bajaj corp limited

October 13, 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(s),

Sub: Revised Investor Presentation

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

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

Thanking you,

Yours faithfully,
For Bajaj Corp Limited

Hanah

Hitesh Kanani
General Manager - Company Secretary
Membership No.: FCS6188

Encl: as above

Registered Office: Old Station Road, Sevashram Chouraha, Udaipur 313 001
CIN: L01110RJ2006PLC047173
Phone : 0294-2561631, 2561632
Website : www.bajajcorp.com

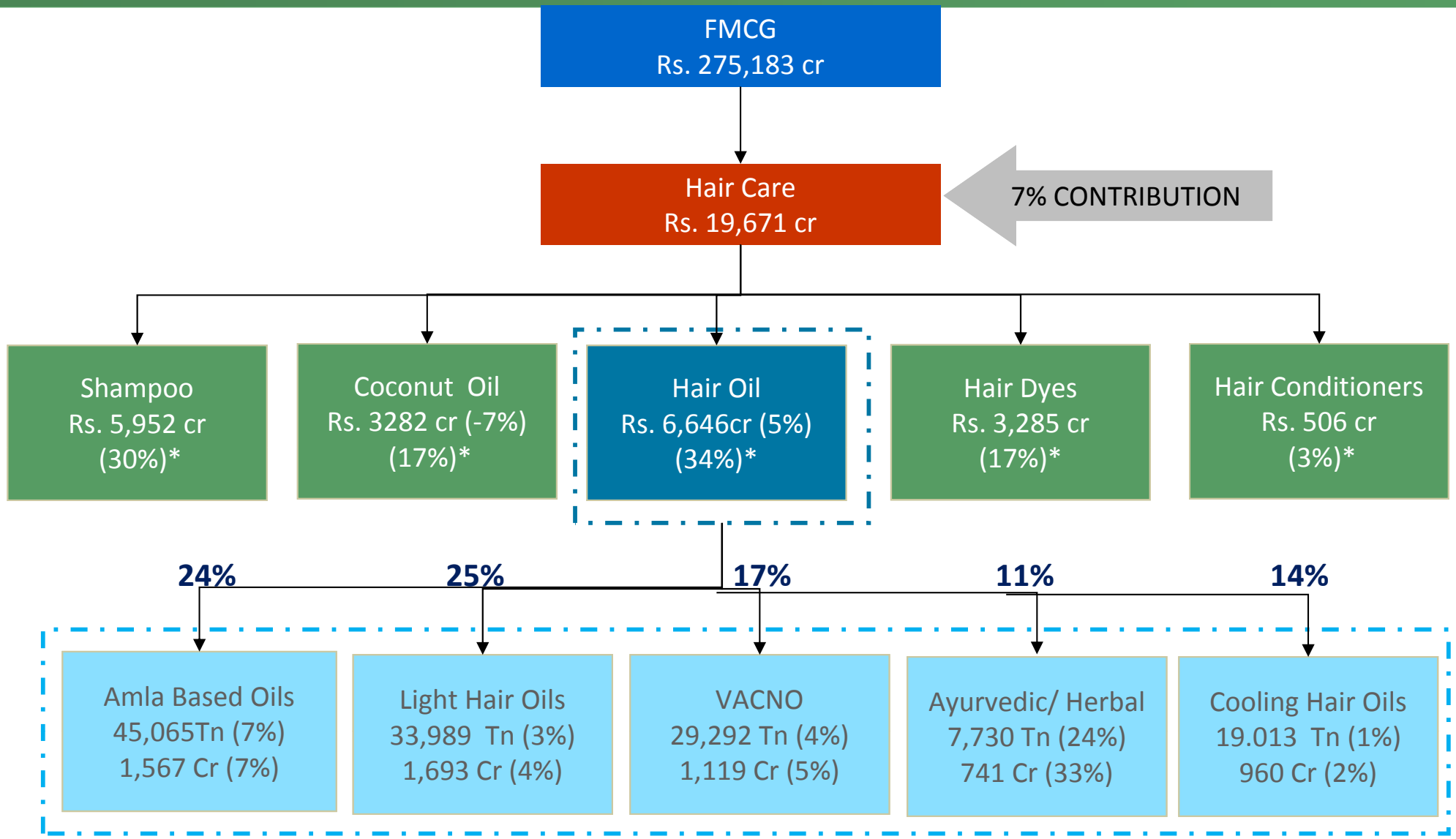
bajaj Corp Ltd.

Investor Presentation

October 2017

Industry Overview

INDUSTRY SIZE AND STRUCTURE



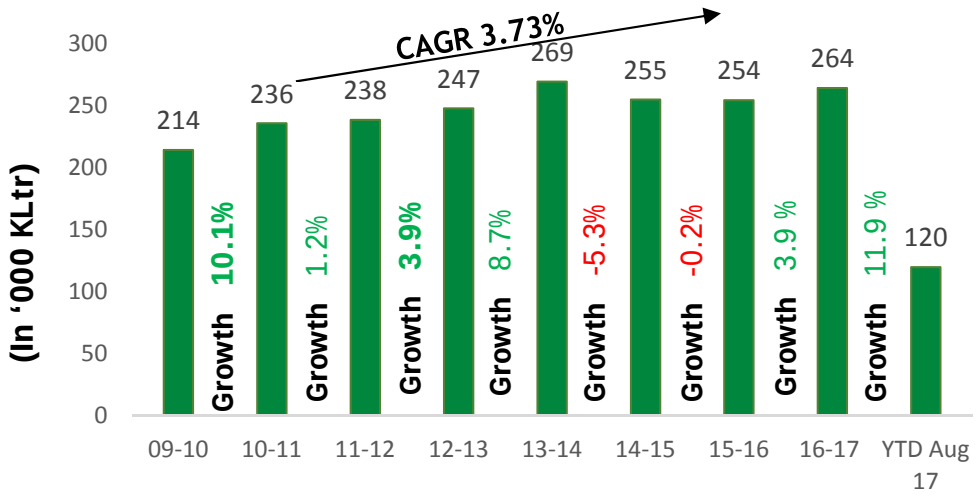
*Others (9% contribution)
5,546 Tn (-15%)
566 Cr (-12%)

