

**GOVERNMENT OF INDIA
DEPARTMENT OF SPACE**

LOK SABHA

UNSTARRED QUESTION NO. 273

TO BE ANSWERED ON WEDNESDAY, NOVEMBER 27, 2024

SPACE SECTOR START-UPS FUND

273. SHRI DHAIRYASHEEL SAMBHAJIRAO MANE:

SHRI SUDHEER GUPTA:

Will the PRIME MINISTER be pleased to state:

- (a) whether Union Government has approved a 1000 crore venture capital fund under IN-SPACE programme to support space sector focused start-ups in the country and if so, the details thereof;**
- (b) the manner in which this approved fund is likely to be spent and the criteria followed for selecting start-ups;**
- (c) the manner in which the proposed fund will boost employment in the Indian space sector through various start-ups across the entire space supply chain;**
- (d) the steps taken/being taken by the Government to cultivate a skilled workforce, drive innovation and boost India's competitiveness in the global space market through this fund; and**
- (e) the manner in which the said fund will help in nurturing the talent in the country and prevent the loss of talent to other countries?**

ANSWER

**MINISTER OF STATE IN THE MINISTRY OF PERSONNEL, PUBLIC
GRIEVANCES & PENSIONS AND IN THE PRIME MINISTER'S OFFICE**

(DR. JITENDRA SINGH):

- (a) The Union Cabinet has approved a Rs.1000 crores Venture Capital fund dedicated to Indian Space Sector. The Rs.1000 Cr. VC fund is structured to align with Indian strategic vision for the space sector and supports the goals set forth in the 2020 space reforms. The fund is designed to address the unique needs of private companies operating in the high-risk, high-reward field of space technology.**
- (b) The modalities and section of fund managers are being worked out.**
- (c) One of the primary goals of the fund is to create a robust ecosystem that promotes job creation and enhances India's standing in the space technology sector. The fund is expected to generate,**
- Direct employment: jobs in engineering, data analysis, software development, manufacturing, and other technical fields are expected to increase. Each investment could potentially generate hundreds of direct job opportunities within these high-skill areas.**
- Indirect employment opportunities: Additional employment will also be generated in fields associated with logistics, professional services, and supply chain management. These**

jobs will arise from the increased demand created by scaling business manufacturing units.

(d) By fostering a skilled workforce in the space sector, the fund aims to build sustainable talent pool, enhancing India's global standing and driving innovation through skill professionals.

(e) Many Indian startups relocate abroad due to better financial opportunities. The fund will work to retain talent within India, preventing brain drain and fostering the growth of homegrown space companies.

The fund aims to address the critical need for risk capital, as traditional lenders are hesitant to fund startups in this high-tech sector. With nearly 250 space startups emerging across the value chain, timely financial support is crucial to ensure their growth and prevent talent loss overseas. The proposed government-backed fund will boost investor confidence, attract private capital, and signal the government's commitment to advancing space reforms. It will serve as an Alternative Investment Fund under SEBI regulations, providing early-stage equity to startups and enabling them to scale for further private equity investments.
