bajaj corp limited

October 14, 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: Investor Presentation

Please find enclosed a copy of Investor Presentation for the Quarter ended September 30, 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

Registered Office: Old Station Road, Sevashram Chouraha, Udaipur 313 001
CIN: L01110RJ2006PLC047173
Phone : 0294-2561631, 2561632
Website : www.bajajcorp.com

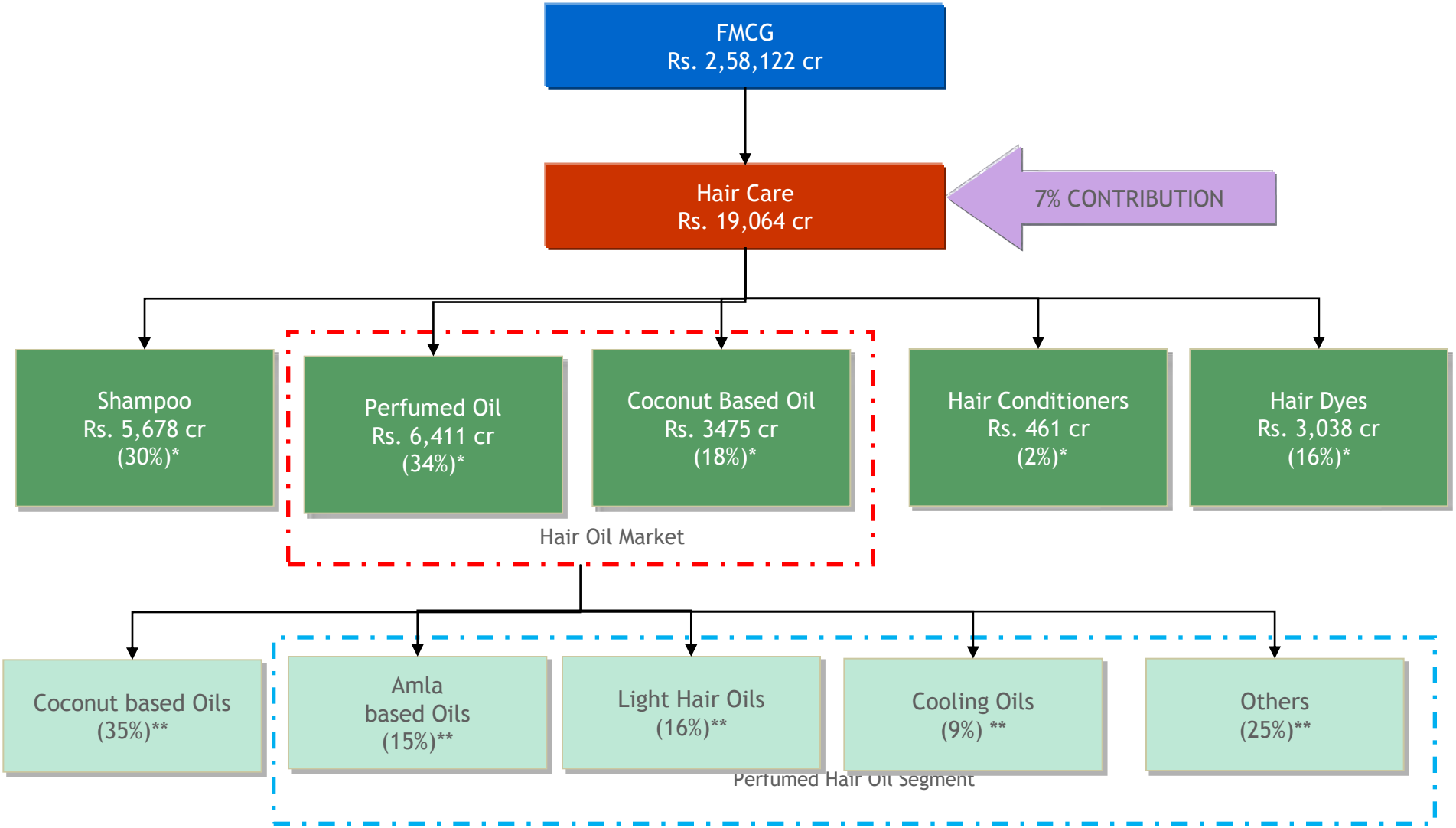
bajaj Corp Ltd.

