Abstract

This document summarizes functional needs of claims, recoveries that can be conducted on issued credit guarantee under LGSCAS scheme.   
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

Loan Guarantee Scheme for COVID Affected Sectors (LGSCAS) –Claim & Recovery

**Document Version History**

|  |  |  |  |
| --- | --- | --- | --- |
| Version No. | Remarks | Date | Author |
| 1. | LGSCAS Claim & recovery | 02-02-2022 | Arpan T |
| 2. | LGSCAS Claim & recovery – Claim calculation updates | 13-07-2022 | Amit Tanna |
| 3. | LGSCAS Claim & recovery(Changes in Validations and Claim calculation) | 15-07-2022 | Supriya Shinde-Dhuri |

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**Glossary**

Glossary of Important Terms user across different Version of BRD for this scheme

|  |  |  |
| --- | --- | --- |
| S. No. | Term | Description |
| 1 | LGSCAS | Loan Guarantee Scheme for COVID Affected Sectors |
| 2 | CGPAN | Credit Guarantee Permanent Account Number – a Unique Credit Guarantee Number generated by NCGTC processing system while issuing the Credit Guarantee. |
| 3 | MLI | Member Leading Institute. These will be Banks, Factors, and Para- Banks etc. Institutes predominantly in business of Money Lending’s. |
| 4 | AID | Amount In Default |
| 5 | EID | Eligible Interim Claim |
| 6 | NCGTC | National Credit Guarantee Trustee Company Ltd |
| 7 | SURGE | Software System Developed and Commissioned by NCGTC for Managing Credit Guarantee Business Process. SURGE – System for Underwriting, Reassurance & Guarantee Endorsement |
| 8 | MLI | Member Leading Institute. |

## **Introduction-Claim Process**

Claim module to be developed for MLI to update claim file on SURGE portal. Claims under this guarantee scheme for each CG will be handled in two steps: As a ‘First Claim’ to obtain 75% of cover amount and ‘Full & Final Claim’ for remaining 25%. As a part of the scheme, MLI’s need to pass the recovered losses from its borrower to NCGTC. All such recoveries will be considered after final claim settlement.

This document is divided in three sections –

1. Invoking Claims – Enables MLI’s to lodge ‘Interim Claim’ for issued CG’s
2. Final Claim Settlement – Allows MLI’s to settle the claim in ‘Full & Final’
3. Post Claim Recoveries – Enables MLI’s to pass on losses recovered from their respective borrowers. Recoveries passed to NCGTC are in accordance to the scheme rules.

The above three sections forms part of the entire claim settlement processes under this scheme.

### **Invoking Interim Claims**

Once MLI has marked the CGPAN as NPA and needs to claim the guarantee cover from NCGTC.MLI to use claim module to lodge the claims for such CGPAN. This section elaborates the requirements and broad level flows for this envisaged process.

## **Interim Claim- MLI Creator Login**

For invoking claim by MLI, form to be developed with below fields

1. **CGPAN:** User Entry – Alphanumeric. Mandatory

MLI to enter the CGPAN for invoking claim

CGPAN should be in NPA state

CGPAN should not be already in claim process or settled

CGPAN should not be in closed state

1. **Sanction Amount:** Auto-fetch

Sanction amount to be displayed as per the CGPAN entered

1. **Value of Collateral**: Auto-fetch

Value of Collateral to be displayed as per the CGPAN entered

1. **Guarantee Cover:** Auto-fetch

* Guarantee Cover to be displayed as per the CGPAN entered
* **Scenario 1**

**Greenfield (Aspirational / Non - Aspirational) & (Brownfield Aspirational)**

((Fund based Sanction Amount+ Non-Fund based Sanction Amount)-Value of Collateral)\*75%

* **Scenario 2**

**Brownfield \_\_\_Non - Aspirational**

((Fund based Sanction Amount+ Non-Fund based Sanction Amount)-Value of Collateral)\*50%

1. **Total Outstanding as on the date of NPA (Principle and Interest):** User Entry – Numeric. Mandatory

MLI to enter the Total Outstanding as on the date of NPA (Principle and Interest)

The Total Dues amount as on date of NPA for a CGPAN should be more than zero

1. **Total Outstanding as on the date of interim Claim Lodgment (Net of Recoveries):** User Entry – Numeric. Mandatory

