

TRADE CREDIT INSURANCE POLICY

Commercial Risks

This Policy becomes effective when your proposal has been accepted by Raheja QBE General Insurance Company Limited by issuing a Policy Schedule.

Issued by Raheja QBE General Insurance Company Limited ("Raheja QBE") to the Insured named and for the trade specified in Section 1 of the Schedule to the Policy following receipt from the Insured of a written Proposal for Trade Credit Insurance.

COVER

The Insured has applied to Raheja QBE for Trade Credit Insurance by a proposal in writing and Raheja QBE has agreed on the basis of the proposal, which is incorporated herein, to issue this Policy.

In consideration of the payment of all premiums and other charges when due and subject to the terms and conditions of this Policy, Raheja QBE agrees to indemnify the Insured up to the Insured Percentage of the Insured Loss in the event of an Insured Buyer failing, by reason of their Insolvency or Protracted Default to pay the Insured an Insured Debt.

Raheja QBE's total liability under this Policy is limited to the Maximum Sum Insured. If the aggregate value of claims paid under this Policy by Raheja QBE reaches the Maximum Sum Insured, the Insured shall not be entitled to submit any further claim or claims under this Policy.

CONDITIONS PRECEDENT TO LIABILITY

Due observance of each of the terms and conditions of this Policy by the Insured are conditions precedent to any liability of Raheja QBE under this Policy.

DECLARATIONS AND ACKNOWLEDGEMENTS

In completing the proposal and accepting this Policy the Insured:

- (a) declares and warrants that to the best of its knowledge and belief the statements made in the proposal were true and complete at the date of the proposal and at the date when Raheja QBE agreed to issue this Policy;
- (b) declares and warrants that it is aware of its duties to disclose and not to misrepresent to Raheja QBE every matter that it knows, or could reasonably be expected to know, is relevant to Raheja QBE's decision whether to accept the risk of this insurance and, if so, on what terms and to act with the utmost good faith at all times; and
- (c) acknowledges that the proposal which the Insured has completed or has had completed, together with all other statements made by the Insured or anyone acting on the Insured's behalf for the

purposes of this Policy, shall be the basis for the issue of this Policy. In all cases information provided to Raheja QBE in support of the Insured's application for this Policy is held to be provided on the Insured's behalf.

A. DEFINITIONS AND INTERPRETATION

Definitions

In this Policy (which includes all clauses, schedules, annexure and Official Limit Endorsements):

1. **“Administrator of the Insured”** is referred to in Condition 16(a) and means the receiver, receiver and manager, official manager, statutory manager, interim liquidator, receiver of income or agent for a mortgagee in possession appointed over part or all the assets and undertakings of the Insured.
2. **“Approved Claim Currencies”** are the currencies (which includes the Policy Currency) specified under section 3 of the Schedule to the Policy and which are referred to under Condition 13 of the Policy; and are the currencies in which the Insured is entitled to lodge a claim.
3. **“Approved Countries”** are referred to in the definition of “Insured Buyer” and Condition 7 and are the countries specified in section 1 of the Schedule to the Policy.
4. **“Approved Sources”** are referred to in the definition of “Permitted Limit” and are the sources specified in section 4 of the Schedule to the Policy.
5. **“Conversion Exchange Rate”** is referred to under Condition 13 of the Policy and in respect of an invoice is the rate of exchange between the currency in which that invoice is issued (which includes the Approved Claim Currencies) and the Policy Currency, as determined:
 - a) by reference to the rates of exchange applicable at the Insured's bank as at the close of business on the day the relevant goods were Delivered; or
 - b) by the forward exchange rate contract, if one has been entered into with the Insured's bank in relation to determining in advance the amount the Insured is to receive in terms of the Policy Currency, if payment is made in the Approved Claim Currency as contracted by the Insured Buyer; or
 - c) by reference to the Insured's internal treasury rate as agreed in writing by Raheja QBE at the inception of the Policy.
6. **“Declaration Period”** is referred to in Condition 1(b) and means the period specified in section 3 of the Schedule to the Policy, effective on and from the first day of the Policy Period.
7. **“Deductible”** is referred to in Condition 5(a) and is the amount specified in section 3 of the Schedule to the Policy.

8. **“Delivered”** and **“Delivery”** in respect of goods means either:
- a) where goods are sold domestically within India, the time at which such goods physically pass from the Insured into the exclusive physical control of the Insured Buyer or the Insured Buyer’s agent (which transaction must be completed within the Policy Period); or
 - b) where the goods are exported to a country other than India, the time at which the goods have been passed to the first carrier in the process of being carried to the place where the Insured Buyer is required to accept them (which time must be within the Policy Period) excepting that goods will not have been Delivered in circumstances where an Insured retains the legal right to stop carriage of the goods before they leave the country from which the Insured is exporting the goods.
9. **“Deposit Period”** is referred to in Condition 2(b) and is the period specified in section 3 of the Schedule to the Policy.
10. **“Deposit Premium”** is referred to in Condition 2 and is the amount specified in section 3 of the Schedule to the Policy.
11. **“Insolvency”** is referred to in Condition 3, 9 and 16 and occurs in respect of an Insured Buyer when any of the following steps (or some step which, under the law of a foreign country or territory having jurisdiction, is equivalent to any of the following steps under Indian law), has been taken:
- a) a receiver or receiver and manager has been appointed over all the assets and undertakings of the Insured Buyer;
 - b) an effective resolution has been passed for the voluntary winding-up of the Insured Buyer;
 - c) an order has been made by a Court of competent jurisdiction for the Insured Buyer to be wound up;
 - d) the Insured Buyer has made a valid assignment, or composition or other arrangement for the benefit of all its creditors generally, in pursuance to the provisions of the Companies Act 1956, as applicable in India or under the provisions of any other applicable law in force in India;
 - e) a debtors’ petition presented by the Insured Buyer has been accepted by a Court of competent jurisdiction;
 - f) a composition or scheme of arrangement has been proposed by the Insured Buyer to its creditors under The Presidency Towns Insolvency Act or The Provisional Insolvency Act or under any other applicable Indian law, and which has been accepted by the creditors; or