Investor Presentation

October 2016

Industry Overview

INDUSTRY SIZE AND STRUCTURE

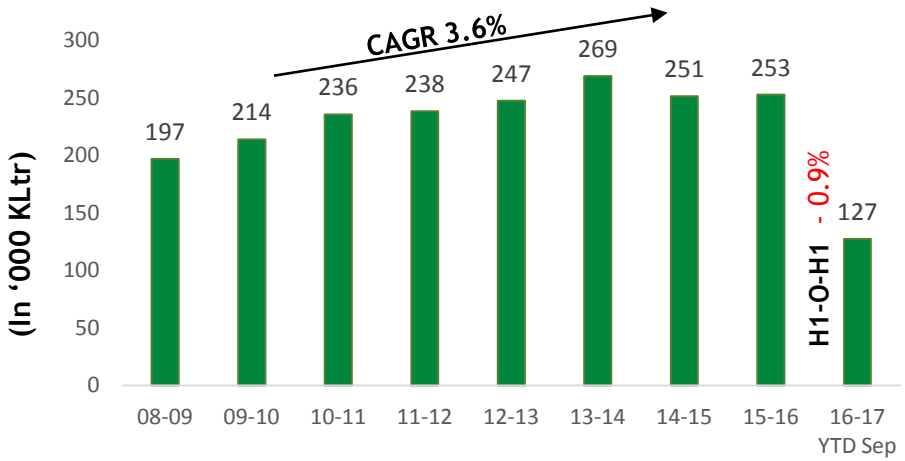


* Value based share of Hair Care Market
** Value based share of Hair Oil Market

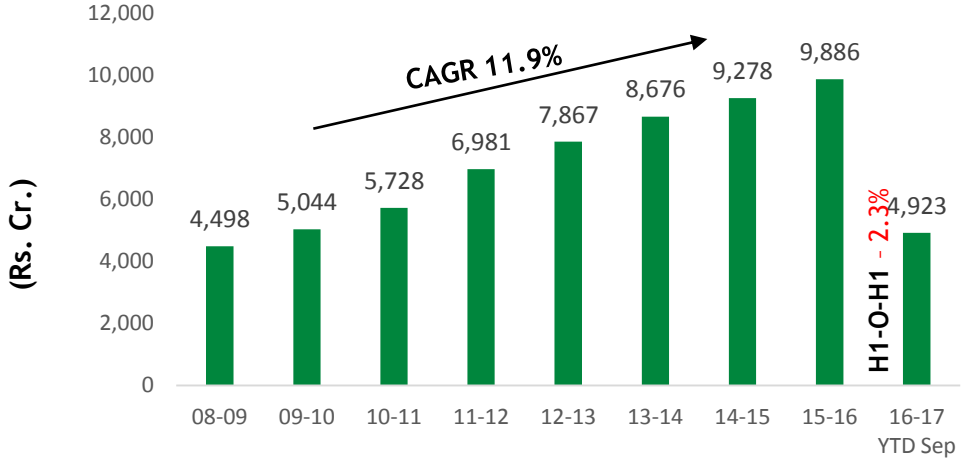
MAT MAR 16

Hair Oil Market in India

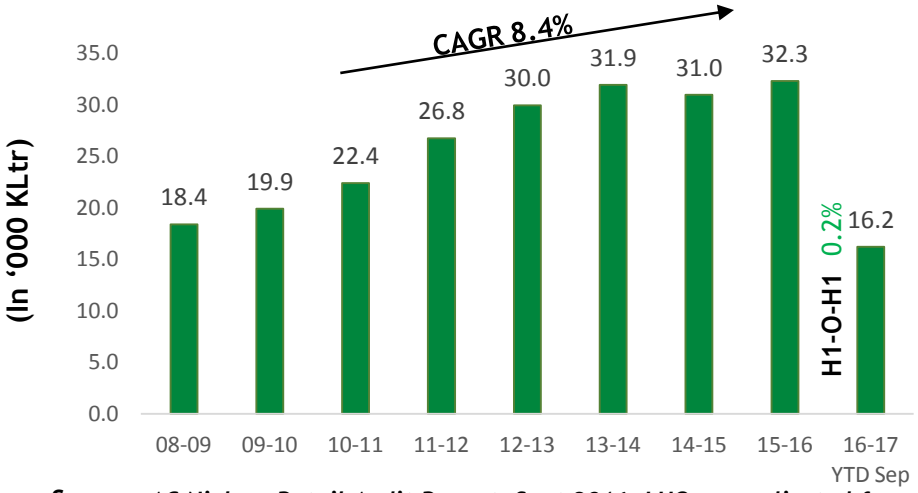
Overall Hair Oil Market - Volume



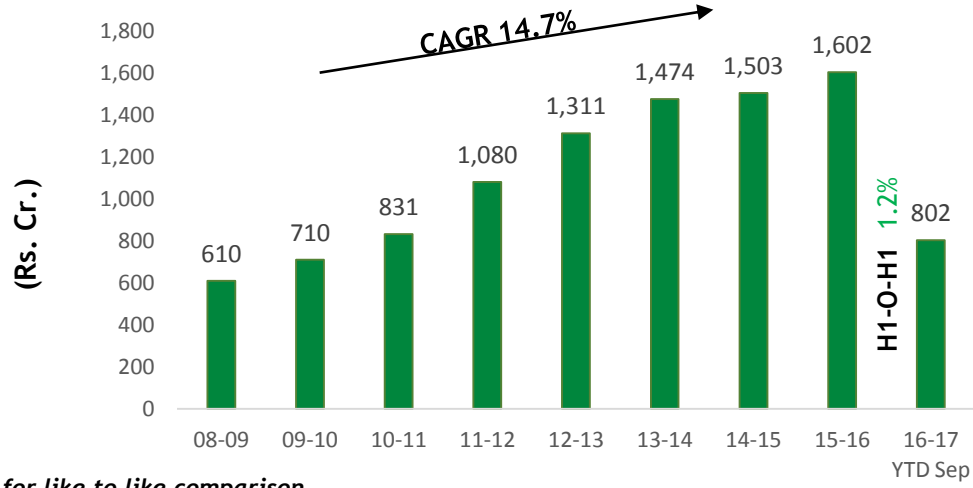
Overall Oil Market - Value



Light Hair Oil - Volume



Light Hair Oil - Value

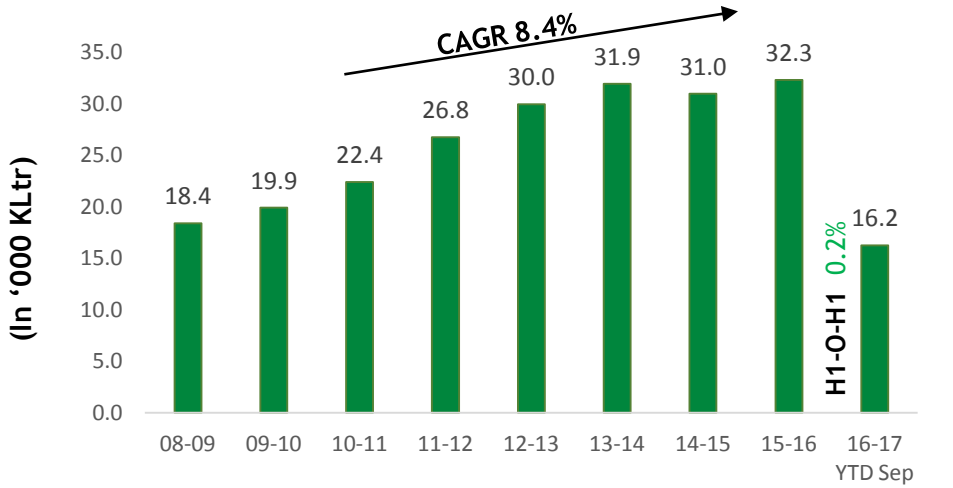


Source: AC Nielsen Retail Audit Report, Sept 2016; LHO nos. adjusted from 15-16 for like to like comparison

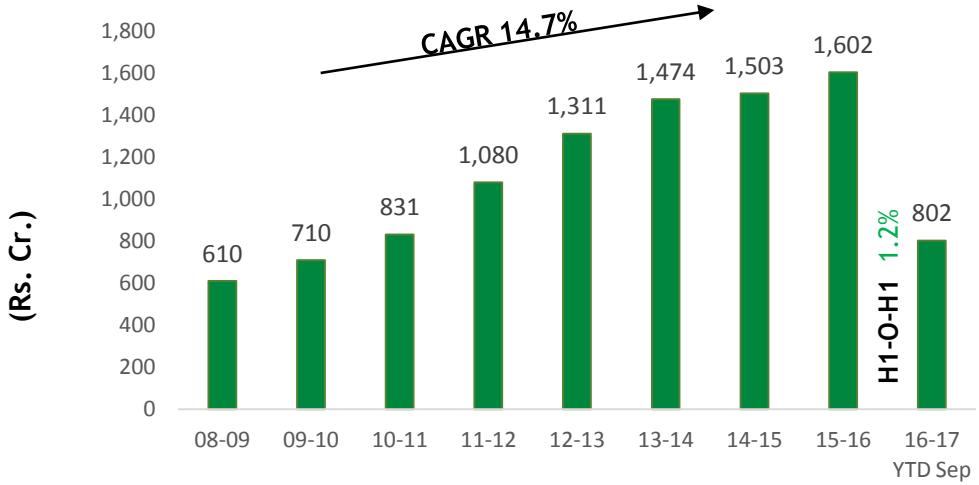
Hair Oils category is declining slightly as compared to H1 FY16. LHO segment shows slight value growth.

