bajaj corp limited

January 16, 2015

DCS-CRD **BSE Limited** **First Floor, New Trade Wing** **Rotunda Building,** **Phiroze Jeejeebhoy Towers** **Dalal Street, Fort** **Mumbai 400 023** Fax No. 2272 3719/2039 **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,

Sub: Updated Investor Presentation

Please find enclosed a copy of updated Investor Presentation dated January 2015.

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

Thanking you,

Yours faithfully,
For Bajaj Corp Limited

Sujoy Sircar
Company Secretary

Encl.: As above

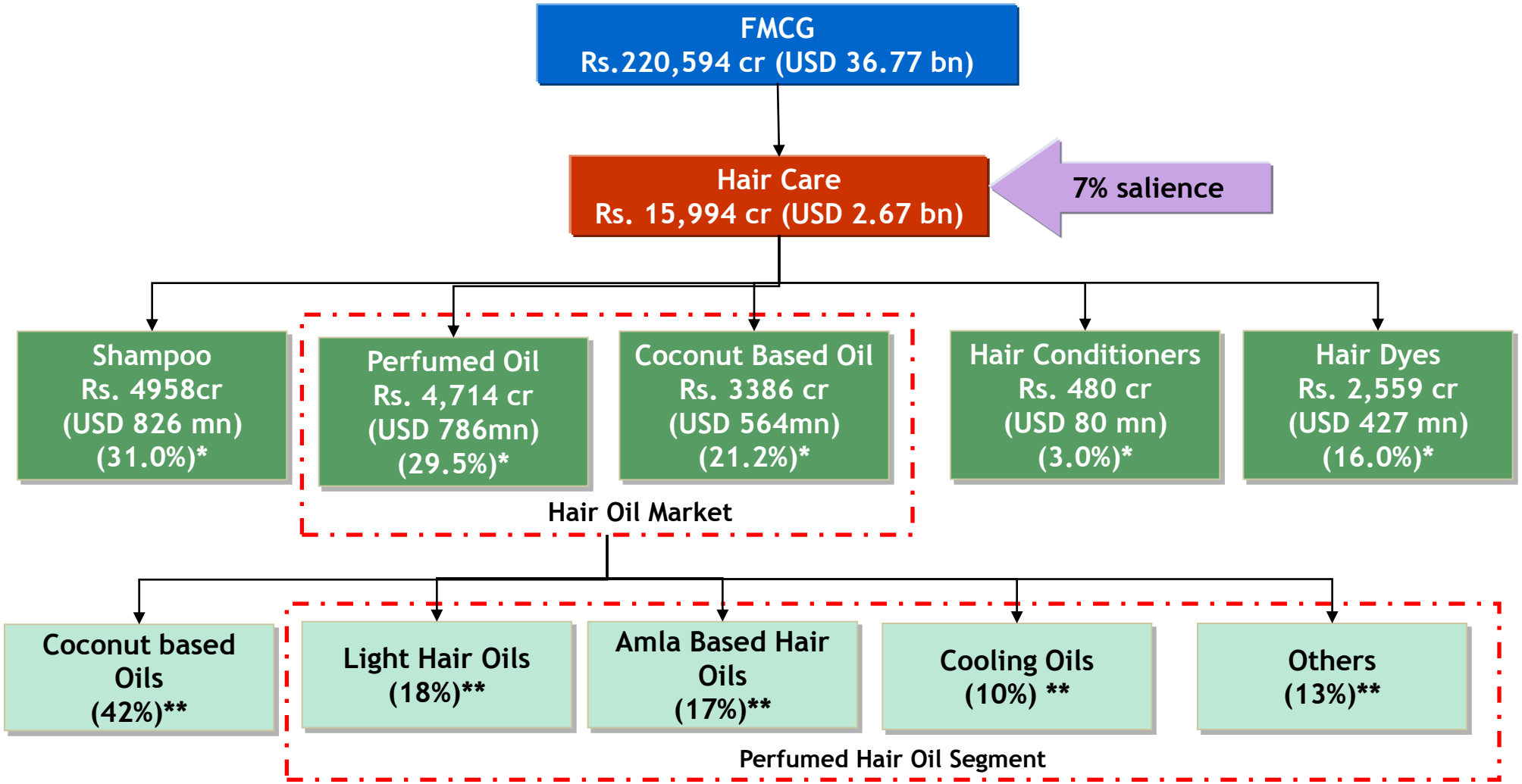
bajaj Corp Ltd.

Investor Presentation

January 2015

Industry Overview

Industry Size and Structure



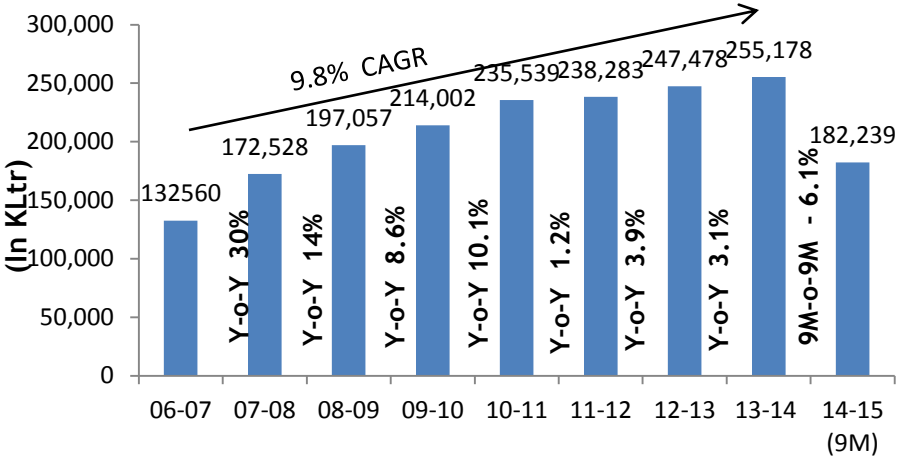
Source: AC Nielsen Retail Audit Report.
Only branded products data for FY 2013-14

* Value based share of Hair Care Market
** Value based share of Hair Oil Market

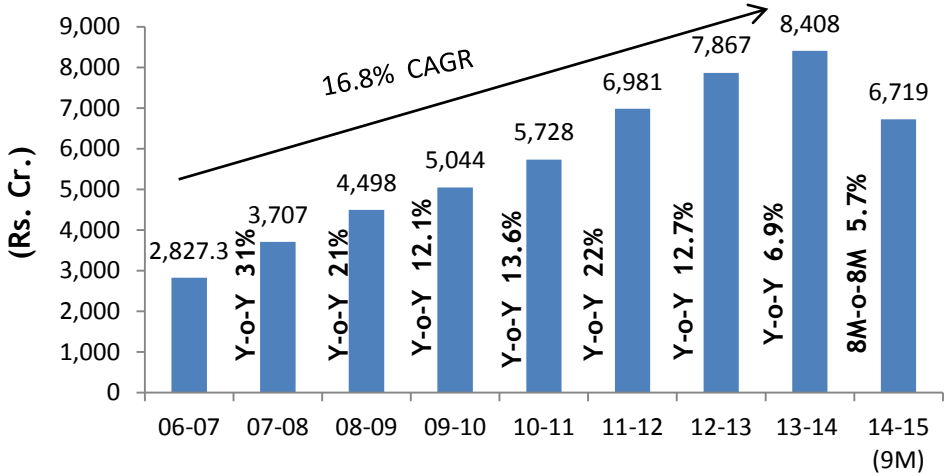
Light Hair Oil is now the largest non-coconut hair oil segment

