



Madhya Pradesh Bhoj (Open) University
Post Graduate
Diploma in Travel & Tourism
Paper - III

(PGDTT)



M. P. Bhoj (Open) University

**Post Graduate
Diploma in
Travel & Tourism
PGDTT - 3**

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Unit - 1 □ Basic Accounting

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1.1 Introduction

Business is an economic activity undertaken with the motive of earning profits and to maximize the wealth of the owners. From ownership point of view the business may have different form viz. sole proprietorship, partnership, limited liability partnership or a body corporate etc. but all the businesses have to follow the general principle of trade, business ethics and statutory framework of the country. Though these factors vary from one country to another, basic objectives of the business organization is to satisfy the need of the customers with quality product or services. For doing business, one has to synchronize the materials, labour, machine, capital etc. One has to ensure that all these resources are being used optimally because all the resources have costs. So it is very important to keep in mind the cost of procurement of all such resources to achieve the ultimate objective i.e. to earn profit. Therefore, the business organizations perform complex activities consisting of purchase of raw materials, payment to suppliers, conversion of raw materials to finished product, collection from customers, payment to employees and other payments of running expenses like rent, electricity etc. All such receipts and payments may be made through a bank account. These business activities have an impact on the financial results of the business organization. As the basic purpose of a business is to make profit, the owners will be interested to know the financial result at the end of a specific period.

According to the American Institute of Certified Public Accountants (AICPA), accounting is the art of recording the transactions and events measurable in terms of

money in a significant manners to facilitate the interpretation of the results thereby. The accounting system provides relevant and reliable financial information to interested parties. Accounting is the language of the business. It facilitates communication among individuals in the society. Accounting provides information that is useful in making business and economic decision for making reasoned choices among alternative uses of scarec resources in the conduct of business and economic activities (FASB). Accounting communicates the financial information to the stakeholders of the business organization both internal and external viz. owners, managers, employees, suppliers, customers, lenders, investors, banks, government and public in general etc. In the business organization three types accounting systems are used to meet the requirements of the stakeholders and for itself. These are Financial accounting, cost accounting and management accounting.

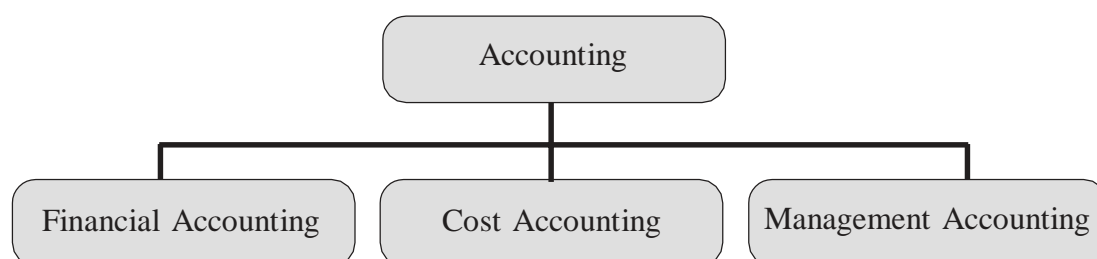


Fig. 1 : Accounting system

Financial accounting : Financial accounting is concerned with recording business transaction in the books of accounts for the purpose of presenting financial statements to management, shareholders and regulators like government, tax authorities etc. The financial statements include.

i) Profit and Loss account which shows the net profit or loss for a particular period,

ii) Balance Sheet which shows the financial position at a particular point of time and

iii) Cash Flow Statement which shows inflows and outflows of cash arising from the business activities like operating activities, financing activities and financing activities for the particular period.

So, the financial accounting is the process of preparation and presentation of financial data. Financial accounting provides the financial information to the owners

about the performance of the management as well as communicates all necessary information to the investors, lenders, government by the financial statements.

Cost accounting : Cost accounting is quantitative method which deals with the classification, recoding, allocation, summarization and reporting of current or prospective cost of a product or service. It is a specialized branch of accounting which assists management to control costs. The objectives of cost accounting is the ascertainment of cost and control of costs. Cost accounting provides detailed cost information to various levels of management for efficient performance of their functions. It acts as an important tool in the hands of the management for decision making.

Management accounting : Management accounting is concerned with the accounting information both financial and cost accounting information that is useful to the management. Management accounting acts as an important tool in the hands of the management for decision making, planning and controlling etc. Hence, management accounting is meant for internal users of the business and it aims to facilitate the management in formulating strategies, planning and making decisions etc. Management accounting has thus shifted the focus of accounting from recording and analyzing financial transactions to using information for decision affecting the future.

1.2 Meaning of Book-keeping and Accounting

Book-keeping is the art of recording the financial transactions of a business organization in a systematic manner. The main purpose of book-keeping is the systematic and regular supply of accounting information for preparing the financial report. Book-keeping is the art of technique of recording transactions in the books of accounts in order to find out the financial results of the business transactions. It is the basis of preparing the financial statements. From the information received from book-keeping, accounting is done.

Accounting is the language of business. Accounting provides information that is useful in making business and economic decision for making reasoned choices among alternative uses of scarce resources in the conduct of business and economic activities (Statement of Financial Accounting Concepts No.1, FASB, Para.9). The accounting helps communicate the financial information to all its stakeholders like owners, lenders, managers, bankers, government etc.

Relationship between book-keeping and accounting :

Book-keeping	Accounting
<p>Step-I: Book-keeping starts with the recording of transactions in different day books.</p> <p>Step-II: After recording the transactions, they are posted in the respective ledger accounts on the basis of their classification.</p> <p>Step-III: When the posting is completed, each ledger account is closed to determine the balancing figure.</p>	<p>Step IV: With the balance of different ledger accounts, Trial Balance is prepared to check the arithmetical accuracy of the recorded transactions.</p> <p>Step V : Before going to next step, i.e, before preparing the financial statements, necessary adjustment entries in different accounts are passed.</p> <p>Step VI : The ultimate objective of accounting is to find out the financial results from the financial transactions. After the step IV & V, the financial statements viz. statement of Profit and loss, Balance Sheet, Cash Flow Statement etc. are prepared.</p> <p>The statement of profit and loss are designed to show the profit earned or loss suffered during a particular period and the balance sheet is designed to show the financial position of the business on a particular date.</p>

So, it may be said that, where the book-keeping ends, the accounting starts. The function of a book-keeper is clerical. The function of an accountant is a specialized one and needs an expertise in the filed of accountancy.

1.3 Objectives of Accounting

Financial accounting is the accounting of financial transaction of an organization. The financial transactions are past events which are measure in monetary terms and which has effects on the financial position of the business. Accounting is the process that starts with recording and ends with reporting. The important objectives of accounting are :

- i) Identification of transaction and events and measurement thereof.
- ii) Classification of transaction in appropriate heads.
- iii) Recording of classified transaction.
- iv) Preparation of financial statements and reports
- v) Providing financial information to the interested parties/ users.

1.4 Users of Financial Information

It is already discussed that there are several groups of people who have a stake in the business organization - shareholders/ owners, managers, employees, creditors, customers and community at large. The information needs for various users are discussed below.

Shareholders/ owners : The shareholders or owners invest their wealth in the business. They are interested to know about the profitability of the organization, the growth prospects over the period etc. They also need information for their decisions of buying, selling or holding of shares of the company.

Management : The managerial process includes planning, organizing, decision making and controlling. All these activities need accounting information. Without reliable and relevant financial information, the managers cannot perform well.

Employees : Employees are interested in the financial statements to ascertain the ability of the company to maintain the existing staff with appropriate pay structure, scope of promotion and retirement benefit. Matters like bonus, incentives and profit sharing rest on adequate disclosure of relevant information.

Creditors : Creditors may be short-term or long-term lenders. Short-term creditors are the suppliers of materials, goods etc. They are normally known as trade creditors. Long-term creditors are those who have lent money for a long period, which is

known as secured loan. The main concern of the creditors is to know the credit worthiness of the organization. The long-term lenders are more concerned with solvency of the company, whereas the short-term lenders are primarily interested in liquidity and profitability.

Customers : Customers and other members of the society are interested in accounting information in order to appraise the efficiency and social role of the organization in the society i.e. what level of profit and outputs are being achieved, in what way the social responsibility is being carried out by the organization.

Government: The government and regulatory authorities have the following purposes in the financial statements of a company to-

- i) Observe legal compliances with laws and regulations
- ii) Collect revenue through taxes
- iii) Grant subsidy if any

Several government agencies collect information about various aspect of activities of business organization. This information is a direct output of the accounting system.

1.5 Generally Accepted Accounting Principles (GAAP)

Financial statements are required to be prepared in accordance with the generally accepted accounting principles. Because, if the different organizations adopt different principles in maintenance of accounting records and publishing the accounting information, there will be difficulty to analyze the financial reports for various decision making. Generally Accepted Accounting Principles (GAAP) is a set of concepts, rules, principles and procedure to explain and guide the accounting practice. GAAP are a combination of standards and simply the commonly accepted ways of recording and reporting accounting information to different stakeholders. Since the stakeholders are different, it is important to prepare financial statements in a manner that facilitates proper information of past financial activities of the company. GAAP help in preparing the financial report which would be reliable as well as be clearly understood. In India different institutes influence the GAAP. These are

- i) Department of Company Affairs (DCA),
- ii) Securities and Exchange Board of India (SEBI),
- iii) Income Tax Authorities, iv) Institute of Chartered Accountants of India (ICAI),
- iv) International Accounting Standard Board (IASB),
- v) Reserve bank of India (RBI) etc.

Since the environment in which business operates, undergoes constant changes as a result of changes in economic and financial policies of the government and changes in the structure of business, continued evaluation of the relevance of GAAP is required. Thus, there is no fixed accounting policies. The accounting policies comprise the principles, conventions, rules and procedures adopted by the business organizations in preparing and presenting financial statements.

The organizations may follow diverse accounting policies which are regarded as permissible. The accounting standards specify the acceptable accounting methods. The accounting standards are written documents issued by the government or regulatory bodies dealing with the various aspects of measurement, presentation and disclosure of accounting information in the financial statements. The objective of accounting standards is to reduce the accounting alternatives in the preparation of financial statements within the bounds of rationality, thereby ensuring comparability of financial statements of different organizations with a view to provide meaningful information to various users of financial statements.

In India, Accounting standards are formulated by the Accounting Standard Board (ASB) of the Institute of Chartered Accountants of India. The ASB gives due considerations to the international Accounting Standards (IAS) issued by the International Accounting Standard Committee and tries to integrate them to the extent possible with its own formulations in the light of the conditions and practices prevalent in India.

1.6 International Financial Reporting Standards (IFRS)

The International Standard setting process was began in 1973 through the establishment of the International Accounting Standards Committee (IASC). In

2000, the IASC's constitution was amended and it was renamed as the International Accounting Standards Board (IASB). The standards and interpretations adopted by the IASB was known as International Accounting Standards (IAS). IASB adopted IAS in April 2001, and renamed it as IFRS.

The Purpose of IFRS

International Financial Reporting Standards (IFRS) is a set of accounting standards, developed by the IASB that is becoming the global standard for the preparation of financial statements of a company. India is one of the over 100 countries that have or are moving towards IFRS convergence with a view to bringing about a uniformity in reporting systems globally, which will enable businesses, to access more opportunities. In the globalised era, businesses are crossing their national boundaries, promoting the synchronization of accounting standards across the globe. The objective behind the IFRS is to create a common platform for better understanding of accounting, at international level. Though converting to IFRS is a complex process, these standards have important and positive implications for organizations and individuals that adopt them. Indian companies are listed on overseas stock exchanges and have to recast their accounts to be compliant with GAAP requirements of those countries. Foreign companies having subsidiaries in India are having to recast their accounts to meet Indian and overseas reporting requirements which are different. Foreign Direct Investment (FDI), Financial Institutional Investments (FII) are more comfortable with compatible accounting standards and companies using foreign funds feel the need for recast of accounts in keeping with globally accepted standards. So, the need for convergence is well understood and accepted. It increases investor's acceptance and support and promotes inter-firm comparison beyond national boundaries which helps the cross border listing, cross border mergers and acquisition and greater access to capital market around the globe. The convergence of accounting standards is the key to global integration.

Significance of IFRS

IFRS will allow flexibility in choosing the right accounting policy, but will also lead to enhanced disclosure requirements. Therefore, estimation efforts, subjectivity

and judgment will increase manifold in preparing IFRS financial statements. The IFRS integrates domestic businesses with the global investor and financial community so that there is no language gap and barrier. IFRS promotes the principle that the same economic transaction happening in London, Kolkata or New York will have the same accounting result.

1.7 Different terms used in Financial Accounting

1.7.1 Transaction

Any event which causes a change in the financial position of any person or organization is called a transaction. The important features of a transaction are:

- i) Two-fold aspects: Every transaction has two aspects, one gets some benefits and the other gives some benefits.
- ii) Change in financial condition: Every transaction must effect changes in the financial conditions of both the parties, it may be a quantitative change (e.g. goods worth Rs.500 were destroyed by fire, as a result the value of the assets has been decreased to the extent of Rs.500) or a qualitative change (e.g. a furniture is purchased for Rs. 2000, this will change the form of assets like increase in furniture and decrease in cash position).
- iii) Measurable in monetary terms: Every transaction must be measurable in monetary terms viz. Rupees, dollar etc.

Therefore, the events which satisfy all the above features will be recorded in the books accounts as financial transactions of the business.

Different types of transaction

Cash transaction : Cash transaction is a transaction which involves immediate cash or cheque receipt or payment. In case of a cash transaction, the name of the party is not recorded in the books of accounts, e.g. goods purchased from Arindam for Rs.20,000 in cash. Here two accounts are involved viz. cash and purchase.

Credit transaction : In case of credit transaction, no immediate cash receipts/ payment is involved. The name of the party (giver or receiver of the benefit) in such

transaction is important, e.g. Goods sold to Ranjit for Rs.5000 on credit. Here two accounts are involved namely Ranjit and sales.

Internal transaction : When a transaction is occurred within the organization without involving the outside organization, it is called internal transaction, e.g. depreciation charged on building or machinery etc.

1.7.2 Accounting Cycle

Accounting cycle refers to the sequence of accounting procedures used to record, classify and summarize the business transactions. The accounting cycle starts with the identification of transactions and ends with the preparation of financial statements. The phases of accounting cycle are :

Recording of Transaction : As soon as a transaction occurs, it is first recorded in the subsidiary books.

Journal : The transactions are recorded in the books of original entry i.e. in journal chronologically. The recording of transactions in the journal is known as entry.

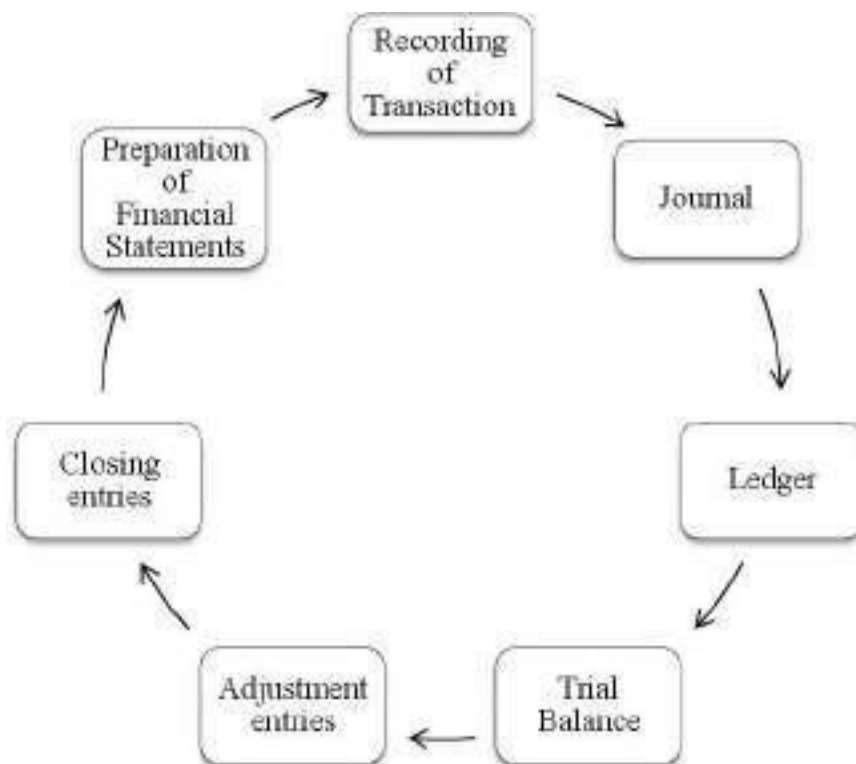


Fig.2 : Accounting Cycle

Ledger : The transactions are recorded in the ledger chronologically and in a classified manner. The recording of transactions from journal to ledger is known as posting.

Trial Balance : At the end of the accounting period, all the ledger accounts are closed and with balances of ledger accounts, trial balance is prepared to check the arithmetical accuracy of the posting.

Adjustment entries : All the adjustment entries like bad debts, outstanding and prepaid expenses, accrued incomes, depreciation etc. are to be recored properly and adjusted accordingly before preparing the financial statements.

Closing entries : All the nominal accounts are to closed by transferring the balances to trading and profit and loss account.

Financial Statements : The last phase of accounting cycle is to prepare the financial statements which include the Profit and loss statement (showing the operating results) , Balance Sheet (showing the financial position) and the Cash Flow statement (showing the inflow and outflow of cash for different activities).

1.7.3 Capital and Revenue

Revenue expenditure is incurred for generating revenue in the current accounting period and the benefit of such expenditure expires within the accounting period in which it is incurred. It is a recurring expense. Example: purchase of goods, wages, salary, discount allowed, carriage etc.

The capital expenditure is incurred to get the benefit beyond the accounting period in which it is incurred. The unexpired benefit of such expenditure is carried over the next accounting periods. Capital expenditures are non-recurring in nature. Example: purchase of machinery, purchase of building etc.

Revenue receipts are the receipts against sale of goods or services rendered in the ordinary course of business. These are the results of trading activities within a period and are recurring in nature. The capital receipts are non-recurring in nature.

In the business activities, certain revenue expenditures are spread over a number of accounting years. Such expenditure are known as deferred revenue expenditure. When a revenue expenditure is of heavy amount and its benefit is expected to extend beyond accounting year, a portion of such expenditure is carried forward to the

subsequent years . Example: Advertisement, preliminary expenses, discount on issue of shares etc.

The revenue expenditure which is incurred to acquire an asset or to increase its value or capacity is required to be capitalized. This is known as capitalized expenditure. Example: Wages paid for installation of machine, Cost of registration of land etc.

1.8 Accounting Concepts and Conventions

Accounting concepts and conventions are followed for the purpose of maintaining uniformity in terminology, approach and presentation of reports. In accounting most of the times, the terms "accounting concepts" and "accounting conventions" are used interchangeably. But the meaning of these two terms are not same. Accounting concepts suggest necessary assumptions and conditions upon which the service of accounting is based. While accounting conventions signify customs or traditions as a guide in the art of preparation and presentation of accounting statements. Accounting concepts are more universal in nature than accounting conventions which may be different depending upon the time, place, persons, nature of transactions etc. i.e. the accounting conventions may differ from one country to another even from one company to another in the same country.

Accounting Concepts	Accounting Conventions
1. Business Entity Concept	1. Conservatism
2. Going Concern Concept	2. Consistency
3. Accounting period Concept	3. Materiality
4. Money Measurement Concept	4. Full disclosure
5. Dual Aspect Concept	
6. Realization Concept	
7. Accrual Concept	
8. Matching Concept	
9. Historical Cost Concept	

Business Entity Concept : According to entity concept, assets are regarded as the property of the business and not of the proprietor. Similarly, liabilities are regarded

as obligations of the business. The proprietor is treated as one of the creditors of the business organization whether it is a sole proprietorship business or a partnership business or a joint stock company. When the proprietor or owner invests money, his contribution is treated as capital of the business and is regarded as liability in the hands of the business. The income arising out of the financial transactions are viewed as its own income and similarly loss is considered as the loss suffered by the business organization.

Going Concern Concept : The basic principle of this concept is that the business is assumed to exist for an indefinite period and is not established with the objective of closing it down in near future i.e. it has no intention of liquidation. It also assumes that the business will continue to operate long enough to use up its fixed assets and also to discharge its long-term liabilities as and when they mature. Going concern concept help distinguish the revenue and capital expenditure. This concept has actually led to develop the accounting period concept.

Accounting period Concept : As per going concern concept, the enterprise is assumed to have an indefinite life but the measurement of income cannot be postponed to the end of the life of the enterprise. According to this concept the life of the enterprise is divided into appropriate accounting periods say a year for studying the results of each accounting period.

Money Measurement Concept : Under money measurement concept, all transactions are expressed and recorded in terms of money. Therefore, if something cannot be measured in monetary terms, it will not be recorded in the books of accounts. . This concept suffers from a limitation. When a transaction is recorded in monetary terms, we consider the absolute value of the money. But the real value of money may change over time due to inflation, exchange rate fluctuations etc.

Historical Cost Concept : Historical cost refers to the cost at the time of acquisition. Accounting is the recording of past happenings. The historical cost concept is a fundamental concept of accounting which is based on the historical record of the transactions. On account of continued inflationary tendencies the preparation of financial statements on the basis of historical costs has become irrelevant for judging financial position of the business enterprise.

Matching Concept : In order to ascertain the profit made by the business during an accounting period, it is necessary that revenue of the period should be matched with the expenses of the period. The term "matching" means appropriate association of related revenues and expenses. The income earned by a business

during a period can be measured only when the revenue earned during that period is matched with the expenditure incurred to earn that revenue during the said period. In order to correctly calculate the net results, both the revenue and expenses must be recognized during the same accounting period.

Dual Aspect Concept : According to dual aspect concept, each transaction has two aspects - one receive the benefit while other gives the benefit. The double entry system is based on the dual aspect concept. This concepts suggests that for an increase in asset there is either decrease in another asset or increase in liability of an equal amount. The dual aspect concept gives us the fundamental accounting equation which is expressed by :

$$\text{Total Assets} = \text{Liabilities} + \text{Capital}$$
$$\Sigma A = \Sigma L + \Sigma C$$

At any point time and after each transaction, this equation will represent the financial position of the business. A transaction may affect either both sides of the equation by the same amount or on one side of the equation only, by both increasing or decreasing it by equal amounts and thus netting to zero. An increase in an asset, without a corresponding increase in liability or a corresponding decrease in another asset, must represent an increase in capital.

Realization Concept : According to this concept, revenue is recognized to have arisen when goods and services are sold to customers followed by inflow of cash or accounts receivables arising out of that sale during a given period. In accounting, revenue is said to be recognized at the time of sale of goods or services and the customers become liable to pay. There are three conditions to be fulfilled for recognizing an item as revenue. These conditions are-

- a) goods or services should have been produced,
- b) the goods or services so produced should have been sold and
- c) the sale should be followed by an inflow of assets in form of either money or promise tom pay money.

But in case of hire purchases, the title or ownership of the goods is not transferred from the seller to the customers till the last installment is paid. In this case the down payment and installments received or due should be treated as actual sale, hence revenue is recognized.

Accrual Concept : In calculating profit for any accounting period, expenses and revenues are matched. The accrual concept recognizes the revenue as they are earned or incurred respectively without regard to the date of receipt or payment. Income or profit is deemed to have arisen only when both the income received and receivable (accrued income) is taken into account after deducting all expenses paid and payable (prepaid or outstanding expenses).

Convention of Conservatism : According to this convention, a degree of caution is necessary while making estimates under conditions of uncertainty. The concept underlines the prudence of under-stating than over-stating the net income of an enterprise for a period and the net assets as on a particular date. It takes into consideration all prospective losses but leaves all prospective profits.

Convention of Consistency : The convention implies that the methods, practices, procedures, bases etc. used in accounting for a particular enterprise should be followed consistently from period to period. It means that, in order to enable the management to draw important conclusions regarding the activities and results of the enterprise over a number of periods, it is necessary that accounting practices and methods remain unchanged from one accounting period to another. The comparison is only possible when the convention of consistency is followed. The convention of consistency plays an important role particularly when alternative accounting methods are acceptable e.g. methods of depreciation.

Convention of Materiality : This convention means that a transaction or a method adopted should not be considered in isolation but always in relation to the effect it will have on the final results. According to American Accounting Association (AAA) materiality is an item regarded as material if there is reason to believe that knowledge of its would influence the decision of informed investor. Whether an item is material or not depends on personal judgement. There cannot be hard and fast rule. For example, 10% of RS.100,000 may be material information for one organization, and 10% of Rs10,00,000 may be material for another.

Convention of Full disclosure : This convention involves proper classification, summarization, explanation of accounting data in the financial statement so as to disclose fully the information conveyed through them. It ensures that accounts have been prepared honestly and all materials information have been disclosed there in. Nothing should be hidden. While preparing financial statements, it should be ensured that significant facts or information are not omitted. Convention of full disclosure increases th relevance and reliability of the financial statements.

From the foregoing discussion, it may be said that the accounting concepts and conventions help in recording the financial transaction in a systematic and acceptable principles and also in preparing the financial statements. So both the concepts and conventions are relevant for :

Recording the transactions in the books of accounts

1. Business Entity Concept
2. Money Measurement Concept
3. Dual Aspect Concept
4. Historical Cost Concept
5. Realization Concept
6. Accrual Concept

Preparing the financial statements

1. Going Concern Concept
2. Accounting period Concept
3. Matching Concept
4. Convention of Conservatism
5. Convention of Consistency
6. Convention of Materiality
7. Convention of Full disclosure

1.9 Double Entry System

The method of writing every transaction in two accounts is known as double entry system of accounting. It is a system under which after analyzing each transaction, one account is debited and other account is credited. The basic principles of double entry system is that each transaction must have two aspects or accounts. The total of the debit shall be equal to the total of credit.

1.9.1 Account

An account is a summarized statement of a particular person, organization, assets, liabilities, expenses or income.

It is prepared and presented in a well defined format. There are two sides in every account. The left hand side is called debit (Dr.) side and right hand side is

called credit (Cr.) side. A ledger account has the following items on its each side :

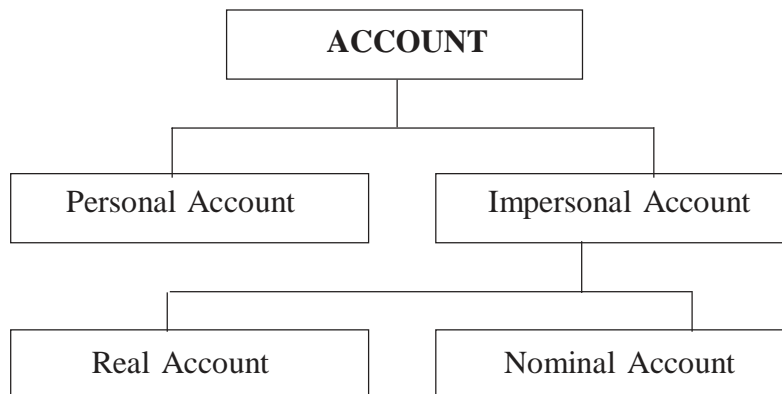
Date, Particulars, Journal Folio (J.F) and amount (Rs.)

Dr.				Account				Cr.			
Date	Particulars	J.F	Amount (Rs.)	Date	Particulars	J.F	Amount (Rs.)	Date	Particulars	J.F	Amount (Rs.)

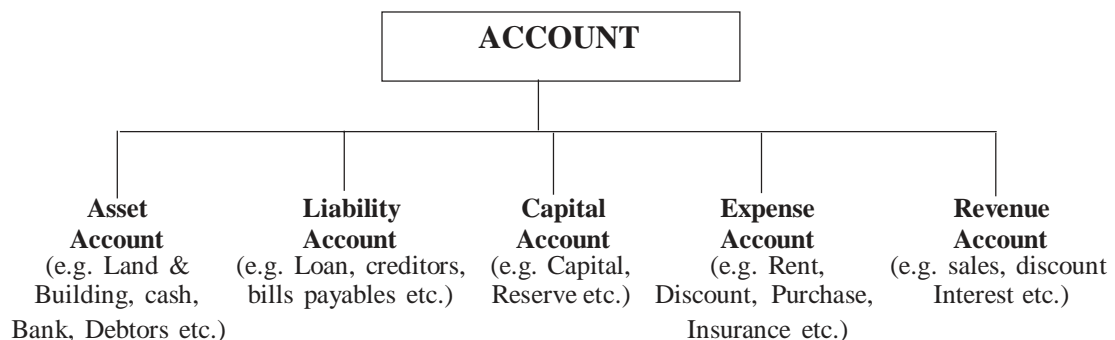
Classification of Accounts

Under double entry system each transaction is analyzed to identify the aspects/ accounts involved in the particular transaction. As per this system, every transaction must have at least two accounts which will be either debited or credited. The debit or credit depends on the nature of accounts. The accounts may be classified on the basis of i) golden rule and ii) on the basis of accounting equation.

i) On the basis Golden Rule :



ii) On the basis of accounting equation:



1.9.2 Ascertaining Debit and Credit of a transaction

Personal Account e.g. Arindam, Ranjit, SBI, Debtor, Creditor, ITC Ltd., etc.	Debit the receiver of benefit
	Credit the giver of benefit
Real Account e.g. Land, Machinery, Building, Cash, Bank, etc.	Debit what comes in
	Credit what goes out
Nominal Account e.g. Wages, rent, discount, sales, purchase etc.	Debit all expenses and losses
	Credit all incomes and gains
Capital Account	Debit decrease in capital
	Credit increase in capital

Illustration 1 :

- i) Sanjoy started business with cash Rs.15,000
- ii) Goods purchased in cash for Rs.5000 from Ratan
- iii) Goods sold in cash for Rs.8000 to Ram
- iv) Machinery purchased for Rs.4500
- v) Salary paid for Rs.500
- vi) Discount received Rs.250.
- vii) Goods purchased from Ratan for Rs.2500 on credit
- viii) Goods sold to Ram on credit for Rs.3000
- ix) Cheque paid to Ratan for Rs.1500
- x) Cash received from Ram Rs.2000

Transaction	Accounts involved	Nature of account	Reasons	Debit Rs.	Credit Rs.
Sanjoy started business with cash Rs.15,000	Cash Capital	Asset Capital	Increased Increased	15,000	15,000
Goods purchased in cash for Rs.5000 from Ratan	Purchase Cash	Expense Asset	Increased Decreased	5,000	5,000
Goods sold in cash for Rs.8000 to Ram	Cash Sales	Asset Revenue	Increased Increased	8,000	8,000
Machinery purchased for Rs.4500	Machinery Cash	Asset Asset	Increased Decreased	4,500	4,500
Salary paid for Rs.500	Salary Cash	Expense Asset	Increased Decreased	500	500
Discount received Rs. 250.	Cash Discount	Asset Revenue	Increased Increased	250	250
Goods purchased from Ratan for Rs.2500 on credit	Purchase Ratan	Expense Creditor	Increased Giver of the benefit	2,500	2,500
Goods sold to Ram on credit for Rs.3000	Ram Sales	Debtor Revenue	Receiver of benefit Increased	3,000	3,000
Cheque paid to Ratan for Rs.1500	Ratan Bank	Liability Asset	Decreased Decreased	1,500	1,500
Cash received from Ram Rs.2000	Cash Ram	Asset Asset	Increased Decreased	2,000	2,000

The double entry system satisfies the accounting equation at any point of time.

$$\text{Total Assets} = \text{Total Liabilities}$$

or

$$\text{Total Assets} = \text{Liabilities} + \text{Capital}$$

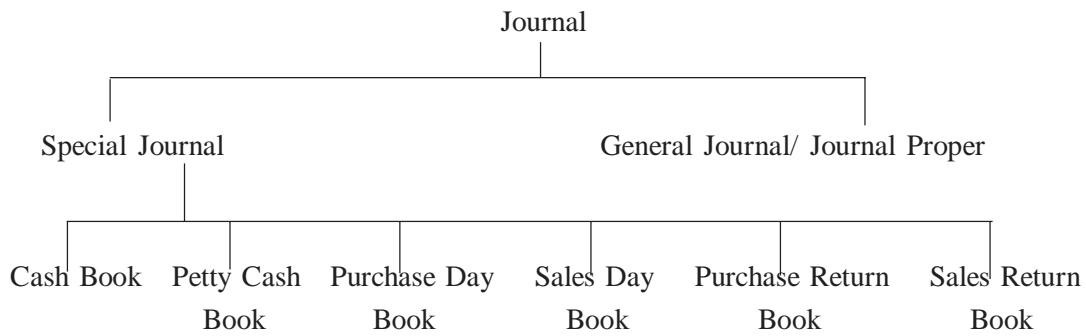
or

$$\text{Assets} + \text{Expenses} + \text{Losses} = \text{Capital} + \text{Liabilities} + \text{Revenues}$$

1.10 Journal

Under double entry system, the book in which the transactions are recorded as soon as they occur is called the book of original entries. There are number of Books

of Original Entries are maintained to record various types of transactions in a business organization. The Book of Original Entries is also called Journal or the Book of Prime Entry or the Book of First Entry. Since the transactions are recorded on daily basis, these are also called Day Books. The various types of Journals are:



The Special Journals are meant for specific transactions. Cash Book is maintained for cash transactions. Petty Cash Book is maintained for petty expenses. While Purchase Day Book and Sales Day Books are maintained for purchase and sales respectively. Any return against purchase and sales cannot be recorded in the Purchase Day Book and Sales Day Books. Separate day book are maintained for purchase return (Purchase Return Book or Return Outward Book) and sales return (Sales Return Book or Return Inward Book). Other Day Books are Bill Receivable Book and Bills Payable Book.

There may be some transactions which cannot be recorded in the Special Journals as mentioned above. In the General Journal or Journal Proper following transactions are recorded :

- i) Opening entries
- ii) Closing entries
- iii) Adjustment entries
- iv) Transfer entries
- v) Rectification entries
- vi) Credit purchase of assets etc.

1.11 Ledger

The ledger is the principal books of account in which similar transactions relating to a particular person, organization, income and expenditure are recorded. All the

transactions for a particular period are consolidated in the respective account which are kept in the ledger.

1.11.1 Balancing of Accounts

At the end of a month or a year or on the closing date of an accounting year, all the ledger accounts are required to be closed. On the particular day or date, both the debit and credit side will be equal. If there is a difference between debit side and credit side, the difference will be known as balance. So, balance of a particular account may either be debit balance or credit balance. If the total of debit side is more than that of credit side, the difference will be debit balance and will be written on the credit side as 'By balance carried down'. On the other hand if the total of credit side is more than the debit side, the balance will represent credit balance and will be written on the debit side as 'To balance carried down'. For the preparation of the final accounts, the balance of nominal accounts are transferred to Profit and Loss Account and for other accounts, balancing figures are found out.

Illustration 2 : Journalize the following transactions and post them in a ledger:
Jan 2015

1. Ramtanu started business with Cash Rs.10,000; goods Rs. 15,000 and Machinery Rs.40,000.
2. Purchased goods for Rs.6,000
3. Sold goods for Rs.5,000
4. Sold goods on credit to Ramu for Rs.12,000
5. Wages paid for Rs.500
6. Discount allowed for Rs.150
7. Goods purchased on credit from Rahim for Rs.15,000
8. Received from Ramu: Cash Rs.5000; Cheque Rs.6,000
9. Drew cash for personal use Rs.5000
10. Depreciation on Machinery charged for Rs.400.
11. Cheque and cash paid to Rahim Rs.4,500 and Rs.7,000 respectively.
12. Interest received for Rs.50

13. Commission paid for Rs.150

Balance the accounts on January 15, 2015.

Solution :

Books of Ramtanu
JOURNAL

Date	Particulars	LF	Debit	Credit
Jan 2015 01	Cash A/c Dr. Stock Ac Dr. Machinery A/c Dr. To Capital A/c (Being business started with cash, goods and machinery)		10,000 15,000 40,000	65,000
02	Purchases A/c Dr. To Cash A/c (Being goods purchased)		6,000	6,000
03	Cash A/c Dr. To Sales A/c (Being goods sold)		5,000	5,000
04	Ramu A/c Dr. To Sales A/c (Being goods sold on credit)		12,000	12,000
05	Wages A/c Dr. To Cash A/c (Being wages paid)		500	500
06	Discount A/c Dr. To Cash A/c (Being Discount allowed)		150	150
07	Purchases A/c Dr. To Rahim A/c (Being goods purchased on credit)		15,000	15,000

08	Cash A/c Dr. Bank A/c Dr. To Ramu A/c (Being cash and cheque received)	5,000 6,000	11,000
09	Drawings A/c Dr. To Cash A/c (Being cash withdrawn for personal use)	5000	5,000
10	Depreciation A/c Dr. To Machinery A/c (Being depreciation charged on Machinery)	400	400
11	Rahim A/c Dr. To Bank A/c To Cash A/c (Being cheque and cash paid)	11,000	4,000 7,000
12	Cash A/c Dr. To Interest A/c (Being interest received)	50	50
13	Commission A/c Dr. To Cash A/c (Being commission paid)	150	150

LEDGER

Dr. Capital A/c Cr.

Date	Particulars	JF	Amount	Date	Particulars	JF	Amount
15/1/5	To Balance c/d		65,000	1/1/15	By Cash		10,000
			65,000		By Scock		15,000
					By Machinery		40,000
							65,000

Credit
balance

Dr. Stock A/c Cr.

Date	Particulars	JF	Amount	Date	Particulars	JF	Amount
1/1/5	To Capital A/c		15,000	15/1/15	By Balance c/d		15,000
			15,000				15,000

Debit
balance

Dr. Machinery A/c Cr.

Date	Particulars	JF	Amount	Date	Particulars	JF	Amount
1/1/5	To Capital A/c		40,000	10/1/15	By Depreciation		400
				15/1/15	By Balance c/d		39,600
			40,000				40,000

Debit
balance

Dr. Purchase A/c Cr.

Date	Particulars	JF	Amount	Date	Particulars	JF	Amount
2/1/15	To Cash A/c		6,000				
7/1/15	To Rahim A/c		15,000	15/1/15	By Balance c/d		21,000
			21,000				21,000

Debit
balance

Dr. Sales A/c Cr.

Date	Particulars	JF	Amount	Date	Particulars	JF	Amount
				3/1/15	By Cash A/c		5,000
15/1/15	To Balance c/d		17,000	4/1/15	By Ramu A/c		12,000
			17,000				17,000

Credit
balance

Dr. Ramu A/c Cr.

Date	Particulars	JF	Amount	Date	Particulars	JF	Amount
4/1/15	To Sales A/c		12,000	8/1/15	By Cash A/c		5,000
				8/1/15	By Bank A/c		6,000
				15/1/15	By Balance c/d		1,000
			12,000				12,000

Debit
balance

Dr. Rahim A/c Cr.

Date	Particulars	JF	Amount	Date	Particulars	JF	Amount
11/1/15	To Bank A/c		4,000	7/1/15	By Purchases A/c		15,000
15/1/15	To Cash A/c		7,000				
	To Balance c/d		4,000				
			15,000				15,000

Credit
balance

Dr. Wages A/c Cr.

Date	Particulars	JF	Amount	Date	Particulars	JF	Amount
5/1/15	To Cash A/c		500	15/1/15	By Balance c/d		500
			500				500

Debit
balance

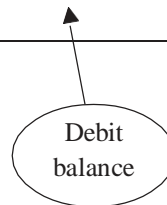
Dr. Discount A/c Cr.

Date	Particulars	JF	Amount	Date	Particulars	JF	Amount
6/1/15	To Cash A/c		150	15/1/15	By Balance c/d		150
			150				150

Debit
balance

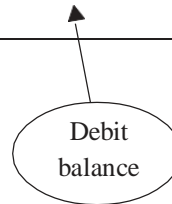
Dr. Drawings A/c Cr.

Date	Particulars	JF	Amount	Date	Particulars	JF	Amount
9/1/15	To Cash A/c		5,000	15/1/15	By Balance c/d		5,000
			5,000				5000



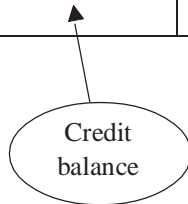
Dr. Depreciation A/c Cr.

Date	Particulars	JF	Amount	Date	Particulars	JF	Amount
10/1/15	To Machinery A/c		400	15/1/15	By Balance c/d		400
			400				400



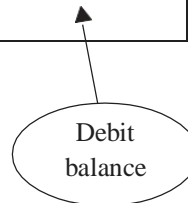
Interest A/c

Date	Particulars	JF	Amount	Date	Particulars	JF	Amount
15/1/15	To Balance c/d		50	11/1/5	By Cash A/c		50
			50				50



Dr. Commission A/c Cr.

Date	Particulars	JF	Amount	Date	Particulars	JF	Amount
12/1/15	To Cash A/c		150	15/1/15	By Balance c/d		150
			150				150



Dr. Cash A/c Cr.

Date	Particulars	JF	Amount	Date	Particulars	JF	Amount
1/1/15	To Capital A/c		10,000	2/1/15	By Purchase A/c		6,000
3/1/15	To Sales A/c		5,000	5/1/15	By Wages A/c		500
8/1/15	To Ramu A/c		5,000	6/1/15	By Discount A/c		150
11/1/15	To Interest A/c		50	9/1/15	By Drawings A/c		5,000
				11/1/15	By Rahim A/c		7,000
				12/1/15	By Commission		150
				15/1/15	By Balance c/d		1,250
			20,050				20,050

Debit
balance

Dr. Bank A/c Cr.

Date	Particulars	JF	Amount	Date	Particulars	JF	Amount
8/1/15	To Ramu A/c		6,000	11/1/15	By Rahim A/c		4,000
				15/1/15	By Balance c/d		2,000
			6,000				6,000

Debit
balance

Worked out Problems

Example 1 : Transactions in the books of Y

On 12th December, 2014 Purchased goods from X & Co. for Rs. 2,500

On 15th December, 2014 Returned goods to X & Co. worth Rs. 350, being inferior in quality.

On 22nd December, 2014, Issued a cheque of Rs. 1,200 to X & Co.

Solution :

In the Books of Y

JOURNAL

				Dr.	Cr.
Date	Particulars	V.N.	L.F.	Amount Rs.	Amount Rs.
12.12.04	Purchase A/c Dr. To X & Co. A/c (Being goods purchased on credit)			2,500	2,500
15.12.04	X & Co. A/c Dr. To Return Outward A/c (Being goods returned to the supplier)			350	350
22.12.14	X & Co. A/c Dr. To Bank A/c (Being cheque issued)			1,200	1,200

LEDGER

X & Co. A/c

Dr.				Cr.			
Date	Particulars	J.F.	Amount Rs.	Date	Particulars	J.F.	Amount Rs.
15.12.14	To Return Outward A/c		350	12.12.14	By Purchase A/c		2,500
22.12.14	To Bank A/c		1,200				
22.12.14	To Balance c/d		950				
			2,500				2,500
				23.12.14	By Balance b/d		950

Purchase A/c

Dr.				Cr.			
Date	Particulars	J.F.	Amount Rs.	Date	Particulars	J.F.	Amount Rs.
12.12.14	To X & Co. A/c		2,500	22.12.14	By Balance c/d		2,500
			2,500				2,500
23.12.14	To Balance b/d		2,500				

Return Outward A/c

Dr.				Cr.			
Date	Particulars	J.F.	Amount Rs.	Date	Particulars	J.F.	Amount Rs.
22.12.14	To Balance c/d		350	15.12.14	By X & Co. A/c		350
			350				350
				23.12.14	By Balance b/d		350

Example 2 : On 1st April, 2015, Tarun Biswas started a business with Machinery–Rs. 50,000, Furniture–Rs. 12,000 and Cash–Rs. 40,000. Journalise the following transactions for the month of April and prepare Ledger Accounts :

2015

- April 2 Opened a bank with bank of India and deposited–Rs. 18,000
- " 3 Purchased goods on credit from A. Ghosh for Rs. 21,000
- " 4 Purchased goods for cash–Rs. 12,500
- " 5 Sold goods for Rs. 15,000
- " 8 Sold goods to P. Dutta for Rs. 18,000
- " 10 Received from P. Dutta Rs. 10,000 by cheque and Rs. 5,000 by cash ; the cheque deposited into Bank.
- " 12 Issued a cheque of Rs. 15,000 to A. Ghosh
- " 15 Paid cash Rs. 5,500 to A. Ghosh in full settlement of his account
- " 16 Goods returned by P. Dutta for Rs. 2,500
- " 17 P. Dutta was declared insolvent and nothing could be realised from him.

- ” 18 Cash withdrawn from Bank for office use—Rs. 6,000
- ” 19 Paid freight on goods purchased—Rs. 350
- ” 20 Bank allowed interest—Rs. 120
- ” 22 Received commission—Rs. 250
- ” 25 Paid salaries—Rs. 6,000
- ” 26 Cash withdrawn for personal use—Rs. 1,500
- ” 30 Cash introduced as further capital—Rs. 5,000

Solution :

In the books of Tarun Biswas

JOURNAL

Date	Particulars	V.N.	L.F.	<i>Dr.</i>	<i>Cr.</i>
				Amount Rs.	Amount Rs.
2015 April 1	Machinery A/c Dr. Furniture A/c Dr. Cash A/c Dr. To Capital A/c (Being capital introduced)			50,000 12,000 40,000	1,02,000
2	Bank A/c Dr. To Cash A/c (Being Bank Account opened by depositing cash)			18,000	18,000
3	Purchase A/c Dr. To A. Ghosh A/c (Being goods purchased on credit)			21,000	21,000
4	Purchase A/c Dr. To Cash A/c (Being goods purchased in cash)			12,500	12,500

April 5	Cash A/c To Sales A/c (Being goods sold for cash)	Dr.			15,000	15,000
8	P. Dutta A/c To Sales A/c (Being goods sold on credit)	Dr.			18,000	18,000
10	Cash A/c Bank A/c To P Dutta A/c (Being amount received in cash and by cheque)	Dr. Dr.			5000 10,000	15,000
12	A. Ghosh A/c To Bank A/c (Being cheque issued)	Dr.			15,000	15,000
15	A. Ghosh A/c To Cash A/c To Discount Received A/c (Being cash paid and discount earned)	Dr.			6,000	5,500 500
16	Return Inward A/c To P. Dutta A/c (Being goods returned by P. Dutta)	Dr.			2,500	2,500
17	Bad Debt A/c To P. Dutta A/c (Being bad debt written off (18,000–17,500))	Dr.			500	500
18	Cash A/c To Bank A/c (Being cash withdrawn from Bank)	Dr.			6,000	6,000
19	Freight Inward A/c To Cash A/c (Being freight paid on goods purchased)	Dr.			350	350

April 20	Bank A/c To Bank Interest A/c (Being interest earned on Bank deposit)	Dr.			120	120
22	Cash A/c To Commission Received A/c (Being commission earned)	Dr.			250	250
25	Salaries A/c To Cash A/c (Being cash paid for salaries)	Dr.			6,000	6,000
26	Drawing A/c To Cash A/c (Being cash withdrawn for personal use)	Dr.			1,500	1,500
30	Cash A/c To Capital A/c (Being cash brought in as capital)	Dr.			5,000	5,000

LEDGER
Capital A/c

Dr.

Cr.

Date	Particulars	J.F.	Amount Rs.	Date	Particulars	J.F.	Amount Rs.
30.04.15	To Balance c/d		1,07,000	01.04.15	By Machinery A/c		50,000
					” Furniture A/c		12,000
					” Cash A/c		40,000
				30.04.15	” Cash A/c		5,000
			1,07,000				1,07,000
				01.05.15	By Balance b/d		1,07,000

Cash A/c

Dr.				Cr.			
Date	Particulars	J.F.	Amount Rs.	Date	Particulars	J.F.	Amount Rs.
01.04.15	To Capital A/c		40,000	02.04.15	By Bank A/c		18,000
05.04.15	” Sales A/c		15,000	04.04.15	” Purchase A/c		12,500
10.04.15	” P. Dutta A/c		5,000	15.04.15	” A. Ghosh A/c		5,500
18.04.15	” Bank A/c		6,000	19.04.15	” Freight Inward A/c		350
22.04.15	” Commission Received A/c		250	25.04.15	” Salaries A/c		6,000
30.04.15	” Capital A/c		5,000	26.04.15	” Drawing A/c		1,500
				30.04.15	By Balance c/d		27,400
			71,250				71,250
01.05.15	To Balance b/d		27,400				

Machinery A/c

Dr.				Cr.			
Date	Particulars	J.F.	Amount Rs.	Date	Particulars	J.F.	Amount Rs.
01.04.15	To Capital A/c		50,000	30.04.15	By Balance c/d		50,000
			50,000				50,000
01.05.15	To Balance b/d		50,000				

Furniture A/c

Dr.				Cr.			
Date	Particulars	J.F.	Amount Rs.	Date	Particulars	J.F.	Amount Rs.
01.04.15	To Capital A/c		12,000	30.04.15	By Balance c/d		12,000
			12,000				12,000
01.05.15	To Balance b/d		12,000				

Bank A/c

Dr.				Cr.			
Date	Particulars	J.F.	Amount Rs.	Date	Particulars	J.F.	Amount Rs.
02.04.15	To Cash A/c.		18,000	12.04.15	By A. Ghosh A/c		15,000
10.04.15	” P. Dutta A/c		10,000	18.04.15	” Cash A/c		6,000
20.04.15	” Bank Interest A/c		120	30.04.15	By Balance c/d		7,120
			28,120				28,120
01.05.15	To Balance b/d		7,120				

Purchases A/c

Dr.				Cr.			
Date	Particulars	J.F.	Amount Rs.	Date	Particulars	J.F.	Amount Rs.
03.04.15	To A. Ghosh A/c		21,000	30.04.15	By Balance c/d		33,500
04.04.15	” Cash A/c		12,500				
			33,500				33,500
01.05.15	To Balance b/d		33,500				

Sales A/c

Dr.				Cr.			
Date	Particulars	J.F.	Amount Rs.	Date	Particulars	J.F.	Amount Rs.
30.04.15	To Balance c/d		33,000	05.04.15	By Cash A/c		15,000
				08.04.15	” P. Dutta A/c		18,000
			33,000				33,000
				01.05.15	By Balance b/d		33,000

A. Ghosh A/c

Dr.				Cr.			
Date	Particulars	J.F.	Amount Rs.	Date	Particulars	J.F.	Amount Rs.
12.04.15	To Bank A/c		15,000	03.04.15	By Purchase A/c		21,000
15.04.15	” Cash A/c		5,500				
15.04.15	” Discount Received A/c		500				
			21,000				21,000

P. Dutta A/c

Dr.				Cr.			
Date	Particulars	J.F.	Amount Rs.	Date	Particulars	J.F.	Amount Rs.
08.04.15	To Sales A/c		18,000	10.04.15	By Cash A/c		5,000
					” Bank A/c		10,000
				16.04.01	” Return Inward A/c		2,500
					” Bad Debt A/c		500
			18,000				18,000

Discount Received A/c

Dr.				Cr.			
Date	Particulars	J.F.	Amount Rs.	Date	Particulars	J.F.	Amount Rs.
30.04.15	To Balance c/d		500	15.04.15	By A. Ghosh A/c		500
			500				500
				01.05.15	By Balance b/d		500

Return Inward A/c

Dr.				Cr.				
Date	Particulars	J.F.	Amount Rs.	Date	Particulars	J.F.	Amount Rs.	
16.04.15	To P. Dutta A/c		2,500	30.04.15	By Balance c/d		2,500	
			2,500					2,500
01.05.15	To Balance b/d		2,500					

Bad Debt A/c

Dr.				Cr.				
Date	Particulars	J.F.	Amount Rs.	Date	Particulars	J.F.	Amount Rs.	
17.04.15	To P. Dutta A/c		500	30.04.15	By Balance c/d		500	
			500					500
01.05.15	To Balance b/d		500					

Freight Inward A/c

Dr.				Cr.				
Date	Particulars	J.F.	Amount Rs.	Date	Particulars	J.F.	Amount Rs.	
19.04.15	To Cash A/c		350	01.05.15	By Balance c/d		350	
			350					350
01.05.15	To Balance b/d		350					

Bank Interest A/c

Dr.				Cr.			
Date	Particulars	J.F.	Amount Rs.	Date	Particulars	J.F.	Amount Rs.
30.04.15	To Bank c/d		120	20.04.15	By Bank A/c		120
			120					120
				01.05.15	By Balance b/d		120

Commission Received A/c

Dr.				Cr.			
Date	Particulars	J.F.	Amount Rs.	Date	Particulars	J.F.	Amount Rs.
30.04.15	To Balance c/d		250	22.04.15	By Cash A/c		250
			250				250
				01.05.15	By Balance b/d		250

Salaries A/c

Dr.				Cr.			
Date	Particulars	J.F.	Amount Rs.	Date	Particulars	J.F.	Amount Rs.
25.04.15	To Cash A/c		6,000	30.04.15	By Balance c/d		6,000
			6,000				6,000
01.05.15	By Balance b/d		6,000				

Drawing A/c

Dr.				Cr.			
Date	Particulars	J.F.	Amount Rs.	Date	Particulars	J.F.	Amount Rs.
26.04.15	To Cash A/c		1,500	30.04.15	By Balance c/d		1,500
			1,500				1,500
01.05.15	By Balance b/d		1,500				

Trial Balance as on 30.04.15

	Dr.		Cr.
	Rs.		Rs.
Cash A/c	27,400	Capital A/c	1,07,000
Machinery A/c	50,000	Sales A/c	33,000
Furniture A/c	12,000	Discount Received A/c	500
Bank A/c	7,120	Bank Interest A/c	120
Purchase A/c	33,500	Commission Received A/c	250
Return Inward A/c	2,500		
Bad Debt A/c	500		
Freight Inward A/c	350		
Salaries A/c	6,000		
Drawing A/c	1,500		
	1,40,870		1,40,870

Example 3 : Record the following transactions of a wholeseller of machine-tools in Journal and post them to Ledger. Also prepare a Trial Balance as on 31.3.2015 : 2015, February 1

Debit Balance : Cash Rs 10,000, Bank Rs. 18,000, Furniture Rs. 12,000, Stock of Machine tools Rs. 25,000, Subrata Kar Rs. 6,000 and Gautam Basu Rs. 9,000.

Credit Balance : Loan from Debabrata Rs 15,000, Mr. Bidhan De Rs. 5,000, Sri Kalyan As Rs. 6,000, Capital Rs. 54,000.

2015

- Feb. 2 Purchased office furniture-Rs. 6,000 and Accounting Machine Rs. 8,000 for office use from S. Roy.
- „ 3 Purchased machine-tools worth-Rs. 22,000 from Sri Kalyan on credit and Rs. 4,500 in cash.
- ” 5 Sold machine-tools for Rs. 20,000 to Mr. Subrata Kar.
- ” 7 Repaid Loan from Debabrata-Rs. 16,000 including interest of Rs. 1,000 by cheque.
- ” 15 Sold machine-tools to Gautam Basu for Rs. 22,000 in cash of which Rs. 10,000 was deposited into Bank.
- „ 20 Sold residential house for Rs. 80,000 of which Rs. 30,000 was deposited into business bank account and the balance retained by the proprietor for his domestic use.
- „ 24 Sold old office furniture for Rs. 2,400 (Book value-Rs. 1,900).

- ” 28 Received a cheque from Subrata Kar for Rs. 21,000 and allowed him discount-Rs. 500
- Mar. 5 Purchased stationery goods-Rs. 1,600 for office use.
- 9 Returned machine-tools to Sri Kalyan As for Rs. 4,000, being inferior in quality.
- ” 12 Spent Rs. 3,000 for advertisement.
- ” 16 Paid rent-Rs. 6,000; 1/4th of the premises was occupied by the proprietor for his personal residence.
- ” 18 Returned furniture to S. Roy (being not up to the mark) Worth-Rs. 800
- ” 22 Allowed selling commission to salesmen at 5% of gross sales in February, 2015 and paid amount by cheque.
- ” 25 Paid wages for Rs. 300 for installation of accounting machine.
- ” 28 Machine-tools returned by Subrata Kar-Rs. 3,000
- ” 30 Issued cheque for Rs. 13,200 to S. Roy.
- ” 31 Deposited cash of Rs. 2,500 into Bank.
- ” 31 Sold machine-tools from stock and received Rs 5,700 in cash after allowing cash discount @ 5%

Solution :

In the books of

JOURNAL

Date	Particulars	V.N.	L.F.	<i>Dr.</i>	<i>Cr.</i>
				Amount Rs.	Amount Rs.
2015 Feb. 2	Furniture A/c Dr. Office Equipment A/c Dr. To S Roy A/c (Being purchase of furniture and accounting machine on credit)			6,000 8,000	14,000
” 3	Purchase A/c Dr. To Kalyan A/c (Being machine-tools purchased on credit)			22,000	22,000

				Rs.	Rs.
Feb. 3	Purchase A/c To Cash A/c (Being machine-tools purchased in Cash)	Dr.		4,500	4,500
” 5	Subrata Kar A/c To Sales A/c (Being machine-toools sold on credit)	Dr.		20,000	20,000
” 7	Loan from Debabrata A/c Interest on Loan A/c To Bank A/c (Being amount of loan including interest paid off)	Dr. Dr.		15,000 1,000	16,000
” 15	Cash A/c Bank A/c To Sales A/c (Being machine-tools sold in cash of which Rs. 10,000 was deposited into Bank)	Dr. Dr.		12,000 10,000	22,000
” 20	Bank A/c To Capital A/c (Being Personal fund deposited into Business Bank A/c)	Dr.		30,000	30,000
” 24	Cash A/c To Furniture A/c (Being furniture sold)	Dr.		2,400	2,400
” 24	Furniture A/c To Profit on sale of Furniture A/c (Being profit on sale of furniture transferred)	Dr.		500	500
” 28	Bank A/c Discount Allowed A/c To Subrata Kar A/c (Being amount received through Cheque and discount allowed)	Dr. Dr.		21,000 500	21,500
Mar. 5	Stationery A/c To Cash A/c (Being stationery items purchased for office use)	Dr.		1,600	1,600

'' 9	Kalyan A/c To Return Outward A/c (Being goods returned)	Dr.			4,000	4,000
'' 12	Advertisement A/c To Cash A/c (Being cash spent for advertisement)				3,000	22,000
'' 16	Rent A/c Drawing A/c To Cash A/c (Being rent paid for business and residential premises)	Dr. Dr.			4,500 1,500	6,000
'' 18	S. Roy A/c To Furniture A/c (Being furniture returned as not suitable)	Dr.			800	800
'' 22	Commission A/c To Bank A/c (Being commission paid by cheque at 5% on gross sale in Feb., 2015) $\left(42,000 \times \frac{5}{100} = 2,100\right)$	Dr.			2,100	2,100
'' 25	Office Equipment A/c To Cash A/c (Being wages paid for installation of office equipment)	Dr.			300	300
'' 28	Return Inward A/c To Subrata Kar A/c (Being goods returned by customer)	Dr.			3,000	3,000
'' 30	S. Roy A/c To Bank A/c (Being cheque issued)	Dr.			13,200	13,200
'' 31	Bank A/c To Cash A/c (Being cash deposited into Bank)	Dr.			2,500	2,500
'' 31	Cash A/c Discount Allowed A/c To Sales A/c (Being goods sold in cash and discount allowed)	Dr. Dr.			5,700 300	6,000

LEDGER
Capital A/c

Dr.				Cr.			
Date	Particulars	J.F.	Amount Rs.	Date	Particulars	J.F.	Amount Rs.
2015				2015			
Mar. 31	To Balance c/d		84,000	Feb. 1	By Op. Balance b/d		54,000
				" 20	" Bank A/c		30,000
			84,000				84,000
				April 1	By Balance b/d		84,000

Cash A/c

Dr.				Cr.			
Date	Particulars	J.F.	Amount Rs.	Date	Particulars	J.F.	Amount Rs.
2015				2015			
Feb. 1	To Balance b/d		10,000	Feb. 3	By Purchase A/c		4,500
" 15	" Sales A/c		12,000	Mar. 5	" Stationery A/c		1,600
" 24	" Furniture A/c		2,400	" 12	" Advertisement A/c		3,000
Mar. 31	" Sales A/c		5,700	" 16	" Rent A/c		4,500
				" 16	" Drawing A/c		1,500
				" 25	" Office Equip. A/c		300
				" 31	" Bank A/c		2,500
				" "	" Balance c/d		12,200
			30,100				30,100
April 1	To Balance b/d		12,200				

Stock of Machine-tools A/c

Dr.				Cr.			
Date	Particulars	J.F.	Amount Rs.	Date	Particulars	J.F.	Amount Rs.
2015				2015			
Feb. 1	To Op. Balance c/d		25,000	Mar. 31	By Balance c/d		25,000
			25,000				25,000
April 1	To Balance b/d		25,000				

Bank A/c

Dr.				Cr.			
Date	Particulars	J.F.	Amount Rs.	Date	Particulars	J.F.	Amount Rs.
2015 Feb. 1	To Balance b/d		18,000	2015 Feb. 7	By Loan from Debabrata A/c		15,000
" 15	" Sales A/c		10,000	"	" Interest on Loan A/c		1,000
" 20	" Capital A/c		30,000	Mar. 22	" Commission A/c		2,100
" 28	" Subrata Kar A/c		21,000	" 30	" S. Roy A/c		13,200
Mar. 31	" Cash A/c		2,500	" 31	" Balance c/d		50,200
			81,500				81,500
April 1	To Balance b/d		50,200				

Furniture A/c

Dr.				Cr.			
Date	Particulars	J.F.	Amount Rs.	Date	Particulars	J.F.	Amount Rs.
2015 Feb. 1	To Balance b/d		12,000	2015 Feb. 24	By Cash A/c		2,400
" 2	To S. Roy A/c		6,000	Mar. 18	" S. Roy A/c		800
" 24	To Profit on sale of Furniture A/c		500	Mar. 31	" Balance c/d		15,300
			18,500				18,500
April 1	To Balance b/d		15,300				

Subrata Kar A/c

Dr.				Cr.			
Date	Particulars	J.F.	Amount Rs.	Date	Particulars	J.F.	Amount Rs.
2015 Feb. 1	To Balance b/d		6,000	2015 Feb. 28	By Bank A/c		21,000
" 5	To Sales A/c		20,000	Feb. 28	By Discount Allowed A/c		500
				Mar. 28	By Return Inward A/c		3,000
				31	By Balance c/d		1,500
			26,000				26,000
April 1	To Balance b/d		1,500				

Sri Kalyan A/c

Dr.				Cr.			
Date	Particulars	J.F.	Amount Rs.	Date	Particulars	J.F.	Amount Rs.
2015 Mar. 9	To Return Outward A/c		4,000	2015 Feb. 1	By Balance b/d		6,000
” 31	To Balance c/d		24,000	” 3	By Purchase A/c		22,000
			28,000				28,000
				April 1	By Op. Balance b/d		24,000

Gautam Basu A/c

Dr.				Cr.			
Date	Particulars	J.F.	Amount Rs.	Date	Particulars	J.F.	Amount Rs.
2015 Feb. 1	To Balance b/d		9,000	2015 Mar. 31	By Balance c/d		9,000
			9,000				9,000
April 1	To Balance b/d		9,000				

Loan from Debabrata A/c

Dr.				Cr.			
Date	Particulars	J.F.	Amount Rs.	Date	Particulars	J.F.	Amount Rs.
2015 Feb. 7	To Bank A/c		15,000	2015 Feb. 1	By Op Balance b/d		15,000
			15,000				15,000

Bidhan De A/c

Dr.				Cr.			
Date	Particulars	J.F.	Amount Rs.	Date	Particulars	J.F.	Amount Rs.
2015 Mar. 31	To Balance c/d		5,000	2015 Feb. 1	By Balance b/d		5,000
			5,000				5,000
				April 1	By Balance b/d		5,000

Office Equipment A/c

Dr.				Cr.				
Date	Particulars	J.F.	Amount Rs.	Date	Particulars	J.F.	Amount Rs.	
2015 Feb. 2 Mar. 25	To S. Roy A/c To Cash A/c		8,000 300	2015 Mar. 31	By Balance c/d		8,300	
			8,300					8,300
April 1	To Balance b/d		8,300					

S. Roy A/c

Dr.				Cr.				
Date	Particulars	J.F.	Amount Rs.	Date	Particulars	J.F.	Amount Rs.	
2015 Mar. 18 30	To Furniture A/c To Bank A/c		800 13,200	2015 Feb. 2 Feb. 2	By Furniture A/c By Office Equipment A/c		6,000	
			14,000					8,000
								14,000

Purchase A/c

Dr.				Cr.				
Date	Particulars	J.F.	Amount Rs.	Date	Particulars	J.F.	Amount Rs.	
2015 Feb. 3 Feb. 3	To Kalyan As A/c To Cash A/c		22,000 4,500	2015 Mar. 31	By Balance c/d		26,500	
			26,500					26,500
April 1	To Balance b/d		26,500					

Sales A/c

Dr.				Cr.				
Date	Particulars	J.F.	Amount Rs.	Date	Particulars	J.F.	Amount Rs.	
2015 Mar. 31	To Balance c/d			2015 Feb. 5 15 15 Mar. 31 31	By Subrata Kar A/c By Cash A/c By Bank A/c By Cash A/c By Discount Allowed A/c		20,000 12,000 10,000 5,700 300	
			48,000					48,000
			48,000	April 1		By Balance b/d		48,000

Interest on Loan A/c

Dr.				Cr.				
Date	Particulars	J.F.	Amount Rs.	Date	Particulars	J.F.	Amount Rs.	
2015 Feb. 7	To Bank A/c		1,000	2015 Mar. 31	By Balance c/d		1,000	
			1,000					1,000
April 1	To Balance b/d		1,000					

Profit on Sale of Furniture A/c

Dr.				Cr.			
Date	Particulars	J.F.	Amount Rs.	Date	Particulars	J.F.	Amount Rs.
2015 Mar. 31	To Balance c/d		500	2015 Feb. 24	By Balance A/c		500
			500					500
				April 1	By Balance b/d		500

Discount Allowed A/c

Dr.				Cr.				
Date	Particulars	J.F.	Amount Rs.	Date	Particulars	J.F.	Amount Rs.	
2015 Feb. 28	By Subrata Kar A/c " Sales A/c		500	2015 Mar. 31	By Balance c/d		800	
Mar. 31			300					800
			800					
April 1	By Balance b/d		800					

Stationery A/c

Dr.				Cr.				
Date	Particulars	J.F.	Amount Rs.	Date	Particulars	J.F.	Amount Rs.	
2015 Mar. 5	To Cash A/c		1,600	2015 Mar. 31	By Balance c/d		1,600	
			1,600					1,600
April 1	To Balance b/d		1,600					

Return Outward A/c

Dr.				Cr.			
Date	Particulars	J.F.	Amount Rs.	Date	Particulars	J.F.	Amount Rs.
2015 Mar. 31	To Balance c/d		4,000	2015 Mar. 9	By Kalyan A/c		4,000
			4,000				4,000
				April 1	By Balance b/d		4,000

Advertisement A/c

Dr.				Cr.			
Date	Particulars	J.F.	Amount Rs.	Date	Particulars	J.F.	Amount Rs.
2015 Mar. 12	To Cash A/c		3,000	2015 Mar. 31	By Balance c/d		3,000
			3,000				3,000
April 1	To Balance b/d		3,000				

Drawings A/c

Dr.				Cr.			
Date	Particulars	J.F.	Amount Rs.	Date	Particulars	J.F.	Amount Rs.
2015 Mar. 16	To Cash A/c		1,500	2015 Mar. 31	By Balance c/d		1,500
			1,500				1,500
April 1	To Balance b/d		1,500				

Rent A/c

Dr.				Cr.			
Date	Particulars	J.F.	Amount Rs.	Date	Particulars	J.F.	Amount Rs.
2015 Mar. 16	To Cash A/c		4,500	2015 Mar. 31	By Balance c/d		4,500
			4,500				4,500
April 1	To Balance b/d		4,500				

Commission A/c

Dr.				Cr.			
Date	Particulars	J.F.	Amount Rs.	Date	Particulars	J.F.	Amount Rs.
2015 Mar. 22	To Bank A/c		2,100	2015 Mar. 31	By Balance c/d		2,100
			2,100				2,100
April 1	To Balance b/d		2,100				

Return Inward A/c

Dr.				Cr.			
Date	Particulars	J.F.	Amount Rs.	Date	Particulars	J.F.	Amount Rs.
2015 Feb. 2	To Subrata Kar A/c		3,000	2015 Mar. 31	By Balance c/d		3,000
			3,000				3,000
April 1	To Balance b/d		3,000				

Trial Balance as on 31.03.2015

	Dr. (Rs.)		Cr. (Rs.)
Cash A/c	12,200	Capital A/c	84,000
Stock of Machine-tools	25,000	Kalyan A/c	24,000
Bank A/c	50,200	Bidhan De A/c	5,000
Furniture A/c	15,300	Sales A/c	48,000
Subrata Kar A/c	1,500	Profit on Sale of Furniture A/c	500
Gautam Basu A/c	9,000	Return Outward A/c	4,000
Office equipment A/c	8,300		
Purchase A/c	26,500		
Interest on Loan A/c	1,000		
Discount Allowed A/c	800		
Stationery A/c	1,600		
Advertisement A/c	3,000		
Drawing A/c	1,500		
Rent A/c	4,500		
Commission A/c	2,100		
Return Inward A/c	3,000		
	1,65,500		1,65,500

1.12 Cash Book

You know that the transactions may be of two types viz. cash transaction and credit transaction. All the cash transactions are recorded first in the Cash Book. As soon as a cash transaction is occurred, it is recorded in the primary book of entry chronologically. That is why the cash book is also known as Book of original entry. At the end of a particular period preferably at the end the financial year, the Cash Book is closed to determine the balance as on that particular date. So, the Cash Book serves the purpose of journal (book of primary entry) as well as ledger (book of final entry).

Uses of Cash Book :

The Cash Book is the main book of accounts of any business. The Cash Book is maintained for the following purposes :

- i) Cash Book is a book of original entry. The cash transactions are recorded in the cash book chronologically. The other aspects of the transactions are posted to the ledger from the cash book.
- ii) Cash Book acts as a ledger account itself. No separate cash account is required to open in the ledger. The Cash Book serves the purpose of the ledger account because the cash book shows the balance as on a particular date. Cash Book is a book of original entry on the one hand and is also an account of the ledger on the other hand.
- iii) The cash in hand can be easily determined by balancing the cash book on a particular date.
- iv) In small businesses, all types of transactions are recorded in the cash book.
- v) In big business houses a separate cash book is maintained for petty expenses known as petty cash book.

1.12.1 Imprest System

In the large business houses the imprest system is followed. Under this system, the Head Cashier gives a fixed amount to the petty cashier and the petty cashier is told that the fixed amount given to him should remain at the of the petty cashier at the beginning of each day. The amount of actual expenses incurred on a particular day is reimbursed by the Head Cashier every day, so that the petty cashier may have the same amount for the next day. The fixed amount maintained by the petty cashier is known as Inprest Fund. The imprest system ensures strict control over the petty expenses.

1.12.2 Types of Cash Book

On the basis of the nature, size and types of the business, the Cash Book may be of following types :

- i) Single Column Cash Book
- ii) Double Column Cash Book
- iii) Triple Column Cash Book
- iv) Petty Cash Book

Single Column Cash Book :

Generally small businessmen maintain single column cash book. In such cash book, there is only one money column in each side of the debit and credit. The format is given below:

Dr.					Single Column Cash Book					Cr.				
Date	Particulars	V.N	L.F	Amount	Date	Particulars	V.N	L.F	Amount					
	To,					By,								

Double Column Cash Book:

In the double column cash book, extra columns are maintained for bank in addition to the cash. This type of cash book help maintain the cash balances in hand and in bank. If the business has two or more bank account with different banks, he may create extra columns for each separate bank account to show the transaction with respective bank. Sometimes, the businessmen may maintain the double columns cash book to show the cash transaction and the discount so allowed(debit side) or received (credit side). The format is given below.

Dr.						Double Column Cash Book						Cr.					
Date	Particulars	V.N	L.F	Cash	Bank	Date	Particulars	V.N	L.F	Cash	Bank						
	To,						By,										

Dr.							Double Column Cash Book						Cr.					
Dat	Particulars	V.N	L.F	Cash	Disc. Allowed	Date	Particulars	V.N	L.F	Cash	Disc. Received							
	To,						By,											

Triple Column Cash Book:

In business houses, the triple column cash may be maintained to show the cash transaction, bank transaction and the discount received and allowed. Therefore, three columns of amount are maintained in each side of debit and credit of the cash book. The discount allowed and discount received also represent the balance of the respective account.

Petty Cash Book:

In a small business, the number of transaction is less in compared to the large business. Naturally, the small business maintains only one main cash book. But in the large businesses, a petty cashier is appointed to look after the petty expenses like postage, stationery, travelling etc. The Petty Cash Book is maintained to account for these petty expenses. The head cashier gives a fixed amount to the petty cashier to spend various petty expenses for a particular day. After submission of detailed account of expenditure for a particular day, the petty cashier is given the spent amount, so that he can start the next day with the initial fixed amount. This fixed amount is known as imprest fund and the system is known as the imprest system.

1.12.3 Contra Entry

When cash is deposited into bank, the transaction is recorded in the credit side in cash column and is also recorded in the debit side in bank column of the double column cash book. Again at the time of withdrawal of any amount from bank for office use, the amount is recorded in the cash column in the debit side and also in the bank column in the credit side. The recording of the same transaction on both the sides of the Cash Book is known as contra entry.

Journal :	Amount deposited into bank	Amount withdrawn from bank
	Bank Account .....Dr. To Cash Account	Cash Account .....Dr. To Bank Account

The contra entry is shown as 'C' in the cash book.

Dr.						Cr.					
Double Column Cash Book											
Date	Particulars	V.N	L.F	Cash	Bank	Date	Particulars	V.N	L.F	Cash	Bank
	To Cash -Deposit into bank	C			xxx		By Bank	C		xxx	
	To Bank	C		xx			By Cash -withdrew From bank	C			xx

1.13 Cash Discount and Trade Discount

Cash discounts are deductions made from the accounts receivable and payable at the time of settlement of transaction. Such discounts are allowed by the sellers if the dues are paid within the stipulated period. Generally, this discount is allowed to encourage the buyers to pay their dues immediately or within a specified period. The cash discount minimizes the risk of bad debt. Sometimes, you may find such words in the invoice- 'Terms 5% three months'. This means 5% discount will be allowed if payment is made within three months.

Trade discount is allowed to increase the sale volume of the manufacturers or traders. This discount is calculated on the catalogue or list price at the time sales. Another objective of providing trade discount is that the product or article is sold everywhere at the same price. Allowance of trade discount is not recognized as a transaction hence no journal entry is passed.

1.13.1 Voucher

Voucher is very important in accounting as it is the proof of a cash transaction. When any money is paid to a person, a receipt is obtained from that person which shows that he has received that money. This receipt is known as payment voucher. In the same way, the business houses maintain receipt vouchers for receiving any money. The vouchers are maintained in chronological number and date.

Worked out Problems

Example 1 : The following are the Cash and Bank transactions of Mr. A. Sen, owner of Bagnan Stationery House. You are required to prepare a suitable Cash Book and strike the balances at the end of the month :

March	1	Cash in hand—Rs. 2,400
		Cash at Bank—Rs. 3,500
”	3	Purchased goods from M/s Jhunhunwalla for Rs. 700 and paid by cheque.
”	9	Cash purchases—Rs. 760
”	10	Purchased Stamps, etc.—Rs. 50
”	12	Cash sales Rs. 2,000 and banked the same
”	14	Drew cash for personal use-Rs. 160
”	15	Received from Abdul Hamid cash Rs. 300 and cheque Rs. 500, both deposited into Bank
		Withdrawn from Bank for office use-Rs. 800
”	16	Paid Wages-Rs. 300 and Rent-Rs. 500
”	19	Paid M/s Milly & Co. by cheque-Rs. 2,400
”	23	Received a cheque from Manab for sale of old goods-Rs. 800
”	25	Paid M/s Jhunhuniwalla cash-Rs. 750 and cheque-Rs. 360
”	26	Dolly, a customer, deposited into Bank-Rs. 2,600
”	29	Withdrew from Bank for personal use-Rs. 200
”	31	Withdrew cash from Bank Rs. 2,000 and paid Office Salary by it
”	31	Bank charged commission-Rs. 100

Solution :

**In the Books of A. Sen
Cash Book (Double Column)**

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Date	Particulars	V.N.	L.F.	Cash	Bank	Date	Particulars	V.N.	L.F.	Cash	Bank
2015				Rs.	Rs.	2015				Rs.	Rs.
March 1	To Balance b/f			2,400	3,500	March 3	By Purchases A/c (Being goods purchased and paid by cheque)				700
12	To Sales A/c (Being goods sold in cash and deposited into Bank)				2,000	9	By Purchases A/c (Being goods purchased in cash)			760	
15	To Abdul Hamid A/c (Being cash and cheque received and both deposited into Bank)				800	10	By Postage A/c (Being stamps purchased)			50	
15	To Bank A/c (Being cash withdrawn from Bank for office use as per contra)		C	800		14	By Drawings A/c (Being cash withdrawn for personal use)			160	
23	To Sales A/c (Being old goods sold by cheque and the cheque deposited into Bank)				800	15	By Cash A/c (Being cash withdrawn from Bank for office use as per contra)		C		800
26	To Dolly A/c (Being the amount deposited into our Bank by Dolly, a customer)				2,600	16	By Wages A/c (Being wages paid in cash)			300	
						16	By Rent A/c (Being rent paid)			500	
						19	By M/s Milly & Co. A/c (Being M/s Milly & Co. Paid by cheque)				2,400
						25	By M/s Jhunjuniwalla A/c (Being cash paid and cheque issued)			750	360
						29	By Drawing A/c (Being cash withdrawn from Bank for personal use)				200
						31	By Salary A/c (Being office salary paid by withdrawing cash from Bank)				2,000
						31	By Bank Charges A/c (Being Commission charged)				100
						31	By Balance c/d			680	3,140
				3,200	9,700					3,200	9,700
April 1	To Balance b/d			680	3,140						

Example 2 : From the following particulars, prepare a Triple Column Cash Book of Sri Chandi Saha and the balance of Cash Book :

2015		Rs.
January 1	Cash in hand	5,000
	Cash at Bank	15,000
4	Purchased goods for Cash for Rs. 4,000 <i>less</i> trade discount @ 10% and cash discount @ 5%	
5	Purchased goods from M on credit	4,000
8	Received 3 cheques-(i) for sales Rs. 4,000, paid into bank immediately, (ii) for sale of old furniture Rs. 500 from K. Bose (bearer cheque), (iii) from M. M. Ghosh Rs. 300 on A/c	
9	Endorsed the cheque of M. M. Ghosh to B. Kar against purchased of goods	
10	K. Bose's cheque was dishonoured on presentation at the Bank counter	—
11	Paid salary by cheque	3,000
12	Cash sales worth Rs. 8000 <i>less</i> trade discount @ 5% and cash discount @ 10%	
18	Paid to Salil Dhar cash Rs. 400 and cheque for Rs.550 in full settlement of his dues for Rs, 1,000	—
19	Received a cheque from Chandan	1,000
20	Endorsed the above cheque to Ramen	—
22	Cash withdrew from Bank for office use	2,000
23	Ramen reported that the cheque was dishonoured While collecting through his bank	—
24	Issued cheque to R. Singh	150
25	Stopped payment of the above cheque by giving order to him	
26	Received a bearer cheque from C. Nag for goods sold to him	600
27	Cashed the above bearer cheque over Bank counter	—
28	Household expenses	200
29	Cashed for Bapi (friend) and Bapi's cheque paid into Bank on the following day	500
31	Bank credited Pass Book with Rs. 40 for interest on deposit and debited Pass Book with Rs. 15 for Bank charges	—

Solution :

**In the Books of Sri Chandi Saha
Cash Book (Triple Column)**

Date	Particulars	V. N.	L. F.	Cash	Bank	Dis- count	Date	Particulars	V. N.	L. F.	Cash	Bank	Dis- count
2015 Jan. 1	To Balance b/f			Rs. 5,000	Rs. 15,500	Rs.	2015 Jan. 4	By Purchases A/c (Being goods purchased for Rs. 4,000 less trade discount @ 10% and cash discount @ 5%)			Rs. 3,420	Rs.	Rs. 180
8	To Sales A/c (Being cheque received from sales and paid into Bank)				4,000		9	By Purchase A/c (Being M. M. Ghosh's cheque endorsed to B. Kar against purchase of goods)			300		
8	To Furniture A/c (Being old furniture sold and cheque Cheque received from K. Bose)			500			10	By K. Bose A/c (Being K. Bose's cheque dishonoured at the Bank counter)			500		
8	To M. M. Ghosh A/c (Being a cheque received from M. M. Ghosh On A/c)			300			11	By Salary A/c (Being salary paid by cheque)				3,000	
12	To Sales A/c (Being goods sold and discount allowed)			6,800		760	18	By Salil Dhar A/c (Being amount paid to Salil Dhar and discount received)			400	550	
19	To Chandan A/c (Being a cheque received from Chandan)			1,000			20	By Ramen A/c (Being Chandan's chequ endorsed to Ramen)			1,000		50
22	To Bank A/c (Being cash withdrawn from Bank)		C	2,000			22	By Cash A/c (Being cash withdrawn from Bank)		C		2,000	
25	To R. Singh A/c (Being the cheque to R. Singh stopped for payment)				150		24	By R. Singh A/c (Being a cheque issued to R. Singh)				150	
26	To Sales A/c (Being a bearer cheque received from C. Nag)			600			28	By Drawings A/c (Being amount paid to wife for household expenses)				200	
30	To Cash A/c (Being Bapi's cheque paid into Bank)		C		500		30	By Bank A/c Being Bapi's cheque paid into Bank)		C	500		
31	To Bank Interest A/c (Being interest credited by Bank)				40		31	By Bank Charges A/c (Being Bank charges debited by Bank)				15	
							31	By Balance c/d			9,920	13,975	
				16,240	19,690	760					16,240	19,690	230
Feb. 1	To Balance b/d			9,920	13,975								

Example 3 : From the following particulars, write up Petty Cash Book kept under Imprest System and how much will be paid to the Petty Cashier on 8th January and show the Ledger Accounts :

2015

- January 2 Received from chief cashier as Imprest Cash—Rs. 100
 Paid Taxi hire—Rs. 5
 ” 3 Paid Postage—Rs. 7 and Stationery—Rs. 15
 ” 4 Purchase Stationery—Rs. 12
 ” 5 Paid Telegram charges—Rs. 7 and Bus fare—Rs. 1
 ” 6 Bought Furniture—Rs. 18 and Postage Stamp—Rs. 6
 ” 7 Paid A. Roy on account—Rs. 10 and for Repairs to Typewriter—Rs. 8

Solution :

Petty Cash Book

Dr.											Cr.	
Amount	L.F.	Date	Particulars	Voucher No.	Total Amount	Travelling Expenses	Postage	Stationery	Office Expenses	Ledger Accounts		
										Amount	L.F.	
Rs. 100		2015										
		Jan. 2	To Cash A/c (Cash received)									
		2	By Taxi hire		5	5						
		3	By Postage		7		7					
		3	By Stationery		15			15				
		4	By Stationery		12			12				
		5	By Telegram Charges		7		7					
		5	By Bus Fare		1	1						
		6	By Furniture		18					18	L.F.	
		6	By Postage		6		6					
		7	By A. Roy A/c		10					10	L.F.	
		7	By Repairs to Typewriter		8				8			
					89	6	20	27	8	28		
		7	By Balance c/d		11							
100					100	L.F.	L.F.	L.F.	L.F.	L.F.	L.F.	
11		Jan. 8	To Balance b/d									
89		9	To Cash A/c (Cash received)									

LEDGER

Travelling Expenses A/c

Dr.				Cr.			
Date 2015	Particulars	J.F.	Amount Rs.	Date	Particulars	J.F.	Amount Rs.
Jan. 7	To Petty Cash A/c		6				

Postage A/c

Dr.				Cr.			
Date 2015	Particulars	J.F.	Amount Rs.	Date	Particulars	J.F.	Amount Rs.
Jan. 7	To Petty Cash A/c		20				

Stationery A/c

Dr.				Cr.			
Date 2015	Particulars	J.F.	Amount Rs.	Date	Particulars	J.F.	Amount Rs.
Jan. 7	To Petty Cash A/c		27				

Travelling Expenses A/c

Dr.				Cr.			
Date 2015	Particulars	J.F.	Amount Rs.	Date	Particulars	J.F.	Amount Rs.
Jan. 7	To Petty Cash A/c		8				

Furniture A/c

Dr.				Cr.			
Date 2015	Particulars	J.F.	Amount Rs.	Date	Particulars	J.F.	Amount Rs.
Jan. 7	To Petty Cash A/c		18				

A. Roy A/c

Dr.				Cr.			
Date 2015	Particulars	J.F.	Amount Rs.	Date	Particulars	J.F.	Amount Rs.
Jan. 7	To Petty Cash A/c		10				

1.14 Trial Balance

A trial balance is a statement or list of all ledger account balances appearing at any given date. The trial balance is prepared to show the arithmetic accuracy of the ledger accounts where both the debit and credit balances of all ledger accounts including the cash and bank balances are shown. On a particular date the debit and credit side of the trial balance will agree. A trial balance can be prepared at any time in a year. At the year ending, final accounts can be prepared easily from the trial balance.

Features of Trial Balance

- i) A trial balance is a statement not an account.
- ii) A trail balance is prepared at the end of a fixed period
- iii) It helps in detecting the errors in the accounts
- iv) It is a summary statement of all ledger accounts
- v) It is basis of preparation of final accounts

Errors not detected in Trial Balance

The trial balance is prepared to check the arithmetic accuracy of the ledger accounts. If there is a mistake relating to posting and casting, the trial balance will not agree. But there may be some errors in the accounts even though the trial balance agrees. The following errors do not affect the agreement of the trial balance:

- i) **Errors of Omission:** The complete omission of a transaction that is when a transaction is not entered in to any book of original entry.
- ii) **Errors of Commission:** While recording the transaction in a book of original entry, if it is recorded in excess of the actual amount of transaction, it will affect both the debit of one account and credit side of another account with equal amount. However, the total of debit and credit balances would be the same.
- iii) **Errors of Mis-posting:** If one account is debited instead of another account it would not affect the trial balance i.e. the debit and credit balance of the trial balance would be same.

- iv) Error of Principles: The nature of the accounts involved in a particular transaction is to be identified correctly. If the machine purchased on credit is debited to the purchase account, instead of debiting the same in the machine account, the debit side of the trail balance would be the same with the credit balance, though there is an error of principle.
- v) Compensating Error: A wrong entry may be offset with another wrong entry. It will not affect the trial balance. This may happen if the accountant does not have the accounting concept.

1.14.1 Suspense Account

A suspense account is opened in the following circumstances:

- i) If one of the two aspects of a transaction cannot be identified immediately, the unknown aspect may be debited or credited by the suspense account.
- ii) The suspense account may be used when the trial balance does not agree and until the errors are detected and rectified the difference is transferred to suspense account.

When the errors are detected and rectified, the suspense account is set off.

Preparation of Trial balance :

Prepare the Trial Balance for Illustration 2. (Page-28).

Trial Balance as on 15th January 2015

Particulars	LF	Debit (Rs.)	Credit (Rs.)
Capital A/c			65,000
Stock A/c		15,000	
Machinery A/c		39,600	
Purchases A/c		21,000	
Sales A/c			17,000
Ramu A/c		1,000	
Rahim A/c			4,000

Wages A/c		500	
Discount A/c		150	
Drawings A/c		5,000	
Depreciation A/c		400	
Interest A/c			50
Commission A/c		150	
Cash A/c		1,250	
Bank A/c		2,000	
		86,050	86,050

Worked out Problems

Example-1 : From the following Ledger Balances of a household as on 31st March, 2015, prepare a Trial Balance as on that date :

	Rs.
Cash in Hand	1,000
Expenses for food grains	9,750
Newspaper subscription	250
Expenses for vegetables	2,750
Expenses for fish, meat, egg, etc.	4,750
Travelling Expenses	2,500
Tiffin expenses	4,750
Dinner table	13,250
Almirah	18,000
Expenses for pulse	1,000
Expenses for oil	1,000
Expenses for spices	1,000
Income from house property	25,000
Income from salary	20,000
Income from agriculture	15,000

Solution :

Trial Balance as at 31st March, 2015

Name of Accounts	Debit	Name of Accounts	Credit
	Rs.		Rs.
Cash in hand	1,000	Income from house property	25,000
Expenses for foodgrains	9,750	Income from salary	20,000
Newspaper subscription	250	Income from agriculture	15,000
Expenses for vegetables	2,750		
Expenses for fish, meat, egg, etc.	4,750		
Travelling expenses	2,500		
Tiffin expenses	4,750		
Dinner table	13,250		
Almirah	18,000		
Expenses for pulse	1,000		
Expenses for oil	1,000		
Expense for spices	1,000		
	60,000		60,000

Example 2 : From the following balances of Green Sporting Club, prepare a Trial Balance as at 30th June, 2015

	Rs.		Rs.
General Fund	10,668	Advertisement in Magazine	1,240
Subscription Received	2,224	Miscellaneous Receipts	84
Donation Collected	1,000	Magazine Expenses	1,824
Cost of Library Books	3,840	Purchase of Investment	2,000
Printing and Stationery	160	Purchase of Sports Materials	6,000
Sale of Magazine	520	Rents and Taxes	144
Honorarium to Secretary	300	Salary and Wages	360
Sports and Games	150	Advertisement	120
Charity	240	Cash in hand	408
Expenses of Annual Sports	280	Interest Received	90

Solution :

Trial Balance as at 30th June, 2015

	Debit Rs.		Credit Rs.
Cost of Library Books	3,840	General Fund	10,668
Printing and Stationery	160	Subscription Received	2,224
Honorarium to Secretary	300	Donation Collected	1,000
Sports and Games	150	Sale of Magazine	520
Charity	240	Advertisement of Magazine	1,240
Expenses of Annual Sports	280	Miscellaneous Receipts	84
Magazine Expenses	1,824	Interest Received	90
Purchase of Investments	2,000		
Purchase of Sports Materials	6,000		
Rent and Taxes	144		
Salary and Wages	360		
Advertisement	120		
Cash in hand	408		
	15,826		15,826

Example-3 : From the following balances of a family festival held on 9th October, 2015, prepare a Trial Balance :

	Rs.
Savings	2,800
Loan from Provident Fund	8,800
Contribution from Uncle	2,900
Ornaments	4,800
Clothing and Cosmetics	1,135
Bedding and Furniture	3,284
Receipts from Brothers	2,000
Decoration	3,021
Entertainments	4,209
Cash in hand	51

Solution :

Trial Balance of a Family Festival as on 9th October, 2015

	Debit Rs.		Credit Rs.
Ornaments	4,800	Savings	2,800
Clothing and Cosmetics	1,135	Loan from Provident Fund	8,800
Bedding and Furniture	3,284	Contribution from Uncle	2,900
Decoration	3,021	Receipts from Brothers	2,000
Entertainments	4,209		
Cash in hand	51		
	16,500		16,500

Example - 4 : Prepare a Trial Balance from the following balances of a Trading Concern as on 30th September, 2015 and give reasons :

	Rs.		Rs.
Capital	40,000	Plant and Machinery	10,700
Purchases	36,000	Stock on 1.10.2014	15,500
Discount Allowed	1,200	Sundry Debtors	20,200
Carriage Inwards	8,700	Sundry Creditors	12,000
Carriage Outwards	2,300	Commission Paid	1,800
Sales	60,000	Cash in hand	100
Return Inward	300	Cash at Bank	10,100
Return Outward	700	Motor Cycle	4,600
Rent and Taxes	1,200	Stock on 30.9.2015	18,300

Solution :

Trial Balance as at 30th September, 2015

	Debit Rs.	Credit	Reasons Rs.
Capital		40,000	Liability
Purchases	36,000		Expense
Discount Allowed	1,200		Expense
Carriage Inward	8,700		Expense
Carriage Outward	2,300		Expense
Sales		60,000	Income
Return Inward	300		Expense
Return Outward		700	Income
Rent and Taxes	1,200		Expense
Plant and Machinery	10,700		Asset
Stock on 1.10.2014	15,500		Asset
Sundry Debtors	20,200		Asset
Sundry Creditors		12,000	Liability
Commission Paid	1,800		Expense
Cash in hand	100		Asset
Cash at Bank	10,100		Asset
Motor Cycle	4,600		Asset
	1,12,700	1,12,700	

Example - 5 : From the following Ledger balances of Nilanjan, prepare a Trial Balance as at 31.12.2015

	Rs.		Rs.
Nilanjan's Capital	65,000	Sales	1,33,000
Plant and Machinery	19,000	Trade Expenses	500
Stock on 1.1.2015	14,000	Postage and Telegrams	700
Sundry Creditors	12,000	Insurance Charges	600
Drawings	7,000	Royalty Payable	3,000
Return Inwards	1,500	Salaries and Wages	21,400
Return Outward	1,500	Discount Receivable	3,700
Sundry Debtors	22,100	Rent Received	1,200
Freight and Duty	1,500	Cash at Bank	20,700
Rent, Rates and Taxes	4,500	Purchases	87,000
Cash in hand	6,000	Furniture and Fixture	6,000
Printing and Stationery	900		

Solution :

Trial Balance as at 31.12.2015

	Debit		Credit
	Rs.		Rs.
Plant and Machinery	19,000	Nilanjan's Capital	65,000
Stock on 1.1.2015	14,000	Sundry Creditors	12,000
Drawings	7,000	Return Outward	1,500
Return Inwards	1,500	Sales	1,33,000
Sundry Debtors	22,100	Discount Receivable	3,700
Freight and Duty	1,500	Rent Received	1,200
Rent, Rates and Taxes	4,500		
Cash in hand	6,000		
Printing and Stationery	900		
Trade Expenses	500		
Postage and Telegrams	700		
Insurance Charges	600		
Royalty Payable	3,000		
Salaries and Wages	21,400		
Cash at Bank	20,700		
Purchases	87,000		
Furniture and Fixture	6,000		
	2,16,400		2,16,400

1.15 Bank Reconciliation Statement

Generally, the bank balance as per cash book and bank balance as per pass book/ bank statement should be same as on a particular date. But due to some reasons, these two balances may differ. The pass book is maintained by the bank and the cash book is maintained by the business. Bank Reconciliation Statement is prepared analyzing the causes of disagreement between bank balance as per cash book and the bank balance as per pass book on a particular date. The bank reconciliation statement is not an account, it is a statement. The causes of disagreements may be summarized as below:

- i) Cheque deposited into bank but not yet collected by the bank,
- ii) Cheque issued but not yet presented to bank for payment,
- iii) Cash paid by bank on behalf of business
- iv) Dividend, interest collected by bank
- v) Cash deposited by the debtors directly to the bank
- vi) Interest on bank deposits.
- vii) Incidental charges deducted by bank.

The up-to-date pass book/ bank statement is obtained from the bank and the cash book is amended by incorporating in the same only those transactions in respect of which entries have been made in the pass book but not in the cash book. But those transactions which have been recorded in the cash book but not in the pass book cannot be incorporated in the pass book, because the pass book lies with the bank and they have the only authority to write anything on the pass book.

