bajaj corp limited

July 12, 2017

DCS-CRD BSE Limited First Floor, New Trade Wing Rotunda Building, Phiroze Jeejeebhoy Towers Dalal Street, Fort Mumbai 400 023 Fax No.2272 3121/2037/2039 **Stock Code: 533229**	National Stock Exchange of India Ltd. Exchange Plaza, 5th Floor Plot No.C/1, 'G'Block Bandra- Kurla Complex Bandra East Mumbai 400 051 Fax No.2659 8237/8238 **Stock Code: BAJAJCORP**

Dear Sir/Madam,

Sub: Investor Presentation

Please find enclosed a copy of Investor Presentation for the Quarter ended June 30, 2017.

The same may please be taken on record and suitably disseminated to all concerned.

Thanking you,

Yours faithfully,
For **BAJAJ CORP LIMITED**

Hitesh Kanani
General Manager - Company Secretary
Membership No.: FCS 6188

Encl: as above

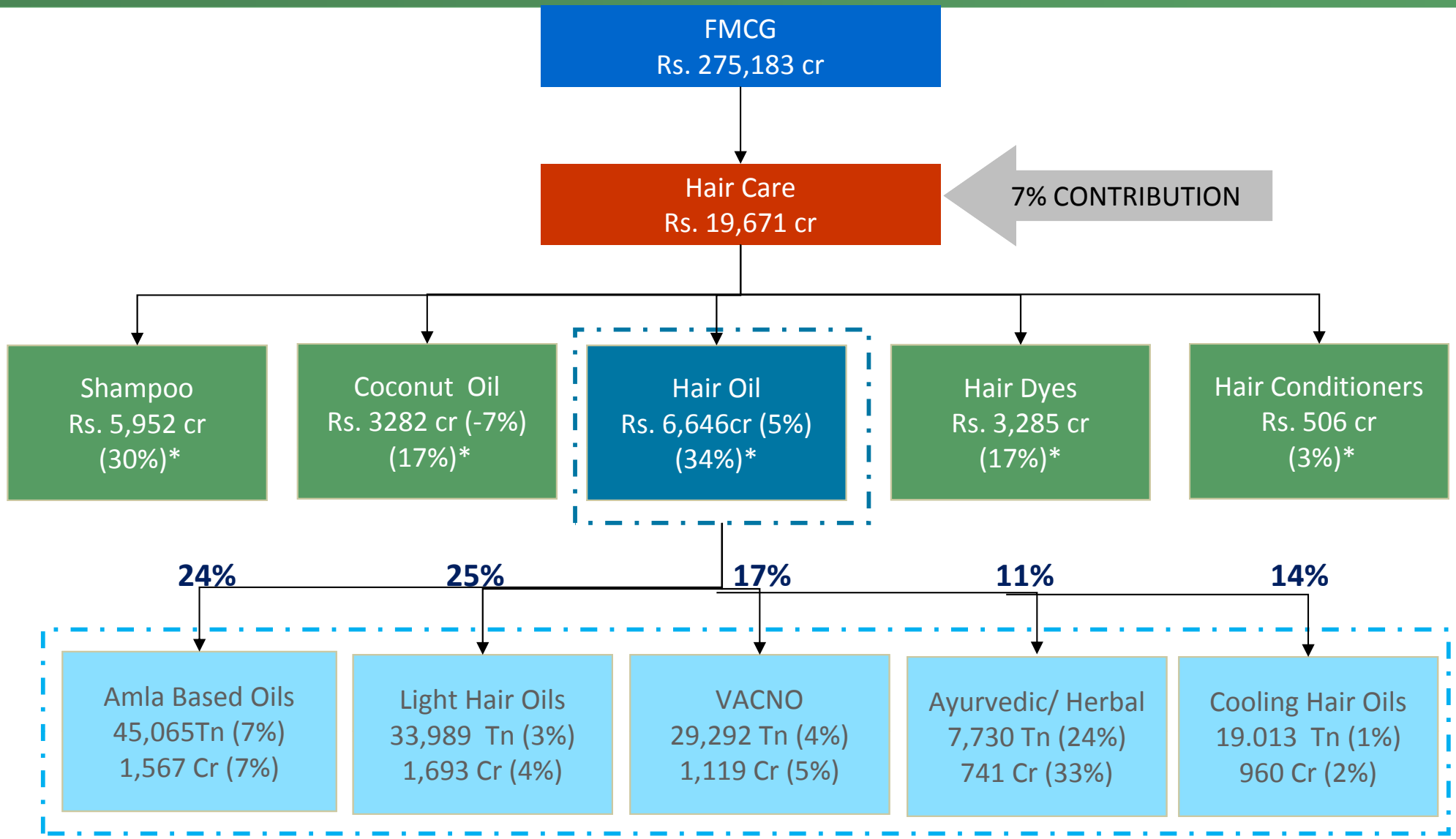
bajaj Corp Ltd.

Investor Presentation

July 2017

Industry Overview

INDUSTRY SIZE AND STRUCTURE



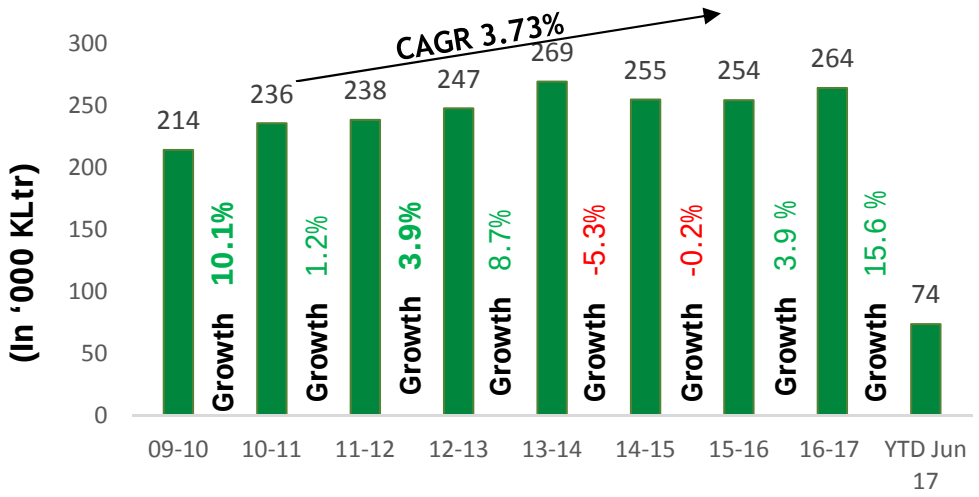
*Others (9% contribution)
5,546 Tn (-15%)
566 Cr (-12%)