Light Hair Oil Market in India

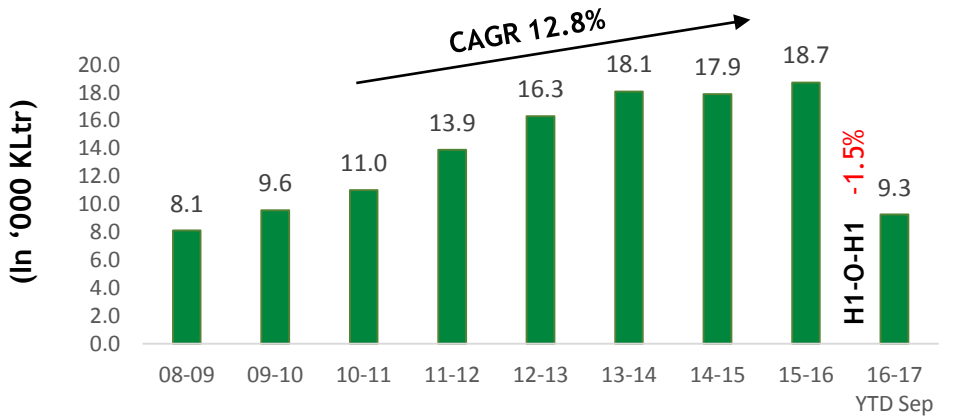
Light Hair Oil - Volume



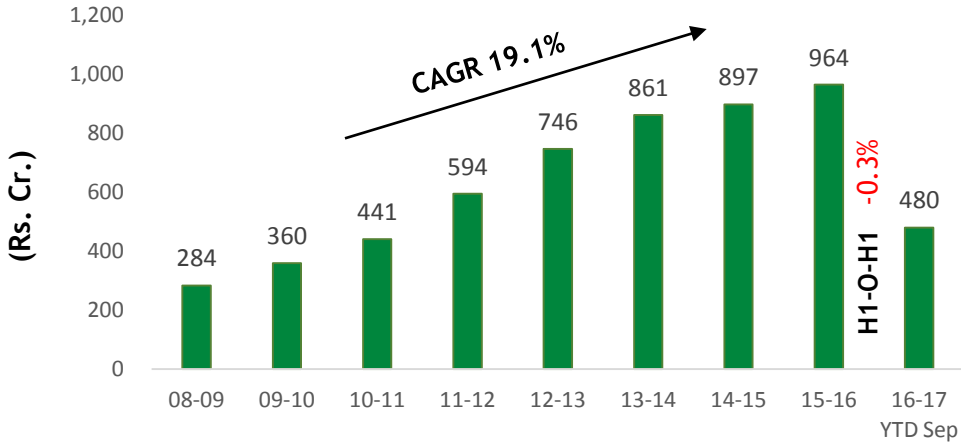
Light Hair Oil - Value



Almond Drops Hair Oil Market - Volume



Almond Drops Hair Oil Market - Value

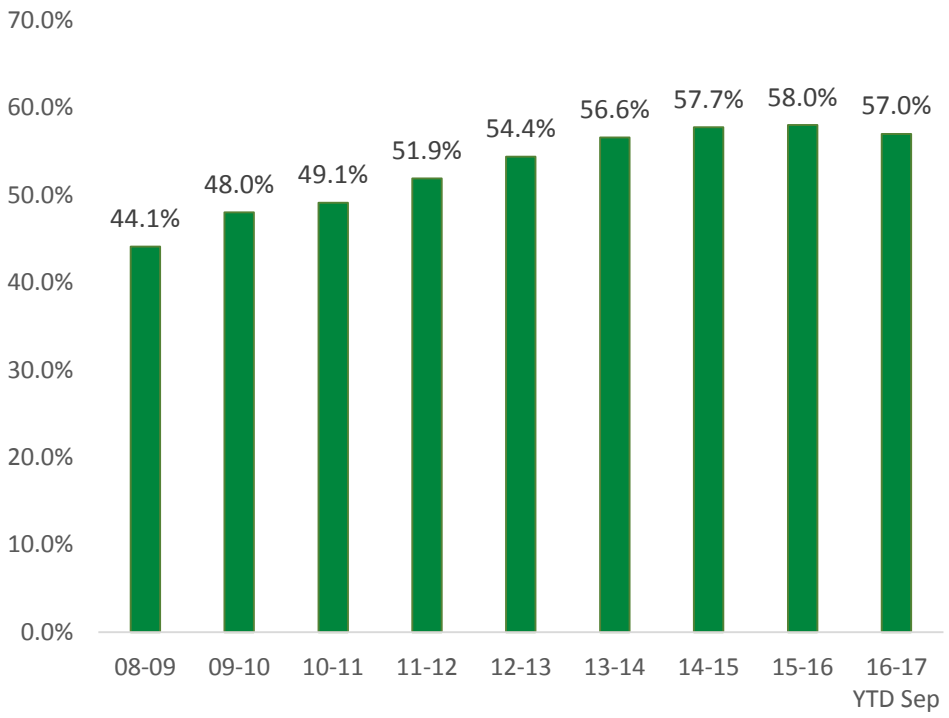


Source: AC Nielsen Retail Audit Report, Sept 2016; LHO nos. adjusted from 15-16 for like to like comparison

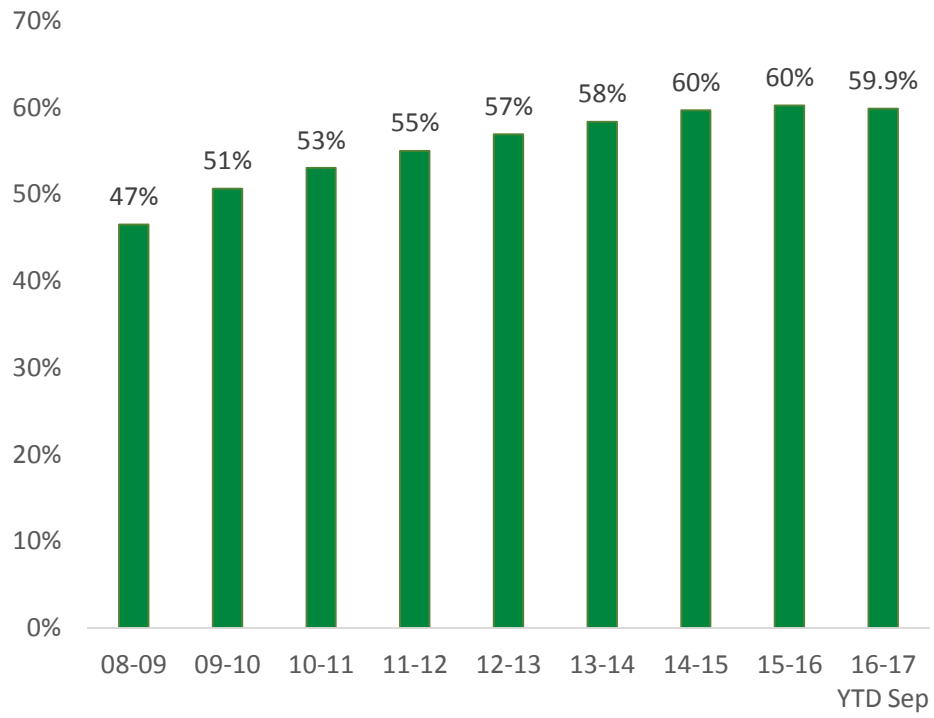
Bajaj Almond Drops shows slight drop in volume & value in H1

Market Shares Trends in Light Hair Oil Category (All India - Urban Plus Rural)

Volume MS



Value MS

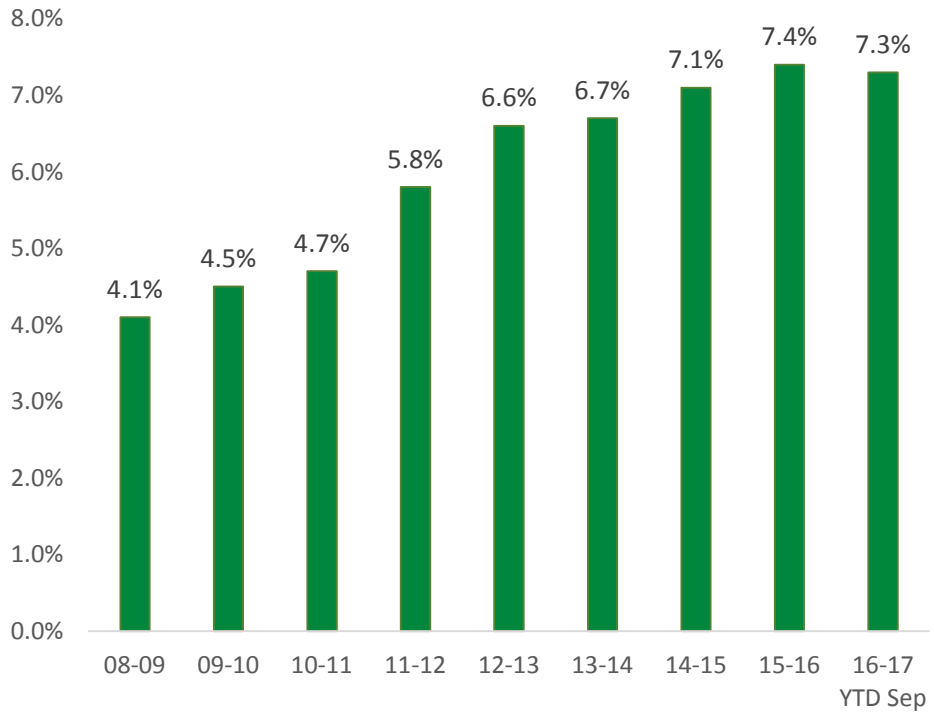


Market Share in the Light Hair Oil Category, LHO nos. adjusted from 15-16 for like to like comparison.

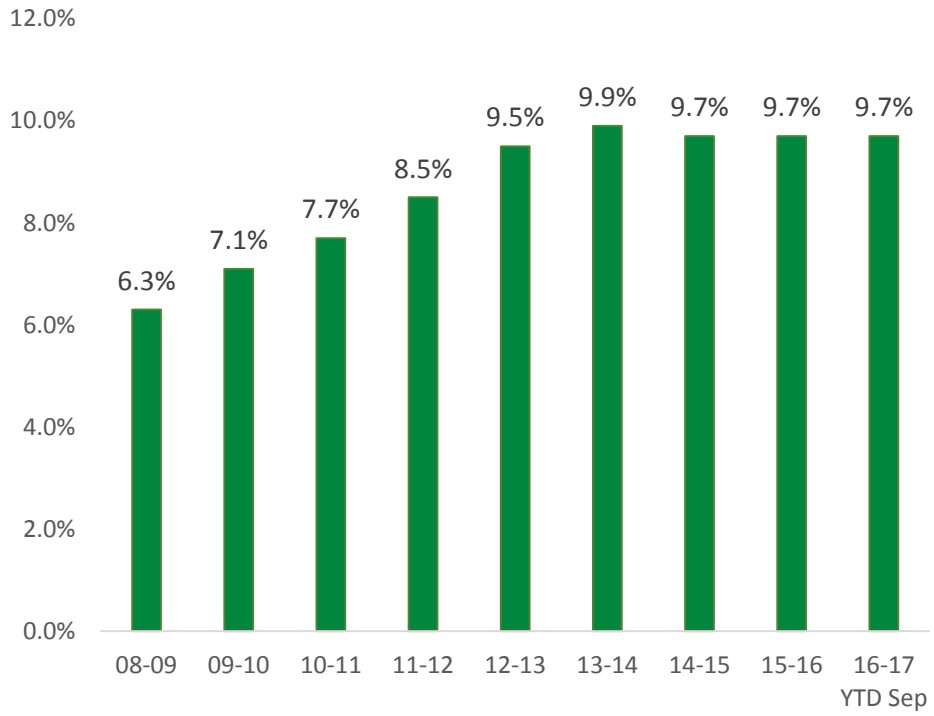
Source: AC Nielsen Retail Audit Report, ***Sept 2016***

Market Shares Trends in Total Hair Oil Category (All India - Urban Plus Rural)