g) in the course of execution of a judgment obtained against the Buyer, the levy of executive has not satisfied the debt either in full or in part.

12. **“Insured”** is the person or entity specified in section 1 of the Schedule to the Policy, and includes any Joint Insureds.

13. **“Insured Buyer”** is any person or entity carrying on business with the Insured in any of the Approved Countries and who is included in this Policy, but always excludes:

- (a) any corporation which is a holding company or subsidiary of or related to or an associate of the Insured; and
- (b) any government, government department, public or statutory authority, or nationalised undertaking; and
- (c) any entity in which a director, secretary or partner of the Insured, or a person who has a controlling interest in the Insured, has a controlling interest; and
- (d) any person who is a spouse, parent or remoter lineal ancestor, son, daughter or remoter issue, or brother or sister of a director or secretary or partner or proprietor of the Insured; and
- (e) any entity where any of the persons referred to in sub paragraph (d) above has a controlling interest; and
- (f) any person or entity where the Permitted Limit is “nil”.

In this definition the following terms have the following meanings:

“associate” means a corporation that has a director, secretary or shareholder with a controlling interest who is also a director, secretary or shareholder with a controlling interest in the Insured;

“controlling interest” means an interest in an entity where the relevant individual or entity owns twenty percent (20%) or more of the first mentioned entity.

14. **“Insured Debt”** is referred to in Condition 9 and means so much of any indebtedness arising out of the trade specified in section 1 of the Schedule to the Policy:

- a) owing by an Insured Buyer to the Insured; and
- b) as does not exceed the Permitted Limit; and
- c) is in respect of the invoice value of goods (or the face value of the original bill of exchange where a bill of exchange is accepted by the Insured Buyer in respect of the invoice value of goods) sold by the Insured to the Insured Buyer and Delivered to the Insured Buyer within the Policy Period pursuant to a contract of sale providing for repayment of the debt within the terms of payment specified in section 5 of the Schedule to the Policy.

15. **“Insured Loss”** is referred to in Condition 9(c) and is the amount of an Insured Debt that is either:
 - a) admitted to rank against the insolvent estate of the Insured Buyer; or
 - b) in the case of a Protracted Default only, so much of the Insured Debt as is confirmed to Raheja QBE by evidence of a judgment debt and is not in dispute between the Insured and the Insured Buyer, each after taking into account the whole of any Salvage relating thereto.
16. **“Insured Percentage”** is referred to in Condition 9(c) and is the percentage specified in section 3 of the Schedule to the Policy.
17. **“Limit Administration Charge”** is referred to in Condition 2(a) and is the amount specified in section 3 of the Schedule to the Policy.
18. **“Loss Payee”** is the party designated under a Loss Payee clause as the appropriate recipient to claim payments made under this Policy. Raheja QBE will discharge its obligation under this Policy by payment of the claim to the Loss Payee. The Loss Payee is not party to the insurance policy and has no contractual privity with Raheja QBE and no rights under the policy.
19. **“Maximum Extension Period”** is referred to in Condition 3 and is the period specified in section 5 of the Schedule to the Policy.
20. **“Maximum Sum Insured”** is referred to under the heading “Cover” and in Condition 5 and is the amount specified in Section 3 of the Schedule to the Policy.
21. **“Minimum Premium”** is referred to in Condition 2 and is the amount specified in section 3 of the Schedule to the Policy.
22. **“Non-Approved Claim Currency”** is a currency that is not any one of the Approved Claim Currencies.
23. **“Non Reportable Overdue Limit”** is referred to in Condition 3 and is the amount specified in section 4 of the Schedule to the Policy.
24. **“Notifiable Event”** is any one or more of the events specified in Condition 3(c).
25. **“Official Limit Endorsement”** is referred to in the Definition of Permitted Limit and is a written document titled “Official Limit Endorsement” provided from time to time under the Policy by Raheja QBE and which specifies the approved Permitted Limit in respect of a person or entity or specifies that the Permitted Limit is “Nil”. It may contain special conditions adding to or amending the existing terms and conditions of this Policy in relation to the Insured Buyer.
26. **“Permitted Limit”** is referred to in Condition 5(a) and, in respect of any indebtedness of an Insured Buyer is:

