take our next question from the line of Palash Kawale from Nuvama Wealth.

Palash Kawale: Sir, my question is on realization. Sorry if I missed this. The realizations have increased by a lot this quarter. So, is this sustainable? And what led to this jump?

Mohit Jain: Sure. So, what we've seen in quarter 4 is we've seen some forex gains come in due to currency movement as well as product mix in Q4 has been slightly more on the favourable side. Having said that, what we are seeing is, if you remember in Q4 of FY25, we had said that customers have started down trading. So, volumes are going up, but more opening price point products are going.

So, we are seeing a movement to normalization of our product mix. So, you will see that in coming quarters also. I think from a realization standpoint, if you look at our full year realization, I think that should give you a better perspective going forward for now. But we are seeing a normalization of product mix, which for the last quarters before that was on the downward side.

Palash Kawale: Okay. And sir, do you think with this U.S. business, like historically, home textile business has been very volatile. But with contribution from this U.S. business increasing, the volatility would go down going forward? Is that the right understanding from my side?

Mohit Jain: I think the way we look at it is we are building different pillars for the company. So, one pillar is our India manufacturing, which is shipping to 54 countries. I think with FTAs happening, whether it's Japan, Australia, New Zealand now, Middle East, U.K., EU. So, I think it puts all of us in India on the manufacturing side at a very, very strong footing when we go and pitch our products. Then is our utility bedding business, which becomes another big vertical for us. And the third is our brand business. So, I think when -- earlier, we were focused on one core activity, now we have 3. So, when we are firing on 3 levels, hopefully, things should stabilize better. And as all of them mature, then there is more manoeuvrability.

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

Raman: I just have one question on the raw material side. So, with the elevated raw material prices as of now, whether it be cotton or in terms of production like gas and stuff like that, how long will it take us to pass on the prices? And will there be a price margin pressure in the Q1?

Mohit Jain: So, Raman, normally, it would -- I mean, of course, in a scenario like now, I mean, because people would act very quickly because this is not a normal scenario. So, it should take us within a quarter, we should be able to pass them on. And we also have raw material at the back and the supply chain inventory. So, I think overall, within the year, we should be fine. That's what we estimate.

Raman: And sir, with the domestic cotton prices increasing, can we expect the share of imported cotton as a percentage of raw material to increase further from the current 30% in order for you to maintain your raw materials, cotton prices stability for the business?

Mohit Jain: Sure. So, the kind of raw material that we are importing as a company, 90% is more specialized very high-end cottons, which is Egyptian and American cotton, a particular type of American cotton. I think it will remain at 30%. We don't see any much big change.

Raman: Understood, sir. Sir, just another bookkeeping question. What does other income include? Does it include the forex gain in the other income?

Manish Bhatia: Yes, it includes foreign exchange gain and some other bit of investment income also. Foreign exchange income is more or less part of our revenue.

Moderator: Next question is from the line of Subrata Sarkar from Mount Infra.

Subrata Sarkar: Sir, can you guide us about the incremental working capital that we will be requiring because of capex and what is the result on the interest income?

Mohit Jain: Our working capital days is 120 days.

Subrata Sarkar: Yes. So, this incremental revenue which will come for that, we will have the same kind of working days incremental working capital that's required.

Mohit Jain: For now, you can consider that.

Subrata Sarkar: Okay. And sir, any accordingly update on the interest -- incremental interest out go that we need to do?

Manish Bhatia: See, we don't see any major change in our interest profile. though with -- globally, if interest rate goes up, there are certain loans which are linked with the floating rate that might have some impact. But as of today, we don't see there is any major impact on that.

Subrata Sarkar: Sir, is there any change in the tax rate that we can anticipate, sir?

Manish Bhatia: No, we don't see any change in tax rate.

Subrata Sarkar: Okay. Effective taxes will be same, sir?

Manish Bhatia: Yes.

Moderator: Next question is from the line of Hemant Soni an individual investor.

Hemant Soni: Just wanted ask one thing, we are doubling our revenues in the next 2 years for FY26-27. So, sir, this feels difficult how confident are we sir, in that?

Mohit Jain: Hemant, what we've said is that we'll double our revenue by 2028. So somewhere in 2028, we'll reach to the INR8,000 crores roughly run rate. It's not '27, '28 to be clear.

Hemant Soni: Okay. So, you're talking about the calendar year 2028

Mohit Jain: Somewhere in the calendar year, we expect that we should be able to be at that run rate of revenue.

Hemant Soni: And sir, one more thing I wanted to ask is the tariff has now reduced to 10% I think from the second half of the last quarter. So -- and the demand has also picked up is it fair to assume that Q1 should be better than Q4?

Mohit Jain: We would not be able to comment like this on a quarterly basis, Hemant.

Moderator: Thank you. Ladies and gentlemen, that was the last question for today. I now hand the conference over to Mr. Mohit Jain for closing comments. Over to you, sir.

Mohit Jain: Thank you. 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 Relations advisors. Thank you once again for the continued interest and support. We look forward to connecting with you on our next call.

Moderator: Thank you very much. On behalf of Indo Count Industries Limited, that concludes this conference. Thank you all for joining us today, and you may now disconnect your lines.