



FINAL REPORT

<u>Our Ref No.:</u>	<u>Insurers Ref</u>
13789/ICICI/18-19	Insured Name: Tri-Wall Pak Pvt. Ltd.,
	Policy No. 1001/119039479/01/000
	Type of policy: Standard Fire & Special Perils Policy
	Claim No.: FIR000257787
	Date of loss: 1 st May 2018
Report Date: July 11, 2019	Date of survey: 3 rd & 4 th May 2018, 27 th Dec 2018

Final survey report regarding claim preferred by M/s. Tri-Wall Pak Pvt. Ltd 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 M/s. Tri-Wall Pak Pvt. Ltd, lodged a claim on account of a reported fire accident on 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 3rd May 2018 (mail copy attached as **Enclosure 1**) to carry out the final survey and to issue the final 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 at Tri-Wall Pak Pvt. Ltd., Plot No: 75 Of Gat 357, Old 2891, Village- Kharabwadi, Taluka-Khed, Chakan - 410501 on 3rd & 4th May 2018 and subsequently thereafter on 27th December 2018.
- 1.5 During our survey, detailed inspection of the premises was carried out. Detailed discussions were held with insured's directors/executives and also various documents available were vetted. Detailed photographs were taken. In continuation, a preliminary report was issued on 7th May 2018. Thereafter, documents were called for and discussions were held with the insured. The nature and extent of damages, the rectification methodology was also finalized. The insured had taken long period for the completion of the reinstatement and submission of the documents, which delayed the report. On receipt of the documents/information made available to us, we are issuing our report.

2.0 POLICY PARTICULARS

- 2.1 The insured had covered the assets under one policy covering stocks and fixed assets (Plant & Machinery). The policy is enclosed as **Enclosure 2**. The details are as under....

- 2.2 Insured : Tri-Wall Pak Pvt. Ltd.,
Plot No: 75 Of Gat 357, Old 2891,
Village- Kharabwadi, Taluka-Khed,
Chakan - 410501.

- 2.3 Insurers : ICICI Lombard General Insurance Co. Ltd., Mumbai
- 2.4 Type of Policy : Standard Fire & Special Perils Insurance Policy
- 2.5 Policy No. : 1001/119039479/01/000
- 2.6 Period of Insurance : 14-7-2017 to 13-7-2018
- 2.7 Interest : Plant & Machinery, Stock
- 2.8 Item Affected : Plant & Machinery, Stock
- 2.9 Total Sum Insured : Rs. 1,00,00,000/-
- 2.10 Occupation : Corrugated Box Manufacturing Unit
- 2.11 Location of Risk : Tri-Wall Pak Pvt. Ltd.,
Plot No: 75 Of Gat 357,
Old 2891, Village- Kharabwadi,
Taluka-Khed, Chakan - 410501.
- 2.12 Clauses :
 - Reinstatement Value Clause
 - Designation of Property Clause
 - Local authorities clause
 - Earthquake (fire & stock)
 - Terrorism exclusion clause
- 2.13 Excess : 5% of claim amount subject to min of Rs. 10,000/-

Policy No.	Interest	Sum Insured (Rs.) of affected location
1001/119039479/01/000	• Plant & Machinery	60,00,000.00
	• Stock	40,00,000.00
	Total Sum insured	1,00,00,000.00

3.0 ABOUT THE INSURED

3.1



Founded in the year 2015, the “Tri Wall Pak Pvt. Ltd.” is notable firm that is instrumental in manufacturing and supplying a highly durable array of Corrugated POP Display, Wooden Pallet, Packaging Boxes, Packaging Material, etc.

The company is Japanese MNC with few more plants in India and other countries. They offer packaging products which are manufactured with the use of premium quality material and the most modern technology as per the industry set standards. The factory license is attached as **Enclosure 9**.

4.0 INCIDENT

4.1 During our visits on 3rd & 4th May 2018, the insured's premises was inspected and photographed. Mr. Ashwarya Dwiwedi conducted us around and narrated the incident. As informed, the plant was closed on 1st May 2018 due to public holiday. At around 8.30 am the security guard noticed smoke coming out from the manufacturing block window. He then quickly opened the shutter and observed fire and dense smoke inside the block. He then called the fire brigade and fire-fighting measures were initiated.

4.2 Insured have also provided us the incident narration of their employee Mr. Vijay Surve. The gist of the narration is reproduced here under...

