

July 25, 2016

<b>DCS-CRD</b> <b>BSE Limited</b> <b>First Floor, New Trade Wing</b> <b>Rotunda Building,</b> <b>Phiroze Jeejeebhoy Towers</b> <b>Dalal Street, Fort</b> <b>Mumbai 400 023</b> Fax No. 2272 3719/2039  <b>Stock Code: 533229</b>	<b>National Stock Exchange of India Ltd.</b> <b>Exchange Plaza, 5<sup>th</sup> Floor</b> <b>Plot No.C/1</b> <b>'G'Block</b> <b>Bandra - Kurla Complex</b> <b>Bandra East</b> <b>Mumbai 400 051</b> Fax No. 2659 8237/ 8238  <b>Stock Code: BAJAJCORP</b>
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Dear Sir,

**Sub: Investor Presentation**

Please find enclosed a copy of Investor Presentation dated June 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

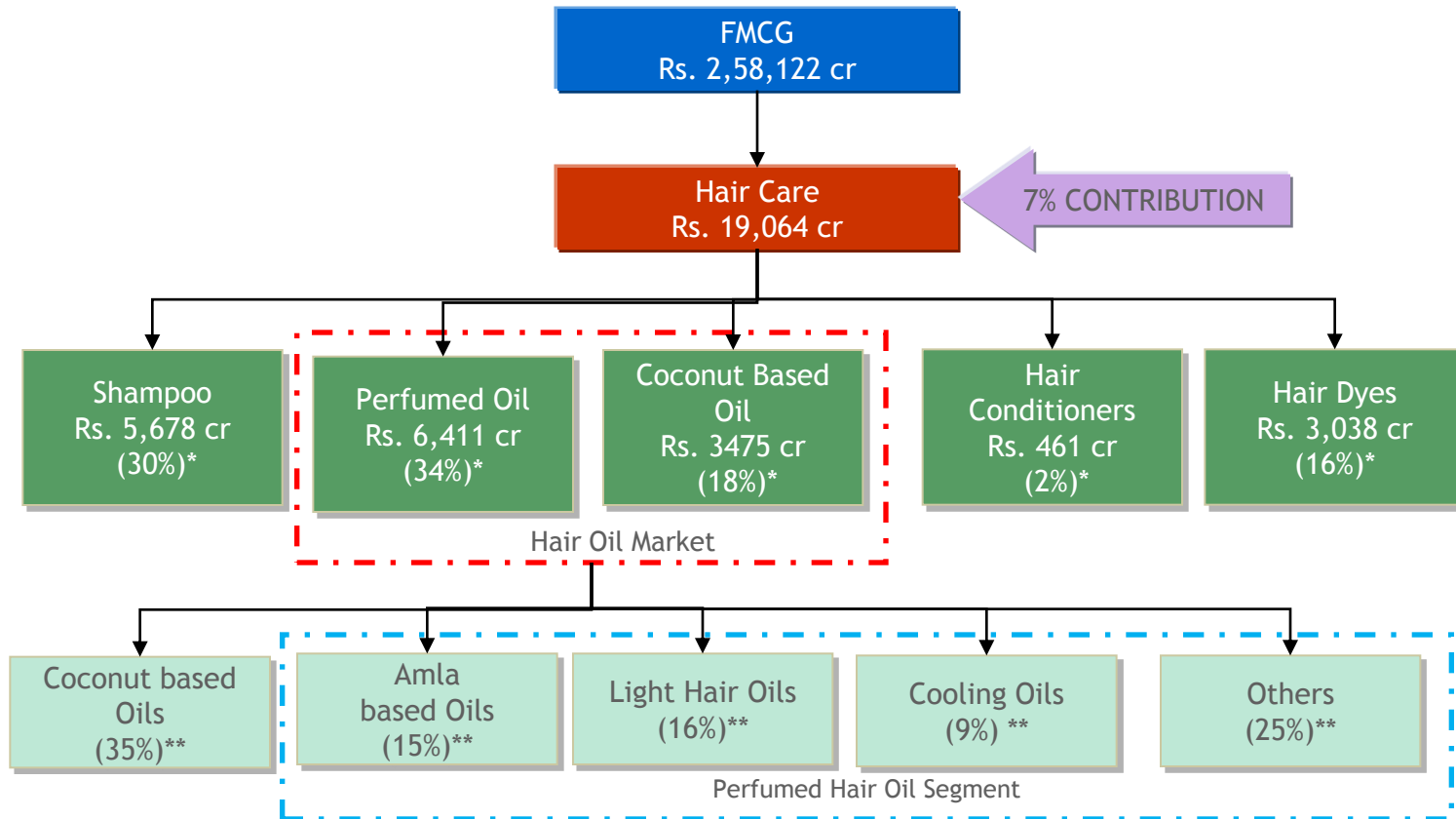


# *Investor Presentation*

*July 2016*

# Industry Overview

# INDUSTRY SIZE AND STRUCTURE



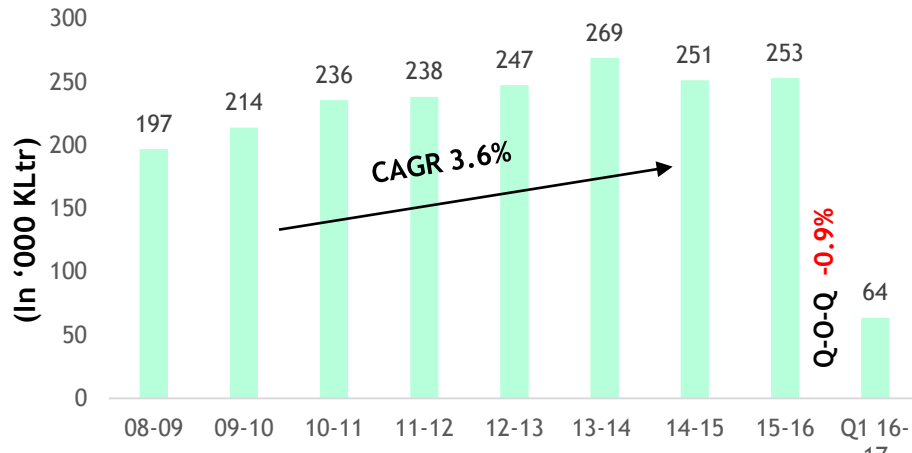
\* Value based share of Hair Care Market

