

FORM No. _____

Exports (IT Enabled Services) Policy -Specific Customer

Exports (IT-Enabled Services) Policy– Specific Customer

Notes for interpretation:

- 1. Headings in the Policy are used for ease of reference only and are to be disregarded in construing the Policy. Definitions of the terms and phrases shown in **bold type** are given at the end of the Policy;*
- 2. In the Policy the singular includes the plural and vice versa;*
- 3. The words “the Insured” and “the Corporation” when used in the **Schedule** or in any Endorsements forming part of the **Policy** shall have the same meaning as references in the **Policy** (other than in the **Schedule** or such Endorsements) to “you” or “your” and “we” or “us” or “our” respectively;*
- 4. Unless repugnant to the context or meaning, in this **Policy**, singular will include plural, masculine will include feminine and animate will include inanimate.*

We, the Export Credit Guarantee Corporation of India Limited have issued this **Policy** to you, the Insured named in the **Schedule** to this **Policy** ('the **Schedule**').

You have completed a Proposal in writing, particulars of which are specified in the **Schedule** and applied to us for indemnity in respect of your **exports of IT-Enabled Services** on credit terms to your customer specified in the **Schedule** ('**Insured Customer**') and we have agreed to give

you such indemnity subject to all the terms and conditions contained in the **Policy** including due payment of premium and all other charges specified in the **Schedule**.

We agree that in the event of your suffering a loss in respect of your **exports** made to the **Insured Customer** owing to non-realization of payments due thereon by reason of the occurrence of any of the **Insured Perils** herein below specified, we will indemnify you up to the **Insured Percentage** specified in the **Schedule** of your **Insured Loss**, provided however that under no circumstances our liability under this **Policy** to indemnify you shall exceed the amount of **Loss Limit** specified in the **Schedule**.

PART – I INSURED PERILS

Insured Perils

- (a) Customer risks:
 - (i) **Protracted Default**; or
 - (ii) **Insolvency**; or
 - (iii) **Contract Repudiation**,
- (b) Bank risks
 - (i) **Protracted Default** of the Bank; or
 - (ii) **Insolvency** of the Bank
- (c) Political risks
 - (i) **Inconvertibility**;
 - (ii) **Contract Frustration**;
 - (iii) **Contract Cancellation**; or
 - (iv) **Import Restriction**

PART –II TERMS AND CONDITIONS

The **Policy** is subject to the following terms and conditions and any failure or negligence on your part to comply with any of them may discharge us from our obligation to indemnify you.

1. YOUR PROPOSAL

- (a) Both you and we have specifically accepted your Proposal as being the basis of the contract contained in the **Policy** and that the said Proposal forms a part of the **Policy**. By signing the Proposal form and accepting the **Policy**, you warrant that the statements

made in the Proposal were true at the date of the Proposal and at the date when we agreed to issue the **Policy**;

- (b) You also warrant that you will immediately notify us of any material change to the information supplied in the Proposal form or of any other material facts or information like any change in any of the terms and conditions of your contract for **exports** with the **Insured Customer** or any information relating to the **Insured Customer** that might have a bearing on the perils insured under the **Policy**;
- (c) These warranties do not limit any legal obligation or duty (at common law or otherwise) on you to disclose to us all material facts and circumstances and to act with the utmost good faith at all times;
- (d) At the time of seeking any amendment, change, variation and/ or addition to the **Policy** you must disclose to us all material facts and circumstances. If you fail to so disclose, the said amendment, change, variation and/ or addition shall, at our option be void and ineffective ab initio.

2. YOUR OBLIGATIONS

- (a) It is your duty to exercise all reasonable care and prudence in making **exports** on credit terms to the **Insured Customer** and you will take all practicable measures available to you to prevent any loss arising (to you and/or us) and should any loss arise, to minimize it including but not limited to stopping further **exports** to the **Insured Customer** if-
 - (i) payments in respect of any of your earlier **exports** to the **Insured Customer** are remaining unpaid after its **Due date** of payment; or
 - (ii) you have knowledge of the **Insured Customer** having failed and defaulted in duly discharging his obligations to any of his other suppliers of goods or services; or
 - (iii) you have received information to the effect that the **Insured Customer** is or is likely to be in **Insolvency**.
- (b) After we have made a claim payment to you in respect of the **Insured Customer**, you will continue to take all practicable measures to collect or realize the amount due and outstanding from the **Insured customer** and if required by us, you will assign the relevant insured debt to us and we shall account to you for any uninsured proportion of any recoveries.

