bajaj corp limited

January 11, 2013

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 January 2013.

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

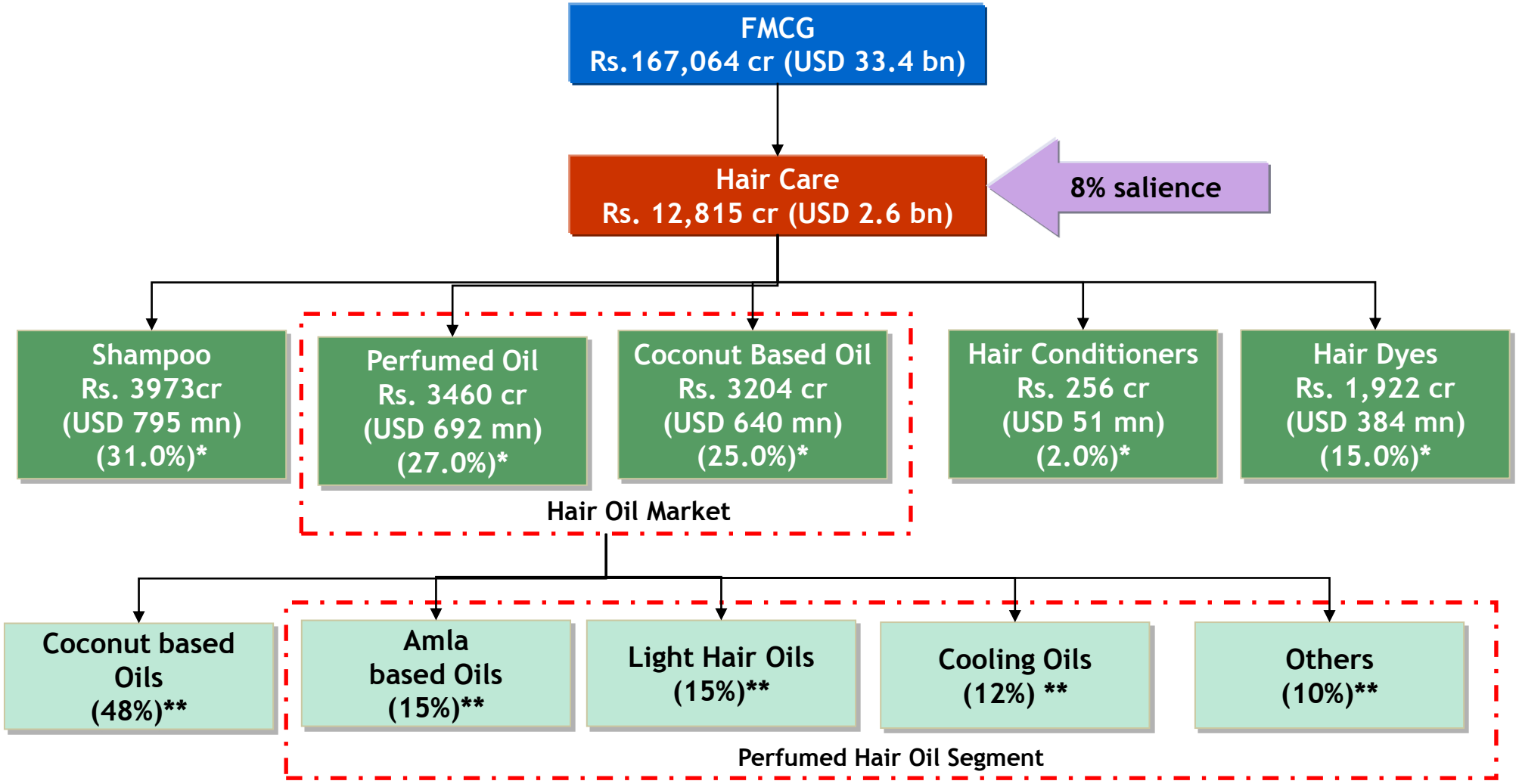


Investor Presentation

January 2013

Industry Overview

Industry Size and Structure



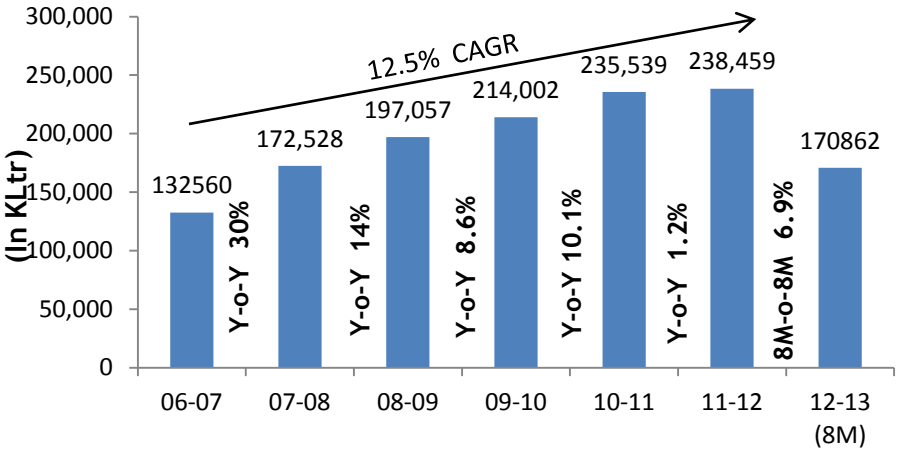
Source: AC Nielsen Retail Audit Report.
Only branded products data for CY 2011

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

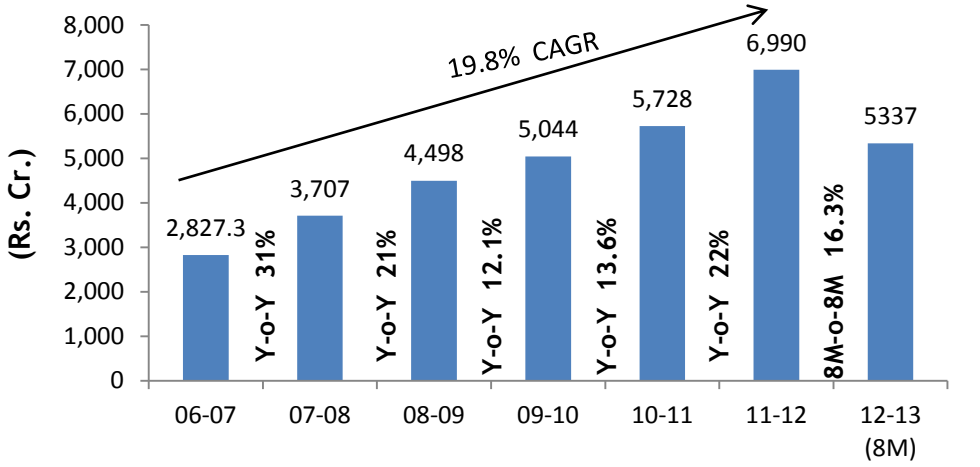
Light Hair Oil is now the largest non-coconut hair oil segment

