Abstract

This document summarizes functional needs of claims and recoveries that can be conducted on issued credit guarantee under Mudra scheme.   
Intention is to collate & track functional specifications of underlying business processes for Mudra loan guarantee business and provide a firm base for further interpretations of software requirements & specifications.

Business Requirement Document

Claims & Recoveries for Mudra Loan Scheme

**Document Version History**

|  |  |  |  |
| --- | --- | --- | --- |
| Version No. | Remarks | Date | Author |
| 1.0 | Baseline | 10-May-2017 | Sachin Patange |
| 2.0 | Whenever, MLI Apporver approves the Batch Claim file, the date of approval will be considered as ‘Claim Lodgement Date’. For those CG’s, whose claim has been invoked, their calculation of CG Charges will be considered till this claim lodgement date only. | 3-Feb-2018 | Sachin Patange |
| 3.0 | * File input value – Principal as on date of NPA and Interest as on date of NPA has been merged to one field – Total Dues as on date of NPA * Change of Claim approval workflow which now involves NCGTC Approver as well | 17-February-2018 | Sachin Patange |
| 4.0 | Modification to claims logic – Claims status 30119, 30219 and 30319.  Modification to whole claim process.  Accounts can be marked as Standard once claims in update file.   * Claim process for Migrated portfolios. | 07-April-2020 | Satyan Soni |
| 5.0 | CGFMU Recovery Module | 10-April-2020 | Satyan Soni |
| 6.0 | Surge Enhancements | 31-10-2022 | Supriya Shinde Dhuri |
| 7.0 | Surge Enhancements- CAG | 14-02-2023 | Supriya Shinde Dhuri |
| 8.0 | Surge Enhancements- claim | 23-06-2023 | Supriya Shinde Dhuri |
| 9.0 | Surge Enhancements- Claim and Recovery | 26-02-2024 | Supriya Shinde Dhuri |

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**Glossary**

Glossary of Important Terms used in this document.

|  |  |  |
| --- | --- | --- |
| S. No. | Term | Description |
| 1 | BATCHDAN | Batch Demand Advisory Number - a Unique Credit Guarantee Demand Number generated by NCGTC processing system for demand of CG Fees for batch of loan records which MLI needs to pay to avail the CG cover. |
| 2 | CG | Credit Guarantee |
| 3 | CGDAN | Credit Guarantee Demand Advisory Number - a Unique Credit Guarantee Demand Number generated by NCGTC processing system for each loan record demand of CG Fees which MLI needs to pay to avail the CG cover. |
| 4 | CGPAN | Credit Guarantee Permanent Account Number – a Unique Credit Guarantee Number generated by NCGTC processing system while issuing the Credit Guarantee. |
| 5 | DDMMYYYY | DD- Date; MM-Month; YYYY-Year (4 digit) |
| 6 | FY | Financial Year |
| 7 | IFSC | An Indian Financial System Code - an alphanumeric code that uniquely identifies a bank-branch. |
| 8 | MLI | Member Leading Institute. These will be Banks, Factors, and Para- Banks etc. Institutes predominantly in business of Money Lending’s. |
| 9 | NPA | Non-Performing Asset |
| 10 | NCGTC | National Credit Guarantee Trustee Company Ltd |
| 11 | SURGE | Software System Developed and Commissioned by NCGTC for Managing Credit Guarantee Business Process.  *SURGE – System for Underwriting, Reassurance & Guarantee Endorsement* |
| 12 | XML | Extensible Markup Language (**XML**) is a markup language that defines a set of rules for encoding documents in a format which is both human-readable and machine-readable. It is defined by the W3C's XML 1.0 Specification and by several other related specifications, all of which are free open standards. |
| 13 | KYC | Know your customer - is the process of a business identifying and verifying the identity of its end customers. |
| 14 | PAN | Permanent Account Number (PAN) is a code that acts as an identification for Indian nationals, especially those who pay Income Tax. It is a unique, 10-character alpha-numeric identifier, issued to all judicial entities identifiable under the Indian Income Tax Act, 1961. |
| 15 | A/c | Account or Account No. – a common written abbreviation for account in context of Banking/Financials |

## **Introduction**

Credit Guarantee Fund for Micro Units (CGFMU) is the Trust Fund set up by Government of India, managed by NCGTC as a trustee, with the purpose of guaranteeing payment against default in Micro Loans extended to eligible borrowers by Banks/ NBFCs/ MFIs/ Other Financial Intermediaries. The CGFMU Trust has come into being on March 30, 2016, where in Govt. of India, through Ministry of Finance the settlor of the Trust and NCGTC is the Trustee. The Scheme of Credit Guarantee Fund for Micro Units (CGFMU) has come into force from the date notified by the Government of India in The Gazette of India (April 18, 2016) for all micro loans sanctioned since April 08, 2015.

Claims for this portfolio guarantees will be handled as Interim claim pay-outs which MLI’s can raise in Currency year 2 & Currency year 3 (3rd & 4th year of Portfolio life). In other words, the lending institution may invoke the guarantee in respect of the ‘amount in default’ out of the crystallized portfolio of micro loans, subject to the condition of first loss guarantee, after 1 year from the date of crystallization of the portfolio and thereafter, at the end of every financial year.

If the portfolio is migrated in Currency Period 4, then MLI’s can lodge interim claims in Currency Period 5 & Currency Period 6 and final claims in currency Period 7 for full and final settlement. In other words, the lending institution may invoke the guarantee in respect of the ‘amount in default’ out of the crystallized portfolio of micro loans, subject to the condition of first loss guarantee, after portfolio is migrated to Currency Period 5.

Claims will be paid out on interim basis on interim loss assessment subject to such loss being more than 5% of the crystallized Portfolio till FY 2020. After FY 2020-21 First loss will be calculated 3% on Amount in Default. The pay-outs are interim in nature as the overall loss scenario in the Portfolio will be known only after the end of the 4th year.

MLI can raise their claims in form of a separate input file (called as claim requisition input file) will they have to upload on the SURGE platform for this activity. In essence invoking claims is an operation to be performed only in Batch Mode.

(**Note:-**

**Current Portfolio -For the CGFMU Guaranteed Portfolio stating from for FY 2020-21(micro loan sanctioned on or after 01/04/2020 onwards) onward-**

1.Amount of First Loss: 3% of Eligible Amount in Default.

2.Eligible Claim: 75% of Second Loss.

**Before Guaranteed Portfolio stating from for FY 2020-21**

1.Amount of First Loss: 5% of the crystallized Portfolio till FY 2020.

2.Eligible Claim: 50% of Second Loss.)

## **Input File Layout**

Refer the spread sheet – Mudra Scheme Claim Requisition Input Layout, for the fields included, Mandatory/optional level, allowed characters and usage of codes wherever applicable.

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## **Input File Format Processed by SURGE**

SURGE will accept input file from MLI(s) in following format only:

* XML layout

XML is only format permissible as per eGov standards. SURGE will **NOT** process files received in any other formats than those listed above.

**Preparation of Input File**

This section describes the process for preparation of input file which MLI needs to send to NCGTC. The purpose of this file is:

1. Invoke Claims – If the associated loan account of the CG is in state of NPA for the prescribed duration as per the scheme notification and MLI wants to invoke the guarantee for this account.

**Important Note:**

1. For Interim Claim 1: Yearly Once when the portfolio has status as ‘Currency Period 2’ and before Currency Period 2 Billing.
2. For Interim Claim 2: Yearly Once when the portfolio has status as ‘Currency Period 3’ and before Currency Period 3 Billing.
3. For Final Claim Settlement: Yearly Once when the portfolio has status as ‘Currency Period 4’ and for final claim Currency Period 4 Billing is not required.
4. For Migrated Interim Claim 1: Yearly Once when the portfolio has status as ‘Currency Period 5’ and before Currency Period 5 Billing.
5. For Migrated Interim Claim 2: Yearly Once when the portfolio has status as ‘Currency Period 6’ and before Currency Period 6 Billing.
6. For Migrated Final Claim : Yearly Once when the portfolio has status as ‘Currency Period 7’ and no billing for Currency Period 7.

### **Request for Claim**

As a part of MLI’s loan business at their end, their sanctioned and disbursed Loan to the borrower under the CGFMU Scheme *may* become NPA. If such loan assets remain in the state of NPA for 6 months or more, then, MLI may invoke the associated CG.

As a part of this scheme and claim raise process, MLI’s are advised to send the requisite information of their loan accounts (for whom the guarantees has been provided) to NCGTC in following steps:

1. As per the periodicity in which the portfolio is:
   1. For Interim Claim 1, once the update file of the respective portfolio for currency period 2 is uploaded, MLI needs to extract the loan information for all those loan accounts, which are eligible for claims.
   2. For Interim Claim 2, once the update file of the respective portfolio for currency period 3 is uploaded, MLI needs to extract the loan information for all those loan accounts, which are eligible for claims.
   3. For Final Claim, once the update file of the respective portfolio for currency period 3 is uploaded, MLI needs to extract the loan information for all those loan accounts, which are eligible for claims.
   4. For Migrated Interim Claim 1, once the update file of the respective portfolio for currency period 5 is uploaded, MLI needs to extract the loan information for all those loan accounts, which are eligible for claims.
   5. For Migrated Interim Claim 2, once the update file of the respective portfolio for currency period 6 is uploaded, MLI needs to extract the loan information for all those loan accounts, which are eligible for claims.
   6. For Migrated Final Claim, once the update file of the respective portfolio for currency period 7 is uploaded, MLI needs to extract the loan information for all those loan accounts, which are eligible for claims.
2. Note that the data needs to be send to SURGE only for those loan accounts which qualifies for claims as per scheme notification and not otherwise.
3. MLI needs to send the information in a file, called as ‘Mudra Scheme Claim Requisition Input Layout’. Information to be extracted in the layout mentioned in the section 1.2 and in the format mentioned in section 1.3.
4. Upload this file on the NCGTC system in *‘Non Approved’* state by MLI user account. The file needs to be uploaded against a specific ‘Scheme’ and ‘Portfolio’.
5. Till the specified period (communicated by NCGTC) MLI is permitted to upload and/or re-upload the input file multiple times. Thus, allowing MLI’s to append, edit and delete the information for claim of the issued CG’s multiple times and in *‘Non Approved’* state.
6. Final submission of the ‘Approved’ input file will be effective once MLI accepts to the ‘Management certificate - Terms & Conditions’. Post the approved state – the input file is sent for approval by NCGTC user.
7. After final verification of the input file by MLI approver user account (created by their own MLI Administrator), and NCGTC user the state of the input file is changed as *‘Approved’* state.
8. Approved state of input file also means that the claims has been considered in SURGE.

### **Summary - Preparing & Uploading the Input File**

Note: MLI’s are expected to perform these steps in stipulated time communicated by NCGTC to MLI’s.

## **Invoking Claims**

System initiates processing of input file for ‘claim requisitions’ on upload and approval of data file from MLI’s (along with acceptance to the terms & conditions of Management certificate) for a given batch execution.

### **Input File Content to Staging Area**

The input file content uploaded by MLI in XML format will be extracted to a staging area database. While extracting these records, SURGE extractors will append the records with Date-Time stamp in order for effective traceability of input records.

