

The Strategic Shift of MNC Listings in India



FORWARD

India's capital markets stand at an inflection point — where global confidence meets domestic conviction. The surge in multinational corporations (MNCs) exploring or executing India listings reflects more than a financial transaction; it signifies a deep structural shift in how global enterprises perceive India's role in their growth and valuation narrative. What was once a destination for manufacturing and consumption has become a platform for value discovery and investor trust.

We see this trend as India's evolution from a “high-growth market” to a “high-valuation market.” The Indian equity ecosystem, powered by transparency, governance reforms, liquidity depth, and a maturing investor base now commands a premium over international markets. For global boards and CFOs, the decision to list in India is increasingly strategic.

This publication details our Point of View and unpacks this transformation in depth. It traces how regulatory clarity, market sophistication, and policy innovation have converged to create a compelling case for MNC listings. We also highlight the governance, tax, and structural considerations that global corporations must navigate to translate strategic intent into successful execution.

At Uniquis, we are privileged to contribute to this transformation by helping clients and market participants navigate this emerging frontier of global capital alignment and sustainable value creation. Hope you find the read useful.



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INTRODUCTION

As India moves into a higher-growth, higher-expectation equity cycle, global companies are beginning to rewrite their India strategy. What was once a market for manufacturing and sales is now being seen as a market for value discovery. For many MNCs, an India listing has become a strategic unlock — a way to align with local investors, reflect India's growth potential in their global story, and capture valuation multiples that reward domestic scale, brand resonance, and investor optimism.

We shall now explore how and why this shift is occurring, what it means for issuers and investors, and what the key strategic considerations are.

The Crown Jewel of Foreign Capital in India - The Nifty MNC Index

The Nifty MNC Index represents perhaps the purest institutional expression of global capital's conviction in India. It comprises 30 listed Indian companies controlled by foreign promoters, each with over 50% foreign shareholding.

At the top of the index sit legendary global franchises like Hindustan Unilever (10%), Maruti Suzuki (9%), Nestle India (8%). Interestingly, the index also includes India-operated but foreign-promoter-controlled success stories such as Britannia and Ashok Leyland, highlighting how global capital has seamlessly intertwined with Indian entrepreneurship.

Sectoral dominance within the index is striking with FMCG at 34%, Automobiles and components at 25% and capital goods at 20%. Together, these three sectors account for nearly 80% of the index weight, underscoring its bias towards consumer driven focus, cash-rich and high-quality stocks that define long-term foreign investor confidence in India.

Valuation Arbitrage - Listing in India for Value, Not Just Capital

The global supply chains and capital flows are being reimagined. India's combination of manufacturing momentum, policy support, and an increasingly sophisticated investor base makes it a natural beneficiary. With regulatory clarity and a vibrant ecosystem of retail and institutional investors, global corporations are realising that India is not merely about cost or consumption advantage and it's about participation in a valuation cycle. For global capital, the equation is fast becoming clear: India is where growth meets credibility, and listing here converts global conviction into tangible value.

Regulatory / Macro Backdrop

This shift has been enabled by a supportive regulatory and macro environment in India. The listing regime has matured to provide transparent IPO processes, better disclosures, improved governance frameworks, and stronger investor protection. Specific policy moves aimed at promoting manufacturing, exports and global brand investment (e.g., Production-Linked Incentive (PLI) schemes) enhance strategic relevance of Indian subsidies for global firms. Additionally, 100% FDI is permitted through the automatic route in most high-tech, renewable energy, and IT sectors, while GIFT City offers a tax-neutral framework that attracts fintech companies and global asset managers seeking a competitive base in India.

Hyundai Breaks the Silence — A New Entrant after 5 Years

No new listing had entered the NIFTY MNC index for over five years, until Hyundai Motor India broke the streak. Listed in October 2024, Hyundai was inducted into the index in March 2025, becoming the first IPO entrant since many years.

