

INDUSTRIAL ALL RISK INSURANCE POLICY

CLAUSES WORDINGS

1. Appraisal Clause

Property insurance provision allowing either the insurer or the insured to demand a binding appraisal of damaged property in the event of a dispute as to its value and establishing the required appraisal procedure.

2. Outage Clause

Duration of the period from the time breakdown occurs resulting in shut down of the unit till the unit is synchronized and achieved full load or is in operation for 72 hours since synchronization, whichever is earlier would be considered as Single outage.

3. Bankruptcy Clause

In the event of Bankruptcy or the insolvency of the Insured, the Insurer shall not be relieved thereby of the obligations under the Policy.

4. Workmen Allowed/Workmen's Clause

Workmen are allowed on the within mentioned premises for the purpose of making structural and other alternations from time to time without prejudice to this insurance.

5. Heating And Power Clause

The use of electric, gas and other lightning, heating and power usual to trade and occupations allowed as provided by law, by-law or municipal regulation .

6. Automatic Reinstatement Of Sum Insured following a loss

It is hereby understood and agreed, subject otherwise to the terms, conditions and exclusions of the Policy and endorsed hereon, that the basic sum insured under material damage are always to remain at risk and shall not be reduced following loss or damage insured hereunder so long as the aggregate of the sums paid and/or payable does not exceed % of the sum insured as mentioned in the schedule.

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

7. Outbuilding Clause

It is agreed and understood that the policy includes walls, gates and fences, small outbuildings, extensions, annexes, exterior staircase and steel or iron frameworks, car parks, internal roadways including temporary roads, pavements, landscaping or any other structure while situated on the premises insured under this policy.

8. Aggravation Clause

It is noted and agreed that the operation of the excluded perils shall not prejudice the right of The Insured to recover under this Policy of Insurance any further loss caused by aggravation of an originally covered loss within the period of Indemnity.

9. 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.

10. Undamaged Foundations/Assets

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 an insured peril resulting in an admissible loss, only the insured building is damaged with no damage to building's plinth and foundations, with the consent of the insurer, if reinstatement of the damaged Property is to be carried out in any other position or elsewhere whether for reason of the exercising of state or local government requirements or otherwise, the abandoned building's plinth and foundations will be considered as being destroyed by the Insured Peril and the Insured shall be indemnified subject to the terms and conditions of the policy and provided that the value of plinth and foundation has been declared by the Insured.

11. Currency Devaluation

This Policy covers any deficiency in the amount of collectible loss under primary insurance caused by devaluation of the currency in which it is written. However, the Insured agrees to adjust such deficiencies as soon as practicable after the date of the currency's devaluation.

12. No Control Clause

This insurance shall not be prejudiced by any act or neglect of the owner of any property if the Insured is not the owner thereof, or by any act or neglect of any occupant (other than the Insured) of any building, when such act or neglect of the owner or occupant is not within the control of the Insured, or by failure of the Insured to comply with any warranty or conditions contained within this Policy or within any endorsement now or hereafter attached hereto with regard to any portion of the Property Insured over which the Insured has no control.

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Provided notice is given to the Insurer as soon as reasonably practicable upon discovery by the Insured's home /office insurance department of the act or neglect or failure to comply mentioned in the preceding paragraph.

13. Automatic Extention Clause / Tacit Renewal

It is hereby noted and agreed that the Period of Insurance is as stated in the Schedule plus any further period of 12 months thereafter for which the Insured shall offer to the Insurers the Premium stated in the Schedule as the Annual Premium,

PROVIDED THAT

i. there is no material change in insured property, insured interest, or hazards

ii. the Sums Insured, Loss Limits, and insurable values are not increased by more than 10% of the Sums Insured, Loss Limits, or values stated in the Schedule

iii. the Insurers have not given provisional notice of non-renewal or notice That revised rates, terms, or conditions shall apply; Insurers agree t hat such provisional notice of non-renewal or notice of revised rates or terms shall be given to the Insured not less than 90 days prior to the anniversary date of the policy or it shall be deemed that Insurers have given their tacit agreement to renew the policy for a further period of 12 months, if required by the Insured, at terms as expiring.

