

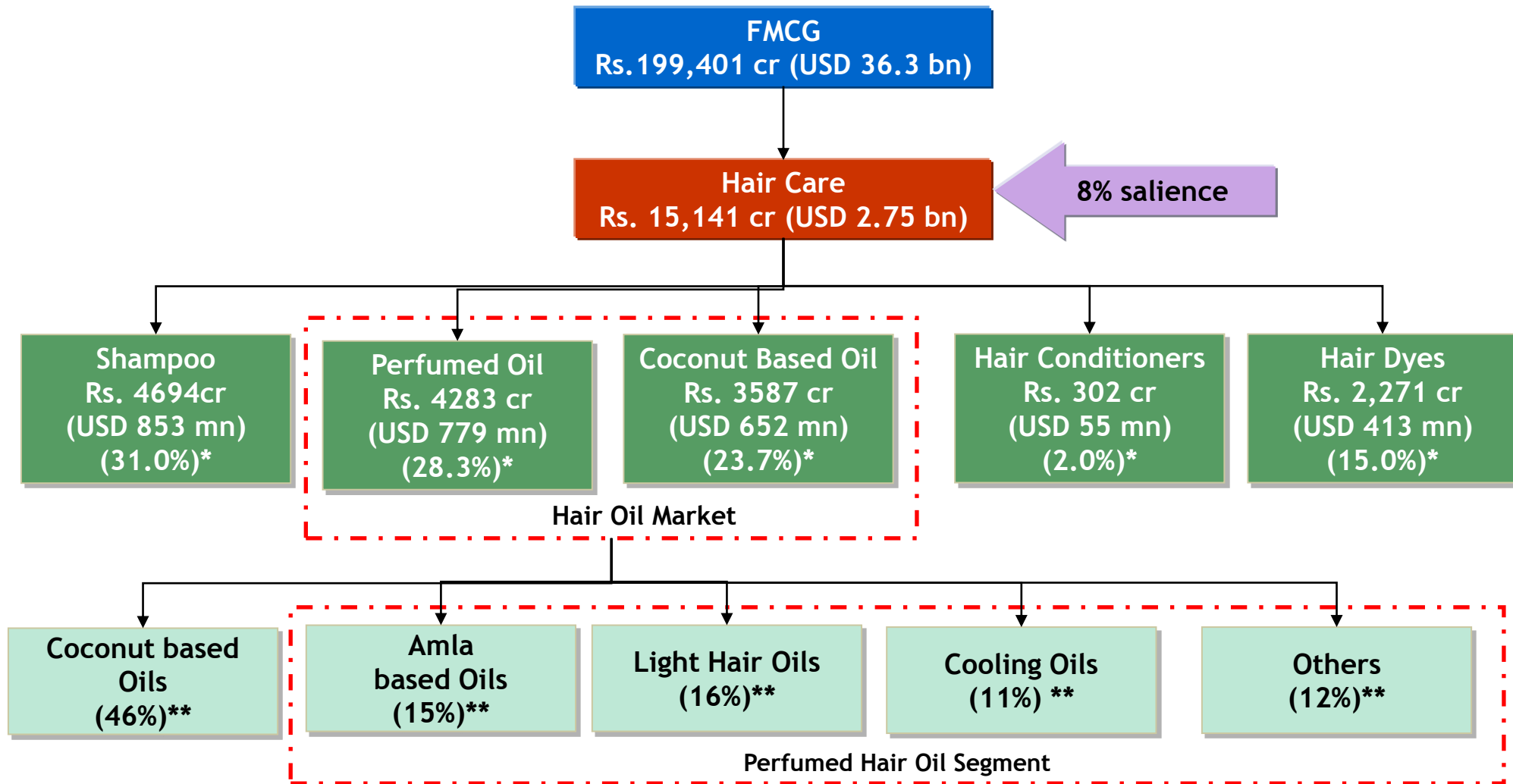


# *Investor Presentation*

*May 2013*

# Industry Overview

# Industry Size and Structure



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

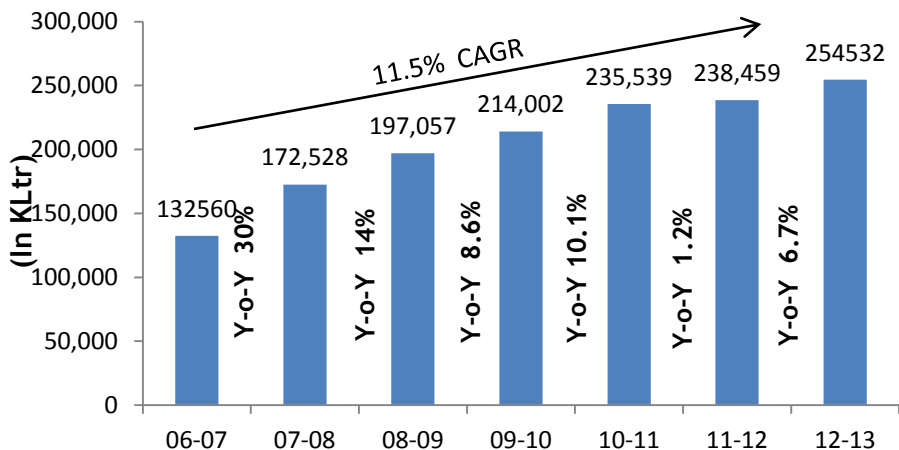
\* Value based share of Hair Care Market

\*\* Value based share of Hair Oil Market

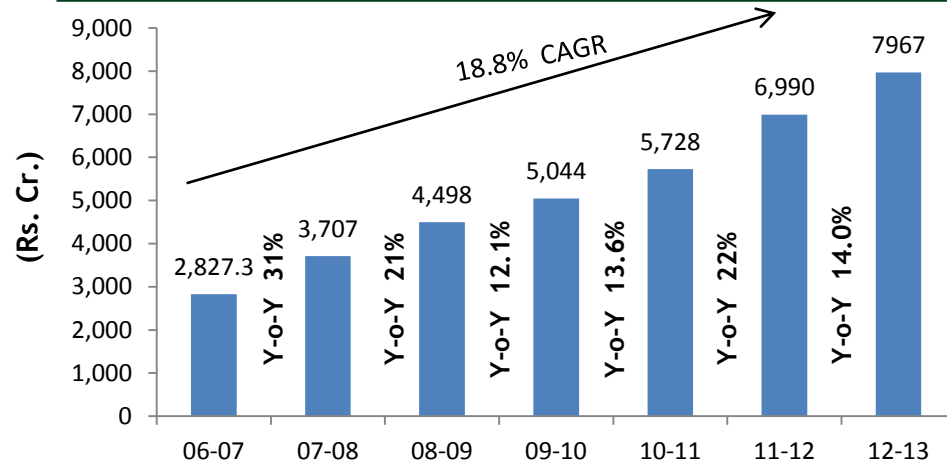
**Light Hair Oil is now the largest non-coconut hair oil segment**

