



## **FINAL SURVEY REPORT**

### **Surveyor Ref:**

**No:** 15390/ICICI/20-21

**Insured :** Noble Polypack Industries

**Report Date** July 27, 2020

**Policy No:** 1001/174616557/00

**Date of survey:** 17<sup>th</sup> May 2020

**Claim No:** FIR026431676

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

### **1.0 POLICY PARTICULARS**

- |     |                          |   |  |
|-----|--------------------------|---|--|
| 1.1 | Insured                  | : | <b>Noble Polypack Industries</b><br><b>Prop. Santosh Kothari</b><br>Gat no: 245, Kharabwadi, Chakan,<br>Pune, Maharashtra-410501     |
| 1.2 | Insurers                 | : | <b>ICICI Lombard General Insurance Co. Ltd.</b><br>Third Floor, C Wing, Manikchand Icon,<br>Bund Garden, Pune-411001,<br>Maharashtra |
| 1.3 | Type of Policy           | : | Standard Fire and Special Perils Policy  |
| 1.4 | Policy No.               | : | 1001/174616557/00  |
| 1.5 | Period of Insurance      | : | 29.06.2019 to 28.06.2020   |
| 1.6 | Occupancy                | : | Manufacturer of packaging material   |
| 1.7 | Total Sum Insured        | : | Rs. 1,64,25,000.00   |
| 1.8 | Item Affected            | : | Stocks & building  |
| 1.9 | Sum insured for affected | : | Building (without plinth & foundation): Rs.<br>48,60,000.00  |

Finished Goods : Rs. 40,00,000.00 (refer note 1.11)

1.10 Excess : 5% of claim amount subject to minimum of INR 10,000.00

1.11 Note: In the policy the occupancy mentioned is 'heavy engineering workshop' while the actual occupancy is packaging material manufacturing unit. Also, the policy only covers finished goods. This was discussed with the insurers vide mail dated 1<sup>st</sup> & 21<sup>st</sup> June 2020. The insurers vide mail dated 26<sup>th</sup> June 2020, has confirmed that the endorsement for change in occupancy and type of goods covered will be done & accordingly, advised us to issue the final report. Thus, based on the documents submitted to us we are issuing the final report.

## **2.0 INCIDENT**

2.1 As informed on 14<sup>th</sup> May 2020 in the evening at around 7 pm, the Chakan area witnessed heavy rainfall coupled with stormy winds. Various industries were affected and the claims were reported. The roadside flex boards were found collapsed. Insured's premises was also affected in the incident. It was informed that due to continuous heavy rainfall in short period of time, the rainwater entered inside the plant from the road side and inundated along with mud and other debris in the plant section. The insured started cleaning activity on the same day itself. The insured has shared few photographs and videos snapped by them after the incident which confirms the occurrence of the stated incident.

## **3.0 OBSERVATIONS**

- Place of survey : Gat no: 245, Kharabwadi, Chakan, Pune, Maharashtra-410501
- Date of Survey : 17<sup>th</sup> May 2020

➤ Cause of Loss : Inundation

#### **4.0 Nature & Extent of Damages**

4.1 Post our intimation we contacted the insured for arranging the visit. Accordingly, on 17th May 2020, we visited the premises for the inspection. The insured Mr Santosh Kothari could not come due to lockdown, however, his employees conducted us around and narrated the incident.

#### **4.2 About the insured:**

The insured manufactures various types of packing material related to industrial (box strapping, bubble wrap, foam sheet etc.) and food industry supply. Majorly they supply printed plastic pouches for grapes which are for export purposes. They have various types of extruders and moulding machine for this purpose. The assets were hypothecated to the Vishweshwar Sahakari Bank Ltd., Chakan.

#### **4.3 Description of risk:**

The plot along with the civil structure was purchased by the insured two years back. The total plot area is around 900 sq. meters and the build-up area is around 5060 sq. feet. There are two main blocks, one is the office building of RCC construction having area of 1130 sq. feet and factory shed which is having walls of burnt bricks with roof of asbestos sheets laid on MS frame work. The area of factory shed is around 5060 sq. feet.

#### **4.4 Observations:**

It was observed that the premises was cleaned and the water was removed from the premises prior to our visit. The stock (bags kept in upper layers) were moved from ground and kept on mezzanine floor. The water level was clearly visible on the walls and it was around 4-5 inches. The insured has shared videos and photographs taken after the incident, which confirm occurrence of the said incident. Following items were affected in the

incident:

- Building
- Stock

#### 4.5 **Building:**

The asbestos sheets and polycarbonate sheets were damaged (cracked and broken) at few places while at few places these were displaced and gap was observed in the roof. The rain water gutter/ channel was also found affected. Hence, few sheets needed replacement and few sheets needed to refitted. Insured was advised to provide the quotation for the same. The insured has submitted the quotation which is found reasonable and hence considered.

4.6 Apart from the roof, the insured had also claimed for the floor paint. Insured was of opinion that the flooring paint work was damaged due to water & mud inundation and needed to be repainted. We had thoroughly inspected the entire floor area and we had not found any damages akin to the subject incident. Furthermore, scratches and undulations were observed on the floor which were due to ageing/ wear. Hence, the damages were not due to the reported incident. Our observations were conveyed to the insured on mail as well as during joint meeting along with the insured's bankers on 19<sup>th</sup> June 2020. Hence, the damages to the flooring were not considered.