* Value based share of Hair Care Market

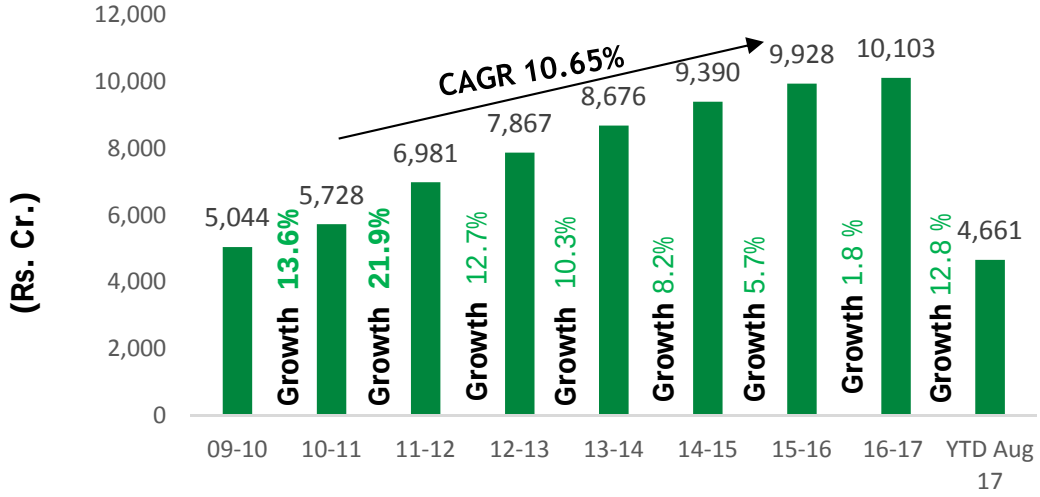
All India (U+R) MAT DEC 2016

Hair Oil Market in India

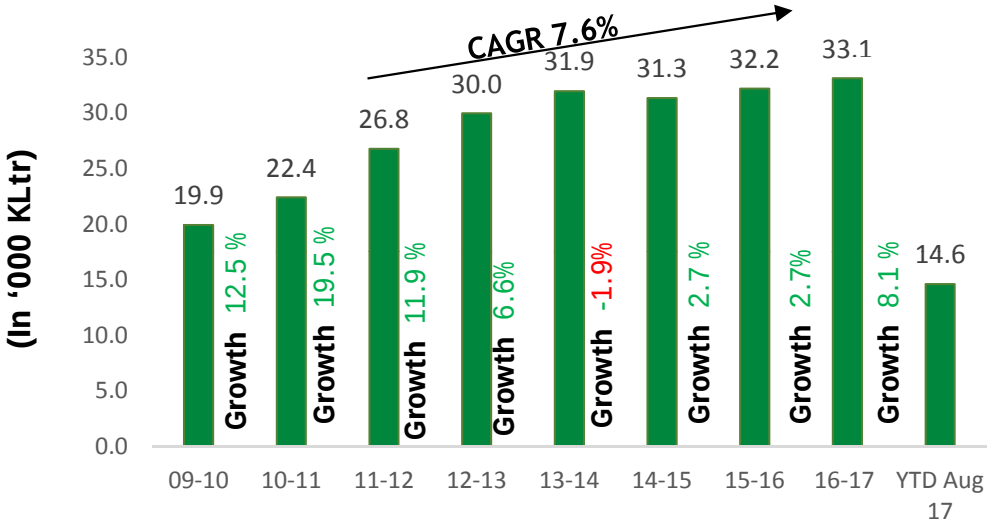
Overall Hair Oil Market – Volume



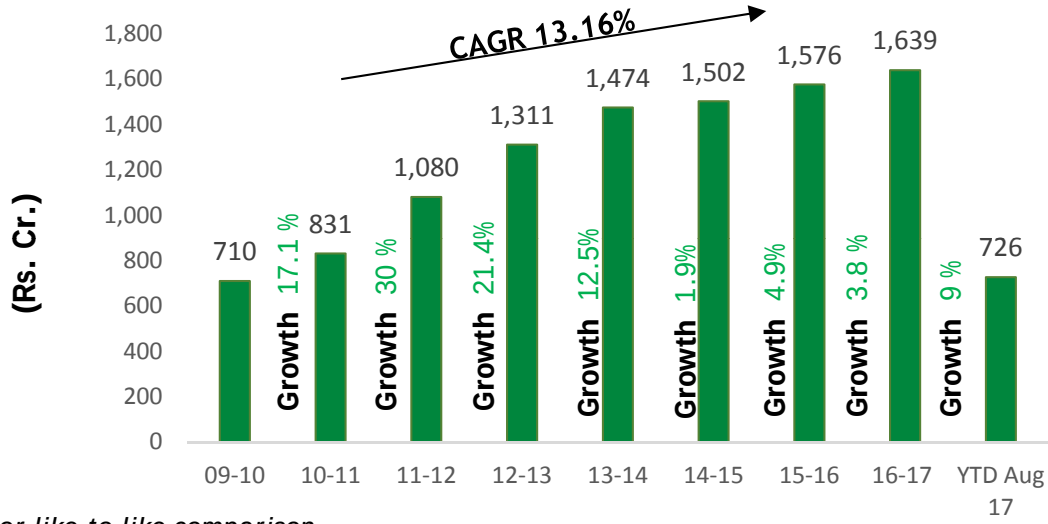
Overall Oil Market – Value



Light Hair Oil – Volume



Light Hair Oil – Value



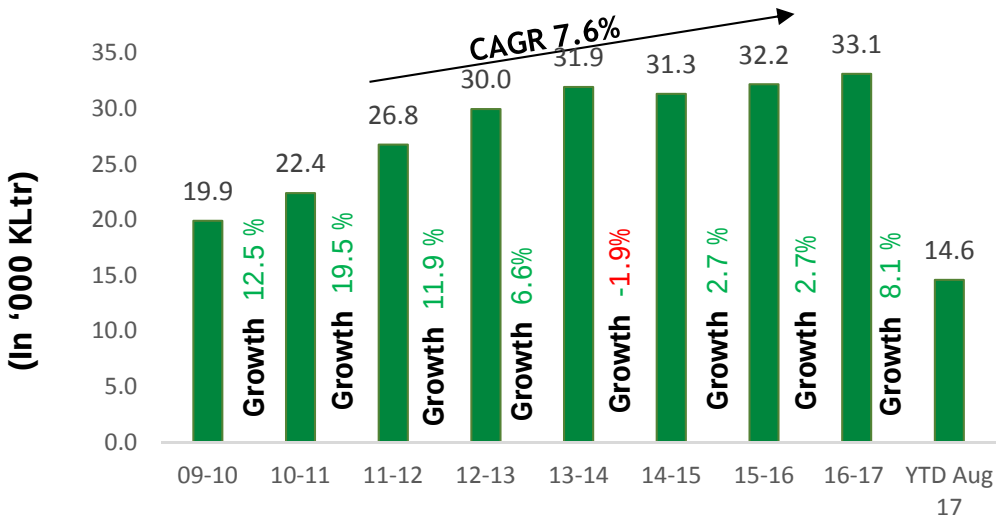
Source: AC Nielsen Retail Audit Report, Aug 2017; LHO nos. adjusted from 15-16 for like to like comparison

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

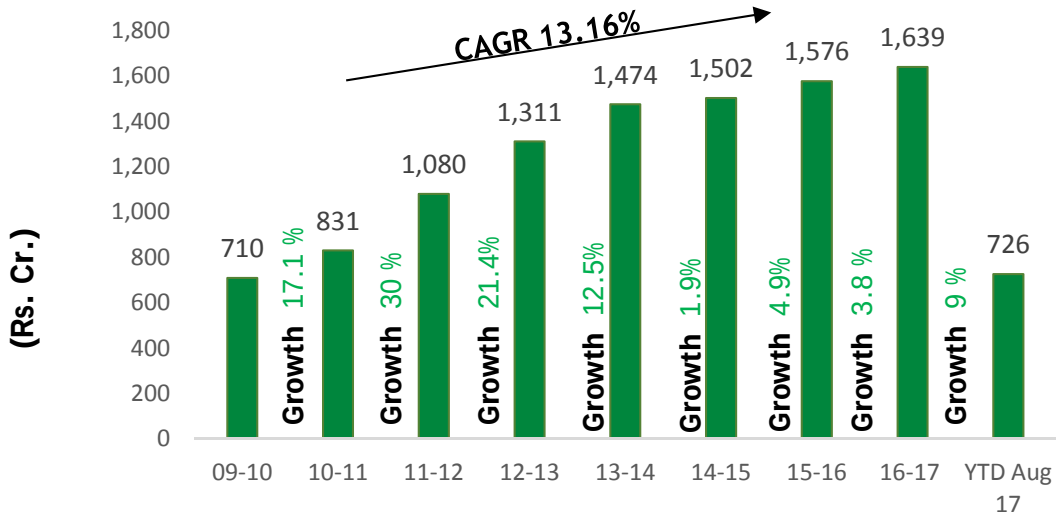
Hair Oils category shows Vol & Val growth as compared to YTD Aug 16. LHO segment also shows Val & Vol growth.