# Hair Oil Market in India

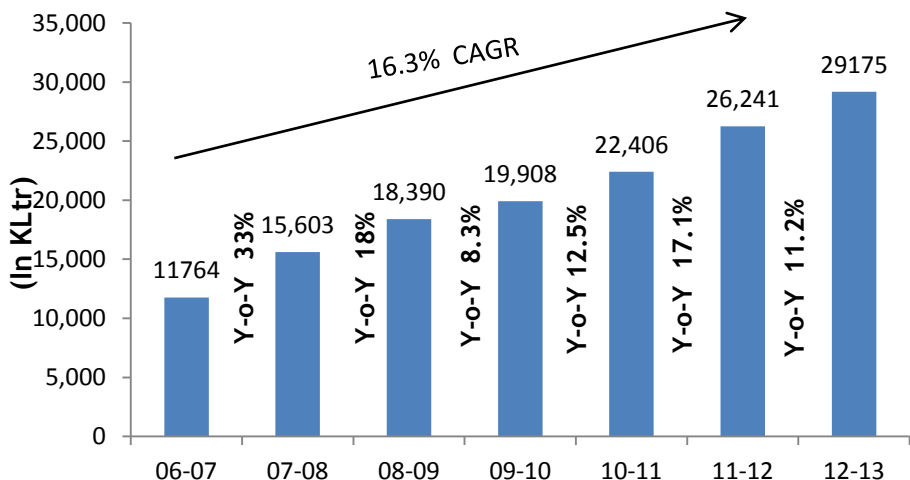
## Overall Hair Oil Market - Volume



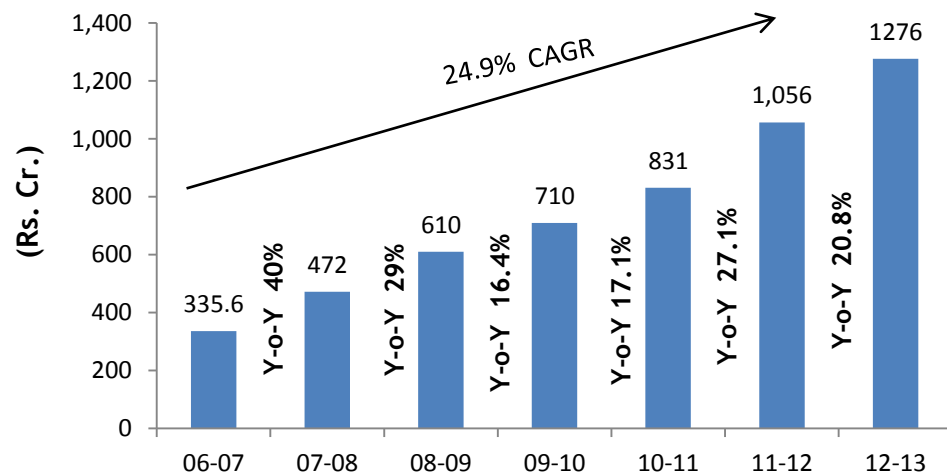
## Overall Oil Market - Value



## Light Hair Oil - Volume



## Light Hair Oil - Value

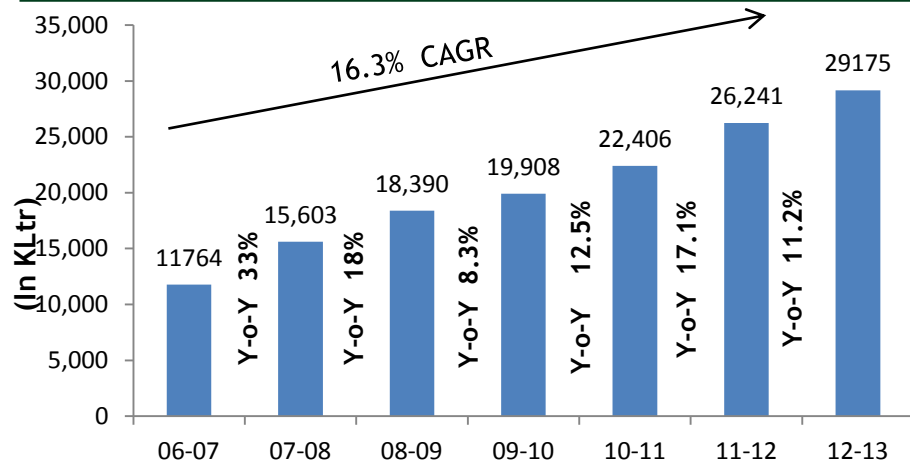


Source: AC Nielsen Retail Audit Report, Mar2013.

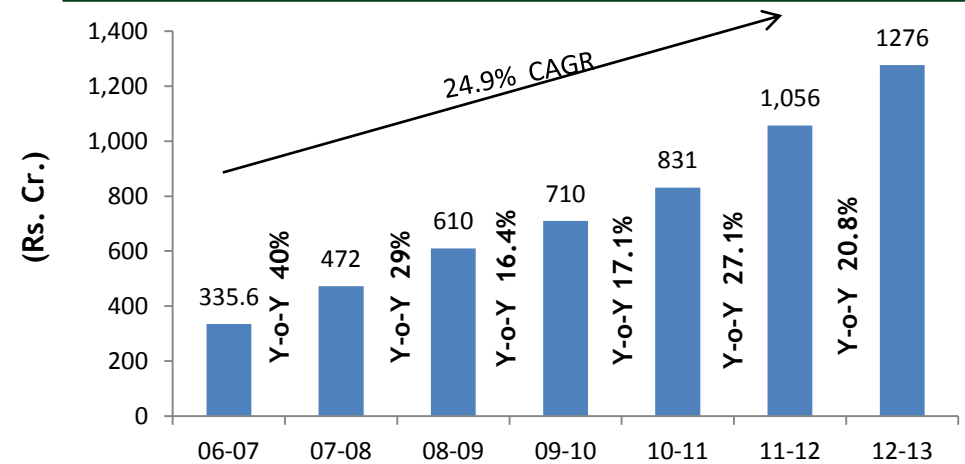
Light hair oils is one of the fastest growing segments in the hair oil market in India

# Light Hair Oil Market in India

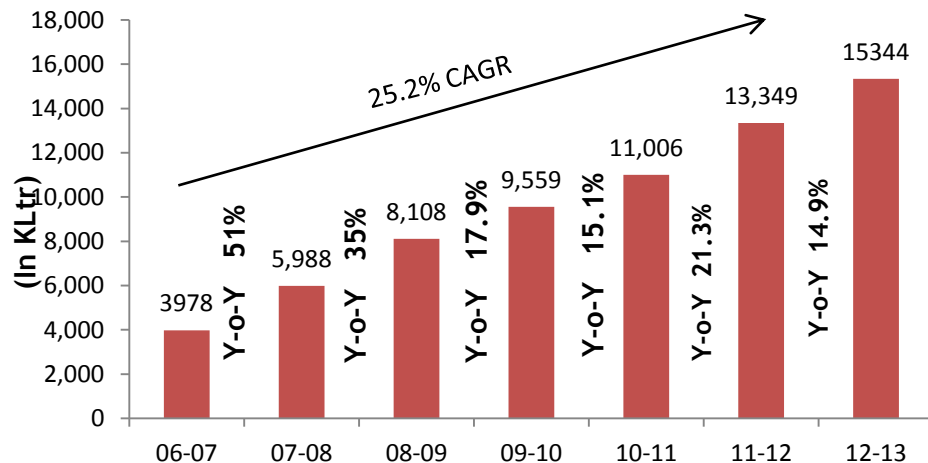
## Light Hair Oil - Volume



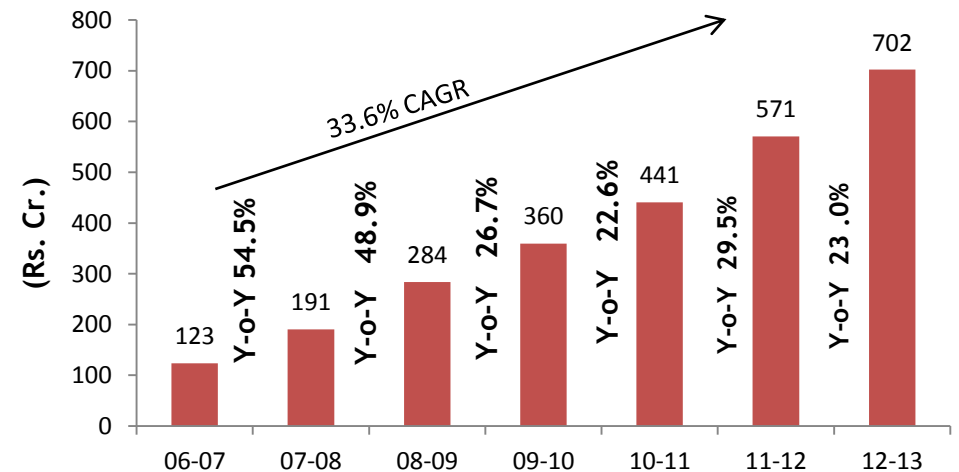
## Light Hair Oil - Value



## Almond Drops Hair Oil Market - Volume



## Almond Drops Hair Oil Market - Value

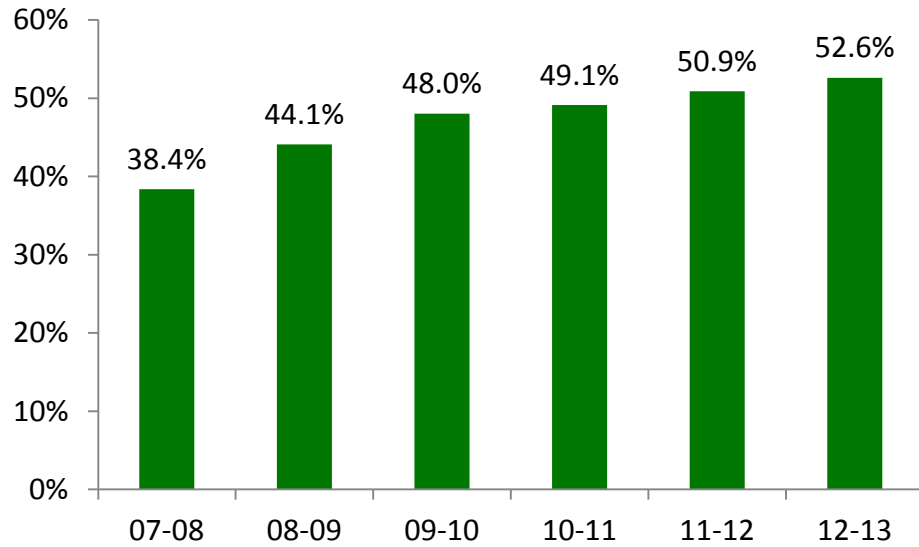


Source: AC Nielsen Retail Audit Report, Mar2013.