\*\* Value based share of Hair Oil Market

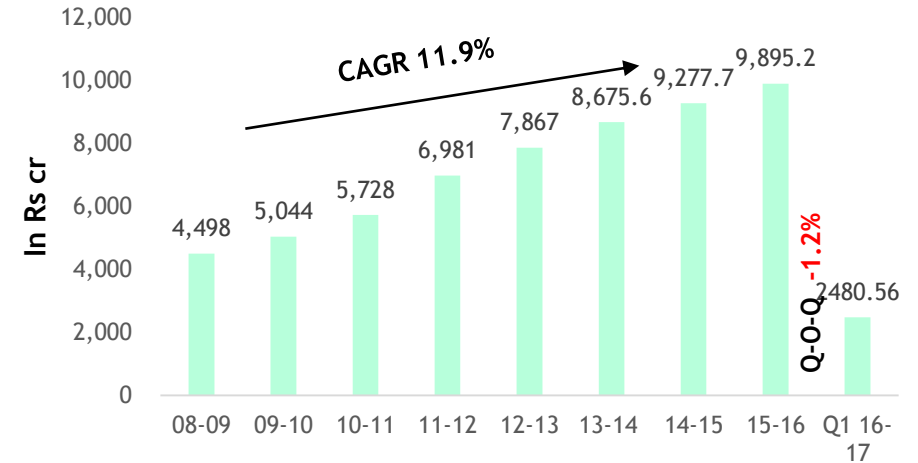
MAT MAR 16

# Hair Oil Market in India

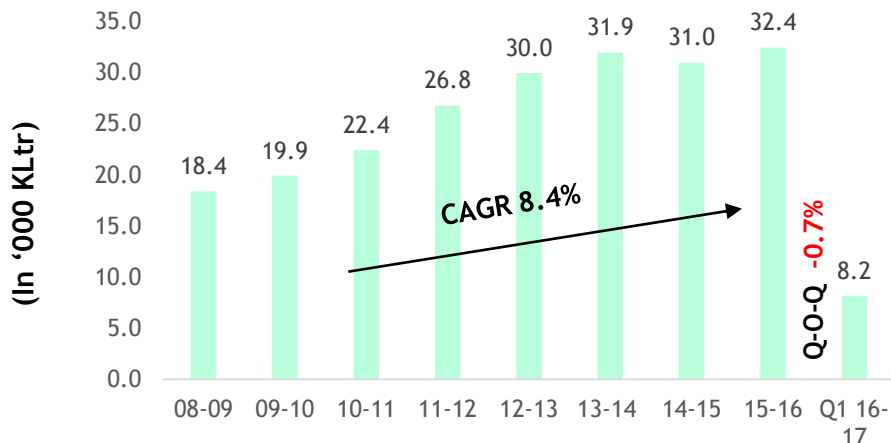
## Overall Hair Oil Market - Volume



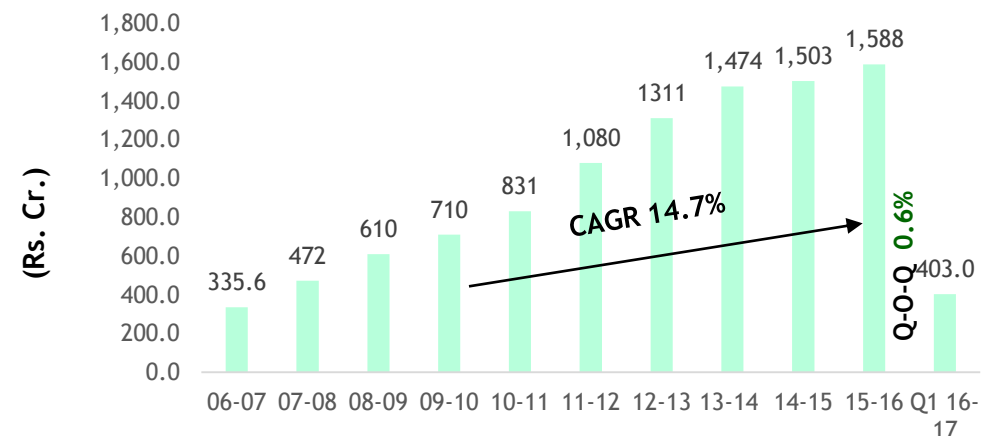
## Overall Oil Market - Value



## Light Hair Oil - Volume



## Light Hair Oil - Value

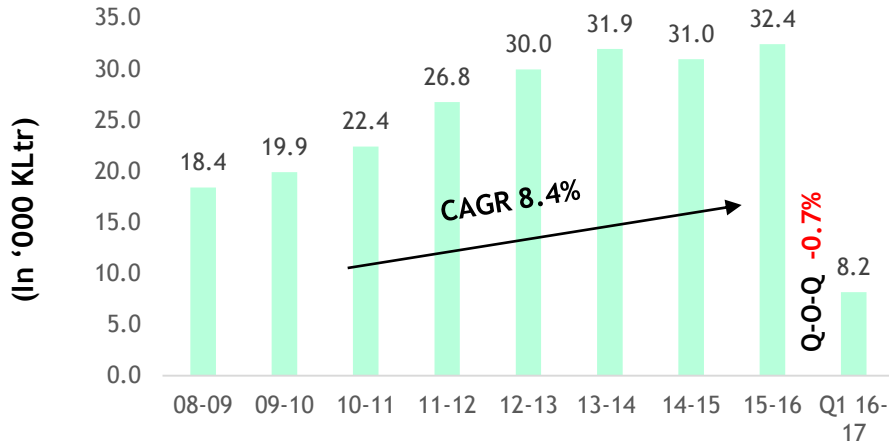


Source: AC Nielsen Retail Audit Report, updated June 2016; LHO nos. adjusted from 15-16 for like to like comparison

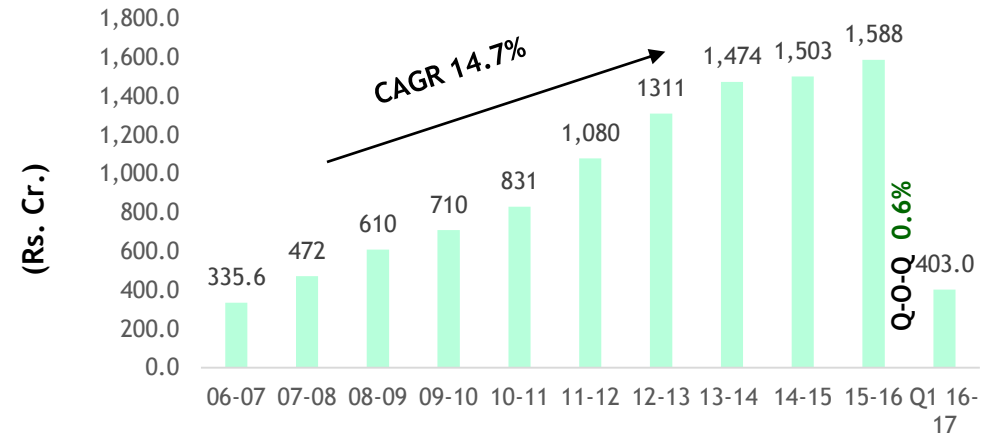
Hair Oils category is declining slightly as compared to Q1FY16. LHO segment shows slight value growth.

