



JSA Prism Telecommunications

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Draft telecommunications rules on authorisation for telecommunication services

The Department of Telecommunications, in September 2025, released 3 (three) sets of draft rules under the Telecommunications Act, 2023 ("**Telecom Act**") namely the Draft Telecommunications (Authorisation for Provision of Main Telecommunication Services) Rules, 2025 ("**Main Services Rules**"), the Draft Telecommunications (Authorisation for Provision of Miscellaneous Telecommunication Services) Rules, 2025 ("**Miscellaneous Services Rules**"), and the Draft Telecommunications (Authorisation for Captive Telecommunication Services) Rules, 2025 ("**Captive Services Rules**") (collectively referred to as "**Draft Authorisation Rules**"). These Draft Authorisation Rules replace the long-standing licensing framework under the Telegraph Act 1885, with a unified authorisation regime. However, the Draft Authorisation Rules do not override any actions taken under the Indian Telegraph Act, 1885, such as the granting of licenses, registrations, or permissions. Such actions will continue to be governed by the provisions of the Telecom Act.

Unlike the detailed unified license agreements, the new authorisation will be a single-page document referencing the relevant rules. The Draft Authorisation Rules set category-specific provisions while also covering common eligibility, financial, technical, and national security requirements.

Draft Telecommunications (Authorisation for Provision of Main Telecommunication Services) Rules, 2025

Scope and service categories

The Main Services Rules are limited to 'main telecommunication services' which are classified separately from captive, miscellaneous, and broadcasting services. The 2 (two) categories of entities provided under the Main Services Rules are: (a) Network Service Operators ("**NSOs**"), who may establish and operate their own networks; and (b) Virtual Network Operators ("**VNOs**"), who must rely on NSOs for access. While VNOs may engage with multiple NSOs for wireline services, they are restricted to a single NSO for wireless services.

Service areas

The Main Services Rules clearly define authorisation boundaries for the following category of main telecommunication service: (a) national service area for unified services; (b) telecom circle or metro service area for access services; (c) national service area, telecom circle, or metro service area for internet services; and (d) national service area for long-distance services.

Eligibility, migration and tenure

Under the Main Services Rules, applicants must be companies incorporated in India, satisfy prescribed equity and net worth thresholds, comply with foreign direct investment (“**FDI**”) norms, and exclude prohibited investors. Existing licensees can choose to migrate to equivalent authorisations under the yet to be issued Telecom (Migration from License to Authorisation) Rules, 2025 (“**Migration Rules**”), alongwith their dues and liabilities carried forward. Authorisations, granted for a period of 20 (twenty) years, are renewable on compliance.

Application process and financial obligations

As per the Main Services Rules, applications should be made through an online portal, accompanied by non-refundable processing fees and financial guarantees which could be in the form of bank guarantee, insurance bond, or non-interest-bearing security deposit with the Central Government (“**Guarantee**”). The authorisations are non-exclusive, allowing multiple operators in the same service area. Financial obligations include an annual fee of 8% of Adjusted Gross Revenue (“**AGR**”) and spectrum usage charges where applicable. The cross-holding restrictions are also imposed to curb anti-competitive practices, except in NSO–VNO relationships.

Technical and operational conditions

Under the Main Services Rules, authorised entities must comply with the electromagnetic field exposure limits, fulfil right of way responsibilities, adhere to national numbering and frequency plans, and provide access to emergency services. The quality of service benchmarks will also apply to the entities.

Security obligations and special provisions

Under the Main Services Rules, extensive security conditions are prescribed, including lawful interception and monitoring, data localisation, restrictions on remote access, and mandatory procurement from ‘Trusted Sources’ and use of ‘Trusted Products’. A Chief Telecommunication Security Officer, who must be a resident Indian citizen, is required.

A dedicated chapter covers satellite communication networks, mandating Indian gateway locations, domestic traffic routing, and registration of user terminals.

Draft Telecommunications (Authorisation for Provision of Miscellaneous Telecommunication Services) Rules, 2025

Scope and categories

Under the Miscellaneous Services Rules, authorisations are classified into 7 (seven) categories: (a) Public Mobile Radio Trunking Service (“**PMRTS**”); (b) enterprise communication services; (c) Machine-to-Machine (“**M2M**”); (d) Prime Minister Wi-fi Access Network Interface (“**PM-WANI**”); (e) In-Flight and Maritime Connectivity (“**IFMC**”); (f) aeronautical data communication; and (g) international Subscriber Identity Module (“**SIM**”) services. Authorisations, granted for a period of 20 (twenty) years, are non-exclusive, and renewable.

