CHAPTER - VII

SUGGESTIONS & RECOMMENDATIONS
Suggestions & Recommendations

On the basis of conclusions & findings we have given certain guidelines & recommend some principles for overcoming the challenges facing by both the private & public sector organisations to be followed. They are as follows:-

Suggestions for production Management: - For the optimum utilization of resources and for timely delivery of product for meeting the demand supply requirement appropriately some of the guiding principle layout are as follows:-

- Storage facilities for raw materials and intermediate and finished products may be located in isolated areas or in adjoining areas. Hazardous material becomes a decided menace to life and property when stored in large quantities and should consequently be isolated. Storage in adjoining areas to reduce materials handling may introduce an obstacle toward future expansion of the plant. Arranging storage or materials so as to facilitate or simplify handling is also a point to be considered to design. Where it is possible to pump a single material to an elevation so that subsequent handling can be accomplished by gravity into intermediate reaction and storage units. Costs may be reduced. Liquids can be stored in small containers, barrels, horizontal or vertical tanks and vats, either indoors or out of doors.

Equipment Layout: In making a layout, ample space should be assigned to each prices of equipment accessibility is an important factor for maintenance,

- It is extremely poor economy to fit the equipment layout too closely into a building. A slightly larger building appears necessary will cost little more than one that is/that crowded. The extra cost will indeed be small in comparison with the penalties that will be extracted if, in order to iron out the kinds, the building must be expanded.

- The Operations that constitute a process are essentially a series of units operations that may be carried on simultaneously. These include filtration, evaporation, crystallization, separation, and drying. Since these operations are repeated several times in the flow of materials, it should be possible to arrange the necessary equipment into groups of the same kinds. This sort of layout will make possible a division of operation labor so that one or two operators can be detailed to tend all equipment of a like nature.

- The relative levels of the several pieces of equipment and their accessories determine their placement. Although gravity flow is usually preferable, it is not altogether necessary because liquids can be transported by blowing or by pumping, and solids can be moved by mechanical means. Gravity flow may be said to cost nothing to operate, whereas the various mechanical means of transportation involve the first cost of the necessary equipment and the cost of operation and maintenance. But material must be elevated to a level where gravity flow must start. However, gravity flow usually means a multistory layout, whereas the factors favoring a single-story plant may largely, if not entirely, compensate for the cost of mechanical transportation.

- Access for initial construction and maintenance is a necessary part of planning. For ex-
ample, overhead equipment must have space for lowering into place, and heat-exchange equipment should be located near access areas where trucks or hoist can be placed for pulling and replacing tube bundles. Thus, space should be provided for repair and replacement equipment, such as cranes and forklift trucks, as well as access way around doors and underground hatches.

- Safety: A great deal of planning is governed by local and national safety and fire code requirements. Fire protection consisting of reservoirs, mains, hydrant, hose houses, fire pumps, reservoirs, sprinklers in building, explosion barriers and directional routing of explosion forces to clear areas, and dikes for combustible – product storage tanks must be incorporated to protect costly plant investment and reduce insurance rates.

Suggestion for Environment: Pollution and Effluent Treatment

Pollution problem is worldwide and abatement of pollution is a global problem. Many factors contribute to pollution domes and all aspects such as air, water, solid waste, heat, radiation, noise, vibration should be considered. In India pollution is concerned mainly with air and water. There are two main source of air pollution i.e. vehicular traffic and industry. Pollution from the transport system can be effectively minimized by timely maintenance of the engines of motorcars, trucks and buses.

Another important source of pollution is from incomplete combustion of fuels in industry.

Water and effluent treatment plants and monitoring of environment at the plant have always been attributed special significance. The management of water, effluent treatment and air pollution control is not only a statutory obligation in meeting particular standards of pollution control, but its neglect affects productivity, profitability and the morale of the employees and public at large.

