



FINAL SURVEY REPORT

<u>Our Ref No.:</u>	<u>Insurers Ref</u>
15248/ICICI/19-20	Insured: Ntex Transportation Services Pvt. Ltd.
	Claim No.: FIR011847265
	Policy no: 1001/0/190762082/00/000
	Date of loss: 7 th January 2020
Report Date: May 27, 2020	Date of survey: 8 th January 2020

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

*Final report regarding claim preferred by Ntex Transportation Services Pvt. Ltd.
Pune for reported loss/damage to their property due to reported fire insured under
Standard Fire and Special Perils Insurance Policy*

1.0 INTRODUCTION

- 1.1 Ntex Transportation Services Pvt. Ltd, Pune have lodged a claim, on account of a reported fire accident on 7th January 2020, with their insurer, ICICI Lombard General Insurance Co. Ltd., Mumbai. The claim was lodged for loss/ damage to their property due to reported fire against their Standard Fire and Special Perils Insurance Policy.
- 1.2 Insurer's appointed us on 7th January 2020 to carry out the final survey and to issue the survey report.
- 1.3 Our basic terms of reference were ...
 - a) To investigate into the circumstances leading to reported loss/ damage.

- b) To assess the physical damage/financial loss said to have sustained by the insured
 - c) To determine the causative factors and also to evaluate the insured peril/liability of insurers vis-à-vis policy conditions.
- 1.4 Pursuant to above instructions, we visited the insured's premises situated Plot no. G-31/1, old MIDC, Kodali, Satara, Maharashtra – 415004 on 8th January 2020. During our survey, the premises was thoroughly inspected and photographed. Detailed discussions were held with insured and various available documents were vetted.
- 1.5 The preliminary report was issued on 13th January 2020. The insured was apprised about our observations & advised to submit relevant documents/info vide our email. Subsequently matter was followed up with the Insured vide various reminders over phone & mails. The insurers had appointed an investigator for ascertaining the cause of fire. The investigators report is also enclosed with our report. On receipt of documents submitted by the insured, we are issuing our final report.
- 1.6 Details of the survey:
 - a) Observations made by us during our inspection;
 - b) Documents submitted by the insured during our survey
 - c) Discussions held with and explanations offered by the insured.
- 1.7 We submit our findings, recommendations, for the consideration of the Insurers, as under...

2.0 POLICY PARTICULARS

- 2.1 The insured had covered the assets under one policy. The policy details are as under....

- 2.2 Insured : Nttx Transportation Services Pvt. Ltd.,
Ganeesham D, Unit No 16, 5th Floor,
Pimple Saudagar, Pune,
Maharashtra - 4110927
- 2.3 Insurers : ICICI Lombard General Insurance Co.
Ltd.
ICICI Lombard House, 2nd Floor, 414, P
Balu Marg, Near Siddhi Vinayak
Temple, Prabhadevi, Mumbai - 400025
- 2.4 Type of Policy : Standard Fire & Special Perils
Insurance Policy
- 2.5 Policy No. : 1001/O/190762082/00/000
- 2.6 Period of Insurance : From: 30/12/2019 00:00 To: 29/12/2020
23:59 Hrs.
- 2.7 Interest : Stock
- 2.8 Item Affected : Stock
- 2.9 Total Sum Insured : Rs. 2,528,500,000/-
Location of Risk : Various as per annexure.
- Loss Location (114):** Plot no. G-31/1,
old MIDC, Kodali, Satara, Maharashtra
- 415004
- 2.10 Sum Insured for the : Stock : Rs. 50,00,000.00
affected location Cash : Rs. 15,00,000.00
- 2.11 Excess : Location having Sum Insured up to INR
10 Cr. 5% of claim amount subject to a
minimum of Rs 10,000/-

3.0 INCIDENT

- 3.1 We carried out the survey on 8th January 2020. Mr. Amol Mane-
Supervisor conducted us and narrated the incidence. It was
informed that on 6th January 2020, the second shift supervisor closed
the company at around 7:30 in the evening. On 7th January 2020 in

early morning at around 3:30 am he received a call from Amit Suryavanshi- owner of Amit Paper Company (Insured's premises was on ground floor and basement was rented to Amit Paper Company) and he informed about the fire incidence and he mentioned both godowns had caught fire. Further Mr. Amol had reached at the site of incidence and saw that both the godown have caught fire. Fire brigade was trying to extinguish the fire but the fire was not extinguishing. At around 11:10 am the fire brigade was able to extinguish the fire.