Your strict observance and adherence to your obligations under the conditions above shall be a condition precedent to our liability.

3. NOTIFICATION AND CONSULTATION

- (a) If you have reason to believe that the **Insured Customer** is unable to or is likely to be unable to perform or comply with or duly discharge his obligations to you under any contract for **export** which shall include non-payment of a bill of exchange or an invoice on **due date**, you must either in writing or (with our approval) electronically, notify us immediately but in any case by not later than 30 days after you become aware of one or more of the circumstances mentioned above;
- (b) If, on the last day of any month after the month in which cover under this **Policy** commenced, any payment due from the **Insured customer** is remaining overdue and unpaid for more than 30 days after its **due date**, you must notify us in our prescribed form

full details of all such payments remaining overdue and unpaid by not later than the 15th day of the immediately succeeding month;

- (c) In the event of the occurrence of any of the **Insured Perils**, you must notify us in writing immediately but in any case not later than 30 days after such occurrence;
- (d) In both the cases explained in (b) and (c) above –
 - (i) you must continue to notify us every month in the format required by us until –
 - **insolvency** has occurred or
 - you have submitted a claim for indemnification of loss to us in the form prescribed by us; or
 - you have duly realized the amount that was remaining overdue and unpaid by the **Insured customer**,whichever is the earliest; and
 - (ii) you must provide us without delay with any information in writing which we may request following our receipt of your notification in pursuance of (a), (b) or (c) above; and
 - (iii) you must take all practicable measures available to you to prevent or minimize any loss in respect of your **exports** to the **Insured Customer**; and
 - (iv) you must continue to take all prudent and reasonable steps, including such steps as we may require which may include institution of legal proceedings in connection with any loss, which you may have incurred or may be likely to incur. If requested by us to do so you shall execute such documents and take such actions as we may require of you to enable us to intervene directly in any proceedings relating to the **Insured debt**.

Your strict compliance with the above terms shall be a condition precedent to our liability.

4. EXTENDING DUE DATE OF PAYMENT

You must not agree with **Insured customer** for a postponement of the original due date of payment for exports either in the contract for exports or otherwise except when –

- (i) the need for such extension arises prior to the payment having become overdue and is in pursuance of an application received by you in writing from the **Insured Customer** prior to the date on which the payment falls due; and
- (ii) the extension of the date on which the payment falls due is not being implicitly accepted by you after the failure of an **Insured Customer** to pay on the **due date**; and
- (iii) the extended credit period is in conformity with all the relevant and applicable regulatory requirements; and
- (iv) you have obtained our written approval before granting such extension.

Notwithstanding our written prior approval as above, we will be entitled to decline to indemnify you of any losses if such extension granted by you is found to be not in compliance with any of the above conditions.

5. LOSSES THAT ARE NOT INSURED UNDER THE POLICY

The following sums are not insured under the **Policy** and it is warranted that those sums are not insured under any other **Policy** and remain at your own risk:

- so much of an **insured loss** as exceeds the **Insured Percentage** and
- so much of any **indebtedness** of the **Insured Customer** as exceeds the **Loss Limit** on the **Insured Customer**.

6. ASSIGNMENT OF YOUR RIGHTS UNDER THE POLICY

- (a) You shall not assign the **Policy** or any benefits under the **Policy** except with our written consent and after complying with any requirements we may stipulate;
- (b) If you assign the **Policy** without first obtaining our consent then the **Policy** will be void from the date of such assignment;
- (c) If you assign any benefits under the **Policy** without first obtaining our consent, then we shall not be bound by such assignment in respect of payment of any claim under the **Policy**.

