



## FINAL SURVEY REPORT

<u>Our Ref:</u>	<u>Insurers Ref</u>
<b>No.</b> 13154/ICICI/17-18	<b>Insured Name:</b> M/s Dia Chemie
	<b>Policy No:</b> 1001/121774457/00/000
<b>Report Date:</b> April 13, 2018	<b>Claim No:</b> GEN000226285
	<b>Date of loss:</b> 14.07.2017
	<b>Date of survey:</b> 17.07.2017

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

*Survey report regarding claim preferred by **M/s. Dia Chemie, Mumbai** for reported loss/damage to their property due to fire, insured under **Standard Fire And Special Perils Insurance Policy***

#### **1.0 INTRODUCTION**

- 1.1 M/s. Dia Chemie, Mumbai preferred claim on ICICI Lombard General Insurance Co. Ltd. Mumbai, for reported loss/damage to their property. The property was insured under Standard Fire And Special Perils Insurance Policy.
- 1.2 Insurers appointed us on 17<sup>th</sup> July 2017 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 Ronak Warehousing Service, Jayshreee Ram Complex, Near Nadali Talav Puran, village **Bhiwandi, Thane**, on 17<sup>th</sup>, 18<sup>th</sup> July 2017 & subsequently thereafter on 28<sup>th</sup> Aug 2017. Immediate loss advice was submitted on 24<sup>th</sup> July 2017. In continuation, the Insured were requested to submit the requisite documents vide our e-mail dated 2<sup>nd</sup>, Aug 2017& followed-up by reminders. The mismatch of godowns was observed. This was informed to the insured. The insurers had also investigated the matter. Now we are releasing our report, after receipt of confirmation from the insurer.
- 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**

2.1	<b>Insured</b>	:	M/s Dia- Chemie , Dadaji Dhakji Bldg, 2nd floor, 56/58, Garib Das Street, Vadgadi Mandvi HO, Mumbai - 400003
2.2	<b>Insurers</b>	:	ICICI Lombard General Insurance Co. Ltd., Mumbai

2.3	<b>Type of Policy</b>	:	Standard Fire and Special Perils Insurance
2.4	<b>Policy No.</b>	:	1001/121774457/00/000
2.5	<b>Period of Insurance</b>	:	23.09.2016 to 22.9.2017
2.6	<b>Interest</b>	:	Stocks
2.7	<b>Total Sum Insured</b>	:	Rs. 75,00,000/- (on Floater basis –for five locations)
2.8	<b>Item Affected</b>	:	Stocks
2.9	<b>Sum Insured for the affected location</b>	:	Rs. 75,00,000/- (on Floater basis –for five locations)
2.10	<b>Occupation</b>	:	Importers & Distributors of Solvents, Chemicals, Pharmaceuticals Raw Material
2.11	<b>Subject to</b>	:	Floater clause, Agreed Bank Clause, Designation of property clause etc
2.12	<b>Risk location (Affected)</b>	:	Ronak Warehousing Services, Blg. No.2, Godown No. 17,18,19,20,21 and Blg No. F Godown No. 19,20 Jayshree Ram Complex, Near Nadali Talav Purna Viillage – Bhiwandi, Thane, Maharashtra – Pin 421302
2.13	<b>Excess</b>	:	5% of claim amount sub to min of Rs. 10,000/-

### 3.0 **DESCRIPTION OF THE RISK**

3.1 **M/s Dia –Chemie**, is trader of pharmaceutical raw material, solvents and chemicals, propylene glycol, cloxacillin sodium, dicloxacillin sodium, levofloxacin, ofloxacin.etc, having its main office at B-7, 56/58, Garibdas street, 2nd floor, vadgadi, Mumbai, Maharashtra, 400003.

3.2 As reported to us the Company has five godowns for stock storage

purpose as follows, which are covered under the subject policy:-

1. Paras Warehouse, Bhiwani Dist. Thane
2. Pawar Roadways. Bhiwandi Dist. Thane
3. Omkar Warehousing Co. , Bhiwandi Dist. Thane
- 4. Ronak Warehousing Service, Bhiwandi, Thane**
5. Ambica Warehousing Co. Bhiwandi, Thane

3.3 Affected location is i.e M/s Ronak Warehousing Services, Bhiwandi, one of above covered locations.

3.4 The risk M/s Ronak Warehousing Services, Bhiwandi consisted of various godowns located inside a godown complex. These godowns are owned by various parties. The godowns under interest for the subject claim were RCC framed structure with panel walls of burnt bricks and roof of RCC. The godowns were directly communicating to each other due to common panel walls. The approximate size of the godowns were 3000 square feet. The premises was having many such godowns/warehouses. The godowns were occupied on rent.

