

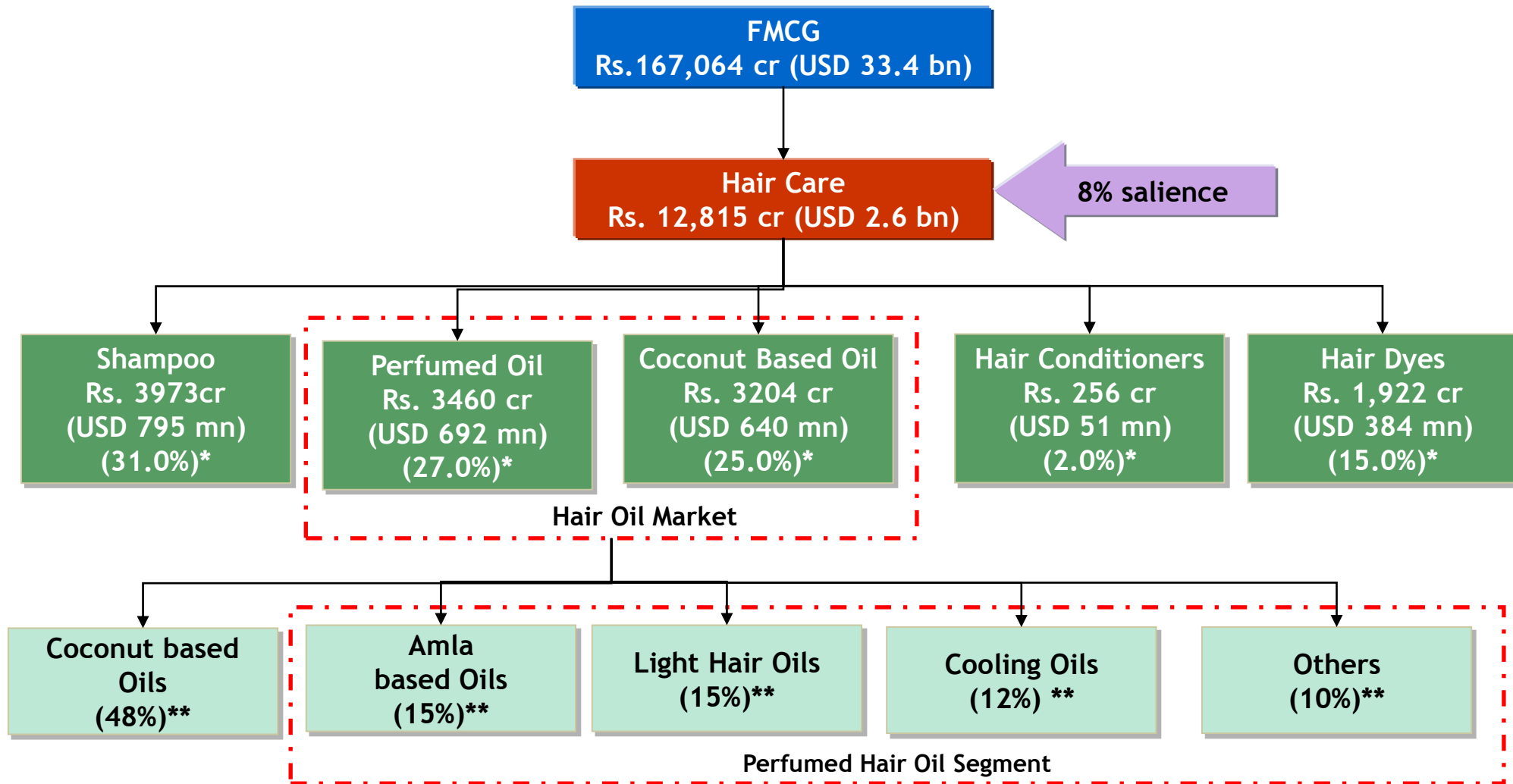


# *Investor Presentation*

*August 2012*

# Industry Overview

# Industry Size and Structure



Source: AC Nielsen Retail Audit Report.  
Only branded products data for CY 2011

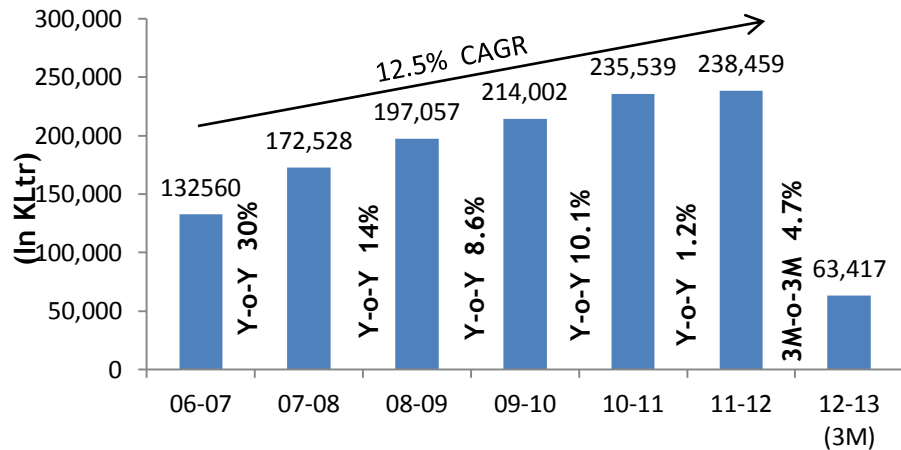
\* Value based share of Hair Care Market

\*\* Value based share of Hair Oil Market

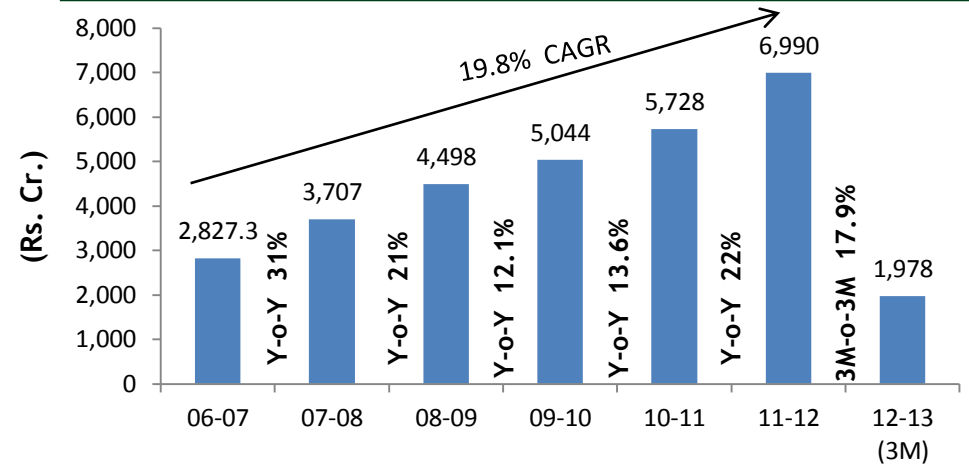
**Light Hair Oil is now the largest non-coconut hair oil segment**