Hair Oil Market in India

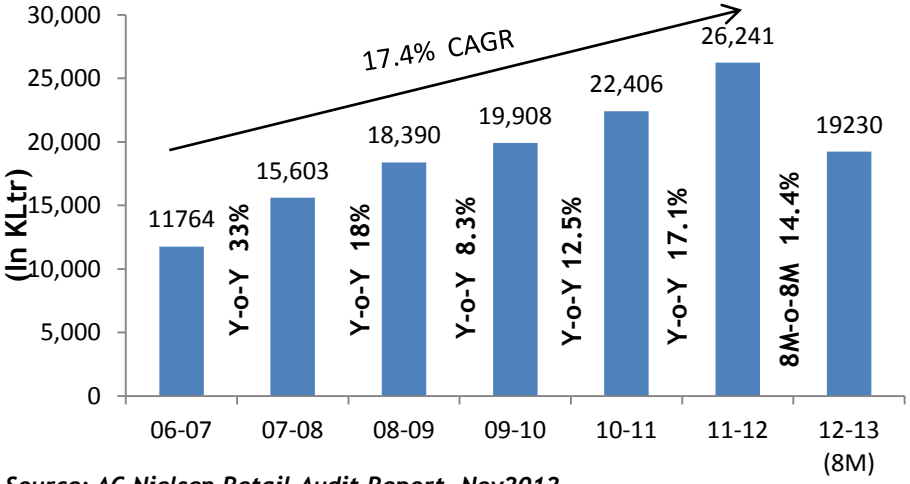
Overall Hair Oil Market - Volume



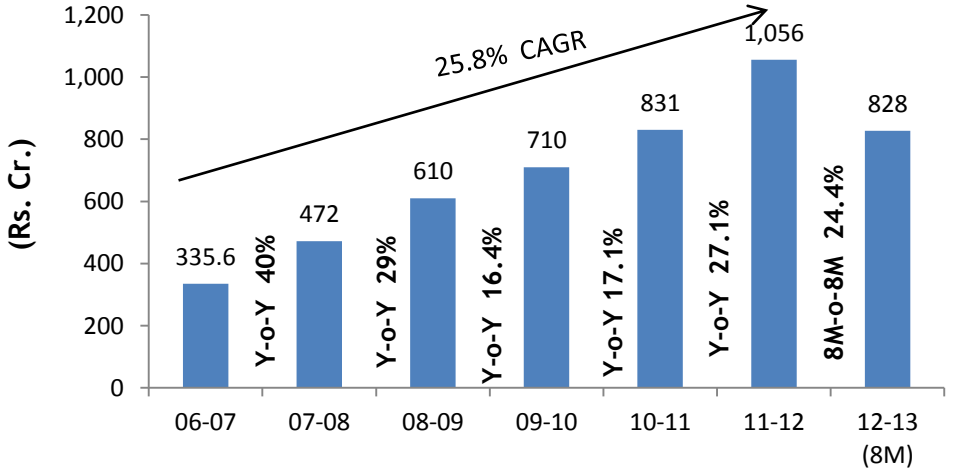
Overall Oil Market - Value



Light Hair Oil - Volume



Light Hair Oil - Value

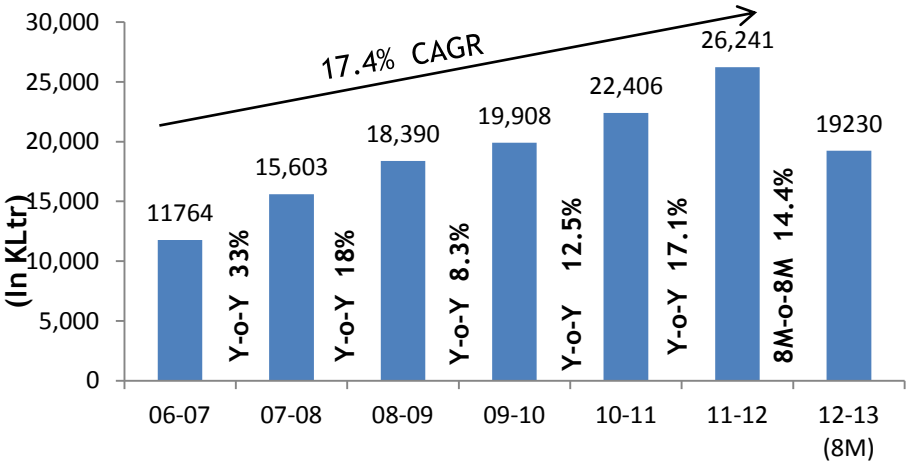


Source: AC Nielsen Retail Audit Report, Nov2012.

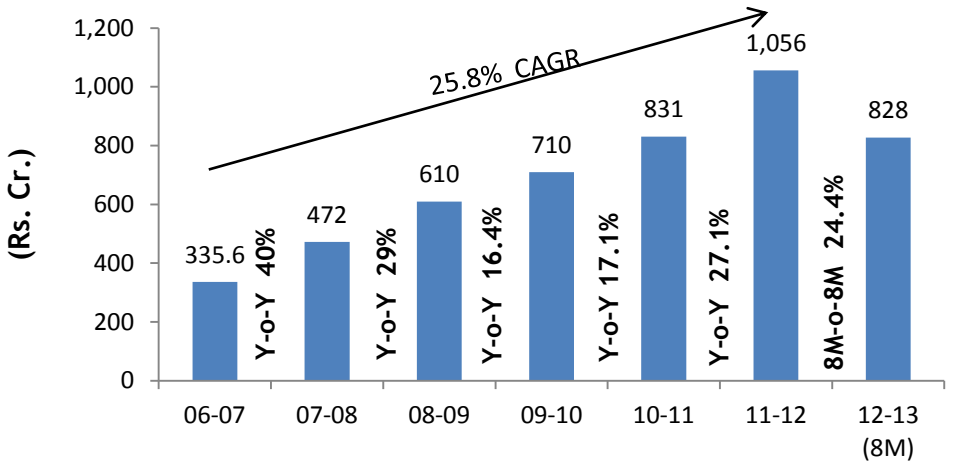
Light hair oils is one of the fastest growing segments in the hair oil market in India