14. Currency Conversion

Where currency conversion is necessary when applying the terms and conditions of this Policy, the rates of exchange to be adopted shall be those prevailing :-

- a) for premium payments, at inception of each policy year
- b) for premium adjustment, at the expiry of each policy year
- c) for loss settlement, at the date of final settlement of loss

15. Currency Clause

A. The amounts set forth herein are in Indian Rupees.

B. All premiums and losses hereunder are payable in Indian Rupees.

However, in view of the sites of risks covered herein, it may be necessary that costs be originally incurred in currencies other than Indian Rupees equivalent of such other currencies, and the following is agreed: In the event this policy responds as direct insurance, foreign currencies shall be as expended. Monthly booking rates may be

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used for the conversion if rates are not available for individual transactions. In the event this Policy responds as reinsurance of an insurance subsidiary, foreign currencies shall be converted at the same rates of exchange as those at which remittance for individual transactions was made by the insurance subsidiary.

16. Tenants/ Tenants And Concessionaires Clause

The Insurance hereby shall not be prejudiced by any act or omission unknown to or beyond the control of the Insured on the part of any tenant occupying or using the premises provided that the Insured, immediately on becoming aware thereof, shall give notice to the Company in writing to the Insurer and pay an additional premium if required.

17. Contracting Purchasers' Interest

If at the time of loss or destruction of or damage to any building insured under this Policy the Insured shall have contracted to sell its interest in such building and the purchase shall not have been but shall be thereafter completed the purchaser on the completion of the purchase if and so far as the property is not otherwise insured by or on behalf of the purchaser against such loss, destruction or damage shall be entitled to the benefit of this of this Policy in so far as it relates to such loss, destruction or damage without prejudice to the rights and liabilities of the Insured or the Insurer under this of this Policy up to the date of completion.

18. Joint Excess Loss Committee Information Technology Hazards Clause

A. Losses otherwise recoverable under this Agreement arising, directly or

indirectly, out of:

1. loss of, or damage to, or
2. a reduction or alteration in the functionality or operation of a computer system, hardware, programme, software, data, information repository, microchip, integrated circuit or similar device in or connected with computer equipment or non-computer equipment, whether the property of the policyholder of the COMPANY or not, shall not be aggregated.

19. Loss Of Keys/Changing Locks

(a) replacing keys and locks or modifying the locking mechanism to any strongroom, safe or money receptacle in the event of such keys or locks having being stolen

(b) repairing any locking mechanism (mechanical or electrical) to any strongroom, safe or money receptacle including any alarm devices relating or attached thereto following upon forceable entry; or any attempt thereat to such strongroom, safe or money receptacle

(c) the recoding of locking devices of any safe, strongroom or receptacle following loss or damage as insured

Provided that:-

(i) the Company's indemnity shall be limited to the cost of replacing any such lock with one of similar quality to that being the subject of the claim

(ii) the Company's indemnity shall not exceed fifteen percent (15%) of the collective sum insured on 'money' as defined in the event of the occurrence of any one loss

(iii) the Insured shall bear twenty percent (20%) of the cost of each and every claim as insured in terms of the provisions of this clause

(iv) the insurance in terms of the provisions of this clause shall relate to the premises occupied by the Insured only. provided that if such keys relate to a safe they shall not be left on the Premises overnight unless the Premises are occupied by the Insured or an authorized Employee in which case they shall be deposited in a secure place not in the vicinity of the safe. Nothing herein contained shall be held to vary, alter, waive or change any of the terms, limits or conditions of the Policy, except as hereinabove set forth.

20. Accumalated Stock Clause

Where the insured maintains sufficient stock of finished goods from time to time as a matter of business policy then while adjusting any loss, account shall be taken and an equitable allowance made if any shortage in turnover due to the damage is postponed by reason of the Turnover being temporarily maintained from accumulated stocks of finished goods in the Insured's warehouses. This is free of Cost cover.