MLI to enter Total Outstanding as on the date of interim Claim Lodgment (Net of Recoveries)

The Total Dues amount as on Date of Claim Lodgment for a CGPAN more than zero

The Total Due amount as on date of NPA should not be less than Total Due amount as on date of claim

1. **Upload Borrower Outstanding:** User Entry – Document upload. Mandatory

MLI to upload the Borrower Outstanding document in PDF format (Max 1 Mb)

1. **Upload Recall Notice:** User Entry – Document upload. Mandatory

MLI to upload the recall notice document in PDF format (Max 500 kb)

1. **Upload Proof of Legal Proceeding:** User Entry – Document upload. Mandatory

MLI to upload the legal proceeding document in PDF format (Max 500 kb)

1. **Upload Other Document:** User Entry – Document upload. Optional

MLI to upload the any other relevant document in PDF format (Max 500 kb)

MLI creator will submit the interim claim form to MLI approver and unique Application reference number would be generated.

Status will be updated as ‘Approval awaited’

## **Interim Claim: MLI Approver Login**

Interim claim sent by MLI creator can be viewed in the MLI approver login under Home page.

1. **CGPAN:** Auto-fetch `
2. **Sanction Amount:** Auto-fetch
3. **Value of Collateral :**Auto-Fetch
4. **Guarantee Cover:** Auto-fetch
5. **Total Outstanding as on the date of NPA (Principle and Interest):** Auto-fetch
6. **Total Outstanding as on the date of interim Claim Lodgment (Net of Recoveries) :** Auto-fetch
7. **Upload Borrower Outstanding:** Auto-fetch-Document
8. **Upload Recall Notice:** Auto-fetch-Document
9. **Upload Proof of Legal Proceeding:** Auto-fetch-Document
10. **Action:** Drop-Down with values “Approve”,” Reject”. Mandatory

MLI approver to Approve or reject the file

1. **Remarks:** User entry – Alphanumeric. Mandatory

MLI approver to enter the remarks

1. **Generate Management certificate**: User entry – checkbox. Mandatory

MLI approver to click on the link to generate Management certificate

1. **We (the MLI) certify and provide Management certificate**: User entry – checkbox. Mandatory

Management certificate

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

1. The information provided in Claim 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 >

MLI have to select the check box to enable the approve button

MLI approver to submit the form after generation of Management certificate and Status is updated as ‘NCGTC Approval awaited’

If the form is by rejected MLI approver, MLI creator can submit new form for Interim claim

## **Interim Claim Form: NCGTC Creator**

Interim claim sent by MLI creator will be viewed in the MLI approver login as Valid and Invalid records under Input file management.

1. **CGPAN:** Auto-fetch
2. **Sanction Amount:** Auto-fetch
3. **Value of Collateral :** Auto-Fetch
4. **Guarantee Cover:** Auto-fetch
5. **Date of NPA:** Auto-fetch

Date update by MLI during NPA marking

1. **Date of Charge Creation:** Auto-fetch

Date of Charge Creation updated by MLI during charge Creation

1. **DCCO Date:** Auto-fetch

Date of Charge Creation updated by MLI during charge Creation

1. **Total Outstanding as on the date of NPA (Principle and Interest):** Auto-fetch
2. **Total Outstanding as on the date of interim Claim Lodgment (Net of Recoveries):** Auto-fetch
3. **Corrected value of total dues as on date of NPA:** User entry – Numeric. Optional

NCGTC creator to enter the total dues if there is difference in ledger

Corrected value of total dues as on date of NPA is considered for calculation if the values is updated by NCGTC

1. **Corrected value of total dues as on date of claim:** User entry – Numeric. Optional

NCGTC creator to enter the total dues if there is difference in ledger

Corrected value of total dues as on date of claim is considered for calculation if the values is updated by NCGTC

1. **Borrower Outstanding:** Auto-fetch- Document
2. **Recall Notice:** Auto-fetch- Document
3. **Proof of Legal Proceeding:** Auto-fetch- Document
4. **Other Documents:** Auto-fetch- Document
5. **Amount in Default:** Auto-fetch

