NEW INDIA BUSINESS ALL RISKS FLEXI INSURANCE

UIN No.: IRDAN190CPPR0009V01202526 CWISS Product Code : 'BU'

Eligibility

All industrial risks as well as non-industrial risks **excluding** Dwellings located in India shall be eligible for New India Business All Risk Flexi Policy.

PREAMBLE

In consideration, of the Insured paying premium to the Company shown in the Schedule, The New India Assurance Company Limited (herein after called the Company), the Company agrees subject to the terms, definitions, warranties, exclusions, provisions and conditions contained or endorsed or otherwise expressed herein, covering the interest of the Insured in the property at the premises described in the Schedule for the purpose of this business, to indemnify the Insured in the manner and to the extent stated in the following sections forming part of this Policy of Insurance and shown in the Schedule to the policy.

POLICY COVERAGE

INSURING AGREEMENT

Section 1 – Material Damage

Section 2 – Machinery Breakdown

Section 3(i) - Business Interruption (other than Machinery Loss of Profits)

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Section 4 - Extended Risk Protection

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Section 6 - Extended ClaimOps Assistance

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Subject to the terms, conditions and exclusions contained herein or endorsed or otherwise expressed hereon, **only Section 1, is mandatory rest all sections (including extensions within each section) are optional** in this policy and shall be covered if specifically mentioned in the policy schedule.

GENERAL CONDITIONS

1. THIS POLICY shall be voidable in the event of mis-representation, mis-description or non-disclosure of any material particular.

2. All insurances under this policy shall cease on expiry of 7 days from the date of fall or displacement of any building or part thereof or of the whole or any part of any range of buildings or of any structure of which such building forms part.

PROVIDED such a fall or displacement is not caused by a peril not excluded by this policy or such loss or damage would be covered if such building, range of buildings or structure were insured under this policy.

Notwithstanding the above, the Company, subject to an express notice being given as soon as possible but not later than seven days of any such fall or displacement may agree to continue the insurance subject to revised rates, terms and conditions as may be decided by it and confirmed in writing to this effect.

3. Under any of the following circumstances the insurance ceases to attach as regards the property affected unless the Insured, before the occurrence of any loss or damage, obtains the sanction of the Company signified by endorsement upon the policy by or on behalf of the Company :-

a) If the trade or manufacture carried on be altered, or if the nature of the occupation or other circumstances affecting the building insured or containing the insured property be changed in such a way as to increase the risk of loss or damage by Insured Perils.

b) If the building insured or containing the insured property becomes unoccupied and so remains for a of more than 30 days.

c) If the interest in the property passes from the insured otherwise than by will or operation of law.

4. This insurance may be terminated at any time at the request the Insured, in which case the Company will retain the premium at Customary short period rate for the time the policy has been in force. This insurance may also at any time be terminated at the option of the Company, on 15 days notice to that effect being given to the Insured, in which case the Company shall be liable to repay on demand a rateable proportion of the premium for the unexpired term from the date of the cancellation.

5. (i) On the happening of any loss or damage the Insured shall forthwith give notice thereof to the Company and shall within 15 days after the loss or damage, or such further time as the Company may in writing allow in that behalf, deliver to the Company

a) A claim in writing for the loss or damage containing as particular an account as may be reasonably practicable of all the several articles or items or property damaged or destroyed, and of the amount of the loss or damage thereto respectively, having regard to their value at the time of the loss or damage not including profit of any kind.

b) Particulars of all other insurances, if any.

The Insured shall also at all times at his own expense produce, procure and give to the Company all such further particulars, plans, specification books, vouchers, invoices, duplicates or copies thereof, documents, investigation reports (internal/

external) proofs and information with respect to the claim and the origin and cause of the fire and the circumstances under which the loss or damage occurred, and any matter touching the liability or the amount of the liability of the Company as may be reasonably required by or on behalf of the Company together with declaration on oath or in other legal form of the truth of the claims and of any connected therewith.

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

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

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

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

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

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

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

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

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

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

7. If the claim be in any respect fraudulent, or if any false declaration be made or used in support thereof or if any fraudulent means or devices are used by the Insured or any one acting on his behalf to obtain any benefit under the policy or if the loss or damage

be occasioned by the wilful act, or with the connivance of the Insured, all benefits under this policy shall be forfeited.

8. If the Company at its option, reinstate or replace the property damaged or destroyed, or any part thereof, instead of paying the amount of the loss or damage, or join with any other Company or Insurer in so doing, the Company shall not be bound to reinstate exactly or completely but only as circumstances permit and in reasonably sufficient manner, and in no case shall the Company be bound to expend more in reinstatement than it would have cost to reinstate such property as it was at the time of the occurrence of such loss or damage nor more than the sum insured by the Company thereon.

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

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

9. If the property hereby insured shall at the time of reinstatement/replacement repair following a loss or damage indemnifiable under the policy be of greater value than the Sum Insured under the policy, then the insured shall be considered as being his own insurer for the difference and shall bear a rateable proportion of loss.

Each item of the policy to which this condition applies shall be separately subject to the foregoing provision.

Provided however that if the said Sum Insured in respect of such item(s) of the Schedule shall not be less than 85% (Eighty Five percent) of the value of the item(s) thereat, this condition shall be of no purpose and effect.

10. If at the time of any loss or damage happening to any property hereby insured there be any other subsisting insurance or insurances, whether effected by the Insured or by any other person or persons covering the same property, this Company shall not be liable to pay or contribute more than its rateable proportion of such loss or damage.

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

12. 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 & Conciliation Act, 1996.

13. Every notice and other communication to the Company required by these conditions must be written or printed.

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

The additional premium referred above shall be deducted from the net claim amount payable under the policy. Thus continuous cover to the full extent will be available notwithstanding any previous loss for which the company 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 company for deduction from the claim amount when settled of pro-rata premium to be calculated from the date of loss till expiry of the 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 the loss exercises his option not to reinstate the sum insured as above.

Section 1-Material Damage (Other than Machinery Breakdown)

In consideration of the insured paying to the Company, the premium shown in the schedule, the Company agrees (subject to the terms, conditions and exclusions contained herein or endorsed or otherwise expressed hereon which shall so far as the nature of them respectively will permit be deemed to be conditions precedent to the right of the Insured to recover hereunder) that if after payment of the premium any of the property insured be accidentally physically lost destroyed or damaged other than by an excluded cause during the period of insurance or any subsequent period in respect of which the insured shall have paid and the Insurer shall have accepted the premium required for the renewal of this policy, the Insurer will pay to the Insured the value of the property at the time of the happening of its accidental physical loss or destruction or damage (being hereinafter termed Damage) or at its option reinstate or replace such property or any part thereof

Provided that the liability of the Insurer in respect of any one loss or in the aggregate in any one period of insurance shall in no case exceed

i. As regards buildings, plants and machinery, furniture, fixture, fittings etc. the cost of replacement or reinstatement on the date of replacement or reinstatement subject to the maximum liability being restricted to the sum insured in respect of that category of the item under the policy.

ii. As regards stocks the market value of the same not exceeding the sum insured in respect of that category of item under the policy as below:

a. For raw material: landed cost at Insured Premises.

b. For stock in process: input cost of the stock at the time of loss.

c. For finished stock: the manufacturing cost of the Finished Stock or the Contract Price of goods sold but not delivered and more precisely defined below.

Contract Price is in respect only of goods sold but not delivered, for which insured is responsible and with regard to which under the conditions of the sale, the sale contract is cancelled by reason of any Damage insured under this Policy either wholly or to the extent of the Damage. The Company's liability shall be based on the Contract Price.

