May 7, 2026

Meena LPG Industries: Ratings reaffirmed

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Long-term – Fund-based – Cash credit	5.00	8.00	[ICRA]BB+(Stable); reaffirmed
Long-term – Fund-based – Term loans	32.98	11.34	[ICRA]BB+(Stable); reaffirmed
Short-term – Non-fund based facilities	18.00	38.00	[ICRA]A4+; reaffirmed
Long-term / Short-term Unallocated limits	1.36	-	-
Total	**57.34**	**57.34**	

**Instrument details are provided in Annexure II*

Rationale

The ratings reaffirmation on the bank lines of Meena LPG Industries (MLI) considers its improved performance in FY2026 driven by its diversified revenue stream with an established track record in the parallel marketing of liquified petroleum gas (LPG). Further, MLI provides bottling assistance along with operations and maintenance (O&M) support to various oil marketing companies (OMC), wherein the margins are higher than the parallel marketing segment. MLI's revenues improved by around 10% YoY in FY2026 to Rs. 249 crore, supported by the addition of new customers in the parallel marketing segment coupled with steady income from the O&M and bottling assistance segments. Further, the operating profit margin (OPM) improved to 8.2% in FY2026 (provisional) from 7.1% in FY2025 supported by economies of scale. However, the revenues and earnings are likely to moderate in FY2027, on account of supply chain disruptions and pressure on the availability of LPG, and resultant likely decline in volumes coupled with completion of O&M service contracts for two plants in Q3 FY2026 and one plant in Q4 FY2026. Nevertheless, the ratings continue to factor in steady income from a solar power plant, the power generated from the solar plant is being sold to a Group entity, Thenpandiyan Spinning Mills India Private Limited (TSMIPL, a Group entity). The ratings further continue to favourably factor in the extensive experience of over three decades of its promoters in the LPG industry, with established relationships with distributors and suppliers.

The ratings, however, remain constrained by MLI's modest net worth position and its high geographical concentration of operations in Tamil Nadu amid intense competition from dominant public sector players that restricts its pricing flexibility. ICRA notes the lower profit margins in the parallel marketing segment due to higher discounts and reduced spreads (selling price-cost price). The ratings further remain tempered by the vulnerability of MLI's profitability to the fluctuations in LPG margins. Further, its operations remain susceptible to any adverse changes in regulatory policies by the Government and the supplier concentration risk as the firm procures only from Indian Oil Petronas Private Limited (IPPL). Nonetheless, the long-term agreement with IPPL mitigates this risk. Moreover, as a partnership firm, MLI's credit profile is exposed to the risk of capital withdrawals.

The Stable outlook on the rating reflects ICRA's expectation that firm is likely to sustain its operating metrics due to the healthy demand for LPG in the domestic market. Further, the outlook underlines ICRA's expectation that the entity's incremental capex will be funded in a manner that it is able to durably maintain its debt protection metrics commensurate with the existing rating.

Key rating drivers and their description

Credit strengths

Extensive experience of promoters in LPG industry – The firm is managed by its key promoter, Mr. Nallusamy, who has more than three decades of experience in the LPG industry. He has established several other entities in related businesses, including, M/s Thenpandiyan Transports (LPG transportation) and Thenpandiyan LPG Import Terminal Private Limited.

Growing brand presence and diversified revenue stream – MLI is involved in the parallel marketing and distribution of cylinders under its own brand, Gas Plus, and has been increasing its presence in Tamil Nadu over the years. Further, MLI provides bottling assistance and O&M support to various oil marketing companies, wherein the margins are higher than the parallel marketing segment.

Increased O&M contracts to drive profitability – The firm was awarded various new O&M contracts in FY2023 and FY2024, of which some were completed in FY2026. At present, MLI undertakes O&M for seven plants in the oil marketing segment. This segment, along with the solar power plant, is expected to drive profitability growth, going forward.

Credit challenges

High geographical concentration amid intense competition from PSUs – MLI's parallel marketing operations are geographically concentrated in Tamil Nadu. It faces considerable pricing pressures amid intense competition from dominant public sector players. The firm also faces high supplier concentration risk as it procures only from IPPL. However, the risk is mitigated to a large extent by the long-term purchase agreement with IPPL for procuring LPG till FY2029.