* Value based share of Hair Care Market

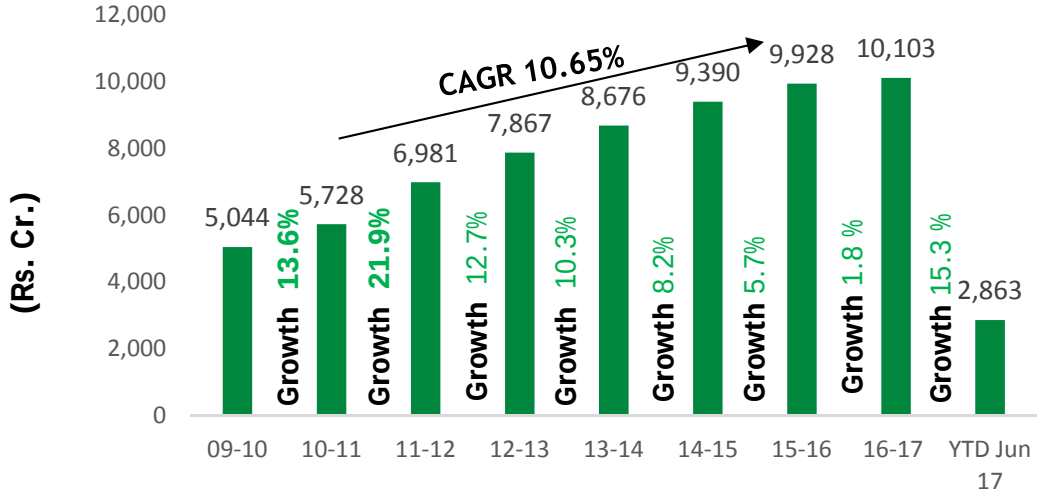
All India (U+R) MAT DEC 2016

Hair Oil Market in India

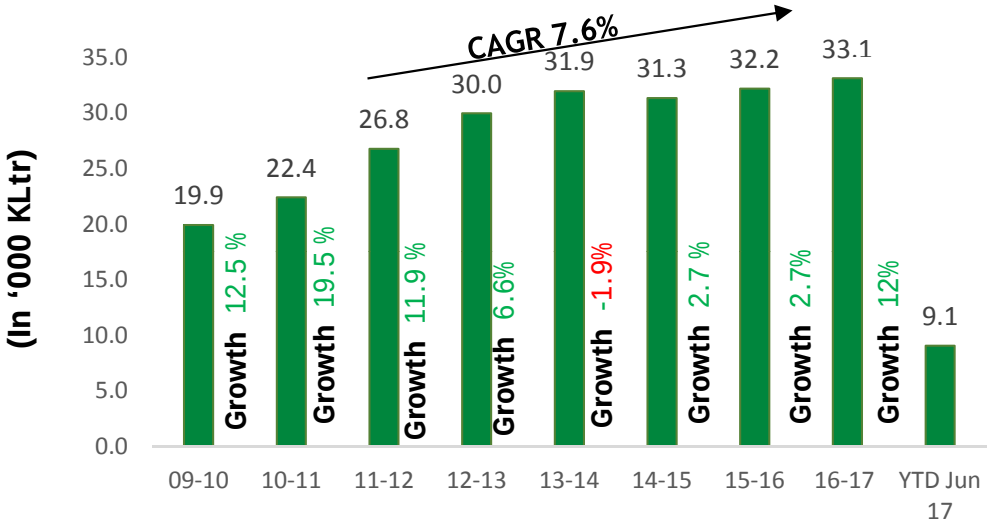
Overall Hair Oil Market – Volume



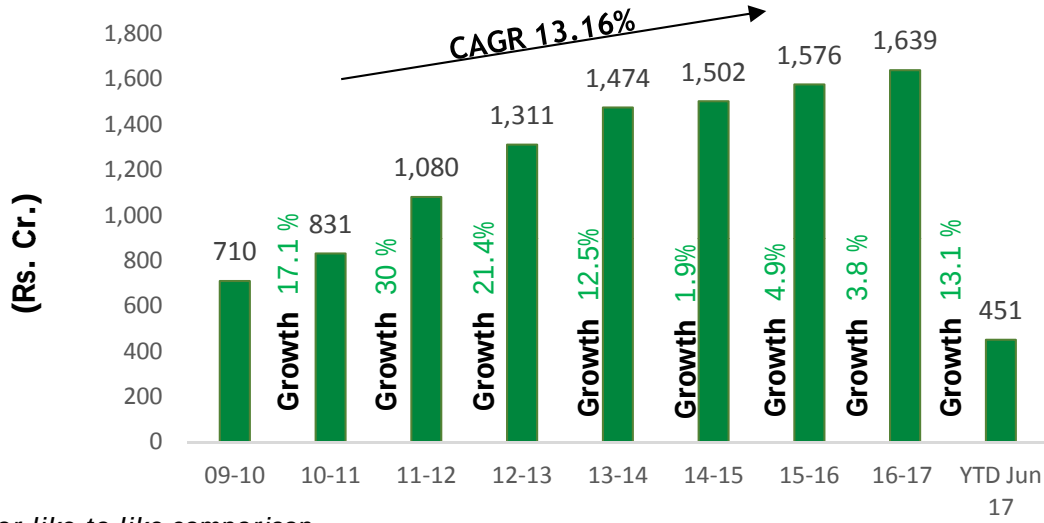
Overall Oil Market – Value



Light Hair Oil – Volume



Light Hair Oil – Value



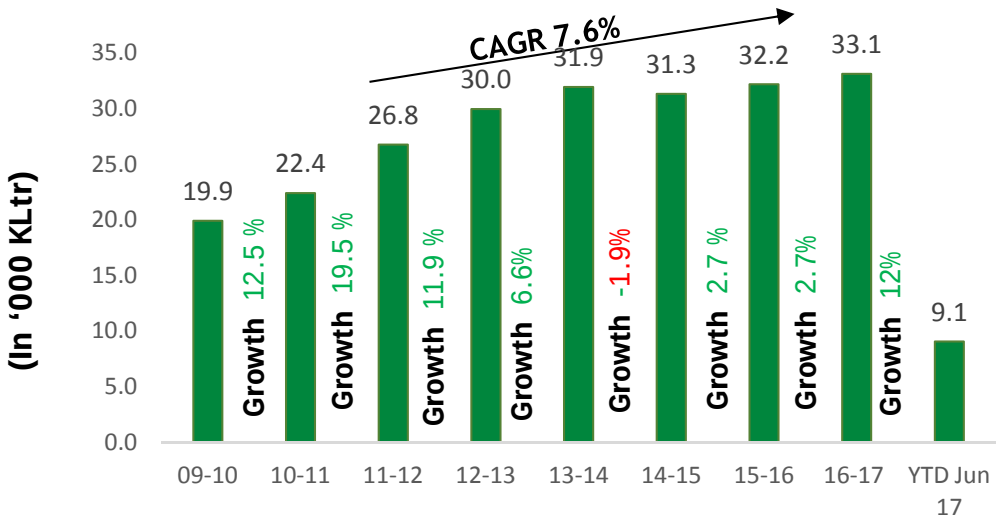
Source: AC Nielsen Retail Audit Report, Jun 2017; LHO nos. adjusted from 15-16 for like to like comparison

Please note that Nielsen has had an update in its database and hence this presentation contains recast Retail data numbers

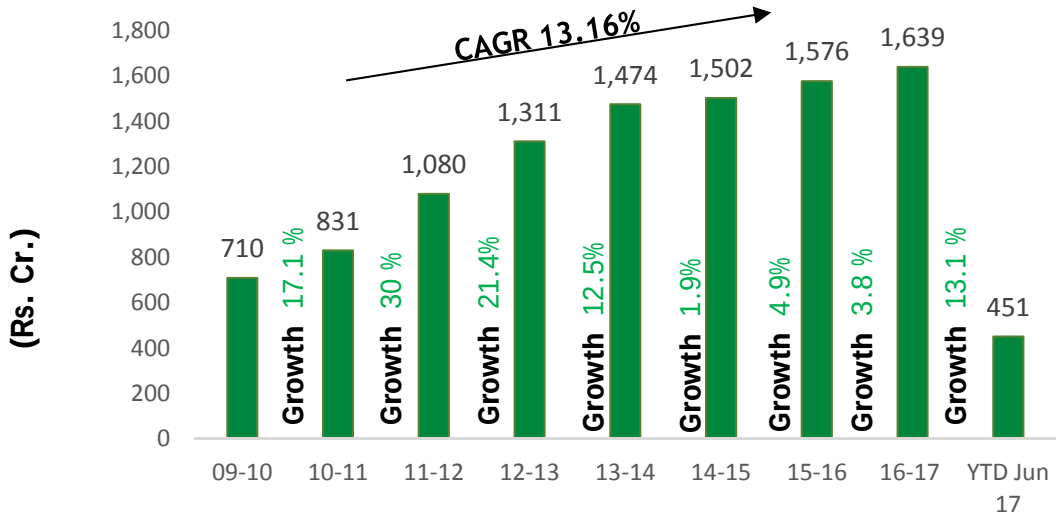
Hair Oils category shows Vol & Val growth as compared to YTD Jun 16. LHO segment also shows Val & Vol growth.