7. CANCELLATION OF YOUR COVER

Cover under this **Policy** shall stand withdrawn and the **Policy** cancelled if after you have become aware of the occurrence of any of the **Insured Perils**, you continued to make **exports** to the **Insured Customer** without our knowledge and specific approval in that regard, irrespective of whether or not you suffer a loss or prefer a claim under this **Policy** as a result of such occurrence.

8. GIVING NOTICE

- (a) Any notice, which we may give to you under the **Policy** including any notice relating to a **Loss Limit** and/or the reduction or cancellation of cover may be given –
 - by ordinary post or by recorded delivery through a reputed private courier service to your address as stated in the **Schedule** or to any other address of which you have notified and we have acknowledged for this purpose; or
 - by facsimile or by agreement electronically.
- (b) Any notice sent by ordinary post or by courier service shall be deemed to be served on the third working day after posting or handing over to the courier or on your receipt, if earlier. For the purpose of this condition, a working day means any day other than a Saturday or Sunday or a day that is a public holiday in the place to which the notice is addressed;
- (c) Any notice sent electronically, including facsimile, shall be deemed to be served on viewing by you or on the first working day after transmission, whichever is earlier.

9. CURRENCIES

- (a) The currency of the **Policy** is Indian rupees;
- (b) The **Loss Limit** specified is rupee limits and any amounts payable under the **Policy** are payable in rupees;
- (c) When you make a contract with the **Insured Customer**, which provides for payment in a currency other than rupee, the invoice value for your **exports** must be converted into rupee for the purposes of the **Policy** at the rate of exchange ruling in the local foreign exchange market as at the close of business on the date of invoice. In respect of each of your invoices relating to **exports** to the **Insured Customer**, its rupee equivalent shall be recorded by you in your records applying the rate of exchange relevant as on the date of invoice and the rupee equivalent so arrived at must be reported in your returns and declarations to be filed by you under the **Policy**;
- (d) The rate of exchange relevant for the purpose of arriving at your **Insured Loss** shall be the same rate as that used for conversion of the invoice value in your Monthly Declaration except that any amount collected or realized in a foreign currency and applicable towards reducing the **insured debt** remaining overdue and unpaid by the **Insured customer** must be converted into rupee immediately at the then ruling rate and applied for arriving at the **Insured Loss**. If the currency in which the customer has to make payment is devalued before the claim is paid, the amount payable will be arrived on the basis of the devalued rate.

10. PERIOD OF COVER, PREMIUMS AND CHARGES

- (a) Period of Cover:
 - (i) This is a continuous **Policy**, which unless otherwise agreed, shall generally be renewed and continued for consecutive periods of twelve months. The Schedule attached to the **Policy** specifies the extant validity of the Period of Cover. At the end of the first and subsequent Period of Cover specified in the Schedule, either you or we may elect to terminate the **Policy** by giving notice to the other in writing before the close of any such period;
 - (ii) Cover under this **Policy** will not be available to you for your **exports** to the **Insured Customer** if as on the date of your export, the Period of Cover specified in the **Schedule** has already expired. Upon every renewal of the **Policy**, the **Schedule** with the expired Period of Cover will be replaced and substituted with a fresh Schedule indicating the renewed Period of Cover.
- (b) Payment of Premiums and Charges:
 - (i) The amount of premium due and payable by you under this **Policy** is as specified in the Schedule;
 - (ii) The entire amount of premium falls due and payable by you forthwith upon our acceptance of your proposal for issue of the **Policy**. However upon your request, we may agree for a deferred payment of premium in such number of instalments and subject to such conditions as we may, at our sole discretion, stipulate.
 - (iii) In the event of you preferring a claim under the **Policy** at any time before the whole of premium due under the **Policy** is fully paid, any agreement allowing you instalment facility for payment of premium shall stand withdrawn with immediate effect and the whole of the balance amount of premium remaining unpaid shall

forthwith become payable by you. No claim under the **Policy** will be registered or processed by us until the whole of the premium due under the **Policy** is paid in full;

- (iv) We acknowledge having received from you together with your Proposal the amount of Proposal Processing Fee specified in the **Schedule**. In addition, you will pay to us such other charges, if any, as may be payable to us towards services like the processing of your application for an enhancement in the amount of **Loss Limit** under the **Policy**, etc.
- (c) Termination of the Policy: In the event that you wish to terminate the **Policy** before the end of the Period of Cover we shall be entitled to retain the whole of the premium(s) paid by you and to receive forthwith the balance, if any, of the amount of premium specified in the **Schedule** and remaining unpaid.

