bajaj corp limited

July 21, 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: Revised Investor Presentation

Please find enclosed a copy of Revised Investor Presentation dated July 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

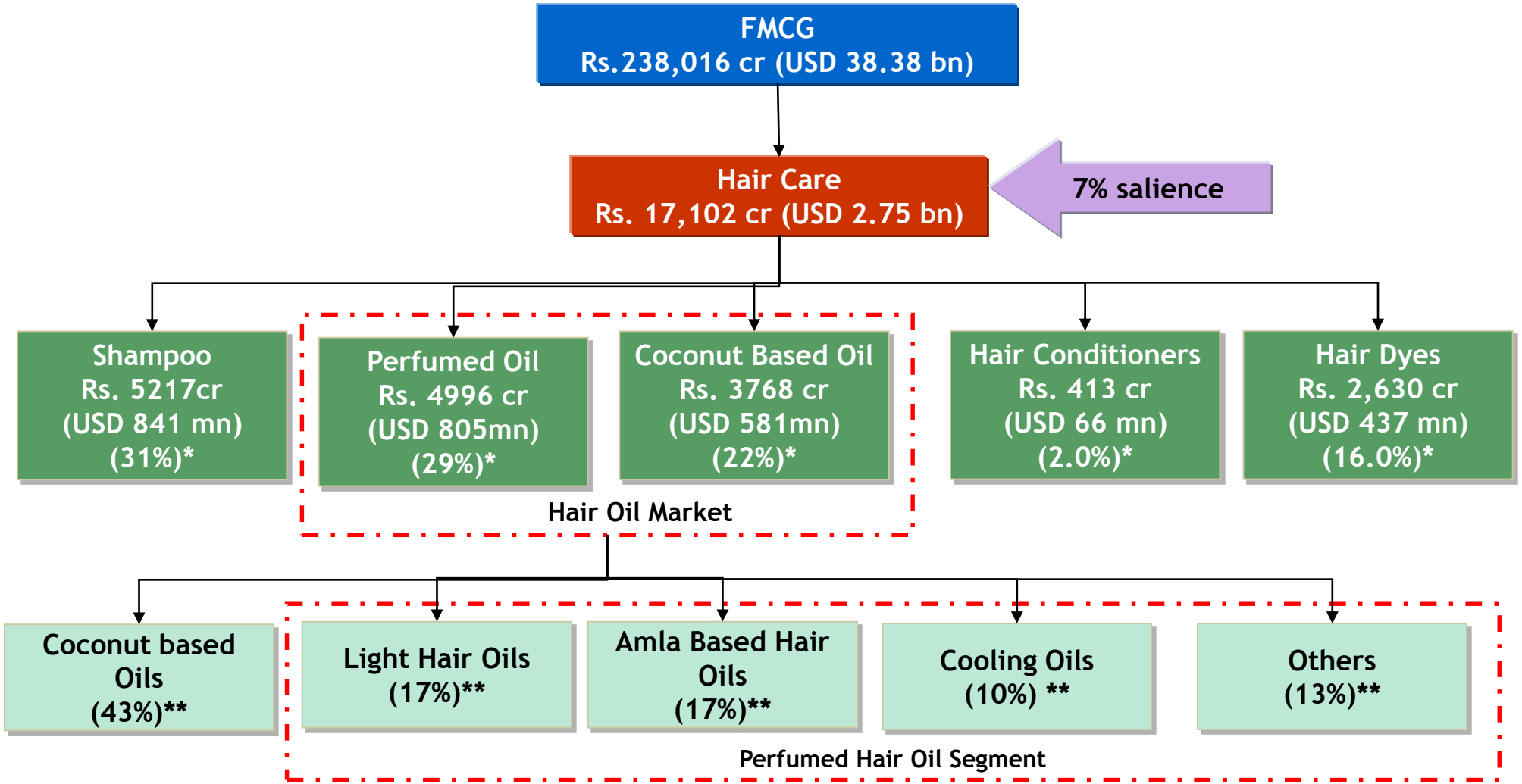
bajaj Corp Ltd.

Investor Presentation

July 2015 version 2

Industry Overview

Industry Size and Structure



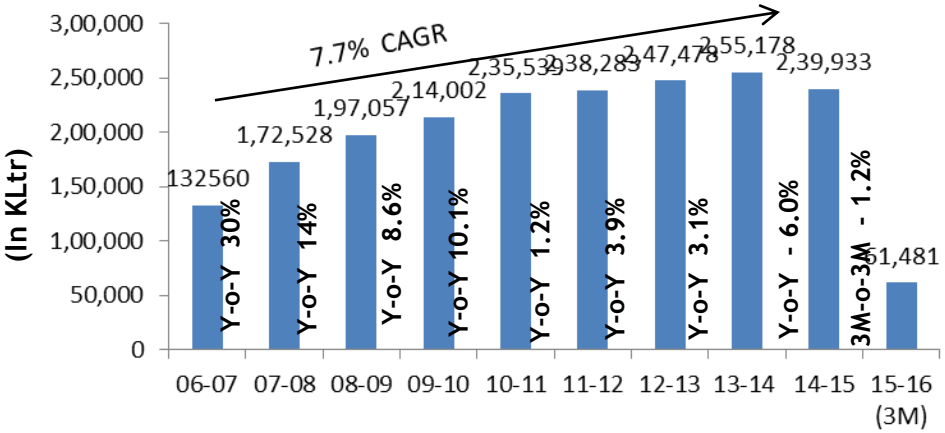
Source: AC Nielsen Retail Audit Report.
Only branded products data for CY 2014

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

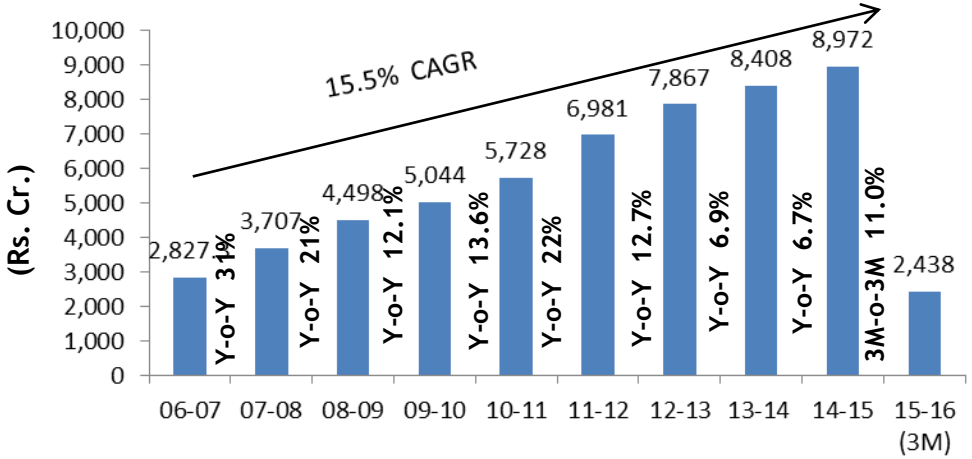
Light Hair Oil is the largest non-coconut hair oil segment

