LCC Projects Limited Q2 & H1 FY-27 Earnings Conference Call

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MANAGEMENT: MR. ARJAN SUJA RABARI – CHAIRMAN AND MANAGING DIRECTOR, LCC PROJECTS LIMITED
MR. LALJIBHAI AHIR – MANAGING DIRECTOR, LCC PROJECTS LIMITED

Moderator: Ladies and gentlemen good day and welcome to the LCC Projects Limited Q2 & H1 FY 2027 Earnings Conference Call. As a remainder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation conclude.

Before we begin, a brief disclaimer:

The presentation which LCC Projects Limited has uploaded on the Stock Exchange and their website, including the discussion during the call, contains or may contain certain forward-looking statements concerning LCC Projects Limited, business perspective and profitability which are subject to several risks and uncertainties that our actual result could materially differ from those in such forward-looking statements.

Should you need assistance during the conference call, please signal an operator by pressing '*' then '0' on your touch-tone phone. I now hand the conference over to Mr. Arjan Suja Rabari – Chairman and Managing Director from LCC. Thank you and over to you, sir.

Arjan Suja Rabari: Good afternoon everyone and thank you for joining us for the call today. On behalf of LCC Projects Limited, I extend a warm welcome to all participants for Q2 and H1 financial year 2026-2027 Earnings Conference Call. This quarter marks our First Full Earnings Call since our successful IPO and I would like to extend a special welcome to our new shareholders who have joined us on this journey.

I trust you all had the opportunity to review our earnings presentation and press release available on Stock Exchange and our corporate websites. For the benefit of our new investors and analysts, let me begin with a brief overview of LCC Projects Limited. LCC Projects Limited is a multidisciplinary EPC company - specialization in complex irrigation and water supply infrastructure projects.

Since our inception in 2004, we have built a strong execution track record, successfully completing more than 80 projects across 12 states over the last two decades. We focused on executing complex and technically challenging projects and have established a strong track record in project management, execution excellence and timely completion of irrigation and water supply projects across India, with most projects we delivered ahead or in line with the scheduled time limits. Today, we are among a few large organized EPC players in Gujarat with significant in-house engineering capability, supported by a team of over 700 design and technical professionals.

Our engineering and design function leverages advanced technologies such as SCADA, Water Gems, Water Hammers, and STAAD-Pro for design planning, engineering analysis, database management and topographical mapping, enabling us to deliver efficient and optimized project solutions. This strong technical foundation, coupled with our deep domain expertise and execution capabilities, allow us to undertake complex infrastructure projects and consistently deliver quality and outcomes for our clients across India. As of September 30th 2026, our order

book stood at Rs. 8,154 crores, reflecting the strength of our project pipeline and providing strong revenue visibility for the coming year. As a result, we have established ourselves as a trust partner in the country's irrigation and water infrastructure development sector.

Now, coming to the operational highlights for the H1 Financial Year 2026 – 2027:

First, order book. Our order book remained robust at Rs. 8,154 crores as of September 30th 2026, compared to Rs. 7,953 crores as of March 31st 2026, providing strong revenue visibility and the growth momentum. During the H1 FY 2027, we secured new order worth Rs. 1,641 crores, reflecting our continuous success in winning quality projects across our focus segments. In addition, we are currently L1 in projects aggregating Rs. 1,583 crores, which augment our opportunity pipeline and provides further visibility on future order inflows. Our order book to revenue ratio stands at 2.21x based on FY 2026 revenues, translating into more than two years of revenue visibility under, accruing the strength of our business fundamentals. Execution momentum remains strong across our project portfolio. We are currently executing several landmark projects, including Sondwa Lift Irrigation valued at Rs. 1,395 crores, Sidhi Bansagar Project, Madhya Pradesh valued near about Rs. 1,400 crores, Gandhi Sagar Project valued near about Rs. 1,049 crores and Bishrampur Mining Project, Chhattisgarh, crossing the line with our execution plans. The combination of a healthy order book, strong execution capability and a robust L1 pipeline position, as well, sustain our growth, trajectory and capability, and emerging opportunity in the infrastructure sector.

