EVEREST
KANTO
CYLINDER
LIMITED

Manufacturers
of High Pressure
Seamless
Gas Cylinders

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ISO / TS 16949
BUREAU VERITAS
Certification

September 29, 2026

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

Dear Sir,

Sub: Intimation of Reaffirmation of Ratings under the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015.

Pursuant to Regulation 30 read with Para A of Part A of Schedule III of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, as amended, we wish to inform that CARE Ratings Limited vide its Press Release dated September 28, 2026 has reaffirmed its ratings for the Company as under:

Sr. no	Credit Rating Agency	Facilities/ Instruments	Existing Credit Rating	**Revised Credit Rating**
1.	Care Ratings Limited	Long-term bank facilities	CARE A-; Stable	Reaffirmed
2.		Short-term bank facilities	CARE A2+	Reaffirmed

The press release along with Rationale as downloaded from the website of CARE Ratings Limited is enclosed for your information and records.

Thanking you,

Yours faithfully,
For Everest Kanto Cylinder Limited

VISHAL SURESH TOTLA
Digitally signed by VISHAL SURESH TOTLA
Date: 2026.09.29 12:26:58 +05'30'

Vishal Totla
Company Secretary and Compliance Officer

Encl.

Everest Kanto Cylinder Limited

September 28, 2026

Facilities/Instruments	Name of the Regulator[1]	Amount (₹ crore)	Rating[2]	Rating Action
Long-term bank facilities	RBI	156.84 (Reduced from 164.00)	CARE A-; Stable	Reaffirmed
Short-term bank facilities	RBI	63.00	CARE A2+	Reaffirmed

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

Reaffirmation of ratings to bank facilities of Everest Kanto Cylinder Limited (EKCL) factors in its stable performance in FY26 (refers to April 01 to March 31), marked by stable total operating income (TOI) and improved profitability despite muted performance of its overseas operations. The West Asia conflict adversely affected domestic and international operations owing to supply-chain disruptions, logistical challenges in overseas operations, and higher freight costs, which was reflected in moderation in performance in Q1FY27 (refers to April 01 to June 30). EKCL has undertaken strategic capacity expansion initiatives across India, Egypt and the United States (US). Timely completion of these projects and ramp up of operations will remain a key rating monitorable. CARE Ratings Limited (CareEdge Ratings) takes note of the management's expectation that sizeable GST-related contingent liabilities will be resolved in the near term. Nevertheless, the outcome of these matters remains a key rating monitorable.

Ratings continue to derive strength from EKCL's long-standing position as one of the leading domestic manufacturers of high-pressure seamless steel gas cylinders, a diversified and reputed customer profile spanning automobile original equipment manufacturers (OEMs), city gas distribution (CGD) entities, and industrial-gas end-users, and high entry barriers in the segment arising from stringent regulatory clearances. Ratings further factor in EKCL's comfortable capital structure and debt coverage indicators and adequate liquidity position.

However, rating strengths continue to remain tempered by fluctuating profitability that is susceptible to raw material price and foreign-exchange volatility and working capital intensive operations. Ratings are further constrained by project execution and stabilisation risk associated with ongoing debt-funded capital expenditures (capex) in India, Egypt and the US and high-cost foreign-currency denominated debt taken to part-fund the project in Egypt.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Improvement in TOI above ₹2,000 crore with profit before interest, lease rentals, depreciation, and taxation (PBILDT) margin at existing levels on a sustained basis.
- Improvement in working capital cycle below 150 days on a sustained basis.

Negative factors

- Significant decline in TOI with PBILDT margin below 10% on a sustained basis.
- Deterioration in total debt (TD)/ PBILDT above 2.25x on a sustained basis.
- Delay in realisation of envisaged benefits from the ongoing capex, impacting its financial performance.

Analytical approach: Consolidated

CareEdge Ratings has considered consolidated financials of EKCL. The consolidated approach factors in significant management, operational and financial linkages between EKCL and its subsidiaries and step-down subsidiaries. Subsidiaries consolidated are listed under Annexure-5.

Outlook: Stable

'Stable' outlook reflects CareEdge Ratings' expectation that EKCL will continue to benefit from its established presence in the high-pressure seamless steel cylinder industry supported by its reputed clientele, while maintaining its adequate liquidity position.

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[1]SEBI: Securities and Exchange Board of India; RBI: Reserve Bank of India; MCA: Ministry of Corporate Affairs; IRDAI: Insurance Regulatory and Development Authority of India; PFRDA: Pension Fund Regulatory and Development Authority

[2]Complete definitions of the ratings assigned are available at www.careratings.com and in other CARE Ratings Limited's publications.

