bajaj corp limited

October 21, 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: Updated Investor Presentation –Oct 2013

Further to our letter dated October 21, 2013, please note the following changes:

1. In Slide No 18- Financial Information:-

   With respect to Table-Summary Income Statement,

   a. in the Column 'Q2FY14', the figure for 'Net Profit after Tax' **should read 36.02 instead of 38.44** and Net Profit Margin **should read 22.76% instead of 24.29%** as appearing presently.

   With respect to Table- Summary Balance Sheet,

   b. in the Column 'HY2014', the figure for 'Net Fixed Assets' **should read 184.23 instead of 187.30** and 'Net Current Assets' **should read 0.64 instead of -0.01** as appearing presently.

2. Slide No.19- EBITDA & PAT Performance as appearing presently, **has been replaced with new Slide No. 19- EBITDA & PAT Performance.**

3. Slide No. 20- Profit & Loss Q2 FY2014 as appearing presently, **has been replaced with new Slide No. 20- Profit & Loss Q2 FY2014.**

This presentation includes additional data on the cash balances available with the company as on September 30, 2013 (Slide No 27) and also updated Market Share data as of September 2013.

We now request you to kindly take the attached Investor Presentation on record in replacement of the Investor Presentation submitted earlier on October 21, 2013.

The same be disseminated to all concerned.

We sincerely regret any inconvenience caused in this regard.

Thanking you,

Yours faithfully,
For Bajaj Corp Limited

Sujoy Sircar
Company Secretary

Encl.: As above

bajaj Corp Ltd.

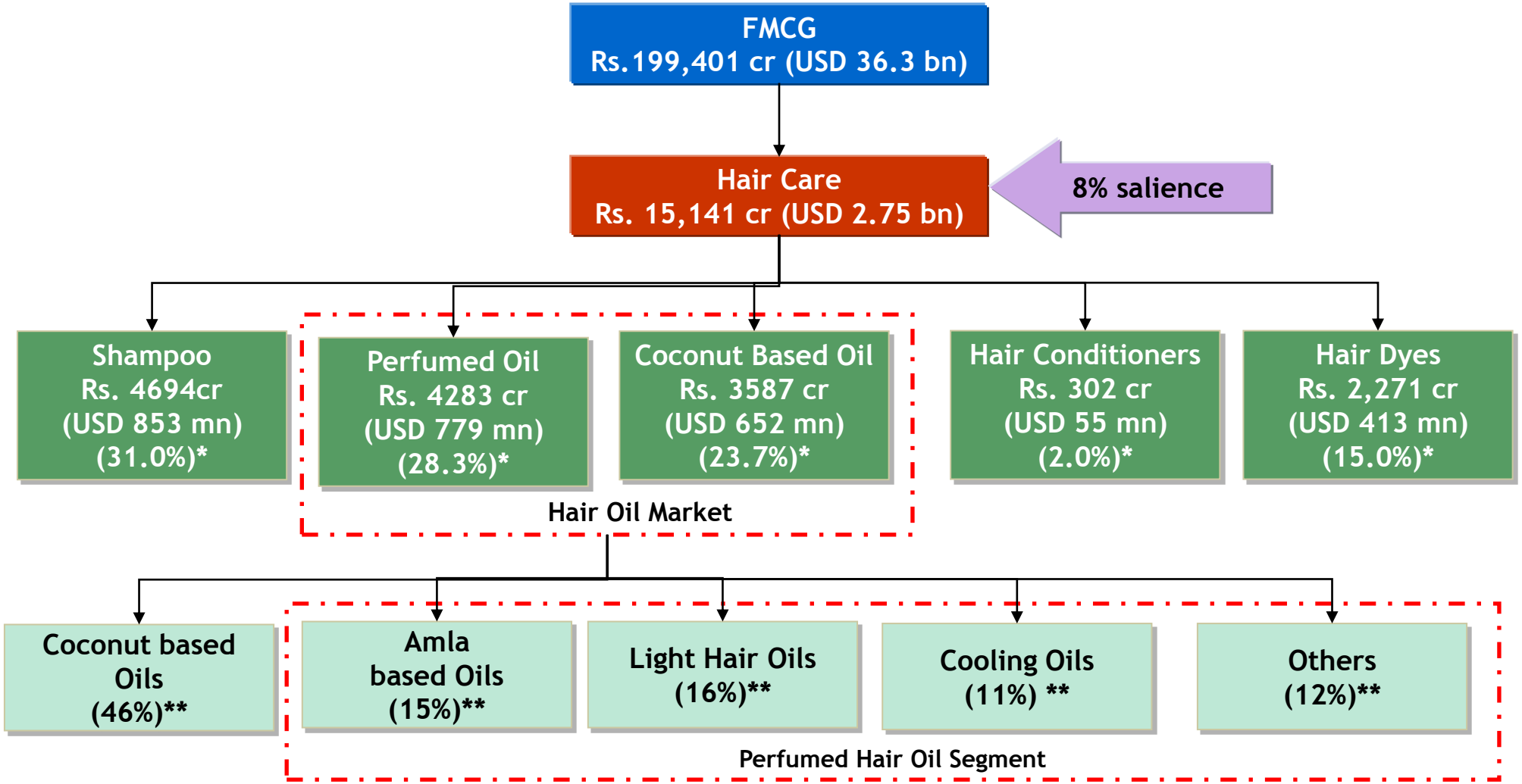
Investor Presentation

Oct 2013

Updated on 21st October 2013

Industry Overview

Industry Size and Structure



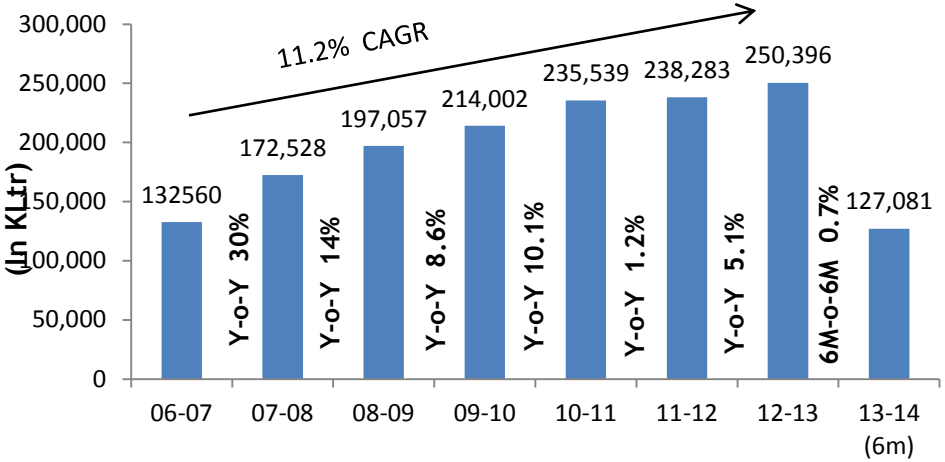
Source: AC Nielsen Retail Audit Report.
Only branded products data for CY 2012

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

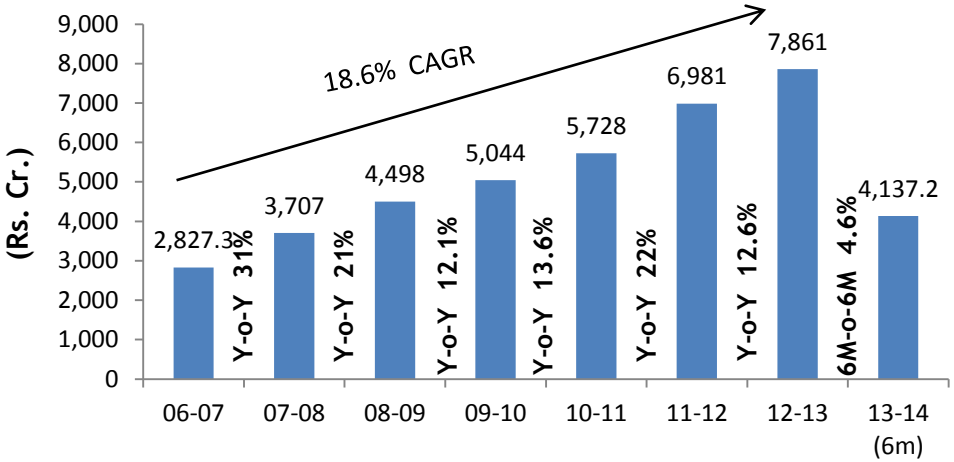
Light Hair Oil is now the largest non-coconut hair oil segment

