

FIDELITY GUARANTEE INSURANCE POLICY

WHEREAS the Insured Employer (hereinafter called INSURED) named in the Schedule hereto has made or caused to be made to the SBI General Insurance Company Ltd. (hereinafter called COMPANY) a written proposal dated as stated in the Schedule hereto (arranging the truth of the statements contained therein) which is the basis of this contract and is deemed to be incorporated herein and has paid the Company the premium herein stated as consideration for insurance of risks hereinafter specified.

Now, this Policy witnesseth that subject to the terms provisions exceptions conditions and definitions contained herein or endorsed or otherwise expressed hereon the Company agrees to indemnify the Insured against a direct pecuniary loss sustained by reason of any act of fraud/dishonesty committed on or after the date of commencement of this policy and during uninterrupted service with the Insured and discovered during the continuance of this policy or within twelve calendar months of the expiration thereof and in the case of death, dismissal or retirement of the Employee within twelve calendar months of such death, dismissal or retirement whichever of these events shall first happen.

PROVIDED ALWAYS THAT

- i. The liability of the Company shall not exceed
 - (a) in respect of any employee the sum insured stated against his name or as declared herein.
 - (b) in respect of all claims under this policy, the total sum insured.
- ii. If this policy shall be continued in force for more than one period of indemnity or if any liability shall exist on the part of the Company under this Policy and also under any other Policy in respect of fraud or dishonesty of the employee, the liability of the Company hereunder shall not be accumulated or increased thereby but the aggregate liability of the Company during any number of periods of indemnity and for any number of acts of fraud or dishonesty committed by the employee shall not exceed the sum insured hereunder or the sum insured under any other such policy as aforesaid whichever is greater.
- iii. The Company shall not be liable to pay more than one claim in respect of the action of any one employee.

EXCEPTIONS

The Company shall not be liable in respect of losses arising elsewhere than in India.

DEFINITIONS

1. The term "Insured" wherever appearing in this policy means any person, partnership firm or any body of persons whether incorporated or not with whom employee who is included in the schedule attached hereto has a contract of service.

2. The term “Employee” wherever appearing in this policy means any person (other than a person whose employment is of a casual nature and who is employed otherwise than for the purposes of the Insured’s trade or business) who has entered into a contract of employment with Insured whether such contract of employment is expressed or implied, oral or in writing.
3. Fraud: Means obtaining a pecuniary advantage by the perpetrator of the fraud, through unfair or wrongful means.
4. Dishonesty: A dishonest act refers to breach of faith on the part of the employee resulting in pecuniary loss to the employer which results from such breach of faith on the part of the employee.
5. Forgery: Means fraudulent alteration of any document or the circulation of any forged or fraudulently altered document by the employee whereby, he obtains possession of money or goods of the Insured.
6. Embezzlement: It refers to the misappropriation by an employee of monies or goods of the employer coming into possession of employee before the possession passes on to the employer.

CONDITIONS

The Policy and the Schedule shall be read together and any word or expression to which a specific meaning has been attached in any part of this policy or of the schedule shall bear such meaning wherever it may appear.

1. On the discovery of any act or default or circumstances which may give rise to a claim, the Insured shall:
 - (a) forthwith give written notice to the Issuing Office of the Company ;
 - (b) immediately take all steps to prevent further loss;
 - (c) supply at the request of and free of expense to the Company all such proof, information and other evidence (verified by statutory declaration if so required) relating to the claim as the Company may require.
2. If the Insured is or shall hereafter be guaranteed by any other person, society or company or hold other security or insurance against such loss as is hereby guaranteed, the Insured shall only be liable to bear the loss rateable with such person, society or company or securities or insurance.
3. Any money of the Employee in the hands of Insured and any money which but for the Employee’s dishonesty would have been due to the Employee from the Insured shall be deducted from the amount otherwise payable under this policy. Any money recovered after the settlement of any claim shall be the property of the Insurance Company not exceeding, however, the amount paid by the Company.
4. The Insured shall if and when required by the Company but at the expense of the Company if a conviction be obtained, use all diligence in prosecuting any of the employee to conviction for any act

which such employee shall have committed and in consequence of which a claim will have to be made under such policy and shall at the Company's expense give all information and assistance to enable the Company to sue for and obtain reimbursement by any such employee by reason of whose acts or defaults a claim has been made or by the estate of such employee or money which the Company shall have become liable to pay in respect thereof.