System to calculate and display the Amount in default

1. **Eligible Claim Amount:** Auto-fetch

System to calculate and display the eligible claim

1. **Action:** Drop-Down with values “Approve”, “Reject”. Mandatory

NCGTC creator to Approve or reject the claim

1. **Remarks:** User entry – Alphanumeric. Mandatory

NCGTC creator to enter the remarks

1. **View Management certificate**: Auto-fetch

NCGTC can click and view Management certificate

NCGTC creator to submit the form .Status is updated as ‘NCGTC final Approval awaited’

If the form is by rejected NCGTC creator, MLI creator can submit new form for Interim claim

Note: Provide link to view details of other CGPANs and their NPA/Claim Status based on ITPAN (template for view to be provided by NCGTC later)

## **Interim Claim Form: NCGTC Approver**

Interim Claim file with approved records are sent to NCGTC Approver will be displayed in Approve Input file under NCGTC Approver login.

Following fields are displayed on Home Page and details will be Auto populated as details submitted by MLI

1. **CGPAN:** Auto-fetch
2. **Sanction Amount:** Auto-fetch
3. **Value of Collateral :** Auto-fetch
4. **Guarantee Cover:** Auto-fetch
5. **Total Outstanding as on the date of NPA (Principle and Interest):** Auto-fetch
6. **Total Outstanding as on the date of interim Claim Lodgment (Net of Recoveries):** Auto-fetch
7. **Corrected value of total dues as on date of NPA:** Auto-fetch
8. **Corrected value of total dues as on date of claim:** Auto-fetch
9. **Date of NPA:** Auto-fetch

Date update by MLI during NPA marking

1. **Date of Charge Creation:** Auto-fetch

Date of Charge Creation updated by MLI during charge Creation

1. **DCCO Date:** Auto-fetch

DCCO date updated by MLI to be displayed

1. **Borrower Outstanding:** Auto-fetch-Document
2. **Recall Notice:** Auto-fetch-Document
3. **Proof of Legal Proceeding:** Auto-fetch-Document
4. **Other Document:** Auto-fetch-Document
5. **Eligible Claim :** Auto-fetch

System to calculate and display the eligible claim

1. **Amount in Default:** Auto-fetch

System to calculate and display the Amount in default

1. **NCGTC Creator Remarks-** Auto-fetch

Remarks enter by MLI creator to be displayed

1. **Action:** Drop-Down with values “Approve”,” Reject”. Mandatory

NCGTC approver to Approve or reject the claim

1. **Remarks:** User entry – Alphanumeric. Mandatory

NCGTC approver to enter the remarks

1. **View Management certificate**: Auto-fetch

MLI approver to click on the link to generate Management certificate

NCGTC approver can view the documents/Management certificate and approve/Reject/Return the form

Status is updated as Approved

In case of return the form should go to NCGTC creator, to resubmit the form

Once the file is approved it is displayed in NCGTC accountant login for claim settlement.

Note: Provide link to view details of other CGPANs and their NPA/Claim Status based on ITPAN (template for view to be provided by NCGTC later)

## **Outward Payment Management**

To be integrated with existing payment management system.

## **Invoking Final Claims**

MLI’s can proceed for full and final claim settlement, only for those CGPAN whose interim claims has been invoked. There may or may not be any recoveries in the interim for the respective CGPAN whose claim is being settled in Full.

## **Final Claim- MLI creator Form**

MLI creator can submit Final claim once Interim claim is settled by NCGTC. For invoking final claim by MLI a form to be developed with below fields

1. **CGPAN:** User Entry – Alphanumeric. Mandatory

MLI to enter the CGPAN for invoking final claim

CGPAN should be in NPA state

CGPAN should be already in Interim claim settled state

CGPAN should not be in Final Claim process or Settled state

CGPAN should not be closed

1. **Sanction Amount:** Auto-fetch

Sanction amount to be displayed as per the CGPAN entered

1. **Value of Collateral**: Auto-Fetch
2. **Guarantee Cover:** Auto-Fetch

* Guarantee Cover to be displayed as per the CGPAN entered.
* **Scenario 1**

**Greenfield (Aspirational / Non - Aspirational) & (Brownfield Aspirational)**

((Fund based Sanction Amount+ Non-Fund based Sanction Amount)-Value of Collateral)\*75%

* **Scenario 2**

**Brownfield \_\_\_Non - Aspirational**

((Fund based Sanction Amount+ Non-Fund based Sanction Amount)-Value of Collateral)\*50%

1. **Total Outstanding as on the date of NPA (Principle and Interest):** Auto-fetch

Outstanding amount entered by MLI during interim claim to be displayed.

