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Highlights

- Iraq Crisis: Lessons for India
- Weakening Asia LNG Market and Impact on Petrochemical Sector
- Shale Gas Development: Another Avenue for India US Cooperation
- Cloud and Future Indian Business Scenario



From the Editorial Advisor's Desk

With the new government at Centre, India is at the threshold of long lasting changes. Industry captains are enthusiastic about the rekindling of economy. Things have started looking up. The new government has gradually started addressing all the dimensions of Indian economy, business and industry. Infrastructure and energy being the thrust areas of the activity levels of the central government, all those associated with this sector are hopeful of a fundamental shift. While Union Budgets do give a very broad direction to the state of affairs of the economy, I believe that a lot should not be read in budget (which necessarily deal with income & expenditure for the coming financial year)-especially when the budget is presented in mid-course. Long-term changes get reflected only with the passage of time and all concerned are indeed hopeful.

This issue of SPM Mirror comes in the backdrop of these macroeconomic developments. It is a pleasure to share the contribution of SPM Alumni in this issue, which is in the form of published articles (that we have reproduced with due credits), book-writing initiative taken by an alumnus and a new social media initiative on Energy Sector issues by yet another alumnus.

The editorial team has been doing a tremendous job of enhancing the richness of the newsletter and as an Editorial Advisor I take this opportunity to put on record my word of appreciation for the team. I am sure that with the coming times SPM Mirror shall grow, both in content as well as quality.

Please do feel free to extend your valuable suggestions towards all the endeavors of SPM Mirror.

Best Wishes

Yours sincerely



Dr. Pramod Paliwal
Editorial Advisor-SPM Mirror

From the Editorial Board

“Live as if you were to die tomorrow. Learn as if you were to live forever.”

-Mahatma Gandhi

We at SPM certainly believe in leveraging all knowledge resources and mould our perspectives on that.

With a series of enlightening guest lectures SPM has well maintained its “Books and the world beyond” concept.

We had the privilege of having informative guest lectures on Entrepreneurship, Human Resource in the Banking Sector and Union budget 2014 which has been detailed upon in this issue. As a Sector specialization topic, we also had a session on Luxury Consumption-right from its inception to its fad in the present times.

Additions to the learning are the buzzing and thriving student driven clubs which are held every day after the classroom sessions.

As a health awareness drive we had a seminar from VchangeU organization on Happy and Healthy Living.

Apart from academics, cultural initiatives- The Freshers’ Party and Scavenger Hunt also witnessed huge participation and gusto from SPMites.

And the year has just begun!

In this issue we have articles ranging from Iraq Crisis: Lessons for India to Cloud and Future Indian Business Scenarios.

Our regular segments- Campus Buzz and Faculty Foyer have been featured, with extensive coverage and reinforced content.

In Voice your opinion, we have again highlighted a management topic and created a platform for a novel outlook to an existing issue.

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.

Editorial Team: Anu Mary Tom, Apurva Mittal, Darshit Paun, Mehernaz Pathan, Muzaffar Waris, Pranjal Kishore, Pratik Naker, Poornima Kulkarni, Riya Giri, Suman Rathod, Swapnil Rayjada

Editorial Advisor: Dr. Pramod Paliwal

Director's Message

Greetings from SPM-PDPU Gandhinagar!

The new academic year has begun bringing in the regular and the irregular hustle and bustle to the campus. Gearing up for the new challenges and old tasks in the forthcoming days, the incoming batch has started the transition from new joiners to becoming a part of every event and activity undertaken at SPM, PDPU. Following the tradition of 'handing over the baton' senior batch volunteers for various activities have incorporated the junior team members in conduct of the events and activities. It is extremely overwhelming to see them take up responsibilities in every activity; both academic and non-academic. From becoming a helping hand at the guest lecture series to taking up responsibilities in various committees' undertakings, it is indeed a pleasure to watch the new "avatar" of PGP 14.

With the upcoming Conclave series at SPM, PDPU that is going to be bigger and better than ever before, this serene intent of the students will surely prove to be fruitful. Like it's said, a single finger may not be able to even tear a paper, while five fingers that make up a hand can do wonders. Similarly, a combined effort of both PGP 13 and PGP 14 shall do wonders for SPM, PDPU.

Looking forward to an enchanting year full of academic and extracurricular activities and wishing you all a great year ahead,

