



SAVITA OIL TECHNOLOGIES LTD.

CMP Rs. 488

Industry	: Petroleum Products	52 Week High / Low	: Rs. 610 / 402
BSE / NSE Volumes	: 1,000 / 1,500	Face Value	: Rs. 10
Market Cap	: Rs. 7,4000 mn.	BSE / NSE Code	: 524667 / SOTL

Company Overview

Savita Oil Technologies Limited (SOTL), formerly Savita Chemicals Limited, is a leading producer of Petroleum Specialty Products and is also engaged in wind power generation. Its petroleum products include Transformer Oils, White Oils/Liquid Paraffin and Lubricating Oils. SOTL was one of the first in the country to manufacture liquid paraffin as an import substitute entirely with an indigenously developed technology. SOTL has a strong and competitive research base. Most of the ranges of SOTL's products have been born out of its own Research & Development efforts. Most of its products have been pioneered for the first time in India. Due to its research, company has been able to roll out more tailor made products as per the needs of the consumers. SOTL's manufacturing facilities are spread across two plants in Maharashtra at Navi Mumbai and one plant at Silvassa.

Product Profile and Major User Industries

Transformer Oils, White Oils / Liquid Paraffins and Lubricating Oils are the major products of SOTL. The development and growth of the power generation and transmission infrastructure within the country mainly decides the demand for Transformer Oils. The demand for Liquid Paraffins and White Oils is determined by the market for cosmetic, pharmaceuticals and personal care products. SOTL produces two types of Lubricating Oils i.e. Automotive Grade and Industrial grade. Automotive Grade Lubricating Oils is used by all the leading Automobile players for all types of vehicles whereas Industrial Grade Lubricating Oils are used by all the major Power Equipment Manufacturers, Marine Sector etc..

Apart from Petroleum products, SOTL has also ventured in to Wind Power Energy. Wind Power plants of SOTL are located in the states of Maharashtra, Karnataka and Tamilnadu. During FY10 SOTL added 9.05 MW wind power, taking its total installed capacity in wind power to 43.15 MW. during the fiscal 2010,



Product	Description	User Industries
TRANSOL	Transformer oil	All the major players of Power Industry such as ABB, Areva T&D, BHEL, Crompton Greaves, SEBs, NTPC, Alstom, Bharat Bijlee etc. TRANSOL is regularly exported to Middle East, Far East, South East Asia and to the countries of African Continent and sub-continent, apart from reputed domestic customers.
SAVONOL	Liquid Paraffins & white oils	used in cosmetics, Personal Care and pharmaceutical Industry. It TRANSOL is regularly exported to Middle East, Far East, South East Asia, Europe and to the countries of African Continent and sub-continent, apart from reputed domestic customers.
SAVSOL	Automotive Lubricants Industrial Lubricants	It has tie-ups with OEMs, to supply automotive lubricants to Tata Motors, HMSI, Maruti Suzuki, TVS, Mahindra & Mahindra, Toyota, Honda, Hero etc. and for industrial lubricants to BHEL, BEML, Siemens, etc. for Earthmoving & Construction Equipments. Savita is in technical collaboration with Idemitsu, Japan's largest independent oil and Energy Company. to manufacture superior grade automotive and industrial lubricants.

Area of Concern

Major raw materials for the company are Base Oils of different grades, which are a refined fraction derived from Crude oil, which is procured largely from international market. Any major upward move in the price of Crude oil will put additional pressure on the bottom line of the company.



FINANCIAL HIGHLIGHTS:

Table 1 : Profit & Loss Account

Year End March (Rs. Mn.)	FY08	FY09	FY10	9MFY11
Income From Operation	9,189.82	11,507.58	11,780.14	11,147.20
Other Income	119.02	100.36	89.18	84.67
Total Income	9,308.85	11,607.94	11,869.32	11,231.87
Raw Materials	7,257.94	9,901.09	8,713.11	8,393.04
Staff Cost	148.73	127.54	185.38	162.09
Other Expenses	879.66	1,081.17	1,436.05	1,301.04
Total Expenses	8,286.33	11,109.80	10,334.53	9,856.17
PBIDT	1,022.52	498.14	1,534.79	1,375.70
Interest	28.58	48.69	46.74	54.06
PBDT	993.93	449.45	1,488.05	1,321.65
Depreciation	143.92	189.41	203.09	188.34
PBT	850.01	260.04	1,284.96	1,133.31
Tax	230.42	87.70	421.12	366.65
PAT	619.59	172.34	863.84	766.65
EPS (Annualised)	42.43	11.80	54.16	70.00
Price / Earning Ratio	11.74	42.21	8.42	7.00
EBIDTA Margin (%)	11.13	4.33	13.03	12.34
PBT Margin (%)	9.13	2.24	10.83	10.09
PAT Margin (%)	6.66	1.48	7.28	6.83



Table 2 : Balance Sheet

Year End March (Rs. Mn.)	FY08	FY09	FY10
Share Capital	146.06	146.06	146.06
Reserves & Surplus	2,356.27	2,443.19	3,051.62
Shareholder's Fund	2,502.33	2,589.25	3,197.68
Secured Loans	187.69	361.96	495.93
Unsecured Loans	170.20	163.47	162.45
Total Debt	357.89	525.43	658.38
Deferred Tax Liabilities	216.22	298.72	346.72
Total Liabilities	3,076.43	3,413.40	4,202.77
Gross Block	1,843.53	2,362.63	2,976.09
Less: Depreciation	726.44	915.04	1,114.79
Net Block	1,117.09	1,447.59	1,861.31
Capital Work-in-progress	124.27	45.40	29.17
Investments	550.78	640.61	461.42
Current Assets:			
Inventories	1,797.24	1,774.97	2,293.43
Sundry Debtors	2,102.65	2,472.18	2,797.49
Cash & Bank Balances	246.98	263.24	203.13
Loans & Advances	356.32	427.73	532.94
	4,503.20	4,938.12	5,826.99
Current Liabilities:			
Liabilities	2,957.35	3,572.08	3,664.28
Provisions	261.55	86.24	311.85
	3,218.91	3,658.32	3,976.12
Net Current Assets	1,284.29	1,279.80	1,850.87
Total Assets	3,076.43	3,413.40	4,202.77

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