LCC Projects Limited

July 08, 2026

Facilities/Instruments	Amount (₹ crore)	Rating	Rating Action
Long-term bank facilities	384.00 (Enhanced from 359.00)	CARE A; Stable	Reaffirmed
Long-term / Short-term bank facilities	1,662.00 (Enhanced from 1,652.00)	CARE A; Stable / CARE A2+	Reaffirmed
Short-term bank facilities	20.00	CARE A2+	Reaffirmed
Long-term / Short-term bank facilities	-	-	Withdrawn
Long-term bank facilities	-	-	Withdrawn

Details of instruments/facilities in Annexure-1.

The list of facilities / instruments falling under the purview of various financial sector regulators (FSRs), along with the names of respective FSRs has been disclosed under Annexure-7.

Rationale and key rating drivers

Reaffirmation of ratings assigned to bank facilities of LCC Projects Limited (LCCP, formerly LCC Projects Private Limited) considers its established track record of over two decades in executing irrigation and water supply projects (WSPs) on engineering, procurement and construction (EPC) basis, low counterparty credit risk, robust order book position, and strong business growth in recent years. LCCP has an in-house team of design engineers, which has enabled the company to undertake large irrigation projects and diversify its revenue profile and order book.

Ratings also factor in healthy scale-up in operations, as reflected in ~19% year-on-year revenue growth in FY26 (Prov.) (FY: April 01 to March 31), while maintaining profit before interest, lease rentals, depreciation and taxation (PBILDT) margin at 13.4% in the year. Capital structure remained comfortable, with total outside liabilities to tangible net worth (TOL/TNW) improving to 1.73x as on March 31, 2026 (PY: 1.99x) and is expected to remain satisfactory in the medium term.

However, rating strengths are tempered by geographical concentration of its order book, with significant exposure to the states of Madhya Pradesh (MP), Gujarat, Jharkhand, and Rajasthan, and increased working capital intensity, reflected in higher reliance on purchase invoice discounting and elongation of gross current asset (GCA) days. GCA days extended from 184 days in FY25 to 215 days in FY26 (Prov.) due to higher debtors and unbilled revenue, driven by year-end billing and ongoing trial runs for WSP. GCA days are expected to remain ~200 days in the medium term. Ratings also factor in the company's presence in a highly fragmented and competitive tender-driven construction industry and its exposure to fluctuations in input material prices, which may impact profitability.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Diversification of order book with sustained growth in its scale of operations while maintaining PBILDT margin.
- Reduction in TOL/TNW to below 2x.

Negative factors

- Decline in scale of operations by over 20% and PBILDT margin below 8% on a sustained basis.
- Increase in total debt to profit before interest, lease rentals, depreciation, and taxation (TD/PBILDT) above 2.50x
- Elongation of GCA days beyond 200 days on a sustained basis.

Analytical approach: Consolidated

There exists business, financial and management linkage with the subsidiaries/joint ventures (JVs). List of subsidiaries and JVs consolidated is provided in Annexure-6.

Outlook: Stable

Stable outlook reflects CareEdge Ratings expectations that LCCP shall be able to sustain its credit risk profile considering strong orderbook with demonstrated execution track record and low counterparty credit risk and maintaining comfortable debt coverage indicators.

Detailed description of key rating drivers:

Key strengths

Healthy orderbook position

As on February 28, 2026, LCCP's order book stood at ₹9,445 crore (₹8,185 crore as on June 30, 2025), translating to an order book-to-revenue ratio of ~2.72x against FY26 (Prov.) total operating income (TOI), indicating healthy revenue visibility in the medium term. The order book is diversified across multiple states, with Madhya Pradesh (MP) accounting for 19%, followed by Gujarat (11%), Rajasthan (7%), and Jharkhand (5%), among others. The relatively higher contribution from MP and Gujarat is driven by the award of large water infrastructure projects in these states.

Majority work orders are awarded by central and state government departments, and reputed private players, resulting in low counterparty credit risk. Order book nascency remains comfortable, with ~42% of orders at an early stage of execution, which are expected to gain execution momentum in the near term, supporting revenue growth. Timely execution of these projects remains a key credit monitorable, as delays could impact revenue realisation and the working capital cycle.

