



IFFCO-TOKIO GENERAL INSURANCE CO. LTD

Regd. Office: IFFCO Sadan, C-1, Distt. Centre, Saket, New Delhi-110017

**Comprehensive Large Risk Insurance Policy
Wording
UIN:IRDAN106CP0003V01202324**

Policy Number :

Name :

Address :

Dear Customer,

Subject: Comprehensive Large Risk Policy No.

Welcome to the world of IFFCO-Tokio General Insurance Company Limited.

We would like to take this opportunity to thank you for choosing **Comprehensive Large Risk Insurance Policy**.

Cover from IFFCO TOKIO GENERAL INSURANCE COMPANY LIMITED. We assure you quality and hassle-free service whenever and wherever you need.

The insurance policy enclosed is a written agreement providing confirmation of our responsibility towards you that puts insurance coverage into effect against stipulated perils, terms and conditions.

Please note that this policy has been issued based on the information contained in the proposal form and/ or documents received from you or your intermediary/representative. Where the proposal form is not received, information obtained from you or your representative/ intermediary is captured in the policy document.

If you wish to contact us in reference to your existing policy and /or other general insurance requirements, you may write to our correspondence address within 30 days as mentioned below or you may visit our website www.iffcotokio.co.in

We once again thank you for choosing IFFCO TOKIO GENERAL INSURANCE COMPANY LIMITED and looking forward to our long association.

Thanking you

Yours faithfully

For IFFCO TOKIO General Insurance Company Limited

www.iffcotokio.co.in Toll Free No. 18001035499

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1. POLICY OUTLINE

COVERAGE:-

This Policy consists of coverage summarised in The Schedule and detailed in Section I , Section II, General Conditions, General Exclusions, Specific Conditions and Specific Exclusions, which form the Policy and are attached hereto.

The following summary of the scope of cover is for information purposes only, without restricting or widening the cover described in the individual sections, any claim for completeness or assuming liability.

POLICY SECTIONS:-

Section – I A: All Risk of Physical Loss or Damage (Non –Marine) Property (excluding Machinery Insurance)

All (**non – marine**) property of The Insured and / or held by them in trust and / or on commission and / or in joint account with others and / or for which they have an insurable interest in case of loss or damage covered under this Policy, whilst contained in The Insured's Premises as specified in The Schedule and in all other Premises of The Insured or whilst at contractor's Premises as specified in The Schedule.

Section – I B : All Risk Machinery Insurance

All Machinery and Equipment including electrical or electronic machinery of The Insured's plants including spare parts with no specification being the property of The Insured and all machinery and equipment in which The Insured has an insurable interest in case of loss or damage covered under this Policy, whilst contained in The Insured's Premises and elsewhere as specified in The Schedule.

Section – II : Business Interruption

Section II A:- Loss of Profit - All Risk

Section II B:- Loss of Profit - Machinery Breakdown

To indemnify The Insured in respect of Loss of Gross Profits , the loss actually sustained during the indemnity period resulting from a reduction in turnover including any increased cost of working due to an interruption of The Insured's business following loss or damage to any property and / or assets insured and recoverable under Section I A & I B.

2. SCHEDULE

Policy Number:			
The Insurer:	IFFCO TOKIO General Insurance Company Limited.		
GSTIN		State Code:	
Invoice No.		SAC Code :	
Period of Insurance:		Date of Proposal : dd/mm/yyyy	
	On inception date: dd/mm/yyyy	Time: 00.01 hours	
	Until on expiry date: dd/mm/yyyy	Time: 24.00 hours	
Insuring Party:			
Correspondence Address :			
	GSTIN - , State Code-		
Intermediary Name		Intermediary Code	
Financial Institutions / Lease / Hypothecation details	Annexure 1		
Nature of Business			
Occupancy			
Risk Location covered	Annexure 2		
Geographical Limits	India		
Jurisdiction	India		

2.1 Sum Insured:

Sections	Description	Sum Insured/ Limits (INR)
Section – I A	All Risks of Physical Loss or Damage / (Non–Marine) Property	Annexure 3
Section – I B	All Risk Machinery Insurance	Annexure 3
Section II- A	Business Interruption: Loss of Profit –All Risk Indemnity period	Annexure 3

Section II- B	Business Interruption: Loss of Profit - Machinery Breakdown Indemnity period	Annexure 3
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2.2 Premium Summary

Net Premium	₹
CGST @ %	₹
SGST @ %	₹
IGST @ %	₹
Total Amount	₹

2.3 Deductibles:

Sections	Description	Deductible / Limits (INR)
Section - I A	All Risks of Physical Loss or Damage / (Non-Marine) Property	
Section - I B	All Risk Machinery Insurance	
Section II- A	Business Interruption: Loss of Profit –All Risk	
Section II- B	Business Interruption: Loss of Profit - Machinery Breakdown	

2.4 Co-Insurance Details:

S No.	Name of the Company	Coinsurance %
1	IFFCO-Tokio General Insurance Company Limited	
2		
3		
Total		100%

2.5 Clauses:

S.No	Clause Name	Policy Sum Insured / Limits
1	Brand And Trademark Clause	

2	Floater Clause (Excluding Machinery Breakdown Coverage)	
3	Floater Declaration Clause (Excluding Machinery Breakdown Coverage)	
4	Acquired Companies Clause	
5	Aggravation Clause	
6	Building Ordinance /Civil Or Local Authorities Clause ,Demolition And Increased Cost Of Construction	
7	Contract Price Insurance	
8	Control Of Damaged Goods Clause	
9	Customer's Goods Clause	
10	Declaration Clause	
11	Designation Of Property Clause	
12	Goods Held On Trust	
13	Loss Payee Clause	
14	Margin Clause	
15	New Acquisitions And Capital Addition	
16	Non Invalidation	
17	Non-Vitiation Clause	
18	Multiple Insured Clause	
19	Primary And Non-Contributory	
20	Seventy Two Hours Clause	
21	Vehicle Load Clause	
22	Waiver Of Recourse	
23	Waiver Of Subrogation	
24	Waiver Of Under Insurance	
25	Interdependency Cover	
26	Alternative Basis Clause	
27	Departmental Clause	
28	Group Interdependency	
29	Accumulated Stocks Clause	
30	Relative Importance	
31	Alternative Premises Clause	
32	Premium Adjustment	

2.6 Additional Optional Covers:

S.No.	Additional Optional Covers Name	Limits
1	Additional Custom Duty	
2	Catalyst And Consumable (Including Lining And Refractory) Interest In Process	
3	Cleaning Up And Other Costs Clause	
4	Contamination And Co-Mingling Of Stocks	
5	Trace And Access To Damaged Utility Systems	
6	Trace And Access	
7	Deferred Payments	
8	Deliberate Damage	
9	Increased Costs Of Construction And Demolition Clause	
10	Undamaged Parts Clause / Destruction Of Sound Property	
11	Dewatering Expenses	
12	Stock Deterioration In Cold Storage Due To Power Failure Arising Out Of Insured Peril	
13	Escalation Clause	
14	Exhibition , Exposition ,Fair Or Trade Show	
15	Expediting Expenses	
16	Fine Arts / Works Of Art	
17	Stock Deterioration In Cold Storage To Changed Temperature Caused By Damaged To Insured Property	
18	Forest Fire	
19	Inadvertent Omission / Error & Omission	
20	Inland Transit	
21	Internal Decoration Fixtures And Fittings	
22	Key And Lock	
23	Insurance Of Additional Expenses Of Rent For An Alternative Accommodation	
24	Land And Water Containment Cleanup, Removal And Disposal	
25	Land Improvements	
26	Leak Search / Finding Cost Clause	
27	Loss Of Rent	
28	Metered Water	
29	Minimum Demand Charges	
30	Molten Metal Spillage Cover	

31	Involuntary Betterment / Modification Cost / Incompatibility Expenses / Technological Advancement	
32	Mould And Fungi	
33	Additions / Alternation Or Extensions During The Policy Period	
34	Personal Effects Clause / Property Of Employees And Visitors	
35	Plans, Documents & Computer Systems Records & Archives	
36	Pot Freezing	
37	Minor Works/ Property In The Course Of Construction / Erection	
38	Outbuilding Clause / Roads Pavement / Street Furniture / Landscaping	
39	Property Outside / Away From Premises	
40	Cost Of Demolition And Debris Removal	
41	Removal Of Debris (Including External Debris)	
42	Seasonal Enhancement Of Stocks	
43	Startup Costs / Shutdown	
44	Snowfall Damage	
45	Spoilage Material Damage Cover	
46	Sprinkler Upgrading Costs	
47	Sue And Labour Charges	
48	Tenant's Liability	
49	Undamaged Foundations	
50	Unrepaired Damage	
51	Vessel Impact To Jetty	
52	Decontamination , Cost Of Clean Up Expenses / Industry's Seepage , Pollution And Contamination Clause	
53	Automatic Cover For Unspecified/Unnamed Locations	
54	Broad Water Damage	
55	Contract Works	
56	Cost Of Clearing Drains Clause	
57	Coverage For Underground Assets	
58	Damage To Underground Services	
59	Foam Consumption And Fire Extinguishing Expenses	
60	Fire Extinguishing /Fighting Expenses	
61	Green Clause	
62	Immediate Repairs	

63	Impact Damage Due To Insured's Own Rail/Road Vehicles, Fork Lifts, Cranes, Stackers And The Like And Articles Dropped Therefrom	
64	Lawns, Plants, Shrubs Or Trees	
65	Obsolete Equipment Clause	
66	Obsolete Parts Clause	
67	Original Equipment's Manufacturer Clause	
68	Pipelines Outside/ Away From The Premises	
69	Pair And Set Clause	
70	Smoke Damage	
71	Spontaneous Combustion	
72	Stocks In Process	
73	Temporary Removal Of Stocks Clause	
74	Temporary Removal Of Property (Excluding Stocks)	
75	Testing And Commissioning Clause	
76	Expenses For Loss Minimization / Loss Prevention	
77	Crane Hiring Charges	
78	Architects, Surveyors and Consulting Engineers Fees Clause	
79	Additional Increased In Cost Of Working	
80	Professional Account's And Auditors Clause	
81	Customers , Suppliers And Fabricators Extension	
82	Export Tax Benefits	
83	Prevention Of Access	
84	Public Utilities Extension	
85	Service Interruption Time Element	
86	Tax Treatment Of Profit	
87	Accounts Receivable	
88	Denial Of Access	
89	Port Blockage	
90	Uninsured Standing Charges Clause	
91	Overhauls	
92	Interruption by Civil Authority	
93	Insured Property Stored At Other Situations	

3. DEFINITIONS APPLICABLE TO MATERIAL DAMAGE -SECTION 1A & 1B

The terms listed below and used in this Policy of Insurance shall have the following meanings unless they are defined differently in any Section hereof or the context so requires.

Act of default	Means a deliberate act regardless of whether the actual consequences of such an act were anticipated or not or a reckless failure to take the reasonably necessary precautions which a prudent insured would take to prevent loss or damage to the property insured or any deliberate act of material non-disclosure or breach of any warranty or condition of this Policy of Insurance.
Act(s) of God	Means an occurrence due to natural causes, directly and exclusively without human intervention and which could not have been foreseen or if foreseen, could not have been resisted by any amount of human care or skill.
Actual Cash Value	Means the cost which in the event of loss or damage to any item or part of the property insured would be necessary to replace it with one of the same age and capacity and similar make and quality, inclusive of all materials, wages, freight, customs, duties and dues.
Additional Insurance Cover	Means any Additional Insurance Cover The Insured may decide to take out in any Section of this Policy of Insurance.
Consequential Loss	Means any financial loss of any kind or description whatsoever, including loss of profit, loss of opportunity, losses due to delay, lack of performance or loss of contract.
Deductible	Means the amount to be deducted from claim payment otherwise to be made by The Insurer to The Insured.
The Insured	Means all the parties named as The Insured in a Section of this Policy of Insurance and if the context so requires any one of them.
The Insurer (or Company)	Means the party (ies) named as such in this Policy of Insurance. If there is more than one Insurer/Company, each Insurer/Company shall be separately liable only to indemnify The Insured for that proportion of any claim as set out in The Schedule at the end of this Policy of Insurance and the expression "The Insurer" is used for each Insurer/Company separately, unless a Lead Insurer has been agreed upon and entered expressly in The Schedule.
Insurer's agent	Means an individual, firm or company appointed by The Insurer to act on its behalf.
Insuring Party	Means the individual, firm, company, corporation, joint venture or combination of the above named as such in this Policy of Insurance that has entered into this Policy of Insurance on behalf of itself and any other party named as an insured in any Section in this Policy of Insurance.
Language of	Means the language (English) in which communication between The Insured and The

Communication	Insurer under this Policy of Insurance shall take place.
Malfunction	Means the failure of a data processing system, software program or built-in microprocessor to function properly or the production of wrong results.
Material change in risk	Means any change in the nature, exposure, location, execution and maintenance of the property insured that a reasonably prudent insurer would consider material to the acceptance of the risk under the terms and conditions of this Policy of Insurance.
Replacement Value	Means the costs, which would be incurred to replace the property insured at the Premises with new items of similar kind and quality at any time during the Period of Insurance.
Period of Insurance	Means the period during which cover is provided by this Policy of Insurance as specified in The Schedule.
Policy of Insurance	Means the Proposal, the definitions, the conditions, the exclusions, The Schedule and the Sections of this Policy of Insurance.
Premises	Means the location(s) of the property insured as specified in the policy schedule
Premium	Means the Premium payable under this Policy of Insurance calculated in accordance with its terms.
Policy Rate	If applicable, means the rate referred to as such in The Schedule agreed between the Insuring Party and The Insurer.
Property Insured	Means the Property Insured as specified in The Schedule to this Policy of Insurance.
Proposal	Means the written information submitted to The Insurer by the Insuring Party seeking insurance cover under this Policy of Insurance.
Representatives	Means the directors, officers or any other individuals that have the authority to exercise administrative or executive control over the execution of a contract or over an operation or business.
The Schedule	Means The Schedule to the section(s) of this Policy of Insurance in which reference is made to it.
Section	Means any Section of this Policy of Insurance including The Schedule thereto.
Sum(s) Insured	Means the amount of insurance cover specified in The Schedule in respect of any particular item of Property Insured or interest insured or the total amount of insurance cover specified in The Schedule as the context may require.

4. GENERAL CONDITIONS APPLICABLE TO ALL SECTIONS

4.1 DUE DILIGENCE

The Insured shall at all times act with due diligence to prevent, or minimize the extent of, any loss of or damage to the property and business interruption.

4.2 MIS- DESCRIPTION / NON -DISCLOSURE

If there be any material mis-description of any of the property hereby insured or of the trade, process or manufacture carried out by the Insured or any misrepresentation as to any fact material for estimating the risk or any omission to state such fact, the Insurer shall not be liable under this Policy so far as it relates to property affected by any such mis-description, misrepresentation or omission.

It is also understood and agreed that this Policy shall be voidable in case of non-disclosure of material facts by The Insured.

4.3 FRAUD

If the Insured shall make any claim knowing the same to be false or fraudulent, as regards amount or otherwise, this policy shall be void and all claim hereunder shall be forfeited.

4.4 CLAIMS

On the happening of any loss, destruction or damage, the Insured shall forthwith give written notice thereof to the Insurer in any case **within 30 days** by email or facsimile / mail and shall deliver to the Insurer within such further time as the Insurer may allow in that behalf:

- i). a claim in writing for the loss, destruction or damage containing as particular an account as may be reasonably practicable of all the several articles or items of Property damaged or destroyed, and of the amount of the destruction or damage thereto respectively, having regard to their value at the time of the loss, destruction or damage, not including profit of any kind, (other than in case of finished stocks and indemnifiable under Business Interruption Section of this policy) together with particulars of any consequential loss resulting there from;
- ii). Particulars of all other insurances which are or could be applicable to loss, if any.

The Insured shall at their own expense produce, procure and give to the Insurer all such further particulars, plans, specifications, books, vouchers, invoices, duplicates or copies thereof, documents, proofs and information with respect to the claim and the origin, cause and circumstances under which the destruction or damage occurred, and any matter affecting the liability or the amount of the liability of the Insurer as may be reasonably required by or on behalf of the Insurer together with a declaration on oath or in other legal form of the truth of the claim and of any matters connected therewith.

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

4.5 DEDUCTIBLES

If the cover in respect of the property or any specified part of such property is indicated in the schedule as being subject to a Deductible, the Insured shall, in respect of each and every occurrence giving rise to a claim, first bear the

full amount of such deductible stated in the schedule and the Insurer's liability, after making all other adjustments to the claim presented by the Insured, shall be reduced accordingly.

4.6 INTERIM PAYMENTS

Within 30 days of agreement to the loss adjuster's report, the Insurer will make interim payment of the claim amount as recommended by loss adjuster & agreed by the Insured.

4.7 CANCELLATION

This insurance may be terminated at any time at the request of the Insured and may also be terminated at the option of the insurers on 90 days written notice to that effect being given to the Insured. In either case the premium due to the Insurer shall be calculated in ratable proportion to the time the policy has remained in force.

4.8 ARBITRATION

"The parties to the contract may mutually agree and enter into a separate Arbitration Agreement to settle any and all disputes in relation to this policy.

Arbitration shall be conducted under and in accordance with the provisions of the Arbitration and Conciliation Act, 1996."

4.9 APPLICABLE LAW

This Insurance is issued subject to, and shall be governed by, the Laws of the Republic of INDIA.

4.10 SUBROGATION

The Insured shall, at the expense of the Insurer, do, and concur in doing and permit to be done, all such acts and things as may be necessary or reasonably required by the Insurers for the purpose of enforcing any rights and remedies or of obtaining relief or indemnity from other parties to which the Insurers shall be or would become entitled or subrogated, upon its paying for or making good any loss or damage under this policy, whether such acts and things shall be or become necessary or required before or after his indemnification by the insurer.

4.11 COINSURANCE

1. It is hereby declared and agreed that insurers named hereunder severally agree and accept the following for the proportion set against its name:

1.1. In event of any claim being admissible by the insurer towards the liability, to pay or make good to the insured the value of the property at the time of the happening of its loss or destruction or the amount of such damage thereto as provided for under the policy and or

1.2. To indemnify the insured against liability at law or damage to any property or injuries to persons as provided for under the policy

2. **Conditions forming part of this clause :**

it is hereby agreed and understood that:

- 2.1. The Insured in exercise of his option has after having understood the implications, selected the above named lead Insurer and the named Co- insurers vide sr. Nos. of the co-Insurance schedule as in point no. 2 under the policy.
- 2.2. The duties of insured would devolve upon the authorized intermediary licensed by IRDA (referred to as authorized representative here after) where the insured appoints such authorized intermediary to transact on his behalf with the insurer/s.
- 2.3. It shall be the responsibility of the insured or his authorized representative licensed by IRDA to decide on the panel of co-insurers and their respective shares of the risk herein as set out in co-insurance share under paragraph 2 above and communicate the same to all such participating co-insurers, prior to assumption of risk.
- 2.4. The lead Insurer shall finalize the terms and conditions applicable to the risk in the form of an underwriting slip with a unique code to be handed over to the Insured/Authorized intermediary
- 2.5. It shall be the responsibility of the insured or his authorized representative to ensure that all insurers listed in the co-insurance schedule under paragraph 2 above, are fully aware of the terms and conditions of this policy and shall secure their unqualified acceptance of such terms and conditions prior to issuance of cover and inclusion of names of insurers in this co- insurance arrangement.
- 2.6. During the currency of the policy, if there are any material changes in risk or as changes in original terms and conditions such as variation in Sum Insured, changes in premium charged, extension of policy period, etc., the same shall be communicated by the insured or his authorized representative giving sufficient advance notice of 7 days to the leader as well as all other participating co-insurers listed in the co-insurance schedule under paragraph 2 above and procure confirmation thereon.
The endorsement to this effect shall be executed by the lead insurer under advice to all other participating co-insurers.
- 2.7. The liability of the insurers shall in no case exceed in respect of each item of the sum expressed in the set schedule to be insured thereon or in the all, the total sum insured hereby or sums as may be substituted thereof by endorsement.

“In the event of any of the Coinsurers chosen by the Insured as per Paragraph 2.1 above and listed in coinsurance schedule, wishes to withdraw from participation in this Policy at any time during currency, may do so after giving notice of 14 days (from date of intimation of changes in risk by Insured/ Intermediary) only in the event of following contingencies:

1. Increase in Sum Insured beyond the agreed and accepted amount including escalation in Sum Insured, as recorded in the underwriting slip
2. Change in Terms and conditions of Cover as agreed and accepted in the UW Slip.

In the event of withdrawal as above by any Insurer from Coinsurance participation under the policy, the Insured or his authorized representative licensed by IRDA shall arrange for an alternative Insurer to take care of the full share of risk vacated by the existing Insurer. In the event of Insured failing to do so, the Insured shall be considered as his own Insurer for such share of risk or part there of which is not taken up by such alternative Co- Insurer.”