Hair Oil Market in India

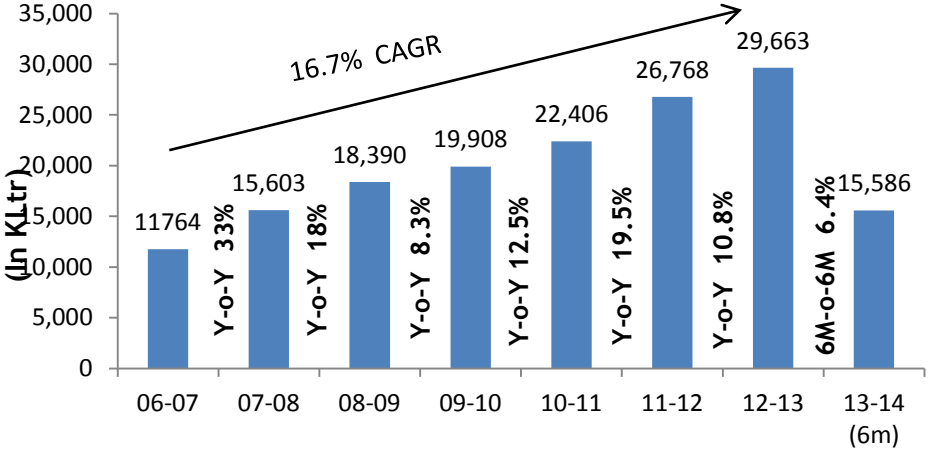
Overall Hair Oil Market - Volume



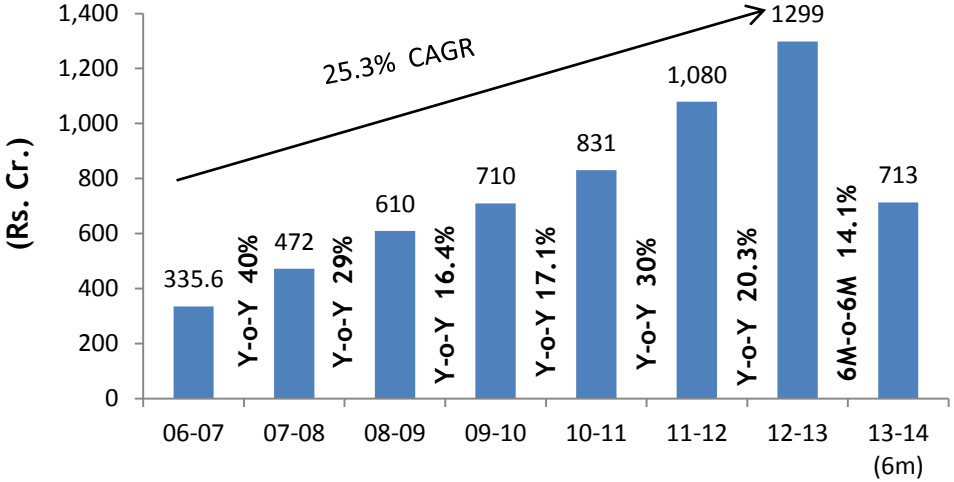
Overall Oil Market - Value



Light Hair Oil - Volume



Light Hair Oil - Value

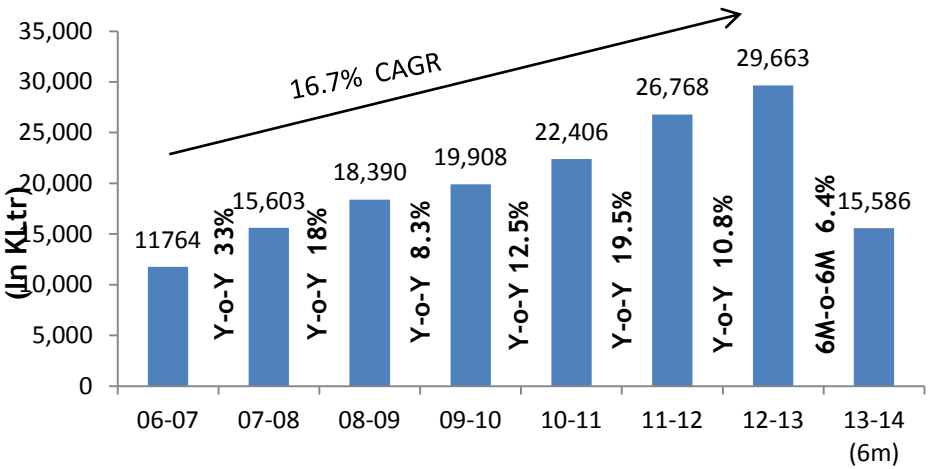


Source: AC Nielsen Retail Audit Report, Sep2013.

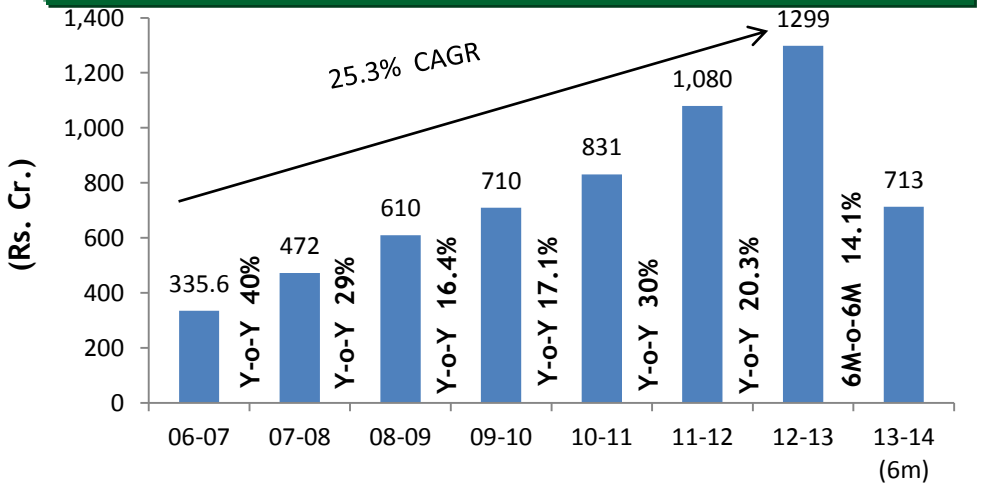
Light hair oils is one of the fastest growing segments in the hair oil market in India