Section 2 – Material Damage (Machinery Breakdown)

It is agreed and understood that otherwise subject to the terms, exclusions, provisions and conditions contained in this Policy or endorsed thereon, and subject to the Insured having paid the agreed additional Premium, this Policy is extended to include direct sudden and accidental physical loss or damage sustained to or destruction of any machinery, including by or happening through any mechanical, electrical, electro mechanical, electronic or hydraulic malfunction, failure, derangement, breakdown or non-operation of whatsoever kind up to the separate limit or sublimit contained in the Schedule. For the purpose of this cover machinery means any mechanical, electrical and electronic equipment.

EXCLUSIONS (Applicable to Section 1 and 2)

A. **EXCLUDED CAUSES**

1. This policy does not cover damage to the property insured caused by:

a) i) faulty or defective design, materials or workmanship, inherent vice, latent defect, gradual deterioration, deformation or distortion or wear and tear.

ii) interruption of the water supply gas electricity or fuel systems or failure of the effluent disposal systems to and from the premises unless Damage by a cause not excluded in the policy ensues and then the Insurer shall be liable only for such ensuing Damage.

b) i) collapse or cracking of buildings, gradual subsidence of land & gradual subsidence of buildings. Gradual change in water table and/or normal settlement of buildings

ii) 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

c) i) larceny

ii) acts of fraud or dishonesty of the Insured and or his employees.

iii) 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

d) i) coastal or river erosion

ii) normal settlement or bedding down of new structures

2. Damage caused by or arising from :-

i) any willful act or willful negligence on the part of the Insured or any person acting on his behalf

ii) cessation of work delay or loss of market or any other consequential or indirect loss of any kind or description whatsoever

3. Damage occasioned directly or indirectly by or through or in consequence of any of the following occurrences, namely:-

a) war invasion act of foreign enemy hostilities or warlike operations (whether war be declared or not) civil war

b) mutiny civil commotion assuming the proportions of or amounting to a popular rising military rising insurrection rebellion revolution military or usurped power

4. i) permanent or temporary dispossession resulting from nationalisation commandeering or requisition by any lawfully constituted authority

   ii) permanent or temporary dispossession of any building resulting from the unlawful occupation of such building by any person

   provided that the Insurers are not relieved of any liability to the Insured in respect of Damage to the property insured occurring before dispossession or during temporary dispossession which is otherwise insured by this Policy

   iii) the destruction of property by order of any public authority

In any action, suit or other proceeding where the Insurer alleges that by reason of the provisions of Exclusions A3 (a) and (b) above any loss destruction or damage is not covered by this insurance the burden of proving that such loss destruction or damage is covered shall be upon the Insured.

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

a) nuclear weapons material

b) ionising radiations 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.

6. Earthquake and/ or volcanic eruption and/ or other natural tremor or subterranean fire, tsunami unless otherwise covered in the Schedule. Wherever earthquake cover is given as an "add on cover" the words "excluding those resulting from earthquake and/ or volcanic eruption or other natural tremor or subterranean fire, tsunami" shall stand deleted. ***This exclusion stands deleted in case EQ coverage is opted in this policy***

7. Storm, Typhoon, Tempest, Hurricane, Tornado, Tsunami, Flood and Inundation. ***This exclusion stands deleted in case STFI coverage is opted in this policy***

8. Mechanical, electrical, electro mechanical, electronic or hydraulic malfunction, failure, derangement, breakdown or non-operation of whatsoever kind unless, if damage was caused as a result thereof, by any reason whatsoever which was not excluded and, in such event, the Insurers' liability shall be limited only to the damage caused as a result thereof. In order to obviate doubt, this exclusion shall not apply to explosion, buckling, collapse, splitting and overheating of boilers, pressurized and under-pressurized instruments.
   It does not apply to any loss or damage to "Plant & Machinery" if Optional Cover (Machinery Breakdown) is opted by insured under this policy.

9. Terrorism Damage Exclusion Warranty : Notwithstanding any provision to the contrary within this insurance, it is agreed that this insurance excludes loss, damage cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any act of terrorism regardless of any other cause or event contributing concurrently or in any other sequence to the loss.
   For the purpose of this endorsement an act of terrorism means an act, including but not limited to the use of force or violence and/or the treat thereof, of any person or group(s) of persons whether acting alone or on behalf of or in connection with any organisation(s) or government(s), committed for political, religious, ideological or similar purpose including the intention to influence any government and/or to put the public, or any section of public in fear.
   The warranty also excludes loss, damage, cost or expenses of whatsoever nature directly or indirectly caused by, resulting from or in connection with any action taken in controlling, preventing, suppressing or to in any way relating to action taken in respect of any act of terrorism.
   If the company alleges that by reason of this exclusion, any loss, damage, cost or expenses is not covered by this insurance, the burden of proving the contrary shall be upon the insured. In the event any portion of this endorsement is found to be invalid or unenforceable, the remainder shall remain in full force and effect.
   This exclusion stands deleted in case Terrorism coverage is opted in this policy.

10. Any consequential loss and/or indirect damage including any loss of earnings, loss by delay, loss of market, fines, compensation or other consequential or indirect loss or damage of any kind or description whatsoever even if caused to the Insured as a result of the insured risks under this policy.

B. EXCLUDED PROPERTY

This Policy does not cover :

1) Money cheques stamps bonds credit cards securities of any description jewellery precious stones precious metals bullion furs curiosities rare books or works of art unless specifically mentioned as insured by this policy.

2) Unless specifically mentioned as insured by this Policy goods held in trust or on commission documents manuscripts business books computer systems records patterns models moulds plans designs explosives

3) a) vehicles licensed for road use (including accessories thereon) caravans trailers railway locomotives or rolling stock watercraft aircraft spacecraft or the like

   b) property in transit other than within the premises specified in the Schedule

   c) property or structures in course of demolition construction or erection and materials or supplies in connection therewith

   d) land (including top-soil back-fill drainage or culverts) driveways pavements roads runways railway lines dams reservoirs canals rigs wells pipelines tunnels bridges docks piers jetties excavations wharves mining property underground off-shore property unless specifically covered.

e) livestock growing crops or trees

f) property damaged as a result of its undergoing any process

g) property undergoing testing, installation or servicing including materials and supplies therefore if directly attributable to the operations of work being performed thereon unless Damage by a cause not otherwise excluded ensues and then the Insurer will be liable only for such ensuing loss

h) property more specifically insured

i) property insured if removed to any building or place other than in which it is herein stated to be insured, except machinery and equipment temporarily removed for repairs, cleaning, renovation or other similar purpose for a period not exceeding 60 days.

j) damage to property which at the time of the happening of such damage is insured by or would for the existence of this policy be insured by any marine policy or policies except in respect of any excess beyond the amount which would have been payable under the marine policy or policies had this insurance not been effected.

Special Conditions to Section 1 & 2

1. Sums Insured

It is a requirement of this Insurance that the sums insured stated in the Schedule shall not be less than the cost of reinstatement as if such property (except for stocks) were reinstated on the first day of the Period of Insurance which shall mean the cost of replacement of the insured items by new items in a condition equal to but not better or more extensive than its condition when new.

2. Basis of Loss Settlement

In the event of any loss destruction or damage the indemnification under this section shall be calculated on the basis of the reinstatement or replacement of the property lost destroyed or damaged, subject to the following provisions :

2.1. Reinstatement or replacement shall mean :

1. where property is lost or destroyed, the rebuilding of any buildings or the replacement of any other property by similar property, in either case in a condition equal to but not better or more extensive than its condition when new

2. where property is damaged, the repair of the damage and the restoration of the damaged portion of the property to a condition substantially the same as but not better or more extensive than its condition when new.