### **Eligibility Criteria Checks**

Following checks are performed on each MLI Loan Accounts to ascertain their eligibility for invoking claims. Approved Input file will be processed for each record and the record will be *REJECTED if*:

|  |  |  |
| --- | --- | --- |
| S. No. | Rule/Criteria | Description |
| 1 | Existence of Loan Acct in Portfolio | * The ‘Loan Account Number’ & ‘Customer Id’ specified DOES NOT EXISTs in respective ‘Portfolio Id’ in SURGE System Database, then, this loan account will be rejected by SURGE for claim processing. |
| 2 | Duplicate Loan A/c in Input file | * Records in same input file presented by MLI has repeated/same account number. (In such case, the first record will be considered valid and remaining records having duplicate (or repeated) account number will be rejected). |
| 3 | Checks on Latest Status Codes | The credit guarantee exists in system and has one of the CG Current Status other than those mentioned below:  System will accept below codes   * 30020 – NPA guarantee in force. * 30119 - First Claim * 30219 – Second Claim * 30319 – Third Claim   System will reject below codes   * 30036- Guarantee Issuance Provisional * 30011- Guarantee(s) Not Issued * 30021- NPA Guarantee(s) Lapsed * 30013- Guarantee(s) Lapsed * 30005- Guarantee Close By MLI * 30018- Guarantee Close By NCGTC * 30038- Release Guarantee Lapse |
| 4 | Principal amount as on date of NPA | The value is less than zero and greater than latest sanction amount for all loan type. |
| 5 | Recoveries | The recoveries amount is LESS THAN ZERO |
| 6 | NPA Seasoning | The date of NPA (this date is taken from the corresponding CG record from CG Table) for this loan account is LESS THAN 6 months from the current system date |
| 7 | Portfolio State | If the Portfolio has NOT transited to CP2 state.  For migrated Portfolio, if it has NOT transmitted to CP5 state. |
| 8 | OTS Acct – No change in field values compared with previous declared OTS Acct | -If Portfolio Status is CP3:   * If the acct has been marked as OTS during the previous claim of CP2, then, values in: * Principal outstanding as on date of NPA for Term Loan * Recovered Amount * OTS Indicator   Should always be same.  -If Portfolio Status is CP4:   * If the acct has been marked as OTS during the previous claim of CP3, then, values in: * Principal outstanding as on date of NPA for Term Loan * Recovered Amount * OTS Indicator   Should always be same. |
| 9 | Claim Acct – Presence of all Claim Accts compared with previous Claimed Acct (minus the Standard Acct and the NPA which are not qualifying 6 months maturity now)  (This check will ensure that all previously declared OTS accts are provided by MLI) | -If Portfolio Status is CP2:   * If no claim file is uploaded then after billing no new entry will be inserted in claim management. * If Portfolio Status is CP3: * MLI can upload claim file. * This claim file can include new claim records, already claimed records and can exclude previously claimed records. * For any number of records claimed, it should calculate appropriate claim value. * If no claim records then after billing, a new entry to be inserted in claim management. Here MLI should refund the claim settled during Claim 1. Appropriate negative value of settled claim inserted in claim management. * Approval process would be same.   If Portfolio Status is CP4:   * MLI can upload claim file. * This claim file can include new claim records, already claimed records and can exclude previously claimed records. * For any number of records claimed, it should calculate appropriate claim value. * If no claim records then after billing, a new entry to be inserted in claim management. Here MLI should refund the claim settled during Claim 2. Appropriate negative value of settled claim inserted in claim management. * Approval process would be same. |
| 10 | NPA in CP4 and Final Claim | * if any accounts become NPA in CP4 period and marked in system by MLI, then, those accounts are included in Final Claim. * The accounts which have become NPA in CP7 period should not be considered for Migrated Final Claim. * The accounts which have become NPA in CP6 period should not be considered for Migrated Interim Claim 2. * The accounts which have become NPA in CP5 period should not be considered for Migrated Interim Claim 1. * The accounts which have become NPA in CP4 period should not be considered for Final Claim. * The accounts which have become NPA in CP3 period should not be considered for Interim Claim 2. * The accounts which have become NPA in CP2 period should not be considered for Interim Claim 1. |

### **Marking the CG as Claimed**

Once the above eligibility checks are complete and NCGTC users approved the claim requisition file, system marks the CG record as ‘claimed’. There by indicating that the claim for the specific CG is initiated and processed.

The identifying and ear-marking the claims is a two-way process:

* Marking the claim records in CG tables
* Making an entry with relevant details in Claim tables

### **Marking the CG as Claimed in CG Table**

Three new claim status codes – 30119, 30219 and 30319 will be used instead of 30019. 30019 will be discontinued once these changes are implemented.

On validation and eligibility checks, the CG in SURGE will be marked as claimed in following ways:

Marking the CG as Claimed for Claim 1:

On approval of the claim requisition file from MLI and from NCGTC, system will proceed to mark the CG record as ‘Claimed 1’ as stated below:

SURGE inserts the following transaction with following values in CG table:

* File Type - 4 (It is a claim request using in the database)
* Transaction Mode – 120001 (which indicates that this is a batch transaction)
* Customer Id – Customer Id mentioned in the Input file
* Loan A/c No. – Loan Account mentioned in the Input file
* MLI ID - Same as the Original Master Record
* Schemes Id - Same as the Original Master Record
* CGPAN - Same as the Original Master Record
* CG Current State – *Refer Below Matrix*
* CG Previous State - *Refer Below Matrix*
* IP Address – IP Address of the User
* Is Active Flag – Active
* Created By – NCGTC user id
* Created Date – DateTime of Record insertion

|  |  |  |
| --- | --- | --- |
| S. No. | Latest Records CG state | Current Records CG State |
| 1 | Current State – 30020 | Current State – 30119  Previous State – 30020 |

Marking the CG as Claimed for Claim 2:

On approval of the claim requisition file from MLI and from NCGTC, system will proceed to mark the CG record as ‘Claimed 2’ as stated below:

SURGE inserts the following transaction with following values in CG table:

* File Type - 4
* Transaction Mode – 120001 (which indicates that this is a batch transaction)
* Customer Id – Customer Id mentioned in the Input file
* Loan A/c No. – Loan Account mentioned in the Input file
* MLI ID - Same as the Original Master Record
* Schemes Id - Same as the Original Master Record
* CGPAN - Same as the Original Master Record
* CG Current State – *Refer Below Matrix*
* CG Previous State - *Refer Below Matrix*
* IP Address – IP Address of the User
* Is Active Flag – Active
* Created By – NCGTC user id
* Created Date – DateTime of Record insertion

|  |  |  |
| --- | --- | --- |
| S. No. | Latest Records CG state | Current Records CG State |
| 1 | Current State – 30020 | Current State – 30219  Previous State – 30020 |

Marking the CG as Claimed for Claim 3:

On approval of the claim requisition file from MLI and from NCGTC, system will proceed to mark the CG record as ‘Claimed 3’ as stated below:

SURGE inserts the following transaction with following values in CG table:

* File Type - 4
* Transaction Mode – 120001 (which indicates that this is a batch transaction)
* Customer Id – Customer Id mentioned in the Input file
* Loan A/c No. – Loan Account mentioned in the Input file
* MLI ID - Same as the Original Master Record
* Schemes Id - Same as the Original Master Record
* CGPAN - Same as the Original Master Record
* CG Current State – *Refer Below Matrix*
* CG Previous State - *Refer Below Matrix*
* IP Address – IP Address of the User
* Is Active Flag – Active
* Created By – NCGTC user id
* Created Date – DateTime of Record insertion

|  |  |  |
| --- | --- | --- |
| S. No. | Latest Records CG state | Current Records CG State |
| 1 | Current State – 30020 | Current State – 30319  Previous State – 30020 |

Marking the CG as Claimed for OTS (One Time Settlement):

On approval of the claim requisition file from MLI and from NCGTC, system will proceed to mark the CG record as OTS as stated below:

A separate OTS flag will be maintained in the CG table and on the ‘New’ type of the CG Record to indicate that this CG is OTS.

The marking of OTS is in conjunction to above marking as specified in this section.

### **Making entry in Claims Table**

After making an entry in CG table (if required), system will make an entry in claims table for:

* Customer Id
* Loan Account No.
* Principal Outstanding Amount as on date of NPA.
* Recovery
* OTS

The above details are stored with respect to Batch Identification of the claims file.

Note: Whenever, MLI Approver approves the Batch Claim file, the date of approval will be considered as ‘Claim Lodgment Date’. For these CG’s, whose claim has been invoked, their calculation of CG Charges is till this claim lodgment date only.

## **Processing Claims**

Once the claim requisition file has been received and approved by NCGTC user, the claims will get processed.

MLI Approves the Claim

(NCGTC Creator)

Investigate/Due Diligence

Send to Approve

(By NCGTC Creator)

N

Y

Claim Approval

Reject Claim

(By NCGTC Approver)

Approve Claim

(By NCGTC Approver)

Claim Settlement

Rejects the Claim

(By NCGTC Creator)

The Claim file and claim is rejected.

MLI will need to rectify and upload a fresh claim

### **Payment of Claim Payout to MLI (Claim Settlement)**

Once NCGTC Approver approves the claims, NCGTC accountant and Main accountant can settle the claims payments. Settling the claims in actual is a making the RTGS/NEFT pay out to MLI. The payout activity is out of SURGE scope boundary.

However, as a part of the ‘settle claims’ functionality, NCGTC accountant and Main accountant need to specify the RTGS/NEFT reference number and date of payout.

Refer the BRD – Payment Mechanism for further reference.

(**Note: - Provided Generate Payment UTR update report as per scheme wise at MLI side and NCGTC side once NCGTC main accountant approved the payment of claim. MLI and NCGTC can download Payment UTR updates. Report downloaded in excel format which given by NCGTC).**

### **Rejecting the Claims**

NCGTC Approver may reject the claims. Along with the reason/remarks for rejections.

Rejecting claims will bring the affected loan a/c or the CG in state before to claim state (i.e. NPA Guarantee in Force). Note that this does not have any change to the billing status, billed amount and flags related to billing. Rejection will allow MLI to put in the claim again.

### **Claim Calculations**

To understand the claim calculations, refer to the scenarios mentioned here.

(**Note**: - Guaranteed Portfolio stating from for FY 2020-21(micro loan sanctioned on or after 01/04/2020 onwards)   
1.Amount of First Loss: 3% of Eligible Amount in Default.  
2.Eligible Claim: 75% of Second Loss.   
  
Before Guaranteed Portfolio stating from for FY 2020-21   
1.Amount of First Loss: 5% of Eligible of the crystallized Portfolio till FY 2020.  
2.Eligible Claim: 50% of Second Loss.)

