INDIAN STARTUP FUNDING · JUN 21 – JUL 10, 2026

The Middle Fell Out

Three weeks inside Indian startup funding. Deal count held; the cheque collapsed. A reading of what the tape was actually saying, once the mega-round is stripped out.

By the SRF Capital Studio Research Desk

$71.9M FINAL WEEK

17 DEALS

Contents

A weekly research note from the SRF Capital Studio Research Desk. Figures compiled from the Inc42 Weekly Funding Tracker and SRF Capital Studio Weekly Briefs No. 26 and No. 27.

INTRODUCTION

A Number That Lies

A weekly funding total is not a measurement. It is a sum, and one large round can move a sum by an order of magnitude while nothing underneath it changes.

Between June 21 and July 10, 2026, the reported weekly total for Indian startups ran **$1,102 Mn, then $104.6 Mn, then $71.9 Mn**. Read as a series, that looks like a market falling off a cliff. It is not. One round, CRED's $900 Mn Series H, accounts for almost the entire first drop. Strip it out and a quieter, more useful series appears. The two earlier weeks are the evidence. The week of July 4 to 10 is the subject.

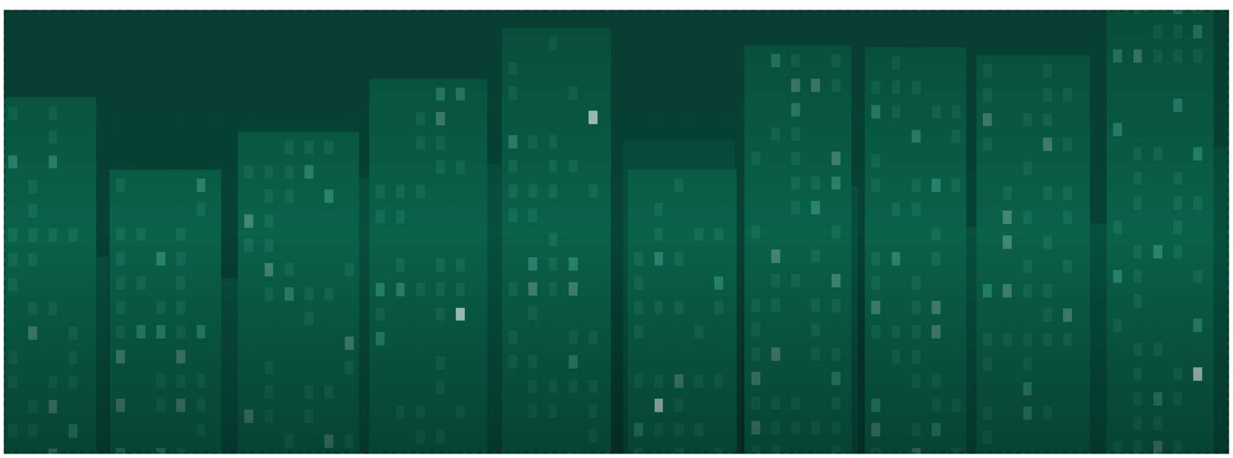


FIG. 1 · THREE WEEKS, ONE MARKET: READ AS A SERIES, NOT A HEADLINE

SECTION 01

The Arithmetic of a Distorted Headline

Separate the base from the outlier before reading any trend. CRED raised approximately **$900 Mn** in a Series H led by Meta at a $4.5 Bn post-money valuation, over 82% of that week's total. Remove it and the week's other 15 deals total roughly $202 Mn. That is the honest starting point.

WEEK (2026)	REPORTED $M	ORGANIC $M	DEALS	AVG $M
Jun 21 – 26	1,102	202	16	13.5
Jun 28 – Jul 3	104.6	104.6	21	5.0
Jul 4 – 10	71.9	71.9	17	4.2

Two things fall out. Activity did not collapse: deal count went 15, then 21, then 17. The cheque did. The organic average fell from **$13.5 Mn to $4.2 Mn** in a fortnight, a 69% compression, while the number of companies closing capital barely moved. One caveat: three of the 17 rounds were undisclosed in size; across the 14 disclosed rounds the average is closer to $5.1 Mn. The direction holds either way.

CARRY FORWARD

The market kept saying yes at the same rate. It stopped saying yes with the same amount.