- 2.8. In the event of a claim under this policy, the insured shall give notice of its occurrence to the Lead Insurer with a copy to all the insurers as listed in policy schedule.
- 2.9. Upon receipt of such notification of claim, all claim related activities including appointment of surveyors, etc shall be done by the lead insurer who shall decide the admissibility as well as quantum of the claim and the co-insurers shall abide by the same.
- 2.10. In the event of any claim being value of more than 5 crores the lead insurer can immediately demand and the following co-insurer shall pay the cash call of their proportionate share of loss.
- 2.11. In all other cases, where the Lead Insurer pays 100% of the assessed loss, the following co-insurer/s shall remit their share of the loss to the Lead Insurers within a maximum period of 21 days from the date on which the Lead Insurer makes the demand.
Lead Insurer's declaration that the Claim and the amount there of was in accordance with terms and conditions of the Policy issued shall be considered sufficient by the co-insurers for the purpose of remitting their share of the loss to the Lead Insurer.
- 2.12. The co-insurers forming part of this agreement shall be entitled to demand and obtain from the Lead Insurer/Intermediaries copies of all policies, endorsements or other claim related documents relevant to this co- insurance clause.
In witness, whereof, this policy has been signed by **IFFCO-Tokio General Insurance Company Ltd. (Lead Insurer)** for itself and as authorized agents for other participating insurers named herein.
Subject otherwise to the terms, exceptions, conditions and limitations of this policy.

4.12 DISCLAIMER OF LIABILITY

If The Insurer disclaims liability in respect of any claim and if conciliation is not commenced within 12 (twelve) months of such a disclaimer, all benefits under this Policy of Insurance in respect of that claim shall be forfeited.

4.13 ASSIGNMENT

Assignment or transfer of this Policy shall not be valid without the written consent of The Insurer.

4.14 REASONABLE PRECAUTIONS

The Insured shall take at his own expense all reasonable precautions, maintain the property in a proper state of repair and comply with all reasonable recommendations made by The Insurer, to prevent loss of or damage to the Property Insured or any liability arising under this Policy of Insurance and comply with all relevant statutory requirements.

4.15 CONTRIBUTIONS

If at the time of any loss or damage occurrence to any property hereby insured, there be any other subsisting insurance or insurances whether effected by The Insured or by any other person or persons, covering either such loss or any part of it or the same property The Insurer shall not be liable to pay or contribute more than its ratable proportion of such loss or damage.

4.16 REINSTATEMENT OF SUM INSURED

At all times during the Period of Insurance of this Policy, the insurance cover will be maintained to the full extent of the respective Sum Insured in consideration of which upon the settlement of any loss under this policy exceeding the amount specified in The Schedule, pro-rata Premium for the unexpired period from the date of such loss to the expiry of Period of Insurance for the amount of such loss shall be payable by The Insured to The Insurer.

The additional Premium referred above shall be deducted from the net claim amount payable under this Policy. This continuous cover to the full extent will be available notwithstanding any previous loss for which The Insurer may have paid hereunder and irrespective of the fact whether the additional Premium as mentioned above has been actually paid or not following such loss. The intention of this condition is to ensure continuity of the cover to The Insured subject only to the right of The Insurer for deduction from the claim amount, when settled, of pro-rata Premium to be calculated from the date of loss till expiry of this Policy.

Notwithstanding what is stated above, the Sum Insured shall stand reduced by the amount of loss in case The Insured immediately on occurrence of loss exercises his option not to reinstate the Sum Insured as above.

4.17 GRIEVANCES

Policyholder/ Insured Person(s) may register a grievance or complaint by visiting the website www.iffcotokio.co.in. Policyholder may also contact the offices from where they have bought the policy or the grievance officer who can be reached at IFFCO-Tokio's corporate office.

Grievance Department details are as mentioned below:

E-Mail ID: chiefgrievanceofficer@iffcotokio.co.in
Address: IFFCO-Tokio General Insurance Company Limited.
IFFCO TOWER – II
Plot No.3, Sector-29, Gurgaon
Haryana-122001

5 GENERAL EXCLUSIONS APPLICABLE TO ALL SECTIONS

UNLESS OTHERWISE EXPRESSLY AGREED, this Insurance doesn't cover any destruction or damage occasioned by or through or in consequence of, directly or indirectly, any of the following:

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

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

- ii). Confiscation, requisition, sequestration, nationalization or similar act.

- iii). Damage directly or indirectly caused by or arising from or in consequence of or contributed to by :

- a. nuclear weapons material.
- b. ionizing radiation or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel. Solely for the purpose of this exclusion combustion shall include any self- sustaining process of nuclear fission.

- iv). This policy excludes insured's loss as a consequence of damage whatsoever & howsoever to any property in the insured premises resulting in the insured being unable to or prohibited by any governmental or municipal order, to obtain access to, or exit from their own premises.

This policy also excludes loss originating from blockage of the port due to any cause whatsoever, resulting in the inability to use the jetty by the insured.

- v). This policy excludes any loss or damage or consequential loss due to impact damage to jetty due to Vessels /Floating Objects.

- vi) Clarification Agreement

Property damage covered under this Agreement shall mean physical damage to the substance of property.

Physical damage to the substance of property shall not include damage to data or software, in particular any detrimental change in data, software or computer programs that is caused by a deletion, a corruption or a deformation of the original structure.

Consequently the following are excluded from this Agreement:

- 1) Loss of or damage to data or software, in particular any detrimental change in data, software or computer programs that is caused by a deletion, a corruption or a deformation of the original structure, and any business interruption losses resulting from such loss or damage.

Notwithstanding this exclusion, loss or damage to data or software which is the direct consequence of insured physical damage to the substance of property shall be covered.

- 2) Loss or damage resulting from an impairment in the function, availability, range of use or accessibility of data, software or computer programs, and any business interruption losses resulting from such loss or damage.
- vi) **Deductibles/ Retained Liability**
The amounts stated in The Schedule as being the Deductibles, Time Excess or otherwise Insured's Retained Liability.

6 GENERAL CLAUSES APPLICABLE TO ALL SECTIONS

6.1 ADDITIONAL INSURED CLAUSE

Notwithstanding anything to the contrary contained in this Policy, it is hereby agreed and declared that any individual, firm, corporation and/or its joint ventures, for whom or with whom the Insured may be operating is hereby named as additional Insured in The Schedule when required by contract, or as required. It is further understood and agreed that in the event there is any violation of the terms and conditions of this insurance by one Insured, it shall not affect the rights of other Insured's; including interest of mortgagees and notice of assignment in respect thereof.

Nothing contained in this Endorsement shall be deemed to increase the Sum(s) Insured or Limit of Indemnity stated in The Schedule.

Subject otherwise to the terms, exclusions, conditions and limitations of this Policy.

6.2 AGREED BANK CLAUSE

If You have mortgaged, hypothecated or created any security over any Insured Property in favour of a Bank, and the Bank has an interest in the Policy, the name of such Bank will also be shown in the Policy Schedule under the title 'Agreed Bank Clause'. If You choose to add the name of such Bank at any time during the Policy Period this will be shown as an Endorsement. In this Clause, the word 'Bank' includes any financial institution.

Under this Clause, You agree as follows:

i. We shall pay to the Bank the entire amount that We are liable to pay under this Policy. Such Bank will receive it for its own demand, and as agent for any other person interested in the amount.

ii. When We pay the amount to the Bank, Our liability under this Policy will be discharged, and will be binding on all of You and all persons named as the insured.

iii. Any notice or communication We make to the Bank under the provisions of this Policy shall be sufficient notice or communication to You.

iv. Any settlement or compromise that We make with the Bank will be binding on You and all persons named as the insured. However, such settlement or compromise will not affect the rights of the Bank to recover any amount from You or any other person.

v. If You make any change in the use of the Insured Property or Your Premises or sell or transfer the Insured Property, such actions will not prejudice the interest of the Bank under the Policy and this Clause, unless the condition has been broken by the Bank or its employees.

vi. If You commit any act or omission that will increase the risk, the insurance cover will not be invalidated. However, the Bank shall notify Us of any change or ownership, or alterations and increase in risks as soon they become known to the Bank, and shall pay additional premium from the time of such change.

vii. When We pay the amount to the Bank, We will become legally and automatically subrogated to all rights of the Bank to the extent of such payment. This will not impair or prejudice the rights of the Bank to recover any amount from You or any other person.

N.B: The Bank shall mean the first named Financial Institution/Bank named in the policy.

6.3 APPRAISEMENT CLAUSE

If the aggregate claim for any one loss does not exceeds the amount (as specified in schedule) per location or % (as specified in schedule) of sum insured, whichever is higher, no special inventory/appraisement of the undamaged property shall be required.

Subject otherwise to the terms, exceptions and conditions of the Policy.

6.4 AUTOMATIC REINSTATEMENT CLAUSE

It is hereby declared and agreed that subject to the Insurance Limits as stated in the Schedule in the event of any claim occurring under this Policy and in the absence of written notice by the Insured to the contrary, the insurance in respect of any Property Insured or Business Interruption arising is automatically reinstated as and from the date of the Damage.

6.5 BANKRUPTCY AND INSOLVENCY

In the event of bankruptcy or insolvency of The Insured or any entity comprising The Insured, The Insurer shall not be relieved thereby of the payment of any claims hereunder because of such bankruptcy or insolvency, except under Section II (All Risk Operational Business Interruption).

6.6 CLAIM PREPARATION CLAUSE

Subject to the Exclusions, Conditions and Limitations of the Policy to which this Extension is attached, this Policy is extended to cover the necessary and reasonable costs incurred by the Insured payable to the Insured's accountants, architects, auditors, engineers, or other professionals and the cost of using the Insured's employees, for producing and certifying any particulars or details contained in the Insured's books or documents, or such other proofs, information or evidence required by the Underwriters resulting from insured loss payable under this Policy for which the Underwriters have accepted liability.

Coverage will not include the fees and costs of attorneys, public adjusters, and loss appraisers, all including any of their subsidiary, related or associated entities either partially or wholly owned by them or retained by them for the purpose of assisting them nor the fees and costs of loss consultants who provide consultation on coverage or negotiate claims.

The Underwriters shall not be liable under this Extension for more than the sub-limit in respect of any one Occurrence, which shall be part of and not in addition to the policy limit.

6.7 EXPIRATION CLAUSE

If this Policy should expire or be cancelled while an insured event is in progress, it is understood and agreed that Insurers, subject to all other terms, exceptions and conditions of this Policy, are responsible as if the entire loss had occurred prior to the expiration of this insurance. Subject otherwise to the terms, exceptions and conditions of the Policy.

6.8 NOMINATED LOSS ADJUSTER CLAUSE

The Insurer hereby agrees that, in the event of an occurrence that is likely to give rise to a claim under this Policy, the Insured can appoint one of the following firms of Adjusters/Surveyors to conduct surveys / adjustments for all losses or damages.

This provision will be applicable for all estimated losses up to Rs.10 crore.

S. No	Name of the Surveyor
1	
2	
3	
4	

6.9 ON ACCOUNT PAYMENT CLAUSE

On account payment may be made to the Insured following Damage at the discretion of the Insurer, as mutually agreed between Insured and Insurer, but in no case shall any payment exceed the Insurer's liability for each item in respect of which payment is to be made.

6.10 UNOCCUPANCY CLAUSE

The insurance by this Policy will not be prejudiced in the event of any Building remaining unoccupied for a period greater than 30 days, notwithstanding anything contained in the Conditions of this Policy, provided that within such period ,Insured or their agents give notice in writing to the Company and on demand pay such reasonable additional premium as the Company may require.

Section I

ALL RISK PROPERTY INSURANCE

SECTION – I A
ALL RISK OF PHYSICAL LOSS OR DAMAGE / (NON-MARINE) PROPERTY

SECTION – I B
ALL RISK MACHINERY INSURANCE

7. SECTION – I A: ALL RISK OF PHYSICAL LOSS OR DAMAGE (NON-MARINE) PROPERTY

All (**non – marine**) property of The Insured and / or held by them in trust and / or on commission and / or in joint ownership with others and / or for which they have an insurable interest in case of loss or damage covered under this Policy, whilst contained in The Insured's Premises as specified in The Schedule and in all other Premises of the Insured or whilst at vendor's/ service centers Premises as specified in The Schedule.

7.1 INSURING CLAUSE

The Insurer agrees subject to the terms, definitions, warranties, exclusions, limits provisions and conditions of this Section and of the Policy as a whole to indemnify The Insured against risks of fortuitous and accidental physical loss or damage or destruction to the Property Insured occurring during the Period of Insurance, which results in Property Insured needing to be repaired or replaced, other than those specifically excluded.

7.2 EXCLUDED CAUSES

Unless otherwise expressly agreed, this Section does not cover loss or destruction or damage due to any of the following:

- i. The deliberate and sustained operation of the Insured's Plant, Machinery, pipeline or other equipment in excess of the design specification on the specific and intentional instruction of the insured except for the conditions permitted by the manufacturers or by judgment of a competent engineer.
- ii. Withdrawal or go-slow of labor or cessation of work.
- iii. Failure of supply of water, gas, electricity, fuel or power but should any resultant loss or damage occur to the insured property due to any cause which is not otherwise excluded as per the terms and conditions of the policy, the same would be indemnifiable.
- iv. Gradual subsidence and settlement, shrinkage or expansion or erosion of soil unless sudden accidental loss or damage covered under this policy ensues and only such ensuing loss will be covered under this policy.
- v.
 - a. Normal Wear and tear, gradual deterioration, extreme rusting, extreme corrosion, metal fatigue, oxidation, Auto-oxidation, dampness, change in temperature or humidity, action of air or light or natural heating or drying.
 - b. Fermentation, evaporation, loss of weight, contamination or change in quality (Except where such is directly caused by an occurrence which is not otherwise excluded)
 - c. Failure, breakdown, malfunction, derangement of any mechanical or electrical or electronic machine apparatus or equipment whatsoever, and explosion collapse or rupture of boiler and / or other pressure vessels caused by other than pressure of chemical action or ignition of the contents or of ignited flue gases.
 - d. Short-circuiting, self-heating, leakage or surge of electrical current, over- loading or excessive power.
 - e. The cost of replacing, repairing or rectifying defective parts, materials, workmanship, design or defect or omission in design or specification or latent defect.
 - f. Leakage or overflowing of the contents of any storage tank, vessel or other Container or the flaring of products
 - g. Loss of data, data media and records, as well as its regeneration.
 - h. Seepage and/or pollution and/or contamination, unless caused by a cause otherwise not excluded under this policy.
- vi. Any consequential loss or damage . loss of use ,delay or loss of markets , loss of income , depreciation , reduction in functionality ,or increased cost of working.

- vii a) Collapse or cracking of buildings
- b) Corrosion rust extremes or changes in temperature dampness dryness wet or dry rot fungus shrinkage evaporation loss of weight pollution contamination change in colour flavour texture or finish action of light vermin insects marring or scratching unless such loss is caused directly by Damage to the property insured or to premises containing such property by a cause not excluded in the policy.
- viii a) Larceny
- b) Acts of fraud or dishonesty
- c) Infidelity of an employee
- d) Disappearance unexplained or inventory shortage misfiling or misplacing of information shortage in supply or delivery of materials or shortage due to clerical or accounting error

7.3 EXCLUDED PROPERTY

Unless otherwise expressly agreed, this Section does not cover loss or destruction of or damage to any of the following:

- i. Property in course of construction or erection or dismantling or undergoing testing or commissioning other than as provided elsewhere under this section. However this Exclusion shall not apply in respect of normal maintenance and testing. It is also understood that bringing up from shutdown shall not be construed as testing.
- ii. Road vehicles (other than motor vehicles and construction plant & machinery used exclusively on the Insured's premises), waterborne vessels or craft, aircrafts or helicopters; but this exclusion shall not apply to the Insured's fire fighting vehicles operating within a radius of 50 kilometers of the insured premises, whilst going to or returning from a mutual aid assignment.
- iii. Land (including topsoil, backfill) runways, canals, dams, bridges, docks or tunnels (Other than those belonging to the insured and included in the sum insured).
- iv. Property which is insured by more specific policy.
- v. Property underground other than foundations, pipelines, cabling, drains, tanks and contents thereof, utilities and related equipment.
- vi. Property belonging to third parties unless specifically declared as insured hereunder or in the insured's care, custody and control and for which they are responsible.
- vii. Cash, bullion, coins, cheques, stamps, precious stones, jewellery Antiques, securities, obligations of any kind, books of account, or other business book or records, computer records or data manuscripts, plans, drawings, patterns or models. more than Rs.10 lac in aggregate .

7.4 CONDITIONS APPLICABLE TO SECTION – I A

7.4.1 BASIS OF INDEMNIFICATION - ALL PROPERTY (OTHER THAN STOCK, REFRACTORIES & CONSUMABLES AND CATALYST)

In the event of destruction of or loss of or damage to property Insured hereunder (excluding Stock) by a contingency insured against, the basis upon which the amount payable under the policy is to be calculated shall be the current reinstatement value as on the date of loss, of the property destroyed or damaged or lost, subject to the following provisions:

7.4.1.1 COST OF REPAIR

In respect of the Property (other than stocks) covered hereunder, all costs of repairs and / or replacement including levied duty and taxes for which insurers may be liable shall be on the basis of New for Old at the place of loss without taking into account and / or giving effect to depreciation or technological, functional or economic obsolescence except as hereunder mentioned. The rate and charges applicable for utilisation of The Insured's owned or chartered vehicles / crafts, equipment in the repair / replacement of a loss damage and the percentage of overheads thereon to be taken from the certified rates as arrived at by The Insured from time to time.

7.4.1.2 REINSTATEMENT VALUE CLAUSE

At the option of The Insured in the event of loss or damage to the Property insured (other than stocks), the insurance benefits in respect thereof shall be based on the cost of replacing or reinstating The Insured property or other property as The Insured may require. Provided that the liability of The Insurer shall not exceed the cost of replacing or reinstating the property with property of a substantially similar kind and type not being superior to or more extensive than The Insured property when new.

Subject to the following Special Provisions and the terms and conditions of the Policy except as varied hereby:

The replacement or reinstatement (which may be carried out upon another site and in any manner suitable to the requirements of The Insured or by other alternative real capital investment made for the benefit of the business subject to the liability of the Insurer not being thereby increased) shall be commenced within 12 months (twelve months) after the occurrence of the damage or within such further time as The Insurer may grant.

However payment will be made by The Insurer as if the reinstatement or replacement has been done within the said 12 months (twelve months) provided that a firm commitment is shown to The Insurer's satisfaction that the replacement or reinstatement will be eventually completed.

Until actual expenditure has been incurred by The Insured in replacing or reinstating The Insured property destroyed or damaged The Insurer shall not be liable for any amount in excess of the amount which would have been payable under this Policy had the clause not been incorporated herein but not less than two thirds of the new reinstatement value.

Should the property lost or damaged not be in current production then The Insurer's liability shall be limited to the full cost of replacing or reinstating property in current production most similar to the property lost or damaged.

The cost of reinstatement shall include the expenses of adapting the newly acquired property to the existing undamaged property including the replacement of property, which cannot be used as such as necessary to reinstate the operation of the plant unit process.

Where for any reason, it is not possible or if The Insured elects not to rebuild or replace, The Insurer will pay to The Insured the Actual Cash Value of the property at the time of Loss.

Where the repair or replacement of the damaged or lost Property Insured involves import into the country of The Insured property, the replacement value as aforesaid shall include actual Import Duty including, but not limited to basic duty, countervailing duty, special additional duty, surcharge and other additional duties or any monetary equivalent of liability undertaken or incurred in lieu thereof.

Where the Assets damaged or lost are those for which The Insured is only contractually liable for maintenance, the basis of indemnity shall still remain the same as above, irrespective of any contract to the contrary.

7.4.1.3 CONSTRUCTIVE TOTAL LOSS

In ascertaining whether the Property Insured hereunder is a Constructive Total Loss the Insured value, being part of the scheduled values hereon, shall be taken as the repaired value and nothing in respect of the damaged or break-up value of the Property Insured hereunder or the wreck thereof shall be taken into account.

There shall be no recovery for a Constructive Total Loss hereunder unless the expense, (including duties, taxes and freight / air freight as and if applicable) of recovering and repairing the Property Insured shall exceed 80% of The Insured value. Or in respect of individual item(s) included therein, 80% of the value included therein in respect of such item(s).

In no case shall The Insurers be liable for unrepaired damage in addition to a subsequent Total Loss sustained during the period covered by this insurance. The Insured shall not be prevented from recovering a Constructive Total Loss hereunder by reason of any provision(s) in permit, license, Government regulation, or similar circumstances beyond the control of The Insured, which may prevent The Insured from abandoning the subject matter(s) of this insurance to The Insurers. In accordance with the foregoing, The Insurers agree to waive notice of abandonment but notwithstanding anything to the contrary contained herein The Insurers shall be placed in the same position as if notice of abandonment had been given by The Insured and declined in the customary manner by The Insurer.

