



B U S I N E S S P L A N · I N D I A

Tyre and Battery Retail Business

The right tyres, batteries and expert fitment - keeping vehicles running safely

AUTOMOTIVE

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 a **Tyre & Battery Retail Business** in India — a multi-brand fitment & replacement retail outlet selling tyres & automotive batteries (for cars, two-wheelers & commercial vehicles) with fitment, wheel alignment & balancing, puncture/repair, battery testing & installation, plus related consumables & accessories. It earns thin-to-moderate product margins plus higher-margin fitment/alignment/balancing service on a large, recurring replacement market, monetising the fast-moving, essential nature of tyres & batteries & the huge vehicle parc — a replacement-driven, fitment-service-plus-product retail business.

Tyres & batteries are essential, wear-and-replace consumables with a large, recurring replacement market driven by India's huge & growing vehicle parc. A retail/fitment outlet earns thin-to-moderate product margins lifted by higher-margin fitment, alignment, balancing & battery services, with the key levers being brand tie-ups & product availability, service attach (alignment/balancing), inventory turns, location/footfall & multi-brand range. It is inventory- & working-capital-moderate with brand-dealer tie-ups; success rests on availability, service attach, turns, trust & location.

This is an MSME auto-retail business — funded partly by the promoter and partly through bank finance (term loan for setup/equipment + CC/OD for working capital, under Mudra/CGTMSE; brand-dealer tie-ups aid inventory). This plan models an outlet requiring **₹45 lakh** (₹16 lakh promoter + ₹29 lakh bank finance), targeting **₹1.8 crore** revenue in Year 1 and **₹3.2 crore** by Year 3. *(Tyre & battery retail; replacement-driven, product + higher-margin fitment/alignment service, brand-tie-up & turns-driven.)*

2. Business Description, Vision & Legal Structure

Concept: A multi-brand tyre & battery retail & fitment outlet - tyres, batteries, alignment/balancing, fitment & battery service - fast, trusted, available.

Vision: To be the trusted tyre & battery destination in its catchment.

Mission: Keep vehicles running safely with the right tyres, batteries & expert fitment.

Legal structure options

- **Proprietorship / Partnership** — simplest for a single outlet.
- **LLP / Private Limited** — recommended for multi-outlet, brand tie-ups & funding.

Regulatory anchor: a tyre & battery outlet is an auto-retail/service establishment — Shops & Establishments, GST, trade licence, brand-dealer/distributor tie-ups, battery/e-waste (Battery Waste Management Rules — EPR, buy-back/old-battery), pollution (if any), fire/safety & consumer/warranty. Brand tie-ups & availability, service attach (alignment/balancing/fitment), inventory turns, location & trust determine success; replacement-driven, product + higher-margin service.

3. Promoter & Ownership

Led by a promoter with auto-retail, tyre/battery trade or business experience & brand relationships. The team includes fitment technicians (alignment/balancing/battery), sales/counter & a manager. Availability, service quality, brand tie-ups & trust are the differentiators. Ownership & stakes are editable inputs.

4. Market Analysis — India

India's tyre & battery replacement market is large, essential & recurring, driven by a huge & growing vehicle parc (cars, 2W, CV), wear-and-replace cycles, road conditions & rising vehicle age. Tyres & batteries must be replaced periodically regardless of economy — a defensive, recurring demand. The market rewards brand availability/range, service (alignment/balancing/fitment), trust, location & turns; it is competition- (organised chains, brand outlets, local shops, online) & turns-sensitive, met with availability, service attach, trust & multi-brand range.

Demand drivers

- **Huge & growing vehicle parc.**
- **Wear-and-replace** recurring demand.
- **Road conditions & vehicle age.**
- **Alignment/balancing & safety** awareness.
- **Defensive/essential** consumption.

Market sizing (illustrative framing)

Layer	Definition	Indicative scale
TAM	Tyre & battery replacement in India	Very large & recurring
SAM	Catchment vehicle parc	Substantial
SOM (Yr 1-3)	Units & service jobs	Scaling

Target segments

- Car, 2W & CV owners (replacement).
- Fleets & commercial (bulk/AMC).
- Alignment/balancing & safety-conscious.
- Local & catchment walk-ins.

5. Competition & Competitive Advantage

Landscape: organised tyre chains (Apollo/MRF/CEAT branded outlets, Tyremarket-type), local tyre/battery shops, workshops & online. The outlet competes on availability/range, service (alignment/balancing/fitment), price/value, trust & location.

