bajaj corp limited

May 3, 2016

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: Revised Investor Presentation

Please find enclosed a copy of Revised Investor Presentation dated April 2016.

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

Thanking you,

Yours faithfully,
For Bajaj Corp Limited

Hitesh Kanani
General Manager - Company Secretary

Encl.: As above

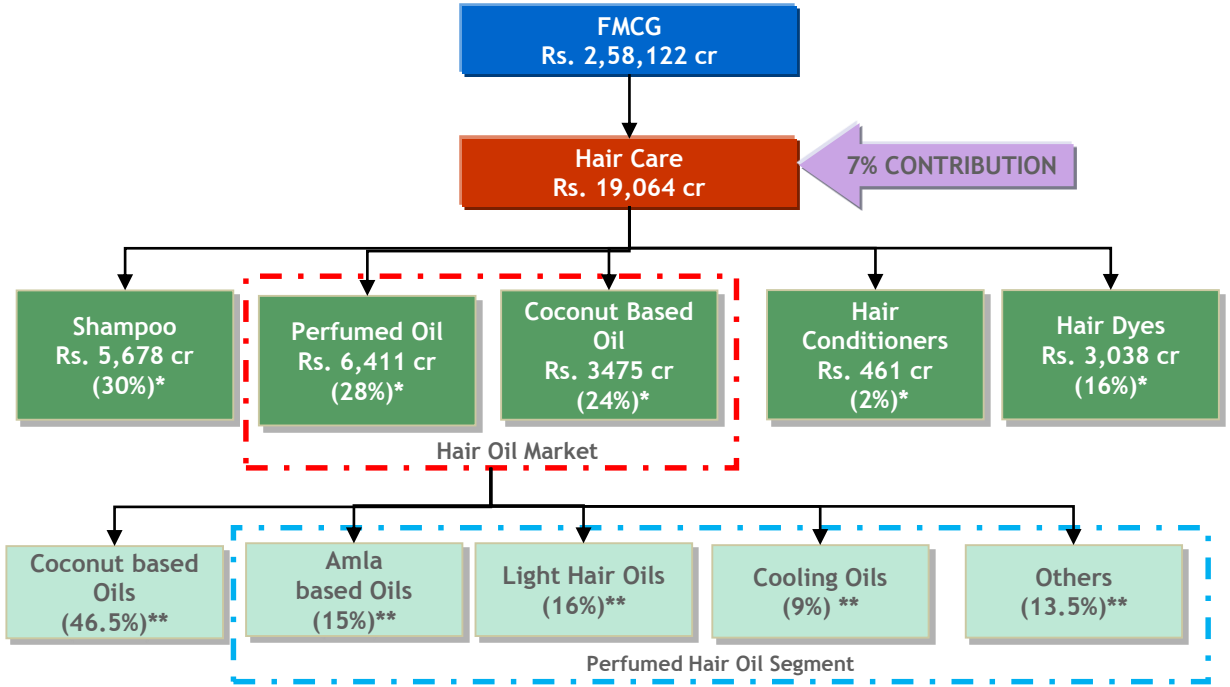
bajaj Corp Ltd.

