


# COMPANY PROFILE




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Name of Business…….Piston Power Chemicals (Pty) LTD

Registration Number……2018/464712/07

Date of Registration……..31 August 1998 as CC and incorporated on 28-08-2018

Type of Business…….. Manufacturers and Distributors of Automotive, Industrial & Agricultural Lubricants and the Wholesale of Fuels.

Website……www.pistonpower.co.za

**Business Address (Head Office)** 18Bouganvillia Rd, Queensmead Industrial, 4093.

Telephone ……..031-4686825/6/7
Ujesh Andhee.....082-2023-871

E-Mail……...admin@pistonpower.co.za
orders@pistonpower.co.za

**Technical Support** .....Krish Andhee……082-492-4594

E-Mail……...krish@pistonpower.co.za

**Branch Address (Cape Town)**…..2 Concept Park, 4 Esso Road Montague Gardens

Telephone……...021-551 8939

E-Mail……...ctadmin@pistonpower.co.za

**Branch Address (Gauteng)**….. 7 Great North Industrial Park, 20 Van Wyk Road, Brentwood Park, Benoni

Telephone… .....079-485-2632

E-Mail…….. jhbadmin@pistonpower.co.za

## MISSION

Piston Power is committed to the supply of high quality virgin based lubricants, through competitive pricing and service excellence. We aim to be a partner in the success of our clients' business.

## BACKGROUND

- Piston Power Chemicals (PPC) was established in August 1998 and incorporated on 28 August 2018. The primary activity of the enterprise is the manufacture and marketing of a wide range of high quality automotive, industrial and agricultural lubricants. This small business enjoys Level 1 B-BBEE status (135% Recognition) and has the necessary expertise and experience to provide excellent technical advice and support to clients. Piston Power also has the capacity to develop new products to meet changing technologies.
- Piston Power products are blended at our plant in Bouganvillia Road, Queensmead Industrial, Durban. All products are blended with internationally approved additives and virgin-based oils. The products meet international standards such as API, SAE, ACEA, and also OEM (original engine manufacturers') specifications.
- API Engine Oil Licensing & Certification System Approval.
- MB 228.3 approval on Piston Power SHP (CI4 Plus) 15W-40 – Diesel engine oil.
- Wholesale Fuel License obtained in 2015.

## MANAGEMENT & TECHNICAL EXPERIENCE

- Krishna Andhee (Director) has a National Higher Diploma in Analytical Chemistry and is a member of the South African Institute of Tribology as well as a member of the Society of Tribologists and Lubrication Engineers (USA). His career in the lubrication industry started in 1971 when he worked in a laboratory for a lube oil blend plant, beginning as a laboratory technician and working his way up to the position of chief chemist in 1983 at SAPREF. From 1988 to 1999 he worked for Shell SA in various management capacities, the most important of which was being responsible for product development. Since the latter part of 1999 he has been at the forefront of product development at PPC and he has also contributed significantly to securing new clients, primarily because of his vast technical experience
- Mr Ujesh Andhee has a Diploma in Accounting and Business Economics, a Further Diploma in Computer Science as well as degree credits in Accounting, Cost Accounting and Commercial Law. He started his working career as a lecturer in Entrepreneurship and Business Management and held the position of Acting Head in the Division of Business Studies at Thekwini FET College from 1997 to 1998. From 1999 he has been responsible for the operational, production, financial and logistics functions at PPC. He has gained valuable operational experience, which will stand him in good stead as he assumes the overall management of PPC.

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## PRODUCTS

The current range of products can be viewed on the company website ( www.pistonpower.co.za ). Piston Power manufactures a wide range of high quality lubricants with automotive, agricultural and industrial applications.

Piston Power products are blended with virgin base oils and internationally approved additives. The products meet international standards such as API, SAE, CCMC and OEM specifications. All our products carry a written guarantee and certificates of quality are available on request. This company has ISO 9001:2008 certification. Piston Power also has the capacity to develop any other related product that you may require manufactured to your specification. Piston Power is a South African company with:

- American Petroleum Institute (API) Engine Oil Licensing & Certification System Approval.
- MB 228.3 Approval by Daimler-Chrysler on Piston Power SHP (CI) 15W-40 engine oil
- A Wholesale Fuel License





## FACILITIES

Piston Power products are blended at our ISO listed plant located at 18 Bouganvillia Road,Queensburgh Inductrial,Durban, KZN. The plant has the following modern facilities:

- Blending capacity of 20-25 tons per day
- Heating by external heat exchangers
- Direct filling into vessels
- Measurement by load cells complemented by calibrated site glass gauges
- Dedicated family group blending
- Mixing externally via pump circulation
- Blending tanks and product storage are all indoors
- Bulk base oil storage facility of 300 tons.




## TARGET MARKET

Piston Power markets, or intends to market Lubricants and Fuels to the following:

- The automotive industry and large transport companies
- Agricultural co-operatives and the farming community
- Large industries including the mining industry
- Marine industry
- Process Oil Industry
- Government Departments and SOE's
- Municipalities
- Corporate sector for their workshops and fleets
- Export to Southern African countries

- PPC's customer base is serviced through our branch network and distributors. In addition PPC supplies directly to customers on a supply contract basis.

- PPC's exposure to a few customers is high. This is entirely by design and is in line with PPC's marketing strategy of forging long-term strategic alliances with major market players. Customers are carefully selected and long-term relations are nurtured. This strategy cultivates a measure of loyalty and interdependence and hence tends to raise switching costs on the part of the customers. PPC continuously engages in new product development in consultation with these customers in order to maintain these relationships. PPC provides performance guarantees and certificates of quality, which assist PPC in cementing these relationships to the extent that the status quo is expected to prevail over the budget period.

