

**Government of India
Ministry of Communications
Department of Telecommunications
(Satellite Licensing Division)**

F. No. 60-SATCOM Plan/DoS/2020-SAT

Dated:26.10.2022

GUIDELINES-2022

Guidelines for obtaining Captive VSAT CUG License


 26.10.2022

Guidelines for obtaining Captive VSAT CUG License

(License for Captive VSAT Closed User Group domestic data network using INSAT satellite system)

1. Department of Telecommunications grants license on a non-exclusive basis for establishment of Captive Very Small Aperture Terminal (VSAT) CUG domestic data network using INSAT satellite system. The objective of these guidelines is to equip the applicant with information on relevant licensing and administrative framework and guide them regarding processes involved in obtaining a Captive VSAT CUG license and further clearances for operationalizing the network¹. For complete details about terms and conditions of the license agreement, the applicants are advised to refer to a draft Captive VSAT CUG license document available on DoT website and www.saralsanchar.gov.in.
2. The applicant organization shall submit an application in the prescribed application form for Captive VSAT CUG license.
3. **Scope of license:**
 - 3.1 The scope of the license is to provide data connectivity between various sites scattered throughout India using VSATs. However, these sites should form part of a CUG.
 - 3.2 The Captive VSAT licensee can set more than one CUG for their own use. VSAT terminal may be used to aggregate the traffic from M2M/IoT devices as long as the CUG nature of the network is not violated.
 - 3.3 User terminal station on moving platform are also permitted for provisioning of connectivity subject to compliance to relevant TEC standard and conditions mentioned therein.
4. **Period of license:**
 - 4.1 Captive VSAT CUG license will be granted for a period of 20 years from the effective date extendable by 10 years at a time upon request of the licensee.
5. **Eligibility criteria:**
 - 5.1 The applicant organization must be an Indian company, registered under the Indian Companies Act 2013/ Government department/ Government organizations. The total composite foreign holding of the registered company

¹ "Guidelines for establishing satellite-based communication network(s)" DoT letter no. 60-SATCOM Plan/ DoS/2020-SAT dated 26th October, 2022


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shall be governed by Foreign Direct Investment (FDI) policy of the Government of India as announced by Department of Industrial Policy and Promotion from time to time.

6. Entry fee:

6.1 The entry fee for the license is Rs. Fifteen lakhs (15 lakhs) only and is non-refundable/ non-adjustable.

7. License fee:

7.1 The annual license fee for Captive VSAT CUG license is Rs. 10,000/- per annum per VSAT multiplied by total number of VSATs installed. Total No. of VSATs shall include all types of VSATs (receive only/transmit only/ receive & transmit both etc.). The M2M/IoT devices, used in any architecture (including Direct-to-satellite or in aggregator mode), shall not be treated as VSAT for the purpose of levy of license fee.

7.2 In case of the captive VSAT licensee, if an under-reporting of VSAT is detected, the license shall be terminated immediately and other appropriate penalty will be imposed.

8. Financial conditions:

8.1 At the time of signing the license agreement a Financial Bank Guarantee (FBG) for Rs. 3 lakhs, valid for six months is to be submitted. Thereafter, the VSAT licensee shall submit a FBG, valid for one year, for an amount equivalent to the highest estimated sum payable for two quarters towards license fee. The amount of FBG shall be subject to periodical review by the Licensor.

8.2 Financial Bank Guarantee is not applicable in the case of Central Government Departments.

8.3 The licensee shall, on its own, extend validity period of bank guarantees for similar terms at least one month prior to the date of its expiry without any demand or notice from the Licensor, on a year to year basis. Any failure to do so, shall amount to violation of the terms of the license and entitle the Licensor to encash the bank guarantee and to convert into a cash security without any reference to the licensee at his risk and cost. No interest or compensation, whatsoever, shall be payable by the Licensor on such encashment.

9. Technical parameters:

9.1 The Licensee(s) are permitted to use any technology, conforming to the TEC IR/GR, to provide the services. The technical parameters mentioned in the relevant Interface Requirement for VSAT Network(s) issued by TEC (FSS/BSS or mobility based,


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as applicable) are to be complied with. Any other notification or modification thereof issued from time to time in this regard shall be binding.

10. Interconnection with other networks:

- 10.1 Interconnection with PSTN is not permitted
- 10.2 Internet: The hub of VSAT licensee shall be allowed to be connected to an internet node of his choice through a lease line taken from Telecom service provider who is authorized to sell bandwidth/ leased line.
- 10.3 Interconnection of CUGs: Interconnection between CUGs, where the CUG nature of the network is not violated, will be permitted on a case to case basis.
- 10.4 Other media to provide for redundancy: Switchover between a terrestrial CUG network and a VSAT based CUG network belonging to the same licensee shall be permitted for redundancy purpose.

