

July 13, 2022

Volkswagen Finance Private Limited: Rating withdrawn

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Commercial paper programme	3,000.0	0.0	[ICRA]A1+; withdrawn*
Total	3,000.0	0.0	

*Rating withdrawn

^Instrument details are provided in Annexure I

Rationale

ICRA has withdrawn the [ICRA]A1+ rating assigned to the commercial paper programme of Volkswagen Finance Private Limited (VFPL) at the request of the company and in accordance with ICRA's policy on the withdrawal of credit ratings. ICRA does not have information to suggest that the credit risk has changed since the time the rating was last reviewed. The key rating drivers, liquidity position, rating sensitivities, and key financial indicators have not been captured as the rating is being withdrawn. The previous rating rationale is available at the following link: [Click here](#)

Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	Rating Methodology for Non-banking Finance Companies Impact of Parent or Group Support on an Issuer's Credit Rating Policy on Withdrawal of Credit Ratings
Parent/Group support	Parent/Group Company: Volkswagen AG (VW AG)
Consolidation/Standalone	Consolidation

About the company

Volkswagen Finance Private Limited (VFPL) is a non-deposit taking non-banking financial company (NBFC). It is a wholly-owned subsidiary of Volkswagen Financial Services AG which, in turn, is a wholly-owned subsidiary of Volkswagen AG. The company was incorporated in January 2009 and obtained an NBFC licence in March 2011. It started retail financing in March 2011 and dealer financing in January 2012. VFPL has, however, decided to discontinue the lending operations.

In FY2021, VFPL reported a profit after tax (PAT) of Rs. 20 crore on a total asset base of Rs. 3,162 crore compared to a net loss of Rs. 27 crore on a total asset base of Rs. 3,990 crore in FY2020. The net worth stood at Rs. 1,286 crore as of March 31, 2021 with a capital adequacy ratio of 46.8%. VFPL maintained a portfolio of Rs. 2,879 crore (retail portfolio: Rs. 1,689 crore; wholesale portfolio: Rs. 1,190 crore) as on March 31, 2021 compared to Rs. 3,801 crore (retail portfolio: Rs. 2,575 crore; wholesale portfolio: Rs. 1,226 crore) as on March 31, 2020.

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

	Instrument	Current Rating (FY2023)				Rating History for the Past 3 Years			
		Type	Amount Rated (Rs. crore)	Amount Outstanding as on Jun 30, 2022 (Rs. crore)	Date & Rating in FY2023	Date & Rating in FY2022		Date & Rating in FY2021	Date & Rating in FY2020
					Jul 13, 2022	Sep 24, 2021	Aug 12, 2021	Aug 14, 2020	Aug 09, 2019
1	Commercial Paper Programme	Short Term	3,000.0	0.0	[ICRA]A1+; withdrawn*	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+

*Rating withdrawn

Complexity level of the rated instruments

Instrument	Complexity Indicator
Commercial Paper Programme	Very 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 level of the instrument is available on ICRA's website: www.icra.in

Annexure I: Instrument details

ISIN	Instrument Name	Date of Issuance	Coupon Rate	Maturity	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Commercial Paper Programme [^]	NA	NA	NA	3000.0	[ICRA]A1+; withdrawn*

Source: Company; * Rating withdrawn; [^]Not placed

Annexure II: List of entities considered for consolidated analysis

Company Name	Ownership	Consolidation Approach
Volkswagen Finance Private Limited	100.00% (rated entity)	Full Consolidation
Kuwy Technology Service Private Limited	67.73%	Full Consolidation

Source: VFPL, ICRA Research

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