

November 21, 2025

BSE Limited Department of Corporate Services Phiroze Jeejeebhoy Towers Dalal Street Mumbai 400 001 Scrip Code: 532684	National Stock Exchange of India Limited Listing Department Exchange Plaza Bandra-Kurla Complex Bandra (East), Mumbai 400 051 NSE Symbol: EKC NSE Series: EQ
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Dear Sir(s),

Sub: Transcript of Earning Group Conference Call pertaining to the Financial Results for the quarter and six months ended September 30, 2025.

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Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we enclose herewith the transcript of the Earning Group Conference Call held on November 18, 2025 for discussion on the Unaudited Financial Results (Standalone and Consolidated) of the Company for the quarter and six months ended September 30, 2025. The same is also uploaded on the website of the Company.

This is for your information and record.

Thanking you,

Yours faithfully,

For Everest Kanto Cylinder Limited

Vishal Totla  
Company Secretary and Compliance Officer

Encl.

## EVEREST KANTO CYLINDER LIMITED

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of High Pressure  
Seamless  
Gas Cylinders**

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## Everest Kanto Cylinder Limited

### Q2 FY26 Conference Call Transcript

November 18, 2025

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**Moderator:** Ladies and gentlemen, good day, and welcome to the earnings conference call of Everest Kanto Cylinder Limited.

I now hand the conference over to Mr. Mitesh Jain from CDR India. Thank you, and over to you, sir.

**Mitesh Jain:** Thank you. Good evening, everyone, and thank you for joining us on Everest Kanto Cylinder's Q2 FY26 Earnings Conference Call. We have with us today, Mr. Puneet Khurana, Managing Director; and Mr. Sanjiv Kapur, Chief Financial Officer of the company.

We will initiate the call with opening remarks from the management, following which we will have the forum open for a question-and-answer session. Before we begin, I would like to state that some statements made in today's call may be forward-looking in nature and a disclaimer to this effect has been included in the results presentation shared with you all earlier.

I would now request Mr. Puneet Khurana to make his opening remarks. Over to you, Mr. Khurana.

**Puneet Khurana:** Good evening, everyone, and thank you for joining our earnings call. I will begin by sharing our overview of performance for the quarter followed by the Q&A session.

In Q2 FY26, we delivered a steady performance. Consolidated revenue stood at ₹ 360.4 crores, and EBITDA was at ₹ 42.9 crores, translating to a margin of 11.9%. PAT for the quarter was ₹ 13.7 crores. On a standalone basis, revenue stood at

₹ 232.4 crores, and the margin improved to 11.2% compared with 9.3% the same period last year.

During the quarter, the CNG segment in India was impacted by GST transition in the end-user automotive industry, which led to a short-term softness in the volumes. This has since normalized, and the underlying domestic demand environment in the segment remains supportive. Our Industrial segment continues to perform in line with expectations.

In our international operations, the US business reflected the order-driven nature of the market. While dispatches were lower during the quarter, performance for the first half remains healthy. Margins in the region were affected by higher operating costs, and we have been investing in strengthening our teams and capabilities to support business scale-up. Overall, the outlook for the US remains strong, with the order book providing healthy visibility for the second half of FY26. Our operations in the Middle East also recorded early signs of improvement during the quarter.

On the expansion front, we are making steady progress on new facilities in Mundra and Egypt. The Egypt plant is preparing to begin trial production shortly and the work at Mundra continues to be at advance as planned. Both facilities remain on schedule and will significantly enhance our manufacturing capabilities in the coming year, enabling us to serve a wider range of domestic and international opportunities.

With growing opportunities across clean energy and industrial applications, coupled with great visibility in our order pipeline, we remain confident about our future growth perspectives. Our focus remains on operational excellence, capability development, and supporting customer across geographies, as we build for the next phase of growth for EKC.

With that, I conclude my opening remarks and request the moderator to open the floor for questions.

**Moderator:** Thank you very much sir. We will now begin the question-and-answer session. First question is from the line of Ashit R. Kothi and Individual Investor. Please go ahead.

**Ashit R. Kothi:** Sir, just would want to understand more on hydrogen. I mean, say, the next major fuel, which is being considered as in hydrogen. How are we based on that? And if EV vehicles are going to take a centre stage, in that scenario, where does our CNG business would stand.

**Puneet Khurana:** Hydrogen development in India has already started. Government is giving a lot of push on hydrogen. We have projects from companies like IOCL and HPCL. There are some projects going on in hydrogen and definitely, it will be coming as a mobility fuel in the future. But this future will take time because the entire ecosystem needs to be set up, and all the stakeholders need to come together. So it is looking positive, but it is early days for hydrogen now today.