1.15.1 Procedure of preparing the Bank Reconciliation Statement (BRS)

The bank reconciliation statement always start with the balance either as per cash book or as per pass book. If the statement starts with the balance as per Cash Book, the BRS will be as follows:

Bank Reconciliation Statement as at _____

Particulars	Amount (Rs.)	Amount (Rs.)
Bank balance as per Cash Book		xxx
Add.: (i) Cheque issued but presented for payment after the date	xx	
(ii) Cheque credited directly to bank but not passed through the cash book	xx	xx
Less.: (i) Cheque paid into bank but credited in the bank after the date	xx	xx
(ii) Incidental charges debited by bank but not recorded in the cash book	<u>xx</u>	<u>xx</u>
Balance as per Pass Book		<u>xx</u>

Worked out Problems

Example-1 : From the following particulars, prepare a Bank Reconciliation Statement as on 31-12-14.

- (i) Bank Balance as per Cash Book as on 31.12.14–Rs. 4,200
- (ii) Cheque deposited but not collected by Bank–Rs. 2,400
- (iii) Cheque issued but not presented for payment–Rs. 3,100
- (iv) One customer directly deposited into Bank Account Rs. 1,400 but not informed.
- (v) According to standing order, Bank paid insurance premium Rs. 800, but not recorded in Cash Book.
- (vi) Bank debited Bank charges Rs. 60 and credited Rs. 120 for interest on deposits but not informed.
- (vii) Dividend collected by Bank Rs. 1,340 but not recorded in Cash Book.

Bank Reconciliation Statement as on 31.12.14

Particulars	Amount (Rs.)	Amount (Rs.)
Bank Balance as per Cash Book		4,200
<i>Add</i> (i) Cheque issued but not presented for payment	3,100	
(ii) One customer directly deposited into Bank but not recorded in Cash Book	1,400	
(iii) Bank credited interest on deposit but not recorded in Cash Book	120	
(iv) Divided collected by Bank but not recorded in Cash Book	1,340	5,960
		10,160
<i>Less</i> (i) Cheques deposited but not collected by Bank	2,400	
(ii) Bank according to standing order, paid insurance premium but not recorded in Cash Book	800	
(iii) Bank charges debited by Bank but not recorded in Cash Book	60	
		3,260
Overdraft Bank Balance as per Pass Book		6,900

Example-2 : From the following particulars, prepare a Bank Reconciliation Statement for Current A/c as on 31.03.14 :

(i)	Bank Balance of Current A/c as per Pass Book on 31.03.14	6,400
(ii)	Cheques issued but not presented before 31.03.14	1,600
(iii)	Interest on securities collected by Bank but not recorded in Cash Book	4,600
(iv)	Credit side of Cash Book overcast by	400
(v)	Cheque issued against Current A/c but wrongly charged by Bank to Savings A/c	2,000
(vi)	Insurance Premium paid by Bank but not recorded in Cash Book	700
(vii)	Cheques deposited and credited by Bank but omitted to be recorded in Cash Book	4,200
(viii)	Cheque issued and paid by Bank but wrongly entered in Cash Column of Cash Book	400
(ix)	Interest on Bank Deposit credited by Bank on 24.03.14 but entered in Cash Book on 31.03.14	600
(x)	Cheque issued to ram on 31.03.14 but not entered in Cash Book	200

[The cheque is not yet paid by Bank neither included in No. (ii) above]

Solution :**Bank Reconciliation Statement as on 31.03.14 (Current Account)**

Particulars	Amount	Amount
	Rs.	Rs.
Bank Balance as per Pass Book		6,400
Add (i) Insurance premium paid by Bank but not recorded in Cash Book	700	
(ii) Cheque issued but wrongly entered in the Cash Column of Cash Book	800	1,500
		7,900
Less (i) Cheques issued but not presented before 31.03.98	1,600	
(ii) Interest collected by Bank but not recorded in Cash Book	4,600	
Credit side of Cash Book overcast	400	
(iii) Cheque issued against Current Account but wrongly charged by Bank to Savings A/c	2,000	
(iv) Cheques deposited but not recorded in Cash Book	4,200	12,800
Bank Overdraft Balance as per Cash Book		4,900

Example - 2 : From the following particulars, prepare a Bank Reconciliation Statement of Sri Gourab as at 30.09.15

	Rs.
(i) Bank Balance as per Cash Book (Cr. Balance, i.e., Overdraft Balance)	12,500
(ii) Cheques issued but not yet presented at the Bank	2,500
(iii) Cheques deposited but not yet cleared by the Bank	4,000
(iv) Interest on Overdraft debited in the pass Book	300
(v) Bank Charges debited in the Pass Book but not credited in the Cash Book	10
(vi) Cheque entered in the Cash Book but not deposited into the Bank	1,250
(vii) Cheque deposited into Bank but not entered in Cash Book	2,000
(viii) Cheque sent to the Bank but returned dishonoured	3,000

Solution :

Bank Reconciliation Statement as at 30.09.15

Particulars	Amount Rs.	Amount Rs.
Overdraft Balance as per Cash Book		12,500
<i>Add:</i> (i) Cheques deposited but not cleared by the Bank	4,000	
(ii) Interest on Overdraft debited in Pass Book	300	
(iii) Bank Charges debited in Pass Book but not Credited in Cash Book	10	
(iv) Cheques entered in Cash Book but not sent to Bank	1,250	
(v) Cheque sent to Bank but returned dishonoured	3,000	8,560
		21,060
<i>Less:</i> (i) Cheques issued but not yet presented for payment	2,500	
(ii) Cheques deposited into the Bank but not recorded in Cash Book	2,000	4,500
Overdraft Bank Balance as per Pass Book		16,560

Example - 3 : From the following Cash Book and Pass Book of Dhar Bros., prepare Bank Reconciliation Statement as at 31.12.2015 :

Cash Book (Bank Column)

Dr.				Cr.			
Date	Particulars	L.F.	Amount	Date	Particulars	L.F.	Amount
2015			Rs.	2015			Rs.
Dec. 1	To Balance b/d		2,650	Dec. 5	By Basu & Co.		₹ 340
9	” K. Bhaduri		₹ 1,500		(Cheque No. 750)		
13	” K. Rana		₹ 850	10	P. Raju		780
18	” S. Neogi		₹ 980		(Cheque No. 751)		
26	” B. Kar		820	17	Rent		₹ 230
31	” V. Rao		360		(Cheque No. 752)		
				23	K & Co.		₹ 310
					(Cheque No. 753)		
				24	Singh & Co.		170
					(Cheque No. 755)		
				31	Balance c/d		5,330
			7,160				7,160
2016							
Jan. 1	To Balance b/d		5,330				

Pass Book

Date	Particulars	Withdrawls	Deposits	Balance
2015		Rs.	Rs.	Rs.
Dec. 1	By Balance	—	—	2,650
11	By Cheque	—	₹ 1,500	
13	To Cheque No. 750	₹ 340	—	
17	By Cheque	—	₹ 850	
21	To Cheque No. 752	₹ 230	—	
22	By Cheque	—	₹ 980	
26	To Cheque No. 753	₹ 310	—	
31	By Interest	—	40	
31	To Bank Charges	30		5,110

Solution :

Bank Reconciliation Statement as at 31.12.15

Particulars	Amount	Amount
	Rs.	Rs.
Bank Balance as per Cash Book		5,330
<i>Add :</i> (i) Cheques issued but not presented for payment		
P. Raju (Cheque No. 751) 780		
Singh & Co. (Cheque No. 755) <u>170</u>	950	
(ii) Interest credited in Pass Book but not recorded in Cash Book	40	990
		6,320
<i>Less :</i> (i) Cheques deposited but not credited		
B. Kar 820		
V. Rao <u>360</u>	1,180	
(ii) Bank Charges recorded in Pass Book but not recorded in Cash Book	30	1,210
Bank Balance as per Pass Book		5,110

1.16 Final Accounts / Financial Statements

A trading concern keeps its books of accounts under the double entry system to find out the financial results at the end of the accounting year. There are various transactions occur during the accounting year. All the transactions have financial effect on the overall financial position of the concern. After preparing the trial balance, the trading concerns prepare final accounts to know its financial performance. The objective of the final account is to ascertain the profit or loss made by a business during the accounting period and to show the financial position of the business on the closing date of such accounting period.

The final accounts have the following parts -

- i) Trading and Profit and Loss Account and
- ii) Balance Sheet

The Trading Account is prepared to find out the gross profit/ gross loss. The Profit and Loss Account is prepared to find out the net profit earned or net loss suffered during a particular accounting year. The Balance Sheet shows the financial position of the business on the particular date of closing the year.

In section 1.13 you have gone through the trial balance. In the trial balance all types of accounts are included to check the arithmetical accuracy of the accounts. In the trial balance you may find various types of accounts viz.

Assets - Debit balance □ Balance Sheet (Asset side)

Liabilities - Credit balance □ Balance Sheet (liability side)

Capital - Credit balance □ Balance Sheet (liability side)

Drawings - Debit balance □ Balance Sheet (to be deducted from capital on the liability side)

Expenses - Debit balance □ Trading and Profit and Loss Account (Debit side)

Incomes - Credit balance □ Trading and Profit and Loss Account (Credit side)

For the preparation of final accounts, all the ledger accounts are required to be closed by passing the closing entries through journal proper

Preparation of Trading Account

Trading account is prepared to calculate the gross profit or gross loss. Gross profit is the overall profit and is the difference between sales proceeds of a particular accounting year and the cost of goods actually sold.

$$\text{Gross profit} = \text{Net Sales} - \text{Cost of Goods Sold}$$
$$\text{Cost of Goods sold} = \text{Opening Stock} + \text{Net Purchases} + \text{Direct Expenses} - \text{Closing Stock}$$

Preparation of Profit and Loss Account

Profit and loss account is prepared to find out net profit or net loss of a business of a particular accounting period. It is prepared to ascertain the net operating result of the transactions occurred during the particular accounting year. The principle of determining the net profit or net loss is to match expenses against revenues. According to the matching concept, income of an accounting year is the excess of revenues realized over the expired costs of earning such revenues. To determine the correct profit or loss, adjustments are made for outstanding and prepaid items in the profit and loss account. This account is also considered as a flow statement because periodic inflow in the form of revenues and periodic outflows in the form of expenses and losses are recorded in the profit and loss account.

Closing entry :

1. Profit and Loss A/c..... Dr.
 To Expenses A/c
(Rent, Salaries, discount allowed, electricity, depreciation etc.)
2. Incomes A/c... .. Dr.
 To Profit and Loss A/c
(Interest received, commission received etc.)
3. Profit and Loss A/c..... Dr.
 To Capital A/c
(Net profit transferred)

Preparation of Profit and Loss Account

In the Books of... Profit & Loss A/c for the period ended...(Date)

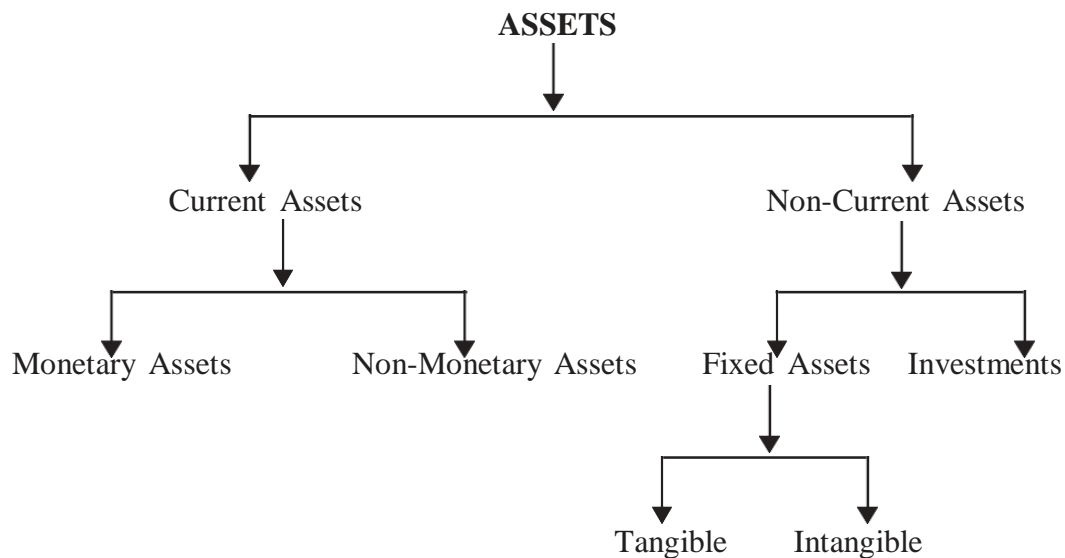
Dr.		Cr.	
Particulars	Amount	Particulars	Amount
	Rs.		Rs.
To Salaries	***	By Gross Profit	***
To Rent, Rates & Taxes	***	(Transferred from Trading A/c)	***
To Postage & Telegram	***	By Discount received	***
To Repairs & Maintenance	***	By Interest received	***
To Lighting & Electricity	***	By Rent received	***
To Office expenses	***	By Income from Investments	***
To Trade expenses	***	By Bad debts recovered	***
To Bank charge	***	By Provision for discount on creditors	***
To Legal expenses	***	By Miscellaneous incomes	
To Travelling expenses	***		
To Interest on Loans	***		
To Insurance	***		
To Carriage outwards	***		
To Packing expenses	***		
To Advertisements	***		
To Commission on sales	***		
To Bad debts	***		
To Discount allowed	***		
To Provision for doubtful debts	***		
To Provision for discount on debtors	***		
To Depreciation	***		
To Net profit (if any)	***		
(Transferred to Profit & Loss			
Appropriation			
A/c or Capital A/c)	***		***

Balance Sheet

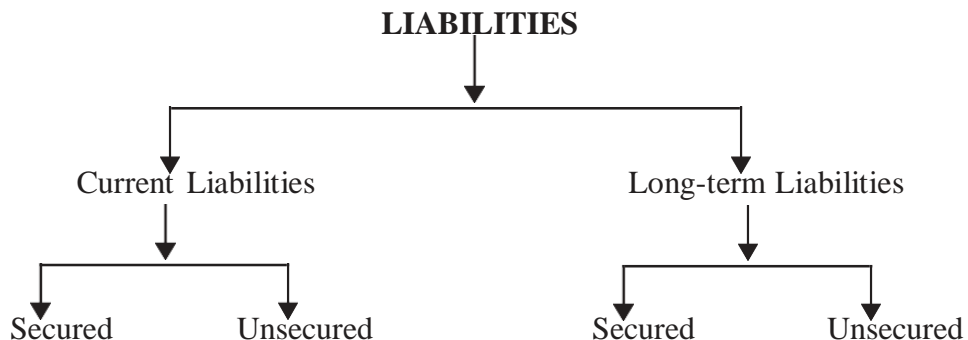
A balance sheet is a list of assets and claims of a business on a specific date. It shows the financial position of a business in terms of assets and liabilities, properly classified and arranged in a specific manner after making necessary adjustments like depreciation, provision etc. Balance sheet is a statement not an account. The balances of the real and personal accounts appearing in the trial balance are grouped as assets and liabilities depending on their nature of balances i.e. debit or credit respectively.

Asset: An asset is defined as a resource controlled by an enterprise as a result of past events and from which future economic benefits are expected to flow to the enterprise i.e. as an asset is a resource with economic benefits embedded in it.

Classification of Assets :



Liability : Liability is the present obligation of the enterprise arising from past events, the settlement of which is expected to result in an outflow from the enterprise of resource embodying economic benefits. The essential characteristic of a liability is that the business has a present obligation. Classification of Liabilities :



Examples of Current Assets and Liabilities

Current assets

1. Cash in hand
2. Cash at Bank
3. Investment (Short-term)
4. Bills Receivable
5. Sundry Debtors
6. Raw Materials
7. Work-in-progress
8. Finished Stock
9. Prepaid Expenses

Current Liabilities

1. Outstanding Expenses
2. Bills Payable
3. Sundry Creditors
4. Income Tax payable
5. Proposed Dividend
6. Bank Overdraft

In the Books of ... Balance Sheet as on ... (Date)

Liabilities		Amount	Assets	Amount
	Rs.	Rs.	Rs.	Rs.
Capital :			Fixed Assets :	
Opening balance	***		Goodwill	***
Add : Net Profit	***		Patent Rights	***
	***		Trade Marks	***
Less : Drawings	***	***	Land & Building	***
			Plant & Machinery	***
Capital Reserve		***	Furniture & Fixtures	***
General Reserve		***	Long-term Investments	***
Debentures		***	Loose Tools	***
Loans		***		
Current /Short-term Liabilities :			Current Assets :	
Short-term Loans		***	Short-term Investments	***
Sundry Creditors		***	Stock-in-Trade	***
Bills Payable		***	Sundry Debtors	***
Bank Overdraft		***	Bills Receivable	***
Outstanding Expenses		***	Cash at Bank	***
			Cash in hand	***
			Prepaid Expenses	***
			Accrued Income	***
		***		***

PART I — FORM OF BALANCE SHEET
[AS PER COMPANIES ACT 2013]

Name of the company.....

Balance Sheet as at..... (Rupees in.....)

Particulars	Note No.	Figures as at the end of the current reporting period	Figures as at the end of the previous reporting period
1	2	3	4
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share capital			
(b) Reserves and surplus			
(c) Money received against share warrants			
(2) Share Application money pending allotment			
(3) Non-current liabilities			
(a) long-term borrowings			
(b) Deferred tax liabilities (Net)			
(c) Other long term liabilities			
(d) long-term provisions			
(4) Current liabilities			
(a) Short term borrowings			
(b) Trade payables			
(c) Other current liabilities			
(d) Short-term provisions			
TOTAL			
II. ASSETS			
(1) Non-current assets			
(a) Fixed Assets			
(i) Tangible assets			
(ii) Intangibl Assets			
(iii) Capital work-in-progress			
(iv) Intangible assets under development			

Particulars	Note No.	Figures as at the end of the current reporting period	Figures as at the end of the previous reporting period
1	2	3	4
(b) Non-current Investments (c) Deferred tax Assets (net) (d) Long-term Loan and Advances (e) Other Non-current assets (2) Current assets (a) Current investments (b) Inventories (c) Trade receivables (d) Cash and cash equivalents (e) Short-term loans and advances (f) Other current assets			
Total			

1.16.1 Depreciation

The term 'depreciation' represents loss or diminution of the value of an asset consequent upon wear and tear due to use, obsolescence, effluxion of time or permanent fall in market value. Depreciation accounting aims at distributing the cost or other basic value of tangible capital asset, less salvage value over the estimated useful life of the unit in a systematic and rational manner. It is a process of allocation and valuation.

Depreciation should be distinguished from depletion and amortization. Depletion denotes the decrease in the value of natural resources like ore-deposits, oil-wells, quarries etc. while amortization denotes writing down the long-term investments in intangibles such as copy-rights, patents, trade marks etc.

Objectives of providing depreciation

- i) To find out the actual cost of production.
- ii) To recover the cost of asset from the cost of sales.
- iii) To make replacement of an asset possible when it becomes useless.
- iv) To abide by the legal requirements.
- v) To show the assets at their true values.

Causes of depreciation

- i) **Wear & Tear** : The value of fixed assets like building, plant, furniture etc. is reduced due to wear and tear for continuous use.
- ii) **Efflux of time** : Intangible assets patent right, copy rights etc. are depreciated with the efflux of time.
- iii) **Obsolescence** : With the advancement of science and technology new types of plant and machineries are being invented. With the invention of new machines, the old machinery becomes obsolete and is replaced by a new one.
- iv) **Physical consumption** : By physical consumption, the minerals, wood etc. are depreciated from the mines, forests respectively.

Factors for computing depreciation :

- i) The original cost of the assets.
- ii) The possible working life of asset.
- iii) The break-up or residual value.
- iv) The amount to be expended on repairs and maintenance.
- v) The opportunity cost of the investment in the asset.
- vi) The chances of the asset becoming obsolete on account of new inventions.

Methods of depreciation

The following are the various methods of depreciation of an asset.:

1. Straight line method.
2. Reducing balance method.

3. Annuity method
4. Sinking Fund or Depreciation fund method

The management of a concern selects anyone of the above methods taking into account the factors like type of the asset, the nature of the use of such asset, statutory rules and regulations and other circumstances prevailing in the concerns. In principle, the method chosen should result in allocation of depreciation to the periods that benefit from the use of an asset. Such a method should be consistent with the matching principle.

1. **Straight Line Method** : Under this method, a fixed percentage of original cost is written off the asset every year during the economic life of the asset. This is also known as fixed instalment method. Annual amount of depreciation is calculated as follows:

$$D = \frac{C - R}{n}$$

D=Depreciation, C=Cost of the asset, R=Residual value, n=Number of years.

Although method is the simplest and widely used, it is not scientific as it makes no distinction between the usefulness of an asset when it is new and it becomes old. It is applicable in case of an asset which renders uniform services throughout its economic life.

2. **Reducing Balance or Diminishing Balance Method:** Under this method, depreciation is provided by means of periodic charges calculated at a fixed rate on the written down value of the assets. The formula for computing depreciation under this method is as follows :

$$R = 1 - \sqrt[n]{S/C}$$

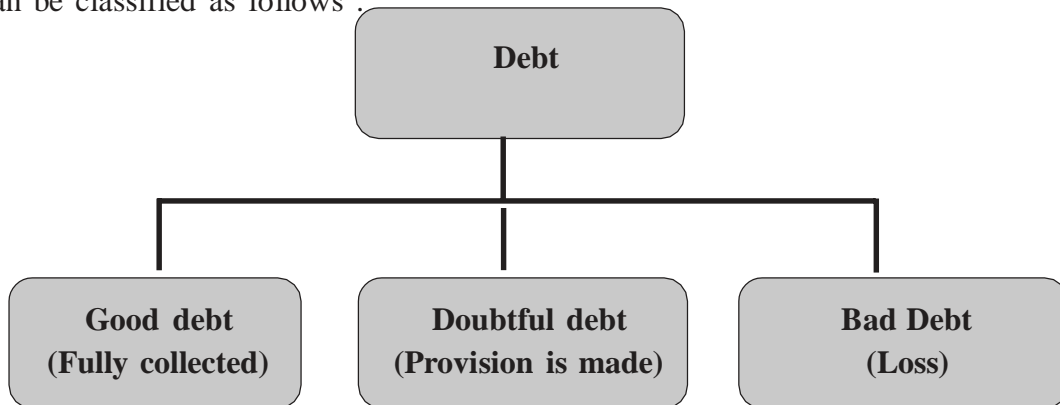
R=Rate of depreciation, S=Residual value, C=Cost of the machine, n=number of years.

Under this method, the amount of depreciation charged becomes less year after year but the cost of repairs necessary to keep the asset in working order increases as it grows older and as a result the ultimate burden on profit and loss every year in respect of depreciation and repairs put together is equalized. Under this method the asset is never depreciated to zero value.

Under this method, rate of depreciation is twice the straight line method and depreciation is calculated on the written down value of asset.

1.16.2 Provision for Doubtful Debts

Provision means any amount that is written off or retained for the purpose of discharging any known liability or setting off predictable future losses. The provision is made when the amount of loss or liability cannot be determined with substantial accuracy. Provisions are charges against profit and are debited to profit and loss account. The debt may arise in the course credit sales. When a product is sold or service is provided on credit, there is possibility of non-realization of debt. The debt can be classified as follows :



Sometimes, it is not possible to decide whether an amount will be realized or not. At the end of the financial year where there is any doubt about the recovery of any debt, the probable losses on account of doubtful debt is debited to profit and loss account. Necessary journal entries are :

I. For writing off bad debt :

Bad Debt A/c Dr.
 To Sundry Debtors A/c

II. For transferring the bad debt at the end of the year :

Profit and Loss A/c..... Dr.
 To Bad Debt A/c

III. For creating provision for doubtful debts :

(a) Provision for Doubtful Debts A/cDr.
 To Profit and Loss A/c

(Opening balance transferred)

(b) Profit and Loss A/c.....Dr.

 To Provision for Doubtful Debts A/c

(Closing balance i.e. new provision created for next year)

Worked out Problems

Example 1 : Prepare Trading and Profit & Loss Account for the year ended 31st March, 2015 and Balance Sheet as at that date from the following Trial Balance and other particulars of a Trader :

	Debit Rs.	Credit Rs.
Capital		1,60,000
Drawings	45,000	
Goodwill	90,000	
Building	60,000	
Machinery	40,000	
Bills Receivable and Payable	3,000	33,800
Debtors and Creditors	45,000	70,000
Returns Inward and Outward	2,000	2,650
Carriage Inward	1,000	
Carriage Outward	500	
Furniture	4,200	
Wages	25,800	
Salaries	35,000	
Stock on 1.4.2014	40,000	
Purchases and Sales	51,000	2,18,000
Bad Debts	1,200	
Rent	6,100	
Cash in hand	25,400	
General Expenses	<u>9,250</u>	
	<u>8,84,450</u>	<u>4,84,450</u>

Other Particulars :

- (i) Closing Stock on 31.3.2015–Rs. 35,000
- (ii) Depreciate Machinery and Furniture by 10% and Building by 2.5%
- (iii) Provide Rs. 1,500 for outstanding wages
- (iv) General Expenses prepaid–Rs. 500
- (v) Provide 5% on debtors against doubtful debts and 2% against discount

Solution :

Trading Account for the year ended 31st March, 2015

Dr.			Cr.
To Opening Stock	Rs. 40,000	By Sales	2,18,000
To Purchases	51,000	Less Returns	2,000
<i>Less Returns</i>	<u>2,650</u>	By Closing Stock	<u>35,000</u>
To Wages	25,800		
<i>Add Outstanding</i>	<u>1,500</u>		
To Carriage Inward	1,000		
To Gross Profit			
(Transferred to P/L A/c)	<u>2,51,000</u>		<u>2,51,000</u>

Profit and Loss Account for the year ended 31st March, 2015

Dr.	Rs.	Cr.	Rs.
To Salaries	35,000	By Gross Profit	1,34,350
To Carriage Outward	500	(Transferred from	
To Rent	6,100	Trading Account)	
To Bad Debts	1,200		
To Provision for Doubtful Debts 5% of Rs. 45,000	2,250		
To Provision for discount 2% of (Rs. 45,000 – 2,250)	855		
To General Expenses 9,250			
Less Prepaid 500	8,750		
To Depreciation :			
Machinery 4,000			
Furniture 420			
Building 1,500	5,920		
To Net Profit	73,775		
(Transferred to Capital A/c)	1,34,350		1,34,350

Balance Sheet as at 31st March, 2015

Dr.	Rs.	Cr.	Rs.
Liabilities		Assets	
Capital 1,60,000		Fixed Assesst :	
Add Net Profit 73,775		Goodwill	90,000
2,33,775		Building 60,000	
Less Drawings 45,000	1,88,775	Less Depreciation 1,500	58,500
Bills Payable	33,800	Machinery 40,000	
Creditors	70,000	Less Depreciation 4,000	36,000
Wages Outstanding	1,500	Furniture 4,200	
		Less Depreciation 420	3,780
		Current Asses :	
		Bills Receivable	3,000
		Stock	35,000
		Debtors 45,000	
		Less Prov For	
		Doubtful Debts 2,250	
		42,750	
		Less Prov. For	
		Discount 855	41,895
		Cash	25,400
		General Expenses Prepaid	500
	2,94,075		2,94,075



Example-2 : Trial Balance of a business as on 31st December, 2014 is given below :

Dr.	Rs.	Cr.	Rs.
Wages	25,000	Creditors	75,000
Furniture	10,000	Reserve fund	40,000
Discount	500	Capital	1,00,000
Carriage outwards	400	Bills payable	6,000
Insurance	600	Bank overdraft	5,000
Purchases	2,20,000	Commission	2,200
Stock	50,000	Sales	3,71,800
Bills receivable	30,000		
Land & Buildings	90,000		
Return inwards	1,500		
Debtors	80,000		
Salaries	20,000		
Bad Debts	5,000		
Plant & Machinery	60,000		
Cash in hand	2,000		
Rent	3,000		
Repairs	2,000		
	600,000		600,000

Prepare a Trading and Profit & Loss Account for the year ended 31st December, 2015 and a Balance Sheet as on that date after taking into account the following adjustments :

- (i) Stock on 31.12.2015 Rs. 65,000
- (ii) Prepaid rent Rs. 250.
- (iii) Outstanding liabilities for salaries Rs. 1,000.
- (iv) Depreciation on plant & machinery & 5%, furniture@10% and land & buildings@2₂ %.
- (v) Provide reserve for bad debts @ 4% on debtors.
- (vi) Goods drawn by proprietor for his personal use Rs. 500.

Solution :

**In the Books of...
Trading A/c
for the year ended on 31st December, 2014**

Dr.		Cr.			
Particulars	Rs.	Amount Rs.	Particulars	Rs.	Amount Rs.
To Opening Stock		50,000	By Sales	3,71,800	
To Purchases	2,20,000		Less : Return Inwards	1,500	3,70,300
Less : Goods withdrawn for personal use	500	2,19,500	By Closing Stock		65,000
To Wages		25,000			
To Profit & Loss A/c (Gross profit transferred)		1,40,800			
		4,35,300			4,35,300

**Profit & Loss A/c
for the year ended on 31st December, 2015**

Dr.		Cr.		
Particulars	Rs.	Amount Rs.	Particulars	Amount Rs.
To Discount		500	By Trading A/c	1,40,800
To Carriage Outwards		400	(Gross profit transferred)	
To Insurance		600	By Commission	2,200
To Salaries	20,000			
Add : Outstanding	1,000	21,000		
To Bad Debts		5,000		
To Rent	3,000			
Less : Prepaid	250	2,750		
To Repairs		2,000		
To Depreciation on :				
Plant & Machinery @5%	3,000			
Furniture @10%	1,000			
Land & Buildings @2.5%	2,250	6,250		
To Provision for Bad Debts (@ 4% on Rs. 80,000)		3,200		
To Capital A/c (Net profit transferred)		1,01,300		
		1,43,000		1,43,000

Balance Sheet as on 31st December, 2014

Liabilities		Amount	Assets		Amount
		Rs.			Rs.
Capital			Land & Buildings	90,000	
Opening Balance	1,00,000		<i>Less</i> : Depreciation	2,250	87,750
<i>Add</i> : Net Profit	1,01,300				
	2,01,300		Plant & Machinery	60,000	
<i>Less</i> : Drawings of Goods	500	2,00,800	<i>Less</i> : Depreciation	3,000	57,000
Reserve Fund		40,000	Furniture	10,000	
Creditors		75,000	<i>Less</i> : Depreciation	1,000	9,000
Bills Payable		6,000	Stock		65,000
Bank Overdraft		5,000	Debtors	80,000	
Outstanding Liabilities for Salaries		1,000	<i>Less</i> : Provision for Bad Debts	3,200	76,800
			Bills Receivable		30,000
			Prepaid Rent		250
			Cash in hand		2,000
		3,27,800			3,27,800

Example 3 : From the following balances extracted from the Books of Anil on 31st December, 2014 prepare a Trading Account and Profit & Loss Account for the year ended on that date and also a Balance Sheet as on that date :

	Dr. Rs.	Cr. Rs.
Capital Account		42,500
Drawings Account	7,100	
Plant & Machinery	9,500	
Stock on 1.1.2014	14,600	1,19,060
Purchases & Sales	1,03,620	2,910
Sales and Purchases Return	2,100	
General expenses	2,000	
Wages	2,400	
Rent & Rates	3,200	
Bank overdraft		1,200
Bad debts	1,720	
Debtors and Creditors	30,000	10,000
Cash in hand	480	
Bad debts provision		1,050
	1,76,720	1,76,720

Additional Information :

1. Provide 10% depreciation on Plant & Machinery.
2. Bad debts provision is to be increased to 5% of debtors.
3. A credit sale of Rs. 2,000 has not been recorded in the books.
4. Plant & Machinery worth Rs. 1,000 purchased during the year (on September 30, 2014) has been included in purchases.
5. Rent accrued due on 31.12.2014 was Rs. 400 and rent paid in advance Rs. 800.
6. Stock on 31.12.2014 was valued at Rs. 17,300 (These do not include the value of the machinery bought on 30.9.2014)
7. Wages included Rs. 200 for installation of plant.

Solution :

In the Books of..
Trading A/c & Profit & Loss A/c
for the ended on 31st December, 2014

Dr.

Particulars	Rs.	Amount Rs.	Particulars	Rs.	Amount Rs.
To Opening Stock		14,600	By Sales	1,19,060	
To Purchases	1,03,620		<i>Less</i> : Return Inwards	2,100	
<i>Less</i> : Returns	2,910			1,16,960	
	1,00,710		<i>Add</i> : Sales not recorded	2,000	1,18,960
<i>Less</i> : Plant & Machinery purchased wrongly included	1,000	99,710	Closing Stock		17,300
To Wages	2,400				
<i>Less</i> : Wages for installation of Maching included	200	2,200			
To Gross Profit c/d		19,750			
		1,36,260			1,36,260
To General Expenses		2,000	To Gross Profit b/d		19,750
To Rent & Rates	3,200				
<i>Add</i> : Accrued due	400				
	3,600				
<i>Less</i> : Prepaid	800	2,800			
To Bad Debts		1,720			
To Provision for Bad Debts					
New Provision	1,600				
<i>Less</i> : Old Provision	1,050	550			
To Depreciation on Plant & Machinery@10%		980			
To Capital A/c		11,700			
(Net profit transferred)		19,750			19,750

Balance Sheet as on 31st December, 2014

Liabilities	Amount Rs.	Assets	Amount Rs.
Capital		Plant & Machinery	9,500
Opening Balance	42,500	Add : New Additions	1,000
Add : Net Profit	11,700	Add : Wages for Installation	
	54,200	of Machine	200
Less : Drawings	7,100		10,700
	47,100	Less : Depreciation (@10%)	980
Creditors	10,000		9,720
Bank Overdraft	1,200	Stock-in-Trade	17,300
Outstanding Liabilities for Rent	400	Debtors	
		30,000	
		Add : Credit Sales not	
		recorded	2,000
			32,000
		Less : Bad Debts Provision	
		(@5% on Rs. 32,000)	1,600
			30,400
		Prepaid Rent	800
		Cash in hand	480
	58,700		58,700

Workings : Depreciation on plant and Machinery

(a) Old Machine	$9,500 \times \frac{10}{100}$	Rs.
		950
(b) New Machine	$1,200 \times \frac{10}{100} \times \frac{3}{12}$	Rs.
		30
	(1,000 + 200)	980

2. Total Debtors = Rs. (30,000 + 2000) Rs. = 32,000

New Provision for Bad Debts = $\frac{5}{100} \times \text{Rs. } 32,000 = \text{Rs. } 1,600.$

1.17 Interpretation of Financial Statements

Financial statements are the lens of a business. They draw a picture of the company's past financial performance and the current financial position. They are designed to provide information on four primary business activities, viz. planning, financing, investing and operating activities of the business. Financial statements merely provide information on the levels of various items of incomes, expenses, asset acquisition, debt acquisition etc. Financial statement analysis may be defined as an information processing system designed to provide data for decision makers, i.e. users of financial information who are interested in -

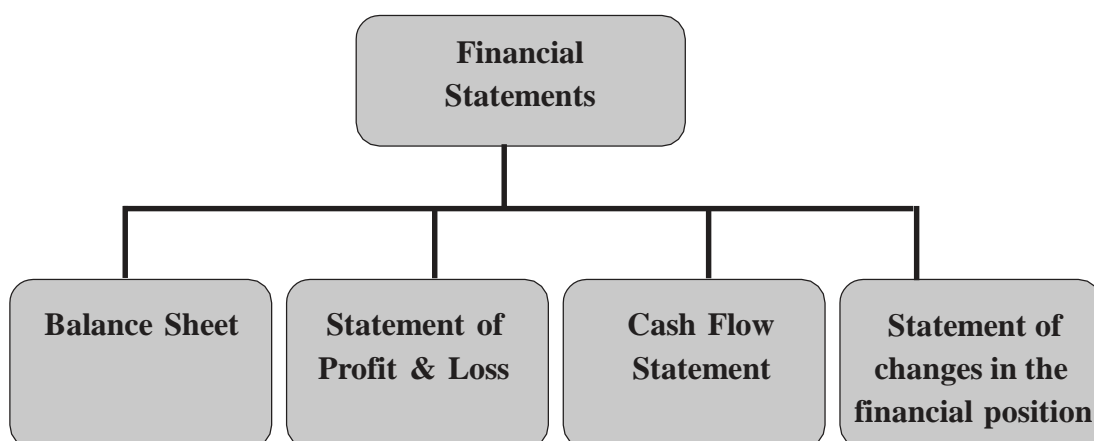
- Evaluating the present state of economic position of the business and
- Predicting the future course of its operations.

The information that is processed is derived from financial information published in the annual report of the firm.

The objective of financial statements is to provide information about the financial position, performance, and changes in the financial position of the business which is useful to a wide range of users in making economic decisions.

1.17.1 Components of Financial Statement

The Financial Statement of a company normally includes a balance sheet, a statement of profit and loss, a cash flow statement and Statement of changes in the financial position. Preparation of Cash Flow Statement is applicable to only the listed companies. These statements are prepared at the end of a financial year to assess the various financial activities and strength of the business.



1.17.2 Users of Financial Statement

The above statements are prepared in conformity with the Companies Act 2013 and the Accounting Standard issued by the Institute of Chartered Accountants of India. Since these statement follow a particular format, the users even non-accounting persons can understand or interpret the financial results from the financial statements. Users of financial statements and their needs are given below:

Investors	This group need the financial information for decision making to buy or sale the companies share. They also want to know the trend of declaring the dividend.
Creditors	This group judge the reliability, timing and stability of the business in meeting their obligations.
Lenders	Providers of long-term fund determine the credit worthiness of the business.
Employees	Employees need to know the stability and profit earning capacity o their employer to ensure the payment of remuneration, other facilities and the retirement benefits et.
Customers	This group need information about the financial viability of the business with which they have long-term relationship.
Government & other regulatory agencies	As a regulator, the government and its agencies need information about the payment of tax, ESI, employment generation, activities towards the society (CSR) etc.

The above mentioned objectives clearly indicate the importance of financial statement analysis and interpretation in today's competitive environment.

1.17.3 Financial Ratio Analysis

Accounting ratios are the most frequently used tool in making a financial statement analysis. A ratio is a fraction which is generally expressed in numbers which are actually used to express a comparative relation between two amounts or items. This relation may be expressed in percentage, times or in pure number. It is relationship of one number to another. Accounting ratios are the necessary tools for measuring liquidity and solvency of the business. The ratio also helps to measure the management

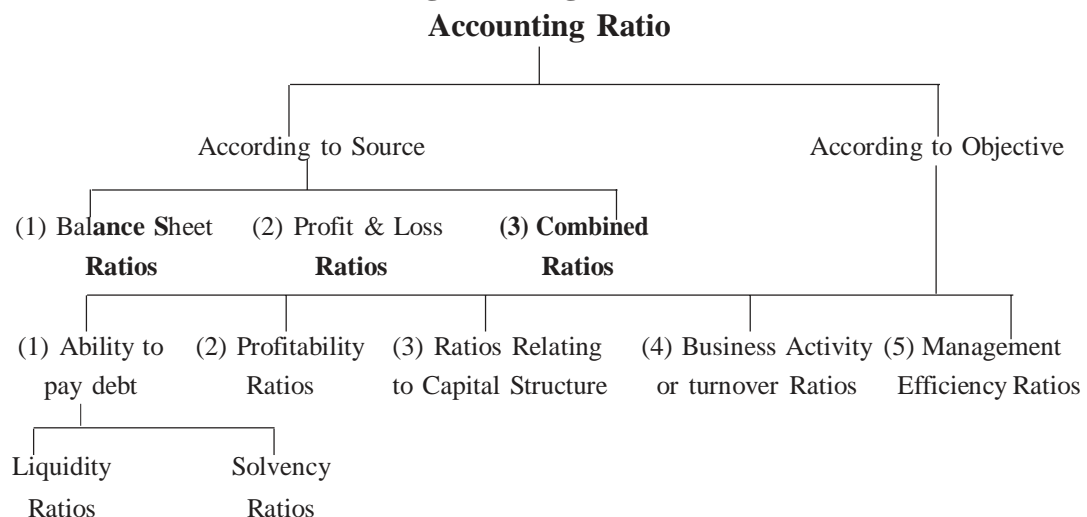
efficiency and profitability of the business organization. A single ratio itself does not indicate any favourable or unfavourable condition unless it is compared with some standards like past ratios, competitors ratio, industry ratio etc. The need of ratio analysis depends on the stakeholders information need. A creditor may be more interested in the liquidity position while a prospective investor would be interested in the profitability of the business. From the management point of view, they are more interested to measure the [profitability and over all financial management like debtors turnover, inventory turnover creditors turnover etc.

Different types of Accounting ratios :

Accounting ratios can be classified into the following three groups viz.

- i) **Balance Sheet Ratios :** Such ratios are calculated from different items of the balance sheet, e.g. Current Ratio, Liquid Ratio, Debt-Equity Ratio, Proprietary Ratio, Capital gearing Ratio etc.
- ii) **Revenue Statement Ratios :** Such ratios are calculated from the different items of the revenue statement i.e. from profit and loss account of the business, e.g. Gross Profit Ratio, Net Profit Ratio, Operating Ratio, Stock Turnover Ratio etc.
- iii) **Composite Ratios :** These ratios are calculated from the items of both the balance sheet and the profit and loss account, e.g. Return on Capital employed, Return on Investment, Turnover velocity, Turnover to Total assets, Interest Coverage Ratio etc.

The classification of accounting ratio is given below :



Important formula for calculating accounting ratios:

Ratios are tools that provide clues and symptoms of underlying conditions. If properly interpreted, ratios help to identify areas requiring further investigation. Several ratios can be computed using organization's financial statements, some of which are general application in financial analysis while others may be unique to specific circumstances. Ratios may be useful in management efficiency analysis, liquidity analysis, solvency analysis, profitability analysis etc.

Liquidity means the ability of the business to meet its short-term maturing obligations. The liquidity ratio is the indicator of the short-term liquidity position of the business.

Solvency is the debt-paying ability of the business over a long period of time. Long-term lenders and shareholders are interested in measuring the solvency of a business for their credit and financial decisions. The solvency ratio helps in measuring the financial risks of the business.

A. Liquidity Ratios :

$$(i) \text{ Current Ratio} = \frac{\text{Current Assets}}{\text{Current Liabilities}}$$

$$(ii) \text{ Quick Ratio} = \frac{\text{Total Current Assets} - \text{Stock} - \text{Prepaid Expenses}}{\text{Total Current Liabilities} - \text{Bank Overdraft}}$$

B. Solvency Ratios :

$$(i) \text{ Debt Equity Ratio} = \frac{\text{Long term Debt}}{\text{Shareholders Fund}}$$

$$(ii) \text{ Total assets to debt ratio} = \frac{\text{Total Assets}}{\text{Long term Debt}}$$

$$(iii) \text{ Proprietary Ratio} = \frac{\text{Proprietors' Fund}}{\text{Total Assets}}$$

$$(iv) \text{ Interest Coverage Ratio} = \frac{\text{Net Profit before Interest \& Tax}}{\text{Fixed Interest charges}}$$

C. Management Efficiency Ratios :

$$(i) \text{ Stock-Turnover Ratio} = \frac{\text{Cost of goods sold}}{\text{Average stock}}$$

$$\text{Average Stock} = \frac{\text{Opening stock} + \text{Closing stock}}{2}$$

$$(ii) \text{ Debtors' turnover Ratio} = \frac{\text{Annual Credit Sale}}{\text{Average Debtors}}$$

$$\text{Average Debtors} = \frac{\text{Opening Debtors} + \text{Closing Debtors}}{2}$$

$$\text{Average Collection period} = \frac{\text{Average Debtors}}{\text{Annual Credit Sales}} \times \text{No. of days in a year.}$$

$$(iii) \text{ Creditors' Turnover Ratio} = \frac{\text{Annual Credit Purchases}}{\text{Average Creditors}}$$

$$\text{Average Creditors} = \frac{\text{Opening Creditors} + \text{Closing Creditors}}{2}$$

$$\text{Average Payment Period} = \frac{\text{Average Creditors}}{\text{Credit Purchases}} \times \text{No. of days in a year}$$

$$(iv) \text{ Working Capital Turnover Ratio} = \frac{\text{Net Sales}}{\text{Average Working Capital}}$$

$$\text{Average Working Capital} = \frac{\text{Opening Working Capital} + \text{Closing Working Capital}}{2}$$

D. Profitability Ratios :

$$(i) \text{ Gross Profit Ratio} = \frac{\text{Gross Profit}}{\text{Net Sales}} \times 100$$

$$(ii) \text{ Net Profit Ratio} = \frac{\text{Net Profit}}{\text{Net Sales}} \times 100$$

$$(iii) \text{ Operating Ratio} = \frac{(\text{Cost of goods sold} + \text{Operating cost})}{\text{Net Sales}} \times 100$$

$$(iv) \text{ Operating Profit Ratio} = \frac{\text{Operating profit}}{\text{Net Sales}} \times 100$$

Worked out problems

Example - 1 : From the following information calculate current ratio :

Creditors ` 4,00,000; Bills payable ` 80,000; Debtors ` 3,00,000; Stock-in-trade ` 1,00,000; Cash & Bank ` 2,00,000.

Solution :

$$\text{Current Ratio} = \frac{\text{Current Assets}}{\text{Current liabilities}}$$

$$\begin{aligned} \text{Current Assets} &= \text{Debtors} + \text{Stock-in-trade} + \text{Cash \& Bank} \\ &= ` (3,00,000 + 1,00,000 + 2,00,000) = ` 6,00,000 \end{aligned}$$

$$\begin{aligned} \text{Current liabilities} &= \text{Creditors} + \text{Bills Payable} \\ &= ` (4,00,000 + 80,000) = ` 4,80,000 \end{aligned}$$

$$\therefore \text{Current Ratio} = \frac{` 6,00,000}{` 4,80,000} = 5 : 4$$

Example-2 Calculate current Ratio from the following :

Creditors ` 4,00,000; Bank overdraft ` 1,00,000; Bills Payable ` 1,00,000; Working Capital ` 6,00,000.

Solution :

$$\text{Current Ratio} = \frac{\text{Current Assets}}{\text{Current Liabilities}}$$

$$\text{Working Capital} = \text{Current Assets} - \text{Current liabilities}$$

$$\therefore \text{Current Assets} = \text{Working Capital} + \text{Current liabilities}$$

$$\begin{aligned} \text{Current liabilities} &= \text{Creditors} + \text{Bank overdraft} + \text{Bills payable} \\ &= ` (4,00,000 + 1,00,000 + 1,00,000) = ` 6,00,000 \end{aligned}$$

$$\therefore \text{Current Assets} = ` (6,00,000 + 6,00,000) = ` 12,00,000$$

$$\therefore \text{Current Ratio} = \frac{` 12,00,000}{` 6,00,000} = 2 : 1.$$

Example-3 Calculate Quick ratio from the following :

Current assets ` 8,00,000; Capital ` 10,00,000; Working capital ` 4,80,000; Stock-in-trade ` 1,60,000.

Solution :

$$\text{Working Capital} = \text{Current Assets} - \text{Current Liabilities}$$

$$\begin{aligned} \therefore \text{Current liabilities} &= \text{Current assets} - \text{Working Capital} \\ &= ` (8,00,000 - 4,80,000) = ` 3,20,000 \end{aligned}$$

$$\begin{aligned}\text{Quick Ratio} &= \frac{\text{Current Assets} - \text{Stock}}{\text{Current Liabilities} - \text{Bank Overdraft}} \\ &= \frac{\text{` 8,00,000} - \text{` 1,60,000}}{\text{` 3,20,000}} = \frac{\text{` 6,40,000}}{\text{` 3,20,000}} = 2 : 1\end{aligned}$$

Example - 4 : Calculate Current ratio and Quick ratio from the following :
 Capital ` 12,00,000; Working Capital ` 3,60,000; Building ` 4,00,000; Total Debt. ` 7,80,000; Long-term borrowings ` 6,00,000; Stock ` 1,50,000; Machinery ` 2,00,000; Other Current assets (Prepaid expenses) ` 30,000; Bank overdraft ` 80,000.

Solution :

$$\text{Current Ratio} = \frac{\text{Current assets}}{\text{Current liabilities}}$$

$$\text{Quick Ratio} = \frac{\text{Current assets} - \text{Stock} - \text{Prepaid expenses}}{\text{Current liabilities} - \text{Bank overdraft}}$$

$$\text{Working Capital} = \text{Current assets} - \text{Current liabilities}$$

$$\begin{aligned}\text{Current liabilities} &= \text{Total debt} - \text{Long-term borrowings} \\ &= \text{` 7,80,000} - \text{` 6,00,000} = \text{` 1,80,000}\end{aligned}$$

$$\therefore \text{Current assets} = \text{Working capital} + \text{Current liabilities}$$

$$\text{Current assets} = \text{` 3,60,000} + \text{` 1,80,000} = \text{` 5,40,000}$$

$$\text{Current Ratio} = \frac{\text{Current assets}}{\text{Current liabilities}} = \frac{\text{` 5,40,000}}{\text{` 1,80,000}} = 3 : 1$$

$$\begin{aligned}\text{Quick Ratio} &= \frac{\text{Current Assets} - \text{Prepaid expenses}}{\text{Current liabilities} - \text{Bank overdraft}} \\ &= \frac{\text{` 5,40,000} - \text{` 1,50,000} - \text{` 30,000}}{\text{` 1,80,000} - \text{` 80,000}} = \frac{\text{` 3,60,000}}{\text{` 1,00,000}} = 3.6 : 1\end{aligned}$$

Example -5 : Find out the current assets and current Ratio from the following :
 Total debt ` 10,00,000; Long-term Debt ` 4,00,000; Stock-in-trade ` 2,00,000;
 Quick Ratio 3 : 1

Solution :

$$\begin{aligned}\text{Current liabilities} &= \text{Total debt} - \text{Long-term debt} \\ &= \text{` 10,00,000} - \text{` 4,00,000} = \text{` 6,00,000}\end{aligned}$$

$$\text{Quick Ratio} = 3 : 1$$

$$\text{Quick Ratio} = \frac{\text{Quick Assets}}{\text{Quick Liabilities}} = 3 : 1$$

∴ Quick Assets = Current Liabilities × 3 = ₹ 6,00,000 × 3 = ₹ 18,00,000

∴ **Current assets** = Quick Assets + Stock
 = (18,00,000 + 2,00,000) = ₹ 20,00,000

∴ **Current Ratio** = $\frac{\text{Current Assets}}{\text{Current liabilities}} = \frac{\text{₹ } 20,00,000}{\text{₹ } 6,00,000} = 3.33 : 1$

Examples - 6 :

Balance Sheet of X Co. Ltd. as on 31st March 2015

Liabilities	₹	Assets	₹
Equity Share Capital	25,00,000	Fixed Assets (After charging depreciation)	36,00,000
8% Preference Share Capital	10,00,000	Current Assets	20,00,00
General Reserve	2,00,000	Profit & Loss Account	4,00,000
12% Debenture	10,00,000		
15% Long-term loan from IDBI	6,00,000		
2.5% Short-term loan from SBI	3,00,000		
Creditors	4,00,000		
	60,00,000		60,00,000

Calculate : (a) Debt-Equity Ratio; (b) Proprietary Ratio; (c) Total Assets to Debt Ratio.

Solution :

(a) Debt-Equity Ratio = $\frac{\text{Long term debt}}{\text{Shareholders' Fund}}$

Long-term Debt = 12% Debenture + 15% long-term loan from IDBI

Shareholders Fund = Equity Share Capital + 8% Preference Share Capital + General Reserve – Profit & loss Account.

∴ Long-term Debt = ₹ (10,00,000 + 6,00,000) = ₹ 16,00,000

Shareholders' Fund = (25,00,000 + 10,00,000 + 2,00,000 – 4,00,000) = ₹ 33,00,000

∴ Debt-Equity Ratio = $\frac{16,00,000}{33,00,000} = 0.48 : 1$

(b) Proprietary Ratio = $\frac{\text{Proprietors Fund}}{\text{Total Assets}}$

Total Assets = Fixed Assets + Current Assets

= (36,00,000 + 20,00,000) = ₹ 56,00,000

$$\therefore \text{Proprietary ratio} = \frac{\text{₹ } 33,00,000}{\text{₹ } 56,00,000} = 0.59 : 1$$

$$(c) \text{ Total Assets to Debt Ratio} = \frac{\text{Total Assets}}{\text{Long term Debts}} = \frac{\text{₹ } 56,00,000}{\text{₹ } 16,00,000} = 3.5 : 1$$

Example-7 : Calculate current ratio of a company from the following information :

Stock Turnover Ratio	: 4 times
Stock in the beginning	: ₹ 20,000 less than stock at the end
Sales	: ₹ 6,00,000
Gross Profit Ratio	: 25% on Sales
Current Liabilities	: ₹ 60,000
Quick Ratio	: 0.75 : 1

Solution :

$$\text{Current Ratio} = \frac{\text{Current Assets}}{\text{Current Liabilities}} = \frac{\text{₹ } 1,67,500}{\text{₹ } 60,000} = 2.8 : 1$$

$$\text{Let, Closing Stock} = x, \quad \text{Opening Stock} = x - 20,000$$

$$\text{Average Stock} = \frac{\text{Opening Stock} + \text{Closing Stock}}{2}$$

$$= \frac{x + x - 20,000}{2} = x - 10,000$$

$$\text{Cost of Goods Sold} = \text{Sales} - \text{Gross Profit}$$

$$= \text{₹ } 6,00,000 - \text{₹ } \left(6,00,000 \times \frac{25}{100}\right)$$

$$= \text{₹ } 6,00,000 - \text{₹ } 1,50,000 = \text{₹ } 4,50,000$$

$$\text{Stock Turnover Ratio} = \frac{\text{Cost of Goods Sold}}{\text{Average Stock}}$$

$$\text{or, } 4 = \frac{4,50,000}{x - 10,000}$$

$$\text{or, } 4x - 40,000 = 4,50,000$$

$$\text{or, } 4x = 4,50,000 + 40,000$$

$$\therefore x = \frac{4,90,000}{4} = \text{₹ } 1,22,500$$

$$\text{Quick Ratio} = \frac{\text{Quick Assets}}{\text{Quick liabilities}}$$

$$\therefore \text{Quick Assets} = 0.75 \times ` 60,000 = ` 45,000$$

$$\therefore \text{Current assets} = \text{Quick Assets} + \text{Stock} = ` 45,000 + ` 1,22,500 = 71,67,500$$

Example - 8

The following is the Balance sheet of Tista Ltd. as on 31st December, 2014 :

Balance Sheet as on 31st December, 2014

<i>Liabilities</i>	<i>Amount Rs.</i>	<i>Assets</i>	<i>Amount Rs.</i>
Equity Share Capital	90,000	Buildings	1,10,000
Preference Share Capital	80,000	Plant	1,70,000
Reserves	50,000	Investment (long term)	50,000
12% Debentures	1,20,000	Stock	50,000
Bank Overdraft	40,000	Debtors	35,000
Creditors	35,000	Bills Receivable	25,000
Bills Payable	45,000	Cash	20,000
	4,60,000		4,60,000

From the above Balance Sheet, calculate the following ratios :

- Current Ratio and
- Liquid ratio.

Solution :

$$(a) \text{ Current Ratio} = \frac{\text{Current Assets}}{\text{Current liabilities}}$$

$$\begin{aligned} \text{Current Assets} &= \text{Stock} + \text{Debtors} + \text{Bills receivable} + \text{Cash} \\ &= 50000 + 35000 + 25000 + 20000 \\ &= ` 130000 \end{aligned}$$

$$\begin{aligned} \text{Current liabilities} &= \text{Bank overdraft} + \text{Creditors} + \text{Bills payable} \\ &= 40000 + 35000 + 45000 = ` 120000 \end{aligned}$$

$$\therefore \text{Current Ratio} = \frac{130000}{120000} = 1.08 : 1$$

$$(b) \text{ Liquid Ratio} = \frac{\text{Current assets} - \text{stock}}{\text{Current liabilities} - \text{Bank overdraft}}$$

$$= \frac{130000 - 50000}{120000 - 40000} = \frac{80000}{80000} = 1 : 1$$

1.17.4 Cash Budget

A budget is a planned policy of the management expressed in either physical or monetary terms. A budget is a financial and /or quantitative statement prepared and approved prior to a defined period of time of the policy to be pursued during that period for the purpose of attaining a given objective.

Cash budget is an estimate of cash receipts and disbursements for a future period of time. It represents an estimate of future cash flows - both inflow and outflow. The format of a cash budget is given below:

Cash Budget for the three months ended September 2015

	July	August	September
Opening Balance (Cash)			
Receipts :		xx	xxx
Cash Sales			
Collection Debtors			
Commission received			
Total Receipts (A)			
Payments :			
Payments to Creditors			
Wages			
Purchase of fixed assets			
Payment of income tax			
Office expenses			
Commission paid			
Total payments (B)			
Cash balance (A-B)	xx	xxx	xxxx

The cash budget starts with the opening cash balance of the beginning month here it is July.

1.17.5 Working Capital

The circulating capital that keeps the business going or the entity operating is called working capital. This capital circulates from cash to cash over and over again.

It is excess of current assets over the current liabilities. Working capital is essential for day to day operation of a business. It also helps the business organization to meet its short-term liabilities in due time.

Working capital may be expressed as follows:

$$\text{Working capital} = \text{Current Assets} - \text{Current Liabilities}$$

Some examples of Current Assets: Inventories, sundry debtors, bill receivables, advance payments, accrued incomes, cash and bank balance.

Some examples of Current Liabilities: Trade creditors, bill payable, short-term loans, outstanding liabilities, bank overdraft etc.

1.17.6 Source of Finance

Capital in the business is treated as blood of a human being. Without capital, business cannot be started. The amount provided by the owner of a business is known as capital. The money so provided by the owner is invested in the form of fixed assets and also in the form of working capital for day to day operations of the business. Capital can be secured from different sources. Since, after the successful completion of this course you shall be able to start your own business here only the short-term sources have been mentioned :

- i) Own source
- ii) Bank overdraft
- iii) Cash credit from banks
- iv) Short-term bank loans
- v) Credit from suppliers
- vi) Lending from relatives

Unit 2 □ Sales Reporting and Payment

Structure

- 2.1 Introduction**
- 2.2 Accounting procedure of a Tour Operator/ Travel Agent**
- 2.3 Position of Travel Agent/ Tour Operator in the tourism sector**
- 2.4 Airlines Sales Accounting and Control**
- 2.5 Payment method**
- 2.6 Laws Pertaining to Tourism**
- 2.7 Risk Management and Insurance**
- 2.8 Reservation of Hotel**
- 2.9 Foreign Exchange**
- 2.10 Export-Import Procedure**
- 2.11 Review Questions**
- 2.12 Reference**

2.1 Introduction

Accounting is the language of the business. It helps understand the effect of the financial transactions on the financial position of the business. It conveys various financial information to the interested parties like owner, lenders, bankers, governments etc. In this business environment, accounting is recognized as an essential aid in the tourism business management effort. In this unit, accounting aspects of a tour operator or travel agent have been discussed to give an idea how the books are maintained and financial statements are prepared.

2.2 Accounting procedure of a Tour Operator/ Travel Agent

In the previous unit you have learnt that how the business organizations prepare their financial statements to reflect the financial result for a particular period. Any

business organization has to prepare the profit and loss statement or account to determine the profit earned or loss suffered for the period and the balance sheet to show the financial position of the organization on the last date of that period.

A tour operator generally provides the following services :

Holiday package in India

International Holiday package

Cruise Holiday package

Online Hotels booking

Online Flights booking

Foreign Exchange

Travel Insurance

Visa Services

The commission is the major component of income from operation of the tourism business. The commission is charged against the booking of air tickets, rail tickets, hotel booking both national and international level. Some times the tour operators may arrange visa for their customers against which they charge their fees. Tour operators often buy and sell foreign currencies on behalf of their customers. Generally, the international tourists have to buy the travel insurance policy for their own safety as well as for their luggage. Travel Insurance Service like overseas Travel Insurance, Tourist Travel Insurance, Student Travel Insurance, Adventure Travel Insurance, Senior Citizen Travel Insurance, Holiday Travel Insurance, Health Travel Insurance, Domestic Travel Insurance, Medical Travel Insurance are also the important areas where the tour operators/ Agents may provide services to their customers. The tour operators provide this service against commission. Therefore, the main source of income is the commission. Discount/Commission percentage (varies from 5% to 7%) on the ticket given by the airlines to the travel agent which is the income of the agencies/ tour operators.

Received : The total fare including commission percentage which is quoted to the customer and received from the customer is posted as credit in the ledger.

Payment : The discounted rate after deducting the commission from total fare is the payment that is given to the airlines/ railways as the case may be, is posted as debit in the ledger.

Books of Accounts : The travel agent/ tour operator has to maintain the following books of accounts to record the transactions relating to income generated and expenses incurred in providing services to the customers.

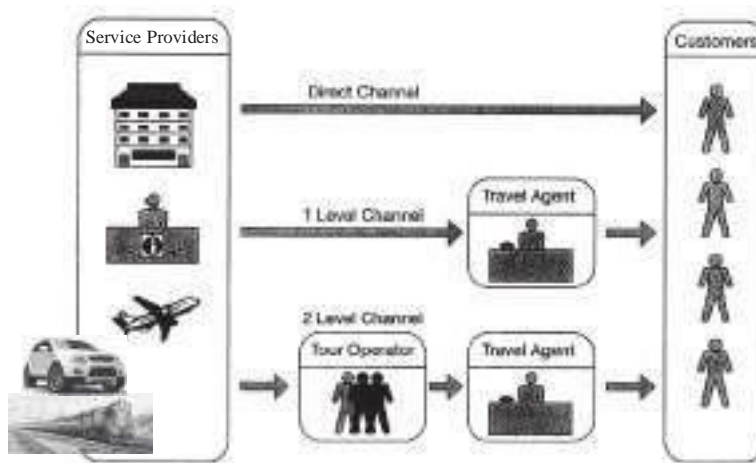
- i) Cash Book, ii) Journal and iii) Ledger etc.

Generally the transactions relating to domestic and international booking are shown separately.

Actually, the tour operators collect the fare charged to a customer and pay the same to the parent organizations after deducting the commission as their income. As a sole proprietor (tour operator), one may prepare the Profit and Loss Account and the Balance Sheet to determine the financial position of the business as discussed in the Unit 1.

2.3 Position of Travel Agent/ Tour Operator in the tourism sector

The travel agent or tour operators play an important role between the service providers and the customers i.e. travelers. In the tourism sector, we may find different types of service providers without whose service tourism will not be possible. The important service providers on tourism sector are accommodation providers i.e. hotel groups/ chain of hotels, airlines, railways, car rental, money changers etc. Each service provider has its unique role for which the customers pay against their services. Sometimes, the customers can directly deal with these service providers. But in most of the cases, the travel agents/ tour operators act as a link man between the service providers and the customers. For such acts, the tour operators/ travel agents enjoy both the discounted fare and commission from the service providers and from the customers.



Position of the tour operator

2.4 Airlines Sales Accounting and Control

A worldwide computerized reservation network used as a single point of access for reserving airline seats, hotel rooms, rental cars, and other travel related items by travel agents/ tour operators. The premier global distribution systems are Amadeus, Galileo. They are owned and operated as joint ventures by major airlines, car rental companies, and hotel groups. This automated reservation system (ARS) is also known as computerized reservation system (CRS). The travel agent/ tour operator has to create a PNR through Galileo/Amadeus CRS for booking not only the domestic and international air tickets but also for booking other services like railways, car rental, hotel booking etc.

Galileo is a computer reservations system (CRS) owned by Travelport. As of 2002, it had a 26.4% share of worldwide CRS airline bookings. Amadeus is another computer reservations system (or global distribution system, since it sells tickets for multiple airlines) owned by the Amadeus IT Group with headquarters in Madrid, Spain. In addition to airlines, the CRS is also used to book train travel, cruises, car rental, ferry reservations, and hotel rooms.

The following information are required for Airlines sales reporting:

- i) PAX- Passenger name and number
- ii) Name and code of airlines e.g. IA for Air India, 6E for Indigo, 9W for Jet Airways etc.
- iii) Date & time of flight e.g. 10/12/15 at 17.55 hrs
- iv) Sector code e.g. CCU-DEL (Kolkata to Delhi); COK-GOI (Cochin to Goa).
- v) The following codes are used on airline tickets to identify the class of service:

First Class	Code: A, F
Business Class	Code: C, D, J
Economy Class	Code: H, K, L, M, O, N, S, V, Q etc.
- vi) Fare basis: There are two types of air fares offered by the airlines, Normal Fare and Apex Fare. Apex fare has to be booked before minimum seven days to maximum 30 days before flight which is almost half the normal fare.
- vii) Ticket Abbreviation

Ticketing Abbreviation	Meaning/Explanation
Non-refun or Non-refundable	No refund value
Non-endor or Non-endorsable	No changing of airlines/carriers
Stopover	Break journey in that country
Transit	Stopover and change plane
Pax	Passenger
Child Fare	Age range from 2 to 11 years old
SATA ticket	Students (ISIC) under 35 years old and Youth (IYTC) under 26 years old
ISIC Card	International identity Student Card
FOP	Form of Payment
TCP	Traveling together
TTL	Ticketing deadline
GV 2	Minimum of 2 passengers to travel together. Must depart and return together
GV 4	Minimum of 4 passengers to travel together. Must depart and return together
GV 10	Minimum of 10 passengers to travel together. Must depart and return together
W2A	With 2 adults
PTA or Prepaid ticket Advice	Prepaid ticket advice. Ticket collect from country of departure, payment
PNR	Booking reference number
OW	One way
Dep	Departure
YRT	1 year ticket
Add-ons	Extra flights at extra costs

Backtracking	you cannot go back from whence you came
Cancellation	Penalties involved if you cancel your ticket
Carrier	Refers to the name of the airline you are travelling on
Changes	Penalties involved if you change your ticket
Child	Person 2-11 years
Class	Letter used to book your flight reservation
Codeshare	A flight operated by another airline
ETA	Estimated time of arrival
ETD	Estimated time of departure
E-tickets	Electronic ticket, full payments must be made before E-tickets can be issued
Infant	Child up to 23 months at time of the flight departure
Interline Transfer Mileage	Transfer from one airline to a different airline The amount of miles permitted to be flown on an airfare
Minimum stay/Maximum stay	The shortest and longest times you can stay at your destination
Nominated Carrier	The airline you can fly
Open Jaw	Fly into one city and out of another city at no penalty
Origin	Point you start from
OW	One way journey
PNR	Passenger name reference - used for computer reservations
Reissue	Changes requiring a new ticket to be issued
Rerouting	Changes to flight routing

RT Fares	Return journey fares
Stopover	When you leave the airport for more than 24 hours
STPC	Airline pays for your accommodation at a stopover

Cash Budget : There are two components of a cash budget – cash inflows and cash outflows. In both these components there are two types of flows viz. operating cash flows and financial cash flows. Some common elements of each are as follows:

Cash inflows :

- (a) Operating—cash sales, receivables collections.
- (b) Financial—interest receipts, sales of marketable securities, issue of new securities.

Cash outflows :

- (a) Operating - Wage payments, payments of bills and accounts payable and capital expenditure.
- (b) Financial—Dividend payments, interest payments, tax payments etc.

2.5 Payment Method

The customers have to pay directly to the travel agent/ tour operator for the services rendered by them. At present, there various payment options in the hands of the customers.

Cash / cheque payment : The customers may pay the bill in cash. If the bill exceeds Rs.50,000/-, the customer has to pay either in crossed cheque or by demand draft.

Debit Card / Credit Card : The debit cards issued by different banks are extremely versatile and simple to use and give access to the savings / current account whenever and whatever you want. Payment through debit card means payment against savings or current account of the customer. Sometimes customers can give a payment through credit card, either manually or on-line services. A credit card enables a customer to purchase certain goods or services without paying for them

immediately. He or she needs only to present the credit card at the cash counter and has to sign the receipts. It is a convenient way to make payment, as the customer need not carry cash physically with him on person and ensures that the sale is not hampered due to shortage of funds that are being carried by the customer. The credit card may be considered as a good substitute for the cash and cheques. Both the debit card and credit cards are accepted by those establishments who have consented to entertain them. These establishments are known as Merchant Establishment (ME).

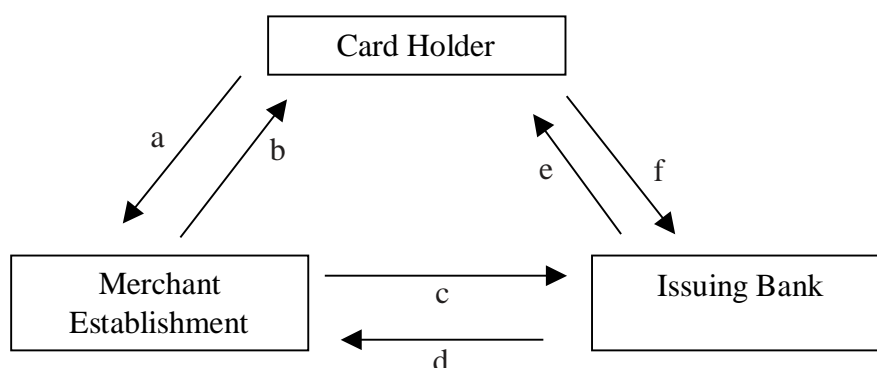


Fig. Credit Card Operating cycle

The credit card operates in the following way :

- a. Cardholder purchases service and presents the credit card
- b. Merchant Establishment (ME) books/ reserve the ticket/ hotel after scratching the card and taking the signature of the customer on the slip
- c. ME raises bill for the purchase of service and sends it to the issuing bank of the card for payment.
- d. Issuing bank pays the amount to the ME.
- e. Issuing bank raises the bill on the credit amount and sends it for payment to the card holder
- f. The card holder makes the payment to the issuing bank before the due date. Interest is charged if the payment is made after due date.

On-line Banking/ internet banking: In this payment option, the customer may pay by log-in their account with the banks through on-line and internet banking. Presently, all the banks provide the internet banking facility to their customers to facilitate any where any time banking. This system helps the people not to carry the amount.

2.6 Laws pertaining to Tourism

The tourism sector deals with both national and international tourists. In this sector various issues relating to are to take care for the tourists. Here the government plays a key role to govern the tourism business in India. There are various legislative acts which are important are discussed below.

- (i) For governing the construction and commissioning of hotels, restaurants, guest houses and other establishments, provisions of the Foreign Exchange Management Act 1999, the industrial licensing policy etc. are to be kept in mind.
- (ii) For the operation, maintenance and management of establishments, and the health and safety of tourists the provisions of the Indian Contract Act, health and safety laws, insurance laws and fire safety and hygiene regulations are important to follow.
- (iii) The Establishments must obtain various license, such as a liquor license, bar license, lodging house license, police permissions, a license under the Shop and Establishment Act, or a license under the Food and Drug Administration Act etc.
- (iv) The provisions of other acts like Income Tax Act, Service Tax Act, excise duty, luxury tax, entertainment/ amusement tax etc. are very important in the tourism and hospitality sector.

Consumer Protection Act 1986 : Special attention

Any person who hires or avails any service for consideration which has been paid or promised or partly paid and partly promised, or under any system of deferred payment will be treated as consumer as per the act. The service provider like hotel, restaurant, airlines, tour operators are liable to give all the committed services to their customers after they have received the payment from the customers. If any customer is deprived from getting any service for which they pay, they may appeal to the respective authority for redress. There are Central Consumer Protection Council, State Consumer Protection Council, District Consumer Protection Council, Consumer Disputes Redressal Forum/ District Forum have been established to protect the interest of the consumers.

The Consumer redressal forum and consumer courts have been set up both by the State and Central Government to facilitate the process of consumer protection in this regard. In the recent past, the Consumer Court has issued judgment imposing fines on Indian Railways and airlines for deficiencies in their services.

2.7 Risk Management and Insurance

Insurance is a technique which involves collection of small amounts of premium from many individuals and the companies out of which losses suffered by a few are reimbursed. Insurance is a contract between two parties i.e. insurer and insured. In insurance, the losses of unfortunate few are shared by fortunate many. Insurance is a method of risk transfer. Travel whether it is domestic or international, it involves risk. To minimize the loss due to damage, insurance policy is taken by the travelers. The loss of individual tourist is shared by all those who are likely to face the same situation of loss. The probable losses during the travel are summarized below.

Travel by Air: Insurance cover is provided to loss of life regarding plane crash, loss of life, and baggage at the time of checking. Additional insurance is also available on additional payment beyond the assured insurance.

Travel by Rail: Insurance cover is provided to loss of life in the event of a train accident, loss of baggage, body injury etc.

Travel by Road: Insurance cover is provided to loss of life and bodily injury etc. during the road transportation.

Personal Accident: Third party insurance claim is given to the person who is injured or there is loss of life by any accident. In such cases the person becomes eligible for the insurance claim.

Baggage Insurance : This insurance ensures the monetary recovery after loss of baggage, the claim of which should be accompanied by supporting documents.

Mediclaim : In the event of sickness or hospitalization during overseas travel to countries this policy comes in handy. Premium is payable in rupees and claims are settled abroad in foreign currency.

Travel Insurance : It is extremely important that you purchase an overseas travel insurance policy to cover against possible risks such as damage, loss of life, accident and injury to life or property while on tour. If any such situation arises during the tour, this policy will enable the Tour Manager to handle it with comparative ease, thereby ensuring customers a safe and tension free holiday.

Road safety Insurance : This insurance is done to give monetary claim to the passenger for any kind of accident during the travel.

Tour Operator's Policy : Tour operators also do group insurance for passengers for any kind of accident, natural calamity, etc. during their journey period to get monetary coverage and give claim to the passengers.

2.8 Reservation of Hotel

Hotels are an important component of tourism. As a tour operator one has to know the various types hotels operating on the hospitality sector in India and abroad. The reservation of a room at a particular hotel depends on the choice of the customers. On request, the travel agent/ tour operator may book rooms at the hotels according to their choice. Before reservation, the tour operator should check the status of the hotels as stipulated by the Government.

There are seven categories of hotels recognized by the Government as follows:-

- A) One star
- B) Two star
- C) Three star
- D) Four star
- E) Five star
- F) Heritage Hotel
- G) Non-Graded

One Star Hotels: Such hotels should have at least 10 letable bed rooms out of which 25% should have attached bath rooms. There has to be 1 bath room for every 4 remaining rooms and at least 25% of all bath rooms should have western style WCs. Bath rooms should have modern sanitation and running cold and hot water.

Two Star Hotels: Such hotel should be in better location, facilities & staff than that of one star. The hotel should have at least 10 letable bed rooms out of these 75% rooms should have attached bath rooms with showers there has to be 1 bathroom in every 4 remaining rooms. Running cold-water, adequate sanitation facilities, hot-water & other facilities should be provided to the guest. 25% of the rooms should be air-conditioned. This conditions should not be applicable in case of hill stations where heating arrangements should be provided. Other facilities include – lounge, telephone connection call bells. Staff should be in clear uniform. Housekeeping & liner should be of good quality.

Three Star Hotels: Construction of building should be of very good quality. Locality & environs should be very good facilities for car parking and 20 letable bed rooms should be there. All rooms should have attached bath rooms, bath tubs or showers. The hotel should have at least 50% rooms air conditioned and adequate number of lifts if the hotel is more than two-storied. Other facilities include information counter, qualified travel agency, money changing facilities, safe deposit locker in the hotel premises, telephone in each rooms, air condition dining rooms, bar or permit rooms, kitchen, front office, including variety of Indian & continental cuisine, food & beverage should be of very good quality.

Apart from the above, the hotel should have superior restaurants, beautiful dining rooms, shopping malls. Rooms should be provided with telephone, radio, T.V. etc. Facilities of guides, porter, telex, fax, STD, conference rooms, golf course, swimming pools, banquet hall, ball rooms and green lawn including net surfing should be there.

Four Star Hotels: The construction of this type of hotels has to be superior one. There has to be car parking facility. The hotel must have 25 letable bed rooms with all attached bath rooms. At least 50% of the bath rooms must have long bath tubs or modern shower chambers and running cold & hot water for 24 hrs. All public & private rooms should be fully air conditioned.

The supervisory and senior staff should have a good knowledge of English. Some of the staff members must have knowledge of foreign language. A staff member who knows at least one continental language should rotated on duty at all times. There should be a 24 hours service for reception information & telephonic communication.

Five Star Hotels : Such hotels are common in major metropolis and international cities. They should have the finest construction, standards rooms & premises, locality & environs are extremely important.

A five star hotel have at least 25 letable bed rooms, such bed rooms should have well equipped modern(attached) bath rooms with long bath tubs modern chambers (shower) & 24 hours service for hot & cold water. All public & private rooms should have fully air conditions except hill stations, Adequate arrangements for heating, lift, parking facilities swimming pool, lobby, perfect clock rooms, reception counter, public & private dining rooms, clubs, bars, conference rooms, banquet hall, book stall, safe deposit locker, florist, medicine outlet, telephone in each room. Music & Radio must be in each room with cable connection.

Heritage Hotel : Those hotels which are built in palaces/castles/forts/havelies/ residences of any size that were built prior to 1950 are called heritage hotels. Now

it is carefully renovated so as to retain old and historical grandeur of these buildings. The entire building cannot be constructed from a scratch because that would lead to a new hotel altogether.

Such hotel must have fine construction and all those modern amenities explained in the earlier categories of hotel must be provided. All these extension/changes in the hotel must be done according to the traditional architectural style.

Non-Graded Hotels/ Budget Hotels : Such hotels have been operating in abundance in various cities and townships of India. These do not have any grade or class. But still these are used by many low income families and tourists. Such hotels have 10-20 rooms, no facilities for air conditioning or room cooling, no services for room cleaning. Dharmashalas, Sarais, village hotels & road side hotels are also included in this category. These hotels are quite popular among poor people.

2.9 Foreign Exchange

The legal frame work for administration of foreign exchange transaction in India is provided by the Foreign Exchange Management Act 1999. Under the Act, freedom has been granted for buying and selling of foreign exchange for undertaking current account transactions. The transactions which do not change the assets or liabilities of an Indian resident outside India are treated as current account transactions.

Exchange rate means the price of one unit of a currency in terms of some units of another currency. An authorized dealer who is willing to buy and sell the same currency against another, does not quote an identical or equal price for buying as well as selling. The buying rate and selling rate are known as bid rate and offer rate respectively. The difference between the bid rate and offer rate is known as spread. It represents the profit in the hands of the dealer. The wider the spread, the higher is the profit margin. Spread can be expressed either as an absolute figure or in percentage basis.

Spread (in absolute figure)= Selling Rate – Buying Rate

Spread (in percentage)= $\frac{\text{Selling Rate} - \text{Buying Rate}}{\text{Buying Rate}} \times 100$.

Spread (in percentage)= $\frac{\text{Selling Rate} - \text{Buying Rate}}{\text{Selling Rate}} \times 100$.

Foreign exchange is sold by the authorized money changer or travel agent/ tour operator as per day value of the foreign currency in INR. The rate of foreign currency depends on numerous factors.

At present, the exchange value is, 1 US \$ = 64.11 INR
1 GBP = 99.43 INR
1 Euro = 70.35 INR
with charge as per rule of the RBI.

Foreign exchange regulations for travel

Foreign exchange can be bought from any authorized dealer, such as banks that deal in foreign currency. Besides these, money changers also provide exchange for business and private visits. According to the Foreign Exchange Management Act 1999, foreign exchange up to \$10,000 in any calendar year is allowed to be obtained, irrespective of the number of visits in the year. Foreign exchange for travel abroad can be purchased from banks against payment in cash up to Rs 50,000. However, if the rupee equivalent exceeds Rs 50,000, the entire payment should be made through a crossed cheque or demand draft. Authorized dealers can release foreign exchange up to \$25,000 for a business trip to any country other than Nepal and Bhutan. Release of foreign exchange for travel abroad for business trip exceeds \$25,000, requires prior permission from RBI. A resident in India is free to send any gift article of value not exceeding Rs.500,000/- provided export of that item is not prohibited under the Foreign Trade Policy.

2.10 Export-Import Procedure

Foreign trade is also known as international trade. This is the exchange of money, goods and services between countries. The Director General of Foreign Trade (DGFT) issues the Export-Import Policy (EXIM policy) which is set of guidelines and instructions in relation to international trade. The EXIM policy is governed by the Foreign Trade Development and Regulation Act 1992. Tourism belongs to service sector. Service is any economic activity that does not result in the manufacture of a product. Service is basically intangible in nature. International trade involves the export and import of services also. Suppose, hiring a OLA cab for travelling from Howrah to Sealdah. Here, the hirer does not purchase any product, only he avails the service offered by the driver or car rental agency. The hirer/passenger is paying the fare against the services. If the vehicle (OLA Cab) is hired by a foreign tourist, the agency is exporting the service. The fare paid by the foreign tourist to the agency would be the revenue on export of service. Similarly, when a foreign tourist comes to India for a visit, he/ she has to take the services from

different service providers like hotel, transport, insurance both travel and health insurance, money changer etc. So the services provided to the foreign tourist for staying in India will be treated as export of tourism services. So, export of service takes place when any service is provided/ extended to a resident of another country. Import of service takes place when any service is received from another country. Services purchased abroad results in an expenditure of foreign exchange which is similar to import of physical goods on the other hand, income earned from services rendered abroad results in foreign exchange earnings like export of physical goods.

According to a report of Ministry of Tourism, GoI, growth rate of Foreign Tourist Arrivals (FTAs) has been increased significantly in May 2015 it was 9.2% in compared to May 2014. FTAs during the period January-May 2015 were 33.32lakhs with a growth of 3.6%, as compared to the FTAs of 32.15lakhs. Foreign Exchange Earning (FEEs) during the month of May 2015 were Rs.8,877crore as compared to nRs.7,184crore in May 2014. The growth rate in FEEs being in rupee terms during May 2015 over May 2014 was 23.6% as compared to 8.4% in May 2014.

Percentage share of FTAs in India during May 2015 is as follows :

Country (top ten)	Visitors in Percentage
Bnagladesh	19.32
USA	16.99
UK	7.79
Sri Lanka	3.59
Malayasia	3.54
Australia	2.78
France	2.66
Germany	2.63
Japan	2.59
China	2.56

Source: IATO Newsletter, June-July 2015

Every exporter of services shall furnish to the Reserve Bank of India or to such other authorities a declaration in such form and in such manner as may be specified, containing the true and correct material particulars in relation to payment for such services.

Case Study: Thomas Cook Ltd.

Statement of Profit and Loss

for the year ended December 31, 2013

	Note	Amount in Rupees	
		Year ended December 31, 2013	Year ended December 31, 2012
Revenue			
Revenue from Operations	26	3,781,031,444	3,771,295,171
Other Income	27	55,005,780	92,331,329
Total Revenue		3,836,037,224	3,863,626,500
Expenses			
Employee Benefits Expenses	28	1,470,962,456	1,481,594,307
Finance Costs	29	347,526,354	300,488,025
Depreciation and Amortisation Expenses	30	111,860,702	117,182,087
Advertisement Expenses		159,911,844	218,274,380
Other Expenses	31	1,034,830,316	1,008,169,255
Total Expenses		3,133,100,672	3,125,708,054
Profit Before Tax		702,936,552	737,918,446
Tax Expense:			
Current Tax		260,200,000	251,600,000
Deferred Tax		(18,509,484)	(5,945,078)
Profit After Tax		461,249,032	492,063,514
Earning per Equity Share	33		
Basic (Face value of ₹ 1 each)		1.96	2.31
Diluted (Face value of ₹ 1 each)		1.91	2.26
Summary of Significant Accounting Policies	2		
The notes are an integral part of these Financial Statements.			

In terms of our report of even date

For LOVELOCK & LEWES
Firm Registration Number: 301056E
Chartered Accountants

NAGNATH V PAI
Partner
Membership No. 036134

Mumbai, February 19, 2014

For and on behalf of the Board

MAHENDRA KUMAR SHARMA - Chairman
MADHAVAN MEMON - Managing Director
R. R. KENKARE - President & Head - Legal & Company Secretary
DEBASIS NANDY - President & Chief Financial Officer

Mumbai, February 19, 2014

Balance Sheet as at December 31, 2013

	Note	As at December 31, 2013	Amount in Rupees As at December 31, 2012
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	3	253,596,547	219,674,344
Reserves and Surplus	4	5,854,287,632	3,765,993,030
		6,107,884,179	3,985,667,374
Non-current Liabilities			
Long-term Borrowings	5	1,012,423,522	22,230,756
Other Long-term Liabilities	6	180,696,070	226,184,310
Long-term Provisions	7	8,809,513	6,601,067
Deferred Tax Liability (Net)	8	25,916,788	44,426,249
Current Liabilities			
Short-term Borrowings	9	128,040,251	1,820,862,105
Trade Payables	10	1,899,562,402	1,749,091,250
Other Current Liabilities	11	1,319,819,626	1,225,099,366
Short-term Provisions	12	196,861,607	118,743,645
Total		10,880,044,338	8,599,106,122
ASSETS			
Non-current Assets			
Fixed Assets			
Tangible Assets	13	547,929,093	584,720,693
Intangible Assets	14	83,110,670	104,136,626
Capital Work-in-Progress		5,087,480	2,158,755
Intangible Assets Under Development		36,227,131	13,252,597
Non-current Investments	15	4,532,476,535	1,929,981,873
Long-term Loans and Advances	16	446,157,057	530,870,422
Other Non-current Assets	17	182,789,404	163,597,928
Current Assets			
Current Investments	18	1,409,460,733	800,148,516
Trade Receivables	19	1,761,596,402	1,835,009,276
Cash and Bank Balances	20	927,882,558	1,677,159,547
Short-term Loans and Advances	21	730,794,805	709,481,424
Other Current Assets	22	225,532,476	216,597,420
Total		10,880,044,338	8,599,106,122
Summary of Significant Accounting Policies	2		
Contingent Liabilities, Capital Commitments	23, 24		
The notes are an integral part of these Financial Statements			

In terms of our report of even date

For LOVELOCK & LEWIS
Firm Registration Number: 301056E
Chartered Accountants

NAGNATH V PAI
Partner
Membership No. 036134

Mumbai, February 15, 2014

For and on behalf of the Board

MAHENDRA KUMAR SHARMA - Chairman
MADHAVAN MENON - Managing Director
R. R. KENKARE - President & Head - Legal & Company Secretary
DEBASIS NANDY - President & Chief Financial Officer

Mumbai, February 13, 2014

2.11 Review Questions

1. As a tour operator how do you book the airline ticket?
2. What is Spread? How it is calculated?
3. What are the important areas to be considered in course of foreign travel?
4. State the rules that govern the tourism in India. Briefly discuss each of them with the specific objectives towards the tourism.

2.12 References

Tourism Supply Chain Management by Haiyan Song, London

Self Learning Materials - International Trade and Business Environment (Paper-1), NSOU

Self Learning Materials - International Trade Finance and Risk Management (Paper-3), NSOU

IATO Newsletter, June-July 2015

Unit 3 □ Laws pertaining to Accommodations

Structure

3.1 Classification and Star Gradation of Hotel

3.2 Consumer Protection Law in Tourism

3.3 Important Travel Documents

3.3.1. Passport Act

3.3.2. Visa

3.4 Tourism Convention- Legal Aspects

3.4.1 Warsaw Convention

3.4.2 Chicago Convention

3.1 Classification and Star Gradation of Hotel

Star Classifications of Hotels

Classification of hotel is one of the most important assignments performed by Department of Tourism, Government of India. Hotel and Restaurant Approval Classifications Committee (HRACC) is the competent authority under Ministry of Tourism which provides star classifications of hotels in India. There is a great deal of confusion/ controversy regarding the number of rooms as well as the highest star category of hotels in India. In India officially Five Star Deluxe is the highest star categorization available. No doubt in India we sometimes rate a hotel property as seven Star (7-star) in which the additional features of Helipad facility should be there. Important information regarding star categorization of hotel is that for heritage hotels the classification criteria is different in relation to Normal hotels. There is also no standard hard and fast rule to classify the hotels on the basis of number of lettable rooms available in a hotel. Star categorizations of hotel are made on the basis of three criteria. These includes

1. General Features
2. Facilities
3. Service availability

Five Star Deluxe Category:

This is a qualitative extension of five star category while quantitatively, the basic features are as of five star category. The standard of service and amenities are of very superior quality.

Five Star Categories:

General features: The Façade, architectural features; general construction of the building should have distinctive quality of a luxury hotel. Other features include:

- Adequate Parking space
- Immediate approach should be suitable
- 25 lettable bed rooms with all attached bath rooms
- Modern shower chambers
- 24 hours hot and cold water services
- Public and private rooms are fully air conditioned except hill stations where heating arrangements must be there.
- Superior quality of carpets, curtains, furniture's, fittings etc.
- Deployment of professional qualified and experienced interior decorators.
- Adequate number of lifts if more than two storied including ground floor with 24 hours services.

Facilities:

- Swimming pool
- Lobby
- Ladies and Gentle man's cloak rooms with highest standards
- Receptions
- Cash and information counter attended by qualified, experienced personnel.
- Conference facilities
- Banquet/ Conference room
- Private dining room
- Book Stalls
- Beauty parlor
- Barbour shop
- Travel counter

- Money changing and safe deposit facilities,
- Left luggage room
- Florist
- Medicine stalls on the premises
- Telephone in each room
- Telephone for the use of guest and visitors
- Provision of music and radio in each room
- Well equipped dining room
- Restaurant on premises
- Well equipped bar/ permit room
- Pantry and cold storage should be professionally designed

Services:

- Offer both international and Indian cuisine
- F&B services should be of highest standard
- Trained , professional qualified and experienced staff
- Clean uniform
- Understand and speak English
- Staffs should have also knowledge of foreign language and continental language should be at all time duty.
- Functioning of 24 hours service of reception, information, telephone etc.
- Housekeeping of highest standard.
- Housekeeping dept. should supply good quality linen, blankets, towels etc.
- Each room should be provided with vacuum jug, thermos flask with ice-cold and boiling drinking water.
- Provision for music and dancing should be there.

Four Star Category Hotel:

General Features:

- 25 lettable bedrooms with all attached bath rooms

- 50% should have long bath with modern facility
- Twenty four hours hot and cold water facility
- All public and private rooms should be air conditioned (Except in hill stations, where heating arrangements is there)
- Carpets, furniture, fittings should be of best quality
- Provision for lifts and lobby
- Toilet for ladies and gents
- Provision of cloak rooms

Facilities:

- Receptions,
- Cash counters
- Information counters
- Well trained staffs
- Travel counters
- Book stalls
- Money exchange counter
- Safe deposit locker
- Telephone in each rooms
- Music, TV and Radio in each rooms
- Well equipped bar/ permit rooms
- Kitchen
- Pantry
- Cold storage should be professionally designed

Services:

- Hotel should offer both Indian and international cuisine
- Food and Beverage service should be of highest standard
- Trained and qualified staff deployment
- Staffs should understand and speak English or foreign language/ continental language

- 24 hours service of reception and telephone
- Provision of laundry and dry cleaning facilities
- Housekeeping facilities of the hotels should be of highest standard
- Provision of best quality of cutlery, glass ware, vacuum jug/ Thermos flask with ice cold and boiling drinking water.
- Special restaurants / dining room where facilities for music and dancing are provided.

Three Star category :

General features:

- Adequate parking facilities
- 20 lettable bed rooms
- All attached bath rooms with bath tub/ showers
- 50% of the rooms should be air conditioned(Except Hill stations)
- Adequate number of lifts
- Good lounge
- Ladies and Gentlemen cloak room

Facilities:

- Reception
- Information counter should be attended by qualified staffs
- Provision of laundry and dry cleaning facilities
- Housekeeping of good standards

Services:

- Staff should be experienced and qualified.
- Staff should be courteous, efficient and in clean uniform.
- Supervisory staffs should understand and speak English.
- Provision of laundry and dry cleaning service
- Superior quality supply of linen, blankets and towels etc.
- Each room provided with Hot and cold/ boiling water.

Two star category:**General features:**

- The building should be well constructed and the locality and environments including the approach should be suitable for a good hotel.
- 10 lettable bed rooms
- 75% should have attached bath room with shower or bathroom for every four of the remaining rooms.
- 25% of the rooms should be air conditioned.
- Well furnished lounge.

Facilities:

- Reception counters with telephone facility.
- Telephone call bell in each room
- Separate telephone connection
- Well maintained air conditioned and dining/ restaurants .
- Provision of serving good, clean and wholesome food.
- Clean and hygienic and well equipped kitchen and pantry.

Services:

- Staff should be experienced
- Staff should be courteous, efficient and in clean uniform.
- Supervisory staffs should understand and speak English.
- Provision of laundry and dry cleaning service
- Housekeeping of good standard.
- Provision of good quality linen, blankets and Towels
- Crockery and glassware of good quality

One Star category:**General Features:**

- 10 lettable bed rooms
- 25% attached bath

- Rooms with shower in every four remaining rooms
- 25% of the room should be provided with western style commode.
- Modern sanitation with cold and hot water with proper ventilation.

Facilities:

- Reception counter
- Telephone use for both guest and visitor.
- Clean modern toilet
- Well equipped dining/ restaurants
- Provision of clean wholesome food.

Services:

- Staffs should be experienced and courteous
- Efficient and knowledge of good English.
- Housekeeping of good standard
- Provision of good quality of linen, blankets and towels.
- Crockery, cutlery and glassware should be of good quality.

3.2 Consumer Protection Law in Tourism

The Consumer Protection Act and its implications in general have been discussed before at various levels at various places, but the impact of the law relating to the consumer protection on a specific sector like Tourism and Travel is unique.

Players in Consumer Protection law in Tourism.

As we all know the aim of the existing legislation is to provide redressed to the complaints of tourists against their exploitation by the **unscrupulous shopkeepers**, tourist **guides**, **taxi drivers**, **unauthorized travel agents**, etc. The problems being faced by the tourists, both foreign and domestic, by the cancellation of airlines reservations, non providing of the facilities and as to how far these unfair practices can also be checked by the existing legislation.

Features of Consumer Protection Law

Before proceeding to discuss the impact of the Consumer Protection Laws on a particular sphere of activity, it is absolutely necessary to know the broad features of the Consumer Protection Act, 1986. The Act categorizes the “consumer” in two broad classes,

Consumers of goods and Consumers of services. Buyers of goods for a consideration for noncommercial purposes are in one class and those who hire or avail any services for a consideration past, present or future including the beneficiary of the services with approval of the person who has hired or availed of the services, are in the second class. Under the act complaint could be in respect of and unfair trade practice or a restrictive trade practice alleged to have been avowed by a trader, the goods brought by the consumers or agreed to be brought by a consumer suffering from one or more defects, the service hired or availed of or agreed to be hired or availed of by a consumer suffering from deficiency in any respect, charging of price in excess of the price fixed by or under any law for the time being in force or displayed on the goods or a package containing such goods by the trader and goods which will be hazardous to life and safety been offered for sale to the public in contravention of the provisions of law for the time being in force requiring trader to display information In regard to the contents manner and affect of use of such goods.

