

Packages for Special Incentives for Industrial Development for the States of J&K

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Government of India
Ministry of Commerce & Industry
(Department of Industrial Policy & Promotion)

NOTIFICATION

New Delhi, the 22nd October, 2002.

F.No.1(11)2002-NER. The Government of India is pleased to make the following scheme of Central Grant or Subsidy for Industrial units in the Jammu & Kashmir with a view to accelerating the industrial development in the State.

1. **Short Title:-** This scheme may be called the Central Capital Investment Subsidy Scheme, 2002.
2. **Commencement and duration of the Scheme:-** It will come into effect from the 14th June, 2002 and remain in force upto and inclusive of 14.06.2012.
3. **Applicability of the Scheme:-** The scheme is applicable to all industrial units in the Growth Centres approved for the Jammu & Kashmir and also to the new industrial units or **existing units on *** their substantial expansion in Growth Centres or IIDC or industrial estates/parks/export promotion zones and commercial estates set up by the Jammu & Kashmir State and new industrial units or **existing units on *** their substantial expansion in the specified industries (as at Annexure) located outside these growth centres and other identified locations.
4. **Eligibility period:-**

The subsidy will be available during the duration of the scheme to an eligible industrial unit for a period of ten years from date of commencement of commercial production.

5. Definitions:-

- (a) 'Industrial Unit' means any industrial undertaking, suitable servicing unit as defined in M/o SSI letter No. 2(3)/91-SSI.Bd

dated 30.9.1991 other than that run Departmentally by Government.

* amended vide Notification dated 12th November, 2002.

- (b) 'New Industrial Unit' means an industrial unit for the setting up of which effective steps were not taken prior to 14th June, 2002.
- (c) 'Existing Industrial Unit' means an industrial unit existing as on 14th June, 2002.
- (d) 'Substantial Expansion' means increase by not less than 25% in the value of fixed capital investment in plant and machinery of an industrial unit for the purpose of expansion of capacity/modernization and diversification.
- (e) 'Effective steps' means one or more of the following steps:-
 - (i) that 10% or more of the capital issued for the industrial unit has been paid up.
 - (ii) that any part of the factory building required for manufacturing activity has been constructed.
 - (iii) that a firm order has been placed for any plant and machinery required for the industrial unit.
- (f) 'Fixed Capital Investment' means investment in plant and machinery for the purpose of this scheme.

6. Extent of admissible subsidy

All eligible industrial units located in the Growth Centres or IIDC or industrial estates/parks/export promotion zones and commercial estates set up in Jammu Kashmir shall be given capital investment subsidy at the rate of 15% of their investment in respect of new units or additional investment in respect of substantial expansion in the plant and machinery subject to a maximum ceiling of Rs.30 lakh.

6.1 Similar benefits would also be extended to the new industrial units or their substantial expansion in other Growth Centres or

IIDC or industrial estates/parks/export promotion zones and commercial estates set up by the Govt. of the Jammu & Kashmir, new industrial unit or their substantial expansion in the specified industries (as at Annexure) located outside these growth centres and other identified locations would also be eligible for similar fiscal incentives.

7. Plant & machinery

In calculating the value of plant and machinery, the cost of industrial plant and machinery as erected at site will be taken into account which will include the cost of productive equipment, such as tools, jigs, dies and moulds, insurance premium and their transportation cost.

- 7(a) The amount invested in goods carriers to the extent they are actually utilised for transport of raw material and marketing of the finished products, will be taken into account .
- 7(b) Working capital including raw materials and other consumables stores, will be excluded for computing the value of plant & machinery.

8. Designated agency for disbursement of subsidy

Jammu & Kashmir Financial Development Corporation (JKDFC) shall be the designated agency for disbursement of Capital Investment Subsidy on the basis of the recommendation of the State Government.

9. Procedure for claiming Capital Investment Subsidy

Industrial units eligible for subsidy under the scheme will get themselves registered with the State Industrial Department prior to taking effective steps for setting up the new units or undertaking substantial expansion of the existing units and indicate their assessment of the total additional fixed capital likely to be invested by them in the plant and machinery of their unit. Such of the units as had taken effective steps prior to the date of announcement of this scheme but after issue of J&K Notification dt. 14.6.2002 will get themselves registered by 30.6.2003.