**Scenario – Claim in Interim Period I (Current Portfolio- Loan Type 1, 2, 3, 4):**

Crystallized portfolio Sanctioned Amount (Summation of sanctioned amount or modified sanction amount, if available, for cases which have been billed till Currency Period 2 billing): 6770000.00/- (A)

The details provided by MLI in claim requisition file:

|  |  |  |
| --- | --- | --- |
|  | Portfolio | MUDFHYT20222023C |
| A | Crystalized Sanctioned Amount ( to be taken in case of interim claim & final Claim CP 1, 2, 3)/ Sanction Amount of o/s Portfolio Migrated for CP 4, 5, 6 ) (Rs) | 6770000.00 |
| B | No. of Accounts identified as Loss Assets | 6 |
| C | Principal as on date of NPA(Rs.) | 614000.00 |
| D | Recovery Amount from NPA date till lodgment of claim(Rs.) | 169200.00 |
| E | Eligible AID (Rs.) **(C-D)** | 444800.00 |
| F | First Loss 5% on Crystallized amount or 3% on Default Total Loss (As Applicable) (Rs**.) (E\*3%)** | 13344.00 |
| G | Second Loss (Rs.) **(E-F)** | 431456.00 |
| H | Maximum Payout(Rs.) (**A\*15%)** | 1015500.00 |
| I | Amount of Eligible Interim claim(Rs.) (**G\*75%)** | 323592.00 |
| J | Eligible Claim Lodged(Rs**.) (If I >H, H,I)** | 323592.00 |
| K | Cumulative Claim Payout (Rs.) | 0.00 |
| L | Eligible Claim Payout (Rs) **(J-K)** | 323592.00 |

**Scenario – Claim in Interim Period II (Current Portfolio- Loan Type 1,2,3,4):**

Crystallized portfolio Sanctioned Amount (Summation of sanctioned amount or modified sanction amount, if available, for cases which have been billed till Currency Period 3 billing): 8550000.00/- **(A)**

The details provided by MLI in claim requisition file:

|  |  |  |
| --- | --- | --- |
|  | Portfolio | MUDFHYT20222023C |
| A | Crystalized Sanctioned Amount ( to be taken in case of interim claim & final Claim CP 1, 2, 3)/ Sanction Amount of o/s Portfolio Migrated for CP 4, 5, 6 ) (Rs) | 8550000.00 |
| B | No. of Accounts identified as Loss Assets | 8 |
| C | Principal as on date of NPA(Rs.) | 744800.00 |
| D | Recovery Amount from NPA date till lodgment of claim(Rs.) | 225600.00 |
| E | Eligible AID (Rs.) **(C-D)** | 519200.00 |
| F | First Loss 5% on Crystallized amount or 3% on Default Total Loss (As Applicable) (Rs**.) (E\*3%)** | 15576.00 |
| G | Second Loss (Rs.) **(E-F)** | 503624.00 |
| H | Maximum Payout(Rs.) (**A\*15%)** | 1282500.00 |
| I | Amount of Eligible Interim claim(Rs.) (**G\*75%)** | 377718.00 |
| J | Eligible Claim Lodged(Rs**.) (If I >H, H,I)** | 377718.00 |
| K | Cumulative Claim Payout (Rs.) | 323592.00 |
| L | Eligible Claim Payout (Rs) **(J-K)** | 54126.00 |

**Scenario – Final Claim Settlement (Current Portfolio- Loan Type 1,2,3,4):**

(This activity is done in the last quarter of final settlement year)

Crystallized portfolio Sanctioned Amount (This is the sanction amount or modified sanction amount whichever is latest existing in CG Table for the CG which has been billed is considered and summation of all these amount is determined. After Currency Period 4): 11430000.00 /- (**A)**

The details provided by MLI in claim requisition file:

|  |  |  |
| --- | --- | --- |
|  | Portfolio | MUDFHYT20222023 |
| A | Crystalized Sanctioned Amount ( to be taken in case of interim claim & final Claim CP 1, 2, 3)/ Sanction Amount of o/s Portfolio Migrated for CP 4, 5, 6 ) (Rs) | 11430000.00 |
| B | No. of Accounts identified as Loss Assets | 11 |
| C | Principal as on date of NPA(Rs.) | 996400.00 |
| D | Recovery Amount from NPA date till lodgment of claim(Rs.) | 310200.00 |
| E | Eligible AID (Rs.) **(C-D)** | 686200.00 |
| F | First Loss 5% on Crystallized amount or 3% on Default Total Loss (As Applicable) (Rs**.) (E\*3%)** | 20586.00 |
| G | Second Loss (Rs.) **(E-F)** | 665614.00 |
| H | Maximum Payout(Rs.) (**A\*15%)** | 1714500.00 |
| I | Amount of Eligible Interim claim(Rs.) (**G\*75%)** | 499210.5 |
| J | Eligible Claim Lodged(Rs**.) (If I >H, H,I)** | 499210.5 |
| K | Cumulative Claim Payout (Rs.) | 377718.00 |
| L | Eligible Claim Payout (Rs) **(J-K)** | 121492.5 |

**Scenario – Claim in Migrated Interim Period I (Current Portfolio- Loan Type 1,2,3,4):**

Crystallized portfolio Sanctioned Amount (Summation of sanctioned amount or modified sanction amount, if available, for cases which have been billed till Currency Period 5 billing): 8000000.00 /- **(A)**

The details provided by MLI in claim requisition file:

|  |  |  |
| --- | --- | --- |
|  | Portfolio | MUDFHYT20222023C |
| A | Crystalized Sanctioned Amount ( to be taken in case of interim claim & final Claim CP 1, 2, 3)/ Sanction Amount of o/s Portfolio Migrated for CP 4, 5, 6 ) (Rs) | 8000000.00 |
| B | No. of Accounts identified as Loss Assets | 2 |
| C | Principal as on date of NPA(Rs.) | 130800.00 |
| D | Recovery Amount from NPA date till lodgment of claim(Rs.) | 56400.00 |
| E | Eligible AID (Rs.) **(C-D)** | 74400.00 |
| F | First Loss 5% on Crystallized amount or 3% on Default Total Loss (As Applicable) (Rs**.) (E\*3%)** | 2232.00 |
| G | Second Loss (Rs.) **(E-F)** | 72168.00 |
| H | Maximum Payout(Rs.) (**A\*15%)** | 1200000.00 |
| I | Amount of Eligible Interim claim(Rs.) (**G\*75%)** | 54126.00 |
| J | Eligible Claim Lodged(Rs**.) (If I >H, H,I)** | 54126.00 |
| K | Cumulative Claim Payout (Rs.) | 0.00 |
| L | Eligible Claim Payout (Rs) **(J-K)** | 54126.00 |

**Scenario – Claim in Migrated Interim Period II (Current Portfolio- Loan Type 1,2,3,4):**

Crystallized portfolio Sanctioned Amount (Summation of sanctioned amount or modified sanction amount, if available, for cases which have been billed till Currency Period 6 billing): 8500000.00 /- **(A)**

The details provided by MLI in claim requisition file:

|  |  |
| --- | --- |
| Portfolio | MUDFHYT20222023C |
| Crystalized Sanctioned Amount ( to be taken in case of interim claim & final Claim CP 1, 2, 3)/ Sanction Amount of o/s Portfolio Migrated for CP 4, 5, 6 ) (Rs) | 8500000.00 |
| No. of Accounts identified as Loss Assets | 5 |
| Principal as on date of NPA(Rs.) | 160800.00 |
| Recovery Amount from NPA date till lodgment of claim(Rs.) | 141000.00 |
| Eligible AID (Rs.) **(C-D)** | 19800.00 |
| First Loss 5% on Crystallized amount or 3% on Default Total Loss (As Applicable) (Rs**.) (E\*3%)** | 594.00 |
| Second Loss (Rs.) **(E-F)** | 19206.00 |
| Maximum Payout(Rs.) (**A\*15%)** | 1275000.00 |
| Amount of Eligible Interim claim(Rs.) (**G\*75%)** | 14404.5 |
| Eligible Claim Lodged(Rs**.) (If I >H, H,I)** | 14404.5 |
| Cumulative Claim Payout (Rs.) | 54126.00 |
| Eligible Claim Payout (Rs) **(J-K)** | -39721.5 |

**Scenario – Migrated Final Claim Settlement (Current Portfolio- Loan Type 1,2,3,4):**

(This activity is done in the last quarter of migrated portfolio final settlement year)

Crystallized portfolio Sanctioned Amount (This is the sanction amount or modified sanction amount whichever is latest existing in CG Table for the CG which has been billed is considered and summation of all these amount is determined): 8500000.00 /- **(A)**

The details provided by MLI in claim requisition file:

|  |  |
| --- | --- |
| Portfolio | MUDFHYT20222023C |
| Crystalized Sanctioned Amount ( to be taken in case of interim claim & final Claim CP 1, 2, 3)/ Sanction Amount of o/s Portfolio Migrated for CP 4, 5, 6 ) (Rs) | 8500000.00 |
| No. of Accounts identified as Loss Assets | 7 |
| Principal as on date of NPA(Rs.) | 341600.00 |
| Recovery Amount from NPA date till lodgment of claim(Rs.) | 197400.00 |
| Eligible AID (Rs.) **(C-D)** | 144200.00 |
| First Loss 5% on Crystallized amount or 3% on Default Total Loss (As Applicable) (Rs**.) (E\*3%)** | 4326.00 |
| Second Loss (Rs.) **(E-F)** | 139874.00 |
| Maximum Payout(Rs.) (**A\*15%)** | 1275000.00 |
| Amount of Eligible Interim claim(Rs.) (**G\*75%)** | 104905.5 |
| Eligible Claim Lodged(Rs**.) (If I >H, H,I)** | 104905.5 |
| Cumulative Claim Payout (Rs.) | 14404.5 |
| Eligible Claim Payout (Rs) **(J-K)** | 90501.00 |

**Important Note:**

* NCGTC user will calculate claims – after the claim file is processed (i.e. approved by NCGTC user)
* Ideally one claim requisition file is expected from NCGTC user.
* Once the claim has been calculated, the same will be available for ‘View’ to NCGTC and MLI users

**CR Point:-**

1. **View and authorize the Management certificate and Bank Mandate form**
2. After uploading the claim file, MLI maker get an option to **view** management certificate and bank Mandate (Mandatory to be viewed by MLI Maker), then only the system should allow MLI Maker to send the file to MLI Checker for approval.
3. Once MLI Checker **view and authorize** the Management certificate and Bank Mandate details then only system should allow MLI Checker to approve the claim file.
4. Print option should be available in the “Management Certificate”.
5. Footer of the Management Certificate display as **“This is computer generated invoice. No signature required”.**
6. NCGTC Maker and Checker can view the updated Management certificate and Bank Mandate under Claim Management.

**Sample Format of claim management certificate:-**

****

### **Holding the Claims**

In case NCGTC needs some additional time to investigate claims, they may put the claim processing on ‘Hold’. Holding the claims will require to have reason/remarks.

Claims can be taken for further processing from the ‘Hold’ State by NCGTC Creator by sending it for ‘Send to Approve’ (to NCGTC Approver).

### **Approving the Claims**

Once the claims are received at NCGTC User (approver), he can either ‘Approve’ or ‘Reject’ the claims.

Approving the claims will require to have reason/remarks.

Claims can be taken for further processing from the ‘Approve’ State by NCGTC Approver by sending it for ‘Settle Claim’ (to NCGTC Creator).

**(Note: - Fields has been provided: Eligible Amount payable, Approval date (MLI Approver approve date) both fields display NCGTC creator and approver side).**

### **Settle the Claims**

Once NCGTC Approver approves the claims, NCGTC accountant and main accountant can settle the claims. Settling the claims in actual is a making the RTGS/NEFT pay out to MLI. The payout activity is out of SURGE scope boundary.

However, as a part of the ‘settle claims’ functionality, NCGTC creator need to specify the RTGS/NEFT reference number and date of payout.

### **Rejecting the Claims**

NCGTC Approver may reject the claims. Along with the reason/remarks for rejections.

Rejecting claims re-directs the flow of claims back to NCGTC creator where he can now – Hold or send the claims for approval.

## **Notifying Recoveries (Post Full & Final Claim settlement)**

Once Full & Final claim has been invoked (and the same has been approved and settled by NCGTC), MLI can notify and provide recoveries to such invoked CG’s. This section elaborates the requirements and broad level flows for this envisaged process.

Note: MLI’s need to notify their recoveries for each loan account and make payment of such recoveries. Else, such recoveries are not considered as valid recoveries for any further process.