# MARKETING

PPC formulates and distributes a wide range of high quality lubricants for applications in the automotive, agricultural and industrial sectors. The automotive range accounts for approximately 80% of turnover, with the balance in the industrial and agricultural ranges.

The total South African lubricants market has been estimated at between 350 and 400 million liters p.a. Industrial lubricants constitute the largest proportion of the demand for lubricants, at 45% of the total. Demand for commercial and consumer automotive lubricants is estimated at 32% and 23%, respectively. Growth may be driven by the discovery of new applications, for instance in the agricultural sector, as well as by exports particularly in the SADC region.

The local lubricants industry is well developed and dominated by a few multi-national petrochemical manufacturers, such as Engen, TOTAL, Caltex, Shell, Sasol and BP. These companies use their own distribution channels comprising mainly their own forecourts. PPC mainly distributes through intermediaries such as distributors.

PPC competes directly with the major companies (Shell, BP, Total, Chevron, Engen) and approximately 20 other independent lubricant blenders.

PPC is relatively small in comparison to these multi-national companies and its market share has been insignificant. It is for this reason that its entrance into the market did not provoke any adverse reaction from these companies. A major plus for PPC is its B-BBEE credentials making it one of the very few 100% B-BBEE lubricants manufacturers.

The PPC marketing approach is summarised below:

1. Distributors

   The strategy is to establish a network of distributors in South Africa and the SADC region.

2. Export

   We have offered PPC product to certain agents overseas. We await feedback on this. PPC has successfully negotiated export agreements with Exor Lubricants based in Zimbabwe and Mozambique. We also supply products into Zimbabwe, Zambia, DRC through traders in South Africa

3. Rail road Oil

   We want to explore the possibility of support from Transnet and Prasa so that we may obtain OEM approval for Railroad Oils.

4. Mining

   We will be marketing the PPC products to various mining houses.

5. Toll Blending

The toll blending market needs to be explored and exploited.

6. Consultancy

As a result of PPC's extensive knowledge on lubricants and their uses, PPC will run a series of workshops on lubrication issues. Furthermore, they will market themselves as a consultancy on lubricants.

## COMPETITION

Our only competitors are the large national oil companies. Piston Power enjoys the following edge over the opposition:

- Lower overheads have resulted in lower prices to clients and superior margins.
- Piston Power is one of the few black empowerment small businesses engaged in the manufacture of a wide range of high quality lubricants.
- The affirmative action procurement legislation and policies in South Africa assist in increasing our market share.
- Piston Power products are tested at our in-house laboratory and quality certificates for every batch are available on request for clients. Batch samples are maintained for a year in the event of queries.

## PREMISES

- Piston Power has recently acquired its own property housing our blending plant, warehouse and office in Queensmead Industrial, Durban.
- Branch offices/ warehouses located in Montague Gardens, Cape Town; and Brentwood Park, Johannesburg are owned by Piston Power.

## QUALITY ASSURANCE

Piston Power products are blended with internationally approved additives and virgin base oils. The products meet international standards such as API, SAE, ACEA and also original engine manufacturers' (OEM) specifications. Batch tests are conducted at an in-house laboratory to ensure consistently high quality of our entire product range. A quality certificate is available on request for every batch of products. All operating procedures and documentation conform to ISO standards.

## GUARANTEE

Piston Power guarantees that all products supplied meet the performance claimed on the specification sheets. Quality certificates are available on request for every batch. Piston Power shall be liable for the cost of damage to machinery and equipment if it is proved that such damage resulted from the supply of defective products. A product Liability insurance to the value of R1m is in place.




## TECHNICAL TRAINING

Piston Power offers specialized training for all its clients. Courses are designed for the various levels of technical staff involved in the operation, maintenance or management of industrial plant machinery, transport and other lubricant related disciplines

## TROUBLE SHOOTING

Piston Power offers a trouble shooting service to clients to assist them in the diagnosis of lubricant related equipment failures and the prevention of their recurrence. Conclusions and recommendations are supplied in a written report and may include consultations with other experts in the field.

## PRODUCT DEVELOPMENT

Piston Power will always recommend and provide the client with products that meet their needs. Piston Power also has the capacity to develop and manufacture new products to the client's specifications.

## HSE and PRODUCT STEWARDSHIP

Piston Power offers stewardship on all its products. A material safety data sheet is available on request which indicates the risk associated with the substance and recommended safety procedures.

## AFFILIATIONS

- ROSE (Recycling Oil Saves the Environment) Foundation
- American Petroleum Institute
- Daimler-Chrysler — MB 228.3 Approval




## FINANCIAL INFORMATION

- Financial records are available on request.
- Our bankers are: Nedbank, Argyle Branch, Durban
- Tax Clearance Certificates are available on request

## MAJOR CLIENT DATABASE

Piston Power has the following major clients (Past and Current):
Contact details are available on request.

- National Treasury – SANDF, SAPS, Correctional Services, DOT, Water affairs & Forestry
- Saldanha Bay Municipality
- Berg River Municipality
- Cape Winelands Municipality
- City of Tshwane
- Overberg District Municipality
- Nelson Mandela Bay Municipality
- Hibiscus Coast Municipality
- Eden District Municipality
- Kouga Local Municipality
- Westonaria Local Municipality
- Mogale City Local Municipality
- Transnet Rail Engineering
- Auto Pax / PRASA
- City of Cape Town
- Ekurhuleni Municipality
- Johannesburg Metro Bus
- Knysna Municipality