Hair Oil Market in India

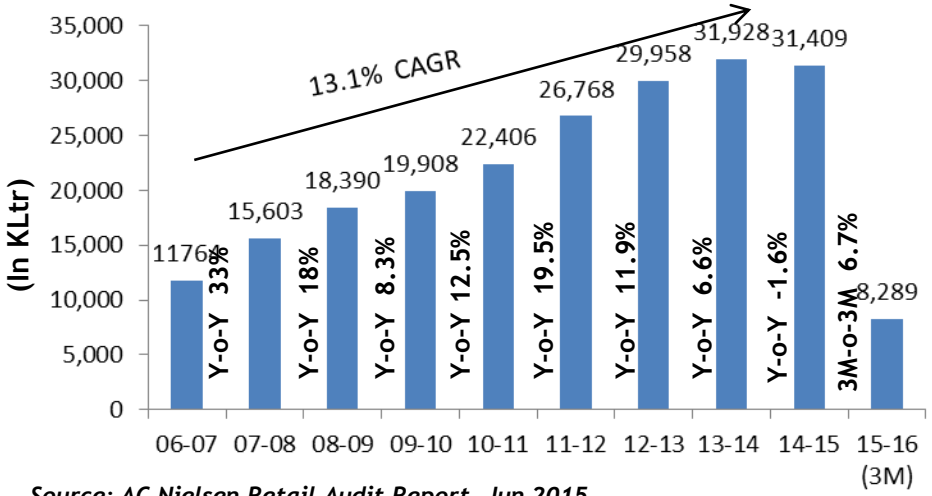
Overall Hair Oil Market - Volume



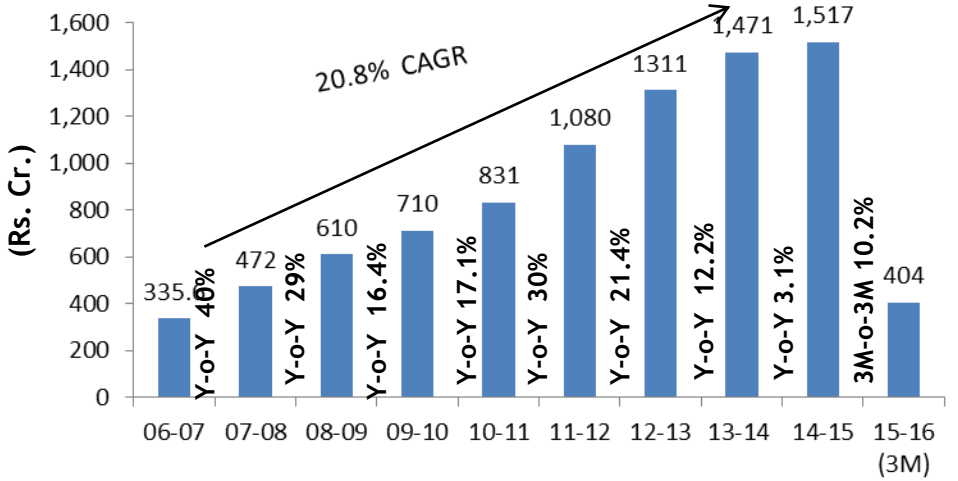
Overall Oil Market - Value



Light Hair Oil - Volume



Light Hair Oil - Value

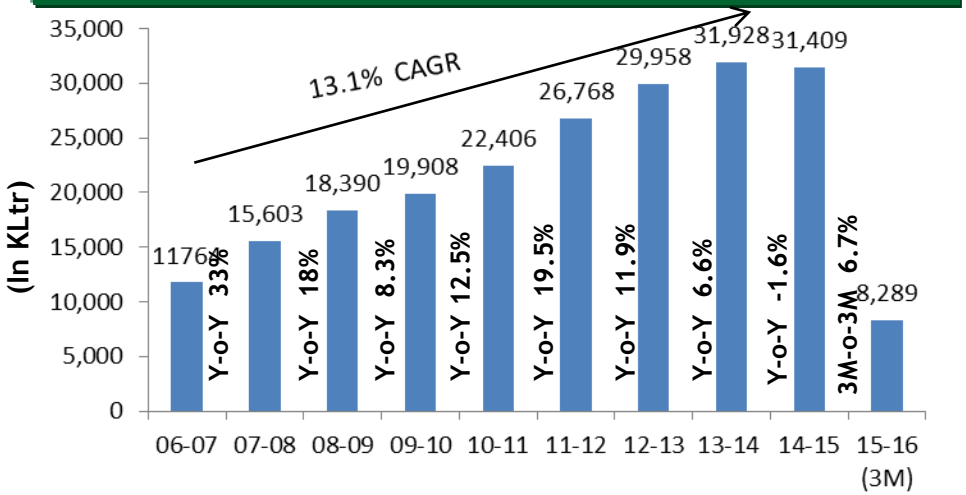


Source: AC Nielsen Retail Audit Report, Jun 2015.

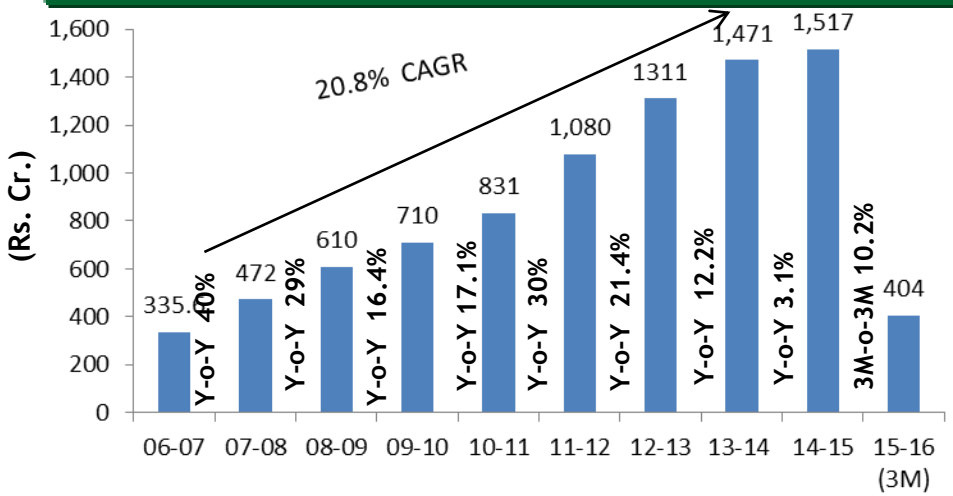
Hair Oil category continues to see volume declines, however Light Hair Oils have seen a strong recovery.

Light Hair Oil Market in India

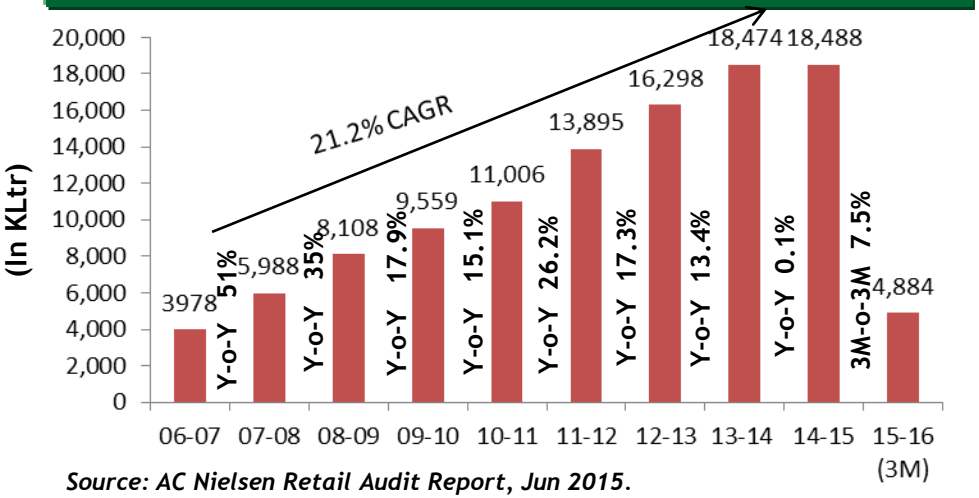
Light Hair Oil - Volume



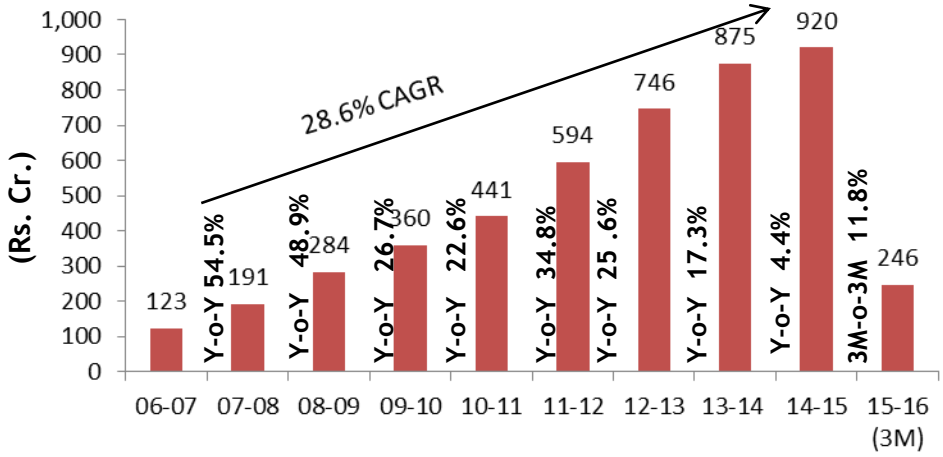
Light Hair Oil - Value



Almond Drops Hair Oil Market - Volume



Almond Drops Hair Oil Market - Value

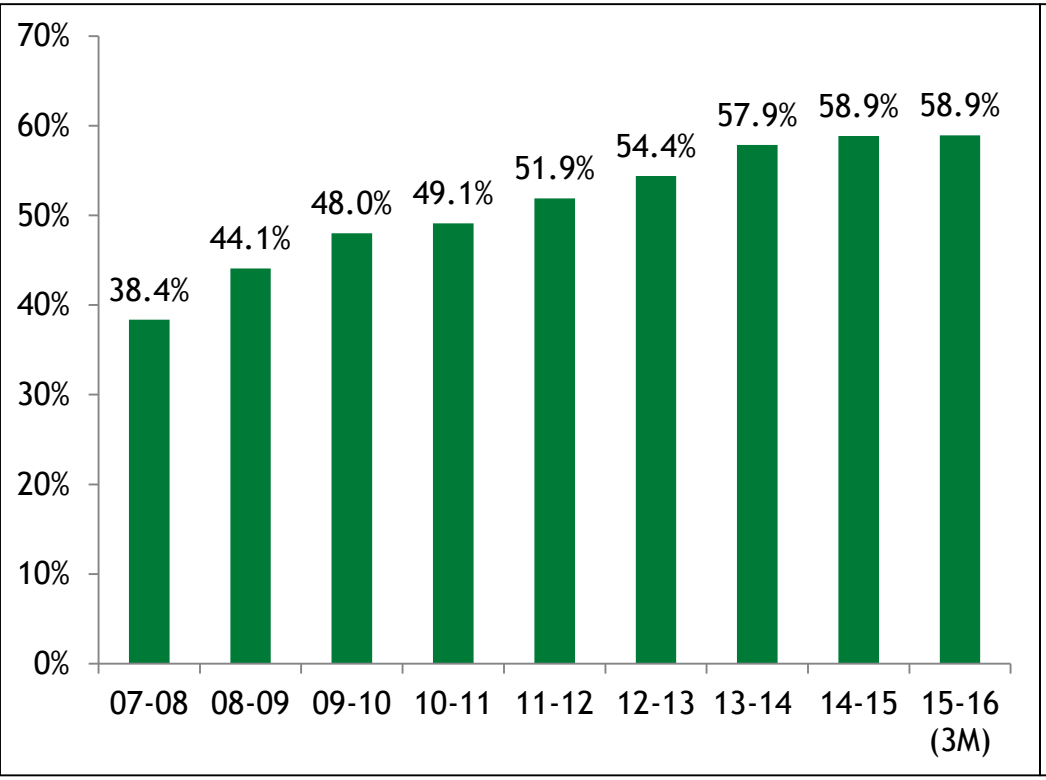


Source: AC Nielsen Retail Audit Report, Jun 2015.