Payment of the premiums and other charges in accordance with the above provisions is a condition precedent to our liability.

11. DECLARATION OF EXPORTS

- (a) On or before 15th day of every month following the month of issue of this **Policy**, you must declare to us in writing in the format prescribed by us a Monthly Declaration of **Exports**, complete in all respects;
- (b) It is a condition precedent to our liability that your aforesaid Monthly Declaration of **Exports** giving full details of all the **exports** made by you to the **Insured customer** during each month of the Period of Cover must be submitted to us in our prescribed format on or before the 15th day of succeeding month.

12. WAITING PERIOD

We shall not be liable for any loss and you must not prefer a claim under the **Policy** until the relevant waiting period applicable to the respective **Insured Perils** has fully elapsed. The waiting period applicable upon the occurrence of various **Insured Perils** will be as under:

- (a) In case of **Protracted default**, four months after the **due date** of payment;
- (b) In case of **Insolvency**, four months after the **due date** of payment or one month after the occurrence of **Insolvency**, whichever of the two dates is earlier;
- (c) In case of **Contract Repudiation**, one month after the date on which the **Insured customer** wrongfully repudiated the contract;
- (d) In the case of **Inconvertibility**, four months from the **due date** of payment or one month after the occurrence of **inconvertibility**, whichever of the two dates is later;
- (e) In all other cases, unless otherwise specified by us, four months after the date of occurrence of the event which is the cause of the loss.

13. CLAIMS

- (a) If you make any claim knowing it to be false or fraudulent in any way, the **Policy** will be void and all claims under it will be forfeited. In addition, you will immediately have to repay any sums that we may have previously paid under the **Policy**. You expressly

agree that under such circumstances, we shall be entitled to retain all the premiums and other charges paid by you under the **Policy**;

- (b) For a claim to be payable under the **Policy**, you must submit a claim on our prescribed form within one year from the **due date** of payment of the **insured debt**. Any claim submitted by you must be complete in all respects and endorsed by the banker through whom you had routed the export transaction or by your statutory auditors (subject to prior approval for the arrangement);
- (c) Any amount payable to you under the **Policy** will be paid to your account with the bank that handled your relevant **export** documents and undertook collection of the proceeds. You must irrevocably authorize your bank to accept such payments on your behalf and you agree that acceptance of payments from us under the **Policy** by your banker shall discharge us of our liability to you in respect of such payments. If no bank satisfies the aforesaid condition to receive payments from us on your behalf under the **Policy**, claim amounts if and when due will be paid to your account with any bank.
- (d) After we have received a claim from you in our form, duly complete in all respects together with all supporting documents, as we will specify, we will proceed to ascertain the cause of loss and the amount of **Insured Loss**. Thereafter, we will pay to you, subject to the provisions of the **Policy**, the **Insured Percentage** of the **insured loss** or the amount of the **Loss Limit** on the **Insured Customer** whichever of the two amounts is lesser. We will not be liable to ascertain the cause of loss or the amount of **Insured Loss** and no claim shall become due for payment –
 - (i) until you have submitted all the relevant information and documents that are necessary in our opinion for the purpose of establishing the occurrence of **Insured Peril** and for ascertainment of **insured Loss**; or
 - (ii) if in the case of **Protracted Default**, the **Insured Customer** claims that he is entitled to withhold payment of all or any part of the **insured debt** for any reason whatsoever including but not limited to allegations relating to quality, quantity, etc., in respect of your present or past **exports** or raises a counterclaim or claims on you for any set-off, etc., on account of any amount alleged to be due from you and we are satisfied that a dispute exists between you and the **Insured Customer** which has not been resolved by appropriate legal proceedings. It is clarified that the disputes raised or allegations made by the **Insured Customer** need not necessarily relate to any **Insured debt**.

