The Oriental Insurance Company Limited

Business Office I, 15, A D Complex
Mount Road Extension, Sadar, Nagpur-440013.

ALL RISK -MARINE-CUM-STORAGE-CUM-ERECTION INSURANCE

Project Name: Koradi Thermal Power Station 2x660 MW Units – 11 & 12 (Main Plant BTG Package)
For Maharastra State Power Generation Co. Ltd. (MSPGCL)

Marine Policy No.181100/21/2026/66
Erection All Risk Policy No.181100/44/2026/139

Period of Insurance
From 00:00 Hrs of 01/09/2025 to Midnight of 30/05/2030

Insured
1. Principal Beneficiary: Maharashtra State Power Generation Co. Ltd.,3rd Floor, Prakashgad, Bandra (East) Mumbai- 400 051, Maharashtra,India

And

2. Executing Agencies: M/S. Bharat Heavy Electricals Ltd ,Through Power Sector Western Region (PSWR), Shri Mohini Complex, 345, Kingsway, Nagpur – 440 001, Maharashtra, India

And

Sub-Contractors/ Vendors/Bhel Manufacturing Units

MARINE INSURANCE POLICY SCHEDULE

Policy Number-181100/21/2026/66 Issued at Nagpur Date: 01/09/2025

Sr.No.	Particulars
1	**Insured Details:** (i) Name and Address of the Principal Beneficiary- Principal Beneficiary: Maharashtra State Power Generation Co. Ltd.,3rd Floor, Prakashgad, Bandra (East) Mumbai- 400 051, Maharashtra,India (ii) Name and Address of the Executing Agencies- M/S. Bharat Heavy Electricals Ltd ,Through Power Sector Western Region (PSWR), Shri Mohini Complex, 345, Kingsway, Nagpur – 440 001, Maharashtra, India And Sub-Contractors/ Vendors/Bhel Manufacturing Units
2	**Intermediary:** Krishna United Insurance Broking House Private Limited
3	**Period of Insurance:** 57 months i.e. From 00:00 Hrs of 01/09/2025 to Midnight of 30/05/2030
4	**Nature of the project:** Design, Engineering, Manufacturing, Inspection, Testing, at Manufacturer's work, supply, Forwarding to site, Civil Structural,& Architectural Works, Marine Cum Erection Insurance, Transportation, Delivery, Unloading Receipt at Site, Storage at Site, Erection, Testing, and Commissioning of the Main Plant, (BTG Package) comprising of Steam Generator, Steam Turbine & Generator complete with all auxiliaries, accessories, including FGD,SCR& Supply main of mandatory spares, special tools & tackles for Koradi Thermal Power Station 2x660 MW Units-11&12 Project on Engineering Procurement & Construction (EPC) Basis- Supply of Main Plant (BTG Package) Equipment, Spares and Materials etc.
5	**Site of erection:** Village – Koradi of Nagpur District in Maharashtra
6	**Scope of cover:** All Risk (ICC A) + WAR + SRCC + TPND + Shortages + Leakages + extended to cover the intermediate temporary en-route storage
7	**Premium:** Rs. 1,00,00,000/- (Excluding GST) (to be paid in 17 instalments)
8	**Sum insured:** Rs 7007,69,00,000/-
9	**Voyage Jurisdiction:** Anywhere in world to Anywhere in world

10	**Mode of Transit:** Sea / Air / Rail / Road / Courier / Postal coverage / Inland waterways
11	**Additional Clauses:** • Institute Cargo Clause (A) • Institute War Clause (Cargo) • Institute Strike Clause (Cargo) • Institute Cargo Clause (Air Cargo) • Institute War Clause (Air Cargo) • Institute Strike Clause (Air Cargo) • Inland Transit (Rail or Road) A - All Risk • Strike, Riots & Civil Commotion Clause • Sending by Registered Courier Clause • Sending by Registered Post Parcel Clause • Theft Pilferage Non-Delivery to be covered • Termination of Transit Clause (Terrorism) • Duty Clause • Concealment Damage Clause (for sound boxes - 12 months & for damaged boxes - 30 days) • 50/50 Clause • Waiver of Private Carrier Warranty • Waiver of Contribution • Waiver of Subrogation • Escalation Clause • Loading Unloading Clause • Freight Broker Warranty • Loss Payee Clause • Multi axle Vehicle/Trailer • Oversized/ Over Dimensional Cargo and Equipment (ODC) • Shortage covered-irrespective whether there is visible damage to container or not • Loading/unloading survey expenses • Non-Vitiation Clause
12	**Commodity Description:** All goods, plant & machinery, equipment, tools, instruments and other material, incl. Mandatory spares required for project construction of Koradi thermal power station 2x660 mwunits-11&12 project Including items brought in and sent back for repair/ rectification/ testing by any mode from anywhere in India/abroad to the site. However, if required for fabrication/ testing etc., materials can be diverted to other locations also.

