



BUSINESS PLAN · INDIA

Mining-Equipment Rental and Services

Excavators, drills and tippers on hire

MINING

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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 a **Mining-Equipment Rental & Services Business** in India — an asset-heavy business that owns a fleet of heavy equipment (excavators, drills, dumpers/tippers, loaders, dozers) and **hires it out to mines, quarries & infrastructure projects** on rental/contract-hire, with operators & O&M. It monetises fleet utilisation × hire rate — a fleet-, utilisation-, rate- & O&M-driven business tied to mining & construction activity.

Mining, quarrying & infrastructure operators increasingly **rent heavy equipment** rather than own it — to avoid capex, match equipment to project phases, & access maintained machines with operators. A mining-equipment rental business is an **asset-heavy fleet business**: it invests in excavators/drills/dumpers/loaders, hires them out (with or without operators/fuel) on hourly/daily/monthly or contract-hire terms, and earns recurring rental revenue. It is fleet-, utilisation-, rate- & O&M-heavy: **fleet utilisation & hire rate** are the economic core, alongside O&M/diesel, operator cost & fleet financing. Revenue = **fleet utilisation × hire rate** (± fuel/operator); economics rest on utilisation, rate, O&M/diesel, operator cost & fleet finance — it is fleet-, utilisation-, rate- & cost-driven, asset-heavy (financeable fleet).

This is a capital-intensive asset-heavy business — funded by promoter equity plus equipment/term loans (fleet is financeable collateral) & working capital. This plan models a mining-equipment rental & services business requiring **₹6 crore** (₹1.8 crore promoter + ₹4.2 crore equipment/term loan/WC), targeting **₹5 crore** revenue in Year 1 and **₹11 crore** by Year 3. *(Mining-equipment rental; utilisation × hire rate, fleet/utilisation/rate/O&M-driven, asset-heavy — figures illustrative.)*

2. Business Description, Vision & Legal Structure

Concept: A mining-equipment rental & services business - owning & hiring out excavators/drills/dumpers/loaders to mines, quarries & infrastructure, with operators & O&M.

Vision: To be the reliable equipment partner for mining & infrastructure - available, maintained machines & strong uptime.

Mission: Deliver high-uptime, well-maintained equipment with skilled operators - maximising client productivity & fleet utilisation.

Legal structure options

- **Private Limited / LLP** — recommended for fleet finance, contracts, liability & scale.
- **Proprietorship/Partnership** — possible for a small fleet but weak for finance/liability.

Regulatory anchor: equipment rental is asset-heavy but lighter on sector-licensing — vehicle/equipment registration & insurance, operator licences/training, GST (rental is a taxable supply), safety/labour & contract compliance; clients bear the mining-lease/EC compliance for the site. Fleet utilisation, hire rate, O&M/diesel, operator cost & fleet finance determine success; it is fleet-, utilisation-, rate- & cost-driven, asset-heavy (financeable fleet).

3. Promoter & Ownership

Led by a promoter with equipment/mining, heavy-machinery or contracting expertise. The team includes a fleet/operations manager, operators, maintenance/mechanics, dispatch/logistics, business development & accounts. Fleet utilisation, uptime/O&M, hire rate & client relationships are the differentiators. Ownership, equity & any partner are editable inputs.

4. Market Analysis — India

India's mining, quarrying & infrastructure activity drives strong demand for heavy-equipment rental — operators prefer renting to avoid capex & match equipment to project phases. Demand is mining-/construction-/infrastructure-driven. The market rewards fleet availability/uptime, utilisation, competitive rates, O&M & reliability; it is activity-cycle-, utilisation- & cost-sensitive.

Demand drivers

- **Mining/quarrying** operations.
- **Infrastructure/roads & construction.**
- **Rent-vs-own** (capex-avoidance).
- **Project-phase equipment matching.**
- **Maintained fleet + operators** (turnkey hire).

Market sizing (illustrative framing)

Layer	Definition	Indicative scale
TAM	Equipment rental (mining/infra) in India	Large & growing
SAM	Regional mines/quarries/projects	Substantial
SOM (Yr 1-3)	Fleet size & utilisation	Scaling

Target segments

- Mines & quarries.
- Infrastructure/road contractors.
- Construction & EPC projects.
- Crusher/aggregate units.

5. Competition & Competitive Advantage

Landscape: other equipment renters, OEM-rental arms & owner-operators. The business competes on fleet availability/uptime, utilisation/rates, O&M/operators, reliability & client relationships.