Light Hair Oil Market in India

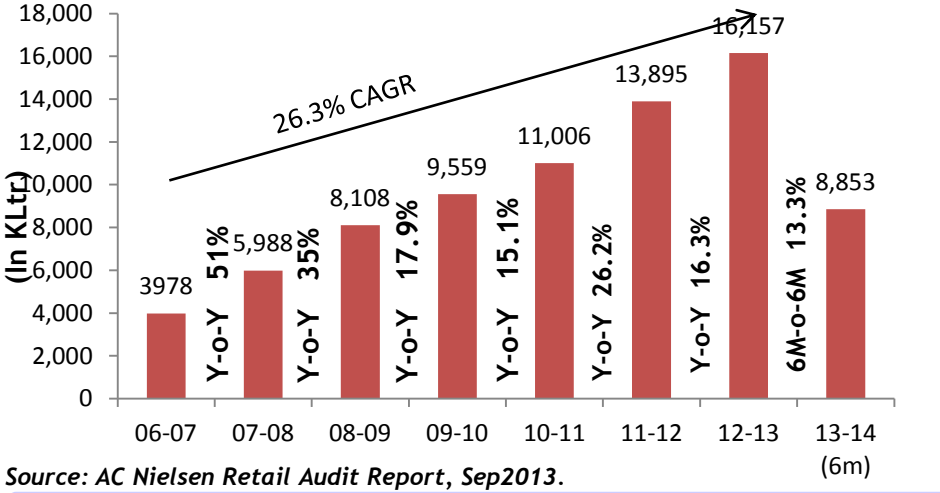
Light Hair Oil - Volume



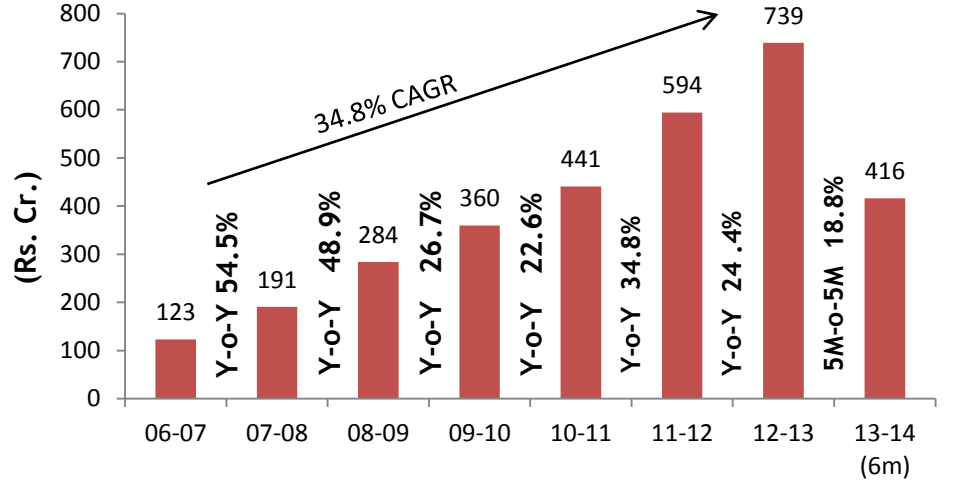
Light Hair Oil - Value



Almond Drops Hair Oil Market - Volume



Almond Drops Hair Oil Market - Value

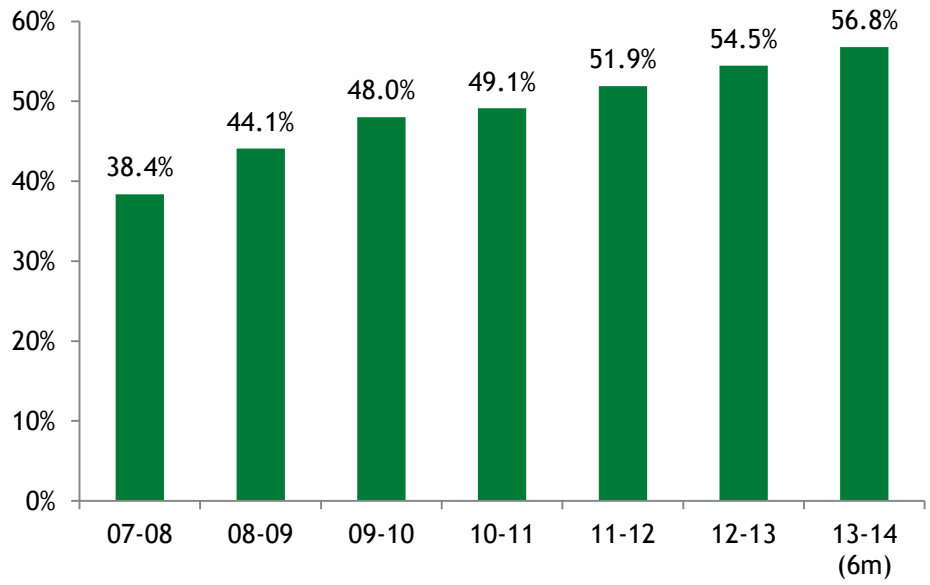


Source: AC Nielsen Retail Audit Report, Sep2013.

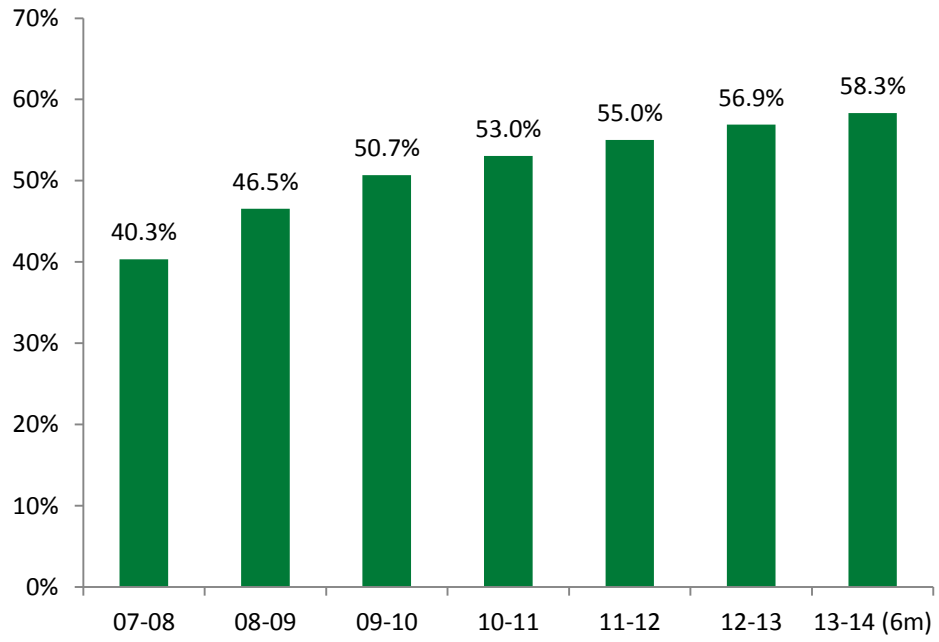
Almond Drops is the brand which is driving light hair oils and in turn the overall market

Market Shares Trends (All India - Urban Plus Rural)

Volume MS



Value MS

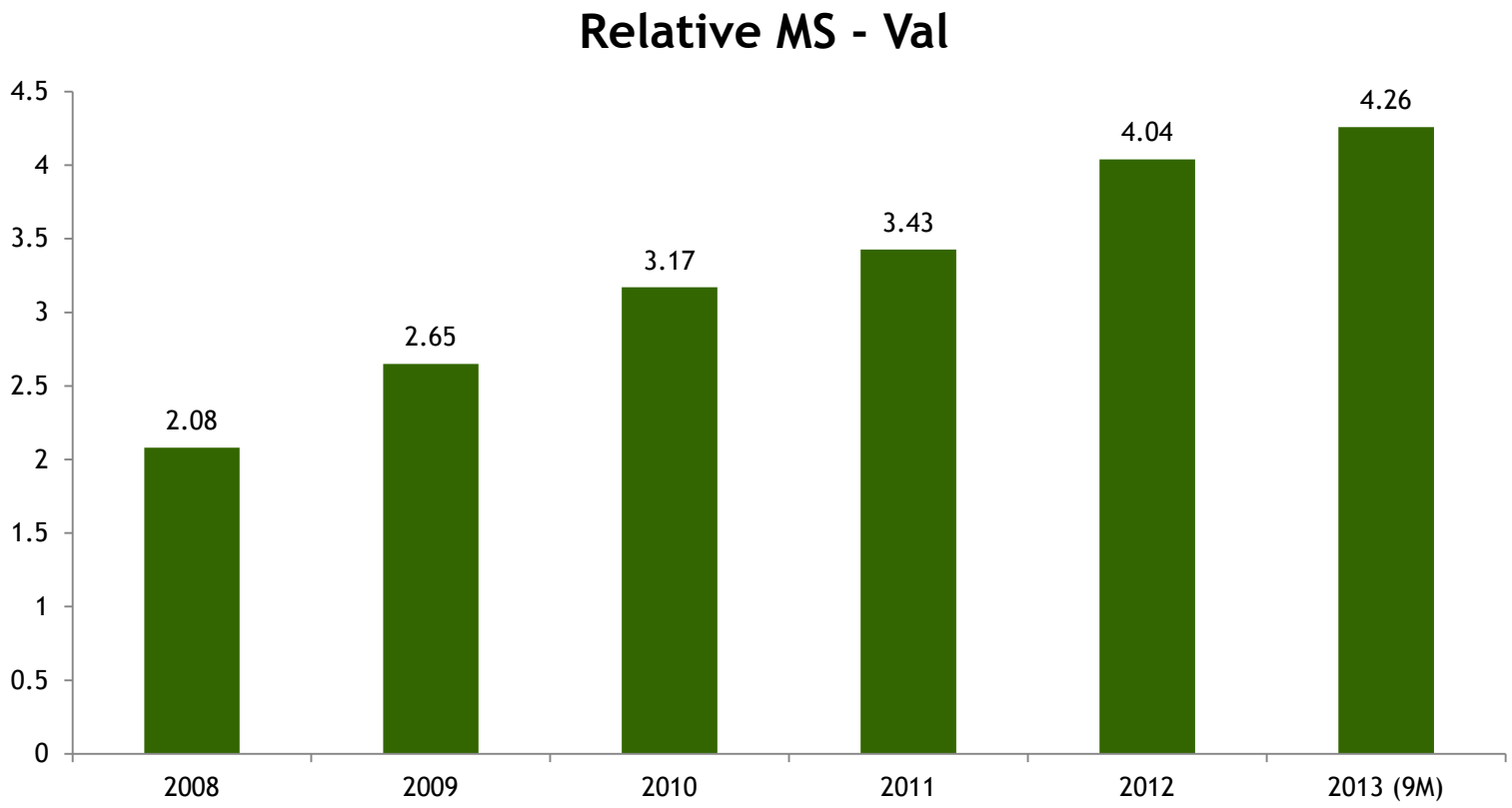


***Market Share in the Light Hair Oil Category**

Source: AC Nielsen Retail Audit Report, Sep2013

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, Sep2013

Growth in Relative market share demonstrates the strength of the brand

ADHO - Relative Market Shares - Value

State	Relative MS	Rank
Delhi	3.8	1st
Rajasthan	1.6	1st
Uttar Pradesh	3.4	1st
Punjab	3.9	1st
HP-JK	3.2	1st
Haryana	4.4	1st
Uttaranchal	4.5	1st
North Zone	**4.1**	**1st**
Assam	5.7	1st
North East	1.7	1st
Bihar	8.3	1st
Orissa	4.3	1st
West Bengal	3.0	1st
Jharkhand	5.0	1st
East Zone	5.7	1st
All India	**4.3**	**1st**

