

Retail Research	IPO Note
Sector: Infra - EPC	Price Band (Rs): 139 – 146
08 th September 2026	Recommendation: SUBSCRIBE for long-term

LCC Projects Ltd.

Company Overview:

LCC Projects Ltd. (LCC) is a Gujarat-based EPC company operating in the irrigation and water supply projects segment. The company undertakes infrastructure projects across 12 states in India (Madhya Pradesh, Gujarat, Odisha, Maharashtra, Chhattisgarh, Jharkhand, Uttar Pradesh, Haryana, Himachal Pradesh, Rajasthan, Andhra Pradesh, and Karnataka) and carries more than 2 decades of experience in executing a wide range of projects in the irrigation and water supply segment. As of FY26, the company order book position stood at Rs 7,953 cr, comprising of 103 projects. Further, the company has established a manufacturing unit in Jaspur, Gujarat, for the production of pre-cast concrete solutions.

Key Highlights:

1. Strong order book: The company's order book has grown from Rs 6,269 cr in FY24 to Rs 7,953 cr in FY26 (2.2x of FY26 sales). While majority of the order book comprises of irrigation and water supply projects (~83%), the company also has presence across mining, road work, and metro rail related works (~17%). Further, LCC maintains relationships with a number of private and government customers such as Madhya Pradesh Jal Nigam Maryadit, Indira Gandhi Nahar Project, Government of Rajasthan, Executive Engineer, Nayagarh Irrigation Division, Department of Water Resources, Odisha and Water Resource Department, Damoh, Madhya Pradesh. Consequently, ~79% of FY26 order book comprises of government projects.

2. In-house project designing capabilities: The company has an in-house design and engineering team comprising 698 qualified engineers and technical personnel, which are responsible for different aspects of projects starting from identifying prospective projects to the operation and maintenance. By virtue of such capabilities, the company is able to undertake a significant number of activities related to the projects in-house, thereby ensuring timely completion of projects, reducing reliance on third parties and limiting costs.

3. Pre-cast concrete solutions: LCC has established a manufacturing unit, strategically located in Jaspur, Gujarat, for the production of pre-cast concrete solutions for the infrastructure and construction industries. Pre-casting is an advanced and highly efficient construction methodology in which structural and non-structural elements are cast, cured, and finished in a controlled environment, before being transported and installed at the construction site.

View & Valuation: LCC Projects is a Gujarat-based EPC company specializing in irrigation and water supply infrastructure. With over 20 years of experience, the company operates across 12 Indian states and has recently established a precast concrete manufacturing facility in Jaspur, Gujarat. Historically, the company has recorded Revenue/EBITDA/Adj. PAT CAGR of 21.5%/34.6%/39.0% respectively over the FY24-FY26 period. LCC carries an order book of Rs 7,953 cr (as of FY26), which is 2.2x its FY26 sales. Going ahead, the company intends to utilize Rs 180 cr of the fresh proceeds to repay its borrowings, which shall significantly de-leverage its balance sheet (D/E ratio of 0.6x post-repayment versus FY26 D/E of 1.0x) and improve profitability by reducing interest cost. At the upper price band of Rs 146, the issue is valued at FY26 P/E multiple of 14.9x based on post-issue capital, which appears reasonably valued. LCC's profitability metrics are superior in the EPC segment. Hence, we recommend investors to SUBSCRIBE to the issue for long-term at the cut-off price.

Issue Details	
Date of Opening	09 th September 2026
Date of Closing	11 th September 2026
Price Band (Rs)	139 – 146
Issue Size (Rs cr)	427
Fresh Issue (Rs cr)	258
Offer for sale (Rs cr)	169
Total issue size	2,92,56,233 shares @UB
Face Value (Rs)	5
Post Issue Market Cap (Rs cr)	4,229 @upper price band
BRLMs	Motilal Oswal Investment Advisors Ltd
Registrar	KFin Technologies Ltd
Bid Lot	102 shares and in multiple thereof
QIB shares	50%
Retail shares	35%
NII shares	15%

Objects of Issue	
Particulars	Estimated utilization from net proceeds (Rs cr)
Prepayment and/or repayment, in full or in part, of all or a portion of certain outstanding borrowings	180.0
Purchase of equipment	14.7
General corporate purposes*	-
Net proceeds from fresh issue*	-

*The amount utilized for general corporate purposes shall not exceed 25% of the Gross Proceeds.