13	**Single consignment limit:** Rs 100,00,00,000/-
14	**Basis of sum insured:** The "sum to be insured" is the value of the goods/plant/machinery/equipment/ other materials and consumables dispatched from bhel units/divisions and their vendors/suppliers in India and abroad at the time and condition it was just prior to the accident/mishap.
15	**Basis of Valuation:** 110% of Ex-works Supply including Type Test and Inland Transportation PLUS taxes & duties plus packing & forwarding with all other expenses. For Movement of items sent for/ received after repairs/ testing/ return to the supplier etc. – Sum Insured equal to value of the equipment including cost of packing, forwarding and other incidentals. Escalation @5%
16	**Policy excess:** 0.25% of consignment value subject to minimum of Rs. 20,000/- for each and every claim
17	**Self-Survey Limit:** For all claims this limit will be **Rs. 20,000** over and above the excess applicable.
18	**On-Account Payments Against Claims:** In case of net claims exceeding Rs. 10 Lakhs, BHEL will request for On-Account payment. On account payment will become due on establishment of prima facie admissibility of the claim. The Underwriter shall promptly make an on-account payment on the basis of firm estimates provided by BHEL. The underwriter will ensure that the surveyor releases his recommendations for On Account Payment promptly after submission of firm estimates by BHEL and documents required for establishing the admissibility of the claim.
19	**Charges For Material Procurement:** In case any of the BHEL's Region/Project Site procures any materials on behalf of supplying units for repair/ replacement of damaged material from outside BHEL, 10% incidentals over and above the procurement cost shall also be payable by the underwriter.
20	**Charges For Supervision, Repairs / Rectification:** It is usual that certain Repair / Rectification works arise due to damages to project materials. The required Repair/ Rectification may be carried out by BHEL or by Vendors of BHEL at their works under the supervision of BHEL Engineers. The expenses incurred on Repair/Rectification such as Cost of Material, Cost of Labour, Other Direct Cost of Repair/Rectification, All Indirect Costs apportioned in Repair/Rectification Activity of Concerned Repair/Rectification Agency, Testing Charges, Supervision Charges of Technicians/Engineers of BHEL, etc. are to be borne by the underwriter.

	For this purpose, Cost Certificate will be issued by the concerned Unit of BHEL and the same will be accepted by the underwriter without any dispute for settlement of insurance claims. Supervision Charges at site, if applicable for Re-erection/Dismantling etc., will be paid along with the Site Overheads (which will be calculated @ 30% on Labour/Service Charges incurred on Dismantling/Re-erection Services at Site). The supervision charges of BHEL Engineers are to be taken on Man Day Rate basis less 10% as applicable for site as per prevailing Head Office/ Corporate Office circular at the time of Repair/Rectification. These Man Day Rates are subject to revision every financial year. The same shall be reimbursed by underwriter in the event of insurance claim. In certain cases, the site may call the Technicians/Engineers from Manufacturing Units/their vendors for repairs/rectification at Site. Charges for such visits of Technicians/Engineers will also be reimbursed by the underwriter. The above said provision of Cost of Repair/Rectification will apply to damage to items at any stage i.e. transit, storage, erection, commissioning, testing and maintenance.
21	**Storage Duration Under Transit Cover:** a) For Inland inward/ outward up to 67 (extension of duration clause by 60 days) days from the date of arrival of consignments at Transporters Godown/Warehouse at Final destination town b) For Marine Inward/outward up to Sea-Cargo 120 days (extension of duration clause by 60 days) from the completion of discharge of consignments at final port of discharge/bonded warehouse/temporary store owned/rented by BHEL will be covered under project policy c) Inward/outward Air-Cargo up to 90 days (extension of duration clause by 60 days) after unloading the consignment from the Air craft at the final port of discharge/bonded warehouse/temporary store (warehouse owned/temporary store owned /rented by BHEL will be covered under project policy)
22	**Co-insurance:** Business Office I, The Oriental Insurance Company Limited-70% Mumbai Regional Office I, New India Assurance Co. Ltd-25% GIF Mumbai-5%
23	**Claims settling office:** The Oriental Insurance Company Limited SVC, 4th Floor, S K Tower, Nelson Sq, Chhindwara Road, Nagpur-440013 Email ID- 180011@orientalinsurance.co.in