14. RECOVERIES AND ITS SHARING

- (a) After payment of a claim by us, you must take all steps that may be necessary or which we may require you to take to effect recoveries whether from the **Insured Customer** or from any other person from whom such recoveries may be made;
- (b) If, with reference to a claim payment, we require you to do any one or more of the following for the purpose of effecting recoveries, you must do so:
 - (i) Refer it to a debt-collecting agent on such terms as we may approve;
 - (ii) Appoint an advocate, solicitor or attorney to take legal proceedings against the **Insured Customer** or against his insolvent estate;
 - (iii) Assign and transfer to us or to our nominee all your rights under your relevant contract for **export**, including your right to damages for any breach;

- (iv) Deliver to us or to our nominees, documents relating thereto in respect of which a claim payment has been made and assign and transfer to us your right and interest in any such documents;
 - (v) Assign, deliver or otherwise transfer to us or to our nominee any negotiable instruments, guarantees or other securities relating to such goods/services or contracts.
- (c) The amounts recovered either by you or by us, net of costs and expenses of recovery, must be shared between you and us in the same proportion as the relevant losses were shared. This condition shall apply even when the amount of our share in the amounts recovered, because of a change in the rate of exchange or for any other reason, exceeds any amount previously paid by us to you under the indemnity provisions of this **Policy**. You must remit to us our share in all the sums so recovered forthwith upon its receipt by you. Until such payment is made to us, you will be holding such sums in trust for us.
- (d) All costs and expenses reasonably incurred by you for the purpose of effecting recovery of an **Insured debt** as evidenced by invoices raised on you by the debt collection agency or solicitors/ attorneys for their services relating to the recoveries, will be a prior charge on the amounts so recovered. Your administrative costs will not form a part of such costs and expenses.

15. COLLECTION AND LEGAL COSTS

- (a) When we require you to refer the account of the **Insured Customer** to a debt collection agency which we may nominate or you appoint a solicitor / attorney whom we may nominate to take legal proceedings against the **Insured Customer** to obtain payment of any undisputed **indebtedness**, you must do so. We may not contribute towards collection and legal costs, unless agreed otherwise in writing. In the event we agree to contribute towards your collection and legal costs, our contribution to collection and legal costs relating to the **insured debt** will not exceed the percentage of such recoveries to which we shall be entitled to as our share if and when the debt is recovered. Where the **indebtedness** of the **Insured Customer** at the relevant time exceeds the **insured debt**, our contribution will not exceed such percentage share in the proportionate costs that is apportioned to our share in the **insured debt**.
- (b) We will not contribute towards your administrative costs or legal costs incurred for the purpose of establishing the **Insured Customer's** liability in respect of any disputed **indebtedness**.

It is a condition precedent to our liability to contribute towards collection and legal costs that you have complied with all the terms and conditions of the Policy in respect of the **Insured Debt** to which the collection and legal costs relate to.

16. INSPECTION OF DOCUMENTS

We may at any time inspect your documents and records, examine and take copies of any letters, accounts or other documents in your possession or control which relate to or are connected with the **Policy** or any transaction between you and the **Insured Customer**;

- (a) If we so request, you must supply us with any information in your possession and must also take all reasonable steps to obtain for us any information or the sight of any

documents in the possession of any third party relating to or connected with the **Policy** or any transaction between you and the **Insured Customer**.

- (b) We may authorise any professional agent or agency to carry out inspection of the documents as in (a) above for the purpose of determining your loss in case of a claim under the **Policy** and you expressly warrant and agree that you shall render your cooperation by giving unfettered access to any information or documents in your possession to our authorised agent/ agency.

