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# FROM THE EDITORIAL ADVISOR'S DESK

SPM Mirror is the microcosm of the SPM community. Just like the spirit of an Executive Summary of any document, it reflects an array of happenings at SPM-its life & times, community, academics, extra & co-curricular aspects, faculty, alumni, institute- industry interaction and so on. Incidentally it also does some crystal gazing-especially when students in their thought provoking articles pose serious prospective issues about business and society.

The current issue of SPM Mirror comes in the backdrop of a failed monsoon session of parliament. Industry has great expectations from the government mustering adequate support to bring about the constitutional amendment and pass landmark GST Bill in both the houses of parliament. The passing of GST Bill will certainly be an epochal event for Indian economy and industry. Let's keep our fingers crossed.

In the meantime Chinese currency devaluation is giving jitters to the global economy and India-though not impacted greatly-cannot remain untouched with the event. Such is the power of an interconnected global economy. Oil price remains on a lower side and the uncertainty continues. OPEC members are on a spree to protect their market shares. While the world consumer community at large cumulatively enjoy tremendous amount of savings due to low energy prices, it remains to be seen whether the savings remain 'savings' or are spent on buying goods and services. This is important from the view point of demand generation and business activity across the globe.

ICEIM-2016 'Call for Papers' has been announced and we'd request you to go through the SPM Mirror to have further details on the same.

As ever the enthusiastic editorial team has done a great job. All credits are due to them for the fantastic work. My sincere appreciation for all the contributors as it is their content that makes SPM Mirror richer day by day.

Keep writing to us-in our mail box as well as social media.

Happy reading,

DR. PRAMOD PALIWAL

Professor, Editorial Adviser



## **DIRECTOR'S MESSAGE**

DR. HEMANT TRIVEDI

Director, School of Petroleum Management, PDPU

Keeping this in mind my students have started working on every possible aspect of self-development individually as well as of SPM, as an organization, successfully taking the legacy forward, with all the zest and potential. With the new academic year having begun the senior students have initiated their juniors to take over the baton.

The beginning of this academic session with the perfectly structured Induction Program in the first month was followed by more sessions of guest lectures, industrial visits and many other activities alongwith the Fresher's Party organised for PGP15. The academics as well as extra-curricular activities have begun and are growing

with every passing day taking the institution to a higher level with the new initiatives, one of them being the launch of official channel of SPM on YouTube.

The students are charged with responsibilities of two grand events during this year, one of them being ICEI-2016 and another, the SPM Annual Fest- 2016. The SPM-PDPU YouTube channel is a laudable effort that shall require intensive involvement and extensive efforts and I am sure that before the end of this year we will see many such innovative ideas implemented.

#### **FDITORIAL MESSAGE**

The past month was a roller coaster ride for the SPMites - beginning of a new session for PGP14, and PGP15 starting on a rush note, with everyone involved in the formation of various committees and assigning of work. Along with the regular lecture sessions various Guest sessions by Dr. Kamala Ramadoss (USA), Mr. Naresh Behl (Xylem Water Solution, India), Mr. Mehul Parekh(Dresser-rand), Mr. Sanjay Gorakhia (Ambuja Cements) and Mr. S. G. Shyamsundar (Morgan Stanley Infrastructure) were arranged.

The month of July ended with a rocking Fresher's Party where everyone had a blast. It was a night to remember. An industrial visit to the Akshay Patra Foundation was also arranged for the PGP15 batch. Amidst all these fun and frolic sessions, the mid-term exams started.

This issue contains articles on:

- NELP-X: A New Dawn or the dusk
- IRAN NUCLEAR DEAL: A GEOPOLITICAL and GEOECONOMICAL GAME CHANGER FOR INDIA
- The birth of Alphabet: The rebirth of Google
- China rekindles fear of Currency Wars
- Industrial Safety as practiced in India

Our regular segment- Campus Buzz has been featured, with extensive coverage and reinforced content.

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

We are also having a new initiative this year in the form of our official YouTube Channel.

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.

## **NELP-X:** A NEW DAWN OR THE DUSK

# Will NELP X which is expected to come up in next 8-10 months materialize the goal with which NELP was formulated?

In the current scenario when the Crude price is undulating between \$48-\$50 and the Developing countries which were an engine of global growth are facing a series of tough challenges in 2015, including the looming prospect of higher borrowing costs in a new era of low prices for oil and other key commodities, it seems a uphill task for the government to reinvigorate the investor in E&P business in India.



Sanjeev Sharma PGP 14



With a view to curb on the increasing burden of imported Oil & Gas & commitment towards liberalization and to provide a level playing field for private and public company, New Exploration and Licensing policy (NELP) was formulated during 1997-98. Till 09 rounds 360 exploration blocks have been offered and 254 blocks have been awarded. Out of these 254 blocks, as on 31/03/2014(Hydrocarbon exploration and production activities, Issue 2013-14, DGH), 139 blocks are active and 114 have been relinquished. One of the objectives of NELP is to attract investments in E&P sector. Under the nine rounds of NELP bidding held so far, the committed exploration investment is about US\$ 11.73 Billion against which US\$ 23.4 has been invested so far. Also there has been significant increase in production & proven reserve of oil & Gas but the government realized that NELP has failed to achieve the desired objectives both in terms of a firm indication of the country's resource potential, and of increased domestic production. The reasons attributed for failure of NELP to deliver the desired results are occasional delays in necessary approval in some cases like clearances from various ministries, disputes related to cost recovery and other issues which have led to many legal cases.



# Geographic distribution of the different legal/regulatory systems Concession PSC Concession/PSC JV Services

Source: BCG Benchmarking Report sept.2014

As depicted from the map, PSC contract is the most favored regulatory framework which depict that there is issues related to the implementation and execution of the regulatory framework (NELP) in India. Based on the existing PSC regime, its shortcoming and major areas of dispute and the analytical study of the existing E&P contract models in the world and its significance to the Indian scenario, including observations of Rangarajan committee and Kelkar committee report 2014, the following are the problems and suggestions/recommendations which can help India in attracting the foreign players in India.