11. Security conditions:

- 11.1 The applicant organization must comply with the security conditions as enumerated in the license agreement. The conditions related to trusted source are mentioned in the following paragraphs.
- 11.2 The Government through the Designated Authority will have the right to impose conditions for procurement of Telecommunication Equipment on grounds of Defence of India, or matters directly or indirectly related thereto, for national security. Designated Authority for this purpose shall be National Cyber Security Coordinator. In this regard, the licensee shall provide any information as and when sought by the Designated Authority.
- 11.3 Designated Authority shall notify the categories of equipment for which the security requirement related to Trusted Sources are applicable. For the said categories of equipment, Designated Authority shall notify the Trusted Sources along with the associated Telecommunication Equipment (Trusted Products). The Designated Authority may also notify a list of Designated Sources from whom no procurement can be done. Procedure for inclusion of Telecommunication Equipment in the list of Trusted Sources will be issued by the Designated Authority.
- 11.4 With effect from 15th June 2021, the licensee, shall only connect Trusted Products in its network and also seek permission from Designated Authority for upgradation of existing Network utilizing the Telecommunication Equipment not designated as Trusted Products. However, these directions will not affect


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ongoing Annual Maintenance Contracts (AMC) or updates to existing equipment already inducted in the network as on date of effect.

- 11.5 The licensees shall comply with the Guidance for Enhanced Supervision and Effective Control of Telecommunication Networks, as per guidelines to be issued by the licensor.

12. Spectrum allotment and use:

- 12.1 Right to use the spectrum: The in-principle clearance/letter of intent/ the License Agreement for service authorization does not confer any right to assignment and use of spectrum for which separate specific Frequency Assignment is required from WPC Wing.
- 12.2 Frequency Assignment: The applicant need to separately apply for Frequency Assignment from the Wireless Planning and Coordination (WPC) Wing of DoT which permits utilization of appropriate frequencies under specified procedure, instructions, terms and conditions including payment for said assignment and right to use of spectrum prescribed by WPC Wing from time to time.
- 12.3 The Licensor/ WPC Wing of DoT reserves the right to modify the procedure for allotment of spectrum and/or rates for payment for said allotment and use of spectrum at any time.

13. Use of space segment:

- 13.1 The required satellite capacity (space segment) shall be obtained by the Licensee from Department of Space (DoS)/NSIL² or space segment provider duly authorized by DoS/IN-SPACE³ on terms and conditions as applicable.
- 13.2 The space segment charges will be payable to DoS/space provider as applicable.

14. Definition of Closed User Group (CUG):

- 14.1 A Closed User Group is permissible for following categories of business association:
- (i) Producer of goods and his trader/agent;
 - (ii) Provider of service and his trader/agent;
 - (iii) Producer of same category of goods (e.g. manufactures of petroleum products); and
 - (iv) Provider of the same category of service (e.g. bank).

Provided that ultimate consumer of a service or a product shall not be a part of the Closed User Group.

² New Space India Limited –A Govt. of India company under DoS.

³ IN-SPACE - Indian National Space Promotion and Authorisation Centre


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- 14.2 A Closed User Group can also be formed among a holding company and its subsidiaries, these terms being defined as per the Companies Act 2013. Provided that such Closed User Group shall be only for the purposes of legitimate internal business communications of the group.
- 15. Submission of application:**
- 15.1 The application shall be made online on SaralSanchar portal⁴. The processing fee for the application is Rs. 25,000/- (non-refundable), which is also payable online.
- 16. Establishing a satellite based network after obtaining the license:**
- 16.1 After obtaining the license, any entity desirous of establishing and/or operating a satellite-based communication network/service shall apply for in-principle clearance to the Satellite Licensing Division of DoT. The clearance(s) and necessary procedure are described in the "Guidelines for establishing satellite-based communication network(s)"⁵.
- 16.2 If required, the applicant may also approach the Satellite Licensing Division of DoT to seek in-principle clearance of its proposed satellite-based network before obtaining the license first. Such cases may also be taken up by IMC-SNC, if required. In such cases, the in-principle clearance for the network and grant of Lol for the license application may be processed on recommendation of the IMC-SNC.
17. Any queries with regard to these guidelines may be sent to Director(Satellite) at [dirtsat1-dot@gov.in](mailto:dirsat1-dot@gov.in).