7.4.1.4 UNREPAIRED DAMAGE

In event of the loss of or damage to an item insured hereunder which results in a decision by The Insured to either, not to replace or repair with a redesign or new design and where construction of the redesigned or newly designed item serving the same purpose of the lost or damaged items is actually commenced and no repairs (other than those required to make the items safe) or replacement are carried out to the item which sustained loss or damage, Insurers agree that The Insured shall be indemnified on the basis of the reasonable cost of repairs in respect of such loss or damage plus any amounts expended in making the item safe. Such reasonable cost of repair would be arrived at on the basis as mentioned in the Indemnification clauses "7.4.1.1. Cost of Repair" and "7.4.1.2. Reinstatement Value Conditions"

Special Provisions

- a) The work of replacement or reinstatement (which may be carried out upon the same or another site and in any manner suitable to the requirements of the insured subject to the liability of the insurer not being thereby increased) must be commenced within 12 months of the date of destruction or damage or such further period as the insurer shall in writing allow, otherwise no payment beyond the amount which would have been payable under this Section of the Policy if this clause had not been incorporated herein shall be made.

- b) Where any Property is damaged or destroyed in part only, the liability of the insurer shall not exceed the sum representing the cost which the insurer could have been called upon to pay for reinstatement if such property had been wholly destroyed.
- c) No payment beyond the amount which would have been payable under this Section of the Policy if this clause had not been incorporated therein shall be made if at the time of any destruction or damage such property shall be covered by any other insurance effected by or on behalf of the insured which is not upon the identical basis of reinstatement as stated in this Section of the Policy.
- d) If, as a result of the application of any of these above Special Provisions a, b & c, no payment is to be made beyond the amount which would have been payable under this Section of the Policy if this Clause had not been incorporated therein, the rights and liabilities of the insured and the insurer in respect of the destruction or damage shall be subject to the Terms and Conditions of the Policy as if this clause had not been incorporated therein.
- e) It is further noted and agreed that in the event of physical loss or damage to the property insured hereunder the insured, at their sole discretion, shall have the option to accept repair or replacement terms as offered by the original Equipment Manufacturer (OEM) regardless of any other terms offered from other suppliers, manufacturers and fabricators. Provided always that the difference between the OEM quote and the lowest quote doesn't exceed 25% of the lowest quote and quotes are based on the same technological specifications.
- f) The Policy shall be subject to condition of average. However, Under Insurance on each item of the schedule will be ignored if it does not exceed 15%.

7.4.2 BASIS OF INDEMNIFICATION (STOCK, REFRACTORIES & CONSUMABLES AND CATALYST)

In the event of destruction of or loss of or damage to stock and Stocks in process (other than Refractories, Consumables & Catalyst whilst in process) insured hereunder by a contingency insured against, the amount payable under each of the items of the policy shall be calculated on the basis of the value of such property immediately before the occurrence of the said contingency. In case of finished goods the basis of indemnity shall be the Selling price inclusive of reasonable profits but excluding un-incurred selling expenses. If the finished goods are covered by a contract of sale, then basis of indemnity shall be Contract Price if it is higher than Market Price.

The Insurers shall be entitled at their option to reinstate or replace the destroyed or damaged property.

If the stock hereby insured shall, at the time of the destruction of or loss or damage, be collectively of greater value than the sum insured thereon then the insured shall be considered as being his own insurer for the difference and shall bear a ratable proportion of the loss accordingly.

In the event of destruction of or loss of or damage to Refractories, Consumables & Catalysts whilst in the process, the basis of indemnification shall be Actual cash value (ACV) at the time of loss. The ACV amount shall be calculated by taking into account:

- The Expired Life (EL) in working hour of the material at the time of occurrence and;
- The Normal Life Expectancy (NLE) in hours of the material according to the latest specification issued by the manufacturer;
- And applying them in the relationship $(1 - EL/NLE)$ to the total replacement cost of the material.

Replacement Cost of Refractories, Consumables, and Catalyst means the amount it would take to replace the damaged or destroyed property with property of like kind and quality, determined at the time of loss.

8 SECTION – I B:ALL RISK MACHINERY INSURANCE

All Machinery and Equipment including electrical or electronic machinery of The Insured's manufacturing plants including spare parts with no specification being the property of The Insured and all machinery and equipment in which The Insured has an insurable interest in case of loss or damage covered under this Policy, whilst contained in The Insured's Premises and elsewhere as specified in The Schedule.

8.1 INSURING CLAUSE

The Insurer agrees subject to the terms, definitions, warranties, exclusions, limits provisions and conditions of this Section and of the Policy of Insurance as a whole to indemnify The Insured against accidental physical damage to machinery and / or equipment insured caused by an Accident occurring during the Period of Insurance, which results in such machinery and / or equipment insured needing to be repaired or replaced.

Accident shall mean unforeseen and fortuitously manifested and / or occurred physical damage including Electrical Breakdown and Boiler Explosion to the machinery and / or equipment described above or thereof from any cause not excluded

- (a) while it is at work or at rest or during testing
- (b) while being dismantled for the purpose of cleaning, inspection and overhauling or removal to another position or in the course of these operations themselves or subsequent re-erection within the Premises of The Insured or elsewhere.

8.2 EXCLUDED CAUSES

The Insurer shall not be liable for:

- i. Loss or damage caused by fire, chemical explosion, lightning whether direct or indirect, extinguishing of fire, subsequent demolition, dismantling and clearance of debris, aircraft and other aerial devices or articles dropped there from, collapse of buildings, and theft;

For the purpose of this Section, explosion shall not mean the bursting or disruption of turbines, boilers, compressors, engine cylinders, hydraulic cylinders, flywheels or other parts subject to centrifugal force, transformer switches or oil-immersed switchgear;

- ii (a). Wastage of material, wearing away or wearing out of any part of a machine caused by or resulting from ordinary usage, rust, boiler scale or other deposits, corrosion or deterioration due to chemical or atmospheric conditions or otherwise scratching of painted or polished surfaces;

This exclusion will not apply to resulting sudden accidental loss/damage not otherwise excluded.

(b). Slowly developing deformation, distortion, cracks, fractures, blisters, laminations, flaws or grooving or the making good of defective tube joints or other defective joints or seams unless such defects result in damage otherwise insured under the policy;

- iii. Loss or damage caused by the imposition of abnormal conditions directly or indirectly resulting from testing or wilful overload beyond safe limits or experiments except for conditions permitted by the manufacturers or by judgment of a competent engineer it being understood that bringing up from shutdown shall not be construed as testing;

- iv. Loss of uses of any machine or consequential loss of any nature what so ever other than specific coverage available under Section II - BI (Business Interruption).
- v. Loss or damage caused by earthquake, seaquake, tidal wave, subsidence, landslide, Rockslide, hurricane, typhoon, cyclone volcanic eruption or other convulsion of nature, flood, inundation or escape of water from water- containing apparatus;
- vi. Loss or damage caused by the wilful act or wilful neglect of the insured or his representatives. However, acts of malicious damage by employees and/or representatives of the insured are covered;
- vii.
 - a. Loss of or damage to or loss of use of property directly or indirectly caused by seepage or pollution; unless loss not excluded under this section ensues, which would be indemnifiable.
 - b. The cost of removing, nullifying or cleaning-up of seeping, polluting or contaminating substances;
- viii. Loss or damage due to any faults or defects known to the insured at the time this insurance was arranged and not disclosed to the insurer; or for which the manufacturer is responsible by contract.
- ix. Accidental damage indemnifiable under Section - I of this policy;
- x. Loss or damage to foundations and masonry, refractory linings, exchangeable or replaceable parts and attachments such as flexible drives or tools used for cutting, drilling, grinding, polishing or similar purposes or moulds, patterns, pulverizing and crushing surfaces, screens and sieves, engravings on cylinders, ropes, chains, belts, elevator and conveyor bands, batteries, tyres, connecting wire and cables, flexible pipes, joining and packing material and all other parts not made of metal (except the insulation of electrical conductors) fuels, filter fillings, cooling media, lubricants, catalysts, chemicals or other operating media. However this exclusion will not be applicable when damage to these parts is part of a loss and/or damage to an insured machine by a cause not excluded. Further this exclusion shall only refer to these parts and not to any resulting damage to the machinery insured under this section of this policy.
- xi. Loss of data, data media and records as well as its regeneration;
- xii. Lack of power, light, heat, steam or refrigeration unless the result of a sudden and unforeseen happening;
- xiii. Loss or damage to motor vehicles licensed for public roads, waterborne vessels, aircraft or helicopter.
- xiv. loss or damage for which the manufacturer or supplier of the property is responsible either by law or ordinance or under any contract or agreement.
- xv. costs of maintenance, upgrade or improvement, normal upkeep

8.3 EXCLUDED PROPERTY

This Section does not cover (unless otherwise expressly agreed in writing) any Accident or Damage to any of the following excluded property:

- a)
- consumables, dies or exchangeable tools, moulds, engraved cylinders
 - parts which by their use and / or nature suffer a high rate of wear or depreciation, e.g. refractory linings, crushing hammers, objects made of glass, belts, cables, ropes, chains, wires, rubber tyres and all non-metallic parts
 - operating media, e.g. lubricants, fuels, batteries
 - escape of water from water containing apparatus,
It is noted however that :
this exclusion shall not be applicable when damage to these parts only is part of a loss and / or damage to an insured machine. This exclusion shall only refer to these parts and not to any resulting damage to the machinery insured under this Section of the Policy of Insurance;
 - electrical cables and instrumentation cables are not excluded in this clause
- b) Mechanical, electrical and electronic equipment prior to the successful completion of their performance acceptance tests
- c) Transmission and distribution lines outside insured plant Premises
- d) Any property underground or offshore
- e) Property of The Insured, which has been, transferred into the possession of others, under leasing or rental agreements, hire, purchase, credit or other suspensive sale agreements.

8.4. CONDITIONS APPLICABLE TO SECTION-I B

8.4.1 PARTIAL LOSS

For damage which can be repaired, the cost necessarily incurred to restore the damaged item to its former state of serviceability plus the cost of dismantling and re-erection incurred for the purpose of effecting the repairs as well as ordinary freight to and from a repair shop, customs duties and dues, if any, to the extent that such expenses have been included in the Sum Insured. If the repairs are carried out at a workshop owned by The Insured, The Insurer shall pay the cost of materials and wages incurred for the purpose of the repairs plus a reasonable percentage to cover overhead charges. No deduction shall be made for depreciation in respect of parts replaced unless specifically mentioned.

8.4.2 TOTAL LOSS

If the cost of repairs equals or exceeds the actual value of the damaged Property Insured immediately before the occurrence of loss or damage, that Property Insured shall be regarded as a constructive total loss.

In the event of a total loss The Insurer shall pay the Actual Cash Value of the Property Insured immediately before the occurrence, including charges for ordinary freight, cost of erection and customs duties, if any, provided such expenses have been included in the Sum Insured.

In no case shall The Insurer be liable for unrepaired damage in addition to a subsequent Total Loss sustained during the period covered by this insurance. The Insured shall not be prevented from recovering a Constructive Total Loss hereunder by reason of any provision(s) in permit, license, Government regulation, or similar circumstances beyond the control of The Insured, which may prevent The Insured from abandoning the subject matter(s) of this insurance to The Insurer. In accordance with the foregoing, The Insurer agrees to waive notice of abandonment but notwithstanding anything to the contrary contained herein The Insurer shall be placed in the same position as if notice of abandonment had been given by The Insured and declined in the customary manner by The Insurer.

The Insurer shall also pay any reasonable costs to dismantle damaged equipment.

8.4.3. COST OF ALTERATION , ADDITIONS , IMPROVEMENTS , MAINTENANCE, REVISIONS OR OVERHAULS

The cost of any alterations, additions, improvements, maintenance, revisions or overhauls shall not be recoverable under this Policy.

8.4.4 ORIGINAL EQUIPMENT MANUFACTURE PROVISION

It is further noted and agreed that in the event of physical loss or damage to the property insured hereunder the insured, at their sole discretion, shall have the option to accept repair or replacement terms as offered by the Original Equipment Manufacturer (OEM) regardless of any other terms offered by other suppliers, manufacturers or fabricators. Provided always that the difference between the OEM quote and the lowest quote doesn't exceed 25% of the lowest quote and quotes are based on the same technological specifications.

8.4.5 DUE DILIGENCE

It is agreed by the insured that during the continuance of this policy the machine(s) shall be maintained in good working order and not willfully operated beyond safe limits except as permitted by the manufacturers or by

judgment of a competent engineer and that Government or other regulations relating to the condition, operation or inspection of machine(s) are observed.

The Insured agree to forward to the insurer copies of such inspection reports whenever required to do so by the insurer.

8.4.6 REPAIRS / REMOVAL

Such insurance as is afforded under this Section of the policy shall also apply while the property Insured is being removed because of imminent danger of loss or damage.

8.4.7 RIGHT OF INSPECTION

The Insurers' officials shall at all reasonable times have the right of access to the premises in which the machines are situated provided they comply with all reasonable site access requirements.

9 CLAUSES APPLICABLE FOR SECTION –I A & I B

9.1 BRAND AND TRADEMARK CLAUSE

It is hereby declared and agreed that in the event of loss or damage by a peril insured against, to property bearing a brand or trademark or which in any way carries or implies the guarantee or responsibility of the manufacturer or Insured, the salvage value of such damaged property shall be determined after removal, in the customary manner, of all such brands or trademarks or other identifying characteristics.

The Insured shall have full right to the possession of all goods involved in any loss under this policy and shall retain control of all damaged goods. The Insured, exercising reasonable discretion, shall be the sole judge as to whether the goods involved in any loss under this policy are fit or unfit for consumption or sale in open market. However, in all such cases of retention of damage goods by the Insured, Insurers shall be free to deduct a reasonable value of salvage at their discretion.

9.2 FLOATER CLAUSE (excluding Machinery Breakdown coverage)

In consideration of additional premium charged over and above the policy rate the Sum Insured in aggregate under the policy is available for any one, more, or all locations as specified in respect of movable property.

At all times during the Policy Period the insured should have a good internal audit and accounting procedure under which the total amount at risk and the locations can be established at any particular time if required.

The changes in the address of locations specifically declared at inception should be communicated

9.3 FLOATER DECLARATION CLAUSE (excluding Machinery Breakdown coverage)

In consideration of Floater Extra charged over and above the policy rate the Sum Insured in aggregate under the policy is available for any one or more or all locations as specified in respect of movable property.

At all times during the period of this policy the insured should have a good internal audit and accounting procedure under which the total amount at risk and the locations can be established at any particular time if required.

The changes in the address of locations specifically declared at inception should be communicated Also:

(1). In consideration of the premium by this policy being provisional in that it is subject to adjustment on expiry of each period of insurance. The Insured agrees to declare to IFFCO-Tokio General Insurance Company Limited in writing the value of his stocks (other than retail) less any amount insured by Policies other than declaration policies, in each separate building or non-communicating compartment or in the open on the following basis namely

(i). average of the values at risk on each day of the month or

(ii). the highest value at risk during the month and to make such declaration(s) latest by the last day of the succeeding month. Such declaration(s) shall be signed by the Insured or by a responsible person authorized to sign on his behalf.

If other policies on declaration basis cover the stocks hereby insured, the declarations shall be made so as to apportion to each policy a share of the value of the stocks insured under such declaration policies, PRO RATA to the respective amounts named in the policies.

In the event of a declaration not being made latest by the last day of the succeeding month then the insured shall be deemed to have de-cleared the Sum Insured hereby as the value at risk.

On the expiry of each period of insurance the premium shall be calculated on the average Sum Insured namely, the total of the values declared or deemed to have been declared divided by the number of declarations deemed to have been made. If the resultant premium is less than the provisional premium, the difference shall be repaid to the Insured, but such repayment shall not exceed 20% of the provisional premium.

Further it is hereby agreed and understood that no reduction in sum insured shall be allowed during the period of the policy.

(2). The basis of value for declarations shall be the market value and any loss hereunder shall be settled on the basis of the Market Value immediately anterior to the loss.

(3). If at the time of any loss, there be any subsisting insurance or insurances on other than a declaration basis, whether effected by the insured or by any other person or persons, covering the stocks hereby insured, this policy shall apply only to the excess of the value of such stocks at the time of the loss over the Sum Insured by such other insurance or insurances, and this Company shall not be liable to pay or contribute more than that proportion of such loss which such excess (or, if there be other declaration insurances covering the same stocks, a rateable proportion of such excess) but not exceeding the Sum Insured here, bears to the total value of the stocks.

(4). If after the occurrence of a loss it is found that the amount of the last declaration previous to the loss is less than the amount that ought to have been declared, then the amount which would have been recoverable by the Insured shall be reduced in such proportion as the amount of the said last declaration bears to the amount that ought to have been declared.

(5). Notwithstanding the occurrence of loss it is understood that the Sum Insured will be maintained at all times during the period of the policy, and the Insured therefore undertakes to pay extra premium on the amount of any loss pro rata from the date of such loss to the expiry of the period of insurance, the premium being calculated at the rate applicable to the stocks destroyed and such extra premium shall not be taken into account in and shall be distinct from, the final adjustment of premium.

(6). In event of the policy being cancelled by the Insured during its policy period (whether stocks exist or not) the premium to be retained by the company shall be the appropriate short period premium calculated on the average amount insured up to the date of cancellation, or 80% of the provisional premium whichever is greater. Notwithstanding the above, if the policy is cancelled by the insured after a loss has occurred, the premium to be retained by the company shall be the PRO RATA proportion of the premium calculated on the average amount insured up to the date of cancellation plus the PRO RATA proportion of the premium from the date of loss to the expiry of the period of insurance on the amount of loss paid, or 80% of the provisional premium whichever is greater.

(7). The maximum liability of the company shall not exceed the sum Insured hereby and premium shall not be receivable on value in excess thereof. The sum Insured may, however, be increased by prior agreement with the Company in which event the new sum Insured and the date from which it is effective will be recorded on the policy by endorsement. In the event of an increase in the sum Insured being agreed to, the company shall charge on

such increased sum an additional provisional premium on a basis proportionate to the unexpired period of the policy and upon.

expiry of each period of insurance the total provisional premium so paid shall be adjusted as provided for in Clause 1 above. If during the period of the policy, the rate for the class of risk to which the insurance applied is revised, and an increase in the Sum Insured under a Declaration Policy is agreed to, the company shall charge on such increased sum an additional provisional premium on a basis proportionate to the unexpired period of policy, at the rate at which the insurance was originally effected and upon expiry of each period of insurance the total provisional premium so paid shall be adjusted as provided for in Clause 1 above.

(8). If the stocks hereby insured shall at the time of loss be collectively of greater value than the Sum Insured thereon, then the Insured shall be considered as being his own insurer for the difference and shall bear a ratable proportion of the loss accordingly. Every item, if more than one, on stock shall be separately subject to this condition.

(9). It is hereby declared that every other policy on a declaration basis covering the stocks insured hereby shall be identical in wording with this policy.

(10). This insurance is subject in all respects to the printed conditions of the policy except in so far as they may be varied by the above conditions.

9.4 ACQUIRED COMPANIES CLAUSE

It is understood and agreed that in the event of the Insured acquiring a controlling interest in companies or other organizations during the Period of Insurance, coverage provided by this Policy extends to include said property subject to the Insured declaring details of such acquisition within thirty (30) days following the date of acquisition and subject to review by the Insurer.

Provided the Occupancy of the new acquisition shall be similar to the Occupancy as stated in the Schedule.

For the purposes of this Clause a controlling interest shall, in the case of a company, mean the acquisition of shares carrying more than fifty per cent (50%) of votes capable of being cast at a general meeting of ordinary shareholders in such company.

9.5 AGGRAVATION CLAUSE

This policy does not cover losses arising out of excluded perils. However it is noted and agreed that, where an insured loss exists and is aggravated by an excluded peril, the impact of this excluded peril shall not preclude the right of the insured to be indemnified for the claim arising out the original loss. The claim, nevertheless, will be limited to the amount of the loss that the insured has suffered being clearly distinguishable as arising from the original loss as opposed to the excluded peril.

9.6 BUILDING ORDINANCE /CIVIL OR LOCAL AUTHORITIES CLAUSE ,DEMOLITION AND INCREASED COST OF CONSTRUCTION

It is hereby understood and agreed, subject otherwise to the terms, conditions and exclusions of the Policy and endorsed hereon, that

a) Company will pay for the additional increased costs incurred by the Insured, due to any repairs or reconstruction of a building consequent to a direct physical loss of or damage to such covered building (or structure) but not machinery and equipment, occurring at a premises described in the Schedule caused by an insured peril, resulting from the enforcement of any law or ordinance regulating the construction, demolition, repair, or use of such building (or structure).