Light Hair Oil Market in India

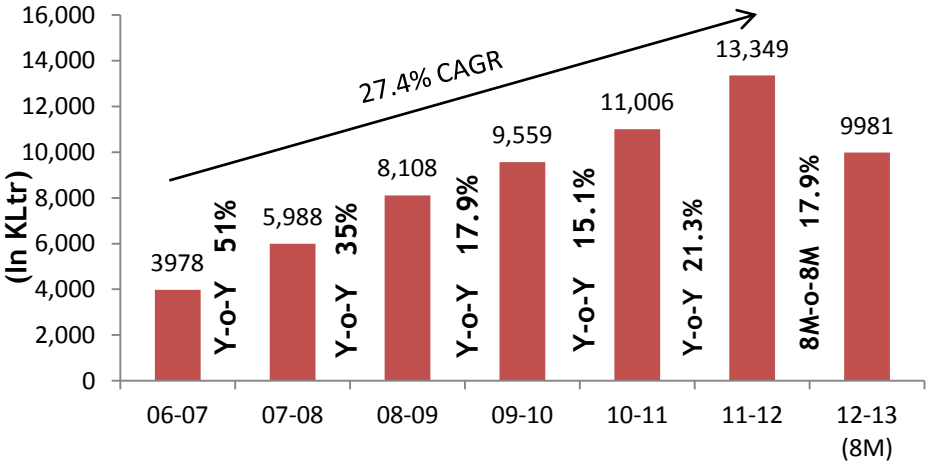
Light Hair Oil - Volume



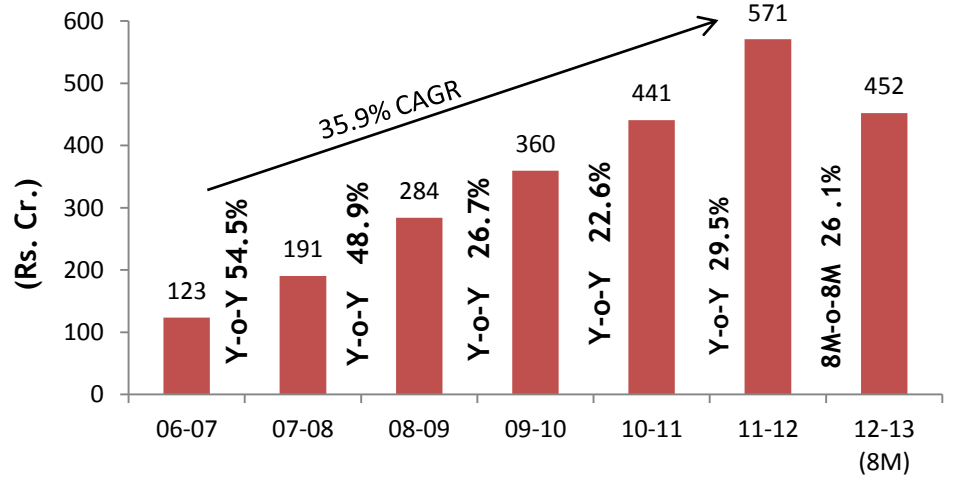
Light Hair Oil - Value



Almond Drops Hair Oil Market - Volume



Almond Drops Hair Oil Market - Value

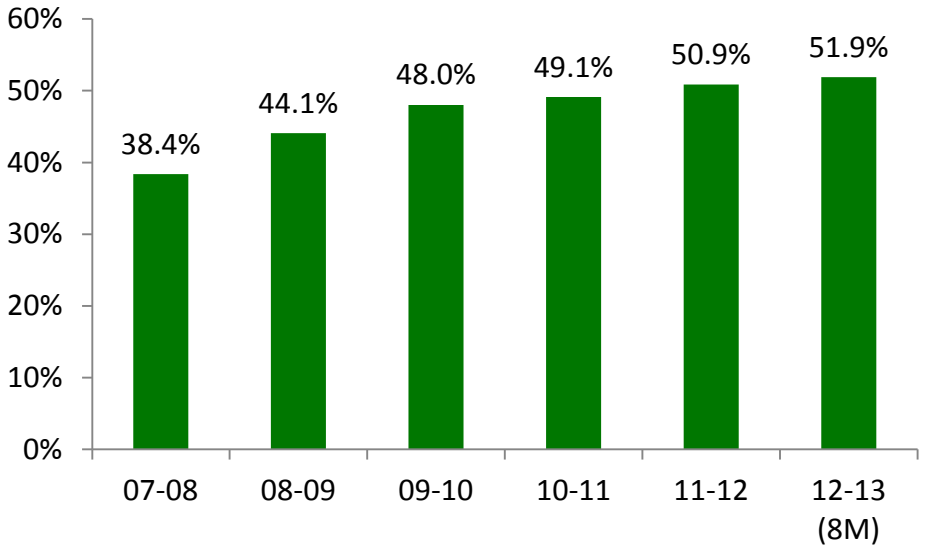


Source: AC Nielsen Retail Audit Report, Nov12.

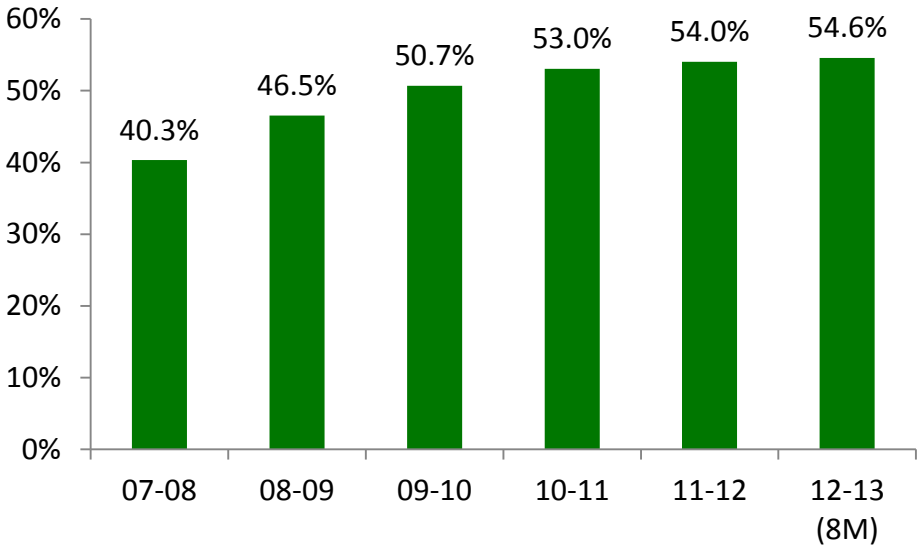
Almond Drops is the brand which is driving light hair oils and in turn the overall market

Market Shares Trends (All India - Urban Plus Rural)

Volume MS



Value MS

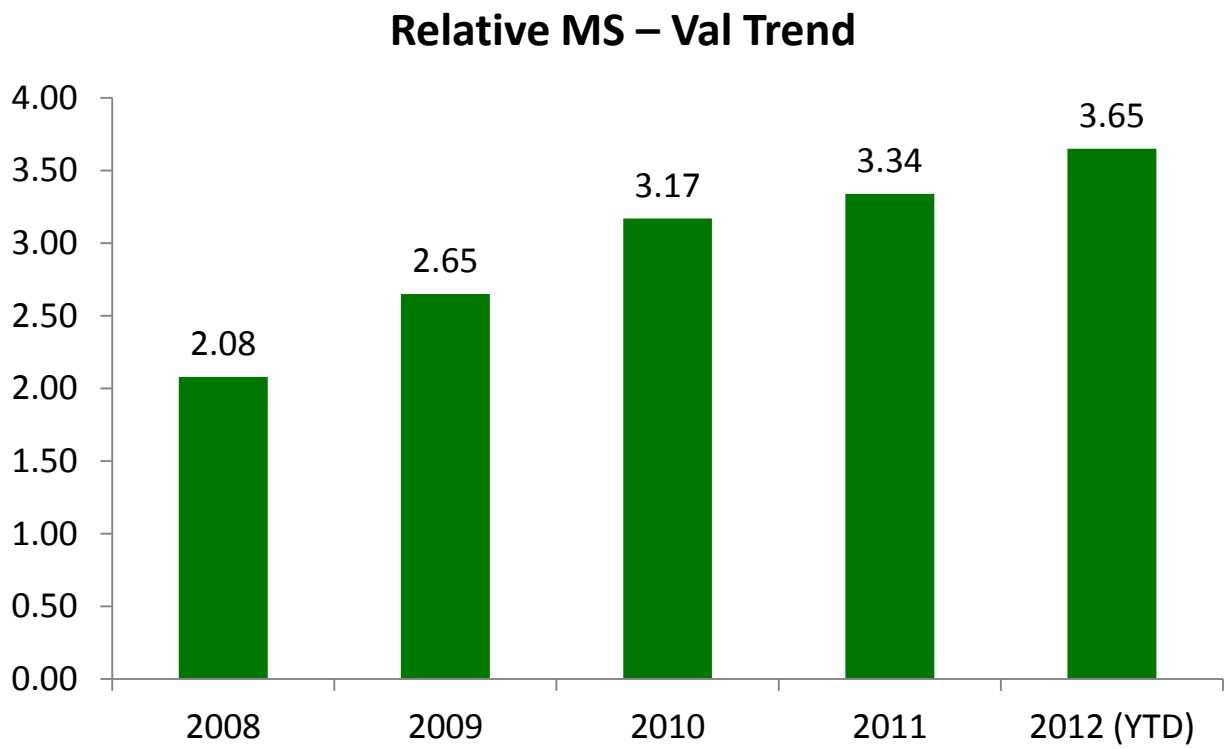


***Market Share in the Light Hair Oil Category**

Source: AC Nielsen Retail Audit Report, Nov2012

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, Nov2012

Growth in Relative market share demonstrates the strength of the brand

ADHO – Relative Market Shares – Value

State	Relative MS	Rank
Delhi	2.92	1st
Rajasthan	1.64	1st
Uttar Pradesh	2.81	1st
Punjab	3.38	1st
Haryana	3.50	1st
Uttaranchal	3.98	1st
North Zone	**3.59**	**1st**
Assam	5.14	1st
Bihar	7.63	1st
Orissa	2.14	1st
West Bengal	2.21	1st
Jharkhand	3.63	1st
East Zone	**4.01**	**1st**
All India	**3.65**	**1st**

State	Relative MS	Rank
Madhya Pradesh	3.72	1st
Chhattisgarh	3.68	1st
Central Zone	**3.83**	**1st**
Gujarat	2.10	1st
Mumbai	2.19	1st
Maharashtra	3.41	1st
West Zone	**2.72**	**1st**
Andhra Pradesh	1.40	1st
Karnataka	6.01	1st
Kerala	0.85	3rd
Tamil Nadu	1.20	1st
South Zone	**2.22**	**1st**
All India	**3.65**	**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, Nov2012

