# Sengupta Motors

October 05, 2026

| Facilities/Instruments | Name of the Regulator[1] | Amount (₹ crore) | Rating[2] | Rating Action |
|---|---|---|---|---|
| Long term bank facilities | RBI | 8.90 | CARE B+; Stable; ISSUER NOT COOPERATING* | Downgraded from CARE BB-; Stable and moved to ISSUER NOT COOPERATING category |
| Short term bank facilities | RBI | 3.10 | CARE A4; ISSUER NOT COOPERATING* | Rating moved to ISSUER NOT COOPERATING category |

Details of instruments/facilities in Annexure-1.

*Issuer did not cooperate; based on best available information.

## Rationale and key rating drivers

CARE Ratings Limited (CareEdge Ratings) has been seeking information from Sengupta Motors (SGM) to monitor the ratings vide e-mail communications dated August 13, 2026 and September 16, 2026 among others and numerous phone calls. However, despite our repeated requests, the firm has not provided the requisite information for monitoring the ratings. In line with the extant SEBI guidelines, CareEdge Ratings has reviewed the ratings on the basis of the best available information which however, in CareEdge Ratings' opinion is not sufficient to arrive at a fair rating. Further, SGM has not paid the surveillance fees for the rating exercise as agreed to in its Rating Agreement. The rating on Sengupta Motors bank facilities will now be denoted as **CARE B+; Stable / CARE A4; ISSUER NOT COOPERATING***.

**Users of this rating (including investors, lenders and the public at large) are hence requested to exercise caution while using the above rating(s).**

The rating assigned to the bank facilities of SGM has been revised on account of non-availability of adequate information thereby leading to uncertainty around credit risk of the firm. Further, the rating continues to remain constrained by its proprietorship nature of constitution, small scale of operation, linkage to the fortunes of Bajaj Auto Limited (Bajaj), limited profitability associated with dealership business, renewal based dealership agreement, pricing constraints and margin pressure arising out of competition from various auto dealers in the market and moderate capital structure and weak debt coverage indicators. The ratings, however, continue to derive comfort from experienced proprietor, authorized dealership agreement with Bajaj and integrated nature of business of the entity.

**Analytical approach:** Standalone

**Outlook:** Stable

The Stable outlook on the long-term rating reflects that SGM will continue to benefit from its association with Bajaj which will help it to sustain its total operating income (TOI), margins and financial risk profile going ahead.

## Detailed description of key rating drivers

At the time of last rating on September 18, 2025 the following were the rating weaknesses and strengths

### Key weaknesses

**Small scale of operation**

SGM is an authorised dealer of Bajaj and started its commercial operation from April 2017 onwards. The total operating income (TOI) remained stable at ₹ 91.65 crore in FY25 as compared to ₹ 97.05 crore in FY24. The volume levels declined to 9137 units in FY25 of Bajaj as compared to 10387 units in FY24. The decline in units was largely due to flood in the region. In addition to Bajaj vehicles the firm has also sold more than 40 units of Triumph motorcycles and 10-12 units per month of Bajaj Chetak (electric segment) from October 2024. As of July 2025, the firm has achieved a TOI of ₹22.65 crore and has sold over 3,200 units till August 2025. However, the overall scale continues to be small. The small size restricts the financial flexibility of the firm in times of stress and deprives it from benefits of economies of scale.

[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

[2]Complete definitions of the ratings assigned are available at www.careratings.com and in other CARE Ratings Limited's publications.

**Proprietorship nature of constitution**
SGM, being a proprietorship firm, is exposed to inherent risk of withdrawal of capital by the proprietor, restricted access to funding and risk of dissolution on account of poor succession planning. Furthermore, proprietorship firms have restricted access to external borrowing as credit worthiness of proprietor would be the key factors affecting credit decision for the lenders.

