



BUSINESS PLAN · INDIA

ISP / Broadband Operator

Local and regional internet service provider

TELECOM

AISEVAK.IN · BY ABL DIGITAL TECHNOLOGIES

August 2026

This document is confidential and prepared for planning purposes. All financial figures are illustrative model assumptions for an Indian MSME context and must be validated against live quotes, local rates and professional advice before any investment or borrowing decision.

1. Executive Summary

This plan sets out an **ISP / Broadband Operator** in India — a local/regional Internet Service Provider delivering fixed broadband (fibre/FTTH via GPON) & connectivity to homes, businesses & institutions, licensed by DoT. It earns **recurring subscription revenue (subscribers × ARPU)** on a **capex-heavy network**, monetising India's surging fixed-broadband & data demand — a network-, subscriber-, ARPU-, churn- & capex-driven business where last-mile reach, network quality & subscriber economics decide returns.

India's fixed-broadband penetration is rising fast (WFH/OTT/gaming/data), with strong demand for reliable, high-speed fibre — an opening for local/regional ISPs to build last-mile networks & win subscribers, complementing national players. An ISP is a **capital-intensive network & subscription business**: it needs a DoT licence (Unified Licence / ISP), builds fibre/GPON last-mile (heavy capex), & lives on **subscriber base × ARPU × (1 – churn), net of upstream-bandwidth/peering cost, network opex & subscriber-acquisition**. Success rests on last-mile reach/coverage, network quality/uptime, subscriber acquisition & retention (churn), ARPU/plan mix, bandwidth cost & capex efficiency — it is capex-, subscriber-, ARPU- & churn-driven, with a recurring annuity.

This is a capital-intensive network business — funded by promoter equity plus term debt (network capex) & working capital. This plan models a local/regional ISP requiring **₹6 crore** (₹2.2 crore promoter + ₹3.8 crore bank finance), building a subscriber base toward recurring revenue of **₹5 crore** in Year 1 scaling to **₹15 crore** by Year 3. *(ISP/broadband; subscribers × ARPU recurring, capex/network/subscriber/churn-driven — figures illustrative; DoT licence & network capex prerequisites.)*

2. Business Description, Vision & Legal Structure

Concept: A local/regional ISP/broadband operator - fibre/FTTH (GPON) last-mile broadband & connectivity for homes/businesses/institutions, earning recurring subscription revenue, DoT-licensed.

Vision: To connect our region with reliable, high-speed, affordable broadband.

Mission: Deliver dependable fibre broadband & service - great uptime, speed & support - profitably at scale.

Legal structure options

- **Private Limited** — recommended for DoT licence, capex, debt & scale.
- **LLP** — possible for a small local ISP.

Regulatory anchor: an ISP needs a DoT licence — **Unified Licence (ISP authorisation)** (Class/Category by area), plus TRAI norms, right-of-way (RoW) for fibre, licence fees/SUC (as applicable), interconnection/peering, lawful-intercept & KYC/customer norms. Last-mile reach, network quality/uptime, subscriber acquisition/retention (churn), ARPU/mix, bandwidth cost & capex efficiency determine success; it is capex-, subscriber-, ARPU- & churn-driven, with a recurring annuity.

3. Promoter & Ownership

Led by a promoter with ISP/telecom, networking or local-connectivity expertise & execution capability. The team includes network/NOC (build & operations), field/installation, subscriber sales & support, & finance. Last-mile reach, network quality, acquisition/retention & capex efficiency are the differentiators. Ownership & stakes are editable inputs; DoT licence prerequisite.

4. Market Analysis — India

India's fixed-broadband & data demand is surging (WFH/OTT/gaming/cloud), with rising FTTH penetration & under-served local/regional markets — an opening for local ISPs to build fibre last-mile & win subscribers. Demand is data-/broadband-penetration-driven & growing. The market rewards last-mile reach/coverage, network quality/uptime, acquisition/retention, ARPU/mix & bandwidth-cost efficiency; it is capex-, subscriber-, churn- & competition-sensitive, met with reach, quality, acquisition & retention.

