

Mecklai Financial

WHERE RISK MEETS ITS MATCH



Mecklai Financial Services Pvt. Ltd. is the leading FX risk management consulting company in India, having pioneered this business more than 50 years ago. With offices at four locations across India, we deliver customized solutions, backed by our proprietary risk management approach, high quality market research and robust technology processes. In addition to our established presence in currency, commodity and interest rate risk management, our advisory services extend to other key areas of corporate finance, such as debt structuring, credit risk insurance and cash management.

Over

1200

Active Relationships

We currently have more than 1200 active relationships, from 600 SME exporters to some of India's largest corporations

Over

\$100

billion

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

More than

100

clients

Over

20

years

More than 100 clients have been using our 200 services continuously for over 20 years

Delivered

1000+

Including Risk Management Policy Reviews, Treasury Process Audits, Business Process Analysis, Working Capital and Investment Policy Review, Customized Software Solutions 1000+ 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** : determine how this should be set and when it should be modified
- ▶ **Set the risk limit for each exposure** : based on business and market consideration
- ▶ **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 our 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, its hedge status, as well as 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 nearly 100 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, covering industries including IT, pharma, manufacturing, EPC contracting, commodities and finance.

We also implement bespoke solutions for companies, where we work not just on redeveloping policies but also implement a completely Outsourced Treasury, which provides hedge recommendations as well as transaction execution, operating off a customized dashboard that can be integrated to most ERP solutions.



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

Our risk management software solution, Mecklai Risk Manager (MRM), has been developed based on our decades of direct experience with corporate treasuries. It enables the treasury to (i) record exposures identified as at-risk, (ii) set benchmark rates, (iii) monitor portfolio value and compare it to benchmarks, (iv) signal hedges to be taken based on the company's policy, (v) record hedges and track MTM thereof, and (vi) select between different types of exposure settlement. By accessing real time data and automating workflows, MRM improves the speed and efficiency of treasury operations and provides clear and effective reporting to management to enable sound decision-making. It can be integrated with most ERP systems using APIs for data transfer.



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