

Big plans for Avi-Oil in civil aviation, automotive-industrial sectors



Launched as a joint venture between PSUs Indian Oil Corporation Ltd. and Balmer Lawrie along with Nyco of France with the aim of manufacturing and supplying aviation and allied lubricants for India's Defence Services, Avi-Oil India (P) Ltd. has come a long way. With the company now focusing on new high-growth areas such as civil aviation, its CEO V K Mathew speaks at length on the performance so far and plans for the future.

V K Mathew
CEO, Avi-Oil



The main objective of setting up Avi-Oil back in 1993 was to achieve self-reliance in lubricants for the defence forces. Could you tell us how far this plan has been successful?

Our stated mission is to ensure the nation's self-reliance in the strategic area of Aviation Lubricants. Towards this objective, we are proud to have set up the first (and probably still only) Aviation Lubricants plant in India. The plant, located at Faridabad includes a blending unit for aviation oils, an ester manufacturing unit for production of synthetic base-stocks, Quality Assurance, filling and packaging facilities.

While indigenously manufacturing these products in India, Avi-Oil has always laid emphasis on the quality of its products. To achieve this, we have established a modern state-of-the-art laboratory for Quality Assurance. The Quality Management System of AVI-OIL is certified to comply with the International Standards ISO 9001:2015 and SAE AS 9100:2016. The company provides technical support to customers for evaluation and re-inspection of the products and assists the Defence forces and other customers on lubricant applications and its usage.

At the time of its inception, the knowledge levels within the Defence forces on Aviation Lubricants was at best rudimentary. Avi-Oil has played a major part in disseminating its knowledge on Aviation Lubricants and its usage for the various aircrafts operated by the Defence. Avi-Oil was key in developing the entire Lubricants Approval process and procedures within the existing eco-system of the Defence forces and the regulatory bodies.

Avi-Oil has also indigenously developed a few products for specialty applications. Today more than 90% of the products we supply are manufactured at our plant.

Looking back at the last quarter of a century, if not for Avi-Oil, these strategic products would have had to be imported. Hence, we can proudly say that we have been contributing highly to the country's quest for indigenisation of these highly sophisticated products.

At present, Avi-Oil is giving much importance to lubricants in civil aviation. Please elaborate on the latest initiatives in this regard.

The Civil Aviation sector is witnessing major growth. In this sector, India has already become the third largest market

in the world having the potential to become the second largest by 2020.

We have traditionally focussed on the military sector and acknowledge that this is the ideal opportunity for us to focus on the Civil Aviation sector. We already have most of the products / approvals in place. Now it is a question of projecting ourselves as an ideal partner for the commercial airlines with a superior customer value proposition. However, we expect this to take a little time as changing existing Supply Chains for commercial airlines include high level decisions.

AVI-OIL offers a comprehensive range of Turbine oils, hydraulic fluids, multi-purpose greases and lubricants for helicopters, business jets and aircraft. We offer high performance products as well as cost-effective, customized solutions to meet the needs of our customers.

Our products are approved by major OEMs like Safran, CFM, GE, Rolls Royce, Pratt & Whitney, and Pratt & Whitney Canada etc. and air framers like Airbus, Boeing, Bombardier, ATR, Eurocopter, Dassault Aviation, Embraer and many others.

In India, AVI-OIL is approved by the Directorate General of Civil

Aviation (DGCA) under Section 2, Category 'E' of CAR.

Lubricants for gas turbines are also a part of Avi-Oil's product line-up. Could you give us details?

AVI-OIL provides tried and tested products for the efficient lubrication of marine and industrial aero-derivative ground gas turbines. These high performance turbine oils are dedicated to aero-derivative gas turbine performance, with excellent thermal oxidation stability, engine cleanliness and superior lubricity. Our aero-derivative gas turbine oils, Turbonycoil 600 and Turbonycoil 640 cover the gamut of operations in the Power Generation (simple and combined cycle, cogeneration etc.), oil & gas applications and marine propulsion.

Turbonycoil 600 is the standard grade turbine oil used for GE LM series, Avon & RB 211 engines.

Turbonycoil 640 is designed for high temperature equipment.

We also have in our portfolio Turbonycoil 321 which is an analogue of MS-8p for the majority of Russian designed gas turbines (Mashproekt) and Turbonycoil 210 A which is an analogue of the Russian type IPM-10

Avi-Oil is involved in providing several automotive and industrial applications. Could you elaborate?

Our strategy for the Automotive

and industrial applications is clear. We manufacture a range of products with various ester technologies having a primary focus on polyol and complex esters that we promote to the oil companies for their synthetic formulations for automotive or Industrial applications.

In the Automotive & Industry sectors, there is a growing interest for high-performance lubricants driven by extending drain intervals and longer life, better resistance to ageing, improved energy efficiency and fuel economy. Consideration of environmental impact is also gaining ground. Conventional mineral oil based lubricants have certain limitations in achieving these. Hence new technologies like synthetic oils (including esters) are preferred.

On the Industry side also, we have developed a few finished lubricants which are safe in nature, bio-degradable and environmentally friendly e.g. our Nycodiel range of Synthetic Bio-degradable Fire-Resistant Transformer oils. We will continue to develop niche products which are safe and Bio-degradable.

What are your future plans for the company?

While our initial objective of ensuring the nation's self-reliance in the strategic area of Aviation Lubricants has largely been met, we have to now look forward to the future. In this dynamic scenario, while our mission continues to ensure

the Defence forces requirement of Aviation Lubricants are met locally, we have other sectors opening up as well. Our thrust for growth in the future will focus on the Civil Aviation and the Industrial & Automotive segments.

Our short term plans are to consolidate our existing business with the Defence forces in India and drive up the financial indicators of Turnover and profitability. In the medium term we hope to become a bigger player in the Civil Aviation market and in the long term we hope to become a major player in the Industrial & Automotive sector making us one of the leading synthetic players in the country.

At our plant in Faridabad we have a lubes blending plant and an ester manufacturing facility which are adequate to meet our current marketing plans. We still have spare capacity for the present and remain flexible to add capacity as and when the need arises especially if the Industrial sector booms.

Does Avi-Oil exports its products? Tell us about the company's major customers.

Avi-Oil's mandate beyond India extends to the countries of Sri Lanka, Nepal and Bhutan. All these markets are relatively small compared to India. However, we do export aviation products to the military and commercial segments in these countries. We are now looking at promoting industrial lubricants and esters also in these markets.