- a) Approval & Clearances: The major hindrance in the success of NELP & the reason which dampens the investor confidence is delay in clearances from the different concerned authorities. Following steps can be taken
  - i) Adopt a concurrent approach for statutory approvals to minimize the total time taken.
  - ii) In-principle approvals or clearances that are granted should be honored and should not warrant 're-approval'. 'In-principle' clearances must be carefully evaluated prior to award and may highlight 'exceptions' or 'no-go areas'.
  - iii) Approvals (Provided that information sought by regulatory authority is made in time) not received within the set timeframe should be deemed as obtained or if not possible, operator should be paid for the loss which should be based on minimum work program for that time frame.
  - iv) Establish an inter-ministerial panel to which the MOPNG may entrust the dispute resolution mechanism depending on the circumstances to ensure timely resolution of issues concerning E&P contracts.

#### b) Reform in qualifying criteria

In addition to the existing qualifying criteria, government should include local content requirements for all operating Companies as being followed in Brazil and Angola. Minimum and differentiated percentages for acquisition of goods and services, should be dependent on the location of block This will helps to create strong local industry along the value chain and give a big boost to "Make In India" initiative by Indian Government

Operator shall contract local contractors to acquire Indian materials provided

- Quality and availability are similar to international alternatives
- Prices are no more than 10% higher than international alternatives

#### c) Flexibilities in completion of MWP in alternate blocks

As part of bids submitted under the NELP, operators are required to bid for a Minimum Work Programme (MWP) to be carried out-consisting of the volume of 2D and 3D seismic surveys and the number of exploratory wells to be drilled. However, often during the course of the exploration activity there is limited or no incremental value of the subsequent wells which are to be drilled as part of MWP but Operator goes ahead with the committed programme to avoid penalties, leading to unproductive deployment of assets. In such cases, operators must be provided with the flexibility of fulfilling the outstanding MWP on a different block with similar characteristics where the operator holds a valid exploration license. Such flexibilities should be allowed from future bidding rounds. This would not only facilitate better deployment of resources but also enable much needed additional appraisal of Indian basins.

#### d). Contract tenure and extension

The current PSC does not explicitly lay out the policy or procedure for extension of contracts beyond the fixed initial tenure. The problem of contact extension can be observed in Raageshwari block of Cairn which is the issue of discussion between various parties since 2011.So following steps are suggested:

- The requirements for contract extension including timelines, documentation required, evaluation criteria and approval processes - must be laid out clearly to give operators the certainty that will allow them to plan their investments in advance
- II. On completion of the initial contract period, extensions may be granted through an objective and structured process.
- III. India could explore a model that allows for contract extension up to the end of the economic life of the asset. Countries such as Australia, Colombia, USA (Gulf of Mexico) etc. has been following a model of extension of the contract tenure up to the end of the economic life of the asset which would create incentives for operators to focus on long-term investments such as EOR/IOR techniques or optimization of reservoir health rather than on short-term gains.

#### e) Royalty & Tax holiday

Government should continue with the income tax holiday for petroleum E&P activities and extend it to 10 years (from the current seven years) from the date of first oil production for assets where production is inherently slow due to weather (e.g. monsoons) and other logistical issues (e.g. deepwater, ultra-deepwater, North East region acreages, high temperature high pressure discoveries.

To incentivize the development of marginal field Government should take following steps

- I. The royalty should be reduced to zero up to certain threshold production.
- II. Government should give freedom to companies to sell certain percentage of oil & Gas production in open market or in foreign market. This is prevalent for ONGC and Oil India Ltd to sell any new natural gas supplies from their small and isolated fields through an open tender as announced by oil Ministry on April 01. ONGC has finalized a price of USD 10.10 per mmBtu for gas from Gamij-GGS-2 field and a rate of USD 11.10 per mmBtu for Gamij-GGS-3 field, both in Gujarat. For the Warosan-4 field in Mehsana basin of Gujarat, it has finalized a rate of USD 10.50 per mmBtu.

Of late the Government is thinking to simplify the terms and conditions of contract to enable the contractor/operator to have freedom to work and to exploit both conventional & Non-conventional energy resources. Apart from this GOI is considering bringing changes in the system so that the contractor may have access to Geo –scientific data any time, freedom to choose area of interest and holding of the bidding round at regular intervals. Some of the changes in policies or otherwise which are under Government considerations are:

- I. Uniform Licensing Policy (ULP): This will lift all restrictions on explorers hunt for hydrocarbons. In keeping with what was needed for a long time for full exploitation of natural resources, now explorer can hunt for all kinds of resources: oil, gas, coal-bed methane and shale. Until now Government has been offering exploration blocks under specific policies: NELP for oil and gas, and CBM policy for coal-bed methane.
- II. Open Acreage Licensing Policy (OALP): Along with ULP, Government is also considering to implement OLAP. If this is implemented, India will switch to a round-the-year mechanism for accepting exploration bids from the current regime of periodic auction. This regime gives operators "flexibility in block location, size and project financing" by creating multiple opportunities that "can be staggered over time instead of making over-aggressive bids in NELP rounds. The new licensing regime will eliminate micro-management by the regulator of the block auction process under NELP.
- III. Model Revenue Sharing Contract (MRSC): For Government the current structure has a huge administrative burden of conducting cost audits and budget approvals as government's share is dependent on cost recovery claimed by operating companies. With a view to simplify the rules, Government is also considering MRSC as suggested by C. Rangarajan committee in which companies bid upfront the quantity of oil and gas they would share with the government for winning an exploration acreage. The companies will be required to indicate the quantity of oil and gas they will share with the government at different stages of production as well as at different rates.

On the basis of steps which are under government consideration, we can conclude that in future bidding round of exploration Block, the terms and conditions of contract will enable the contractor/operator to have freedom to work and to exploit both conventional & Non-conventional energy resources. Apart from this, introduction of NDR will give the prospective bidders the opportunity to have access to Geo –scientific data any time, freedom to choose area of interest and enable the government to hold the bidding round at regular intervals which will bring continuity and attractiveness in the E&P Sector.