Now, I am talking about our sector:

The opportunity in water infrastructure remains massive. The government continually thrusts on Jal Jeevan Mission, Har Ghar Jal Nal and State Irrigation Scheme, the tender pipeline is very strong. Also, inter-river linking projects. We are witnessing projects with higher technical qualification requirements, which create an opportunity for technically strong and established players, such as the LCC.

We are also seeing a lot of new opportunities in the water infrastructure segment, particularly river linking, data centre and nuclear power. Further our un-utilized non-fund-based limits, in excess of 35%, provide sufficient headroom for the pursuing, large and more complex projects.

Now, I will hand over to our Managing Director, Mr. Laljibhai Ahir, to walk you through financially in detail.

Laljibhai Ahir: Thank you, CMD sir and good afternoon, everyone. I will quickly take you through our financial performance.

First consolidated quarter 2, FY 2027 year-on-year performance:

Revenue from operations was Rs.886 crores in Q2 FY 2026 versus Rs.661 crores in Q2 FY 2026, growth of 34% year-on-year. EBITDA for Q2 was Rs.137 crores versus Rs.94 crores last year, growth of 46% year-on-year. EBITDA margin expanded to over 15.5% versus 14.2 %. PAT was Rs.77 crores versus Rs.49 crores, growth of 58% year-on-year. PAT margin improved to 8.6% versus 7.3%.

Now, consolidated half-yearly FY 2027 year-on-year performance:

H1 FY 2027 revenue was Rs. 1,688 crores, EBITDA stood at Rs. 256 crores with margin expanding to 15.2% versus 13.8% in half-yearly FY 2026. PAT was Rs.143 crores with margin improving to 8.4% versus 7.8% in half-yearly FY 2026. If you see FY 2024 to 2026, our revenue CAGR is 21%, EBITDA margin has moved from 10.9% to 13.4% and now is 15.2% in half-yearly FY 2027.

And our own balance sheet and return ratio, this quarter we completed our IPO and raised Rs.258 crores via fresh issue, net worth increased to Rs.1,276 crores as on 13th September, FY 2026, from Rs.893 crores in March FY 2026. Our debt-to-equity has improved 0.7 tx from 0.97x. Total debt is Rs.885 crores. Our cash and bank balance is strong at Rs.535 crores. Annualized ROC is 23.8% and ROE is 23.9%. Working capital days stood at 123 days as compared to 99 days. Trade receivable increased to Rs.674 crores from Rs.456 crores, primarily on account of milestone related billing towards the end of the quarter. We expect significant realization in Q3. We expect to maintain net working capital days in the range of 90 to 100 days.

With this, we can now open the floor for questions and answers.

Moderator: Thank you so much sir. Ladies and gentlemen, we will now begin with the question and answer session. First question comes from the line of Raj Shah, an individual investor. Please go ahead.

Raj Shah: Sir, congratulations on listing and a great set of numbers. First question was predominantly on the business strategy of the company. Do you all intend to continue to focus on water irrigation projects or these other projects also is something which is a focus area and trying to increase the percentage thereof?

Arjan Suja Rabari: Thank you very much. Our core sector is the water sector. 80% of our revenue is from the water sector. 20% revenue is from other sectors like metro, mining, railway and solar. Our focus will remain in the water sector only going forward. We will keep 80% of our focus on the water sector only. Remaining 20% will be maintained in other sectors.

Raj Shah: Okay, because in this quarter, we have seen that it has gone up to 30% odd, the other projects, so the question from that perspective, because your order book is still more focused on irrigation and water supply. So broadly, we want to still continue on irrigation and water supply projects.

Arjan Suja Rabari: Correct. But in this quarter, irrigation and water supply work is less due to rain, which is why you might have seen this more, otherwise our focus is in the water sector only.