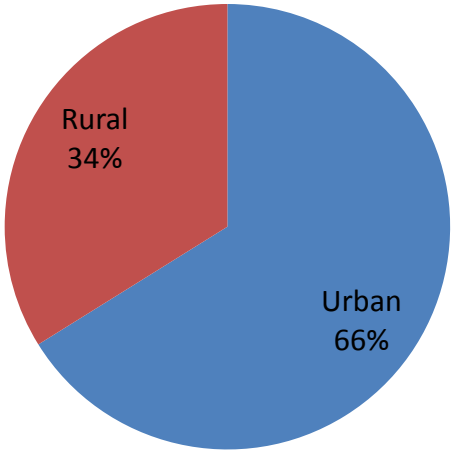
Statewise Market Share

Dec11-Nov12	LHO Volume	Proportion %		ADHO Market Share % (Vol)		
	Saliency	Urban	Rural	Total	Urban	Rural
All India (U+R)	100.00	65%	35%	51.9	50.0	55.3
Punjab	5.6%	71%	29%	49.1	47.3	53.7
Haryana	5.8%	83%	17%	51.5	48.5	66.8
Delhi	6.5%	100%	0%	48.8	48.8	NA
Rajasthan	8.8%	61%	39%	45.8	45.4	46.4
Uttar Pradesh (U+R)	20.5%	59%	41%	55.8	52.6	60.4
Uttaranchal	0.8%	54%	46%	56.7	50.8	63.7
Assam	5.5%	40%	60%	50.8	42.1	56.7
Bihar	5.4%	56%	44%	68.9	65.2	73.7
Jharkhand	1.0%	70%	30%	56.1	55.2	58.3
Orissa	1.3%	51%	49%	42.5	46.1	38.7
West Bengal	7.7%	61%	39%	33.4	33.5	33.2
Gujarat	6.1%	72%	28%	53.2	51.3	56.5
Madhya Pradesh	10.1%	45%	55%	59.7	63.6	61.8
Chattisgarh	2.8%	45%	55%	59.4	56.3	58.2
Maharashtra	8.5%	81%	19%	53.7	52.6	58.1
Karnataka	1.2%	86%	14%	59.7	60.0	58.0
Andhra Pradesh	1.6%	65%	35%	30.3	34.8	22.2
Tamil Nadu	0.6%	93%	7%	22.3	23.9	1.0
Kerala	0.2%	88%	12%	13.1	14.3	4.3

Source: AC Nielsen Retail Audit Report, MAT Nov2012

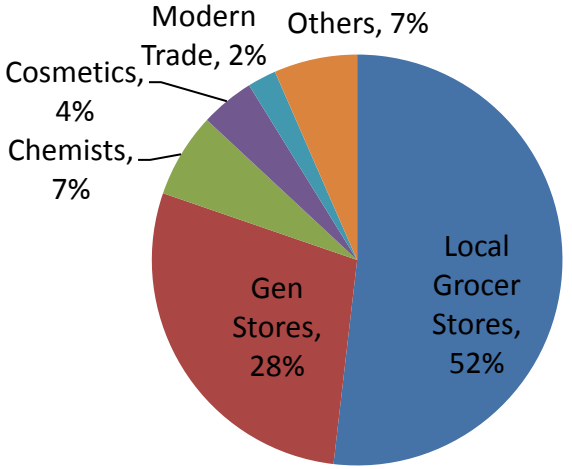
Light Hair Oil Market - Key Characteristics

Rural -Urban break up of LHO market



Urban dominated segment due to its relatively higher pricing

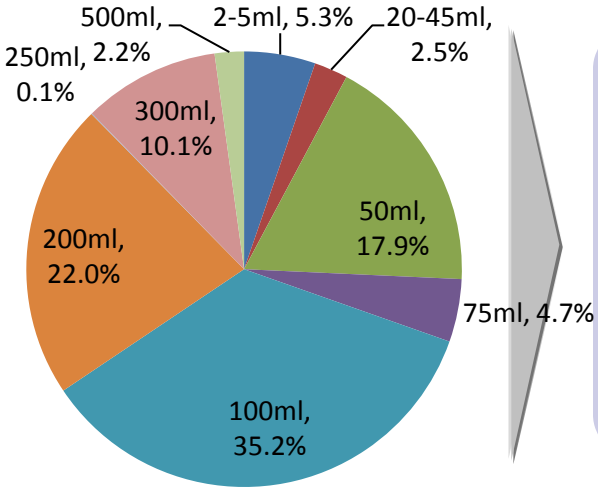
Share of Distribution Channels in LHO market



(%) - Growth rates; % - Market share

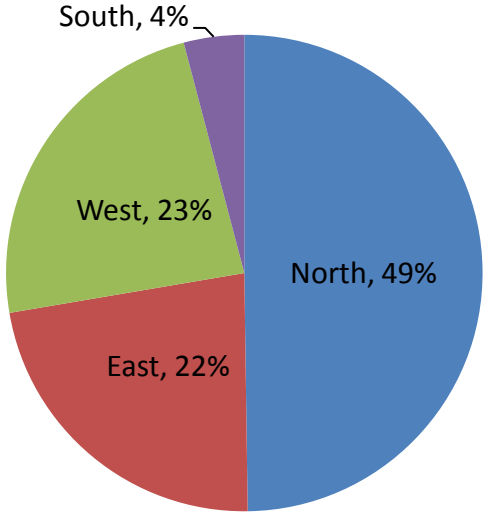
Traditional channels dominate distribution, but alternate channels like modern retail demonstrating higher growth rate

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 to increase rural penetration

Region wise break up of LHO market

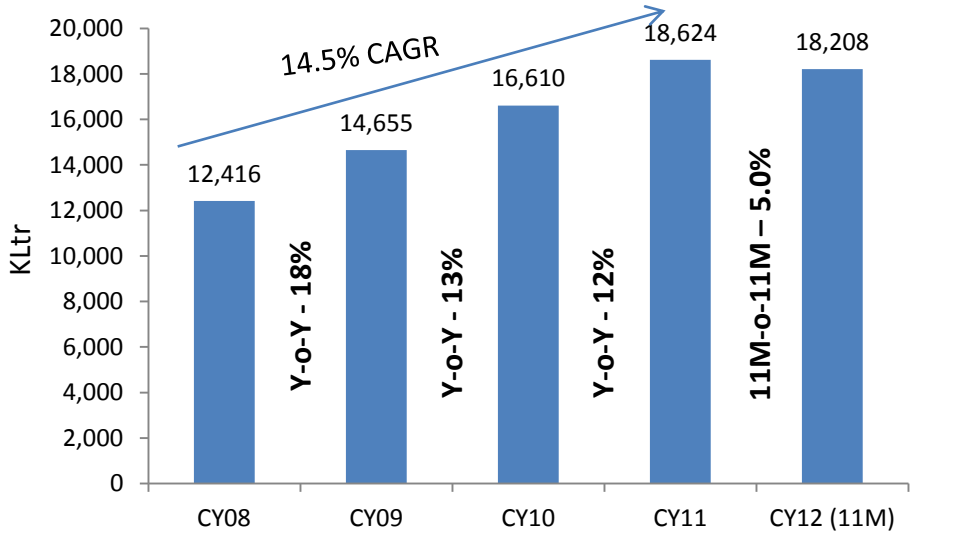


Sales tend to be concentrated in the Northern parts of the country, but West is the fastest growing region

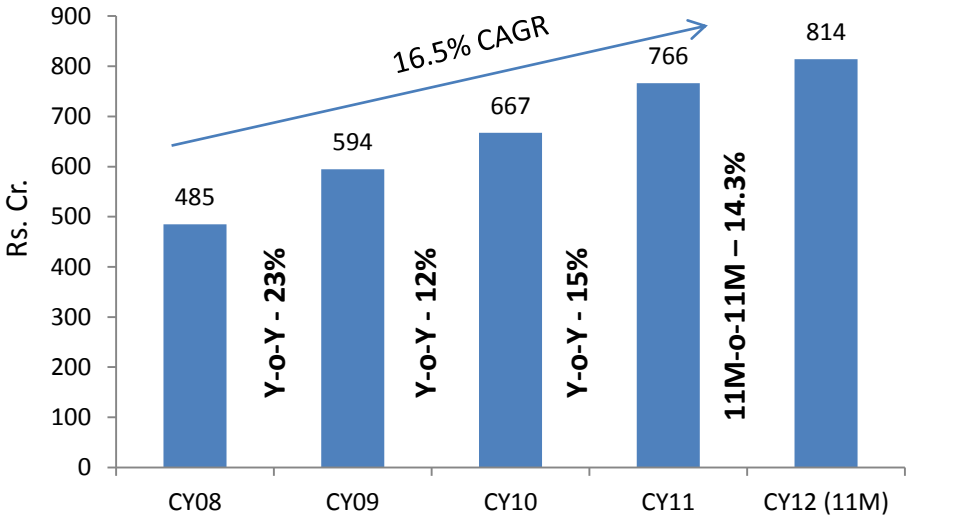
Source: AC Nielsen Retail Audit Report, Mar2012