Detailed description of key rating drivers

Key strengths

Steady scale of operations amidst global disruptions

Consolidated TOI remained broadly stable at ₹1,470.57 crore in FY26 compared to ₹1,499.21 crore in FY25. In March 2026, operations of the overseas subsidiaries were impacted by logistics-related constraints; while production continued, dispatches were deferred due to limited logistics availability and higher freight charges. Nevertheless, unit volumes increased by ~3% year-on-year. In Q1FY27, TOI stood at ₹346.31 crore, moderating by 10.50% year-on-year amid muted overseas performance and global supply chain disruptions. Government's measures to moderate gas prices, and regulatory support for widening the compressed natural gas (CNG) distribution network, are likely to drive demand for CNG in the near-to-medium term. In addition, EKCL's ongoing capex initiatives are expected to increase capacity and support EKCL's performance in the medium term.

Comfortable solvency position

EKCL's debt profile mainly comprises working capital borrowings, term loans, and lease liabilities. As on March 31, 2026, the capital structure continued to remain comfortable with an overall gearing of 0.19x (FY25: 0.14x) despite the addition of term-loan drawdowns for the Mundra and Egypt capex and higher working-capital utilisation. Tangible net worth improved to ₹1,399.20 crore as on March 31, 2026 (FY25: ₹1,205.82 crore) considering retained earnings accretion and foreign-currency translation gains. Debt coverage indicators though moderated in the last two fiscals, remain comfortable, with TD/PBILDT of 1.29x and interest coverage of 12.11x in FY26 (PY: 0.95x and 10.81x respectively) and are expected to remain at comfortable levels notwithstanding ongoing debt drawdown.

CareEdge Ratings takes note of the management's expectation that the sizeable GST-related contingent liabilities will be resolved in the near term. Nevertheless, the outcome of these matters remains a key rating monitorable.

Established market position and experienced promoters

EKCL is one of the leading players in the domestic market with a healthy market share and well-established relationships with reputed industry players. With over four decades of operations in the high-pressure seamless steel cylinder industry, EKCL has developed long-standing relationships with its customers and suppliers. Promoters have an experience of over three decades in the industry and are supported by a team of qualified professionals with significant experience in their respective fields. The company has also strengthened its management bandwidth with the appointment of a Chief Executive Officer effective 2026.

Diversified and reputed customer profile

EKCL serves a wide range of end-users, including automobile OEMs, CGD companies, and industries such as healthcare, aerospace, defence, semiconductors, and chemicals. Its reputed clientele includes leading automobile OEMs such as Tata Motors Limited, VE Commercial Vehicles Limited, and Bajaj Auto Limited, and CGD players such as Mahanagar Gas Limited, Hindustan Petroleum Corporation Limited, and Adani Total Gas Limited. While moderate customer concentration continues with top ten customers accounting for ~45% of TOI, EKCL benefits from a well-diversified and reputed customer base and the business benefits from established repeat-order relationships.

High entry barriers in the high-pressure seamless steel cylinder industry

The high-pressure seamless cylinder industry is characterised by significant entry barriers due to stringent regulatory requirements. Per directives of the Petroleum and Explosive Safety Organization (PESO), manufacturers must undergo rigorous testing and obtain clearances at multiple levels. In addition, approvals from the Chief Controller of Explosives (CCOE) are mandatory for imports into India. Companies in this sector are also required to comply with strict quality standards in manufacturing the cylinders.

Key weaknesses

Fluctuating profitability that is susceptible to raw material price and forex rate volatility

EKCL's PBILDT margin has reflected a fluctuating trend historically, primarily due to raw material price volatility. Seamless steel tubes, which are the key raw material, account for ~50-55% of TOI and their prices are volatile in nature; while the company generally passes on price changes to customers with a lag of around three months, this creates near-term margin variability. Over 80% of seamless steel tubes are imported, which also exposes EKCL to foreign exchange fluctuations.

Profitability strengthened, with consolidated PBILDT margin improving to 14.04% in FY26 (PY: 11.91%), due to favourable product mix and increased traction in higher-value segments. PBILDT margin in Q1FY27 was seen at 13.68% (Q1FY26: 15.85%). CareEdge Ratings expects that going forward, profitability margin is expected to stabilise ~12-14%.

