

## Corporatization of Cable Industry in India

### Summary

In emerging telecom market of India, 80 M cable homes provide huge business opportunity to offer multi play service of voice, broad band internet, TV, VoD, music, photos, lottery and Fixed Mobile Convergence (FMC). Cable homes are growing at 8 % per annum to 120 M by 2012. There will be 20 M broad band cable subscribers by 2010. Conditional Access System (CAS) service has been introduced for addressability to overcome the problems of under declaration by the Local Cable Operators (LCOs). India would be a digital TV country by 2015 so that Govt recovers its dues from the LCOs. Regulations are falling in place to fix revenue share between content owners, MSOs and LCOs. Interconnect agreements are also being regulated under must provide clause. TV and content market alone will be around \$ 10 B by 2011. All the above presents an attractive opportunity to offer even telcos service to cable homes at least capex and opex. Thus, consolidation of MSOs and LCOs is imminent.

### Analysis

In India, this would have great impact on MSOs, LCOs and telcos. MSOs like Siticable, Hathway, Hinduja, Ortel, Sumangli are not yet equipped to offer telcos services. Telcos like Bharti, Tata, Shyam and HFCL are contemplating IPTV rather than IP-QAM so that they can offer MSOs services before they encounter Comcast([NMS:CMCSK](#)) vs Verizon([NYS:VZ](#)) scenario of US.

Whoever consolidates the MSOs and or LCOs, takes up a telco license can really milk the growing cable homes of India at least capex and opex. By sheer volumes of subscribers, the revenue even at lowest tariffs would be highly attractive.

The need is to assume a pivotal role of multi play service provider, carry along broadcasters, content enablement platform providers, lease fiber from IP 1 service providers like GAIL, Railtel, Power Grid and connect LCOs last mile coaxial cable network to make it a hybrid IP-QAM HFC. All the stake holders share revenue between them.