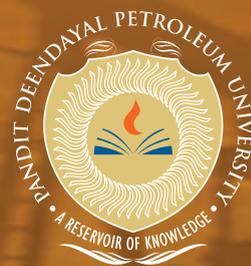


# SPM MIRROR



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## FROM THE EDITORIAL ADVISOR'S DESK

Dr. Pramod Paliwal

Dear readers,

This issue of SPM Mirror comes under the backdrop of Union Budget 2015. The 2015 Railway Budget has already presented by the time this message is being written and a glitter of optimism is visible on the economic firmament. For the first time India seems to have witnessed a budget that is shorn of populism and hence looks like a non-political budget, aiming at the needs and wants of the users of Railway system. The Railway Minister who incidentally happens to be a Chartered Accountant plans an ambitious 1.85 Lakh Crores of outlay for Railways' Modernization and Technological Up gradation in the next 5 years. Thus it appears that a fairly strategic approach has been adopted to take care of a vital asset of Indian economy. The challenge however would be to see that this kind of funding is available and the plans are executed with finesse. It would be interesting to see how the Railway Minister goes about garnering these resources. The idea of using the balance sheets of giant Public Sector Enterprises to raise fund from long-term debt markets is a plausible idea as it gives a fairly elongated widow to bring about the structural changes needed. I would particularly be happy if instead of a Railway Budget 2016 next year, we see the Railway Minister presenting an 'Implementation Progress Report'!

Similarly the Union Budget 2015 is a harbinger of relevant economic state of mind of the government. Industry has hailed the budget as being pro-growth with a long-term structural frame in mind. Of course with no tinkering on direct personal taxes front, a section of media feels it is not necessary a 'middle-class' budget. It would have to be understood that with the states' allocation of funds being increased substantially, the centre will have a reduced role in providing for direct funding for the central schemes. In the meantime, the debate regarding whether the budget falls short of being 'big-bang' continues.

In the interim crude oil price fluctuations continue to surprise and it would be interesting to watch this phenomenon out in the coming months. Russia and Ukraine appear to be on a somewhat conciliatory path and despite the fears of a Grexit, new political dispensation in Greece continues engaging with the European Union members.

Back at SPM, our students as usual are abreast of all these developments. And that as usual gets reflected in the spirited discussions that they have not only on the campus, but also on social media.

SPM Alumni community is as vibrant as expected and we are happy to report that they continue mutual interactions with their alma mater. The New Delhi/Gurgaon alumni meet was a huge success and SPM Mirror extends its best wishes for the upcoming Bangalore alumni meet.

This issue of SPM Mirror contains an important Energy Policy article penned by an alumnus. SPM Mirror always loves to report the Alumni movement happenings as they tell us about the vibrant nature of SPM Alumni.

The SPM Mirror editorial team at times finds it tough to comply with our demands for value-added content with novelty, but nevertheless every time they pull it off and you have a new issue at hands!

It's nice to hear from all well-wishers on SPM Mirror. Dear readers do keep writing, as that is the way to make us becoming better and better with every issue.

My best wishes to the SPM Mirror Editorial Team.



## DIRECTOR'S MESSAGE

**Dr. Hemant Trivedi**

Director,  
School of Petroleum Management, PDPU

The clock is ticking by and the academic year is coming to an end. But the pool of opportunities has only increased since the yester-years. The eminent workshop on 'Promoting Energy Savings in Transportation sector', organised by SPM, PDPU, in collaboration with the Institute of Energy Economics (IEE) Japan, was one of them. I am grateful to Mr. Akihiro Kuroki, Dr. Tohru Shimizu and Mr. S Watanabe for collaborating with us, on behalf of IEE, Japan. I am also thankful to Prof. Pramod Paliwal for jointly conducting this workshop with me, and investing his valuable time and effort. The students support was evidently available as is so much of an essence of SPM culture.

I am delighted that the two chapters of the Alumni Association have been inaugurated in Mumbai and Delhi, and the third one at Bangalore, shall be inaugurated soon.

While the academic calendar is coming to its closure, with a sizeable amount of the senior batches already placed, efforts for the Summer Internship Placements are in full swing. I am confident of our students' ability to deliver their best efforts in the companies which provide them with the valuable placement opportunities. My best wishes are with them for the future.