Light Hair Oil Market in India

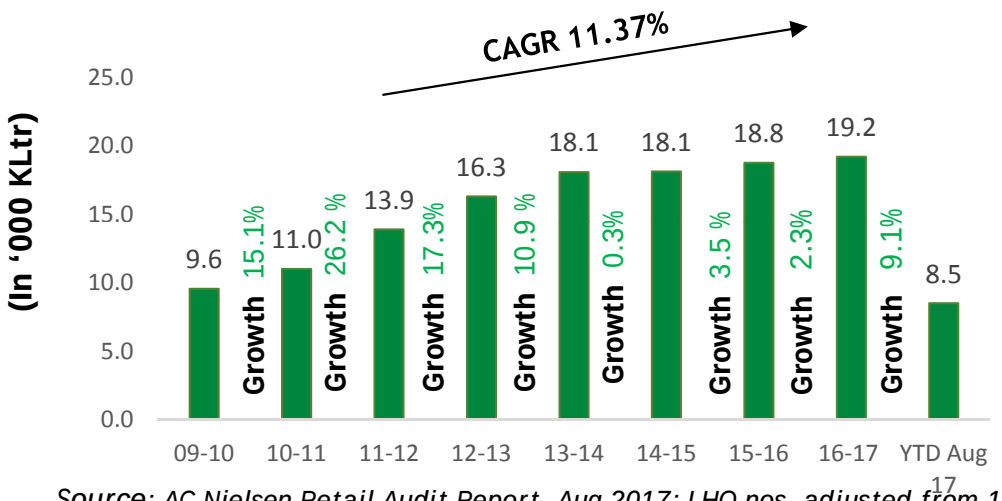
Light Hair Oil - Volume



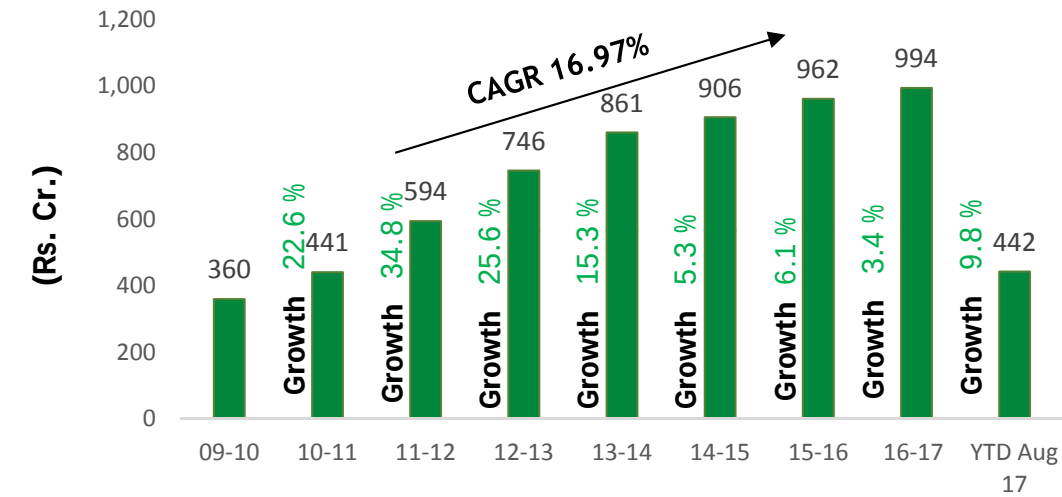
Light Hair Oil - Value



Almond Drops Hair Oil Market - Volume



Almond Drops Hair Oil Market - Value

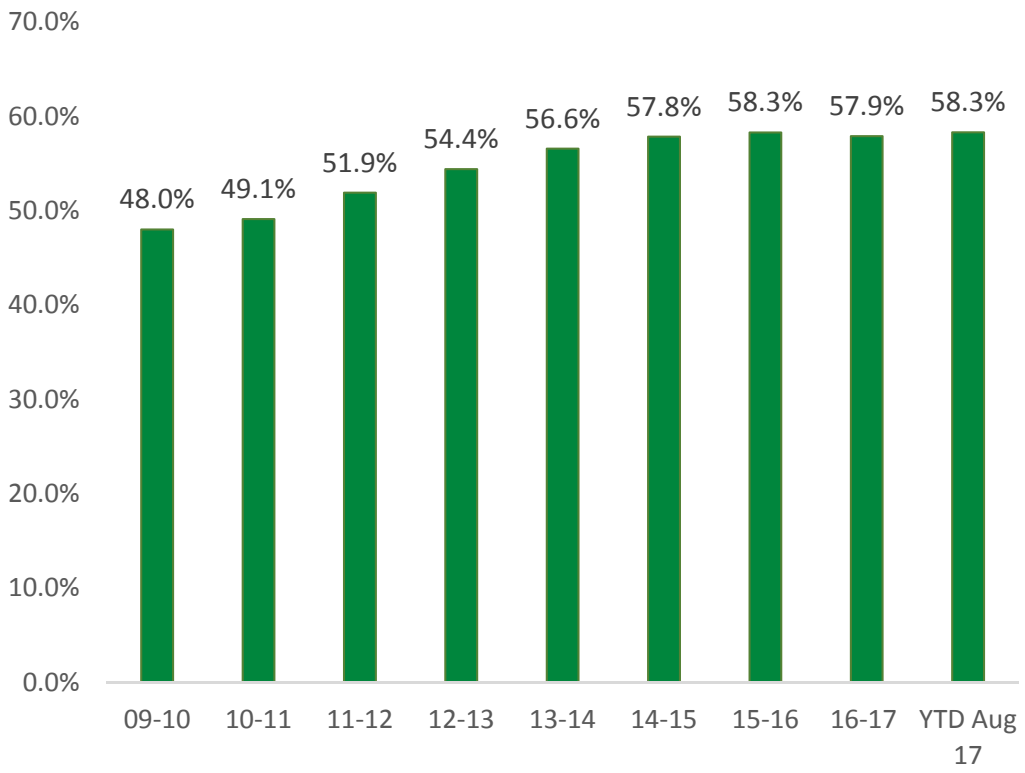


Source: AC Nielsen Retail Audit Report, Aug 2017; LHO nos. adjusted from 15-16 for like to like comparison

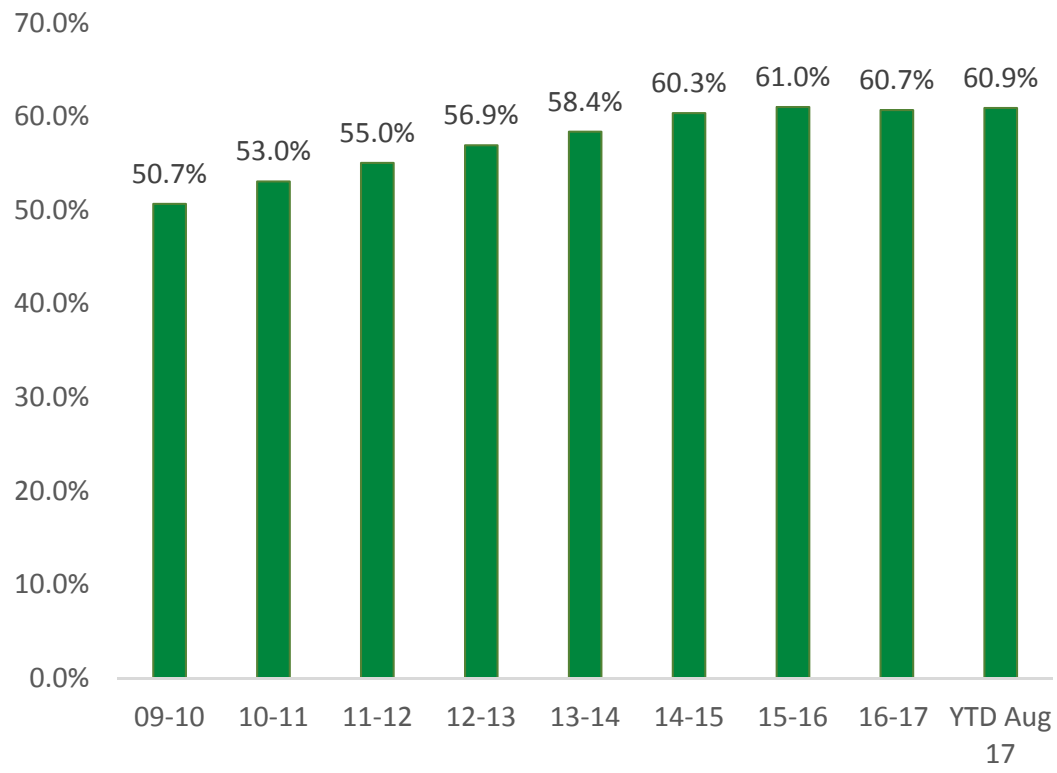
Bajaj Almond Drops shows growth in both volume & value as compared to YTD Aug 16

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

Volume MS



Value MS

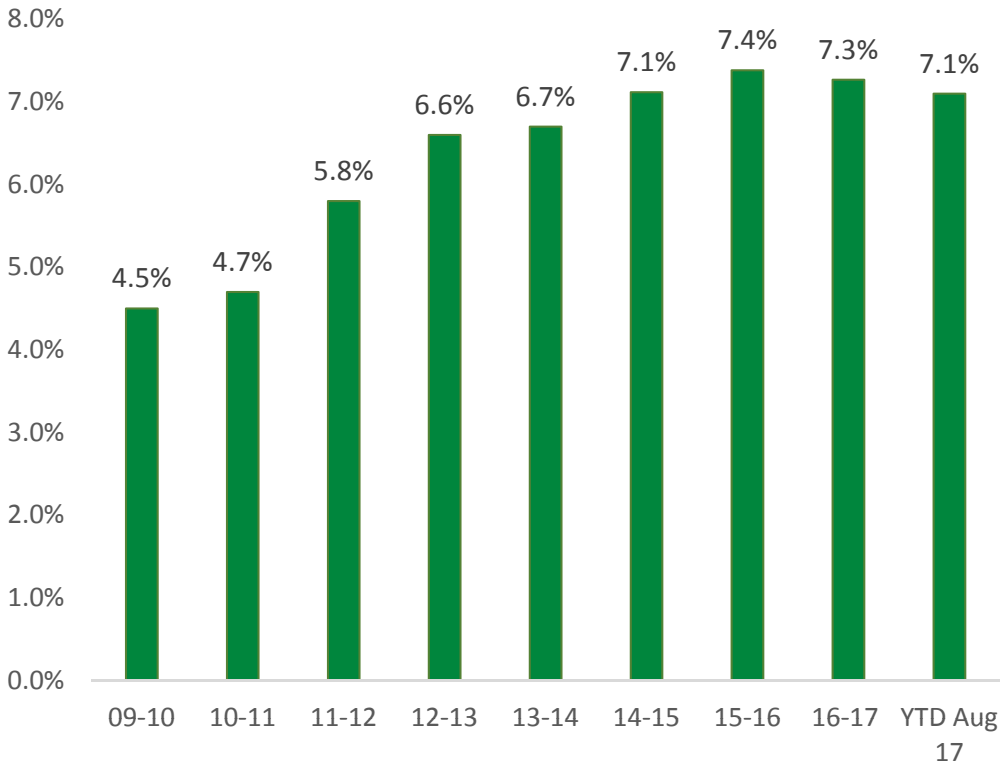


Market Share in the Light Hair Oil Category, LHO nos. adjusted from 15-16 for like to like comparison.

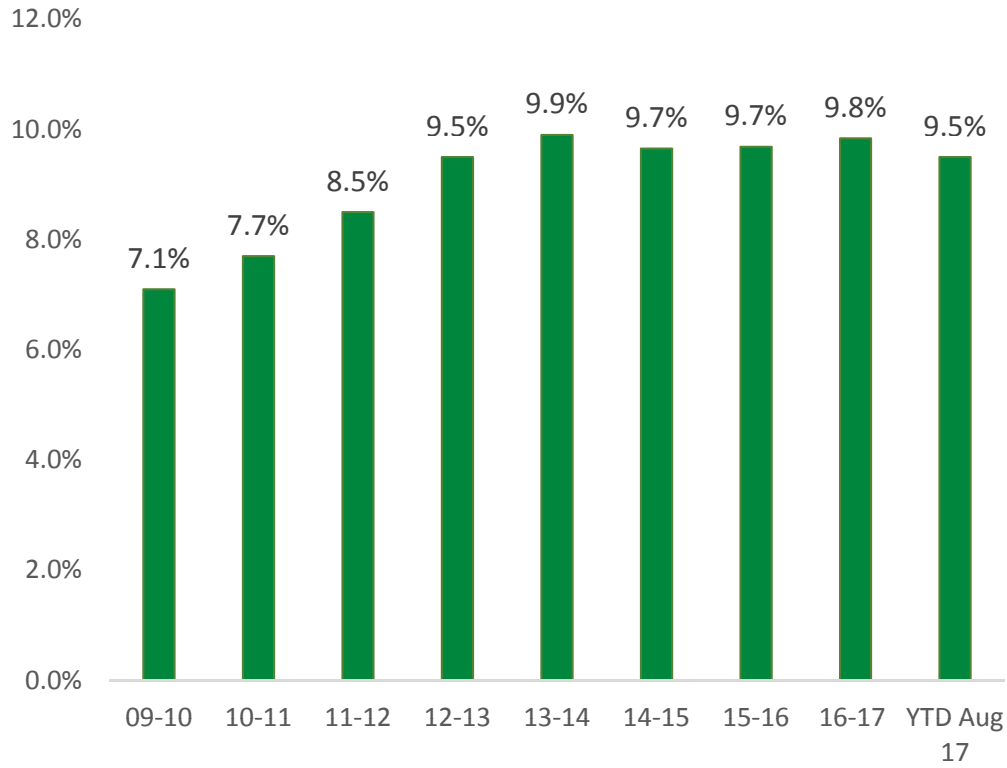
Source: AC Nielsen Retail Audit Report, Aug 2017