(Quote)

- 4.3 I work as Plant Head at Tri Wall Co. Our company manufactures corrugated boxes & wooden pallets. Raw material which were required to prepare boxes & pallets are kept at the location. Our company starts at 9 a. m. to evening 5.30. shift.

Yesterday, on 1st May 2018 due to Maharashtra Day, there was holiday for us. Yesterday, on 1st May 2018 @ 8.30 a.m. Mr. Bagar, security officer of our company informed us about the fire. Fire brigade were called for. I came there & observed there was huge fire. Fire brigade people were trying to extinguish the fire. There was loss of about 4 crores in the said fire.

(Unquote)

- 4.4 The incident report provided by the insured is in vernacular. However, we have translated the same giving the gist of the incidence narrated therein.
- 4.5 The claim form, Incident narration and fire occurrence report, Newspaper cuttings, police documents, are enclosed as **Enclosure 3, 4, 5,6,7**

5.0 OUR INSPECTION & EXTENT OF DAMAGE

► Description of Risk

5.1



The premise was taken on the rental basis. It was bounded by a compound wall. The total area of the plots is 15000 Sq ft. The premises consisted of two blocks (manufacturing block and office block) adjoining to each other.

The manufacturing block had masonry walls of up to height of around 4 feet and thereafter, GI cladding is provided with roof of GI sheets laid on MS frame work. While the office building is RCC G+1 structure adjoining to the manufacturing block. The G+1 building was being used for office administrative work.

► **Block wise occupancy is as under...**

5.3 **a) Manufacturing Unit:** Various machines were installed. Raw material, packing material were also kept there. Mezzanine floor was also constructed to keep the stock.

b) Office: Administrative office

► **Manufacturing Process**

5.4 The manufacturing process is very simple. The corrugated board is generally imported. These are then, cut, slit, stapled as per the design/requirement of the customer to convert it into the box.

► **Our Observations**

5.5 We have visited the insured's premises on 3rd May 2018. The premises were kept as it was. It was thoroughly inspected. During our survey

Mr. Ashwarya Dwiwedi, Mr. Vijay Surve showed us the damages. As gathered from insured that the fire had originated at the manufacturing unit. Limited direct spread was also noticed at the office section/building. The water used in the firefighting operations also added to the damages.

► Broadly, damages to following items were observed.....

1. Building
2. Plant & machinery
3. FFF
4. Stocks

► **Building**

5.6



The building was extensively damaged. The MS trusses, columns were twisted due to heat/fire. The GI sheets of cladding, roof were also deformed. The mezzanine floor in stores area had collapsed. The window frames and MS frame

work of building was deformed indicating the intensity of fire. The painting of the wall was pilled off. Electrical wirings were found burnt. The sheets were blackened. The flooring was also affected. The shutter was found bent /deformed.

5.7 The office of the insured was also affected. The window, wiring etc. were affected. The walls were found with soot deposition. The outside of the office & manufacturing unit the fire was spread & walls were affected.



5.8 The building is not covered under the policy hence not assessed.

► Machinery

5.9



Various machines were arranged at manufacturing blocks. These Machines were installed as per the process flow. It mainly included Panel saw machine, UP down splitter, Cutting machine Arm

Sticher, Table Sticher, Flap Crusher, Binding Material & Sealer, Cordless Drill Driver, Air Boxer etc. The machines were badly burnt, leaving behind the skeleton of the metal. The machine cables, electrical fittings, internal motors were found badly burnt out in the fire.

5.10 During survey, list of the affected machines was prepared (elaborated in the assessment Annexure). During our subsequent visits, detailed inspection was carried out and the extent of damages was confirmed. By visual inspection, one could make out that the machines were completely damaged.

► **FFF**

5.11



Heavy soot deposition was observed all over in the manufacturing as well at the office premises. Wooden table, chair and FFF in the office section was found affected. During the survey, detailed inspection of the items was

carried out and the list of the affected items was prepared.

5.12 Heavy soot deposition was observed all over the office. The roof of the office blackened; the POP of the ceiling was affected. The walls of the office premises was also affected. Electrical fittings were also found burnt.



5.13 **The FFF is not covered under the policy hence not assessed.**

► **Stock**

5.14



The stocks consisted of raw material, accessories and finished goods. The stock (RM, WIP, FG, consumables) were burnt and water affected. The stock included corrugated

sheets/boxes, wooden ply/pallets etc. Burnt remains/ ash of various items were seen inside the block. It was completely gutted in the fire.

