LCC Projects Limited

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IPO Note

08th September 2026

Company Overview

LCC Projects Limited is a multidisciplinary engineering, procurement, and construction (EPC) company primarily focused on irrigation and water supply infrastructure projects. The company has over two decades of experience in executing projects such as dams, barrages, canals, hydraulic structures, lift irrigation systems, pipeline networks, urban and rural water supply schemes, sewage treatment and desalination projects. Over time, LCC has also diversified into renewable energy, metro rail, mining, and other infrastructure projects, with operations spread across multiple states in India. As of March 31, 2026, the company had an order book of Rs. 7,953 crores across 103 projects, providing visibility for future execution. Irrigation and water supply remained the key revenue contributor, accounting for 87.4% of FY26 revenue from operations at Rs. 3,148 crores, followed by renewable energy at 6.7% (Rs. 242 crores), metro rail at 2.6% (Rs. 95 crores) and mining at 1.8% (Rs. 64 crores), with the balance contributed by road works, consultancy, and other activities. The business remains predominantly EPC-led, with EPC activities contributing 99.8% of FY26 revenue, while O&M accounted for the remaining 0.2%. Importantly, the company's ongoing projects are relatively advanced, with 56.3% of projects having achieved more than 70% completion as of March 31, 2026, while 19.4% were in the 30-70% completion range, 8.7% were 10-30% complete and 15.5% were at less than 10% completion.

Objects of the issue

The company proposes to utilize the proceeds from the issue towards the following objects:

⇒ Purchase of equipment;

⇒ Prepayment and/or repayment, in full or in part, of all or a portion of certain outstanding borrowings availed by the company; and

⇒ General corporate purposes.

Investment Rationale

Strong order book and execution capabilities to drive growth visibility

LCC Projects Limited is a multidisciplinary EPC company with a strong position in the irrigation and water supply segment, supported by its track record of executing complex projects and completing 80 projects for government departments and other customers as of March 31, 2026. The company has built a strong and diversified order book of Rs. 7,953 crores, which has grown from Rs. 6,269 crores in FY24, with irrigation and water supply accounting for 83.3% of the order book, while the balance is spread across mining, roads, and metro rail projects. The order book provides healthy revenue visibility, with 56.3% of ongoing projects already more than 70% complete, supporting near to medium-term execution. Further, the company has been gradually diversifying its geographical presence, with FY26 revenue contribution from Gujarat and Rajasthan increasing to 39.6% and 10.2%, respectively, while dependence on Madhya Pradesh declined to 36.6% from 66.0% in FY24. The order book is predominantly government-led, with government departments accounting for 79.1% of the order book, providing visibility on project opportunities, while the company's established execution capabilities, engineering expertise and financial strength position it favourably to participate in large infrastructure projects across geographies.

In-house technical capabilities and disciplined project selection supports execution and returns

LCC Projects' in-house design and engineering capabilities, disciplined project selection and cost-focused execution model enable it to manage a significant portion of the project lifecycle internally, reducing reliance on third parties and supporting timely execution and cost optimization. The company has an in-house design and engineering team of 698 qualified engineers and technical personnel as of July 31, 2026, with an average experience of over five years, supported by technologies such as SCADA, WaterGEMS, Water Hammer, GIS, GPS, STAAD Pro and AutoCAD. Its pre-bid process involves site surveys, feasibility studies and detailed assessment of technical, construction and cost

Issue Details	
Offer Period	09th Sept. 2026 – 11th Sept. 2026
Price Band	Rs. 139 to Rs. 146
Bid Lot	102
Listing	BSE & NSE
Issue Size (no. of shares in Cr.)	2.9
Issue Size (Rs. in Cr.)	427
Face Value (Rs.)	5

Issue Structure	
QIB	50%
NIB	15%
Retail	35%

BRLM	Motilal Oswal Investment Advisors Limited
Registrar	KFin Technologies Limited

Particulars	Pre Issue %	Post Issue %
Promoter & Promoter Group	100.0	89.9
Public	0.0	10.1
Total	**100.0**	**100.0**

(Assuming issue subscribed at higher band)

Research Team - 022-61596138

parameters, enabling the company to develop realistic project designs and competitive bids. LCC also follows a structured risk assessment framework covering customer, project, JV, design, operational and execution risks, while its project selection focuses on contracts with periodic milestone-based payments and escalation clauses to mitigate cash flow and cost overrun risks. Further, its integrated inventory management and resource mobilization systems support efficient utilization of equipment, materials, and manpower. This combination of technical capabilities, disciplined bidding, risk management and cost optimization has supported healthy returns, with RoCE and RoE at 24.9% and 32.1%, respectively, in FY26.