1. **Total Outstanding as on the date of Final Claim Lodgment (Net of Recoveries):** Auto-fetch

Outstanding amount entered by MLI during interim claim to be displayed.

1. **Recovery after interim claim lodge:** User entry- Numeric. Mandatory

MLI to enter the Recovery amount from the date of interim claim lodgment till Final Claim date lodge.

1. **Borrower Outstanding:** User Entry – Document upload. Mandatory

MLI to upload the Borrower Outstanding document in PDF format (Max 1mb)

1. **Completion of legal remedies:** User Entry – Document upload. Mandatory

MLI to upload the completion of legal remedies document in PDF format (Max 500 kb)

MLI creator will submit the form to MLI approver and an Application reference number would be generated.

Status of the for will change to ‘Approval awaited’

## **Final Claim: MLI Approver Login**

Final claim sent by MLI creator can be viewed in the MLI approver login under Home page.

1. **CGPAN:** Auto-fetch
2. **Sanction Amount:** Auto-fetch
3. **Value of Collateral:** Auto-fetch
4. **Guarantee Cover:** Auto-fetch
5. **Total Outstanding as on the date of NPA (Principle and Interest):** Auto-fetch
6. **Total Outstanding as on the date of Final Claim Lodgment (Net of Recoveries) ):** Auto-fetch
7. **Recovery after interim claim lodge:** Auto-fetch
8. **Borrower Outstanding:** Auto-fetch-Document
9. **Proof of Completion of Legal Action:** Auto-fetch-Document
10. **Action:** Drop-Down with values “Approve”,” Reject”. Mandatory

MLI approver to Approve or reject the file

1. **Remarks:** User entry – Alphanumeric. Mandatory

MLI approver to enter the remarks

1. **Generate Management certificate**: User entry – checkbox. Mandatory

MLI approver to click on the link to generate Management certificate

1. **We (the MLI) certify and provide Management certificate**: User entry – checkbox. Mandatory

Management certificate

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

1. The information provided in Claim 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 >

MLI have to select the check box to enable the approve button

MLI approver to submit the form after generation of Management certificate and Status is updated as ‘NCGTC Approval awaited’

If the form is by rejected MLI approver, MLI creator can submit new form for Interim claim

## **Final Claim: NCGTC Creator**

Interim claim sent by MLI creator will be viewed in the MLI approver login as Valid and Invalid records under Input file management.

1. **CGPAN:** Auto-fetch
2. **Sanction Amount:** Auto-fetch
3. **Guarantee Cover:** Auto-fetch
4. **Date of NPA:** Auto-fetch
5. **Date of Charge Creation:** Auto-fetch
6. **DCCO Date:** Auto-fetch
7. **Date of Interim Claim Lodgment:** Auto-fetch
8. **Total Outstanding as on the date of NPA (Principle and Interest):** Auto-fetch
9. **Total Outstanding as on the date of Final Claim Lodgment (Net of Recoveries):** Auto – fetch
10. **Recovery after interim claim lodge:** Auto – fetch & User entry- Numeric.
11. **Borrower Outstanding:** Auto-Fetch-Document
12. **Proof of Legal Proceeding:** Auto-fetch- Document
13. **Amount in Default:** Auto-fetch

System to calculate and display the Amount in default

1. **Eligible Final Claim :** Auto-fetch

System to calculate and display the eligible claim

1. **Action:** Drop-Down with values “Approve”,” Reject”. Mandatory

NCGTC creator to Approve or reject the claim

1. **Remarks:** User entry – Alphanumeric. Mandatory

NCGTC creator to enter the remarks

1. **View Management certificate**: Auto-fetch

NCGTC can click and view Management certificate

NCGTC creator to submit the form Status is updated as ‘NCGTC final Approval awaited’

If the form is by rejected NCGTC creator, MLI creator can submit new form for Final claim

## **Final Claim: NCGTC Approver**

Final Claim file with approved records are sent to NCGTC Approver will be displayed in Approve Input file under NCGTC Approver login.