Extracts from Summer Internship Report, Directorate General of Hydrocarbons (Sanjeev Kumar & Riya Giri, Year 2015)

# IRAN NUCLEAR DEAL: A GEOPOLITICAL AND GEOECONOMICAL GAME CHANGER FOR INDIA

Energy security has been one of India's biggest strategic worries off late. The recent Iran nuclear deal seeks to address this pressing concern as it opens up the business prospects and economic and strategic opportunities in Iran for India. The relationship between the two countries turns out to be a plethora of economic opportunities and muting energy needs.



Monika Singh, PGP 14



As the world's fourth largest energy consumer that imports more than three-quarters of its oil and an increasing amount of its natural gas, India is bound to observe with a keen interest, the deal's impact on the energy market. A few years ago, 17 percent of Indian oil imports were from Iran, which had become the country's second largest supplier. At the zeroth level, Iran's integration with the global economy will open the West Asian space like never before. India is uniquely placed in that. Thus, this Iran nuke deal gives India room in the Greater Middle East.

The long term implications of the deal are given as:

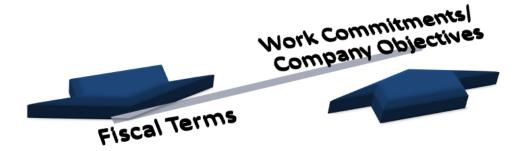
#### - PETROLEUM INDUSTRY: A KEY ENERGY SOURCE TO ECONOMIC GROWTH OF THE COUNTRY

In the short-term, the removal of economic sanctions will lower the oil prices, which will bring some fiscal relief to India and while also resulting in inflation control. The lifting of international sanctions will bring large amounts of Iranian oil into the Indian market and push petroleum prices down for an extended period of time as a result of which the refineries will enjoy less working capital requirements which would lower its gross under recoveries. The added advantage comprises of lower freight and insurance costs due to proximity with Iran and thereby reducing the refinery gate price of crude oil. The Exploration and production companies which command Power and Price will also be affected with the decline in the crude prices futuristically. In the long-term though, it will be important for India to diversify its trade basket with Iran as for every dollar drop in oil prices cuts government subsidy burden by \$1billion.



#### FISCAL DISCIPLINE FRAMEWORK: CONTRACT MODEL OVER BUYBACK CONTRACT MODEL

Under the Buyback Contracts, a foreign oil company funds the initial investment for the energy project, and the National Iranian Oil Co. then reimburses the foreign firm in cash for its operating costs which is highly uncompetitive for international oil companies. The reason being that foreign players will receive their part as per the government norms and not according to the amount of barrels sold. But the new Contract Model says that the government would return their share to the players on the basis of amount of oil produced. Credit period offered by Iran is 90 days as compared with other Gulf countries at 30 days and additional 60 days of credit period can lift the GRM as much as \$1/bbl. The return of anywhere from 600,000 to 1 million bpd of Iranian exports would expand a global oil surplus and intensify competition. At a broader level, Indian companies will be able to partake and benefit from Iran's renewed economic growth. This will help the government objectives in balancing fiscal term and company objectives.



#### THE STRATEGIC PORT; CHAHBAR PORT: UNDER BILATERAL CONFLICTS

The deal also provides the necessary impetus for India and Iran to ramp up cooperation on the development of the Chahbar



deep-water port. Chahbar's strategic location will make it a critical transit point for trade between not only India, Iran and Afghanistan, but also provide connectivity to Central Asia and Europe, via the International North South Transport Corridor (INSTC), which is estimated to be 40 per cent shorter and 30 per cent less expensive than trade via the Red Sea-Suez Canal-Mediterranean route. Chahbar will also provide the means for India to pursue trade with Afghanistan by completely bypassing Pakistan. Regional security would bring India & Iran closer. However the project is stuck after Iran authorities awarded the contract to Iranian company- "Aria Badaner" wherein India wished to carry out major construction of the port and had been given an offer to be its part by passing on the investment amount of \$85 million to the Iranian company to execute the work.

#### OPPORTUNITY FOR INDIAN BUSINESSES TO HELP BOOST INDIA'S MACROECONOMIC STABILITY

An export angle, the opening of Iran's markets means opportunities for Indian businesses. The open markets also mean that Indian businesses will face stiff international competition. In a global order where both, geo-economic and geo-political centres seem to be shifting, emerging powers like Iran are likely to play a greater role than ever before. Iran's strong relationship with Russia, and now with China might lead to the expansion of BRICS in the middle-term, opening up new avenues for economic co-operation. Thus economies face higher cost despite variation in the pace of change.

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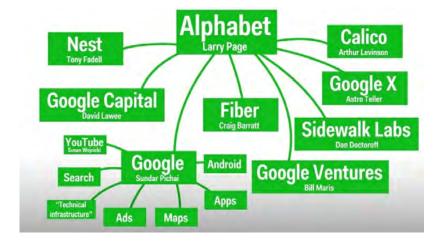
# THE BIRTH OF ALPHABET:

## THE REBIRTH OF GOOGLE



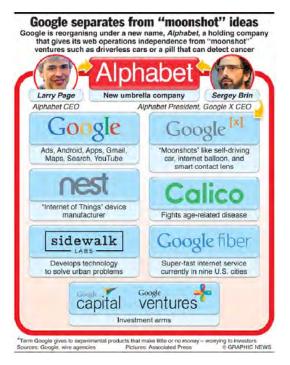
Anusri Bhatt, PGP 15

August 10, 2015, there was a huge buzz internationally, when Google Inc. had announced plans to create a new public holding company; Alphabet Inc. Google founder Larry Page made this announcement in a blog post on Google's official blog. They named it Alphabet, because it means a collection of letters which in itself contains an entire language and is one of humanity's most important innovations.



So what is this Alphabet Inc. going to look like? Alphabet is basically a collection of companies consisting of wings of the old Google's ambitious projects that were not the internet products instead are pretty far afield of their main internet products. What do they mean by pretty far afield? Good examples are the medical technologies Life Sciences (the glucose-sensing contact lens) & Calico (focused on long life) that Google is investing on to increase the health efforts and immortality, Google X (Self driving car, Project wing, Project glass), Nest Labs (home automation producer of programmable, self-learning, sensor-driven, Wi-Fi-enabled thermostats and smoke detectors, and such other security systems) etc. Thus this makes Google the new slimmed down subsidiary of Alphabet, which focuses on the internet products and of course is most the most well-known subsidiary. So Alphabet will be a conglomerate with interests in everything from driverless cars to medical devices to longevity research to smart home appliances to fibre-optic cable to drone delivery. While G is for Google- the search engine, C for Calico-the immortality finder or others they would be just one of the letters in Alphabet's portfolio, in future it might have everything from A to Z.