- a) the limit specified in writing by Raheja QBE for that buyer on Raheja QBE's Official Limit Endorsement form;
- b) It is a condition precedent to cover under the Policy that the Insured must strictly abide by its own credit assessment, management and control procedures (including but not limited to the Insured's own internal credit manual) as are endorsed in writing to this Policy, or as are detailed in the proposal form.
- 27. "Policy Currency"** is the currency specified in section 3 of the Schedule to the Policy and is referred to under Condition 13 of the Policy and means the currency the Insured has requested the Policy to be issued in and which Raheja QBE has agreed to, at its sole discretion.
- 28. "Policy Period"** is referred to in Conditions 1 and 2 and is the period specified in section 2 of the Schedule to the Policy.
- 29. "Protracted Default"** is referred to in Condition 9 and occurs in respect of an Insured Buyer when:
- a) the Insured Buyer fails to pay an Insured Debt to the Insured within the Protracted Default Period; and
- b) the Insured has, within the Protracted Default Period, fully complied with all of their obligations in accordance with this Policy including, but not limited to, Condition 3 of the Policy.
- 30. "Protracted Default Period"** is referred to in the definition of "Protracted Default" and is the period of six(6) months commencing on the original due date for payment of an Insured Debt under the relevant contract for the sale of goods or, if that original due date is postponed, such postponed due date.
- The Protracted Default Period shall not commence or continue to run whilst an Insolvency of the Insured Buyer exists or whilst the Insured Buyer:
- a) is entitled or obliged to refuse payment of an Insured Debt under any law or regulation or is obliged to refuse payment, by a person exercising powers of government; or
- b) claims that it is entitled to withhold payment of any part of an Insured Debt and Raheja QBE is satisfied that a dispute exists between the Insured and the Insured Buyer which has not been resolved by the parties to the relevant contract or by arbitration, or by legal proceedings.
- 31. "Rate for Calculation of Premium"** is referred to in Condition 2(c) and is the amount specified in section 3 of the Schedule to the Policy.

32. **“Salvage”** means the value of all goods recovered (whether under retention of title or otherwise), all monies (including dividends paid or payable out of an insolvent estate), securities, indemnities, guarantees, rights of action, counter claims, set-offs or other advantages held, received by or due to the Insured or otherwise available for the purpose of reducing the amount of any indebtedness of an Insured Buyer to the Insured (whether in respect of the payment for goods or otherwise) which has not been paid at the time a Notifiable Event first occurs.
33. **“Schedule to the Policy”** means that part of the Policy entitled “Schedule Referred to in, and forming part of the Policy” which is signed on behalf of Raheja QBE and which provides the Insured’s individual particulars and the conditions specifically applying in addition to or in amendment of the standard terms and conditions of the Policy.
34. **“Turnover of Transactions”** is referred to in Conditions 1(b), 2(c) and 13 and is the aggregate invoice value of goods (or where appropriate the face value of original bills of exchange accepted by the Insured Buyers in respect of the invoice value of goods) sold by the Insured and Delivered to Insured Buyers at any time during the Policy Period, but excluding the invoice value of the amount of any indebtedness which is excluded from this Policy under Condition 4.

Interpretation

- a) Reference to clauses, schedules, annexure and Official Limit Endorsements includes any replacement of them.
- b) The singular includes the plural and vice versa.
- c) Headings are inserted for convenience and do not affect the interpretation of this Policy.
- d) A reference to any legislation or regulation shall include a reference to any amendment of, replacement of or substitution for that legislation or regulation.

B. CONDITIONS

1. Policy Period and Declarations

- a) This Policy shall be issued for the Policy Period, subject to the specific rights of Raheja QBE under this Policy or at law to cancel or void this Policy or its obligations hereunder.
- b) The Insured shall declare in writing to Raheja QBE on the form provided by Raheja QBE its Turnover of Transactions within fourteen (14) days after the end of each Declaration Period.

2. Premiums and Limit Administration Charge

- a) On or before the first day of the Policy Period, the Insured shall pay to Raheja QBE the Limit Administration Charge.

- b) On or before the first day of each Deposit Period the Insured shall pay to Raheja QBE a Deposit Premium.
- c) The total premium payable under this Policy for the Policy Period shall be the greater of:
 - (i) an amount calculated by multiplying the Turnover of Transactions by the Rate for Calculation of Premium; and
 - (ii) the Minimum Premium.
- d) At the expiry of the Policy Period Raheja QBE shall calculate the total premium payable and notify the Insured in writing of the amount due to or from the Insured (after taking into account the total Deposit Premiums paid and the Minimum Premium). In each case payment in full is due within seven (7) days of notification.
- e) The Insured shall pay or reimburse Raheja QBE on demand for all stamp duty, applicable services taxes and other statutory charges imposed by government on or in respect of this Policy and all payments made hereunder.
- f) In the event that the Insured seeks to cancel or terminate this Policy prior to the expiration of the Policy Period the Insured is still required to pay to Raheja QBE the amount calculated in accordance with Condition 2(c) and is not entitled to receive any refund in relation to the premium paid or due to be paid.