10. Procedure for disbursement of Capital Investment Subsidy

The State Government will set up a Committee consisting of a representative each of the State Finance Department and State Directorate of Industries and if the industrial unit is to be assisted by a financial institution, the financial institution concerned, would go into each case to decide whether it should qualify for the grant of subsidy and also about the quantum of subsidy.

- 10.1 In respect of a new industrial unit set up without assistance from the financial institutions or the State Government, the subsidy will be disbursed to the unit by JKDFC on the recommendation of the state Government at the time the unit goes into production. Similarly, in respect of substantial expansion by an existing industrial unit without assistance from the financial institutions of the State Government, the subsidy will be disbursed to the unit by JKDFC on the recommendation of the State Government after substantial expansion has been effected and the unit has gone into production. However, in such cases, where the State Government is satisfied about the safety of the public funds, not more than half of the amount of the estimated subsidy may be released prior to the unit going into production on the entrepreneur's furnishing a proof of having taken effective steps to the satisfaction of State Director of Industries and the remaining amount be released only after the unit goes into production.
- 10.2 In respect of an industrial unit to be assisted by the state Government, the subsidy will be disbursed to the unit by JKDFC on the recommendation of the State Government. In such cases, the contract/agreement to be drawn up between the state Government and the unit concerned, may cover mortgage, pledge, hypothecation of the assets upto the amount of the subsidy. In respect of new industrial unit or in respect of substantial expansion of an existing industrial unit to be assisted by a financial institution, the subsidy will be disbursed to the unit by the financial institution in as many installments as the loan is disbursed by the financial institution and simultaneously claimed by the financial Institution from JKDFC. In such cases, the contract/agreement to be drawn up between the financial institution and the unit concerned may cover mortgage/pledge/hypothecation of the assets of the unit upto the amount of the loan to be advanced by the financial institution concerned and the subsidy.

11. Rights of the Centre/State Government/Financial Institutions

If the Central Government/State Government/financial Institutions concerned is satisfied that the subsidy or grant to an industrial unit has been obtained by misrepresentation as to an essential fact, furnishing of false information or if the unit goes out of production within 5 years after commencement, the Central Government/State Government/Financial Institution concerned may ask the unit to refund the grant or subsidy after giving opportunity to the unit concerned of being heard.

12. Without taking prior approval of the Ministry of Commerce & Industry, Department of Industrial Policy and Promotion/State Government/Financial Institution concerned, no owner of an industrial unit after receiving a part or the whole of the grant or subsidy will be allowed to change the location of the whole or any part of industrial unit or effect any substantial contraction or disposal of a substantial part of its total fixed capital investment within a period of 5 years after its going into production.
13. In respect of all units to whom the grant or subsidy is disbursed by the financial institution/State Government, certificate of utilization of the grant or subsidy for the purpose for which it was given, shall be furnished to the Central Ministry of Commerce & Industry, Department of Industrial Policy and Promotion by the financial Institution/state Government within a period of one year from the date of receipt of the last installment/full amount.
14. After receiving the grant or subsidy, each industrial unit shall submit annual Progress report to the Ministry of Commerce & Industry, Department of Industrial Policy and Promotion/state Government (as may be designated) about its working for a period of 5 years after going into production.

(S.Jagadeesan)

Joint Secretary

ANNEXURE

Thrust Industries included in Annexure II of Notification No. 1(13)/2000-NER dated 14.06.2002 of J&K Industrial Policy

Sl.No	Activity
1	<p>Food Processing & Agro based industries (excluding conventional grinding/extraction units) such as</p> <p>a) Sauces, Ketchup, etc.</p> <p>b) Fruit Juices & fruit pulp</p> <p>c) Jams, Jellies, vegetable juices, puree, pickles etc.</p> <p>d) Fruit Waxing, packaging, grading</p>
2	Leather Processing & Leather goods
3	Tissue culture
4	<p>Silk Reeling Yarn and Yarn spun from silk waste</p> <p>Woven fabrics of silk or silk waste</p>
5	Wool & woven fabrics of wool
6	Woven fabrics of cotton
7	Floriculture
8	Medicinal herbs- processing
9	Green houses only Ladakh
10	Computer hardware / Electronics (integrated circuits & micro assemblies)
11	Sports goods and articles and equipment for general physical exercise
12	Auto Ancillaries
13	<p>Eco-tourism</p> <p>Hotels, Houseboats, Resorts, adventure & leisure sports, amusement parks, cable car. Guest houses only Ladakh</p>
14	Handicrafts
15	Precision engineering
16	Exploration of minerals

Government of India
Ministry of Commerce & Industry
(Department of Industrial Policy and Promotion)

NOTIFICATION

New Delhi, 22nd October, 2002.

