



**SATELLITE COMMUNICATION & FDI:
INDIA'S SPACE LIBERALISATION STILL
COMES WITH REGULATORY GRAVITY.**



India's Space FDI Framework

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India liberalised FDI in the space sector in 2024.

For satellite operations:

- Up to 74% - Automatic Route
- Beyond 74%- Government Approval Route

This opened significant opportunities for global satellite and space-tech companies seeking entry into India's fast growing digital infrastructure ecosystem.



The Starlink Challenge

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Starlink is a globally controlled satellite communication network operated by SpaceX.

Its India entry involves:

- Foreign-controlled infrastructure,
- Cross-border communication systems,
- Spectrum access,
- Satellite gateways,
- And strategic connectivity capability.

This attracts deeper scrutiny from regulators and security agencies.



Why Starlink Falls Under Enhanced Scrutiny?

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The concerns are not merely about FDI. Regulators may evaluate:

- National security
- Data routing and localisation
- Emergency shutdown control
- Connectivity in border and sensitive regions

This leads to oversight under **FDI + Telecom + Space + National Security.**



The Reliance Satcom Development

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Reliance is now reportedly evaluating its own Low Earth Orbit satellite ecosystem and satellite infrastructure strategy.

Unlike Starlink, Reliance operates through:

- An Indian-controlled telecom network,
- Domestic infrastructure,
- Local operational presence,
- Established regulatory ecosystem.

This may create comparatively lower policy sensitivity.



The Regulator Framework:

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For satellite businesses, India entry strategy cannot be approached as a routine FEMA filing exercise. It requires alignment across:

- FDI policy
- Telecom licensing
- Space sector regulation
- Security clearances
- Data governance obligations

From a regulatory perspective:

Starlink : foreign-controlled strategic communication infrastructure.

Reliance Satcom: domestically anchored digital infrastructure expansion.



Structuring Becomes Critical

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For foreign satellite companies, regulatory strategy may require:

- Dilution below approval thresholds,
- Indian joint venture structures,
- Local operating subsidiaries,
- Domestic gateways and compliance systems.

Because regulators increasingly assess:

Effective control — not merely ownership percentages.



Larger Policy Signal

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LARGER POLICY SIGNAL
— India's space economy is opening rapidly. —

Starlink

- Global Satellite Network
- Foreign-Controlled Infrastructure
- Cross-Border Operations

Reliance SATCOM

- India-Centric Operations
- Domestic Infrastructure
- Regulatory Alignment

The Starlink and Reliance developments together show that **in satellite communications:**

FDI APPROVAL IS NO LONGER ONLY ABOUT CAPITAL INFLOW.

IT IS EQUALLY ABOUT CONTROL, COMPLIANCE, SECURITY AND STRATEGIC TRUST.

CONTROL
Who controls the network?

COMPLIANCE
Alignment with Indian laws and regulations

SECURITY
Protection of national security interests

STRATEGIC TRUST
Building long-term trust in India's digital future

India's space economy is opening rapidly.

But the Starlink and Reliance developments together show that in satellite communications:

- FDI approval is no longer only about capital inflow
- It is equally about control, compliance, security and strategic trust.