



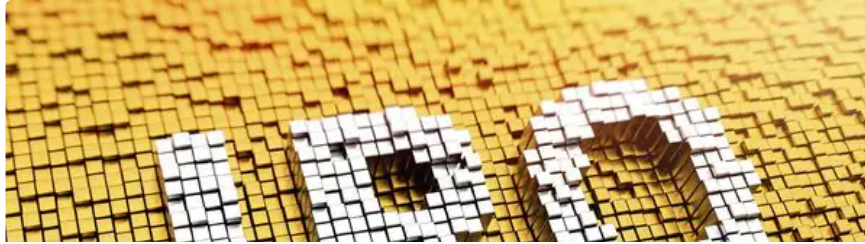
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War slows IPOs, but startups keep bringing headquarters home

Abhinaba Saha | 5 min read | 19 Mar 2026, 01:21 PM IST



Prominent startups, including Flipkart, PhonePe, Razorpay and Zepto, have already shifted their holding companies back to India from Singapore and the US ahead of their listings.

SUMMARY

Though geopolitical tensions are delaying IPO timelines, India's tech startups are pressing ahead with plans to relocate their headquarters back home. Richer valuations, deep domestic liquidity, regulatory tailwinds and waning US listing appeal are driving the shift back home.

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Even as several IPO-bound technology companies reassess launch timelines amid the war in West Asia, one critical element of their listing preparation—shifting their corporate domicile back to India—remains largely unaffected.

Mint's analysis of EY data shows that nearly 20 Indian tech startups have either shifted, are in the process of shifting, or are considering shifting their headquarters back to India ahead of planned listings. Of these, 13 companies have already completed the restructuring or are in the process of it, signalling that the trend is becoming a structural feature of India's new-age tech IPO pipeline.

These companies were founded in India but chose Singapore or US holding structures to tap global capital, regulatory flexibility and overseas listing, according to experts.

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There are some tax implications for companies shifting back, as they may lose the ability to 'carry forward' previous years' business losses to offset future taxable profits, according to tax experts.

Further, capital gains tax on existing investors applies if the shift is made via a share swap, in which foreign shareholders exchange their shares for shares in the Indian entity. For instance, PhonePe's investors, led by Walmart, reportedly paid ₹8,000 crore in taxes to complete its 2022 relocation.

Tax liabilities are typically funded through internal accruals.

"None of the companies' plans for flipping their domicile are changing, despite the current geopolitical scenario. Everybody is going ahead with the flips no matter when they debut," said Prashant Singhal, partner and India markets leader at EY. The restructuring itself typically takes three to six months, meaning companies commit to the process well before deciding the exact initial public offering (IPO) window, he noted.

Key Takeaways

- ✔ *War delays IPO timing, but headquarters relocation to India remains steady.*
- ✔ *Indian tech valuations are three to four times higher than US peers.*
- ✔ *Seventeen startups are currently shifting domiciles to prepare for local listings.*
- ✔ *US markets often overlook companies valued under \$50 billion.*
- ✔ *New fast-track merger rules have significantly accelerated the 'reverse flip' process.*

Experts say the so-called 'reverse flip'—through which startups dismantle overseas holding structures and relocate them to India—is increasingly becoming a standard step before going public.

The nuts and bolts of the Indian market, such as logistics and other infrastructure, are coming into focus as these firms weigh local listings. "Domestic markets better understand nuances like UPI-led scale, (local) ecosystem synergies, and India's complex distribution networks, which global investors have historically undervalued," Jeet Chandan, group managing director at BizDateUp, a venture capital investment firm, said. The success of Zomato after its IPO and Nykaa's steady, high valuation amidst sector volatility illustrate this point perfectly.

For founders and early investors preparing for IPOs, these nuances can translate into billions of dollars in potential market value, according to Chandan.

Back to base

According to Richa Choudhary, capital markets partner at Trilegal, reverse flips have gained significant momentum since 2023 as IPO-bound companies align their corporate structures with their core operations and customer bases in India.

"Many of these companies now generate the bulk of their revenue from India and see domestic markets as the natural venue for their public debut," EY's Singhal said. Hence, as Indian

capital markets deepen and domestic opportunities expand, companies are scrapping their overseas listing plans in favour of a domestic debut.

Data from EY shows that about 10 major startups that had once explored US listings have since pivoted to domestic IPOs, with around six already listed and others evaluating India as their primary venue.

Established startups like **Zomato**, Delhivery and PB Fintech have already listed locally after shelving plans for US listings, while Flipkart and Yotta Technologies are among those now weighing domestic offerings instead.

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Valuation arbitrage

Experts noted that a key driver of the reverse-flip trend is the valuation premium Indian markets assign to businesses linked to the country's consumption and digital growth story.

Mint's analysis of EY data shows that Indian technology companies command valuation multiples three to four times those of US peers, with the premium widening further in certain segments such as fintech and e-commerce.

Premium valuation

Average sectoral price-to-earnings ratio (in times) across India and US

	India	US
E-commerce	136	26
Fintech	363	11
Travel and tourism	40	12
IT-software	42	23

Source: EY • [Get the data](#)



Indian **e-commerce** companies, for instance, trade at about 136 times price-to-earnings (P/E) multiple on average, roughly five times the 26 P/E multiple commanded by US peers. Fintech valuations are even more stretched at around 363 times P/E versus 11 times globally, since many firms are still loss-making.

The valuation advantage is particularly relevant for startups valued between \$2 billion and \$20 billion, where many Indian unicorns fall, noted Singhal. "Unless you are a \$50 billion company, you don't get much attention in the US markets," he added.

Mid-sized domestic companies often get overshadowed due to the sheer scale of the US market, said B.L. Bajaj, founder and managing director of Dynamic Orbits, an investment banking and strategic advisory firm.

"In India, the same companies receive sharper institutional and retail focus, leading to better price discovery and investor

engagement,” he added.

The valuation premium isn't limited to **startups**, though.

Listed Indian arms of multinationals such as Hindustan Unilever Ltd, Nestlé India Ltd, Hyundai Motor India Ltd, and LG Electronics India Ltd trade at 2-4 times the valuation multiples of their parent companies, the analysis showed.

Regulatory tailwinds

Experts noted that the shift in listing preferences also underscores the growing depth of India's capital markets, with rising domestic liquidity offering a clear fillip to reverse flips. However, Trilegal's Choudhary says recent regulatory changes have expedited the trend.

She highlighted that cross-border merger rules were revised in 2024 to allow foreign holding companies to merge into Indian entities through a fast-track route. This replaced the National Company Law Tribunal's slower approval process and significantly expedited flip timelines, Choudhary added.


A 2025 amendment clarified that investors can carry a company's convertible instruments through a reverse flip without converting them into equity, while remaining eligible for an IPO offer-for-sale. Earlier, such upfront conversion was mandatory and added friction to the domicile shift process, a constraint that has now been removed, Choudhary said.

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She added that the easing of minimum public shareholding and offer size norms in 2026 has reduced the burden of upfront stake dilution, making domestic listings more viable for founder-led, venture-backed firms.

Choudhary said the confidential pre-filing route, introduced in 2022, has also made domestic listings more attractive. It extends IPO timelines while allowing companies to address queries, gauge investor appetite, and keep sensitive metrics private. Hence, “this has become the preferred route for companies doing a reverse flip,” she said.

These reforms have significantly eased the relocation of offshore holding structures back to India. As a result, reverse flips are fast becoming a deliberate step in domestic startups' IPO playbook rather than an isolated restructuring exercise, Choudhary added.

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