

Global Infrastructure picks up majority stake in oil storage firm via venture

Bureau

Mumbai, Oct 24

Global Infrastructure Partners (GIP), a private equity fund initiated by Credit Suisse and General Electric, has taken a 74% stake, through a joint venture with Zeus Inframanagement, in East India Petroleum Ltd (EIPL) for an undisclosed amount. The company is in the business of storage tanks for petroleum, oil and lubricants, petrochemicals and biodiesel.

Based in Visakhapatnam, EIPL currently has around 12 storage tanks with a total capacity of 74,000 kilolitres and three storage spheres for liquefied petroleum gas with a total capacity of 8,400 metric tonne. The facility's location allows ships to of-



flood oil products and LPG directly into pipelines and transport them to the storage facility. EIPL handles all of the petroleum and lubricant storage market at the Visakhapatnam port, the largest in India.

Speaking *FE*, Raj Rao, principal with GIP says, "We believe that there is significant growth in infrastructure projects in In-

dia and especially so in the energy and transportation businesses. Hence we have taken this decision to invest in a majority stake". The intention is to grow the business in Visakhapatnam and also look at setting up units all over the country. "Since we invest in infrastructure we are here for the long haul and will be looking at growing the business

till that time", Rao adds.

While not disclosing the exact fund size Rao mentioned that GIP was initiated with around a billion dollars in funds and will be looking at investing in businesses in the energy, transportation and water sectors. This would also include power generation, transmission of gas, storage and pipelines.

Shaurya Doval, director with Zeus Inframanagement, a partner in the joint venture that picked up stake in EIPL believes that having stable management with execution capabilities can be an impediment for private equity companies investing in Indian infrastructure and that EIPL presented such an opportunity.