24	**Policy issuing office:** The Oriental Insurance Company Limited Business Office I, 15, A D Complex Mount Road Extension, Sadar, Nagpur-440013. Email ID- 181100@orientalinsurance.co.in

*The respective endorsements/wordings are attached to and form part of the policy

The following form part of this policy of insurance

1 Marine Insurance Policy (Terms and Conditions)

2 Terms and conditions of tender no. **BHEL: CO: FIN: INS: PSWR: MSPGCL KORADI: BTG** will prevail upon in case of conflict in terms and conditions

For The Oriental Insurance Company Limited

Authorized signatory

Place: Nagpur
Dated: 01/09/2025

THE ORIENTAL INSURANCE COMPANY LIMITED
REGIONAL OFFICE
NAGPUR

ERECTION ALL RISK INSURANCE POLICY SCHEDULE

Policy Number-181100/44/2026/139 Issued at Nagpur Date:01/09/2025

Sr.No.	Particulars
1	**Insured Details:** (i) Name and Address of the Principal Beneficiary- Principal Beneficiary: Maharashtra State Power Generation Co. Ltd.,3rd Floor, Prakashgad, Bandra (East) Mumbai- 400 051, Maharashtra,India (ii) Name and Address of the Executing Agencies- M/S. Bharat Heavy Electricals Ltd ,Through Power Sector Western Region (PSWR), Shri Mohini Complex, 345, Kingsway, Nagpur – 440 001, Maharashtra, India And Sub-Contractors/ Vendors/Bhel Manufacturing Units
2	**Intermediary:** Krishna United Insurance Broking House Private Limited
3	**Period of Insurance:** 57 months i.e. From 00:00 Hrs of 01/09/2025 to Midnight of 30/05/2030 including 3 months Testing
4	**Defect Liability Period:** 18 Months
5	**Nature of the project:** Design, Engineering, Manufacturing, Inspection, Testing, at Manufacturer's work, supply, Forwarding to site, Civil Structural,& Architectural Works, Marine Cum Erection Insurance, Transportation, Delivery, Unloading Receipt at Site, Storage at Site, Erection, Testing, and Commissioning of the Main Plant, (BTG Package) comprising of Steam Generator, Steam Turbine & Generator complete with all auxiliaries, accessories, including FGD,SCR& Supply main of mandatory spares, special tools & tackles for Koradi Thermal Power Station 2x660 MW Units-11&12 Project on Engineering Procurement & Construction (EPC) Basis- Supply of Main Plant (BTG Package) Equipment, Spares and Materials etc.
6	**Site of erection:** Village – Koradi of Nagpur District in Maharashtra
7	**Premium:** Rs. 26,89,00,000/- (Excluding GST) (to be paid in 17 instalments)
8	**Sum insured**: Material Damage Rs 94,56,19,00,000 Earthquake Rs 94,56,19,00,000 STFI Rs 94,56,19,00,000