F.No.1(11)2002-NER. The Government of India is pleased to make the following scheme of Interest Subsidy on Working Capital Loans for Industrial units in the state of Jammu & Kashmir with a view to accelerating the industrial development in the state.

- 1. Short Title:-** This scheme may be called the Central Interest Subsidy Scheme, 2002.

- 2. Commencement and duration of the Scheme:-** It will come into effect from the 14th June, 2002 and remain in force upto and inclusive of 14.06.2012.

- 3. Applicability of the Scheme:-** The scheme is applicable to new industrial units or existing units on * their substantial expansion in the Growth Centres or IIDC or industrial estates/parks/export promotion zones and commercial estates set up by the state in Jammu & Kashmir and new industrial units or existing units on * their substantial expansion in the specified industries (as at Annexure) located outside these growth centres and other identified locations.

- 4. Eligibility period :** The subsidy will be available during the duration of the scheme to an eligible industrial unit for a period of ten years from date of commencement of commercial production.

5. Definitions:-

(a) 'Industrial Unit' means an industrial undertaking, suitably servicing unit as defined in Ministry Small Scale Letter No. 2(3)/91-SSIBd. Dated 30.9.1991 other than that run Departmentally by Government of India/State Government.

* amended vide Notification dated 12th November, 2002

(b) 'New Industrial Unit' means an industrial unit for the setting up of which effective steps were not taken prior to 14th June, 2002.

(c) 'Existing Industrial Unit' means an industrial unit existing as on 14th June, 2002.

(d) 'Substantial Expansion' means increase by not less than 25% of installed capacity of an industrial unit for the purpose of expansion of capacity/ modernization and diversification.

(e) 'Effective steps' means one or more of the following steps:-

- (i) that 10% or more of the capital issued for the industrial unit has been paid up.
- (ii) that any part of the factory building required for manufacturing activity has been constructed.
- (iii) that a firm order has been placed for any plant and machinery required for the industrial unit.

- (f) 'Fixed Capital Investment' means investment in land, building, plant and machinery for the purpose of this scheme.

Total fixed capital investment will be assessed as follows:

- I) **Land**: The actual price paid for the land to the extent needed for the purposes of the plant. Charges for the leased land will not be taken into account.
- II) **Building** : Same as in the case of land. Rent of a hired building will not be taken into account.
- III) **Plant and machinery**:
- (i) In calculating the value of plant and machinery, the cost of plant and machinery as erected at site will be taken into account which will include the cost of productive equipment such as tools, jigs, dies and moulds. Their transport charges and insurance premium, etc. will also be taken into account.
 - (ii) The amount invested on goods carriers to the extent they are actually utilised for transport of raw materials and marketing of the finished products, will be taken into account.
 - iii) Working capital including raw materials and other consumable stores will be excluded for computing the value of plant and machinery.

- (g) Fixed Capital represents the depreciated value of fixed assets owned by the factory as on the closing day of the accounting year. Fixed assets are those which have a normal productive life of more than one year. Fixed capital covers all types of assets, new or used or own constructed, deployed for production, transportation, living or recreational facilities, hospitals, schools etc. for factory personnel. It includes the fixed assets of the head office allocable to the factory and also the full value of assets taken on hire-purchase basis (whether fully paid or not) excluding interest element. It excludes intangible assets and assets solely used for post manufacturing activities such as sale, storage, distribution etc.
- (h) Physical Working Capital is defined to include all physical inventories owned, held or controlled by the factory as on the closing day of the accounting year such as the materials, fuels and lubricants, stores etc., that enter into products manufactured by the factory itself or supplied by the factory to other for processing. Physical working capital also includes the stock of materials, fuels and stores etc. purchased expressly for re-sale, semi-finished, goods and work in progress on account of others and goods made by the factory which are ready for sale at the end of the accounting year. However, it does not include the stock of the materials, fuels, stores etc. supplied by others to the factory for processing. Finished goods processed by others from raw materials supplied by the factory and held by them are included and finished goods processed by the factory from raw materials supplied by others are excluded.
- (i) Working Capital is the sum total of the physical working capital as already defined above and the cash deposits in hand and at bank and the net balance of amounts receivable over amounts payable at the end of the accounting year. Working capital, however, excludes unused overdraft facility, fixed deposits irrespective of duration, advances for acquisition of fixed assets, loans and advances by proprietors and partners irrespective of their purpose