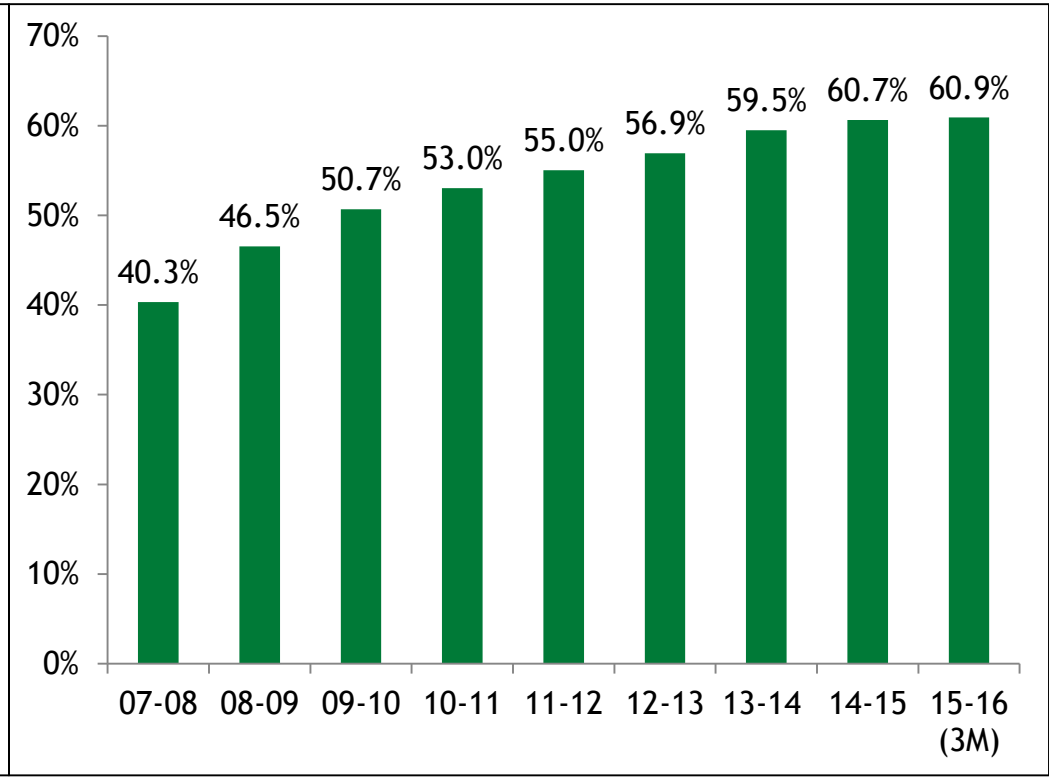
Almond Drops is the brand which is driving light hair oils and in turn the overall market

Market Shares Trends (All India - Urban Plus Rural)

Volume MS



Value MS

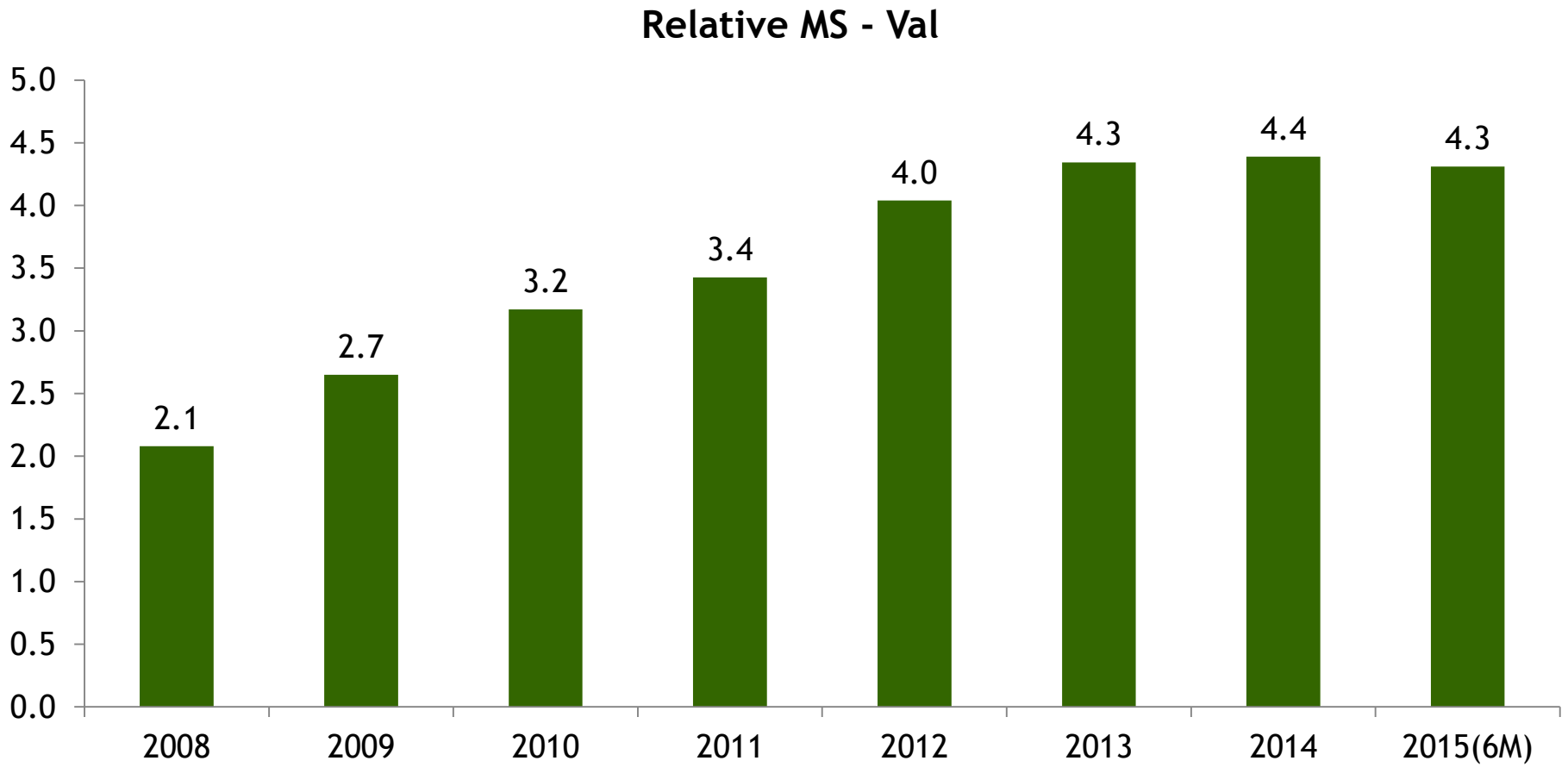


***Market Share in the Light Hair Oil Category**

Source: AC Nielsen Retail Audit Report, ***Jun 2015***

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, Jun 2015

Growth in Relative market share demonstrates the strength of the brand

ADHO - Relative Market Shares - Value

State	Relative MS	Rank
Delhi	4.5	1st
Rajasthan	1.5	1st
Uttar Pradesh	3.8	1st
Punjab	3.3	1st
HP-JK	5.0	1st
Haryana	4.6	1st
Uttaranchal	4.7	1st
North Zone	**4.1**	**1st**
Assam	5.4	1st
North East	3.1	1st
Bihar	10.2	1st
Orissa	5.2	1st
West Bengal	3.6	1st
Jharkhand	8.5	1st
East Zone	**6.0**	**1st**
All India	**4.3**	**1st**

State	Relative MS	Rank
Madhya Pradesh	3.7	1st
Chhattisgarh	7.8	1st
Central Zone	4.5	1st
Gujarat	**2.1**	**1st**
Mumbai	3.5	1st
Maharashtra	4.4	1st
West Zone	**3.0**	**1st**
Andhra Pradesh	1.0	2nd
Karnataka	6.3	1st
Kerala	1.8	1st
Tamil Nadu	0.6	2nd
South Zone	**1.6**	**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, Jun 2015

