

# Adam Smith **ASIA** Webinars



Hindustan Unilever Limited

## Fast moving treasury

### PRESENTERS



**Dinesh Thapar**  
General Manager &  
Head of Treasury, Investor  
Relations and M&A,  
Hindustan Unilever Limited



**Ravishankar**  
Senior Finance Manager –  
Treasury and Insurance,  
Hindustan Unilever Limited



**Mitesh Thakker**  
Funds and Forex Manager,  
Hindustan Unilever Limited



**FACILITATOR**  
**Richard Parkinson**  
Managing Director,  
Treasury Today Group



# CASH MANAGEMENT SOLUTION

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HINDUSTAN UNILEVER LIMITED | APRIL 2015

## Speakers

1. **Dinesh Thapar**, General manager – Treasury, Investor Relations and M&A
2. **Ravishankar A.**, Senior Finance Manager – Treasury & Insurance
3. **Mitesh Thakker**, Funds & Forex Manager

# INTRODUCING HINDUSTAN UNILEVER LIMITED

FY 2014 - 15

NET REVENUE	OPERATING PROFIT	NET PROFIT	EPS (BASIC)	CASH FROM OPS
Rs 308 billion	Rs 49 billion	Rs 43 billion	Rs 19.95	Rs 50 billion
USD 5 billion	USD 800 million	USD 700 million	USD 32 cents	USD 820 million