## FROM THE EDITORIAL BOARD

**Tell me and I forget. Teach me and I remember. Involve me and I learn.**

-Benjamin Franklin

A series of learning, in one form or another, comprised the past month. It started on a rush note, with many first year students involved in the international workshop on 'Promoting Energy Savings in Transportation sector', organised by SPM, PDPU, in collaboration with the Institute of Energy Economics (IEE), Japan. It was a joint effort of our director Dr. Hemant Trivedi, and Dean, Prof. Pramod Paliwal along with the eminent delegates from IEE, Japan.

While on one hand the co-curricular exposure was in place, on the other hand, the curricular activities were also on its peak with the mid-term examinations of students being conducted. In addition, the internship placement activities have gained momentum too. Week after week, reputed companies are coming to campus, providing valuable opportunities and immense learning to the students

The 8th Alumni Meet, conducted in Delhi was yet another memorable event of the month. Delighted to meet the past fellow-mates and faculty members, the alumni are certainly forward to the imminent Bangalore meet.

**This issue contains articles on:**

- Coal Block Allocation: Revelation of the Natural Bounty
- India-Nepal Energy Initiatives Hit Political Roadblock
- India: Fastest Growing Economy in the World-Its Official Now!
- Discounts Are Coming

Voice Your Opinion attempts to put forth some intriguing issues and provides a platform to welcome novel outlooks on the same

This newsletter offers a platform for students to express their experiences and views. We hope that it drives this process of partaking of knowledge and becomes a name to reckon with.

# COAL BLOCK ALLOCATION: REVELATION OF THE NATURAL BOUNTY



SANJEEV SHARMA, PGP 14

The recently concluded first coal block E-auction that reverberate the Supreme court's decision, stems from allegations of 2012, by the national auditor, that the government under-priced coal mines and gave away as much as \$33 billion or Rs.1.86 crores in windfall gains to companies in the scandal that has come to be known as "coal-gate".



The first round of coal block e-auction that ended on Sunday 22nd February 2015 witnessed some of the key players of industry bagging 18 mines with a combined extractable reserve of 90 million tonnes, along with attached end-use infrastructure. According to the auction amount and royalty payable, six mineral-rich states are likely to earn a little more than Rs 1 lakh crore over the next 30 years.



In this round metal and cement companies bided aggressively for coal blocks at prices which are much higher than Coal India's prices of Rs 1,118 which shows the companies' efforts to cut their dependence on the inefficient Coal India Ltd. and coal imports. This was done through forward auctioning, wherein the company with highest bid would be offered the block. This method of bidding has been devised for non-regulated sector which includes iron & steel, cement and captive power plant.

Besides, 7 blocks out of 18 blocks in first round of coal block e-auction, were reserved for the power sector. For the power sector, the reverse auction method was applicable, where the lowest bidder will win the block. This has been formulated to keep the power tariffs under control. On the very first day, Talabira-I coal block received Rs 0 bid; that implies the bidding company concerned is ready to take the fuel cost on its account books and pass on the reduction rate to power consumers. As per the Coal Ministry's rough estimates, for every decline of Rs

100 a ton in a bid, the power rate gets reduced by 6 paise a unit.

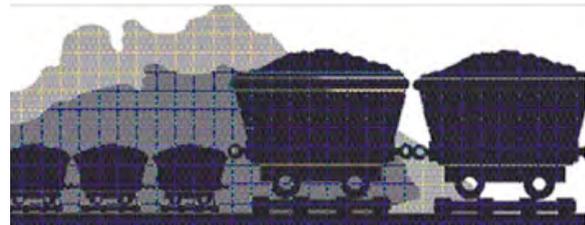
Through this blockbuster show of auction, the six mineral rich states i.e. Odisha, MP, West Bengal, Maharashtra, Jharkhand and Chhattishgarh are likely to earn Rs.1,00,000 crores over the next 30 years, whereas the non-mineral rich states will benefit from tariff concessions, or reduction in power rates arising out of stiff bidding for coal.

This also reflects an honest and sincere effort of the government in allocating natural resources through transparent e-auctioning. The e-auction portal, mstcecommerce.com, built and operated by state-owned MSTC, was selected on a nomination basis. The in-house technology team kept the bidding going 24x7 for 10 days without any technical glitch. The website had all the updates on auction, including tender documents and mine-related information open for public view. This auction methodology proves that transparency in the government's functionality brings out the best results.

This will also improve the sentiment of the market as it shows the commitment of the government towards predictability and transparency in the decision making.