# Hair Oil Market in India

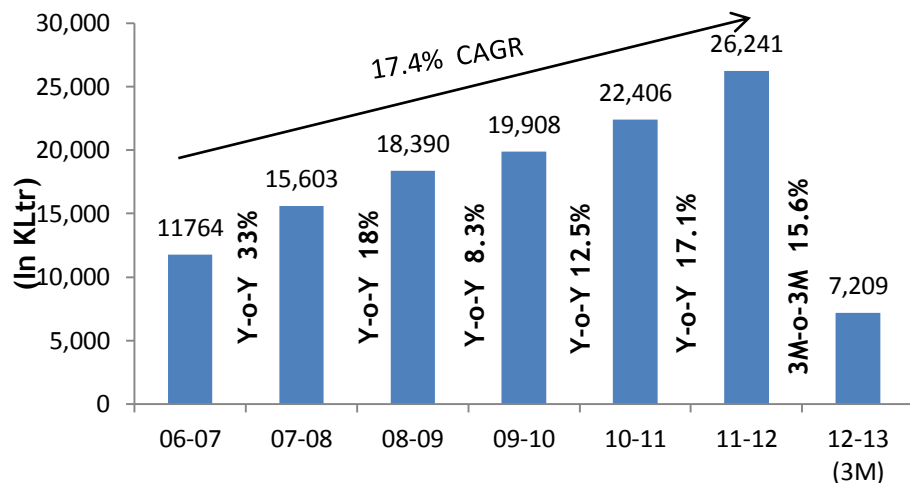
## Overall Hair Oil Market - Volume



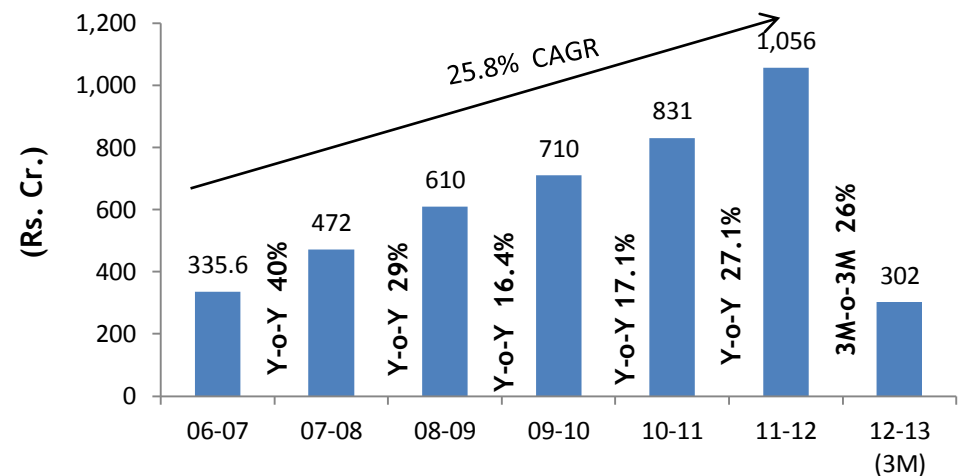
## Overall Oil Market - Value



## Light Hair Oil - Volume



## Light Hair Oil - Value

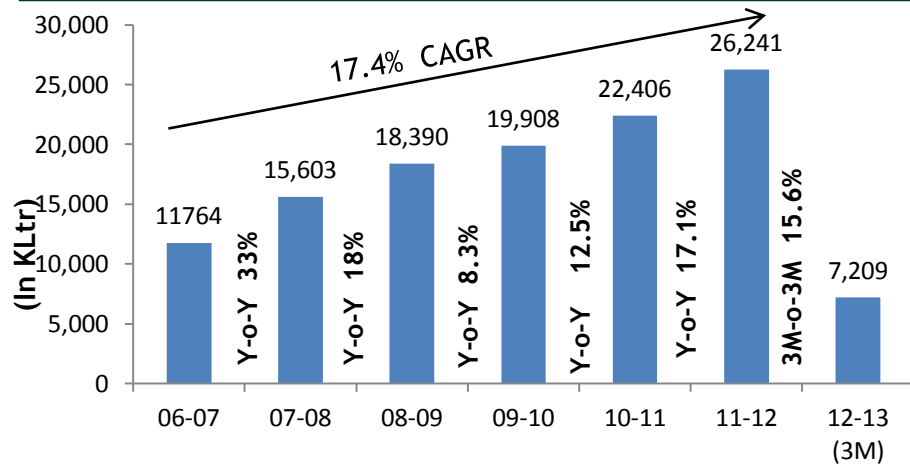


Source: AC Nielsen Retail Audit Report, June 2012.

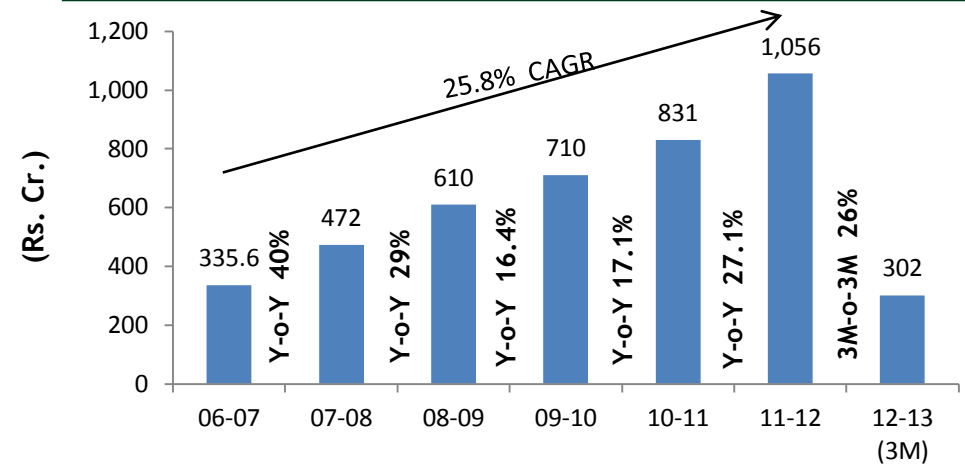
Light hair oils is one of the fastest growing segments in the hair oil market in India