Light Hair Oil Market in India

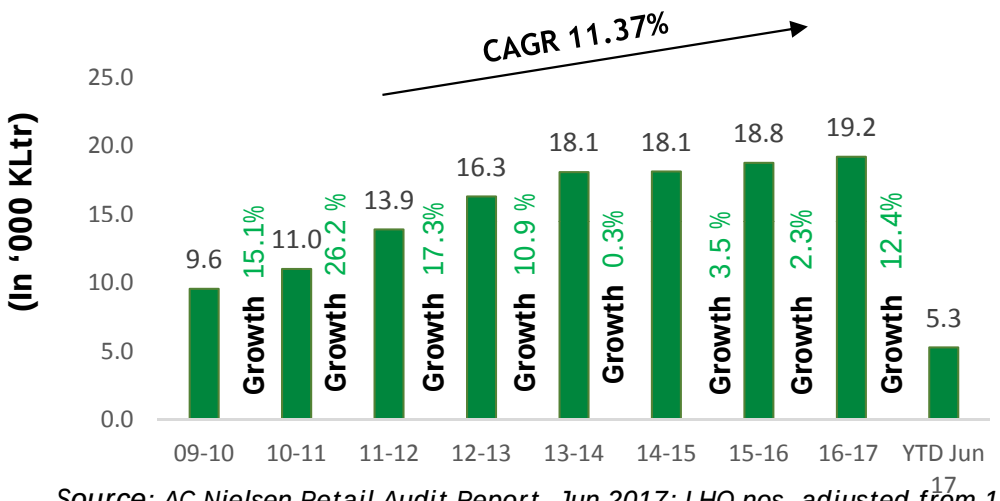
Light Hair Oil - Volume



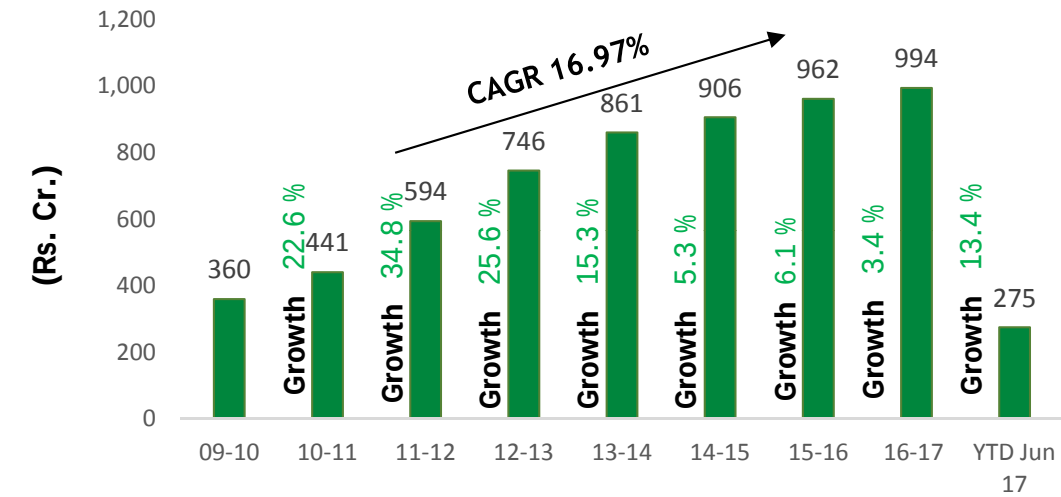
Light Hair Oil - Value



Almond Drops Hair Oil Market - Volume



Almond Drops Hair Oil Market - Value

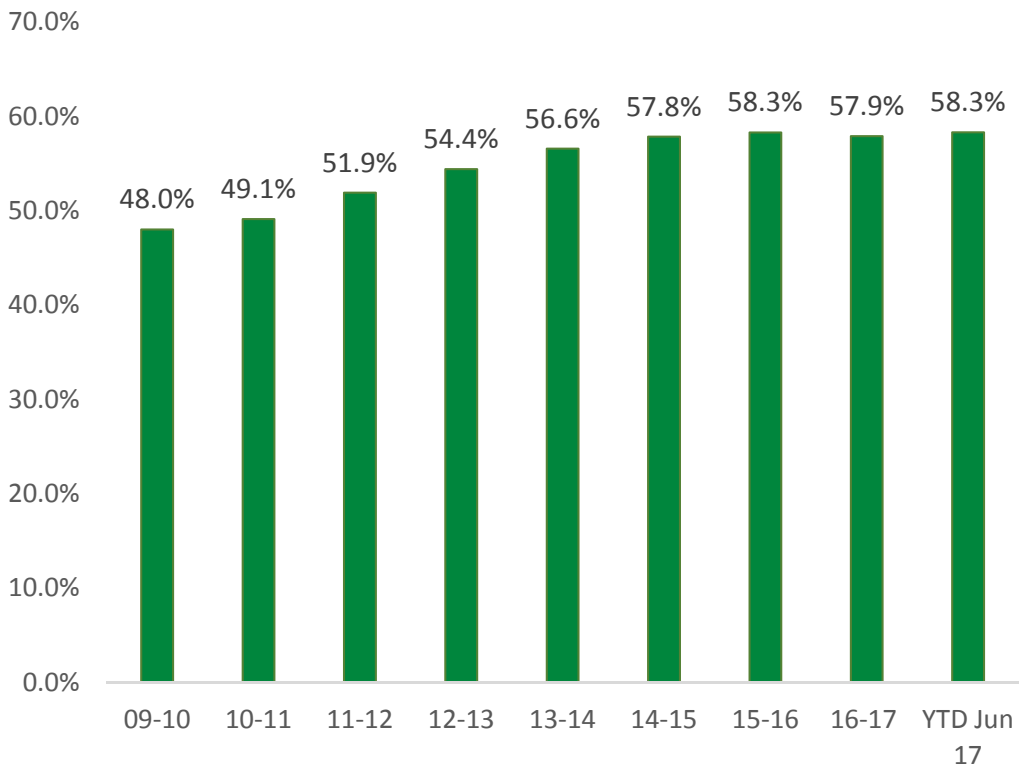


Source: AC Nielsen Retail Audit Report, Jun 2017; LHO nos. adjusted from 15-16 for like to like comparison

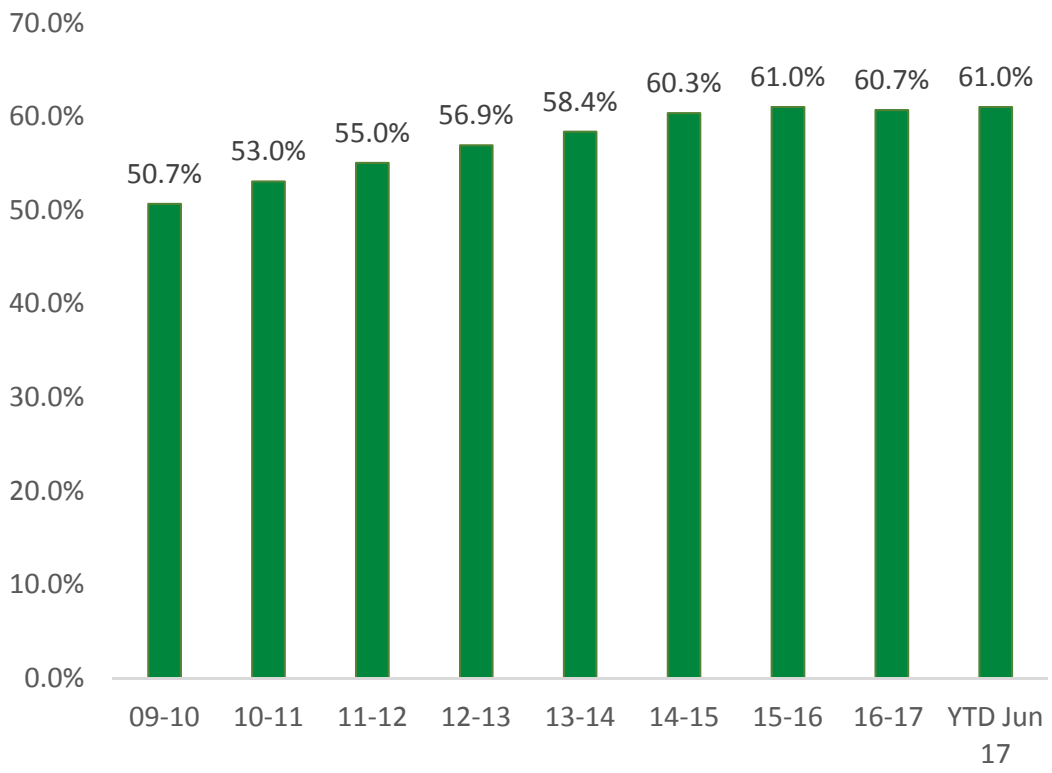
Bajaj Almond Drops shows growth in both volume & value as compared to YTD Jun 16

Market Shares Trends in Light Hair Oil Category (All India - Urban Plus Rural)

Volume MS



Value MS

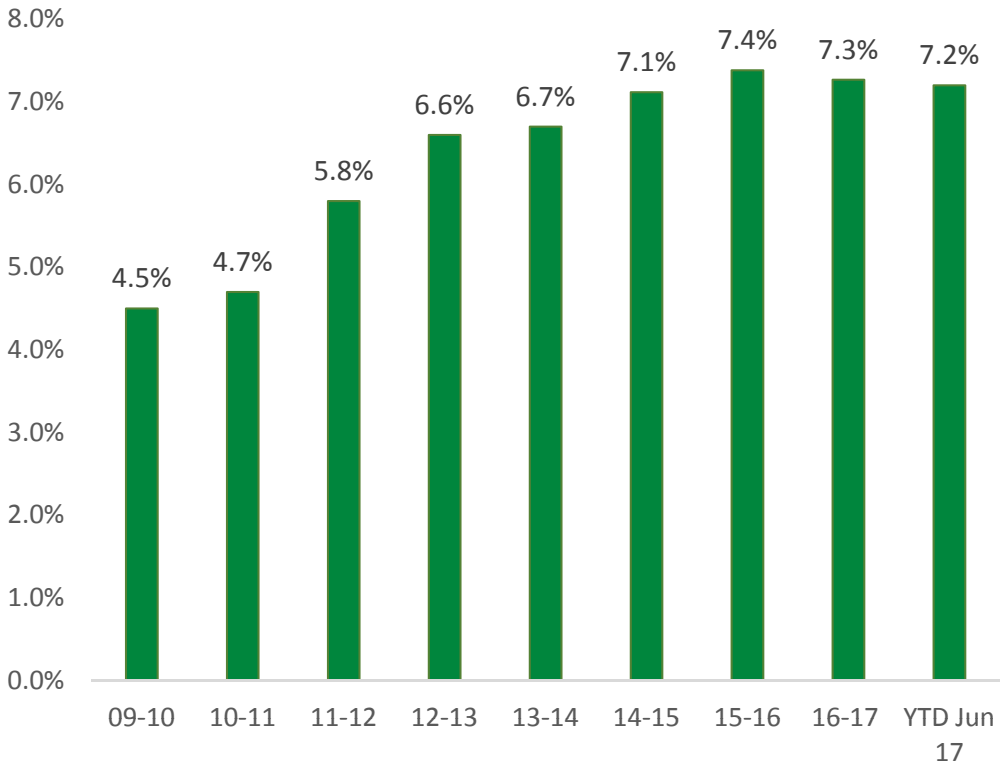


Market Share in the Light Hair Oil Category, LHO nos. adjusted from 15-16 for like to like comparison.

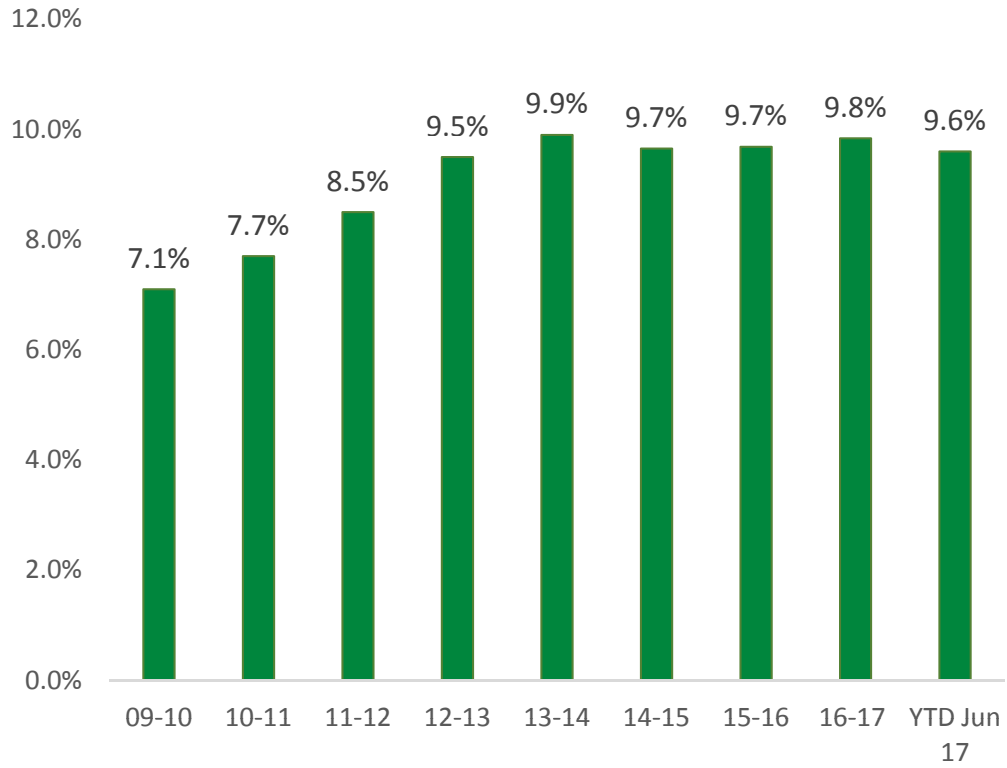
Source: AC Nielsen Retail Audit Report, Jun 2017