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# INDIA-NEPAL ENERGY INITIATIVES HIT POLITICAL ROADBLOCK

Nepal's constitutional impasse looks set to delay additional progress on vital energy agreements.



MANISH VAID,  
ALUMNUS

India has spent more than a decade coming to terms with the potential of its neighbors. Nepal is a case in point. It was surprising to observe that despite having a unique relationship of friendship and cooperation with open borders and strong people-to-people-contact, Indian Prime Minister Narendra Modi's August 2014 visit to Nepal was the first by an Indian head of government in 17 years. This was surely evidence of the neglect of Nepal shown by his predecessors.

Although bilateral trade was \$4.21 billion in the 2010-11, it remains heavily weighted in favor of India. By 2013, according to Nepal's state-run Trade and Export Promotion Centre, Nepal's deficit with India stood at \$4 billion, up from \$3.1 billion a year earlier. Exports from Nepal to India have in fact been falling.

For relations to advance, it is important therefore not to delay further the joint hydropower projects, which have been held captive mostly by decades of armed conflict in Nepal, which has devastated its economy.

For this reason, announcements made before Modi's 2014 visit offered cause for considerable optimism. Both India and Nepal used the visit to present their own energy proposals. Many of the proposals focused on Nepal's considerable hydroelectric potential, with an economically and technically viable potential estimated at around 40,000 megawatts. At present, Nepal has developed just 680 megawatts of that and is having trouble meeting its own domestic energy needs. Modi's visit sought to give a boost to a number of joint hydropower projects that had been stalled. India, of course, is dealing with its own power shortages.

Within 45 days of Modi's visit, an agreement was initialed, covering "cross-border electricity transmission, grid connectivity and power trade between India and Nepal." A formal signing followed on October 21, with Indian Power Secretary Pradeep Kumar Sinha calling it an "historic achievement."

Meanwhile, separate project development agreements sought to resuscitate projects that had been stalled, in some cases for many years. A case in point is the 6,720 megawatt Pancheshwar Multipurpose Project, which was first announced in 1996. In another agreement, the 900 megawatt Arun III project was to be revived after six years. Nepal also finally approved an agreement to develop the 900 megawatt Upper Karnali Project.





## PIPELINES

Meanwhile, India and Nepal sought to move towards an agreement on the Raxaul-Amlekhgunj Project, an oil pipeline that has the potential to halve the cost of petroleum products imported by Nepal from India. That is significant, given Nepal's dependence on India for petroleum products. The pipeline would have other benefits, such as alleviating traffic congestions and avoiding the pilferaging and adulteration that can occur during trucking. It would also help break the power of the trucking syndicates, which help push up prices.

Unfortunately, the agreement appeared to be stalled on haggling over duration: The Indian side wants a 15-year term, while Nepal is willing to commitment to purchases for just five years.

## POLITICAL IMPASSE

Those relatively minor contractual disputes pale in comparison to the obstacle presented by Nepal's political impasse, which turns on the ongoing saga of the country's attempt to write a constitution. With the self-imposed deadline consistently missed, talk now is of May 29 being the new date for achieving an agreement. For as long as Nepali policymakers are stumbling at this fundamental step, it suggests that a further breakthrough on the potential energy partnership between India and Nepal may have to wait.

Manish Vaid is the Junior Fellow with the Observer Research Foundation, having research interest in energy policies and geopolitics. He is an alumnus of School of Petroleum Management, PDPU Gandhinagar.

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<http://thediplomat.com/2015/02/india-nepal-energy-initiatives-hit-political-roadblock/>

The article has been reproduced from The Diplomat, Japan.

# INDIA: FASTEST GROWING ECONOMY IN THE WORLD, IT'S OFFICIAL NOW!



MONIK GANDHI, PGP 13

India is a nation where if you won't do anything, you will still be growing at 4%. Right now India cannot afford anything less than that of 8% of growth for at least 10 – 12 years. India has revised its growth for the first half of 2014 from 5.5% to 7.4%.

The gross capital formation has decreased from 37.2% in 2012-13 to 33.4% in 2013-14. Capital goods have a long shelf life and are used to produce other tangible goods. If capital formation is decreasing y-o-y, it clearly indicates the investment demand in the country has shrunk with its repercussions on slowing off the manufacturing sector. Hence, the new data released showing the surge in the growth is nothing more than the change the way GDP is being calculated. GDP at market prices would include indirect taxes net of subsidies which will definitely lead



to surge in the real GDP at constant prices. Hence it doesn't stand any point in checking the credibility associated with these numbers, because it's simple Math. It is all about taking care of your numbers, once you decide the way to come up with GDP calculations (\*Factor Cost or Market Prices).

