

Mecklai Financial

WHERE RISK MEETS ITS MATCH



Mecklai Financial is the leading FX risk management consultancy in India – our head office is in Mumbai with branches in Bangalore, Chennai and Delhi. We have been deeply engaged with financial markets for over 40 years and have advised more than 10,000 companies on how best to manage FX risk. We provide clients with a unique value proposition combining a real-time “feel” of markets with a sound understanding of corporate business processes.

over

600

Active Relationships

We currently have more than 600 active relationships, from SME exporters to some of India’s largest corporations

over

\$100

billion

Our clients transact well over \$100 billion of imports and exports annually

more than

200

clients

over

10

years

More than 200 clients have been using our services continuously for over 10 years

Delivered

1000+

Including Risk Management Policy Reviews, Treasury Process Audits, Business Process Analysis, Working Capital and Investment Policy Review, Customized Software Solutions and Data feeds

Approach to Risk Management

- ▶ **Develop the risk profile** : understand risks in the context of the business model
- ▶ **Set the best tenor for managing risk** : assess when and how this should be modified
- ▶ **Set the risk limit for each exposure** : based on business and market considerations
- ▶ **Define the hedge strategy** : to protect cash flows and limit accounting impact
- ▶ **Monitor risk on a continuous basis** : signal hedges based on the strategy
- ▶ **Ensure comprehensive reporting** : for treasury and accounts

Markets Advisory

Our Forex Advisory service keeps you in minute-to-minute touch with the market through our live price ticker which enables you to negotiate the finest rates with your bankers. Our price ticker is recognized as the most accurate and cost-effective market feed, since it is updated from the broking office of our sister company, Mecklai & Mecklai, one of the leading interbank brokers in the country.

Our FX Risk Advisory is a value-added service, where we assign a team of two dedicated advisors to understand your business and risk profile and provide you hedging advice customized to your needs.

These services can be supported by MIS-Online, an electronic dashboard which enables you to see, both graphically and in tabular form, the rupee value of your FX portfolio compared to different benchmarks, as well as its hedge status, transaction-wise realizations, and gain/loss (for MTM purposes).

Mecklai Hedge Program (MHP)

Mecklai Hedge Program (MHP) is our flagship hedging program which is being used by nearly 50 corporates in India, some for as long as 15 years. The program uses no market view and delivers daily signals to hedge (or not) based on a systematic hedging approach that

Has outperformed 179 out of 193 treasuries it has been tested against

Carries very low risk – typically around 1% of the value of a 12-month USD export portfolio (and lower than that for an import portfolio)

Ensures that a pre-set risk limit (stop loss) for the financial year is never breached; this enables you to commit a worst-case rate to your board

Is not very transaction-intensive and can be readily managed with outsourced support from us

Derivative Valuation

Our valuations team has worked with over 85 companies in the past 10 years, assisting them in ensuring that their accounting approach is sound and correctly captures their treasury performance; we also provide independent quarterly valuations of derivatives for their accounts.

Risk Management Policies/ Review of Treasury Operations

The key starting point of a sound risk management framework is to have a policy that is tailored to the company's business model. We have developed over 150 risk management policies for companies and financial institutions over the last 10 years for companies in a range of industries including IT, pharma, manufacturing, EPC contracting, commodities and finance.

We also implement bespoke solutions for large companies that need to completely reimagine their treasuries, where we work not just on redeveloping policies but also assist in completely overhauling the treasury operation (including recruitment, technology advice, etc.)



Trade Finance

Our team has assisted over 200 clients in sourcing best possible foreign currency financing under:

- Buyers' and Suppliers' Credit/LC Reimbursement
- APG/EPBG (Advance Payment Guarantee/Export Performance Bank Guarantee)
- Factoring and Forfaiting

- Discounting of Bills drawn under Letter of Credit (Inland and Foreign)
- SBLC Discounting for trade and working capital (single party or dual party)
- Pre and Post Shipment Financing

Software Solutions

We have partnered with a leading fintech company to develop and launch Nimbus-M, a SaaS based Forex Risk Management Service. Nimbus-M is a cloud-based service that enables the identification, measurement and management of an entity's forex risk. By accessing real time data and automating workflows, Nimbus-M improves the speed and efficiency of Treasury operations as well as the quality and speed of decision-making.



Combining, as it does, Mecklai Financial's deep understanding of the Forex markets with our partner's expertise of offering highly reliable software solutions and services, Nimbus-M provides unbeatable value to corporates.

www.mecklai.com

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