These additional increased costs are:

- i.** The demolishing of undamaged parts of a building (or structure) including the cost of clearing the site;
- ii.** The loss in value of the undamaged portion of a building (or structure) that bears to the value of the entire building (or structure) prior to loss or damage and subject to the same method of recovery which applies to the damaged portion of such building (or structure);
- iii.** The repair, reconstruction or remodelling of damaged and undamaged portions of a building (or structure) whether or not demolition is required at the same described premises or at another site, and limited to the costs that would have been incurred in order to comply with the minimum requirements of the law or ordinance regulating the repair or reconstruction of the damaged building (or structure) at the same described premises. However, we shall not be liable for any increased cost of construction unless the damaged building (or structure) is actually rebuilt or replaced; and
- iv.** Company will pay no more than the applicable sub-limit of this add-on cover.

The demolition of the undamaged building (or structure) as a result of enforcement of any law or ordinance regulating such demolition, will be considered a damaged building (or structure); the value of which is subject to the same method of recovery provided for a damaged building (or structure) and to the applicable limit of liability as per the schedule for that described premises.

b) Company will not pay for the following under this coverage:

- i.** Any cost that is incurred as a result of enforcement of any law or ordinance regulating any form of contamination.
- ii.** Any cost to install improvements or modifications to machinery or equipment, when either is required or performed to comply with the mandated work place safety and environmental regulations.

The indemnity provided herein shall be subject to the sub-limit and deductible as specified in the Policy Schedule.

9.7 CONTRACT PRICE INSURANCE

In the case of insurance of imported goods only (and not for goods of local manufacture) which are sold under a contract which is cancelled either wholly or to the extent of loss or damage, it is permissible to issue a policy on the basis of Contract Price and the following clause shall be inserted in the Policy.

"It is hereby agreed and declared that in respect only of goods sold but not delivered for which the insured is responsible and with regard to which under the conditions of sale, the sale contract is by reason of the perils covered under the Policy, cancelled either wholly or to the extent of the loss or damage, the liability of the company shall be based on the contract price and for the purpose of average the value of all goods to which the clause would in the event of loss or damage be applicable shall be ascertained on the same basis."

9.8 CONTROL OF DAMAGED GOODS CLAUSE

This Policy gives control of physically damaged property as follows:

1. The Insured will have full rights to the possession and control of damaged property in the event of insured physical damage to such property provided proper testing is done to show which property is physically damaged.
2. The Insured using reasonable judgment will decide if the physically damaged property can be reprocessed or sold.
3. Property so judged by the Insured to be unfit for reprocessing or selling will not be sold or disposed of except by the Insured, or with the Insured's consent.
4. Any salvage proceeds received will go to the:
 - a. Company at the time of loss settlement; or
 - b. Insured if received prior to loss settlement and such proceeds will reduce the amount of loss payable accordingly.

9.9 CUSTOMER'S GOODS CLAUSE

It is hereby understood and agreed, subject otherwise to the terms, conditions and exclusions of the Policy and endorsed hereon, that the insurance by this Policy extends to cover goods belonging to the Insured's customers, purchased but not delivered or temporarily in the custody of the Insured for alteration, repair or renovation or other purposes at the Premises insured insofar as such goods are not otherwise insured under any other insurance policy.

The indemnity provided herein shall be subject to the limit of indemnity as specified in the Schedule.

9.10 DECLARATION CLAUSE

The following clause shall be attached to Declaration Policy(ies).

1. In consideration of the premium by this policy being provisional in that it is subject to adjustment on expiry of each period of insurance.

"The Insured agrees to declare to the Company in writing the value of his stocks (other than retail) less any amount insured by Policies other than declaration policies, in each separate building or non-communicating compartment or in the open on the following basis namely 1] average of the values at risk on each day of the month or 2] the highest value at risk during the month and to make such declaration(s) latest by the last day of the succeeding month. Such declaration(s) shall be signed by the Insured or by a responsible person authorised to sign on his behalf.

If other policies on declaration basis cover the stocks hereby insured, the declarations shall be made so as to apportion to each policy a share of the value of the stocks insured under such declaration policies, PRO RATA to the respective amounts named in the policies.

In the event of a declaration not being made latest by the last day of the succeeding month, then the insured shall be deemed to have declared the Sum Insured hereby as the value at risk.

On the expiry of each period of insurance the premium shall be calculated on the average Sum Insured namely, the total of the values declared or deemed to have been declared divided by the number of declarations deemed to have been made.

If the resultant premium is less than the provisional premium, the difference shall be repaid to the Insured, but such repayment shall not exceed 50% of the provisional premium. Further it is hereby agreed and understood that no reduction in sum insured shall be allowed during the period of the policy

2. The basis of value for declarations shall be the market value and any loss hereunder shall be settled on the basis of the Market Value immediately anterior to the loss.
3. If at the time of any loss, there be any subsisting insurance or insurances on other than a declaration basis, whether effected by the Insured or by any other person or persons, covering the stocks hereby insured, this policy shall apply only to the excess of the value of such stocks at the time of the loss over the Sum Insured by such other insurance or insurances, and this Company shall not be liable to pay or contribute more than that proportion of such loss which such excess (or, if there be other declaration insurances covering the same stocks, a rateable proportion of such excess) but not exceeding the Sum Insured hereby, bears to the total value of the stocks.
4. If after the occurrence of a loss it is found that the amount of the last declaration previous to the loss is less than the amount that ought to have been declared, then the amount which would have been recoverable by the Insured shall be reduced in such proportion as the amount of the said last declaration bears to the amount that ought to have been declared.
5. Notwithstanding the occurrence of loss it is understood that the Sum Insured will be maintained at all times during the period of the policy and the Insured therefore undertakes to pay extra premium on the amount of any loss pro rata from the date of such loss to the expiry of the period of insurance, the premium being calculated at the rate applicable to the stocks destroyed and such extra premium shall not be taken into account in, and shall be distinct from, the final adjustment of premium.
6. In event of this policy being cancelled by the Insured during its period (whether stocks exist or not) the premium to be retained by the Company shall be the appropriate short period premium calculated on the average amount insured up to the date of cancellation, or 50% of the provisional premium whichever is greater. Notwithstanding the above, if the policy is cancelled by the insured after a loss has occurred, the premium to be retained by the company shall be the PRO RATA proportion of the premium calculated on the average amount insured up to the date of cancellation plus the PRO RATA proportion of the premium from the date of loss to the expiry of the period of insurance on the amount of loss paid, or 50% of the provisional premium whichever is greater.
7. The maximum liability of the Company shall not exceed the Sum Insured hereby and premium shall not be receivable on value in excess thereof. The Sum Insured may, however, be increased by prior agreement with the Company in which event the new Sum Insured and the date from which it is effective will be recorded on the policy by endorsement. In the event of an increase in the Sum Insured being agreed to, the Company shall charge on such increased sum an additional provisional premium on a basis proportionate to the unexpired period of the policy and upon expiry of each period of insurance the total provisional premium so paid shall be adjusted as provided for in Clause 1 above. If during the period of the policy, the rate for the class of risk to which the insurance applies is revised, and an increase in the Sum Insured under a Declaration Policy is agreed to, the Company shall charge on such increased sum an additional provisional premium on a basis proportionate to the unexpired period of policy, at the rate at which the insurance was originally effected and upon expiry of each period of insurance the total provisional premium so paid shall be adjusted as provided for in Clause 1 above.
8. If the stocks hereby insured shall at the time of loss be collectively of greater value than the Sum Insured thereon, then the Insured shall be considered as being his own insurer for the difference and shall bear a rateable proportion of the loss accordingly. Every item, if more than one, on stock shall be separately subject to this condition.
9. It is warranted that every other policy on a declaration basis covering the stocks insured hereby shall be identical in wording with this policy.

10. This insurance is subject in all respects to the printed conditions of the policy except in so far as they may be varied by the above conditions.

9.11 DESIGNATION OF PROPERTY CLAUSE

For the purpose of determining, where necessary, the item under which any property is insured, The Insurer agrees to accept the designation under which the property has been entered in The Insured's books

9.12 GOODS HELD ON TRUST

It is hereby declared and agreed that certain items of the property may be subject of hire purchase, lease or other agreements and the interest of the other parties to these agreements is noted in this insurance, the nature and extent of such interest including other insurance to be disclosed in the event of loss, destruction or damage. These may also include all real and personal property of every kind and description belonging to the Insured or to others (including but not limited to goods under consignment, held in trust or on lease or paid for awaiting delivery) for which the Insured may be held liable for loss or damage while in their care, custody or control.

9.13 LOSS PAYEE CLAUSE

Loss is payable to The Insured or as directed by The Insured, which shall include such party who has an insurable interest in the subject matter insured at the time of loss or damage.

9.14 MARGIN CLAUSE

It is hereby understood and agreed, subject otherwise to the terms, conditions and exclusions of the Policy and endorsed hereon, that no adjustment shall be made unless the values reported represent an increase of more than 5% (or unless otherwise more specifically mentioned in the Schedule) from the initial values reported. This is to include fluctuations, which may occur in the values of property under the Policy which are automatically held covered.

The additional premium shall be payable on pro-rata basis for the unexpired term of the policy, when the fluctuation is more than 5% (or the percentage specifically agreed and mentioned in the Schedule) of the initial values reported and mentioned in the Policy Schedule.

9.15 NEW ACQUISITIONS AND CAPITAL ADDITION

This policy automatically covers the Insured's interest in newly acquired property, as is otherwise covered by this policy, whether acquired through merger, acquisition or otherwise. All current/ future subsidiaries to be automatically covered for their respective share/ rights.

The liability of the Insurer shall not exceed the Limit of Liability stated in your Policy Schedule / Certificate of Insurance.

9.16 NON INVALIDATION

It is hereby agreed that this insurance shall not be invalidated by:

1. Any change of occupancy or increase of risk taking place in the property insured without the insured's knowledge provided that they shall, immediately on the same coming to their knowledge, advise the insures and pay any additional premium that may be required form the date of such increase of risk.

2. Workmen on the premises for the purposes of effecting repairs, minor alterations to the premises or general maintenance purposes and the like.

9.17 NON-VITIATION CLAUSE

The various parties comprising the insured operate as separate and distinct entities, the rights of each of these parties in all respects shall (non-withstanding anything contained or implied herein to the contrary), be treated as though each of the parties had separate policies for their respective rights and interests and indemnities of any of the parties who are not guilty of any act, omission, statement, fraud, misrepresentation, non-disclosure, breach of condition/warranty or mis-statement on the part of any individual insured which may vitiate any claims or render this policy void shall have such effect only as to the rights and interests of that particular insured and shall not prejudice the rights and interest of any other insured under this policy.

Nothing contained in this Endorsement shall be deemed to increase the Sum(s) Insured or Limit of Indemnity stated in the Policy Schedule, subject otherwise to the terms, exclusions, conditions and limitations of this Policy.

9.18 MULTIPLE INSURED CLAUSE

If in any Section the Insured comprises of more than one party each operating as a separate and distinct entity, this Policy of Insurance shall, unless otherwise provided for in this Policy of Insurance, apply as if a separate policy had been issued to each of these parties provided always that the Insurer's overall liability towards the parties that constitute the Insured in any Section shall not exceed the Sum Insured and any limits of indemnity specified in the Schedule to that Section.

Any payment made by the Insurer to any Insured Party as a result of an occurrence of loss or damage shall reduce, by the amount of that payment, the Insurer's liability towards all Insured Parties that constitute The Insured arising from that occurrence under this Policy of Insurance "

9.19 PRIMARY AND NON-CONTRIBUTORY

It is expressly agreed that this policy provides primary insurance cover and shall not be contributory to any other policy that may exist whether the other policy also covers the interest of the insured or not. Subject otherwise to the terms and conditions of the Policy.

9.20 SEVENTY TWO HOURS CLAUSE

Windstorm (Storm, Cyclone, Typhoon, Tempest, Hurricane and Tornado)

Insurers shall not be liable for any loss occurring before the effective date and time of the Policy nor for any loss commencing after the expiration date and time of this Policy. However, The Insurer will be liable for any losses occurring for a period of up to maximum seventy-two (72) hours after the expiration of this Policy, provided that the first windstorm damage occurs prior to the date and time of the expiration of this Policy.

Each loss by windstorm shall constitute a single claim hereunder; provided, if more than one windstorm shall occur within any period of seventy two (72) hours during the term of this Policy such windstorm shall be deemed to be a single windstorm within the meaning thereof.

Official recognized Authority (or as agreed between The Insurer and The Insured) will elect the moment from which each of the aforesaid periods of seventy two (72) hours shall be deemed to have commenced but no two such seventy two (72) hour periods shall overlap.

Flood

Insurers shall not be liable for any loss caused by flood occurring before the effective date and time of this policy nor for any loss commencing after the expiration date and time of this policy. However, The Insurer will be liable for any losses occurring for a period of up to maximum seventy-two (72) hours after the expiration of this Policy, provided that the first flood damage occurs prior to the date and time of the expiration of this Policy.

Each loss caused by flood and all losses caused by flood within a seventy-two (72) hours period shall be deemed to constitute a single loss. Official recognized Authority (or as agreed between The Insurer and The Insured) will elect the moment from which each of the aforesaid periods of seventy two (72) hours shall be deemed to have commenced but no two such seventy two (72) hours periods shall overlap.

Earthquake (TO BE DELETED IF EARTHQUAKE IS NOT OPTED FOR)

Insurers shall not be liable for any loss caused by an earthquake occurring before the effective date and time of this policy nor for any loss commencing after the expiration date and time of this policy. However, The Insurer will be liable for any losses occurring for a period of up to maximum seventy-two (72) hours after the expiration of this Policy, provided that the earthquake damage occurs prior to the date and time of the expiration of this Policy.

Any and all losses caused by earthquake shall constitute a single loss hereunder provided that more than one earthquake shock occurring within any seventy two (72) hour period during the Period of Insurance of this Policy shall be deemed to be a single earthquake within the meaning thereof.

9.21 VEHICLE LOAD CLAUSE

In the event of any of the insured's vehicles being left loaded overnight where the goods are already sold but not yet delivered whilst in or on the premises described in the Schedule hereto the Company will indemnify the insured in respect of such load in the event of loss or damage by any of the perils Insured against by this Policy. This Clause is subject otherwise to the terms, Conditions and Exclusions of the Policy.

9.22 WAIVER OF RECOURSE

It is understood and agreed that this Insurance shall not be invalidated should the Insured waive, with Insurers' agreement, prior to loss or damage affected thereby any or all rights and recovery against any party for loss or damage to the property described herein, provided however, that the Insurers' rights of recourse against any manufacturers and suppliers be maintained in force. It is specifically agreed to automatically waive rights of recourse against contractors of the Assured (and /or their subcontractors) during the policy period but only in respect of the normal maintenance activities of the Assured. Normal maintenance shall be deemed to include work during normal shutdowns and the bringing up from normal shutdowns.

9.23 WAIVER OF SUBROGATION

It is hereby agreed and declared that notwithstanding anything to the contrary in this policy or in any of its conditions that in the event of the claim arising under this policy, the Company agrees to waive any rights remedies or relief to which they might become entitled by subrogation against specific parties.

9.24 WAIVER OF UNDER INSURANCE

If, in the event of loss or damage, it is found that the sum insured is less than the amount required to be insured, then the amount recoverable by the insured under this section shall be reduced in such proportion as the sum insured bears to the amount required to be insured. Provided, however, if the said sum insured in respect of such item(s) of the schedule shall not be less than 85% of the value of the item(s) thereat, this condition shall be of no purpose and effect.

10 ADDITIONAL OPTIONAL COVERS (Applicable for Section-I A & I B)

10.1 ADDITIONAL CUSTOM DUTY

It is hereby declared and agreed that the insured shall also be indemnified during the Policy Period, toward the additional Custom Duty as mentioned in the Policy Schedule which may be incurred by the insured over and above the custom Duty amount taken into account in arriving at the Sum Insured of the affected item.

10.2 CATALYST AND CONSUMABLE (Including Lining And Refractory) INTEREST IN PROCESS

Loss of or damage to Catalyst and consumable materials, including lining and refractory, in the course of process is covered to a maximum limit as specified in the schedule.

This extension also covers loss and / or damage of catalyst due to sudden poisoning / deactivation by a cause not excluded under the policy.

Basis of indemnity – Actual Cash value (i.e. the residual value)

10.3 CLEANING UP AND OTHER COSTS CLAUSE

It is hereby declared and agreed that notwithstanding anything to the contrary mentioned in the Policy, this Policy extends to cover necessary and reasonable costs and expenses incurred by the Insured, following physical loss or damage to the property hereby insured, for the cleaning up or removing debris or decontaminating such damaged property or nearby property, all in so far as owned by the Insured, or for which the Insured is responsible, adjoining land, roadways, rivers, canals or other waterways affected by an insured peril, and for the dismantling and/or demolishing, shoring up, or propping portions of the property insured destroyed or damaged and/or other expenses incurred in rendering the site suitable for immediate rebuilding or repair of the property damaged, including any expense incurred for the removal of undamaged property thereon including foundations, if such removal should prove to be necessary in connection with the rebuilding or replacement aforesaid.

The indemnity provided herein shall be subject to the limit of indemnity and deductible as specified in the policy schedule.

10.4 CONTAMINATION AND CO-MINGLING OF STOCKS

This Policy of Insurance extends to cover loss or damage to stocks as a result of fortuitous accidental contamination, and/or accidental co-mingling, arising from a cause not otherwise excluded, whilst in the Insured's care, custody or control.

10.5 TRACE AND ACCESS TO DAMAGED UTILITY SYSTEMS

The insurance under this policy is extended to cover expenses necessarily and reasonably incurred by the insured in locating/tracing and obtaining access to any part or parts of the utility system to repair damages resulting from leakage/ overflow/ short circuit, etc. however, the cost pertaining to repair of the damaged utility (appliance) itself is not covered.

Under this extension, coverages will be restricted to electricity distribution, cooking gas and Air Conditioning system within the insured premises.

The limit of liability arising out of one or multiple events during the policy period is restricted to the limit as mentioned in the policy schedule.

10.6 TRACE AND ACCESS

It is hereby agreed and declared that notwithstanding anything to the contrary in this policy or in any of its conditions that the costs and expenses incurred in investigating and identifying the cause of Damage, and of identifying the location of such cause will be covered.

The indemnity provided herein shall be subject to the limit of indemnity as specified in your Policy Schedule.

10.7 DEFERRED PAYMENTS

It is hereby understood and agreed, subject otherwise to the terms, conditions and exclusions of the Policy and endorsements herein, that this Policy covers insured for physical loss or damage to Property of the insured which is sold by the Insured under a conditional sale or trust agreement or any instalment or deferred payment plan and after such property has been delivered to the buyer. Coverage is limited to the unpaid balance for such property.

In the event of loss to property sold under deferred payment plans, the Insured will use all reasonable efforts, including legal action, if necessary, to effect collection of outstanding amounts due or to regain possession of the property.

There is no liability under this Policy for loss:

- 1) pertaining to products recalled, including but not limited to, the costs to recall, test or to advertise such recall by the Insured.
- 2) from theft or burglary, the property after the buyer has taken possession of such property.
- 3) to the extent the buyer continues payments.
- 4) not within the TERRITORY of this policy.

The indemnity provided herein shall be subject to the limit of indemnity as specified in the Schedule.

10.8 DELIBERATE DAMAGE

Subject to the terms and conditions of this policy, this insurance covers physical loss of property insured or expenses incurred by the insured, directly caused by any act or order of any governmental authority acting under the powers vested in them to prevent or mitigate the damage or imminent damage or threat thereof, resulting directly from damage to the property insured, provided such act of governmental authority has not resulted from lack of due diligence by the insured to prevent or mitigate such hazard or threat, thereof and to any other physical damage. Consequential losses are however excluded.

Limit – As specified in schedule for each and every loss.

10.9 INCREASED COSTS OF CONSTRUCTION AND DEMOLITION CLAUSE

Subject to the Policy of Insurance terms and conditions cover hereon includes:

(i) Loss occasioned by the enforcement of any laws(s) or ordinance(s) regulating the construction, repair or use of building(s) or structure(s) and in force at the time such loss occurs which requires the demolition of any portion of the building(s) or structure(s) which have not suffered damage from the same loss occurrence under this Policy of Insurance (all locations).

(ii) The cost incurred in actually rebuilding both the damaged and demolished portions of the building(s) or structure(s) with materials and in a manner to fully satisfy such ordinance(s) or law(s). The total liability under this clause shall not exceed actual expenditure incurred in demolishing the undamaged portion of the building(s) or structure(s) involved plus the lesser of the following:

- (a) The actual expenditure incurred not including the cost of land in rebuilding on another site, or
- (b) The cost of rebuilding on the same site.