**Limited profitability associated with dealership business**
Automobile dealership is a volume driven business as margins on vehicles and spares are controlled by automobile manufacturers. Accordingly, due to limited pricing power of the firm profitability levels and margins of SGM is estimated to remain range bound in the future periods. Hence the firm's growth prospects depend on the ability to increase its volume momentum and capitalize on sale of spares and services fetching higher margin. The profitability margins of the entity improved marked by PBILDT margin of 3.07% in FY25 (FY24 1.99%). The PBILDT margins have improved due to higher margins offered from sale of Triumph Motorcycles and Bajaj Chetak (electric segment).

**Pricing constraints and margin pressure arising out of competition from various auto dealers in the market**
Bajaj has currently one dealer for each district thus eliminating the scope of competition from other Bajaj dealers. With the sole authorized dealership of Bajaj in Agartala the bargaining power of SGM with customers is high. However, the firm is exposed to external competition from other dealers of companies such as Suzuki, Yamaha, TVS, Honda, etc. In order to capture the market share, the auto dealers generally have to offer better buying terms like providing credit period or allowing discounts on purchases. Such discount creates margin pressure and negatively impact the earning capacity of the firm.

**Linkage to the fortunes of Bajaj Auto Limited along with renewal-based dealership agreement**
SGM, being an authorised dealer of Bajaj, deals exclusively with Bajaj two wheelers, spares parts and accessories. Accordingly, its fortunes are linked to the performance of Bajaj's products. As such, any shift in customer preference and brand equity might negatively impact SGM. The dealership agreement between Bajaj and SGM which is valid for three years which, as per the management, has been renewed. Moreover, the agreement is subject to automatic renewal for three years unless it is terminated due to breach of contract/fraud by the firm or it's going into liquidation. Going forward, the ability of the firm to meet the expectation of the principal i.e., Bajaj and regular renewal of the dealership agreement with the principal will be critical for the entity.

**Working capital intensive nature of operations**
The business of automobile dealership is having inherent high working capital intensity due to high inventory holding requirements. The firm must maintain the fixed level of inventory for display and to guard against supply shortages. Furthermore, the firm is required to give credit to sub dealers, leading to increased working capital requirements.

**Moderate capital structure and weak debt coverage indicators**
The overall gearing of the firm stood moderated 1.75x as on March 31, 2025, as against 1.40x as on March 31, 2024. It moderated further on account of higher working capital limits utilisation. The debt coverage indicators marked by interest coverage stood weak at 1.66x in FY25 as compared to 2.00x in FY24 due to higher interest cost in FY25.

## Key strengths

**Experienced proprietor albeit lack of experience in auto dealership business**
Avik Sengupta (Proprietor) has around a decade of business experience in construction industry. He looks after the day-to-day operations of the firm supported by experienced professionals.

**Authorized dealership agreement with Bajaj Auto Limited**
SGM enjoys the leverage of being an authorized dealer of Bajaj, which is one of the largest two and three wheelers manufacturers in India.

**Integrated nature of business**
SGM also provides authorized after sales service and deals in original accessories & spare parts apart from selling two wheelers by virtue of being a 3-S authorized dealer of Bajaj. Owning authorized service centre helps the firm to tap a larger client base who prefers to purchase two wheelers from dealers having own authorized service centre to avoid hassles in case of breakdown and requirement of service.

## Applicable criteria

Definition of Default
Information Adequacy Risk and Issuer Non-Cooperation
Rating Outlook and Rating Watch
Financial Ratios – Non financial Sector
Auto Dealer
Short Term Instruments

## About the firm and industry

### Industry classification

| Macroeconomic indicator | Sector | Industry | Basic industry |
|---|---|---|---|
| Consumer Discretionary | Automobile and Auto Components | Automobiles | Auto Dealer |