Hair Oil Market in India

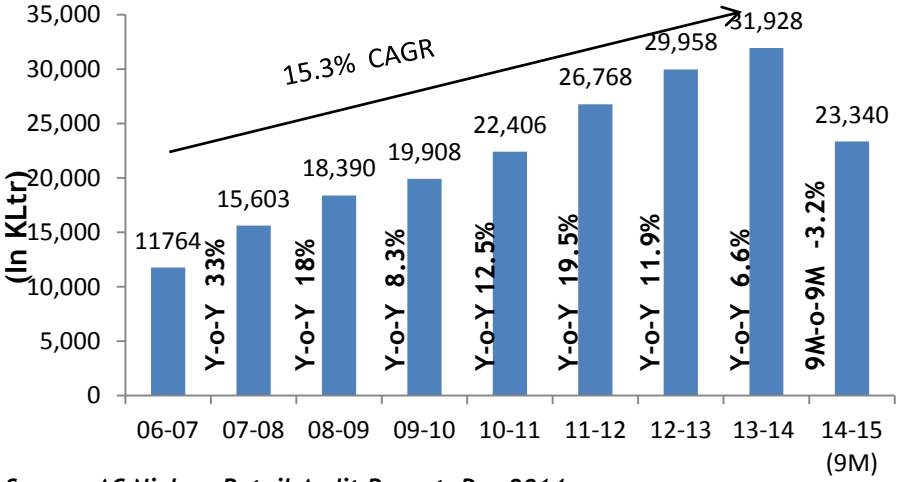
Overall Hair Oil Market - Volume



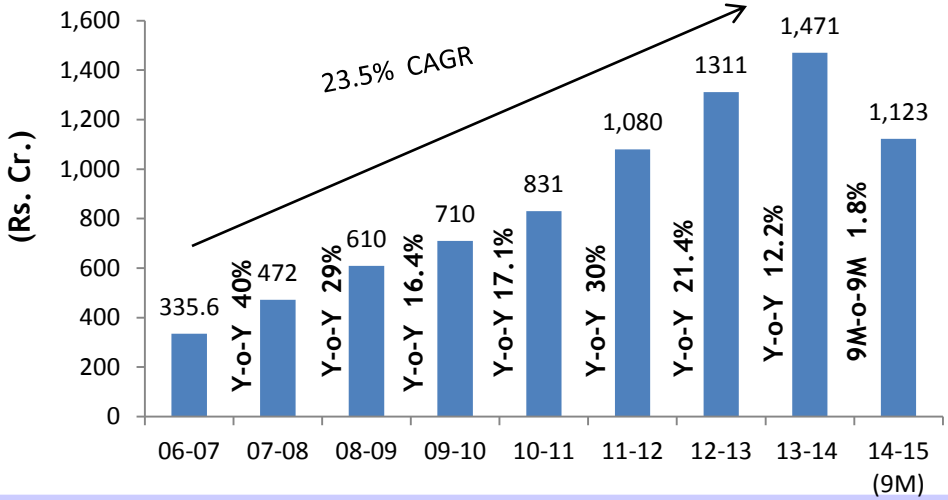
Overall Oil Market - Value



Light Hair Oil - Volume



Light Hair Oil - Value

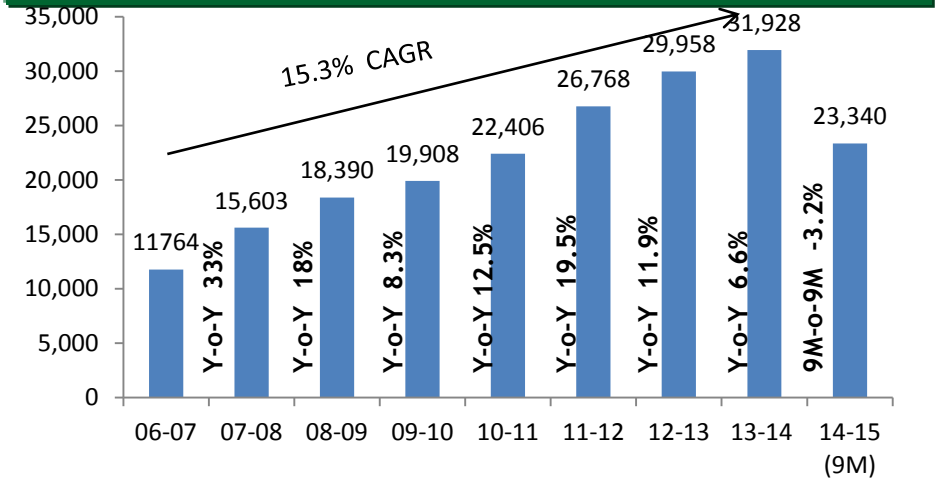


Source: AC Nielsen Retail Audit Report, Dec 2014.

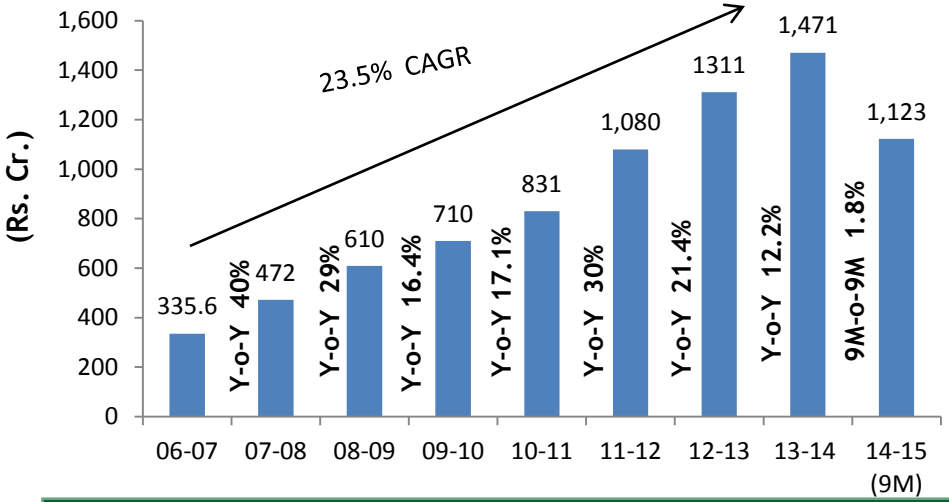
Light hair oils is one of the fastest growing segments in the hair oil market in India

Light Hair Oil Market in India

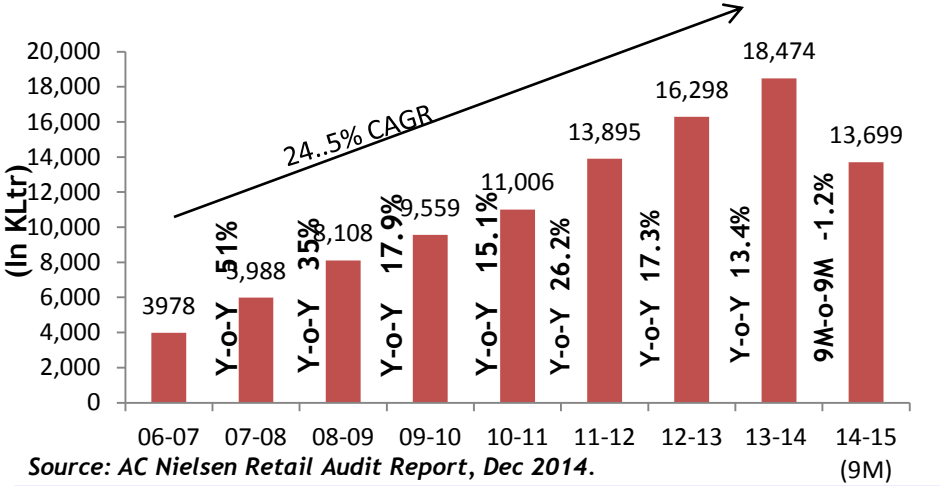
Light Hair Oil - Volume



Light Hair Oil - Value

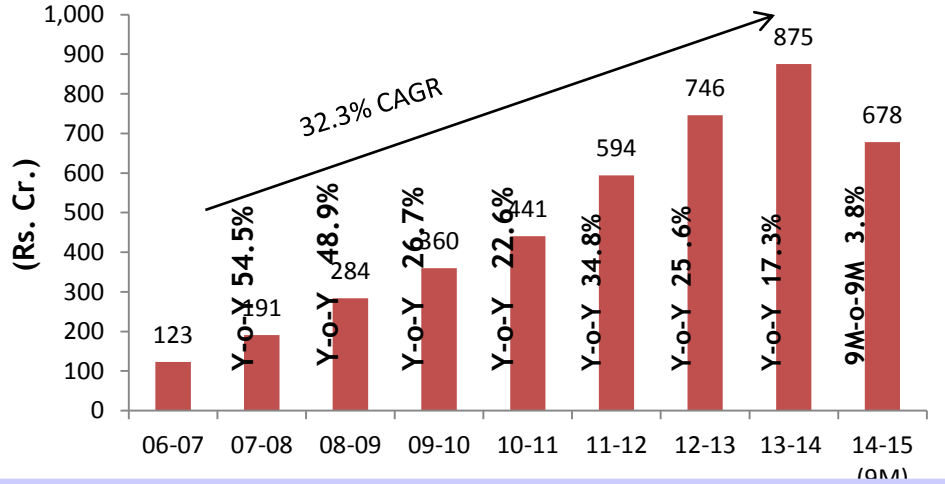


Almond Drops Hair Oil Market - Volume



Source: AC Nielsen Retail Audit Report, Dec 2014.