Demand drivers

- **Surging data/broadband** demand (WFH/OTT/gaming/cloud).
- **Rising FTTH/fibre** penetration.
- **Under-served local/regional** markets.
- **Business/institution** connectivity.
- **Reliability/service** gaps (local ISP edge).

Market sizing (illustrative framing)

Layer	Definition	Indicative scale
TAM	Fixed broadband in India	Very large & growing
SAM	Local/regional coverage area	Substantial
SOM (Yr 1-3)	Subscribers / homes-passed	Scaling

Target segments

- Residential (FTTH home broadband — core).
- Businesses/SMEs (leased/business broadband).
- Institutions (schools/offices).
- Bulk/apartment & enterprise.

5. Competition & Competitive Advantage

Landscape: national ISPs/telcos (Jio/Airtel/BSNL), other local/regional ISPs & cable operators. The ISP competes on last-mile reach/coverage, network quality/uptime, local service/support, price/ARPU value & responsiveness (local edge).

The business's edge

- **Last-mile reach & coverage (local density).**
- **Network quality/uptime & speed.**
- **Local service/support & responsiveness.**
- **ARPU/plan value & retention.**
- **Capex & bandwidth-cost efficiency.**

6. Products & Revenue Model

Stream	Model	Basis
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Residential FTTH broadband	Monthly subscription (ARPU)	Core recurring
Business/leased broadband	Higher ARPU / SLA	Margin
Institutional / bulk	Contracts	Volume
OTT/value-added & static IP	Add-on subscription	ARPU uplift
Installation / activation	One-time fee	Acquisition

Revenue is **recurring subscription = subscribers × ARPU** (residential core, business/leased higher-ARPU), plus OTT/VAS add-ons & installation. Economics = subscribers × ARPU × (1 – churn) – bandwidth/peering – network opex – acquisition, geared by network capex. Last-mile reach, quality, acquisition/retention (churn), ARPU & bandwidth cost drive it — the decisive ISP levers (capex-heavy, subscriber-annuity).

7. Go-to-Market — Subscriber Growth

- **Area-by-area network build** (homes-passed density).
- **Subscriber acquisition** (local sales/referrals/offers).
- **Service/uptime & local support** (retention/word-of-mouth).
- **Business/institution & bulk** (higher ARPU).
- **ARPU/plan & VAS** upsell.

Growth approach

Build fibre in target areas (homes-passed) → acquire subscribers (local sales/offers) → deliver quality/uptime & service (retention/low churn) → densify areas (higher utilisation of network capex) → add business/institution/bulk & ARPU/VAS → scale subscriber base. Reach, quality, acquisition & retention build the recurring annuity; network-capex utilisation (subscribers per km of fibre) drives returns.

8. Operations Plan (network + subscribers)

- **Network build:** fibre/GPON last-mile, OLT/ONT, backhaul/upstream bandwidth, RoW — capital-intensive.
- **NOC & operations:** network monitoring, uptime, maintenance, bandwidth/peering management.
- **Installation & support:** field teams, activation, customer support (retention-critical).
- **Subscriber management:** billing/OSS-BSS, plans, churn management.
- **Compliance:** DoT/TRAI, RoW, lawful-intercept, KYC, licence fees.

Workflow

Stage	Activity	Metric
Build	Fibre/GPON/homes-passed	Coverage/capex
Acquire	Subscriber sales/install	Subscribers/CAC
Operate	NOC/uptime/bandwidth	Uptime/bandwidth-cost
Retain	Service/support	Churn/ARPU
Comply	DoT/TRAI/RoW	Compliance

9. Regulatory, Licences & Compliance (India)

- **DoT:** Unified Licence (ISP authorisation) by category/area; licence fees/SUC.
- **TRAI:** tariff/QoS/consumer norms.
- **Network:** RoW for fibre; interconnection/peering; lawful-intercept.
- **Customer:** KYC; data; company; GST.