The outlet's edge

- **Multi-brand availability & range.**
- **Service (alignment/balancing/fitment).**
- **Brand tie-ups & genuine products.**
- **Trust, speed & location.**
- **Fleet/AMC & turns.**

6. Products & Revenue Model

Stream	Model	Basis
Tyres (multi-brand)	Thin-moderate margin (12-20%)	Core volume
Batteries	Margin (15-25%) + old-battery buy-back	Core/recurring
Alignment, balancing & fitment	High-margin service	Margin/attach
Puncture, repair & consumables	High-margin	Footfall/margin
Fleet/AMC & accessories	Volume/recurring	Base/attach

Tyres & batteries are thin-to-moderate margin (12-25%) but recurring & essential; **alignment, balancing, fitment & repair services** are the higher-margin attach that lifts profitability. Brand availability/range, service attach, inventory turns & fleet/AMC drive economics — the decisive tyre-battery levers; service attach against fast-moving product is the profit lift.

7. Go-to-Market — Marketing & Sales

- **Local & catchment** visibility (Google/signage).
- **Brand tie-ups & co-op** promotions.
- **Service (alignment/balancing) attach.**
- **Fleet/AMC & B2B.**
- **Trust, speed & referrals.**

Sales approach

Attract (location, brand, Google, offers) → convert with availability, advice & trust → attach high-margin alignment/balancing/fitment → serve fleets/AMC → retain via trust, service & referral. Product turnover + high-margin service attach + fleet build profit on essential, recurring demand.

8. Operations Plan

- **Outlet & equipment:** retail counter, fitment bays, alignment & balancing machines, battery testing/charging, tyre inventory (multi-brand); old-battery/e-waste handling.
- **Process:** stock (brand tie-ups) → sell (advice) → fit/align/balance/install → old-battery buy-back/e-waste → service & retention.
- **Inventory & turns:** multi-brand range, fast-moving stock, turns; brand-dealer tie-ups aid inventory/credit.
- **Tech:** POS/inventory, brand catalogue, CRM/reminders, fleet/AMC.
- **Compliance:** Shops & Establishments, GST, battery-waste (EPR)/e-waste, brand tie-ups, warranty.

Tyre-battery workflow

Stage	Activity	Metric
Stock	Multi-brand/tie-ups	Availability/turns
Sell	Advice/fit	Units/conversion

Service	Align/balance/install	Service attach/margin
Recycle	Old-battery/e-waste	EPR compliance
Retain	Reminders/fleet/AMC	Repeat/referral

9. Regulatory, Licences & Compliance (India)

- **Registration:** Shops & Establishments; trade licence; Udyam (MSME).
- **Battery & e-waste:** Battery Waste Management Rules (EPR); old-battery buy-back/collection; e-waste handling.
- **Tax & trade:** GST; PAN/TAN; brand-dealer/distributor tie-ups & warranty.
- **Safety & consumer:** fire/safety; consumer-protection; product warranty (tyre/battery).

10. Organisation & Manpower Plan

Role	Yr 1	Yr 2	Yr 3
Promoter / manager	1	1	2
Fitment technicians (align/balance/battery)	4	7	11
Sales / counter	2	3	5
Fleet/B2B & support	1	2	4
Admin & accounts	1	2	3
Total	9	15	25

11. Implementation Timeline & Milestones

Phase	Timeline	Milestone
Setup	Month 0-2	Outlet, equipment, brand tie-ups, inventory, launch
Ramp	Month 2-7	Footfall, service attach, fleet, turns
Traction	Month 7-12	Service attach & turns; ₹1.8cr revenue
Expand	Year 2	Brands, fleet/AMC, service, second bay
Scale	Year 3	₹3.2cr revenue; second outlet

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. Tyre & battery retail; product thin-moderate margins + higher-margin service, replacement-driven, turns-sensitive.

12.1 Project cost & means of finance

Capital requirement	₹
---------------------	---

Outlet fit-out & fitment bays	12,00,000
Equipment (alignment/balancing/battery)	10,00,000
Opening inventory (tyres/batteries)	15,00,000
Licences, deposits & pre-operative	4,00,000
Working-capital margin	4,00,000
Total project cost	45,00,000
Promoter contribution	16,00,000
Bank finance (term + CC, Mudra/CGTMSE)	29,00,000

12.2 Projected Profit & Loss (3 years)

Particulars	Year 1	Year 2	Year 3
Tyres	1,05,00,000	1,50,00,000	1,80,00,000
Batteries	50,00,000	72,00,000	90,00,000
Alignment, balancing, fitment & service	25,00,000	43,00,000	50,00,000
Total revenue	1,80,00,000	2,65,00,000	3,20,00,000
Cost of goods (tyres/batteries)	1,32,00,000	1,90,00,000	2,28,00,000
Salaries & technicians	20,00,000	30,00,000	40,00,000
Rent, utilities & overheads	14,00,000	18,00,000	22,00,000
Marketing, interest & other	7,00,000	10,00,000	12,00,000
Total expenses	1,73,00,000	2,48,00,000	3,02,00,000
Net profit (before tax)	7,00,000	17,00,000	18,00,000
Net margin	3.9%	6.4%	5.6%

12.3 Unit economics & break-even

- **Product + service:** tyres/batteries are thin-moderate margin (12–25%) but recurring; high-margin alignment/balancing/fitment service is the profit lift & drives blended margin.
- **Turns & availability:** fast-moving stock & multi-brand availability against inventory holding; turns & brand-tie-up credit ease WC.
- **Break-even:** at a volume + service-attach threshold covering fixed costs; reached within Year 1 given essential recurring demand; service attach & fleet lift margins (Year 2+).