### **Input File Layout and XML Layout**

For notifying the recoveries and providing payments, refer the spread sheet –Mudra Scheme - Claim and Recovery Input Layout –Mudra Post Full & Final Claim Recovery, for the fields included, Mandatory/optional level, allowed characters and usage of codes wherever applicable. Also find the xml lay out.





### **Input File Format Processed by SURGE**

SURGE will accept input file from MLI(s) in following format only:

* XML layout

XML is only format permissible as per eGov standards. SURGE will **NOT** process files received in any other formats than those listed above.

Refer the XML format in the file – Mudra Scheme - Sample XML Layout for Recovery Notification.xml for the layout of the XML input file.

### **Preparation of Input File**

Once MLI has invoked a CG of a specific Loan Account, the recoveries (if any) for the same CG/Loan Account can be notified and recovery amount passed on to NCGTC.

It is important to note that –

* MLI’s need to provide the recovery information for each loan account and also make payment of the recoveries to NCGTC within stipulated time as notified in the scheme gazette.

### **Notifying Recoveries**

Once claim is invoked for a given loan account, and settled by NCGTC, MLI’s can provide the recovery information of those loan accounts for which recovery has been done and which needs to be passed on to NCGTC as a per the scheme gazette notification.

As a part of this this process, MLI’s are advised to send the requisite information of their loan accounts (for whom the guarantees has been provided) to NCGTC in following steps:

1. MLI needs to extract the recovery information for all such claimed loan accounts, which are approved and settled by NCGTC. MLI needs to extract data from its own IT System. It is considered (an understanding) that whatever recoveries which MLI exhibit or showcase to NCGTC can be percentage defined by NCGTC or claim settlement percentage of recovered amount from its respective borrower.
2. MLI needs to send the information in a file, called as ‘Mudra Scheme Recovery Notification Layout’. Upload the Extracted Information in the layout and format mentioned in Sample XML file layout. XML file for recoveries, which will contain - Customer Id, Loan A/c No and Recovery Amount, Date of Recovery.
3. Upload this file on the NCGTC system in *‘Non Approved’* state by MLI user account. Upload the file against a specific ‘Scheme’ and specific ‘Portfolio’.
4. MLI can provide recoveries of those guarantees only for which MLI has requested the final claim (i.e. those customer Id and Loan Account Number provided in the claim file when the portfolio is in ‘F&F’ status).
5. Until the specified period (communicated by NCGTC) MLI is permitted to upload and/or re-upload the input file multiple times. Thus, allowing MLI’s to append, edit and delete the information for claim of the issued CG’s multiple times and in *‘Non Approved’* state.
6. Final submission of the ‘Approved’ input file would be effective once MLI accepts to the ‘Management certificate - Terms & Conditions’. Post the approval– the input file is sent for approval by NCGTC user.
7. NCGTC user can modify the recovery percentage, recalculate recovery amount and can send it for approval to NCGTC Approver. After final verification of the input file by MLI approver user account (created by their own MLI Administrator), and NCGTC user the state of the input file is changed as *‘Approved’* state. *This approval will be AUTO in nature (which means system will automatically approve this input file on behalf of NCGTC)*
8. Approved state of input file also means that the recovery information has been considered in SURGE, but in provisional state only. In addition, MLI needs to provide payment for these file/recoveries.

### **Summary - Preparing & Uploading the Input File**

Note: MLI’s are expected to perform these steps in stipulated time communicated by NCGTC to MLI’s.

The input file content uploaded by MLI in XML format will be extracted to a staging area database. While extracting these records, SURGE extractors will append the records with Date-Time stamp in order for effective traceability of input records.

### **Eligibility Criteria Checks**

Following checks are performed on each MLI Loan Accounts to ascertain their eligibility for recoveries. Approved Input file will be processed for each record and the record will be *REJECTED if*:

1. The ‘MLI’ AND ‘Loan Account Number’ specified DOES NOT EXISTs in SURGE System Database.
2. Records in same input file presented by MLI has repeated/same account number. (In such case, the first record will be considered valid and remaining records having duplicate (or repeated) account number will be rejected).
3. The loan account exists in system, but NOT in Full and Final Claim Invoked State (i.e. 30319).
4. The loan account exists in system, but in First claim Invoked state (.i.e. 30119).
5. The loan account exists in system, but in Second claim Invoked state (.i.e. 30219).
6. The recoveries amount is LESS THAN ZERO
7. Date of Recovery is:
   1. Later to Current System Date.
   2. Earlier to Full & Final claim file upload date.
8. If Recovery Type is Yearly then:
   1. Date of Recovery is Earlier to previous financial year.
9. The Full & Final claim payout NOT paid by NCGTC.

### **Treatment to Notified Recoveries**

As specified in the scheme notification - the recoveries that MLI secures from its borrowers, needs to be submitted to NCGTC. Such recoveries provided to NCGTC has a subtle difference depending on the period when it is being provided to NCGTC:

1. If a recovery for a particular customers Id and loan a/c or a CG is being provided after the settlement of full & final claim, then:
   1. MLI needs to mention the whole recovery amount (recovered from the borrower) for the specific customers Id & loan a/c or CG in consideration.
   2. Based on the NCGTC share percentage, Recovery amount that needs to be passed on to NCGTC will displayed to MLI and MLI will have to pass that recovery amount to NCGTC.

**CR Points:-**

* Added additional “legal costs” column in the CGFMU recovery xml format and calculate the NCGTC recovery amount based on the Net recovery amount (legal cost and recovery amount). Field validations same as per recovery amount filed. -  There is no validation required for legal cost.  If legal cost is more than recovery amount zero bill considered for the respective account. Also, for negative amounts, consider them as zero, and no further processing will take place
* NCGTC recovery share percentage – Currently, NCGTC creator have an option to add the Recovery share percentage Parameter from Docket and in the docket only one percentage can be update for all the portfolios.

As per the CGFMU scheme guidelines recovery share percentage will be same percentage on which final claim amount was settled. Accordingly, done a provision to update the docket 50% till 2019-20 portfolios and thereafter it should be 75%.

**Explanation to Above Modification –**

• The Net Recovery will be calculated using the formula below:

Net Recovery Amount = Recovery Amount- Legal Cost

• If the calculated recovery amount is negative, it will be treated as zero (e.g., if the net amount is -20, it should be considered as zero).

• No field validations are required for legal cost.

• The NCGTC Percentage is adjustable from the docket (e.g., 50% or 75%), 50% share will be applicable for all the records coming under 2019 -2020 profiles and 2020 and ahead will be having 75% as the Recovery Share Percentage.

• The NCGTC Percentage will not be visible to MLI.

• For zero invoice generation, the NCGTC approver is the final step. Once approved, it will move into a processed state and will not be visible for payment or available to the accountant.

• No receipt will be downloadable for zero entries and no payment flow will be there for zero entries.

• For values other than zero, the entire process remains the same as the previous workflow. Users will be able to download the statement of recovery and payment receipt for those records.

• The entire flow for the recovery process remains unchanged for the non-zero & non negative records.

### **Allotting Recovery Unique Identifiers – Recovery Id**

For the eligible recovery records, system allocates a unique identification number, called as Recovery Id. This recovery id is allotted to the input file (or the batch) and to each recovery transaction (at each CG/Account level).

### **Allotting Batch Recovery Unique Identifier – Batch Recovery Id**

This unique identifies is at the batch level, called as Batch Recovery Id – which is a unique identification allotted to the notified batch of recoveries, for traceability and management of recoveries in SURGE system.

Batch Recovery Id follows a specific format for this scheme:

￼

### **Allotting CG/Account Recovery Unique Identifier – Account Recovery Id**

This unique identifies is at the account level, called as Account Recovery Id – which is a unique identification allotted to the notified batch of recoveries, for traceability and management of recoveries in SURGE system.

Account Recovery Id follows a specific format for this scheme:

￼

### 

### **Payment from MLI for Notified Recoveries**

MLI will need to make the payment of the recoveries (total recoveries) against the recovery file uploaded by him and approved by NCGTC Approver.

Note that MLI will need to make the payment of the recoveries using RTGS/NEFT facility and provide the UTR/reference number in SURGE.

Refer the BRD – Payment Mechanism for further reference.

### **Penalty Calculation on Recovery Amount from MLI**

The recovery amount provided by MLI for each corresponding CG (as specified in section 1.3.5) – will have penal charge consideration as well. This consideration is undertaken by system at the time when MLI makes payment of the recovery amount in full (he may do the payment of the recoveries at one go or in tranches) and when these are reconciled by NCGTC Accounts Dept. System will calculate the following (against each loan a/c):

1. Date when MLI deposits the final amount which makes the total recoveries as paid
2. Eligible days for penalty
3. Penalty calculated [It will be simple interest based on recovery (as P), Eligible days for penalty (as N), Penalty Rate for delayed Recovery (as R). Thus the formula used will be – P\*N\*R/365]

Here P = Recovery Passed to NCGTC.

For reporting of recoveries, two options will be provided:

1. Monthly option.
2. Annual option (Selected by Default).

This is explained in the following possible scenarios. For all the below scenarios, following values needs to be considered:

1. Monthly option: (Old Recovery Calculation without Penalty)

|  |  |
| --- | --- |
| Month when recovery file is uploaded by MLI | 19-Feb |
| Rate of Penalty | 10% |
| DATE when the last tranch for full recovery payment is received | 25-Feb-20 |
| No of Days NCGTC has to Refund | 30 |
| NCGTC Share of Recoveries | 50% |

1. **Scenario 1:** 
   * **No Penalty situation**
   * **Information in Recovery File (XML)**
   * **Upload Recovery file after Full and Final payment .i.e. after CP4 and CP7.**

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  | **A** | **B** | **C** | **D** | **E** | F | G |
| **A/c No.** | **Customer  Id** | **Date of Recovery (From Borrower to MLI)** | **Recovery Amount (Entire amount)** | **Recovery Amount (NCGTC Share)** | **DATE when the last tranche for full recovery payment is received** | **Days Elapsed (Days diff between Date of Recovery and DATE when**  **the last tranche**  **for full recovery**  **payment is**  **received)** | **Eligible  Days For  Penalty** | **Penalty  Calculated** | **Tax on Penalty  (@18% on E)** | **Recovery Proceedings for Cases - Post Final Claim (A+E+F) along with Penalty/Taxes** |
| L1 | A1 | 4-Feb-20 | 7,500.00 | 3,750.00 | 25-Feb-20 | 22 | 0 | - | - | 3,750.00 |
| L2 | A2 | 5-Feb-20 | 5,000.00 | 2,500.00 | 25-Feb-20 | 21 | 0 | - | - | 2,500.00 |
| L3 | A3 | 10-Feb-20 | 20,000.00 | 10,000.00 | 25-Feb-20 | 15 | 0 | - | - | 10,000.00 |
| L4 | A4 | 10-Feb-20 | 18,750.00 | 9,375.00 | 25-Feb-20 | 15 | 0 | - | - | 9,375.00 |
| L5 | A5 | 12-Feb-20 | 4,500.00 | 2,250.00 | 25-Feb-20 | 13 | 0 | - | - | 2,250.00 |
| L6 | A6 | 12-Feb-20 | 6,000.00 | 3,000.00 | 25-Feb-20 | 13 | 0 | - | - | 3,000.00 |
| L7 | A7 | 28-Jan-20 | 7,950.50 | 3,975.25 | 25-Feb-20 | 29 | 0 | - | - | 3,975.25 |
| L8 | A8 | 27-Jan-20 | 11,253.50 | 5,626.75 | 25-Feb-20 | 30 | 0 | - | - | 5,626.75 |
| L9 | A9 | 27-Jan-20 | 17,587.50 | 8,793.75 | 25-Feb-20 | 30 | 0 | - | - | 8,793.75 |
| L10 | A10 | 27-Jan-20 | 24,578.00 | 12,289.00 | 25-Feb-20 | 30 | 0 | - | - | 12,289.00 |
|  |  |  | **123,119.50** | **61,559.75** |  |  |  |  |  | **61,559.75** |

