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Our Ref:

No. 14789/ICICI/1920

Report Date **14th May 2020**

Insurers Ref

Insured Name: Kloud 9 International

Policy No: 1001/172260781/00/000

Claim No. FIR001845506

Survey report regarding claim preferred by M/s. Kloud 9 International for reported loss/damage to their property insured under Standard Fire & Special Perils Policy.

1.0 INSTRUCTIONS

- 1.1 Kloud 9 International 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 5th August 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 Survey No 186 And 280 Hissa No 1 And 2/1 Pelhar Village N H No 8, Vasai Road Vasai East Thane Maharashtra 401208 on 8th August 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 2-3 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, Flood loss Investigator- 'The ICS Assure Services Pvt. Ltd', Mumbai 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 : M/s. Kloud 9 International
22, Manoj Industrial Premises, 40 A,
G.D, Ambedkar Marg, Wadala W,
Maharashtra Mumbai 400031,
Mumbai,
- 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. : 1001/172260781/00/000
- 2.5 Period of Insurance : From : 00:00 Hours of May 15, 2019
To : Midnight of May 14, 2020
- 2.6 Location of risk Survey no 186 and 280 hissa no 1
and 2/1, Pelhar village N H no 8,
Vasai road, Vasai east, Thane,
Maharashtra- 401208.
- 2.7 Interest Furniture Fixture & Rs. 500,000.00
Fittings
Stocks - Raw Rs. 200,000.00
Material/Finished
Goods
Stocks In Process Rs.40,000,000.00
Total Sum Rs. 40,700,000.00
Insured
- 2.8 Item Affected : Stock of stainless steel, Corrugated
box ,Tag and stickers, P & M
- 2.9 Total Sum Insured for : Rs. 40,700,000.00
Loss location
- 2.10 Occupation : Storage in godown or warehouse

3.0 INCIDENT

- 3.1 During our visit, Mr. Sachine Padhey conducted us around and narrated the incident. It was informed that, on the intervening night of 3rd & 4th August 2019 @ 4.00 am -5.00 am, there was heavy rainfall at Vasai road, Thane area due to which various surrounding regions were flooded. The insured's premises were also affected. The water was removed prior to our visit, however, the water level marks at around 3 ft at out side of the shed and around 18 inches-2ft inside the shed in all four compartments were clearly visible. Flood water entered the warehouse, due to this stocks of utensils which were at the ground level, corrugated boxes, Tags and stickers, P & M were got affected.

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. 3 ft at out side of the shed and around 18 inches-2 ft inside the shed. Investigators also opined that based on the Metrological Rainfall analysis, there was major rainfall in the Vasai-Virar region between 3rd August, 2019 - 5th August.
- 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

➤ About Insured

5.1 Kloud 9 International was started by Mr. Mahipal Jain in the year 1973. As reported by the warehouse incharge, the firm purchases utensils from local manufacturers and the exports it internationally. Kloud9 international is into stainless steel kitchen utensils business with warehouse based in Vasai for storage. The major supplies are made to USA, Europe, Africa, Far East and Middle East. They deal in all the household stainless steel utensils. Their corporate office is in Lower Parel.

➤ Description of The Risk

5.2 The risk covered is Storage in godown/warehouse and is located in at Survey no 186 and 280 hissa no 1 and 2/1, Pelhar village N H no 8, Vasai road, Vasai east, Thane, Maharashtra- 401208. Total land area is around 30000 Sq.ft. Around 10000 sq.ft shade/godown was constructed in that area. The godown was RCC framed structure with side walls of bricks and roof of GI sheet. The godown consisted of 4 bays. There was an office area at the front side of bay 1. There were individual doors and windows in all bays. These bays were joined together internally. The godown was single storied, however out of four bays, two bays had mezzanine floors for extra storage. There were araised platforms at the entrance and other doors which were 25 inch high. The compound where the godown was situated had concrete flooring. The godown was towards the RHS and there was a residential area towards the rear side.