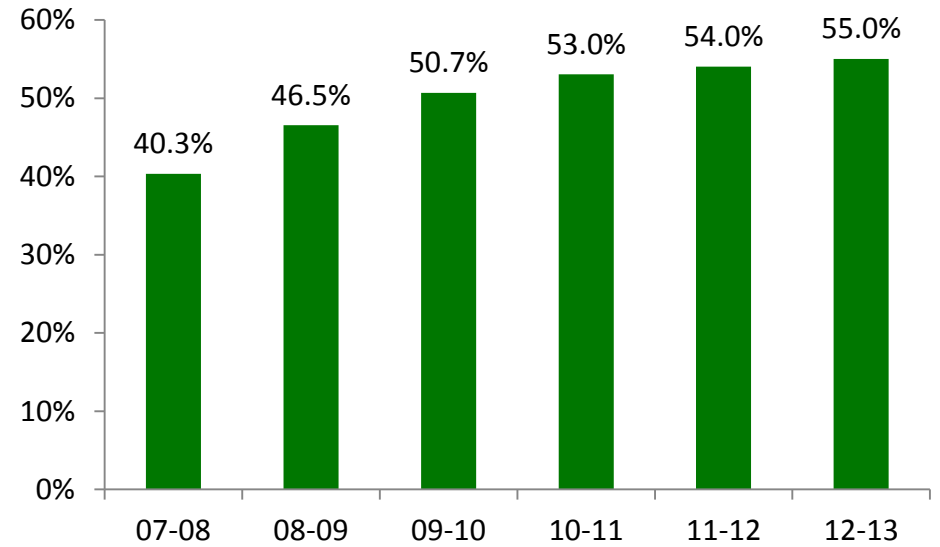
**Almond Drops is the brand which is driving light hair oils and in turn the overall market**

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

## Volume MS



## Value MS



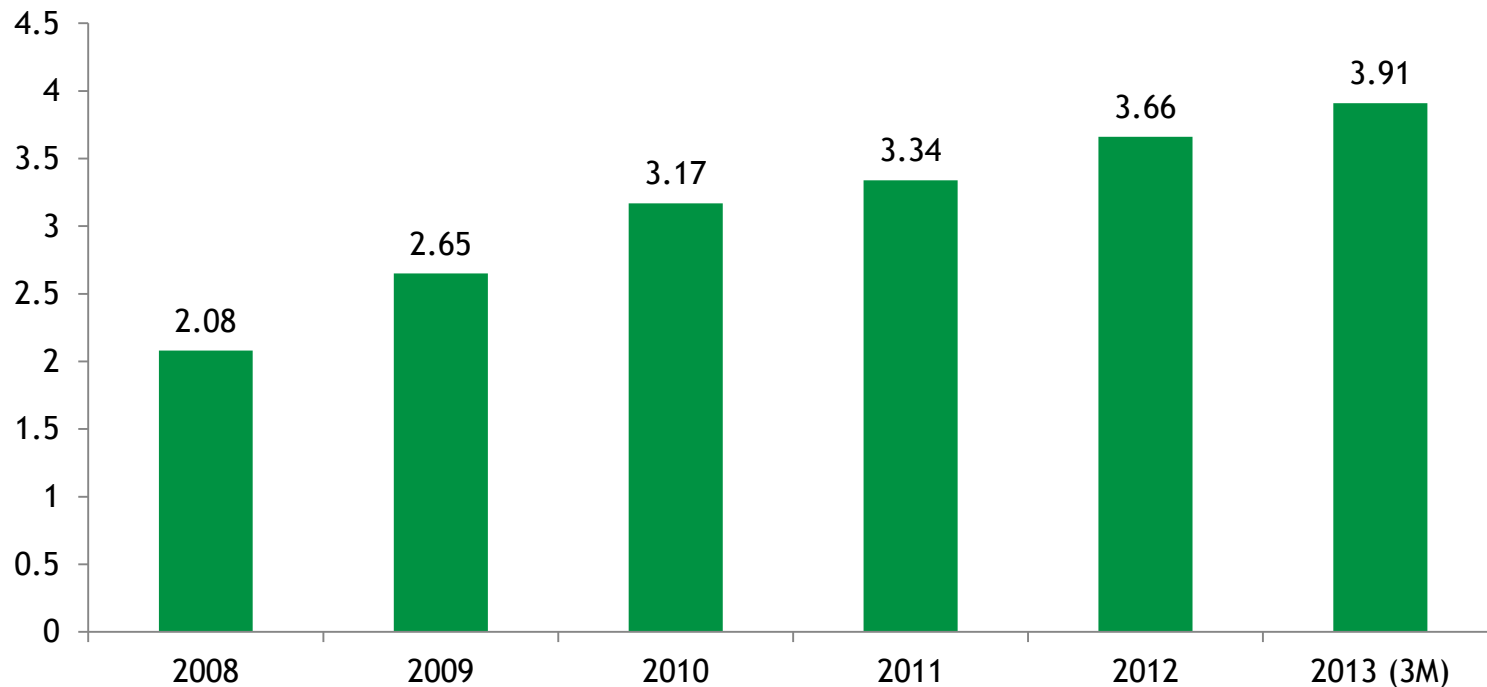
**\*Market Share in the Light Hair Oil Category**

Source: AC Nielsen Retail Audit Report, Mar2013

# 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



Source - AC Nielsen Retail Audit Report, Mar2013

Growth in Relative market share demonstrates the strength of the brand

# ADHO - Relative Market Shares - Value

| State             | Relative MS | Rank       |
|-------------------|-------------|------------|
| Delhi             | 3.17        | 1st        |
| Rajasthan         | 1.65        | 1st        |
| Uttar Pradesh     | 3.04        | 1st        |
| Punjab            | 3.57        | 1st        |
| Haryana           | 4.12        | 1st        |
| Uttaranchal       | 4.13        | 1st        |
| <b>North Zone</b> | <b>3.62</b> | <b>1st</b> |
| Assam             | 5.71        | 1st        |
| Bihar             | 8.48        | 1st        |
| Orissa            | 3.95        | 1st        |
| West Bengal       | 2.67        | 1st        |
| Jharkhand         | 4.52        | 1st        |
| <b>East Zone</b>  | <b>5.03</b> | <b>1st</b> |
| <b>All India</b>  | <b>3.91</b> | <b>1st</b> |

| State               | Relative MS | Rank       |
|---------------------|-------------|------------|
| Madhya Pradesh      | 3.71        | 1st        |
| Chhattisgarh        | 5.28        | 1st        |
| <b>Central Zone</b> | <b>4.16</b> | <b>1st</b> |
| Gujarat             | 2.22        | 1st        |
| Mumbai              | 3.71        | 1st        |
| Maharashtra         | 4.43        | 1st        |
| <b>West Zone</b>    | <b>3.11</b> | <b>1st</b> |
| Andhra Pradesh      | 1.47        | 1st        |
| Karnataka           | 8.14        | 1st        |
| Kerala              | 0.91        | 2nd        |
| Tamil Nadu          | 1.10        | 1st        |
| <b>South Zone</b>   | <b>2.51</b> | <b>1st</b> |
| <b>All India</b>    | <b>3.91</b> | <b>1st</b> |

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, Mar2013



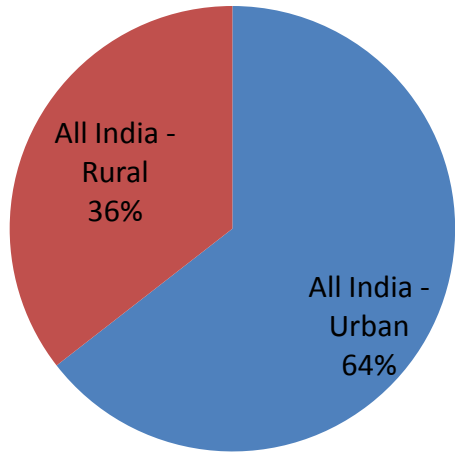
# Statewise Market Share

| Apr 12- Mar 13             | LHO Volume | Proportion % |       | ADHO Market Share % (Vol) |       |       |
|----------------------------|------------|--------------|-------|---------------------------|-------|-------|
|                            | Saliency   | Urban        | Rural | Total                     | Urban | Rural |
| <b>All India (U+R)</b>     | 100.0%     | 64%          | 36%   | 52.6%                     | 50.7% | 55.9% |
| <b>Punjab</b>              | 5.9%       | 70%          | 30%   | 48.9%                     | 46.3% | 55.0% |
| <b>Haryana</b>             | 6.1%       | 83%          | 17%   | 54.2%                     | 50.5% | 71.4% |
| <b>Delhi</b>               | 6.3%       | 100%         | 0%    | 49.7%                     | 49.7% |       |
| <b>Rajasthan</b>           | 9.2%       | 61%          | 39%   | 46.3%                     | 46.6% | 45.9% |
| <b>Uttar Pradesh (U+R)</b> | 20.3%      | 58%          | 42%   | 56.0%                     | 53.1% | 59.9% |
| <b>Uttaranchal</b>         | 0.8%       | 55%          | 45%   | 57.3%                     | 51.8% | 64.0% |
| <b>Assam</b>               | 5.2%       | 42%          | 58%   | 50.3%                     | 40.7% | 57.3% |
| <b>Bihar</b>               | 5.1%       | 55%          | 45%   | 69.4%                     | 65.2% | 74.5% |
| <b>Jharkhand</b>           | 1.1%       | 68%          | 32%   | 59.3%                     | 57.3% | 63.5% |
| <b>Orissa</b>              | 1.3%       | 52%          | 48%   | 48.8%                     | 47.6% | 50.1% |
| <b>West Bengal</b>         | 7.6%       | 62%          | 38%   | 34.4%                     | 34.4% | 34.3% |
| <b>Gujarat</b>             | 6.1%       | 72%          | 93%   | 53.6%                     | 52.2% | 56.7% |
| <b>Madhya Pradesh</b>      | 10.3%      | 45%          | 15%   | 60.3%                     | 64.6% | 64.4% |
| <b>Chattisgarh</b>         | 2.8%       | 44%          | 60%   | 62.1%                     | 59.2% | 57.1% |
| <b>Maharashtra</b>         | 8.0%       | 81%          | 19%   | 55.3%                     | 54.4% | 59.0% |
| <b>Karnataka</b>           | 1.2%       | 86%          | 14%   | 61.4%                     | 61.4% | 61.7% |
| <b>Andhra Pradesh</b>      | 1.7%       | 65%          | 35%   | 28.9%                     | 33.9% | 19.6% |
| <b>Tamil Nadu</b>          | 0.6%       | 94%          | 6%    | 21.5%                     | 22.5% | 4.5%  |
| <b>Kerala</b>              | 0.2%       | 90%          | 10%   | 14.5%                     | 16.1% | 0.0%  |