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

Volume MS



Value MS

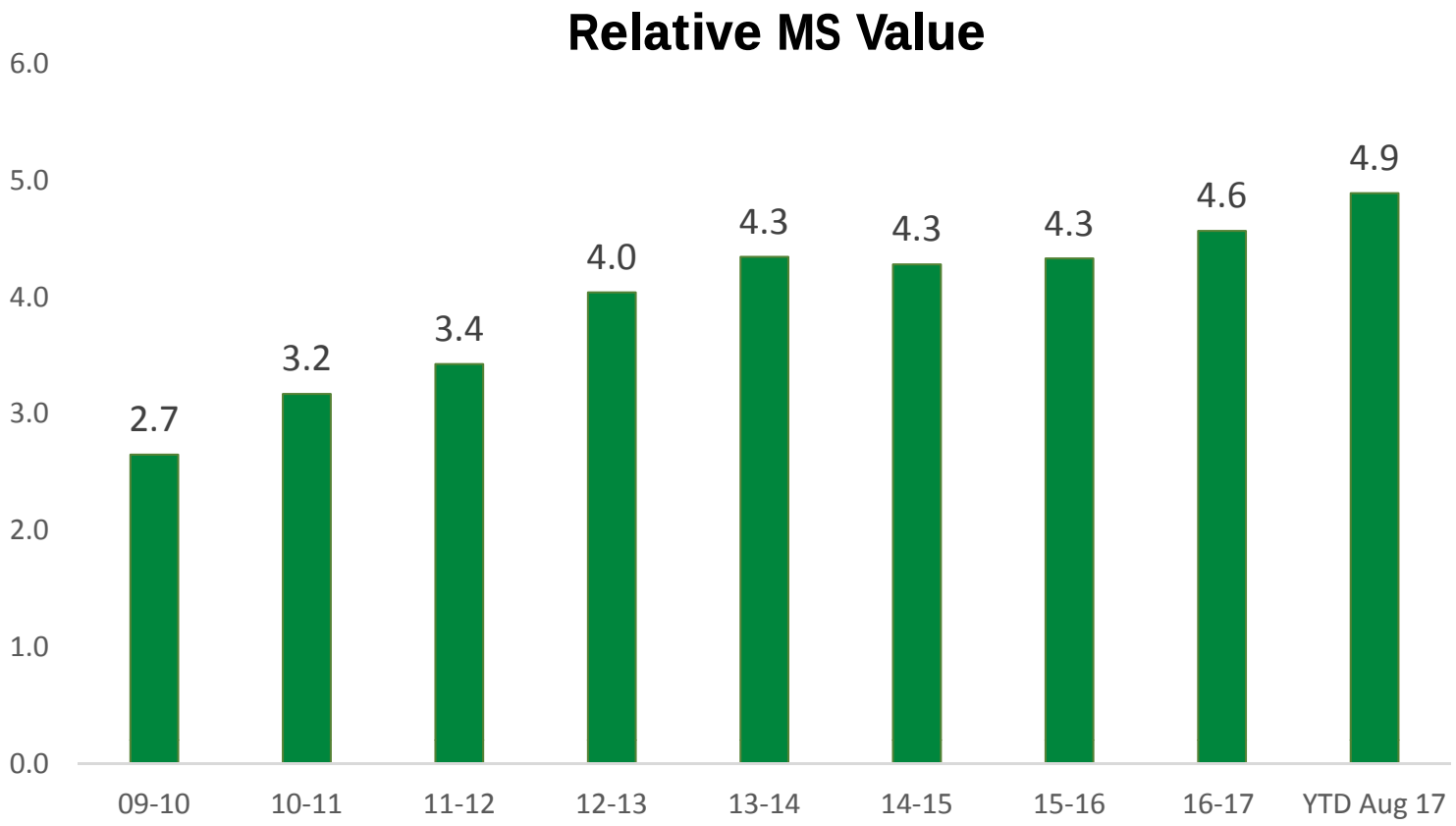


Source: AC Nielsen Retail Audit Report, Aug 2017

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, Aug 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	1.7	1
Punjab	3.0	1
HP-JK	3.9	1
Haryana	5.3	1
Madhya Pradesh	4.2	1
Chhattisgarh	6.7	1
UP	3.3	1
Uttaranchal	3.9	1
Assam	8.9	1
Bihar	12.0	1
Jharkhand	8.7	1

States	Relative Market Share	Rank
North East	5.7	1
Orissa	7.4	1
WB	3.2	1
Maharashtra	5.0	1
Mumbai	3.6	1
Gujarat	2.3	1
AP	2.3	1
Karnataka	5.7	1
Kerala	1.0	2
TN	1.3	1
All India	4.9	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, Aug 17

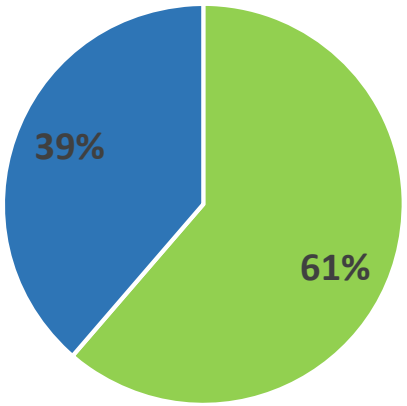
Statewise Market Share

YTD Aug 17	LHO Volume	ADHO Proportion % (Vol)		ADHO Market Share % (Vol)		
	Saliency	Urban	Rural	Total	Urban	Rural
All India	100.0%	58.2%	41.8%	58.3%	56.1%	61.6%
Delhi	6.7%	100.0%	0.0%	59.4%	59.4%	
Raj	7.1%	55.6%	44.4%	46.0%	47.3%	44.5%
Punjab	4.6%	30.3%	69.7%	50.0%	52.5%	49.0%
Har	6.0%	74.4%	25.6%	63.2%	61.1%	70.1%
HP-JK	0.6%	54.4%	45.6%	49.9%	47.7%	52.7%
MP	10.1%	53.1%	46.9%	56.1%	55.5%	56.9%
Chattisgarh	3.2%	43.9%	56.1%	68.5%	64.4%	72.0%
UP	22.5%	44.5%	55.5%	60.2%	57.6%	62.4%
Uttar	1.1%	54.4%	45.6%	59.8%	55.0%	66.7%
Assam	2.6%	35.3%	64.7%	65.9%	61.6%	68.5%
Bihar	6.4%	43.9%	56.1%	77.7%	72.9%	82.0%
JharKhand	1.5%	49.0%	51.0%	74.5%	69.4%	80.3%
North East	2.0%	52.2%	47.8%	46.6%	41.9%	53.2%
Orissa	1.8%	54.0%	46.0%	69.3%	63.4%	78.0%
WB	8.9%	60.0%	40.0%	48.8%	48.3%	49.5%
Guj	4.4%	69.6%	30.4%	53.8%	50.8%	62.2%
Maha	7.5%	74.4%	25.6%	58.4%	57.0%	62.7%
AP	1.2%	81.7%	18.3%	45.9%	47.3%	40.6%
Kar	1.1%	74.0%	26.0%	64.3%	61.6%	73.1%
Kerala	0.2%	92.0%	8.0%	29.6%	37.7%	8.5%
TN	0.5%	99.7%	0.3%	38.3%	38.5%	16.1%

Source: AC Nielsen Retail Audit Report, Aug 17

Light Hair Oil Market – Key Characteristics

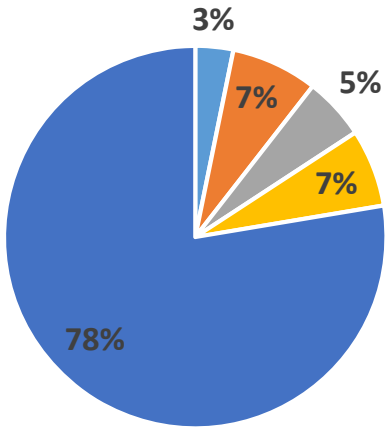
Rural –Urban break up of LHO market



AI Urban AI Rural

Urban dominated segment due to its relatively higher pricing

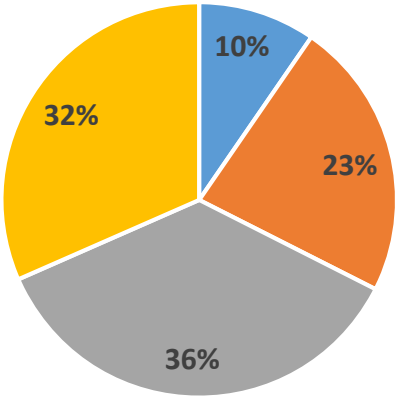
Share of Distribution Channels in LHO market



