

Quote by Devroop Dhar, Co-founder & CEO, Primus Partners

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Data creates a revenue path for India's fledgling spacestartups

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Article Content:

For India's fledgling space startups, offering data analytics to clients across sectors is turning into a viable revenue stream as the industry grows out of the early phase of proving its technical and product competence.

Bengaluru-born Pixxel uses its hyperspectral or high-resolution imaging satellites to supply earth observation data to clients, according to media reports. Its same-city peer Digantara, which also has one satellite in orbit, offers processed data to fellow satellite operators to help them map the earth's lower orbit, and manoeuvre satellites better to avoid debris and incidental collision,

Mint previously reported Fellow startup GalaxEyeis, too, building its first imaging satellite and placing it in orbit later this year.

Suyash Singh, GalaxEye's chief executive, told Mint that in the long run, the company expects its satellite capability to help gain clients who would purchase high-resolution, low-latency data to circumvent cloud covers and challenging terrain.

The race for satellite data marks the coming of age of India's space startups since the sector was significantly opened up to private players five years ago. The ecosystem has gradually matured, with satellite firms transitioning to commercial models. India's space economy is projected to generate \$44 billion in annual revenue by 2033, according to estimates by the Indian National Space Promotion and Authorization Centre (In-Space). Earth observation and data-related services could account for nearly 40% of it.

Such a scale would come from customers who repeatedly purchase satellite data, according to Devroop Dhar, managing director and cofounder of management consulting firm Primus Partners. He cited examples of subscription access for change detection in crops, alerts for maritime anomalies, risk scoring for insurers and more. "It is less about owning a piece of space and more about embedding space into day-to-day business decisions."

"The question is no longer what you captured, but how it helps someone make a decision," said Dhar, suggesting that monetization has changed from earlier when it was centred around payloads, launch contracts or tech demonstrators, mostly to government clients or for niche commercial engagements.

Queries sent to Pixxel and Digantara did not immediately elicit a response. Digantara's chief executive officer Anirudh Sharma told Mint previously that the company is setting up an assembly line in response to rising demand from governments worldwide over the past six months, as more of them look to build their own space defence and surveillance systems and seek direct access to satellite data.

Technological advances and a shift in strategic focus are propelling this transition. As satellite hardware shrinks and onboard processing becomes more advanced, space startups are no longer just focused on being satellite manufacturers or simply supplying raw data to vendors. They call it an "orbit to insight loop" to supply large volumes of processed data at low latencies as their core business model.

Launch service providers, too, see data driving demand. Agnikul Cosmos and Skyroot Aerospace have completed solitary sub-orbital demonstrator missions—these do not enter the earth's orbit and serve as proof of technology only. The startups are in talks with data-focused clients such as agri-tech companies, fleet monitoring players and analytics firms.

"Our plan is to scale to a launch every two weeks," said Srinath Ravichandran, cofounder, Agnikul Cosmos. "Even at 50 launches a year, I'm barely at 10% of the market

demand. Our order pipeline already indicates clear dominance of satellite payloads increasing due to the demand for data—about 35-40% are imaging satellites."

Ravichandran said the demand for data is coming "from hedge funds trying to predict urbanization, land utilization and betting on real estate, to city corporations using high-resolution imagery to track urban trends".

Naga Bharath Daka, cofounder of Skyroot Aerospace, said that satellite manufacturers striking early deals with the firm for "putting GPUs in satellites to process data in orbit. Many are downlinking only insights, not raw images."

"Many large firms across end-user applications are now investing in having their own satellites to gain direct insight," he said. "As more operational players enter the market, booking a launch could soon become as simple as booking a cab at short notice."

Earlier this month, *Mint* reported the rise of space-based surveillance as a major business stream for Indian space firms, with clients willing to pay up to \$100 per square kilometre per week from a single satellite and providing scope for multi-million-dollar satellite data contracts on an annualized basis.

However, to reap all the benefits, these startups will have to invest heavily early on to put multiple satellites in orbit—without which uninterrupted satellite data is difficult to procure.

"There can be no substitute for in-orbit satellites," said Sreeram Ananthasayanam, partner at consulting firm Deloitte India. "You need a certain number of satellites to improve latency. In other words, demand and capital are akin to the perennial chicken and egg problem, plaguing several deep technology sectors."