“**Defect** “ has been defined to mean any fault in imperfection or short coming in the quality, quantity , potency ,purity, or standard which is required to be maintained by or under any law for the time being enforced or under any contract , express or implied or as is claimed by the trade in any manner whatsoever in relation to any goods.

“**Deficiency**” has been define to mean any fault, imperfection, shortcoming or inadequacy in the quality, nature and manner of performance which is required to be maintained by or under any law for the time being in force or to be undertaken pursuant to the contract or otherwise in relation to any service. One has to bear in mind that the act does not impose any additional liability on any one and does not confer any additional right on anyone.

Whatever rights are available and liabilities are imposed under the existing general law or under the contract between the parties , are the only basic on which the provision of the act could be invoked. The only difference is that the act provides an alternate forum of disputes redressed to the normal machinery of resolution of disputes through law courts. This alternative mechanism dispute resolution is expected to be a speedier and easier remedy.

AIM:

The act aims to achieve the protections of the consumers in two ways. One is preventive and the other is remedial. The preventive aspect of consumer protection is sought to be achieved by establishment of consumer protection council under chapter-II of the act. Under the act there has to be one consumer protection council at the national level and there has to be state consumer protection council at the state level.

The objectives of these councils are to promote and protect the rights of the consumer such as the right to be protected against

- Marketing of goods and services which are hazardous to the life and property.
- The right to be informed about the quality, quantity, potency and standards.
- The price of goods and services As the case may be so as to protects the consumer against unfair trade practices.
- The right to be assured , wherever possible of access to a variety of goods and services at the competitive price.
- The right to be heard and assured that consumers' interests will receive due consideration at appropriate forums.
- The right to seek redressal against unfair trade practices or restrictive trade practices or unscrupulous exploitation of consumers and the right to consumer education.

Thus the function of promoting and protecting the right of the consumer has been assigned to the consumer protection councils set-up under this act.

REMEDIAL MEASURES :

So far as the remedial part of it is concerned, a three tier system for resolution of consumer disputes has been set up.

A. At the lowest rank is the District Consumer Disputes Redressal Forum

B. At the state level there is a State Consumer Disputes Redressal Commission

C. At the National Level There is a National Consumer Disputes Redressal Commission. Disputes not exceeding the valuation of rs.5 Lakh are recognizable by the District Forum. Disputes of valuation of above 5 Lakh and up to 20 Lakh are recognizable by the National Commission. The State commission has an appellate jurisdiction over the District for a under it and National commission has an appellate Jurisdiction over the state Commission. Besides, in deserving cases revisional powers can be exercised by the state commission and the National Commission.

Application in the field of Tourism:

When we view the problems in the of a consumer in the field of tourism and travel in the back ground of the aforesaid provisions of law, it would be clear that so far the remedial part of the consumer protection Act Viz. The Consumer Dispute Redressal Agencies are concerned, there would hardly and difference in the problem of the

consumer in general and the consumer in the field of tourism and travel. However, so far as the preventive part of the Act, which sets up Consumer Protection Councils with the avowed object of promoting and protecting the right of the consumers much is expected to be done in specific consumer areas. Thus, The consumer protection councils may take steps for a proper exercise by a consumer of his right to be informed about the quality, quantity, potency, purity , standards and the price of goods and services to protect the consumer against unfair trade practices. The consumer Protection Council may also ensure that the proper exercise by a consumer of his right to be assured access to a variety of goods and services at competitive prices. Similarly, it is for the consumer protection councils to ensure that the consumers interest will receive due consideration at the appropriate Redressal forum. As the problem faced by the consumers in different field of trade or services are bound to differ in details, certain specific every field. For example, the complaints of tourists against their exploitation by the unscrupulous shopkeepers, guides, Taxi drivers, unauthorized travel agents etc. though not very different from the complaints of the consumers in the author fields, required special measure to be taken for Redressal because what differentiate the case of a tourist as a consumer that of a normal consumer is that a tourist consumer purchases goods and hire services at a place different than the place of his normal residence and is mostly a one time buyer or a onetime hired of service at a particular place from a particular shopkeeper or a person who given services on hire. Such a consumer is all the more a vulnerable because as soon as he leaves the place where the goods were bought or services were hired by him because of constraints of long distances, he cannot seek Redressal easily and has mostly to suffer in silence. This is the most encouraging factor for the unscrupulous shopkeepers and lenders of services to cheat the tourist consumer with the sense of impunity.

REMEDIAL MEASURES:

So far the foreign tourist is concerned; he or she is the most gullible and vulnerable to these malpractices. Remedial measures can be taken in the shape of

- Recognition
- Licensing
- Registration of Specific Shops at the various tourist centers where standardize goods and services at the fixed rate s would be available.

The tourist can be advised to buy good from such registered and licensed shops alone to avoid cheating. The licence conditions may provide for an arbitration clause for resolving the disputes relating to complaints of the tourists. Failure to comply with the licence condition should result in cancellation of the licence and the registration.

Similar arrangements can be made to regulate the charging of fees by guides and fares by taxi drivers etc. Standardization of rates and fees for guides and charging of fares by the taxi drivers would go a long way in curbing the malpractices. For example the fixed fare taxi service introduced not so long ago at the major airports of the country has achieved very good result in saving the tourists from cheating by unscrupulous taxi drivers. So far the problems of both foreign and domestic tourist regarding cancellation of Airline reservation etc. standard rules and standard terms of contract could be provided so that no one is in dark about what exactly is expected of him deviation from such standard rules could them easily be taken as deficiency in services. The present rule of cancellation of reservations in the Airlines as also in the Railways, prima facie appear to be expropriator and confiscatory in nature. If, a passenger with a conformed ticket on a flight does not turn up before a specific time prior to departure of flight, according to the present rules he loses the entire cost of tickets. In his place the Airlines can take a passenger on a waitlist ticket. Thus, the Airlines get a passenger in lieu of a passenger who has not reported in time and are not at any loss but the passenger with a conformed ticket loses his/her entire money. The airlines get doubly paid for the same seat. Is it not the case of unjust enrichment? Similar is the case with the rules of cancellation for the loss suffered by the Railways or the Airlines. and has become a penalty on the passenger for not turning up in time or not getting the tickets cancelled within a specified time. Appropriate measures by amending rules or laws can be taken to redress these grievances.

Conclusion:

Most of the problems of a tourist have their roots in the absence of any standard universally accepted norms regulating the trade. If the standard of the quality of service and the rate at which it shall be available are laid down and revised periodically as per market exigencies, everyone would be clear about whether in a particular case the service was deficient or not. The lender of the services shall also be clear in his mind as to what is expected of him. This will lead to reduction in number of cases of deficiency in service and increase the number of cases settled mutually between the parties without intervention of dispute redressal agencies.

3.3 Important Travel Document

3.3.1. Passport

A passport is an official document of identity issued by the competent authority to nationals or alien residents of the issuing country. It establishes the bearer's identity and nationality as well as the holders to travel abroad.

Passport is issued by Ministry of External Affairs, Government of India. Both for embarkation and disembarkation a passenger must hold a valid passport to travel a country or countries.

There are different types of passports. These include:

- i) General Passport
- ii) Official of Service Passport
- iii) Special Passport for specific Journey
- iv) CDC(Continuous) Discharge Certificate/ Seaman Book)
- v) Identity Certificate for stateless persons/ Aliens Passport.
- vi) Joint Passport/ Family Passport
- vii) Diplomatic Passport
- viii) Laissez Passer/ Nan Sen / UN Passport

A passport must be checked for the following:

- a. Identity of the holder
- b. Validity
- c. Endorsement for countries being visited
- d. Visa and its validity

Requirements to obtain a passport: Acquiring a passport is a fundamental right of a legal citizen. A legal citizen is a person who doesn't have any sort of liability on the country rather the country is dependent on him/ her. The following documents are required to obtain a Passport:

- Application Form
- Proof of Residential certificates
- Proof of date of Birth
- An additional set of ' personal Particular Form'
- Seven Passport size photographs
- Income Tax certificate (If applicable)
- Ration card/ Electricity Bill/ Telephone Bill for Residential proof
- Required Passport Fee(Vary from time to time and Types of to be Passport Issued)

- Clearance certificate from the local police station
- Driving License
- NOC in case of Government Employee (From the organization concerned)

Passport Act, 1967

An act to provide for the issue of passports and travel documents, to regulate the departure from India of the citizens of India and for other persons and for matter incidental or ancillary thereto.

Be it enacted by the Parliament in the Eighteenth year of the Republic of India as follows:

1. Short Title of the extent:

- a. This act may be called as Passport Act, 1967.
- b. It extends to the whole of India and applies also to the citizen of India who are outside India.

2. Definitions:

The context which has been used otherwise used is defined as:

- A. Departure: Means departure from India by water, land or Air.
- B. Passport: means a passport issued or deemed to have been issued under this act
- C. Passport Authority: refers to an officer or authority empowered under rules made under this act to issue passport or travel documents and includes the central government.
- D. Prescribed: means the rules which are prescribed under this act.
- E. Travel Documents: are those which are issued or deemed to be issued under this act.

Classifications of Passport/ Travel Documents

The following types of passports may be issued under this act namely:

- Ordinary/ General Passport
- Official Passport
- Diplomatic Passport

The other travel documents which are necessary and is issued under this act are:

- The emergency certificate authorizing a person to enter India
- Certificate of identity for the purpose of establishing the identity of the person
- Such other certificate or documents as may be prescribed.
- The central Government shall, in consonance with the uses and practice followed by it in this behalf.

PASSPORT APPLICATION FORM

Government of India, Ministry of External Affairs

Type of Application * Normal /Tatkaal

Type of Passport Booklet * 36 Pages 60 Pages

Applicant Details

Applicant's Given Name (Given Name means First Name followed by middle Name (if any) *

Surname

Are you known by any other names (aliases)? * Yes No

Have you ever changed your name ? * Yes No

Date of Birth (DD/MM/YYYY)

*

Place Of Birth

Is your Place of Birth out of India? * Yes No

Village or Town or City *

Gender * Marital Status * Citizenship of India by *

PAN (If available) Voter ID (If available)

Employment Type *

Is either of your parent (in case of minor)/ spouse, a government servant? *

Educational Qualification * Are you eligible for Non-ECR category? *

Visible Distinguishing Mark

Aadhaar Number

Family Details (Father/Mother/Legal Guardian details; at least one is mandatory.) *

Father's Given Name (Given Name means First Name followed by Middle Name (If any))

Surname

Legal Guardian's Given Name (if applicable)

Surname

Mother's Given Name (Given Name means First Name followed by Middle Name (If any))

Surname

Present Residential Address Details (where applicant presently resides)

Is your present address out of India? * Yes No

Is permanent address same as present address? * Yes No

Emergency Contact Details *

Name and Address *

Mobile Number Telephone Number

E-mail ID

References in your Village or Town or City

First Reference Name and Address *

Mobile Number Telephone Number

Second Reference Name and Address *

Mobile Number Telephone Number

Previous Passport/ Application Details

Have you held/ hold any diplomatic/ official passport? * Yes No

Have you ever applied for passport, but not issued? * Yes No

Other Details

- 1) Have you ever been charged with criminal proceedings or any arrest warrant/ summon pending before a court of India? * Yes No

- 2) Have you at any time during the period of 5 years immediately preceding the date of this application been convicted by a court in India for any criminal offence and sentenced to imprisonment for two years or more? *

Yes No

- 3) Have you ever been refused or denied passport? * Yes No
- 4) Has your Passport ever been impounded or Revoked? * Yes No
- 5) Have you ever applied for/ been granted political asylum to/ by any foreign country? * Yes No
- 6) Have you ever returned to India on Emergency Certificate (EC) or were ever deported or repatriated? * Yes No

Self Declaration

I owe allegiance to the sovereignty, unity & integrity of India, and have not voluntarily acquired citizenship or travel document of any other country. I have not lost, surrendered or been deprived of the the citizenship of India and I affirm that the information given by me in this form and the enclosures is true and I solely responsible for its accuracy, and I am liable to be penalized or prosecuted if found otherwise. I am aware that under the Passport Act, 1967 it is a criminal offence to furnish any false information or to suppress any material information with a view to obtaining passport or travel document.

I Agree

Place *

Date (DD/MM/YYYY) *

Refusal of Passport, Travel Documents:

- A. The passport authority shall refuse to make endorsement for visiting any foreign country under clause (b) or clause (c) of sub section 2 of section 5 on any one of the more on the following grounds:
- That the applicant may, or is likely to, engage in such country in activities prejudicial to the sovereignty and with that or any other country.
 - That the opinion of the central government the presence of the applicant in such country is not in the public interest.
- B. The passport authority shall refuse to issue a passport and other travel documents for visiting any foreign country under clause (b) or clause (c) of sub section 2 of section 5 on any one of the more on the following grounds:

- Disrupt the integrity of India
- That the presence of the applicant in such country may, or likely to, be determined to the security of India.
- That the applicant is not a citizen of India.
- That the applicant may or likely to , engage outside India in activities prejudicial to the sovereignty and with that or any other country.
- That the departure of the applicant from India may, or is likely to , prejudice the friendly relations of India with any foreign country.
- That the applicant has, at anytime during the period of five years immediately preceding the date of application, been convicted by court in India for any offence involving moral turpitude and sentenced in respect thereof to imprisonment for not less than two years.
- That proceeding in respect of an offence alleged to have been committed by the applicant is pending before a criminal court in India.
- That a warrant or summons for the appearance, or a warrant for the arrest , of the applicant has been issued by a court under any law for the time being in force or that an order prohibiting the departure from India of the applicant has been made by any such court.
- That the applicant has been repatriated and has not reimbursed the expenditure incurred in connection with such repatriation.
- That in the opinion of the central government, the issue of a passport or travel document to the applicant will not be in the public interest.

Duration of the Travel Documents:

A passport or travel document shall, unless revoked earlier, continue in force for such period as may be prescribed and different periods may be prescribed for different classes of passports or travel documents or for different categories of passports or travel documents under each such class:

Provided that a passport or travel document may be issued for a shorter period than the prescribed period:

- a. If a person by whom it is required so desires; or
- b. If the passport authority, for reasons to be communicated in writing to the applicant, considers in case that the passport or travel documents should be issued for a shorter period.

Extension of period of passport

Where a passport is issued for a shorter period than the prescribed period under section 7 such shorter period shall, unless the passport authority for reasons to be recorded in writing otherwise determines, be extendable for a further period (which together with the shorter period shall not exceed the prescribed period) and provision of this Act shall apply to such extension as they apply to the issue thereof.

Conditions and forms of passports and travel documents

The conditions subject to which, and the form in which, a passport or travel document shall be issued or renewed shall be such as may be prescribed:

Provided that different conditions and different forms may be prescribed for different classes of passports or travel documents or for different categories of passports or travel documents under each such class:

Provided further that a passport or travel document may contain in addition, to the prescribed conditions such other conditions as the passport authority may, with the previous approval of the central Government, impose in any particular case.

Variation, impounding and revocation of passports and travel documents

- (1) The passport authority may, having regard to the provisions of sub-section (1) of section 6 or any notification under section 19, vary or cancel the endorsements on a passport or travel document or may, with the previous approval of the central government, vary or cancel the conditions (other than the prescribed conditions) subject to which a passport or travel document has been issued and may, for that purpose, require the holder of a passport or a travel document, by notice in writing, to deliver up the passport or travel document to it within such time as may be specified in the notice and the holder shall comply with such notice.
- (2) The passport authority may, on the application of the holder of a passport or a travel document, and with the previous approval of the central government also vary or cancel the conditions (others than the prescribed conditions) of the passport or travel document.
- (3) The passport authority may impound or cause to be impounded or revoke a passport or travel document, -
 - (a) If the passport authority is satisfied that the holder of the passport or travel document is in wrongful possession thereof;
 - (b) If the passport or travel document was obtained by the suppression of material information or on the basis of wrong information provided by the holder of the passport or travel document or any other person on his behalf;

(Provided that if the holder of such passport obtains another passport the passport authority shall also impound or cause to be impounded or revoke such other passport)

- (c) Of the passport authority deems it necessary so to do in the interests of the sovereignty and integrity of India, the security of India, friendly relations of India with any foreign country, or in the interests of the general public;
 - (d) If the holder of the passport or travel document has, at any time after the issue of the passport or travel document, been convicted by a court in India for any offence involving moral turpitude and sentenced in respect thereof imprisonment for not less than two years;
 - (e) If proceedings in respect of an offence alleged to have been committed by the holder of the passport or travel document are pending before a criminal court in India.
 - (f) If any of the conditions of the passport or travel document has been contravened;
 - (g) If the holder of the passport or travel document has failed to comply with a notice under sub-section (1) requiring him to deliver up the same;
 - (h) If it is brought to the notice of the passport authority that a warrant for the arrest, of the holder of the passport or travel document has been issued by a court under any law for the time being in force or if an order prohibiting the departure from India of the holder of the passport or other travel document has been made by any such court and the passport authority is satisfied that a warrant or summons has been so issued or an order has been so made.
- (7) A court convicting the holder of a passport or travel document of any offence under this Act or the rules made there under may also revoke the passport or travel document:

Provided that if the conviction is set- aside on appeal or otherwise the revocation shall become void.

- (8) An order of revocation under sub-section (7) may also be made by an appellate court or by the High court when exercising its powers of revision.
- (9) On the revocation of a passport or travel document under this section the holder thereof shall, without delay, surrender the passport or travel document, if the same has not already been impounded, to the authority by whom it has been revoked or to such other authority as may be specified in these behalf in the order of revocation.

Appeals

- (1) Any person aggrieved by and order of the passport authority under clause (b) or clause (c) of sub-section (2) of section 5 or clause (b) of the proviso to section 7 or sub-section (1), or sub-section (3) of section 10 or by an order under sub-section (6) of section 10 of the authority to whom the the passport authority is subordinate, may prefer an appeal against that order to such authority (hereinafter referred to as the appellate authority) and within such period as may be prescribed:

Provided that no appeal shall lie against any order made by the central Government.

- (2) No appeal shall be admitted if it is preferred after the expiry of the period prescribed therefore:

Provided that an appeal may be admitted after the expiry of the period prescribed therefore if the appellant satisfies the appellate authority that the he had sufficient cause for not preferring the appeal within that period.

- (3) The period prescribed for an appeal shall be computed in accordance with the provisions of the Limitation Act, 1963, (36 of 1963) with respect to the computation of the periods of limitation there under.

- (4) Every appeal under this section shall be made by a petition in writing and shall be accompanied by a copy of the statement of the reasons for the order appealed against where such copy has been furnished to the appellant and “[by such fee as may be prescribed for meeting the expenses that may be incurred in calling for relevant records and for connected services]

- (5) In disposing of an appeal, the appellate authority shall follow such procedure as may be prescribed:

Provided that no appeal shall be disposed of unless the appellant has been given a reasonable opportunity of representing his case.

- (6) Every order of the appellate authority confirming, modifying or reversing the order appealed against shall be final.

Offences and Penalties:

1. Whoever-

- a. Contravenes the provisions of sections 3; or
- b. Knowingly furnishes any false information or suppresses any material

information with a view to obtaining a passport or travel document under the Act or without lawful authority alters or attempts to alter or causes to alter the entries made in the passport or travel document; or

- c. Fails to produce for inspection his passport or travel document (whether issued under this Act or not) when called upon to do so by the prescribed authority; or
 - d. Knowingly uses a passport or travel document issued to another person; or
 - e. Knowingly allows another person to use a passport or travel document issued to him, shall be punishable with imprisonment for a term which may be extended to (two years with fine which may be extended to five thousand rupees or both) or with both.
- (2) whoever abets any offence punishable under sub-section (1) or sub-section (1A) shall, if the act abetted is committed in consequence of the abetment, be punishable with the punishment provided in that sub-section for that offence.
- (3) whoever contravenes any condition of a passport or travel document or any provision of this Act or any rule made under for which no punishment is provided elsewhere in this Act shall be punishable with imprisonment for a term which may extend to three months or with fine which may extend to five hundred rupees or with both.
- (4) whoever, having been convicted of an offence under this Act shall be punishable with double the penalty provided for the latter offence.

Power to arrest

- (1) Any officer of customs empowered by a general or special order of the central government in this behalf and any (officer of police or emigration officer) not below the rank of a sub-inspector may arrest without warrant any person against whom a reasonable suspicion exists that he has committed any offence punishable under section 12 and shall, as soon as may be, inform him of the grounds for such arrest.
- (2) Every officer making an arrest under this section shall, without unnecessary delay, take or send the person arrested before a magistrate having jurisdiction in case or to the provisions of (section 57 of the code of criminal procedure, 1973) shall, so far as may be, apply in the case of any such arrest.

Power of search and seizure

- (1) Any officer of customs empowered by a general or special order of the central government in this behalf and any (officer of police or emigration officer) not

below the rank of an sub-inspector may search any place and seize any passport or travel document from any person against whom a reasonable suspicion exists that he has committed any offence punishable under section 12.

- (2) The provisions of the (code of criminal procedure, 1973) relation to searches and seizures shall, so far as may be apply to searches and seizures under this section.

Issue of passports and travel documents to persons who are not citizens of India

Not with standing anything contained in the foregoing provisions relating to issue of a passport or travel document, the central government may issue, or cause to be issued, a of India if that government is of the opinion that it is necessary so to do in the public interest.

3.3.2 VISA

A visa is an endorsement on the passport itself or other travel documents made by the designated authority of a government to indicate that the bearer has been granted authority to enter or re enter the country concerned. There are different types of visa and different countries may call these by different names. Some countries refer visa as permits also. The type of visa in Indian context includes the following:

- Tourist visa
- Transit Visa
- Business visa
- Student visa
- Collective Visa
- Visa to mountaineers
- Visa to foreign technicians
- Visa on Arrivals

The following conditions must be checked while issuing visa

- a. Identity
- b. Validity
- c. Types of Visa
- d. Endorsement

Transit without Visa (TWOV):

Most countries allow some nationals to enter into their country without a visa if they are stopping to change flights and are not leaving the Airport. Careful attention must be paid to these cases as the regulations for each country vary from country to country.

How to obtain a visa?

Whenever the necessity of visa arises, Visa must be obtained from the country to where travel is intended. An complete application form duly filled in along with Photographs (If required) along with a visa fee is required to submit either in consulate office or Embassies. The concerned Embassy or consulate provides instructions regarding the formalities and should be thoroughly checked thereof.

The visa can be obtained inform of a rubber stamp on the passport itself. Therefore it is necessary to submit the passport at the right time during the submission of application of visa. In some cases, different countries issues loose leaf form to the applicants instead of stamping on the passport so that no record appears in the passport. It should always be the clients' responsibility to obtain the required visa necessary for that country. However, it is usual for the agent to obtain the visa for the clients wherever possible.

3.4 Tourism Convention–Legal Aspects

3.4.1 Warsaw Convention, 1929

To facilitate the legal problem faced by the airline companies arises due to loss of property or life due to accident and or mishandling, one international convention was organized at Warsaw (Poland) in 1929. In that conference, one international agreement was made to “Limiting the liabilities of the airlines for the loss of or damage to baggage (Baggage Unaccompanied) and injury or death of passenger on most international flights (including Domestic portion of International flights).

As a result of this agreement, airlines normally accept the liability for accidents up to set limit and claimants don't have to prove negligence and excess value.

The main guidelines of the conventions are:

- All the airline companies operating in commercial route should have the specified technical requirements in their carrier.
- All airlines operating for passengers (Specially International or International + Domestic) routes should have three party insurance coverage for life.

- The maximum limit for loss of or damage to checked baggage is set at \$1500 US Dollar unless specified.
- Any baggage of excess value which is declared at the time of check in by the airline passenger and by which one payment of a fee is made to the airline.

The possible compensation in the event of baggage loss or damage is increased. Excess value is applicable for both checked and unchecked baggage. But it is not an insurance. The airlines will not necessarily compensate the full amount and negligence has to be proved on its part.

3.4.2 Chicago Convention, 1944

The Chicago convention on international civil aviation was concluded at an international meeting among the governments in Chicago (U. S. A). Nearly all the countries active in international air transport are parties to it. It governs the relations between the states on both technical and commercial subjects concerning international air transport such as:

- Flying over territory of contracting states(Air services, customs, rules of air, spread of disease, charges, discriminations etc)
- Nationality of the aircraft, facilitations (customs, accidents investigation etc.)
- Documents (Recognition of certificates and license etc)
- International standards and Practices including those of carriage of dangerous goods.
- Statistics, finance and technical assistances etc.
- In addition to this, the convention also founded an organization names as ICAO. This is a part of United Nations and its current membership is comprised of more than 187 states.

The Chicago convention does not itself grant rights to operates international air services, but it make provision for the manners in which such rights may be granted. It draws a distinction between the scheduled and non-scheduled services.

Bilaterals:

Under these bilateral agreements each states designates its schedules air carrier. Sometimes designation of three more carriers is permitted. The agreements specify the rights that such designated carrier will enjoy the other country.

Freedom of Air:

- 1. Overfly**
- 2. Technical Stopover**
- 3. Home Country to Foreign Country**
(To set down passenger, mail and cargo form home country to foreign country).
- 4. Foreign Country to Home Country.**
(To set down passenger, mail and cargo form home country to foreign country).
- 5. Between two foreign Countries**
The right of a Airline to carry passenger, mail and cargo between two foreign countries.
- 6. Between two foreign countries via foreign county.**
The right of an airline to carry passenger, mail and cargo between two foreign countries via home country.
- 7. Wholly within a foreign Country.**
The right of an airline to carry passenger, mail and cargo between two foreign countries via home country.

Unit - 4 □ Risk Management and Insurance

Structure

- 4.1 Introduction**
- 4.2 Travel by Rail**
- 4.3 Travel by Air**
- 4.4 Travel by Road**
- 4.5 Personal Accident Policy**
- 4.6 Baggage Insurance**
- 4.7 Personal Accident**
- 4.8 Road Safety Insurance**

4.1 Introduction

Risk Management is a discipline for dealing with uncertainty.

How the discipline is practiced can lead to an organization achieving or failing in its objectives, Insurance and Risk Management can help improve business operations.

Insurance is also a valuable risk-financing tool. Few organizations have the reserves or funds necessary to take all risk themselves and pay the total costs following a loss. Purchasing insurance, however, is not a complete risk management plan.

A thorough and thoughtful risk management plan is the commitment to prevent harm. Risk management also addresses many risks that are not insurable, including brand integrity, potential loss of tax-exempt status for volunteer groups, public goodwill and continuing donor support. By integrating risk prevention activities into your annual operations plan, you may improve efficiencies and increase capacity.

Steps to implement risk management:

1. Risk Identification

It is a good idea to chart your risks in a way that allows you to identify the more common and serious risks so that you know the areas to which you need to commit resources.

2. Quantify and Prioritize

Risk mapping is one way to do this. Essentially, you chart all of the identified risks on the map. The map will make you aware of those risks on which you need to focus. Work with your broker to make sure that you are covered for all of the appropriate risks and look for ways to prevent and mitigate these risks. The image on the right is a sample of a common risk map, however, risk maps are often altered reflect organizational needs.

3. Be risk sensitive, not risk adverse

Being risk sensitive is not the same as being paranoid. Realize that there are risks associated with everything. Take a deliberate and methodical approach to dealing with risk, while at the same time being realistic.

4. Identify risk in business decisions

Identifying risks in business decisions is much the same as with the process of identifying any risk. The key is to be thorough and use all the sources available. These risks can be prioritized and mapped in the same way as all other risks.

4.2 Travel by Rail

Liability of Railway Administration for Death and Injury to Passengers

Due to Accidents :

Definitions.

Definitions.- In this Chapter, unless the context otherwise requires,—

- (a) “accident” means an accident of the nature described in section 124;
- (b) “dependant” means any of the following relatives of a deceased passenger, namely:—
 - (i) the wife, husband, son and daughter, and in case the deceased passenger is unmarried or is a minor, his parent;
 - (ii) the parent, minor brother or unmarried sister, widowed sister, widowed daughter-in-law and a minor child of a pre-deceased son, if dependant wholly or partly on the deceased passenger;
 - (iii) a minor child of a pre-deceased daughter, if wholly dependant on the deceased passenger;
 - (iv) the paternal grand parent wholly dependant on the deceased passenger.

1*[(c) “untowrd incident” means—

- (1) (i) the commission of a terrorist act within the meaning of sub-section (1) of section (3) of the Terrorist and Disruptive Activities (Prevention) Act, 1987; or
- (ii) the making of a violent attack or the commission of robbery or dacoity; or
- (iii) the indulging in rioting, shoot-out or arson, by any person in or on any train carrying passengers, or in a waiting hall, cloak room or reservation or booking office or on any platform or in any other place within the precincts of a railway station; or
- (2) the accidental falling of any passenger from a train carrying passengers.]

Extent of liability

124. Extent of liability.- When in the course of working a railway, an accident occurs, being either a collision between trains of which one is a train carrying passengers or the derailment of or other accident to a train or any part of a train carrying passengers, then whether or not there has been any wrongful act, neglect or default on the part of the railway administration such as would entitle a passenger who has been injured or has suffered a loss to maintain an action and recover damages in respect thereof, the railway administration shall, notwithstanding anything contained in any other law, be liable to pay compensation to such extent as may be prescribed and to that extent only for loss occasioned by the death of a passenger dying as a result of such accident, and for personal injury and loss, destruction, damage or deterioration of goods owned by the passenger and accompanying him in his compartment or on the train, sustained as a result of such accident.

Explanation.—For the purposes of this section “passenger” includes a railway servant on duty.

2*[124A. When in the course of working a railway an untoward incident occurs, then whether or not there has been any wrongful act, neglect or default on the part of the railway administration such as would entitle a passenger who has been injured or the death of a passenger who has been killed to maintain an action and recover damages in respect thereof, the railway administration shall, notwithstanding anything contained in any other law, be liable to pay compensation to such extent as may be prescribed and to that extent only of loss occasioned by the death of, or injury to, a passenger as a result of such untoward incident:

Provided that no compensation shall be payable under this section by the railway administration if the passenger dies or suffers injury due to-

- (a) suicide or attempted suicide by him;
- (b) self-inflicted injury;
- (c) his own criminal act;
- (d) any act committed by him in a state of intoxication or insanity;
- (e) any natural cause or disease or medical or surgical treatment unless such treatment becomes necessary due to injury caused by the said untoward incident.

Explanation.- For the purpose of this section, "passenger" includes-(i) a railway servant on duty; and

- (ii) a person who has purchased a valid ticket for travelling, by a train carrying passengers, on any date or a valid platform ticket and becomes a victim of an untoward incident.]

Application for compensation

Application for compensation.- (1) An application for compensation under section 124 3*[or section 124A] may be made to the Claims Tribunal—

- (a) by the person who has sustained the injury or suffered any loss, or
- (b) by any agent duly authorised by such person in this behalf, or
- (c) where such person is a minor, by his guardian, or
- (d) where death has resulted from the accident, 3*[or the untoward incident] by any dependant of the deceased or where such a dependant is a minor, by his guardian.

- (2) Every application by a dependant for compensation under this section shall be for the benefit of every other dependant.

Interim relief by railway administration

Interim relief by railway administration.- (1) Where a person who has made an application for compensation under section 125 desires to be paid interim relief, he may apply to the railway administration for payment of interim relief along with a copy of the application made under that section.

- (2) Where, on the receipt of an application made under subsection (1) and after

making such inquiry as it may deem fit, the railway administration is satisfied that circumstances exist which require relief to be afforded to the applicant immediately, it may, pending determination by the Claims Tribunal of the actual amount of compensation payable under section 124 3*[or section 124] pay to any person who has sustained the injury or suffered any loss, or where death has resulted from the accident, to any dependant of the deceased, such sum as it considers

1. Ins. by Act 28 of 1994, s. 2 (w.e.f. 1-8-1994).
2. Ins. by s. 3, ibid, (w.e.f. 1-8-1994).
3. Ins. by s. 4, ibid, (w.e.f. 1-8-1994. reasonable for affording such relief, so however, that the sum paid shall not exceed the amount of compensation payable at such rates as may be prescribed.
- (3) The railway administration shall, as soon as may be, after making an order regarding payment of interim relief under sub-section
- (2) send a copy thereof to the Claims Tribunal.
- (4) Any sum paid by the railway administration under sub-section (2) shall be taken into account by the Claims Tribunal while determining the amount of compensation payable.

Determination of compensation in respect of any injury or loss of goods,

Determination of compensation in respect of any injury or loss of goods.-

- (1) Subject to such rules as may be made, the rates of compensation payable in respect of any injury shall be determined by the Claims Tribunal.
- (2) The compensation payable in respect of any loss of goods shall be such as the Claims Tribunal may, having regard to the circumstances of the case, determine to be reasonable.

Saving as to certain rights

Saving as to certain rights.- (1) The right of any person to claim compensation under section 124 1*[or section 124A] shall not affect the right of any such person to recover compensation payable under the Workmen's Compensation Act, 1923 (8 of 1923), or any other law for the time being in force; but no person shall be entitled to claim compensation more than once in respect of the same accident.

- (2) Nothing in sub-section (1) shall affect the right of any person to claim compensation payable under any contract or scheme providing for payment of compensation for death or personal injury or for damage to property or any sum payable under any policy of insurance.

Power to make rules in respect of matters in this Chapter

Power to make rules in respect of matters in this Chapter.-(1) The Central Government may, by notification, make rules to carry out the purposes of this Chapter.

- (2) In particular, and without prejudice to the generality of the foregoing power, such rules may provide for all or any of the following matters, namely:—
- (a) the compensation payable for death;
 - (b) the nature of the injuries for which compensation shall be paid and the amount of such compensation.

Penalties and Offences :

Fraudulently travelling or attempting to travel without proper pass or ticket.

Fraudulently travelling or attempting to travel without proper pass or ticket.-

- (1) *If* any person, with intent to defraud a railway administration,—
- (a) enters or remains in any carriage on a railway or travels in a train in contravention of section 55, or
 - (b) uses or attempts to use a single pass or a single ticket which has already been used on a previous journey, or in the case of a return ticket, a half thereof which has already been so used, he shall be punishable with imprisonment for a term which may extend to six months, or with fine which may extend to one thousand rupees, or with both:

Provided that in the absence of special and adequate reasons to the contrary to be mentioned in the judgment of the court, such punishment shall not be less than a fine of five hundred rupees.

- (2) The person referred to in sub-section (1) shall also be liable to pay the excess charge mentioned in sub-section (3) in addition to the ordinary single fare for the distance which he has travelled, or where there is any doubt as to the station from which he started, the ordinary single fare from the station from which the train originally started, or if the tickets of passengers travelling in the train have been examined since the original starting of the train, the

ordinary single fare from the place where the tickets were so examined or, in case of their having been examined more than once, were last examined.

- (3) The excess charge referred to in sub-section (2) shall be a sum equal to the ordinary single fare referred to in that sub-section or fifty rupees, whichever is more.
- (4) Notwithstanding anything contained in section 65 of the Indian Penal Code (45 of 1960), the court convicting an offender may direct that the person in default of payment of any fine inflicted by the court shall suffer imprisonment for a term which may extend to six months.

Levy of excess charge and fare for travelling without proper pass or ticket or beyond authorised distance :

Levy of excess charge and fare for travelling without proper pass or ticket or beyond authorised distance.-(1) If any passenger,—

- (a) being in or having alighted from a train, fails or refuses to present for examination or to deliver up his pass or ticket immediately on a demand being made therefor under section 54, or
 - (b) travels in a train in contravention of the provisions of section 55, he shall be liable to pay, on the demand of any railway servant authorised in this behalf, the excess charge mentioned in sub-section (3) in addition to the ordinary single fare for the distance which he has travelled or, where there is any doubt as to the station from which he started, the ordinary single fare from the station from which the train originally started, or, if the tickets of passengers travelling in the train have been examined since the original starting of the train, the ordinary single fare from the place where the tickets were so examined or in the case of their having been examined more than once, were last examined.
- (2) If any passenger,-
- (a) travels or attempts to travel in or on a carriage, or by a train, of a higher class than that for which he has obtained a pass or purchased a ticket; or
 - (b) travels in or on a carriage beyond the place authorised by his pass or ticket, he shall be liable to pay, on the demand of any railway servant authorised in this behalf, any difference between the fare paid by him and the fare payable in respect of the journey he has made and the excess charge referred to in sub-section (3).

- (3) The excess charge shall be a sum equal to the amount payable under sub-section (1) or sub-section (2), as the case may be, or fifty rupees, whichever is more:

Provided that if the passenger has with him a certificate granted under sub-section (2) of section 55, no excess charge shall be payable.

- (4) If any passenger liable to pay the excess charge and the fare mentioned in sub-section (1), or the excess charge and any difference of fare mentioned in sub-section (2), fails or refuses to pay the same on a demand being made therefor under one or other of these subsections, as the case may be, any railway servant authorised by the railway administration in this behalf may apply to any Metropolitan Magistrate or a Judicial Magistrate of the first or second class, as the case may be, for the recovery of the sum payable as if it were a fine, and the Magistrate if satisfied that the sum is payable shall order it to be so recovered, and may order that the person liable for the payment shall in default of payment suffer imprisonment of either description for a term which may extend to one month but not less than ten days.
- (5) Any sum recovered under sub-section (4) shall, as and when it is recovered, be paid to the railway administration.

Power to remove persons.

Power to remove persons.- Any person failing or refusing to pay the fare and the excess charge referred to in section 138 may be removed by any railway servant authorised in this behalf who may call to his aid any other person to effect such removal:

Provided that nothing in this section shall be deemed to preclude a person removed from a carriage of a higher class from continuing his journey in a carriage of a class for which he holds a pass or ticket:

Provided further that a woman or a child if unaccompanied by a male passenger, shall not be so removed except either at the station from where she or he commences her or his journey or at a junction or terminal station or station at the headquarters of a civil district and such removal shall be made only during the day.

Security for good behaviour in certain cases.

Security for good behaviour in certain cases.- (1) When a court convicting a person of an offence under section 137 or section 138 finds that he has

been habitually committing or attempting to commit that offence and the court is of the opinion that it is necessary or desirable to require that person to execute a bond for good behaviour, such court may, at the time of passing the sentence on the person, order him to execute a bond with or without sureties, for such amount and for such period not exceeding three years as it deems fit.

- (2) An order under sub-section (1) may also be made by an appellate court or by the High Court when exercising its powers of revision.

Needlessly interfering with means of communication in a train.

Needlessly interfering with means of communication in a train.- If any passenger or any other person, without reasonable and sufficient cause, makes use of, or interferes with, any means provided by a railway administration in a train for communication between passengers and the railway servant in charge of the train, he shall be punishable with imprisonment for a term which may extend to one year, or with fine which may extend to one thousand rupees, or with both:

Provided that, in the absence of special and adequate reasons to the contrary to be mentioned in the judgment of the court, where a passenger, without reasonable and sufficient cause, makes use of the alarm chain provided by a railway administration, such punishment shall not be less than—

- (a) a fine of five hundred rupees, in the case of conviction for the first offence; and
- (b) imprisonment for three months in case of conviction for the second or subsequent offence.

Penalty for transfer of tickets

Penalty for transfer of tickets.- (1) If any person not being a railway servant or an agent authorised in this behalf—

- (a) sells or attempts to sell any ticket or any half of a return ticket; or
- (b) parts or attempts to part with the possession of a ticket against which reservation of a seat or berth has been made or any half of a return ticket or a season ticket, in order to enable any other person to travel therewith, he shall be punishable with imprisonment for a term which may extend to three months, or with fine which may extend to five

hundred rupees, or with both, and shall also forfeit the ticket which he sells or attempts to sell or parts or attempts to part.

- (2) If any person purchases any ticket referred to in clause (a) of sub-section (1) or obtains the possession of any ticket referred to in clause (b) of that sub-section from any person other than a railway servant or an agent authorised in this behalf, he shall be punishable with imprisonment for a term which may extend to three months and with fine which may extend to five hundred rupees and if the purchaser or holder of any ticket aforesaid travels or attempts to travel therewith, he shall forfeit the ticket which he so purchased or obtained and shall be deemed to be travelling without a proper ticket and shall be liable to be dealt with under section 138:

Provided that in the absence of special and adequate reasons to the contrary to be mentioned in the judgment of the court, the punishment under sub-section (1) or sub-section (2) shall not be less than a fine of two hundred and fifty rupees.

Penalty for unauthorised carrying on of business of procuring and supplying of railway tickets :

Penalty for unauthorised carrying on of business of procuring and supplying of railway tickets.- (1) If any person, not being a railway servant or an agent authorised in this behalf,-

- (a) carries on the business of procuring and supplying tickets for travel on a railway or for reserved accommodation for journey in a train; or
- (b) purchases or sells or attempts to purchase or sell tickets with a view to carrying on any such business either by himself or by any other person, he shall be punishable with imprisonment for a term which may extend to three years or with fine which may extend to ten thousand rupees, or with both, and shall also forfeit the tickets which he so procures, supplies, purchases, sells or attempts to purchase or sell:

Provided that in the absence of special and adequate reasons to the contrary to be mentioned in the judgment of the court, such punishment shall not be less than imprisonment for a term of one month or a fine of five thousand rupees.

- (2) Whoever abets any offence punishable under this section shall, whether or not such offence is committed, be punishable with the same punishment as is provided for the offence.

Prohibition on hawking, etc., and begging :

Prohibition on hawking, etc., and begging.- (1) If any person canvasses for any custom or hawks or exposes for sale any article whatsoever in any railway carriage or upon any part of a railway, except under and in accordance with the terms and conditions of a licence granted by the railway administration in this behalf, he shall be punishable with imprisonment for a term which may extend to one year, or with fine which may extend to two thousand rupees, or with both:

Provided that, in the absence of special and adequate reasons to the contrary to be mentioned in the judgment of the court, such punishment shall not be less than a fine of one thousand rupees.

- (2) If any person begs in any railway carriage or upon a railway station, he shall be liable for punishment as provided under sub-section (1).
- (3) Any person referred to in sub-section (1) or sub-section (2) may be removed from the railway carriage or any part of the railway or railway station, as the case may be, by any railway servant authorised in this behalf or by any other person whom such railway servant may call to his aid.

Drunkenness or nuisance:

Drunkenness or nuisance.- If any person in any railway carriage or upon any part of a railway—

- (a) is in a state of intoxication; or
- (b) commits any nuisance or act of indecency or uses abusive or obscene language; or
- (c) wilfully or without excuse interferes with any amenity provided by the railway administration so as to affect the comfortable travel of any passenger, he may be removed from the railway by any railway servant and shall, in addition to the forfeiture of his pass or ticket, be punishable with imprisonment which may extend to six months and with fine which may extend to five hundred rupees:

Provided that in the absence of special and adequate reasons to the contrary to be mentioned in the judgment of the court, such punishment shall not be less than—

- (a) a fine of one hundred rupees in the case of conviction for the first offence;

and

(b) imprisonment of one month and a fine of two hundred and fifty rupees, in the case of conviction for second or subsequent offence.

Obstructing railway servant in his duties:

Obstructing railway servant in his duties.- If any person wilfully obstructs or prevents any railway servant in the discharge of his duties, he shall be punishable with imprisonment for a term which may extend to six months, or with fine which may extend to one thousand rupees, or with both.

Trespass and refusal to desist from trespass:

Trespass and refusal to desist from trespass.- (1) If any person enters upon or into any part of a railway without lawful authority, or having lawfully entered upon or into such part misuses such property or refuses to leave, he shall be punishable with imprisonment for a term which may extend to six months, or with fine which may extend to one thousand rupees, or with both:

Provided that in the absence of special and adequate reasons to the contrary to be mentioned in the judgment of the court, such punishment shall not be less than a fine of five hundred rupees.

(2) Any person referred to in sub-section (1) may be removed from the railway by any railway servant or by any other person whom such railway servant may call to his aid.

Penalty for making a false statement in an application for compensation:

Penalty for making a false statement in an application for compensation.- If in any application for compensation under section 125, any person makes a statement which is false or which he knows or believes to be false or does not believe to be true, he shall be punishable with imprisonment for a term which may extend to three years, or with fine, or with both.

Making a false claim for compensation:

Making a false claim for compensation.- If any person requiring compensation from a railway administration for loss, destruction, damage, deterioration or non-delivery of any consignment makes a claim which is false or which he knows or believes to be false or does not believe to be true, he shall be punishable with imprisonment for a term which may extend to three years, or with fine, or with both.

Maliciously wrecking or attempting to wreck a train:

Maliciously wrecking or attempting to wreck a train.- (1) Subject to the provisions of sub-section (2), if any person unlawfully,—

- (a) puts or throws upon or across any railway, any wood, stone or other matter or thing; or
- (b) takes up, removes, loosens or displaces any rail, sleeper or other matter or things belonging to any railway; or
- (c) turns, moves, unlocks or diverts any points or other machinery belonging to any railway; or
- (d) makes or shows, or hides or removes, any signal or light upon or near to any railway; or
- (e) does or causes to be done or attempts to do any other act or thing in relation to any railway, with intent or with knowledge that he is likely to endanger the safety of any person travelling on or being upon the railway, he shall be punishable with imprisonment for life, or with rigorous imprisonment for a term which may extend to ten years:

Provided that in the absence of special and adequate reasons to the contrary to be mentioned in the judgment of the court, where a person is punishable with rigorous imprisonment, such imprisonment shall not be less than—

- (a) three years, in the case of a conviction for the first offence; and
 - (b) seven years, in the case of conviction for the second or subsequent offence.
- (2) If any person unlawfully does any act or thing referred to in any of the clauses of sub-section (1)—
- (a) with intent to cause the death of any person and the doing of such act or thing causes the death of any person; or
 - (b) with knowledge that such act or thing is so imminently dangerous that it must in all probability cause the death of any person or such bodily injury to any person as is likely to cause the death of such person, he shall be punishable with death or imprisonment for life.

Damage to or destruction of certain railway properties:

Damage to or destruction of certain railway properties.- (1) If any person, with intent to cause, or knowing that he is likely to cause damage or destruction

to any property of a railway referred to in sub-section (2), causes by fire, explosive substance or otherwise, damage to such property or destruction of such property, he shall be punishable with imprisonment for a term which may extend to five years, or with fine, or with both.

- (2) The properties of a railway referred to in sub-section (1) are railway track, bridges, station buildings and installations, carriages or wagons, locomotives, signalling, telecommunications, electric traction and block equipments and such other properties as the Central Government being of the opinion that damage thereto or destruction thereof is likely to endanger the operation of a railway, may, by notification, specify.

Maliciously hurting or attempting to hurt persons travelling by railway:

Maliciously hurting or attempting to hurt persons travelling by railway.- If any person unlawfully throws or causes to fall or strike at against, into or upon any rolling stock forming part of a train, any wood, stone or other matter or thing with intent, or with knowledge that he is likely to endanger the safety of any person being in or upon such rolling stock or in or upon any other rolling stock forming part of the same train, he shall be punishable with imprisonment for life, or with imprisonment for a term which may extend to ten years.

Endangering safety of persons travelling by railway by wilful act or omission:

Endangering safety of persons travelling by railway by wilful act or omission.- If any person by any unlawful act or by any wilful omission or neglect, endangers or causes to be endangered the safety of any person travelling on or being upon any railway, or obstructs or causes to be obstructed or attempts to obstruct any rolling stock upon any railway, he shall be punishable with imprisonment for a term which may extend to five years.

Endangering safety of persons travelling by railway by rash or negligent act or omission:

Endangering safety of persons travelling by railway by rash or negligent act or omission.- If any person in a rash and negligent manner does any act, or omits to do what he is legally bound to do, and the act or omission is likely to endanger the safety of any person travelling or being upon any railway, he shall be punishable with imprisonment for a term which may extend to one year, or with fine, or with both.

Entering into a compartment reserved or resisting entry into a compartment not reserved:

Entering into a compartment reserved or resisting entry into a compartment not reserved.- (1) If any passenger—

- (a) having entered a compartment wherein no berth or seat has been reserved by a railway administration for his use, or
 - (b) having unauthorisedly occupied a berth or seat reserved by a railway administration for the use of another passenger, refuses to leave it when required to do so by any railway servant authorised in this behalf, such railway servant may remove him or cause him to be removed, with the aid of any other person, from the compartment, berth or seat, as the case may be, and he shall also be punishable with fine which may extend to five hundred rupees.
- (2) If any passenger resists the lawful entry of another passenger into a compartment not reserved for the use of the passenger resisting, he shall be punishable with fine which may extend to two hundred rupees.

Travelling on roof, step or engine of a train:

Travelling on roof, step or engine of a train.- If any passenger or any other person, after being warned by a railway servant to desist, persists in travelling on the roof, step or footboard of any carriage or on an engine, or in any other part of a train not intended for the use of passengers, he shall be punishable with imprisonment for a term which may extend to three months, or with fine which may extend to five hundred rupees, or with both and may be removed from the railway by any railway servant.

Altering or defacing pass or ticket:

Altering or defacing pass or ticket.- If any passenger wilfully alters or defaces his pass or ticket so as to render the date, number or any material portion thereof illegible, he shall be punishable with imprisonment for a term which may extend to three months, or with fine which may extend to five hundred rupees, or with both.

Penalty for contravention of any of the provisions of Chapter XIV:

Penalty for contravention of any of the provisions of Chapter XIV.- Any person under whose authority any railway servant is employed in contravention

of any of the provisions of Chapter XIV or of the rules made thereunder, shall be punishable with fine which may extend to five hundred rupees.

Disobedience of servant, etc. drivers or conductors of vehicles to direction's of railway:

Disobedience of drivers or conductors of vehicles to directions of railway servant, etc.- If any driver or conductor of any vehicle while upon the premises of a railway disobeys the reasonable directions of any railway servant or police officer, he shall be punishable with imprisonment for a term which may extend to one month, or with fine which may extend to five hundred rupees, or with both.

Opening or breaking a level crossing gate:

Opening or breaking a level crossing gate.- (1) If any person, other than a railway servant or a person authorised in this behalf, opens any gate or chain or barrier set up on either side of a level crossing which is closed to road traffic, he shall be punishable with imprisonment for a term which may extend to three years.

- (2) If any person breaks any gate or chain or barrier set up on either side of a level crossing which is closed to road traffic, he shall be punishable with imprisonment for a term which may extend to five years.

Negligently crossing unmanned level crossing:

Negligently crossing unmanned level crossing.- *If* any person driving or leading a vehicle is negligent in crossing an unmanned level crossing, he shall be punishable with imprisonment which may extend to one year.

Explanation.—For the purposes of this section, “negligence” in relation to any person driving or leading a vehicle in crossing an unmanned level crossing means the crossing of such level crossing by such person—

- (a) without stopping or caring to stop the vehicle near such level crossing to observe whether any approaching rolling stock is in sight, or
- (b) even while an approaching rolling stock is in sight.

Entering carriage or other place reserved for females:

Entering carriage or other place reserved for females.- *If a* male person knowing or having reason to believe that a carriage, compartment, berth or seat

in a train or room or other place is reserved by a railway administration for the exclusive use of females, without lawful excuse,—

- (a) enters such carriage, compartment, room or other place, or having entered such carriage, compartment, room or place, remains therein; or
- (b) occupies any such berth or seat having been required by any railway servant to vacate it, he shall, in addition to being liable to forfeiture of his pass or ticket, be punishable with fine which may extend to five hundred rupees and may also be removed by any railway servant.

Giving false account of goods:

Giving false account of goods.- If any person required to furnish an account of goods under section 66, gives an account which is materially false, he and, if he is not the owner of the goods, the owner also shall, without prejudice to his liability to pay any freight or other charge under any provision of this Act, be punishable with fine which may extend to five hundred rupees for every quintal or part thereof of such goods.

Unlawfully bringing dangerous goods on a railway:

Unlawfully bringing dangerous person, in contravention of section 67, goods or entrusts such goods for administration, he shall be punishable which may extend to three years, or with thousand rupees or with both and shall injury or damage which may be caused by on the railway. goods on a railway.- If any takes with him any dangerous carriage to the railway with imprisonment for a term fine which may extend to one also be liable for any loss, reason of bringing such goods.

Unlawfully bringing offensive goods on a railway:

Unlawfully bringing offensive goods on a railway.- If any person, in contravention of section 67, takes with him any offensive goods or entrusts such goods for carriage to the railway administration, he shall be punishable with fine which may extend to five hundred rupees and shall also be liable for any loss, injury or damage which may be caused by reason of bringing such goods on the railway.

Defacing public notices:

166. Defacing public notices.- If any person without lawful authority—

- (a) pulls down or wilfully damages any board or document set up or posted by the order of a railway administration on a railway or any rolling stock; or
- (b) obliterates or alters any letters or figures upon any such board or document or upon any rolling stock, he shall be punishable with imprisonment for a term which may extend to one month, or with fine which may extend to five hundred rupees, or with both.

167. Smoking.

167. Smoking.- (1) No person in any compartment of a train shall, if objected to by any other passenger in that compartment, smoke therein.

- (2) Notwithstanding anything contained in sub-section (1), a railway administration may prohibit smoking in any train or part of a train.
- (3) Whosoever contravenes the provisions of sub-section (1) or sub-section (2) shall be punishable with fine which may extend to one hundred rupees.

Provision with respect to commission of offence by the children of acts endangering safety of person travelling on railway:

Provision with respect to commission of offence by the children of acts endangering safety of person travelling on railway.- (1) If a person under the age of twelve years is guilty of any of the offences under sections 150 to 154, the court convicting him may require the father or guardian of such person to execute, within such time as the court may fix, a bond for such amount and for such period as the court may direct for the good conduct of such person.

- (2) The amount of the bond, if forfeited, shall be recoverable by the court as if it were a fine imposed by itself.
- (3) If a father or guardian fails to execute a bond under subsection (1) within the time fixed by the court, he shall be punishable with fine which may extend to fifty rupees.

Levy of penalty on non-Government railway:

Levy of penalty on non-Government railway.- If a non-Government railway fails to comply with, any requisition made, decision or direction given, by the Central Government, under any of the provisions of this Act, or otherwise contravenes any of the provisions of this Act, it shall be open to the Central Government, by order, to levy a penalty not exceeding two hundred and fifty

rupees and a further penalty not exceeding one hundred and fifty rupees for every day during which the contravention continues:

Provided that no such penalty shall be levied except after giving a reasonable opportunity to the non-Government railway to make such representation as it deems fit.

Recovery of penalty:

Recovery of penalty.- Any penalty imposed by the Central Government under section 169, shall be recoverable by a suit in the District Court having jurisdiction in the place where the head office of the non-Government railway is situated.

Section 169 or 170 not to preclude Central Government from taking any other action:

Section 169 or 170 not to preclude Central Government from taking any other action.-Nothing in section 169 or 170 shall preclude the Central Government from resorting to any other action to compel a non-Government railway to discharge any obligation imposed upon it by or under this Act.

Penalty for intoxication:

Penalty for intoxication.- If any railway servant is in a state of intoxication while on duty, he shall be punishable with fine which may extend to five hundred rupees and when the performance of any duty in such state is likely to endanger the safety of any person travelling on or being upon a railway, such railway servant shall be punishable with imprisonment for a term which may extend to one year, or with fine, or with both.

Abandoning train, etc., without authority:

Abandoning train, etc., without authority.- If any railway servant, when on duty, is entrusted with any responsibility connected with the running of a train, or of any other rolling stock from one station or place to another station or place, and he abandons his duty before reaching such station or place without authority or without properly handing over such train or rolling stock to another authorised railway servant, he shall be punishable with imprisonment for a term which may extend to two years, or with fine which may extend to one thousand rupees, or with both.

Obstructing running of train, etc.:

Obstructing running of train, etc.- If any railway servant (whether on duty or otherwise) or any other person obstructs or causes to be obstructed or attempts to obstruct any train or other rolling stock upon a railway,-

- (a) by squatting or picketing or during any rail roko agitation or bandh; or
- (b) by keeping without authority any rolling stock on the railway; or
- (c) by tampering with, disconnecting or interfering in any other manner with its hose pipe or tampering with signal gear or otherwise, he shall be punishable with imprisonment for a term which may extend to two years, or with fine which may extend to two thousand rupees, or with both.

Endangering the safety of persons:

Endangering the safety of persons.- If any railway servant, when on duty, endangers the safety of any person—

- (a) by disobeying any rule made under this Act; or
- (b) by disobeying any instruction, direction or order under this Act or the rules made thereunder; or
- (c) by any rash or negligent act or omission, he shall be punishable with imprisonment for a term which may extend to two years, or with fine which may extend to one thousand rupees, or with both.

Obstructing level crossing:

Obstructing level crossing.- If any railway servant unnecessarily—

- (a) allows any rolling stock to stand across a place where the railway crosses a public road on the level; or
- (b) keeps a level crossing closed against the public, he shall be punishable with fine which may extend to one hundred rupees.

False returns:

False returns.-If any railway servant required to furnish a return by or under this Act, signs and furnishes a return which is false in any material particular or which he knows or believes to be false, or does not believe to be true, he shall be punishable with imprisonment which may extend to one year, or with fine which may extend to five hundred rupees, or with both.

Making a false report by a railway servant:

Making a false report by a railway servant.- If any railway servant who is required by a railway administration to inquire into a claim for loss, destruction, damage, deterioration or non-delivery of any consignment makes a report which is false or which he knows or believes to be false or does not believe to be true, he shall be punishable with imprisonment for a term which may extend to two years, or with fine which may extend to one thousand rupees, or with both.

Arrest for offences under certain sections:

Arrest for offences under certain sections.-(1) If a person commits any offence mentioned in sections 137, 141 to 147, 150 to 157, 160 to 162, 164, 166, 168 and 172 to 175, he may be arrested without warrant or other written authority by any railway servant or police officer not below the rank of a head constable.

- (2) The railway servant or the police officer may call to his aid any other person to effect the arrest under sub-section (1).
- (3) Any person so arrested under this section shall be produced before the nearest Magistrate within a period of twenty-four hours of such arrest excluding the time necessary for the journey from the place of arrest to the court of the Magistrate.

Arrest of persons likely to abscond, etc.:

Arrest of persons likely to abscond, etc. (1) If any person who commits any offence under this Act, other than an offence mentioned in section 179, or is liable to pay any excess charge or other sum demanded under section 138, fails or refuses to give his name and address or there is reason to believe that the name and address given by him are fictitious or that he will abscond, any railway servant authorised in this behalf or any police officer not below the rank of a head constable may arrest him without warrant or written authority.

- (2) The railway servant or the police officer may call to his aid any other person to effect the arrest under sub-section (1).
- (3) Any person arrested under this section shall be produced before the nearest Magistrate within a period of twenty-four hours of such arrest excluding

the time necessary for the journey from the place of arrest to the court of the Magistrate unless he is released earlier on giving bail or if his true name and address are ascertained on executing a bond without sureties for his appearance before the Magistrate having jurisdiction to try him for the offence.

- (4) The provisions of Chapter XXIII of the Code of Criminal Procedure, 1973 (2 of 1974), shall, so far as may be, apply to the giving of bail and the execution of bonds under this section.

Magistrate having jurisdiction under the Act:

Magistrate having jurisdiction under the Act.-Notwithstanding anything contained in the Code of Criminal Procedure, 1973 (2 of 1974), no court inferior to that of a Metropolitan Magistrate or a Judicial Magistrate of the first class shall try an offence under this Act.

Place of trial:

Place of trial.- (1) Any person committing an offence under this Act or any rule made thereunder shall be triable for such offence in any place in which he may be or which the State Government may notify in this behalf, as well as in any other place in which he is liable to be tried under any law for the time being in force.

- (2) Every notification under sub-section (1) shall be published in the Official Gazette, and a copy thereof shall be exhibited for the information of the public in some conspicuous place at such railway stations as the State Government may direct.

COMPENSATION FORM (RAILWAY)

FORM II

Application for compensation under Section 16 of the Act in respect of claims for compensation for death and injury as a result of train accident or untoward incident

[See Rule 5 of the Railway Claims Tribunal (Procedure) Rules, 1989]

Application under Section 16 of the Act in respect of claims for compensation arising out of accident to a train.

PART I

Title of the case:

PART II INDEX

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Signature of the Applicant

For use in Tribunal's Office.

Date of filing

Or

Date of Receipt by post

Registration No.

Signature for Registrar.

PART III

To,

The Railway Claims Tribunal,

.....

.....

I, son/daughter/wife/widow of.....[residing at].having been injured in railway accident to train or untoward incident hereby apply for the grant of compensation for the injury sustained.

I,.....son/daughter/wife/widow of..... [residing at].....hereby apply as dependant for the grant of compensation on account of the death/injury sustained by Shri/Kumari Shrimati..... son/daughter/wife/widow of Shri/Shrimati who died/was injured in the railway accident referred to hereunder.

Necessary particulars in respect of the deceased/injured in the accident are given below:

1. Name and father's name of the person injured/dead (husband's name in the case of married woman or widow)
2. Full address of the person injured/dead.
3. Age of the person injured/dead.
4. Occupation of the person injured/dead.
5. Name and address of the employer of the deceased, if any-
6. (a) Brief particulars of the accident indicating the date and place of accident and the name of the train involved-6
(b) Brief particulars of the untoward incident indicating the date and place of the untoward incident.
7. Class of travel, and ticket/pass number, platform ticket number to the extent known.....

8. Nature of injuries sustained along with medical certificate.
9. Name and address of the Medical Officer/Practitioner, if any, who attended on the injured/dead and period of treatment.....
10. Disability for work, if any, caused.
11. Details of the loss of any luggage on account of the accident to the train
12. Has any claim been lodged with any other authority? If so, particulars thereof.....
13. Name and permanent address of the applicant.....
14. Local address of the applicant if any
15. Relationship with the deceased/injured.....
16. Amount of compensation claimed.....
17. Where the application is not made within one year of the occurrence of the accident to the train or untoward incident, the grounds thereof
18. Any other information or documentary evidence that may be necessary or helpful in the disposal of the claim.....
19. Mention the documents, if any, filed along with application.

I,.....solemnly declare that.....

- (a) the particulars given above are true and correct to the best of my knowledge and
- (b) I have not claimed or obtained any compensation in relation to the injury/ death/loss of luggage which is the subject matter of this application.

Date: _____ Signature or left thumb impression of the applicant

Place: _____

 (Name of the witness and his address in case left
 Thumb-impression is put by the applicant)

VERIFICATION

I, (Name of the applicant)
S/o, D/o, W/o, age resident of
.....do hereby verify that the contents of
paragraphsto.....are true to my personal knowledge, and
paragraphs.....to.....are believed to be true to the best of my
knowledge or the legal advice given to me, and that I have not suppressed any
material fact.

Date:

Signature of the applicant

Place:

Full address:

To,

The Registrar,
Railway Claims Tribunal,

.....
.....

FORM IV

[See sub-rule (5) of Rule 5 the Railway Claims Tribunal (Procedure) Rules,
1989]

RECEIPT SLIP No.

Received an application filed before the..... Bench of the Railway Claims

Tribunal on.....by.....Sliri/Kumari/Smt.....

For the Registrar of the
.....Bench of the
Railway Claims Tribunal.

Date :

Seal :

[See Rule 5 of the Railway Claims Tribunal (Procedure) Rules, 1989].

Application under Section 16 of the Act in respect of claims for refund of fares or part thereof or for refund of any freight paid in respect of animals or goods entrusted to a railway administration to be carried by railway.

PART I

Title of the case:

PART II

Index

SL No.	Description of documents attached	Page No.
3.		
4.		
5.		
6.		

Signature of the Applicant

For use in Tribunal's Office.

Date of filing
Date of Receipt by post
Registration No.
Signature for Registrar.

PART III
In the Railway Claims Tribunal

_____ Bench

A.B.	Between	Applicant:
C.D.	And	Respondent

1. Particulars of the Applicant:
Name and address:
2. Particulars of the respondent/respondents;
3. Value of claim and details of application fee-
 - (i) Value of claims
 - (ii) Details of application fee;
4. Particulars of Bank Draft/Postal Order in respect of Application Fee:
 - (i) Name and address of the Bank on which the draft is drawn;
 - (ii) Demand Draft No. and the Branch at which payable.

Or

- (i) Number of Indian Postal Order (s)
 - (ii) Name of issuing Post Office
 - (iii) Date of issue of Postal Order(s)
 - (iv) Post Office at which payable.
5. Full particulars of payment of fare/freight.
 - (i) Claim for refund of freight.

Date of Booking	[Railway Receipt or Parcel Way Bill]	Station		Description of consignment
		From	To	
1	2	3	4	
Freight paid	Amount Refund of Claims			Money Receipt/Credit Note or other payment particulars
5	6			7
	(ii) Claim for refund of fare			

Date of journey	Train No.	Class of Travel	Class actually traveled.
1	2	3	4
Ticket or Ticket Deposit Receipt/Excess Fare Ticket etc Guards or Conductors, Certificate		Fare paid Rs.	Refund Claimed Rs.
5		6	7

6. Date on which notice served in Railway Administration under Section 78-B of Indian Railways Act, 1890 (in respect of claims for refund of freight) - Attach Proof

7. (i) Facts of the case:

(Give here a concise statement of facts in a chronological order, each paragraph containing as nearly as possible, a separate issue, fact or otherwise)

(ii) (a) Nature of relief sought; and (b) Grounds of relief.

8. Matters not previously filed or pending with any other Court. (State whether the applicant had previously filed any claim, writ petition or suit regarding the matter in respect of which the present application has been made).

In case the applicants had previously filed any claims, application, writ petition or suit, indicate the stage at which it is pending, and if decided, attach a certified copy of the order.

9. Jurisdiction of the Bench (indicate the facts on the basis of which the Bench to which application is made, has the jurisdiction).

10. List of enclosures:

- 1.
- 2.
- 3.
- 4.
- 5.

Verification

I, (Name of the applicant)
S/o, D/o, W/o, age resident of
.....do hereby verify that the contents
of paragraphs.....to.....are true to my personal knowledge, and
paragraphs.....to..... are believed to be true to the best of my knowledge
or the legal advice given to me, and that I have not suppressed any material fact.

Date:

Signature of the applicant

Place:

Full address:

To,

The Registrar,
Railway Claims Tribunal,
_____Bench

FORM XI
(see rule 31C)

Warrant of attachment of moveable property in execution of order of the Tribunal
Execution Application No.....in Original Application No.....
.....Applicant (s)

Versus

Union of India Through General Manager Railway.
Respondent(s)

To

Bailiff of Court

.....
.....

Whereas General Manager Railway..... was ordered by this Tribunal
vide orders dated.....in O.A. No.....,to pay to the applicant the
sum of Rs.....As detailed hereunder and whereas the said sum of
Rs.....Has not been paid.

Detail of Awarded amount

Principal	.....
Interest	.....
Costs	.....
Costs of execution	.....
Further interest	.....
Total	

These are to command you to attach the moveable property of the said
.....as set forth in the Schedule hereunto annexed and unless the

said.....Shall pay to you through Cheque the said sum of Rstogether with Rs., the costs of this attachment, to hold the same until further orders from this Tribunal.

You are further commanded to return this warrant on or before.....day ofwith an endorsement certifying the day on which and the manner in which it has been executed or why it has not been executed.

Given under my hand and seal this.....day of.....Registrar

Schedule

4.3 Travel by Air

Highlights

Premium payable in Rupees and Claims settled abroad in foreign Currency.

Policy available for frequent corporate travelers.

Scope

Medical expenses incurred by the insured persons, outside India as a direct result of bodily injuries caused or sickness or disease contracted are covered.

Following Plans are available:

BUSINESS AND HOLIDAY (B & H) PLANS

PLAN	COVERAGE/SUM INSURED IN USE					
	Medical/ Repatriation Expenses	P.A.	Loss of Checked in Baggage	Delay of Checked in Baggage	Loss of Passport	Personal Deductible Liability
A-1 (World wide excluding USA/Canada)	50,000	10,000	1,000	100	150	200,000 100
A-2 (World wide excluding USA/Canada)	2,50,000	25,000	1,000	100	250	200,000 100
B-1 (World wide including USA/Canada)	1,00,000	25,000	1,000	100	150	200,000 100
B-2 (World wide including USA/Canada)	5,00,000	25,000	1,000	100	250	200,000 100
E-1 CFT (World wide including USA/Canada)	100,000	25,000	1,000	100	150	200,000 100
E-2 CFT (World wide including USA/Canada)	5,00,000	25,000	1,000	100	250	200,000 100

CFT Cover is available for Executives of Coporate clients and Partners of registered firms annually subject to the duration of any one trip not exceeding 60 days.

EMPLOYMENT AND STUDIES PLANS (E & S)				
PLAN	COVERAGE/SUM INSURED IN USE			
	Medical	Repatriation o remains	Reunion Expense	Deductible
C (Worldwide excluding USA/Canada)	*150000	10,000	5,000	100
D (Worldwide including USA/Canada)	*150000	10,000	5,000	100
D-1 (Worldwide including USA/Canada)	*500000	10,000	5,000	100

*Contingency insurance for students US \$750 for each month of completion of study during period of Insurance

Premium: Depends on Age-band, Trip-band and Country of visits. Coverage: Initially cover upto 180 days is provided under Business & Holiday Plan .Extension allowed on original policy for further period of 180 days subject to declaration of good health.

Eligibility

Age Limit: 6 months and above upto 70 years.

Policy is to be taken prior to departure from India.

Medical Reports are required for:

- A. Trip is for period over 60 days and if
 - a. insured person is over 60 yrs of age visiting USA/Canada
 - b. insured is over 70 yrs of age and visiting countries other than USA/Canada.
- B. Proposal reveals that insured had suffered from/suffering from any illness/disease. The Proposal Form should be accompanied with (1) ECG printout with report and (2) Fasting blood Sugar and Urine Sugar, Urine Strip Test Report or any other medical report required by the company etc. along with the attached questionnaire II (B) to be completed and signed by the Doctor with minimum M. D. qualification conducting the test.

Major Exclusion

All pre-existing disease/illnesses are not covered (known and unknown).

Traveling against Medical advice or for Medical treatment including routine check-up.

First USD 100 of all claims are to be borne by the traveller.

IMPORTANT

Please make sure you read and fully understand this document before you travel from the Republic of India. Please read carefully the full details of the **PROCEDURE FOR OBTAINING ASSISTANCE AND CLAIMS.**

OMP POLICY FOR EMPLOYMENT & STUDIES

IRDA/NL-HLT/NIA/P-H/V.I/349/13-14

WHEREAS the Insured Person designated in the Identification and Schedule hereto having by a proposal and declaration (and Medical History and Physician's Report and Certificate, if any) which shall be the basis of the contract and shall be deemed to be incorporated therein, applied to The New India Assurance Company Limited (hereinafter called the Insurers) for the insurance hereinafter set forth and having paid the premium for the insurance specified hereinafter for the period stated in the Identification and Schedule.

Now this policy provides as follows:

DEFINITIONS:

The following definitions apply throughout this insurance:

- 1 Country of Posting or Study means the country where the Insured Person is temporarily residing outside India, having been posted by their Indian Employer to work in that country or for the purpose of furthering his/her education or solely engaged in research projects.
- 2 "Covered Injury" means accidental bodily injury occurring to an Insured Person while insured under this Insurance, which is the direct and independent cause of the claim being made under this Insurance. The term "Covered Injury" does not include any injury (or complications arising from any injury), which existed or for which a Licensed Physician was consulted or for which treatment or medication was received prior to the effective date of this insurance.
- 3 "Covered Sickness" means sickness or disease contracted by an insured person which first reveals itself by symptoms while insured under this insurance. The

term “Covered Sickness” does not include any sickness or disease (or complications arising from any sickness or disease), which had its origin or for which a Licensed Physician was consulted or for which treatment or medication was received prior to the effective date of this Insurance.

- 4 “Pre-existing condition” means any sickness / illness which existed prior to the effective date of this Insurance. Pre-existing condition also means any sickness or its symptoms, which existed prior to the effective date of this Insurance, whether or not the Insured Person had knowledge that the symptoms were related to the sickness. Complications arising from a pre-existing condition will be considered part of that pre-existing condition.
- 5 “Licensed Physician” means any person who is recognized by the laws of the jurisdiction in which the treatment is received and qualified to treat the injury or illness resulting in the expenses for which a claim is made except the following persons:-
 - a. The Insured Person.
 - b. A person who is a member of the Insured Person’s Family.
 - c. A person contacted by the Insured Person or his agents prior to the commencement date of this policy.
 - d. Licensed or unlicensed acupuncturists, physicians employing herbal medicine, massage therapist, and the like.

“You” or “Insured Person” means any eligible person. All such persons’ completed Proposal Forms and related documentation must be on file with Insurers and the Claims Administrator.

- 6 **“Covered Expenses”** will be the reasonable and customary fees, charges for unavoidable, necessary medical services, supplies and treatments authorized by a Licensed Physician and approved by the Claims Administrator incurred outside the Republic of India only (see Exclusion 5.9), subject to the conditions and exclusions of this Insurance. Expenses in respect of drugs and medication require written prescription of a physician and must be dispensed by a licensed Pharmacist.
- 7 **“Mental, Nervous, Emotional Disorder”** means neurosis, psychoneurosis, psychosis or mental or nervous disease or disorder of any kind.
- 8 **“Hospital”** means an institution which:
 - a. Operates as a hospital pursuant to law for the care and treatment of sick or injured persons as inpatients.

- b. Provides 24 hour nursing service by registered nurses on duty or call.
 - c. Has a staff of one or more licensed Physicians available at all times.
 - d. provides organized facilities for diagnosis, treatment and surgery; either:
 - (i) on its premises; or
 - (ii) in facilities available to it, on a pre-arranged basis; and
 - e. Is not primarily a nursing, rest, convalescent home or similar establishment or any separate ward, wing or section of a hospital used as such.
- 9 “Death” means death within twelve calendar months from the date of the accident or illness.
- 10 “Permanent Total Disablement” means a condition wherein the insured person is permanently, totally and absolutely disabled from engaging in any employment or occupation of whatsoever description..

“Claims Administrators” means April USA Assistance, Inc. 11900 Biscayne Blvd # 600, Miami, Florida 33181 USA, who has been appointed by Insurers to administer claims. It is mutually agreed that the Claims Administrators may employ “Case Management” techniques where appropriate, to ensure control of claims costs.

PERIOD OF INSURANCE

- 1 (a) Effective Date of Insurance: The Insurance of an Insured Person will become effective on the later of:
- (i) Effective Time and Date of this Insurance for which premium has been paid;
- Or
- (ii) The time and date the Insured Person departs from India to travel to the Country of Posting or Study, provided that the scheduled arrival in the Country of Posting or Study is no more than 48 hours later than the Insured Person’s departure from India. In the event that there is an Unexpected delay to the flight, the 48 hour period will be extended until such time as the flight arrives in the Country of Posting or Study.
- 2 (b) Termination of Insurance: The Insurance of an Insured Person will terminate on the earliest of:
- (i) twelve months from the date the Policy commences
 - (ii) 12.01 A.M. of the Expiry Date of this Insurance for which premium has been paid;

- (iii) the date the Insured Person ceases to meet the definition of “Insured Person” and the Rules of Eligibility;
- (iv) Except as provided for under TERRITORIAL LIMITATION and Exclusions 5.9 the date the Insured Person arrives in India from the Country of Posting or Study, provided that the scheduled arrival in India is no more than 48 hours later than the Insured Person’s departure from the country of posting or study. In the event that there is an unexpected delay to the flight, the 48 hour period will be extended until such time as the flight arrives in India.

SCHEDULE OF INDEMNIFIED EXPENSES & BENEFIT

1 Section 1. Medical

Limited to maximum amount as specified in the schedule attached to this policy.

2 Sub Section A

Medical Accident and Sickness Expenses when as a result of a Covered Injury or Covered Sickness, an Insured Person incurs Covered Expenses (see “Definitions”) upon the recommendation and approval of a Licensed Physician endorsed by the Claims Administrator, the Insurers will pay the amount of the Covered Expenses actually incurred up to (a), (b), or (c) whichever first occurs:

- (a) The maximum dollar amount stated in the policy; or
- (b) 52 weeks after the onset of the Covered Injury or Covered Sickness; or
- (c) 12 weeks after the expiry date of the Insurance.

Coverage for mental, nervous and emotional disorders is limited to 30 days continuous in-hospital expenses only and this Insurance will be limited to only 50% of such expenses. Medical Evacuation from the Country of Posting or Study will terminate any further coverage under this Sub-section except as granted under Sub-section B below.

3 Sub Section B

Medical Evacuation Expenses when as a result of a Covered Injury or Covered Sickness, an Insured Person is hospitalized the Insurers will pay upon the recommendation and prior approval of the attending Licensed Physician and the Claims Administrator of this Insurance for the evacuation of the Insured Person

to India. In the event that the Insured Person is evacuated to India the Insurers will pay Medical Accident and Sickness Expenses in India, as provided under Sub-Section A above and in addition but within the overall limit of US \$ 1,50,000 the reasonable and necessary Travel Expenses and Evacuation costs of the Insured Person's spouse and children also insured

Under this policy and residing with him up to a limit of US \$10,000 any one family. To be a valid claim such expenses and costs must meet with the prior approval of the Claims Administrator.

4 Sub Section C

Repatriation (Preparation and Transportation of Remains) and Alternative Expenses:- In the event of the death of an Insured Person while insured under this Insurance, the Insurers will pay the actual expense incurred for preparation and transportation to India of the remains of the Insured Person (in accordance with the applicable international requirements) or Funeral Expenses incurred in the Country of Posting or Study if this alternative is deemed appropriate but not to exceed US \$ 10,000 in total. All Expenses must be approved by the Claims Administrator of this Insurance before the remains are prepared for transportation or Funeral.

5 Sub Section D

Medical Emergency Reunion Expenses up to US \$ 5,000 in all when as a result of a Covered Injury or Covered Sickness an Insured Person is hospitalized and it is agreed by all parties that the Insured Person should be medically Evacuated to India as soon as possible Insurer will pay upon the recommendation and prior approval of the Claims Administrator the following expenses detailed below incurred i.r.o. travel by the mother or father or guardian or spouse or adult child.

- a) The cost of an Economy Air Ticket for 1 person from India to the Airport serving the area where the Insured Person is hospitalized and return to India.
- b) Reasonable travel and accommodation expenses incurred in relation to the Emergency reunion.

Provided the Insured Person:-

- a) Is due to be Medically Evacuated under the terms of this policy within 5 days of the commencement of travel by the Relative who will return with the Insured Person to India.

- b) Is so seriously ill that postponement of the proposed Medical Evacuation is necessary but the Attending Licensed Physician recommends the presence of a relative, but the period of the Emergency Reunion not to exceed 10 days including Travel.

Section 2. Contingency Insurance (Applicable to Sponsored Students only)

- 1 In the event that it is mutually agreed the Insured Person is unable to continue to complete his course of studies in the Country of Study (the details of which are declared in the proposal form) due to Covered Injury or Covered Sickness first occurring in the Country of Study resulting in:-
 - a) Death, or
 - b) Loss of Entire Sight of either or both Eyes, or
 - c) Permanent Total Disablement, and is Medically Evacuated under Section 1(B) above or a valid claim is payable under Section 1(C).

This insurance will pay by way of recompense a benefit to the Nominated Sponsor who has provided financial support to the Insured Person as regards the Insured Period of study Overseas and is declared in the proposal form, at a rate of US \$ 750 Capital Sum for each month of study completed during the Period of Insurance stated in the Schedule of Insurance hereto.

In the event that the Insured Person is unable to continue to complete his course of studies due to mental, nervous or emotional disorder the Benefit payable hereunder is limited to 25 % of the amount due. No benefit will be payable hereunder in the event that the Educationalist running the Insured Person's course of study considers that the Insured Person's performance on and his attitude to the studies were unsatisfactory.

EXCLUSIONS

- 1 No claim will be paid under Section 1(A), (D) & 2 in respect of any injury or sickness (or complication arising from any injury or sickness) which had its origins or for which a Licensed Physician was consulted or for which treatment or medication was received prior to the effective date of this Insurance.
- 2 No claim will be paid where, at the time of taking out this Insurance the Insured Person:
 - (a) is on a waiting list for treatment;

- (b) has travelled for the purpose of obtaining treatment;
- (c) has received a terminal prognosis;
- (d) has travelled to the Country of Posting or Study against the advice of a Physician;
- (e) is over 60 years of age unless specifically endorsed hereon.

3 This insurance will not cover:

- (a) Any claim for temporomandibular joint dysfunction and dental treatment except when as the direct result of a Covered Injury. Benefits will be limited to \$ 100 per natural tooth subject to a maximum of \$ 500 per injury;
- (b) Any claim in respect of the treatment of congenital conditions or the costs of cosmetic surgery except when necessitated by a Covered Injury to the Insured Person. Correction of deviated nasal septum will not be covered under this Insurance unless it results from an injury which occurred after the Insured Person became insured under this Insurance;
- (c) Any claim arising from intentionally self-inflicted injury, suicide or attempted suicide, the influence of alcohol or intoxicants, the use of drugs except as prescribed by a Licensed Physician;
- (d) Loss, damage or liability directly or indirectly occasioned by, happening through or in consequence of war, invasion, acts of foreign enemies, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, military or usurped power. Nor loss or destruction of or damage to any property whatsoever or any loss or expense whatsoever resulting or arising therefrom or any consequential loss or any legal liability of whatsoever nature directly or indirectly caused by or contributed to by or arising from ionizing radiations or contamination by radioactivity from any nuclear fuel, or the radioactive, toxic, explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof.
- (e) Any claim arising from travelling in any aircraft other than as a fare paying passenger in an aircraft licensed for the transportation of passengers;
- (f) Any claim in respect of examinations for, or prescriptions of eye glasses or hearing aids;
- (g) Expenses not recommended and approved as necessary and reasonable by the attending Licensed Physician;
- (h) Any claim in respect of treatment by a chiropractor unless prescribed by a medical doctor (M.D.); in any event this insurance will not cover expenses

incurred for outpatient treatment in connection with the detection or correction by manual or mechanical means of structural imbalance, distortion or subluxation in the human body for purposes of removing nerve interference as a result of or related to distortion, misalignment or subluxation of or in the vertebral column.

- (i) Any claim arising from participation in any sport which involves deliberate physical contact between the players. This exclusion shall also apply to competitive matches and games and training, and any claim arising from winter sports or mountaineering.
 - (j) Expenses incurred as a result of diagnostic investigation or medical treatment in connection with infertility;
 - (k) Any claim for Medical Expenses incurred in respect of week-end admissions except where due to an emergency;
 - (l) Any claim for Diagnostic X-ray and laboratory examination including physical or other examination which do not relate to a medically diagnosed illness or injury.
 - (m) Any claim for professional services rendered by a member of the Insured Person's family or any one who lives with the Insured Person.
 - (n) Any claim for expenses in excess of usual reasonable and customary charges.
 - (o) The deductible which applies to each and every Covered Injury or Covered Illness stated in the Schedule of Insurance hereto except where the Insured Person consults first with the Licensed Physician of the Campus, College, School or Employers/Sponsors Medical Centre when the deductible as stated is reduced by US \$ 100.
- 4 This insurance will not cover medical expenses resulting from a motor vehicle accident if such expenses are recoverable
- (a) under other valid and collectible Insurance, including a "No-Fault" automobile Insurance contract; or
 - (b) From parties who may be liable to provide indemnity or make contribution in respect thereto regardless of whether the Insured Person asserts his rights to obtain benefits from these sources.
- 5 This insurance will not cover pregnancy, including resulting childbirth, miscarriage, abortion or complication of any of these.

- 6 No section of this Policy shall apply in respect of, and this Policy does not cover, any claim arising directly or indirectly from any Injury, Illness, Death, Loss, Expense or other Liability attributable to HIV (Human Immunodeficiency Virus) and / or any HIV related illness including AIDS and / or any mutant derivatives or variations thereof however caused.
- 7 This Insurance will not cover expenses resulting from diagnosis or treatment of mental, nervous or emotional disorders, except while whilst conformed to hospital and then benefits are limited to 50% of Covered Expenses up to 30 continuous days hospitalization as an in-patient.
- 8 This Insurance will not cover any amount for which the Insured Person is entitled to benefits under a Workmen's Compensation or Occupational Disease Law or any occupational benefit plan and/or other insurance or public assistance program (see General Conditions – Right of Subrogation)
- 9 This insurance will not cover any illness or accident or the cost of treatment for any Illness or accident, occurring or incurred outside the Country of Posting or Study except in respect of Direct Journeys to and from and as set out in the Medical Evacuation Benefit (Sub-Section B)

In the event that the Insured Person requires to return to India for holidays and / or family meetings for an uninterrupted period of less than 45 days, cover hereunder is extended to include such stay.

GENERAL CONDITIONS:

1 Campus College School or Employers / Sponsors Doctor :

It is a condition of this insurance that if medical services are required the Insured Person consults first with the campus, college, school, or employers doctor in which event the first \$50 of the deductible is waived.

2 Hospitalisation and Major Medical Incidence :

It is a condition of this insurance that in the event of hospitalisation prior consultation will take place with the CLAIMS ADMINISTRATORS , except in life/or organ threatening situations in which case immediate notification and consultation is required. In addition all Out Patient treatment, where the cost of the complete course of treatment may exceed \$500/- in all, must similarly be the

subject of immediate consultation with the Claims Administrators (see Clauses prior Consultation and Claims Condition)

3 Eligibility:

This policy is valid only for Citizens of the Republic of India, who are temporarily residing in the Country of Posting or Study for the purpose of furthering their education or solely engaged in research projects and who are holders of an appropriate Student or are temporarily employed in a non manual role in the country of posting of study holding the appropriate Visa, having been posted to that Country by their Indian Employer. Unless specifically endorsed this policy is not valid if the Insured Person is a Citizen of the Country where posted or studying or has applied to become the same.

4 Entire Contract:

This policy together with the completed proposal form constitutes the entire contract between the parties. In addition all statements declarations and warranties made by the Insured Person shall be deemed representations and material facts.

5 Visa Status:

If at any time during the period of Insurance the Visa status of the Insured Person changes, the Insured Person must notify the Insurer or Claims Administrator in writing within 14 days.

Any such change may render this Insurance void.

6 Nature of Coverage:

This policy is not a general health insurance policy. It is intended only for the use of the Insured Person in the event of a sudden and unexpected sickness or accident arising when the Insured is eligible (as defined) for cover under the Insurance.

7 Pre-existing Exclusions:

This policy is not designed to provide an indemnity in respect of Medical Services the need for which arises out of a pre-existing condition (as defined)

8 Pronouns:

All personal pronouns used in this Policy shall include either gender unless the context indicates otherwise.

9 Co-operation:

The Insured Person and the licensed physician will co-operate fully with the Claims Administrator including full right of access to all related medical documentation, reports and evidence both in the Country of Posting or Study and India.

10 Case Management:

It is mutually agreed that the claims administrator is empowered to utilize case management techniques where appropriate to control claims costs and specifically to address the option of medical evacuation to India.

11 Rights of Subrogation:

Insurers shall be fully and completely subrogated to the rights of the Insured Person against parties who may be liable to provide indemnity or make a contribution in respect of any matter which is the subject of a claim under this Insurance. The Insured Person further agrees to co-operate fully with the Insurer and provide such information and documentation as required by the Insurer in order to collect and enforce its rights of subrogation.

The Insurer may institute any proceedings at its own expense against such third parties in the name of the Insured Person.

12 Assignment:

No assignment of benefits will be binding on the Insurer until copy of the assignment has been received by the Insurer or Claims Administrator. The insurer assumes no responsibility for the validity of the assignment. Any payment made in good faith will relieve the Insurer of its liability under the policy.

13 Dispute Resolution Procedure:

This contract of insurance includes the following dispute resolution procedure, which is exclusive and a material part of this contract of insurance.

14 Choice of Law:

The parties to this Insurance Policy expressly agree that the laws of the Republic of India shall govern the validity, construction, interpretation and effect of this policy.

15 Choice of Law:

Any claim, controversy or dispute of any kind or nature arising out of or relating to this contract of insurance, or the breach thereof, or to the construction, existence, interpretation, meaning or validity thereof or to the operation of performance thereunder, involving any of the parties, or anyone claiming the rights of any party to this contract shall be settled by arbitration in the Republic of India in accordance with the provisions of the Indian Arbitration and Conciliation Act 1996 as amended from time to time and from the time being in force, and it is the intent and purpose of the Parties thereto, to make the submission to arbitration of any dispute or controversy arising out of this Policy of Insurance, as set forth herein above, an express condition precedent of any legal or equitable action or proceeding of any nature.

Conditions :

The conditions below apply throughout this Insurance. Failure to comply with them may be prejudicial to a claim.

- 1 The Insurers may require the Insured Person to furnish at his own expense all certificates, information, proofs or other evidence of claims. The Insurers may approach any physician who may have treated the Insured Person during the period of three years prior to the commencement of this Insurance, and the Insured Person must co-operate in this respect.
- 2 The legal representative of an Insured Person shall have the right to act for an Insured Person who is incapacitated or deceased.
- 3 This policy and the Identification and Schedule shall be read together as one contract and any wording or expression to which a specific meaning has been attached in any part of this policy or the Identification and Schedule shall bear such specific meaning wherever it may appear.

Claim Conditions :

- 1 In the event that medical services are required the Insured Person shall where possible consult first within the campus, college, school or Employer's/ Sponsors' Doctor.

In case of Hospitalisation and out Patient treatment in excess of \$ 500 the Insured Person, his representative or the treating Licensed Physician will consult with the Claim Administrator prior to any medical services being purchased or

delivered except in life threatening or organthreatening situations where the consultation must take place as soon as possible.

In any event written advice together with relevant notes, documentation etc. in respect of any claim under this Insurance must be given to the Claims Administrator within 30 days after the date of diagnosis with respect to a claim which may be covered by this Insurance.

- 2 Benefits payable under this Insurance will be paid directly to the Insured Person who sustains the loss. However, all or any part of the benefits payable under this Insurance in respect of hospital, dental, nursing, medical or surgical services may at the Insurers option unless such Insured Person requests otherwise in writing not later than when filing proof of loss, be paid directly to the hospital or individuals rendering the services. Any benefit unpaid at such Insured Person's death will be paid to such Insured Person's estate.

IN WITNESS WHEREOF the undersigned being duly authorised by and on behalf of the Company has / have hereunto set his/their hand/s.

Place:

Date:

For and on behalf of

Duly Constituted Authority

IMPORTANT NOTICE

In case of situations requiring assistance, please contact

Location of Centre	April – Miami	April - Paris	Heritage Health TPA Pvt.Ltd. - Mumbai
Address	April USA Assistance, Inc. 11900 Biscayne Blvd # 600, Miami, Florida 33181 USA	April International Assistance 110, Avenue de la république 75011 Paris, France.	Heritage Health TPA Pvt.Ltd. 1102, Raheja Chambers 213, Free Press Journal Road, Nariman Point Mumbai- 400 021 India.
Toll – Free Number for Assistance	+1 877 536 7264 +1 800 358 9105 (Toll Free Within US and Canada)	+ 800 41 41 44 44 (Toll Free from Within Europe)	1800 22 4004 (Toll Free within India)
Other Telephone Numbers	+1 305 698 7757 +1 305 357 2100	+33 (1) 41 61 23 07 +33 (1) 41 61 23 00	+91 (22) 6654 7965 (24 hrs) +91 (22) 6654 7960 +91 (22) 6654 7961
Fax Number(s)	+1 305 698 0176 +1 305 891 7840	+33 (1) 44 51 1693	+91 (22) 6654 6812
E-Mail ID	assistance@april-usa.com	ops@coris.fr	heritagehealth@vsnl.net
Website	www.april.com	www.april.com	www.corisheritage.com
Jurisdiction	North, Central & South America	Continental Europe, UK & Ireland, Africa, Pakistan	South & South East Asia, Middle East, Australia & New Zealand

Corporate Frequent Traveller Endorsement

1. Notwithstanding anything contained herein to the contrary this insurance is valid in respect of trips undertaken by the insured person during the 12 months following the date of purchase as stated in the schedule subject to the duration of any one trip not exceeding 60 days and in the aggregate 180 days during the policy period.
2. In the event that the insured person is travelling outside India on the last day of insurance the cover hereunder shall extend to include duration of trip until his return to India within 59 days of the expiry date provided total period of travel undertaken by insured person shall not exceed 180 days in the aggregate.
3. It is understood and agreed that the person covered under this Endorsement was not more than 70 years of age at the inception of the period of insurance.
4. a) It is understood and agreed that the cover granted under this endorsement is subject to medical reports (i.e. Blood / Urine Strip Test and ECG and on Stress tests) submitted by the insured person who is above the age of 60 years at the inception of the policy.
b) It is understood and agreed that the cover is granted under this endorsement is always subject to the insured person advising the insurance company any material change in his health condition. All terms and conditions remain unaltered.

For and on behalf of

Duly Constituted Authority

ENDORSEMENT – (PLAN ‘K’)
IN RESPECT OF TRAVEL TO COUNTRIES IN ASIA OTHER THAN JAPAN
(ATTACHED TO OVERSEAS MEDICLAIM POLICY (B & H))

Notwithstanding anything mentioned herein, the insured person designated in the policy schedule having declared in the proposal, his / her plan to visit Asian countries (not including Japan) for a period not exceeding 30 days, this policy covers as under :

1. Section – A : Medical expenses and repatriation upto US Dollar 15000, subject to a deductible of US Dollar 50 only (including for dental services for immediate relief of dental pain)
2. Section – B : Personal Accident upto US Dollar 7500 only
3. All other sections (C, D, E & F) under the policy stand deleted

All other terms and conditions remain unaltered.

Authorized Signatory

Policy Issuing Office

PROPOSAL FORM FOR OVERSEAS MEDICLAIM POLICY
(Business & Holiday)

(To be submitted in original with 2 copies)
(available to persons in the age group of 6 months to 70 years)

Important

Please Make Sure you Read and Fully Understand this Document before you Travel from the Republic of India

Failure to Follow the Instruction given could result in Rejection of any Claim that might be made.

The Overseas Mediclaim Policy Provides Indemnity for Expenses Necessarily Incurred for Immediate Treatment of Illness, Diseases Contracted or Injury first Sustained (During the period of Insurance of Overseas Travel subject to Policy Terms and Conditions).

Policy also Offers Personal Accident Cover

Under Selected Plans, Following add on Covers are Offered :

- Total Loss of Checked in Baggage
- Delay of Checked in Baggage
- Loss of Passport
- Personal Liability

In the Absence of Medical reports as specified in item ii (b) Sum insured will stand reduced to an equivalent amount of us\$ 10,000 in respect of Medical expenses incurred through illness or Disease only, Subject to exclusion of Pre-existing Disease.

The attention of the proposer is drawn to item ii (Medical History) of the proposal form especially in relation to previous treatment for Illness or Disease such as renal disorders or Diseases, Cerebral or Vascular Strokes, Heart Ailment of any Kind, Malignancy Tuberculosis, Encephalitis, Neurological Disorders, Gall Bladder disorder, Arthritis requiring surgery and if any treatment has been received for any of the above disorders at any time in the past, such treatment must be dis-closed to the policy issuing office.

Neither the Insurers nor Claims settling agent shall be responsible for the availability, quality or results of any Medical treatment or the failure of the insured to obtain medical treatment.