Now once it is decided that there is nothing wrong with the credibility of the numbers, we need to think further if it is good or bad to change the way the GDP is being calculated. Gross domestic product as defined by the Organization for Economic Co-operation and Development (OECD) is "an aggregate measure of production equal to the sum of the gross values added of all resident, institutional units engaged in production (plus any taxes, and minus any subsidies, on products not

included in the value of their outputs), in other words it is GDP at Market Prices. Majority of the nations of the world calculate their GDP at Market Prices, and hence is internationally recognized as the technique to calculate GDP. Finally this leads me to conclude that we as a nation of 1.3 billion people with an economy of \$2.1 trillion (According to New Estimates), should not be happy when being compared to Europe with a population of 742.5 million and GDP of \$18.451 trillion. Similarly we should not take the onus to get ourselves compared to that of Japan or Germany with population of 127.3 million and 80.62 million respectively but with GDP of \$4.902 trillion and \$3.653 trillion. For these economies when dividing their GDP by the population, they would stand to have a far better per capita income, to that of India. Hence, given the size of our population



and given the plethora of opportunities that we have in India, we should be looking for nothing less than double digit growth and GDP with less than 8% growth for coming 10 -12 years would be considered wasting of the resources being available to India.

To conclude, the Indian economy grew 7.5 per cent in the quarter ending in December, making it the fastest growing major economy in the world; and its official now.

\*Factor Cost: The cost of an item of goods or a service in terms of the various factors which have played a part in its production or availability, and exclusive of tax costs.

\*Market Prices: The prices for of an item inclusive of taxes and net of subsidies

# DISCOUNTS ARE COMING!



ONIL CHRISTIAN, PGP 14



**T**oday with growth of Indian economy and internet booming, Indian e-tailing industry is growing at rapid pace outperforming offline retailer. e-tailing was introduced way back in 1999 when, K Vaitheeswaran and five of his friends founded India's first online departmental store. From then onwards online retail market hasn't seen behind and became a 4 \$ billion industry in India's 525 \$ billion retail market. Despite constituting less than 1% of total retail market, e-tailing has grown substantially in past 5 years. And this growth is because of the increase in internet users and online shopping.

## WHAT E-TAILERS DO?

e-tailers have an upper hand considering operating cost as they do not have to bear rental, employee or any other charge faced by organized - unorganized offline retailers. Thus e-tailers can pass on this reduction in cost to consumers.



About 40- 50% of the retail price is said to be going from supply chain to consumers.

Earlier when there was no regulation, product price constituted of mentioned price which did not include all taxes and retailers were able to levy extra cost on consumer in the name of taxes , due to this lack of transparency, retailers were able to

generate huge profit margin but since 1990 government made MRP(Market retail price) mandatory for every product. Thus retailers cannot charge more than MRP, and even if they do so they are liable for unfair trade practices.

The online retailers are challenging offline retailers on the price basis, by offering heavy discounts. These may range from 5 % to as large as 80%. According to recent statistics, e-tailers offer maximum discount on electronic items and household electronics along with highly discounted book's (other products discounts are at par with offline retailers).

e-tailers offer such huge discounts by reducing margins as well as cutting cost through efficient supply chain. They also offer these discounts through their own pockets. This is investor's money on which e-tailers gives discount on various products.

e-tailers follow a strategy of loss leader pricing whereby they sell a small quantity of a product at a deep discount rate to attract customers and when that stock runs out, they expect customers to buy other products at less or no discounts. Here the only concern is to capture more and more customers.

Online shopping has lead to spread of MOP (Market operating price), where customers are able to purchase product well below MRP (Selling product below MRP is legal), and this has given bargaining power to consumers. Such pricing is also prevalent at manufacturers showroom where price is more discounted compared to multi brand outlets.



### ARE SUCH HEAVY DISCOUNTS ENOUGH TO CREATE VALUE PROPOSITION FOR CUSTOMER?

Indian consumer mindset is changing they want quality at reservation price. This price has increased due to increase in PPP. Offline players provide “touch and feel” of products to the customer which online players cannot provide. So to compensate this drawback online retailer provides heavy discounts. Besides heavy discount e-tailers provide cash on delivery, transparent and easy return policy and order tracking system.

