



THE ASSAM GAZETTE

অসাধাৰণ

EXTRAORDINARY

প্ৰাপ্ত কৰ্তৃত্ব দ্বাৰা প্ৰকাশিত

PUBLISHED BY THE AUTHORITY

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GOVERNMENT OF ASSAM
ORDERS BY THE GOVERNOR
INDUSTRIES, COMMERCE AND PUBLIC ENTERPRISE DEPARTMENT

NOTIFICATION

The 21st August, 2026

No. eCF. 834129/1.- In the interest of public service, the Governor of Assam is pleased to notify the Assam Hydrocarbon Exploration, Production and Upstream Ecosystem Development Policy, 2026. The Policy shall come into effect on 21st August 2026, i.e. the date of notification in the official gazette; and shall remain in force for a period of 10 (ten) years from the date of notification, unless modified, superseded or withdrawn earlier by the Government.

1. CHAPTER- I PRELIMINARY

1.1 Title

This Policy shall be called the "Assam Hydrocarbon Exploration, Production and Upstream Ecosystem Development Policy, 2026" (hereinafter referred to as the "Policy").

1.2 Commencement

It shall come into force from the date of its publication in the Official Gazette of Assam.

1.3 Tenure

It shall remain in force for a period of 10 (ten) years, unless modified, superseded or withdrawn earlier by the Government:

Provided that any incentive or benefit validly sanctioned under this Policy prior to its expiry, amendment, supersession or withdrawal shall continue to be available for the period for which it was sanctioned, subject to compliance with the terms of sanction and availability of budgetary provision.

1.4 Applicability

This Policy shall apply to the entities and activities specified in Chapter II.

1.5 Administrative Department

The Administrative Department for this Policy shall be the Industries, Commerce and Public Enterprises Department, Government of Assam, or such other department as may be notified by the Government from time to time. Such notification shall not affect any sanction, approval or commitment issued prior thereto.

1.6 Relationship with Central Laws

The provisions of this Policy shall supplement, and not derogate from, the provisions of the applicable Acts, Rules, Regulations and Policies of the Government of India governing petroleum and natural gas exploration and production. In the event of any inconsistency, the applicable Central legislation shall prevail to the extent of such inconsistency.

1.7 Guidelines

The Administrative Department shall notify operational guidelines, application forms, service standards, claim procedures, verification protocols and accounting instructions for the implementation of this Policy ordinarily within sixty days of its commencement.

2. CHAPTER- II VISION, MISSION & SCOPE

2.1 Preamble and rationale

Assam occupies a unique position in the history of India's petroleum industry, being home to the country's oldest producing oilfield and one of its most significant hydrocarbon basins. The State continues to contribute substantially to the nation's crude oil and natural gas production and possesses considerable untapped hydrocarbon potential across conventional and unconventional resources.

With the growing national emphasis on enhancing domestic energy security, increasing exploration intensity, reducing dependence on imported hydrocarbons and promoting advanced upstream technologies, Assam is well positioned to emerge as India's preferred destination for hydrocarbon exploration and production.

The Government of Assam recognizes that sustainable development of the hydrocarbon sector requires not only increased exploration and production activities but also the creation of a comprehensive upstream ecosystem encompassing oilfield services, equipment manufacturing, technology development, research and innovation, skilled manpower, logistics infrastructure and environmental stewardship.

Accordingly, the Government of Assam hereby notifies the Assam Hydrocarbon Exploration, Production and Upstream Ecosystem Development Policy, 2026, to provide a facilitative, transparent and investor-friendly framework for accelerating hydrocarbon development while ensuring environmental sustainability, social responsibility and inclusive economic growth.

3. Vision, Mission and Objectives

3.1 Vision

To establish Assam as India's leading hydrocarbon exploration and upstream energy hub by fostering a globally competitive ecosystem for exploration, production, technology, manufacturing, innovation and skilled manpower, thereby contributing to India's energy security, economic development and sustainable industrial growth.

3.2 Mission

To reduce avoidable State level delays; support responsible field development and recovery enhancement; expand gas utilisation; build local suppliers and skills; improve emergency readiness and legacy well management; and link fiscal support to measurable investment, output, employment, local procurement and environmental performance.

3.3 Objectives

The objectives of this Policy shall include:

- Facilitate exploration, appraisal, development, production, recovery enhancement and revival of non-producing assets.
- Provide a single, transparent and digitally monitored interface for State-level processes.
- Develop external and common infrastructure required by multiple operators and host communities.
- Encourage genuine field-level incremental production without altering Central royalty or contract terms.
- Increase utilisation of natural gas within the State and progressively reduce routine flaring.
- Create a competitive Assam-based ecosystem for equipment, fabrication, testing, maintenance, logistics, digital and specialised services.

- Expand skilled employment and structured partnerships with universities, technical institutes and industrial training institutes.
- Strengthen safety, emergency response, environmental management, well integrity and site restoration.
- Provide a transparent mechanism for applying a portion of State petroleum revenue in producing districts.
- Maintain fiscal discipline through annual ceilings, project capping, verification and audit.

4. Scope & Coverage, Application and Legal Position

4.1 General Scope

This Policy shall apply to onshore upstream petroleum activities and associated upstream ecosystem development within the State of Assam.

4.2 Activities covered

4.2.1 Exploration and appraisal activities

Reconnaissance, where permitted under applicable law; geological, geophysical, geochemical and seismic surveys; seismic acquisition, processing and interpretation; exploration and appraisal drilling; well completion and well testing; and other exploration and appraisal activities.

4.2.2 Field development, production and recovery

Field development, including infill drilling and facility augmentation; production of crude oil, natural gas and condensate; field-level processing, treatment and stabilisation; gathering and storage incidental to production; Enhanced Oil Recovery (EOR), Improved Oil Recovery (IOR), reservoir management interventions; well intervention, workover and artificial lift systems; revival of suspended, abandoned or non-producing wells; decommissioning; and site restoration.

4.2.3 Oilfield and upstream services

Drilling services; reservoir, drilling and production engineering; well completion, wireline, cementing, directional drilling and other specialised well services; oilfield chemicals; hydraulic fracturing, where permitted under applicable law; inspection, testing and certification; digital oilfield services; and other specialised upstream engineering and technical services.

4.2.4 Processing, gathering and common infrastructure

Gathering stations; gas-processing facilities; compression, dehydration and metering facilities; upstream pipelines; storage incidental to production; logistics, warehousing and supply bases; testing, calibration and emergency-response infrastructure; communication systems; digital infrastructure; and other approved common-user infrastructure.

4.2.5 Manufacturing, innovation and human capital specified in clause 4.4.**4.3 Licensing and contractual matters**

Nothing contained in this Policy shall be construed as altering or affecting the grant, renewal, extension, relinquishment, administration, terms and conditions, fiscal regime, stability or enforcement of any petroleum exploration licence, petroleum lease or petroleum mining lease; any Production Sharing Contract (PSC), Revenue Sharing Contract (RSC) or other contractual arrangement executed by or on behalf of the Government of India; marketing and pricing freedom; royalty, cess or any other statutory levy; or any matter falling within the legislative or executive competence of Parliament or the Central Government.

For the avoidance of doubt, nothing in this Policy shall be construed as creating, modifying or enlarging any entitlement of the State Government to Profit Petroleum, Government Revenue Share or any other revenue arising under a petroleum contract executed by or on behalf of the Government of India.

The role of the State Government under this Policy shall be confined to matters within its constitutional and statutory competence, including State-level facilitation, land administration, recommendations, coordination and other functions assigned under applicable Central law. Processing of petroleum leases, licences and related matters requiring action or recommendation by the State Government shall continue to be undertaken strictly in accordance with the applicable Central laws, rules, policies and guidelines.

4.4 State fields of operation

The Policy operates through State land administration, State level permissions and recommendations, district coordination, State taxation and budgetary support, industrial and skill development, external infrastructure, emergency and disaster coordination, community development and application of State revenue.

4.5 Territorial application

The Policy applies to projects and activities located wholly or partly within Assam. For cross-border reservoirs, pipelines, facilities or unitisation, the State shall coordinate with the Central Government and the neighbouring State concerned.

4.6 Exclusions

Retail petroleum marketing, refinery incentives, city gas distribution authorisation, standalone downstream petrochemicals and power generation shall be governed by their respective laws and policies, unless a project component is expressly admitted as common or associated upstream infrastructure under this Policy.