Un cordial saludo,

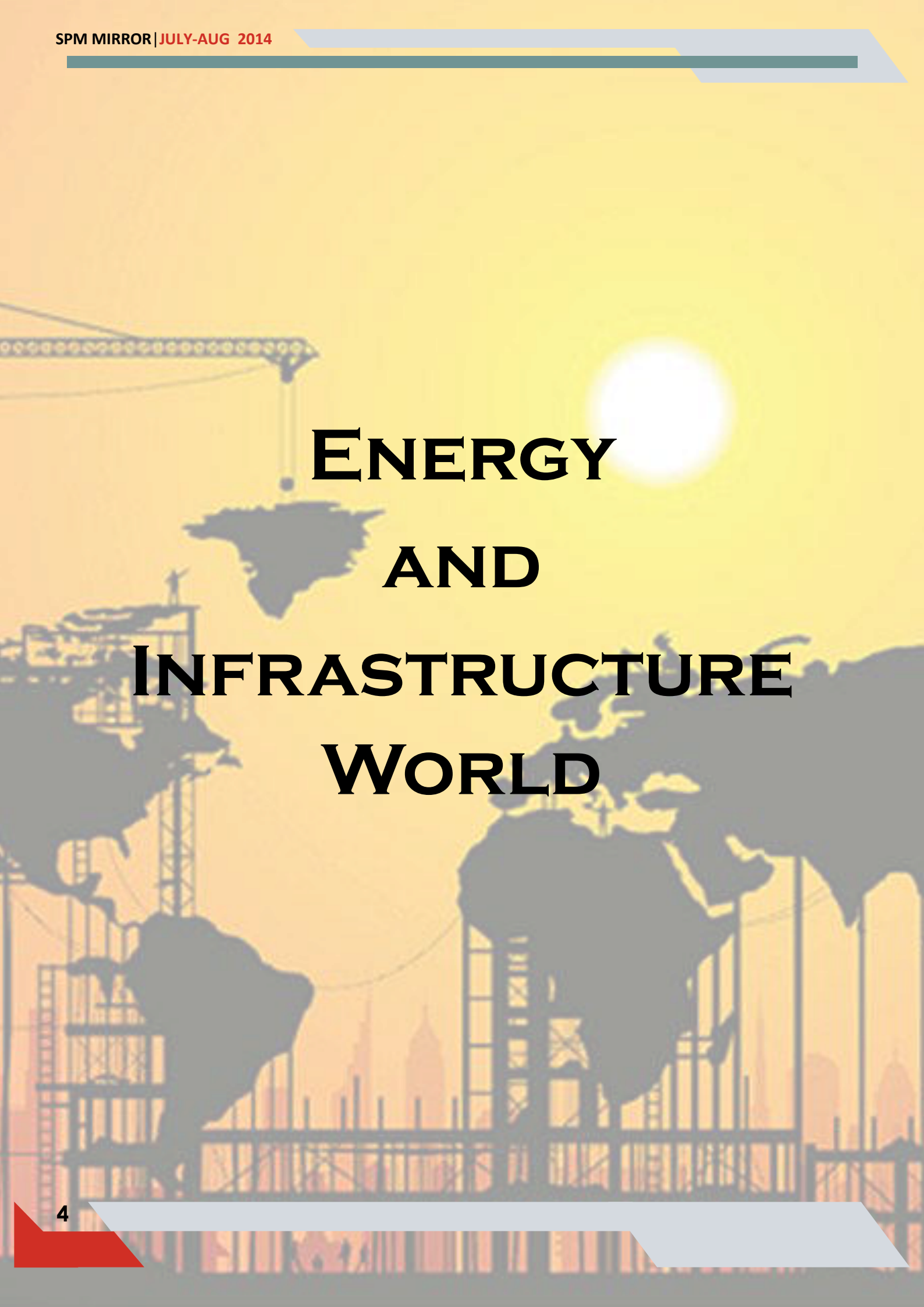


Dr. Hemant Trivedi

Director,

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Gandhinagar (Gujarat)

The background of the cover features a stylized world map in a light grey tone. Overlaid on the map are various industrial and infrastructure elements in a darker grey, including a large crane on the left, a power transmission tower, and several tall industrial chimneys or towers. A large, bright, glowing sun is positioned in the upper right quadrant, casting a warm, yellowish-orange light across the entire scene. The overall aesthetic is that of a professional, thematic magazine cover.

ENERGY AND INFRASTRUCTURE WORLD

Iraq Crisis: Lessons for India

Manish Vaid* & Tushar Shah**

It's just been a month and Narendra Modi led NDA government is already confronting impediments on almost all crucial fronts. With the 80 per cent India facing monsoon deficit, terrains ahead seems to provide no relief to pro-development government, in various sectors, including one of the most important oil and gas sector.

Only when Ministry of Petroleum and Natural gas, led by Dharmendra Pradhan, was contemplating a change in a gas price regime as one of the resolve for bettering India's investment climate, helping increase in its domestic production, Iraq crisis jeopardised such move, though not directly, but through an inflationary pressure resulting from an increase in the prices of global crude oil and railway passenger fares and freight rates. Natural gas, which is been viewed as one of the important means to curb crude imports, is instrumental in dealing with such geopolitical turbulence to an extent.

Given India's vulnerability to a rise in global crude oil prices as a result of its 75-80 per cent of its crude import dependency, the sudden and rather steep rise in the same has the potential to displace the economic recovery process of the country in the current fiscal.

CARE ratings, suggests that Iraq crisis could widen India's current account deficit, while putting pressure on exchange rate, impeding government's fiscal consolidation goal and putting off any nudge on interest rates by the Reserve Bank of India. Keeping fiscal deficit to 4.1 per cent level, as pegged during interim budget

would seemingly impossible to be managed by India's Finance Minister in upcoming budget.

Iraq, which accounts for four per cent of global crude oil production, making it OPEC's second largest producer after Saudi Arabia, would further add woes to India's oil subsidy calculus. As with each dollar rise in the price of Indian crude basket results in an increase of petroleum subsidy by around Rs. 4500 crore and with expected global crude price of \$110-111 a barrel through the current fiscal, could shoot up this subsidy to Rs. 7,000-8,000 crores.

But the Indian crude oil basket which remained stable from during July 2013 to May 2014 has suddenly started moving towards the north and expectedly crossing \$120 a barrel, owing to recent Iraq disruptions, posing serious threats to India's imports pay out and local currency's financial strength. Barclays have already estimated that a rise of \$10 a barrel would likely shave 0.5 per cent off India's GDP, which is already reeling below historic 5 per cent for two consecutive years.

According to Vandana Hari from Platts, though current supply from Iraq's Basrah Oil Terminal is not been disrupted largely due to violence been restricted to the northern and western parts, any disruption in its supply would be mostly borne by India's oil marketing companies, as their under-recoveries on subsidised oil products would worsen further.

But how far would India's contingency plan for Iraq sustains, remains to be seen. Iraq, which fulfils India's 13 per cent of total crude oil

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http://www.idsa.in/idsacomments/IraqcrisisLessonsforIndia_ManishTushar_160714.html

requirement, is expected to touch 20 per cent in current fiscal to the tune of 19.4 million metric tonnes.

Before India fall prey to such geopolitical ambushes emanating largely from the Middle East, it should besides aptly diversity its crude oil sourcing trends, also take proactive measures to stir up investments in its domestic energy sector, with a clear objective of consistently reducing oil import dependencies.



Companies like Reliance Industries and Essar, sensing the danger, have already started to reduce crude imports from the Middle East, while balancing the same from Africa, Latin America and Canada. This has helped Reliance to cut its crude costs that would result in decline in its refining margins that hit a four-year low of \$8.1 a barrel in 2013-14. Other Indian refineries should also follow a similar suit, proactively, as most of the modern Indian refineries are now in a position to process different quality crudes.

Therefore, while India can place hope for situation in Iraq not getting out of control, it should simultaneously seek for more viable and sustainable solution. One such resolve could be to develop other alternative energy resources like non-conventional fuels including shale gas and renewable energy resources like wind and power, by fine-tuning policies in a manner that it could attract investments in both energy resources and technologies allied with them, as also intended by Petroleum Minister, Dharmendra Pradhan at the 21st World Petroleum Congress.

Another urgent step could be to revisit existing Strategic Petroleum Reserves (SPR)

plans, which continues to linger to see the light of day, due to some reasons or the other resulting in further delays.

While government, sensing the significant supply disruption around the corner has asked oil companies to draw emergency import plans, fearing the rise in oil subsidies and upsetting India's fiscal calculation, this could best, can be a short term solution. Accelerating the existing SPR plans would certainly offer a long term answer to such disruption in the future.

Other relevant measures to deal with supply disruptions could include demand-side management, through inculcating energy discipline and efficiency across industries and common folks.

Equally important would be to pursue result oriented energy diplomacy, which till date has been found wanting during previous regimes and in this regard India should try to clinch a natural gas pipeline deal with Russians during upcoming Modi's visit in BRIC summit.

Only when all these measures, including others, witnesses a light of day, India could move ahead decisively in its endeavour to achieve energy independence in its true sense, which could safeguard its national interest, while pursuing energy security goals.

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Manish and Tushar are alumni of SPM.

Weakening Asia LNG Market and Impact on Petrochemical Sector

Sushobhit Maity*

As per a recent report by Reuters, Asian spot LNG prices have shed over 40 percent in value as demand growth slowed and new supplies in the Pacific region became available, although prices remain almost twice as high as in Britain and around three times as expensive as in North America.

According to Platts, Asian prices – known as the Japan Korea Marker (JKM) – have plummeted to \$10.92/MMBtu for August deliveries, and in Europe LNG prices have slipped as well, down to \$8.11/MMBtu in Northwest Europe and \$8.61/MMBtu in Southwest Europe.