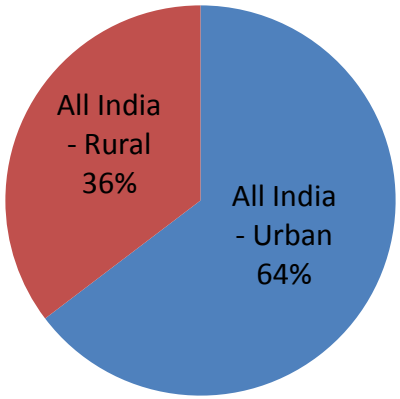
Statewise Market Share

Jul 14 - Jun 15	LHO Volume	Proportion %		ADHO Market Share % (Vol)		
	Saliency	Urban	Rural	Total	Urban	Rural
All India (U+R)	100.0%	62.8%	37.2%	59.0%	56.5%	63.1%
Punjab	5.8%	75.2%	24.8%	53.9%	51.4%	61.4%
Haryana	5.6%	75.2%	24.8%	60.3%	56.7%	71.0%
Delhi	6.0%	100.0%	NA	59.2%	59.2%	NA
Rajasthan	8.6%	63.6%	36.4%	48.2%	48.5%	47.9%
Uttar Pradesh	21.5%	58.4%	41.6%	63.1%	59.4%	68.2%
Uttaranchal	1.0%	55.9%	44.1%	60.4%	53.3%	69.5%
Assam	5.1%	51.4%	48.6%	54.6%	49.8%	59.6%
Bihar	5.1%	50.8%	49.2%	77.1%	74.2%	80.0%
Jharkhand	1.3%	68.1%	31.9%	75.2%	73.7%	78.4%
Orissa	1.3%	66.6%	33.4%	62.9%	62.0%	64.7%
West Bengal	7.3%	54.8%	45.2%	48.0%	45.8%	50.6%
Gujarat	5.9%	69.6%	30.4%	53.1%	48.3%	64.0%
Madhya Pradesh	12.3%	47.5%	52.5%	61.3%	62.3%	60.4%
Chattisgarh	3.6%	38.7%	61.3%	76.1%	70.5%	79.6%
Maharashtra	6.3%	74.3%	25.7%	59.6%	62.0%	53.0%
Karnataka	1.2%	83.5%	16.5%	60.7%	59.0%	69.6%
Andhra Pradesh	1.4%	79.7%	20.3%	36.7%	39.5%	25.8%
Tamil Nadu	0.5%	81.8%	18.2%	23.6%	23.2%	25.2%
Kerala	0.1%	91.1%	8.9%	23.8%	23.5%	27.6%

Source: AC Nielsen Retail Audit Report, MAT Jun 2015

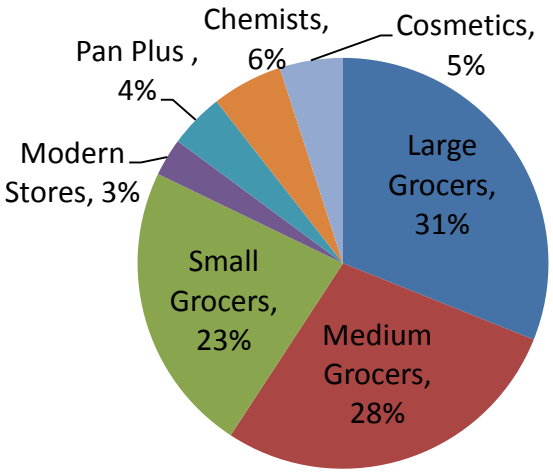
Light Hair Oil Market - Key Characteristics

Rural -Urban break up of LHO market



Urban dominated segment due to its relatively higher pricing but Rural is leading the growth.

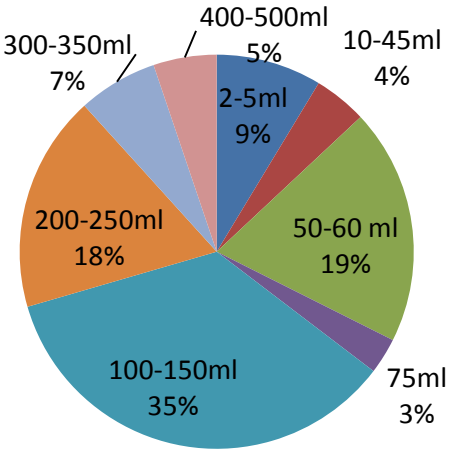
Share of Distribution Channels in LHO market



% - Market share

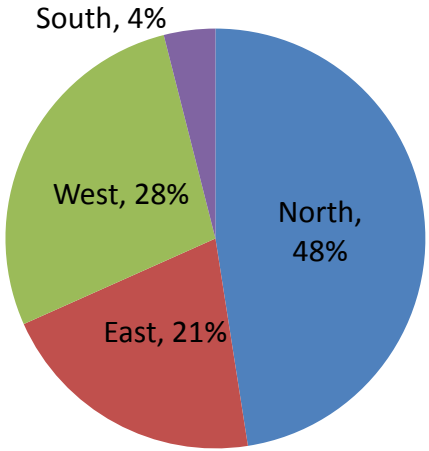
Grocers dominate distribution, but alternate channels like modern retail demonstrating higher growth rate

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

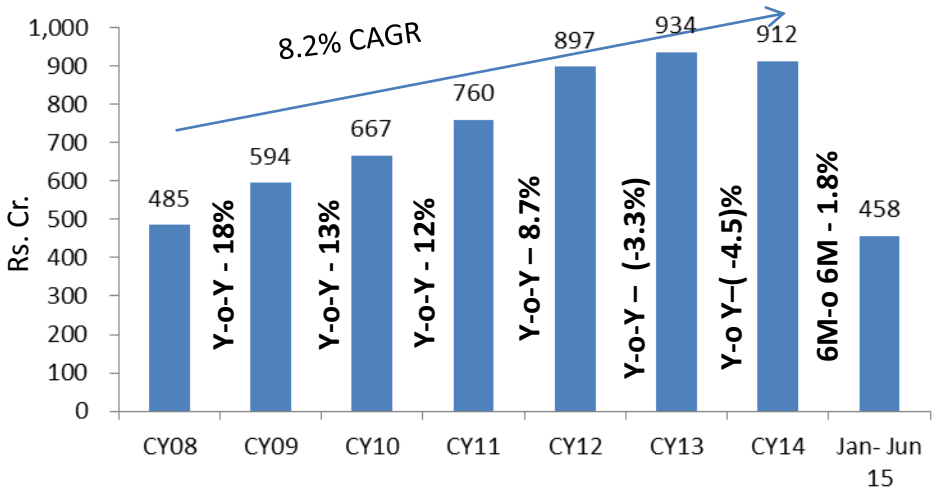


Sales tend to be concentrated in the Northern parts of the country, but East is the fastest growing region

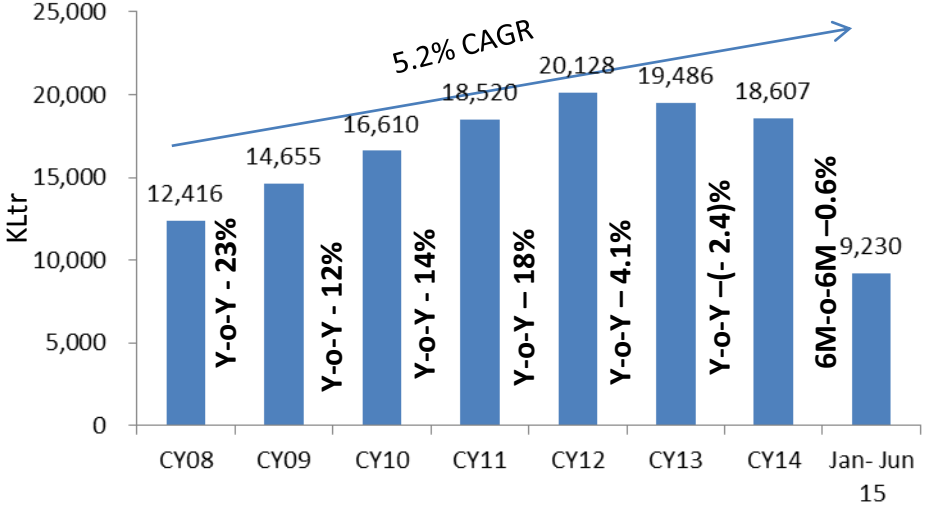
Source: AC Nielsen Retail Audit Report, Feb 2015

