

Marine Cargo Insurance - Sales Turnover Policy

WHEREAS THE ASSURED named in the Schedule hereto has applied to **Raheja QBE General Insurance Company Limited** (hereinafter called the `Company') for the insurance mentioned and described hereinafter 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 consideration for such insurance.

THE COMPANY HEREBY PROMISES AND AGREES with the Assured, their Executors, Administrators and Assigns that the Company insures against loss, damage, liability or expenses subject to the Clauses, Endorsements, Conditions and Warranties contained in the Schedule

Schedule

Policy No:

Agent's Name and Code:

Assured:

Mailing Address:

Period of Insurance: To take all shipments where transit commences between dd/mm/yyyy to dd/mm/yyyy (both days inclusive) unless cancelled previously by either side as per Cancellation Clause herein or Sum Insured being exhausted by declarations, whichever is earlier.

Interest Insured: Raw Materials
Semi-finished goods
Finished goods

Packing: All goods must be suitably packed and/or protected as befits the type of goods and the transit to be undertaken.

Conveyances: By Road &/or Rail &/or Air &/or Ocean Going Vessels as per Institute Classification Clause-1/1/2001&/or Courier &/or Post Parcel &/or Inland Vessel

Voyage/Transit:

Inputs/Raw Materials: From anywhere in World including raw materials procured from domestic market to Assureds` Factory at for the purpose of Storage & Processing.

Semi- Finished Goods: From the Assureds` Factory at to various Job Workers` Premises situated anywhere in India for the purpose of

Finished Goods: From Job Workers premises to Central Warehouse of the Assured in

Final Dispatch: 1. Central Warehouse of the Assured in

Inland Transit (Inland Vessels) Clause - A
Cargo ISM Endorsement
Cargo ISM Forwarding Charges Clause
Institute Cyber Attack Exclusion Clause
Termination of Transit Clause (Terrorism)
Institute Radioactive Contamination, Chemical, Biological, Bio-Chemical, Electromagnetic
Weapons Exclusion Clause
Inland Transit (Rail or Road) Clauses-A
Strikes Riots and Civil Commotion Clause
Special Contract or Private Carrier Warranty

For Shipments/Sending by Aircraft:

Institute Cargo Clauses (Air) (excluding sendings by Post)
Institute War Clauses (Air Cargo) (excluding sendings by Post)
Institute Strikes Clauses (Air Cargo)
Institute Cyber Attack Exclusion Clause
Termination of Transit Clause (Terrorism)
Institute Radioactive Contamination, Chemical, Biological, Bio-Chemical, Electromagnetic
Weapons Exclusion Clause

For Sendings by Post:

Institute Cargo Clauses (A)
Institute War Clauses (sendings by Post)
Institute Strikes Clauses (Cargo) or Institute Strikes Clauses (Air Cargo) as appropriate
Parcel Post Insurance (All Risks) Clause.
Institute War Clauses (sendings by post) - 1/1/82
Institute Strikes Clauses (Cargo) - 1/1/82
Institute Cyber Attack Exclusion Clause
Termination of Transit Clause (Terrorism)
Institute Radioactive Contamination, Chemical, Biological, Bio-Chemical, Electromagnetic
Weapons Exclusion Clause

WARRANTIES, OTHER CLAUSES & EXCLUSIONS (ALSO REFER TO LIBRARY OF CLAUSES)

1. Special Contract or Private Carriers Warranty

The liability of the Company shall be limited to a maximum of 75% of the assessed loss where the Consignment Note is issued limiting the liability of the Common Carriers, as defined in the Carriers Act of 1865, in any respect by Special Contract duly signed by the Consignor, Consignee or by the duly

authorized representative, Agents OR where the Consignment Note is issued by a Private Carrier or Freight Broker OR the vehicle belongs to the Assured(s).

This warranty would not apply where loss or damage has occurred whilst the goods are not in the custody of the Carriers.

If subject matter dispatched is carried by own vehicle or private carriers/other modes of transportation where the Insurer may not have recovery rights, claims in respect of such dispatches shall be paid to the extent of 75% of the Assessed Loss and the balance 25% of the Assessed Loss shall be borne by the Insured.