9	**Additional Covers & Limits (in aggregate):** • Escalation- Up to 10% of Project SI • Owner's Surrounding property with FLEXA- Up to 10% of Project SI anyone occurrence and in Aggregate. • Offsite Storage (Location nearby to the site - Within India)- Up to INR 18 Crs anyone occurrence and INR 50 Cr in aggregate (within policy period) • Third Party Liability including Cross Liability- AOA/AOY 25 Crores • Free automatic reinstatement clause- upto 10% of the Sum Insured • Clearance & Removal of Debris- Up to INR 25 Cr Any one Accident and in aggregate (This includes foreign debris removal following an indemnifiable loss upto 1 Cr INR in aggregate) • Design Defect Cover- As per Munich Re DE3 wordings for civil works and DE-4 wordings for new electro-mechanical works all forming part of permanent works • Loss minimization expenses- Up to INR 5 crore per occurrence and in aggregate • Professional fees- Up to INR 10 crores in aggregate (Section 1) • Waiver of Subrogation Clause- (Between Principal and Contractor only) • Expediting Cost including- Air Freight and Express Freight upto 30% of net claim amount • Additional Custom Duty- Up to INR 30 crores in aggregate • Refund of premium- Covered as Per Tariff Provisions • Fragile Items like glass, insulation, refractory, insulators, mineral, wool mattress, fire bricks etc. (in boxes or loose as may be)- Rs. 2 crores • Property belonging to or held in the care, custody or control of the insured. - Rs. 50 crores • Cost of reproducing / reacquiring information- Rs 20 Lacs
10	**Clauses/Warranties/Conditions/Endorsements:** • 50/50 clause • 72 hours clause • Agreed Bank Clause / Loss Payee Clause (section-I) • Loss payee clause (Section-I) • Multiple Insureds & Non-vitiation clause • Waiver of contribution clause • Cross liability cover • Automatic Reinstatement Clause • Continuity of Cover During Operational Phase for Unit/Plant Tested but awaiting Integral Testing • Errors & Omission to Insure • Temporary Structures and Plant & Equipment: temporary works including road/building/sheds/site office support structure etc. • Limited defective condition exclusion de-3 • Automatic Increase Clause

	• Pair or Set Clause • Amendment in firefighting clause • Damage due to falling objects
11	**Endorsements Addition:** • Engg/End-101: Civil Engineering Works • Engg/End. 103: Endorsement Regarding Cross Liability Cover • Engg/End. 104 Endorsement Regarding Escalation • Engg/End. 105 Endorsement Regarding Air Freight • Engg/End-107: Endorsement for Test Run Definition in Respect of Thermal Power Station • Engg/End. 114: Warranty Concerning Underground Cables and Pipes • Engg/End 116: Cover of Leak Search Cost When Laying Pipelines • Installment Facility Yes
12	**Deductibles:** 1) Major Items: (Boiler, Turbine, Generator & Power Transformer) • 5 % of the claim amount subject to min of Rs 15,00,000/- for Normal Period. • 5 % of the claim amount subject to min of Rs. 60, 00,000/- for Testing Period. 2) Other Items: (All other items including accessories/spares of Boiler, Turbine, Generator & Power Transformer) • 5 % of the claim amount subject to min of Rs 2,25,000/- for Normal Period. • 5 % of the claim amount subject to min of Rs. 6,00,000/- for Testing Period. 3) Act of God Perils 10% of the claim amount subject to minimum of testing period excess with an upper limit of Rs 5 Crores per event. 4) Fire / Explosion Claims: Minimum: 20% of claim amount subject to minimum of testing period excess.
13	**International accepted exclusions:** A. Communicable disease exclusion clause B. War and terrorism exclusion C. Political risk exclusion D. Electronic data endorsement E. Nuclear energy risk exclusion(reinsurance)1994 F. Institute radioactive contamination chemical biological bio chemical and electromagnetic weapon exclusion clause G. Property cyber and data exclusion H. Sanctions and limitations clause I. Territorial exclusion endorsement (Belarus-Russia-Ukraine) J. Any Russian scope of work and services offered by Russian entities to the insured.

14	**Co-insurance:** Business Office I, The Oriental Insurance Company Limited-70% Mumbai Regional Office I, New India Assurance Co. Ltd-25% GIF Mumbai-5%
15	**Claims settling office:** The Oriental Insurance Company Limited SVC, 4th Floor, S K Tower, Nelson Sq, Chhindwara Road, Nagpur-440013 Email ID- 180011@orientalinsurance.co.in
16	**Policy issuing office:** The Oriental Insurance Company Limited Business Office I, 15, A D Complex Mount Road Extension, Sadar, Nagpur-440013. Email ID- 181100@orientalinsurance.co.in

*The respective endorsements/wordings are attached to and form part of the policy

The following form part of this policy of insurance

1 Erection All Risk Insurance Policy (Terms and Conditions)

2 Terms and conditions of tender no. **BHEL: CO: FIN: INS: PSWR: MSPGCL KORADI: BTG** will prevail upon in case of conflict in terms and conditions