3. Credit Management and Consultation

- a) The Insured shall at all times:
 - (i) exercise reasonable care and prudence in granting credit to and withholding credit from an Insured Buyer as if it were uninsured; and
 - (ii) take all necessary steps and use its best endeavours, in consultation with Raheja QBE, to avoid or minimize any Insured Loss; and
 - (iii) subject to Condition 3(b), not agree in advance, either in a contract of sale or otherwise, to a postponement of the original due date for payment of an Insured Debt.
- b) If circumstances arise at or shortly before the original due date for payment of an Insured Debt requiring a postponement of the original due date (for reasons other than the occurrence of a Notifiable Event referred to in (c)(i) to (iv) inclusive below), the Insured may grant a postponement within the Maximum Extension Period except when a Notifiable Event exists.
- c) In the event that:
 - (i) at any time to the knowledge of the Insured any circumstances arise which could, in the reasonable opinion of a prudent Insured, give grounds for the belief that an Insured Buyer

may not (or may be unable to) perform or comply with its obligations under a contract of sale with the Insured; or

- (ii) an Insured Buyer is at any time to the knowledge of the Insured unable to pay its debts as they fall due for payment; or
 - (iii) a cheque or bill of exchange in respect of any indebtedness of an Insured Buyer to the Insured is at any time dishonored by the entity on which it is drawn whether or not subsequently represented and met; or
 - (iv) an event of Insolvency occurs in respect of an Insured Buyer or an insolvency administrator or practitioner is appointed to the Insured Buyer; or
 - (v) any part of an Insured Debt is not paid in cash or by cheque or bill of exchange available for immediate presentation by the last day of the Maximum Extension Period,
- then a “Notifiable Event” shall have occurred.

d) When a Notifiable Event occurs the Insured shall:

- (i) with the least possible delay notify Raheja QBE in writing; and
- (ii) continue to notify Raheja QBE in the format required by Raheja QBE on a regular monthly basis until Insolvency has occurred or until a Notifiable Event no longer exists in respect of that Insured Buyer; and
- (iii) take all prudent and reasonable steps required by Raheja QBE in respect of any loss which the Insured has incurred or may be likely to incur including the execution of such documents and the doing of such things as may be necessary to enable Raheja QBE to intervene directly in the proceedings or negotiations relating to the Insured Debt.

e) The Insured shall not be obliged to notify Raheja QBE of an Insured Debt of which any part has not been paid by the last day of the Maximum Extension Period if that part of the Insured Debt is less than the Non Reportable Overdue Limit, provided:

- (i) none of the sub-clauses (c)(i) to (iv) (both inclusive) above apply; and
- (ii) the Insured shall supply to Raheja QBE, upon request, a schedule of all Insured Buyers whose accounts remain unpaid by the last day of the Maximum Extension Period, giving details of each Insured Buyer’s total indebtedness.

4. Exclusions

This Policy does not cover and Raheja QBE shall not be liable in respect of any indebtedness:

- a) resulting from any avoidance (justified or not) by an Insured Buyer of a contract concerning goods because such contract is void, illegal or unenforceable or because of a repudiation of such contract by the Insured Buyer;
- b) which relates to or arises from interest calculated in respect of any period of credit which occurs later than the original due date for payment;
- c) which relates to sales tax, excise tax and services tax, retention monies, interest charges, penalties, government charges and taxes and any consequential damages or costs;
- d) relating to or arising from any transaction involving the transfer to or from goods to be held or held on a consignment stock basis by the Insured Buyer or the Insured Buyer's Agent; unless Raheja QBE has beforehand agreed in writing, subject to specified conditions, to cover goods drawn out of consignment and the Insured has complied with such specified conditions;
- e) relating to or arising from any "pay when paid" contracts or any other agreements to sell to a person or entity who is not unconditionally and irrevocably bound to pay a purchase price as agreed beforehand (eg. Goods delivered on a "sale or return basis" or goods delivered on a "commission basis" to a commission agent);
- f) relating to goods Delivered to an Insured Buyer at a time when a Notifiable Event (other than a Notifiable Event arising solely as a result of the Insured Buyer withholding payment on the basis of a bona fide documented dispute) exists in respect of such Insured Buyer;
- g) which is subject to any form of dispute;
- h) relating to any transactions that are in the nature of personal or consumer transactions as opposed to business or commercial transactions;
- i) directly or indirectly caused by political risks such as war, invasion of, or acts by foreign enemies, hostilities, rebellion, revolution, confiscation, nationalisation, insurrection or military or usurped power, or due to the order of any government, public or local authority or by any restrictions on trade transfers; or
- j) directly or indirectly caused by risks from atomic energy risks, employing the process of nuclear fission or fusion or handling radioactive material including, but not limited to the use of nuclear reactors; the use or handling or transportation of radioactive materials; or the use, handling or transportation of any weapon of war or explosive device employing nuclear fission or fusion.

- k) relating to or arising from any receivable arising from any sort of financial guarantee, factoring, reverse factoring or financial service or consultancy service.

5. Co-Insurance

- a) The Insured shall retain for their own account:
- (i) so much of the Insured Loss as exceeds the Insured Percentage; and
 - (ii) so much of any indebtedness of an Insured Buyer to the Insured as exceeds the Permitted Limit; and
 - (iii) any Deductible; and
 - (iv) all losses in excess of the Maximum Sum Insured.
- ("the Insured's Own Account")
- b) The Insured must not, without the written consent of Raheja QBE:
- (i) enter into any trade credit insurance policy that indemnifies the Insured in relation to the Insured's Own Account; or
 - (ii) obtain a charge, mortgage, security, indemnity or guarantee of any type that secures the Insured's Own Account but does not secure the Insured Percentage of the Insured Loss.

6. Assignment

The Insured shall not assign any rights under the Policy to any other person or entity.

