



FINAL SURVEY REPORT

<u>Surveyor Ref:</u>		<u>Insurers' Ref:</u>	
No: 15009/ICICI/19-20		Insured Name: Spark Engineering	
Report Date	March 9, 2020	Policy No. 1001/181415155/00/000	
		Claim No.: FIR008212541	

**STRICTLY CONFIDENTIAL & PRIVILEGED FOR THE USE OF
INSURERS AND THEIR LEGAL ADVISORS ONLY**

*Survey report regarding claim preferred by Spark Engineering for loss/damage to
their property insured under Standard Fire & Special Perils Policy*

1.0 INTRODUCTION

- 1.1 Spark Engineering, Pune preferred claim on ICICI Lombard General Insurance Co. Ltd., Pune for loss/damage to their assets. The property was insured under Standard Fire & Special Perils Policy.
- 1.2 The Insurers appointed us on 26th September 2019 to conduct the survey for the reported loss/damage.
- 1.3 Our basic terms of reference were...
 - a) To investigate into circumstances leading to reported loss/damage.
 - b) To assess the physical damage/financial loss said to have been sustained by the insured in the reported accident.
 - c) To determine the liability of the insurers vis-à-vis policy conditions.

1.4 We visited the insured's site situated at Shed no. 5, Sr. No 44/9, Narhe Industrial Estate, Shop no-6, Opp. Abhiruchi Parisar Construction, Narhe gaon Pune, Maharashtra - 411037 on 27th September 2019 and subsequently thereafter. The premises were inspected thoroughly. It was informed that, there was flooding due to which the insured's premises were affected. The premises as well as the surrounding area was thoroughly inspected and photographed. The list of documents required to finalize the report was conveyed during our visit itself and also subsequently vide our mails. On receipt of minimum available documents, we are issuing the final report.

1.5 Based on

- a) Observations made by us during our inspection
- b) Documents submitted by the insured during our survey & subsequently thereafter
- c) Discussions held with and explanations offered by the insured

1.6 We submit our findings observations, recommendations as under, for the consideration of the Insurers...

2.0 POLICY PARTICULARS

- 2.1 Insured : Spark Engineering
Sr. No 44/9, Narhe Industrial Estate, Shop no:6, Near Pari company, Narhe gaon, Pune, Maharashtra - 411041, India.
- 2.2 Insurers : ICICI Lombard General Insurance Co. Ltd. ICICI Lombard GIC LTD, Third Floor, C Wing, Manikchand Icon, Bund Garden, Pune 411001, Maharashtra

2.3	Type of Policy	:	Standard Fire & Special Perils Policy
2.4	Policy No.	:	1001/181415155/00/000
2.5	Period of Insurance	:	September 17, 2019 to September 16, 2020.
2.6	Occupancy	:	Heavy Engineering workshop - Structural steel fabricators, Sheet metal fabricators, Pipe extruding, Stamping, Pressing, Forging mills, foundries, Galvanising works
2.7	Total Sum Insured	:	Rs. 4,000,000.00
2.8	Property Insured	:	Plant and machinery
2.9	Item Affected	:	NC Hydraulic Press Break machine and Hydraulic Shearing Machine.
2.10	Risk Location	:	Sr.no: 44/9, Narhe Industrial estate, shop no6, near Pari company, Pune-411041
2.11	Policy Excess	:	5% of claim amount subject to a minimum of INR 10,000/-

3.0 INCIDENT

3.1 Pune region witnessed heavy rainfall in the end of September 2019. Various regions were affected and water had inundated in various places. There was heavy rainfall on 25th September 2019 in night in Narhe gaon area. Due to heavy rain, water had inundated at insured's premises. Insured shop was flooded in the rain. The inundation continued till 26/09/2019 @ 7 am. There were two NC machines in the shop: Hydraulic Press Break machine and Hydraulic Shearing Machine. These machines were submerged in 5ft flood water over complete night.

4.0 CAUSE OF DAMAGE

- 4.1 During our inspection the inundation level was clearly visible inside the insured's premises. It was measured at various places. The water level inside the premises was around 5 ft.
- 4.1 Based on our observations, information provided to us, the cause of loss could reasonably have attributed to **flood/ inundation**.

5.0 OUR OBSERVATIONS & EXTENT OF DAMAGES

► About The Insured

- 5.1 Spark Engineering, established in the year 2018 - is a basically Engineering workshop for structural steel and Sheet metal fabrication, CNC sheet cutting & bending etc.

► Description of The Risk

- 5.2 The risk is situated at Sr.no: 44/9, Narhe Industrial estate, shop no6, near Pari company, Pune, maharashtra-411041. The building was having two levels (Ground floor + first floor). Insured's shop is located in ground floor. The area was around 500 sq. ft.

► Extent of damages

- 5.3 We carried out the survey at the affected location on 27th September 2019 and subsequently thereafter. At the time of our survey, the water had already receded from the premises. The premises were thoroughly inspected and photographed. The inundation level was clearly visible inside the insured's premises. The entire contents inside the shop such as

metal sheets, machineries were submerged in the flood water. Broadly following two machines were found affected as these were submerged in the flood water.