Raj Shah: Correct. Sir, the second question was on the EBITDA margin. Basically, what we are trying to do is, trying to just relate the EBITDA margins to your revenue mix of government and private projects. Sir, I had gone through your IPO document also. Private customers have been growing up from 12% odd to 21% by March. And in fact, in this quarter also, it has gone up right overall. And in the same line, your EBITDA margins have also risen. So is that the primary reason for the EBITDA margins? Because of the concentration of private projects going up compared to government projects? Or is it on account of different higher margin projects, which you have been awarded?

Arjan Suja Rabari: See, the reason for that is that we are an asset light company. That is one of the reasons. We have very less of assets with us. Secondly, our purchasing power is increasing day by day. Earlier, we used to do bargaining for pipes. Now, we are a company with a capacity of A-rating. So, we are getting a lot of benefits from higher purchases. Secondly, as you are saying, we are gradually increasing the private sector. In the past, our private sector was 10%. Then we increased it to 20%. And gradually, we are increasing it to 35%. But the reason for our increased EBITDA is that we work faster than the time. And our interest costs are decreasing due to the purchasing power. And because of this, our EBITDA is good.

Raj Shah: But sir, where do you see this settling? I mean, if we have to draw up a financial projection, say, 1-2 years. So where do you see it settling in terms of ….? Because the percentage has risen over the last 3 years as well as in this quarter back-to-back. Where do you see an indicative average EBITDA if we have to consider on a business perspective?

Arjan Suja Rabari: I got your point. We will maintain our EBITDA around 14% - 15%.

Raj Shah: Okay. That is all from my side, sir. Thank you and all the very best, sir.

Arjan Suja Rabari: Thank you very much.

Moderator: Thank you. Our next question comes from the line of Pritesh Dineshchandra Jain from Subhkam Ventures. Please go ahead.

Pritesh Dineshchandra Jain: Yes. Congratulations on listing and good start of the New Year. Sir, I have 2-3 queries. One is related to the incremental order. How much order do you expect in this year? And what is your year-end target in terms of order book?

Arjan Suja Rabari: At the end of this year, we will bring a new order book worth Rs. 6,000 crores. Out of this, Rs. 3000 crores is now visible and we will bring a new order book worth Rs. 3,000 crores by March. At the end of March, whatever will be our revenue, we always maintain our order book more than 2.5 times of our revenue.. We will maintain our order book and we will try to do the same.

Pritesh Dineshchandra Jain: Also sir, you mentioned about data center as , you know, for the growth perspective. So what exactly we are trying to do in that particular sector?

Arjan Suja Rabari: Yes. As you can see, there is a lot of demand for data center in our country. But data centers need huge water requirement. They need a lot of water. So, the water management companies like us have a lot of demand for data center. There is a lot of demand for water management companies as well. So our focus is not on doing civil work in data center, our focus is on their water requirement. We are more focused on that water. There are a lot of nuclear power plants in our country, so they also have water requirement. So, we are focusing on this segment.

Pritesh Dineshchandra Jain: So, are there any orders right now in this particular sector? Do we have anything in hand?

Arjan Suja Rabari: No, we do not have any orders right now. But yes, we have started an order from a private sector to provide water for thermal power from Adani. We have started the execution for it also. So in this way, we are getting inquiries. Orders have come only one for thermal power from the private sector.

Pritesh Dineshchandra Jain: Okay sir. And sir, what will be our revenue guidance going for the next year annual, you know, 2-3 years down the line? What kind of revenue growth guidance and EBITDA margin guidance you would like to give?

Arjan Suja Rabari: EBITDA, we will maintain 14% - 15%. And the revenue is around 20% or more than 20%. That is our target for our revenue growth.

Pritesh Dineshchandra Jain: Okay. And do you think there will be no pressure on the margin price? Given that you are diversifying to other segments also initially.

Arjan Suja Rabari: No.

Pritesh Dineshchandra Jain: Do you think there is any pressure on the margin?