Cooling Hair Oil Market in India

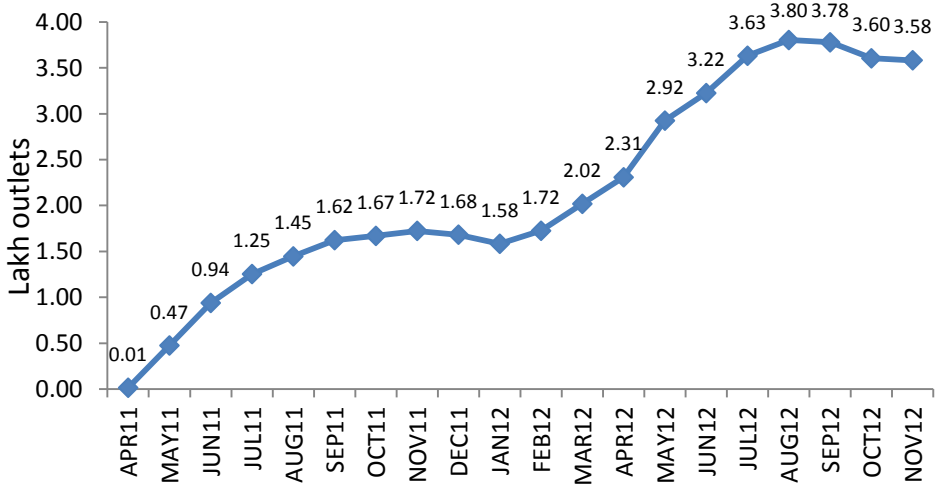
Cooling Hair Oil – Volume



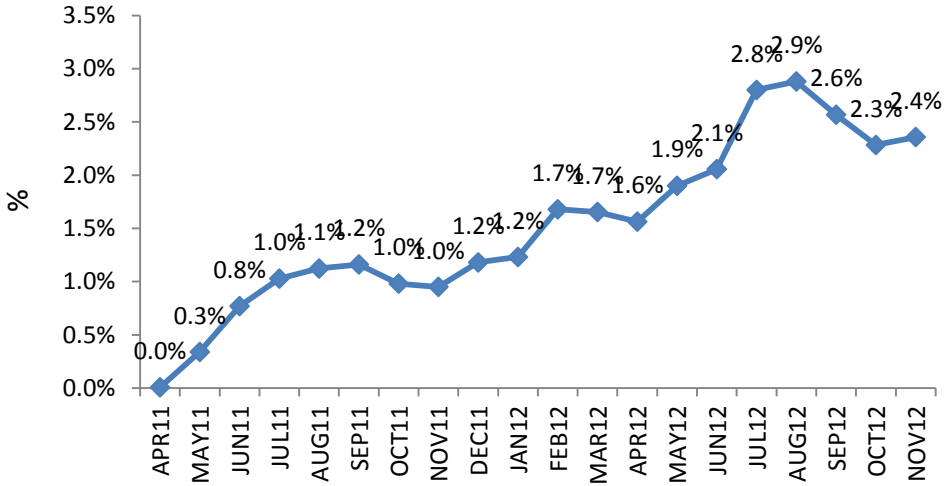
Cooling Hair Oil – Value



Kailash Parbat – Distribution Trend



Kailash Parbat – Volume Market Share Trend



Source - AC Nielsen Retail Audit Report, Nov2012

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 54% 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, Nov2012.



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)



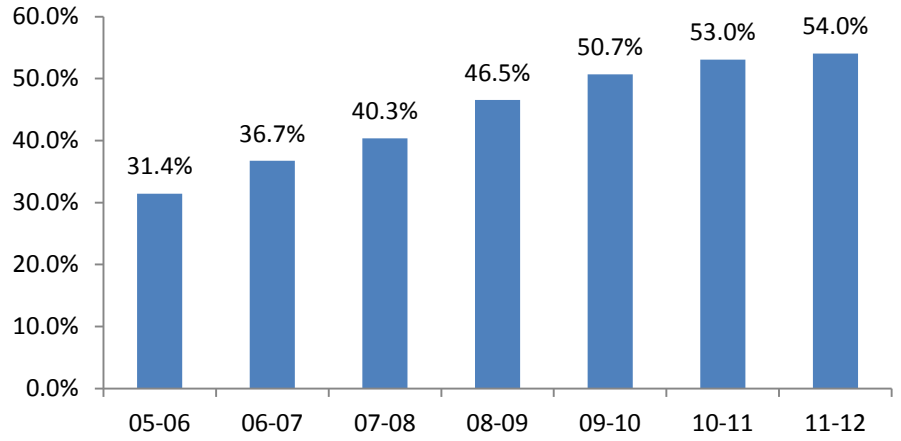
Bajaj Jasmine Hair Oil - A Jasmine flower perfumed hair oil. In demand due to cultural significance.



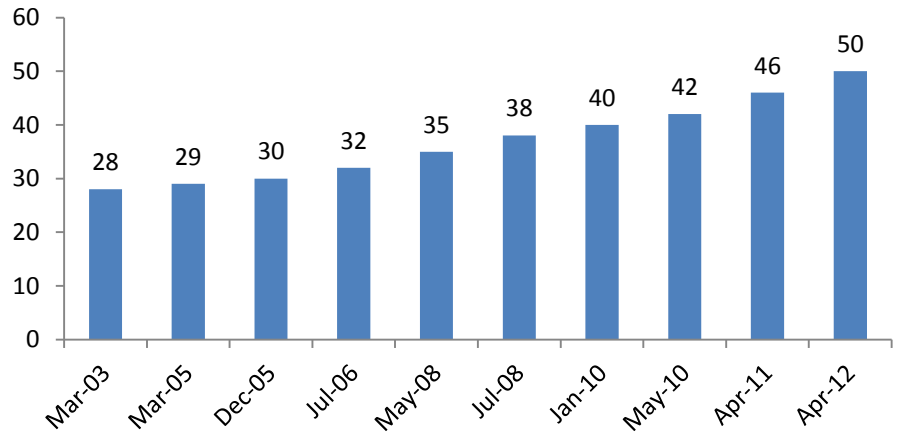
Bajaj Kala Dant Manjan – An oral care product for the rural market.

Bajaj Almond Drops - A Premium Brand

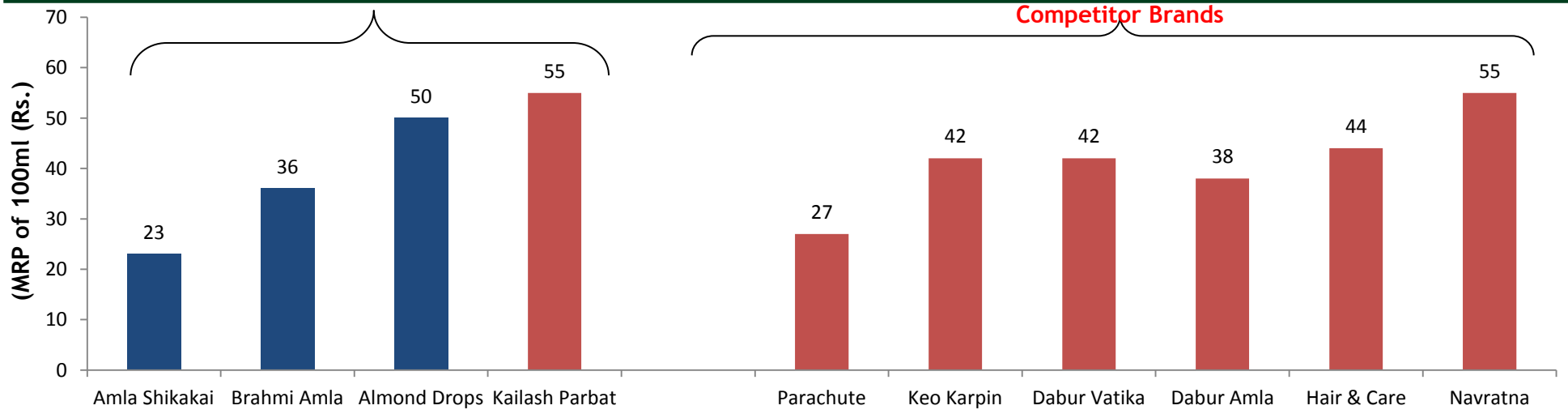
Strong Market Share Growth in Recent Years



. . . 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 Mar2012, 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.)