7. Variation, Reduction or Cancellation of Cover

Raheja QBE may at any time and at its sole discretion give notice in writing to the Insured reducing, cancelling or terminating any Permitted Limit or varying the cover granted by this Policy in respect of any Insured Buyer or Approved Country. Such reduction, cancellation, termination or variation of cover shall apply to Deliveries of goods which occur after the date of receipt of such notice by the Insured or after the date which may be specified in the notice, whichever is the later, notwithstanding that such goods are Delivered pursuant to pre-existing contracts that the Insured is not entitled to legally cancel or terminate (such notice, which Raheja QBE shall issue and, with reasonable care, take immediate action to deliver to the Insured, will be deemed to have been received by the Insured within a maximum period of three (3) working days from the date of issue of such notice).

8. Double Insurance

A Policyholder cannot take out more than one credit policy either with Raheja QBE or any other insurer in respect of the same risk.

9. Claims

- a) The Insured shall submit a claim under this Policy by completing a claim form supplied by Raheja QBE in respect of an Insured Debt relating to an Insured Buyer within six (6) months after a Protracted Default or an Insolvency occurs in respect of such Insured Buyer.
- b) If the Insured makes any claim knowing it to be false or fraudulent in any way, Raheja QBE shall refuse payment of the claim and may cancel this Policy.
- c) Subject always to paragraph (d) and to Conditions 10, 12 and 13 of this Policy, and after taking into account any interim payments and recoveries and any applicable Deductible, Raheja QBE shall pay to the Insured the Insured Percentage of the Insured Loss:
 - (i) in the case of Insolvency, within the thirty (30) days after Raheja QBE has received appropriate confirmation that the Insured Debt has been admitted to rank for distribution against the insolvent estate in favour of the Insured;
 - (ii) in the case where a Protracted Default occurs, within thirty (30) days after Raheja QBE is provided with evidence of a judgment debt in respect of the Insured Debt.
- d) As a condition precedent to the payment of:
 - (i) any claim by Raheja QBE under this Policy, the Insured shall co-operate fully with Raheja QBE and shall sign all relevant documents considered necessary by Raheja QBE to protect its interests in any Salvage;
 - (ii) any claim as a result of a Protracted Default, Raheja QBE must be satisfied that the Insured has exhausted all reasonable means (including the pursuit of legal action) to recover the Insured Debt without success.

Where documents submitted in support of a claim are in a language other than English, the Insured shall at their expense provide certified translations into English if so required by Raheja QBE.

10. Salvage

- a) Any Salvage received by the Insured or Raheja QBE shall be held on trust for the Insured and Raheja QBE for their respective interests as specified in paragraph b) below.
- b) Subject to paragraph g) below, Salvage shall be divided between the Insured and Raheja QBE as follows:
 - (i) Raheja QBE shall be entitled to:

- (A) such proportion thereof as the Insured Percentage of the Insured Debt bears to the total indebtedness of the Insured Buyer to the Insured at the date that a Notifiable Event first occurs; plus
 - (B) any other monies owing to Raheja QBE for arrears of premiums or monies due under this Policy; and
- (ii) the Insured shall be entitled to the balance.
- c) The Insured shall notify Raheja QBE in writing immediately it receives any Salvage.
- d) Subject to 10 e) Raheja QBE 's proportion of any Salvage received by the Insured and due to Raheja QBE (as calculated in accordance with b) above), shall be remitted to Raheja QBE within ten (10) days of receipt.
- e) If the Insured receives Salvage prior to the submission or determination of a claim by Raheja QBE the Insured is not required to pay to Raheja QBE its proportion of Salvage. After the submission or determination of a claim, the Insured must notify Raheja QBE in writing of its receipt of Salvage and in the event of an admitted claim Raheja QBE's proportion of the Salvage is to be deducted by it from its calculation of liability under the Policy.
- f) Raheja QBE shall at any time be entitled to make any claim or take any legal action in the name of the Insured against
- (i) an Insured Buyer; or
 - (ii) any third party that the Insured is entitled to take action against, in respect of any Salvage and for this purpose the Insured shall provide all assistance and cooperation as sought by Raheja QBE.
- g) In the event Raheja QBE elects to take legal action against an Insured Buyer or any third party that the Insured is entitled to take action against, Raheja QBE shall be entitled to deduct from any Salvage recovered all of the costs, disbursements and expenses incurred by it, prior to dividing the Salvage as otherwise set out in paragraph b) above.

11. Expropriation and Confiscation

Raheja QBE shall not be liable in respect of any Insured Debt which remains unpaid in whole or in part by reason of the expropriation, confiscation or destruction of the whole or any part of the Insured Buyer's assets (or the goods which are subject to any Insured Debt) under any law or regulation having the force of law in any country or any part of the country by any person or persons exercising powers of government in such country or any part of the country.

12. Disclosure

- a) The Insured shall disclose in writing to Raheja QBE all material facts and information concerning or relating to this Policy, the Insured Buyers and its dealings with the Insured Buyers and any likely claim under this Policy.
- b) Raheja QBE may request that the Insured provide and Raheja QBE may at any time examine or take copies of any letters, accounts or other documents in the possession or control of the Insured relating to or connected with this Policy or the obligations of the Insured or any transactions between the Insured and any Insured Buyer.
- c) The Insured shall, at the request of Raheja QBE, supply Raheja QBE with any information in its possession or take any reasonable steps to obtain for Raheja QBE any information or the sight of any documents in the possession of any third party relating to or connected with this Policy or any transaction between the Insured and the Insured Buyer.