* 1. **Date of Recovery (From Borrower to MLI**):**-** System will take it from input file as it is.
  2. **Recovery Amount (Entire amount):-** System will take it from input file as it is.
  3. **Recovery Amount (NCGTC Share ) :-** Net of Recovery \*50% . (NCGTC Recovery Percentage system taking from docket).
  4. **DATE when the last tranche for full recovery payment is received :-** NCGTC accountant reconciliation date at the time of recovery payment.
  5. **Days Elapsed (Days diff between Date of Recovery and DATE when the last tranche for full recovery payment is received) :-** Days diff between Date of Recovery (From Borrower to MLI) and DATE when the last tranche for full recovery payment is received.
  6. **Eligible Days For Penalty :-** In scheme level NCGTC will add Recovery Threshold days for Penalty (Days). If Days Elapsed less than or equal to than Recovery Threshold days for Penalty (Days) then **eligible days for Penalty** will be **“Zero” else (Days Elapsed - Recovery Threshold days for Penalty (Days).**
  7. **Penalty Calculated :-** (Recovery Amount (NCGTC Share) \* Rate of Penalty/365\* Eligible Days For Penalty).
  8. **Tax on Penalty (@18% on E) :-**  (18% on Penalty).
  9. **Recovery Proceedings for Cases - Post Final Claim (A+E+F) along with Penalty/Taxes: -** Sum of (Recovery Amount (NCGTC Share)+ Penalty + Tax on Penalty).

**Note:**

1. Recover Amount of INR 61,559.75 /- from MLI.
2. In this case since there is no penalty, there is no need for any additional recoveries from MLI.
3. **Scenario 2: (**Old Recovery Calculation with penalty)
   * **Penalty Situation (File uploaded but for few records date of recovery is exceeded 30 days)**
   * **Information in Recovery File (XML)**

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  | **A** | **B** | **C** | **D** | **E** | F | G |
| **A/c No.** | **Customer  Id** | **Date of Recovery (From Borrower to MLI)** | **Recovery Amount (Entire amount)** | **Recovery Amount (NCGTC Share) p** | **DATE when the last tranche for full recovery payment is received** | **Days Elapsed (Days diff between Date of Recovery and DATE when**  **the last tranche**  **for full recovery**  **payment is**  **received** | **Eligible  Days For  Penalty (n)** | **Penalty  Calculated** | **Tax on Penalty  (@18% on E)** | **Recovery Proceedings for Cases - Post Final Claim (A+E+F) along with Penalty/Taxes** |
| L1 | A1 | 4-Oct-19 | 7,500.00 | 3,750.00 | 25-Feb-20 | 144 | 114 | 117.12 | 21.08 | 3,888.21 |
| L2 | A2 | 5-Nov-19 | 5,000.00 | 2,500.00 | 25-Feb-20 | 112 | 82 | 56.16 | 10.11 | 2,566.27 |
| L3 | A3 | 10-Dec-19 | 20,000.00 | 10,000.00 | 25-Feb-20 | 77 | 47 | 128.77 | 23.18 | 10,151.95 |
| L4 | A4 | 10-Feb-20 | 18,750.00 | 9,375.00 | 25-Feb-20 | 15 |  | - | - | 9,375.00 |
| L5 | A5 | 12-Feb-20 | 4,500.00 | 2,250.00 | 25-Feb-20 | 13 |  | - | - | 2,250.00 |
| L6 | A6 | 12-Dec-19 | 6,000.00 | 3,000.00 | 25-Feb-20 | 75 | 45 | 36.99 | 6.66 | 3,043.64 |
| L7 | A7 | 28-Nov-19 | 7,950.50 | 3,975.25 | 25-Feb-20 | 89 | 59 | 64.26 | 11.57 | 4,051.07 |
| L8 | A8 | 27-Dec-19 | 11,253.50 | 5,626.75 | 25-Feb-20 | 60 | 30 | 46.25 | 8.32 | 5,681.32 |
| L9 | A9 | 27-Sep-19 | 17,587.50 | 8,793.75 | 25-Feb-20 | 151 | 121 | 291.52 | 52.47 | 9,137.74 |
| L10 | A10 | 27-Jan-20 | 24,578.00 | 12,289.00 | 25-Feb-20 | 29 |  | - | - | 12,289.00 |
|  |  |  | **123,119.50** | **61,559.75** |  |  |  | **741.06** | **133.39** | **62,434.21** |

* 1. **Date of Recovery (From Borrower to MLI**):**-** System will take it from input file as it is.
  2. **Recovery Amount (Entire amount):-** System will take it from input file as it is.
  3. **Recovery Amount (NCGTC Share ) :-** Net of Recovery \*50% . (NCGTC Recovery Percentage system taking from docket).
  4. **DATE when the last tranche for full recovery payment is received :-** NCGTC accountant reconciliation date at the time of recovery payment.
  5. **Days Elapsed (Days diff between Date of Recovery and DATE when the last tranche for full recovery payment is received) :-** Days diff between Date of Recovery (From Borrower to MLI) and DATE when the last tranche for full recovery payment is received.
  6. **Eligible Days For Penalty :-** In scheme level NCGTC will add Recovery Threshold days for Penalty (Days). If Days Elapsed less than or equal to than Recovery Threshold days for Penalty (Days) then **eligible days for Penalty** will be **“Zero” else (Days Elapsed - Recovery Threshold days for Penalty (Days).**
  7. **Penalty Calculated :-** (Recovery Amount (NCGTC Share) \* Rate of Penalty/365\* Eligible Days For Penalty).
  8. **Tax on Penalty (@18% on E) :-**  (18% on Penalty).
  9. **Recovery Proceedings for Cases - Post Final Claim (A+E+F) along with Penalty/Taxes: -** Sum of (Recovery Amount (NCGTC Share)+ Penalty + Tax on Penalty).

**Note:**

1. Amount of INR 61,559.75 /- is adjusted in Final claim settlement.
2. In this case since there is penalty, and hence a need for additional recoveries from MLI which is about INR 8,74.46 /-
3. For any penalty generated post first claim recovery, MLI will have an option to settle the penalty amount before lodging the Final claim. If penalty not settled before Final claim lodgment, then to be adjusted in the Final claim payout.
4. Monthly option: (New Recovery Calculation without penalty)

|  |  |
| --- | --- |
| Month when recovery file is uploaded by MLI | 19-Feb |
| Rate of Penalty | 10% |
| DATE when the last tranch for full recovery payment is received | 25-Feb-20 |
| No of Days NCGTC has to Refund | 30 |
| NCGTC Share of Recoveries | 75% |

1. **Scenario 1:** 
   * **No Penalty situation**
   * **Information in Recovery File (XML)**
   * **Upload Recovery file after Full and Final payment .i.e. after CP4 and CP7.**

|  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  |  |  | **A** | **B** | **C** | D | **E** | F | G |
| **A/c No.** | **Customer Id** | **Date of Recovery (From Borrower to MLI)** | **Recovery Amount (Entire amount)** | **legalcost** | **Net of Recovery** | **Recovery Amount (NCGTC Share** **)** | **DATE when the last tranche for full recovery payment is received** | **Days Elapsed (Days diff between Date of Recovery and DATE when  the last tranche  for full recovery  payment is  received)** | **Eligible Days For Penalty** | **Penalty Calculated** | **Tax on Penalty (@18% on E)** | **Recovery Proceedings for Cases - Post Final Claim (A+E+F) along with Penalty/Taxes** |
|
|
|
|
| L1 | A1 | 04-Feb-20 | 7,500.00 | 2,000.00 | 5,500.00 | 4,125.00 | 25-Feb-20 | 22 | 0 | - | - | 4,125.00 |
| L2 | A2 | 05-Feb-20 | 5,000.00 | 3,000.00 | 2,000.00 | 1,500.00 | 25-Feb-20 | 21 | 0 | - | - | 1,500.00 |
| L3 | A3 | 10-Feb-20 | 20,000.00 | 10,000.00 | 10,000.00 | 7,500.00 | 25-Feb-20 | 15 | 0 | - | - | 7,500.00 |
| L4 | A4 | 10-Feb-20 | 18,750.00 | 15,000.00 | 3,750.00 | 2,812.50 | 25-Feb-20 | 15 | 0 | - | - | 2,812.50 |
| L5 | A5 | 12-Feb-20 | 4,500.00 | 5,000.00 | 0.00 | 0.00 | 25-Feb-20 | 13 | 0 | - | - | 0.00 |
| L6 | A6 | 12-Feb-20 | 6,000.00 | 7,000.00 | 0.00 | 0.00 | 25-Feb-20 | 13 | 0 | - | - | 0.00 |
| L7 | A7 | 28-Jan-20 | 7,950.50 | 3,000.00 | 4,950.50 | 3,712.88 | 25-Feb-20 | 29 | 0 | - | - | 3,712.88 |
| L8 | A8 | 27-Jan-20 | 11,253.50 | 10,000.00 | 1,253.50 | 940.13 | 25-Feb-20 | 30 | 0 | - | - | 940.13 |
| L9 | A9 | 27-Jan-20 | 17,587.50 | 15,000.00 | 2,587.50 | 1,940.63 | 25-Feb-20 | 30 | 0 | - | - | 1,940.63 |
| L10 | A10 | 27-Jan-20 | 24,578.00 | 20,000.00 | 4,578.00 | 3,433.50 | 25-Feb-20 | 30 | 0 | - | - | 3,433.50 |
|  |  |  |  |  |  | **25,964.63** |  |  |  |  |  | **61,559.75** |

**1. Date of Recovery (From Borrower to MLI**) **:-** System will take it from input file as it is.

**2. Recovery Amount (Entire amount):-** System will take it from input file as it is.

**3. Legalcost:** - System will take it from input file as it is.

**4. Net of Recovery: -** Recovery Amount – Legalcost.

**5. Recovery Amount (NCGTC Share ) :-** Net of Recovery \*50% or 75% (The NCGTC Percentage is adjustable from the docket (e.g., 50% or 75%), 50% share will be applicable for all the records coming under 2019 -2020 profiles and 2020 and ahead will be having 75% as the Recovery Share Percentage).

**6. DATE when the last tranche for full recovery payment is received :-** NCGTC accountant reconciliation date at the time of recovery payment.

**7. Days Elapsed (Days diff between Date of Recovery and DATE when the last tranche for full recovery payment is received) :-** Days diff between Date of Recovery (From Borrower to MLI) and DATE when the last tranche for full recovery payment is receive

**8. Eligible Days For Penalty :-** In scheme level NCGTC will add Recovery Threshold days for Penalty (Days). If Days Elapsed less than or equal to than Recovery Threshold days for Penalty (Days) then **eligible days for Penalty** will be **“Zero” else (Days Elapsed - Recovery Threshold days for Penalty (Days).**

**9. Penalty Calculated :-** (Recovery Amount (NCGTC Share) \* Rate of Penalty/365\* Eligible Days For Penalty).

**10. Tax on Penalty (@18% on E) :-**  (18% on Penalty).

**11. Recovery Proceedings for Cases - Post Final Claim (A+E+F) along with Penalty/Taxes: -** Sum of (Recovery Amount (NCGTC Share)+ Penalty + Tax on Penalty).