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⁴ www.saralsanchar.gov.in

⁵ "Guidelines for establishing satellite-based communication network(s)" DoT letter no. 60-SATCOM Plan/ DoS/2020-SAT dated 26th October, 2022

APPLICATION FOR CAPTIVE VSAT CUG LICENCE

(License for Captive VSAT Closed User Group domestic data network using INSAT satellite system)

(Please read the "Guidelines for obtaining Captive VSAT CUG License" carefully before filling up this form. The Application form should contain complete information on each and every point. Additional sheets may be added, if required. Incomplete application or application with conditional compliance shall be summarily rejected. The application along with annexures may be submitted to ADG(SAT), 11th Floor, Sanchar Bhavan, Ashoka Road, New Delhi-110001)

1. Name of Applicant Company/
organization:
2. Complete postal address with
telephone/Fax/E-mail
i) Corporate office
- ii) Registered office
3. Address for correspondence with
Telephone/FAX No./e-mail
4. Name of authorized contact
person, his designation and
telephone/FAX Nos./e-mail
5. Certified copy of Certificate of
Registration along with copy of
Memorandum and Article of
Association (Please enclose as
Annexure I)
6. (i) Details of equity holding of the applicant company are as follows :

Sl. No.	Name of Promoter/ Partner/ Share holder	Indian/ Foreign	Equity %	Net Worth
1.				
2.				
3.				


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(Complete break-up of 100% of equity must be given. Equity holding upto 5% of the total equity shared among various shareholders can be clubbed but Indian and Foreign equity must be separate)

(Certificate from Company Secretary / Statutory Auditor countersigned by Director duly authorised by the company to be attached)

(ii) Equity details:

Indian _____

Foreign:

a) Land Border sharing country _____

b) Others _____

Total _____

(Certificate from Company Secretary / Statutory Auditor countersigned by Director duly authorised by the company to be attached)

7. FDI: The applicant is required to disclose the status of foreign holding.

(Certificate from Company Secretary/ Statutory Auditor countersigned by Director duly authorised by the company to be attached)

8. Certified copy of Agreement between the Indian Company and Foreign Partner(s), if applicable.
(Please enclose as **Annexure –II**)

9. Certified copy of approval of Government of India for terms of Foreign collaboration or copy of application submitted to SIA/ Government in this regard with proof of submission.
(Please enclose as **Annexure –III**)



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10. List of Telecom Service License(s) held by the company and its allied/sister concerns/partners/equity holders/promoters, if any, and their present status. (Attach separate sheet, if required)

11. Resolution of Board of Directors/ other proof that the person signing the application is authorised signatory. (Enclose as **Annexure –V**)

12. Online payment details/Demand draft towards payment of Processing Fee:

No. and date -----

Amount -----

Name of Bank on which drawn -----

(Enclose in a separate cover and attach to the application)

(Demand Draft for Rs 25,000/- to be made payable to "Pay and Accounts Officer (Headquarters), Dept. of Telecom." at New Delhi)

13. The following documents should be enclosed with the Application:

- (i) Brief write up of the proposed network & service(s) along with schematic diagram.
- (ii) Link-Engineering for all types of carriers in the prescribed standard format with approved satellite parameters.
- (iii) Carrier Power & Bandwidth summary showing total space segment & satellite power requirements.
- (iv) Clause-by-clause compliance to applicable TEC GR/IR.
- (v) List of model & make of all the equipment proposed in the network along with their specifications / data sheets.
- (vi) Exact locations of Hub / central site and tentative locations of other earth stations / VSATs.


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Certificates:-

1. I hereby certify that I have carefully read the Captive VSAT CUG License terms & conditions and the guidelines for obtaining Captive VSAT CUG License. I fully comply with the terms and conditions therein.
2. I understand that this application, if found incomplete in any respect and/or if found with conditional compliance or not accompanied with the processing fee shall be summarily rejected.
3. I understand that processing fee is non-refundable irrespective of any reason whatsoever.
4. I undertake to sign the License Agreement, within the prescribed time notified to me, failing which my application shall be rejected and processing fee forfeited.
5. I understand that all matters relating to the application will be subject to jurisdiction of the courts in Delhi/New Delhi only.
6. I understand that in case of any change(s) in the information furnished above, at a later date, the same shall be intimated to the DoT within 15 days from the date of change.
7. I understand that if at any time, any averments made or information furnished for obtaining the license is found incorrect, then my application and the license if granted thereto on the basis of such application, shall be cancelled.

Date
Place

Signature and name of the
Authorised Signatory
(Company's Seal)



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