2. Courier Dispatch Warranties

"Warranted the Assured, Consignor, Consignee and/or their Agents/Associates/Clearing Agents or Suppliers, as applicable, will not contract out with the courier allowing the courier to restrict its liability to any amount less than the statutory liability of a common / road, rail, air or sea carrier, whichever mode adopted by the courier.

Breach of the above warranty would entitle the Insurer to settle claims for a maximum of 75% of the assessed loss OR deduct the maximum limit of liability of the respective carrier, recovery of which is prejudiced, at the option of the insurer.

The above warranty would not apply in the following cases:

- (a) where the value of the consignment is less than Rs 50,000 (Rupees Fifty thousand)
- (b) where the Waybill is counter signed as above but the document incorporates the provisions of the applicable Carriers Act such as Carriers Act of 1865/Railways Act/Carriage of Goods by sea and / or Air Act etc

the Assured, Consignor, Consignee and/or their Agents/Associates/Clearing Agents or Suppliers, as applicable, IF NEED BE to sign the Waybill or any other document issued by the Courier company and/or their Agents/Associates only in acknowledgment of receipt BUT NOT in agreement with the terms and conditions printed thereon regarding liability of the Courier.

3. Non-Delivery Clause

Shipments not delivered within 90 days after the original estimated date of delivery, and not possible to locate, shall be deemed as non-delivered. Should such a shipment be found and delivered, the Insured agrees to a readjustment of the claim

4. Institute Replacement Clause-1.1.34

In the event of loss of or damage to any part or parts of an insured machine caused by a peril covered by the Policy the sum recoverable shall not exceed the cost of replacement or repair of such part or parts plus charges for forwarding and refitting, if incurred, but excluding duty unless the full duty is included in the

amount insured, in which case loss, if any, sustained by payment of additional duty shall also be recoverable.

Provided always that in no case shall the liability of Underwriters exceed the insured value of the complete machine.

5. Used &/or Second Hand Clause

It is hereby understood and agreed that the insured used &/or second-hand goods are insured by Special Clauses (C) For Air Cargo and/or Institute Cargo Clauses (C) &/or Inland Transit (Rail or Road) Clause-B (Basic) as attached including Washing Overboard plus Theft, Pilferage and Non-Delivery and subject to Second Hand Replacement Clause as attached.

Or

Underwriters will cover the risk/s on All Risks terms provided always that the following conditions being met; the above cover limitation shall not apply:

- a) Pre-dispatch/Pre-shipment Survey is undertaken by a Marine Surveyor nominated by the Underwriters at the Assured's expense.
- b) The Surveyors nominated by the Underwriters will report on general conditions of the subject matter with particular reference to rust, oxidation, discoloration, chips, dents, scratches and damage to paint work and the present condition of the machinery, its present value and where applicable Market Value of identical new machinery.
- c) The nominated Surveyor will discuss, agree and report on the packing, stow and lashing of the subject matter and where applicable the method of loading shall be discussed and agreed with the Carriers' Representatives and the Assured.
- d) The Report is to be submitted and accepted by the Underwriters, not less than 72 hours prior to discharge from the carrying conveyance.
 - Subject to -----% deductible on the consignment value each and every loss.
 - Subject to Second Hand Machinery Replacement Clause
 - Excluding pre-existing loss, damage & faults.
 - Excluding rust, oxidation & discoloration from any cause.
 - Subject to Mechanical, Electrical & Electronic Derangement Exclusion Clause as attached.

6. Second Hand Machinery Replacement Clause

In the event of a claim for loss or damage to any part or parts of the interest insured in consequence of a peril covered by the Policy, the amount recoverable hereunder shall not exceed such proportion of the cost of replacement of the part or parts lost or damaged as the Insured Value bears to the value of a new machine plus additional charges for forwarding and refitting the new part or parts if incurred.

Provided that in no case shall the liability of Underwriters exceed the insured value of the complete article.

7. Mechanical, Electrical & Electronic Derangement Exclusion Clause

Excluding loss or damage due to mechanical, electrical or electronic derangement unless there is evidence of external derangement to the insured item or its packing.