**Ashit R. Kothi:** We do not expect anything much happening on that front for next couple of years?

**Puneet Khurana:** Yes. But it is looking good, and hydrogen will be complementary to us. The faster it comes better because, again, hydrogen storage is at very high pressure and cylinders are required there. Definitely a very positive thing for us is the faster it comes.

**Ashit R. Kothi:** In this case, what will be our growth drivers for the next couple of years?

**Puneet Khurana:** Our growth driver is CNG which continues to be a growth driver, plus Industrial business also is growing. Many new applications for industrial gases are coming up. We are seeing many new avenues is growing, defence sector is growing. So there is lots of avenues that we see the future of growth.

**Ashit R. Kothi:** Any specific area where you would be concentrating, sir?

**Puneet Khurana:** I mean, we are concentrating on CNG and industrial. We are concentrating both on these sectors because they are growing. Definitely, we continue to focus on these sectors.

**Moderator:** Thank you. Next question is from the line of Garvita Jain from Seven Islands PMS. Please go ahead.

**Garvita Jain:** I have a few questions. One of them is, could you give a rationale why is the gross margin falling this quarter compared to last quarter?

**Puneet Khurana:** The CNG bit of the business was a little down. So that is where the volumes have dropped.

**Garvita Jain:** Okay. And sustainable would be for the year?

**Puneet Khurana:** Yes, definitely, it will pick up. It is picking up as we speak. So it will definitely improve.

**Garvita Jain:** Any margin guidance can you give me, sir?

**Puneet Khurana:** The margin guidance would be 12% to 14%.

**Garvita Jain:** That will be the EBITDA margin, right?

**Puneet Khurana:** Yes.

**Garvita Jain:** And sir, could you give me guidance for the revenue also top line and volume guidance?

**Puneet Khurana:** Revenue. I think revenue should be okay as you look at it over the period of the whole entire year. I think it should be okay as for what we have targeted.

**Garvita Jain:** That would be how much, sir?

**Puneet Khurana:** ₹ 900 crores to ₹ 1,000 crores in standalone.

**Garvita Jain:** Could you highlight a little bit on the 2 plants expansion, how far we have come on those and how much capex we have already recurring? How much is planned to be incurred for both plants? And by when, are we expecting the commercialization of Egypt and Mundra plant?

**Puneet Khurana:** Mundra, we have spent around ₹ 130 crores, and we have a balance of ₹ 30 crores. And Egypt, we have spent around ₹ 86 crores, and the balance is around ₹ 40 crores.

**Garvita Jain:** By when are we expecting the commercialization of the plants?

**Puneet Khurana:** Egypt will be happening very soon, maybe by January.

**Garvita Jain:** Okay January 2026. And the Mundra plant?

**Puneet Khurana:** Maybe by March.

**Garvita Jain:** Okay. And we have positive outlook for the coming 2 years, right?

**Puneet Khurana:** Yes. Of course, yes.

**Garvita Jain:** A major growth driver, if you can name, I understand hydrogen is one of the markets we are looking at. What else is going to be the major driver for is, sir?

**Puneet Khurana:** I think the CNG segment continues to grow. And in the industrial gases, there are a lot of new segments coming up like semiconductor and other things. Definitely, there is going to be growth coming from those areas, solar, semiconductor.

**Moderator:** Thank you. Next question is from the line of Reet Jain from First Water Global. Please proceed.

**Reet Jain:** Good afternoon, sir. I want to know what is the order book for U.S.A. subsidiary? And the execution time?

**Puneet Khurana:** U.S.A. is around \$80 million. And the execution time is 12-18 months.

**Reet Jain:** And any update on the GST case that was there last year?

**Puneet Khurana:** Yes, we made some representations to the government. Yes and we are hoping for some positive replies from them soon.

**Reet Jain:** But any timeline like when it will be resolved?

**Puneet Khurana:** Yes. I mean the is very difficult to put a timeline on these things. But we are quite confident we have a strong case, we are, hopefully, things should be okay.

**Reet Jain:** Because I read somewhere that not only you, but other players have also received the GST order?

**Puneet Khurana:** Of course, they will, yes. Everybody will who has in the industry will receive it.

**Reet Jain:** Okay. And in the start of the call, you said that you are doing something in defence. So can you just explain the opportunity? I mean, what exactly we are making there?