Investor Presentation

April 2016- Version 2

Industry Overview

INDUSTRY SIZE AND STRUCTURE



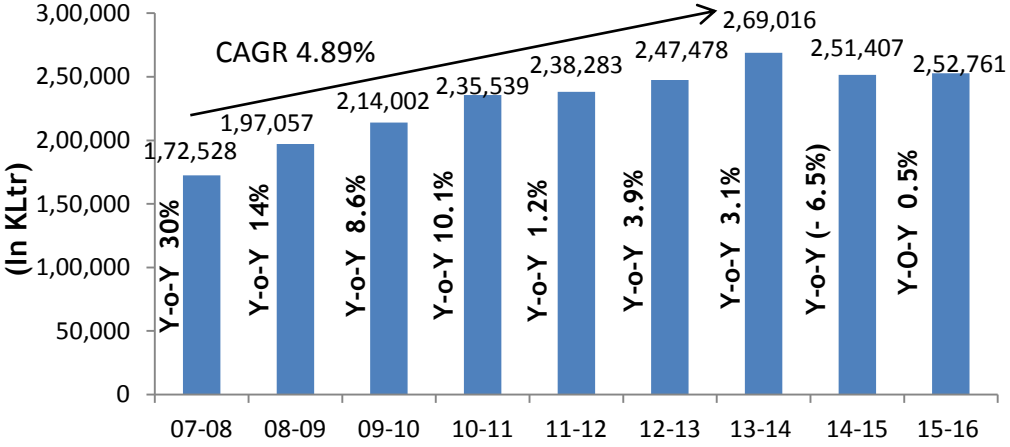
* Value based share of Hair Care Market

** Value based share of Hair Oil Market

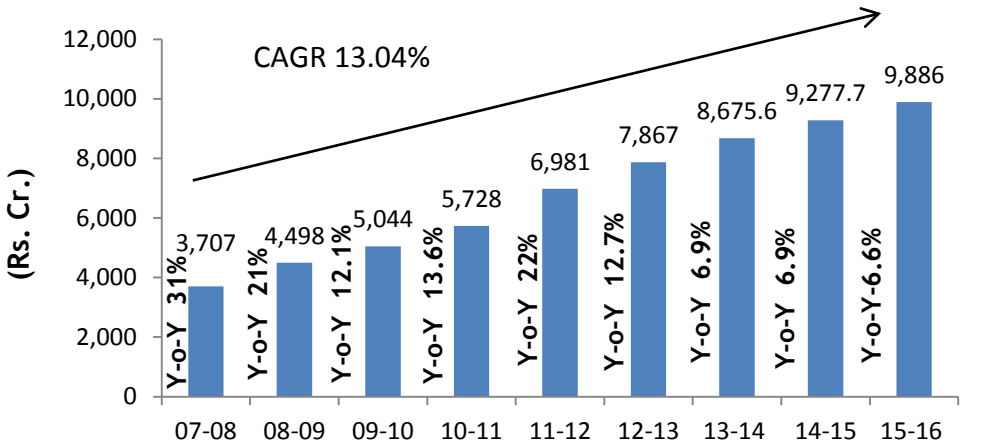
MAT MAR 16

Hair Oil Market in India

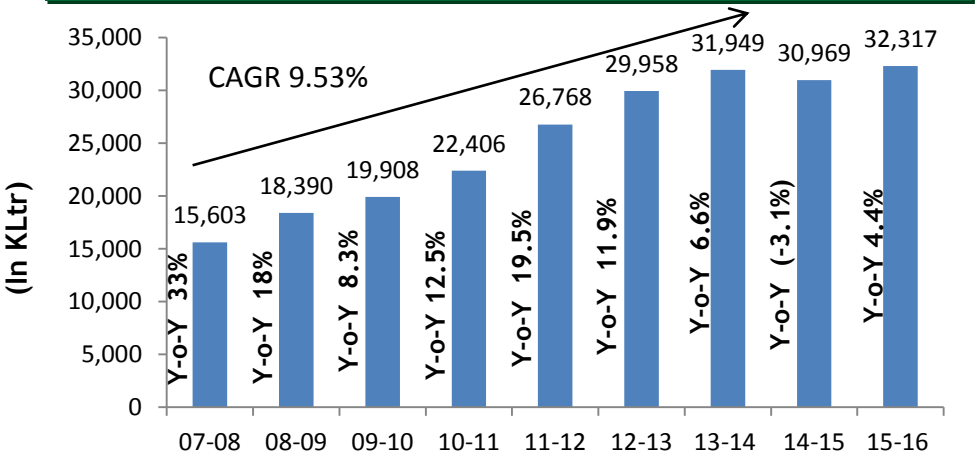
Overall Hair Oil Market - Volume



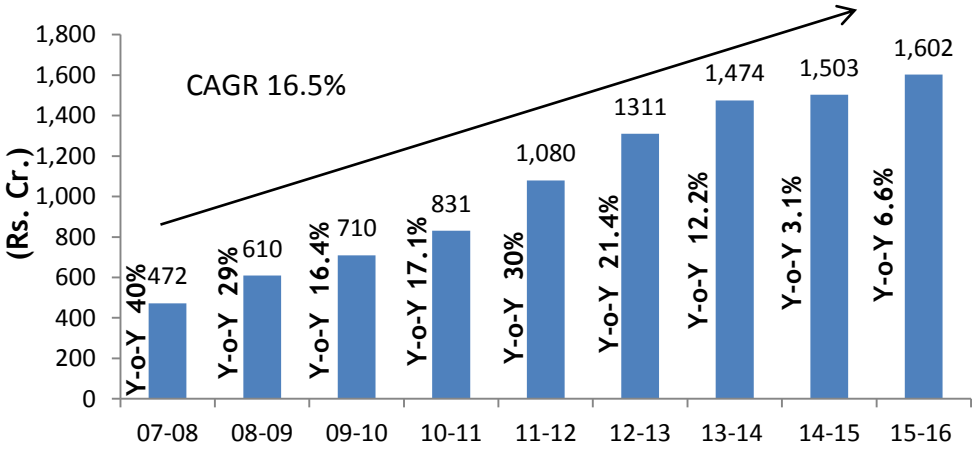
Overall Oil Market - Value



Light Hair Oil - Volume



Light Hair Oil - Value

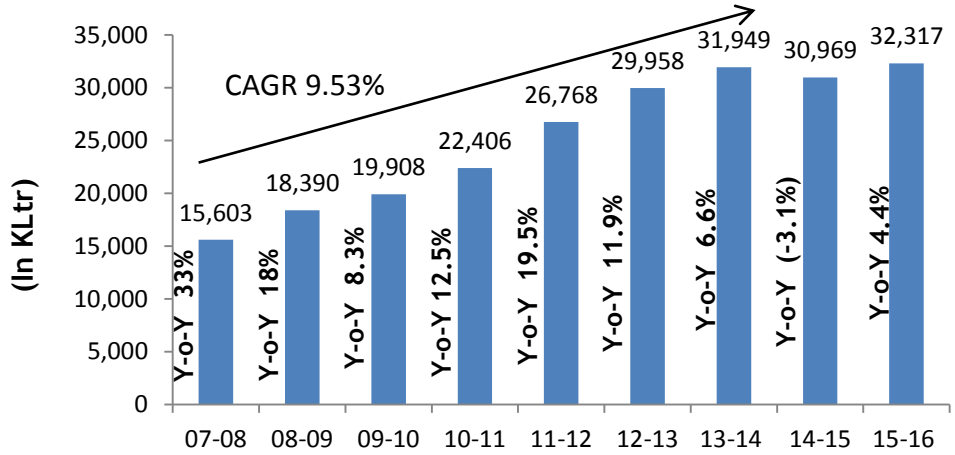


Source: AC Nielsen Retail Audit Report, March 2016.

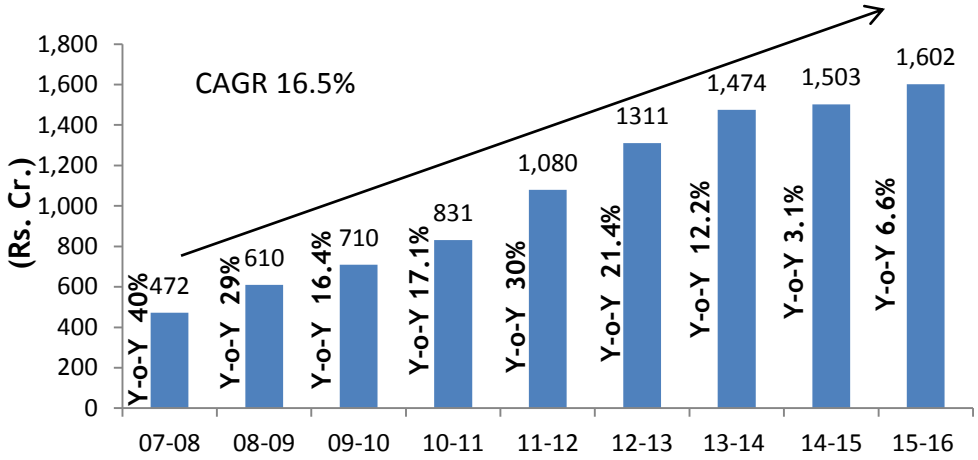
Hair Oil category remains flat on volumes, Light Hair Oil is growing steadily at 4.4%.