8. Rust, Oxidation & Discoloration Exclusion Clause (ROD Exclusion Clause)

Excluding Rusting, Oxidation and Discoloration unless caused by the perils insured under Institute Cargo Clauses –B- 1/1/82.

9. Mould, Mildew & Infestation inclusion Clause

Including the risks of mould, mildew & infestation caused by identifiable, accidental, external means. Mould, mildew & infestation caused by atmospheric exposure is not damage caused by accidental, external means and shall hence not be under the scope of cover of the Policy

10. FOB Clauses

This insurance is extended to cover the interest insured until the goods are placed on board the ocean going vessel or lash barges (including Sling Loss) or until expiry of two weeks after arrival of goods at the place of storage at the port and / or docks awaiting shipment, whichever shall first occur".

Shut out cargo is held covered subject to prompt notice and on terms, conditions and rates to be agreed to by the Underwriters.

11. Seller's Interest" Clause (Indian Wordings)

In respect of those exports sold on F.O.B., C&F. or similar terms and where the Assured are not obliged or instructed to arrange insurance hereunder, the following shall apply:

- a) This insurance is to cover the interest of the Assured as seller of goods in respect of those consignments sold on "free on board" and "cost and freight" terms or similar terms dispatched on or after the commencement date appearing in the Policy.
- b) This Policy covers physical loss or damage to the cargo insured, subject to the terms and conditions of the policy, to protect only the interest of the Insured mentioned therein. This insurance is not assignable to any other person who may acquire insurable interest in respect of property insured excepting a banker operating in India; any assignment other than as stated shall render the policy void.
- c) Warranted that the Insured shall not change the terms of the contract of sale relating to goods insured hereunder subsequent to the operation of a peril insured against for the purpose of securing indemnity under this policy.
- d) Warranted that the insured shall safeguard all contractual and other right against the buyers, carriers and other parties concerned with the transactions and transport of the goods covered herein.
- e) Warranted that the Assured must use all reasonable and usual care, skill and aforethought and take all practical measures, including measures which may be required by the Insurers to prevent or minimize loss.
- f) Warranted that the existence of this insurance is not to be disclosed to the buyer.

- g) No claim shall be payable hereunder if either the named insured or the buyer of the insured goods is entitled to indemnification under any other policy covering the same goods, which may be in existence. Claims, if any, is payable in Indian currency only.
- h) Underwriters shall be subrogated to the Assureds' rights and benefits against the buyer and/or buyer's insurers, and/or carrier(s) and/or other third parties.
- i) This policy does not cover the risks which could be covered or which are insurable by the Export Credit Guarantee Corporation.

12. Duty Insurance Clause

On increased value of cargo by reason of payment of duty at the port or place of destination.

Subject to the same clauses and conditions as cargo insurance and to pay the same percentage of loss (excluding charges and expenses) as may be paid thereon, but excluding claims in respect of total loss of whole or part of cargo and /or General average, Salvage and/or Salvage Charges arising prior to the Duty becoming payable.

In ascertaining the amount of the claim recoverable hereunder, credit shall be given for any rebate or refund of duty which may become allowable.

13. Concealed Damage Clause

Subject to the terms and conditions of this insurance, in the event of delay in opening containers, cases or other packages at the Assured's premises loss of or damage to the subject-matter insured discovered on opening shall be deemed to have occurred during the currency of this Policy and shall be recoverable hereunder unless conclusive proof to the contrary be established by Underwriters. Any container and/or case and/or package showing signs of damage shall be opened immediately on arrival at final destination.

The period under this extension is limited to 30 days after arrival at final destination.

14. Airfreight Replacement Clause

Where there is loss or damage which is the subject of a claim recoverable hereunder and the Assured considers it necessary to forward replacements by air Underwriters agree to pay the reasonable costs so involved notwithstanding that the original consignment was not dispatched by air.

In no case shall Underwriters be liable under this Clause for more than the original insured value of the subject-matter insured or Rs 5,00,000/- whichever the lesser.

15. Delay Exclusion Clause

Warranted free of claim for loss of market or for loss, damage or deterioration arising from delay, whether caused by a peril insured against or otherwise.