Cooling Hair Oil Market in India

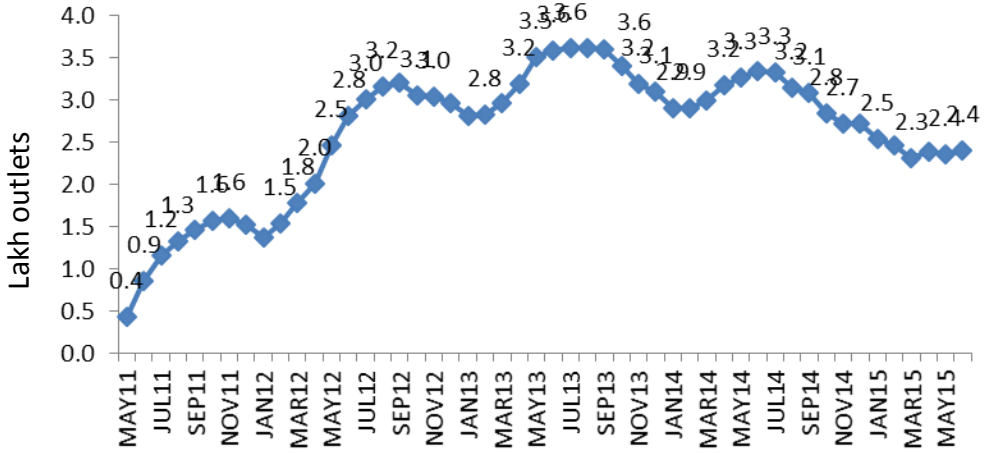
Cooling Hair Oil – Value



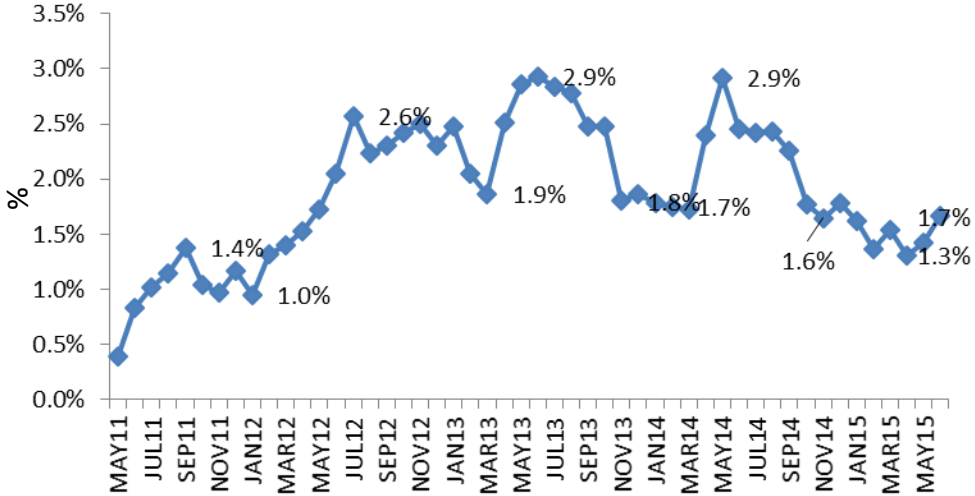
Cooling Hair Oil – Volume



Kailash Parbat – Distribution Trend



Kailash Parbat – Volume Market Share Trend



Source - AC Nielsen Retail Audit Report, Jun 2015

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, Jun **2015.*

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
All Skin, Oily Skin & Dry Skin Types, available in sizes 12g & 25g

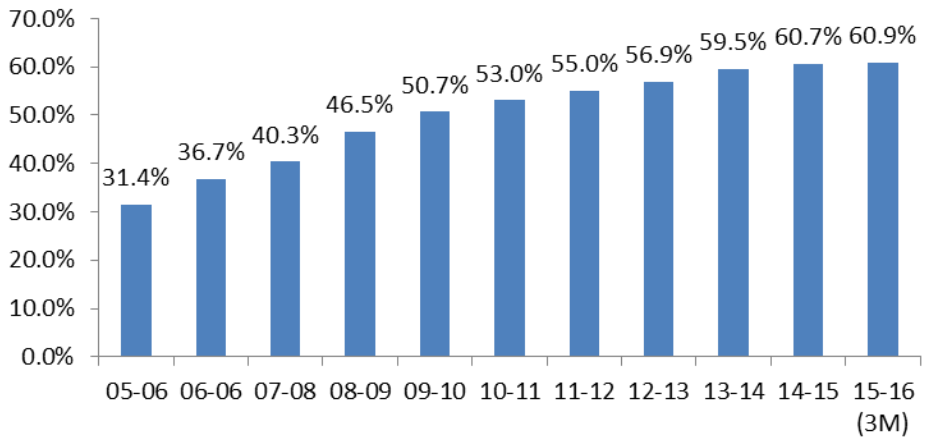
Bajaj NOMARKS Facewash for
All Skin, Oily Skin & Dry Skin Types & Neem Facewash, available in sizes 15g, 50g, 100g

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

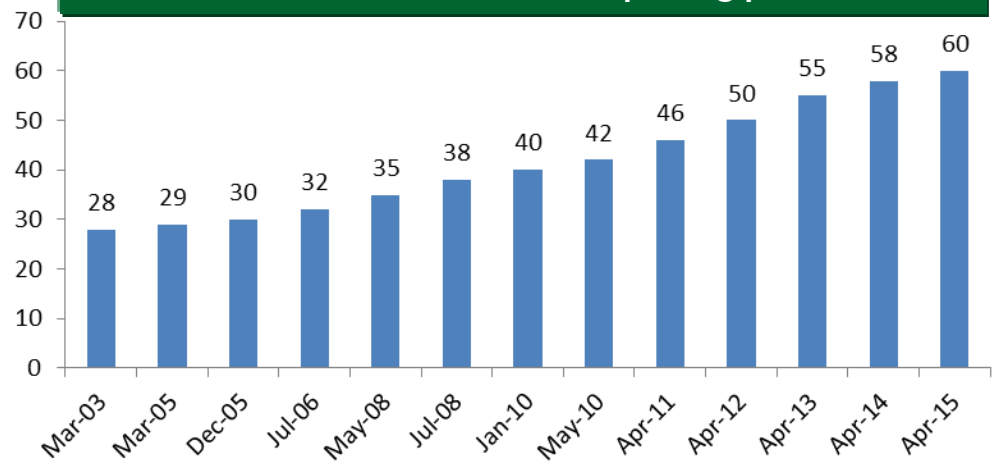
Bajaj NOMARKS Exfoliating Walnut Scrub, 50g & 100g
and Bajaj NOMARKS Dry Face Pack 25g

Bajaj Almond Drops - A Premium Brand

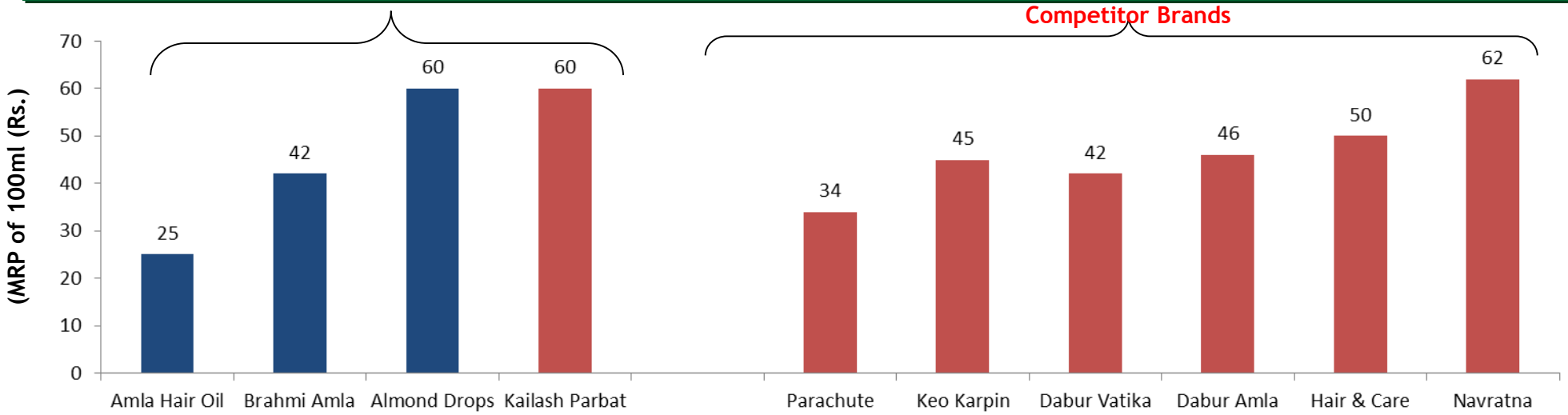
Strong Market Share Growth in Recent Years



