

Tata Group Treasury Forum convenes to share best practices in Treasury and Investment Management

Different Tata companies, depending upon the nature of their work, have individual expertise in the areas such as debt, investment, and hedging. However, all companies use similar tools, engage with same or multiple banks, credit rating agencies and data providers. With an aim to identify opportunities for collaboration and sharing of best practices, on June 24, 2022, in a day-long exercise, Treasury Heads and Treasury Practitioners from 11 Tata companies convened at Tata Chemicals.

The day started with a session by Deepak Singhania, Treasury Head at Tata Chemicals. He gave a glimpse of Tata Chemicals' business and changes post moving its consumer side of business to Tata Consumer Products. He elaborated on the approaches followed by the company for investment, trade finance, forex, compliances, borrowing, liquidity management, relationships with banks, budget forecasting, hedging, use of credit rating agencies, investment avenues and parking of surplus funds based on safety, liquidity and returns.

Next, Vinay Bhutra, Head Treasury at Titan, gave the participants a glimpse into the cyclical nature of the gold business and associated role of the treasury function. He elaborated on investments such as fixed deposits, mutual funds, commercial papers, arbitrage funds, equity, and government securities. He shared best practices followed by Titan such as monthly ranking on mutual funds based on assets under management, credit quality, sectoral exposure, and past returns, benchmarking of portfolio returns and monthly review of portfolio quality.

The group also exchanged thoughts on a variety of topics of mutual interest such as:

1. Reducing/consolidating number of banks
2. Issues faced on borrowing limits and LCs with banks
3. Commodity and forex hedging
4. Central negotiation with credit rating agencies and service providers for the group as a whole
5. Automation/digitisation

The day concluded with a session by JP Morgan on inflationary impact on the economy. The session was very well received and appreciated. The group now plans to meet again in a physical setup, with greater participation of group companies in August 2022.

Participant Speak

“The group treasury forum meeting witnessed good participation from various companies. There are best practices within each company in the Tata Group and if these are shared and adopted, each Tata company would be the best in class. It is also great that TBExG is taking up this initiative centrally and am sure the group will benefit from more such interactions in future.”

— **Nandakumar Tirumalai, Chief Financial Officer, Tata Chemicals**