MARSONS
setting power in motion

Date: 26.11.2026

To,
BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street,
Mumbai-400001.
Scrip Code: 517467

To,
National Stock Exchange of India Ltd.
Exchange Plaza, 5th Floor, Plot No. C/1
G- block, Bandra- Kurla Complex
Bandra (E), Mumbai-400051
Scrip ID: MARSONS

Dear Sir,

Sub: Intimation of Credit Rating under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Pursuant to Regulation 30 read with Part A of Schedule III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, ('Listing Regulations'), we wish to inform that India Ratings & Research vide its press release dated 25th November 2026 has assigned credit rating for the Bank Loan Facilities of the Company.

Details of instruments:

Instrument Type	Regulator of Instrument	Date of issuance	Coupon Rate (%)	Maturity Date	Size of issue (INR million)	Rating Assigned with Outlook/ Watch	Rating Action
Bank Loan Facilities	RBI	-	-	-	1,000	IND BBB+/ Stable/IND A2	Assigned

Copy of aforesaid press release issued by the India Ratings & Research is enclosed herewith in Annexure.

The above rating communication was received by the Company on November 25, 2026 at 7:09 P.M. (IST).

Kindly take the same on records and oblige.

Yours Faithfully,
For Marsons Ltd

Uttara Sharma

MARSONS LIMITED KOLKATA

(Uttara Sharma)
Company Secretary
(M. No. A48464)

India Ratings Assigns Marsons's Bank Loan Facilities 'IND BBB+'; Outlook Stable

Nov 25, 2026 | Marsons Limited | Others

India Ratings and Research (Ind-Ra) has rated Marsons Limited's bank loan facilities as follows:

Details of Instruments

Instrument Type	Regulator of Instrument	Date of Issuance	Coupon Rate	Maturity Date	Size of Issue (INR million)	Rating Assigned with Outlook/Watch	Rating Action
Bank loan facilities	RBI	-	-	-	1,000	IND BBB+/Stable/IND A2	Assigned

Analytical Approach

Ind-Ra has taken a standalone view of Marsons while assigning the ratings.

Detailed Rationale of the Rating Action

The ratings reflect Marsons's strong business risk profile as it is the sole manufacturer of extra-high-voltage (EHV) power transformers of up to 220 megavolt-ampere (MVA), 220 kilovolt (kV) class in the eastern part of India. The ratings are further supported by an improvement in the company's revenue over FY24-FY26 and Ind-Ra's expectation of continued growth in revenue in FY27, supported by an order book of INR5,700 million as of November 2026 and favourable growth potential in the near to medium term. The ratings also factor in the company's healthy EBITDA margins and comfortable credit metrics.

However, the ratings are constrained by the company's working capital-intensive nature of business.

List of Key Rating Drivers

Strengths

- Strengthened business risk profile
- Industry cycle poised for high growth potential
- Growing revenue
- Healthy EBITDA margins; likely to sustain in near term
- Comfortable credit metrics

Weaknesses

- Working capital-intensive operations but supported by liquidity

Detailed Description of Key Rating Drivers

Strengthened Business Risk Profile: Marsons benefits from an established position in the transformer segment, while vendor approvals from Power Grid Corporation of India Limited (PGCIL) and National Thermal Power Corporation Limited (NTPCL; 'IND AAA'/Stable) strengthen its ability to participate in large institutional tenders. This provides access to sizeable order opportunities and supports its business prospects. Marsons is the sole manufacturer of EHV power transformers of up to 200 MVA, 220kV class in the eastern region of India, giving it a strong competitive edge in a region with limited players. The company has a total installed capacity for the production of transformers of 12,000 MVA and can manufacture a single transformer of up to 200 MVA. The company specialises in the manufacturing of both conventional

and renewable energy transformers for solar and wind applications. As of 25 November 2026, the company has a healthy order book of about INR5,700 million comprising orders from state utilities as well as the domestic engineering, procurement and construction sector.