Satisfactory financial performance in FY26

LCCP reported revenue of ₹3,469 crore in FY26 (Prov.), marking a healthy year-on-year growth of 19% over FY25, driven by improved execution of its order book. LCCP's PBILDT margin improved by 46 basis points to 13.37%, driven by reduction in overheads and moderation in material procurement costs. Majority contracts include in-built price escalation clauses, which mitigate the risk of input cost fluctuations and support margin stability.

Profit after taxation (PAT) margin remained stable at 7.73% (PY: 7.67%) in line with the PBILDT margin.

Comfortable financial risk profile

The company's capital structure remains comfortable, with TOL/TNW improving to 1.73x as on March 31, 2026 (PY: 1.99x), supported by healthy accruals and net worth accretion. Debt coverage metrics remained comfortable, with interest coverage at 4.85x in FY26 (Prov.) and total debt to PBILDT at 2.05x. Profitability indicators remained comfortable with return on capital employed (ROCE) of 30% (PY: 33%). Given the strong order book position and expected sustenance of profitability, CareEdge Ratings anticipates debt coverage indicators to remain comfortable in the medium term.

Experienced promoters with strong execution track record

LCCP has an established track record of executing water supply and irrigation projects (WSPs), including construction of canals, distributaries, and pipeline networks for drinking and irrigation water supply. The company is promoted by Arjanbhai Rabari and Laljibhai Arjanbhai Ahir, who have over two decades of experience in the construction sector.

LCCP had filed its draft red herring prospectus (DRHP) for an initial public offering (IPO) in February 2025, comprising a ₹320 crore fresh issue and an offer for sale of 2.29 crore shares by the promoters. Proceeds are proposed to be utilised primarily for debt repayment and equipment purchases, with the balance for general corporate purposes. However, the IPO is currently on hold due to geopolitical and market uncertainties, and the company is expected to reassess the plan once conditions stabilise.

Stable demand outlook for construction industry

The construction industry in India is poised for robust growth, supported by strong government infrastructure spending, rapid urbanisation, rising housing demand, and favourable policy support, including 100% foreign direct investment (FDI) in construction. The industry, valued at ~US$649 billion in 2024, is projected to grow at a compounded annual growth rate (CAGR) of ~7% to reach over US$963 billion by 2030, indicating a steady expansion trajectory.
However, the sector continues to face challenges such as shortage of skilled labour, regulatory delays, cost overruns, and funding constraints. At the same time, increasing adoption of digital technologies, sustainable construction practices, and modern building

methods presents significant growth opportunities for industry participants. Overall, medium-to-long term outlook for the Indian construction sector remains stable.

Key weaknesses

Working capital intensive operations

Working capital debt has been increasing gradually since the last two years, in line with scaling up of operations. This is primarily driven by an increase in debtors and unbilled revenue, owing to substantial year-end billings and ongoing trial runs for water supply projects (WSPs). As a result, the company's gross GCA days increased to 215 days in FY26 (PY: 184 days).

However, fund-based limits have seen moderate utilisation of 50–60% for 12-months ending June 2026, providing adequate headroom to meet contingencies.

The working capital cycle is expected to remain elongated in the near term, although it may moderate with timely execution and completion of projects, leading to improvement in receivables and GCA days.

Profitability susceptible to input price fluctuations and competitive industry dynamics

The execution period of contracts awarded to LCCP typically ranges from 12–36 months (except for a coal extraction project with a tenure of seven years), exposing the company's profitability to fluctuations in input prices such as pipes, steel, cement, and sand. However, majority order book includes in-built price escalation clauses, which mitigate the risk arising from adverse movements in input prices to a large extent.

LCCP operates in a highly fragmented and competitive construction industry, where projects are awarded based on the bidder's experience, financial strength, and most competitive pricing. The presence of large number of contractors leads to aggressive bidding, which exerts pressure on margins.

