December 24, 2025

Vinfast Auto India Private Limited: [ICRA]BBB-(Stable); Assigned

Summary of rating action

Instrument*	Current Rated Amount (Rs. crore)	Rating Action
Long-term Fund-based Term Loans	1,508.24	[ICRA]BBB- (Stable); Assigned
Total	**1,508.24**	

**Instrument details are provided in Annexure-I*

Rationale

The assigned rating for VinFast Auto India Private Limited (VAIPL) factors in the parentage of Vingroup Joint Stock Company (Vingroup JSC), Vietnam's largest private conglomerate, which renders it with operational, managerial and financial support. ICRA notes that the promoters have infused 71% more than their committed share of capital into the company, with Rs. 890 crore as equity, and rest as unsecured loans to fund the project cost. In addition, the favourable outlook for the Indian electric four-wheeler (e4W) industry, backed by supportive Government policies, improving battery technology, falling battery cell cost and greater customer acceptability, is expected to aid the growth prospects of the company and support ramp up of its operations.

VAIPL is a subsidiary of Singapore-based VinFast Auto Limited, the automotive arm of Vingroup JSC (Vietnam). The company is setting up a Completely Knocked Down (CKD) assembly unit at Tuticorin, Tamil Nadu. Even as the first phase of the project, with an outlay of Rs. 2,155 crore, to set up a capacity of 50,000 units per annum, is currently in the execution stage, an experienced leadership team, financial closure of the project and comfortable liquidity (to meet any contingent funding requirements), in addition to the demonstrated funding support from the group, are key credit positives. The company has secured term loans aggregating to Rs. 1,508 crore from a consortium of four banks, which is sufficient to meet the external funding requirements in the first phase of the project. The company has started partial production with two models as on date through its current network of 24 dealers across 11 states in India. The initial focus of the company will be on the e4W segment, with gradual foray into other automotive segments over the medium to long-term. Globally, however, VinFast Auto (the parent) already has a reasonably large portfolio of passenger vehicle models, much of which are rolled out in the Vietnamese market, besides other markets like Indonesia and the US.

For the rated entity, while the project progress has been on track, the ability of the company to successfully ramp-up the production and delivery set-up, including the charging infrastructure, along with product acceptability, remain critical. The company is exposed to project stabilisation risks, even as the liquidity on its books (Rs. 520 crore as on December 2025) should help fund any contingencies. Further, with the assembly-nature of operations with 85-90% import content in the form of CKDs, the company has high import dependence, wherein any supply chain disruptions could impact the operations, in addition to the risks of forex fluctuations and tariff/duty changes that it is exposed to. Furthermore, the company's ability to make inroads into the highly competitive domestic passenger vehicle (PV) market and ramp up electric vehicle (EV) volumes even as the EV charging infrastructure and ecosystem in the country is only gradually improving, remains a key monitorable. Nevertheless, the ballooning repayment structure of the term loans and sufficient moratorium period provide VAIPL with a runway to scale up cash flows prior to major debt servicing obligations. Comfort is also derived from the various security structures in place, including corporate guarantee from the parent, shortfall undertaking from Vingroup JSC, share pledge, as well as DSRA of six months. VAIPL is also eligible for a capital subsidy for the project (subject to fulfilment of certain conditions), which would provide additional cash flows for servicing the term loan.

ICRA also notes that the global automotive operations of the group are yet to turn profitable, as it has not yet achieved break-even volumes, resulting in requirement of continuous funding support from the group's other businesses as well as the promoters. Also, the credit metrics at the group level are relatively subdued with Total External Debt[1]/EBITDA at the consolidated level estimated at 3.7 times as on September 2025 (for Vingroup JSC). The group and the promoter are estimated to have invested close to $17 billion in the global automotive business, through various routes including equity, inter-corporate loans, non-refundable grants, as well as purchase of certain assets. The group's ability to turn around the automotive operations, supporting a sustainable reduction in group leverage would be a key monitorable.

The Stable outlook on the long-term rating is underpinned by an expectation of continued funding support from Vingroup JSC to support any requirements, given VAIPL's strategic importance to the group, even as its operations take time to turn profitable with ramp up of operations and sales volumes.