# Light Hair Oil Market in India

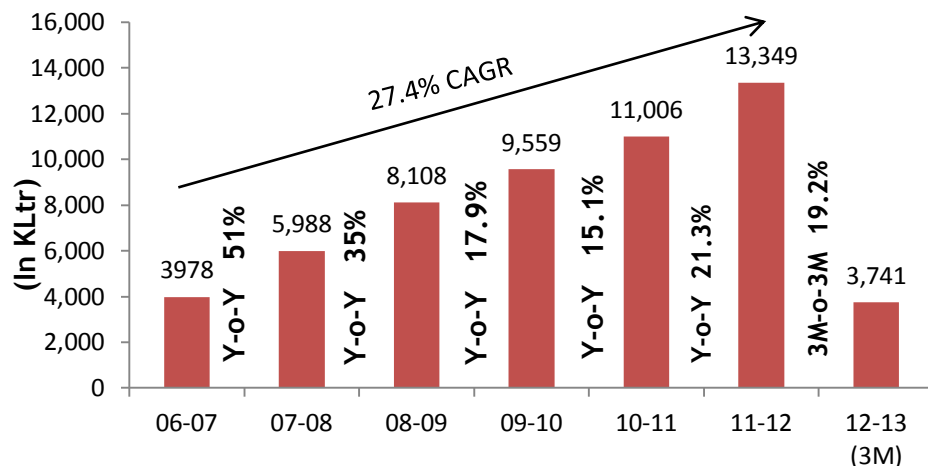
## Light Hair Oil - Volume



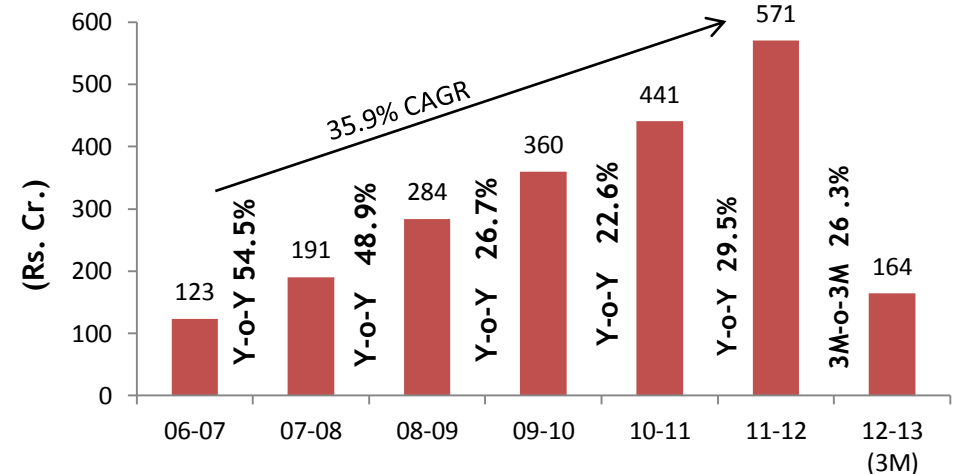
## Light Hair Oil - Value



## Almond Drops Hair Oil Market - Volume



## Almond Drops Hair Oil Market - Value

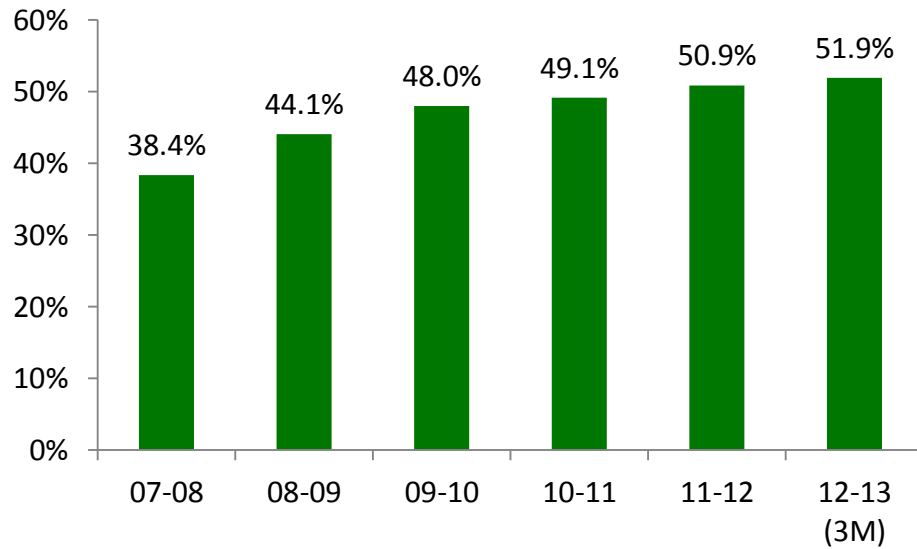


Source: AC Nielsen Retail Audit Report, June 2012.

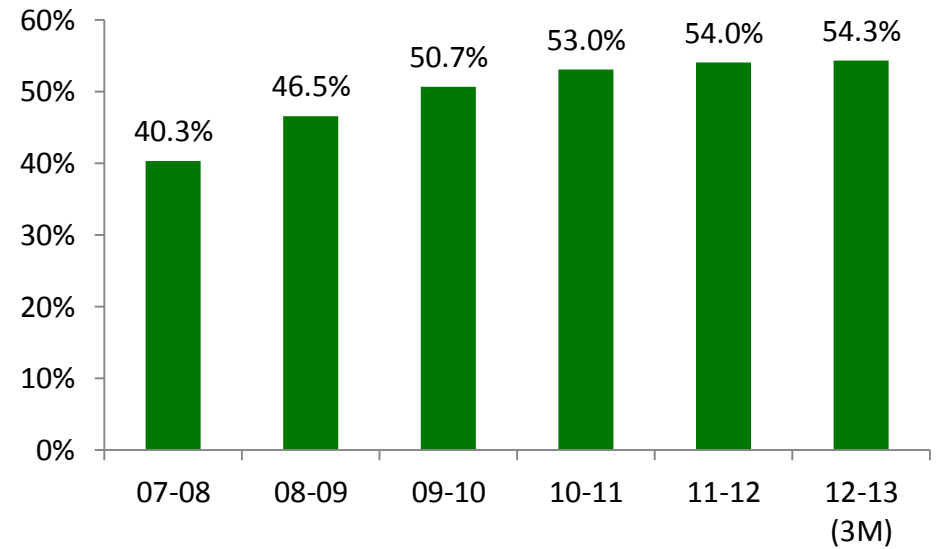
**Almond Drops is the brand which is driving light hair oils and in turn the overall market**

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

## Volume MS



## Value MS



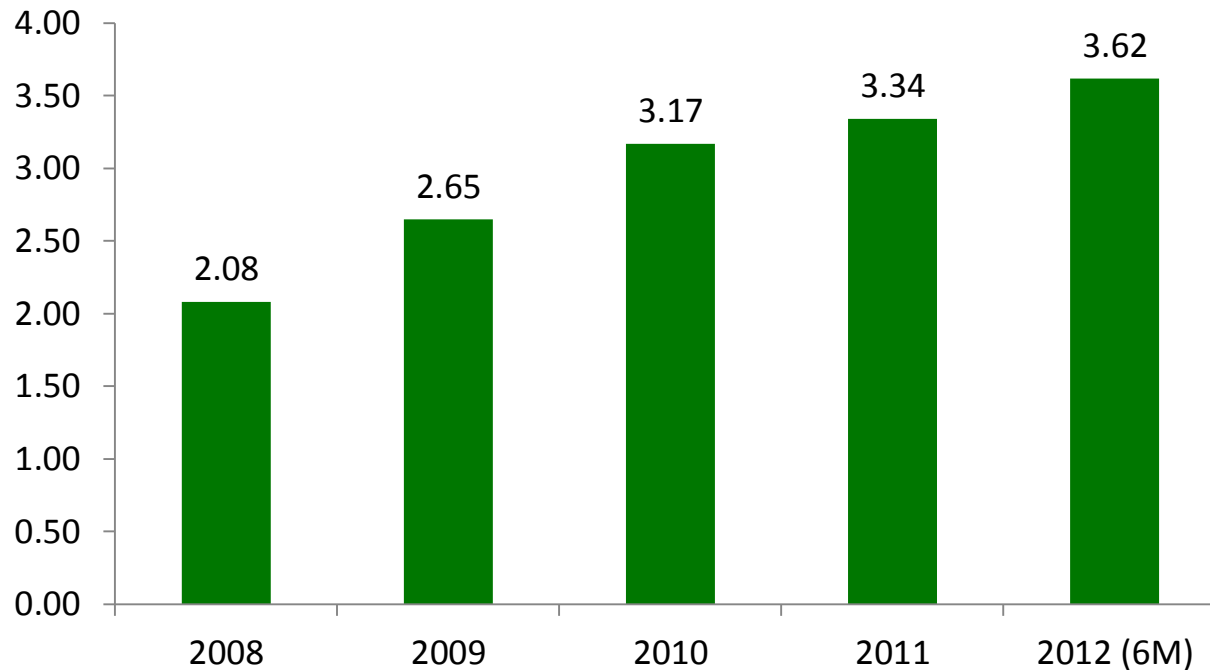
**\*Market Share in the Light Hair Oil Category**

Source: AC Nielsen Retail Audit Report, June 2012

# 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

Relative MS – Val Trend



Source - AC Nielsen Retail Audit Report, June 2012

Growth in Relative market share demonstrates the strength of the brand

# ADHO - Relative Market Shares - Value

State	Relative MS	Rank
Delhi	3.0	1st
Rajasthan	1.6	1st
Uttar Pradesh	2.7	1st
Punjab	3.7	1st
Haryana	3.2	1st
Uttaranchal	4.5	1st
<b>North Zone</b>	3.2	1st
Assam	5.2	1st
Bihar	7.4	1st
Orissa	1.7	1st
West Bengal	2.2	1st
Jharkhand	3.5	1st
<b>East Zone</b>	4.1	1st
<b>All India</b>	3.62	1st

State	Relative MS	Rank
Madhya Pradesh	3.6	1st
Chhattisgarh	4.3	1st
Central Zone	3.8	1st
Gujarat	2.1	1st
Mumbai	2.4	1st
Maharashtra	3.2	1st
<b>West Zone</b>	2.6	1st
Andhra Pradesh	1.4	1st
Karnataka	5.1	1st
Kerala	0.5	3rd
Tamil Nadu	1.2	1st
<b>South Zone</b>	2.1	1st
<b>All India</b>	3.62	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, Jan-Jun 2012