16. Contributory Clause (General Average & Salvage)

For the purpose of claims for General Average Contribution and Salvage Charges recoverable hereunder, the goods insured/the subject matter insured shall be deemed to be insured for their/its full contributory value

17. Labels/Packaging Clause

In the event of loss or damage affecting labels, capsules, wrappers or packaging, by an Insured Peril, our liability will not exceed the cost of new labels, capsules, wrappers or packaging and the cost of re-labeling and packaging and reconditioning the Goods.

18. Interests Carried On Deck Clause

Cover in respect of Interests carried On Deck in a container which is not fully structurally enclosed such as an open top container, a flat rack container, an open sided container or a tarpaulin covered container; shall be in accordance with the Institute Cargo Clauses (C)-1.1.82.

19. Inspection of Records Clause

The Company or a person appointed by the Company may examine the books and records of the Assured as far as they relate to the subject matter of this insurance at any time while this insurance is in force and for twelve months after termination.

20. Insolvency Exclusion Clause

The exclusion 4.6 clause "loss damage or expense arising from insolvency or financial default of the owners, managers, charterers or operators of the vessel" is amended to read as follows:

"In no case shall this insurance cover loss damage or expense arising from insolvency or financial default of the owners managers charterers or operators of the vessel where the Assured are unable to show, prior to the loading of the subject-matter insured on board the vessel, all reasonable practicable and prudent measures were taken by the Assured, their servants and agents, to establish the financial reliability of the party in default.

STATIC RISKS ENDORSEMENT (NOT IN COURSE OF TRANSIT)

It is hereby agreed and declared that this endorsement covers raw materials, semi-finished goods/work in progress & finished goods whilst stored at all Storage Locations owned by the Assured &/or taken on lease &/on hire, including Factory &/or Processing Units, Job Workers` Premises &/or Sub-Contractors` premises against All Risks of physical loss or damage from any external cause subject to following terms, conditions, warranties and exclusions:

EXCLUSIONS:

1. Goods at Retail Premises
2. Insured property/properties in the open or outbuilding.

3. theft or dishonesty committed by or in collusion with any principal, shareholder (beneficial or otherwise), partner, director or other officer or any employee of the Insured, or any person to whom insured property is entrusted or loaned.
4. Any Property other than the subject matter insured.
5. The amount of the deductible stated in the Schedule for each and every loss.
6. Loss of earnings, loss by delay, loss of market or other consequential or indirect loss or damage of any kind or description whatsoever or any legal liability.
7. Any claim arising out of any contractual liability.
8. Loss resulting from dishonesty fraudulent action trick device or other false pretence.
9. Loss resulting from unexplained or mysterious disappearance or shortage discovered on taking inventory, misplacing or misfiling of information or clerical or accounting errors.
10. Loss or damage to goods and merchandise caused by or resulting from misappropriation, secretion, conversion, infidelity or any dishonest act on the part of the Assured or other party of interest, his or their employees or agents.
11. Damage to property as a result of its undergoing any process of manufacture, conversion,
12. treatment & like.
13. Theft which does not involve forcible and violent entry to or exit from a building.
14. Acts of terrorism committed by a person or persons acting on behalf of or in connection with any organization.
15. For the purpose of this exclusion "Terrorism" means the use of violence for political ends and includes the use of violence for the purpose of putting the public or any section of the public in fear
16. Pressure waves caused by aircraft or other aerial devices traveling at sonic or supersonic speeds.
17. Spontaneous Combustion
18. Any loss or damage to insured properties arising out of repairing or alteration or expansion of storage location/s.
19. Earthquake, Volcanic eruption or other convulsions of nature
20. Any exclusions under RACE Clause as attached.
21. Loss or damage occasioned by or through or in consequence of Subterranean Fire.
22. loss or damage or liability directly or indirectly occasioned by, happening through or in consequence of war, invasion, acts of foreign enemies, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, military or usurped power.