10. Organisation & Manpower Plan

Role	Yr 1	Yr 2	Yr 3
Promoter / leadership	1	2	3
Network / NOC & engineering	6	12	20
Field / installation & maintenance	10	22	40
Subscriber sales & support	8	18	32
Billing, finance & admin	3	6	10
Total	28	60	105

11. Implementation Timeline & Milestones

Phase	Timeline	Milestone
Setup	Month 0-4	Company, DoT licence, network build, first areas, launch
Ramp	Month 4-12	Subscriber acquisition, uptime, ₹5cr revenue
Densify	Year 2	Densify areas/subscribers, business/bulk, ₹10cr
Scale	Year 3	₹15cr revenue; subscriber base & ARPU

12. Financial Plan (Illustrative)

All figures are illustrative model assumptions for an Indian context, shown so the promoter can replace them with live rates. They are not projections of guaranteed results. ISP is capex-heavy with a recurring subscription annuity; subscriber base, ARPU, churn, bandwidth cost & network-capex utilisation drive economics; DoT licence & capex prerequisites.

12.1 Project cost & means of finance

Capital requirement	₹
Network capex (fibre/GPON/OLT/backhaul)	3,80,00,000
Working capital (bandwidth + opex runway)	1,10,00,000
NOC, billing/OSS-BSS & equipment	70,00,000
Licence, RoW, launch & pre-operative	40,00,000
Total project cost	6,00,00,000

Promoter contribution	2,20,00,000
Bank finance (term + WC)	3,80,00,000

12.2 Projected Profit & Loss (3 years)

Particulars	Year 1	Year 2	Year 3
Residential broadband subscription	3,50,00,000	7,00,00,000	10,00,00,000
Business/leased/institutional	1,20,00,000	2,50,00,000	4,00,00,000
OTT/VAS, installation & other	30,00,000	70,00,000	1,00,00,000
Total revenue	5,00,00,000	10,20,00,000	15,00,00,000
Bandwidth/peering & network opex	1,50,00,000	2,90,00,000	4,10,00,000
Salaries (field/NOC/support)	1,50,00,000	2,80,00,000	3,90,00,000
Acquisition, overheads & licence fees	90,00,000	1,70,00,000	2,40,00,000
Interest & depreciation (capex)	85,00,000	1,30,00,000	1,50,00,000
Total expenses	4,75,00,000	8,70,00,000	11,90,00,000
Net profit (before tax)	25,00,000	1,50,00,000	3,10,00,000
Net margin	5%	14.7%	20.7%

12.3 Unit economics & break-even

- **Subscribers × ARPU × (1 – churn):** recurring subscription is the annuity; ARPU (residential ~₹500–800, business higher), churn & subscriber density (subscribers per km of fibre / homes-passed utilisation) drive it; bandwidth/peering is the main variable cost.
- **Capex utilisation & churn:** the network is a fixed-cost asset — filling it (density) & retaining subscribers (low churn) are make-or-break; margins expand strongly as subscribers stack on built network.
- **Break-even:** at a subscriber/density threshold covering bandwidth, opex, interest & depreciation; margins improve markedly with density, ARPU, retention & scale.

12.4 Projected Cash Flow — Year 1 (quarterly, illustrative)

Particulars (₹)	Q1	Q2	Q3	Q4
Opening balance	25,00,000	20,00,000	21,00,000	22,00,000
Subscription collections	95,00,000	1,20,00,000	1,38,00,000	1,47,00,000
Bandwidth, salaries & operating	1,00,00,000	1,19,00,000	1,37,00,000	1,45,00,000
Closing balance	20,00,000	21,00,000	22,00,000	24,00,000

ISP economics: heavy upfront network capex, then a recurring subscription annuity — the ramp is filling built network with subscribers before it covers capex/opex. Subscriber density, ARPU, churn control, bandwidth-cost management, prepaid billing (favourable cash) & the WC line manage cash; the key risks are low subscriber density/utilisation, churn, competition (national telcos/price), bandwidth cost & capex/RoW — met with density, quality/service, retention & capex efficiency.