Volume MS



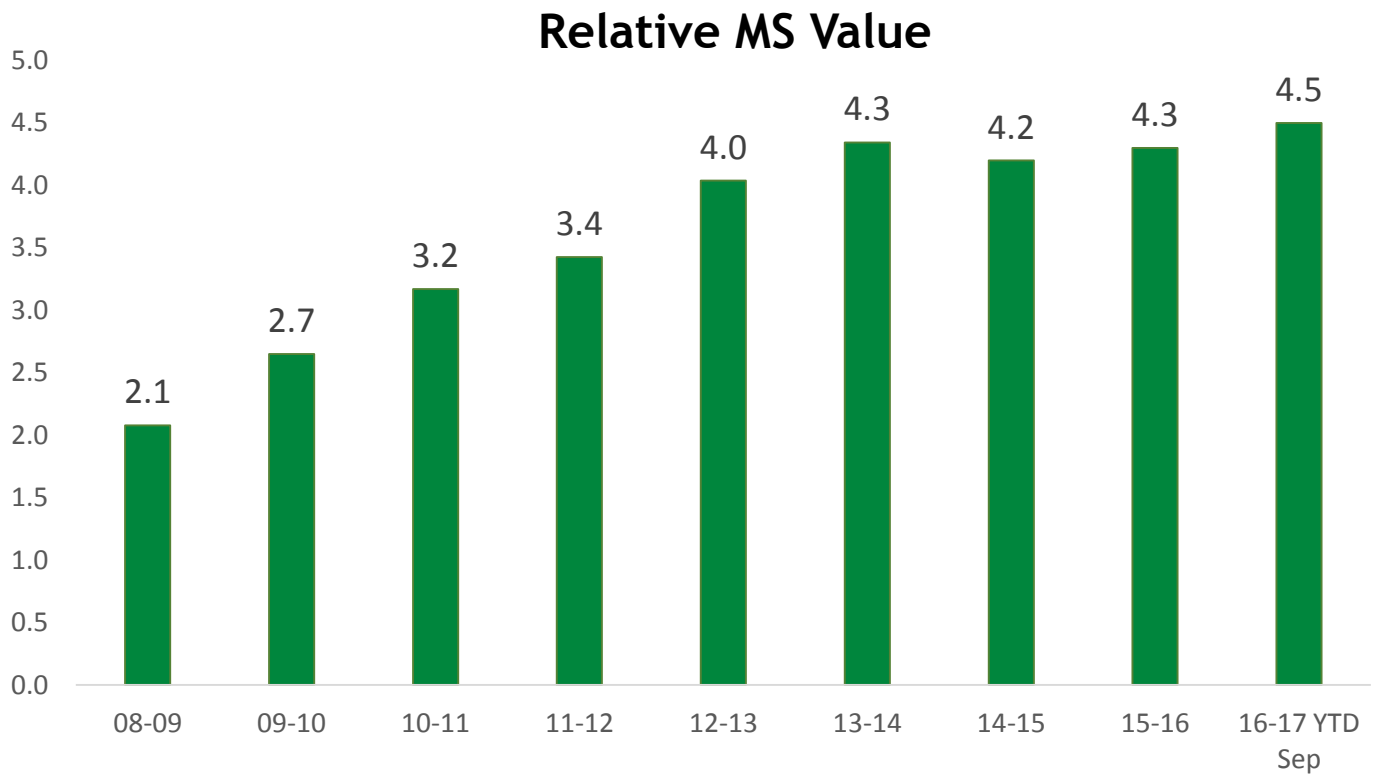
Value MS



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

ADHO – Relative Market Share – Value Trend

Relative Market share is the ratio of Bajaj Almond Drops market share to the next largest competitor in LHO segment



Source: AC Nielsen Retail Audit Report, Sept 2016; LHO nos. adjusted from 15-16 for like to like comparison

Strong Relative market share demonstrates the strength of the brand

ADHO - Relative Market Shares - Value

States	Relative Market Share	Rank
Delhi	3.7	1
Rajasthan	1.6	1
Punjab	3.2	1
HP-JK	3.6	1
Haryana	4.4	1
NZ	2.9	1
Madhya Pradesh	3.7	1
Chhattisgarh	6.9	1
UP	3.3	1
Uttaranchal	4.0	1
CZ	3.8	1
Assam	4.6	1
Bihar	10.2	1
Jharkhand	7.5	1

States	Relative Market Share	Rank
North East	2.2	1
Orissa	6.5	1
WB	2.6	1
EZ	5.5	1
Maharashtra	4.5	1
Mumbai	3.2	1
Gujarat	2.0	1
WZ	3.2	1
AP	1.3	1
Karnataka	5.0	1
Kerala	1.3	1
TN	1.0	1
SZ	1.9	1
All India	4.5	1

Relative Market share is the ratio of Almond Drops market share value to the next largest competitor in LHO segment
Rank is the position of ADHO in respective state

Source - AC Nielsen Retail Audit Report, Sept 16

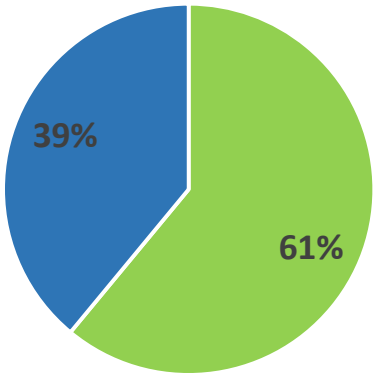
Statewise Market Share

16-17 YTD Sep	LHO Volume	ADHO Proportion % (Vol)		ADHO Market Share % (Vol)		
	Saliency	Urban	Rural	Total	Urban	Rural
All India	100.0%	57	43	57.0	54.5	60.7
Delhi	6.1%	100	0	54.3	54.3	
Raj	6.0%	53	47	46.5	51.1	42.3
Punjab	4.0%	69	31	54.5	52.7	59.2
Har	6.4%	76	24	58.4	55.2	71.2
HP-JK	0.5%	43	57	50.3	47.2	52.9
MP	10.0%	51	49	56.7	56.0	57.5
Chattisgarh	3.6%	42	58	70.3	62.8	76.9
UP	25.1%	43	57	60.6	58.2	62.5
Uttar	1.1%	55	45	57.9	52.5	66.3
Assam	3.1%	39	61	65.8	59.7	70.4
Bihar	8.0%	45	55	77.9	72.4	83.2
JharKhand	1.6%	56	44	69.3	67.1	72.4
North East	1.4%	58	42	40.5	37.9	44.6
Orissa	1.9%	54	46	67.5	61.9	75.6
WB	7.2%	58	42	42.6	39.9	47.1
Guj	4.1%	68	32	52.9	49.2	62.4
Maha	7.1%	73	27	58.1	58.4	57.4
AP	1.1%	88	12	50.1	51.2	42.8
Kar	1.2%	75	25	65.6	63.6	72.5
Kerala	0.1%	86	14	28.9	31.2	19.8
TN	0.3%	99	1	33.9	36.5	4.3

Source: AC Nielsen Retail Audit Report, Sept 16

Light Hair Oil Market - Key Characteristics

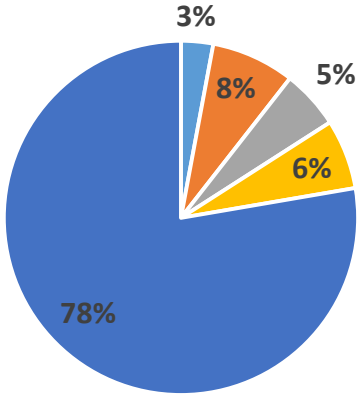
Rural -Urban break up of LHO market



AI Urban ■ AI Rural

Urban dominated segment due to its relatively higher pricing

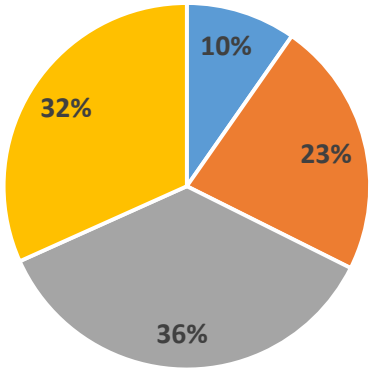
Share of Distribution Channels in LHO market



Modern Trade ■ Pan Plus ■ Chemists ■ Cosmetics ■ Grocers

Grocers dominate distribution

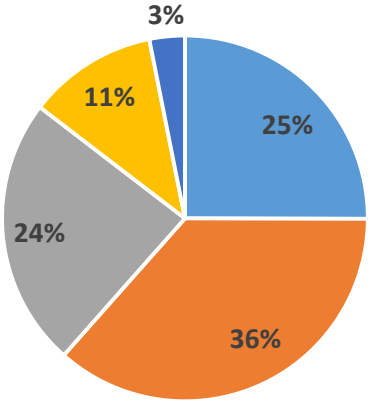
SKU wise break up of LHO market



0-15 ml ■ 16-50 ml ■ 51-100 ml ■ >100 ml

50ml and above SKUs contribute the maximum in the repertoire.

Region wise break up of LHO market



NZ ■ CZ ■ EZ ■ WZ ■ SZ

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

Source: AC Nielsen Retail Audit Report, YTD Sept 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 59.9% 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), Black tooth powder and skincare products under Nomarks brand.