**Puneet Khurana:** We have been catering to defence sector since a long time, and a lot of projects are within the pipeline. I am not able to share those details, but just to let you know that it is looking positive for us, that segment.

**Reet Jain:** Sir, do we have orders for them?

**Puneet Khurana:** We have orders for that.

**Reet Jain:** And sir, I mean, are there any competitors for the defence in our segment?

**Puneet Khurana:** Of course, there are competitors in every sector. But in some areas, maybe there is no competition in some areas, there might be competitors.

**Reet Jain:** Okay. Because I am asking this because to enter into defence, there is a long gestation period.

**Puneet Khurana:** Yes. That is true.

**Reet Jain:** And one more thing, your employee costs rose from ₹ 36 crores in the same quarter previous year to ₹ 43 crores now. Can you just comment on that, why the increase?

**Puneet Khurana:** The other thing is that, of course, as we expand into new product line plus increment, so all these things have probably given this rise.

**Moderator:** Thank you. Next question is from the line of Vidhi Shah from C R Kothari & Sons Stock Broking. Please proceed.

**Vidhi Shah:** For standalone business currently, may I know what is your utilization rate?

**Puneet Khurana:** 70%.

**Vidhi Shah:** Okay. And currently, we are doing 70%, ₹ 948 crores of revenue. Is this a peak utilization that we can expect? Or can we expect this to go up utilization?

**Puneet Khurana:** It can definitely go up. It is only 70%. So at least, I think 20%, we can go up.

**Vidhi Shah:** Okay. So, there is scope for increasing from current to further 80% potentially?

**Puneet Khurana:** Yes.

**Vidhi Shah:** Okay. And sir, from the UAE plant, what is the current outlook since in the past, it was not doing well. So, what is the future outlook?

**Puneet Khurana:** The UAE now, the order book is improving slowly. Hopefully, the coming quarters, the things should be better.

**Vidhi Shah:** And how are the margins shaping up there?

**Puneet Khurana:** They will improve. And once the order book is there, then Dubai margins have always been decent because, of course, they do not have a tax also there. So there is definitely better margins. But once the order book is good, then the margins will be better.

**Vidhi Shah:** And what is the current order book, if I may know?

**Puneet Khurana:** Yes. Sorry, you asked the UAE?

**Vidhi Shah:** For all the locations.

**Puneet Khurana:** All the locations. You can say about Rs. 1,000 crore.

**Vidhi Shah:** Is this executable over the next 1 year?

**Puneet Khurana:** Yes.

**Vidhi Shah:** And sir, just one last question. I missed on the earlier participant, you said Mundra, how much balance capex is left out of ₹ 130 crore that is spent?

**Puneet Khurana:** ₹ 30 crores

**Vidhi Shah:** Okay. And both these plants, Mundra and Egypt, what is the total revenue contribution you are expecting?

**Puneet Khurana:** We are working on it. Probably in the coming quarters, I think it will be clear.

**Vidhi Shah:** Because earlier you had mentioned ₹100 crores from the Egypt plant and ₹ 200 crores for the Mundra plant?

**Puneet Khurana:** Yes.

**Moderator:** Thank you. Next question is from the line of Rakesh Patidar who is an Individual Investor. Please go ahead.

**Rakesh Patidar:** Sir, Reliance recently capex besides like ₹ 65,000 crores for the green energy. So recently, we got any order from Reliance?

**Puneet Khurana:** We are catering to the Reliance, their geo platform for the CNG stations. we are only supplying cascades to them, but their plan on green energy might be hydrogen production and things like that. We are not doing anything there.

**Rakesh Patidar:** And this last quarter, have you added any new client logo in our revenue?

**Puneet Khurana:** We are always entering new clients, maybe in industrial, definitely, there might be a few clients that have been added.

**Rakesh Patidar:** Okay. For particular this quarter, how much in you expect like overall revenue? We are doing well or under the performance for this quarter?

**Puneet Khurana:** It is still underway. Quarter is too early to give you some numbers, but it is in line with what we are targeting.



**Moderator:** Thank you. Next question is from the line of Vivek Gupta, an Individual Investor. Please go ahead.

**Vivek Gupta:** I had a question regarding the GST issue. What is the status? Has it been resolved? Or what is the way forward?

**Puneet Khurana:** No, it is still going on. We have made representations to the government, and we have a case in High Court also. Hopefully, we are quite positive that things should be in our favour because already government has just announced revision of the GST reforms. So we are hopeful that things should be positive.