Insurers shall not be liable for any cost of demolition or increased cost of construction of property necessitated by any law or ordinance regulating any form of pollution or contamination. This clause does not increase the amount(s) of insurance provided hereunder.

10.10 UNDAMAGED PARTS CLAUSE / DESTRUCTION OF SOUND PROPERTY

The policy stands extended to include replacement/ reinstatement of undamaged portions/parts of the insured property subject to condition that,

- a) Such replacement/reinstatement of undamaged portion/ part of the property is necessary, as may be certified by Surveyor
- b) By such replacement of undamaged part, there is no technical improvement in performance, capacity or output
- c) Claim is payable only if there is an admissible claim under the main Policy

Sum Insured Limit: As specified in Schedule

10.11 DEWATERING EXPENSES

It is hereby declared and agreed that the Policy covers costs and expenses necessarily and reasonably incurred for dewatering, including shafts and underground structures, following an event which is not specifically excluded under the policy.

The liability of the Insurer shall not exceed the Limit as stated in the Policy Schedule.

10.12 STOCK DETERIORATION IN COLD STORAGE DUE TO POWER FAILURE ARISING OUT OF INSURED PERIL

It is hereby agreed and declared that notwithstanding anything to the contrary in the policy or in any of its conditions, this policy covers destruction of or damage to the property hereby insured caused by change of temperature in consequence of failure of electric supply at the terminal ends of electric service feeders from which the Insured obtains electric supply directly due to damage caused by any peril insured against under this policy to property at insured premises or any Electric Station or Sub-Station of Public Electric Supply undertaking from which the Insured obtains electric supply.

Provided that the Company shall not be liable for any loss occasioned by the deliberate act of the Government, municipal or Local authority or Supply Authority not performed for the sole purpose of safeguarding life or protecting any part of the supply undertaking's systems or by the exercise by any such authority of its power to withhold or restrict or ration supply not necessitated solely by damage to the Supply Undertaking's generating or supply equipment by an insured peril.

Provided further that the Company shall not be liable for any loss unless the duration of each such failure exceeds 24 hours.

Subject otherwise to the terms, exceptions, conditions and limitations of the Policy.

In any action, suit or other proceedings where the company alleges that by reason of the provisions of this condition any loss or damage is not covered by this insurance, the burden of proving that this loss or damage is covered shall be upon the Insured.

10.13 ESCALATION CLAUSE

In consideration of the payment of an additional premium amounting to 50% of the premium produced by applying the specified percentage to the first or the annual premium as appropriate on the items as per the schedule the Sum(s) Insured thereby shall, during the period of insurance, be increased each day by an amount representing 1/365th of the specified percentage increased per annum.

Unless specifically agreed to the contrary the provisions of this clause shall only apply to the sums insured in force at the commencement of each period of insurance.

At each renewal date the insured shall notify the Insurers: -

(i) The sum to be insured under each item above, but in the absence of such instructions, the Sums Insured by the above items shall be those stated on the policy (as amended by any endorsement effective prior to the aforesaid renewal date) to which the increases which have accrued under this Clause during the period of insurance upto that renewal date shall be added, and

(ii) The specified percentage increase(s) required for the forthcoming period of insurance, but in the absence of instructions to the contrary prior to renewal date the existing percentage increase shall apply for the period of insurance from renewal.

All the conditions of the policy in so far as they may be hereby expressly varied shall apply as if they had been incorporated herein.

10.14 EXHIBITION , EXPOSITION ,FAIR OR TRADE SHOW

It is hereby understood and agreed, subject otherwise to the terms, conditions and exclusions of the Policy and endorsed hereon, that The Company will pay to the Insured for direct physical loss of or damage caused by Insured peril not excluded under the policy to the property insured situated on the premises of any exhibition, exposition, fair or trade show unless such property is otherwise more specifically insured. The scope of coverage will be within the Territorial scope of this policy.

The indemnity provided herein shall be subject to the limit of indemnity as specified in the Schedule.

10.15 EXPEDITING EXPENSES

It is hereby understood and agreed, subject otherwise to the terms, conditions and exclusions of the Policy and endorsed hereon, that in the event of loss insured hereunder The Company shall also pay, in addition to the indemnity otherwise provided, the reasonable extra cost of safeguarding, preserving, temporary repair and of expediting the repair of such damaged property, including overtime and extra cost of express and other rapid means of transportation.

The liability of the Insurer shall not exceed the Limit stated in your Policy Schedule.

10.16 FINE ARTS / WORKS OF ART

It is hereby understood and agreed, subject otherwise to the terms, conditions and exclusions of the Policy and endorsed hereon, that the Company will pay the Insured for direct physical loss of or damage to Fine Arts occurring at a premises described in the Schedule, caused by a peril not excluded under the Policy. This coverage does not apply to loss or damage caused by any repairing, restoring or retouching process. This coverage does not apply to breakage of bric-a-brac, glassware, marble, porcelain, statuary, and similar fragile property resulting from the article being dropped or knocked over whether intentional or accidental.

Basis of valuation for Fine Arts: On Fine Arts articles, the lesser of the reasonable and necessary cost to repair or restore such property to the physical condition that existed on the date of loss or the cost to replace the article or the value if stated on a schedule on file. If the Fine Arts articles cannot be replaced and an appraisal is not available, the valuation shall be market value based on prevailing conditions at the time of loss or damage.

Fine Art for the purpose of this endorsement is defined as mentioned in the Schedule.

The indemnity provided herein shall be subject to the limit of indemnity as specified in the Schedule.

10.17 STOCK DETERIORATION IN COLD STORAGE DUE TO CHANGED TEMPERATURE CAUSED BY DAMAGE TO INSURED PROPERTY

It is hereby agreed and declared that notwithstanding anything to the contrary in this policy or in any of its conditions this policy covers destruction of or damage to the property hereby insured caused by change of temperature in consequence of failure of electric supply following damage to Insured's property due to insured peril(s).

Provided further that the Company shall not be liable for any loss unless the duration of each such failure exceeds 24 hours.

Subject otherwise to the terms, extensions, conditions and limitations of this Policy

In any action, suit or other proceedings where the company alleges that by reason of the provisions of this condition any loss or damage is not covered by this insurance, the burden of proving that this loss or damage is covered shall be upon the Insured.

10.18 FOREST FIRE

Policy shall extend to include loss of or damage to the property insured directly caused by burning, whether accidental or otherwise, of forest, bush and jungles and the clearing of lands by Fire.

10.19 INADVERTENT OMISSION / ERROR & OMISSION

The insured having notified the insurer of their intention to insure all property in which they are interested and it being their belief that all such property is insured ,if hereinafter any such property shall be found to have been inadvertently omitted at the inspection of the policy ,the insurers will deem it to be insured within the terms of this policy, up to a limit as specified in the schedule, in aggregate provided that such property is declared to insurer immediately upon discovery of omission.

No refund of premium would be allowed under this cover.

10.20 INLAND TRANSIT

It is agreed and understood that otherwise subject to the terms, exclusions, provisions and conditions contained in the policy or endorsed thereon, Section I of this insurance shall be extended to cover insured's Plant & Machinery and spares, but excluding stock, finished goods and raw materials, whilst in transit within the territorial limits of India subject to:

- Damage caused as a result of 'All Risks' as covered under the policy and forming part of the property insured
- Provided that the insured property is suitably packed and/ or prepared for transit which shall also be deemed to include stowage
- Provided that the maximum amount payable under this extension shall not exceed the limit per transit as mentioned in the schedule.
- Provided that it is not indemnifiable under a more specific policy

Deductible for this cover shall be as mentioned in the schedule.

Any consequential loss arising out of loss covered under this clause is excluded.

10.21 INTERNAL DECORATION FIXTURES AND FITTINGS

It is hereby understood and agreed, subject otherwise to the terms, conditions and exclusions of the Policy and endorsed hereon, that in the event of insured partial loss or damage to internal decoration, fixtures and fittings which follows a consistent design theme throughout the property affected, this policy shall insure the replacement of the entire internal decoration, fixtures and fittings design, including that portion of the internal decoration which did not suffer insured loss or damage, provided the repair or replacement of the damaged portion of the internal decoration, fixtures and fittings is impossible due to the inability of the Insured to source the authentic materials necessary to complete such repair or replacement.

The indemnity provided herein shall be subject to the limit of indemnity as specified in the Schedule.

10.22 KEY AND LOCK

It is hereby understood and agreed, subject otherwise to the terms, conditions and exclusions of the Policy and endorsed hereon, that the Company will pay the Insured all costs reasonably incurred in the repair or replacement of mechanical door locks following theft of keys from the premises of the Insured or off any authorized employee or following threat of or actual assault or violence to the Insured or any authorized employee.

The liability of the Insurer shall not exceed the Limit of Indemnity stated in the Schedule.

10.23 INSURANCE OF ADDITIONAL EXPENSES OF RENT FOR AN ALTERNATIVE ACCOMMODATION

Additional expenses of rent for an alternative accommodation in respect of non-manufacturing risks may be covered on the following basis:

- a. The cover may be granted for non-manufacturing premises only.
- b. The cover may be granted under the Policy and not under Consequential Loss (Fire) Policy.
- c. The period of Indemnity may be limited to the period during which the original premises remain untenable as a result of occurrence of perils insured against. Maximum indemnity period not to exceed 3 (three) years.
- d. The additional expense recoverable under the policy may be additional rent actually paid i.e. the difference between the new and the original rent only.

- e. Certificate from the Local Municipal Authority or an Architect to the effect that premises in question are untenable will be accepted as adequate proof of the fact that the premises, in fact, have become untenable.
- f. Insurance should be granted against Fire, Riot, Strike, Malicious and Terrorist Damage and Earthquake (Fire & Shock) and other Extraneous Perils. Cover against Riot, Strike, Malicious and Terrorist Damage should be granted only if it involves actual physical damage to the building. The cover does not intend to pay, if for instance, the insured's entry is barred by strikers, demonstrators and similar occurrences.
- g. The cover may be limited to buildings other than those of "Kutchra" construction.
- h. The area for alternative accommodation may be equivalent to the area presently occupied. However, no restriction will apply in respect of locality for the alternative accommodation, so long as the alternative accommodation is taken in the same city of town.
- i. Cover may be permitted to the tenant as also to the Owner -Occupant. Further, in respect of the Owner-Occupant, the alternative accommodation may be limited to the area presently under his occupation.
- j. For the Owner-Occupant, since he will not be paying any rent based on the area occupied by him (in comparison with the actual rent being paid by the tenant in the same building or similar buildings in the same locality) the standard rent based on the rateable values fixed by Municipal/Revenue Authorities for tax purposes may be treated as the original rent for the purpose of this insurance.
- k. It will be compulsory for
 - I. the Owner-Occupant to insure both building and contents.
 - II. the tenant to insure the contents of the premises for which he is seeking this extension

Endorsement wording for insurance of rent for alternative accommodation Tenant or Owner-Occupant

It is hereby declared that in the event of the premises described in the policy and occupied by the insured, hereinafter referred to as 'PREMISES' being destroyed or damaged by any Insured Peril as to become unfit for occupation and the insured in consequence taking up alternative accommodation, the Company shall, subject to special conditions set out herein, indemnify the insured against the additional rent (as explained herein) which the insured is called upon to bear for the period beginning from the date of operation of any of the Insured Perils until the 'PREMISES' is rendered fit for occupation such period not exceeding such reasonable time as is required to restore the premises with due diligence to a condition fit for occupation or the maximum indemnity period, as specified in the schedule, whichever is earlier.

Provided that the liability of the Company shall not exceed the sum insured (as specified in the schedule) hereby. Provided further that if the sum produced by applying the monthly additional rent, borne by the insured for the alternative accommodation to the maximum indemnity period is more than the Sum Insured hereby, the liability of the Company shall be proportionately reduced.

SPECIAL CONDITIONS:

1. This insurance shall apply subject to the condition that the PREMISES occupied by the insured, whether as owner or tenant, forms part of a building not being "Kutchra" Construction.
2. If the area of alternative accommodation taken by the insured is more than the area of the PREMISES occupied by the insured, the additional rent borne by the insured for the purpose of this insurance shall be deemed to be that proportion of the additional rent actually borne by the insured as the area of the PREMISES which was in the insured's occupation bears to the area of the alternative accommodation taken by the insured. The insured shall be

at liberty to take alternative accommodation in any locality so long as it is within the Municipal limit of the city or town in which the PREMISES is situated.

10.24 LAND AND WATER CONTAINMENT CLEANUP, REMOVAL AND DISPOSAL

It is hereby understood and agreed, subject otherwise to the terms, conditions and exclusions of the Policy and endorsed hereon, that this Policy extends to cover the reasonable and necessary cost for the cleanup, removal and disposal of Contaminant(s) or pollutants from uninsured property consisting of land, water or any other substance in or on land at the Insured Location if the release, discharge or dispersal of Contaminant(s) is a direct result of insured physical loss or damage to insured property.

This Policy does not cover the cost to cleanup, remove and dispose of Contaminant(s) or pollutants from such property:

- 1) at any location insured for Personal Property only.
- 2) at any property insured under AUTOMATIC COVERAGE or ERRORS AND OMISSIONS or Miscellaneous Unnamed Location coverage provided by this Policy.
- 3) when the Insured fails to give written notice of loss to The Company within 90 days after inception of the loss.

The indemnity provided herein shall be subject to the limit of indemnity as specified in the Schedule.

10.25 LAND IMPROVEMENTS

It is hereby understood and agreed, subject otherwise to the terms, conditions and exclusions of the Policy and endorsed hereon, that the Company will pay for the additional cost of reclaiming, restoring or repairing land improvements as incurred by the Insured, resulting from direct physical loss of or damage to property insured under the Policy, occurring at premises described in the Schedule. Land improvements are any alteration to the natural condition of the land by grading, landscaping and additions to land such as pavements, roadways, or similar works. This coverage does not apply to land improvements at a golf course unless specifically mentioned in the Schedule.

The indemnity provided herein shall be subject to the limit of indemnity as specified in the Schedule.

10.26 LEAK SEARCH / FINDING COST CLAUSE

In addition to indemnifiable costs of repair or replacement the company will indemnify the assured for the cost and expenses necessarily and reasonably incurred in locating and obtaining access to any part or parts of the insured property in order to locate and repair leaks or other damages subject to a limit as specified in the Schedule for each and every occurrence.

10.27 LOSS OF RENT

It is hereby understood and agreed, this policy is extended to cover the loss of rent caused by insured perils subject to the following:

The insurance on rent applies only if (any of) the said building(s) or any part thereof is unfit for occupation in consequence of its destruction or damage by the perils insured against and then the amount payable shall not exceed such portion of the sum insured on Rent as the period necessary for reinstatement bears to the term of the Rent Insured.

The liability of the Insurer shall not exceed the Limit stated in your Policy Schedule.

10.28 METERED WATER

It is hereby understood and agreed, subject otherwise to the terms, conditions and exclusions of the Policy and endorsed hereon, that the insurance cover of each item covering machinery extends to include the costs for which the Insured is responsible in respect of loss of metered water provided that the Insured maintains a record of readings from the Water Authority meter at intervals of not more than 7 days, unless specifically agreed otherwise and mentioned in the Policy Schedule.

The amount payable in respect of any one location hereby insured is limited to such excess water charges demanded by the Water Authority and resulting from the accidental escape of water from pipes apparatus or tanks in consequence of loss or damage under the Policy.

The indemnity provided herein shall be subject to the limit of indemnity as specified in the Schedule.

10.29 MINIMUM DEMAND CHARGES

It is hereby agreed and understood, subject otherwise to the terms, conditions and exclusions of the Policy and endorsed hereon, that the insurance by this Policy is extended to include the minimum demand charges imposed by any named supplier of electricity, water, gas or utility services to which the Insured has contracted and which cost has been incurred by the Insured following upon the loss as insured under this Policy and provided that such expenditure is not more specifically insured by the Policy as a Standing charge or Fixed cost within the definition of Gross Profit or any other definition used in the terms of the policy wording.

The indemnity provided herein shall be subject to the limit of indemnity as specified in the Schedule.

10.30 MOLTEN METAL SPILLAGE COVER

Material Damage Wording

It is hereby agreed and declared that, subject to the conditions of the Policy, the policy extends to cover physical loss or damage to property excluding cost of molten material serving business operations that arises without the occurrence of fire as a result of the spillage or leakage of glowing molten material from container or lines.

Physical loss or damage shall not include damage to containers, unless such damage is caused by spilled glowing molten material acting from the outside.

Business Interruption Wording

It is hereby agreed and declared that, subject to the conditions of the Policy, the policy extends to cover losses consequent to the physical loss or damage to property excluding cost of molten material serving business operations that arises without the occurrence of fire as a result of the spillage or leakage of glowing molten material from container or lines.

Physical loss or damage shall not include damage to containers, unless such damage is caused by spilled glowing molten material acting from the outside.

The indemnity provided herein shall be subject to limit for each and every loss (Material Damage + Business Interruption) and the aggregate loss limit is as mentioned in the Policy Schedule

10.31 INVOLUNTARY BETTERMENT / MODIFICATION COST / INCOMPATIBILITY EXPENSES / TECHNOLOGICAL ADVANCEMENT

Notwithstanding Condition of Reinstatement, In the event that new Property Insured of like kind and quality is not obtainable, Property Insured which is as similar as possible to that which has sustained Damage and which is capable of performing the same function shall be deemed to be new Property Insured of like kind and quality and in no event shall this be considered as a betterment to the Insured.

In the event of replacement with new Property Insured, the Insurer will pay the cost of purchasing and installing technologically current Property Insured, which is necessitated by incompatibility between new Property Insured installed to replace Property Insured which has sustained Damage and existing Property Insured which has not incurred Damage at the same or an interdependent location.

Provided always that:

- (1). Damage was directly caused to the Property Insured
- (2). The Insurer shall be liable only for the amount sufficient to enable the Insured to resume operations in substantially the same manner as before the Damage
- (3). The Insurer shall be liable for only the difference between
 - (3.1). the highest sales value of the existing Property Insured which has not incurred Damage at the same or interdependent location and
 - (3.2). The installed cost of the technologically current Property Insured

The liability of the Insurer shall not exceed the Limit of Indemnity stated in your Policy Schedule.

10.32 MOULD AND FUNGI

This policy only insures damage to property insured, by mould, mildew, fungus or spores when directly caused by damage to property insured during the Policy Period by causes not excluded under this Policy.

The insured must report to the insurer the existence and cost of the damage by mould, mildew, fungus or spores as soon as practicable, but no later than the time mentioned in the Policy Schedule, after the peril not excluded under the Policy has first caused damage to such insured property during the Policy Period.

This Add-On does not insure any damage by mould, mildew, fungus or spores first reported to the insurer after the time period mentioned above.

This Add-On Cover is subject to the Sub-Limit and Deductible as mentioned in the Policy Schedule.

10.33 ADDITIONS / ALTERNATION OR EXTENSIONS DURING THE POLICY PERIOD

Consequent to the payment of agreed additional premium, the Insurance by this Policy extends to cover Buildings and/or Machinery, Plant and other Contents which the insured may erect or acquire or for which they may become responsible during the currency of the policy: -

- 1) (a) at the described premises

- (b) for use as factories
- 2) The liability under this Extension shall not exceed the limit mentioned in the schedule.
 - 3) The Insured shall notify the Insurer of each additional insurance as soon as it shall come to their knowledge and shall pay the appropriate additional premium thereon from the date of inception.
 - 4) Following the advice of any additional insurance as aforesaid, cover by this extension shall be fully reinstated.
 - 5) No liability shall attach to the insurers in respect of any Building, machinery, Plant or other contents while such property is otherwise insured.
 - 6) All new additions to Buildings and/or machinery and Plant not specifically insured/included during the currency of the policy should be declared at the end of the year and suitable adjustment of premium paid on pro rata basis from the date of completion of the construction/erection of additions will be adjusted.
 - 7) If the insured fails to declare the values of such additions within 60 days after the expiry of the policy, there shall be no refund of the advance premium collected.

Note - Other Contents' in the above clause shall mean 'Furniture and Fittings' and does not include 'Stocks'.

10.34 PERSONAL EFFECTS CLAUSE / PROPERTY OF EMPLOYEES AND VISITORS

It is hereby declared and agreed that, notwithstanding anything to the contrary in this Policy, the Company will pay for direct physical loss of or damage in respect of the Policy to personal effects (except vehicles) owned by Insured, Insured's officers, partners, employee or of others in Insured's care, custody or control when at a premises described in the Schedule. The coverage does not apply to theft from any vehicle.

The liability of the Insurer shall not exceed the Limit stated in your Policy Schedule.

Deductible shall be as per the limits mentioned in the schedule.

Subject otherwise to the terms, conditions and exclusions of the Policy.