Key rating drivers and their description

Credit strengths

Part of Vingroup, a highly diversified and established group in Vietnam – VAIPL is a part of the Vingroup JSC, which is the largest private conglomerate in Vietnam, with business interests across multiple sectors such as real estate, hospitality, retail, education, infrastructure and manufacturing. The automotive business operates under VinFast Auto Limited, an entity listed on the Nasdaq Stock Exchange with a market cap of $7.8 billion as on December 03, 2025. The expansion into India through VAIPL is part of the broader strategy of the group to expand and diversify its operations and has been significantly funded by the promoter group. As on date, the promoters have infused Rs. 890 crore as equity and additional amount as debt, which is significantly higher than the initially committed promoter funding for Phase 1 of the project. ICRA notes there has been multiple fund infusions by the group in the automotive business under the umbrella of VinFast Auto Limited, through equity, inter-corporate loans, non-refundable grants, as well as purchase of certain assets, to support the viability of the business. On an overall basis, the group is estimated to have pumped more than $17 billion in this business (through Vingroup JSC, as well as from promoter). The ballooning repayment structure of the term loans taken for the ongoing capex in India and sufficient moratorium period, provides the company with a runway to scale up cash flows prior to major debt servicing obligations. Comfort is also derived from the various security structures in place including corporate guarantee from the parent, shortfall undertaking from Vingroup JSC, share pledge, as well as DSRA of six months. The company is also eligible for a capital subsidy (subject to fulfilment of certain conditions), which would provide additional cash flows for servicing the term loan.

Focus on electrification, Government push on green mobility – India is a major player in the global automotive market, ranking as the world's third largest automobile market in terms of sales volumes. However, the penetration of EVs in the PV segment is less than 5% as on date. This is expected to improve, going forward, with penetration to improve to 15% by 2030, as per ICRA's estimates, supported by new model launches in this space by incumbent OEMs (Original Equipment Manufacturers) as well as new entrants, as well as the Government's focus on promoting green mobility through various schemes and fiscal incentives.

Access to technology/platforms developed by the Group in other market limits large R&D requirements locally – Being part of Vingroup JSC, and with multiple vehicle platforms across various segments already introduced by the group, the investments in new product development and R&D for the Indian entity remains limited. VAIPL would benefit from the access to these established platforms of the group for timely introduction of a variety of models in India, without the need for large outflows for new product development, supporting its path to profitability.

[1] *Including only the interest-bearing debt*

Credit challenges

Project exposed to stabilisation risks – VAIPL commenced partial production at its Tuticorin plant in August 2025 with the assembly of two models, viz. VF 6 and VF 7. Phase 1 of the capex is likely to be completed by November 2026 with a capacity of 50,000 units per annum. The company also plans to ramp up its capacity in upcoming phases, contingent on the response for its new product launches. With the civil construction largely completed and assembly underway for two models, the project execution risks are limited. Comfort is also derived from the financial closure achieved for the first phase of the project. However, VAIPL remains exposed to risks of project stabilisation. The company's ability to ramp up supplies from the new plant without major operational hiccups, stabilise its supply chain, and establish its products in the domestic market, remain critical to stabilise the project within expected timelines.

High import content exposes company to risks of raw material availability, forex fluctuations, changes in duties/tariffs – At present, more than 90% of the components for VAIPL are imported in the form of CKDs. While this is a strategic decision, enabling centralised procurement and supply chain management at the group level, the high import dependence leaves VAIPL vulnerable to geopolitical developments between India and the exporting nations. Any change in regulations related to imports of components or supply chain disruptions can impact its operations. However, ICRA notes that the supply chain is secured at the parent level through multiple long-term contracts with the suppliers, which provides comfort to an extent. Nevertheless, the earnings of VAIPL will also be vulnerable to the variations in foreign exchange rates; however, the company is exploring various hedging options to reduce these risks.

High competitive intensity in local PV market; EV charging infrastructure and ecosystem yet to scale up meaningfully – India is in the nascent stage of EV adoption, particularly in PVs, and faces several challenges, including lack of adequate charging infrastructure. While improvement in battery technology is reducing the range anxiety, a wide-spread and affordable charging network would be required to alleviate the consumer's range anxiety and support faster EV penetration. ICRA notes that Vingroup intends to invest through group entities for expanding the charging infrastructure in the country, which is likely to support prospects for VAIPL over the medium to long term. Nonetheless, VAIPL's ability to compete and establish itself in the highly competitive domestic PV market, which has several established foreign and domestic players, as well as new entrants focussed on gaining a share of the expanding market, remains to be seen.