Arjan Suja Rabari: No, there is no pressure on the margin. Our margin will be stable and we will increase it.

Pritesh Dineshchandra Jain: Okay. Thank you sir, for all the questions.

Moderator: Thank you. Our next question comes from the line of Dhananjay Mishra with Centrum Broking. Please go ahead.

Dhananjay Mishra: Congratulations sir, on very strong Q2 numbers post listing.

Arjan Suja Rabari: Thank you.

Dhananjay Mishra: Can you tell us the details of your L1 order? I mean, what are the orders? And when will it be finalized?

Arjan Suja Rabari: We have L1 orders from the government of Gujarat and government of Rajasthan. And in the next 20-21 days, it will be on the work order.

Dhananjay Mishra: Okay. And apart from this, we are talking about Rs. 3,000 crores more orders. So, where are we at the bidding stage? In which states have we bid?

Arjan Suja Rabari: We have already bid for about Rs. 12,000 crores of tenders, which have been bid in different states across the country, like Chhattisgarh, Gujarat, Odisha and Uttar Pradesh. We have bid in such states. They are about Rs. 12,000 crores. Apart from this, up to March, we have about Rs. 15,000 to Rs. 20,000 crores of tenders, because there are 6 months left. So, we will bid for that. And from all this, we expect for work of more than Rs. 3,000 crores.

Dhananjay Mishra: And sir, in terms of Jal Jeevan Mission Exposure, in your existing order book and upcoming bid, how much can be kept?

Arjan Suja Rabari: Our water sector irrigation is about 80%. Out of it, 65% is Jal Jeevan and irrigation, Jal Jeevan Mission is about 20%.

Dhananjay Mishra: Okay. So what is the payment right now? Is the payment happening on time on the Jal Jeevan front?

Arjan Suja Rabari: Yes, in Jal Jeevan Mission, we do not have any problem with payment. If you see our track record in Jal Jeevan Mission in the last 3 years, we got our payment in just 55 days or 45 days.

Dhananjay Mishra: And this year, we are targeting Rs. 4,000 crores, right? In terms of revenue?

Arjan Suja Rabari: Yes, Rs. 4,300 to Rs. 4,400.

Dhananjay Mishra: Okay. And if this order comes, we can grow 20% for next year as well.

Arjan Suja Rabari: Yes.

Dhananjay Mishra: So our existing limit, which is unutilized limit 38%, which will be around, I think Rs. 600 crores?

Arjan Suja Rabari: Yes.

Dhananjay Mishra: So the growth that we are expecting, the current unutilized limit is good enough to capture this growth?

Arjan Suja Rabari: Yes, it is good enough. And along with this, the bank guarantee is also released from our utilized limit. So, this is more than enough.

Dhananjay Mishra: Okay sir. That is all from my side. Thank you, all the best.

Moderator: Thank you. Our next question comes from the line of Alok Deora with Motilal Oswal Financial Service Limited. Please go ahead.

Alok Deora: Sir, good afternoon and congrats on good number. Sir, just wanted to know, when did we win this L1 project? I mean, when did L1 happen, sir?

Arjan Suja Rabari: L1 happened around 15-20 days ago, and we will get the confirmed order in just next 20 days.

Alok Deora: Okay. But it will be confirmed, right? It is not like…

Arjan Suja Rabari: Yes. Absolutely. No, it is government… Yes, elections are going on in Rajasthan, which is why 20 days, and in Gujarat, we will win anyways.

Alok Deora: Okay. And, sir, this margin in this quarter, it was substantially higher than our historical track record. So is there any one-off in this? I mean, will this continue over the period? Because, especially considering that it was a monsoon period, so you know, the execution is better, margins are also improved. So, this would continue ahead in terms of margin profile, or it should move back towards the 14% kind of number, excluding other income.

Artiba Narpatsinh Jadeja: Hello. This is CFO Jadeda.

Alok Deora: Yes please.