Source: AC Nielsen Retail Audit Report, MAT Mar2013

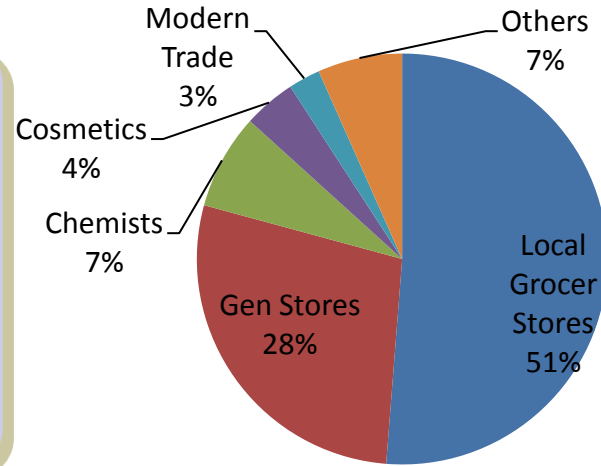
# Light Hair Oil Market - Key Characteristics

## Rural -Urban break up of LHO market



Urban dominated segment due to its relatively higher pricing

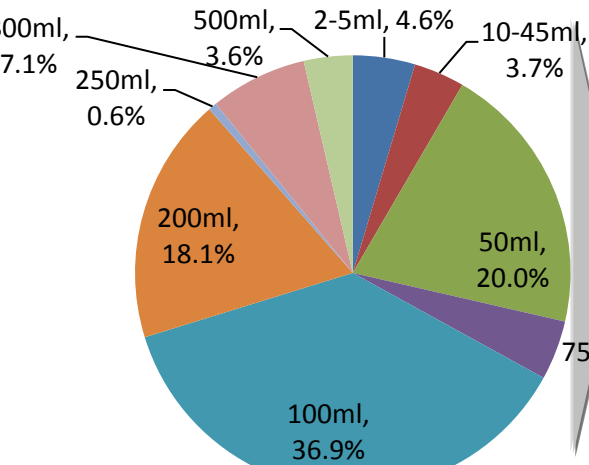
## Share of Distribution Channels in LHO market



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

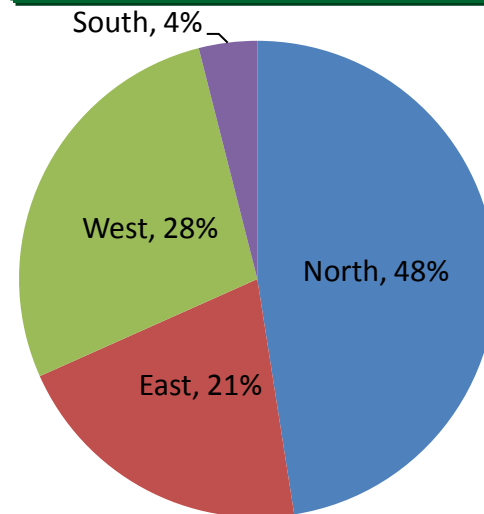
% - Market share

## 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

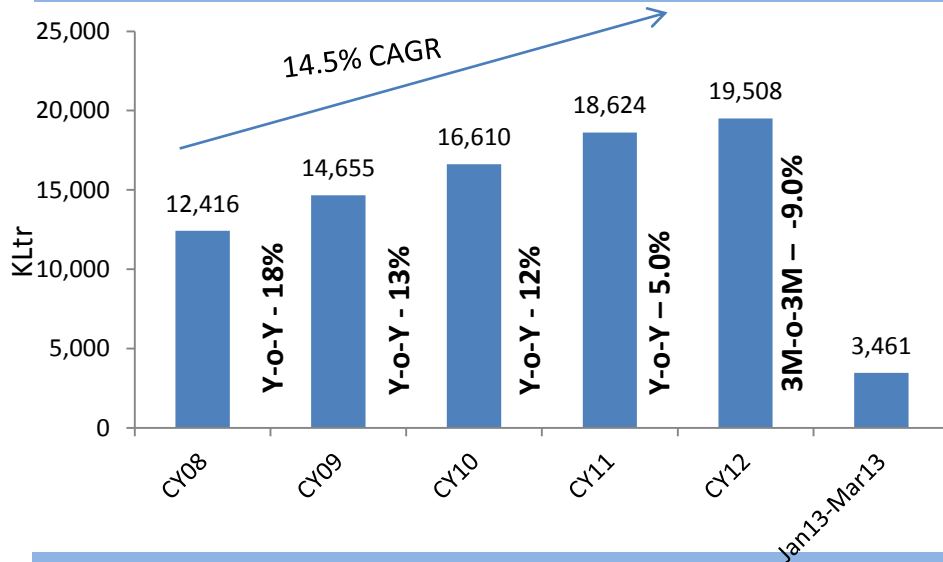
## Region wise break up of LHO market



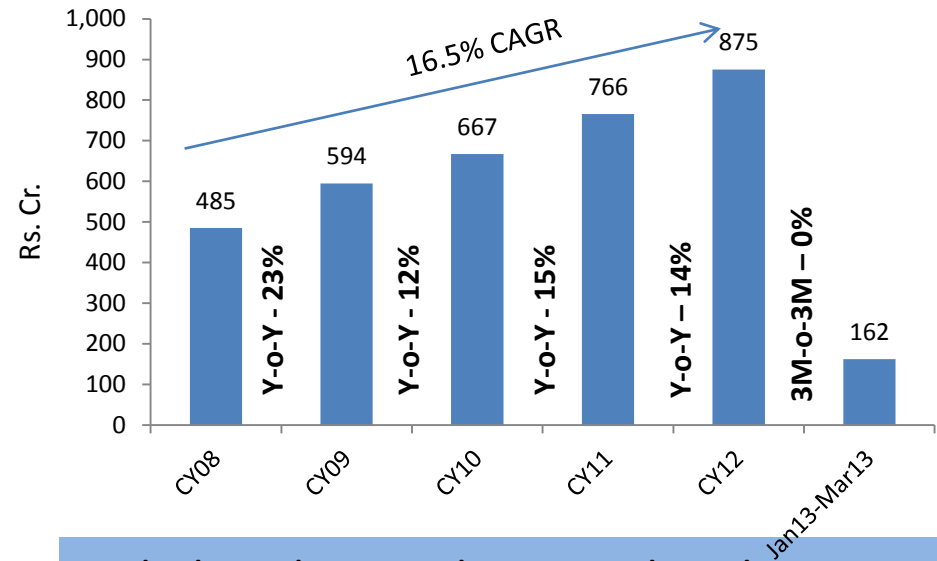
Sales tend to be concentrated in the Northern parts of the country, but West is the fastest growing region

# Cooling Hair Oil Market in India

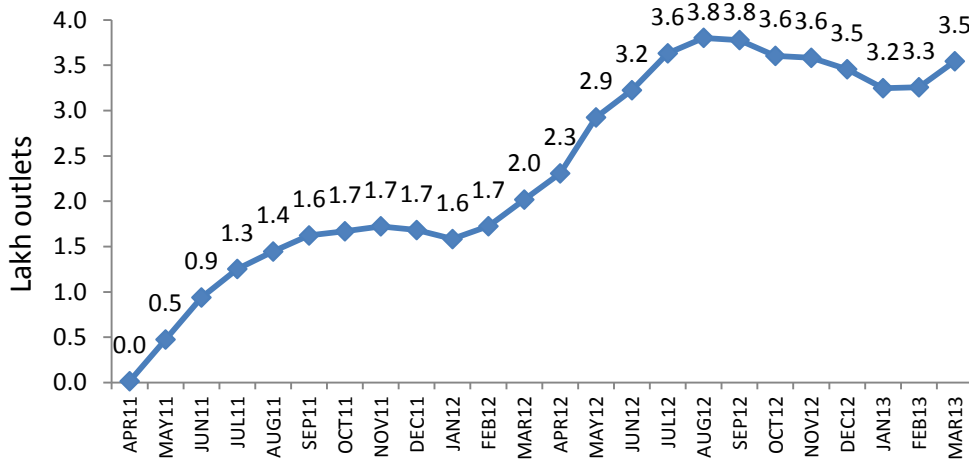
## Cooling Hair Oil – Volume



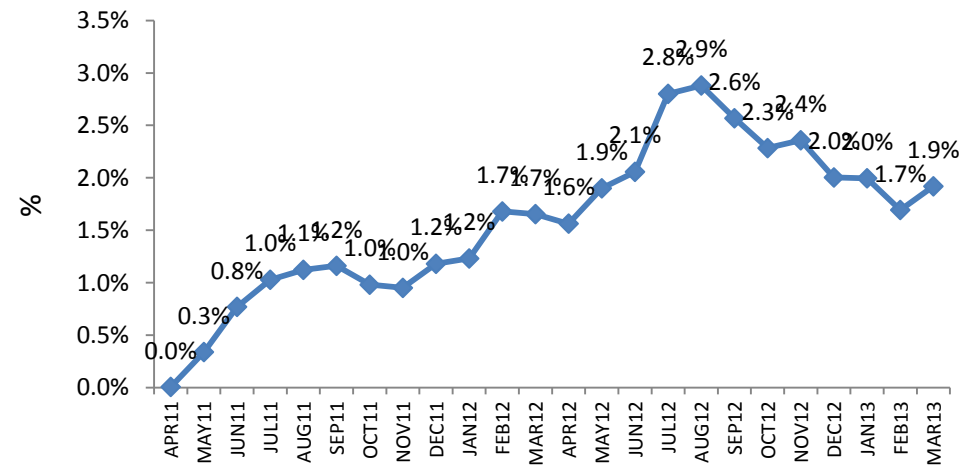
## Cooling Hair Oil – Value



## Kailash Parbat – Distribution Trend



## Kailash Parbat – Volume Market Share Trend



# 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 55% 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 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.