Anti pollution measures are highly capital-intensive operations, therefore correct approach to the problem would be prevention of the pollution. Pollution control in an important aspect of industrial development and it will give a boost to the industry. It provides protection to natural resources. Each industry should carry out, characterization of effluents and pilot plant studies before finalization on a treatment process. Effluent from different industries is varied in characteristics and hence the treatment process of one need not be the same as the other.

All industries should consider the feasibility of re-using treated water in a combined effort to minimize fresh water consumption. It would be a sound policy to consider pollution abatement as an integral part of the process. Pollution control methods have centered around the end-of – pipe solutions such as installation of effluent treatment plant, the dust collectors and scrubbers to reduce effluents and emissions after these are generated.

Effluent treatment refers to any artificial process to which industrial and domestic effluent is subjected, on order to remove or alter its objectionable constituents. Treatment renders the effluent harmless an it can then be discharged without causing pollution. The various methods of effluent treatment can be broadly classified into primary and secondary
treatment. Primary treatment involves the removal of floating and suspended solids and grease and oil for which unit plant like screens, grit, chambers and skimming tanks are used. Finely suspended solids are removed in sedimentation tanks. Large solid matters and heavy sediments are removed by screening and grit removal process. This is essential to protect the subsequent treatment units.

Sedimentation, removes a large proportion of the suspended impurities and thus clarifies it to a large extent, only very fine suspended and colloidal solids are retained in the effluent. Chemical coagulation is useful for industrial effluent which does not respond to biological treatment and which require good clarification as pretreatment.

The action of aerobic bacteria is brought about by either passing the effluent through a medium in which these organisms are cluttered over a period of time by constant use, as in the case of filtration, or by seeding the effluent with 'activated matter'.

The activated sludge process aerates an admixture of raw effluent and previously aerated sludge (which contains bacteria and is a sediment of the aerated effluent) for a given period of time during which organic matter and dissolved substances are oxidized, thus stabilizing the effluent. Oxidation in this case is achieved in a relatively short period of time. The solid matter is settled in a settling tank and the stable effluent is then discharged.

Secondary treatment makes the effluent extremely stable and in this stabilized condition can be safely discharged without causing pollution. The above treatment methods just described are generally applicable to most industries, but the design variables and the degrees of treatment required for each effluent differ from industry to industry.

In each of the above cases, effluent treatment plants can serve a utility function. Effluent treatment plants are designed to treat a particular effluent having given characteristics to produce an output of a given quality.

A mixture of industrial effluent and sewage or raw water can be treated together to give the required feed water.

**Need for Harmonization of Accounting Standard :-**

There is a need for harmonization of divergent accounting practices in oil industry. At the same time, it is not an easy task, given the complexity and uncertainty of the mining and exploratory business to infer particular accounting treatment as superior over the other. Evolving consensus over the issue requires a great amount of research and study. Any pronouncement made without proper research and consultation will require frequent amendments in further, resulting in considerable cost as some entities might make major changes in their system to adhere to amendments. Although there has been recognition of the uniformity of the task involved in this respect, the matter is getting dragged due to other priorities of the standard setting bodies.
Demand and supply

The country has reached near self-sufficiency, with installed refining capacity of 109mtpa but refinery throughput during the said period was about 98mtpa and the imports for the said period was about 12mtpa of petrol products (including private). For FY01, domestic production from refineries is estimated to be 109.58mtpa (about 2.31 million barrels per day) while consumption would be around 104mtpa. During the said period, the 17 refineries together would process about 112mtons of crude. The domestic crude supply is expected to be around 31.97mtons and imports, including imports by Reliance Petroleum Ltd and Mangalore Refinery and Petrochemicals Ltd are estimated to be about 80.9mmt.

IOC is the canalizing agent for all petrol products (for PSUs only) similarly export of these is undertaken only if the domestic demand is insufficient. Even in the case of de-canalized products excepting Naphtha, the actual imports are negligible as the price subsidy in the products marketed by public sector oil companies is so large that importation/parallel marketing of the imported products becomes uncompetitive. Till such time APM continues subsidies - price disparities are likely to exist, and would not in any way affect the ability of the refineries to market the products.

