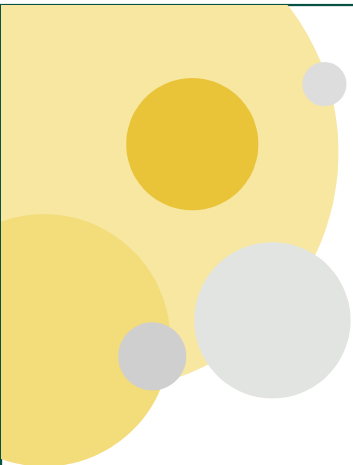




SRF

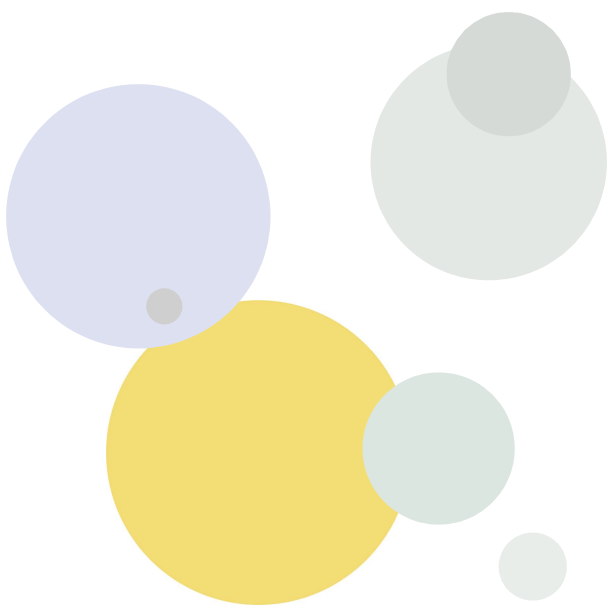
Capital
.Studio

Indian Startup Ecosystem · 2026

The Week Money Changed Hands

Why a quiet funding week hid a loud liquidity story

Week 37 · 14 to 18 September 2026



By Sriram Chidambaram, Founder & Managing Partner, SRF Capital Studio

Indian startups raised \$58.9 Mn last week, down 82 percent on the week before. In the same five days a single IPO moved nearly twice that amount between shareholders. Those two facts are the same fact, read from opposite ends.

\$58.9 Mn RAISED BY STARTUPS, 14 TO 18 SEP	Down 82% WEEK ON WEEK, FROM \$321.9 MN	14 deals 12 WITH DISCLOSED AMOUNTS
\$40 Mn · 68% FLAM, LARGEST ROUND, SHARE OF THE WEEK	₹1,105.57 Cr RENTOMOJO SHARES SOLD BY EXISTING HOLDERS	

TABLE 01 / THE WEEK AT A GLANCE

METRIC	VALUE	PERIOD
Total disclosed startup funding	\$58.9 Mn	14 to 18 Sep 2026
Change versus previous week	Down 82% (from \$321.9 Mn)	Week on week
Deals tracked	14 (12 with disclosed amounts)	14 to 18 Sep 2026
Largest round	Flam, \$40 Mn Series B	15 Sep 2026
Median disclosed deal size	About \$1.25 Mn	12 disclosed deals
Secondary shares sold in Rentomojo IPO (OFS)	₹1,105.57 Cr	IPO, 9 to 11 Sep 2026

The headline number is misleading

BLOCK 01 / WHAT A WEEKLY TOTAL DOES NOT COUNT

On the surface, this was a bad week. Indian startups raised \$58.9 Mn, down 82% from the \$321.9 Mn raised the week before. One deal, Flam's \$40 Mn Series B, made up roughly 68% of everything. Take Flam out and the other eleven disclosed rounds add up to about \$19 Mn. The median deal was around \$1.25 Mn.