Artiba Narpatsinh Jadeja: So, if we talk about margin, so overall, for the year, we are expecting that we will maintain our EBITDA margin of 14% - 15%. For the particular quarter of quarter 2, 2027, which you are talking about now, a higher margin has been recorded. So definitely, that is due to some profitable projects and that kind of project mix, from where we comparatively earned more margin. But obviously, and you can see the revenue growth of quarter 2, there are more than 34% quarter-on-quarter basis of growth. So overall, that will remain by 14% - 15%.

Alok Deora: Okay. Because first half is almost 15%, so in the second half, the margin will be more like 13% - 13.5%. So, average will be more like a 14%.

Artiba Narpatsinh Jadeja: So generally, our approach remains conservative.

Alok Deora: Got it.

Artiba Narpatsinh Jadeja: We believe in saying less and achieving more. So we believe, definitely we can achieve better than this margin also. But overall, our general growth from last year, that is 14% - 15% margin. So, that will remain for this year too.

Alok Deora: Got it. And sir, what is the revenue guidance for the full year? So, if we see the full year's growth, it has been more like a 4% - 5%, as in first half. So, what can be the number for the full year? Like, we have done Rs. 1700 crores. So, second half is generally better. So in the remaining two quarters, it can be more like a Rs. 1000 – Rs. 1000 crore revenue or more than that.

Arjan Suja Rabari: Alok, if you see our track record. So in the first half, we get around 40% revenue and in the second half, around 60%. So, in this way, our overall end of the year revenue will be near about Rs. 4300 crores – Rs. 4400 crores, with approximately 20% hike.

Alok Deora: Okay. So, we will have to catch up a lot. I mean, it is Rs. 1700 crores now.

Arjan Suja Rabari: No, this trend has been there for the last 3-4 years. So, in the first six months, it is 40% and in the second six months, it is 60%.

Alok Deora: Right. Got it. Okay. And, sir, what is the order inflow target for this year? I think we have won around Rs. 1700 crores – Rs. 1800 crores in H1, Rs. 1640 actually. So Rs. 1640 and then how much orders are you expecting in the remaining 6 months?

Arjan Suja Rabari: Alok, at the end of this financial year, the order book that we will have, we are targeting around Rs. 10,000 crores. Which is more than 2.5 times of our expected revenue.

Alok Deora: Okay. So, if you are thinking of Rs. 2500 crores revenue in the remaining part of the year, then you will need an order inflow of Rs. 4500 crores.

Arjan Suja Rabari: Yes, sir.

Alok Deora: Okay. And you are not counting this L1 convert, right? Or are you counting that also in the order book.

Arjan Suja Rabari: Yes. By counting that, we are inflowing around Rs. 6000 crores in the entire year.

Alok Deora: Okay. Got it. So Rs. 1600 crores – Rs. 1500 crores. So Rs. 3000 crores – Rs. 4000 crores is all expected in the remaining part of the year.

Arjan Suja Rabari: Correct.

Alok Deora: Okay, sir. That is all from my side. All the best.

Arjan Suja Rabari: Thank you.

Moderator: Thank you. Next question comes from the line of Arvind with Motilal Oswal Financial Services. Please go ahead.

Arvind: Good afternoon, sir and congratulations on a great set of numbers. Just had a couple of questions from my end. So, what are the key government schemes that we are focusing on, for our order intake?

Arjan Suja Rabari: See in government schemes you might have seen, this year the rainfall was very scanty, due to which water scarcity has started in many places. So government is now focused more on inter-river linking projects. Already, nearly 30 inter- river linking projects have been identified in the country, from which the work is going on for 4-5 projects. Rajasthan, UP, Madhya Pradesh, Maharashtra. Going forward, lot of work will come in this sector and we are focused over there. Even the government's focus is also over there.

Arvind: Okay, sir understood. And sir, going forward, are we thinking to continue as an EPC company or any plans to enter into a developer or PPP projects?

Arjan Suja Rabari: No, we are focused on the EPC only, right now.

