

bajaj
Corp Ltd.

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10th Annual Report: 2015 - 2016



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Board of Directors

Kushagra Nayan Bajaj

Promoter & Non-Executive Chairman

Sumit Malhotra

Managing Director

Aditya Vikram Ramesh Somani

Independent & Non-Executive Director

Dilip Cherian

Independent & Non-Executive Director

Gaurav Dalmia

Independent & Non-Executive Director

Mrs. Vasavadatta Bajaj

Non-Independent, Non-Executive Director

Hitesh Kanani

Company Secretary & Compliance Officer

Statutory Auditors**R. S. Dani & Co.**

Chartered Accountants

Bankers

Kotak Mahindra Bank Limited

Corporation Bank

HDFC Bank Limited

Registered Office

Old Station Road

Sevashram Chouraha

Udaipur 313 001

Rajasthan

Registrar & Transfer Agent

Karvy Computershare Private Limited

Karvy Selenium Tower B, Plot 31-32,

Gachibowli Financial District,

Nanakramguda, Hyderabad – 500 032



Chairman's Letter

Dear Stakeholders,

It is indeed a pleasure to inform you that your Company has demonstrated an impressive financial performance during the year 2015-16.

- Sales increased to ₹ 86,657 Lacs in the FY 2015-16 registering a growth of 5.74 % over the previous FY.
- Profit after tax increased to ₹ 19,791 Lacs registering a growth of 14.19% over the previous FY.

Your company has continued the practice of rewarding its shareholders with handsome dividends. This year an interim dividend of ₹ 11.50 per Share was declared and paid.

The Industry

The year started with the new government focusing on reforms and trying its level best to implement GST. However, in both the cases, success is to be achieved and hence the effect is yet to be felt. Inflation, led by the benign crude prices, was under

control at 5.5%. The foreign exchange reserves were at a very comfortable US\$ 351 Billion led by FDI inflows of US\$ 27.7 billion during the period April-Dec 2015. All in all, the basic economic parameters have been trending towards positive consumer sentiments throughout the Financial Year 2015-16.

The big disappointment was the second consecutive poor monsoon. This has led to slowing down of rural consumption and has resulted in the FMCG market itself losing steam. The fall in inflation has resulted in the urban demand improving, but the sheer size of the rural populace is having a negative impact on consumption of FMCG products. Various categories, in the FMCG space, has seen slowing down and this is the cause for worry. With the prediction of good monsoons during 2016, there is again hope that the rural demand will pick up. The government has also shown its intent by increasing the allocations for rural employment schemes and fiscal stimulus in form of MSPs.

Bajaj Almond Drops

Despite the overall bleak scenario in the Hair Oil Industry, our lead Brand, Bajaj Almond Drops Hair Oil continues to show impressive growths both in Volumes and Market Share.

Bajaj Almond Drops is the second largest brand in the overall hair oil segment and it is a market leader with over 60 % market share of Light Hair Oil market.

Bajaj NOMARKS

The Nomarks brand was acquired by the Company in the year 2013 and has over the last 3 years established itself in the Indian FMCG market. The Bajaj Nomarks Cream is the No. 1 cream in the Anti Marks segment (as of March 2016, market share by volume). The Bajaj Nomarks Face Wash has achieved the No. 2 position (by Volume) in the Anti Marks Face Wash segment (as of March 2016). Investments behind building the brand as well as the Anti Marks category continue with joining hands with Indian Star Badminton Player- Ms. Saina Nehwal

Distribution

We continue to focus on improving the distribution of our brands. Our brands are being sold through more than 7500 stockists and is now available in more than 3.69 million retail outlets across the country.

Employee Initiatives

Your Company has been constantly implementing better systems and processes to enhance customer value and build leadership and functional skills at all levels in the organisation. We have been

able to drive sustainable learning culture that enhanced performance capabilities and customer value. In the changing scenario, the competency frame work has been revised and integrated with the processes like Talent Acquisition, Enabling Performance and Individual and Organisational objectives.

