

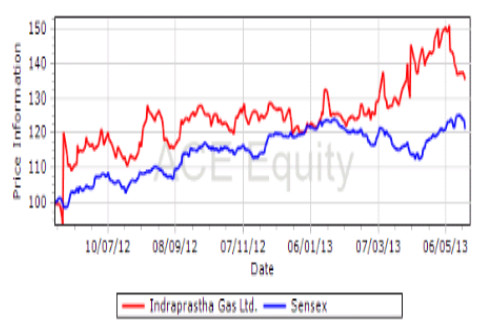
## Stable operating performance

<b>CMP:</b>	Rs.281
<b>Target Price:</b>	Rs 304
<b>Recommendation:</b>	<b>HOLD</b>

Stock Info	
BSE Group	A
BSE Code	532514
NSE Symbol	IGL
Bloomberg	IGLIN
Reuters	IGL.BO
BSE Sensex	19674
NSE Nifty	5967

Market Info	
Market Capital	Rs.3913cr
Equity Capital	Rs.140 cr
Avg. Trading Vol.	725160
52 Wk High/ Low	329/190
Face Value	Rs.10

Shareholding Pattern (%) (31 <sup>st</sup> March 2013)	
Promoter	45.0
Domestic Institutions	19.8
Foreign Institutions	18.2
Non Promoters Corp.	3.6
Public & Others	8.4
Govt	5.0



### ■ Net Sales up 21% yoy

IGL's net sales during the quarter grew 21% yoy and 1% qoq to Rs 882cr largely on account of higher sales volumes both in CNG and PNG segment. CNG volumes during the quarter increased 3.9% yoy to 187mn kgs, while that of PNG grew by 12.8% yoy to 88mn scm. On sequential basis, however, CNG volumes dipped marginally by 3.4%, while PNG volumes grew by 5.4%. IGL continues to post strong show on realisation front with 15% and 14% yoy jump in realisation of both CNG and PNG.

### ■ Stable opex keeps EBITDA margin flat

IGL's EBITDA margins have dipped marginally by 250bps and 50bps on yoy and qoq basis due to stable cost. Raw material cost incidence during the quarter was flat at 66% compared to 66% during 3QFY13. The company posted EBITDA margin of 21% during the quarter compared to 21.5% in 3QFY13 and 23.5% during 4QFY12. Consequently, EBITDA for 4QFY13 stood at Rs 186cr showing 9% yoy growth. CNG realisations during the quarter was at Rs 38.3/kg and that of PNG was at Rs 27.3/scm.

### ■ PAT up 3.4% yoy

IGL reported 3.4% yoy jump in PAT at Rs 84cr (Rs 81cr) largely due to stable operating income.

### ■ Valuations:

IGL performance this quarter was more or less stable driven by its ability to maintain volume growth momentum and ability to hike prices. Nonetheless, uncertainty continues to linger over the stock as PNGRB and IGL case on tariff determination is still sub-judice. Given the regulatory uncertainty prevailing at this point of time we have valued IGL based on 6x EV/EBITDA(x) (average 1 year forward multiple of last four years) and have arrived at price target of Rs 304 per share.

## Financials

Y/E March, (₹ in Cr)	FY11	FY12	FY13	FY14E
Net Revenue	1746	2519	3367	3589
EBIDTA	494	635	758	768
PAT	260	306	354	375
EPS	18.6	21.9	25.3	26.8
RONW (%)	25.9	24.9	23.6	20.9
P/E (X)	15.1	12.8	11.1	10.5
EV/EBITDA(X)	7.4	5.6	4.7	4.7

**Date: 24-05-2013**

**4QFY13 Results (standalone)**

Rs in Crore	4QFY13	4QFY12	YoY (%)	3QFY13	QoQ (%)
Net Sales	882.4	721.2	22.4	869.4	1.5
Expenditure	585	458	27.8	576	1.6
EBITDA	185.5	169.5	9.4	206.6	-10.2
EBITDA Margins (%)	21.0%	23.5%		21.5%	
Other Income	3	2	74.6	3	20.2
Interest	13	14	-7.9	14	-11.4
Depreciation	49	40	22.9	47	3.0
Exceptional Items (Loss)	-	-	-	-	-
PBT after exceptional items	127.2	117.9	7.9	128.2	-0.7
Tax	44	37	17.6	42	4.5
Tax rate (%)	34%	32%		33%	
PAT after extraordinary items	83.5	80.8	3.4	86.3	-3.3
Net Profit Margin (%)	9.5%	11.2%		9.9%	



Profit & Loss Account				
Y/E Mar. (Rs. in cr)	FY11	FY12	FY13	FY14E
<b>Total Income</b>	<b>1746</b>	<b>2519</b>	<b>3367</b>	<b>3589</b>
YoY%	61	44	34	7
Operating Exp	1252	1884	2609	2821
<b>EBITDA</b>	<b>494</b>	<b>635</b>	<b>758</b>	<b>768</b>
YoY%	30	28	19	1
Finance Cost	13	48	56	53
<b>Depreciation</b>	<b>103</b>	<b>143</b>	<b>187</b>	<b>167</b>
<b>Other income</b>	<b>7</b>	<b>7</b>	<b>13</b>	<b>11</b>
<b>PBT</b>	<b>386</b>	<b>450</b>	<b>528</b>	<b>559</b>
Tax	126	144	174	184
<b>PAT</b>	<b>260</b>	<b>306</b>	<b>354</b>	<b>375</b>
YoY%	21	18	16	6