2.2. Special Provisions

1. The work of reinstatement (which may be carried out upon another site and in any manner suitable to the requirements of the Insured subject to the liability of the Insurers not being thereby increased) must be commenced and carried out within 12 months after the destruction or damage otherwise no payment beyond the amount which would have been payable under the policy if this special provisions had not been incorporated herein shall be made

2. Where any property is lost destroyed or damaged in part only the liability of the Insurers shall not exceed the sum representing the cost which the Insurers could have been called upon to pay for reinstatement if such property had been wholly destroyed

3. Until the cost of reinstatement or replacement shall have been actually incurred the amount payable under each of the items shall be calculated on the basis of the actual cash value of such items immediately before the loss destruction or damage with due allowance for depreciation for age use and condition.

DEDUCTIBLES

This policy does not cover the deductibles stated in the schedule in respect of each and every loss as ascertained after the application of all other terms and conditions of the policy including any condition of Average.

Warranted that during the currency of the policy the Insured shall not effect insurance in respect of the amount of the deductibles stated in the schedule.

Section 3 (i) -Business Interruption (Other than Machinery Loss of Profits)

The Insurers agree that if during the period of insurance the business carried on by the insured at any of the premises specified & listed in the Schedule is interrupted or interfered with in consequence of loss destruction or damage indemnifiable under Section I, then the Insurers shall indemnify the Insured for the amount of loss as hereinafter defined resulting from such interruption or interference provided that the liability of the Insurers in no case exceeds the total sum insured or such other sum as may hereinafter be substituted therefore by Endorsement signed by or on behalf of the Insurers.

Special Exclusions to Section 3(i) :

1. This Policy does not cover loss resulting from interruption of or interference with the business directly or indirectly attributable to

   1.1. any restrictions on reconstruction or operation imposed by any public authority

1.2. the Insured's lack of sufficient capital for timely restoration or replacement of property lost destroyed or damaged

1.3. loss of business 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 again in operating condition and the business could have been resumed, if said lease licence order etc. had not lapsed or had not been suspended or cancelled.

1.4. damage to boilers economisers turbines or other vessels machinery or apparatus in which pressure is used or their contents resulting from their explosion or rupture.

1.5. electronic installations, computers and data processing equipment.

1.6. Damage resulting from :

a) deliberate erasure loss distortion or corruption of information on computer systems or other records programs or software.

b) Other erasure loss distortion or corruption of information on computer systems or other records programs of software unless resulting from fire lightning explosion aircraft, impact by any road vehicle or animals earthquake, hurricane, windstrom flood, brusting overflowing discharging or leaking of water tanks apparatus or pipes in so far as it is not otherwise excluded

unless caused by Damage to the machine or apparatus in which the records are mounted.

1.7. mechanical or electrical breakdown or derangement of machinery or equipment.

2. This Policy does not cover the deductible stated in the Schedule to be borne by the Insured.

Basis of Insurance:

(A) On Gross Profit

The cover provided under this Section shall be limited to loss of Gross Profit due to (a) Reduction in Turnover and (b) Increase in Cost of Working and the amount payable as indemnity hereunder shall be

(a) in respect of Reduction in Turnover :

the sum produced by applying the Rate of Gross Profit to the amount by which the Turnover during the Indemnity Period shall fall short of the Standard Turnover in consequence of the loss destruction or damage

(b) in respect of Increase in Cost of Working :

3. the additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the Reduction in Turnover which but for that expenditure would have taken place during the Indemnity Period in consequence of loss destruction or damage, but not exceeding the sum produced by applying the Rate of Gross Profit to the amount of the reduction thereby avoided

less any sum saved during the indemnity Period in respect of such of the charges and expenses of the business payable out of Gross Profit as may cease or be reduced in consequence of loss destruction or damage

provided that if the sum insured by this item be less than the sum produced by applying the Rate of Gross Profit to the Annual Turnover (or to a proportionately increased multiple thereof where the Maximum Indemnity Period exceeds twelve months) the amount payable shall be proportionately reduced.

Departmental Clause:

"If the business be conducted in departments, the independent trading results of which are ascertainable, the provision of Clauses (a) and (b) of Item 1 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."

Definitions:

1. Gross Profit

The amount by which

- the sum of the amount of the Turnover and the amount the closing stock and work in progress shall exceed

- the sum of the amounts of the opening stock and work in progress and the amount of the Uninsured Working Expenses.

Note : The amounts of the opening and closing stocks and work in progress shall be arrived at in accordance with the Insured's normal accountancy methods, due provision being made for depreciation.

2. Uninsured Working Expenses

The following variable expenses of the business are not covered by this policy:

A. turnover and purchase taxes
B. purchases (less discounts received)
C. carriage, packing and freight.

3. Turnover

The money (less discounts allowed) paid or payable to the Insured for goods sold and delivered and for services rendered in the course of the business at the Premises.

4. *Indemnity Period*

The period beginning with the occurrence of loss destruction or damage and ending not later than the Maximum Indemnity Period thereafter during which the results of the Business shall be affected in consequence thereof. Provided always that the Company is not liable for the amount equivalent to trend adjusted Annualised Gross Profit of ______ days stated in the schedule.

5. *Rate of Gross Profit*

The Rate of Gross Profit earned on the turnover during the financial year immediately before the date of loss/ destruction or damage.

- ***Annual Turnover***

The Turnover during the twelve months immediately before the date of loss destruction or damage.

- ***Standard Turnover***

The Turnover during that period in the twelve months immediately before the date of loss destruction or damage which corresponds with the Indemnity Period appropriately adjusted where the indemnity Period exceeds twelve months to which such adjustments shall be made as may be necessary to provide for the trend of business and for variations in or other circumstances affecting the Business either before or after loss destruction or damage or which would have affected the Business had the loss destruction or damage not occurred, so that the figures thus adjusted shall represent as nearly as may be reasonably practicable the results which but for the loss destruction or damage would have been obtained during the relative period after the loss destruction or damage.

Provisions :

Memo 1 - Benefits from Other Premises

If during the indemnity period goods are sold or services are rendered elsewhere than at the premises for the benefit of the Business either by the Insured or by others acting on his behalf, the money paid or payable in respect of such sales, or services shall be taken into account in arriving at the Turnover during the Indemnity Period.

Memo 2 - Return of Premium

If the Insured declares at the latest nine months after the expiry of any policy year that the Gross Profit earned during the accounting period of twelve months most nearly concurrent with any period of insurance, was less than the sum insured thereon a pro rata return of premium not exceeding one third of the premium paid on such sum insured for such period of insurance shall be made in respect of difference.

If any loss destruction or damage has concurred giving rise to a claim under this policy, such return shall be made in respect only of so much of said difference as is not due to such loss destruction or damage.

(B) On Gross Revenue

The cover provided under this Section shall be limited to (a) loss of Gross Revenue and (b) Increase in Cost of Working and the amount payable as indemnity thereunder shall be :-

(a) IN RESPECT OF LOSS OF GROSS REVENUE:

the amount by which the Gross Revenue earned during the Indemnity Period shall, in consequence of the damage, fall short of the Standard Gross revenue.

(b) IN RESPECT OF INCREASE IN COST OF WORKING:

the additional expenditure (subject to the provisions of Memo 2) necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the loss of Gross revenue which but for that expenditure would have taken place during the indemnity period in consequence of the Damage but not exceeding the amount of the reduction in gross revenue thereby avoided.

less any sum saved during the Indemnity Period in respect of such of the working expenses and standing charges of the business as may cease or be reduced in consequence of the damages.