Arvind: Okay sir. That is all from my end. I will join the queue back, if anything.

Moderator: Thank you. Next question comes from the line of Megh Shah with Jinesh Consultancy. Please go ahead.

Megh Shah: Hi, congratulations on a good set of numbers, sir.

Arjan Suja Rabari: Thank you.

Megh Shah: I wanted to understand the typical deter cycle. And I also wanted to see if there has been a significant increase as compared to March 2026. So, is there any specific reason for that?

Artiba Narpatsinh Jadeja: Hi. Generally, our debtor cycle is like this. We used to work for a particular date. Let us say, we worked for 28-30 days. Then, we put up a bill to our customer's / department. They get a certification. And after that certification, we recognize it as a receivable. After that, the payment is generally received in 30-45 days. So, this is our general trend for mentioning receivables and receipts. Now, you are saying that receivables are more for September 2026. So, that is the situation of a particular day specifically. Like I told you about a cycle, that we work for a whole month and the bill is kept at the end of the month. So, the receivables that we worked for, their realization was mostly in October. So, because of that thing, the amount of Rs. 675 crores is exceptionally high. But obviously, by the end of March or even within one month, we are in a comfortable situation.

Megh Shah: Okay. Understood. Also I also wanted to understand, what would be the working capital days and what is the sustainable level of that?

Artiba Narpatsinh Jadeja: Okay. Generally, our working capital cycle is of 90-100 days. Due to this particular figure of receivables, if you see in this financials, then you will see a little more working capital cycle, somewhere of 120-123 days. But historically, if you see from last 3-4 years, that remained 90-100 days. And we are very much sure that by the end of the year, we will get that situation back.

Megh Shah: Okay. Thank you. That is all from my end.

Artiba Narpatsinh Jadeja: Thank you.

Moderator: Thank you. Our next question comes from the line of Arpit Rathod with Insight Advisory. Please go ahead.

Arpit Rathod: Yes. Congratulations on a great set of numbers. Specifically, looking at the external environment, I really appreciate those good numbers. I have a couple of questions from my side. First is, essentially, what would be the CAPEX, which we would have done in the first half? And what are the targets or what are the amount of CAPEX, which we are looking for the full year?

Artiba Narpatsinh Jadeja: Yes sir. So in the first half, we have invested around Rs. 30 crores towards the CAPEX. And we are expecting furthermore Rs. 30 crores during the second half too. Generally, our CAPEX is Rs. 50 crores – Rs. 60 crores and that will remain continued.

Arpit Rathod: This will also include the CAPEX earmarked in IPO, right?

Artiba Narpatsinh Jadeja: Yes sir.

Arpit Rathod: Around Rs. 14 crores – Rs. 15 crores?

Artiba Narpatsinh Jadeja: Yes sir.

Arpit Rathod: So on a sustainable basis, you are saying Rs. 50 crores per annum for the next couple of years, right?

Artiba Narpatsinh Jadeja: Yes sir. Generally, it is like this; if you have seen our financial, we are an asset light company. And in our execution or in our projects, we do not have any other heavy CAPEX requirement other than machine and plants. So, this amount of CAPEX is enough for our growth.

Arpit Rathod: Okay. Second question again, more from a balance sheet side. What would be our mobilization advance? And here I also want to understand, whether this mobilization advances are interest-bearing or without interest. So, what would be the level and whether they are interest-bearing or non-interest-bearing?

Artiba Narpatsinh Jadeja: Sure sir. So, I would be very much happy to say you that our mobilization amount as on 30th September, 2026 is just Rs. 29 crores. And mostly, the current one is without interest. And we generally have this policy that, if we are getting interest-free mobilization advance from the department, then only we avail it. We do not use interest-bearing mobilization advance.

Arpit Rathod: Okay. If I may ask you more question, mostly on a balance sheet perspective. I see a good amount of cash and bank balances around Rs. 500 crores plus. And vis-à-vis, our debt is also around Rs. 885 crores to be precise. First question is, whether this cash is free cash and why are we not using them to prepay or repay certain debts?