Light Hair Oil Market in India

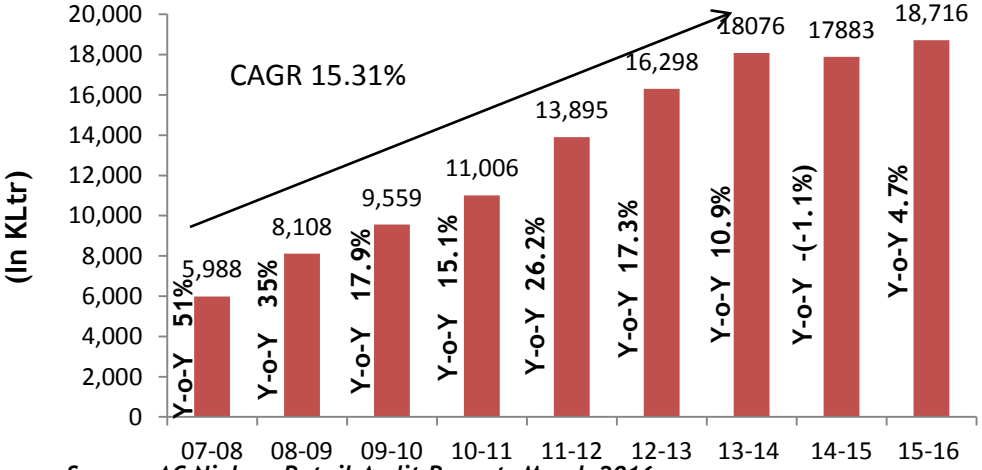
Light Hair Oil - Volume



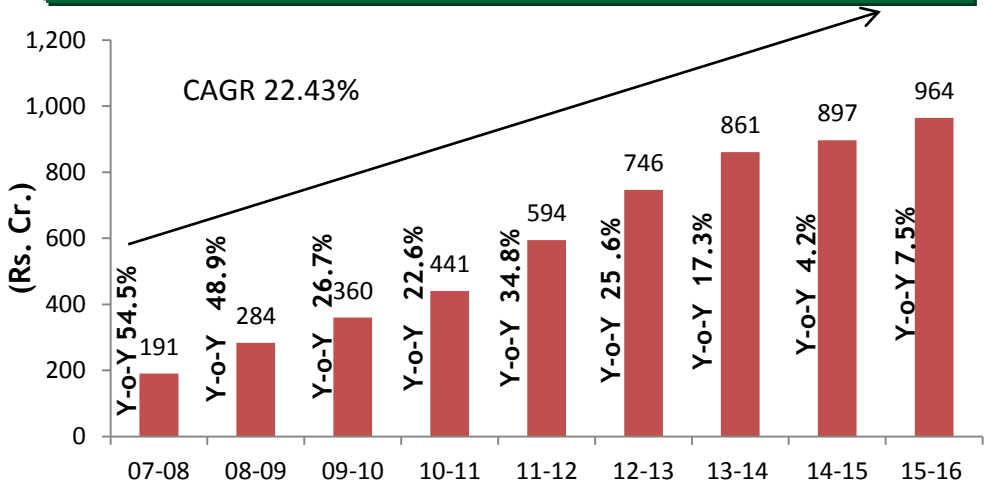
Light Hair Oil - Value



Almond Drops Hair Oil Market - Volume



Almond Drops Hair Oil Market - Value

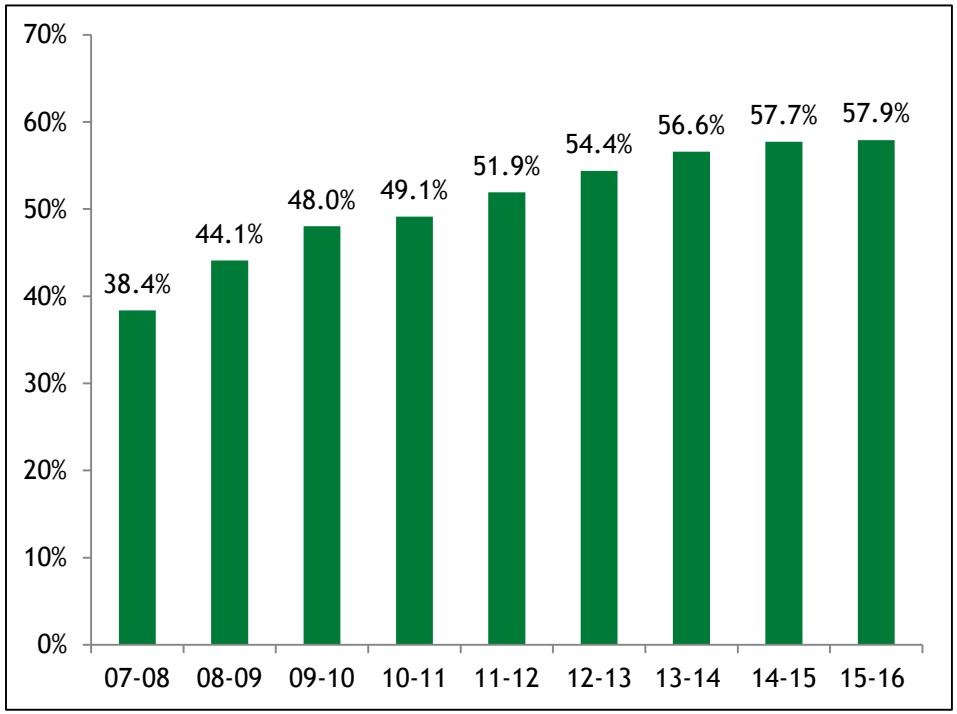


Source: AC Nielsen Retail Audit Report, March 2016.

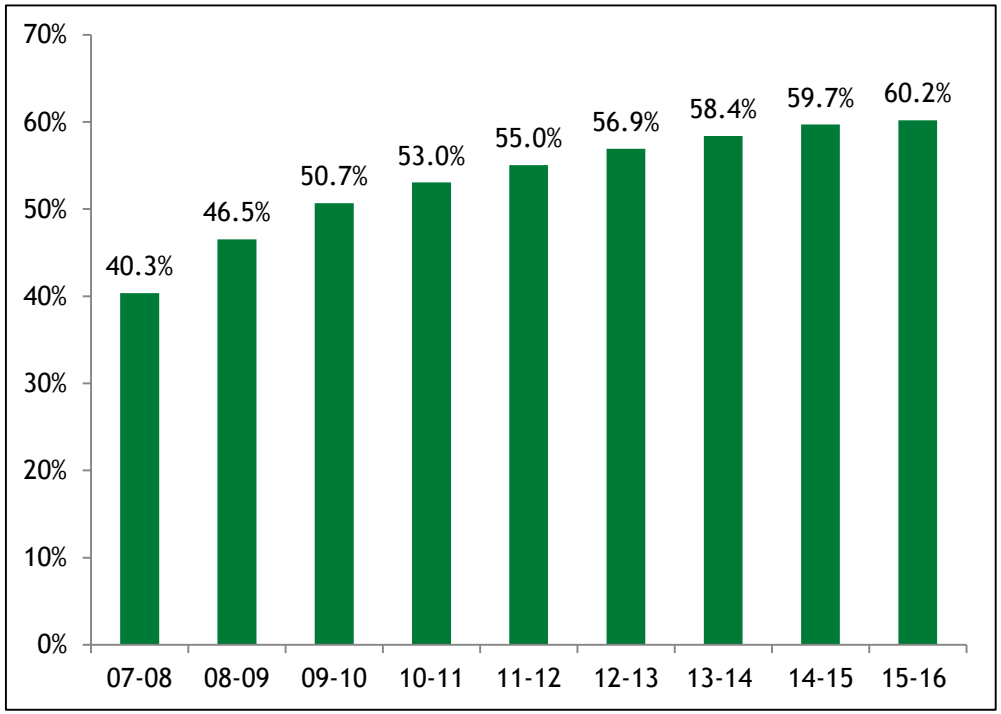
Almond Drops is the brand which is driving light hair oils and in turn the overall market

Market Shares Trends (All India - Urban Plus Rural)

Volume MS



Value MS

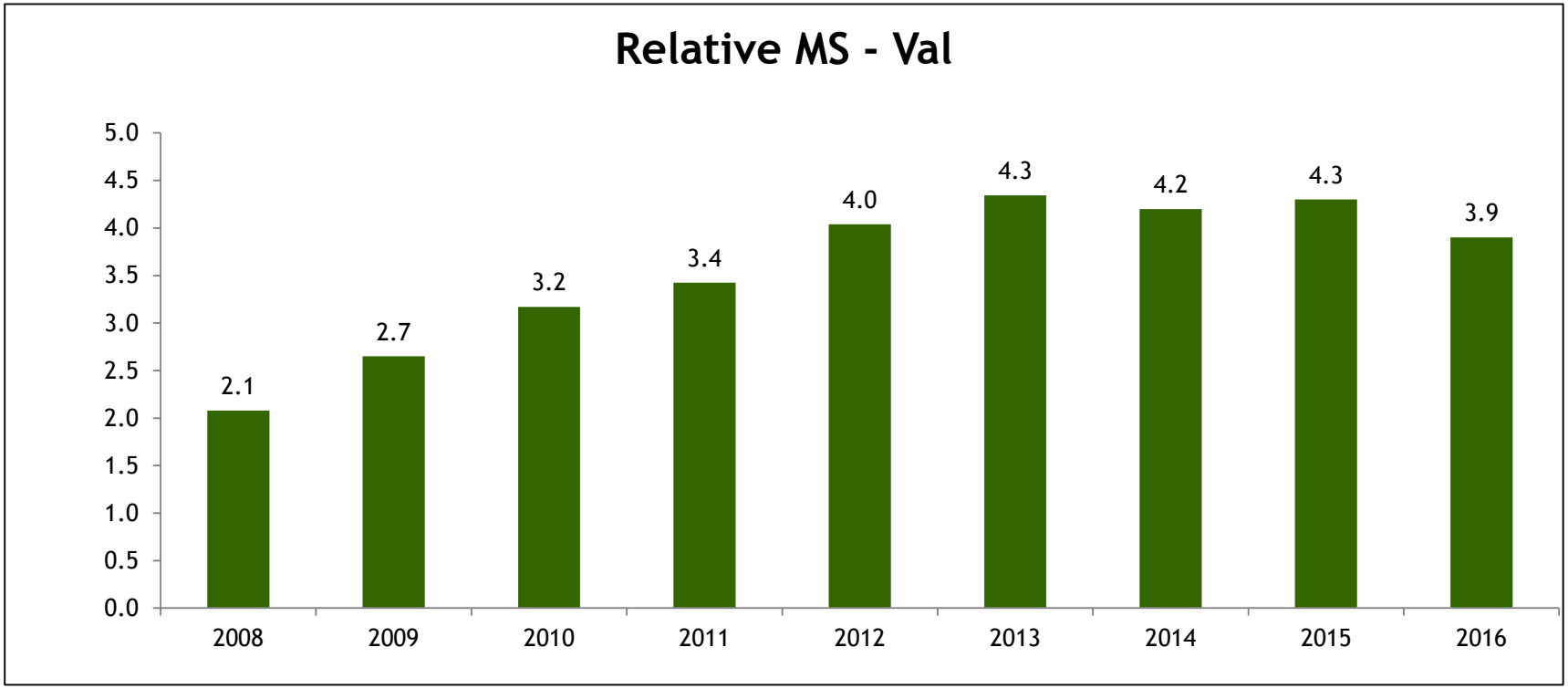


***Market Share in the Light Hair Oil Category**

*Source: AC Nielsen Retail Audit Report, **March 2016***

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, March 2016

Strong Relative market share demonstrates the strength of the brand

ADHO - Relative Market Shares - Value

States	Relative Market Share	Rank
Delhi	3.5	1
Rajasthan	1.3	1
Punjab	2.8	1
HP-JK	3.0	1
Haryana	3.4	1
NZ	2.4	1
Madhya Pradesh	3.3	1
Chhattisgarh	6.0	1
UP	3.5	1
Uttaranchal	3.5	1
CZ	3.9	1
Assam	5.5	1
Bihar	8.9	1
Jharkhand	5.6	1

States	Relative Market Share	Rank
North East	2.9	1
Orissa	4.8	1
WB	2.2	1
EZ	4.5	1
Maharashtra	3.9	1
Mumbai	3.0	1
Gujarat	2.1	1
WZ	3.0	1
AP	1.2	1
Karnataka	5.7	1
Kerala	1.5	1
TN	0.9	2
SZ	2.1	1
All India	3.9	1