The business's edge

- **Fleet availability & uptime.**
- **Utilisation & competitive rates.**
- **O&M & skilled operators.**
- **Reliability & response.**
- **Client relationships & contract-hire.**

6. Products & Revenue Model

Stream	Model	Basis
Excavator/loader/dozer hire	Hourly/daily/monthly rate	Core utilisation

Dumper/tipper haulage hire	Rate / per-trip	Utilisation
Drilling rigs hire	Rate / per-metre	Utilisation
Contract-hire (with operator/O&M/fuel)	Monthly contract	Recurring
O&M / services	Service fee	Add-on

Revenue is **fleet utilisation × hire rate** (± fuel/operator; hourly/daily/monthly or contract-hire). Economics = fleet × utilisation × rate – (O&M/diesel + operator + finance/depreciation); utilisation, hire rate, O&M/diesel, operator cost & fleet finance drive it — the decisive rental levers (asset-heavy, financeable fleet).

7. Go-to-Market — Clients & Utilisation

- **Mine/quarry & contractor** relationships.
- **Contract-hire** (recurring, high-utilisation).
- **Uptime/O&M & reliability** (retention).
- **Competitive rates & availability**.
- **Fleet mix** matched to demand.

Sales approach

Build fleet → secure clients (mines/quarries/projects) → maximise utilisation (spot + contract-hire) → maintain uptime/O&M → retain via reliability → expand fleet with utilisation. Utilisation, uptime/O&M, hire rate & client relationships build an asset-heavy rental business tied to mining/construction activity; contract-hire smooths utilisation.

8. Operations Plan (fleet, asset-heavy)

- **Fleet:** excavators, dumpers/tippers, loaders, dozers, drills; mix matched to demand; registration/insurance.
- **Utilisation & dispatch:** deployment, scheduling, tracking (telematics), utilisation management.
- **O&M:** maintenance/mechanics, spares, uptime, breakdown response, fuel management.
- **Operators:** skilled operators, training, safety.
- **Finance & asset:** fleet financing, depreciation, resale/replacement cycle.

Workflow

Stage	Activity	Metric
Deploy	Client/site deployment	Utilisation %
Operate	Operator/hire hours	Hours/rate
Maintain	O&M/uptime	Uptime %
Bill	Rate × hours/contract	Revenue
Renew	Contract-hire/retention	Recurring

9. Regulatory, Licences & Compliance (India)

- **Equipment:** vehicle/equipment registration & insurance; fitness; roadworthiness (for on-road).
- **Operators:** operator licences/training; safety/labour.
- **Tax/contract:** GST (rental supply); hire/contract terms; TDS.
- **Site:** client bears mining-lease/EC; contractor safety compliance.

10. Organisation & Manpower Plan

Role	Yr 1	Yr 2	Yr 3
Promoter / fleet manager	1	2	2
Equipment operators	10	18	28
Maintenance / mechanics	4	7	11
Dispatch / logistics & BD	3	5	7
Accounts & admin	2	3	4
Total	20	35	52

11. Implementation Timeline & Milestones

Phase	Timeline	Milestone
Setup & fleet	Month 0–4	Entity, fleet finance, initial fleet, first clients
Ramp	Month 4–12	Utilisation, contract-hire, ₹5cr (ramp)
Grow	Year 2	Fleet expansion, utilisation, ₹8cr
Scale	Year 3	₹11cr revenue; utilisation & contract-hire

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. Mining-equipment rental is an asset-heavy business; revenue = fleet utilisation × hire rate; capex (fleet) is financeable; O&M/diesel, operator & finance/depreciation are the main costs; utilisation & rate are the economic core.

12.1 Project cost & means of finance

Capital requirement	₹
Fleet (excavators/dumpers/loaders/drills/dozers)	4,80,00,000
Workshop, tools & spares	50,00,000
Yard, office & telematics	30,00,000
Working capital (diesel/O&M + salaries runway)	40,00,000

Total project cost	6,00,00,000
Promoter contribution	1,80,00,000
Equipment / term loan / WC finance	4,20,00,000

12.2 Projected Profit & Loss (3 years)

Particulars	Year 1	Year 2	Year 3
Equipment hire (spot)	2,80,00,000	4,20,00,000	5,50,00,000
Contract-hire (with operator/O&M)	1,80,00,000	3,20,00,000	4,80,00,000
O&M / services & other	40,00,000	60,00,000	70,00,000
Total revenue	5,00,00,000	8,00,00,000	11,00,00,000
Diesel & O&M (spares/repairs)	1,80,00,000	2,85,00,000	3,90,00,000
Operators & wages	1,10,00,000	1,70,00,000	2,30,00,000
Overheads & insurance	50,00,000	75,00,000	95,00,000
Depreciation, interest & other	1,20,00,000	1,35,00,000	1,45,00,000
Total expenses	4,60,00,000	6,65,00,000	8,60,00,000
Net profit (before tax)	40,00,000	1,35,00,000	2,40,00,000
Net margin	8%	16.9%	21.8%

12.3 Unit economics & break-even

- **Utilisation × rate:** per machine, revenue = utilised hours × hire rate; utilisation is the make-or-break (idle fleet still carries finance/depreciation); contract-hire raises & smooths utilisation; diesel/O&M & operator are the main variable costs.
- **Fleet finance & asset:** the fleet is financeable collateral; depreciation/interest are real costs; resale value & replacement cycle matter; margins improve with utilisation & scale.
- **Break-even:** at a fleet-utilisation level covering diesel/O&M, operators, overheads & finance; margins expand with utilisation, contract-hire mix, rate & operating leverage.