17. LOCAL CURRENCY DEPOSIT AND APPLICATION FOR ALLOCATION OF FOREIGN EXCHANGE

- (a) If you experience delays or difficulties in obtaining payment from the **Insured Customer's** country due to exchange transfer restrictions or you are aware of such delays or difficulties, you must require the **Insured Customer** to pay to your account (or deposit irrevocably for your account with a Bank in the **Insured Customer's** country) at the **due date** the local currency equivalent of the contract value of your **exports** unless we agree otherwise in writing;
- (b) Where we agree in writing that the **Insured Customer** need not make a local currency deposit, then you shall require the **Insured Customer** concerned to apply to the relevant authority for approval of the foreign exchange allocation in respect of the **Insured debt**.

18. MAXIMUM LIABILITY

Our maximum liability for payment of claims under the **Policy** for losses suffered by you in respect of any part of **Insured debt** remaining unpaid or unrealised owing to the occurrence of any of the **Insured Perils** shall not exceed the **Insured Percentage** of the **Insured Loss** or the **Loss Limit** specified in the **Schedule** as on the date of your relevant **export**, whichever of the two amounts is lesser.

19. CANCELLATION OF THE POLICY ON YOUR INSOLVENCY

Upon your **Insolvency** or the **Insolvency** of any other party named in the **Schedule** as the **Insured**, we may terminate the **Policy** with effect from the date of such **Insolvency**. In the event of such termination by us, we shall be entitled to retain all premiums paid and to receive and retain all premiums due and remaining unpaid under the **Policy** as at the effective date of such **Insolvency**.

20. LAW AND JURISDICTION

The construction, validity and performance of this **Policy** and any disputes between you and us shall be interpreted in accordance with and governed in all respects by Indian Law. You agree that no court or judicial authority (which expression shall include all tribunals and other judicial forums constituted under any special statute) other than those at Mumbai or at the Place of Issue specified in the **Schedule** shall have jurisdiction over any matter arising out of, concerning or relating to this **Policy**.

PART – III EXCLUSIONS

- (1) We shall not be liable for losses arising out of any of the Customer Risks under the **Insured Perils** where under your contract of **export**, payment for the invoice value is secured by a documentary letter of credit (LC) and the LC opening bank has refused or failed to make payment on the documents sent by you under the LC;
- (2) We shall not be liable for losses arising out of any of the Bank Risks under the **Insured Perils** if the LC opening bank refuses or fails to make payment on the documents sent by you under the LC citing discrepancy in your documents;
- (3) Unless we have agreed otherwise in writing, we shall not be liable for any losses where:
 - (a) The **Insured Customer** is one of your subsidiary or associated companies or you have any direct or indirect interest in or connection with the **Insured Customer** other than that between a service provider and his customer; or
 - (b) There is an unresolved dispute between you and the **Insured Customer**;
- (4) Unless we have agreed otherwise in writing, we shall not be liable for any losses arising out of your **exports** to the **Insured Customer** if as at the time of such **export** –
 - (a) the **Policy** is no more valid or is liable to be cancelled in pursuance of the provisions contained in the **Policy**; or
 - (b) the whole or any part of a debt owed to you by the **Insured Customer** is remaining unpaid after the **due date**; or
 - (c) any of the **insured perils** has already occurred of which you were or should have been aware of; or
 - (d) the **Insured Customer** is one which is excluded from the purview of cover in pursuance of the provisions under Condition 8 (a).
- (5) We shall not be liable for any losses arising out of –
 - (a) your failure to fulfil any of the terms and conditions of or relating to your **export** contract with the **Insured Customer** or the failure of any of your agents (including a collecting bank, carrier or medium of transmission) in performing any of the tasks that they were expected to do for you;
 - (b) your or your agents' failure or the **Insured Customer's** failure to comply with local laws and regulations unless prevented from such compliance by a law or order or decree or regulation imposed in that country subsequent to your performance under the contract;
 - (c) your **Insured Customer's** failure or inability to obtain any such permission or authority as is necessary for your **export** and is in force as at the date of **export**

under the regulations of the **Insured Customer's** country or of the country of destination of your **exports** and/ or to pay for it as contracted and invoiced.