Market Shares Trends in Total Hair Oil Category (All India - Urban Plus Rural)

Volume MS



Value MS

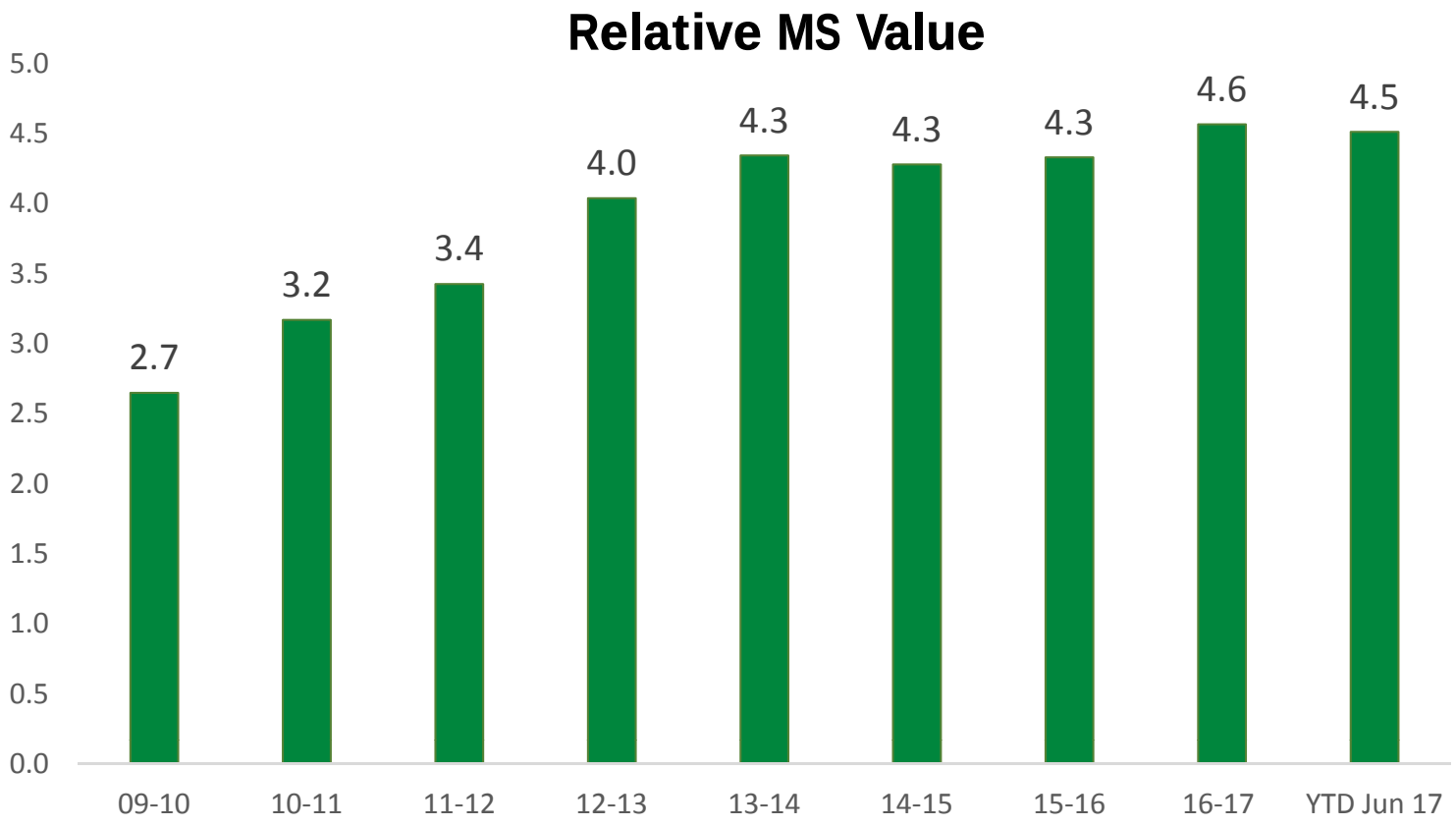


Source: AC Nielsen Retail Audit Report, Jun 2017

Bajaj Almond Drops has had a small decline its Value & Vol MS in the THO category

ADHO – Relative Market Share – Value Trend

Relative Market share is the ratio of Bajaj Almond Drops market share to the next largest competitor in LHO segment



Source: AC Nielsen Retail Audit Report, Jun 2017; LHO nos. adjusted from 15-16 for like to like comparison

Strong Relative market share demonstrates the strength of the brand

ADHO – Relative Market Shares – Value

States	Relative Market Share	Rank
Delhi	4.7	1
Rajasthan	1.5	1
Punjab	2.9	1
HP-JK	3.5	1
Haryana	5.1	1
Madhya Pradesh	4.0	1
Chhattisgarh	6.3	1
UP	3.4	1
Uttaranchal	3.9	1
Assam	8.9	1
Bihar	11.1	1
Jharkhand	8.7	1

States	Relative Market Share	Rank
North East	2.3	1
Orissa	6.8	1
WB	3.3	1
Maharashtra	4.5	1
Mumbai	3.3	1
Gujarat	2.1	1
AP	1.4	1
Karnataka	6.1	1
Kerala	0.8	2
TN	1.4	1
All India	4.5	1

Relative Market share is the ratio of Almond Drops market share value to the next largest competitor in LHO segment
Rank is the position of ADHO in respective state

Source – AC Nielsen Retail Audit Report, Jun 17

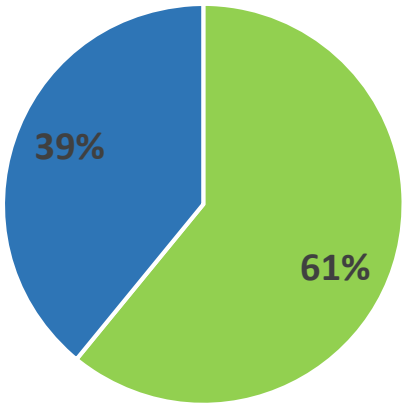
Statewise Market Share

YTD June 17	LHO Volume	ADHO Proportion % (Vol)		ADHO Market Share % (Vol)		
	Saliency	Urban	Rural	Total	Urban	Rural
All India	100.0%	58.1%	41.9%	58.3%	56.3%	61.3%
Delhi	6.6%	100.0%	0.0%	59.4%	59.4%	
Raj	7.0%	54.2%	45.8%	46.6%	47.7%	45.4%
Punjab	4.5%	29.4%	70.6%	49.3%	50.0%	49.0%
Har	6.0%	74.6%	25.4%	63.4%	61.5%	69.5%
HP-JK	0.6%	50.9%	49.1%	49.6%	45.5%	54.7%
MP	10.3%	53.7%	46.3%	56.1%	57.3%	54.8%
Chattisgarh	3.1%	43.8%	56.2%	69.1%	64.7%	73.0%
UP	22.5%	44.4%	55.6%	60.2%	58.1%	62.0%
Uttar	1.1%	54.0%	46.0%	59.8%	54.2%	68.1%
Assam	2.6%	35.7%	64.3%	67.3%	62.9%	70.0%
Bihar	6.6%	44.2%	55.8%	77.0%	71.9%	81.5%
JharKhand	1.5%	49.0%	51.0%	73.4%	69.2%	77.9%
North East	2.0%	52.8%	47.2%	45.9%	42.3%	50.7%
Orissa	1.7%	53.5%	46.5%	69.0%	63.2%	77.1%
WB	8.9%	59.9%	40.1%	49.1%	48.0%	50.9%
Guj	4.5%	69.2%	30.8%	54.1%	50.9%	62.7%
Maha	7.5%	73.4%	26.6%	57.7%	56.2%	62.3%
AP	1.2%	16.2%	83.8%	45.5%	36.7%	47.7%
Kar	1.1%	74.5%	25.5%	65.3%	62.7%	74.3%
Kerala	0.2%	90.9%	9.1%	26.6%	34.8%	8.0%
TN	0.5%	100.0%	0.0%	39.7%	40.1%	0.0%

Source: AC Nielsen Retail Audit Report, Jun 17

Light Hair Oil Market – Key Characteristics

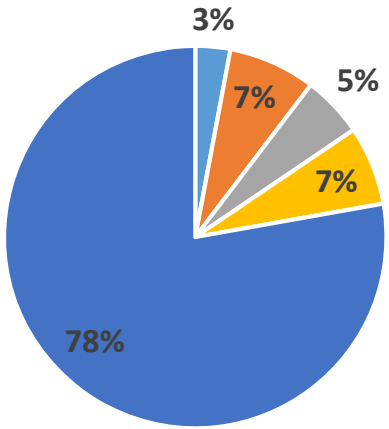
Rural –Urban break up of LHO market



AI Urban AI Rural

Urban dominated segment due to its relatively higher pricing

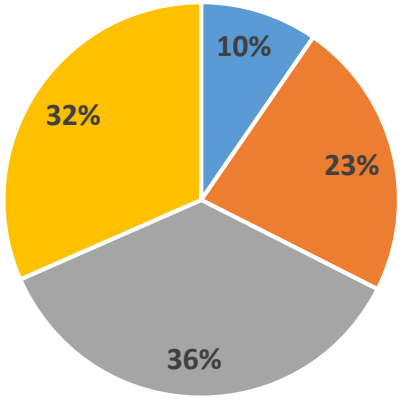
Share of Distribution Channels in LHO market



Modern Trade Pan Plus Chemists Cosmetics Grocers

Grocers dominate distribution

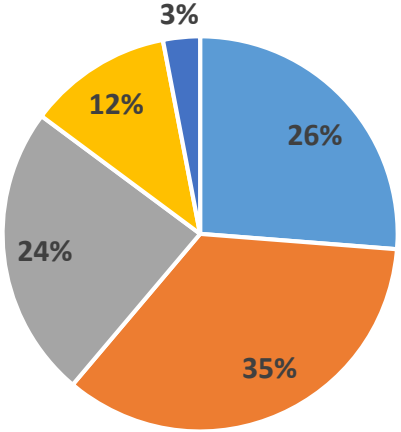
SKU wise break up of LHO market



0-15 ml 16-50 ml 51-100 ml >100 ml

50ml and above SKUs contribute the maximum in the repertoire.

