



ARM-MSME

(ASSET RESTRUCTURING MODULE FOR MSMEs)

USER MANUAL

(Updated till December 03, 2020)

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This module has been developed by SIDBI/ ISARC (India SME Asset Reconstruction Company Ltd.). The module is a developmental initiative to assist MSMEs to self-create restructuring proposal. Responsibility of data input and veracity of output generated by MSME user solely lies with MSME only and submitting the proposal on/through this platform does not guarantee sanction/approval of the restructuring proposal, which would be the decision of the concerned Bank/Lender as per its guidelines. The portal has gone through extensive testing but in no event, SIDBI/ISARC shall be liable for any direct, indirect, incidental, special or consequential damages to anyone including but not limited to loss of use, data, or projects or business interruption arising in any way out of the use of this software/ module.


Glossary

B/S, BS	-	Balance Sheet
Capex	-	Capital Expenditure
CFY	-	Current Financial Year
DP	-	Drawing Power
DSCR	-	Debt Service Coverage Ratio
FITL	-	Funded Interest Term Loan
FY	-	Financial Year
MMWC	-	Margin Money for Working Capital
MPBF	-	Maximum Permissible Bank Finance for Working Capital
MFA	-	Miscellaneous Fixed Assets
PAT	-	Profit after Tax
P&L	-	Profit & Loss
P&M	-	Plant & Machinery
TOL/TNW	-	Total Outside Liabilities / Tangible Net Worth
WCL	-	Working Capital Limit
WCTL	-	Working Capital Term Loan

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General Instructions:

1. Please enter data in “Yellow Colour Background” cells only.
2. Amount to be entered in “₹Lakh” only.
3. User guide has been provided at appropriate input cells/ labels (with  symbol). By hovering the cursor on the cell/ label, it will become visible to the user.
4. No input cell to be kept blank. Please enter “0” (zero), if NIL to be entered.

A. MSME User

1. Introduction

1.1. About ARM-MSME

Asset Restructuring Module for MSME (ARM-MSME) is a web-based Do It Yourself (DIY) module to help MSME entrepreneur(s) prepare restructuring proposal themselves and submit to their bank(s). It is a web portal developed by Small Industries Development Bank of India (SIDBI) and its associate, India SME Asset Reconstruction Company Ltd. (ISARC).

The module has functionality both for:

- (a) **MSME user:** The module is in the form of a web-portal wherein first MSME applicant will register itself by providing basis details, email id and mobile number. After login, it will prepare its restructuring proposal. Initially, enabling provision for online submission to the Bank Branches has been made. Reports can also be downloaded in PDF format for records/ submission outside the portal.
- (b) **Bank user:** After online submission by the MSME user, the proposal will be received at Branch which was selected by MSME user at the time of submission along with link to access, User id and Password. Branch may edit/ modify the proposal submitted online and finalize at their end.

The module has been divided into following two sections:

- i. **Input Section:** Provision has been made to enter past financials, future business plan and restructuring requirements at separate tabs.
- ii. **Output Section:** Once entire data has been entered at Input Section, user may view output financial projections and generate printable reports in PDF format. Provision for online submission to Bank (maximum 3) has also been made.

1.2. Coverage of the module

The module covers various scenarios of restructuring like the following:

- Reschedulement of loans by way of:
 - additional moratorium,
 - change in repayment installments,
 - extension of repayment period, etc.

- Regularization of overdrawn/ irregular portion of WC limit by way of:
 - additional Working Capital Term Loan (WCTL)/ WC Limit enhancement.
 - conversion of part/ full WC Limit into WCTL.
- Funding of Interest - To fund overdue interest/ penal interest (past dues) and future interest by way of Funded Interest Term Loan (FITL).
- Change in rate of interest on existing credit facilities.
- Additional facility for working capital/ capital expenditure purpose as part of Restructuring package.