State	Relative MS	Rank
Madhya Pradesh	3.8	1st
Chhattisgarh	6.3	1st
Gujarat	2.2	**1st**
Central Zone	3.5	1st
Mumbai	3.8	1st
Maharashtra	4.1	1st
West Zone	**4.1**	**1st**
Andhra Pradesh	0.8	2nd
Karnataka	6.9	1st
Kerala	1.2	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, Sep2013

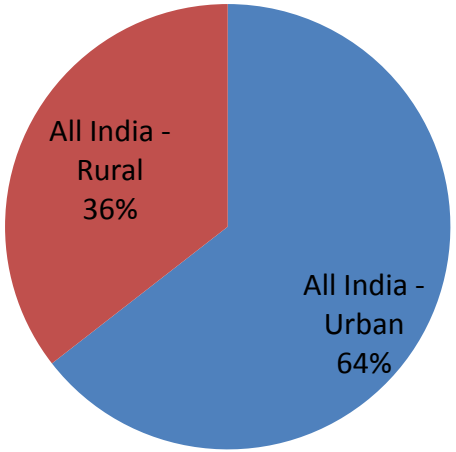
Statewise Market Share

Oct 12 - Sep 13	LHO Volume	Proportion %		ADHO Market Share % (Vol)		
	Saliency	Urban	Rural	Total	Urban	Rural
All India (U+R)	100.00%	65%	35%	56.20%	54.40%	59.40%
Punjab	6.19%	69%	31%	53.30%	52.10%	56.10%
Haryana	6.54%	80%	20%	58.50%	55.60%	70.20%
Delhi	5.82%	100%	0%	54.10%	54.10%	NA
Rajasthan	8.93%	60%	40%	47.20%	46.30%	48.60%
Uttar Pradesh (U+R)	21.67%	61%	39%	59.40%	56.50%	64.20%
Uttaranchal	0.97%	59%	41%	61.50%	56.90%	68.30%
Assam	5.60%	45%	55%	54.10%	45.00%	61.60%
Bihar	4.30%	64%	36%	74.40%	72.70%	77.50%
Jharkhand	1.45%	60%	40%	62.60%	61.60%	66.00%
Orissa	0.83%	77%	23%	58.50%	57.30%	60.30%
West Bengal	6.50%	64%	36%	38.80%	38.50%	39.30%
Gujarat	5.98%	75%	25%	52.70%	51.30%	57.30%
Madhya Pradesh	11.98%	43%	57%	61.60%	65.20%	58.90%
Chattisgarh	3.39%	48%	52%	70.60%	65.10%	75.80%
Maharashtra	6.75%	82%	18%	58.00%	58.80%	54.40%
Karnataka	1.05%	87%	13%	63.30%	62.40%	69.10%
Andhra Pradesh	1.44%	72%	28%	32.50%	37.80%	18.10%
Tamil Nadu	0.48%	96%	4%	23.00%	23.90%	3.20%
Kerala	0.14%	90%	10%	19.20%	20.80%	5.10%

Source: AC Nielsen Retail Audit Report, MAT Sep2013

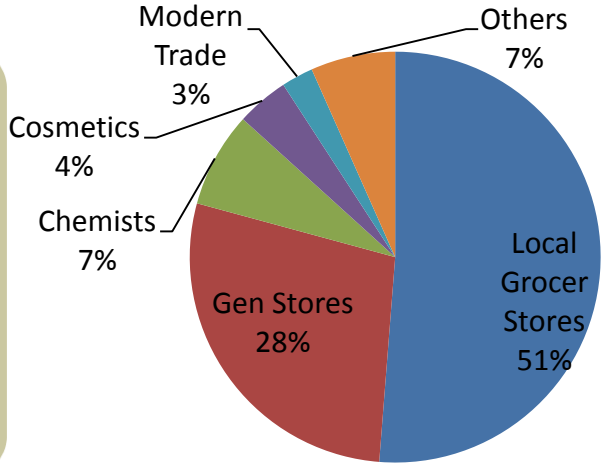
Light Hair Oil Market - Key Characteristics

Rural -Urban break up of LHO market



Urban dominated segment due to its relatively higher pricing

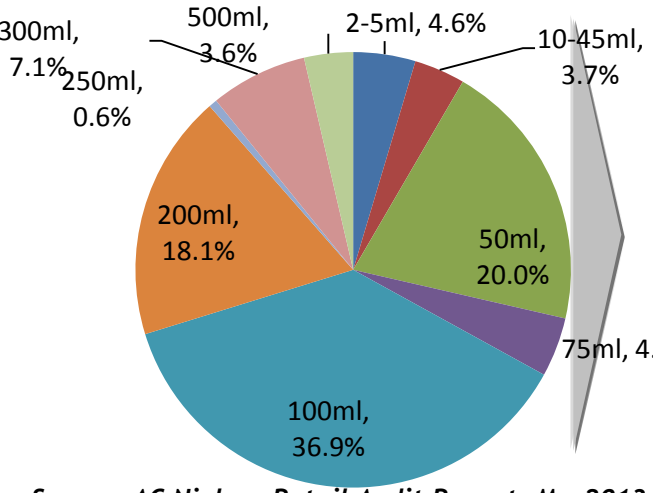
Share of Distribution Channels in LHO market



% - Market share

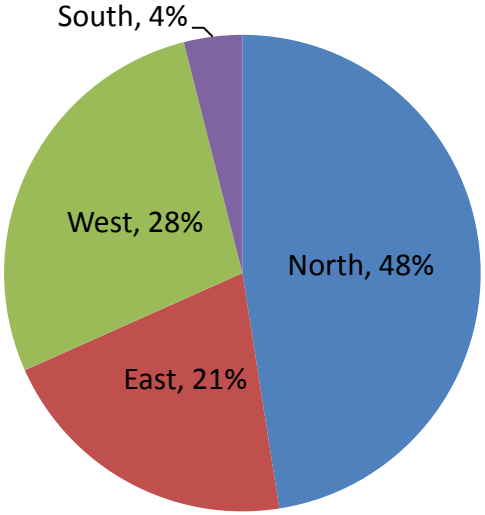
Traditional channels dominate distribution, but alternate channels like modern retail demonstrating higher growth rate

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 to increase rural penetration

Region wise break up of LHO market

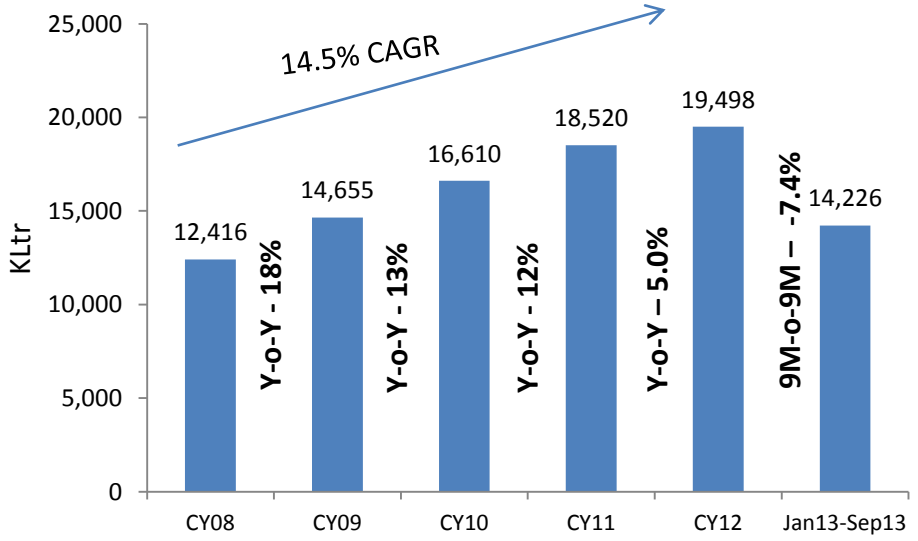


Sales tend to be concentrated in the Northern parts of the country, but West is the fastest growing region

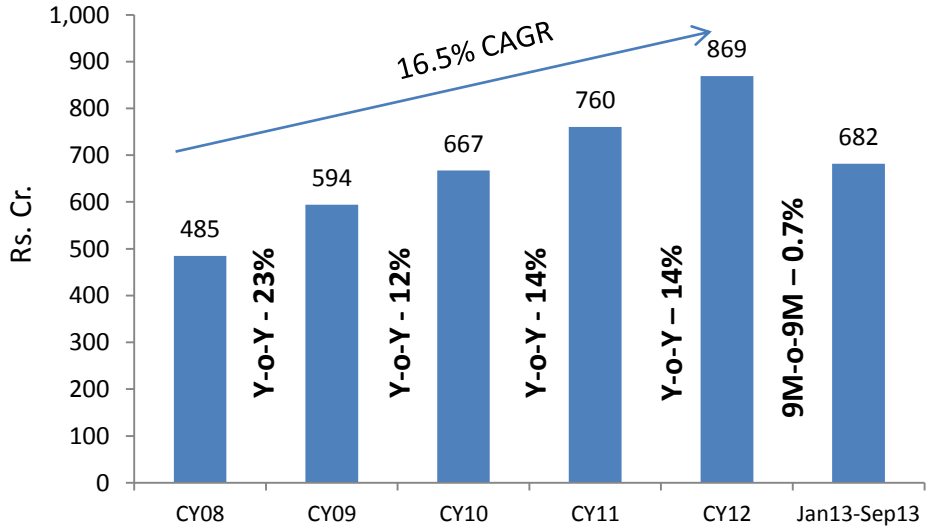
Source: AC Nielsen Retail Audit Report, Mar2013