#### **4.0 INCIDENT**

4.1 During our visit, the godown operator Mr. Ronak Chedha, conducted us around and narrated the incident. Thereafter, a written statement of Mr. Tushar Jayendra Sheth (representative of the insured) given to police authorities was forwarded to us. The gist of the written statement is as under....

#### **(Quote)**

4.2 I Tushar Jayendra Sheth age 48 years, business –Chemical Trading, at

1702 , Anmol Complex S. V. Road, Goregaon West, Mumbai-62, Mobile No. 922343308 state as under....

- 4.3 I am residing at the above mentioned address since 9 years with my family. My father is the owner of the Dia Chemie factory since 1968, which deals in trading and supply of chemicals and pharmaceutical raw materials. On 14<sup>th</sup> July 2017 at around 9.30 Rounak Jayant Cheda called me on my mobile to inform that there was fire due to unknown reason in the godown no D2/18, 19 & 20 where my material was stored. After information I left from Mumbai and reached at around 2.00 pm at Rounak Warehousing Service & observed 3 godown had caught fire. The fire was intense and the fire brigade officials were trying to extinguish the fire using water and foam. As different types of chemicals were stored in the godown, the fire became severe and hard to control. The fire was still not under control and at 6.00 pm I went home.
- 4.4 On 15<sup>th</sup> July 2017 @ 3.30 I came to Bhivandi, also other traders had reached the location. The fire was completely extinguished. It was observed that the stock of chemical stored in drum was affected while the ceiling of the godown had collapsed. At around 5.00 pm we all went home. My material is stored in the godown as mentioned above and I have no idea on how the fire start.

**(Un Quote)**

- 4.5 The incident report in the Jabab 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 FIRE**

- 5.1 As informed, the damages were noticed on 14<sup>th</sup> July 2017 @ around 8.00

am by warehouse labours while opening the shutter. Fire rapidly spread beyond control due to nature of contents. The exact cause of fire is not known. The findings of the investigator appointed by the insurers is awaited till the time of release of the report.

- 5.2 The supporting documents such as Fire brigade report, Police Jabab, panchnama were provided to us which mention the cause of loss was due to some source. However, as we gather, the godown operator have stated to the investigator that fire occurred due to one of the chemical came to the contact with leakage of water.

## **6.0 EXTENT OF DAMAGE**

- 6.1 We had visited the premises on 17<sup>th</sup> July 2017 & thereafter on 24<sup>th</sup> August 2017.
- 6.2 Fire was extinguished; however, fumes were coming from debris. Three adjoining godowns were affected. The godowns were having physical marking as RCC-9, RCC-10 & RCC-11. Warehouse operator (Ronak Warehousing) informed that these were godown no. D2-17, D2-18, D2-19 as per their operations. Fire reportedly originated in one of these godowns and was spread to these three godowns. The building was considerably damaged. The entire RCC roof had collapsed. The side walls were also damaged. The flooring was also damaged.
- 6.3 The entire stock to the extent visible was burnt. The molten slurry of the stocks had flown outside godown as well. MS/plastic barrels were gutted completely. We could not enter inside the burnt godowns due to safety reasons, as fumes (possibly poisonous due to involvement of unknown chemicals) were emanating. The building was also in dilapidating stage due to fire.

- 6.4 During inspection, warehouse operator and labours were interviewed. It was informed that the godowns were storing goods pertaining to various parties. The stocks mainly consisted of chemicals. These were stored in PP/HDPE/MS Barrels. Some of the stocks was in granule, powder form. The entire stocks which was available and visible inside the all the three godowns was completely gutted. It was informed that nothing could be moved out of the godown during/after the fire. The burnt remains of PP/HDPE/MS barrels were available inside the godowns. The burnt remains of the plastic granules were also visible in the debris.
- 6.5 During our visit, we had visited other godowns of the same operator to verify the contents. These were also storing similar kind of chemicals. However, through our physical inspection, inquiries with the labours it was confirmed that the godowns visited by us did not store goods pertaining to the insured.
- 6.6 The warehouse operator had not shown any documents. Post survey, we had given a detailed questionnaire to the warehouse operator. The questionnaire is not addressed completely. In answer to some of the question, it is mentioned "Attached:, however, nothing was attached. The copy is placed as Annexure to the report.
- 6.7 To summarize, no documents were made available from the warehouse operator. The extent of damaged stocks was worked out from the documents submitted by the insured. The details are elaborated in the later part of the report.
- 6.8 Thus, liability if any is limited to affected stock of **Dia Chemie**.

## **7.0 INSUREDS' CLAIM VIS-A-VIS ADIMISSIBILITY**

7.1 During our survey, it was noted that all the material i.e. Stock of Solvant/ Chemicals stored in MS/ Plastic barrels gutted in the fire, rather removal of debris would required expenses. The insured had lodged their claim for **Rs. 36,88,905/-** towards their claim. The detailed claim statement is attached as **Annexure** to the report.

