

File No. 815-66/2021-SAT/2
Government of India
Ministry of Communications
Department of Telecommunications
(Satellite Division)
20, Ashoka Road, New Delhi – 110001

Dated 08th October, 2021


To,

All Captive VSAT CUG Licensees

Subject: Amendment in the Captive VSAT Services CUG Domestic Data Network using INSAT Satellite system License Agreement for rationalization of Bank Guarantee, change in interest rate, penalty, interest on penalty on delayed payment of License Fee or any other dues - reg.

As per the Condition 10, Section-I of License Agreement for Captive VSAT Services Closed User Group Domestic Data Network using INSAT Satellite system, the Licensor reserves the right to amend or alter the conditions of this license, suo moto, at any time. In pursuance of this condition, the Licensor hereby amends/appends the following in the License Agreement for Captive VSAT Services Closed User Group Domestic Data Network using INSAT Satellite system:


Existing clause	Amended Clause
Section-III Financial Conditions 2.0 Schedule of payment of license fee 2.5 Any delay in payment of LICENCE fee, or any other dues payable under the LICENCE beyond the stipulated period will attract interest at a rate which will be 4% above the one year Marginal Cost of Lending Rate (MCLR) of State Bank of India existing as on the beginning of Financial Year (namely 1 st April) in respect of the license fee or any other dues pertaining to said Financial Year. The interest shall be compounded monthly and part of the month shall be reckoned as a full month for the purposes of calculation of interest. A month shall be reckoned as an English calendar month.	Section-III Financial Conditions 2.0 Schedule of payment of license fee 2.5 Any delay in payment of LICENCE fee, or any other dues payable under the LICENCE beyond the stipulated period will attract interest at a rate which will be 2% above the one year Marginal Cost of Lending Rate (MCLR) of State Bank of India existing as on the beginning of Financial Year (namely 1 st April) in respect of the license fee or any other dues pertaining to said Financial Year. The interest shall be compounded annually . A part of the month shall be reckoned as a full month for the purposes of calculation of interest. A month shall be reckoned as an English calendar month.
2.0 Schedule of payment of license fee 2.6 In case, any under-reporting in the number of	2.0 Schedule of payment of license fee 2.6 In case, any under-reporting in the


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<p>VSATs is detected, it shall attract a penalty of 50% of the entire amount of short payment. The amount of short payment along with the penalty shall be payable within 15 days, failing which interest shall be further charged as per terms of condition 2.5.–The LICENSOR further reserves the right to terminate the license in addition to the recovery of all dues under the License Agreement.</p>	<p>number of VSATs is detected, the LICENSOR reserves the right to terminate the license in addition to the recovery of all dues under the License Agreement.</p>
<p>3.0 Bank Guarantee</p> <p>3.1 The LICENSEE shall submit a Financial Bank Guarantee (FBG) valid for a period of one year from any Scheduled Bank in India in the prescribed performa at Annexure-II. Initially, the Financial Bank Guarantee shall be for an amount of Rs. 15 lakhs which shall be submitted before signing the License Agreement. Subsequently, the amount of FBG shall be equivalent to the estimated sum payable annually towards the license fee. The amount of FBG shall be subject to periodic review by the LICENSOR. (Financial Bank Guarantee is not applicable in the case of Central Government Departments.) *</p>	<p>3.0 Bank Guarantee</p> <p>3.1 The LICENSEE shall submit a Financial Bank Guarantee (FBG) valid for a period of one year from any Scheduled Bank in India in the prescribed performa at Annexure-II. Initially, the Financial Bank Guarantee shall be for an amount of Rs. 03 lakhs which shall be submitted before signing the License Agreement. Subsequently, the amount of FBG shall be equivalent to 20% of the estimated sum payable annually towards the license fee. The amount of FBG shall be subject to periodic review by the LICENSOR. (Financial Bank Guarantee is not applicable in the case of Central Government Departments.) *</p>


2. The rationalization of Bank Guarantees shall not be applicable in following cases:
 - a. Bank Guarantees furnished or required due to any Court order or Bank Guarantees which are subject matter of any Litigation, will continue. For example, Bank Guarantees for which the Licensor has been restrained to encash by a Court order, or Bank Guarantees related to One Time Spectrum Charges (OTSC) under litigation.
 - b. Bank Guarantees of Licensees who are currently under Corporate Insolvency Resolution Process (CIRP) or related litigation, or those Licensees who have closed operations (undergoing liquidation/ liquidated).
 - c. Bank Guarantees submitted in respect of past spectrum auctions for securitization of deferred spectrum instalments, including PBGs, will continue to be held by Licensor without any reduction.

3. In case of multiple Bank Guarantees for all the licenses/ authorizations held, the Licensee shall have an option to submit Bank Guarantee(s) centrally at one place instead of Licensed Service Areas (LSAs) wise.


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4. This amendment comes into effect with from 01.10.2021 and will be applicable to the dues which arise from the operations of the Licenses after the said date.

5. This amendment shall be part and parcel of the Captive VSAT CUG License Agreement and all others Terms & Conditions shall remain unchanged.


08/10/2021

(Raj Kumar Jha)
Assistant Director General (Satellite-II)
For and on behalf of the President of India
Ph. No. 23710248

Copy to:

1. Secretary, TRAI.
2. DG (T) HQ, DoT HQ/ CGCA.
3. Advisor (Economics)/ Sr. DDG (TEC)/ Wireless Advisor/ DDG (LFP)/ DDG (LFA)/ DDG (WPF)/ DDG (SA)/ DDG (SPPI), DoT.
4. DDG (CS)/ DDG (DS)/ DDG (AS)/DDG (A/C) DoT HQ.
5. Director (IT) may kindly arrange to upload this letter on the website of DoT.