5. Definitions

Unless the context otherwise requires, the following expressions shall have the meanings assigned to them below:—

- (a) **“Administrative Department”** means the Department of Industries, Commerce & Public Enterprises, Government of Assam, or such department as may be notified;
- (b) **“Annual Commitment Ceiling”** means the maximum aggregate financial commitment that may be sanctioned during a financial year under an incentive or scheme under this Policy, as determined by the Finance Department from time to time;
- (c) **“Applicable Laws”** means all Central and State Acts, rules, regulations, notifications and policies for the time being in force applicable to the matter in question;
- (d) **“Associated Infrastructure”** means gathering systems, flowlines, field-processing facilities, testing facilities, storage incidental to production, pumping stations, compression facilities, access roads, bridges, power supply, water supply, communication systems, logistics facilities, emergency response facilities and other infrastructure primarily required for upstream petroleum operations, but shall not include refineries, retail outlets or general downstream distribution infrastructure;
- (e) **“Council Area”** means an area administered by an autonomous council under the Sixth Schedule to the Constitution of India;
- (f) **“Direct Employment”** means persons employed on the payroll of an Eligible Project and covered by applicable statutory social-security records, excluding casual labour, contractual manpower and seasonal workers below the minimum continuous period specified in the Operational Guidelines;
- (g) **“Ecosystem Project”** means an equipment, manufacturing, fabrication, calibration, inspection, certification, repair, testing, maintenance, logistics, service, digital, research or training project which is principally established to supply goods or services to upstream petroleum operations or Eligible Projects, as may be specified in the Operational Guidelines;
- (h) **“Eligible Fixed Capital Investment”** or “EFCI” means the verified capital expenditure incurred on eligible assets and facilities directly attributable to an Eligible Project and admitted under this Policy, excluding land cost, working capital, expenditure not finally borne by the Eligible Project, expenditure funded by another Government grant or subsidy to the extent of such funding, and such other expenditure as may be specified as ineligible under this Policy or the Operational Guidelines.

The categories of eligible assets and facilities, the treatment of common or shared facilities, the manner of verification and valuation, and the detailed criteria for determining eligible and ineligible expenditure shall be specified in the Operational Guidelines;

- (i) **“Eligible Project”** means a new upstream project undertaken for production of crude oil or natural gas, or a Well Revival Project undertaken for revival or reactivation of a well for production of crude oil or natural gas, admitted under this Policy by the Sanctioning Committee and in respect of which an Eligibility Certificate has been issued;
- (j) **“Field”** means an oil or gas field, discovery, development area or production area recognised by the Directorate General of Hydrocarbons or the competent Central authority;
- (k) **“Hydrocarbon Facilitation Cell”** or “HFC” means the dedicated cell constituted under Chapter 7;
- (l) **“Local Enterprise”** means an enterprise having a registered place of business and substantial operations in Assam, as further specified in the Operational Guidelines. Registration alone shall not be sufficient where the enterprise lacks substantive operations in the State;
- (m) **“Nodal Agency”** means the Commissioner of Industries & Commerce, Assam, or such directorate, agency or authority as the Administrative Department may notify;
- (n) **“Operator”** means a person authorised under a petroleum lease, legacy licence or lease, nomination, production-sharing contract, revenue-sharing contract or other Central authorisation to undertake upstream petroleum operations in Assam;
- (o) **“Project Commencement Date”** means the date specified as such in the Eligibility Certificate, having regard to the nature of the Eligible Project and the applicable incentive under this Policy;
- (p) **“Sanctioning Committee”** means the committee constituted under Chapter 7;
- (q) **“Strategic Project”** means a project of exceptional importance for production, supply-chain capability, technology, common infrastructure or employment and approved as such by the State Government;
- (r) **“Third Party Access”** means access to common infrastructure on transparent, reasonable and non-discriminatory terms, subject to available capacity, safety, technical compatibility and Applicable Laws;
- (s) **“Well Revival Project”** means the reactivation, recommissioning, workover, recompletion or requalification of a well recorded in the inventory maintained as abandoned, suspended or non-producing, resulting in commercial production of crude oil or natural gas, where the well has remained continuously abandoned, suspended or non-producing for a continuous period of not less than 3 (three) years immediately preceding the date of application, as certified by the Directorate General of Hydrocarbons or such other authority as the

Government may specify;

A well shall not be treated as a Well Revival Project where—

- (a) the Operator, as on the date the well became non-producing, held an approved work programme, firm commitment or contractual obligation to revive or restore production of that well within a defined period; or
- (b) the well remained non-producing wholly or partly on account of unresolved safety, integrity or environmental non-compliance, unless and until the Operator has first remedied such non-compliance at its own cost, in which case the period during which the non-compliance subsisted shall be excluded in computing the periods specified in this clause.

Explanation 1.— The continuity of the non-producing period shall not be treated as broken by short-term testing, well-integrity inspection or safety intervention not resulting in commercial production.

Explanation 2.— A sidetrack, deepening or recompletion of a well otherwise satisfying this clause shall qualify only where certified, in accordance with the Petroleum Resource Management System standard, to result in reserves accretion.

Explanation 3.— No well shall be treated as a Well Revival Project where the Directorate General of Hydrocarbons, or such other certifying authority, determines that the well was rendered non-producing primarily to access a benefit under this Policy, having regard to well-integrity records, production history and reservoir data at the time production ceased.

- (t) **Words and expressions not defined.**— Words and expressions used but not defined in this Policy shall, unless the context otherwise requires, have the meanings respectively assigned to them under the Applicable Laws. Technical, engineering and petroleum-industry expressions not so defined shall, where relevant, be construed in accordance with the terminology generally accepted by the Ministry of Petroleum and Natural Gas, the Directorate General of Hydrocarbons or applicable recognised technical standards.

6. Project Categories

6.1 Projects covered by this Policy may fall within one or more of the following categories:

- (i) **Category A: Core upstream projects:** exploration, appraisal, development and production of crude oil, natural gas or condensate, including field-level processing and other upstream activities directly associated therewith.
- (ii) **Category B: Common and associated infrastructure:** common-user roads, bridges, gathering or evacuation facilities, water, power, storage, testing, logistics and communications.
- (iii) **Category C: Oilfield Services, Engineering and Logistics:** drilling and well services, geophysical and reservoir services, maintenance,

laboratories, inspection, warehousing and specialised transport.

- (iv) **Category D: Upstream manufacturing and fabrication:** equipment, components, tubulars, valves, control systems, fabrication yards, repair and testing facilities.
- (v) **Category E: Research, innovation, digital, low carbon technologies:** methane measurement, flare recovery, automation, artificial intelligence, digital twins, reservoir analytics, robotics, remote operations, renewable integration, carbon management and demonstration projects.
- (vi) **Category F: Skills, institutions & human capital :** training centres, centres of excellence, laboratories and academic-industry programmes directly linked to the upstream sector:

Provided that classification of a project under any Category shall not, by itself, make the project eligible for fiscal support. Fiscal incentives shall be available only to the extent expressly provided under Chapter 16 and subject to the eligibility conditions specified therein.

Where a project comprises activities falling under more than one Category, the constituent activities or components may be separately identified for the purposes of determining eligibility and admissibility of incentives, in accordance with the applicable provisions of this Policy and the Operational Guidelines. The Sanctioning Committee may, where necessary, determine the principal Category of the project for administrative classification.

6.2 Minimum eligibility

An applicant seeking admission under this Policy shall—

- a) be legally constituted and authorised to undertake the proposed activity;
- b) possess, or demonstrate access to, the technical and financial capability necessary for implementation of the proposed project;
- c) have no material disqualifying default under Applicable Laws; and
- d) submit a time-bound project implementation plan in such form and manner as may be specified in the Operational Guidelines.

In the case of a Core Upstream Project, the applicant shall hold, or be duly authorised under, the relevant petroleum lease, licence, contract or other authorisation under Applicable Laws.

6.3 Project admission

The Sanctioning Committee shall, having regard to the provisions of this Policy and the applicable Operational Guidelines, determine whether the proposed project satisfies the specified eligibility and investment conditions and whether the proposed project is likely to result in additional investment, production and additional royalty generation, productive capacity, technological capability, employment, local value addition, environmental improvement or creation of infrastructure relevant to the objectives of this Policy.

The admission of a project under this clause shall not, by itself, confer entitlement to any particular fiscal incentive, which shall be governed by the

specific provisions applicable to such incentive.

6.4 Excluded projects and expenditure

The following shall not be eligible for admission or for incentives under this Policy, to the extent specified in the relevant provisions of this Policy and the Operational Guidelines:

- a) projects or expenditure expressly excluded in this Policy or Operational Guidelines;
- b) expenditure on routine maintenance, repair or replacement of existing assets which does not result in additional productive capacity, improved performance or other qualifying outcomes specified under this Policy;
- c) expenditure relating to land speculation, trading-only activities or activities not substantially connected with the objectives of this Policy; and
- d) projects in material and continuing statutory default, subject to such exceptions or cure periods as may be specified.