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, March 2016

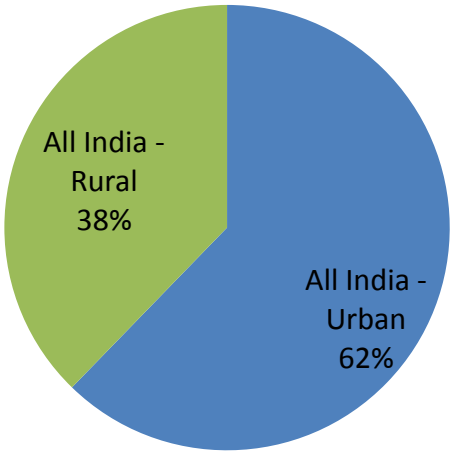
Statewise Market Share

MAT MARCH 16	LHO Volume	ADHO Proportion %		ADHO Market Share % (Vol)		
	Saliency	Urban	Rural	Total	Urban	Rural
All India		58%	42%	57.9	54.6	63.2
Delhi	6	100.00%		55.8		
Raj	8	51%	49%	46.8	48.7	44.9
Punjab	4	70%	30%	52.7	51.2	56.6
Har	6	80%	20%	57.2	55.0	67.7
HP-JK	1	41%	59%	50.7	45.6	55.1
MP	9	54%	46%	60.8	59.3	62.5
Chattisgarh	4	43%	57%	72.9	63.8	81.6
UP	22	43%	57%	63.9	59.3	67.8
Uttar	1	58%	42%	58.7	53.3	68.0
Assam	3	41%	59%	60.1	57.4	62.2
Bihar	5	46%	54%	76.5	69.6	83.5
JharKhand	1	60%	40%	69.5	66.4	74.7
North East	2	54%	46%	42.8	38.9	48.7
Orissa	2	55%	45%	64.2	60.2	60.2
WB	9	59%	41%	45.0	41.1	41.1
Guj	5	67%	33%	54.2	49.5	49.5
Maha	8	74%	26%	59.0	60.0	60.0
AP	2	89%	11%	34.3	36.7	36.7
Kar	1	75%	25%	61.7	60.9	60.9
Kerala	0	88%	12%	24.0	23.6	23.6
TN	1	99%	1%	24.7	27.6	27.6

Source: AC Nielsen Retail Audit Report, MAT March 2016

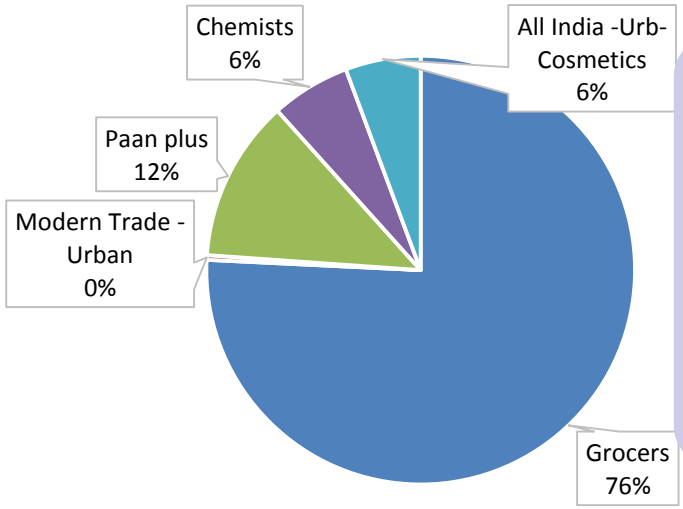
Light Hair Oil Market - Key Characteristics

Rural -Urban break up of LHO market



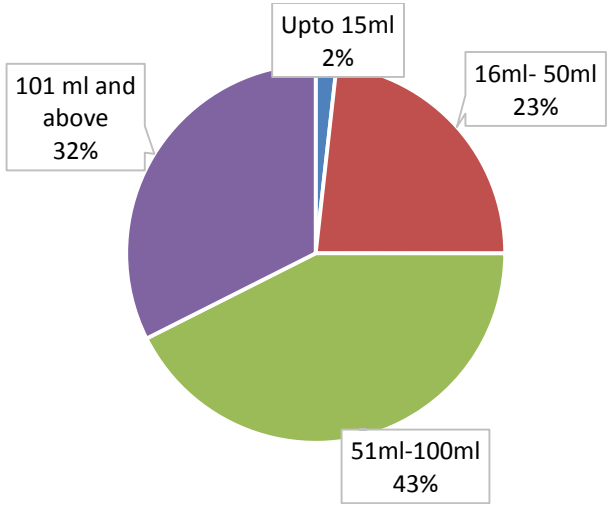
Urban dominated segment due to its relatively higher pricing

Share of Distribution Channels in LHO market



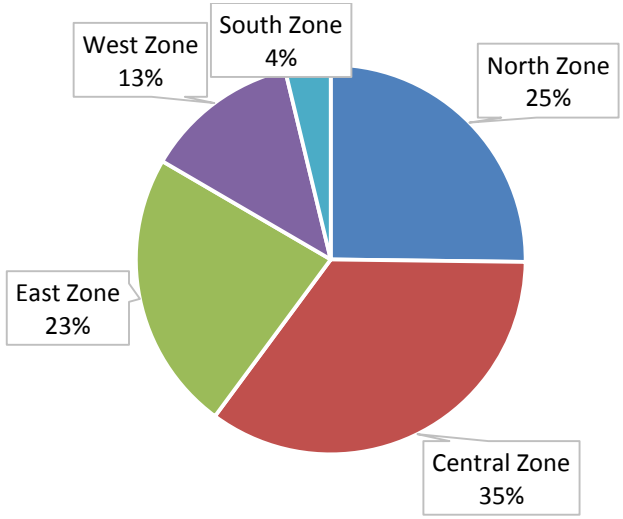
Grocers dominate distribution

SKU wise break up of LHO market



Mid Size SKUs contribute the maximum in the repertoire.

Region wise break up of LHO market



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

Source: AC Nielsen Retail Audit Report, March 2016

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 Amla Hair Oil
- Other brands - Brahmi Amla, Bajaj Kailash Parbat Cooling Oil and Jasmine (all hair oil brands) and Black tooth powder

**Source: AC Nielsen Retail Audit Report, March 2016.*

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

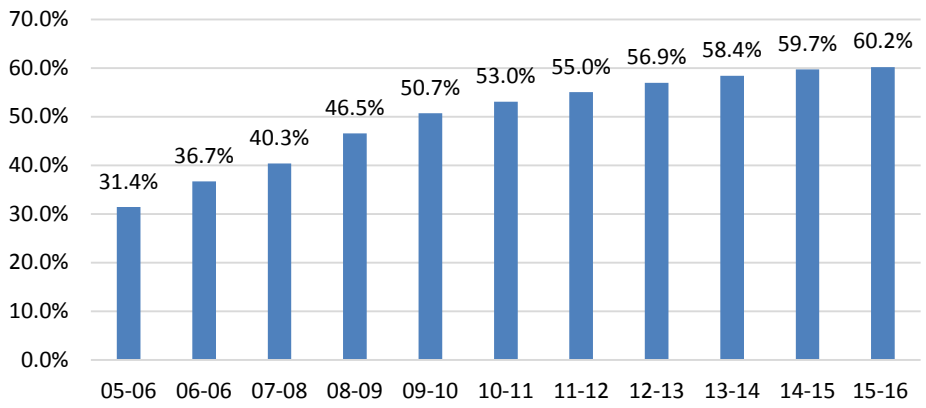
Bajaj NOMARKS Facewash for
All Skin, Types & Neem Facewash, available in sizes 15g,(Neem) 50g, 100g(Neem)