Artiba Narpatsinh Jadeja: Okay. So as you asked, is it free cash or not? So, it is not 100% free cash. One of the reasons for higher cash bank balance is profit from the IPO. As you know that due to recent IPO process, we have that bank balance, which is being used as per the objective in the month of October. So, that is why it shows good amount in cash and bank balances. Yes. One more thing I want to add here, is out of that almost Rs. 290 crores of FDI is there. And which is given as a landmark for the BG and FD margin. So, that is why it is not free cash and that is the composition of that cash on bank.

Arpit Rathod: Okay. Since you have touched based on the margin, what are the typical bank guarantee margins which we have to give?

Artiba Narpatsinh Jadeja: Okay. So 10% margin has to be given in, at the time of BG issuance.

Arpit Rathod: And I have followed one of the recent announcements wherein our credit rating also has improved post IPO. So, is there any scope for renegotiation of the finance cost plus the guarantee commission and BG requirement?

Artiba Narpatsinh Jadeja: Sir we have enough amount of limit on non-fund bases also, which is sufficient for our further bank guarantee requirements also. So one thing you said that, is there any improvement in rating. So as per our knowledge, it is stable A+ since last 3 years and we are continuing mostly with that rating only. And yes, with the bankers, we would like to negotiate the best at the rate. So it will be, but not due to any change in rating or anything. That would be on our performances mainly.

Arpit Rathod: Sure. My bad. Preferably post IPO, typically companies do tend to approach the rating agencies for improvement in rating and in our case also, I wish that happens sooner.

Artiba Narpatsinh Jadeja: Sure. And that is analysis only. So, we are also expecting that we will have good performance rating from rating agency.

Arpit Rathod: Okay. Can you draw some light on the working capital requirements which we have or working capital levels?

Artiba Narpatsinh Jadeja: Working? Okay. Please ask your question so I can answer you properly.

Arpit Rathod: So, the number which is given in the press release, I think it is only trade receivable, trade payable and inventory. I understand for a contracting company, there are contract assets or unbilled revenue also. So, if that number also can be included and if you can give us a consolidated number for working capital and what was it in FY 2026 and where do we see it settling down?

Artiba Narpatsinh Jadeja: Okay. So sir, generally our working capital cycle remains 90 days - 100 days. As on position of September 2026, if I say; it is a bit higher, that is 123 days due to amount of unbilled revenue and trade receivable. But if I do addition in that, the trade receivable which is somewhere Rs. 670 crores, out of which a very good amount has already been realized in October. That is due to our billing cycle because there are many bills which are certified in the month end and whose realization is done in the next month. That is why that figure shows higher one. But for the overall year, we are very much sure that our working capital cycle will remain 90 days to 100 days.

Arpit Rathod: Okay. And last question from my side. There is lot of volatility in terms of the commodity prices. In terms of our contractual arrangement, where do we stand? Are there pass-through clauses available? Are we sufficiently covered or not covered? If you can just share that.

Arjan Suja Rabari: All our contracts are secured and covered by price escalation. So if the rate increases, there will be no impact on our contract because price escalation is applicable in all of them.

Arpit Rathod: So typically, it happens within that month or is it more linked to the WPI index wherein the catch-up happens after 15 days - 20 days or a month? Or overall, during a contract period or a financial year, it evens out? How does it happen?

Arjan Suja Rabari: Mostly, it is linked to the WPI and in some contracts, there is a direct 'belt star rate' and we get price escalation from that.

Arpit Rathod: Okay. And one last question. Last time in the presentation, it was mentioned that due to labor scarcity, we had some revenue shortfall. So, what would be the labor situation currently? How many laborers would be at site?

Arjan Suja Rabari: At present, we have around 12,000 laborers. And we believe that labor scarcity is only in the country for the infra sector. But along with this, to reduce labor dependency, we are focusing on Precast. We have started a Precast factory in Ahmedabad. Apart from this, we have installed Precast factories on sites so that we can reduce labor dependency. And we are doing this. At present, we have around 12,000 laborers.