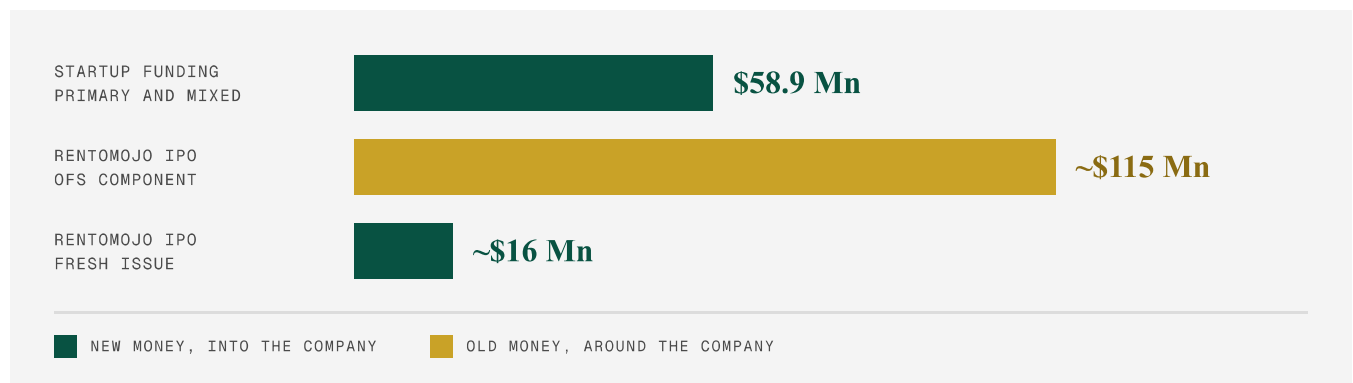
If you stop reading there, the conclusion is simple: investors went quiet.

That conclusion would be wrong. Money did not stop moving this week. It moved in a different direction. Large amounts of capital changed hands between old shareholders and new ones, through secondary sales, IPO share sales and exits. Very little of it reached company bank accounts as fresh cash.

That difference, between money that goes *into* a company and money that goes *around* it, is our topic this week. It shapes how rounds are priced, how cap tables get cleaned up and how early investors get paid.

Money did not stop moving this week. It moved in a different direction.

FIGURE 01 / NEW MONEY VERSUS OLD MONEY, 14 TO 18 SEP 2026



TAKEAWAY

A weekly funding total only counts one kind of money. To read the market properly, you need to track both kinds.

The fundamentals: two kinds of money

BLOCK 02 / BUILD THE IDEA FROM THE GROUND UP

Primary capital: new money into the company

When a startup issues new shares and an investor pays for them, the cash goes into the company. This is **primary capital**. It pays for hiring, product and expansion. It also creates dilution, because there are now more shares and every existing holder owns a smaller slice.

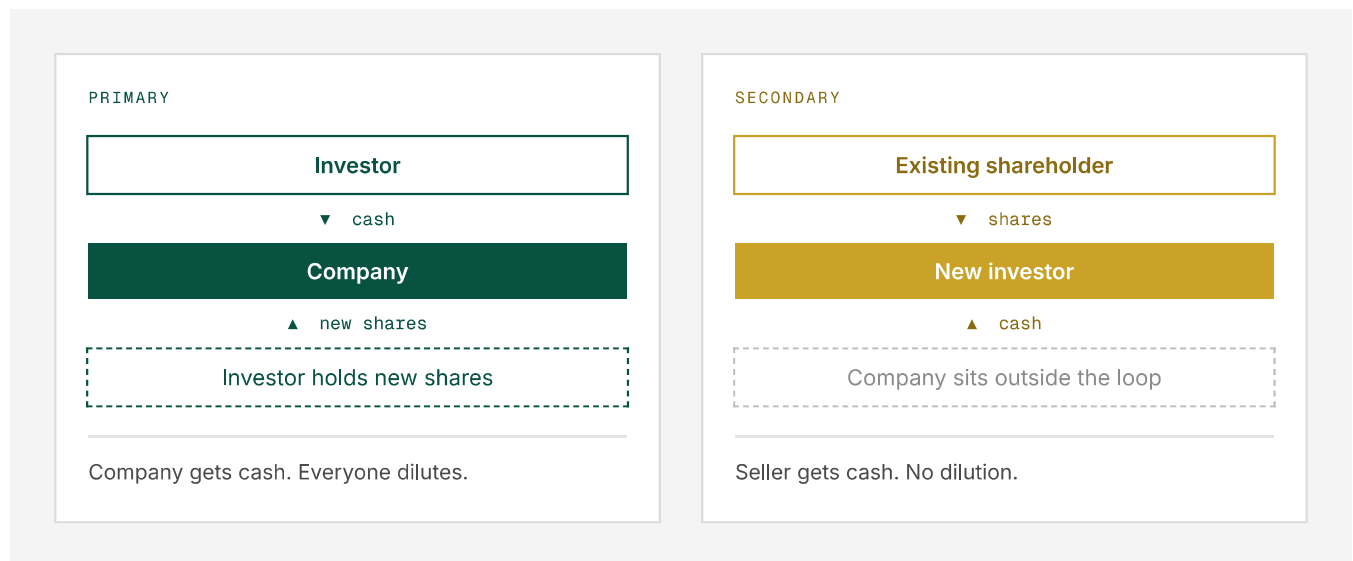
A simple example. A company has 100 shares. It issues 25 new shares to an investor. The company receives the cash. The founder who owned 60 shares used to own 60%. Now she owns 60 out of 125, which is 48%.