Responsibility Towards Society

The Company contributed to the corpus of Kamalnayan Janminalal Bajaj Foundation ("KJBF") which has been strengthening livelihood of the distressed agrarian community in the Wardha district of Vidharbha region in Maharashtra as per the ideology of the founder father of Bajaj Group, Shri. Janminalaji in the domain of integrated land and water resources development through participatory approach, thereby sustaining socio economic and environment development.

Way Forward

Going forward, we shall continue to create value for our customers through innovation across product segments. We shall also bring in more efficiencies / automation in our business processes, in order to provide greater value to our stakeholders, formulate clean strategy and shall remain focussed on competitive, profitable and sustainable growth in years to come, by upholding highest level of corporate governance and integrity.

With warm regards,

Kushagra Nayan Bajaj



CIN: L01110RJ2006PLC047173

Registered Office: Old Station Road, Sevashram Chouraha, Udaipur - 313 001, Rajasthan

Website: www.bajajcorp.com • Email: complianceofficer@bajajcorp.com

Notice to Shareholders

NOTICE is hereby given that the Tenth Annual General Meeting (AGM) of the Members of Bajaj Corp Limited will be held on Wednesday, July 20, 2016 at 10:30 A.M. at Raghu Mahal Hotels Private Limited, 93, M.B. College Road, Darshanpura, Airport Road, Udaipur - 313 001, Rajasthan, to transact the following business:-

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended March 31, 2016 including the Audited Balance Sheet as at March 31, 2016, Statement of Profit and Loss for the year ended on that date and Reports of Directors and Auditors thereon for the said year.
2. To confirm the Interim Dividend of ` 11.50 per Equity Share declared on 14,75,00,000 Equity Shares of face value of ` 1/- each already paid for the Financial Year ended March 31, 2016.
3. To appoint a Director in place of Mr. Kushagra Nayan Bajaj (DIN 00017575), Director, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint M/s. R.S. Dani & Company (Firm Registration Number 000243C), Chartered Accountants, pursuant to the provisions of Section 139 of the Companies Act, 2013, as Statutory Auditors of the Company, to hold office from conclusion of this Tenth Annual General Meeting until the conclusion of the Eleventh Annual General Meeting of the Company, at such remuneration as shall be fixed by the Board of Directors.

SPECIAL BUSINESS:

5. To consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:-

"RESOLVED THAT pursuant to the provisions of Sections 196, 197, 198, 203 and any other applicable provisions of the Companies Act, 2013 ("the Act") and Rules made thereunder, read with Schedule V of the Act (including any statutory modification(s), clarification(s) or re-enactment(s) thereof for the

time being in force) and subject to such approvals, consents, permissions and sanctions of appropriate and/or concerned authorities and subject to such other conditions and modifications, as may be prescribed, imposed or suggested by any of such appropriate and/or concerned authorities while granting such approvals, consents, permissions and sanctions and as agreed to by the Board of Directors of the Company without any further approval of the members of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any Committee which the Board may have constituted or herein after constitute to exercise its powers including the powers conferred by this resolution), the consent of the members of the Company be and is hereby accorded to the appointment of and payment of remuneration to Mr. Sumit Malhotra, (DIN 02183825) as Managing Director of the Company, liable to retire by rotation, for a period of 5 years, commencing on August 8, 2016, with powers to the Board to alter, amend, vary and modify the terms and conditions of the said appointment/re-appointment and remuneration payable from time to time as it deems fit, in such manner as may be mutually agreed upon, on the terms and conditions as set below:

I. Remuneration:

- a) Basic Salary: In the range of ` 9,00,000/- per month to ` 20,00,000/- per month.
- b) Allowances and Perquisites:
 - i) House Rent Allowance:

50 % of Basic Salary.
 - ii) Other Allowances:

The Managing Director shall be paid other allowances as per the rules of the Company including but not limited to Special Allowance, Medical, Conveyance and Leave Travel, provided however that, the aggregate value of all such allowances paid shall not exceed 200% of the Basic Salary.