However, the burnt remains were considerable and indicated huge stock quantity. The partially burnt stock is also not fit for its intended use. As informed by the insured, nothing could be saved during &/or after the fire. Thus, the entire stocks was considered as total loss.

- 5.14 Thereafter, insured were advised for submission of relevant documents/information vide our mail dated 7th May 2018 & subsequent reminders, meetings & telecoms. On receipt of documents, as provided by Insured, we are issuing our report.

6.0 CAUSE OF LOSS

- 6.1 The cause of loss was fire. The exact cause of fire is not known. Insured had verbally informed that the reported fire had taken place due to short circuit.
- 6.2 The incident of the fire was reported to the police, fire brigade and insured have provided few supporting documents in support of the incident. As per these documents, the cause mentioned in the submitted documents is as under...

Document Name	Cause of fire
Φ Fire Report (No 38/2018)	Unknown
Φ Newspaper cuttings	Not Known
Φ Report of Industrial safety & Health Pune	Not mentioned
Φ As per insured's letter addressed to insurer dtd 22.12.2018	Cause of fire was not clear
Φ As per insured's Letter Addressed to Insurer dtd NIL	"we did not found any reason"
Φ Insured's Letter addressed to insurer dated 22 nd Dec 2018	Electrical short circuit

Φ As per investigation report of M/s Due to electrical short circuit
ICS Assure Services Pvt. Ltd
Mumbai

6.3 The above documents, are enclosed as **Enclosure 4, 5,6,7,8,10**

6.4 The premises was thoroughly inspected & damages were noted. The intensity of fire was huge. It was printed in the media. Thus, based on our inspection & supporting police documents, the cause of loss was **accidental fire**. The insurers have engaged an expert, M/s ICS Assure Services Pvt. Ltd Mumbai, to ascertain the exact source and origin of fire. The report is attached as **Enclosure 13** with the report.

7.0 INSURED'S CLAIM VIS-À-VIS ADMISSIBILITY

7.1 Insured have claimed Rs. 1,40,05,099.54. The supporting documents /information were submitted to us. The details are elaborated in the summary of the assessment sheet.

7.2 The claim form with final claim bill are placed as **Enclosure 3 & Enclosure 23** to the report.

7.3 The other details of the claim are as under.....

- | | |
|------------------------|--|
| • Peril | Fire |
| • Date of loss | 1 st May 2018 |
| • Policy period | 14-7-2017 to 13-7-2018 |
| • Risk location | Plot No: 75 Of Gat 357, Old 2891,
Village- Kharabwadi, Taluka-Khed,
Chakan - 410501. |

- 7.4 The operated peril and affected location are covered under the policy. The policy was effective as on date of loss. Thus, loss is covered under the policy.

8.0 METHODOLOGY OF ASSESSMENT OF LOSS

- 8.1 The assessment of loss is based on our inspection & documents submitted by the Insured. The reinstatement is completed by the insured and hence, the loss assessment is based on the invoices. It may be noted that during the process of the survey each and every item was inspected by us. Various filters/adjustments such as usable/unusable, repairable/irreparable were applied to the initial list generated by the insured. The final assessment is based on such final list generated after due vetting/verifications. The supporting documents are enclosed with the report. Following points are crucial from assessment point of view.

► **Building, FFF**

The building, FFF are not covered under the policy hence assessment is not done towards the same.

► **Machinery**

As elaborated in our earlier para, the machines were totally burnt and these were not fit for its intended purpose. Thus, considered to be Total loss. Few machines were imported. Thus, insured have imported the same. Insured has lodged the claim of Rs. 87,31,800/- towards repair/replacement cost of Plant & Machineries. Insured has reinstated the property & provided us the repair/replacement import Invoices, bill of entry, port charges, custom charges, transport charges & indigenous invoices. The loss is assessed based on such repair/replacement Invoices. Where ever tax Invoices, not provided, the cost has not been considered.

It was understood that the cutting machine was under breakdown at the time of loss. The supporting letter through insured is placed as **Enclosure 11.** to the report. The insured have provided supporting invoices for the repair charges, thus, the repair cost (Rs. 42,721/-) of items to be replaced, has been deducted while assessing the loss. The other charges were found reasonable, hence considered for the assessment.