Secondary capital: old shares, new owner

In a **secondary** transaction, an existing shareholder sells shares they already own to a new buyer. The cash goes to the seller, not to the company. No new shares are created, so there is no dilution. The company's bank balance does not change at all.

Same example. An early investor sells 10 of its shares to a new fund. The company still has 100 shares. Ownership has simply moved from one name to another.

FIGURE 02 / WHERE THE CASH ACTUALLY LANDS



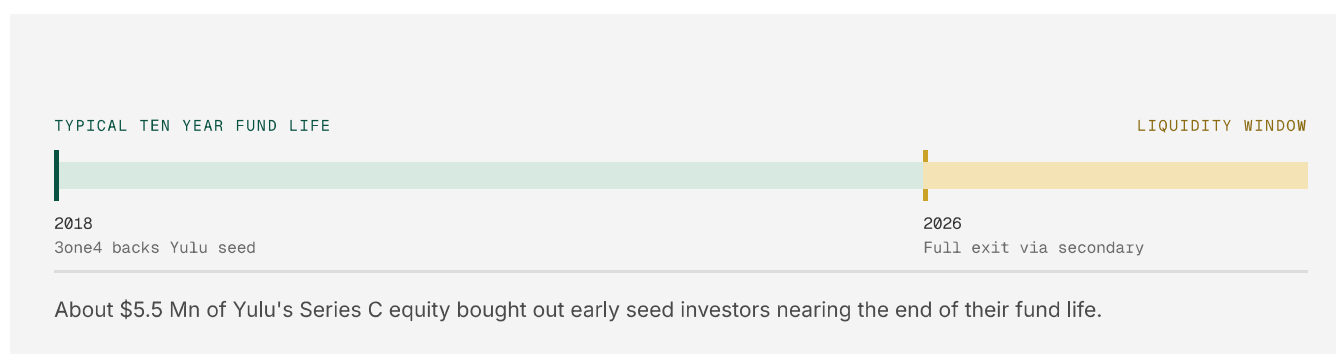
Why secondaries exist: the fund clock

Venture capital funds are not permanent pools of money. A typical fund has a fixed life, often around ten years, sometimes with short extensions. By the end of that life, the fund must return cash to the people who gave it money, its limited partners (LPs).

This is why LPs increasingly judge funds on **DPI**, or distributions to paid-in capital. In plain terms: for every rupee an LP put in, how many rupees has the fund actually paid back in cash? Paper gains do not count. Only realised cash does.

So a seed fund that invested in 2018 and still holds a promising private company has a problem. The company may be doing well, but the fund's clock is ticking. A secondary sale solves that.

FIGURE 03 / THE FUND CLOCK, AS IT RAN FOR 3ONE4 AND YULU



The IPO is also a secondary event

Most people think of an IPO as a company raising money. In India, a large part of many IPOs is actually an **Offer for Sale (OFS)**, where existing shareholders sell their shares to public investors. The fresh issue part goes to the company. The OFS part goes to the sellers.

TAKEAWAY

Every funding headline mixes two kinds of money. Primary funds the company. Secondary funds the exit. With this lens, the week looks very different.