21. Fraud And Forfeiture Clause

If an Insured Party makes any claim that is fraudulent or any false declaration or statement in support thereof, this Policy of Insurance between the Insurer and the Insured Party making such a claim shall become void and The Insurer shall not be liable to make any payment hereunder to that party.

For the avoidance of doubt In such case, the company may cancel the policy by sending 30 days notice and the Insuring Party shall be entitled for pro-rata refund from the cancellation date to the original expiry date of the policy.

22. Undamaged Ancillary And / Peripheral Equipment Clause

Where any machinery , plant or equipment is damaged as a result of operation of an insured peril, but the ancillary and peripheral equipment used in conjunction of the damaged equipment is NOT damaged , but rendered superfluous upon replacement of the damaged property, then such ancillary and/ or peripheral equipment will be considered as DAMAGED . Provided, however if such ancillary/ peripheral equipment is saleable as salvage , then such salvage value shall be deducted from the claim.

23. Power Banking Clause

It is hereby agreed and understood that in adjusting any loss, account shall be taken and an equitable allowance will be made, if any shortage in generation / export of power from Insured's plant, following a loss or damage falling within the scope of this policy, is postponed beyond the maximum indemnity period, on account of power banking arrangement between Insured and third party (name.....).

24. Dissimilar Property

If the Insured elects to reinstate or replace destroyed property with dissimilar property the Insurer shall pay the lesser of:-

- (a) the cost of the dissimilar property, or
- (b) an amount equal to the replacement cost which would have been payable if replaced with similar property

25. Interruption By Civil Authority Extension

The insurance by this of this Policy is extended to insure loss resulting from interruption of or interference with the Business in consequence of access to or from the Insured's premises or use of the Insured's premises being specifically prohibited, hindered or restricted by order of civil or military authority as a direct result of Damage to property at the Insured's premises or property within 10 kilometres of the perimeter of the premises of the Insured.

26. Machinery And Plant Undamaged Parts

This Policy is extended to cover the cost of replacement of or modification to undamaged components of an item of Property Insured following Damage.

Provided that:-

- (a) the Insurer has agreed in writing prior to the start of the work or replacement or modification that the costs will be accepted under the terms of this extension;

b) the replacement or modification is necessary to avoid a recurrence of the Damage insured by this Cover Specification;

(c) the Insurer shall not be liable under this extension for the cost of replacement or modification:-

(i) for which the manufacturers of suppliers have published a requirement for replacement or modification prior to the incident

(ii) provided under any manufacturers suppliers or agents warranty guarantee or other contract

(iii) which is carried out solely to improve increase or rectify performance capacity or output

(iv) resulting from any lack of maintenance failure to carry out repairs or modifications or failure to operate the property in accordance with the manufacturers recommendation or instruction

(v) of components or parts which require periodical replacement as part of the manufacturers recommended maintenance programme. Nothing contained herein shall negate insurance provided by the Involuntary Betterment extension to this Policy.

27. New Business Clause

For the purpose of any claim arising from damage occurring before the completion of the first year's trading of the business at the premises the terms "Rate of Gross Profit", "Annual Output/Turnover" and "Standard Output/Turnover" shall bear the following meaning and not as within stated:-

RATE OF GROSS PROFIT – The rate of Gross Profit earned on the Output/Turnover during the period between the date of the commencement of the business and the date of the damage.

ANNUAL OUTPUT/TURNOVER – The proportional equivalent for a period of twelve months or the Output/Turnover realised during the period between the commencement of the business and the date of the damage.

STANDARD OUTPUT/TURNOVER – The proportional equivalent for a period equal to the Indemnity Period of the Output/Turnover realised during the period between the commencement of the business and the date of the damage.

