bajaj corp limited

February 6, 2014

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: Investor Presentation

Please find enclosed a copy of Investor Presentation dated February 2014.

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

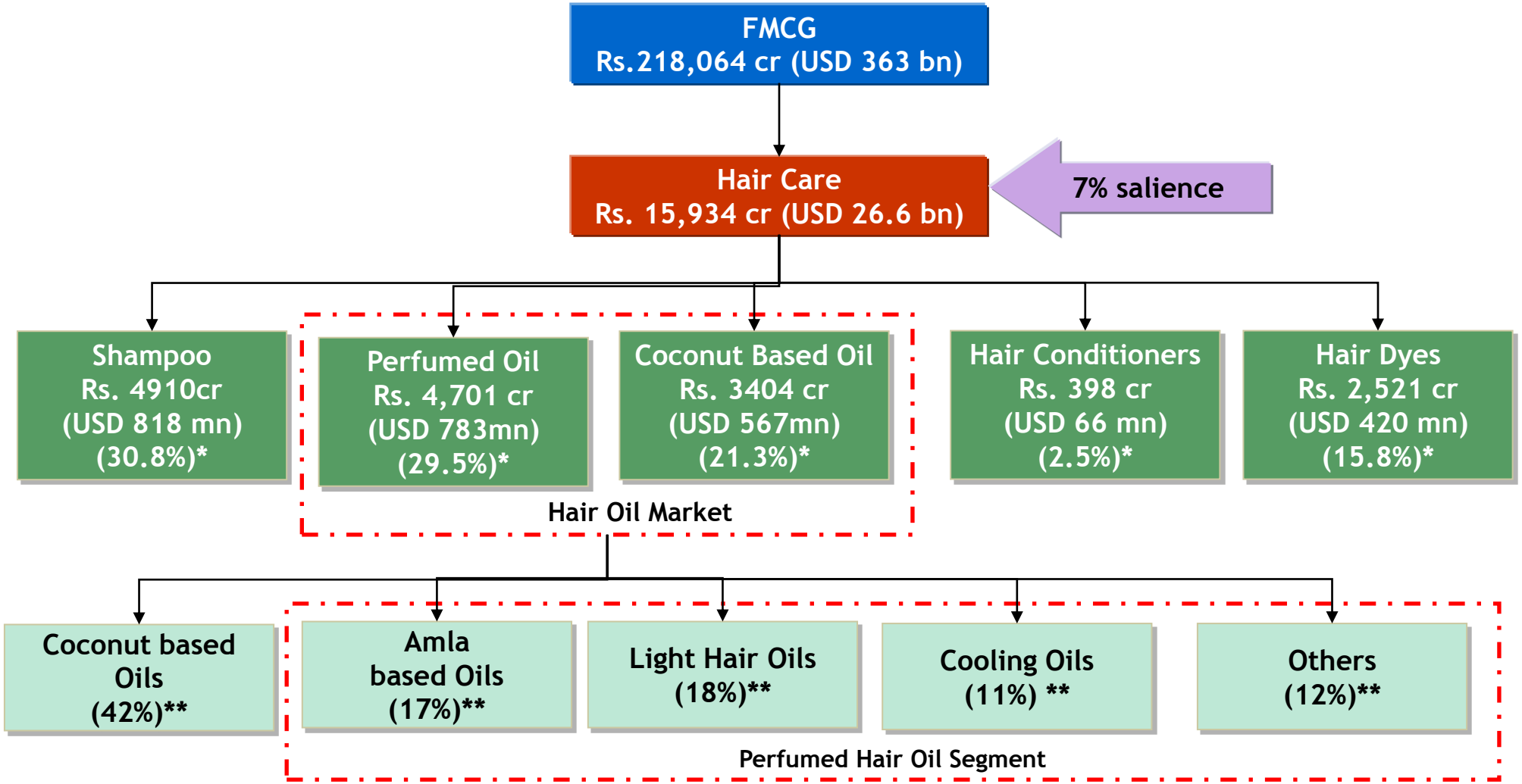
bajaj Corp Ltd.

Investor Presentation

Feb 2014

Industry Overview

Industry Size and Structure



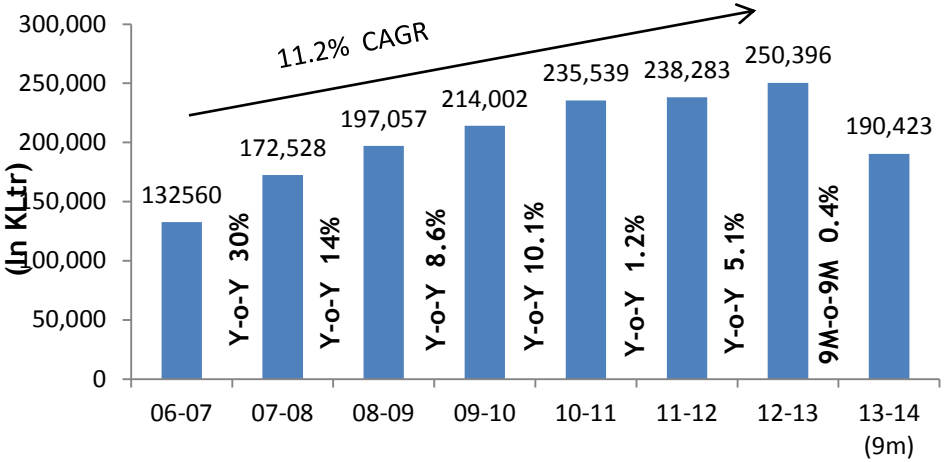
Source: AC Nielsen Retail Audit Report.
Only branded products data for CY 2013

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

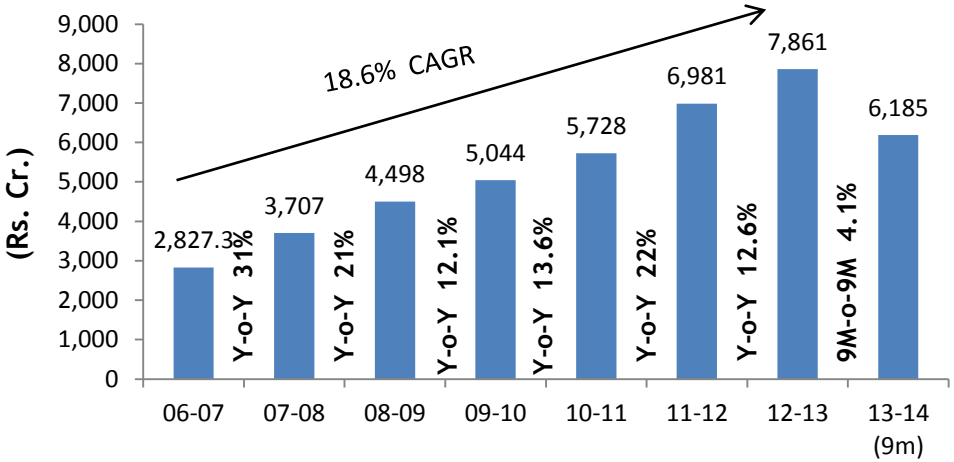
Light Hair Oil is now the largest non-coconut hair oil segment