and duration, long-term loans including interest thereon and investments.

6. Extent of admissible subsidy:

All eligible industrial units in the state of Jammu & Kashmir shall be given an interest subsidy to the extent of 3% on the Working Capital advanced to them by the Scheduled Banks or Central/State financial institutions for a maximum period of 10(ten) years from the date of commencement of production.

7. Norms for Working capital calculation:

For the purpose of this scheme, the minimum working capital requirement of a unit shall be worked out @ 25% of their annual turnover. Inventory norms may be applied, if necessary, after providing for aforesaid minimum level. In respect of such units for which norms have not been laid down/are not applicable (due to the units coming below the cut off point of Rs.10 lakhs of working capital), the request of working capital should be considered favourably so long as the working capital is not very much above such minimum level. Special norms can also be evolved for inventory and receivables. Working capital below the minimum level may be justified under special circumstances in which the requirement is demonstrably lower, as in the case of ancillary units in the small scale sector with assured supply of inputs and off-take of output.

8. Designated Agency for disbursement of Subsidy:

Jammu Kashmir Development Finance Corporation (JKDFC) shall be the designated agency for disbursement of interest subsidy on the basis of the recommendation of the state Government.

9. Procedure for claiming Interest Subsidy:

Industrial units eligible for subsidy under the scheme will get themselves registered with the state department prior to taking effective steps for setting up the new units or undertaking substantial expansion of the existing units and indicate their assessment of the total working capital likely to be required for a unit. Such of the units as had taken effective steps on or after 14.6.2002 i.e. the date of announcement of the scheme will get themselves registered by 30.6.2003.

10. Procedure for disbursement of Interest Subsidy:

State Government will set up State Level Committee consisting of a representative of the state Department, the State Finance Department. State Directorate of Industries, JKDFC or its designated agency and the financial institution concerned, to go into each case to decide whether it qualifies for the grant of subsidy and also about the quantum of subsidy.

- 11.** The subsidy will be disbursed to the unit by JKDFC on the recommendation of the State Level Committee/Govt. of Jammu & Kashmir.

12. Rights of the Center/State Government/Financial Institutions:

If the Central Government/State Government/Financial Institution concerned is satisfied that the subsidy or grant to an industrial unit has been obtained by misrepresentation of the essential facts, furnishing of false information or if the unit goes out of production within 5 years after having availed the subsidy under the scheme, the Central Government/State Government/Financial Institution concerned may ask the unit to refund the grant or subsidy after giving opportunity to the concerned to be heard.

- 13.** Without taking prior approval of the Ministry of Industry, Department of Industrial Policy & Promotion/State Government/Financial Institution concerned, no owner of an industrial unit will be allowed to change the location of the whole or any part of the industrial unit or effect any substantial contraction or disposal of a substantial part of its total fixed capital investment within a period of 5 years of receiving a part or the whole of the grant or subsidy under the scheme.

- 14.** After receiving the grant or subsidy, each industrial unit shall submit annual progress report to the Ministry of Industry, Department of Industrial Policy and Promotion/State Government about its working for a period of 5 years after going into production.