To which such adjustments shall be made as may be necessary to provide for the trend of the business and for variations in or special circumstances affecting the business either before or after the damage or which would have affected the business had the damage not occurred so that the figures thus adjusted shall represent as nearly as may be reasonably practicable, the results which, but for the damage, would have been obtained during the relative period after the damage.

28. 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.

29. MASTER KEY COVERAGE

The Insurer shall indemnify the Insured up to the limit of indemnity as specified in the schedule, in respect of the cost of replacement of lock and key when the master key is lost or stolen caused by a damage covered under I.

Coverage excludes any consequential loss or damage arising due to lost or stolen master key.

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

30. SPECIAL WARRANTIES REGARDING COAL STOCKS

Coal Stock at plants/ports to be covered to a limit as specified in policy schedule in the aggregate for the policy period (combined Material Damage and Business Interruption). The coal stock for (Insured name) to be clearly earmarked and segregated and in the event of mixing of coal stock with other entities, the cover would cease. The storage of coal stocks both onsite and offsite would be subject to warranties as below:

- a. Warranted that adequate drainage facilities are provided to prevent accumulation of water due to watering
- b. Warranted that majority of the hotspots within 1-1.25 meters of the surface and all stacks should be inspected weekly for overheating
- c. Warranted that temperature at frequent intervals within the stack to be measured/ monitored at different surface levels

d. Warranted sufficient provision for water spraying system should be made all along the coal area storage facility

e. Warranted that the water monitor provided at the storage should be checked on weekly basis for its efficiency

f. Warranted that all water sprinkler heads in the storage area need to be cleaned once in month for its smooth functioning

g. Warranted that unlayered, uncompacted coal pile to be limited to a height of 5m; and maximum height of 8m for layered and packed coal.

The limit as specified in policy schedule is inclusive of cover for spontaneous combustion of coal at power plant/port for which the limit would be _____ aggregate for the policy period (combined Material Damage and Business Interruption).

31. SPARE ROTOR WARRANTY

It is hereby agreed and declared that the insured shall at all times during the currency of the policy maintain at the insured premises, one set of spare turbine rotor (s) of similar capacity to the ones insured hereunder. In the event of damage to any of the Turbo Generator set (s) insured hereunder by a cause not excluded under the policy, necessitating replacement of the turbine rotor, the insured shall utilize such spare rotor (s) for reinstating the insured property without waiting for arrival of replacement rotor by the manufacturers / suppliers of such equipment affected. It is also hereby agreed and declared that the application of this warranty is limited only for the purpose of determining the waiting period (time excess) under the policy and its non compliance shall not prejudice an otherwise admissible claim under this policy.

32. PUBLIC AUTHORITY

This of the Policy includes such additional cost of reinstatement of the destroyed or damaged of the Property caused by a contingency insured against as may be incurred solely by reason of the necessity to comply with any Regulations, Bye-laws or Statutory Provisions relating to the reinstatement of Property provided that:

i. the amount recoverable under this extension shall not include:

a) the cost of complying with any such Regulations, Bye-laws, or Statutory Provisions where destruction or damage occurs prior to inception of this Policy, or is not insured by this Policy, or where notice to comply has been served upon the Insured prior to the occurrence of any destruction or damage or in respect of any undamaged s of the Property;

b) any increased rates, taxes, duties, charges, levies or assessment as a result of complying with such Regulations, Bye-laws or Statutory Provisions;

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ii. the work of reinstatement must be commenced within 12 months of the date of occurrence of any loss or damage unless permitted by the insurer within the said 12 months, and may be carried out wholly or partially upon another site, provided that the liability of the Insurer is not increased thereby.

