



Press Release

Lion Engineering Consultants Private Limited

June 24, 2025

Ratings

Instrument Facility /	Amount (Rs. crore)	Current Ratings	Previous Ratings	Rating Action	Complexity Indicator
Long Term Bank Facilities	35.51 (enhanced from Rs. 26.03 crore)	IVR BBB/ Stable (IVR Triple B with Stable Outlook)	IVR BBB/ Stable (IVR Triple B with Stable Outlook)	Rating Reaffirmed	Simple
Short Term Bank Facilities	112.00 (enhanced from Rs. 68.00 crore)	IVR A3+ (IVR A Three Plus)	IVR A3+ (IVR A Three Plus)	Rating Reaffirmed	Simple
Total	147.51 (INR One hundred forty-seven crore and fifty-one lakh only)				

Details of Facilities/Instruments are in Annexure 1. Facility wise lender details are at Annexure 2. Detailed explanation of covenants is at Annexure 3.

Detailed Rationale

For arriving at the ratings, INFOMERICS Ratings has combined the financials of Lion Engineering Consultants Private Limited (LECPL) and Synergy Engineers Group Private Limited (SEGPL) commonly referred as Lion Group as these entities have a common management team, are in same line of business with operational and financial linkages between the entities.

The reaffirmation of the ratings to the bank facilities of Lion Engineering Consultants Private Limited (LECPL) continue to derive strength from the extensive experience of its promoters in the field of engineering consultancy services, healthy orderbook position and stable business performance of the group. The ratings also positively factor in Lion group's satisfactory capital structure and debt protection metrics. However, these rating strengths remain constrained by group's exposure to project execution risk. The ratings also consider intense competition in the engineering consultancy business and inherent risks in hospitality segment.

The stable outlook reflects expected stable business performance underpinned by healthy order book position and supported by extensive experience of the promoters.

Key Rating Sensitivities:

Upward Factors

- Significant growth in scale of business with improvement in profitability metrics thereby leading to overall improvement in cash accruals on a sustained basis
- Improvement in the capital structure of the group with overall gearing improved to below 1x



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- Effective working capital management with improvement in operating cycle and liquidity

Downward Factors

- Decline in operating income and/or moderation in profitability impacting the debt coverage indicators
- Moderation in the capital structure with moderation in overall gearing to over 2.5x
- Elongation in the operating cycle impacting the liquidity and higher average utilisation in bank borrowings to more than 90% on a sustained basis
- Lower than expected bookings for the project with delay in receipt of advances

List of Key Rating Drivers with Detailed Description

Key Rating Strengths

- **Extensive experience of the promoters**

Lion Group is promoted by Mr. Omkarnath Sharma, who is a B.E. (Civil) and has an experience of over three decades in the field of engineering consultancy services. This enables the group to carry out their operations efficiently. The group will continue to benefit from its promoters' extensive experience and his strong understanding of the market dynamics.

- **Healthy orderbook position**

The group has outstanding orders worth ~Rs.796 crore as on May 8, 2025, which is around 3x of the total revenue of FY25 (Prov.) [FY refers to the period from April 1 to March 31]. Major clients are either government entities or government undertakings. Therefore, there is revenue visibility in the near future along with lower counter party credit risk.

- **Stable business performance**

Total operating income (TOI) of Lion group has increased by 28.17% on a Y-o-Y basis from Rs. 201.19 crore in FY24 to Rs. 257.88 crore in FY25 (Prov.) on account of better execution of orders. The increase in the scale of operations led to an improvement in profit level. EBITDA increased from Rs. 23.29 crore in FY24 to Rs. 29.22 crore in FY25 (Prov.). Consequently, PAT and gross cash accruals (GCA) have also improved.

- **Satisfactory capital structure and debt protection metrics**

The overall gearing ratio stood moderate at 1.08x as on March 31, 2025 (Prov.) as against 1.28x as on March 31, 2024. Total indebtedness of the group marked by TOL/ATNW also stood at 1.72x as on March 31, 2025 (Prov.). Debt protection metrics of the group as indicated



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by interest coverage ratio remained comfortable at 4.85x in FY25 (Prov.) vis-a-vis 5.52x in FY24. Total debt to EBITDA and Total debt to GCA remained satisfactory at 1.78x and 2.75 years respectively as on March 31, 2025, as against 1.95x and 2.96 years respectively as on March 31, 2024. Infomerics expect the capital structure and debt protection metrics of the group to remain comfortable in the near term with no major debt funded capex.