Modern Trade Pan Plus Chemists Cosmetics Grocers

Grocers dominate distribution

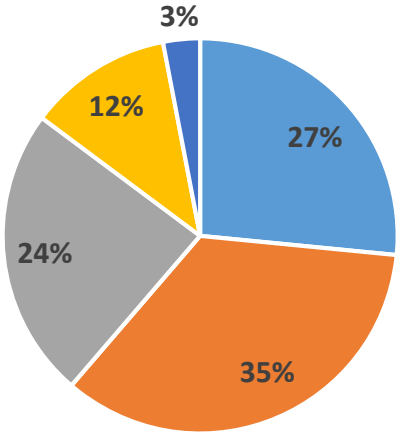
SKU wise break up of LHO market



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 Aug 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 Aug 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 Aug 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

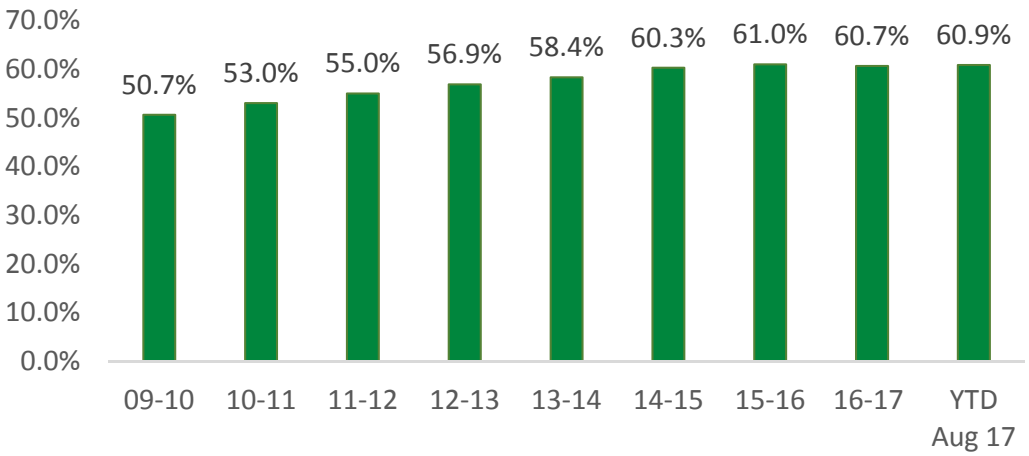
Bajaj Nomarks Facewash for
Clear Glowing Fairness (50g) & Neem Facewash (15g, 50g & 100g)

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

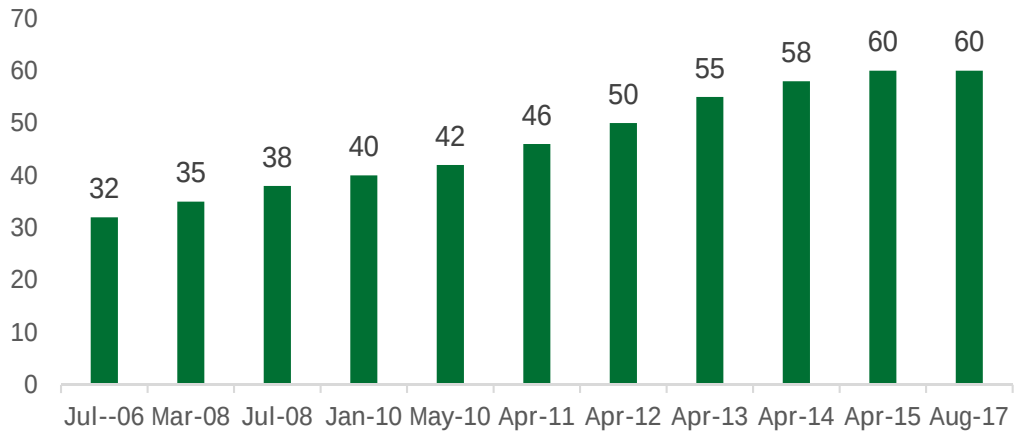
Bajaj Nomarks Exfoliating Scrub (50g)
& Bajaj Nomarks Face Pack (25g)

Bajaj Almond Drops - A Premium Brand

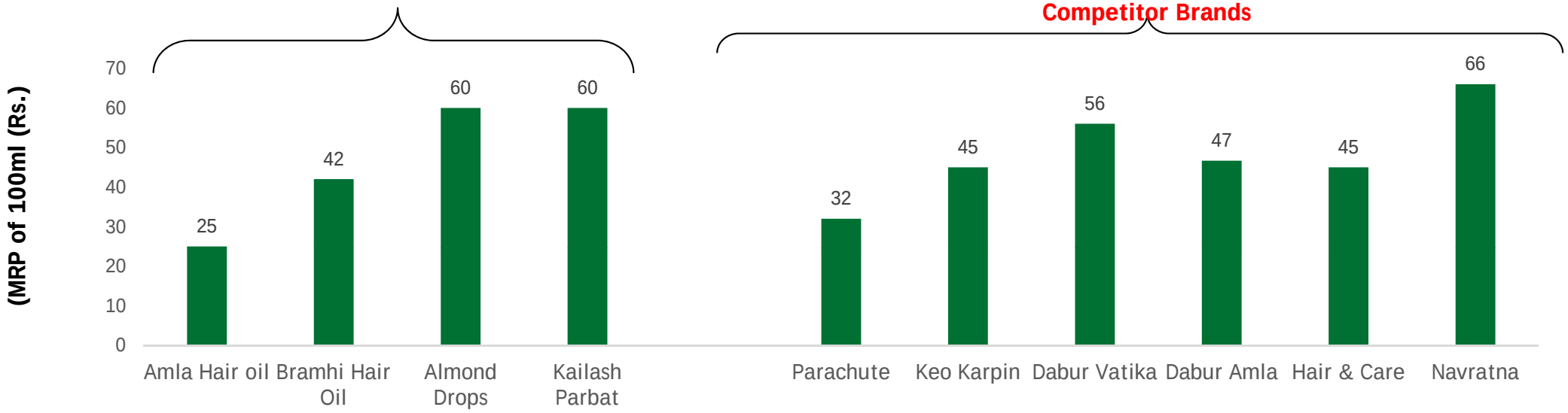
Strong Market Share (Val) Growth in Recent Years



. . . 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 Aug 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

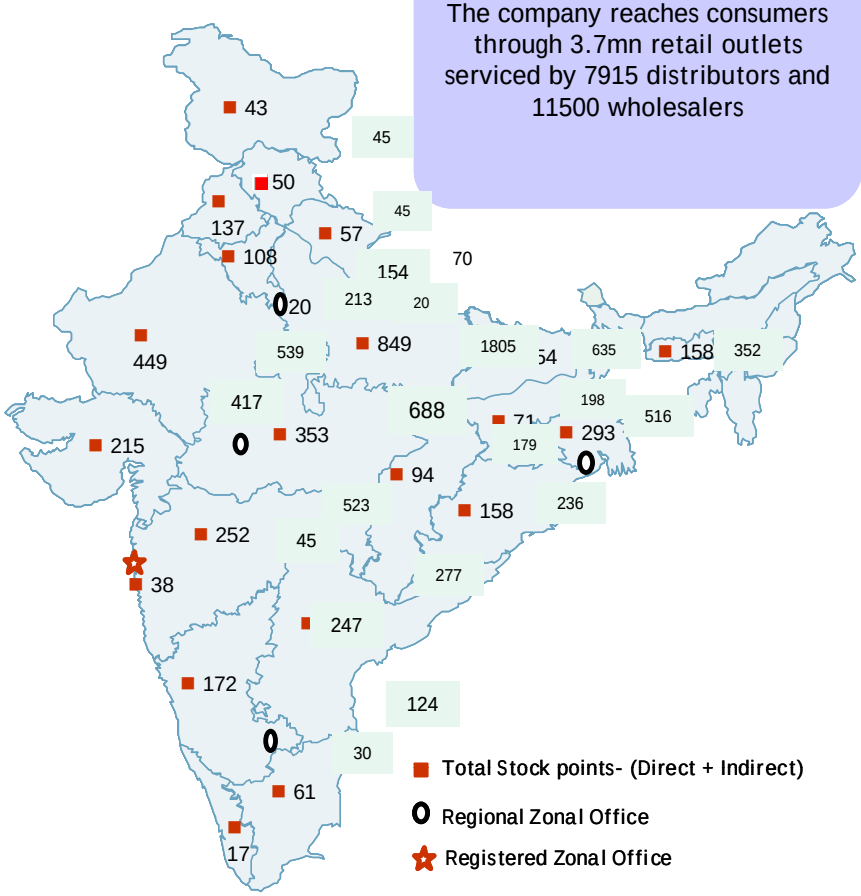
- For Light Hair Oils, the consumer is skewed towards SEC A,B and younger age group.
  - Gender
    - Male- 43%
    - Female- 57%
  - Age Group
    - 25 to 35 yrs (58% of users)
  - Socio Economic Class (SEC)- Urban
    - A – 21%
    - B – 36%
    - C – 30%

Source – Last U&A (2012)