The new money: deals that funded companies

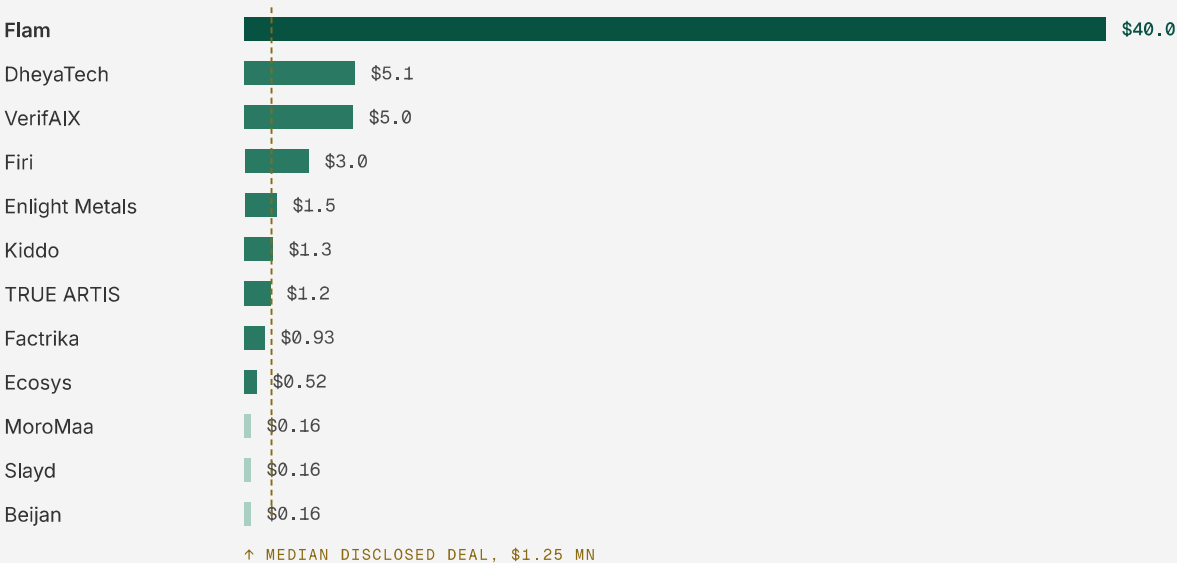
BLOCK 03 / EVERY ROUND TRACKED, 14 TO 18 SEP 2026

Here is every round tracked this week. We then look closely at the five that carry the most signal.

TABLE 02 / ALL FOURTEEN ROUNDS

DATE	STARTUP	SECTOR	ROUND	AMOUNT	LEAD INVESTOR
15 Sep	Flam	Enterprise Services (Advertising)	Series B	\$40 Mn*	QED Investors
17 Sep	DheyaTech	Advanced Hardware (Aerial)	Pre-Series A**	\$5.1 Mn	Avaana Capital
16 Sep	VerifAIX	Advanced Hardware (Semiconductor)	Seed	\$5 Mn	Endiya Partners, Bluehill VC
16 Sep	Firi	Consumer Services (Quick Commerce)	Seed	\$3 Mn	360 ONE Asset
17 Sep	Enlight Metals	Enterprise Services (Manufacturing)	Undisclosed	\$1.5 Mn	Exar North Group
17 Sep	Kiddo	Consumer Services (Quick Commerce)	Pre-Seed	\$1.3 Mn	Campus Fund
16 Sep	TRUE ARTIS	Health Tech (In-Clinic)	Seed	\$1.2 Mn	Zeroparl VC
17 Sep	Factrika	Enterprise Services (Manufacturing)	Seed	\$928K	Info Edge Ventures
17 Sep	Ecosys	Consumer Services (Hyperlocal)	Pre-Series A	\$521K	GVFL Prarambh Fund
18 Sep	MoroMaa	Ecommerce (D2C)	Undisclosed	\$156K	AJVC
16 Sep	Slayd	Ecommerce (Enablers)	Undisclosed	\$156K	AJVC
18 Sep	Beijan	Advanced Hardware (Defence Tech)	Undisclosed	\$156K	AJVC
15 Sep	Darwinbox	Enterprise Tech (Horizontal SaaS)	Secondary	Undisclosed	Teachers' Venture Growth
18 Sep	Zinara	Ecommerce (D2C)	Undisclosed	Undisclosed	Nikita Dutta

FIGURE 04 / ONE DEAL, MOST OF THE WEEK



Flam alone took 68 percent of the week's disclosed capital. USD millions, twelve disclosed rounds.

FIGURE 05 / FOURTEEN DEALS, TWO KINDS OF MONEY



Thirteen of fourteen deals put at least some new cash into a company. Two moved shares between holders.