- (6) We shall not be liable for any loss arising out of currency fluctuations and/ or devaluations including but not limited to any shortfall between the **insured debt** and the value of the local currency deposit as at the date of the deposit or at the date of completion of exchange transfer formalities whichever is later.
- (7) We shall not be liable for any loss in respect of which you have not submitted your claim on our prescribed form, completed in all respects and duly endorsed by your banker/statutory auditors, as the case may be, within one year from the **due date** of payment of the relevant **insured debt**.

PART – IV

DEFINITIONS

(1) DUE DATE

'Due date' means the date on which an insured debt is due for payment by the Insured Customer and will also include any extended due date duly agreed in writing between the Insured and the Insured Customer in full conformity with the provisions of Condition 4 and with the approval of the Corporation. In the event of any extension being agreed which allows for payment in instalments, the due date shall be the due date of the first instalment not duly paid.

(2) EXPORTS

Unless repugnant to the context or meaning, the term 'exports' would mean exports of IT-Enabled Services by the Insured.

(3) INDEBTEDNESS

'Indebtedness' shall mean any and all the amounts owing by an Insured Customer to the Insured whether payable during the period of the Policy or at a future date.

(4) INSURED CUSTOMER

An 'Insured Customer' is the customer specified in the Schedule with whom the Insured had concluded a contract for rendering those IT-enabled services that are covered under this Policy and in respect of that Insured Customer the Corporation has specified a Loss Limit under this Policy.

(5) INSURED DEBT

'Insured Debt' shall mean so much of any indebtedness which –

- is owed to the Insured by the Insured Customer; and

- is in respect of the invoice value for IT-Enabled Services exported by the Insured during the Period of Cover of the Policy in performance of the Insured's contract with the Insured Buyer including any contracted interest payable up to the original due date and included in the invoice; and
- is in accordance with a legally valid contract.

(6) INSURED LOSS

(a) Where the cause of loss is INSOLVENCY, the 'Insured Loss' shall be so much of any insured debt as shall not be in dispute between the Insured and the Insured Customer and as shall be acknowledged and confirmed by the relevant authority (such as the Court, Liquidator, Receiver or Administrator) as being owed to the Insured by the Insured Customer;

(b) Where the cause of loss is PROTRACTED DEFAULT, the 'Insured Loss' shall be so much of any insured debt as shall not be in dispute, less any interim payments, set offs, savings (on unpaid commission, etc..) and other recoveries;

(c) Where the cause of loss is CONTRACT REPUDIATION, the 'Insured Loss' shall be the amount of Insured Debt;

(d) Where the cause of loss is INCONVERTIBILITY, the 'Insured Loss' shall be so much of any insured debt –

- as shall be the rupee equivalent of the value of the local deposit made by the Insured Customer as at the date of deposit or at the date of completion of the necessary transfer formalities whichever is later; or
- as shall be the rupee equivalent of the value of the local deposit for which approval of the foreign exchange allocation has been refused by the Central Bank,

and which remains unrealised in India at the end of the relevant Waiting Period.

(e) Where the cause of loss is any of the other Insured Perils, the 'Insured Loss' shall be so much of any insured debt as is remaining unpaid or outstanding at the end of the relevant Waiting Period by reason of the occurrence of an Insured Peril.

In all cases, the amount of the 'Insured Loss' will be calculated taking into account any savings or other recoveries accruing to the Insured in respect of the Insured debt by reason of its non-realization.

(7) INSURED PERCENTAGE

'Insured Percentage' means the percentage share of the Corporation in the Insured Loss suffered by the Insured and agreed to be indemnified by the Corporation in pursuance of the provisions of the Policy provided that the amount arrived at as the Insured Percentage of the Insured Loss shall always be subject to and shall not exceed the amount specified in the Schedule as the Loss Limit. The Insured Percentage applicable under this Policy is as specified in the Schedule.