Automotive operations of the group yet to turn profitable; critical to reducing leverage at the overall group level – The automotive arm of the group, VinFast Auto Limited, is yet to achieve break-even sales volumes given the incipient stage of electrification. During 9M CY2025, it reported revenues of \$2.0 billion with a gross loss of \$0.9 billion. The overall losses of the automotive business are partly attributable to heavy research and development costs (VAIPL has launched 11 e4W models, six e2W models, three eBus models, as well as e-bike and e-pickup trucks), marketing costs for establishing a global presence as well as regulatory compliance and certification costs. Additionally, the company earlier operated through an owned dealership model, which had larger overheads, but has now shifted to a franchisee model worldwide for its dealerships to reduce overheads. Due to losses, VinFast Auto Limited's consolidated net worth is negative as on date and the losses are being funded via equity infusion and loans from Vingroup JSC and its affiliates. Overall leverage at the group level remains a key monitorable, considering continued investment and funding requirements in the automotive as well as other divisions of the group.

Liquidity position: Adequate

The company's liquidity profile is adequate, supported by cash and equivalents of over Rs. 500 crore as on December 2025. In addition, the company had an undrawn project debt of approximately Rs. 700 crore as of November 2025 to help fund its ongoing capex programme. Against the funds available, while the company has no repayment obligations over FY2026-FY2027, it has sizable capex commitments of Rs. 900-950 crore over the near term. Additionally, initial stages of project ramp-up will require funding of working capital and operating losses. The available cash balances, equity fund inflows and undrawn project debt are expected to be adequate to meet these requirements. Also, ICRA expects the promoters to extend financial support, in case of any requirements.

Rating sensitivities

Positive factors – ICRA could upgrade the ratings if there is an improvement in the credit profile of the parent. Healthy ramp up in its sales volumes and improvement in other operating parameters such as network expansion and supply chain stabilisation, resulting in an improvement in profitability, while maintaining comfortable capitalisation levels, could be favourably considered for a rating upgrade.

Negative factors – Negative pressure on VAIPL's rating could arise due to delayed project ramp-up, weak product acceptability and/or heightened competitive intensity, leading to slower ramp up in sales volumes and weaker profitability. An elongated working capital cycle, or any large debt-funded growth plans (inorganic or organic; barring the ongoing capex programme) that could lead to deterioration in credit metrics or sizeable cash outflow, would also be a key monitorable. Weakening in linkages with the parent entity or lack of timely financial support from the promoter group or substantial weakening in the credit profile of the parent entity could result in downward pressure.

Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Passenger Cars
Parent/Group support	Ultimate Holding Company: Vingroup Joint Stock Company (or Vingroup JSC, a Vietnamese conglomerate) ICRA expects Vingroup JSC to extend timely and adequate financial support to VinFast Auto India Private Limited, should there be a need.
Consolidation/Standalone	The ratings are based on the standalone profile of the company, alongside expectations of implicit support from the parent.

About the company

VinFast Auto India Private Limited was incorporated on April 26, 2022. It was initially known as Varchaunam Consultancy Private Limited. With effect from February 8, 2024, it was renamed as VinFast Auto India Private Limited. VAIPL is a part of Vingroup, the largest private conglomerate in Vietnam and a subsidiary of VinFast Auto Limited, the automotive arm of the conglomerate.

VinFast Auto Limited is a pure play EV OEM selling electric vehicles under the brand name "VinFast" and has emerged as one of the leading automotive manufacturers in Vietnam and has been expanding its presence to other markets such as USA and Europe. Its headquarters are in Singapore and it is listed on the Nasdaq Stock Exchange with a market cap of $7.8 billion as on December 03, 2025. Vingroup and its promoters hold around 97.85% stake in the company. The entity is also setting up its manufacturing presence in other geographies, including India and Indonesia. To this effect, VAIPL has been setting up an EV manufacturing plant in Tuticorin, Tamil Nadu, with an initial production capacity of 50,000 units per annum, planned to be expanded subsequently. The company has started assembling two of its models—VF 6 and VF 7—in India from August 2025 and plans to introduce three other models over the next few months.

Vingroup Joint Stock Company is the largest private conglomerate (in terms of market cap) of Vietnam with a market cap of more than $38 billion as of December 2025. It has business interests across real estate, hospitality, education, healthcare, automobiles and infrastructure. The company's founder and chairman is Mr. Pham Nhat Vuong.