These price drops occurred in spite of ongoing disruption of gas supplies from Russia, the world's biggest gas exporter, to Europe via Ukraine, and with Japan's nuclear power sector still shut down. The JKM prices, in particular, are way below their peak, which surpassed \$18/MMBtu after Japan switched off its nuclear reactors following the 2011 Fukushima meltdown. As Japan has adjusted to life without nuclear power, demand is not expected to rise (adjusting for seasonal fluctuations). And new LNG suppliers have entered the market, such as ExxonMobil's Papua New Guinea LNG facility.

If global gas prices continue to remain low with both Henry Hub and JKM showing weaker trends, many of the large and costly planned liquefied natural gas (LNG) export projects around the world, including in North America, East Africa and Australia, will face trouble as initially budgeted returns on investment have to be revised downward. Not only that, but some sellers are even having trouble finding buyers for deliveries in the coming months. As per Platts,

only one or two Japanese customers even had enough storage space to buy additional supplies for August. KOGAS is looking to sell 20 to 40 cargoes of LNG this summer after misjudging the scale of its demand and committing to buy excessive supply. It is now facing an over-supply it is unable to absorb, and is seeking to offload cargoes through a combination of time-swap deals and reducing off-take from its suppliers, several traders said. Prices are expected to continue to decline, so buyers are waiting to book purchases.

It should be noted that summer prices are traditionally softer in Asia because heating demand is low, but the unusually weak market right now is beginning to bleed into winter demand. Platts says that LNG demand for December, January, and February were weakening as the market is currently oversupplied. Winter deliveries would still clear at a much higher prices than the current JKM price of around \$11/MMBtu, but analysts do not think prices will climb back to the highs exhibited in the immediate aftermath of the Fukushima crisis.

In spite of short term volatility, long term demand of LNG in Asia appears to be weakening. The contributing factors to this decline are numerous but not limited to the plans to restart Nuclear power plants in Japan; Russia-China gas deal wherein China is rumoured to get gas price at same levels to Gazprom Border price charged to Germany, thus weaning off future Chinese LNG demand.

However, there is a silver lining to this event. Asian petrochemical producers can look forward to cheaper LNG as a petrochem feedstock (for producing Ethylene) for their steam

Middle East, world over Naphtha is used as feedstock. In petrochemicals about 75% to 80% of final product price is the cost of feedstock. Thus, cheap feedstock is a source of long term competi-

chemical industry a run for its money on a longer term and can significantly alter the trade flows of global petrochemical industry.



tive advantage as evident from US manufacturing bloom post-Shale Gas revolution. Thus, Asian producers can look forward to give US petro-

What remains to be seen is, whether the current drop in JKM is a short-term blip or a long term trend, which can power second Asian manufacturing boom and subsequent economic revival.....

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Shale Gas Development: Another Avenue for India-US Co-operation

The boom in shale gas production in the United states has become a hot topic among energy analysts and policymakers, including in India, where falling domestic natural gas production, coupled with rising crude import bills, has further shifted interest toward the US shale gas success story.

India is currently meeting its domestic gas shortfall with costlier liquefied natural gas (LNG). Consequently, sectors such as petrochemicals, refineries and urban gas utilities, demand from which is relatively price inelastic, have been relying on imported fuel and passing the higher costs to consumers. Core sectors such as power and liquefied petroleum gas (LPG) extractors are mostly shut down. The rise in crude import bills, meanwhile, is straining India's fiscal deficit,

Manish Vaid* & Tridivesh Singh Maini **

which reached US\$88 billion in 2012-13, or 4.8 percent of gross domestic product (GDP).

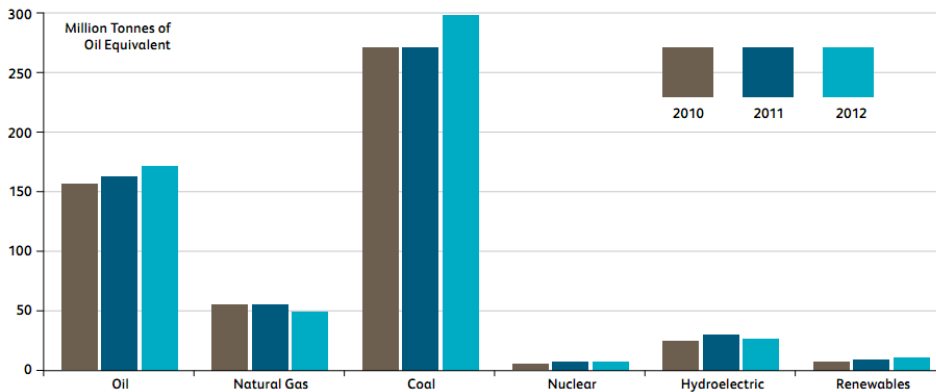
In response, the government has started to explore alternatives in a more aggressive manner. These include augmenting domestic oil and gas production; reforming the national exploration Licensing Policy (NELP); focusing more on unconventional energy resources such as shale oil and gas, coal bed methane and gas hydrates; exploring more difficult terrain such as deep and ultra-deep waters; seeking new gas pricing policies to make domestic production more viable; and looking to the US not only for co-operation in shale gas and gas hydrates, but also for cheaper LNG imports. But it is the shale gas bonanza in the US that is attracting considerable attention, as

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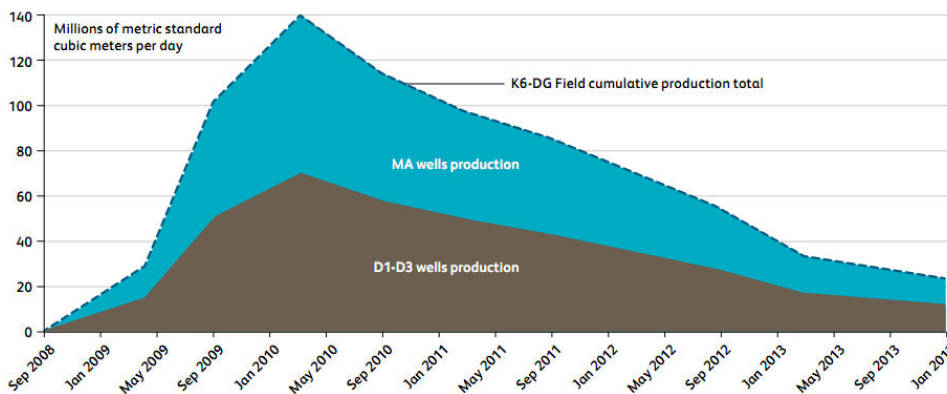
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CHART 1 INDIA'S PRIMARY ENERGY CONSUMPTION BY FUEL TYPE

Source: BP Statistical Review of World Energy 2013

**CHART 2 CUMULATIVE PRODUCTION FROM ACTIVE WELLS FROM INDIAN GAS FIELD KG-D6**

Source: Parliament of India, Rajya Sabha Unstarred Question No. 296, answered on Feb. 26, 2013. Updated to January 2014



well as America's willingness to support India in developing this sector. The two countries signed a memorandum of understanding on Nov. 6, 2010, involving US co-operation to help India develop shale gas.

