



# Gail to Invest in Petrochemical Unit in Madhya Pradesh

## Why in News?

According to the sources, state-run gas supplier [Gail \(India\)](#) plans to invest up to Rs 50,000 crore to establish a **1.5 million tonnes per annum (MTPA) ethane** cracking unit at **Sehore, Madhya Pradesh**.

## Key Points

- The new **facility aims to meet** the huge **domestic demand for petrochemicals**, which is projected to nearly triple to USD 1 trillion by 2040.
  - **Ethane**, a natural gas component, is cracked into **ethylene**, a **crucial input for producing plastics, adhesives, synthetic rubber, and other petrochemicals**.
- Currently, **Reliance Industries** is the **only Indian entity importing 1.5 MTPA of ethane** for its crackers in Dahej, Hazira (Gujarat), and Nagothane (Maharashtra).
- **Gail's new ethane cracker** will almost **double its existing 810 thousand tonnes per annum (KTA)** petrochemical facility at **Pata near Kanpur, Uttar Pradesh**.
  - **Global engineering consultant Engineers India Ltd** is preparing the detailed feasibility report for the project, which is expected to be operational in the next 5-6 years.
- Initially, Gail considered setting up the new facility in Maharashtra's Aurangabad or Dabhol, near its 5 MTPA liquefied natural gas plant, but later decided on Madhya Pradesh.

## GAIL (India) Limited

- It is an **Indian state-owned energy corporation** with primary interests in the trade, **transmission and production distribution of natural gas**.
- It was founded as the Gas Authority of India Ltd. in August **1984** under the Ministry of Petroleum and Natural Gas to build, operate and maintain the HVJ Gas Pipeline.
- On 1 February 2013, the Indian government conferred GAIL with **Maharatna status** along with 11 other **Public Sector Undertakings (PSUs)**.