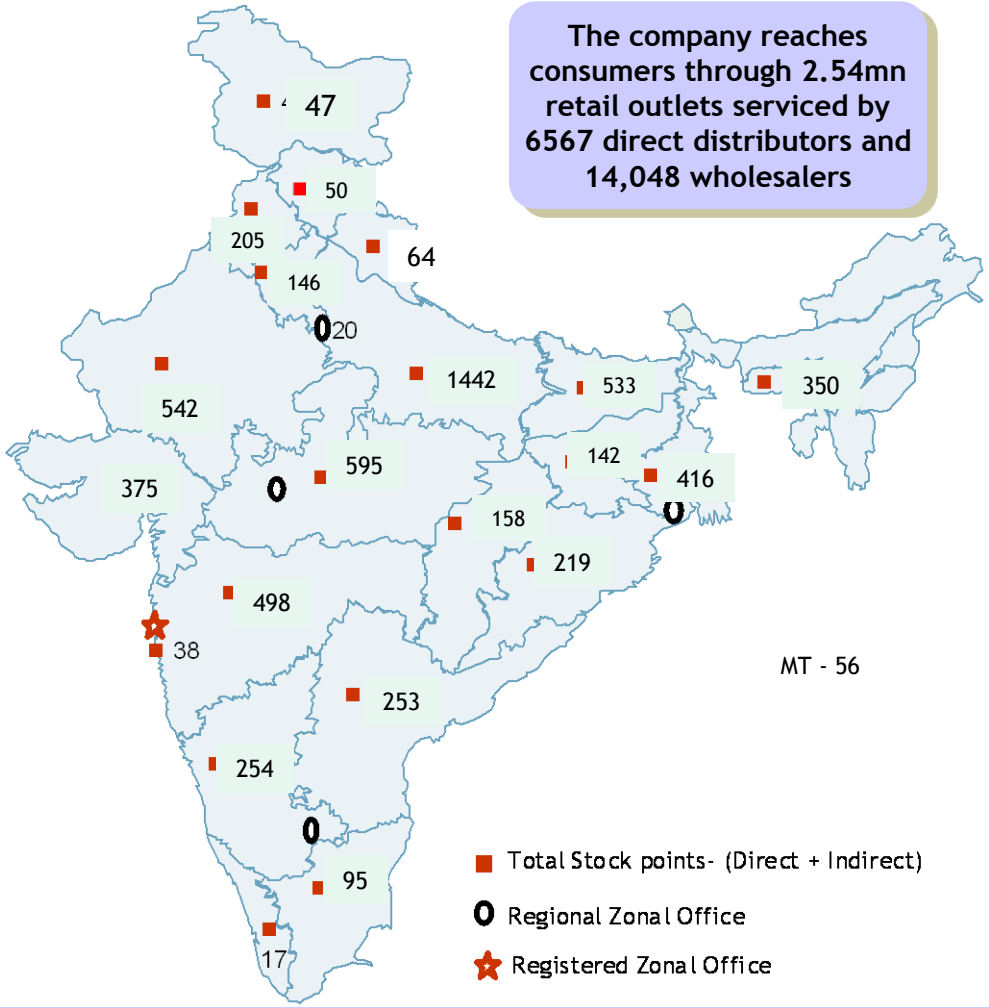
Consumer Profile- Almond Drops

- For Almond Drops the consumer is:
  - Gender
    - Male- 53%
    - Female- 47%
  - Age Group
    - 15 to 39 yrs (62% of users)
  - Urban Vs Rural
    - 61% are Urban consumers
  - Socio Economic Class (SEC)- Urban
    - A1- 7%
    - A2- 10%
    - B1- 9%
    - B2- 7%

Source – IRS, Q42011

Strong Distribution Network

Distribution Network



The company reaches consumers through 2.54mn retail outlets serviced by 6567 direct distributors and 14,048 wholesalers

Distribution Structure

Factory (5)

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

↓

Central Warehouse (1)

↓

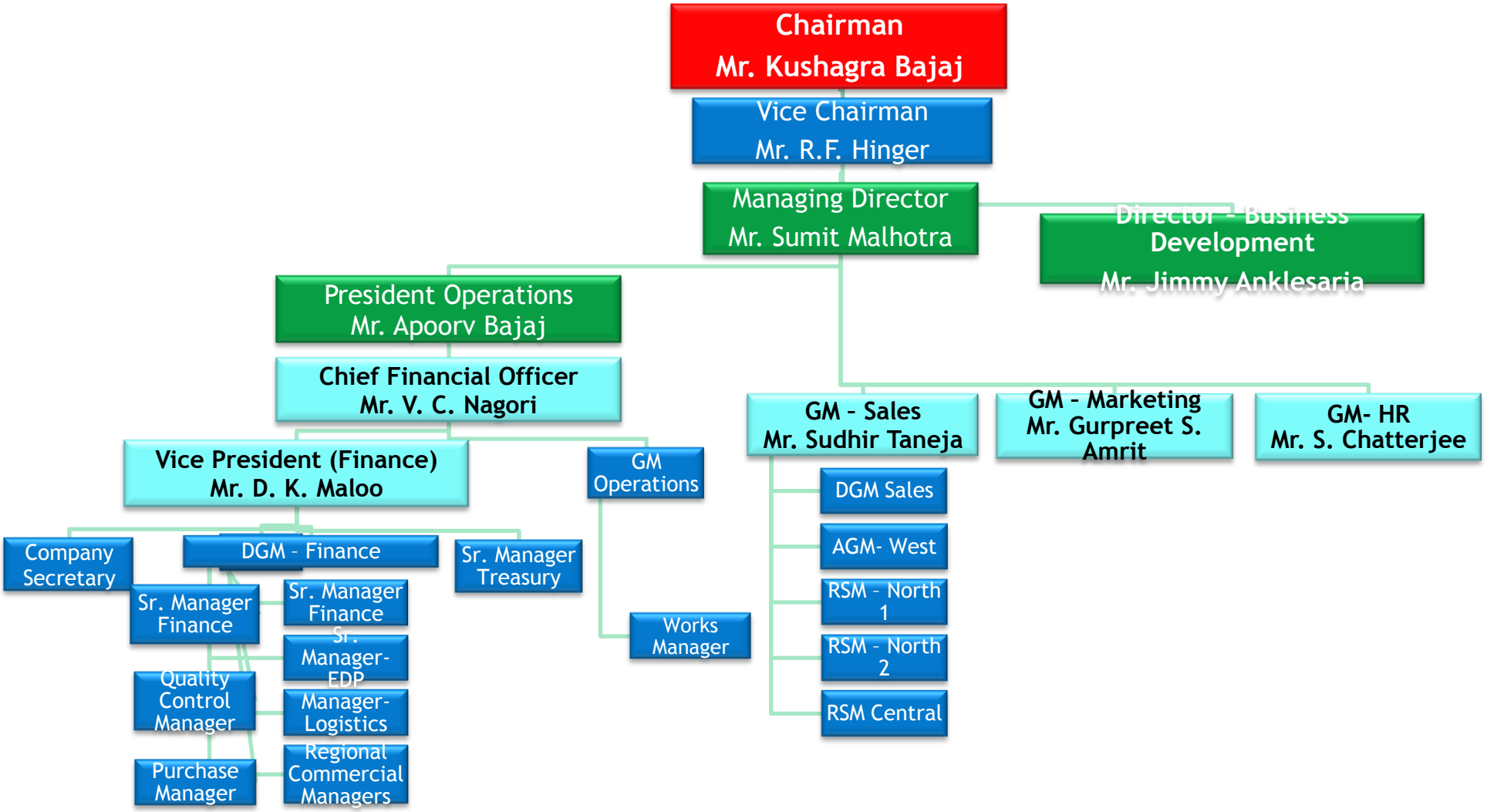
Regional Distribution Centre (29)