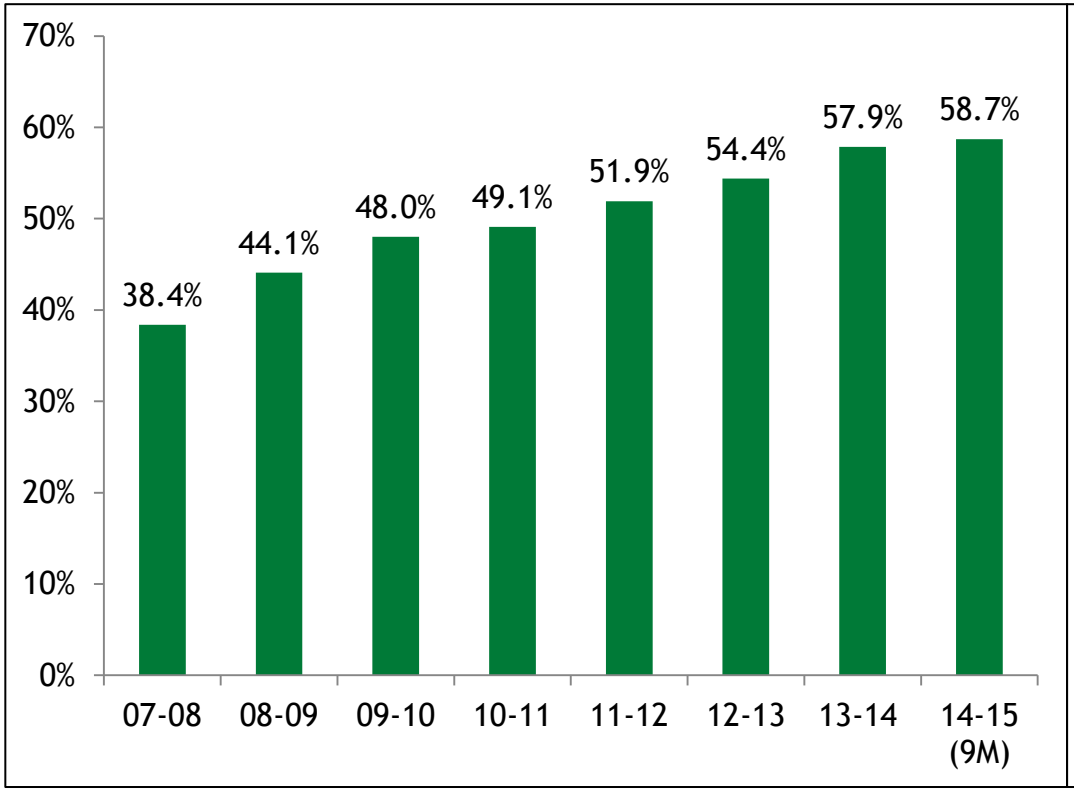
Almond Drops Hair Oil Market - Value



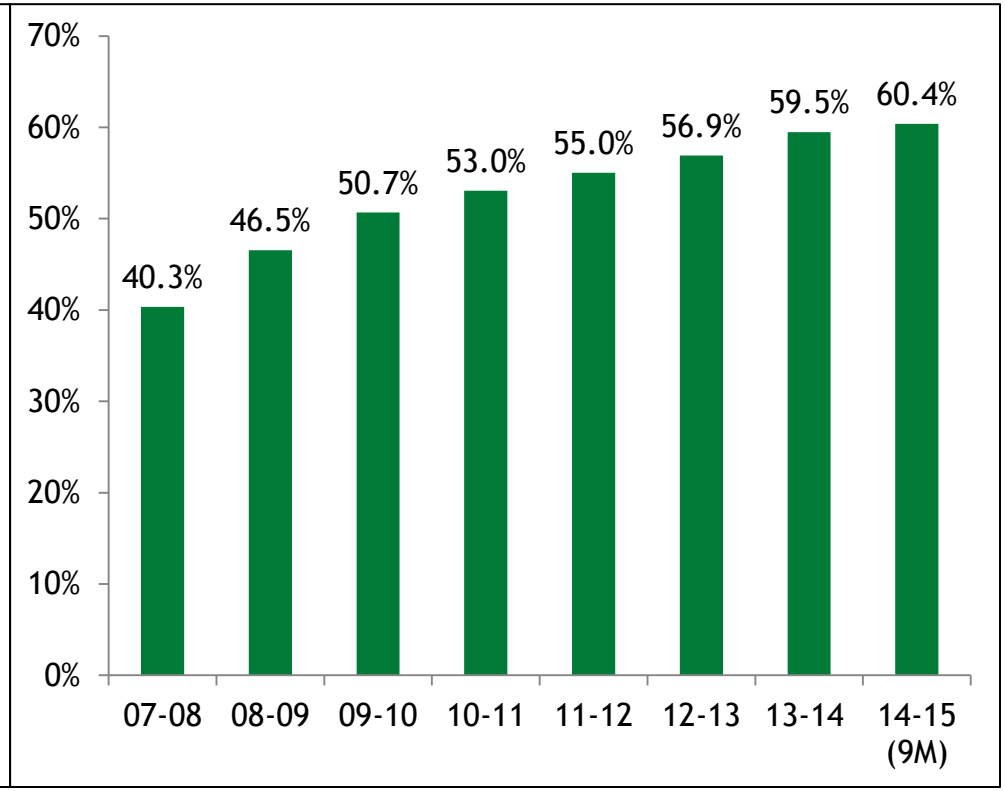
Almond Drops is the brand which is driving light hair oils and in turn the overall market

Market Shares Trends (All India - Urban Plus Rural)

Volume MS



Value MS

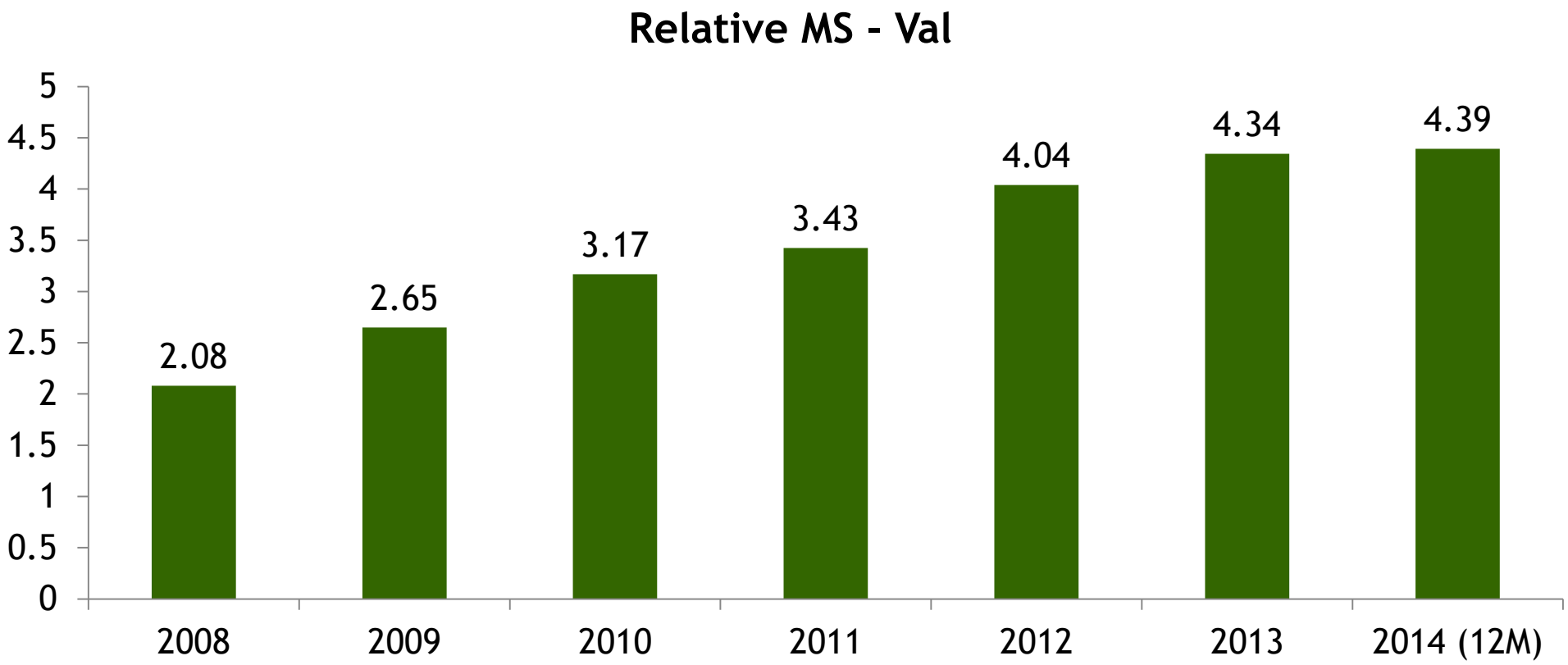


***Market Share in the Light Hair Oil Category**

Source: AC Nielsen Retail Audit Report, ***Dec 2014***

ADHO - Relative Market Share - Value Trend

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



Source - AC Nielsen Retail Audit Report, Dec 2014

Growth in Relative market share demonstrates the strength of the brand

ADHO - Relative Market Shares - Value

State	Relative MS	Rank
Delhi	4.4	1st
Rajasthan	1.6	1st
Uttar Pradesh	4.1	1st
Punjab	3.4	1st
HP-JK	5.1	1st
Haryana	5.0	1st
Uttaranchal	3.9	1st
North Zone	**4.2**	**1st**
Assam	5.5	1st
North East	2.6	1st
Bihar	9.3	1st
Orissa	5.0	1st
West Bengal	3.1	1st
Jharkhand	7.3	1st
East Zone	**5.9**	**1st**
All India	**4.4**	**1st**

State	Relative MS	Rank
Madhya Pradesh	3.9	1st
Chhattisgarh	7.4	1st
Central Zone	**4.8**	**1st**
Gujarat	2.3	1st
Mumbai	3.8	1st
Maharashtra	3.9	1st
West Zone	**2.9**	**1st**
Andhra Pradesh	1.0	1st
Karnataka	7.0	1st
Kerala	1.7	1st
Tamil Nadu	0.7	2nd
South Zone	**1.6**	**1st**
All India	**4.4**	**1st**