Following fields are displayed on Home Page

1. **CGPAN:** Auto-fetch
2. **Sanction Amount:** Auto-fetch
3. **Guarantee Cover:** Auto-fetch
4. **Date of NPA:** Auto-fetch
5. **Date of Charge Creation:** Auto-fetch
6. **DCCO Date:** Auto-fetch
7. **Date of Interim Claim Lodgment:** Auto-fetch
8. **Total Outstanding as on the date of NPA (Principle and Interest):** Auto-fetch
9. **Total Outstanding as on the date of Final Claim Lodgment (Net of Recoveries):** Auto-fetch
10. **Recovery after interim claim lodge:** Auto – fetch
11. **Borrower Outstanding:** Auto-fetch-Document
12. **Proof of Legal Proceeding:** Auto-fetch- Document
13. **Amount in Default:** Auto-fetch

System to calculate and display the Amount in default

1. **Eligible Final Claim :** Auto-fetch

System to calculate and display the eligible claim

1. **Action:** Drop-Down with values “Approve”,” Reject”. Mandatory

NCGTC approver to Approve or reject the claim

1. **Remarks:** User entry – Alphanumeric. Mandatory

NCGTC approver to enter the remarks

1. **NCGTC Creator Remarks-** Auto-fetch

Remarks enter by NCGTC Creator to be displayed

1. **View Management certificate**: Auto-fetch

NCGTC approver can view the documents/Management certificate and approve/Reject/Return the form

If file is returned then form will be visible to NCGTC creator in editable format

Once the file is approved it is displayed in NCGTC accountant login for claim settlement. Status is updated as Approved.

Note: Negative claim Amount in final claim - Separate requirement given.

## **Outward Payment Management**

To be integrated with existing outward payment management systems

## **Rejecting the Claims**

NCGTC Creator/Approver may reject the interim/ final claim. Along with the reason/remarks for rejections.

Rejecting claims records will bring the affected CGPAN in state before to claim state (i.e. NPA Guarantee in Force).Rejection will allow MLI to submit the claim again.

Note: if the Eligible interim claim/Final claim works out as less than zeroes, then, it is considered and settled as zeroes*.*

## **Flow for Processing Claims the Claims**

Processing of the claims will entail following events:

* Calculation of claims as per scheme notification
* Send to Approve or Reject – by NCGTC Creator
* Approving the claim by NCGTC approver
* Rejecting the claim by NCGTC approver
* Settling the claim

Each of above is explained below.

MLI Creator Submit the Claim

MLI approver Approves the Claim

(NCGTC Creator)

Investigate/Due Diligence

Send to Approve

(By NCGTC Creator)

N

Y

Claim Approval

Reject/Return Claim

(By NCGTC Approver)

Approve Claim

(By NCGTC Approver)

Claim Settlement

Rejects the Claim

(By NCGTC Creator)

The Claim form is rejected.

MLI will need to upload a fresh claim

Return by NCGTC approver

## **8.Claim Calculation Illustration**

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

Claim Calculation is based on the outstanding amount reported at the time of claim lodgment

**Case 1**

|  |  |  |
| --- | --- | --- |
| **Interim Claim** | | |
| **Project Type : Greenfield’s Project/Brown fields(Aspirational District)\_\_Greenfield’s Project Non - Aspirational** | | |
| **ID#** | **Description** | Value |
| **A** | **Total Sanction amount of CGPAN** | 10,00,00,000 |
| **B** | **Total Collateral Amount** | 20,00,000 |
| **C** | **( A-B)** | 9,80,00,000 |
| **D** | **Guarantee Cover (75% of C)** | 7,35,00,000 |
| **E** | **Total Dues(Principal Outstanding & Interest Outstanding) as on date of NPA (Provided by MLI in claim input file)** | 4,00,00,000 |
| **F** | **Total Dues(Principal Outstanding & Interest Outstanding) as on date of Claim (Net Recovery)** | 3,00,00,000 |
|  |
|  | **Corrected value of total dues as on date of NPA** | 3,50,00,000 |
| **G** |
| **H** | **Corrected value of total dues as on date of claim** | 2,50,00,000 |
| **I** | **Amount in default ( Min (D,E,F,G,H)** | 2,50,00,000 |
| **J** | **Eligible Interim Claim -  Considered for Claim Settlement** | 1,87,50,000 |
| **75% of J** |
| **K** | **Interim Claim Settled** | 1,87,50,000 |