Source: AC Nielsen Retail Audit Report, YTD Sept 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

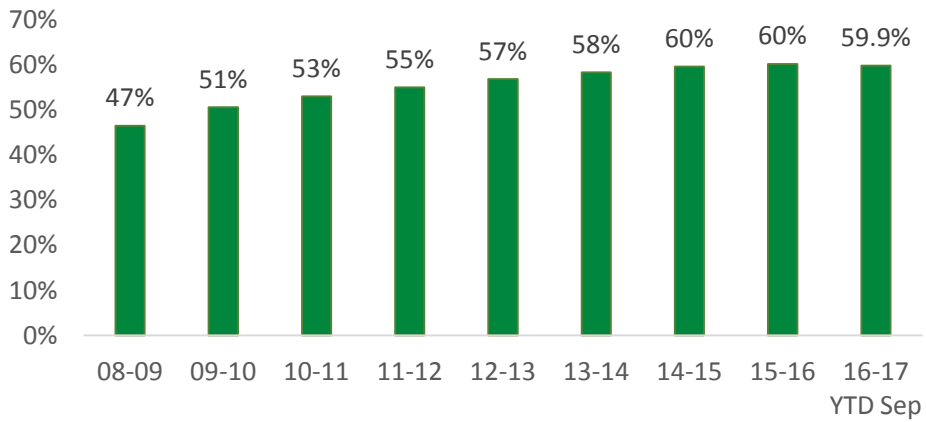
Bajaj Nomarks Facewash for
Clear Glowing Fairness (50g) & Neem Facewash (15g, 50g & 100g)

Bajaj Nomarks Soaps
Herbal Scrub Soap and Neem Soap, available in sizes 125g

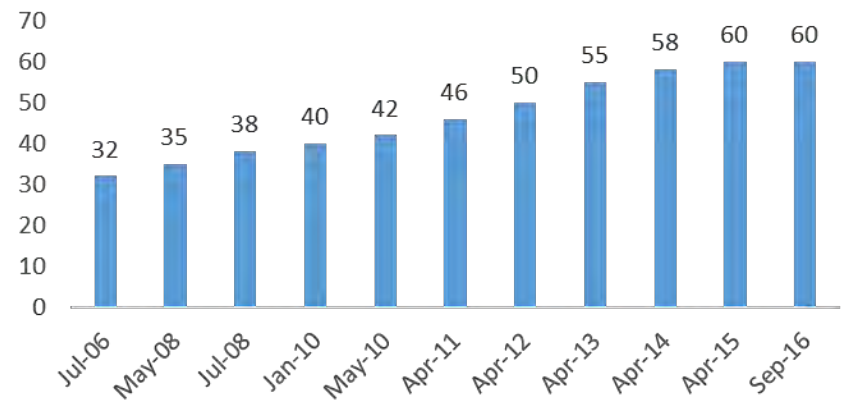
Bajaj Nomarks Exfoliating Scrub (50g)
& Bajaj Nomarks Face Pack (25g)

Bajaj Almond Drops - A Premium Brand

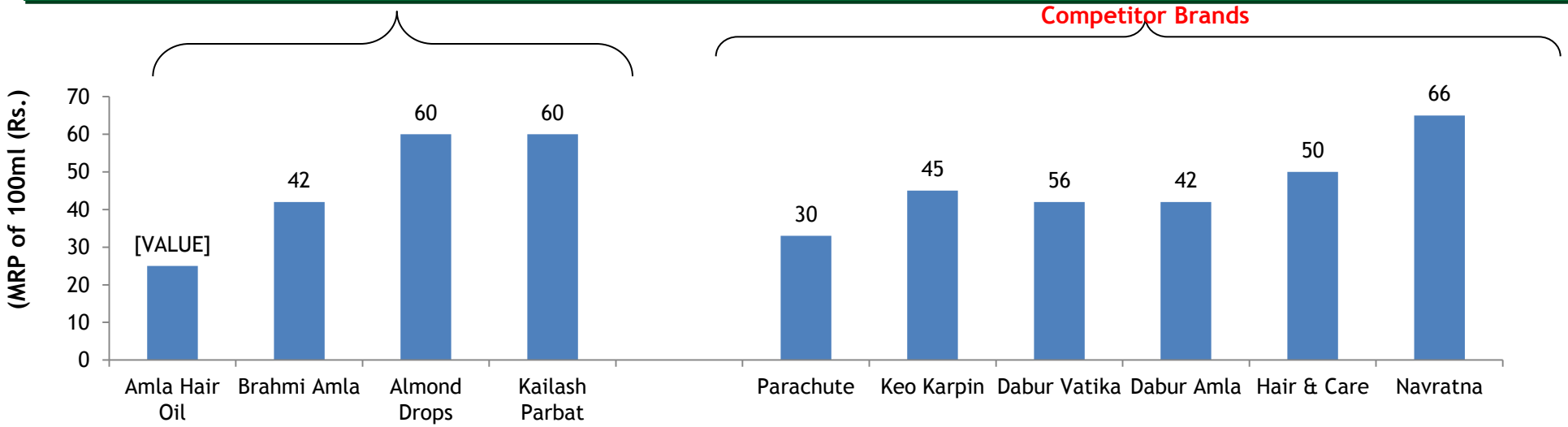
Strong Market Share (Val) Growth in Recent Years



. . . 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 Sept 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- Bajaj Almond Hair Drops Oil Users

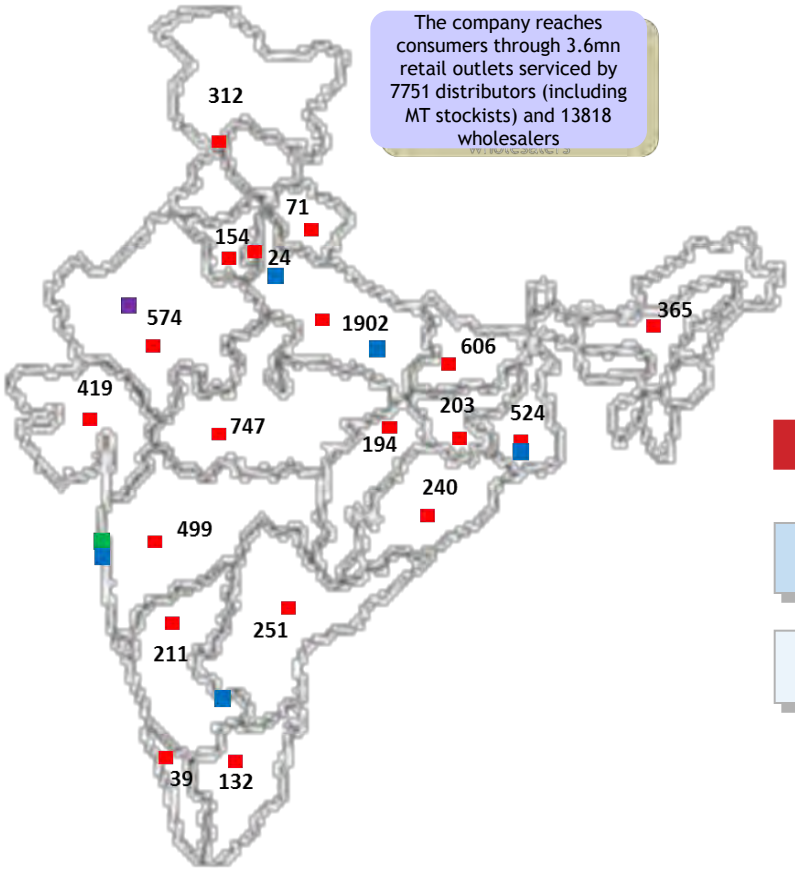
- For Light Hair Oils, the consumer is skewed towards SEC A,B and younger age group.
  - Gender
    - Male- 43%
    - Female- 57%
  - Age Group
    - 25 to 35 yrs (58% of users)
  - Socio Economic Class (SEC)- Urban
    - A – 21%
    - B – 36%
    - C – 30%

Source – Last U&A (2012)