The situation could however change dramatically in the event of decontrol of the industry and removal of the petroleum products from the negative list.

Present demand/supply scenario and tariff structure

The estimated consumption of LOBS excluding re-refined oils during the year 1999 is estimated to be more than 700mmt as against the actual production of 632mmt. Due to the procedure followed by OCC in fixation of transfer prices for LOBS, the landed cost of imports has been cheaper than the domestic price of LOBS. The integrated oil companies (i.e. IOC & HPCL) which produce LOBS are constrained to use their own production at transfer prices, but MRL, which is a pure refiner, is experiencing a lot of difficulty in marketing the LOBS. We understand that the oil companies are marketing LOBS, as lubricants at price, below the transfer price by foregoing a part of LOBS refining margins. Unless the lube refinery is fully de-regulated, the situation does not look all that good for LOBS manufacturers at least in the immediate future. By the end of Ninth Plan Period the capacity is expected to increase to about 129mtpa as against the estimated 110mtpa. The proposed refineries include:

<table>
<thead>
<tr>
<th>Refinery</th>
<th>Capacity</th>
</tr>
</thead>
<tbody>
<tr>
<td>BORL (Bharat Oman Refinery Ltd), Central India</td>
<td>6.00</td>
</tr>
<tr>
<td>IOC, East Coast</td>
<td>9.00</td>
</tr>
<tr>
<td>HPCL, Punjab</td>
<td>9.00</td>
</tr>
<tr>
<td>Essar</td>
<td>10.00</td>
</tr>
</tbody>
</table>
We expect all these capacities to come up by 2006 while the projected demand for the same period as per Tata Research Institute would be about 157 mtpa. Thus contrary to the belief the refinery capacity would be lesser than the estimated demand.

**Regional supply/demand**

The region-wise consumption of lubricant products is given in table. Region-wise consumption of lubricant products

**Sales in tmt - 1995-96 Percentage share**

<table>
<thead>
<tr>
<th>Product</th>
<th>North</th>
<th>East</th>
<th>West</th>
<th>South</th>
<th>Total</th>
<th>North</th>
<th>East</th>
<th>West</th>
<th>South</th>
</tr>
</thead>
<tbody>
<tr>
<td>LUBES</td>
<td>165</td>
<td>150</td>
<td>239</td>
<td>165</td>
<td>719</td>
<td>22.95</td>
<td>20.86</td>
<td>33.24</td>
<td>22.95</td>
</tr>
</tbody>
</table>

As per studies conducted by OCC, the consumption of petroleum products is likely to reach a level of 113 mmt by the year 2001-02. Moreover with the commissioning of planned refineries, excepting for northern and eastern India, product availability would be in surplus. There would however be a huge deficit in the northern region this could be partially met by refineries in the western region using the Kandla-Bhatinda pipeline. The refineries currently being set up in the western and northeastern part of the country carry a risk of operating in the region, where products are in surplus, thus they would have to compete directly with the existing players in the sector. Disposal of the product itself could be a serious problem in the northeast with no choice but to export the surplus.

**Suggestions for Dealers / Distributors**

1. Maintain inventory: The dealer should always maintain stock according to the quarterly or monthly demand because if the customers don't find the product at your shop then he will go to another and this will lose the number of customers and shop reputation also.

2. Became a good link between the customers & companies: It is the dealer who is directly in touch with customers and company and the relations between them should be effectively maintained, dealer play sound role as connecting link and pass the right message to them, do not add misleading things for maintaining healthy relations.

3. Render the good services by follow the company guidelines: Certain guidelines has been formed by company for dealers for effective services and maintain efficient distribution network they work appropriate unless it works according to these guidelines if they don not follows it properly then the chances of break of these system increased. for facilitation this kind of situation dealer should follow the guidelines of company.

