**Insurance for P&E owned by Lodha**

**Objective**:

To provide adequate safeguard for Plant & equipment owned by Lodha by covering risks related to P&E which is not covered by CAR policy. Such risks include risks associated with mechanical failures, electrical failures, etc. and losses occurring due to manufacturing defects and natural calamities.

Action:

a. Lodha shall take a separate insurance policy to cover risk associates with Lodha's major equipment.
b. The policy shall be purchased and renewed by Procurement (non-const) on the request of the P&E cell.
c. CM - P&E cell shall be responsible for
    a. Ensuring compliance with all operational requirements of the policy.
    b. In case of an event which requires reporting under the policy, report the same to Procurement (non-const) and providing necessary data to Procurement (non-const).
    c. Procurement (non-const) shall be responsible for filing, following up and collecting claims.

**Key policy conditions:**

Policy should cover all risks related to P&E which are not covered by CAR, including:

- Major breakdowns
- Risks during erection of machinery
- Risks during increasing/decreasing the effective heights (raising/height reduction) of machinery.
- Total loss
- A list of relevant exclusions and inclusions (as in 2014, this will evolve from time to time and Procurement (non-const) should discuss with P&E if there are any major changes in the inclusions/exclusions at time of renewal/purchase of policy) is annexed hereto as **Annexure A**.

**Pre-requisites to make the Insurance valid:**

- Qualified / certified operatives
- Mandatory Third Party tests for machinery
- Proper Preventive Maintenance schedules

Such/similar policy shall also be required to be taken by all FML/largely PMFL civil contractor working on Lodha sites.

**Annexure A**

## CONTRACTORS PLANT & MACHINERY + BREAKDOWN INSURANCE
## (Tailormade Cover designed for Lodha group by Bharat Re)

| Sr. | Main Coverages | Main Exclusions |
|---|---|---|
| 1 | Floater policy covering Contractors machinery at sites in Mumbai, Thane, Pune & Hyderabad | Compulsory Deductible / excess mentioned in the proposal slip /Policy |
| 2 | Loss due to Fire, Lightning, Theft & Burglary | Loss/ damage arising out of overload experiments or tests requiring imposition of abnormal conditions. |
| 3 | Explosion/Implosion, aircraft damage, impact damage are covered | Except for Tunneling work, loss/damage to plant & machinery working underground are excluded. |
| 4 | Accidental damage like defective workmanship & material, lack of skill, Negligence, Malicious act or Human error. | damage due to War or Warlike operations, Civil Commotion, Nuclear reaction, radiation or Radioactive contamination. etc. |
| 5 | Collapse, Collision, Impact, Subsidence, landslide, Rockslide. | Damage to vehicles licensed for general road are excluded however they are covered if are exclusively used/designed for construction site. |
| 6 | Riot, Strike, Malicious Damage, Storm, Typhoon, Hurricane, Tornado, Flood and Inundation, Earthquake, are covered. | Damage occurring while insured items are undergoing testing or being used for purpose other than being designed |
| 7 | Electrical/ Mechanical breakdown of Contractor's Plant, Machinery & Equipments either in operation ot at rest at the specified locations are covered | Damage as a direct consequence of the continual influence of operation (eg. Wear & tear, corrosion, rust, deterioration due to lack of use & normal atmospheric condition etc.) |
| 8 | Third party liability covered is covered upto Rs. 25 lacs | Damage to replaceable parts like bits, drills, cutting edges, dies, moulds batteries, chains etc. |
| 9 | Damage to Owner's surrounding property(incl. FLEXA) is covered upto Rs. 10 lacs | Damage due to explosion of boiler/pressure vessel/IC engine |
| 10 | Debris removal exp. Covered upto Rs. 5 lacs | Consequential losses excluded |
| 11 | Express freight Covered upto Rs. 5 lacs | Loss discovered only at the time of taking an inventory. |
| 12 | Risk during Erection of machinery, changing the height of cranes/hoists are covered. | damage due to Wilful act or Negligence of the Insured or of his representative |
| 13 | Transit risk between mentioned project sites are covered | Loss due to faults/defects existing before policy starting or damage for which the supplier is responsible under law/contract. |