23. Loss or damage caused by or resulting from confiscation, nationalization, requisition or destruction of or damage to property by or under the order of any government or public or local authority.
24. Loss or damage arising directly or indirectly from nuclear reaction, nuclear radiation or radioactive contamination, however such nuclear reaction, nuclear radiation or radioactive contamination may have been caused.
25. Loss or damage directly or indirectly caused by or arising from or in consequence of or contributed to by nuclear weapons material.
26. Loss, destruction or damage caused to the insured property by pollution or contamination
27. Interruption in the manufacture consequent upon stoppage of Power Supply or Electrical or mechanical fault or breakdown or derangement of plant, machinery/ies or equipments howsoever caused.
28. Violation of Law or regulations.
29. Any loss or damage to insured properties during installation and dismantling of plant, machinery or equipment.
30. Inherent vice, latent defect, gradual deterioration, wear and tear, frost, change in water table level, its own faulty or defective design or materials.
31. Corrosion, rust, wet or dry, rot, contamination, shrinkage, evaporation, loss of weight, dampness, dryness, marring, scratching, vermin or insects, moth, change in temperature color flavor texture or finish.
32. Loss or damage attributable to any fault, neglect or defect in the manufacturing process &/or packing materials &/or other materials used.
33. Loss or damage to raw materials, work in progress/semi or finished goods/merchandise directly or indirectly arising out of absence or shortage, withholding or withdrawal of labor of any description whatsoever under any circumstances

CONDITIONS & WARRANTIES

Endorsement Voidable

This Endorsement shall be voidable in the event of misrepresentation, misdescription or non disclosure in any material particular.

Fraud

If a claim is fraudulent in any respect or if fraudulent means are used by the Insured or by anyone acting on his behalf to obtain any benefit under this Endorsement or if any damage is caused by the willful act or with the connivance of the Insured all benefit under this Endorsement shall be forfeited.

Stock Records

The Insured/Assured must keep an accurate record of all goods and merchandise covered under this Endorsement. These records must be available for inspection by the Underwriters or their representatives in the event of a claim or any time during business hours as long as this Endorsement remains in force and for 12 months thereafter. Property not recorded in these records is not covered under this Insurance.

It is further agreed that Assured/Insured will report to Company or its agent not later than the fifteenth (15th) day of each month the total value of all goods and merchandise at risk on the last day of the preceding calendar month at each location.

No Benefit to Bailee

This Endorsement will not work in any way to the benefit of any bailee or any person to whom insured property is entrusted for storage/handling.

Due Diligence

The Insured must take all reasonable care and measures to protect the insured goods and merchandise against Damage.

Notice and Proof of Loss

In the event of loss or damage that may give rise to a claim under this Endorsement notice is to be given to the Underwriters as soon as reasonably possible and to the police if a crime is suspected.

In the event of loss or damage to the insured property the Insured must give the Underwriters such relevant information and evidence as may reasonably be required and co-operate fully in the investigation or adjustment of any claim.

Duration & Cancellation

This Insurance attaches on all goods and merchandise as mentioned above contained in the Warehouses & other locations approved by this Company on or after dd/mm/yyyy. It is hereby declared and agreed that in the event the Policy to which this endorsement relates is cancelled, coverage under this endorsement shall automatically terminate as of the effective date of such cancellation.

Claim

Admissible Claims, if any, under this Endorsement would be adjusted as per the `Basis of Valuation` as stated above or as stated in the Policy.

Limit of Liability

The liability of this Company under this endorsement in any one loss or casualty in respect of goods or merchandise insured hereunder shall not exceed the limit of liability as specified in the schedule of approved Warehouses/Storage locations/other locations included in this endorsement or amendments thereto.

Reinstatement of Sum Insured

Sum Insured under this Endorsement shall stand reduced by the amount of loss paid unless pro-rata extra premium is paid to reinstate the Sum Insured.

Observance of Terms & Conditions

The due observance and fulfillment of the terms, conditions and warranties of this Endorsement in so far as they relate to anything to be done or complied with by the Insured shall be a condition precedent to any liability of the Company to make any payment under this Endorsement.

Unoccupancy Clause

The insurance by this Endorsement will not be prejudiced in the event of any Processing Unit / Warehouse / Godown and other locations remaining unoccupied for a period greater than 30 days, provided that in due course the Insured or their agents give notice in writing to the Company and on demand pay such reasonable additional premium as the Company may require.