Despite these benefits Indian consumer is skeptical, because they feel insecure. They are not convinced with security and reliability on online retail, thus about 85% of the online sales are through cash on deliveries. Along with that consumer feels that the online retailers also sell phased out products which include companies stock clearance policy.

According to a survey there is an increase in number of authorized outlets being shutdown in an area where there is an increase in number of orders from a particular area. The main cause for such reason is that the customer buy products online and for service they look forward to these outlets, due to which outlet owner are facing the problem of increase cost in form of increase repair cost, spare cost etc. And due to closing of these outlets consumer as well as manufacturers will be at loss as consumer will not get service nearby which will lead to loss of customer which a company can't afford. This eventually will lead to increase in MRP of the product. To break this vicious circle Manufacturers are moving towards “Omni model” where companies will open physical outlets along with having online presence. All this will lead to increase in customer value proposition. Being an Indian customer, a long chain of deep discount and increased service is waiting down the line as the competition is becoming stiff. One thing is for sure, in all this fight it's the consumer who is going to be at profit.



# CAMPUS BUZZ



## A MOMENT OF PRIDE

Maharaja Sayajirao University of Baroda felicitated 253 Gold Medallists at the event, “We are proud of you” on 5th February, 2015 at Dhanvantari Bungalows, Baroda.

We are proud to share the presence of our very own director, Dr. Hemant Trivedi as the guest of honour sharing the Dias with prominent personalities like Mr. Gurdeep Singh, MD, G.S.E.C.L, Shri K.G Tuli, Chairman, Paramount Ltd., Professor Parimal. H. Vyas, Acting Vice Chancellor, Maharaja Sayajirao University of Baroda. The event witnessed an audience in large number and was a huge success.

## ALUMNI MEET: DELHI CHAPTER

After the grand success of Mumbai alumni meet, the alumni relations cell in coordination with the alumni executive committee, faculty coordinator and director of SPM took a step forward and conducted the next alumni meet in Delhi. With the initiation of alumni meet SPM establishes the alumni chapter in respective cities.

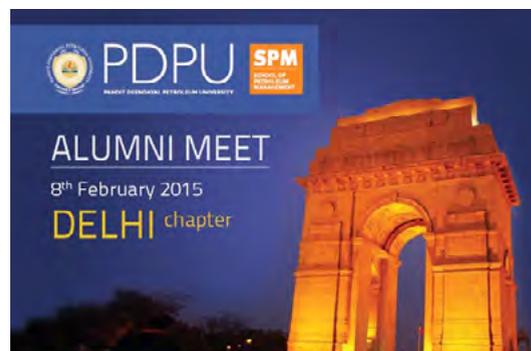
The alumni relations team worked hard to accumulate data and invite the alumni residing in Delhi and its vicinity. The meet witnessed the presence of not only the alumni but also many ex faculty

The meet was conducted in morning hours of Sunday starting with a word from director sir through Skype call. It was then followed by panel discussion amongst the alumni on two broad topics - ‘the slump in oil prices’ and ‘inclusion of general management in niche sector MBA program’.

Many valuable insights were shared from the alumni and ex faculty through panel discussion.

With so many quintessential sharing of intellectual thoughts coming in, it became need of the hour to relax and discover the fun side of our alumni. Performances were given by alumni that included singing, playing instruments, mimicry.

On an ending note all the alumni gave their amazing feedbacks quoting the importance of alumni meet for enhancing a bond between the school and alumni also giving a helping hand to the school for future prospects.



## IEE Japan –PDPU Workshop on ‘Promoting Energy Savings in India’s Transportation Sector’



The IEE Japan –PDPU Workshop on ‘Promoting Energy Savings in India’s Transportation Sector’ was organized on 28th January 2015 at LT-1, ‘C’ Block, PDPU, Gandhinagar-Gujarat

In his opening remarks, Mr. Akihiro Kuroki Managing Director, Charge of Global Environment & Sustainable Development Unit, IEEJ, Tokyo introduced IEEJ and its activities. He mentioned the genesis, motivation and the rationale of choosing PDPU and TERI as the partners of the project. Overview of the Project was provided by Dr. Tohru Shimizu, Researcher, Climate Change Policy Research Group, Global Environment and Sustainable Development Unit, IEEJ, Tokyo.