Hair Oil Market in India

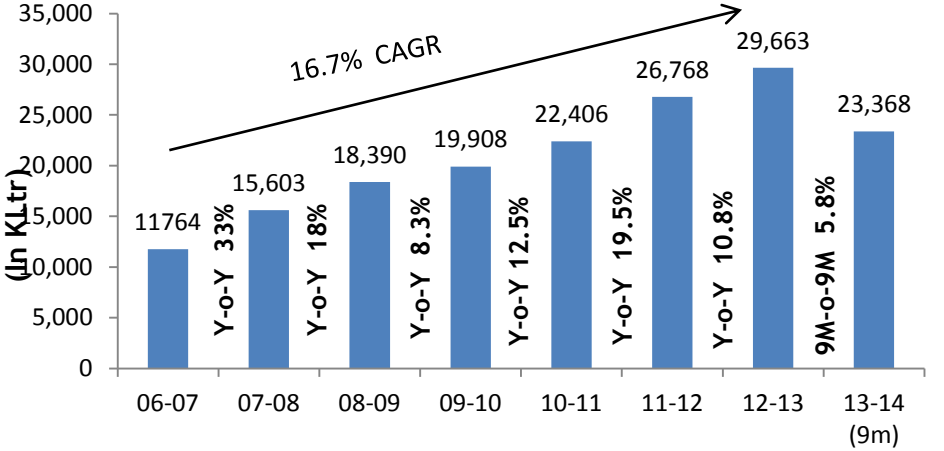
Overall Hair Oil Market - Volume



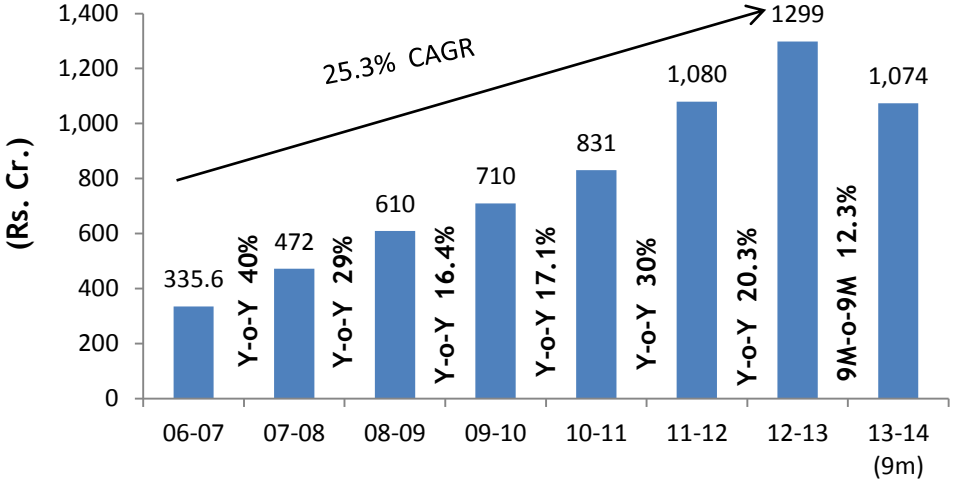
Overall Oil Market - Value



Light Hair Oil - Volume



Light Hair Oil - Value

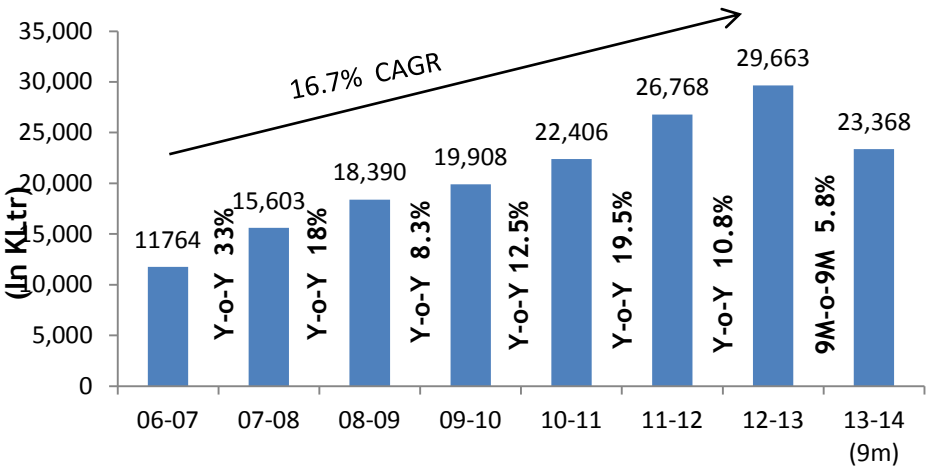


Source: AC Nielsen Retail Audit Report, Dec2013.

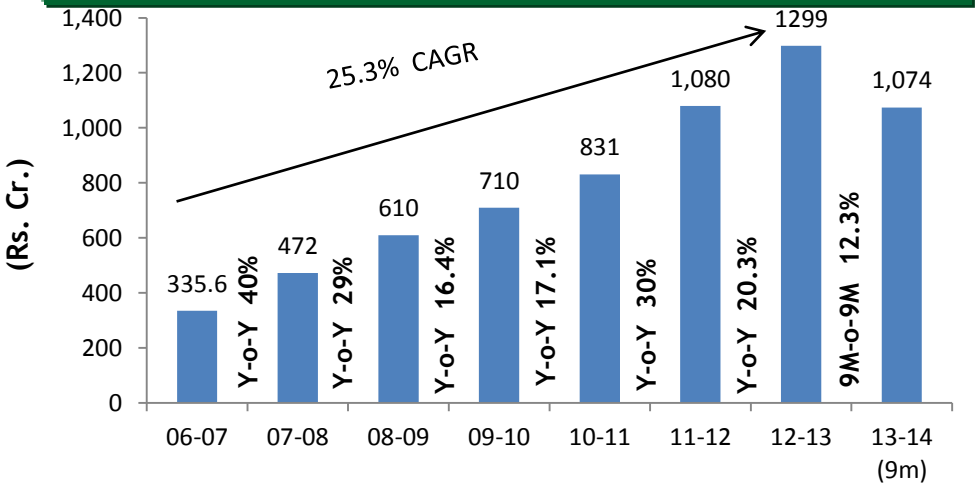
Light hair oils is one of the fastest growing segments in the hair oil market in India

Light Hair Oil Market in India

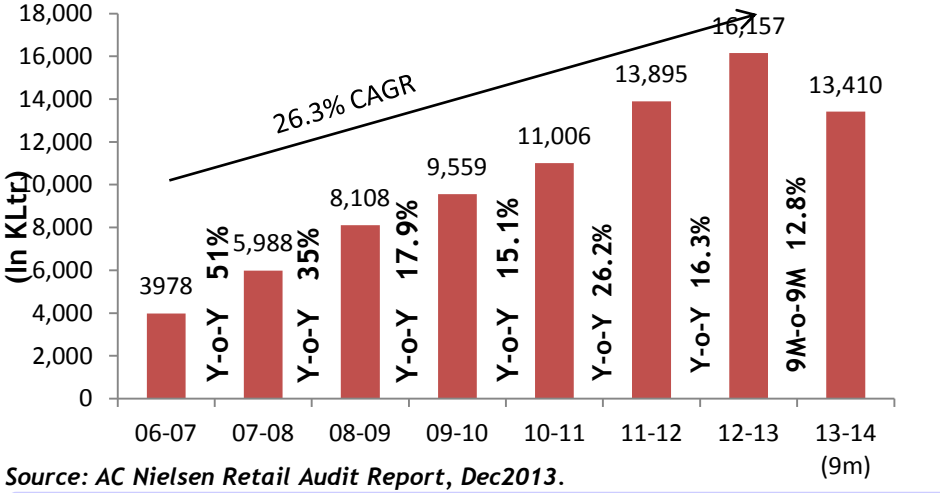
Light Hair Oil - Volume



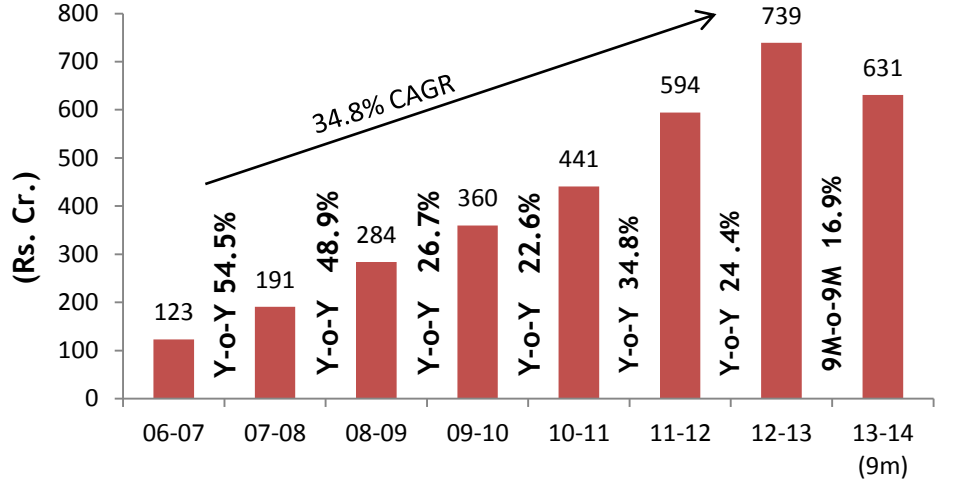
Light Hair Oil - Value



Almond Drops Hair Oil Market - Volume



Almond Drops Hair Oil Market - Value

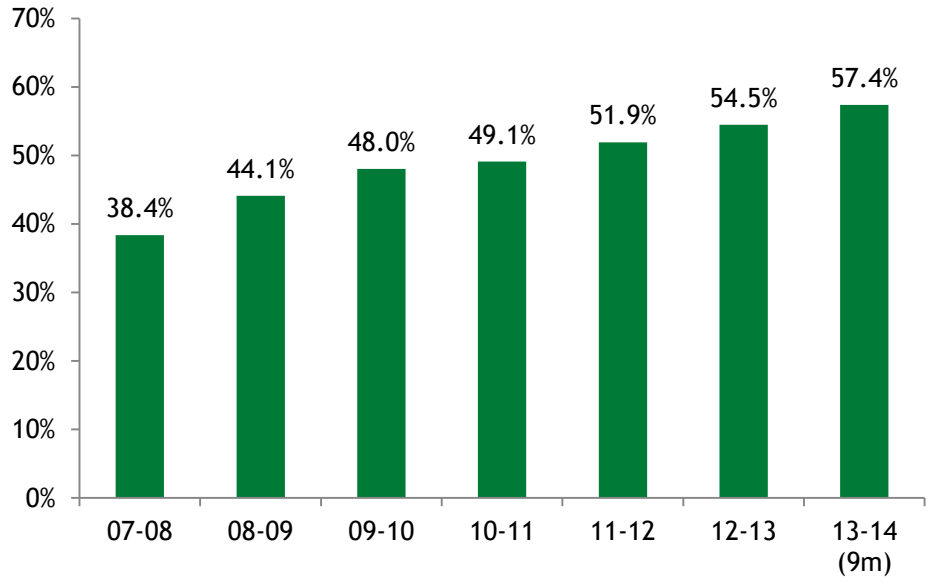


Source: AC Nielsen Retail Audit Report, Dec2013.