Marson's manufactures a wide range of transformers, including distribution and power transformers (from 10 KVA to 160 MVA, 220 kV class), furnace transformers, dry-type transformers, special application transformers, EHV transformers, and industrial duty transformers. The company caters to a reputed and diversified client base across key domestic markets such as Bihar, West Bengal, Uttar Pradesh, and Maharashtra. Its longstanding relationships with major state utilities include West Bengal State Electricity Distribution Company Limited (WBSEDCL), West Bengal State Electricity Transmission Company Limited (WBSETCL), and Madhyanchal Vidyut Vitran Nigam Limited (MVVNL). In the engineering, procurement and construction segment, Marsons works with leading contractors such as LC Infra Projects Private Limited ('IND A'/Positive/'IND A1') Inox Solar Ltd., Vikran Engineering Limited ('IND BBB+/Negative/'IND A2'), Solarworld Energy Solutions Limited, Pace Digitech Limited, among others.

Industry Cycle Poised for High Growth Potential: Ind-Ra understands that the demand cycle is supported by strong traction in multiple segments, primarily renewable energy and industrial demand, along with the emergence of green hydrogen. The government of India's massive target to install 500GW renewable power by 2030 has necessitated the development of major intra- and inter-state transmission grids for power distribution from renewable energy zones. The present inter-regional transmission capacity of 120,340MW will be enhanced to 168,000MW by 2030, along with major expansion of transmission lines across 276 schemes. Around 1,200 gigavolt-ampere of transformation capacity is planned to be added as part of the network expansion, which is likely to be converted into a strong order book across the transmission and distribution segment. The company also has plans to increase its current capacity while expanding its product portfolio in the EHV segment of 315 MVA, 400 kV-class transformers aimed at India's 400 kV grid opportunity. The expansion would enable the company to address higher-voltage transmission opportunities compared with its existing 220 kV capability.

Growing Revenue: The revenue grew at a CAGR of 279% to INR2,450 million over FY23-FY26 (FY25: INR1,684 million), driven by higher execution and continuous receipt of orders. Ind-Ra expects about 25% yoy growth in revenue in FY27 as the company has already revenue booked of INR1,460 million and has INR5,700 million of orders to be executed in the next 12-24 months. In recent years, the company has diversified its order book from private players, which constituted 80% of the order book as of September 2026. Of the total orders, about INR430 million from the US, which are of significantly higher margins as compared with the domestic orders.

Healthy Profitability Margins Likely to Sustain in Near Term: The company's EBITDA margins were healthy at 17.26% in FY26 (FY25: 14.98%) with a return on capital employed of 24.2% (33.5%), reflecting improved operating efficiency. Ind-Ra expects a marginal dip in the margins in FY27 due to the current geopolitical conditions, elevated freight costs, and volatility in raw material prices, particularly copper and cold-rolled grain-oriented steel. In certain cases, the margins are safeguarded, particularly when orders are executed directly from state utilities that offer price escalation. Conversely, in other cases, a cushion is maintained by quoting a specific value. Copper, which constitutes around 25% of the total value is the primary source of volatility as procurement is finalised immediately upon receiving the order.

Ind-Ra expects the margins to remain healthy over the near to medium term, supported by variable-price contracts, procurement policy, and higher-margin export sales, thereby mitigating the impact on profitability. Furthermore, a gap in demand and supply for transformers across the Indian market offers a pricing advantage, will also keep the margins at similar levels over the next two-to-three years. Marsons, along with other players, is able to secure attractive pricing for its products, as there is a substantial volume of orders across the industry, preventing players from reducing prices for new orders.

Comfortable Credit Metrics: The company's credit metrics are comfortable due to its limited dependence on bank borrowings. It had raised equity of about INR800 million during FY24-FY25 to fund its working capital requirements. The gross interest coverage (operating EBITDA/gross interest expense) stood at 31.0x in FY26 (FY25: 130.69x). The company was net cash positive in FY26 (FY25 net leverage: 0.05x). Ind-Ra expects the credit metrics to deteriorate in FY27 due to a rise in interest cost but remain comfortable, with an interest coverage of about 22.0x and a net leverage of 0.01x-0.10x over FY27-FY28.