**Note:**

1. Recover Amount of INR 25,964.63 /- from MLI.
2. In this case since there is no penalty, there is no need for any additional recoveries from MLI.
3. **Scenario 2: (**New Recovery Calculation with penalty)
   * **Penalty Situation (File uploaded but for few records date of recovery is exceeded 30 days)**
   * **Information in Recovery File (XML)**

|  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  |  |  | **A** | **B** | **C** | D | **E** | F | G |
| **A/c No.** | **Customer Id** | **Date of Recovery (From Borrower to MLI)** | **Recovery Amount (Entire amount)** | **legalcost** | **Net of Recovery** | **Recovery Amount (NCGTC Share** **)** | **DATE when the last tranche for full recovery payment is received** | **Days Elapsed (Days diff between Date of Recovery and DATE when  the last tranche  for full recovery  payment is  received)** | **Eligible Days For Penalty** | **Penalty Calculated** | **Tax on Penalty (@18% on E)** | **Recovery Proceedings for Cases - Post Final Claim (+E+F) along with Penalty/Taxes** |
|
|
|
|
| L1 | A1 | 04-Oct-19 | 7,500.00 | 2,000.00 | 5,500.00 | 4,125.00 | 25-Feb-20 | 144 | 114 | 128.84 | 23.19 | 4,277.03 |
| L2 | A2 | 05-Nov-19 | 5,000.00 | 3,000.00 | 2,000.00 | 1,500.00 | 25-Feb-20 | 112 | 82 | 33.70 | 6.07 | 1,539.76 |
| L3 | A3 | 10-Dec-19 | 20,000.00 | 10,000.00 | 10,000.00 | 7,500.00 | 25-Feb-20 | 77 | 47 | 96.58 | 17.38 | 7,613.96 |
| L4 | A4 | 10-Feb-20 | 18,750.00 | 15,000.00 | 3,750.00 | 2,812.50 | 25-Feb-20 | 15 |  | 0.00 | 0.00 | 2,812.50 |
| L5 | A5 | 12-Feb-20 | 4,500.00 | 5,000.00 | 0.00 | 0.00 | 25-Feb-20 | 13 |  | 0.00 | 0.00 | 0.00 |
| L6 | A6 | 12-Dec-19 | 6,000.00 | 7,000.00 | 0.00 | 0.00 | 25-Feb-20 | 75 | 45 | 0.00 | 0.00 | 0.00 |
| L7 | A7 | 28-Nov-19 | 7,950.50 | 3,000.00 | 4,950.50 | 3,712.88 | 25-Feb-20 | 89 | 59 | 60.02 | 10.80 | 3,783.69 |
| L8 | A8 | 27-Dec-19 | 11,253.50 | 10,000.00 | 1,253.50 | 940.13 | 25-Feb-20 | 60 | 30 | 7.73 | 1.39 | 949.24 |
| L9 | A9 | 27-Sep-19 | 17,587.50 | 15,000.00 | 2,587.50 | 1,940.63 | 25-Feb-20 | 151 | 121 | 64.33 | 11.58 | 2,016.54 |
| L10 | A10 | 27-Jan-20 | 24,578.00 | 20,000.00 | 4,578.00 | 3,433.50 | 25-Feb-20 | 29 |  | 0.00 | 0.00 | 3,433.50 |
|  |  |  |  |  |  | **25,964.63** |  |  |  | **391.19** | **70.41** | **26,426.22** |

1. **Date of Recovery (From Borrower to MLI**):**-** System will take it from input file as it is.
2. **Recovery Amount (Entire amount):-** System will take it from input file as it is.
3. **Legalcost:** - System will take it from input file as it is.
4. **Net of Recovery: -** Recovery Amount – Legalcost.
5. **Recovery Amount (NCGTC Share ) :-** Net of Recovery \*50% or 75% (The NCGTC Percentage is adjustable from the docket (e.g., 50% or 75%), 50% share will be applicable for all the records coming under 2019 -2020 profiles and 2020 and ahead will be having 75% as the Recovery Share Percentage).
6. **DATE when the last tranche for full recovery payment is received :-** NCGTC accountant reconciliation date at the time of recovery payment.
7. **Days Elapsed (Days diff between Date of Recovery and DATE when the last tranche for full recovery payment is received) :-** Days diff between Date of Recovery (From Borrower to MLI) and DATE when the last tranche for full recovery payment is receive
8. **Eligible Days For Penalty :-** In scheme level NCGTC will add Recovery Threshold days for Penalty (Days). If Days Elapsed less than or equal to than Recovery Threshold days for Penalty (Days) then **eligible days for Penalty** will be **“Zero” else (Days Elapsed - Recovery Threshold days for Penalty (Days).**
9. **Penalty Calculated :-** (Recovery Amount (NCGTC Share) \* Rate of Penalty/365\* Eligible Days For Penalty).
10. **Tax on Penalty (@18% on E) :-**  (18% on Penalty).
11. **Recovery Proceedings for Cases - Post Final Claim (A+E+F) along with Penalty/Taxes: -** Sum of (Recovery Amount (NCGTC Share)+ Penalty + Tax on Penalty).

**Note:**

1. Amount of INR 25,964.63 /- is adjusted in Final claim settlement.
2. In this case since there is penalty, and hence a need for additional recoveries from MLI which is about INR 4,61.60 /-
3. For any penalty generated post first claim recovery, MLI will have an option to settle the penalty amount before lodging the Final claim. If penalty not settled before Final claim lodgment, then to be adjusted in the Final claim payout.
4. Annual Option :- (Old Recovery Calculation without Penalty)

|  |  |
| --- | --- |
| Month when recovery file is uploaded by MLI | Feb-20 |
| Rate of Penalty | 10% |
| DATE when the last tranch for full recovery payment is received | 25-Feb-20 |
| Recovery Cutoff Date as define by NCGTC in schemes | 30-Apr-20 |
| NCGTC Share of Recoveries | 50% |

1. Scenario 1:
   * No Penalty Situation.
   * Information in Recovery File (XML)

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  | **A** |  |  |  | **B** | **C** |  |
| **A/c No.** | **Customer  Id** | **Date of Recovery (From Borrower to MLI)** | **Recovery Amount (Entire amount)** | **Recovery Amount (NCGTC Share)** | **DATE when the last tranch for full recovery payment is received** | **Days Elapsed (Difference between Date when last tranch for full payment is received and Recovery cutoff date).** | **Eligible Days For Penalty** | **Penalty Calculated** | **Tax on Penalty  (@18% on B)** | **Recovery Proceedings for Cases - Post Full & Final Claim (A+B+C) along with Penalty/Taxes** |
| L1 | A1 | 4-Feb-20 | 7,500.00 | 3,750.00 | 25-Feb-20 | 0 | 0 | - | - | 3,750.00 |
| L2 | A2 | 5-Feb-20 | 5,000.00 | 2,500.00 | 25-Feb-20 | 0 | 0 | - | - | 2,500.00 |
| L3 | A3 | 10-Feb-20 | 20,000.00 | 10,000.00 | 25-Feb-20 | 0 | 0 | - | - | 10,000.00 |
| L4 | A4 | 10-Feb-20 | 18,750.00 | 9,375.00 | 25-Feb-20 | 0 | 0 | - | - | 9,375.00 |
| L5 | A5 | 12-Feb-20 | 4,500.00 | 2,250.00 | 25-Feb-20 | 0 | 0 | - | - | 2,250.00 |
| L6 | A6 | 12-Feb-20 | 6,000.00 | 3,000.00 | 25-Feb-20 | 0 | 0 | - | - | 3,000.00 |
| L7 | A7 | 28-Jan-20 | 7,950.50 | 3,975.25 | 25-Feb-20 | 0 | 0 | - | - | 3,975.25 |
| L8 | A8 | 27-Jan-20 | 11,253.50 | 5,626.75 | 25-Feb-20 | 0 | 0 | - | - | 5,626.75 |
| L9 | A9 | 27-Jan-20 | 17,587.50 | 8,793.75 | 25-Feb-20 | 0 | 0 | - | - | 8,793.75 |
| L10 | A10 | 27-Jan-20 | 24,578.00 | 12,289.00 | 25-Feb-20 | 0 | 0 | - | - | 12,289.00 |
|  |  |  | 123,119.50 | **61,559.75** |  |  |  |  |  | **61,559.75** |

* 1. **Date of Recovery (From Borrower to MLI**):**-** System will take it from input file as it is.
  2. **Recovery Amount (Entire amount):-** System will take it from input file as it is.
  3. **Recovery Amount (NCGTC Share ) :-** Net of Recovery \*50% . (NCGTC Recovery Percentage system taking from docket).
  4. **DATE when the last tranche for full recovery payment is received :-** NCGTC accountant reconciliation date at the time of recovery payment.
  5. **Days Elapsed :-** Difference between Date when last tranch for full payment is received and Recovery cutoff date)**.**
  6. **Eligible Days For Penalty :-** In scheme level NCGTC will add Recovery Threshold days for Penalty (Days). If Days Elapsed less than or equal to than Recovery Threshold days for Penalty (Days) then **eligible days for Penalty** will be **“Zero” else (Days Elapsed - Recovery Threshold days for Penalty (Days).**
  7. **Penalty Calculated :-** (Recovery Amount (NCGTC Share) \* Rate of Penalty/365\* Eligible Days For Penalty).
  8. **Tax on Penalty (@18% on E) :-**  (18% on Penalty).
  9. **Recovery Proceedings for Cases - Post Final Claim (A+B+C) along with Penalty/Taxes: -** Sum of (Recovery Amount (NCGTC Share)+ Penalty + Tax on Penalty).

**Note:**

1. Amount of INR 61,559.75/- is adjusted in Final claim settlement.
2. In this case since there is no penalty, there is no need for any additional recoveries from MLI
3. Scenario 2: (Old Recovery Calculation with Penalty)
   * Penalty Situation (File uploaded before cutoff date & Full payment done after cutoff date)
   * Information in Recovery File (XML)

|  |  |  |
| --- | --- | --- |
| Month when recovery file is uploaded by MLI | Feb-20 |  |
| Rate of Penalty | 10% |  |
| DATE when the last tranch for full recovery payment is received | 25-Jul-20 |  |
| Recovery Cutoff Date as define by NCGTC in schemes | 30-Apr-20 | **D1** |
| NCGTC Share of Recoveries | 50% |  |

