

## Susee Trucks Private Limited

| Instruments                      | Amounts<br>(Rs. crore <sup>1</sup> ) | Rating Action                   |
|----------------------------------|--------------------------------------|---------------------------------|
| Long-term: Fund based facilities | 6.00                                 | [ICRA]B / revised from [ICRA]B+ |

ICRA has revised the long-term rating from [ICRA]B+ (pronounced ICRA B plus)<sup>2</sup> to [ICRA]B (pronounced ICRA B) to the Rs. 6.00 crore fund based facilities of Susee Trucks Private Limited (“STPL”/ “the Company”).

The ratings revision factors in the revenue de-growth over the past 18 months on account of drop in vehicle sales resulting from subdued demand for commercial vehicles amidst challenging macroeconomic conditions and cash losses incurred during 2015-16 following the under absorption of fixed assets. The ratings also factor in the weak financial profile of the company characterised by low net-worth, stretched capital structure and inadequate debt protection metrics. ICRA also considers the exposure of the company’s revenues to inherent cyclicity of the commercial vehicle industry.

The ratings, however, positively factors in the long standing experience of the promoters in the industry and the reputation of the ‘Susee’ brand in the auto dealership space in Tamil Nadu. The ratings also take into account the dominant market share of Tata Motors Limited (TML), in the small commercial vehicles segment (SCVs) in the regions of Vellore, Kanchipuram, and Thiruvannamalai districts and the company being the sole authorized dealer for TML SCVs in these regions.

### Company Profile

Incorporated in 2004, Susee Trucks Private Limited is the sole authorised dealer for Tata Motors Limited (TML; rated [ICRA]AA (Stable) / [ICRA]A1+) small commercial vehicles (SCVs) in the Vellore, Thiruvannamalai and Kanchipuram districts of Tamil Nadu. The company has three 3S (sales, spares, and service) showrooms - in Vellore, Kanchipuram, and Thiruvannamalai and eight 1S (sales) showrooms across the three districts with 120 employees as on date.

The ‘Susee Group’, which traces its origin to a business dealing with trading of pulses/grains started in the late 1930s by Mr. Subramania Nadar and Ms. Seeniyammal, is an established name in the auto dealership space in Tamil Nadu. The group currently has five subgroups – belonging to descendants of the promoters; all of these operate under the ‘Susee’ brand, but have no operational or financial linkages. STPL belongs to one of the sub groups and is owned and managed by Mr. Soundararajan, son of the aforementioned promoters, and his sons Mr. Manivannan. Mr. Soundararajan and Mr. Manivannan have interest in five other entities– two engaged in the auto dealership business, including Susee Motors (India) Private Limited (rated [ICRA]B / [ICRA]A4), one each in the FMCG, oven sacks manufacturing and education businesses.

### Recent Results

According to the unaudited financial statements, the company had reported a net loss of Rs. 0.6 crore on an operating income of Rs. 27.3 crore during 2015-16 as against a net loss of Rs. 0.2 crore on an operating income of Rs. 31.7 crore during 2014-15 (audited).

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<sup>1</sup> 100 lakh = 1 crore = 10 million

<sup>2</sup>For complete rating scale and definitions, please refer to ICRA’s website [www.icra.in](http://www.icra.in) or other ICRA Rating Publications



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