This is all about Larry and Sergey as the entrepreneurs who are interested in doing everything that excites them but also





think of them as investors. Google is big, but it's not that big that it can contain all these futuristic advancements of not very related things which are in Larry and Sergey's vision plan. Alphabet could, potentially, be that company which could manage giving them freedom of working with the wanted spectrum. But this umbrella of Alphabet isn't it the risk too? Their company Google is operating well today, but when they are going this big with Alphabet they are required to think about making it more cleaner and more accountable. Yes, Google has failed to remember the debacle of Google Plus, the social network that fizzled out. It died, in part, because there was too much pressure on it and lacked the focus on it. In future, if Alphabet buys a social network having failed we can be sure that it will be kept separate from Google. Under Google, there would have been continuous questions by the shareholders like "Why to invest in Calico when it has no demonstrable impact on the revenues?" or "Is Project Loon (balloon based internet) really going to help Google?" But now as shareholders of Alphabet, you trust their judgment as money managers of the entire umbrella and not as operators of any particular company. This new structure would mean that any individual company does not bear liabilities of other companies. This means Google Inc. will not bear any responsibility and no liability for the potential projects like Google X that might have substantial losses. Practically it's a win for Google that it can now have more freedom for R&D and risky projects and be less worried about the shareholder perceptions.

Sergey and Larry wrote in their original founders' letter 11 years ago that, "Google is not a conventional company. We do not intend to become one." And they are proving it bit by bit. Betting on your one core business, no matter how profitable, is risky. Ask Microsoft, which has suffered as the internet has eaten into its Windows business but is going too diverse like Alphabet any less risk? Can Alphabet repeat the success of Berkshire Hathaway? Is this the next breakthrough of the coming decade? Google became God, may be Alphabet becomes the next giant leap of mankind...only time can tell!

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## CHINA REKINDLES FEAR OF CURRENCY WARS



Tanu Agrawal PGP 15

According to conventional wisdom, wars are easy to start and difficult to end. Similarly Beijing's devaluation, the biggest one-day currency move since 1993, represents the latest skirmish in an emerging battle which, analysts warn, may be hard to reverse.

The move marks a shift in China's historical policy during times of economic stress. In the late 1990s, the country was widely credited with containing the destruction from the Asian financial crisis because it held fast to the renminbi exchange rate in the midst of competitive devaluations throughout the region.



In the global financial crisis of 2008, Beijing refused to devalue even as its exports, a key driver of the economy, evaporated overnight.

But now, in the midst of a pronounced and persistent Chinese economic slowdown and continued appreciation pressure resulting from the renminbi's "dirty peg" to the soaring US dollar, China's leaders have decided to take the plunge

"This shows how desperate the government is over the state of the economy," said Fraser Howie, a China analyst and coauthor of Red Capitalism. "If they were trying, as the central bank said it was, to bring the exchange rate back into line with market expectations then they have failed miserably as the market is now just expecting further devaluation."

In its announcement of the devaluation just before markets

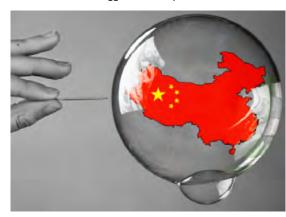
opened, the People's Bank of China went to considerable lengths to insist this was a one-off move and part of a broader shift to a more market-orientated exchange rate mechanism.

China's central bank has devalued the yuan by nearly 2% against the US dollar for the second time in two days to boost exports and take it a step nearer to becoming an official reserve currency.

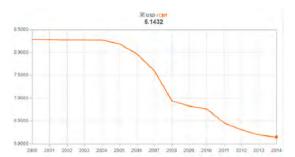
Stock markets fell and commodity prices tumbled as the cut in the yuan's value sparked concerns that Beijing will suffer a longer period of lackluster growth before it can revive its flagging economy.

The FTSE fell 1% while the Dow Jones plummeted 250 points [1700 BST] and the price of Brent crude dropped to almost \$48.5 a barrel, its lowest point this year.

The impact of the decision was felt across regional markets as investors worried about a prolonged fall in demand from the world's second biggest economy.



Carmakers and great comfort goods stocks were among the worst one able to complete work in European markets. China is an important sent to another country market for European great comfort goods companies and carmakers, and shares in those 2 parts were among the hardest be in touch by the Yuan devaluation.



Industrial production, investment and retail sales data for July were weaker than expected, while the weekend figures showed Chinese exports falling 8.3% in July, their biggest drop in four months. After a string of weakening output growth figures going back to last year, the authorities are facing intense internal pressure to address the slowdown with a dramatic policy shift.

China is marking for attack GDP growth of about seven per cent in 2015, down from 7.4 per cent last year. But the nearby weak of money and goods knowledge for computers has lifted up has a part in it could be lower than that.

"The People's Bank of China has orchestrated a clever combination of a move to weaken the renminbi with a shift to a more market-determined exchange rate, blunting foreign criticism of the renminbi devaluation," said Eswar Prasad, the former IMF country head for China.



"China's move will reverberate in global currency markets and signals that one of the last holdouts among the major economies may be throwing in the towel and joining the fray in trying to use currency policy as a tool to counter weak growth."

In late March, Chinese Premier Li Keqiang told the Financial Times: "We don't want to see further devaluation of the Chinese currency, because we can't rely on devaluing our own currency to boost exports.

"We don't want to see a scenario in which major economies trip over each other to devalue their currencies," Mr. Li continued. "That will lead to a currency war, and if China feels compelled to devalue the RMB in this process, we don't think this will be something good for the international financial system."

The change in official thinking in the months since the premier all but ruled out Tuesday's move comes as China's

economy slowed a lot more than Beijing expected.