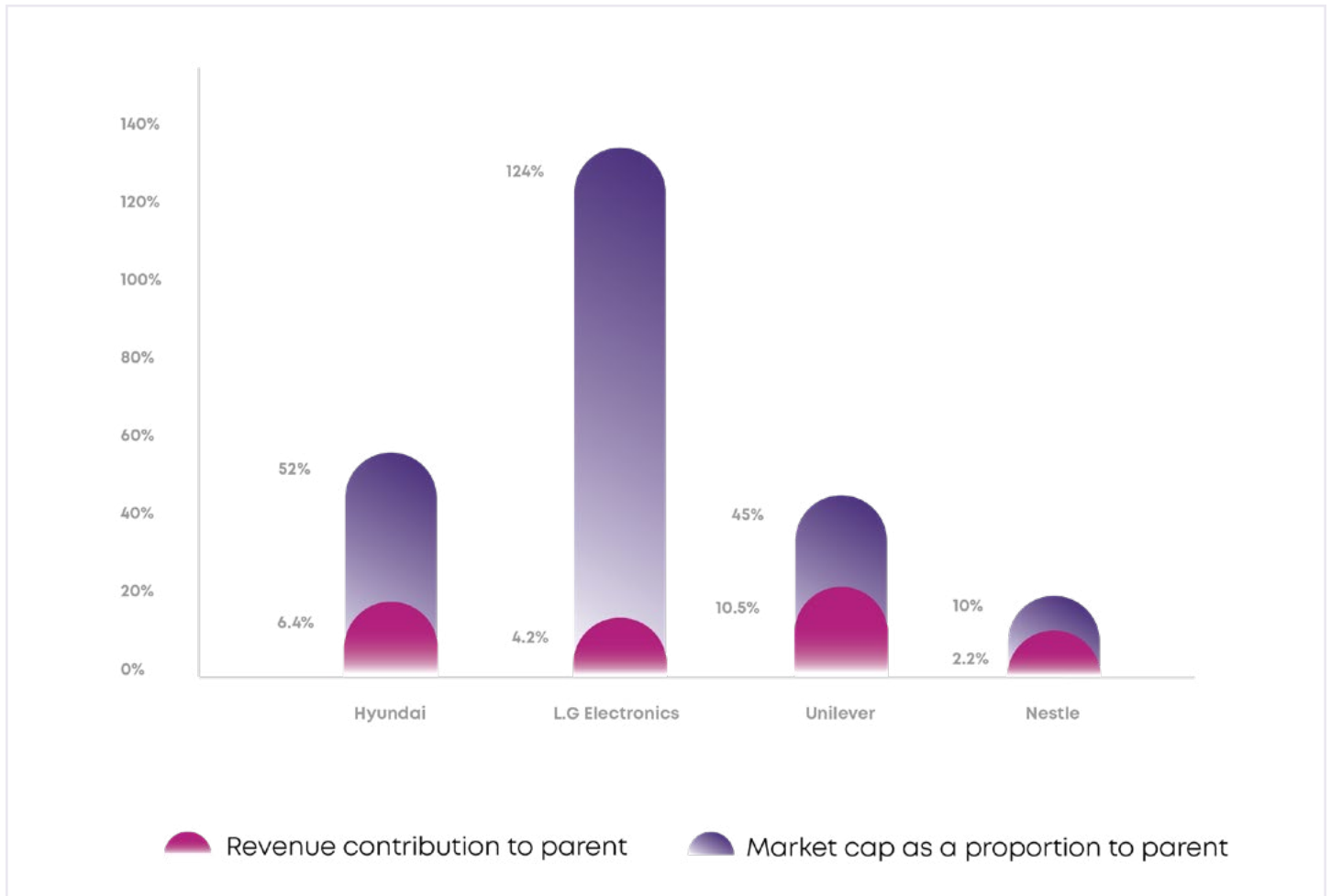
That narrative has changed decisively with two back-to-back foreign MNC IPOs redefining India's capital market story:

- **Hyundai Motor India (October 2024)** : The largest IPO in Indian market history, reigniting global investor enthusiasm.
- **LG Electronics India (October 2025)** : Heavily subscribed IPO - 54.02x overall, with nearly ₹4.5 lakh crore (~USD 52 billion) of capital blocked against an issue size of ₹11,607 crore (~USD 1.3 billion). A ~50% listing gain, the highest ever for any Indian IPO above ₹10,000 crore, surpassing Coal India's 40% listing pop in 2010 after a 15-year gap.