As a result, India's Directorate General of hydrocarbons (DGH) produced the Draft shale Gas Policy in 2012 and sought public opinion on exploration and exploitation of shale oil and gas in India from various stakeholders, including experts in the oil and gas sector, environmentalists and non-governmental organizations.

Rising Demand, Falling Production

India's overall energy consumption continues to increase significantly due to population growth, urbanization and economic development, with oil and coal occupying the largest share of India's energy basket (see chart 1). In 2012, oil and coal accounted for 30 percent and 53 percent, respectively, of total energy consumption, an increase

of 9.86 percent and 10.16 percent, respectively, since 2010. Consumption of natural gas, meanwhile, decreased by 11.85 percent during the same period, accounting for just 8.71 percent of total energy consumption, thanks to a steep fall in gas production at Krishna Godavari basin's KG-D6 block, India's largest gas field. Natural gas in fact remains the preferred fuel in India because it is environmentally cleaner than coal and cheaper than imported crude. The fall in consumption is due purely to supply constraints. The production of gas in KG-D6, which peaked at 69.42 million metric standard cubic meters per

day (mmscmd) in March 2010, declined to just 11.8 mmscmd by the first week of January 2014 (see chart 2). KG-D6 comprises 18 gas producer wells in the D1 and D3 fields and six in the MA fields. The decline in output has been largely due to water loading and sand ingress in wellbores. In 2012-13, output of D1, D3 and MA combined was 27 mmscmd against an estimated capacity of 86.73 mmscmd as per approved field development plans.

The decline in domestic gas production forced the Indian government to purchase costly LNG on a spot basis, thereby putting further strain on India's fiscal deficit, which widened to its worst level in a decade. Indian companies, in order to secure long-term energy supplies, also moved to seek LNG deals.

Being unable to meet domestic energy needs through indigenous production of oil and gas, India is now expected to become a regular importer of natural gas because of problems with

domestic natural gas supplies. This situation, coupled with robust natural gas production in the United States, pushed India to explore various options including ways to increase domestic unconventional gas, particularly with help from the US.

The US has agreed to co-operate with India in both augmenting its domestic shale gas resources as well as in providing cheaper gas through LNG exports to India. Indo-US shale gas co-operation would be in addition to existing energy ties between the two nations.

Indo-US Energy Co-operation

Fully-fledged Indo-US Energy co-operation started during the launch of a bilateral energy dialogue on May 31, 2005. Five working groups were created, supervised by the heads of a steering committee from both sides. The dialogue covers co-operation in promoting trade and investments in the oil and gas sector; advanced understanding of power generation and distribution; developing co-operation on clean coal technologies; promoting energy efficiency and renewable energy sources; and dialogue and action on issues related to the civilian use of nuclear energy.

The next major development in Indo-US energy co-operation was the signing of a civilian nuclear deal on Oct. 10, 2008, also regarded as one of the pillars in building up the Indo-US strategic relationship. So far, though, there has been slow progress in this area largely due to a lack of clarity over liability in the case of an accident. Unlike General Electric, which has backed out of the nuclear sector in India, Westinghouse is optimistic about its nuclear energy prospects in India, according to company senior vice president, Jeff Benjamin.

It is in the area of unconventional hydrocarbon resources such as shale gas and gas hydrates that the US can play an important role in supporting India's energy security. Initial estimates made by the US energy information Ad-

ministration (EIA) in April 2011 put the shale gas potential of India at 63 trillion cubic feet (tcf), but it has subsequently revised upward its estimates to 96 trillion cubic feet. The US Geological Survey (USGS), meanwhile, in January 2012 estimated potential shale gas resources in basins within Bombay, Cauvery, and Krishna-Godavari provinces at 6.1 trillion cubic feet, but it has agreed to re-assess this earlier estimate.

The memorandum of understanding signed between India's Ministry of Petroleum and Natural Gas and the US State Department in 2010 included an energy resource assessment by the USGS, co-operation in technical studies to start exploration in India and the provision of training to Indian personnel. Implementation of these objectives by the US could bolster implementation of India's shale gas policy when it is finalized. The advanced technology and tested business models of US companies in the shale gas industry could give Indian oil and gas companies a boost in attracting greater foreign investment.

In the meantime, as India develops its own shale gas industry, US shale gas exports to India are expected to benefit both countries, according to a report by analysts at NERAA economic consulting. Some in the US also argue that these LNG exports could help deepen relations between the two countries. US Congressman Charles W. Boustany, a Republican from Louisiana, said: "LNG exports could facilitate stronger bilateral relations with India, but an investment treaty will need to be signed and service agreements developed first."

The Future of Co-operation

Indo-US energy co-operation is heading toward greater development of unconventional hydrocarbons such as shale gas in India as well as filling the supply gap for domestic gas through LNG imports from the US, which are comparatively cheaper than LNG imports from other countries.

This could certainly provide some cushion to India's two most sensitive sectors, power and fertilizer production, because they have started to rely more on LNG imports. These sectors, however, will have to wait a bit longer for India's indigenous gas production to show some reversal of its recent downward output trend. Domestic shale gas production will play a significant role, but not before some gruelling efforts by the Indian government on various issues pertaining to the environment, water and land availability, the fixing of the domestic gas pricing issue, a favourable regulatory regime, and the removal of infrastructure bottlenecks. Progress on all of these fronts is a precursor to enhancing domestic natural gas availability in India.

But with the prospect of greater co-operation between India and the US in the area of shale gas development, some in India are already taking advantage of that co-operation. Gas Authority of India Limited (GAIL), for instance, which has a 20 per cent stake in Carrizo's Eagle shale acreage and has signed a deal with Cheniere Energy Partners to buy 3.5 million metric tons per annum (mtpa) of LNG from Sabina Pass Liquefaction from 2017-18, is now mulling a "time-swap" deal with US shale gas suppliers so that it can import shale gas by 2015-16 instead of 2017-18. Therefore, the main thrust of such co-

operation will remain focused on augmenting domestic natural gas availability, including discoveries in shale gas resources in India, with institutional, regulatory and technological support from the US in the near future.

Such co-operation is also expected to take into account "above-ground factors," which are

"Domestic shale gas production will play a significant role, but not before some gruelling efforts by the Indian government on various issues pertaining to the environment, water and land availability, the fixing of the domestic gas pricing issue, a favourable regulatory regime and the removal of infrastructure bottlenecks."



extremely difficult and different from those in the US. This needs to be understood by Indian policymakers, given that one of the largest bottlenecks in India has

to do with the availability of water and land — both of which are key to shale gas development — because these have clear impacts on the socio-economic conditions of the common citizen. Some of the other "above-ground factors" include the land and mineral rights of landowners, prospective areas of shale basins in agricultural land and bureaucratic delays in

implementation of projects due to the multiple clearances required.

There are also issues related to differences in geology, and India could benefit from US technology and expertise in these areas. For instance, looking at the quality of shale rock in India, which is softer and ductile, a different set of technologies will be required. In the US, shale rocks are hard, and gas is therefore more easily extracted.

Given the critical oil and natural gas situation in India, shale gas co-operation with the US is essential, but India would like to take this further to explore other energy sources such as renewable energy, given serious concerns about the environment.