Session 1 ‘Analysis of Fuel Demand in India’s Transport Sector’ dealt with the study conducted by PDPU including Concept Framing & Market Survey by the PDPU research team jointly led by Dr. Pramod Paliwal, Professor & Dean, School of Petroleum Management PDPU Gandhinagar and Dr. Hemant Trivedi, Professor & Director, School of Petroleum Management PDPU Gandhinagar. Dr. Paliwal gave an overview of detailed literature review that was conducted towards the concept framing of this study including the development of the tool for prospective market study on households in Gujarat. He also talked about the various interview sessions that the IEEJ and PDPU teams had conducted from various stakeholders in Gandhinagar, Ahmedabad and New Delhi from time to time.

Dr. Hemant Trivedi made a detailed presentation on the broad findings of the market survey on about 1100 households that was conducted in 8 different cities of Gujarat on the aspects of vehicle ownership, fuel consumption, decisions about vehicles’ prospective purchase and conventional (petrol and diesel )/non-conventional fuels (like LPG, CNG and electric cars), budgeting for fuel consumption etc. The major results as highlighted by the speaker reflected that respondents was using petrol as a major fuel for vehicular consumption and they may shift of diesel if there is increase in price of petrol. Choosing as alternative fuel in comparison with the diesel and petrol, respondents will most preferably choose CNG. The major obstacle in penetration of CNG as highlighted in survey was that there is too much variation in the price of the CNG from station to station and also there is not adequate supply of this fuel. In case of electric vehicle many respondents are positive for this but due to lack of charging facilities and high cost there are refraining from adopting this.





Mr. Sarbojit Pal, Associate Fellow, TERI, New Delhi was the next speaker in the session who spoke on 'Projection of Future Fuel Demand of Transport Sector'. Mr. Pal's presentation was based on the inputs that were made available to TERI by the PDCU market-survey on 1100 households in Gujarat. He highlighted the extrapolation of Gujarat household market-survey on an all India basis as per the econometric model developed at TERI.

According to him, as per an estimate the number of new on-road vehicles added to the stock per year is expected to cross the 4.5 million mark by 2030. The petrol and diesel consumption are estimated to increase manifold by 2031. According to the survey the penetration of the alternative fuel by that time won't be very much. A visible result that was coming out from the survey was that the dominant fuel in this segment was petrol. However given a choice one-third of petrol car owners were willing to shift to CNG cars. It was also observed that another factor which could be beneficial for the CNG cars was the availability of its other support functions. The presenter also showed that the percentage of the diesel car owners who were willing to shift to CNG was more than percentage of petrol car owners. Another result which was coming out was that the reason of under penetration of the electrical cars was the lack of the awareness and the lack of the charging facility. In the end a suggestion for creating a feasible scenario was put forward by the presenter that by removing artificial price effects the diesel price should be equal to petrol price and laying of country- wide natural gas pipelines should take place.

First presentation of Session 2 , The Transportation Sector Stakeholders' Perspective was on ' Diesel as Transportation Fuel in Contemporary Scenario' by Mr. Arvind Govil Senior Manager-Retail, Hindustan Petroleum Corporation Limited (Government of India).





He discussed the usage of fuel in the transport sector, factors in the pricing of diesel and the unpredictability about price changes (downwards reduction in light of falling international crude oil prices) that has crept in the petroleum sector in the last few months. He further talked about the sector-wise consumption of diesel, the trends of diesel and petrol consumption in India. He also elaborated on how diesel is responsible for the under recoveries of Oil Marketing Companies (OMCs) in India, trend of High Speed Diesel (HSD) subsidy verses crude oil price. He stated that the Indian economy was moving towards 'Dieselization' and the passenger vehicles have contributed to the increase in usage of diesel. He also gave important recommendations such as improvement in road network, automated toll booths, integrated energy policy etc. to curb excessive energy usage in transport sector.



The second speaker of this session was Mr. Mahesh C. Gupta, Chief Zonal Manager, Indian Oil Corporation Limited (IOCL) [Government of India], who made a presentation on 'Indian Oil and its initiatives in Petroleum Conservation'. He gave a brief corporate history of Indian Oil, its pioneering role in developing petroleum and petrochemicals' business in India. He gave an overview of the Petrol and Diesel usage in the country and the Auto Fuel Vision Policy 2025. He elaborated on Indian Oil's initiatives towards energy saving. He stated that IOCL had invested in green fuel projects and its other efforts included launching high performance branded fuels, sustainability initiatives such as reducing carbon foot-print, rainwater harvesting, energy audit and the like.