Shareholding Pattern		
Pre-Issue	No. of Shares	%
Promoter & Promoter Group	27,20,00,000	100.0
Public & Others	-	-
Total	27,20,00,000	100.0

Post Issue @ Upper Price Band	No. of Shares	%
Promoter & Promoter Group	26,04,15,000	89.9
Public & Others	2,92,56,233	10.1
Total	28,96,71,233	100.0

Selling shareholder via OFS	Classification	No. of shares
Arjan Suja Rabari	Promoter	57,92,500
Laljibhai Arjanbhai Ahir	Promoter	57,92,500
Total		1,15,85,000

Source: RHP, SBICAP Securities Research

Key Financials & KPIs

Particulars (Rs cr)	FY24	FY25	FY26
Order Book	6,269	7,882	7,953
Revenue from operations	2,439	2,918	3,600
EBITDA	266	378	482
EBITDA Margin (%)	10.9	13.0	13.4
PAT	122	222	283
PAT Margin (%)	5.0	7.6	7.9
EPS	4.5	8.2	10.4
Adj. PAT	147	222	284
Adj. PAT Margin (%)	6.0	7.6	7.9
Adj. EPS	5.4	8.2	10.4
RoE (%)	38.4	36.8	32.0
RoCE (%)	32.0	27.6	27.2
P/E (x)*	27.0	17.9	14.0

*Note: Pre-issue P/E based on upper price band

RoE and P/E ratios calculated on Adj. PAT

Source: RHP, SBICAP Securities Research

Risk Factors

- **Customer concentration:** As of FY26, the company's top 3/5 customers accounted for ~43%/55% of its total revenue. Failure to maintain relationship with these customers could lead to an adverse impact on the company's operations and financials.
- **Dependency on government projects:** The company derives a significant portion of its revenue from projects awarded by state and central government departments. Revenue from government entities accounted for ~87%/81%/89% of revenue in FY24/FY25/FY26, respectively. Any reduction in tender issuance or order inflows from one or more of these entities could materially impact the company's business and financial performance.
- **Dependency on Jal Jeevan Mission projects:** Jal Jeevan Mission projects comprised 19.5% of the FY26 order book (Rs 1,555 cr). Ongoing government funding constraints have resulted in delayed project payments, increasing working capital pressure for other players in the industry. Thus, if conditions do not improve, it may adversely impact LCC's business.
- **High working capital requirements:** The business requires substantial working capital to support its operations. As of FY26, the company's working capital cycle stood at 45 days, up from 18 days/44 days in FY24/FY25 respectively. Thus, delays in receivables collection or limited access to adequate financing could strain liquidity and negatively affect business operations and growth prospects of the company.

Growth Strategies

- Strengthen presence in India by expanding geographical footprint.
- Diversify and optimize project mix and cater to large and more complex projects.
- Invest in technology infrastructure to enhance in-house design and engineering, and project execution capabilities.
- Focus on efficient cost management in relation to project execution.

Revenue Mix - Segments

Particulars	FY24		FY25		FY26	
	Rs cr	% of TR	Rs cr	% of TR	Rs cr	% of TR
EPC	2,436	99.9%	2,910	99.7%	3,595	99.8%
O&M*	3	0.1%	8	0.3%	6	0.2%
Total Revenue (TR)	2,439	100.0%	2,918	100.0%	3,600	100.0%

*O&M activities include maintenance and repair work

Source: RHP, SBICAP Securities Research

Revenue Mix - Projects

Particulars	FY24		FY25		FY26	
	Rs cr	% of TR	Rs cr	% of TR	Rs cr	% of TR
Irrigation and water supply projects	2,286	93.7%	2,709	92.8%	3,148	87.4%
Other projects*	153	6.3%	209	7.2%	452	12.6%
Total Revenue (TR)	2,439	100.0%	2,918	100.0%	3,600	100.0%

*includes mining, road work, metro rail related work, other operating revenue, and revenue from sale of goods.

Source: RHP, SBICAP Securities Research

Revenue Mix – Government vs Private

Particulars	FY24		FY25		FY26	
	Rs cr	% of TR	Rs cr	% of TR	Rs cr	% of TR
Government departments	2,116	86.8%	2,355	80.7%	3,217	89.3%
Private customers	323	13.2%	563	19.3%	384	10.7%
Total Revenue (TR)	2,439	100.0%	2,918	100.0%	3,600	100.0%

Source: RHP, SBICAP Securities Research

Order Book Mix - Segments

Particulars	FY24		FY25		FY26	
	Rs cr	% of order book	Rs cr	% of order book	Rs cr	% of order book
Irrigation and water supply projects	5,363	85.5%	7,090	90.0%	6,621	83.3%
Other projects*	906	14.5%	792	10.0%	1,332	16.7%
Order book	6,269	100.0%	7,882	100.0%	7,953	100.0%

*includes mining, road work, and metro rail related works.