Conclusion

Indo-US relations have come a long way since 1998, when the US imposed economic sanctions in response to a nuclear test by India. The administration of US President Barack Obama has gone the extra mile to strengthen the nascent strategic relationship with India. While the Indo-US civilian nuclear deal remains the foundation of existing energy collaboration, co-operation in shale gas and other unconventional oil and gas resources will give further momentum to the partnership, both economically and politically.

US support for India's energy security will certainly help improve the Indian economy and should further strengthen the bonds between the two countries, which were strained last December with the public outcry in India over the treatment of an Indian diplomat arrested in New York, which at the time seemed to threaten the bilateral relationship.

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BUSINESS WORLD

Cloud and Future Indian Business Scenario

Pratik Patel, PGP 13

General Scenario

All we have heard about Cloud technology since two to three years but according to me, its beauty will not be concluded as early as other technologies. The rapid growth of mobile and cloud services is on way of creating new business opportunities for large enterprises and traditional service providers. The cloud is bridge to most network upgrades today among all latest technologies, as operators race to add more computation, storage and network capacity. Cloud is progressively becoming a game-changer for Indian information technology (IT) services companies. According to front runner in the sector, near to 20-25 per cent of the large outsourcing deals now inclined to cloud technology. Finally, the total worldwide market for cloud infrastructure and services is expected to grow to \$206B in 2016, Gartner reports. Fortune 500 businesses are spending billions of dollars annually to integrate their smaller data centers into large cloud infrastructures (e.g. Amazon, Boeing, Wal-Mart), which will help industries to shed extensive IT operation costs.

Indian Prospective

Today businesses are leveraging the capability of the cloud which has been proven to be a strategic differentiator. Nasscom's IT industry body had in its Strategic Review for 2014 said that Cloud along with a few other technologies would drive key client investments during this year. Infosys, India's second largest IT services company, is also anticipating an increased appetite for Cloud from its clients. Anand Sankaran, president and global head of infrastructure & cloud at Dell, if any Indian IT services provider is not making se-

rious investments into creating capabilities around Cloud, it is making a "big mistake". Let me drive you to the future of cloud in Indian market by some conglomerates and Government policy horizon about cloud technology. Department of Electronics and Information Technology (DeitY) has recognized six existing "mission mode projects" (MMP) which will be assessed by an internal group, based on the need for technology upgradation, scope of process simplification with emerging technologies and the possibility of leveraging newer technology platforms. It focuses on one aspect of e-governance such as pensions, banking, insurance and judiciary. These projects include Crime and Criminal Tracking Network & Systems (CCTNS) Scheme, e-Courts, road transport, treasuries and commercial taxes. According to figures obtained from a 2011 DeitY report - Overall outlay of these projects, most of which were sanctioned between 2007 and 2010, is over Rs 4,842.41 crore. In rhythm with Prime Minister Narendra Modi's slogan of "minimum government, maximum governance", DeitY's roadmap seeks to leverage different media and technology including cloud, broadband and mobile. New cloud services

data centre will be opened by IBM in India in the current fiscal year. This move is a part of company's \$1.2 billion worldwide cloud investment program announced in January this year. According to IBM country head for cloud computing Vamsi Charan Mudiam, the India centre would allow its partner ecosystem to design better services, client customisation besides enhancing the reach of business. Tata Consultancy Services focus on Big data, cloud computing & mobility to be their first priority for future business



enhancement. Reliance Jio Infocomm Ltd is establishing 14 data centres across India for creating a cloud-computing infrastructure. This project will give advantage of its long-delayed roll-out of fourth generation, or 4G, telecom services, finally expected this year. The cloud-based services will span healthcare, education and entertainment, and build synergies with the home shopping and content businesses of Network18 Media & Investments Ltd, in which RIL is acquiring a majority stake. There are many more to go on same direction.

Bit on Energy Side

Approximately 400 million people in India do not have access to electricity. As per human development index perspective, if the US consumes 30,000 units per person then India consumes 600 units per person only. India's energy infrastructure is highly tensed, with an ever increasing demand for energy. India needs to fulfill its energy demands in an environmentally sustainable manner to sustain its growth trajectory. This leads to analysis of data for energy generated from various sources like wind, solar, biomass and hydro technologies. Bharat Light and Power (BLP), a leading renewable energy producer in India has recently formed a strategic engagement with IBM. This will see BLP use IBM's cloud capabilities to significantly enhance its power generation ability. Using such cloud technology benefits will be received like, advance analysis on the cloud platform to ground staff on their handsets and alert them well in advance, build smarter operations with higher efficiency and

greater utilization, central monitoring and managing existing and future generation plants as well as store and manage the data on the cloud. As one of the largest clean energy generation companies in India, BLP aims to rectify the sustainable energy challenge by increasing its renewable energy generation capacity to one gigawatt (GW) over the next few years.

There is lot more to happen in near future in this discipline and it will surely benefit INDIA if ancillary policies from new government and ideas from youth gives fruitful implications. We must

take advantage of this fabulous technology to contribute a little in converting our nation into "Developed" from "Developing".

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Journey to my DREAM

Yash Tandon*

When I was asked to share my journey as an author, I wondered whether I have actually become the one or not?

I haven't thought of writing a novel in my wildest dreams. My novel- **Just to bring you back** is result of an emotional outburst which helped me to follow a path to my dreams. It was a momentary decision which motivated me in accomplishing the same.

The journey which I started with a thought in mind, a pen in my hand and a blank sheet of paper; Over the time, words began flowing, characters were created and a whole life came into being on that sheet to transform it into a work of passion, emotions and accomplished DREAMS.

Initially when I started penning down my thoughts, I was a bit reluctant. I was not sure whether I would be able to transform the thought into a story blended with emotions and passion. Many question started popping out inside my head and answers to those questions were nowhere in sight. But then I realized sometimes it is not about the answers or the light which you want to see at the end of tunnel, but it is about trusting yourself and making maximum utilization of sunlight which is right in front of us, all ready to be absorbed.

There was a time during this journey to my DREAMS when I was gripped with flickering thoughts, journey tested me and it felt as if I am nothing more than a Day Dreamer. Many of us

believe that Day Dreaming is bad, as we are only wasting our time in thinking about it; but I don't believe it totally. Day Dreaming may be bad in some other sense; but if it gets mixed with your passion, you don't just dream, you act upon your dreams with open eyes with all your inner strength even when winds and tides are against you. You work with your patience and most importantly with your passion to reach to zenith.

During this journey one of the biggest thing which I realized and want to share with you all is our whole life all we aspire are the inhibited aspiration of our family; the society always keeps us under the surveillance to gift us a tag of BEING SOMEBODY, but rather than just BEING SOMEBODY we should BE OURSELF and this is what I have tried to do.



My debut novel, "Just to bring you back", is the culmination of my DREAM!!

Just to bring you back is the story of Harsh, a well settled engineer who was forced to walk past his dreams, both by destiny and his own mistakes. What he wanted to be, was nothing more than an imaginary lane in life, now.

His present wasn't what he wanted out of life. His love wasn't successful. His dreams became the past. But, his life was too good. His stature much higher, than the masses could achieve. While in his struggling phase for a better life, he meets Kiya- his dream girl. Fallen in love too soon, he feels alive again. But, this small chapter of love and happiness didn't last long in his life.