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  | **A** | **D2** |  |  | **B** | C |  |
| **A/c No.** | **Customer  Id** | **Date of Recovery (From Borrower to MLI)** | **Recovery Amount (Entire amount)** | **Recovery Amount (NCGTC Share)** | **DATE when the last tranch for full recovery payment is received** | **Days Elapsed ( D2-D1 )** | **Eligible Days For Penalty** | **Penalty Calculated** | **Tax on Penalty  (@18% on E)** | **Recovery Proceedings for Cases - Post Full & Final Claim (A+B+C) along with Penalty/Taxes** |
| L1 | A1 | 4-Feb-20 | 7,500.00 | 3,750.00 | 25-Jul-20 | 86 | 86 | 88.36 | 15.90 | 3,854.26 |
| L2 | A2 | 5-Feb-20 | 5,000.00 | 2,500.00 | 25-Jul-20 | 86 | 86 | 58.90 | 10.60 | 2,569.51 |
| L3 | A3 | 10-Feb-20 | 20,000.00 | 10,000.00 | 25-Jul-20 | 86 | 86 | 235.62 | 42.41 | 10,278.03 |
| L4 | A4 | 10-Feb-20 | 18,750.00 | 9,375.00 | 25-Jul-20 | 86 | 86 | 220.89 | 39.76 | 9,635.65 |
| L5 | A5 | 12-Feb-20 | 4,500.00 | 2,250.00 | 25-Jul-20 | 86 | 86 | 53.01 | 9.54 | 2,312.56 |
| L6 | A6 | 12-Feb-20 | 6,000.00 | 3,000.00 | 25-Jul-20 | 86 | 86 | 70.68 | 12.72 | 3,083.41 |
| L7 | A7 | 28-Jan-20 | 7,950.50 | 3,975.25 | 25-Jul-20 | 86 | 86 | 93.66 | 16.86 | 4,085.77 |
| L8 | A8 | 27-Jan-20 | 11,253.50 | 5,626.75 | 25-Jul-20 | 86 | 86 | 132.58 | 23.86 | 5,783.19 |
| L9 | A9 | 27-Jan-20 | 17,587.50 | 8,793.75 | 25-Jul-20 | 86 | 86 | 207.20 | 37.30 | 9,038.24 |
| L10 | A10 | 27-Jan-20 | 24,578.00 | 12,289.00 | 25-Jul-20 | 86 | 86 | 289.55 | 52.12 | 12,630.67 |
|  |  |  | 123,119.50 | **61,559.75** |  |  |  | **1,450.45** | **261.08** | **63,271.28** |

* 1. **Date of Recovery (From Borrower to MLI**):**-** System will take it from input file as it is.
  2. **Recovery Amount (Entire amount):-** System will take it from input file as it is.
  3. **Recovery Amount (NCGTC Share ) :-** Net of Recovery \*50% . (NCGTC Recovery Percentage system taking from docket).
  4. **DATE when the last tranche for full recovery payment is received :-** NCGTC accountant reconciliation date at the time of recovery payment.
  5. **Days Elapsed :-** Difference between Date when last tranch for full payment is received and Recovery cutoff date**.**
  6. **Eligible Days For Penalty :-** In scheme level NCGTC will add Recovery Threshold days for Penalty (Days). If Days Elapsed less than or equal to than Recovery Threshold days for Penalty (Days) then **eligible days for Penalty** will be **“Zero” else (Days Elapsed - Recovery Threshold days for Penalty (Days).**
  7. **Penalty Calculated :-** (Recovery Amount (NCGTC Share) \* Rate of Penalty/365\* Eligible Days For Penalty).
  8. **Tax on Penalty (@18% on E) :-**  (18% on Penalty).
  9. **Recovery Proceedings for Cases - Post Final Claim (A+B+C) along with Penalty/Taxes: -** Sum of (Recovery Amount (NCGTC Share)+ Penalty + Tax on Penalty).

**Note:**

1. Amount of INR 61,559.75 /- is adjusted in Final claim settlement.
2. In this case since there is penalty, and hence a need for additional recoveries from MLI which is about INR 1,711.53 /-
3. Scenario 2: Penalty Situation (File uploaded & Full payment done after cutoff date)

|  |  |  |
| --- | --- | --- |
| Month when recovery file is uploaded by MLI | Oct-20 |  |
| Rate of Penalty | 10% |  |
| DATE when the last tranch for full recovery payment is received | 25-Oct-20 |  |
| Recovery Cutoff Date as define by NCGTC in schemes | 30-Apr-20 | **D1** |
| NCGTC Share of Recoveries | 50% |  |

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  | **A** | **D2** |  |  | **B** | C |  |
| **A/c No.** | **Customer  Id** | **Date of Recovery (From Borrower to MLI)** | **Recovery Amount (Entire amount)** | **Recovery Amount (NCGTC Share)** | **DATE when the last tranch for full recovery payment is received** | **Days Elapsed ( D2-D1 )** | **Eligible Days For Penalty** | **Penalty Calculated** | **Tax on Pealty  (@18% on E)** | **Recovery Proceedings for Cases - Post Final Claim (A+B+C) along with Penalty/Taxes** |
| L1 | A1 | 4-Feb-20 | 7,500.00 | 3,750.00 | 25-Oct-20 | 178 | 178 | 182.88 | 32.92 | 3,965.79 |
| L2 | A2 | 5-Feb-20 | 5,000.00 | 2,500.00 | 25-Oct-20 | 178 | 178 | 121.92 | 21.95 | 2,643.86 |
| L3 | A3 | 10-Feb-20 | 20,000.00 | 10,000.00 | 25-Oct-20 | 178 | 178 | 487.67 | 87.78 | 10,575.45 |
| L4 | A4 | 10-Feb-20 | 18,750.00 | 9,375.00 | 25-Oct-20 | 178 | 178 | 457.19 | 82.29 | 9,914.49 |
| L5 | A5 | 12-Feb-20 | 4,500.00 | 2,250.00 | 25-Oct-20 | 178 | 178 | 109.73 | 19.75 | 2,379.48 |
| L6 | A6 | 12-Feb-20 | 6,000.00 | 3,000.00 | 25-Oct-20 | 178 | 178 | 146.30 | 26.33 | 3,172.64 |
| L7 | A7 | 28-Jan-20 | 7,950.50 | 3,975.25 | 25-Oct-20 | 178 | 178 | 193.86 | 34.90 | 4,204.01 |
| L8 | A8 | 27-Jan-20 | 11,253.50 | 5,626.75 | 25-Oct-20 | 178 | 178 | 274.40 | 49.39 | 5,950.54 |
| L9 | A9 | 27-Jan-20 | 17,587.50 | 8,793.75 | 25-Oct-20 | 178 | 178 | 428.85 | 77.19 | 9,299.79 |
| L10 | A10 | 27-Jan-20 | 24,578.00 | 12,289.00 | 25-Oct-20 | 178 | 178 | 599.30 | 107.87 | 12,996.17 |
|  |  |  | 123,119.50 | **61,559.75** |  |  |  | **3,002.09** | **540.38** | **65,102.22** |

* 1. **Date of Recovery (From Borrower to MLI**):**-** System will take it from input file as it is.
  2. **Recovery Amount (Entire amount):-** System will take it from input file as it is.
  3. **Recovery Amount (NCGTC Share ) :-** Net of Recovery \*50% . (NCGTC Recovery Percentage system taking from docket).
  4. **DATE when the last tranche for full recovery payment is received :-** NCGTC accountant reconciliation date at the time of recovery payment.
  5. **Days Elapsed :-** Difference between Date when last tranch for full payment is received and Recovery cutoff date**.**
  6. **Eligible Days For Penalty :-** In scheme level NCGTC will add Recovery Threshold days for Penalty (Days). If Days Elapsed less than or equal to than Recovery Threshold days for Penalty (Days) then **eligible days for Penalty** will be **“Zero” else (Days Elapsed - Recovery Threshold days for Penalty (Days).**
  7. **Penalty Calculated :-** (Recovery Amount (NCGTC Share) \* Rate of Penalty/365\* Eligible Days For Penalty).
  8. **Tax on Penalty (@18% on E) :-**  (18% on Penalty).
  9. **Recovery Proceedings for Cases - Post Final Claim (A+B+C) along with Penalty/Taxes: -** Sum of (Recovery Amount (NCGTC Share)+ Penalty + Tax on Penalty).

**Note:**

1. Amount of INR 61,559.75/- is recovered from MLI
2. In this case since there is penalty, and hence a need for additional recoveries from MLI which is about INR 3,542.47 /-
3. Annual Option :- (New Recovery Calculation without Penalty)

|  |  |
| --- | --- |
| Month when recovery file is uploaded by MLI | Feb-20 |
| Rate of Penalty | 10% |
| DATE when the last tranch for full recovery payment is received | 25-Feb-20 |
| Recovery Cutoff Date as define by NCGTC in schemes | 30-Apr-20 |
| NCGTC Share of Recoveries | 75% |

a) Scenario 1:

* + No Penalty Situation.
  + Information in Recovery File (XML)

|  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  |  |  | **A** |  |  |  | **B** | **C** |  |
| **A/c No.** | **Customer ID** | **Date of Recovery (From Borrower to MLI)** | **Recovery Amount (Entire amount)** | **legalcost** | **Net of Recovery** | **Recovery Amount (NCGTC Share)** | **DATE when the last tranch for full recovery payment is received** | **Days Elapsed (Difference between Date when last tranch for full payment is received and Recovery cutoff date).** | **Eligible Days For Penalty** | **Penalty Calculated** | **Tax on Penalty (@18% on B)** | **Recovery Proceedings for Cases - Post Full & Final Claim (A+B+C) along with Penalty/Taxes** |
|
| L1 | A1 | 04-Feb-20 | 7,500.00 | 2,000.00 | 5,500.00 | 4,125.00 | 25-Feb-20 | 0 | 0 | - | - | 4,125.00 |
| L2 | A2 | 05-Feb-20 | 5,000.00 | 3,000.00 | 2,000.00 | 1,500.00 | 25-Feb-20 | 0 | 0 | - | - | 1,500.00 |
| L3 | A3 | 10-Feb-20 | 20,000.00 | 10,000.00 | 10,000.00 | 7,500.00 | 25-Feb-20 | 0 | 0 | - | - | 7,500.00 |
| L4 | A4 | 10-Feb-20 | 18,750.00 | 15,000.00 | 3,750.00 | 2,812.50 | 25-Feb-20 | 0 | 0 | - | - | 2,812.50 |
| L5 | A5 | 12-Feb-20 | 4,500.00 | 5,000.00 | 0.00 | 0.00 | 25-Feb-20 | 0 | 0 | - | - | 0.00 |
| L6 | A6 | 12-Feb-20 | 6,000.00 | 7,000.00 | 0.00 | 0.00 | 25-Feb-20 | 0 | 0 | - | - | 0.00 |
| L7 | A7 | 28-Jan-20 | 7,950.50 | 3,000.00 | 4,950.50 | 3,712.88 | 25-Feb-20 | 0 | 0 | - | - | 3,712.88 |
| L8 | A8 | 27-Jan-20 | 11,253.50 | 10,000.00 | 1,253.50 | 940.13 | 25-Feb-20 | 0 | 0 | - | - | 940.13 |
| L9 | A9 | 27-Jan-20 | 17,587.50 | 15,000.00 | 2,587.50 | 1,940.63 | 25-Feb-20 | 0 | 0 | - | - | 1,940.63 |
| L10 | A10 | 27-Jan-20 | 24,578.00 | 20,000.00 | 4,578.00 | 3,433.50 | 25-Feb-20 | 0 | 0 | - | - | 3,433.50 |
|  |  |  | 1,23,119.50 |  |  | 25,964.63 |  |  |  |  |  | 25,964.63 |

1. **Date of Recovery (From Borrower to MLI**):**-** System will take it from input file as it is.
2. **Recovery Amount (Entire amount):-** System will take it from input file as it is.
3. **Legalcost:** - System will take it from input file as it is.
4. **Net of Recovery: -** Recovery Amount – Legalcost.
5. **Recovery Amount (NCGTC Share ) :-** Net of Recovery \*50% or 75% (The NCGTC Percentage is adjustable from the docket (e.g., 50% or 75%), 50% share will be applicable for all the records coming under 2019 -2020 profiles and 2020 and ahead will be having 75% as the Recovery Share Percentage).
6. **DATE when the last tranche for full recovery payment is received :-** NCGTC accountant reconciliation date at the time of recovery payment.
7. **Days Elapsed :-** Difference between Date when last tranch for full payment is received and Recovery cutoff date)**.**
8. **Eligible Days For Penalty :-** In scheme level NCGTC will add Recovery Threshold days for Penalty (Days). If Days Elapsed less than or equal to than Recovery Threshold days for Penalty (Days) then **eligible days for Penalty** will be **“Zero” else (Days Elapsed - Recovery Threshold days for Penalty (Days).**
9. **Penalty Calculated :-** (Recovery Amount (NCGTC Share) \* Rate of Penalty/365\* Eligible Days For Penalty).
10. **Tax on Penalty (@18% on E) :-**  (18% on Penalty).
11. **Recovery Proceedings for Cases - Post Final Claim (A+B+C) along with Penalty/Taxes: -** Sum of (Recovery Amount (NCGTC Share)+ Penalty + Tax on Penalty).

