

A much-awaited move – DoT issues draft rules for Authorisation for Captive Telecommunication Services

15 September 2025

On 10 September 2025, the Department of Telecommunications (DoT) released the draft Telecommunications (Authorisation for Captive Telecommunication Services) Rules 2025 (Draft Rules) under the Telecommunications Act 2023 (Telecom Act), for public consultation. The consultation is open till 9 October 2025. The Draft Rules follow from the Telecom Regulatory Authority of India's earlier recommendations on creating a dedicated authorisation framework for private enterprises establishing networks for captive use – a move that the industry has been eagerly awaiting.

It was anticipated that captive use will largely be confined to government entities. However, the Draft Rules expand eligibility by allowing any company incorporated under the Companies Act 2013 to apply. The Draft Rules introduce four categories of authorisation, viz., Captive General Service, Captive Mobile Radio Trunking Service (CMRTS), Captive Non-Public Network (CNPN) and Captive VSAT Service. The bottom line is that captive networks will operate in isolation and cannot be connected to the public telecommunication networks.

That said, certain questions remain. While the Draft Rules prescribe conditions for captive use, the term 'captive' itself has not been expressly defined. This creates ambiguity on the extent to which such use can extend beyond the applicant entity. For instance, whether affiliates or group companies would be permitted to leverage the network established by one entity remains unclear. Such clarity is crucial, since many enterprises typically operate through group structures and may wish to optimise costs by deploying a single captive network across affiliates.

Further, even though the network will be deployed for captive purposes, such authorised entities will be treated no differently from conventional telecom players. Reporting obligations, security and interception requirements, mandatory use of 'trusted telecom products,' and steep penalties for default will continue to apply. In effect, while enterprises are accorded a regulatory basis to operate captive/private networks, they must also prepare for comprehensive compliance and oversight standards.

Our key takeaways of the Draft Rules are as follows:

1. General Service Authorisation: The Draft Rules, inter alia introduce a Captive General Service Authorisation, permitting eligible entities to set up 'wireline' or 'wireless' telecom networks for captive / private use. However, the scope of 'wireline' and 'wireless' remains undefined and open to wide interpretation. Under the Telecom Act, a 'telecommunication network' is widely defined and may encompass not only terrestrial infrastructure but also subsea cable, spectrum connectivity, etc. Potentially, deployments of domestic terrestrial fibre and subsea cables through different models may fall within the ambit of this authorisation. Further clarity will emerge when DoT commences granting such authorisations to interested parties.
2. Authorisation Categories:
 - a. CMRTS Service: Eligible entities can establish mobile radio trunking systems for closed user groups. Roll-out must commence within 12 months of spectrum assignment.

- b. CNPN Service: Formal recognition is given to private 5G and other non-public networks, with a single authorisation permitted to cover multiple sites (with restrictions). Connectivity between sites is allowed through domestic leased circuits, enabling enterprises to build integrated private networks.
 - c. VSAT Service: Captive VSAT operators may connect multiple locations and are allowed to link to overseas offices through international private leased circuits. Internet connectivity through domestic leased circuits is also permitted.
 - d. General Services: Covers other captive uses not falling under the above categories, providing flexibility for specialised deployment
3. Lawful Interception and Right to Inspection: Authorised entities under the Draft Rules are bound by the general conditions applicable to telecom authorisations, including the requirement to establish facilities for lawful interception and monitoring. The Government also retains the right to inspect, and audit authorised entities. In effect, captive networks are placed under the same audit, inspection, and interception regime as conventional telecom players.

Comments

The Draft Rules mark a significant step in providing a statutory framework for captive telecommunication services. For private enterprises, the recognition of general captive services, CNPNs, VSATs, CMRTS under defined authorisations open new avenues for deploying secure, captive/private connectivity tailored to operational needs.

At the same time, certain ambiguities remain in the absence of definitions of 'captive', 'wireline' and 'wireless'. As and when the Draft Rules are implemented, it will be interesting to see how the provisions are ultimately interpreted and enforced. This will dictate the extent to which enterprises can leverage the framework in practice.

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