



## FINAL SURVEY REPORT

### **Surveyor Ref:**

**No:** 15452/ICICI/20-21

**Insured :** Smartchem Technologies  
Ltd.

**Report Date** August 22, 2020

**Date of survey:** 6<sup>th</sup> June 2020

**Policy No:** 1001/198828381/00/000

**Claim No:** FIR034598727

### **1.0 POLICY PARTICULARS**

- |      |                          |   |  |
|------|--------------------------|---|--|
| 1.1  | Insured                  | : | <b>Smartchem Technologies Ltd.</b><br>Sai Hira, Survey no:93, Pune,<br>Maharashtra-411036  |
| 1.2  | Insurers                 | : | <b>ICICI Lombard General Insurance Co.<br/>Ltd.</b><br>Third Floor, C Wing, Manikchand Icon,<br>Bund Garden, Pune,<br>Maharashtra-411001 |
| 1.3  | Type of Policy           | : | Standard Fire and Special Perils Policy-<br>Floater  |
| 1.4  | Policy No.               | : | 1001/198828381/00/000  |
| 1.5  | Period of Insurance      | : | 21.03.2020 to 20.03.2021   |
| 1.6  | Occupancy                | : | Warehouse storing stock of fertilizer  |
| 1.7  | Total Sum Insured        | : | Rs. 250,00,00,000.00   |
| 1.8  | Item Affected            | : | Stock of fertilizer  |
| 1.9  | Sum insured for affected | : | Rs. 250,00,00,000.00   |
| 1.10 | Excess                   | : | As per policy & confirmed by the insurers,<br>5% of claim amount subject to minimum<br>of INR 25,000.00                                  |

1.11 Date of Loss : 3<sup>rd</sup> June 2020

## **2.0 INCIDENT**

2.1 A low pressure area formed over southeast & adjoining east central Arabian Sea and Lakshadweep area in the early morning (0530 hrs. IST) of 31<sup>st</sup> May 2020. It intensified into deep depression over east central Arabian Sea in the early morning (0530 hrs. IST) and into cyclonic storm "NISARGA" in the noon (1130 hrs. IST) of 2<sup>nd</sup> June. It gradually recurved northeastwards and intensified into a severe cyclonic storm in the early morning (0530 hrs. IST) of 3<sup>rd</sup> June 2020. It made landfall near the coastal region of Alibag in Maharashtra with wind speeds gusting from 100-120 Kmph. Various parts of Raigard, Pune, Ahemdagar, Nashik and Western Maharashtra region were lashed by gusty winds and relentless rains. The Navi Mumbai (Taloja) & Panvel region were also affected as the cyclone passed through the region. Various claims were reported from the area.

2.2 The insured had taken a warehouse at S.No.78/2 & 78/3, Wavaje Village, Tal-Panvel, Dist-Raigad-410208 on lease for storing the fertilizer bags. The warehouse was being managed by Nishant Infin Pvt. Ltd. As informed the warehouse was recently taken on rent in the month of March-April 2020. The stock of fertilizers of Smartchem Technologies was stored at the warehouse. As informed on 3<sup>rd</sup> June 2020, due to cyclone Nisarga, strong winds flown through the Navi Mumbai region due to which the coated sheets of one side got uprooted and fell down. As a result that section was exposed to the rains and the bags stacked in that section were affected by the rainwater.

## **3.0 OBSERVATIONS**

➤ Place of survey : Hemaram P Desai, S.No.78/2 & 78/3, Wavaje Village, Tal-Panvel, Dist-Raigad-410208

- Date of Survey : 6<sup>th</sup> June 2020
- Cause of Loss : Tropical Cyclone Nisarga