(S.Jagadeesan)

Joint Secretary

Annexure

THRUST INDUSTRIES INCLUDED IN ANNEXURE II OF NOTIFICATION NO. 1(13)/2000-NER DATED 14.6.2002 OF J&K INDUSTRIAL POLICY

Sl.No	Activity
1	Food Processing & Agro based industries (excluding conventional grinding/extraction units) such as e) Sauces, Ketchup, etc. f) Fruit Juices & fruit pulp c) Jams, Jellies, vegetable juices, puree, pickles etc. d) Fruit Waxing, packaging, grading
2	Leather Processing & Leather goods
3	Tissue culture
4	Silk Reeling Yarn and Yarn spun from silk waste Woven fabrics of silk or silk waste
5	Wool & woven fabrics of wool
6	Woven fabrics of cotton
7	Floriculture
8	Medicinal herbs- processing
9	Green Houses only Ladakh
10	Computer hardware/Electronics (integrated circuits & micro assemblies)
11	Sports goods and articles and equipment for general physical exercise
12	Auto Ancillaries
13	Eco-tourism Hotels, Houseboats, Resorts, adventure & leisure sports, amusement parks, cable car, Guest Houses only Ladakh
14	Handicrafts
15	Precision engineering

Government of India
Ministry of Commerce & Industry
(Department of Industrial Policy and Promotion)

NOTIFICATION

New Delhi, the 22nd October, 2002.

F.No.1(11)/2002-NER. In pursuance of Ministry of Commerce and Industry, Department of Industrial Policy & Promotion O.M. No.1(13)/2000-NER dated 14th June, 2002, the Government of India is pleased to make the following Scheme of Comprehensive Insurance for Industrial Units for the state of Jammu & Kashmir with a view to accelerating industrial development in the state.

1. **Short Title:-** This scheme may be called Central Comprehensive Insurance Scheme, 2002.
2. **Commencement and Duration :-** It will be effective from the day of its publication and remain in force upto and inclusive of 14.06.2012.
3. (i) **Applicability:-** The Scheme is applicable to new Industrial Units and **existing*** units on their substantial expansion on or after 14th June, 2002.

(ii) **Eligibility:-** The subsidy will be available during the duration of the scheme to an eligible industrial unit for a period of ten years from date of commencement of commercial production.
4. **Definition of Industrial Unit:-** Any industry which is included in Fire Policy 'C' as per All India Fire Tariffs.
4. **Fixation of Sum Insured:-** The Policy shall be issued on market valuation by the Insurance Company.

* amended vide Notification dated 12th November, 2002.

6. 'Substantial Expansion' means increase by not less than 25% in the value of fixed capital investment in plant and machinery of an industrial unit for the purpose of expansion of capacity/ modernization and diversification.

7. **Mode of Operation:-** The insured party shall pay the initial premium which shall be reimbursed by the nodal insurance company out of the revolving fund maintained by that company. Funds for this revolving fund shall be contributed by Ministry of Commerce and Industry, Department of Industrial Policy & Promotion. The Insurance policy envisaged under the Scheme will be as indicated in Annexure-A.

(S.Jagadeesan)

Joint Secretary

ANNEXURE –A

COMPREHENSIVE INSURANCE POLICY FOR INDUSTRIAL UNIT IN JAMMU & KASHMIR

“IN CONSIDERATION OF the Insured named in the schedule hereto having paid to the _____ Insurance Company Limited (hereinafter called the company) the premium mentioned in the said schedule, THE COMPANY AGREES, (subject to the conditions and exclusions contained herein or endorsed or otherwise expressed hereon) that if after payment of the premium the property insured described in the said schedule or any part of such property be destroyed or damaged by the following:-

- i. Fire
- ii. Lightning
- iii. Explosion/Implosion but excluding loss of or damage

- (a) to boilers (other than domestic boilers), economisers or other vessels, machinery or apparatus in which steam is generated or their contents resulting from their own explosion/implosion,
- (b) caused by centrifugal force.
- iv. Riot, Strike, Malicious, and terrorist Damage as per riot Strike, Malicious and terrorist Damage clause printed hereon.
- v. Impact by any Rail/Road vehicle or animal.
- vi. Aircraft and other aerial and/or space devices and/or articles dropped therefrom, excluding destruction or damage occasioned by pressure waves caused by such devices,
- vii. Storm, Cyclone, Typhoon, Tempest, Hurricane, Tornado, Flood and Inundation.
- viii. Subsidence and Landslide (including Rockslide) resulting in collapse of the entire building or part of,
- ix. Earthquake Fire and Shock

During the period of insurance named in the said schedule or of any subsequent period in respect of which the insured shall have paid and the Company shall have accepted the premium required for the renewal of the policy, the Company will pay to the Insured the value of the Property at the time of the happening of its destruction or the amount of such damage or at its option reinstate or replace such Property or any part thereof.

