



FINAL SURVEY REPORT

Our Ref: 14344/ICICI/18-19	Insured: M/s. Aparklene Fabric
	Policy No: 1001/160751643/00/000
	Claim No. FIR 00568826
Date: June 17, 2019	Date of loss: 24 th January 2019

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

Survey report regarding claim preferred by M/s. Aparklene Fabric, Bhiwandi for reported loss/damage to their property due to fire, insured under Standard Fire & Special Perils Policy

1.0 INTRODUCTION

- 1.1 M/s Aparklene Fabric, Bhiwandi preferred claim on the ICICI Lombard General Insurance Co. Ltd., Mumbai, for reported loss/damage to their stock. The property was insured under Standard Fire & Special Perils Policy.
- 1.2 The ICICI Lombard General Insurance Co. Ltd., appointed us on 25th January 2019 to conduct the final 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 sustained by the insured in the reported accident
- c) To determine the liability of the Insurers vis-à-vis policy conditions.

1.4 Pursuant to above instructions, we visited the loss site situated at H No 656, gala no 3 and 4, Narayan Gharat Compound, Near Katai Water Tank, Katai Village, Bhiwandi 421302 on 27th January 2019. The preliminary report was issued on 30th January 2019. In continuation, the insured were requested to submit the requisite documents. Insured have forwarded some of the documents on various dates. On the basis of the minimum documents/information made available to us, 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 & explanations offered by the insured

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

2.0 POLICY PARTICULARS

2.1 Insured : M/s. Aparklene Fabrics,
H No 656, gala No. 3 and 4,
Narayan Gharat Compound, Near
Katai Water tank, Katai Village,
Bhiwandi 421302 Bhiwandi,
Maharashtra - 421302- India

2.2	Insurers	:	ICICI Lombard General Insurance Co. Ltd., Mumbai
2.3	Policy no.	:	1001/160751643/00/000
2.4	Policy Period	:	9.12.2018 to 8.12.2019
2.5	Interest	:	Stock
2.6	Sum Insured in Rs.	:	Rs. 30,00,000.00
2.7	Affected Items	:	Stock of Beem, clothes fabrics etc.
2.8	Sum Insured for the affected item	:	Rs. 30,00,000/-
2.9	Occupation	:	Waving Mills
2.10	Clauses	:	<ul style="list-style-type: none"> • Agreed bank clause, • Goods held in trust clause, • Designation of property clause, • Floater clause
2.11	Excess	:	5 % of claim amount subject to minimum of Rs. 10,000.00 etc.
2.12	Risk location	:	M/s. Aparklene Fabrics, H No 656, gala No. 3 and 4, Narayan Gharat Compound, Near Katai Water tank, Katai Village, Bhiwandi 421302 Bhiwandi, Maharashtra - 421302- India

3.0 ABOUT THE INSURED AND TRADE PRACTICE

3.1 Bhiwandi is major textile manufacturing hub. It manufactures cotton, polyester cotton fabric. The main stages in the textiles business are...

- Manufacturing of yarn – Spinning Mills
- Weaving of grey cloth on looms - Weavers
- Dyeing of cloth in process house – Process House

➤ Marketing of cloth - Traders

- 3.2 Most of the traders outsource these activities. Hence, there would be standalone Spinning Mills, Weavers, Process House and Traders. In addition, brokers would be engaged to execute outsourcing activities.
- 3.3 Generally, a trader procures yarn from spinner and send it to a weaver. After weaving, the weaver would deliver the grey cloth/fabric to a process house nominated by the trader. Sometimes grey cloth would be directly purchased by the trader. After dying the finished cloth/fabric would be delivered to the godown of the trader. These activities are coordinated by a broker nominated by the trader, who charge brokerage to the trader.
- 3.4 During this entire process, material belonging to the trader would be lying at third party premises such as....
- Yarn at weaver
 - Grey cloth at weaver
 - Grey cloth at process house
 - Finished cloth at process house
- 3.5 The storage period varies from case to case. The trader &/or process house buy insurance coverage to insure the material whilst in their custody.

4.0 INCIDENT

- 4.1 The insured, M/s. Aparklene Fabrics is one of the traders. It was informed that fire was took place on 24th January 2019 @ 3.00 p.m at insured's premises. The gist of Mr. Ashok J Baldiya is reproduced here under...

(Quote)

- 4.2 On 24th January 2019 @ 3.00 there was fire. Tempo loaded with Takas had come to deliver the Taka at the premises. The fire was noticed by him. Thereafter, surrounding neighbors came together. I have received call by Mr. Pramod (neighbor) @ 3.30 p.m. Then I gone at fire brigade & came with them at factory. Fire brigade team have extinguished the fire. Fire was under control @ 5. p.m. The fire was due to electric short circuit at electrical wire.

(Unquote)

- 4.3 The incident report provided by the insured is in vernacular. However, we have translated the same giving the gist of the incidence narrated therein.

5.0 CAUSE OF LOSS

- 5.1 Cause of loss was fire; however, exact cause of fire and origin is not known. It is suspected to be due to electrical **short-circuit**.
- 5.2 Fire tenders from nearby areas had visited the place as well as police panchnama was carried. The supporting fire brigade attendance certificate (Dakhla) is provided to us.
- 5.3 Thus, based on the information gathered during survey and our inspection, the cause of loss/damage could be attributed to accidental fire.