The Session 2 ended with 'The Users' Perspective' provided by Mr. Shrinivas Desai, Secretary, Western India Automobile Association (WIAA). Mr. Desai a veteran of Indian automobile industry, talked about the significant role played by WIAA for the last so many decades in the area of not only safe driving but also drivers' training on fuel conservation.

Session 3 of the workshop was on the Role of Public Policy

towards Indian automotive sector issues in fuel conservation. 1st speaker of the session was Mr. Sumant Kumar, Director (Transport) Petroleum Conservation Research Association (PCRA), New Delhi [A Government of India organization under Ministry of Petroleum & Natural Gas]. Mr. Kumar spoke on 'Behavioral aspects of driving impinging on fuel efficiency'. He gave a brief introduction about PCRA and its objectives. He emphasized on the point that unless energy saving techniques and shift to renewable are undertaken, India will continue to be a major importer of crude. He gave an overview of the various PCRA initiatives towards automotive fuels' savings including Driver Training Workshop carried out by PCRA, which trains about 12000 drivers annually and empirically showed, how it has greatly benefitted in fuel cost saving in the transport sector.

The final presentation of Session 3 was made by Mr. Saurabh Diddi, Economist-Bureau of Energy Efficiency (BEE)

Government of India; New Delhi on 'Fuel Efficiency Standards'. He talked about new measures taken by BEE such as fuel efficiency Standards & Labelling (S&L) in Indian passenger car sector. He discussed about the fuel efficiency standards and the actual fuel consumption scenario in India. He also gave useful recommendations such as preferential tax rates on efficient vehicles, periodic technical inspection of vehicles etc. to promote energy conservation in the sector.

After the successful completion of above mentioned 3 sessions, the final interactive session with the delegates was conducted, where all the workshop speakers were present of the floor and took questions from the delegates on various aspects of IEEJ-PDPU study, fuel conservation issues in passenger cars industry and also Heavy Commercial Vehicles industry. The delegates, who were from automotive energy and allied sectors, shared their experiences on the impact of preferential tax treatment on the adoption of CNG cars in Mumbai. The interactive session also witnessed Mr. Shumpei Watanabe, Researcher, IEEJ sharing the broad prospective recommendations of the IEEJ-PDPU study and sought the ideas of panellists and delegates on these.

The workshop ended with the closing remarks by Dr. Hemant Trivedi.



# ALUMNI CORNER



My view on Post Graduate Diploma in Petroleum Management –Executive (PGDPMX) program and its impact on me.

This course provided me a holistic perspective on oil and gas business as well as equipped me with the knowledge and skills required to excel in my job, SPM played a significant role in helping me to discard my “tunnel” vision of an engineer, and sparked an enduring interest in the oil and gas business. It certainly created a great platform for me to build upon. This course not just provided formal exposure to management education but also added lots of value to my profile. In-class discussions, group preparation and presentations, assignments prepared me and other participants to meet the challenges of the managerial profession along with polishing soft and social skills.

**NILESH VARMA**

Alumnus of PGDPMX- 2013 batch, SPM

Currently working with SADARA Chemical Company (JV of Dow & Aramco), Jubail, Saudi Arabia in Project Management function.

## VOICE YOUR OPINION

With the recent scandal that has surfaced involving the leaking of important classified documents by certain employees of the oil ministry to large energy companies in return for money has taken the industrial sector by storm. The scandal got even murkier with allegations of leak of classified defence ministry documents.

How will this scandal impact the reputation (national and global) of large multi-national companies involved in this espionage? If the allegations involving these companies are proven to be true, how will it impact the overall economic progress of India? Do you think this sensational scandal will also lose steam with time and no concrete measures will be taken against those responsible?

**Mridu Pavan Chakraborty, PGP 14:** Industrial or corporate espionage is not a new term for Indian diaspora. Ever since India got independence, politicians, industrial giants, corporate houses, etc. are seen indulging in industrial or corporate espionage to make off with. As India grows, more and more information are pouring in and out every day which are critical and confidential in nature. Managing information system has become indispensable at this moment. With country eyeing for 8-9% GDP growth, more and more foreign and domestic investors are trying to fill the gaps. An incident like this happening in the Petroleum ministry is a shame for the country and gives a very wrong message to the investors, shareholders, citizens of the country and people around the world. Names of private secretaries and assistants of bureaucrats have cropped up in corporate espionage case that needs to be probed. It is unpalatable to see confidential documents of such importance being purloined so easily. Its high time that the people of the nation and honest government officials should come together to raise their voice and put the reprobate behind the bar.