FIGURE 06 / WHO THE WEEK'S CAPITAL WENT TO

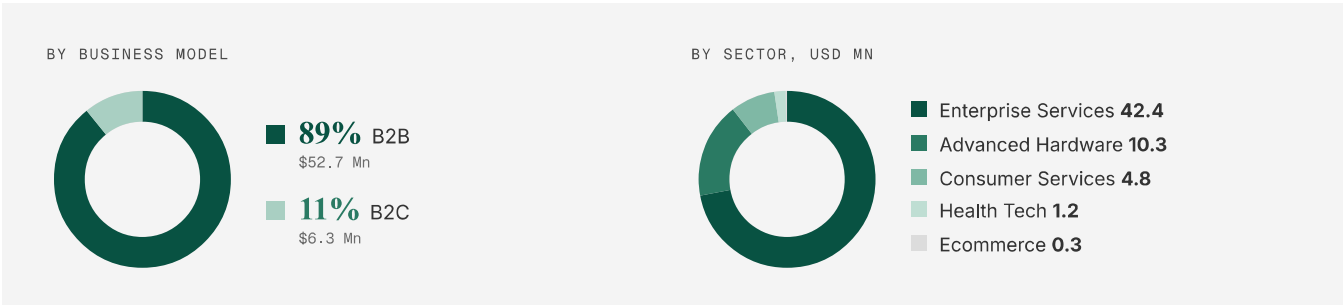
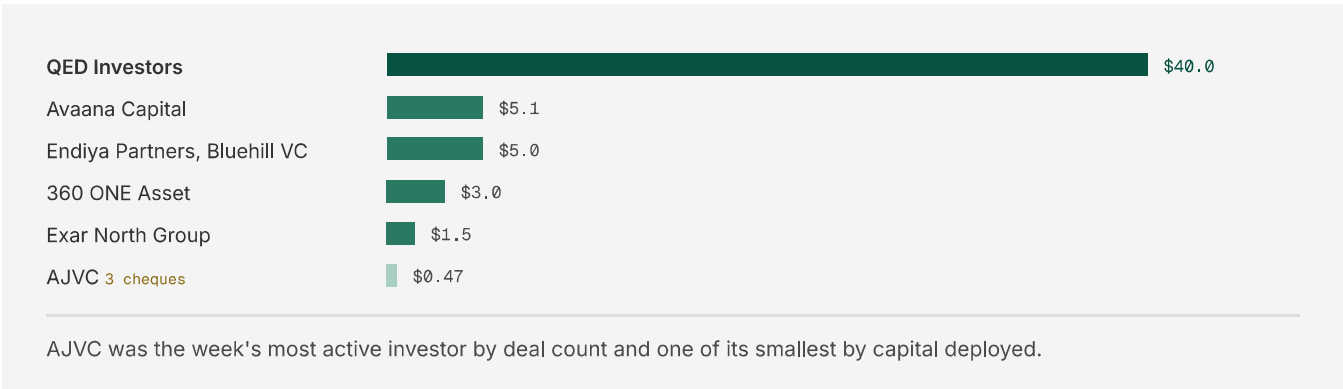


FIGURE 07 / DEAL COUNT BY SECTOR



FIGURE 08 / LEAD INVESTORS BY CAPITAL LED



Flam: \$40 Mn Series B, the week's anchor

The deal. QED Investors led a \$40 Mn Series B. Existing backers RTP Global and Dovetail doubled down. New names included Claypond Capital, Shah Rukh Khan's family office, Australian Gulf Capital, and angels Martin Chavez and Olivier Pomel, the Datadog cofounder.

Structure. This was a mix of primary and secondary. The cofounder told Inc42 a "small portion" was secondary and did not disclose its size. Valuation was not disclosed.

The business. Flam builds AI models and streaming infrastructure for interactive content: videos that change a product or scene during playback, and 3D experiences through a phone camera. It says it signed more than 100 enterprise customers in six quarters, including Google. More than half its business now comes from outside India, and it is targeting \$100 Mn in ARR by next year.

The math worth doing. The founder says Flam is growing 70 to 80% quarter on quarter. Compounded, 70% a quarter is roughly 8x in a year. The prior round was a \$14 Mn Series A led by RTP Global in 2025.

SRF READ

Even the week's biggest "new money" deal carried a secondary slice. At Series B, that is usually an early angel or seed holder taking partial liquidity. It is healthy when small. It becomes a warning sign when it is large relative to primary.

VerifAIX: \$5 Mn seed to check the work of AI

The deal. Endiya Partners and Bluehill VC co-led a \$5 Mn (about ₹48 Cr) seed round, the company's first institutional money. Valuation was not disclosed.

The fundamental. Before a chip is manufactured, engineers must prove that the design does exactly what the specification says. This is called verification. A mistake found after manufacturing can cost months and millions. AI tools now generate chip design code faster than ever. That creates a new question: who checks the AI?

