
Mittal and ONGC to wind up trading and shipping JV

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Steel tycoon Lakshmi N Mittal and the Oil and Natural Gas Corporation have decided to wind up oil and gas trading firm they had set up four years ago as the joint venture has failed to take off, allegedly due to lack of interest from the state run firm.

ONGC and Mittal had in July 2005 come together to form two joint ventures ONGC Mittal Energy Ltd and ONGC Mittal Energy Services Ltd. While OMEL picked up a handful of exploration blocks, OMESL set up for trading and shipping of hydrocarbons, existed only on paper.

Sources said that the company which had barely any employee on its role since Mr SK Sharma quit as the CEO in September 2008 will be first converted into a 100% subsidiary of OMEL and then merged with it.

A top official at the joint venture, who wished not to be identified, confirmed the decision. The sources said that Mr Mittal had never been happy with the progress at OMESL.

Apparently, ONGC, after the exit of its CMD Mr Subir Raha was not keen on trading and shipping of oil and gas. The state run upstream firm had not even contributed its share of capital and the company survived only on Mr Mittal's contribution.

(Sourced from Business Line)

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