. . . But not at the cost of pricing power



Comparative Price of Different Brands for 100 ml in the Hair Oil Segment



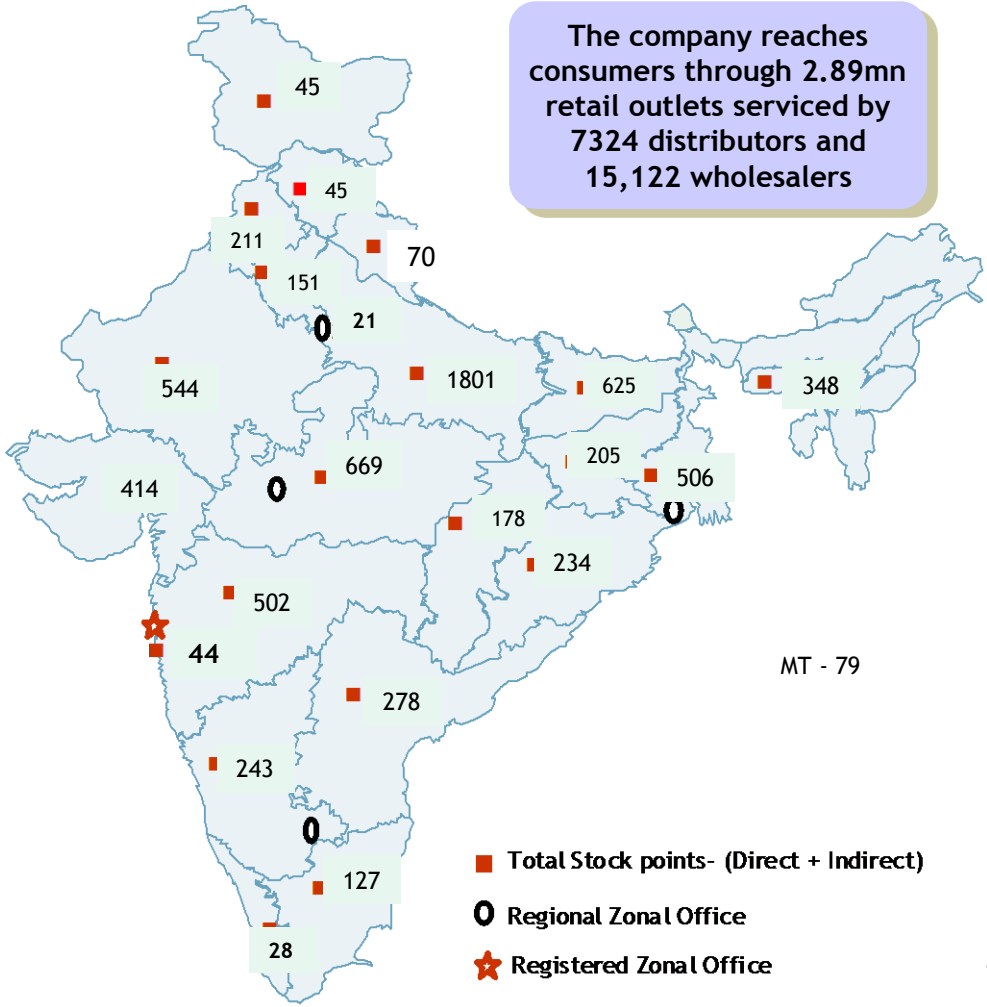
*Source: AC Nielsen Retail Audit Report Jun **2015**, Kotak Institutional Research*

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.)

Strong Distribution Network

Distribution Network

The company reaches consumers through 2.89mn retail outlets serviced by 7324 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 (1,643)

↓

Retail Outlets (1,106,410)[1]

Rural Distribution

↓

Super Stockist (204)

↓

Sub-Stockist (5690)

↓

Retail Outlets (1,782,986)[1]

1 - as on Jun 30, 2015. Nielsen New Sample

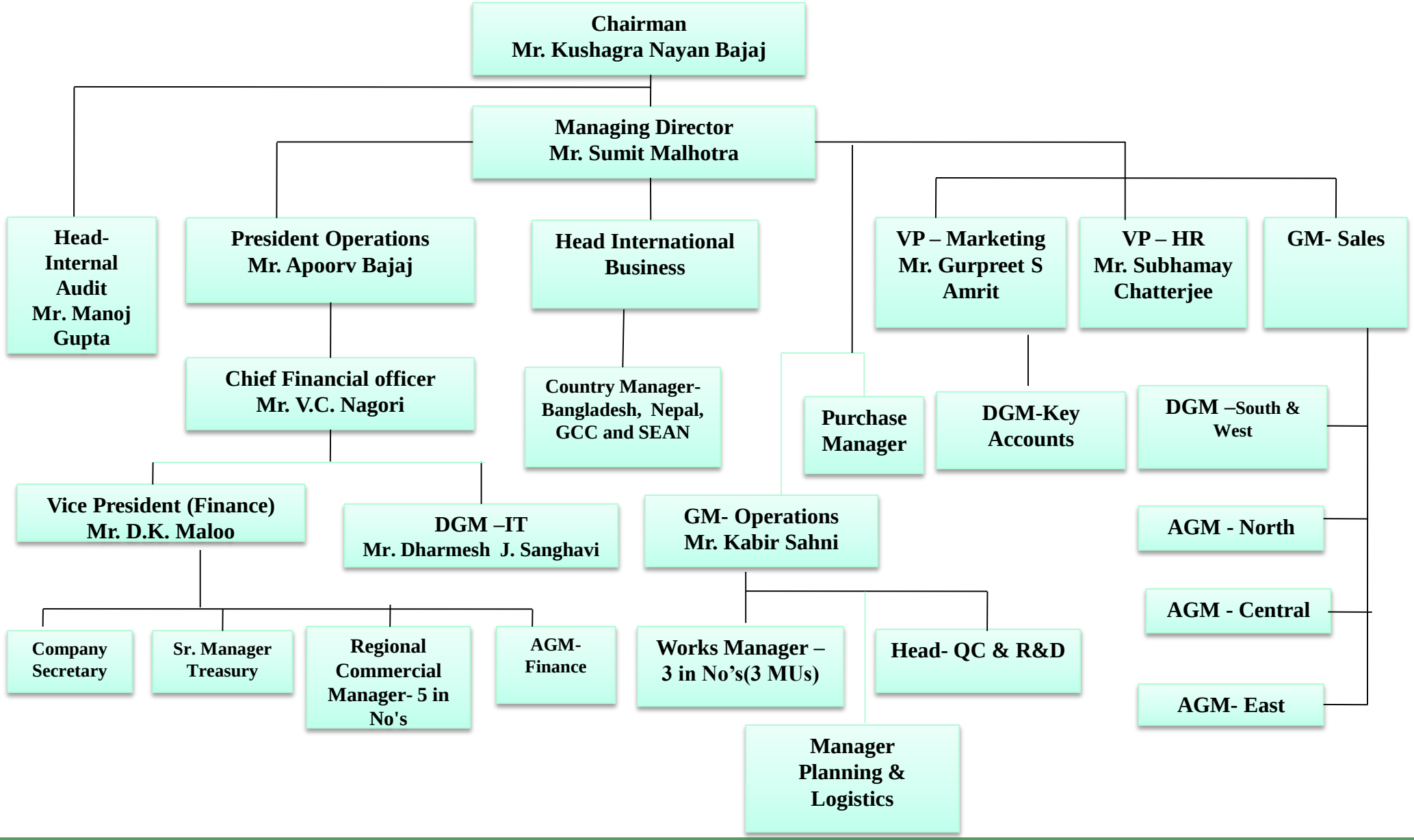
Over the years, BCL has created a large distribution network (that continues to grow) which can be leveraged to introduce new products

Van Operations

- Started in FY 13 with a objective of increasing Rural Sales
- Piloted 39 Vans in Q4 FY 13
- Currently operating 112 vans (for Sales)
- Vans cover 8177 uncovered Towns and Villages on a monthly basis
- In Apr-Jun 2015
  - Bajaj Almond Drops Hair Oil got 40.1 % of its sales from Rural India
  - Volume Growth in Rural India – 8.1% (Urban + Rural = 7.5%)
  - Market share in Rural India – 64.0% (Urban + Rural = 58.9%)

**Source: AC Nielsen Retail Audit Report, MAT Jun 2015.*

Organization Structure

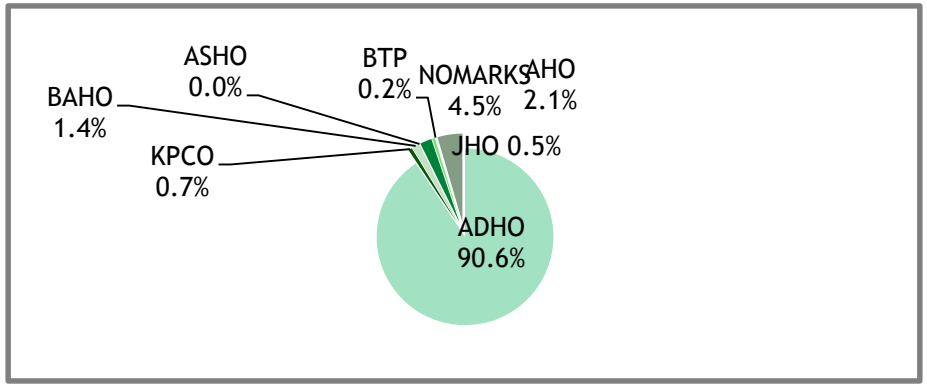


Financial Information

Summary Income Statement

Particulars (Rs. In Crore)	Q1FY16	Q1FY15	FY 15	FY 14
Sales (Net)	218.37	191.07	819.50	670.68
EBITDA	67.38	54.60	242.74	186.65
EBITDA Margin	*30.86%*	*28.58%*	*29.62%*	*27.83%*
Profit Before Tax & Exceptional Item	*72.15*	*61.89*	*266.29*	*217.23*
Exceptional Item (Trademark & Intellectual Properties)	*11.75*	*11.75*	*46.98*	*28.60*
Profit Before Tax(PBT)	*60.40*	*50.15*	*219.31*	*188.63*
Net Profit after Tax	47.51	39.61	173.31	150.45
Net Profit Margin	*21.76%*	*20.73%*	*21.15%*	*22.43%*