# Light Hair Oil Market in India

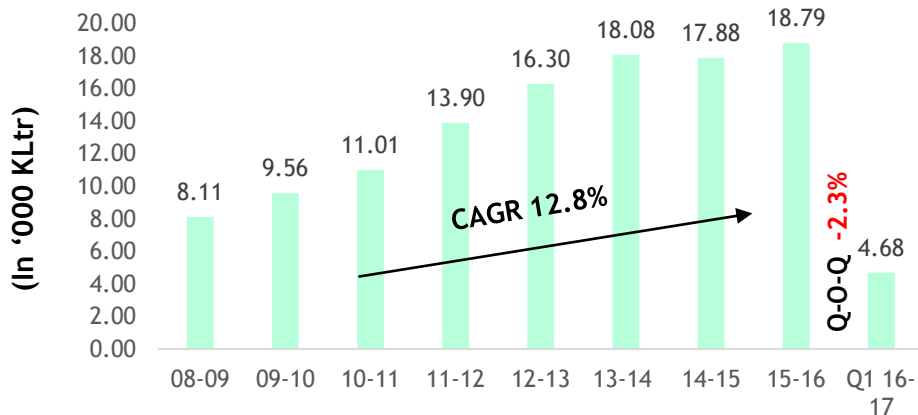
## Light Hair Oil - Volume



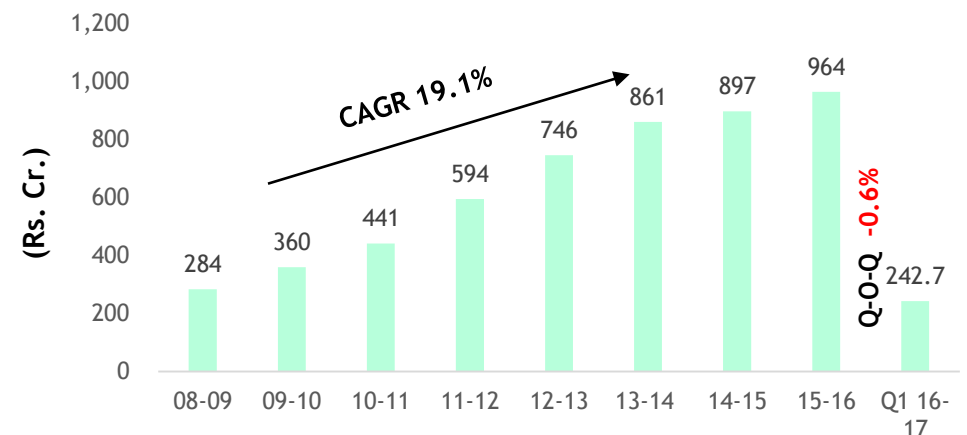
## Light Hair Oil - Value



## Almond Drops Hair Oil Market - Volume



## Almond Drops Hair Oil Market - Value

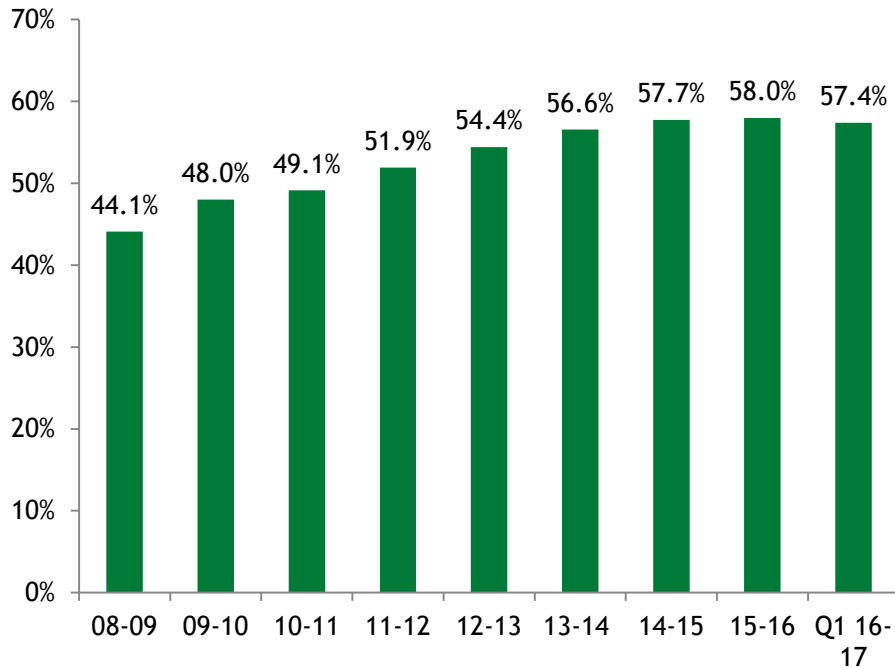


Source: AC Nielsen Retail Audit Report, updated June 2016; LHO nos. adjusted from 15-16 for like to like comparison

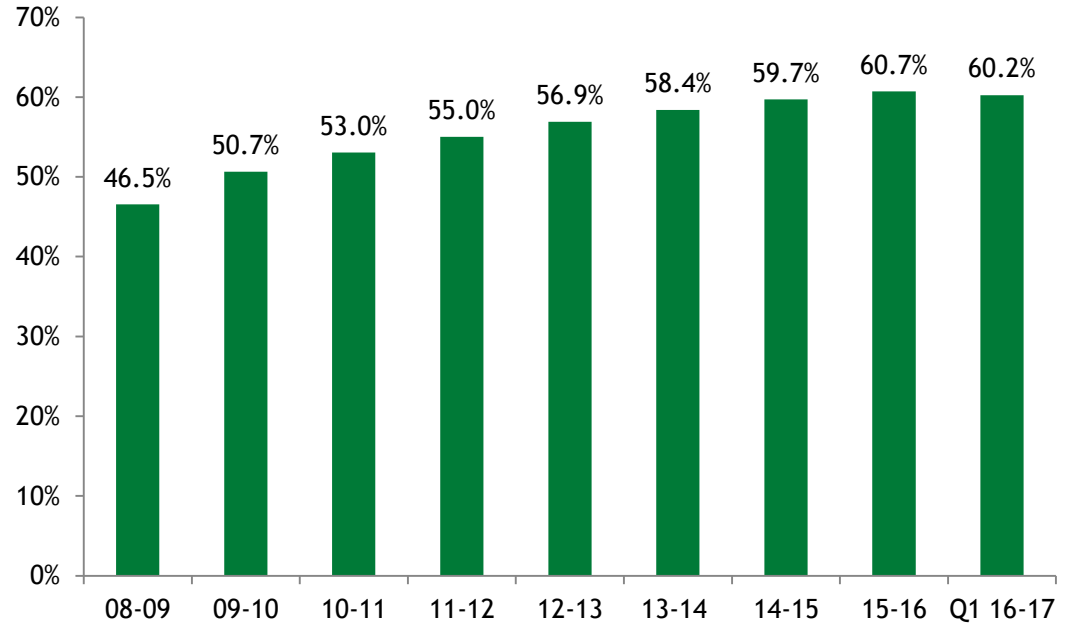
**Bajaj Almond Drops shows slight drop in volume & value this Q1**

# Market Shares Trends (All India - Urban Plus Rural)

## Volume MS



## Value MS

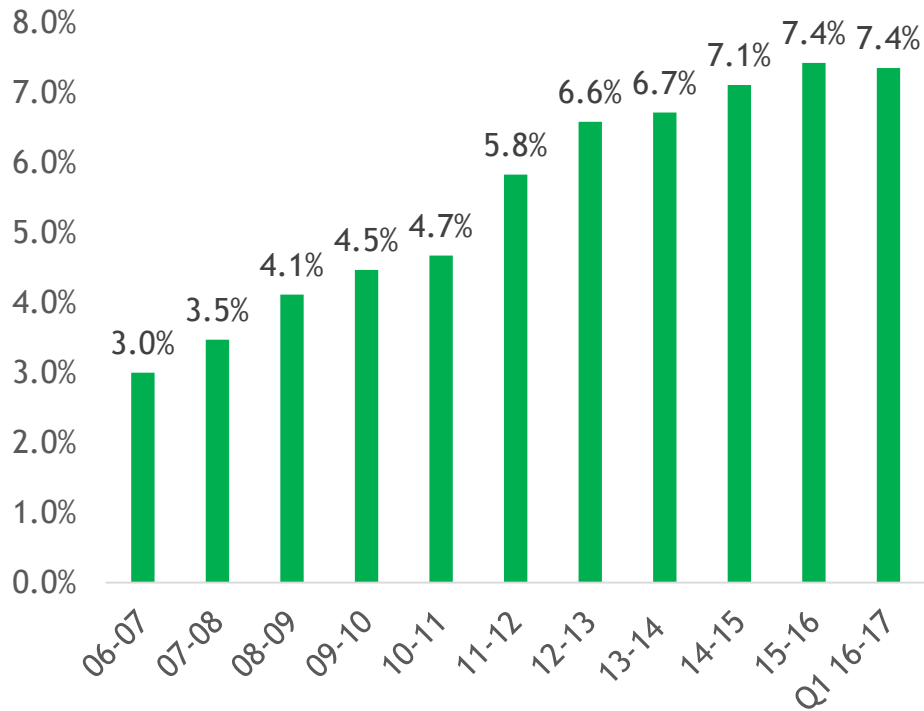


\*Market Share in the Light Hair Oil Category, LHO nos. adjusted from 15-16 for like to like comparison.

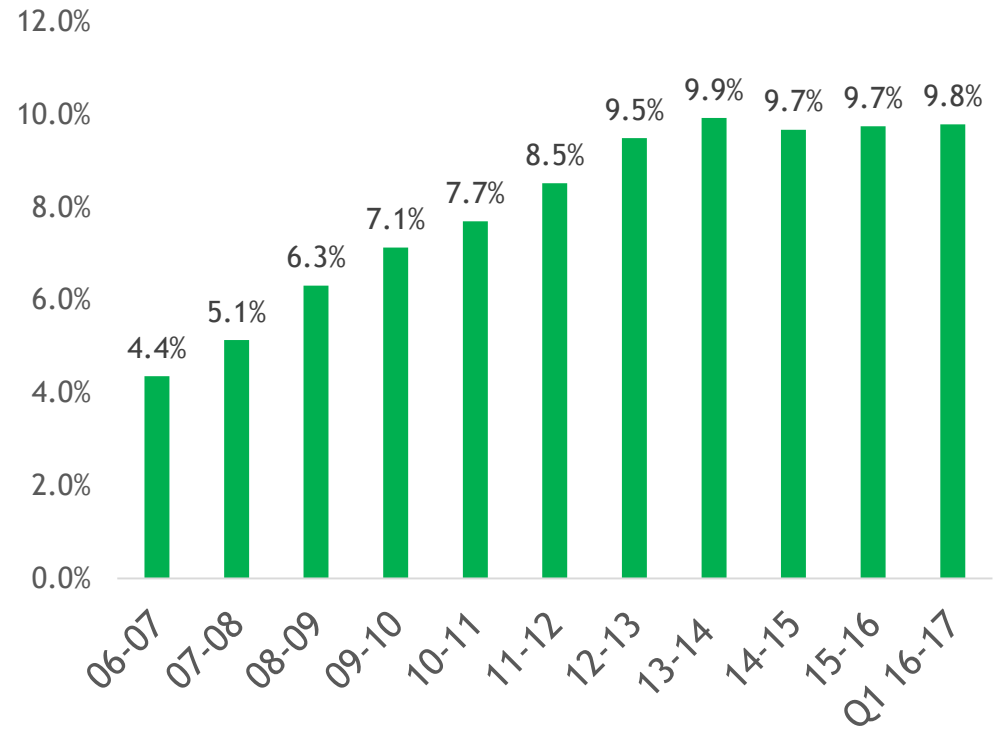
Source: AC Nielsen Retail Audit Report, updated June 2016