10.35 PLANS, DOCUMENTS & COMPUTER SYSTEMS RECORDS & ARCHIVES

It is hereby understood and agreed, subject otherwise to the terms, conditions and exclusions of the Policy and endorsed hereon, that the insurance by this Policy extends to cover loss of data, data media and records including plans, documents and archives as well as its restoring or regeneration or reconstruction, up to a limit as specified in the Schedule subject to following.

1. The loss of data, data media and records having been caused by damage not excluded under this policy.
2. We will indemnify the Insured for the Cost, Charges and Expenses incurred in restoring or regenerating or reconstructing the documents but only for the value of the material and not for their value to the Insured, which may have been destroyed, damaged, lost, or mislaid following a claim admissible under the policy. It is understood that the said documents may consist of deeds, views, agreements, maps, plans, records, books, letters, certificates and the like, but bearer bonds, stamps, coupons, bank or currency notes or other negotiable instruments shall be deemed to be excluded from this insurance.
3. Data / Software backup being kept in fireproof safe.
4. The following special exclusions will apply:
 - a) Loss or damage for which the Repair Company or Maintenance Company is contractually liable.
 - b) Any cost for standard adjustment, rectifying functional failures and maintenance of Insured object unless necessary in connection with the repair of an Insured loss.

- c) Normal wear and tear of media
- d) Erroneous programming, perforating, inadvertent cancelling of information or discarding of data media, loss of information caused by magnetic fields, loading or printing.
- e) Consequential loss of any kind

The indemnity provided herein shall be subject to the limit of indemnity as specified in your Policy Schedule.

10.36 POT FREEZING

Not with standing anything to the contrary mentioned in the aforesaid policy, it is understood and clarified that

- 1) Operational Pots- For the Purpose of Clarity word Operational Pots Covered hereunder shall mean pots which were in regular operation before such failure of electricity and will exclude pots undergoing any kinds of repair, maintenance, testing/commissioning, and will include all portions of the aluminium smelter pots from its civil foundations upto and including the common electrical bus bar from which energy is transmitted. It will also include all the contents of such operational smelter pots including but not limited to the anodes, cathodes, cryolite, molten aluminium or any other intermediate products
- 2) Pot Freezing- Sudden and Accidental failure of supply of electricity, for a continuous period exceeding 4 hours, (However in a **total Black out** situation this time limit will be 2 hours). Which may result in freezing or solidification of elements undergoing the Smelting process/Hall- Heroult process due to operation of following perils –
 - I. Fire
 - II. Lightning resulting into Fire
 - III. Storm, tempest, Flood and inundation
 - IV. Earthquake
 - V. Machinery Break down
 - VI. RSMD
 - VII. Damage to T& D Lines due to any of the 6 perils mentioned above Resulting into the freezing of the pots as defined above.

It is hereby declared and agreed that Pot Freezing as defined above is covered only for operational pots and Liability under the policy is subject to fulfillment of the following additional conditions-

- 1) Failure of supply of electricity should be because of the direct cause of the Perils named above
- 2) Minimum Shortage of Power due to failure of supply of electricity should not be less than 100 MW for duration of 4 hours and claim is admissible only if such power interruptions last for more than 4 hours except in the Total Black out situation where the minimum duration shall be two hours.
- 3) All Pots **disturbed (as defined below)** within a period of 72 hours due to occurrence of one event will constitute one claim and any pot freezing beyond 72 hours will not be covered
- 4) Any event which may give rise to a claim must be intimated within 36 hours.
- 5) The Pot Freezing Claim Loss (No. Of Pots failure & Loss extent) will be submitted within 96 hours. (72+24hours).

- 6) Indemnity for pot damage (freezing) for PD losses would be on depreciation value basis. Depreciation to be considered from the date of original induction or reeducation after realigning which ever happen last.
Depreciation to be charged @10% per year subject to a maximum of 65%. This age wise depreciation will apply equally in case of full relining or partial repairs or sidelining or shunting
- 7) Indemnity period (Maximum Restoration time for a pot to reach normal production after occurrence of the loss, resulting due to perils mentioned above) would not be more than 45 days over and above the deductible of BI mentioned under pot freezing section.
- 8) Startup and shut down expenses reasonably incurred shall be included under PD section

Pot Freezing Loss Limit

The liability of the Insurer shall not exceed Rs. 75 Crores AOA and Rs. 150 Crores AOY or any other specific limits as specified in the Policy Schedule.

Deductible for Pot Freezing Claims

Part – A)

Property Damage -5% of claim amount subject to a minimum of Rs 5,00,00,000/- or any other specific deductible As mentioned in the policy schedule

Part –B)

Business Interruption - First 45 days of gross profit or any other specific deductible as mentioned in the policy schedule

10.37 MINOR WORKS/ PROPERTY IN THE COURSE OF CONSTRUCTION / ERECTION

The Insurer agrees subject to the terms, definitions, warranties, exclusions, limits provisions and conditions of this Policy as a whole and the respective Sections applicable for the property in question to provide automatic coverage during the Period of Insurance for property in the course of construction / erection including up to 4 weeks testing and commissioning subject to the inclusion of the appropriate values at risk subject to a maximum estimated contract value and a maximum contract period including testing/commissioning as per The Schedule. At the option of the Insured the interest of contractors and / or sub-contractors is hereby assumed for work being performed on site for the Insured including temporary structures, tools, equipment and materials incidental to such work as specified in The Schedule.

With regards to property in course of construction, such as buildings, foundations and structures, the following additional exclusions shall apply:

- loss or damage due to faulty design;

- the cost of replacement, repair or rectification of defective material and / or workmanship, but this exclusion shall be limited to the items immediately affected and shall not be deemed to exclude loss of or damage to correctly executed items resulting from an accident due to such defective material and / or workmanship;
- With regards to erection of mechanical, electrical or electronic machinery, installations or equipment in course of erection the following additional exclusions shall apply:
- loss or damage due to faulty design, defective material or casting, bad workmanship other than faults in erection

Any Consequential Loss of any kind or description whatsoever including but not limited to penalties, losses due to delay, lack of performance, loss of contract or Business Interruption - is excluded absolutely.

10.38 OUTBUILDING CLAUSE / ROADS PAVEMENT / STREET FURNITURE / LANDSCAPING

It is agreed and understood that the policy covers damage to walls, gates and fences, small outbuildings, extensions, annexes, exterior staircase and steel or iron frameworks, car parks, internal road ways, pavements, landscaping or any other structure while situated on the premises insured under this policy.

The liability of the Insurer shall not exceed the Limit stated in your Policy Schedule.

10.39 PROPERTY OUTSIDE / AWAY FROM PREMISES

It is hereby declared and agreed that, this policy extends to cover property (Machineries / Equipment's and Stocks) of the insured temporarily stored in unspecified locations outside the insured premises for a period of time, up to the limit at any one location for any one loss and the aggregate Limit, as specified in Policy Schedule, for the policy period subject to these properties being part of the declared Sum Insured.

10.40 COST OF DEMOLITION AND DEBRIS REMOVAL

It is hereby understood and agreed, subject otherwise to the terms, conditions and exclusions of the Policy and endorsed hereon, that the insurance by this Policy extends to cover the cost of demolition and/or removal of debris parting to insured property and/or any other expenses reasonably and necessarily incurred in connection with site clearing operations and/or salvaging including damage caused by such operations, dismantling, shoring up, propping, in the event of circumstances giving rise to loss or damage by any of the perils insured under this Policy. The indemnity provided herein shall be subject to the limit of indemnity and deductible as specified in the Policy Schedule.

10.41 REMOVAL OF DEBRIS (Including External Debris)

This Policy insures the cost of demolition and / or removal of debris parting to insured property and / or any other expenses necessarily incurred in connection with site clearing operations and / or salvaging including damage caused by such operations, dismantling, shoring up, propping, in the event of circumstances giving rise to indemnifiable loss or damage by any of the perils insured under this Policy and limited for each and every loss as per the sublimit shown in The Schedule.

It is further declared and agreed that following an occurrence of an insured event, coverage is extended for removal of external debris (within the insured property) for necessitating repairs; within the terms and conditions of the policy.

10.42 SEASONAL ENHANCEMENT OF STOCKS

On payment of additional premium, it is hereby agreed and declared that notwithstanding anything to the contrary in this policy or in any of its conditions the Sum Insured of Stocks insured under the policy would be enhanced by percentage of the initial Sum Insured or in specific quantum and for a period specified in the Schedule (Insured has a choice to select the period in succession or in a staggered way.)

10.43 STARTUP COSTS / SHUTDOWN

On the occurrence of an event which leads to a damage or loss covered under Sections I or II, this Policy of Insurance covers actual loss sustained due to specified start-up / shut-down costs for power and utilities such as electricity, water, steam, gas as well as feedstock, fuels or combustibles to re-establish the plant in the operational state it was at the time of the damage in a normal start-up procedure and subject to the sublimit entered in The Schedule.

Start-up costs will not be recoverable under normal or emergency shut down operations.

10.44 SNOWFALL DAMAGE

The insurance under this policy is extended to cover damages caused during the policy period, resulting from

1. Collapse of roofs / housetops / building caused by weight of snow / ice / sleet collected at the time of snowfall.
2. Bursting of water pipes caused by freezing temperatures.

The liability of the Insurer shall not exceed the Limit stated in your Policy Schedule.

10.45 SPOILAGE MATERIAL DAMAGE COVER

Policy may be extended to include spoilage risk subject to the following conditions: -

This cover shall extend to material damage, i.e.

- (i) Loss of stock in process; and
- (ii) Damage to machinery, containers and equipment (including cost of removal of debris and cleaning) and shall be provided by a separate item of the SFSP Policy subject to the Conditions that the perils causing the spoilage should be the same as those covered under the Policy.

It is hereby agreed and declared that, notwithstanding anything contained to the contrary, in the within written Policy, the insurance for the items specified in the schedule/ annexure of this policy, shall extend to cover loss or damage by Spoilage resulting from the retardation or interruption or cessation of any process or operation caused by any of the perils covered under this Policy, provided that liability for destruction of or damage to the property insured described in the schedule ;to this policy, or any part of such property, is first admitted by the company.

PROVIDED ALWAYS THAT all the conditions (except in so far as they may be hereby expressly varied shall apply as if they had been incorporated herein and that any reference therein to the loss or damage caused by insured perils shall be deemed to apply also to loss or damage caused by Spoilage which peril this insurance extends to include by virtue of this Endorsement.”

SPECIAL CONDITIONS

For the purpose of this Endorsement but not otherwise, the following special conditions shall apply:

Average: If the property hereby insured against spoilage shall, at the time of occurrence of any loss or damage, be collectively of greater value than the sum insured on machinery, containers, equipment and stocks in the specified blocks, then the Insured shall be considered as being his own insurer for the difference and shall bear rateable proportion of the loss accordingly. Every time, if more than one, of the Policy shall be separately subject to this condition.

PROVIDED THAT it is hereby further expressly agreed and declared that the liability of the Company shall in no case under this endorsement and the Policy, exceed the sum insured of the item(s) specified in the schedule/annexure of this Policy.

Sum to be insured:

The cover must be for all stocks and machinery, container and equipment in specified blocks, specified sums being declared for each block and must be made subject to 'Average'

10.46 SPRINKLER UPGRADING COSTS

It is agreed that in the event of damage to a sprinkler installation which conforms to the latest rules on compliance of safety rules on Sprinkler Installations, if the Surveyor appointed by the Insurer recommends that the repaired or reinstated installation shall conform to the Loss Prevention Rules for Sprinkler Installations prevailing at the time of reinstatement then this Policy shall cover such additional costs. Such costs shall include inter alia the provision of any additional pipework, pumps, tanks and the cost of associated building works.

The Indemnity Limit is up to the amount specified in the Policy Schedule per event and in aggregate. Subject otherwise to the terms, exceptions and conditions of the policy.

10.47 SUE AND LABOUR CHARGES

It is hereby declared and agreed that in case of loss or damage, or imminent loss or damage, to the Contract Works insured hereunder due to a cause indemnifiable under the Policy, it shall be lawful and necessary for the Insured, their factors, servants and assigns, to sue, labour, and travel for in and about the defence safeguard and recovery of the Property Insured hereunder or any part thereof without prejudice to this insurance, to the charges whereof the Insurers shall contribute according to the rate and quantity of the loss amount indemnifiable hereunder by the Insurers or which would have been indemnifiable hereunder by the Insurers but for the actions of the Insured; nor shall such acts of the Insured or Insurers in recovering saving and preserving Property Insured in case of loss or damage be considered a waiver or an acceptance of abandonment.

In the case of imminent loss or damage the Insured shall take such action as they consider prudent to prevent or reduce loss of or damage to the Contract Works and shall inform the Insurers as soon as practicable thereafter.

The liability of the Insurers under this Endorsement shall not exceed the Limit of Liability stated in the Policy Declarations and shall be subject to the Deductibles specified in the Policy Schedule.

10.48 TENANT'S LIABILITY

It is hereby understood and agreed, subject otherwise to the terms, conditions and exclusions of the Policy and endorsed hereon, the indemnity provided by this insurance extends to include all sums for which the Insured having insurable interest derived out of the terms of the lease agreement shall become legally liable to pay following upon damage to property occupied by the Insured, consequent upon the Insured's occupation of any premises or building as a tenant.

Provided that: -

1. Such liability arises out of the normal occupational activity of the Insured at the premises described in the Schedule to the Policy or as otherwise confirmed by The Company or endorsed thereon
2. There shall be no liability on behalf of The Company following any property or portion of property or premises being sub-let by the Insured insofar as such property is concerned
3. The Insured shall not breach any contractual agreement or obligation between any landlord or any other tenant of the premises or property as such breach may have any bearing on the interests of The Company.

In the event of any Landlord to the Insured having effected insurance on behalf of the Insured as tenant; or the Insured as tenant being entitled to indemnity or compensation from any other source then the provision of such compensation shall be combined with such insurance and shall be considered to be the 'initial indemnity' and any amount having been paid for by such combined 'initial indemnity' shall be deducted from the indemnity provided for by this Policy. If such an amount of 'initial indemnity' shall exceed the limit of indemnity as provided by this Policy, then there shall be no payment of indemnity in terms of this clause.

The indemnity provided herein shall be subject to the limit of indemnity as specified in The Schedule.

10.49 UNDAMAGED FOUNDATIONS

It is hereby understood and agreed, subject otherwise to the terms, conditions and exclusions of the Policy and endorsed hereon, that the foundation of the property insured which prove to be unusable following the loss or damage as covered under the Policy at the insured premises shall be considered part of the property damaged.

The indemnity provided herein shall be subject to the limit of indemnity as specified in the Schedule.

10.50 UNREPAIRED DAMAGE

It is hereby understood and agreed, subject otherwise to the terms, conditions and exclusions of the Policy and endorsed hereon, that in the event of the Insured deciding not to replace or repair the damaged item covered under the Policy and decides to continue with the damaged item after incurring necessary expenditure for safe working of the damaged item, the measure of indemnity in respect of claims for unrepaired damage shall be the reasonable depreciation in the market value of the item at the time this insurance terminates arising from such unrepaired damage, but not exceeding the reasonable cost of repairs which would have been incurred by the Insured had the Insured repaired the damaged item.

In no case shall the Insurer be liable for unrepaired damage item in the event of a subsequent total loss sustained during the Policy Period or any extension thereof.

The indemnity provided herein shall be subject to the limit of indemnity as specified in the Policy Schedule.

10.51 VESSEL IMPACT TO JETTY

It is hereby declared and agreed that the Policy extends to cover the Insured's physical damage loss and the consequent Business Interruption loss resulting from "Damage" as herein defined caused by Vessel Impact to the Jetty owned by the Insured upto a Combined Single Limit as mentioned in the policy schedule.

10.52 DECONTAMINATION, COST OF CLEAN UP EXPENSES / INDUSTRY'S SEEPAGE , POLLUTION AND CONTAMINATION CLAUSE

It is agreed and understood that, if the insured property is contaminated as a direct result of physical damage insured by this policy, and there is in force at the time of loss any law or ordinance regulating contamination, including but not limited to the presence of pollution or hazardous material, then this policy covers, as a direct result of enforcement of such law or ordinance, the increased cost of decontamination and/or removal of such contaminated insured property, in a manner to satisfy such law or ordinance.

This additional coverage applies only to that part of insured property so contaminated as a direct result of insured physical damage. The company is not liable for the costs required for removing contaminated uninsured property, nor the contaminant therein or thereon, whether or not contamination results from an insured event.

The Company shall not be liable under this Extension for more than the sub-limit as mentioned in the schedule.

10.53 AUTOMATIC COVER FOR UNSPECIFIED/UNNAMED LOCATIONS

It is hereby understood and agreed that, subject otherwise to the terms, exclusions, provisions and conditions contained in the Policy or endorsed thereon, the policy extends to cover the property insured while at fixed unspecified locations not included in the location(s) specified in the Schedule, up to the limit at any one location for any one loss and the aggregate Limit as specified in Policy Schedule. Coverage under this extension shall not apply to property contained within any vehicle or other conveyance, or property while in transit and shall be limited to locations within India Only.

10.54 BROAD WATER DAMAGE

It is hereby declared and agreed that notwithstanding what is stated in the policy or any endorsements to the contrary, the insurance under this policy shall extend to include loss or damage caused by:

1. Accidental discharge, leakage, or overflow of water or steam from plumbing, septic tanks and cylinders, stand pipes for fire hose, industrial and domestic appliances, refrigerating system, air-conditioning system and rain (or snow) admitted through defective roof, headers spouting or by open or defective windows, show windows, picture windows, doors, transoms, ventilators or skylights;
2. Breakage of/ or leakage from street water supply, mains or fire hydrants.

PROVIDED THAT:

- a) The Insured undertakes to exercise all ordinary and reasonable precautions for the maintenance and safety of the property;

- b) All conditions of this policy shall apply (except insofar as they maybe hereby expressly varied) and that any reference therein to loss or damage by fire shall be deemed to apply to loss or damage as aforesaid.
- c) The liability of the company under this endorsement shall in no case exceed the sum insured on each item of the policy.

10.55 CONTRACT WORKS

It is hereby declared and agreed that the Property insured extends to include the permanent works and temporary works erected or in the course of erection in performance of the Contract and the materials and all other property of whatsoever nature or description for incorporation therein but excluding contractors' plant, fines and penalties assumed under contract and losses more specifically insured.

Definition (applicable to the cover provided by this extension only):

Contract shall mean any Contract with the Insured as Employer for the extension or refurbishment of existing Buildings with a construction period not exceeding twelve months in duration within the Territorial Limits. Temporary Work are 'parts of the works that allow or enable construction/ erection of, protect, support or provide access to, the permanent works and which might or might not remain in place at the completion of the works. Permanent work means the permanent works to be constructed/ Erected and completed in accordance of contract.

10.56 COST OF CLEARING DRAINS CLAUSE

It is hereby understood and agreed, subject otherwise to the terms, conditions and exclusions of the Policy and endorsed hereon, that this Policy extends to cover any expense necessarily incurred by the Insured in the clearing of drains within the surrounding premises within distance mentioned in the Policy Schedule, of Insured premises as a consequence of property insured by this policy being destroyed or damaged by fire or by any other perils hereby insured against.

The indemnity provided herein shall be subject to the limit of indemnity as specified in the Schedule.

10.57 COVERAGE FOR UNDERGROUND ASSETS

This Policy is extended to cover damage to any insured's underground water, drainage, sewerage, gas, electricity or telephone pipe or cable for which the Insured is responsible extending from the Premises to the main provided the sum insured declared under the Policy is inclusive of the above.

10.58 DAMAGE TO UNDERGROUND SERVICES

Notwithstanding anything to the contrary in this policy or in any of its conditions, it is hereby agreed and declared that following the operation of Insured Peril resulting in an admissible loss or damage to Insured Property, this policy is extended to include loss or damage to the Insured's underground water, drainage, sewerage, gas, electricity or telephone pipe or cable extending from the Premises to the last leg of supply chain for which the Insured is responsible.

10.59 FOAM CONSUMPTION AND FIRE EXTINGUISHING EXPENSES

It is agreed that in the event of a fire or a series of fire arising directly or indirectly from the same occurrence including fire threatening to involve the property insured under this section of the policy, the insured shall be entitled to recover upto a Limit as mentioned in schedule for each and every loss;

- i. the actual cost of material used and/or damaged in extinguishing or controlling or attempting to extinguish or control any such fire;
- ii. the cost of all clothing and/ or personal effects damaged and / or lost as a result of such fire and / or fight, extinguish or controlling or attempting to fight extinguish or control such fire unless more specifically insured elsewhere;
- iii. all other actual expense (including wages and the like paid for fire fighting, extinguishing or controlling or attempting to fight extinguish or control such fire and / or localizing such fire.
All claims for personal injury are excluded.
- iv. The expenses incurred to recharge/refill any fire protection devices.