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

Source - AC Nielsen Retail Audit Report, Dec 2014

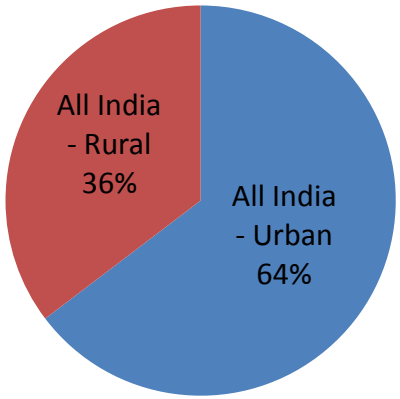
Statewise Market Share

Jan 14- Dec 14	LHO Volume	Proportion %		ADHO Market Share % (Vol)		
	Saliency	Urban	Rural	Total	Urban	Rural
All India (U+R)	100.0%	63.5%	36.5%	58.8%	56.4%	63.1%
Punjab	5.9%	74.2%	25.8%	53.7%	51.0%	61.6%
Haryana	5.6%	73.0%	27.0%	60.6%	56.7%	71.3%
Delhi	5.8%	100.0%	NA	58.6%	58.6%	NA
Rajasthan	8.9%	66.3%	33.7%	48.6%	48.4%	48.9%
Uttar Pradesh	21.5%	58.9%	41.1%	64.3%	61.4%	68.4%
Uttaranchal	1.1%	58.0%	42.0%	58.0%	51.7%	66.7%
Assam	5.4%	51.8%	48.2%	55.0%	49.9%	60.4%
Bihar	4.8%	52.9%	47.1%	77.4%	74.9%	80.2%
Jharkhand	1.3%	73.9%	26.1%	70.7%	69.1%	75.1%
Orissa	1.4%	65.7%	34.3%	60.3%	59.7%	61.4%
West Bengal	7.3%	57.2%	42.8%	43.1%	41.1%	45.8%
Gujarat	6.0%	71.5%	28.5%	54.1%	48.9%	67.2%
Madhya Pradesh	11.8%	46.1%	53.9%	61.9%	63.1%	60.9%
Chattisgarh	3.8%	41.3%	58.7%	75.4%	70.5%	78.9%
Maharashtra	6.2%	75.0%	25.0%	59.5%	61.3%	54.1%
Karnataka	1.1%	85.6%	14.4%	60.9%	59.8%	67.2%
Andhra Pradesh	1.5%	81.0%	19.0%	38.7%	42.0%	24.2%
Tamil Nadu	0.5%	84.4%	15.6%	24.2%	21.9%	37.1%
Kerala	0.1%	86.3%	13.7%	20.8%	20.8%	21.3%

Source: AC Nielsen Retail Audit Report, MAT Dec 2014

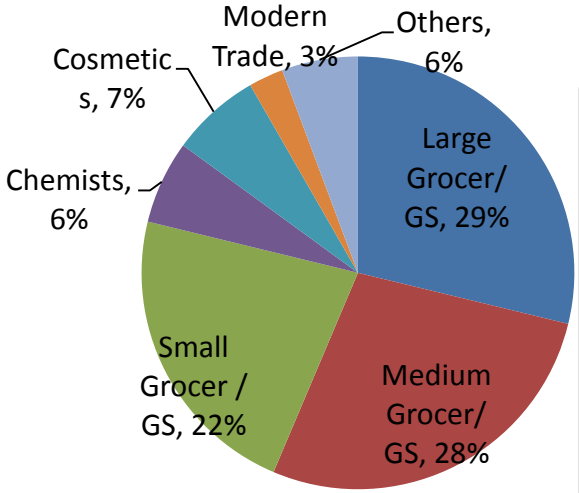
Light Hair Oil Market - Key Characteristics

Rural -Urban break up of LHO market



Urban dominated segment due to its relatively higher pricing

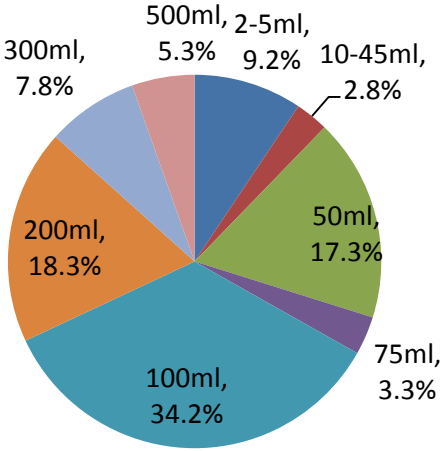
Share of Distribution Channels in LHO market



% - Market share

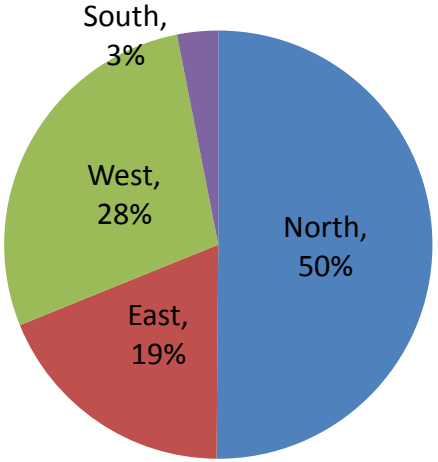
Traditional channels dominate distribution, but alternate channels like modern retail demonstrating higher growth rate

SKU wise break up of LHO market



Given the dominance of the urban market, larger units account for bulk of the sales. However, smaller units growing fast in Rural Markets

Region wise break up of LHO market

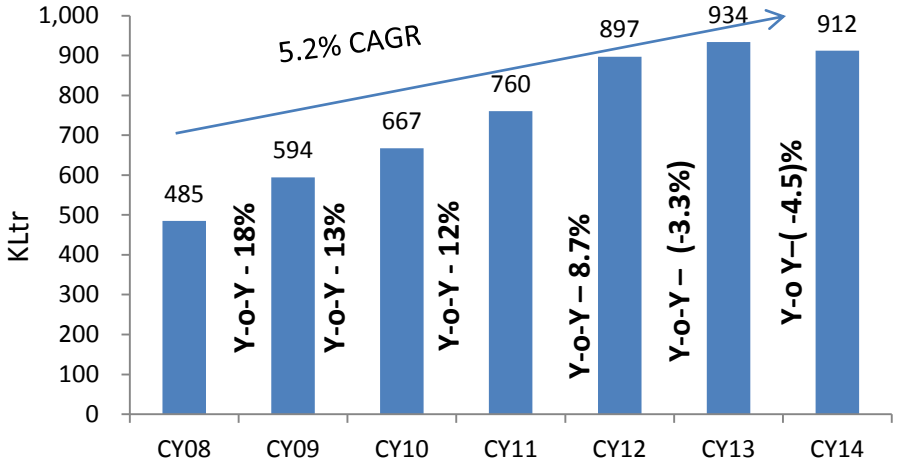


Sales tend to be concentrated in the Northern parts of the country, but West is the fastest growing region

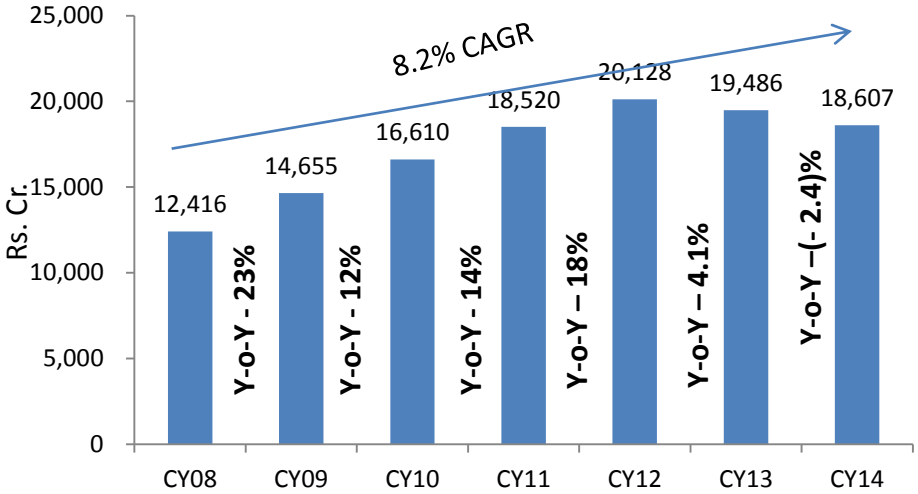
Source: AC Nielsen Retail Audit Report, Dec 2013