6.5 Special packages

Strategic Project may, having regard to its exceptional importance for investment, production, supply-chain capability, technology, common infrastructure or employment, be considered for a customised incentive package, subject to approval by the State Cabinet on the recommendation of the Sanctioning Committee and supported by a quantified economic, fiscal and financial appraisal:

Provided that no applicant shall have a right or vested entitlement to a customised package under this clause, and any such package shall be subject to the Applicable Laws, availability of budgetary resources and such conditions, ceilings and safeguards as may be specified in the approval.

7. Institutional Framework

7.1 Administrative Department

The Department of Industries, Commerce & Public Enterprises shall be the Administrative Department for this Policy and shall be responsible for overall policy administration, coordination with the Central Government and concerned State Departments, issuance of Operational Guidelines, securing budgetary provision, and review of the implementation and outcomes of the Policy

7.2 Hydrocarbon Facilitation Cell

A dedicated HFC shall be established within the Administrative Department, being the Department of Industries, Commerce & Public Enterprises with technical secretariat support from the Directorate of Geology & Mining. It shall include officers or designated representatives from Mines & Minerals, Revenue and Disaster Management, Environment and Forest, Finance, Power, Public Works, and such other authorities as may be considered necessary.

The HFC shall function as the single-window facilitation and coordination

mechanism for projects under this Policy and shall—

- a) coordinate State-level approvals, permissions, infrastructure and utility requirements relating to Eligible Projects;
- b) facilitate resolution of inter-departmental, district-level and other implementation issues;
- c) coordinate, wherever necessary, with the concerned autonomous council or other competent authority in matters falling within its jurisdiction;
- d) maintain a digital project tracker and monitor the implementation of approved projects;
- e) facilitate coordination among project proponents, State departments, district administrations, autonomous councils and other concerned authorities; and
- f) facilitate periodic interaction with operators, upstream service providers, Local Enterprises, financial institutions, academic institutions and skill agencies for identification of investment, procurement, technology and skill-development opportunities;

Provided that the HFC shall not exercise or substitute any statutory power, approval, consent or regulatory function vested in any department, authority or autonomous council under Applicable Laws.

7.3 Nodal Agency

The Commissioner of Industries & Commerce, Assam, or such directorate or agency as may be notified by the Administrative Department, shall be the Nodal Agency for administration of investment proposals and fiscal incentives under this Policy and shall—

- a) receive and scrutinise applications for admission of projects and grant of incentives;
- b) conduct completeness checks and seek such information and documents as may be necessary for appraisal;
- c) coordinate technical, financial, legal and other appraisal of proposals;
- d) obtain, wherever required, technical or other certification from the Directorate General of Hydrocarbons, Directorate of Geology & Mining, other competent Central or State authorities, recognised technical institutions or independent experts, as appropriate to the nature of the matter;
- e) in coordination with the Mines & Minerals Department and the Revenue and Disaster Management Department, reconcile production and royalty information required for the administration of this Policy, and the concerned departments shall furnish certified production and royalty data to the Nodal Agency within sixty days of the close of each financial year. Such reconciliation shall be undertaken on the basis of the production and royalty assessment made in accordance with the Applicable Central Laws and shall not constitute an independent determination or alteration of the statutory rate or basis of royalty.

- f) place eligible proposals, together with its recommendations, before the Sanctioning Committee;
- g) process claims and determine the amount of incentive admissible in accordance with this Policy, the Eligibility Certificate and applicable Operational Guidelines and maintain records relating to project admission, Eligibility Certificates, sanctioned incentives, disbursements and compliance;
- h) monitor compliance with the conditions attached to Eligibility Certificates and sanctioned incentives;
- i) maintain the digital project and incentive tracker; and
- j) provide secretariat support to the Sanctioning Committee:

Provided that specialised technical appraisal or certification may be obtained by the Nodal Agency, wherever necessary, from the competent authority appropriate to the nature of the technical or operational outcome sought to be established.

7.4 Hydrocarbon Project Monitoring Committee

A Hydrocarbon Project Monitoring Committee, chaired by the Chief Secretary, shall be constituted to provide high-level oversight of implementation of the Policy.

The Committee shall meet at least once every quarter, or as and when considered necessary, to—

- a) review the overall implementation and performance of the Policy;
- b) consider and resolve significant inter-departmental bottlenecks affecting implementation and requiring high-level intervention;
- c) review the progress of major and Strategic Projects;
- d) review delays in State-level approvals, facilitation and infrastructure support;
- e) review the investment, production, employment, fiscal exposure and other developmental outcomes of the Policy; and
- f) consider such other matters as may be referred to it by the Government.

The composition of the Committee shall be specified Operational Guidelines.

7.5 Sanctioning Committee

A Sanctioning Committee, chaired by the senior-most Secretary of the Administrative Department and comprising representatives of the Finance Department, Mines & Minerals Department, Revenue and Disaster Management Department and the Nodal Agency, shall—

- a) consider applications for admission of Eligible Projects;
- b) determine eligibility in accordance with the provisions of this Policy and the Operational Guidelines;
- c) issue or recommend issuance of Eligibility Certificates, as may be specified;

- d) sanction fiscal incentives within the delegated financial powers of the Committee; and
- e) consider such other matters relating to project eligibility and incentives as may be referred to it under this Policy.

Any proposal involving—

- (i) Fixed Capital Investment of ₹100 crore and above;
- (ii) declaration of a project as a Strategic Project; or
- (iii) any relaxation having material fiscal implications, shall require approval of the State Cabinet.

7.6 Role of Mines & Minerals Department

The **Mines & Minerals Department** shall continue to exercise the functions and powers vested in it under applicable laws in relation to petroleum leases, legacy licences, production, royalty and other upstream petroleum matters falling within the statutory competence of the State Government.

The Department shall provide to the Nodal Agency such certified production, royalty and other information as may be required for the administration of fiscal incentives under this Policy:

Provided that nothing in this Policy shall be construed as conferring upon the Nodal Agency or any committee constituted under this Policy any power or function vested by law in the Mines & Minerals Department or any Central Government authority.

- 7.7 The Operational Guidelines may prescribe the composition, functions, powers, responsibilities and procedures of the Committees and other institutional mechanisms under this Policy, including such other matters as may be necessary for their effective functioning.

8. Single Window Facilitation and Time bound State Processes

8.1 Integrated single window

All State-level applications and project issues under this Policy shall, to the extent practicable, be routed through or digitally integrated with the existing State single-window platform.

8.2 Project registration and nodal officer

The Nodal Agency shall acknowledge an application within three working days, undertake a prima facie completeness check within fifteen working days, and appoint a project nodal officer within three working days after the application is accepted as complete.

8.3 Service standards

State authorities shall process complete applications within the service standards specified in the Operational Guidelines. The overall State-side facilitation period should not ordinarily exceed 120 days and shall not exceed 180 days, excluding time attributable to the applicant, litigation, statutory consultation or consent, or a Central authority.

8.4 Deemed approval and escalation

Deemed approval shall apply only where expressly authorised by the governing statute or a valid State notification. It shall not apply to environmental, forest, wildlife, pollution control, land title, safety, fire, disaster, tribal rights, Council Area or community consent matters.

In all other cases of delay, the default consequence shall be escalation and not deemed approval.

8.5 Central approvals

For a complete proposal requiring Central approval, the State department concerned shall issue its recommendation or comments within thirty days or the statutory period, whichever applies, and the HFC shall track the matter with the relevant Central authority. Nothing in this clause shall be construed as specifying or limiting the time within which the Central authority is required to take a decision under Applicable Laws.

8.6 Parallel processing

Departments shall process independent approvals in parallel and shall not require sequential submission unless a prior approval is legally necessary.

8.7 Deficiency memorandum

A department shall issue a single consolidated deficiency memorandum within the initial scrutiny period. Repeated requests for information already submitted shall be recorded in the project tracker and reviewed by the HFC.

8.8 Escalation

An unresolved matter may be escalated by the project nodal officer to the Secretary concerned after expiry of the applicable service standard and thereafter to the competent monitoring and coordination committee constituted under this Policy.

Urgent safety-critical or production-critical matters may be escalated immediately.

9. Land, Right-of-Way and External Infrastructure**9.1 Land facilitation**

The State may facilitate government land, negotiated private land, temporary occupation, lease or acquisition for eligible purposes in accordance with Applicable Laws. Such facilitation shall not dilute title verification, compensation, rehabilitation, resettlement, forest rights, customary rights or Council-Area requirements.

For the avoidance of doubt, facilitation or support under this Chapter shall not by itself constitute or confer any fiscal incentive under this Policy. Fiscal incentives shall be governed exclusively by Chapter 16 and the conditions specified therein.

9.2 Priority use of brownfield and existing corridors

Applicants shall, to the extent practicable, first examine existing leases, brownfield sites, established industrial areas and existing road, pipeline, power and utility corridors before seeking new land or linear alignments.