Liquidity: Adequate

LCCP's liquidity remains adequate marked by healthy cushion available in form of gross cash accruals of ₹308 crore in FY26 against long-term debt repayment obligations of ₹70 crore in FY27. Average utilisation of fund-based and non-fund-based limits remained at 50-60% and 70% respectively for 12 months ended on June 30, 2026. As on March 31, 2026, unencumbered cash and bank balances stood at ₹62 crore. With increased orderbook, timely tying of working capital lines remains crucial from credit perspective.

Assumptions/Covenants: Not applicable

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

Applicable criteria

Consolidation
Definition of Default
Liquidity Analysis of Non-financial sector entities
Rating Outlook and Rating Watch
Financial Ratios – Non financial Sector
Withdrawal Policy
Construction Sector
Infrastructure Sector Ratings
Short Term Instruments

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Industrials	Construction	Construction	Civil construction

LCCP was incorporated in March 2004 by the Ahir family and Rabari family as a partnership firm named M/s Laxmi Construction Co. The firm was converted into a private limited company in December 2017 and subsequently transformed into a public limited company in December 2024. LCCP is mainly engaged in construction of water sector infra consisting of branch and sub-branch canals, distributaries, minors, dams, laying underground pipelines and drainage schemes including pipe culverts among others on EPC basis.

Brief Financials (₹ crore) ^	March 31, 2025 (A)	March 31, 2026 (UA)
Total operating income	2,917	3,469
PBILDT*	376	464
Profit after tax (PAT)	224	268
Overall gearing (x)	1.41	1.11
Interest coverage (x)	4.72	4.85

A: Audited UA: Unaudited; ^Note: Latest available standalone financial results; Consolidated results not available yet
*PBILDT: Profit before interest, lease rentals, depreciation and tax

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

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	Coupon Rate (%)	Maturity Date	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT-Cash Credit	NA	-	-	-	0.00	Withdrawn
Fund-based - LT-Cash Credit	NA	-	-	-	384.00	CARE A; Stable
Non-fund-based - LT/ ST-Bank Guarantee	NA	-	-	-	0.00	Withdrawn
Non-fund-based - LT/ ST-Bank Guarantee	NA	-	-	-	1662.00	CARE A; Stable / CARE A2+
Non-fund-based - ST-Bank Guarantee	NA	-	-	-	20.00	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	-	-	-	1)CARE A; Stable (10-Oct-25)	1)CARE A; Stable (11-Dec-24) 2)CARE A2+ (08-Oct-24)	1)CARE A2 (29-Aug-23)
2	Non-fund-based - LT/ ST-Bank Guarantee	LT/ST	1662.00	CARE A; Stable / CARE A2+	-	1)CARE A; Stable / CARE A2+ (10-Oct-25)	1)CARE A; Stable / CARE A2+ (11-Dec-24) 2)CARE A; Stable / CARE A2+ (08-Oct-24)	1)CARE A-; Stable / CARE A2 (29-Aug-23)
3	Fund-based - LT-Cash Credit	LT	384.00	CARE A; Stable	-	1)CARE A; Stable (10-Oct-25)	1)CARE A; Stable (11-Dec-24) 2)CARE A; Stable (08-Oct-24)	1)CARE A-; Stable (29-Aug-23)
4	Non-fund-based - LT/ ST-Bank Guarantee	LT/ST	-	-	-	1)CARE A; Stable / CARE A2+ (10-Oct-25)	1)CARE A; Stable / CARE A2+ (11-Dec-24) 2)CARE A; Stable / CARE A2+ (08-Oct-24)	1)CARE A-; Stable / CARE A2 (29-Aug-23)
5	Non-fund-based - ST-Bank Guarantee	ST	20.00	CARE A2+	-	1)CARE A2+ (10-Oct-25)	1)CARE A2+ (11-Dec-24) 2)CARE A2+ (08-Oct-24)	1)CARE A2 (29-Aug-23)

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	Fund-based - LT-Cash Credit	Simple
2	Non-fund-based - LT/ ST-Bank Guarantee	Simple
3	Non-fund-based - ST-Bank Guarantee	Simple