4. Duties towards customers

A. Selling the original product: the dealers should sell the original product they are dealing, in most cases during survey we see that the dealers are selling duplicate or local branded lube oil instead of original product, these activities loses the faith of customers towards dealer and towards company also.

B. Provide scheme benefit fairly: In most cases during survey we see that the dealers do not render
the promotional schemes for customers as the company provide to them this is also a big reason for losing the customers, the scheme benefit if not delivered properly makes an adverse image of dealers & company amongst customers.

C. Become a good advocate for customers – Most of the customers are not aware about product quality and the grading of lube oil for these reason company provide a recommendation card to dealers to give it to the customers for goods selection but for selling purposes if they do not have particular lube oil then dealer suggest the available one which is harmful to engine and vehicle, sometime we see that dealers as giving brake oil in place of engine oil and saying to customers that no problem you can use it, after all oil is oil. This tendency should be removed and should become of good advocate to yours customers.

Suggestion for Customers:

1. Always choose sound quality product :- The customers should always chose the products of sound quality because lubricant play a very important role in the life of vehicle, as good as the customers choose the lubricant the life span of engine and vehicle would be enhanced and customers could get the best services from their vehicle.

2. Purchase decision should be open minded :- The purchase decision should be open minded and it should not be influenced by any misleading approach and wrong promise made by companies, In the market there are so many companies attract the customers by promising him which is not possible in real life situation so the customers should always away from such companies while purchasing products.

The purchase decision should not be influenced by advertising, most of the customers purchased the product because of advertisement effect, they should understand that the advertisement cost included with product cost and it is the cost which is paid by customers.

3. Ready or accept changes and innovations :- According to survey it is found out that most of the customers are brand loyal it is good thing but the customers should be always aware about the product quality and newer innovations in the market and should be ready to accept the changes of product and if other company is providing better product then they should ready to adopt the better option.

4. Suggest and complaint for better options:-

In the recent time it is the customer who decide the market conditions so they should always use their power to upgrade the product qualities & services by giving suggestions and if find any fault or poor services they should complaint directly to the company officials.

5. Follow commendations.

For better services and output of product the customers should follow the usage guidelines, which will not only safeguard for engine and vehicle but also ensure the satisfaction level of customers some of the guidelines are as follows;

● Lubricating Car Engine oils play a major role in determining the life and the performance of car engine. Check oil level at least once in two weeks and without fail before a long trip.
● Opening the bonnet and pulling out the dipstick can do this. The calibrated dipstick will indicate the level of oil.
● Certain car have an indicator on their dashboard, which glows when the engine is low on oil and lubrication is not happening properly. Check the level and fill it if needed. Do not drive on low engine oil. Generally this indicator glows for a moment, when you start the car, but if it persists, it could be
a serious matter and should be examined by a competent person.
- Improperly oil pressured engine means that lubrication is not taking place and could result in the serious breakdown. It should be checked and corrected.
- Regularly check the tension of the fan belt and its condition from outside. It is important to keep in mind that it operates crucial engine accessories like the water pump, alternator etc.
- Engine Oil Check the oil after every fill up. Remove the dipstick, wipe it clean. Insert it fully and remove it again. If it is low, add oil.
- Getting your oil changed is the most important service - - and the one that is usually delayed the longest. Changing your oil regularly removes the harmful dirt and contaminants that cause engine wear. To maintain peak performance, the oil should be changed every 10000 km or as per the manufacturer’s recommendation in the car owner’s manual. Beware of quick - stop lube joints though. They may hire unskilled people who use your vehicle for on - the - job training. You run the risk of mistakes, which can result in engine damage in worst - case scenarios.
- Oil Filter : - - To maintain peak performance, change oil filter every 10000 km or as referred to in the car owner’s manual. Replace oil filter with every oil change.