SGM was established as a proprietorship firm in October 2016 by Mr Avik Sengupta based out of Agartala, Tripura. SGM is an authorised dealer of Bajaj and deals exclusively with Bajaj two wheelers, its spares parts & accessories and after sales services (repair and refurbishment) for the district of Agartala, Tripura. The firm has commenced operations from April 2017 onwards and currently it is operating through its six showrooms and four service centres. From October 2024, the firm has started selling vehicles of Triumph Motorcycles and Bajaj Chetak (electric segment). Avik Sengupta (Proprietor) has around a decade of business experience in construction industry. He looks after the day-to-day operations of the firm supported by experienced professionals.

| Brief Financials (₹ crore) | March 31, 2024 (A) | March 31, 2025 (UA) | 4MFY26(UA) |
|---|---|---|---|
| Total operating income | 97.05 | 91.65 | 22.65 |
| PBILDT | 1.93 | 2.81 | - |
| PAT | 0.63 | 0.63 | - |
| Overall gearing (times) | 1.40 | 1.75 | - |
| Interest coverage (times) | 2.00 | 1.66 | - |

A: Audited; UA: Unaudited; Note: these are latest available financial results
*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

**For complexity level of instruments rated refer to Annexure-1**

**Lender details**: Annexure-4

**Disclosure on facilities/instruments and name of the regulators:**
A list of facilities / instruments falling under the purview of various financial sector regulators (FSRs) along with the names of respective FSRs has been duly disclosed by CareEdge Ratings on its website. A link to the same has been provided below for ready reference:

https://www.careratings.com/activities_and_regulators

Note: For facilities or instruments falling under the purview of FSRs other than Securities and Exchange Board of India (SEBI), the grievance / dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.

**Annexure-1: Details of instruments/facilities**

| Name of the Instrument | Name of the Regulator | Complexity Level | ISIN | Date of Issuance (DD-MM-YYYY) | Coupon Rate (%) | Maturity Date (DD-MM-YYYY) | Size of the Issue (₹ crore) | Rating Assigned and Rating Outlook |
|---|---|---|---|---|---|---|---|---|
| Fund-based - LT-Cash Credit | RBI | Simple | - | | - | - | 8.90 | CARE B+; Stable; ISSUER NOT COOPERATING* |
| Non-fund-based - ST-Bank Guarantee | RBI | Simple | - | | - | - | 3.10 | CARE A4; ISSUER NOT COOPERATING* |

*Issuer did not cooperate; based on best available information.

**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 | 8.90 | CARE B+; Stable; ISSUER NOT COOPERATING* | - | 1)CARE BB-; Stable (18-Sep-25) | 1)CARE BB-; Stable (24-Oct-24) | 1)CARE BB-; Stable (05-Oct-23) |
| 2 | Non-fund-based - ST-Bank Guarantee | ST | 3.10 | CARE A4; ISSUER NOT COOPERATING* | - | 1)CARE A4 (18-Sep-25) | 1)CARE A4 (24-Oct-24) | 1)CARE A4 (05-Oct-23) |

*Issuer did not cooperate; based on best available information.
LT: Long term; ST: Short term

**Annexure-3: Detailed explanation of covenants of rated instruments/facilities:** Not Applicable

**Annexure-4: Lender details**

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

**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.

**Contact us**

| **Media Contact** | **Analytical Contacts** |
|---|---|
| Mradul Mishra<br>Director<br>**CARE Ratings Limited**<br>Phone: +91-22-6754 3596<br>E-mail: mradul.mishra@careedge.in<br><br>**Relationship Contact**<br><br>Ankur Sachdeva<br>Senior Director<br>**CARE Ratings Limited**<br>Phone: 912267543444<br>E-mail: Ankur.sachdeva@careedge.in | Punit Singhania<br>Director<br>**CARE Ratings Limited**<br>Phone: +91-33-4018 1620<br>E-mail: punit.singhania@careedge.in<br><br>Shivangi Sharma<br>Assistant Director<br>**CARE Ratings Limited**<br>Phone: +91-33-4018 1654<br>E-mail: shivangi.sharma@careedge.in<br><br>Divyam Parasramka<br>Analyst<br>**CARE Ratings Limited**<br>E-mail: Divyam.parasramka@careedge.in |

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