Last month's bursting of a year-long equity market bubble and the government's challenge to prop up stocks further, intimidated China's leaders and appear to have convinced them to break the long standing taboo of devaluation.

Apart from the danger of a currency war with other countries, Beijing must also be wary of political pressure from Washington where the perceived undervaluation of the renminbi has been a constant source of trade friction.

Another problem is that depreciation is likely to aggravate capital flight, which has already become a serious issue this year for the first time in more than a decade.



Chinese businesses compete with regional rivals to supply the world with everything from raw steel to fridges, and a cheaper yuan will make Chinese exports less expensive, potentially boosting the overseas sales that have been among the main drivers of growth during the nation's remarkable rise over the past three decades. However, controls on the currency have given Chinese businesses a high degree of predictability when they plan investments in industries heavily dependent on exports.

China is seeking to build on its 2005 reforms in an effort to have the yuan included in the International Monetary Fund (IMF) basket of special drawing rights (SDR) reserve currencies. Its remaining controls have been a stumbling block in gaining admittance to the select group of the US dollar, the euro, the pound and the yen. The bank's move to include more information when setting its daily fix can be seen as a relaxation of controls, moving the currency a step closer to satisfying the IMF's entry requirements. The organization said this month that significant work still needed to be done for the yuan to be considered before its next review in November.

If the CNY devaluations this week announce further such devaluation steps by the Chinese central bank, it could increase uncertainty and turmoil in global currency markets, particularly if the Fed also begins hiking interest rates.

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# INDUSTRIAL SAFETY AS PRACTICED IN INDIA



Anand Krishna Pandey, PGP 15

No Safety

**Know Pain** 

**Know Safety** 

No Pain

Technological and scientific advancements have resulted in a phenomenal increase in industrial efficiency and benefits albeit accompanied by the inherent dangers. These dangers have further managed to come to the forefront in India as safety has not been given the due attention it deserves.

Industrial safety is primarily a management activity which is concerned with reducing, controlling and eliminating hazards from industrial units. The importance of industrial safety was realized after witnessing millions of industrial accidents which occur every year, resulting in either death or in temporary disablement or permanent disablement of employees while also resulting in large amount of losses.



Government of India firmly believes that without safe and healthy working conditions and a clean environment, social justice and economic growth cannot be achieved. In fact safe and healthy working environment is recognized as a fundamental human right. Regulatory bodies have also emphasized the importance of 'a positive health and safety culture' to the safety performance of industries. A key feature of any company's safety culture constitutes the shared perceptions amongst managers and staff concerning the importance of safety. Although the Factories Act provides for adequate health and safety monitoring at the workplace, its implementation has been consistently poor and inefficient.

To reduce the risk of occupational injuries and illnesses and also to promote job safety, Government of India has proposed A National Policy on Safety, Health and Environment at Work Place through which directives of safety guidelines on which organizational safety policies should be based are issued. Establishment and implementation of safety policies has been conceptualized as one aspect of safety climate

which reflects how organizations implement safety policies, monitor safety procedures, and encourage safety practices. Prior research has shown that safety climate predicts safety-related outcomes, such as job accidents and incidents.

In view of Energy & Infrastructure and Power Generation Sector, safety must not be ignored as an enormous man power and capital is employed in these industries. Here, safety of employees as well as of the unit is required on a war front. Certain measures regarding gas leakage and hazardous oil spillage etc. must be checked and examined on regular intervals. One should be aware of all the safety issues.

# Objectives of industrial safety

- To prevent accidents in an industry
- To minimize or eliminate production loss caused by accidents
- To achieve lower workmen's compensation, insurance rates etc. which are a direct or indirect costs of accidents
- To prevent loss of life, permanent disability and the loss of income of worker by eliminating causes of accidents.
- To increase employee's morale by promoting safe work place and working condition.

#### A safety program includes mainly following four E's.

- Engineering: safety at the design, equipment installation stage.
- 2. Education: education of employees in safe practices.
- 3. Enlistment: concerns the attitude of the employees and management towards the program and its purpose. It is necessary to arouse the interest of employees in accident prevention and safety consciousness.
- 4. Encouragement: to enforce adherence to safe rules and practices.



# The hurdles in achieving safety standards in India are described as follows:

The concept of general awareness about occupational safety and environmental hazards were not spread forward in the society owing to the poor working conditions, thereby resulting in the deteriorating health conditions of Indian labor. The driving force behind Indian industrial growth has been the desire for profit maximization, and Indian 'socialism' has merely supplemented and mystified this thrust. Therefore, search for higher profits has not only led to the neglect of workers welfare, but has also created a situation wherein work hazards have increased and become more mortal. Most of the large industries, especially those which maintain and administer their own residential towns near their factories, provide adequate facilities for total health care of the workers, both at work and at home.

Still, the paucity of trained personnel-industrial physicians, industrial hygienists, and auxiliaries-and the need to emphasize curative care for the sick, do detract from the preventive health services. Particularly notable is the absence of industrial hygienists, a specialty which is not taught at any university or health institute. Barring a few steel and chemical plants, no



major industry has any program for routine monitoring and evaluation of the environmental hazards. Occasional surveys conducted by specialists from institutes or departments of occupational health are all that India has to go by. This is a deficiency that has to be remedied by training an army of industrial hygienists and technicians through a high-priority governmental program.

The major industrial establishments have a safety department and it is generally assumed that it is the responsibility of this division to ensure safety. This is an incorrect attitude as the safety consciousness needs to be inculcated by all the employees working in various areas and departments. The role of safety department is mostly limited to the preparation of policies and guidelines. It cannot inspect and supervise the various functional areas and ensure safety. The supervisors of various departments have to make rules, policies and guidelines which are vertical-specific while also ensuring the proper implementation.

The safety department should also generate the general awareness among the workers by organizing awareness programs/workshops so that any paucity in safety measures or policies shall attract immediate and fierce attention.

The quote "Service to the industry is never complete without your safety and the only thing that can make you safe is your knowledge and awareness to your work station and your particular working area" pretty much adds to the conclusion. The nature of accidents is that they are unforeseen and unintended. But, by imbibing safety sense, one can eliminate the overwhelming majority of worksite injuries.