Loneliness rewinds his life and brings him back on the same roads, where he was years ago. He leaves everything and jumps into the dungeon of a passionate uncertainty, just to revive his love for a life.

Back in time, would he be able to make things right or just succumb to the destiny one more time?

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www.authoryashtandon.com

www.facebook.com/YashTandon.fanpage

Books are available at the below links:

[1] http://www.purushottam-bookstore.com/Just-To-Bring-You-Back?filter_name=yash+tandon

[2] <http://www.power-publishers.com/buy-books/fiction-novels/just-to-bring-you-back-detail>

[3] <http://www.ebay.in/itm/Just-To-Bring-You-Back-Author-Yash-Tandon-ISBN-978-93-83809-78-3-/231287923431?>

[4] <http://www.flipkart.com/books/pr?p%5B%5D=sort%3Drelevance&sid=bks&q=just+to+bring+you+back&ref=89da65d8-b7c5-4665-b652-8f721265d712>

Soft Skills Industry in India - A Needs Assessment



Ruchi Tewari,

Visiting Faculty, SPM, PDPU

The growing gulf between the sheer volumes of talent produced by the Indian education system every year and its employability across industry, largely caused by the lack of soft skills rather than hard skills has created a situation where India's much vaunted demographic dividend and talent competitiveness have increasingly come under the scanner. While it remains to be seen how the paucity of such skills is going to impact industries in the long run, already a lot of noise can be seen coming out of just those sectors which have been touted as the new engines of growth. The Statesman ran a feature by Tim Sullivan in April 2007, aptly titled "In India, workers' pool gets shallow: High-tech companies are investing hundreds of millions to keep ranks filled." Interestingly, the report is grim and foreboding in its analysis of the future of the IT and ITES industry, in particular. "Nearly two decades into India's phenomenal growth as an international center for high technology," says Sullivan, "the industry has a problem: It's running out of workers." A concatenation of factors, the report points out, has created the sorry state of affairs. From poorly managed colleges to India's legendary cram culture actively fostered by an education system and a parallel coaching industry obsessed with scores to an over-reliance on technical training - the list is endless. The end result, though, has been unfortunate - a highly distorted talent market where of the more than 400,000 engineers and one million graduates joining the labor pool annually, only 100,000 are industry ready; million dollar investments in training; escalating wages which threaten the very logic of outsourcing; attrition leading to lost productivity and a "war for talent" that refuses to abate as companies poach on the best and brightest among the ranks.

In many ways, the demand for soft skills among talent pools has been an offshoot of globalization, tectonic shifts in industrial practices and the highly evolving nature of work. Moreover, with the opening of the Indian economy, Indian businesses and local talent are being increasingly forced to cope with the challenges and necessities of managing client-facing relationships in ever-expanding international business contexts. Incidentally, this is more evidently the case even with multinational arms deploying their local talent overseas. MNC's that set shop in India, China, the Middle East and other parts of SE Asia or for that matter in any part of the world, are not only extremely concerned about the soft

skills their managers bring to such international assignments, but also proactive in equipping such supervisors with the right skills to run a truly global workforce. However, lack of adequate talent and resources continue to frustrate such efforts. In an insightful piece titled "The Soft Skills for Global Managers", published by the Harvard Business School in 2006, the author, Glenn Rifkin argues "despite nearly two decades of corporate globalization efforts, many organizations still struggle to find managers who are comfortable and effective in the increasingly global economy." Most, according to Rifkin, not only lack the cultural awareness to negotiate employee and partner transactions overseas but also fall short of having any experience in managing multifaceted processes over long distances. Clearly, the intensely global nature of work has led to the spawning of highly multicultural workforces and the ability to successfully guide and steer such workforces towards organizational goals is now more predicated on various soft skill factors. But it is one thing to talk of building strong relationships through frequent communication among team members or displaying sensitivity to social and cultural differences that exist across country locations and another to practice it.

As per industry observers, the IT and ITES industry with its famed BPO and KPO arms represent the most rapidly globalizing face of Indian business with people providing the critical interface between global businesses. This has necessitated the rise of a newer set of skills more focused on the communicative, behavioral, emotional, attitudinal and social aspects of an employee's personality. In a BusinessWeek article titled "Reshaping Asia's Tech Talent Pool" the author Steve Mollman underscores the fact that India and China have a long way to go on the road to making local talent rich in soft-skills. Steve quotes Edward Mandla, owner of Australia-based Smartforce Solutions - a firm specializing in workforce strategies around acquiring, training and retaining staff, to bring home the point that the skills shortage in the 2 countries is a product of the IT industry being in transition and existing university curriculum staying hopelessly out of touch with the industry's requirements. Says Mandla, "IT is moving from the backroom into the boardroom, and there is a strong need for IT workers to have soft skills, like presentation skills, teamwork skills and the ability to put together a business case..... Twenty years ago our industry was all about programming in a dark windowless room, but we have had a major change....."

Strangely, the lack of qualified talent schooled in the right soft skills now seems to be an international phenomenon, cutting across geographic boundaries and business verticals. Several reports from the US and UK suggest parallels with prevailing conditions in the Indian job market. A BBC report on the Biannual Survey completed by the Association of Graduate Recruiters indicates that UK employers are increasingly finding an "inadequate supply of applications of sufficient caliber". The report goes on to conclude that graduates "are normally academically proficient but lacking in soft skills such as communication as well as verbal and numerical reasoning". Closer home, a KPMG report titled 'Global Skills for Graduates in Financial Services', released this year, categorically states that graduates gain theoretical knowledge at the expense of practical job-related skills like teamwork, communication, client relationship management, customer services, business awareness, problem solving and achievement orientation skills. The report, incidentally, was based on a survey of over 32 organizations based in India and Great Britain.

Oddly, while the relative importance of soft skills vis-a-vis technical skills has been underscored ad nauseum by industry pundits in the West, general apathy and basic lack of awareness on the subject may just as well have contributed to low interest in promoting soft skills education alongside the regular

curriculum in Indian institutions of learning. For instance, there is overwhelming evidence to show that possessing soft skills is a necessary adjunct to career advancement and business success. An independent study conducted by Stanford Research Institute and Carnegie Mellon in the US, involving CEO's of several firms, established that people skills contributed three fourth to long term job success whereas technical knowledge played a minor 25 % role. In another study, done at Harvard University, the results were even more startling. The study found that in an overwhelming number of cases - over 85%, employment and promotions on the job were directly linked to the candidate's attitude rather than with the facts and figures the candidate knew. Interestingly, the adverse impact lack of soft skill training has on business, is well documented. For instance, studies show that several business houses lose almost 10 -15 % of probable business clients due to their inability to meet the perceived level of services linked to soft skills. Little wonder then that in India companies have begun linking soft skills to employee appraisals, compensation packages, and candidate recruitment.