- iii) Contribution to Provident Fund:

Company's contribution to Provident Fund

equal to 12% of Basic Salary or up to such an amount permissible under the law and as may be decided by the Board of Directors from time to time.

- iv) Contribution to Superannuation Fund:
Company's contribution to Superannuation Fund equal to 15% of Basic Salary or up to such an amount permissible under the law and as may be decided by the Board of Directors from time to time.
- v) Gratuity payable at the time of retirement/cessation shall be as per the scheme of the Company.
- vi) Medical Reimbursement:
Reimbursement at the rate of 8.33% of Basic Salary.
- vii) Conveyance Allowance:
At the rate of 30% of Basic Salary.
- viii) Leave:
Leave with full pay or encashment thereof as per the rules of the Company.

Explanation:

Perquisites shall be evaluated as per Income-tax Rules, wherever applicable and in absence of any such rule, perquisites shall be evaluated at actual cost.

- ix) Performance Linked Incentive on achievement of targets as per the rules of the Company, not exceeding 2 times of the total basic salary per annum.
- c) Amenities:
- i) Conveyance facilities:
The Company shall provide suitable vehicle for use by the Managing Director as per the rules of the Company.
- ii) Communication facilities:
The Managing Director is entitled for use of telephone, telefax and other communication facilities at his residence.

II. Overall Remuneration:

The aggregate of salary and perquisites in any Financial Year shall not exceed the limits prescribed from time to time under Sections 197 and 198 and other applicable provisions of the Companies Act, 2013 read with Schedule V to the said Act, as may for the time being, in force.

III. Other Terms and Conditions:

Other terms and conditions of appointment of Mr. Sumit Malhotra, Managing Director is as under:

- a. The Managing Director shall not be paid any sitting fees for attending the meetings of the Board of Directors or Committees thereof.
- b. The Managing Director shall not, so long as he functions as such, become interested or otherwise concerned directly or through his spouse and/or minor children in any selling agency of the Company, in future without prior approval of the Central Government.
- c. The appointment of Managing Director may be terminated by the Company or the Managing Director, by giving 3 months notice to the other side or Salary in lieu thereof.

RESOLVED FURTHER THAT in case the Company has in any Financial Year no profits or if its profits are inadequate anytime during the tenure of office of Mr. Sumit Malhotra, he shall be paid the aforesaid remuneration as the minimum remuneration, with the liberty to the Board to revise, amend, alter and vary the terms and conditions relating to the remuneration payable to the Managing Director in such manner as may be permitted and subject to such approvals of such authority as may be required, in accordance with the provisions of the Companies Act, 2013 and Schedule V thereto or any modification thereof and as may be agreed by and between the Board and Mr. Sumit Malhotra, without any further approval of the members of the Company.

RESOLVED FURTHER THAT the Board of Directors and the Company Secretary of the Company, be and are hereby severally authorised to make necessary application(s) to such authorities, as may be required, for seeking its approval to the said appointment/re-appointment and to do all such acts, deeds, matters and things as may be necessary, proper or expedient for the purpose of giving effect to this resolution and for matters connected therewith or incidental thereto."

- 6. To consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:-

"RESOLVED THAT pursuant to the provisions of Section 62(1)(c) read with Section 42 and any other applicable provisions of the Companies Act, 2013 read with the Companies (Share Capital and Debentures) Rules, 2014, Companies (Prospectus and Allotment of Securities) Rules, 2014 and such other

