



FINAL SURVEY REPORT

<u>Our Ref:</u>		<u>Insurers Ref:</u>
No. 15132/ICICI/1920		Insured Name: Exide Industries Limited.,
Report Date	February 26, 2020	Policy No: 1001/147974737/01/000 Claim No.: FIR007667088
Date of survey: 2/11/2019		Date of loss: 30/10/2019

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

*Survey report regarding claim preferred by M/s. Exide Industries Limited for reported
loss/damage to their property insured under Standard Fire & Special Peril policy.*

1.0 INSTRUCTIONS

- 1.1 M/s. Exide Industries Limited, Chinchwad, Pune preferred claim on ICICI Lombard General Insurance Co. Ltd., for reported loss /damage to their property insured under Standard Fire & Special Perils Insurance Policy.
- 1.2 Insurers, appointed us on 2nd November 2019 to conduct survey for reported loss/damage.
- 1.3 Our basic terms of reference were...
 - a) To investigate into the circumstances leading to reported loss/damage
 - b) To assess the physical damages/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 the above instructions, we visited to Insured's Premises at D 2, MIDC Industrial Estate, Chinchwad, Dist – Pune on 2nd November 2019 for survey after confirmation of schedule from the Insured. In continuation, the Insured were requested to submit the requisite documents and based on the documents made available to us, we are issuing our report.

1.5 Based on

- a) Observations made by us during our visit to the premises
- b) Perusal of the documents submitted by the insured during our survey and subsequently thereafter.
- c) Discussions held with and explanations offered by the Officials of the Insured

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

2.0 POLICY PARTICULARS

2.1	Insured	: Exide Industries Limited., Exide House 59e Chowringhee Road, Kolkata, West Bengal Pin- 700020
2.2	Insurers	: ICICI Lombard Gen. Insc. Co. Ltd.,
2.3	Type of Policy	: Standard Fire and Special Perils Policy
2.4	Policy No.	: 1001/147974737/01/000
2.5	Period of Insurance	: April 02,2019 to April 01,2020
2.6	Interest	: Building(with plinth & foundation) P & M, FFF , Stock, Stock in progress

- 2.7 Total Sum Insured for : Rs. 3,801,110,081.00
Loss location
- 2.8 Sum Insured for : P & M- Rs. 2,886,205,251.00
affected item
- 2.8 Occupation : Battery manufacturing plant.
- 2.9 Risk location covered : Exide Industries Limited.,
D 2, MIDC Industrial Estate,
Chinchwad, Pune- 411019

3.0 INCIDENT

- 3.1 During our visit, Mr. Nilesh Borawankar conducted us around and narrated the incidence.

- 3.2 In positive expander building, 12 MT ball mill was installed for lead oxide generation.

Process: Process flow is for lead oxide generation is as follows:

Lead ingots→ Melting→ Extrusion→ Cutting in balls→ Feeding to drum→ Generation of **Lead oxide** in primary and Secondary bag house.

Further lead oxide collected in bag house transferred to Silo.

- 3.3 It was informed that on 30/10/2019 at night 9.00 pm, there was malfunctioning in the system. Due to this malfunctioning, bag house temperature got increases, causing fire in bag house. Suddenly smoke and flames were noticed from primary and secondary bag house. Further ball mill was put OFF and fire was brought under control applying foam from outside. Name of concerned operator is Mr. S V Herekar (Emp. No. 2054). Written incident investigation report was provided to us.

4.0 CAUSE OF DAMAGE

- 4.1 Exact cause of fire is not known. However, based on our Inspection, information gathered during our visit, physical circumstances of surrounding during our inspection and documents provided to us, the cause of damage could most reasonably be attributed to **fire caused in bag house of ball mill due to system malfunction.**

5.0 EXTENT OF DAMAGE

- 5.1 At the time of our inspection, the premise was kept as it was. The fire had taken place in 12MT ball mill in the positive expander building. At the time of our inspection following items were found in burnt condition.

- Primary filter bags-120 nos
- Secondary filter bags -36 nos
- Primary filter bag cage
- Secondary filter bag cage
- Avcon solenoid valve.

We have advised Insured to prepare the list of damaged items and provide us the estimate of repair for the damaged items.

- 5.3 Further we once again visited to Insured premises to verify the damages as per list. Detail extent of damaged is elaborated in assessment part of our report.

6.0 INSURED'S CLAIM VIS-À-VIS ADMISSIBILITY

6.1 The subject claim is preferred under the Standard Fire and Special Perils Policy. The Insured have provided us claim bill of **Rs. 1,754,232.00.**

6.2 The Standard Fire and Special Perils Insurance Policy covers the damages caused due to perils specified under the policy such as **Fire**, Lightening, Flood, Storm, Inundation, Earthquake etc. In the instant case, the damages have taken place due to fire. Thus operated peril and loss location are covered under the Policy. Policy is effective as on date of loss. Hence claim lodged by Insured is admissible.

8.0 ASSESSMET OF LOSS

8.1 The policy is issued subject to '**designation of property**' and '**reinstatement value**' clauses. Insured have not provided final bills for the repairs and wish to settle the claim on the market value basis.

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

Depreciation (-)

I The policy is issued subject to Reinstatement Value clause. The Insured have not carried out the reinstatement of the damaged property and wish to settle the claim on **market value basis**. The exact age of the equipment is not available. Considering the age of 9 years, depreciation of 45% is applied.

Salvage (-)

II The notional scrap value Rs. 5000.00 is deducted.

Underinsurance (-)

- III We observed that the sum insured are taken with respect to WDV. Insured have provided us financial year wise capitalization details of the building from year 2016 to 2020. Further by considering age of plant, we have calculated the additions made in the subsequent period upto the date of loss. Based on the details made available to us, we have extrapolated the RIV upto the date of loss by applying index for escalation in prices. Further by applying adequate depreciation, market value was worked out as **Rs. 2,133,544,778.29**. Sum insured availed for P & M is **2,886,205,251.00**. Thus, there is no underinsurance as such.

Excess (-)

- IV As per the Policy excess is 5% of claim amount subject to min of Rs. 5 Lacs.

9.0 The net assessed loss works out to **162,405.00**. The detailed working is attached as **Annexure** to the report.

Our assessment has been shared with the Insured who have given their consent on the same wide their mail dated **25th February 2020**.

10.0 WARRANTIES

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

11.0 CONCLUSIONS

11.1 The loss/damage was caused due to **fire**. The peril operated stands covered under the policy issued to and held by the Insured and hence the claim is tenable.

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

13.0 DECLARATIONS

- 13.1
- 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.
 - 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.



KAMAL BIYANI

License No. SLA 34365 valid till 27.11.2022

Encl:

1. Assessment as annexure
2. Incident investigation report.
3. Claim bill
4. Photograph
5. Our fee bill