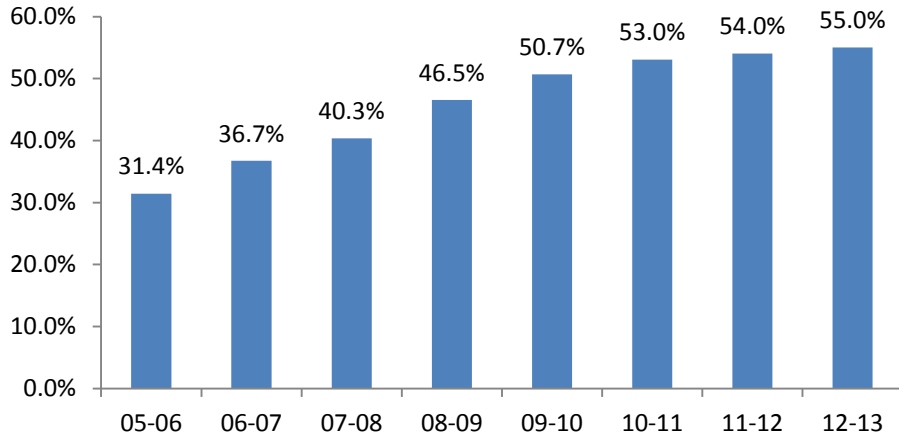


**Bajaj Kala Dant Manjan** - An oral care product for the rural market.

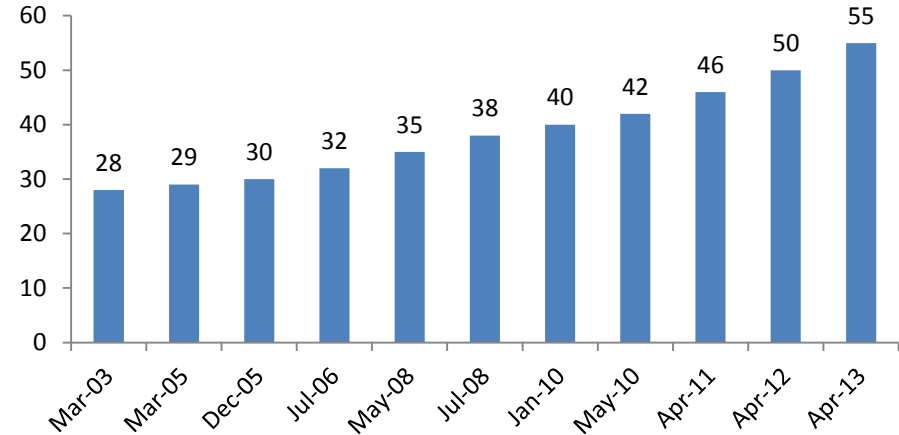
\*Source: AC Nielsen Retail Audit Report, Dec2012.

# Bajaj Almond Drops - A Premium Brand

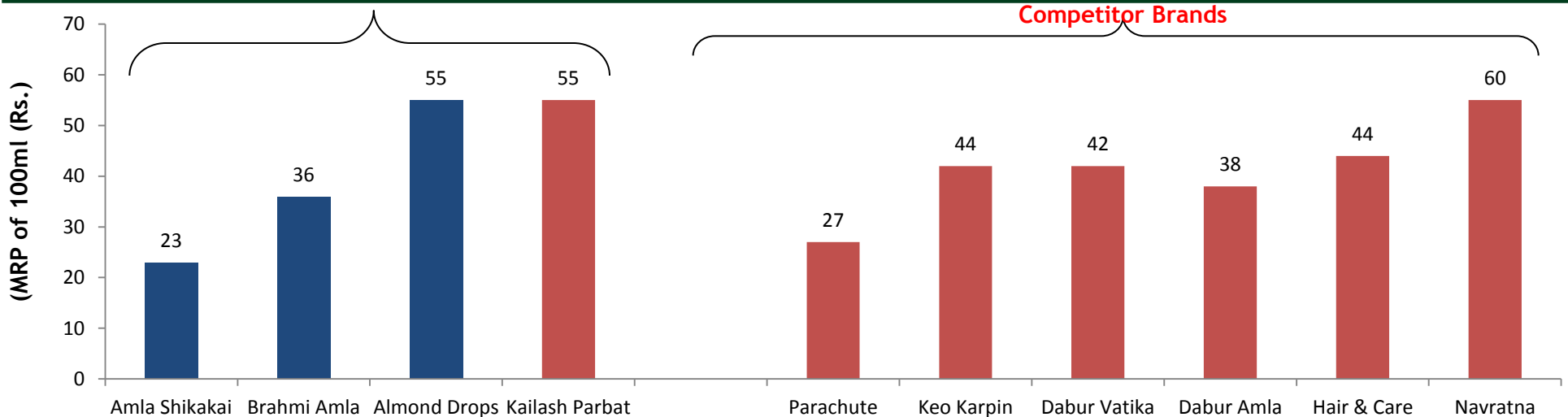
## Strong Market Share Growth in Recent Years



## ... 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 Mar2013, 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.)