Region wise break up of LHO market



NZ CZ EZ WZ SZ

Sales tend to be concentrated in the Central part of the country

Source: AC Nielsen Retail Audit Report, YTD Jun 2017

Company Overview

Bajaj Corp Ltd. (BCL) – An Overview

- Part of Bajaj Group which has business interests in varied industries including sugar, consumer goods, power generation & infrastructure development
- Subsidiary of Bajaj Resources Ltd. (BRL)
  - BCL is the exclusive licensee of brands owned by BRL
  - Brands licensed to BCL for 99 years from 2008
- Key brand – Bajaj Almond Drops Hair Oil
  - Market leader with 61% Val market share* of LHO market (YTD Jun 17)
  - Premium positioning commands one of the highest per unit prices in the industry
- Other brands – Bajaj Amla, Brahmi Amla, Bajaj Kailash Parbat Cooling Oil and Jasmine (all hair oil brands), Black tooth powder and skincare products under Nomarks brand.

*Source: AC Nielsen Retail Audit Report, YTD Jun 2017.

Haircare Portfolio

Bajaj Almond Drops Hair Oil - A premium perfumed hair oil containing almond oil and Vitamin E

Competitors – Keo Karpin (Dey's Medical), Hair & Care (Marico), Clinic All Clear (HUL)

Bajaj Kailash Parbat Cooling Oil – An ayurvedic formulation containing Sandal & Almond extracts

Competitors: Himani Navratna

Bajaj Brahmi Amla Hair Oil - Traditional heavy hair oil. Brand has been in existence since 1953

Competitors - Dabur Amla, Dabur Sarson Amla

Bajaj Amla – Variant in the low price amla hair oil segment catering to price conscious consumers

Competitors - Shanti Badam Amla Hair Oil (Marico)

Bajaj Jasmine Hair Oil - A Jasmine flower perfumed hair oil. In demand due to cultural significance.

Bajaj Kala Dant Manjan – An oral care product for the rural market.

Skincare Portfolio

Bajaj Nomarks Creams for
Normal Skin, Oily Skin & Dry Skin Types, available in sizes 12g(Normal skin) & 25g

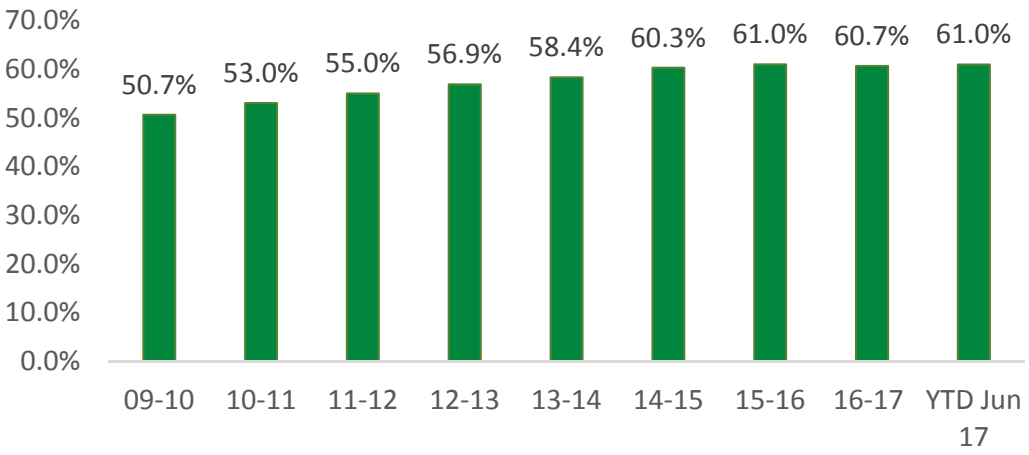
Bajaj Nomarks Facewash for
Clear Glowing Fairness (50g) & Neem Facewash (15g, 50g & 100g)

Bajaj Nomarks Soaps
Herbal Scrub Soap and Neem Soap, available in sizes 125g

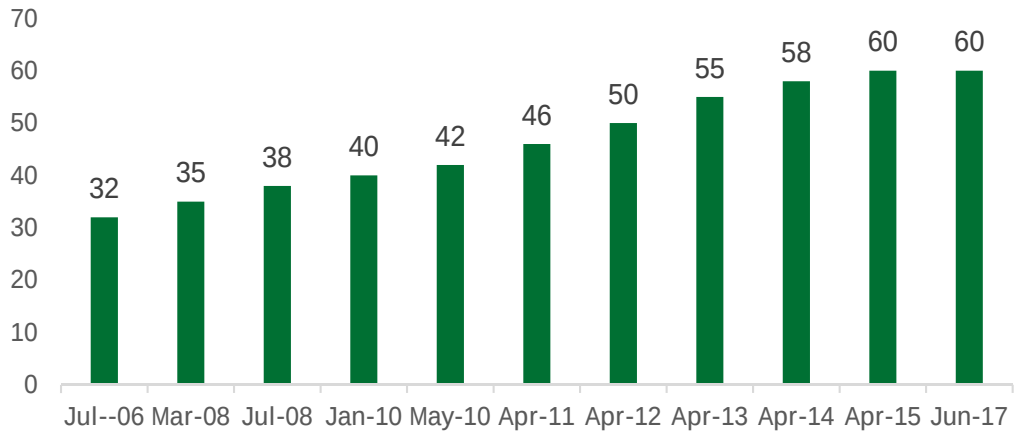
Bajaj Nomarks Exfoliating Scrub (50g)
& Bajaj Nomarks Face Pack (25g)

Bajaj Almond Drops - A Premium Brand

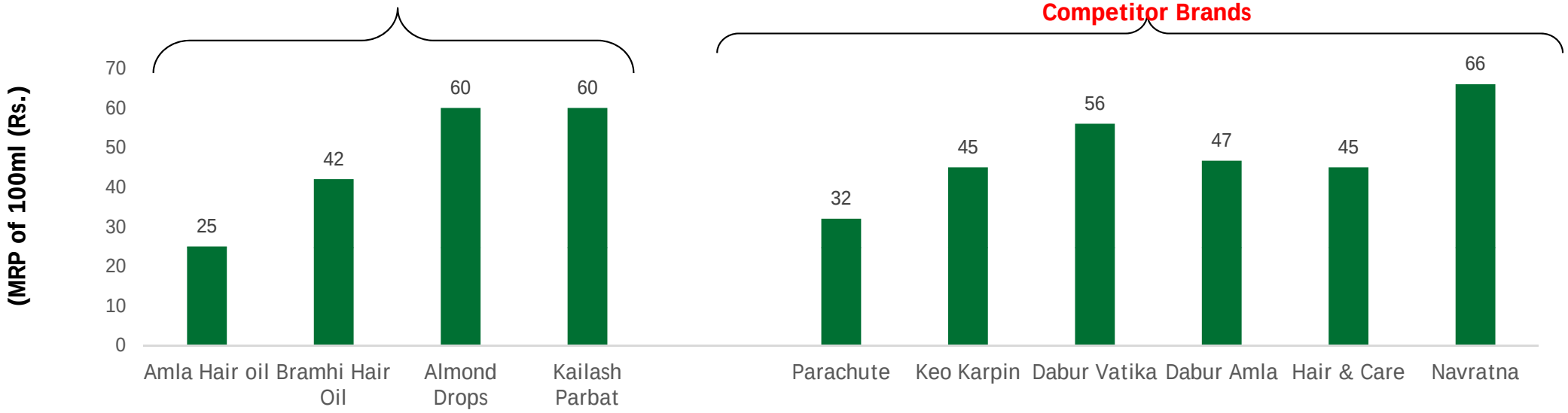
Strong Market Share (Val) Growth in Recent Years



. . . But not at the cost of pricing power



Comparative Price of Different Brands for 100 ml in the Hair Oil Segment



Source: AC Nielsen Retail Audit Report Jun 2017

Almond Drops has created a unique positioning for itself through initiatives like product differentiation (Almond based), focused marketing, unique packaging (glass vs. plastic used by competition etc.)

