Background

Caltex started operations in India in 1936. It was then a 50:50 joint venture between Chevron Corporation and Texaco Inc. With the merger of Chevron and Texaco, Caltex is now a 100 per cent subsidiary. ChevronTexaco employs more than 6,000 people across Asia Pacific, the Middle East and Africa.

CGIL is engaged in import, storage, bottling and marketing of LPG in South India. CGIL’s LPG bottling plants are located at Chennai and Madurai while its import terminal is located at Tuticorin. CGIL has a turnover of about US$ 35 million, investments of around US$ 60 million and currently employs 95 people.

India challenges

Considering the shortfall in the availability of LPG in India, the Government of India allowed private players to enter into retail LPG market under a parallel marketing system. Caltex started its Indian LPG operations by entering into JV with SPIC which became operational in 1998. CGIL became a 100 per cent subsidiary of ChevronTexaco from December 2001.

Well-known private sector player in the LPG market

Liquefied Petroleum Gas (LPG) in India is distributed predominantly through cylinders. Caltex has a capacity of 35,000 cylinders per day using automated carousels. The company has fully integrated plants with end-to-end infrastructural facilities from shipping to marketing.

The Tuticorin facility was the country’s first refrigerated LPG import terminal and has a capacity of 850 metric tonnes. It was built with an investment of US$ 13 million. CGIL is the only private sector player fully geared to meet the bulk demands of commercial and industrial establishments. Caltex offers mainly Straight Run LPG, which is the purest form of LPG and is directly imported from the Arabian Gulf.

Rated number one by CARE

CARE rated Caltex as “Good” in safety, and it was the first parallel marketer to receive such a rating in India. This rating is an essential requirement for private players.

Factors for success

Strong parental support

CGIL sources LPG through ChevronTexaco’s trading offices in Singapore and London and can therefore procure it at international prices.

LPG connection and refills via Internet

Caltex is one of the few retail gas operators offering instant gas connections through its e-Gas initiatives. This initiative allows users to register online for an LPG connection (delivered within a fixed timeline), seek dealers close to their residences and order refills over the Internet.

Complete infrastructure facilities

Caltex has a dedicated fleet of multi-capacity tankers and trucks on a contract basis to ensure that supplies are on time. The company also provides a one-stop shop for bulk LPG for both, industrial/commercial establishments.

Leveraging the India Advantage

Manpower

For Caltex, one of India’s key strengths is the availability of skilled and educated manpower at low costs. Caltex exports talent from India to its operations worldwide.

Leverage low cost base learnings

Caltex has a low cost base for LPG in India. It has been able to leverage and share its learnings from India with other group companies around the world.

Future plans

Caltex could increase its investments in India when the Government policies change to make the LPG industry a level playing field between public and private sectors.

Caltex Gas India Pvt Ltd:

AT A GLANCE

- ChevronTexaco: Parent. 6,000 employees. US$ 20.2 billion revenues.
- Caltex: 100 per cent subsidiary of ChevronTexaco. Turnover of US$ 35 million. Investment of US$ 60 million. 95 employees.
- Capacity: 35,000 cylinders per day. Mainly Straight Run LPG, imported from the Arabian Gulf.
- Rated number one by CARE in the safety category.
- Factors for success: Strong parental support. LPG connections and refills via Internet. Complete infrastructure facilities.
- For Caltex, India is a skilled and educated manpower source for worldwide operations. Low cost base.
- Future plans, India: May increase investments.