Suggestions for Lube Organisation

Suggestion regarding Product :-
The servo brand lube oil should have concentrate on the product quality, because its main competitor Castrol is focusing mainly on quality aspects and gaining benefit in the market by winning the faith of customers in following ways:

Product :

For example in the Heavy motor vehicle/light motor vehicle category Castrol providing CRB plus+ 20w40 and Servo providing, Servo Pride-40 which is not in a position to fight with CRB plus+, because most of the customers demanded the product on large scale; because it provide heat proof formula with PSM (Perma stick Molecules) which forms a permanent protective layer that works hard even at high temperature and protect critical engine parts.

In case of 4 stroke segment Active 4t Power 1 is the largest selling brand which as provided by Castrol and another product in the same segment, Active 4t SAE 20w-40 is also provided by Castrol by assuring Active protection formula with TRIONE Technology, in which the vehicle performance on the ability f three critical zones to synchronized and operate as a single unit, these three Critical zones are the engine, clutch and gear box, give trizone advantage.

In case of two-stroke segment: Castrol 2T Jasco FC provide carbon buster formula which facilitate.
- Trouble Free riding
- Instant Start for scooter even in adverse conditions.

And in all segment Servo provide Servo Super multi-grade for all segments.

These examples shows the quality advancement of Castrol company as compare to Servo brand lube oil and this is the main reason why Castrol is largest selling lube oil in India. If the public sector organization want to incease their market share than they should be quality conscious.

Castrol is using additives and other technologies for providing better product and Servo is
loosing in the quality aspect so the company should be introduce new technologies for upgrading the product.

Following are the main points which the public limited company should adopt while designing product.

(a) **Fuel Efficiency & Economy**: The Public Ltd. Company should provide the product which are not only economical but efficient also, they should introduce the innovative approach while designing product and upgrade the present performance of product, rather to adopt the traditional techniques of production.

(b) **Excellent Engine Protection**: They should provide product which protect the each and every part of the engine, because continuous running of vehicle in stressful conditions generates excessive heat inside the engine which destroy the various parts and thereby reduce the engine life so “One for all” theory should be abolished and considering each and every fact will be beneficial to the public sector companies.

(c) **Outstanding in all whether conditions**: The climatic conditions are not same in country, it varies from region to region and depending on the changing whether, engine perform separately. So for different climatic conditions like cold or hot conditions, lube oil should be different but such kind of thing are not being giving the importance by public Ltd. Companies, this should be removed.

(d) **Product Range**: Castrol Ltd is having wide range of products e.g.:
- MGOSAE 20w-40 APISF/CC oil for Maruti
- Castrol Active 4T SAE 20w-40 – for four vehicles
- Castrol 2T Jasco for scooters
- CRB Turbo 15W-40 APISF − 4 for Turbo Engines.
- GO 4T for Bajaj dealers

This cover the wide range of customers and thereby the selling of product, but no such range is provided by Servo Ltd. They should introduce new range of products this will facilitate while competing with the private players like Castrol.

**Suggestion regarding Prices**: The Castrol is selling product on higher prices than Servo and other competitors and the company like Servo is gaining advantage in this side and maintain prices evening in adverse conditions and on the other hand Castrol is setting one & half time costlier that Servo, so they are loosing some market only because of this reason, if company wants to cater these segment then they should reduce the product prices.

Prices: On the other hand we see another fact that Castrol is providing price benefits to customer i.e. 500 ml. Oil free on every 5 ltr. & 5 ltrs free on every 50 ltr. So in this sense they claimed that product is not so costlier to its competitors, But these kind of selling practices enforce the customers to purchase extra quantity of product this also create adverse impact on some customers who do not want extra quantity of product at the same time.
Another point is that Castrol is investing heavily on advertising and celebrity engagement. These type of practices also increases the prices of product indirectly so if company wants to maintain prices should cut down the budget from advertising head and maintain prices.