Urban Distribution	Rural Distribution
↓	↓
Redistribution Stockist (1,854)	Super Stockist (182)
↓	↓
Retail Outlets (1,062,214)[1]	Sub-Stockist (4,713)
	↓
	Retail Outlets (1,479,493)[1]

1 - as on Nov 30, 2012

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

Organization Structure



Financial Information

Summary Income Statement

₹ in Crores

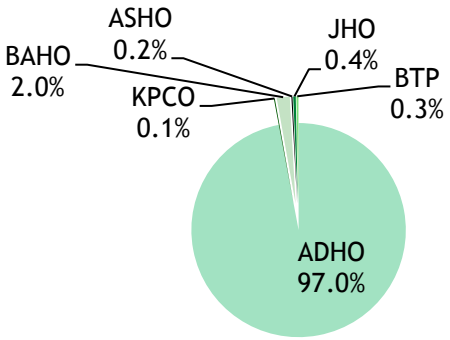
Particulars	Q3 FY13	Q3 FY12	9M FY13	9M FY12
Sales (Net)	148.06	112.30	421.97	325.65
EBITDA	42.98	28.65	120.97	82.67
EBITDA Margin	*29.03%*	*25.51%*	*28.67%*	*25.39%*
Net Profit after Tax	42.20	28.87	118.23	86.04
Net Profit Margin	*28.50%*	*25.71%*	*28.02%*	*26.42%*

Summary Balance Sheet

(₹ in Crores)

Particulars	As on 31st Dec 12	As on 31st Dec 11	As on 31st Mar 12
Shareholders Equity	546.08	462.37	428.81
Total Debt			-
Net Fixed Assets	43.82	38.61	38.90
Investments (including Bank FDs, Bank CDs and Government Securities & Bonds)	477.23	368.44	366.12
Net Current Assets	25.04	55.33	23.79

Sales Break Up in Q3 FY 2013 by Brand



Key Highlights

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

EBITDA & PAT Performance

₹ in Crores

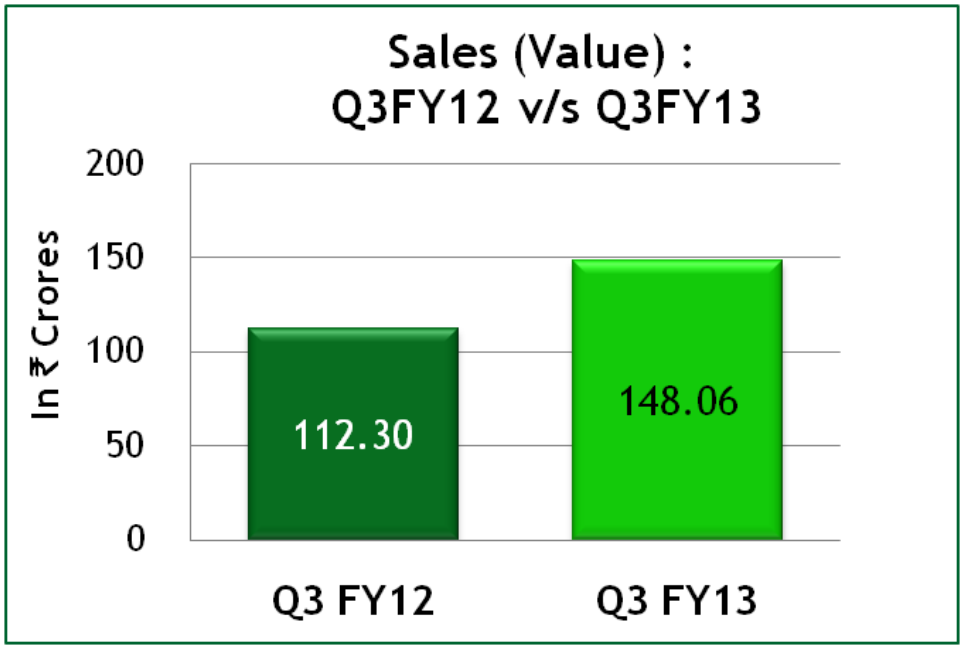
Particulars	Q3 FY13	Q3 FY12	YoY%	9M FY13	9M FY12	YoY%
EBITDA	42.98	28.65	50.02%	120.97	82.67	46.33%
Profit Before Tax	52.64	35.75	47.24%	147.85	108.15	36.71%
Profit After Tax (PAT)	42.20	28.87	46.17%	118.23	86.04	37.41%

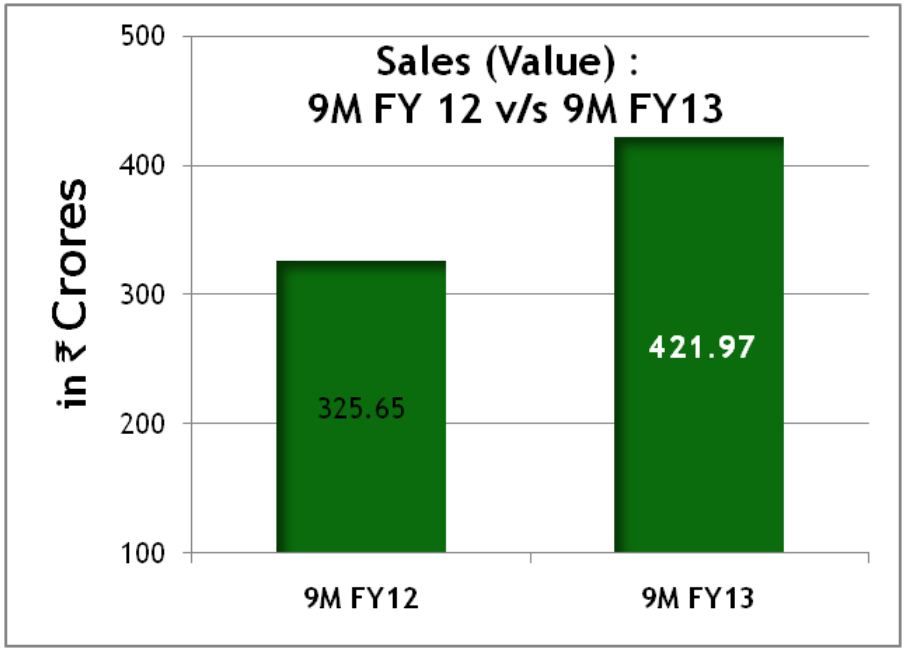
Profit & Loss Q3FY2013

₹ in Crores

Particulars	Q3FY13	Q3FY12	YoY%	9MFY13	9MFY12	YoY%
Net Sales	**148.06**	**112.30**	**31.84%**	**421.97**	**325.65**	**29.58%**
Other Operating Income	0.22	0.20		0.57	0.63	
Material Cost	62.62	51.79		182.63	152.33	
% of Sales	42.29%	46.12%		43.28%	46.78%	
Employees Cost	6.86	5.96		20.52	17.06	
% of Sales	4.63%	5.31%		4.86%	5.24%	
Advertisement & Sales Promotion Exp.	21.54	14.12		57.67	40.06	
% of Sales	14.55%	12.57%		13.67%	12.30%	
Other Expenses	14.28	11.98		40.75	34.16	
% of Sales	9.64%	10.67%		9.66%	10.49%	
EBITDA	**42.98**	**28.65**	**50.02%**	**120.97**	**82.67**	**46.33%**
% of Sales	29.03%	25.51%		28.67%	25.39%	
Other Income	10.51	7.90		29.36	27.33	
% of Sales	7.10%	7.03%		6.96%	8.39%	
Finance Cost	0.01	0.02		0.05	0.06	
Depreciation	0.84	0.78		2.43	1.79	
Profit Before Tax & Exceptional Item	**52.64**	**35.75**	**47.24%**	**147.85**	**108.15**	**36.71%**
Exceptional Items	0.00	0.00		0.00	0	
Tax(PBT)	**52.64**	**35.75**	**47.24%**	**147.85**	**108.15**	**36.71%**
Tax Expenses	10.44	6.88		29.62	22.11	
Profit After Tax(PAT)	**42.20**	**28.87**	**46.17%**	**118.23**	**86.04**	**37.41%**
% of Sales	28.50%	25.71%		28.02%	26.42%	
Diluted EPS (Rs.)	**2.86**	**1.96**		**8.02**	**5.83**	

