

# Business Standard

## More jobs, investment: Space industry welcomes Rs 1K crore VC fund

*Industry welcomes move to expand the space economy to \$44 billion by 2033*

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The space industry on Thursday welcomed the Rs 1,000 crore Venture Capital Fund for the sector, which is likely to benefit around 40 startups, saying that the move will attract investments from the private sector and generate employment.

The fund is planned for a time period of up to five years from the actual date of start of fund operations. The indicative range of investment proposed as part of the fund will be around Rs 10-60 crore, contingent upon the stage of the company, its growth trajectory, and its potential impact on national space capabilities.

A company in its growth stage will be getting between Rs 10-30 crore, while the one in late growth stage will be getting around Rs 30-60 crore. Based on the above investment range, the fund is expected to support approximately 40 startups. Th

average deployment amount could be Rs 150–250 crore per year, depending on the investment opportunities and fund requirements.

“This initiative by the government is commendable and will greatly strengthen the space ecosystem. Securing capital is vital for the expansion of space companies, and this fund is set to create a significant ripple effect, attracting a wave of private investments, and paving the way for sustained long-term success in the industry,” said Pawan Kumar Chandana, co-founder and chief executive officer (CEO) of private space technology company Skyroot Aerospace.

Skyroot, one of the most funded startups in the Indian space sector, in November 2022 successfully developed and operated launch vehicle Vikram-1, becoming the first private player to do so.

The size of India’s space economy is around \$8.4 billion now and the government is targeting to take it to \$44 billion by 2033. At present, the space sector in India has around 250 registered startups, since the sector reforms in 2020 resulted in increased private sector participation.

**The proposed fund is expected to boost employment in the Indian space sector by supporting startups across the entire space supply chain—upstream, midstream, and downstream. It will help businesses scale, invest in research and development, and expand their workforce.**

Each investment could generate hundreds of direct jobs in fields like engineering, software development, data analysis, and manufacturing, along with thousands of indirect jobs in supply chains, logistics, and professional services. By fostering a strong startup ecosystem, the fund will not only create jobs, but also develop a skilled workforce, driving innovation and enhancing India's global competitiveness in the space market.

It will serve as an alternative investment fund under the Securities and Exchange Board of India regulations, providing early-stage equity to startups and enabling them to scale for further private equity investments.

“With all the policy initiatives, one of the foremost requirements of the industry is financial support at this moment. We believe that this fund will not only be a key enabler for growth of Indian space startup ecosystem but will also inspire invest

seriously look at this sector as an investment and come forward to become a part of the Indian space startup story," said A K Bhatt, director general, Indian Space Association (ISpA).

The fund will boost investor confidence, attract private capital, and signal the government's commitment to advancing space reforms.

First Published: Oct 24 2024 | 7:09 PM IST

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