1) Hydraulic Press Break machine

Model: WC67E-100T3200

MFG No: 1024016

MFG year: 08/2018

2) Hydraulic Shearing Machine.

Model: QC12Y-4 *3200

MFG No: 1024017

MFG year: 08/2018

Insured was advised to clean the premises and get both the machines inspected by the respective agencies & provide their reports.

5.4 We once again visited the premises on 9th December 2019 after cleaning activity. Both the machines were found affected. As the machines were submerged in the water internal important parts such as controller, processor, control panel, relay, wiring, servo motor etc. got damaged completely. Due to this entire controlling mechanism failed. It was informed that the machines are basically imported and hence, the damaged parts are not available. Hence, the only alternative was to change the entire controlling system with the local one. However, such controlling system would not be readily available and has to be tailor made. Accordingly, the insured had procured a quotation for such complete replacement of controlling mechanism. Mainly repair consist of replacement of damaged parts and installing PLC.

5.5 Insured had provided us quote of **Rs. 2141200.00 for NC Hydraulic Press Break machine** and quote of **Rs. 1432043.00** Hydraulic Shearing Machine obtained from B. N. Enterprises. We once again visited the premises along with an automation expert engaged by us, to cross verify the given

quotations. The expert also seconded the opinion and quote provided by the insured.

- 5.6 Thus, liability if any, is limited to mentioned two NC machines only. Detailed extent of damage is elaborated in assessment part of report.

6.0 INSURED'S CLAIM VIS-À-VIS ADMISSIBILITY

- 6.1 The insured had lodged their claim for **Rs. 3573243.00 for repairing of two machines as follows:**

NC Hydraulic Press Break machine	Rs.2141200.00
NC Hydraulic Shearing Machine	Rs.1432043.00
Sub Total	Rs.3573243.00

Supporting break up wise quotation obtained from 'B N Enterprise's attached to the report.

- 6.2 The claim is lodged under Standard Fire & Special Perils Policy. The operated peril – flood-inundation – is covered under the policy. The policy was effective as on date of loss & location is covered under the policy. Thus, the claim lodged by the insured falls within the purview of the policy issued to and held by the insured.

7.0 ASSESSMENT OF LOSS

- 7.1 Our assessment of loss is based on our inspection & documents submitted by the Insured. The supporting documents are enclosed with the report.

- 7.2 Following points are crucial from the assessment of loss point of view:

- Insured have purchased the subject machines from 'B N Enterprises' in Nov 2018 for Rs. 47,20,000.00 under INV no: BNE-346/2018-19 dtd

30.11.2018. Purchase invoice is attached with the report. Details are as under:

NC Hydraulic Press Break machine	Rs.2141200.00
NC Hydraulic Shearing Machine	Rs.1432043.00
SUBTOTAL	40,00,000.00
CGST 9%	3,60,000.00
SCGST 9%	3,60,000.00
Sub Total	Rs.47,20,000.00

- Insured have provided repair quotation (BN/776/2018-2019 dtd 04.01.2020) and BN/275/2019-19 dtd 4.1.20 for NC Hydraulic Shearing Machine and Hydraulic Press Break machine respectively. We have carried out our assessment on the basis of the same.

(-) Depreciation

Insured have taken Policy on RIV basis. Reinstatement have not done. Insured wish to settle the claim on Market value basis. As the machine were purchased one year before, we have deducted 10% in lieu of depreciation.

(-) Salvage:

The damaged item would not fit for use. Hence, we have deducted Rs. 1000.00 as notional scrap.

(-) Underinsurance:

The total value of risk for plant and machinery as on date of loss works out as **Rs. 3942000.00/-** The sum insured is **Rs.4000000.00**. Thus, there is no underinsurance as such and machineries are adequately covered.

(-) Excess: .

As per policy 5% of claim amount sub to min of Rs. 10,000/- is deducted

7.4 The assessment of loss works out to **Rs. 2014939.00** The detailed assessment is attached as **Annexure** to the report.

The assessment has been explained to the Insured, who have given their consent in written. Same is attached with the report.

8.0 WARRANTIES

8.1 We have not observed any breach of general or specific warranties attached to the policy issued to & held by the Insured.

9.0 CONCLUSIONS


9.1 The cause of loss is flood/inundation, the peril that is covered under the scope of policy issued to & held by the Insured. Thus, the claim falls within the purview of the policy & is tenable.

10.0 This report is issued without prejudice & subject to the terms, conditions and warranties to the policy issued to & held by the insured.

11.0 DECLARATION

- *We hereby declare that the photographs of the affected property as detailed in our report were snapped by us by our Digital Camera and uploaded on our Office Computer. These were got printed in-house and are not manipulated.*

- *We hereby declare that we have no interest in the subject matter in question and reported as above. We are neither related to the Insured nor the business either by blood, business or share-holding of whatsoever nature.*



K R BIYANI

KAMAL BIYANI ASSOCIATES

License No. SLA 34365 valid till 27.11.2022

Encl:

- *Assessment as annexure*
- *Consent letter*
- *Policy copy*
- *Original purchase invoices*
- *Repair quotations for affected two machines.*
- *Photographs & Our Fee Bill*