PROVIDED that the liability of the Company shall in no case exceed in respect of each item the sums expressed in the said Schedule to be insured thereon or in the whole the total sum insured thereby or such other sum or sums as may be substituted thereof by memorandum thereon or attached hereto signed by or on behalf of the company.”

RIOT, STRIKE, MALICIOUS AND TERRORIST DAMAGE CLAUSE

This Policy covers Riot, Strike, Malicious and Terrorist Damage as under:-

- I. Loss of or visible physical damage by external violent means to the property insured directly caused by:
 - 1) The act of any person taking part together with others in any disturbance of the public peace (whether in connection with a strike or lock-out or not) not being an occurrence mentioned in exclusion 7(a),(b).
 - 2) The action of any lawfully constituted authority in suppressing or attempting to suppress any such disturbance or in minimising the consequence of any such disturbance.
 - 3) The willful act of any striker or locked out worker done in furtherance of strike or in resistance to a lock out resulting in visible physical damage by external violent means.
 - 4) The action of any lawfully constituted authority in preventing or attempting to prevent any such act or in minimising the consequences of any such act.
 - 5) Any malicious act but excluding any omission of any kind of any person(whether or not such act is committed in the course of a disturbance of public peace) provided that the Company shall not be liable for any loss of damage arising out or in the course of burglary, housebreaking, theft or larceny or any attempt by any person taking part therein.
- II. Loss of or Damage to the property insured by explosion or otherwise directly caused by:
 1. An act or terrorism committed by a person or persons acting on behalf of or in connection with any organisation.
 2. The action of any lawfully constituted authority in suppressing or attempting to suppress any such act, of terrorism or in minimising the consequences thereof.

For the purpose of this clause "terrorism" shall mean the use of violence for political ends and shall include any use of violence for the purpose of putting the public or any section of the public in fear.

EXCLUSIONS

THIS INSURANCE DOES NOT COVER

1. Loss by theft during or after the occurrence of any insured peril except as provided for in the Riot, Strike and Malicious Damage Clause.
2. Loss or damage to property occasioned by its undergoing any heating or drying process.
3. Loss or damage occasioned by or through or in consequence of
 - (a) the burning of property on order of any public authority
 - (b) subterranean fire
4. Loss of damage directly or indirectly caused by or arising from or in consequence of or contributed to by nuclear weapons material.
5. Loss or damage directly or indirectly caused by or arising from or in consequence of or contributed to by ionising radiations or contaminations by radio-activity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel. For the purpose of this Exclusion only, combustion shall include any self-sustaining process of nuclear fission.
6. Loss or damage to any electrical machine, apparatus, fixture or fitting (including electric fans, electric household or domestic appliances, wireless sets, television sets and radios) or to any portion or the electrical installation, arising from or occasioned by over-running, excessive pressure, short circuiting, arcing, self-heating or leakage or electricity, from whatever cause(lightning included) provided that this exemption shall apply only to the particular electrical machine, apparatus, fixture, fitting or portions of the electrical installation so affected and not to other machines, apparatus, fixtures, fittings, or portions of the electrical installation which may be destroyed or damaged by fire so set up.
7. Loss or damage occasioned by or through or in consequence directly or indirectly, of any of the following occurrences, namely,

- (a) War, invasion, act of foreign enemy hostilities or warlike operations (whether war be declared or not), civil war,
- (b) Mutiny, civil commotion assuming the proportions of or amounting to a popular rising, military rising, insurrection, rebellion, revolution, military or usurped power.

In any action, suit or other proceeding where the company alleges that by reason of the provisions of the above exclusions any loss or damage is not covered by this insurance, the burden of proving that such loss or damage is covered shall be upon the insured.

- 8. Loss or damage to bullions or unset precious stones, any curios or work of art, for an amount exceeding Rs.1000/-, manuscripts, plans, drawings patterns, models or moulds, securities, obligations or documents of any kind, stamps, coins or paper money, cheques, books of account or other business books, computer system records, explosives, unless otherwise expressly stated in the policy.
- 9. Property insured if removed to any building or place other than in which it is herein stated to be insured except Machinery and Equipments temporarily removed for repairs, cleaning, renovation or other similar purposes for a period not exceeding 60 days.