Eligibility and migration

Under the Miscellaneous Services Rules, the applicants must generally be Indian companies, though M2M services are also open to limited liability partnerships, trusts, societies, and government entities. All applicants must comply with FDI norms and exclude prohibited investors. Existing licensees can choose to migrate to equivalent authorisations under the yet to be issued Migration Rules, with their dues and liabilities carried forward.

Application and fees

Under the Miscellaneous Service Rules, applications are portal-based, requiring processing fees, entry fees, and Guarantees. The letters of intent apply to some categories, while M2M, PM-WANI, IFMC, and international SIM are directly authorised.

The financial obligations differ as follows:

1. PMRTS and enterprise communication attract AGR-based fees;
2. M2M/PM-WANI/IFMC/International SIM are exempt; and
3. aeronautical data communication carries only a nominal charge INR 1 (Indian Rupee one) per year.

Operational and security obligations

Under the Miscellaneous Services Rules, operators must comply with rollout timelines, right of way norms, and localisation of data and network elements. The restrictions apply to interconnection with public networks for certain services. The security requirements include lawful interception, device and user traceability, procurement from trusted sources, restrictions on encryption/remote access, and annual compliance reporting. Key security roles must be held by resident Indians, with vetting of foreign personnel.

Service specific conditions

The Miscellaneous Services Rules also outline tailored conditions for each sub-category as mentioned below:

1. PMRTS has interconnection and rollout restrictions;
2. enterprise communication covers services like audiotex, cloud EPABX, and voice mail;
3. M2M mandates SIM/e-SIM traceability;
4. PM-WANI regulates the public data office aggregators and app providers;
5. IFMC applies to connectivity on aircraft/ships;
6. aeronautical data services cover air traffic communication; and
7. international SIM services set user verification and usage limits.

Enforcement

Under the Miscellaneous Services Rules, provisions also cover renewal, surrender, and revocation of authorisations. There is a requirement of only 1 (one) Guarantee per authorisation, the dues are recoverable as arrears of land revenue, and the Guarantees may be encashed for non-compliance.

Draft Telecommunications (Authorisation for Captive Telecommunication Services) Rules, 2025

Scope and categories

The Captive Services Rules create a framework for private, non-commercial telecom networks and recognise 4 (four) sub-categories: (a) Captive Mobile Radio Trunking Service (“**CMRTS**”); (b) Captive Non-Public Network (“**CNPN**”); (c) Captive Very Small Aperture Terminal (“**VSAT**”); and (d) captive general service. The authorisations granted for a period of 20 (twenty) years, are renewable and non-exclusive.

Eligibility, migration and holding restrictions

Under the Captive Services Rules, authorisations are available to companies incorporated in India and government entities, subject to FDI norms and exclusion of prohibited investors. An entity cannot hold more than one authorisation for the same service in the same area. Upon restructuring or acquisition, the existing authorisations are deemed subsumed and cancelled, but all liabilities continue. The existing licensees must apply to migrate to the corresponding authorisation and include proof of migration. Any processing/entry fees, previously paid, may be adjusted against the new authorisation fees.

Application, guarantees and fees

Under the Captive Services Rules, applications are portal-based with processing fees and Guarantees. CNPN and Captive General Services authorisations are granted without a letter of intent and are exempt from authorisation fees.

CMRTS and VSAT attract annual fees and Guarantees as follows:

1. CMRTS has a fee of INR 300 (Indian Rupees three hundred) per user terminal (minimum aggregate of INR 5,000 (Indian Rupees five thousand) initially, rising to INR 25,000 (Indian Rupees twenty-five thousand) from year 4 (four)) and INR 20,000 (Indian Rupees twenty thousand) Guarantee; and
2. VSAT has a fee of INR 10,000 (Indian Rupees ten thousand) per terminal per year, INR 7,50,000 (Indian Rupees seven lakh fifty thousand) entry fee and INR 3,00,000 (Indian Rupees three lakh) Guarantee.

Only 1 (one) Guarantee is required per authorisation. The payment schedules, interest on delayed payments, and audit/compliance requirements apply. Dues are recoverable as arrears of land revenue, and Guarantees may be encashed for non-compliance.