33. LOCAL AUTHORITIES CLAUSE

The insurance by this Policy extends to include such additional cost of reinstatement of the destroyed or damaged property hereby insured as may be incurred solely by reason of the necessity to comply with the Building or other Regulations under or framed in pursuance of any act of Parliament or with Bye-laws of any Municipal or Local authority provided that

1. The amount recoverable under this extension shall not include :

- a) The cost incurred in complying with any of the aforesaid Regulations or Bye-laws,
 - i) in respect of destruction or damage occurring prior to the granting of this extension,
 - ii) in respect of destruction or damage not insured by the Policy,
 - iii) under which notice has been served upon the Insured prior to the happening of the destruction of damage,
 - iv) in respect of undamaged property or undamaged portions of property other than foundations (unless foundations are specifically excluded from the insurance by this Policy) of that portion of the property destroyed or damaged,
- b) The additional cost that would have been required to make good the property damaged or destroyed to a condition equal to its condition when new had the necessity to comply with any of the aforesaid Regulations of Bye-laws not arisen,
- c) The amount of any rate, tax, duty, development or other charge or assessment arising out of capital appreciation which may be payable in respect of the property or by the owner thereof by reason of compliance with any of the aforesaid Regulations or Bye-laws.

2. The work of reinstatement must be commenced and carried out with reasonable dispatch and in any case must be completed within twelve months after the destruction or damage or within such further time as the Company may (during the said twelve months) in writing allow and may be carried out wholly or partially upon another site (if the aforesaid Regulations or Bye-laws so necessitate) subject to the liability of the Company under this extension not being thereby increased.

3. If the liability of the Company under (any item of) the Policy apart from this extension shall be reduced by the application of any of the terms and conditions of the Policy then the liability of the Company under this extension (in respect of any such item) shall be reduced in like proportion.

4. The total amount recoverable under any item of the Policy shall not exceed the sum insured thereby.

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.

34. Innocent Non Disclosure / Breach Of Policy Conditions

The Insurer will not avoid this Insurance on account of non disclosure, misdescription or misrepresentation of facts or breach of policy conditions where the same have been proved to be innocent and free of any fraudulent conduct or intent to deceive.

It is understood that any deliberate act omission statement misstatement or breach of policy conditions on the part of any individual Insured which may vitiate any claim or render the insurance void shall have such effect only as to the respective rights and respective interest of that particular Insured and shall not prejudice the respective rights and respective interests of any other Insured under this Policy.

35. Alternative Trading Clause

If during the Indemnity Period goods shall be sold or services shall be rendered elsewhere than at the Premises for the benefit of the Business either by The Insured or by others on his behalf the money paid or payable in respect of such sales or services shall be brought into account in arriving at the output during the Indemnity Period.

36. Coinsurance Clause

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 Co-insurance Schedule:

SN Name of the Insurer Share (%)

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(Lead Insurer)

(Co-insurer)

(Co-insurer)

(Co-insurer)

(Co-insurer)

37. Aggravation Clause

It is noted and agreed that the operation of the excluded perils shall not prejudice the right of The Insured to recover under this Policy of Insurance any further loss caused by aggravation of an originally covered loss within the period of Indemnity

38. Agreed bank clause

It is hereby declared and agreed:-

1. That upon any monies becoming payable under this Policy the same shall be paid by the Company to the Bank and such part of any monies so paid as may relate to the interests of other parties insured hereunder shall be received by the Bank as Agents for such other parties.

2. That the receipts of the Bank shall be complete discharge of the Company therefore and shall be binding on all the parties insured hereunder.

The Bank shall mean the first named Financial Institution/ Bank named in the Policy.

3. That if and whenever any notice shall be required to be given or other communication shall be required to be made by the Company to the Insured or any of them in any manner arising under or in connection with this Policy such notice or other communication shall be deemed to have been sufficiently given or made if given or made to the Bank.

4. That any adjustment, settlement, compromise or reference to arbitration in connection with any dispute between the Company and the Insured or any of them arising under or in connection with this

Policy if made by the Bank shall be valid and binding on all parties insured hereunder but not so as to impair rights of the Bank to recover the full amount of any claim it may have on other parties insured hereunder.

