Abstract

This document summarizes functional needs of credit guarantee business for new guarantee issuance, partial disbursements and update of credit guarantees for LGSCAS .Intention is to collate & track functional specifications of underlying business processes for LGSCAS and provide a firm base for further interpretations of software requirements & specifications.

Business Requirement Document

LGSCAS –Update of Credit Guarantees

**Document Version History**

|  |  |  |  |
| --- | --- | --- | --- |
| Version No. | Remarks | Date | Author |
| 1.0 | Baseline | 10-Jan-2022 | Vishal S |
| 2.0 | Refined Validations and Calculations |  | Vishal S |

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**Glossary**

Glossary of Important Terms used in this document.

|  |  |  |
| --- | --- | --- |
| S. No. | Term | Description |
| 1 | CG | Credit Guarantee |
| 2 | CGPAN | Credit Guarantee Permanent Account Number – a Unique Credit Guarantee Number generated by NCGTC processing system while issuing the Credit Guarantee. |
| 3 | DDMMYYYY | DD- Date; MM-Month; YYYY-Year (4 digit) |
| 4 | eGov Standards | E Government Standards – Information Technology Standards. |
| 5 | FY | Financial Year |
| 6 | MLI | Member Leading Institute. These will be Banks, Factors, and Para- Banks etc. Institutes predominantly in business of Money Lending’s. |
| 7 | NPA | Non-Performing Asset |
| 8 | DCCO | Date of Commencement of Commercial Operations |
| 9 | NCGTC | National Credit Guarantee Trustee Company Ltd |
| 10 | SURGE | Software System Developed and Commissioned by NCGTC for Managing Credit Guarantee Business Process.  *SURGE – System for Underwriting, Reassurance & Guarantee Endorsement* |
| 11 | 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. |
| 12 | FDD | Date of First Disbursement |

## **Introduction**

Once the MLI had obtained CG for purpose of supporting the business sectors that are affected by COVID-a module is to be developed for MLI to mark the update on CG such NPA, Closed, Standard or change in DCCO date.

Marking of NPA and Standard would be essential for MLI before claim against any CGPAN

## **Input File Layout**

This section specifies the layout of input file which MLI’s needs to send information of their respective Loan information’s to update status of the Credit Guarantees

### **Layout: Input File – Update CG Issuance**

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

## **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** processed 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. MLI’s need to prepare files. The purpose of this file is:

* Update CG– Update status of Credit Guarantee such as marking NPA with NPA date, Change in DCCO date, and Mark as closed with closed date and Mark as Standardize with standard date.

### **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.

## **Update CG Request- Validation**

System will perform below eligibility criteria checks while processing the Update-CG File

|  |  |  |
| --- | --- | --- |
| **Field Name** | **Description** | **Business Validations** |
| CGPAN | Unique CGPAN generated on guarantee issuance | * Should exist in system and Guarantee should be in force else message to be shown as   “Invalid CGPAN”  If CGPAN is not available or invalid then a message to be shown as Invalid CGPAN |
| Charge Created | Whether charge on Primary/Collateral security created | * Status should be updated as “Y” for Yes and “N” for No * Charge can be marked as “Y” only for Standard Accounts |
| Charge Date | Date on which MLI has created charge | * Charge Date is Mandatory if Charge created is marked as “Y” * Created date should not be greater than current system date and less than Sanction date * Charge Date should be less than NPA date |
| Account NPA | Loan account has turned NPA | * Status should be updated as “Y” for Yes and “N” for No * Status can be marked as NPA only if Charge Created is marked as “Y” else message to shown as “Charge not created” * Only standard accounts can be marked as NPA or else message to shown as “Account already marked as NPA or closed” |
| Date Of NPA | Date on which the account has turned NPA | * NPA date is mandatory if Account NPA is marked as “Y” * NPA date should be between last disbursement date and Current system date * NPA reporting should be done within 90 days of account becoming NPA * If NPA is marked more than once then NPA date should be not greater than current System date. NPA date should be greater than earlier NPA date or earlier Standard Date * Charge Date should be less than NPA date |
| Change In DCCO | Is there a change in the DCCO due to project extension? | * Status should be updated as “Y” for Yes and “N” for No |
| New DCCO date | Date of revised DCCO | * DCCO date is mandatory if change in DCCO is marked as “Y” * DCCO date could not be changed if account marked as NPA else message to shown as “Account already marked as NPA” |
| Account Closed | Account has been closed | * Status should be updated as “Y” for Yes and “N” for No * NPA or Standard account can be marked as closed else message to be shown as “Account already closed” |
| Date Of Closure | Date on which the account has been closed | * Date of closure is mandatory if Account closed is marked as “Y” * It should be greater than last disbursement date (or loan sanction date) and less than System date else message to be shown as “Invalid close date” |
| Account Standard | Has account turn standard | * Status should be updated as “Y” for Yes and “N” for No * Only NPA account can be marked as standard |
| Standard Date | Date on which account standard | * Standard date is mandatory if Account standard is marked as “Y” * Standard Date should be greater than Previous NPA date and less than Current system date |

**Note**:

* MLI creator may either mark the account as “Closed” or “NPA” or “Standard” or DCCO can be changed
* Account can be marked as NPA or standard N number of times (If NPA then Standard and vice versa)
* Even if NPA is marked several times it has to be reported within 90 days
* Error message is shown in Invalid reports
* Management Certificate to be provided for MLI Approver. Text as follows:

Management certificate

I, the authorized officer of the member Lending institution indicated below, hereby certify that:

1. The information provided in update guarantee Form are true & correct.
2. In case any of the information provided by us is found to be incorrect, the guarantee cover provided by Trust/Trustee under LGSCAS shall become Null & Void and the Trust/Trustee or its constituents shall be free to take such action as deemed necessary.

MLI Name: <name of the mli>

User Name: <user id of checker as per login>

First Name: < first name of checker as per login >

Last Name: < last name of checker as per login >

## **Update CG-Process flow**

### **Update CG Information**

It is important to note that, all the loan information value provided by MLI is saved in the table along with Credit Guarantee status (as explained in above section) and along with below mentioned specific field values:

* File Type – 3 (which indicates that this is a transaction for Update CG)
* IP Address – IP Address of the User
* Created By(Temp Table) – MLI creator User Id under temp table
* Created Date(Temp table)– Date & Time of Record insertion
* Created By(Main Table) – MLI Approver User Id
* Created Date(Main Table) – Date & Time of Record insertion
* CGPAN – CGPAN issued at the time of issuing Credit Guarantee

Reports

1. Enhancements in existing report (Sanction Details – Sheet 1)

Add fields Account Closed, Account Closed Date, Account NPA, Account NPA Date.

Latest updated DCCO date should be displayed in DCCO column.

1. Develop Update CG Status Report

Input Parameters: MLI Name (All or select MLI), CGPAN (Optional), From Date, To Date – dates based checker approval date.

|  |
| --- |
| **Field Name** |
| MLI Name |
| CGPAN |
| Charge Created |
| Charge Date |
| Account NPA |
| Date Of NPA |
| Change In DCCO |
| New DCCO date |
| Account Closed |
| Date Of Closure |
| Account Standard |
| Standard Date |
| Maker Id |
| Maker Created Date |
| Checker Id |
| Checker Approved Date |

Output Fields:

## **Points Pending for Further Clarification**

Following points will need clarification from NCGTC:

|  |  |  |
| --- | --- | --- |
| S. No. | Point for Further Clarification | Contemplations |
| 1. | Update CG flow and condition | This BRD is updated based on the requirement shared for Update CG |
| 2 | Reports |  |

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