

No. Q29012/1/2004-E&S  
Government of India  
Ministry of Petroleum & Natural Gas

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Dated the 17th January, 2005

**Sub : Advisory Committee on Synergy in Energy**

The Government is committed to a strong and effective public sector whose social objectives are met by its commercial functioning. Thus it is desirable that successful profit-making public sector companies are strengthened while operating in a competitive environment. Government is also pursuing policies to enhance the energy security particularly in the area of oil.

2. While oil public sector undertakings do, by and large, fall in the category of successful profit-making companies, they are facing increasing competition from the private sector and the international sector, as much of the domestic oil economy is not only wide open to private and multi national entrants but is faced with the challenge of overseas investments in the hydrocarbon industry which are actively being encouraged. They have to undertake significant investment to meet the above requirements.

3. Oil public sector undertakings have a key role to play in facing competitive challenges, both domestically and internationally. There is need for the oil public sector undertakings to leverage their strengths in their respective areas of core competence to optimally fulfil the key role envisaged for them in promoting national objectives of energy security, accelerated growth rate and sustained economic development.

4. In consultation with oil public sector undertakings and opinion makers familiar with public sector, range of options for effectively achieving the above objectives have been evolved. These options need to be examined by experts to enable the government to formulate its view.

5. To this end it has been decided to establish an Advisory Committee comprising the following:-

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|-------|-----------------------|----------|
| (i)   | Shri V Krishnamurthy  | Chairman |
| (ii)  | Shri G K Arora        | Member   |
| (iii) | Shri B C Bora         | Member   |
| (iv)  | Dr. Vijay L Kelkar    | Member   |
| (v)   | Shri G V Ramakrishnan | Member   |
| (vi)  | Shri U Sundararajan   | Member   |

The Advisory Committee will be assisted by:-

- |     |   |   |           |
|-----|---|---|-----------|
| i)  | Shri S Vijayaraghavan,<br>Director, Petroleum Policy and Analysis Cell    | - | Convener  |
| ii) | Mrs. Aditi S Ray,<br>Joint Adviser, Ministry of Petroleum and Natural Gas | - | Secretary |

6. The terms of reference of the Committee are as follows:-

a) Examine the core competence of the public sector undertakings in the petroleum and natural gas sector of India to assess their competitiveness in the evolving domestic and international scenario.;

b) Analyze the various options of leveraging their strengths to optimally fulfil their required contribution to the national objectives of:

- i) Energy security;
- ii) Accelerated growth;
- iii) Sustained development; and
- iv) Social objectives of Government policy

c) Identify the most appropriate structure of the oil PSUs to secure these ends.

7. While making its recommendations, the Committee may take into consideration the industry structure, the impact of proposed changes on various stake holders and may consult oil Public Sector Undertakings, experts and other stake holders.

8. The Committee may finalise the Report within two months from the date of its constitution.

9. Petroleum Planning and Analysis Cell (PPAC) of the Ministry of Petroleum and Natural Gas would provide secretarial assistance and service the Committee.

(Aditi S Ray)  
Joint Adviser

To,

- (1) All members of the Advisory Committee
- (2) Secretary (P&NG)
- (3) Additional Secretary (MOP &NG)
- (4) JS&FA
- (5) PS to Minister
- (6) All Joint Secretaries/Directors/ Joint Advisers