#### 4.7 **Stocks:**

The stock of FG, WIP and raw material was affected in the incident which was kept on the floor. The plastic pouches (for grapes) were kept in bundles inside PP bags (each bag contained around 2500 pouches). The RM such as LDPE, HDPE and colors were also placed in PP bags. The bags were found with mud marks and water was seen on them. After opening the bag, inside pouches were also found with water and mud traces on it. The bubble wrap rolls were also partially submerged in water. The plastic granules were also

partially submerged under water. As informed, the bags kept in bottom layers were only kept at ground floor, while the remaining bags were shifted to the mezzanine floor after the incident. These bags were found in sound condition. The bags kept in ground floor were quantified and jointly recorded. We had advised the insured to provide the costing details of the items affected.

4.8 The insured did not claim for the raw material which was affected in the incident and informed us that these will be used for production. However, the insured put the entire FG stock of pouches under the claim stating that these were food grade products and were contaminated in the reported incident. As the water level was only 4-5 inches (as confirmed from the photographs and marks on wall) we were not in agreement with the insured's statement. The bottom layer bags were only submerged under the water. The quantity was jointly taken during our initial visit itself. Various discussions were held with the insured over mail, telephonic as well as during our meeting with the bankers at the insured's plant. Our observations regarding the quantity were conveyed to the insured. It was finally agreed that the quantity which was quantified will be considered plus reasonable allowance towards loss during shifting of material will be allowed.

4.9 The FG stock of plastic pouches (black, red, general and pink) used for grapes packing was found affected by the muddy water and was not fit for the use. Other packing items such as great healthy bags and bubble sheet rolls were also contaminated. The insured had also claimed for the slider and zipper (WIP) which were kept near the machines. We had only seen the sliders and zippers were not shown to us hence, we have only considered the quantity of sliders.

## **5.0 ASSESSMENT OF LOSS**

5.1 The assessment is done based on the documents submitted by the insured. These documents are enclosed with the report. Our assessment is subject to the policy terms and conditions. Following points are crucial from the assessment perspective...

5.2 **Stock:**

The insured had claimed for the entire quantity of FG and WIP. We have considered the quantity based on our inspection. In support of the rate, the insured had submitted sale invoices. The manufacturing cost was not provided to us. Hence, we had taken the average GP from the past three balance sheet & profit and loss statements (FY: 2016-17, 2017-18 & 2018-19) and deducted the profit component from the selling price in order to arrive at the manufacturing cost. Please refer annexure I of the assessment sheet for detailed working.

- **Depreciation:** Not applicable on stocks
- **Salvage:** The insured had given the offer of Rs. 68100.00 for the entire lot. We have proportionately considered the salvage value based on the quantity which was allowed by us and the claimed quantity. The amount of Rs. 20665.24 was deducted towards salvage. This value was also found to be in range with the prevailing market rate for plastic pouches/ material.
- **Underinsurance:** The total stock was physically quantified during initial visit itself. The insured had provided the total stock details. Accordingly, after deducting the GP from the FG stock value, the total stock (RM+WIP+FG) came to Rs. 31,14,455.00 while the sum insured for stocks is Rs. 40,00,000.00. Hence the stock is adequately covered.

Please refer annexure I for detailed working.

5.3 **Building:**

The insured had submitted the quotations in support of their building claim. The assessment is done based on the same. The floor paint work was disallowed as it was not damaged in the incident.

- **Depreciation:** The exact age/ year of construction was not known, hence, lump sum 10% is deducted towards depreciation.
- **Salvage:** The damaged asbestos sheets and polycarbonate sheets would not realize any salvage value and most of the sheets were being refitted. Hence, no deductions were made towards salvage.
- **Underinsurance:** The bankers had provided copy of index II and valuation report (cover pages). Based on the same, the area for office section and factory shed was taken and reinstatement value was calculated by applying the unit rate of construction based on the type of construction. Further, the RIV was depreciated to arrive at the market value of Rs. 38,73,150.00, while the sum insured is Rs. 48,60,000.00. Hence, the building is adequately covered.

Please refer annexure II for detailed working.

5.4 **Excess:** The excess as per policy is 5% of claim amount subject to minimum of INR 10,000.00. Accordingly, the value of Rs. 22698.93 is deducted.

5.5 The assessment of loss works out to **Rs. 4,31,280.00**. The detailed assessment is attached as **Annexure I & II** to the report.

*The assessment is explained to the insured & insured have given consent for the same vide mail dated 27<sup>th</sup> July 2020.*

## 6.0 **ADMISSIBILITY**

➤ <b>Policy Period</b>	Covered
➤ <b>Date of loss</b>	Covered
➤ <b>Loss location</b>	Covered

➤ **Peril operated**

Covered

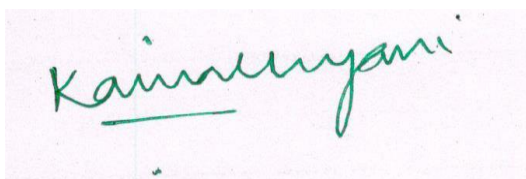
- 6.1 The date of loss falls within the policy period. The peril operated is also covered under the Policy issued to and held by the Insured. Hence, the claim is admissible under the policy.
- 6.2 If Insures admit their liability payment may be made as assessed in the report.
- 7.0** This report is issued without prejudice & subject to the terms, conditions and warranties to the policy issued to & held by the insured.

**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 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*
- *Claim form*
- *Supporting invoices, quotations*
- *Balance sheet & P&L for FY:2016-17, 2017-18, 2018-19*
- *Stock statement submitted to the bank past 6 months*
- *Government licenses*
- *Index II and valuation report (cover page)*
- *Photographs*
- *Fee Bill*