

GIP picks 74% stake in East India Petroleum

Our Bureau

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London-based Global Infrastructure Partners, a private equity firm, sees a wide market for private-owned oil and gas storage facility in India.

GIP has, through a joint venture with Delhi-based private equity investor Zeus Inframanagement, acquired a 74 per cent stake in East India Petroleum Ltd, which is a privately owned liquid storage services provider for petroleum, oil and lubricant products, petrochemicals, liquefied petroleum gas and biodiesel at Visakhapatnam.

The financial terms of the transaction were not disclosed. GIP holds an 80 per cent equity stake in the joint venture with Zeus. Credit Suisse and General Electric are the founding investors of GIP.

DEREGULATION

Mr Raj Rao, Principal, Global Infrastructure Partners, said looking ahead deregulation in the oil and chemical segment was bound to happen and open up immense potential for such storage facilities in India. "One is deregulation and the other is the growth of the market, which will bring about private participation as in the West," he said.

Mr Adebayo Ogunlesi, Chairman and Managing Partner of Global Infrastructure Management, LLC, said, "EPIL has significant opportunities for growth as energy consumption increases in India and the country builds storage capacity in line with global capacity levels."

Mr Krishna V. Tatineni, Managing Director, Zeus Inframanagement Pvt Ltd, said, "Zeus is now geared up to help lead the partnership capitalise on future growth in the Indian energy infrastructure sector."

The EIPL facility, they said includes twelve storage tanks for petroleum, oil and lubricant products, petrochemicals and biodiesel with a total capacity of 74,000 kilolitres, and three storage spheres for liquefied petroleum gas with a total capacity of 8,400 tonnes. The facility's location enables ships to offload oil products and liquefied petroleum gas directly into pipelines that are connected to it. EIPL currently handles 100 per cent of the petroleum, oil and lubricant products market at Visakhapatnam.