

GOVERNMENT OF ASSAM
HEALTH & FAMILY WELFARE DEPARTMENT
DISPUR, GUWAHATI-6



NOTIFICATION

No. HLB 525/2018/Pt-I/87

Dated Dispur, the 27th May, 2021

Sub : Policy for Special Financial Assistance for Medical Oxygen Production in Assam, 2021

1. Background

India is going through a severe medical crisis due to Covid-19 pandemic. The second wave of pandemic has put severe pressure on already stressed health infrastructure across the country. Shortage of medical oxygen has become most eminent threat in treatment of patients and Assam is also facing this shortage of medical oxygen. The state, as of now, has no large plant for manufacturing of medical oxygen. A few plants are in pipeline and few industries are supporting in these critical times by converting industrial oxygen to medical grade oxygen. However, to ramp up the production capacities in short span, government support is imperative. Hence, this Special Financial Assistance is being introduced to incentivize industries to establish medical oxygen production plants and other oxygen related goods in the state of Assam.

2. Objective

The objective of this policy to provide financial assistance

- to promote local production of medical oxygen in Assam.
- to attract private investment in augmenting medical oxygen production capacity in Assam.
- to increase the production, storage and distribution capacity of medical oxygen in Assam.

3. Operative Period

The Scheme shall become effective from the date of notification in the official Gazette and the eligibility conditions and incentives to be granted shall be governed by the respective provisions.

4. Definitions

- "Medical Oxygen"** — Oxygen suitable to be used for medical purposes.
- "Eligible Unit"**- means a newly established oxygen generation plant or revived non-functional plants or addition of capacity of oxygen units which commences its commercial production in the State of Assam on or after 01/01/2021 till 31st March, 2022 and is in compliance with all the eligibility criteria laid down under this Policy.

5. Eligibility

The sectors and investment opportunities eligible for incentives under this Policy are as follows:

Sl. No.	Sectors	Investment Opportunities
(a)	Liquified Medical Oxygen Generation	<ul style="list-style-type: none">• Cryogenic Oxygen plant producing Liquified medical oxygen
(b)	Medical Oxygen Generation	<ul style="list-style-type: none">• Pressure swing adsorption (PSA)/ Vacuum pressure swing adsorption (VPSA) based Oxygen Generator Units, not attached to a Hospital• Air Separation Units

6. Incentives to eligible units

The Policy recognizes the need for additional incentive to eligible Units to significantly increase the oxygen production in the state. Following principles shall be followed in administering incentives to units covered under this Policy.

6.1. Guiding Principles

- 6.1.1. These provisions / principles shall be applicable to all eligible projects / units under this policy.
- 6.1.2. The policy shall be deemed to have come into force with effect from the date of notification in the official Gazette and the eligibility conditions and incentives to be granted shall be governed by the respective provisions.
- 6.1.3. Incentive under this Policy shall be offered after commencement of commercial production by the Unit as per provisions of this policy.
- 6.1.4. Assam will have first right of purchase for the Liquid Medical Oxygen (LMO) and Medical Oxygen gas as per current rate contract prices.

6.2. Incentive package for Eligible units.

- 6.2.1. Power subsidy of 100% will be available for the following kind of units
 - 6.2.1-A: Newly established oxygen generation plants commissioned after 1st January, 2021.
 - 6.2.1-B: Non functional plants which have been revived and put into operation after 1st January, 2021.

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6.2.1-C: Any additional capacity added to the already existing plants after 1st January, 2021.

In respect of the above, 100% power subsidy would be available to the eligible units for power used for generation of oxygen. However, this subsidy would be available only during the period 1st April, 2021 to 31st March, 2022.

Here, it is clarified that with reference to 6.2.1-C above, 100% power subsidy to eligible units would be available only for the additional portion/capacity added after 1st January, 2021 and not on the entire earlier plant.

Further, if the date of start of commercial production of medical oxygen is after 1st April, 2021, 100% subsidy will be available from the date of commercial production of medical oxygen upto 31st March, 2022 only.

6.2.2. Similarly, the already functional medical oxygen plants will be entitled to 20% power subsidy during the period from 1st April, 2021 to 31st March, 2022 only.

6.3. Submission of application under this Policy & process

6.3.1. For availing incentive under this Policy, the eligible units would be required to apply in the Office of the Directorate of Medical Education (DME), Health & Family Welfare Department, Govt. of Assam.

6.3.2. The Industries & Commerce Department will certify the date of commencement of commercial production with reference to clause 6.2.

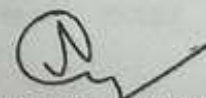
6.3.3. Assam Power Distribution Company Limited will certify the usage of power for the generation purpose in order to be eligible and applicable for incentives under this policy.

7. Policy implementation, monitoring and grievance redressal

7.1. Policy implementation:

Department of Health and Family Welfare, Government of Assam shall be the implementing authority for this policy.

Health & family Welfare Department will be the nodal Department for reimbursement of such power subsidy on the basis of certification of actual usages by APDCL.



(Anurag Goel, IAS)

Principal Secretary to the Government of Assam
Health & Family Welfare Department