



SPACE TECH IN INDIA

Tracking the Rise of India's Space
Ecosystem and Its Journey
Towards Global Leadership.

2026

India SpaceTech: From Policy Reform to Orbit

Summary:

On July 18, 2026, Skyroot Aerospace's Vikram-1 became the first privately developed Indian rocket to reach orbit, placing India alongside the United States and China as the third country with private orbital launch capability. The Indian SpaceTech ecosystem now comprises 285 companies, with 274 remaining active and 72 having received equity funding. Total equity funding has reached 871M across 241 rounds through July 2026. This report examines the policy architecture, capital formation, company landscape, and structural forces that produced this outcome and the signals that will determine what comes next.

1. India's First Private Orbital Launch Marks a Structural Milestone

Skyroot Aerospace, founded in 2018 by former ISRO scientists Pawan Kumar Chandana and Naga Bharath Daka, has completed India's first privately developed orbital launch. On July 18, 2026, the company's Vikram-1 rocket lifted off from the Satish Dhawan Space Centre at Sriharikota, reached a 450-kilometre low Earth orbit in 15 minutes, and deployed four payloads including technology demonstrations from Grahaa Space, Cosmoserve, DCubed, and Skyroot's own SCOPE satellite. The mission, named Aagaman, placed India alongside the United States and China as the third country with private orbital launch capability.

Vikram-1 is a four-stage vehicle with three solid-fuel stages and a liquid orbital-adjustment stage capable of placing 350 kg into LEO and 260 kg into sun-synchronous orbit. The vehicle was privately developed, though ISRO provided launchpad access, motor casting and test facilities, trajectory analysis, and safety support through the IN-SPACe authorisation framework. Skyroot plans one additional test flight in late 2026, followed by commercial operations beginning in 2027 at a planned cadence of one launch per month.

The company has raised approximately 150M in total equity funding across multiple rounds. Its Series B (51M, 2022) was led by GIC and its follow-on (28M, 2023) by Temasek. In May 2026, Skyroot closed a 50M round co-led by Sherpalo Ventures and GIC, taking its valuation above 1.1B making it India's first SpaceTech unicorn.

Total Startups	Active Startups	Funded Startups	Total Equity Funding	Funding Rounds
285	274	72	871M	241

The broader Indian SpaceTech ecosystem now comprises 285 companies, of which 274 are active and 72 have received equity funding. Total equity funding across the sector has reached 871M through 241 rounds as of July 2026. The Vikram-1 launch is the most visible proof point of this ecosystem's maturation, but it sits within a wider buildout that spans satellite manufacturing, propulsion, space situational awareness, earth observation, and downstream analytics.

2. Funding Activity Has Grown Steadily, With Capital Directing Toward Scaling Companies

Total equity funding within India's SpaceTech ecosystem has remained on an upward trend over the last five years, growing from 43M across 12 rounds in 2021 to 200M across 53 rounds in 2025. Funding moderated to 72M in 2024, reflecting a more selective investment environment as investors prioritised companies with demonstrated technical progress and clearer paths to commercial operations. Activity recovered in 2025, and 2026 YTD has already recorded 113M across 24 rounds.

The increase in funding during 2025–26 has been driven by a small number of large rounds rather than a broad-based rise in deal activity. The five largest rounds during this period were Skyroot's 50M Series C (May 2026), Digantara's 50M Series B (December 2025), EthereumX's 21M Series A (December 2025), Bellatrix Aerospace's 20M Series A (March 2026), and AgniKul's 17M Series C (November 2025). Collectively, these rounds accounted for 158M, representing over half of the capital deployed across 2025–26. Skyroot raised funding following Vikram-1's ground qualification, Digantara after securing its first space situational awareness data contracts, and AgniKul after its successful sub-orbital test flight from India's first private launchpad. The funding pattern suggests that capital is increasingly being deployed against demonstrated execution rather than future potential.

Table 1
YoY Funding Trend in India's Space Tech Ecosystem (2021- 2026YTD)

Year	Total Equity Funding (USD)	Number of Rounds	Seed Stage Funding (USD)	Early Stage Funding (USD)	Late Stage Funding (USD)
2021	43M	12	14M	30M	-
2022	105M	24	7M	97M	-
2023	142M	35	15M	127M	-
2024	72M	39	25M	47M	-
2025	200M	53	62M	121M	17M
2026 YTD	113M	24	16M	43M	53M

Total & Stage Wise Funding Data as of Jul 24, 2026. Source: Tracxn.

Late-stage funding also emerged in the sector for the first time, reaching 17M in 2025 and 53M in 2026 YTD, signalling that a subset of companies is transitioning from the development stage to pre-commercial operations. As the sector has matured, seed and early-stage funding has expanded to include sovereign wealth funds, global institutional investors, and strategic investors alongside domestic venture capital firms and angel investors. Skyroot Aerospace's cap table reflects this evolution, with investors including GIC, Temasek, BlackRock, and Sherpalo Ventures.