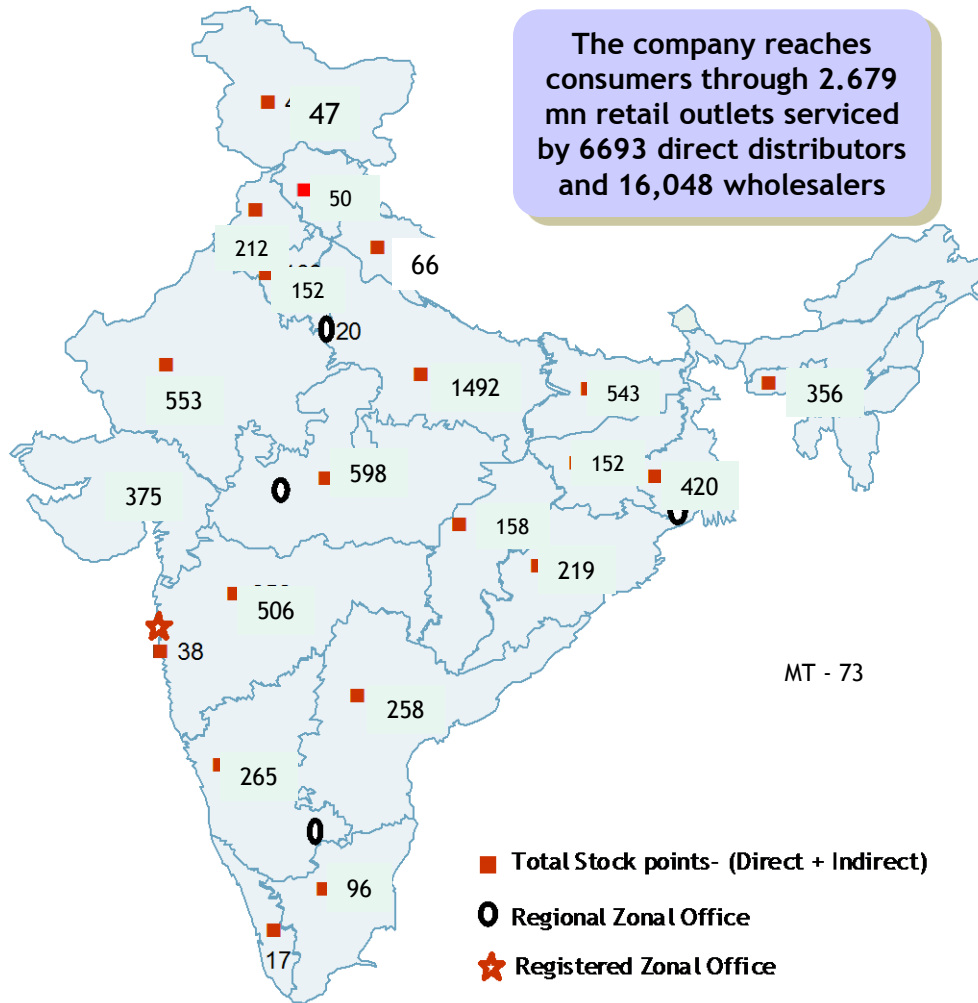
# Consumer Profile- Almond Drops

- 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%

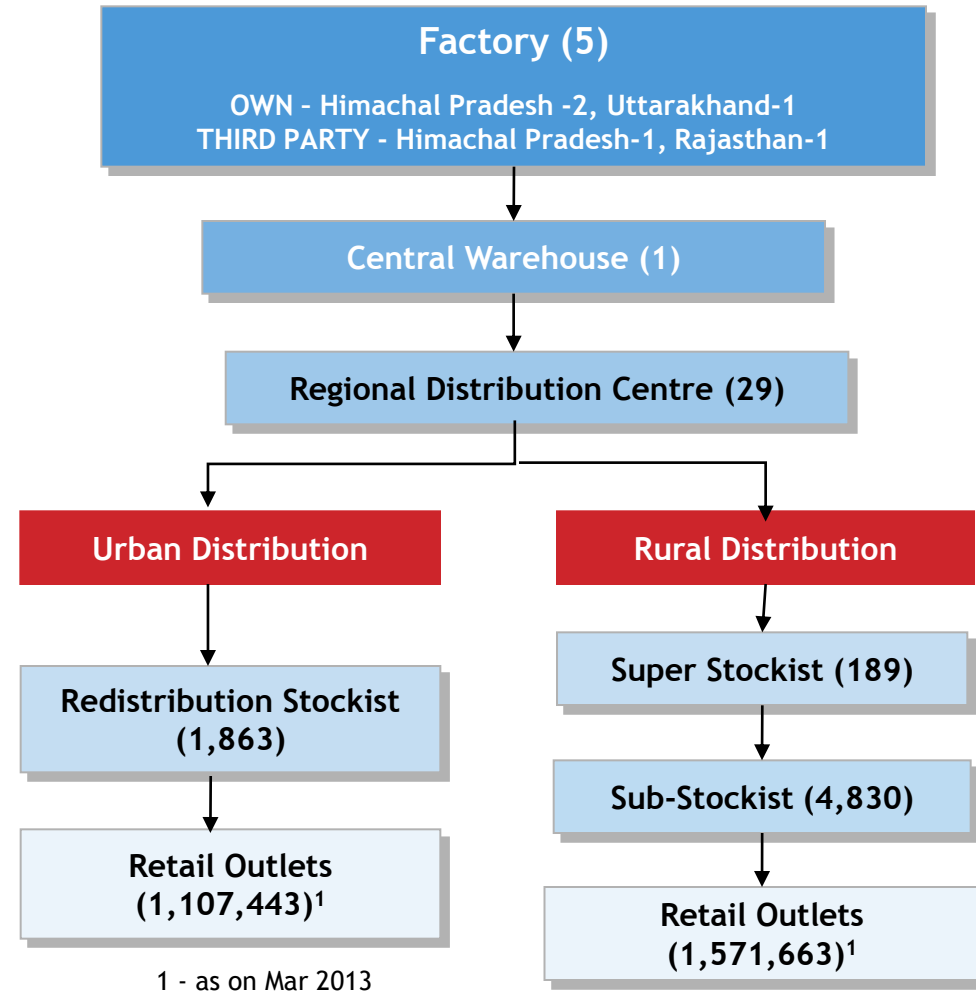
**Source – IRS, Q42012**

# Strong Distribution Network

## Distribution Network



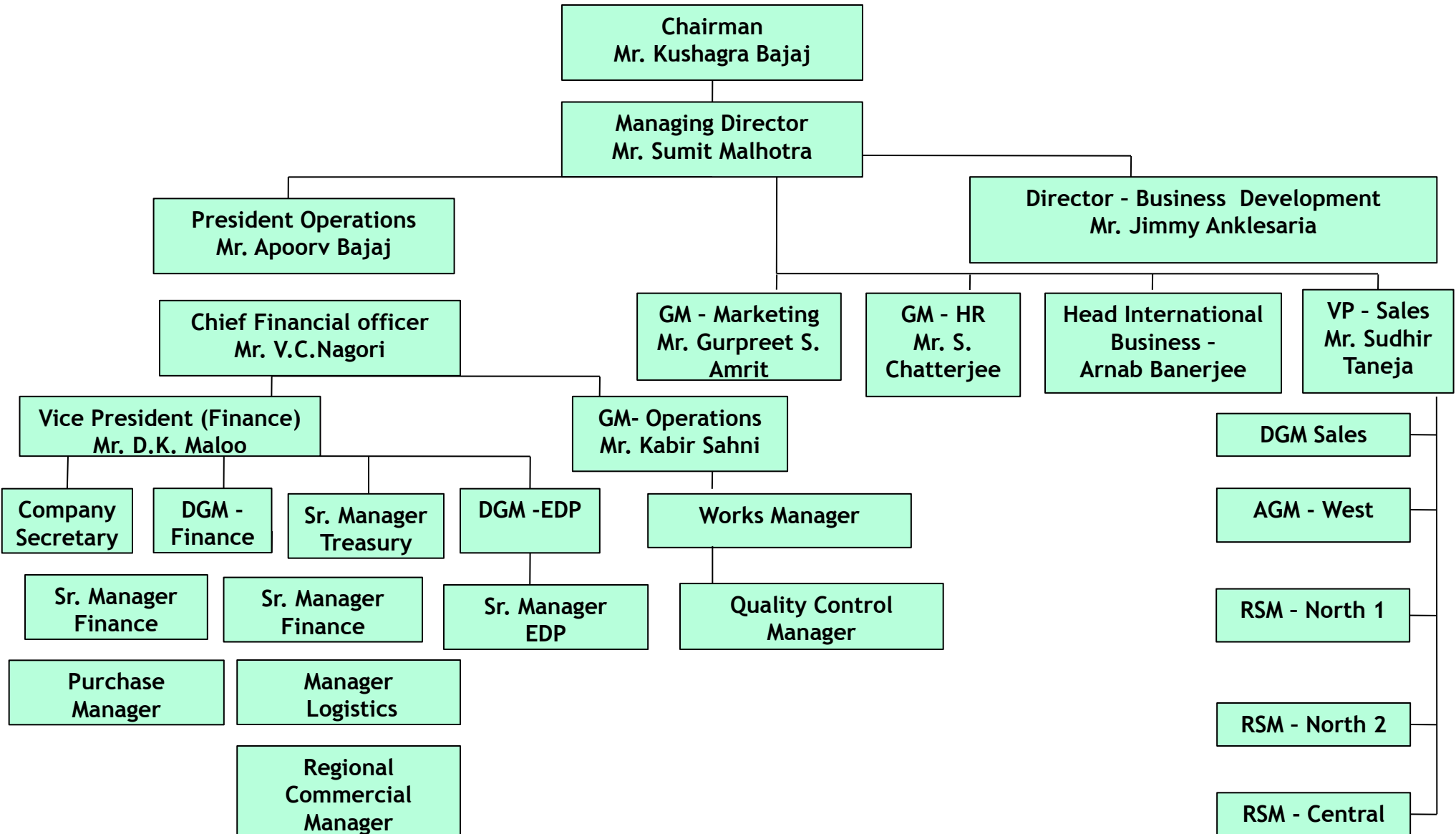
## Distribution Structure



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

` in Crores

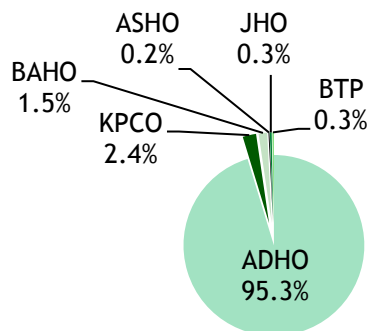
| Particulars          | Q4 FY13 | Q4 FY12 | FY13   | FY12   |
|----------------------|---------|---------|--------|--------|
| Sales (Net)          | 183.69  | 146.59  | 605.66 | 472.24 |
| EBITDA               | 51.89   | 33.97   | 172.87 | 116.64 |
| EBITDA Margin        | 28.25%  | 23.17%  | 28.54% | 24.70% |
| Net Profit after Tax | 49.15   | 34.05   | 167.38 | 120.09 |
| Net Profit Margin    | 26.76%  | 23.23%  | 27.64% | 25.43% |

## Summary Balance Sheet

(` in Crores)

| Particulars   | 2012-13 | 2011-12 |
|---|---------|---------|
| Shareholders Equity   | 485.06  | 428.81  |
| Total Debt  |         |         |
| Net Fixed Assets  | 45.85   | 38.90   |
| Investments<br>(including Bank FDs, Bank CDs<br>and Government Securities &<br>Bonds) | 423.04  | 366.12  |
| Net Current Assets  | 16.17   | 23.79   |

## Sales Break up in FY2013 by Brand



## Key Highlights

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

# EBITDA & PAT Performance

| Particulars             | ` in Crores |         |        |        |        |        |
|-------------------------|-------------|---------|--------|--------|--------|--------|
|                         | Q4 FY13     | Q4 FY12 | YoY%   | FY13   | FY12   | YoY%   |
| EBITDA                  | 51.89       | 33.97   | 52.75% | 172.87 | 116.64 | 48.21% |
| Profit Before Tax (PBT) | 61.70       | 43.19   | 42.86% | 209.55 | 151.34 | 38.46% |
| Profit After Tax (PAT)  | 49.15       | 34.05   | 44.35% | 167.38 | 120.09 | 39.38% |