For The Oriental Insurance Company Limited

Authorized signatory

Place: Nagpur

THE ORIENTAL INSURANCE COMPANY LIMITED ओरिएण्टल इंश्योरेंस कम्पनी लिमिटेड क्षे. कार्यालय नागपुर REGIONAL OFFICE NAGPUR

INSTALLMENT SCHEDULE

Date	Installment No	Marine Policy		
		Premium	**GST**	**Total**
01 September 2025	1st Installment	1058816	190592	1249408
01 December 2025	2nd Installment	558824	100588	659412
01 March 2026	3rd Installment	558824	100588	659412
01 June 2026	4th Installment	558824	100588	659412
01 September 2026	5th Installment	558824	100588	659412
01 December 2026	6th Installment	558824	100588	659412
01 March 2027	7th Installment	558824	100588	659412
01 June 2027	8th Installment	558824	100588	659412
01 September 2027	9th Installment	558824	100588	659412
01 December 2027	10th Installment	558824	100588	659412
01 March 2028	11th Installment	558824	100588	659412
01 June 2028	12th Installment	558824	100588	659412
01 September 2028	13th Installment	558824	100588	659412
01 December 2028	14th Installment	558824	100588	659412
01 March 2029	15th Installment	558824	100588	659412
01 June 2029	16th Installment	558824	100588	659412
01 September 2029	17th Installment	558824	100588	659412
Grand Total		**10000000**	**1800000**	**11800000**

Date	Installment No	Erection All Risk Policy		
		Premium	**GST**	**Total**
01 September 2025	1st Installment	28471568	5124880	33596448
01 December 2025	2nd Installment	15026777	2704820	17731597
01 March 2026	3rd Installment	15026777	2704820	17731597
01 June 2026	4th Installment	15026777	2704820	17731597
01 September 2026	5th Installment	15026777	2704820	17731597
01 December 2026	6th Installment	15026777	2704820	17731597
01 March 2027	7th Installment	15026777	2704820	17731597
01 June 2027	8th Installment	15026777	2704820	17731597
01 September 2027	9th Installment	15026777	2704820	17731597
01 December 2027	10th Installment	15026777	2704820	17731597
01 March 2028	11th Installment	15026777	2704820	17731597
01 June 2028	12th Installment	15026777	2704820	17731597
01 September 2028	13th Installment	15026777	2704820	17731597
01 December 2028	14th Installment	15026777	2704820	17731597
01 March 2029	15th Installment	15026777	2704820	17731597
01 June 2029	16th Installment	15026777	2704820	17731597
01 September 2029	17th Installment	15026777	2704820	17731597
Grand Total		**268900000**	**48402000**	**317302000**

ERECTION ALL RISKS INSURANCE POLICY

WHEREAS the insured named in the Schedule hereto had made to ------------------------------------ Co. Ltd., (hereinafter called 'the Company') a written proposal by completing a Proposal Form which together with any other statements made in writing by the insured for the purpose of this Policy, is deemed to be incorporated herein.

NOW THIS POLICY OF INSURANCE WITNESSETH

that subject to and in consideration of the Insured having paid to the Company, the premium mentioned in the said Schedule and subject to the terms, exclusions, provisions and conditions contained herein or endorsed hereon the company will indemnify the Insured against sudden and unforeseen physical loss of or damage to the property insured in the manner and to the extent hereinafter provided.

GENERAL EXCLUSIONS –

The Company will not indemnify the Insured in respect of loss, damage or liability directly or indirectly caused by or arising out of or aggravated by –

a) War, invasion, act of foreign enemy, hostilities or war like operations (whether war be declared or not), civil war, rebellion, revolution, insurrection, mutiny, civil commotion, military or usurped power, martial law, conspiracy, confiscation, commandeering a group of malicious persons or persons acting on behalf of or in connection with any political organisation, requisition or destruction or damage by order of any government dejure or de facto or by any public, municipal or local authority.

b) Nuclear reaction, nuclear radiation or radioactive contamination.

c) Wilful act or wilful negligence of the Insured or of his responsible representative

d) Cessation of work whether total or partial.

In any action, suit or other proceedings where the company allege that by reason of the provisions of Exclusion (a) above any loss, destruction, damage or liability is not covered by this insurance, the burden of proving that such loss, destruction, damage or liability is covered shall be upon the Insured.