Why this matters: Seed-stage funding growing five-fold from 7M (2022) to 62M (2025) while late-stage funding simultaneously appears for the first time indicates the sector is producing investable companies at both ends new entrants are still forming, but a subset is now mature enough to attract capital at valuations and round sizes that were absent two years ago. This dual-layer funding structure is what separates a sector that is building depth from one that is merely adding volume.

3. Funding Leadership Is Concentrated Among Leading SpaceTech Companies

The Vikram-1 launch is the most visible milestone in India's space tech ecosystem, but the ecosystem extends well beyond launch vehicles. The top 10 funded companies have collectively raised over 548M across the value chain, spanning launch vehicles (Skyroot, AgniKul, EthereumX), earth observation and imaging (Pixxel, SatSure, GalaxEye), propulsion (Bellatrix Aerospace), space situational awareness (Digantara), satellite platforms (Dhruva Space), and communications (TeamIndus). Skyroot became India's first SpaceTech unicorn following its May 2026 funding round, while companies such as Pixxel, AgniKul Cosmos, and Digantara have also attracted significant institutional funding. This diversification has been supported by the 2020 space sector reforms, which enabled private participation across the value chain, and ISRO's technology transfer framework, which provided startups with access to technologies, test facilities, and mission expertise that would have been difficult to develop independently.

Table 2
Top 10 Funded Active Companies in India Space Tech Ecosystem

Company Name	Location	Founded Year	Total Equity Funding (USD)	Stage	Focus
Skyroot	Hyderabad	2018	150M	Series C	Orbital launch vehicles
Pixxel	Bengaluru	2019	96M	Series B	Hyperspectral earth observation
AgniKul	Chennai	2017	76M	Series C	3D-printed engine launch vehicles
Digantara	Bengaluru	2020	67M	Series B	Space situational awareness
Bellatrix Aerospace	Bengaluru	2015	34M	Series A	Green satellite propulsion
SatSure	Bengaluru	2017	29M	Series A	Satellite imagery analytics
EtherealX	Bengaluru	2022	28M	Series A	Reusable medium-lift vehicles
Dhruva Space	Hyderabad	2012	28M	Series A	Full-stack satellite platforms
GalaxEye	Bengaluru	2021	24M	Series A	Multi-sensor satellite imaging
TeamIndus	Bengaluru	2011	18M	Series A	Satellite communications

Total & Stage Wise Funding (=USD). Data as of Jul 24, 2026. Source: Tracxn.

While India's SpaceTech ecosystem has developed across the value chain, funding remains concentrated in a few cities. Bengaluru leads the ecosystem with 495M raised across 106 rounds, accounting for 57% of total sector funding. Seven of the top 10 funded SpaceTech companies are headquartered in the city, supported by the presence of ISRO's satellite centre, IISc, and an established deep-tech talent base.

Hyderabad has attracted 205M across 37 rounds, with Skyroot (150M) and Dhruva Space (28M) accounting for 87% of the city's total, supported by proximity to ISRO's propulsion complex and the Satish Dhawan Space Centre at Sriharikota. Chennai has raised 80M across 20 rounds, with AgniKul (76M) accounting for 95%, rooted in its founding at IIT Madras. Outside these three cities, funding remains limited; Ahmedabad (45M) and Pune (14M) together account for less than 7% of sector funding.

4. From Policy to Orbit: How Government Action Shaped the Private Space Ecosystem

India's private SpaceTech ecosystem has been shaped by a series of government initiatives rather than market-led development. Unlike sectors such as fintech or e-commerce, where private companies emerged before formal regulation, private participation in India's space sector began only after the government opened the ecosystem. Between 2020 and 2025, a combination of policy reforms, regulatory changes, funding initiatives, procurement programmes, and technology transfer created the foundation for private companies to build, test, launch, and commercialise space technologies.

Table 3
India's SpaceTech Policy Evolution

Date	Policy Action	Why It Mattered
Jun 2020	Cabinet opens the sector to private players; IN-SPACe created (24 Jun)	Enabled private companies to participate across the space value chain and provided access to ISRO's launch, testing, and manufacturing infrastructure.
Apr 2023	Indian Space Policy 2023	Established a clear institutional framework by separating technology development (ISRO), commercial operations (NSIL), and private sector authorisation (IN-SPACe), improving regulatory clarity for private investment.
Feb–Apr 2024	FDI liberalisation (Press Note 1; FEMA rules effective 16 Apr 2024)	Expanded foreign investment limits across key SpaceTech segments, improving access to global capital for Indian startups.
May 2024	IN-SPACe Norms, Guidelines and Procedures	Introduced a structured single-window authorisation process, making regulatory approvals more predictable for private missions.
Oct 2024	₹1,000 crore (~120M) IN-SPACe venture fund	Created the first government-backed venture fund dedicated to supporting early-stage SpaceTech startups.
Oct 2024	SBS-3 approved by CCS (₹26,968 crore / ~3.2B; 52 satellites, 31 private)	Created a long-term government procurement pipeline, providing commercial opportunities for private satellite manufacturers.
Jun–Sep 2025	SSLV technology transfer to HAL (₹511 crore)	Marked the transfer of launch vehicle production to industry, strengthening private sector participation in launch manufacturing.