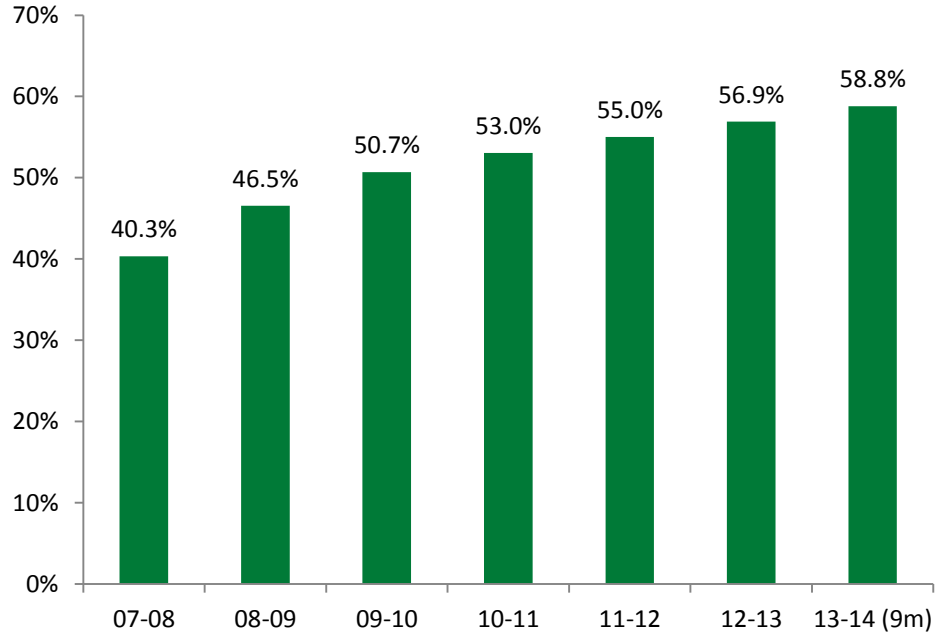
Almond Drops is the brand which is driving light hair oils and in turn the overall market

Market Shares Trends (All India - Urban Plus Rural)

Volume MS



Value MS

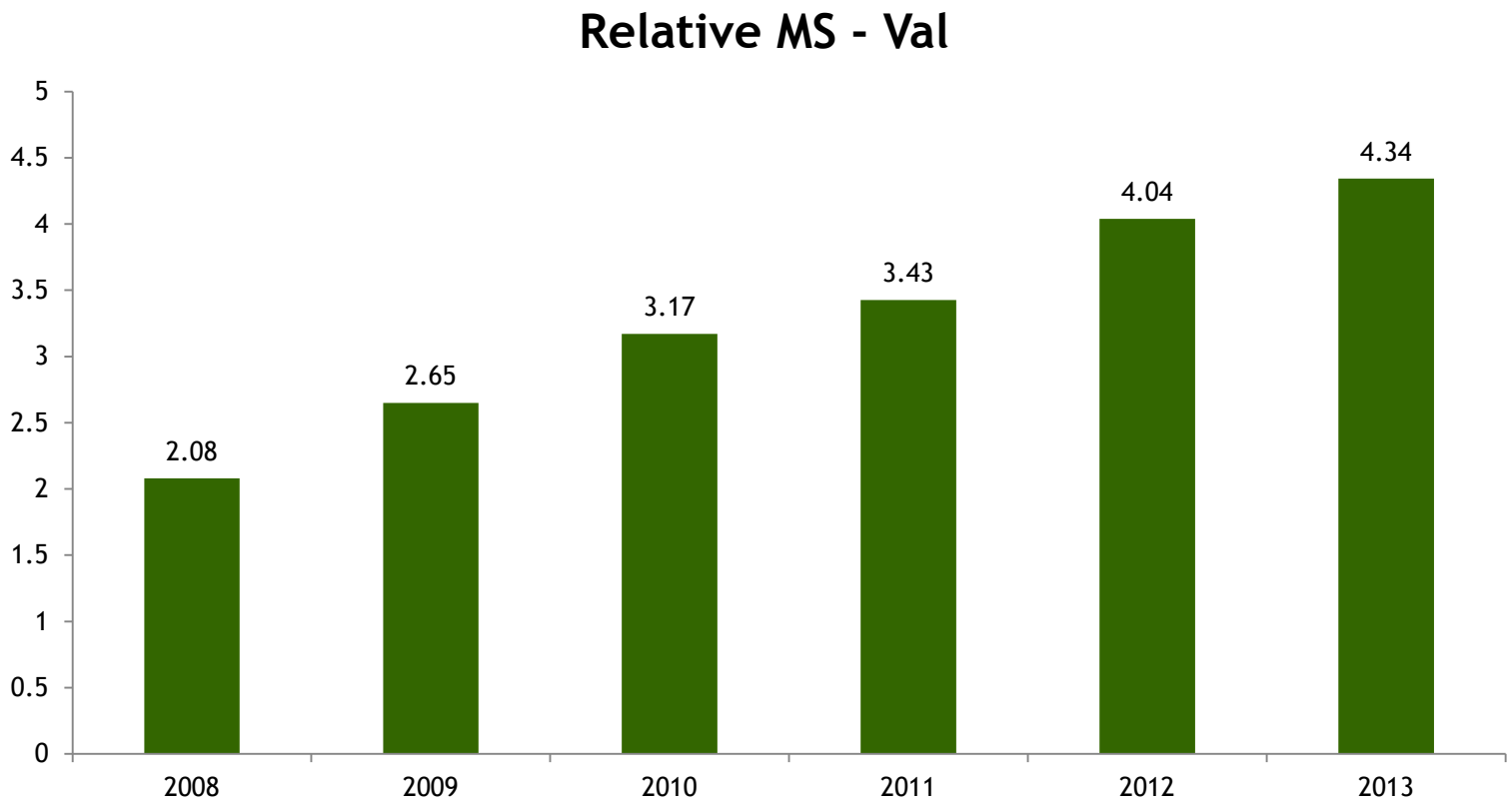


***Market Share in the Light Hair Oil Category**

Source: AC Nielsen Retail Audit Report, Dec2013

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, Dec2013

Growth in Relative market share demonstrates the strength of the brand

ADHO - Relative Market Shares - Value

State	Relative MS	Rank
Delhi	3.9	1st
Rajasthan	1.6	1st
Uttar Pradesh	3.5	1st
Punjab	4.0	1st
HP-JK	3.5	1st
Haryana	4.4	1st
Uttaranchal	4.3	1st
North Zone	**4.2**	**1st**
Assam	5.6	1st
North East	1.8	1st
Bihar	8.8	1st
Orissa	4.6	1st
West Bengal	3.0	1st
Jharkhand	5.0	1st
East Zone	5.9	1st
All India	**4.3**	**1st**

State	Relative MS	Rank
Madhya Pradesh	3.7	1st
Chhattisgarh	6.3	1st
Gujarat	2.3	**1st**
Central Zone	3.6	1st
Mumbai	3.9	1st
Maharashtra	4.1	1st
West Zone	**3.7**	**1st**
Andhra Pradesh	0.9	2nd
Karnataka	6.8	1st
Kerala	1.1	1st
Tamil Nadu	0.5	2nd
South Zone	**1.4**	**1st**
All India	**4.3**	**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, Dec2013

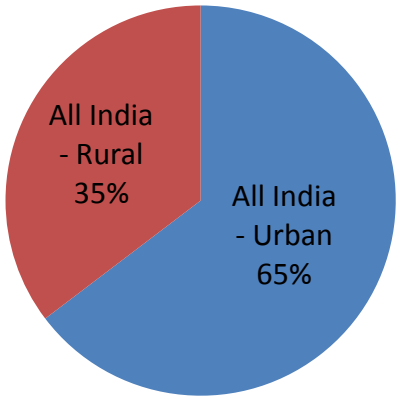
Statewise Market Share

Jan 13 - Dec 13	LHO Volume	Proportion %		ADHO Market Share % (Vol)		
	Saliency	Urban	Rural	Total	Urban	Rural
All India (U+R)	100.00%	65%	35%	56.80%	55.10%	59.93%
Punjab	6.38%	70%	30%	54.30%	53.01%	57.37%
Haryana	6.59%	79%	21%	58.87%	55.84%	70.43%
Delhi	5.80%	100%	NA	55.34%	55.34%	NA
Rajasthan	8.92%	60%	40%	47.59%	46.95%	48.53%
Uttar Pradesh (U+R)	21.46%	62%	38%	60.28%	57.87%	64.13%
Uttaranchal	0.97%	58%	42%	60.76%	55.49%	68.17%
Assam	5.61%	46%	54%	55.31%	46.56%	62.73%
Bihar	4.35%	63%	37%	74.90%	72.81%	78.50%
Jharkhand	0.82%	76%	24%	63.09%	61.86%	67.03%
Orissa	1.44%	61%	39%	59.37%	57.70%	62.02%
West Bengal	6.53%	63%	37%	40.11%	39.34%	41.41%
Gujarat	6.03%	76%	24%	53.16%	51.31%	58.92%
Madhya Pradesh	12.02%	42%	58%	61.32%	65.01%	58.64%
Chattisgarh	3.28%	49%	51%	71.96%	65.78%	77.99%
Maharashtra	6.67%	81%	19%	58.60%	59.35%	55.38%
Karnataka	1.04%	87%	13%	63.06%	62.02%	69.89%
Andhra Pradesh	1.45%	75%	25%	33.35%	38.63%	17.89%
Tamil Nadu	0.49%	95%	5%	22.77%	23.46%	10.24%
Kerala	0.14%	89%	11%	19.41%	20.56%	10.04%