Cooling Hair Oil Market in India

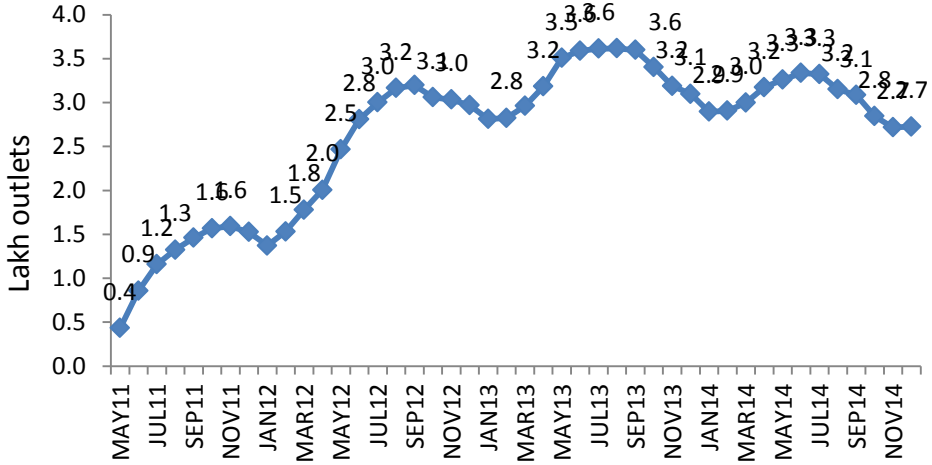
Cooling Hair Oil – Volume



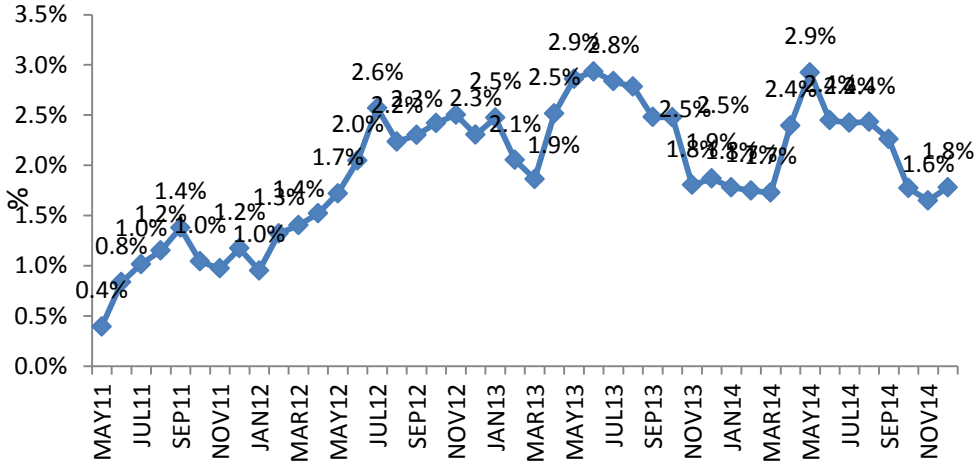
Cooling Hair Oil – Value



Kailash Parbat – Distribution Trend



Kailash Parbat – Volume Market Share Trend



Source - AC Nielsen Retail Audit Report, Dec 2014

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
  - 2nd largest brand in the overall hair oils segment
  - Market leader with over 60% market share* of LHO market
  - Premium positioning commands one of the highest per unit prices in the industry
- New Product Launch: Bajaj Kailash Parbat Cooling Oil
- Other brands - Brahmi Amla, Amla Shikakai and Jasmine (all hair oil brands) and Black tooth powder

Source: AC Nielsen Retail Audit Report, Dec **2014.*

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

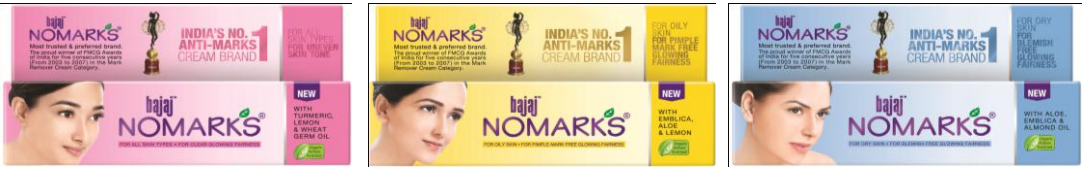
Bajaj Amla Shikakai – Variant in the heavy hair oil segment catering to price conscious consumers

Competitors - Shanti Badam 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
All Skin, Oily Skin & Dry Skin Types, available in sizes 12g & 25g

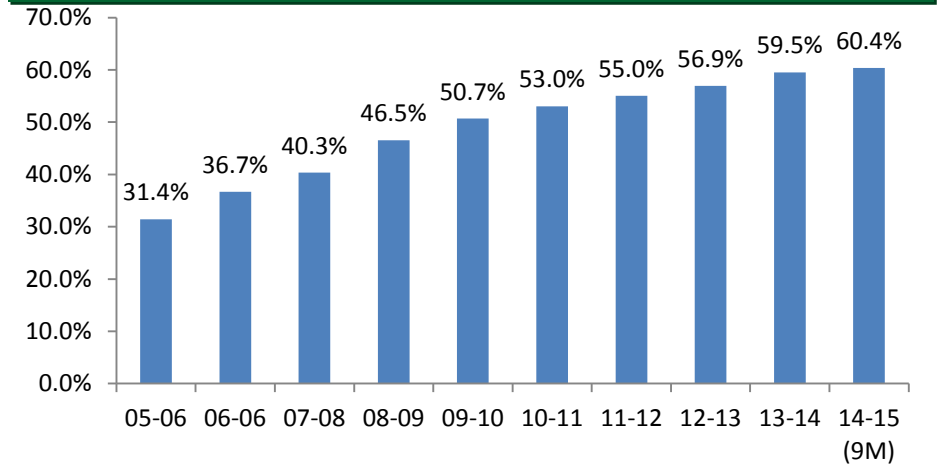
Bajaj NOMARKS Facewash for
All Skin, Oily Skin & Dry Skin Types & Neem Facewash, available in sizes 15g, 50g, 100g

Bajaj NOMARKS Soaps for
All Skin, Oily Skin & Dry Skin Types & Neem Soap, available in sizes 125g & 75g

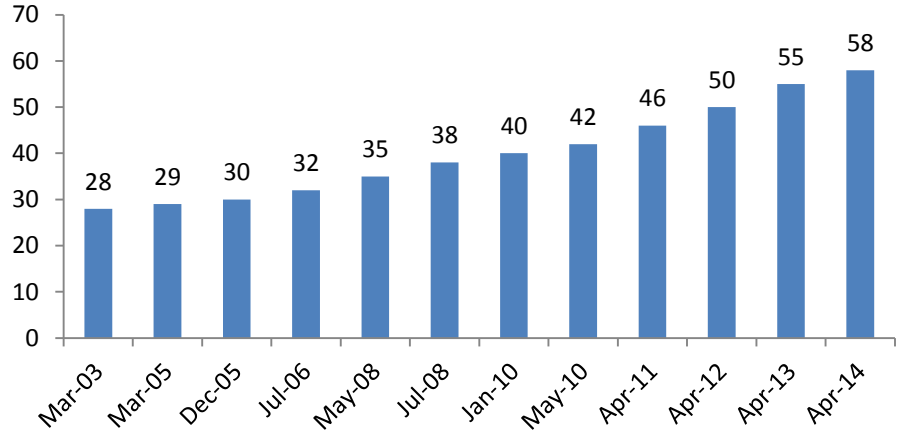
Bajaj NOMARKS Exfoliating Walnut Scrub, 50g & 100g
and Bajaj NOMARKS Dry Face Pack 25g

Bajaj Almond Drops - A Premium Brand

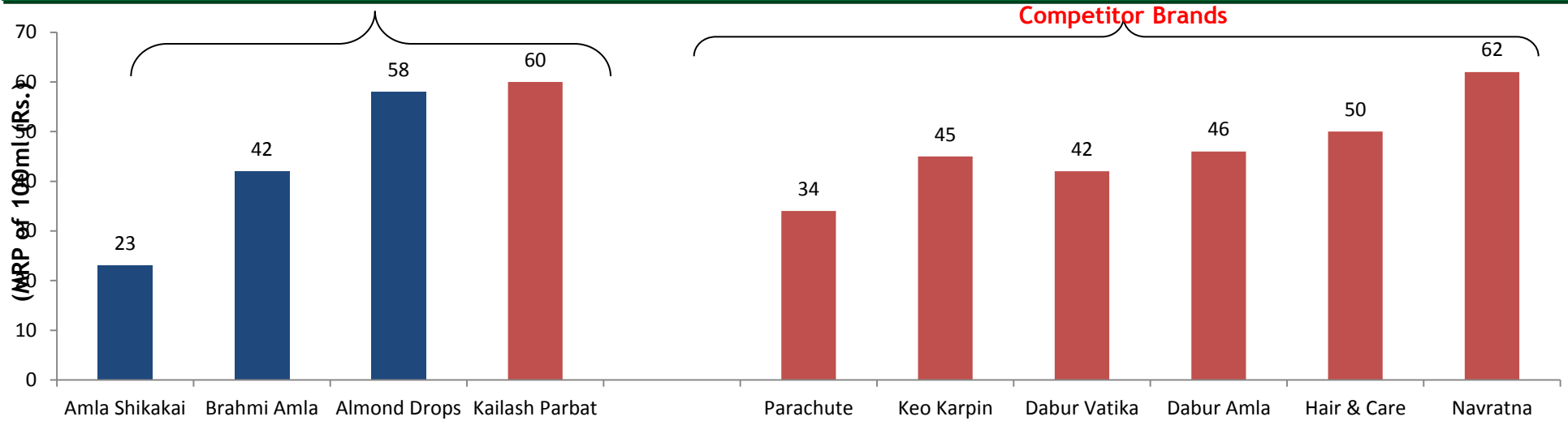
Strong Market Share Growth in Recent Years



. . . 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 Dec **2014**, Kotak Institutional Research*