6.0 NATURE AND EXTENT OF DAMAGES

- 6.1 We had carried the survey on 27th January 2019 at the insured's

premises. The premises were inspected thoroughly. The insured is engaged in the business of Grey fabric manufacturing since 1998. The affected premises utilized for the storage of yarn and finished goods product. During our visit Mr. Ashok J. Baldia & Mr. Damodar (employee) conducted us & narrated the incident. It was informed that on 24th January 2019 @ around 3.00 p.m. a tempo driver noticed the fire inside the gala no 4 and people were also gathered. Mr. Pramod (neighbor) of the Insured informed the incident to Mr. Ashok Baldia over Phone @ around 3.30 p.m. Insured rushed to the premises along with the municipal fire brigade team. The fire was doused at around 5 p.m. with the help one water tanker.

6.2 The premise consisted of two different units Gala No 3 & Gala No 4 out of which, **Gala no 4** was partially affected due to fire. Both units/galas are interconnected & belongs to the insured. The fire originated at mezzanine floor of Gala No 4 and it was burnt/affected. The Gala No 3 did not affect & was sound. No records were made available at above process house. The stock & building were affected in the said accidental fire. The details are as under...

6.3 ► **Building:**

The soot was deposited all over at Gala No 4. The wall /flooring were badly affected. The painting of the wall pilled off. Electrical wiring, cables were completely burnt Cement sheets were found broken. The MS roof purlins were found heat affected and bent. The wooden flooring planks at mezzanine were burnt and heat affected. The building is not covered under the policy, hence assessment towards the same is not done.

► **Stock:**

6.4 As informed stock such as various raw yarns (comb) Polyester viscos,

polyester cotton after doubling in loose and packed form in cardboard boxes were completely burnt. Exact quantity could not be ascertained. It was reported that the stock was maintained in soft copy at insured premises but due to theft, which occurred few months back at the insured premises, no data was made available to us during our visit. On our enquiry regarding theft FIR, it was informed that same was not done for the stolen computer. The stock (Grey fabric) was kept at ground floor in a separate store and yarn at mezzanine floor at Gala No 4. The raw yarn was completely gutted in the fire. The burnt remains were available at the premises. There was also limitation to inspect the damaged yarn thoroughly because of the wooden flooring was gutted in the fire. It was verbally informed by the insured about **4000 kgs of yarn** was stored at the mezzanine floor.

7.0 INSURED'S CLAIM VIS-A-VIS ADMISSIBILITY

- 7.1 Insured have lodged the claim for damages to stocks under Standard Fire and Special Perils Insurance policy of 1001/160751643/00/000. They have preferred claim for **Rs. 7,96,254.85**.
- 7.2 The date of loss was within the policy period. Location was covered under the policy. **Thus, the claim is admissible under the policy.**

8.0 ASSESSMENT OF LOSS

- 8.1 The assessment of loss is based on our inspection & documents submitted by the Insured. The supporting documents are enclosed with the report.
- 8.2 Following points are crucial from the assessment of loss point of view:

► **Stocks**

- I The stock was burnt to various extent. The affected stock was burnt beyond physically quantification/identification. Insured have provided us supporting invoices in support of the claim. The loss is assessed on the basis of such documents/information. The quantity could not be identified thus, we have deducted 15% towards quantity variations. Some of supporting bills were as old as 2017. Hence, dead stock deduction of 7.5% was also made.

(-) **Salvage**

- II Based on the severity of fire and the stock being completely gutted in the fire, the stock would not realize any salvage value. Hence, we have not deducted any value, while assessing the loss.

(-) **Adequacy of Insurance Coverage – Underinsurance**

- III Insured have provided provisional balance sheet for the period of 1.4.2018 to 24.1.2019. as per porivisional balance sheet the total stock as on date of loss was **Rs. 3,14,59,698/-**

Insured have provided us two policies bearing no 1001/160749138 & 1001/160751643 for total sum insured of **Rs. 4,80,00,000/-** (Rs. 4,50,00,000/- & 30,00,000/-) against stock of Rs. 3,14,59,698/- as per provisional balance sheet as on date of loss. Thus, the stock is adequately covered & there is no underinsurance.

(-) **Excess**

- IV The excess applicable under the policy is 5% of claim amount subject to a minimum of **INR 10,000.00**. Thus, **Rs. 27,367/-** is

deducted.

(-) Chances of Recovery

V Based on the documents provided and our inspection, we are of the opinion that there is no third party responsible for the damages. Thus, there are no chances of any recovery from any third party.

8.3 The net assessed loss works out to **Rs 5,19,974.00** The detailed loss summary is attached to the report as **Annexure.**

Our assessment has been shared with the insured who have given written consent vide email dated 13th June 2019 for the same.

9.0 WARRANTIES

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

10.0 CONCLUSION

10.1 The cause of loss is **accidental fire**, 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.

11.0 This report is issued **without prejudice** & subject to the terms, conditions and warranties to the Policy issued to & held by the Insured.

12.0 **DECLARATION**

- 12.1
- 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.
 - 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 on photo printer.



K.R.BIYANI

KAMAL BIYANI ASSOCIATES

License No. SLA 34365 valid till 27.11.2019

Enclosures:

- Assessment as Annexure
- Policy copies
- Claim form in original
- Fire brigade Dakhla with receipt
- Pan Card
- Claim bill with supporting invoices
- Balance sheets 15-16,16-17,17-18
- Provisional balance sheet
- Electricity bill
- Photographs
- Our fee bill