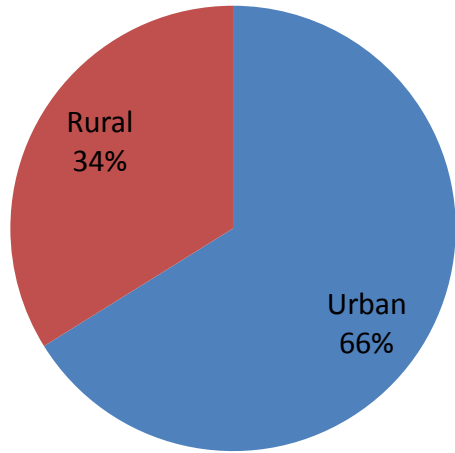
# Statewise Market Share

Jul11-Jun12	LHO Volume	Proportion %		ADHO Market Share % (Vol)		
	Saliency	Urban	Rural	Total	Urban	Rural
<b>All India (U+R)</b>	100	64.4	35.6	51.9	49.8	55.7
<b>Punjab</b>	5.3	71.6	28.4	50.3	47.9	56.4
<b>Haryana</b>	5.9	83.1	16.9	50.3	47.1	66.1
<b>Delhi</b>	6.7	100.0	0.0	48.8	48.8	NA
<b>Rajasthan</b>	8.4	62.7	37.3	45.9	45.4	46.6
<b>Uttar Pradesh (U+R)</b>	20.5	58.6	41.4	55.4	51.8	60.5
<b>Uttaranchal</b>	0.8	55.7	44.3	58.3	52.4	65.8
<b>Assam</b>	5.8	40.8	59.2	51.1	44.9	55.4
<b>Bihar</b>	6.0	55.3	44.7	68.1	65.3	71.7
<b>Jharkhand</b>	1.1	69.2	30.8	56.3	55.0	59.4
<b>Orissa</b>	1.4	49.8	50.2	41.3	45.1	37.5
<b>West Bengal</b>	8.1	59.4	40.6	33.3	34.1	32.2
<b>Gujarat</b>	6.4	70.8	29.2	53.1	50.8	58.8
<b>Madhya Pradesh</b>	9.7	45.2	54.8	61.3	64.9	58.3
<b>Chattisgarh</b>	2.5	46.7	53.3	62.2	57.2	66.6
<b>Maharashtra</b>	8.0	81.7	18.3	52.6	50.8	60.8
<b>Karnataka</b>	1.1	88.6	11.4	58.6	58.3	60.3
<b>Andhra Pradesh</b>	1.5	63.0	37.0	30.2	35.3	21.5
<b>Tamil Nadu</b>	0.7	94.0	6.0	24.5	25.8	4.4
<b>Kerala</b>	0.2	87.1	12.9	10.7	12.3	0.0

Source: AC Nielsen Retail Audit Report, MAT June2012

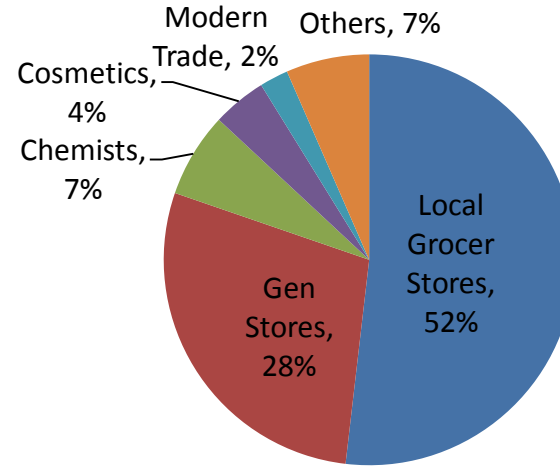
# Light Hair Oil Market - Key Characteristics

## Rural -Urban break up of LHO market



Urban dominated segment due to its relatively higher pricing

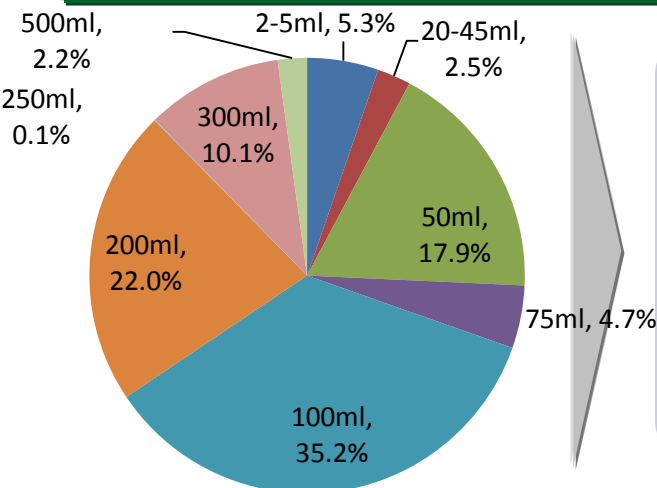
## Share of Distribution Channels in LHO market



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

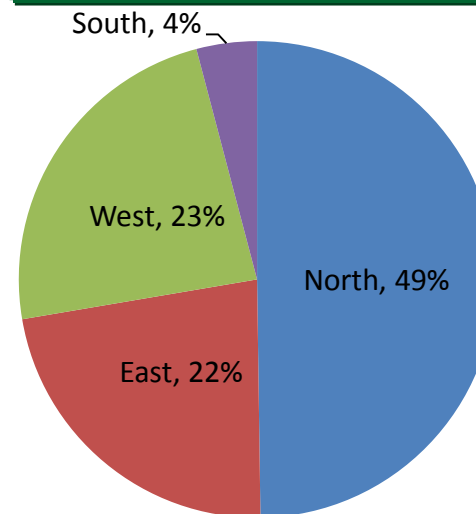
(%) - Growth rates; % - Market share

## 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

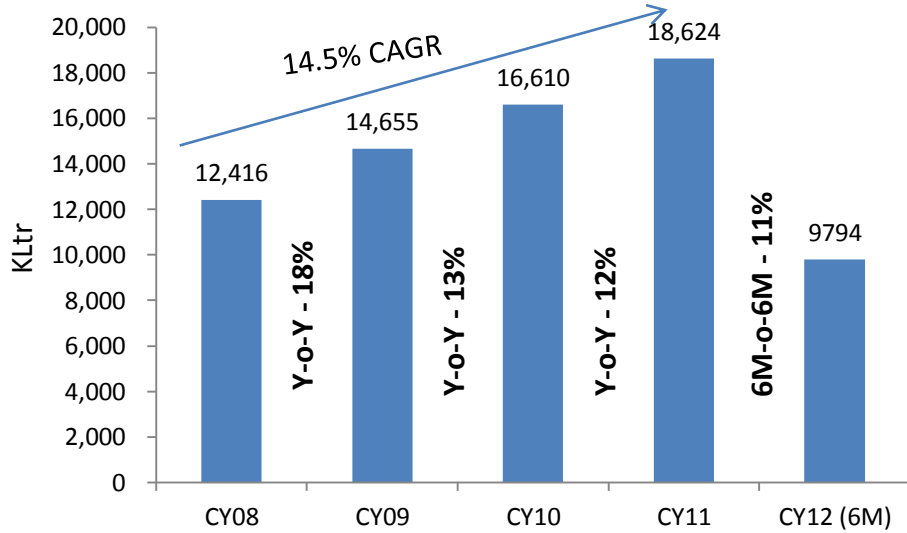
## Region wise break up of LHO market



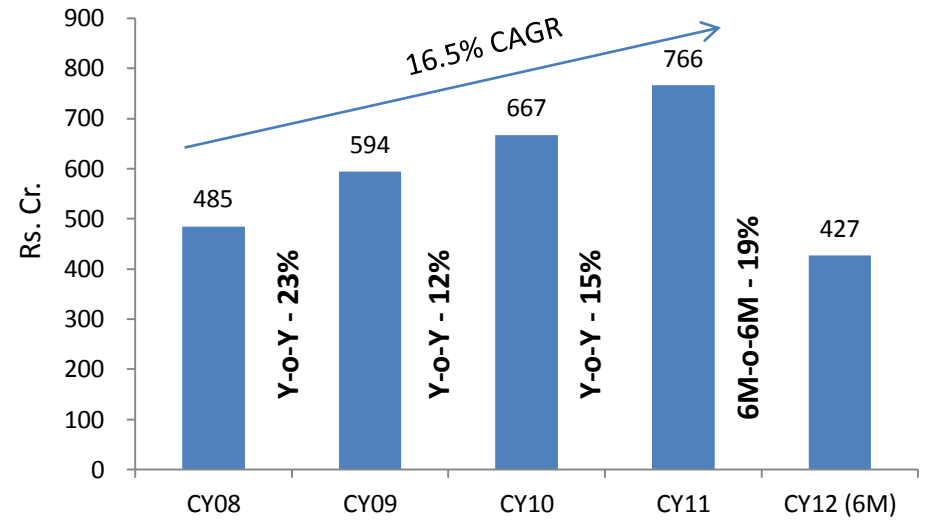
Sales tend to be concentrated in the Northern parts of the country, but West is the fastest growing region