Valuation

LCC Projects is a multidisciplinary EPC company with a strong presence in irrigation and water supply projects, supported by its established execution track record, in-house engineering capabilities and presence across 12 states. The company's growth prospects remain favourable, supported by its strategy to expand its geographical footprint, diversify into renewable energy, wastewater, desalination, railways, metro rail and sewerage projects, and increasingly target larger and more complex projects. Its order book stood at Rs. 7,953 crores as of FY26, providing healthy revenue visibility, while continued investments in technology, design and engineering capabilities and cost management are expected to improve operational efficiency and returns. The company's revenue from operations, EBITDA and PAT grew at a CAGR of 21.5%, 34.6% and 53.2%, respectively, during FY24-FY26, with EBITDA margin improving from 10.9% in FY24 to 13.4% in FY26 and PAT margin from 5.0% to 8.0%. At the CMP of Rs. 146, the stock is valued at 14.0x FY26 P/E based on diluted EPS of Rs. 10.4 and 9.6x FY26 EV/EBITDA. **Considering the company's strong order book, proven execution capabilities, healthy earnings growth, increasing geographical and segmental diversification and focus on larger-value projects, we believe the current valuation is reasonable and recommend a "SUBSCRIBE" rating to the issue.**

Key Risks

⇒ The company faces working capital and liquidity risks as trade receivables increased to Rs. 456 crores in FY26 from Rs. 250 crores in FY25, while receivables turnover declined to 10.2x from 14.4x, which could delay cash inflows, increase dependence on external borrowings and adversely impact project execution and profitability.

⇒ The company faces higher financial risk due to elevated leverage, with its debt-to-equity ratio at 0.97x in FY26, significantly higher than its peers, which could constrain financial flexibility, increase interest and refinancing risks, and limit funds available for growth and working capital.

⇒ The company faces significant customer concentration risk, with its top 10 customers contributing 72.3% of FY26 revenue, which could make revenue and cash flows vulnerable to the loss of key customers or any adverse changes in their financial condition.

LCC Projects Limited

Income Statement (Rs. in crores)

Particulars	FY24	FY25	FY26
Sales	2,439	2,918	3,600
Total revenue from operations	**2,439**	**2,918**	**3,600**
Expenses			
Construction expense	2,070	2,399	2,947
Cost of material consumed	0	0	0
Purchase of Stock in Trade	0	0	0
Changes in inventories of finished goods and work-in-progress	0	0	0
Employee benefits	79	110	131
Other expenses	24	31	40
Total operating expenses	**2,173**	**2,540**	**3,119**
EBITDA	**266**	**378**	**482**
Depreciation & amortization	19	27	45
EBIT	**247**	**351**	**436**
Finance costs	50	80	96
Other Income	11	23	39
PBT before Share of Profit	**208**	**293**	**379**
Share of profit	0	0	0
PBT before Exceptional Items	**208**	**294**	**379**
Exceptional Items	**36**	**0**	**1**
PBT after Exceptional Items	**172**	**294**	**378**
Total tax	50	70	92
Net Profit	**122**	**224**	**286**
Diluted EPS	**4.5**	**8.2**	**10.4**

Source: RHP, BP Equities Research

Cash Flow Statement (Rs. in crores)

Particulars	FY24	FY25	FY26
Cash Flow from operating activities	29	24	158
Cash flow from/(used in) investing activities	-129	-195	-107
Cash flows (used in) / from financing activities	83	252	18
Net increase/(decrease) in cash and cash equivalents	**-17**	**81**	**69**
Cash and cash equivalents at the beginning of the period	39	22	103
Cash and cash equivalents at the end of the period	**22**	**103**	**172**

Source: RHP, BP Equities Research

LCC Projects Limited

Balance Sheet (Rs. in crores)

Particulars	FY24	FY25	FY26
Assets			
Non-Current Assets			
Property, plant & equipment	134	148	179
Capital work in progress	0	34	0
Investment property	11	10	30
Goodwill consolidation	1	1	1
Other intangible assets	0	1	9
Financial assets			
(i) Investments	5	5	10
(ii) Other financial assets	125	120	112
Deferred tax assets (net)	0	0	2
Other non-current assets	6	7	10
Total Non-Current Assets	**282**	**326**	**353**
Current Assets			
Inventories	136	201	248
Financial assets			
(i) Trade receivables	157	250	456
(ii) Cash & Cash equivalents	22	103	172
(iii) Other bank balances	109	209	288
(iv) Other financial assets	45	86	294
Current tax assets (Net)	0	8	0
Other current assets	380	544	636
Total Current Assets	**848**	**1,402**	**2,094**
Total Assets	**1,130**	**1,727**	**2,448**
Equity and Liabilities			
Equity share capital	34	136	136
Other equity	349	469	752
Non-controlling interest	1	2	5
Total Equity	**383**	**607**	**893**
Liabilities			
Non-Current Liabilities			
Financial liabilities			
(i) Borrowings	53	81	66
(ii) Other financial liabilities	47	55	53
Provisions	0	0	0
Deferred tax liabilities (net)	4	0	0
Total Non-Current Liabilities	**105**	**136**	**120**
Current Liabilities			
Financial Liabilities			
(i) Borrowings	368	666	794
(ii) Trade payables	172	103	261
(iii) Other current financial liabilities	73	78	284
Other current labilities	28	136	93
Provisions	1	1	2
Current tax liabilities (net)	0	0	0
Total Current Liabilities	**641**	**985**	**1,435**
Total Liabilities	**747**	**1,121**	**1,554**
Total Equity and Liabilities	**1,130**	**1,727**	**2,448**

Source: RHP, BP Equities Research

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Disclaimer Appendix

Analyst (s) holding in the Stock : Nil

Analyst (s) Certification:

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