Provided that if the Sum Insured by this Item be less than * the Annual Gross Revenue, the amount payable under this shall be proportionately reduced.

Departmental Clause:

"If the business be conducted in departments, the independent trading results of which are ascertainable, the provision of Clauses (a) and (b) of Item 1 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."

Definitions:

1. Gross Revenue

The money paid or payable to the insured for * * in course of the business at the premises.

2. Indemnity Period

The period beginning with the occurrence of loss destruction or damage and ending not later than the Maximum Indemnity Period thereafter during which the results of the Business shall be affected in consequence thereof. Provided always that the Company is not liable for the amount equivalent to trend adjusted Annualised Gross Profit of ______ days stated in the schedule.

- ***Standard Gross Revenue***

The gross Revenue during the period in the twelve months immediately before the date of the damage which corresponds with the Indemnity Period.

- ***Annual Gross Revenue***

The Gross Revenue earned during the period in the twelve months immediately before 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.

* Here is inserted the appropriate multiple if the Indemnity period exceeds 12 months

** Here is inserted an agreed description such as "work done and service rendered" or "entertainment provided" and, if necessary, a qualifying exclusion such as excluding the cost of drink and food supplied."

Note: The words "Gross Revenue" wherever they occur, may be altered to Revenue, Gross Income, Commission, Gross Fees, Royalties or similar term to suit the nature of the income of an insured"s business.

Provisions :

Memo 1 – Benefits from other Premises

If during the Indemnity Period work shall be done or services rendered elsewhere than at the premises for the benefit of the business either by the Insured or by others on insured"s behalf the money paid or payable in respect of such work or services shall be brought into account in arriving at the Gross Revenue during the Indemnity Period.

Memo 2 – Return of Premium

If the Insured declares at the latest nine months after the expiry of any policy year that the Gross Revenue earned during the accounting period of twelve months most nearly concurrent with any period of insurance, was less than the sum insured thereon a pro rata return of premium not exceeding one third of the premium paid on such sum insured for such period of insurance shall be made in respect of difference.

If any loss destruction or damage has concurred giving rise to a claim under this policy, such return shall be made in respect only of so much of said difference as is not due to such loss destruction or damage.

Section 3 (ii)- Business Interruption (Machinery Loss of Profits)

Whereas the Insured has applied to the Company for the indemnity hereinafter contained and has made a written proposal and declaration which shall be the basis of this contract and is deemed to be incorporated herein and has paid the premium as per the provisions of the Machinery Loss of Profit and the rules framed there under.

The Policy is extended to cover Machinery Loss of Profit by deleting Special Exclusions 1.4, 1.5, 1.6 and 1.7 to Section 3(i) of this Policy.

PROVIDED ALSO that at the time of happening of an indemnifiable Accident from any cause due to breakdown of insured items under this section due to and in respect of which liability shall have been admitted or would have been admitted but for the operation of any Excess there under.

PROVIDED ALWAYS that the due observance and fulfilment of the terms of this Policy in so far as they relate to anything to be done or complied with by the Insured and the truth of the statements and answer(s) in the proposal shall be conditions precedent to any liability of the Company.

Section 4 – Extended Risk Protection

1. Earthquake (Fire & Shock) - *Optional Add On Covers (on payment of additional premium)*

If option to delete STFI peril is exercised

In consideration of the payment by the Insured to the Company of the sum of additional premium, it is hereby agreed and declared that notwithstanding anything stated in the printed exclusions of this policy to the contrary, this Insurance is extended to cover loss or damage (including loss or damage by fire) to any of the property Insured by this policy occasioned by earthquake including Landslide / Rockslide resulting therefrom but excluding flood or overflow of the sea, lakes, reservoirs and rivers caused by Earthquake.

Provided always that all the conditions of this policy shall apply (except in so far as they may be hereby expressly varied) and that any reference therein to loss or damage by fire shall be deemed to apply also to loss or damage directly caused by any of the perils which this insurance extends to include by virtue of this endorsement.

If option to delete STFI peril is not exercised

In consideration of the payment by the Insured to the Company of the sum of additional premium, it is hereby agreed and declared that notwithstanding anything stated in the printed exclusions of this policy to the contrary, this Insurance is extended to cover loss or damage (including loss or damage by fire) to any of the property Insured by this policy occasioned by or through or in consequence of earthquake including flood or overflow of the sea, lakes, reservoirs and rivers and/or Landslide / Rockslide resulting therefrom.

Provided always that all the conditions of this policy shall apply (except in so far as they may be hereby expressly varied) and that any reference therein to loss or damage by fire shall be deemed to apply also to loss or damage directly caused by any of the perils which this insurance extends to include by virtue of this endorsement.

Special conditions

a. Excess clause
b. Extension cover shall be granted only if the entire property in one complex / compound / location covered under the policy is extended to cover this risk and the Sum Insured for this extension is identical to the Sum Insured against the risk covered under main policy except for the value of the plinth and foundations of the building(s).
c. Onus of proof: In the event of the Insured making any claim for loss or damage under this policy he must (if so required by the Company) prove that the loss or damage was occasioned by or through or in consequence of earthquake

2. Storm, Cyclone, Typhoon, Tempest, Hurricane, Tornado, Flood and Inundation -*Optional Add On Covers (on payment of additional premium)*

Loss, destruction or damage directly caused by Storm, Cyclone,Typhoon, Tempest, Hurricane, Tornado, Flood and Inundation excluding those resulting from Earthquake, Volcanic eruption and other convulsions of nature. (Wherever, Earthquake cover is opted for coverage, the words "excluding those resulting from Earthquake, Volcanic eruption and other convulsions of nature" shall stand deleted.

3. Terrorism and Sabotage - *Optional Add On Covers (on payment of additional premium)*

This extension provides coverage as per Terrorism Pool and conditions applicable shall be as per Pool wordings for Sabotage and Terrorism Damage Cover Endorsement (Material Damage only) **OR** Sabotage and Terrorism Damage Cover Endorsement - Material Damage and Loss of Profit.

4. 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 of 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."

5. Contamination And Co-Mingling Of Stocks

It is hereby agreed that notwithstanding anything contained herein to the contrary, that this policy extends to cover loss or damage to stocks as a result of contamination and/or co-mingling whilst in the insured's care, custody or control. Limit for this extension shall be as mentioned in the schedule

6. 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 for this extension shall be as mentioned in the schedule

7. Leakage And Overflowing

It is hereby agreed that notwithstanding anything contained herein to the contrary, this policy extends to cover the loss of stock caused by sudden and accidental leakage and/ or overflowing from any storage tank or vessel, pipeline. Limit for this extension shall be as mentioned in the schedule

8. Molten Metal Spillage Cover

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,

Limit for this extension shall be as mentioned in the schedule

9. No Control

This Insurance shall not be affected by failure of the Insured to comply with the provisions of the policy in any portion of the property over which the Insured has no control."

10. 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 insurer 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."

11.Spontaneous Combustion

This policy shall extend to include loss or damage by fire only of or to the property insured caused by its own fermentation, natural heating or spontaneous combustion.