Brandwise Sales Break-Up for FY 2015



Summary Balance Sheet

Particulars (Rs. In Crore)	Q1FY16	Q1FY15	2014-15	2013-14
Shareholders Equity	539.33	561.70	491.81	522.08
Net Fixed Assets	98.20	148.50	110.38	160.89
Investments (including Bank FDs, Bank CDs and Government Securities & Bonds)	400.03	387.56	371.07	338.83
Net Current Assets	41.10	25.64	10.36	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

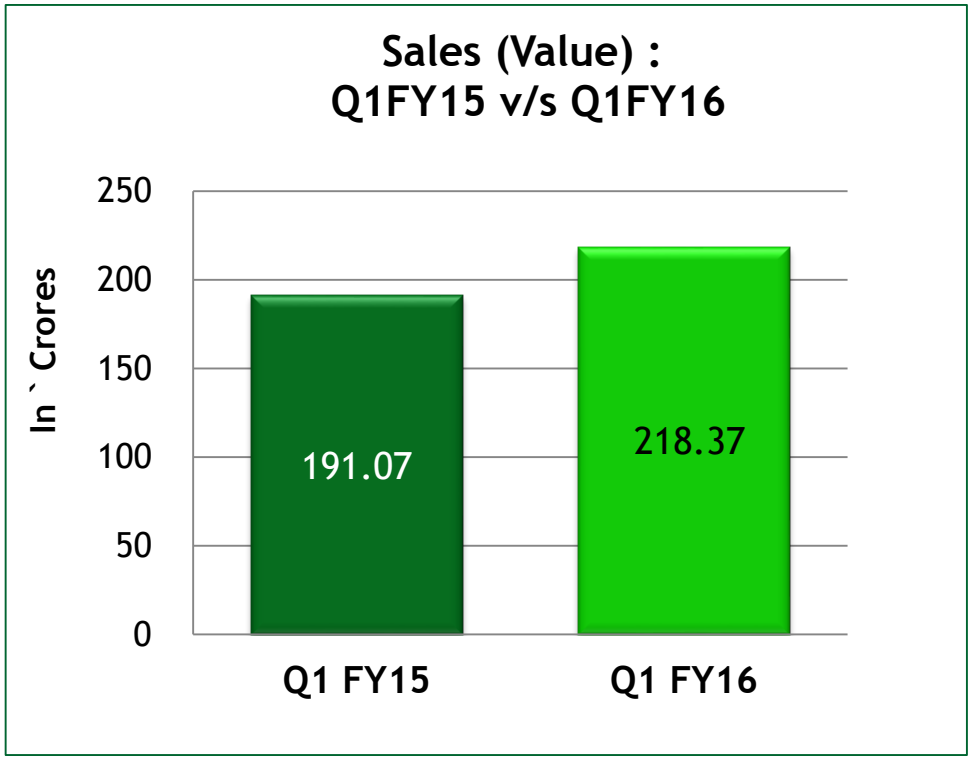
Particulars	Q1FY16	Q1FY15	YoY%	FY 15	FY 14	YoY%
EBITDA	67.38	54.60	23.41%	242.74	186.65	30.05%
Profit Before Tax & Exceptional Item	72.15	61.89	16.57%	266.29	217.23	22.59%
Exceptional Item (Trademark & Intellectual Properties)	11.75	11.75		46.98	28.60	
Profit Before Tax (PBT)	60.40	50.14	20.45%	219.31	188.63	16.27%
Profit After Tax (PAT)	47.51	39.61	19.94%	173.31	150.45	15.20%

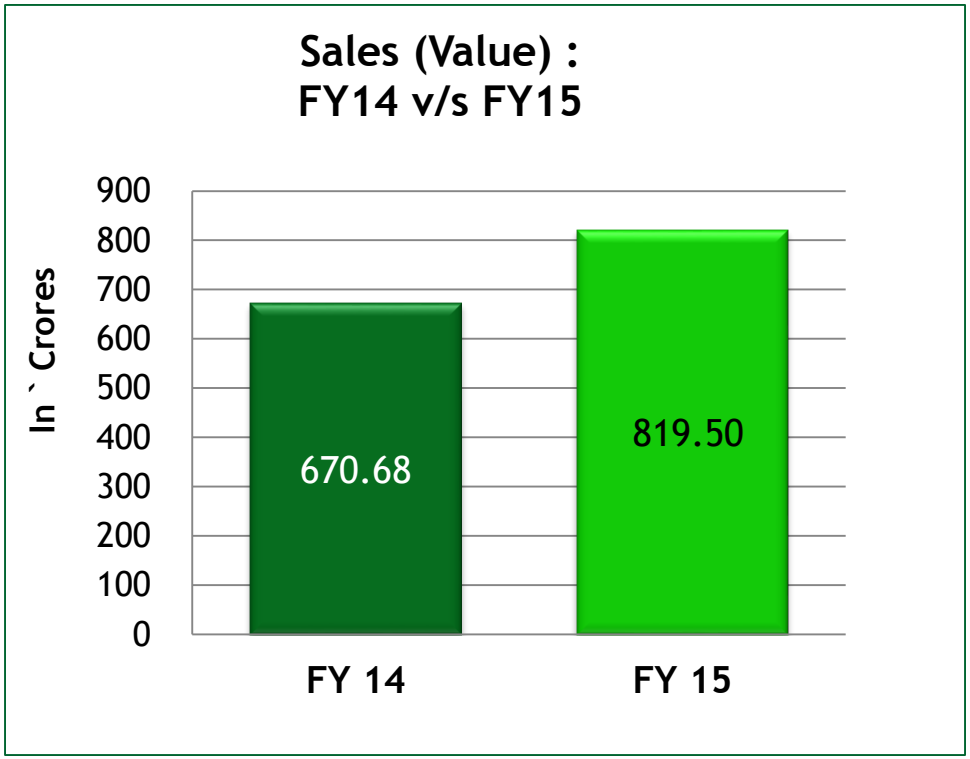
Profit & Loss Q1 FY2016 and for the year 2015

` in Crore

Particulars	Q1FY16	Q1FY15	YoY%	FY 15	FY 14	YoY%
Net Sales	**218.37**	**191.07**	**14.29%**	**819.50**	**670.68**	**22.19%**
Other Operating Income	0.73	0.25		1.80	1.05	
Material Cost	77.26	77.98		315.36	268.75	
% of Sales	35.38%	40.81%		38.48%	40.07%	
Employees Cost	11.13	9.63		38.05	33.94	
% of Sales	5.09%	5.04%		4.64%	5.06%	
Advertisement & Sales Prom.	40.60	30.53		145.14	113.30	
% of Sales	18.59%	15.98%		17.71%	16.89%	
Other Expenses	22.74	18.58		80.00	69.07	
% of Sales	10.41%	9.72%		9.76%	10.30%	
EBITDA	**67.38**	**54.60**	**23.41%**	**242.74**	**186.65**	**30.05%**
% of Sales	30.86%	28.58%		29.62%	27.83%	
Other Income	6.81	9.07		31.55	40.13	
% of Sales	3.12%	4.75%		3.85%	5.98%	
Finance Cost	0.01	0.02		0.10	5.88	
Depreciation	1.00	0.85		4.24	3.67	
Corporate Social Responsibility	1.03	0.91		3.67	-	
Profit Before Tax & Exceptional Item	**72.15**	**61.89**	**16.57%**	**266.29**	**217.23**	**22.59%**
Exceptional Item (Trademark & Intellectual Properties)	11.75	11.75		46.98	28.60	
Profit Before Tax(PBT)	**60.40**	**50.14**	**20.45%**	**219.31**	**188.63**	**16.27%**
Tax Expenses	12.89	10.53		45.99	38.18	
Profit After Tax(PAT)	**47.51**	**39.61**	**19.94%**	**173.31**	**150.45**	**15.20%**
% of Sales	21.76%	20.73%		21.15%	22.43%	
Diluted EPS (Rs.)	3.22	2.69		11.75	10.20	

Sales Performance





- ✓ Sales for the quarter ended June'15 has increased by 14.29% value wise and 12.11 % volume wise.

