

Investor Meeting Outcomes Report

Indian startup funding is normalising with rising early-stage momentum amidst tighter late-stage capital. Seed due diligence spans 2-6 weeks, with investors taking just under 3 minutes to evaluate pitch decks, prioritising revenue and team credentials.

Abstract

Indian technology startups continue to demonstrate resilience despite tighter capital markets. While total funding for FY 2025-26 reached \$11.7 billion, early-stage funding surged by 33%. With total commitments to Alternative Investment Funds (AIFs) exceeding ₹16.94 lakh crore by March 2026, the ecosystem reflects deep reserves of deployable capital. However, the evaluation phase has intensified. Investors dedicate mere minutes to initial pitch deck reviews but conduct up to 118 hours of rigorous due diligence, scrutinising unit economics, product-market fit, and the founding team's experience to mitigate risks of failure.

Key findings

- Indian technology startups secured \$11.7B in funding during FY 2025-26, maintaining India's position as the fourth-highest funded tech ecosystem globally (Tracxn).
- Early-stage funding displayed robust growth, increasing by 33% to reach \$4.8B in FY 2025-26 (Tracxn).
- Investors now spend under 3 minutes on average reviewing pitch decks, with the most heavily scrutinised sections being financials, team, and competition (DocSend).
- Closing an early-stage round typically requires around 40 investor meetings and spans approximately 12 weeks, with due diligence taking 118 hours per deal (DocSend, SeedForge).
- Qualitatively, RaiseMoney mentor reviews observe that founders frequently struggle with articulating a clear product roadmap and achieving measurable product-market fit, which are critical determinants for navigating due diligence.

The Macro Funding Environment

Despite macroeconomic uncertainties, the Indian technology startup ecosystem remains highly active. Startups raised \$11.7 billion in FY 2025-26, marking an 18% decline from the prior year but retaining India's position as the fourth most funded nation globally. The market is experiencing a structural correction characterised by heightened selectivity. While late-stage funding fell 38% to \$5.6 billion, early-stage capital saw a 33% increase to \$4.8 billion, signalling strong investor appetite for scalable, growth-ready business models.

- FY 2025-26 funding reached \$11.7B, down 18% YoY.
- Early-stage funding grew 33% to \$4.8B.
- India ranks as the fourth-highest funded ecosystem globally.

The Evolving Investor Pipeline and AIF Capital

Domestic capital reserves are deepening, providing a crucial buffer against global volatility. According to SEBI data as of March 31, 2026, cumulative commitments raised by Alternative Investment Funds (AIFs) reached an impressive ₹16,94,262 crore, with actual funds raised crossing ₹7,02,723 crore. Venture Capital Funds (Category I) alone accounted for over ₹38,899 crore in raised capital. This liquidity ensures that while investors may be writing fewer large cheques, there is ample dry powder available for startups demonstrating sustainable unit economics and clear revenue visibility.

Pitch Deck Scrutiny and Investor Attention

Capturing investor attention has never been more challenging. Telemetry data reveals that potential investors spend less than three minutes, on average, reviewing a startup's pitch deck. Successful and failed decks both average around 18 pages, indicating that structure and storytelling distinguish the winners. Investors dedicate the majority of their brief review time to three critical slides: financials, founding team, and market competition. A failure to communicate a compelling, data-driven narrative within these sections often results in an immediate pass.

Navigating Due Diligence and Closing Timelines

Securing a term sheet is only the beginning of a rigorous verification process. A typical funding round requires approximately 40 investor meetings and takes roughly 12 weeks to close. Within this timeframe, the formal due diligence phase consumes two to six weeks. Investors spend an average of 118 hours conducting commercial, legal, technical, and financial checks, often including up to 10 reference calls per deal. Less due diligence is typically observed only in highly competitive deals or when distance and investor capacity constraints apply.

Factors Influencing Startup Failure and Success

Institutional evaluation criteria are heavily shaped by historical patterns of startup failure. Empirical studies indicate that the life expectancy and success of a tech startup depend significantly on its lifecycle stage, revenue traction, and product-market fit. Factors such as a lack of entrepreneurial efficiency, poor market positioning, and conflicts with investors are primary drivers of failure. RaiseMoney's qualitative mentor feedback corroborates this, noting that applicants frequently struggle to clearly define their product roadmaps, a gap that becomes glaringly apparent during investor due diligence.