These initiatives collectively reshaped the operating environment for the sector. The 2023 Space Policy established a clearer institutional framework by defining the roles of ISRO, NSIL, and IN-SPACe, while the 2024 FDI reforms expanded access to international capital. At the same time, the IN-SPACe Venture Fund, the SBS-3 procurement programme, and the SSLV technology transfer introduced new sources of funding, commercial demand, and industry participation, enabling companies to scale beyond technology development.

The impact is evident in the sector's rapid progress. Since the market was opened in 2020, startup formation, private investment, and commercial activity have accelerated, culminating in Skyroot Aerospace's successful Vikram-1 mission in July 2026 the country's first privately developed orbital launch. India reached this milestone within six years of opening the sector to private participation close to the roughly five-year timeline China took from its 2014 launch-sector reforms to iSpace's first private orbital launch in 2019.

The sector's momentum is also reflected in its long-term growth outlook. India's space market is currently valued at approximately USD 8.4B, accounting for around 2% of the global space market. As per the Decadal Vision and Strategy released by IN-SPACe, the sector is projected to grow to 44B by 2033, supported by continued government policy support, rising private investment, and expanding commercial adoption across launch services, satellite manufacturing, and downstream applications.

Why this matters: India's SpaceTech sector has progressed from policy reform to commercial execution in just six years. The combination of regulatory clarity, infrastructure access, government funding, procurement, and technology transfer has created an environment where private companies can develop, test, and commercialise space technologies at a pace that was previously not possible.

5. What Comes Next

The Vikram-1 launch closes the sector's proof-of-concept phase. What follows will be determined by whether the leading companies can convert technical milestones into recurring revenue. Five signals from the data indicate where this transition is headed.

Skyroot commercial service (2027):

After one additional test flight in late 2026, Skyroot plans to begin commercial launches in 2027 at a cadence of one flight per month. Global demand for dedicated small-satellite launch capacity continues to grow, with rideshare slot backlogs extending 18-24 months and satellite operators increasingly seeking on-demand, orbit-specific launch options that rideshare programmes cannot provide.

AgniKul orbital flight:

AgniKul Cosmos (Chennai) has announced Mission-02, a two-stage Agnibaan flight that will attempt India's first booster ocean recovery. A successful orbital flight would give India two private launch providers redundancy no other emerging space nation currently has.

Pixxel constellation:

Pixxel's six-satellite Firefly constellation is fully operational, delivering hyperspectral imagery to customers including the US National Reconnaissance Office. With 96M in funding and a second constellation (Honeybee) scheduled for 2026, Pixxel represents the sector's nearest-term path to recurring data revenue.

Government demand pipeline:

The SBS-3 programme (3.2B, 52 satellites, 31 from private builders) and the SSLV production line at HAL represent committed multi-year government procurement. Post-Operation Sindoor, the SBS-3 timeline was compressed, accelerating defence spending into the private ecosystem.

Consolidation:

Only 10 of the 285 companies have raised more than \$15M. In total, 72 companies are funded, while the remaining majority remain unfunded in a highly capital-intensive sector marked by long development cycles. Over the next 12–18 months, the sector is likely to mirror the consolidation wave seen in India's fintech industry during 2023–24 with mergers, pivots, and closures among companies unable to secure follow-on funding.

6. Appendix

Abbreviations:

Abbreviation	Full Form
B	Billion
M	Million
USD	United States Dollar
YTD	Year to Date
LEO	Low Earth Orbit
ISRO	Indian Space Research Organisation
IN-SPACe	Indian National Space Promotion and Authorisation Centre
NSIL	NewSpace India Limited
SSLV	Small Satellite Launch Vehicle
SBS-3	Space-Based Surveillance Programme III
FDI	Foreign Direct Investment
NRO	National Reconnaissance Office (US)

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Notes:

1. All values are in USD unless otherwise specified.
2. Figures reflect equity funding only.
3. Figures cover the top five funding hubs only (Bengaluru, Hyderabad, Chennai, Ahmedabad, Pune), which together account for \$839M of the sector's \$871M total equity funding. The remaining ~\$32M is distributed across other cities not individually broken out here.