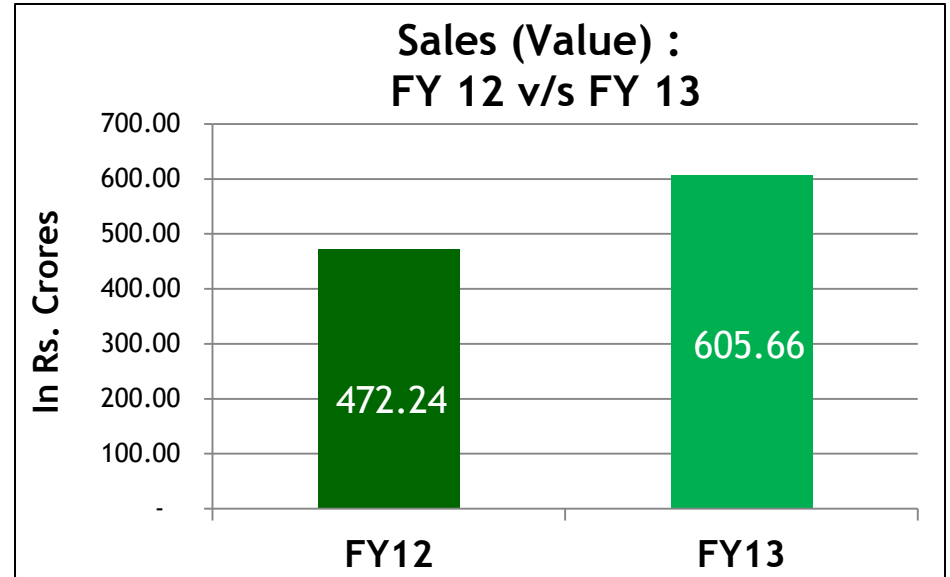
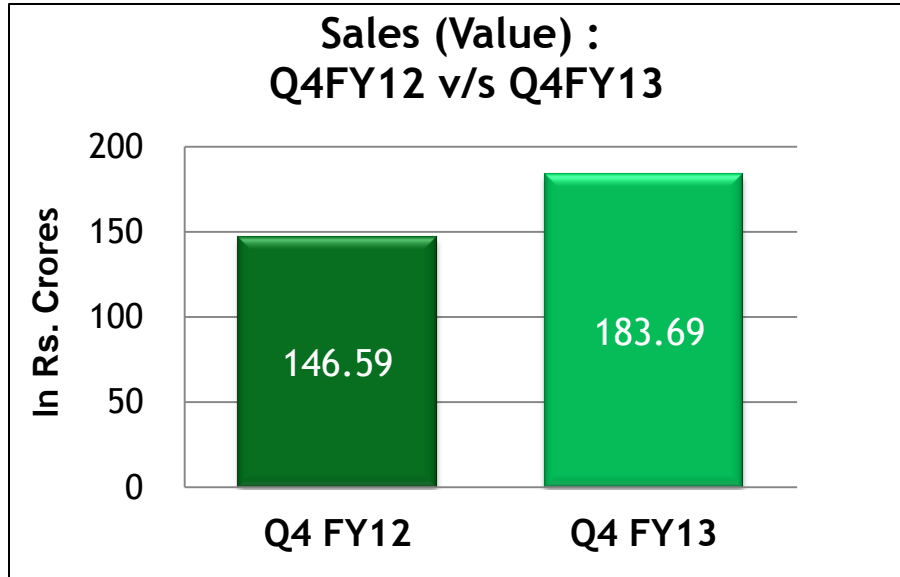
During the FY 2012-13 Company paid an interim dividend @ 650 % of share capital i.e. at the rate of Rs 6.50/- per share of face value of Re 1/- each. The dividend payout to the shareholders was Rs.9587.50 Lacs (Rs. 11142.84 Lacs inclusive of dividend distribution tax).

# Profit & Loss Q4 & FY2013

in Crores

| Particulars   | Q4FY13        | Q4FY12        | YoY%          | FY13          | FY12          | YoY%          |
|---|---------------|---------------|---------------|---------------|---------------|---------------|
| <b>Net Sales</b>                                    | <b>183.69</b> | <b>146.59</b> | <b>25.31%</b> | <b>605.66</b> | <b>472.24</b> | <b>28.25%</b> |
| Other Operating Income                              | 0.49          | 0.45          |               | 1.06          | 1.08          |               |
| Material Cost                                       | 77.45         | 69.37         |               | 260.08        | 221.70        |               |
| % of Sales  | 42.16%        | 47.32%        |               | 42.94%        | 46.95%        |               |
| Employees Cost                                      | 8.65          | 5.83          |               | 29.16         | 22.90         |               |
| % of Sales  | 4.71%         | 3.98%         |               | 4.81%         | 4.85%         |               |
| Advertisement & Sales<br>Promotion Exp.             | 30.24         | 24.65         |               | 87.92         | 64.71         |               |
| % of Sales  | 16.46%        | 16.82%        |               | 14.52%        | 13.70%        |               |
| Other Expenses                                      | 15.95         | 13.22         |               | 56.69         | 47.37         |               |
| % of Sales  | 8.68%         | 9.02%         |               | 9.36%         | 10.03%        |               |
| <b>EBITDA</b>                                       | <b>51.89</b>  | <b>33.97</b>  | <b>52.75%</b> | <b>172.87</b> | <b>116.64</b> | <b>48.21%</b> |
| % of Sales  | 28.25%        | 23.17%        |               | 28.54%        | 24.70%        |               |
| Other Income  | 10.69         | 10.04         |               | 40.05         | 37.38         |               |
| % of Sales  | 5.82%         | 6.85%         |               | 6.61%         | 7.92%         |               |
| Finance Cost  | 0.03          | 0.02          |               | 0.09          | 0.08          |               |
| Depreciation  | 0.85          | 0.80          |               | 3.28          | 2.60          |               |
| <b>Profit Before Tax &amp;<br/>Exceptional Item</b> | <b>61.70</b>  | <b>43.19</b>  | <b>42.86%</b> | <b>209.55</b> | <b>151.34</b> | <b>38.46%</b> |
| Exceptional Items                                   | 0.00          | 0.00          |               | 0.00          | 0             |               |
| <b>Profit Before Tax(PBT)</b>                       | <b>61.70</b>  | <b>43.19</b>  | <b>42.86%</b> | <b>209.55</b> | <b>151.34</b> | <b>38.46%</b> |
| Tax Expenses  | 12.55         | 9.14          |               | 42.17         | 31.25         |               |
| <b>Profit After Tax(PAT)</b>                        | <b>49.15</b>  | <b>34.05</b>  | <b>44.35%</b> | <b>167.38</b> | <b>120.09</b> | <b>39.38%</b> |
| % of Sales  | 26.76%        | 23.23%        |               | 27.64%        | 25.43%        |               |
| <b>Diluted EPS (Rs.)</b>                            | <b>3.33</b>   | <b>2.31</b>   |               | <b>11.35</b>  | <b>8.14</b>   |               |

# Sales Performance



Sales for Q4 FY 13 increased by 25.31% in value terms and 19.12% in volume terms.

Sales for the FY13 has increased by 28.25% in value terms and 20.53% in volume terms.

# Statement of Quarter wise Sales (Volume & Value)

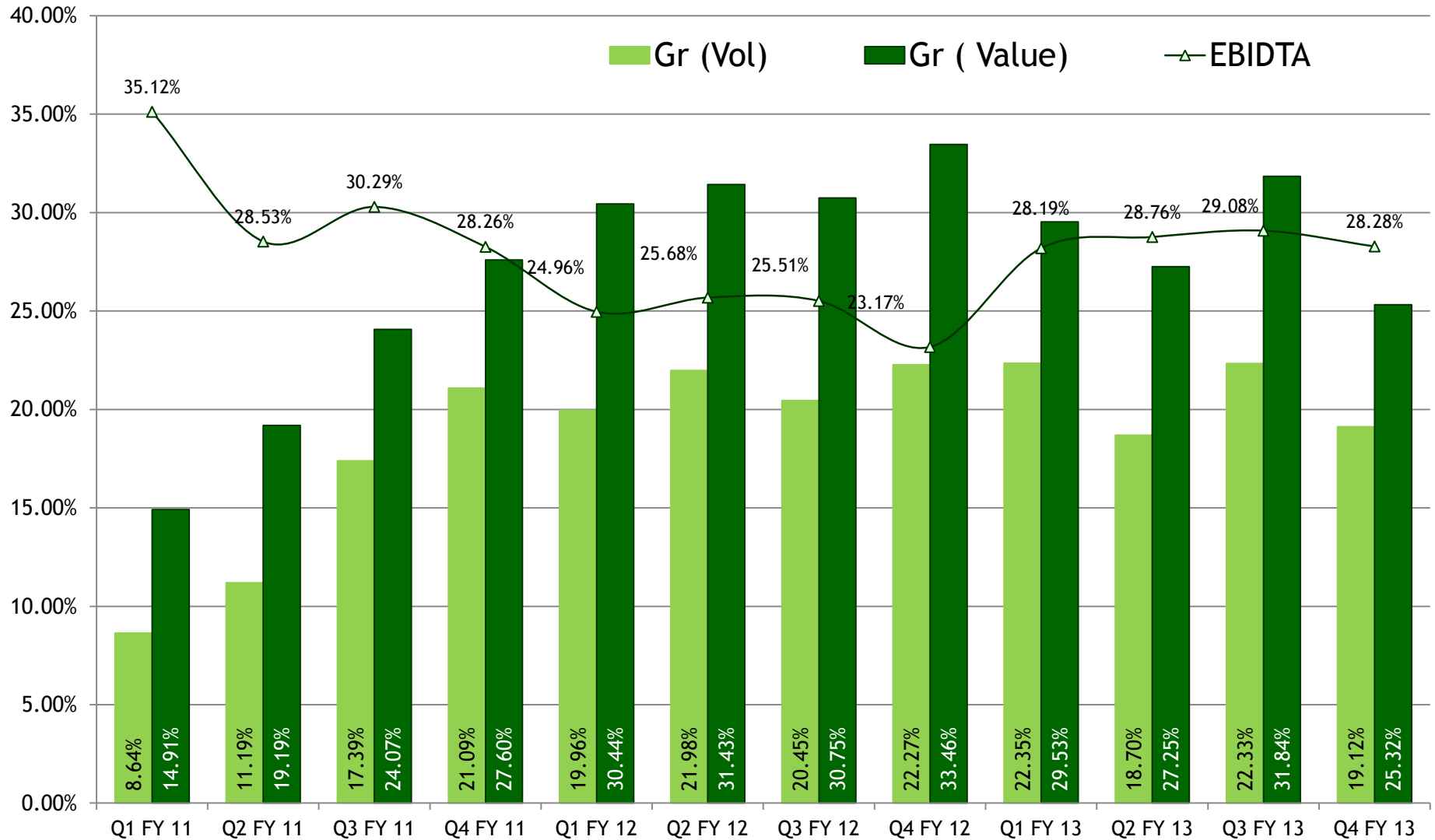
## STATEMENT OF QUARTERWISE SALES (VOLUME- IN CASES)