► **Stocks**

The Insured has initially lodged the claim of Rs 51,20,500/- towards damaged to entire stock. The same was scrutinized in detail with the detailed cost sheet submitted by the Insured. The discrepancies noted, were discussed with the Insured & finally insured submitted the revised stock vide their letter dated 16th June 19, as follows:-

- Total- As per Prov. certified **Rs. 51,20,500.00**
B/Sheet/CA Certified
Statement
- Revised stock vide their **Rs. 44,73,426.00**
letter dated 16th June 19
-

To calculate the affected stock as on date of loss we have adopted following documents.....

- Unit Balance sheets 16-17, 17-18 duly certified by their CA–
Enclosure 18.
- Provisional balance sheet as on date of loss – Enclosed as
Enclosure 16.
- Purchase register 1.4.2018 to 30.4.2018

Based on the above documents, tentative adjusted stock, as per average GP of last two years, was worked out & compared with the stock as per Insured CA certified Statement, Insured Provisional

Balance sheet as on date of loss & revised stock submitted by the Insured. The least among above stock i.e. **Rs.44,73,426/-** considered the stock as on date of loss. Further following deduction have been made :-

1. Quantity and Rate variance – 10% i.e. Rs. 4,47,343/-
2. Non-Moving- Re-Purchase of stock from M/s Pre-pack- Rs. 9,63,896/- as old stock.
3. Non-Moving- on other stock -15% i.e. Rs. 4,59,328/-

After above deduction assessed stock worked out to be Rs. 26,02,859/- The detailed assessment sheet is attached with the report.

The detailed assessment sheet is attached as Annexure V to the report.

(-) Depreciation

The insured have reinstated the property. Accordingly, depreciation is not applied.

(-) Salvage

The machinery & stock was extensively damaged. Scrap of damage stock would not have realized any salvage value, however MS scrap generated from damage to Plant & machinery would have scrap value. The same is considered as around 11000 kgs @ Rs.25/- i.e. Rs. 2,75,000/- against insured offer of Rs.1,18,525/-.

(-) Adequacy Of Coverage

► **Plant & Machinery**

Insured have forwarded the year wise capitalization value since inception of the plant based on it & available data, the adequacy is worked out. Based on yearly capitalization details, RIV has been arrived by applying the RBI Index, the same is compared with the

actual repair/replacement invoices and value whichever is high has been considered as RIV for under Insurance working, accordingly under-insurance is worked out 31.21%, and an amount of Rs. 2,622,648.06, is deducted against the same. **The detailed assessment sheet is attached as Annexure I to the report.** The detailed working is attached as **Annexure VI** to the assessment sheet.

► **Stocks**

As the stock was completely damaged. The assessed loss is worked to Rs. 26,02,859/- as elaborated in earlier part of this report. The sum insured towards stock is Rs. 40,00,000.00. Thus, the stock is adequately covered The detailed working is attached as **Annexure VI** to the assessment sheet.

► The summary of the working of underinsurance is as under.....

Description	RIV of M/c & /Total stock as on dt of loss	Sum-Insured	% of Underinsurance
• Plant & Machinery	8721798.80	6000000.00	31.21
• Stock		4000000.00	-

(-) **Excess**

As per policy the applicable excess 5% of claim amt. Accordingly, we have deducted Rs. 419,214/-

(-) **Chances of Recovery**

Insured had informed that the fire was accidental and no third party was involved. Hence, there are no chances of recovery.

(-) **Application of Exclusion '7'**

The probable cause of fire was electrical short circuit. The exact, origin

was not known. Insured have not claimed for the electrical fitting charges. Thus, no deduction is required to be made towards exclusion.

(-) Deduction towards –Sub-Standard

Due to various discrepancies, as explained in earlier part of report, we have deducted, an amount of Rs. 3,98,254/- (5%) from final assessed loss.

► **The net assessed loss works out to Rs. 75,66,821/-. The detailed loss summary is attached to the report as Annexure.**

Our assessment is explained to the insured vide our email dated 2nd July 2019 & insured have given consent for the same on July 9, 2019.

9.0 WARRANTIES

9.1 We have not observed any breach of general or specific warranties except as mentioned earlier.

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 If insures admit their liability payment may be made as assessed in the report.

10.3 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.

11.0 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 were 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 27.11.2019

Encl :

- Assessment as annexures **I to VII**
- Photographs + CD
- Relevant claim documents as per Enclosures
- Relevant supporting for assessment as per Exhibits
- Our fee bill