Source: AC Nielsen Retail Audit Report, MAT Dec2013

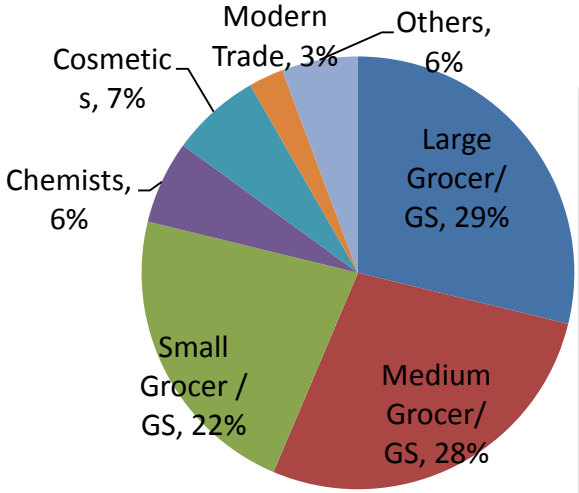
Light Hair Oil Market - Key Characteristics

Rural -Urban break up of LHO market



Urban dominated segment due to its relatively higher pricing

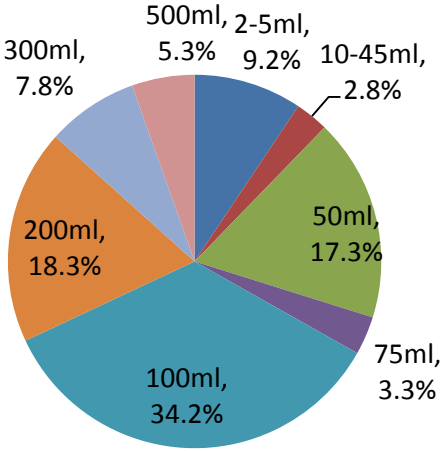
Share of Distribution Channels in LHO market



% - Market share

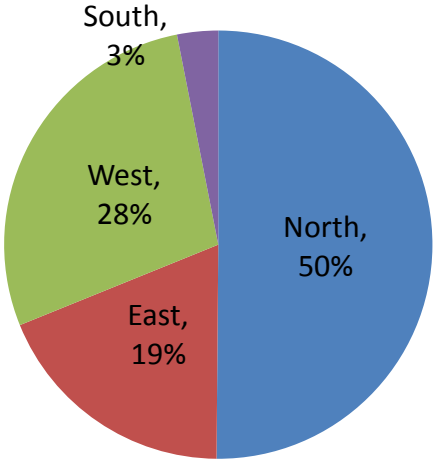
Traditional channels dominate distribution, but alternate channels like modern retail demonstrating higher growth rate

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

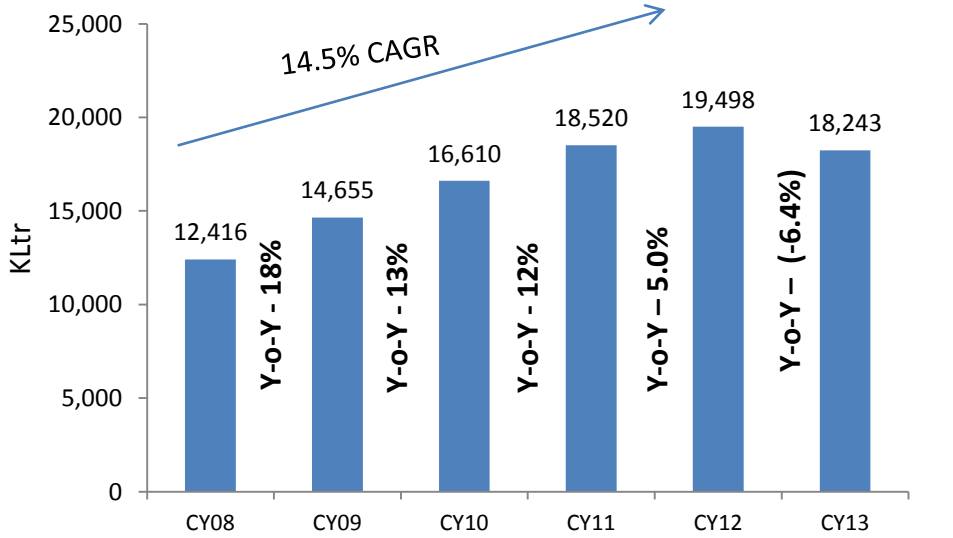


Sales tend to be concentrated in the Northern parts of the country, but West is the fastest growing region

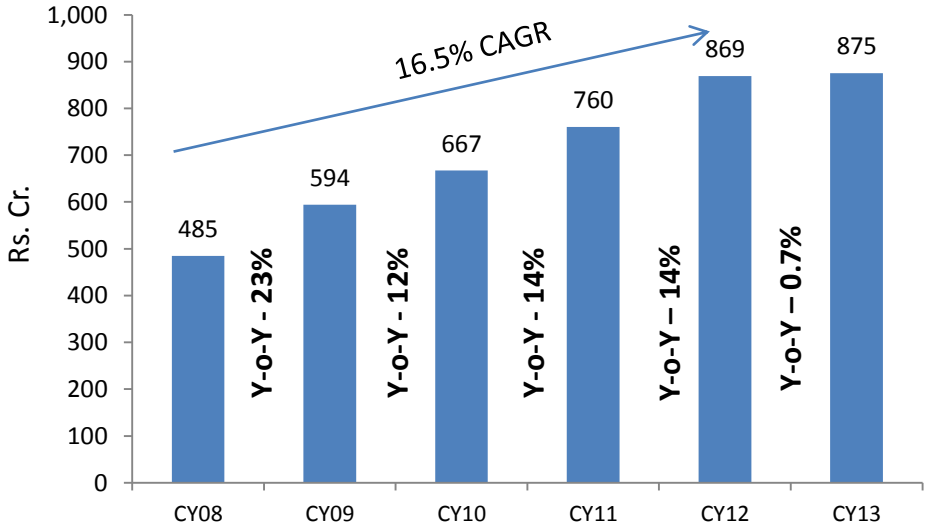
Source: AC Nielsen Retail Audit Report, Dec 2013

Cooling Hair Oil Market in India

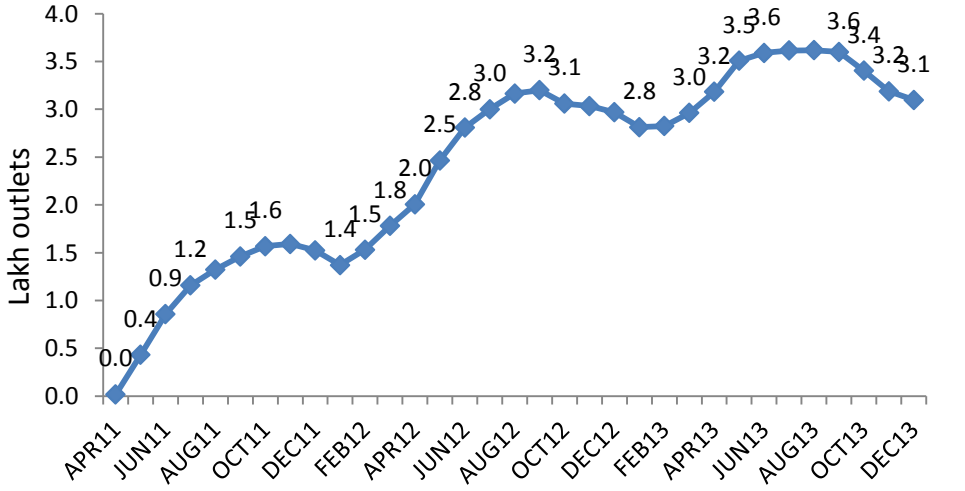
Cooling Hair Oil – Volume



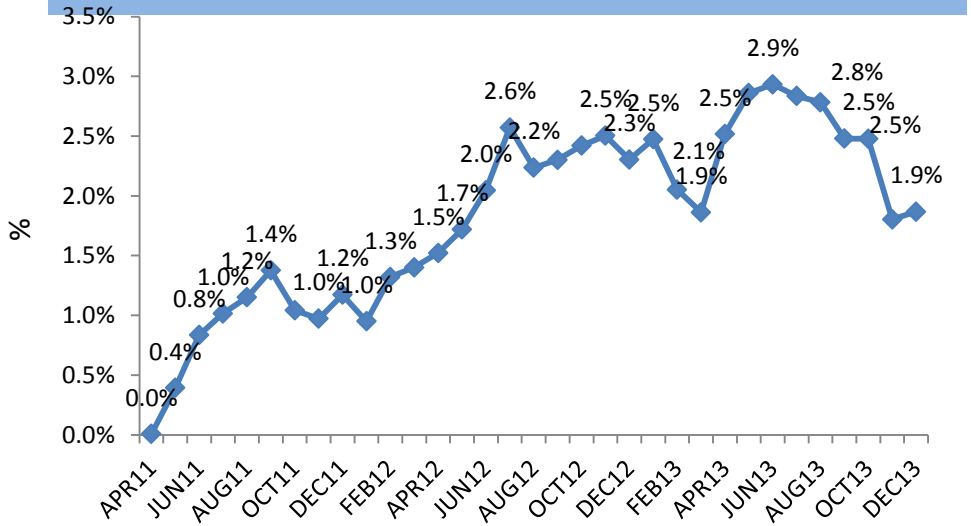
Cooling Hair Oil – Value



Kailash Parbat – Distribution Trend



Kailash Parbat – Volume Market Share Trend



Source - AC Nielsen Retail Audit Report, Dec2013

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
- 3rd largest player in the overall hair oils segment
- Key brand – Bajaj Almond Drops Hair Oil
  - Market leader with over 58% 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, Dec2013.