|  |  |  |
| --- | --- | --- |
| **Final Claim** | | |
| **A** | Amount in Default (Interim Claim) | 2,50,00,000 |
| **B** | Interim Claim Settled | 1,87,50,000 |
| **C** | Recovery After Interim Claim | 1,00,000 |
| **D** | Eligible Final claim (A-B-C) | 61,50,000 |
| **E** | **Final Claim Settled** | **61,50,000** |

|  |  |  |
| --- | --- | --- |
| **Final Claim** | | |
| **A** | Amount in Default (Interim Claim) | 2,50,00,000 |
| **B** | Interim Claim Settled | 1,87,50,000 |
| **C** | Recovery After Interim Claim | 70,00,000 |
| **D** | Eligible Final claim (A-B-C) | -7,50,000 |
| **E** | **Final Claim Settled** | **-7,50,000** |

**(Note: Negative claim Amount in final claim - Separate requirement given).**

**Case 2:**

|  |  |  |
| --- | --- | --- |
| **Interim Claim** | | |
| **Project Type : Greenfield’s Project/Brown fields(Aspirational District)\_\_Greenfield’s Project Non - Aspirational** | | |
| **ID#** | **Description** | Value |
| **A** | **Total Sanction amount of CGPAN** | 10,00,00,000 |
| **B** | **Total Collateral Amount** | 20,00,000 |
| **C** | **( A-B)** | 9,80,00,000 |
| **D** | **Guarantee Cover (75% of C)** | 7,35,00,000 |
| **E** | **Total Dues(Principal Outstanding & Interest Outstanding) as on date of NPA (Provided by MLI in claim input file)** | 4,00,00,000 |
| **F** | **Total Dues(Principal Outstanding & Interest Outstanding) as on date of Claim (Net Recovery)** | 3,00,00,000 |
|  |
|  | **Corrected value of total dues as on date of NPA** | Not Updated |
| **G** |
| **H** | **Corrected value of total dues as on date of claim** | Not Updated |
| **I** | **Amount in default ( Min (D,E,F,G,H) )** | 3,00,00,000 |
| **J** | **Eligible Interim Claim -  Considered for Claim Settlement** | 2,25,00,000 |
| **75% of J** |
| **K** | **Interim Claim Settled** | 2,25,00,000 |
| **Final Claim** | | |
| **A** | Amount in Default (Interim Claim) | 3,00,00,000 |
| **B** | Interim Claim Settled | 2,25,00,000 |
| **C** | Recovery After Interim Claim | 1,00,000 |
| **D** | Eligible Final claim (A-B-C) | 74,00,000 |
| **E** | **Final Claim Settled** | **74,00,000** |

|  |  |  |
| --- | --- | --- |
| **Final Claim** | | |
| **A** | Amount in Default (Interim Claim) | 3,00,00,000 |
| **B** | Interim Claim Settled | 2,25,00,000 |
| **C** | Recovery After Interim Claim | 80,00,000 |
| **D** | Eligible Final claim (A-B-C) | -5,00,000 |
| **E** | **Final Claim Settled** | **-5,00,000** |

**(Note: Negative claim Amount in final claim - Separate requirement given).**

**Case 3:**

|  |  |  |
| --- | --- | --- |
| **Interim Claim** | | |
|  | **Project Type : Brown fields( Non Aspirational District)** |  |
| **ID#** | **Description** | **Value** |
| **A** | **Total Sanction amount of CGPAN** | 10,00,00,000 |
| **B** | **Total Collateral Amount of CGPAN** | 50,00,000 |
| **C** | **( A-B)** | 9,50,00,000 |
| **D** | **Guarantee Cover(50% of C)** | 4,75,00,000 |
| **E** | **Total Dues(Principal Outstanding & Interest Outstanding) as on date of NPA (Provided by MLI in claim input file)** | 4,75,00,000 |
| **F** | **Total Dues(Principal Outstanding & Interest Outstanding) as on date of Claim (Net Recovery)** | 2,75,00,000 |
|
| **G** | **Corrected value of total dues as on date of NPA** | 3,00,00,000 |
|
| **H** | **Corrected value of total dues as on date of claim** | 3,00,00,000 |
|
| **I** | **Amount in default Min (( Min (D,E,F,G,H))** | 2,75,00,000 |
| **J** | **Eligible Interim Claim -  Considered for Claim Settlement 75% of J** | 2,06,25,000 |
|
| **K** | **Interim Claim Settled** | **2,06,25,000** |
| **Final Claim** | | |
| **A** | Amount in Default (Interim Claim) | 2,75,00,000 |
| **B** | Interim Claim Settled | 2,06,25,000 |
| **C** | Recovery After Interim Claim | 1,50,000 |
| **D** | Eligible Final claim (A-B-C) | 67,25,000 |
| **E** | **Final Claim Settled** | **67,25,000** |