Emerging Trends

The chart below highlights the revenue contribution of the India entity to the global parent, and compares the market capitalisation of the India company with that of its parent.



The chart clearly shows that although the India subsidiaries contribute only a single-digit share of their respective parent's revenue, their market capitalisation is significantly higher.

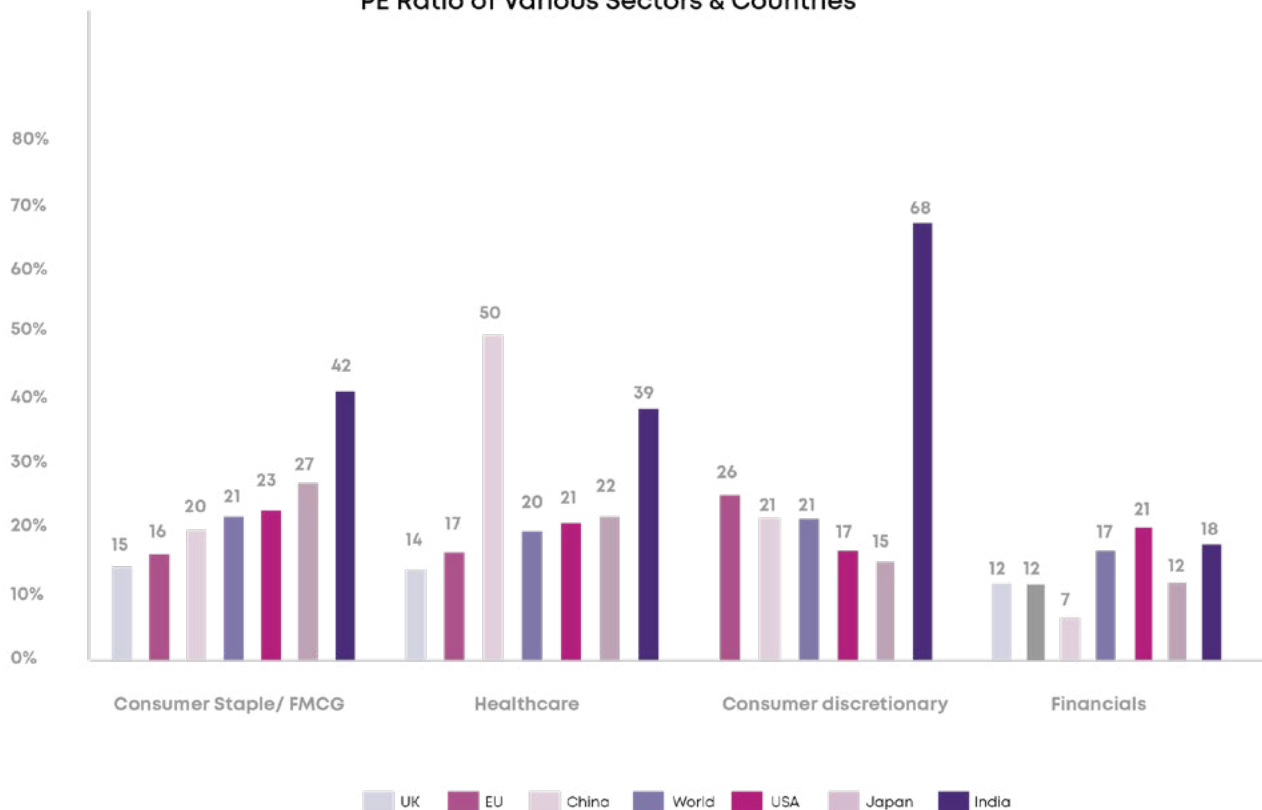
Hence, Global leaders across automobiles, consumer electronics, pharmaceuticals and beverages, all of whom already have deep operational footprints in India, are increasingly evaluating valuation arbitrage as a strategic rationale to list locally. The next wave is emerging in FMCG and lifestyle consumption, where Indian equity markets consistently award premium valuations.