➤ **Our Observations:**

- 5.3 We carried out the survey on 8th August 2019. The water level was around 2 ft inside the premises & around 3 ft at out side the shed. The 25 inch platforms were also found moist. It was reorted that some stocks of utensils were stored on the plastic pallets on one above other. Some stock was stored in cardboard boxes. Bowls were stored in individual plastic bags. Brief details of our observations are as follows:

Stock of stainless steel:

1. The stock of utensils kept on lower part of pallets were mainly affected due to flood water. It contained utensil such as spoons, glasses, mugs, casseroles of stainless steel and chromium plated. Stock kept on upper part was found in safe condition.
2. Some of the stock were stored in plastic wrapping and then into corrugated cardboard boxes. These cardboard boxes were placed on plastic pallets. Throughout, the bottom 2 layers were drenched in water.
3. Some items were kept in only plastic covering. On inspection it was found that the water entered inside the plastic packing.

Machinery, corrugated boxes,Tags & stockers:

4. The machinery such as spot welding machine, weighing machine, found water affected. Empty corrugated cardboard boxes Tags & stickers were also found damaged in flood water.
- 5.4 The affected material was taken out separately from the packages and cleaning and polishing activity was in progress

prior to our visit. The affected stock contains numerous items in large quantity. Further we have advised Insured to segregate the affected material and provide us the detailed list with estimation of loss.

5.5 Thereafter Insured had cleaned up the flood affected stock using chemical method (de-rusting method using calcium powder). After such exercise flood affected stock became saleable at some discount. Some of the stocks was completely lost, as the puff got swollen and cracks were developed in the containers.

5.6 Out of damaged parts, stock (stainless steel) is only covered under the Policy. Damages to coagurated boxes, tags & stickers, P & M are not covered under the Policy. Thus, the liability, if any, is limited to that stock only.

6.0 INSURED'S CLAIM VIS-À-VIS ADMISSIBILITY

6.1 Insured had preferred claim for Rs. 4398246.56/- as follows:

Commodity	Amount in Rs.
Stock of finished goods (Stock of stainless steel)	4166625.60
Corrugated box	133271.59
Tag and stickers	38469.37
P & M	59880.00
Total claim amount (Rs)	4398246.56

6.2	► Cause	Flood/ inundation
	► Date of loss	Intervening night between 3 rd -4 th August 2019
	► Risk location	Survey no 186 and 280 hissa no 1 and 2/1, Pelhar village N H no 8, Vasai road, Vasai east, Thane, Maharashtra- 401208

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. ..

- i) The affected stock contains numerous items in large quantity. Practically, piece level inspection/ verification could not be possible in the subject case. Camaparatively stock kept at lower level was more damaged. Stock stored at upper portion was found in sound condition. So based on apprrppriate proportion and inundation level damaged items were segregated, list was prepared and same was verified jointly at the time of our inspection;.

ii) Damaged utensile were repolished and repacked by Insured after exercise of chemical method. Even after such exercise, some of the items were totally lost. The recovered one also lost its value and hence, discount need to be offered. Insured have claimed Rs.41,66,625.60 for the stock. As the damaged items were in large quantity exact quantification is not possible. Hence gross value is obtained by deduction of 15% for likely variation in quantity &/or rate and 5% for non moving / slow moving stock. Insured had demanded for different allowances of different items. However, exact details/basis were not furnished. Moreover, the repolishing cost would differ on the basis of the items and extent of damage suffered. Considering the large quantity, the exercise required sufficient time. This time factor would obviously lead to further damages. Considering these aspects, based on the discussion with the insured and market inquiries, cumulative damage allowance (repolishing expenses, repacking expenses, likely discount etc.) of 40% was reasonable. Accordingly, we have arrived at damaged value as **Rs. 26,03,362.00.**

iii) **Underinsurance**

The total stock as on date of loss as Rs. 8231685.90. Sum insured availed for the stock is Rs. 40000000. Thus stock is adequately covered and there is no underinsurance.

iv) **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.24,73,194.00**. 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 **13th 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 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