Strong Distribution Network

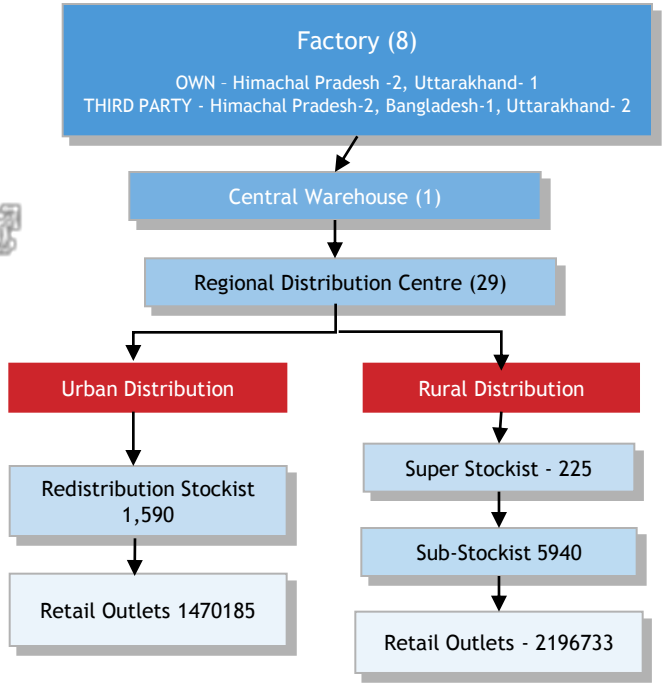
Distribution Network

The company reaches consumers through 3.6mn retail outlets serviced by 7751 distributors (including MT stockists) and 13818 wholesalers



- Total stock points
- Corporate Office
- Registered office
- Regional Zonal Offices

Distribution Structure



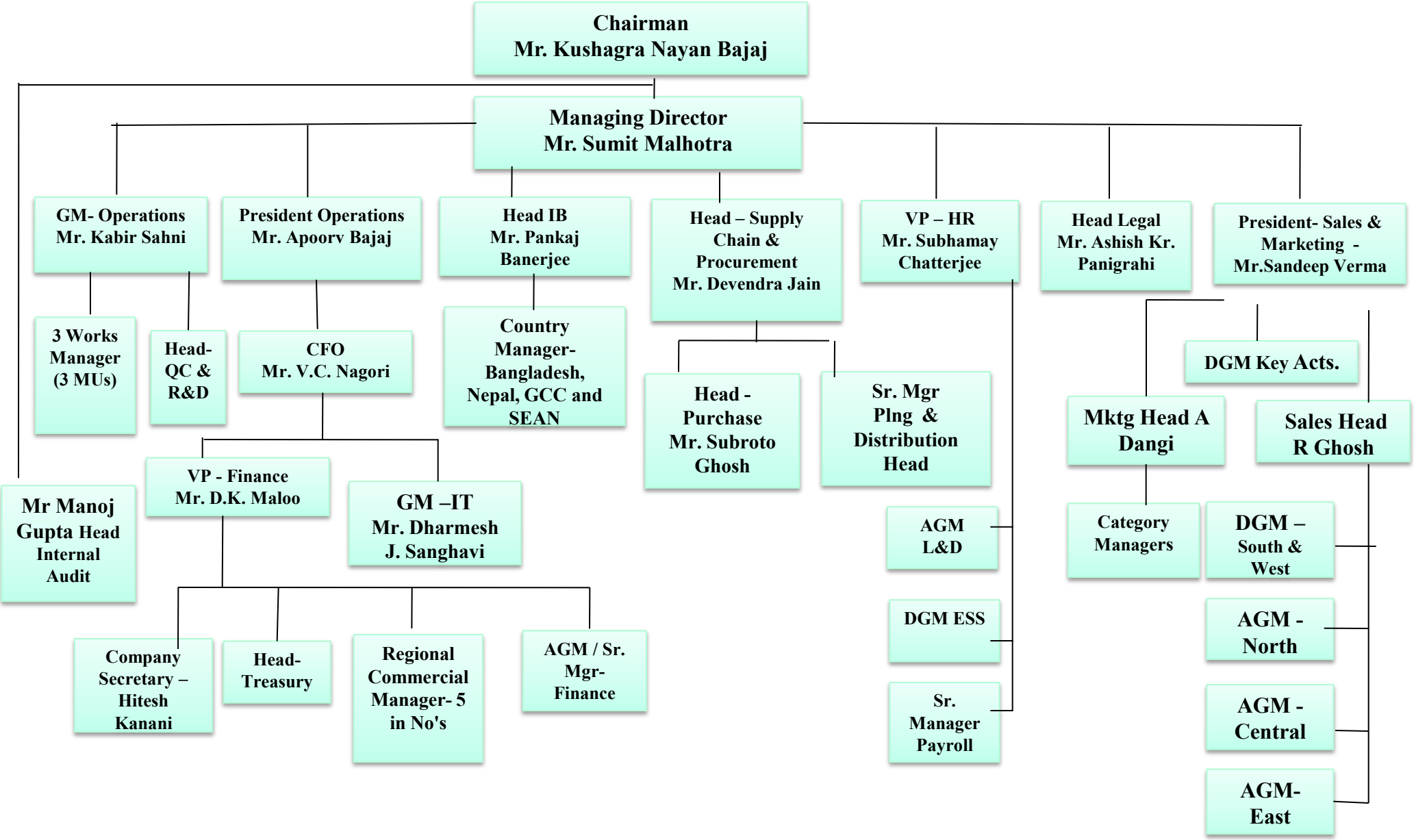
Over the years, BCL has created a large distribution network (that continues to grow) which can be leveraged to introduce new products

Van Operations

- Started in FY 13 with a objective of increasing Rural Sales
- Piloted 39 Vans in Q4 FY 13
- Currently operating 109 vans (for Sales)
- Vans cover 7328 uncovered Towns and Villages on a monthly basis
- For YTD Sept 16,
  - Bajaj Almond Drops Hair Oil got 43.1 % of its sales from Rural India (Vol offtake)
  - Volume Growth in Rural India – 0.2% (Urban + Rural = -1.5%)
  - Market share vol in Rural India – 60.7% (Urban + Rural = 57%)

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

Organization Structure



Financial Information

Summary Income Statement

(Rs. In Crore)

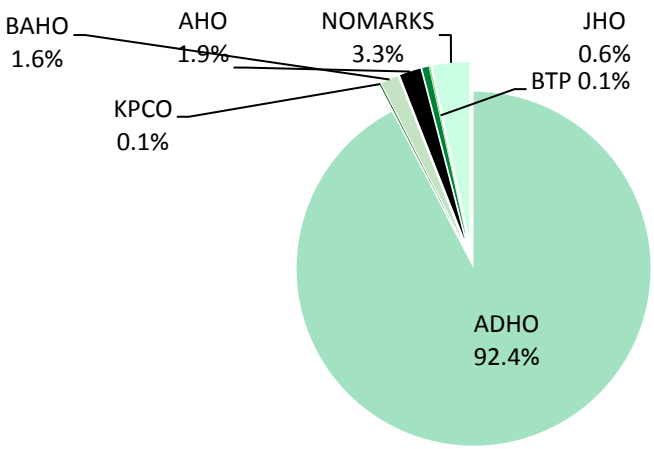
Particulars	Q2FY17	Q2FY16	HY 1 FY 17	HY 1 FY 16
Sales (Net)	196.15	189.57	399.88	389.71
EBITDA	68.30	65.75	140.36	133.13
EBITDA Margin	*34.82%*	*34.68%*	*35.10%*	*34.16%*
Profit Before Tax & Exceptional Item	*80.81*	*71.54*	*158.91*	*143.52*
Exceptional Item (Trademark & Intellectual Properties)	*6.64*	*11.75*	*18.38*	*23.49*
Profit Before Tax(PBT)	*74.17*	*59.79*	*140.53*	*120.03*
Net Profit after Tax	58.30	47.03	110.50	94.42
Net Profit Margin	*29.72%*	*24.81%*	*27.63%*	*24.23%*

Summary Balance Sheet

(Rs. In Crore)

Particulars (Rs. In Crore)	As on 30.09.2016	As on 31.03.2016
Shareholders Equity	596.31	485.82
Net Fixed Assets	46.57	65.59
Investments (including Bank FDs, Bank CDs and Government Securities & Bonds)	535.08	414.93
Net Current Assets	14.66	5.30