|  |  |  |
| --- | --- | --- |
| **Final Claim** | | |
| **A** | Amount in Default (Interim Claim) | 2,75,00,000 |
| **B** | Interim Claim Settled | 2,06,25,000 |
| **C** | Recovery After Interim Claim | 70,00,000 |
| **D** | Eligible Final claim (A-B-C) | -1,25,000 |
| **E** | **Final Claim Settled** | **-1,25,000** |

**(Note: Negative claim Amount in final claim - Separate requirement given).**

**Case 4:**

|  |  |  |
| --- | --- | --- |
| **Interim Claim** | | |
|  | **Project Type : Brown fields( Non Aspirational District)** |  |
| **ID#** | **Description** | **Value** |
| **A** | **Total Sanction amount of CGPAN** | 10,00,00,000 |
| **B** | **Total Collateral Amount of CGPAN** | 50,00,000 |
| **C** | **( A-B)** | 9,50,00,000 |
| **D** | **Guarantee Cover(50% of C)** | 4,75,00,000 |
| **E** | **Total Dues(Principal Outstanding & Interest Outstanding) as on date of NPA (Provided by MLI in claim input file)** | 4,75,00,000 |
| **F** | **Total Dues(Principal Outstanding & Interest Outstanding) as on date of Claim (Net Recovery)** | 2,75,00,000 |
|
| **G** | **Corrected value of total dues as on date of NPA** | Not Updated |
|
| **H** | **Corrected value of total dues as on date of claim** | Not Updated |
|
| **I** | **Amount in default Min (( Min (D,E,F,G,H))** | 2,75,00,000 |
| **J** | **Eligible Interim Claim -  Considered for Claim Settlement 75% of J** | 2,06,25,000 |
|
| **K** | **Interim Claim Settled** | **2,06,25,000** |
| **Final Claim** | | |
| **A** | **Amount in Default (Interim Claim)** | 2,75,00,000 |
| **B** | Interim Claim Settled | 2,06,25,000 |
| **C** | Recovery After Interim Claim | 1,50,000 |
| **D** | Eligible Final claim (A-B-C) | 67,25,000 |
| **E** | **Final Claim Settled** | **67,25,000** |

|  |  |  |
| --- | --- | --- |
| **Final Claim** | | |
| **A** | **Amount in Default (Interim Claim)** | 2,75,00,000 |
| **B** | Interim Claim Settled | 2,06,25,000 |
| **C** | Recovery After Interim Claim | 70,00,000 |
| **D** | Eligible Final claim (A-B-C) | -1,25,000 |
| **E** | **Final Claim Settled** | **-1,25,000** |

**(Note: Negative claim Amount in final claim - Separate requirement given).**

## **9. Recovery**

Once 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 also make payment of such recoveries. Else, such recoveries are not considered as valid recoveries for any further process.

## **Recovery- MLI Creator login**

MLI can submit the recovery details through MLI creator login

1. **CGPAN:** User Entry – Alphanumeric. Mandatory

MLI to enter the CGPAN for which recovery is to be entered

CGPAN should be in final claim settled state

1. **Date Of recovery:** User Entry – Numeric. Mandatory

Date should be between date of NPA and current system date

1. **Amount of Recovery:** User Entry – Numeric. Mandatory

MLI to enter the final recovery amount

Amount should be greater than zero

1. **Payment mode:** Dropdown with values ’RTGS’,’NEFT’