The company is likely to incur capex to enhance its product portfolio, which will be funded through an additional equity raise and internal accruals.

Working Capital-Intensive Operations but Supported by Liquidity: Marsons's customised nature of orders, results in high work-in-progress days, and bulk procurement of raw materials for cost efficiency and import lead times extends inventory carrying days. On the sales side, while it receives 80%-90% of payments on supply and testing, the balance is retained by customers until satisfactory performance over several months. Most of the orders are booked in the fourth quarter of each financial year, leading to increased receivables at year-end. Furthermore, high inventory levels resulted from rising copper prices from 4QFY26. Consequently, the gross working capital cycle as a percentage of revenue deteriorated to 49% in FY26 (FY25: 42%) mainly from an increase in debtor and inventory days, partly mitigated by higher supplier days. The additional working capital requirements were funded by cash generation from the business.

Liquidity

Adequate: The average use of the fund-based and non-fund based limits was 40% and 69%, respectively, during the 12 months ended August 2026 and is likely to have remained at similar levels during September-October 2026. The cash and cash equivalents stood at INR30 million at 1HFYE27. In August 2026, the company received a further enhancement of INR160 million under its working capital limits. The management plans to enhance its limits further by another INR500 million, mainly towards non-fund-based limits in FY27. Marsons does not have any scheduled debt repayments due to the absence of term debt.

Rating Sensitivities

Positive: A substantial improvement in the scale of operations and profitability, while maintaining the liquidity position and credit metrics, all on a sustained basis, could lead to a positive rating action.

Negative: Any significant deterioration in the scale of operations or profitability and/or any large unanticipated debt-funded capex, an elongation of the working capital cycle resulting in deterioration in the liquidity position and credit metrics, with the net leverage exceeding 2.0x, on a sustained basis, could lead to a negative rating action.

Any Other Information

Not applicable

About the Company

Incorporated on 26 August 1976, Marsons is a listed entity engaged in the manufacturing of transformer since more than four decades. There was a change in management and the new management took over the company in January 2022 from the earlier promoter as the earlier promoter.

Key Financial Indicators

Particulars	1HFY27*	FY26	FY25
Revenue (INR million)	1,458.16	2,450.61	1,683.62
EBITDAR (INR million)	259.17	423.01	252.23
EBITDAR margin (%)	17.77	17.26	14.98
Gross interest coverage (x)	25.28	31.04	130.69
Net leverage (x)	-	NM	0.05

Source: Marsons ; Ind-Ra
*Unaudited
NM – not meaningful

Status of Non-Cooperation with Previous Rating Agency

Not applicable

Rating History

Instrument Type	Current Rating/Outlook		
	Rating Type	Rated Limits (INR million)	Current Rating
Bank loan facilities	Long-term/short-term	1,000	IND BBB+/Stable/IND A2

Disclosure on instruments / activities and names of regulators:

A list of products/activities or ratings of instruments falling under the purview of various financial sector regulators (FSRs) along with the names of respective FSRs has been duly disclosed by Ind-Ra on its website. A link to the same has been provided below for ready reference:

Rating Activities

Note: Kindly note that for activities or instruments falling under the purview of FSRs other than SEBI, the grievance/dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.

Bank wise Facilities Details

The details are as reported by the issuer as on (25 Nov 2026)

#	Bank Name	Instrument Description	Rated Amount (INR million)	Rating
1	ICICI Bank	Bank loan facilities	500	IND BBB+/Stable / IND A2
2	NA	Proposed Bank loan facilities	500	IND BBB+/Stable / IND A2

Complexity Level of the Instruments

Instrument Type	Complexity Indicator
Bank loan facilities	Low

For details on the complexity level of the instruments, please visit https://www.indiaratings.co.in/complexity-indicators.

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APPLICABLE CRITERIA AND POLICIES

Corporate Rating Methodology
Short-Term Ratings Criteria for Non-Financial Corporates
The Rating Process
Evaluating Corporate Governance

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