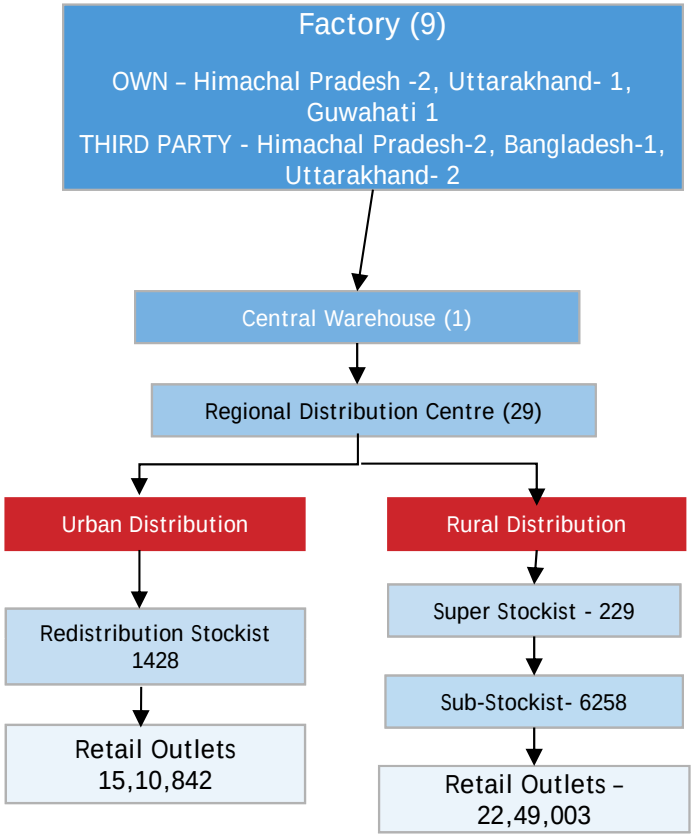
Strong Distribution Network

Distribution Network

The company reaches consumers through 3.7mn retail outlets serviced by 7915 distributors and 11500 wholesalers



Distribution Structure

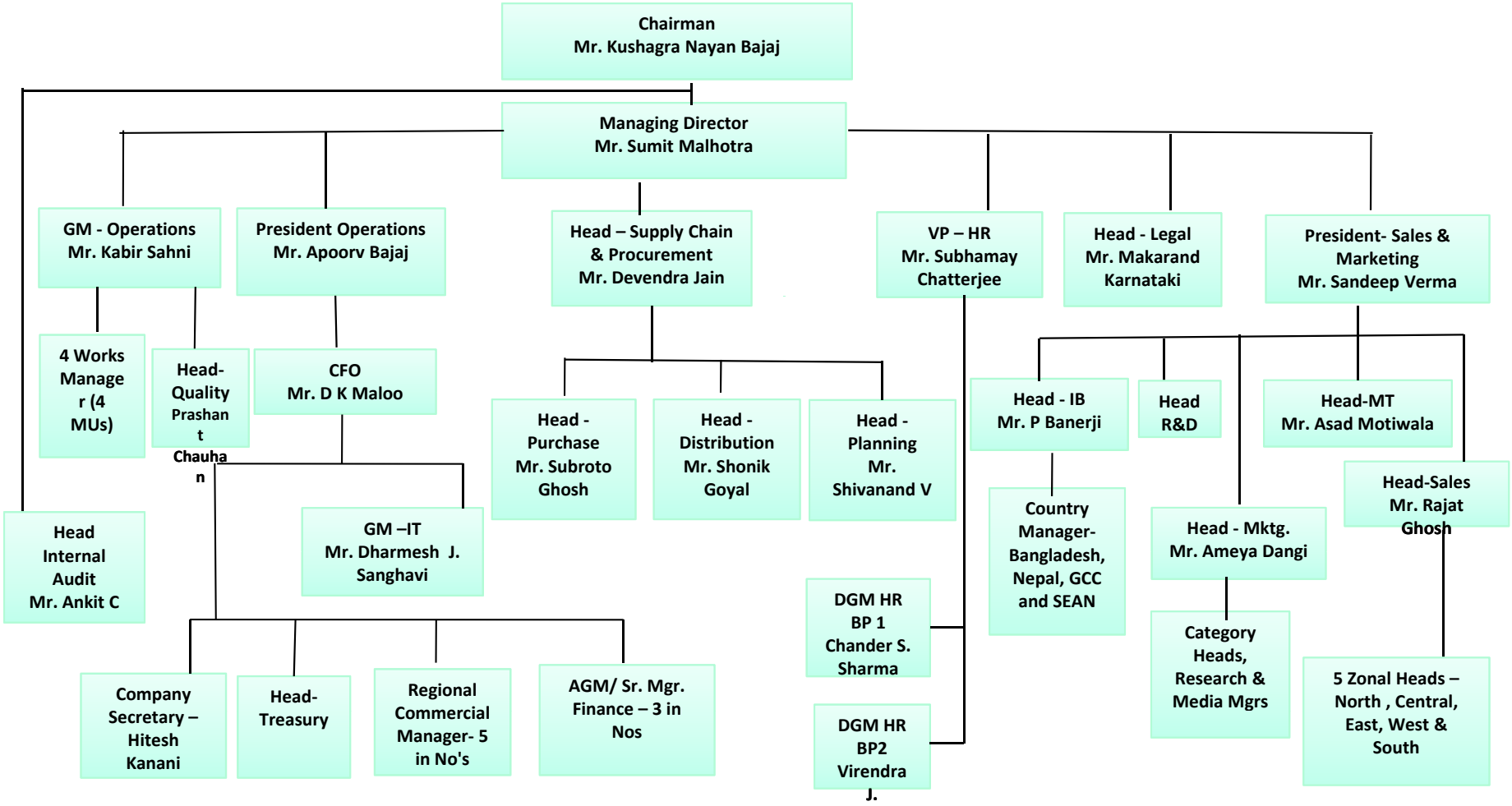


Over the years, BCL has created a large distribution network (that continues to grow) which can be leveraged to introduce new products

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



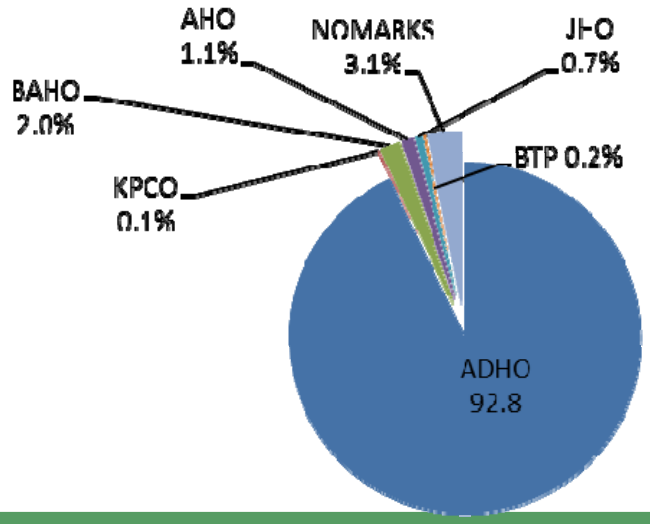
Financial Information

Summary Income Statement

(Rs. In Crore)

Particulars	Q2FY18	Q2FY17	H1FY18	H1FY17
Sales (Net)	203.68	196.15	400.08	399.88
EBITDA	59.60	68.30	121.49	140.36
EBITDA Margin	*29.26%*	*34.82%*	*30.37%*	*35.10%*
Profit Before Tax & Exceptional Item	*64.47*	*80.81*	*134.37*	*158.91*
Exceptional Item (Trademark & Intellectual Properties)	-	*6.64*	-	*18.38*
Profit Before Tax(PBT)	*64.47*	*74.17*	*134.37*	*140.53*
Net Profit after Tax	50.71	58.30	105.69	110.50
Net Profit Margin	*24.90%*	*29.72%*	*26.42%*	*27.63%*

Brandwise Sales Break-Up for Q2 FY 2018



Summary Balance Sheet

(Rs. In Crore)

Particulars	As on 30.09.2017	As on 31.03.2017
Shareholders Equity	607.51	501.77
Net Fixed Assets	52.72	53.80
Investments (including Bank FDs, Debt MF and Government Securities & Bonds)	561.46	458.53
Net Current Assets	- 6.68	- 10.56

Key Highlights

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

EBITDA & PAT Performance

Rs. in Crore

Particulars	Q2FY18	Q2FY17	YoY%	H1FY18	H1FY17	YoY%
EBITDA	59.60	68.30	-12.74%	121.49	140.36	-13.44%
Profit Before Tax & Exceptional Item	64.47	80.81	-20.22%	134.37	158.91	-15.44%
Exceptional Item (Trademark & Intellectual Properties)	0.00	6.64		0.00	18.38	
Profit Before Tax (PBT)	64.47	74.17	-13.07%	134.37	140.53	-4.38%
Profit After Tax (PAT)	50.71	58.30	-13.01%	105.69	110.50	-4.35%

Profit & Loss Q2 and I Half FY2018

Rs. in Crore

Particulars	Q2FY18	Q2FY17	YoY%	H1FY18	H1FY17	YoY%
Net Sales	**203.68**	**196.15**	**3.84%**	**400.08**	**399.88**	**0.05%**
Other Operating Income	0.45	0.63		1.48	1.21	
Material Cost	67.34	66.17		136.14	136.56	
% of Sales	33.06%	33.74%		34.03%	34.15%	
Employees Cost	19.39	14.64		36.26	28.46	
% of Sales	9.52%	7.47%		9.06%	7.12%	
Advertisement & Sales Prom.	32.58	26.94		56.54	53.40	
% of Sales	16.00%	13.73%		14.13%	13.35%	
Other Expenses	25.22	20.73		51.13	42.31	
% of Sales	12.38%	10.57%		12.78%	10.58%	
EBITDA	**59.60**	**68.30**	**-12.74%**	**121.49**	**140.36**	**-13.44%**
% of Sales	29.26%	34.82%		30.37%	35.10%	
Other Income	7.95	14.92		19.01	23.28	
Finance Cost	0.25	0.22		0.50	0.42	
Depreciation	1.57	1.09		3.12	2.11	
Corporate Social Responsibility	1.26	1.10		2.51	2.20	
Profit Before Tax & Exceptional Item	**64.47**	**80.81**	**-20.22%**	**134.37**	**158.91**	**-15.44%**
Exceptional Item (Trademark & Intellectual Properties)	-	6.64		-	18.38	
Profit Before Tax(PBT)	**64.47**	**74.17**	**-13.07%**	**134.37**	**140.53**	**-4.38%**
Tax Expenses	13.76	15.87		28.68	30.03	
Profit After Tax(PAT)	**50.71**	**58.30**	**-13.01%**	**105.69**	**110.50**	**-4.35%**
% of Sales	24.90%	29.72%		26.42%	27.63%	
Other Comprehensive Income (net of tax)	0.05	-		0.05	-	
Total Comprehensive Income (net of tax)	**50.76**	**58.30**	**-12.93%**	**105.74**	**110.50**	**-4.30%**
Basic & Diluted EPS (Rs.)	3.44	3.95		7.17	7.49	

