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Our Ref:

No. 14987/ICICI/1920

Report Date **8th April 2020**

Insurers Ref

Insured Name: New Jai Malhar Sizars

Policy No: 1001/162694808/00/000

Claim No. FIR003673431

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

*Survey report regarding claim preferred by M/s. New Jai Malhar Sizars for reported
loss/damage to their property insured under Standard Fire & Special Perils Policy.*

1.0 INSTRUCTIONS

- 1.1 M/s.New Jai Malhar Sizars preferred claim on ICICI Lombard General Insurance Co., Mumbai for reported loss/damage to their property. Insured had taken Standard Fire & Special Perils Policy.
- 1.2 Insurers, appointed us on 15th September 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 above instructions, we visited to Insured's Premises located at House No.898/H-1 and 898/H-2, Survey No.7, Hissa No.2, New Gharat compound, Kamba road, village Kambe, Bhiwandi, Thane, Maharashtra on 17th September 2019 for the survey after confirmation from the Insured. The premises were inspected thoroughly. It was reported that there was inundation at insured's premises. Water level at Insured premises was around 1.5 to 2 ft. Most of the water had already receded during our visit, however, the water level marks were clearly visible on and around the premises. Thereafter, we had requested insured to provide the requisite documents. Meanwhile, the services of professional investigator were availed by the insurers. On receipt of minimum available documents, we are issuing the final 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 insured.

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

2.0 POLICY PARTICULARS

2.1	Insured	: New Jai Malhar sizers, House No.898/H-1 and 898/H-2, Survey No.7,Hissa No.2, New Gharat Compound, Kamba Road ,Village Kambe, Bhiwandi ,Dist Thane-421302, Maharashtra.
2.2	Insurers	: ICICI Lombard Gen Ins Co Ltd, Mumbai.
2.3	Type of Policy	: Standard Fire and Special Perils Policy
2.4	Policy No.	: 1001/162694808/00/000
2.5	Period of Insurance	: From : January 10, 2019 To : Midnight of January 09, 2020
2.6	Interest	Building (Without Plinth & Foundation) Rs. 9,000,000.00 Plinth & Foundation Rs. 1,000,000.00 Plant & Machinery Rs. 20,000,000.00 Stock in Process Rs. 20,000,000.00 Total Sum Insured Rs. 50,000,000.00 with Plinth & Foundation
2.7	Item Affected	: Stock & Plant and Machinery
2.8	Total Sum Insured for Loss location	: Rs. 50,000,000.00
2.9	Occupation	: Weaving Mill

3.0 INCIDENT

- 3.1 During our visit, Mr. Sharad Kumbhar (Partner) conducted us around and narrated the incident. It was informed that, on the intervening night of 14th & 15th September 2019 @ 3.00 am, there was heavy rainfall at Bhiwandi, Thane area due to which various surrounding regions were flooded. The insured's premises were also affected. Also the river passing along the side of the insured's factory added more amount of water that entered the factory premises. The water was removed prior to our visit, however, the water level marks at around 1.5 feet to 2.0 ft inside the premises were clearly visible. The flood water entered in the insured's all galas where the stock of yarn received from 15 parties was stored. This third party stock, Insured's own stock of starch and machineries like rewinding motor, panel were submerged into the muddy/contaminated water and got damaged.
- 3.2 We have reproduced the gist of the narration given by the insured. The original narration (in vernacular) given by the insured is enclosed with the report.

4.0 CAUSE OF DAMAGE VIS-À-VIS ADMISSIBILITY

- 4.1 During our inspection the inundation level was clearly visible inside the insured's premises. It was measured at various places. The water level inside the premises was around 2 ft. Investigators also opined that based on the Metrological Rainfall analysis, the rain fall was recorded for 24 hr in bhiwandi ending 8:30 am on 15 September, 2019 is 150 mm (heavy rain).

- 4.2 Thus based on our observations, investigation report, information provided to us, the cause of loss could reasonably have attributed to **flood/ inundation**.

5.0 OUR OBSERVATIONS & EXTENT OF DAMAGES

5.1 About Insured

Insured-'New Jai Malhar sizers' is a weaving mill . The Company is a partnership firm and is operated by two brothers; Khamkar Sharad Dattatray and Khamkar Pravin Dttatray. They have been running this business since last 10 years at the same place.

Working of mill:

Various parties provide the cotton yarn to Insured. In the mill, processing is done on the yarn and yarn gets converted into beam. Futher Insured returns these beams to the respective party. Process flow chart as follows:

Cotton yarn (raw) → Insured's Mill for processing → converted into beam→ return to respective party.

5.2 Description of The Risk

The risk covered is weaving mill and is located in at House No.898/H-1 and 898/H-2, Survey No.7, Hissa No.2, New Gharat compound, Kamba road, village Kambe, Bhiwandi, Thane, Maharashtra -421302. Total area of of premises is 1050 Sq.mtr. The company has 3 Galas altogether; two in front side and one at the rear side. The premises is well devided into three galas through internal wall partition. However one can go from one gala to another internally. Sizing process machinery and other machinery units are installed inside of Galas. The thread beams were arranged one above the other and are also kept in Galas. Apart from galas there are other section such as office

area, spinning unit, wrapping unit etc. Goods packed in sacks and arranged in stacks in the front on the office area.

