



GS Caltex: Growing by the Day in Indian Market



India's ECE OEMs are getting sophisticated and offering top-of-the line equipment which require specialised lubes and engine oils. In an exclusive interview to **CONSTRUCTION OPPORTUNITIES**, **JAYANTA RAY, GENERAL MANAGER – INDUSTRIAL & OEM, GS CALTEX INDIA PVT LTD**, explains the need for high performance lubricants, that machines are now moving away from conventional base oils and how GS Caltex is fostering growth through its products and strategy in the Indian Market.

Which user segments are the biggest demand drivers for your products, and major demands made by end-users.

Rapid industrialisation in China, India, Brazil, Russia, and South-East Asian nations like Indonesia, Vietnam, etc., has encouraged applications in industrial machinery maintenance. Rising construction spending in Asia-Pacific and Latin America have also been key drivers for the global industry. These products are extensively utilised in construction and infrastructure sectors for hydraulic oil, bearings, engine oil and grease applications. Additionally, R&D initiatives such as the development of synthetic polymers to reduce harmful environmental effects are projected to boost global lubricants industry demand.

Detail us on your product portfolio for the construction and mining industry.

India is a huge market for both Automotive and Industrial lubricants. GS Caltex wants to operate in both domains. Also, we have a Base Oil Division in India. Currently, we have presence in domains of construction and mining, general engineering, auto

manufacturing and auto components, etc. Currently GS Caltex products has got high acceptance in many OEMs and Key Accounts in the above segments. Moreover, construction and mining customers have provided excellent feedback and credentials about GS Caltex products and services in India, which is no small feat for an organization which is just five years old in the Indian market.

We have a complete portfolio of brands for Infrastructure and Construction sector as below:

- Engine Oils - Kixx Range of Oils
- Gear Oils - GS Geartec Range of Oils
- Hydraulic Oils – GS Hydro Range of Oils
- Grease – GS Grease range

What is the USP of your products vis-à-vis competitors.

In many industrial applications, oils formulated with GS Caltex premium base oils KIXX LUBO range can dramatically improve performance over Group I formulations — with minimal or no cost increases. Due to the chemical and physical

properties of GS Caltex Group II base oils, lubricants blended with them can withstand tougher operations and environments, including higher operating temperatures, smaller sumps, higher power densities, longer drain intervals, lighter materials, and more compact designs than their Group I counterparts. GS Caltex Base Oils possess all five base oil attributes that are key to industrial oil quality as mentioned below:

- Operates over high viscosity range
- Excellent Oxidative and Thermal Stability
- Improved Water Separability
- Excellent Low Temperature Properties
- Enhanced Air Release Properties

Some innovative product/technology developed by your company.

A suitable example here would be GS Caltex developed PAO (Polyalphaolefin) based fully synthetic fluids. Kixx PAO DX Euro 15W40 is a synthetic engine oil based on the Tri-Synthetic formula including PAO. Meeting American Petroleum Institute (API) performance Standards and

European Standards, the Kixx PAO line up boasts superior oxidation stability, delivers a smooth and comfortable ride, and provides complete engine protection.

Tie-ups with construction and mining OEMs who use your products.

Our very impressive range of high quality finished lubricants is now supplied to large businesses including major OEMs viz. Hyundai Motors, Volvo Construction Equipment, Volvo Trucks and Buses, Hyundai Construction Equipment India, POSCO, KPCL, JSPL, KOHLER, HYVA, Indus Towers, Sono Koyo, GTL, Ajax Fiori, and EPC construction companies like Ashoka Buildcon, IRB, Balaji Infra etc to name a few.

It is worthwhile to mention here that GS Caltex India is declared as the Winner of 2nd Best Lubricant Company Award at Construction Opportunities Excellence Awards 2016 at BAUMA CONEXPO INDIA held in Gurgaon in Dec'2016, which sums up all our efforts in last 7 years for Indian Industry and OEMs.

In what way will your products benefit end-users.