# FACULTY FOYER

#### INTERNATIONAL CONFERENCES & PUBLICATIONS



Professor Sudhir Yadav presented a paper on "Managing and Optimizing Petroleum Products Terminal: A Study of Indian Oil Marketing Company (OMC)" at the conference on "Future Challenges in Management and Business" organized by Industrial Management Institute at Istanbul, Turkey in July 2015. It is published in Conference proceeding and selected for potential publication in "Future Business Journal (Elsevier Publication)".







Professor Somdeb Lahiri's paper entitled "Competitive Equilibrium in Generalized Games: A New Interpretation" was presented at the joint meetings of Logic, Game theory and Social Choice (8) & Pan Pacific Conference of Game Theory (8) held at Taipei, Taiwan from May 19-21, 2015.

Faculty Seminar presentation by Prof. Lahiri on the same topic was organized at SPM on July 24, 2015.

Prof. Lahiri's paper "Competitive Equilibrium in Generalized Games: A New Interpretation", Bulletin of the Calcutta Mathematical Society, Vol. 107, No. 3(2015) June issue (published in July 2015).



Professor Tanushri Banerjee's Joint Paper presentation (by PDPU colleague) with title "Gender Equality and Women Empowerment in Higher Education: A Comparative Analysis in the Indian Context" at the ICSB 2015 World Conference Dubai UAE June 6-9 2015.

She also published an IIMA Working Paper published with title "Evaluating the purchase process of household appliances accounting for consumers' attitudes towards eco-friendly and sustainable consumption behavior" in co-authorship with A Banerjee. W.P. No. 2015-06-01 June 2015 (It has shown up as Top 25 Working Papers by File Downloads 2015-07).



Professor Subrat Sahu attended and presented a paper titled Strategic CSR, Corporate Identity, Branding and Marketing: Review & Comments at Society of Interdisciplinary Business Research at Bangkok, Thailand during June 4-7, 2015. The abstract of paper presented is as follows:

ABSTRACT of Research Paper presented by Dr. Subrat Sahu

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Today, many corporations are facing the challenges of intense competition in the global market to gain sustainable competitive advantage. Corporate Branding is becoming the way in which the corporations are differentiating themselves within the competition framework. It is observed that national and multinational companies are increasingly moving towards corporate branding rather than branding of their products and services. Customers are giving more importance to corporate brands' social quality as compared to technical and functional values of a product. Corporate identity that is fundamental to a corporate brand has been playing a significant role in consumers' product evaluation. Corporate Social Responsibility (CSR) currently has occupied an important position on the Corporate Branding and Marketing agenda. A growing number of authors have presented the linkages between CSR, Corporate Identity, Corporate Image, Corporate Branding and Corporate Marketing. The present study has identified some research gaps through an extensive literature review and has proposed a framework describing the effect of CSR on Corporate Branding and Marketing. The study also offers a few propositions to measure the effect of CSR on corporate branding and marketing to gain sustainable competitive advantage and increased firm-level performance. Strategic CSR affects the corporate identity positively, which is again fundamental to the corporate brand, as some authors stated. The study discusses the strategic designing of various CSR initiatives and stakeholder engagement from the corporate marketing perspective and how the strategic implementation of such efforts help companies in managing their brands to gain competitive advantage and firm-level increased performance.

Key Words: CSR & Strategic CSR, Corporate Identity, Corporate Branding, Corporate Marketing

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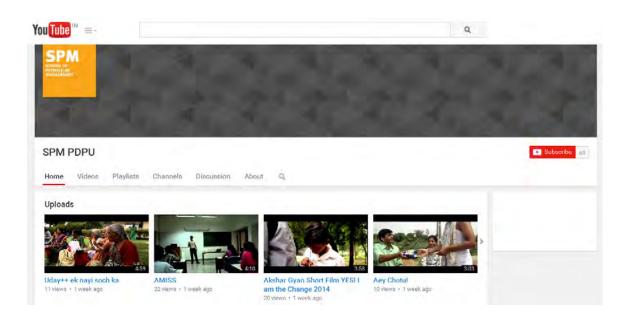
# **CAMPUS BUZZ**

#### SPM @ YOUTUBE

School of Petroleum Management has officially started its own YouTube channel. It is aimed at encouraging students to post their college life videos online. The channel is a big hit at SPM.

Link to the YouTube channel:

https://www.youtube.com/channel/UCA0LzDBFmhD6gC5OXaey0-Q



#### Faculty Seminar by Professor Lahiri

Professor Somdeb Lahiri shared his work of a behavioral economics research paper with the faculty members of SPM. The title of the paper was "COMPETITIVE EQUILIBRIUM IN GENERALISED GAMES-A NEW INTERPRETATION". The paper basically provided with an alternative version of a generalized game of a player in the game theory, in the second stage with an introduction of the concept of a competitive equilibrium and to show how it can be applied to the traditional model of general equilibrium theory. There was a brief discussion among the faculty members on how the same could be applied practically to the various business situations.

#### Link to the video:

https://www.youtube.com/watch?v=tJ0IKGGbsIY



Priyank Thakkar,

PGP 15

# A NEW START!

Upon entering the college from the safe cocoon of the school,
Where we had a strong identity and used to rule,
The transition from being a 'somebody' to a 'fresher' is never easy
And moving away from our sweet homes makes it all scary!

Here we are, full of dreams and aspirations,
Eager to make our mark in this stiff competition,
Like the fledgling we too have broken our shells,
Left behind our cozy homes for the happening hostels.
The sprawling campus, so peaceful, so green,
Welcoming us was our very own adorable director and dean!



Finally my batch mates, my buddies, my partners in crime
Each day spent having a gala time
The pretty young girls and the handsome guys
Building of new friendships, bonds and ties!

The much awaited college life has just begun And I hope it will be a wonderful journey with loads of twists and turns!

## FRESHER'S PARTY 2015

The day was 24th July, the dance floor was set, the lighting was perfect, and the DJs were full geared up with fun music tracks, all for an amazing Fresher's Party for PGP'15 batch hosted by their seniors.