Early-stage discussions have reportedly begun with Coca-Cola, Fossil and other global consumer franchises, exploring potential India listings not for capital requirements, but purely for value discovery and unlocking.

India's Valuation Premium – A Global Comparison

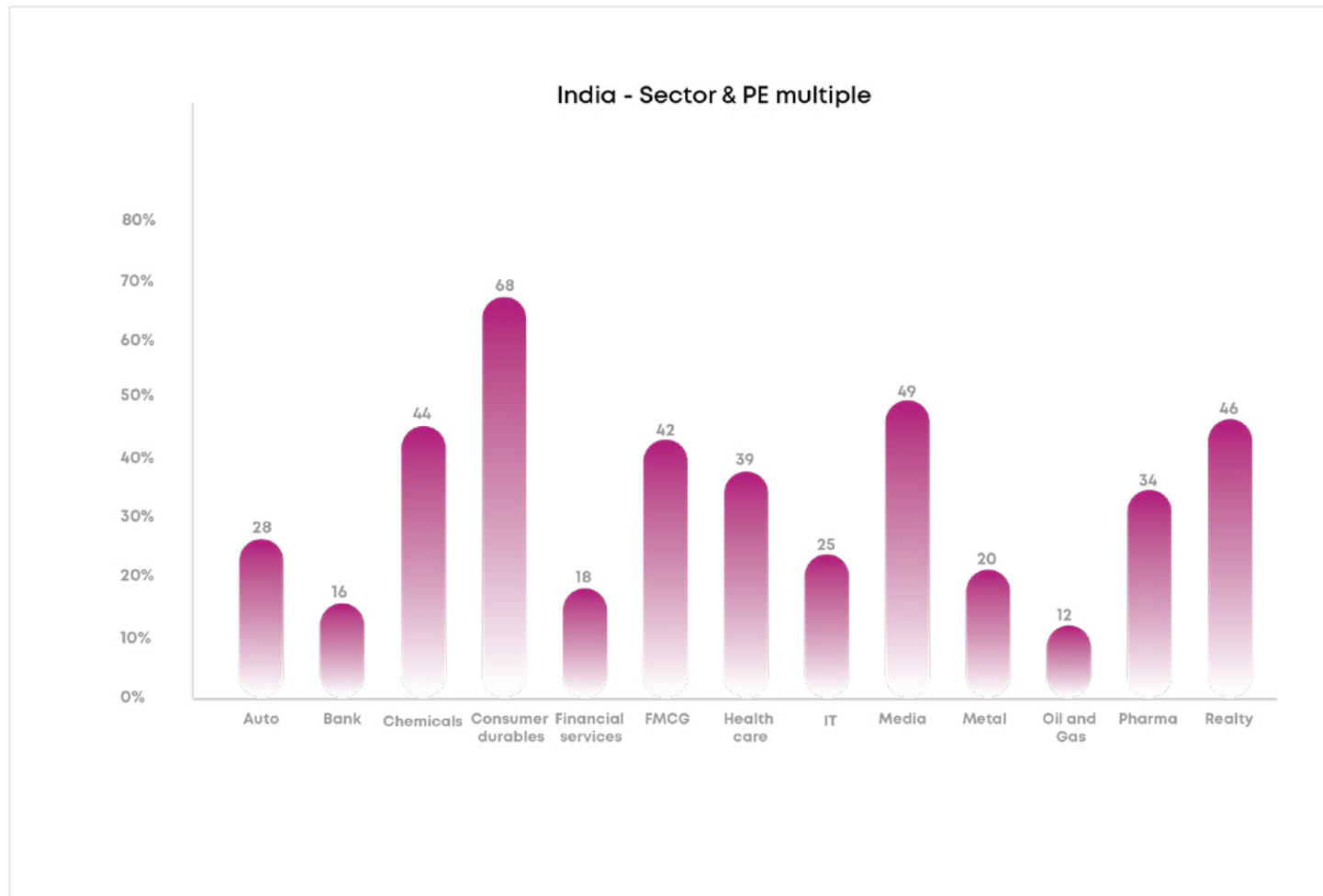
To illustrate India's distinctive valuation positioning, we compared the MSCI Sectoral Index across major developed markets — including the EU, the United Kingdom, Japan, US and World, with India's Nifty Sectoral Index. The analysis highlights a clear trend that Indian consumer companies trade at a substantial premium to their global peers, underscoring the market's confidence in domestic consumption growth, pricing power, and brand strength, especially in sectors like healthcare, consumer discretionary & consumer staples.