Key financial indicators (audited)

VinFast Auto India Private Limited	FY2024	FY2025*
Operating income	0.0	0.0
PAT	(2.4)	0.1
OPBDIT/OI	-	-
PAT/OI	-	-
Total outside liabilities/Tangible net worth (times)	0.0	1.6
Total debt/OPBDIT (times)	NM	NM
Interest coverage (times)	NM	NM

*Amounts in Rs. crore; Source: Company, ICRA Research; Financial ratios in this document are ICRA adjusted figures and may not be directly comparable with results reported by the company in some instances; PAT: Profit after Tax; OPBDIT: Operating Profit before Depreciation, Interest, Taxes and Amortisation; total debt includes lease liabilities *Provisional; Note - the entity is in project stage NM – Not Meaningful*

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Instrument	Current ratings (FY2026)			Chronology of rating history for the past 3 years		
	Type	Amount rated (Rs. crore)	Date & rating in FY2026	Date & rating in FY2025	Date & rating in FY2024	Date & rating in FY2023
			December 24, 2025	-	-	-
1 Term Loans	Long term	1,508.24	[ICRA]BBB- (Stable)	-	-	-

Complexity level of the rated instruments

Instrument	Complexity Indicator
Long term fund based – Term loans	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 I: Instrument details

ISIN	Instrument Name	Date of Issuance	Coupon Rate	Maturity	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	**Term loans**	FY2025	NA	FY2035	1,508.24	[ICRA]BBB-(Stable)

Source: Company

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

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

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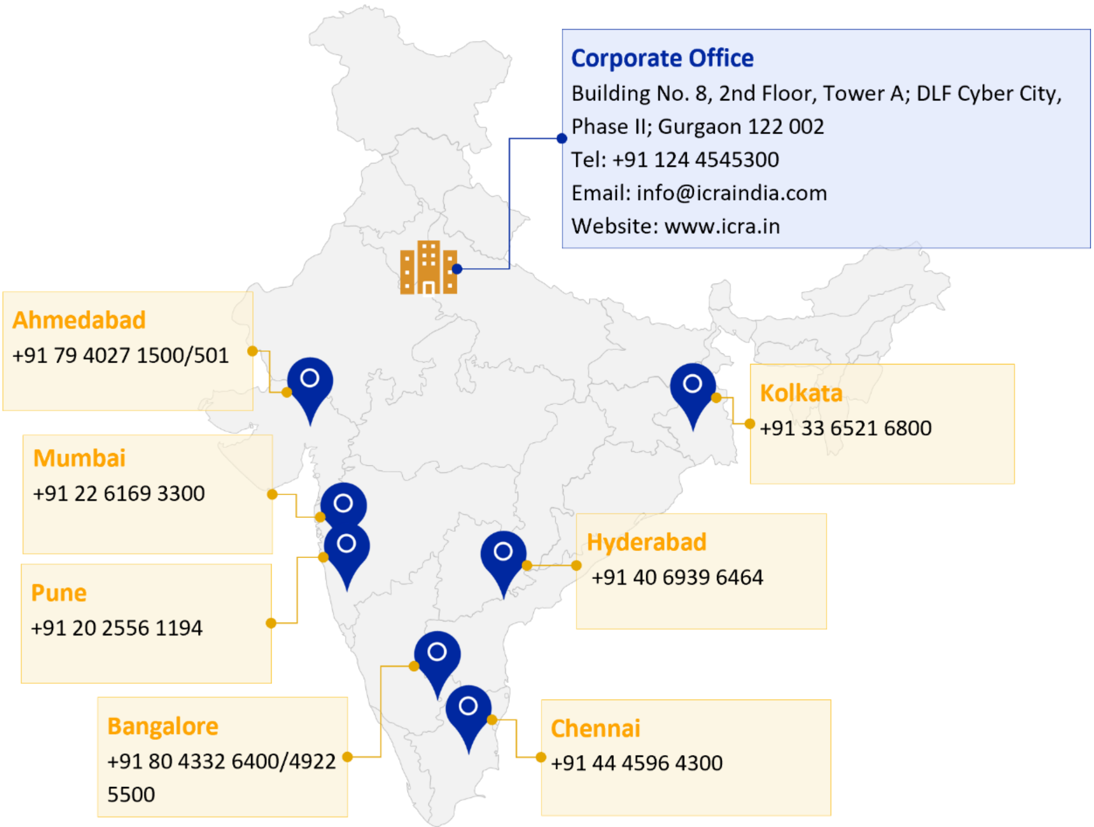

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