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

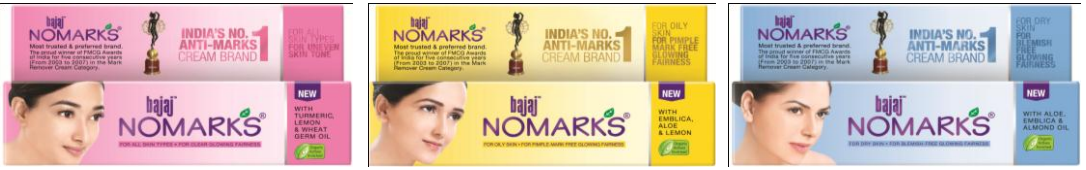
Bajaj Amla Shikakai – Variant in the heavy hair oil segment catering to price conscious consumers

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

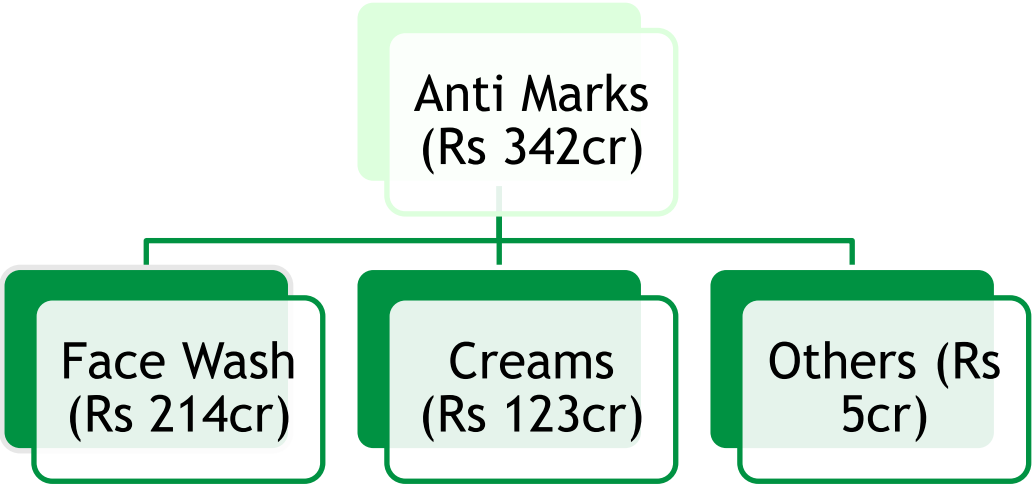
Bajaj NOMARKS Facewash for
All Skin, Oily Skin & Dry Skin Types & Neem Facewash, available in sizes 15g, 50g, 100g

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

Anti-Marks Skincare Segment Overview

- Anti-Marks Category is 342cr & growing by 27%
- It is distributed through 8.5lac outlets which are growing by 32%
- Currently Nomarks is present in 2.7lac outlets pan India
- Brand relaunched as Bajaj Nomarks in Oct'13 across India
- New attractive packaging unveiled for all SKUs
- Multiple production facilities commissioned and supply chain is stabilising

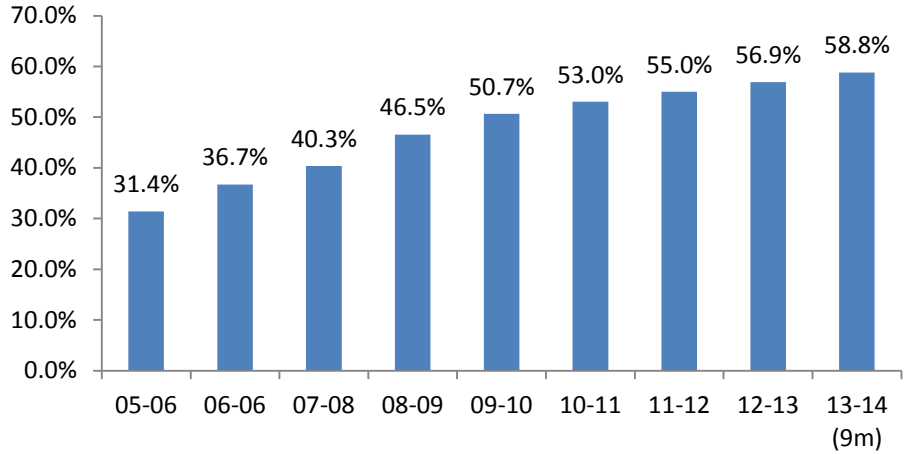


bajaj™ NOMARKS®

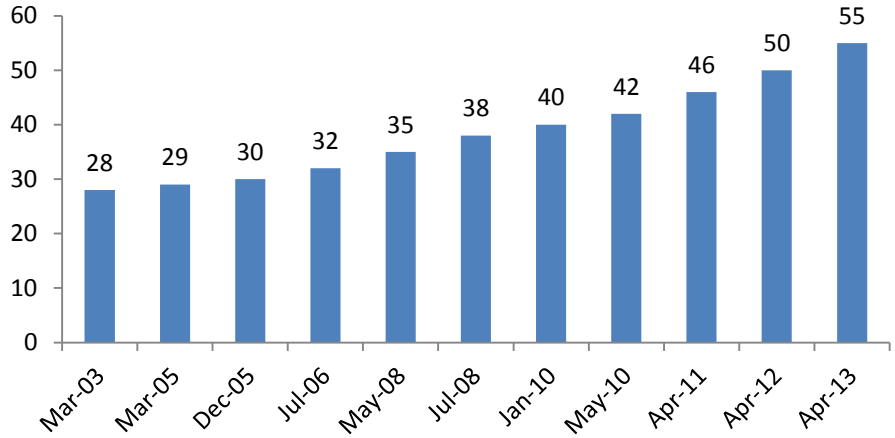
*Source: AC Nielsen Retail Audit Report, Dec2013.

Bajaj Almond Drops - A Premium Brand

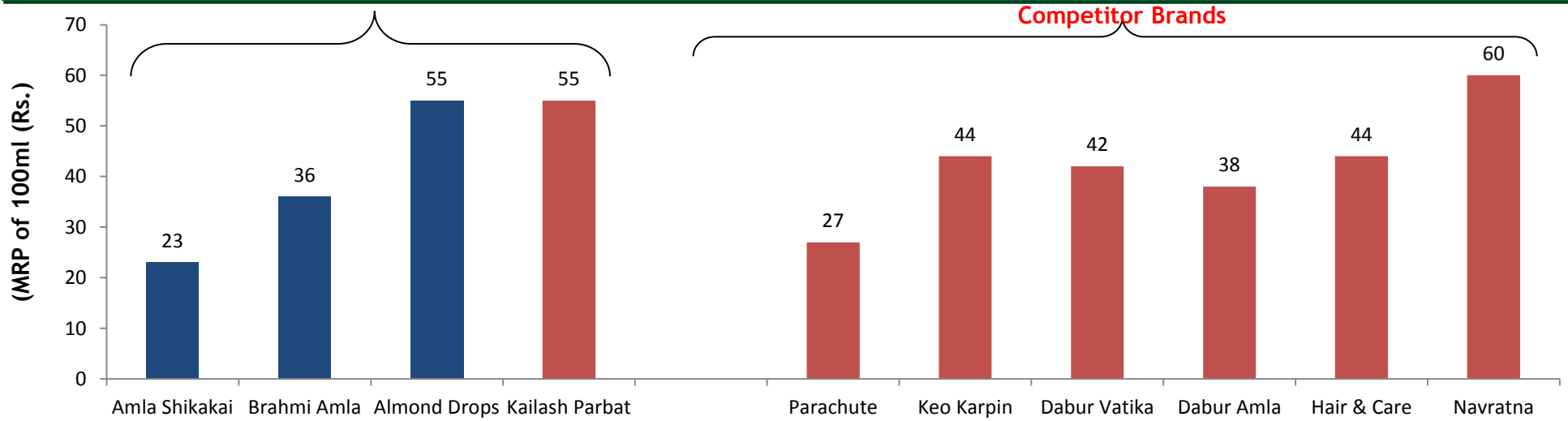
Strong Market Share Growth in Recent Years



. . . 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 Dec2013, 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