|              | ADHO             |                  | KPCO          |               | BAHO          |               | ASHO          |               | Others        |               | Total            |                  | % Inc over PY |
|--------------|------------------|------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|------------------|------------------|---------------|
|              | FY 13            | FY 12            | FY 13         | FY 12         | FY 13         | FY 12         | FY 13         | FY 12         | FY 13         | FY 12         | FY 13            | FY 12            |               |
| Q1           | 952,959          | 765,858          | 28,665        | 28,777        | 11,481        | 14,125        | 2,455         | 4,451         | 4,639         | 4,249         | 1,000,199        | 817,460          | 22.35%        |
| Q2           | 944,632          | 793,821          | 12,739        | 7,562         | 11,019        | 12,272        | 3,094         | 3,751         | 5,926         | 6,053         | 977,410          | 823,459          | 18.70%        |
| Q3           | 1,044,316        | 846,456          | 1,206         | 998           | 15,067        | 15,798        | 2,475         | 4,247         | 5,502         | 6,020         | 1,068,566        | 873,519          | 22.33%        |
| Q4           | 1,270,580        | 1,053,629        | 35,493        | 37,106        | 11,246        | 12,415        | 2,452         | 3,693         | 4,407         | 4,785         | 1,324,178        | 1,111,628        | 19.12%        |
| <b>Total</b> | <b>4,212,487</b> | <b>3,459,764</b> | <b>78,103</b> | <b>74,443</b> | <b>48,813</b> | <b>54,610</b> | <b>10,476</b> | <b>16,142</b> | <b>20,474</b> | <b>21,107</b> | <b>4,370,353</b> | <b>3,626,066</b> | <b>20.53%</b> |

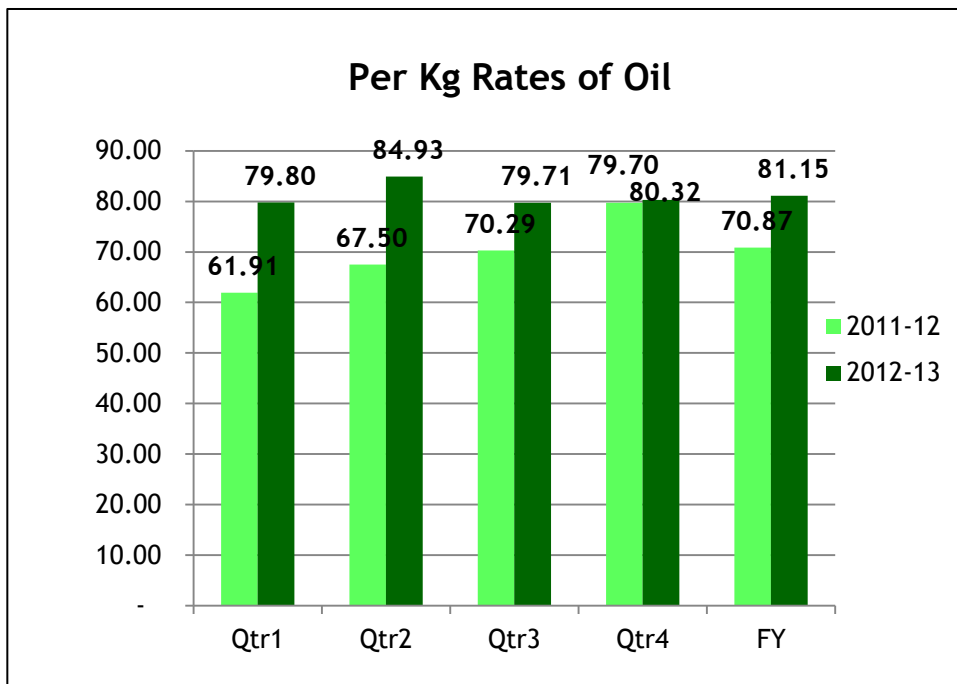
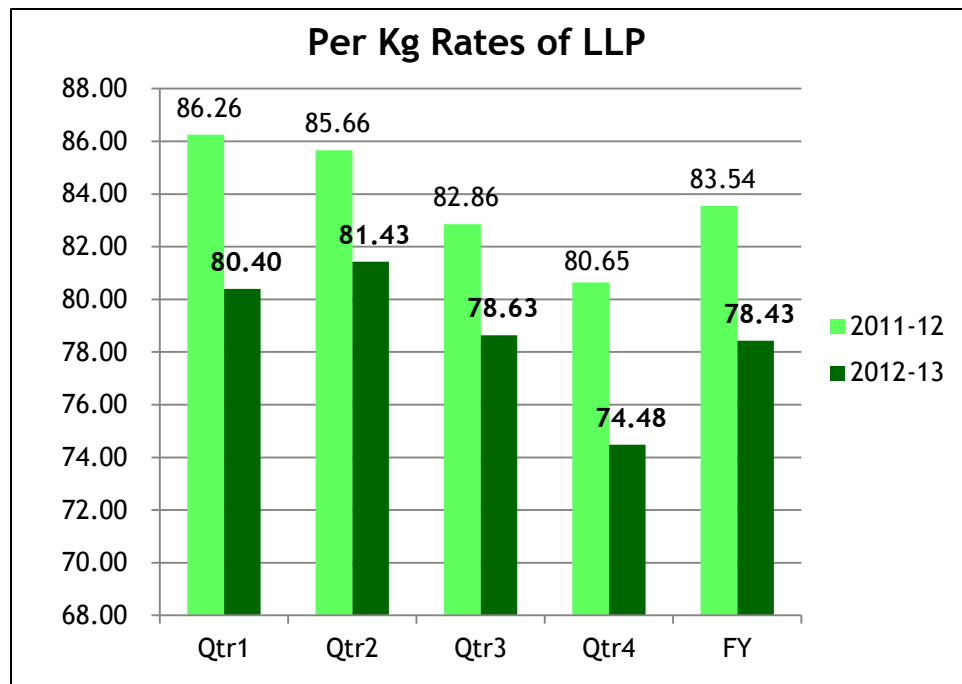
## STATEMENT OF QUARTERWISE SALES (VALUE - In Rs. Crores)

|              | ADHO          |               | KPCO         |              | BAHO        |             | ASHO        |             | Others      |             | Total         |               | % Inc over PY |
|--------------|---------------|---------------|--------------|--------------|-------------|-------------|-------------|-------------|-------------|-------------|---------------|---------------|---------------|
|              | FY 13         | FY 12         | FY 13        | FY 12        | FY 13       | FY 12       | FY 13       | FY 12       | FY 13       | FY 12       | FY 13         | FY 12         |               |
| Q1           | 129.46        | 97.59         | 5.45         | 5.42         | 2.07        | 2.44        | 0.26        | 0.47        | 0.81        | 0.66        | 138.05        | 106.58        | 29.53%        |
| Q2           | 129.87        | 102.15        | 2.49         | 1.17         | 2.09        | 2.08        | 0.33        | 0.40        | 1.08        | 0.97        | 135.86        | 106.77        | 27.25%        |
| Q3           | 143.68        | 107.93        | 0.21         | 0.16         | 2.89        | 2.79        | 0.26        | 0.45        | 1.02        | 0.97        | 148.06        | 112.30        | 31.84%        |
| Q4           | 174.10        | 136.61        | 6.39         | 6.58         | 2.13        | 2.21        | 0.26        | 0.39        | 0.81        | 0.79        | 183.69        | 146.59        | 25.31%        |
| <b>Total</b> | <b>577.11</b> | <b>444.28</b> | <b>14.54</b> | <b>13.33</b> | <b>9.18</b> | <b>9.52</b> | <b>1.11</b> | <b>1.71</b> | <b>3.72</b> | <b>3.39</b> | <b>605.66</b> | <b>472.24</b> | <b>28.25%</b> |

# Consistent Performance over the last 10 successive quarters



# Change in Prices of Key Ingredients



- ✓ During the year average price of LLP decreased to Rs. 78.43/kg from Rs.83.54/kg in previous year recording a reduction of 6.1%.
- ✓ Prices of Refined oil increased from Rs.70.87/kg in FY 12 to Rs.81.15/kg in FY12 witnessing an increase of 14.05% over previous year.
- ✓ Prices of our other key ingredients (except glass bottles which reduced by 6.50% during last quarter of FY -13) have remained more or less on the same level.



## Breakup of RM/PM Costs (for FY 13)

| Key Raw & Packing Material | % to Sales    | % to Total Cost |
|----------------------------|---------------|-----------------|
| LLP                        | 16.03%        | 38.00%          |
| Glass Bottles              | 10.66%        | 25.27%          |
| Refined Veg. Oil           | 4.68%         | 11.09%          |
| Perfumes & other additives | 3.42%         | 8.12%           |
| Corrugated Boxes           | 1.79%         | 4.24%           |
| Caps                       | 2.23%         | 5.30%           |
| Others                     | 3.37%         | 7.99%           |
| <b>TOTAL</b>               | <b>42.19%</b> | <b>100.00%</b>  |

**\*Consumption is 42.19% of Sales**

*\*For Bajaj Almond Drops*

# 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       | <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>  |
| Focus on rural penetration                            | <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>                     |
| Leverage existing strengths to introduce new products | <ul style="list-style-type: none"><li>■ BCL has over the years created a strong distribution network across 2.7 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> |
| Pursue inorganic Opportunities                        | <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**