

"Financial Risk Assessment and Management Plan for
OGDCL."



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ABSTRACT

The basic purpose of this project is to identify and assess the financial risks faced by OGDCL in the oil sector. To study their impact on the performance and profitability of OGDCL and the losses faced by the company if such risks are ignored. The financial risks faced by OGDCL are Credit risk, Liquidity risk and Market risk.

Second part of the project deals with the tools and models that can be used to mitigate such financial risks in order to ensure the financial stability and soundness of the company. Hence a detailed action plan is proposed to OGDCL through which they can identify, assess and mitigate these risks.

It is very important for a company to assess credit risk from a borrower before entering in any sort of business with him in order to limit the risk exposure from credit risk and the company should have a sufficient cash to meet its obligations so to reduce exposure from liquidity risk. The company should constantly monitor the changing trends in market in order to reduce the exposure to market risk.

It is recommended that OGDCL should have a detailed plan of action and effective risk management strategies aligned with the company goals and policies to increase shareholders value and its financial performance.

Table of Contents

- ABSTRACT 1
- INTRODUCTION..... 4
 - 1.1) Company Profile..... 5
 - 1.2) Risks in the OIL and GAS industry 6
 - a) Credit Risk..... 7
 - b) Liquidity Risk..... 7
 - c) Market Risk 7
- CHAPTER 2..... 9
- PROBLEM DEFINITION AND REQUIREMENT ANALYSIS 9
 - 2.1) Problem definition10
 - 2.2) Requirement Analysis10
- CHAPTER 3..... 11
- DESIGN AND IMPLEMENTATION 11
 - 3) Financial Risk Assessment12
 - 3.1) Credit Risk..... 12
 - 3.2) Liquidity risk 16
 - 3.3) Market Risk 18
- CHAPTER 4..... 23
- TESTING AND DEPLOYMENT 23
 - 4.1) Credit risk24
 - 1) Z Score Model 24
 - 2) Credit Ratings by State Bank (Credit Information Bureau) 25
 - 4.2) Liquidity Risk26
 - 1) Liquidity Gap..... 26
 - 2) Liquidity Risk Elasticity 26
 - 3) Financial Ratio Analysis..... 26
 - 4.3) Market Risk28
 - 1) VALUE AT RISK (VAR) 28
 - 2) CAPITAL ADEQUACY: 31

CHAPTER 5..... 32

ACTION PLAN 32

 5. Financial Risk Management Plan.....33

 5.1) Credit Risk Management..... 33

 5.2) Liquidity Risk Management 34

 5.3) Market Risk Management 36

CHAPTER 6..... 38

CONCLUSIONS 38

APPENDIX 40

References 48