Statement of Quarter wise Sales (Volume & Value)

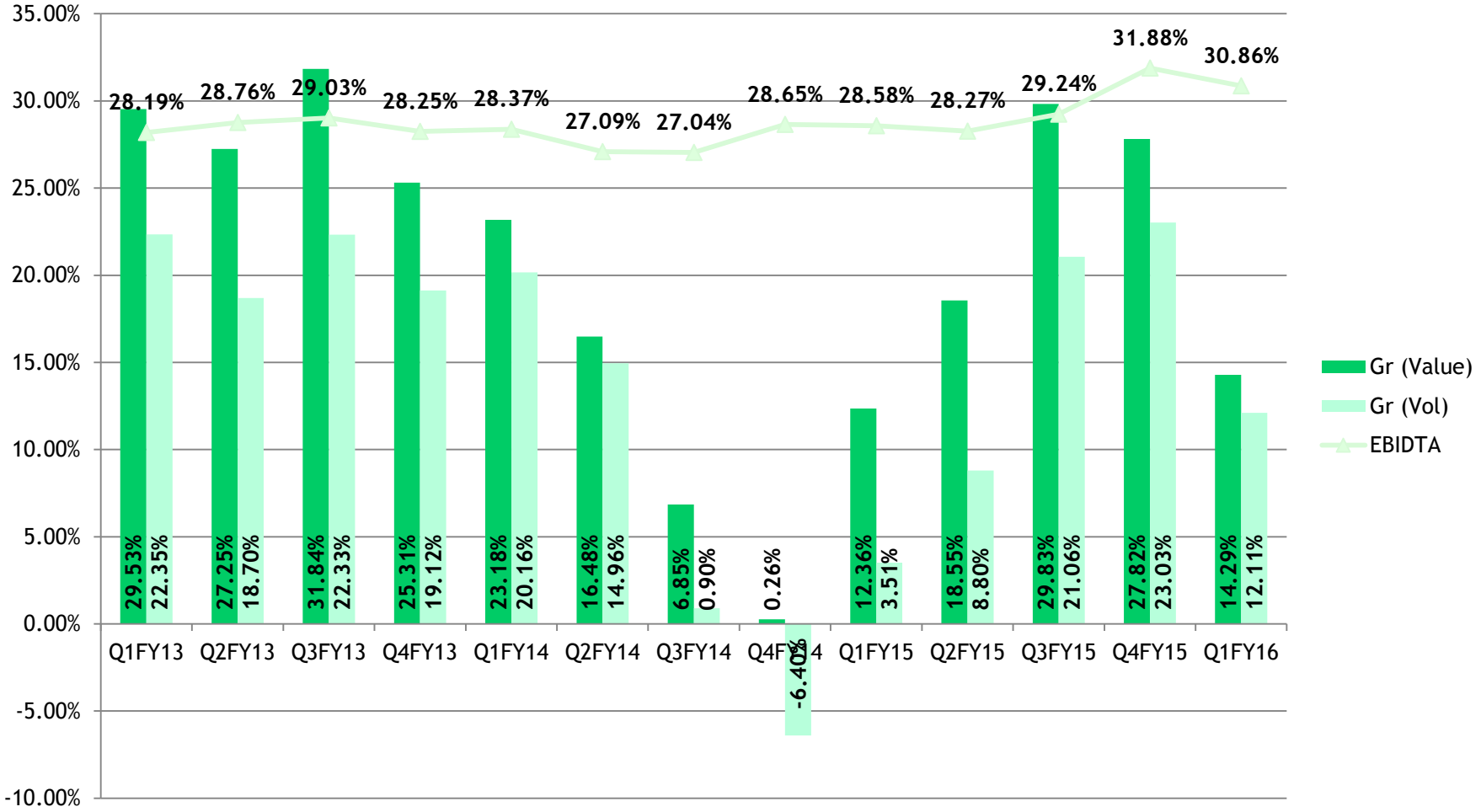
STATEMENT OF QUARTERWISE SALES (VOLUME - In Cases)

PRODUCT	Q1 FY 16	% to Total	Q1 FY 15	% to Total
ADHO	1,241,928	91.26%	1,123,144	92.53%
KPCO	7,435	0.55%	15,805	1.30%
BAHO	14,073	1.03%	9,671	0.80%
ASHO	66	0.00%	2,184	0.18%
AHO	49,630	3.65%	-	0.00%
NOMARKS	40,210	2.95%	58,222	4.80%
OTHERS	7,472	0.55%	4,848	0.40%
Total	**1,360,814**	**100.00%**	**1,213,874**	**100.00%**
% Increase over corresponding period of Previous Year	**12.11%**			

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

PRODUCT	Q1 FY 16	% to Total	Q1 FY 15	% to Total
ADHO	197.85	90.60%	170.91	89.45%
KPCO	1.48	0.68%	2.92	1.53%
BAHO	3.05	1.40%	2.00	1.04%
ASHO	0.01	0.00%	0.23	0.12%
AHO	4.66	2.14%	-	
Nomarks	9.92	4.54%	14.13	7.39%
Others	1.41	0.65%	0.89	0.47%
Total	**218.37**	**100.00%**	**191.07**	**100.00%**
% Increase over corresponding period of Previous Year	**14.29%**			

Consistent Performance over the last 13 successive quarters



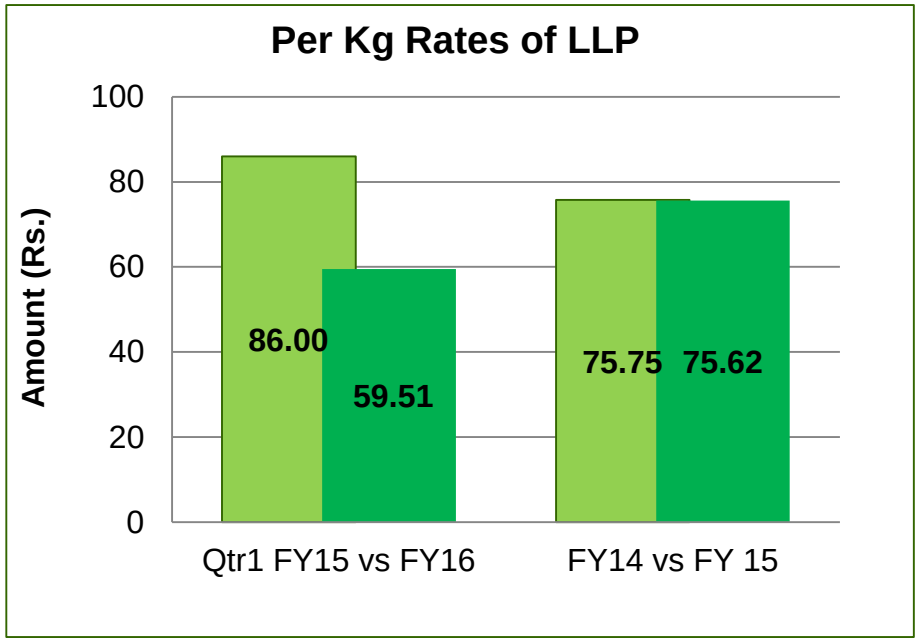
Breakup of RM/PM Costs *(for Q1 FY 16)*

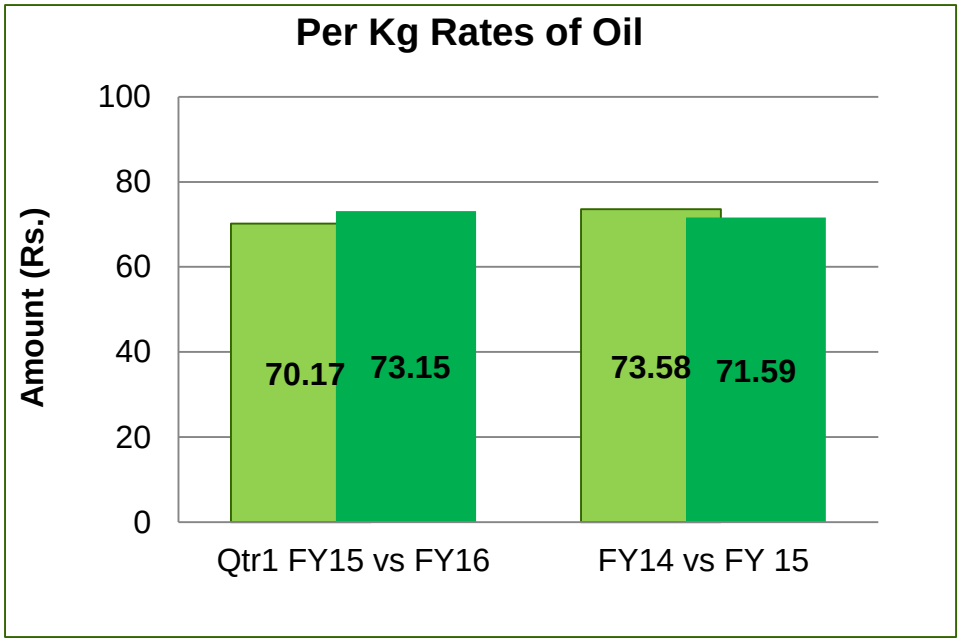
Key Raw & Packing Material	% to Sales	% to Total Cost
LLP	11.49%	32.80%
Glass Bottles	8.45%	24.12%
Refined Veg. Oil	3.76%	10.72%
Perfumes & other additives	2.89%	8.24%
Corrugated Boxes	1.55%	4.41%
Caps	2.02%	5.75%
Others	4.89%	13.96%
TOTAL	35.04%	100.00%

*** Consumption is 35.04% of Sales**

For Bajaj Almond Drops

Change in Prices of Key Ingredients





- ✓ During the quarter average price of LLP decreased to Rs. 59.51/kg from Rs. 86/kg in corresponding quarter of previous year.
- ✓ During the quarter average price of Refined Oil increased to Rs. 73.15/kg from Rs. 70.17/kg in corresponding quarter of previous year.

Fund Position

- Fund Position:
  - The total Fund available with the company as on 30th June' 2015 is Rs.344.59 Crores
  - 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	87.47
Liquid Plans of Mutual Funds	111.09
PSU Corporate Bonds	146.03
Total	**344.59**

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 2016.
- 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 2.87 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