

Volkswagen Group Sales India Private Limited

March 14, 2019

Summary of Rated Instrument:

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Outstanding
Fund-based / Non-fund Based Facilities	739.00	739.00	[ICRA]AA+(Stable)/[ICRA]A1+
Total	739.00	739.00	

Material Event

The National Green Tribunal on March 08, 2019 levied a fine of Rs 500 crore on Volkswagen India Private Limited (VIPL) for violation of emission related norms for its diesel cars in India. The Volkswagen Group, India, reiterated that its cars are compliant with the emission norms (Bharat Stage IV) defined in India.

Impact of the Material Event

As per the management, Volkswagen India is most likely to contest this ruling in Hon. Supreme Court of India. Material cash outflow, if any, is not expected to have significant impact on the financial position of the firm considering the availability of undrawn bank lines; cash and cash equivalent to the tune of Rs. 2,000 crore and support from parent, Volkswagen AG in case of any contingency.

ICRA takes the note of the recent update and would continue to monitor the developments regarding the same going forward.

The previous detailed rating rationale is available on the following link: [Click here](#)

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