VerifAIX's answer is a "Formal Brain" that combines AI reasoning with deterministic mathematical methods, so correctness is proven, not guessed. The founders are Madhulima Tewari, Kenneth Roe and Avner Landver, with teams in the US, India and Israel.

SRF READ

As AI generates more of everything, the scarce layer becomes trust. Verification businesses sell certainty. That is a durable thing to sell.

DheyaTech: ₹43 Cr to move engines from lab to factory

The deal. Avaana Capital led a ₹43 Cr (about \$5.1 Mn) round, reported as pre-Series A, with existing strategic investor Unimech Aerospace and Manufacturing participating.

The business. DheyaTech, founded in 2018, builds small gas turbine engines ranging from 20 kgf to 400 kgf of thrust for aerial platforms and power generation. Flight trials are targeted for Q4 2026. The founding team comes from GE Aviation and Rolls-Royce.

SRF READ

Unimech is a listed precision manufacturer and DheyaTech's manufacturing partner. When a supplier invests, it is a vote on production readiness. For hardware founders, that kind of backer can shorten the hardest step: prototype to certified production.

Firi: \$3 Mn seed for curated beauty in nine minutes

The deal. 360 ONE Asset led a \$3 Mn (about ₹28.8 Cr) seed round, with Better Capital and CRED founder Kunal Shah.

The business. Firi's founders, both former Uber India executives, use AI to scan reviews and ingredient lists, and say they analysed over 50 million reviews to shortlist about 3,000 products from roughly 300,000. The company ran a pilot from January 2026 and began full operations in September. It claims an average order value nearly 2x that of large beauty platforms.

SRF READ

Firi and Kiddo (\$1.3 Mn pre-seed) are both betting that quick commerce will split into specialist verticals. The test is simple: can a narrow catalogue earn enough per order to pay for a dark store?

Darwinbox: the "funding" that was 100% secondary

The deal. Teachers' Venture Growth, the late-stage arm of Ontario Teachers' Pension Plan, made a follow-on investment in HR tech unicorn Darwinbox. Inc42 reported the deal was **entirely a secondary share sale**. The seller and the amount were not disclosed.

The history. TVG first invested in August 2025, leading a \$40 Mn round that mixed primary and secondary, reported at a blended valuation of about \$1 Bn. One report puts this new cheque at around \$40 Mn as well, but that figure is unconfirmed.

SRF READ

Darwinbox appears in the funding table, yet received no new cash. It shows what a secondary buyer wants: a larger stake in a company it already knows, with no added dilution for founders.

Takeaway. New money went to B2B, hardware and trust layers in AI. Yet even inside the "new money" table, two notable deals carried secondary components.

The old money: where the real volume was

BLOCK 04 / FLOWS NO WEEKLY TOTAL CAPTURES

Rentomojo's IPO: 88% of the issue went to sellers

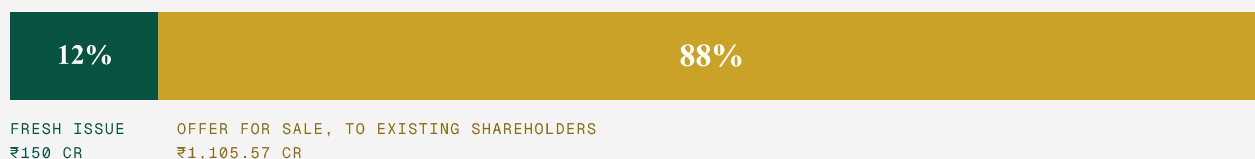
Rentomojo's ₹1,255.57 Cr IPO had a fresh issue of ₹150 Cr and an OFS of ₹1,105.57 Cr. That means about 88% of the money raised went to existing shareholders, not the company.

Demand was strong. The issue was subscribed 72.89 times, with the institutional portion at 177.29 times. Shares listed on 17 September at ₹482.45, a 19.4% premium to the ₹404 issue price. Early backers like Accel got strong returns.

At roughly ₹96 to the dollar, the Rentomojo OFS alone was about \$115 Mn (SRF conversion). That is close to double the entire week's startup funding.

One IPO's secondary component was worth nearly twice the week's entire venture funding.

FIGURE 09 / RENTOMOJO IPO COMPOSITION, ₹ CRORE



Only twelve paise of every rupee raised reached the company.

Yulu and 3one4: the fund clock in action

3one4 Capital, which backed Yulu's seed round in 2018, announced a full exit through a secondary sale alongside Yulu's \$93 Mn Series C. The Series C had \$63 Mn of equity led by GEF Capital Partners and \$30 Mn of debt.