Consumer Profile- Bajaj Almond Hair Drops Oil Users

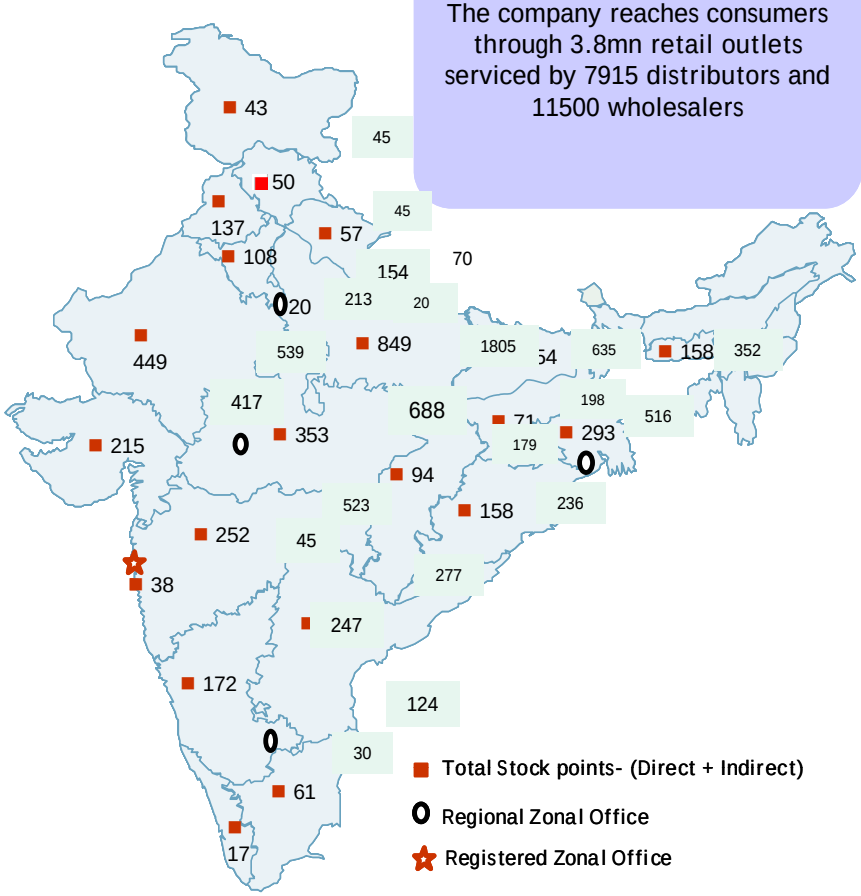
- For Light Hair Oils, the consumer is skewed towards SEC A,B and younger age group.
  - Gender
    - Male- 43%
    - Female- 57%
  - Age Group
    - 25 to 35 yrs (58% of users)
  - Socio Economic Class (SEC)- Urban
    - A – 21%
    - B – 36%
    - C – 30%

Source – Last U&A (2012)

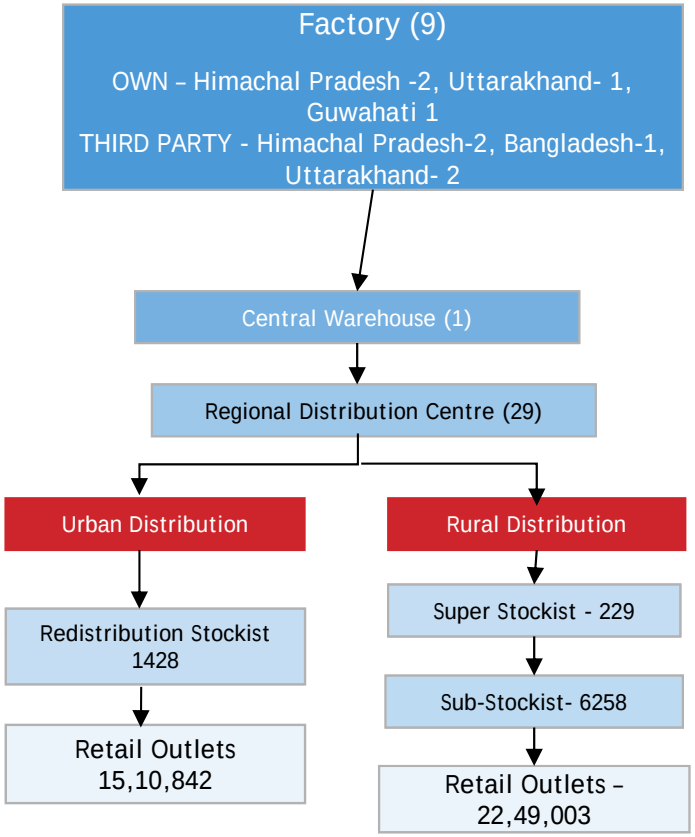
Strong Distribution Network

Distribution Network

The company reaches consumers through 3.8mn retail outlets serviced by 7915 distributors and 11500 wholesalers



Distribution Structure

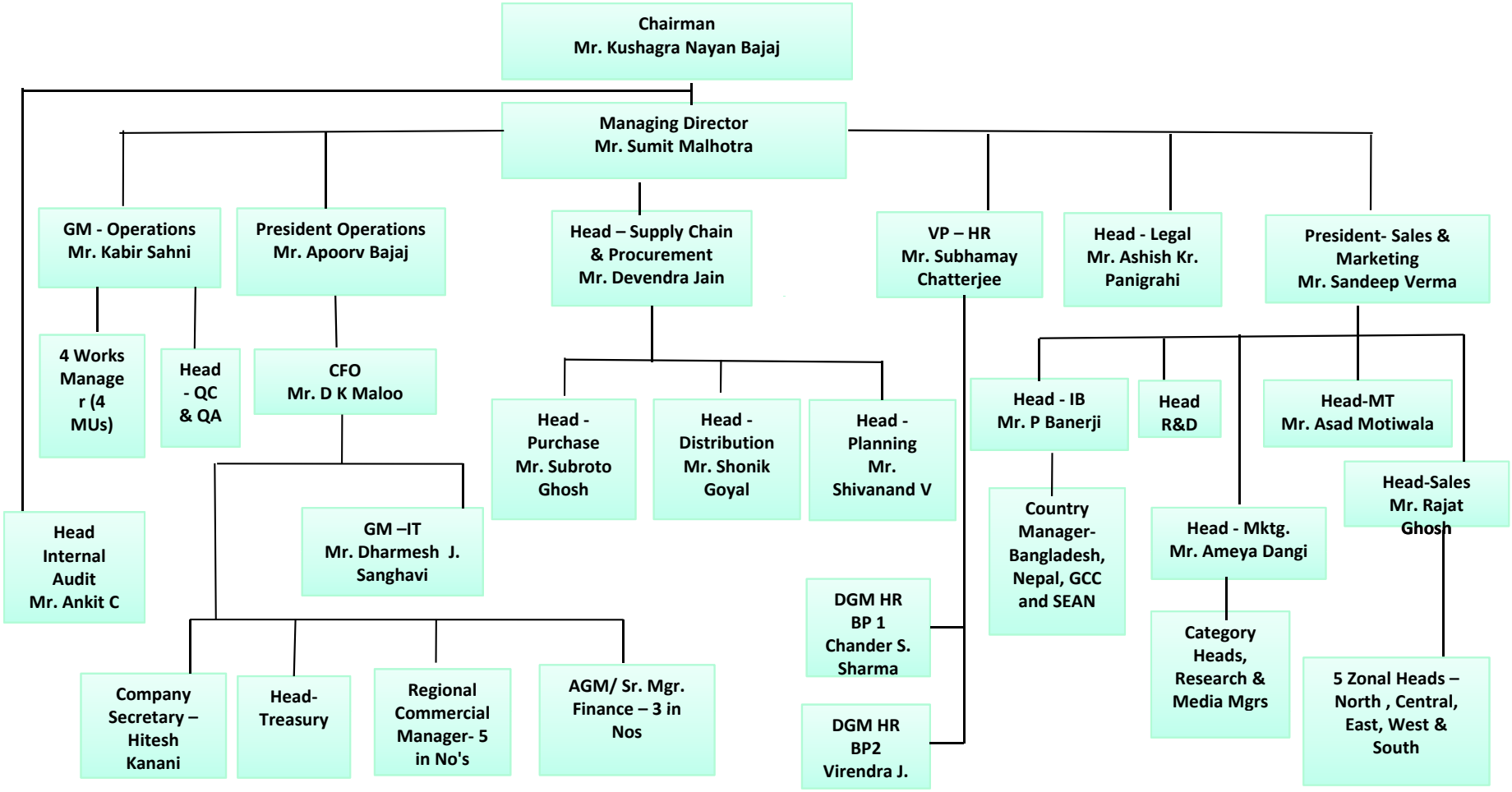


Over the years, BCL has created a large distribution network (that continues to grow) which can be leveraged to introduce new products

Sales Force Automation

- SFA program has been launched under the name of **Project Saathi** last year.
- It was started with the objective of better coverage & control of distribution, better efficiency
- Current all 950 ISR are in under SFA
- Future ISR addition will be with SFA
- Seam less Backend integration of data
- Fastest National Roll out with FMCG space – 6 months (Industry norm 1.5 – 2 years)

Organization Structure



Financial Information

Summary Income Statement

(Rs. In Crore)

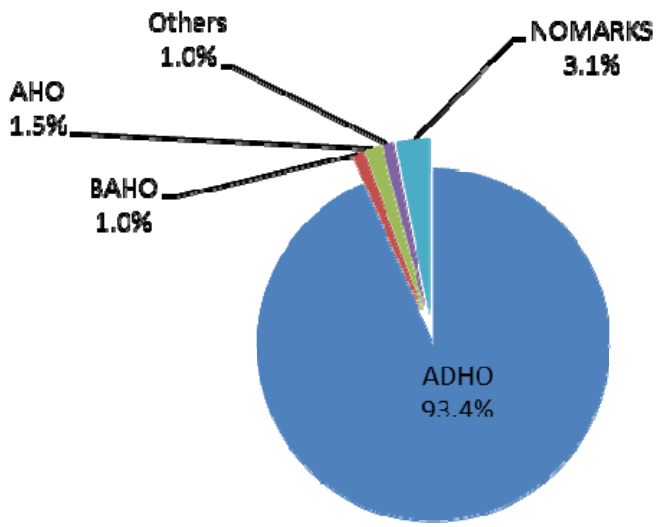
Particulars	Q1 FY18	Q1 FY17	FY 17
Sales (Net)	196.40	203.73	790.49
EBITDA	61.89	72.06	270.00
EBITDA Margin	*31.51%*	*35.37%*	*34.16%*
Profit Before Tax & Exceptional Item	*69.90*	*78.10*	*299.26*
Exceptional Item (Trademark & Intellectual Properties)	*0.00*	*11.75*	*18.38*
Profit Before Tax(PBT)	*69.90*	*66.36*	*280.88*
Net Profit after Tax	54.98	52.19	220.96
Net Profit Margin	*27.99%*	*25.62%*	*27.95%*