10.60 FIRE EXTINGUISHING /FIGHTING EXPENSES

It is hereby agreed and declared that notwithstanding anything to the contrary in this policy or in any of its conditions that in the event of a fire or a series of fire arising directly or indirectly from the same occurrence including fire, threatening to involve the property insured under this section of the policy, the insured shall be entitled to recover up to a Limit Any One Accident specified in Your Policy Schedule.

We will pay:

- i. the actual cost of material used and/or damaged in extinguishing or controlling or attempting to extinguish or control any such fire;
- ii. the cost of all clothing and/ or personal effects damaged and / or lost as a result of such fire and / or fight, extinguish or controlling or attempting to fight extinguish or control such fire unless more specifically insured elsewhere;
- iii. all other actual expense (including any expenses paid for firefighting, extinguishing or controlling or attempting to fight extinguish or control such fire and / or localizing such fire.

All claims for personal injury are excluded.

- iv. The expenses incurred to recharge/refill any fire protection devices.

10.61 GREEN CLAUSE

It is hereby understood and agreed, subject otherwise to the terms, conditions and exclusions of the Policy and endorsed hereon, that the insurance by this Policy extends to cover additional costs necessarily and reasonably incurred with The Company's consent in rebuilding or repairing Buildings at The Premises in a manner that aims to reduce potential harm to the environment by improving energy efficiency following Damage as insured by this Section.

The Company will not indemnify under this Clause in respect of

1. the additional cost of complying with any Indian legislation, Act of Parliament, or byelaws of any public authority;
2. any additional costs for work already planned to be carried out prior to the Damage;
3. any Buildings or portions of Buildings which are Unoccupied;
4. if the Insured elect not to rebuild or repair the Buildings.

10.62 IMMEDIATE REPAIRS

Notwithstanding anything to the contrary in this policy or in any of its conditions, it is hereby agreed and declared that in the event of an admissible loss due to operation of an insured peril, the insured, if they so elect, may

immediately begin repairs or reconstruction but such work shall at all times be open to supervision by the Company or their representatives and in case of dispute as to the cost of repair and / or reconstruction the loss shall be settled in accordance with the terms of this policy.

The sole object of this condition being not to deprive the insured from the use of or in the operation of properties which may be necessary to their business/manufacturing.

It is also agreed and declared that the evidence of loss shall be photographed by the Insured and if any damaged items are replaced the same shall be preserved by the Insured for inspection by surveyors.

It is further noted and agreed that in the event of physical loss or damage to the property insured hereunder, the insured, at their sole discretion, shall have the option to accept repair or replacement terms as offered by the Original Equipment Manufacturer (OEM) regardless of any other terms offered from other suppliers, manufacturers or fabricators. Provided always that the difference between the OEM quote and the lowest quote doesn't exceed 25% of the lowest quote and quotes are based on the same technological specifications.

The Company's Liability shall not exceed the Sum Insured mentioned in the Policy Schedule against this add on cover.

10.63 IMPACT DAMAGE DUE TO INSURED'S OWN RAIL/ROAD VEHICLES, FORK LIFTS, CRANES, STACKERS AND THE LIKE AND ARTICLES DROPPED THEREFROM

It is hereby agreed and declared that the policy is extended to cover loss and/or damage caused due to impact by direct contact to Insured's property caused by Insured's own Rail/Road Vehicle, Forklifts, cranes, stackers and the like and articles dropped there from.

10.64 LAWNS, PLANTS, SHRUBS OR TREES

It is hereby understood and agreed, subject otherwise to the terms, conditions and exclusions of the Policy and endorsed hereon, that the Company will pay for direct physical loss of or damage, in respect of the Policy, to lawns, plants, shrubs or trees occurring at such premises as described in the Schedule. This coverage does not apply to improvements at a golf course unless specifically mentioned in the Schedule. This coverage does not apply to loss or damage caused by or resulting from: windstorm and hail; vehicle damage; weight of snow, ice or sleet; and water damage.

The indemnity provided herein shall be subject to the limit of Indemnity as specified in The Schedule.

10.65 OBSOLETE EQUIPMENT CLAUSE

It is hereby understood and agreed, subject otherwise to the terms, conditions and exclusions of the Policy and endorsed hereon that the value of Insured Property shall be determined as the cost of repairs or replacement with new, like kind and of similar quality at the time and place of loss. However, should the property be technologically obsolete or unavailable because it is no longer in production, and should the property be actually replaced by another system/ property, then the Insurer shall be liable for the replacement cost as new of equipment including connected accessories and peripherals which will at least perform substantially the same functions as the original equipment.

The Company shall not deduct towards accessories and peripherals (other than salvage value if any) rendered redundant although not damaged by the insured perils arising out of replacement by new property/ system. The liability of the Company shall not be reduced by any amount of betterment inherent in the design of such

functionally equivalent equipment. However, the indemnification shall not exceed the value insured for the system/equipment replaced.

10.66 OBSOLETE PARTS CLAUSE

In the event of spares currently insured hereunder and represented within the total sum insured under this Policy becoming obsolete following an indemnifiable loss to the Plant & Machinery, the same should form part of the claim subject to Insurer's retaining right of salvage over such obsolete parts.

10.67 ORIGINAL EQUIPMENT'S MANUFACTURER CLAUSE

It is noted and agreed that in the event of physical loss or damage to the property insured hereunder the insured, at their sole discretion, shall have the option to accept repair or replacement terms as offered by the Original Equipment Manufacturer (OEM) regardless of any other terms offered from other suppliers, manufacturers or fabricators. Provided always that the difference between the OEM quote and the lowest quote doesn't exceed 25% of the lowest quote and quotes are based on the same technological specifications.

10.68 PIPELINES OUTSIDE/ AWAY FROM THE PREMISES

The cover is extended to include pipelines including contents therein outside the plant premises subject to sublimit entered in the schedule.

10.69 PAIR AND SET CLAUSE

In the event of insured loss or damage to personal property, this policy shall insure the resulting reduction in value of the remaining undamaged components or parts of products customarily sold as individual units or sold as pairs, sets, lots or in ranges. At the insured's option, the Insured may collect the full value of the pair or set provided the Insured tenders the remaining article or articles of the pair or set to the Insurer.

10.70 SMOKE DAMAGE

It is hereby understood and agreed, subject otherwise to the terms, conditions and exclusions of the Policy and endorsed hereon, the insurance shall, subject to the Special Condition hereinafter contained, extend to include destruction of or damage to the property insured (by fire or otherwise) directly caused by: -
SMOKE due to a sudden, unusual and faulty operation of any heating or cooking unit, only when such unit is connected to a chimney by a smoke pipe or vent pipe, and while in or on the described premises but not SMOKE from fire-places or industrial apparatus.

Provided always that all the conditions of the Policy (except in so far as they may be hereby expressly varied) shall apply as if they had been incorporated herein and for the purposes hereof any destruction or damage as aforesaid shall be deemed to be destruction or damage by fire.

Further warranted that this Insurance does not cover: -

- Destruction or damage directly or indirectly occasioned by or happening through or in consequence of War, Invasion, Act of Foreign Enemy, Hostilities (whether war be declared or not), Civil War, Rebellion, Revolution, Insurrection or Military or Usurped Power.
- Consequential loss or damage of any kind or description.

The indemnity provided herein shall be subject to the limit of indemnity as specified in the Schedule.

10.71 SPONTANEOUS COMBUSTION

Policy may be extended to cover the Spontaneous Combustion subject to following endorsement wordings.
“Company agrees notwithstanding what is stated in the printed exclusions of this policy to the contrary that the insurance by this Policy is extended to include loss or damage by fire only of or to the property insured caused by its own fermentation, natural heating or spontaneous combustion.”

10.72 STOCKS IN PROCESS

This Policy extends to cover damage to Stocks in Process as a result of the occurrence of damage insured by this Policy, but such cover is excluded under normal or emergency shut down operations.

10.73 TEMPORARY REMOVAL OF STOCKS CLAUSE

It is agreed that the stock insured hereby not exceeding 10% of the total sum insured of such stock is covered while temporarily removed to any other premises for purposes of fabrication or processing or finishing or other similar purposes. This extension does not apply to stock if and so far as it is otherwise insured.

The pro-rata condition of average should be applied to the limit of stocks temporarily removed as well as to the total sum insured of such stock under the policy.

10.74 TEMPORARY REMOVAL OF PROPERTY (Excluding Stocks)

This Insurance covers The Insured's property excluding Stock, Finished Goods and Raw Materials against the perils covered under this Policy whilst temporarily removed for cleaning, renovation, repair and other similar purposes, within the Geographical limits specified in The Schedule.

The amount recoverable under this Extension shall not exceed the amount which would have been recoverable had the destruction or damage occurred in that part of the Premises from which the Property is temporarily removed and in no case the sublimit shown in The Schedule.

The Extension does not apply to Property, if and so far as it is otherwise insured, nor to Property held by the Insured in trust, other than machinery and plant.

10.75 TESTING AND COMMISSIONING CLAUSE

It is understood and agreed that acceptance of new property hereon - other than as provided (Capital Additions/ Newly acquired Property/Interests) - is subject to satisfactory completion of the following procedures:

Mechanical completion including testing.

(a) Testing and commissioning conforming to 100% (one hundred per cent) Contract Design to temperatures and pressures maintained by the entire plant in a stable and controlled manner for a continuous ongoing period of a

minimum of 72 hours duration all as approved by the Insured and an engineer firm or licenser involved in said project or as per standard practice of the contractor or the licenser.

(b) Official acceptance by the Insured following formal handover without reservation or waiver of guarantee conditions to suppliers of equipment in respect of said mechanical specifications it being understood that no equipment faults or punch list items affecting mechanical integrity of the plant are outstanding and that no temporary structures and no modifications remain as shall be notified by the Insured

In the event that compliance with (a) and (b) above will be deferred upon mechanical completion and testing the Insured agrees to advise the Company in writing of such alternative procedures which will be adopted prior to the attachment hereunder of such new property

Notwithstanding the above, in respect of acquisitions exceeding the sum noted in the Schedule of property and plant hereon, these are to be agreed by Insurers. It is further noted and agreed that the terms and conditions are to be reviewed by the Company.

The above provisions do not apply to normal routine, maintenance activities and scheduled turnarounds. Subject otherwise to the terms, conditions and exclusions of the Policy.

10.76 EXPENSES FOR LOSS MINIMIZATION / LOSS PREVENTION

It is hereby understood and agreed, subject otherwise to the terms, conditions and exclusions of the Policy and endorsed hereon, that in case of actual or imminent physical loss or damage of the type insured against by this Policy, this Policy is extended to cover the expenses incurred by the Insured in taking reasonable and necessary actions for the temporary protection and preservation of property insured hereunder, which expenses shall be added to the physical loss or damage otherwise recoverable, if any, under the Policy.

The indemnity provided herein shall be subject to the applicable deductible and the limit of indemnity as specified in the Schedule.

10.77 CRANE HIRING CHARGES

It is noted and agreed that the company will indemnify the assured for the cost and expenses, necessarily and reasonably incurred, in respect of crane hiring charges, for removal of debris, replacing/rectifying/repairing the damage on insured properties. The limit of indemnity would be as specified in the policy schedule.

10.78 ARCHITECTS, SURVEYORS AND CONSULTING ENGINEERS FEES CLUSE

It is hereby declared that the amount insured on building, machinery, accessories and equipment is understood to include Architects', Surveyors' and Consulting Engineers' Fees for Plans, Specifications, Tenders, Quantities and Service in connection with the superintendence of the reinstatement of the building, machinery, accessories and equipment Insured under this policy but it is understood that this does not include any costs in connection with the preparation of the Insured's claim or estimate of loss in the event of damage by Insured Perils and further that the amount payable in respect of Architects', Consulting Engineers' fees for service and superintendence of the reinstatement of the building, machinery, accessories and equipment insured shall not exceed on the amount paid for loss on the building, machinery, accessories and equipment insured by the policy.

Section II

BUSINESS INTERRUPTION

Section II - A
Loss of Profit - All Risk

Section II - B
Loss of Profit - Machinery Breakdown

11 SECTION – II: BUSINESS INTERRUPTION

A: LOSS OF PROFIT –ALL RISK

B: LOSS OF PROFIT - MACHINERY BREAKDOWN (applicable only if opted)

11.1. DEFINITIONS (Applicable to Section -II)

Annual Turnover	Means the turnover which, had the interruption of or interference with the business insured not occurred, would have been achieved during the twelve months preceding either the date when the business insured is no longer affected or when the indemnity period ends, whichever is the earlier.
Business Insured	Means the commercial operation of the Property Insured specified in The Schedule to this section.
Debt service charges	Means the amount of the annual payment(s) of interest and if specified the principal borrowings due by The Insured.
Gross Profit	Means the amount by which the value of the turnover and the value of the closing stock and work in progress exceed the value of the opening stock and work in progress and the amount of the specified working expenses. (Uninsured Working Expenses). The value of the opening and closing stocks and work in progress shall be calculated in accordance with The Insured's normal accounting methods, due provisions being made for depreciation.
Increased Cost of Working	Means the additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the loss of interest insured, which, without such expenditure, would have taken place.
Interest Insured	Means either the Gross Profit including any Increased Cost of Working or the specified standing charges including any Increased Cost of Working.
Monetary deductible	Means the amount to be deducted from any payment otherwise to be made by The Insurer.
Maximum indemnity period	Means the maximum period(s) stated in The Schedule in respect of which cover is afforded for the Interest Insured by this operational business interruption section, beginning subsequent to the occurrence of the Damage and ending not later than the period as specified in The Schedule during which the results of the Business shall be affected in consequence of the damage.
Rate of Gross Profit	Means the percentage of Gross Profit which had the interruption of or interference with the Business Insured not occurred would have been earned on the Annual turnover.

Specified standing charges	Means any fixed costs specified in The Schedule which continue to be payable in full during the indemnity period
Specified working Charges	Means any costs incurred for the acquisition of goods, raw materials, chemicals and portion of utilities consumption or auxiliaries as well as for supplies unless required for the upkeep of operations and any costs for packaging, carriage, freight, intermediate storage, turnover tax, purchase tax, licence fees and royalties, insofar as such costs are dependent on turnover.
Turnover	Means the amount of money (less discounts allowed) paid or payable to The Insured for goods, products or services sold, delivered or rendered in the course of the Business Insured.
Output	Means the quantity of units produced at the premises.
Annual Output	The output during the twelve months immediately before the date of the damage
Standard Output	The output during that period in the twelve months immediately before the date of the damage which corresponds with the Indemnity period.

11.2 INSURING CLAUSE

The Insurer shall indemnify The Insured subject to the terms, definitions, warranties, exclusions, limits provisions and conditions of this Section and of the Policy of Insurance as a whole for a loss of the Interest Insured unless specifically excluded if at any time during the Period of Insurance the Property insured situated at their Manufacturing Units as described in the Schedule, under any of the operational material damage Sections I A & I B of this Policy of Insurance, suffers loss or damage indemnifiable under the operational material damage Sections I A & I B or which would have been indemnifiable under the operational material damage Sections I A & I B but for the application of a deductible, thereby causing an interruption of or interference with the Business Insured in the proportion of said interruption or interference for the part of the Property concerned .

11.3 EXCLUSIONS FOR BUSINESS INTERRUPTION

Loss of Interest Insured due to an interruption of or interference with the Business Insured resulting from:

- (a) loss or damage covered under the operational material damage Section I A & I B by way of endorsement, unless expressly specified as covered in The Schedule;
- (b) any restrictions imposed by public authority, including restrictions imposed on reconstruction or operation;
- (c) Consequential Loss due to causes such as suspension, lapse or cancellation of a lease, licence or order, etc., which occurs after the date when the items lost, destroyed or damaged are in operating condition again and the Business Insured could have been resumed if said lease, licence or order, etc. had not lapsed or had not been suspended or cancelled
- (d) loss or damage due to abnormal conditions directly or indirectly resulting from experimental testing, testing during the first 72 hours continuous operation of performance/acceptance tests or intentional overloading beyond approved safety limits;
- (e) shortage, destruction, deterioration of or damage to raw materials, semi-finished or finished products or other materials required for proper operation, even if the consequence of material damage to an item indicated in the list of Property Insured is involved
- (f) Erasure, loss, distortion or corruption of information on computer systems or other records or software programs unless resulting from an occurrence of loss or damage indemnifiable under the operational material damage section.
- (g) Loss or damage for which the manufacturer or supplier of the property is responsible either by law or under contract.
- (h) Insufficient capital / fund;
- (i) The Insurer shall not be liable for the amount of any fines or damages for breach of contract, for late or non-completion of orders, or for penalties of whatever nature.

11.4 INDEMNIFICATION

The indemnity for the loss of Interest Insured shall be in respect of:

- a) Gross Profit, the loss actually sustained during the indemnity period resulting from a reduction in turnover including any Increased Cost of Working
- b) Specified standing charges, the amount actually not earned during the indemnity period resulting from a reduction in turnover including any Increased Cost of Working.

The indemnity shall not exceed the Sum Insured for the maximum indemnity period.

11.5 CONDITIONS FOR LOSS SETTLEMENT UNDER SECTION II

In the event of an interruption of or interference with the Business Insured the basis of loss settlement under this Section shall be as follows:

11.5.1 Loss of Gross Profit

In respect of loss of Gross Profit, The Insurer shall pay the amount obtained by multiplying the Rate of Gross Profit with the amount by which the actual turnover during the indemnity period falls short of the turnover, which would have been achieved, had the loss or damage not occurred.

If the annual Sum Insured hereunder is less than the amount obtained by multiplying the Rate of Gross Profit by the Annual turnover or, if the indemnity period exceeds twelve months, the turnover calculated for the equivalent period, the amount payable shall be reduced proportionately.

11.5.2 Specified standing charges

In respect of specified standing charges, The Insurer shall pay the amount obtained by multiplying the percentage by which the actual turnover during the indemnity period falls short of the turnover which would have been achieved had the interruption of or interference with the Business Insured not occurred by the amount of specified standing charges incurred during the interruption or interference.

If the Sum Insured hereunder is less than the amount obtained by multiplying the Rate of Gross Profit by the Annual turnover or, if the indemnity period exceeds twelve months, the pro rata turnover for that period, the amount payable shall be reduced proportionately.

11.5.3 Increased Cost of Working

In respect of Increased Cost of Working, The Insurer shall pay the additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the reduction in turnover which, without such expenditure, would have occurred during the indemnity period.

The indemnity shall not exceed the amount of loss of Interest Insured thereby avoided.

11.6 CALCULATION OF RATE OF GROSS PROFIT AND ANNUAL TURNOVER

In calculating the Rate of Gross Profit and Annual turnover, the following aspects shall be taken into consideration:

- (a) the trend of the Business Insured;
- (b) the results of the Business Insured during the financial year preceding the date of the loss or damage or, in the event of the loss or damage occurring during the first year of commercial operation, the turnover during the following financial year;
- (c) any circumstances affecting the Business Insured either before or after loss or damage or which would have affected the Business Insured had the loss or damage not occurred;
- (d) any benefits from deferred sales or from increased production and / or profits as a consequence of an interruption of or interference with the Business Insured which The Insured may receive during a period of six

months immediately following the re-commissioning of insured plant and / or machinery after a loss or damage;

- (e) allowance for the time spent on any overhauls, inspections or modifications carried out during the period the Business Insured was affected by any interruption or interference;
- (f) any money paid or payable in respect of goods which are sold or services which are rendered elsewhere than at the Premises for the benefit of the Business Insured either by The Insured or by another party acting on his behalf;
- (g) any amount saved during the indemnity period in respect of any charges and expenses of the business payable out of the Gross Profit that may cease or be reduced in consequence of loss or damage.

The final figures shall represent as closely as may be deemed reasonable the results, which the Business Insured would have achieved, had the loss or damage not occurred

11.7 PAYMENT OF INDEMNITY

- 1 Subject to clause 3 (a) below The Insurer shall pay The Insured any amount due under this Section one month after final determination of the amount due.
- 2 The Insured may, one month after The Insurer has been duly notified of the loss of Interest Insured and has acknowledged its liability, claim as advance payment(s) the minimum amount(s) The Insurer agrees are payable.
- 3 The Insurer shall be entitled to postpone payment beyond the period set out in Clause 1 above if
 - (a) there are doubts as to The Insured's right to receive payment, in which case payment shall not become due until such time as the necessary proof is furnished by The Insured or The Insurer accepts liability;
 - (b) as a result of any loss or damage or any interference with or interruption of the Business Insured, police or criminal investigations have been initiated against The Insured, in which case payment will not become due until the completion of such investigations, provided always that if The Insured is convicted of any offence in respect of any claim for indemnity under this Policy of Insurance, the insurance cover under this Section shall be void.
4. The Insurer shall not be liable to pay interest on indemnity withheld other than interest for default.