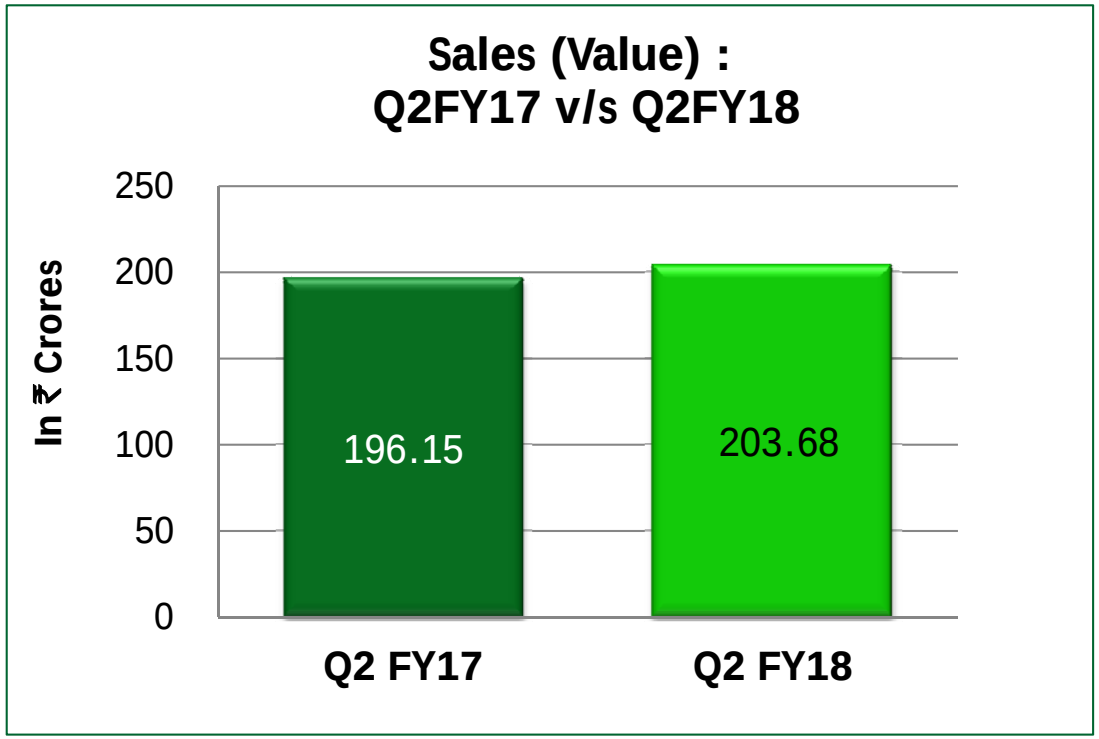
Note on Refund/Budgetary support under GST

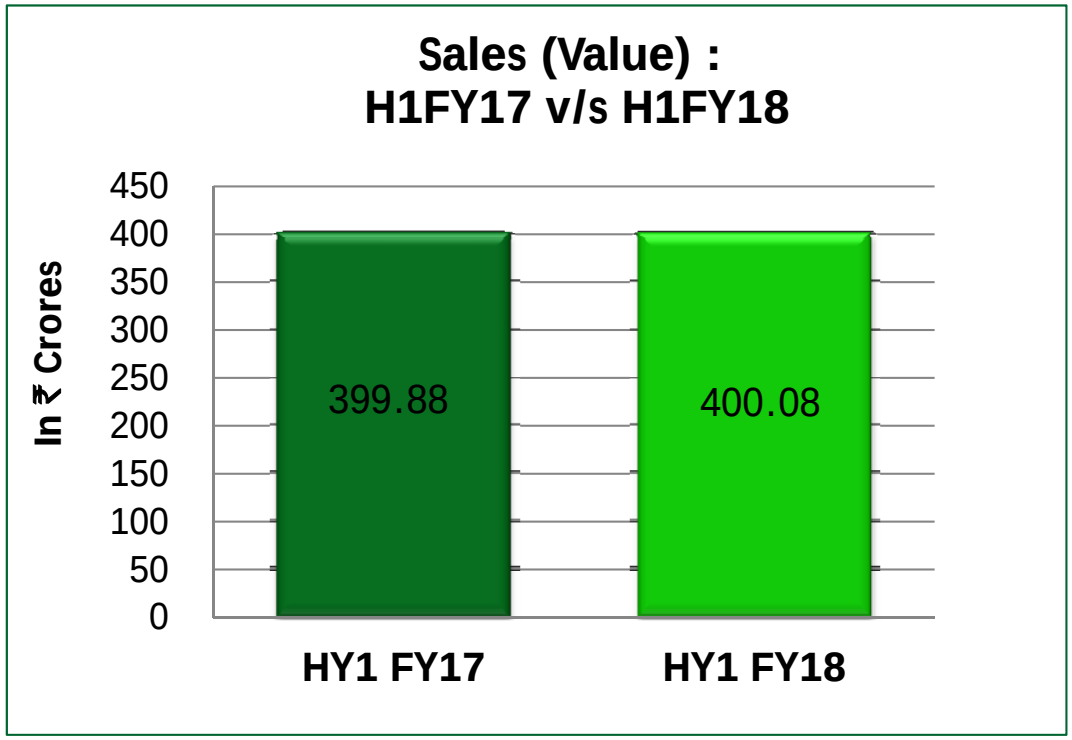
- The Government has announced that the Units/Manufacturing facilities established in tax free zones in HP, Uttarakhand, North East and J&K presently, enjoying fiscal benefits shall continue to get the budgetary support for residual period of their respective benefits under GST regime also.

- In light of this our plants in HP, Uttarakhand and North East shall be eligible for budgetary support.

- Although the Rules and notification as well as procedure and mechanism for ascertaining the amount of budgetary support is yet to be released under GST law, however, based on present understanding of the proposed refund scheme, the estimated amount of budgetary support/refund for July-September 2017 quarter may be Rs 6.43 Crores, resulting in positive impact of Rs 6.43 Crores on EBIDTA thereby increasing the same by 3.15% (1.6% HY) and further PAT by 2.48% (1.26% HY)

Sales Performance





- ✓ Sales for the quarter ended September'17 has increased by 3.84%.
- ✓ Sales for the half year ended September'17 has increased by 0.05%.

Statement of Quarter wise Sales (Volume & Value)

STATEMENT OF QUARTERWISE SALES (VOLUME - In Cases)

	ADHO		KPCO		BAHO		AHO		Nomarks		Others		Total		% Inc over PY
	FY 18	FY 17	FY 18	FY 17	FY 18	FY 17	FY 18	FY 17	FY 18	FY 17	FY 18	FY 17	FY 18	FY 17	
Q1	1,185,731	1,269,703	7,407	7,483	9,408	11,801	32,058	45,072	24,817	29,195	5,347	8,081	1,264,768	1,371,336	-7.77%
Q2	1,288,939	1,210,568	1,537	2,107	19,689	15,376	25,466	40,865	25,258	27,225	9,308	7,640	1,370,197	1,303,780	5.09%
Total	**2,474,670**	**2,480,271**	**8,944**	**9,590**	**29,097**	**27,177**	**57,524**	**85,937**	**50,075**	**56,420**	**14,655**	**15,721**	**2,634,965**	**2,675,115**	**-1.50%**