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

Particulars (₹)	Q1	Q2	Q3	Q4
Opening balance	4,00,000	4,10,000	4,25,000	4,50,000
Collections	38,00,000	44,00,000	48,00,000	52,00,000
Purchases, salaries & operating	37,90,000	43,85,000	47,75,000	51,40,000

Closing balance	4,10,000	4,25,000	4,50,000	5,10,000
-----------------	----------	----------	----------	----------

Retail is immediate cash/UPI/card (favourable); brand-dealer tie-ups aid inventory/credit; fleet/AMC may carry short receivables. Turns, service attach, brand credit, CC & the WC margin manage cash; slow/overstocked tyre sizes & battery ageing are the main risks — met with turns & brand replenishment.

12.5 Key Performance Indicators to Monitor

- **Sales:** units (tyres/batteries); service attach %; ticket size.
- **Margin:** product margin; service margin; blended margin.
- **Inventory:** turns; size/brand availability; battery ageing.
- **Retention:** fleet/AMC; repeat; referral.

13. Funding Requirement & Bankability

Total ask: **₹29 lakh bank finance** against ₹16 lakh promoter contribution — term loan for setup/equipment + CC for working capital, under Mudra/CGTMSE (brand-dealer tie-ups aid inventory/credit). Bankability rests on essential recurring demand, service-attach margins, turns & brand tie-ups; immediate cash & defensive demand support servicing. Year-1 profit ~₹7 lakh & growing; equipment is financeable; service attach & turns de-risk.

13.1 Funding utilisation

Use of funds	₹	% of total
Opening inventory (tyres/batteries)	15,00,000	33.3%
Outlet fit-out & fitment bays	12,00,000	26.7%
Equipment (alignment/balancing/battery)	10,00,000	22.2%
Licences, deposits & pre-operative	4,00,000	8.9%
Working-capital margin	4,00,000	8.9%
Total	45,00,000	100%

14. Risk Analysis & Mitigation

Risk	Mitigation
Slow/overstocked sizes & battery ageing	Turns; multi-brand replenishment; brand tie-ups; data-driven stocking
Thin product margins	Service attach (alignment/balancing); fleet/AMC; brand co-op
Competition (chains/online/local)	Availability, service, trust, speed & location
Battery-waste/EPR compliance	Old-battery buy-back & authorised recycling; EPR compliance
Working capital	Turns; brand credit; CC; WC margin

15. SWOT Analysis

Strengths Essential, recurring, defensive demand; service-attach margin; immediate cash; huge parc; brand tie-ups.	Weaknesses Thin product margins; inventory (size/brand) & battery-ageing; competition; catchment-limited.
Opportunities Growing parc; service attach & fleet/AMC; multi-brand; EV batteries; second outlet.	Threats Online & chains; price competition; brand-margin pressure; EV-shift (battery mix change).

16. Recommended AiSevak Tools for This Business

This tyre & battery outlet would use AiSevak's Automotive vertical tools in delivery:

- **Retail ops:** POS/inventory & brand-catalogue, service-attach & turns, fleet/AMC and CRM/reminder tools.
- **Compliance:** Shops-&-Establishments, battery-waste (EPR)/e-waste, GST and brand-tie-up/warranty tools (with Legal & Finance verticals).
- **Practice:** Business Plan, service-attach/turns and Break-even tools to model the outlet.

17. Key Assumptions & Notes

- Tyre & battery retail/fitment; multi-brand product (thin-moderate margin) + higher-margin alignment/balancing/fitment service; replacement-driven, recurring.
- Service attach, availability/range, turns & brand tie-ups decisive; essential defensive demand; immediate cash.
- Term + CC finance (Mudra/CGTMSE; brand-dealer tie-ups); Shops-&-Establishments, battery-waste (EPR)/e-waste, GST, warranty.
- Service attach, turns, availability & fleet drive economics; figures illustrative, exclude GST.

► Use these tools now — free on AiSevak

Every tool referenced in this plan is available on aisevak.in. Open the **Automotive toolkit** to browse and use them all at <https://aisevak.in/verticals/automotive> — or go straight to any specific tool at <https://aisevak.in/service/<tool-name>>. No signup needed to explore; each tool guides you step by step.

Prepared by AiSevak.in — a product of ABL Digital Technologies. AI-powered business services for India. This is AI-assisted guidance; figures are illustrative and not a guarantee of results. Verify all numbers, licences and regulatory requirements with a qualified professional before relying on this plan for binding decisions. © 2026 ABL Digital Technologies Private Limited.