The Rise of Startups in Bharat and Job Creation

The democratisation of entrepreneurship is a defining trend in the current decade. Driven by the Startup India initiative, the government recognised over 55,200 new startups in FY 2025-26 alone, bringing the cumulative total to more than 2.23 lakh. Crucially, nearly half of these recognised entities originate from Tier-II and Tier-III cities. This widespread geographic distribution is coupled with significant economic impact, as self-reported data indicates these startups have collectively generated over 23.36 lakh direct jobs, fundamentally altering India's employment landscape.

Investor Due Diligence Readiness

Key areas evaluated during the 118-hour due diligence process, based on empirical failure attributes and investor focus areas.

- Financial Health — investors check: Reconciliation of pitch deck claims with bank statements, burn rate, and unit economics.. Common gap: Overly optimistic revenue projections without proven historical traction.
- Team Competency — investors check: Founder experience, reference calls, and ability to execute the product roadmap.. Common gap: Lack of entrepreneurial efficiency and team conflict.
- Market Positioning — investors check: Validation of product-market fit and assessment of the competitive landscape.. Common gap: Poor market positioning and failure to differentiate from existing competitors.
- Corporate Governance — investors check: Clean capitalization table, proper IP assignment, and formalised employee vesting.. Common gap: Messy equity structures or undocumented intellectual property ownership.

Methodology & disclosure

- Sample size: Analysis of multiple external datasets, encompassing over 55,200 newly recognised startups in FY26, 501 H1 2026 funding deals, and thousands of pitch deck interactions.
- Data collection period: Data covering FY24, FY25, FY26, and calendar years up to June 2026.
- Respondent profile: Founders of Indian technology startups, venture capital firms, angel investors, and registered AIFs.
- Geography: India.
- Startup stage: Seed, Early-stage, and Late-stage.
- Methodology: This report synthesises secondary market data from Tracxn, Inc42, DPIIT, SEBI, and DocSend to evaluate capital flow and investor behaviour. External statistical data on deal volumes, AIF commitments, and pitch deck reading times was integrated to provide a holistic view of the fundraising landscape. This secondary

synthesis is supplemented by qualitative, non-statistical, self-reported insights from RaiseMoney's first-party applicant pool and mentor feedback.

- Self-reported responses: Startup employment generation data (DPIIT) and qualitative mentor and applicant observations from RaiseMoney are entirely self-reported.
- Limitations: Due to the private nature of venture transactions, some funding rounds remain undisclosed, potentially skewing aggregate funding totals. Pitch deck viewing durations rely on telemetry data that may not capture offline reviews. Additionally, sector definitions and stage classifications vary slightly among the primary data providers.
- Date of publication: 2026-08-04

Sources for every numerical claim

Each claim below links back to its original published source.

- India FY26 startup funding reached \$11.7B — \$11.7B (Tracxn, 2026-05-26T04:44:38.000Z; FY 2025-26, India, n=Not disclosed)
- H1 2026 tech startup funding fell 9% YoY to \$5.2 Bn — \$5.2 Bn (Inc42, 2026-06-30T14:25:11.000Z; H1 2026, India, n=501 deals)
- Total AIF commitments raised by March 31, 2026 — ₹16,94,262 Crores (SEBI, 2026-03-31T00:00:00.000Z; Cumulative up to March 31, 2026, India, n=Not disclosed)
- Average pitch deck view time is less than 3 minutes — < 3 minutes (DocSend, 2025-04-01T00:00:00.000Z; Not disclosed, Global/India, n=Millions of views)
- Average duration of a funding round from start to close — 12 weeks (TechCrunch (DocSend Study), 2015-06-08T15:12:07.000Z; Not disclosed, Global/India, n=200 pitch decks)
- DPIIT recognised startups count crossed 2.23 lakh — 2.23 lakh+ (Press Information Bureau, Not disclosed; Up to March 31, 2026, India, n=Not disclosed)
- Average due diligence time per deal — 118 hours (SeedForge, 2026-07-13T13:38:52.000Z; Not disclosed, Global/India, n=Not disclosed)

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