9.3 Sensitive land restrictions

No fiscal incentive under this Policy shall be admissible in respect of a project located within a notified eco-sensitive zone or notified wetland, or on land held under a tea-garden grant, unless the competent authority has confirmed legal permissibility under Applicable Laws.

Land facilitation shall not be undertaken in such areas except in accordance with Applicable Laws and the decision of the competent authority.

In a Council Area, the concurrence of the autonomous council shall be obtained wherever required under Applicable Laws.

9.4 Right-of-way and right-of-use

The State shall coordinate surveys, land records, district interface, road-crossing and utility permissions for pipelines and other linear infrastructure. Acquisition of right-of-use under Central legislation shall proceed only through the competent authority and in accordance with Applicable Laws and the applicable procedure.

9.5 External infrastructure

The State may facilitate or, subject to availability of funds and applicable Government procedures, provide support for external or common infrastructure up to the project boundary, including access roads, bridges, culverts, drainage, power connectivity, water, communications, common testing, logistics and emergency facilities.

Internal project infrastructure shall ordinarily be borne by the applicant.

Any fiscal incentive claimed in respect of Eligible Fixed Capital Investment shall be governed exclusively by Chapter 16.

9.6 Common-user principle

Infrastructure supported as common infrastructure shall, wherever appropriate, provide third-party access and may serve nearby communities where technically and legally feasible.

The sanction shall specify, as applicable, ownership, operation, maintenance, tariff or user-charge principles, access conditions and asset handover, if any.

9.7 Infrastructure

Infrastructure projects may be prioritised having regard to the number of users, production enabled, safety benefit, community benefit, project readiness, cost-sharing, environmental impact and whether the asset addresses a demonstrable bottleneck.

9.8 Maintenance

No capital support shall be sanctioned without an approved operation and maintenance plan, identification of the source of recurring funds, appropriate service-level standards and designation of the responsible entity.

10. Upstream Operations Facilitation**10.1 Exploration facilitation**

The State shall facilitate State-side permissions, access and inter-

departmental coordination required for seismic surveys, exploratory drilling, appraisal, testing and other upstream activities, while ensuring compliance with Applicable Laws relating to land, environment, safety and community requirements.

The facilitation under this clause shall not dispense with or substitute any statutory approval, consent, authorisation or clearance required under Applicable Laws.

10.2 Annual exploration programme

Each Operator may submit an annual non-confidential programme indicating planned surveys, wells, appraisal activities, development works and likely State interfaces. The HFC shall, to the extent practicable, prepare an inter-departmental facilitation calendar without interfering with or modifying the Operator's contractual work programme or the statutory functions of the competent authorities.

10.3 Field development and production facilitation

The State shall facilitate, within its competence, timely coordination in relation to field development, production, gathering, processing, testing, evacuation and other upstream operations, including resolution of inter-departmental issues affecting implementation of Eligible Project.

Nothing in this clause shall be construed as creating any independent entitlement to a fiscal incentive or as modifying the terms of any petroleum lease, contract or Central authorisation.

10.4 Revival and recovery enhancement

The State may facilitate technical and inter-departmental coordination relating to revival of non-producing wells and enhanced or improved recovery activities, subject to Applicable Laws and the technical, environmental and safety requirements applicable to such activities.

Where such activities form part of an Eligible Project, their eligibility for any fiscal incentive shall be determined only in accordance with Chapter 16 and the Operational Guidelines.

10.5 Shared facilities

Operators shall be encouraged to develop and share production, gathering, processing, testing, storage, evacuation, logistics, emergency response and other common infrastructure in accordance with Applicable Laws, safety requirements and contractual obligations. Where such infrastructure is supported by the State, the State may facilitate access by other eligible users, subject to the applicable Central framework, available capacity, safety and technical compatibility.

10.6 Data cooperation

The State may seek from Operators such non-confidential **production, royalty, well-status, safety, environmental, infrastructure and other information** as may reasonably be required for administration, verification and monitoring of this Policy.

Operators shall furnish such information in the form and within the period

specified in the Operational Guidelines.

Proprietary geological, geophysical, reservoir and other confidential data shall remain subject to Applicable Laws, Central Government requirements, contractual obligations and confidentiality requirements.

10.7 Unitisation and Integrated Development

The State shall, within its competence, facilitate coordination in relation to unitisation, integrated development and production of mineral oil resources where the relevant Field or reservoir extends across State boundaries or involves multiple petroleum leases, subject to Applicable Laws and the approval of the competent Central authority.

11. Natural Gas Utilisation and Reduction of Flaring

11.1 Policy direction

The State shall promote efficient utilisation of associated and non-associated natural gas within Assam, including reduction of avoidable flaring and venting, consistent with Applicable Laws and without restricting lawful marketing, sale or pricing arrangements.

11.2 Gas utilisation plans

An Operator undertaking upstream operations may, where required by the State or where seeking State facilitation in relation to gas utilisation or flaring reduction, submit a gas utilisation and flaring reduction plan for the relevant Field, indicating available volume, quality, current utilisation, flaring, operational constraints, proposed utilisation or monetisation and implementation milestones.

Where such activities form part of an Eligible Project, any fiscal incentive shall be governed exclusively by Chapter 16 and the applicable provisions of the Operational Guidelines.

11.3 Gas utilisation pathways

The State may facilitate, subject to Applicable Laws and relevant authorisations, gathering and evacuation, industrial fuel use, city gas supply, compressed or liquefied natural gas, power for field operations, fuel switching by tea and small industries, fertiliser and petrochemical feedstock, hydrogen production and other technically viable utilisation pathways.

11.4 Common gas infrastructure

The State may facilitate the development and use of common gathering, compression, dehydration, metering, storage and evacuation infrastructure, subject to Applicable Laws, relevant authorisations, available capacity and reasonable third-party access.

Where such infrastructure forms part of a fiscal incentive claimed under this Policy, the expenditure and applicable fiscal incentive shall be determined exclusively in accordance with Chapter 16.

11.5 Methane and emissions reporting

Operators undertaking activities covered by this Policy shall, where required

by the State and to the extent such information is available and reasonably measurable, report flaring volume, venting, methane leak detection and repair activities, energy use and emissions intensity in such form and manner as may be specified in the Operational Guidelines.

The reporting format shall, to the extent practicable, be aligned with the reporting requirements applicable under the Central framework, so as to avoid duplication.

12. Upstream Supply Chain, MSMEs and Local Procurement

12.1 Supply-chain objective

The State shall seek to strengthen upstream equipment, services, maintenance, fabrication, testing and logistics capabilities in Assam, while maintaining safety, quality, competitiveness, transparency and compliance with Applicable Laws and procurement requirements.

12.2 Forward procurement statement

An Operator receiving fiscal or other material support under this Policy may be required to provide an annual, non-binding forward procurement statement indicating anticipated procurement categories, broad qualification requirements, indicative tender timelines and vendor-development needs, subject to commercial confidentiality and applicable procurement requirements.

Such statement shall not constitute a commitment to procure from any particular enterprise or supplier.

12.3 Vendor-development programme

The HFC, in coordination with the Nodal Agency, Operators and relevant industry, academic and skill-development institutions, may facilitate supplier discovery, technical clinics, quality-certification support, buyer-seller meetings, pilot procurement and vendor-upgradation programmes.

12.4 Local enterprise directory

The Nodal Agency may maintain a verified directory of Assam-based upstream suppliers and service providers, indicating their capabilities, relevant certifications, safety record and categories of services or products offered.

Inclusion in the directory shall not constitute endorsement, certification, pre-qualification or assurance of procurement.

12.5 Common service clusters

The State may facilitate development of upstream service, manufacturing and fabrication clusters near established oil and gas centres, including common testing, calibration, training, logistics and emergency facilities.

Where any such project seeks a fiscal incentive under this Policy, its eligibility and the extent of such incentive shall be determined in accordance with the applicable provisions of Chapter 16 and shall not arise merely by virtue of its inclusion in such cluster.

13. Skills, Employment and Academic Partnerships**13.1 Workforce planning**

Operators of an Eligible Project receiving fiscal support under this Policy may be required to submit annual workforce forecasts indicating occupation, qualification, experience and likely recruitment period, to support State-level skill-development and training planning.

13.2 Employment-linked support

The State may provide employment-linked support to an Eligible Project in accordance with the applicable provisions of Chapter 16 and the Operational Guidelines.

Such support, where provided, shall be based on verifiable employment and statutory social-security contributions and shall not operate as a residence-based restriction or condition of employment.

13.3 Training and Skill Development

The State may facilitate or support training and skill-development programmes directly associated with an Eligible Project, including drilling and well-control assistance, production operations, mechanical and electrical maintenance, welding and fabrication, non-destructive testing, instrumentation, safety, emergency response, environmental monitoring, data analytics and specialised logistics.

