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## India's top oil explorer may set up refinery in Uttar Pradesh

By Rakesh Sharma, Bloomberg Last Updated: Sep 03, 2024, 04:37:00 PM IST

### Synopsis

India's Oil and Natural Gas Corp. is planning a multibillion-dollar refinery and petrochemical project in Uttar Pradesh to meet growing fuel demand. The 9-million-ton-a-year project could cost over \$8.3 billion. ONGC has discussed collaborating with Bharat Petroleum Corp., which owns land in Prayagraj, potentially expediting the process.



Agencies

India's [Oil and Natural Gas Corp.](#) is considering setting up a multibillion dollar refinery and petrochemical project in the nation's most populous state to bolster its business as fuel demand expands.

The New Delhi-based company — India's largest crude explorer — is looking at a 9-million-ton-a-year project in [Uttar Pradesh](#) that could cost more than 700 billion rupees (\$8.3 billion), according to the four people familiar with the matter, who declined to be identified as the talks are not public. [ONGC](#) has held talks with [Bharat Petroleum Corp, Ltd.](#) to set up the unit in the city of Prayagraj as the

state-owned refiner holds a parcel of land there, they said.

India's is one of the world's fastest-growing major economies, with surging crude and petrochemicals consumption, even as renewable-energy capacity gets built out. As it's common in the country for big-ticket infrastructure and commercial projects to face delays given the slow process of land acquisition, the potential access to BPCL's holdings may prove to be an advantage.

BPCL itself has been considering setting up a refining and petrochemical unit, either in the coastal state of Andhra Pradesh or Uttar Pradesh, two of the people said. The company, which has hired a US-based consultant for a siting study, favors Andhra Pradesh as the state has promised incentives, they said.

Spokespeople at BPCL and ONGC didn't immediately reply to emails seeking comment.

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