Profitability vulnerable to fluctuations in LPG prices – The firm's profitability remains vulnerable to LPG price fluctuations and the trading margins remain contingent upon the same, in this segment. However, the OPM remained at 6-8% over the last 3-4 years. MLI's operations and profitability are susceptible to any adverse changes in regulatory policies on pricing, taxes, and duty, etc, given the Government's focus on the oil and gas sector.

Modest net worth and risks associated with partnership nature of firm – The firm's net worth position was modest at Rs. 17.4 crore as on March 31, 2026. This modest net worth position, along with higher debt levels, resulted in elevated TOL/TNW of 2.9 times as on March 31, 2026. Being a partnership concern, the firm is also exposed to the risk of withdrawals by the partners.

Liquidity position: Adequate

MLI's liquidity is expected to remain adequate, supported by adequate buffer available in the working capital limits and free cash and bank balance of around Rs. 6.5 crore as on March 31, 2026. The average utilisation of working capital limits remained minimal at around 4% during the last 12 months ending in March 2026. Against these sources, the firm has repayment obligations of around Rs. 7.4 crore in FY2027, which are likely to be met from the cash surplus from its business. The company does not have any major capex plan for the medium term, hence, the available cash surplus is expected to meet its additional working capital requirement, if any.

Rating sensitivities

Positive factors – ICRA could upgrade the ratings if the firm reports a sustained increase in revenues while maintaining healthy profitability, supporting its net worth position. A specific credit metric for upgrade would be TOL/TNW of less than 2.0 times on a sustained basis.

Negative factors – Pressure on the ratings could arise in case of significant decline in revenues and earnings leading to deterioration of debt protections metrics and liquidity position. A specific credit metric for downgrade includes DSCR below 1.5 times on a sustained basis.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology
Parent/Group support	Not applicable
Consolidation/Standalone	Standalone

About the company

Meena LPG Industries was established as a proprietorship concern in 1994 by Mr. K Narayanan. In 2009, it was taken over by Mr. Nallusamy as Managing Partner along with four others—Dr. Pandian, Ms. Shanti, Mr. Palaniappan and Mr. Saravanan—and the entity was converted to a partnership firm. In June 2019, the partnership firm was reconstituted since one of the partners, Dr. Pandian, decided to discontinue and his profit share of 25% was transferred to Mr. Nallusamy. At present, the partners of the firm are Mr. Nallusamy, and Mr. Saravanan, Mr. Ranjjith S, Thenpandian Spinning Mills India Pvt. Ltd.

The firm is engaged in the parallel marketing and distribution of cylinders under its own brand, Gas Plus, in Tamil Nadu. It also provides bottling assistance, and O&M support to OMCs such as Total Oil India Private Limited, Bharat Petroleum Corporation Limited, Indian Oil Corporation Limited and Hindustan Petroleum Corporation Limited. It also has a solar power plant with a 6-MW capacity. The power generated is sold to an associate entity on a Group captive basis.

Key financial indicators (audited)

MLI	FY2025	FY2026*
Operating income	226.5	249.0
PAT	1.2	5.9
OPBDIT/OI	7.1%	8.2%
PAT/OI	0.5%	2.4%
Total outside liabilities/Tangible net worth (times)	6.6	2.9
Total debt/OPBDIT (times)	2.1	1.3
Interest coverage (times)	4.8	7.5

*Source: Company, ICRA Research; * Provisional numbers submitted by company; All ratios as per ICRA's calculations; Amount in Rs. crore*
PAT: Profit after tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

	Instrument	Current ratings (FY2027)				Chronology of rating history for the past 3 years					
		Type	Amount rated (Rs. crore)	FY2027		FY2026		FY2025		FY2024	
				Date	Rating	Date	Rating	Date	Rating	Date	Rating
1	**Cash credit**	Long term	8.00	May 7, 2026	[ICRA]BB+ (Stable)	-	-	Mar 04, 2025	[ICRA]BB+ (Stable)	Feb 09, 2024	[ICRA]BB+ (Stable)
2	**Term loan**	Long term	11.34	May 7, 2026	[ICRA]BB+ (Stable)	-	-	Mar 04, 2025	[ICRA]BB+ (Stable)	Feb 09, 2024	[ICRA]BB+ (Stable)
3	**Bank guarantee**	Short Term	38.00	May 7, 2026	[ICRA]A4+	-	-	Mar 04, 2025	[ICRA]A4+	Feb 09, 2024	[ICRA]A4+
4	**Unallocated limits**	Long term/ Short term	-	-	-	-	-	Mar 04, 2025	[ICRA]BB+ (Stable)/ [ICRA]A4+	Feb 09, 2024	[ICRA]BB+ (Stable)/ [ICRA]A4+

