



FINAL SURVEY REPORT

<u>Our Ref:</u>	<u>Insurers Ref</u>
No. 14390/ICICI/18-19	Insured Name: M/s. Marigold Premises Pvt. Ltd.
	Policy No : 1001/160066826/00/000
Report Date: 2 nd May 2019	Claim No : FIR000694724
	Date of loss : 19 th February 2019
	Date of survey: 20 th February 2019

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

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

1.0 INTRODUCTION

- 1.1 M/s. Marigold Premises Pvt. Ltd., Pune preferred claim on ICICI Lombard General Insurance Co. Pune for reported loss/damage to their property due to fire. The property was insured under Standard Fire & Special Perils Policy.
- 1.2 Insurers appointed us on 20th February 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 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 insured premises situated at Mariplex, Marigold Premises, Kalyaninagar, Pune – 411001 on 20th February 2019 and thereafter on 21st, 22nd 28th February 2019, 4th April 2019. The immediate loss advise was issued on 10th November 2018. In continuation, Insured were requested to submit the requisite documents vide our e-mail dated 23rd February 2019 & followed-up by reminders. In between, an interim report recommending on account payment was also submitted. On receipt of requisite documents/information made available, we are issuing our 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

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

2.0 **POLICY PARTICULARS**

Insured have taken the subject policy covering the assets. The details are as under....

2.1	Insured	:	Marigold Premises Pvt. Ltd. Marigold Complex, Kalyani Nagar, Pune, Maharashtra – 411014
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2.2	Insurers	:	ICICI Lombard General Insurance Co. Mumbai
2.3	Type of Policy	:	Standard Fire & Special Perils Policy
2.4	Policy No.	:	1001/160066826/00/000
2.5	Period of Insurance	:	22.11.2018 to 21.11.2019
2.6	Interest	:	Building, Electrical Fittings & Installation, FFF, Plant & Machinery & Accessories
2.7	Total Sum Insured	:	Rs. 35,00,00,000.00
2.8	Item Affected	:	Building, Plant and Machineries, FFF
2.9	Sum Insured for the affected items	:	Building – Rs. 293500000.00 Electrical fittings – Rs. 1,30,00,000.00 FFF: Rs. 1,35,00,000.00 Plant & Machinery : Rs. 3,00,00,000.00
2.10	Occupation	:	Cinema Theatres And Multiplex Complex
2.11	Subject to	:	<ul style="list-style-type: none"> • Designation of property clause • Reinstatement value clause • Terrorism clause
2.12	Risk location	:	Marigold Complex, Kalyani Nagar, Pune, Maharashtra -
2.13	Excess	:	5% of claim amount sub to min of Rs. 25,000/-

3.0 DESCRIPTION OF THE RISK

3.1 The risk is situated at commercial building at Mariplex, Marigold Complex, Kalyani Nagar, Pune, Maharashtra. It was RCC G+2 structure, plus basement parking. It was commercial mall consisting of various shops. The shops were given on leave and license to various parties/brands. The mall was having a cinema theater also. The major brands are Javed Habib, Crosswords, Brandmart, Multifit, Mc Donald etc.

4.0 INCIDENT

- 4.1 We visited the Insured premises on 20th February 2019. During our survey Mr. Shrenik Bora (9850560072) conducted us & narrated the incident. It was informed that on 19th February 2019, there was fire at their mall. Police authority, fire brigade team were called for. It was gathered that shop # 23, 24 (located on first floor) were given on leave & license agreement to M/s. Poonam Enterprises (franchisee of Brand Mart) for the period of 1.5.2017 to 5.5.2018. The area was around 750 sq ft. The fire reportedly had originated in shop #23 of Brandmart. The incident report provided by the Brandmart person is reproduced below...

(Quote)

- 4.2 I the under signed Sandip Matte owner of Brandmart hereby state the incidence of fire breakout at the shop 23 & 24 in Mariplex Mall, Kalyani Nagar, Pune 411 014. The store was operational as usual. At around 8 p.m. my cashier Mr. Sunil Das smelled a burning smell in the back store near the changing room. He entered the back store and found that there was fire breakout near the changing room. As soon as he saw the fire breakout he tried to extinguish the fire with the fire extinguisher and tried to extinguish the fire. However, the shop being a cloth retail shop, the fire was spreading very rapidly and leaving tremendous smoke. There was no visibility due to the smoke. As a safety measures the mall mangers cut off the electricity supply to avoid any further short circuits. Everyone was evacuated from the mall safely. Meanwhile the fire brigade were also informed about the incident. 5 nos of fire brigade vans came to extinguish the fire. The fire was controlled and extinguished by the fire fighting team efficiently.