# Cooling Hair Oil Market in India

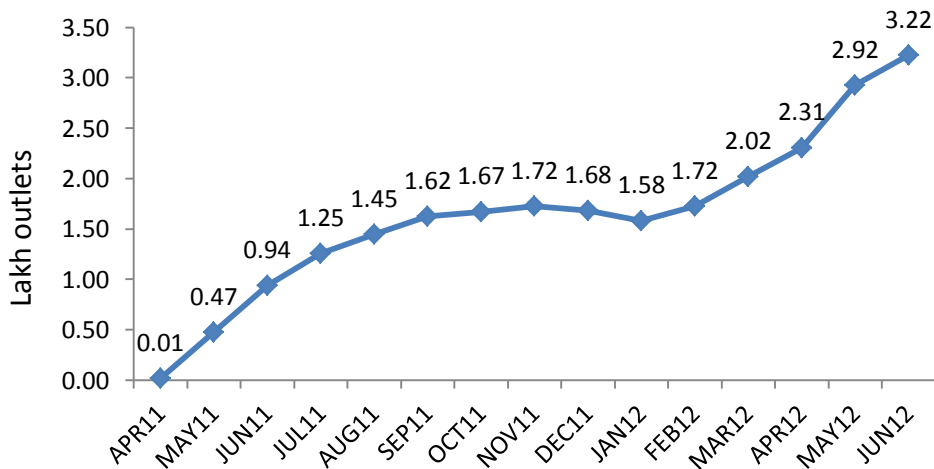
## Cooling Hair Oil – Volume



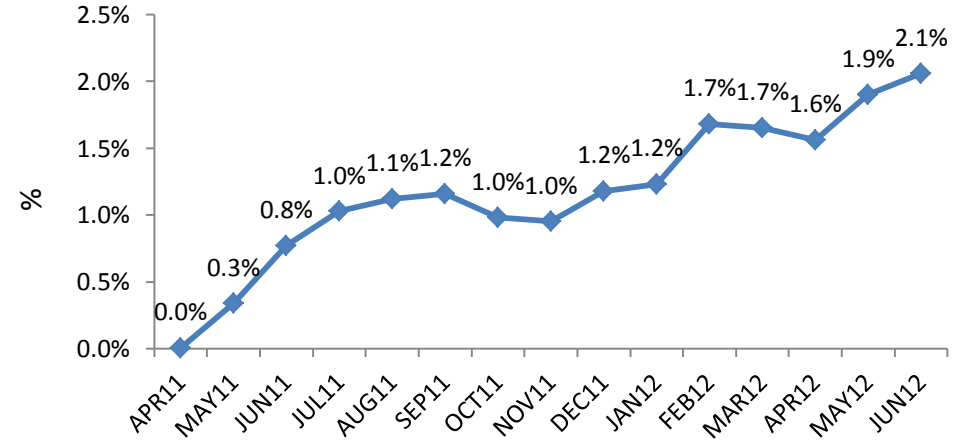
## Cooling Hair Oil – Value



## Kailash Parbat – Distribution Trend



## Kailash Parbat – Volume Market Share Trend



Source - AC Nielsen Retail Audit Report, June 2012

# 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
- 3<sup>rd</sup> largest player in the overall hair oils segment
- Key brand - Bajaj Almond Drops Hair Oil
  - Market leader with over 54% 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
- Other brands - Brahmi Amla, Amla Shikakai and Jasmine (all hair oil brands) and Red / Black tooth powder



**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.

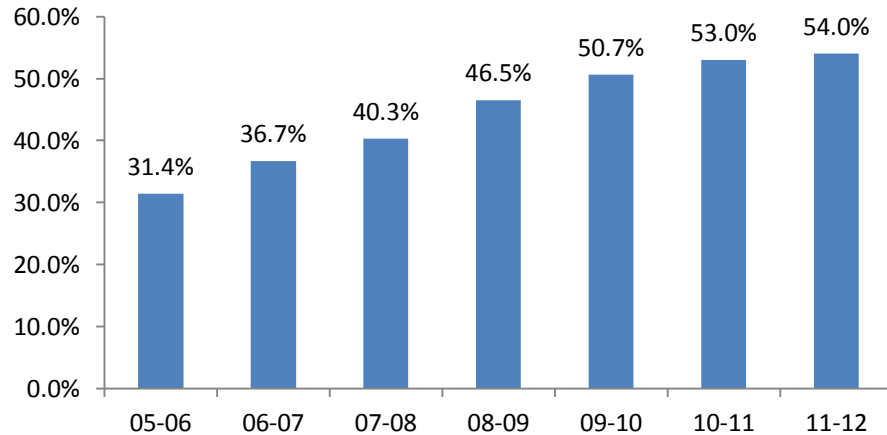


**Bajaj Kala Dant Manjan** - An oral care product for the rural market.

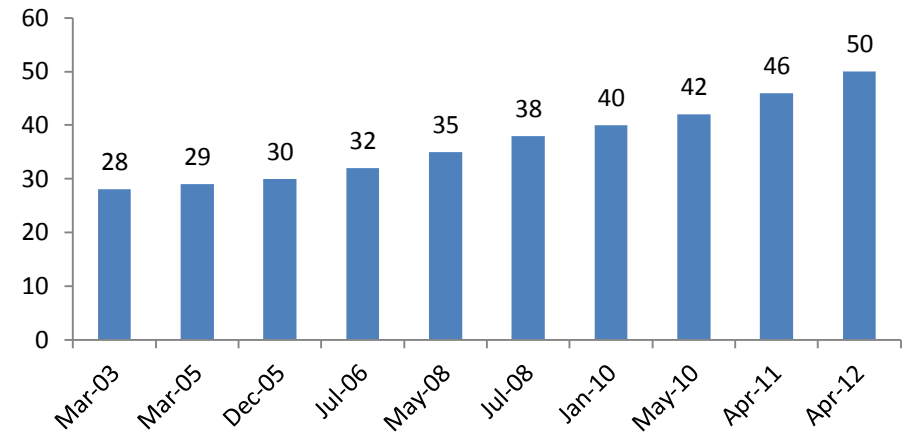
\*Source: AC Nielsen Retail Audit Report, Mar2012.

# Bajaj Almond Drops - A Premium Brand

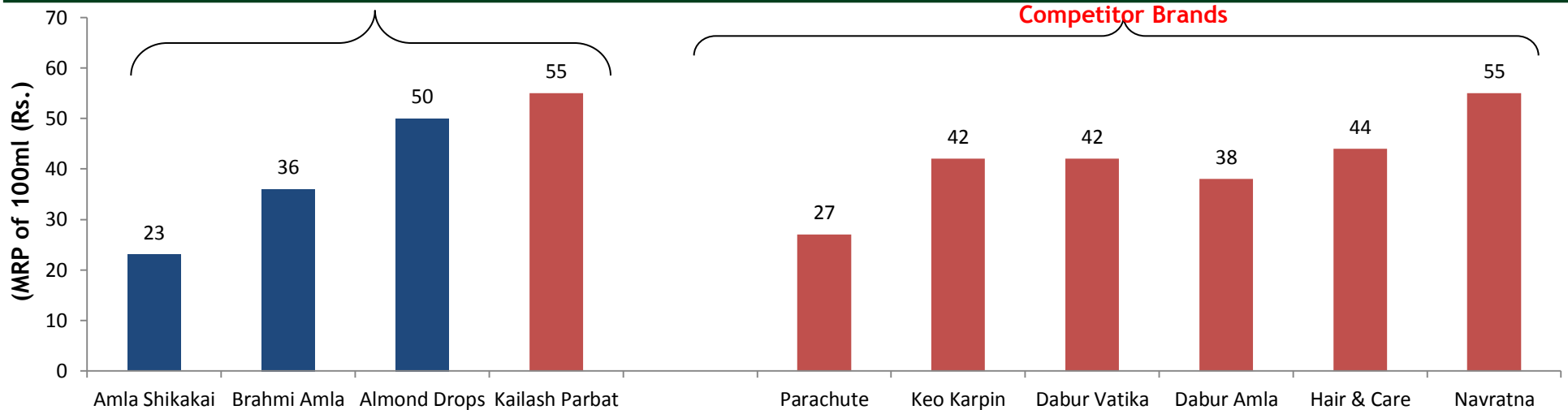
## Strong Market Share Growth in Recent Years



## ... 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 Mar2012, 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