5.3 **Our Observations:**

We carried out the survey on 17th September 2019, after the water level in the insured premises had receded. The insured is in the business of converting beams from cotton yarn through the process of wrapping & sizing. During inspection of the site the water inundation level was measured at various places. The water level inside the premises was around 1.5 ft to 2.0 ft. our observations are follows:

- The yarn packets which were kept inside the galas were damaged due to muddy water.
- Huge beams of threads arranged one above the other; lower beams were almost submerged in water and got damaged while the one arranged on top layers were not affected.
- Machineries like rewinding motor, panel were submerged into the muddy/contaminated water and got damaged.
- Mud stains were seen on the some yarn packets and beam rolls, which render them unfit for its intended use. The stock was not fit for use due to the water affected and and would not realize any value other than scrap.

5.4 Further detailed segregation of sound stock and damaged stock was carried out. During inspection the final quantity of loss was ascertained & assessed the loss accordingly. Damaged machineries were sent for repair. Detailed extent of damages is explained in our assessment part of report.

5.5 Thus, the liability, if any, is limited to the assessed quantity only.

6.0 INSURED'S CLAIM VIS-À-VIS ADMISSIBILITY

6.1 Insured had preferred claim for Rs.**3,477,554/-** for damages to stock and Plant & Machinery as follows:

Commodity		Amount in Rs.
Stock	Third party	3089053.65
	Starch (own)	17500.00
P&M		371000.00
TOTAL		3477553.65

6.2	<p>► Cause</p> <p>► Date of loss</p> <p>► Risk location</p>	<p>Flood/ inundation</p> <p>Intervening night between 14th -15th September 2019</p> <p>New Jai Malhar sizars, House No.898/H-1 and 898/H-2, Survey No.7,Hissa No.2, New Gharat Compound, Kamba Road ,Village Kambe, Bhiwandi ,Dist Thane-421302, Maharashtra</p>
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6.3 The claim is lodged under Standard Fire & Special Perils Policy. The operated peril – flood-inundation – 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

7.0 ASSESSMET OF LOSS

7.1 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. ..

A Stock loss for Third party:

i) In the said flood, stock of following parties were reportedly damaged.

1. AB trading co. Bhiwandi
2. Kailash Textiles,
3. Rishabh cottex PVT Ltda.
4. Porwal Enterprises pvt Ltd
5. Bharat textiles
6. Abhishek textiles mills
7. Bhandari cot-Fab
8. Sudarshan textiles
9. S Rupesh Trading Co.

Insured have claimed loss for third party for **Rs. 3089053.65**.

We have advised Insured to provide us party wise claim lodged by owner on Insured for damaged stock giving value for quantity, rate and amount with supporting invoices. Accordingly each above mentioned party have submit us the claim bill raised on the Insured. These third party claim bills are attached with the report as annexure.

ii) During our inspection, the detailed list of the affected items was physically prepared. Number of bags(partywise) and damaged quantity in kg have confirmed jointly with

Insured. Thus claimed quantity is ascertained. Insured have provided purchase bills for damaged items. Rate are considered on the basis of the same. Still, we have deducted 5 % for likely negotiation/Variation in qty/quality/Rate.

B Own stock loss

Insured have preferred claim for Rs. 17500.00 for own stock of starch. However, no supporting was provided for the same hence not considered by us in our assessment.

C Plant and Machinery.

In the subject flood, machineries like rewinding motor, panel, wiring got damaged. Insured have repaired them and have provided us repair bill for the same.

7.2 Depreciation

Stock: Not applicable for stock.

P & M: Policy is on RIV basis. Final bill is provided to us. Hence depreciation is not applied.

7.3 Salvage

The damaged items were not fit for the intended use. It was decided that salvage team from Insurance company will take the salvage and provide quote for it. The salvage was disposed by Insured. In fact, water affected yard would not have any alternative use and may not realize any salvage value. Still, we have deducted 15% amount on lump sum towards salvage. Accordingly, deduction of **Rs. 326,495.62** was made in the assessment.

7.4 During detailed investigation, it was observed that one plot number (Gala-3 HN 989/P1) is not mentioned in the policy. It was really difficult to ascertain the exact extent of stocks kept in that portion. Nevertheless, considering the condition as on date of our survey, suitable deduction is done.

7.5 **Underinsurance**

Stock:

The total stock as on date of loss as Rs. 14279212.81. Sum insured availed for the stock is Rs. 20000000.00. Thus stock is adequately covered and there is no underinsurance.

P&M:

Total value for P & M as on date of loss works out as Rs.22915200.00. Sum insured availed for the P & M is Rs. 20000000.00. Thus, P&M is underinsured & percentage of the underinsurance works out to 14.69%. Deduction were made accordingly.

7.6 **Excess**

The applicable excess 5% of the claim amount sub to min of Rs. 10,000/- is deducted.

8.0 Assessment of loss works out **Rs.1500940.00**. The detailed working is attached as Annexure to the report.
Our assessment was conveyed to Insured who have given consent for the same vide their mail dated **2nd April 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 flood/inundation, 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 This report is issued **without prejudice** & subject to the terms, conditions and warranties of the Policy issued to & held by the Insured.

11.0 DECLARATIONS

- 11.1 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.
- 11.2 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.



KAMAL BIYANI

License No. SLA 34365 valid till 27.11.2022

Enclosers:

Assessment of loss
Photographs
Fee bill
Consent letter
Incident narration
Claim bill
Invoices for damaged items.

Repair bill formachinery.
Provisional trading and profit & loss A/c balance sheet as on date of loss
Lasy 3 year audit report
GST registration certificate
Electricity bills