13.4 Academic partnerships

Operators of an Eligible Project, educational institutions, research institutions and other relevant organisations shall be encouraged to undertake curriculum development, internships, apprenticeships, faculty exposure, laboratory use, field projects and joint research relating to upstream petroleum activities.

Any internship or apprenticeship shall comply with Applicable Laws and applicable safety requirements.

14. Safety, Environment, Disaster Management and Site Restoration**14.1 Emergency and well-control plans**

Every Operator shall file an updated emergency response and well-control contingency plan with the District Commissioner, the State Disaster Management Authority and other competent authorities, as applicable, for each drilling or production area, and shall update the same at least annually and after any material change.

14.2 Mutual aid and district integration

Operators shall participate in district emergency planning, control-room integration, hospital and ambulance mapping, fire-service coordination, alternate-route planning, communication protocols and mutual-aid arrangements, as applicable.

14.3 Incident notification

Operators shall promptly notify the competent authorities of blowouts, uncontrolled releases, major spills, fires, fatalities, significant subsidence and other reportable incidents in accordance with Applicable Laws.

Public communication shall be coordinated to provide timely and accurate

information without compromising emergency operations.

14.4 Legacy and abandoned wells

The Nodal Agency, in coordination with the Mines & Minerals Department and relevant Central authorities, shall establish and maintain a geo-referenced inventory of producing, suspended, abandoned and legacy wells, including ownership, status, risk classification and restoration position.

The State shall pursue a prioritised inspection, capping and restoration programme in coordination with Operators and the Central Government, within the respective statutory responsibilities of the authorities concerned.

14.5 Site restoration

Before relinquishment or abandonment, the Operator shall demonstrate compliance with applicable decommissioning and site-restoration obligations.

The State shall, within its jurisdiction, track land restoration, contamination remediation, removal of unsafe structures and final site status, without duplicating or substituting the regulatory functions of Central authorities.

14.6 Environmental baseline and monitoring

an Eligible Project receiving fiscal incentives under this Policy shall maintain baseline and periodic data on water, air, soil, noise, waste and ecological parameters relevant to the project and shall provide non-confidential compliance indicators in the manner specified in the Operational Guidelines.

15. Community Engagement and District Benefit Sharing

15.1 Statutory rights

Nothing in this Policy shall abridge or prejudice gram sabha processes, forest rights, land and compensation rights, Council-Area powers, customary rights or any statutory consultation, concurrence or consent requirement under Applicable Laws.

15.2 Hydrocarbon District Development Fund

The State Government may, by notification, constitute a **Hydrocarbon District Development Fund** for community development, public infrastructure, environmental improvement and livelihood support in areas affected by or benefiting from upstream petroleum operations.

The Government may specify the source and extent of funding, areas covered, eligible purposes and institutional mechanism for administration of the Fund.

15.3 Utilisation of Fund

The Fund may be utilised for drinking water, public health, education, roads and bridges, emergency infrastructure, environmental restoration, livelihood support, skill development and such other public purposes as may be specified by the Government.

15.4 Grievance mechanism

Each producing district shall maintain a documented grievance mechanism providing for acknowledgement, classification, designation of the responsible authority, resolution timeline, escalation and evidence of closure.

16. Fiscal and Financial Support

16.1 Subject to eligibility, fiscal capacity, budgetary appropriation and the operational guidelines issued under this Policy, eligible upstream projects may receive the following incentives. Benefits are additive only where expressly permitted, and every incentive is subject to Chapter 18.

16.2 Eligibility of public sector undertakings. Incentives under this Chapter are available to every Operator without distinction as to ownership, and accordingly to the national oil companies and other public sector undertakings on the same terms as any other Operator. Eligibility is determined by the nature and additionality of the activity and not by the constitution of the applicant.

16.3 Ring-fencing of input-side incentives

16.3.1 Where a fiscal incentive under this Policy is computed with reference to Eligible Fixed Capital Investment incurred in relation to an Eligible Project, such incentive shall be admissible only in respect of expenditure directly attributable to—

(a) a new upstream project undertaken for production of crude oil or natural gas; or

(b) a Well Revival Project undertaken for revival or reactivation of a well for production of crude oil or natural gas, and

which is admitted under this Policy by the Sanctioning Committee and in respect of which an Eligibility Certificate has been issued.

16.3.2 The fulfilment of the eligibility conditions or thresholds specified in this clause shall not, by itself, confer any right to admission under this Policy or to grant of any fiscal incentive. Every proposal shall be subject to appraisal by the Nodal Agency, approval by the Sanctioning Committee and fulfilment of such other conditions as may be specified under this Policy.

16.3.3 Well Revival Project

16.3.4 For the purposes of this Policy, a well shall be treated as the subject of a Well Revival Project only where the conditions specified in the definition of “Well Revival Project” in Chapter 5 are satisfied and the Nodal Agency, on the recommendation of the Directorate General of Hydrocarbons or such other certifying authority, is satisfied that the reactivation, recommissioning, workover, recompletion or requalification of the well has resulted, or is reasonably expected to result, in commercial production.

Explanation.— The fulfilment of the conditions specified in the definition of “Well Revival Project” shall not, by itself, confer any right to admission under this Policy or to grant of any fiscal incentive. Every proposal shall be subject to appraisal by the Nodal Agency, approval by the Sanctioning Committee and fulfilment of such other conditions as may be specified under this Policy.

16.3.5 Excluded Expenditure

16.3.6 Notwithstanding anything contained elsewhere in this Policy, no expenditure-based fiscal incentive shall be admissible in respect of—

(i) expenditure relating to the operation, maintenance, repair, routine

replacement, routine workover, reservoir management, production optimisation or other ordinary operational activities of any existing field, facility or infrastructure, unless such expenditure is specifically recognised as Eligible Fixed Capital Investment under this Policy and the Operational Guidelines;

- (ii) expenditure incurred prior to admission of the Eligible Project, or after the approved project-completion date, except to the extent specifically permitted under this Policy or the Operational Guidelines;
- (iii) expenditure not directly attributable to an Eligible Project in respect of which the incentive is claimed;
- (iv) expenditure forming part of the normal operating, administrative or revenue expenses of the applicant;
- (v) expenditure in respect of which a benefit has already been availed under this Policy or under any other policy or scheme of the Government, unless otherwise specifically permitted by the Government;
- (vi) the Operational Guidelines may specify additional categories of expenditure that shall not qualify as Eligible Fixed Capital Investment, having regard to the nature of the Eligible Project and the fiscal incentive concerned; or
- (vii) for the avoidance of doubt, capitalisation of expenditure in the books of account of an applicant shall not, by itself, establish eligibility of such expenditure as Eligible Fixed Capital Investment under this Policy;

16.3.7 Determination and Verification

16.3.8 The manner of identification, allocation, determination, certification and verification of Eligible Project Expenditure, Eligible Fixed Capital Investment, production, recoverable reserves, operational capacity, field life and other technical parameters, including the criteria for determining whether a well qualifies as the subject of a Well Revival Project, shall be such as may be specified in the Operational Guidelines. No expenditure-based fiscal incentive linked to a Well Revival Project shall be admissible unless the dormancy period, and the resulting commercial production have each been duly established to the satisfaction of the Nodal Agency by reference to the inventory maintained.

16.3.9 The measurable outcomes shall be verified in the manner specified in the Operational Guidelines, and no expenditure-based fiscal incentive linked to an Eligible Project shall be admissible unless such outcomes have been duly established to the satisfaction of the Nodal Agency.

16.4 Concessional allotment of Government Land

16.4.1 Eligible Projects admitted under this Policy may be considered for allotment of Government land on concessional lease terms, wherever Government land is available and considered suitable for implementation of the approved project, subject to the Applicable Laws, the Assam Land Policy, if any, and the approval of the competent authority.

16.4.2 The extent of concession, lease premium, annual lease rent, lease tenure,

project implementation period and other conditions of allotment shall be recommended by the Sanctioning Committee having regard to the nature of the project, investment, employment generation, strategic importance, land requirement and other relevant considerations, and approved by the competent authority.

- 16.4.3** Where the allottee fails to utilise the land for the approved purpose within the specified project implementation period, or otherwise commits a material breach of the conditions of allotment, the Government may, after providing a reasonable opportunity of being heard, resume the land and recover the financial value of the concession, in whole or in part, in accordance with the terms of allotment and the Applicable Laws.

16.5 Stamp Duty Reimbursement

- 16.5.1** The reimbursement shall ordinarily be admissible at the following rates:

Eligible Projects may be granted reimbursement of 50% (fifty percent) of the stamp duty actually paid, subject to a maximum reimbursement of ₹2 (two) crore per Eligible Project, in respect of lease deeds, conveyances, mortgages, right-of-use agreements, easement agreements, pipeline corridor agreements, surface use agreements and such other instruments directly connected with the establishment of the Eligible Project.