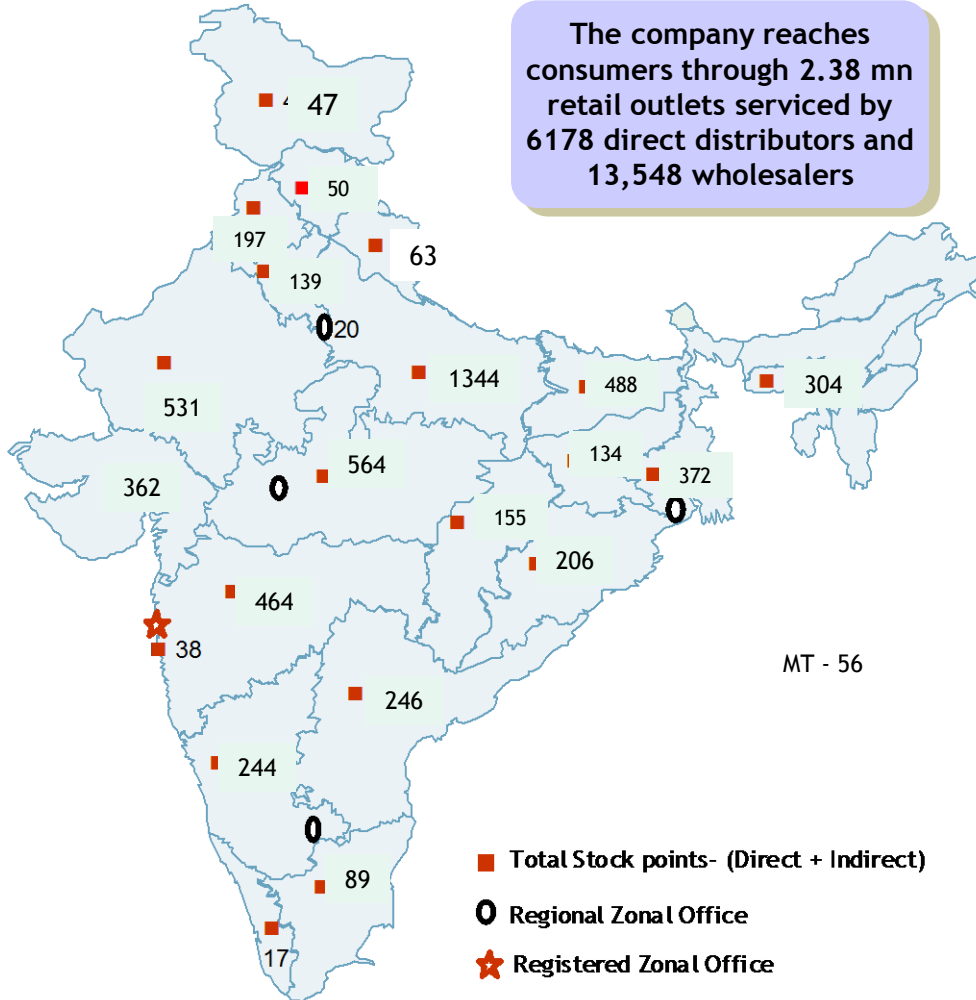
- For Almond Drops the consumer is:
  - Gender
    - Male- 53%
    - Female- 47%
  
  - Age Group
    - 15 to 39 yrs ( 62% of users)
  
  - Urban Vs Rural
    - 61% are Urban consumers
  
  - Socio Economic Class (SEC)- Urban
    - A1- 7%
    - A2- 10%
    - B1- 9%
    - B2- 7%

**Source – IRS, Q42011**

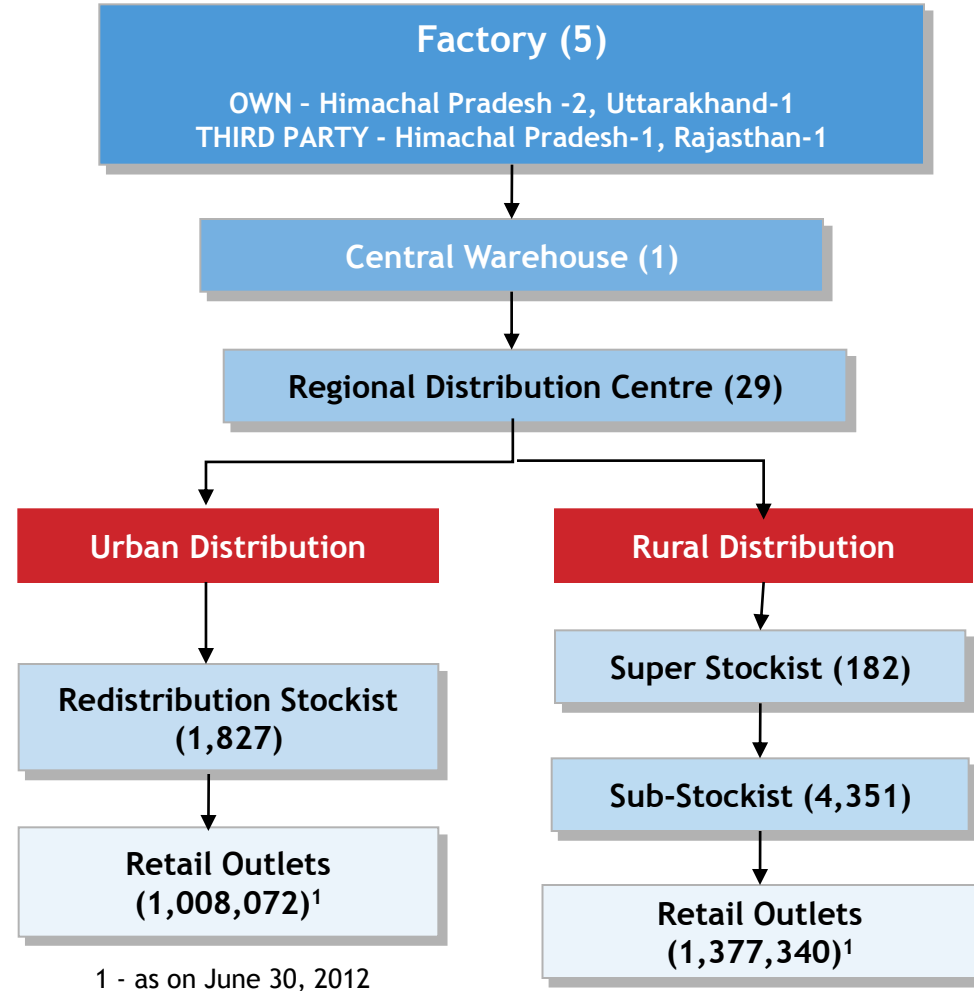
# Strong Distribution Network

## Distribution Network

The company reaches consumers through 2.38 mn retail outlets serviced by 6178 direct distributors and 13,548 wholesalers