5. That this insurance so far only as it relates to the interest of the Bank therein shall not cease to attach to any of the insured property by reason of operation of Condition 3 of the Policy except where a breach of the Condition

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has been committed by the Bank or its duly authorised agents or servants and this insurance shall not be invalidated by any act or omission on the part of any other party insured hereunder whereby the risk is increased or by anything being done to upon or any building hereby insured or any building in which the goods insured under the Policy are stored without the knowledge of the Bank provided always that the Bank shall notify the Company of any change of ownership or alterations or increase of hazards not permitted by this insurance as soon as the same shall come to its knowledge and shall on demand pay to the Company necessary additional premium from the time when such increase of risks first took place and

6. It is further agreed that whenever the Company shall pay the Bank any sum in respect of loss or damage under this Policy and shall claim that as to the Mortgagor or owner no liability therefore existed, the Company shall become legally subrogated to all the rights of the Bank to the extent of such payments but not so as to impair the right of the Bank to recover the full amount of any claim it may have on such Mortgagor or Owner or any other party or parties insured hereunder or from any securities or funds available

39. Contract Price

In respect of any physical loss, destruction or Damage caused by an insured peril to goods sold but not delivered for which the Insured is responsible and with regard to which under the conditions of sale the contract is by reason of the loss, destruction or Damage, cancelled, either wholly or to the extent of the loss, destruction or Damage, the liability of the Insurer shall be assessed based on the contract price. For the purpose of applying the Condition of Average, the value of all goods to which this Clause applies, shall be ascertained on the same basis as that on which the loss, destruction or Damage is assessed.

40. Cancellation Clause

Notwithstanding the cancellation provisions relating to the basic insurance policy on which this endorsement is issued, there shall be no refund of premium allowed for cancellation of the Terrorism risk insurance during the period of insurance except where such cancellation is done along with the cancellation of the basic insurance. Where a policy is cancelled and rewritten mid-term purely for the purpose of coinciding with the accounting year of the insured, pro-rate refund of the cancelled policy premium will be allowed.

If the cancellation is for any other purpose, refund of premium will only be allowed after charging short term scale rates.

Note: The definitions, terms and conditions of the Policy save as modified or endorsed herein shall apply.

41. 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. 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.

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

43. Boiler & Machinery Clause

INSURING AGREEMENT

Subject to all the provisions stated herein and in the policy of which this endorsement is a part, not in conflict herewith, the Company shall be liable for:

- a. direct physical loss to property of the Insured and to property of others in the care, custody or control of the Insured.
- b. the loss and expense resulting from the necessary interruption of business, all as resulting from an Accident to an Object.

When used in this endorsement, the following definitions shall apply:

"Object" shall mean any boiler, fired or unfired pressure vessel, refrigerating or air conditioning system, piping and its accessory equipment, and any mechanical or electrical machine or apparatus used for the generation, transmission or utilization of mechanical or electrical power.

"Accident" shall mean a sudden and accidental breakdown of an Object or a part thereof which manifests itself at the time of its occurrence by physical damage that necessitates repair or replacement of the Object or part thereof.

CONDITIONS

With respect to Objects insured by the provisions of this endorsement, the following conditions shall apply:

- a. Inspection

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The Company shall be permitted but not obligated to inspect, at all reasonable times, any Object. Neither the Company's right to make inspections nor the making thereof nor any report thereon shall constitute an undertaking, on behalf of or for the benefit of the Insured or others, to determine or warrant that the Object is safe or healthful.

b. Suspension

Upon the discovery of a dangerous condition with respect to any Object, any representative of the Company may immediately suspend the insurance with respect to an Accident to said Object by written notice mailed or delivered to the Insured at the address of the Insured, or at the location of the Object. Insurance so suspended may be reinstated by the Company, but only by an endorsement issued to form a part of this policy.

The Insured will be allowed the unearned portion of the premium paid for the suspended insurance, pro rata, for the period of suspension.