11.8 SPECIAL CONDITIONS APPLICABLE FOR SECTION II

- (a) The Insured shall be obliged to keep for the Period of Insurance complete records of the Business Insured, including without limitation - inventories, production and balance sheets for the three preceding years. All records shall be held in safekeeping and, as a precaution against their being simultaneously destroyed, The Insured shall keep separate sets of such records.
- (b) In the event of any occurrence of loss or damage which might cause an interruption of or interference with the Business Insured
 - i. The Insured shall immediately notify The Insurer and send it written confirmation thereof within forty-eight

- hours of the occurrence;
- ii. The Insurer and The Insurer's Agents shall have unlimited access to the Premises to establish the possible cause and extent of the loss or damage, its effect on the Interest Insured, to examine the possibilities for minimizing the interruption of or interference with the Business Insured, and if necessary to make reasonable recommendations for the avoidance or minimization of such interruption or interference;

The Insurer and The Insurer's Agents shall have the right to enter any building where the loss has happened and may take possession of or require that any of the damaged Property Insured be rendered to them and may keep possession of and deal with such damaged Property Insured for all reasonable purposes and in any reasonable manner. This condition shall be evidence of the leave and licence of The Insured to The Insurer so to do.

- (c) If The Insured or anyone acting on his behalf hinders or obstructs The Insurer in any way or does not comply with any recommendations The Insurer may make pursuant to 11.8 (b)(i) above, all benefits under this Section shall be forfeited.
- (d) In the event of a claim being made under this section, The Insured shall at his own expense deliver to The Insurer not later than thirty days after the interruption of or interference with the Business Insured or within such further periods as The Insurer may allow in writing a written statement setting forth particulars of the claim.
- (e) The Insured shall at his own expense produce and furnish to The Insurer such books of account and other business books or other evidence as may reasonably be required by The Insurer for the purpose of investigating or verifying the claim together with, if required, a statutory declaration of the truth of the claim and of any matters connected therewith.

11.9 CLAUSES APPLICABLE FOR SECTION –II

11.9.1 INTERDEPENDENCY COVER

It is hereby agreed and understood, subject otherwise to the terms, conditions and exclusions of the Policy and endorsed hereon, that if damage or destruction to any of the Insured's premises/ property should result in suffering a reduction in turnover or increase in cost of working of another Insured locations/premises which is dependent on the former Insured's premises/ property , then such loss is deemed to be covered by this Policy notwithstanding that no material damage was sustained by the latter premises/property provided that independent trading results for each production unit is separately ascertainable.

The indemnity provided herein shall be subject to the limit of indemnity as specified in the Schedule.

11.9.2 ALTERNATIVE BASIS CLAUSE

It is agreed and declared that, whenever found necessary, the term "Output" may be substituted for the term "Turnover" and for the purpose of this policy "Output" shall mean the sale value of goods manufactured by the "Insured" in the course of the business at the premises,
Provided that:

- a. Only one such meaning shall be operative in connection with any one occurrence involving damage (as within defined)
- b. If the meaning set out above be used, memo no. 1 shall be altered to read as follows:

Memo 1: If during the INDEMNITY PERIOD goods shall be manufactured other than at the premises for the benefit of the business either by the Insured or by others on the Insured's behalf, the sale value of the goods so manufactured shall be brought into account in arriving at the OUTPUT during the INDEMNITY PERIOD.

11.9.3 DEPARTMENTAL CLAUSE

If the Business be conducted in departments, the independent trading results of which are ascertainable, Business Interruption shall apply separately to each department affected by the Damage except that if the Sum Insured by the said item be less than the aggregate of the sum produced by applying the Rate of Gross Profit for each department of the Business (whether affected by the Damage or not), to the relative Annual Turnover thereof, the amount payable shall be proportionately reduced.

11.9.4 GROUP INTERDEPENDENCY

It is hereby agreed and declared that this policy shall indemnify for loss of Gross Profit caused by interruption / interference in business activity at any Insured Location resulting from interruption of or interference with the business activity at any of other Insured location forming part of the Insured's group of companies insured herein as a result of direct physical loss or physical damage by an Insured peril.

This Clause is subject otherwise to the terms, Conditions and Exclusions of the Policy.

The limit of indemnity under this extension shall be as defined under the policy.

11.9.5 ACCUMULATED STOCKS CLAUSE

In adjusting any loss, account shall be taken and an equitable allowance made if any shortage in turnover due to damage is postponed by reason of the turnover being temporarily maintained from accumulated stocks of finished goods owned by the insured.

11.9.6 RELATIVE IMPORTANCE

The term "relative importance" referred to in the items insured shall be the percentage effect which a breakdown of a particular machine will have on the total gross profit, disregarding any loss minimizing measures. If in the event of an accident affecting insured items the percentage of relative importance stated in the list of machinery and plant insured for this item is lower than the actual percentage of relative importance subsequently arrived at for the period of interruption, the Insurers shall only be liable to indemnify the proportion which the percentage of relative importance stated in the items insured bears to the actual percentage.

11.9.7 ALTERNATIVE PREMISES CLAUSE

If during the Indemnity period, goods shall be manufactured elsewhere than at the premises for the benefit of the business either by the insured or by others on behalf of Insured; the sale value of such goods shall be brought into account in arriving at the turnover during the indemnity period.

11.9.8 PREMIUM ADJUSTMENT

If the insured declares at the latest twelve months after the expiry of any period of Insurance, that the Gross Profits earned (or a proportionately increased multiple thereof where the maximum Indemnity Period exceeds 12 months) during the accounting period of 12 months most nearly concurrent with any period of insurance, as certified by the Insured's Auditors, was less than the Sum Insured thereon, a pro-rata return of premium not exceeding 50% of the premium paid on such Sum Insured for such period of insurance shall be made in respect of the difference. Where however the declaration is not received by the Company within twelve months after the expiry of the period of insurance no refund shall be admissible.

If any damage has occurred giving rise to claim under this Policy, such return shall be made in respect only of said difference as is not due to such damage.

11.10 ADDITIONAL OPTIONAL COVERS (Applicable for Section –II)

11.10.1 ADDITIONAL INCREASE IN COST OF WORKING

It is hereby agreed and declared that notwithstanding anything contained herein to the contrary, this policy extends to cover costs and expenses, necessarily and reasonably incurred during the indemnity period, in consequence of the 'Damage' and not otherwise payable under Loss of Gross Profit Provision (increase in cost of working) for the purposes of maintaining the business, it being understood that if any such costs under Loss of Gross Profit provisions (Reduction in turnover and Increase in cost of working) are of a capital asset nature then account shall be taken of the residual value of such capital items so involved, existing at the end of the maximum Indemnity Period.

The indemnity provided herein shall be subject to the limit of indemnity as specified in the Schedule.

11.10.2 PROFESSIONAL ACCOUNT'S AND AUDITORS CLAUSE

This clause is limited to the reasonable charges payable by the Insured to their Professional Accountants and/or Auditors for producing and certifying any particulars or details contained in the Insured's books of account or other business books or documents or such other proofs, information or evidence as may be required by the Company for the purpose of investigating or verifying any claim hereunder may be produced and certified by the Insured's Auditors, and their certificate shall be prima facie evidence of the particulars and details to which such certificates relate.

Limit: As specified in schedule.

11.10.3 CUSTOMERS , SUPPLIERS AND FABRICATORS EXTENSION

This section is extended to cover the insured's loss of Gross Profit resulting from damage to:

- (1) Suppliers and/or customers and/or utilities extension upto first tier or direct suppliers/ customers/ public utilities.
- (2) Premises of Named customers & suppliers for a maximum limit of 20% of the limit of indemnity (Business Interruption Sum Insured/ Loss Limit) and not to exceed INR 10,000 million for any one loss/ aggregate or as mentioned in the policy schedule. Coverage to be restricted to FLEXA perils for Overseas customer/ suppliers, whereas coverage to be restricted to FLEXA and AOG perils for Domestic customer/ suppliers.
- (3) Premises of Un-named customers & suppliers located in India, for a maximum limit of 10% of the limit of indemnity (Business Interruption Sum Insured/ Loss Limit) and not to exceed INR 5,000 million for any one loss/ aggregate or as mentioned in the policy schedule. Coverage to be restricted to FLEXA perils only. No cover for unnamed suppliers/ customers located overseas.

The limits specified above are in aggregate across all onshore customers/ suppliers respectively.

Assets like pipelines, transmission & distribution lines, cables, etc. extending beyond the supplier and/or customers and/or utilities premises are excluded from coverage.

Definition of "direct" as below:

“Direct” shall mean any company having a direct contractual relationship with the insured(s) which materializes and manifests itself by / in the direct and actual physical supply, transfer or exchange of goods and/or utilities to the insured(s), without any involvement or value added by any third party supplier or customer resulting in the alteration, transformation or modification of the physical or chemical properties of the supply, goods or utilities before it is finally supplied, transferred or exchanged with the insured(s).

For the purposes of the meaning of Direct, this limitation does not apply to any third party logistic companies or transportation companies who supply or transfer such goods or utilities to the insured (s) and whose role is solely limited to only transport or logistical services.

“Act Of God (AOG)”, this shall mean the following type of event:

- a. Earthquake – Fire & Shock
- b. Landslide / Rockslide / Subsidence
- c. Flood / Inundation
- d. Storm / Tempest / Hurricane / Typhoon / Cyclone / Lightning or other atmospheric disturbances

It is hereby agreed and understood that suppliers named in the policy and endorsed thereon will only be considered for coverage and claims, if any and shall be subject to the sanctions clause inset under the policy.

11.10.4 EXPORT TAX BENEFITS

It is hereby agreed and understood, subject otherwise to the terms, conditions and exclusions of the Policy and endorsed herein, that the insurance by this Policy extends to include the loss of tax benefits, derived solely from the export of any product which is manufactured, stored or contained at the premises of the Insured following upon loss as insured which results in the interruption of or interference with the business.

Provided that such benefits are directly attributed to export tax benefits and which may be adjusted by any Tax allowance or Tax concession which was provided for by Statute or any other recognized authority to which the Insured could have had benefit after the date of loss but because of the loss the Insured could not benefit from such allowance or concession.

If during the period of time from the date of loss to the expiry of the Indemnity Period any Statute or concession was passed or allowed for which the Insured could have but did not benefit as a result of the loss; then such amount of loss shall be considered as loss in terms of the provisions of this clause.

The sum insured in terms of the provisions of this clause shall be independently determined and shall be a ‘first loss’ amount and shall be the maximum amount payable in the event of loss as insured.

The indemnity in terms of the provisions of this clause is not subject to condition of average.

The indemnity provided herein shall be subject to the limit of indemnity as specified in the Schedule.

11.10.5 PREVENTION OF ACCESS

Prevention of access with maximum limit of 30 days (over & above the policy time excess) and with maximum radius of 5 kilometers from insured premises & only inland. Coverage under this section shall extend to include loss or reduction resulting from cessation, interruption, interference or inhabitation to the business as consequence of physical destruction of or damage to property belonging to the Insured or property within a radius

of 5 kms from the insured premises (inland only) which prevents or hinders the use of or access to the premises (excluding port blockage)

Any coverage wider than the above including Denial of Access is deemed to be excluded under the Policy.

11.10.6 PUBLIC UTILITIES EXTENSION

It is hereby agreed to cover insured's loss resulting from interruption of or interference with the business carried out by the insured at the premises described within consequence of failure of electrical / gas / water supply at the terminal ends of the electrical service feeders / gas works / waterworks from which the insured obtained electric / gas / water supply at the said premises directly due to damage to property at an electricity station, Substation, or Public electrical supply undertaking from which the insured obtained electrical / gas / water supply shall deem to be loss resulting from damage to the property used by insured at the premises.

Provided, however, that the Company shall not be liable for any loss occasioned by the deliberate act of the Government, Municipal or Local Authority or Supply Authority

- Not performed for the sole purpose of safeguarding life or protecting any part of the supply undertaking's system.
- To withhold or restrict or ration supply not necessitated solely by Damage to the supply undertaking's generating or supply equipment by an insured peril.

The liability of the Insurer shall not exceed the Limit stated in your Policy Schedule.

Assets like pipelines, transmission & distribution lines, cables, etc. extending beyond the supplier and/or customers and/or utilities premises are excluded from coverage.

11.10.7 SERVICE INTERRUPTION TIME ELEMENT (Extension to Cover Loss Due to Accidental Failure of Public Electricity /Gas /Water Supply)

a) Failure of Electricity Supply:

This extension shall cover Loss of Business Interruption resulting from interruption of or interference with the business carried on by the insured at the premises due to failure of electric supply at the terminal ends of the electricity service feeders from which the insured obtain electric Supply at the said premises directly due to Damage to property at an Electricity Station or Substation of Public Electricity Supply Undertaking from where insured obtains electricity supply. This would be limited to the extent of BI cover as stipulated in schedule subject to a condition that interruption exceeds 24 hrs, unless specifically agreed otherwise and mentioned in the Policy Schedule.

b) Failure of Gas Supply:

This extension shall cover Loss of Business Interruption resulting from interruption of or interference with the business carried on by the insured at the premises due to failure of Gas supply at the terminal ends of Gas Supply Undertaking / Compressor station from where the insured obtains Gas Supply at the said premises. This would be limited to the extent of BI cover as stipulated in schedule subject to a condition that interruption exceeds 24 hrs, unless specifically agreed otherwise and mentioned in the Policy Schedule.

c) Failure of Water Supply:

This extension shall cover Loss of Business Interruption resulting from interruption of or interference with the business carried on by the insured at the premises due to failure of Water supply at the terminal ends of the Water Supply Undertaking / Pumping station from where the insured obtains Water Supply at the said premises. This would be limited to the extent of BI cover as stipulated in schedule subject to a condition that interruption exceeds 24 hrs, unless specifically agreed otherwise and mentioned in the Policy Schedule.

In no case the aggregate limit for a, b and c above shall exceed the amount as shown in the Policy Schedule and any modifications in the terms and conditions mentioned above in agreement with the Insured are specifically mentioned in the Policy Schedule.

11.10.8 TAX TREATMENT OF PROFIT

This Policy is extended to cover the increased tax liability from an insured loss at a location of the Insured if the tax treatment of:

- 1) the profit portion of a loss payment under this Policy involving finished stock manufactured by the Insured; and/or
 - 2) the profit portion of a TIME ELEMENT loss payment under this Policy;
- is greater than the tax treatment of profits that would have been incurred had no loss occurred.

11.10.9 ACCOUNTS RECEIVABLE

It is hereby understood and agreed, subject otherwise to the terms, conditions and exclusions of the Policy and endorsed hereon, that

a) The Company will pay for direct physical loss of or damage caused by an insured peril to Insured's records of accounts receivable in respect of the following:

- i. All sums due to insured from their customers,
- ii. Interest charges on any loan to offset such impaired collections pending repayment of those sums made non-collectible by loss or damage;
- iii. Collection expense in excess of normal collection cost and made necessary because of loss of accounts receivable;
- iv. Other expenses, when reasonably incurred by insured in re-establishing records of accounts receivable following loss in respect of this policy.
- v. For the purpose of this Policy, credit card charge records shall be deemed to represent sums due to Insured from customers, until the charge records are delivered to the credit card company.

b) When there is proof that a loss of records of accounts receivable has occurred but Insured cannot accurately establish the total amount of accounts receivable outstanding as of the date of loss, the amount of recovery shall be computed as follows:

- i. The monthly average of accounts receivable during the last available twelve (12) months, together with collection expenses in excess of normal collection costs and made necessary because of loss or damage, and reasonable expenses incurred in re-establishing records of accounts receivable following loss, shall be adjusted

in accordance with the percentage increase or decrease in the twelve (12) months average of monthly gross revenues which may have occurred in the interim.

ii. The monthly amount of accounts receivable as established above shall be further adjusted in accordance with any demonstrable variance from the average for the particular month in which the loss occurred. Consideration will also be given to the normal fluctuations in the amount of accounts receivable within the fiscal month involved.

c) Company will pay no more than the applicable sub-limit of insurance as specified in the schedule. There shall be deducted from the total amounts of account receivable, however established, the amount of accounts evidenced by records not lost or damaged, or otherwise established or collected by Insured, and an amount to allow for probable bad debts which Insured normally would have been unable to collect and for the normal collection costs incurred due to accounts receivable.

11.10.10 DENIAL OF ACCESS

It is hereby agreed and declared that, subject to the conditions of the Policy, it is understood and agreed that loss resulting from interruption of or interference with the Business carried on by the Insured following

- a) physical loss or damage to property in the Vicinity of the Premises which prevents or hinders the use of the Premises or access thereto, whether the Premises or Property Insured of the Insured therein shall be damaged or not,
- b) interference with the Business carried out by the Insured in consequence of the said Premises or property within the Vicinity of the said Premises containing or thought to contain a harmful device provided that the Police shall be informed immediately the Insured is aware of the presence or suspected presence of such harmful device,
- c) interference with the Business carried on by the Insured in consequence of action by the Police Authority following danger or disturbance in the Vicinity of the Premises, which prevents or hinders the use of the Premises or access thereto.

Provided that:

- i) for the purposes of this Extension Vicinity shall mean within a radius as shown in Policy Schedule of the Insured's Premises
- ii) the liability of the Company does not exceed the Limit of Liability stated in the Schedule in respect of any one event
- iii) the aggregate liability of the Company in respect of all events occurring during any one Period of Insurance does not exceed the Limit of Liability stated in the Schedule
- iv) the Maximum Indemnity Period shall mean three months unless specifically agreed otherwise and mentioned in the Policy Schedule, and
- v) there shall be no liability under the Extension for loss arising from any cause within the control of the Insured
- vi) there shall be no liability under the Extension for loss for the first 24 hours of any interference with the Business, unless this time limit is modified and mentioned in the Policy Schedule.

11.10.11 PORT BLOCKAGE

Loss resulting from interruption of or interference with the business in consequence of blockage of the port or harbor which causes disruption to shipping and is caused by stranding, grounding, sinking or capsizing and/or through collision or contact of any vessel or craft with any other vessel, craft, structure or other object of any kind shall be deemed to be loss resulting from damage to property used by the insured at the situation.

11.10.12 UNINSURED STANDING CHARGES CLAUSE

If any standing charges of the Business be not insured by this Policy of Insurance (having been deducted in arriving at the Gross Profit as defined herein) then in computing the amount recoverable hereunder as Increase in Cost of Working, that proportion only of any additional expenditure shall be brought into account which the Gross Profit bears to the sum of the Gross Profit and the uninsured standing charges.

Where the Specified working Charges (Uninsured Working Expenses) are recognised variable charges, the Uninsured Standing Charges Clause and the reference hereto should be deleted.

11.10.13 OVERHAULS

In calculating the loss, due allowance shall be made for the time spent on any overhauls, inspections or modifications carried out during any period of interruption.

11.10.14 INTERRUPTION BY CIVIL AUTHORITY

Insurers shall be liable for loss, damage or destruction as covered hereunder by any peril insured against whilst access to location(s) of property described in The Schedule is prohibited by civil authority but only when such order is given as a direct result of a loss by a peril insured in the vicinity of the said location(s) max. within a radius of 1 km from such locations subject to a maximum indemnity period as specified in The Schedule.

11.10.15 INSURED PROPERTY STORED AT OTHER SITUATIONS

It is hereby agreed and declared that subject to the conditions of the policy, Business Interruption loss as insured under section – II of base policy, resulting from interruption of/or interference with the business in consequence of damage, not resulting from an excluded peril under Section – I of the base policy, to property at the under noted situation shall be deemed to be loss resulting from damage to property used by the insured at the premises.

Provided that the liability under this memorandum in respect of any one location shall not exceed in respect of (each of) item(s) number(s) percent of the sum insured thereunder.

Note:

- (a) Property of the Insured Stored
- (b) Suppliers' Premises

Where the extension relates solely to property of the insured, the words "property at the undernoted situation" and the heading "situations" should be deleted from the wording and the former replaced by "property of the insured while stored anywhere than at premises in the Insured's occupation".

Where the extension relates to more than one supplier with differing limits, the proviso and "Situations" should be amended to read as follows:

"Provided that the liability under this memorandum in respect of anyone location under (each of) item(s) No(s)_____ shall not exceed the percentage of the sum insured thereunder shown against each situation

Supplier's Name	Situation of Premises	Selected percentage limit of Sum Insured

“Further provided that if the percentage shown against the name of the supplier in whose premises damage has occurred shall be less than the percentage of dependence of the insured on that supplier, the amount otherwise payable shall be proportionately reduced.”

(c) Premises where a Contract is being carried out:

(d) Professional Insured:

The following should be inserted under 'SITUATIONS': 'Any location where the insured is carrying out work'.
Applicable solely to items on the Gross Revenue/Fees of a business providing professional or similar service only.