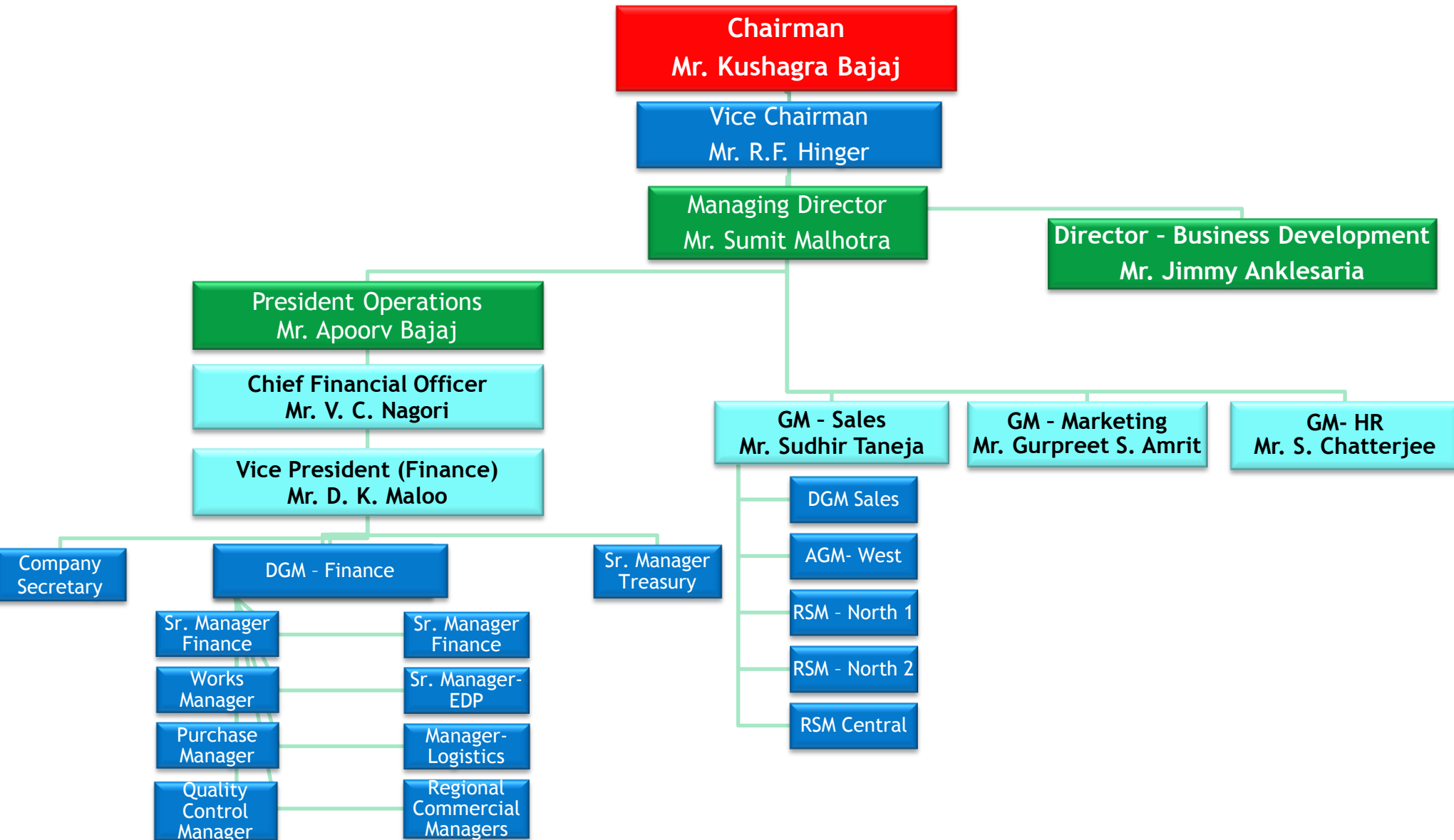
## Distribution Structure



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



# Organization Structure



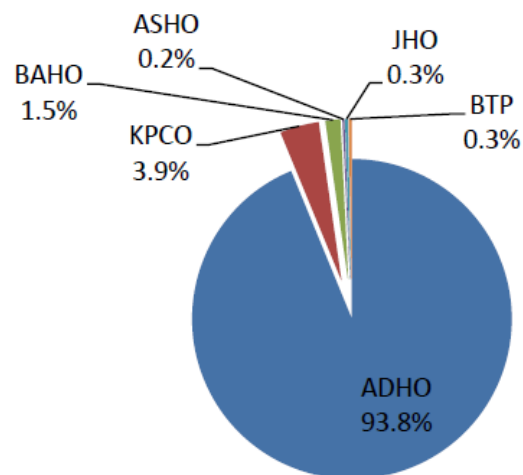
# Financial Information

## Summary Income Statement

Particulars (In Rupees Crores)	Q1 2013	Q1 2012	FY12	FY11
Sales (Net)	138.05	106.58	472.24	358.67
EBITDA	38.92	26.60	116.64	108.93
EBITDA Margin	28.19%	24.96%	24.70%	30.37%
Net Profit after Tax*	37.62	28.42	120.09	84.10
Net Profit Margin	27.25%	26.67%	25.43%	23.45%

- Net profit for FY11 is after exceptional items (IPO expenses) of Rs. 18.96 Crore.

## Sales Break Up in Q1 FY 2013 by Brand



## Summary Balance Sheet

Particulars (In Rupees Crores)	Q1 2013	Q1 2012	2011-12	2010-11
Shareholders Equity	466.70	404.91	428.81	376.38
Total Debt	-	-	-	-
Net Fixed Assets	39.54	21.95	38.90	21.97
Investments (including Bank FDs, Bank CDs and Government Securities & Bonds)	396.82	418.21	366.12	396.06
Net Current & Other Assets	30.34	-35.25	23.79	-41.65

## Key Highlights

- Strong demonstrated growth track record
- Among the highest EBITDA margins in the industry
- Net Current & Other Assets include ICD of Rs 50.00 crores provided to subsidiary company

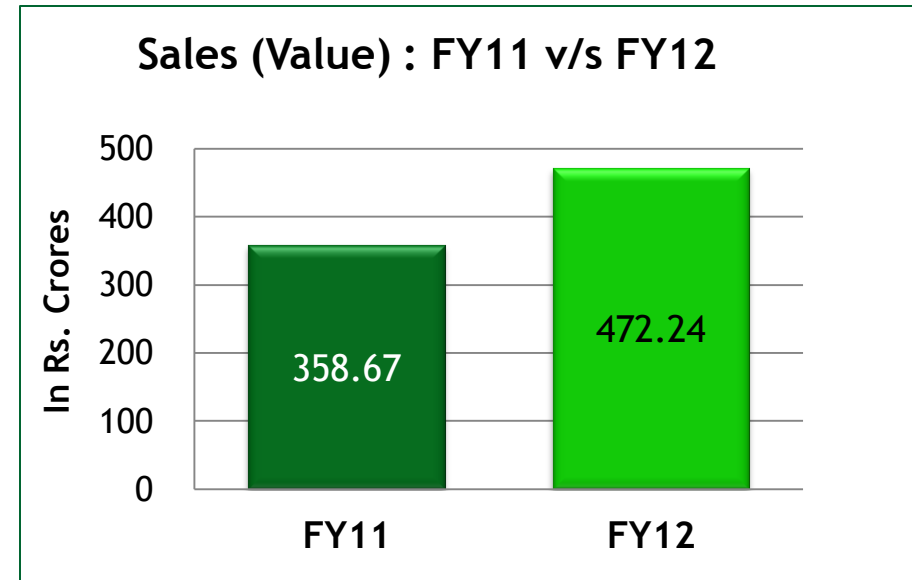
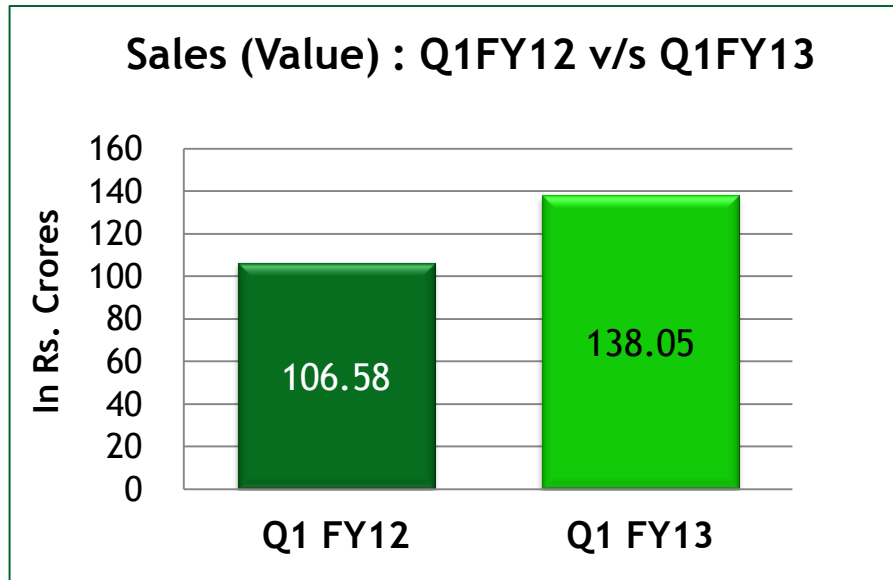
# EBITDA & PAT Performance

Particulars (In Rs. Crores)	Q1 FY13	Q1 FY12	YoY%	FY12	FY11	YoY%
EBITDA	38.92	26.60	46.32%	116.64	108.93	7.08%
Profit Before Tax & Exceptional Items	47.13	35.65	32.20%	151.34	124.04	22.01%
Exceptional Items (IPO Expenses)	-	-	-	-	18.96	-
Profit Before Tax (PBT)	47.13	35.65	32.20%	151.34	105.08	44.02%
Profit After Tax (PAT)	37.62	28.42	32.37%	120.09	84.10	42.79%