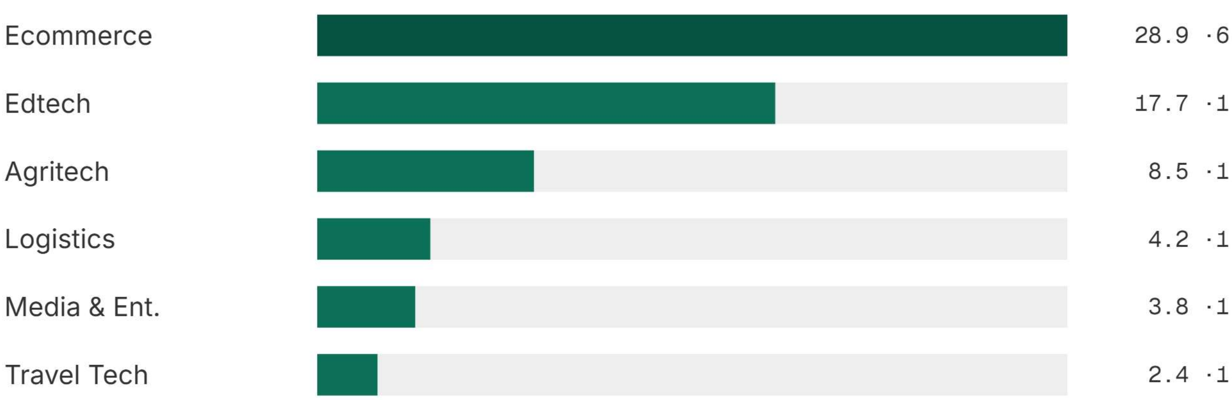
SECTION 02

Anatomy of a $71.9 Million Week

Two sectors took roughly two-thirds of everything. Ecommerce led for the second consecutive week at **$28.9 Mn across six deals**, anchored by Purple Style Labs at $17 Mn. Edtech came second on a single round: Elevate Education's Series D at **$17.7 Mn**. As reported, the week held no Series A, no Series B and no Series C. Not a small one. None.

$28.9M	**$17.7M**	**0**
ECOMMERCE · TOP SECTOR	EDTECH · ONE ROUND	SERIES A / B / C

FIGURE 2 · CAPITAL BY SECTOR (USD MN)



The caveat is essential. Wheelocity's unlabelled $8.5 Mn round is plausibly a Series A or later, and one week of zero is a data point, not a trend. But even reclassified generously, the venture middle went from roughly $58 Mn to under $10 Mn in seven days.

SECTION 03

The Debt Tell

If the middle is closed, capital has to arrive some other way. In the week of July 4 to 10, it arrived as debt. Purple Style Labs raised $17 Mn from Kairos Ventures and others; Aukera raised $10 Mn led by Alteria Capital. Two rounds, $27 Mn, **37.6% of the entire week**.

Both are ecommerce D2C. Of the $28.9 Mn into the week's top sector, about $27 Mn was borrowed; equity into ecommerce was near $1.9 Mn. A venture debt fund topping the activity table is not the normal shape of an Indian funding week.

SOURCE

Inc42 Weekly Funding Tracker, Jul 4-10 2026.

SRF Capital Studio Weekly Brief No. 26.

$27M

RAISED AS DEBT · TWO ROUNDS

⅔

OF SQUARE YARDS' $95M WAS DEBT

Founders take this trade for a reason. Debt does not reprice the company, with the equity middle quiet, a founder with revenue can borrow at a known cost rather than sell into a soft mark. In the author's view, that is discipline, not distress, available only to companies with cash flows to service it. Debt is selective; it is not a floor under everyone.

CARRY FORWARD

When a debt fund leads the activity table, the equity market is telling you its price, and founders are declining to pay it.

SECTION 04

Capital Went Physical

For three straight weeks, the largest organic cheque in India went to a business you can touch. Square Yards, real estate, ~$95 Mn. The Indus Valley, cookware, $17 Mn. Elevate Education, $17.7 Mn, subsector on the tracker, **Offline Education**. Property, pans, classrooms. Three weeks, three winners, none of them software.