A part from above all fluctuation in crude oil prices in the main reason to increase the lube oil prices because crude oil / base oil is the raw material in lubricant production and the cost is directly associated with it any fluctuation in the crude oil prices, fluctuate the prices of lubricant oil. Since last 2-3 years crude oil prices increase rapidly and in the year 2005 it cross the limit of $65 per barrel. This is uncontrollable factor because of International economy and India is true much dependent on foreign nation for crude oil. Company should renovate the product so that too much dependency of crude oil on foreign nations should be removed and domestic crude oil production should be increased which would be helpful in maintaining crude oil prices and thereby lubricant oil also.

**Pricing of LOBS and return to manufacturers**

While lubricants and greases have been fully decontrolled in 1993, the lube oil base stock prices are still determined by the GOI. Lube refineries are covered under the APM and are entitled to reimbursement of cost and return on capital employed. The transfer price of feed ("Reduced Crude") to the lube refineries is the retention price of the lube feedstock of the fuel refineries. The refining cost and return varies from refinery to refinery and is determined on the same principles as applicable to fuel refinery. The retention price per mt of LOBS is then prorated over the products using indices as per the standard product pattern.

The refineries sell the LOBS at the price determined by OCC, which is fixed every quarter based on import parity. The refiners shall surrender the difference between the retention price and transfer price to the OCC. This should be abolished for making the healthy competition in the market.

**Suggestion regarding Advertising & Promotion:**

Private players like Castrol spending heavily on advertising and sales promotion schemes as compare to Servo, and this is the main reason for capturing large market share in short span of time and gradually they are expending their market share so if private ltd. Companies like Servo wants to increase their market share then they should increase the budget limit on advertising & promotional scheme.

**Promotion:**

Castrol is having very sound promotional schemes rather then any other companies presently selling their lubricant product in India e.g. (a) 500 ml. Free with 5 ltrs. Oil, 5 ltrs. Free on every 50 ltr oil on every pack of CRB plus+ for customers. (b) yearly benefit on performance for dealers i.e. tour package for high performer dealer. (c) T-shirts, Caps, key rings, gifts for the mechanics, dealers and customers. (d) regular meetings of mechanics / dealers / customers in hotel and give them dinner.

But in case of Servo, they have no such promotional schemes they arrange such kind of meeting and free product gift to customers, for increasing the sales company should be keen on promotional schemes and present system should be change to fight with the private players like
Castrol.

Advertising:

In advertising Castrol is no. one company. In their advertising policy they are mainly focusing on the suggestive kind of advertising, now a days they are focusing their product as: Liquid Engineer. i.e. its not just oil, its liquid engineer.

They design advertising separately for various segments like 2T, 4T and light motor vehicle / heavy motor vehicle.

E.g.: 2T Jasco FC – Carbon bustor formula
4T SAE 20w-40 – Trizone formula, active protection molecules.
CRB Plus+ SAE 20W-40 – Heatproof formula.

In this way Castrol design the suggestive advertising for their product which is helpful to customer while selecting the product.

In case of Servo they focuses on the “One for all” policy in advertising, this policy is not successful in today’s conditions, because of heavy competition with private players like Castrol.

Servo should design the advertising separately for various category rather than focusing on the brand name, they should design some suggestive and informative kind of advertising.

Castrol is using engagement of celebrities in advertising i.e.:
Rahul Dravid – Cricket Player
David Beckham – Football Player
Dara Singh & Dharmendra – Film Stars.

In this way they influence their customers because these celebrities are having lots of fans.

Servo is not using celebrities upto that extent so for increasing sales, Servo should sign new celebrities for advertising their product.

In case of Castrol as they provide heavy promotional schemes so that changes of cheating and mall practices increases, it is found out during survey that distributors are not providing schemes benefits to their dealers and customers are not getting benefited from dealers, schemes always not in practical as it is shown in papers, so for providing the benefits to the right persons company should frame new policy so that the promotional schemes reaches to the targeted persons.