Survey Warranty

It is warranted that a full survey be conducted by a Surveyor approved by the Company at any location where the total value of raw material &/or semi-finished goods &/or finished goods exceed Rs 3, 00, 00,000. The Assured must comply with all the recommendations of the Surveyor on risk improvement/loss prevention within 30 days from the date of receipt of Survey Report along with the recommendations.

Watchman Warranty:

Warranted that the Insured shall employ a watchman to protect the premises at all times when the premises are not actually open for business.

Fire Fighting Equipment Warranty

Warranted that the insured shall maintain all fire extinguishing appliances in efficient working order.

Average

This Endorsement is subject to average and in the event of the sum insured at the time of the loss being less than the total value of the insured interest; the Assured shall only be entitled to recover such proportion of loss as the sum insured bears to the total value.

Double Insurance

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

Subrogation

The Insured under this Endorsement shall at the request and expense of the Insurer take and permit to be taken all necessary steps for enforcing rights against any other party in the name of the Insured before or after any payment is made by the Insurer.

Time Limitation:

Admissible Claims, if any, under this Endorsement need to be reported to the Insurer within 3 months from the date of cancellation/natural expiration of the Policy.

Arbitration

If any difference arises as to the amount to be paid under this policy (liability being otherwise admitted) such difference shall be referred to an arbitrator to be appointed by the parties in accordance with statutory provisions (Arbitration and Conciliation Act, 1996).

Where any difference is by this condition to be referred to arbitration the making of an award shall be a condition precedent to any right of action against the insurer

List of Named Locations:

Sl. No.	Name of the Warehouse/ Processing	Interest Covered	City	Disctrict	State	Address	Pin Code	Value at risk

Excess/Deductible

Transit Risks: each & every loss

Static Risks: each & every loss

Rate :

Estimated Annual Sum :

Initial Sum Insured :

Premium :

Service Tax :

Stamp Duty :

Co-Insurance :

Overage Penalty Clause:

Additional premiums payable in respect of overage vessels shall be as follows:

For vessels up to 15 years	Nil
For vessels over 16 years up to 20 years	Nil
For vessels over 21 years up to 25 years	Nil
For vessels over 26 years up to 30 years%
For vessels over 31 years	Coverage excluded

Declaration Clause & Premium Adjustment Clause:

This is a Sales Turnover Policy whereby the Premium has been collected or is chargeable only upon the Annual Sales Turnover of the Assured which includes Domestic and Export Sales.

It is agreed that the Assured will declare their Sales Figure on Monthly/Quarterly/Half Yearly basis as per agreed format.

The Assured is authorised to issue and sign Certificates of Insurance pertaining to both Import & Export Shipments/Consignments subject to the terms and conditions of this Policy. It is agreed that only authorised representatives of the Assured shall sign such certificates.

It is further agreed that the Policy would be adjusted (downwards only in view of premium payment regulations) on the basis of the final Sales Turnover achieved by the Assured, as evident in their final accounts and/or by the Certificate/s issued to that effect by their Chief Executive Officer/Auditors. Any excess premium collected by the Company, as ascertained on adjustment would be refundable to the Assured.

In addition to the above, the Assured has to ensure adequacy of Sum Insured at all times.

Cancellation Clause :

This contract may be cancelled by either the Company or the Assured giving 30 days notice in writing to take effect from the midnight of the date of notice but risks covered by Institute War Clauses may be cancelled at seven days notice and risks covered by the Institute Strikes Clauses / **Strikes, Riots, Civil &**



RAHEJA QBE GENERAL INSURANCE COMPANY LIMITED

Commotions Clause-Inland Transit may be cancelled at seven days notice, or at forty-eight hours notice in respect of shipments to or from the United States of America. Notice shall commence from midnight of the day when it is **received** but cancellation shall not apply to any risks which have attached in accordance with the cover granted hereunder before the cancellation becomes effective.

Important:

The Institute Clauses referred to herein are those current at the inception of this contract but should such clauses be revised during the period of this contract, and provided that the Company Shall have given at least 30 days notice thereof, then the revised Institute Clauses shall apply to risks attaching subsequent to the date of expiry of the said notice.

Place of Issue

Signature

Date of Issue

Authorized Signatory