The proposal form should be completed to the best of your knowledge and belief, and all Material facts should be disclosed. failure to do so may nullify cover under the Policy issued.

Note : Plan A-1 & A-2 (Worldwide travel excluding USA/Canada)

Plan B-1 & B-2 (Worldwide travel including USA/Canada)

Plan E-1 & E-2 (Corporate Frequent Travel to all destination including USA/Canada)

Plan K (For travel to Asian countries - Japan not included)

Medical reports are required

- (A) Trip is for period over 60 days and if
 - (a) insured person if over 60 yrs of age visiting USA/Canada
 - (b) insured is over 70 yrs of age and visiting countries other than USA/Canada.
- (B) Proposal reveals that insured had suffered from/suffering from any illness/disease.

The Proposal Form should be accompanied with (1) ECG printout with report and (2) Fasting blood Sugar and Urine Sugar, Urine Strip Test Report or any other medical report required by the company etc. along with the attached questionnaire II (B) to be completed and signed by the Doctor with minimum M. D. qualification conducting the test. In the absence of such medical tests and reports due to a shortage of time before travel, cover may still be granted subject to a satisfactory proposal form but the sum insured under policy, in respect of expenses incurred for the treatment of illness or disease shall be restricted to US \$ 10,000 only, which shall not cover the cost of Medical treatment for pre-existing disease. In case of accident however the full sum insured benefit would be available.

1. General Information

- 1. name of the proposer : Mr./Mrs. Miss/Master
(IN BLOCK LETTERS) As Stated in the Passport
- 2. Home Address & Telephonno No. :
- 3. Proposer's Actual Occupation :
(Specify)

4. Office Address :
5. Telephone No./Fax No./E-mail Address :
6. Age (In Completed Years) :Date of Birth.....
7. Passport No.
Date of Expiry &
Name of Passport issuing Authority
8. Plan Opted For : A-1 A-2 B-1 B-2 E-1 E-2 K
(Please Tick Relevant Plan)
9. Purpose of Visit
(Business/Holiday Travel)
10. Proposed Date of Departure from : Day Month Year
Republic of India i.e. first day of Insurance
11. Insurance Required for
(Number of Days).
12. Countries to be visited
(State Approximate Number of days at each Place)
13. Name, Registration No., Address &
Telephone No. of Family Physician

- N.B.
1. In case of any extension of stay abroad, requiring extension of policy period, approval of issuing office has to be obtained and appropriate premium paid before expiry of policy. request for such extension should be supported with a declaration of good health.
 2. In case of early return partial refund of premium will be permitted if the original cover is for minimum period of 60 days and unexpired period is not less than 14 days and also if no claim is lodged under the policy.

II. Medical History

(A) To be Completed by the Proposer

Please Answer the following questions with -YES' or -No' (A Dash is not Sufficient) and give full details:

1. Are you in good health and free from Physical and mental disease or infirmity:.....
2. Have you ever suffered from any illness or disease upto the date of making this proposal :

3. Do you have any physical defect or deformity :
4. Have you ever been admitted to any hospital/nursing :
home/clinic for treatment or observation:.....
5. Have you suffered from any illness/disease or had an accident in the 12 months preceding the first day of insurance.....
6. If the answer is 'yes' to any of the foregoing questions please give full details as under:

Nature of illness/disease/injury & treatment received	Date on which first treatment taken	Whether treatment completed/is continuing	Name of attending medical practitioner/Surgeon with his Address & Tel.Nos.

7. (a) Have you any intention of engaging in professional sports?
(b) If so, give details.
.....
8. Please give details of any knowledge of any positive existence of any ailment, sickness or injury which may require medical attention whilst on tour abroad.

I hereby declare that

- I 1. I will not be travelling against the advice of a physician.
2. I am not on the waiting list of any medical treatment.
3. I will not be travelling for the purpose of obtaining medical treatment'
4. I have not received a terminal prognosis for a medical condition before this day.

Assignment:

I..... do hereby assign the money payable under the policy in the event of my death to my.....
(relation to the insured: Mr./ Mrs./ Miss./ Master.....)

I further declare that his/her receipt shall be sufficient discharge to the company.

I further declare that and warrant that the above statements are true and complete. I consent to the insurers seeking medical information from any doctor who has at any

time attended concerning anything which affects my physical or mental health, and I authorize the giving of such information to Coris international and / or their programme medical advisers. I agree that this proposal shall form the basis of the contract should the insurance be effected.

I am willing to accept the policy, subject to the terms, exceptions and conditions prescribed therein.

Signature of proposer.

Date:/...../.....

Day Month Year

Place:

(B) To be completed by the Doctor [To be completed by M. D. only]

1. (a) History
- (b) Any past history of disease, operation accidents, investigation etc.
- (c) General Examination
- (d) systemic Examination
2. **Electrocardiography**
- (a) Does the attached Electrocardiograph in your professional opinion show any abnormalities if so, please describe:
- (b) Does the abnormality represent a current illness or disease which may possibly require medical treatment during proposer's forthcoming trip?
- (c) Does the Proposer now or did he/she in the past, require medication for this abnormality?
- (d) Please describe any treatment taken by Proposer in the past or being taken at present :
- e) Do you recommend Stress Test? If so please obtain the report on such test.
3. Does the Blood / Urine Strip Test show any sugar ?
4. Do you consider that Proposer is fit to travel anywhere abroad, due account being taken of the stress of air travel adversely affecting his health/medical condition?

Signature of the Doctor :

Name of the Doctor :

Qualification :

Address :

Telephone No. :

IMPORTANT

Please make sure you read and fully understand this document before you travel from the Republic of India.

Please read carefully the full details of the procedure for obtaining assistance and claims.

Failure to follow the instructions given could result in rejection of the claim.

OVERSEAS MEDICLAIM POLICY (B & H)

IRDA/NL-HLT/NIA/P-H/V.I/348/13-14

WHEREAS THE INSURED PERSON is designated in the Policy Schedule here to having by a proposal and declaration (and Medical History and Physician's Report and certificate, if any) which shall be the basis of the contract and shall be deemed to be incorporated therein, applied to The New India Assurance Company Limited (hereinafter called the insurers) for the insurance hereinafter set forth and having paid the premium for the insurance specified hereinafter for the number of days stated in the Policy Schedule. Now this policy provides as follows:

DEFINITIONS:

The following definitions apply throughout this insurance:

INSURED PERSON is that person named in the Overseas Mediclaim Policy Schedule, for whom the appropriate premium has been paid.

ILLNESS means a sickness or a disease or pathological condition leading to the impairment of normal physiological function which manifests itself during the Policy Period and requires medical treatment.

APRIL USA is APRIL USA Assistance, Inc. who provides emergency assistance and claims administration services. Their address is 11900 Biscayne Blvd # 600, Miami, Florida 33181 USA

HERITAGE is Heritage Health Services Private Limited, who provides assistance to the insured person whilst in India. Their registered & head office address is McLeod House, 3, Netaji Subhas Road, Kolkata – 700 001, Tel.: (033) 2248 2411/ 22483732, Fax: (033) 2248 0482/22430886, Email: heritage_health@bajoria.in, **Frontline office address is 1102, Raheja Chambers, 213, Free Press Journal Road, Nariman Point, Mumbai - 400021, India**, Tel.: (022) 66547960/61, Fax: (022) 66546812, Email: heritagehealth@vsnl.net

MEDICAL ADVISORS are medical Practitioners appointed by 'APRIL USA' / 'Heritage'.

PHYSICIAN means a person legally qualified to practice in medicine or surgery including other legally qualified medical practitioner duly licensed by their respective jurisdiction which person is not a member of the insured person's family.

MEDICAL RELATED EXPENSES REASONABLY AND NECESSARILY INCURRED means expenses that in the opinion of the treating physician and APRIL USA are medically necessary in order to maintain life and/ or relieve immediate pain or distress for Illness/disease accident first manifested/occurring during the period of insurance.

PERMANENT TOTAL DISABLEMENT means a condition wherein the insured person is permanently, totally and absolutely disabled from engaging in any employment or occupation of whatsoever description.

LOSS OF EYE means the total and irrecoverable loss of sight from one or more eyes.

LOSS OF LIMB means the loss of a hand or foot by permanent physical severance at or above the wrist or ankle including total and permanent loss of use of a hand or foot.

CHECKED IN BAGGAGE means the baggage handed over by the Insured Person and accepted by an International Airlines / carrier outside India for transportation in the same mode of conveyance as the Insured Person travels and for which the carrier has issued a baggage receipt.

VALUABLES means photographic, audio, computer, telecommunication and electrical equipment, telescopes, binoculars, spectacles, sunglasses antiques, watches, jewellery, furs and articles made of precious stones and metals.

PERIOD OF INSURANCE

This insurance is valid from the First Day of Insurance or date and time of departure from India, whichever is later, subject to General Condition [1 (i)] and expires on the last day of the number of days specified in the policy schedule or on return to India whichever is earlier.

Extension of the period of insurance is automatic for the period not exceeding 7 days, and without extra charge if necessitated by delay of public transport services beyond the control of the Insured person.

When injury/Illness accident covered under this policy is contracted during policy period and treatment for the same commences during the period and continues beyond the expiry date of this policy, only emergency expenses would be paid up to 45 days from the date of expiry of the policy provided the insured person is

medically incapable of travel. 'APRIL USA' must be notified immediately as soon as it is known that insured person is unfit to return to India. If any new Illness/injury/accident is contracted beyond the expiry date of the policy, treatment for the same would not be covered.

General Conditions Applicable to all Sections

The conditions below apply throughout this insurance. Failure to comply with them may be prejudicial to a claim.

1. (i) The policy will be valid only if the insured journey commences within 14 days of the first day of Insurance as indicated in the policy schedule.
 - (ii) Cancellation of the policy may be done ONLY in cases where a journey is not undertaken and ONLY on production of the Insured person's PASSPORT as a proof that the journey has not been undertaken. Any request for cancellation will be entertained not less than 14 days after the First Day of Insurance as indicated in the policy schedule. Such cancellation will be subject to deduction of cancellation charges by the underwriters as applicable.
 - (iii) Partial refund in premium is permitted on trip band basis provided cover is for a minimum period of 60 days and unexpired period is not less than 14 days subject to there being no claim under the policy.
2. It is a condition precedent to liability hereunder that in the event of any occurrence likely to give rise to a claim under this Insurance, that the Insured Person, or his representative, must notify 'APRIL USA' immediately. The Insured person or his representative should quote 'APRIL USA' as much information concerning the Illness, accident or occurrence as is available, including the name of the treating doctor, name and telephone number of the hospital, the OMP policy number and its date of issue.

For minor claims exceeding deductible, 'APRIL USA' / 'Heritage' should be contacted upon return to the Republic of India, and a claim form completed.

This document, together with invoices, travel documents and any other relevant details must be sent to 'APRIL USA' / 'Heritage', clearly stating under which section of this policy a claim is being made. Please note that if medical treatment has been received, medical certificates showing the nature of the injury or Illness together with all bills, and receipts if already paid, should be forwarded to 'APRIL USA' / 'Heritage'. In no event should a claim be notified to 'APRIL USA' / 'Heritage' later than 31 days after the end of an insured trip.

3. Insurers shall be fully and completely subrogated to the rights of the Insured Person against parties who may be liable to provide indemnity or make a contribution in respect of any matter which is the subject of a claim under this insurance. The Insured Person further agrees to co-operate fully with insurers in seeking such indemnity or contribution including where appropriate, insurers instituting proceedings at their own expense against such parties in the name of the Insured Person.
4. The Insurers may require the Insured Person to furnish at his own expense all certificates, information, proofs or other evidence of claims. The insurers may approach any physician who may have treated the Insured Person, and the Insured Person must co-operate in this respect.
5. No person shall admit liability or make any offer or promise of payment without the express written consent of the Insurers / APRIL USA.
6. The Insured Person shall take all reasonable and proper care to safeguard against accident or illness or loss of or damage to his property, as if this insurance was not in force. Failure to do so will prejudice the Insured Person's claim under this insurance.
7. The Insured Person may not transfer his interest in this insurance. However, the legal representatives of the Insured Person shall have the right to act for the Insured Person who is incapacitated or deceased.
8. This insurance does not operate beyond a period of 180 days continuous absence from the Republic of India unless specifically agreed by Insurers.
9. This policy and the Overseas Mediclaim Policy Schedule shall be read together as one contract and any wording or expression to which a specific meaning has been attached in any part of the Overseas Mediclaim Policy and Schedule shall bear such specific meaning wherever it may appear.
10. **Dispute resolution clause and procedure:** This Contract of insurance includes the following dispute resolution procedure which is exclusive and a material part of this Contract of Insurance.
 - a. **Nature of coverage:** This policy is not a general health insurance policy. Coverage under the medical expense section of this insurance is intended for use by the Insured person in the event of a sudden and unexpected sickness or accident arising when the insured person is outside the Republic of India.
 - b. **Pre-existing Exclusions:** This policy is not designed to provide an indemnity in respect of medical services, the need for which arises out of a pre-existing condition as defined below in General Condition 10 (c).

- c. **Pre-existing condition:** Any sickness for which the Insured Person has sought medical advice or has taken medical treatment in the preceding 12 months prior to the commencement of travel.
 - d. **Prior Consultation :** Any medical services or series of services with a cost of greater than US\$ 100 shall not be covered by this policy unless the Insured Person consults with 'APRIL USA in the manner set out in the General Condition number 2.
 - e. **Choice of Law:** The parties to this insurance policy expressly agree that the laws of the Republic Of India shall govern the validity, construction, interpretation and effect of this policy.
11. **Arbitration :** Any claim, controversy or dispute of any kind or nature arising out of or relating to this Contract of Insurance or breach thereof or to the construction, existence, interpretation, meaning or validity thereof or to the operation or performance thereunder, involving any of the parties, or anyone claiming the rights of any party to this contract shall be by arbitration in the Republic of India in accordance with the provisions of The Indian Arbitration and Conciliation Act 1996 as amended from time to time and for the time being in force, and it is the intent and purpose of the parties hereto, to make the submission to arbitration or any dispute or controversy arising out of this condition precedent to any legal or equitable action or proceeding of any nature.
 12. Any claim under this policy that is fraudulent, or if fraudulent means are used to secure payment of benefits under this policy, then such action shall render this policy null and void and all claims hereunder shall be forfeited.
 13. **No sum payable under this policy shall carry interest.**
 14. In the event of the Insured Person's death, Insurers shall have the right to carry out a post mortem at their expenses.
 15. Any claim which has not been conclusively proven and the amount thereof substantiated shall not be payable.

General Exclusions Applicable to all Sections

1. No claim will be paid where the Insured Person:
 - a. is travelling against the advice of a Physician: or
 - b. is receiving or on a waiting list for specified medical treatment declared in the Physician's report or certificate; or

- c. is travelling for the purpose of obtaining treatment; or
 - d. Has received a terminal prognosis for a medical condition.
2. No claim will be paid arising from suicide attempted suicide or willfully self inflicted injury or illness, mental disorder, anxiety, stress or depression, venereal disease, alcoholism, drunkenness or the abuse of the drugs, or any loss arising directly or indirectly from any injury, illness, death, loss, expenses, or other liability attributable to HIV (Human Immunodeficiency Virus) and/or any HIV related illness including AIDS (Acquired Immune Deficiency Syndrome) and/or any mutant derivative or variation thereof however caused.
 3. No claim will be paid arising from the insured person taking part in Naval, Military or Airforce operations.
 4. No claim will be paid arising from War, invasion, acts of foreign enemy, hostilities (Whether war be declared or not), civil war, rebellion, revolution, insurrection, military or usurped power or confiscation or nationalisation or requisition of or destruction of or damage to property by or under the order of any government or local authority.
 5. This insurance does not cover any claim arising from the loss or destruction or damage to any property whatsoever or any loss or expenses whatsoever resulting or arising therefrom or any consequential loss directly or indirectly caused by or contributed to by or arising from
 - a. Ionising radiation or contamination by radioactivity from any nuclear waste from the combustion of nuclear fuel; or
 - b. The radioactive, toxic, explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof.
 6. No claim will be paid which arises from the Insured person engaging in Air Travel unless he or she flies as a passenger on an aircraft properly licensed to carry passengers. For the purpose of this exclusion, Air Travel means being in or on, or boarding an aircraft for the purpose of flying therein or alighting therefrom following a flight.
 7. No claim will be paid arising from the participation of the Insured person in winter sports, mountaineering (where ropes or guides are customarily used), riding or driving in races or rallies, caving or potholing, hunting or equestrian, skew diving or other underwater activity, rafting or canoeing involving white water rapids, yachting or boating outside coastal waters (2 miles). Further no claim will be paid in case Insured Person participates in professional sports or any other hazardous sports. The claim is neither payable if arises from

participation in potentially dangerous sports for which the Insured Person is either untrained or physically unfit or using improper equipment.

8. No claim will be paid for losses arising from accidents on two wheeled motorized vehicles unless at the time of the accident the driver is dully qualified, is in possession of a current full International driving license and the insured person is wearing a safety crash helmet, or losses arising from accidents on two wheeled motorized vehicles over 50 cc.
9. No claims will be paid for losses arising directly or indirectly from manual work or hazardous occupation, self exposure to needless peril (except in an attempt to save human life), or if engaging in any criminal or illegal act.

SECTION A – Medical Expenses and Repatriation

Nature of coverage: This policy is not a general health insurance policy. Coverage under the medical expense section of this insurance is intended for use by the Insured person in the event of a sudden and unexpected sickness or accident arising when the insured person is outside the Republic of India.

This insurance will pay up to the limit of cover shown in the Schedule in total for the Insured person in respect of covered medical related expenses mentioned below, reasonably and necessarily incurred outside the Republic of India by the Insured Person suffering bodily injury, sickness, disease or death during the period of Insurance.

Notwithstanding the above, if 'APRIL USA' recommends that continued treatment in India is appropriate, the policy is extended to cover medical expenses incurred in India as specified in covered expenses described below, provided that expenses will only be paid at the usual and customary level for such services, and further provided that expenses will only be paid for treatment incurred within the 90 day period immediately following the first manifestation of the bodily injury, sickness or disease.

Covered expenses:

The following are payable only if the expenses relate to covered sickness / injury / disease or death.

1. Expenses for physician services, hospital and medical services and local emergency medical transportation.
2. Up to US \$ 225 per occurrence for dental services for the immediate relief of dental pain only. However, dental care rendered necessary as a result of a covered accident shall be subject to the limit of cover and deductible stated in the policy schedule.
3. Expenses for physician ordered emergency medical evacuation, including

medically appropriate transportation and necessary medical care en route, to the nearest suitable hospital when the Insured Person is critically ill or injured and no suitable local care is available, subject to the prior approval of the Medical Advisors. In extreme emergency in remote areas where APRIL USA cannot be contacted, the medical evacuation must be reported to the first available physician and the nearest Indian Consulate.

4. Expenses for medical evacuation, including transportation and medical care en route to a hospital in the Republic of India or the Insured Person's normal place of residence in the Republic of India when deemed medically advisable by the Medical Advisors and the attending physician.
5. If the Insured Person dies outside the Republic of India, the expenses for preparing the air transportation of the remains for repatriation to the Republic of India or up to an equivalent amount for a local burial or cremation in the country where the death occurred. All expenses must be approved by APRIL USA before the remains are prepared for transportation to the Republic of India or for local burial or cremation.

SPECIFIC CONDITIONS - (applicable to Section – A Medical expenses and Repatriation)

1. Medical, dental and transportation related claims will not be paid except at the usual customary and reasonable level of charges for such services;
2. All medical evacuation or transportation of remains must be approved in advance by 'APRIL USA' and their Medical Advisors.
3. No claim will be paid in respect of expenses for treatment, which could reasonably be delayed until the Insured Person's return to Republic of India. The question of what can or what cannot be reasonably delayed will be decided jointly by the treating physician and the Medical Advisors.
4. No claim will be paid that is less than the deductible stated in the Schedule. The deductible shall apply to each insured event and shall be borne by the Insured Person.
5. No claim in respect of cosmetic surgery will be paid, unless such cosmetic surgery is rendered necessary as a result of a covered accident.
6. No claims will be paid in respect of routine physical examination or any other examination where there is no objective indication of impairment of normal health.
7. No claim will be paid in respect of medical treatment and related services obtained within the Republic of India except as stated.

8. The insurance will not cover pregnancy of the Insured Person including resulting childbirth, miscarriage, abortion or complication of any of these.
9. Restricted Cover: In the event that the proposer is unable to present himself or herself for medical examination where called for by the Insurer, the limit of indemnity under this insurance is reduced to US \$ 10,000 in respect of and limited to the expenses for physician services, hospital physician and medical services and local emergency transportation and for repatriation of remains. Such limit applies to medical expenses incurred through covered Illness or disease only.
10. This policy is not a general health insurance policy. Coverage under this section is intended for use by the Insured Person in the event of a sudden and unexpected sickness or accident arising when the Insured Person is outside the Republic of India.

SECTION B – Personal Accident

This insurance will pay as hereinafter mentioned:

1. If at any time during the covered trip, the insured person shall sustain any bodily injury resulting solely and directly from accident caused by external, violent and visible means, then the insured person or his legal personal representative (s), as the case may be, will be paid, the capital Sum Insured mentioned against Personal Accident in the Schedule of this policy, if such injury shall within twelve calendar months of occurrence be the sole and direct cause of:
 - i) death of the insured person
 - ii) permanent Total Disablement (as defined in the policy) of the insured person
 - iii) total and irrecoverable loss of both eyes or two limbs or of one eye and one limb

Provided always that the policy will not pay under more than one of the foregoing sub clauses in respect of the same accident.

No claim will be paid for:

1. More than US \$ 2,000 in respect of death if the insured person's age is under 16 years; to be calculated at the time of effecting this insurance.

2. Any claim in excess of the amount stated in the Schedule in respect of any one Insured Person.

SECTION C : Loss of Checked in Baggage

(Not applicable under Plan K)

This insurance will pay up to the limit of cover shown in the Schedule in the event of the Insured Person suffering total loss of Checked in Baggage, as defined. The insurers reserve the right to replace or pay the intrinsic value of any lost article.

Specific Conditions:

1. The amount payable in respect of any one article, pair or set is limited to the amount stated in the Schedule.
2. In the event of loss of property whilst in the custody of a carrier, a Property Irregularity Report (PIR) must be obtained from the carrier immediately upon discovering the loss, which must be submitted to 'APRIL USA' in the event of a claim hereunder.
3. No partial loss or damage shall become payable. However, total loss or damage of an individual unit (s) of baggage shall not be construed as falling within this exclusion.
4. No claim will be paid for items valued in excess of US \$ 100 without proof of ownership. Such proof shall be presented to APRIL USA in the event of a claim hereunder.
5. No claim will be paid for Valuables as defined. Such items should at all times be carried by the Insured Person and not packed as part of checked in baggage.
6. Any recovery from a carrier or an airline including under the terms of the Warsaw Convention, shall become the property of insurers.

SECTION D – Delay of Checked in Baggage

(Not applicable under Plan K)

This insurance will pay up to the limit of cover shown in the Schedule for necessary emergency purchase of replacement items in the event that the Insured Person suffers a delay of more than 12 hours from the scheduled arrival time at the destination for delivery of Baggage that has been checked in by an International Airline for an International outbound flight from the Republic of India.

Specific Conditions:

1. A non-delivery certificate must be obtained immediately from the airline, which must be submitted to 'APRIL USA' in the event of a claim hereunder.

2. Proof of purchase must be provided for all items reimbursed under this section.
3. Any payment under section D shall be offset against any claim ultimately payable under section C.

SECTION E – Loss of Passport

(Not applicable under Plan K)

In the event of the Insured Person losing his/her Passport during the trip covered, this insurance will pay up to the limit of cover shown in the Schedule for the reimbursement of actual expenses necessarily and reasonably incurred by the Insured Person in connection with obtaining emergency travel documents or duplicate / fresh Passport in lieu of lost passport outside India.

No claim will be paid that is less than the deductible stated in the Schedule. The deductible shall apply to each insured event and shall be borne by the Insured person.

No claims shall be paid for:

1. Loss or damage to passport due to delay or from confiscation or detention by customs, police or other authority.
2. Theft which is not reported to any appropriate police authority within 24 hours of discovery and an official report obtained.
3. Loss or theft of passport left unattended by the Insured Person unless located in a locked hotel room or apartment and an appropriate sized safety deposit box was not available for use by the Insured Person.

SECTION F – Personal Liability

(Not applicable under Plan K)

This insurance will pay up to the limit of cover shown in the Schedule if the Insured Person in his or her private capacity becomes legally liable to pay for accidental bodily injury to Third Parties or accidental damage to Third Party Properties, arising from an incident during the covered trip.

Specific Conditions:

1. No claims will be paid that is less than the deductible stated in the Schedule. The deductible shall apply to each insured event and shall be borne by the Insured Person. However, the deductible shall only apply to claims in respect of Third Party Property Damage.
2. No claims shall be paid arising from Employers or Contractual Liability.

3. No claims shall be paid arising from liability to any members of the Insured Person's family, travelling companion, friend or colleague.
4. No claims shall be paid for any liability arising directly or indirectly from or due to:
 - a. animals belonging to the Insured Person or in their care, custody or control :
 - b. any willful, malicious or unlawful act;
 - c. pursuit of a trade, business or profession, employment or occupation:
 - d. ownership, possession or use of vehicles, aircraft, watercraft, parachuting, hand gliding, hot air ballooning or use of firearms;
 - e. legal costs of any proceedings that result from any criminal or illegal act;
 - f. insanity, the use of any alcohol, drugs, (except as medically prescribed) or drug addiction;
 - g. the supply of goods or services;
 - h. Any form of ownership or occupation of land or building (other than occupation only of any temporary residence.)

IMPORTANT NOTICE

In case of situations requiring assistance, please contact:-

Location of Centre	April – Miami	April - Paris	Heritage Health TPA Pvt.Ltd. - Mumbai
Address	April USA Assistance, Inc. 11900 Biscayne Blvd # 600, Miami, Florida 33181 USA	April International Assistance 110, Avenue de la république 75011 Paris, France.	Heritage Health TPA Pvt.Ltd. 1102, Raheja Chambers 213, Free Press Journal Road, Nariman Point Mumbai- 400 021 India.
Toll – Free Number for Assistance	+1 877 536 7264 +1 800 358 9105 (Toll Free Within US and Canada)	+ 800 41 41 44 44 (Toll Free from Within Europe)	1800 22 4004 (Toll Free within India)
Other Telephone Numbers	+1 305 698 7757 +1 305 357 2100	+33 (1) 41 61 23 07 +33 (1) 41 61 23 00	+91 (22) 6654 7965 (24 hrs) +91 (22) 6654 7960 +91 (22) 6654 7961
Fax Number(s)	+1 305 698 0176 +1 305 891 7840	+33 (1) 44 51 1693	+91 (22) 6654 6812
E-Mail ID	assistance@april-usa.com	ops@coris.fr	heritagehealth@vsnl.net
Website	www.april.com	www.april.com	www.corisheritage.com
Jurisdiction	North, Central & South America	Continental Europe, UK & Ireland, Africa, Pakistan	South & South East Asia, Middle East, Australia & New Zealand

Claim Form for Overseas Mediclaim Policy

(To be submitted at the nearest office of CORIS)

(For Addresses See Policy Docket)

Name of Persons Claiming: Mr. / Mrs.

Home Address in India:

Occupation: Date Time Tel. No.

.....
Details of Certificate C.O. Code D.O. Code Plan Category

Certificate No.

Serial Number

Date - Policy Issued

Date - Trip Commenced

No. of Days

Scheduled Date of Return

Geographical Limits

Worldwide Excl.

Worldwide Include

USA & CANADA

USA & CANADA

.....
Name and Age of Each Person Included in the Claim

Mr./Mrs./Miss. Initials Surname Date of Birth
Day Month Year

.....
Policy Section Relating to Claim (Tick Boxes)

Personal Accident

Medical Expenses
Loss of Passport
Loss of Checked in Baggage Personal Effects
Delay of Checked Baggage
Personal Liability

.....
Date of Claim Occurrence: _____ Trip Destination _____
.....

Please Complete Appropriate Section of Claim form and Read Carefully the Instructions Relating to Supporting Documents Required. When Completed Please Sign Declaration:

I Declare that to the best of my knowledge all particulars contained in this form are true. I also authorise Coris International to obtain may medical records or information necessary to process the claim.

Signed: _____ Date: _____ Place: _____

- 2-

**Medical and Emergency Expenses / Hospital
Benefit/ Personal Accident
(Including Additional Travel, Accommodation Expense)**

I) Documents Required:

The following documents must be enclosed with your completed claim from

- Original Certificate of Insurance Together with any
- Copies of Airline Tickets
- Original Bills or Receipts for Full Amount of Claim (Photocopies Not Acceptable)
- Confirmation By Hospital of Dates of Hospitalisation (For Claims for Hospital Benefits)

- Death Certificate (For Compensation Claims of Death by Accident)
- The Medical Certificate Does not Need to be Completed for Minor Accidents or. Illness
- Physician's Report (Original Attached to the Policy of Applicable).

These documents must be supplied with the completed claim form at the Claimant's expense. Failure to do so will delay the processing of your claim and could result in it being declined.

- I) To be Completed by the Claimant or the Claimants Legal Representative:
 - 1) Name of Sick or Injured Person:
 - 2) Nature of Injury / Illness:
 - 3) Date of Injury / Illness:
 - 4) Place of Injury / Illness:
 - 5) Circumstances of Injury:
 - 6) If claim was due to hospitalisation or curtailment, was the Emergency Assistance Departmental contacted YES/NO. If not, please advise, why, on an additional information Sheet.
 - 7) Dates of Hospitalisation: From _____ To: _____
 - 8) Details of Claim:
 - 9) Details of any third parties involved in accidental injury or death of insured person.
 - 10) Details of Private Health Insurance
 - 11)
 - a) Name of Insurer:
 - b) Address of Insurer:
 - c) Policy Number:
 - d) Telephone Number:

Details of Claimed Expense, Providers Name, Prescription Charges, etc.	Amount Charged in Local Currency	IMPORTANT Has Bill Been Paid by You*
		YES / NO
		YES / NO
		YES / NO
		YES / NO
		YES / NO
		YES / NO
		YES / NO
		YES / NO
TOTAL AMOUNT		*Delete where Applicable

-3 -

**Baggage, Personal Effects
(INC. Baggage Delay)**

I) Documents Required:

Original Certificate of Insurance (Photocopies not Acceptable Unless an Annual Policy)

Airline Tickets

Any Available Receipts for the Lost Baggage if Unavailable Supply any other Documentation which could Assist in Giving Proof of Value, eg. Valuations, Sales Literature, etc.

Originals of all Written Reports Received from Carrier if Verbal Reports only was made Please Specify.

Please Supply Property Irregularity Report and Copies of your Correspondence with the Airline.

If Claim is for Delayed Baggage, Please Supply Property Irregularity Report and Letter from Carrier Confirming Reason for Delay and Duration of the Delay.

These Documents Must be Supplied with the Completed Claim form at the Claimant's Expense, Failure to do so will Elay the Processing of Your Claim and Could Result in it Being Declined.

ii) To be Completed by the Claimant or the Claimant's Legal Personal Representative.

- 1) Time, Date and Place of Loss / Delay :
- 2) Full Circumstances of Loss / Delay :
- 3) Loss / Delay occurred in the custody of an airline.
 - a) Date reported to Carrier :
 - b) Name and address of carrier

- 1) Name and Position of any other person in authority to whom the matter was reported.
- 2) Details of Household Contents or All Risks Policy or any other Policy in force which may cover this loss including Private Policy Travel Extension (This Section Must Not be Left Blank).

Name of Insurer:

Address:

Policy No.:

Tel. No.:

Additional Information You May Wish to Give in Support of Your Claim Under any Section of the Policy

.....
.....
.....

Once a claim becomes payable under the terms and conditions of the policy and any costs have been met by you or any person on your behalf please indicate below to whom you would like cheque payable and their full address:

Payee's Name:

Address:

Date:

Place:

Signature:

ECS Details of the Insured

1	Name of the Insured (as appearing in the Bank Account)	
2	Bank Name	
3	Branch and address	
4	Bank Account No.	
5	Bank Account Type	
6	IFSC Code	
7	MICR Code	

4.4 Travel by Road

Highlights

This policy covers all types of vehicles plying on public roads such as:-

- Scooters & Motorcycles
- Private cars
- All types of commercial vehicles
- Motor Trade (vehicles in show rooms and garages)

As per the Motor Vehicles Act, 1988 it is mandatory for every owner of a vehicle plying on public roads, to take an insurance policy, to cover the amount, which the owner becomes legally liable to pay as damages to third parties as a result of accidental death, bodily injury or damage to property. A Certificate of Insurance must be carried in the vehicle as a proof of such insurance.

Two types of covers are available:

1. Liability only policy. This covers third party liability for bodily injury liability and / or death and property damage. Personal Accident cover for Owner-driver is also included.
2. Package policy. This cover loss or damage to the vehicle insured in addition to (1) above.

No- claim discounts are available on renewal of policy, ranging from 20% to 50%, depending upon the type of vehicle and the number of years for which no claim has been made.

Scope

Liability Only policies:

The policy covers the vehicle owner's legal liability to pay compensation for:

1. Death or bodily injury to a third party person.
2. Damage to third party property.

Liability is covered for an unlimited amount in respect of death or injury and damage to third party property for Rs.7.5 lacs under Commercial vehicle and private and Rs. 1 lakh for Scooters / Motor Cycles.

Package Policy

In addition to the coverage under liability only, this policy covers loss or damage to the insured vehicle and its accessories due to:

1. Fire, explosion, self-ignition or lightning.
2. Burglary, housebreaking or theft.
3. Riot and Strike.
4. Malicious Act.
5. Terrorist Act.
6. Earthquake (Fire and Shock) Damage.
7. Flood, Typhoon, Hurricane, Storm, Tempest, Inundation, Cyclone and Hailstorm.
8. Accidental external means.
9. Whilst in transit by road, inland waterway, lift, elevator or air.
10. By landslide/Rockslide

The policy also pays for towing charges from the place of accident to the workshop upto a maximum limit of Rs.300/- for Scooters/Motorcycles and Rs.1500/- for cars and commercial vehicles. It is also permissible to opt for higher towing charges subject to payment of extra premium.

A restricted cover is also available covering the risk of Fire and/or Theft only, in addition to the compulsory cover granted under "Liability Only Policy". However the same is not available in case of vehicle ratable under Class D, Tariff for Miscellaneous and special types of vehicles.

The important exclusions under the policies are:

- Wear and tear, breakdowns
- Consequential loss
- Loss when driving with invalid driving license or under the influence of alcohol.
- Loss due to war, civil war, etc.
- Claims arising out of contractual liability.

- Use of vehicle otherwise than in accordance with 'limitations as to use' (e.g. private car being used as a taxi)

Rating factors

Rating depends upon the following factors:

1. IDV.
2. Cubic capacity
3. Geographical zone
4. Age of the vehicle
5. GVW of in case of commercial vehicles
6. Add on Covers

Add on covers

The policy can be extended to cover the following risks on payment of additional premium:

1. Loss or damage to accessories fitted in the vehicle such as stereos, fans, air-conditioners etc.
2. Personal accident cover under private car policies for:
 - passengers
 - paid driver
3. Legal liability to employees.
4. Legal liability to non-fare paying passengers in commercial vehicles.

Who can take the policy?

Any vehicle owner whose vehicle is registered in his/her name with the Regional Transport Authority in India.

How to select the sum insured?

The sum insured of a vehicle in a Motor Policy is referred to as the I.D.V., which stands for Insured's declared Value.

In case of theft of vehicle or if the vehicle is totally damaged and beyond repairs in an accident, the claim amount payable will be determined on the basis of the IDV. The IDV of the vehicle is to be fixed on the basis of manufacturer's listed selling price of the brand and model of the vehicle proposed for insurance at the commencement of insurance / renewal and adjusted for depreciation as per schedule.

IDV of vehicle which is beyond 5 years of age and of obsolete models of the vehicles (i.e. models which the manufacturers have discontinued to manufacture) is to be determined on the basis of an understanding between insurer and insured.

How to claim?

In the event of an incident giving rise to a claim under the policy, the following steps should be taken:

In case of accidental damage to the vehicle:

1. Immediate intimation to the nearest office, which will issue a Claim Form.
2. Claim Form duly filled in to be submitted along with copy of Registration Certificate and driving license of the driver of the vehicle at the time of accident as also estimate of repairs.
3. Vehicle will be surveyed by a Surveyor, appointed by the insurance company, who shall submit his report to the company. In case of a major damage to the vehicle, a spot survey, at the site of accident, would also be arranged by the company.
4. Final bills/cash memos are to be submitted duly signed by the insured.
5. Salvage of the damaged parts may be required to be deposited with the insurance company after approval of the claim.

In case of theft of the vehicle:

1. Lodge an F.I.R. with the police immediately.
2. Inform the policy issuing office with a copy of FIR.
3. Submit the Final Police Report as soon as it is received.
4. Extend full cooperation to the surveyor and/or investigator appointed by the company.

5. After approval of the claim by the company, get the Registration Certificate transferred in the name of the company, hand over the keys of the vehicle, submit a letter of Subrogation and Indemnity on stamp paper duly notarized.

In case of liability claim:

1. Inform insurance company immediately of any incident likely to give rise to liability claim.
2. On receipt of summons from Court, the same should be sent to the company immediately.
3. Claim Form duly filled in along-with copies of Registration Certificate, Diving License, FIR are to be submitted.

MOTOR VEHICLE CLAIM FORM					
THE ISSUE OF THIS FORM IS NOT TO BE TAKEN AS ADMISSION OF ANY LIABILITY Please answer all required questions fully					
Claim No.:		Date & Time of Intimation			
Policy No. / Cover Note No.		Period of insurance			
Name of the Insured & Address, e-mail ID & Mobile No.			Reporting Branch/Divisional Office		
PIN _____ e-mail ID _____ Mobile No. _____ PAN No. _____ Bank A/c. Particulars _____			Office Code _____ Address _____ _____ _____ _____ PIN _____		
DETAILS OF ACCIDENT / THEFT					
Date:		Time:		Place:	
FIR No. & Date		Charges u/s:		Police Station:	
In case other Vehicle(s) is/are involved/responsible, specify vehicle No(s).			Policy details of that Vehicle(s)		
Name of the Complainant, who lodged the FIR:					
For what purpose was the vehicle being used at the material time?					
Brief particulars of the accident:					
FIR: Specify the reasons for delayed FIR or not lodging an FIR.					
Details of other Insurance Policy, if any:					
Policy No.:		Period of insurance			
THE INSURED VEHICLE PARTICULARS					
Regd. No.	Make	Year	Engine No.	Chassis No.	Cubic / Carrying Capacity
For Private Vehicle:					
Whether Occupant(s) / Pillion - Rider(s) was / were carried at the material time of accident?		Yes / No	Give name and addresses, contact Tel. No. of passengers/other witnesses if any		
For Commercial Vehicle:					
Regd. Laden Weight	Kgs.	Unladen Weight	Kgs.	Weight of Goods Carried	Kgs.
Type of Permit:		Nature of Goods carried		Person Carried in Goods Vehicle	
Whether Public Liability Policy is taken (For dangerous / Hazardous Goods)		Yes / No	If yes, specify Policy No. & validity period		
No. of Passengers carried in case of PSV at the material time of accident:			No. of Passengers permitted under Permit:		
Whether the vehicle attached with Trailer(s)? Yes / No. If Yes, specify No(s):					
Policy / Cover note Nos.:		Period of insurance			

MOTOR VEHICLE CLAIM FORM

Specify No. of Persons Injured / Died :	Injured:	No.:	Death:	No.:
Whether any of your Workman sustained injury / death: Yes / No	Injured:	No.:	Death:	No.:
Specify the wages paid to the concerned Workman/men:				
Specify, the nature of damage to TPPD:				Approximate Cost of TPPD damage: Rs.
<p>N. B.: Kindly enclose a separate Sheet stating details of name, age, income etc. of the person(s) injured / died.</p>				
DETAILS OF THE DRIVER ON THE WHEEL, AT THE MATERIAL TIME OF ACCIDENT:				
Name & Address of the Driver				Age:
Relationship with Insured: Put 'X' Mark	Self	Own Paid Driver	Relation / Friend/ Other	
Driving Licence No.:	Issuing Authority:			
Specify, type(s) of Motor Vehicle(s) Authorised to drive:	Date of expiry:			
Specify, Original issuing Authority and subsequent renewing Authorities in chronological order:	1	2		
	3	4		
Whether the Driving Licence is / was suspended any time by the Competent Authority / Court :				Yes / No
If yes, give details:				
Has the driver had any previous accidents in the five years, if yes give details:				
DETAILS OF DAMAGE TO INSURED VEHICLE:				
When & where the damaged vehicle can be inspected:				
Nature & Description of the Damage to the Insured Vehicle:	IDV : Rs.:	Approximate Estimated Cost of repairs:	Rs.	
<p>N. B.: Please enclose the estimated Cost of repairs of the Insured vehicle</p>				
<p>I / we the above named, do hereby, to the best of my / our knowledge and belief, warrant the truth of the foregoing statements in every respect, and I / we have made, or in any further declaration, the Company may require in respect of the said accident, shall make any false or fraudulent statement, or any suppression or concealment of fact, the policy shall be void and all right to recover thereunder, in respect of past, present or further accidents shall be forfeited.</p>				
Place:				
Date:	*Signature of the Insured			
<p>(* Only the Insured can sign this claim form)</p>				

ECS Details of the Insured

1.	Name of the Insured (as appearing in the Bank)	
2.	Bank Name	
3.	Branch and address	
4.	Bank Account No.	
5.	Bank Account Type	
6.	IFSC Code	
7.	MICR Code	

INSTRUCTION ON INSURED'S DECLARED VALUE	
<p>The Insured's Declared Value (IDV) of the vehicle will be deemed to be the 'SUM INSURED' for the purpose of this tariff and it will be fixed at the commencement of each policy period for each insured vehicle.</p>	
<p>The IDV of the vehicle is to be fixed on the basis of manufacturer's listed selling price of the brand and model as the vehicle proposed for insurance at the commencement of insurance, reduced and adjusted for depreciation (as per schedule specified below). The IDV of the side car(s) and / or accessories, if any, fitted to the vehicle but not included in the manufacturer's listed selling price of the vehicle is / are also deemed to be fixed.</p>	
<p>The schedule of aggregate depreciation as shown below is applicable for the purpose of Total Loss/ Constructive Total Loss (TL/ CTL) claims only. A vehicle will be considered to be a CTL where the aggregate cost of retrieval and / or repair of the vehicle subject to terms and conditions of the policy exceeds 75% of the IDV.</p>	
SCHEDULE OF DEPRECIATION FOR ARRIVING AT IDV	
AGE OF THE VEHICLE	% OF DEPRECIATION FOR FIXING IDV
Not exceeding 3 months	4%
Exceeding 3 months but not exceeding 1 year	15%
Exceeding 1 year but not exceeding 2 years	20%
Exceeding 2 years but not exceeding 3 years	30%
Exceeding 3 years but not exceeding 4 years	40%
Exceeding 4 years but not exceeding 5 years	50%
<p>Note: 1. IDV of obsolete model of vehicle (i.e. Models which the manufacturer have discontinued to manufacture) and vehicles beyond 5 years of age will be determined on the basis of an agreed percentage between the insurer and the insured.</p>	
Declaration by the Proposer	
<p>I / We hereby declare that the statements made by me / us in this Proposal Form, including document(s) attached, are true and correct, to the best of my / our knowledge and belief and nothing materially affecting the risk has / have been concealed by me / us. I / We hereby agree that this declaration shall form the basis of the contract between me / us and 'The New India Assurance Co. Ltd.' and shall form part of the insurance contract.</p>	
<p>I / We further declare that any addition(s) or alteration(s) or modification(s) in / are carried out in the vehicle or in the document(s), during the currency of the policy, furnished / forming part of this Proposal Form, shall be intimated in writing to the insurer immediately, failing which, the same shall be construed as breach of the Contract and my / our rights shall be forfeited hereunder, irrespective of whether or not, the same is material to the losses / liabilities.</p>	
<p>I / We also declare that I / we shall comply with the requirements of M. V. Act, 1988, and subsequent amendments thereto from time to time and rules made there under.</p>	
<p>I / We also declare that I / we shall inform this insurer, in case, the Government requisition this vehicle during the currency of the Policy (OR-38 of IMT).</p>	
<p>I / We also declare that this vehicle shall be handed over to the Driver only after due verification of genuineness and effectiveness of his Driving Licence to drive this vehicle.</p>	
<p>I / We hereby also declare that I / we am / are willing to accept a policy of insurance in the company's usual form.</p>	
Place	LT / Signature(s) of the Proposer
Date & Time	Name of the Witness with signature
<p>N.B. I / We am / are getting my / our signature(s) after understanding the above contents, incorporated in this Proposal Form, read over to me / us, are true and in accordance with my / our version.</p>	
VEHICLE INSPECTION REPORT IN CASE OF BREAK IN INSURANCE	
(For Office Use Only)	
Vehicle No.:	Colour of the vehicle:
Chassis No.:	Engine No.:
	Odometer Reading
	Place of Inspection:
Specify the condition of the Vehicle and damages, if any:	
N.B.: Whether Photograph(s) of the Vehicle is/ are attached for ready reference? If yes, specify Nos. of Photographs:	
Date & Time:	Signature:
Place:	Name:
	Designation:
	S. R. No.:
Recommendation(s) of the Development Official:	Signature & Date with Name & S. R. No.:
Nominated Under-Writer:	Signature & Date with Name & S. R. No.:
INSURANCE ACT, 1938, SECTION 41 - PROHIBITION OF REBATES:	
<p>1. No person shall allow or offer to allow, either directly or indirectly as an inducement to any person to take out or renew or continue an insurance in respect of any kind of risk relating to lives or property in India, any rebate of the whole or part of the commission payable or any rebate of the premium shown on the policy, nor shall any person taking out or renewing or continuing a policy accept any rebate except such rebate as may be allowed in accordance with the prospectus or tables of the Insurer.</p>	
<p>2. Any person making default in complying with the provisions of this section shall be punishable with fine, which may extend to five hundred rupees.</p>	

Personal Accident Insurance (Individual)

(For the use of Proposer)

(For the use of office)

- | | |
|--------------------------------|----------------------------------|
| 1. Name : | Policynumber : |
| 2. Address : | Agency : |
| 3. Age Last Birthday : | Issuing Office : |
| 4. Profession/Occupation | Statistical Code |
| 5. Annual Income | Premium: |
| 6. Capital Sum Insured : _____ | Personal Accident : Rs _____ |
| (a) Sum Insured | Medical Expenses : Rs. _____ |
| (b) Cumulative Bonus Earned | Total : Rs. _____ |
| 7. Period of Insurance : | Less : Discount : Rs. _____ |
| From : _____ | Net : Rs. _____ |
| to Midnight of : _____ | |
| (both days inclusive) | Subject to Endorsement No. _____ |
| 8. (A) Benefit to be Covered | |

(Please tick () against the table required)

Table A

Table C

Table B

Table D

B) Whether Medical expenses(due to accident)desired to be covered ?

YES /NO

9. Whether Family Package cover required. If so state in names of persons to be covered.

	Name	Age	Relationship	Income
(I)				
(II)				
(III)				
(IV)				

Declaration For Assignment

I(Name in full) do hereby assign the moneys payable by the New India Assurance Co., Ltd., in the event of my death to my.....(mention relationship with the Insured) Mr./Mrs./Miss.and I further declare that his/her receipt shall be sufficient discharge to the Company.

(Name in full)

Signature

Dated.....

WITNESS

at.....

Name.....

Date.....

I declare that the above answers are true to the best of my knowledge and belief, that I have disclosed all particulars effecting the assessment of the risk. I agree that this proposal and declaration shall be the basis of the contract between me and the Company.

I also declare that I do not suffer from loss/disablement/defect.

Date :

Place :

Signature of the insured

IN WITNESS WHEREOF this Policy has been signed

at.....this.....day of ----- 200_

Duly Constituted Attorney(s)

PROHIBITION OF REBATES

The following is the copy of Section 41 of the Insurance Act 1938.

- 1. No person shall allow or offer to allow, either directly or indirectly, as an inducement to any person to take out or renew or continue an Insurance in respect of any kind of risk relating to life or property in India, any rebate of the whole or part of the commission payable or any rebate of the premium shown in the policy; nor shall any person taking out or renewing continuing a policy accept any rebate, except such rebate as may be allowed in accordance with the published prospectuses of rebates of the Insurer.*
- 2. Any person making default in complying with the provisions of this section shall be punishable with fine which may extend to five hundred rupees.*

*

Personal Accident Insurance Claim Form (Particulars) of Accident

Policy No.

Branch /Unit

Claim No.

TO BE COMPLETED BY THE INSURED

1. (a) Name of the Insured [in full] (b) Name of the injured Person (c) Address in full (d) Profession or occupation (e) Age at last birthday	
2. Policy No. Period (i) (ii) (iii)	Sum Insured Table of Cover
3. (a) Date of the accident? (b) Time of accident? (c) Where it happened? (d) Name and address of witness	
4. How did the accident occur ?	
5. Nature of injury received (If to limb or eye state whether right or left)	

<p>6. (a) Nature of disablement</p> <p>(b) Extent of disablement</p> <p style="padding-left: 40px;">Confined to bed</p> <p style="padding-left: 40px;">Confined to house</p> <p>(c) Present state of incapacity</p>	<p>[from _____ To _____]</p> <p>[from _____ To _____]</p>
<p>7. Name and address of surgeon in attendance</p>	
<p>8. (a) Where and when can a Medical Officer of the Company visit you, if necessary ?</p> <p>(b) Name of nearest railway station and distance therefrom</p>	
<p>9. (c) Are you insured in any other office or offices granting compensation for accident</p> <p>(d) If so state name and address of company or companies and amount of insurance</p>	

I hereby declare that the foregoing statements are made by myself and are true in all respect and that I have not attempted to conceal from the Company anything which it ought to be made acquainted and also that I have not abstained from any usual occupation longer than absolutely necessary and I agree that if I have made, or in any further declaration the Company may require, shall make any false or fraudulent statement or any suppression, concealment or untrue averment whatever, the Policy shall be void and my right to compensation forfeited and am willing, if required to make a Statutory Declaration before a Justice of the Peace of the truth of the whole of the foregoing statement or any other statement I may make a connection with this claim.

Witness:

Name..... Signature of the Insured
Signature Date :
Date
Address

Certified to be Filled up and Signed by an Eye Witness to the Accident

I hereby certify that I was present when the Accident occurred to Mr
..... On the day of
..... 20 in the manner stated by him over leaf,
that it was caused by..... which * was / was
not his willful act and that he * was/was not under the influence of intoxicating
liquor at the time.

Signature
Address
* Strike out which is not applicable Occupation
Date

MEDICAL CERTIFICATE

Claims must be Supported by medical Evidence furnished by the Insured and at his expense.

-
- | | | |
|-------------------------|---------|---------|
| 1. (a) Name of Claimant | (b) Sex | (c) Age |
|-------------------------|---------|---------|
-
2. (b) Nature and cause of accident
(b) If to eye or limb, state left or right

(c) Whether the appearance of the Injuries are consistent with the account given of the accident.

-
3. Date on which you first attended Claimant for this injury
-
4. Has Claimant been totally prevented from attending to any portion of his business ? If so how long ?
-
1. Is Claimant suffering from any disease or illness apart from his injury and is there any illness by circumstances which may tend to retard recovery? If so, give particulars?
-
2. Present Condition
-
7. How long from the happening of the Accident do you consider Total disablement will last ?
-

Having personally examined the above named Insured I certify that the above statements are correct and that the injured person is necessarily disabled by the Accident referred to

Signature

Name & Qualification

Address

Date

REMARKS FOR EXTRA DETAILS

ECS Details of the Insured

1	Name of the Insured (as appearing in the Bank Account)	
2	Bank Name	
3	Branch and address	
4	Bank Account No.	
5	Bank Account Type	
6	IFSC Code	
7	MICR Code	

**Standard Proposal form for “Liability Only” Policy
(For Private Cars / Two Wheelers)**

A. Questions that are necessarily to be listed for granting the cover as per the Motor Vehicles Act-1988.

A. (I). Personal Details of Proposer/Owner :

Personal Details	1. Proposer's (Owner's) Full name (In capital letters)	
	2. Address (where the vehicle is normally kept) (In capital letters, with pin code)	Telephone: _____ Pin: _____ Mobile No: _____ Fax: _____ Mail Id: _____
	3. Occupation / Business	
	4. Type of Cover	Liability Only Policy
	5. Period of Insurance	From: Hrs. on/...../..... To: Hrs on/...../.....

A (TT) Vehicle Details

Vehicle Specifications	6. Registration Number of the Vehicle	
	7. Date of Registration of the Vehicle	
	8. Registering Authority & Location	
	9. Year of Manufacture	
	10. Engine Number	
	11. Chasis Number	
	12. Make of the Vehicle	
	13. Model	
	14. Type of Body	
15. Cubic Capacity of the Vehicle		

	16.	Seating Capacity Including driver	
	17.	Whether the vehicle is driven by non-conventional source of power / CNG / LPG / Bi-Fuel? If 'YES', please give details	
	18.	Whether the use of Vehicle is limited to own premises?	Yes / No
	19.	Whether the vehicle is used for commercial purpose?	Yes / No
	20.	Whether the vehicle is used for driving tuitions? (GR-44)	Yes / No
	21.	Details of Hire Purchase / Hypothecation / Lease (IMT-5)	
		(a) Is the vehicle proposed for insurance is: (i) Under Hire Purchase? Yes / No (ii) Under Lease Agreement? Yes / No (iii) Under Hypothecation? Yes / No (b) If 'YES', give name and address of concerned party/parties :	

A (III). Liability Section Coverage

Third Party Risks : Death / Bodily Injury	22.	Coverage for liability against Third Party Risks (Death or Bodily Injury) required in respect of (i) Owner Driver only Yes / No (ii) Any person other than Paid Driver Yes / No If "Yes", give details of such other persons: 1. 2. 3. (Note: 1. Section 146 of Motor Vehicles Act-1988 makes it mandatory for the owner of the vehicle to ensure that he or any other person authorized by him to drive a vehicle in public place has Insurance against third party risks. The explanation to Section 146 exempts the paid driver.) 2. As per Section 147 (2) (a) The liability is 'as incurred' in the case of death/bodily injury of a third party.)
	23.	Do you wish to have the statutory. Third Party Property Damage (TPPD) liability of Rs. 6000/- only? Yes / No [For additional TPPD limits, please see Q. No. 25]
Third Party Risks: TPPD (IMT-20)		

Third Party Risks: Liabilities to 'Workmen' under W.C. Act-1923 (Compulsorily to be covered by M.V Act-1988)	24.	<p>Legal liability to persons employed in connection with operation of the vehicle who are 'workmen'. [The liability of the Employer under the Workmen's Compensation Act. 1923 is covered under the Motor Vehicles Act-1988.</p> <p>1) Drivers (No. of persons.....)</p> <p>2) Employees (Workmen) (No. of persons.....)</p> <p>(Note: The Motor Vehicles Act-1988 under Sec.147 (1) (II) (I) covers liability to employees who are workmen within the meaning of the Workmen's Compensation Act-1923.)</p> <p>For additional coverage, please refer to Q. No. 26]</p>
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B. Questions that provide additional covers as per IMT Endorsements

Addl. TPPD	25.	<p>The Policy provides additional Third Party Property Damage liability limits of Rs. 1,00,000/- for Two Wheelers and Rs. 7,50,000/- for other classes of vehicles. Do you wish to cover the additional limit?</p> <p style="text-align: right;">Yes / No</p> <p>[Refer to Q. No. 23]</p>
Additional Liability to Workmen	26.	<p>Do you wish to cover wider legal liability to employees who are 'workmen'? [This information is sought to cover in addition to liability under the workmen's Compensation Act-1923, also liability under the Fatal Accidents Act-1855 and the common Law]</p> <p style="text-align: right;">Yes / No</p> <p>(Note: The additional liability under Common Law and Fatal Accidents Act in respect of employees who are workmen is covered under this endorsement).</p> <p>[Refer to Q. No. 24]</p>
Liability to Employees who are not Workmen	27.	<p>Do you wish to cover wider legal liability to employees who are NOT 'workmen'?</p> <p style="text-align: right;">Yes / No</p> <p>(Note: The liability under Common Law and Fatal Accidents Act-1855 in respect of employees who are not workmen can be covered under this endorsement).</p>

Personal Accident Cover For Owner Driver	28.	<p>Personal Accident Cover for Owner Driver is compulsory in the Liability Only Cover. Please give details of nomination :</p> <p>(a) Name of the Nominee & Age :</p> <p>(b) Relationship :</p> <p>(c) Name of the Appointee : (If Nominee is a Minor) :</p> <p>(d) Relationship to the Nominee :</p> <p>(Note: 1. Personal Accident cover for Owner Driver is compulsory for Sum Insured of Rs. 1,00,000/- for Two Wheelers and Rs. 2,00,000/- for Private Cars.</p> <p>2. Compulsory PA cover to owner driver cannot be granted where a vehicle is owned by a company, a partnership firm or a similar body corporate or where the owner-driver does not hold an effective driving license)</p>																
PA Cover for Named Occupants (IMT-15)	29.	<p>Do you wish to include Personal Accident cover for named persons? Yes / No</p> <p>If YES, give name and Capital Sum Insured (CSI) opted for:</p> <table border="1" data-bbox="384 1003 1318 1227"> <thead> <tr> <th>Name</th> <th>CSI Opted (Rs.)</th> <th>Nomilnee</th> <th>Relationship</th> </tr> </thead> <tbody> <tr> <td>1)</td> <td></td> <td></td> <td></td> </tr> <tr> <td>2)</td> <td></td> <td></td> <td></td> </tr> <tr> <td>3)</td> <td></td> <td></td> <td></td> </tr> </tbody> </table> <p>(Note: The maximum CSI available per person is Rs. 2 Lakhs in case of Private Cars and Rs. 1 Lakh in the case of Motorized Two Wheelers)</p>	Name	CSI Opted (Rs.)	Nomilnee	Relationship	1)				2)				3)			
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PA Cover for Un-Named Occupants (IMT-16)	30.	<p>Do you wish to include Personal Accident cover for Un-named Passengers/hirer/pillion passengers (Two Wheelers)? Yes / No</p> <p>If YES, give number of persons and Capital Sum Insured (CSI) Opted: No. of Persons: C.S.I (Per Person):</p> <p>(Note: The maximum CSI available per person is Rs. 2 Lakhs in case of Private Cars and Rs. 1 Lakh in the case of Motorized Two Wheelers)</p>																
Geographical Extension (IMT-1)	31.	<p>Whether extension of geographical area to the following countries required?</p> <table data-bbox="384 1653 1246 1753"> <tr> <td>(1) Bangladesh</td> <td>Yes / No</td> <td>(2) Bhutan</td> <td>Yes / No</td> </tr> <tr> <td>(3) Maldives</td> <td>Yes / No</td> <td>(4) Nepal</td> <td>Yes / No</td> </tr> <tr> <td>(5) Pakistan</td> <td>Yes / No</td> <td>(6) Sri Lanka</td> <td>Yes / No</td> </tr> </table> <p>(Note: Presently the territory covered is geographical area of India. Extension of geographical area can be availed by use of this endorsement.</p>	(1) Bangladesh	Yes / No	(2) Bhutan	Yes / No	(3) Maldives	Yes / No	(4) Nepal	Yes / No	(5) Pakistan	Yes / No	(6) Sri Lanka	Yes / No				
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C. Questions that are elicited for information and data collection purposes

Personal Accident Cover For Owner Driver	<p>32. Previous History:</p> <p>a. Date of purchase of the vehicle by the Proposer:/...../.....</p> <p>b. Whether the vehicle was new or second hand at the time of purchase? : New / Second Hand</p> <p>c. Will the vehicle be used exclusively for</p> <p>(i) Private, Social, Domestic, Pleasure & Professional Purpose? Yes / No</p> <p>(ii) Carriage of goods other than samples or personal luggage? Yes / No</p> <p>d. Is the vehicle is in good condition? Yes / No If NO, Please give details:</p> <p>e. Name and Address of the previous insurance company:</p> <p>f. Previous policy number :</p> <p>g. Period of Insurance : From : To:.....</p> <p>h. Claims lodged during the preceding 3 years:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 30%;">Year</th> <th style="width: 30%;">No. of Claims</th> <th style="width: 40%;">Claim Amount (Rs.)</th> </tr> </thead> <tbody> <tr> <td>.....</td> <td>.....</td> <td>.....</td> </tr> <tr> <td>.....</td> <td>.....</td> <td>.....</td> </tr> <tr> <td>.....</td> <td>.....</td> <td>.....</td> </tr> </tbody> </table>	Year	No. of Claims	Claim Amount (Rs.)
Year	No. of Claims	Claim Amount (Rs.)											
.....											
.....											
.....											
Geographical Extension	<p>33. Details of the Driver:</p> <p>a. Age & Date of Birth of the Owner: Age:.....Yrs DOB:...../...../.....</p> <p>b. Age & Date of Birth of the Driver: Age:.....Yrs DOB:...../...../.....</p> <p>c. Does the driver suffer from defective vision or hearing or any physical infirmity? Yes / No If YES, please give details of such infirmity:</p> <p>d. Has the driver ever been involved / convicted for causing any accident of loss? Yes / No If YES, give details as under including the pending prosecutions:</p> <ul style="list-style-type: none"> - Driver's Name : - Date of Accident : - Loss / Cost (Rs.) : - Circumstances of Accident / Loss : 												

Declaration by the Insured

I/We hereby declare that the statements made by me/us in this Proposal Form are true to the best of my/our knowledge and belief and I/We hereby agree that this declaration shall form the basis of the contract between me/us and the Insurance Company Ltd.

I/We also declare that any additions or alterations are carried out the submission of this proposal form then the same would be conveyed to the Insurance Company Immediately.

Place :

Date : Signature of the Proposer/s.

Prohibition of Rebates (Insurance Act-1938, Section 41)

1. No person shall allow or offer to allow, either directly or indirectly as an Inducement to any person to take out or renew or continue an insurance in respect of any kind of risk relating to lives or property in India, any rebate of the whole or part of the commission payable or any rebate of the premium shown in the policy, nor shall any person taking out of renewing or continuing a policy accept any rebate except such rebate as may be allowed in accordance with the prospectus or tables of the Insurer.
2. Any person making in complying with provisions of this section shall be punishable with fine which may extend to five hundred rupees.

Note: Denial of “Third Party Liability Only Colver” by Insurer, for reasons other than fraud/misrepresentation by proposer, will entail Regulatory action.

Form No

**Standard Proposal Form For “Liability Only” Policy
(For Commercial Vehicles other than Motor Trade Internal Risks Policies)**

A. Questions that are necessarily to be listed for granting the cover as per the Motor Vehicles Act-1988.

A (I). Personal Details of Proposer / Owner:

Personal Details	1.	Proposer's (Owner's) Full Name (In capital letters)		
	2.	Address (where the vehicle is normally kept) (In capital letters, with pin code)		
		Telephone: Mobile No:	PIN: Fax: Mail Id:	
	3.	Occupation / Business		
	4.	Type of Cover	Liability Only Policy	
5.	Period of Insurance			
		From : Hrs on/...../.....		
		To : Hrs on/...../.....		

A (II). Vehicle Details

Vehicle Specifications	6.	Registration Number of the Vehicle
	7.	Date of Registration of Vehicle
	8.	Registering Authority & Location
	9.	Year of Manufacture
	10.	Engine Number
	11.	Chasis Number
	12.	Make of the Vehicle
	13.	Model
	14.	Type of Body
	15.	Gross Vehicle Weight (GVW) & Cubic Capacity (C.C)

	16.	Max. Licensed carrying capacity (No. of Passengers) in case of Passenger Carrying Vehicles?		
	17.	Whether the vehicle is driven by non-conventional source of power / CNG / LPG / Bi-Fuel? If 'YES', please give details		
	18.	Whether the use of vehicle is limited to own premises?	Yes	No
	19.	Whether the commercial vehicle is also used for private purposes (excluding use for hire or reward)?	Yes	No
	20.	Whether the vehicle is used for driving tuitions? (GR-44)	Yes	No
	21.	Details of Hire Purchase / Hypothecation / Lease a) Is the vehicle proposed for insurance is : (i) Under Hire Purchase? (ii) Under Lease Agreement? (iii) Under Hypothecation? b) If 'YES', give name and address of concerned party/parties: (Note: Copies of R.C Book, Permit & Fitness Certificate should be submitted along with the proposal form)	(IMT-5) Yes / No Yes / No Yes / No	

A (III). Liability Section: Coverage

Third Party Risks: Death/ Bodily Injury	22.	Coverage for liability against Third Party Risks (Death or Bodily Injury) required in respect of: (i) Owner Driver only (ii) Any person other than Paid Driver If "YES", give details of such other persons: 1. 2. 3. [Note: 1. Section 146 of Motor Vehicles Act-1988 makes it mandatory for the owner of the vehicle to ensure that he or any other person authorized by him to drive a vehicle in public place has insurance against third party risks. The explanation to Section 146 exempts the paid driver.) 2. As per Section 147 (2) (a) The liability is 'as incurred' in the case of death / bodily injury of a third party]	Yes / No Yes / No
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Third Party Risks: TPPD (IMT-20)	<p>23. Do you wish to have the statutory Third Party Property Damage (TPPD) liability of Rs. 6000/- only?</p> <p style="text-align: right;">Yes / No</p> <p>[For additional TPPD limits, please see Q. No. 25]</p>
Third Party Risks: Liability to 'Workmen' under W.C.Act-1923 (Compulsorily to be covered by M.V. Act-1988)	<p>24. Legal liability to persons employed in connection with operation of the vehicle who are 'workmen'. [The liability of the Employer under the Workmen's Compensation Act-1923 is covered under the Motor Vehicles Act-1988.</p> <p>1) Drivers (No. of persons)</p> <p>2) Employees (Workmen) (No. of persons)</p> <p>(Note: The Motor Vehicles Act-1988 under Sec. 147(1) (ii) (i) covers liability to employees who are workmen within the meaning of the Workmen's Compensation Act-1923.)</p> <p>For additional coverage, please refer to Q. No. 26]</p>
Addl. TPPD (GR-39)	<p>25. The Policy provides additional Third Party Property Damage liability limit of Rs. 7,50,000/- for commercial vehicles. Do you wish to cover the additional limit?</p> <p style="text-align: right;">Yes / No</p> <p>[Refer to Q. No. 23]</p>
Additional Liability to Workmen (IMT-28)	<p>26. Do you wish to cover wider legal liability to employees who are 'workmen'? [This information is sought to cover in addition to liability under the Workmen's Compensation Act-1923, also liability under the Fatal Accidents Act-1855 and the Common Law]</p> <p style="text-align: right;">Yes / No</p> <p>(Note: The additional liability under Common Law and Fatal Accidents Act in respect of employees who are workmen is covered under this endorsement).</p> <p>[Refer to Q. No. 24]</p>
Liability to Employees who are not Workmen (IMT-29)	<p>27. Do you wish to cover wider legal liability to employees who are NOT 'workmen'?</p> <p style="text-align: right;">Yes / No</p> <p>(Note: The liability under Common Law and Fatal Accidents Act-1855 in respect of employees who are not workmen can be covered under this endorsement).</p>

Personal Accident Cover For Owner Driver	28.	<p>Personal Accident Cover for Owner Driver is compulsory in the Liability Only Cover. Please give details of nomination :</p> <p>(a) Name of the Nominee & Age :</p> <p>(b) Relationship :</p> <p>(c) Name of the Appointee (If Nominee is a Minor) :</p> <p>(d) Relationship to the Nominee :</p> <p>(Note: 1. Personal Accident cover for Owner Driver is compulsory for Sum Insured of Rs. 2,00,000/- for Commercial Vehicles.</p> <p>2. Compulsory PA cover for owner driver cannot be granted where a vehicle is owned by a company, a partnership firm or a similar body corporate or where the owner-driver does not hold an effective driving license)</p>																
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PA Cover for Un-Named Occupants (IMT-16)	30.	<p>Do you wish to include Personal Accident cover for Un-named Passengers/hirer/pillion passengers (Two Wheelers)? Yes / No</p> <p>If YES, give number of persons and Capital Sum Insured (CSI) Opted:</p> <p>No. of Persons: C.S.I (Per Person):.....</p> <p>(Note: The maximum CSI available per person is Rs. 2 Lakhs in case of Commercial Vehicles)</p>																
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(1) Bangladesh	Yes / No	(2) Bhutan	Yes / No															
(3) Maldives	Yes / No	(4) Nepal	Yes / No															
(5) Pakistan	Yes / No	(6) Sri Lanka	Yes / No															

C. Questions that are elicited for information and data collection purposes

Previous History	<p>32. Previous History:</p> <p>a. Date of purchase of the vehicle by the Proposer:/...../.....</p> <p>b. Whether the vehicle was new or second hand at the time of purchase? : New / Second Hand</p> <p>c. Will the vehicle be used exclusively for</p> <p style="padding-left: 20px;">(i) Private, Social, Domestic, Pleasure & Professional Purpose? Yes / No</p> <p style="padding-left: 20px;">(ii) Carriage of goods other than samples or personal luggage? Yes / No</p> <p>d. Is the vehicle is in good condition? Yes / No If NO, please give details : Yes / No</p> <p>e. Name and Address of the previous insurance company:</p> <p>f. Previous policy number :</p> <p>g. Period of Insurance : From : To:.....</p> <p>h. Claims lodged during the preceding 3 years:</p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 30%; text-align: center;">Year</th> <th style="width: 30%; text-align: center;">No. of Clams</th> <th style="width: 40%; text-align: center;">Claim Amont (Rs.)</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">.....</td> <td style="text-align: center;">.....</td> <td style="text-align: center;">.....</td> </tr> <tr> <td style="text-align: center;">.....</td> <td style="text-align: center;">.....</td> <td style="text-align: center;">.....</td> </tr> <tr> <td style="text-align: center;">.....</td> <td style="text-align: center;">.....</td> <td style="text-align: center;">.....</td> </tr> </tbody> </table>	Year	No. of Clams	Claim Amont (Rs.)
Year	No. of Clams	Claim Amont (Rs.)											
.....											
.....											
.....											
Driver Details	<p>33. Details of the Driver :</p> <p>a. Age & Date of Birth of the Owner: Age:Yrs DOB:...../...../.....</p> <p>b. Age & Date of Birth of the Driver: Age:.....Yrs DOB:...../...../.....</p> <p>c. Does the driver suffer from defective vision or hearing or any physical infirmity? Yes / No If YES, please give details of such infirmity:</p> <p>d. Has the driver ever been involved / convicted for causing any accident of loss?l Yes / No If YES, give details as under including the pending prosecutions:</p> <ul style="list-style-type: none"> - Driver's Name : - Date of Accident : - Loss / Cost (Rs.) : - Circumstances of Accident/Loss: 												

Declaration by the Insured

I/We hereby declare that the statements made by me/us in this Proposal Form are true to the best of my/our knowledge and belief and I/We hereby agree that this declaration shall form the basis of the contract between me/us and the Insurance Company Ltd.

I/We also declare that any additions or alterations are carried out after the submission of this proposal from then the same would be conveyed to the Insurance Company immediately.

Place :

Date :

.....
Signature of the Proposer/s.

Prohibition of Rebates (Insurance Act-1938, Section 41)

1. No person shall allow or offer to allow, either directly or indirectly as an inducement to any person to take out or renew or continue an insurance in respect of any kind of risk relating to lives or property in India, any rebate of the whole or part of the commission payable or any rebate of the premium shown in the policy, nor shall any person taking out of renewing or continuing a policy accept any rebate except such rebate as may be allowed in accordance with the prospectus or tables of the Insurer.
2. Any person making default in complying with the provisions of this section shall be punishable with fine which may extend to five hundred rupees.

Note: Dental of “Third Party Liability Only Cover” by Insurer, for reasons other than fraud/misrepresentation by proposer, will entail Regulatory action.

4.5 Personal Accident Policy

Highlights

This policy offers compensation in case of death or bodily injury to the insured person, directly and solely as a result of an accident, by external, visible and violent means.

The policy operates worldwide and is a 24 hours cover.

Different coverages are available ranging from a restricted cover of Death only, to a comprehensive cover covering death, permanent disablements and temporary total disablements.

Family Package cover is available to Individuals under Personal Accident Policy whereby the proposer, spouse and dependent children can be covered under a single policy with a 10% discount in premium.

Group personal accident policies are also available for specified groups with a discount in premium depending upon the size of the group.

Scope

This policy is basically designed to offer some sort of compensation to the insured person who suffers bodily injury solely as a result of an accident which is external, violent and visible. Hence death or injury due to any illness or disease is not covered by the policy.

The following types of coverages are offered under a Personal Accident policy:-

Table D

1. Death cover wherein 100% of the capital sum insured is payable.

Table C

1. Coverage under Table D
2. Loss of two limbs / both eyes / one limb and one eye wherein 100% of the capital sum insured is payable.

3. Loss of one limb or one eye wherein 50% of the capital sum insured is payable.
4. Permanent Total Disablement other than above e.g. paralysis due to an accident, wherein 100% of the capital sum insured is payable.

Table B

1. Coverage under Table C
2. Permanent Partial Disablement i.e. where a part of the body becomes permanently disabled due to an accident, e.g. total and irrevocable loss of use of a finger due to an accident. In such cases, a percentage of the capital sum insured as specified in the policy is paid.

Table A

1. Coverage under Table B
2. Temporary Total Disablement i.e. where the insured person becomes temporarily disabled from undertaking any work as a result of an accident for e.g. fracture of legs. In such cases, a weekly payment of 1% of the capital sum insured subject to a maximum limit, is paid for the number of weeks or part thereof (maximum 100 weeks), during which the insured person is totally disabled.

The insured can claim only under any one of these sections as a result of any one accident.

The policy also covers expenses incurred for carriage of dead body from place of accident to the residence subject to a limit of 2% of the capital sum insured or Rs.2,500 whichever is less. Under an Individual Personal Accident policy or Family Package Policy, an education fund is payable for a maximum of 2 dependent school going children, in case of death or permanent total disablement of the insured person.

We issue several types of personal accident policies such as:-

- Individual Personal Accident policy.
- Group Personal Accident policy.
- Passenger Flight Coupon - Covering personal accident risk whilst traveling as a passenger on a scheduled flight.
- Gramin Personal Accident Policy - for persons residing in rural areas where benefits as per Table C mentioned above are covered for a capital sum insured of Rs. 10,000/-.

- Janata Personal Accident policy - where benefits as per Table C mentioned above are covered for a maximum sum insured of Rs.1,00,000/-. Long Term Policies can also be issued upto 5yrs.
- Student Safety Insurance - for schools and colleges, covering students against Personal Accident benefits as per Table B mentioned above for a capital sum insured of Rs. 10,000/-.
- Raj RajeshwariMahilaKalyanYojna - for women in the age group of 10 to 75 years. where benefits as per Table C mentioned above are covered for a capital sum insured for Rs. 25,000/-. In case of death of an unmarried woman due to an accident, Rs. 25,000/- is payable to the nominee or legal heir. In case of a married woman, if the husband dies due to an accident, Rs. 25,000/- is payable to the wife but if the wife or insured dies no compensation is payable.
- Bhagyashree Child Welfare Policy - for girl child in the age group of 0 to 18 years. whose parents age does not exceed 60yrs. In case of death of either or both parents due to an accident, a sum of Rs. 25,000/- is deposited in the name of the girl child with a financial institution named in the policy which will disburse amounts as specified for the benefit of the girl child to the living parent or to the nominated guardian. Group policies can also be issued.

Add on covers

Individual and group personal accident policies can be extended to cover medical expenses incurred in the treatment of an accident covered under the policy, subject to a limit of 10% of the sum insured or 40% of the death / disability compensation claim payable, on payment of additional premium.

The policy issued to Indian personnel working in foreign countries on civilian duty can be extended to cover War risk on payment of additional premium.

The policy can also be restricted to cover Personal Accident risk during duty hours only or during off-duty hours only with discount in premium. It is also possible to issue group P.A. policy excluding the death benefit subject to a group life policy covering death benefit being taken for the same group of persons for the same policy period.

Who can take the policy?

Any adult residing in India can take the policy covering himself / herself and dependent family members between the ages of 5 and 70yrs.

How to select the sum insured?

It is very difficult to put a value to a human life. Hence the principle of indemnity cannot be applied in this policy. However it becomes necessary to apply some yardstick for fixing the sum insured so that human lives are not overvalued for ulterior motives.

Hence the capital sum insured is restricted to 72months income from gainful employment. This means that income from property, shares etc. will not be taken into account. For non working spouse, the sum insured is restricted to 50% of the sum insured of earning spouse subject to a maximum of Rs. 1,00,000/- and for dependent children to 25% of the sum insured of earning parents subject to a maximum of Rs. 50,000/-. In case of Gramin Personal Accident, Student Safety, Raj Rajeshwari, Bhagyashree policies the sum insured is fixed.

In Individual Personal Accident policy, facility of cumulative bonus is given whereby the capital sum insured is increased by 5% every year on claim free renewals subject to a maximum of 50%. This cumulative bonus is available only under tables A, B & C.

How to claim?

In the event of an accident giving rise to a claim the following steps should be taken:-

In case of death claim:-

1. Assignee under the policy should immediately notify the policy issuing office.
2. Submit the claim form alongwith death certificate, post mortem report, police report and original policy.

In case of injury claim:-

1. Notify the policy issuing office immediately.
2. Submit Police report if any.
3. Submit claim form alongwith medical certificate certifying the disablement.
4. In case medical expenses extension has been taken, then the prescription alongwith bills are to be submitted.

4.6 Baggage Insurance

Highlights

Policy provides cover against loss of or damage to accompanied personal baggage of the insured or insured's family

Scope

Loss or damage due to fire, theft or accident during the course of journey including stoppages en-route, anywhere in India

Exclusions

1. Loss or damage arising from war, civil commotion, depreciation, wear & tear
2. Damage to watches and clocks over winding
3. Damage caused by mechanical derangement or electrical breakdown
4. Breakage of glass articles, china clay
5. Theft from unattended vehicles
6. Detention or confiscation by customs or other authorities
7. Money, securities, manuscripts, deeds, bonds, bills of exchange, promissory notes, share certificates, stamps
8. Articles while being worn or in actual use at the time of such loss or damage

Special Conditions

- Each item of jewellery, gold ornaments, etc. is to be specifically Declared for insurance and a valuation certification should be obtained in respect of such items valued at more than Rs.5, 000/-
- Where the total value of jewellery, ornaments etc. is in excess of 50% of the total value at risk, an additional premium to be charged on the value of such items.
- The policy may be extended to cover riot & strike risks by charging an additional premium.

Proposal Form for Baggage Insurance

Scope of the Cover

This insurance policy provides cover against loss of or damage to accompanied personal baggage of the insured or insured's family member(s) due to fire, theft or accident during the course of journey including stoppages enroute anywhere in India Except as detailed Below.

Exclusions

The Policy does not cover (a) loss or damage arising from war, civil war and the like, civil commotion, depreciation, wear and tear, moth, mildew, vermin, the process of cleaning, dyeing, repairing, damage to watches and clocks by over winding, damage caused by mechanical derangement or electrical breakdown, breakage of glass articles of brittle nature, theft from unattended vehicles, detention or confiscation by customs or other authorities and consequential loss. (b) Money, securities, manuscript, deeds, bonds, bills of exchange, promissory note, stock of or share certificates, stamps, business books and documents. (c) Articles while being worn or in actual use at the time of such loss or destruction or damage. (d) Loss or damage caused by terrorism and sabotage risks.

The Foregoing is only a Broad Indication of the Cover Offered. For Details Please Refer to any Office of the Company.

Please Answer Every Question and Fully

1. (a) Name of the Proposer in full
(In Block Letters)
- (b) Residential Address
- (c) Occupation/Profession

2. Description of Baggage to be Covered:

Description of packages belonging to the proposer and family member(s) (i.e. suitcase, trunk, hold-all etc.). Give value of the contents of each including the values of the packages themselves, jewellery and valuables such as Furs, Field Glasses, Cameras, Taperecorders, Radios and similar items should be separately specified and values stated.

Sr No.	Description of the Property	Sum to be Insured(rs.)
1.		
2.		
3.		
4.		

(Attach separate sheet , if required)

- N.B. 1. Articles acquired enroute are not covered unless specifically declared.
2. To obtain full indemnity it is necessary to insure the package for full value.
3. Period of Insurance From.....to
- (a) What is probable duration of Journey?
 - (b) Whether cover is also required outside India?
- If Yes, give details.

N.B. : If you are a frequent traveler you can opt for an annual policy.

4. Is the property currently insured under Baggage Insurance Policy. If so, please state:
 - (a) Name of the Insurance Company
 - (b) Policy No.....Period.....
5. Have you suffered any loss relating to baggage in the past?

If so, give full details thereof as under: (Irrespective of whether insured or not)

Date of occurrence - Details of Loss **Amount-Rs. - Name of the Insurer**

6. Has any Company in respect of baggage Insurance :
 - (a) Declined your proposal?
 - (b) Cancelled or refused to renew your policy?
 - (c) Accepted your proposal on special terms and conditions ?

I/We hereby declare that the above statement and answers are true and that I/We have not withheld any information whatsoever regarding the proposal. I/We agree

that this proposal and declaration shall be the basis of the contract between me/us and the New India Assurance Company Ltd. whose policy for the insurance proposed is acceptable to me/us. I/We undertake to exercise all ordinary and reasonable precaution for safety of the property as if it were uninsured.

Place :

Date :

Proposer's Signature

NOTE:

1. The liability of the Company does not commence until the proposal has been accepted by the Company and the premium paid.
2. Premium will be quoted on application.
3. Insurance is the subject matter and solicitation.

PROHIBITION OF REBATES - The following is the copy of section 41 of the Insurance Act 1938

1. No person shall allow or offer to allow either directly or indirectly as an inducement to any person to take out or renew or continue an Insurance in respect of any kind or risk relating to lives or property in India any rebate of the whole or part of the commission payable or any rebate, of the premium shown in the Policy nor shall any person taking out or renewing or continuing a Policy accept any rebate except such rebate as may be allowed in accordance with the published prospectuses or tables of the Insurer.
2. Any person making default in complying with the provision of this section shall be punishable with fine which may extend to five hundred rupees.

**For Office Use -
Marketing / Development Officer's Report**

The Proposer is known to me/my agent / Broker for _years and I recommend acceptance of this proposal.

Name and Code No.	Signature of Dev. Officer / A/AO-D		
Accepted by	Date & Time	Rate	Remarks
Codes - Office /Dev. Officer / Agent /Broker-			
Collection / Scroll No	Policy no.		

4.7 Personal Accident

Who can take this policy?

This insurance is available to persons between the age of 18 years and 65 years. Children between the age of 3 months and 25 years can be covered provided they are financially dependent on the parents and one or both parents are covered simultaneously. The upper age limit will not apply to a mentally challenged child and an unmarried daughter. The persons beyond 65 years can continue their insurance provided they are insured under the Policy with us without any break.

Can I cover my family members in one policy?

Yes. You can cover your family members in one policy, with separate Sum Insured for each Insured Person and you will get a Family Discount of 10% on the total premium payable.

The members of the family who could be covered under the Policy are:

- Proposer
- Proposer's Spouse
- Proposer's Children
- Proposer's Parents

You may also cover the entire family as defined above, under a Single Sum Insured. If You cover the other family members under a single Sum Insured, discounts at the following rates are admissible:

		SUM INSURED	
NUMBER OF PERSONS			% DISCOUNT ON TOTAL
		UPTO 300000	
TWO	11		13
BETWEEN 3 AND 4	13		15
MORE THAN 4	16		18

What does the policy cover?

This Policy is designed to give You, the Insured, protection against unforeseen Hospitalization expenses.

Does it cover all cases of hospitalization?

No. This Policy does NOT cover ALL cases of Hospitalization. Any Hospitalization expense relating to a Pre Existing Disease is not payable. Similarly, a Hospitalization expense for pregnancy is not covered under the Policy. There are other such instances, where the claim is not payable.

Some of the exclusions are:

- Diseases contracted within 30 days of insurance
- Debility and General Run down Conditions.
- Sexually transmitted diseases and HIV (AIDS)
- Circumcision, Cosmetic surgery, Plastic surgery unless required to treat injury or illness
- Vaccination and Inoculation
- Pregnancy, ailments related thereto and child birth
- War, Act of foreign enemy, ionising radiation and nuclear weapon.
- Treatment outside India
- Naturopathy
- Domiciliary Treatment
- Experimental or unproven treatment
- All external equipments such as contact lenses, cochlear implants etc.

Payments made to the Hospital like Service Charges, Surcharge, cost of external or durable medical equipments, non medical expenses, etc. are not payable. The exclusions stated above are not exhaustive. The exclusions are mentioned in the Policy under the Section "What are Excluded under this Policy". You may go through the list of Exclusions to get to know what is NOT covered under the Policy.

What is a pre existing disease?

The term Pre existing condition/disease is defined in the Policy. It is defined as: "Any condition, ailment or injury or related condition(s) for which the Insured Person had signs or symptoms, and/or was diagnosed, and/or received medical advice/treatment, within 48 months prior to the date of commencement of his/her first Policy with Us."

If You had:

- a. Signs or symptoms, or
- b. Been diagnosed or received Medical Advice, or
- c. Been Treated for any condition or disease within forty eight months prior to the commencement of the first policy with us, such a condition or disease shall be considered as Pre existing. Any Hospitalization arising out of such pre existing disease or condition is not covered under the Policy.

Is hospitalization always necessary to get a claim?

Yes. Unless the Insured Person is hospitalized for a condition warranting Hospitalization, no claim is payable under the Policy. The Policy does not cover outpatient treatments.

How long does the insured person need to be hospitalised?

The Policy pays only where the Hospitalization is for more than twenty four hours. But for certain treatments specified in the Policy, period of stay at the Hospital could be less than twenty four hours. Please refer to Clause 2.6 of the Policy for details.

What do i need to do after i get hospitalised?

Immediately on Hospitalization or within twenty four hours of such Hospitalization, please intimate the TPA of this fact, with details of Your Policy Number, Name of the Hospital and treatment undertaken. This is an important condition of the Policy that you need to comply with.

Is payment available for expenses incurred before hospitalization?

Yes. Relevant medical expenses incurred before hospitalization for a period of THIRTY days prior to the date of Hospitalization are payable. Relevant medical expenses means expenses related to the treatment of the disease for which the insured is hospitalized.

Is payment available for expenses incurred after hospitalization?

Yes. Relevant medical expenses incurred after Discharge from the Hospital for a period of SIXTY days after the date of discharge are payable. Relevant medical expenses means expenses related to the treatment of the disease for which the insured is hospitalized.

Can i get treated anywhere?

The Policy covers treatment only in India. Even within India, if you had paid the premium applicable to Zone IV and take treatment in any of the Hospitals located in Zone I, II or III, then only 80% of the admissible claim amount will be paid. If

premium is paid for Zone III, claims in Zone I or II will be paid only to the extent of 80%. If premium is paid for Zone II, claims in Zone I will be paid only for 80%.

ACH ZONE IS CLASSIFIED AS BELOW: (The Cities mentioned below would include their Urban Agglomeration)

Zone- I Greater Mumbai

Zone- II Delhi and Delhi NCR ,Bangalore, Chennai, Hyderabad and Secunderabad, Ahmedabad and Kolkatta, Vadodara

Zone- III Rest of India (other than those areas specified in Zone I,II and IV)

Zone- IV The States of Bihar, Orissa, Arunachal Pradesh, Assam, Manipur, Meghalaya, Mizoram, Nagaland, Tripura, Jharkhand, Sikkim, Chhattisgarh, Uttarakhand, Jammu and Kashmir

It is therefore in your interest to choose the appropriate Zone and pay the necessary premium depending upon your preference for coverage.

If in respect of any Insured Person the deductible as per Clause 3.2 of the Policy (See Para 32 of this document) and 3.3 (deduction for treatment outside area of coverage) are applicable, both would operate in sequence. To illustrate, for a claim where both conditions are admissible, if admissible claim amount is 10000, 20% would be deducted for application of Clause 3.2 (Deductible for those who enter the policy at over 55 years of age) and on this admissible claim amount of 8000, another 20% on 8000 would be deducted for application of Clause 3.3 (Treatment outside area of coverage) and the amount payable would only be 6400.

Is there a limit to what the company will pay for hospitalization?

Yes. We will pay Hospitalization expenses upto a limit, known as Sum Insured.. In cases where the Insured Person was hospitalized more than once, the total of all amounts paid

- a. for all cases of Hospitalization,
- b. expenses paid for medical expenses prior to Hospitalization,
- c. expenses paid for medical expenses after discharge from hospital, and
- d. any other payment made under the Policy shall not exceed the Sum Insured.

For Mediclaim 2012 Policies, each Insured Person has a separate Sum Insured. For Family Mediclaim 2012 Policies, the Sum Insured is for all persons covered. In Family Mediclaim 2012 policies, any payment made to one Insured Person would

make the Sum Insured reduced for all Insured Persons. The total payments under a Family Medclaim 2012 Policy for all Insured Persons for all claims during the Policy period shall not exceed the Sum Insured.

What sum insured should i choose?

You are free to choose any Sum Insured ranging from Rs. One Lakh to Eight Lakhs. For those aged over 55, the Sum Insured at entry into Medclaim 2012 could range from Rs. One Lakh to Rs.Three Lakhs. The Premium You pay depends upon Your Age, the Sum Insured chosen, the Area of Coverage chosen. You are free to choose any Sum Insured available in the range specified above. But it is in your own interest to choose the Sum Insured which could satisfy your present as well as future needs, as explained in Clause 22.

How long is the policy valid?

The Policy is valid during the Period of Insurance stated in the Schedule attached to the Policy. It is usually valid for a period of one year from the date of beginning of insurance.

Can the policy be renewed when the present policy expires?

Yes. You can and to get all Continuity benefits under the Policy, you should renew the Policy before the expiry of the present policy. For instance, if Your Policy commences from 2nd October, 2011 date of expiry is usually on 1st October, 2012. You should renew Your Policy by paying the Renewal Premium on or before 1st October 2012.

What is continuity benefit?

There are certain treatments which are payable only after the Insured Person is continuously covered for a specified period. For example, Cataract is covered only after twenty four months of continuous insurance. If an Insured took a Policy in October, 2008, does not renew it on time and takes a Policy only in December 2009, and renewed it on time in December 2010, any claim for Cataract would not become payable, because the Insured person was not continuously covered for twenty four months. If, he had renewed the Policy in time in October 2009 and then in October 2010, then he would have been continuously covered for twenty four months and therefore his claim for Cataract in the Policy beginning from October 2010 would be payable. For other benefits under the Policy such as cost of health check up and No Claim Bonus, continuous Insurance is necessary. Therefore, you should always ensure that you pay your renewal Premium before Your Policy expires. Moreover,

6 benefits like No Claim Discount or Cumulative Bonus Buffer will be available only when you renew the Policy in time.

What is cumulative bonus buffer

Cumulative Bonus earned in the previous year/s will be available as Cumulative Bonus Buffer in this policy. Cumulative Bonus Buffer could be carried over to the next year only if the renewal is effected before, or within thirty days of, expiry of the Policy. The CB buffer will be carried forward unless and until it is completely utilized.

What is a no claim discount?

If You had insured with Us in the previous year and no claim has been reported during the previous year, at the time of renewal of the Policy, We offer a Discount on the Premium payable. This Discount is called No Claim Discount. This Discount is available only for the years of claim free experience in Mediclaim 2012. Claim free experience under Mediclaim 2007 shall not be reckoned for No Claim Discount. The details of No Claim Discount are:

	AGE<=60		
	% Discount per year	MAX. DISCOUNT%	% Discount per year
SUM INSURED <300000	2	10	3
SUM INSURED=>300000	3	15	3

No Claim Discount is available only when no claims have been made in the expiring Policy and only when the Policy is renewed before its expiry.

What will happen to no claim discount if there is a claim?

If there is claim during the current year, next year, there will be no No Claim Discount. Even if the claim is for a smaller amount, the No Claim Discount will be withdrawn in the next year.

When can the cumulative bonus buffer be used?

If the total amount of claims in a year, either a single claim or multiple claims, exceeds Sum Insured, then the payment could be considered beyond Sum Insured, but upto the limit of Cumulative Bonus Buffer. For example, a person has a Sum Insured of Rs. 100000 and Cumulative Bonus Buffer of Rs 30000. During this year, if the total payments exceed the Sum Insured, then we will pay him the admissible claims uptoRs 130000 though he has insured only for Rs 100000. CUMULATIVE

BONUS BUFFER shall not be treated as part of the Sum Insured for the purposes of reckoning any limit specified in the Policy

Is there any grace period for renewal of the policy?

Yes. If Your Policy is renewed within thirty days of the expiry of the previous Policy, then the Continuity Benefits would not be affected. But even if You renew Your Policy within thirty days of expiry of previous Policy, any disease contracted or injuries sustained or Hospitalization commencing during the break in insurance is not covered. Therefore it is in your own interest to see that you renew the Policy before it expires.

Can the sum insured be increased at the time of renewal?

We may agree for a request for increase in Sum Insured at the time of renewal. But we are not obliged to agree to this request, if we feel the Person is not in good health. Moreover, for persons aged over 45, such a request could entail subjecting the Person for Medical Examination and other Medical tests, which could mean spending your money and time. (In case the risk is accepted, 50% of the reasonable cost of Medical Examination would be reimbursed). Moreover, no enhancement in Sum Insured would be considered for any person who had undergone a Hospitalization in the preceding two years, regardless of whether any claim was lodged in respect of such Hospitalization or not. No enhancement in Sum Insured would be considered for persons over 65 years of age. It is therefore in Your interest to take insurance for a Sum Insured that could take care of not only your present needs, but also future needs. All requests for increase in Sum Insured should be accompanied by a proposal form with all details filled in.

A onetime option of increase in Sum Insured is available at the time of migration from Mediclaim 2007 to Mediclaim 2012, as per details in Annexure I.

What is entry load?

Any person above the age of 45 entering the Mediclaim 2012 or Family Mediclaim 2012 for the first time would be charged an entry load, as per details below:

SUM ASSURED	Upto 45	45-50	51-55	56-60	61-65
Upto 3 Lakhs	Nil	Nil	1000	1500	2000
3 lakhs to Rs.5 lakhs	Nil	1000	2000	NOT ELIGIBLE	NOT ELIGIBLE
Over 5 lakh	Nil	2000	4000	NOT ELIGIBLE	NOT ELIGIBLE

Is there an age limit upto which the policy would be renewed?

No. Your Policy can be renewed, as long as you pay the Renewal Premium before the date of expiry of the Policy. There is an age limit for taking a fresh Policy, but there is no age limit for renewal. However, if you do not renew Your Policy before the date of expiry or within thirty days of the date of expiry, the Policy may not be renewed, and only a fresh Policy could be issued, subject to our underwriting rules. In such cases, it is possible that a fresh Policy could not be issued by us. It is therefore in your interest to ensure that Your Policy is renewed before expiry.