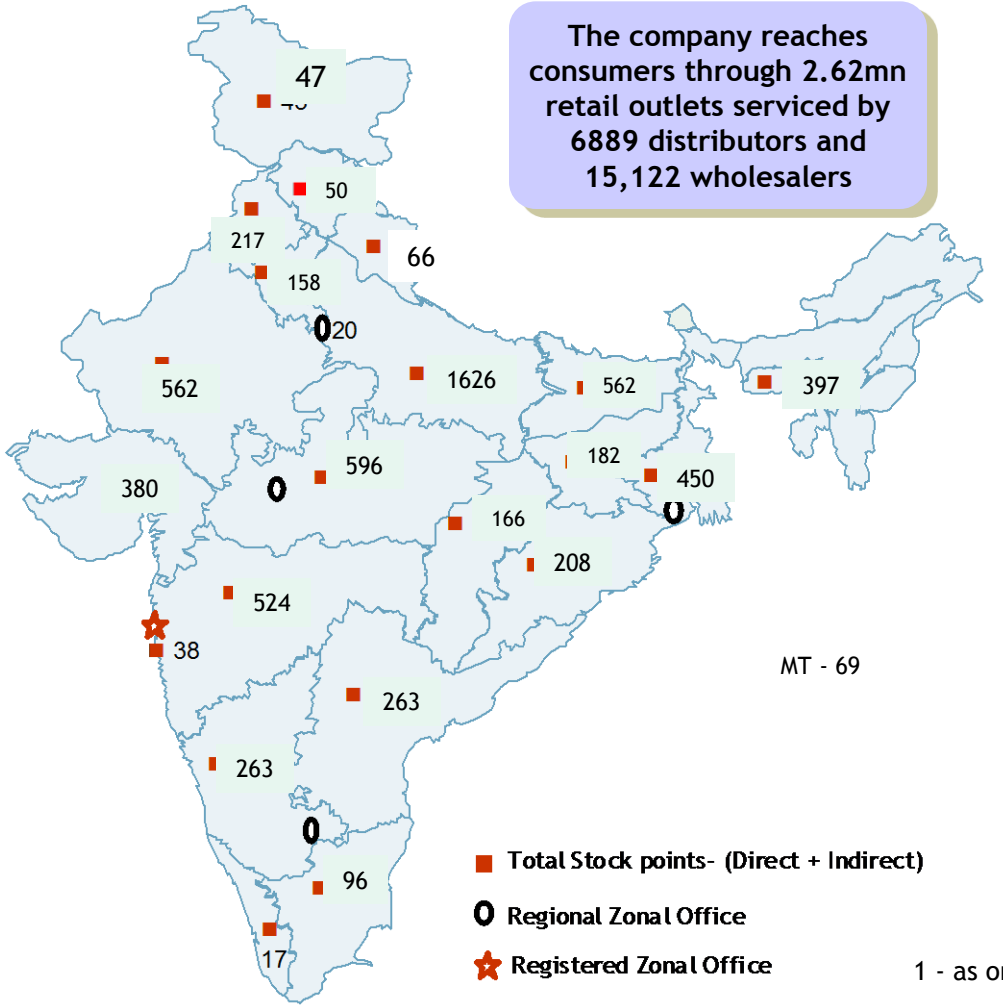
- For Almond Drops the consumer is:
  - Gender
    - Male- 54%
    - Female- 46%
  - Age Group
    - 15 to 39 yrs (59% of users)
  - Urban Vs Rural
    - 61% are Urban consumers
  - Socio Economic Class (SEC)- Urban
    - A1- 10.4%
    - A2- 14.4%
    - B1- 14.4%
    - B2- 11.5%

Source – IRS, Q42012

Strong Distribution Network

Distribution Network

The company reaches consumers through 2.62mn retail outlets serviced by 6889 distributors and 15,122 wholesalers



Distribution Structure

Factory (5)

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

↓

Central Warehouse (1)

↓

Regional Distribution Centre (29)

↓

Urban Distribution

↓

Redistribution Stockist (1,767)

↓

Retail Outlets (1,042,609)[1]

Rural Distribution

↓

Super Stockist (188)

↓

Sub-Stockist (5122)

↓

Retail Outlets (1,574,215)[1]

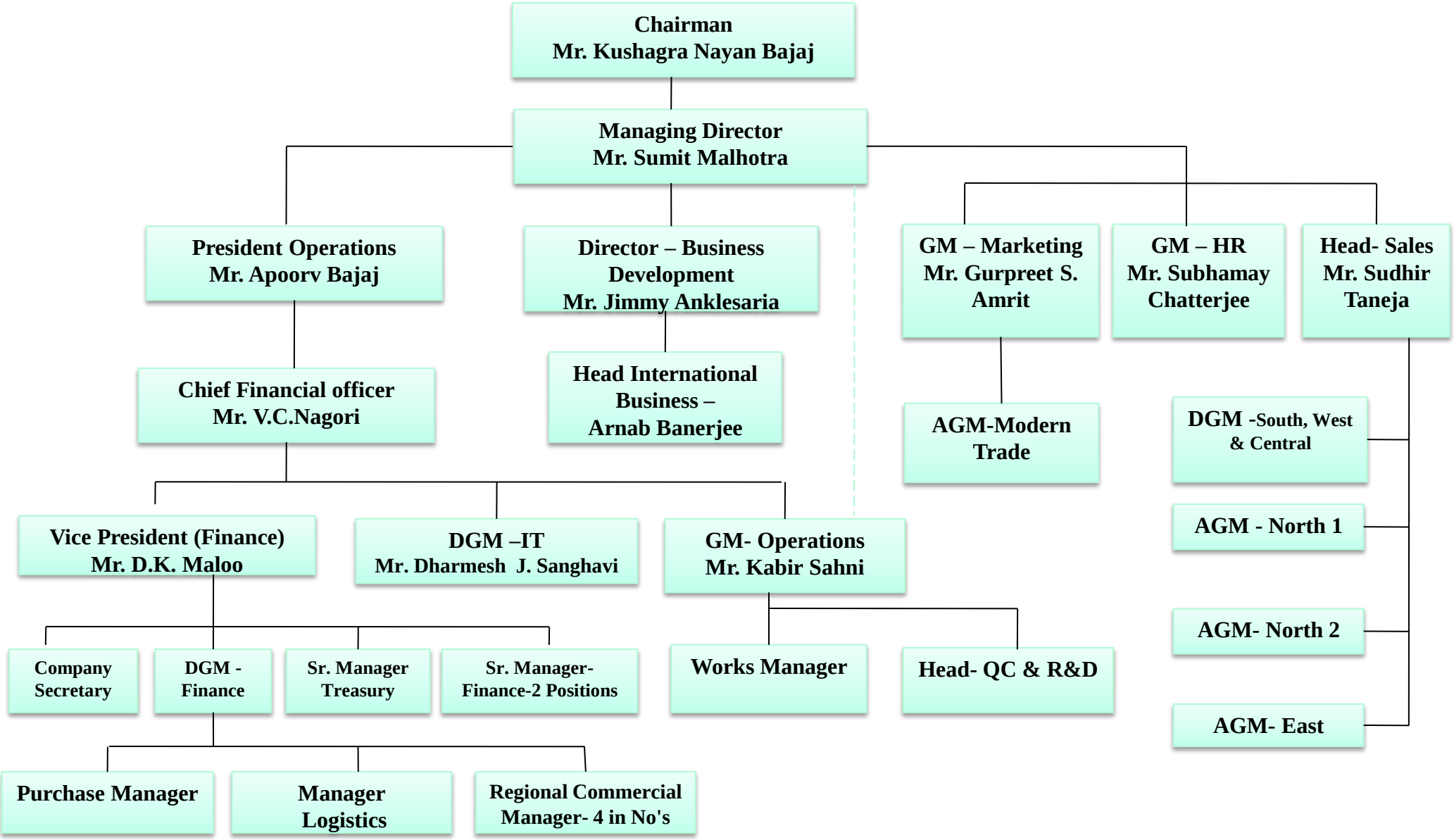
1 - as on December31, 2013. Nielsen New Sample

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 91 vans (for Sales) and 6 Video Vans (for Promotions)
- Vans cover 6481 uncovered Towns and Villages on a monthly basis
- In Q3 FY 14
  - Bajaj Almond Drops Hair Oil got 39.4 % of its sales from Rural India
  - Volume Growth in Rural India – 11.7% (Urban + Rural = 11.8%)
  - Market share in Rural India – 60.0% (Urban + Rural = 56.8%)

Organization Structure

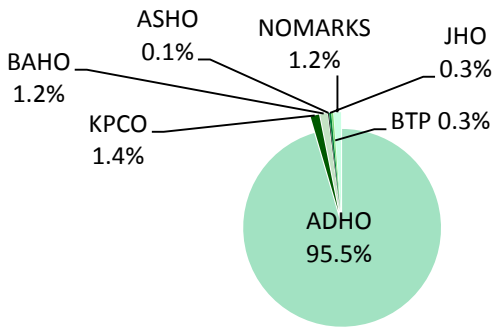


Financial Information

Summary Income Statement

Particulars (Rs. In Crore)	Q3FY14	Q3FY13	9M FY14	9M FY13
Sales (Net)	158.21	148.06	486.50	421.97
EBITDA	42.77	42.98	133.89	120.97
EBITDA Margin	*27.04%*	*29.03%*	*27.52%*	*28.67%*
Profit Before Tax & Exceptional Item	*48.56*	*52.64*	*158.79*	*147.85*
Exceptional Item (Brand Amortisation)	*11.75*		*16.85*	
Profit Before Tax(PBT)	*36.81*	*52.64*	*141.94*	*147.85*
Net Profit after Tax	29.10	42.20	112.13	118.23
Net Profit Margin	*18.39%*	*28.50%*	*23.05%*	*28.02%*

Sales Break Up in 9M FY 2014 by Brand



Summary Balance Sheet

Particulars (Rs. In Crore)	31-12-2013	31-12-2012	2012-13
Shareholders Equity	595.94	546.08	483.80
Net Fixed Assets	172.28	43.82	45.85
Investments (including Bank FDs, Bank CDs and Government Securities & Bonds)	463.31	477.23	423.04
Net Current Assets	-39.65 *	25.03	14.91

Key Highlights

- Strong demonstrated growth track record
- Among the highest EBITDA margins in the industry
- Net fixed assets as on 31-12-2013 includes cost of NoMarks brand.
- Company has decided to pay off entire Loan of Rs. 100 Crores in Feb 2014 without incurrence of prepayment penalty.