13. Currency - Declarations, Claims and Salvage

- (a) This Policy is issued in the Policy Currency.
- (b) The Permitted Limits under the Policy, any other limits or Deductibles, premiums, Limit Administration Charges and any other charges are expressed in the Policy Currency, and such amounts shall not vary according to changes in the exchange rate between the Policy Currency and any other currency, unless specifically agreed by Raheja QBE in writing.
- (c) If the Insured invoices an Insured Buyer in any currency (including any Approved Claim Currency) other than the Policy Currency, the value of each invoice must be converted into the Policy Currency for declaration of Turnover of Transactions purposes at the relevant Conversion Exchange Rate (all such Conversion Exchange Rates must be recorded in writing by the Insured at or about the time of Delivery of the goods relating to every invoice, and such records must be provided to Raheja QBE in the event of a claim).
- (d) Subject to Condition 9 of the Policy, for the purpose of calculating Raheja QBE's liability in the event of a claim arising:
 - (i) any part of an Insured Buyer's indebtedness invoiced in a Non-Approved Claim Currency will be converted into the Policy Currency in accordance with the Conversion Exchange Rate and the resultant liability shall be paid in the Policy Currency;
 - (ii) any part of an Insured Buyer's indebtedness invoiced in an Approved Claim Currency will be converted into the Policy Currency in accordance with the Conversion Exchange Rate and the resultant liability as determined in the Policy Currency will be reconverted into

and paid in the Approved Claim Currency, such reconversion being made in accordance with the Conversion Exchange Rate.

- (e) For the purpose of calculating Salvage in the event Salvage is received in a currency other than the Policy Currency:
- (i) Salvage accruing in a Non-Approved Claim Currency shall be converted into the Policy Currency at the Telegraphic Transfer Buying Rate of Exchange (between such currency and the Policy Currency) of the Insured's bank at close of business on the day of receipt, whether or not such currency is actually converted into the Policy Currency on receipt. Raheja QBE's share of any such Salvage accruing after payment of a claim shall be paid to Raheja QBE in the Policy Currency.
 - (ii) Salvage accruing in the Approved Claim Currency shall be converted into the Policy Currency at the Conversion Exchange Rate of the relevant invoice or invoices to which such Salvage payments relate. Raheja QBE's share of any such Salvage accruing after payment of a claim shall be paid to Raheja QBE in the relevant Approved Claim Currency.

14. Local Currency Deposit

If delays or difficulties are experienced in obtaining payment from an Insured Buyer because of currency exchange transfer restrictions, the Insured shall call on the Insured Buyer concerned to pay to the Insured's account (or to deposit irrevocably with a bank in the country of the Insured Buyer for the account of the Insured) at due date for payment of such Insured Debt the then local currency equivalent of contract value of the goods. Notwithstanding the cover provided under the other terms of this Policy, when such payment or deposit has been made the liability of Raheja QBE in respect thereof shall thereupon cease.

15. Subrogation

In the event of a payment under this Policy to or on behalf of the Insured, Raheja QBE shall be subrogated to all the Insured's rights of recovery against all persons and organisations and the Insured shall execute and deliver instruments and papers and do all that is necessary to assist Raheja QBE in the exercise of such rights. If the Insured has agreed not to seek compensation from another person who is liable to compensate the Insured for any loss, damage or liability which is covered by this Policy, Raheja QBE will not cover the Insured under this Policy for that loss, damage or liability.

16. Insolvency of the Insured

- a) In the event of the Insolvency of the Insured the relevant Administrator of the Insured must adopt this Policy in writing and all obligations of the Insured under this Policy within thirty (30) days for there to be any liability of Raheja QBE under this Policy.
- b) Raheja QBE shall be entitled to retain all premiums and other monies paid and to receive and retain all premiums and other monies due and payable to Raheja QBE up to and including the effective date of such Insolvency.
- c) For the purpose of this Condition the definition of “Insolvency” shall be the same as that applying to an Insured Buyer under this Policy.

17. Governing Law

This Policy shall be construed in accordance with and governed in all respects by Indian law and any disputes or differences arising under it or in respect of it shall be determined by the Indian Courts.

GRIEVANCE

In case the Insured is aggrieved in any way, the Insured may contact Raheja QBE at the specified address, during normal business hours for the following grievances:

- a) Any partial or total repudiation of claims by Raheja QBE;
- b) Any dispute regard to premium paid or payable in terms of the policy;
- c) Any dispute on the legal construction of the policies in so far as such disputes relate to claims;
- d) Delay in settlement of claims;
- e) Non-issue of any insurance document to the Insured after receipt of the premium.

The Insured may seek legal recourse, within whose jurisdiction the branch or office of Raheja QBE General Insurance Company Limited is located.

CONTACT DETAILS

Address : Raheja QBE General Insurance Company Limited
“Windsor House”, 5th Floor, CST Road,
Kalina, Santacruz (East), Mumbai -400098

Phone No: 022-42313888

Fax No: 022-42313777

POLITICAL RISKS - Endorsement A, Endorsement B,

POLITICAL RISKS - ENDORSEMENT A

Subject to the terms, conditions and definitions of the Policy except as varied hereby it is understood and agreed as follows:

For the purpose of this Endorsement, Conditions 10 and 14 and Definition 32 of the Policy shall not apply.

COVER

Raheja QBE agrees to extend cover to indemnify the Insured up to the Insured Percentage of the Insured Loss in the event that the Insured Buyer is prevented from remitting from the country of the Insured Buyer to the Insured an Insured Debt by reason of Inconvertibility subject to the Exclusions in Condition A7.