PE Ratio of Various Sectors & Countries



India – Sector wise PE ratios:

Similarly, most major sectors in India trade at significantly higher valuation multiples compared to their global counterparts in the respective sector indices. The details of India's sectoral indices and their corresponding P/E ratios are provided below.



The relative valuation gap is not confined to consumer staples / FMCG alone. Across sectors, from consumer durables and automobiles to healthcare and industrials, Indian equities consistently command higher multiples than their global counterparts. This structural premium reflects not only stronger earnings growth and return metrics, but also the credibility of India's policy environment, depth of domestic liquidity, and the rising sophistication of its investor base.

KEY CONSIDERATIONS FOR MNC'S AS THEY PLAN FOR AN INDIA LISTING

As multinational corporations (MNCs) increasingly view India as a strategic growth market, listing in India brings a distinct set of regulatory, governance, and strategic considerations that go beyond standard global practices. From heightened scrutiny on related-party transactions and transparent royalty or dividend frameworks, to investor expectations around reinvestment and board independence, MNCs must navigate a landscape where compliance, stakeholder alignment, and long-term strategic intent intersect. The key considerations we outline below provide a detailed view of what it takes to successfully navigate this journey.

1

Related-Party Transactions and SEBI Oversight

With SEBI's enhanced framework on Related-Party Transactions (RPTs), governance expectations for MNCs have risen sharply. The revised regime significantly broadens the definition of "related party," mandates prior shareholder approval for material transactions, and requires quarterly disclosures. This means that even global intra-group arrangements including procurements, shared services, technology transfers, or supply agreements must stand to rigorous arm's-length scrutiny and commercial justification. SEBI and institutional investors alike are demanding that every inter-company transaction reflect fairness to minority shareholders, with boards taking explicit accountability for oversight.

2

Royalty and Dividend

Royalties and dividends are now viewed as tests of long term alignment between foreign promoters and Indian investors. High or opaque royalty payouts can quickly erode investor confidence, particularly if perceived as value extraction rather than value creation. Leading MNCs are therefore moving towards clearly articulated frameworks, defining caps or glide-paths for royalty as a percentage of sales, and disclosing dividend policies upfront.

3

Expansion Strategy & Primary Issue Visibility

Global players so far have mostly opted for OFS, raising no fresh capital for India. However, Indian investors are now actively seeking reinvestment commitment, especially in R&D, manufacturing and supply chain. A defined India expansion plan, with at least a partial primary issue component would make the listing sustain investors' confidence.

4

Enhancing Governance through Deeper Board Independence

While MNCs are recognised for their robust global governance frameworks, it is equally important that they continue to strengthen board independence, including through the addition of more independent directors who can meaningfully influence strategic decision-making.



Global strategy alignment

Global expansion decisions must remain closely aligned with the strategic priorities of the India business. For instance, if the Indian subsidiary currently derives around 20% of its revenue from exports to a particular market (say, country Y), the parent company should carefully evaluate any plans to establish a new manufacturing presence in that market to ensure it does not inadvertently impact the growth trajectory or strategic relevance of the Indian operations.

The Listing Pathway — From Strategy to Market Readiness

For multinational corporations contemplating an India listing, success lies not only in timing but in preparation. The process demands alignment across business strategy, structure, governance, and financial reporting — ensuring that the India subsidiary stands investor-ready and regulator-ready.

Outlined below are the seven key steps that define this journey.