Sales Performance





- ✓ Sales for the quarter ended December ’12 has increased by 31.84% value wise and 22.33% volume wise over corresponding quarter of previous year.
- ✓ Sales for the 9 months ended December,12 has increased by 29.58% value wise and 21.15% 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		Others		Total		% Inc over PY
	FY 13	FY 12	FY 13	FY 12	FY 13	FY 12	FY 13	FY 12	FY 13	FY 12	FY 13	FY 12	
Q1	952,959	765,858	28,665	28,777	11,481	14,125	2,455	4,451	4,639	4,249	1,000,199	817,460	22.35%
Q2	944,632	793,821	12,739	7,562	11,019	12,272	3,094	3,751	5,926	6,053	977,410	823,459	18.70%
Q3	1,044,316	846,456	1,206	998	15,067	15,798	2,475	4,247	5,502	6,020	1,068,566	873,519	22.33%
Total	**2,941,907**	**2,406,135**	**42,610**	**37,337**	**37,567**	**42,195**	**8,024**	**12,449**	**16,067**	**16,322**	3,046,175	2,514,438	21.15%

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

	ADHO		KPCO		BAHO		ASHO		Others		Total		% Inc over PY
	FY 13	FY 12	FY 13	FY 12	FY 13	FY 12	FY 13	FY 12	FY 13	FY 12	FY 13	FY 12	
Q1	129.46	97.59	5.45	5.42	2.07	2.44	0.26	0.47	0.81	0.66	138.05	106.58	29.53%
Q2	129.87	102.15	2.49	1.17	2.09	2.08	0.33	0.4	1.08	0.97	135.86	106.77	27.25%
Q3	143.68	107.93	0.21	0.16	2.89	2.79	0.26	0.45	1.02	0.97	148.06	112.30	31.84%
Total	**403.01**	**307.67**	**8.15**	**6.75**	**7.05**	**7.31**	**0.85**	**1.32**	**2.91**	**2.60**	421.97	325.65	**29.58%**

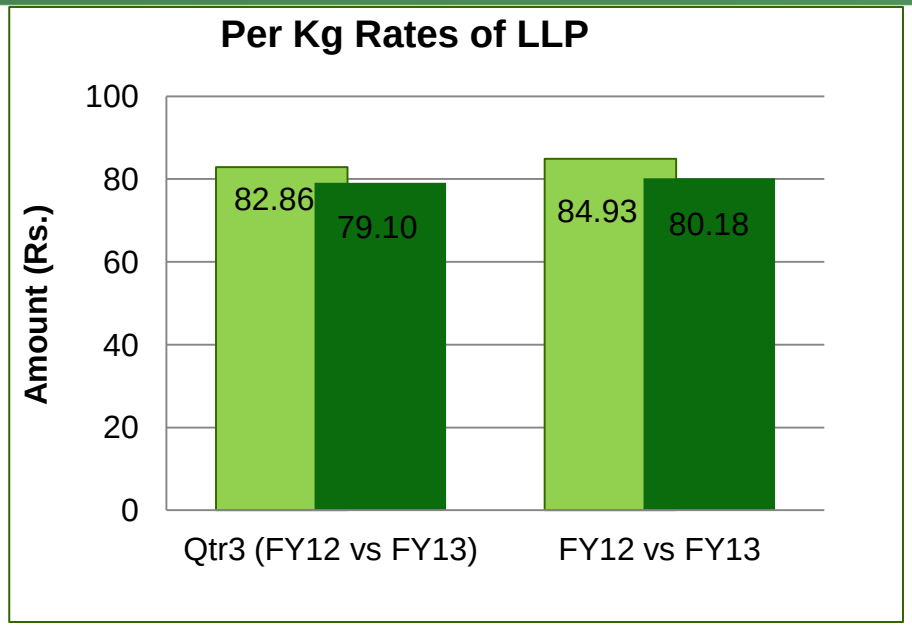
Breakup of RM/PM Costs *(for Q3 FY13)*

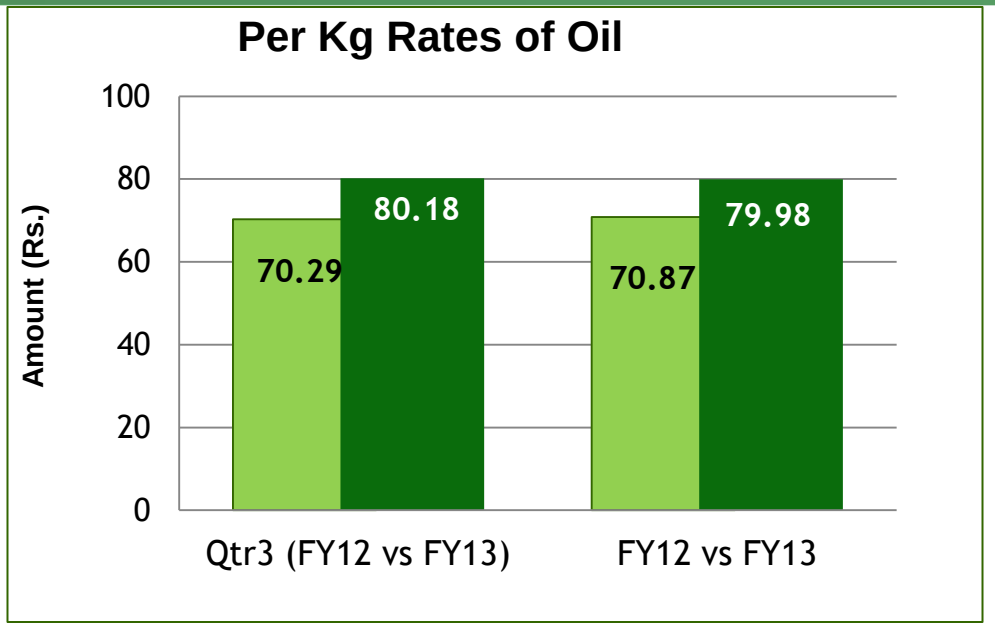
Key Raw & Packing Material	% to Sales	% to Total Cost
LLP	15.57%	36.83%
Glass Bottles	10.75%	25.43%
Refined Veg. Oil	4.51%	10.68%
Perfumes & other additives	3.43%	8.12%
Corrugated Boxes	1.76%	4.17%
Caps	2.23%	5.28%
Others	4.01%	9.49%
TOTAL	42.28%	100.00%

*** Consumption is 42.28% of Sales**

For Bajaj Almond Drops

Change in Prices of Key Ingredients





- ✓ **During the quarter average price of LLP decreased to Rs 79.10/Kg from Rs 82.86/Kg in corresponding quarter of previous year. Additional gain on account of decrease in LLP prices in current quarter is Rs 108 Lacs.**
- ✓ **Prices of Refined oil increased from Rs 70.29/Kg in Q3FY12 to Rs 80.18/Kg in Q3FY13 witnessing an increase of 14% over previous year. The total additional cost on account of increase in Oil prices in current quarter is Rs 77 Lacs**
- ✓ **Prices of our other key ingredients (except glass bottles with 8% increase) have remained more or less on the same level.**

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 2.30 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