**Note:**

1. Amount of INR 25,964.63/- is adjusted in Final claim settlement.
2. In this case since there is no penalty, there is no need for any additional recoveries from MLI

b)Scenario 2: (New Recovery Calculation with Penalty)

* + Penalty Situation (File uploaded before cutoff date & Full payment done after cutoff date)
  + Information in Recovery File (XML)

|  |  |  |
| --- | --- | --- |
| Month when recovery file is uploaded by MLI | Feb-20 |  |
| Rate of Penalty | 10% |  |
| DATE when the last tranch for full recovery payment is received | 25-Jul-20 |  |
| Recovery Cutoff Date as define by NCGTC in schemes | 30-Apr-20 | **D1** |
| NCGTC Share of Recoveries | 75% |  |

|  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  |  |  | **A** | **D2** |  |  | **B** | C |  |
| **A/c No.** | **Customer ID** | **Date of Recovery (From Borrower to MLI)** | **Recovery Amount (Entire amount)** | **legalcost** | **Net of Recovery** | **Recovery Amount (NCGTC Share)** | **DATE when the last tranch for full recovery payment is received** | **Days Elapsed ( D2-D1 )** | **Eligible Days For Penalty** | **Penalty Calculated** | **Tax on Penalty (@18% on B)** | **Recovery Proceedings for Cases - Post Full & Final Claim (A+B+C) along with Penalty/Taxes** |
|
| L1 | A1 | 04-Feb-20 | 7,500.00 | 2,000.00 | 5,500.00 | 4,125.00 | 25-Jul-20 | 86 | 86 | 97.19 | 17.49 | 4,239.69 |
| L2 | A2 | 05-Feb-20 | 5,000.00 | 3,000.00 | 2,000.00 | 1,500.00 | 25-Jul-20 | 86 | 86 | 35.34 | 6.36 | 1,541.70 |
| L3 | A3 | 10-Feb-20 | 20,000.00 | 10,000.00 | 10,000.00 | 7,500.00 | 25-Jul-20 | 86 | 86 | 176.71 | 31.81 | 7,708.52 |
| L4 | A4 | 10-Feb-20 | 18,750.00 | 15,000.00 | 3,750.00 | 2,812.50 | 25-Jul-20 | 86 | 86 | 66.27 | 11.93 | 2,890.70 |
| L5 | A5 | 12-Feb-20 | 4,500.00 | 5,000.00 | 0.00 | 0.00 | 25-Jul-20 | 86 | 86 | 0.00 | 0.00 | 0.00 |
| L6 | A6 | 12-Feb-20 | 6,000.00 | 7,000.00 | 0.00 | 0.00 | 25-Jul-20 | 86 | 86 | 0.00 | 0.00 | 0.00 |
| L7 | A7 | 28-Jan-20 | 7,950.50 | 3,000.00 | 4,950.50 | 3,712.88 | 25-Jul-20 | 86 | 86 | 87.48 | 15.75 | 3,816.10 |
| L8 | A8 | 27-Jan-20 | 11,253.50 | 10,000.00 | 1,253.50 | 940.13 | 25-Jul-20 | 86 | 86 | 22.15 | 3.99 | 966.26 |
| L9 | A9 | 27-Jan-20 | 17,587.50 | 15,000.00 | 2,587.50 | 1,940.63 | 25-Jul-20 | 86 | 86 | 45.72 | 8.23 | 1,994.58 |
| L10 | A10 | 27-Jan-20 | 24,578.00 | 20,000.00 | 4,578.00 | 3,433.50 | 25-Jul-20 | 86 | 86 | 80.90 | 14.56 | 3,528.96 |
|  |  |  | 1,23,119.50 |  |  | **25,964.63** |  |  |  | **611.77** | **110.12** | **26,686.51** |

1. **Date of Recovery (From Borrower to MLI**):**-** System will take it from input file as it is.
2. **Recovery Amount (Entire amount):-** System will take it from input file as it is.
3. **Recovery Amount (NCGTC Share ) :-** Net of Recovery \*50% or 75% (The NCGTC Percentage is adjustable from the docket (e.g., 50% or 75%), 50% share will be applicable for all the records coming under 2019 -2020 profiles and 2020 and ahead will be having 75% as the Recovery Share Percentage).
4. **DATE when the last tranche for full recovery payment is received :-** NCGTC accountant reconciliation date at the time of recovery payment
5. **Days Elapsed :-** Difference between Date when last tranch for full payment is received and Recovery cutoff date**.**
6. **Eligible Days For Penalty :-** In scheme level NCGTC will add Recovery Threshold days for Penalty (Days). If Days Elapsed less than or equal to than Recovery Threshold days for Penalty (Days) then **eligible days for Penalty** will be **“Zero” else (Days Elapsed - Recovery Threshold days for Penalty (Days).**
7. **Penalty Calculated :-** (Recovery Amount (NCGTC Share) \* Rate of Penalty/365\* Eligible Days For Penalty).
8. **Tax on Penalty (@18% on E) :-**  (18% on Penalty).
9. **Recovery Proceedings for Cases - Post Final Claim (A+B+C) along with Penalty/Taxes: -** Sum of (Recovery Amount (NCGTC Share)+ Penalty + Tax on Penalty).

**Note:**

1. Amount of INR 25,964.63 /- is adjusted in Final claim settlement.
2. In this case since there is penalty, and hence a need for additional recoveries from MLI which is about INR 7,21.89 /-

c) Scenario 2: Penalty Situation (File uploaded & Full payment done after cutoff date)

|  |  |  |
| --- | --- | --- |
| Month when recovery file is uploaded by MLI | Oct-20 |  |
| Rate of Penalty | 10% |  |
| DATE when the last tranch for full recovery payment is received | 25-Oct-20 |  |
| Recovery Cutoff Date as define by NCGTC in schemes | 30-Apr-20 | **D1** |
| NCGTC Share of Recoveries | 75% |  |

|  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  |  |  | **A** | **D2** |  |  | **B** | **C** |  |
| **A/c No.** | **Customer ID** | **Date of Recovery (From Borrower to MLI)** | **Recovery Amount (Entire amount)** | **legalcost** | **Net of Recovery** | **Recovery Amount (NCGTC Share)** | **DATE when the last tranch for full recovery payment is received** | **Days Elapsed (Difference between Date when last tranch for full payment is received and Recovery cutoff date).** | **Eligible Days For Penalty** | **Penalty Calculated** | **Tax on Penalty (@18% on B)** | **Recovery Proceedings for Cases - Post Full & Final Claim (A+B+C) along with Penalty/Taxes** |
|
| L1 | A1 | 04-Feb-20 | 7,500.00 | 2,000.00 | 5,500.00 | 4,125.00 | 25-Oct-20 | 178 | 178 | 201.16 | 36.21 | 4,362.37 |
| L2 | A2 | 05-Feb-20 | 5,000.00 | 3,000.00 | 2,000.00 | 1,500.00 | 25-Oct-20 | 178 | 178 | 73.15 | 13.17 | 1,586.32 |
| L3 | A3 | 10-Feb-20 | 20,000.00 | 10,000.00 | 10,000.00 | 7,500.00 | 25-Oct-20 | 178 | 178 | 365.75 | 65.84 | 7,931.59 |
| L4 | A4 | 10-Feb-20 | 18,750.00 | 15,000.00 | 3,750.00 | 2,812.50 | 25-Oct-20 | 178 | 178 | 137.16 | 24.69 | 2,974.35 |
| L5 | A5 | 12-Feb-20 | 4,500.00 | 5,000.00 | 0.00 | 0.00 | 25-Oct-20 | 178 | 178 | 0.00 | 0.00 | 0.00 |
| L6 | A6 | 12-Feb-20 | 6,000.00 | 7,000.00 | 0.00 | 0.00 | 25-Oct-20 | 178 | 178 | 0.00 | 0.00 | 0.00 |
| L7 | A7 | 28-Jan-20 | 7,950.50 | 3,000.00 | 4,950.50 | 3,712.88 | 25-Oct-20 | 178 | 178 | 181.07 | 32.59 | 3,926.53 |
| L8 | A8 | 27-Jan-20 | 11,253.50 | 10,000.00 | 1,253.50 | 940.13 | 25-Oct-20 | 178 | 178 | 45.85 | 8.25 | 994.22 |
| L9 | A9 | 27-Jan-20 | 17,587.50 | 15,000.00 | 2,587.50 | 1,940.63 | 25-Oct-20 | 178 | 178 | 94.64 | 17.03 | 2,052.30 |
| L10 | A10 | 27-Jan-20 | 24,578.00 | 20,000.00 | 4,578.00 | 3,433.50 | 25-Oct-20 | 178 | 178 | 167.44 | 30.14 | 3,631.08 |
|  |  |  | 1,23,119.50 |  |  | **25,964.63** |  |  |  | **1,266.22** | **227.92** | **27,458.76** |

1. **Date of Recovery (From Borrower to MLI**):**-** System will take it from input file as it is.
2. **Recovery Amount (Entire amount):-** System will take it from input file as it is.
3. **Recovery Amount (NCGTC Share ) :-** Net of Recovery \*50% . (NCGTC Recovery Percentage system taking from docket).
4. **DATE when the last tranche for full recovery payment is received :-** NCGTC accountant reconciliation date at the time of recovery payment.
5. **Days Elapsed :-** Difference between Date when last tranch for full payment is received and Recovery cutoff date**.**
6. **Eligible Days For Penalty :-** In scheme level NCGTC will add Recovery Threshold days for Penalty (Days). If Days Elapsed less than or equal to than Recovery Threshold days for Penalty (Days) then **eligible days for Penalty** will be **“Zero” else (Days Elapsed - Recovery Threshold days for Penalty (Days).**
7. **Penalty Calculated :-** (Recovery Amount (NCGTC Share) \* Rate of Penalty/365\* Eligible Days For Penalty).
8. **Tax on Penalty (@18% on E) :-**  (18% on Penalty).
9. **Recovery Proceedings for Cases - Post Final Claim (A+B+C) along with Penalty/Taxes: -** Sum of (Recovery Amount (NCGTC Share)+ Penalty + Tax on Penalty).

**Note:**

1. Amount of INR 25,964.63/- is recovered from MLI.
2. In this case since there is penalty, and hence a need for additional recoveries from MLI which is about INR 1,494.14/-

### **Payment from MLI for System Generated Recoveries**

MLI will need to make the payment of the recoveries against the system-generated recovery.

This system-generated recovery, if any, will be visible to MLI on recovery payment screen.

Note that MLI will need to make the payment of the recoveries using RTGS/NEFT facility and provide the UTR/reference number in SURGE.

## **Points Pending for Further Clarification**

Following points will need clarification from NCGTC:

|  |  |  |
| --- | --- | --- |
| S. No. | Point for Further Clarification | Contemplations |
| - | - | - |

On receipt of further clarification from NCGTC team, the current document will undergo revision.

Prepared by Mastek Ltd. For National Credit Guarantee Trustee Company Ltd.

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