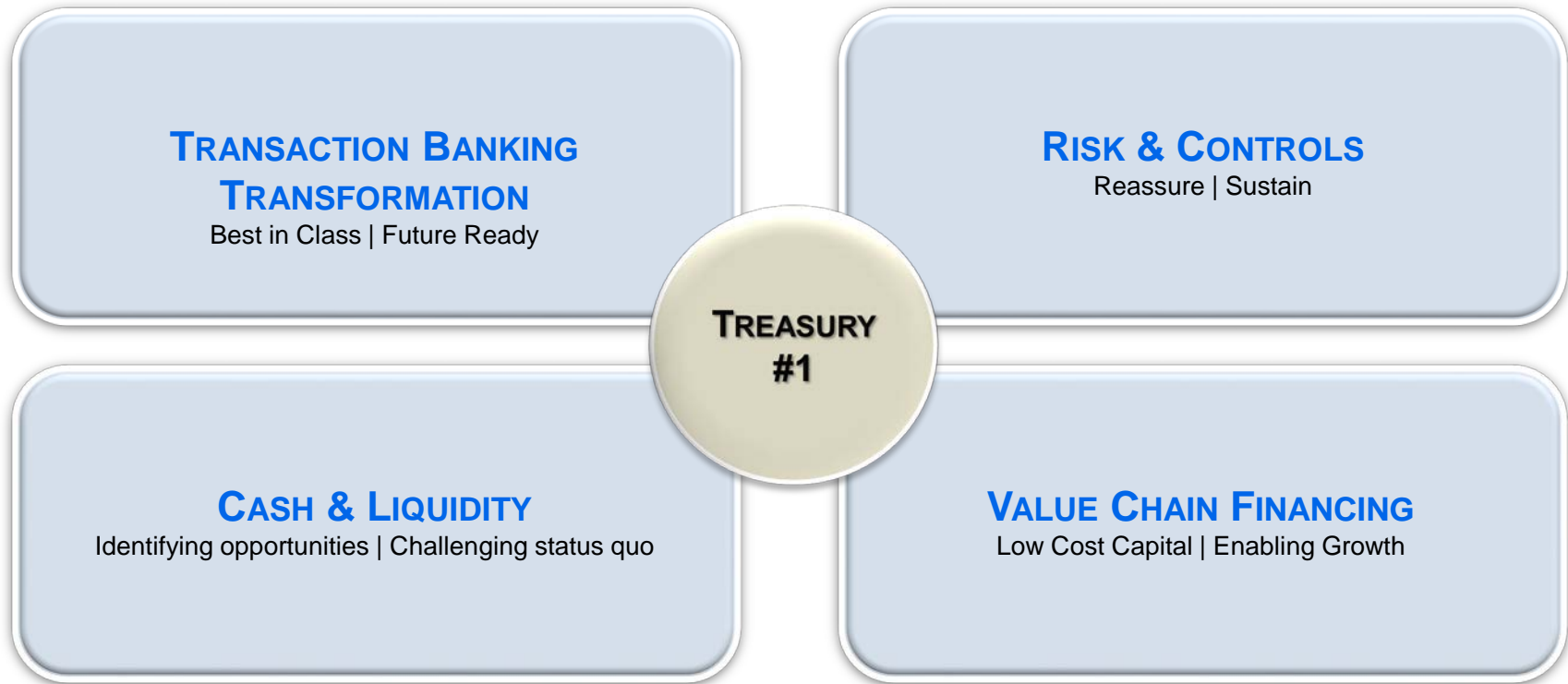
INR / USD = 61.5



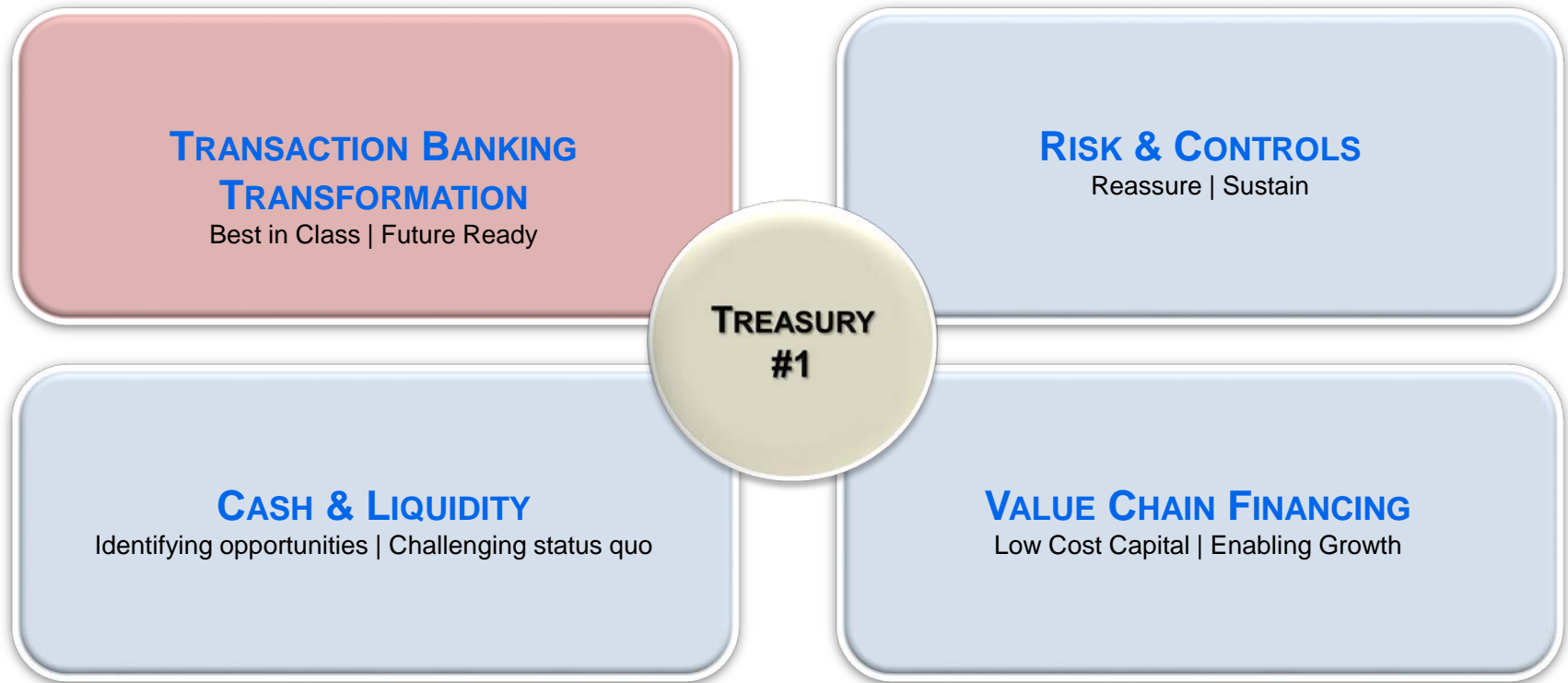
80+ years in India with strong brands and leading market position across categories