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- Almond Drops

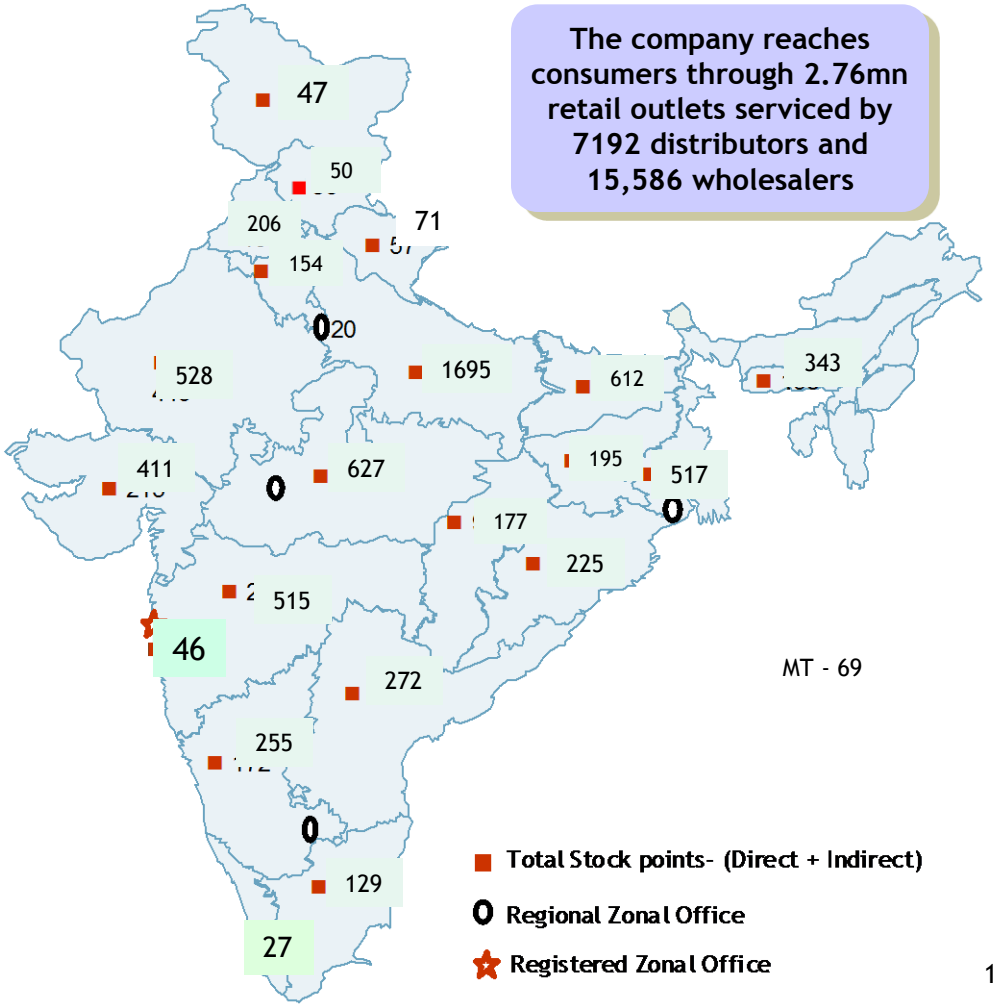
- For Almond Drops the consumer is:
  - Gender
    - Male- 54%
    - Female- 46%
  - Age Group
    - 15 to 39 yrs (59% of users)
  - Urban Vs Rural
    - 61% are Urban consumers
  - Socio Economic Class (SEC)- Urban
    - A1- 10.4%
    - A2- 14.4%
    - B1- 14.4%
    - B2- 11.5%

Source – IRS, Q42012

Strong Distribution Network

Distribution Network

The company reaches consumers through 2.76mn retail outlets serviced by 7192 distributors and 15,586 wholesalers



Distribution Structure

Factory (5)

OWN - Himachal Pradesh -2, Uttarakhand- 1
THIRD PARTY - Himachal Pradesh-2, Rajasthan-1, Guwahati-1, Uttarakhand- 1

↓

Central Warehouse (1)

↓

Regional Distribution Centre (29)

↓

Urban Distribution	Rural Distribution
Redistribution Stockist (1,725)	Super Stockist (180)
Retail Outlets (1,078,732)[1]	Sub-Stockist (5367)
	Retail Outlets (1,680,097)[1]

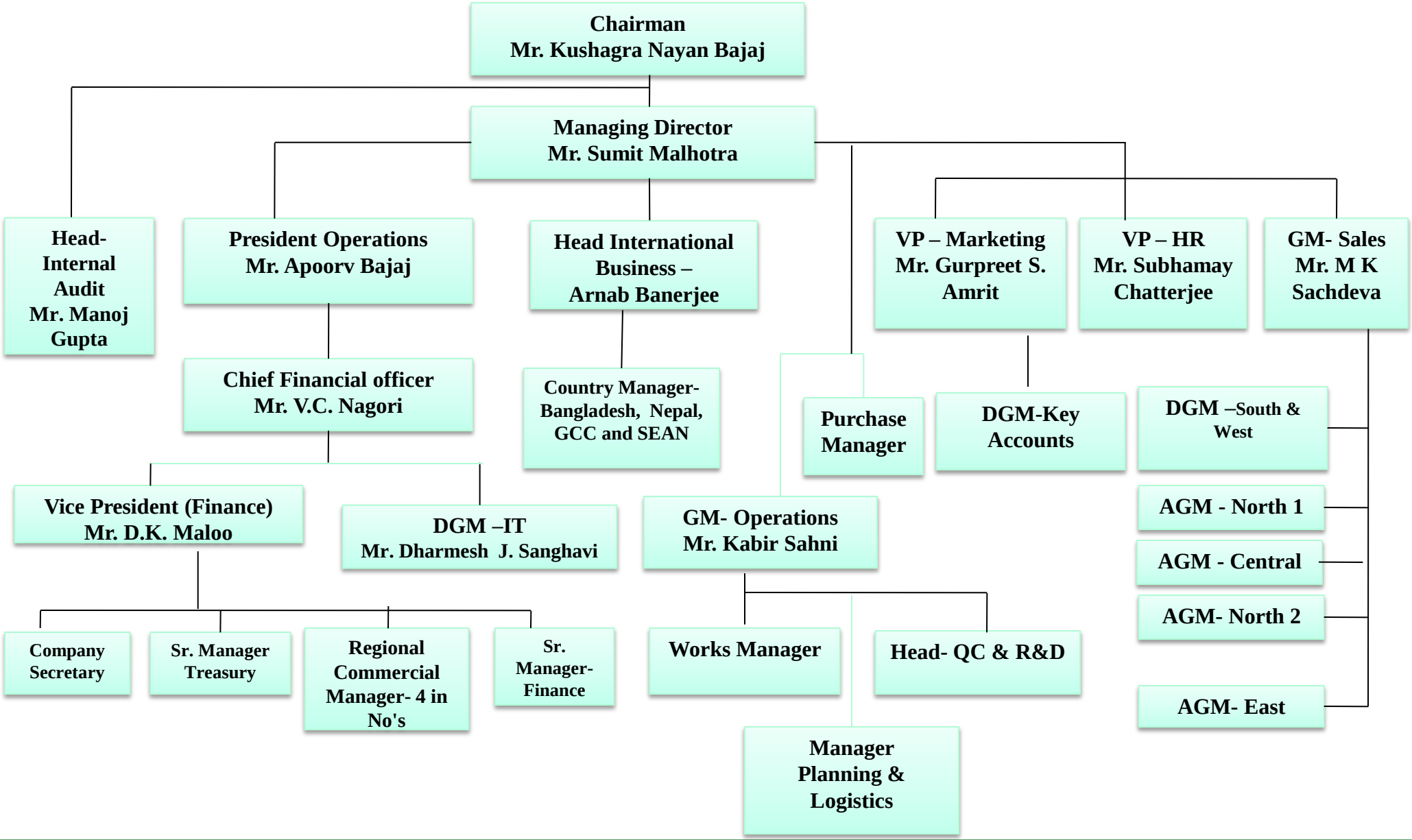
1 - as on Nov 30, 2014. Nielsen New Sample

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

Van Operations

- Started in FY 13 with a objective of increasing Rural Sales
- Piloted 39 Vans in Q4 FY 13
- Currently operating 101 vans (for Sales) and 6 Video Vans (for Promotions)
- Vans cover 7588 uncovered Towns and Villages on a monthly basis
- In Apr- Nov 2014
  - Bajaj Almond Drops Hair Oil got 40.0 % of its sales from Rural India
  - Volume Growth in Rural India – 5.9% (Urban + Rural = -1.0%)
  - Market share in Rural India – 63.1% (Urban + Rural = 58.7%)

Organization Structure

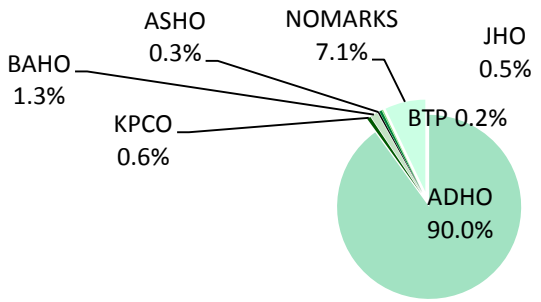


Financial Information

Summary Income Statement

Particulars (Rs. In Crore)	Q3FY15	Q3FY14	9M FY 15	9M FY 14
Sales (Net)	205.40	158.21	584.07	486.50
EBITDA	60.06	42.77	167.69	133.89
EBITDA Margin	*29.24%*	*27.04%*	*28.71%*	*27.52%*
Profit Before Tax & Exceptional Item	*64.71*	*48.56*	*185.73*	*158.79*
Exceptional Item (Trademark & Intellectual Properties)	*11.75*	*11.75*	*35.24*	*16.85*
Profit Before Tax(PBT)	*52.96*	*36.81*	*150.50*	*141.94*
Net Profit after Tax	41.84	29.10	118.89	112.13
Net Profit Margin	*20.37%*	*18.39%*	*20.36%*	*23.05%*

Brandwise Sales Break-Up for 9MFY 2015



Summary Balance Sheet

Particulars (Rs. In Crore)	9M FY 15	9M FY 14	2013-14
Shareholders Equity	437.39	595.94	522.08
Long Term Debts	-	60.00	-
Net Fixed Assets	123.05	172.28	160.89
Investments (including Bank FDs, Bank CDs and Government Securities & Bonds)	292.67	463.31	338.83
Net Current Assets	21.68	20.35	22.36

Key Highlights

- Strong demonstrated growth track record
- Among the highest EBITDA margins in the industry
- Company is a Debt free company.

