



Satellite Communications in India's Digital Vision: Investment, Policy & Fiscal Framework

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Role of satellite communications in Indias Digital Vision

- Digital India scheme launched in 2015
- To transform India into a digitally empowered society and knowledge economy.
- One of the vision was DIGITAL INFRASTRUCTURE AS A UTILITY TO EVERY CITIZEN.
- "Broadband Highways," and "Universal Access to Mobile Connectivity" important pillars of scheme.
- satellite communications is an indispensable enabler, to bridge the digital divide, particularly in remote and underserved regions.



Major policy & fiscal initiatives for investment in satcom sector

- ▶ **National Digital Communications Policy – 2018**
- ▶ Recognised need to explore and utilise the opportunities presented by next generation-networks like 5G and other pioneering network access technologies including satellite communications.
- ▶ Revising licensing and regulatory conditions that limit the use of satellite communications, such as speed barriers, band allocation etc
- ▶ Reviewing SATCOM policy for communication services, along with Department of Space.
- ▶ Develop an ecosystem for satellite communications in India



➤ **Satcom Reforms 2021**

- Simplifying the SatCom Clearances
- Guidelines for establishing Satellite based Communication Network(s).
- Guidelines for obtaining Captive VSAT CUG License
- Reduction in charges pertaining to satellite-based communication services. (NOCC charges, MPVT charges removed. IoT/M2M devices exempted from annual license fees)
- Enhancing the scope of Satellite Licenses to include User terminal stations on moving platform(s) and Satellite-based M2M/ IoT devices.



- **The Telecommunications Act 2023**

- Codified administrative spectrum allocation for satellite services.
 - satellite-based services such as Teleports, Television channels, Direct To Home, Headend In The Sky, Digital Satellite News Gathering, Very Small Aperture Terminal, Global Mobile Personal Communication by Satellites, National Long Distance, International Long Distance, Mobile Satellite Service in L and S bands included in First schedule of Act.
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➤ **Indian Space Policy 2023**

- To enable, encourage and develop a flourishing commercial presence in space.
 - Encourages private companies to participate in all aspects of space activities including Satellite design, manufacturing, and launch Satellite data products and services, Ground segment infrastructure and Space-based services like communication, navigation, and remote sensing
 - Clear Delineation of Roles for Key Entities (ISRO, INSPACE, NSIL and DoS)
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► **Liberalized FDI policy 2024**

- Upto 49% under Automatic route: Launch Vehicles and associated systems or subsystems, Creation of Spaceports for launching and receiving Spacecraft. Beyond 49% these activities are under government route.
- Upto 74% under Automatic route: Satellites-Manufacturing & Operation, Satellite Data Products ,Ground Segment & User Segment. Beyond 74% these activities are under government route.
- Upto 100% under Automatic route: Manufacturing of components and systems/ sub-systems for satellites, ground segment and user segment.



- ▶ **Telecom Technology Development Fund Scheme**

- ▶ For funding research and development of technologies, products and services for the purpose of providing telecom services in rural and remote areas and scheme covers Satellite Communications too.

- ▶ **National Broadband Mission 2.0 (2025 to 2030)**

- ▶ To leverage satellite broadband internet as an effective and competitive technology, particularly in remote and rural areas.

- ▶ **PLI incentives for semiconductors and advanced manufacturing**

- ▶ Indirectly lower input costs for SatCom component production and boost domestic value-addition.

- ▶ **SMC**- enhances space security and regulatory oversight, ensuring a stable environment for new SatCom operators.



- **Fiscal measures**

- GST exemption for satellite launch services to include private entities (July 2023).
- Dedicated ₹1,000 crore venture capital fund specifically to back private sector-led R&D in space and deep-tech, including SatCom payloads and ground systems.(Union Budget 2024-2025).
- Reduction in customs duty- Ground installation for satellites including its spares and consumables and Goods used in the building of launch vehicles and launching of satellites



➤ **Way forward**

- Various Policy and fiscal initiatives created conducive environment for investment in Satcom.
- Policy is not a destination, but a continuous journey of learning, adjustment, and refinement in response to an ever-changing landscape
- Some important TRAI recommendations are under consideration in Department and rules under The Telecommunications Act are being framed. This will further attract investments.



Thank you