January 2026

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IN BRIEF

INDIA'S SPACE SECTOR REFORMS: FROM POLICY SHIFT TO COMMERCIAL TAKE-OFF

Introduction: Space Reforms in 2020

On June 24, 2020, Prime Minister Narendra Modi announced India's Space Reforms, marking a decisive shift towards private sector participation across the full spectrum of space activities. The Cabinet decision, he said, was aligned with India's long-term mission of becoming a technologically advanced, industrially robust and Atmanirbhar nation.

The reforms sought to leverage India's advanced space capabilities by creating a friendly regulatory environment and enabling policy certainty for private enterprises. To operationalise this vision, the Indian National Space Promotion and Authorisation Centre (IN-SPACe) was constituted as the single-window regulator for non-government entities (NGEs). Dr Pawan Goenka, former Managing Director of Mahindra & Mahindra, was appointed its Chairman. IN-SPACe functions under the administrative remit of the Department of Space.

A key objective of the reforms was also to bridge critical technology gaps by linking defence and strategic users with innovative space startups, particularly through structured programmes led by the Ministry of Defence.

Suo Moto Emergence of India's Space Startups

Long before policy formally acknowledged them, India's commercial space startups had already begun to emerge — largely unnoticed by the Government and the media alike. The earliest public spark came from Team Indus, the only Indian finalist in the Google Lunar X Prize (2017–2018). Although no team ultimately won the competition, Team Indus inspired a generation of young engineers to view space not merely as a national programme, but as a viable career and entrepreneurial domain.

In 2012, Dhruva Space was incorporated, marking the first clear sign of India's suo moto New Space movement. Over the next decade, startups emerged across the value chain — from launch vehicles (Skyroot, Agnikul) and satellite manufacturing (Dhruva, Azista-BST) to propulsion systems (Bellatrix Aerospace), Earth observation data (Pixxel, SatSure), space situational awareness (Digantara), mm-wave communications (Astrome), and digital marketplaces (SatSearch).

Collectively, these companies raised nearly US$ 800 million in early funding from private investors, angel networks and venture capital firms. Their founders — mostly students or recent graduates — focused on building proprietary intellectual property and customised commercial solutions.

Importantly, these first-generation startups evolved outside India's traditional government procurement ecosystem, which consists of nearly 700 vendor companies, including long-standing contributors such as Godrej, L&T, Tata, Walchand, HAL and Anantha Technologies. The result was the emergence of a parallel, innovation-driven commercial space economy.

FDI Policy and Global Integration

India's FDI policy for the space sector now permits:

- Upto 74% FDI in satellite manufacturing, operations, data products, and ground/user segments;
- 100% FDI in manufacturing of components and sub-systems; and
- Upto 49% FDI in launch vehicles and spaceports.

These provisions were further clarified in 2025, significantly strengthening investor confidence.

Consequently, Indian space companies have begun securing international contracts. The Anantha Technologies–Digantara consortium is executing a major satellite design and surveillance project for Australia under the Australia-India Technology Research and Innovation Program. Countries including Norway, Hungary, Poland and several in West Asia have similarly engaged Indian firms such as Adani Defence & Aerospace and Alpha Design.

IN-SPACe and the Regulatory Architecture

IN-SPACe has issued comprehensive technical regulations governing authorisation for satellites, launch vehicles and ground stations. This framework enables India to fulfil its obligations under Article VI of the Outer Space Treaty, 1967, which requires States to authorise and supervise all non-government space activities.

A cornerstone of this framework is the Catalogue of Indian Standards for the Space Industry 2023, prepared by the Department of Space and the Bureau of Indian Standards. The catalogue prescribes 15 mandatory standards covering programme management, systems engineering and product assurance, applicable across satellites, launch systems and ground infrastructure. Compliance is compulsory for all NGEs seeking authorisation.

These standards operate alongside the Indian Space Policy 2023, which clearly demarcate commercial activities, regulatory authorisations, ISRO's exclusive functions, NSIL's operational role, and the Department of Space's supervisory responsibilities. The 2024 Norms, Guidelines and Procedures further translate this policy into a licensing regime for satellites, launch vehicles and ground stations.

Commercialisation in Operation

The National Space Programme has now been structurally reoriented. ISRO will focus on frontier research, human spaceflight, the Bharatiya Antriksh Station and Chandrayaan-4. NSIL will continue as India's national launch services provider.

In 2024, Anantha Technologies Limited won the bid to develop and operate India's first Ka-band GSO commercial communication satellite, assuming responsibility for design, launch, operations, and ITU compliance. In July 2025, ATL announced authorisation to commence broadband services by 2028.

Tata Advanced Systems became the first NGE authorised to procure a commercial launch from SpaceX for its Earth observation satellite TASL-1, launched in May 2024 and registered in India's National Register of Space Objects.

Under the Ministry of Defence's iDEX programme, a consortium of Pixxel, SatSure, Dhruva and PierSight has been awarded a contract to build 31 surveillance satellites through competitive bidding.

Enabling Satellite Broadband

To support nationwide satellite-based 5G connectivity, IN-SPACe authorises operators to use transponder capacity on large LEO constellations. This regime aligns satellite broadband with India's broader telecom FDI framework, which permits up to 100% foreign investment in select service categories.

Conclusion: From Reform to Realisation

India's Space Reforms of 2020 have evolved from a policy announcement into a functioning commercial ecosystem. Regulatory clarity, institutional restructuring, international integration and startup maturity are now converging to position India as a serious global space economy.

The next phase will not merely be about participation, but about leadership — in satellite services, launch systems, space data, and strategic applications. What began as a suo moto entrepreneurial movement has now become a nationally anchored commercial mission.

India's space journey is no longer confined to orbit — it is firmly on a growth trajectory.

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