Limit for this extension shall be as mentioned in the schedule

The above cover is subject to the following warranties :

i. Warranted that adequate drainage facilities are provided to prevent accumulation of water due to watering

ii. Warranted that majority of the hotspots within 1-1.25 meters of the surface and all stacks should be inspected weekly for overheating

iii. Warranted that temperature at frequent intervals within the stack to be measured/monitored at different surface levels

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

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

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

12. Testing And Commissioning Clause

It is hereby noted and agreed that this insurance does not cover destruction or damage to property in course of construction or erection, dismantling, revamp or undergoing testing or commissioning including mechanical, performance testing and any business interruption resulting there from.

Acceptance of property hereon is subject to satisfactory completion of the following procedures:

a) Mechanical completion including testing

b) Testing and commissioning

c) Official acceptance by the insured following formal hand over certificate procedure. (It being understood that no equipment faults or punch list items affecting operation integrity of the plant are outstanding, unless otherwise agreed by Insurers). Testing to 100% of design capacity maintained by each separate unit in a stable and controlled manner for a continuous ongoing period of minimum 72 hours, d) Fire suppression and detection systems are operational.

In the event that compliance with b, c, d will be deferred upon mechanical completion or testing, such alternative procedures which will be adopted prior to the attachment under the policy shall be agreed upon between the Insurer and the Insured on a case to case basis and the attachment of risk under the policy shall be subject to the approval of the Insurer.

Proviso: This exclusion does not apply to on-going maintenance/schedule turnaround. This exclusion also does not apply to revamp work subject, however, to the maximum contract value as declared within the Property in the course of construction Extension of the individual policies."

13. Unoccupancy Clause

It is hereby declared and agreed that, subject otherwise to the terms, conditions and exclusions of the Policy and endorsed hereon, the insurance by this Policy will not be prejudiced in the event of any Building remaining unoccupied for a greater period than 30 days, notwithstanding anything contained in the Conditions of this Policy."

14. 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.

15. Waivers 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."

16. Customers, Suppliers and Fabricators Extension (BI Only)

Restricted to onshore customers/suppliers. Suppliers and/or Customers Extension upto First tier or Direct suppliers/customers:

i) Premises of named customers & suppliers for a maximum limit of 20% of limit of indemnity (Business Interruption sum insured/loss limit) and not to exceed of INR 10000 million any one loss/aggregate. Coverage to be restricted to FLEXA perils for overseas customers/suppliers, whereas coverage to be restricted to FLEXA & AOG perils for domestic customers/suppliers.

(ii) Renewable energy (Solar and Wind power Plants) ; Premises of named customers & suppliers Tier 1 (PSS) and Tier 2 (GSS receiving power from PSS) cover for maximum limit of 20% of limit of indemnity (Business Interruption sum insured/loss limit). Coverage of Tier 2 not to exceed of INR 500 million any one loss/aggregate. Coverage to be restricted to FLEXA & AOG perils.

(iii)Premises of unnamed customers & suppliers located in India, for maximum limit of 10% of limit of indemnity (Business Interruption sum insured/loss limit) and not to exceed of INR 5000 million any one loss/aggregate and coverage restricted to FLEXA perils only, no cover for unnamed Suppliers/Customers located overseas.

The Limit specified above are in aggregate across all onshore customers/suppliers/Public Utilities respectively. Assets like pipelines, transmission & distribution lines, cables, etc extending beyond the suppliers &/or customers premises and/or utilities premises are excluded from coverage."

17. Group Interdependency (BI Only)

This Policy is extended to cover losses arising from business interruption sustained by the Insured as a result of an Insured loss having been incurred at another Insured location as specified in the schedule.

It is hereby declared and agreed that, 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."

18. Prevention Of Access (BI Only)

Prevention of access with maximum limit of 30 days (over and above policy time excess) and with maximum radius of 5 km 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 km from the insured premises (inland only) which prevents or hinders the use of or access to the premises (excluding port blockage). Any cover wider than the above including Denial of Access is deemed to be excluded under the treaty."

19. Utilities Extension (BI Only)

Utilities extension upto first tier or direct public utilities. Public utilities for a maximum limit of 17% of the limit of indemnity (Business Interruption Sum Insured/Loss Limit). Coverage to be restricted to the terminal ends of the utilities.

The limits specified above are in aggregate across all onshore public utilities.

Assets like pipelines, transmission and distribution lines, cables, etc. extending beyond the utilities premises are excluded from coverage."

Section 5 - Extended Assets Protection

1. Additional Customs Duty Clause

This section extends to indemnify the insured in respect of any additional / extra Import I Customs duties in excess of % already included in the sum insured, incurred in the event of a claim for which indemnity is provided by this section of the policy or which would have been, but for an application of insured's Retained liability indemnified.

Limit for this extension shall be as mentioned in the schedule

2. Automatic Cover for New Location

It is hereby declared and agreed that, subject otherwise to the terms, conditions and exclusions of the Policy and endorsed hereon If the Insured acquires or occupies additional locations, this insurance automatically covers at such locations the Insured's property of the same type as insured under this Policy for up to 60 days of acquisition or first occupation. Provided:

1. The location is constructed using non-combustible materials,

2. The Company's maximum liability (for Property Damage and Business Interruption combined) arising at each location under this coverage extension shall be as mentioned in the schedule, and

3. Before the expiry of the automatic coverage period the Insured declares such location, property and insurable values for endorsement onto this Policy, and pays any additional premium thereby chargeable."

3. Capital Additions

Subject to the sub Limit shown in the Scheduled Policy, is extended to include in so far as the same are not otherwise insured:

(a) Any newly acquired machinery and plant or newly constructed buildings

(b) Alterations, additions and improvements to buildings, subsequent to a certificate of completion

(c) Alterations, additions and improvements to machinery and plant at the insured locations, but not in respect of any appreciation in value during the current period of insurance, provided that the insured undertakes to give particulars within 15 days of commencement of the Insurer's liability and to effect specific insurance before the expiry of the period of insurance and to pay additional premium on demand."

4. 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 for each and every loss and aggregate as mentioned 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), subject to a maximum limit for each and every loss and aggregate as mentioned in the schedule.

5. Damage of Underground Services

Notwithstanding anything to the contrary in this policy or in any of its conditions, it is hereby declared and agreed 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 mains, subject to the limit of indemnity as specified in the schedule."

6. Hire Purchase or Lease Agreements / Properties Under Consignment, Care, Custody And Control

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.

Limit for this extension shall be as mentioned in the schedule.

7. 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. Company will pay no more than the limit of liability as mentioned in the Schedule.

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

8. Plans, Documents & Computer Systems Records

The coverage herein shall be extended to cover loss of data, data media and records including plans & documents as well as its regeneration up to a limit of for any one loss/aggregate as mentioned in the schedule, subject to:

i. the loss of data, data media and records having been caused by a damage covered under sections All Risk or Machinery Breakdown.

ii. data/ software back-up being kept in fire proof safe.

iii. The following special exclusions shall apply:

a. Loss or damage for which the repair company or maintenance company is contractually liable.

b. Any costs 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, loading or printing.

e. Consequential loss of any kind"

9. Property In Course Of Construction / Minor Works

It is hereby agreed and declared that notwithstanding anything to the contrary in this policy or in any of its conditions, this policy is extended to include minor alterations and/or construction and/or re-construction and/or additions and/or maintenance and/or modifications and/or work upto the limit mentioned in the schedule carried out on any of the property insured under this policy against insured perils. Notwithstanding other terms and conditions herein, this extension to the policy shall only pay in excess of more specific insurance if any, arranged in respect of minor works. This extension does not cover any loss or damage to property which, at the time of the happening of such loss or damage, is insured, but for the existence of this policy, by any project insurance policy or policies."