# Market Shares Trends (All India - Urban Plus Rural)

## Volume MS



## Value MS



**\*Market Share in the Total Hair Oil Category**

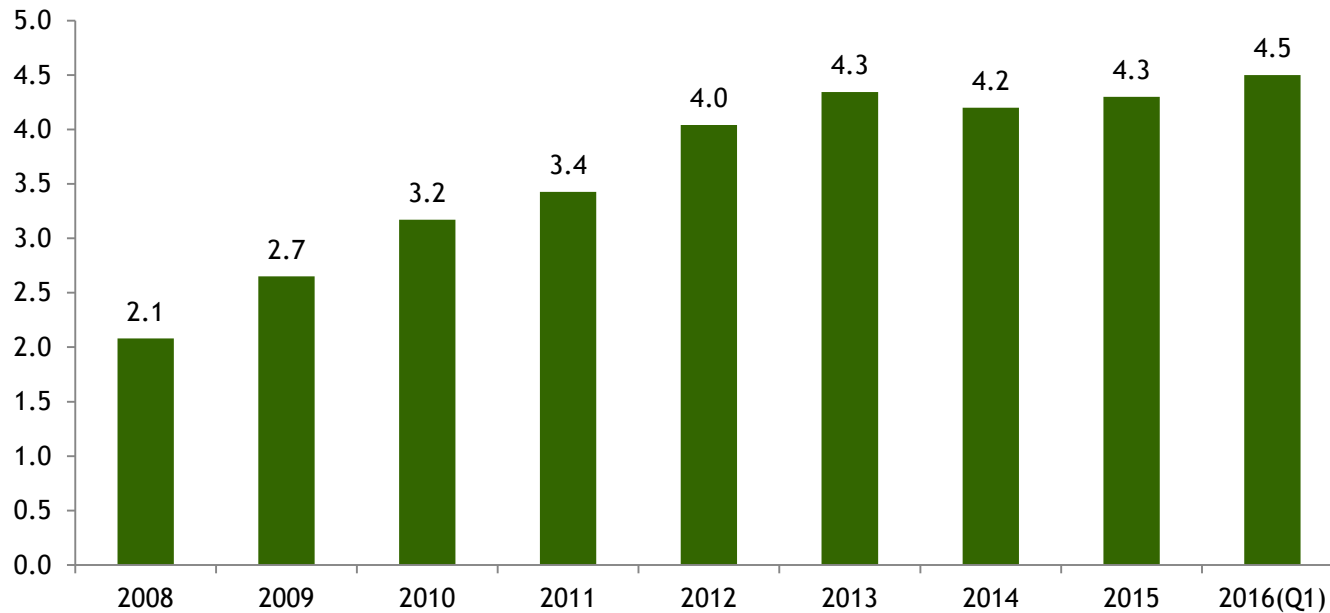
Source: AC Nielsen Retail Audit Report, updated June 2016



# 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

Relative MS - Val



Source: AC Nielsen Retail Audit Report, updated June 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	3.6	1
HP-JK	3.9	1
Haryana	4.3	1
<b>NZ</b>	2.9	1
Madhya Pradesh	3.8	1
Chhattisgarh	6.7	1
UP	3.5	1
Uttaranchal	4.3	1
<b>CZ</b>	4.1	1
Assam	4.3	1
Bihar	9.6	1
Jharkhand	6.8	1

States	Relative Market Share	Rank
North East	3.7	1
Orissa	6.4	1
WB	2.4	1
<b>EZ</b>	5.5	1
Maharashtra	4.5	1
Mumbai	3.0	1
Gujarat	2.0	1
<b>WZ</b>	3.1	1
AP	1.3	1
Karnataka	10.2	1
Kerala	1.4	1
TN	1.0	1
<b>SZ</b>	2.1	1
All India	4.5	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, updated June 2016

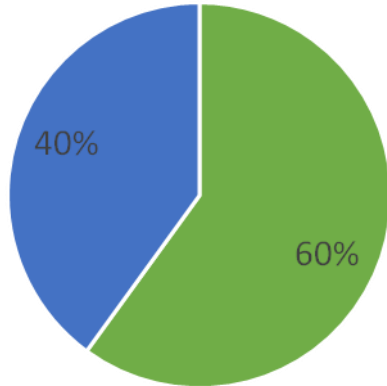
# Statewise Market Share

MAT June 16	LHO Volume	ADHO Proportion %		ADHO Market Share % (Vol)		
	Saliency	Urban	Rural	Total	Urban	Rural
All India		57	43	57.7%	54.8%	62.0%
Delhi	6	100	0	55.5%	55.5%	-
Raj	6	53	47	46.0%	50.0%	42.3%
Punjab	4	68	32	54.9%	53.4%	58.9%
Har	6	77	23	57.3%	55.1%	67.1%
HP-JK	1	43	57	50.6%	46.8%	53.7%
MP	10	51	49	57.5%	57.5%	57.5%
Chattisgarh	4	44	56	71.8%	63.1%	80.1%
UP	25	41	59	62.1%	57.6%	65.8%
Uttar	1	57	4	59.9%	54.8%	68.2%
Assam	3	36	64	66.7%	62.5%	69.7%
Bihar	8	46	54	76.9%	70.4%	83.4%
JharKhand	2	55	45	68.8%	65.9%	73.6%
North East	1	56	44	44.5%	41.0%	49.5%
Orissa	2	53	47	67.7%	63.4%	73.5%
WB	7	57	43	42.5%	38.8%	48.9%
Guj	4	67	33	55.7%	51.4%	67.1%
Maha	7	72	28	58.3%	59.0%	56.7%
AP	1	89	11	49.1%	50.5%	40.2%
Kar	1	77	23	67.6%	67.1%	69.1%
Kerala	0	90	10	25.1%	25.9%	19.9%
TN	0	99	1	34.2%	37.3%	3.9%

Source: AC Nielsen Retail Audit Report, updated June 2016

# Light Hair Oil Market - Key Characteristics

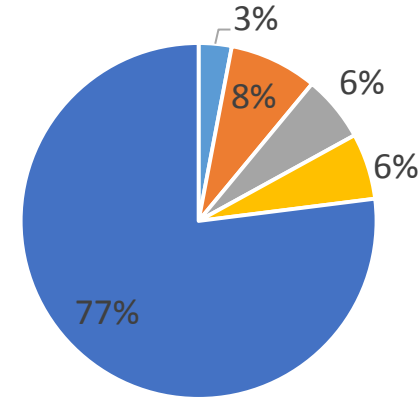
## Rural -Urban break up of LHO market



Urban dominated segment due to its relatively higher pricing

■ All India - Urban    ■ All India - Rural

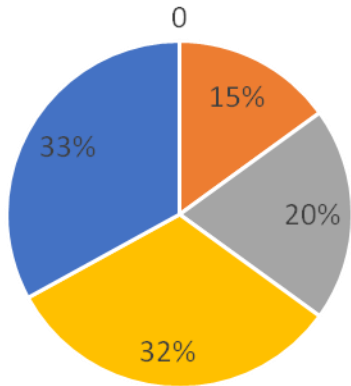
## Share of Distribution Channels in LHO market



Grocers dominate distribution

■ Modern Trade - Urban    ■ Pan plus    ■ Chemists    ■ All India -Urb-Cosmetics    ■ Grocers