- 3.2 The insured has shared copies of police panchanama and fire brigade report as well.

4.0 ABOUT THE INSURED

- 4.1 Ntex Transportation Services Pvt. Ltd. has their head office situated at Pune, insured have more than hundreds of storage outlets all across India. They have brand name "ElasticRun" that conduct FMCG, Food, Manufacturing and E-commerce, logistic business. ElasticRun are primary distribution, secondary distribution and last mile connectivity network business
- 4.2 The Insured is in the business of supply chain of FMCG & commodity goods directly to the retailers for products of various companies such as Britania Ind. Ltd, Patanjali, HUL, Parle, ITC, Adani group etc. Items such as biscuits, Oil, Sugar, Pulses, soaps, Detergent powder, Napkins, blades, Sanitary napkins were stored in the godown. The insured has presence all across India.

5.0 CAUSE OF DAMAGE

- 5.1 During our visit, the insured's premises were thoroughly inspected and photographed. The exact cause of fire could not be ascertained at

the time of inspection. Fire brigade was reportedly called to put off the fire. Police authorities were also informed about the fire incident.

- 5.2 The insurers had appointed forensic investigators (Bombay Forensic, Mumbai) for the claim. The investigator carried out detailed investigation and concluded as under...

(Quote)

Based on the Fire Forensic and Analysis of the fire affected site of incident followed by search, identification, collection and analysis of physical evidence, scrutiny of documentary evidence, it is concluded that the incident of fire reported to have occurred on 07th January, 2020 at around 02:30 AM at G-31/1, old MIDC, Satara was;

a) not due to any natural causes,

b) not due to explosion & implosion,

c) not due to electric short circuit, but

d) due to external source of origin of fire, it originated in Amit paper work company and then it propagated to the insured's company through the open hole access kept to slab for proposed steps construction from underground floor to ground floor. In this case, it is negligence of insured, if insured would have closed the open hole of slab then the fire could have not entered in the insured's godown.

Amit paper work owner was non-cooperative to provide the CCTV footage of his premises and making various stories. Later, provided hard disc through courier which was found fully burnt and look like it burnt deliberately.

(Unquote)

- 5.3 The entire investigation report is part of the report and attached with report for ready reference. As per the report, the fire originated in

Amit Paper Company and then propagated to the insured's premises through the open duct access in the slab (which was kept for proposed construction of steps from basement to ground floor). It should be noted that the insured had taken the premises (only ground floor) on rent. The police panchanama also confirms the incident & they had concluded that the fire was accidental (*Akasmit Jalit*). The insured had no control over the basement premises and activities carried in it. Hence, the fire which resulted in damages to the insured's stock is purely accidental.

- 5.4 Thus, based on our inspection, investigator's report & other supporting documents the cause of loss is attributed to accidental fire.

6.0 OUR INSPECTION & EXTENT OF DAMAGE

➤ Description of risk

- 6.1 The risk covered under the Policy is located at Plot no. G-31/1, old MIDC, Kodali, Satara, Maharashtra - 415004. The ground floor is rented to Insured Ntex Transportation Services Pvt. Ltd by the owner Mr. Sandeep Jadhav. Various groceries, FMCG product, etc. were stored inside it. Structure is a RCC shed with roofing of steel trusses enclosed with precoated sheet. It has three entrance and the area measuring about 3000 sq. ft. The premises is operational since August 2018. On north side a basement of 1000 sq. ft is constructed. The basement gala was on rent to M/s Amit paper works manufacturing unit of paper plates and other paper products. Inside the insured premises a duct was observed which has access to basement gala and the duct was covered with plywood. Goods were reportedly kept on the same prior to loss.

➤ **Extent of Damage**

6.2 The premises were thoroughly inspected & photographed. Broadly following items were affected in the fire...

- **Building**
- **Stock**
- **Other**

▶ **Building:**

6.3 The premises was inspected thoroughly. The building roofing sheets and steel trusses were bent and deshaped. Rolling shutter on rear LH side observed bent and heat affected. Inside and outside walls of the building observed with soot deposition. Oil seepage marks observed on the external wall and inside the godown various oil tins observed in burnt condition and spillage of oil observed on the flooring. The policy is not having the coverage of building. Thus, loss in respect of building is not assessed.