Cooling Hair Oil Market in India

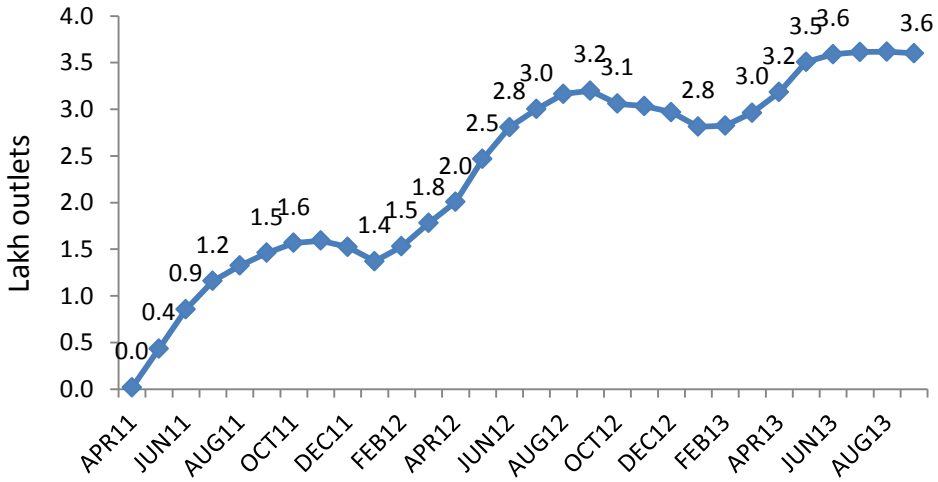
Cooling Hair Oil – Volume



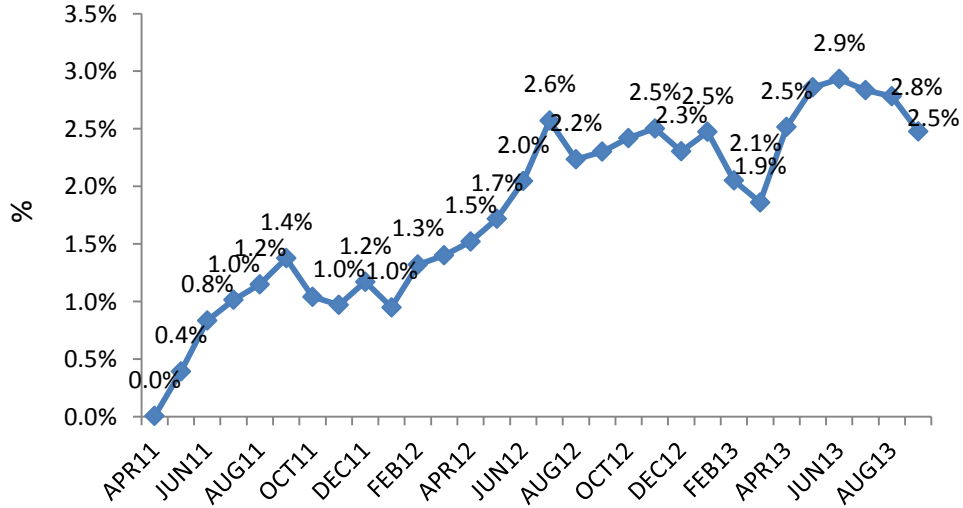
Cooling Hair Oil – Value



Kailash Parbat – Distribution Trend



Kailash Parbat – Volume Market Share Trend



Source - AC Nielsen Retail Audit Report, Sep2013

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
- Acquired Nomarks from Ozone Ayurvedics on 22nd August 2103
- Other brands - Brahmi Amla, Amla Shikakai and Jasmine (all hair oil brands) and Black tooth powder

Source: AC Nielsen Retail Audit Report, Jun2013.

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

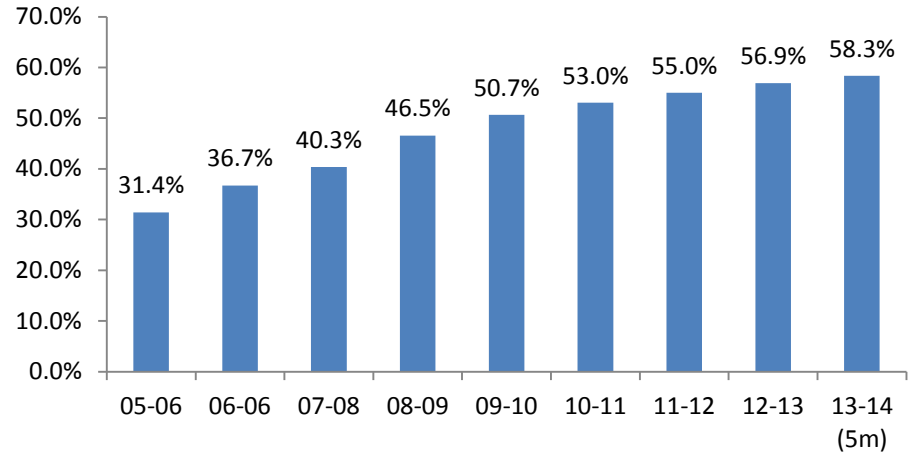
Competitors - Shanti Badam Hair Oil (Marico)

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

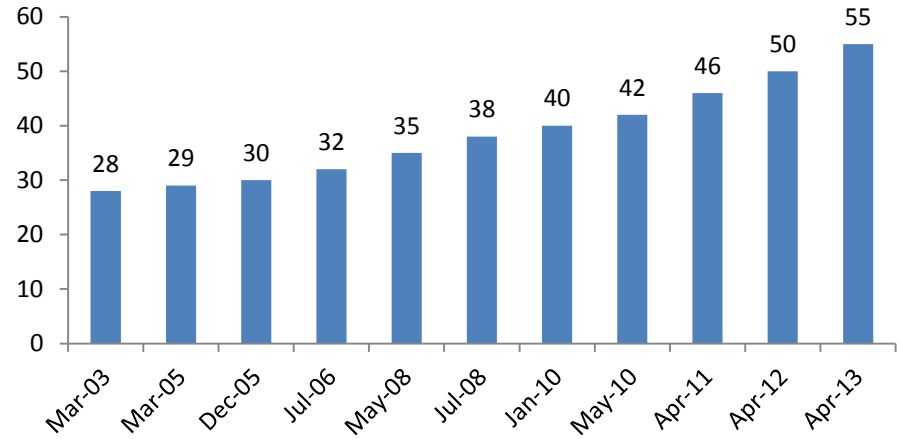
Bajaj Kala Dant Manjan – An oral care product for the rural market.

Bajaj Almond Drops - A Premium Brand

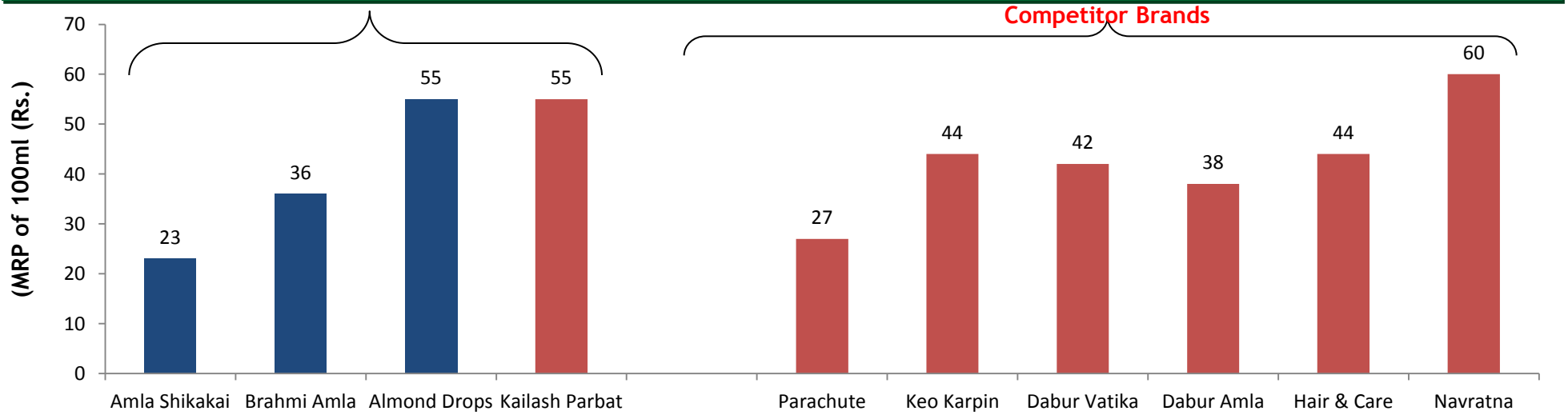
Strong Market Share Growth in Recent Years