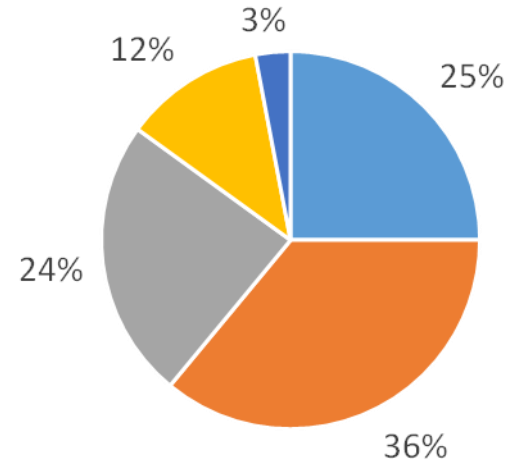
## SKU wise break up of LHO market



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

■ 0-15ml    ■ 16-50    ■ 51-100    ■ 101 and above

## Region wise break up of LHO market



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

■ NZ    ■ CZ    ■ EZ    ■ WZ    ■ SZ

# 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), Black tooth powder and skincare products under Nomarks brand. *\*Source: AC Nielsen Retail Audit Report, June 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 Normal Skin & Neem Facewash, available in sizes 15g, (Neem) 50g, 100g(Neem)



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

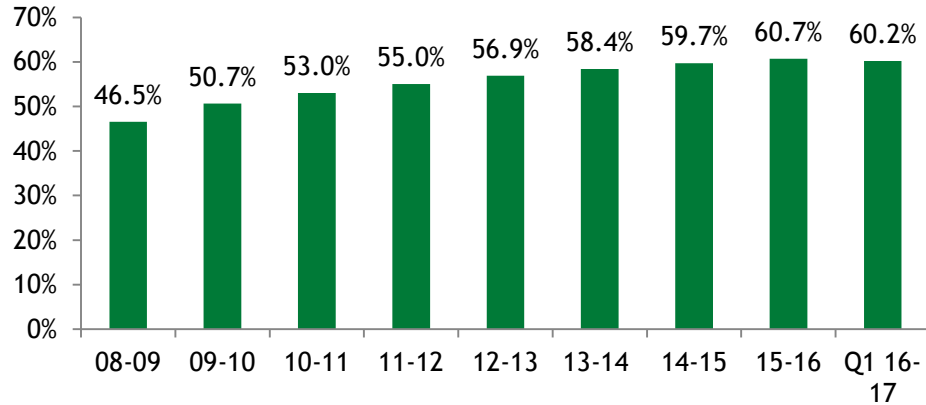


Bajaj Nomarks Exfoliating Scrub, 50g and Bajaj Nomarks Face Pack 25g

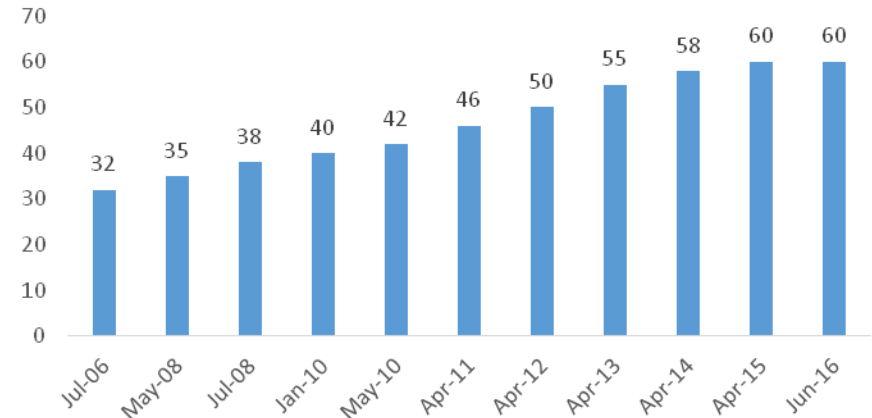


# Bajaj Almond Drops - A Premium Brand

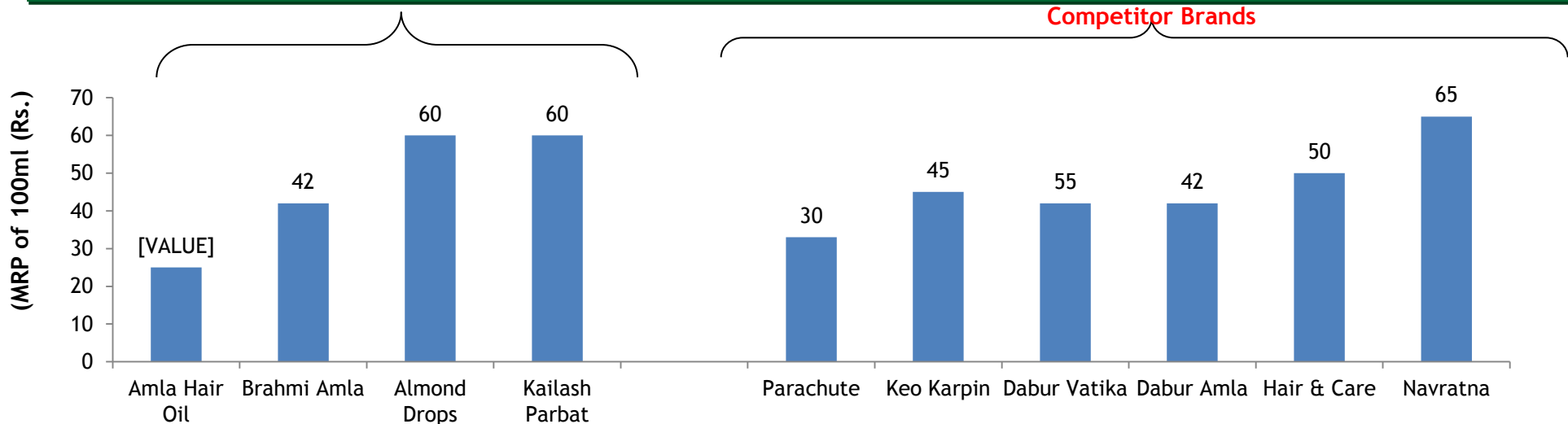
## Strong Market Share Growth in Recent Years



## ... 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 June 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.)**



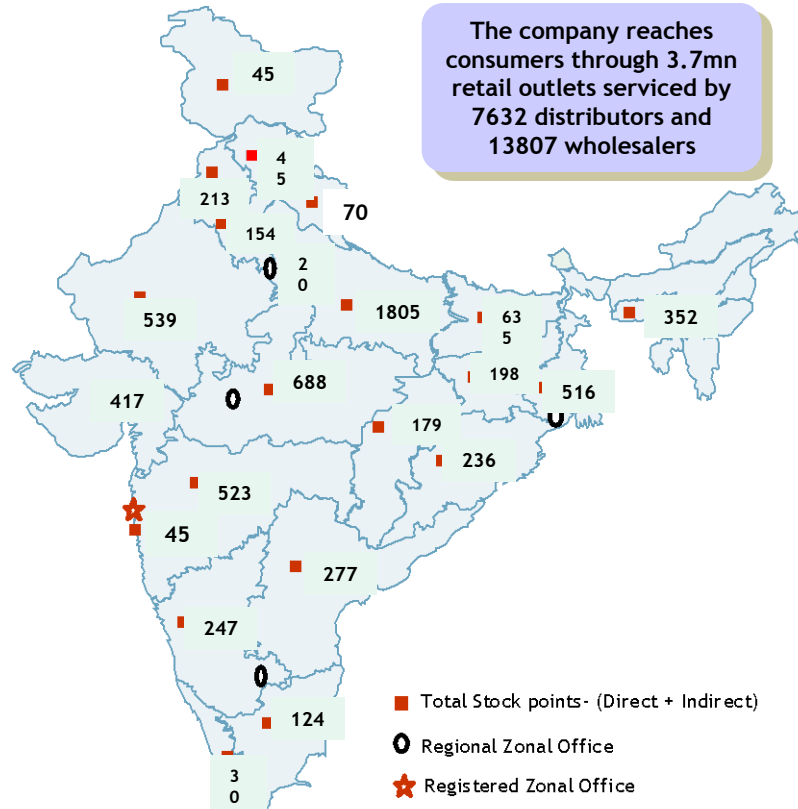
# Consumer Profile- Bajaj Almond Hair Drops Oil Users