# Profit & Loss Q1FY2013

Particulars (In Rs. Crores)	Q1FY13	Q4FY12	Q1FY12	YoY%	FY12	FY11	YoY%
<b>Net Sales</b>	<b>138.05</b>	<b>146.59</b>	<b>106.58</b>	<b>29.53%</b>	<b>472.24</b>	<b>358.67</b>	<b>31.66%</b>
Other Operating Income	0.19	0.45	0.10		1.08	0.77	
Material Cost	61.77	69.37	50.66		221.70	156.58	
% of Sales	44.74%	47.32%	47.53%		46.95%	43.66%	
Employees Cost	6.93	5.83	5.41		22.9	16.26	
% of Sales	5.02%	3.98%	5.08%		4.85%	4.53%	
Advertisement & Sales Promotion Exp.	17.36	24.65	12.60		64.71	40.47	
% of Sales	12.58%	16.82%	11.82%		13.70%	11.28%	
Other Expenses	13.26	13.22	11.41		47.37	37.2	
% of Sales	9.61%	9.02%	10.71%		10.03%	10.37%	
<b>EBITDA</b>	<b>38.92</b>	<b>33.97</b>	<b>26.60</b>	<b>46.32%</b>	<b>116.64</b>	<b>108.93</b>	<b>7.08%</b>
% of Sales	28.19%	23.17%	24.96%		24.70%	30.37%	
Other Income	9.01	10.04	9.54		37.38	17.01	
% of Sales	6.53%	6.85%	8.95%		7.92%	4.74%	
Finance Cost	0.02	0.02	0.02		0.08	0.11	
Depreciation	0.78	0.80	0.47		2.6	1.79	
<b>Profit Before Tax &amp; Exceptional Item</b>	<b>47.13</b>	<b>43.19</b>	<b>35.65</b>	<b>32.20%</b>	<b>151.34</b>	<b>124.04</b>	<b>22.01%</b>
Exceptional Items	0.00	0.00	0.00		0.00	18.96	
<b>Profit Before Tax(PBT)</b>	<b>47.13</b>	<b>43.19</b>	<b>35.65</b>	<b>32.20%</b>	<b>151.34</b>	<b>105.08</b>	<b>44.02%</b>
Tax Expenses	9.51	9.14	7.23		31.25	20.98	
<b>Profit After Tax(PAT)</b>	<b>37.62</b>	<b>34.05</b>	<b>28.42</b>	<b>32.37%</b>	<b>120.09</b>	<b>84.10</b>	<b>42.79%</b>
% of Sales	27.25%	23.23%	26.67%		25.43%	23.45%	
<b>Diluted EPS (Rs.)</b>	<b>2.55</b>	<b>2.31</b>	<b>1.93</b>		<b>8.14</b>	<b>6.04</b>	

# Sales Performance



- ✓ Sales for the quarter ended Jun'12 has increased by 29.53% value wise and 22.35% volume wise over corresponding quarter of previous year.

# Statement of Quarter wise Sales (Volume & Value)

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

Product	Q1 FY13	% to Total	Q1 FY12	% to Total
ADHO	952959	95.28%	765858	93.69%
KPCO	28665	2.87%	28777	3.52%
BAHO	11481	1.15%	14125	1.73%
ASHO	2455	0.25%	4451	0.54%
OTHERS	4639	0.46%	4249	0.52%
<b>TOTAL</b>	<b>1000199</b>	<b>100.00%</b>	<b>817460</b>	<b>100.00%</b>
% Increase over corresponding period of Previous Year	22.35%			

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

Product	Q1 FY13	% to Total	Q1 FY12	% to Total
ADHO	129.46	93.78%	97.59	91.57%
KPCO	5.45	3.95%	5.42	5.09%
BAHO	2.07	1.50%	2.44	2.29%
ASHO	0.26	0.19%	0.47	0.44%
OTHERS	0.81	0.59%	0.66	0.62%
<b>TOTAL</b>	<b>138.05</b>	<b>100.00%</b>	<b>106.58</b>	<b>100.00%</b>
% Increase over corresponding period of Previous Year	29.53%			

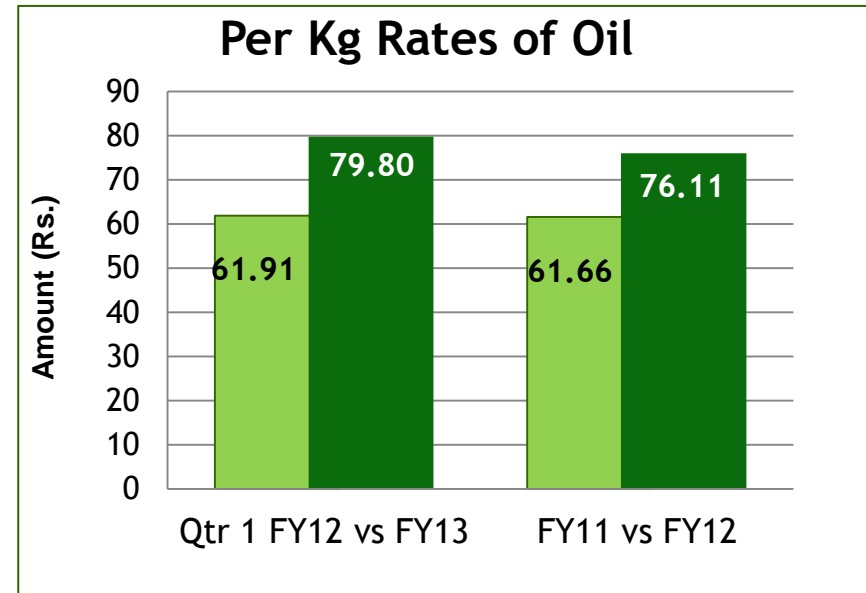
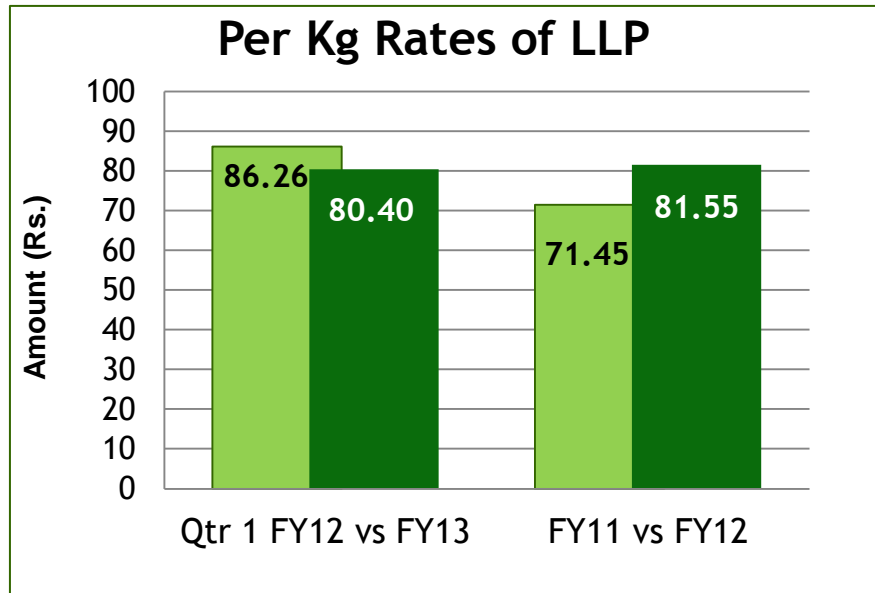
# Breakup of RM/PM Costs (for Q1FY13)

Key Raw & Packing Material	% to Sales	% to Total Cost
LLP	16.8%	38.5%
Glass Bottles	10.9%	25.0%
Refined Veg. Oil	4.6%	10.4%
Perfumes & other additives	3.3%	7.7%
Corrugated Boxes	1.9%	4.4%
Caps	2.2%	5.0%
Others	3.9%	9.0%
TOTAL	43.6%	100.0%

**\* Consumption is 43.6% of Sales**

*\*For Bajaj Almond Drops*

# Change in Prices of Key Ingredients



- ✓ During the quarter average price of LLP decreased to Rs 80.40/Kg from Rs 86.26/Kg in corresponding quarter of previous year.
- ✓ Prices of Refined oil increased from Rs 61.91/Kg in Q1Fy12 to Rs 79.80/Kg in Q1Fy13 witnessing an increase of 29% over previous year.
- ✓ Prices of our other key ingredients (except glass bottles with 8% increase) have remained more or less on the same level.



# 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. 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
<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 2015-16</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 2.30 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**