Brandwise Sales Break-Up for Qtr 2 FY 2017



Key Highlights

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

EBITDA & PAT Performance

Rs. in Crore

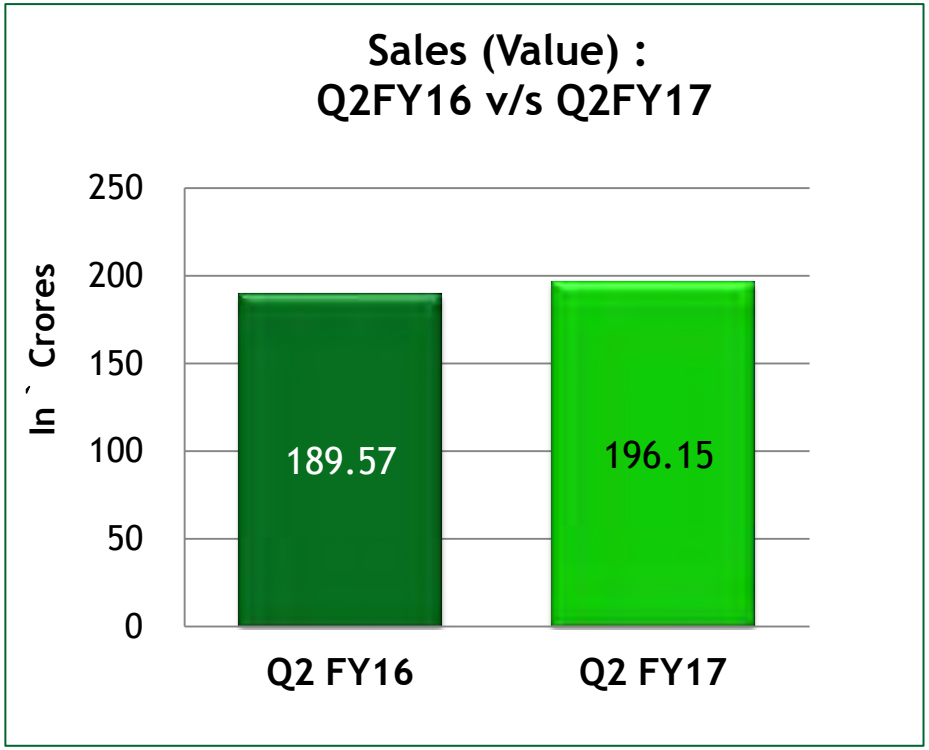
Particulars	Q2FY17	Q2FY16	YoY%	HY 1 FY 17	HY 1 FY 16	YoY%
EBITDA	68.30	65.75	3.87%	140.36	133.13	5.43%
Profit Before Tax & Exceptional Item	80.81	71.54	12.96%	158.91	143.52	10.72%
Exceptional Item (Trademark & Intellectual Properties)	6.64	11.75		18.38	23.49	
Profit Before Tax (PBT)	74.17	59.79	24.05%	140.53	120.03	17.08%
Profit After Tax (PAT)	58.30	47.03	23.95%	110.50	94.42	17.03%

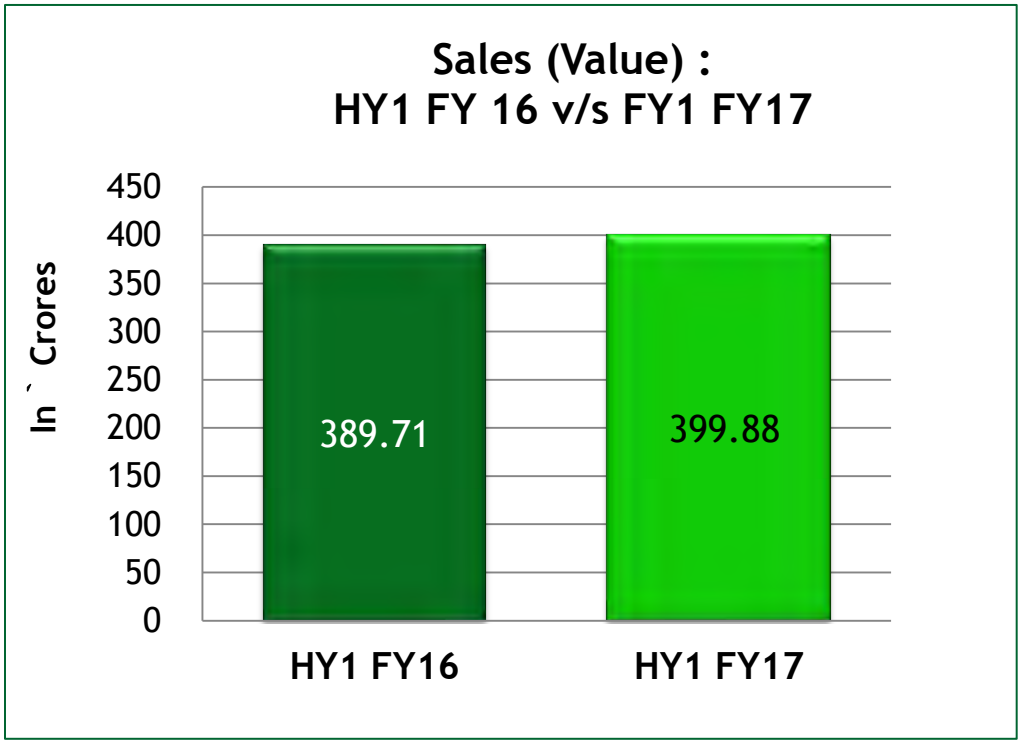
Profit & Loss Q2 and I Half FY2017

Rs. in Crore

Particulars	Q2FY17	Q2FY16	YoY%	HY 1 FY 17	HY 1 FY 16	YoY%
Net Sales	**196.15**	**189.57**	**3.47%**	**399.88**	**389.71**	**2.61%**
Other Operating Income	0.63	0.55		1.21	1.28	
Material Cost	66.17	72.98		136.56	150.24	
% of Sales	33.74%	38.50%		34.15%	38.55%	
Employees Cost	14.64	11.20		28.46	22.32	
% of Sales	7.47%	5.91%		7.12%	5.73%	
Advertisement & Sales Prom.	26.94	19.19		53.40	43.74	
% of Sales	13.73%	10.12%		13.35%	11.22%	
Other Expenses	20.73	21.00		42.31	41.56	
% of Sales	10.57%	11.08%		10.58%	10.66%	
EBITDA	**68.30**	**65.75**	**3.87%**	**140.36**	**133.13**	**5.43%**
% of Sales	34.82%	34.68%		35.10%	34.16%	
Other Income	14.92	7.79		23.28	14.43	
Finance Cost	0.22	0.01		0.42	0.02	
Depreciation	1.09	0.96		2.11	1.96	
Corporate Social Responsibility	1.10	1.03		2.20	2.06	
Profit Before Tax & Exceptional Item	**80.81**	**71.54**	**12.96%**	**158.91**	**143.52**	**10.72%**
Exceptional Item (Trademark & Intellectual Properties)	6.64	11.75		18.38	23.49	
Profit Before Tax(PBT)	**74.17**	**59.79**	**24.05%**	**140.53**	**120.03**	**17.08%**
Tax Expenses	15.87	12.76		30.03	25.61	
Profit After Tax(PAT)	**58.30**	**47.03**	**23.95%**	**110.50**	**94.42**	**17.03%**
% of Sales	29.72%	24.81%		27.63%	24.23%	
Basic & Diluted EPS (Rs.)	3.95	3.19		7.49	6.40	

Sales Performance





- ✓ Sales for the quarter ended September'16 has increased by 3.47%.
- ✓ Sales for the half year ended September'16 has increased by 2.61%.

Statement of Quarter wise Sales (Volume & Value)

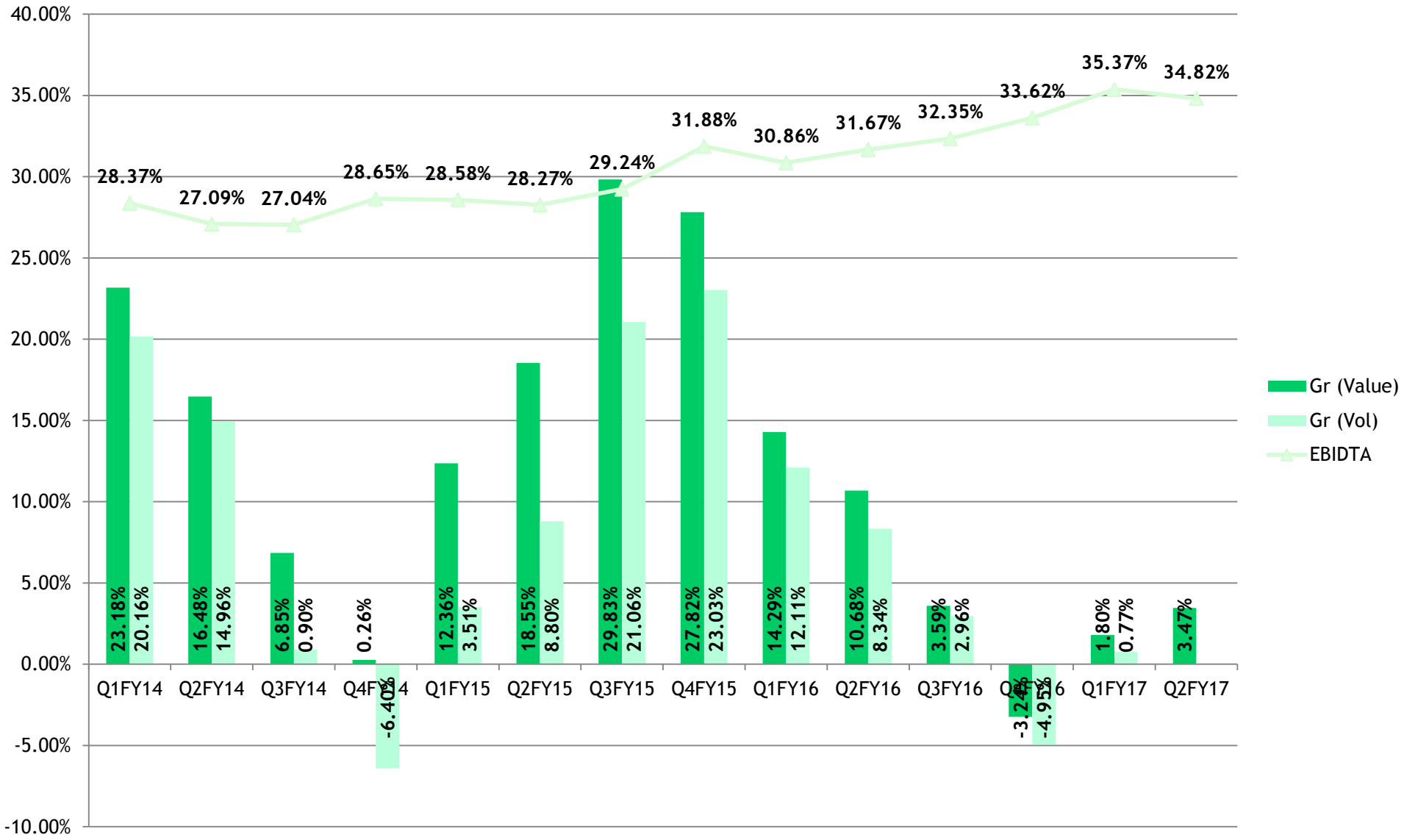
STATEMENT OF QUARTERWISE SALES (VOLUME - In Cases)