- 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%

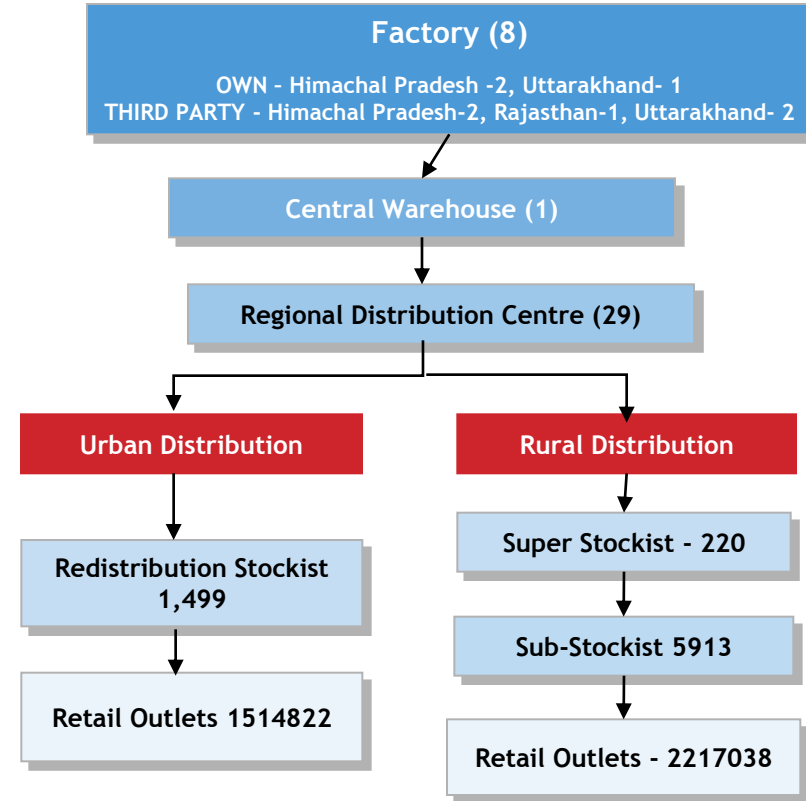
**Source – Last U&A (2012)**

# Strong Distribution Network

## Distribution Network



## Distribution Structure

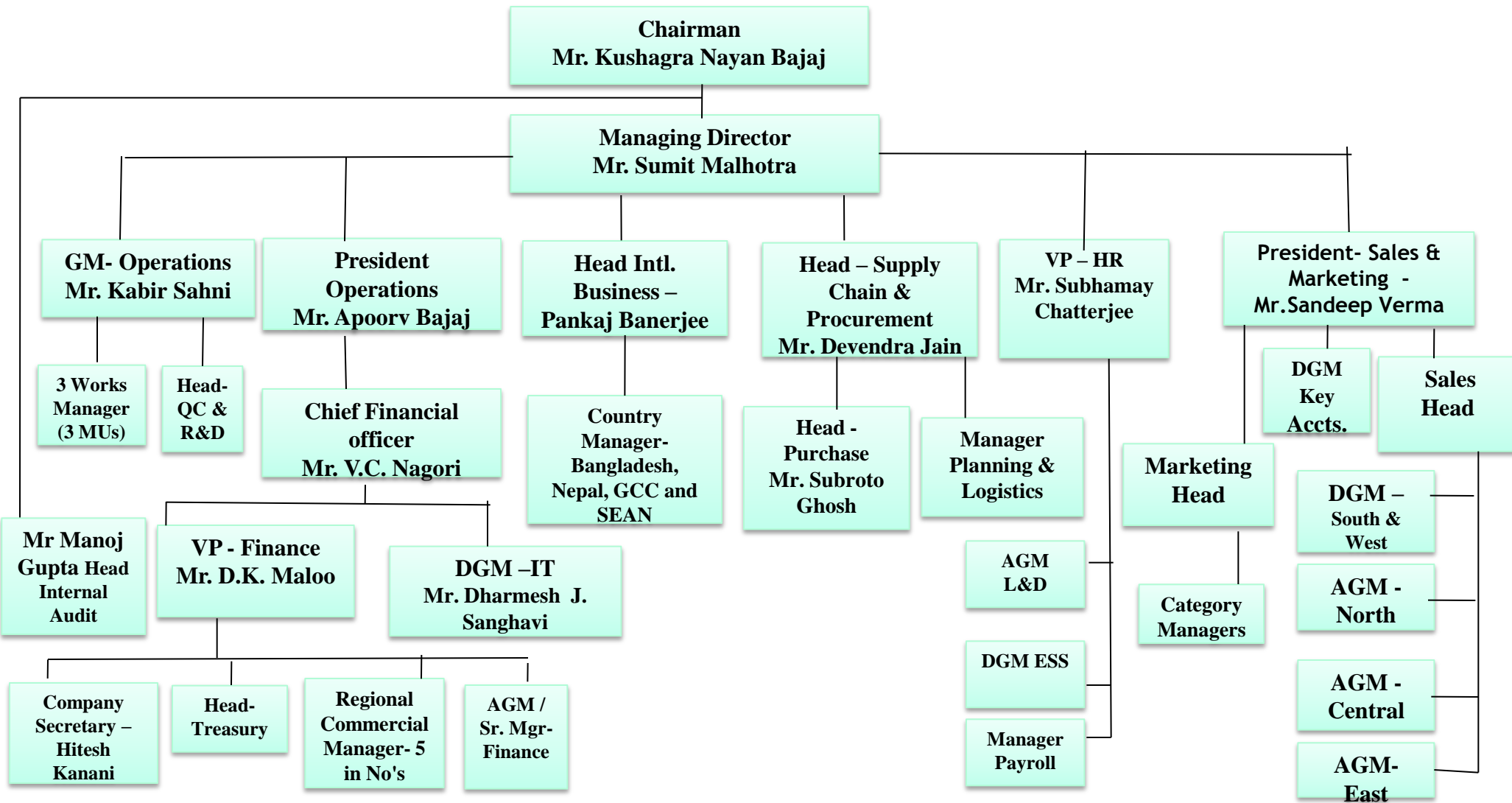


Over the years, BCL has created a large distribution network (that continues to grow) which can be leveraged to introduce new products

# Van Operations

- Started in FY 13 with a objective of increasing Rural Sales
- Piloted 39 Vans in Q4 FY 13
- Currently operating 117 vans (for Sales)
- Vans cover 7560 uncovered Towns and Villages on a monthly basis
- For MAT June 16,
  - Bajaj Almond Drops Hair Oil got 43 % of its sales from Rural India
  - Volume Growth in Rural India - 1.1% (Urban + Rural = -2.3%)
  - Market share in Rural India - 62% (Urban + Rural = 57.7%)

# Organization Structure

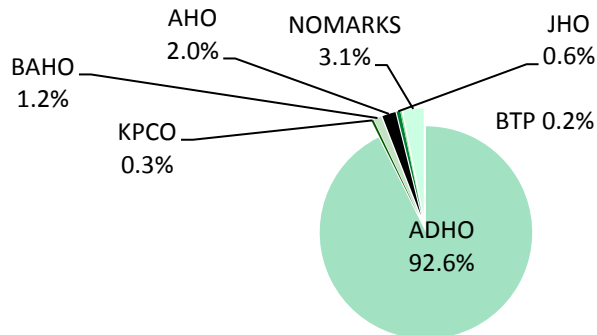


# Financial Information

## Summary Income Statement

Particulars (Rs. In Crore)	Q1FY17	Q1FY16	FY 16
Sales (Net)	203.73	200.13	793.67
EBITDA	72.06	67.38	278.54
EBITDA Margin	35.37%	33.67%	35.10%
Profit Before Tax & Exceptional Item	78.10	71.98	298.68
Exceptional Item (Trademark & Intellectual Properties)	11.75	11.75	46.98
Profit Before Tax(PBT)	66.36	60.24	251.70
Net Profit after Tax	52.20	47.38	197.99
Net Profit Margin	25.62%	23.68%	24.95%

## Brandwise Sales Break-Up for Qtr 1 FY 2017



## Summary Balance Sheet

Particulars (Rs. In Crore)	As on 30.06.2016	As on 31.03.2016
Shareholders Equity	538.08	485.82
Net Fixed Assets	54.20	65.59
Investments (including Bank FDs, Bank CDs and Government Securities & Bonds)	485.02	414.93
Net Current Assets	-1.14	5.30