. . . 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 Aug2013, 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

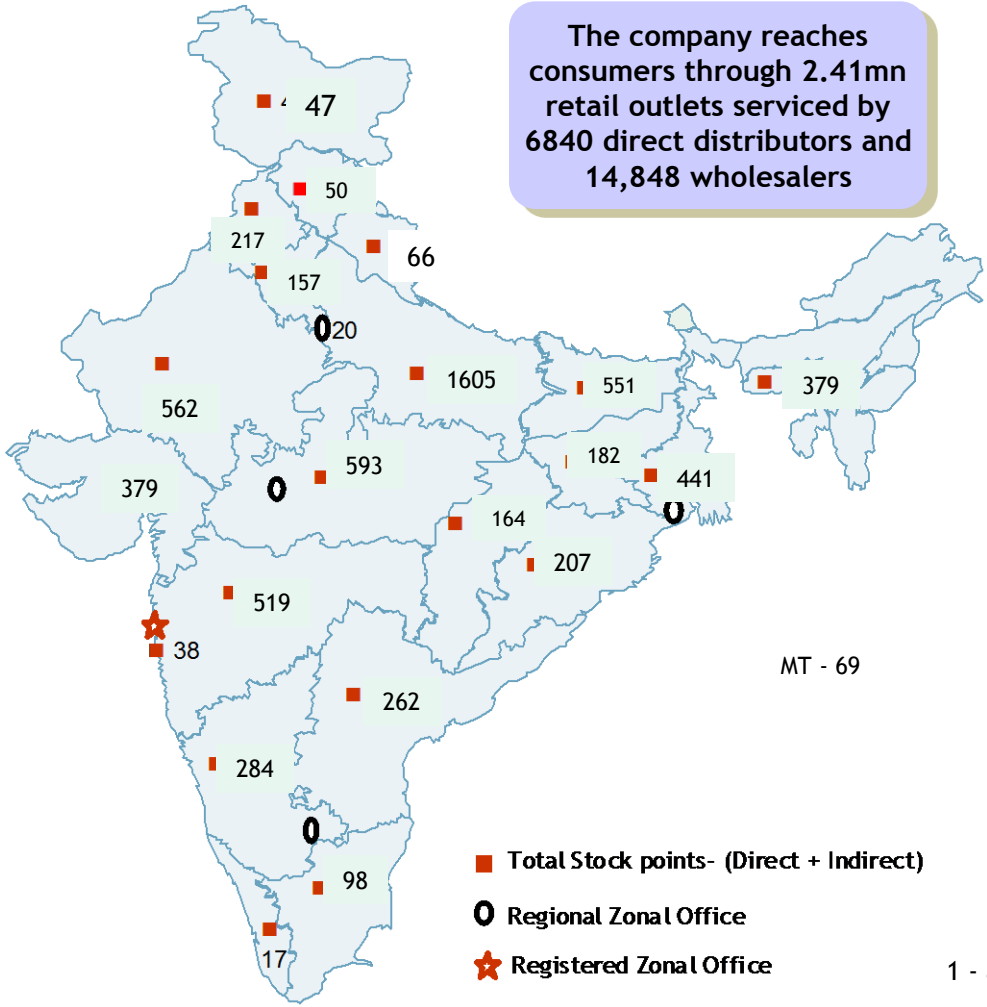
- For Almond Drops the consumer is:
  - Gender
    - Male- 54%
    - Female- 46%
  - Age Group
    - 15 to 39 yrs (59% of users)
  - Urban Vs Rural
    - 61% are Urban consumers
  - Socio Economic Class (SEC)- Urban
    - A1- 10.4%
    - A2- 14.4%
    - B1- 14.4%
    - B2- 11.5%

Source – IRS, Q42012

Strong Distribution Network

Distribution Network

The company reaches consumers through 2.41mn retail outlets serviced by 6840 direct distributors and 14,848 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

↓

Redistribution Stockist (1,749)

↓

Retail Outlets (990,079)[1]

Rural Distribution

↓

Super Stockist (184)

↓

Sub-Stockist (5091)

↓

Retail Outlets (1,415,573)[1]

1 - as on August 31, 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

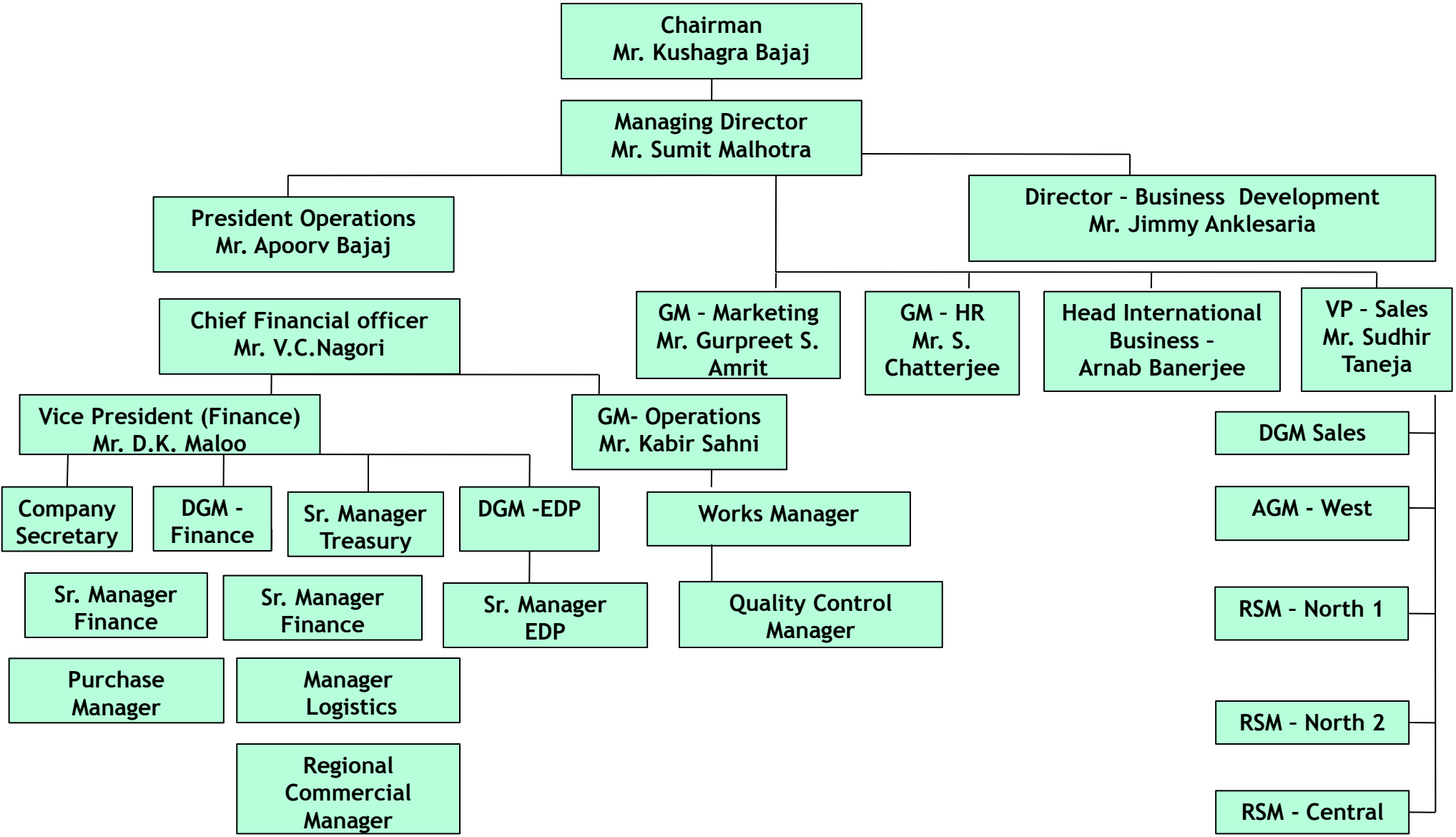
Nielsen Panel Expansion

- ✓ Nielsen has expanded its retail audit panel in 2013 – up by 60% from the existing panel with significant increases in Rest of Urban and Rural.
- ✓ This enhancement improves country level precision for all states and pickup more regional / local brands, thereby significantly improving accuracy in reported estimates.
- ✓ Since Nielsen data is based on statistical projection of sample to the actual universe, any change in sample leads to a change in the projected data with retrospective effect. As a result of this expansion the data from Jan 2011 onwards has changed to reflect the bigger panel and hence better data.