(8) INSURED PERILS

'Insured Peril' means any of the risks defined herein below and insured under the Policy:

(a) PROTRACTED DEFAULT

There is "PROTRACTED DEFAULT" by an Insured Customer when the Insured Customer having accepted delivery of performance of service has failed to pay to the Insured any part of an Insured Debt relating to such exports for a period of 120 days after the Due Date;

There is "PROTRACTED DEFAULT" by an LC Opening Bank when the LC Opening Bank having accepted the documents negotiated under the Letter of Credit has failed to pay to the Insured any part of an Insured Debt relating to such exports for a period of 120 days after the due date on which it was payable by the Opening Bank;

[Non-payment by the Insured Customer owing to any dispute, counterclaim, etc., or by the LC Opening Bank citing discrepancies in the document will not amount to protracted default.]

(b) INSOLVENCY

There is 'Insolvency' when –

- an Insured Customer or an LC opening bank has commenced or become the subject of any proceedings or case for being declared bankrupt or insolvent which is uncontested under the local bankruptcy or Insolvency legislation, or a Court appoints a Receiver, Liquidator, Trustee, or other similar official under local bankruptcy or Insolvency legislation; or
- a composition by the Insured Customer or an LC opening bank is approved by the Court having jurisdiction or a compromise or arrangement is made binding by the Court on the Insured Customer and all the Insured Customer's creditors; or
- similar circumstances have come into existence as are in the opinion of the Corporation equivalent to any of the above.

(c) CONTRACT REPUDIATION

'Contract Repudiation' means the wrongful termination by the Insured Customer of his contract with the Insured for export of IT-Enabled Services, after the Insured has commenced due performance of the said contract.

(d) INCONVERTIBILITY

There is 'Inconvertibility' when events occur in the Insured Customer's country or legislative or administrative measures are taken in that country which prevent, restrict or delay payment to the insured of the Insured debt (or any part of it) outside the country of the Insured Customer. Inconvertibility shall be deemed to occur either on the date when the local currency deposit is

made and the necessary transfer formalities are completed by the Insured Customer or on the date on which any application made for currency is refused.

(e) CONTRACT FRUSTRATION

'Contract Frustration' means the direct prevention of the payment of an insured debt as a result of the occurrence of war, civil war, insurrection, rebellion and/ or revolution within the Insured Customer's country or as a result of the occurrence of war between India and the Customer's country.

(f) CONTRACT CANCELLATION

'Contract Cancellation' means the cancellation by the Government of the Insured Customer's country of a legally valid contract between the Insured and the Insured Customer for export of IT-Enabled Services after the Insured has commenced performance of the contract and which cancellation directly prevents payment of the Insured customer.

(g) IMPORT RESTRICTION

'Import Restriction' means, after the Insured has commenced performance of his contract for export of IT-Enabled Services, the implementation of any law (or regulation having the force of law) by the Government in the Insured Customer's country which prohibits the import or delivery of services into the Insured Customer's country and which directly prevents payment of an Insured debt.

(9) IT-ENABLED SERVICES

'IT-Enabled Services' would include any kind of outsourced business processes services and such other services predominantly involving application of information technology, being carried out by a service provider for his client on a commercial basis. [Some of the broad examples of IT-Enabled Services are call centre services, data processing / data conversion / data compilation services, maintenance, updating / upgrading of data bases, software systems and IT-networks, multi-media services, web-site designing and maintenance services, etc., etc..]

(10) LOSS LIMIT

'Loss Limit' means the maximum aggregate amount of the Corporation's liability for payment of claims under this Policy and which is specified in the Schedule. The Loss Limit specified in the Schedule may be enhanced at any time during the Period of Cover by an endorsement attached to the Policy subject to payment of additional premium and other charges as applicable if we agree to your application for such an enhancement;

(11) POLICY

'Policy' means the Exports (IT-Enabled Services) – Specific Customer Policy issued to the Insured and the specific particulars of which given in the Schedule. Unless repugnant to the context or meaning, the term 'Policy' will include its Schedule and the endorsements, if any, attached to it.

(12) SCHEDULE

'Schedule' means the Schedule attached to and forming part of the Policy.

THE SCHEDULE, WHICH FORMS A PART OF THIS POLICY, IS ATTACHED.