Summary Balance Sheet

(Rs. In Crore)

Particulars	As on 30.06.2017	As on 31.03.2017
Shareholders Equity	556.75	501.77
Net Fixed Assets	53.04	53.80
Investments (including Bank FDs, Debt MF and Government Securities & Bonds)	509.00	458.53
Net Current Assets	- 5.29	- 10.56

Brandwise Sales Break-Up for Q1 FY 2018



Key Highlights

- Strong demonstrated growth track record
- Among the highest EBITDA margins in the industry

EBITDA & PAT Performance

Rs. in Crore

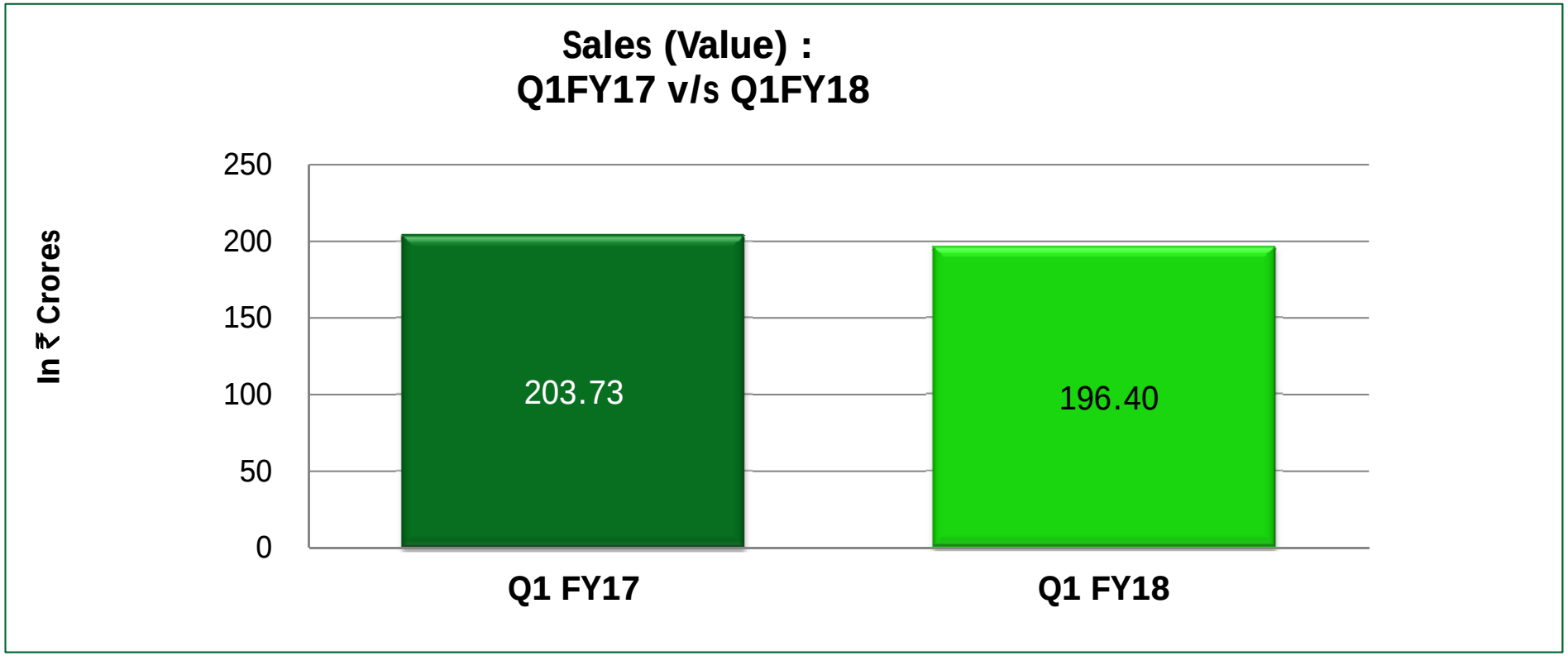
Particulars	Q1 FY18	Q1 FY17	YoY%	FY 17
EBITDA	61.89	72.06	-14.11%	270.00
Profit Before Tax & Exceptional Item	69.90	78.10	-10.50%	299.26
Exceptional Item (Trademark & Intellectual Properties)	-	11.75		18.38
Profit Before Tax (PBT)	69.90	66.35	5.35%	280.88
Profit After Tax (PAT)	54.98	52.19	5.35%	220.96

Profit & Loss Q1 FY2018

Rs. in Crore

Particulars	Q1 FY18	Q1 FY17	YoY%	FY 17
Net Sales	**196.40**	**203.73**	**-3.60%**	**790.49**
Other Operating Income	1.03	0.58		2.05
Material Cost	68.80	70.39		267.90
% of Sales	35.03%	34.55%		33.89%
Employees Cost	16.88	13.82		59.39
% of Sales	8.59%	6.78%		7.51%
Advertisement & Sales Prom.	23.97	26.46		105.40
% of Sales	12.20%	12.99%		13.33%
Other Expenses	25.89	21.58		89.84
% of Sales	13.18%	10.59%		11.37%
EBITDA	**61.89**	**72.06**	**-14.11%**	**270.00**
% of Sales	31.51%	35.37%		34.16%
Other Income	11.06	8.36		39.35
Finance Cost	0.26	0.20		0.93
Depreciation	1.54	1.02		4.76
Corporate Social Responsibility	1.25	1.10		4.40
Profit Before Tax & Exceptional Item	**69.90**	**78.10**	**-10.50%**	**299.26**
Exceptional Item (Trademark & Intellectual Properties)	0.00	11.75		18.38
Profit Before Tax(PBT)	**69.90**	**66.35**	**5.35%**	**280.88**
Tax Expenses	14.92	14.16		59.92
Profit After Tax(PAT)	**54.98**	**52.19**	**5.35%**	**220.96**
% of Sales	27.99%	25.61%		27.95%
Other Comprehensive Income (net of tax)	-	-		-0.85
Total Comprehensive Income (net of tax)	**54.98**	**52.19**		**220.11**
Basic & Diluted EPS (Rs.)	3.73	3.54		14.92

Sales Performance



✓ Sales for the quarter ended June'17 has decreased by 3.60%.

Statement of Quarter wise Sales (Volume & Value)

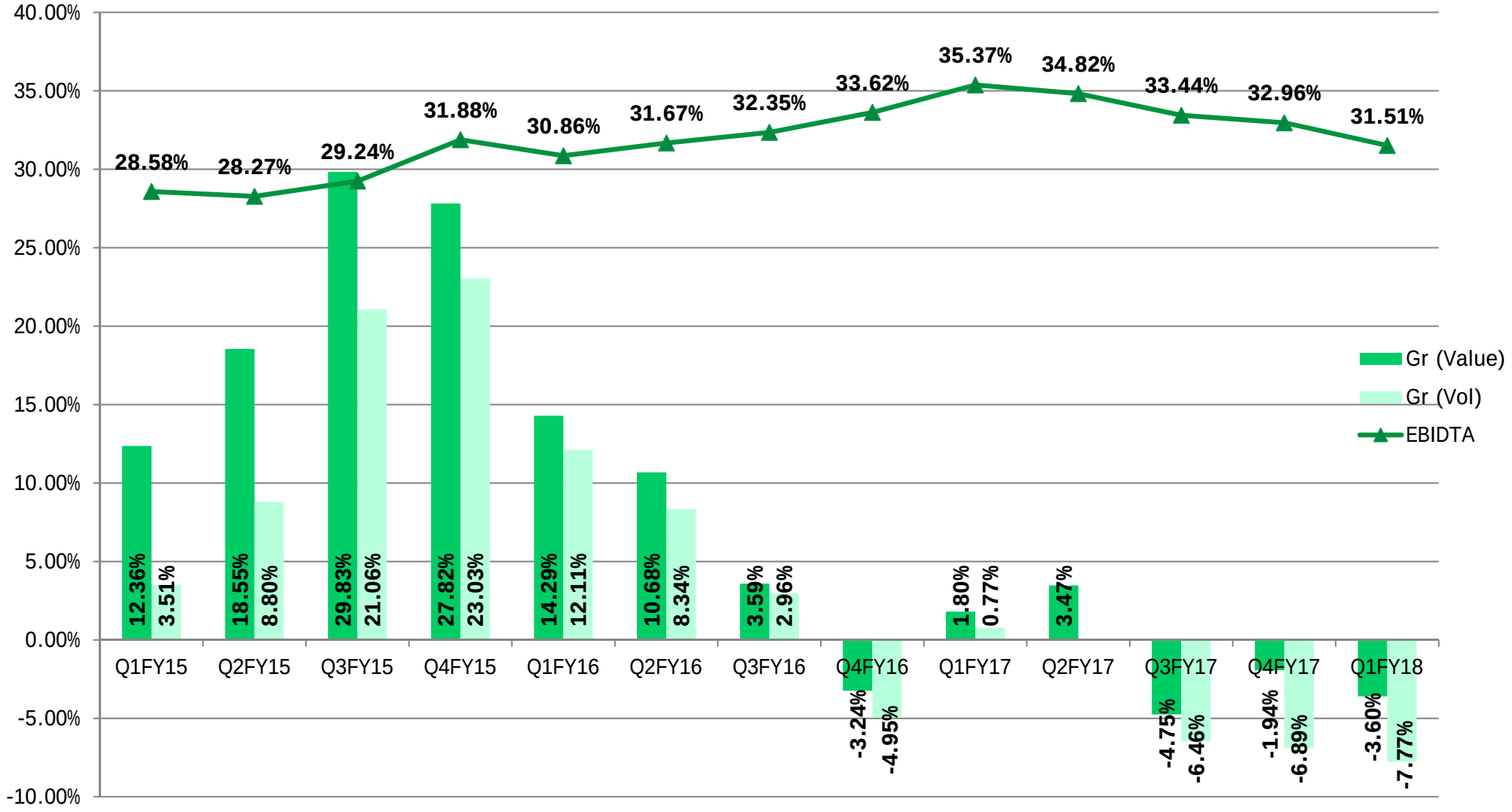
STATEMENT OF QUARTERWISE SALES (VOLUME - In Cases)