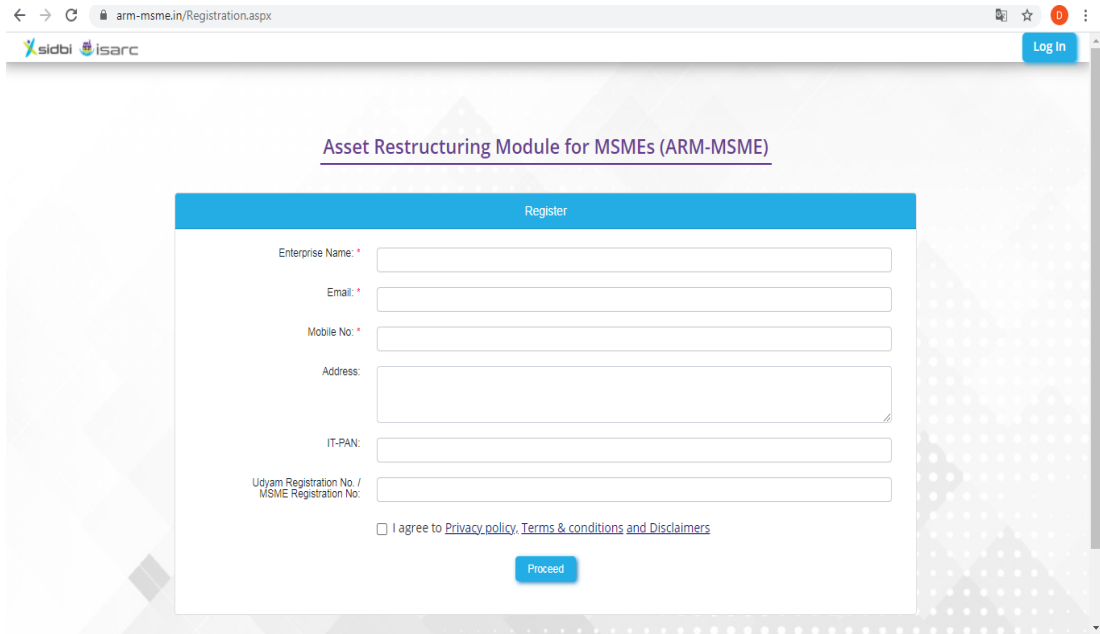
1.3. Link to ARM-MSME Module

- Web portal of ARM-MSME can be accessed from www.arm-msme.in .
- Snapshot of the home page of the portal is given below:



1.4. Registration

- To start with, MSME entrepreneur/applicant is required to register in the module by clicking the register icon given on the top right side of the portal. The snapshot of the registration page is given below:



The screenshot shows a web browser window with the URL `arm-msme.in/Registration.aspx`. The page title is "Asset Restructuring Module for MSMEs (ARM-MSME)". A "Log In" button is visible in the top right corner. The main content is a "Register" form with the following fields:

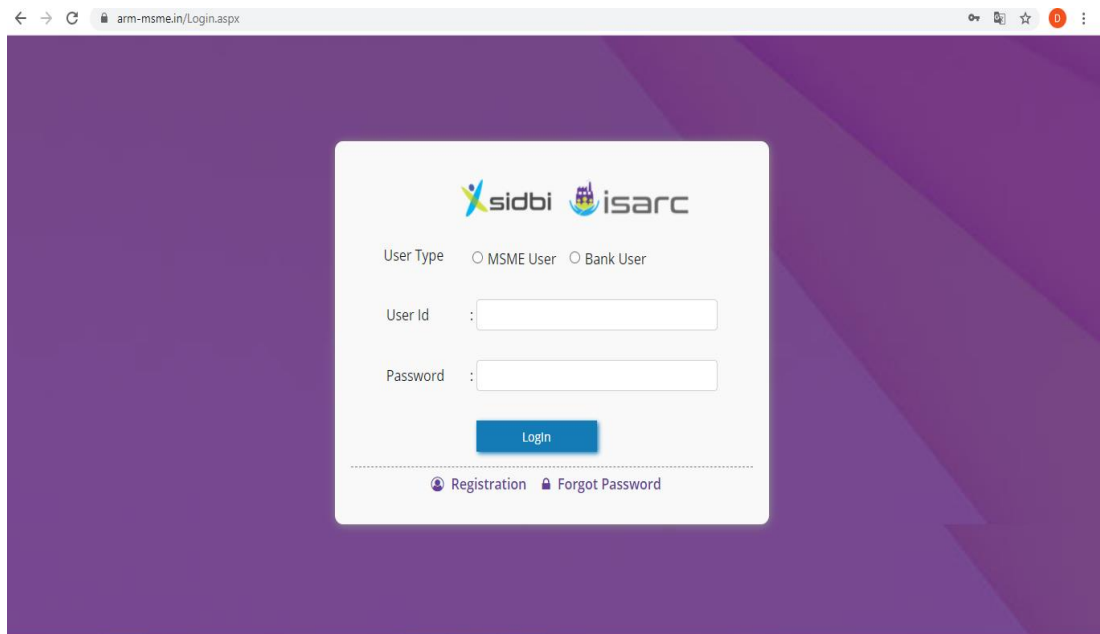
- Enterprise Name: *
- Email: *
- Mobile No: *
- Address:
- IT-PAN:
- Udyam Registration No. / MSME Registration No.:

Below the fields, there is a checkbox for "I agree to [Privacy policy](#), [Terms & conditions](#) and [Disclaimers](#)". A "Proceed" button is located at the bottom of the form.

- E-mail id provided at the time of registration would be the user id. Once registration is done, the password would be generated and mailed to the registered e-mail id of the user.