10. Property Not on the Insured Premises / Offsite Premises

This policy extends to cover property (Machineries/ Equipment and Stocks) of the insured temporarily stored in unspecified locations outside the insured premises upto a limit of mentioned in the schedule at any one location each and every loss and in the aggregate for the policy period subject to these properties being part of the declared Sum Insured."

11. Temporary Removal (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."

12. Temporary Removal of Stocks

It is agreed that the stock insured hereby not exceeding 5% of the total sum insured of such stock is covered while temporarily removed to any other premises within India 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.

13. Undamaged Foundation

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

14. Outbuilding Clause

It is hereby declared and agreed that notwithstanding anything to the contrary in this Policy or any of its conditions, to include damage to Roads, pavements and street furniture within the said premises provided the values being part of the Sum Insured declared.

Subject otherwise to the terms and conditions of the Policy and endorsed thereon."

15. Accounts Receivable (BI Only)

It is understood that the insurance by this Policy extends to include:

(a) All sums due to the Insured from customers, provided the Insured is unable to effect collection thereof as the direct result of Loss or Damage to records of accounts receivable;

(b) Interest charges on any loan to offset impaired collections pending repayment of such sums made uncollectible by such Loss or Damage;

(c) Collection expense in excess of normal collection cost and made necessary because of such Loss or Damage;

(d) Other expenses, when reasonably incurred by the Insured in re-establishing records of accounts receivable following such Loss or Damage.

For the purpose of this Insurance, credit card company charge media shall be deemed to represent sums due the Insured from customers, until such charge media is delivered to the credit card company.

When there is proof that a loss of records of accounts receivable has occurred but the Insured cannot more accurately establish the total amount of accounts receivable outstanding as of the date of such Loss or Damage, such amount shall be computed as follows :

(a) The monthly average of accounts receivable during the last available twelve months shall be adjusted in accordance with the percentage increase or decrease in the twelve months average of monthly gross revenues which may have occurred in the interim.

(b) The monthly amount of accounts receivable thus established shall be further adjusted in accordance with any demonstrable variance from the average for the particular month in which the Loss or Damage occurred, due consideration also being given to the normal fluctuations in the amount of accounts receivable within the fiscal month involved.

There shall be deducted from the total amount of accounts receivable. However established, the amount of such accounts evidenced by records not lost, destroyed or damaged, or otherwise established or collected by the Insured, and an amount to allow for probable bad debts which would normally have been uncollectible by the Insured.

In the event of loss hereunder the Insured shall use all reasonable diligence and dispatch, including legal action if necessary, to effect collection of outstanding accounts receivable, the records for which have been lost, destroyed or damaged, and the extra cost, if any, incurred thereby shall constitute a claim to the extent that it reduces the loss hereunder.

Section 6 - Extended ClaimOps Assistance

1. 72 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 recognised 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 recognised 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 EARTHQUKE 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 that 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."

2. Abandonment of Property

On the happening of any Loss or Damage to any of the Property Insured by this Policy, the Insurer may:

(a) take possession of or require to be delivered to it any property of the Insured on the Premises at the time of the Loss or Damage;

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

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

The power conferred by this Condition shall be exercisable by the Insurer at any time until notice in writing is given by the Insured that he makes no claim under this Policy or, if any claim is made, until such claim is finally determined or withdrawn, and the Insurer shall not by any act done in the exercise or purported exercise of its power hereunder, incur any liability to the Insured or diminish its right to rely upon any of the conditions of this Policy in answer to any claim.

If the Insured or any person on his behalf shall not comply with the requirements of the Insurer or shall hinder or obstruct the Insurer in the exercise of its powers hereunder, all benefit under this Policy shall be forfeited.

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

3. Appraisement Clause

It is hereby declared and agreed that, subject otherwise to the terms, conditions and exclusions of the Policy and endorsed hereon, if the aggregate claim for any one loss does not exceed the amount (as specified in the Schedule) per location or percentage (as specified in the schedule) of Sum Insured, whichever is higher, no special inventory/appraisement of the undamaged property shall be required.

Subject otherwise to the terms and conditions of the Policy and endorsed thereon."

4. Automatic Reinstatement

At all times during the period of insurance of this policy, the insurance cover will be maintained to the full extent of the respective sum insured in consideration of which upon the settlement of any loss under this policy, pro- rata premium for the unexpired period from the date of such loss to the expiry of period of insurance for the amount of such loss shall be payable by the Insured to the Company provided the aggregate claim amount exceeds 10 % of the sum insured per location. Notwithstanding what is stated above, the sum insured shall stand reduced by the amount of loss in case the insured immediately on occurrence of the loss exercises his option not to reinstate the sum insured as above."

5. Brands and Trademarks Clause

In case of loss or damage to property bearing a brand or trademark, or the name of the Insured, which in any way carries or implies the guarantee or the responsibility of the manufacturer or the 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 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 for consumption and no goods so deemed by the Insured to be unfit for consumption shall be sold or otherwise disposed of except by the Insured or with the insured's consent but the Insured shall allow the Company any salvage obtained by the Insured on sale or other disposition of such goods.

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

6. Control Of Damaged Goods Clause

Notwithstanding anything to the contrary contained elsewhere in this policy, it is declared and agreed that in case of damage, or if the Insured reasonably suspects damage may exist, to goods and/or merchandise and/or property insured under this policy, The Insured is to retain full and absolute discretion and control over the disposition of all such goods and/or merchandise and/or property: It is understood that the Insured shall be the sole judge as to whether use or processing or disposal or sale of such goods and/or merchandise and/or property is detrimental to its interest.

Any goods and/or merchandise and/or property which the Insured deems unfit for sale or reprocessing or which it is unable to sell or dispose of under its agreement with any trade association or other entity, shall be treated as a constructive total loss, and the Insured shall dispose of the goods and/or merchandise and/or property to its best advantage with this Insurer being entitled to its share of the net proceeds resulting from such disposition, or the goods and/or merchandise and/or property shall be destroyed after notification to this Insurer and any expenses incurred in connection with such destruction shall be borne by this Insurer. This Insurer shall be given the opportunity to have a representative in attendance during such destruction.

In addition, property insured by this policy shall be deemed to have suffered an insured loss if, as a result of a fortuitous event:

Said property is deemed unfit for use by any government regulatory body and/or agency, anywhere in the world, or as a result of reasonable interpretation of regulations promulgated by said bodies and/or agencies; or the only means of determining the existence or extent of damage is through "destructive testing""

7. Cuttings Clause

Warranted that the damaged portion should be cut off and the balance utilized."

8. Designation of Property

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. Destruction of Salvage

The Insurer will pay a total loss under this Insurance on any of the Property Insured which is damaged by any peril insured against and which the insured elects in consultation with the insurer to destroy, but in the event of the Insured electing to recondition damaged property, the insurer is to be entitled to such salvage as may be obtainable."

10. Disposal of Salvage

The insurer agrees not to sell or otherwise dispose of any property which is the subject of a claim hereunder without the written consent of the insured provided that:-

a) the Insured can establish to the satisfaction of the Insurer that to have done so would have been prejudicial to their interests in which event the insured agrees to allow the insurer to deduct from the amount of the claim an amount equivalent to the intrinsic value of any such property to the insured

b) if (a) is unsatisfactory, the insurer agrees to give the insured first option to repurchase such property at its fair intrinsic value

11. Extended Expiration

If this Policy should expire or be cancelled while an Occurrence giving rise to a loss recoverable under this Policy is in progress. it is understood and agreed that the said loss, subject to all other terms and conditions and the limits of Underwriters' liability under this Insurance, will be covered under this Policy as if the entire loss had occurred prior to the expiration or cancellation."