Over 18,000 employees, 70 Manufacturing locations, 40+Depots, 3500 distributors

# TREASURY KEY PRIORITIES



# AGENDA TODAY



# CONTEXT

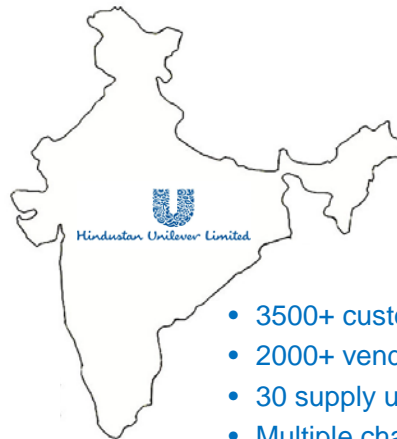
## High Transaction Intensity

€7.5b cash velocity



2m transactions annually

## Extensive & Diverse Footprint



- 3500+ customers
- 2000+ vendors
- 30 supply units
- Multiple channels
- Outsourced partners

## Highly regulated, paper heavy



**Build best in class, future ready transaction banking capabilities**

# OBJECTIVES

More Efficient



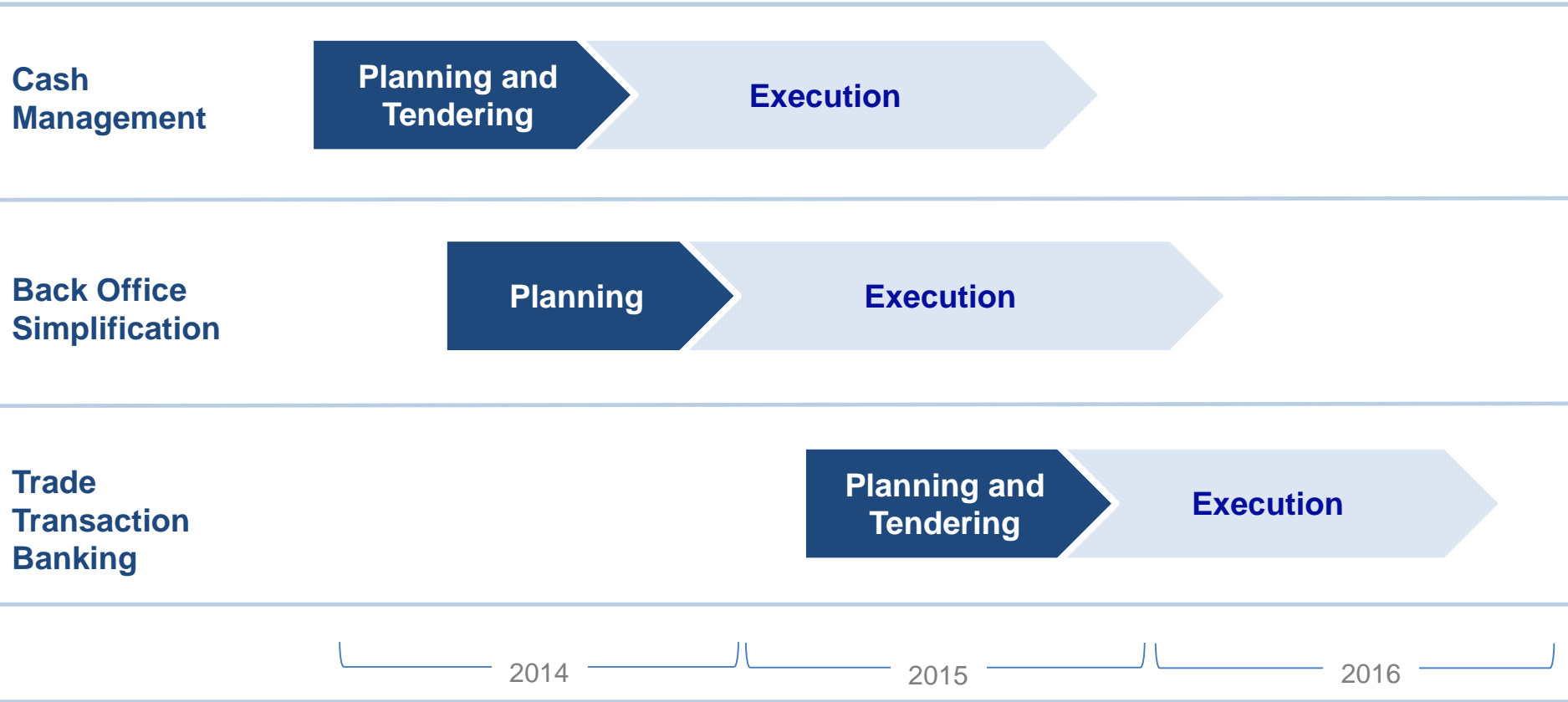
Lower Banking Costs



Better visibility & controls




# KEY INITIATIVES





## 3 STAGE PROCESS



Stage 1  
Request for  
Information

- Broad market scan
- Assess available solutions
- Longlist of partners



Stage 2  
Request for Proposal

- Sharp focus on selected solution
- Shortlisted partners
- Commercial Arrangement