PERIOD OF COVER –

The liability of the Company shall commence, (notwithstanding any date to the contrary specified in the Schedule) only from the time after the unloading of the property specified in the Schedule from any conveyance at the site specified in the schedule and shall continue until immediately after the first test operation or test loading is concluded (whichever is earlier) but in no case beyond four weeks from the day on which after completion of erection a trial running is made and/or readiness for work is declared by the erectors/contractors, whichever is earlier. If however, a part of a plant or one or several machine/s is/are tested and put into operation the cover and consequently the liability of the Company for that particular part of the plant or machine ceases whereas it continues for the remaining parts which are not yet ready.

In case after the expiry of four weeks of trial running, approval of the plant or any part thereof is not given by the concerned Authorities the cover for the extended period of further trial running can be covered at extra premium to be arranged before hand.

If the actual erection period is shorter than the period indicated in the Schedule, no refund of premium shall be allowed, unless specifically allowed by Insurers.

In the case of second-hand/used property, the insurance hereunder shall however, cease immediately on the commencement of the testing.

At the latest, the insurance shall expire on the date specified in the Schedule but if the work of erection and test operations included in the insurance is not completed within the time specified hereunder, the company may extend the period of Insurance but the Insured shall pay to the Company additional premium at agreed rates.

GENERAL CONDITIONS -

1. The due observance and fulfillment 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 answers in the questionnaire and proposal made by the Insured shall be a condition precedent to any liability of the company.

2. The Schedule and the Section(s) shall be deemed to be incorporated in and form part of this policy and the expression 'this Policy' wherever used in this contract shall be read as including the Schedule and the Section(s). Any word or expression to which a specific meaning has been attached in any part of this Policy or of the Schedule or of the Section(s) shall bear such meaning wherever it may appear.

3. The Insured shall at his own expense take all reasonable precautions and comply with all reasonable recommendations of the Company to prevent loss, damage or liability and comply with statutory requirements and manufacturers' recommendations.

4(a) Representatives of the Company shall at any reasonable time have the right to inspect and examine the risk and the Insured shall provide the representatives of the company with all details and information necessary for the assessment of the risk.

b) The Insured shall immediately notify the Company by telegram and in writing of any material change in the risk and cause at his own expense such additional precautions to be taken as circumstances may require and the scope of cover and/or premium shall, if necessary be adjusted accordingly.

No material alteration shall be made or admitted by the Insured whereby the risk is increased unless the continuance of the Insurance be confirmed in writing by the Company.

5. In the event of any occurrence, which might give rise to a claim under this Policy, the Insured shall-

a) immediately notify the Company by telephone or telegram as well as in writing giving an indication as to the nature and extent of loss or damage.

b) take all steps within his power to minimize the extent of the loss or damage

c) preserve the parts affected and make them available for inspection by a representative of the company or surveyor deputed by the Company.

d) furnish all such information and documentary evidence as the company may require.

e) inform the police authorities in case of loss or damage due to theft or burglary.

The Company shall not in any case be liable for loss, damage or liability of which no notice has been received by the company within 14 days of its detection.

Upon notification being given to the Company under this condition, the Insured may carry out the repair or replacement of any minor damage not exceeding Rs. 7,500/-. In all other cases a representative of the company shall have the opportunity of inspecting the loss or damage before any repairs or alterations are affected. If a representative of the company does not carry out the inspection within a period of time which could be considered as adequate under the circumstances the Insured is entitled to proceed with the repairs or replacement.

The liability of the Company under this Policy in respect of any item sustaining damage shall cease if said item is not repaired properly without delay.

6. 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 required by the Company in the interest of any rights or remedies, or of obtaining relief or indemnity from parties (other than those insured under this Policy) to which the company shall be or would become entitled or subrogated upon their 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 the Insured's indemnification by the company.

7. If any dispute or difference shall arise as to the quantum to be paid under this 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 and arbitration shall be conducted under and in accordance with the provisions of the Arbitration and Conciliation Act 1996.

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.

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 the award by such Arbitrator/Arbitrators of the amount of the loss or damage shall be first obtained.

8. If a claim is in any respect fraudulent, or if any false declaration is made or used in support thereof, or if any fraudulent means or devices are used by the Insured or anyone acting on his behalf to obtain any benefit under this Policy, or if a claim is made and rejected and no action or suit is commenced within three months after such rejection or, in case of arbitration taking place as provided therein, within three months after the Arbitrator or Arbitrators or Umpire have made their award, all benefit under this Policy shall be forfeited.