12.5 Key Performance Indicators to Monitor

- **Subscribers:** base; net adds; homes-passed utilisation; density.
- **Economics:** ARPU; churn; bandwidth cost/GB; subscriber-per-km.
- **Network:** uptime; speed; support/NPS.
- **Finance:** EBITDA; capex ROI; net margin.

13. Funding Requirement & Bankability

Total ask: **₹3.8 crore bank finance** against ₹2.2 crore promoter contribution — term for network capex (fibre/GPON) plus working capital (bandwidth/opex). Bankability rests on subscriber-acquisition trajectory, ARPU, churn, network-capex utilisation & the recurring annuity; India's broadband-demand tailwind supports it. Year-1 profit ~₹25 lakh (ramp) growing to ₹3.1 crore as subscribers stack on built network; density, ARPU & churn are key. Last-mile reach, quality, acquisition/retention & capex efficiency underpin the model. (*DoT licence & network capex are prerequisites.*)

13.1 Funding utilisation

Use of funds	₹	% of total
Network capex (fibre/GPON/OLT/backhaul)	3,80,00,000	63.3%
Working capital (bandwidth + opex runway)	1,10,00,000	18.3%
NOC, billing/OSS-BSS & equipment	70,00,000	11.7%
Licence, RoW, launch & pre-operative	40,00,000	6.7%
Total	6,00,00,000	100%

14. Risk Analysis & Mitigation

Risk	Mitigation
Low subscriber density / utilisation	Area-focused build, acquisition, homes-passed density, bulk/business
Churn / competition (national telcos/price)	Quality/uptime, local service, ARPU value, retention, niche
Bandwidth / peering cost	Peering, upstream negotiation, caching/CDN, efficiency
Capex / RoW / build delays	Phased build, RoW planning, capex discipline
Regulatory / licence / compliance	DoT/TRAI compliance, lawful-intercept, KYC, licence fees

15. SWOT Analysis

Strengths Broadband-demand tailwind; recurring subscription annuity; local reach/service edge; margins expand with density; sticky.	Weaknesses Capex-heavy; density/utilisation-dependent; churn/competition (national telcos); bandwidth cost; RoW/build.
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Opportunities FTTH growth; under-served areas; business/institution; OTT/VAS; bulk/apartment; ARPU upsell.	Threats National-telco competition/price; churn; bandwidth/regulatory cost; capex/RoW; technology shifts.
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16. Recommended AiSevak Tools for This Business

This ISP would use AiSevak's Telecom vertical tools in delivery:

- **Network & subscriber ops:** network/NOC & homes-passed/density, subscriber-acquisition/CRM & churn/ARPU, billing/OSS-BSS tools.
- **Compliance & finance:** DoT/TRAI/RoW & bandwidth/peering, capex/utilisation & licence-fee tools (with Legal & Finance verticals).
- **Practice:** Business Plan, subscriber/ARPU/churn and capex/Break-even tools to model the ISP.

17. Key Assumptions & Notes

- ISP/broadband: DoT-licensed (Unified Licence/ISP) fibre/FTTH last-mile broadband; recurring subscription (subscribers × ARPU); capex-heavy network + subscriber annuity.
- Subscribers × ARPU × (1 – churn) – bandwidth – opex – acquisition decisive; last-mile reach, network quality, acquisition/retention (churn), ARPU/mix, bandwidth cost & capex utilisation are the levers.
- Term (network capex) + WC (bandwidth/opex); DoT Unified Licence, TRAI, RoW, lawful-intercept, KYC, licence fees prerequisites.
- Subscriber density, ARPU, churn, bandwidth cost & capex utilisation drive economics; figures illustrative, exclude GST; DoT licence & capex prerequisites.

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