Suggestion regarding Packaging:

Packaging:

1. Castrol is having innovative & topmost packaging rather all other competitive brands and in this area public ltd companies are not paying proper attention, Castrol is far ahead in this regard so for creating attention of customers Servo should adopt innovative approach in this area, for examples, provide packaging in various colour & shapes.

2. Castrol is having hologram packaging on the top of the container of each and every product which assures the surety that seal is not open and reduce mall practices, this facility doesn't provided by Servo. So for winning the faith of customers and controlling the mall practices company should work in this area.

3. 5 Ltr. Pack of Castrol is more easier to handle and caring then Servo, Servo should modi-
fied this packaging. The company should make such containers so that while pouring the oil in engines of the vehicles it should be so handled that it should make 90° angle. This kind of packaging lowering down the wastage of the product while pouring oil in engine, and also easy to carry and handle.

4. Packaging colour selection of Castrol is very effective and scientific while Servo is using traditional packaging system. Castrol is using dark red and green colour packing. Scientifically these are the colour which create the attention of peoples. In case of Servo they are using gray colour packing, scientifically this colour is dull and not able to create attention of people. At the point of purchase decision packing colours plays an important role in purchase decision making. So Servo should improve their colour selection while designing packaging of the product.

5. Mall practices & duplicacy is the main problem in case of Servo as compare the Castrol because Castrol design the packaging uniquely and not easy to copy and they change the pattern time to time. So far controlling the mall practices and duplicacy Servo should remove traditional packing system and separate research work should be conducted in this area.

6. Castrol provide toll free number and websites address on packaging for solving any queries and maintaining customer relations. This kind of facilities doesn’t provide by Servo. So far solving customer queries and maintaining healthy relationship with customer’s servo should provide this kind of information on packaging.

7. Castrol provide product information in various language on the container but in case of Servo they provide information only in Hindi & English Languages, this restrict the regional customers to know about the detail information of the product.

    Castrol also provide safety, usage & disposal guidelines regarding product, this shows that the company is trying to control environment pollution but no such information is provided on Servo packages, which restrict the Servo to become eco-friendly product.

    All these informations are very necessary and Servo should act in these areas.

8. Castrol provide 40 ml. Pouch which is not commercial and economical for those customers who are using 20ml. Oil which one ltr. of petrol, this needs the wastage of remaining 20 ml. Oil and money also. This problem should be solve by providing 20ml. Pouch.

**Suggestion regarding Distribution Channel:**

Traditional distribution is same for Castrol and Servo, but apart from traditional distribution pattern Castrol is directly supply the lubricant to big customers like GO 4T oil for Bajaj company, CRB Plus+ 20w-40 APICF for Maruti, in this way they are saving the distribution cost and provide the benefit directly to the customers.

    Such kind of approach is not adopted by Servo. So far increase their customers base they should frame new channels of distribution.

    Castrol is having strict distribution policy, e.g. at least 200 ltr product have to be purchase each month regularly to remain as a dealer, but no such compulsion is there by the distributors of Servo.
This tendency of Servo lowering down the sale of the products, this should be removed and they should fix a quota system.

Inventory Management of Castrol Ltd. is very much sound and they are maintaining stock by fixing stock limit to distributors & dealers separately, but no such limit is there in case of Servo, this may create problems in case of shortage of stock. The Servo should take action in this regard.

The commission package for dealers / distributors provided by Castrol is very much sound and attractive but in case of Servo they are not providing an attractive commission package as compared to private players like Castrol, this is another reason of less efficiency of dealers / distributors in case of Servo, so for solving this problem they should introduce new compensation policy for dealers / distributors.

If all the above mentioned suggestions and recommendations are followed by lube organisations then the organisations involved in marketing & manufacturing lubricant would become more efficient in the present conditions rather than they are facing critical situation in Indian market. If they apply the above mentioned guidelines of this research work, the organisation could become a market leader in Indian lubricant industry.