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

Particulars (₹)	Q1	Q2	Q3	Q4
Opening balance	40,00,000	28,00,000	27,00,000	29,00,000
Hire collections	90,00,000	1,20,00,000	1,40,00,000	1,55,00,000
Diesel/O&M, operators, finance & operating	1,02,00,000	1,21,00,000	1,38,00,000	1,50,00,000
Closing balance	28,00,000	27,00,000	29,00,000	34,00,000

Rental is capex-heavy upfront (fleet, financed) with recurring hire smoothing cash as utilisation builds; diesel/O&M/operators & finance are steady. Utilisation, contract-hire, O&M/diesel management & a WC line manage cash; the key risks are utilisation/idle-fleet (finance still runs), activity-cycle demand, diesel/O&M cost, client-credit & asset/resale value — met with

contract-hire, uptime, diverse clients & fleet management.

12.5 Key Performance Indicators to Monitor

- **Fleet:** utilisation %; uptime %; hire rate; revenue/machine.
- **Cost:** diesel/O&M per hour; operator cost; spares.
- **Mix:** contract-hire share; client concentration.
- **Finance & asset:** net margin; DSCR; depreciation/resale; replacement cycle.

13. Funding Requirement & Bankability

Total ask: **₹4.2 crore equipment/term loan & WC** against ₹1.8 crore promoter contribution — for the fleet (financeable collateral), workshop & working capital. Fundability rests on the fleet as security, utilisation/contract-hire, O&M & mining/construction activity; equipment loans are well-understood by lenders. Year-1 profit ₹40 lakh growing to ₹2.4 crore as utilisation/fleet scale; utilisation, contract-hire & O&M are key. DSCR supported by utilisation × rate; fleet value, utilisation, O&M & demand underpin the model.

13.1 Funding utilisation

Use of funds	₹	% of total
Fleet (excavators/dumpers/loaders/drills/dozers)	4,80,00,000	80%
Workshop, tools & spares	50,00,000	8.3%
Yard, office & telematics	30,00,000	5%
Working capital (diesel/O&M + salaries runway)	40,00,000	6.7%
Total	6,00,00,000	100%

14. Risk Analysis & Mitigation

Risk	Mitigation
Utilisation / idle fleet	Contract-hire, diverse clients, fleet-mix matching, BD
Activity-cycle demand (mining/construction)	Diverse sectors/clients, contract-hire annuity
Diesel / O&M cost	Fuel management, preventive maintenance, uptime
Client credit / payment	Contract terms, advances, credit checks, retention
Asset / resale value	Maintenance, replacement cycle, resale planning

15. SWOT Analysis

Strengths Real-asset/financeable fleet; recurring contract-hire; rent-vs-own demand; O&M/operators; utilisation operating leverage.	Weaknesses Capex-/finance-heavy; utilisation-dependent (idle fleet costly); diesel/O&M-sensitive; activity-cycle-linked; asset-depreciation.
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Opportunities Mining/infrastructure growth; rent-vs-own shift; contract-hire; fleet expansion; telematics/services.	Threats Activity slowdown; diesel inflation; OEM-rental/competition; client-credit; asset-value risk.
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16. Recommended AiSevak Tools for This Business

This mining-equipment rental business would use AiSevak's Mining vertical tools in operations:

- **Fleet & utilisation:** utilisation/uptime & utilisation × rate, diesel/O&M cost-per-hour & revenue/machine tools.
- **Finance & contracts:** fleet-finance/DSCR & contract-hire, GST/hire-terms tools (with Finance & Legal verticals).
- **Practice:** Business Plan, break-even/DSCR and utilisation-economics tools to model the fleet.

17. Key Assumptions & Notes

- Mining-equipment rental: asset-heavy fleet business - owns & hires out heavy equipment to mines/quarries/infrastructure; revenue = fleet utilisation × hire rate (± fuel/operator).
- Fleet × utilisation × rate – (O&M/diesel + operator + finance/depreciation) decisive; utilisation & hire rate are the economic core (idle fleet still costs); contract-hire smooths utilisation; asset-heavy but financeable.
- Equity + equipment/term loan/WC (fleet financeable collateral); vehicle/equipment registration/insurance, operator licences, GST (rental supply); client bears site mining-lease/EC.
- Utilisation, rate, O&M/diesel, operator cost & fleet finance drive economics; figures illustrative, exclude GST; activity-cycle-linked.

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