**Vivek Gupta:** And is this for the entire industry?

**Puneet Khurana:** The entire industry.

**Vivek Gupta:** The same demands have been made to other players also?

**Puneet Khurana:** Yes.

**Moderator:** Thank you. Next follow-up question is from the line of Ashit R. Kothi an Individual Investor. Please go ahead.

**Ashit R. Kothi:** Sir, with regards to hydrogen cylinder, basically, it has been of a type 5 or type 6 and whether we have got an approval for the same? Or we are still in the process?

**Puneet Khurana:** Hydrogen, it all depends on where are you using the cylinders. So it is very specific to where the application is in mobility or is it on the ground storage? It is subject to the application.

**Ashit R. Kothi:** Yes, I understand. So what would be our focus area in that?

**Puneet Khurana:** So definitely, we will go across all product lines in hydrogen once it starts coming up. We will definitely look at all our products all across from mobility to ground storage to everything.

**Ashit R. Kothi:** And even in terms of shipping also, I mean, say, either importing or exporting hydrogen?

**Puneet Khurana:** Yes, that is probably the different product and different industrial altogether. It is different. We are only looking at mobility and hydrogen transportation within the country.

**Ashit R. Kothi:** And sir, how exactly you plan to take care of your working capital requirements once your plans are operational?

**Puneet Khurana:** I think we have adequate limits.

**Ashit R. Kothi:** You mean to say that there will not be any pressure on the margin with respect to increasing in interest?

**Puneet Khurana:** No, there should not be any pressure on margin.

**Moderator:** Thank you. Next question is from the line of Bhavin Salot, an Individual Investor. Please proceed.

**Bhavin Salot:** Sir, I would like to know about the interest and the penalty, which we pay of ₹ 11 crores for this quarter. Can you throw some light? Why was that? And will that happen again or not?

**Sanjiv Kapur:** This was on account of our not completing net foreign exchange earnings in our plant at - Kasez, which is in SEZ. This was based on a 5-year assessment. In fact, we were awaiting some amendments to this. However, it did not materialize. Therefore, we had to pay a little penalty since we were short on the net foreign exchange earnings.

**Bhavin Salot:** But will this happen again? Or is this a onetime effect?

**Sanjiv Kapur:** No, it may be possible, but we are represented to the government to take us out of the SEZ. It will be, again, reassessed after 5 years. So - you have ample time to either export or get an amendment in the rules.

**Bhavin Salot:** But is there any chance of this getting waived off.

**Sanjiv Kapur:** This does not get waived off. This is already passed as an order. In future, yes, there may be a representation, which may sort of get us the benefit of future.

**Bhavin Salot:** And one last question. Sir, are we supplying cylinders to Maruti?

**Sanjiv Kapur:** No, we are not supplying.

**Bhavin Salot:** Okay.

**Moderator:** Thank you. Next follow-up question is from the line of Vidhi Shah from C R Kothari & Sons Stock Broking. Please go ahead.

**Vidhi Shah:** Sir, I wanted to know about the order book for US specifically?

**Puneet Khurana:** Yes. It is \$80 million order book in the U.S.

**Vidhi Shah:** And the ₹ 1,000 crore that you mentioned, that is for India alone?

**Puneet Khurana:** No, that is just a combined number.

**Vidhi Shah:** And may I know what is the reason for the current drop in margins from 16% last quarter to 12% now?

**Puneet Khurana:** I think it is just a product mix. That is probably what the dropped in margins.

**Vidhi Shah:** Which are the higher-margin products versus the lower margin ones?

**Puneet Khurana:** There are margins in Industrial and CNG, but we had a product, a lot of products that were less margin because we had a drop in some of the high-value products.

**Vidhi Shah:** Understood. So these new plants, Mundra and Egypt, so they cater to the high-margin industrial and CNG cylinders or the lower margin ones. So like the margins will improve with these plants or it will be in line with what it is currently?

**Puneet Khurana:** The CNG and it is a mix of products. You have your products for cars, and you have products for commercial vehicles. Sometimes maybe the passenger car products are not so high margin, and maybe some higher-margin products might be in other segments. There will be a mix and it will not be just specific only to high end.

**Moderator:** Thank you. As there are no further questions from the participants, I now hand the conference over to the management for the closing comments.

**Puneet Khurana:** Thank you once again for your interest and support. Should you need any further clarification or would like to know more about the company. Please contact CDR India. Thank you.

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*Disclaimer: The transcript has been edited for clarity and accuracy. The Company takes no responsibility for such errors, although an effort has been made to ensure a high level of accuracy.*