EXCLUSIONS

The following losses are not insured under this endorsement:

1. Breakdown of any structure or foundation (other than a bedplate of a machine) supporting an Object or any part thereof, not caused by an Accident to the Object;
2. Breakdown of any boiler setting, insulating or refractory material not caused by an Accident to the Object;
3. Breakdown of well casings, penstocks or draft tubes;
4. Breakdown of Objects manufactured or held by the Insured for sale to others;
5. Breakdown of catalyst not caused by an Accident to the Object containing such catalyst or any other insured objects;
6. Breakdown of any oven, stove or furnace;
7. Breakdown of any sewer piping, any underground gas piping, any piping forming a part of a sprinkler system or any water piping other than:
 - a. feed water piping between any boiler and its feed pumps or injectors
 - b. boiler condensate return piping, or
 - c. water piping forming a part of a refrigerating or air conditioning system used for cooling, humidifying or space heating purposes

8. Breakdown of an Object until such time as said Object has been installed and completely tested on the premises of the Insured. For the purposes of this insurance, "completely tested" shall mean that said Object has operated on the Insured's premises in the capacity for which it was designed as part of the Insured's normal production process or processes. Notwithstanding the above, coverage under this endorsement shall apply to any newly installed Object having a fair market value of amount mentioned in the Policy Schedule or less and to any spare or replacement Object or parts therefor;

9. An Accident to any Object while it is being maintained or altered if said Accident is a direct result of said maintenance or alterations. However, if an Accident otherwise insured hereunder subsequently ensues, then the Company shall be liable for such Accident. Any opening, closing or transporting of an Object shall not be considered a part of any maintenance or alterations.

44. Divisible Control

If this Policy, by this endorsement, covers two or more buildings or the contents of two or more buildings, the breach of any conditions of the Policy in any one or more of the buildings covered or containing the property covered shall not prejudice the right to recover for loss occurring in any building covered or containing the property covered, there at the time of a loss a breach of condition does not exist.

45. Loss Minimization Expenses/Protection and Preservation Of Property Clause/ Inhibition Cost

It is hereby understood and agreed that the, policy extends to cover expenses for loss minimization necessarily and reasonably incurred by the Insured to prevent any aggravation of an insured loss following a loss or damage at any Insured's Premises specified in the Schedule, including moving or shifting of property if this contributes to loss minimization.

Overall liability of the company will not exceed the Sum Insured.

46. Control of Damage Property

This cover will give full rights to the insured for the possession and control of damaged property in the event of physical damage to such property by the insured perils provided proper testing is done to show which Property is physically damaged.

47. Departmental Clause

If the Business be conducted in departments, the independent trading results of which are ascertainable, the provisions of this Section of this Policy shall apply, at the option of the Insured, separately to each department affected by a loss insured by this Section of this Policy.

Clauses Wordings – Industrial All Risk Insurance Policy

48. Primary and Non-contributory Clause

The cover provided under this policy is a primary cover and shall respond without seeking contribution from other insurances that are also primary.

49. Expiration Clause

If this Policy should expire or be cancelled while an insured event is in progress, it is understood and agreed that Insurers 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.

50. On account payments Clause

In the event of admissible loss or damage, payment “on account” will be made by the Insurer on request if the liability of the Insurer has been established in a preliminary loss report and accepted by the insurer.

51. Additional Interests Clause

It is understood and agreed 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 including interest of mortgagees and notice of assignment in respect thereof.

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

52. Hire Purchase or Lease Agreements / Interest of Other Parties - Clause

The insurable interest of only those lessors, financiers, trustees, mortgagees, owners and all other parties specifically noted in the records of the Insured shall be automatically included without notification or specification; the nature and extent of such interest to be disclosed in event of damage. Where the insurance covers the interest of more than one party, any act or neglect of an individual party will not prejudice the rights of the remaining party/parties; provided the remaining party/parties shall, immediately on becoming aware of any act or neglect whereby the risk of damage has increased, give notice in writing to the Insurer(s) and on demand of Insurer(s) may require.