Cash Flow Statement				
Y/E Mar. (Rs. in cr)	FY11	FY12	FY13E	FY14E
<b>Profit Before tax</b>	<b>386</b>	<b>450</b>	<b>528</b>	<b>559</b>
<b>Depreciation</b>	<b>103</b>	<b>143</b>	<b>187</b>	<b>167</b>
<b>OPAT before WC change</b>	<b>489</b>	<b>593</b>	<b>715</b>	<b>726</b>
<b>WC change</b>	<b>27</b>	<b>71</b>	<b>-107</b>	<b>0</b>
<b>Cash from Operating act</b>	<b>524</b>	<b>710</b>	<b>651</b>	<b>768</b>
<b>Tax Paid</b>	<b>-114</b>	<b>-98</b>	<b>-174</b>	<b>-184</b>
<b>Cash flow from Operating</b>	<b>410</b>	<b>612</b>	<b>477</b>	<b>584</b>
<b>Cash flow from investing</b>	<b>-798</b>	<b>-662</b>	<b>-437</b>	<b>-439</b>
<b>Cash flow from financing</b>	<b>268</b>	<b>65</b>	<b>-48</b>	<b>-134</b>
<b>increase/ decrease in cash</b>	<b>-121</b>	<b>15</b>	<b>-7</b>	<b>11</b>
<b>Opening cash</b>	<b>138</b>	<b>17</b>	<b>32</b>	<b>25</b>
<b>Closing cash</b>	<b>17</b>	<b>32</b>	<b>24</b>	<b>35</b>

Balance sheet				
Y/E Mar. (Rs. in cr)	FY11	FY12	FY13E	FY14E
<b>Equity</b>	<b>1004</b>	<b>1229</b>	<b>1502</b>	<b>1795</b>
Share capital	140	140	140	140
Reserves and surplus	864	1089	1362	1655
<b>Noncurrent Liab</b>	<b>399</b>	<b>598</b>	<b>724</b>	<b>724</b>
Long term	238	338	438	438
Deferred tax	41	63	63	63
Other long term Liab	117	193	219	219
Long term Prov	4	5	5	5
<b>Current liabilities</b>	<b>363</b>	<b>495</b>	<b>397</b>	<b>412</b>
ST borrowings	44	52	42	42
Trade payables	143	181	181	195
Other current	95	181	94	94
Short term prov	82	82	82	82
<b>Equity + Liability</b>	<b>1767</b>	<b>2323</b>	<b>2623</b>	<b>2931</b>
<b>Noncurrent assets</b>	<b>1526</b>	<b>1960</b>	<b>2224</b>	<b>2507</b>
Fixed assets	1487	1955	2218	2501
LT loans and Adv	39	5	5	5
<b>Current assets</b>	<b>241</b>	<b>363</b>	<b>400</b>	<b>424</b>
Current investments	42	98	98	98
Inventories	36	37	46	49
Trade receivables	74	130	166	177
Cash and cash	17	32	24	35
ST loans and Adv	57	56	56	56
Other current assets	14	9	9	9
<b>Total Assets</b>	<b>1767</b>	<b>2323</b>	<b>2623</b>	<b>2931</b>

Key Ratios				
Y/E March (Rs Cr)	FY11	FY12	FY13E	FY14E
<b>Per Share data (Rs)</b>				
<b>EPS</b>	<b>18.6</b>	<b>21.9</b>	<b>25.3</b>	<b>26.8</b>
<b>cash EPS</b>	<b>25.9</b>	<b>32.1</b>	<b>38.6</b>	<b>38.7</b>
<b>DPS</b>	<b>5.0</b>	<b>5.0</b>	<b>5.0</b>	<b>5.0</b>
<b>Book value</b>	<b>71.7</b>	<b>87.8</b>	<b>107.3</b>	<b>128.2</b>
<b>Capital, liquidity Ratio</b>				
<b>Debt/ Equity (X)</b>	<b>0.3</b>	<b>0.3</b>	<b>0.3</b>	<b>0.3</b>
<b>Current Ratio (X)</b>	<b>0.7</b>	<b>0.7</b>	<b>1.0</b>	<b>1.0</b>
<b>ROE (%)</b>	<b>25.9</b>	<b>24.9</b>	<b>23.6</b>	<b>20.9</b>
<b>ROCE (%)</b>	<b>22.2</b>	<b>21.2</b>	<b>21.8</b>	<b>20.5</b>
<b>Dividend Yield (%)</b>	<b>2%</b>	<b>2%</b>	<b>2%</b>	<b>2%</b>
<b>Valuation Ratio (X)</b>				
<b>P/E</b>	<b>15.1</b>	<b>12.8</b>	<b>11.1</b>	<b>10.5</b>
<b>P/BV</b>	<b>3.9</b>	<b>3.2</b>	<b>2.6</b>	<b>2.2</b>
<b>EV/ Sales</b>	<b>2.1</b>	<b>1.4</b>	<b>1.1</b>	<b>1.0</b>
<b>EV/EBITDA</b>	<b>7.4</b>	<b>5.6</b>	<b>4.7</b>	<b>4.7</b>

Note:P&L numbers are actual FY13 numbers, rest FY13 numbers are forecasted.



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**Stock Rating Scale****Absolute Return**

BUY	:	>20%
ACCUMULATE	:	12-20%
HOLD	:	5-12%
REDUCE	:	< 5%

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