Abstract

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

Business Requirement Document

Loan Guarantee Scheme for the Covid affected Tourism Service Sector (LGSCATSS) – Final Claim and Recovery

**Document Version History**

|  |  |  |  |
| --- | --- | --- | --- |
| Version No. | Remarks | Date | Author |
| 1.0 | LGSCATSS Final Claim | 17-08-2022 | Supriya Shinde |
| 2.0 | LGSCATSS Recovery | 22-08-2022 | Supriya Shinde |

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**Glossary**

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

|  |  |  |
| --- | --- | --- |
| S. No. | Term | Description |
| 1 | LGSCATSS | Loan Guarantee Scheme for the Covid affected Tourism Service Sector |
| 3 | AID | Amount In Default |
| 4 | EID | Eligible Interim Claim |
| 5 | MLI | Member Leading Institute. These will be Banks, Factors, and Para- Banks etc. Institutes predominantly in business of Money Lending’s. |
| 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 | CGPAN | Credit Guarantee Permanent Account Number – a Unique Credit Guarantee Number generated by NCGTC processing system while issuing the Credit Guarantee. |

### **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 ‘Interim Claim’ to obtain 75% of AID and ‘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 documents explaining the process of Final claim and Recovery.

1. Final Claim Settlement – Allows MLI’s to settle the claim in ‘Full & Final’.
2. 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 two sections forms part of the entire claim settlement processes under this scheme

## **2.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. **Borrower Name:** Auto-fetch

Borrower Name to be displayed as per the CGPAN entered

1. **NPA date:** Auto-Fetch

NPA Date to be displayed as per the CGPAN entered

1. **Date of Interim claim lodgment:**

Lodgment date of Interim claim as per CGPAN entered

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 after Interim claim lodge

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

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

1. **Declaration obtained from borrower name in defaulter list :** User Entry – Document upload. Mandatory

MLI to upload the Declaration obtained from borrower name in defaulter list 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’

## **2.2.** **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. **Borrower Name:** Auto-fetch
3. **NPA date:** Auto-fetch
4. **Date of Interim claim lodgment:** 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. **Upload Borrower Outstanding**: View only. Auto-fetch-Document
9. **Upload Recall Notice:** View only. Auto-fetch-Document
10. **Upload Proof of Legal Proceeding:** View only. Auto-fetch-Document
11. **Completion of legal remedies:** View only. Auto-fetch-Document
12. **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

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

## **2.3. 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. **Borrower Name:** Auto-fetch
3. **NPA date:** Auto-fetch
4. **Date of Interim claim lodgment:** 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. **Upload Borrower Outstanding**: View only. Auto-fetch-Document
9. **Upload Recall Notice:** View only. Auto-fetch-Document
10. **Upload Proof of Legal Proceeding:** View only. Auto-fetch-Document
11. **Completion of legal remedies:** View only. Auto-fetch-Document
12. **Eligible Final Claim :** Auto-fetch

**(Amount in Default (Interim Claim)- Interim Claim settle- Recovery after interim claim)**

System to calculate and display the eligible claim

1. **Amount in Default:** Auto-fetch **(Interim Claim)**

System to display the Amount in default

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. **Borrower Name:** Auto-fetch
3. **NPA date:** Auto-fetch
4. **Date of Interim claim lodgment:** 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. **Upload Borrower Outstanding**: View only. Auto-fetch-Document
9. **Upload Recall Notice:** View only. Auto-fetch-Document
10. **Upload Proof of Legal Proceeding:** View only. Auto-fetch-Document
11. **Completion of legal remedies:** View only. Auto-fetch-Document
12. **Eligible Final Claim:** Auto-fetch

**(Amount in Default (Interim Claim)- Interim Claim settle- Recovery after interim claim)**

System to calculate and display the eligible claim

1. **Amount in Default:** Auto-fetch **(Interim Claim)**

System to display the Amount in default

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.

## **Outward Payment Management**

To be integrated with existing payment management system.

## **Rejecting the Claims**

NCGTC Creator/Approver may reject the interim 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 works out as less than zeroes, then, it is considered and settled as zeroes.

**4.1 Flow for Processing 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

Accountant- Reconciliation the Claim payment

N Y

Main Accountant- Approve/Reject the Reconciliation

## **Claim Calculation Illustration**

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

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

**Case 1:**

|  |  |  |
| --- | --- | --- |
| **Final Claim** | | |
| **ID#** | **Description** | **Value** |
| **A** | **Amount in Default (Interim Claim)** | 20,00,000 |
| **B** | **Interim Claim settle** | 15,00,000 |
| **C** | **Recovery after interim claim** | 4,00,000 |
| **D** | **Eligible Final Claim (A-B-C)** | 1,00,000 |
| **E** | **Interim Claim Settled** | 1,00,000 |

**Case 2:**

|  |  |  |
| --- | --- | --- |
| **Final Claim** | | |
| **ID#** | **Description** | **Value** |
| **A** | **Amount in Default (Interim Claim)** | 20,00,000 |
| **B** | **Interim Claim settle** | 15,00,000 |
| **C** | **Recovery after interim claim** | 10,00,000 |
| **D** | **Eligible Final Claim (A-B-C)** | -5,00,000 |
| **E** | **Interim Claim Settled** | -5,00,000 |

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

## **Reports**

Following report to be generated for MLI and NCGTC,

* Final Claim
* Recovery Report
* Performance Report
* Performance Report 2



## **Marking the CG as Claimed**

Once the eligibility checks for claim (Final Claim) 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:

* The respective CG in CG table is marked as ‘claimed’ along with the claim lodged date. Claim lodged date is the date when MLI Approverapproves the input claim.Refer section 7.1 below for more details.

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

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:

* MLI ID - Same as the Original Master Record
* Schemes Id - Same as the Original Master Record
* Claim Type, From File type master.
* 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

## **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. Date on which the recovery was made

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

### **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:

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

Once the eligibility checks for claim (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 10.1 below for more details.

### **Making entry in Claims Table (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 | - | - |