Yulu's CEO said about \$5.5 Mn of the equity bought out early seed investors nearing the end of their fund life. This is the fund clock playing out in real life.

The detail founders should notice: Yulu's post-money valuation was reported at around \$170 Mn to \$200 Mn, against more than \$200 Mn raised over its life. That looks flat or down for late investors. Yet 3one4 called its exit "profitable", because it entered at seed prices. **Secondaries can be a win for early investors even when the headline valuation is disappointing.**

Moneyview: sellers chose to sell less

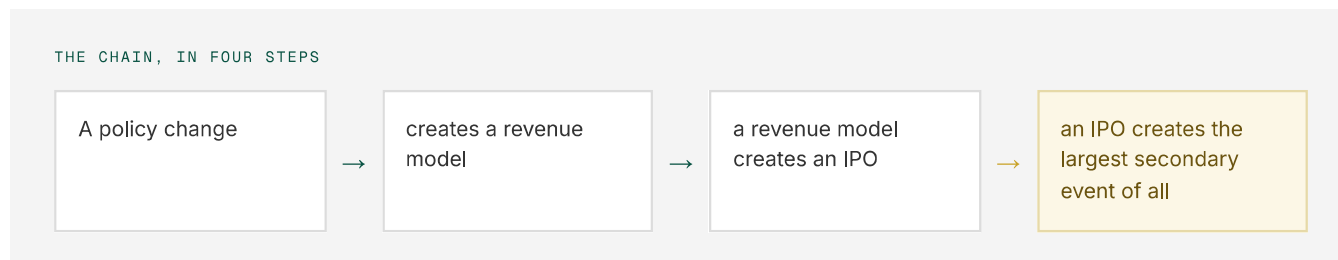
Moneyview halved its IPO fresh issue from ₹1,500 Cr to ₹750 Cr. Existing investors also cut their OFS from up to 13.61 Cr shares to about 10.04 Cr shares, roughly 26% fewer shares. The founders kept their OFS portions unchanged.

When investors choose to sell fewer shares into an IPO, they are usually signalling that they expect a better price later. Moneyview reported ₹2,773 Cr in revenue and ₹210 Cr in profit in the first nine months of FY26.

The UPI fee that reopened an exit door

The biggest policy story of the week was the introduction of a merchant discount rate (MDR) on UPI. From 15 October, merchant payments above ₹2,000 will carry a 0.4% fee, with small merchants receiving up to ₹1 lakh a month exempt.

Bernstein estimates the fee could generate up to \$1.1 Bn a year for payment apps by March 2028. With a clearer path to revenue, PhonePe is set to revive its IPO, targeting a listing between February and March 2027 at a valuation of about \$10 Bn. Earlier reports said Walmart, Microsoft and Tiger Global were expected to sell part of their holdings in that offering.



Smaller exits and stake moves

Unstop acquired PerspectAI for an undisclosed sum. Lenskart paid ₹8 Cr for an additional 1.8% of AjnaLens parent Dimension NXG, implying roughly ₹444 Cr in valuation (SRF calculation). PB Fintech approved buying the remaining 20% of MyLoancare for ₹5 Cr. None of these appear in a funding total.

Takeaway. The week's volume was in liquidity, not new rounds. Early investors got paid, pension capital bought into proven companies, and public markets absorbed secondary supply at a premium.

Where the next wave of new money comes from

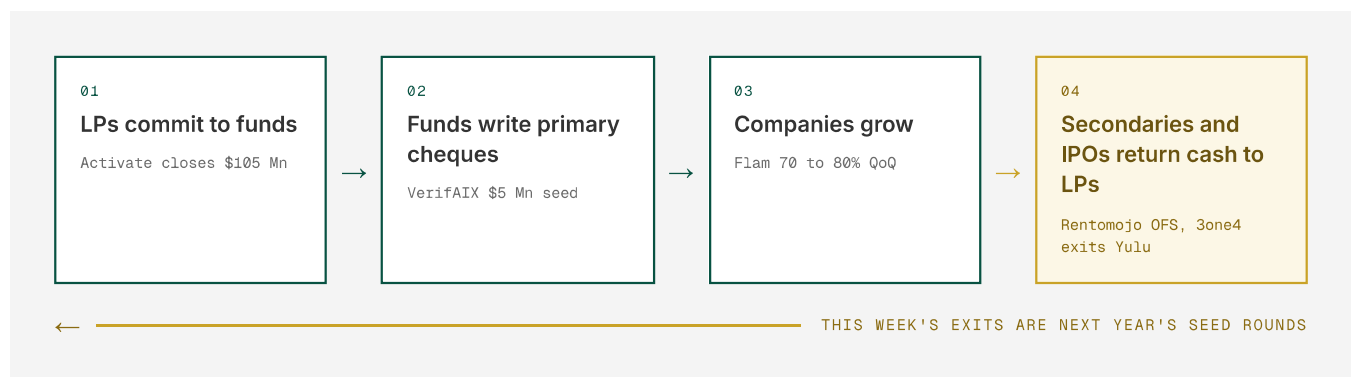
BLOCK 05 / FUND CLOSES, FOUNDER ACTIONS, SIGNALS TO WATCH