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

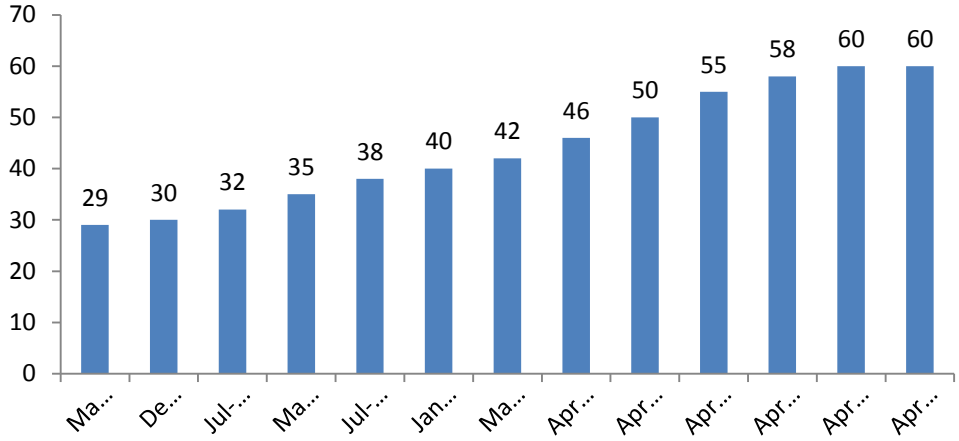
Bajaj NOMARKS Exfoliating Walnut Scrub, 50g
and Bajaj NOMARKS Dry Face Pack 25g

Bajaj Almond Drops - A Premium Brand

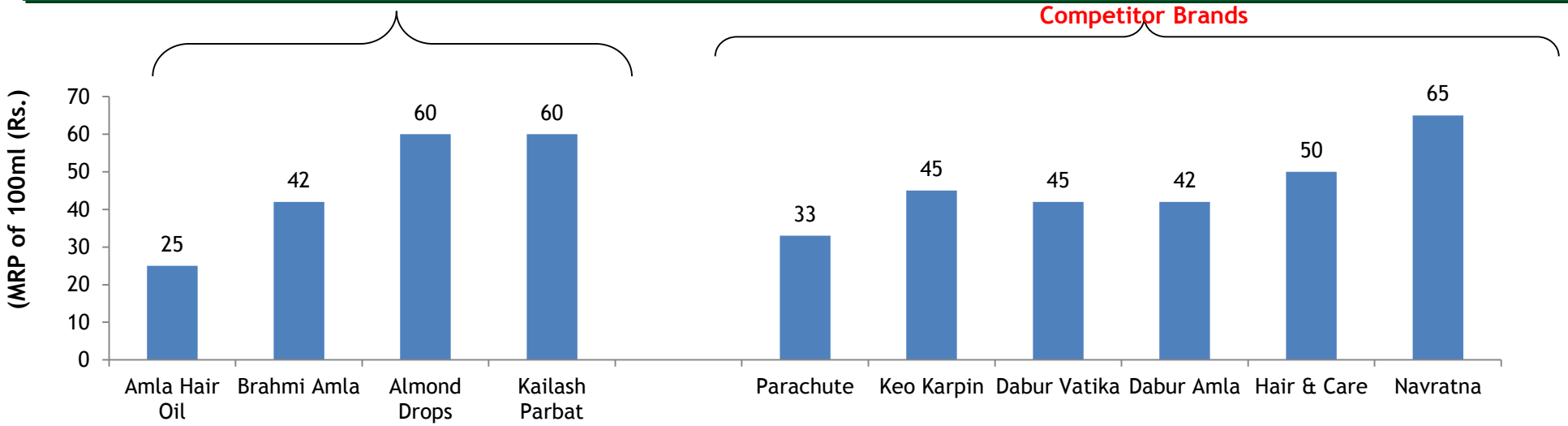
Strong Market Share Growth in Recent Years



. . . 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 March 2016

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

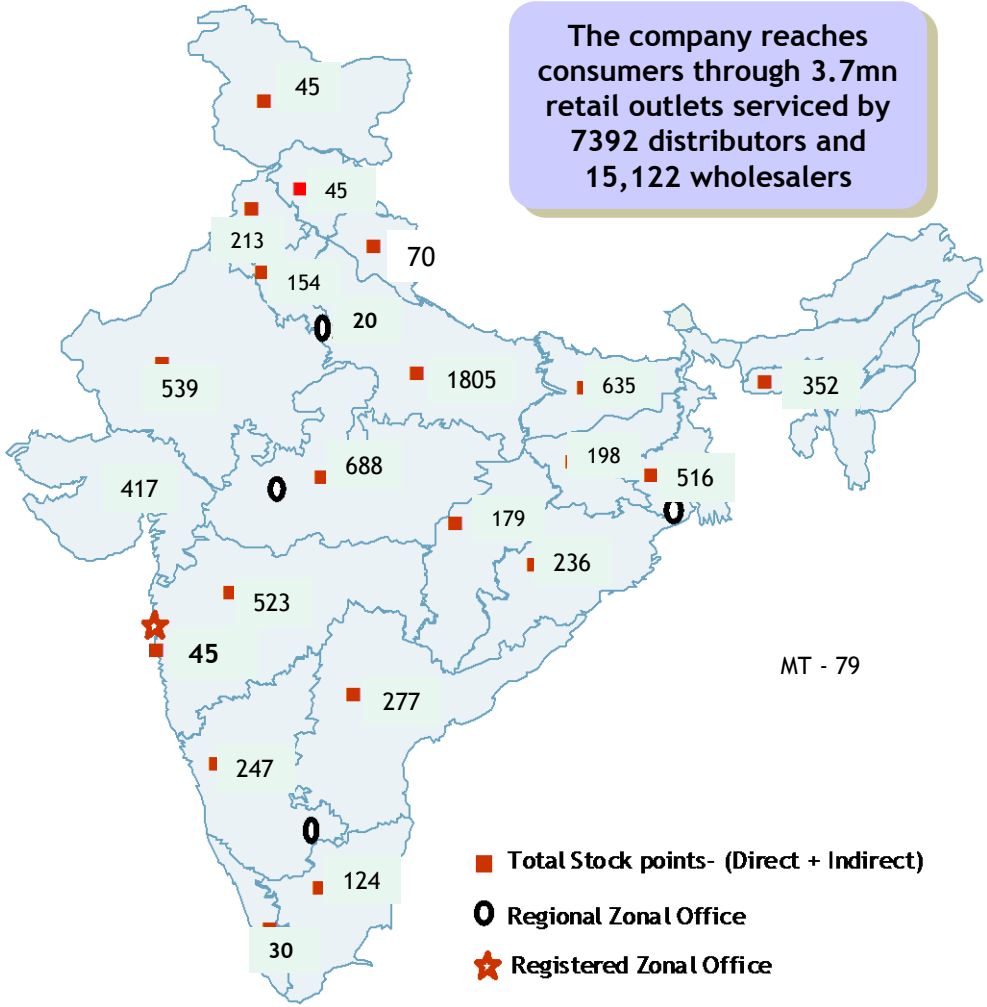
- For Almond Drops the consumer is:
  - Gender
    - Male- 54%
    - Female- 46%
  - Age Group
    - 15 to 39 yrs (59% of users)
  - Urban Vs Rural
    - 58% are Urban consumers
  - Socio Economic Class (SEC)- Urban
    - A1- 10.4%
    - A2- 14.4%
    - B1- 14.4%
    - B2- 11.5%

Source – IRS, Q42012

Strong Distribution Network

Distribution Network

The company reaches consumers through 3.7mn retail outlets serviced by 7392 distributors and 15,122 wholesalers



Distribution Structure

Factory (9)

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

↓

Central Warehouse (1)

↓

Regional Distribution Centre (29)

↓

Urban Distribution

↓

Redistribution Stockist (1,637)

↓

Retail Outlets (1515739)[1]

Rural Distribution

↓

Super Stockist (202)

↓

Sub-Stockist (5739)

↓

Retail Outlets (2193842)[1]