GS Caltex Industrial Lubricants portfolio focuses on all types of costs including Product Cost, Maintenance Costs and Administration Costs, thereby reducing the Total Cost of Ownership (TCO) for a business house.

High-performance lubricants from GS Caltex offer you reliability at all temperatures, lower oil consumption, significantly lower fuel consumption, and specifically extended service intervals. And just 1 per cent lower fuel consumption means fuel savings of several hundred Rupees per vehicle every year.

GS Caltex products are the reflection of power of technology and innovation packaged into superior quality lubricants which has already benefitted many OEMs in India and abroad. Over the past few years, we have developed relations with leading construction equipment manufacturers as mentioned above as a proof of our performance. This has contributed to our market position and guarantee the outstanding performance of GS Caltex products. Whether grease for bearings in vehicles and machinery, or hydraulic oils for all sorts of applications or engine and

gear oils for all the vehicles operating on construction sites – GS Caltex is the single source for world class lubricants.

Tell us about your refining facilities in India, in terms of types and capacities.

GS Caltex is a Fortune 500 fully integrated oil company. Its most modern refining capacity is located at Yeosu Complex of South Korea with a refining capacity of 790,000 barrels/day. The other facilities include de-sulphurisation facilities (274,000 barrels/day), Heavy oil upgrading facilities like HCR, VR-HCR, hydro-cracker, base oil plant, and VGO FCC. The petrochemical unit consists of the world's largest aromatics plant (2.8 million tons/year) and a high-quality poly-propylene plant.

In India, our lube oil blending facility is based in Panvel near Mumbai with all accredited Quality Certifications as QS 9000, ISO 14001, and duly audited by major OEMs like Hyundai, Volvo etc.

As an integrated oil company, we participate in the full value chain and can manage supply chain through our own base oils 'Kixx Lubo' imported from our own refinery in South Korea and blend hi-performance lubricants in India.



What will be the impact of BS-VI norms on your product line.

OEMs in off-highway segments are constantly focusing on new technologies aimed at improving fuel economy, minimising emissions, and optimising work environment. To meet stricter emission norms, OEMs will use EGR and SCR technologies, possibly a DPF, depending on the approach when industry moves towards BS VI.

On the fuel economy side OEMs may need to review all engine systems to reduce consumption. This could include higher pressure fuel injectors, the addition of boosting systems, high-efficiency SCR, combustion technology, and downsizing the engine itself. GS Caltex has already invested in developing its PAO based Kixx range of Engine Oils (Kixx DX EURO 15W40 – API SJ4) to meet future demands. Product categories meeting API CK4 and API FA4 Standards are also ready for launch and will be in market as India moves to stricter emission norms.

How Green and recyclable are your products.

With focus on environmentally sustainable solutions, market is moving towards fully synthetic products (Group III and PAO based Base Oils). Increasing popularity of synthetic lubricants due to advantages over conventional lubricants will propel growth in construction and mining segment over next five years. We manufacture all products with Group II+ and above.

Your market outlook for lubes and engine oils, and for your company

India's demand is projected to rise between 2-3 per cent annually to approximately 2.38 mt in 2020. India's lubricants consumption per capita remains low at 1.6 kg in 2015, compared to 2.7 kg for Indonesia, 5.2 kg for China, and 8.1 kg for Malaysia, suggesting considerable long-term upside potential. Above factors has enabled our parent organization to invest in India.

For engine oils, new legislative mandates, exhaust after-treatment systems, and engine hardware changes, are working together to create harsher conditions in which lubricant is operating, which has its effects on overall performance of the oil. Part of the solution can be addressed through lubricants technology.

Thus, new service categories like API CK4 and API FA4 are born to meet the goals of emission norms and to accomplish overall performance. In India API CK4 and API FA4 product categories will arrive by 2020 when India moves to BSIV fuel quality Standards. CK4 fluids have HTHS of 3.5cP or higher and are backwards compatible. But FA4 will have reduced HTHS of 2.9-3.2cP and will have better fuel economy potential but are not backward compatible. ♦