MLI to select the payment mode

1. **Payment Reference:** User Entry-Alphanumeric. Mandatory

MLI to enter the payment reference number for reconciliation

1. **Remarks: User Entry-** User Entry-Alphanumeric. Mandatory

MLI to enter the remarks regarding recovery

MLI creator to submit the details to MLI approver for approval of recovery and status is updated as ‘Approval Awaited’. And recovery ID is generated

## **Recovery: MLI Approver Login**

Recovery file sent by MLI creator will be viewed in the MLI approver

MLI will click on approver to click SUBMIT/Reject button and Pop-up will appear displaying below fields

1. **CGPAN:** Auto-Fetch
2. **Date Of recovery:** Auto-Fetch
3. **Amount of Recovery:** Auto-Fetch
4. **Generate Management certificate**: User Entry. Mandatory

MLI to click on the link to generate Management certificate

1. **We (the MLI) certify and provide Management certificate:** User entry – checkbox. Mandatory

MLI approver to submit the file post generation of Management certificate.

MLI approver can submit the recovery details and forward to NCGTC Accountant for reconciliation

## **Payment Management (Reconciliation)**

NCGTC accountant can view the details of payment reference submitted by MLI Creator.

Following fields will be displayed on the Payment management page

* **MLI name** : Auto-fetch

Name of the MLI to displayed

* **Recovery Id** : Auto-fetch

Recovery id for the MLI to displayed

* **Recovery filename** : Auto-fetch

Recovery file name to be displayed

* **Total Recovery** : Auto-fetch

Total recovery entered by NCGTC accountant to be displayed

* **Payment reference details**: Auto-fetch

Payment reference details entered by NCGTC accountant to be displayed

* **Total dues**: User entry- Numeric. Mandatory

NCGTC accountant to enter the recovery amount received by MLI

* **Actual Date of receipt**: User entry- Numeric. Mandatory

NCGTC accountant to enter the date of receipt of recovery amount

* **Remarks**: User entry- Alphanumeric. Mandatory

Remark regarding recovery to be entered

NCGTC accountant can send for approval or reject the recovery details

## **Approve Recovery payment**

NCGTC Main accountant can view the details submitted by NCGTC accountant under approve recovery payment

* **MLI name** : Auto-fetch

Name of the MLI to displayed

* **Recovery Id** : Auto-fetch

Recovery id for the MLI to displayed

* **Recovery filename** : Auto-fetch

Recovery file name to be displayed

* **Total Recovery** : Auto-fetch

Total recovery entered by NCGTC accountant to be displayed

* **Payment reference details**: Auto-fetch

Payment reference details entered by NCGTC accountant to be displayed

* **Total dues**: Auto-fetch

Total dues entered by NCGTC accountant to be displayed

* **Actual Date of receipt**: Auto-fetch

Date of receipt of recovery payment entered by NCGTC accountant to be displayed

* **Remarks**: User entry- Alphanumeric. Mandatory

Remark regarding recovery to be entered

NCGTC Main accountant can approve or reject the recovery details. Once Approved Recovery details would be inserted in Recovery table

### **10. 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).

### **11. 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:

### **12. Reports**

Following report to be generated for MLI and NCGTC,

* Interim Claim
* Final Claim
* Recovery report
* Performance report-1
* Performance report-2

Template for reports is defined in the attachment



### **13. Marking the CG as Claimed**

Once the eligibility checks for claim (Interim/Final) 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 CGPAN is initiated and processed.

Identifying and marking the claims in SURGE is a two-way process:

* An entry with relevant details is created in separate Claim tables. Refer section 13.1 below for more details.

### **Making entry in Claims Table (Interim and Final Claim)**

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

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

* Claim Type - 1
* 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 – 30019
* CG Previous State - 30020
* IP Address – IP Address of the User
* Is Active Flag – Active
* Created By – MLI user id
* Created Date – Date Time of Record insertion
* MLI approver date- Date Time of MLI approver
* NCGTC Creator- NCGTC user id
* NCGTC Creator date- Date Time of NCGTC creator
* NCGTC Approver - NCGTC Approver user id
* NCGTC approver date- - Date Time of NCGTC Approver

## **Points Pending for Further Clarification**

Following points will need clarification from NCGTC:

|  |  |  |
| --- | --- | --- |
| S. No. | Point for Further Clarification | Contemplations |
| 1 | - | - |

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