## Key Highlights

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

# EBITDA & PAT Performance

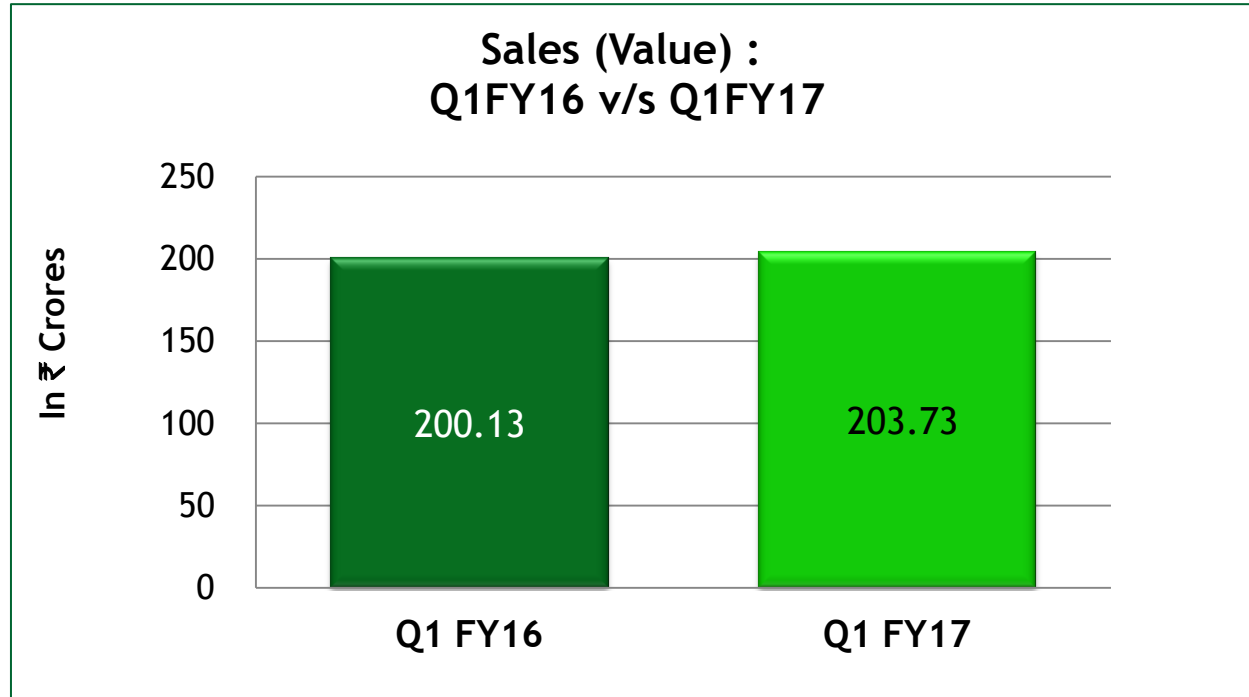
Particulars	Q1FY17	Q1FY16	Rs. in Crore	
			YoY%	FY 16
EBITDA	72.06	67.38	6.94%	278.54
Profit Before Tax & Exceptional Item	78.10	71.98	8.50%	298.68
Exceptional Item (Trademark & Intellectual Properties)	11.75	11.75		46.98
Profit Before Tax (PBT)	66.36	60.24	10.16%	251.70
Profit After Tax (PAT)	52.20	47.38	10.16%	197.99

# Profit & Loss Q1 FY2017

Rs. in Crore

Particulars	Q1FY17	Q1FY16	YoY%	FY 16
<b>Net Sales</b>	<b>203.73</b>	<b>200.13</b>	<b>1.80%</b>	<b>793.67</b>
Other Operating Income	0.58	0.73		2.19
Material Cost	70.39	77.26		297.19
% of Sales	34.55%	38.60%		37.45%
Employees Cost	13.82	11.13		45.83
% of Sales	6.78%	5.56%		5.77%
Advertisement & Sales Prom.	26.46	24.55		91.42
% of Sales	12.99%	12.27%		11.52%
Other Expenses	21.58	20.55		82.88
% of Sales	10.59%	10.27%		10.44%
<b>EBITDA</b>	<b>72.06</b>	<b>67.38</b>	<b>6.94%</b>	<b>278.54</b>
% of Sales	35.37%	33.67%		35.10%
Other Income	8.36	6.64		28.78
Finance Cost	0.20	0.01		0.21
Depreciation	1.02	1.00		4.32
Corporate Social Responsibility	1.10	1.03		4.12
<b>Profit Before Tax &amp; Exceptional Item</b>	<b>78.10</b>	<b>71.98</b>	<b>8.50%</b>	<b>298.68</b>
Exceptional Item (Trademark & Intellectual Properties)	11.75	11.75		46.98
<b>Profit Before Tax(PBT)</b>	<b>66.36</b>	<b>60.24</b>	<b>10.16%</b>	<b>251.70</b>
Tax Expenses	14.16	12.85		53.71
<b>Profit After Tax(PAT)</b>	<b>52.20</b>	<b>47.38</b>	<b>10.16%</b>	<b>197.99</b>
% of Sales	25.62%	23.68%		24.95%
<b>Diluted EPS (Rs.)</b>	<b>3.54</b>	<b>3.21</b>		<b>13.42</b>

# Sales Performance



- ✓ Sales for the quarter ended June'16 has increased by 1.80% value wise and 0.77% volume wise.



# Statement of Quarter wise Sales (Volume & Value)

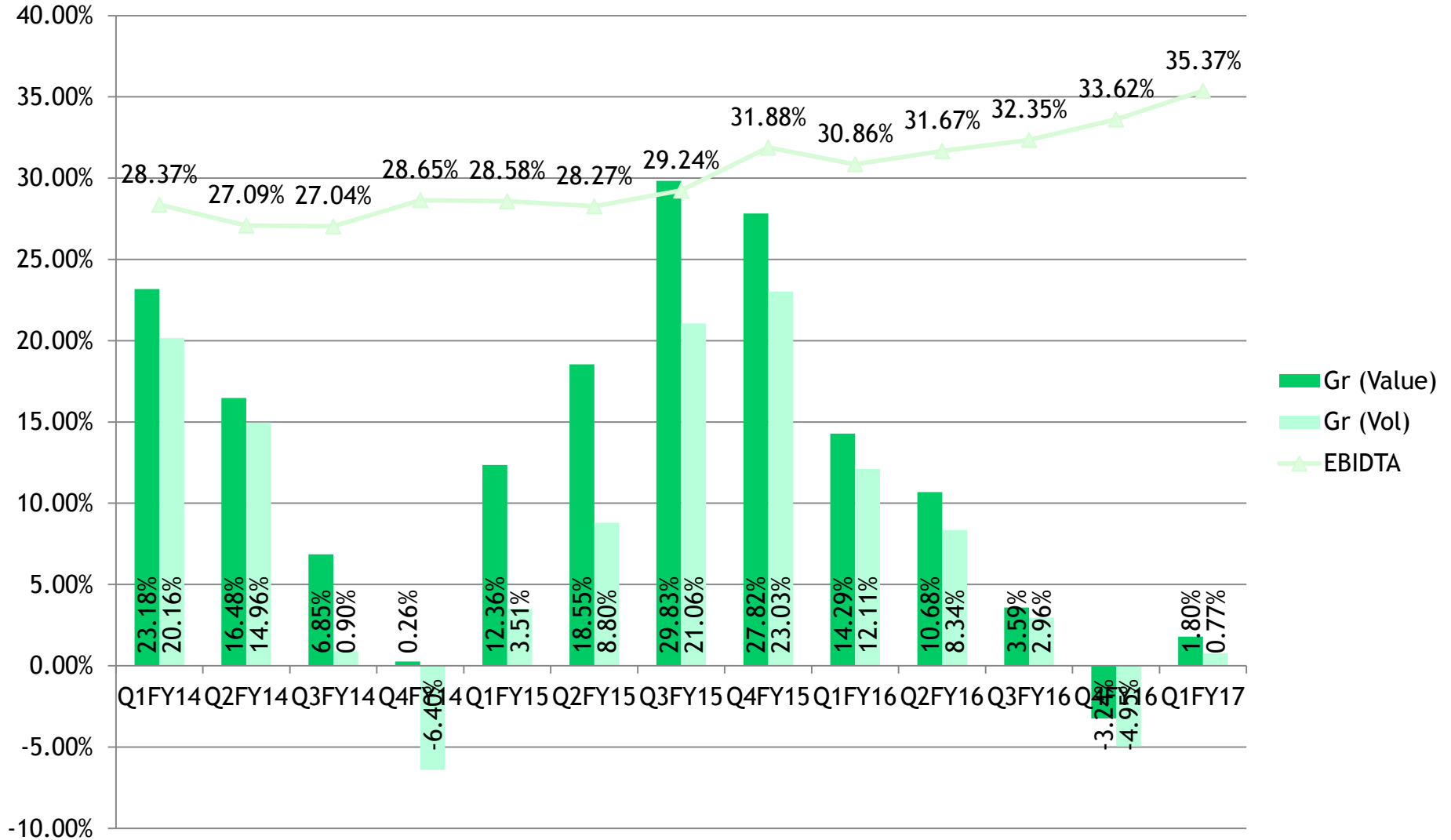
## STATEMENT OF QUARTERWISE SALES (VOLUME - In Cases )

