Why 1 in every 4 SEBI-approved IPOs didn’t launch in 5 years

Shristi Rani

Nearly 100 companies that received regulatory approval to launch initial public offerings (IPOs) did not eventually come to the market, with high valuations emerging as a key factor behind several delays, according to merchant bankers who quoted data from Prime Database.

An analysis of 393 IPO cases over the past five years shows that around 100 IPOs did not proceed despite receiving approval.

Investors seek more realistic valuations

According to sources, several companies struggled to find investors willing to accept the valuations sought by the issuers. Following feedback from investors, some companies decided to postpone their IPO launches.

Sources said that in several cases, investor consensus was not reached on the valuation being sought by the companies. As a result, companies chose to wait rather than launch their IPOs at valuations that could face resistance from investors.

The trend highlights the growing importance of realistic pricing in India's primary market, particularly as investors become more cautious about aggressive valuations.

SEBI focuses on fair IPO pricing

The Securities and Exchange Board of India (SEBI) has been emphasising the need for realistic valuation and fair pricing in IPOs. The regulator has also previously raised questions about the role of merchant bankers in IPO pricing.

SEBI's broader focus remains on fair pricing and investor protection, particularly amid increasing activity in India's IPO market.

With investors becoming increasingly selective, aggressive valuations could remain a key hurdle for companies planning to tap the primary market.

Zepto's IPO faces delay

Quick-commerce company Zepto’s initial public offering (IPO) could face further delays as the company and funds have reportedly failed to reach a consensus on valuation, according to media reports.

Zepto’s IPO has been facing delays for the past few weeks amid differences over the company’s valuation. Zepto had filed its updated Draft Red Herring Prospectus (UDRHP) as part of its IPO preparations in June this year.

The valuation concerns come after Zepto raised $450 million at a $7 billion valuation in October 2025, according to Zee Business research.

Why is Zepto's IPO getting delayed?

According to media reports, some funds are currently assigning Zepto a valuation of around $2.5-3 billion. This is significantly below the company's previous funding valuation of $7 billion.

Zepto had been planning to bring its IPO at around a $5 billion valuation. However, the valuation being discussed by some funds is lower than what the company had been seeking.

The difference in valuation expectations has reportedly resulted in a lack of consensus between the company and investors, leading to further delays in the IPO.

What if Zepto does not launch its IPO by August 21?

Another important date for Zepto is August 21, 2026. If the company does not launch its IPO by then, it may have to file updated financials again. This could potentially result in further delays in the IPO process.

Therefore, reaching an agreement on valuation is important for Zepto if it wants to avoid another delay.

Why could Swiggy and Eternal benefit?

The delay in Zepto's IPO could indirectly benefit its competitors Swiggy and Eternal.

The quick-commerce sector has seen significant cash spending for expansion. With Zepto having a relatively lower cash balance compared with Swiggy and Eternal, the company may have less room for continued aggressive expansion.

If Zepto's cash burning and expansion become more disciplined, the competitive pressure on Swiggy and Eternal could ease.

Cash and dark-store comparison among Zepto, Swiggy and Eternal

The cash position and dark-store network of the three companies highlight the difference in their available resources:

Eternal has around Rs 18,288 crore in cash and approximately 2,443 dark stores.

Swiggy has around Rs 15,053 crore in cash and approximately 1,143 dark stores.

Zepto, in comparison, has around Rs 3,000 crore in cash and approximately 1,139 dark stores.

Company	Cash (Rs crore)	Total Dark Stores
Eternal	18,288	2,443
Swiggy	15,053	1,143
Zepto	3,000	1,139

This means Zepto has a significantly lower cash balance than both Swiggy and Eternal, while its dark-store count is broadly similar to Swiggy's.

How could lower valuation impact Zepto's IPO?

If Zepto eventually launches its IPO at a lower valuation than initially planned, the overall IPO size could also decline.

A lower valuation could mean that the company raises less money through the IPO, depending on the stake offered.

This could leave Zepto with less capital available for expansion at a time when the company continues to operate in a highly competitive quick-commerce market.

The company's comparatively lower cash balance makes the valuation issue particularly important, as access to fresh capital could support its expansion plans.

Zepto's valuation gap in focus

There is now a significant gap between Zepto's previous funding valuation, its planned IPO valuation and the valuation being discussed by some funds.

In October 2025, the company raised $450 million at a $7 billion valuation. Now, some funds are reportedly valuing the company at around $2.5-3 billion, while Zepto had been looking at an IPO valuation of around $5 billion.

This gap between the company's expectations and the valuation being offered by funds is at the centre of the current IPO delay.

For Zepto, the immediate challenge is to reach a valuation agreement with investors and take the IPO process forward.

What does the delay mean for Swiggy and Eternal?

The delay could provide an indirect benefit to Swiggy and Eternal, particularly if Zepto has to moderate its cash spending and expansion plans.

With Zepto holding significantly less cash than both companies, its ability to continue spending aggressively could be more limited.

The Zepto IPO delay therefore remains important not only for the company's fundraising plans but also for the competitive dynamics in India's quick-commerce sector.