(Unquote)

- 4.3 The incidence report provided by the Insured has been reproduced verbatim without any corrections, if any required to be made, with regard to spellings and/or grammar.

5.0 CAUSE OF FIRE

- 5.1 The exact cause of fire is not known. It was reported the fire had probably occurred due to short circuit. In the newspaper cutting, police panchnama & in the insured's narration the cause was mentioned due to electrical short circuit. The premises were inspected by us and damages were noted. The entire shop was gutted in the fire and the electrical wiring/ fittings were found burnt.
- 5.2 The supporting documents such as police panchnama, fire brigade report, newspaper cuttings were provided to us. Thus, based on the information & our inspection the cause of fire could most reasonably be attributed to due to **electrical short circuit**.

6.0 EXTENT OF DAMAGE

- 6.1 During our survey Mr. Shirinik Bora conducted us & narrated the incident. It was informed that there was fire at their premises on 19th February 2019.
- 6.2 The premises were inspected by us. The fire had originated in the shop by name – Brandmart located on first floor. The fire spread further in the passage. The electrical, ducting, POP etc. got burnt. The soot generated got spread all over the mall. Due to closed structure (centralized AC), the soot travelled upto top floor. The water used in firefighting also added to the damages.

6.3 Thereafter, we again visited at the insured premises for verification of the affected material on 21st & 22nd February 2019. Detailed listing of the affected items was made along with the insured. The details are as under...

- 6.4
 - The POP of the shop and the first floor was burnt. Moreover, the water used in extinguishment had added to the damages. The water percolated to the ground floor and the ground floor POP ceiling was also affected.
 - The electrical wiring of the first floor was badly damaged.
 - Centralized Air Conditioners of Mall with ducts, grills etc. & AHU & Ducting inside the shop No. 23 & 24 were found burnt.
 - The signage were burnt &/or water affected &/or soot affected
 - Façade & Railing (ACP) were found burnt &/or affected due to heat or soot.
 - Partition Glass , glass doors of Brandmart was found broken
 - The water percolated through the flooring. The tiles were broken.
 - Escalators & Elevators: the parts were damaged due to heat and/or water ingress.
 - Smoke detectors, CCTV cameras, fire extinguisher, TV were found burnt.
 - Walls/Ceiling/Cladding//Truss Etc. Heavy soot was deposited all over the premises.
 - Atrium Glass Façade & Urinal & Urinal Sensors were affected due to heat &/or soot.

6.5 During various visits, the extent of damages was quantified. Measurements were taken. The detailed list of the damages is elaborated in the assessment part of the report.

7.0 INSUREDS' CLAIM VIS-A-VIS ADMISSIBILITY

7.1 The insured had lodged their claim for **Rs 82,99,170.00**. The detailed claim statement is attached as **Annexure** to the report.

- ▶ Cause Fire
- ▶ Date of loss 19th February 2019
- ▶ Policy Period 22.11.2018 to 21.11.2019
- ▶ Risk location Marigold Complex,
Kalyani Nagar,
Pune, Maharashtra

7.2 The date of loss, the cause of loss, location of risk falls within the purview of the policy and the claim lodged by the Insured is tenable.

8.0 ASSESSMENT OF LOSS

8.1 Our Assessment of loss is based on our inspection & documents submitted by the Insured. The supporting documents are attached to the report.

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

- I During the survey, the insured had provided us the list of the affected items. A tentative claimed amount was also provided. Being a mall, footfall of customers was continuous, as other establishments were working. The insured was very worried of business interruption due to repair work. Hence, it was decided that the repairs would be carried out in two stages – Urgent, Important but not urgent.

For example, POP ceiling of first floor was burnt out and ground

floor was swollen due to water ingress. The repair/replacement of first floor was very urgent. Though, the POP of ground floor was damaged; to carry out the replacement of ground floor, the normal operations of the restaurant would be disrupted. Hence, insured was not in position to execute it immediately. Similarly, the painting of front areas was started immediately. However, painting of utilities, trusses, though required, was to be carried out post completion of urgent repairs/replacement/painting. This obviously was time consuming. Hence, purchase orders of all the works could not be issued.