Incidentally, given the preponderance of soft-skills in booming service sector industries in India, it is strange that hardly a handful of educational institutions have paid adequate attention to either providing soft skill training or even making attempts to shape these life skills in the students. Undue emphasis on an academic curriculum has led to a gap between the ever-changing needs of the free market and the final product that most educational institutions are providing to the market. Interestingly, our educational and societal penchant for valorizing technical knowledge and expertise over and above a humanities education have also contributed to the present skill deficit. Blind reliance on qualifications that vaunt specialization in various technical fields like engineering, software, architecture, etc. coupled with an ignorance of the rapid globalization sweeping across industries and job roles has left the average techie unprepared for jobs that are enmeshed in global networks marked by increasing multiplicity, interdependence and complexity.

Oddly, response to the skill drought in the industry has been sure-footed but slow. On a comparative note, the Chinese government's promotion of language training among its local population in preparation for the Beijing Olympics, seems to be a skilling exercise launched on a war footing. However, the good news is both job aspirants as well as job providers realize the merit of investing in soft skill programs. Providers offering soft skills training are proliferating all over the country and can be found even in several B or C class cities. Organizations understand technology, functional and process related learning are not sufficient and have tied up with recruiters, soft skill providers, grooming schools, and universities to ensure entry of employees who won't shy away from that important telephone call or conversation with their global colleagues or bosses. While the strides made by industry towards skilling employees in requisite life-skills are no less noteworthy, any advances made by schools and colleges in this direction will lead to a huge impact on the job worthiness of their wards.

Outlook on Banks' Move to Restore India's Economic Growth



Kaushal Kishore

Professor, SPM, PDPU

'Well begun is half done' looks aptly fit for Indian banks and RBI, headed for restoring economic growth in the financial year 2014-15. The beginning of new financial year has set the pace of economic

growth in the long run, which requires tremendous amount of efforts from policy makers, industry and government.

Industrial growth and economic growth are complementary and supplementary to each other. In the recent past, industrial growth has observed slowdown and output decreased on quarter to quarter basis. Why so? Finding answer is not easy as various factors are responsible to make the situation worse. However, by listening and reading from various sources, apparently, I believe, industry required huge amount of funding at low interest rate with higher flexibility, which did not happen. Now, the second question arises; why has it happened? Again the answer is not one but many. Let us move beyond the blame game. In simple language, well known fact is that households believe in savings and corporate believes in investment. The point I am trying to make is, who stops the corporate from investing in the economy? There could be reasons like return on investment, higher gestation period in the projects like infrastructure sector, power sector etc. One reason could be having no funds for investment in addition to policy related hurdles.

The recent move by most of the Indian Banks on Corporate Debt Restructuring (CDR) deserves a huge round of applause from each one of us. Though the Indian Banks are bleeding due to Non-Performing Assets (NPAs) but they have extended their support for corporate lending, which may give better return in the long run to both parties. Introducing the concept like 'repayment holiday' is like oxygen for the corporate by the Indian Banks in addition to reducing lending rates and extending payment periods. Sometime, due to changes in overall business environment, break even points delayed and return on investment decreases all of sudden for the corporate. Hence, restructuring the CDR will help the corporate to access a huge amount of fund at low interests from banks and in return, banks may expect assured return from the corporate with reasonable interest rates. The moment the corporate increased investment, it would improve employment in the economy, industrial output would increase, and consumption would go up and finally help the economy grow with better growth rate.

The second part of the article, I wish to dedicate to the RBI for its recent move by allowing corporate to get into the banking industry. Almost after a decade, as in 2003-04, two banks namely, Kotak Mahindra Bank Ltd. and Yes Bank got licenses. The competition, rather healthy competition, is always good for any sectors and the characteristic of mixed economy is that it greets competition and breaks monopoly in the market. The outcome of entry of more players (private players) in the banking industry shall change the rules of the game. To gain a small market share, bankers will work hard and will improve the service level for customers. RBI has made it compulsory for the private players to open 25% of new branches in the rural area. Interestingly, approximately 70% of population still resides in rural India and engaged on agriculture for livelihood. The rural India requires more branches of Banks and ATMs as the current situation is not acceptable. The rural customer has to wait for hours in the queue for banking transactions. It is enormous wastage of time and energy. Secondly, the agriculture sector gives employment to more or less 50 % of Indian population and that is why, RBI has asked private players to help priority sectors (Agriculture, small businesses and self-employed individual) through facilitating loans at reasonable rate of interest without creating complexities.

Challenges ahead for new bankers in rural markets of India:

The challenges for new private banks are gigantic but it is indeed an opportunity for them to go and set up branches and ATMs in rural India. The rural market is huge and growing; income is increasing

hence, the aspirations for better life, are going up. There is a demand for home loans, car loan and education loan etc. Even the rural customers are looking for availability of finance for luxurious items and household products. The new private banks can do a lot in the rural market with the suitable blend of marketing tools. The foremost, important task before the new banks is to establish contacts with rural customers and educate them about who they are (as a bank)? Why they are here (in banking industry)? How they can serve better (What is their core competency)? Such efforts will certainly enhance the brand visibility for the banks and change the perception of the rural customers. Rural customers still have their own reluctance to do anything with the private company, especially when it comes to the banking service. The RBI's responsibility has increased with the entry of more players but at the same time, new banks, if follow and maintain the true spirit of businesses, results are bound to come in the long run. At the end, all stakeholders would be benefitted.

A session on Entrepreneurship



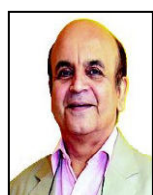
**Mr. Ulhas Dave and Mr. Harsh Dave,
Shraddha Associates (Guj) Pvt. Ltd.**



As an initiative by Prof. Kaushal Kishore, Entrepreneurship Lecture Series the first session was held on July 15, 2014. We had Mr. Ulhas Dave and Mr. Harsh Dave from Shraddha Associates (Guj) Pvt. Ltd. The first 45 minutes were presentation/story telling by the business heads and remaining 15 minutes was their interaction session with students. This industry exposure inspired the budding managers to give a thought on entrepreneurship endeavor as a robust career path.

The basic objective behind 'Entrepreneurship Lecture Series' is to sensitize all students to understand the issues, challenges and opportunities being an Entrepreneur.

Demystifying Budget 2014-15



**Mr. Amal Dhru
Director, Zillion Infrastructure Ltd**

To bridge the gap between theoretical and practical aspects of the curriculum, Corporate Interaction is extremely important. Recognizing this need, School of Petroleum Management strives to enhance industry interaction with students by inviting thought-leaders, entrepreneurs, executives and policy makers to address students. We are proud to share with you that we have been able to add to the list of our guest lecture series yet another enlightening session by Mr. Amal Datt Dhru, Director at Zillion Infrastructure Ltd, conducted on 14th July, 2014.

Mr. Dhru has a unique profile with twin qualification of being a CA as well as an MBA from

IIMA. He has been working as an independent director with various companies like Panchmahal Steel Ltd, FXB –Suraksha and Sirhind Steel Ltd. Having enriched experience in finance, his session on “Budget 2014-15” and helped the students explore the story behind colossal numbers.