Can the insurance company refuse to renew the policy?

We may refuse to renew the Policy only on rare occasions such as fraud, misrepresentation or suppression or non cooperation being committed by you or any one acting on your behalf in obtaining insurance or subsequently in relation thereto. If we discontinue selling this Policy, it might not be possible to renew this Policy on the same terms and conditions. In such a case you shall however have the option for renewal under any similar Policy being issued by the Company, provided the benefits payable shall be subject to the terms contained in such other Policy.

Can I make a claim immediately after taking a policy?

Claims for Illnesses cannot be made during the first thirty days of a fresh Insurance policy. However, claims for Hospitalization due to accidents occurring during the first thirty days are payable. There are certain treatments where the waiting period is two years or four years. Please see Conditions 4.3.1, 4.3.2 and 4.4.6.2 of the Policy.

What is third party administrator (TPA)?

Third Party Administrator (TPA) is a service provider to facilitate service to you for providing Cashless facility for all hospitalizations that come under the scope of Your policy. The TPA also settles reimbursement claims within the scope of the Policy.

What is cashless hospitalization?

Cashless hospitalization is service provided by the TPA on Our behalf whereby you are not required to settle the hospitalization expenses at the time of discharge from hospital. The settlement is done directly by the TPA on Our behalf. However those expenses which are not admissible under the Policy would not be paid and you would have to pay such inadmissible expenses to the Hospital. Cashless facility is

available only in Networked Hospitals. Prior approval is required from the TPA before the patient is admitted into the Networked Hospital. You may visit our Website at <http://newindia.co.in/listofhospitals.aspx> . The list of Networked Hospitals can also be obtained from the TPA or from their website. You will have full freedom to choose the hospitals from the Networked Hospitals and avail Cashless facility on production of proof of Insurance and Your identity, subject to the claim being admissible. The TPA might not agree to provide Cashless facility at a Hospital which is not a Network Hospital. In such cases you may avail treatment at any Hospital of Your choice and seek reimbursement of the claim subject to the terms and conditions of the Policy. In cases where the admissibility of the claim could not be determined with the available documents, even if the treatment is at a Network Hospital, the TPA may refuse to provide Cashless facility. Such refusal may not necessarily mean denial of the claim. You may seek reimbursement of the expenses incurred by producing all relevant documents and the TPA may pay the claim, if it is admissible under the terms and conditions of the Policy.

Can i change hospitals during the course of my treatment?

Yes it is possible to shift to another hospital for reasons of requirement of better medical procedure. However, this will be evaluated by the TPA on the merits of the case and as per policy terms and conditions.

How to get reimbursements in case of treatment in non- network hospitals or denial of cashless facility?

In case of treatment in a non-Network Hospital, TPA will reimburse You the amount of bills subject to the conditions of the Policy. You must ensure that the Hospital where treatment is taken fulfils the conditions of definition of Hospital in the Policy. Within twenty four hours of Hospitalization the TPA should be intimated. The following documents in original should be submitted to the TPA within seven days from the date of Discharge from the Hospital:

- Claim Form duly filled and signed by the claimant
- Discharge Certificate from the hospital
- All documents pertaining to the illness starting from the date it was first detected i.e. Doctor's consultation reports/history
- Bills, Receipts, Cash Memos from hospital supported by proper prescription

- Receipt and diagnostic test report supported by a note from the attending medical practitioner/surgeon justifying such diagnostics.
- Surgeon's certificate stating the nature of the operation performed and surgeon's bill and receipt
- Attending doctor's / consultants / specialists / anesthetist's bill and receipt, and certificate regarding diagnosis
- Details of previous policies if the details are not already with TPA or any other information needed by the TPA for considering the claim.

How to get reimbursement for pre and post hospitalization expenses?

The Policy allows reimbursement of medical expenses incurred before and after admissible Hospitalization up to a certain number of days. For reimbursement, send all bills in original with supporting documents along with a copy of the discharge summary and a copy of the authorization letter to your TPA. The bills must be sent to the TPA within 7 days from the date of completion of treatment. You must also provide the TPA with additional information and assistance as may be required by the company/TPA in dealing with the claim.

Will the entire amount of the claimed expenses be paid?

The entire amount of the claim is payable, if it is within the Sum Insured and is related with the Hospitalization as per Policy conditions and is supported by proper documents, except the expenses which are excluded. For persons aged over 55 entering the Mediclaim 2012 policy without Continuous Coverage, We will pay only 80% of the claim amount until he has four years of claim free continuous coverage.

Can any claim be rejected or refused?

Yes, a claim, which is not covered under the Policy conditions, can be rejected. In case You are not satisfied by the reasons for rejection, you can represent to Us within 15 days of such denial. If You do not receive a response to Your representation or if You are not satisfied with the response, You may write to our Grievance Cell, the details of which are provided at our website at <http://newindia.co.in/public.aspx> . You may also call our Call Centre at the Toll free number 1800-209-1415, which is available 24x7.

You also have the right to represent your case to the Insurance Ombudsman. The contact details of the office of the Insurance Ombudsman could be obtained from http://www.irda.gov.in/ADMINCMS/cms/Normal_Data_Layout.aspx?page=PageNo234&mid=7.2

Can i cancel the policy?

Yes, You can. But the Refund that would be made in case the Policy is cancelled would not be proportionate to the Unexpired term of the Policy. Such Refund would be made only if no claim has been made or paid under the Policy, and the Refund would be at our Short Period rate table given below:

Up to one month	1/4th of the annual rate
Up to three months	1/2 of the annual rate
Up to six months	3/4th of the annual rate
Exceeding six months	Full annual rate

We may also at any time cancel the Policy on grounds of misrepresentation, fraud, non-disclosure of material fact or non-cooperation by You by sending fifteen days notice in writing by Registered A/D to You at the address stated in the Policy. Even if there are several insured persons, notice will be sent to You.

On such cancellation, premium corresponding to the unexpired period of Insurance will be refunded, if no claim has been made or paid under the Policy.

Is there any benefit under the income tax act for the premium paid for this insurance?

Yes. Payments made for health insurance in any mode other than cash are eligible for deduction from taxable income as per Section 80 D of the Income Tax Act, 1961. For details, please refer to the relevant Section of the Income Tax Act.

ANNEXURE I PROVISIONS FOR ENHANCEMENT OF SUMINSURED

At the time of Migration from Mediclaim 2007 to Mediclaim 2012				
Age	Upto 45	46-55	56-65	Over 65
Present sum Insured				
Without Claim or Hospitalization in the two Preceding years				
500000	Yes. Upto Eight Lakhs	Yes. Upto Eight Lakhs without Medical Examination	Yes. Upto Eight Lakhs without Medical Examination	Yes. Upto Eight Lakhs without Medical Examination
Less than 500000 but More than or Equal to 300000	Yes. Upto Eight Lakhs	Yes. Upto Eight Lakhs without Medical Examination	Yes. Upto Five Lakhs, without Medical Examination	Yes. Upto Five Lakhs, without Medical Examination
Less than 300000	Yes. Upto Eight Lakhs	Yes. Upto Five Lakhs, without Medical Examination	Yes. Upto Three Lakhs, without Medical Examination	Yes. Upto Three Lakhs, without Medical Examination
At the time of Migration from Mediclaim 2007 to Mediclaim 2012				
Age	Upto 45	46-55	56-65	Over 65
Present sum Insured				
Without Claim or Hospitalization in the two Preceding years				
500000	Yes. Upto Eight Lakhs	Yes. Upto Eight Lakhs, without Medical Examination,	yes. upto eight lakhs, with medical examination	No Enhancement
Less than 500000 but More than or Equal to 300000	yes. upto eight lakhs	Yes. upto five lakhs, without Medical Examination	Yes. upto five lakhs, with medical Examination	No Enhancement
Less than 300000	Yes. Upto Eight Lakhs	Yes. Upto Three Lakhs, without Medical Examination.	Yes. Upto Three Lakhs, with Medical Examination	No Enhancement

Mediclaime Insurance Proposal Form



Agency Code: Dev. Officer Code:

Policy no.: Annual Premium Rs.

IMPORTANT

- a) The Company will not be on risk until the Proposal and Insured persons details have been accepted by the Company and communication of the acceptance has been given to the proposer in writing on full payment of premium.
- b) If other family members residing with proposer i.e. spouse, eligible dependent children and dependent parents required to be covered, separate Insured Person details forms should be completed for each of such family members.

PROPOSER DETAILS

1. Name of Proposer: (Surname) (Name)

2. Address and Telephone No: i. Residence:

ii. Office:

3. Total number of members to be covered (in figures):
(in words):

(Separate Insured Person Details forms to be enclosed)

4. Period of Insurance: From to (midnight)

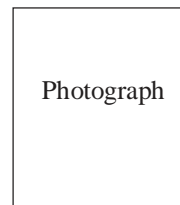
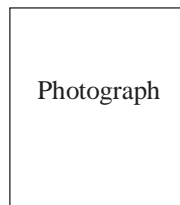
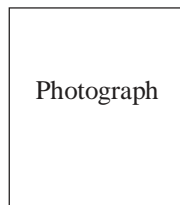
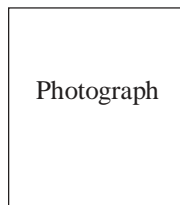
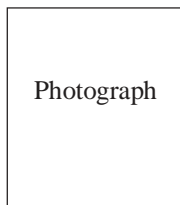
Place:

Date:

Signature of the proposer

Specimen Signature Table

S.N.	Name of Insured Person	Age	Sex	Relation	CSI	Signature
1						
2						
3						
4						
5						

Photographs of Insured persons:**PROHIBITION OF REBATE****Section 41 of the Insurance Act 1938**

i) No person shall allow or offer to allow, either directly or indirectly, as an inducement to any person to take out or renew or continue an insurance in respect of any kind of risk relating to lives or property in India any rebate of the whole or part of the commission payable or any rebate of the premium shown on the policy nor shall any person taking out or renewing or continuing a policy accept any rebate except such rebate as may be allowed in accordance with the prospectus or tables of the insurers.

ii) Any person making default in complying with the provisions of the section shall be punishable with fine which may extend to five hundred rupees.

INSURED PERSON DETAILS

Policy No. :

Insured Person No.:

Annual Premium:

To be completed separately including Questionnaire form for each insured person. (If more than one insured Person is required to be covered please obtain additional forms from the company).

.....
1. Name of the Insured Person: For Office Use 2.
Address:

.....
State/U. Territory:

3. Sex (Strike out Which ever is not applicable): Male/Female

4. Relationship with the proposer :

5. Date of Birth and age :

6. a) Average monthly income Rs. :

b) Income Tax PAN No. :

7. Profession/Occupation/Trade or Business :

(Please describe fully with nature of duties)

Pin Code :

Tel No. :

State/U. Territory :

8. Name and address of the Medial Practitioner,
his qualification & Telephone No. If any. :

Pin Code :

Tel No. :

State./U. Territory :

9. Medical Practitioner's Regn. No. :

10. Are you at present or any other time in the past covered under any other Insurance :
 Type (PA, Cancer Insurance. Hospitalisation Insurance or other Medical Insurance)
 If So, give particulars of -
- a) Insurer, policy No. and period of cover :
 b) Claim Amt. Recd./receivable :
 Period.....From To
11. Any proposal for this Insurance or any other similar insurance refused or cancelled or higher premium charged, if so give details. :
12. Medical history to be completed by the proposer/insured person :
 Please answer the following questions in yes or no (A dash is not sufficient) and give full details if answer is yes.
- 12.1. Are you in good health and free from physical and mental disease of infirmity or medical complaints ? :
- 12.2. If not in good health give full details. :
13. Have you ever suffered any of the diseases/illness?
 If yes, give details
- a) any nervous, mental or psychiatric disease :
 b) Slipped disc or other spinal disorder or (fainting episode, blackout, fit) paralysis of any kind. :
 c) High blood pressure, heart diseases, including ischaemic heart disease, other circulatory disorder etc. (rheumatic fever) :
 d) Fistula, piles, hernia, varicose veins :

- e) Any disease of the bones or joints including :
rheumatic disease
 - f) Disease of uterus, ovaries or breast or any
specific gynaecological disorders. :
 - g) Any respiratory or allergic disease :
 - h) Any disorder of the stomach, ulcer,
bowel or gall bladder, kidney stones etc. :
 - i) Any cancer, malignant growth, boil, cyst or
wound etc. Which does not heal or improve
despite treatment. :
 - j) Any other complain requiring specialist's
consultation or surgical or hospital
treatment or investigations. :
 - k) Any complain or tendency that may necessitate
such consultation or treatment in the future :
 - l) Any dimness of vision/cataract :
 - m) Any disease of ears or difficulty or interference
with hearing :
 - n) Diabetes or any urinary diseases :
 - o) Any other illness or disease or accident of
operation sustained by you :
14. Have you ever suffered from dental problems? Yes/No.
- p) If yes, specify same :
 - q) When were you treated last for same :
15. Give particulars in table below of any other illness or disease or accident or operation sustained by you in the past.

S.No.	Nature of illness/disease injury and treatment received	Date first treated	Name of attending medical practitioner, surgeon with his address and Telephone No.	Whether fully cured
1				
2				
3				
4				

16. Are there any additional facts affecting the proposed insurance which should be disclosed to Insurers? :

17. Please give details of any knowledge of any positive existence or presence of any ailment, sickness or injury which may require medical attention.

- 1.
- 2.
- 3.
- 4.

18. Please specify Sum Insured opted : Rs.

I hereby declare and warrant that the above statements are true and complete. I consent authorise the Insurers to seek medical information from any Hospital/Medical Practitioner who has at any time attended or may attend concerning any disease or illness which affects my physical or mental health. I agree that this proposal shall form the basis of the contract should the insurance be effected. If after the insurance is effected, it is found that the statements, answers or particulars stated in the Proposal form and its Questionnaires are incorrect or untrue in any respect, the Insurance Company shall incur no liability under this insurance.

I have read the Prospectus and I am willing to accept the coverage subject to the terms, conditions and exceptions prescribed by the Insurance Company herein.

Date:.....

Place:.....

Signature:.....

DD MM YY

Name of the proposer/ insured person (IN BLOCK LETTERS)

.....

N:B This should necessarily be signed by insured. In case of minor, guardian or proposer may sign.

For Office Use

Basic Premium for Scheme	Rs.
Family Discount	Rs.
Staff Discount	Rs.

To be Completed by Proposer in Case of Adverse History in the Proposal Form in Respect of Applicable Illness

Annexure-A

Diabetes Questionnaire

1. Date of diagnosis of Diabetes:
2. Did you suffer from coma or procoma?
3. Do you take any antidiabetic drugs? If so, please give names with dose:
4. Please give details of fasting and postprandial Blood sugar Readings: ECG findings and other investigation reports with dates.
Please also send reports:
5. Do you suffer or have suffered from any complication of Diabetes or any other diseases?

Hypertension Questionnaire

1. What is your Bloodpressure reading, please state with dates?
2. Please state names of antihypertensive drugs with dose:
3. Are you a srnoker?
4. Is It Essential/Secondary/Malignant Hypertension?
5. Please state whether you have suffered from any complications or other diseases:
6. Please give findings of all investigation reports:

Chest Pain or Coronary Insufficiency or Myocardial Infarction Questionnaire

1. Did you ever suffer from chest pain or coronary insufficiency or myocardial Infarction ? If so, please give diagnosis and date:
2. Please state the names and dose of drugs you are taking at present:
3. Please state the findings with dates of Investigations done like ECG, Stress test, coronary angiography, X-ray pathology reports etc.
Please send reports with the proposal arm:
4. Please state the date of hospitalisation and names of hospitals and consultants:
5. Please state complications and other diseases suffered:
6. Please state whether you can do your regular work and whether you have any limitation of activity:
7. Are you advised any special treatment ? If so, please give Information:

Place:

Date:

Signature of Proposer

To be Completed by Consulting Physician / Surgeon (In Case of Adverse Medical History)

Annexure- "B"

1. Name of the Insured:
2. History
 - a) Present complaints and Investigation, if any:
 - b) Any past history of diseases, operations, accidents, Investigations with date, major medical complaints or hospitalisation:
 - c) Details of present and past medication with duration:
 - d) Is he cured of diseases, if any, given, stopped?

- 3. General Examination:
- 4. Systematic Examination:

Signature of Proposer:

Signature of Consulting Physician:

Date:

Name of Consulting Physician:

Place:

Qualification:

Address:

Telephone Number:

To be Completed by Official of Insurance Company

Do You Consider the Risk Acceptable?

Competent Authority:

Branch Manager:

Divisional Manager:

MEDICLAIM 2012 POLICY DOCUMENT

This is Your MEDICLAIM 2012 Policy, which has been issued by Us, relying on the information disclosed by You in Your Proposal for this Policy or its preceding Policy / Policies of which this is a renewal.

The terms set out in this Policy and its Schedule will be the basis for any claim or benefit under this Policy. This Policy states:-

What We Cover

Definitions

How much we will reimburse

Additional Benefit- Health Check-up

What are Excluded under this Policy

Conditions

Please read this Policy carefully and point out discrepancy, if any in the Schedule. Otherwise, it will be presumed that the Policy and the Schedule correctly represent the cover agreed upon.

1. What We Cover

If during the Period of Insurance, You or any Insured Person incurs Hospitalisation Expenses which are Reasonable and Customary, and Medically Necessary for treatment of any Illness or Injury, We will reimburse such expense incurred by You, through the Third Party Administrator, in the manner stated herein.

Please note that the above coverage is subject to Limits, Terms and Conditions contained in this Policy and no Exclusion being found applicable.

2. Definitions

2.1 Accident: An accident is a sudden, unforeseen and involuntary event caused by external, visible and violent means.

2.2 Any One Illness : means continuous Period of Illness and it includes relapse within 45 days from the date of last consultation with the Hospital where treatment may have been taken.

2.3 Cancellation : Cancellation defines the terms on which the policy contract can be

terminated either by the insurer or the insured by giving sufficient notice to other which is not lower than a period of fifteen days.

2.4 Cashless Facility : means a facility extended by the insurer to the insured where the payments, of the costs of treatment undergone by the insured in accordance with the policy terms and conditions, are directly made to the network provider by the insurer to the extent pre-authorization approved.

2.5 Condition Precedent : Condition Precedent shall mean a policy term or condition upon which the Insurer's liability under the policy is conditional upon.

2.6 Congenital Anomaly : refers to a condition(s) which is present since birth, and which is abnormal with reference to form, structure or position.

2.6.1 Congenital Internal Anomaly : means a Congenital Anomaly which is not in the visible and accessible parts of the body

2.6.2 Congenital External Anomaly : means a Congenital Anomaly which is in the visible and accessible parts of the body

2.7 Co-Payment : A co-payment is a cost-sharing requirement under a health insurance policy that provides that the Insured person will bear a specified percentage of the admissible claim amount. A co-payment does not reduce the sum insured.

2.8 Continuous Coverage : means uninterrupted coverage with Us till the date of commencement of Period of Insurance of the Insured Person under Medclaim 2007 Policy or under MEDICLAIM INSURANCE (INDIVIDUAL) Policy or under MEDICLAIM 2012 from the time the coverage incepted under any of these Policies. A break in insurance for a period not exceeding thirty days shall not be reckoned as an interruption in coverage for the purposes of this Clause. In case of change in Sum Insured during such uninterrupted coverage, the lowest Sum Insured would be reckoned for determining Continuous Coverage.

2.9 Contribution CONTRIBUTION: Contribution is essentially the right of an insurer to call upon other insurers, liable to the same insured, to share the cost of an indemnity claim on a ratable proportion of Sum Insured. This clause shall not apply to any benefit offered on fixed benefit basis.

2.10 Cumulative Bonus Buffer : the Cumulative Bonus Buffer, as stated in the Schedule, earned as at the time of commencement of this Policy. Cumulative Bonus Buffer shall not be treated as part of the Sum Insured for the purposes of reckoning any limit specified in the Policy.

2.11 Day Care Treatment : Day Care treatment refers to medical treatment, and/or

Surgery which are: - Undertaken under General or Local Anesthesia in a Hospital / Day Care Centre in less than twenty four hours because of technological advancement, and- Which would have otherwise required a Hospitalization of more than twenty four hours. Treatment normally taken on an out-patient basis is not included in the scope of this definition.

2.12 Deductible : A deductible is a cost-sharing requirement under a health insurance policy that provides that the Insurer will not be liable for a specified rupee amount of the covered expenses, which will apply before any benefits are payable by the insurer. A deductible does not reduce the sum insured.

2.13 Dental Treatment : Dental treatment is treatment carried out by a dental practitioner including examinations, fillings (where appropriate), crowns, extractions and Surgery excluding any form of cosmetic Surgery/implants.

2.14 Domiciliary Hospitalisation : Domiciliary Hospitalization means medical treatment for an Illness/Injury which in the normal course would require care and treatment at a Hospital but is actually taken while confined at home under any of the following circumstances:

- The condition of the patient is such that he/she is not in a condition to be removed to a Hospital, or - The patient takes treatment at home on account of non-availability of room in a Hospital.

2.15 Hospital : A Hospital means any institution established for Inpatient Care and Day Care Treatment of Illness and/or injuries and which has been registered as a Hospital with the local authorities under the Clinical Establishment (Registration and Regulation) Act, 2010 or under the enactments specified under the schedule of Section 56(1) of the said act OR complies with all minimum criteria as under:

- has at least 10 inpatient beds, in those towns having a population of less than 10,00,000 and 15 inpatient beds in all other places;
- has qualified nursing staff under its employment round the clock;
- has qualified Medical Practitioner (s) in charge round the clock;
- has a fully equipped operation theatre of its own where Surgeries are carried out
- maintains daily records of patients and will make these accessible to the Insurance company 's authorized personnel.

2.16.1 Hospitalisation : means admission in a Hospital for a minimum period of twenty four In-patient Care consecutive hours except for specified procedures / treatments, where such admission could be for a period of less than twenty four consecutive hours.

- | | |
|---|--|
| <p>1 Adenoidectomy</p> <p>2 Appendectomy</p> <p>3 Anti-Rabies Vaccination</p> <p>4 Coronary angiography</p> <p>5 Coronary angioplasty</p> <p>7 ERCP (Endoscopic Retrograde Cholangiopancreatography)</p> <p>8 ESWL (Extracorporeal Shock Wave Lithotripsy)</p> <p>9 Excision of Cyst/granuloma/lump</p> <p>10 FOLLOWING EYE SURGERIES:
Cataract Surgery (Extra Capsular Cataract</p> <p>A Excision or Phacoemulsification + Intra Ocular Lens)</p> <p>B Corrective Surgery for blepharoptosis when not congenital/cosmetic</p> <p>C Corrective Surgery for entropion/ectropion</p> <p>D Dacryocystorhinostomy [DCR]</p> <p>E Excision involving one-fourth or more of lid margin, full-thickness</p> <p>F Excision of lacrimal sac and passage</p> <p>G Excision of major lesion of eyelid, full-thickness</p> <p>H Manipulation of lacrimal passage</p> <p>I Operations for pterygium</p> <p>J Operations of canthus and epicanthus when done for adhesions due to chronic Infections</p> <p>K Removal of a deeply embedded foreign body from the conjunctiva with incision</p> <p>L Removal of a deeply embedded foreign body from the cornea with incision</p> <p>M Removal of a foreign body from the lens of the eye</p> <p>N Removal of a foreign body from the posterior chamber of the eye</p> <p>O Repair of canaliculus and punctum</p> <p>P Repair of corneal laceration or wound with conjunctival flap</p> <p>Q Repair of post-operative wound dehiscence of cornea</p> | <p>R Penetrating or Non-Penetrating Surgery for treatment of Glaucoma</p> <p>11 FESS (Functional Endoscopic Sinus Surgery)</p> <p>12 Fissurectomy / Fistulectomy</p> <p>13 Fracture/dislocation excluding hairline fracture 6 Dilatation & Curettage</p> <p>14 Haemo dialysis</p> <p>15 Hydrocelectomy</p> <p>16 Hysterectomy</p> <p>17 Inguinal / ventral / umbilical / femoral hernia repair</p> <p>18 Laparoscopic Cholecystectomy</p> <p>19 Lithotripsy</p> <p>20 Liver aspiration</p> <p>21 Mastoidectomy</p> <p>22 Parenteral chemotherapy</p> <p>23 Haemorrhoidectomy</p> <p>24 Polypectomy</p> <p>25 Following Prostate Surgeries</p> <p>a TUMT (Transurethral Microwave Thermotherapy)</p> <p>b TUNA (Transurethral Needle Ablation)</p> <p>c Laser Prostatectomy</p> <p>d TURP (transurethral Resection of Prostate)</p> <p>e Transurethral Electro-Vaporization of the Prostate (TUEVAP)</p> <p>26 Radiotherapy</p> <p>27 Sclerotherapy</p> <p>28 Septoplasty</p> <p>29 Surgery for Sinusitis</p> <p>30 Varicose Vein Ligation</p> <p>31 Tonsillectomy</p> <p>Or any other surgeries / procedures agreed by the TPA and the Company</p> <p>32 which require less than twenty four hours Hospitalisation and for which prior approval from TPA is mandatory.</p> |
|---|--|

Note: Procedures/treatments usually done in outpatient department are not payable under the Policy even if converted as an in-patient in the Hospital for more than twenty four consecutive hours.

2.16.2 Day Care Centre : A Day Care Centre means any institution established for day care treatment of Illness and/or Injury or a medical setup within a Hospital and which has been registered with the local authorities, wherever applicable, and is under supervision of a registered and qualified Medical Practitioner AND must comply with all minimum criteria as under:

- has qualified nursing staff under its employment;
- has qualified Medical Practitioner/s in charge;
- Has a fully equipped operation theatre of its own where Surgeries are carried out;
- Maintains daily record of patients and will make these accessible to the insurance company's authorized personnel.

2.17 Illness: Illness means a sickness or a disease or pathological condition leading to the impairment of normal physiological function which manifests itself during the Policy Period and requires medical

2.18 Injury: Injury means accidental physical bodily harm excluding Illness or disease solely and directly caused by external, violent and visible and evident means which is verified and certified by a Medical

2.19 Inpatient Care: Inpatient care means treatment for which the insured person has to stay in a Hospital for more than twenty four hours for a covered event.

2.20 Insured Person means You and each of the others who are covered under this Policy as shown in the Schedule

2.21 Intensive Care Unit (ICU) means an identified section, ward or wing of a *Hospital* which is under the constant supervision of a dedicated Medical Practitioner(s), and which is specially equipped for the continuous monitoring and treatment of patients who are in a critical condition, or require life support facilities and where the level of care and supervision is considerably more sophisticated and intensive than in the ordinary and other wards.

2.22 Maternity Expenses : Maternity expense shall include :

- a. Medical Treatment Expenses traceable to childbirth (including complicated deliveries and
- b. Expenses towards lawful medical termination of pregnancy during the Policy Period.

2.23 Medical Advice : Any consultation or advice from a Medical Practitioner including the issue of any

2.24 Medical Expenses: Medical Expenses means those expenses that an Insured Person has necessarily and actually incurred for medical treatment on account of Illness or Injury on the advice of a Medical Practitioner, as long as these are no more than would have been payable if the Insured Person had not been insured and no more than other Hospitals or Medical Practitioner in the same locality would have charged for the same medical treatment.

2.25 Medically Necessary: Medically Necessary treatment is defined as any treatment, tests, medication, or stay in Hospital or part of a stay in Hospital which

- is required for the medical management of the Illness or Injury suffered by the insured;
- must not exceed the level of care necessary to provide safe, adequate and appropriate medical care in scope, duration, or intensity;
- must have been prescribed by a Medical Practitioner;
- must conform to the professional standards widely accepted in international medical practice or by the medical community in India.

2.26 Medical Practitioner: A Medical Practitioner is a person who holds a valid registration from the medical council of any state or Medical Council of India or Council for Indian Medicine or for Homeopathy set up by the Government of India or a state Government and is thereby entitled to practice medicine within its jurisdiction; and is acting within the scope and jurisdiction of his license.

Note: The Medical Practitioner should not be the insured or close family members.

2.27 Network Hospital : All such Hospitals, Day Care centers or other providers that the insurance company/TPA has mutually agreed with, to provide services like cashless access to policyholders. The list is available with the insurer/TPA and subject to amendment from time to time.

2.28 Non-network Hospital : Any Hospital, Day Care Centre or other provider that is not part of the Network.

2.29 OPD Treatment : OPD treatment is one in which the Insured visits a clinic / Hospital or associated facility like a consultation room for diagnosis and treatment based on the advice of a Medical Practitioner. The Insured is not admitted as a day care or in-patient.

2.30 Period of Insurance means the period for which this Policy is taken as specified in the Schedule.

2.31 Pre-existing Condition/Disease: Any condition, ailment or Injury or related condition(s) for which you had signs or symptoms, and/or were diagnosed, and/or received medical advice / treatment within 48 months prior to the first policy issued by the insurer.

2.32 Pre-hospitalisation Medical Expenses mean Medical Expenses incurred immediately before the Insured Person is Hospitalised, provided that:

- i. Such Medical Expenses are incurred for the same condition for which the Insured Person 's Hospitalization was required, and
- ii. The Inpatient Hospitalization claim for such Hospitalization is admissible by the Insurance Company.

2.33 Post-hospitalisation Medical Expenses mean Medical Expenses incurred immediately after the Insured Person is discharged from the Hospital provided that:

- i. Such Medical Expenses are incurred for the same condition for which the Insured Person 's Hospitalisation was required, and
- ii. The Inpatient Hospitalisation claim for such Hospitalisation is admissible by the Insurance Company.

2.34 Portability: Portability means transfer by an individual health insurance policyholder (including family cover) of the credit gained for pre-existing conditions and time-bound exclusions if he/she chooses to switch from one insurer to another.

2.35 Qualified Nurse: Qualified nurse is a person who holds a valid registration from the Nursing Council of India or the Nursing Council of any state in India.

2.36 Reasonable And Customary Charges mean the charges for services or supplies, which are the standard charges for the specific provider and consistent with the prevailing charges in the geographical area for identical or similar services, taking into account the nature of the Illness / Injury involved .

2.37 Renewal: Renewal defines the terms on which the contract of insurance can be renewed on mutual consent with a provision of grace period for treating the renewal continuous for the purpose of all waiting periods.

2.38 Room Rent: Room Rent means the amount charged by a Hospital for the occupancy of a bed per day (twenty four hours) basis and shall include associated medical expenses.

2.39 Sum Insured is the maximum amount of coverage opted for each Insured Person and shown in the Schedule.

2.40 Surgery: Surgery means manual and/or operative procedure(s) required for treatment of an Illness or Injury, correction of deformities and defects, diagnosis and cure of diseases, relief of suffering or prolongation of life, performed in a Hospital or Day Care Centre by a Medical Practitioner.

2.41 TPA: Third Party Administrators or TPA means any person who is licensed under the IRDA (Third Party Administrators - Health Services) Regulations, 2001 by the Authority, and is engaged, for a fee or remuneration by an insurance company, for the purposes of providing health services.

2.42 Unproven/Experimental Treatment: Treatment including drug experimental therapy, which is not based on established medical practice in India, is treatment experimental or unproven.

2.43 We/Our/Us/Company mean The New India Assurance Co. Ltd.

2.44 YOU/YOUR means the person who has taken this Policy and is shown as Insured or the first insured (if more than one) in the Schedule.

3. How Much We will Reimburse

3.1 Our liability for all claims admitted during the Period of Insurance will be only up to Sum Insured for which the Insured Person is covered as mentioned in the Schedule. In respect of those Insured Persons with Cumulative Bonus Buffer, Our liability for claims admitted under this Policy shall not exceed the aggregate of the Sum Insured and the Cumulative Bonus Buffer. Subject to this, We will reimburse the following Reasonable and Customary, and Medically Necessary Expenses admissible as per the terms and conditions of the Policy:

3.1(a) Room Rent, boarding and nursing expenses as provided by the Hospital not exceeding 1.0 % of the Sum Insured per day

3.1(b) Intensive Care Unit (ICU) / Intensive Cardiac Care Unit (ICCU) expenses not exceeding 2.0 % of the Sum Insured per day

3.1(c) Surgeon, Anesthetist, Medical Practitioner ,Consultants ' Specialist fees.

3.1(d) Anesthesia, Blood, Oxygen, Operation Theatre Charges, Surgical Appliances, Medicines & Drugs, Dialysis, Chemotherapy, Radiotherapy, Artificial Limbs, Cost of Prosthetic devices implanted during Surgery like pacemaker, Relevant Laboratory/Diagnostic test, X-Ray and other medical expenses related to the treatment.

Reimbursement / payment of Room Rent, boarding and nursing expenses incurred at the Hospital shall not exceed 1% of the Sum Insured per day. In case of admission to Intensive Care Unit or Intensive Cardiac Care Unit, reimbursement or payment of such expenses shall not exceed 2% of the Sum Insured per day. In case of admission to a room/ICU/ICCU at rates exceeding the aforesaid limits, the reimbursement / payment of all other expenses incurred at the Hospital, with the exception of cost of medicines, shall be effected in the same proportion as the admissible rate per day bears to the actual rate per day of Room Rent/ICU/ICCU charges.

3.1(e) Pre-Hospitalization Medical expenses, max upto 30 days

3.1(f) Post-Hospitalization Medical expenses, max upto 60 days

Medical Expenses Incurred Under Two Policy Periods :

If the claim event falls within two policy periods, the claims shall be paid taking into consideration the available sum insured in the two policy periods, including the deductibles for each policy period. Such eligible claim amount payable to the Insured shall be reduced to the extent of premium to be received for the renewal / due date of premium of health insurance policy, if not received earlier.

Medical Expenses for Organ Transplant :

If treatment involves Organ Transplant to Insured Person, then We will also pay Hospitalisation Expenses (excluding cost of organ) incurred on the donor, provided Our liability towards expenses incurred on the donor and the insured recipient shall not exceed the aggregate of the Sum Insured, and Cumulative Bonus Buffer, if any, of the Insured Person receiving the organ.

3.2 In respect of any Insured Person

- a) Who is over 55 years of age as at the commencement of the Period of Insurance,
- b) Whose Continuous Coverage incepts in a MEDICLAIM 2012 policy , and
- c) Who does not have forty eight months of claim free Continuous Coverage. Our liability will be:
 - a) Sum Insured, or
 - b) 80% of the admissible claim amount.

Whichever is less.

3.3 Where the Insured Person is treated in a Hospital situated outside the Area of Coverage as stated in the Schedule, our liability will be:

- a) Sum Insured, or
- b) 80% of the admissible claim amount.

Whichever is less.

3.4 Limit on Payment for Cataract :

Our liability for payment of any claim relating to Cataract shall not exceed 20% of the aggregate of Sum Insured and Cumulative Bonus Buffer, for each eye, subject to a maximum of Rs.24000.

3.5 Ayush Coverage: Treatments Under Ayurvedic/Homeopathic/Unani Systems

Expenses incurred for Ayurvedic / Homeopathic / Unani Treatment are admissible up to 25% of the sum insured (exclusive of Cumulative Bonus Buffer) provided the treatment for Illness or Injury, is taken in a government Hospital or in any institute recognized by government and/or accredited by Quality Council of India / National Accreditation Board on Health, excluding centers for spas, massage and health rejuvenation procedures.

3.6 Hospital Cash

For those Insured Persons, whose Sum Insured is more than or equal to Rs Three Lakhs, We will pay Hospital Cash at the rate of 0.1% of the Sum Insured , for each day of Hospitalisation, admissible under the Policy. The payment under this Clause for Any One Illness shall not exceed 1% of the Sum Insured. The payment under this Clause is applicable only where the period of Hospitalisation exceeds twenty four consecutive hours.

3.7 Additional Benefit - Health Checkup

The Insured Person shall be entitled for reimbursement of the cost of Medical check-up at the end of a block of every three Renewal years, if there are no claims reported during the block. Such payment shall be restricted to Rs 5000 or 1% of the average Sum Insured of the Insured Person in the preceding three years, whichever is less. This benefit is available only once in three years.

Any payment made under this clause shall not be considered as a claim for the purpose of Clauses 5.11 and 5.12 of this Policy.

3.8 Payment of Ambulance Charges

We will pay You the charges for Ambulance services not exceeding 1% of the Sum Insured, Reasonably and Medically Necessarily incurred for shifting any Insured Person to Hospital for admission in Emergency Ward or ICU, or from one Hospital to another Hospital for better medical facilities.

3.9 Payments Only If Included In Hospital Bill

No payment shall be made for any Hospitalisation expenses incurred, unless they form part of the Hospital Bill. However, the bills raised by Surgeon, Anaesthetist directly and not included in the Hospital Bill shall be paid provided a numbered Bill is produced in support thereof, for an amount not exceeding Rs. Ten thousand, where such payment is made in cash and for an amount not exceeding Rs. Twenty thousand, where such payment is made by cheque.

4. What Are Excluded Under This Policy

No claim will be payable under this Policy for the following:

- 4.1** Treatment of any Pre-Existing Condition / Disease, until 48 months of Continuous Coverage of such Insured Person have elapsed, from the Date of inception of his / her first Policy with Us as mentioned in the Schedule.
- 4.2** Any Illness contracted by the Insured person (except Injury) during the first 30 days of the commencement date of this Policy. This exclusion shall not however, apply if the Insured person has Continuous Coverage for more than twelve months.
- 4.3.1** Unless the Insured Person has Continuous Coverage in excess of twenty four months with Us, expenses on treatment of the following Illnesses are not payable:
 1. Cataract and age related eye ailments
 2. Benign prostate hypertrophy
 3. Benign ear, nose, throat disorders
 4. Treatment for Menorrhagia/Fibromyoma, Myoma and Prolapsed uterus
 5. Hernia of all types
 6. Piles, Fissures and Fistula in anus
 7. Stones in Urinary system
 8. All internal and external benign tumours, cysts, polyps of any kind, including benign breast lumps
 9. Gastric/ Duodenal Ulcer

10. Hydrocele
11. Stone in Gall Bladder and Bile duct, excluding malignancy
12. Pilonidal sinus, Sinusitis and related disorders
13. Non Infective Arthritis
14. Gout and Rheumatism
15. Prolapse inter Vertebral Disc and Spinal Diseases unless arising from Accident
16. Skin Disorders
17. Varicose Veins and Varicose Ulcers

Note: Even after twenty four months of Continuous Coverage, the above Illnesses will not be covered if they arise from a Pre-existing Condition, until 48 months of Continuous Coverage have elapsed since inception of the first Policy with the Company.

4.3.2 Unless the Insured Person has Continuous Coverage in excess of fortyeight months with Us, the expenses related to treatment of Joint Replacement due to Degenerative Condition, and age-related Osteoarthritis & Osteoporosis are not payable.

4.4.1 Injury / Illness directly or indirectly caused by or arising from or attributable to War, invasion, Act of Foreign enemy, War like operations (whether war be declared or not), nuclear weapon/ ionising radiation, contamination by Radioactive material, nuclear fuel or nuclear waste or from the combustion of nuclear fuel.

4.4.2 a. hereunder or as may be necessitated due to an Accident

- b.** Change of life/sex change or cosmetic or aesthetic treatment (except for burns/Injury) of any description such as correction of eyesight, etc.
- c.** Plastic Surgery other than as may be necessitated due to an Accident or as a part of any Illness.

4.4.3 Vaccination and/or inoculation.

4.4.4 cost of braces, equipment or external prosthetic devices, non-durable implants, eyeglasses, Cost of spectacles and contact lenses, hearing aids including cochlear implants, durable medical equipment.

4.4.5 Dental treatment or Surgery of any kind unless necessitated by Accident and requiring Hospitalisation.

4.4.6.1 Convalescence, general debility, 'Run-down' condition or rest cure, obesity treatment and its complications, treatment relating to all psychiatric and psychosomatic disorders, infertility, sterility, Venereal disease, intentional

self-Injury and Illness or Injury caused by the use of intoxicating drugs/alcohol.

4.4.6.2 Congenital Internal and External Disease or Defects or anomalies.

However, the exclusion for Congenital Internal Disease or Defects or anomalies shall not apply after twenty four months of Continuous Coverage, if it was unknown to You or to the Insured Person at the commencement of such Continuous Coverage.

The exclusion for Congenital External Disease or Defects or anomalies shall not apply after forty eight months of Continuous Coverage, but such cover for Congenital External Disease or Defects or anomalies shall be limited to 10% of the average Sum Insured of the Insured Person in the preceding four years.

4.4.7 Bodily Injury or Illness due to willful or deliberate exposure to danger (except in an attempt to save 9. Gastric/ Duodenal Ulcer human life), intentional self-inflicted Injury, attempted suicide, arising out of non-adherence to medical advice.

4.4.8 Treatment of any Bodily Injury or Illness sustained whilst or as a result of active participation in any hazardous sports of any kind.

4.4.9 Treatment of any Injury or Illness sustained whilst or as a result of participating in any criminal act.

4.4.10 Sexually Transmitted Diseases, any condition directly or indirectly caused to or associated with Human T-Cell Lymphotropic Virus Type III (HTLB - III) or lymphadenopathy Associated Virus (LAV) or the Mutants Derivative or Variation Deficiency Syndrome or any syndrome or condition of a similar kind commonly referred to as AIDS.

4.4.11 Charges incurred at Hospital primarily for diagnosis, x-ray or Laboratory examinations or other diagnostic studies not consistent with or incidental to the diagnosis and treatment of positive existence or presence of any Illness or Injury for which confinement is required at a Hospital

4.4.12 Expenses on vitamins and tonics unless forming part of treatment for Injury or Illness as certified by the attending Medical Practitioner.

4.4.13 Maternity Expenses, except abdominal operation for extra uterine pregnancy (Ectopic Pregnancy), which is proved by submission of Ultra Sonographic Report and Certification by Gynaecologist that it is life threatening one if left untreated.

4.4.14 Naturopathy Treatment

- 4.4.15 Any expenses relating to cost of items detailed in Annexure II.
- 4.4.16 Genetic disorders and stem cell implantation / Surgery.
- 4.4.17 Domiciliary Hospitalisation
- 4.4.18 Acupressure, acupuncture, magnetic therapies
- 4.4.19 Unproven / Experimental treatments.
- 4.4.20 Change of treatment from one system of medicine to another unless recommended by the Medical Practitioner / Hospital under whom the treatment is taken.
- 4.4.21 Any kind of Service charges, Surcharges, Luxury Tax and similar charges levied by the Hospital.
- 4.4.22 Treatment for Age Related Macular Degeneration (ARMD) , treatments such as Rotational Field Quantum Magnetic Resonance (RFQMR), External Counter Pulsation (ECP), Enhanced External Counter Pulsation (EECP), Hyperbaric Oxygen Therapy

5. Conditions

5.1 Basis of Insurance:

This Policy is issued on the basis of the truth and accuracy of statements in the Proposal. If there is any misrepresentation or non-disclosure We will be entitled to treat the Policy as void.

5.2 Premium:

Unless premium is paid before commencement of risk, this Policy shall have no effect.

5.3 Place of Treatment And Payment:

This Policy covers only medical/surgical treatment taken in India.

Admissible claims shall be payable only in Indian Rupees.

Payment shall be made directly to Network Hospital if Cashless facility is applied for before treatment and accepted by TPA. If request for Cashless facility is not accepted by TPA, bills shall be submitted to the TPA after payment of Hospital bills by you.

Note: Cashless facility is only a mode of claim payment and cannot be demanded in every claim. If we/TPA have doubts regarding admissibility of a claim at the initial stage, which cannot be decided without further verification of treatment

records, request for Cashless facility may be declined. Such decision by TPA or Us shall be final. Denial of Cashless facility would not imply denial of claim. If Cashless facility is denied, You may submit the papers on completion of treatment and admissibility of the claim would be subject to the terms, conditions and exceptions of the Policy.

5.4 Communication:

You must send all communications and papers regarding a claim to the TPA at the address shown in the Schedule.

In case you have opted for the direct service by the Us, in such case you have to send all the claim documents to the Policy issuing office for re-imburement.

For all other matters relating to the policy, communication must be sent to our Policy issuing office. Communications you wish to rely upon must be in writing.

5.5 Notice of Claim:

If You intend to make any claim under this Policy You must:

- a. Immediately intimate TPA/Policy issuing office (as the case may be) in writing on any Disease/Injury being suffered before Hospitalisation.
- b. Intimate within twenty four hours from the time of Hospitalisation in case of Hospitalisation due to medical emergency.
- c. Submit following supporting documents to TPA/Policy issuing office (as the case may be) relating to the claim within seven days from the date of discharge from the Hospital:
 - i. Bill, Receipt and Discharge certificate / card from the Hospital.
 - ii. Cash Memos from the Hospitals (s) / Chemists (s), supported by proper prescriptions.
 - iii. Receipt and Pathological test reports from Pathologist supported by the note from the attending Medical Practitioner / Surgeon recommending such Pathological tests / pathological.
 - iv. Surgeon's certificate stating nature of operation performed and Surgeons ' bill and receipt..
 - v. Attending Doctor's/ Consultant's/ Specialist's / Anesthetist 's bill and receipt, and certificate regarding diagnosis.
 - vi. Certificate from attending Medical Practitioner / Surgeon that the patient is fully cured.

- d. In case of Post-Hospitalisation treatment (limited to sixty days), submit all claim documents within 7 days after completion of such treatment.
- e. Provide TPA/Policy issuing office (as the case may be) with authorization to obtain medical and other records from any Hospital, Laboratory or other agency.

Note: The above stipulations are not intended merely to prejudice Your claims, but their compliance is of utmost importance and necessity for Us to identify and verify all facts and surrounding circumstances relating to a claim and determine whether it is payable. Waiver of delay may be considered in extreme cases of hardship, but only if it is proved to Our satisfaction it was not possible for You or any other person to comply with the prescribed time-limit.

5.6 The Insured person shall submit to the TPA all original bills, receipts and other documents upon which a claim is based and shall also give the TPA / Us such additional information and assistance as the TPA / We may require.

5.7 Any Medical Practitioner authorised by the TPA / Us shall be allowed to examine the Insured Person, at our cost, if We deem Medically Necessary in connection with any claim.

5.8 Fraud, Misrepresentation, Concealment:

The policy shall be null and void, and no benefits shall be payable in the event of misrepresentation, misdescription or nondisclosure of any material fact/particular if such claim be in any manner fraudulent or supported by any fraudulent means or device whether by the Insured Person or by any other person acting on his/her behalf.

5.9 Contribution:

If two or more policies are taken by You during a period from one or more insurers to indemnify treatment costs, We shall not apply the contribution clause, but the You shall have the right to require a settlement of Your claim in terms of any of Your policies.

1. In all such cases We shall be obliged to settle the claim without insisting on the contribution clause as long as the claim is within the limits of and according to the terms of Our policy.
2. If the amount to be claimed exceeds the sum insured under a single policy after considering the deductibles or co-pay, the You shall have the right to

choose insurers by whom the claim to be settled. In such cases, the insurer may settle the claim with contribution clause.

3. Except in benefit policies, in cases where You have policies from more than one insurer to cover the same risk on indemnity basis, You shall only be indemnified the Hospitalisation costs in accordance with the terms and conditions of the policy. None of the provisions of this Clause shall apply for payments under Clause 3.7 of the Policy.

Note: You must disclose such other insurance at the time of making a claim under this Policy.

5.10 Renewal Clause:

We shall renew this Policy if You shall remit the requisite Premium to Us prior to expiry of the Period of Insurance stated in the Schedule. We shall be entitled to decline renewal if:

1. Any fraud, moral hazard/misrepresentation or suppression by You or any one acting on Your behalf is found either in obtaining insurance or subsequently in relation thereto, or non-cooperation of the Insured Person, or
2. We have discontinued issue of the Policy, in which event You shall however have the option for renewal under any similar Policy being issued by Us; provided however, benefits payable shall be subject to the terms contained in such other Policy, or
3. You fail to remit Premium for renewal before expiry of the Period of Insurance. We may accept renewal of the Policy if it is effected within thirty days of the expiry of the Period of Insurance. On such acceptance of renewal, we, however shall not be liable for any claim arising out of Illness, contracted or Injury sustained or Hospitalization commencing in the interim period after expiry of the earlier Policy and prior to date of commencement of subsequent Policy

5.11 Enhancement of Sum Insured:

You may seek enhancement of Sum Insured in writing before payment of premium for renewal, which may be granted at Our discretion. Before granting such request for enhancement of Sum Insured, We have the right to have You examined by a Medical Practitioner authorized by Us or the TPA. Our consent for enhancement of Sum Insured is dependent on the recommendation of the Medical Practitioner and subject to limits as pertable in Annexure I. Enhancement of Sum Insured will not be considered for:

- 1) Insured Persons over 65 years of age.
- 2) Insured Person who had undergone more than one Hospitalisation in the preceding two years.
- 3) Insured Persons suffering from one or more of the following Illnesses/ Conditions:
 - a) Diabetes
 - b) Hypertension
 - c) Any chronic Illness/ailment
 - d) Any recurring Illness/ailment
 - e) Any Critical Illness

In respect of any enhancement of Sum Insured, exclusions 4.1, 4.2 and 4.3 would apply to the additional Sum Insured from such date.

5.12 No Claim Discount:

For those Insured Persons who have claim free continuous coverage under a MEDICLAIM 2012 Policy, discounts, at the following rates, shall be given on the Renewal Premium payable, for each year of continuous claim free coverage in a MEDICLAIM 2012 Policy :

	AGE<=60		AGE>60	
	Discount Per	Max.	Discount Per	Max.
Year (%)	Discount (%)	Year (%)	Discount (%)	
SUM INSURED < 300000	2	10	3	15
SUM INSURED >= 300000	3	15	3	15

5.13 Cumulative Bonus Buffer:

Cumulative Bonus earned in the previous year/s will be available as Cumulative Bonus Buffer in this policy. Cumulative Bonus Buffer could be carried over to the next year only if the renewal is effected before, or within thirty days of, expiry of the Policy.

The CB buffer will be carried forward unless and until it is completely utilized.

5.14 Cancellation Clause:

We may at any time cancel the Policy on grounds of misrepresentation, fraud, non-disclosure of material fact or non-cooperation by you by sending fifteen days notice in writing by Registered A/D to you at the address stated in the Policy. Even if there are several insured persons, notice will be sent to you.

On such cancellation, premium corresponding to the unexpired period of Insurance will be refunded, if no claim has been made or paid under the Policy. You may at any time cancel this Policy and in such event We shall allow refund of premium, if no claim has been made or paid under the Policy, at Our short period rate table given below:

PERIOD ON RISK	RATE OF PREMIUM TO BE CHARGED (RETAINED)
Up to one month	1/4th of the annual rate
Up to three months	1/2 of the annual rate
Up to six months	3/4th of the annual rate
Exceeding six months	Full annual rate

5.15 Free Look Period :

The free look period shall be applicable at the inception of the first policy.

You will be allowed a period of fifteen days from the date of receipt of the policy to review the terms and conditions of the policy and to return the same if not acceptable.

If You have not made any claim during the free look period, You shall be entitled to:

1. A refund of the premium paid less any expenses incurred by Us on medical examination and the stamp duty charges or;
2. where the risk has already commenced and the option of return of the policy is exercised by You, a deduction towards the proportionate risk premium for period on cover or;
3. Where only a part of the risk has commenced, such proportionate risk premium commensurate with the risk covered during such period.

5.16 Arbitration:

If We admit liability for any claim but any difference or dispute arises as to the amount payable for any claim the same shall be decided by reference to Arbitration.

The Arbitrator shall be appointed in accordance with the provisions of the Arbitration and Conciliation Act, 1996.

No reference to Arbitration shall be made unless We have Admitted Our liability for a claim in writing.

If a claim is declined and within 12 calendar months from such disclaimer any suit or proceeding is not filed then the claim shall for all purposes be deemed to have been abandoned and shall not thereafter be recoverable hereunder.

5.17 Protection of Policy Holders 'interest:

This policy is subject to IRDA(Protection of Policyholders' Interest) Regulation, 2002.

5.18 Payment of Claim:

The insurer shall settle the claim, including rejection, within thirty days of the receipt of the last necessary document. On receipt of the duly completed documents either from the insured or Hospital the claim shall be processed as per the conditions of the policy. Upon acceptance of claim by the insured for settlement, the insurer or their representative (TPA) shall transfer the funds within seven working days. In case of any extra ordinary delay, such claims shall be paid by the insurer or their representative (TPA) with a penal interest at a rate which is 2% above the bank rate at the beginning of the financial year in which the claim is reviewed.

All admissible claims shall be payable in Indian Currency.

5.19 Repudiation of Claims:

A claim, which is not covered under the Policy conditions, can be rejected. All the documents submitted to TPA shall be electronically collected by Us for settlement and denial of the claims by the appropriate authority.

With Our prior approval Communication of repudiation shall be sent to You, explicitly mentioning the grounds for repudiation, through Our TPA.

5.20 Portability:

This policy is subject to portability guidelines issued by IRDA and as amended from time to time.

5.21 Grievance Redressal:

In the event of Your having any grievance relating to the insurance, You may contact any of the Grievance Cells at Regional Offices of the Company or Office of the Insurance Ombudsman under the jurisdiction of which the Policy Issuing Office falls. The contact detail of the office of the Insurance Ombudsman is provided in the Annexure III.

ANNEXURE I: ENHANCEMENT OF SUM INSURED

AT THE TIME OF MIGRATION FROM MEDICLAIM 2007 TO MEDICLAIM 2012				
WITHOUT CLAIM OR HOSPITALISATION IN THE TWO PRECEDING YEARS				
AGE	UPTO 45	46-55	56-65	OVER 65
500000	YES. UPTO EIGHT LAKHS	YES. UPTO EIGHT LAKHS WITHOUT MEDICAL EXAMINATION	YES. UPTO EIGHT LAKHS WITHOUT MEDICAL EXAMINATION	YES. UPTO EIGHT LAKHS WITHOUT MEDICAL EXAMINATION
LESS THAN 500000 BUT MORE THAN OR EQUAL TO 300000	YES. UPTO EIGHT LAKHS	YES. UPTO EIGHT LAKHS WITHOUT MEDICAL EXAMINATION	UPTO <u>5</u> LAKHS, WITHOUT MEDICAL EXAMINATION AND <u>UPTO 8 LAKHS WITH MEDICAL EXAMINATION</u>	YES. UPTO FIVE LAKHS, WITHOUT MEDICAL EXAMINATION
LESS THAN 300000	YES. UPTO EIGHT LAKHS	YES. UPTO FIVE LAKHS, WITHOUT MEDICAL EXAMINATION	UPTO <u>3</u> LAKHS, WITHOUT MEDICAL EXAMINATION AND <u>UPTO 5 LAKHS WITH MEDICAL EXAMINATION</u>	YES. UPTO THREE LAKHS, WITHOUT MEDICAL EXAMINATION

AT SUBSEQUENT RENEWALS UNDER MEDICLAIM 2012				
WITHOUT CLAIM OR HOSPITALISATION IN THE TWO PRECEDING YEARS				
	UPTO 45	46-55	56-65	OVER 65
500000	YES. UPTO EIGHT LAKHS	YES. UPTO EIGHT LAKHS, WITHOUT MEDICAL EXAMINATION,	YES. UPTO EIGHT LAKHS, <u>WITH MEDICAL EXAMINATION</u>	NO ENHANCEMENT
LESS THAN 500000 BUT MORE THAN OR EQUAL TO 300000	YES. UPTO EIGHT LAKHS	YES. UPTO FIVE LAKHS, WITHOUT MEDICAL EXAMINATION	YES. UPTO FIVE LAKHS, <u>WITH MEDICAL EXAMINATION</u>	NO ENHANCEMENT
LESS THAN 300000	YES. UPTO EIGHT LAKHS	YES. UPTO THREE LAKHS, WITHOUT MEDICAL EXAMINATION	YES. UPTO THREE LAKHS, <u>WITH MEDICAL EXAMINATION</u>	NO ENHANCEMENT

WITH ONE HOSPITALISATION IN TWO PRECEDING YEARS			
UPTO 45	46-55	56-65	OVER 65
UPTO EIGHT LAKHS WITHOUT MEDICAL EXAMINATION	BY UPTO ONE LAKH WITHOUT MEDICAL EXAMINATION	BY UPTO ONE LAKH <u>WITH MEDICAL EXAMINATION,</u> <u>SUBJECT TO MAXIMUM OF OVERALL SUM INSURED OF THREE LAKH</u>	NO ENHANCEMENT

ANNEXURE II: LIST OF EXPENSES EXCLUDED ("NON-MEDICAL")

Sl. No	List of Expenses Excluded ("Non-medical") Toiletries/Cosmetics/ Personal Comfort or Convenience Items	Suggestions
1	HAIR REMOVAL CREAM	Not Payable
2	BABY CHARGES (UNLESS SPECIFIED/INDICATED)	Not Payable
3	BABY FOOD	Not Payable
4	BABY UTILITES CHARGES	Not Payable
5	BABY SET	Not Payable
6	BABY BOTTLES	Not Payable
7	BRUSH	Not Payable
8	COSY TOWEL	Not Payable
9	HAND WASH	Not Payable
10	MOISTURISER PASTE BRUSH	Not Payable
11	POWDER	Not Payable
12	RAZOR	Payable
13	SHOE COVER	Not Payable
14	BEAUTY SERVICES	Not Payable
15	BELTS/ BRACES	Essential and may be paid specifically for cases who have undergone surgery of thoracic or lumbar spine.
16	BUDS	Not Payable
17	BARBER CHARGES	Not Payable
18	CAPS	Not Payable
19	COLD PACK/HOT PACK	Not Payable
20	CARRY BAGS	Not Payable
21	CRADLE CHARGES	Not Payable
22	COMB	Not Payable
23	DISPOSABLES RAZORS CHARGES (for site preparations)	Payable
24	EAU-DE-COLOGNE / ROOM FRESHNERS	Not Payable
25	EYE PAD	Not Payable
26	EYE SHEILD	Not Payable
27	EMAIL / INTERNET CHARGES	Not Payable
28	FOOD CHARGES (OTHER THAN PATIENT'S DIET PROVIDED BY HOSPITAL)	Not Payable
29	FOOT COVER	Not Payable
30	GOWN	Not Payable
31	LEGGINGS	Essential in bariatric and varicose

		vein surgery and should be considered for these conditions where surgery itself is payable.
32	LAUNDRY CHARGES	Not Payable
33	MINERAL WATER	Not Payable
34	OIL CHARGES	Not Payable
35	SANITARY PAD	Not Payable
36	SLIPPERS	Not Payable
37	TELEPHONE CHARGES	Not Payable
38	TISSUE PAPER	Not Payable
39	TOOTH PASTE	Not Payable
40	TOOTH BRUSH	Not Payable
41	GUEST SERVICES	Not Payable
42	BED PAN	Not Payable
43	BED UNDER PAD CHARGES	Not Payable
44	CAMERA COVER	Not Payable
45	CLINIPLAST	Not Payable
46	CREPE BANDAGE	Not Payable/Payable by the patient
47	CURAPORE	Not Payable
48	DIAPER OF ANY TYPE	Not Payable
49	DVD, CD CHARGES	Not Payable (However if CD is specifically sought by Insurer/TPA then payable)
50	EYELET COLLAR	Not Payable
51	FACE MASK	Not Payable
52	FLEXI MASK	Not Payable
53	GAUSE SOFT	Not Payable
54	GAUZE	Not Payable
55	HAND HOLDER	Not Payable
56	HANSAPLAST/ADHESIVE BANDAGES	Not Payable
57	INFANT FOOD	Not Payable
58	SLINGS	Reasonable costs for one sling in case of upper arm fractures should be considered

ITEMS SPECIFICALLY EXCLUDED IN THE POLICIES

59	WEIGHT CONTROL PROGRAMS/ SUPPLIES/ SERVICES	Not Payable
60	COST OF SPECTACLES/ CONTACT LENSES/ HEARING AIDS ETC.,	Not Payable

61	DENTAL TREATMENT EXPENSES THAT DO NOT REQUIRE HOSPITALISATION	Not Payable
62	HORMONE REPLACEMENT THERAPY	Not Payable
63	HOME VISIT CHARGES	Not Payable
64	INFERTILITY/ SUBFERTILITY/ ASSISTED CONCEPTION PROCEDURE	Not Payable
65	OBESITY (INCLUDING MORBID OBESITY) TREATMENT IF EXCLUDED IN POLICY	Not Payable
66	PSYCHIATRIC & PSYCHOSOMATIC DISORDERS	Not Payable
67	CORRECTIVE SURGERY FOR REFRACTIVE ERROR	Not Payable
68	TREATMENT OF SEXUALLY TRANSMITTED DISEASES	Not Payable
69	DONOR SCREENING CHARGES	Not Payable
70	ADMISSION/REGISTRATION CHARGES	Not Payable
71	HOSPITALISATION FOR EVALUATION/ DIAGNOSTIC PURPOSE	Not Payable
72	EXPENSES FOR INVESTIGATION/ TREATMENT IRRELEVANT TO THE DISEASE FOR WHICH ADMITTED OR DIAGNOSED	Not Payable
	ANY EXPENSES WHEN THE PATIENT IS DIAGNOSED WITH RETRO VIRUS+OR SUFFERING FROM /HIV/ AIDS ETC IS DETECTED/ DIRECTLY OR INDIRECTLY	Not Payable
74	STEM CELL IMPLANTATION/ SURGERY and storage	Not Payable

ITEMS WHICH FORM PART OF HOSPITAL SERVICES WHERE SEPARATE CONSUMABLES ARE NOT PAYABLE BUT THE SERVICE IS

75	WARD AND THEATRE BOOKING CHARGES	Payable under OT Charges, not separately
76	ARTHROSCOPY & ENDOSCOPY INSTRUMENTS	Rental charged by the Hospital payable. Purchase of Instruments Not Payable.
77	MICROSCOPE COVER	Payable under OT Charges, not separately
78	SURGICAL BLADES, HARMONIC SCALPEL, SHAVER	Payable under OT Charges, not separately
79	SURGICAL DRILL	Payable under OT Charges, not separately
80	EYE KIT	Payable under OT Charges, not separately

81	EYE DRAPE	Payable under OT Charges, not separately
82	X-RAY FILM	Payable under Radiology Charges, not as consumable
83	SPUTUM CUP	Payable under Investigation Charges, not as consumable
84	BOYLES APPARATUS CHARGES P	part of OT Charges, not separately
85	BLOOD GROUPING AND CROSS MATCHING OF DONORS SAMPLES Part of Cost of Blood,	not payable
86	Antisepticordis infectant lotions	Not Payable-Part of Dressing Charges
87	BAND AIDS, BANDAGES, STERLILE INJECTIONS, NEEDLES, SYRINGES	Not Payable - Part of Dressing charges
88	COTTON	Not Payable -Part of Dressing Charges
89	COTTON BANDAGE	Not Payable- Part of Dressing Charges
90	MICROPORE/ SURGICAL TAPE	Not Payable – Part of Dressing Charges
91	BLADE	Not Payable
92	APRON	Not Payable
93	TORNIQUET	Not Payable
94	ORTHOBUNDLE, GYNAEC BUNDLE	Not Payable, Part of Dressing Charges
95	URINE CONTAINER	Not Payable

ELEMENTS OF ROOM CHARGE

96	LUXURY TAX	Actual tax levied by government is payable. Part of room charge for sub limits
97	HVAC Part of room charge,	Not Payable separately
98	HOUSE KEEPING CHARGES Part of room charge,	Not Payable separately
99	SERVICE CHARGES WHERE NURSING CHARGE ALSO CHARGED	Part of room charge, Not Payable separately
100	TELEVISION & AIR CONDITIONER CHARGES	Part of room charge, Not Payable separately
101	SURCHARGES Part of room charge,	Not Payable separately
102	ATTENDANT CHARGES Part of room charge,	Not Payable separately
103	IM IV INJECTION CHARGES Part of nursing charge,	Not Payable separately

104	CLEAN SHEET Part of Laundry / Housekeeping,	Not Payable separately
105	EXTRA DIET OF PATIENT (OTHER THAN THAT WHICH	Patient Diet provided by Hospital is payable
106	BLANKET/WARMER BLANKET Part of room charge, ADMINISTRATIVE OR NON - MEDICAL CHARGES	Not Payable separately
107	ADMISSION KIT	Not Payable
108	BIRTH CERTIFICATE	Not Payable
109	BLOOD RESERVATION CHARGES AND ANTE NATAL BOOKING CHARGES	Not Payable
110	CERTIFICATE CHARGES	Not Payable
111	COURIER CHARGES	Not Payable
112	CONVENYANCE CHARGES	Not Payable
113	DIABETIC CHART CHARGES	Not Payable
114	DOCUMENTATION CHARGES / ADMINISTRATIVE EXPENSES	Not Payable
115	DISCHARGE PROCEDURE CHARGES	Not Payable
116	DAILY CHART CHARGES	Not Payable
117	ENTRANCE PASS / VISITORS PASS CHARGES	Not Payable
118	EXPENSES RELATED TO PRESCRIPTION ON DISCHARGE	Payable under Post-Hospitalisation where admissible
119	FILE OPENING CHARGES	Not Payable
120	INCIDENTAL EXPENSES / MISC. CHARGES (NOT EXPLAINED)	Not Payable
121	MEDICAL CERTIFICATE	Not Payable
122	MAINTENANCE CHARGES	Not Payable
123	MEDICAL RECORDS	Not Payable
124	PREPARATION CHARGES	Not Payable
125	PHOTOCOPIES CHARGES	Not Payable
126	PATIENT IDENTIFICATION BAND / NAME TAG	Not Payable
127	WASHING CHARGES	Not Payable
128	MEDICINE BOX	Not Payable
129	MORTUARY CHARGES	Payable up to 24 hrs, shifting charges not payable
130	MEDICO LEGAL CASE CHARGES (MLC CHARGES) EXTERNAL DURABLE DEVICES	Not Payable
131	WALKING AIDS CHARGES	Not Payable
132	BIPAP MACHINE	Not Payable
133	COMMODE	Not Payable
134	CPAP/ CAPD EQUIPMENTS	Device not payable
135	INFUSION PUMP – COST	Device not payable

136	OXYGEN CYLINDER (FOR USAGE OUTSIDE THE HOSPITAL)	Not Payable
137	PULSEOXYMETER CHARGES	Device not payable
138	SPACER	Not Payable
139	SPIROMETRE	Device not payable
140	SP02 PROBE	Not Payable
141	NEBULIZER KIT	Not Payable
142	STEAM INHALER	Not Payable
143	ARMSLING	Not Payable
144	THERMOMETER	Not Payable
145	CERVICAL COLLAR	Not Payable
146	SPLINT	Not Payable
147	DIABETIC FOOT WEAR	Not Payable
148	KNEE BRACES (LONG/ SHORT/ HINGED)	Not Payable
149	KNEE IMMOBILIZER/SHOULDER IMMOBILIZER	Not Payable
150	LUMBOSACRAL BELT	Payable for surgery of lumbar spine.
151	NIMBUS BED OR WATER OR AIR BED CHARGES	with paraplegia /quadriplegia for any reason and at reasonable day
	cost of approximately Rs 200/	
152	AMBULANCE COLLAR	Not Payable
153	AMBULANCE EQUIPMENT	Not Payable
154	MICROSHEILD	Not Payable
155	ABDOMINAL BINDER	Essential and should be paid in post-surgery patients of major abdominal surgery including TAH, LSCS, incisional hernia repair, exploratory laparotomy for intestinal obstruction, liver transplant etc.

ITEMS PAYABLE IF SUPPORTED BY A PRESCRIPTION

156	BETADINE / HYDROGEN PEROXIDE / SPIRIT / DISINFECTANTS ETC	Not Payable
157	PRIVATE NURSES CHARGES - SPECIAL NURSING CHARGES	Post hospitalization nursing charges Not Payable
158	NUTRITION PLANNING CHARGES - DIETICIAN CHARGESDIET CHARGES	Patient Diet provided by hospital is payable

159	SUGAR FREE Tablets	Payable -Sugar free variants of admissible medicines are not excluded
160	CREAMS POWDERS LOTIONS	Payable when prescribed (Toiletries are not payable, only prescribed medical pharmaceuticals payable)
161	Digestion gels	Payable when prescribed
162	ECG ELECTRODES	One set every second day is Payable.
163	GLOVES Sterilized	Gloves payable / unsterilized gloves not payable
164	HIV KIT	payable Pre-operative screening
165	LISTERINE/ ANTISEPTIC MOUTHWASH	Payable when prescribed
166	LOZENGES	Payable when prescribed
167	MOUTH PAINT	Payable when prescribed
168	NEBULISATION KIT	If used during Hospitalisation is Payable reasonably
169	NOVARAPID	Payable when prescribed
170	VOLINI GEL/ ANALGESIC GEL	Payable when prescribed
171	ZYTEE GEL	Payable when prescribed
172	VACCINATION CHARGES	Routine Vaccination not Payable /Post Bite Vaccination Payable

PART OF HOSPITAL'S OWN COSTS AND NOT PAYABLE

173	AHD	Not Payable - Part of Hospital's internal Cost
174	ALCOHOL SWABES	Not Payable - Part of Hospital's internal Cost
175	SCRUB SOLUTION/STERILLIUM	Not Payable - Part of Hospital's internal Cost

OTHERS

176	VACCINE CHARGES FOR BABY	Not Payable
177	AESTHETIC TREATMENT / SURGERY	Not Payable
178	TPA CHARGES	Not Payable
179	VISCO BELT CHARGES	Not Payable
180	ANY KIT WITH NO DETAILS MENTIONED [DELIVERY KIT, ORTHOKIT, RECOVERY KIT, ETC]	Not Payable
181	EXAMINATION GLOVES	Not payable

182	KIDNEY TRAY	Not Payable
183	MASK	Not Payable
184	OUNCE GLASS	Not Payable
185	OUTSTATION CONSULTANT'S/ SURGEON'S FEES	Not payable
186	OXYGEN MASK	Not Payable
187	PAPER GLOVES	Not Payable
188	PELVIC TRACTION BELT	Payable in case of PIVD requiring traction
189	REFERAL DOCTOR'S FEES	Not Payable
190	ACCU CHECK (Glucometry/ Strips)	Not payable pre hospitalisation or post hospitalisation / Reports and Charts required / Device not payable
191	PAN CAN	Not Payable
192	SOFNET	Not Payable
193	TROLLY COVER	Not Payable
194	UROMETER, URINE JUG	Not Payable
195	AMBULANCE	Payable
196	TEGADERM / VASOFIX SAFETY	Payable - maximum of 3 in 48 hrs and then 1 in 24 hrs
197	URINE BAG	Payable where Medically Necessary-maximum 1 per 24 hrs
198	SOFTOVAC	Not Payable
199	STOCKINGS	Payable for case like CABG etc.

DOs and D ON 'Ts of Health Insurance NEW POLICY

DOs

Proposal form is the basis of insurance contact

This form seeks basic information about the people to be covered under the policy.

Disclose details of all the pre-existing diseases and conditions for each insured

Submit stamp size photographs of each insured along with signatures on the disclosure

For the sake of record and for future correspondence kindly retain one copy of the proposal form with you.

Health check-up may be necessary depending on the age at entry.

Kindly ensure that the policy document issued to you is correct.

Check the name, age, gender, address and other personal details in the policy schedule.

Ensure that the period of Insurance is in order

If the terms of coverage are not acceptable, cancel the policy within 15 days from the date of issuance of the policy.

DON 'Ts

Give any mis-representation or any false information in the proposal form.

Hide the facts, Pre-existing Disease or Conditions regarding any insured.

Sign the proposal form without reading terms and conditions given in the Prospectus.

RENEWAL

DOs

Always keep a track of your Policy 's renewal date

Renew the policy before the due date by visiting any of our offices or online.

DON 'Ts

Allow a gap of even one day in your policy renewal since no claim is payable for the period when there is a gap in Insurance.

Forget to renew the policy on time, as lifetime renewal is allowed only if the policy is renewed without any break.

If you have not paid the renewal premium before due date, you can pay it within the grace period of 30 days.

Go through Sum Insured enhancement condition in the Policy Document, before requesting for enhancement of your Sum Insured at the time of renewal.

Health check-up may be necessary depending on the policy conditions.

Please inform the underwriter, by filling in a new proposal form, about any change in the risk profile of any member

Please read the correct policy clause given to you, as there may be any change in the policy. The policy clauses are available on our website or with the underwriting office.

CHANGE IN POLICY

DOs

Inform the office, in writing, about any change required in the policy schedule.

For sake of record keep a copy of the letter
Collect the endorsement document issued from the office.

DON 'Ts

Delay to inform the underwriter about any change in the risk profile of any member.

CLAIMS

DOs

Ensure that the room you are admitted in is within the limit of your policy. If the room rent exceeds the eligible limit, proportionate deductions will be applicable on all the expenses except for medicines and implants.

Pay special attention to the terms and conditions in the policy like: pre-existing conditions are not covered for a certain period, named diseases that have waiting period, non-medical items which are not payable etc.

DON 'Ts

Delay the submission if any documents deemed necessary by the TPA / Insurance company.

Conceal facts or you could face a dispute at the time of claim.

Intimate the TPA or the underwriting office within the given time limit.

For cashless facilities, check if the Hospital falls under Network Hospitals. If yes, then disclose your insurance details at the time of admission to the Hospital. For more details approach your TPA.

Check the pre-authorisation request thoroughly before signing it.

Keep a copy of all the documents for the sake of record

When there is co-payment in the policy, the co-share has to be borne by you.

PROPOSAL FORM FOR OVERSEAS MEDICLAIM POLICY
(Business & Holiday)
(To be submitted in Original with 2 copies)
(Available to persons in the age group of 6 months to 70 years)

IMPORTANT

PLEASE MAKE SURE YOU READ AND FULLY UNDERSTAND THIS DOCUMENT BEFORE YOU TRAVEL FROM THE REPUBLIC OF INDIA

FAILURE TO FOLLOW THE INSTRUCTION GIVEN COULD RESULT IN REJECTION OF ANY CLAIM THAT MIGHT BE MADE.

THE OVERSEAS MEDICLAIM POLICY PROVIDES INDemnITY FOR EXPENSES NECESSARILY INCURRED FOR IMMEDIATE TREATMENT OF ILLNESS, DISEASES CONTRACTED OR INJURY FIRST SUSTAINED (DURING THE PERIOD OF INSURANCE OF OVERSEAS TRAVEL SUBJECT TO POLICY TERMS AND CONDITIONS),

POLICY ALSO OFFERS PERSONAL ACCIDENT COVER

UNDER SELECTED PLANS, FOLLOWING ADD ON COVERS ARE OFFERED :

- TOTAL LOSS OF CHECKED IN BAGGAGE
- DELAY OF CHECKED IN BAGGAGE
- LOSS OF PASSPORT
- PERSONAL LIABILITY

IN THE ABSENCE OF MEDICAL REPORTS AS SPECIFIED IN ITEM II (B) SUM INSURED WILL STAND REDUCED TO AN EQUIVALENT AMOUNT OF US\$ 10,000 IN RESPECT OF MEDICAL EXPENSES INCURRED THROUGH ILLNESS OR DISEASE ONLY SUBJECT TO EXCLUSION OF PRE-EXISTING DISEASE.

THE ATTENTION OF THE PROPOSER IS DRAWN TO ITEM II (MEDICAL HISTORY) OF THE PROPOSAL FORM ESPECIALLY IN RELATION TO PREVIOUS TREATMENT FOR ILLNESS OR DISEASE SUCH AS RENAL DISORDERS OR DISEASES, CEREBRAL OR VASCULAR STROKES, HEART AILMENT OF ANY KIND, MALIGNANT TUBERCULOSIS, ENCEPHALITIS, NEUROLOGICAL DISORDERS, GALL BLADDER DISORDER, ARTHRITIS REQUIRING SURGERY AND IF ANY TREATMENT HAS BEEN RECEIVED FOR ANY OF THE ABOVE DISORDERS AT ANY TIME IN THE PAST, SUCH TREATMENT MUST BE DISCLOSED.

CLOSED TO THE POLICY ISSUING OFFICE.

NEITHER THE INSURERS NOR CLAIMS SETTLING AGENT SHALL BE RESPONSIBLE FOR THE AVAILABILITY, QUALITY OR

RESULTS OF ANY MEDICAL TREATMENT OR THE FAILURE OF THE INSURED TO OBTAIN MEDICAL TREATMENT.

THE PROPOSAL FORMS SHOULD BE COMPLETED TO THE BEST OF YOUR KNOWLEDGE AND BELIEF, AND ALL MATERIAL

NOTE: Plan A-1 & A-2 (Worldwide travel excluding USA/Canada)

Plan B-1 & B-2 (Worldwide travel including USA/Canada)

Plan E-1 & E-2 (Corporate Frequent Travel to all destination including USA,/Canada)

Plan K (For travel to Asian countries - Japan not included)

Medical Reports are required

(A) Trip is for period over 60 days and if

(a) insured person if over 60 yrs of age visiting USA/Canada

(b) insured is over 70 yrs of age and visiting countries other than USA,/Canada.

(B) Proposal reveals that insured had suffered from/suffering from any illness/disease.

The Proposal Form should be accompanied with (1) ECG printout with report and (2) Fasting blood Sugar and Urine Sugar, Urine Strip Test Report or any other medical report required by the company etc. along with the attached questionnaire II (B) to be completed and signed by the Doctor with minimum M. D. qualification conducting the test. In the absence of such medical tests and reports due to a shortage of time before travel, cover may still be granted subject to a satisfactory proposal form but the sum insured under policy, in respect of expenses incurred for the treatment of illness or disease shall be restricted to US \$ 10,000 only, which shall not cover the cost of Medical treatment for pre-existing disease. In case of accident however the full sum insured benefit would be available.

1. GENERAL INFORMATION

1. NAME OF THE PROPOSER : MR. / MRS. MISS / MASTER

(IN BLOCK LETTERS) AS STATED IN THE PASSPORT

2. HOME ADDRESS & TELEPHONE NO.

3. PROPOSER'S ACTUAL OCCUPATION

(Specify)

4. OFFICE ADDRESS

5. TELEPHONE NO./FAX NO./E-MAIL ADDRESS

6. AGE (IN COMPLETED YEARS)

7. PASSPORT NO.

DATE OF EXPIRY &

NAME OF PASSPORT ISSUING AUTHORITY

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
--------------------------	--------------------------	--------------------------	--------------------------	--------------------------	--------------------------	--------------------------

8. PLAN OPTED FOR

A -1 A -2 B -1 B -2 E -1 E -2 K

(Please tick relevant plan)

9. PURPOSE OF VISIT

(BUSINESS/HOLIDAY TRAVEL)

10. PROPOSED DATE OF DEPARTURE FROM : DAY MONTH YEAR
REPUBLIC OF INDIA i.e. FIRST DAY OF INSURANCE

11. INSURANCE REQUIRED FOR
(Number of days) .

12. COUNTRIES TO BE VISITED
(State approximate number of days at each place)

13. NAME, REGISTRATION NO., ADDRESS &
TELEPHONE NO. OF FAMILY PHYSICIAN

N.B. 1. In case of any extension of stay abroad, requiring extension of policy period, approval of issuing office has to be obtained and appropriate premium paid before expiry of policy. Request for such extension should be supported with a declaration of good health.

2. In case of early return partial refund of premium will be permitted if the original cover is for minimum period of 60 days and unexpired period is not less than 14 days and also if no claim is lodged under the policy.

II. MEDICAL HISTORY

(A) TO BE COMPLETED BY THE PROPOSER

PLEASE ANSWER THE FOLLOWING QUESTIONS WITH -YES'OR -NO' (A DASH IS NOT SUFFICIENT) AND GIVE FULL DETAILS:

1. Are you in good health and free from Physical and mental disease or infirmity :
2. Have you ever suffered from any illness or disease upto the date of making this proposal :
3. Do you have any physical defect or deformity :
4. Have you ever been admitted to any hospital/nursing :
home/clinic for treatment or observation :
5. Have you suffered from any illness / disease or had an accident in the 12 months preceding the first day of Insurance
6. If the answer is 'yes' to any of the foregoing questions please give full details as under:

DATE OF BIRTH

Nature of illness/disease/injury & treatment received	Date on which first treatment taken	Whether treatment completed/is continuing	Name of attending medical practitioner/Surgeon with his Address & Tel. Nos.

6. If the ans
7. (a) Have you any intention of engaging in professional sports?
(b) If so, give details.
8. Please give details of any knowledge of any positive existence of any ailment, sickness or injury which may require medical attention whilst on tour abroad.

I HEREBY DECLARE THAT

1. I will not be travelling against the advice of a physician.
2. I am not on the waiting list of any medical treatment.
3. I will not be travelling for the purpose of obtaining medical treatment'
4. I have not received a terminal prognosis for a medical condition before this day.

Assignment:

I.....do hereby assign the money payable under the policy in the event of my death to my.....
(relation to the insured: Mr. / Mrs. / Miss. / Master.....)

I further declare that his/her receipt shall be sufficient discharge to the company.

I further declare that and warrant that the above statements are true and complete. I consent to the insurers seeking medical information from any doctor who has at any time attended concerning anything which affects my physical or mental health, and I authorize the giving of such information to Coris International and / or their programme medical advisers. I agree that this proposal shall form the basis of the contract should the insurance be effected.

I am willing to accept the policy, subject to the terms, exceptions and conditions prescribed therein.

Signature of Proposer.

Date:/...../.....

Day Month Year

Place:

(B) TO BE COMPLETED BY THE DOCTOR [To be completed by M. D. only]

1. (a) History
(b) Any past history of disease, operation, accidents, investigation etc.
(c) General Examination
(d) Systemic Examination
2. **Electrocardiography :**
(a) Does the attached Electrocardiograph in your professional opinion show any abnormalities if so, please describe :
(b) Does the abnormality represent a current illness or disease which may possibly require medical treatment during proposer's forthcoming trip?
(c) Does the Proposer now or did he/she in the past, require medication for this abnormality?
(d) Please describe any treatment taken by Proposer in the past or being taken at present :
(e) Do you recommend Stress Test? If so please obtain the report on such test.
3. Does the Blood / Urine Strip Test show any sugar ?
4. Do you consider that Proposer is fit to travel anywhere abroad, due account being taken of the stress of air travel adversely affecting his health/medical condition?

Signature of the Doctor :

Name of the Doctor :

Qualification :

Address :

Telephone No. :

PROPOSAL FORM FOR MEDICLAIM POLICY (2012)

Please read the prospectus before filling up this form.

- A) The Company shall not be on risk until the proposal has been accepted by the Company and communications of acceptance has been given to the proposer in writing on full payment of premium.
- B) For persons above 45 years of age or persons below 45 years of age, having adverse medical history declared in the proposal form will have to undergo, pre-acceptance health check up at a designated hospital/nursing home. Divisional Office/Branch Office in the name of hospital/Nursing home will give a referral slip for conducting the pre-acceptance health check up. The details of the check up to be done are available with the Divisional
- C) If other family members residing with proposer i.e. spouse, eligible dependent children and dependent parents and dependent parents in law are required to be covered, complete details of each person should be furnished. Stamp size photograph of each person are to be submitted, one of which is to be affixed on the proposal.
- D) Fresh proposal form is required along with pre acceptance medical checkup as mentioned in item (B) above, irrespective of age, when there is break in insurance cover or when there is request for enhancement in the sum
- E) **Non-disclosure of facts material to the assessment of the risk, providing misleading information, fraud or non-co-operation by the insured will nullify the cover under the policy.**

1. NAME OF PROPOSER : Mr. /Mrs.....

2. RESIDENTIAL ADDRESS:

.....

Tel No:.....Fax No.....E-Mail:

3. Occupation: (please Tick)

- 1) Professional/Administrative/Managerial
- 2) Business /Traders
- 3) Clerical, Supervisory and related workers
- 4) Hospitality and Support Workers
- 5) Production Workers, Skilled and non-Agricultural Labourers
- 6) Farmers and Agricultural Workers

- 7) Police/Para Military/Defence
- 8) Housewives
- 9) Retired Persons
- (10) Students—School and College
- (11) Any Other

4. Average Monthly Income Rs.....Income Tax PAN No:.....

5. NAME, ADDRESS & TEL. NO: OF FAMILY PHYSICIAN.....

QUALIFICATION:.....REGN. NO:

6. Are you at present or have you been at any other time in the past covered under any other Insurance (PA, Cancer Insurance, Hospitalization Insurance or other Medical Insurance). If so, give particulars of:

Sr. No.	Content	Details
1.	Name of Insurer	
2.	Insurance Scheme	
3.	Policy No.	
4.	Period of cover	
5.	Claim Amt. Recd./receivable	

7. Any proposal for this Insurance or any other similar insurance refused or cancelled or higher premium charged, either by us or by any other Insurer. If so, give details:

8. DETAILS OF PERSONS TO BE INSURED:

S. No	Name of all the persons	Date of Birth	Age	Sex (M/F)	Relation (*) with the Proposer	Occupation	Sum Insured selected	History of (Please Tick)	
								Diabetes	Hyper tension
1.									
2.									
3.									
4.									
5.									
6.									

(*) Relation as per following table

Self	Spouse	Father
Mother	Son	Daughter
Others (please specify)		

9. **MEDICAL HISTORY:** Please answer the following questions with Yes or No (A dash is not sufficient and give full details **in respect of all the persons to be insured**)

- 1) Are all the members proposed for insurance in good health and free from physical and Mental disease or infirmity? If no, give details of the illnesses/ diseases for each member. **Select the illness/conditions from the table given below:**

S. No.	Name of the Person	Nature of illness/pre-existing diseases (*)
1.		
2.		
3.		
4.		
5.		
6.		

***Table for selecting Pre-Existing Disease (PED)**

Spinal or Vertebral Disorders	Cataract	Breathing Disorders
Uterine Bleeding	Arthritis and Joint disorders	Gastritis and Duodenitis
Kidney disorders	Headache Syndromes	Hernia
Stroke and T.I.A.	Thyroid and Other Hormonal Disorders	E.N.T. Disorders
Cholelithiasis	Any Malignancy	Hemorrhoids
Enlargement of Prostate (BPH, enlargement of prostate)	Ischaemic Heart Disease	Any Other (Please specify)

- 2) Does any of the person proposed for insurance suffer from Diabetes?

Yes No

If yes, please furnish the details of the person(s) suffering from Diabetes:

S. No.	Name of the Person
1.	
2.	
3.	
4.	
5.	

3) Does any of the person proposed for insurance suffer from Hypertension?

Yes

No

If yes, please furnish the details of the person(s) suffering from Hypertension.

S. No.	Name of the Person
1.	
2.	
3.	
4.	
5.	

IMPORTANT NOTE: PERSONS SUFFERING FROM DIABETES OR HYPERTENSION SHALL BE CHARGED 10% ADDITIONAL PREMIUM FOR EACH CONDITION AND THIS ADDITIONAL PREMIUM IS APPLICABLE FOR EACH RENEWAL. NON DISCLOSURE OF THIS MATERIAL INFORMATION, OR MISREPRESENTATION, IN REPLY TO QUESTIONS 2 OR 3, WILL NULLIFY THE COVER UNDER THE POLICY.

4) Have any of the persons proposed for insurance suffered from any illness/disease or had an accident in the past six years? If so, give details as under:

Name of the person	Nature of illness/disease/injury & treatment received	Date on which first treatment taken	First treatment completed/is continuing	Name of attending medical practitioner/ surgeon with his address & tel. Nos.

Note: This information should be given for each of the persons proposed for insurance, if he/she had suffered from any illness/disease injury, please give details separately.

5) Are there any additional facts affecting the proposed Insurance, which should be disclosed to insurers? If yes, then give details below:

6) Please give details of any knowledge or any positive existence or presence of any ailment, sickness or injury, which may require medical attention? If yes, then give details below:

7) Where do you wish to take treatment? (See Table Below) : Zone I

Zone II

Zone III

Zone IV

EACH ZONE IS CLASSIFIED AS BELOW: (The Cities mentioned below would include their Urban Agglomeration)

Zone- I	Greater Mumbai
Zone-II	Delhi and Delhi NCR ,Bangalore, Chennai, Hyderabad and Secunderabad, Ahmedabad and Kolkatta, Vadodara
Zone-III	Rest of India (other than those areas specified in Zone I,II and IV)
Zone-IV	The States of Bihar, Orissa, Arunachal Pradesh, Assam, Manipur, Meghalaya, Mizoram, Nagaland, Tripura, Jharkhand, Sikkim, Chhattisgarh, Uttarakhand, Jammu and Kashmir

- 8) Name of the Nominee.....Relationship.....
- 9) Period of Insurance: From.....to.....
- 10) Declaration: I declare that the persons proposed for insurance are my family members and they are not engaged in high risk occupation. I also declare that
- i. None of them suffer from any pre-existing conditions
 - ii. I have given explicit information of such sickness/disease/injury sustained in the above columns where the information has been sought.

(STRIKE OUT ONE OF THESE TWO STATEMENTS THAT IS NOT APPLICABLE)

I further declare that the above statements in respect of myself and my family members, are true and complete. I consent and authorize the insurers to seek medical information from any Hospital/Medical Practitioner who has at any time attended me or my family members or may attend concerning any disease or illness which affects me or my family members, physical or mental health. I agree that this proposal shall form the basis of the contract should the insurance be affected. If after the insurance is affected, it is found that the statements, answers or particulars stated in the Proposal form and its Questionnaires are incorrect or untrue in any respect, the Insurance Company shall incur no liability under this insurance.

Photographs of Insured Persons:

Proposer	1	2	3	4	5
Proposer	1	2	3	4	5

Signature _____

Date: _____ / _____ / _____ Place: _____
 DD MM YY

Section 41 of Insurance Act, 1938

Prohibition of Rebates

- 1) No person shall allow or offer to allow either directly or indirectly as an inducement of any person to take out or renew or continue an insurance in respect of any kind of risk relating to lives or property in India any rebate of the whole or part of the commission payable or any rebate of the premium shown on the policy nor shall any person taking out or renewing or continuing a policy except any rebate except such rebate as may be allowed in accordance with the prospectus or tables of the insurer.
- 2) Any person making default in complying with the provisions of this Section shall be punishable with fine, which may extend to five hundred rupees.

FOR OFFICE USE ONLY:

Sr. No	Name of insured person	Date of Birth /Age	Sex M/F	Relation	Occupation	S.I. (Rs.)	CB (%)	Premium	Loading for diabetes and hypertension
1									
2									
3									
4									
5									
6									
Remarks of Underwriter:						Total:			
						Family Discount (10%)			
						Service Tax			
						Gross Total			

CLAIM FORM FOR HEALTH INSURANCE POLICIES
TO BE FILLED IN BY THE INSURED
 The issue of this Form is not to be taken as an admission of liability.

I-PART A

DETAILS OF PRIMARY INSURED:

a) Policy No. (1) S. No./Certificate No.

b) Company TR. ID No.

c) Name

d) Address:

City State

Pin Code Phone No. E-mail ID

DETAILS OF INSURANCE HISTORY:

a) Currently covered by any other Mediators/Health Insurance: Yes No b) Date of commencement of last insurance without break:

c) If yes, company name: Policy No.

Sum Insured (Rs.) d) Have you been hospitalized in the last four years since inception of the contract? Yes No Date:

Diagnosis: e) Previously covered by any other Mediators/Health Insurance: Yes No

f) Yes, Company Name:

DETAILS OF RELATED EPISODE IDENTIFICATION:

a) Name:

b) Gender: Male Female c) Age: years months d) Date of Birth:

e) Relationship to Primary Insured: Self Spouse Child Father Mother Other (Please Specify):

f) Occupation: Inmate Self Employed Homemaker Student Retired Other (Please Specify):

g) Address (if different from above):

City State

Pin Code Phone No. E-mail ID

DETAILS OF HOSPITALIZATION:

a) Name of Hospital where Admitted:

b) Room Category occupied: Daycare Single occupancy Twin-sharing Six or more beds per room

c) Hospitalization due to: Injury Illness Intoxication d) Date of Injury/Date Disease first detected/Date of Delivery:

e) Date of Admission: f) Time: g) Date of Discharge: h) Time:

i) Injury given cause: Self-infliction Road Traffic Accident Evidence Abuse/Alcohol Consumption j) Malicious act: Yes No

k) Reported to police: Yes No l) M.C. Report & Police F.R. Attached: Yes No m) System of Medicine:

DETAILS OF CLAIM:

a) Details of the treatment expenses claimed:

i. Pre-hospitalization Expenses:	Rs. <input type="text"/>	ii. Hospitalization Expenses:	Rs. <input type="text"/>
iii. Post-hospitalization Expenses:	Rs. <input type="text"/>	iv. Health-Check up Cost:	Rs. <input type="text"/>
v. Ambulance Charges:	Rs. <input type="text"/>	vi. Other (include):	Rs. <input type="text"/>
vii. Pre-hospitalization period:	days <input type="text"/>	viii. Post-hospitalization period:	days <input type="text"/>

ix. Claim for Concomitant Hospitalization: Yes No (If yes, provide details in annexure)

j) Details of Lump sum / Cash benefit claimed:

i. Hospital Daily Cash:	Rs. <input type="text"/>	ii. Surgical Cash:	Rs. <input type="text"/>
iii. Critical Illness Benefit:	Rs. <input type="text"/>	iv. Convalescence:	Rs. <input type="text"/>
v. Partial Hospitalization - Lump sum benefit:	Rs. <input type="text"/>	vi. Others:	Rs. <input type="text"/>
		Total:	Rs. <input type="text"/>

Claim Settlements/Advantages Check List:

- Claim Form Only signed
- Copy of the claim intimation, if any
- Hospital MHA Bill
- Hospital Break-up Bill
- Hospital Bill Payment Receipt
- Hospital Discharge Summary
- Pharmacy Bill
- Operation Theatre Notes
- ECO
- Doctor's Request for Investigation
- Investigation Reports (including CT scan / USG / MRI)
- Doctor's Prescription
- Others

DETAILS OF BILLS ENCLOSED:

Sl. No.	Bill No.	Date	Issued by	Towards	Amount (Rs.)
1				Hospital Main Bill	
2				Pre-hospitalization Bill	
3				Post-hospitalization Bill	
4				Pharmacy Bill	
5					
6					
7					
8					
9					
10					

DETAILS OF PAYMENT INSURED'S BANK ACCOUNT:

a) Bank Name and Branch:

b) Cheque/ DD Payable to: c) IFSC Code:

SECTION A SECTION B SECTION C SECTION D SECTION E SECTION F SECTION G

DECLARATION BY THE INSURED

I hereby declare that the information furnished in this claim form is true & correct to the best of my knowledge and belief. If I have made any false or untrue statement, suppression or concealment of any material fact with respect to questions asked in relation to this claim, my right to claim reimbursement shall be forfeited. I also consent & authorize TPA / Insurance Company, to seek necessary medical information / documents from any hospital / Medical Practitioner who has attended on the person against whom this claim is made. I hereby declare that I have included all the bills / receipts for the purpose of this claim & that I will not be making any supplementary claim except the pre/post-hospitalization claim, if any.