Technical, operational and security conditions

Under the Captive Services Rules, operators must ensure strict network isolation from public networks (no commercial/public use), comply with right of way and technical standards, and localise data to protect network integrity. Security obligations include lawful interception and monitoring facilities, procurement from trusted sources/products, and restrictions on remote access (foreign remote access only with prior approval). Transmission of unlawful or infringing content is prohibited and national security directives must be followed.

Category-specific conditions

Under the Captive Services Rules, there are category-specific conditions such as:

1. **CMRTS:** It is permitted for captive use only with rollout obligation (12 (twelve) months). There must be no interconnection with other networks and is subject to terminal-based fees.
2. **CNPN:** It is confined to premises and no authorisation fee is payable. The spectrum may be leased or assigned. There are strict isolation requirements for CNPN authorisations to ensure that such networks remain private and secure.
3. **VSAT:** For this authorisation, the entity must have satellite clearance. VSAT has a per-terminal annual fee, entry fee and Guarantee. It will also ensure the traffic/data is routing only through satellite earth station gateways and associated telecommunication networks located within India.
4. **Captive general service:** The conditions allow the establishment of wireline or wireless networks strictly for captive use, with no authorisation fee applicable and a mandatory strict isolation from public telecommunication networks.

Enforcement and remedies

The Captive Services Rules set out renewal, surrender, revocation and expiry actions. Further, a single Guarantee per authorisation may be encashed for breaches, and dues are recoverable as land-revenue arrears.

Conclusion

The Draft Authorisation Rules mark a significant step in modernising India's telecom regulatory and statutory framework designed to simplify and reduce compliance requirements for operators. It also takes in account the existing licences issued under the Indian Telegraph Act, 1885, while introducing a unified authorisation regime aligning with the Telecom Act. While tailored to main, captive, and miscellaneous services, they maintain a consistent structure, including portal based authorisation, clear eligibility criteria, financial and technical obligations, and stringent security norms. Adoption of this new authorisation regime is optional offering the existing licensee the choice to remain under the old licensing regime or opt for the new authorisation based structure as per the Draft Authorisation Rules. The framework is designed to be attractive for voluntary transition.

Once finalised, the Draft Authorisation Rules are expected to create a more predictable, transparent, and innovation-friendly environment for the telecom sector, while addressing critical policy concerns around competition, user safety, and national security. However, since migration is not mandatory, both systems may operate simultaneously, potentially leading to confusion and leaving the door open for overlaps and regulatory uncertainty as the old and new systems coexist.

Telecommunications & Broadcasting Practice

Our Communications practice is handled by a team with specific domain-expertise, and we advise various stakeholders in both Telecom & Broadcasting sectors on a wide range of transactions and assignments that involve constitutional, legal, contractual, commercial, regulatory and policy advice. We advise broadcasters, BPOs, Internet Service Providers (ISPs), operators and investors in the Global System for Mobile Communications (GSM) and the Code Division Multiple Access (CDMA) technologies, and new investors on diverse licensing issues, entry strategies, structuring, national security challenges, and other regulatory issues. Some of the main aspects handled / negotiated / advised by us include commercial arrangements; mergers & acquisitions (including FDI) and joint ventures; spectrum allocation; communication satellites; and regulatory compliances and strategic advice including handling regulatory proceedings. We represent the interests of licensees and other stakeholders in interacting with the licensor and regulators with respect to reforms in the regulatory and policy framework to facilitate business growth drawing upon international best practices. We advise and represent investors, broadcasters, and telecom licensees on commercial transactions in this sector, including restructuring, divestment, licensing, and project financing (vendor financing and corporate finance). We advise telecom service providers and other corporate houses on all aspects of spectrum licensing and allocation, including fundamental issues relating to the scope of spectrum bands, the regulatory framework governing their allocation in India, and planning, strategising and following up on their application to the Government. We advise and represent diverse entities in proceedings before the concerned licensing, regulatory, judicial and quasi-judicial authorities (including DoT, MIB, TRAI, TDSAT, various High Courts and the Supreme Court). In such proceedings we assist clients in developing strategies, render opinions, draft pleadings and lead/assist in the proceedings. We have a strong track-record of providing quality advice and concrete results to the above segments of the communications industry, and have been engaged in handling the key legal, regulatory and policy issues that have historically arisen in the industry.

This Prism is prepared by:



Tony Verghese
Partner



Radhika Gupta
Partner



Uddhav Gupta
Associate



18 Practices and
41 Ranked Lawyers



7 Ranked Practices,
21 Ranked Lawyers



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12 Ranked Lawyers



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For more details, please contact km@jsalaw.com

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