This insurance does not cover

- a) Loss of earnings, loss by delay, loss of market or other consequential or indirect loss or damage of any kind or description whatsoever.
- b) Loss or damage resulting from total or partial cessation of work or the retarding or interruption or cessation of any process or operation or omissions of any kind.
- c) Loss or damage occasioned by permanent or temporary dispossession resulting from confiscation commandeering or requisition by any lawfully constituted authority.
- d) Loss or damage occasioned by permanent or temporary dispossession of any building or plant or unit or machinery resulting from the lawful occupation by any person of such building or plant or unit or machinery or prevention of access to the same.

PROVIDED nevertheless that the Company is not relieved under (c) or (d) above of any liability to the Insured in respect of physical damage to the property insured occurring before dispossession or during temporary dispossession.

CONDITIONS

1. THIS POLICY shall be voidable in the even of mis-representation, mis-description or non-disclosure of any material particular.
2. All insurance under this policy shall cease on expiry of seven days from the date of displacement of any building or part hereof or of the whole or any part of any range of building or of any structure of which such building forms part.

PROVIDED such a fall or displacement is not caused by insured perils loss or damage by which is covered this policy or would be covered if such building, range of buildings or structure were insured under this policy. Notwithstanding the above, the company, subject to an express notice being given as soon as possible but not later than 7 days of any such fall or displacement, may agree to continue the insurance subject to revised rates, terms and conditions as may be decided by it and confirmed in writing to this effect.

3. The insurance may be terminated at any time at the request of the insured, in which case the company will retain the premium at customary short period rate for the time the policy has been in force. The insurance may also at any time be terminated at the option of the Company on 15 days notice to that effect being given to the Insured, in which case the company shall be liable to reply on demand a ratable proportion of the premium for the un-expired term from the date of the cancellation.
4. (1) On the happening of any loss or damage the insured shall forthwith give notice thereof to the company and shall within 15 days after the loss or damage or such further time as the company may in writing allow in that behalf, deliver to the company.
 - (a) A claim in writing for the loss or damage containing as particular an account as may be reasonably practicable of all the several articles or items or property damage or destroyed, and of the amount of the loss or

damage thereto respectively, having regard to their value at the time of the loss or damage not including profit of any kind.

(b) Particulars of all other insurances, if any.

The insured shall also at all time at his own expense produce, procure and give to the company all such further particulars, plans, specification books, vouchers, invoices, duplicates or copies thereof, documents, investigation reports (internal/external), proofs and information with respect to the claim and origin and cause of the fire and the circumstances under which the loss or damage occurred and any matter touching liability or the amount of the liability of the Company as may be reasonably required by or on behalf of the company together with a declaration and oath or in other legal form of the truth of the claims and of any matters connected therewith.

No claim under this policy shall be payable unless the terms of this condition have been complied with.

(i) The Company reserves the right to treat the claim as no claim if no information/documents are submitted by the insured with a period of 6 months from the date of loss.

(ii) In no case whatsoever shall the Company be liable for any loss or damage after the expiration of 12 months from the happening of the loss or damage unless the claim is the subject of pending action or arbitration; it being expressly agreed and declared that if the Company shall disclaim liability for any claim hereunder and such claim shall not within 12 calendar months from the date of the disclaimer have been made the subject matter of a suit in a court of law then the claim shall for all purposes be deemed to have been abandoned and shall not thereafter be recoverable hereunder.

5. On the happening of loss or damage to any of the property insured by this policy, the Company may:-

(a) enter and take and keep possession of the building or premises where the loss or damage has happened.

(b) take possession of or require to be delivered to it any property of the insured in the building or on the premises at the time of the loss or damage.

(c) keep possession of any such property and examine, sort, arrange, remove or otherwise deal with the same.

(d) sell any such property or dispose of the same for account of whom it may concern.

The powers conferred by this condition shall be exerciseable by the Company any time until notice in writing is given by the insured that he makes no claim under the policy, or if any claim is made, until such claim is finally determined or withdrawn, and the company shall not by any act done in the exercise or purported exercise of its powers hereunder, incur any liability to the insured or diminish its rights to rely upon any of the conditions of this policy in answer to any claim etc.