#### **4.0 Nature & Extent of Damages**

4.1 As mentioned in the earlier section, the side cladding sheets of the warehouse had uprooted and thereby the stock placed at that section was exposed to the heavy rains during the cyclone. The stack was of S: 10 (Mahadhan Smartek 10:26:26) fertilizer and around 470 MT quantity (each bag weight 50kg) was stored in the stack. The bags kept on the top side as well as on the side exposed to the open area were found with water traces. The fertilizer was directly packed inside the PP bags. Few bags were opened and inside the material was found turned into paste form. Also the bags of N: 24 (Mahadhan Power 24:24:0) kept beside the stack were affected. The material was manufactured in the month of April 2020 (as per the details mentioned on the bag). The exact quantity of affected bags could not be known as the stack was huge and bags in the middle layers were not accessible. The quantity of affected bags could have only be known once the sound bags are removed from the heap and the affected ones are segregated. Prima facie it was suspected that around 60-70 MT of S:10 and 25 MT of N:24 might be affected. However, we had advised the insured to start the segregation activity at the earliest so that the exact loss quantum can be ascertained.

4.2 The insured had segregated the damaged bags and the quantity is as under:

N24: 19 MT

S10: 5 MT

This quantity was inspected by us through video call (due to travel restrictions due to pandemic, the visit could not be arranged). The bags were opened and shown to us. The photographs & videos were also shared to us. The above material was found damaged & not fit for sale after the

segregation activity.

## **5.0 ASSESSMENT OF LOSS**

5.1 The insured had submitted below documents in support of their claim:

1. Claim bill
2. Claim form
3. Sale invoices
4. Government circular on subsidy
5. Total stock as on date of loss at all locations (being floater policy)

5.2 The stock of finished goods was damaged in the incident. The insured had claimed on the production cost of the stock. The insured had provided sale invoices for both the items. It was observed that the insured received subsidy from government on sale of the fertilizer stocks. Hence, the sale value mentioned in the invoice was lesser than the production cost. The claimed rate was less than the sum of sale invoice rate plus government subsidy per MT. Hence, the insured's claimed rate was found reasonable and accordingly, considered in the assessment working.

### **5.3 ► Depreciation:**

Not applicable on stocks.

### **► Salvage:**

The insured had provided salvage value offer of Rs. 6000 per MT for the damaged stock. The value was found reasonable considering the nature of damages and hence was accepted. Accordingly, the value of Rs. 1,44,000.00 is deducted towards salvage.

### **► Adequacy:**

The policy was on floater basis covering around 292 locations as per the policy annexure. The loss location warehouse (Hemaram P Desai) was

covered under the policy annexure. The insured had provided closing stock as on date of loss at all the locations. The value was Rs. 137,96,16,154.00 while the sum insured is Rs. 250,00,00,000.00. Hence the stocks are adequately covered.

► **Excess:**

As per policy & as confirmed by the insurers, the excess is 5% of claim amount subject to minimum of INR 25000 for sum insured (stock value) at particular location more than INR 10 Cr to INR 100 Cr, same is applied and deducted.

- 5.4 The assessment of loss works out to **Rs. 4,34,945.00**. The detailed assessment is attached as **Annexure I** to the report.

*The assessment was shared to the insured vide mail dated 21<sup>st</sup> August 2020 & insured has given consent for the same vide mail dated 22<sup>nd</sup> August 2020.*

**6.0 ADMISSIBILITY**

➤ <b>Policy Period</b>	Covered
➤ <b>Date of loss</b>	Covered
➤ <b>Loss location</b>	Covered
➤ <b>Peril operated</b>	Covered

- 6.1 The date of loss falls within the policy period. The peril operated is also covered under the Policy issued to and held by the Insured. Hence, the claim is admissible under the policy.
- 6.2 If Insures admit their liability payment may be made as assessed in the report.

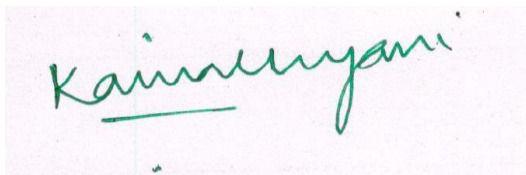
**7.0** This report is issued without prejudice & subject to the terms, conditions and warranties to the policy issued to & held by the insured.

**8.0 WARRANTIES**

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

**9.0 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 in-house 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

**Encl:**

- *Assessment as annexure*
- *Claim form*
- *Claim bill*
- *Sale invoices*

- *Government circular for subsidy*
- *Total stock at all locations as on date of loss*
- *Photographs*
- *Our Fee Bill*