PRODUCT	Q1 FY 18	% to Total	Q1 FY 17	% to Total
ADHO	1,185,731	93.75%	1,269,703	92.59%
KPCO	7,407	0.59%	7,483	0.55%
BAHO	9,408	0.74%	11,801	0.86%
AHO	32,058	2.53%	45,072	3.29%
Nomarks	24,817	1.96%	29,195	2.13%
Others	5,347	0.42%	8,081	0.59%
Total	**1,264,768**	**100.00%**	**1,371,335**	**100.00%**

STATEMENT OF QUARTERWISE SALES (VALUE - In Rs. Crores)

PRODUCT	Q1 FY 18	% to Total	Q1 FY 17	% to Total
ADHO	183.50	93.43%	188.72	92.63%
KPCO	0.95	0.49%	0.64	0.32%
BAHO	1.96	1.00%	2.36	1.16%
AHO	2.96	1.51%	4.18	2.05%
NOMARKS	6.02	3.07%	6.37	3.13%
OTHERS	1.01	0.51%	1.46	0.72%
Total	**196.40**	**100.00%**	**203.73**	**100.00%**

Consistent Performance over the last 13 successive quarters



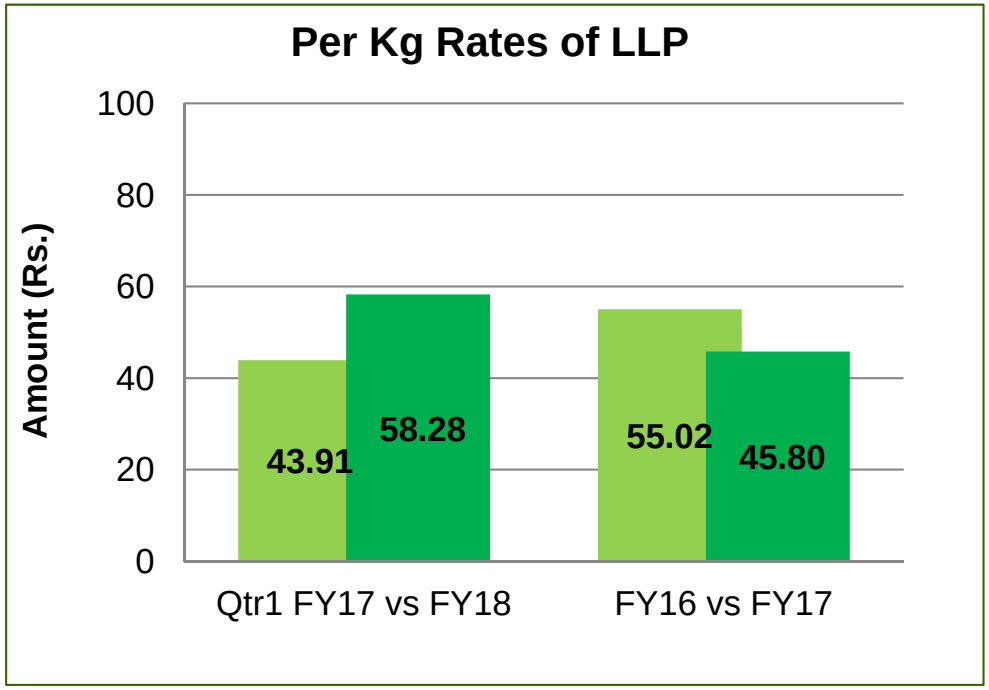
Breakup of RM/PM Costs *(for Q1 FY 18)*

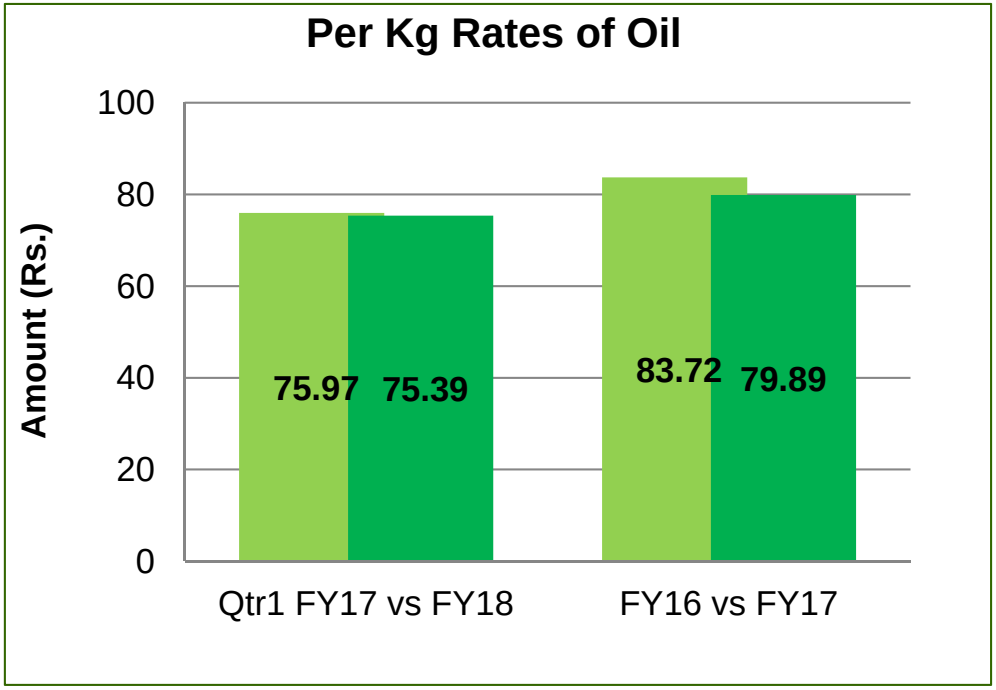
Key Raw & Packing Material	% to Sales	% to Total Cost
LLP	9.72%	27.64%
Glass Bottles	9.20%	26.16%
Refined Veg. Oil	4.51%	12.81%
Perfumes & other additives	3.60%	10.25%
Corrugated Boxes	1.79%	5.09%
Caps	2.03%	5.78%
Others	4.31%	12.27%
TOTAL	35.17%	100.00%

*** Consumption is 35.17% of Sales**

**For Bajaj Almond Drops*

Change in Prices of Key Ingredients





- ✓ During the quarter average price of LLP increased to Rs 58.28/Kg from Rs 43.91/Kg in corresponding quarter of previous year.
- ✓ Prices of Refined Oil decrease to Rs 75.39/Kg from Rs 75.97/Kg in corresponding quarter of previous year.

Fund Position

- Fund Position:
  - The total Fund available with the company as on 30th June' 2017 is Rs. 384.98 Crores
  - This has been invested in Bank Fixed Deposits and AAA rated Bonds.
  - There is no investment in ANY Inter Corporate Deposit

Particulars	Amount (Rs. in Crores)
Bank FDs	9.49
Bonds	375.49
Total	**384.98**

Dividend Payout History

Year	No. of Shares (in Lacs)	Face Value	Dividend Payout (Rs in Lacs)	% to Capital	Dividend per share (Rs.)
2016-17	1,475	1	16962.50	1150%	11.50
2015-16	1,475	1	16962.50	1150%	11.50
2014-15	1,475	1	16962.50	1150%	11.50
2013-14	1,475	1	9,587.50	650%	6.50
2012-13	1,475	1	9,587.50	650%	6.50
2011-12	1,475	1	5,900.00	400%	4.00
2010-11	295	5	2,802.50	190%	9.50

Corporate Governance

- Bajaj Corp Ltd is a part of the Bajaj Group of companies. The other listed entity in the group is Bajaj Hindusthan Sugar Ltd

- Bajaj Corp Ltd has not and will not transfer funds from and to any other company within the Bajaj Group

- The Company acquired in September 2011 (Uptown Properties) owns a piece of land and building in Worli, Mumbai. Uptown Properties was previously owned by the C.K. Raheja Group (i.e. Mr. Chandu Raheja)

- The corporate Headquarters of Bajaj Corp Ltd will be constructed on this land. The Construction is expected to be completed by end of 2018.

- The Bajaj Group is well aware of issues regarding Corporate Governance and would like to state that there will be no financial interaction between any of the listed entities within the group.

Growth Strategy

Strategy	Action Steps
Market share gains from other hair oil segments	■ Convert coconut hair oil users to light hair oil users through sampling, targeted advertising campaigns, product innovation and creating awareness about product differentiation including communicating the advantages of switching to lighter hair oils. Aim for a market share of 65% by the year 2018-19
Focus on rural penetration	■ Tap the increase in disposable income of rural India and convert rural consumer from unbranded to branded products by providing them with an appropriate value proposition ■ Among its key competitors, our Almond Drops is the only brand which is available in sachets – a marketing initiative to penetrate the rural market
Leverage existing strengths to introduce new products	■ BCL has over the years created a strong distribution network across 3.8 mn. retail outlets which can be optimally utilized by introducing new products ■ BCL intends to extend 'Almond Drops' platform developed by its Almond Drops Hair Oil brand to other personal care products to leverage on the strong connotation of Almonds with nutrition
Pursue inorganic Opportunities	■ Will seek inorganic growth opportunities in the FMCG and hair oil market as part of growth strategy ■ The inorganic growth opportunities will focus on targeting niche brands which can benefit from BCL's strong distribution network so that they can be made pan India brands

Thank You