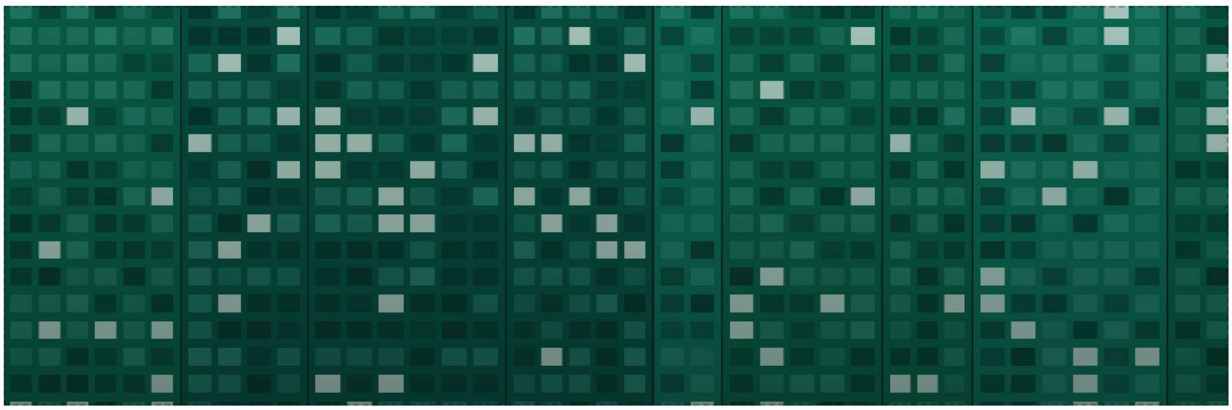


FIG. 3 · THE MONEY WENT TO RENT, TEACHERS, AND FOOTFALL

FIGURE 4 · AI & APPLICATION-LAYER CAPITAL (USD MN)

Deal counts stayed alive; dollars did not. Indian AI is being funded like a hobby at the moment it is being funded like an arms race elsewhere. WestBridge did not buy growth at $17.7 Mn. It bought unit economics that already worked, in a category with rent, teachers and footfall.

SECTION 05

Who Writes the First Cheque Now

Five early-stage startups raised about $11.2 Mn this week. Early-stage dollars fell ~14%, but deal count fell 64%. The average first cheque went from ~$0.94 Mn to **$2.24 Mn, a 2.4x jump in a week**. Fewer companies, bigger conviction. That is not a market closing. It is a market concentrating.

2.4×	−64%	$11.2M
FIRST CHEQUE, WEEK ON WEEK	EARLY-STAGE DEAL COUNT	EARLY-STAGE CAPITAL

Look at who signed. thumpN's $3.8 Mn pre-seed included Madhur Deora of Paytm and singers Arijit Singh, Sunidhi Chauhan and Badshah. The Func Labs drew Nisaba Godrej, Anand Piramal and Sahil Vora. Fizzy Goblet took a cheque from Kareena Kapoor Khan. Neothera's $943K was led by Blume Ventures with the founders of The Moms Co, Classplus and Bombay Shaving Company.

This is not vanity capital. thumpN is a live-events platform, and those singers are the supply, a cap-table entry that is a distribution agreement with equity attached. For a consumer brand, an operator with a built audience beats a fund with a term sheet.

CARRY FORWARD

Institutional seed stepped back; operators and owners of distribution stepped in. The cap table has become a go-to-market asset.

SECTION 06

The Two Clocks

The week that deployed $71.9 Mn also announced two funds targeting a combined **₹4,200 Cr**. Fundamentum launched its third fund at ₹2,200 Cr; Suzuki-backed Next Bharat Ventures launched a second impact fund at ₹2,000 Cr. At about ₹95 to the dollar, the week deployed roughly ₹685 Cr while announcing about ₹4,200 Cr. That is more than six times as much capital promised as placed.

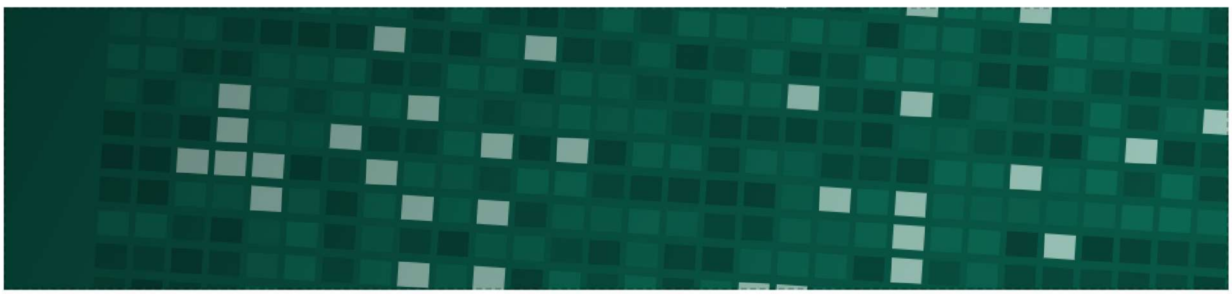


FIGURE 5 · PROMISED VS. PLACED (₹ CR, THIS WEEK)