EBITDA & PAT Performance

` in Crore

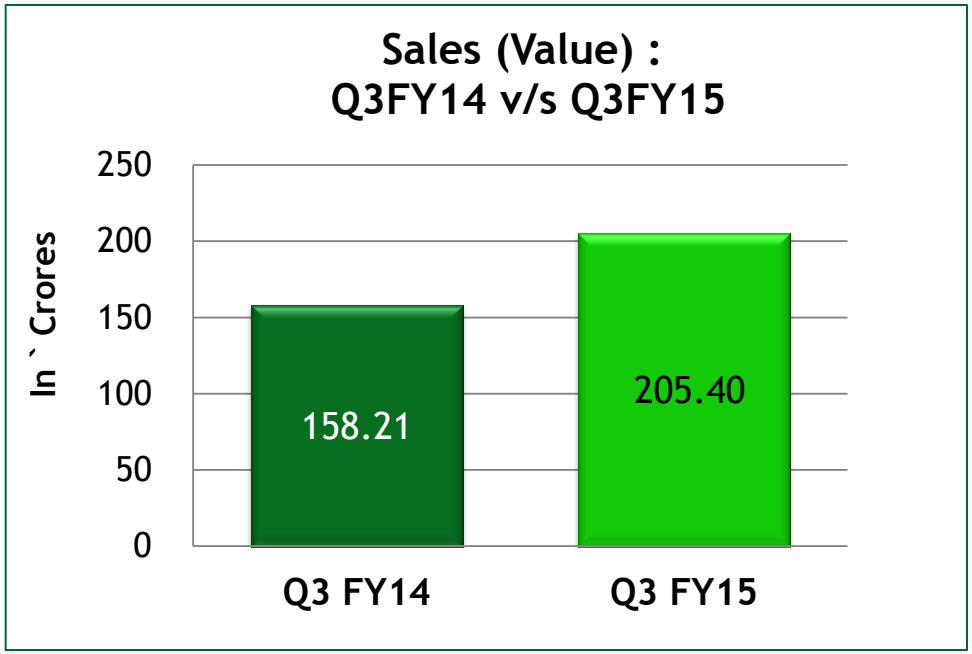
Particulars	Q3FY15	Q3FY14	YoY%	9M FY 15	9M FY 14	YoY%
EBITDA	60.06	42.77	40.40%	167.69	133.89	25.25%
Profit Before Tax & Exceptional Item	64.71	48.56	33.27%	185.73	158.79	16.97%
Exceptional Item (Trademark & Intellectual Properties)	11.75	11.75		35.24	16.85	
Profit Before Tax (PBT)	52.96	36.81	43.88%	150.50	141.94	6.03%
Profit After Tax (PAT)	41.84	29.10	43.79%	118.89	112.13	6.03%

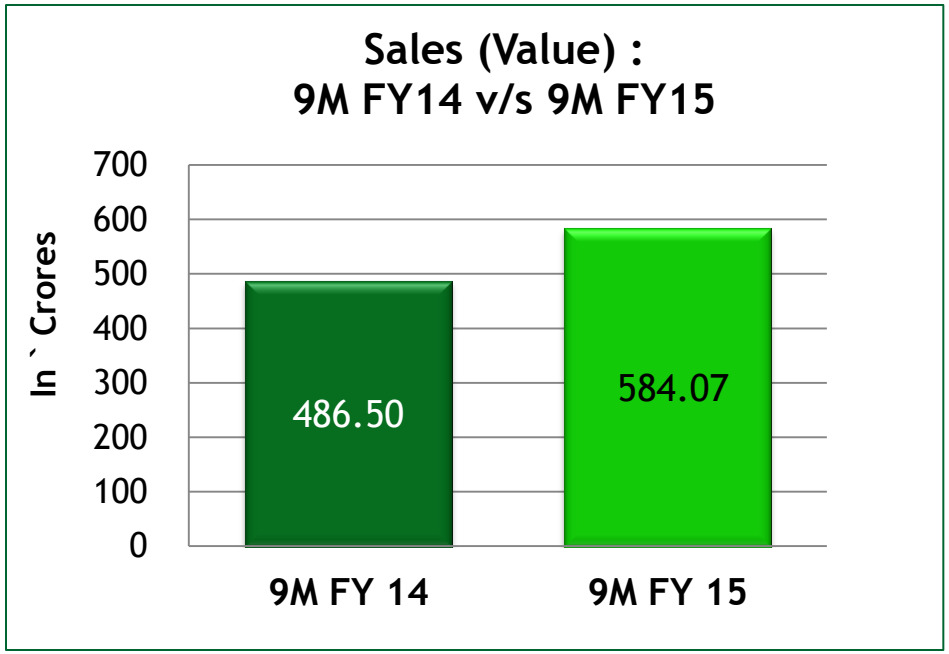
Profit & Loss Q3 FY2015 and for 9M FY2015

` in Crore

Particulars	Q3FY15	Q3FY14	YoY%	9M FY 15	9M FY 14	YoY%
Net Sales	**205.40**	**158.21**	**29.83%**	**584.07**	**486.50**	**20.06%**
Other Operating Income	0.39	0.37		1.04	0.71	
Material Cost	76.96	61.08		227.32	191.63	
% of Sales	37.47%	38.61%		38.92%	39.39%	
Employees Cost	9.08	8.38		28.18	25.35	
% of Sales	4.42%	5.29%		4.82%	5.21%	
Advertisement & Sales Prom.	40.24	28.31		104.21	84.76	
% of Sales	19.59%	17.89%		17.84%	17.42%	
Other Expenses	19.46	18.04		57.72	51.59	
% of Sales	9.47%	11.40%		9.88%	10.60%	
EBITDA	**60.06**	**42.77**	**40.40%**	**167.69**	**133.89**	**25.25%**
% of Sales	29.24%	27.04%		28.71%	27.52%	
Other Income	6.66	9.67		24.01	31.85	
% of Sales	3.24%	6.11%		4.11%	6.55%	
Finance Cost	0.01	2.92		0.04	4.24	
Depreciation	1.08	0.96		3.18	2.71	
Corporate Social Responsibility	0.92	-		2.75	-	
Profit Before Tax & Exceptional Item	**64.71**	**48.56**	**33.27%**	**185.73**	**158.79**	**16.97%**
Exceptional Item (Trademark & Intellectual Properties)	11.75	11.75		35.24	16.85	
Profit Before Tax(PBT)	**52.96**	**36.81**	**43.88%**	**150.50**	**141.94**	**6.03%**
Tax Expenses	11.12	7.71		31.61	29.81	
Profit After Tax(PAT)	**41.84**	**29.10**	**43.79%**	**118.89**	**112.13**	**6.03%**
% of Sales	20.37%	18.39%		20.36%	23.05%	
Diluted EPS (Rs.)	2.84	1.97		8.06	7.60	

Sales Performance





- ✓ Sales for the quarter ended December'14 has increased by 29.83% value wise and 21.06% volume wise.
- ✓ Sales for 9M ended December'14 has increased by 20.06% value wise and 10.89% volume wise.

Statement of Quarter wise Sales (Volume & Value)

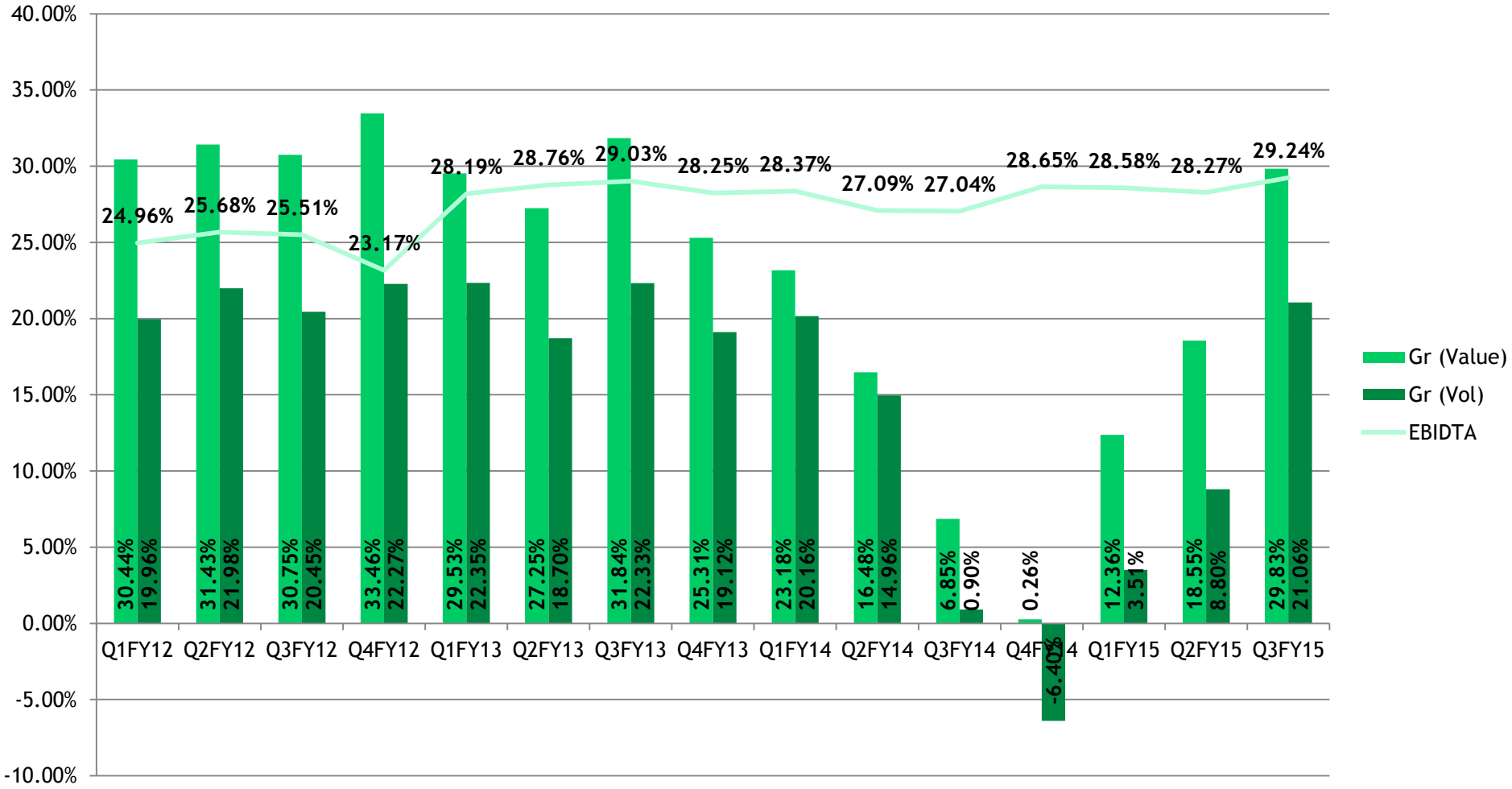
STATEMENT OF QUARTERWISE SALES (VOLUME - In Cases)