	ADHO		KPCO		BAHO		AHO		Nomarks		Others		Total	
	FY 17	FY 16	FY 17	FY 16	FY 17	FY 16	FY 17	FY 16	FY 17	FY 16	FY 17	FY 16	FY 17	FY 16
Q1	1,269,703	1,241,928	7,483	7,435	11,801	14,073	45,072	49,630	29,195	40,210	8,081	7,538	1,371,335	1,360,814
Q2	1,210,568	1,191,034	2,107	1,856	15,376	16,751	40,865	45,290	27,225	41,136	7,640	8,445	1,303,780	1,304,512
Total	2,480,271	2,432,962	9,590	9,291	27,177	30,824	85,937	94,920	56,420	81,346	15,721	15,983	2,675,115	2,665,326

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

	ADHO		KPCO		BAHO		AHO		Nomarks		Others		Total	
	FY 17	FY 16	FY 17	FY 16	FY 17	FY 16	FY 17	FY 16	FY 17	FY 16	FY 17	FY 16	FY 17	FY 16
Q1	188.72	183.11	0.64	1.29	2.36	2.68	4.18	4.27	6.37	7.57	1.46	1.22	203.73	200.13
Q2	181.18	172.57	0.17	0.23	3.10	3.23	3.79	3.83	6.54	8.28	1.37	1.43	196.15	189.57
Total	369.90	355.68	0.81	1.52	5.46	5.91	7.97	8.10	12.91	15.85	2.83	2.65	399.88	389.71

Consistent Performance over the last 14 successive quarters



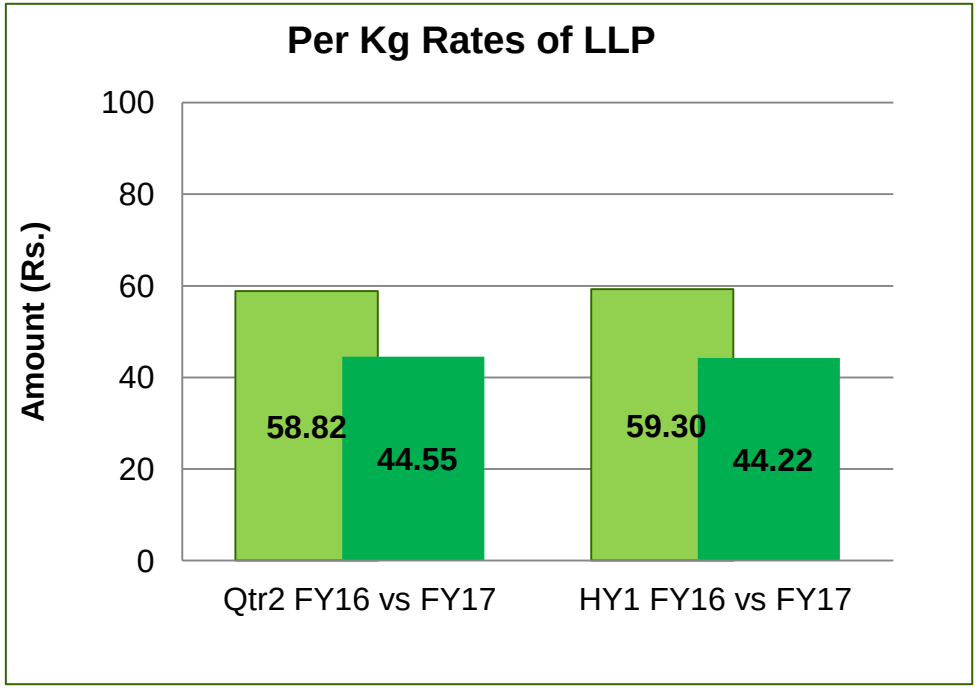
Breakup of RM/PM Costs *(for Q2 FY 17)*

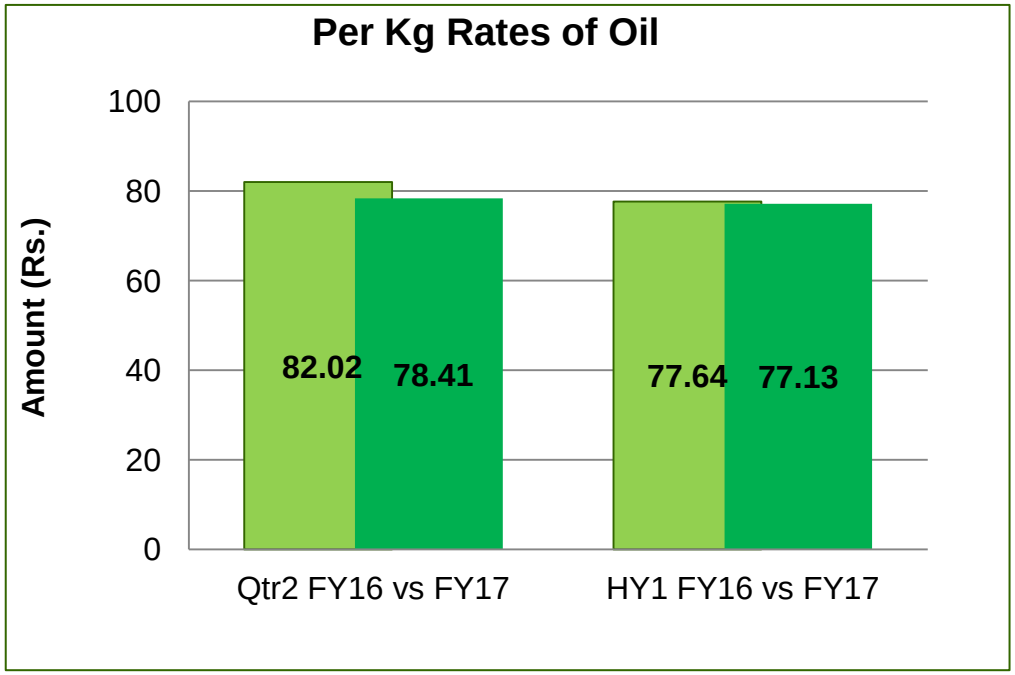
Key Raw & Packing Material	% to Sales	% to Total Cost
LLP	8.17%	24.02%
Glass Bottles	9.17%	26.94%
Refined Veg. Oil	4.37%	12.86%
Perfumes & other additives	3.59%	10.55%
Corrugated Boxes	1.79%	5.25%
Caps	2.03%	5.95%
Others	4.91%	14.43%
TOTAL	34.02%	100.00%

*** Consumption is 34.02% of Sales**

For Bajaj Almond Drops

Change in Prices of Key Ingredients





- ✓ During the quarter average price of LLP decreased to Rs 44.55/Kg from Rs 58.82/Kg in corresponding quarter of previous year.
- ✓ Prices of Refined Oil decreased to Rs 78.41/Kg from Rs 82.02/Kg in corresponding quarter of previous year.

Fund Position

- Fund Position:
  - The total Fund available with the company as on 30th September' 2016 is Rs. 414.45 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	7.98
Bonds	400.47
Liquid Plans of Mutual Funds	6.00
Total	**414.45**

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 Construction is expected to be completed by end of 2017.

- 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 2017-18
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 3.6 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