Reimbursement under this clause shall be admissible only in respect of instruments executed after the admission of the project under this Policy and shall be subject to verification of payment of stamp duty, fulfilment of the specified eligibility conditions and such procedure as may be specified in the Operational Guidelines.

16.6 Electricity Duty Reimbursement

- 16.6.1** Eligible Projects admitted under this Policy may be granted reimbursement of electricity duty actually paid on electricity consumed for the implementation and operation of the Eligible Project, for a period of 5 (five) years from the date of commencement of commercial operation specified in the Eligibility Certificate, subject to the provisions of this Policy.

- 16.6.2** The reimbursement shall ordinarily be admissible at the following rates:

- (a) 100% (one hundred percent) of the electricity duty actually paid on electricity generated and consumed from a captive generating plant established for the Eligible Project;
- (b) 50% (fifty percent) of the electricity duty actually paid on electricity procured from the distribution licensee and consumed for the Eligible Project;

Provided that reimbursement shall be admissible only in respect of electricity consumed for activities directly attributable to the implementation or operation of the Eligible Project and shall not extend to electricity consumed for activities or facilities unrelated to the Eligible Project.

- 16.6.3** The aggregate reimbursement under this clause shall be subject to the monetary ceiling of Rs.2 (two) crore per annum. The eligibility conditions, verification procedure and other terms as may be specified in the Operational Guidelines.

16.7 Infrastructure Support

16.7.1 The State Government may facilitate and support the development of external and common infrastructure required for implementation of Eligible Projects under this Policy.

16.7.2 Core Infrastructure Support

Subject to technical feasibility, availability of funds and recommendations of the Sanctioning Committee, the State Government shall endeavour to provide, at no cost to the Eligible Project, the following external infrastructure up to the project boundary:

- (a) approach roads and bridges;
- (b) external power connectivity; and
- (c) water supply infrastructure.

The nature and extent of such support shall be determined by the Sanctioning Committee having regard to the requirements of the Eligible Project, the availability of public infrastructure.

16.7.3 Common Infrastructure on Cost-Sharing Basis

The State Government may support the development of the following common or project-specific infrastructure on a cost-sharing basis:

- (a) common pipelines, gathering systems and utility corridors;
- (b) logistics, storage and cargo-handling facilities;
- (c) common testing and maintenance facilities;
- (d) emergency-response infrastructure;
- (e) wastewater treatment and disposal infrastructure;
- (f) communication and digital connectivity infrastructure; and
- (g) such other common infrastructure as the Sanctioning Committee may approve.

Subject to Cabinet's approval, the extent of Government support, the cost-sharing ratio, the maximum financial assistance and the implementation mechanism shall be determined by the Sanctioning Committee on a case-to-case basis, having regard to the nature of the infrastructure, the number of beneficiary projects, strategic importance and availability of budgetary resources.

16.7.4 Third-Party Access

Infrastructure created wholly or partly with financial assistance from the State Government under this clause shall be subject to Common-user principle, and shall, wherever technically feasible and commercially practicable, be made available to other Eligible Projects on transparent, reasonable and non-discriminatory terms, subject to available capacity, safety requirements, technical compatibility and Applicable Laws.

16.8 Employment Generation Incentive

16.8.1 Over and above the other incentives available under this Policy, an Eligible

Project may be granted a one-time employment generation incentive for creation of new direct employment of local persons in Assam.

16.8.2 The incentive shall be payable at the rate of ₹10,000 (Rupees Ten Thousand) per eligible employee, subject to an overall ceiling of ₹1 crore (Rupees One Crore) per Eligible Project, and shall be subject to the following conditions:

- a. the employee shall be engaged in direct employment in connection with an eligible project admitted under this Policy;
- b. the employment shall constitute a net addition to the regular workforce of the employer;
- c. the employee shall remain in continuous direct employment with the employer for a minimum period of twelve months;
- d. wages shall be paid through a verifiable banking channel and the employer shall have complied with all applicable labour and social security laws, including the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, the Employees' State Insurance Act, 1948, and such other applicable laws, wherever applicable;
- e. no employer shall claim the incentive more than once in respect of the same employee under this Policy or under any other scheme of the Government for the same period of employment, unless otherwise specifically permitted by the Government;
- f. every claim shall be supported by—
 - i. payroll records;
 - ii. bank payment records;
 - iii. Employees' Provident Fund Organisation (EPFO) contribution records, wherever applicable, or such other statutory employment records demonstrating continuous employment;
 - iv. proof of eligibility as a Local Person;
 - v. a certificate from the employer confirming that the employment constitutes a net addition to its regular workforce; and
 - vi. such other documents as may be specified in the Operational Guidelines.

16.8.3 The incentive shall be disbursed only after verification by the Nodal Agency that the conditions specified in this clause have been fulfilled:

Provided that, the Government may, by notification and subject to availability of budgetary provision, specify a higher rate of Employment Generation Incentive for Direct Employment of Local Persons in specialised technical, scientific, engineering, geological, geophysical, drilling, reservoir engineering, digital technology, research or such other highly skilled positions as may be specified in the Operational Guidelines.

Provided further that, without prejudice to the incentive under this clause, the Government may, by notification and subject to availability of budgetary provision, introduce additional employment-linked incentives, including reimbursement of the employer's statutory contributions towards provident

fund or other social security benefits, in respect of such categories of Eligible Projects, employees, sectors, geographical areas or periods, and subject to such rates, ceilings and conditions, as may be specified.

Explanation: Nothing contained in this clause shall be construed as requiring reservation in employment or restricting employment solely on the ground of residence or place of birth, or as overriding any provision of the Constitution of India or any Applicable Law.

16.9 Reimbursement of State Goods and Services Tax (SGST) on Eligible Plant and Machinery

16.9.1 Recognising that crude oil, natural gas and such other petroleum products as are, for the time being, outside the levy of Goods and Services Tax under the applicable GST laws do not ordinarily permit availment of input tax credit in respect of goods and services used for their exploration, appraisal, development and production, the State Government may grant reimbursement of 50% (fifty per cent) of the SGST actually borne on the procurement of Eligible Plant and Machinery directly and integrally connected with (a) production of crude oil and natural gas by a new upstream eligible project; or (b) the revival or reactivation of an abandoned or long-term non-producing oil well undertaken as a Well Revival Project, subject to the other provisions of this clause.

16.9.2 The reimbursement under this clause shall be confined to the State Goods and Services Tax (SGST) borne on Eligible Plant and Machinery up to the date of commencement of commercial production or commercial operation of the Eligible Project, as specified in the Eligibility Certificate or approved by the Sanctioning Committee.

16.9.3 The aggregate amount of eligible reimbursement shall be determined and crystallised as on the date of commencement of commercial production or commercial operation of the Eligible Project and shall constitute the Overall SGST reimbursement ceiling for such Eligible Project.

16.9.4 The Overall SGST reimbursement ceiling shall be reimbursed in annual instalments over a period of 5 (five) years from the date of commencement of commercial production or commercial operation, subject to the other conditions specified in this clause.

16.9.5 The maximum amount of SGST reimbursement that may be claimed and disbursed to an Eligible Project in any financial year shall be determined in accordance with the following formula:—

Maximum SGST reimbursement for the financial year = Overall SGST reimbursement Ceiling ÷ 5

Provided that, where the whole or any part of the reimbursement otherwise admissible in any financial year cannot be disbursed in that financial year for want of budgetary provision or any other reason attributable to the Government, the unpaid amount may be carried forward to the succeeding financial year or years and shall remain admissible subject to the Overall SGST reimbursement ceiling and the benefit period specified under this clause.

16.9.6 The reimbursement shall be subject to the following conditions:

- (a) reimbursement shall be admissible only in respect of Eligible plant and machinery directly and integrally connected with the implementation of an Eligible Project admitted under this Policy;

“Eligible Plant and Machinery” means new Plant and Machinery directly and integrally connected with the implementation of an Eligible Project, but excluding land, buildings, civil works, furniture and fixtures, vehicles, consumables, routine replacement. The detail list of eligible items and non eligible items shall be specified in the Operational Guidelines;

- (b) reimbursement shall be restricted to 50% (fifty percent) of the State tax component of the Goods and Services Tax actually borne on such Eligible Plant and Machinery, determined in such manner as may be specified in the Operational Guidelines;
- (c) reimbursement shall be admissible only in respect of SGST actually charged on procurement of Eligible Plant and Machinery and SGST accrued to the Government of Assam and actually borne by the Eligible Project, supported by valid tax invoices and such other evidence as may be prescribed.
- (d) reimbursement shall be admissible only where the corresponding input tax credit is unavailable, inadmissible or required to be reversed under the applicable Goods and Services Tax laws;
- (e) the amount of State tax component eligible for reimbursement shall be duly certified in such manner as may be specified in the Operational Guidelines;
- (f) reimbursement for each year shall be admissible only where the Eligible Project continues in commercial operation during the relevant year:

Provided that temporary suspension of operations on account of scheduled maintenance, reservoir management, force majeure, statutory directions, safety requirements or any other reason beyond the reasonable control of the project proponent shall not, by itself, disentitle the Eligible Project from reimbursement under this clause;

- (g) the aggregate reimbursement shall in no case exceed the Overall SGST reimbursement ceiling; and
- (h) where an Eligible Project permanently ceases commercial operations before expiry of the five-year reimbursement period for reasons attributable to the project proponent, no reimbursement shall be admissible in respect of the remaining instalments falling due after such cessation.