The discussion started with how to read a budget, thereby discussing various financial terminologies like Revenue Budget, Capital Budget and Expenditure. He also spoke about the expectations that the union budget carries from different sections of the society. With a large number of announced schemes presented in previous budgets going unimplemented, the need to focus on the implementation of the schemes was discussed. The discussion also included a SWOT analysis of the Indian Economy and the current budget. He rightly concluded by stressing upon the need to focus on the manufacturing sector to have a strengthened economic environment.

Voice your opinions !

It is the wish and dream of every Indian that India runs a bullet train as early as possible. Indian Railways is on its way to fulfil that long cherished dream. We propose bullet trains by starting off with an already identified Mumbai-Ahmedabad sector.

- D.V. Sadananda Gowda, Railway Minister, India

India likely to get its first bullet train by 2022.

-Arunendra Kumar, Railway Board Chairman

The concept of Bullet trains is indeed very impressive but it has been not been found feasible in India.

- Nitish Kumar, Former Railway Minister

One Bullet Train Proposed. Many views followed.

Rs.60,000 crore introductory cost, 300 km per hour speed, safety measures, massive land allotment...

A lot to give a thought upon!

We asked SPMites their opinions on this. Here we present the best answers:

Kartikey Saxena, PGP 13:- The introduction of bullet trains is a welcome step by NDA government. As this concept has been mooted since 1980 and now it is need of the hour; BUT, is this concept feasible in India? Where the electricity board claims that they are left with only 7 days of coal to generate electricity and 25 major railway accidents have occurred since January 2009 (with trains running at half less the speed of genuine bullet trains). Moreover there is even the question about punctuality of Indian Railways. There is a lot to do to bridge the gap between planning and implementation to achieve vision of becoming a developed country which is supposed to be achieved by 2020. Hope for the best!

Deepak Thakkar, PGP 13:- Introducing high-speed bullet trains? Not at this moment, I think. Instead of investing huge resources to construct a relatively short stretch of track for a bullet train, there is a need to do many more things for the network throughout the country. Cleanliness and hygiene should improve inside trains, on platforms and along tracks. Safety standards, Punctuality, handrails on every staircase in every railway station, to ease luggage carrying, improving the conditions of tracks everywhere so that the general speed of trains can be increased; all these need to be done, and can be done. Without such general improvement, the bullet train project has little chance of success. The Indian Railways system is far below the standards that exist in countries that are pouring money into bullet trains. Let us first improve general standards and then consider the bullet train, if it would still be feasible. Those who need still higher speed can travel by air for now.

Apurva Mittal, PGP 14:- With Mr. Modi announcing a diamond quadrilateral of bullet trains to connect the four major cities, there has been a lot of debate regarding their feasibility in India. Many studies have been conducted for the Mumbai-Ahmedabad route which says that the costs for constructing such rail lines in India are estimated to be Rs 700-1000 million per km. Due to high cost, long route and operational challenges, it's not a smooth sail, but then that's the case with the whole world. The project should be built with a socio-economic perspective in mind and as proposed by Railway Minister Sadanand Gowda, FDI can be considered as an option. Once implemented people might actually like to shift towards bullet trains as it would save enormous amount of time and money.



Mridu Pavan Chakrabarty, PGP 14:- This year, the government has approved the high-speed rail corridor project between Mumbai and Ahmedabad, worth Rs. 60,000 crore. The Pre-feasibility study of High Speed Rail (HSR) by the railway board has been initiated and reports have been filed. Some of the organization that carried out this pre-feasibility test with the HSR are Systra (France), Italferr (Italy), and RITES (India). But for an organization that is synonymous with sluggish trains, bullet trains are nothing short of a leap into the future for the Indian Railways. Recently, Rajiv Ranjan Jaruhar who retired as member (engineering) of Railway Board in 2007 said that "The institution handling the high speed rail project must have an entirely different work culture, paradigm and philosophy".

The major challenges that High Speed Rail Corporation of India (the PSU that oversees the Indian Railway's infrastructure projects) will face are removal of speed restrictions, yard remodeling, fencing, improved signaling and easing of sharp curves.

The concept of using public transportation more can be made viable only if we deliver what our Indian passengers want most, comfortable low cost travel at a relatively shorter time.

Inauguration of 7th batch of PGDPM-X



7th batch of the Post Graduate Programme in Petroleum Management-Executive (PGDPM-X) at School of Petroleum Management was inaugurated on 4th of August 2014. Among others, the SPM faculty team, Programme Office staff, Dr. Hemant Trivedi; Director-SPM, Dr. Pramod Paliwal; Dean-SPM and Dr. Sudhir Yadav ; Chair-PGDPM-X were pre-

sent on the occasion.

Over the years the participant profile for this niche executive education programme at SPM has been enriching. At the same time this programme has also been witnessing participation from executives working abroad, particularly in Middle East and South East Asia.

Talk Energy!

Talk Energy is an initiative started by an alumnus of School of Petroleum Management, Pandit Deendayal Petroleum University. Currently sharing live feeds and tweets pertinent to Energy and Infrastructure sector, promoters at Talk Energy aims to launch a knowledge based web blog provid-



ing a platform to enthusiastic global columnists and students fraternity present their views, opinions and discussions stressing energy and infrastructure sector. Founding members, namely Tushar Shah, Devang Chandrate and Soumyadeep Maity hails from diversified background bringing substantial oil and gas sector exposure across

value chain assures their commitment to bring about awareness among the society in general towards one of the most significant sector in development of an economy i.e. Energy and Infrastructure.

The PossessAd Creative

Bhargav Bhatt, PGP 13

With every passing day in the college, I was inching towards discovering my true passion. Very soon I fell in love with branding and advertising which happened shortly after I attended a few sessions by Prof. Subrat Sahu and Prof. Pramod Paliwal. But, after going through the course structure, I realized that the content offered by the course wouldn't satisfy my ever-growing hunger. Thus began the exhaustive yet fun-filled exercise of collecting the best and brainy advertisements/campaigns from around the world through various content-rich websites like AdAge.com, AdFreak.com, etc. One fine day I shared a few of my collectibles with a bunch of friends, they loved them, and one thing led to another and the idea of sharing my personal favorites with all the marketing/branding/advertising enthusiasts struck me. Social media was the best tool at my disposal and thus began the journey of "The PossessAd Creative". It's not a 'phenomenon'; I don't even expect it to be. It is just a canvass showcasing my love for branding and advertising.



Welcome PGP 14

A little lilting music and the chink of ice, new faces, smiles all along, resounding laughter- yes, it is party time! Recently the management students of PGP-14 batch received an exhilarating fresher's party from the seniors at 'CYCLONE' discotheque, Ahmedabad, which saw the students manifest their dancing skills and burn the dance floor with lots of enthusiasm and excitement.

The party proved to be a rejuvenating experience from the hectic schedule of an MBA student. The juniors as well as the seniors were dressed in the best of their attire. With pulsating ambience and flashing lights, DJ Rakshit provided foot tapping music, and forced everyone to hit the dance floor. Amidst hit pop songs, trance and fusions to "OLD is GOLD" remixes, the students shimmied their way along the floor. The dancing was followed by flavorsome and appetizing food and delicious deserts. All in all, the fresher party proved to be a very happening event and a great occasion for students to intermingle with one another and with the seniors. The evening ended on a very jubilant note.





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