Source: RHP, SBICAP Securities Research

Order Book Mix – Government vs Private

Particulars	FY24		FY25		FY26	
	Rs cr	% of order book	Rs cr	% of order book	Rs cr	% of order book
Government departments	5,499	87.7%	6,715	85.2%	6,289	79.1%
Private customers	770	12.3%	1,167	14.8%	1,665	20.9%
Order book	6,269	100.0%	7,882	100.0%	7,953	100.0%

Source: RHP, SBICAP Securities Research

Details of Past Project Bids

Particulars	FY24	FY25	FY26
Number of bids made	83	89	170
Value of bids made (Rs cr)*	16,603	25,392	59,723
Number of projects awarded	19	19	23
Bid success rate	22.9%	21.4%	13.5%
Value of projects awarded (Rs cr)*	4,395	4,258	3,345

Source: RHP, SBICAP Securities Research

Pre-cast Concrete Solutions Manufacturing

Particulars	FY24	FY25	FY26
Installed capacity (cubic meter)	-	-	120
Production (cubic meter)	-	-	90
Capacity Utilization (%)	-	-	75

The company had commenced operations at the Jaspur unit in Dec'25.

Source: RHP, SBICAP Securities Research

% completion of ongoing projects (FY26)

Particulars	Up to 10%	10% to 30%	30% to 70%	more than 70%
Percentage completion of Ongoing Projects	15.5%	8.7%	19.4%	56.3%

Source: RHP, SBICAP Securities Research

Peer Comparison – FY26

Particulars (Rs cr)	LCC Projects	Vishnu Prakash R Punglia	Enviro Infra Engineers
CMP (Rs)	146	34	198
Mkt Cap.	4,229	425	3,458
Enterprise Value	4,371	1,018	3,545
Order Book	7,953	5,001	6,814
Revenue from Operations	3,600	851	1,146
Order Book/Sales	2.2	5.9	5.9
EBITDA	482	(82)	277
EBITDA Margin (%)	13.4	(9.6)	24.2
Adj. PAT	284	(140)	187
Adj. PAT Margin (%)	7.9	(16.5)	16.3
RoE (%)	32.0	(22.2)	15.2
RoCE (%)	27.2	(7.3)	17.6
P/E (x)	14.9	-	18.5
EV/EBITDA (x)	9.1	-	12.8
EV/Sales (x)	1.2	1.2	3.1

For LCC Projects Limited, the Market Cap, P/E(x), EV/EBITDA (x), and EV/Sales (x) are calculated on post-issue equity share capital based on the upper price band.

RoE and P/E ratios are calculated on Adj. PAT

CMP for peer companies is closing price as of 07th September, 2026

Source: RHP, Exchange Filings, SSL Research

Financial Snapshot

INCOME STATEMENT			
Particulars (Rs cr)	FY24	FY25	FY26
Revenue from Operations	2,439	2,918	3,600
<i>YoY growth (%)</i>	-	19.7%	23.4%
COGS (incl Stock Adj)	2,070	2,399	2,947
Gross Profit	369	519	653
Gross margin (%)	15.1%	17.8%	18.1%
Employee Cost	79	110	131
Other Operating Expenses	24	31	40
EBITDA	266	378	482
EBITDA margins (%)	10.9%	13.0%	13.4%
Other Income	11	23	39
Interest Exp.	50	80	96
Depreciation	19	27	45
PBT	208	293	379
Exceptional item	(36)	-	(1)
Tax	50	70	92
Share of profit of associates and JVs	0	0	(0)
Minority Interest	0	1	3
PAT	122	222	283
PAT margin (%)	5.0%	7.6%	7.9%
EPS (Rs)	4.5	8.2	10.4
Adj. PAT	147	222	284
Adj. PAT margin (%)	6.0%	7.6%	7.9%
Adj. EPS	5.4	8.2	10.4

BALANCE SHEET			
Particulars (Rs cr)	FY24	FY25	FY26
Assets			
Net Block	134	148	179
Capital WIP	-	34	-
Intangible Assets	0	1	9
Goodwill	1	1	1
Other Non-current Assets	146	142	165
Current Assets			
Inventories	136	201	248
Trade receivables	157	250	456
Cash and Bank Balances	131	312	461
Other Current Assets	425	638	930
Total Current Assets	848	1,402	2,094
Current Liabilities & Provisions			
Trade payables	172	103	261
Other current liabilities	101	215	378
Short-term provisions	1	1	2
Total Current Liabilities	273	319	640
Net Current Assets	575	1,083	1,454
Total Assets	857	1,409	1,807
Liabilities			
Share Capital	34	136	136
Reserves and Surplus	349	469	752
Total Shareholders' Funds	383	605	888
Minority Interest	1	2	5
Total Debt	422	747	861
Long Term Provisions	-	0	-
Other Long-Term Liabilities	47	55	53
Net Deferred Tax Liability	4	0	0
Total Liabilities	857	1,409	1,807