Notwithstanding the foregoing paragraph it is understood and agreed that in the event of any of the parties referred to herein being entitled to the benefits of any 'Concessions Agreement', which it may have entered into with the Insurer(s), the said 'Concessions Agreement' will take precedence over the foregoing paragraph.

Clauses Wordings – Industrial All Risk Insurance Policy

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

53. OEM Parts Clause

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 accidental physical loss or damage to the property hereby insured the Insured, at 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 does not exceed 50% of the lowest quote and quotes are based on same technological specifications.

54. Non-Vitiation Clause

It is understood and agreed that any act, omission, statement or mis-statement on the part of any named 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.

55. 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:

- (i) the additional cost of complying with any Indian legislation, Act of Parliament, or byelaws of any public authority;
- (ii) any additional costs for work already planned to be carried out prior to the Damage;
- (iii) any Buildings or portions of Buildings which are Unoccupied;
- (iv) if the Insured elect not to rebuild or repair the Buildings.

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

56. Fire Fighting Expenses Clause

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 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 —

- (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.

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

57. Properties under Consignment, Care, Custody and Control – Clause

Notwithstanding anything to the contrary, it is hereby agreed and declared 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.

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

58. Notice of loss Clause

It is agreed and declared that, any delay by the Insured in providing notice shall not affect the Insured's right to coverage under this Policy, except if and to the extent that the Company proves that it actually and substantially was prejudiced by any unreasonable delay in notice.

59. Loss Payee Clause

It is agreed and declared that loss is payable to the Insured or as directed by the Insured, which shall include such party who has an insured interest in the subject matter insured at the time of loss or damage.

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

Clauses Wordings – Industrial All Risk Insurance Policy

60. Dewatering expenses Clause

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 in the policy.

61. Waiver of Contribution Clause

It is agreed that the condition of Contribution under the Policy stands deleted. However the Insurer retains the right to recover a rateable proportion of the loss where other policies exist, providing cover to the affected property.

62. 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, provide 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.

63. 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.

64. 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 another of the Insured locations/premises suffering a reduction in turnover or increase in cost of working 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 the business at the above said locations/premises be carried in departments and independent trading results of the same are ascertainable. All other terms, conditions, exclusions of the Policy remain unchanged.

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

65. Immediate Repairs

It is agreed that in case of loss 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 Insurer 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 operating properties which may be necessary to their Business. Evidence of loss to be photographed and if any damaged item are replaced then same to be preserved for inspection by Surveyor. 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.

66. Recoveries

After expenses incurred in salvage or recovery are deducted, any salvage or recovery, except recovery through subrogation proceedings, shall accrue entirely to the benefit of the Insurer until the Sum paid by the Insurer has been recovered, except for any amount assumed by the Insured (other than a deductible) over and above any payment made under the Policy. Any recovery as a result of subrogation proceedings, after expenses incurred in such subrogation proceedings are deducted, shall accrue to the Insured in the proportion that the amount of the deductible bears to the amount of the entire loss.

67. 50 : 50 Clause (Applicable for assets which were covered for the transit portion under marine policies of Universal Sampo and other Marine policies carrying 50 :50 clause)

In respect of the subject matter Insured hereunder consigned from outside India:

The Insured hereby undertakes to inspect each item of the subject matter Insured upon arrival at the contract site for possible damage sustained during transit. In the case of packed items which are to be left in their packaging until a later date the packaging is to be visually inspected for signs of possible damage and where such damage is visible the items are to be unpacked and inspected and any damage discovered reported to the marine insurers. Where the packaging of an item shows no visible signs of damage to such item having been sustained during transit any subsequent damage discovered upon unpacking will be dealt with by the Marine Insurers or the Project Insurers according to whether it can be clearly established that such damage was caused before or after arrival at the contract site. Where it is not possible to clearly establish whether the damage to an item was caused before or after arrival at the contract site it is hereby agreed that the cost of such damage shall be shared equally between the Marine Insurers and the Project Insurers, provided such a clause is included in the Marine Policy also.