Date:

Place:

Signature of the Insured

SECTION III

GUIDANCE FOR FILING CLAIM FORM - PART A (To be filled in by the Insured)		
DATE/ELEMENT	DESCRIPTION	FORMAT
SECTION A - DETAILS OF PRIMARY INSURED		
a) Policy No.	Enter the policy number	As stated by the insurance company
b) SI No/ Certificate No.	Enter the exact insurance number or the certificate number of actual health insurance scheme	As stated by the organization
c) Company TPA ID No.	Enter the TPA ID No.	License number as stated by IRDA and printed in TPA documents
d) Name	Enter the full name of the policyholder	Surname, First name, Middle name
e) Address	Enter the full postal address	Include Street, City and Pin Code
SECTION B - DETAILS OF INSURANCE HISTORY		
a) Currently covered by any other Mediclaim / Health Insurance?	Indicate whether currently covered by another Mediclaim / Health Insurance	Tick Yes or No
b) Date of Commencement of first insurance without break	Enter the date of commencement of first insurance	Use dd-mm-yy format
c) Company Name	Enter the full name of the insurance company	Name of the organization in full
Policy No.	Enter the policy number	As stated by the insurance company
Sum Insured	Enter the total sum insured as per the policy	In rupees
d) Have you been hospitalized in the last four years, since inception of the contract?	Indicate whether hospitalized in the last four years	Tick Yes or No
Date	Enter the date of hospitalization	Use dd-mm-yy format
Diagnosis	Enter the diagnosis details	Open Text
e) Previously Covered by any other Mediclaim/ Health Insurance?	Indicate whether previously covered by another Mediclaim / Health Insurance	Tick Yes or No
f) Company Name	Enter the full name of the insurance company	Name of the organization in full
SECTION C - DETAILS OF INSURED PERSON HOSPITALIZED		
a) Name	Enter the full name of the patient	Surname, First name, Middle name
b) Gender	Indicate Gender of the patient	Tick Male or Female
c) Age	Enter age of the patient	Number of years and months
d) Date of Birth	Enter Date of Birth of patient	Use dd-mm-yy format
e) Relationship to primary insured	Indicate relationship of patient with policyholder	Tick the right option. If others, please specify.
f) Occupation	Indicate occupation of patient	Tick the right option. If others, please specify.
g) Address	Enter the full postal address	Include Street, City and Pin Code
h) Phone No.	Enter the phone number of patient	Include STD code with telephone number
i) Email ID	Enter e-mail address of patient	Complete e-mail address
SECTION D - DETAILS OF HOSPITALIZATION		
a) Name of Hospital where admitted	Enter the name of hospital	Name of hospital in full
b) Room category occupied	Indicate the room category occupied	Tick the right option
c) Hospitalization due to	Indicate reason of hospitalization	Tick the right option
d) Date of Injury/Disease first detected/ Date of Delivery	Enter the relevant date	Use dd-mm-yy format
e) Date of admission	Enter date of admission	Use dd-mm-yy format
f) Time	Enter time of admission	Use hh:mm format
g) Date of discharge	Enter date of discharge	Use dd-mm-yy format
h) Time	Enter time of discharge	Use hh:mm format
i) If injury give cause if Medical legal	Indicate cause of injury	Tick the right option
Is Injury Medical legal	Indicate whether injury is medical legal	Tick Yes or No
Is Injury Police Report	Indicate whether police report was filed	Tick Yes or No
M.C Report & Police FIR attached	Indicate whether M.C report and Police FIR attached	Tick Yes or No
j) System of Medicine	Enter the system of medicine followed in treating the patient	Open Text
SECTION E - DETAILS OF CLAIM		
a) Details of Treatment Expenses	Enter the amount claimed as treatment expenses	In rupees (Do not enter paise values)
b) Claim for Domiciliary Hospitalization	Indicate whether claim is for domiciliary hospitalization	Tick Yes or No
c) Details of Lump sum/ cash benefit claimed	Enter the amount claimed as lump sum/ cash benefit	In rupees (Do not enter paise values)
d) Claim Documents Submitted-Check List	Indicate which supporting documents are submitted	Tick the right option
SECTION F - DETAILS OF BILLS ENCLOSED		
Indicate which bills are enclosed with the amounts in rupees		
SECTION G - DETAILS OF PRIMARY INSURED'S BANK ACCOUNT		
a) PAN	Enter the permanent account number	As stated by the Income Tax department
b) Account Number	Enter the bank account number	As stated by the bank
c) Bank Name and Branch	Enter the bank name along with the branch	Name of the Bank in full
d) Cheque/DD payable details	Enter the name of the beneficiary the cheque/DD should be made out to	Name of the individual/ organization in full
e) IFSC Code	Enter the IFSC code of the bank branch	IFSC code of the bank branch in full
SECTION H - DECLARATION BY THE INSURED		
Read declaration carefully and mention date in dd-mm-yy format, please open text) and sign.		

CLAIM FORM **1. PART B**
TO BE FILLED IN BY THE HOSPITAL
 The issue of this Form is not to be taken as an admission of liability.
 Please include the original preauthorization request form in lieu of PART A.

DETAILS OF HOSPITAL

a) Name of the hospital: _____
 b) Hospital ID: _____ c) Type of hospital: Network Non-Network (If non-network fill in code ID) _____
 d) Name of the treating doctor: _____
 e) Doctor's ID: _____ f) Registration No. with State Code: _____ g) Phone No.: _____

DETAILS OF THE PATIENT ADMITTED

a) Name of the Patient: _____
 b) IF Registration Number: _____ c) Gender: Male Female d) Age: Years Months e) Date of birth:
 f) Date of Admission: g) Time: h) Date of Discharge: i) Time:
 j) Type of Admission: Emergency Planned Day Care Maternity k) # Maternity: l) Date of Delivery: m) Gestate Status:
 n) Status at time of discharge: Discharge to home Storage to another hospital Deceased o) Total claimed amount: _____

DETAILS OF ILLNESS DIAGNOSED (PRIMARY)

a)	ICD 10 Codes	Description	b)	ICD 10 PCS	Description
i. Primary Diagnosis: <input type="checkbox"/>			i. Procedure 1:		
ii. Additional Diagnosis:			ii. Procedure 2:		
iii. Comorbidity:			iii. Procedure 3:		
iv. Comorbidity:			iv. Details of Procedure:		

2) Pre-authorization obtained: Yes No a) Pre-authorization Number: _____
 b) If authorization by network hospital not obtained, give reason: _____
 c) Hospitalization due to injury: Yes No i. If Yes, give cause: Subj/accid Road/Traffic Accident Subj/accid abuse/alcohol consumption
 d) If injury due to substance abuse/alcohol consumption, Test Conducted to establish this: Yes No (If Yes, attach report) e. If Medical legal: Yes No f. Reported to Police: Yes No
 g) ICR No: _____ h. If not reported in police give reason: _____

CLAIM DOCUMENTS SUBMITTED - CHECK LIST

- | | |
|--|--|
| <input type="checkbox"/> Client/Family signed | <input type="checkbox"/> Investigation reports |
| <input type="checkbox"/> Original Pre-authorization request | <input type="checkbox"/> CTRR, RCM-PC investigation reports |
| <input type="checkbox"/> Copy of the Pre-authorization request letter | <input type="checkbox"/> Doctor's reference slip for investigation |
| <input type="checkbox"/> Copy of photo/ID card of patient verified by hospital | <input type="checkbox"/> ICD |
| <input type="checkbox"/> Hospital Discharge summary | <input type="checkbox"/> Pharmacy bill |
| <input type="checkbox"/> Operation Theatres notes | <input type="checkbox"/> MCO report & Policy RR |
| <input type="checkbox"/> Hospital main bill | <input type="checkbox"/> Original death summary from hospital where applicable |
| <input type="checkbox"/> Hospital break-up bill | <input type="checkbox"/> Any other please specify |

ADDITIONAL DETAILS IN CASE OF NON-NETWORK HOSPITAL (ONLY FILL BECAUSE OF NON-NETWORK HOSPITAL)

a) Address of the Hospital: _____
 City: _____ State: _____
 Pin Code: _____ Phone No.: _____ c) Registration No. with State Code: _____
 d) Hospital PAK: _____ e) Number of hospital beds: _____ f) Facilities available in the hospital: OT No ICU: Yes No
 g) Other: _____

DECLARATION BY THE HOSPITAL

(PLEASE READ VERY CAREFULLY)

We hereby declare that the information furnished in this Claim Form is true and correct to the best of our knowledge and belief. If we have made any false or untrue statement, suppression or concealment of any material fact, our right to claim under this contract shall be forfeited.

Date:
 Place: _____ Signature and Seal of the Hospital Authority: _____

SECTION A SECTION B SECTION C SECTION D SECTION E SECTION F

GUIDANCE FOR FILING CLAIM FORM - PART B (To be filled in by the hospital)		
DATA ELEMENT	DESCRIPTION	FORMAT
SECTION A - DETAILS OF HOSPITAL		
a) Name of Hospital	Enter the name of hospital	Name of hospital in full
b) Hospital ID	Enter ID number of hospital	As allocated by the TPA
c) Type of Hospital	Indicate whether in network or non-network hospital	Tick the right option
d) Name of treating doctor	Enter the name of the treating doctor	Name of doctor in full
e) Qualification	Enter the qualifications of the treating doctor	Abbreviations of educational qualifications
f) Registration No. with State Code	Enter the registration number of the doctor along with the state code	As allocated by the Medical Council of India
g) Phone No.	Enter the phone number of doctor	Include STD code with telephone number
SECTION B - DETAILS OF THE PATIENT ADMITTED		
a) Name of Patient	Enter the name of patient	Name of patient in full
b) IP Registration Number	Enter insurance provider registration number	As allotted by the insurance provider
c) Gender	Indicate Gender of the patient	Tick Male or Female
d) Age	Enter age of the patient	Number of years and months
e) Date of Birth	Enter date of birth	Use dd-mm-yy format
f) Date of Admission	Enter date of admission	Use dd-mm-yy format
g) Time	Enter time of admission	Use hh:mm format
h) Date of Discharge	Enter date of discharge	Use dd-mm-yy format
i) Time	Enter time of discharge	Use hh:mm format
j) Type of Admission	Indicate type of admission of patient	Tick the right option
k) If Maternity		
Date of Delivery	Enter Date of Delivery if maternity	Use dd-mm-yy format
Growth Status	Enter Growth status if maternity	Use standard format
l) Status at time of discharge	Indicate status of patient at time of discharge	Tick the right option
m) Total claimed amount	Indicate the total claimed amount	In rupees (Do not enter paise values)
SECTION C - DETAILS OF ILLMENT DIAGNOSED (PRIMARY)		
a) ICD 10 Code		
Primary Diagnosis	Enter the ICD 10 Code and description of the primary diagnosis	Standard Format and Open text
Additional Diagnosis	Enter the ICD 10 Code and description of the additional diagnosis	Standard Format and Open text
Co-morbidities	Enter the ICD 10 Code and description of the co-morbidities	Standard Format and Open text
b) ICD 10 PCS		
Procedure 1	Enter the ICD 10 PCS and description of the first procedure	Standard Format and Open text
Procedure 2	Enter the ICD 10 PCS and description of the second procedure	Standard Format and Open text
Procedure 3	Enter the ICD 10 PCS and description of the third procedure	Standard Format and Open text
Details of Procedures	Enter the details of the procedures	Open text
c) Pre-authorization obtained	Indicate whether pre-authorization obtained	Tick Yes or No
d) Pre-authorization number	Enter pre-authorization number	As allotted by TPA
e) If authorization by network hospital not obtained, give reason	Enter reason for not obtaining pre-authorization number	Open text
f) Hospitalization due to injury	Indicate if hospitalization is due to injury	Tick Yes or No
Cause	Indicate cause of injury	Tick the right option
If injury due to substance abuse/alcohol consumption, test conducted to establish this	Indicate whether test conducted	Tick Yes or No
Medical Legal	Indicate whether injury is medical legal	Tick Yes or No
Reported To Police	Indicate whether police report was filed	Tick Yes or No
FIR No.	Enter first information report number	As issued by police authorities
If not reported to police, give reason	Enter reason for not reporting to police	Open Text
SECTION D - CLAIM DOCUMENTS SUBMITTED CHECK LIST		
Indicate which supporting documents are submitted		
SECTION E - DETAILS IN CASE OF NON NETWORK HOSPITAL		
a) Address	Enter the full postal address	Include Street, City and Pin Code
b) Phone No.	Enter the phone number of hospital	Include STD code with telephone number
c) Registration No. with State Code	Enter the registration number of the doctor along with the state code	As allocated by the Medical Council of India
d) Hospital PAN	Enter the permanent account number	As allotted by the Income Tax department
e) Number of Inpatient beds	Enter the number of inpatient beds	Digits
f) Facilities available in the hospital	Indicate facilities available in the hospital	Tick the right option. If others, please specify
SECTION F - DECLARATION BY THE HOSPITAL		
Read declaration carefully and mention date (in dd-mm-yy format), place (open text) and sign and stamp		

4.8 Road Safety Insurance

Highlights

This insurance policy has been designed to cater to the specific need of an individual who meets with an accident with a motor vehicle on road and sustains injuries which requires hospitalization for treatment. The policy also has provision for compensation for death and permanent disability. There are two sections under the policy.

Scope of Cover

Section I : Personal Accident for the purpose of compensation payment.

Section II : Medical expenses incurred during hospitalization for treatment of bodily injury caused by and arising out of road accident.

Sum Insured

The Sum Insured under both section is identical. The available Sum Insured is Rs. 25,000/- , Rs.50,000/-, Rs.75,000/-, and Rs.1,00,000/- The policy is issued on annual basis.

Premium

Premium depends upon the Sum Insured chosen.

Policy is also available on group basis.

The above is only broad indication of a cover offered. For further details contact any of our Policy issuing office.

Proposal Form for Janata Personal Accident Insurance Policy with Medical Expenses Arising out of Road Accident

1. Name of the Insured

2. Full Address

3. Age: 4. Date of Birth: 5. Occupation:

6. Annual Income Rs.: 7. If there is any disability, please specify:

8. Capital Sum Insured in respect of insured: Rs.: Category:

Category	a.	b.	c.	d.
Section I	Rs.1, 00,000	Rs.75, 000	Rs.50, 000	Rs.25, 000
II	Rs.1, 00,000	Rs.75, 000	Rs.50, 000	Rs.25, 000

A) No of Unnamed Passengers in Vehicle_____For Section II. Category a, b/c/d

B) Third Party injury whilst the insured using his own vehicle-No of Persons_For Section II, Category a/ b/c/d

(N. B. Please fill/in number of unnamed passengers & also number of persons for whom the Third Party are to be covered whilst insured using his own vehicle. Mention the category of Sum insured choosen.

9. Ido hereby assign the money payable in the event of my death by The New India Assurance Co. Ltd. to Mr./ Mrsand I further declare that his/her receipt shall be sufficient discharge to the Company.

10. Nominees Age: Relation lo the insured:

11. Nominees' full Address

12. Period of Insuranceyears (1 to 15) fromto.....

Witness	1	2
1. Name:		
2. Address:		

Dated this.....day.....200 SIGNATURE OF THE PROPOSER

PROHIBITION OF REBATES

Section 41 of Insurance Act 1938: -

1. No person shall allow or offer to allow, either directly or indirectly as an Inducement to any person to take out or renew or continue an insurance In respect of any kind or risk relating to lives or property in India, any rebate of the whole or part of the commission payable or any rebate of the premium shown on the Policy nor shall any person taking out or renewing or continuing a Policy accept rebate except such rebate as may be allowed in accordance with the published prospectus or tables of the Insurer.
2. Any person making default in complying with the provision of this Section shall be punishable with fine which may extend to five hundred rupees.

Claim Form for Rasta Apatti Kavach

(Janata Personal Accident Insurance with Medical Expenses Arising Out of Road Accident)

Policy No. Claim No.....

1. Name of insured Person:
2. Name of the Injured / Deceased Person:
 - i) Whether occupant: Y/N
 - ii) Whether Third Party: Y / N If yes, pedestrian / cyclist/
 - iii) Whether Driver: Y/ N If yes, license No.RTO.....
3. a) Date & time of Accident: Date :.....Time..... a.m./p.m
- b) Place of Accident:
- c) Details of Accident:
- d) Whether intimated to Police: Y / N, Police Station
- e) FIR/SDE No.: No. Date
4. If Injury
 - i) Nature of Injury:
 - ii) Extent of Injury:
 - iii) Medical Practitioner (Who has attended the patient):
 - a) Name:
 - b) Address:
.....
 - iv) Hospital/ Nursing Home (Where treatment is taken):.....
 - a) Name
 - b) Address/Phone Numbers
 - v) Treatment Details
 - a) Period of Treatment:
 - b) Date of Admission:

c) Date of Discharge:

vi) Schedule of Expenses Incurred by the Claimant

Details of Expenses claimed under Hospitalisation/Domiciliary Hospitalisation. (to be supported by Bills/Receipts, Cash Memos etc.)	Amount Claimed Rs. (1)	Amount not payable Rs. (2)	Net Payable
<p>A) HOSPITALISATION BENEFITS:</p> <p>a) Room Board, Nursing Expenses For days.....</p> <p>b) IC Unit for .....days Rs. per day.</p> <p>B) SURGICAL & NON-SURGICAL DISEASE:</p> <p>a) Surge on & Anaesthetist fees.....</p> <p>b) Anaesthesia, Blood, Oxygen, Operation Theatre, Surgical Appliances</p> <p>c) Diagnostic Materials & X-Ray</p> <p>d) Medical Practitioner Consultant and Specialist fees for Consultations / visits.....</p> <p>e) Medicines & Drugs:</p> <p>a) Supplied by Hospital</p> <p>b) Purchased from Chemists.....</p>			

vii. In case of Disablement:

a) Disability Factor: Enclose Disability Certificate in Original

b) Certified by:

c) Claimed:

5. In case of Death

i) Post Mortem Report Date:

ii) Death Certificate Date:

iii) Legal heir Certificate / Date:

iv) Nominee's Name:Age:

Relation with deceased:

Address:

v) Claimed Amount:.....

6. Whether any other JPA Insurance Policy is there? Yes/No If yes Sum Insured

Insurance Company:

In support of the above claim, I enclose the following documents (Please tick the documents enclosed).

1. Bill Receipt and Discharge Certificate/card from the Hospital
2. Cash Memos from the Hospital-/ Chemist (s), supported by the proper prescription.
3. Receipt and Pathological test reports from a Pathologist supported by the note from the Hospital/Medical Practitioner / Surgeon demanding such Pathological tests.
4. Surgeon's certificate stating nature of operation performed and Surgeon's Bill & receipt.
5. Attending Doctor/ Consultant/ Specialist/ Anaesthetist's bill and receipt and certificate regarding diagnosis:-
6. Certificate from the attending Medical Practitioner/ Surgeon that the Patient is fully cured.
7. Postmortem Certificate
8. Death Certificate
9. Legal heir Certificate
10. Copies of other JPA insurance policies existing at the time of accident

I hereby warrant the truth of the foregoing particulars in every respect and I agree that if I have made or shall made or shall make any false or untrue statement, suppression or concealment, my right to claim reimbursement of the said expenses shall be absolutely forfeited. I further declare that, in respect of the above treatment, no benefits are admissible under any other Medical Scheme or Insurance.

Dated at this day of20.....

Signature of Claimant

For Office Use:

ECS Details of the Insured

1 Name of the Insured (as appearing in the Bank Account)	
2 Bank Name	
3 Branch and address	
4 Bank Account No.	
5 Bank Account Type	
6 IFSC Code	
7 MICR Code	

Unit 5 □ International Cargo

Structure

- 5.1. Our Earth**
- 5.2. History of World Aviation**
- 5.3. Governance of International Air Transportation**
- 5.4. International Civil Aviation Organisation (ICAO)**
 - 5.4.1 Objectives of ICAO**
 - 5.4.2 International Civil Aviation Organisation**
- 5.5. Annexes to the Convention on International Civil Aviation**
 - 5.5.1 History and Organisation**
- 5.6 The Aims and Activities of the International Air Transport Association (IATA)**
- 5.7 IATA Areas and City/Airport Codes**
 - 5.7.1 Definitions of Areas**

5.1 Our Earth

Our earth is very big. The distance from the equator to the North or South Pole is about 10,000 km. So, most places on the earth's surface are either to the north or to the south of the equator. As such, it is not possible to determine the exact location of all places with the help of only the equator and the two poles. Hence, a number of imaginary lines parallel to the equator and extending in the same i.e., east-west direction are drawn. These are called parallels of latitude. Lines to the north of the equator are called parallels of North latitude. Similar lines to the south of the equator are called parallels of South latitude. Of these lines two in the north and two in the south are very significant. The line about 2500 km. to the north of the equator is called the Tropic of Cancer. Krishnanager, Navadwip and Durgapur etc. of West Bengal are situated very close to this line. The line about 2500 km. to the south of the equator is called the Tropic of Capricorn. Another special feature of these two lines is that near about these lines in their respective summer season i.e. in May-June near the Tropic of Cancer and in November-December near the Tropic of Capricorn

days are about 13½ hours duration. Then places near about these parallels of latitude have the highest temperature in the year. In these places in their respective winter season days are here hours shorter. So, then their duration is about 10½ hours. Then these places have the lowest temperature in the year.

The parallel of latitude about 2500 km. south of the North Pole is called the Arctic Circle. The parallel of latitude about 2500 km. north of the South Pole is called the Antarctic Circle. In areas between the Arctic Circle and the North Pole and between the Antarctic Circle and the South Pole in their respective summer season practically the entire period is night. Then there is darkness.

All these lines extend in one direction i.e. east-west. So, with the help of these we know whether a place is on the equator or it is situated to its north or south. Therefore in order to determine correct position of different places on the surface of the earth assistance of these lines alone is not enough. Hence, in addition to these it is essential to obtain the assistance of lines which extend in the north-south direction.

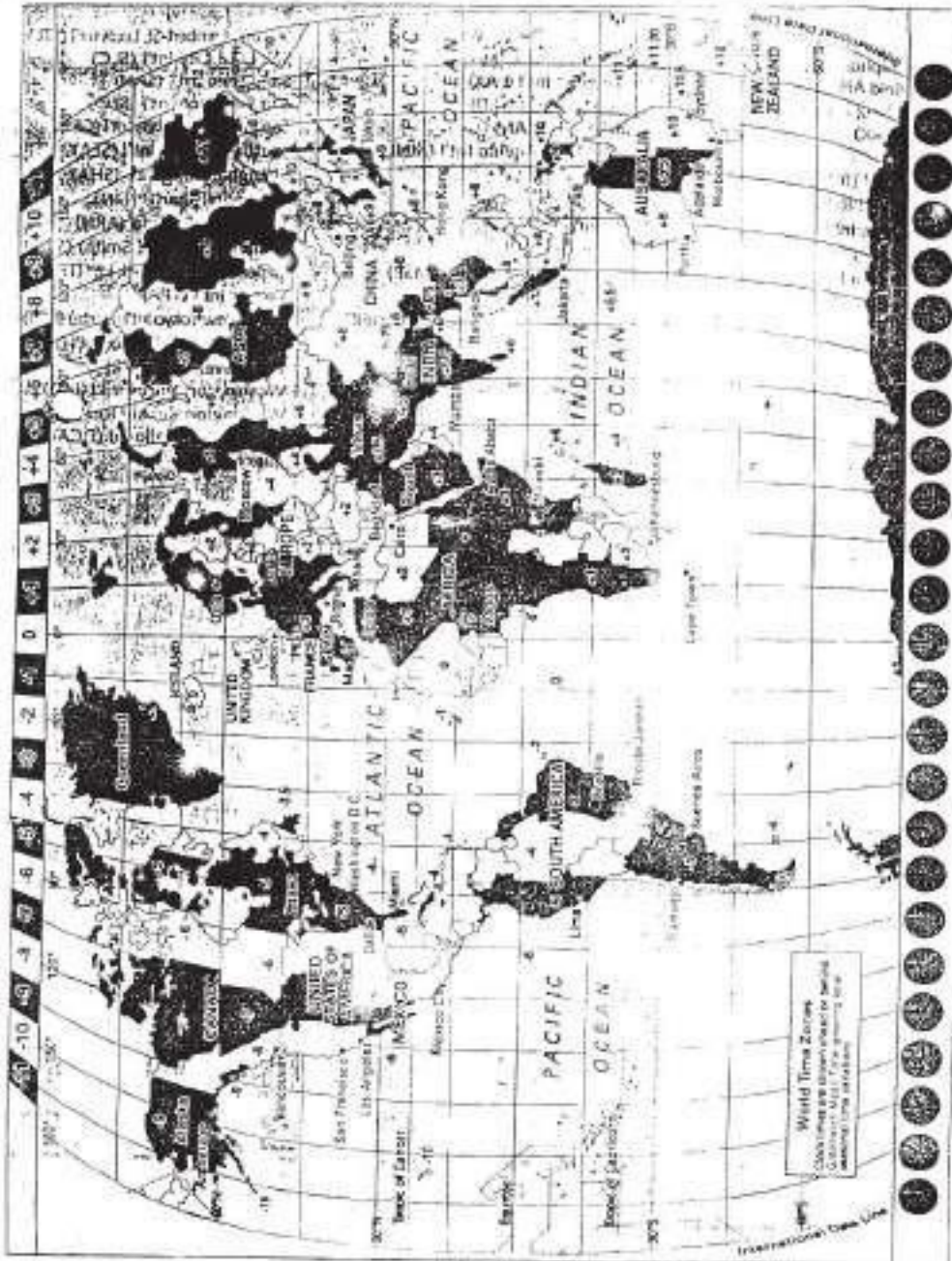
For this purpose a number of imaginary lines are drawn extending north-south from the North Pole to the South Pole. Each of these is perpendicular to the equator. All these are called meridians of longitude exact location of any place on the surface of the earth is determined by the point of intersection of any one parallel of latitude and any one meridian of longitude. This is referred to as the Grid system.

The meridian that passes through the center of the Greenwich Observatory near London in the north-south direction is called the Prime meridian or Zero degree Meridian. It extends over the western portion of Europe and Africa. This line and the meridian exactly opposite to it together a circle like the Equator. This circle also divides the earth into two halves. The half to the east of the Prime meridian is the Eastern hemisphere and the half to the west of the Prime meridian is the Western Hemisphere. Meridians of the Eastern Hemisphere are called meridians of East longitude Meridians of the Western Hemisphere are called meridians of West longitude. The two Americas are in the Western Hemisphere. Other continents are in the Eastern Hemisphere.

The earth's surface has a total area of about 500 million square km. Of that about 29% is land and about 71% is water. The land area comprises of the continents of Asia, Africa, Europe, Oceania and North and South Americas besides Antarctica and innumerable islands. While the water area comprises of three big oceans, namely the Indian, Pacific and Atlantic oceans besides two small oceans in the north and south polar regions and a number of seas, bays etc. So, it is seen that the distribution of sea and land is not uniform. Land masses are more extensive in the Northern Hemisphere and the Southern Hemisphere occupies a greater expanse of water.

GLOBAL TIME ZONE

World time zone map



The map only provides a general guide to Time Zones throughout the world. For individual country details, please refer to the information under local time in the main section of the guide.

5.2 History of World Aviation

- 1500 FIRST SCIENTIFIC APPROACH TO FLIGHT BY LEONARD DA VINCI
- 1783 FIRST BALLOON AIRBORNE BY MONTGOLFIER BROTHERS
- 1804 BIRTH OF THE AEROPLANE- SIR GEORGE GAYLEY BUILT A MODEL
- 1849 MAN ACHIEVED WINGED FLIGHT (NON-POWERED) SIR GEORGE GAYLEY FLOATED A 10- YEAR OLD BOY OFF THE GROUND FOR A FEW YARDS.
- 1857 AEROPLANE POWERED BY CLOCK WORK WAS INVENTED BY FELIX DU TEMPLE.
- 1874 FIRST POWERED AEROPLANE BUILT BY FELIX DU TEMPLE- BUT DID NOT FLY.
- 1891 MAN CONTROLS WINGED AIRCRAFT FLIGHT - OTO LILIENTHAL DESIGNED
- 1896 GLIDERS AND CONDUCTED SEVERAL FLIGHTS
- 1893 INVENTION OF BOX KITES BY LAWRENCE HARGRAVE IN SYDNEY. THIS KITE DID NOT FLY BUT LIFTED HIM
- 1900 INVENTION OF ZEPPELIN AIRSHIP
- 1903 FIRST POWER DRIVEN AEROPLANE - BY WRIGHT BROTHERS IN USA NEAR KITTY HAWK (MAXIMUM DISTANCE COVERED - 832 Ft. AIRBORNE FOR 59 SECONDS. POWER OF ENGINE - 179 LBS.)
- 1909 FIRST CROSSING OF THE ENGLISH CHANNEL - BY LOUIS BLERIOT
- 1911 FIRST AIRMAIL FLIGHT (AT ALLAHABAD, INDIA)
- 1914 FIRST AIRPLANE PASSENGER SERVICE BY PERCY F FANSLER AND ANTHONY JANNUS. SECTOR: ST. PETERSBURG/TAMPA (FLORIDA, USA) DISTANCE: 29 MILES

- 1919 FIRST CROSSING OF ATLANTIC OCEAN BY AN AEROPLANE UNITED STATES FLYING BOAT NC-4 FEW FROM FOUNDLAND TO LISBON IN THREE STAGES DISTANCE: 2400 MILES.
- CAPT. ROSS SMITH AND PARTY FEW 11000 MILES IN 27 DAYS AND 20 HOURS FROM ENGLAND TO AUSTRALIA IN VICKERS VIMY BOMBER POWERED BY ROLLS ROYCE.
- INTERNATIONAL AIR TRAFFIC ASSOCIATION FORMED - PARIS CONVENTION FOUNDATION OF INTERNATIONAL AIR LAW.
- 1919 **CROSSING THE PACIFIC**
- CHARLES KINGSFORD SMITH AND CHARLES ULM (AUSTRALIANS) WITH HARRY LYON AND JAMES WARNER (AMERICAN) FLEW OAKLAND / HONOLULU / SUVA/ BRISBANE. TOTAL DISTANCE 7600 MILES. TOTAL TIME - 83 HORS 38 MINUTES. AIRCRFAT - FOKKER F VII B 3m.
- 1939 FIRST ALL - METAL AIR TRANSPORT WARSAW CONVENTION
- 1935 FIRST TRANS-PACIFIC AIR SERVICE - BY PAA, SFO / HNL
- 1938 FIRST PRESSURISED PASSENGER AIRLINER - TWA & PAA, BOEING 307
- 1939 FIRST TRANS-ATLANTIC AIR SERVICE - BY PAA AND IMPERIAL AIRWAYS NEW YORK - SOUTHAMPTON.
- 1944 CHICAGO CONFERENCE
- 1945 IATA WAS FORMED PROVISIONAL ICAO WAS FORMED
- 1947 ICAO WAS FORMED (PERMANENT)
- 1952 FIRST COMMERCIAL JET FLIGHT BY BOAC AIRCRAFT - DE HAVILLAND COMET. SECTOR - LONDON / JOHANNESBURG.
- 1954 FIRST TEST FLIGHT OF BOEING 707

5.3 Governance of International Air Transportation

International Air Transportation is governed by two bodies.

1. International Civil Aviation Organisation (ICAO)

2. International Air Transport Association (IATA)

Membership of ICAO comprises of various countries

Membership of IATA comprises of various Airlines

Let us learn about these two organisations.

5.4 International Civil Aviation Organisation (ICAO)

After the second world war the rapid increase in international air transport led to many problems because there were no uniform regulations pertaining to over flying, nationality and registration of aircrafts, flight documentation etc. In order to sort out these problems in November 1944 a convention was held by 54 nations in Chicago which came to be known as “Chicago Convention”.

The Chicago convention led to the formation of ICAO in 1945. In October 1947 ICAO became a specialized body of the UNO. ICAO comprises of states who are generally the members of UNO.

5.4.1 Objectives of ICAO

1. To ensure SAFE and orderly growth of International Civil Aviation.
2. To provide regular, efficient and economic Air Transport
3. To ensure that the rights of the contracting states are fully respected and all have fair opportunity to operate international air services.

The headquarters of ICAO are situated at Montreal.

The regulations of ICAO are codified in 18 Annexes pertaining to various aspects of International Air Transportation.

Each member state has its own governing body under various names regulating air industry on a national basis. eg.

DGCA- Director General of Civil Aviation in INDIA

CAA- Civil Aviation Authority of U.K.

FAA- Federal Aviation Administration of USA.

Representatives of these governing bodies represent their countries at ICAO meetings and they are responsible for

- National aircraft registration
- Airworthiness certificate.
- Route licensing
- Enforcing national and International air regulations.
- Aircraft safety and security.

ICAO ANNEX - 2 RIGHTS OF THE AIR

Each contracting state has the right to

1. Overfly
2. Land for technical reason
3. Traffic from own country to foreign country.
4. Traffic from foreign country to own country.
5. Traffic from one foreign country to another foreign country.
6. Traffic from one foreign country to another foreign country over own country, eg. CX carrying traffic BOMTYO over HKG.
7. Operate services in other states. Eg. TW operating services to and from a hub in FRA.
8. Domestic traffic in a foreign state. Eg. BA carrying traffic BOMDEL.

ICAO ANNEX - 7 AIRCRAFT NATIONALITY AND REGISTRATION

Under this annex ICAO allocates codes to its member nation to identify the nationality of its aircraft. Eg. VT for India. Hence all Indian civil registered aircraft registration will begin with VT.

The national civil aviation authority DGCA gives a registration number to uniquely identify a particular aircraft. Eg. EBE. Thus we have the aircraft registration as VT-EBE.

AIMS & OBJECTIVES:

The aims & objectives of the organisation are to develop the principles and techniques of international air navigation and to foster the planning and development of International air transport so as to:-

- a. ensure the safe and orderly growth of International Civil Aviation throughout the world;
- b. encourage the arts of aircraft design and operation for peaceful purposes;
- c. encourage the development of airways, airports and air navigation facilities for International Civil Aviation;
- d. meet the needs of the people in the world for safe, regular, efficient and economical air transport;
- e. prevent economic waste caused by unreasonable competition;
- f. ensure that the rights of contracting states are fully respected and that every contracting state has a fair opportunity to operate international airlines;
- g. avoid discrimination between contracting states;
- h. promote safety of flight in international air navigation;
- i. promote safety of flight in international air navigation;
- j. promote generally the development of all aspects of international civil aeronautics.

5.4.2 International Civil Aviation Organisation

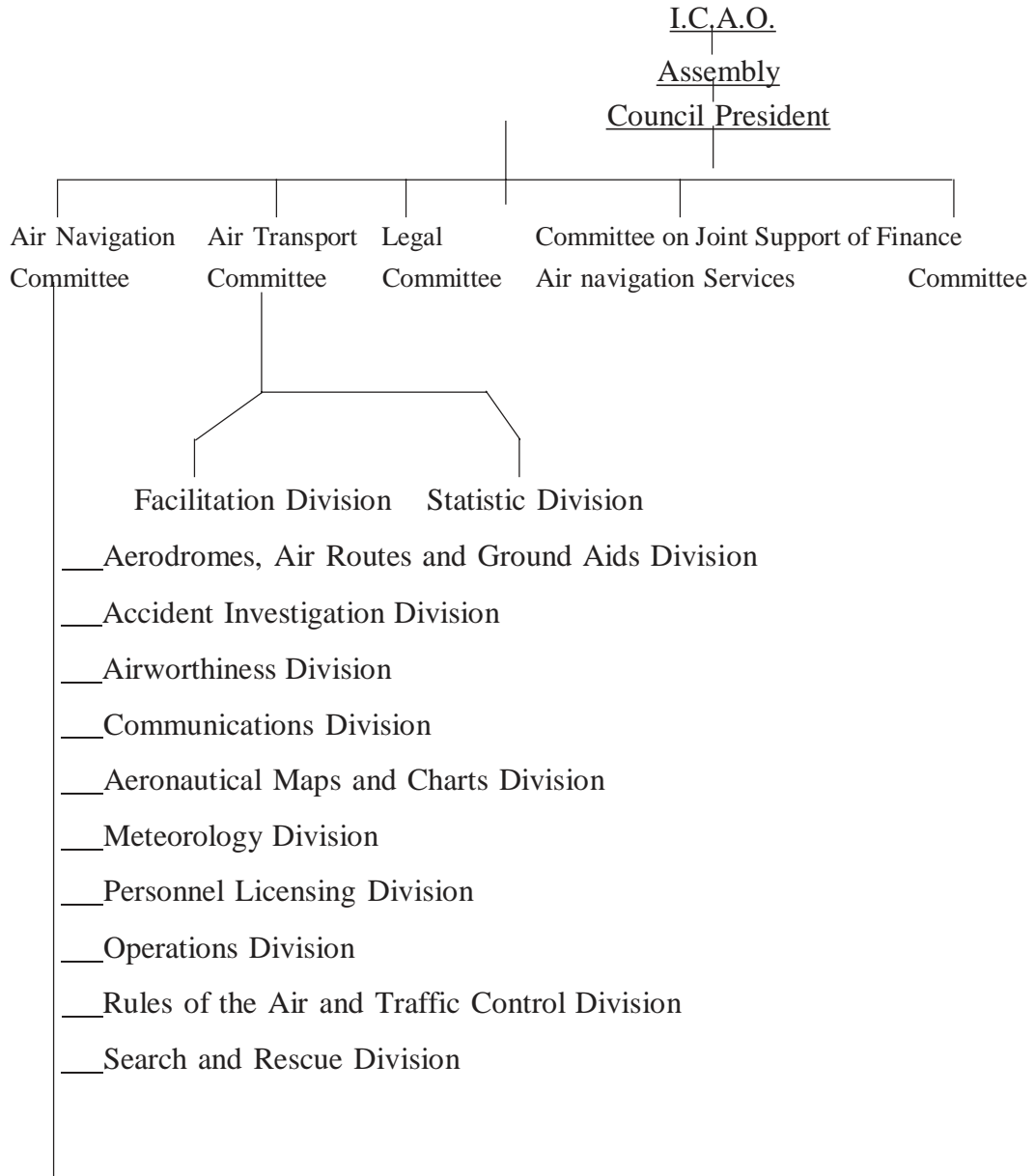
Convention relating to ‘Facilitation of International Air Transport’

By ratification of the Convention each contracting state agree

“to adopt all practicable measures, through the issuance of special regulations or otherwise, to facilitate and expedite navigation by aircraft between the territories of contracting states, and to prevent unnecessary delays to aircraft, crew, passengers and cargo, especially in the administration of the laws relating to immigration, quarantine, customs and clearance.”

Further on, each contracting state agrees

“so far as it may find practicable, to establish customs and immigration procedure affecting international air navigation in accordance with practices which may be established or recommended from time to time pursuant to this Convention. ”



5.5 Annexes to the Convention on International Civil Aviation

Annex 1	PERSONNEL LICENSING
Annex 2	RULES OF THE AIR
Annex 3	METEOROLOGY
Annex 4	AERONAUTICAL CHARTS
Annex 5	UNITS OF MEASUREMENT TO BE USED IN AIR-GROUND COMMUNICATIONS
Annex 6	OPERATION OF AIRCRAFT INTERNATIONAL AIR COMMERCIAL TRANSPORT
Annex 7	AIRCRAFT NATIONALITY AND REGISTRATION MARKS
Annex 8	AIRWORTHINESS OF AIRCRAFT
Annex 9	FACILITATION
Annex10	AERONAUTICAL TELECOMMUNICATIONS
Annex11	AIR TRAFFIC SERVICES
Annex12	SEARCH AND RESCUE
Annex13	AIRCRAFT ACCIDENT INQUIRY
Annex14	AERODROMES
Annex15	AERONAUTICAL INFORMATION SERVICES

For the general public, IATA is an assurance - of high standards or of flight operation everywhere, of proper business practice by airlines and their agents, of the greater possible convenience and freedom from red tape, of the lowest possible fares and rates consistent with sound economy -and of constant effort on the part of the airlines to improve every aspect of their services.

5.5.1 History and Organisation

The International Air Transport Association was founded in 1945 by the airlines of many countries to meet the problems created by the rapid expansion of civil air services at the close of the Second World War. It is the successor in function of, the previous International Air Traffic Association, organized at The Hague at the very dawn of regular air transport in 1919.

As a non-governmental organization, it draws its legal existence from a special Act of the Canadian Parliament, given Royal Assent in December 1945.

In both its organisation and its activity, IATA has been closely associated with ICAO - The International Civil Aviation Organisation - which was also established in 1945 as the international agency of government which creates world standards for the technical regulation of civil aviation.

As an organisation, IATA is voluntary, non-exclusive, non-political and democratic. Membership is automatically open to any operating company which has been licensed to provide scheduled air service by a government eligible for membership in ICAO. Airlines engaged directly in international operations are active members, while domestic airlines are associate members.

IATA deals with the non-political aspects of air transport operation: its work begins only after governments have decided which companies they wish to license and how they wish to exchange traffic and other rights between them. But from that point on, the activity of IATA spreads through virtually every phase of air transport operations.

Each airline, regardless of its size or the scope of its operations, has a single vote in the councils of IATA. In traffic matters especially those dealing with rates and fares, all decisions must be unanimous vote. In these cases, the decisions cannot usually become effective without the review and approval of interested governments.

The basic source of authority in IATA is the Annual General Meeting, in which all active members have an equal vote. Year-round policy direction is provided by an elected Executive Committee and its creative work is largely carried out by its Finance, Legal, Technical, Traffic Advisory and Medical Committees. Negotiation of fares and rates agreements is carried out through the IATA Traffic Conferences, with separate conferences considering passenger and cargo matters.

Members of IATA Committees are nominated by individual airlines, but serve as experts on behalf of the entire industry, subject to the regulation and review of the Executive Committee. In the Traffic Conferences, however, delegates act as representatives of their individual companies. While the Executive Committee fixes the term of reference of these Conferences, their decisions are subject only to the review of governments and cannot be altered by any other part of IATA.

IATA administration is carried out under a Director General and other executive officers - Treasurer and Financial Director, Secretary, Technical Director, and Traffic Director, Association headquarters are in Montreal. Administrative headquarters of the IATA Traffic Conference and that of the IATA Clearing House are located

5.6 The Aims and Activities of the International Air Transport Association

THE AIMS OF IATA...

TO PROMOTE

Safe, regular and economical air transport
for the benefit of the people of the world,
to foster air commerce and
to study the problems connected therewith;

TO PROVIDE

Means for collaboration among the air transport
enterprises engaged directly or indirectly in
international air transport service;

TO CO-OPERATE

With the International Civil Aviation Organization
And other international organizations.

...AND THE ACTIVITIES OF IATA

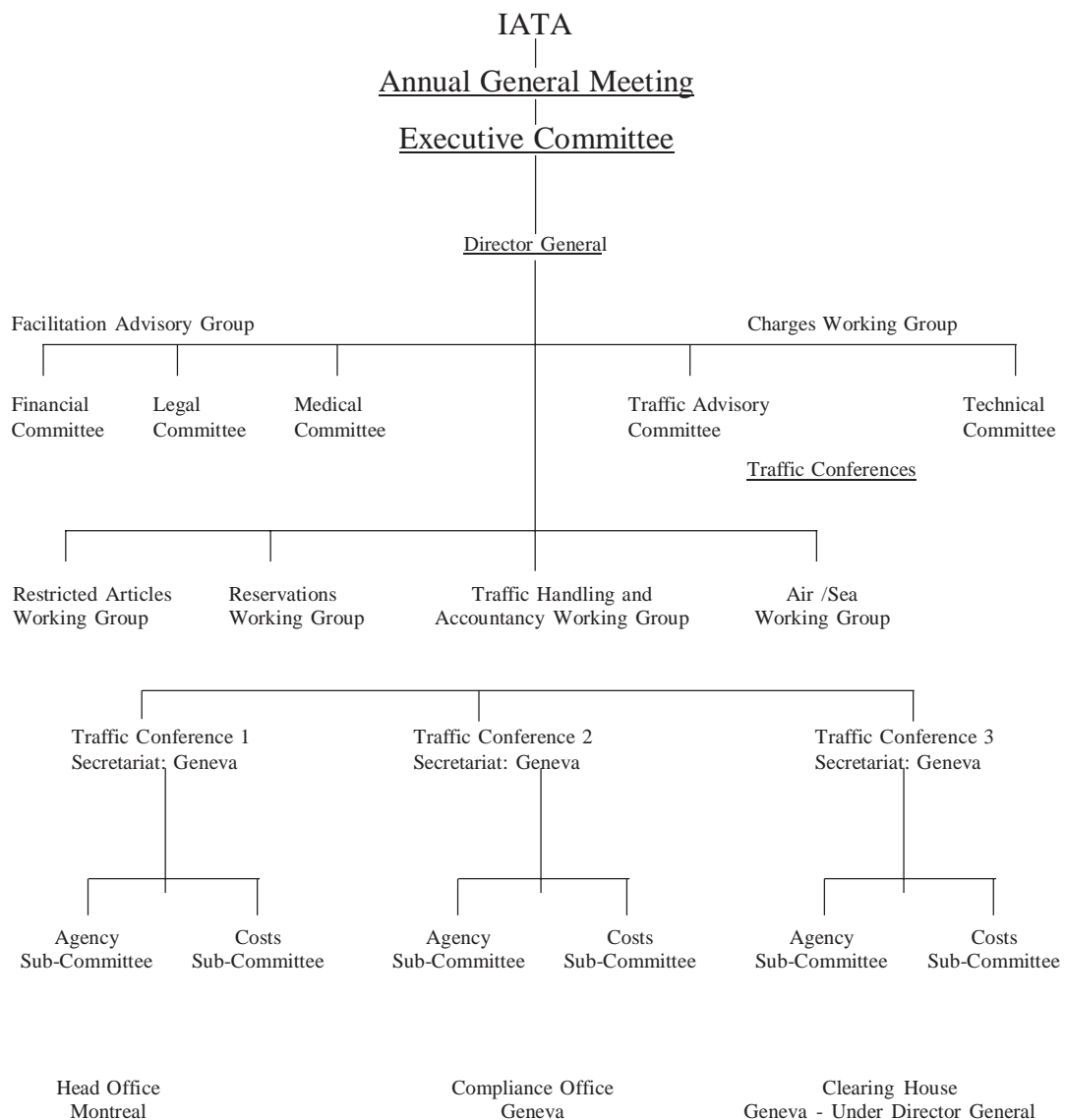
The International Air Transport Association - is the world organization of the scheduled airlines. Its members carry the great bulk of the world's scheduled international and domestic air traffic under the flags of more than seventy nations.

IATA's major purpose is to assure that all airline traffic anywhere moves with the greatest possible speed, convenience and efficiency - and with the utmost economy for the airline and the public alike. It has become the means by which the airlines have knit their individual routes and traffic handling practices into a world wide public service system, despite the differences between languages, currencies, laws and measurements. IATA is therefore the collective personality of almost a hundred companies who carry the bulk of the world's regular air traffic, and the international air transport industry's link with governments and the public.

For the airline, IATA is their machinery for finding joint solutions to problems beyond the resources of any single company. It is an international pool of experience and information and the administrator of many joint services and enterprises. It is the

world parliament of the airlines and their representative in other international organisations.

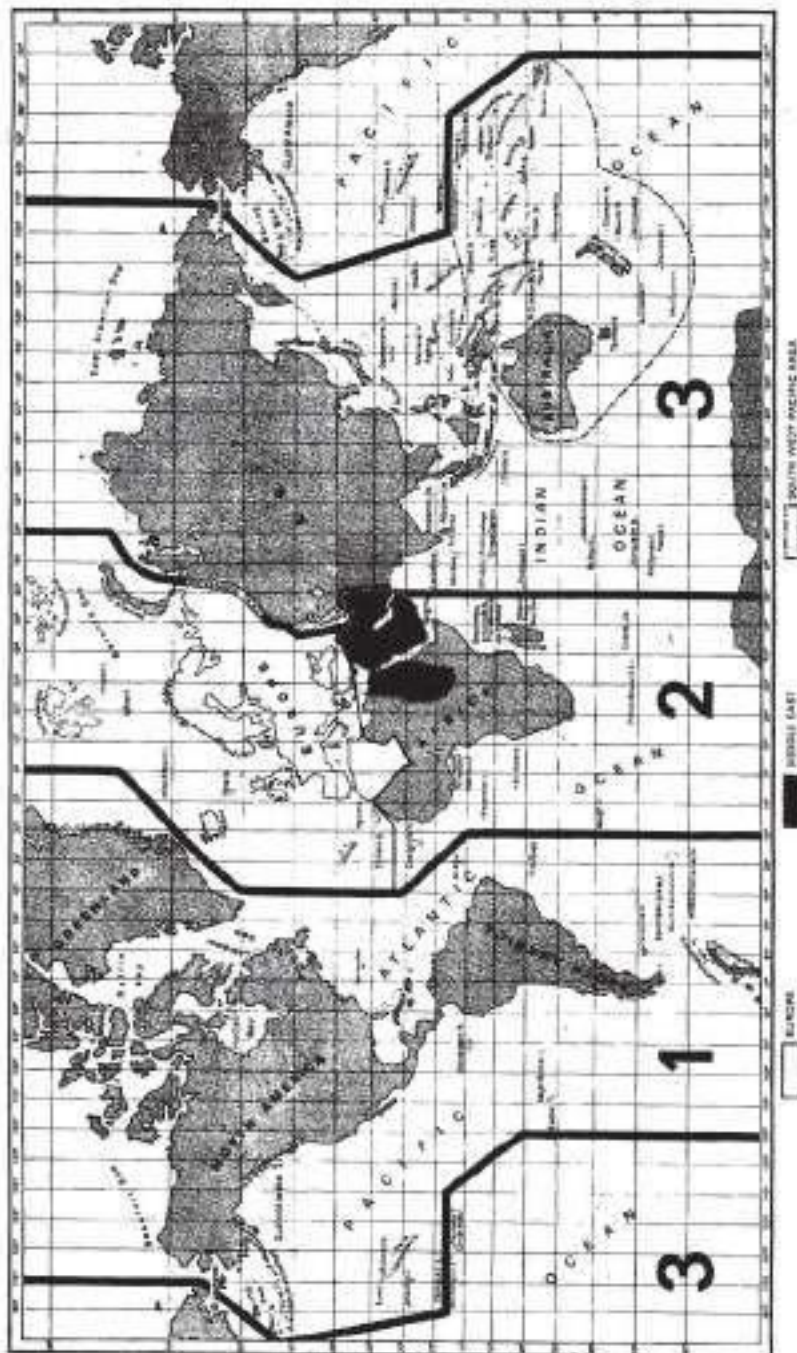
For governments, IATA is the medium for the negotiation of international rates and fare agreements. It provides the only practicable way of drawing upon the resources and experience of the airlines. It helps to carry out the fast and economical transport of the international air mail, and to make certain that the needs of commerce and the safety and convenience of the public are properly served at all times.



1.2. IATA AREAS AND CITY/AIRPORT CODES

1.2.1. IATA MAP

IATA TRAFFIC CONFERENCE AREAS



Section 1, General Information

5.7 IATA Areas and City/Airport Codes

5.7.1. Definitions of Areas

A. IATA Traffic Conference Areas

IATA AREA 1 comprises all of the North and South American Continent and the adjacent islands, Greenland, Bermuda, the West Indies and the islands of the Caribbean Sea, the Hawaiian Islands (including Midway and Palmyra). See IATA Map in Rule 1.2.1.

IATA AREA 1 — SUB AREAS

Caribbean sub-area*, that is :

- a. **between** USA (excluding Puerto Rico and the US Virgin islands) and the Bahamas, Bermuda, the Caribbean Islands, Guyana, Surinam, French Guiana;
- b. **between** Canada/Mexico and the Bahamas, Bermuda, the Caribbean Islands (including Puerto Rico and the US Virgin Islands), Guyana, Surinam, French Guiana;
- c.
 - i) **within** the area composed of the Bahamas, Bermuda, the Caribbean Islands (including Puerto Rico and the US Virgin Islands)
 - ii) **between** the area under c-i) above on the one hand and Guyana, Surinam and French Guiana on the other hand.

Mexico sub-area, that is: between Canada/USA (excluding Puerto Rico and the US Virgin Islands) and Mexico.

Long haul sub-area*, that is :

- a. **between** Canada, Mexico, USA on the one hand and Central America and South America on the other;
- b. **between** the Bahamas, Bermuda, the Caribbean Islands, Guyana, Surinam and French Guiana on the one hand and Central- and South America on the other;
- c. **between** Central America and South America
- d. **within** Central America.

* For the purpose of definition of the “Caribbean” and “Long haul” areas the following is defined :

Caribbean Islands: Anguilla, Antigua and Barbuda, Aruba, Barbados, Bonaire, British Virgin Islands, Cayman Islands, Cuba, Curacao, Dominica, Dominican Republic, Grenada (Carriacou, Mustique, Palm island), Guadeloupe, Haiti, Jamaica, Martinique, Montserrat, St. Kitts (Nevis, Anguilla), St. Lucia, St. Martin, St. Vincent and the Grenadines, Tobago and Trinidad, Turks and Caicos Islands.

Central America: Belize, Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua.

South America: Argentina, Bolivia, Brazil, Chile, Colombia, Ecuador, Panama, Paraguay, Peru, Uruguay, Venezuela.

Within South America sub-area, that is within the area composed of :

Argentina, Bolivia, Brazil, Chile, Colombia, Ecuador, French Guiana, Guyana, Panama, Paraguay, Peru, Surinam, Uruguay, Venezuela.

IATA AREA 2 comprises all of Europe (including the European part of the Russian Federation) and the adjacent islands, Iceland, the Azores, all of Africa and the adjacent islands, Ascension Island, that part of Asia lying west of and including Iran (Islamic Rep. of). See IATA Map in Rule 1.2.1.

IATA AREA 2 — SUB AREAS

Within Europe sub-area, that is within the area composed of: Albania, Algeria, Andorra, Armenia, Austria, Azerbaijan, Azores, Belarus, Belgium, Bulgaria, Canary Islands, Croatia, Czech Republic, Denmark, Estonia, Finland, France, Georgia, Germany, Gibraltar, Greece, Hungary, Iceland, Ireland, Italy, Latvia, Liechtenstein, Lithuania, Luxembourg, Macedonia (the former Yugoslav Rep. of), Madeira, Malta, Moldova, Monaco, Morocco, Netherlands, Norway, Poland, Portugal, Romania, Russian Federation (West of the Urals), San Marino, Slovak Republic, Slovenia, Spain, Sweden, Switzerland, Tunisia, Turkey (in Europe and Asia), Ukraine, United Kingdom, Yugoslavia.

Within Middle East sub-area, that is within the area composed of: Bahrain, Cyprus, Egypt, Iran (Islamic Rep. of) Iran Israel London.

Eastern Africa comprises: Burundi, Djibouti, Eritrea, Ethiopia, Kenya, Rwanda, Somalia, Tanzania and Uganda.

Indian Ocean Islands comprises: Comoros, Madagascar, Mauritius, Mayotte, Reunion Island and Seychelles Islands.

Southern Africa comprises: Botswana, Lesotho, Mozambique, South Africa, Namibia, Swaziland and Umtata.

Western Africa comprises: Angola, Benin, Burkina Faso, Cameroon, Cape Verde, Central African Republic, Chad, People's Republic of Congo (Brazzaville), Congo (Kinshasa), Cote d'Ivoire, Equatorial Guinea, Gabon, Gambia, Ghana, Guinea, Guinea Bissau, Liberia, Mali, Mauritania, Niger, Nigeria, Sao Tome and Principe, Senegal, Sierra Leone and Togo.

IATA AREA 3 comprises all of Asia and the adjacent islands, except that portion included in IATA Area 2, all of the East Indies, Australia, New Zealand and the adjacent islands, the islands of the Pacific Ocean, except those included in IATA Area 1. See IATA Map in Rule 1.2.1.

IATA AREA 3 — SUB AREAS

South Asian Subcontinent sub-area, that is within the area composed of:

Afghanistan, Bangladesh, Bhutan, India (including Andaman Islands), Maldives, Nepal, Pakistan, Sri Lanka.

South East Asia sub-area, that is within the area composed of Brunei Darussalam, Cambodia, China (People's Rep. of), Guam, Hong Kong (SAR), Indonesia, Kazakhstan, Kyrgyzstan, Lao (People's Dem. Rep.), Malaysia, Marshall Islands, Micronesia (Includes Caroline Islands except Palau Islands Group), Mongolia, Myanmar, Northern Mariana Islands (includes Mariana islands except Guam), Palau, Philippines, Russian Federation (East of the Urals), Singapore, Taiwan, Tajikistan, Thailand, Turkmenistan, Uzbekistan, Vietnam.

South West Pacific sub-area, that is within the area composed of: American Samoa, Australia, Cook Islands, Fiji Islands, French Polynesia, Kiribati, Nauru, New Caledonia, New Zealand (including Loyalty Islands), Niue, Papua New Guinea, Samoa, Solomon Islands, Tonga, Tuvalu, Vanuatu, Wallis & Futuna islands.

Japan/Korea sub-area, that is within the area composed of: Japan and Korea.

B. OTHER DEFINITIONS

Commonwealth of Independent States comprises Armenia, Azerbaijan, Byelorussia, Georgia, Kazakstan, Kyrgyzstan, Moldova, Russian Federation, Tajikistan, Turkmenistan, Ukraine, Uzbekistan.

Continental U.S.A. means the 49 contiguous federated States and the Federal District of Columbia of the United States of America. This does not include the States of Alaska and Hawaii.

EFTA (European Free Trade Association) countries : Austria, Finland, Iceland, Norway, Sweden, Switzerland.

EC (European Commission) member states :

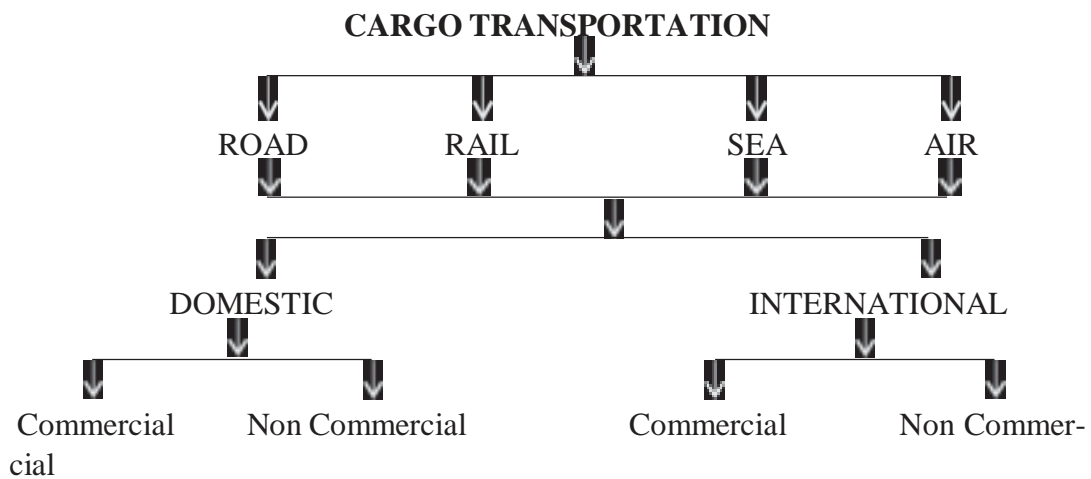
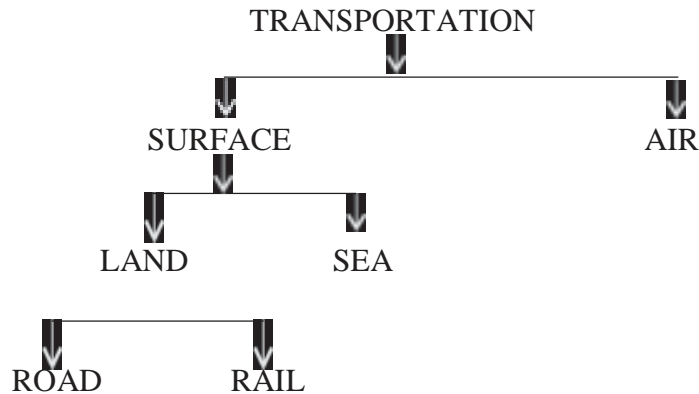
Members are: Austria, Belgium, Denmark, Finland, France, Germany, Greece, Iceland, Ireland (Rep.), Italy, Luxembourg, Netherlands, Norway, Portugal, Spain, Sweden and the United Kingdom.

EU (European Union) countries :

- a. *Members* are : Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland (Rep.), Italy, Luxembourg, Netherlands, Portugal, Spain, Sweden and the United Kingdom.
- b. *Associates* are: Algeria, Cyprus, Egypt, Iceland, India, Israel, Jordan, Lebanon, Malta, Mexico, Morocco, Norway, Switzerland, Syria, Tunisia, Turkey and Yugoslavia.

French Monetary Area comprises Benin, Burkina Faso, Cameroon,

The World of Air Cargo Transportation



Though Sea Cargo Transportation appears to be cheaper on the face of it, Air Cargo transportation is in reality cheaper considering the many advantages that air cargo transportation offers to its shippers:

- a. SPEED
- b. Minimum Handling
- c. Minimum exposure to Risks
- d. Minimum Damage
- e. Minimum Insurance Coverage
- f. Minimum Insurance Premium
- g. Minimum Packing
- h. Minimum Packing Costs
- i. Speedy transport, quick delivery to consignee and minimisation of costs in every respect optimizes profits.

TOTAL DISTRIBUTION COST ANALYSIS

We have an interesting proposition for you. HOW WOULD YOU LIKE TO MAKE MONEY OUT OF AIR? Sounds fantastic, but it's possible !! Provide us with some basic information on your foreign trade activity – imports and / or exports – and we will show you how shipping your cargo by air can be cheaper than by sea.

1. Contrary to popular belief, air cargo is no longer an expensive luxury. It is a commercial necessity. Especially in today's demanding, competitive world of international trade where the costs of financing and stock holding are very high and there is a greater need for faster cash flow and financial liquidity.
2. By application of the Total Distribution Cost Analysis it can be proved that in many cases of comparison between air and sea distribution, the total distribution cost involved is cheaper in the case of air, though, a mere superficial comparison between the airfreight and sea freight rates might indicate otherwise.
3. The Total Distribution Cost Analysis takes into consideration not merely the cost of transportation, but in addition, several other factors such as inventory and storage costs as well as revenues and costs related to ordering, production, administration, financing and sales. Only the complete consideration of the factors will actually make it possible to find the most profitable way of distribution.
4. The major constituents of the Total Distribution Cost includes:
 - a. **Inventory Carrying Costs:** Due to the large lead time in procurement of items by means other than air, there is need to maintain a correspondingly high inventory level of stock or goods. This, therefore, increases the inventory carrying costs of blocked capital, warehousing, administration, accounting etc.
 - b. **Capital Cost of goods in transit:** Capital can be released by changing the proportion of output which is in transit, by reducing the transit time. Therefore, the capital cost of goods in transit can be decreased with the corresponding reduction in transit stock, which is possible by air transportation.
 - c. **Obsolescence:** When designs change rapidly, obsolescence reduces the market value of products due to the influence of rapid advances in technology. Air distribution can overcome the problem and the effect of obsolescence

can be minimized. This is particularly important in industries like fashion goods, etc.

- d. Packing:** Less packing is involved in air transportation and therefore also reduces the handling costs, lowers the unpacking costs and also lowers the chargeable weight for air cargo.
- e. Insurance:** Because of reduced transit time, better handling, substantial reduction in damage and greater air security, insurance premiums are lower for air cargo.
- f. Breakage :** Damage in transit is reduced considerably for air cargo. Routes are generally more direct without any transshipment. The handling equipment is more sophisticated and with the advent of wide bodied aircraft, there is further improvement due to containerization.
- g. Pilferage:** The amount of pilferage is reduced by air transportation.
- h. Deterioration :** Studies of air transportation have shown that the increased speed and frequency of services has overcome the problems of deterioration. This problem is particularly important for items such as drugs and chemicals in which case the potency reduces with increased transit time.
- i. Surface Transport :** It has been found that the cost involved in surface transport from the place of manufacture to the airport of departure and similarly at the destination is much less in air transportation, because of the availability of airports at convenient locations as compared to the sea ports which have to be necessarily located near marine outlets.
- j. Other cost and revenue factors :** In addition to the transportation and distribution costs mentioned above, several other criteria of the particular transport mode chosen, have an influence on other costs related to ordering, administration, sales and financing.

THESE ADVANTAGES SHOULD ALSO BE EVALUATED BY BOTH EXPORTERS AND IMPORTERS TO FIND A MOST PROFITABLE WAY OF DISTRIBUTION.

5. To summarise, therefore, on the cost side, the use of air freight can reduce the inventory costs, capital cost of goods in transit, warehousing costs, packaging costs, insurance costs, etc. On the service side, airfreight drastically reduces the lead time and helps overcome

problems of obsolescence, deterioration, pilferage, etc. Moreover, due to efficient handling systems it minimizes damage or loss.

6. In the case of capital goods – plants, equipment and machinery, the expeditious movement of these items by air, enables commissioning of projects earlier and thereby in increased gains, which would more than offset the differential between the sea and air costs of distribution
7. On the marketing side, it adds a new competitive edge to the total marketing effort as well as enables tapping of new markets. Its unsurpassed speed and quality of service adds value to any product, improves production and marketing cycles and generates a better image of the shipper.

THE AIR CARGO TARIFF (TACT)

Publishers : International Airline publications in Association with International Transport Association (IATA)

Books : 2 parts...Rules...& Rates...

Rules Book : Orange Colour
Published every April & October.

Rates Books : Green Colour - Worldwide Except North America
Red Colour -North America
Published every April / June/ August / October / December / February.

Contents:

Section	Rules Book	Green Book	Red Book
1	General Information	Special Rates	Special Rates
2	Acceptance for carriage	Descriptions	Descriptions
3	Transportation Charges	Notes	Notes
4	Services & Related Charges	Rates	Rates
5	Payment of Rates & Charges	Construction Rates	Construction Rates
6	The Airway Bill	-	Domestic Rates
7	Information by Countries	-	-
8	Carriers Special Regulations	-	-

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- 1.2.2. Definition of arseas
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3.7.5. Intentionally left blank

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This section shows Special Regulations, if any, of participating carriers in alphabetical order by Carrier.

Where applicable, the rule numbers used are the same as for the corresponding general rules.

THE AIR CARGO TARIFF —TAGT GREEN BOOK

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3.1 CHARACTER NOTES

NOTE REFERRING TO A SPECIFIC CARRIER (e.g. AA, BA, etc.)

Unless otherwise indicated, if a rate / charge is shown with a @-letter designator, that rate / charge is only applicable for transportation by that specific carrier.

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SHIP BY AIR – IT'S CHEAPER

Its true! Air freight is actually cheaper than sea freight in terms of total distribution costs. It can be proved that, in many cases of comparison between air and sea distribution, the total distribution cost involved is cheaper in the case of air, though a mere superficial comparison between the air freight and sea freight rates might indicate otherwise.

That's not all. It also slashes lead time and helps overcome the problems of obsolescence, deterioration, pilferage and damage.

Air freight reduces inventory costs, capital costs of goods in transit, warehousing, packaging and insurance costs and creates a faster cash flow and improved financial liquidity.

In the case of capital goods-plant, equipment and machinery, the expeditious movement of these items by air enables commissioning of new projects or expansion programmes earlier and thereby results in increased gains.

On the marketing side, it enables access to new markets, improves customer service, creates goodwill, ensures better after-sales service, avoids interruption of supplies and late delivery penalties and facilitates better production and marketing schedules thereby increasing sales.

TOTAL DISTRIBUTION COST ANALYSIS

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 - d. **Packing:** Less packing is involved in air transportation and therefore also reduces the handling costs, lowers the unpacking costs and also lowers the chargeable weight for air cargo.

- e. Insurance: Because of reduced transit time, better handling, substantial reduction in damage and greater air security, insurance premiums are lower for air cargo.
- f. Breakage : Damage in transit is reduced considerably for air cargo. Routes are generally more direct without any transshipment. The handling equipment is more sophisticated and with the advent of wide bodied aircraft, there is further improvement due to containerization.
- g. Pilferage: The amount of pilferage is reduced by air transportation.
- h. Deterioration : Studies of air transportation have shown that the increased speed and frequency of services has overcome the problems of deterioration. This problem is particularly important for items such as drugs and Chemicals in which case the potency reduces with increased transit time.
- i. Surface Transport : It has been found that the cost involved in surface transport from the place of manufacture to the airport of departure and similarly at the destination is much less in air transportation, because of the availability of airports at convenient locations as compared to the sea ports which have to be necessarily located near marine outlets.
- j. Other cost and revenue factors : In addition to the transportation and distribution costs mentioned above, several other criteria of the particular transport mode chosen, have an influence on other costs related to ordering, administration, sales and financing.

THESE ADVANTAGES SHOULD ALSO BE EVALUATED BY BOTH EXPORTERS AND IMPORTERS TO FIND A MOST PROFITABLE WAY OF DISTRIBUTION.

5. To summarise, therefore, on the cost side, the use of air freight can reduce the inventory costs, capital cost of goods in transit, warehousing costs, packaging costs, Insurance costs, etc. On the service side, airfreight drastically reduces the lead time and helps overcome problems of obsolescence, deterioration, pilferage, etc. Moreover, due to efficient handling systems it minimizes damage or loss.
6. In the case of capital goods - plants, equipment and machinery, the expeditious movement of these items by air, enables commissioning of projects earlier and thereby in increased gains, which would more than offset the differential between the sea and air costs of distribution
7. On the marketing side, it adds anew competitive edge to the total marketing effort as well as enables tapping of new markets. Its unsurpassed speed and quality of service adds value to any product, improves production and marketing cycles and generates a better image of the shipper.

ACCEPTANCE OF AIR CARGO

Air Consignments are accepted by carriers:

- a) Directly from the Shipper
- b) Through a Freight Forwarder

SHIPPER'S LETTER OF INSTRUCTIONS

Shipper's instruction for carriage by me given verbally. However, it is preferred to be in writing.

READY FOR CARRIAGE: (IATA Resolution 833)

Goods are said to be in "Ready for Carriage" status when they are.....

- Properly Packed
- Properly Marked
- Properly Labelled
- Properly Documented

PROPER PACKING:

- Proper Packing ensures No damage.....
- To the goods for which packing has been provided
- To other goods loaded along with it
- To the equipments in which it is carried
- To the people who are handling it.

PROPER MARKING:

Proper Marking should communicate all details about the goods. such as Shipper & Consignee details / Airway bill / Handling instructions if any. etc.

PROPER LABELLING

Labels. A Visual communication is beyond language barriers. Applicable Standard Labels & Tags for Special Consignments to be affixed/attached next to consignee's address.

PROPER DOCUMENTATION:

Documentation may be classified into 2. They are...,

Airline Documents - Applicable to all airlines universallye.g. Airway bill/ Shipper's Certification for live Animal/ Shipper's

Declaration for D.G

Terminal Documents - Applicable to a particular country/ Airport. E.g. Shipping Bill / Visa / Carting order.

Freight Status in an AWB: (TACT Rule 2.3.1.2)

Freight status in an AWB should either be on "Prepaid" basis or on "Charges Collect" basis. However, Charges Collect is acceptable only when.....

The Destination Country's currency Regulations permit

The Shipper and Consignee are not same.

The Carriers permit

RESTRICTIONS IN ACCEPTANCE: (TACT Rule 2.3.3)

Restrictions in Acceptance of goods are:

Nature of Goods

Weight & Dimensions

Value

Embargoes

Cargo Not Acceptable

Nature of Goods: The nature of goods may not permit an airline to accept the goods for carriage. For example some Dangerous goods are prohibited whereas some may be carried subject to strict adherence of IATA dangerous Goods Regulations. For some goods special arrangements should be made in advance.

Weight & Dimensions: In some cases, the weight of a package may be in excess of prescribed weight limits. In some other, the dimensions of a package may not permit its free entry into the hold of an aircraft.

Value: Value Restrictions are of 2 types:-

Value Declared for carriage per consignment

Value for carriage of one consignment or group of consignments in any one aircraft
Consignments exceeding a certain declared value for carriage (in many cases in excess of USD 1,00,000 or its equivalent) will not be accepted.

Embargoes: Embargo means the refusal by a carrier to accept goods for transportation. Such refusal may be for a.....

Flight

Route

Commodity

Quantity / Weight

Cargo Not Acceptable:

Following goods are not to be accepted.

Goods liable to endanger aircraft, persons, property

Goods liable to cause annoyance to passengers

Goods which are prohibited by law / regulation of any origin / destination / transit / overflown countries.

ADVANCE ARRANGEMENTS: (TACT Rule 2.4.1)

Following goods may be accepted only on advance arrangements:

Consignments requiring special care

Consignments having declared value in excess of limits

Consignments of unusual shape or size.

Live Animals / Perishable / Human remains

Dangerous Goods

SHIPPER'S RIGHT OF DISPOSITION: (TACT Rule 2.6) A Shipper enjoys following rights.....

Right to Withhold

Right to Withdraw

Right to Redirect to another destination (Transshipment)

Right to Recall to Origin (Reshipment)

Right to Amend the contents of the AWB (but Value Declared for Carriage & amount of Insurance cannot be amended after the goods have left the Origin).....

Subject to the following conditions.....

Shipper should express his requests in writing

Consignee has not taken delivery of the goods

Such action is not against the interest of the carrier or other shippers

Shipper pays for all consequential expenses / charges.

SHIPMENTS IN COURSE OF CARRIAGE: (TACT Rule 3.10)

Carrier can refuse a consignment because of Government requirements

Carrier may withhold a shipment at any place for any purpose upon giving notice thereof to the shipper.

Carrier can decide the flight, carrier for carriage of goods.

UNDELIVERED CONSIGNMENTS: (TAGT Rule 2.8)

The carrier will notify the consignee of the arrival of goods at destination. If the consignee refuses or fails to take delivery of the consignment, the carrier shall notify the shipper of the consignee's failure to take delivery and request his instructions.

If no such instructions are received within 30 days, the carrier may sell the shipment in one (or) more lots at public (or) private sale (or) destroy (or) abandon such shipment. However, in cases of perishables, carrier may immediately take such steps as it sees fit for the protection of itself or other parties in interest, including destruction or abandonment of the consignment.

Related expenses are to be borne by the shipper.

PAYMENT

Normally charges are on a PREPAID basis. However charges may be on COLLECT basis provided the following conditions are complied with.

- 1 The shipper and consignee are not the same.
2. The currency regulations of the country of destination and of the delivering carrier must permit charges collect.

SHIPPER'S RIGHTS ON DISPOSITION

Even though the consignment is handed over to the carrier in a ready for carriage condition, the shipper after complying with specific conditions has certain rights over the consignment. These rights are known as shipper's rights of disposition.

CONDITIONS

1. The shipper has to make request in writing.

2. Agree to bear all additional expenses.
3. The consignee has not requested for or taken delivery of consignment.
4. The shipper produces his original copy of AWB for any amendment.
5. It does not prejudice the carrier's or other shipper's interest.
6. It is practicable to carry out the instructions.
7. Amount of insurance and DVC cannot be changed after the shipment takes off from origin.

RIGHTS

1. Stop the goods at origin, transit or destination.
2. Withdraw the goods at origin.
3. Redirect to other destination (Can be done on same AWB)
4. Recall the shipment to origin (Must be on fresh AWB)
5. Amend/ Add to the contents of AWB.

CARRIER'S RIGHTS

1. Refuse acceptance.
2. Route shipment in any manner it deems fit.
3. Stop the shipment at any point for whatever reason.
4. No time is fixed for the completion of transportation.
5. Has the right to auction the shipment to recover the transportation charges.

CARRIER'S LIABILITY

The carrier is liable for

DAMAGE

DELAY

LOSS

According to the Warsaw convention if value is not declared for carriage, the maximum liability of the carrier for damage, delay or loss of the consignment is USD 20 per Gross Kg.

PRINCIPLE IN AIR CARGO RATING

The principle in Air cargo Rating is to charge for the actual Gross weight or volume weight whichever is HIGHER.

This becomes your CHARGEABLE weight.

EXAMPLE:

GROSS WT. = 10 kgs

VOUME WT. = 20 kgs

CHARGEABLE WT. = 20 kgs

TERMS

Net Weight = Actual weight of CARGO without packing.

Gross Weight = Actual weight of CARGO plus packing.

Volume Weight = The cubic volume of a package,

taking the greatest length

taking the greatest width

taking the greatest height

and dividing the product by 6000

or 366 or 166 to arrive, at the Volume weight in "KGS" and "LBS".

Volume Weight

Step 1 : Measure the piece along its greatest length, greatest width and greatest height REGARDLESS OF ITS GEOMETRICAL SHAPE.

Step 2 : Round off the dimensions as follows:

- half or larger fraction of a centimeter or of an inch:
- round up to next higher unit of in. or cm.
- smaller fractions of a centimeter or of an inch:
- round down to the next lower unit of in. or cm.

that is, ignore the fractions.

- Examples :

One piece measuring $150.2 \text{ cm} \times 125.5 \text{ cm} \times 100.6 \text{ cm}$

Rounded off One piece measuring = $150 \text{ cm} \times 126 \text{ cm} \times 101 \text{ cm}$.

Rounded off = $75 \frac{7}{8} \text{ in} \times 65 \frac{1}{2} \text{ in} \times 55 \frac{3}{4} \text{ in}$.

Step 3 : Multiply the rounded off measurements in order to obtain the volume of the piece.

Examples:

$150 \text{ cm} \times 126 \text{ cm} \times 101 \text{ cm} = 1900900 \text{ cm}^3$.

$74 \text{ in} \times 66 \text{ in} \times 56 \text{ in} = 277200 \text{ cu.in}$

Step 4 : The limit between high and low density cargo is as follows:

6000 cubic centimeters = 1 kg.

366 cubic inches = 1 kg.

166 cubic inches = 1 lb.

The volume weight is established by dividing the volume of the piece by the appropriate factor, that is.

If weight is to be in kg and Volume is in cm^3 , \div by 6000

If weight is to be in kg and Volume is in cu.in, \div by 366

If weight is to be in lb and Volume is in cu.in, \div by 166

Examples:

$1908900 \text{ cm}^3 \div 6000 = \text{Volume Weight } 318.15 \text{ kg}$

$277200 \text{ cu.in} \div 366 = \text{Volume Weight } 757.37704 \text{ kg}$

$277200 \text{ cu.in} \div 166 = \text{Volume Weight } 1670 \text{ lb}$.

Step 5 : Round off the volume weight in the same manner as the actual gross weight.

Examples:

$318.15 \text{ kg} = 318.5 \text{ kg}$

$757.37704 \text{ kg} = 757.37704 \text{ kg}$

$1669.8795 \text{ lb} = 1670 \text{ lb}$.

CONCLUSION

It is evident that the amount of cargo which can be loaded on an aircraft is limited by weight and volume. Small, heavy loads will tend to reach the weight limitation of the aircraft before the volume limitation is attained, thus resulting in unused volume capacity. Light and bulky loads will tend to reach the volume limitation of the aircraft before the weight limitation is attained, thus resulting in unsold weight capacity. So bear in mind the rule :-

The chargeable weight is)
the actual weight) Whichever is higher
or the volume weight)

**GENERAL CARGO RATE APPLY ONLY IF “SPECIFIC
COMMODITY RATE” OR A “CLASS RATE” IS NOT
APPLICABLE OR AVAILABLE.**

Reproduced below is an extract from the TACT Rates Book

Column headings 6	exp note date	item weight	min usd	local curr.	
Headline city 6	GENEVA SWITZERLAND GVA				7 city 3-letter code
Local currency 6	SWISS FRANC	SFR	KGS	KGS	7 weight unit
	LUSAKA	ZAMBIA	M	12000	
			N	2220	
			45	1665	
		2109	500	735	
		2416	100	1055	
Sideline City 6	LUXEMBURG	LUX	M	10000	
			N	270	
		1003	100	150	
		1202	100	155	
		6002	100	125	

Observe that :

...some rates appear without
any item no. _____
6

date / note type	item	min weight	local curr.
SANTIAGO		CL M	460.00
		N	165.00
6	6	6	645
		1200	100
		2198	100
		2200	100
		5001	100
		9202	500

date type	note	item	min weight	local curr.
SANTIAGO		BR M		460.00
		N		156.00
		45		119.30
		1200	100	62.65
		2198	100	59.65
		2200	100	59.65
		9524	500	53.75
		9524	100	61.50

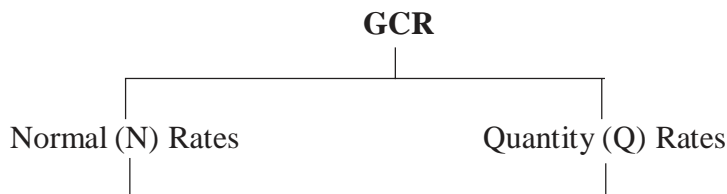
]
]
]
]
]
]
]

..... while the otehrs have an item no. attached.

GENERAL CARGO RATE

The rate for the carriage of cargo other than a class arte or specific commodity rate, also known as “GENERAL COMMODITY RATE” (GCR).

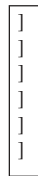
General cargo rates apply for the carriage of commodities in general. The normal rates published apply to consignments up to 45 kgs. (with exceptions). Lower general cargo rates are available for consignments weighing more and in many areas of the world further reduced rates are published for consignments in higher weight breaks. These general cargo rates (GCR) can broadly be divided in the two groups.



These rates are identified by the alphabet ‘N’. They are also known as under 45 kg. rate. These rates have their applicable minimum weights reflected alongside.

- 45 meaning 45 kgs. and above
- 100 meaning 100 kgs. and above
- 200 meaning 200 kgs. and above
- 500 meaning 500 kgs. and above

date type	note item	min weight	local curr.
	BOLOGNA IT	M	55.09
		N	12.03
		45	9.03
		100	6.55
		250	3.00
		500	2.81
		1000	2.59
	1420	45	3.63
	BOMBAY IN	M	33.00
		N	6.17
		45	4.63



The weight charges are completed by multiplying the chargeable weight by the applicable “Normal” or “Quantity” Rate.

BUT

REMEMBER.....

THE WEIGHT CHARGE MUST NEVER BE LOWER THAN THE MINIMUM CHARGE.

EXAMPLE 1 :

Calculate the weight charges for the following consignment using the general cargo rate.

Routings : BOMBAY (BOM), INDIA TO LONDON (LON), UK

Commodity : Samples of Garments

Gross Weight : 10 kgs.

Working :-

Headline City : Bombay, India

Sideline City : London, UK

From TACT :

BOMBAY INDIAN RUPEE	IN INR	BOM KGS	
LONDON	68 M	380	
	N	64.65	
	45	48.45	
	0006	100	20.90
	0006	500	17.20
	1024	100	33.25
	1200	100	32.05
0044	1200Y	250	21.85
0044	1200Y	500	21.25
0044	1200Y	1000	20.70
0044	1200Y	250	19.45
0044	1200Y	500	18.90
0044	1200Y	1000	18.35

Headline Currency : INR-Indian Rupee

Applicable Ratge : SCR X
CCR X
GCR _/

Since the chargeable weight is less than 45 kgs. the applicable rate will be INR 64.65/k kg. (N)

Weight Charges : INR 646.50
 Minimum Charges : INR 380.00 (M)
 Chargeable Amount : Weight charges or minimum charges whichever is higher i.e.
 Weight Charges = INR 646.50
 Minimum Charges = INR 380.00

No. of pieces	Gross Weight	Rate Class	Chargeable Weight	Rate / Charge	Total	Nature and Quantity of Goods (Incl dimension or Volume)
	10		10	6465	646.50	Samples of Garments

EXAMPLE 2 :

Calculate the weight charges for the following consignment using the general cargo rate.

Routing : NEW YORK (NYC), USA TO DELHI (DEL), INDIA

Commodity : General Cargo

Gross Weight : 310 kgs.

Dimensions : 1 box 180×100×50 cms.
 1 box 170×120×50 cms.

Working:

date/ type	note	item	min weight	local curr.
NEWYORK		NY	US	NYC
U.S.DOLLAR		USD	KGS	LBS
DELHI	IN	M	60.00	60.00
		N	10.70	4.85
		100	8.21	3.72
		220	7.09	3.22
		1100	6.21	2.82
	4105	650	4.93	2.24
	4201	650	4.21	191
	4315	2200	4.10	1.86

Volume weight 320kgs
 Gross Weight 310 kgs
 Chargeable Weight 320 kgs
 Applicable rate SCR X
 CCR X
 GCR _/
 USD 10.70/KGS. (N) X
 USD 8.21/KGS. (Q+100) X
 USD 7.09/KGS. (Q+220) _/

Weight Charges
 USD 7.09 kgs. (Q+220)
 × 320
 USD 2268.80 / Minimum charges USD 60.00 (M)
 Chargeable Amount : USD 2268.00 381

No. of pieces	Gross Weight	Rate Class	Chargeable Weight	Rate / Charge	Total	Nature and Quantity of Goods (Incl dimension or Volume)
2	310		320 8	7.09	2268.80	General Cargo Dims 180×100×50 cms.×1 170×120×50 cms.×1

EXAMPLE 3 :

Calculate the weight charges for the following shipment using the general cargo rate:

Routing : MADRAS (MAA), INDIA TO TOKYO (TYO) JAPAN
 Commodity : Chemicals
 Gross Weight : 4 kgs.

Working :
 Chargeable Weight : 4 kgs
 Applicable rate : SCR X
 : CCR X
 : GCR _/
 : INR 72.10/kgs. (N)
 Weight charges : INR 72.10/kgs. (N)
 × 4
 INR 288.40 /
 Minimum charges INR 330.00

date / note type	item	min weight	local curr.
MADRAS		IN	MAA
INDIAN RUPEE	INR		KGS
TOKYO	JP	M	330.00
		N	72.10
		45	54.10
	1201	100	21.15
	2199	100	25.60
	4400	100	37.65
	5500	100	32.70
TOULOUSE	FH	M	380.00
		N	66.90
		45	50.20
		500	33.50

Here, we observe that the 'Minimum Charges' is more than the weight charges, hence the chargeable amount is INR 330.00

No. of pieces	Gross Weight	Rate Class	Chargeable Weight	Rate / Charge	Total	Nature and Quantity of Goods (Incl dimension or Volume)
1	4			330.00 8	330.00 8	Chemicals

EXAMPLE 4 :

Calculate the weight charges for the following consignment using the general cargo rate.

Routing : SYDNEY (SYD), AUSTRALIA TO CALCUTTA (CCU) INDIA

Commodity : Tools

Gross Weight : 30 kgs.

Dimensions : 1 box 60×60×60 cms.

Working:

date / note type	item	min weight	local curr.
	0006	1000	2.45
CAIRNS	QL	AU	
AN		M	15.00
IN		M	17.00
AN		M	2.94
IN			
CALCUTTA	IN	M	33.00
		N	5.77
		45	4.32

Volume weight	36kgs
Gross Weight	30 kgs
Chargeable Weight	36 kgs
Applicable rate	SCR X
	CCR X
	GCR <u> </u>
	AUD 5.77/ kg (N)...

Weight Charges : AUD 5.77/ kg (N)
× 36

AUD 207.72 / Minimum charges AUD 33.00

If the chargeable weight is taken as 45 kgs. the applicable rate would be AUD 4.32 / kg. (Q+45).

The weight charges would then be AUD 4.32 / kg (Q+45)
x 45

AUD 194.40

Observation:

In this example:

- if the chargeable weight is 36 kgs. the amount charges is AUD 207.72.
- if the chargeable weight is 45 kgs. the amount to be charged will be AUD 194.40.

WHICH OF THE ABOVE WILL BE THE FINAL ANSWER ?

CHARGEABLE WEIGHT : - The chargeable weight is the actual gross weight or volume weight, whichever is higher, provided that where a lower charge for a higher minimum weight applies, the latter shall be retained as chargeable weight. This rule permits the application of a lower rate provided it is multiplied by the related minimum weight.

THIS IS KNOWN AS THE BREAK POINT RULE.

In our example, observation (b) produced a lower result therefore, chargeable weight 45 kgs.

No. of pieces	Gross Weight	Rate Class	Chargeable Weight	Rate / Charge	Total	Nature and Quantity of Goods (Incl dimension or Volume)
1	30 8		45 8	4.32 8	194.40 8	Tools Dim. 30×30×30 9 inches

EXAMPLE 5 :

Calculate the weight charges for the following consignment using general cargo rate.

Routing :
Commodity :
Gross Weight :
Dimensions :

Space for Working

No. of pieces	Gross Weight	Rate Class	Chargeable Weight	Rate / Charge	Total	Nature and Quantity of Goods (Incl dimension or Volume)

REMEMBER...

- Apply 'Normal' Or 'Quantity' Rate, Depending On The Weight of The Shipment.
- Take The Actual Gross Weight Or The Volume Weight Whichever is Higher For Calculating The Weight Charges.
- The Weight Charges Must Never Be Lower Than The Minimum Charges.
- Check The Applicability Of The 'Break Point' Rule Because This Rule Allows Charge Of Lower Rate For A Higher Minimum Weight.
- Apply "General Cargo Rate" Only If A "Specific Commodity Rate" Or A "Class Rate" Is Not Available / Applicable.

A “SPECIFIC COMMODITY RATE” IS A RATE APPLICABLE TO SPECIFICALLY DESIGNATED COMMODITIES ON SPECIFIC ROUTES, FOR CONSIGNMENTS OF SPECIFIED MINIMUM WEIGHTS.

“SPECIFIC COMMODITY RATE” TAKE PRECEDENCE OVER ‘CLASS RATE’ AND ‘GENERAL CARGO RATES’.

An extract from the TACT rates book is reproduced below:-

	MONTRE L CANADI N	QUEBEC CAD	YUL KGS	KGS
General cargo rates	VIENNA AUSTRIA		M	6500
			N	780
			45	630
			100	450
			200	3...
			300	288
			400	278
			500	258
			1000	222
		0003	100	330
		0007	500	220
		0388	100	265
		0365	1000	161
		0670	5000	104
		1195	100	349
		1204	100	348
		1436	100	300
		2102	100	329
		2196	100	325
		2208	100	420
		2332	100	330
		2416	100	332
		3094	100	406
		4109	100	324
		4160	200	265
		4209	100	330
		4209	200	252
		4316	100	322
		4318	100	324
		4403	100	372
		4416	100	325
		4416	200	261
		4702	100	325
		5296	200	237
		6002	100	340
Specific commodity rates				

Here, the rates with item numbers are the “SPECIFIC COMMODITY RATES”.

Let us now study another extra reproduced below:

	MADRAS		IN	MAA
	INDIAN RUPEE	INR		KGS
	ZURICH	CH	M	300
				N
1. ██████████	6666	0074	1000	100 3110
		0074		100 1315
		0072	1200	2970
2. ██████████	6666	0044	1261	200 2205
		0044	1200	500 1975
		0044	1200	1000 1915
		0044	1200	250 2045
		0044	1202	500 1965
		0044	1202	1000 1925
			2196	100 3365
			2199	250 3110
			2199	500 2125
3. ██████████	X31048	4427	100	3235
		4780	500	2606
		5500	100	3300
		5500	250	3055
		9525	100	3280
		9525	250	3025

Here we observe :

- ❖ Some rates appear with a Carrier code (1)
- ❖ Some rates appear with a NOTE (2)
- ❖ Some rates appear with a Validity(3)

Some rates appear with a Carrier code..... (1)

Explanation : Unless otherwise indicated, if a rate is shown with a Carrier designator, that rate is only applicable for transportation by that specific carrier.

Some rates appear with a NOTE (2)

Explanation : ‘NOTES’ are of two types :

- a. Character notes
- b. Digit Notes

And the descriptions are given in Section 3 of the TACT Rates Book.

If a rate appears with a ‘NOTE’, the description should be studied before application.

Some rates appear with a Validity(3)

Explanation : A date under this heading consists of 6 positions:

1 st Position	Letter	E means effective date X means expiry date.
2 nd & 3 rd Position	Figure	Two figures to indicate the date.
4 th & 5 th Position	Figure	Two figures to indicate the month.
6 th Position	Figure	Last digit of the year.

Thus,

E01108 means this rate will become effective from the 1st of October 1988.

X3004 means this rate will expire on the 30th of April 1989.

- SPECIFIC COMMODITY RATES (SCR) are established through IATA Channels.
- The SPECIFIC COMMODITY RATES (SCR) are generally the cheapest air cargo rates and provide a substantial discount on the “General Cargo Rates”.
- SPECIFIC COMMODITY RATES (SCR) make it economical for the shippers to send their consignments by air.
- The application of SPECIFIC COMMODITY RATES (SCR) enables the airline to make optimum use of their transportation capacity.
- The SPECIFIC COMMODITY RATES (SCR) are subject to a MINIMUM WEIGHT which is published in connection with the rate.

SEQUENCE TO BE FOLLOWED FOR 'SCR' APPLICATION

- Step 1 Check if any SCR exists from ORIGIN TO DESTINATION.
- Step 2 Refer to the master item number pages and fix the broad series under which the commodity can be classified.
- Step 3 Refer to the Rates page (ORIGIN TO DESTINATION) and list out all those item numbers in the broad series.
- Step 4 Refer to the Commodity description pages and obtain the exact descriptions of the item numbers selected.
- Step 5 Select the MOST SPECIFIC description for the commodity in question.

Step 6 THIS WILL BE THE APPLICABLE SPECIFIC COMMODITY RATE.

Step 7 Cross check this 'SCR' with the APPLICABLE 'GCR'.

(provided the commodity in question is not a class rated item).

Step 8 Charge whichever is lower.

NOTE : Application of 'BREAKPOINT' rule permitted.

EXAMPLE 1 :

Calculate the weight charges for the following shipment:

Routing : BOMBAY (BOM), INDIA TO LONDON (LON), UK

Commodity : OPIUM

Gross Weight : 600 kgs.

Let us follow the flow chart.

Step 1 : Check if any SCR exists from ORIGIN TO DESTINATION

BOMBAY INDIAN RUPEE	IN INR	BOM KGS	date / note type	item	min weight	local curr.
LONDON UK	M	300		3321	500	21.95
	N	64.65		4312	500	34.35
	45	48.45		4427	100	31.10
0006	100	20.00		4427	500	20.40
1200	100	32.09		4434	500	32.35
1200	250	28.00		4444	100	31.10
0044	1200	250	21.85	4444	500	28.40
0044	1200	500	21.25	4570	100	30.45
0044	1200	100	20.70	4616	500	26.45
0044	1200	250	19.45	4803	500	22.95
0044	1200	500	18.90	5300	500	34.25
0044	1200	1000	18.35	6001	100	32.85
0044	1200	250	19.45	6001	500	26.30
0044	1200	500	18.90	6435	500	30.45
0044	1200	1000	18.40	7104	100	20.10
	1403	100	20.00	7119	100	20.95
	1479	100	20.90	8001	100	32.25
	1716	100	33.25	8200	250	29.05
	1915	200	21.00	8280	1000	25.25
	1915	500	15.70	8284	250	31.55
	2199	100	32.55	8371	100	31.20
	2199	250	29.95	8410	500	37.00
	2190	500	20.25	8410	1000	32.00
	2420	1000	23.75	8426	45	31.00
	2665	500	26.25	9105	25	27.35
	3127	500	28.40	9202	100	28.05
	3127	1000	25.90	9525	500	25.45

Step 2 Refer to the master item number pages and fix the broad series under which the commodity can be classified.