If the insured or any person on his behalf shall not comply with the requirements of the Company or shall hinder or obstruct the Company, in the exercise of its powers hereunder, all benefits under this policy shall be forfeited.

The Insured shall not in any case be entitled to abandon any property to the Company whether taken possession of by the Company or not.

6) If the claim be in any respect fraudulent, or if any false declaration be made or used in support thereof or if any fraudulent means or devices are used by the insured or any on acting on his behalf to obtain any benefit under the policy or if the loss or damage be occasioned by the willful act, or with them connivance of the insured, all benefits under this policy be forfeited.

7) If the company at its option, reinstate or replace the property damaged or destroyed or any part thereof, instead of paying the amount of the loss or damages, or join with any other Company or Unsure(s) in so doing, the Company shall not be bound to reinstate exactly or completely but only as circumstances permit and in reasonably sufficient manner, and in no case shall the Company be bound to expend more in reinstatement than it would have cost to reinstate such property as it was at the time of the occurrence of such loss or damage not more than the sum insured by the Company thereon.

If the Company so elect to reinstate or replace any property, the insured shall at his own expense furnish the Company with such plans. Specifications, measurements, quantities and such other particulars as the Company may require, and no acts done, or caused to be done, by the company with a view to reinstatement or replacement shall be deemed an election by the company to reinstate or replace.

If in any case the Company shall be unable to reinstate or repair the property hereby insured, because of any municipal or other regularizations in force affecting the alignment of streets or the construction of buildings or otherwise, the Company shall in every such case, only be liable to pay such sum as would be requisite to reinstate to its former condition.

- 8) The insured shall at the expense of the Company do and concur in doing, and permit to be done, all such acts and things as may be necessary or reasonably required by the Company for the purpose of enforcing any rights and remedies or of obtaining relief or indemnity from other parties to which the Company shall be or would become entitled or subrogated, upon its paying for or making good any loss or damage under this policy, whether such acts and things shall be or become necessary or required before or after his indemnification by the Company.
- 9) If at the time of any loss or damage happening to any property hereby insured there be any other subsisting insurance or insurances, whether effected by the insured or by any other person or persons covering the same property, this Company shall not be liable to pay or contribute more than its ratable proportion of such loss or damage.
- 10) If the property hereby insured shall at the breaking out of any insured peril, be collectively of greater value than the sum insured thereon, then the insured shall be considered as being his own insurer for the difference, and shall bear a ratable proportion of the loss accordingly. Every item, if more than one of the policy shall be separately subject to this condition.

Provided, however that if the sum insured hereby on the property insured shall at the operation of any of the perils insured under this

Policy or at the commencement of such destruction or damage be not less than 85% (eighty-five percent) of the collective value of the property insured, this condition shall be of no purpose and effect.

- 11) If any dispute or difference shall arise as to the quantum to be paid under this Policy (liability being otherwise admitted) such difference shall independently of all other questions be referred to the decision of a sole arbitrator to be appointed in writing by the parties to or they cannot agree upon a single arbitrator within 30 days of any party invoking arbitration the same shall be referred to a panel of three arbitrators, comprising of two arbitrators, one to be appointed by each of the parties to the dispute/difference and the third arbitrator to be appointed by each of the parties to the dispute/difference and the third arbitrator to be appointed by such two arbitrators and arbitrator shall be conducted under and in accordance with the provisions of the Arbitration and Conciliation Act, 1996.

It is clearly agreed and understood that no difference or dispute shall be referable to arbitration as herein before provided, if the company has disputed or not accepted liability under or in respect of this policy.

It is hereby expressly stipulated and declared that it shall be a condition precedent to any right of action or suit upon this policy that the award by such arbitrator/arbitrators of the amount of the loss or damage shall be first obtained.

- 12) At all times during the period of insurance of this policy the insurance cover will be maintained to the full extent of the respective sum insured in consideration of which, upon the settlement of any loss under this policy, pro rata premium for the unexpired period from the date of such loss to the expiry period of insurance for the amount of such loss shall be payable by the Insured to the Company.