- II In support of the claim the insured had submitted quotations, purchase/work orders. As the complete reinstatement was not done (due to reasons mentioned above), the final invoices were not available. We have assessed the loss on the basis of work orders (if the work order is final) &/or quotation (wherein the final work order is not issued due to proposed completion of work in stages). The insured claim statement is thoroughly examined/studied. Necessary adjustment were made & finally assessed the loss. The insured is in the business of leasing out the premises. Hence, the assessment is carried out without GST.
- III The property belonging to mall is only considered under the claim. Thus, furniture, fixtures of the Brand Mart are not claimed and considered in the assessment. As elaborated earlier, though, separate sum insured is taken for the different items, the books were not having similar bifurcation. Hence, we have not bifurcated the assessment into various headings of the policy. However, we confirm that we have only considered the items covered under the policy headings.

(-) Depreciation

- IV** The policy is with RIV clause. However, the insured had not completed the reinstatement and hence depreciation is applicable. The mall was in operation since last 10 years. Moreover, due to similar fire incident, major renovation was carried out around 1.5 years back. The entire painting was redone at that time. Considering this aspect, a lumpsum deduction of 25% was done on the gross assessed loss in lieu of depreciation.

(-) Salvage

- V** Most of the material was damaged in the fire. The affected material is not fit for its intended use and would only realize terminal scrap value. The quotation of Rs. 20,000.00 was received from a scrap buyer. During further discussion the insured was advised to dispose off the scrap for the value of 26,000/-. Thus, Rs. 26000/- is deducted.

(-) Underinsurance:

- VI** The mall was constructed by a builder and handed over to the present owner. Hence, most of the capitalization was done under the heading of building, as item level breakup was not provided by the builder. Though, for availing coverage, the insured had provided separate sum insured of various headings such as building, plant and machinery, air conditioning, escalators; the books were not having the same breakup. As elaborated earlier, the insured had suffered a major loss in 2016. The total sum insured during that period was Rs. 20.00 Crores.

The, then surveyor, had found underinsurance for some items (on RIV basis). Hence, the insured had increased the sum insured considerably during subsequent renewal. The total sum insured was increased to Rs. 35.00 Crores from Rs. 20.00 Crores. Presently, the assessment is done on market value basis, thus, the items are adequately covered. Still, a comparative table is as under...

Item	RIV Valuation in 2016-17 (Rs. Lakhs)	Sum Insured in 2016-17 (Rs. Lakhs)	Present Sum Insured – 2018-19 (Rs. Lakhs)	Comment on Adequacy on Market Value basis
Building	1807.00	1705.00	2850.00	Adequate
Electrical Fitting	19.19	15.00	50.00	Adequate
FFF	15.56	8.00	35.00	Adequate
Air Conditioning	65.96	40.00	70.00	Adequate
D G Set	Not Claimed	Not Claimed	50.00	Not Claimed
CCTV	2.00	2.00	10.00	Adequate
Plate Glass	50.00	50.00	100.00	Adequate
Lifts and Escalators	100.00	100.00	250.00	Adequate
Compound Wall	Not Claimed	Not Claimed	85.00	Not Claimed

(-) Recovery

- VII** The fire had taken place in the shop of Brandmart accidentally. The source of short circuit was not clear. In the shop the electrical wiring is provided by the mall (insured). Thus, in our opinion, the recovery is not possible.

(-) Exclusion

- VIII** The exact origin of the fire could not be identified. Moreover, the electric fittings were not claimed. Thus, no deduction is made towards the exclusion 7.

(-) Excess:

IX Excess applicable as per the policy is 5% of claim amount sub to min of Rs. 25,000/-. This is subject to confirmation by the insurers.

8.3 The net assessed loss works out to **Rs. 24,75,920/-** The detailed assessment is attached as **Annexure/s** to the report. Out of this amount an interim payment of Rs. 10,00,000.00 is already made. Thus, the balance amount becomes Rs. 14,75,920.00.

Net Assessed Loss	:	24,75,920.00
Less: Interim Payment Made	:	10,00,000.00
BALANCE AMOUNT	:	14,75,920.00

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 **CONCLUSIONS**

10.1 The cause of loss was **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.

10.2 The assessment of loss has been explained to the Insured & insured have given written consent for the same. If Insures admit their liability payment may be made as assessed in the report.

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
1. 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 a photolab and are not manipulated.
 2. 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 27.11.2019

Encl:

- Assessment as annexure
- Intimation
- Policy copy
- Incident narration – in original
- Claim form -in original
- Statement of loss with supporting quotations, works orders
- Consent letter
- Police documents, newspaper cuttings
- Fire brigade report
- Salvage value quotation
- Layout of the premises
- Leave & License agreement
- Photographs by insured
- Photographs by surveyor
- Our fee bill