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▶ **Stock**

6.4 The stocks mainly consisted of various groceries, FMCG products. Some of the stock was completely burnt while some was found partially affected by the fire, heat & water used in fire extinguishing. The goods like biscuits, oil cans, oil pouches etc. were found spreaded all over the ground which were partially affected by fire. The stacking of sugar, salt, Atta, poha etc bags were found in burnt condition. The bottom side stacking of few bags were observed partially burnt and water affected. The soaps, biscuits, rice, poha sugar bags, Maida, cigarettes, cells, tobacco, shampoo and oils pouches, blades etc. were completely burnt and water affected.

The sound stock was shifted from the affected premises. The insured was advised to prepare list of affected stock & sound stock for inspection.

- 6.5 The sound stock and partially affected stock was taken out from the premises. The sound stock was inspected and jointly quantified. The burnt debris was not in quantifiable condition, still we tried to quantify the partially affected stock to the extent possible. The loss quantity was arrived at after deducting the safe stock from the total stock (which is maintained centrally at the main office). The system total stock (PSR) was taken during our initial site visit itself.

► **Other**

- 6.6 The office set up inside the godown (open) found fire affected. The electrical wiring, switch boards, printers, DVR and CCTV's, invertor, laptops, plastic crates, chairs etc. were found melted.

- 6.7 **Policy is having coverage only for stock. Thus, liability if any is limited to damages to the stocks only.**

7.0 INSURED'S CLAIM VIS-À-VIS ADMISSIBILITY

- 7.1 Thus, Insured has claimed the loss to the tune of **Rs. 4,303,675.00.**

- 7.2 The cause of loss is accidental fire. The claim is lodged under Standard Fire & Special Perils Policy. The operated peril – fire- is covered under the policy. The policy was effective as on date of loss & location is covered under the policy. Thus, the claim lodged by the insured falls within the purview of the policy issued to and held by the insured.

8.0 METHODOLOGY OF ASSESSMENT OF LOSS

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

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

► Stocks

- i) As per PSR report, total stock at the time of loss was Rs. 5,855,999.99. As per joint physical verification safe stock was works out as Rs. 1,552,324.00. Thus, remaining stock of **Rs. 4,303,675.00** was damaged in the fire. The rates are considered on the basis of the invoices provided by the insured. On sample basis these were verified during our inspection. We have confirmed the damages, however, as the damaged items were in large quantities which were completely burnt and mixed, exact quantification was not possible. Hence, we have deducted 3% against quantity and rate variance.
- ii) The total stock at loss location taken on the first day of our visit after the loss and it was confirmed that the PSR (physical Stock record) is centrally generated report. We have requested for CA certified stock statement. It was informed by the Insured that they would submit the same after the nationwide lockdown for the COVID 19 is lifted.

(-) Depreciation

- iii) **Stock:** - Not applicable

(-) Salvage

- iv) The damaged items were not fit for the intended use, however they would have realized scrap value. The insurers carried out the salvaging through their internal salvage team. The salvage value realized was Rs. 4,87,133.00 (Excluding GST) by auctioning. Insured has provided sale invoices for the same. Accordingly, the salvage value is deducted in the assessment.

(-) Adequacy

- v) Total stock as on date of loss as Rs. 5,856,000.00. Sum insured availed for the stock is Rs. **5,000,000.00**. Thus stock is underinsured to the extent of Rs. 856,000.00 and percentage of underinsurance is 15%. Accordingly deduction were made in assessment part of report.

(-) Excess

- vi) As per policy, excess is 5% of claim amount subject to minimum of Rs. 10,000.00. Deductions were made accordingly.

(-) Application of Exclusion '7'

- vii) The origin of fire is from other premises (Amit Paper Company) hence no deduction were made.

8.3 The assessment of loss works out to **Rs. 2,977,602.00**. The detailed assessment is attached as Annexures to the report.

The assessment has been explained to the Insured, who have given their written consent for the same vide mail dated 26th May 2020.

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 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, to the best of our knowledge & subject to terms, conditions exceptions of the policy issued to & held by the insured.

12.0 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 got printed on office printer 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

Encloser:

- Documents provided by Insured
- Photographs