If older money was cashing out, fresh money was being gathered at the fund level.

India Accelerator's Finvolve announced a first close of ₹90 Cr on its ₹250 Cr growth-stage fund, aiming for 30 to 35 companies. AI-focused Activate closed its maiden fund at \$105 Mn within a year of launch, targeting 25 to 30 AI startups. Dani Family Office's Asiana Fund and Taiwan's JC Capital launched a ₹1,000 Cr advanced manufacturing and innovation fund, with a ₹600 Cr primary corpus and a ₹400 Cr green shoe. AJVC, the week's most active investor with three cheques, also added PE firm Novastar Partners as an LP.

Here is how the loop connects. When secondaries and IPOs return cash to LPs, those LPs have money and confidence to commit to new funds. New funds then write new primary cheques. **This week's exits are next year's seed rounds.**

FIGURE 10 / THE CAPITAL LOOP, WITH THIS WEEK'S EXAMPLES



TAKEAWAY

New fund closes this week point to deployment in AI, advanced manufacturing and growth stage, likely in the months ahead.

What this means for founders

FIVE MOVES, FROM THE SRF CAPITAL STUDIO DESK

- 01 **Read your term sheet for the split.** Always ask how much of a round is primary and how much is secondary. A \$40 Mn round with \$35 Mn primary is very different from one with \$15 Mn primary. Your runway depends only on the primary number.
- 02 **Know your investors' fund clocks.** Find out the vintage year of every fund on your cap table. A 2016 or 2017 fund will likely need liquidity soon. If you plan for it, you can offer a clean secondary in your next round. If you ignore it, the pressure shows up at the worst moment, often as an investor pushing for a sale.
- 03 **Use secondaries to clean up the cap table.** A good secondary lets a new, patient investor replace a tired one. Darwinbox's pension-fund backer is exactly that kind of holder.
- 04 **Treat founder secondaries with care.** Small, sensible founder liquidity can reduce personal financial stress and help long-term decisions. Large founder sales in early rounds usually worry new investors. Keep it modest and explain it clearly.
- 05 **Remember that exits fund your future rounds.** A healthy exit market helps every founder, including those not yet raising.

For corporate and MNC leaders, secondaries are a quiet entry route: buying existing shares builds a strategic position without the company issuing new stock.

Signals to watch next week

We will track four things: whether primary funding recovers from this dip; how UPI MDR shapes valuations for fintech IPO candidates like Fibe and PhonePe; the first cheques from Activate's new AI fund; and how Rentomojo trades once listing-day enthusiasm settles, because that sets the tone for every IPO behind it.

When you read a funding number, ask which way the money is flowing. Into the company, or around it. Both matter. Only one pays for growth.

Sources: Inc42 weekly funding report, 19 Sep 2026; Inc42, 14 to 19 Sep 2026; 5paisa, Rentomojo listing report, Sep 2026; Business Standard, 15 Sep 2026; StartupTalky, 17 Sep 2026; Pulse 2.0, Sep 2026; YourStory, Sep 2026; Moneycontrol via TechNode Global, 15 Sep 2026; Indian Startup News, 15 and 19 Sep 2026; RetailIntel, Sep 2026; Entrepreneur India, 17 Sep 2026; Laffaz, Aug 2026; CXO Digitalpulse, Sep 2026; Reuters, Jan and 22 Sep 2026. Medians, sector aggregates, deal classifications and INR to USD conversions at about ₹96 per USD are SRF Capital Studio calculations. Company growth rates, ARR targets, customer counts, review counts and order value claims are company statements and have not been independently verified.

This article is for information only and is not investment advice.