DEFINITIONS

A 1 Inconvertibility

There is "Inconvertibility" when events occur in the country of the Insured Buyer or legislative or administrative measures are taken in the country of the Insured Buyer which prevent, restrict or delay due transfer of an Insured Debt for a period which exceeds the relevant Waiting Period for such country specified in the Countries Endorsement to the Policy, provided always that the Insured Buyer has paid to the Insured's account (or has deposited irrevocably with a bank in the country of the Insured Buyer for the account of the Insured) at or within thirty (30) days of due date of payment of such Insured Debt the then local currency equivalent of such Insured Debt, unless the Insured Buyer is prohibited from making the deposit by a law, or by an order, decree or regulation having the force of law or any administrative act the effect of which is substantially equivalent thereto, of the Insured Buyer's country.

A 2 Insured Loss

In the case of Inconvertibility, the "Insured Loss" means so much of an Insured Debt as shall equal the value of the local deposit made by the Insured Buyer at the date of deposit or at the date of completion of the necessary transfer formalities, whichever is the later, taking into account the whole of any Salvage relating thereto.

A 3 Salvage

For the purpose of this Endorsement "Salvage" means the value of all goods recovered (whether under retention of title or otherwise), all monies (including dividends paid or payable out of the insolvent estate of the Insured Buyer), securities, indemnities, guarantees, rights of action, counter claims, set-offs or other advantages held, received by, or due to the Insured or otherwise available for the purpose of reducing the amount of any loss in respect of an Insured Buyer which has not been paid at the date of Inconvertibility.

CONDITIONS

A 1 Consultation

In the event of any occurrence which may give rise to a loss hereunder, the Insured shall notify Raheja QBE in writing with the least possible delay and shall take all steps required by Raheja QBE in connection with any loss which the Insured may have incurred or may be likely to incur including, if so required by Raheja QBE, the execution of such documents and the taking of such action as may be necessary to enable Raheja QBE to intervene directly in the proceedings relating to the Insured Debt.

A 2 Waiting Period

Raheja QBE shall not be liable for any loss hereunder until the expiry of the relevant Waiting Period specified in the Countries Endorsement to the Policy, such Waiting Period to commence at the date of local deposit of the then local currency equivalent of such Insured Debt or the completion of formalities necessary in order to obtain due transfer from the local currency of the deposit made to the Insured, whichever is the later.

A 3 Claims

In the event of Inconvertibility the Insured shall submit a claim under the Policy in respect of an Insured Debt within six (6) months of such Inconvertibility. Subject to Condition A4 of this Endorsement and Condition 12 of the Policy and after taking into account any interim payments and recoveries and any applicable first loss, Raheja QBE shall pay to the Insured the Insured Percentage of the Insured Loss within sixty (60) days after either receipt of the claim from the Insured or the date of Inconvertibility, whichever is the later.

A 4 Salvage

For the purpose of this Endorsement, upon collection or realisation by the Insured or by Raheja QBE of any Salvage in respect of an Insured Buyer the amount collected or realised (less any amounts in excess of the total indebtedness required by law to be paid to the Insured Buyer) shall be divided between the Insured and Raheja QBE, Raheja QBE being entitled to such proportion thereof as the Insured Percentage of the Insured Debt bears to the loss in respect of the Insured Buyer at the date of Inconvertibility. This Condition shall apply notwithstanding that the amount of such Salvage, by reason of exchange rate fluctuations or for any other reason whatsoever, exceeds any amount previously paid by Raheja QBE to the Insured under the indemnity provisions of this Policy.

A 5 Local Currency Deposit

For the purposes of this Endorsement if delays or difficulties are experienced in obtaining payment from any of the countries included within the scope of the Policy due to exchange transfer restrictions the Insured shall call on the Insured Buyer concerned to pay to the Insured's account (or deposit irrevocably with a bank in the country of the Insured Buyer for the account of the Insured) at due date of payment of such Insured Debt the then local currency equivalent of the contract value of the goods.

A 6 Aggregate Liability

The aggregate liability of Raheja QBE under the Policy in respect of any Insured Buyer shall not exceed the Insured Percentage of the Permitted Limit applicable to that Insured Buyer.

A 7 Exclusions applicable to this Endorsement A

Any loss or losses arising out of the following are excluded from the cover extended under this Endorsement A:

- (a) disputes between the Insured and the Insured Buyer;
- (b) the failure of the Insured or their agents to fulfill any of the terms and conditions of their contract;
- (c) the failure of the Insured or their agents to comply with local laws and regulations of which they should reasonably have been aware unless prevented from so doing by a law, order, decree or regulation in force in the country of the Insured;
- (d) war (whether before or after the outbreak of hostilities):
 - (iii) between any of the following Five Powers: China, France, United Kingdom, Russian Federation and the United States of America; and/or
 - (iv) between the country of the Insured Buyer and the country of the Insured;
- (e) the Insolvency or financial default of any party or person whatsoever except the Insured or the Central Bank (or the equivalent official foreign exchange trustee authority as approved by Raheja QBE) of the country of the Insured Buyer;
- (f) currency fluctuations and/or devaluations including but not limited to any shortfall between the Insured Debt and the value of the local deposit at the date of deposit or at the date of completion of transfer formalities, whichever is the later.