1 - as on FEB 2016. Nielsen New Sample

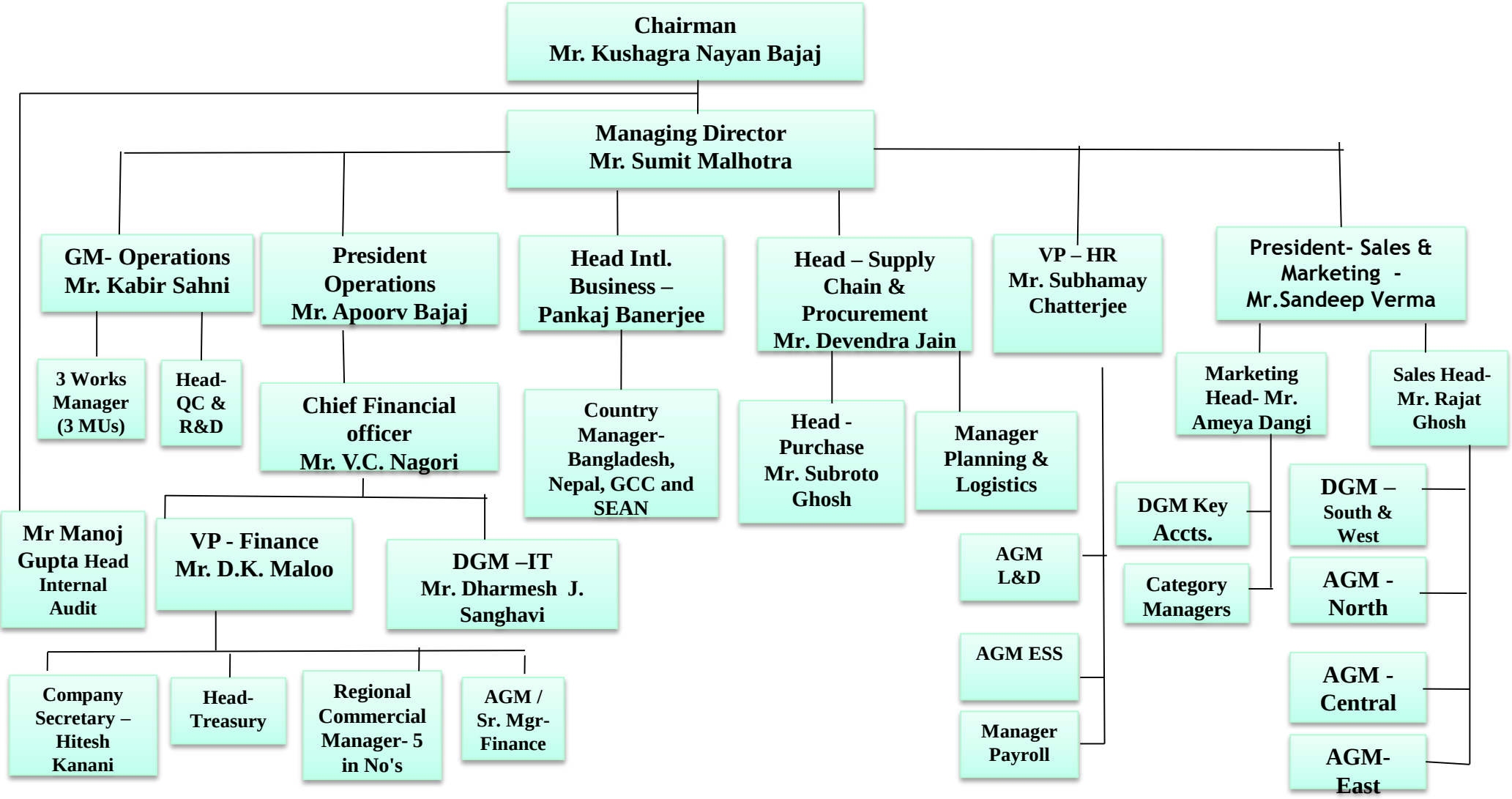
Over the years, BCL has created a large distribution network (that continues to grow) which can be leveraged to introduce new products

Van Operations

- Started in FY 13 with a objective of increasing Rural Sales
- Piloted 39 Vans in Q4 FY 13
- Currently operating 102 vans (for Sales)
- Vans cover 7765 uncovered Towns and Villages on a monthly basis
- In MAT March 2016
  - Bajaj Almond Drops Hair Oil got 42 % of its sales from Rural India
  - Volume Growth in Rural India – 7% (Urban + Rural = 4.7%)
  - Market share in Rural India – 63.2% (Urban + Rural = 57.9%)

**Source: AC Nielsen Retail Audit Report, MAT March 2016.*

Organization Structure

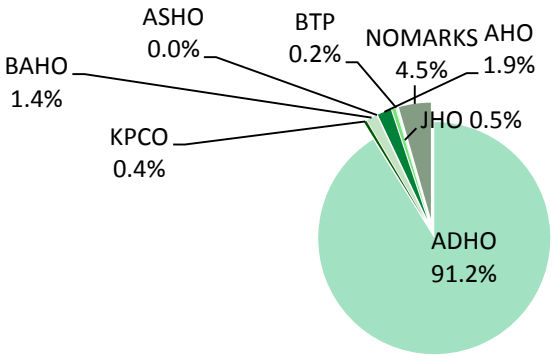


Financial Information

Summary Income Statement

Particulars (Rs. In Crore)	Q4FY16	Q4FY15	FY 16	FY 15
Sales (Net)	227.79	235.42	866.57	819.50
EBITDA	76.58	75.05	278.54	242.74
EBITDA Margin	*33.62%*	*31.88%*	*32.14%*	*29.62%*
Profit Before Tax & Exceptional Item	*80.42*	*80.55*	*298.58*	*266.29*
Exceptional Item (Trademark & Intellectual Properties)	*11.74*	*11.74*	*46.98*	*46.98*
Profit Before Tax(PBT)	*68.68*	*68.81*	*251.60*	*219.31*
Net Profit after Tax	54.02	54.42	197.91	173.31
Net Profit Margin	*23.72%*	*23.12%*	*22.84%*	*21.15%*

Brandwise Sales Break-Up for FY 2016



Summary Balance Sheet

Particulars (Rs. In Crore)	As on 31.03.2016	As on 31.03.2015
Shareholders Equity	485.56	491.81
Net Fixed Assets	65.59	110.38
Investments (including Bank FDs, Bank CDs and Government Securities & Bonds)	414.61	370.09
Net Current Assets	5.37	11.34

Key Highlights

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

EBITDA & PAT Performance

Rs. in Crore

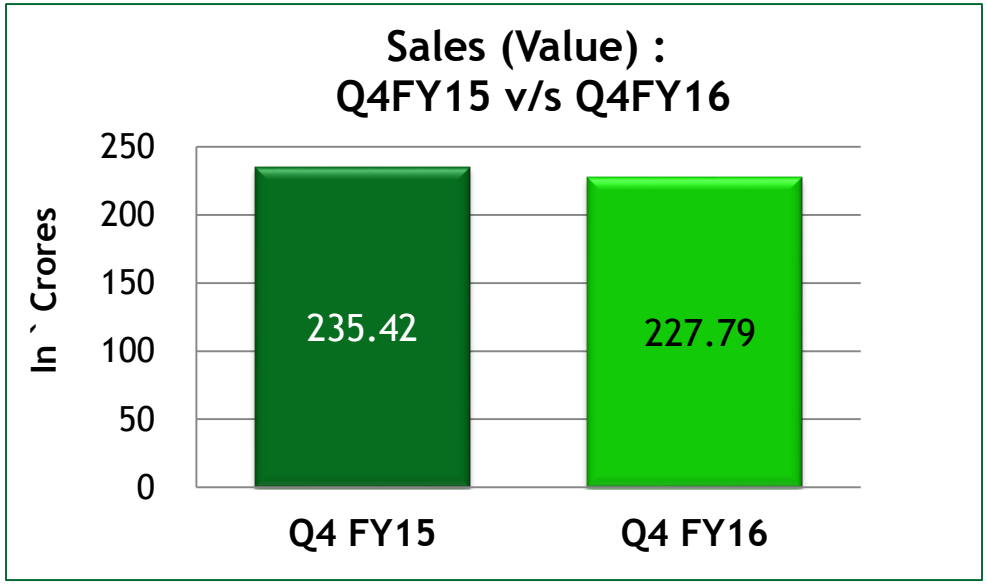
Particulars	Q4FY16	Q4FY15	YoY%	FY 16	FY 15	YoY%
EBITDA	76.58	75.05	2.04%	278.54	242.74	14.75%
Profit Before Tax & Exceptional Item	80.42	80.55	-0.16%	298.58	266.29	12.13%
Exceptional Item (Trademark & Intellectual Properties)	11.74	11.74		46.98	46.98	
Profit Before Tax (PBT)	68.68	68.81	-0.19%	251.60	219.31	14.72%
Profit After Tax (PAT)	54.02	54.42	-0.73%	197.91	173.31	14.19%