5. Unless the Company be advised and its written approval be obtained, the Company shall not be liable hereunder in the event of any change in the nature of the business of the Insured or in the duties and conditions of service of the employee or if remuneration of the employee be reduced or its basis altered or if the precautions stated by the Insured with regard to accounting be not duly followed or if the Insured shall continue to entrust the employee with money or goods after having knowledge of any material fact bearing on the honesty of the employee.

6. If any part of the premium or renewal premium is based on estimates furnished by the Insured, the Insured shall keep an accurate record containing all relevant particulars and shall allow the Company to inspect such record. The Insured shall within one month after the expiry of each period of insurance, furnish such information as the Company may require. The premium or renewal premium shall thereupon be adjusted and the difference paid or allowed to the Insured.

7. If required by the Company, the agent representatives of the Insured Company shall in case of any loss to the Insured be permitted at all reasonable times to examine into the circumstances of such loss and the Insured shall on being required so to do by the Company produce all books of accounts, receipts, documents relating to or containing entries relating to the loss in his possession and furnish copies of or extracts from such of them as may be required by the Company so far as they relate to such claims or will in any way enable the Company to ascertain the correctness thereof or the liability of the Company under this policy.

8. The Policy shall be null and void in the event of misrepresentation, misdescription or nondisclosure in any material particular or if a claim be fraudulent or any fraudulent means or devices be used by the Insured or any one acting on his behalf to obtain any benefit under this Policy.

9. The Company shall be entitled at its own expenses and for its own benefit, in the name of the Insured to prosecute all claims and exercise all rights of action competent to the Insured against the employee in respect of any act insured against in connection with which it may have made payment under this Policy and the Insured shall give to the Company all such information and assistance as may be reasonably required for maintaining such claims or rights.

10. The Company may but without prejudice to the rights of the Insured in respect of claims of which notice shall have to be given to the Company cancel this policy by sending Fifteen days notice by Registered Letter to the Insured at his last known address and in such event, will return to the Insured the premium less the pro-rata portion thereof for the period the Policy has been in force or the Policy may be cancelled at any time by the Insured on Fifteen days notice (provided no claim has arisen during the then current period of insurance) and the Insured shall be entitled to returning of the premium less premium at the Company's short period rates for the time the Policy has been in force. However, if a claim is made under the policy, the Company will retain the entire premium.

Table of Short Period Scales

Period of Risk	Premium to be retained
1 Week	10%
1 Month	25%
2 Months	35%
3 Months	50%
4 Months	60%
6 Months	75%
8 Months	85%
Exceeding 8 Months	Full Annual Premium

11. The Company shall not be bound to accept any renewal premium nor to give notice that such renewal is due. Every renewal premium which shall be paid and accepted in respect of this policy shall be so paid and accepted upon the distinct understanding that no alteration has taken place in the facts contained in the proposal or declaration herein before mentioned and that nothing is known to the Insured that may result to enhance the risk of the Company under the guarantee hereby given. No renewal receipts shall be valid unless it is on the printed form of the Company and signed by the authorised official of the Company.

12. For the purpose of identifying employee in all cases of change of residence or occupation or change of name whether by marriage or otherwise, due notice thereof in writing shall be given by the Insured to the Company.

13. The Company shall not be bound to give notice or be affected by any notice of any trust charge lien assignment or other dealing with or relating to any contract of insurance but the receipt of the Insured or his legal personal representative shall in all cases be an effectual discharge to the Company.

14. Any of the circumstances in relation to these conditions coming to the knowledge of any official of the Company shall not be the notice to or be held to bind or prejudicially affect the Company notwithstanding subsequent acceptance of any premium.

15. ARBITRATION :

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

- iii) It is clearly agreed and understood that no difference or dispute shall be referable to arbitration as hereinbefore provided if the Company has disputed or not accepted liability under or in respect of this Policy.
- iv) It is hereby expressly stipulated and declared that it shall be a condition precedent to any right of action or suit upon this Policy that award by such arbitrators or umpire of the amount of the loss or damage shall be first obtained.

It is also hereby expressly agreed and declared that if the Company shall disclaim liability to the Insured for any claim here in under, and within twelve (12) calendar months from the date of such disclaimer, such claim has not 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.

16. The due observance and fulfilment of the terms, provisions, conditions and endorsements 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 answers in the said proposal shall be conditions precedent to any liability of the Insurer to make any payment under this policy.

17. It is hereby expressly agreed and declared that if the company disclaims liability to the Insured for any claim made under this policy, and such claim is not, within 12 calendar months from the date of such disclaimer, 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.