### Cartoon of the Month

PUSHPRAJ SINGH, PGP14



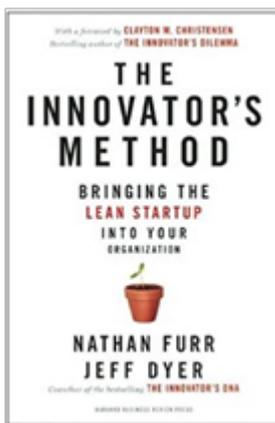
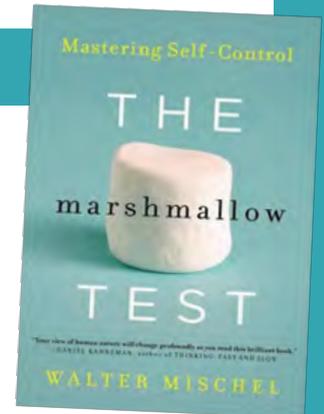
## SPM REVIEWS

### THE MARSHMALLOW TEST: UNDERSTANDING SELF-CONTROL AND HOW TO MASTER IT

REVIEWED BY: DEEP TIGGA, PGP 14

AUTHOR : WALTER MISCHEL PUBLISHER : BANTAM PRESS YEAR : 2014

This is a complex book that explores human nature, neuroscience and genetics, enlivened by sprinkling of anecdotes. It's also a book that can show you how to change your behaviour: whether it's finally setting up that pension, cutting your alcohol intake or shunning the marshmallows for good. The book is also genial, optimistic and a rather soothing read. It provides an important and largely painless insight into a profound transformation in psychology. Mischel draws on decades of studies that shed light on "who we are; what we can be; how our minds work; how we can and can't control our impulses, emotions, and dispositions; how we can change; and how we can raise and educate our children." The book's conversational style, humane and compassionate message, and entertaining anecdotes make it a pleasure to read.



### THE INNOVATOR'S METHOD: BRINGING THE LEAN START-UP INTO YOUR ORGANIZATION

Reviewed by : ShikhaSah, PGP 14

Author : NathanFurr, Jeff Dyer

Publisher : Harvard Business

Year : 2014

According to Nathan Furr and Jeff Dyer, the innovator's method is a process "by which successful innovators manage the uncertainty of innovation - a process to test and validate a creative insight before wasting resources building and launching a product customers don't actually want. This book breaks all of the common logic of management to provide us "a process by which successful innovators manage the uncertainty of innovation: a process to test and validate a creative insight before wasting resources building and launching a product customers don't actually want."

In a nutshell the process is the following:

1. Generating an insight- pretty much a summary of Innovator's DNA and how it applies to the overall process of innovation
2. Understanding the customer problem- discovering what "job" customers want to get done
3. Nailing a Solution- how to prototype effectively and efficiently
4. Nailing the Business Model
5. Scaling the Business Model

With each of these steps, the authors provide many examples of companies who have applied the principles in the book and have seen success. They also describe specific tools to help companies take each step. Lastly, the cases presented were spot on and add a narrative to the book that makes this an intriguing and enjoyable read beyond the tremendous educational value.

### LIBERALIZATION, FINANCIAL INSTABILITY AND ECONOMIC DEVELOPMENT

REVIEWED BY: APURVA MITTAL

AUTHOR : YILMAZAKYÜZ

PUBLISHER: ANTHEM PRESS

YEAR:2014

Weighing up the costs and benefits of economic interdependence in a finance-driven world, this book argues that globalization, understood and promoted as absolute freedom for all forms of capital, has been oversold to the Global South, and that the South should be as selective about globalization as the North. 'Liberalization, Financial Instability and Economic Development' challenges the orthodoxy on the link between financial deepening and economic growth, as well as that between the efficiency of financial markets and the benefits of liberalization. Ultimately, the author urges developing countries to control capital flows and asset bubbles, preventing financial fragility and crises, and recommends regional policy options for managing capital flows and exchange rates.



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