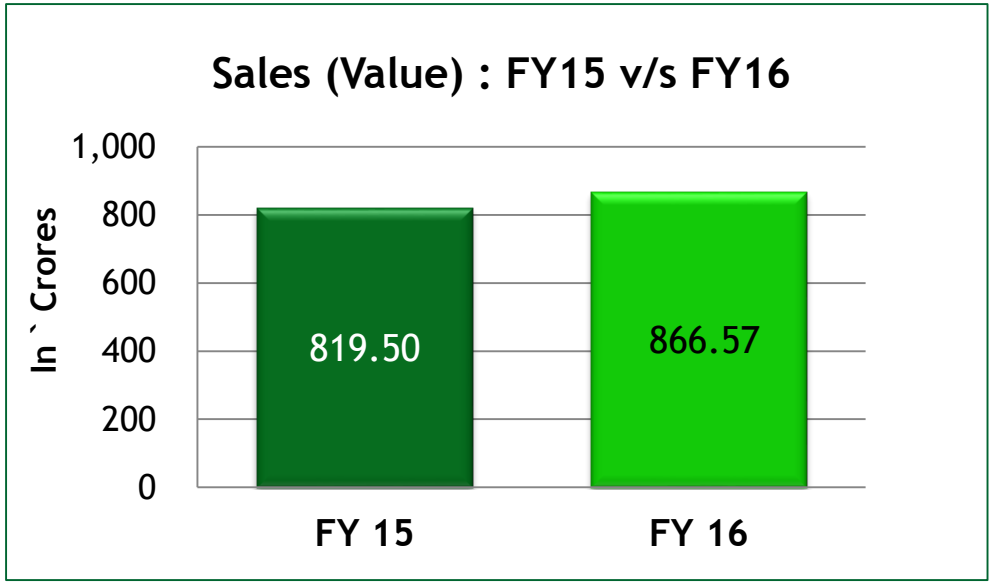
Profit & Loss Q4 FY2016 and for the year 2015-16

Rs. in Crore

Particulars	Q4FY16	Q4FY15	YoY%	FY 16	FY 15	YoY%
Net Sales	**227.79**	**235.42**	**-3.24%**	**866.57**	**819.50**	**5.74%**
Other Operating Income	0.53	0.75		2.19	1.80	
Material Cost	74.35	88.05		297.19	315.36	
% of Sales	32.64%	37.40%		34.30%	38.48%	
Employees Cost	12.04	9.87		45.83	38.05	
% of Sales	5.29%	4.19%		5.29%	4.64%	
Advertisement & Sales Prom.	41.95	40.92		155.88	145.14	
% of Sales	18.42%	17.38%		17.99%	17.71%	
Other Expenses	23.40	22.28		91.32	80.01	
% of Sales	10.27%	9.47%		10.54%	9.76%	
EBITDA	**76.58**	**75.05**	**2.04%**	**278.54**	**242.74**	**14.75%**
% of Sales	33.62%	31.88%		32.14%	29.62%	
Other Income	6.27	7.54		28.68	31.55	
Finance Cost	0.17	0.06		0.21	0.10	
Depreciation	1.23	1.06		4.32	4.24	
Corporate Social Responsibility	1.03	0.92		4.11	3.67	
Profit Before Tax & Exceptional Item	**80.42**	**80.55**	**-0.16%**	**298.58**	**266.29**	**12.13%**
Exceptional Item (Trademark & Intellectual Properties)	11.74	11.74		46.98	46.98	
Profit Before Tax(PBT)	**68.68**	**68.81**	**-0.19%**	**251.60**	**219.31**	**14.72%**
Tax Expenses	14.66	14.39		53.69	45.99	
Profit After Tax(PAT)	**54.02**	**54.42**	**-0.73%**	**197.91**	**173.31**	**14.19%**
% of Sales	23.72%	23.12%		22.84%	21.15%	
Diluted EPS (Rs.)	3.66	3.69		13.42	11.75	

Sales Performance





- ✓ Sales for the year ended March'16 has increased by 5.74%.
- ✓ Sales for the quarter ended March'16 has decreased by 3.24%.

Statement of Quarter wise Sales (Volume & Value)

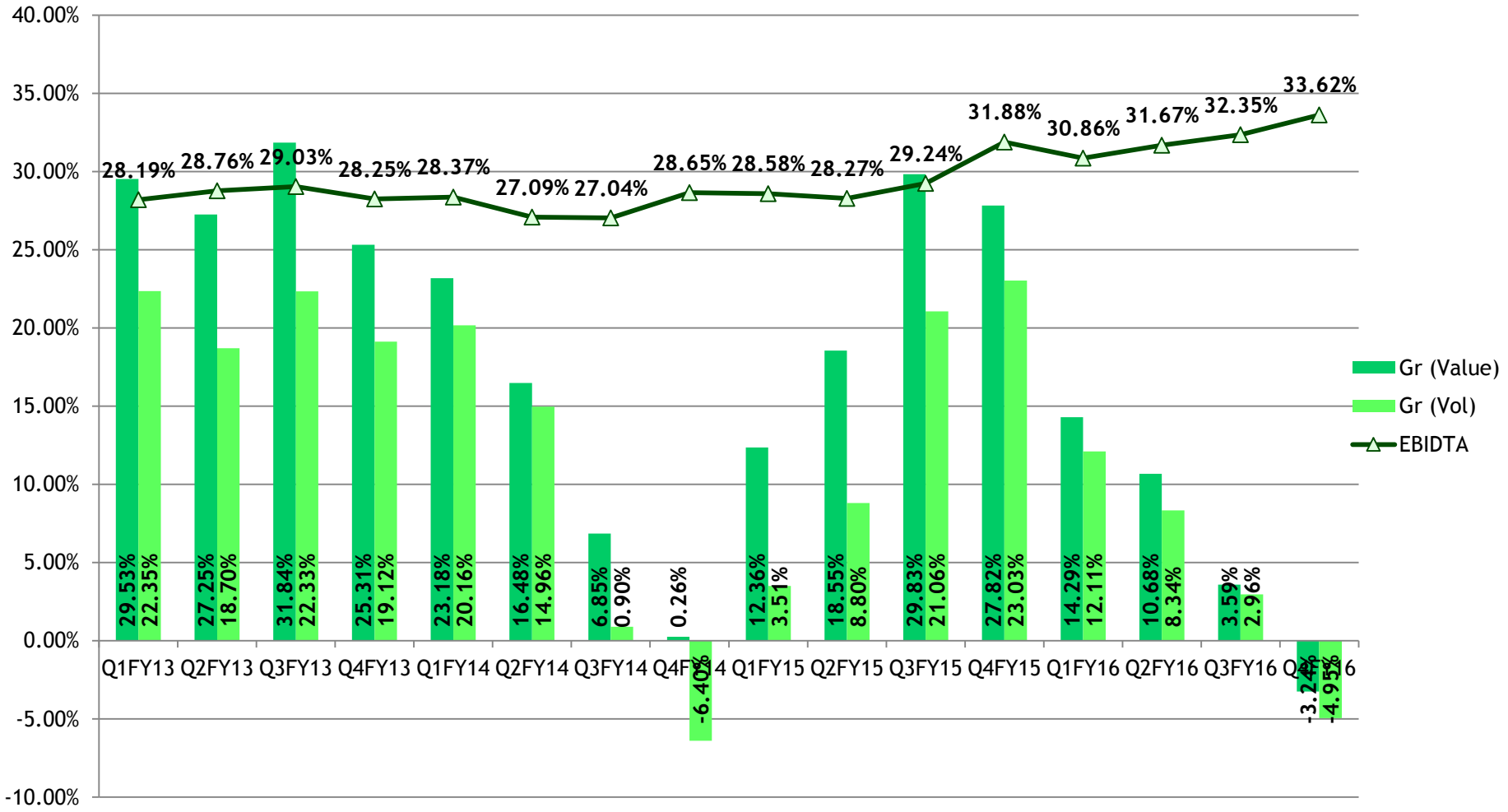
STATEMENT OF QUARTERWISE SALES (VOLUME - In Cases)