16.9.7 No reimbursement shall be admissible in respect of—

- (a) procurement of Plant and Machinery which is not directly and integrally connected with the Eligible Project;
- (b) the SGST amount in respect of which input tax credit has been availed, utilised, refunded or otherwise realised;
- (c) taxes or duties already reimbursed or compensated under any law,

policy or scheme of the Government;

- (d) procurement of Plant and Machinery used for routine operation, maintenance, repair, replacement or other ordinary operational activities of an existing producing field, except where such Plant and Machinery forms part of an Eligible Well Revival Project;
- (e) expenditure incurred after the date of commencement of commercial production or commercial operation, except where specifically permitted under the Operational Guidelines; or
- (f) expenditure otherwise declared ineligible under this Policy or the Operational Guidelines.

Explanation 1.— For the purposes of this clause, the Overall SGST reimbursement ceiling shall mean 50% (fifty percent) of the eligible State tax component of the Goods and Services Tax borne on Eligible Plant and Machinery, as determined and admitted under this Policy.

Explanation 2.— Reimbursement under this clause shall constitute a fiscal incentive under this Policy and shall not be construed as refund of tax under the Goods and Services Tax laws:

Provided that, where crude oil, natural gas or any other petroleum product becomes subject to Goods and Services Tax and corresponding input tax credit becomes available under the applicable Goods and Services Tax laws, the Government may, by notification, suitably modify, restrict or discontinue the reimbursement under this clause to the extent of such availability of input tax credit.

16.10 Royalty reimbursement for production of Crude Oil and Natural Gas from Eligible Projects

16.10.1 Subject to the other provisions of this Chapter, the State Government may grant a Royalty reimbursement in respect of Eligible Production of crude oil or natural gas from—

- (a) a new upstream eligible project; or
- (b) a eligible Well Revival Project.

16.10.2 The Royalty reimbursement shall constitute a fiscal incentive by way of reimbursement from the State Government after payment of royalty at the applicable Statutory Rate and shall not operate as a reduction, remission or waiver of royalty payable under the Oilfields (Regulation and Development) Act, 1948 or any other Applicable Law.

16.10.3 For the purposes of this clause—

- (a) "Eligible Production" means—
 - (i) in the case of a new upstream eligible project, the entire commercial production of crude oil or natural gas during the benefit period specified under this Policy; and
 - (ii) in the case of a Well Revival Project, the entire commercial production of crude oil or natural gas from the revived well.

16.10.4 No well shall be recognised as the subject of a Well Revival Project, where the Directorate General of Hydrocarbons or such other certifying authority determines, having regard to well-integrity records, production history and reservoir data at the time production ceased, that the well was rendered non-producing primarily to access a benefit under this Chapter.

16.10.5 New Upstream Eligible Projects:

A new upstream Eligible Project shall be eligible for a royalty reimbursement at the rate of 20% (twenty per cent) of the royalty actually paid at the applicable Statutory Rate on the Eligible Production during the relevant financial year, subject to the Overall Project Ceiling, the annual ceiling and other provisions of this chapter.

16.10.6 Well Revival Eligible Project.

A Well Revival Project shall be eligible for a Royalty reimbursement at the rate of 20% (twenty per cent) of the royalty actually paid at the applicable Statutory Rate on the entire commercial production of crude oil or natural gas from the revived well during the relevant financial year, subject to the Overall Project Ceiling, the annual ceiling and other provisions of this chapter.

16.10.7 A Well Revival Project shall qualify for Royalty reimbursement upon certification, in accordance with Chapter 5, of the dormancy period and resulting commercial production.

Explanation.— Once the conditions specified in the definition of “Well Revival Project” are satisfied, the reimbursement shall be computed on the entire commercial production of crude oil or natural gas from the revived well during the relevant financial year, subject to the Overall Project Ceiling and the annual ceiling.

16.10.8 The Royalty reimbursement under this clause shall be admissible only to the extent that the corresponding royalty on the Eligible Production including the commercial production of crude oil or natural gas from a revived well in the case of a Well Revival Project, has been actually paid to the Government of Assam at the applicable Statutory Rate in accordance with Applicable Laws.

16.10.9 The aggregate Royalty reimbursement admissible to an Eligible Project during the entire benefit period shall not exceed 25% (twenty-five per cent) of the Eligible Fixed Capital Investment attributable to the new upstream Eligible Project or the Well Revival Project, as the case may be, and approved by the Sanctioning Committee (hereinafter referred to as the “Overall Project Ceiling”).

16.10.10 The reimbursement shall be admissible—

- (a) in the case of a new upstream Eligible Project, for a period of 5 (five) years from the date of commencement of commercial production of the Eligible Project; and
- (b) in the case of a Well Revival Project, for a period of 5 (five) years from the date of commencement of commercial production of the revived well, as certified by the Directorate General of Hydrocarbons and/ or determined by the Sanctioning Committee. Where revival work is certified but commercial production is delayed for reasons attributable

to reservoir or wellbore conditions and not to the Operator, the Sanctioning Committee may, on application, extend the date from which the benefit period runs by such period as it considers justified, not exceeding twelve months.

- 16.10.11** The maximum Royalty reimbursement that may be claimed and disbursed to an Eligible Project in any financial year shall be determined in accordance with the following formula:

Maximum Royalty reimbursement for the financial year = Overall Project Ceiling ÷ Number of years of the benefit period.

- 16.10.12** Where the Royalty reimbursement otherwise admissible in any financial year exceeds the maximum amount that may be disbursed in that financial year, the admissible but undistributed amount may be carried forward to the succeeding financial year or years, subject to the Overall Project Ceiling. No interest shall be payable on such amount:

Provided that no Royalty reimbursement shall accrue after expiry of the benefit period, but any Royalty reimbursement validly accrued during such period and remaining unpaid solely by reason of the annual ceiling may be carried forward and disbursed thereafter, subject to the Overall Project Ceiling.

- 16.10.13** The Directorate General of Hydrocarbons, or such other authority as may be notified by the Government, shall certify—

- (a) the production of crude oil or natural gas constituting Eligible Production; and
- (b) such other technical matters as may be required for determining the reimbursement.

- 16.10.14** The claimant shall first pay royalty at the applicable Statutory Rate in accordance with the Oilfields (Regulation and Development) Act, 1948, the rules made thereunder and other Applicable Laws, and shall thereafter claim the Royalty reimbursement in such manner and within such period as may be specified in the Operational Guidelines.

- 16.10.15** Where the Central Government grants any concession, rebate, reduction or other benefit in respect of royalty on the same Eligible Production, the Royalty reimbursement admissible under this clause shall be reduced to the extent of such Central benefit, and shall cease to be admissible to the extent that such Central benefit equals or exceeds the Royalty reimbursement otherwise admissible under this Policy.

16.10.16 Government's Power to Calibrate Rates

Notwithstanding anything contained above, the Government may, having regard to prevailing petroleum prices, royalty receipts of the State, investment requirements of the upstream petroleum sector, fiscal sustainability, budgetary considerations or such other relevant factors as it may consider appropriate, by notification, revise the rates of Royalty reimbursement specified under this clause:

Provided that no such revision shall operate retrospectively so as to reduce the entitlement of an Eligible Project already admitted under this Policy

unless the Eligible Project expressly opts to be governed by the revised rates.

16.11 Non-Duplication of Benefits

An applicant shall not receive assistance under this Policy and another State policy or scheme for the same expenditure.

Where an expenditure is eligible under more than one policy or scheme, the applicant shall exercise an option to claim the benefit under one instrument only.

Different incentives may be claimed for distinct expenditure or outcomes, subject to the aggregate ceiling specified for the project.

16.12 Fiscal Ceilings and Budgetary Control

All incentives under this Policy shall be subject to:

- (a) annual budgetary appropriation;
- (b) project-wise and incentive-wise ceilings;
- (c) availability of funds;
- (d) verification of investment, expenditure, production, employment or other applicable milestones; and
- (e) approval by the competent authority.

16.13 Recovery of Incentives

Any incentive obtained through fraud, misrepresentation, duplicate claims, diversion of assets or non-compliance with eligibility conditions shall be liable to cancellation and recovery.