Key Rating Weaknesses

- **Intense competition in the engineering consultancy business**

The engineering consultancy industry in India is fragmented and intensely competitive in nature with the presence of multiple local, national and few foreign players. Moreover, being tender based business, the revenues are dependent on the company's eligibility and its ability to execute the projects in time bound manner. However, Lion group's long industry experience, established relationship with reputed clientele and its diversification into different segments mitigate this risk to some extent.

- **Exposure to group entities**

LECPL and SEGPL have extended corporate guarantee for bank loans availed by its group entities - SSN Annapurna Heights LLP and Lion Insulation Pvt Ltd. Overall gearing (after adjustment of corporate guarantee) stood moderate at 2.29x as on March 31, 2025 against 1.28x as on March 31, FY24.

- **Inherent risks in hospitality segment**

The group has ventured into hospitality segment with a resort in Madikheda. The resort commenced its operation in February 2024. However, the hospitality segment is susceptible to various factors including tourist arrivals, social and economic changes, consumer preferences, etc. Therefore, scaling up of hospitality operations and realisation of envisaged benefit therefrom shall remain a key rating monitorable.

- **Exposure to project execution risk**

LECPL is undertaking capex through SPV- SSN Annapurna Heights LLP (SSN). LECPL, Serman India Road Makers Pvt Ltd (SIRMPL) and Mr. Neeraj Vijay are the partners of SSN. LECPL holds a majority stake of 51% in SSN Annapurna Heights LLP. SSN is presently undertaking project for construction & development of a new Jail at Gram Kadhai, Betul (MP) and re-development of Compensatory Land Parcel (CLP) by construction of a commercial and residential building at Civil Station, sheet no. 12, plot no. 13, Betul (MP), awarded by Madhya Pradesh Housing & Infrastructure Development Broad (MPHIDB) under Re-densification



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Policy of Government of Madhya Pradesh (GoMP). Total project cost is estimated at ~Rs. 215.62 crore to be funded by promoters' contribution of Rs. 25.56 crore, customer advance of ~Rs. 140.06 and term loan of Rs.50 crore. Project cost incurred as on 06.06.2025 is ~Rs.68.39 crore funded through promoters' contribution of Rs.25.56 crore, unsecured loans of Rs.8.87 crore, term loan of Rs.30.13 crore secured loan for equipment of Rs.0.48 crore and sundry creditors of Rs.3.35 crore.

Analytical Approach: Combined

For arriving at the ratings, Infomerics has combined the financials of Lion Engineering Consultants Private Limited (LECPL) and Synergy Engineers Group Private Limited (SEGPL) referred as Lion Group hereafter as these companies have managerial, operational & financial linkages and both the entities are engaged in the same line of businesses. The list of companies considered for consolidation is given in Annexure 4.

Applicable Criteria:

[Rating Methodology for Service Sector Entities](#)

[Financial Ratios & Interpretation \(Non-Financial Sector\).](#)

[Criteria for assigning Rating outlook.](#)

[Policy on Default Recognition](#)

[Complexity Level of Rated Instruments/Facilities](#)

[Consolidation of Companies](#)

[Policy of Withdrawal of Ratings](#)

Liquidity – Adequate

The liquidity position of Lion group is expected to remain satisfactory in the near to medium term marked by adequate cushion in expected accruals of Rs.21-29.6 crore as against its repayment obligations of Rs. 1.90-3.60 crore during FY26-FY28. However, the average working capital limit utilisation was ~90% for the last 11 months ended February 2025 indicating limited liquidity buffer.

About the Company

Lion Engineering Consultants Private Limited (LECPL) was established in 2002 as a partnership firm. In January 2020, the constitution was changed to private limited company. The company is engaged in providing engineering consultancy service in the multi dimensions



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of the infrastructure sector like roads, highways, bridges, railways, ROBs, tunnels, buildings, urban developments and transportation. Currently, the company is headed by Mr. Omkar Nath Sharma and Mr. Navneet Sharma.