12. Green Clause

Where following physical loss or damage insured by this policy, the insured elects to rebuild in a manner that aims to minimize potential harm to the environment utilizing the latest technology, in this regard, it will not be considered betterment to the Insured. Where the cost of rebuilding is increased as a result, the insurers will pay such additional cost."

13. Involuntary Betterment Clause / Technological Advancement

It is understood and agreed that in the event that new property of like kind and quality is not obtainable, property 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 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, We will pay the cost of purchasing and installing which is necessitated by incompatibility between new equipment installed to replace equipment which has sustained damage and undamaged existing equipment at the same or an interdependent location.

Provided always that

a. Damage was directly caused by the peril insured against

b. We shall be liable only for the amount sufficient to enable the insured to resume operation in substantially same manner as before the damage

c. We shall be liable for only the difference between the highest sales value of the undamaged existing equipment at the same or interdependent location and the installed cost of the technologically current equipment

d. This benefit is not applicable to Stocks

Special Condition: It is further agreed & declared that this extension shall not be enforceable if the insured is unable or unwilling to reinstate the property.

Limit as mentioned in the schedule.

14. 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."

15. 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."

16. 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 remining article or articles of the pair or set to the Insurer."

17. Payment On Account Clause (Section I only)

The Indemnity under Sections I, II and III shall be payable one month after final determination of its amount. In the event of a loss, which has been ascertained to be a valid claim payable under this policy, it is agreed that the Insurers shall allow interim payment(s) subject to the policy provisions therein. To obtain such interim payment(s), the Insured shall submit an acceptable proof of loss to the Insurers. It shall be permissible for the Insured to make a claim in accordance with the provisions contained in the Section, but the applicable insured's retained Liability must be satisfied before any said interim payment is allowed. The Interim payment(s) limited to 25% of claim amount. The Insurers shall not be liable to pay interest on Indemnity moneys withheld.

18. Accumulated Stocks (BI Only)

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."

19. Delayed Indemnity Period Clause (BI Only)

It is hereby declared and agreed that, subject otherwise to the terms, conditions and exclusions of the Policy and endorsed hereon, In the event that, following Damage occurring due to a peril not excluded in the policy and during the Period of Insurance, the Business carried on by the Insured at the Premises is in consequence thereof interrupted or interfered with at a date later than that of said Damage, insurers agree to delay the commencement of any Indemnity Period to the time and date of when such later interruption or interference begins.

Provided always the insurers shall not be liable for any loss:

in excess of the applicable limits of liability and/or maximum Indemnity Periods stated in the Schedule; where such later interruption or interference begins at the earlier of either 6 months following the date of Damage or the date of expiry of the Period of Insurance during the applicable deductible waiting period detailed in the Schedule, such deductible waiting period, for the purposes of this Clause, commencing at the same time and date when such later interruption or interference begins."

Section 7 - Extended ClaimCost Assistance

1. Claim Preparation Costs

This Policy is extended to cover the necessary and reasonable costs incurred by the Insured of reasonable fees payable to the insured's accountants, architects, auditors, engineers, or other professionals 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 as mentioned in the schedule in respect of any one Occurrence, which shall be part of and not in addition to the policy limit."

2. 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 schedule.

3. Cost of Clearing Drains Clause

It is hereby declared and agreed that, 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 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.

4. Decontamination Expenses Clause

Subject to the Exclusions , Conditions and Limitations of the Policy to which this Extension is attached, if insured property is contaminated as a direct result of physical loss or damage by a peril insured against under this Policy and there is in force at the time of such physical loss or damage any law or ordinance regulating contamination, including but not limited to the presence of pollution or hazardous material, then this Policy is extended to cover, 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 loss or damage.

The Underwriters shall not be liable for the costs required for removing contaminated uninsured property nor the contaminant therein or thereon, whether or not the contamination results from an insured event.

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

5. Dewatering Expenses

It is hereby declared and agreed that, subject otherwise to the terms, conditions and exclusions of the Policy and endorsed hereon this Policy shall be extended to cover Costs and expenses necessarily and reasonably incurred for dewatering (Including shafts and underground) following an event which is not specifically excluded under the Policy.

Sub Limit of each and every loss and in the aggregate as specified in the schedule. Subject otherwise to the terms, exclusions, provisions and conditions, contained in the Policy and endorsed hereon.

6. Expediting Expenses

In the event of loss hereunder the insurer 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. Limit as specified in the schedule EEL/AGG.

7. Expenses for Loss Minimization/ Loss Prevention

This Policy includes expenses for loss minimization necessarily incurred by the insured to prevent any aggravation of an insured loss following a loss or damage to the subject matter insured, due to a cause not excluded, at Insured's Premises, specified in the Schedule, including moving / shifting of property if this contributed to loss minimization, subject to a limit of as specified in the schedule each and every loss and in Aggregate.

Flaring of feedstock in process per se is not covered but following an indemnifiable cause as a loss prevention measure is insured under the policy."

8. Fire fighting 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 the schedule AOA & in the aggregate for the policy period;

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.

9. 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 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 operating properties which may be necessary to their business. Evidence of loss to be photographed and if any damaged items are replaced the same is to be preserved 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.

Limit for this extension shall be as mentioned in the schedule each and every occurrence/aggregate.

10. Landscaping Cost Clause

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 damages to garden plots and lawns (including rock work and ornamentation and edging pertaining thereto) on locations insured by this policy and damaged by the operation of any peril not excluded in the policy. The policy shall reimburse cost of reinstatement of damaged property including expenses necessarily incurred in cleaning, clearing and/or repairing drains, gutters, sewers and the like surrounding and within buildings. The indemnity provided herein shall be subject to the limit of indemnity as specified in the schedule. Subject to provided always that the plants, crops and trees are being grown for non-commercial purposes."

11. 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 of as mentioned in the schedule each and every occurrence/aggregate."

12. Metered Water

It is hereby declared and agreed that, subject otherwise to the terms, conditions and exclusions of the Policy and endorsed hereon, The Company agrees 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. The amount payable in respect of any one Premises 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 as a result of damage and shall not exceed the limit of Indemnity stated in the schedule.

13. Pig Retrieval

This Policy is extended to cover the necessary and reasonable costs incurred by the Insured in the retrieval of an inspection ""smart pig"" from a pipeline due to its non-functionality. Such indemnity to include costs of breaking into and repair of the pipe together with loss of product due to necessary flaring.

Limit for this extension shall be as mentioned in the schedule any one occurrence/Aggregate.

14. Professional Accountants

Any particulars or details contained in The insured's books of account or other business books or documents which may be required by The Insurer for the purpose of investigating or verifying any claim hereunder may be produced by professional accountants if at the time they are regularly acting as such for The Insured and their report shall be prima facie evidence of the particulars and details to which such report relates.

The Insurer will pay to The Insured the reasonable charges payable by The Insured to their professional accountants for producing such particulars or details or any other proofs, information or evidence as may be required by The Insurer and reporting that such particulars or details are in accordance with The insured's books of account or other business books or documents provided that the sum of the amount payable under this clause shall not exceed the limit stated in The Schedule and the amount otherwise payable under the Policy of Insurance shall in no case exceed the liability of The Insurer as stated.

15. Professional Fees

The insurance by the policy shall include an amount in respect of Architects' surveyors' and consulting engineers and Legal and other fees necessarily incurred in the reinstatement of the property insured consequent upon its destruction or damage but not for preparing any claim.

Limit for this extension shall be as mentioned in the schedule each and every loss/Aggregate.

