After installing telnetd and xinetd with command

```
sudo apt-get install xinetd telnetd
```

Create file `telnet` and put in `/etc/xinetd.d`

```
sudo nano /etc/xinetd.d/telnet
```

```
# default: on
# description: The telnet server serves telnet sessions; it uses
# unencrypted username/password pairs for authentication.
service telnet
{
disable = no
flags = REUSE
socket_type = stream
wait = no
user = root
server = /usr/sbin/in.telnetd
log_on_failure += USERID
}
```

Restart xinetd service

```
sudo service xinetd restart
```

In `xinetd.conf` you have `includedir /etc/xinetd.d` and don't need line

```
telnet      stream  tcp nowait  telnetd /usr/sbin/tcpd  /usr/sbin/in.telnetd
```

erase it.

In telnet file you can add more option like:

```
only_from = 192.168.120.0/24 #Only users in 192.168.120.0 can access to
only_from = .bob.com #allow access from bob.com
no_access = 192.168.120.{101,105} #not allow access from the two IP.
```

need to done in both machien (client and side)