

Oswal family failures outweighs fertiliser success

Sarah-Jane Tasker | *June 07, 2008*

PANKAJ Oswal, celebrated for his success with Burrup Fertilisers, is quick to declare his love for his father and just as quick to distance his own booming venture from Abhey Oswal's noted failures.

"My father is not involved, this is my baby. It will go to my children. He is on his own now, I don't interfere in his business and he doesn't come to my business.

"We have love -- father and son love -- but not business," the junior Oswal says.

Pankaj has warned The Australian against adverse reporting on his father "at this sensitive time", yet Pankaj's father was one of the guarantors of the \$US320 million turnkey contract won by Canadian outfit SNC.

This was explained in the January 2007 court finding during a legal dispute between Pankaj Oswal and his then business partner Vikas Rambal.

"Oswal Chemical and Fertilisers Ltd, a public company listed on the Delhi Stock Exchange, of which Oswal's father retains a controlling share, and Oswal personally, each provided a guarantee in favour of SNC to secure the performance of Paramount's and Galaxy's obligations under their respective subcontracts with SNC," court documents say.

It's not hard to dig into Oswal's past. A simple search on Google India reveals a long list of his questionable business decisions.

Most reports are not that favourable to what Oswal himself might describe as "aggressive" business moves.

He may appear to have unlimited passion for new ventures but none of Oswal's big plans seemed to have flourished to the extent he often predicted.

The Indian paper *Thelka* says the entrepreneur has been courting "one controversy after another" since he promoted Oswal Agro Group in 1981.

Also widely reported is that in February 1999, Income Tax authorities found a large amount of cash, shares and incriminating documents during search and seizure operations at the group's premises.

Digging a bit more, back in December 1990, the Enforcement Directorate arrested Oswal for alleged violations of the now repealed Foreign Exchange Regulation Act.

Son Pankaj told The Weekend Australian Magazine "my father is sitting with \$US2 billion in his cash account, so I would say he's doing very well," but also Abhey has seen his share of companies shut down.

Oswal Agro Group's flagship Oswal Chemical and Fertilisers has plunged into the red since 2001-02. Indian publication Business Today reports that since 1989 Oswal has either sold or shut down seven factories.

The group's Paradeep complex, a huge phosphate fertiliser plant, failed after an extremely questionable history, including the death of workers resulting from an explosion. During trial production from January 1, 2000, the complex suffered a series of explosions, fires and gas leakages, resulting in the death of eight workers and injuries to 58 others.

The Paradeep project was also damaged in the 1999 Orissa cyclone, when it was nearing completion.

Pankaj's Burrup firm also hit an environmental bump on its road to success, in the form of an ammonia spill in 2006 -- such a spill can kill wildlife and make humans sick or even die. It was claimed the mishap was due to poor management of the plant.

Indian newspaper Theleka also claims shareholders' fingers were burnt in other companies of Oswal Agro Group. Oswal Agro Furane Limited has been under liquidation under a high court order dated May 4, 2001.

For Pankaj it may be a "sensitive time" for his fathers' business past to be aired but Abhey's long list of failures easily outnumber his son's success.