Category outlets	Old Panel	New Panel
Hair Care oils	6,923,929	6,032,262
LHO	4,865,663	4,177,911
HAB	3,063,306	2,554,584
CHO	3,299,790	2,802,538

Source: Nielsen Retail Audit Report, Jun2013

Organization Structure



Financial Information

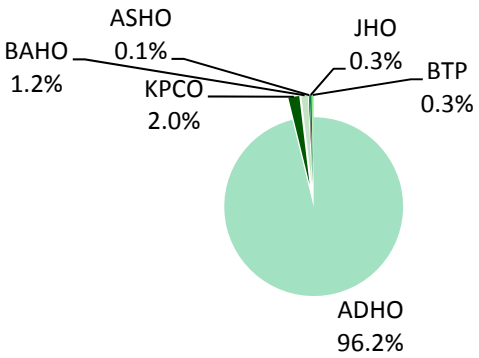
Summary Income Statement

Particulars (Rs. In Crore)	Q2 FY14	Q2 FY13	HY1 FY14	HY1 FY13
Sales (Net)	158.25	135.86	328.29	273.91
EBITDA	42.87	39.07	91.11	77.99
EBITDA Margin	*27.09%*	*28.76%*	*27.75%*	*28.47%*
Net Profit after Tax	36.02	38.40	83.03	76.02
Net Profit Margin	*22.76%*	*28.27%*	*25.29%*	*27.76%*

Summary Balance Sheet

Particulars (Rs. In Crore)	HY2014	HY 2013	2012-13
Shareholders Equity	566.84	503.88	483.80
Long Term Debts	60.00	-	-
Net Fixed Assets	184.23	38.81	45.85
Investments (including Bank FDs, Bank CDs and Government Securities & Bonds)	441.97	444.83	423.04
Net Current Assets	0.64	20.24	14.91

Sales Break Up in HY1 FY 2014 by Brand



Key Highlights

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

EBITDA & PAT Performance

₹ in Crore

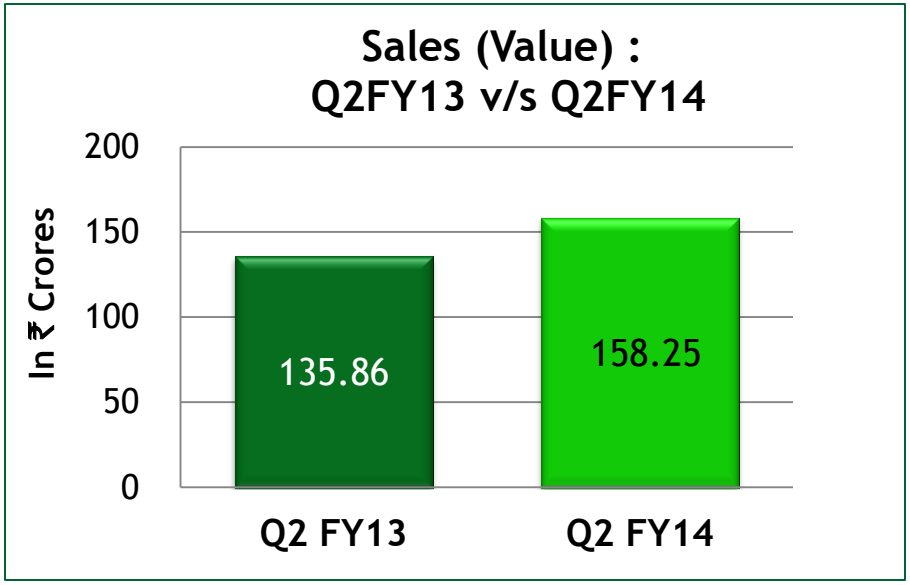
Particulars	Q2 FY14	Q2 FY13	YoY%	HY1 FY14	HY1 FY13	YoY%
EBITDA	42.87	39.07	9.73%	91.11	77.99	16.83%
Profit Before Tax (PBT)	45.61	48.08	-5.14%	105.12	95.21	10.41%
Profit After Tax (PAT)	36.02	38.40	-6.20%	83.03	76.02	9.21%

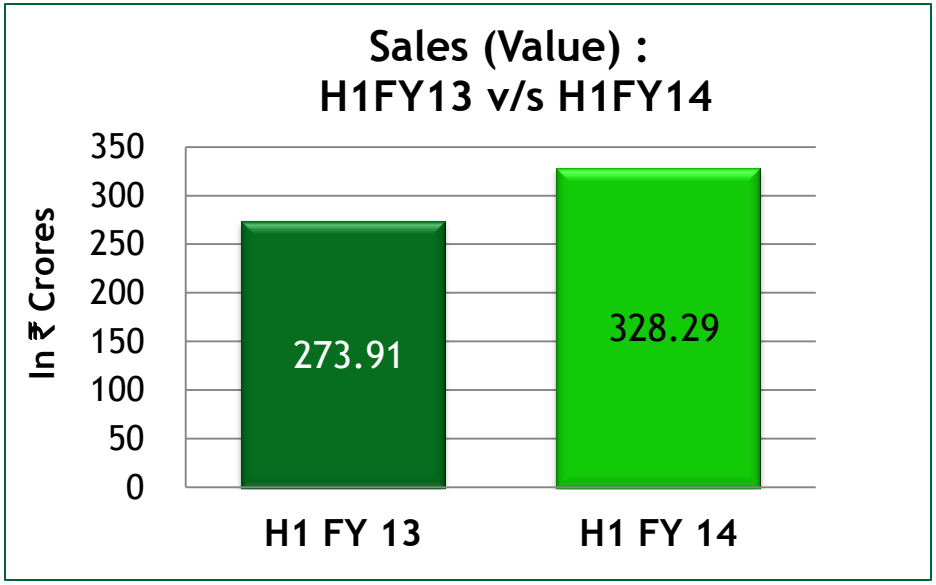
Profit & Loss Q2FY2014

₹ in Crore

Particulars	Q2FY14	Q2FY13	YoY%	HY1 FY14	HY1 FY13	YoY%
Net Sales	**158.25**	**135.86**	**16.48%**	**328.29**	**273.91**	**19.86%**
Other Operating Income	0.15	0.16		0.34	0.35	
Material Cost	63.28	58.24		131.91	120.01	
% of Sales	39.99%	42.87%		40.18%	43.81%	
Employees Cost	8.67	6.73		16.98	13.66	
% of Sales	5.48%	4.96%		5.17%	4.99%	
Advertisement & Sales Prom.	27.92	18.77		56.45	36.13	
% of Sales	17.64%	13.82%		17.19%	13.19%	
Other Expenses	15.67	13.20		32.19	26.46	
% of Sales	9.90%	9.72%		9.81%	9.66%	
EBITDA	**42.87**	**39.07**	**9.73%**	**91.11**	**77.99**	**16.83%**
% of Sales	27.09%	28.76%		27.75%	28.47%	
Other Income	10.12	9.84		22.18	18.8494	
% of Sales	6.40%	7.24%		6.76%	6.88%	
Finance Cost	1.31	0.02		1.32	0.0324	
Depreciation	0.96	0.81		1.7461	1.5949	
Profit Before Tax & Exceptional Item	**50.72**	**48.08**	**5.50%**	**110.23**	**95.21**	**15.78%**
Exceptional Item	5.11	-		5.11		
Profit Before Tax(PBT)	**45.61**	**48.08**	**-5.14%**	**105.12**	**95.21**	**10.41%**
Tax Expenses	9.59	9.67		22.09	19.18	
Profit After Tax(PAT)	**36.02**	**38.40**	**-6.20%**	**83.03**	**76.02**	**9.21%**
% of Sales	22.76%	28.27%		25.29%	27.76%	
Diluted EPS (Rs.)	2.44	2.60		5.63	5.15	

Sales Performance





- ✓ Sales for the quarter ended September '13 has increased by 16.48% value wise and 14.96% volume wise over corresponding quarter of previous year.
- ✓ Sales for the half year ended September,13 has increased by 19.86% value wise and 17.59% volume wise over corresponding half year of previous year.

