



KINGPIN OF THE OIL TOOL MARKET

India-based BOTIL Oil Tools is one of those unique companies in the oil and gas service sector – it manufactures its own equipment which is then utilised by some of the biggest oil companies globally. President of Operations, R K Gogia asserted that despite a slump in oil prices, BOTIL is still well-placed to keep on booming. Andy Probert discovered more.



IN the high stakes world of oil and gas, BOTIL Oil Tools of India enjoys a unique place at the top table of the movers and shakers that drive this competitive industry.

Its phenomenal range of products is seen as an integral part of the success with some of the biggest oil majors on the planet. For BOTIL Oil holds a unique seat in this niche market – it is an established designer, manufacturer and global supplier of a comprehensive range of down-hole drilling and production oil tools.

These comprise of several divisions: bridge plugs and cement retainers; primary cementing equipment; liner hanger systems; hydraulic and mechanical permanent and retrievable packers (including seal bore production and test packers); flow control; gas lift valves; conventional and side pocket mandrels and safety valves and accessories.

All of these are manufactured at its new state-of-the-art 40,000sqm plant at Bhora Kalan, Gurgaon, Haryana, less than 40 miles from New Delhi International Airport.

The plant houses research and development activities, a CAD centre, a proto-shop, validation test well – up to 15,000 psi, 500F and 200,000lbs axial loading; a test station equipped with water testing up to 30,000 psi, nitrogen gas testing up to 22,500 psi, mud testing up to 17 bpm, material testing laboratories, a manufacturing shop with 52 machines (mostly CNC turning centres for doing 100 per cent mechanical items production in-house) as well as an assembly and dis-assembly training centre equipped with 64 fully functional products for customer field engineers.

Indian Flag Bearer

The company, which employs 350 people, has become a flag bearer for Indian industry on the world stage. It was set up in 1987 by India's most experienced oil field engineer Mr H L Khushalani as a joint venture with Baker Oil Tools, a division of Houston-based Baker Hughes. ▽





today. That is the main difference between us and our international competitors.”

Such strength has resulted in recent breakthroughs in markets such as Algeria, Kuwait, Thailand and Malaysia. “We are on the world stage and are well known to almost all the big buyers who send out direct enquiries. However, we do have active sales and service agents who remain in close contact with the buying centres of clients in major markets.

“BOTIL participates in selected industry exhibitions and together with a host of other innovations, we make it easy for prospective clients to locate and contact us.”

Mr Gogia said that the economic straits of recent times had been countered by BOTIL working to its strengths: superior quality, a great product range from one source, specially engineered and configured product lines at competitive rates, besides

the advancements such as CAD-CAM system with 3D modelling and a stress analysis facility.

On the plus side, the company is currently setting up an assembly and test facility in Algeria and seriously reviewing one in Kuwait for service contracts, scouting for a suitable partner to set up manufacturing in the MENA region to serve the GCC market from close quarters. The company has also doubled capacity with the addition of eight modern 5-Axis multi-tasking turn-mills from Mazak, Japan, to its machine shop.

Suppressed Prices Require Cost Benefits

Despite the current market conditions, Mr Gogia said BOTIL is “receiving more quotation requests from global buyers and large service providers now since all users want cost benefits, along with the high quality of equipment.

“In view of the shrinking opportunities in the market, there is a trend for intense competition in all the markets. But BOTIL, being a low cost producer of international standard quality equipment, is uniquely placed to increase its market share all across the markets. Ultimately, our success is based on the back of customer satisfaction.”

And for one last move, he said, that satisfaction is borne out by BOTIL’s repeat orders success. “Our score on this count is upwards of 70 per cent in India with the largest buyer having placed over 200 repeat purchase orders over the years.

“Meanwhile, it is over 55 per cent in the global market with some buyers having placed over 60 repeat purchase orders.”

In other words, its place at the top table in the oil tools niche is very much going to be a permanent fixture. ■



Commercial production quickly followed in 1989 and ever since, it has racked up numerous industry beacon landmarks, including recognition by the Indian Ministry of Science and Technology for establishing a world-class research and development centre that has accounted for 90 per cent of the company’s current product line.

The company commits around five per cent of turnover to research and development, although different products call for varying investments in proto developments.

Quality underscores the BOTIL empire and crops up on several occasions with President of Operations Mr R K Gogia. “Quality is not a word bandied around by the company; it lives, breathes and acts on this. Quality for us is a critical key element.”

Having ISO 9001 since 1994 and API Q1 since 1998, BOTIL’s quality management system is approved by Shell, KOC, BJ Services, British Gas, Cairn Energy and the world’s largest service companies in the oil and gas wells segment.

This is matched by eight API product monogramming licenses reflecting the

products that match the highest quality and reliability standards similar to any international major in the oil tools industry.

With a turnover at nearly \$20 million, its domestic to export business is equally split. It has customers in 51 countries and has supplied more than 100,000 units to over 87 exploration and production companies.

Diverse Clientele Base

Mr Gogia said its diverse clientele stretched from USA and Venezuela in the west to China in the Far East, every major country in the MENA region, and from Iceland in the north to Australia on the southern side of the globe.

Apart from that, it also offers running services on all its products with major users of its equipment in Algeria, Egypt, Indonesia, Kuwait, Oman and Venezuela besides OIL, ONGC and Transocean in India.

Mr Gogia reflected: “The economics of oil exploration and production has been impacted by the suppressed prices of crude, likely for an extended duration. One key differentiator is that we can offer world class quality products at highly competitive prices, which everyone is looking for