These are two clocks. Fund formation runs two to four quarters ahead of its first cheques; weekly deployment is present tense. Why LPs are signing is on the same tape: eleven IPO events landed in three weeks, OYO's PRISM, Fibe, Moneyview, ShareChat, Cult.fit, Girnar Software and more, with Accel, Chiratae, Temasek and Schroders as sellers. Exits produce distributions; distributions produce commitments; commitments produce funds.

SECTION 07

The Consolidation Underneath

Funding is where capital enters; M&A is where it settles. The week of July 4 to 10 was heavier on the second, and edtech tells the story on its own.

CCI CLEARED	**upGrad** acquires **Unacademy** in an all-stock deal.
BUYOUT	**Info Edge** takes the remaining 45.36% of **Coding Ninjas** for ₹39.9 Cr, now wholly owned.
CROSS-BORDER	**Leverage Edu** acquires Brazil's **Mundus Agency**, its first international deal, ahead of a planned ₹2,000–3,000 Cr IPO.
PRIOR WEEKS	**EXL** → iMerit (up to $310M); **Honasa** → Fluence Pharma; **MoEngage** → Aampe; **Tredence** → KMK.

Online edtech is being absorbed; offline education is raising growth equity. That is the clearest verdict the market delivered this fortnight. Buyers are acquiring distribution and regulated capability faster than they could build either.

CARRY FORWARD

When the Series B market closes, the acquisition market opens. The same companies are being priced, just by a different buyer.

SECTION 08 · CONCLUSION

The Read

Three weeks are not a trend. They are a reading. Activity is intact: deal count ran 15, 21 and 17. What changed is the size of the cheque and the stage that gets it. Organic capital fell 64% in a fortnight while companies kept closing rounds at the same pace. The market has gone **barbell-shaped**, fatter first cheques below, debt and one small Series D above, and close to nothing between.

FOR FOUNDERS RAISING

Between Series A and C, the equity window was shut for a week and thin for three. Two doors are open: venture debt, if you have cash flows to service it, or a strategic acquirer. Both ask the same thing: numbers that stand without a story.

FOR INVESTORS & LPS

₹4,200 Cr of new target corpus was announced in a week that placed about ₹685 Cr. Vintage 2026 and 2027 funds are forming into compressing entry prices and an open exit window. It is a favourable set-up, and the constraint will be deployment discipline, not access.

The mega-round left. The market stayed. It just got harder to reach the middle of it.

APPENDIX A · THE WEEK IN FULL

Every Round, July 4 – 10

COMPANY	SECTOR	ROUND	USD
Elevate Education	Edtech	Series D	17.7M
Purple Style Labs	Ecommerce	Debt	17.0M
Aukera	Ecommerce	Debt	10.0M
Wheelocity	Agritech	Undisclosed	8.5M
Econovus Packaging	Logistics	Pre-Series A	4.2M
thumpN	Media & Ent.	Pre-Seed	3.8M
Mowito	IoT & Hardware	Pre-Seed	3.0M
Milo Drive	Travel Tech	Seed	2.4M
The Func Labs	Ecommerce	Seed	1.5M
Doodhvale Farms	Ecommerce	Undisclosed	1.0M
Stylework	Real Estate Tech	Pre-Series B	1.0M
Neothera	Ecommerce	Undisclosed	0.94M
BAAS Technologies	IoT & Hardware	Pre-Seed	0.53M
Avni Wellness	Health Tech	Undisclosed	0.42M
Fizzy Goblet	Ecommerce	Angel	n/d
Rawbare	Ecommerce	Undisclosed	n/d
Rocketlane	AI (App Layer)	Undisclosed	n/d

APPENDIX B · COMPARATIVE SERIES

Reported total, $M	1,102 / 104.6 / 71.9
Organic total, $M	202 / 104.6 / 71.9
Deals	16 / 21 / 17
Series A + B, $M	60.2 / 57.5 / 0
AI capital, $M	49 / 2 / n/d

Sources: Inc42 Weekly Funding Tracker, Jun 21 – Jul 10 2026; SRF Capital Studio Weekly Briefs No. 26 and No. 27. Week-on-week and average figures derived by SRF Capital Studio.