- 0001 – 0999 Edible animal and vegetable products
- 1000 – 1999 Live animals and inedible animal and vegetable products
- 2000 – 2999 Textiles; fibres and manufacturers
- 3000 – 3999 Metals and manufacturers, excluding machinery, vehicles and electrical equipments.
- 4000 – 4999 Machinery, vehicles and electrical equipment
- 5000 – 5999 Non-metallic minerals and manufacturers
- 6000 – 6999 Chemicals and related products
- 7000 – 7999 Paper, reed, rubber and wood manufacturers
- 8000 – 8999 Scientific, professional and precision instruments, apparatus and supplies
- 69000 – 9999 Miscellaneous

Step 3 Refer to the Rate...page (ORIGIN TO DESTINATION) and list out all those item numbers in the broad series.

Answer : The item numbers which fall in the 6000 series are : 6001 and 6435

9000 series are : 9105, 9202 & 9525.

Step 4 Refer to the Commodity description pages and obtain the exact description of the item numbers selected.

5902	MINERAL SPECIMEN
6000	CHEMICALS PHARMACEUTICALS
6 6001	CHEMICALS DRUGS PHARMACEUTICALS, MEDICINES
6002	CHEMICALS, DYES, INSECTICIDES, PAINTS, PIGMENTS, VARNISHES, DRUGS, PHARMACEUTICALS, MEDICINES, COSMETICS, SOAPS TOILET PREPARATIONS, TOILET ARTICLES, PERFUMES, ESSENTIAL OILS OR TOGETHER WITH THEIR BOTTLES, PACKAGING, PRINTED ADVERTISING MATERIAL, ADVERTISING SETS, GUMS, RESINS, PLASTIC IN SHEETS, SLABS, RODS, TUBINGS, POWDER, OTHER UNFINISHED FORMS.
6280	TETRACYCLINE CRUDE BASE
6425	
6 6435	OPIUM
6437	OPIUM (ALKALOID)
6495	DRUGS, MEDICINES, PHARMACEUTICALS, INSECTICIDES AIR FRESHENERS (IN AEROSOL SPRAY, CANS / EXCLUDING PERFUMES)

9102	GIFT PARCELS (CONTAINING FOOD, CLOTHING)
9104	GIFT PARCELS (CONTAINING FOOD, CLOTHING, SHOES, MEDICINES, COSMETICS, TOILET ARTICLES)
6 9105	GIFT SHIPMENTS (CONTAINING FOOD, MEDICAL SUPPLIES)
9106	FOOD STUFFS, BEVERAGES (FOR CONSUMPTION OR USE IN A HUSEHOLD, NOT FOR RESALE)
6 9202	TOYS, GAMES, ATHLETIC GOODS, SPORTING GOODS
9203	....TOYS, GAMES
9204	WOODEN TOYS
9522	HANDICRAFT PRODUCTS MADE OF TEXTILES METAL, WOOD, CORK, STRAW, WICKER, LEATHER, CLAY, CERAMIC, STONE, GLASS ARTICLES / EXCLUDING WEARING APPAREL)
9524	HANDICRAFTS (MADE OF METAL , WOOD, CORK, STRAW, BAMBOO, WICKER, CLAY, CERAMIC, STONE, GLASS, HORN, BONE, IVORY, PAPER, PAPER MACHE, LAC, ONYX). INCENSE, IMITATION JEWELLERY EXCLUDING TEXTILES, TEXTILE ARTICLES, WEARING APPAREL, LEATHER, LEATHER ARTICLES, CARPETS, RUGS, DURRIES, MUSICAL INSTRUMENTS, DIAMONDS, PRECIOUS STONES.
6 9525	HANDICRAFTS (MADE OF METAL , WOOD, CORK, STRAW, BAMBOO, WICKER, CLAY, CERAMIC, STONE, GLASS, HORN, BONE, PAPER, PAPER MACHE, LAC) INCENSE, IMITATION JEWELLERY EXCLUDING , CARPETS, RUGS, DURRIES, MUSICAL INSTRUMENTS, DIAMONDS, PRECIOUS STONES.
9526	BUTTONS, BUCKLES

Step 5 Select the MOST SPECIFIC description for the commodity in question.

Answer : Item no. 6435 is the exact description for OPIUM.

Step 6 THIS WILL BE THE APPLICABLE SPECIFIC COMMODITY RATE

Answer : Item no. 6435

Commodity Opium

Rate INR 30.45 / kg.

Minimum Wt. 500 kgs.

Step 7 Cross check this 'SCR' with the 'APPLICABLE 'GCR'.

STEP 8 Charge whichever is lower.

Answer : Applicable ‘SCR’ is cheaper than ‘GCR’.

Therefore, the applicable rate will be INR 30.45/ kg.

$$\begin{array}{l} \text{Calculation : Applicable rate} \quad \quad \quad \text{INR 30.45 / kg (C64354500)} \\ \text{Chargeable Weight} \quad \quad \quad \times \quad 600 \\ \hline \text{INR 18270.00} \end{array}$$

No. of pieces	Gross Weight	Rate Class	Chargeable Weight	Rate / Charge	Total	Nature and Quantity of Goods (Incl dimension or Volume)
10	600	6435	600	30.45	18270.00	OPIUM

EXAMPLE 2 :

Calculate the weight charges for the following shipment:

Routing : BARCELONA (BCH), Spain to MEDELLIN (MDE),

Commodity : Catalogues (Painted Matter)

Gross Weight : 350 kgs.

Working :

BARCELONA	ES		DCH
PESTO	ITS		KGS
MEDELLIN	CC	M	8500
		N	1181
		45	931
		100	738
		300	600
	500	513	
	7115	100	532
	7115	200	435
	7119	1000	350
	9701	100	401
	9701	300	365
	9702	100	401
	9702	300	365
	9703	100	401

date/ type	note	item	min weight	local curr.
		9703	300	305
		9705	100	401
		9705	300	365
		9706	100	401
		9706	300	365
		9708	100	401
		9708	300	365
		9709	100	401
		9709	300	365
		9710	100	401
		9710	300	365
		9711	100	401
		9711	300	365
		9712	100	401

DELHI INDIAN RUPEE	INR	IN	DEL KGS
PRAGUE	CS	M	360
		N	63.90
		45	47.90
		500	31.90
	1200	100	31.70
	1200	200	20.25
	1716	100	32.85
	2199	100	32.25
	2199	500	28.80
	2865	500	25.85
	3153	100	31.80
	4444	500	27.05
	4444	1000	22.65
	6001	100	32.40
	9525	100	31.35
	9525	250	28.60

Step 1 : 'SCR' Exists

Step 2 : Broad Series 1000, 6000 & 9000

Step 3 : Item Nos. 1000 series
1200 & 1716
6000 Series
6001
9000 Series
9525

Step 4 & 5 The most specific description for "ESSENTIAL OIL" falls under Itemno. 1716.

Step 6 "SCR" under C – 1716. INR 32.85 / kg (+100)

Step 7 Applicable 'GCR' INR 31.90 / kg (Q+500)

Step 8 apply 'GCR' INR 31.90 / kg (Q+500)

No. of pieces	Gross Weight	Rate Class	Chargeable Weight	Rate / Charge	Total	Nature and Quantity of Goods (Incl dimension or Volume)
10	500	6435	500	31.90	15950.00	ESSENTIAL OIL

EXAMPLE 4 :

Calculate the weight charges for the following consignment using the general cargo rate.

Routings : CALCUTTA (CCU) India to FRANKFURT (FRA),
W.Germany

Commodity : Photograph Records

Gross Weight : 90 kgs.

Dimensions : 2 packages : 59.6× 62.3 × 61.4 cms.

Working :

Gross Weight : 90 kgs

Volume Weight : 76 kgs

Chargeable Wt. : 90 kgs

CALCUTTA INDIAN RUPEE	INR	IN KGS	CCU
FRANFURT	DE	M	38.0
		N	68.65
		45	51.00
		200	34.45
	0165	250	21.55
	1100	100	31.00
	1200	100	33.15
	1200	250	29.70
0044	1200	250	22.65
0044	1200	500	22.10
0044	1200	1000	21.45
0044	1200	250	20.35
0044	1200	500	19.75
0044	1200	1000	19.15

date/ type	note	item	min weight	local curr.
	0044	1202	250	20.45
	0044	1202	500	19.65
	0044	1202	1000	19.25
		2199	100	33.65
		2199	250	31.10
		2199	500	27.25
		5500	100	33.00
		5500	250	30.55
		6435	500	29.95
		8280	100	32.85
		8280	250	29.25
		9525	100	32.80
		9525	250	30.25

Step 1 : 'SCR' Exists

Step 2 : Broad Serie 8000

& 9000

Step 3 : Item Nos. 8280

9525

Step 4 & 5 : The most specific description for 'PHONOGRAPH RECORDS' falls under Item No. 8280.

Step 6 : SCR under C-8280 INR 32.35 / kg (+100)
 This rate is available for a minimum weight of 100kgs.
 In this example the chargeable weight is only 90 kgs.
 Therefore, it is not possible to apply this 'SCR' now.

Hence,

SCR	×	
CCR	×	
GCR	/	
		INR 51.60 / kg (Q+45)
		× 90
		<hr/>
		INR 4644.00 ... (A)

Application of "BREAKPOINT RULE"

Commodity : "PHONOGRAPH RECORDS"
 SCR : Exists
 Item No. : C – 8280
 Min. Weight : 100 kgs
 Rate : INR 32.85 / kg (+100)
 Weight Charges : INR 32.85 / kg (+100)
 × 100

 NR 3285.00..... (B)

Compare Result (A) and (B)

Result (B) is cheaper.

Therefore,

No. of pieces	Gross Weight	Rate Class	Chargeable Weight	Rate / Charge	Total	Nature and Quantity of Goods (Incl dimension or Volume)
10	90	8280	100	32.90	15950.00	PHONOGRAPH RECORDS

REMEMBER...

- 'SPECIFIC COMMODITY RATES' are identified by 4 digit item numbers.
- 'SPECIFIC COMMODITY RATES' gets the first priority in Air Cargo Rating.

Exception : A general Cargo rate takes precedence over the SPECIFIC COMMODITY

RATE provided

- a. "GCR" is cheaper than 'SCR'
 - b. The commodity in question is not a "CLASS RATED" item.
- 'SPECIFIC COMMODITY RATE' is coded as 'C' on the Air Waybill.
 - If a commodity falls under more than one item numbers apply the most specific item number applicable to the commodity in question even if it is COSTLIER.

‘COMMODITY CLASSIFICATION RATES’ ARE ALSO KNOWN AS THE ‘CLASS RATES’.

CLASS RATES GET THE SECOND PRIORITY IN AIR CARGO RATING AFTER SPECIFIC COMMODITY RATES BUT BEFORE GENERAL CARGO RATES.

‘CLASS RATE’ is a percentage of The General Cargo Rate.

This percentage may be a reduced percentage or a surcharged percentage.

The percentage reduction or surcharge is shown in the TACT – rules book.

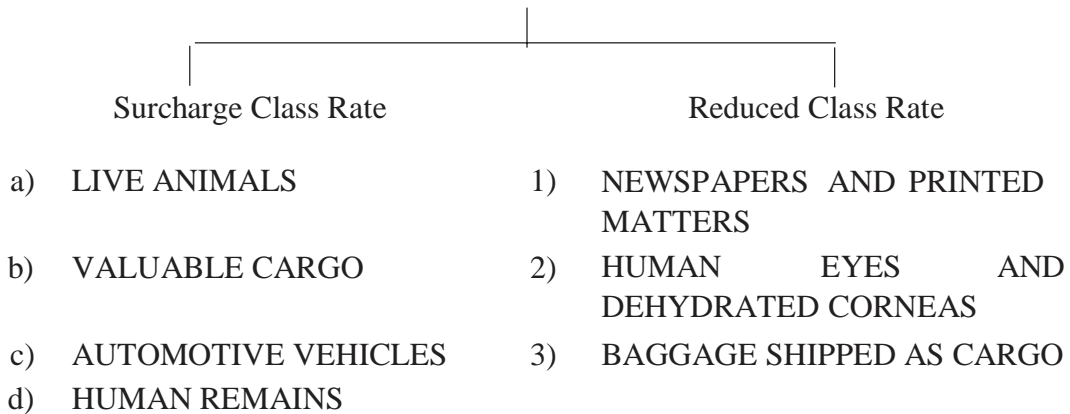
Class Rates

Commodity classification rates, known as class rates, apply to a few commodities within or between certain designated areas. They are usually stated in terms of a percentage increase or reduction of the normal general cargo rates.

The commodities to which they apply are:

- i. LIVE ANIMALS
- ii. CHARGES FOR ANIMAL STALLS
- iii. ANIMAL CONTAINERS OTHER THAN STALLS
- iv. EMPTY ANIMAL, INSECT OR FISH CONTAINERS
- v. VALUABLE CARGO
- vi. NEWSPAPERS, MAGAZINES, PERIODICALS, BOOKS, CATALOGUES, BRAILLE TYPE EQUIPMENT AND TALKING BOOKS FOR THE BLIND.
- vii. BAGGAGE SHIPPED AS CARGO
- viii. HUMAN REMAINS
- ix. HUMAN EYES AND DEHYDRATED CORNEAS
- x. UNCRATED AUTOMOTIVE VEHICLES.

Commodity Classification rates
(Class Rates)



Class rates must be applied to a consignment whenever there is no specific commodity rate available for the commodity.

Before learning how to apply class rates to a consignment, read the relevant paragraphs of TACT – Rules and determine the commodities for which a percentage increase is generally required and those for which a percentage reduction is granted.

SURCHARGE CARGO

From reading the TACT – rules book extract given on page 3 of this handout it will be noted that the percentage of reduction or increase is applied on the General Cargo rate.

Where the rate is stated as the ‘NORMAL GCR’	Apply the ‘N’ rate <u>REGARDLESS</u> of the weight of the consignment.
Where the rate is stated as a percentage of ‘NORMAL GCR’	Apply such percentage to the ‘N’ rate <u>REGARDLESS</u> of the weight of the consignment.
Where the rate is stated as ‘APPLICABLE GCR’	Apply the GCR applicable to the chargeable weight
Where the rate is stated as a percentage of ‘APPLICABLE GCR’	Apply such percentage to the GCR applicable to the chargeable weight

LIVE ANIMALS

EXAMPLE 1 :

Calculate the weight charges for the following consignment.

Routings : BOMBAY (BOM) , INDIA TO ROME (ROM), ITALY

Commodity : A dog in a Kennel

Gross Weight : 40 kgs. (Dog + kennel + food for the journey)

Dimensions : 80 × 50 × 68 cms. — 80 × 50 × 68 cm

Working :

BOMBAY INDIAN RUPEE	IN INR	BOM KGS	
	9202	500	55.90
	9524	100	56.75
RIYADH	SR	M	23.00
		N	31.25
		45	23.40
		500	15.55
	1400	100	14.35
	2199	250	18.90
	2199	500	18.25
ROME	IT	M	38.00
		N	56.70
		45	42.00
		500	28.40
	0007	100	20.25
	0007	500	15.90
	1100	100	28.65
	1200	100	30.80
	1200	250	27.35
0044	1200Y	250	21.20
0044	1200Y	500	20.65
0044	1200Y	1000	20.20
0044	1201Y	250	18.85
0044	1202Y	500	18.35
0044	1201Y	1000	17.90
0044	1202Y	250	18.85
0044	1202Y	500	18.40
0044	1202Y	1000	17.90
	1403	100	20.25
	1479	100	20.25
	1925	100	27.35
	2199	100	31.55
	2199	250	28.80
	2199	500	25.10
	2365	500	25.25
	4427	100	29.55
	4427	500	26.00
	6001	100	31.05
	9105	25	25.55
	9525	100	30.65
	9525	250	28.05
	9525	500	24.55

Volume Wt 45.3 kg

Gross Wt. 40 kgs

Chargeable Wt. 45.5 kg

Step 1 SCR_/ exists
CCR
GCR

Step 2 1000 series
9000 series

Step 3 & 4 1100 9105
1200 9525
1200Y
1201Y
1202Y
1403
1479
1925

NONE OF THESE ITEM NOS. DESCRIBE 'DOG'.

Therefore, 'SCR' – Not Available
Next in the order of precedence – CCR

Q: Is the commodity a 'CLASS RATED ITEM'

A: Yes – LIVE ANIMAL.

EXTRACT FROM TACT RULES BOOK:

- A. LIVE ANIMALS except as specified under B. through H below:
- to / from Canada (except from the South West Pacific sub- area) 150% of the applicable GCR
 - from the USA 11 0% of the applicable GCR
 - to the USA from IATA area 1 180% of the applicable GCR
 - to the USA from IATA area 2 and 3 (except from Denmark, Norway, Sweden and the U.K.) and from the South West Pacific sub-area 11 0% of the applicable GCR
 - to the USA from Denmark, Norway, Sweden and the U. K 150% of the applicable GCR
 - to Canada / USA from the South West Pacific sub-area 1 75% of the applicable GCR
 - within IATA area 1 , except to / from Canada / USA the Normal GCR
 - within IATA area 2, except within Europe. 150% of the Normal GCR
 - within Europe, except from the U.K. 170% of the Normal GCR
 - from the U.K. to Europe 150% of the Normal GCR
 - within IATA area 3, except within and from the South West Pacific sub-area. the Normal GCR
 - between IATA area 1 (except to / from Canada / USA) on the one -hand and IATA areas 2 and 3 (except from the South West Pacific sub-area) on the other hand the Normal GCR
 - between IATA areas 2 and 3 (except from the South West Pacific sub-area) the Normal GCR
 - within and from the South West Pacific sub-area) 175% of the applicable GCR

- B. BABY POULTRY less than 22 hours old
- within IATA area 1, except to / from Canada / USA the applicable GCR
 - within IATA area 2, except C from Belgium, Germany Fed. Rep. and the Netherlands the Normal GCR
 - from Belgium, Germany Fed. Rep. and the Netherlands to IATA area 2. 85% of the Normal GCR
 - within IATA area 3, except within and from the South West Pacific sub-area the Normal GCR or the over 45 kgs of GCR
 - between IATA areas 2 and 3 (except from the South West Pacific sub-area) the Normal GCR or the over 45 kgs of GCR
 - between IATA area 1 (except to / from Canada / USA) on the one -hand and IATA areas 2 and 3 (except from the South West Pacific sub-area) on the other hand the Normal GCR or the over 45 kgs of GCR
 - exception: from the U.K. to Argentina, brazil, Chile, Paraguay, Uruguay and Venezuela 200% of the over 100 kgs
 - from the USA to IATA areas see also Rule 3.7.1. paragraph 3 150% of the applicable GCR
- C. MONKEYS and PRIMATES
- within IATA area 1, except to / from Canada / USA the applicable GCR
 - between IATA area 1 (except to / from Canada / USA) on the one-hand and IATA areas 2 and 3 (except from the South West Pacific sub-area) on the other hand the applicable GCR

D. GREYHOUNDS :

- between the U.K. and Northern Ireland (Belfast) on the one hand and Ireland on the other hand
- SCR1021. if not available applicable class rate to animals

E. HORSES:

- between the Netherlands on the one hand and Canada, Mexico and the USA on the other hand
- flat rates apply as specified in section 4. of the N.A. book

F. COLD BLOODED ANIMALS:

- from / to Canada (except from South West Pacific Sub-area)
 - to / from the USA, except from Denmark, Italy, Norway, Sweden and from the South West Pacific sub-area
 - from Denmark, Italy, Norway, and Sweden to the USA
- 125% of the applicable GCR
- the applicable GCR
- 125% of the applicable GCR
- Only acceptable at these rates provided the cold blooded animals (i.e. fish, frogs, iguanas, insects, reptiles, turtles and worms) can be shipped in sealed Containers and if they require outside ventilation.
- In all other cases the Class rates indicated under A. apply

G. SHELL FISH

- within Europe
- the applicable GCR

H. LIVE TROPICAL FISH

- from Taiwan
- the applicable GCR

Calculation:-

A) Chargeable Weight	:	45.5 kg
B) Applicable Rate	:	INR 56.70 / K (N)
C) Class Rate	:	INR 56.70 / K (S100)
D) Weight Charge	:	INR 56.70 / K (S100)
		× 45.5 k
		<hr/>
		INR 2579.85 = 2580.00

This must not undercut the minimum charge.

Class rated items may attract a special Minimum Charge.

If no special Minimum Charges are indicated, the normal Minimum Charge will apply.

2. Minimum charges
Within IATA Area 1 (except to / from the USA)
180% of the applicable minimum charge, provided that to / from
Canada the minimum charge per pallet for the carriage of
horses shall be the minimum charge for the applicable ULD as
specified in Rates Book.

Between IATA Areas 2 and 3
200% of the applicable minimum charge.
Between IATA Areas 1 and 3, except to / from the USA
and Canada.
200% of the applicable minimum charge.

Minimum Charge	200% of applicable min
Applicable M	INR 380.00
Special Minimum Charge (200% of M)	INR 760.00
Weight Charge	INR 2580.00
Minimum Charge	INR 760.00
Chargeable Amount	INR 2580.70

No. of pieces	Gross Weight			Rate Class	Chargeable Weight	Rate / Charge	Total	Nature and Quantity of Goods (Incl dimension or Volume)
1	40.0	K	S	N100	45.5	56.70	2579.85	ONE DOG IN KENNEL DIMS : 30×50×68 CMS CARRIER NOT LIABLE FOR MORTALITY DUE TO NATURAL CAUSES
							2580.00	

EXAMPLE 2 :

Calculate the weight charges for the following consignment.

Routings : TORONTO (YYZ), CANADA TO DELHI (DEL), INDIA.
 Commodity : PIGLETS packed in 4 plastic containers
 Gross Weight : 160 kgs
 Dimensions : 80 x 63 x 42 cms. × 4 containers
 Working :

DELHI	IN	M	65.00
		N	13.55
		45	10.39
		100	9.02
		300	8.16
		500	7.85
	4105	100	6.59
	4105	300	6.50
	4105	500	6.12
	4201	300	5.55
	4312	100	7.30
	4314	300	6.60
	4315	1000	5.41
	4319	300	6.60
	4403	100	6.60
	4403	300	6.40
	4403	1000	6.13
	4409	100	6.60
	4409	300	6.40
	4409	500	6.07
	4409	1000	6.13
	4413	100	6.60
	4413	300	6.40
	4413	1000	6.13
	4414	100	6.60
	4414	300	6.40
	4414	1000	6.13

Volume Wt 141.5 kgs
 Gross Wt. 160 kgs
 Chargeable Wt. 160 kgs

Step 1 SCR_ / exists
 CCR
 GCR

Step 2) Actioned

Step 3) None of the listed item
 Step 4) Match with the commodity

Therefore, 'SCR' – Not Available
 Next in the order of precedence – CCR

Q: Is the commodity a 'CLASS RATED ITEM'

A: Yes – LIVE ANIMAL.

A. LIVE ANIMALS except as specified under B. through H. below:

- to / from Canada (except from the South west Pacific sub-area) 150% of the applicable GCR
- from the USA 110% of the applicable GCR
- to the USA from IATA area 1 150% of the applicable GCR
- to the USA from IATA areas 2 and 3 (except Denmark, Norway, Sweden and the U.K. And from the south West Pacific sub-area) 110% of the applicable GCR
- to the USA from Denmark, Norway, Sweden and the U.K. 150% of the applicable GCR

This indicates that the shipment must be charged at 150% of the Applicable GCR subject to notes (3) (4).

Study Note (3) & Note (4) - Not applicable

2. Minimum charges
 Within IATA Area 1 (except to / from the USA)
 180% of the applicable minimum charge, provided that to / from Canada the minimum charge per pallet for the carriage of horses shall be the minimum charge for the applicable ULD as specified in Rates Book.

Applicable GCR CAD 9.02 /K/ (Q+100)
 150% of Appl. GCR CAD13.53 / K (Q)
 Chargeable Wt. 160kgs.
 Weight Charges CAD13.53 / K (Q)

 × 160
 CAD2164.80 (A)

From the USA to IATA Area 3
 The applicable normal minimum charge.

 Exception
 For the carriage of horses : 1000 kgs. at 110% of the applicable GCR.

Between Canada and IATA area 3
 150% of the applicable normal minimum charge.

Minimum Charges
 - 150% of the applicable normal minimum charges.

 Normal Minimum Charges CAD 65.00
 - 150% of M CAD 97.50-(B)

 Chargeable Amount - Higher of (A) / (B)

No. of pieces	Gross Weight			Rate Class	Chargeable Weight	Rate / Charge	Total	Nature and Quantity of Goods (Incl dimension or Volume)
1	40.0	K	S	Q150	160	13.53	2164.800	PIGLETS CARRIER NOT LIABLE FOR MORTALITY DUE TO NATURAL CAUSES

VALUABLE CARGO

- | | |
|--|--|
| <p>1. Shipments containing one or more of the following articles:</p> <p>a. Any article having a declared value for carriage of USD 1,000 or equivalent (in the United Kingdom UKL 450-) or more per gross Kilogram.</p> <p>b. Gold bullion (including refined or unrefined gold in ingot form), dore bullion, gold specie and gold only in the form of grain, sheet foil, powder, sponge, wire, rod, tube, circles, mouldings and castings.
Platinum, platinum metals (Paladium, iridium, ruthenium, osmium and rhodium) and platinum alloys in the form of grain, sponge, bar, in got, sheet, rod, wire, gaze, tube and strip (but excluding those radio-active isotopes of the above metals alloys which require dangerous goods labelling).</p> <p>c. Legal Banknotes, Securities, shares and Share Coupons, Traveller's Cheques, Stamps.</p> <p>d. Diamonds, (including diamonds for industrial use), Rubies emeralds, sapphires, Opals and real Pearls (including cultured Pearls).</p> <p>e. Jewellery consisting of any of the articles under d. above.</p> <p>f. Jewellery and watches made of silver and / or gold and / or platinum.</p> <p>g. Articles made of gold and / or platinum, other than gold and / or platinum plated.</p> <p>Will be charged as follows :</p> | <p>Declared value for carriage is USD 1000.00 or more per kg (UKL 450.00 from the United Kingdom)</p> <p>Gold</p> <p>Platinum</p> <p>Valuable documents and banknotes</p> <p>Precious stones and pearls</p> <p>Jewellery and watches</p> <p>Articles made of gold and / or Platinum.</p> |
|--|--|

Area	Rating
6All IATA Areas Except as specified below	200% of the normal under 45 kgs / 100 lbs. rate.
Consignments with a weight of 1000 kgs/2200 lbs. or more between IATA Areas 1 and 2 North Atlantic traffic 1 and 3 North and Central Pacific traffic	150% of the normal under 45 kgs / 100 lbs. rate

Surcharged Class rate (S)
A specified percentage of the
Under 45 kgs/100 lbs GCR
(N)

2. Quantity discounts are not applicable	even if the gross weight of shipment qualifies for a GCR with a higher weight breakpoint and a lower rate resulting in a lower weight charge
3. The minimum charge for consignment of valuables is 200% of the applicable minimum charge provide that it is not less than USD 50.00, or equivalent (in Italy: LIT 85.000)	Minimum charge 200% of published Minimum (M) but not less than USD 50.00 or equivalent.
Exception For transportation from the United Kingdom the minimum charge for Consignments of valuables is 150% of the applicable minimum charge, Provided that it is not less than USD 3260 (or equivalent).	Exception for transportation from the United Kingdom

EXAMPLE 1:

Calculate the weight charges for the following consignment.

Routings : CALCUTTA (CCU), INDIA TO TOKYO (TYO), JAPAN
Commodity : Paintings
Gross Weight : 2 kgs
Value Declared for carriage : INR 27,000.00

Working

Declared Value per kg : INR 27,000.00 ÷ 2 kgs = INR 13500.00

at the exchange rate of : INR 13.07531 for USD 1 = USD 102.50

The commodity in question is NOT listed in the definition of ‘valuable cargo’ but its ‘Declared value for Carriage’ per kg. is more than USD 1000.00 - Therefore the ‘CLASS RATE’ surcharge must apply.

Applicable Rate : 200% of ‘NORMAL GCR’
Normal GCR INR 61.15 / k (N)
200% of ‘N’ INR 122.30 / k (S200)

Weight Charge : INR 122.30 / K (S200)
× 2
INR 344.60 (A)

The minimum charge for consignments of valuables is 200% (from Singapore: 175%) of the applicable minimum charge, provided that it is not less than USD 50.00), or equivalent

In Saudi Arabia..... ARI
190.00

In Singapore not less..... USD 40.00

Exception

For transportation from the United Kingdom the minimum charge for Consignments of valuables is 150% of the applicable minimum charge, Provided that it is not less than USD 50.00 (or equivalent).

Minimum Charge :

(1) 200% of ‘M’ - INR 660.00(M200)..... (B)

(2) USD 50 (@ INR 13.07531) - INR 653.75..... (C)

The Chargeable amount will be the Highest of (A) (B) and (C) - INR 660.00 (M200)

NOTE : 'VALUATION CHARGE' must be assessed separately.

No. of pieces	Gross Weight			Rate Class	Chargeable Weight	Rate / Charge	Total	Nature and Quantity of Goods (Incl dimension or Volume)
1	2,000	K	S	M200		660.00	660.00	PAINTINGS DIMS : <u> X X </u> VALUABLE CARGO

EXAMPLE 2 :

Calculate the weight charges for the following consignment.

Routings : GENEVA (GVA) TO BANGKOK (BKK), THAI LAND

Commodity : Gold Watches

Gross Weight : 45 kgs

Declared value for : SFR 100,000.00

carriage

Declared Value per kg : SFR 2222.20

Equiv. USD 922.39 (@ SFR 2.40917)

The declared value per kg. does not exceed USD 1000.00 but for watches made of GOLD, the 'CLASS RATE' surcharge must be applied.

Applicable Rate : 200% of 'NORMAL GCR'

Normal GCR SFR 27.70 / K (N)

200% of 'N' SFR 55.40 / K (S200)

Weight Charge : 45 kgs × SFR 55.40

SFR 2493.00 —(A)

Minimum Charge :

(1) 200% of 'M' - SFR 240.00.....(B)

(2) USD 50 (@ SFR 2.40917) - SFR 120.50.(C)

No. of pieces	Gross Weight			Rate Class	Chargeable Weight	Rate / Charge	Total	Nature and Quantity of Goods (Incl dimension or Volume)
1	45,000	K	S	M200	45.0	55.40	2493.00	GOLD WATCHES DIMS : _X_X_ VALUABLE CARGO

VALUATION CHARGES

Valuation charge. A charge for carriage of goods, based on the value declared for the carriage of such goods. See Rule 3.2.

3. Carrier's liability

For international carriage carrier's liability is limited to USD 20.00 or its equivalent per kg (but under no circumstances more than the actual value of the goods at destination).

If the shipper wants the carrier to assume liability up to an amount exceeding USD 20.00 or its equivalent per kg, he must declare such amount as value for carriage and pay the applicable valuation charge outlined in 3.2.

Carrier's liability

For international carriage carrier's liability is limited to USD 20.00 or its equivalent per kg. (but under no circumstances more than the actual value of the goods at destination).

EXAMPLE

Value of the consignment = USD 100.00

Weight of the consignment = 2 kgs

CARRIER'S LIABILITY:

USD 20.00 PER GROSS KG. × 2 - USD 40.00

or

USD 100.00 whichever is lower

In this case the carrier will play only USD 40.00 and not USD 100.00

If the shipper wants the carrier to assume liability up to an amount exceeding USD 20.00 or its equivalent per kg, he must declare such amount as value for carriage and pay the applicable valuation charge.

APPLICATION PROCEDURE

- 1) Take the total declared value for carriage (TDVC).
- 2) Establish the declared value for carriage (DVC) per kg. (or per lb.) by dividing the “DVC” by the actual gross weight of the shipment.
- 3) Establish whether ‘DVC’ per kg. (or per lb) exceeds the permitted allowance per kg.
(or per lb.) viz. USD 20.00 or its equivalent.
- 4) If it exceeds - establish the excess value (EV) per kg. or per lb.
- 5) Then establish the total excess value of the shipment in question.
- 6) Apply valuation charge on this excess limit (or as applicable) bearing in mind the exceptions in this connection.
- 7) Ensure valuation charge does not fall below the minimum valuation charge (if applicable).

Eg: T.D.V.C. for 10 kgs	=	USD 50000.00
D.V.C. per kg	=	USD 5000.00
Free Value per kg.	=	USD 20.00 (or equivalent)
EV per kg.	=	USD 4980.00
EV for 10 kgs.	=	USD 4848.00

3.2 VALUATION CHARGES

1. Shippers must declare a value for carriage on the AWB. This declaration may be any amount or NVD (No Value Declared). For the purpose of applying valuation charges, the value per kilogram or per pound must be determined by dividing the shipper’s declared value for carriage by the gross weight of the consignment as declared in the Gross weight box on the AWB.
2. Consignments valued at more than USD 20.00 per kg (USD 9.07 per lb.) will be assessed valuation charges of 0.50% (from Singapore to the USA: 0.40%) of the

Shipper's declared value for carriage exceeding USD 20.00 per kg)

In Austria	AUS 410-
In Cypms.....	CYL 10-
In Ethiopia.....	ETB 40-
In Fed.Rep. of Germany and Berlin (West),.	DMK 53.50
In the Netherlands	DFL 50-
In Portugal	PTE 3000-
In Saudi Arabia.....	ARI 75.-
In South Africa.....	ZAR 41.-
In South West Africa/Namibia.....	ZAR 41.-
In Switzerland.	SFR 67.75

Exceptions

- a. For traffic to / from Israel
For diamonds, including diamonds for industrial use the valuation charge will be 0-10% of the total declared value for carriage.
- b. For traffic from the United Kingdom and Gibraltar may be applied only to goods having a declared value for carriage per kg. exceeding the sterling equivalent of 250 Francs specified in the "Carriage by Air (Sterling Equivalent) Order 1978" and subsequent orders resulting in UKL 13.63 kg.
- C. In the countries mentioned below, the following minimum valuation charge shall apply:

In Malaysia..... RGT 6.-

In Singapore to the USA USD 1.-

In Singapore to all other points USD 2.-

In Switzerland.....SFR 5.-

In Thailand.....BHT 5.4-

NOTE: Apply valuation charge on the above excess value of USD 4948.00 or as per exceptions if any. (as in the case of Traffic to / from Israel)

- i) of visible damage to the goods, immediately after discovery of the damage and at the latest within 14 days from receipt of the goods.

- ii) of other damage to the goods, within 14 days from the date of receipt of the goods.
- iii) of delay, within 21 days of the date the goods are placed at his disposal, and
- iv) of non-delivery of the goods, within 120 days from the date of the issue of the Air Way bill;

any rights to damages against Carrier shall be extinguished unless an action is brought within two years from the date of arrival at the destination, or from the date on which the aircraft ought to have arrived, from the date on which the transportation stopped.

NOTE

1. The declared value for carriage is applied for the ACTUAL GROSS WEIGHT of the consignment.
2. Value declarations for individual parts of the shipment only or higher or lower value declarations for some parts of a shipment are not possible.
3. The shipper may request any amendment or addition to the AWB, except that he may not change the declared value for carriage and the amount of Insurance after dispatch of the consignment from the airport of departure shown on the AWB.
4. The normal applicable valuation charge is 0.50% on the declared value for carriage exceeding USD 20.00 per kg. or its equivalent: from Singapore to USA it is 0.40% for traffic to and from Israel for diamonds including diamonds for industrial use it is 0.10% on the total declared value for carriage.
5. Ensure to cross check with the MINIMUM valuation charge; if applicable.

REDUCED RATE CARGO

3.7.7. NEWSPAPERS, MAGAZINES, PERIODICALS, BOOKS CATALOGUES, BRAILLE TYPE EQUIPMENT AND TALKING BOOKS FOR THE BLIND

1. Consignments of the above articles in consignments of 5 kgs. or more, not carried as mail, will be charged as follows:

Area	Rating
Within IATA Area 1, within Europe, IATA Areas 1 - 2.	67% of the normal under 45 kgs / lbs. rate.
From Italy to the USA	67% of the applicable general commodity rate.
From Netherlands to Europe	55% of the under 45 kgs. general cargo rate
All other Areas	55% of the normal under 45 kgs / lbs. rate

For this category of class rated items, the following rules must be considered':

1. A minimum of 5 kgs for this type of article apply.
2. As shown below, there is an exception to the rule. This exception will be covered later in this unit.
3. The normal minimum charge will apply.
 2. Where a general cargo quantity rate results in a lower charge than the rate established by this rule, such lower rate shall apply, except for transportation from Ireland to the United Kingdom.
 3. The minimum charge shall be the normal minimum charge as published in the rates books.

EXAMPLE 1 :

Calculate the weight charges for the following consignment.

Routings : PARIS (PAR), FRANCE TO BOMBAY (BOM), INDIA

Commodity : Newspaper

Gross Weight : 4 kgs

0057	100	700	
0057	200	635	
BOMBAY	IN	M	4300 00
		N	62 00
		45	4655
		100	2870
		500	2295
		2000	1915
BONAIRE	AN	M	430 00
		N	6790
		45	5245

Working Calculation 1 based on GCR	Calculation 2 based on GCR	Calculation 3 based on 'M' Charge
FR 62.00 / K (N) X 4 kgs.	FFR 31.00 / K (R50) × 5 (min. wt.)	FFR 430.00
FFR 248.00 (A)	FFR 155.00 (B)	(C)

Ans : Applicable Charge FFR 430.00

No. of pieces	Gross Weight			Rate Class	Chargeable Weight	Rate / Charge	Total	Nature and Quantity of Goods (Incl dimension or Volume)
1	4.0	K	M			430.00	430.00	NEWSPAPERS

EXAMPLE 2 :

Calculate the weight charges for the following consignment.

Routings : MADRAS (MAA), INDIA TO HELSINKI (HEL),
FINLANDS

Commodity : Printed Matter

Gross Weight : 500 kgs

Working

(1) No "SCR" available for this item

(2) Applicable Rate 50% of 'N'

Published N – INR 88.00 / k (N)

50% of N — INR 44.00 / K (R50)

(3) Weight Charge INR 44.00 / K (R50)

× 500

—————
INR 22000.00 (A)

62. Where a General Cargo Quantity Rate results in a lower charge than the rate established by this rule, such lower rate shall apply, except for transportation from Ireland to the United Kingdom.

63. The minimum charge shall be the normal minimum charge as published in the rates books.

(4) Applicable GCR INR 40.30 / K (Q+500)

× 500

—————
INR 20100.00 (B)

Chargeable amount INR 20100.00

SUMMARY

1. Commodity Classification rates also known as Class Rates apply to a few commodities within or between certain designated areas.
2. Class rates must be applied to a consignment whenever there is no specific commodity rate available for that commodity.
3. Class rated items are coded as 'R' (Reduced) or 'S' (surcharged).
4. The percentage reduction or the percentage surcharge is on the general cargo rates (i.e. Normal or quantity as the case may be).
5. The General Cargo rates given in the Rates Manual is taken as equal to 100%.
6. Class rated items may attract a special minimum charge. If no special minimum charges are indicate, the normal minimum charges will apply.
7. As indicated earlier, the 'percentage' and the 'rates' given in the examples in this handout are purely for illustration purposes. At your place of work always refer to the latest issue of the TACT Rules and TACT Rates Manuals for the applicable 'Percentages' and 'Rates' for Class rated consignments.

BAGGAGE SHIPPED AS CARGO

“BAGGAGE SHIPPED AS CARGO” is the excess weight in a passenger’s Baggage which is forwarded as cargo.

This is also referred to as “UNACCOMPANIED BAGGAGE”.

Before we proceed further let us study a few definitions:

Baggage means such articles, effects and other personal property of a passenger as are necessary or appropriate for wear, use, comfort or convenience in connection with his trip. Unless otherwise specified, it includes both checked and unchecked Baggage.

Checked Baggage means baggage of which the carrier takes sole custody and for which the carrier issues a baggage check.

Unchecked Baggage means baggage of which the passenger retains custody.

Excess baggage means that part of baggage which is in excess of the baggage which may be carried free of charge.

098:4202.638:037

यात्री टिकट और सामान-पत्र PASSENGER TICKET & BAGGAGE CHECK

जारी करता ISSUED BY

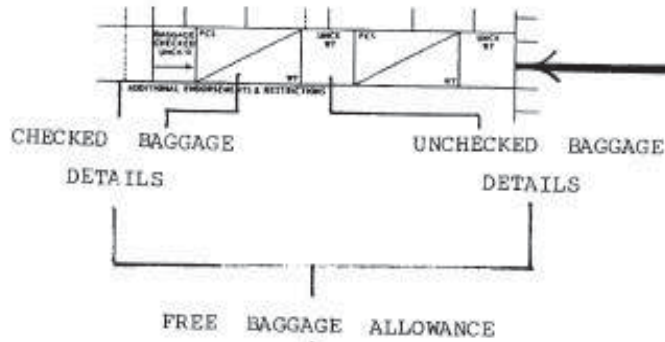
एअर इंडिया
AIR-INDIA

एअर-इंडिया बिल्डिंग, मरीमन प्वाइंट, बम्बई-400 021.

AIR-INDIA BUILDING, MARIMAN POINT, BOMBAY 400 021.

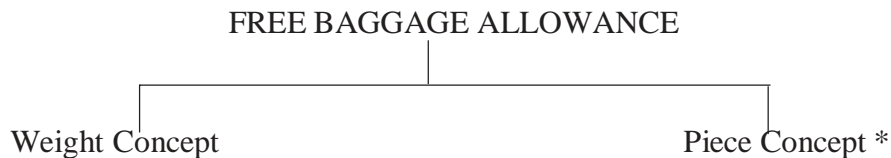
सदस्य, अंतर्राष्ट्रीय वायु परिवहन संस्था
प्रत्येक यात्री को इस टिकट को, विशेषकर पृष्ठ 3 में दिये गये शर्तों
को सावधानी से जान कर लेने चाहिए और अंतिम पृष्ठ पर दिये गये
उड़ान के समय आदि को ध्यानपूर्वक
पढ़ लेना चाहिए।

MEMBER OF INTERNATIONAL AIR TRANSPORT ASSOCIATION
EACH PASSENGER SHOULD CAREFULLY EXAMINE THIS TICKET
PARTICULARLY THE CONDITIONS ON
PAGE 2 AND ALSO THE TIMES SHOWN
ON THE BACK COVER



ISSUED BY AIR-INDIA		PASSENGER TICKET AND BAGGAGE CHECK SUBJECT TO CONDITIONS OF CONTRACT ON PAGE 3		ORIGIN	DESTINATION	0982	
EMPLOYMENT RESTRICTIONS		EXEMPTION TICKETS		FROM TO	AIRLINE FORM		VERSION - USER
NAME OF PASSENGER		NOT TRANSFERABLE	ISSUED IN EXCHANGE FOR	DATE OF ISSUE	CARRIER	FARE CALCULATION	PLACE OF ISSUE - AGENCY
COUPON NOT VALID BEFORE		ORIGINAL DUPLICATE	CARRIER FORM & SERIAL NO.	PLACE DATE AGENT'S NUMBER CODE			
COUPON NOT VALID AFTER			TICKET DESIGNATOR	TOUR CODE			
CLASS	NOT GOOD FOR PASSAGE	FARE BASIS	ALLOWANCE	CARRIER	FLIGHT CLASS	DATE	TIME
FROM							
TO							
TO							
FARE		BAGGAGE (PCL)		OVER WT	PCL	OVER WT	
TOTAL		ADDITIONAL EMPLOYMENT & RESTRICTIONS					
TAX							
TOTAL							
FORM OF PASSENGER							

There are two concepts which governs the 'passengers'



* applicable on flights between USA and Canada, and points in area 2 or area 3.

Under the 'Weight Concept' the free baggage allowance per passenger is :

- First Class 40 kgs
- Executive Class 30 kgs
- Economy Class 20 kgs

Under the 'Piece concept' the free baggage allowance per passenger is :

for First Class and executive Class

2 (Two) pieces of baggage with linear dimensions (length – height – width) of each piece not exceeding 158 cms (62in).

The weight of each bag must not exceed 32 kgs (70 lbs)

For Economy Class.....

2 (Two) pieces of baggage the overall dimensions of the first piece not to exceed 62 inches

or 158 cms, second piece not to exceed 55 inches or 140 cms.

The weight of each bag must not exceed 32 kgs (70 lbs)

Whenever the 'baggage' exceeds the 'free baggage allowance' – the part in excess is termed as 'Excess Baggage'.

This 'Excess Baggage' can be forwarded to the passengers destination or the next stopover point either:

- a) along with the passenger
- or b) booked and transported separately

meaning this excess baggage can either :

- 1) accompany the passenger
- 2) transported UNACCOMPANIED

Unaccompanied excess baggage is forwarded as cargo and is termed 'BAGGAGE SHIPPED AS CARGO'.

'BAGGAGE SHIPPED AS CARGO' FALLS UNDER Commodity classification Rates.

Advantages and disadvantages of accompanied / un accompanied baggage.

	<u>Accompanied</u>	<u>Unaccompanied</u>
Packing	Can be packed along with the free baggage in the same container.	Must be packed separately.
Despatch	forwarded on the same flight on which the passenger travels.	subject to load.
Government formalities	Can be cleared at the same time both at the point of departure and arrival.	cannot be cleared at the same time.
Rating	Costly	Cheap
Payment	Must be paid at the point of departure.	can be prepaid or charges collect.

RATING

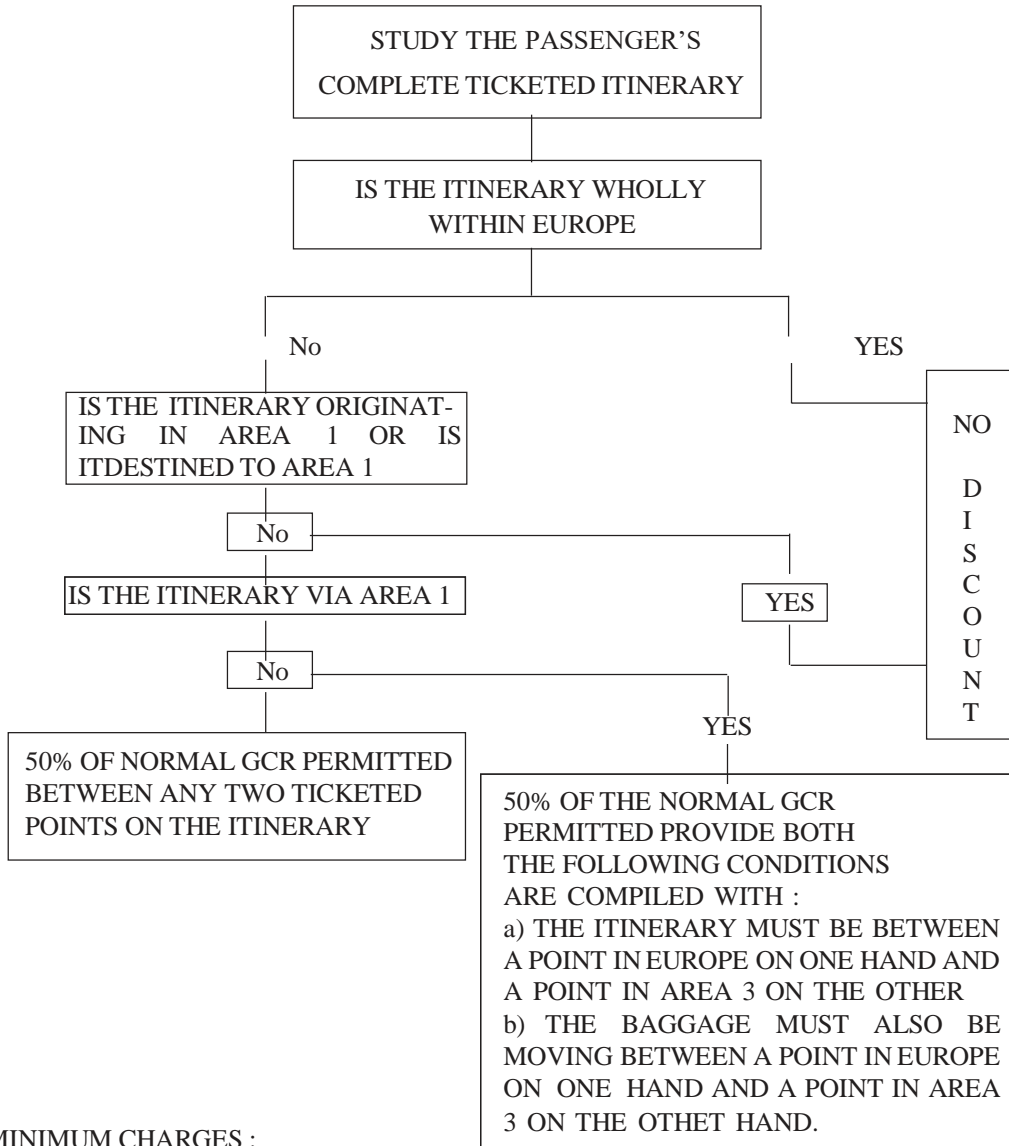
2. Rating

the applicable rate will be 50% of the normal (under 45 kgs. or, where no under 45 kgs. rate exists, the under 100 kgs.) General cargo Rate. 50% of the GCR N

GENERAL CONDITIONS

- | | | |
|----|---|--|
| a. | Shipments at these rates will be carried only between the same points (airports only) for which the passenger holds a ticket, provided the baggage is delivered not later than the date of the passenger's departure; | Transportation only between airports for which the passenger holds a ticket. |
| b. | The passenger using this facility must make a declaration of the contents of the baggage, complete all documents required for dispatch and customs, and be responsible for all additional charges for collection, delivery and customs. The baggage shall be cleared through customs by the passenger personally or by his agent; | Declaration of contents |
| c. | The ticket (s) numbers and the flight / line numbers of the services on which the passenger is travelling must be inserted on the air waybill; | The passenger's ticket number, flight and itinerary to be inserted on the air waybill. |
| d. | It shall be within the discretion of the carrier on which flight the baggage is carried; | The baggage(s) will not necessarily be forwarded on the same flight and over the same routing for which the passenger is booked. |
| e. | Such rate may not be combined with any normal cargo rate or specific commodity rate to result in a combination which is less than the applicable specified or constructed cargo rates. | Rate combination with GCR or SCR not permitted. Unpublished GCR must be constructed and the % of reduction will apply on the constructed through rate. |

AREA CONDITON



MINIMUM CHARGES :

The minimum charge will be charge for 10 kgs. at the rate calculated according to Paragraph 2 above or the minimum charge as specified in the Rates books, whichever is higher.

10 KGS AT THE REDUCED CLASS RATE OR THE PUBLISHED MINIMUM CHARGE (M) WHICHEVER IS HIGHER.

IMPORTANT :

THE BENEFIT OF THIS REBATED RATE CAN BE AVAILED OF ONLY IF THE UNACCOMPANIED BAGGAGE IS HANDED OVER TO THE AIRLINE NOT LATER THAN THE DATE OF DEPARTURE OF THE PASSENGER.

Example : - 1

You are at BOMBAY.

MR. ANIL SHARMA contacts you with his ticket and wishes to have his unaccompanied baggage booked from BOMBAY to ROME.

Can we offer Mr. Sharma a 50% of 'NORMAL' rate for his Unaccompanied Baggage?

Let us go step by step

STEP 1 | STUDY THE PASSENGER'S COMPLETE TICKETED ITINERARY

| 2 | 3 | 4

NOT GOOD FOR PASSAGE	FARE BASIS	ALLOW	CARRIER	FLIGHT/CLASS	DATE	TIME	STATUS					
FROM SYDNEY SYD	Y	30	AI	U T	L I	S E D						
TO BOMBAY	Y	30	AI	T O M O R R	O W		OK					
TO ROME FCO	Y	30	BA	N E X T W	E E K		OK					
TO LONDON LHR	Y	30	YY	O P	E N							
TO LEEDS		BAGGAGE CHECKED	PCS WT	UN	PCS WT	UN	PCS WT	UN				
FARE AUD 2701.00	AMT PD.	ADDITIONAL ENDORSEMENTS & RESTRICTIONS							Form of Payment Credit			
TAX	TOTAL AUD 2701.00											

STEP 2 | IS THE ITINERARY WHOLLY WITHIN EUROPE

NO

STEP 3 | IS THE ITINERARY ORIGINATING IN OR DESTINED TO A POINT IN AREA 1

NO

STEP 4 | IS THE ITINERARY VIA AREA 1

NO

THEREFORE : 50% OF NORMAL GCR PERMITTED BETWEEN ANY TWO TICKETED POINTS ON THE ITINERARY

NOTE : ALL OTHER CONDITIONS FOR GIVING THIS REBATE, DETAILED VIDE TACT RULE.....
FULFILLED

Example : - 2

You are at PARIS.

Passenger ticket :-

| 2 | 3 | 4 | OW

NOT GOOD FOR PASSAGE	FARE BASIS	ALLOW	CARRIER	FLIGHT/CLASS	DATE	TIME	STATUS					
FROM OSLO	Y	30	SK	U T I	L I	S E D						
TO PARIS ORY/ CDG	Y	30	AI	U T I	L I	S E D						
TO DELHI	Y	30	AI	U T I	L I	S E D						
TO SINGAPORE SIN			V	O	I	D						
TO VOID		BAGGAGE CHECKED	PCS WT	UN	PCS WT	UN	PCS WT	UN				
FARE NOK 9710	AMT PD.	ADDITIONAL ENDORSEMENTS & RESTRICTIONS							Form of Payment Credit			
TAX	TOTAL NOK 9710											

Baggage transportation sectors

PARIS to DELHI

50% OF "NORMAL rate

PERMITTED / NOT PERMITTED

- A The passenger's complete itinerary is not wholly within EUROPE
 - B Passenger's itinerary not ORIGINATING in or DESTINED to a point in AREA 1
 - C Passenger's itinerary in not via AREA 1
 - D All other conditions fulfilled
- Hence 50% OF NORMAL GCR PERMITTED BETWEEN ANY TWO TICKETED POINTS ON THE ITINERARY

Example : - 3

You are at MADRAS.

Passenger ticket :-

NOT GOOD FOR PASSAGE	FARE BASIS	ALLOW	CARRIER	FLIGHT/CLASS	DATE	TIME	STATUS					
FROM MADRAS	Y	30	IC	T O	D A Y		OK					
TO CALCUTTA	Y	30	AI	T O	D A Y		OK					
TO TOKYO NRT	Y	PC	JL	N E X T S U N	D A Y		OK					
TO CHICAGO ORD			V	O	I	D						
TO VOID		BAGGAGE CHECKED	PCS / WT		UN	PCS / WT	UN	PCS / WT	UN			
FARE INR 17213	AMT PD.	ADDITIONAL ENDORSEMENTS & RESTRICTIONS							Form of Payment AGT14-2			
TAX	TOTAL INR 17213											

Baggage Transportation sectors

MADRAS to TOKYO

50% OF "NORMAL rate

PERMITTED / NOT PERMITTED

ANSWER : NOT PERMITTED

Because passengers itinerary is destined to CHICAGO, USA – a point in AREA 1.

Example : - 4

You are at TOKYO

Passenger ticket :-

| 2 | 3 | 4 OW

NOT GOOD FOR PASSAGE	FARE BASIS	ALLOW	CARRIER	FLIGHT/CLASS	DATE	TIME	STATUS					
FROM DELHI	F	40	AI	UTI	LI		SED					
TO TOKYO	F	30	JL	UTI	LI		SED					
TO SAN FRANCISCO	F	PC	UA	UN UTI	LI		SED					
TO NEWYORK	F	PC	AI	UN UTI	LI		SED					
TO LONDON		BAGGAGE CHECKED	PCS WT	UN	PCS WT	UN	PCS WT	UN				
FARE INR 35284	AMT PD.	ADDITIONAL ENDORSEMENTS & RESTRICTIONS							Form of Payment Credit			
TAX	TOTAL INR 35284											

Baggage transportation Sectors

TOKYO to LONDON

50% OF "NORMAL rate

PERMITTED / NOT PERMITTED

A The passenger's complete itinerary is not wholly within EUROPE

B Neither does this itinerary ORIGINATE or DESTINED to any point in AREA 1

C But the itinerary is via AREA 1

So, to qualify for rebated rate the following two conditions must be complied with :

CONDITION 1 THE ITINERARY MUST BE BETWEEN

A POINT IN EUROPE ON ONE HAND AND

A POINT IN AREA 3 ON THE OTHER

Passenger's Itinerary—one end DELHI, INDIA - AREA 3

other end LONDON, UK - EUROPE

COMPUTATION OF CHARGES

(For carrier deviating/additional rules see section 8.3)

MIXED CONSIGNMENT

GENERAL

A consignment may consist of

- one kind of goods or
- different commodities, articles or goods (mixed consignment) whether packed, toed together or contained in separate packages. The computation of charges shall be made on a per “kilogram” basis except that from the USA the calculation of charges for all consignments may be made on either a “per kilogram” or “per pound” basis.

Fractions of a kilogram or pound are rounded up to the next higher half kilogram or full pound.

MIXED CONSIGNMENTS

1. General

A mixed consignment is a consignment consisting of commodities, articles or goods qualifying for different rates and conditions, moving under one Air Waybill.

A mixed consignment shall not include any of the following articles, commodities or goods:

- a. Valuable cargo as defined in Rule 3.7.6. paragraph 1.
- b. Live animals
- c. Human remains, whether or not cremated.
- d. Diplomatic bags;
- e. Baggage shipped as cargo under Rule 3.7.8.
- f. Only applicable to transportation from Japan and the Rep. of Korea: Dangerous goods as defined by the applicable dangerous goods regulations.
- g. Only applicable to transportation from Japan to Europe and the South West Pacific: Automotive vehicles.
- h. Only applicable to transportation between IATA Areas 1 and 3, except to / from the South West Pacific.

Automotive vehicles as under Rule 3.7.11., excluding electrical automotive vehicles.

Notes

1. Dangerous goods in a mixed consignment must be offered separately and clearly indicated in the 'Nature and Quantity of Goods (including dimensions or volume)' box on the AWB as dangerous goods.
2. From the USA to Japan, Korea and the South East Asian sub areas, a carrier may exclude dangerous goods as defined in the applicable dangerous goods regulations from a mixed consignment.

SECTOR: CCU LYS (LYON)

SHIPPER	COMMODITIES	WEIGHT (KG)	CHARGE
A	Cassettes	40.0	INR 90.00/K × 40.0K = INR 3,600.00
G	Cassettes	85.0	INR 90.00/K × 85.0K = INR 7,650.00
K	Cassettes	150.0	INR 80.00/K × 150.0K = INR 12,000.00
M	Cassettes	320.0	INR 60.00/K × 320.0K = INR 19,200.00
B	Drugs	50.0	INR 90.00/K × 50.0K = INR 4,500.00
E	Drugs	40.0	INR 90.00/K × 40.0K = INR 3,600.00
L	Drugs	170.0	INR 60.00/K × 170.0K = INR 10,200.00
O	Drugs	280.0	INR 60.00/K × 280.0K = INR 16,800.00
C	Furs	120.0	INR 55.00/K × 120.0K = INR 6,600.00
H	Furs	90.0	INR 60.00/K × 90.0K = INR 5,400.00
I	Furs	102.0	INR 55.00/K × 102.0K = INR 5,610.00
N	Furs	250.0	INR 50.00/K × 250.0K = INR 12,500.00
D	Mica	90.0	INR 60.00/K × 90.0K = INR 5,400.00
F	Mica	80.0	INR 60.00/K × 80.0K = INR 4,800.00
J	Mica	130.0	INR 55.00/K × 130.0K = INR 7,150.00
P	Mica	195.0	INR 55.00/K × 195.0K = INR 10,725.00
Amount Received from the Shippers			NR 1,35,735.00

AMOUNT TO BE PAID TO AIRLINES

Cassettes- INR 63.55/K (C8200+100) × 595.0 K
 (595.0 K) = INR 37,812.25 GCR INR 55.75/K (R+500) × 595.0 K = INR 33,171.25

Drugs- INR 53.55/K (C6001+500) × 540.0 K
 (540.0 K) = INR 28,917.00 GCR checked

Furs- INR 52.65/K (C1100+500) × 562.0 K
 (562.0 K) = INR 29,589.30 GCR checked

Mica- INR 53.40/K (C5500+500) × 500.0 K
 (495.0 K) = INR 26,700.00 GCR checked

Hence the amount to be paid to airlines:
 (INR 33,171.25+ INR 28,917.00+ INR 29,589.30+ INR 26,700.00)
 = INR 1,18,377.55.

AMOUNT RECEIVED FROM SHIPPERS	INR 1,35,735.00
Less: CHARGES PAID TO AIRLINES	NR 1,18,377.55
	INR 17,357.45
Add: 5% COMMISSION	INR 5,918.70
ON INR 1,18,377.55	INR 23,276.35
Less: BREAK-BULK FEE	INR 1,242.70
(USD 3.00 × 16 NOS. HAWB × 25.89)	INR 22,033.65

Note :
 (As other charges are not mentioned)

AIR WAYBILL COMPLETION EXAMPLES
EXAMPLE NO. 24

THIS EXAMPLE ILLUSTRATES:

- A mixed consignment rating

CONSIGNMENT DETAILS:

- Commodity :

Item group 1- leather bags contained in 25 pieces;

Item group 2- Automobile radio sets and tape recorders contained in 25 pieces;

Item group 3- Textiles contained in 10 pieces;

Item group 4- Machine parts, tractor parts, sodium thiosulphate (not restricted), aircraft parts and automobile parts contained in 9 pieces;

Item group 5- Newspapers contained in 3 pieces.

- Gross weight:

Item group 1-	470.0 kgs;
Item group 2-	461.5 kgs;
Item group 3-	510.3 kgs;
Item group 4-	186.7 kgs;
Item group 5-	85.0 kgs;

Total- 1713.5 kgs.

RATING DETAILS:

1. Item groups 1 and 2 refer to the use of a specific commodity rate (rate class 'C'), based on a chargeable weight greater than the gross weight of the cargo;
2. Item group 3 refers to the use of a specific commodity rate (rate class 'C'), based on a chargeable weight identical to the gross weight of the cargo.
3. Item group 4 to the use of a quantity rate (rate class 'Q'), based on a chargeable weight of the cargo after rounding;
4. Item group 5 refers to the use of a class rate reduction (rate class 'R'), corresponding to 33% reduction of a normal rate (N67), and based on a chargeable weight identical to the gross weight of the cargo.

ADDITIONAL CHARGES DETAILS:

1. AWA= A charge for the preparation of the AWB (AW-) is applied, which accrues to the agent (—A).
2. SUA- A charge for surface transportation (SU-) is applied, which accrues to the agent (—A).
3. DBC= A disbursement fee (DB-), resulting from the two other charges, is applied, which accrues to the carrier (—C).

77|CDG|12345675				77|CDG|12345675				
Shipper's Name & Address LES GROSSISTES 15 BIS QUAI LA LOIRE 75019 PARIS FRANCE			Shipper's Account Number	NOT NEGOTIABLE AIR WAYBILL ISSUED BY		TRANSPARENT AIR 227 RUE BLANCHET 73076 PARIS FRANCE		
Consignee's Name & Address QUICK SERVICES INC. 140-02 CHESTNUT AVENUE JAMAICA NEW YORK 11434 USA PHONE 632-7200			Consignee's Account Number	COPIES 1, 2 AND 3 of this Air Waybill are originals and have the same validity				
Issuing Carrier's Agent Name & City GONDRAN CHARLES DE GAULLE			Accounting Information					
Agent's IATA – Code 20-4 7064		Account No.						
Airport of Departure (address of First Carrier) and Requested Routing CHARLES DE GAULLE				Reference Number		<u>Optional Shipping Information</u>		
To JKF	By First Carrier TRANSPARENT AIR		Routing and Destination	to	by	to	by	
Currency FRF	CHGS Code	V/T/VAL PPO COLI		Other PPO COLI		Declared Value for Carriage NVD	Declared Value for Customs NCV	
×	×	×	×	×	×	×	×	
Airport of Destination J. F. KENNEDY		Requested	Flight/Date		Amount of Insurance XXX			INSURANCE – If Carrier offers insurance and such insurance is requested in accordance with conditions on reverse hereof, indicate amount to be insured in figures in box marked amount of insurance
Handling Information								

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No. of Pieces RCP	Gross Weight			Rate Class Commodity Item No.	Chargeable Weight	Rate Charge	Total	SCI
								Nature and Quantity of Goods (Incl Dimensions or Volume)
25	470.0	K		C 1295	500.0	5.55	2775.50	LEATHER BAGS AUTOMOBILE RADIO SETS TEXTILE MACHINE PARTS TRACTOR PARTS SODIUM THIOSULPHATE NOT RESTRICTED AIRCRAFT PARTS AUTOMOBILE PARTS NEWSPAPERS
25	461.5			C 4416	680.0	4.95	3366.00	
10	510.3			C 2195	510.5	5.70	2909.85	
9	186.7			C	187.0	10.45	1954.15	
3	85.0			R N67	85.0	9.90	841.50	
72	1713.5					11846.50		
<u>Prepaid</u>		<u>Weight Charge</u>		<u>Collect</u>		Other Charges		
11846.50						AWA 16.70 SUA 1500.00 DBC 151.70		
		<u>Valuation Charge</u>						
		Tax						
		<u>Total Other Charges Due Agent</u>		1516.70		Shipper certifies that the particulars on the face here fore correct and that in so far as any part of the consignment contains dangerous goods, such part is properly described by name and is in proper condition for carriage by air according to the applicable Dangerous Goods Regulations.		
		Total Other Charges Due Carrier		151.70		LES GROSSISTES Signature of Shipper of his Agent		
<u>Total Prepaid</u>		<u>Total Collect</u>		01 OCT 1998		CHARLES DE GAULLE		GONDRAN
11846.50		1668.40						
<u>Currency Conversion Rate</u>		<u>CC Charges in Dest. Currency</u>		Executed on (Date)		at (Place)		Signature of Issuance/Carrier or its Agent
For Carrier's Use Only at Destination		<u>Changes at Destination</u>		Total Collect Charges				
								777-122345675
ORIGINAL 3 (FOR SHIPPER)				PAGE 05				

Account Number

77/LHR#12345675					777-122345675											
Shipper's Name & Address EXPORTANT LTD. WAPPING TRADING ESTATE LONDON GB			Shipper's Name & Address		NOT NEGOTIABLE AIR WAYBILL ISSUED BY		TRANSPARENT AIR 227 RUE BLANCHET 73076 PARIS FRANCE									
Consignee's Name & Address FREIGHTRANS SYDNEY AIRPORT SYDNEY NSW AUSTRALIA			Consignee's Account Number		COPIES 1, 2 AND 3 of this Air Waybill are originals and have the same validity											
Issuing Carrier's Agent Name & City EXPORTANT LTD. HEATHROW					Accounting Information											
Agent's IATA - Code			Account No.													
Airport of Departure (address of First Carrier) and Requested Routing HEATHROW					Reference Number		<u>Optional Shipping Information</u>									
To SY D	By First Carrier TRANSPARENT AIR		Routing and Destination		to	by	to	by	Currency GPB	CHGS Code	V/T/VAL PPO COLI		Other PPO COLI		Declared Value for Carriage NVD	Declared Value for Customs NCV
Airport of Destination SYDNEY			Requested		Flight/Date		Amount of Insurance XXX		INSURANCE - If Carrier offers insurance and such insurance is requested in accordance with conditions on reverse hereof, indicate amount to be insured in figures in box marked amount of insurance							
Handling Information 5 PKGS-DANGEROUS GOODS AS PER ATTACHED SHIPPER'S																

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No. of Pieces RCP	Gross Weight			Rate Class Commodity Item No.	Chargeable Weight	Rate Charge	DECLARATION	
							Total	SC I Nature and Quantity of Goods (Incl Dimensions or Volume)
18	913.0	K	Q		913.0	2.35	2145.55	CONSOLIDATION AS PER ATTACHED LIST
<u>Prepaid</u> 2145.55		<u>Weight Charge</u>		<u>Collect</u>		Other Charges RAC 15.40 RAA 6.60		
		<u>Valuation Charge</u>						
6.60		Tax						
		<u>Total Other Charges Due Agent</u>				Shipper certifies that the particulars on the face here fore correct and that in so far as any part of the consignment contains dangerous goods, such part is properly described by name and is in proper condition for carriage by air according to the applicable Dangerous Goods Regulations. EXPORTANT LTD. Signature of Shipper of his Agent		
		<u>Total Other Charges Due Carrier</u> 15.40						
<u>Total Prepaid</u> 2167.55		<u>Total Collect</u>				01 OCT 1998 HEATHROW EXPORTANT LTD.		
<u>Currency Conversion Rate</u>		<u>CC Charges in Dest. Currency</u>				Executed on (Date) at (Place) Signature of Issuance/Carrier or its Agent		
For Carrier's Use Only at Destination		<u>Changes at Destination</u>				Total Collect Charges		777-122345675
ORIGINAL 3 (FOR SHIPPER)							PAGE 06	

Training Manual

CHARGES COLLECT

Charges collect means the charges entered on airway bill for collection from consignee at destination.

Charges collect is applicable only if charges collect shipments are accepted at destination.

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Airway bill is normally issued in the currency of the country of origin and charges will be collected at destination in a destination currency. The calculation is done at destination and collected by the delivering carrier.

For doing this service of collecting charges at destination by the delivering carrier, a fee is levied which is called charges collect fee. This charges collect fee accrues to the delivering carrier.

CHARGES COLLECT FEE

2% of weight and valuation charge, subject to a minimum of USD 10 (BSR).

001					001												
Shipper's Name & Address				Shipper's Account Number		NOT NEGOTIABLE AIR WAYBILL (Air Consignment note) COPIES 1, 2 AND 3 of this Air Waybill are originals and have the same validity											
Consignee's Name & Address				Consignee's Account Number													
Issuing Carrier's Agent Name & City						Accounting Information											
Agent's IATA - Code			Account No.														
Airport of Departure (address of First Carrier) and Requested Routing LONDON																	
To	By First Carrier to			Routing and Destination		to	by	to	by	Currency GPB	Code	V/T/VAL		Other		Declared Value for Carriage NVD	Declared Value for Customs NCV
Airport of Destination CHENNAI			Flight/Date		For Carrier	Use only Flight/Date		Amount of Insurance XXX		INSURANCE - If Carrier offers insurance and such insurance is requested in accordance with conditions on reverse hereof, indicate amount to be insured in figures in box marked amount of insurance							
Handling Information																	

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No. of Pieces RCP	Gross Weight			Rate Class Commodity Item No.	Chargeable Weight	Rate/Charge	DECLARATION	
							Total	SCI Nature and Quantity of Goods (Incl Dimensions or Volume)
18	1200.0	K	C	7106	1200.0	2.22	2664.00	TELESCOPE
<u>Prepaid</u>		<u>Weight Charge</u>		<u>Collect</u>		Other Charges		
				2664.00		AWA 3.50		
		<u>Valuation Charge</u>				PUA 200.00		
		Tax				DBC 20.35		
		<u>Total Other Charges Due Agent</u>		203.50		Shipper certifies that the particulars on the face here fore correct and that in so far as any part of the consignment contains dangerous goods, such part is properly described by name and is in proper condition for carriage by air according to the applicable Dangerous Goods Regulations. Signature of Shipper of his Agent		
		Total Other Charges Due Carrier		20.35				
<u>Total Prepaid</u>		<u>Total Collect</u>		2887.85				
<u>Currency Conversion Rate</u> INR 64.27		<u>CC Charges in Dest. Currency</u> 185602.10				Executed on (Date) at (Place) Signature of Issuance/Carrier or its Agent		
For Carrier's Use Only at Destination		<u>Changes at Destination</u> 3424.30 + INR 150.00				Total Collect Charges 189176.40 2 001		
COPY 12 (EXTRA COPY FOR CARRIER) NOTE: 2% CC FEE APPLICABLE							PAGE 101	

001

001

Shipper's Name & Address		Shipper's Account Number		NOT NEGOTIABLE AIR WAYBILL (Air Consignment note) COPIES 1, 2 AND 3 of this Air Waybill are originals and have the same validity											
Consignee's Name & Address		Consignee's Account Number		It is agreed that goods described herein, are accepted in apparent good order and condition (except as noted) for carriage SUBJECT TO THE CONDITIONS OF CONTRACT ON THE REVERSE HEREOF THE SHIPPER'S ATTENTION IS DRAWN TO THE NOTICE CONCERNING CARRIER'S LIMITATION OF LIABILITY. Shipper may increase such limitation of liability by declaring a higher value for carriage and paying a supplemental charge if required											
Issuing Carrier's Agent Name & City				Accounting Information											
Agent's IATA - Code		Account No.													
Airport of Departure (address of First Carrier) and Requested Routing PARIS				Reference Number				<u>Optional Shipping Information</u>							
To	By First Carrier	Flight and Destination		to	by	to	by	Currency FRF	CHGS Code	V/T/VAL PPO COLI		Other PPO COLI		Declared Value for Carriage NVD	Declared Value for Customs NCV
Airport of Destination MUMBAI	Flight/Date	For Carrier	Use only	Amount of Insurance XXX		INSURANCE - If Carrier offers insurance and such insurance is requested in accordance with conditions on reverse hereof, indicate amount to be insured in figures in box marked amount of insurance									
Handling Information															

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No. of Pieces RCP	Gross Weight			Rate Class Commodity Item No.	Chargeable Weight	Rate /Charge	DECLARATION	
							Total	SCI Nature and Quantity of Goods (Incl Dimensions or Volume)
1	700.0	K	Q		700.0	19.65	13755.00	MACHINE
<u>Prepaid</u>		<u>Weight Charge</u>		<u>Collect</u>		Other Charges		
				13755.00		AWA 45.00		
		<u>Valuation Charge</u>				PUA 900.00		
		Tax				DBC 116.00		
		<u>Total Other Charges Due Agent</u>		945.00		Shipper certifies that the particulars on the face here fore correct and that in so far as any part of the consignment contains dangerous goods, such part is properly described by name and is in proper condition for carriage by air according to the applicable Dangerous Goods Regulations. Signature of Shipper of his Agent		
		<u>Total Other Charges Due Agent</u>		116.00				
<u>Total Prepaid</u>		<u>Total Collect</u>		14816.00		..... Executed on (Date) at (Place) Signature of Issuance/Carrier or its Agent		
<u>Currency Conversion Rate</u>		<u>CC Charges in Dest. Currency</u>						
For Carrier's Use Only at Destination		<u>Changes at Destination</u>				Total Collect Charges	2	001
COPY 12 (EXTRA COPY FOR CARRIER) NOTE: 2% CC FEE APPLICABLE						PAGE 102		

001

001

Shipper's Name & Address		Shipper's Account Number		NOT NEGOTIABLE AIR WAYBILL (Air Consignment note) COPIES 1, 2 AND 3 of this Air Waybill are originals and have the same validity												
Consignee's Name & Address		Consignee's Account Number		It is agreed that goods described herein, are accepted in apparent good order and condition (except as noted) for carriage SUBJECT TO THE CONDITIONS OF CONTRACT ON THE REVERSE HEREOF THE SHIPPER'S ATTENTION IS DRAWN TO THE NOTICE CONCERNING CARRIER'S LIMITATION OF LIABILITY. Shipper may increase such limitation of liability by declaring a higher value for carriage and paying a supplemental charge if required												
Issuing Carrier's Agent Name & City				Accounting Information												
Agent's IATA - Code		Account No.														
Airport of Departure (address of First Carrier) and Requested Routing FRANKFURT				Reference Number				<u>Optional Shipping Information</u>								
To	By First Carrier	Routing and Destination		to	by	to	by	Currency DEM	CHGS Code	V/T/VAL PPO COLI		Other PPO COLI		Declared Value for Carriage NVD	Declared Value for Customs NCV	
Airport of Destination MUMBAI		Flight/Date		For Carrier	Use only Flight/Date			Amount of Insurance XXX		INSURANCE - If Carrier offers insurance and such insurance is requested in accordance with conditions on reverse hereof, indicate amount to be insured in figures in box marked amount of insurance						
Handling Information																

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No. of Pieces RCP	Gross Weight			Rate Class <u>Commodity</u> <u>Item No.</u>	Chargeable Weight	Rate Charge	DECLARATION	
							Total	SC I Nature and Quantity of Goods (Incl Dimensions or Volume)
1	25.0	K	N		25.0	8.00	200.00	COMPUTER PART
<u>Prepaid</u>		<u>Weight Charge</u>		<u>Collect</u>		Other Charges		
				200.00		AWA 150.00		
		<u>Valuation Charge</u>				PUA 30.00		
		Tax				DBC 35.90		
		<u>Total Other Charges Due Agent</u>		45.00		Shipper certifies that the particulars on the face here fore correct and that in so far as any part of the consignment contains dangerous goods, such part is properly described by name and is in proper condition for carriage by air according to the applicable Dangerous Goods Regulations.		
		<u>Total Other Charges Due Carrier</u>		35.90		..... Signature of Shipper of his Agent		
<u>Total Prepaid</u>		<u>Total Collect</u>		280.90		.....	
<u>Currency Conversion Rate</u> INR 21.95		<u>CC Charges in Dest. Currency</u> 6165.75				Executed on (Date)		at (Place) Signature of Issuance/Carrier or its Agent
For Carrier's Use Only at Destination		<u>Changes at Destination</u> 398.40+INR 150 (D/O FEE)		Total Collect Charges 6714.00		2		001
COPY 12 (EXTRA COPY FOR CARRIER)								
NOTE: CC FEE MINIMUM USD 10.00 APPLICABLE (BSR 1 USD = 39.83 INR)						PAGE 102		

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001					001							
Shipper's Account Number			Shipper's Name & Address		NOT NEGOTIABLE AIR WAYBILL (Air Consignment note) COPIES 1, 2 AND 3 of this Air Waybill are originals and have the same validity							
Consignee's Name & Address			Consignee's Account Number									
Issuing Carrier's Agent Name & City					Accounting Information 							
Agent's IATA - Code		Account No.										
Airport of Departure (address of First Carrier) and Requested Routing NEW YORK					Reference Number		<u>Optional Shipping Information</u>					
To	By First Carrier to	Routing and Destination	to	by	to	by	Currency USD	CHGS Code	V/T/VAL PPO COLI ×	Other PPO COLI ×	Declared Value for Carriage NVD	Declared Value for Customs NCV
Airport of Destination MUMBAI		Flight/Date	For Carrier	Use only Flight/Date		Amount of Insurance XXX		INSURANCE - If Carrier offers insurance and such insurance is requested in accordance with conditions on reverse hereof, indicate amount to be insured in figures in box marked amount of insurance				
Handling Information												

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No. of Pieces RCP	Gross Weight			Rate Class <u>Commodity</u> <u>Item No.</u>	Chargeable Weight	Rate Charge	DECLARATION	
							Total	SC I Nature and Quantity of Goods (Incl Dimensions or Volume)
1	100.0	L	Q		100.00	4.52	452.00	MACHINERY SAMPLE
<u>Prepaid</u>		<u>Weight Charge</u>		<u>Collect</u>		Other Charges		
				452.00		PUA 30.00		
		<u>Valuation Charge</u>				SOA 20.00		
		Tax				DBC 20.00		
		<u>Total Other Charges Due Agent</u>				Shipper certifies that the particulars on the face here fore correct and that in so far as any part of the consignment contains dangerous goods, such part is properly described by name and is in proper condition for carriage by air according to the applicable Dangerous Goods Regulations. Signature of Shipper of his Agent		
		<u>Total Other Charges Due Carrier</u>						
<u>Total Prepaid</u>		<u>Total Collect</u>				..... Executed on (Date) at (Place) Signature of Issuance/Carrier or its Agent		
<u>Currency Conversion Rate</u>		<u>CC Charges in Dest. Currency</u>						
For Carrier's Use Only at Destination		<u>Changes at Destination</u>				Total Collect Charges	2	001
COPY 12 (EXTRA COPY FOR CARRIER) NOTE: 2% CC FEE APPLICABLE						PAGE 104		

DISBURSEMENTS

Disbursements are amounts collected at destination for the provision of services rendered at origin, either by the carrier or by the agent.

Therefore it follows that Disbursements are possible only if charges collect shipments are accepted at destination.

Disbursement amounts either due carrier or due agent are entered on the Airway bill at the time of execution of the Airway bill.

Disbursement amounts are collected by the delivering carrier and accrues to the issuing carrier for payment to itself or the agent, whosoever has provided the services.

DISBURSEMENT FEE

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Disbursement is like an advance payment made at origin by the carrier or the agent, which has to be collected from consignee at destination and reimbursed at origin by the issuing carrier.

For doing this service, a fee is levied which is called Disbursement fee.

This disbursement fee accrues to the Issuing carrier.

Disbursement fee is calculated at origin and entered on the airway bill at the time of execution of airway bill.

CALCULATION

Disbursement fee is calculated at 10% on all other charges shown in box no. 23 of the airway bill, subject to a minimum of USD 20 (to be converted at the IATA mean rate given by National carrier, for classroom purpose use IATA construction rate given in yellow pages of tact rate books)

001					001										
Shipper's Name & Address			Shipper's Account Number		NOT NEGOTIABLE AIR WAYBILL (Air Consignment note) COPIES 1, 2 AND 3 of this Air Waybill are originals and have the same validity										
Consignee's Name & Address			Consignee's Account Number												
Issuing Carrier's Agent Name & City					Accounting Information Reference Number <u>Optional Shipping Information</u>										
Agent's IATA – Code		Account No.													
Airport of Departure (address of First Carrier) and Requested Routing DELHI															
To	By First Carrier to	Flight and Destination		to	by	to	by	Currency INR	CHGS Code	V/T/VAL PPO COLI ×		Other PPO COLI ×		Declared Value for Carriage NVD	Declared Value for Customs NCV
Airport of Destination ROME		Flight/Date		For Carrier	Use only Flight/Date		Amount of Insurance XXX		INSURANCE – If Carrier offers insurance and such insurance is requested in accordance with conditions on reverse hereof, indicate amount to be insured in figures in box marked amount of insurance						
Handling Information															

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No. of Pieces RCP	Gross Weight			Rate Class Commodity Item No.	Chargeable Weight	Rate Charge	DECLARATION	
							Total	SCI Nature and Quantity of Goods (Incl Dimensions or Volume)
5	600	K	C	2199	600.00	64.95	38970.00	GARMENTS
<u>Prepaid</u>		<u>Weight Charge</u>		<u>Collect</u>		CHA 2000.00		
				38970.00		AWA 150.00		
		<u>Valuation Charge</u>				AWC 150.00		PUA 6000.00
		Tax				DBC 830.00		
		<u>Total Other Charges Due Agent</u>		815 0.00		Shipper certifies that the particulars on the face here fore correct and that in so far as any part of the consignment contains dangerous goods, such part is properly described by name and is in proper condition for carriage by air according to the applicable Dangerous Goods Regulations. Signature of Shipper of his Agent		
		<u>Total Other Charges Due Carrier</u>		980.00				
<u>Total Prepaid</u>		<u>Total Collect</u>		48100.00		..... Executed on (Date) at (Place) Signature of Issuance/Carrier or its Agent		
<u>Currency Conversion Rate</u>		<u>CC Charges in Dest. Currency</u>						
For Carrier's Use Only at Destination		<u>Changes at Destination</u>				Total Collect Charges	2	001
COPY 12 (EXTRA COPY FOR CARRIER) NOTE: 10% CC FEE APPLICABLE						PAGE 96		

001					001												
Shipper's Name & Address				Shipper's Account Number		NOT NEGOTIABLE AIR WAYBILL (Air Consignment note) COPIES 1, 2 AND 3 of this Air Waybill are originals and have the same validity											
Consignee's Name & Address				Consignee's Account Number		It is agreed that goods described herein, are accepted in apparent good order and condition (except as noted) for carriage SUBJECT TO THE CONDITIONS OF CONTRACT ON THE REVERSE HEREOF THE SHIPPER'S ATTENTION IS DRAWN TO THE NOTICE CONCERNING CARRIER'S LIMITATION OF LIABILITY. Shipper may increase such limitation of liability by declaring a higher value for carriage and paying a supplemental charge if required											
Issuing Carrier's Agent Name & City										Accounting Information							
Agent's IATA – Code			Account No.														
Airport of Departure (address of First Carrier) and Requested Routing MUMBAI										Reference Number				<u>Optional Shipping Information</u>			
To	By First Carrier to			Flight and Destination		to	by	to	by	Currency INR	CHGS Code	V/T/VAL PPO COLI		Other PPO COLI		Declared Value for Carriage NVD	Declared Value for Customs NCV
Airport of Destination LONDON		Flight/Date		For Carrier		Use only		Flight/Date		Amount of Insurance XXX		INSURANCE – If Carrier offers insurance and such insurance is requested in accordance with conditions on reverse hereof, indicate amount to be insured in figures in box marked amount of insurance					
Handling Information																	

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No. of Pieces RCP	Gross Weight			Rate Class Commodity Item No.	Chargeable Weight	Rate Charge	DECLARATION		SCI
							Total	Nature and Quantity of Goods (Incl Dimensions or Volume)	
10	800.0	K	C	2865	800.00	56.70	45360.00	CARPETS	
<u>Prepaid</u> 45360.00		<u>Weight Charge</u>		<u>Collect</u>		Other Charges AWA 150.00		CHA 3000.00	
		<u>Valuation Charge</u>				AWC 150.00		PUA 5800.00	
		Tax				DBC 830.00			
		<u>Total Other Charges Due Agent</u>				Shipper certifies that the particulars on the face here fore correct and that in so far as any part of the consignment contains dangerous goods, such part is properly described by name and is in proper condition for carriage by air according to the applicable Dangerous Goods Regulations.			
		<u>Total Other Charges Due Carrier</u>				..... Signature of Shipper of his Agent			
<u>Total Prepaid</u>		<u>Total Collect</u>				..... Executed on (Date) at (Place) Signature of Issuance/Carrier or its Agent			
<u>Currency Conversion Rate</u>		<u>CC Charges in Dest. Currency</u>							
For Carrier's Use Only at Destination		<u>Changes at Destination</u>				Total Collect Charges	2	001	
COPY 12 (EXTRA COPY FOR CARRIER) NOTE: 2% CC FEE APPLICABLE						PAGE 97			

001				001																											
Shipper's Name & Address			Shipper's Account Number		NOT NEGOTIABLE AIR WAYBILL (Air Consignment note) COPIES 1, 2 AND 3 of this Air Waybill are originals and have the same validity																										
Consignee's Name & Address			Consignee's Account Number		It is agreed that goods described herein, are accepted in apparent good order and condition (except as noted) for carriage SUBJECT TO THE CONDITIONS OF CONTRACT ON THE REVERSE HEREOF THE SHIPPER'S ATTENTION IS DRAWN TO THE NOTICE CONCERNING CARRIER'S LIMITATION OF LIABILITY. Shipper may increase such limitation of liability by declaring a higher value for carriage and paying a supplemental charge if required																										
Issuing Carrier's Agent Name & City				Accounting Information																											
Agent's IATA – Code		Account No.																													
Airport of Departure (address of First Carrier) and Requested Routing MUMBAI				Reference Number <u>Optional Shipping Information</u>																											
To	By First Carrier	Flight and Destination	to	by	to	by	<table border="1"> <tr> <td>Currency</td> <td>CHGS</td> <td colspan="2">V/T/VAL</td> <td colspan="2">Other</td> <td>Declared</td> <td>Declared</td> </tr> <tr> <td>INR</td> <td>Code</td> <td>PPO</td> <td>COLI</td> <td>PPO</td> <td>COLI</td> <td>Value for Carriage NVD</td> <td>Value for Customs NCV</td> </tr> <tr> <td></td> <td></td> <td></td> <td>X</td> <td></td> <td>X</td> <td></td> <td></td> </tr> </table>	Currency	CHGS	V/T/VAL		Other		Declared	Declared	INR	Code	PPO	COLI	PPO	COLI	Value for Carriage NVD	Value for Customs NCV				X		X		
Currency	CHGS	V/T/VAL		Other		Declared	Declared																								
INR	Code	PPO	COLI	PPO	COLI	Value for Carriage NVD	Value for Customs NCV																								
			X		X																										
Airport of Destination LONDON	Flight/Date	For Carrier	Use only		Amount of Insurance XXX	INSURANCE – If Carrier offers insurance and such insurance is requested in accordance with conditions on reverse hereof, indicate amount to be insured in figures in box marked amount of insurance																									
Handling Information																															

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No. of Pieces RCP	Gross Weight			Rate Class <u>Commodity</u> <u>Item No.</u>	Chargeable Weight	Rate /Charge	DECLARATION	
							Total	SCI Nature and Quantity of Goods (Incl Dimensions or Volume)
1	30.0	K	N		30.00	118.45	3553.50	LABORATORY EQUIPMENT
<u>Prepaid</u> 3554.00		<u>Weight Charge</u>		<u>Collect</u>		Other Charges AWA 150.00		PUC 200.00
		<u>Valuation Charge</u>				AWC 150.00		DBC 716.00
		Tax				C HA 150.00		
		<u>Total Other Charges Due Agent</u>		1650.00		Shipper certifies that the particulars on the face here fore correct and that in so far as any part of the consignment contains dangerous goods, such part is properly described by name and is in proper condition for carriage by air according to the applicable Dangerous Goods Regulations.		
		<u>Total Other Charges Due Carrier</u>		1066.00		..... Signature of Shipper of his Agent		
<u>Total Prepaid</u> 3554.00		<u>Total Collect</u> 2716.00				..... Executed on (Date) at (Place) Signature of Issuance/Carrier or its Agent		
<u>Currency Conversion Rate</u>		<u>CC Charges in Dest. Currency</u>						
For Carrier's Use Only at Destination		<u>Changes at Destination</u>				Total Collect Charges	2	001
COPY 12 (EXTRA COPY FOR CARRIER)								
NOTE: MINIMUM DB FEE USD 20.00 APPLICABLE, ROE 1 USD=INR 35.79						PAGE 98		

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001						001										
Shipper's Name & Address				Shipper's Account Number		NOT NEGOTIABLE AIR WAYBILL (Air Consignment note) COPIES 1, 2 AND 3 of this Air Waybill are originals and have the same validity										
Consignee's Name & Address				Consignee's Account Number		It is agreed that goods described herein, are accepted in apparent good order and condition (except as noted) for carriage SUBJECT TO THE CONDITIONS OF CONTRACT ON THE REVERSE HEREOF THE SHIPPER'S ATTENTION IS DRAWN TO THE NOTICE CONCERNING CARRIER'S LIMITATION OF LIABILITY. Shipper may increase such limitation of liability by declaring a higher value for carriage and paying a supplemental charge if required										
Issuing Carrier's Agent Name & City						Accounting Information										
Agent's IATA – Code			Account No.													
Airport of Departure (address of First Carrier) and Requested Routing CALCUTTA						Reference Number <u>Optional Shipping Information</u>										
To	By First Carrier to		Flight and Destination		to	by	to	by	Currency INR	CHGS Code	V/T/VAL PPO COLI		Other PPO COLI		Declared Value for Carriage NVD	Declared Value for Customs NCV
Airport of Destination NAIROBI		Flight/Date		For Carrier	Use only Flight/Date		Amount of Insurance XXX		INSURANCE – If Carrier offers insurance and such insurance is requested in accordance with conditions on reverse hereof, indicate amount to be insured in figures in box marked amount of insurance							
Handling Information																

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No. of Pieces RCP	Gross Weight			Rate Class <u>Commodity</u> <u>Item No.</u>	Chargeable Weight	Rate/Charge	DECLARATION	
							Total	<div style="border: 1px solid black; display: inline-block; padding: 2px;">S C I</div> Nature and Quantity of Goods (Incl Dimensions or Volume)
2	120.0	K	C	8280	120.00	46.90	56280	RECORDING TAPES
<u>Prepaid</u>		<u>Weight Charge</u>		<u>Collect</u>		Other Charges		
				5628.00		PUA 150.00		
		<u>Valuation Charge</u>				AWC 150.00		
		Tax				PAU 100.00		
		<u>Total Other Charges Due Agent</u>				Shipper certifies that the particulars on the face here fore correct and that in so far as any part of the consignment contains dangerous goods, such part is properly described by name and is in proper condition for carriage by air according to the applicable Dangerous Goods Regulations.		
		<u>Total Other Charges Due Agent</u>				..... Signature of Shipper of his Agent		
<u>Total Prepaid</u>		<u>Total Collect</u>				..... Executed on (Date) at (Place) Signature of Issuance/Carrier or its Agent		
<u>Currency Conversion Rate</u>		<u>CC Charges in Dest. Currency</u>						
For Carrier's Use Only at Destination		Changes at Destination				Total Collect Charges	2	001
COPY 12 (EXTRA COPY FOR CARRIER)							PAGE 99	

Unit 6 □ Dangerous Goods Regulations (based on 48th edition of IATA DGR Manual)

Structure

- 6.1 Objectives**
- 6.2 Introduction**
- 6.3 Regulatory Body**
 - 6.3.1 Legal Provisions for Transportation of Dangerous Goods**
- 6.4 Applicability of Dangerous Goods Regulation**
 - 6.4.1 Dangerous Goods Regulations Manual**
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- 6.5 Classification of Dangerous Goods**
- 6.6 Identification of Dangerous Goods**
- 6.7 Packing**
- 6.8 Packaging Specifications and Performance Tests**
 - 6.8.1 Markings on New, Reconditioned and Remanufactured UN Specification Packaging**
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- 6.14 Loading of Wheelchairs or Other Battery Operated Mobility Aids as Checked Baggage**
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- 6.17 Dangerous Goods Emergency Procedure**
- 6.18 Radioactive Materials**
- 6.19 Procedure For Usage of DGR Regulations**

6.1 Objectives

With the help of DGR Manual, you will be able to :

- understand the brief history of DGR
- understand the legal aspects involved as required by DG Regulations.

6.2 Introduction

At the end of World War II, the airline industry expanded to meet the demand for its services in both passenger and cargo transportation. It is resulted in an insatiable demand in the uplift of a variety of goods which have dangerous characteristics that made it necessary to control, restrict for forbid acceptance for air transportation. However, very few countries allow dangerous goods (previously known as "Restricted Articles") to meet commercial demands.

Many fatal crash/accidents took place because of careless handling and carriage of dangerous goods in aircraft. A Boeing 707 freighter crash landed in late 1973 in Boston's Logan Airport killing 3 members and destroying aircraft. In this case, shipper booked 160 wooden boxes each containing one 5 litre bottle of nitric acid. It was packed with sawdust. The cargo staff did not bother to observe DGR and nor Captain was informed. Investigation revealed that cap of the bottle of nitric acid loosened and acid reacted with sawdust (8 min). After 16 minutes flames could be seen. After 22 minutes the entire box erupted into flame and after total of 32 minutes, the entire package was reduced to ashes. Investigation revealed that pressure difference between cargo compartment and inside the bottle forced the acid past to seal of slightly loosened cap.

In another case at Gatwick Airport, a Lagos bound CL 44 flight abandoned as the crew felt nauseous. It had 20 tons of plastic shoes. These plastic goods produced

obnoxious smells and eyes of crews watered as if they are exposed to onions. The smell was that of acetone, as reported by the crew.

While loading a loosely packed match box consignment, the friction caused a fire in afthold of a Boeing 727.