Step 1: Business Story & Financial Modelling

A compelling equity story forms the foundation of any listing. MNCs must articulate a clear India narrative, the subsidiary's growth trajectory, market share opportunity, export potential, and integration within the global value chain.

A robust financial model that ties strategy to numbers, projecting revenue growth, margins, capex, and returns, enables investors to assess sustainable value creation rather than short-term performance.



Step 2: Industry Benchmarking & Valuation Framework

Before determining valuation, MNCs should undertake a detailed benchmarking exercise against listed peers in India and globally. This includes comparative analysis of revenue multiples, EBITDA margins, ROCE, and capital efficiency.

The process helps identify sector-specific valuation drivers and define the KPIs that will anchor the company's investment thesis, a critical step in positioning the offering within India's premium valuation environment.



Step 3: Corporate Restructuring & Tax Alignment

Many MNCs operate through complex regional or holding structures. Pre-listing restructuring such as a reverse flip (making the India entity the principal operating company), mergers, or demergers, may be required to consolidate operations and simplify ownership.

These transactions must be evaluated for tax implications, transfer pricing, and compliance with FEMA and SEBI norms to ensure a clean structure that investors and regulators can easily assess.



Step 4: Accounting Framework Harmonisation

Global accounting policies often differ from Indian standards. Before listing, financials must be reconciled to ensure full Ind AS / IFRS compliance and consistency across group entities.

This step not only enhances transparency but also builds investor confidence by ensuring comparability with domestic peers.



Step 5: Financial Preparation, Audit & Reporting

The company must prepare restated financial statements (RFS) for the preceding three years, in accordance with SEBI (ICDR) regulations. These audited statements must present a clear picture of historical performance and segmental results.

Post-listing, quarterly financial reporting and disclosure controls become mandatory, requiring systems and processes that can sustain continuous public-company compliance.



Step 6: Board & Governance Strengthening

A successful listing in India hinges on the credibility of governance. MNCs must reconstitute their boards to comply with Indian listing norms, ensuring the requisite number of independent directors, forming committees (Audit Committee, Nomination & Remuneration Committee, Corporate Social Responsibility Committee, Risk Management Committee, Stakeholders Relations Committee), and formalising policies on insider trading, related-party transactions, and whistle-blower mechanisms. The aim is to demonstrate not just compliance, but true independence and accountability.



Step 7: Appointment of Advisors & Execution Launch

With structural and financial groundwork in place, the company appoints merchant bankers, legal counsel, auditors, and registrars to initiate the IPO process.

From drafting the DRHP, engaging with SEBI and stock exchanges, to conducting valuation discussions and investor roadshows, this phase translates strategy into execution — culminating in pricing, allotment, and listing on Indian exchanges.

India's regulatory environment is among the most progressive and globally aligned, making it increasingly conducive for foreign MNCs to access and participate in its capital markets. SEBI's forward-looking approach combines market innovation with strong investor safeguards, fostering transparency, liquidity, and predictability. Recent reforms have streamlined IPO norms, simplified compliance for global investors, eased FPI registration through single-window frameworks, and aligned listing and disclosure standards with international practices. These steps not only deepen domestic market participation but also make India an attractive venue for cross-border capital formation and value discovery. By balancing growth facilitation with prudent oversight, SEBI has created a regulatory ecosystem that supports global corporations seeking long-term alignment with India's growth story, positioning India as one of the most open, efficient, and well-governed capital markets worldwide.

CONCLUSION

The strategic pivot is clear: India is moving from being simply “one of the world's high-growth markets” to becoming “one of the world's high-valuation markets” for global brand-led multinationals. The trend of MNC listings in India is less about local capital needs and more about value unlocking, strategic re-rating, and global brand growth anchored in India.

For global companies evaluating a listing decision, India can no longer be viewed as a secondary or regional listing front. Instead, India should be viewed as a strategic growth and valuation destination. The key is alignment — between brand, growth, governance, investor strategy and listing mechanics.

In short: the “Crown-Jewel” of foreign capital in India is not just the listing; it is the transformation of global brand-led growth into an Indian-listed, valuation-rich growth engine.





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