9. If at the time any claim arises under this Policy there be any other insurance covering the same loss, damage or liability the company shall not be liable to pay or contribute more than their rateable proportion of any claim for such loss, damage or liability.

10. This insurance may be terminated at the request of the Insured at any time in which case the Insurers will refund appropriate premium amount subject to the following conditions.

i) Claims experience under the policy as on date of cancellation should be less than 60 % of reworked premium.

ii) The unexpired period is not less than 3 months or 25% of the policy period, whichever is less

iii) Testing period should not have commenced.

This insurance may also at any time be terminated at the option of the Insurer by 15 days notice to that effect being given to the Insured in which case the Insurers shall be liable to repay on demand a rateable proportion of the premium for the unexpired term from the date of cancellation.

SECTION I - MATERIAL DAMAGE

The Company hereby agrees with the Insured (subject to the exclusions and conditions contained herein or endorsed hereon) that if, at any time during the period of insurance stated in the said Schedule, or during any further period of extension thereof the property (except packing materials of any kind) or any part thereof described in the said Schedule be lost, damaged or destroyed by any cause, other than those specifically excluded hereunder, in a manner necessitating replacement or repair the Company will pay or make good all such loss or damage up to an amount not exceeding in respect of each of the items specified in the Schedule the sum set opposite thereto and not exceeding in the whole the total sum insured hereby -

The Company will also reimburse the Insured for the cost of clearance and removal of debris following upon any event giving rise to an admissible claim under this policy but not exceeding in all the sum (if any) set opposite thereto in the Schedule.

EXCLUSION TO SECTION I -

The Company, shall not, however, be liable for -

a) the first amount of the loss arising out of each and every occurrence shown as Excess in the Schedule;

b) loss discovered only at the time of taking an inventory;

c) normal wear and tear, gradual deterioration due to atmospheric conditions or otherwise, rust, scratching of painted or polished surfaces or breakage of glass;

d) loss or damage due to faulty design, defective material or casting, bad workmanship other than faults in erection.

   This exclusion shall be limited to the items immediately affected and shall not be deemed to exclude loss or damage to other insured items resulting from such excluded perils;

e) the cost necessary for rectification or correction of any error during erection unless resulting in physical loss or damage;

f) loss of or damage to files, drawings, accounts, bills, currency, stamps, deeds, evidence of debt, notes, securities cheques, packing materials such as cases, boxes, crates;

g) any damage or penalties on account of the Insured's non- fulfillment of the terms of delivery or completion under his Contract of Erection or of any obligations assumed thereunder including consequential loss of any kind or description or for any aesthetic defects or operational deficiencies.

PROVISIONS APPLYING TO SECTION I -

Memo 1. SUM INSURED –

It is a requirement of this insurance that the Sum of Insurance stated in the Schedule shall not be less than the completely erected value of the property inclusive of freights, customs duty, erection cost and the Insured undertakes to increase or decrease the amount of insurance in the event of any material fluctuation in the level of wages or prices. Provided always that such increase or decrease shall take effect only after the same has been recorded on the Policy by the Company.

If, in the event of the occurrence of a loss, or damage it is found that the Sum Insured representing the completely erected value of the property and/or of particular items involved is less than the amount required to be insured the amount recoverable by the Insured under the Policy shall be reduced in such proportion as the Sum Insured bears to the amount required to be insured.

Memo 2. PREMIUM ADJUSTMENT –

The sum insured under the Policy representing the completely erected value of the plant machinery/project shall be adjustable at completion of erection on the basis of the actual values to be declared by the insured in respect of freight and handling charges, customs dues and costs of erection and the difference in premium shall be met with by payment, at the rate agreed to or by the insured as the case may be. Any increase or decrease in prime cost of Plant and Equipment shall not be the subject matter of premium adjustment.

Memo 3. BASIS OF LOSS SETTLEMENT -

In the event of any loss or damage the basis of any settlement under this Policy shall be -

a) in the case of damage which can be repaired, the cost of repairs necessary to restore the items to their condition immediately before the occurrence of the damage less salvage, **OR**

b) in the case of a total loss the actual value of the items immediately before the occurrence of the loss **less** salvage;

However, only to the extent the costs claimed has to be borne by the Insured and to the extent they are included in the Sum Insured and provided always that the provisions and conditions have been complied with.