Annexure I: Disclosure pursuant to the SEBI Circular SEBI/HO/DDHS/DDHS-PoD-2/I/4685/2026 dated February 10,2026

ICRA-rated instruments fall under the regulatory purview of various Financial Sector Regulators (FSRs), as under:

Sr. No.	Instrument	FSR
1	Listed/Proposed to be listed Bonds/Debentures/Preference Shares (all securities)	SEBI
2	Unlisted/Proposed to be unlisted Bonds/Debentures/ Preference share (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 Bank / NBFCs/ NHB/ FIs ($)	RBI
9	External Commercial Borrowings/Loans from overseas branches of Indian Banks/other similar borrowings	RBI
10	Certificates of Deposit	RBI
11	Fixed Deposits raised by NBFCs, Banks, HFCs, FIs	RBI
12	Fixed Deposits raised by corporates other than NBFCs, Banks, HFCs, FIs	MCA
13	Inter Corporate Deposits/Loans extended by Corporates	MCA
14	Listed Security Receipts	SEBI
15	Unlisted Security Receipts	RBI
16	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.
($) Includes bank facilities such as liquidity facility, second loss facility that are part of securitisation transactions.
(%) These ratings were assigned prior to the introduction of SEBI CRA Circular dated Feb 10, 2026 and accordingly, investor side FSRs have been mentioned.

Other activities offered by ICRA fall under the regulatory purview of various FSRs, as under:

Sr. No.	Activity Name	FSR
1	Credit Ratings for Capital Protection Oriented Schemes (by Mutal Funds and AIFs)	SEBI
2	Credit quality ratings (CQRs) for Mutual Fund Schemes and Schemes of AIFs	SEBI
3	Independent Credit Evaluation (ICE)	RBI
4	Expected Loss Ratings (For Loan Facilities [Fund/Non-Fund based] from Banks/NBFCs/NHB/FIs)	RBI
5	Expected Loss Ratings (Listed / Proposed to be listed Bonds / Debentures / Preference Shares (all securities))	SEBI
6	Expected Loss Ratings (Unlisted / Proposed to be unlisted Bonds/ Debentures / Preference Shares (all securities))	MCA
7	Credit Rating of Borrowing programme	(@)

Sr. No.	Activity Name	FSR
8	Issuer Ratings	(#)
9	Monitoring Agency	SEBI
10	Research activities, incidental to rating such as research for Economy & Industries (permitted by SEBI vide SEBI Master Circular for CRAs)	NA

(@) *The rated instrument may involve issuance of different instruments such as debt securities (listed or otherwise), bank loans, commercial paper (listed or otherwise), etc. The regulator of the instrument can only be determined upon issuance. Accordingly, ICRA shall capture the rated quantum details along with names of respective FSR in the press release(s) after the issuance(s) of the instruments.*

(#) *Since no instrument is being rated, FSR is not applicable. The rating scale and definitions stipulated in SEBI Master Circular for CRAs are being followed.*

Disclosure: SEBI's grievance redressal/dispute resolution and SEBI investor protection mechanisms such as SCORES and ODR shall not be available for activities and instruments which fall under the regulatory purview of FSRs other than SEBI.

Complexity level of the rated instruments

Instrument	Complexity indicator
Long-term – Fund-based – Cash credit	Simple
Long-term – Fund-based – Term loan	Simple
Short term – Non-fund based facilities	Simple

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional or legal aspects. Details on the complexity levels of the instruments are available on ICRA's website: Click Here

Annexure II: Instrument details

ISIN	Instrument name	Date of issuance	Coupon rate	Maturity	Amount rated Rs. crore)	Current rating and outlook
NA	**Term loan-I**	FY2023	8.5%	FY2032	11.34	[ICRA]BB+(Stable)
NA	**Cash credit**	NA	NA	NA	8.00	[ICRA]BB+(Stable)
NA	**Bank guarantee**	NA	NA	NA	38.00	[ICRA]A4+

Source: Company

Please click here to view details of lender-wise facilities rated by ICRA

Annexure III: List of entities considered for consolidated analysis – Not applicable

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