Statement of Quarter wise Sales (Volume & Value)

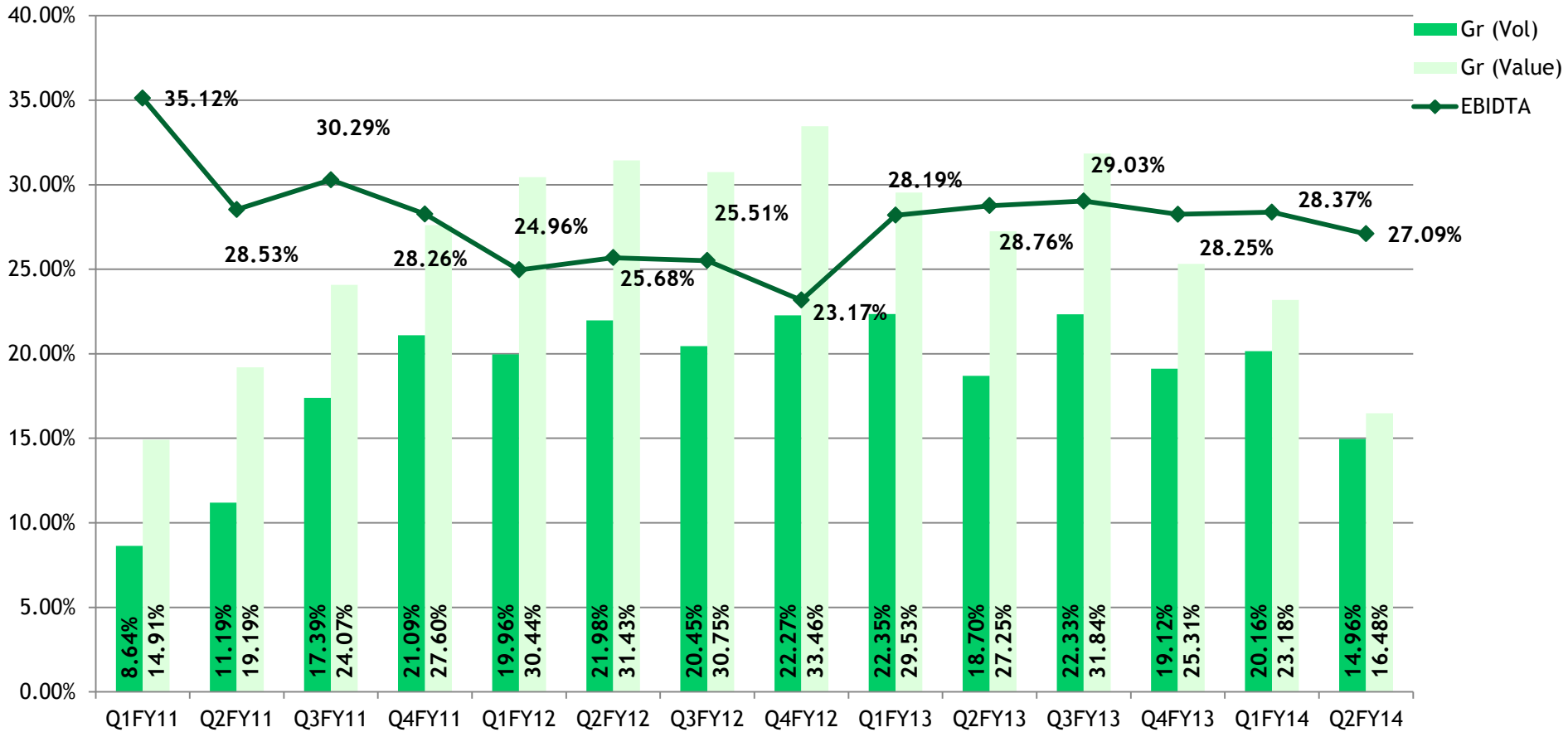
STATEMENT OF QUARTERWISE SALES (VOLUME - In Cases)

	ADHO		KPCO		BAHO		ASHO		Others		Total		% Inc over PY
	FY 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	1,201,812	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%
Total	**2,258,280**	**1,897,591**	**33,476**	**41,404**	**19,623**	**22,500**	**3,718**	**5,550**	**10,342**	**10,564**	**2,325,438**	**1,977,610**	**17.59%**

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

	ADHO		KPCO		BAHO		ASHO		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	
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	1.04	1.08	158.24	135.86	16.48%
Total	**315.70**	**259.34**	**6.44**	**7.94**	**3.83**	**4.15**	**0.39**	**0.59**	**1.93**	**1.89**	**328.29**	**273.91**	**19.86%**

Consistent Performance over the last 14 successive quarters



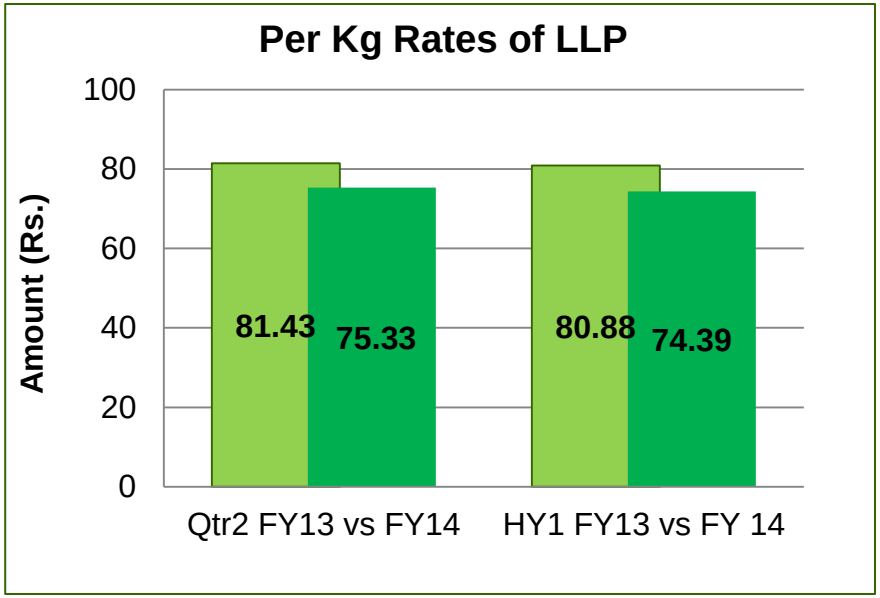
Breakup of RM/PM Costs *(for Q2 FY14)*

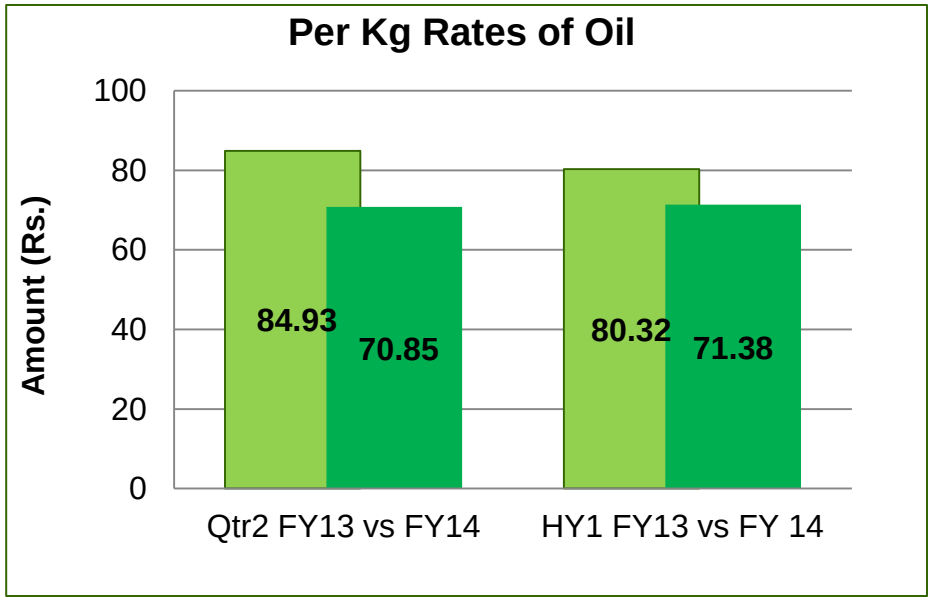
Key Raw & Packing Material	% to Sales	% to Total Cost
LLP	14.58%	36.46%
Glass Bottles	9.09%	22.73%
Refined Veg. Oil	3.82%	9.56%
Perfumes & other additives	2.95%	7.39%
Corrugated Boxes	1.63%	4.06%
Caps	2.14%	5.34%
Others	5.78%	14.46%
TOTAL	39.99%	100.00%

*** Consumption is 39.99% of Sales**

For Bajaj Almond Drops

Change in Prices of Key Ingredients





- ✓ During the quarter average price of LLP decreased to Rs 75.33/Kg from Rs 81.43/Kg in corresponding quarter of previous year. Additional gain on account of decrease in LLP prices in current quarter is Rs 188.80 lacs

- ✓ Prices of Refined oil decreased from Rs 84.93/Kg in Q2Fy13 to Rs 70.85/Kg in Q2Fy14 in corresponding quarter of previous year. The additional gain on account of decrease in Oil prices in current quarter is Rs 118.88 lacs

Debt and Cash Balances

- Debt:
  - As a part of structuring to fund the acquisition of Nomarks the company has taken a bank loan Rs. 100 Crore – out of which Rs 40 Cr is payable with in one year and balance Rs 60 Cr is payable within next two and half years.
  - The company intends to repay the Loan in February 2014 without incurrence of any Pre-Payment Penalty.
- Cash Balances:
  - The total cash balance with the company as on 30th September 2013 is Rs. 390.16 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

Summary	
Particulars	Amount (in Rs. Crores)
Bank FDs	205.30
Liquid Plans of Mutual Funds	9.10
PSU Corporate Bonds	10.00
Certificate of Deposit of Banks	165.76
Total	390.16

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 2.41 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