Reliance Retail sees valuation cross Rs 2.5 lakh crore before concrete listing plans revealed

By Isabelle Crossley - 2 July 2019

Reliance Industries’ retail section Reliance Retail has already been valued by potential investors at over Rs 2.5 lakh crore ($37.6 billion) after starting to trade on the unlisted market two weeks ago.

As Reliance Industries only begins to plan an official listing for Reliance Retail, the business has already reached a far higher valuation than its peers, ET Bureau reported. Shares of Reliance Retail are trading at between Rs 475 and Rs 500 each and brokers told ET Bureau that these shares belong to company employees.

One reason for the high share price is its limited availability. The other is that Reliance Industries has such a large chunk of the market across industries such as fashion retail. Although no concrete plan has been made, Reliance Industries could de-list Reliance Retail and use the capital raised from the venture to reduce the group’s overall debt, according to reports.

Reliance Retail, which is part of Mukesh Ambani’s giant Reliance Industries, reported income of Rs 1.3 lakh crore for the 2019 financial year. This was an 89 percent increase from the business’ revenue total of Rs 69,198 crore in the 2018 financial year.

Reliance Retail has a portfolio of over 100 international fashion brands that it retails in India in various sections of the market including Burberry, Bally, Armani Exchange, Furla, Jimmy Choo, Kate Spade, and Paul Smith among others.

The business operates over 661 stores for these international brands across India. According to the business’ website, it is continuing to partner with new international brands.