* Current Assets is net of Bank borrowing of Rs 100 Crores.

EBITDA & PAT Performance

₹ in Crore

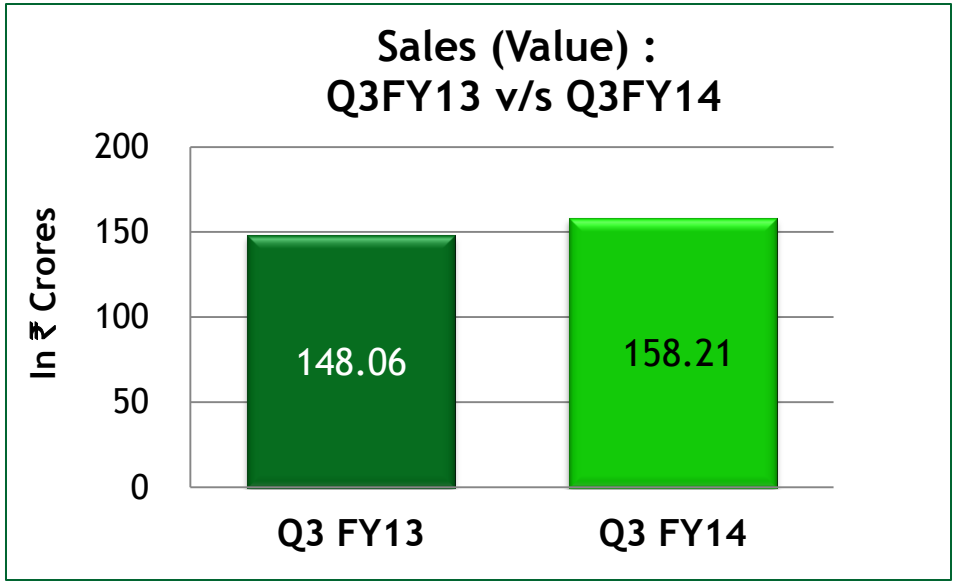
Particulars	Q3FY14	Q3FY13	YoY%	9M FY14	9M FY13	YoY%
EBITDA	42.77	42.98	-0.49%	133.89	120.97	10.68%
Profit Before Tax & Exceptional Item	48.56	52.64	-7.76%	158.79	147.85	7.40%
Exceptional Item (Brand Amortisation)	11.75	-		16.85	-	
Profit Before Tax (PBT)	36.81	52.64	-30.07%	141.94	147.85	-4.00%
Profit After Tax (PAT)	29.10	42.20	-31.05%	112.13	118.23	-5.16%

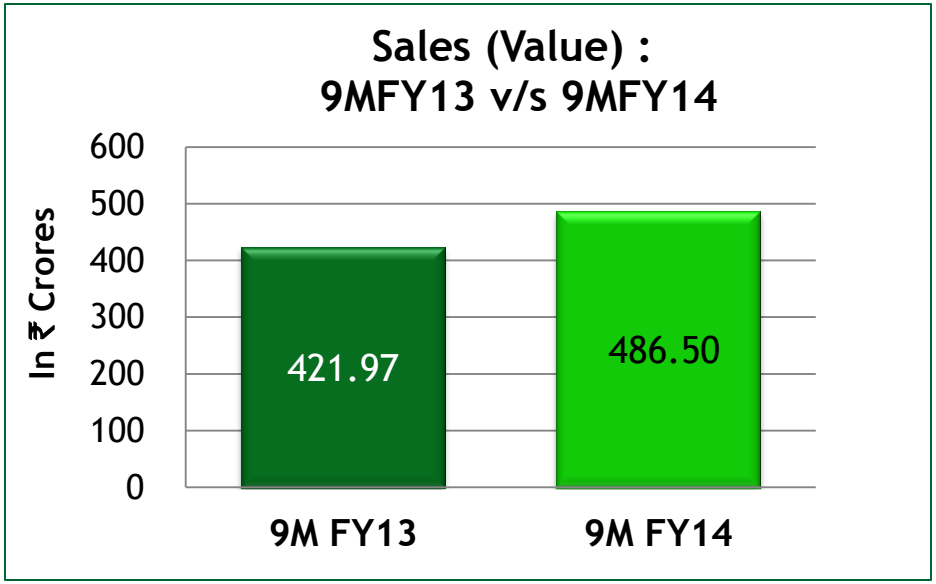
Profit & Loss Q3FY2014

₹ in Crore

Particulars	Q3FY14	Q3FY13	YoY%	9M FY14	9M FY13	YoY%
Net Sales	**158.21**	**148.06**	**6.85%**	**486.50**	**421.97**	**15.29%**
Other Operating Income	0.36	0.23		0.71	0.57	
Material Cost	63.33	62.62		195.24	182.63	
% of Sales	40.03%	42.29%		40.13%	43.28%	
Employees Cost	8.38	6.86		25.35	20.52	
% of Sales	5.29%	4.63%		5.21%	4.86%	
Advertisement & Sales Prom.	28.31	21.54		84.76	57.67	
% of Sales	17.89%	14.55%		17.42%	13.67%	
Other Expenses	15.78	14.29		47.97	40.75	
% of Sales	9.98%	9.65%		9.86%	9.66%	
EBITDA	**42.77**	**42.98**	**-0.49%**	**133.89**	**120.97**	**10.68%**
% of Sales	27.04%	29.03%		27.52%	28.67%	
Other Income	9.67	10.51		31.85	29.36	
% of Sales	6.11%	7.10%		6.55%	6.96%	
Finance Cost	2.92	0.01		4.24	0.05	
Depreciation	0.96	0.84		2.71	2.43	
Profit Before Tax & Exceptional Item	**48.56**	**52.64**	**-7.76%**	**158.79**	**147.85**	**7.40%**
Exceptional Item (Brand Amortisation)	11.75	-		16.85		
Profit Before Tax(PBT)	**36.81**	**52.64**	**-30.07%**	**141.94**	**147.85**	**-4.00%**
Tax Expenses	7.71	10.44		29.81	29.62	
Profit After Tax(PAT)	**29.10**	**42.20**	**-31.05%**	**112.13**	**118.23**	**-5.16%**
% of Sales	18.39%	28.50%		23.05%	28.02%	
Diluted EPS (Rs.)	1.97	2.86		7.60	8.02	

Sales Performance





- ✓ Sales for the quarter ended December'13 has increased by 6.85% value wise and 0.90% volume wise over corresponding quarter of previous year.
- ✓ Sales for period ended December'13 has increased by 15.29% value wise and 11.74% volume wise over corresponding 9 months of previous year.

Statement of Quarter wise Sales (Volume & Value)