PRODUCT	Q1 FY 17	% to Total	Q1 FY 16	% to Total
ADHO	1,269,703	92.59%	1,241,928	91.26%
KPCO	7,483	0.55%	7,435	0.55%
BAHO	11,801	0.86%	14,073	1.03%
AHO	45,072	3.29%	49,696	3.65%
Nomarks	29,195	2.13%	40,210	2.95%
Others	8,081	0.59%	7,472	0.55%
<b>Total</b>	<b>1,371,336</b>	<b>100.00%</b>	<b>1,360,814</b>	<b>100.00%</b>
<b>% Increase over corresponding period of Previous Year</b>				
<b>0.77%</b>				

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

PRODUCT	Q1 FY 17	% to Total	Q1 FY 16	% to Total
ADHO	18,871.91	92.63%	18,311.10	91.49%
KPCO	64.47	0.32%	128.63	0.64%
BAHO	236.15	1.16%	268.29	1.34%
AHO	417.55	2.05%	426.82	2.13%
NOMARKS	637.26	3.13%	756.62	3.78%
OTHERS	146.00	0.72%	121.81	0.61%
<b>Total</b>	<b>20,373.35</b>	<b>100.00%</b>	<b>20,013.27</b>	<b>100.00%</b>
<b>% Increase over corresponding period of Previous Year</b>				
<b>1.80%</b>				

# Consistent Performance over the last 13 successive quarters



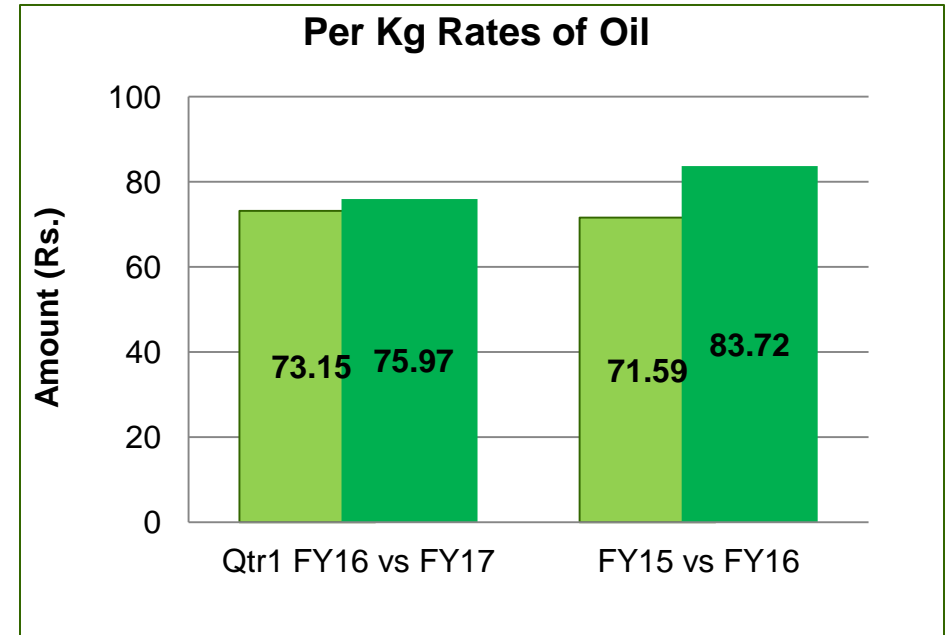
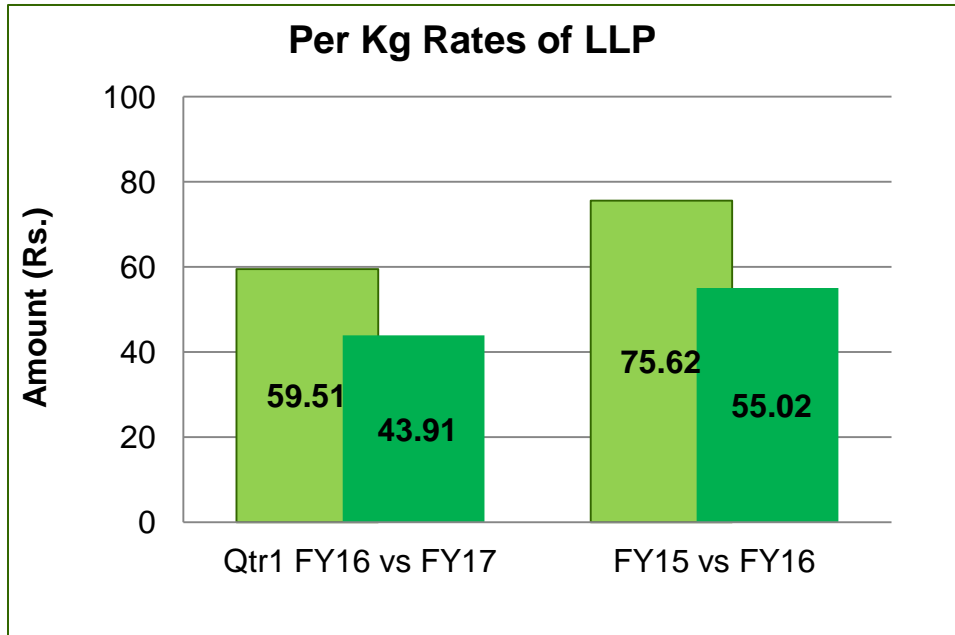
# Breakup of RM/PM Costs (for Q1 FY 17)

Key Raw & Packing Material	% to Sales	% to Total Cost
LLP	8.28%	24.31%
Glass Bottles	8.97%	26.33%
Refined Veg. Oil	4.42%	12.99%
Perfumes & other additives	3.60%	10.58%
Corrugated Boxes	1.76%	5.16%
Caps	1.96%	5.74%
Others	5.07%	14.89%
<b>TOTAL</b>	<b>34.06%</b>	<b>100.00%</b>

**\* Consumption is 34.06% of Sales**

*\*For Bajaj Almond Drops*

# Change in Prices of Key Ingredients



- ✓ During the quarter average price of LLP decreased to Rs. 43.91/kg from Rs. 59.51/kg in corresponding quarter of previous year.
- ✓ During the quarter average price of Refined Oil increased to Rs. 75.97/kg from Rs. 73.15/kg in corresponding quarter of previous year.

# Fund Position

## ■ Fund Position:

- The total Fund available with the company as on 30<sup>th</sup> June' 2016 is Rs. 371.02 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	37.45
Bonds	212.35
Government Securities	0.63
Commercial Papers	118.54
Liquid Plans of Mutual Funds	2.05
<b>Total</b>	<b>371.02</b>

# 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
<b>Market share gains from other hair oil segments</b>	<ul style="list-style-type: none"> <li>■ 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</li> </ul>
<b>Focus on rural penetration</b>	<ul style="list-style-type: none"> <li>■ 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</li> <li>■ Among its key competitors, our Almond Drops is the only brand which is available in sachets - a marketing initiative to penetrate the rural market</li> </ul>
<b>Leverage existing strengths to introduce new products</b>	<ul style="list-style-type: none"> <li>■ BCL has over the years created a strong distribution network across 3.7 mn. retail outlets which can be optimally utilized by introducing new products</li> <li>■ 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</li> </ul>
<b>Pursue inorganic Opportunities</b>	<ul style="list-style-type: none"> <li>■ Will seek inorganic growth opportunities in the FMCG and hair oil market as part of growth strategy</li> <li>■ 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</li> </ul>

**Thank You**