In Kolkata Airport on 11 April, 1989, while a courier agency was handing over the consignment, pyrotechnic flares went off inside the terminal building causing minor hazards.

In another case, a Korean cargo flight made an emergency landing at Delhi Airport on 09 Oct, 1997. Pilot has complained strong acetone smell inside the cockpit. After landing BDDS examined the cargo and found one of package containing paint and acetone booked by M/s. LML Vespa Ltd., Kanpur. This package had leaked causing strong smell in Cabin and Cockpit.

International Civil Aviation Organisation (ICAO) was concerned with the non-participation of :

- All scheduled and non-scheduled carriers
- Shippers
- Packers
- Forwarders
- Manufacturers of containers for carriage of Dangerous Goods.

Some of the above agencies were following the safety measures according to the provisions of IATA Resolution 618. Since it was not enough, ICAO under Annex 18 to the Chicago Convention to International Civil Aviation, formed a Committee of experts to define the Dangerous Goods.

6.3 Regulatory Body

In order to have uniform regulations, a technical document named as 'Safe Transport of Dangerous Goods by Air' (DOC. 9248-AN/905) was prepared and adopted by all ICAO contracting States. The IATA Dangerous Goods Board (Previously known as IATA Restricted Articles Board) is a working group consisting of senior Airline representative. They published the first edition of the Restricted Articles Regulations in 1956. IATA approached international organisations including ICAO, suggesting that they should accept responsibility for initiating such regulations, and/or recommendations. Since the response to IATA request did not receive the proper attention, thus in 1952 the IATA Restricted Articles Working Group was established.

This working group used all regulations which were available at that time by different means of transportation including the US Department of Transport (DOT) Regulations, previously known as the Interstate Commerce Commission (ICC) Regulations.

The rules at this time only covered explosives, but later expanded to include corrosives, flammable and poisonous articles, gases and oxidizing materials. In 1949, came additional regulations for the definition of classes of dangerous goods, packing, marking and labelling requirements.

After a period of six years work by the Board, the first international regulations governing the carriage of restricted articles by air became effective on the 1st January 1956, for applications by all IATA Member airlines world wide. It now became possible to move restricted articles freely over the services of the majority of airlines of the world. The Regulations were formally adopted by 62 countries and were universally acceptable international regulations covering the carriage of dangerous goods by air for 27 years.

- Until December 30, 1982, 'IATA Restricted Articles Regulations' were applicable.
- From December 31, 1982, 'IATA Dangerous Goods Regulations' (24th Edition) became effective. This has been adopted on the basis of ICAO Annex 18.
- ICAO Annex 18 when signed by States becomes a law. This means mandatory compliance (for INDIA also) of the Regulations.

Resolution 618

Resolved that : In Scheduled and/or unscheduled operations, no dangerous goods shall be accepted and carried unless that comply fully with the international standards and recommended practices of Annex 18 to the Convention on International Civil aviation- "The Safe Transport of Dangerous Goods by Air" and its associated Technical Instructions as reflected in the "IATA Dangerous Goods Regulations" as set forth in Attachment "A". In cases of extreme urgency when other forms of transport are inappropriate, or full compliance with the prescribed requirements is contrary to the public interest, the States concerned may grant exemptions from these requirements; provided that in such cases every effort shall be made to achieve an overall level of safety in transport which is equivalent to the level of safety provided by the applicable Regulations.

6.3.1 Legal Provisions for Transportation of Dangerous Goods

A. The Aircraft Act, 1934 :

Section 10. Penalty for act in contravention of rule made under this Act :

1. If any person contravenes any provision of any rule made under clause (1) of sub-section (2) of section 5 prohibiting or regulating the carriage in aircraft of arms, explosives or other dangerous goods, or when required under the rules made under that clause to give information in relation to any such goods gives information which is false and which he either knows or believes to be false or does not believe to be true, and if he is not the owner, the owner also (unless the owner proves that the offence was committed without his knowledge, consent or connivance) **shall be punishable with imprisonment which may extend to two years and shall also be liable to fine RULE 8 OF THE AIRCRAFT RULES, 1937.**

B. The Aircraft Act, 1937:

Rule 8. Carriage of arms, ammunition, explosives, military stores, etc:

1. No person shall carry or cause or permit to be carried in any aircraft to, from, within or over India, any arms, ammunitions, munitions of war, implements of war, explosives and military stores, except with the written permission of the Central Government and subject to the terms and conditions of such permission.
2. Where the carriage of any goods is permitted under sub-rule (1), it shall be the duty of the pilot, the consignor and every person concerned with the booking, handling or carriage of such goods, to take all precautions to avoid danger to the aircraft or to the persons on board or to any other person or properly and in particular, to ensure that-
 - a. The goods are so packed, protected and secured as to avoid any possibility of them being a source of danger;
 - b. the goods are so carried as not be accessible to the passengers on board the aircraft; and
 - c. the nature of the goods is clearly and conspicuously marked on the package containing them.
3. The consignor of such goods shall give the operator a written notice specifying the nature, weight and quantity of the goods and the name and full address of the consignee; and the operator shall inform the pilot-in-command of the aircraft of all such particulars before the goods are paced on board the aircraft.

4. Where any officer authorized in this behalf by the Central Government has reason to believe that the provisions of this rule are, or are about to be, contravened, he may cause such goods to be placed under his custody pending detailed examination of the nature of the goods or pending a decision regarding the action, if any, to be taken in the matter.

The Aircraft (Carriage of Dangerous Goods) Rules, 2003

1. **Short title, extent and application** — (1) These rules may be called the Aircraft (Carriage of Dangerous Goods) Rules, 2003.
 - (2) They extend to whole of India and apply also-
 - (a) to aircraft registered in India or aircraft operated by an operator who has his principal place of business or permanent place of residence in India, wherever they may be;
 - (b) to all aircraft for the time being in or over India; and
 - (c) to persons operating air transport services to, from, within and over India, shippers of dangerous goods or their agents.
 - (3) They shall come into force on the date of their final publication in the Official Gazette.
2. **Definitions and interpretation** - In these rules, unless there is anything repugnant in the subject or context-
 - 1) "aerodrome" means any definite or limited ground or water area intended to be used, either wholly or in part, for the landing or departure of aircraft, and includes all buildings, sheds, vessels, piers and other structures thereon or appertaining thereto;
 - 2) "aircraft" means any machine which can derive support in the atmosphere from reactions of the air other than reactions of the air against the earth's surface and includes balloons whether fixed or free, airships, kites, gliders and flying machines;
 - 3) "cargo aircraft" means any aircraft, other than a passenger aircraft, which is carrying goods or property.
 - 4) "crew member" means a person assigned by an operator to duty on an aircraft during a flight duty period;
 - 5) "dangerous goods" means articles or substances which are capable of posing a risk to health, safety, property or the environment and which are listed as such

in the Technical Instructions or which are classified according to the Technical Instructions;

- 6) "dangerous goods accident" means an occurrence associated with and related to the transport of dangerous goods by air which results in fatal or serious injury to a person or major property damage;
- 7) "dangerous goods incident" means an occurrence, other than a dangerous goods accident, associated with and related to the transport of dangerous goods by air, not necessarily occurring on board and aircraft, which results in injury to a person, damage to property, fire, breakage, spillage, leakage of fluid or radiation or other evidence that the integrity of the packaging has not been maintained and also includes any occurrence relating to the transport of dangerous goods which seriously jeopardizes the aircraft or its occupants.
- 8) "Director-General" means Director General of Civil Aviation;
- 9) "flight crew member: means a licensed crew member charged with duties essential to the operation of an aircraft during a flight duty period.
- 10) "operator" means a person, organisation or enterprise engaged in or offering to engage in an aircraft operation;
- 11) "overpack " means an enclosure used by a single shipper to contain one or more packages and to form one handling unit for the convenience of handling and storage;
- 12) "package" means the complete product of the packing operation consisting of the packaging and its contents prepared for transport;
- 13) "packaging" means receptacles and any other components or materials necessary for the receptacle to perform its containment function;
- 14) "passenger aircraft" means an aircraft that carries any person other than a crew member, an operator's employee in an official capacity, an authorized representative of an appropriate national authority or a person accompanying a consignment or other cargo;
- 15) "pilot-in-command" means the pilot designated by the operator, or in the case of general aviation by the owner, as being in command and charged with the safe conduct of a flight;
- 16) "serious injury" means an injury which is sustained by a person in an accident and which:

- (a) requires hospitalization for more than 48 hours, commencing within seven days from the date the injury was received; or
 - (b) results in a fracture of any bone (except simple fractures of fingers, toes or nose); or
 - (c) involves lacerations which cause sever hemorrhage, nerve, muscle or tendon damage; or
 - (d) involves injury to any internal organ; or
 - (e) involves second or third degree burns, or any burns affecting more than five percent of the body surface; or
 - (f) involves verified exposure to infectious substances or injurious radiation;
- (16A) "State of origin" means the State in the territory of which the dangerous goods were first loaded on an aircraft.
17. "State of the operator" means the state in which the operator's principal place of business is located or, if there is no such place of business, the operator's permanent place of residence;
18. "Technical Instructions" means the Technical Instructions for the Safe Transport of Dangerous Goods by Air issued by the International Civil Aviation Organisation;
19. "UN number" means the four-digit number assigned by the United Nations Committee of Experts on the Transport of Dangerous Goods to identify a substance or a particular group of substances.
20. "Unit load device" means any type of freight container, aircraft container or aircraft pallet with a net, but excluding an overpack, designed for loading on an aircraft.
- 3. Carriage of dangerous goods by air.** - (1) No operator shall engage in the carriage of dangerous goods unless it has been certified by the aeronautical authority of the State of the operator to carry the dangerous goods.
- (2) No operator shall carry and no person shall cause or permit to be carried in any aircraft to, from, within or over India or deliver or cause to be delivered for loading on such aircraft any dangerous goods, except in accordance with and subject the requirements specified in the Technical instructions :

Provided that where dangerous goods classified as radioactive material are to be carried in any aircraft to, from or within India, the operator shall ensure that the

consignor or the consignee, as the case may be, has written consent of the Central Government to carry such goods under section 16 of the Atomic Energy Act, 1962 (33 of 1962).

Provided further that where there is extreme emergency such as national or international crisis or natural calamities or otherwise necessitating transportation by air of such goods and full compliance with the requirements specified in the technical Instructions may adversely affect the public interest, the Director-General or any other officer authorized in this behalf by the Central Government may, by general or special order in writing, grant exemption from complying with these requirements provided that he is satisfied that every effort has been made to achieve an overall level of safety in the transportation of such goods which is equivalent to the level of safety specified in the Technical Instructions.

- (3) Notwithstanding anything contained in sub-rule (2), the articles and substances that are specifically identified by name or by generic description in the Technical Instructions as being forbidden for transport by air under any circumstances, shall not be carried on any aircraft.
- (4) The provisions of sub-rules (1) and (2) shall not apply to-
 - (a) the articles and substances classified as dangerous goods but otherwise required to be on board the aircraft in accordance with the pertinent airworthiness requirements and the operating regulations, or for such specialized purposes as are identified in the Technical Instructions.
 - (b) specific articles and substances carried by passengers or crew members to the extent specified in the Technical Instructions.
- (5) Where dangerous goods are carried under sub-rule (2), it shall be the duty of the shipper, the operator and every person concerned with packing, marking, labelling, acceptance, handling, loading, unloading, storage, transportation or any other process connected directly or indirectly with carriage of such dangerous goods, to take all precautions to avoid danger to the aircraft or to the persons on board or to any other person or property.

4. Custody of unauthorized Dangerous Goods- Where any officer authorized in this behalf by the Central Government has reason to believe that the provisions of this rule are, or are about to be, contravened, he may cause the dangerous goods in question to be placed under his custody pending detailed examination of the nature of the goods or pending a decision regarding the action, if any, to be taken in the matter.

4A. Classification of Dangerous Goods- The dangerous goods shall be classified in accordance with the provisions of the Technical Instructions.

5. Packing- (1) Dangerous goods shall be packed in accordance with the requirements specified in the Technical Instructions in addition to the provisions of this rule.

(2) It shall be ensured that no harmful quantity of a dangerous substance adheres to the outside of the packagings used for the transport of the dangerous goods.

(3) Packagings used for the transport of the dangerous goods by air shall be of good quality and shall be constructed and securely closed so as to prevent leakage which might be caused in normal conditions of transport by changes in temperature, humidity or pressure, or by vibration.

(4) The packagings shall be suitable for the contents and the packagings in direct contact with dangerous goods shall be resistant to any chemical or other action of such goods.

(4A) Packagings shall meet the material and construction specifications contained in the Technical Instructions.

(4B) Packagings shall be tested in accordance with the provisions of the Technical Instructions.

(4C) Packagings for which retention of a liquid is a basic function, shall be capable of withstanding, without leaking, the pressure specified in the Technical Instructions.

(5) Inner packagings used for the transport of the dangerous goods shall be packed, secured or cushioned in such a manner that no breakage or leakage shall be caused and these shall also control the movement of the dangerous goods within the outer packaging (s) during normal conditions of air transport and also the cushioning and absorbent materials shall not react dangerously with contents of the receptacles.

(6) No packaging used for the transport of the dangerous goods shall be re-used unless,---

(a) it has been inspected and found free from corrosion or other damage; and

(b) all necessary precautions have been taken to prevent contamination of subsequent contents:

Provided that where it is not possible to properly clean a packaging already used for the transport of dangerous goods, then such an uncleaned empty packaging shall be transported by air following the same procedure as laid down for the transport of the dangerous goods for which such packagings has been used earlier.

6. Labelling- Unless otherwise provided in the Technical Instructions, each package of dangerous goods shall be labelled in accordance with the requirements specified in the Technical Instructions.

7. Marking- (1) Save as otherwise provided in the Technical Instructions, each package of dangerous goods shall be marked with the proper shipping name of its contents and, when assigned, the UN number and such other markings as may be specified in those Instructions.

(2) Save as otherwise provided in the Technical Instructions, each packaging manufactured to the specifications of the Technical Instructions shall be marked in accordance with the provisions of the Technical Instructions and no other packagings shall be so marked.

(3) In addition to the languages required by the State of origin, English shall also be used for the markings related to dangerous goods.

8. Shipper's responsibilities- (1) No shipper or his agent shall offer any package or overpack of dangerous goods for transport by air unless he has ensured that such dangerous goods are not forbidden for transport by air and are properly classified, packed, marked and labelled in accordance with the requirements specified in the Technical Instructions.

(2) Unless otherwise provided in these rules, no shipper or his agent shall offer dangerous goods for transport by air unless he has completed, signed and provided to the operator a dangerous goods transport document, as specified in the Technical Instructions.

(3) The dangerous goods transport document shall bear a declaration signed by the shipper or his agent indicating that the dangerous goods are fully and accurately described by their proper shipping names and that they are classified, packed, marked, labelled and in proper condition for transport by air as per requirements of the Technical Instructions.

(4) In addition to the languages required by the State of origin, English shall also be used in the dangerous goods transport document.

9. Operator's responsibilities- (1) No operator shall accept dangerous goods for transport by air unless,—

- (a) the dangerous goods are accompanied by a completed dangerous goods transport document, except where the Technical Instructions specify that such a document is not required; and

- (b) the package, overpack or freight container containing the dangerous goods has been inspected in accordance with the acceptance procedures specified in the Technical Instructions.
- (2) The operator shall ensure that an acceptance check-list as required by the Technical Instructions has been developed and is being used by his acceptance staff.
- (3) Packages and overpacks containing dangerous goods and freight containers containing radioactive materials shall be inspected for evidence of leakage or damage before loading on an aircraft or into a unit load device and such packages, overpacks or freight containers shall be loaded and stowed on an aircraft in accordance with the requirements specified in the Technical Instructions.
- (4) The operator shall ensure that no leaking or damaged packages, overpacks or freight containers containing dangerous goods shall be loaded on an aircraft.
- (5) A unit load device shall not be loaded aboard an aircraft unless the device has been inspected and found free from any evidence of leakage from, or damage to, any dangerous goods contained therein.
- (6) Where any package of dangerous goods loaded on an aircraft appears to be damaged or leaking, the operator shall remove such package from the aircraft, or arrange for its removal by an appropriate authority or organisation, as the case may be, and thereafter shall ensure that the remainder of consignment is in a proper condition for transport by air and that no other package has been contaminated.
- (7) Packages or overpacks containing dangerous goods and freight containers containing radioactive materials shall be inspected for signs of damage or leakage upon unloading from the aircraft or unit load device and if evidence of damage or leakage is found, the area where the dangerous goods or unit load device were stowed on the aircraft shall be inspected for damage or contamination.
- (8) No dangerous goods shall be carried in an aircraft cabin occupied by passengers or on the flight deck of an aircraft, except those specified in sub-rule (2) of rule 3.
- (9) Any hazardous contamination found on an aircraft as a result of leakage or damage to dangerous goods shall be removed without delay.

- (10) An aircraft which has been contaminated by radioactive materials shall immediately be taken out of service and not returned to service until the radiation levels at any accessible surface and the non-fixed contamination are not more than the values specified in the Technical Instructions.
 - (11) Packages containing dangerous goods which might react dangerously with one another shall not be stowed on an aircraft next to each other or in a position that would allow interaction between them in the event of leakage.
 - (12) Packages of toxic and infectious substances shall be stowed on an aircraft in accordance with the requirements specified in the Technical Instructions.
 - (13) Packages of radioactive materials shall be stowed on an aircraft so that they are separated from persons, live animals and underdeveloped film, in accordance with the requirements specified in the Technical Instructions.
 - (14) Subject to the provisions of these rules, when dangerous goods are loaded in an aircraft, the operator shall protect the dangerous goods from being damaged, and shall secure such goods in the aircraft in such a manner that will prevent any movement in flight which would change the orientation of the packages. For packages containing radioactive materials, the securing shall be adequate to ensure that the separation requirements of sub-rule (13) are met at all times.
 - (15) Except as otherwise provided in the Technical Instructions, packages of dangerous goods bearing the "Cargo aircraft only" label shall be loaded in such a manner that a crew member or other authorized person can see, handle and, where size and weight permit, separate such packages from other cargo in flight.
- 10. Provision of Information-**
- (1) The operator of the aircraft in which dangerous goods are to be carried shall provide information in writing to the pilot-in-command as early as practicable before departure of the aircraft as required by the Technical Instructions.
 - (2) The operator shall provide such information in the Operations Manual so as to enable the flight crew member to carry out their responsibilities with regard to the transport of dangerous goods and shall also provide instructions as to the action to be taken in the event of emergencies arising involving dangerous goods.
 - (3) Operators shall ensure that information is promulgated in such a manner that passengers are warned as to the types of goods which they are forbidden from transporting aboard an aircraft as provided in the Technical Instructions.

- (4) Operator, shippers or other organisations involved in the transport of dangerous goods by air shall provide such information to their personnel so as to enable them to carry out their responsibilities with regard to the transport of dangerous goods and shall also provide instructions as to the action to be taken in the event of emergencies arising involving dangerous goods.
- (5) If an in-flight emergency occurs, the pilot-in-command shall, as soon as the situation permits, inform the appropriate air traffic services unit, for the formation of aerodrome authorities, of any dangerous goods on board the aircraft, as provided in the Technical Instructions.
- (6) In the event of an aircraft accident or a serious incident where dangerous goods carried as cargo are involved, the operator of the aircraft shall provide information, without delay, to the emergency services responding to the accident or serious incident, and, as soon as possible, to the appropriate authorities of the State of the operator and the State in which the accident or serious incident occurred, about the dangerous goods on board, as shown on the written information to the pilot-in-command.
- (7) In the event of an aircraft incident, the operator of an aircraft carrying dangerous goods cargo shall, upon request, provide information, without delay, to the emergency services responding to the incident and also to the appropriate authority of the State in which the incident occurred, about the dangerous goods on board, as shown on the written information to the pilot-in-command.

10A. Inspection - (1) The Director-General or any other officer authorized in this behalf by the Central Government by general or special order in writing, may at any reasonable time, enter any place to which access is necessary and inspect any services, equipment, documents and records.

- (2) The operator, shipper, training establishment and every other person concerned with carriage of dangerous goods shall allow the person so authorized, access to any part of the aircraft, building or any facility including equipment, records, documents and personnel, and shall co-operate in exercising his powers or carrying out his duties under these rules.

11. Dangerous Goods Accidents and Incidents- (1) In the event of a dangerous goods accident or dangerous goods incident, as the case may be, the pilot-in-command of the aircraft and the operator of the aircraft or of the aerodrome, as the case may be, shall submit a report in writing to the Director-General on such accident or incident.

- (2) The report under sub-rule (1) shall, in addition to any other relevant information, contain the following information, namely:-
- (a) the type, nationality and registration and marks of aircraft;
 - (b) the name of the owner, operator and hirer of the aircraft;
 - (c) the name of the pilot-in-command of the aircraft;
 - (d) the nature and purpose of the flight;
 - (e) the date and time of the dangerous goods accident or incident;
 - (f) the place where the accident occurred;
 - (g) the last point of departure and the next point of intended landing of the aircraft;
 - (h) the details of the dangerous goods on board the aircraft viz. their proper shipping name, UN number, quantity etc.
 - (i) the known cause of the dangerous goods accident or incident.
 - (j) details of other cargo on board the aircraft;
 - (k) the extent of known damage to the aircraft, other property and person on board the aircraft;
 - (l) any other information required to be included by the Director-General.
- (3) On receipt of the report under sub rule (1), the Director-General may, if considered necessary, order an investigation to determine the causes of such accident or incident and take preventive measures to avoid re-occurrence of such accident or incident.
- 12. Establishment of Training Programmes-** (1) No person shall engage himself in any manner in the transport of dangerous goods unless he has undergone proper training in accordance with the Technical Instructions.
- (2) Initial and recurrent dangerous goods training programmes shall be established and maintained by or on behalf of-
- (a) shippers of dangerous goods including packers and persons or organisations undertaking the responsibilities of the shipper;
 - (b) operators;
 - (c) ground handling agencies which perform, on behalf of the operator, the act of accepting, handling, loading, unloading, transferring or other processing of cargo;

- (d) ground handling agencies located at an airport which perform, on behalf of the operator, the act of processing passengers ;
 - (e) agencies, not located at an airport, which perform, on behalf of the operator, the act of checking in passengers;
 - (f) freight forwarders; and
 - (g) agencies engaged in the security screening of passengers and their baggage, and cargo.
- (3) Training shall be provided in the requirements commensurate with the responsibilities of the personnel being trained and such training shall include-
- (a) general familiarization training aimed at proving familiarity with the general provisions;
 - (b) function-specific training providing detailed training in the requirements applicable to the function for which hat person is responsible; and
 - (c) safety training covering the hazards presented by dangerous goods, safe handling and emergency response procedures.
- (4) Training shall be provided or verified upon the employment of a person in a position involving the transport of dangerous goods by air and recurrent training shall take place within twenty-four months of previous training to ensure knowledge is current.
- (5) The training programmes established and maintained by or on behalf of operators shall be subjected to review and approval by the State of the operator and the training programmes established and maintained by or on behalf of agencies other than operators shall be subjected to review and approval by the Director-General.
- 13. Directions by Director-General-** The Director General may, through Aeronautical Information Circulars (AICs) and publication entitled Civil Aviation Requirements (CARs), issue special directions, not inconsistent with the provisions of the Aircraft Act, 1934 (22 of 1934), the Aircraft Rules, 1937 or these rules, relating to packing, marking, labelling, acceptance, handling, loading, unloading, storage, training and any other process or procedure connected directly or indirectly with the carriage of dangerous goods by air.
- 14. General Power to exempt-** The Central Government may, by general or special order in writing, exempt any aircraft or class of aircraft or any person

or class of persons from the operation of these rules, either wholly or partially, subject to such conditions, if any, as may be specified in that order.

- 15. Cancellation or suspension of license, certificate and approval-** Where the Director-General, after giving an opportunity of being heard, is satisfied that any person has contravened or failed to comply with the provisions of these rules, he may, for reasons to be recorded in writing, cancel or suspend any license, certificate or approval issued under these rules or under the Aircraft Rules, 1937.

6.4 Applicability of Dangerous Goods Regulation

Objectives :

With the help of DGR Manual, you will be able to :

- apply the IATA Dangerous Goods Regulations correctly
- differentiate between shipper's and operator's responsibilities and identify your responsibility as required by DG Regulations

Introduction

Goods which are transported by air can be classified into three categories:

- a. Non- Dangerous Goods

Goods transported by air cause no risk of any kind.

- b. Dangerous Goods

Goods when transported by air, are likely to be hazardous, posing significant risk to Health property, safety or environment. They have been classified as Dangerous Goods.

There are some Dangerous Goods which can be carried by air if, according to current IATA Dangerous Goods Regulations, they are correctly identified, quantified, packed, marked, labelled and handled.

- c. Prohibited Goods for air carriage

They are some other Dangerous Goods, which, under any circumstances, can never be carried and are totally prohibited for air carriage.

6.4.1. Dangerous Goods Regulations Manual

The DGR Manual is published annually by IATA in four languages i.e. English, French, German and Spanish and each publication becomes effective from January 01 every year. As per IATA resolution 618, the current edition of the Manual is mandatory for use while ascertaining the rules and regulations in connection with the carriage of Dangerous Goods by air. These rules have also been legislated by the Government.

Sections of the Manual

The DGR Manual is divided into 10 sections and having Appendix A to G as under:

- Section 1 - Applicability : This includes the basis and background for application of the rules, responsibilities in general of the various agencies involved in air transportation of Dangerous Goods etc. and training requirements etc.
- Section 2 - Limitations : It gives the details of Dangerous Goods forbidden, Dangerous Goods carried by passengers or crew, Dangerous Goods in Expected quantities and limited quantities and safe and operator variations.
- Section 3 - Classification : It describes and defines the nine different classes of Dangerous Goods with brief properties of those substances.
- Section 4 - Identification : It includes the list of approximately 3000 Dangerous Goods, written alphabetically in tables, giving UN/ID number, hazard class/division labels required and quantity limit per package on passenger aircraft or cargo aircraft. It also provides guidelines for rules regarding carriage of certain goods which have not been specified otherwise in the list with a proper shipping name.
- Section 5 - Packing : This deals with general and special packing requirements for each class/division of Dangerous Goods.
- Section 6 - Packing : It deals with the standard and mandatory specification of specification packages and the test to be conducted on the packages and performance test :

Section 7 - Marking and labelling	: The mandatory markings and labelling are detailed in this section.
Section 8-Documentation	: It includes the details about the essential documents required to be prepared and the order in which they should be prepared for carriage of Dangerous Goods.
Section 9-Handling	: Various important aspects of handling, acceptance, storage, loading and inspection to ensure safety are detailed in this section.
Section 10 - Radioactive Material	: It deals with radioactive material, its packing, marking, labelling, documentation etc.
Appendix A Glossary	List of definitions of commonly used terms in this regulation.
Appendix B Nomenclature	It describes the Nomenclature used in this regulation. i.e. units of measurements, symbols, abbreviations and cargo IMP codes and tables of useful conversion factors to and from SI units.
Appendix C Currently assigned substances	List of currently assigned substances
Appendix D List of IATA members, Associated members and other Airlines	List of Airlines who re IATA members, Associated members and other Airlines.
Appendix E Competent Authorities	It contains list of Competent Authorities responsible for dangerous goods in general and radioactive materials.
Appendix F Packing testing facility manufacturers and suppliers	It contains lists relating to package manufacturers and suppliers of specification packing, facilities which can perform the package and suppliers
Appendix G Related Services	It contains the lists of IATA Dangerous Goods Accredited Training Schools
Appendix H IATA Safety Standard programmes	Explain about SDMA and STEADES.

Applicability

Dangerous Goods Regulations are mandatory for:-

- All airlines member or associate members of IATA as per IATA Resolution 618.
- Airlines participating in the IATA Multilateral Interline Traffic Agreement-Cargo.
- All Cargo Agents offering consignments to operators and
- Shipper's offering Dangerous Goods to above Airlines.

So far as the carriage of Radioactive Materials by air is concerned, the carriage is governed by INTERNATIONAL ATOMIC ENERGY AGENCY (IAEA) Regulations of 1973, which have been incorporated in the IATA Dangerous Goods Regulations Manual.

Additional Restrictions

Governments of countries may file their differences to ICAO Annex 18, which are more restrictive than IATA Dangerous Goods Regulations.

Added to the Government restrictions, Airlines too can impose even more restrictions to the carriage of Dangerous Goods.

Therefore, before Dangerous Goods are shipped by air, the shipper and carrier are to ensure about these restrictions also.

Sequence of Applicable Restrictions

- Government restrictions where the carrier is registered.
- Government restrictions from/to/via the countries the goods are routed.
- IATA regulations.
- Airlines own restrictions.

Dangerous Goods Security

Annex 17 provides comprehensive requirements for implementation of security measures by States to prevent unlawful interference with Civil Aviation or when such interference has been committed. In addition, the Security Manual for Safeguarding

Civil Aviation against Acts of Unlawful Interference (Doc 8973- Restricted) provides procedures and guidance on aspects of aviation security and is intended to assist States in the implementation of their respective national civil aviation security programme.

All persons engaged in the transport of dangerous goods should consider security requirements for the dangerous goods commensurate with their responsibilities. Operators, shippers and others engaged in the transport of high consequence dangerous goods should adopt, implement and comply with the security plan:

- (a) specific allocation of responsibilities for security to competent and qualified persons with appropriate authority to carry out their responsibilities.
- (b) records of dangerous goods or types of dangerous goods transported;
- (c) review of current operations and assessment of vulnerabilities, including intermodal transfer, temporary transit, storage, handling and distribution as appropriate;
- (d) clear statement of measures including training policies (including response to higher threat conditions, new employee/employment verifications etc.) operating practices (eg. access to dangerous goods in temporary storage proximity to vulnerable infrastructure etc.), equipment and resources that are to be used to reduce security risks;
- (e) effective and up to date procedures for reporting and dealing with security threats, breaches of security or security incidents;
- (f) procedures for the evaluation and testing of security plans and procedures for periodic review and update of the plans;
- (g) measures to ensure the security of transport information contained in the plan; and
- (h) measures to ensure that the security of the distribution of transport documentation is limited as far as possible (such measures must not preclude provision of the transport documentation required by Section 8 of these Regulations)

6.5 Limitations

Objectives

With the help of DGR Manual, you will be able to:

- apply the IATA Dangerous Goods Regulations correctly
- differentiate between shipper's and operator's responsibilities and identify your responsibility
- recognize and apply the appropriate State and / or Operator variations as required by DG Regulations

Introduction

Some dangerous goods are too dangerous to be carried by aircraft, others may be carried on cargo aircraft only and some are acceptable on both cargo and passenger aircraft. A number of limitations are placed on dangerous goods which are permitted to be transported by air. These limitations are established by these Regulations. Both States and Operators may impose further restrictions called variations.

Dangerous Goods Forbidden

The dangerous goods described in para 2.1.1 and forbidden in sub section 4.2 of DGR Manual must not be carried on aircraft under any circumstances unless exempted by states under the provisions of Para 2.6.1 of the regulations or permitted under special provisions.

Hidden Dangerous Goods (Para 2.2 of the Regulations)

Cargo declared under a general description may contain articles that are not apparent. Such articles may also be found in baggage. Shipper must be asked to check their consignment against the class definition given in para 2.2 of the Regulation and confirm by endorsement of the "Air Waybill" that no part of the package contents is dangerous.

For example passenger baggage may contain flammable household liquids, corrosive oven or drain cleaners, flammable gas or liquid lighter refills or camping stove cylinders, matches, bleaching powders, aerosols etc.

Dangerous Goods Carried By Passengers Or Crew (Para 2.3 of the Regulations)

Dangerous goods must not be carried by passengers or crew:

- As or in checked baggage;
- As or in carry on baggage; or
- On their person

Dangerous Goods in Excepted Quantities (Para 2.7 of the Regulations)

Many dangerous goods are transported in very small quantities. They are known as dangerous goods in excepted quantities. They are exempted from certain marking / labelling requirements. Shipper declaration is not required for such cases.

Dangerous Goods in Limited Quantities (Para 2.8 of the Regulations)

Many dangerous goods can be safely carried in limited quantities in good quality combination packagings which meet the construction requirements of Subsections 6.1 and 6.2 but which have not been marked and tested in accordance with the requirements of Para 6.0.4 and 6.3 of the Regulations. (refer para 2.8 of the Manual)

State and Operator Variations (Para 2.9 of the Regulations)

State and operators may submit variations to these regulations. (refer para 2.9.2 and 2.9.4 of the Manual). Where such variations are more restricted than the provisions contained in the Regulations, they apply to the transport of dangerous good by air:

- to, from or through all territory subject to the sovereignty of the notifying State by all operators; and
- outside the territory of the notifying State to all operators for whom the notifying State is the State of the operator.

State variations are identified by a three-letter group, the last letter of which is always "G" (Government), followed by a two-digit group in strict numerical sequence, starting with "01", e.g. "AUG-01".

Operator variations are identified by two alpha-numeric characters followed by a two-digit group in strict numerical sequence, starting with "01", e.g. "TW-01".

6.5 Classification of Dangerous Goods

Objectives

With the help of DGR Manual, you will be able to:

- Identify the nine classes of dangerous goods by their principle criteria as required by DG Regulations

Introduction

Dangerous Goods are classified according to the danger to which they give rise. Each particular type of danger is identified by a hazard class. There are nine such hazard classes, which are further divided into divisions.

A summary of the hazard classes and divisions, is as follows:

Class 1 Explosives

- **Divisions 1.1** Articles and substances with a mass explosion hazard.
 - 1.2** Articles and substances with a projection hazard, but not a mass explosion hazard.
 - 1.3** Articles and substances having a fire hazard, a minor blast hazard and/or a minor projection hazard but not a mass explosion hazard.

Articles and substances presenting no significant hazard.

Very insensitive substances having a mass explosion hazard.

Extremely insensitive articles which do not have a mass explosion hazard.

Class 2 Gases

- **Divisions 2.1** Flammable gas.
 - 2.2** Non flammable, non-toxic gas
 - 2.3** Toxic gas

Class 3 Flammable Liquids

It comprises Liquids or mixture of Liquids or Liquids containing solids in solution or in suspension which have flash point not more than 60° C (closed cup test) or not more than 65.6° C (open cup test)

Class 4 Flammable Solids

- **Divisions 4.1** Flammable Solids- Certain self-reactive substances and readily combustible solids and solids which may cause or contribute to fire through friction, desensitized explosives which may explode if not diluted.
- **4.2** Substances liable to spontaneous combustion- Substances which are liable to spontaneous heating under normal conditions encountered in transport, or to heating up in contact with air and being then liable to catch fire.
- **4.3** Dangerous when wet- substances which, in contact with water, emit flammable gases, like magnesium phosphide.

Class 5 Oxidising Substances and Organic Peroxides

- **Divisions 5.1 (Oxidizers)** Substances which in themselves not necessarily combustible, may generally, by yielding oxygen, cause or contribute to the combustion of other material- like Potassium bromate, Zinc Nitrate, etc.
- **Divisions 5.2 (Organic peroxides)** Organic substances, which may be considered as derivatives of Hydrogen Peroxides. They may have one or more of the following properties :
 - be liable to explosive decomposition,
 - burn rapidly,
 - be sensitive to impact or friction,
 - react dangerously with other substances, and
 - cause damage to eyes.

Class 6 Poisonous (Toxic) and Infectious Substances

- **Divisions 6.1 Toxic (Poisonous) substances-** These are substances liable either to cause death or injury or to harm human health if swallowed, inhaled or by skin contact.
- **Divisions 6.2 Infectious substances-** Substances containing harmful micro organisms or their toxins which are known, or suspected, to cause disease in animals or humans.

Class 7 Radioactive Materials

A radioactive material means any material containing radionuclides where both the activity concentration and the total activity in the consignment exceed the values specified in 10.4.2.1-10.4.2.5.

Class 8 Corrosives

Substances which, in the event of leakage, can cause severe damage by chemical action when in contact with living tissue or can materially damage other freight or the means of transport.

Class 9 Miscellaneous Dangerous Goods Not Covered By Other Classes

Articles and substances which during transport present a danger not covered by other classes included in this class are Aviation Regulated solid or liquid, Magnetised Material, Elevated temperature substances and miscellaneous articles and substances.

Classification of Articles and Substances With Multiple Hazards

When the two hazards fall within Classes 3, 4 or 8 or Division 5.1 or 6.1, table 3.10.A must be used to determine which of the two hazards must be regarded as the primary hazard. When an article or substance is not specifically listed in Sub-section 4.2.- List of dangerous Goods has three or more hazards, it is not covered by the table 3.10 A. The advice of the appropriate authority of the state of origin must be sought except for those listed in table 4.1A.

Articles and substances of other hazards e.g. class 1, 2, 7 division 5.2, 6.2, self reactive and related substances and sensitised explosives of division 4.1, pyrophoric substances Liquid sensitised explosives of class 3 of division 4.2 and substance of division 6.1 with a packing group I inhalation toxicity are not dealt with by table 3.10.A since these classes, divisions or particular type of hazards always take precedence over other hazards.

Articles and substances, which meet among other hazards, the criteria for the following classes, divisions or particular types of hazards are not dealt with by Table 3.10 since these classes, divisions or particular types of hazards.

6.6 Classification of Dangerous Goods

Objectives

With the help of DGR Manual, you will be able to :

- Read the Alphabetical List of Dangerous Goods and apply the information it contains as required by DG Regulations

Introduction

Dangerous Goods must also be assigned to one of the standard names used in the transport of dangerous goods. These names are called "proper shipping names" and are used to identify the dangerous article or substance on the outside of the package and on the "Shipper's Declaration for Dangerous Goods". Such goods are listed in subsection 4.2 of the regulations which contains approximately 3000 articles and substances with dangerous properties which are most likely to be shipped by air. The list is not intended to all inclusive, therefore it contains several names of a general nature, known as n.o.s. (not otherwise specified) names or entries, under which unlisted items may be transported. (refer sec. 4.1.6. of the Regulations).

Identification of Dangerous Goods

The list of dangerous goods, subsection 4.2, lists specific dangerous articles and substances which are likely to be offered for transport by air. The list is divided into 11 columns as follows:

Column A UN or ID Number- It would be either a four digit serial number from 0001 to 7999 assigned to the article or substance under the UN Classification system OR in case no number has been assigned by UN, a temporary identification number in the 8000 series assigned by IATA. When these numbers are used, these must be prefixed by 'UN' or 'ID'.

Column B PROPER SHIPPING NAME - Names in alphabetical order given in bold (Dark) type lettering. Any other name in light lettering is not the acceptable proper shipping name. It is common or technical name. However, the following components of the names have been ignored :

- Numerals

- The single letters a-, -, D-, L-, m-, n-, N-, O-, o-, p-
- The Prefixes alpha, beta, meta, omega, sec, tert
- The Terms n.o.s.

Column C	CLASS OR DIVISION- Contains the class or division number assigned to the article or substance according to the classification system in sec. 3.				
Column D	SUBSIDIARY RISKS- Contains class or division number assigned to the article or substance according to the classification system in sec. 3.				
Column E	LABELS- Specifies the primary hazard label followed by the subsidiary risk label (if any).				
Column F	PACKING GROUP- Contains the UN Packing Groups I, II, III assigned to the article or substance.				
Column G & I	PACKING INSTRUCTIONS- These contain the relevant UN/ ICAO Permanent Packing Instructions listed in sec. 5 of the DGR. The limited Quantity packing instruction given in Column 'G' is Prefix letter "Y" following by three digits. If no packing instruction is shown, the article or substance cannot be carried under Limited Quantity provisions.				
Column K	PACKING INSTRUCTIONS (for cargo aircraft only)				
Column H & J	<table border="0" style="width: 100%;"> <tr> <td style="width: 50%;">Passenger Aircraft</td> <td style="width: 50%; text-align: right;">) Maximum net quantity per</td> </tr> <tr> <td>Cargo Aircraft only</td> <td style="text-align: right;">) package</td> </tr> </table> <p>It indicated the maximum net quantity (weight or volume) of the substance allowed in each package not in one consignment or aircraft for transport by air for limited quantity in Column 'H' & for other dangerous goods in Column 'J'. The weight quoted is net weight unless otherwise indicate by a letter "G" which refer to Gross weight, e.g. UN 1950 Aerosols, non-flammable, n.o.s. containing substances in class 8, PG III.</p>	Passenger Aircraft) Maximum net quantity per	Cargo Aircraft only) package
Passenger Aircraft) Maximum net quantity per				
Cargo Aircraft only) package				
Column L	Cargo Aircraft only - Maximum net quantity per package.				
Column M	SPECIFIC PROVISIONS - May show a single, double or triple digit number preceded by the letter "A". The alphanumeric indicator relates to subsection 4.4 and applies to all the packing group permitted for the entry concerned, unless the wording of the special provisions makes it otherwise apparent. Advance arrangements must be made and prior approval obtained before				

Dangerous Goods under A1, A2 and A109 Special provision are resented to operators transport.

Column N ERG Code - The code consists of a combination of letter and numbers which represents suggested responses to incidents involving the specific dangerous good entry to which the drill code is assigned as per ICAO Document "The Emergency Response Guidance for Aircraft Incidents Involving Dangerous Goods" (ICAO Doc. 9481)

Items Not Listed By Name :

If item is not forbidden, classify it by comparing its properties with the classification criteria described in Section 3 of DGR. If item has more than one hazard, the shipper must refer table 3.10.A to determine the Primary hazard.

Refer table 4.1.A to find most appropriate n.o.s. entry which most accurately describes the article or substance.

Numerical Cross-Reference List :

Sub-section 4.3 provides a cross reference from the UN/ID number to the proper shipping name, and is arranged in numerical order.

Special Provisions :

Special conditions for the transport of some of the items in the List of Dangerous Goods may be found in sub-section 4.4.

Table- Aircraft Emergency Response Drills

DRILL NO.	INHERENT RISK	RISK TO AIRCRAFT	RISK TO OCCUPANTS	SPILL OR LEAK PROCEDURE	FIRE-FIGHTING PROCEDURE	ADDITIONAL CONSIDERATIONS
1	Explosion may cause structural failure.	Fire and/or explosion	As indicated by the drill letter (s)	Use 100% oxygen; no smoking	All agents according to availability; use standard fire procedure	Possible abrupt loss of pressurisation
2	Gas, non-flammable, pressure may create hazard in fire	Minimal	As indicated by the drill letter (s)	Use 100% oxygen and maintain maximum	All agents according to availability; use standard	Possible abrupt loss of pressurisation

DRILL NO.	INHERENT RISK	RISK TO AIRCRAFT	RISK TO OCCUPANTS	SPILL OR LEAK PROCEDURE	FIRE-FIGHTING PROCEDURE	ADDITIONAL CONSIDERATIONS
				ventilation for "A" , "i" or "P" drill letter.	fire procedure	
3	Flammable liquid or solid	Fire and/or explosion	Smoke, fumes and heat, and as indicated by the drill letter (s)	Use 100% oxygen; establish and maintain maximum ventilation; no smoking; minimum electric	All agents according to availability; no water on "W" drill letter	Possible abrupt loss of pressurisation
4	Spontaneously combustible or pyrophoric when exposed to air	Fire and/or explosion	Smoke, fumes and heat, and as indicated by the drill letter(s)	Use 100% oxygen; establish and maintain maximum ventilation	All agents according to availability; no water on "W" drill letter	Possible abrupt loss of pressurisation; minimum electric if "F" or "H" drill letter
5	Oxidizer may ignite other materials may explode in heat of a fire	Fire and/or explosion possible corrosion damage	Eye, nose and throat irritation; skin damage on contact	Use 100% oxygen and maintain maximum ventilation	All agents according to availability no water on "W" drill letter	Possible abrupt loss of pressurisation
6.	Poison, may be fatal if inhaled, ingested, or absorbed by skin	Contamination with poisonous liquid or solid	Acute poisoning effects may be delayed	Use 100% oxygen and maintain maximum ventilation; do not touch without gloves	All agents according to availability; no water on "W" drill letter	Possible abrupt loss of pressurisation; minimum electric if "F" or "H" drill letter
7	Radiation from broken/ unshielded packages	Contamination with spilled radioactive material	Exposure to radiation, and personnel contamination	Do not move packages; avoid contact	All agents according to availability	Call for a qualified person to meet the aircraft
8	Corrosive fumes disabling if inhaled or in contact with skin	Possible corrosion damage	Eye, nose and throat irritation; skin damage on contact	Use 100% oxygen and maintain maximum ventilation; do not touch without gloves	All agents according to availability; no water on "W" drill letter	Possible abrupt loss of pressurisation; minimum electric if "F" or "H" drill letter

DRILL NO.	INHERENT RISK	RISK TO AIRCRAFT	RISK TO OCCUPANTS	SPILL OR LEAK PROCEDURE	FIRE-FIGHTING PROCEDURE	ADDITIONAL CONSIDERATIONS
9	No general inherent risk	As indicated by the drill letter	As indicated by the drill letter	Use 100% oxygen and maintain maximum ventilation if "A" drill letter	All agents according to availability; no water on "W" drill letter	None
10	Gas, flammable, high fire risk if any ignition source present	File and/or explosion	Smoke, fumes and heat, and as indicated by the drill letter (s)	Use 100% oxygen and maintain maximum ventilation; no smoking; minimum electric	All agents according to availability;	Possible abrupt loss of pressurisation

DRILL LETTER	ADDITIONAL RISK	DRILL LETTER	ADDITIONAL RISK
A	ANAESTHETIC	M	MAGNETIC
C	CORROSIVE	N	NOXIOUS
E	EXPLOSIVE	P	POISON
F	FLAMMABLE	S	SPONTANEOUSLY COMBUSTIBLE OR
H	HIGHLY IGNITABLE	W	PYROPHORIC
I	IRRITANT/TEAR PRODUCING	X	IF WET GIVES OFF POISONOUS OR
L	OTHER RISK LOW OR NONE		FLAMMABLE GAS OXIDIZER

6.7 Packing

Objectives

With the help of DGR Manual, you will be able to:

- Apply the general packing requirements and the specific packing instructions or verify that they have been followed as required by DG Regulations

Introduction

Section 5 contains provisions for the packing of Dangerous Goods.

In this case, note the following definitions:-

Packing : The art and operations by which articles or substances are enveloped in wrappings and/or enclosed in packagings or otherwise secured.

Packaging : The assembly of one or more containers to perform its containment function and to ensure compliance with the packing requirements of these Regulations.

Package : The complete product of the packing operation consisting of the packaging and contents.

Shipper's Responsibility

The shipper is responsible for all aspects of the packing of Dangerous Goods in compliance with these regulations.

The shipper must ensure that before a packaging authorized for re-use, or an overpack is re-used, all inappropriate dangerous goods markings and labels are removed or completely obliterated.

Types of Packing Instruction

The shipper has the option to use :

- a. The UN Specification Packagings
- b. The limited quantity packing instruction
- c. Non-specification packagings

Transitional Packaging Arrangements

For arrangements for the use of packagings for Class 7, Radioactive Material manufactured under earlier requirements, refer 10.5.7 of DGR Manual.

Overpacks (Para 5.0.1.5 of DGR Manual)

The following requirements must be met by the shipper to use overpacks :

- a. It must not contain packages enclosing different substances which might react dangerously with each other or require segregation according to table 9.3.A.
- b. each package in overpack must be properly packed, marked, labelled and is free of any indication of damage or leakage.
- c. The overpack must not contain package (s) bearing the "Cargo Aircraft Only" label except where :
 - Only one package is contained in the overpack, or
 - Two or more packages contained in the overpack are assembled in such a way to have clear visibility and easy access.
 - The packages contain substances of:
 - Class 3, packing Group III without a subsidiary risk,
 - Class 6,
 - Class 7,
 - Class 9

For cooling purposes, an over pack may contain carbon-dioxide, solid (dry ice), provided that the over pack meets the requirements of PI 904.

Salvage Packaging

These are special packagings into which damaged, defective or leaking dangerous goods packages, or dangerous goods that have spilled or leaked, are placed for purposes of transport for recovery or disposal.

The shipper must also ensure that all applicable requirements of these Regulations are met.

Damaged, defective or leaking packages of dangerous goods of Classes 1, 2 and 7 and Division 6.2 (other than Chemical wastes and Medical waste falling under UN 3291 must not be transported in salvage packagings. Damaged, defective or leaking packages of self reactive substances of Div. 4.1 or substance of Div. 5.2 must not be transported in metal salvage packagings meeting packing Group 1 requirements.

Different Dangerous Goods Packed in One Outer Packaging (Para 5.02.11 of DGR Manual)

An outer packaging may contain more than one item of dangerous goods provided that :

- a. The dangerous goods do not react dangerously with each other and cause:
 - Combustion and/or evolution of considerable heat,
 - The formation of corrosive substances, or
 - The formation of unstable substances, or
 - Evaluation of flammable, toxic or asphyxiant gases.
- b. the dangerous goods do not require segregation according to Table 9.3 A, except as otherwise provided for in these Regulations.
- c. An outer packaging containing Division 6.2 may contain material for refrigeration or freezing or packaging material such as absorbent material as provided in PI 602.
- d. The inner packaging used for each item of dangerous goods and the quantity contained therein complies with the relevant part of the packing instruction applicable to that item.
- e. The outer packagings used are permitted by all packing instructions applicable to each item of dangerous goods.
- f. The package as prepared for shipment meets the specification performance tests for the most restrictive packing group of a substance or article contained in the package.
- g. The quantities of different dangerous goods contained in one outer packaging must be such that **"Q" does not exceed the value of 1**, where "Q" is calculated using the formula :

$$Q = \frac{n1}{M1} + \frac{n2}{M2} + \frac{n3}{M3}$$

Where n1, n2 etc. are the net quantities per package of the different dangerous goods and M1, M2, M3 are the maximum net quantities per package for these different dangerous goods according to the List of Dangerous Goods, for passenger or cargo aircraft, as applicable.

- h. the following dangerous goods do not need to be taken into account in the calculation of the "Q" value :

- Carbon dioxide, solid (dry ice) UN 1845;
- Those where columns H, J and L of the List of Dangerous Goods indicate "No limit";
- Those with the same UN number, packing group and physical state providing they are the only dangerous goods in the package and the total net quantity does not exceed the maximum net quantity shown in the List of Dangerous Goods.

The calculated "Q" value must be rounded upto the first decimal place and entered on the Shipper's Declaration.

Limited Quantities
write 5.0.3.2 upto 5.0.3.4

Inner Packaging

Inner Packagings must be packed, secured or cushioned so as to prevent their breakage or leakage, and so as to control their movement within the outer packaging during normal conditions of transport. Cushioning material must not react dangerously with the contents of the inner packagings.

Unless otherwise provided in the Regulations, liquids in Classes 3, 4 and 8, or Division 5.1 or 6.1, that are packaged in glass, earthenware or plastic inner packagings must be packaged using material capable of absorbing the liquid. Absorbent material must not react dangerously with the liquid. Absorbent material is not required if the inner packagings are so protected that breakage of them and leakage of their contents from the outer package will not occur during normal conditions of transport.

Outer Packaging

The nature and the thickness of the outer packaging must be such that friction during transport does not generate any heat likely to alter dangerously the chemical stability of the contents.

Venting of packagings to reduce internal pressure, which may develop by the evolution of gas from the contents, is not permitted for air transport, except as otherwise specified in these Regulations.

Combination packagings containing liquid dangerous goods, excluding flammable liquids in inner packagings of 120 ml (4 Fl.oz), must be packed so that the closures on the inner packagings are upward and the upright position of the package must be indicated on it by the "Package Orientation" label.

Empty Packaging

An empty packaging that has contained a dangerous substance must be treated in the same manner as is required by these regulations for a package filled with that substance unless adequate measures have been taken to nullify any hazard.

Before any empty packagings which had previously contained as infectious substance is referred to the shipper, or sent elsewhere, it must be thoroughly disinfected or sterilized and all labels must be removed or obliterated.

Empty packaging must be tightly closed and treated according to the hazard they constitute. The word "empty" must then appear on the Shipper's Declaration on place of the quantity.

The appropriate authority of the State of Origin may approve the use of a packaging alternative to those provided in a particular packing instruction indicated in the List of Dangerous Goods for listed dangerous goods provided subject to conditions specified in the Regulations.

Format of Packing Instruction:-

Three digit numbers are indicated in column I and k which are in the series of Hundred as per the class of the hazard except class 7. In case of Class 1, packing instruction will be with 100 series. Similarly class 2 will have packing instructions for Two Hundred series and so on. For class 9, packing instructions will be in the series of 900.

The packing instruction of Limited Quantities will be prefixed by 'Y'.

6.8 Packaging Specifications And Performance Tests

Objectives

With the help of DGR Manual, you will be able to :

- Verify that the use of a packaging complies with the limitation of the specification indicated on the package as required by DG Regulations

Introduction

Packaging is defined as receptacles and any other components or materials necessary for the receptacle to perform its containment function and to ensure compliance with the minimum packing requirements of these Regulations.

Codes Used To Designate Types of Un Packagings

Two systems of codes are used in these Regulations for designating types of packagings. The first is applicable to packagings other than inner packagings. The second is applicable to inner packagings.

Outer/Single Packagings

A three-character code is used for designating packagings other than inner packagings, comprising :

- An Arabic numeral indicating the **kind** of packaging, e.g. drum, jerrican, etc.
- Followed by a capital letter (s) in Latin characters indicating **the nature** of the material, e.g. steel, wood, etc.
- Followed, where necessary, by an Arabic numeral indicating the **category of** packaging within the kind to which packaging belongs.

Composite Packagings

Two capital letters in Latin characters are used to indicate the nature of the materials, the first indicates the material of the inner receptacle and the second indicates the material of the outer packaging.

Combination Packagings

Only the code number for the outer packaging is used.

Packaging Type Code

The following Arabic numerals indicate the kind of packaging :

- 1- Drum
- 2- Reserved
- 3- Jerrican
- 4- Box
- 5- Bag
- 6- Composite packaging

Packaging Material Code

The following Latin characters indicate the material :

A - Steel (all types and surface treatments)

B - Aluminium

C - Natural wood

D - Plywood

F - Reconstituted wood

G - Fibreboard

H - Plastic material

L - Textile

M - Paper, multi-wall

N - Metal (other than steel or aluminium) (not used in these Regulations)

P - Glass, porcelain or stoneware (not used in these Regulations)

If the letter "V" follows the packaging code, this signifies a "Special Packaging". If the letter "U" follows the packaging code, this signifies a "Special Packaging" for infectious substances.

If the letter "W" follows the packaging code, this signifies that the packaging, although of the same type indicated by the code, is manufactured to a specification different from this Sub-section 6.2 of the Regulation. The transport of such packagings is subject to the written approval of the State of origin.

If the letter "T" follows the packaging code, this signifies a "Salvage Packaging".

Inner Packagings

A three or four character code is used in these Regulations for designating inner packagings:

- The capital letters "IP" in Latin characters indicating "Inner Packaging".
- Followed by an Arabic numeral indicating the kind of inner packaging.
- Where appropriate, a capital letter in Latin characters indicating the category within the kind.

Format of Marking

- a. The United Nations packaging symbol: It certifies that packaging complies with the relevant requirements in Sub-section 6.2 and performance tests in Sub-

section 6.3 of the Regulation. For embossed metal packagings the capital letter "UN" may be applied as the symbol;

- b. The code number designating the type of packaging according to para 6.0.3;
- c. The letter X, Y or Z, designating the packaging group (s) for which the design type has been successfully tested:
 - X for Packing Groups I (these packagings may be used for Packing Group I, II, and III articles and substances).
 - Y for Packing Groups II (these packagings may be used for Packing Group II, and III articles and substances).
 - Z for Packing Groups III (these packagings may be used for Packing Group III, articles and substances only).
- d. Followed by, for single packagings intended to contain liquids, a number indicating the relative density, rounded off to the first decimal, for which the design type has been tested; this may be omitted when the relative density does not exceed 1.2.
- e. For Packagings intended to contain solids or inner packagings, a number corresponding to the maximum gross weight, in kilograms, at which the design type has been tested.
- f. Followed by, for single packagings intended to contain liquids, the hydraulic test pressure which the packaging was shown to withstand, in kPa rounded down to the nearest 10 kPa.
- g. For packagings intended to contain solids or inner packagings, the letter "S".
- h. Followed by the last two digits of the year during which the packaging was manufactured. Packagings of types 1H1, 1H2, and 3H2 must also be appropriately marked with the month of manufacture.
- i. Followed by the State authorizing the allocation of the mark indicated by the distinguishing sign for motor vehicles in international traffic.
- j. Followed by the name of the manufacturer or other identification of the packaging specified by the appropriate national authority.

6.8.1 Markings on New, Reconditioned and Remanufactured UN Specification Packaging

After reconditioning a packaging, the reconditioned must apply to it, in sequence, a durable marking showing:

- a. The state in which the reconditioning was carried out, indicated by the distinguishing sign for motor vehicles in international traffic as indicated in Appendix E.1;
- b. followed by the name or authorized symbol of the reconditioned;
- c. followed by the year of reconditioning;
- d. followed by the letter "R" and for every packaging successfully passing the leak progress test, the additional letter "L".

6.8.2 Markings on UN Specification Packages for Infectious Substances

Packagings for infectious substances which meet the requirements of Packing Instruction 602 and Subsection 6.5 must be marked with a packaging marking (see Table 6.0.C)

The packaging marking consists of :

- a. The United Nations packaging symbol.
- b. The code designating the type of packaging.
- c. The text "CLASS 6.2".
- d. The last two digits of the year of manufacture of the packagings.
- e. The State authorizing the allocation of the mark, indicated by the distinguishing sign for motor vehicles in international traffic.
- f. The name of the manufacturer or other identification of the packaging specified by the appropriate national authority.

6.8.3 Markings on UN Salvage Packagings

Salvage packagings which meet the requirements of 5.0.1.6 and Subsection 6.7 of the Regulation must be marked with a packaging marking.

6.9 UN Packaging Performance Tests

The performance tests are designed to ensure that there will be no loss of contents under normal transport conditions. The severity of the tests on a packaging is dependent

Table 7.A (Refer Table 6.0.C of DGR Manual)

Example of UN Specification Markings- New Packaging

Packaging	UN Symbol (a)	Type Code (b)	Packing Group (c)	Gross Weight (e)	Solid or IP (g)	Density (d)	Test Pressure (f)	Year of manufacture (h)	State (i)	Manufacturer (j)	Complete Co.
Fibreboard Box	U N	4G	Y	145				99	NL	VL823	U 4G/Y145/S/g N NL/VL823
Steel drum to contain liquids	U N	1A1	Y	S		1.4	150	99	NL	VL824	U1A1/Y1.4/150 N NL/VL824
Steel drum to contain solids or inner packagings	U N	1A2	Y	150	S			99	NL	VL825	U 1A2/Y150/S N NL/VL825
Plastic box or equivalent specification	U N	4HW	Y	136	S			99	NL	VL8236	U 4HW/Y136/S N NL/VL826
Fibreboard Box	U N	4G	X, Y, Z	20, 30 45	S			99	NL	ABC1234	U 4G/X20-Y31 N Z45/S99/ NL/AB/1234

**Table 7.B (Refer Table 6.0D of DGR Manual)
Example of UN Specification Markings- Reconditioned Packaging**

UN Symbol	Original Packaging Code	State	Name	Year	Complete Code
U N	1A1/Y1.4/150/86/NL/VL824	NL	RB	02RL	U 1A1/Y 1.4/150/86 N NL/RB/02RL
U N	1A2/Y150/S/86/USA/ABC PACK	USA	RB	02R	U 1A2/Y150/S/86 N USA/RB/02 R

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**Table 7.C (Refer Table 6.0E of DGR Manual)
Example of UN Specification Markings- Infectious Substance**

UN Symbol	Type Code	Test	Year	State	Manufacturer	Complete Code
U N	4G	CLASS 6.2	02	DK	SP-9989-ERIKSSON	4G/CLASS 6.2/02 DK/SP-9989-ERIKKSON

**Table 7.C (Refer Table 6.0E of DGR Manual)
Example of UN Specification Markings- Infectious Substance**

UN Symbol (a)	Type Code(b)	Packing Group(c)	Gross Mass(d)	Solid or IP (e)	Year of Manufacture(f)	State	Manufacturer	CompleteCode
U N	1A2T	Y	300	S	02	USA	abc	1A2T/Y300/S/02 USA/abc

on the intended contents taking account of the degree of danger, i.e. packing group, relative density (specific gravity) and vapour pressure (for liquids).

A packaging design type is defined by the design, size, material and thickness, manner of construction and packing, but may include various surface treatments.

Articles or inner packagings of any type for solids or liquids may be assembled and transported without testing in an outer packaging subject to the conditions explain in para 6.3.1.7 of DGR manual.

6.9.1 Test Criteria for Limited Quantity Packaging

Drop Test

The package, packed as if for transport, must be capable of withstanding a 1.2 metre (4 ft) drop test onto a rigid, non-resilient, flat, horizontal surface, in a position most likely to cause damage, without showing any damage or leakage which is likely to affect safety during transport.

Stacking test

Each package offered for transport must be capable of withstanding, a force applied to the top surface for a duration of 24 hours equivalent to the total weight of identical packages if stacked to a height of 3 m (including the test sample).

6.9.2 Test Criteria for Salvage Packagings

Salvage packages must be tested and marked in accordance with the requirements applicable to packing Group II packagings intended for the transport of solids or inner packagings, except as follows :

- The test substance used in performing the tests must be water, and the packagings must be filled to not less than 98% of their maximum capacity. In performing the drop test, the drop height must meet the requirements of 6.3. of the Regulations.
- Packagings must have been successfully leak proofness tested at 30 kPa with the test results reflected in the test report required by 6.3.7 of the Regulation.
- The marking required by UN specification must be followed by the letter "T".

6.10 Marking and Labelling

Objectives

With the help of DGR Manual, you will be able to:

- properly mark and label a dangerous goods package or verify the marking and labelling requirements have been met as required by DG Regulations.

6.10.1 Labelling

The hazard labels to be used on packages and over packs of dangerous goods are specified in the List of Dangerous Goods in section 4.2.

Types of labels

- **Hazard labels** (in the shape of a square set at 45°)
- **Primary and Subsidiary hazard labels:** The label identifying
- **Handling labels** (in various rectangular shapes), which are required, either alone or in addition to hazard labels, for some dangerous goods.
- **"Magnetized Material"** label must be used on packages and overpacks containing magnetized material.
- **"Cargo Aircraft Only"** label must be used on packages containing dangerous goods that are permitted only on cargo aircraft.
- **"Cryogenic Liquid"** label must be used in addition to the Non-flammable gas (Div.2.2) hazard label on packages and overpacks containing Cryogenic Liquid.
- **"The Package Orientation"** (This Way Up) label or reprinted package orientation meeting must be used on combination packagings and overpacks containing liquid dangerous goods, excluding packages containing flammable liquids in inner packagings of 120 ml (4 Fl.oz) or less, infectious substances or radioactive material. The words **"Dangerous Goods"** may be inserted on the label below the line. When a package orientation label is affixed, the words "THIS SIDE UP" or "THIS WAY UP" may also be displayed on the top of the package or overpack.

- **"Keep Away From Heat"** label should be used in addition to the applicable hazard label on packages and overpacks containing self reactive substances in Division 4.1 and Division 5.2 Organic Peroxides.
- Radioactive material, excepted package- should be affixed to all excepted packages of Radioactive material (mandatory from 1st January, 2007)

Affixing of Labels

- All labels must securely affixed or printed on the packaging so that they are readily visible and legible.
- Each label must be affixed or printed on a background of contrasting colour.
- Labels must not be folded or affixed in such a manner that parts of the same label appear on different faces of the package.
- If the surface of the package will not accept labels, it is acceptable to attach the label(s) to the package by means of strong tag(s).
- Labels should be affixed adjacent to the shipper's or consignee's address appearing on the package. Subsidiary hazard labels, when applicable, should be affixed adjacent to the primary hazard label.
- When a "Cargo Aircraft Only" label is required, it must be affixed adjacent to the hazard label(s).

6.10.2 Marking

The shipper is responsible for all necessary marking and labelling of each package of dangerous goods, and each overpack containing dangerous goods in compliance with DGR Manual. Each package must be of such a size that there is adequate space to affix all required markings and labels.

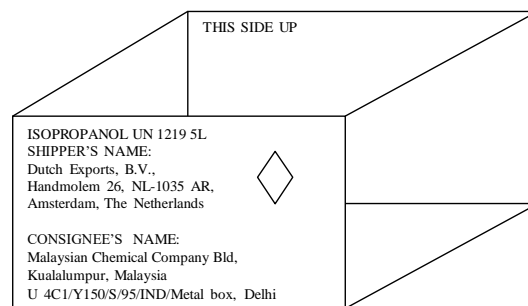
Arrows for purposes other than indicating proper package orientation must not be displayed on a package containing liquid dangerous goods.

Once the goods are identified, these required correct marking and labelling for safe transportation of goods. Essentially the marking and the labels indicate.

- the contents
- certification of packaging standards, and
- procedure for safe handling and storage

Each package containing Dangerous Goods must be marked, durably and legibly on the outside of the package with each of the following:

- a) PSN & corresponding UN/ID preceded by letter "UN OR "ID".
- b) Full name and address of the Shipper and the consignee
- c) For class 1, net quantity of explosives and the GROSS WEIGHT of the package
- d) For Class 2 to 6, class 8 and UN 1845- Carbon dioxide, solid (dry ice), the net quantity of dangerous goods contained in each package whose column H, J, L in subsection 4.2 is gross weight, then the gross weight of the package must be shown adjacent to UN Number and proper shipping name.
- e) For infectious substances, name & telephone number of responsible persons.
- f) For packages having limited quantity, mark "LTD QTY" or "LIMITED QUANTITY"
- g) For salvage packing, mark the word "Salvage".



From the above illustration, it can be seen that the markings/labellings are as under:

- Proper Shipping Name has been marked first, i.e. ISOPROPANOL.
- Next comes the UN/ID Number of the article, i.e. UN 1219.
- Net or gross quantity on the package or overpack (w.e.f 1st January 2004)
- The names/addresses in full of the consignor.or consignee.
- The UN symbol means that the box is of UN/ICAO standard.
- 4C1: It is the outer packaging specification.
- "Y": It means the box has been successfully tested for Packing Groups II and III.
- 150/S: This explains that the box has been successfully tested for a gross mass of 150 kg., followed with the letter "S" to denote that the packaging is intended to contain solids or inner packagings.
- 95: These digits show the year of manufacture of the box.
- IND: Motor Vehicle Code in international traffic of the country where test has been conducted.

- METAL BOX, DELHI: gives the name of manufacturer of the box.
- Hazard Labels:
- **Flammable liquid** Label with Class number 3: It is to be affixed close to consignee's name and address.
- Handling labels:
- The handling label "**CARGO AIRCRAFT ONLY**" is affixed below the hazard label, since this article is not permitted to be carried in passenger aircraft.
- Package orientation labels (**This Side Up**): these labels are to be affixed on two opposite sides of the box, since the contents are liquid.
- "**THIS SIDE UP**" may also be written on top of the box. (optional)

6.11 Documentation

Objectives

With the help of DGR Manual, you will be able to :

- complete a Shipper's Declaration for dangerous Goods or verify the information provided on the form complies with the Regulations
- properly enter the appropriate information on the Air Waybill or verify that the information was entered properly as required by D Regulations.

Introduction

The following four documents are required for the carriage of Dangerous Goods:

- Shipper's Declaration for Dangerous Goods
- Air waybill or Consignment Note
- Checklist
- Special Load Notification to Commander

The above documents are required too be completed as laid down in sections 8 and 9 of the DGR Manual for carriage of Dangerous Goods.

Shipper's Declaration for Dangerous Goods

The declaration form must be completed in the English language, if required by the States of origin and/or destination, the wording in English may be accompanied by an accurate translation in another language.

Two copies of the declaration form must be completed and signed, with signature for presentation to the operator with the shipment. One signed copy must be retained by the accepting operator. The other signed copy must be forwarded with the shipment to its destination. One of the two copies, including the signature thereon, may be a carbon copy.

The declaration form may be printed in black and red on white paper, or it may be printed in red only on white paper. The diagonal hatchings printed vertically in the left and right margins must be printed in red.

6.11.1 Shipper's Responsibility

The shipper is responsible for the completion of a prescribed declaration form, "Shipper's Declaration for Dangerous Goods", for each and every shipment containing dangerous goods so defined or classified in these Regulations unless it is stated that a Shipper's Declaration is not required. For each shipment containing dangerous goods the shipper must :

- use only the correct form in the correct manner;
- complete the form accurately and legibly;
- ensure that the form is properly signed when the shipment is presented to the operator for shipment; and
- ensure that the shipment has been prepared in accordance with these Regulations.

The declaration form must be signed by the shipper. The signature may be written by hand, or it may be in the form of facsimile reproduced by printing or stamping or as a carbon copy. A type written signature is not acceptable. The declaration form must not, in any circumstances, be completed and/or signed by a consolidator, a forwarder or an IATA Cargo Agent.

The shipper may complete the "Shipper's Declaration for Dangerous Goods" either manually or mechanically (typewriter, computer etc.).

Entries in the boxes for AIR WAYBILL NUMBER, AIRPORT OF DEPARTURE and AIRPORT DESTINATION may be inserted either by the shipper, his agent, or by the accepting airline, but all other details must be entered only by the shipper.

The operator will not accept a declaration form that has been altered or amended, unless the alteration or amendment to an entry has been signed by the Shipper with the same signature used to sign the document.

AIR WAYBILL

An Air Waybill containing both dangerous goods and non-dangerous goods must show the dangerous goods separately by listing them first, except for Dry Ice when used as a refrigerant.

Air Waybill(s) accompanying dangerous goods consignment(s) must include one or more of the following statements, as applicable, in the **“Handling Information”** box:

- **“Dangerous goods as per attached Shipper’s Declaration”;**
- **“Dangerous goods - Shipper’s Declaration not required”;**
- **“Cargo Aircraft Only”.**

Airport of Destination		<u>Requested Flight/Date</u>		Amount of Insurance		INSURANCE- If carrier offers insurance and such insurance is requested in accordance with the condition thereof, indicate amount to be insured in figures in box marked "Amount of Insurance".	
Handling Information							SCI
No. of Pieces RCP	Gross Weight	Kg Ib	Rate Class Commodity Item No.	Chargeable Weight	Rate/Change	Total	Nature and Quantity of Goods (incl. Dimensions of Volume)
							Ammunition

FIGURE 8.1.F
Shipper's Declaration Completion- Example 2

SHIPPER'S DECLARATION FOR DANGEROUS GOODS

Shipper

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ABC Company 1000High Street Youngville, Ontario Canada		Air Way bill No. 800 1234 5686 Page 1 of 1 Pages Shipper's Reference Number (optional)
Consignee CBA Lte 50 Rue de la Paix Paris 75006 France		<i>For optional use</i> <i>For</i> <i>Company logo</i> <i>name and address</i>
Two completed and signed copies of this Declaration must be handed to the operator.		WARNING Failure to comply in all respects with the applicable Dangerous Goods Regulations may be in breach of the applicable law, subject to legal penalties. Shipment type: (delete non-applicable) NON-RADIOACTIVE
TRANSPORT DETAILS		
This shipment is within the limitations prescribed for: CARGO AIRCRAFT ONLY	Airport of Departure: Youngville	
AIRPORT OF DESTINATION: Paris, Charles de Gaulle		

NATURE AND QUANTITY OF DANGEROUS GOODS
Dangerous Goods Identification

UN or ID No.	Proper Shipping Name	Class or Division (Subsidiary Risk)	Packing Group	Quantity and type of packing	Packing Inst.	Authorization
UN1816	Propyltrichlorosilane	8 (3)	II	3 Plastic Drums × 30 L 1 Fibreboard box × 10 kg	813 430	
UN3226	Self-reactive solid type D (Benzenesulphonyl hydrazide)	Div. 4.1				
UN1263	Paint	3	II	2 Fibreboard boxes × 4L	305	
UN1263	Paints	3	III	1 Fibreboard box × 30 L	309	
UN3166	Vehicle, flammable liquid powered	9		1 automobile 1350 kg	900	
UN3316	Chemical kits	9	II	1 Fibreboard box × 3 kg	915	
UN2794	Batteries, wet filled acid	8		1 Wooden box 50 kg G	800	
Additional Handling Information						
The packages containing UN3226 must be shaded from direct sunlight, stored away from all source of heat in a well ventilated area. 24-hour Number: +1 9051234567						
<p>II hereby declare that the contents of this consignment are fully and accurately described above by the proper shipping name, and are classified, packaged, marked and labelled/placarded, and are in all respects in proper condition for transport according to applicable international and national governmental regulations. I declare that all of the applicable air transport requirements have been met.</p>				<p>Name/Title of Signatory B.Smith, Dispatch Supervisor</p> <p>Place and Date Youngville 1 January 2006</p> <p>Signature <i>B. Smith</i></p> <p>(see warning above)</p>		

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If a Shipper's Declaration is not required for dangerous goods, "the Nature and Quantity of Goods" box of the Air Waybill must show in sequence :

- proper shipping name;
- class or division number;
- UN or ID number;
- packing group;
- subsidiary risk, if any;
- number of packages;
- net quantity per package;
- packing instruction.

For 'excepted quantities of dangerous goods' which meet the requirement of subsection 2.7, the following endorsement is required in the 'Nature and Quantity of Goods' box of the Air Waybill : "Dangerous Goods in Excepted Quantities".

FIGURE 8.2.E
Consignment Containing Dangerous Goods for which a Shipper's Declaration Not Required

Airport of Destination		<u>Requested Flight/Date</u>		Amount of Insurance		INSURANCE-If carrier offers insurance and such insurance is requested in accordance with the condition thereof, indicate amount to be insured in figures in box marked "Amount of Insurance".	
Handling Information							
SCI							
No. of Pieces RCP	Gross Weight	Kg	Rate Class	Chargeable Weight	Rate/Charge	Total	Nature and Quantity of Goods (incl. Dimensions of Volume)
		lb	Commodity Item No.				
							Frozen Fish Carbon Dioxide, solid 9 UN1845 2 × 40 Kg

FIGURE 8.2.F
Consignment Containing Dangerous Goods in Excepted Quantities

Airport of Destination		<u>Requested Flight/Date</u>		Amount of Insurance	INSURANCE- If carrier offers insurance and such insurance is requested in accordance with the condition thereof, indicate amount to be insured in figures in box marked "Amount of Insurance".		
Handling Information							SCI
No. of Pieces RCP	Gross Weight	Kg	Rate Class	Chargeable Weight	Rate/Change	Total	Nature and Quantity of Goods (incl. Dimensions of Volume)
		Ib	Commodity Item No.				
							Dentil Kit- Dangerous Goods in Excepted Quantities

6.11.2 Information to Pilot-in-Command

The operator of an aircraft in which dangerous goods are to be carried must provide the pilot-in-command as soon as practicable prior to departure with written information concerning dangerous goods which specifies at least the following :

- the Air Waybill number;
- the Proper Shipping Name (supplemented with the technical name(s) if appropriate) and UN Number or ID Number;
- the Class or Division, and subsidiary risk(s);
- the Packing Group as shown on the shipper's Declaration;
- the number of packages, the net quantity, or gross mass if applicable, of each package, except that this does not apply to radioactive material or dangerous goods where the net quantity or gross mass is not required on the Shipper's Declaration for dangerous goods and their exact loading locations;
- whether the package must be carried on cargo aircraft only;
- the aerodrome at which the package(s) is to be unloaded; and
- an indication that the dangerous goods are being carried under a State exemption (where applicable).

This information to the pilot-in-command should be presented on a dedicated form and should not be by means of airway bills, "Shipper's Declaration for Dangerous Goods" invoices etc.

The information to the pilot-in-command must also include confirmation that there is no evidence that any damaged or leaking packages have been loaded on the aircraft.

The written information to the pilot-in-command readily available to him during flight.

Table 9.2 - Notification to Captain

Station of Loading	Flight Number	Date	Aircraft Registration		Prepared By								
Dangerous Goods													
Station of Unloading	Air Waybill Number	Proper Shipping Name	Class or Division on for Class I comp at. grp	UN or ID Number	Su b. risk	Num b. er of Pkgs	Net quan tity or Tran sp. Index Per pkg	Rad io acti ve Mat. Cat ego ry	Packa ging group	Imp Code	C A O (×)	Loaded	
												ULD ID	Posi-tion
OTHER SPECIAL LOAD													
Stat. of Unload	Air Waybill Number	Contents and description	Number of Package	Quantity	Supplementary information				IMP Code	Loaded			
												ULD ID	Position
Loading Supervisor's signature		Captain's Signature		Other Information									

6.12 Handling of Dangerous Goods

Objectives

With the help of DGR Manual, you will be able to :

- handle/accept and load the cargo
- accept or reject a shipment correctly by use of an acceptance check list.
- follow general emergency procedures when a damaged / leaking package is discovered as required by DG Regulation

Introduction

The responsibilities of operators with regard to the acceptance, handling and loading of dangerous goods is dealt in section 9 of DGR Manual. However, nothing contained therein should be interpreted as requiring an operator to transport a particular or substance or as preventing an operator from imposing special requirements on the transport of such article or substance.

Acceptance

An operator must not accept a package or overpack containing dangerous goods or a unit load device containing dangerous goods nor a freight container containing radioactive mater for transport abroad an aircraft unless it is accompanied by two copies of the "Shipper's Declaration for Dangerous Goods" or, where permitted, by the alternative documentation. One copy must accompany the consignment to final destination.

Before acceptance, the operator must inspect it and check its marking and labelling and determine that there is no leakage. With regard to overpacks and the packages they contain, the operator must take all reasonable steps to establish that :

- the overpack does not contain package(s) bearing the "Cargo Aircraft Only" label except where:
 - not more than one package is contained in the overpack, or
 - if more than one package is contained in the overpack, the packages are assembled in such a way that clear visibility and easy access to them is possible.

- The statement "INNER PACKAGES COMPLY WITH PRESCRIBED SPECIFICATION" appears on an overpack used to enclose any packages bearing UN specification markings or Type A or B markings for radioactive material, unless these package specification markings are visible;
- The markings "Limited Quantity" or "Ltd Qty." on packages containing dangerous goods in limited quantity, and
- Proper shipping names, UN/ID numbers labels, special handling instructions and the name and address of the shipper/consignee appearing on the interior packages are clearly visible or reproduced on the outside of the overpack.

6.12.1 Special Responsibilities

Advance arrangements must be made between the shipper and the operator prior to accepting a shipment of infectious substances and containing self-reactive substances and/or organic peroxides of Division 5.2.

6.12.2 Acceptance Check List

The operator must use a check list with respect to acceptance of dangerous goods. This check list must include all reasonable steps to establish that:

- the package(s) are correctly marked and labelled in accordance with DGR Manual and
- the documentation complies with the detailed requirements of Subsection 6.1 for radioactive material and 8.1 for other dangerous goods of DGR Manual.

6.12.3 Consolidations

Consolidation is a consignment of multi-packages which has been originated by more than one person each of whom has made an agreement for carriage by air with another person other than a scheduled air carrier. Dangerous goods are accepted in consolidations under the following conditions :

- Dangerous goods may be consolidated with goods not subject to these Regulations.
- Dangerous goods in consolidations must be identified, classified, packed, marked, labelled and documented in accordance with these Regulations and be free from any indication of damage or leakage.

- Packages and overpacks containing dangerous goods must be offered to the operator separately from the goods in the consolidation that are not subject to these Regulations. Dangerous goods in consolidations are not acceptable in unit load devices, unless specifically permitted by these Regulations.
- Shipper's declaration for dangerous goods is required for each component (house) consignment.

6.13 Storage of Organic Peroxide and Self-Reacting Substances

During the course of transport, packages or unit load devices containing self-reactive substances or organic peroxide must be shaded from direct sunlight and stored away from all sources of heat in a well ventilated area and not overt stowed with other cargo.

Loading

Dangerous goods may be carried in a main deck cargo compartment of a passenger aircraft provided that the compartment meets all the certification requirements for a Class B aircraft cargo compartment. Dangerous goods bearing the "Cargo Aircraft Only" label must not be carried on a passenger aircraft.

Incompatible Dangerous Goods

Packages containing dangerous good might react dangerously with each other must not be showed on an aircraft next to each or in a position that would allow interaction between them in the event of leakage. As a minimum, the following segregation must be observed (see table below). An "x" in the intersection of a row and a column indicated that packages containing these classes/divisions of dangerous goods must be segregated. A "-" at the intersection of a row and a column indicated that packages containing these classes/divisions of dangerous goods do not require segregation.

Note: Division 4.1 and Classes 6, 7 and 9 are not included in table given below as they do not require segregation from other classes of dangerous goods.

TABLE 9.3.A
Segregation of Packages (9.3.2)

Hazard Label	1 excl. 1.4S	1.4S	2	3	4.2	4.3	5.1	5.2	8
1 excluding 1.4S	Note 2	Note 2	×	×	×	×	×	×	×
1.4S	Note 2	-	-	-	-	-	-	-	-
2	×	-	-	-	-	-	-	-	-
3	×	-	-	-	-	-	×	-	-
4.2	×	-	-	-	-	-	×	-	-
4.3	×	-	-	-	-	-	-	-	×
5.1	×	-	-	×	×	-	-	-	-
5.2	×	-	-	-	-	-	-	-	-
8	×	-	-	-	-	×	-	-	-

Note :

1. See 9.3.2.2

2. See 9.3.2.2.4

3. An "×" in the intersection of a row and a column indicated that packages containing these classes/divisions of dangerous goods must be segregated. A "-" at the intersection of a row and a column indicated that packages containing these classes/divisions of dangerous goods do not require segregation.

4. Division 4.1 and Classes 6,7 and 9 are not included in Table 9.3.A as they do not require segregation from other classes of dangerous goods.

Loading of Packages Containing Liquid Dangerous Goods

Packages bearing the package orientation "This Way Up" label must be loaded and stowed accordingly. Single packagings with end closures containing liquids must be stowed with such closures upwards.

Loading on Cargo Aircraft

Packages or overpacks bearing the "Cargo Aircraft Only" label must be loaded so that

they can be seen, handled and, where size and weight permit, separated from each other cargo in flight. This requirement does not apply to:

- substances of Class 3, Packing Group III, without a subsidiary risk;
- toxic and infectious substances (Class 6);
- radioactive material (Class 7);
- miscellaneous dangerous goods (Class 9).

Securing of Dangerous Goods

When dangerous goods subject to the requirements herein are loaded in an aircraft, the operator must protect the dangerous goods from being damaged. The operator must secure such goods in the aircraft in a manner that will prevent any movement in flight which would change the orientation of the packages.

Replacement of Labels

When an operator discovers that labels have become lost, detached or illegible, he must replace them in accordance with the information provided on the "Shipper's Declaration for Dangerous Goods". This requirement does not apply where the labels are found to be missing or illegible at the time of acceptance.

Stowage of Toxic (Poisonous) and Infectious Substances

Substances requiring labels of Class 6 (toxic or infectious substances) must not be stored in the same compartment with animals, food stuffs, feed or other edible substances intended for consumption by humans or animals.

Loading of Magnetized Materials

Magnetized materials must not be loaded in such a position that they will have a significant effect on the direct-reading magnetic compasses or on the master compass detector units. The minimum stowage distance of the magnetized materials from the aircraft compasses or compass detector units will depend on the intensity of the magnetized materials filed strength.

Loading of Dry Ice

Dry ice (solid carbon di-oxide) shipped by itself or use as a refrigerant for other commodities may be carried provided that the operator has made suitable arrangements dependent on the aircraft type, the aircraft ventilation rates, the method of packing

and stowing, whether or not animals will be carried on the same flight and other factors. The operators must ensure that ground staffs are informed that dry ice is being loaded or is on board the aircraft.

Loading of Live Animals and Dangerous Goods

Live animals should not be loaded in close proximity of cryogenic liquids or dry ice.

6.14 Loading of Wheelchairs or Other Battery Operated Mobility Aids as Checked Baggage

Wheel chairs or other battery-powered mobility aids with spillable batteries, being carried with the approval of the operator as checked baggage must be loaded as follows :

- If the wheel chair or the mobility aid is loaded, stowed, secured and unloaded always in an upright position, the battery must be disconnected, the battery terminals insulated to prevent accidental short circuits and the battery securely attached to the wheel chair or mobility aid.
- If it cannot be kept in upright position, the battery must be removed and the wheelchair or mobility aid may then be carried as checked baggage without restriction

The pilot-in-command must be informed the location of a wheel chair or mobility aid with an installed battery or the location of a packed battery.

6.15 Inspection for Damage or Leakage

Packages or overpacks containing dangerous goods must be inspected for signs of damage or leakage upon unloading from the aircraft or unit load device. If evidence of damage or leakage is found, the position where the dangerous goods or unit load device was stowed on the aircraft must be inspected for damage or contamination and any hazardous contamination removed.

6.16 Reporting of Undeclared or Misdeclared Dangerous Goods

An operator must report any occasion when undeclared or misdeclared dangerous goods are discovered in cargo or when dangerous goods not permitted under section

2.3.2 of DGR Manual are discovered in passenger's baggage. Such reports must be made to the appropriate authority of the State in which this occurred.

6.17 Dangerous Goods Emergency Procedure

Emergency procedures must be available wherever dangerous goods are handled. Such procedures may be established by government or airport authorities or operators or other sources.

6.1 Procedures

The general emergency procedures to be followed comprise the following :

- Advise immediate supervisor first.
- Identify the substances involved by reference to documentation (Shipper's Declaration) or package markings.
- Isolate the package by removing other package or property.
- Isolate the area and advise emergency services as per local procedures.
- Avoid contact with the contents of the package.
- If contents come in contact with body or clothes:
 - thoroughly wash off body with plenty of water;
 - remove contaminated clothes;
 - do not eat or smoke
 - keep hand away from eyes, mouth and nose;
 - apply for medical assistance.

TABLE 9.3 - DANGEROUS GOODS EMERGENCY RESPONSE CHART

Hazard Class Division and Compatibility Group	Dangerous Goods Class	Hazard Description	Immediate Action Minimize leakage and contact with other cargo
1.3C 1.3G	Explosives (acceptable on Cargo Aircraft only)	Fire and minor hazard and /or minor propulsive hazard	Notify Fire Brigade Guard against fire
1.4B 1.4C 1.4D 1.4E 1.4G		Fire, but no other significant hazard	
1.4S		Explosives (Safety)		Small fire hazard
2.1 2.2 2.2	Flammable Gas Non- Flammable Gas Cryogenic Liquid	Ignites when leaking High pressure cylinder bursting Sub cooling	See Explosives Evacuate goods-ventilate area Keep away minimum 25m
2.3	Toxic Gas (acceptable on Cargo Aircraft only)	High pressure cylinder bursting and toxic inhalation	
3	Flammable Liquid	Ignites when leaking	See Explosives Do no use water under any circumstances
4.1	Flammable solid	Combustible, contributes to fire	
4.2	Spontaneously Combustible	Ignites in contact with air	
4.3	Dangerous when wet	Ignites in contact with water	
5.1 5.2	Oxidizer Organic Peroxide	Ignites combustibles on contact Reacts violently with other substances	See Explosives Do no use water
6.1	Toxic	Harmful if swallowed, inhaled or in contact with skin	Isolate area Obtain qualified assistance Do not touch

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TABLE 9.3 - DANGEROUS GOODS EMERGENCY RESPONSE CHART

Hazard Class Division and Compatibility Group	Dangerous Goods Class	Hazard Description	Immediate Action Minimize leakage and contact with other cargo
6.2	Infectious Substance		
7 Cat I 7 Cat II/III	Radioactive- White Radioactive- Yellow	Radiations hazards and harmful to health	Keep away minimum 25m
8	Corrosive	Hazardous to skin and metal	See Explosives Avoid contact with skin!
9	Polymeric Beads Magnetized Material Dry Ice Miscellaneous Dangerous Goods	Evolves small quantities of flammable gas Affects navigation system Causes subcooling/suffocation Hazards not covered by other classes	Avoid contact with skin! No immediate action required

6.18 Radioactive Materials

Objectives

With the help of DGR Manual, you will be able to :

- Classify, identify, packing, marking & labelling and documentation of Radioactive material as required by DG Regulation

Introduction

1. Radioactive Materials are classified as Class 7.
2. The rules and regulations in DGR for the carriage of Radioactive Materials are detailed in Section 3.7 and 10.0 and are based on recommendations of IAEA (International Atomic Energy Agency) Vienna, of 1973.
3. As per Appendix 'E', the National competent Authority in India for authorizations and approvals of Radioactive material is:-

Chairman, Atomic Energy Regulatory Board,

Niyamak Bhawan,

Anu Shaktinagar, Bombay - 400094, INDIA

Tel : +91 (22) 25562343

Fax : +91 (22) 25562344

Email : sukhatme@aerb.gov.in

4. Radioactive Materials are unstable substances which emit invisible rays which could be hazardous and even fatal in high concentrations.

Background

The smallest division of an element yields an 'atom' which retains the chemical properties of the element. An atom further consists of a core called the 'nucleus'

surrounded by 'electrons' which orbit around the nucleus. The nucleus consists of two types of particles called 'protons' and 'neutrons'. Protons are electrically positively charged carrying one positive charge each. Each electron carries one negative charge and neutrons carry no charge. In any atom, the number of protons inside the nucleus will be equal to the number of electrons and, therefore, all atoms are electrically neutral.

Atomic Number

Atomic number represents the number of electrons orbiting around the nucleus or number of protons in the atom.

Mass Number

Total number of protons and neutrons in the nucleus of an atom.

Radioactivity

There are some elements in which the nucleus contain an excess of either protons or neutrons. Sometimes such excess could result in the nucleus being unstable. For attaining stability such nuclear emit either particles or matter of electromagnetic energy. Such an emission of particles or energy is termed as radiation or ionizing radiation. The property of emission or radiation by unstable nuclei is called radioactivity. Radioactive Materials are therefore articles or substances, which spontaneously and continuously emit ionizing radiation which can be harmful to the health of humans and animals and can affect photographic or x-ray film.

Activity

The average number of atomic transformations occurring per second is termed the activity of the Radioactive Material.

The activity or strength of a Radioactive Material is measured in units of curie or millicurie or Becquerel. As per Section 3.7.1 of the DG Regulations, a material can

be classified as a Radioactive material for the purpose of dangerous goods, where both the activity concentration and the total activity in the consignment exceeds the value specified in 10.4.2.1 to 10.4.2.5 of DGR.

Proper Shipping Names

Proper shipping names for Radioactive Materials are listed in Section 10.4.1 of Section 10 of the DGR manual. It will be observed that the Proper Shipping Names are mostly starts with the name RADIOACTIVE MATERIAL.

Transport Index For Radioactive Package

Transport Index (TI) is a single number assigned to a package, overpack or freight container used to provide control over both nuclear critically safety and radiation exposure.

It may be noted that the Transport Index value is the essential factor to determine transportation, labelling, maintaining safe distance while handling Radioactive Materials and to define the number of packages allowed in a freight container or aboard an aircraft.

Marking And Labelling

Radioactive Material Packages

- a. Markings
 - I. Proper Shipping Name
 - II. UN Number
 - III. Name/Address of Consignor/Consignee
 - IV. Type of Packaging, i.e. Type IP-2 or IP-3, Type 'A' Type 'B' (U) or Type B (M) and Type C Package-

- V. Universal trefoil mark durably embossed and serial number to uniquely identify the packaging on the box only in the case of Type B (U), Type B (M) and Type C Package.
- VI. VRI code of the country or origin of design and name of manufacturer in case of IP & Type "A".
- VII. Weight to be reflected at the end, if it exceeds 50 kg. (110.ib).

b. Labelling

- I. RRW Category I White Label (T.I. is 0)
- II. RRY Category II Yellow "(T.I. more 0, but less than or equal to 1)
- III. RRY Category III Yellow "(T.I. more 1, but less than or equal to 0)

Following details are also to be entered on the label"

Symbol of Radionuclide as listed in Table 10.4.A

Activity in Becquerels.

Transport Index for Yellow II and III labels only.

- IV. Critical Safety Index (CSI) label.

c. Fixation of Labels

- I. Two identical hazard labels have to be affixed on two opposite sides of the package. Also, one label to be affixed close to consignee's name and address.
- II. If applicable, two "Cargo Aircraft Only" Handling label to be affixed next to hazard labels.

Packagings

Basically there are five types of packaging for Radioactive Materials as per IAEA Regulations :

- i. Type a Packaging - Table 10.5.111 of DGR Manual

- ii. Type B (U) Packaging - Unilateral approval from competent authority is required.
- iii. Type B (M) Packaging - Multilateral approval from competent authorities of origin/transit and destination points required
(Cargo aircraft Only)
- iv. Type C Packaging - Unilateral approval from competent authority is required.
- v. Strong Industrial Packaging
- vi. Excepted Packages
- vii. Special Arrangement

Documentation

- Shipper's Declaration is necessary in all cases except for excepted category of Radioactive Materials - vide 10.8.2 through 10.8.3 pf DGR Manual.
- Air Waybill(s) accompanying radioactive material/ consignment(s) must include the following statements, as applicable, in the "Handling Information" box:
 - a. "Dangerous Goods as per attached Shipper's Declaration".
 - b. "Cargo Aircraft only" or "CAO"

6.19 Procedure for usage of DGR Regulations

The detail content of DGR Manual gives all the necessary provisions to enable a consignment of dangerous goods to be correctly prepared for air transport. However, to assist users of this document, the following step-by-step procedure is given for guidance to ensure all the applicable requirements for classifying, packing, marking, labelling and documenting are met.

- Determine the correct technical name or composition of the substance or the description of the article.
- Ensure that substance is not forbidden on aircraft under section 2.1.
- Ascertain whether the name or composition of the article or substance appears in the list of dangerous goods in subsection 4.2, if so, read of Table 4.2 and Act accordingly.
- If it is not listed in subsection 4.2 ask for the certification of properties to compare it with known properties with the definition for the various classes in section 3.
- If the properties are not available, test should be carried to determine the appropriate class and division.
- If it cannot be categorized under section 3, consider it to be non-dangerous good.
- If the articles or substances are with multiple hazards, the provision of subsection 3.10 should be followed at determined the following:
 - Primary hazard
 - Secondary hazard
 - Packing group
 - Correct classification as per Table 4.1A
 - Determine UN/ID number
 - Crosscheck Table 4.3
 - Refer table 4.2 for further details.
- Subsection 2.9 must always be checked to determine all applicable State and Operator Variations.
- Ensure all the appropriate markings and labels affixed to and printed on packages.

- Prepare the Air Waybill and complete and sign the Shipper's Declaration for Dangerous Goods (for Shipper or his agent)
- Before accepting the consignment, fill up the checklist (Appendix I) to verify Shipper's Declaration for dangerous goods Air Waybill, Package(s) and Overpacks, Marking, Labeling and other relevant information. **NEVER ACCEPT OR REFUSE A SHIPMENT BEFORE ALU ITEMS HAVE BEEN CHECKED IN THE CHECKED**

If any question is answered with a 'NO' do not accept the shipment and give a duplicate copy of this completed form to the shipper.

Notes

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Notes

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INDIA TRAVEL MAP