	ADHO		KPCO		BAHO		ASHO		Nomarks		Others		Total		% Inc over PY
	FY 15	FY 14	FY 15	FY 14	FY 15	FY 14	FY 15	FY 14	FY 15	FY 14	FY 15	FY 14	FY 15	FY 14	
Q1	1,123,144	1,134,735	15,805	21,653	9,671	9,853	2,184	1,732	58,222		4,848	4,779	1,213,874	1,172,752	3.51%
Q2	1,120,081	1,077,517	2,380	11,823	10,218	9,770	10,019	1,986	54,811		6,552	5,563	1,204,061	1,106,659	8.80%
Q3	1,226,347	1,028,943	2,017	1,702	15,152	10,369	3,461	2,592	48,913	28,565	9,442	6,039	1,305,332	1,078,210	21.06%
Total	**3,469,572**	**3,241,195**	**20,202**	**35,178**	**35,041**	**29,992**	**15,664**	**6,310**	**161,946**	**28,565**	**20,842**	**16,381**	**3,723,267**	**3,357,621**	**10.89%**

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

	ADHO		KPCO		BAHO		ASHO		Nomarks		Others		Total		% Inc over PY
	FY 15	FY 14	FY 15	FY 14	FY 15	FY 14	FY 15	FY 14	FY 15	FY 14	FY 15	FY 14	FY 15	FY 14	
Q1	170.91	162.71	2.92	4.33	2.00	1.94	0.23	0.18	14.13	-	0.89	0.89	191.07	170.05	12.36%
Q2	168.89	153.00	0.37	2.11	2.15	1.89	1.04	0.21	13.92	-	1.22	1.03	187.61	158.24	18.55%
Q3	186.07	148.68	0.42	0.35	3.23	2.03	0.36	0.27	13.57	5.76	1.76	1.12	205.40	158.21	29.83%
Total	**525.86**	**464.39**	**3.70**	**6.79**	**7.38**	**5.86**	**1.63**	**0.66**	**41.62**	**5.76**	**3.88**	**3.04**	**584.07**	**486.50**	**20.06%**

Consistent Performance over the last 15 successive quarters



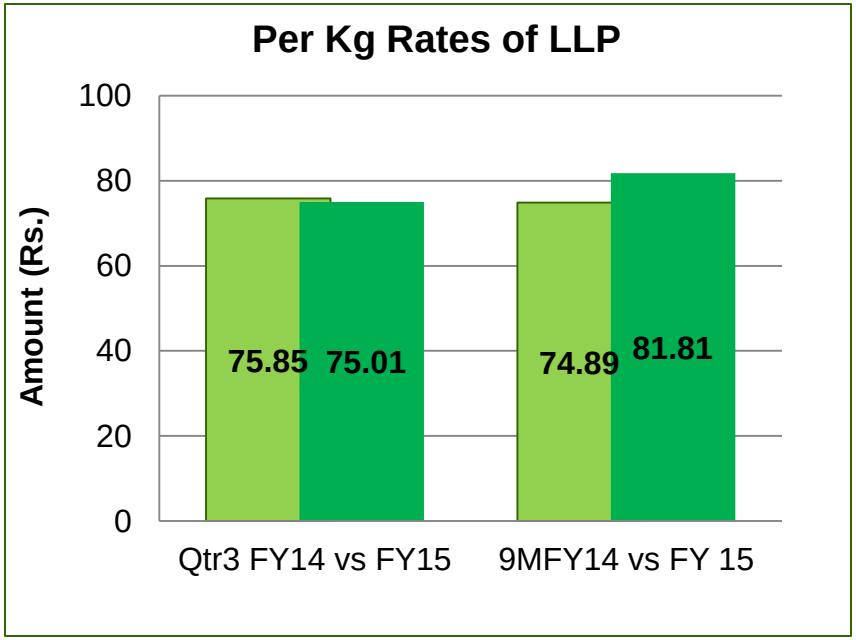
Breakup of RM/PM Costs *(for Q3 15)*

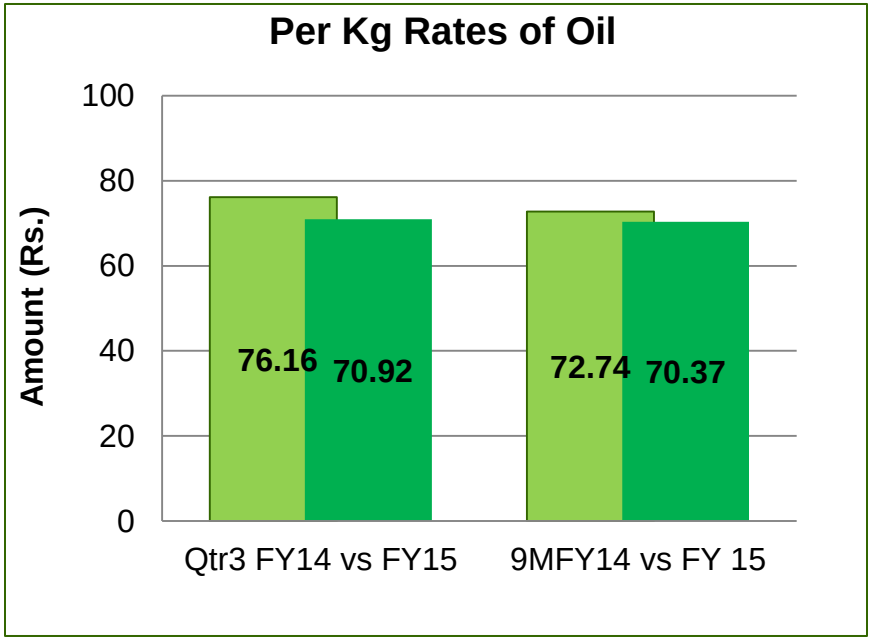
Key Raw & Packing Material	% to Sales	% to Total Cost
LLP	13.09%	34.39%
Glass Bottles	9.35%	24.56%
Refined Veg. Oil	3.61%	9.47%
Perfumes & other additives	3.20%	8.40%
Corrugated Boxes	1.61%	4.24%
Caps	2.22%	5.82%
Others	4.99%	13.12%
TOTAL	38.06%	100.00%

*** Consumption is 38.06% of Sales**

For Bajaj Almond Drops

Change in Prices of Key Ingredients





- ✓ During the quarter average price of LLP decreased to Rs 75.01/Kg from Rs 75.85/Kg in corresponding quarter of previous year.
- ✓ Prices of Refined Oil decreased to Rs 70.92/Kg from Rs 76.16/Kg in corresponding quarter of previous year.

Fund Position

- Fund Position:
  - The total Fund available with the company as on 31st December' 2014 is Rs.237.67Crores
  - This has been invested in Bank Fixed Deposits, Certificate of Deposits of Banks , PSU Bonds, Government Securities and Liquid MFs.
  - There is no investment in ANY Inter Corporate Deposit

Particulars	Amount (in Rs. Crores)
Bank FDs	142.00
Liquid Plans of Mutual Funds	15.70
PSU Corporate Bonds	79.97
Total	**237.67**

Dividend Payout History

Year	No. of Shares (in Lacs)	Face Value	Dividend Payout (Rs in Lacs)	% to Capital	Dividend per share (Rs.)
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 Ltd
- Bajaj Corp Ltd has not and will not transfer funds from and to from 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 mid 2015.
- The Bajaj Group is well aware of issues regarding Corporate Governance and would like to state that they 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 2015-16
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 2.76 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