

Reliance Industries Limited

February 18, 2022

On February 11, 2022, Reliance Industries Ltd. (RIL) had submitted to the stock exchanges that on January 21, 2022 it had filed a scheme of arrangement with the Honourable National Company Law Tribunal, Mumbai Bench (NCLT) for transferring its 'Gasification undertaking' to its wholly owned subsidiary Reliance Syngas Ltd. (RSL). RIL's application has been admitted by NCLT on January 28, 2022. The appointed date of the scheme is March 31, 2022 or such other date as may be approved by the Board. The Gasification undertaking is proposed to be transferred, as a going concern on slump sale basis, by way of scheme of arrangement. The salient features of the scheme have been submitted by RIL to the stock exchanges. According to the company, while attaining its target to achieve 'Net carbon zero' by 2035, this reorganization is likely to enable the company to produce high value chemicals and help company to unlock value by partnering with strategic investors.

CARE Ratings Limited already has a consolidated analytical approach for its outstanding credit ratings of RIL (rated, CARE AAA; Stable/ CARE A1+) and thus it takes note of the above-said scheme of arrangement which is expected to be credit neutral for RIL.

During 9MFY22, RIL's financial performance has improved on a y-o-y basis as reflected from it earning a PAT of Rs.49,824 crore on a TOI of Rs.5,05,077 crore (9MFY21: PAT of Rs.38,744 crore on a TOI of Rs.3,30,439 crore).

Please refer to the following link for the previous detailed rationale of RIL that captures the key rating drivers and their description, the liquidity position, rating sensitivities, and key financial indicators: [Click here](#)

Contact us

Media Contact

Name: Mradul Mishra
Contact No.: +91-22-6754 3596
Email ID: mradul.mishra@careedge.in

Analyst Contact

Name: Hardik Shah
Contact no.: +91-79-4026 5620
Email ID: hardik.shah@careedge.in

Relationship Contact

Name: Saikat Roy
Contact no.: +91-22-6754 3404
Email ID: saikat.roy@careedge.in

About CARE Ratings Limited:

Established in 1993, CARE Ratings Ltd. is one of the leading credit rating agencies in India. Registered under the Securities and Exchange Board of India (SEBI), it has also been acknowledged as an External Credit Assessment Institution (ECAI) by the Reserve Bank of India (RBI). With an equitable position in the Indian capital market, CARE Ratings Limited provides a wide array of credit rating services that help corporates to raise capital and enable investors to make informed decisions backed by knowledge and assessment provided by the company.

With an established track record of rating companies over almost three decades, we follow a robust and transparent rating process that leverages our domain and analytical expertise backed by the methodologies congruent with the international best practices. CARE Ratings Limited has had a pivotal role to play in developing bank debt and capital market instruments including CPs, corporate bonds and debentures, and structured credit.

Disclaimer

The ratings issued by CARE Ratings Limited are opinions on the likelihood of timely payment of the obligations under the rated instrument and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. These ratings do not convey suitability or price for the investor. The agency does not constitute an audit on the rated entity. CARE Ratings Limited has based its ratings/outlooks based on information obtained from reliable and credible sources. CARE Ratings Limited does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions and the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE Ratings Limited have paid a credit rating fee, based on the amount and type of bank facilities/instruments. CARE Ratings Limited or its subsidiaries/associates may also be involved with other commercial transactions with the entity. In case of partnership/proprietary concerns, the rating /outlook assigned by CARE Ratings Limited is, inter-alia, based on the capital deployed by the partners/proprietor and the current financial strength of the firm. The rating/outlook may undergo a change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors. CARE Ratings Limited is not responsible for any errors and states that it has no financial liability whatsoever to the users of CARE Ratings Limited's rating.

Our ratings do not factor in any rating related trigger clauses as per the terms of the facility/instrument, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and if triggered, the ratings may see volatility and sharp downgrades.

****For detailed Rationale Report and subscription information, please contact us at www.careedge.in**