Arpit Rathod: And what would be, so 12,000 vis-à-vis, I mean what would be our requirement currently?

Arjan Suja Rabari: Our requirement is about 10,000-12,000 laborers, so that we have.

Arpit Rathod: So fully available types?

Arjan Suja Rabari: Yes, fully available.

Arpit Rathod: Great. Thanks a lot for answering so many questions. Thank you and all the best for the coming quarters.

Arjan Suja Rabari: Thank you very much.

Moderator: Thank you. Next question comes from the line of Raj Shah, an individual investor. Please go ahead.

Raj Shah: Hello, sir. As part of your focus and strategy for water irrigation. I just wanted to know, are you also planning to switch towards STP, ETP kind of projects as well? Because there what we understand is that, there is more of technology and everything involved further. So, is that the focus area as well?

Arjan Suja Rabari: Our focus area is in every sector of water. At present, we are working on irrigation, water supply, WTP, desalination plant. In the coming years, we will also work on STP and ETP. But for now, irrigation, water supply, WTP and desalination is the main focus area.

Raj Shah: And among the areas which you are focusing on, does the margin vary across all these areas already? For example, in irrigation, the margin must be lower compared to the other areas. Is there anything as such? So, what I am trying to understand is, so that we understand from an order book analysis perspective, how can we look at the direction of the margin as the order book increases?

Arjan Suja Rabari: The average margin is the same. We have around 14% - 15% EBITDA. Our average margin in the water sector is around that.

Raj Shah: I know it may be too early for me to ask this question. But as a focus area to grow into new areas, are you open for inorganic opportunities as well? Do you plan to develop it in-house as well?

Arjan Suja Rabari: This area in which we have expertise, we want to remain focused in that area. If we see any opportunity in the coming years in terms of technology, then we will move. But slowly, we do not have any hurry in that.

Raj Shah: Right. And sir last quick question, just to understand the order book process, broadly you have seen the trend in the private sector also, the order book being awarded on the basis of tender, is it still one-on-one negotiations happening in the private sector also?

Arjan Suja Rabari: In the private sector, we are working with 2-3 big private players like Adani, Reliance, Tata. We are working with them only. And our relation base over there, our technical expertise is based on that. We work on that basis. There is negotiation, but how much is your expertise? How did you perform in the past? We get work on the basis of that in the private sector. We do not get work in the private sector on the basis of L1 only. Performance is the most important.

Raj Shah: And typically, as part of your project, is there a component of AMC which happens as well? I mean, once a project is started, is there a major project in which AMC, recurring revenue or something, which you forecast?

Arjan Suja Rabari: Our government projects that are there, in that our maintenance is in our scope, in some it is for 5 years, in some it is 10 years. Maximum we have for 10 years.

Raj Shah: Okay. Thank you so much, sir.

Moderator: Thank you. Ladies and gentlemen, as there are no further questions from the participants, I now hand the conference over to the management for the closing remarks. Thank you and over to you, team.

Arjan Suja Rabari: Thank you very much. Execution momentum is strong with Q2, delivering 34% growth and margin expansion. Strong order book of Rs. 8,154 crores with healthy L1 pipeline. Balancing is strengthened post IPO and we are well capitalized to bid for large value ,complex projects. Our focus remains on profitable growth with strong risk management, timely execution and cash flow management. We remain confident of maintaining growth momentum in H2 financial year 2027. Thank you for your continued support and confidence in LCC projects.

Should you have any questions or queries, additional information, please feel free to reach out to our investor relation advisor, Marathon Capital. We look forward to interacting with you again in next quarter. On behalf of LCC, we wish you and your loved ones a very happy Deepavali in advance.

Moderator: Thank you so much, sir. Ladies and gentlemen, on behalf of LCC Projects Limited, that concludes today's call. Thank you for joining us and you may now disconnect your lines.