rules as may be issued from time to time (including any statutory modification(s), clarification(s) or re-enactment(s) thereof for the time being in force), the Foreign Exchange Management Act, 1999, Foreign Exchange Management (Transfer or Issue of Securities by a Person Resident Outside India) Regulations, 2000, the Issue of Foreign Currency Convertible Bonds and Ordinary Shares (Through Depository Receipt Mechanism) Scheme, 1993 as amended upto date, Regulations for Qualified Institutions Placement contained in Chapter VIII of the Securities and Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations, 2009, as amended ("SEBI ICDR Regulations"), the Companies (Issue of Global Depository Receipts) Rules, 2014, as amended, the notifications, rules, regulations, guidelines, circulars and clarifications issued by Government of India ("GOI"), Reserve Bank of India ("RBI"), Securities and Exchange Board of India ("SEBI") and/or any other competent authorities and other applicable laws, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), Articles of Association and subject to all other statutory and regulatory approval(s), consent(s), permission(s) and/or sanction(s) of the GOI, RBI, SEBI and all other concerned authorities (hereinafter singly or collectively referred to as the "Appropriate Authorities") as may be required and subject to such terms, conditions and modifications as may be prescribed by any of the Appropriate Authorities while granting any such approval, consent, permission and/or sanction and agreed to by the Board of Directors of the Company without any further approval of the members of the Company (hereinafter referred to as "the Board" which term shall deemed to include any Committee which the Board may have constituted or herein after constitute to exercise its powers including the powers conferred by this resolution), which the Board be and is hereby authorised to accept, if it thinks fit in the interest of the Company, the Board be and is hereby authorised to create, issue, offer and allot Equity Shares and/or securities in one or more tranches, whether denominated in rupee or foreign currency(ies), in the course of international and/or domestic offering(s) in one or more foreign market(s), for a value of up to ` 1,000/- Crore (Rupees One thousand Crore only) including Equity Shares and/or Other Financial Instruments ("OFIs") through Qualified Institutions Placement ("QIP") to Qualified Institutional Buyers ("QIB"), Global Depository Receipts ("GDRs"), American Depository Receipts ("ADRs"), Foreign Currency Convertible Bonds ("FCCBs"), any other Depository Receipt Mechanism and/or convertible into Equity Shares (either at the option of the Company or the holders thereof) at a later date, any such instrument

or security including any financial instruments convertible into Equity Shares (including warrants or otherwise in registered or bearer form) and/or any security convertible into Equity Shares and/or securities linked to Equity Shares and/or securities without detachable warrants with rights exercisable by the warrant holders to convert or subscribe to Equity Shares or securities including GDRs and ADRs representing Equity Shares (hereinafter collectively referred to as the "Securities") or any combination of Equity Shares with or without premium, to be subscribed to in Indian and/or any foreign currency(ies) by resident or non-resident/foreign investors (whether institutions and/or incorporated bodies and/or individuals and/or trusts and/or otherwise)/Foreign Institutional Investors ("FIIs")/ Mutual Funds / Pension Funds / Venture Capital Funds/Banks and such other persons or entities, whether or not such investors are members of the Company, to all or any of them, jointly or severally through prospectus, offer document and/ or other letter or circular ("Offer Document") and/or on private placement basis, from time to time in one or more tranches as may be deemed appropriate by the Board and such issue and allotment to be made on such occasion or occasions, at such value or values, at a discount or at a premium to the market price prevailing at the time of the issue and in such form and manner and on such terms and conditions or such modifications thereto as the Board may determine in consultation with the Lead Manager(s) and/or Underwriter(s) and/or other Advisor(s), with authority to retain over subscription up to such percentage as may be permitted by the Appropriate Authorities, at such price or prices, at such interest or additional interest, at a discount or at a premium on the market price or prices and in such form and manner and on such terms and conditions or such modifications thereto, including the number of Securities to be issued, face value, rate of interest, redemption period, manner of redemption, amount of premium on redemption/ prepayment, number of further Equity Shares, to be allotted on conversion/ redemption/extinguishment of debt(s), exercise of rights attached to the warrants, the ratio of exchange of shares and/or warrants and/or any other financial instrument, period of conversion, fixing of record date or book closure and all other related or incidental matters as the Board may in its absolute discretion think fit and decide in consultation with the Appropriate Authority(ies), the Merchant Banker(s) and/or Lead Manager(s) and/or Underwriter(s) and/or Advisor(s) and/or such other person(s), but without requiring any further approval or consent from the Members and also subject to the applicable regulations for the time being in force.