- ▶ Cause Fire
- ▶ Date of loss 14.07.2017  
(Policy period 23.09.2016 to 22.09.2017)
- ▶ Risk location Ronak Warehousing Services, Blg. No.2, Godown No. 17,18,19,20,21 blg No. F Godown No. 19,20 Jayshree Ram Complex, Near Nadali Talav Purna Viilage – Bhiwandi, Thane, Maharashtra –Pin 421302

7.2 During our survey the godowns, were having physical marking as RCC-9, RCC-10 & RCC-11. Warehouse operator informed that these were godown no. D2-17, D2-18, D2-19 as per their operations. On enquiry with M/s Ronak Warehousing Services vide our questionnaire (copy attached) , they stated as follows:-

7.3 **Quote:**

**Point No. 3** – Q- Total No. of Godowns available with RWS as on date of loss with its complete details ? :-

**Ans :** D2-17 to 21, D-37 to 41, A9, D-2-8, F-19, F-20

**Point No. 8:** Q:- Please provide mapping of godown numbers as per agreement and as per your nomenclature/practice being followed by RWS and as per the physical ,marking observed by us during the Survey ?:-

**Ans:** We have clearly mentioned every time that the physical marking



was done by old godown owners for their reference. We have provided the exact godown no. as per details given above in previous questions i.e D2-18, D-2-19, D-2-20.

7.4 As per preliminary findings of the investigation report, there was mismatch in the godown gala numbers. As per the series wise counting the affected godowns were E9, E10, E11 whereas the policy has mentioned as D2 & 17, 18, 19, 20, 21. The final report of the investigator is awaited.

7.5 However, the date of loss, the cause of loss as reported, falls within the purview of the policy. The admissibility can be decided after the receipt of the investigation report.

## **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.

### **► Stock**

I In support of the stock claim, insured have provided us supporting documents such as....

- Claim bill duly signed
- Annual reports for the year 2016-17 & provisional Balance sheet & profit & loss statement, for the period 01.04.2017 to 13.07.2017.
- Item wise stock ledger for the period 01.04.2017 to 13.07.2017- godown wise.
- Invoices, LR
- Delivery orders of insured

II Based on the above documents the total stock value as on date of loss is taken & loss is assessed accordingly. The unit rates are taken from Invoices & other documents provided. GST, has not been considered, in view of in-put credit, wherever applicable.

(-) **Expired Goods/Non Moving Goods**

III From the books we have verified that none of the damaged goods were categorized as Non Moving goods.

(-) **Exclusion**

IV The fire had originated probably due to one of the chemical came to the contact with leakage of water. Hence, no value is deducted towards exclusion / origin of fire.

(-) **Depreciation**

V Being Stock NOT APPLICABLE

(-) **Salvage**

VI As all the material i.e. Stock of Solvent/ Chemicals stored in MS/ Plastic barrels gutted in the fire, rather removal of debris would required expenses. Thus no salvage value is deducted.

(-) **Underinsurance:**

VII **Stock:**

Based on stock register, Balance sheet as on date of loss & stock details for all the five godowns, covered under the policy, the total stock as on date of loss worked out to be Rs. **3,901,087/- against Sum-Insured of Rs. 75,00,000.00.** Thus, the stock is adequately covered & there is no underinsurance. Detailed working is attached as **annexure.**

**(-) Excess:**

**VIII** Excess applicable as per the policy is 5% of the claim amount sub to min of Rs. 10,000/-, thus an amount of Rs.151490/- has been deducted.

**(-) Recovery**

**IX** In police FIR, the police had charge sheeted the warehouse operator for the fire. In absence of final police report, we can not comment about the responsibility of third party.

8.3 The net assessed loss works out to **Rs. 28,78,309/-**. The detailed assessment is attached as **Annexure/s** to the report.

**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 SPECIAL REMARKS**

- 10.1
- The cause of loss is not known (please refer point no. 5 of this report).
  - There is mismatch of godown Nos. (As elaborated vide point No. 7.0). An investigator, ICS Assure Services Pvt. Ltd., Mumbai was appointed to confirm the facts. The investigator have confirmed, that affected godowns are not RCC-9, RCC-10 & RCC-11.
  - As per police FIR, Ronak Warehousing was storing hazards / flammable material in illegal way without any necessary approval /license.
  - Ronak warehousing was also not having any "Pollution control board certificate). In reply they informed that "Since, area falls

under village with jurisdiction of Gram Panchayat – NOC is obtained" (Copy of NOC is attached).

- Final report of police is awaited.


## 11.0 CONCLUSIONS

11.1 The date of loss and cause of loss as reported, falls within the purview of the policy. Insurer also to refer points mentioned as "Special remarks" vide para 10.1 of this report.

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

## 13.0 DECLARATION

- 13.1
- 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 in our office printer & 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*
- *Documents as per list*
- *Photographs by insured & surveyor*
- *Our fee bill*