Both the batches were ready with their best outfits and all charged-up to rock the dance floor to make it a fun-filled evening. Lots of camera flashes added to the tantalizing disco light, as everyone got active with clicking pictures every now and then. The event served as a catalyst to bridge the gap between the seniors and the juniors. It was a night one cannot forget!

The event was covered by one of the local dailies, and the PR team came up with a fresher's party video, which has been posted on SPM's own YouTube channel.



# 69<sup>TH</sup> INDEPENDENCE DAY CELEBRATIONS

#### WINNING IN THE GLOBAL MARKET

"At the stroke of the midnight hour, when the world sleeps, India will awake to life and freedom"

-Jawaharlal Nehru

15th August 2015, our 69th Independence day, witnessed grand celebrations at PDPU. The commemoration started with Flag Hoisting followed by our National Anthem and NCC parade. There were mesmerizing dance performances by the students of PDPU. The students also played various musical instruments.

In order to give recognition to efforts of NCC students, they were awarded with medals.

The event ended with an inspirational speech by the guests and faculty members with a motive to work for a better India and never let the dreams of our heroes die.



# **ALUMNI INTERACTION**

An Alumni Skype interaction with Mrs. Richa Tripathi was scheduled on 16th August, 2015. She is PGP'09 batch alumna of SPM, and is currently working as Business Analyst at Shell, Bangalore.

The agenda for the interaction was to know about the profile of the alumna, get a frank opinion about the company and its work culture, and know about the latest industry technical pre-requisite courses for similar job profiles.

There was a healthy discussion about the company, its projects in India and abroad, various job profiles, work environment, and scope of work as compared to smaller companies. The students were pleased with the interface, and wish more and more such Alumni interactions take place.



#### CII -Women's Cell Lecture 2015

As a part of CII women's cell 2015 meet, SPM-PDPU on 11th August, 2015 had Mr. Sanjay Gorakia, VP (Marketing), Ambuja cement and Ms. Debleena Basu Dhar, Indian Women Network Confederation of India Industry.

Mr. Sanjay was the guest speaker for the event where in he talked about the need and importance of Sustainable Supply Chain and how at Ambuja Cement they carry out this function by involving each of their stakeholders.



During the session he also discussed the importance of planning in supply chain, product specification, product alignment and sourcing, periodical innovation, sales and marketing for successfully placing the product into the market. Various challenges faced by Ambuja Cements in logistics due to uneven demand of cement and how using various routes they deliver at least cost and time were being discussed. He also discussed how did they achieve their dream of capturing a lion's share of Mumbai's cement market.

He shared his views on future of supply chain management in India and also about the existence of Virtual Stores and what are their future plans in relation to logistics and technology for internal flow of materials.

It was a fruitful session giving quintessential logistics insights to the students

# Guest Session on Work-Family Issues with Immigrants

On 25th of July we were honoured to have among us Dr. Kamla Ramadoss, PhD, Associate Prof. University of Syracuse, New York, USA. She is in the field of research since past 7 years. The Professor enlightened us with one of her research projects, "Work-Family issues with Immigrants".

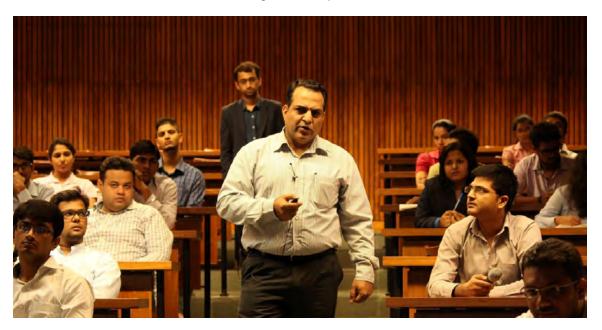
She talked about life of immigrants in new country, new culture, new environment and the impact it has on their lives and their exploitation at work place. During the session she discussed about various physical and psychological impacts of acculturation, conflicts of the social-cultural & work environments of the immigrants which she had interviewed during her research. Also various challenges like downward employment for men, loss of social networks, women's new entry into the work force, survival on H4 visa, etc. were highlighted.

The session concluded on a healthy note with all the pros and cons of life in a new country.



# Guest Session on Key to KPIs

Mr. Naresh Behl, Director (Operations/Project) of Xylem Water Solutions visited School of Petroleum Management, Gandhinagar on July 25, 2015 to deliver a session on the topic-'Business Performance and KPIs'. The session took off from the basics of management and the organizational structure in the corporate sector, moving through the various types of Key PPerformance Indicators (KPIs). Along with the presentation various queries and answers from Mr. Behl made the session even more interactive and fruitful for the future managers and entrepreneurs.



# Guest Session on Attitude and Positive Thinking

Guest lecture on 'Attitude & positive thinking' was successfully conducted on 7th August, 2015 by Mr. Mehul Parekh, Head H.R., Dresser-Rand. There was a healthy discussion on the pillars of any business model i.e., Quality, Cost effectiveness, Delivery impact and Reverse integration in Power and Gas Industry. The speaker also talked about how everything around us is changing dynamically, and how important it has become to keep up with this pace; and that employees today need to be competent in various areas, and be agile to survive the change. During this highly interactive session, sir also shared anecdotes from his 16 years of experience, giving us insights of how to deal difficult situations at hand.

The speaker was glad and amazed with the level of interaction he had with the students.



# **Guest Session on Infrastructure Finance: Issues and Challenges**



Co-Head India for Morgan Stanley Infrastructure, Mr. Saurabh Agarwal, Executive Director at Morgan Stanley Infrastructure and Mr. Arpit Agarwal, Associate with Morgan Stanley Infrastructure.

The speakers started with an insight into how diverse industries are interconnected, and hence the need for proper infrastructure, and multi-faceted role of the employees. Students had an enriching interaction about the unique sector-specific risks related to project financing, risk assessment and refinancing cashouts, and importance of assessment of management team or manpower before finalising the contracts.

The session was extremely beneficial to the students who are going to embark on their corporate journey as management professionals. The speakers were pleased with the active interaction.