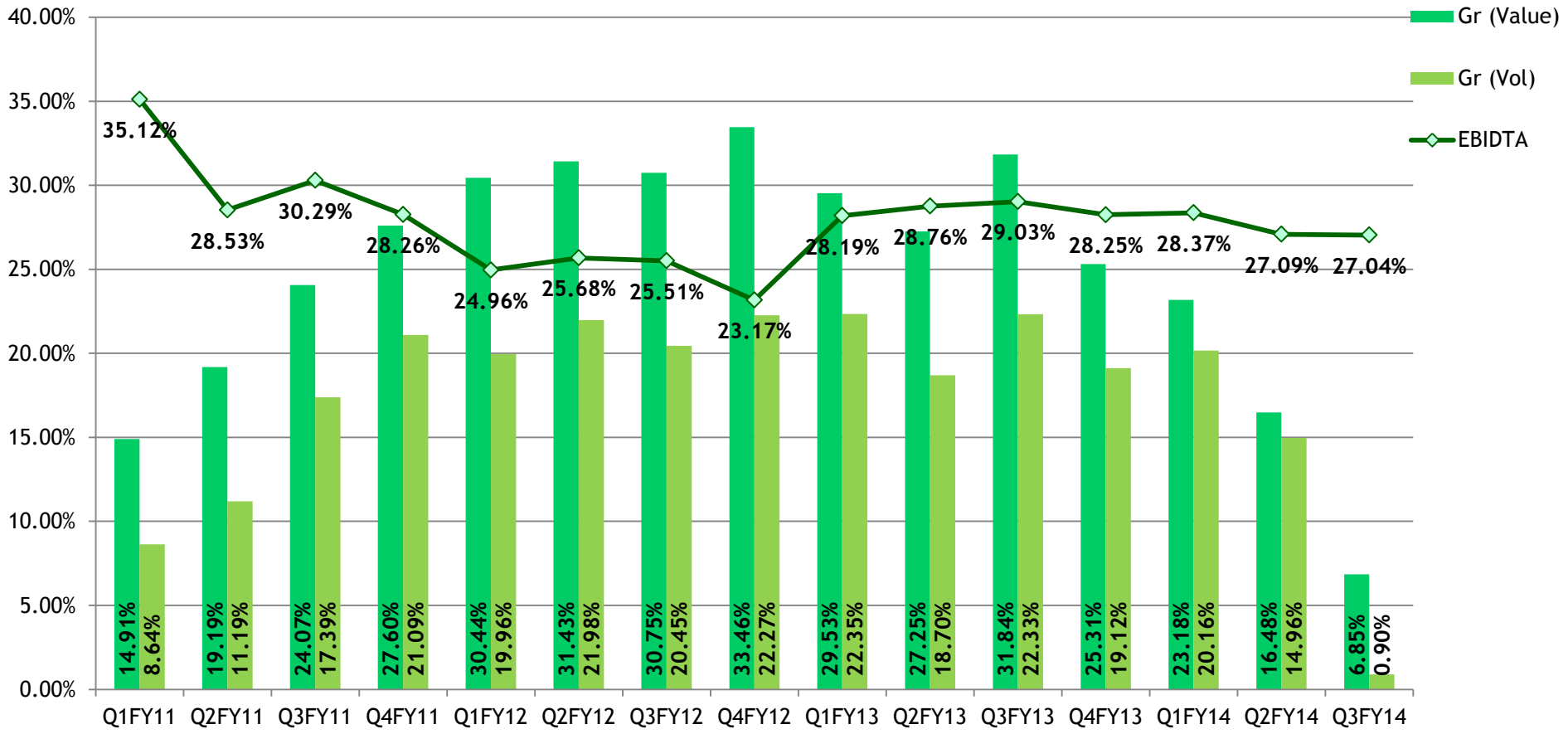
STATEMENT OF QUARTERWISE SALES (VOLUME - In Cases)

	ADHO		KPCO		BAHO		ASHO		Nomarks		Others		Total		% Inc over PY
	FY 14	FY 13	FY 14	FY 13	FY 14	FY 13	FY 14	FY 13	FY 14	FY 13	FY 14	FY 13	FY 14	FY 13	
Q1	1,163,796	952,959	21,653	28,665	9,853	11,481	1,732	2,455	-	-	4,779	4,639	1,201,813	1,000,199	20.16%
Q2	1,094,484	944,632	11,823	12,739	9,770	11,019	1,986	3,095	-	-	5,563	5,926	1,123,626	977,411	14.96%
Q3	1,028,943	1,044,316	1,702	1,206	10,369	15,067	2,592	2,475	28,565	-	6,039	5,502	1,078,210	1,068,566	0.90%
Total	**3,287,223**	**2,941,907**	**35,178**	**42,610**	**29,992**	**37,567**	**6,310**	**8,025**	**28,565**	**-**	**16,381**	**16,067**	**3,403,649**	**3,046,176**	**11.74%**

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

	ADHO		KPCO		BAHO		ASHO		Nomarks		Others		Total		% Inc over PY
	FY 14	FY 13	FY 14	FY 13	FY 14	FY 13	FY 14	FY 13	FY 14	FY 13	FY 14	FY 13	FY 14	FY 13	
Q1	162.71	129.46	4.33	5.45	1.94	2.07	0.18	0.26	-	-	0.89	0.81	170.05	138.05	23.18%
Q2	153.00	129.88	2.11	2.49	1.89	2.08	0.21	0.33	-	-	1.03	1.08	158.24	135.86	16.47%
Q3	148.68	143.68	0.35	0.21	2.03	2.89	0.27	0.26	5.76	-	1.12	1.02	158.21	148.06	6.85%
Total	**464.39**	**403.02**	**6.79**	**8.15**	**5.86**	**7.04**	**0.66**	**0.85**	**5.76**	**-**	**3.04**	**2.91**	**486.50**	**421.97**	**15.29%**

Consistent Performance over the last 15 successive quarters



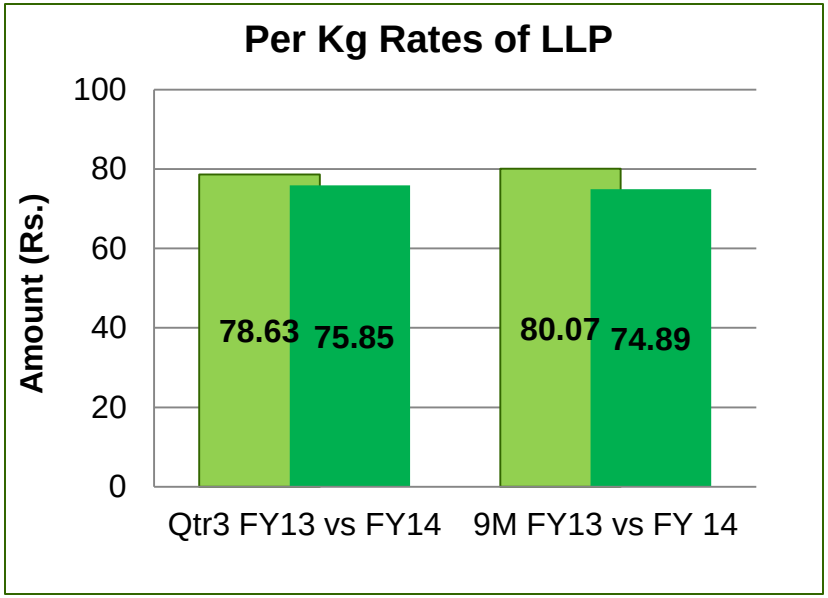
Breakup of RM/PM Costs *(for Q3 FY14)*

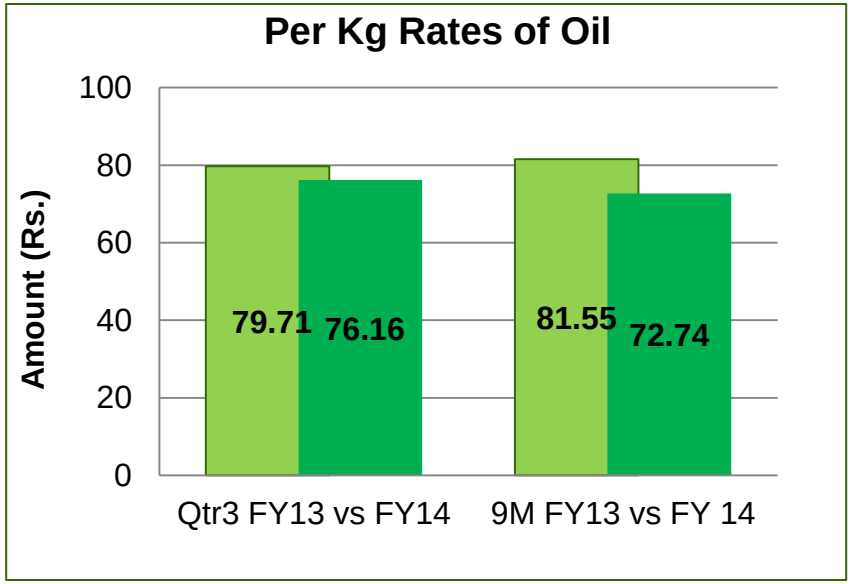
Key Raw & Packing Material	% to Sales	% to Total Cost
LLP	13.57%	33.89%
Glass Bottles	10.53%	26.30%
Refined Veg. Oil	4.01%	10.02%
Perfumes & other additives	3.23%	8.06%
Corrugated Boxes	1.78%	4.44%
Caps	2.63%	6.56%
Others	4.29%	10.73%
TOTAL	40.03%	100.00%

*** Consumption is 40.03% of Sales**

For Bajaj Almond Drops

Change in Prices of Key Ingredients





- ✓ During the quarter average price of LLP decreased to Rs 75.85/Kg from Rs 78.63/Kg in corresponding quarter of previous year. Additional gain on account of decrease in LLP prices in current quarter is Rs 79.50 lacs

- ✓ During the quarter average price of Refined oil decreased to Rs 76.16/Kg from Rs 79.71/Kg in corresponding quarter of previous year. The additional gain on account of decrease in Oil prices in current quarter is Rs 27.74 lacs

Cash Balances

- Cash Balances:
  - The total cash balance with the company as on 31st December 2013 is Rs. 408.64 Crores
  - This has been invested in Bank Fixed Deposits, Certificate of Deposits of Banks , PSU Bonds and Liquid MFs.
  - There is no investment in ANY Corporate Deposit
- Loan:
  - The existing loan of Rs. 100 crores taken for acquisition of the Brand- NoMarks will be repaid without any pre-payment penalty post 22nd Feb 2014

Summary	
Particulars	Amount (in Rs. Crores)
Bank FDs	222.80
Liquid Plans of Mutual Funds	34.20
PSU Corporate Bonds	10.00
Certificate of Deposit of Banks	141.64
Total	408.64

Dividend Payout History

Year	No. of Shares (in Lacs)	Face Value	Dividend Payout (Rs in Lacs)	% to Capital	Dividend per share (Rs.)
2013-14	1,475	1	9587.50	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 2.62 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