



## Quipo Redefining Equipment & Rental Services

**Mr. Pradeep Kathuria,** CEO, Construction Equipment Rental for Quipo Infrastructure Equipment Limited, places very cogent and convincing argument for hiring of equipment by construction companies in an interview to P.P. Basistha. He spells out how it makes commercial and logical sense for construction companies, to hire equipment along with services rendered by Quipo to cater to an array of hiring requirements, imparting it a competitive edge over others.

**How would you justify that hiring an equipment is a more viable option rather than owing it by construction companies, precisely in the present scenario when order book of companies are laden with large volume of projects?**

Despite large work volume, the reason for hiring equipment by construction companies can be justified broadly on two accounts in the present construction market scenario. First, by hiring the equipment, construction companies can actually focus their attention on their core business operations i.e. executing the construction projects in an efficient way. Hiring the equipment enables them to completely hive off the liability of operating and maintaining the equipment.

Secondly, as convention goes, every construction project, whether large or medium scale has its own cycles. The cycles put up the demand of the equipment as per the requirement of the project based on its construction stages and also on the basis of the pace of execution of the project by the construction companies backed by the promoters.

Based on the cycles, requirement of equipment becomes intermittent. As for example in a road construction project, demand of motor graders is placed at 50 percent within the total project cycle, so is the case of road milling machines.

Led by the cycles, maintaining large inventory of equipment by construction companies could prove to be commercially unviable. All these makes a better sense for construction companies to hire equipment than actually owing it.

**Justify your view further on hiring equipment, while evaluating the cost equation involved vis-à-vis owing and hiring. Provide your views based on Quipo's service model.**

As I have mentioned, construction project cycles may make it a commercial liability for construction companies to maintain large fleet of equipment. This is where the idea hiring of equipment has an edge from the commercial point of view. The same is for operating and maintaining the equipment which could prove to be burdensome for companies unless they have the desired competence

to run and maintain the equipment.

We at Quipo Infrastructure Equipment Limited mitigate the financial liability from one end to the other, a construction company may counter, beginning from incurring a large capital expenditure while buying the equipment followed by recurring expenses while operating the equipment throughout its life cycle.

Through our construction equipment bank, we provide wide range of equipment to construction companies along with desired skilled manpower to run the equipment. Besides, we also provide our services in maintaining the equipment throughout its entire operation period by providing components replacement and maintenance services support. Our concept to operate through a one stop shop model by providing the entire chain of services makes it financially remunerative for construction companies to shop (hire) from Quipo.

I would add, that we operate though economies of scale by being nearer to our customers. Our yards and warehouses are located much close to where our equipment are working. Logistically, this allows us to pass on the cost benefit to our customers and simultaneously enables us to make our operations commercially viable.

**Services provided by Quipo are much similar to the services provided by construction equipment companies to its customers. How would you claim that your services are competitively positioned post renting of the equipment?**

I would like to claim that we do not have any competition with equipment manufacturers. Rather we complement the operation of

equipment manufacturers by being their customers. As any other construction or Rental Company, Quipo purchases the equipment from OEM's and rents them out.

The equipment manufacturer is selling the equipment to the buyer which may be a rental company or a construction/Infrastructure Company and then providing warranty and post warranty services such as repair etc. to the equipment.

Whereas, we are a rental company and we are offering equipment services to the end user without becoming an owner of that equipment. Therefore, an equipment manufacturer and rental company can never be competing with each other.

As a matter of fact these are two options available to the customer.

If the customer needs equipment for a duration of more than 3 years or so, then he may invest to buy the machines & if the requirement is for a shorter duration or is in intervals, then he/she may take the same from a rental company.

**How far is Quipo's equipment bank positioned to meet the heterogeneous and high capacity equipment demand requirement?**

Our equipment bank is much well positioned to meet the wide range of equipment demand, that too for high capacity equipment. We have the products to meet high capacity demand requirement. However, we are further in the process of upgrading the capacity of the product mix at our bank.

Our equipment bank consists of general construction equipment consisting dozers, motor graders, hydraulic excavators, backhoe loaders, wheeled loaders, air compressors, power generators, fork lift tractors etc.

For soil improvement requirements we have equipment involving, hydraulic piling rigs, rotary mechanical piling rigs, hydraulic vibratory extractors, pile drivers with power pack.

Our road construction equipment comprise crusher plant, hot mix plant, asphalt sensor pavers, tandem rollers, vibratory soil compactor, and pneumatic tyre roller.

Quipo also has concrete equipment at its bank. This consists of batching plant, concrete pump, concrete placer boom, transit mixers etc. While, our transport equipment consists of dumpers our lifting equipment range involves, stationery tower cranes, mobile tower cranes, crawler cranes, rough and all terrain cranes.

**How are your stock yards and service network positioned? Plans to expand the same.**

We have stock yards located across the country in Gurgaon, Mumbai, Chennai, Kolkata, Hyderabad, Bangalore, Guwahati, Ahmedabad and Neemrana at Rajasthan. We are also opening yards at, Chandigarh, Lucknow, Jhansi, Bhopal, Salem, Patna, Bhubhaneswar, Nagpur etc, over a period of time. Our yards are complete with repair and stocking facilities.

To maintain quality and adequate stocks we procure components from the authorized dealers of OEM's. Our service network is backed up by more than 200 engineers and more that 1500 personnel/operators for all round operation. Quipo's service network is also backed up by skilled operators for individual machines, continuously trained and educated by OEM vendors.