Working capital intensive operations
EKCL's operations continue to remain working capital intensive considering funds being blocked in inventory. The operating cycle improved to 176 days in FY25 from 223 days in FY24 but reverted to 201 days in FY26, driven by a build-up in raw material inventory. High inventory levels are maintained to ensure uninterrupted production, particularly given a 4-5 month import lead time for seamless steel tubes, against a typical customer credit period of around two months. Currently, the company meets its working capital requirements through a mix of internal accruals and working capital facilities from banks.

Project risk associated with debt-funded capex
EKCL continues to undertake strategic capacity expansion initiatives across India, Egypt and the US to support future growth and strengthen its global manufacturing footprint.

In India, the company has set up its new cylinder manufacturing facility at Mundra (Gujarat), which was partly commissioned in FY26. EKCL is currently undertaking further capacity expansion at the site. The total project cost for the Mundra facility has been revised to ~₹225 crore (against ₹150 crore considered earlier) for further capacity expansion. As on March 31, 2026, the company had incurred ~₹175 crore towards the project.

The company is also setting up a manufacturing facility in Egypt, which is planned to be implemented in two phases. Phase I is expected to commence commercial operations in H2FY27 (refers to October 01 to March 31), while investments towards Phase II will be undertaken after stabilisation and ramp-up of the initial phase. The total estimated project cost is ~₹190 crore (excluding capitalised interest), of which ~₹115 crore has been incurred as on March 31, 2026. Financial closure for the project has been achieved, with funding expected through a mix of debt, equity, internal accruals and unsecured loans from group entities. The loan contracted for the Egypt project is structured in two tranches: EGP 627.8 million and US$6.5 million. While the EGP denominated debt carries a high interest cost, the USD tranche is likely to decrease the average borrowing cost. However, the USD-denominated loan exposes EKCL to foreign exchange and currency convertibility risk. While EKCL's investment in Egypt supports its strategic expansion and benefits from favourable policy support, macroeconomic challenges, such as inflation, currency volatility, and high interest rates may impact project costs and debt servicing.

Further, the company plans a capacity expansion program at its US facility with an investment of ~US$5.5 million. The project is expected to be funded by mix of debt, internal accruals and government grants.

Timely completion of these projects, successful ramp-up of operations, realisation of envisaged benefits and reduction in the borrowing cost will remain crucial from credit perspective.

Liquidity: Adequate
EKCL's liquidity position continues to remain adequate, characterised by sufficient cushion in accruals of ₹145-160 crore against annual repayment obligations of ₹15-60 crore over FY27-FY29. This leaves sufficient headroom for internal funds to contribute to the capex. The company has free cash and bank balance of ₹71 crore and investments of ₹62 crore in mutual funds as on March 31, 2026, providing additional cushion. The average maximum utilisation of fund-based limits and non-fund-based limits stood at ~70% and ~81%, respectively, for 12 months ended May 31, 2026. Cash flow from operations stood at ~₹56 crore in FY26.

Assumptions/Covenants – Not applicable

Environment, social, and governance (ESG) risks – Not applicable

Applicable criteria

Definition of Default
Liquidity Analysis of Non-financial sector entities
Rating Outlook and Rating Watch
Manufacturing Companies
Financial Ratios – Non financial Sector
Short Term Instruments
Consolidation

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Industrials	Capital Goods	Industrial Manufacturing	Industrial Products

Incorporated in 1978, EKCL is engaged in manufacturing high-pressure seamless gas cylinders. Key product lines include CNG cylinders for automotive and CGD networks, industrial gas cylinders (oxygen, nitrogen, argon, and helium among others), jumbo cylinders, cascades, jumbo-skids (for bulk transport and storage), and fire safety equipment (fire extinguishers, suppression systems). EKCL has three manufacturing facilities in India (at Tarapur in Maharashtra, Kandla in Gujarat and Mundra in Gujarat) and three manufacturing units outside India under its subsidiaries (at Dubai, the USA and Egypt).

Brief Financials (₹ crore) – Consolidated	March 31, 2025 (A)	March 31, 2026 (A)	Q1FY27 (UA)
Total operating income	1499.21	1470.57	346.31
PBILDT*	178.58	206.48	47.38
Profit after tax (PAT)	97.72	146.67	30.16
Overall gearing (x)	0.14	0.19	NA
Interest coverage (x)	10.81	12.11	13.68

A: Audited; UA: Unaudited; NA: Not available; Note: these are latest available financial results
*PBILDT: Profit before interest, lease rentals, depreciation and taxation

Brief Financials (₹ crore) - Standalone	March 31, 2025 (A)	March 31, 2026 (A)	Q1FY27 (UA)
Total operating income	946.22	966.69	202.74
PBILDT*	101.48	155.28	35.76
Profit after tax (PAT)	53.30	81.22	21.93
Overall gearing (x)	0.17	0.15	NA
Interest coverage (x)	10.11	13.98	13.65