An interview of Mr. Shyam Sundar was also conducted by Anusri bhatt, Public Relations Team, SPM. The transcript of the interview is as follows:

Anusri: In your lecture you mentioned that understanding people is as important as understanding projects. Does this philosophy of Morgan Stanley make you different than other firms in the same field?

Mr.S.G. Shyamsundar: It's not a proprietary model that you can develop so it's not such a differentiating factor. But I think good sound investments require good assessment of people you are working with, the promoter what he was actually doing previously how ethical he is and was, how he is dealing with various people, his partners, his suppliers, his friend circle, it all becomes critical. In India challenge we face is basically like that you can have everything on paper but you won't be able to actually get things on the ground...there are some investment that you expect 15-20% return but you may not get anything if your promoter doesn't support you in getting that. So it becomes something that you need to spend time on while evaluating any project. Spend time with the promoter, you speak to people, to partners and understand the social circles and key things like where you get the money from, is there any backing or some other businesses of theirs. There is no scientific way to approach but now people in emerging markets like India and China are realising a lot of stress is required in the people aspect as well.

Anusri: With the ambitious nation building projects like the developing of smart cities, make in India, freight corridors leading to the new India that's going to happen in near future so how is Morgan Stanley contributing in this?

Mr. S.G. Shyamsundar: When I mentioned about the national building projects in the lecture it was actually for igniting you guys to look at the big picture. At the same time as an institution we have to look at a project that provides enough economic returns. In the process we are also seeing the need such as getting creative and as professional it also gives you a lot of satisfaction it's like you are getting paid for building the nation...the best of both worlds. So we definitely believe that there is lot of opportunities in the smart cities but as of now it's not of that size and scale as far as infrastructure goes about. The first level of activities for smart cities will be of that of suppliers, communication service providers, equipment providers, integration of the systems, the GEs of the world, the Siemens of the world. They are going to play the game first. So it's like how you build a infrastructure around these systems and technologies in the smart city. As of now infrastructure is not the heavy capex as of now we need to see how things works out in future.

In the make in India campaign as a infrastructure player we have very limited role to play because it majorly focuses on the manufacturing but in order to facilitate manufacturing we need to have good infrastructure you have the freight corridors, SEZs, SIRs and those getting built that's how the infrastructure can aid them and is our opportunities.

Anusri: According to your point of view which is the current best and the most challenging sector for infrastructure investment in India?

Mr. S.G. Shyamsundar: Quick answer both renewable energy and roads that you will see lot of investments happening in next 2-3 years.

The toughest one would be thermal power it takes time.

Anusri: Last question you have been a B-schooler yourself one piece of advice that you would like to give us for our next two years in B-school?

Mr. S.G. Shyamsundar: I would like to say is that something I would have done given a chance to go back would be to relax a bit more than how much I did. Also as a piece of advice I read a book 'The Catcher in the Rye' and I believe that everybody in their lives goes through the phases that the book talks about it. It's all part of a process but then after all the things on your way you have to find a thing that you can endure. For me after all my past work experiences I had found that thing, a calling that infrastructure is something I want myself to be in and when you find that thing you will definitely be passionate about it and cherish it.



# **ALUMNI CORNER**

Mr. Shreyas Patel of PGP (2012) has successfully completed his Institute of Cost & Works (ICWA) qualification and has bagged 7th position in All Indian ranking. A great achievement indeed!! Congratulations Shreyas.... SPM Family is proud of you.

## PLACEMENTS 2015- A GLANCE

As always the placement initiatives of SPM for its 8th batch attracted a good number of companies from Energy & Infrastructure, Oil & Gas, BFSI, Consulting and other sectors. The entire batch was placed with highly relevant job profiles at prestigious organizations.

Following are the few top recruiters of Placements Season 2015:































GS ICL



















#### Forthcoming International Conference on



#### **CONFERENCE THEME**

# **Energy & Infrastructure Management** in Changing Global Dynamics

 $School \, of \, Petroleum \, Management \, (SPM), \, Pandit \, Deendayal \, Petroleum \, University, \, Gandhinagar \, is \, organizing \, an \, International \, Company \, Compan$ Conference on Energy and Infrastructure Management 2016 (ICEIM-2016) in its 5th edition with objective & scope to deliberate, discuss and document key contemporary issues relevant to managing E&I sector with reference to Changing Global and the contemporary issues relevant to managing E&I sector with reference to Changing Global and the contemporary issues relevant to managing E&I sector with reference to Changing Global and the contemporary issues relevant to managing E&I sector with reference to Changing Global and the contemporary issues relevant to managing E&I sector with reference to Changing Global and the contemporary issues relevant to managing E&I sector with reference to Changing Global and the contemporary issues relevant to managing E&I sector with reference to Changing Global and the contemporary issues relevant to the contemporary issues relevant to managing E&I sector with reference to Changing Global and the contemporary issues relevant to the contemporary is the con

The conference shall also focus on identifying new opportunities, challenges, best practices and strategies for Global Economy on various complementing issues like:

- Business and Techno-Managerial Issues
- Regulatory and Policy Matters
- Marketing Issues
- Financial and Accounting Issues
- Operational Excellence and Management
- Social and Human Resource Management
- Capacity Building- Make in India

#### **CALL FOR PAPERS**

In continuation with 4th EDITION OF ICEI-2014, we are inviting Research Papers/Case Studies from Academia, Industry Professionals, Alumni as well as Management Students. The conference will have the following indicative sub-themes related to Energy & Infrastructure sector. However, any topic within the broad theme and sub-themes can also be included.

#### **IMPORTANT DATES**

Deadline for Submission of Abstract: October 15, 2015 Review & Acceptance of Abstract: October 30, 2015 Deadline for Early Bird Registration (20% Discount): November 20, 2015 Deadline for Submission of Full Paper: January 15, 2016 Deadline for Regular Registration: January 15, 2016

#### **CONTACT US**

For any query please write us on Email: iceim@spm.pdpu.ac.in

Note: For specific queries related to sponsorship, partnership or any kind of association during the conference, please contact Prof. Kaushal Kishore, Organizing Secretary, ICEIM-2016 (E-mail: kaushal.kishore@spm.pdpu.ac.in),

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