All damages which can be repaired shall be repaired, but if the cost of repairing any damage equals or exceeds the value of the items immediately before the occurrence of the damage the settlement shall be made on the basis provided for in (b) above.

The cost of any provisional repairs will be borne by the Company if such repairs constitute part of the final repairs and do not increase the total repair expenses.
The cost of any alterations, additions and/or improvements shall not be recoverable under this Policy.

Extension of Cover – Any extra charges incurred for overtime, work on holidays, express freight (including air freight), are not covered by this insurance, unless agreed upon at an additional premium.

In the event of loss or damage the insurance shall notwithstanding be maintained in force during the period of insurance for the sum insured, the insured undertaking to pay a pro-rata additional premium of the full amount of each claim for the loss or damage from the date of such loss to the expiry of the period of insurance.

Memo 4 - SURROUNDING PROPERTY -

Loss or damage to property located on or adjacent to the site and belonging to or held in care, custody or control of the Principal(s) or the Contractor (s) shall only be covered if occurring directly due to the erection, construction or testing of the items insured under Section I and happening during the period of cover, and provided that a separate Sum therefore has been entered in the Schedule under Section I, Item 5 for Principal's specified surrounding property. This cover does not apply to construction/erection machinery, plants and equipment.

Memo 5 – MAJOR PERILS/ACTS OF GOD CLAIMS -

The Major Perils/Acts of God Claims shall mean the claims arising out of -

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

SECTION II - THIRD PARTY LIABILITY

The Company will indemnify the Insured against -

a) Legal liability for accidental loss or damage caused to property of other persons including property held in trust by or under custody of the Insured for which he is responsible excluding any such property used in connection with erection thereon;

b) Legal liability (liability under contract excepted) for fatal or non-fatal injury to any person other than the Insured's own employees or workman or employees of the owner of the works or premises or other firms connected with any other erection work thereon, or members of the Insured's family or of any of the aforesaid; directly consequent upon or solely due to the erection of any property described in the Schedule.

Provided that the total liability of the Company during the period of Insurance under this clause shall not exceed the limits of Indemnity set opposite thereto in the Schedule.

In respect of a claim for compensation to which the indemnity provided herein applies, the Company will, in addition, indemnify the Insured against -

a) all cost and expenses of litigation recovered by any claimant from the Insured, **and**

b) all costs and expenses incurred with the written consent of the Company.

The exclusion contained in paragraphs (d), (f) & (g) in Section I of this Policy shall apply to this Section also.

EXCLUSIONS TO SECTION II -

The Company will not indemnify the Insured in respect of -

1. The Excess stated in the Schedule to be borne by the Insured in any one occurrence related to property damage

2. Expenditure incurred in doing or redoing or making good or repairing or replacing anything covered or coverable under Section I of this Policy;

3. Liability consequent upon -

   a) bodily injury to or illness of employees or workmen of the Contractor(s) or the Principal(s) or any other firm connected with the project which or part of which is insured under Section I, or members of their families;

   b) loss of or damage to property belonging to or held in care, custody or control of the Contractor(s), the Principal(s) or any other firm connected with the project which or part of which is insured under Section I, or an employee or workman of one of the aforesaid;

   c) any accident caused by vehicles licensed for general road use or by waterborne vessels or aircraft;

   d) any agreement by the Insured to pay any sum by way of indemnity or otherwise unless such liability would have attached also in the absence of such agreement.

CONDITIONS APPLYING TO SECTION II -

1. No admission, offer, promise, payment or indemnity shall be made or given by or on behalf of the Insured without the written consent of the Company who shall be entitled if they so desire, to take over and conduct in the name of the Insured the defence or settlement of any claim or to prosecute for their own benefit in the name of the Insured any claim for indemnity or damage or otherwise and shall have full discretion in the conduct of any proceedings or in the settlement of any claim and the Insured shall give all such information and assistance as the Company may require.

2. The Company may, so far as any accident is concerned, pay to the Insured the limit of indemnity for any one accident, any one period, but deducting therefrom in such case any sum/s already paid as compensation in respect thereof or any lesser sum for which the claim or claims arising from such accident can be settled and the company shall thereafter be under no further liability in respect of such accident under this section.