	ADHO		KPCO		BAHO		AHO		Nomarks		Others		Total		% Inc over PY
	FY 16	FY 15	FY 16	FY 15	FY 16	FY 15	FY 16	FY 15	FY 16	FY 15	FY 16	FY 15	FY 16	FY 15	
Q1	1,241,928	1,123,144	7,435	15,805	14,073	9,671	49,630	-	40,210	58,222	7,538	7,032	1,360,814	1,213,874	12.11%
Q2	1,191,034	1,120,081	1,856	2,380	16,751	10,218	45,290	-	41,136	54,811	8,445	16,571	1,304,512	1,204,061	8.34%
Q3	1,238,671	1,226,347	986	2,017	13,069	15,152	43,207	-	41,315	48,913	6,764	12,903	1,344,011	1,305,332	2.96%
Q4	1,349,938	1,410,349	8,541	8,635	13,811	14,881	40,159	14,961	31,702	69,196	5,114	6,773	1,449,265	1,524,795	-4.95%
Total	**5,021,571**	**4,879,921**	**18,818**	**28,837**	**57,703**	**49,921**	**178,286**	**14,961**	**154,363**	**231,142**	**27,861**	**43,279**	**5,458,602**	**5,248,062**	**4.01%**

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

	ADHO		KPCO		BAHO		AHO		Nomarks		Others		Total		% Inc over PY
	FY 16	FY 15	FY 16	FY 15	FY 16	FY 15	FY 16	FY 15	FY 16	FY 15	FY 16	FY 15	FY 16	FY 15	
Q1	197.85	170.91	1.48	2.92	3.05	2.00	4.66	-	9.92	14.13	1.42	1.12	218.37	191.07	14.29%
Q2	187.46	168.89	0.30	0.37	3.65	2.15	4.25	-	10.31	13.92	1.66	2.27	207.64	187.61	10.68%
Q3	194.18	186.07	0.16	0.42	2.79	3.23	4.02	-	10.22	13.57	1.40	2.12	212.77	205.40	3.59%
Q4	210.46	211.32	1.27	1.81	3.04	3.10	3.77	1.43	8.18	16.59	1.06	1.18	227.79	235.42	-3.24%
Total	**789.95**	**737.18**	**3.22**	**5.51**	**12.52**	**10.48**	**16.71**	**1.43**	**38.63**	**58.21**	**5.55**	**6.68**	**866.57**	**819.50**	**5.74%**

Consistent Performance over the last 16 successive quarters



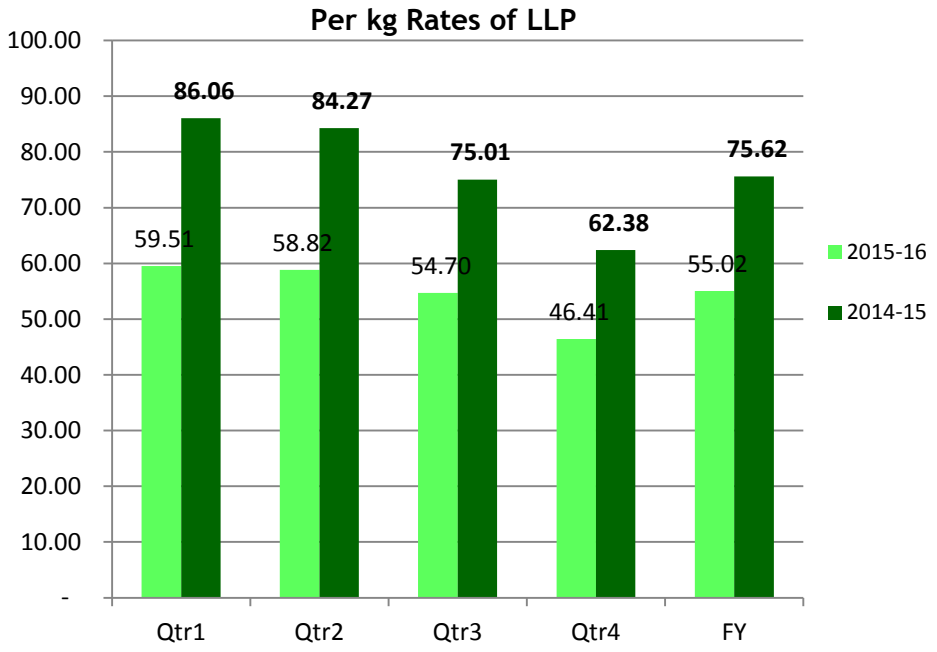
Breakup of RM/PM Costs *(for Q4 FY 16)*

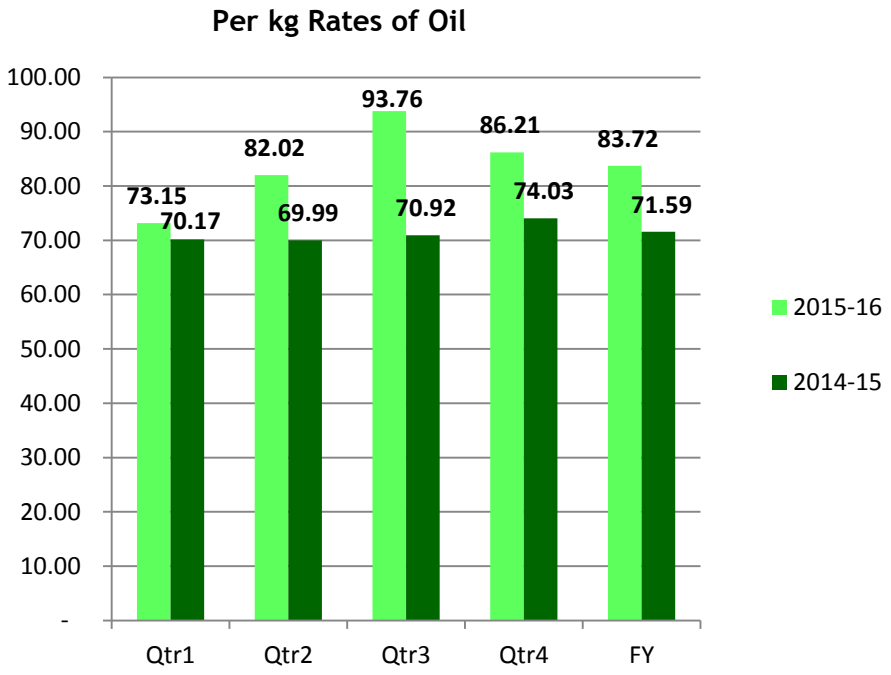
Key Raw & Packing Material	% to Sales	% to Total Cost
LLP	8.91%	27.13%
Glass Bottles	8.03%	24.43%
Refined Veg. Oil	4.53%	13.78%
Perfumes & other additives	2.69%	8.20%
Corrugated Boxes	1.55%	4.72%
Caps	2.02%	6.16%
Others	5.12%	15.58%
TOTAL	32.85%	100.00%

*** Consumption is 32.85 % of Sales**

For Bajaj Almond Drops

Change in Prices of Key Ingredients





- ✓ During the quarter average price of LLP decreased to Rs. 46.41/kg from Rs. 62.38/kg in corresponding quarter of previous year and average price of LLP during the whole year was Rs. 55.02/kg against Rs. 75.62/kg in the previous year.
- ✓ During the quarter average price of Refined Oil increased to Rs. 86.21/kg from Rs. 74.03/kg in corresponding quarter of previous year and average price of Oil during the year was Rs. 83.72/kg against Rs.71.59/ kg in the previous year.

Fund Position

- Fund Position:
  - The total Fund available with the company as on 31st March' 2016 is Rs. 320.61 Crores
  - This has been invested in Bank Fixed Deposits, AAA rated PSU Bonds, Commercial Papers, Government Securities and Liquid MFs.
  - There is no investment in ANY Inter Corporate Deposit

Particulars	Amount (Rs. in Crores)
Bank FDs	49.92
Bonds	141.07
Government Securities	69.45
Commercial Papers	55.92
Liquid Plans of Mutual Funds	4.25
Total	**320.61**

Dividend Payout History

Year	No. of Shares (in Lacs)	Face Value	Dividend Payout (Rs in Lacs)	% to Capital	Dividend per share (Rs.)
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

Managerial Bandwidth

- As a constant endeavour to add to the Managerial capabilities within the company we constantly engage in in-house and out bound training programs

- Further to make all the functions better equipped in terms of bench strength the company is also in the process of recruiting experienced managers from well known FMCG companies

- In this process – Mr. Sandeep Verma has joined the organisation as President-Sales & Marketing. He is an Mechanical Engineer from Motilal Nehru Engineering College, Allahabad and holds a Management Degree from IIM, Lucknow. Mr. Verma has worked more than 14 years in different function in HUL.

- Mr. Sandeep Verma will lead the Sales & Marketing Department and contribute towards the company's change management process.

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 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 2016-17
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 3.69 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