A: Audited; UA: Unaudited; NA: Not available; Note: these are latest available financial results
*PBILDT: Profit before interest, lease rentals, depreciation and taxation

Status of non-cooperation with previous CRA: Not applicable

Any other information: Not applicable

Rating history for last three years: Annexure-2

Detailed explanation of covenants of rated instrument / facility: Annexure-3

For complexity level of instruments rated refer to Annexure-1

Lender details: Annexure-4

Disclosure on facilities/instruments and name of the regulators:
A list of facilities / instruments falling under the purview of various financial sector regulators (FSRs) along with the names of respective FSRs has been duly disclosed by CareEdge Ratings on its website. A link to the same has been provided below for ready reference:

https://www.careratings.com/activities_and_regulators

Note: For facilities or instruments falling under the purview of FSRs other than Securities and Exchange Board of India (SEBI), the grievance / dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.

Annexure-1: Details of instruments/facilities

Name of the Instrument	Name of the Regulator	Complexity Level	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT-Cash Credit	RBI	Simple	-	-	-	-	84.00	CARE A-; Stable
Fund-based - LT-Cash Credit	RBI	Simple	-	-	-	-	40.00	CARE A-; Stable
Fund-based - LT-Term Loan	RBI	Simple	-	-	-	31-12-2030	32.84	CARE A-; Stable
Non-fund-based - ST-BG/LC	RBI	Simple	-	-	-	-	63.00	CARE A2+

Annexure-2: Rating history for last three years

Sr. No.	Name of the Instrument/ Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2026-2027	Date(s) and Rating(s) assigned in 2025-2026	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024
1	Fund-based - LT-Cash Credit	LT	84.00	CARE A-; Stable	-	1)CARE A-; Stable (29-Sep-25)	1)CARE BBB+; Positive (26-Sep-24)	1)CARE BBB+; Stable (29-Aug-23)
2	Non-fund-based - ST-BG/LC	ST	63.00	CARE A2+	-	1)CARE A2+ (29-Sep-25)	1)CARE A2 (26-Sep-24)	1)CARE A3+ (29-Aug-23)
3	Fund-based - LT-Cash Credit	LT	40.00	CARE A-; Stable	-	1)CARE A-; Stable (29-Sep-25)	1)CARE BBB+; Positive (26-Sep-24)	1)CARE BBB+; Stable (29-Aug-23)
4	Fund-based - LT-Term Loan	LT	32.84	CARE A-; Stable	-	1)CARE A-; Stable (29-Sep-25)	1)CARE BBB+; Positive (26-Sep-24)	-

LT: Long term; ST: Short term

Annexure-3: Detailed explanation of covenants of rated instruments/facilities – Not applicable

Annexure-4: Lender details

To view lender-wise details of bank facilities please click here

Annexure-5: List of entities consolidated

Sr No	Name of the entity	Extent of consolidation	Rationale for consolidation
1	EKC International FZE (EKC FZE)	Full	Wholly owned subsidiary
2	Next Gen Cylinder Private Limited	Full	Wholly owned subsidiary
3	Calcutta Compressions & Liquefaction Engineering Limited	Full	Wholly owned subsidiary
4	EKC General Trading FZE	Full	Step-down subsidiary
5	CP Industries Holdings, Inc.	Full	Step-down subsidiary
6	EKC Hungary Kft	Full	Step-down subsidiary
7	EKC Europe GmbH	Full	Step-down subsidiary
8	EKC Egypt SAE	Full	Step-down subsidiary
9	EKC Europe Gyàrtò Zrt.	Full	Step-down subsidiary

Note on complexity levels of rated instruments: CareEdge Ratings has classified instruments rated by it based on complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for clarifications.

Contact us

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About us:

Established in 1993, CareEdge Ratings is one of the leading credit rating agencies in India. Registered under the Securities and Exchange Board of India, it has been acknowledged as an External Credit Assessment Institution by the Reserve Bank of India. With an equitable position in the Indian capital market, CareEdge Ratings provides a wide array of credit rating services that help corporates raise capital and enable investors to make informed decisions. With an established track record of rating companies over almost three decades, CareEdge Ratings follows a robust and transparent rating process that leverages its domain and analytical expertise, backed by the methodologies congruent with the international best practices. CareEdge Ratings has played a pivotal role in developing bank debt and capital market instruments, including commercial papers, corporate bonds and debentures, and structured credit. For more information: www.careratings.com

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