POLITICAL RISKS - ENDORSEMENT B

Subject to the terms, conditions and definitions of the Policy except as varied hereby it is understood and agreed as follows:

For the purpose of this Endorsement, Condition 10 and Definition 32 of the Policy shall not apply.

COVER

Notwithstanding Condition 11 of the Policy, Raheja QBE agrees to extend cover to indemnify the Insured up to the Insured Percentage of the Insured Loss in the event that an Insured Buyer is prevented from remitting from the country of the Insured Buyer to the Insured an Insured Debt within the relevant Waiting Period for such country specified in the Countries Endorsement to the Policy by reason of Contract Frustration, Contract Cancellation, Export Restriction or Import Restriction (hereinafter referred to as "Insured Peril(s)") subject to the Exclusions in Condition B6.

DEFINITIONS

B 1 Contract Frustration

"Contract Frustration" means the direct prevention of the due performance of a contract as a result of the occurrence within the country of an Insured Buyer of war (except as hereinafter excluded), civil war, insurrection, rebellion and/or revolution.

B 2 Contract Cancellation

"Contract Cancellation" means any measure or decision of the Government of an Insured Buyer's country which directly prevents the due performance of a contract between the Insured and an Insured Buyer.

B 3 Export Restriction

"Export Restriction" means the cancellation (or the nonrenewal) of a previously valid export licence or the implementation of a law or order which directly prevents the due performance of a contract between the Insured and an Insured Buyer.

B 4 Import Restriction

"Import Restriction" means the cancellation of a previously valid import licence or the implementation of a law or order which directly prevents the due performance of a contract between the Insured and an Insured Buyer.

B 5 Insured Loss

In the case of an Insured Peril, the “Insured Loss” means so much of an Insured Debt as is unpaid at the occurrence of the Insured Peril or at the expiry of the Waiting Period, whichever is the lesser amount, taking into account the whole of any Salvage relating thereto.

B 6 Salvage

For the purpose of this endorsement “Salvage” means the value of all goods recovered (whether under retention of title or otherwise), all monies (including dividends paid or payable out of the insolvent estate of the Insured Buyer), securities, indemnities, guarantees, rights of action, counter claims, set-offs or other advantages held, received by, or due to the Insured or otherwise available at the date of occurrence of the Insured Peril for the purpose of reducing the amount of any loss in respect of an Insured Buyer.

CONDITIONS

B 1 Consultation

In the event of any occurrence which may give rise to a loss hereunder, the Insured shall notify Raheja QBE in writing with the least possible delay and shall take all steps required by Raheja QBE in connection with any loss which the Insured may have incurred or may be likely to incur including, if so required by Raheja QBE, the execution of such documents and the taking of such action as may be necessary to enable Raheja QBE to intervene directly in the proceedings relating to the Insured Debt.

B 2 Waiting Period

Raheja QBE shall not be liable for any loss hereunder until the expiry of the relevant Waiting Period specified in the Countries Endorsement to the Policy, such Waiting Period to commence at the date of occurrence of an Insured Peril or the date on which it has become apparent to the Insured and been advised to Raheja QBE that due performance of a contract has been directly prevented by an Insured Peril, whichever is the later date.

B 3 Claims

In the event of an Insured Peril the Insured shall submit a claim under the Policy in respect of an Insured Debt within six (6) months of such Insured Peril occurring. Subject to Condition B4 of this Endorsement and Condition 12 of the Policy and after taking into account any applicable first loss, Raheja QBE shall pay to the Insured the Insured Percentage of the Insured Loss within sixty (60) days after either the expiry of the Waiting Period or the receipt of the claim from the Insured, whichever is the later.

B 4 Salvage

For the purpose of this Endorsement, upon collection or realisation by the Insured or by Raheja QBE of any Salvage in respect of an Insured Buyer the amount collected or realised (less any amounts in excess of the total indebtedness required by law to be paid to the Insured Buyer) shall be divided between the Insured and Raheja QBE, Raheja QBE being entitled to such proportion thereof as the Insured Percentage of the Insured Debt bears to the loss in respect of the Insured Buyer at the date of occurrence of the Insured Peril. This Condition shall apply notwithstanding that the amount of Salvage, by reason of exchange rate fluctuations or for any other reason whatsoever, exceeds any amount previously paid by Raheja QBE to the Insured under the indemnity provisions of this Policy.

B 5 Aggregate Liability

The aggregate liability of Raheja QBE under the Policy in respect of any Insured Buyer shall not exceed the Insured Percentage of the Permitted Limit applicable to that Insured Buyer.

B 6 Exclusions applicable to this Endorsement B

Any loss or losses arising out of the following are excluded from the cover extended under this Endorsement B:

- (a) disputes between the Insured and the Insured Buyer;
- (b) the failure of the Insured or their agents to fulfill any of the terms and conditions of their contract;
- (c) the failure of the Insured or their agents to comply with local laws and regulations of which they should reasonably have been aware unless prevented from so doing by a law, order, decree or regulation in force in the country of the Insured;
- (d) war (whether before or after the outbreak of hostilities):
 - (i) between any of the following Five Powers: China, France, United Kingdom, Russian Federation and the United States of America; and/or
 - (ii) between the country of the Insured Buyer and the country of the Insured;
- (e) the Insolvency or financial default of any party or person whatsoever except the Insured;
- (f) Currency fluctuations and/or devaluations.