16. Public Authorities

This section of the policy includes such additional cost of reinstatement of the destroyed or damaged sections 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 the 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 sections 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;

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.

Limit for this extension shall be as mentioned in the schedule for each and every loss/aggregate.

17. Removal of Debris (Excluding External Debris)

It is further agreed that this policy includes the cost and expenses of clearing debris, including the cost of clean-up, after loss, destruction or damage by a contingency insured hereunder including but not limited to the costs and expenses actually incurred in the necessary dismantling, removal, demolition, shoring up or propping , clearance of drains and sewers temporary boarding up of the property so destroyed or damaged including undamaged portions and the removal of debris (including the removal of contents whether damaged or undamaged) provided that:

i. Such costs are not recoverable under any other policy of insurance.

ii. No liability is assumed for the expense of removal of any property or part thereof, the removal of which is solely required by any government law of public ordinance.

Provided that this policy does not insure against the costs of decontamination or removal of water, soil or any other substance on or under the premises insured hereunder.

It is condition precedent to recovery under this extension that the insurer shall have paid or agreed to pay for direct loss or damage to the property insured hereunder unless such payment is precluded solely by the operation of any deductible.

Limit of liability as mentioned in the schedule for each and every loss/aggregate.

18. Shutdown / Startup Costs

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.

19. Sprinkler Upgrading Costs

It is hereby declared and agreed that, subject otherwise to the terms, conditions and exclusions of the Policy and endorsed hereon, damage to a sprinkler installation following the operation of insured peril, which conforms to the latest rules on compliance of safety rules on Sprinkler Installations, if the Surveyor appointed by the Insurer or 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."

20. Unpacking Expense Clause

It is hereby declared and agreed that, subject otherwise to the terms, conditions and exclusions of the Policy and endorsed hereon, The Insurer shall indemnify the Insured up to the limit of indemnity as specified in the schedule, in respect of costs and expenses incurred by the Insured in taking inventory (including unpacking, repacking and restocking) to identify, quantify and value any property physically lost, destroyed or damaged by any peril insured against by this Section including examination of property not belonging to but in the care, custody or control of the Insured.

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

21. Additional Increase In Cost Of Working (BI only)

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 provisions (increase in cost of working) for the purpose 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.

Limit for this extension shall be as mentioned in the schedule

Section 8 - Additional Clauses

1.Market Value Basis Settlement

It is hereby agreed and declared that Section 1 & 2 of the Policy wording shall be modified to Basis of Sum Insured and Basis of Claim settlement for Building, Plant & Machinery, Furniture, Fixtures and Fittings and any other contents as "Market Value Basis".

If Building or Plant & Machinery or Furniture, Fixtures and Fittings is a Partial loss or Total loss, then the adequacy of Sum Insured will be checked on Market Value.

The company shall pay to the Insured the value of the Property at the time of the happening of its destruction or amount of such damage. Such value of the Property will be calculated by deducting proper depreciation from the reinstatement or replacement value of the item.

Wherein replacement or reinstatement means,where the property is lost or destroyed, the rebuilding of any building or the replacement of any other property by similar property, in either case in a condition equal to but not better or more extensive than its condition when new where property is damaged, the repair of the damage and the restoration of the damaged portion of the property to a condition substantially the same as but not better or more extensive than its condition when new.

Provided that the Company will pay no more than the limit of liability as mentioned in the schedule.

2. 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 Insureds; 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."

3. Agreed Bank Clause

It is hereby declared and agreed :-

a) That upon any monies becoming payable under this Policy, the same shall be paid by the Insurer to the Bank, except as provided in Insurance Policy Endorsement, 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.

b) That the receipts of the Bank shall be complete discharge of the Insurer therefor and shall be binding on all parties insured hereunder.

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

c) That if and whenever any notice shall be required to be given or other communication shall be required to be made by the Insurer to the Insured or any of them in any matter 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.

d) That any adjustment, settlement, compromise or reference to arbitration in connection with any dispute between the Insurer 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 the rights of the Bank to recover the full amount of any claim it may have on other parties insured hereunder.

e) 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 the operation of General Condition (3) of Policy except where a breach of the condition has been committed by the Bank or its duly authorized agents or servants and this insurance shall not be invalidated by any act or omission on the part of any other party insured whereby the risk is increased or by anything being done to upon or in 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 Insurer of any change of ownership or alteration 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 Insurer the necessary additional premium from the time when such increase of risk first took place.

f) It is further agreed that whenever the Insurer 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 there for existed, the Insurer shall become legally subrogated to all the rights of the Bank to the extent of such payment 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.

4. Bankruptcy and Insolvency

In the event of the bankruptcy or insolvency of the Insured, or any entity comprising the Insured, the Underwriters shall not be relieved thereby of the payment of any claims recoverable hereunder because of such bankruptcy or insolvency."

5. Escalation Clause

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 increase per annum as mentioned in schedule.

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 sums 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 shall be added the increases which have accrued under this Clause during the period of insurance upto that renewal date, 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.

This clause shall be applicable to Buildings, Machinery and Accessories only and shall not apply to Stocks"

Limit for this extension shall be as mentioned in the schedule

6. Floater Clause

The S.I. 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 currency 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"."

7. Loss Payee Clause

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."

8. Non-Vitiation Clause/ Multiple Insured Clause

(i) It is noted and agreed that if the insured described in the schedule comprises more than one insured party each operating as a separate and distinct entity then (save as provided in this multiple Insured's clause) cover hereunder shall apply in the same manner and to the same extent as if the individual polices had been issued to each such insured party provided that the total liability of the insurers to all of the insured parties collectively shall not exceed the sums insured and limits of indemnity including and inner limits set by memorandum or endorsement stated in the policy.

(ii) It is understood and agreed that any payment or payments by Insurers to any one or more such insured parties shall reduce to the extent of that payment insurers liability to all such parties arising from any one event giving rise to a claim under this policy and (if applicable) in the aggregate.

(iii) It is further understood that the insured parties will at all times preserve the various contractual rights and agreements entered into by the insured parties and the contractual remedies of such parties in the event of loss or damage.

(iv) It is further understood and agreed that insurers shall be entitled to avoid liability to or (as maybe appropriate) claim damages from any of the insured parties in circumstances of fraud, material misrepresentation, material non-disclosure or breach of any warranty or condition of this policy each referred to in this clause as a vitiating act.

(v) It is however agreed that (save as provided in this multiple Insured's clause) a vitiating act committed by one insured party shall not prejudice the right to indemnity of any other insured party who has an insurable interest and who has not committed a vitiating act.

(vi) Insurers hereby agree to waive all rights of subrogation which they may have or acquire against any insured party except where the rights of subrogation or recourse are acquired in consequence of or otherwise following a vitiating act in which circumstances insurers may enforce such rights notwithstanding the continuing or fonner status of the vitiation party as insured.

(vii) The lenders to the interest covered shall not be entitled to any indemnity under this policy for or arising from loss or damage in respect of which insurers are by reason of vitiating act no longer liable to indemnity any one or more other insured party.

9. Primary and Non-Contributory Clause

It is hereby declared and agreed that, subject otherwise to the terms, conditions and exclusions of the Policy and endorsed hereon, the cover provided under this policy is a primary cover without any right of contribution from any other insurance.

Subject otherwise to the terms and conditions of the Policy and endorsed thereon.

10. Stock Declaration

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

a] average of the values at risk on each day of the month or

b] 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 at the policy rate 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.

1)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 currency 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 currency 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 take 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 currency (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 upto 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 currency 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."

11. Territorial Limits : India