The recoverable amount may carry interest at 18% per annum and may be recovered as arrears of land revenue or adjusted against amounts payable by the State Government, subject to applicable law.

The applicant shall be provided a reasonable opportunity of being heard before recovery proceedings are initiated.

17. Application, Appraisal, Sanction and Disbursement

17.1 Investment intention

An applicant shall file an investment intention before incurring substantial eligible expenditure, except where the guidelines permit a limited look-back period for projects already under implementation on the commencement date.

An applicant shall submit an investment intention before incurring expenditure proposed to be considered as **Eligible Fixed Capital Investment**, except to the extent specifically permitted under this Policy or the Operational Guidelines for projects already under implementation on the commencement of this Policy.

17.2 Application contents

The application shall include, as applicable, details of the applicant's legal status, authorisation, lease or contract, project description, implementation schedule, financing plan, proposed Eligible Fixed Capital Investment,

employment and procurement plan, environmental and statutory status, land and infrastructure requirements, fiscal incentives sought and details of other public support availed or proposed to be availed. The applicant shall also disclose, where applicable, the terms of the relevant PSC, RSC or other Central contractual arrangement relating to the treatment of State support, and shall comply with the applicable contractual accounting and reporting requirements.

17.3 Appraisal

The Nodal Agency shall undertake or commission such technical, financial, legal, tax, environmental and fiscal appraisal as may be considered necessary having regard to the nature, size and fiscal implications of the project.

The appraisal shall, as applicable, assess the additionality of the investment, eligibility of the proposed expenditure, production and royalty implications, fiscal exposure of the State, value for money and compliance with the conditions of this Policy.

In the case of a Well Revival Project, the appraisal shall specifically verify the Eligible Fixed Capital Investment attributable to the revival, the Eligible Plant and Machinery for the purposes of Chapter 16, the certified dormancy period and the resulting commercial production.

17.4 Eligibility Certificate

The Sanctioning Committee may issue an **Eligibility Certificate** specifying the nature of the Eligible Project, Eligible Fixed Capital Investment admitted for the purposes of the Policy, applicable incentives, Project Commencement Date, approved project-completion date, applicable milestones, reporting requirements, maximum fiscal liability of the State and such other conditions as may be applicable.

An Eligibility Certificate shall not, by itself, constitute a sanction or create an unconditional right to disbursement of any fiscal incentive.

17.5 Sanction order

Each fiscal incentive shall be sanctioned in accordance with this Policy and shall specify, as applicable, the rate, eligible base, ceiling, benefit period, claim requirements, verification requirements, budgetary provision and conditions for disbursement.

No sanction shall exceed the maximum fiscal liability or incentive ceiling admissible under this Policy and the Eligibility Certificate.

17.6 Claim period

A claim for an incentive shall be submitted within six months from the end of the relevant claim period, unless a different period is specified for a particular incentive under this Policy or the Operational Guidelines.

The competent authority may condone delay for recorded reasons, subject to budget availability and a maximum outer period of twelve months and subject to such condition, if any, specified under the Operational Guidelines.

17.7 Verification

Claims shall be supported by certificates, statements or other documents from a chartered accountant, cost accountant, engineer, bank, tax authority, Directorate General of Hydrocarbons or other competent authority, as applicable.

The Nodal Agency or the competent authority may undertake physical verification, financial and production data reconciliation and such other verification as may be necessary before disbursement.

17.8 Disbursement time

A complete and duly verified claim shall, subject to availability of budget provision and compliance with the applicable conditions, ordinarily be disposed of within **ninety days**.

Where a claim is wholly or partly rejected or any amount is withheld or reduced, the reasons shall be recorded and communicated to the applicant, together with the applicable review or appeal mechanism.

17.9 Change in project

Any material change in ownership or control, project location, nature of the project, capacity, technology, implementation schedule or the basis on which eligibility or fiscal incentive has been determined shall require prior approval of the competent authority.

Minor changes that do not affect the eligibility, Eligible Fixed Capital Investment, fiscal liability or substantive conditions of the project may be approved by the Nodal Agency within its delegated powers.

18. Conditions, Audit, Recovery and Fiscal Safeguards**18.1 General conditions**

An assisted project shall continue to operate in Assam and use the eligible assets for the purposes of the Eligible Project for the minimum retention period specified under this Policy or the Operational Guidelines, maintain all applicable statutory approvals, pay undisputed State dues, maintain proper records and submit such reports and information as may be required for verification of the incentives.

18.2 Retention and transfer of eligible assets

An eligible asset shall not be sold, removed, leased or otherwise transferred outside the Eligible Project during the applicable minimum retention period without prior approval of the competent authority.

Replacement of an eligible asset with an asset of equal or higher value and equivalent or superior capacity or performance may be permitted, subject to verification and such conditions as may be specified in the Operational Guidelines.

18.3 Audit and verification

The Comptroller and Auditor General of India, State audit authorities, Finance Department, Administrative Department and authorised verification agencies

may inspect and audit records relevant to fiscal incentives granted under this Policy, subject to Applicable Laws relating to confidentiality, commercial information and security.

18.4 Misrepresentation, duplicate claims and excess disbursement

Any fiscal incentive obtained through fraud, concealment of material facts, duplicate claim, false certification, material misrepresentation or other material non-compliance with this Policy shall be liable to recovery, together with applicable interest, in accordance with Applicable Laws.

Such action may also include cancellation or withdrawal of the relevant sanction, debarment from future benefits under the Policy and such other action as may be permissible under Applicable Laws:

Provided that recovery shall be limited to the amount of incentive wrongly availed or disbursed, together with applicable interest and other amounts recoverable under Applicable Laws.

18.5 Force majeure

The competent authority may, on being satisfied that a delay is attributable to a force majeure event, extend the applicable implementation or claim period, without increasing the rate, ceiling or maximum fiscal liability of the State specified under the relevant sanction.

Any enhancement of the sanctioned fiscal liability shall require approval of the authority competent under this Policy and applicable financial rules.

18.6 Commitment register

The Administrative Department shall maintain a multi-year fiscal commitment register recording, for each incentive or sanction, the sanctioned liability, expected annual cash-flow requirement, actual disbursement, lapsed or surrendered amounts and outstanding or contingent fiscal exposure.

18.7 Closure of Incentive Window

The Government may, by notification, close or suspend an incentive window prospectively where the allocated budget has been exhausted, the intended policy objective has been substantially achieved, or an evaluation indicates inadequate value for public support.

Such closure or suspension shall not affect the eligibility or entitlement of an Eligible Project already validly admitted or sanctioned under this Policy, except in accordance with the terms of the relevant sanction and Applicable Laws.

19. Interpretation, Relaxation and Savings

19.1 Interpretation

The Administrative Department shall have the power to interpret the provisions of this Policy.

19.2 Relaxation

The competent authority may, for reasons to be recorded in writing, relax a **procedural requirement** under this Policy where such relaxation is

necessary to facilitate implementation and does not defeat the substantive objective or eligibility conditions of the Policy.

19.3 Conflict with law

Where any provision of this Policy is inconsistent with any law made by Parliament, rule or regulation having the force of law, petroleum lease, licence, contract or other binding instrument governing a matter within the competence of the Central Government, such law, rule, regulation, lease, licence, contract or instrument shall prevail to the extent of such inconsistency.

Nothing in this Policy shall be construed as conferring any power on the State Government in respect of a matter falling within the exclusive competence of the Central Government.

19.4 Appeal

An applicant aggrieved by refusal, reduction or recovery of an incentive under this Policy may prefer an appeal within thirty days from the date of communication of the decision—

- (a) to the Hydrocarbon Project Monitoring Committee, where the decision has been taken by an authority subordinate to the Committee; and
- (b) seek review by the State Government, in such manner as may be specified by notification, where the decision has been taken by a Sanctioning Authority headed by the Hon'ble Chief Minister.

The appellate or reviewing authority, as the case may be, shall provide the applicant an opportunity of being heard and pass a reasoned order:

Provided that nothing in this clause shall apply to disputes arising under a petroleum lease, licence, contract or other instrument governed by the Central Government or to matters falling within the competence of a Central authority.

19.5 Severability

If any provision of this Policy is held to be invalid, without authority of law or otherwise inoperative by a competent court or authority, such invalidity or inoperability shall not affect the validity or operation of the remaining provisions of this Policy.

19.6 Amendment of Annexures

The State Government may, by notification, amend, substitute or modify an Annexure to this Policy, provided that no such amendment shall have the effect of increasing, extending or creating a fiscal incentive beyond the provisions of the main body of this Policy or adversely affecting a fiscal entitlement already validly sanctioned under this Policy.

JOHN BERCHMANS EKKA,

Additional Chief Secretary to the Govt. of Assam,
Industries, Commerce & Public Enterprise Department.