CASH FLOW STATEMENT			
Particulars (Rs cr)	FY24	FY25	FY26
Cash flow from Operating Activities	29	24	158
Cash flow from Investing Activities	(129)	(195)	(107)
Cash flow from Financing Activities	83	252	18
Free Cash Flow	(38)	(52)	112

RATIOS			
Particulars	FY24	FY25	FY26
Profitability			
Return on Capital Employed	32.0%	27.6%	27.2%
Return on Equity	38.4%	36.8%	32.0%
Margin Analysis			
Gross Margin	15.1%	17.8%	18.1%
EBITDA Margin	10.9%	13.0%	13.4%
Adj. Net Profit Margin	6.0%	7.6%	7.9%
Short-Term Liquidity			
Current Ratio (x)	1.3	1.4	1.5
Quick Ratio (x)	1.1	1.2	1.3
Days Sales Outstanding	23	31	46
Days Inventory Outstanding	20	25	25
Days Payables	26	13	26
Fixed asset turnover (x)	18.2	19.7	20.1
Debt-service coverage (x)	0.5	0.5	0.5
Long-Term Solvency			
Total Debt / Equity (x)	1.1	1.2	1.0
Interest Coverage Ratio (x)	5.2	4.7	4.9
Valuation Ratios*			
EV/EBITDA (x)	16.0	11.6	9.1
P/E (x)	27.0	17.9	14.0
P/B (x)	10.4	6.6	4.5
EV/Sales (x)	1.7	1.5	1.2
Market Cap/Sales (x)	1.6	1.4	1.1

**Valuation ratios are based on pre-issue capital at the upper price band*

RoE and P/E ratios are calculated on Adj. PAT

Source: RHP, SBICAP Securities Research

SBICAP Securities Limited

(CIN): U65999MH2005PLC155485

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Research Analyst: INH000000602 | IRDA: CA0103 | PFRDA Registration No: POP 26092018

Registered & Corporate Office: Marathon Futurex, Unit No. 1201, B-Wing, 12th Floor, N M Joshi Marg,
Mafatlal Mill Compound, Lower Parel East, Mumbai 400013 .

For any information contact us: **(022) 6854 5555 | E-mail: helpdesk@sbicapsec.com | Web: www.sbisecurities.in**

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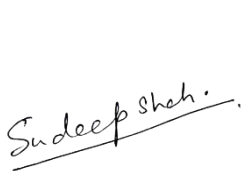
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<u>Name</u>	<u>Qualification</u>	<u>Designation</u>
Fundamental Team		
Sunny Agrawal	B.E, MBA (Finance)	DVP - Fundamental Research
Rajesh Gupta	PGDBM (Finance), MA (Bus. Eco)	AVP - Fundamental Research
Monica Chauhan	C.A.	Research Analyst - Equity Fundamentals
Harsh Vasa	C.A.	Research Analyst - Equity Fundamentals
Sumeet Shah	B.E., CFA	Research Analyst - Equity Fundamentals
Shubham Purohit	BMS (Finance)	Research Associate - Equity Fundamentals
Vinit Mishra	B.Com	Research Associate - Equity Fundamentals
Avijit Sheet	MBA (Finance)	Research Associate - Equity Fundamentals
Siddhesh Nanal	MSc (Finance)	Research Associate - Equity Fundamentals

Technical & Derivatives Team

Sudeep Shah	MMS-Finance	VP- Technical & Derivative Research
Gautam Upadhyaya	MBA (Finance)	Research Analyst - Equity Derivatives
Vinayak Gangule	BE (IT)	Research Analyst - Equity Technicals
Aditya Bhamare	MBA (Finance)	Research Analyst - Equity Technicals
Ashwin Ramani	B.Com	Research Analyst- Equity Technicals
Sagar Peswani	B.Tech (ECE)	Research Associate - Equity Technicals
Kalpesh Mangade	B.Com	MIS Analyst - Retail Research

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Sudeep Shah

VP – Technical & Derivative Research


Sunny Agrawal

DVP – Fundamental Research