18. No sum payable under this policy shall carry any interest or penalty.

Exclusions:

19. The policy does not cover any loss:

- I. Discovered more than 12 months after the termination either of the guarantee or the service of employee concerned.
- II. When there has been any change in the agreed system of check of accounting precautions without the Insurer's prior consent.
- III. Caused by an employee after discovery of his previous fraud or dishonesty.
- IV. Losses such as stock taking shortages, trading losses, not caused by fraud or dishonesty.
- V. Liability arising out of violation of any Rules and Regulation of the Govt. or Statutory authorities.
- VI. Loss arising outside India

Additional conditions under the policy:

It is warranted that

- Records of all insured employees to be maintained and no employee to be relieved from the employment of the Insured (transfers to associate/group/parent companies shall be deemed as cessation of employment) until full reconciliation is completed.

- Dual control accounting systems to prevail on all transactions and dual signatories on all monetary instruments/instructions.
- Daily cash-book reconciliation and regular periodic reconciliation of all asset movements and monetary transactions including with banks and third parties.
- Regular internal audit per documented procedure.
- Excluding all monies due to the defrauding employee by way of terminal benefits.
- Any one occurrence shall mean one claim or series of claims arising out one or more acts of fraud/dishonesty on the part of one or more employees acting in collusion involving one or more business locations

Grievances:

- In case the Insured is aggrieved in any way, the Insured may contact Insurer at the specified address, during normal business hours. In case the Insured/Insured Person has not got his/her grievances redressed by the Company within 15 days, then he/she may approach the Insurance Ombudsman for the redressal of the same, A list containing the addressees of Offices of Ombudsman are attached to this Policy. Policy holder may also obtain copy of IRDA circular number 1385_GI-2002_ENG dated 26-04-2002, notification on Insurance Regulatory and Development Authority (Protection of policy holders' interests) Regulations, 2002 Claim Settlement
- The company will settle the claim under this policy within 30 days from the date of receipt of necessary documents required for assessing the claim. In the event that the company decides to reject a claim made under this policy, the Company shall do so within a period of thirty days of the survey report or the additional survey report, as the case may be, in accordance with the provisions of Protection of Policyholders' Interest Regulations 2002.
- If you are not satisfied with our redressal of your grievance through one of the above methods, you may approach the nearest Insurance Ombudsman for resolution of your grievance. The contact details of Ombudsman offices are mentioned below.

- Ombudsman Offices	
- Jurisdiction	- Office Address
- Delhi, Rajasthan	- 2/2 A, 1st Floor, Universal Insurance Bldg., Asaf Ali Road, NEW DELHI – 110 002
- West Bengal, Bihar	- 29, N. S. Road, 3rd Fl., North British Bldg. KOLKATA -700 001.
- Maharashtra	- 3rd Flr., Jeevan Seva Annexe, S.V. Road, Santa Cruz (W), MUMBAI - 400 054
- Tamil Nadu, Pondicherry	- Fatima Akhtar Court, 4th Flr., 453(old 312), Anna Salai, Teynampet, CHENNAI -600 018
- Andhra Pradesh	- 6-2-46, 1st Floor, Moin Court, LaneOpp.SaleemFunctionPalace A. C. Guards, Lakdi-Ka-pool, HYDERABAD - 500 004.
- Gujarat	- 2nd Flr., Ambica House, Nr.C.U. Shah College, 5, Navyug Colony, Ashram Road, AHMEDABAD - 380 014

- Kerala, Karnataka	- 2nd Flr., CC 27/ 2603, PulinatBuilding, Opp. Cochin Shipyard, M.G. Road, ERNAKULAM - 682 015
- North-Eastern States	- Aquarius, Bhaskar Nagar, R.G. Baruah Rd. GUWAHATI - 781 021
- Uttar Pradesh	- Jeevan Bhawan, Phase 2, 6th Floor, Nawal Kishore Rd., Hazartganj, LUCKNOW - 226 001
- Madhya Pradesh	- 1st Floor, 117, Zone-II, (Above D.M. Motors Pvt. Ltd.) Maharana Pratap Nagar, BHOPAL - 462 011
- Punjab, Haryana, Himachal Pradesh, Jammu & Kashmir, Chandigarh	- S.C.O. No. 101,102 & 103, 2nd Floor, BatraBuilding, Sector 17-D, CHANDIGARH - 160 017
- Orissa	- 62, Forest Park, BHUBANESWAR - 751 009

STATUTORY NOTICE: INSURANCE IS THE SUBJECT MATTER OF THE SOLICITATION