Annexure-5: Lender details

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

Annexure-6: List of entities consolidated

Sr No	Name of the entity	Extent of consolidation	Rationale for consolidation
1	Doms Delicious Private Limited	Full	Financial and management linkage
2	LCC Minechem Private Limited	Full	Financial and management linkage
3	LCC Engineering Private Limited	Full	Financial and management linkage
4	LCC Sai KSIPLJV	Proportionate	Financial and management linkage
5	LCC MCL JV	Proportionate	Financial and management linkage
6	LCC VKMCPL JV	Proportionate	Financial and management linkage
7	UTIPL-LCC (JV)	Proportionate	Financial and management linkage

Annexure-7: List of facilities/instruments and FSRs

As required by SEBI Circular dated February 10, 2026, to Credit Rating Agencies (CRAs), the list of activities or instruments falling under the purview of various FSRs, along with the names of respective FSRs, is disclosed below:

Sr. No.	Facilities/Instruments Name	Regulator of the Instruments[1]
1.	Listed / Proposed to be Listed Bonds / Debentures / Preference Shares (All Securities)	SEBI
2.	Unlisted / Proposed to be Unlisted Bonds / Debentures / Preference Shares (All Securities)	MCA
3.	Listed PTCs / Securitisation Notes (Originated by Entities Regulated by RBI) *	SEBI
4.	Listed PTCs / Securitisation Notes (Originated by Entities Not Regulated by RBI) *	SEBI
5.	Unlisted PTCs / Securitisation Notes (Originated by Entities Regulated by RBI) *	RBI
6.	Listed Commercial Paper and NCDs with Original Maturity Less Than 1 Year	RBI
7.	Unlisted Commercial Paper and NCDs with Original Maturity Less Than 1 Year	RBI
8.	Loan Facilities (Fund / Non-Fund Based) From Banks / NBFCs / NHB / FIs ^	RBI
9.	External Commercial Borrowings and Other Similar Borrowings	RBI
10.	Certificates of Deposit	RBI
11.	Fixed Deposits Raised by Banks, NBFCs, HFCs, Fis	RBI
12.	Fixed Deposits Raised by Corporates Other Than Banks, NBFCs, HFCs, FIs	MCA
13.	Inter Corporate Deposits / Loans Extended by Corporates	MCA
14.	Borrowing Programme ~	-
15.	Issuer Ratings #	-
16.	Credit Ratings for Capital Protection Oriented Schemes (By Mutal Funds and AIFs)	SEBI
17.	Credit Quality Ratings (CQRs) for Mutual Fund Schemes and Schemes of AIFs	SEBI
18.	Listed Security Receipts	SEBI
19.	Unlisted Security Receipts	RBI

[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

Sr. No.	Facilities/Instruments Name	Regulator of the Instruments[1]
20.	Independent Credit Evaluation (ICE)	RBI
21.	Expected Loss Ratings (For Loan Facilities (Fund / Non-Fund Based) from Banks / NBFCs / NHB / FIs)	RBI
22.	Expected Loss Ratings (Listed / Proposed to be Listed Bonds / Debentures / Preference Shares (All Securities))	SEBI
23.	Expected Loss Ratings (Unlisted / Proposed to be Unlisted Bonds / Debentures / Preference Shares (All Securities))	MCA
24.	Unlisted PTCs / Securitisation Notes (Originated by Entities Not Regulated by RBI) *	Investor-side regulator such as IRDAI, PFRDA @

* Includes securitisation transactions involving assignee payout, acquirer's payout.
~ The rated instrument may involve issuance of different instruments such as debt securities (listed or otherwise), bank loans, commercial paper (listed or otherwise), The regulator of the instrument may accordingly be SEBI, RBI or MCA and can only be determined upon issuance. In the press releases subsequent to issuance(s), CareEdge Ratings shall separately capture the rated quantum details along with names of respective regulators.

^ Includes bank facilities such as liquidity facility, second loss facility that are part of securitisation transactions.

There is no instrument being rated and hence, Regulator of the Instrument is not applicable. The rating scale and definitions are being followed as stipulated in SEBI Master Circular for CRAs.

@ These ratings were assigned in regulatory regime prior to introduction of SEBI CRA Circular dated February 10, 2026, and the investor side regulators have accordingly been included.

Note: For facilities / 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.

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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