

A New Telecom Regime for Enterprise Networks – DoT Notifies Captive Telecom Service Authorisation Rules

25 June 2026

On 23 June 2026, the Department of Telecommunications (DoT) notified the final Telecommunications (Authorisation for Captive Telecommunication Services) Rules, 2026 (Rules). The Rules follow the long-awaited draft rules (Draft Rules) released in September 2025 for stakeholder comments (please see [here](#) for our update on the Draft Rules).

The Rules form part of the broader transition from the licence-based framework under the Indian Telegraph Act, 1885 to the authorisation framework under the Telecommunications Act, 2023 (Telecom Act).

The Rules create a dedicated authorisation framework under the Telecom Act for captive/private networks. Captive telecommunication services are divided into four categories: (a) Captive Mobile Radio Trunking Services (CMRTS), (b) Captive Non-Public Networks (CNPNS), (c) Captive Very Small Aperture Terminal (Captive VSAT) Services and (d) Captive General Services. Authorised entities may not provide commercial or public telecommunication services under these Rules.

Unlike the Draft Rules, the Rules restrict Captive General Service authorisation to the government entities listed in Rule 5 (b) and government companies that are not private limited companies. However, the Central Government may, in public interest, exempt or relax any eligibility condition under Rule 5. This materially narrows the residual category, which otherwise covers wireline and wireless captive networks for which no separate captive authorisation is available.

The other three categories, viz., CMRTS, CNPN and Captive VSAT remain available to eligible companies and specified governmental entities, subject to applicable conditions.

Key Features of the Rules

1. *Data Localisation:* Authorised entities must keep all systems of their telecom network within the applicable service area. All data, logs and information associated with the network must be stored in India, and copies may not be routed, shared or made available outside India. These general requirements are subject to the service-specific conditions, particularly for Captive VSAT: an Indian satellite gateway may connect to overseas offices through an international private leased circuit, and offshore remote access may be permitted with prior Central Government approval and prescribed controls. Multinationals should map global monitoring, logging, remote administration, offshore support and incident-response arrangements against these requirements.
2. *CNPN for Private Enterprises:* Under the Unified Licence regime, licensees could provide CNPNs to enterprises, including through network slicing or isolated private networks using assigned spectrum. The Rules now establish CNPN as a distinct captive service authorisation available to eligible companies, subject to prescribed conditions. CNPNs are particularly relevant for factories, ports, logistics hubs, industrial campuses, data centres and other controlled environments.

A single CNPN authorisation may cover multiple geographical locations across the national service area. However, each CNPN must remain within the logical perimeter of premises occupied by the authorised entity, whether owned or leased; prior intimation is required for each location; and separate access

spectrum must be obtained for each geographical area. The authorisation itself confers no right to spectrum.

3. *CMRTS Authorisation:* Compared with the Draft Rules, the final Rules confine the authorisation to captive mobile radio trunking services and no longer include land mobile service. They also replace certain references to "base stations" with "repeater stations".

The interconnection restriction now refers to public switched telephone, public land mobile, internet telephony and internet networks; the Draft Rules' express reference to global mobile personal communication by satellite (GMPCS) service is omitted as far as interconnection restriction is concerned. That omission does not, by itself, affirmatively permit GMPCS interconnection as it appears that separate rules are being contemplated for satellite service authorizations by the Telecom Regulatory Authority of India.

4. *Restriction on Overlapping Licence or Authorisation:* An authorised entity cannot hold an overlapping licence or authorisation and must relinquish it. Past obligations and liabilities including rollout obligations, financial dues, violation determinations and penalties will continue to apply. Existing spectrum, telecom identifiers, compliance certificates, clearances and remote-access or gateway permissions may continue on their original terms unless the Central Government determines otherwise in public interest.
5. *Reporting and Disclosure Obligations:* The Rules calibrate the reporting trigger and scope. A change in shareholders resulting from an acquisition must be reported within 15 days. For listed entities, only changes requiring disclosure under the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations 2011 or the relevant stock-exchange byelaws or listing conditions must be reported. If a corporate insolvency resolution application is admitted, the entity must notify the Central Government within 48 hours and provide the NCLT admission order forthwith.
6. *Suspension and Revocation:* The final Rules omit the Draft Rules' standalone, no-notice power to suspend or revoke an authorisation on national-security or public-interest grounds. They nevertheless retain specific revocation grounds under Rule 14, breach-based suspension, revocation or curtailment under Rule 61, and the Central Government's statutory national-security powers under Section 21 of the Telecom Act. The change is therefore in the source and procedure of the power; the Draft Rules' broad public-interest clause has not been reproduced.
7. *Technical and Operating Conditions:* The Draft Rules referred to renewable energy technologies, energy-efficient telecom equipment, preferential market access for indigenous equipment and IPv6 implementation. The final Rules retain only the requirements concerning energy-efficient telecom equipment and preferential market access.

Renewable energy technologies and IPv6 are therefore not specific conditions under this authorisation framework, although generally applicable directions or policies may still apply.

8. *Trusted Sources and Trusted Products:*
 - a. The Draft Rules required authorised entities to provide any information relating to telecommunication equipment deployed or being deployed. The final Rules specify that requests may cover relevant technical, operational, supply-chain and security information, improving the precision of the compliance obligation.
 - b. The fixed half-yearly reporting cycle of 1 January and 1 July has been removed. Compliance reports must instead be filed through the portal by the date specified there.
9. *Governance and Personnel:* A majority of directors must be Indian citizens, while the chief officer responsible for the network and the security and system administrators must be resident Indian citizens. Ministry of Home Affairs security vetting is required before foreign nationals are appointed as Chairman, Managing Director, CEO or CFO (and annually thereafter), and before foreign nationals are deployed on the network. Interestingly, the Rules omit restriction on investment by a "prohibited investor" (provided in the Draft Rules). However, the Rules introduce a requirement for an applicant's management to demonstrate a "sound" track record in responsibly providing telecom services, thereby introducing a more discretionary element for eligibility assessment.

Comments

The Rules are an important step in operationalising the Telecom Act and providing a dedicated framework for captive networks, but they do not constitute an unrestricted opening to private enterprise. CMRTS, CNPN and Captive VSAT authorisations remain available to eligible private companies, while Captive General Service authorisation is reserved for specified governmental entities and qualifying government companies unless the Central Government relaxes Rule 5 in public interest. This is a material policy choice because Captive General Services is the residual category for wireline and wireless captive networks not covered by another authorisation.

CNPN is likely to be the most commercially relevant category for private enterprises. A single authorisation can support multiple premises across India, connected through domestic leased circuits, but each network remains premises-bound and requires location-specific intimation and access spectrum. The authorisation is therefore enabling, rather than a complete liberalisation of private 5G. Deployment will continue to depend on spectrum availability, eligibility, leasing models, ecosystem readiness and the terms of any direct assignment.

The final Rules also maintain a clear separation between captive and public networks. CMRTS, CNPN and Captive General Service networks cannot connect to public switched telephone, public land mobile, internet telephony or internet networks, subject to the distinct service-specific framework for Captive VSAT. The omission of GMPCS from certain final interconnection clauses should not be treated as an affirmative permission.

Security and operational compliance will be central to implementation. Enterprises should assess network architecture, India-based systems and data storage, permitted remote access and cross-border arrangements, Indian citizenship and vetting requirements, trusted-product procurement, reporting and audit readiness before applying. Existing global monitoring, logging, offshore support and incident-response models may require redesign, although Captive VSAT offers defined, controlled routes for overseas connectivity and remote access.

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