Mcnally Bharat Engg Co Limited (Revised)

September 19, 2025

Facilities/Instruments	Amount (₹ crore)	Rating[1]	Rating Action
Cumulative Redeemable Preference Shares	43.50	CARE D; ISSUER NOT COOPERATING*	Rating continues to remain under ISSUER NOT COOPERATING category

Details of instruments/facilities in Annexure-1.
*Issuer did not cooperate; based on best available information.

Rationale and key rating drivers

CARE had, vide its press release dated June 24, 2024, continued the ratings of McNally Bharat Engg Co Limited (MBECL) under the 'issuer non-cooperating' category as MBECL had failed to provide information for monitoring of the rating and had not paid the surveillance fees for the rating exercise as agreed to in its Rating Agreement. MBECL continues to be non-cooperative despite repeated requests for submission of information through phone calls and letters/emails dated May 10, 2025 and May 20, 2025, among others.
In line with the extant SEBI guidelines, CARE has reviewed the rating on the basis of the best available information which however, in CARE's opinion is not sufficient to arrive at a fair rating.

Users of this rating (including investors, lenders and the public at large) are hence requested to exercise caution while using the above ratings

Analytical approach: Standalone

Detailed description of key rating drivers:

At the time of last rating on June 24, 2025, the following were the rating strengths and weaknesses (updated for the information available from stock exchange filings):

Key Rating Weaknesses:
Delays in debt servicing by the company: The liquidity position of the company continues to be stressed due to losses incurred and stretched operating cycle. This has led to continued delays in servicing of debt obligations. The operating cycle has been stretched due to high collection period. MBECL is currently under corporate insolvency resolution process (CIRP). On December 19, 2023, NCLT pronounced its order in favour of one of the Successful Resolution Applicants i.e., BTL EPC Limited (BTL), who had proposed to pay over Rs.441 crore against MBECL's admitted liabilities of Rs 5,015 crore. The lenders had approved BTL's resolution plan. BTL nominated Mandal Vyapar Private Limited as its Special Purpose Vehicle for the purpose of implementing the approved Resolution Plan.

Leveraged capital structure: The capital structure of MBECL is highly leveraged due to erosion of net worth resulting from continuing losses and high debt level.

Applicable criteria

Information Adequacy Risk and Issuer Non-Cooperation
Definition of Default
Rating Outlook and Rating Watch
Financial Ratios – Non financial Sector
Construction Sector

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Industrials	Construction	Construction	Civil Construction

MBECL, incorporated in 1961, based in Kolkata, is engaged in engineering turnkey project execution. It belongs to the B. M. Khaitan group. MBECL has completed large number of turnkey projects in different areas of its operations like bulk material

[1]Complete definition of ratings assigned are available at www.careratings.com and other CARE Ratings Limited's publications.

handling, ash handling, port handling, mineral beneficiation plant, water management, road construction and maintenance, structural fabrication, erection, piping, utilities, etc.

Brief Financials (₹ crore)	FY24 (A)	FY25 (A)	Q1FY26 (UA)
Total operating income	167.61	104.92	14.92
PBILDT	-93.68	-863.19	-16.78
PAT	-883.26	-1,716.09	-230.26
Overall gearing (times)	NM	NM	NM
Interest coverage (times)	NM	NM	NM

A: Audited; UA: Unaudited; NM: Not Meaningful; Note: these are latest available financial results

Status of non-cooperation with previous CRA: Brickwork Ratings has continued the review on the basis of best available information and has continued MBECL as "Not cooperating" vide its press release dated February 19, 2025, due to is non-furnishing of requisite information for monitoring of ratings and non-submission of NDS for a long time.

Any other information: Not applicable

Rating history for last three years: Annexure-2

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

Complexity level of instruments rated: Annexure-4

Lender details: Annexure-5

Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Preference Shares-Cumulative Redeemable Preference Shares	INE748A04010 INE748A04028 INE748A04036	06-Mar-2013	11.50	06-Mar-2020	43.50	CARE D; ISSUER NOT COOPERATING*

*Issuer did not cooperate; based on best available information.

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 2025-2026	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023
1	Preference Shares-Cumulative Redeemable Preference Shares	LT	43.50	CARE D; ISSUER NOT COOPERATING*	-	1)CARE D; ISSUER NOT COOPERATING* (24-Jun-24)	1)CARE D; ISSUER NOT COOPERATING* (12-Apr-23)	1)CARE D; ISSUER NOT COOPERATING* (15-Apr-22)

*Issuer did not cooperate; based on best available information.
LT: Long term; ST: Short term; LT/ST: Long term/Short term

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

Annexure-4: Complexity level of instruments rated

Sr. No.	Name of the Instrument	Complexity Level
1	Preference Shares-Cumulative Redeemable Preference Shares	Highly Complex

Annexure-5: Lender details

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

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.

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