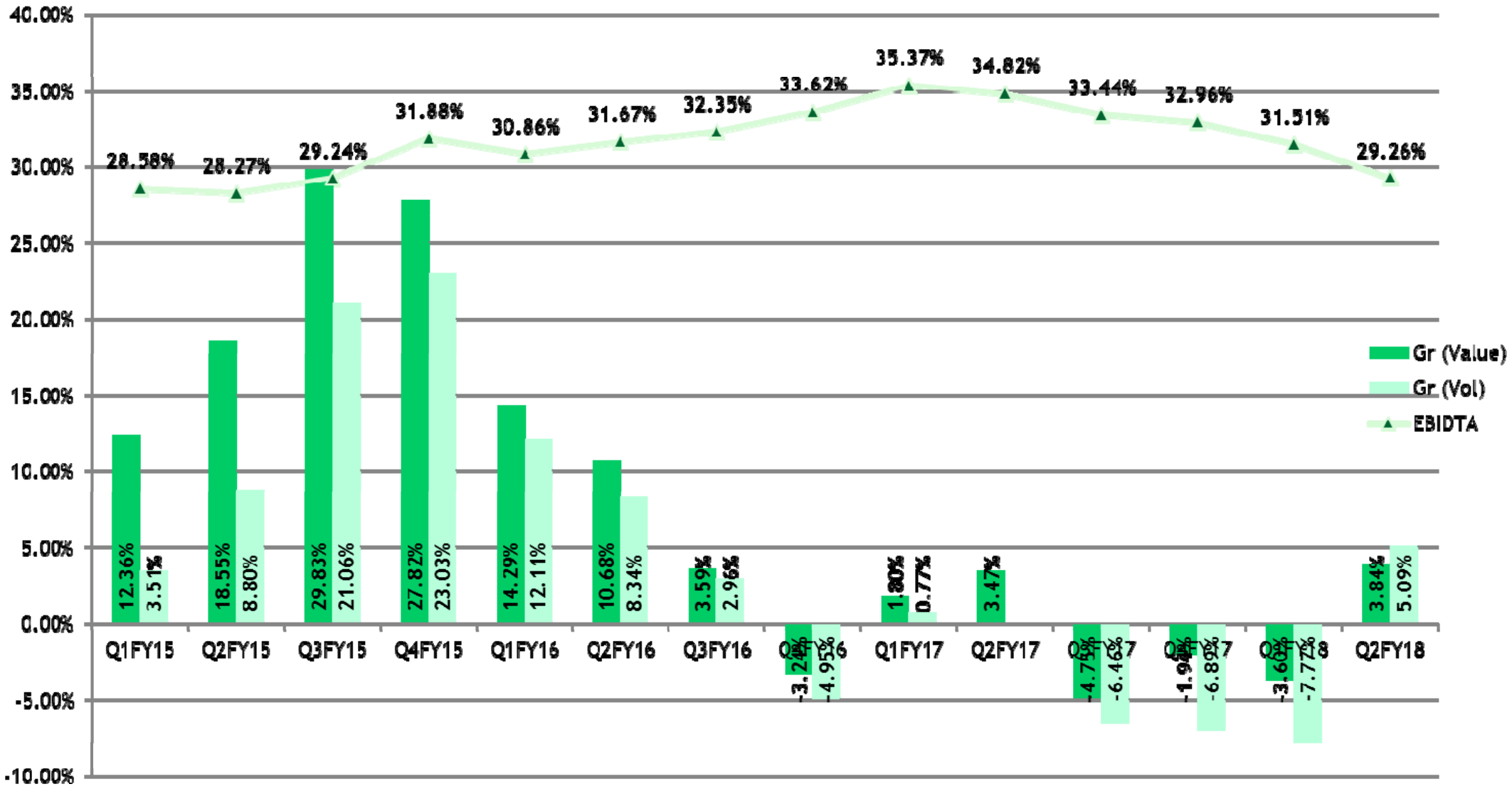
STATEMENT OF QUARTERWISE SALES (VALUE - In Rs. Crores)

	ADHO		KPCO		BAHO		AHO		Nomarks		Others		Total		% Inc over PY
	FY 18	FY 17	FY 18	FY 17	FY 18	FY 17	FY 18	FY 17	FY 18	FY 17	FY 18	FY 17	FY 18	FY 17	
Q1	183.50	188.72	0.96	0.64	1.96	2.36	2.96	4.18	6.02	6.37	1.01	1.46	196.40	203.74	-3.60%
Q2	189.12	181.18	0.21	0.17	3.97	3.10	2.24	3.79	6.42	6.54	1.71	1.37	203.68	196.15	3.84%
Total	**372.62**	**369.90**	**1.17**	**0.81**	**5.94**	**5.46**	**5.20**	**7.97**	**12.44**	**12.91**	**2.72**	**2.83**	**400.08**	**399.89**	**0.05%**

Break-up of Sales

Sales Vertical	Growth Q1FY18	Growth Q2FY18
General Trade	-7.8%	7.4%
Modern Trade	12.8%	20.6%
Canteen Stores Department	-46.3%	-20.8%
International Business	10.5%	-15.4%
Total Company	**-7.8%**	**5.1%**

Consistent Performance over the last 14 successive quarters



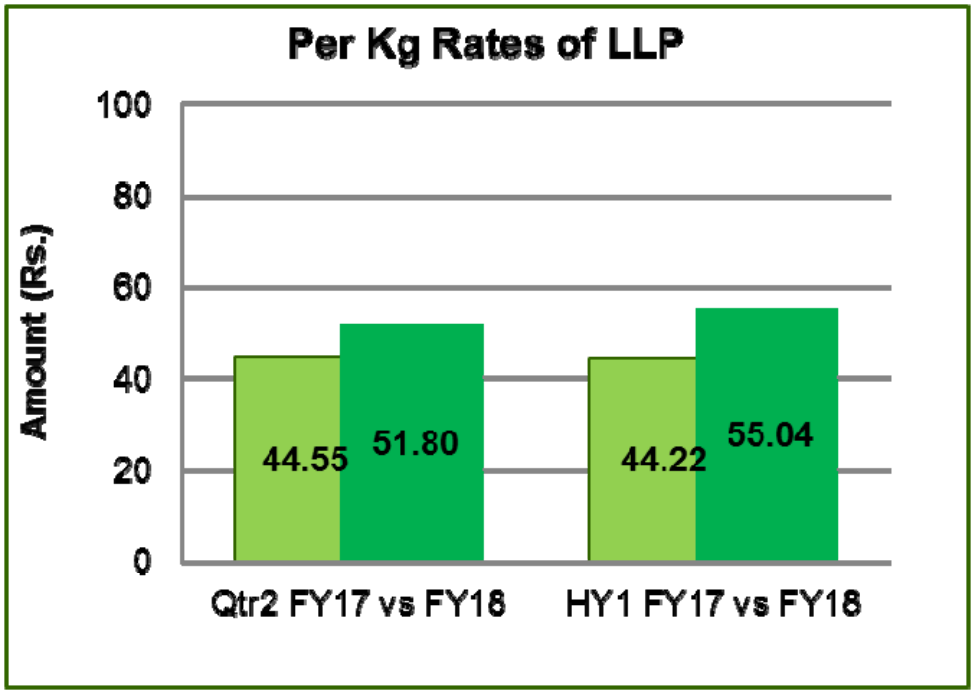
Breakup of RM/PM Costs *(for Q2 FY 18)*

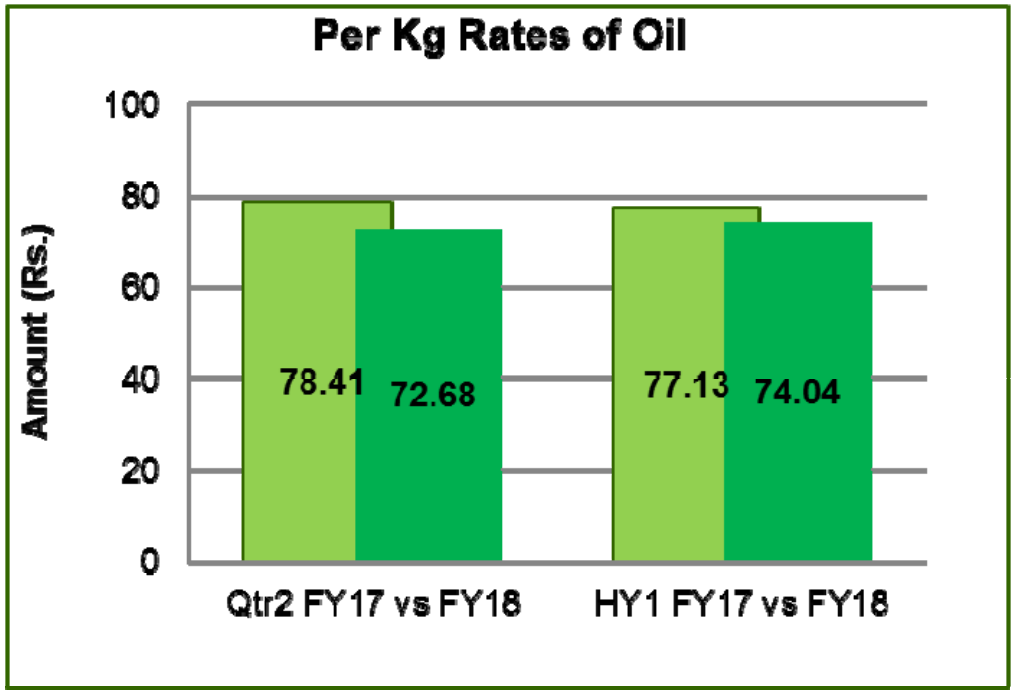
Key Raw & Packing Material	% to Sales	% to Total Cost
LLP	8.78%	26.13%
Glass Bottles	8.47%	25.21%
Refined Veg. Oil	4.50%	13.39%
Perfumes & other additives	3.39%	10.09%
Corrugated Boxes	1.86%	5.54%
Caps	2.11%	6.29%
Others	4.48%	13.34%
TOTAL	33.59%	100.00%

*** Consumption is 33.59% of Sales**

**For Bajaj Almond Drops*

Change in Prices of Key Ingredients





- ✓ During the quarter average price of LLP increased to Rs 51.80/Kg from Rs 44.55/Kg in corresponding quarter of previous year.
- ✓ Prices of Refined Oil decrease to Rs 72.68/Kg from Rs 78.41/Kg in corresponding quarter of previous year.

Fund Position

- Fund Position:
  - The total Fund available with the company as on 30th September' 2017 is Rs. 436.77 Crores.
  - This has been invested in Bank Fixed Deposits, Liquid Mutual fund and AAA rated Bonds.
  - There is no investment in ANY Inter Corporate Deposit.

Particulars	Amount (Rs. in Crores)
Bank FDs	6.99
Liquid Mutual Funds	25.00
Bonds	404.78
Total	**436.77**

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 3.7 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