

Name:
Enrolment No:



UNIVERSITY OF PETROLEUM & ENERGY STUDIES
End Semester Examination (Online) – July, 2020

Program: B COM LLB (TL)/ BBA LLB (BIF/ ITIL)
Subject/Course: Business Policy and Strategy
Course Code: CLNL 3001

Semester-IV
Max. Marks: 100
Duration : 3 Hours

IMPORTANT INSTRUCTIONS

1. The student must write his/her name and enrolment no. in the space designated above.
2. The questions have to be answered in this MS Word document.
3. After attempting the questions in this document, the student has to upload this MS Word document on Blackboard.

| | | Marks | COs |
|-----|---|-------|------|
| Q.1 | Do you think that ‘psychological barriers’ impact strategic decision making process? Discuss with relevant examples while suggesting some solutions to eliminate such barriers to facilitate fool-proof strategy | 20 | CO 1 |
| Q.2 | Socio-cultural environment shapes strategy. Comment on strategic importance of socio- cultural dimensions of garment industry | 20 | CO 1 |
| Q.3 | Corporate governance should not be seen as mere filial gesture but should be used as a tool for sustainability of business. Examine this statement in the wake of business ethics and government regulations and directives for corporate world | 20 | CO 2 |
| | <p style="text-align: center;">Case analysis</p> <p>Nikhil Gandhi-promoted Pipavav Defence and Offshore Engineering Co. Ltd was once a ship maker like any other. Now, it is India’s first integrated defence company engaged in building warships. It also builds commercial ships and provides ship repair and offshore services. The company also benefits from its strategic location near the international maritime route.</p> <p>Slowdown learning</p> <p>When the global economy slowed during the financial crisis in 2008, shipbuilding orders across the world fell. The management of Pipavav Defence was convinced that if orders from international shipping companies were not coming easily, it has to come from somewhere. The company asked itself: why not warships? The management tweaked its strategy from building vessels for shipping companies to readying infrastructure for making ships for defence.</p> | | |

Shipping first

Early on in this journey, the company changed its name from Pipavav Shipyard Ltd to Pipavav Defence and Offshore Engineering to reflect its focus on defence and oil and gas sectors. It also secured a license to build warships for the Indian Navy and a clearance from the Foreign Investment Promotion Board permitting foreign direct investment in the company. The management was aware of the high entry barriers for building defence ships: it takes about five years to set up the infrastructure and the process is capital-intensive. Once infrastructure facilities are in place, it takes another five years for various strategic tie-ups and production of warships. By securing a license, Pipavav got the first-mover advantage.

Building tie-ups

In order to build submarines and war ships, Pipavav Defence formed a joint venture with state-owned Mazagon Dock Ltd. Mazagon Dock is sitting on orders worth \$21 billion, or about 85% of the order book of all four state-owned defence ship yards. Pipavav also secured a slew of tie-ups—with Sweden’s SAAB AV for proprietary technology for army, navy and air force, with Singapore’s Sembcorp Marine Ltd for technical support in ship repair, and with the French defence ministry for proprietary technology to build strategic assets for Indian Navy and Coast Guard. Eyeing aerospace, the company also tied up with airplane maker Airbus SAS to jointly develop an aircraft maintenance, repair and overhaul unit in India, with an initial investment of Rs.490 crore.

Ready to build

The tweaking of the business model has helped. Currently, Pipavav Defence has an order book of Rs.66 billion and expects more. The Indian Navy has a requirement of more than 100 ships of different types, including submarines, in the next two decades. The Coast Guard will also need 160 ships over the next seven years. The company is also betting on enhancing its export reach to geographies like Indonesia, South-East Asia, Latin America and Africa.

FINANCIAL HIGHLIGHTS**(in Lac)**

| | |
|-----------------------|-------------|
| Total Revenues | 2,31,907.63 |
| EBIDTA | 61,475.38 |
| PBT | 2,792.48 |
| Net Worth | 2,33,687.88 |
| Total Assets | 9,59,745.11 |

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| Q.4 | Identify forces/factors operating in Indian Defense IT industry | 20 | CO 4 |
| Q5. | Project the probable basket of strategic moves (business and corporate strategies) and status of the Pipavav Defence | 20 | CO 4 |

ANSWERS