Stage 3  
Client Referrals

- Capability Assessment
- Relationship Management

# CASH MANAGEMENT

## PAYMENTS

- All modes of vendor payments, statutory payments & Payroll
- 100% electronic – SWIFT enabled, SAP integrated, Bank agnostic
- First of its kind statutory payments over SWIFT
- Auto reconciliation of Accounts Payable

## COLLECTIONS

- Domestic collections from distributors & modern trade customers
- Electronic pull based ACH\* for general trade distributors
- Heuristics based Intelligent Receivables for push based modern trade collections
- Auto reconciliation of Accounts Receivable

*\*Automated Clearing House solution of National Payments Corporation of India*

# BACK OFFICE SIMPLIFICATION

## DIGITISATION OF BACK OFFICE

- Digitized banking instructions using SWIFT & Wall Street Suite
- Interbank transfers, deposit placement, bank statements
- Online repository for bank guarantees

## BANK ACCOUNTS OPTIMIZATION

- 180+ bank accounts built up over time down to 35 now, plan to bring down to 24\*
- Unique solutions like cash card, cash delivery instituted for petty cash needs
- Built capability to merge payment and collections in same account

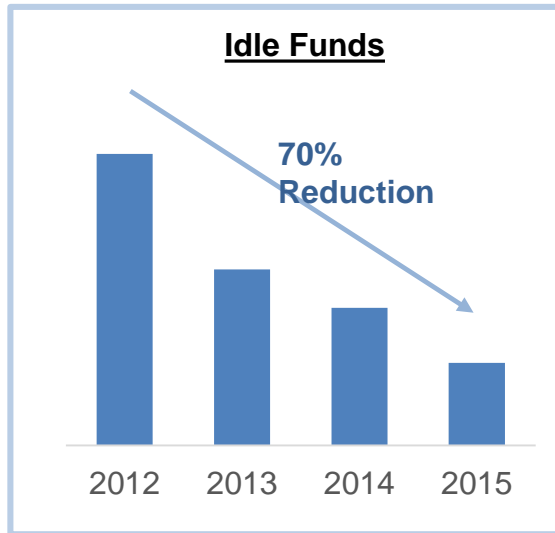
*\*Across 8 legal entities of the Group*

# TRADE TRANSACTION BANKING

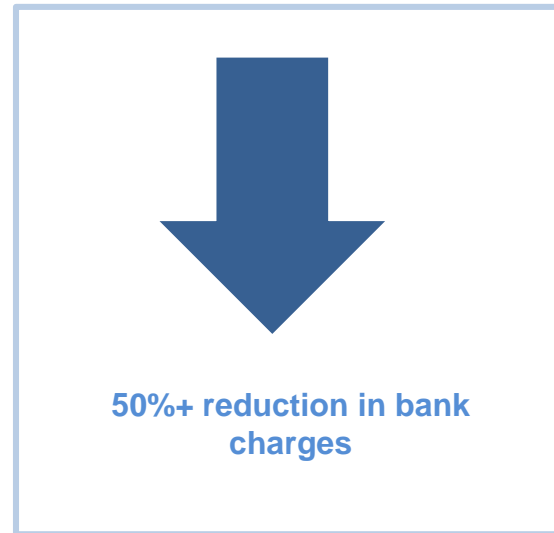
- ❑ Trade transactions – exports collections and import payments
- ❑ SWIFT/H2H enabled, SAP integrated, Digitization of documents
- ❑ Outsourcing of document preparation and coordination
- ❑ Regulatory compliance integrated in solution
- ❑ Automated accounts reconciliation for payables and receivables

# BENEFITS

## Improved Visibility



## Bank Charges Reduction



## Process Efficiency

- Reduction of 2500+ man-days equivalent manual effort
- Bank accounts reduced by 75%+
- Improved visibility and controls



**THANK YOU**

treasurytoday  
**Question time**



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### Next webinar...

**Thursday 12<sup>th</sup> May with Microsoft**  
*Bankers collaborate to deliver a win/win solution*