About the Group

The promoters of Lion Group have been in the field of engineering consultancy services for more than three decades. The companies operating under Lion Group are Lion Engineering Consultants Private Limited (LECPL) and Synergy Engineers Group Private Limited (SEGPL), which are all controlled by the same management.

Financials (Standalone):

For the year ended/ As on*	(Rs. crore)	
	31-03-2024	31-03-2025
	Audited	Provisional
Total Operating Income	142.01	157.22
EBITDA	16.04	18.62
PAT	8.77	9.98
Total Debt	30.59	30.54
Tangible Net Worth	35.35	45.86
Adjusted Tangible Net Worth	24.62	31.96
EBITDA Margin (%)	11.29	11.84
PAT Margin (%)	6.14	6.32
Overall Gearing Ratio on ATNW (x)	1.24	0.96
Interest Coverage (x)	5.01	4.44

* Classification as per Infomerics' standards.

Status of non-cooperation with previous CRA:

Care Edge Ratings has maintained the rating of Lion Engineering Consultants Private Limited under Issuer Non-Cooperating category as the company did not co-operate in the rating procedure despite repeated follow ups as per the Press Release/publication dated July 03, 2024.

Any other information:

Rating History for last three years:



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Sr. No.	Name of Security/Facilities	Current Ratings (2025-26)			Rating History for the past 3 years		
		Type (Long Term/Short Term)	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2024-25	Date(s) & Rating(s) assigned in 2023-24	Date(s) & Rating(s) assigned in 2022-23
					-	March 28, 2024	-
1.	Term Loans*	Long Term	0. 51**	IVR BBB/ Stable	-	IVR BBB/ Stable	-
2.	Cash Credit	Long Term	35.00	IVR BBB/ Stable	-	IVR BBB/ Stable	-
3.	Bank Guarantee	Short Term	112.00	IVR A3+	-	IVR A3+	-

*Term loan o/s of Rs. 0.33 crore from UCO Bank rated earlier is withdrawn based on company's request and No due certificate received from the company

**Outstanding as on Dec 20, 2024

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About Infomerics:

Infomerics Valuation and Rating Ltd (Infomerics) (Formerly Infomerics Valuation and Rating Private Ltd) was founded in the year 1986 by a team of highly experienced finance professionals for research and risk evaluation. Infomerics commenced its activities as External Credit Assessment Institution after obtaining registration from Securities Exchange Board of India (SEBI) and accreditation from Reserve Bank of India (RBI).

Adhering to best international practices and maintaining high degree of ethics, the team of analysts at Infomerics deliver quality credit ratings. Infomerics evaluates wide range of debt instruments which helps corporates access to financial markets and provides investors credit ratings backed by in-depth research. The transparent, robust, and credible ratings have gained the confidence of investors and the banks.

Infomerics has a pan India presence with Head Office in Delhi and Corporate Office at Mumbai, with branches in major cities and representatives in several locations.

Infomerics also has international presence with credit rating operations in Nepal through its JV subsidiary.

For more information and definition of ratings please visit www.infomerics.com.



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Annexure 1: Instrument/Facility Details

Name of Facility/ Security	ISIN	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook
Term Loan 1	-	-	-	July 2026	0.29	IVR BBB/ Stable
Term Loan 2	-	-	-	May 2028	0.22	IVR BBB/ Stable
Term Loan 3	-	-	-	-	-	Withdrawn*
Cash Credit	-	-	-	-	35.00	IVR BBB/ Stable
Bank Guarantee	-	-	-	-	112.00	IVR A3+

*Term loan o/s of Rs. 0.33 crore from UCO Bank rated earlier is withdrawn based on company's request and No due certificate received from the company

Annexure 2: Facility wise lender details

<https://www.infomerics.com/admin/prfiles/len-LECPL-june25.pdf>

Annexure 3: Detailed explanation of covenants of the rated Security/facilities: Not Applicable

Annexure 4: List of companies considered for consolidated/Combined analysis:

Name of the company	Consolidation/Combined Approach
Lion Engineering Consultants Private Limited (LECPL)	Full consolidation
Synergy Engineers Group Private Limited (SEGPL)	Full consolidation



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Note on complexity levels of the rated instrument: Infomerics has classified instruments rated by it on the basis of complexity and a note thereon is available at www.infomerics.com.