1.5. Login

- To login the MSME entrepreneur/applicant has to click the "Login" button on the right top icon. Snapshot of the login window is given below:



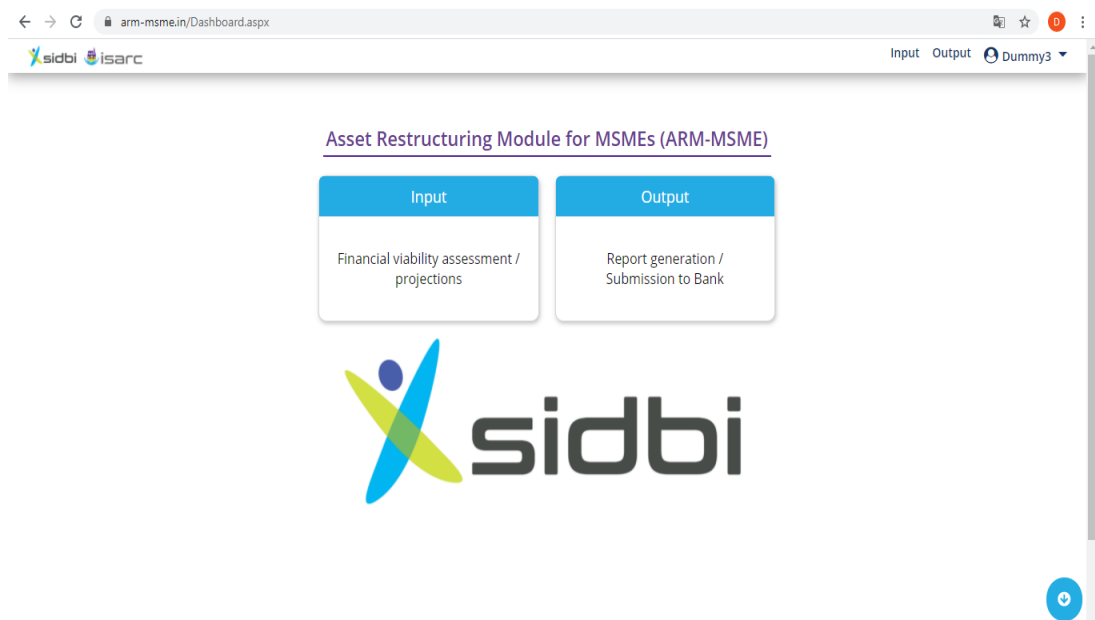
The screenshot shows a web browser window with the URL `arm-msme.in/Login.aspx`. The page features a purple background with a white login form in the center. The form includes the following elements:

- sidbi isarc logo
- User Type: MSME User Bank User
- User Id: [Text Input Field]
- Password: [Text Input Field]
- Login button
- Registration link (with user icon)
- Forgot Password link (with lock icon)

- For logging in, MSME entrepreneur/applicant has to select user type as “MSME User” and then enter the user id (i.e. registered mail id) and password (received on registered mail).
- **Forgot password:** In case the Bank user forgot the password, new password can be generated by clicking “Forgot Password” in the login page and then entering the registered mail id in the page that opens and click “Get password” button. The new password would be auto generated and mailed to the registered mail id.

1.6. Welcome Page

- On logging in into the module, the user has the provision to enter Input Data for working out its Financial Viability Assessment/ Projections supporting its restructuring application.
- By clicking on INPUT tab, the user may start preparing its financial projections and reports can be generated on OUTPUT tab.



1.7. Facility to Rework/ Edit the projections

- Once projections have been prepared by the entrepreneur, it gets saved at the Login id created and reports can be generated. The data input can be reworked/edited and reports can be regenerated. However, after submission of the proposal to the lender through the module, rework/editing the projections by MSME user will not be permitted.

2. Input Section: Financial viability assessment/projections

- The purpose of this module is to work out financial viability assessment/ debt servicing capability of the MSME unit to ascertain commercial viability of the enterprise considering various profitability assumptions and reliefs sought under the restructuring proposal.

2.1. Input Section

This section has four mandatory tabs viz Past P&L, Past Balance Sheet, Assumptions, Facility and two optional tabs viz. FITL and WCTL.

○ General Instructions:

- Please enter data in “Yellow Colour Background” cells only.
- Amount to be entered in “₹ Lakh” only.
- User guide has been provided at appropriate input cells/labels (i symbol). By hovering the cursor on the cell/label, same will become visible to the user.
- No input cell should be left blank. In case NIL value to be entered, please enter “0” (zero) there (in other words, by default “0” appears at all input cells, which may not be deleted).

2.2. Tabs under Input section

a. Past P&L Tab

- Snapshot of Past P&L tab is given below:

Sl. No.	Particulars	Past Year II	Past Year I
		2019	2020
1	Sales/ Income (net of taxes & incl. operating income)	0	0
	(a) Domestic sales/ Income	0	0
	(b) Export sales/ Income	0	0
	Net Sales/Income	0	0
2	Raw Material consumed/ Cost of service availed	0	0
3	Other Direct Exp. (excl. RIM and depreciation)	0	0
4	Depreciation for the year	0	0
5	Selling, Packing & Distribution Expenses	0	0
6	Administrative & Misc. Expenses	0	0
7	Profit before Interest & Tax (PBIT)	0	0
8	Interest/ Financial charges	0	0
9	Operating Profit (after interest)	0	0
10	(+/-)Non-operational Income/ (-)Expenses	0	0
11	Profit before Tax (PBT)	0	0
12	Provision for Taxation	0	0
13	Profit after Tax (PAT)	0	0

- Data may be entered on Past P&L tab with the help of financials (audited/ provisional) of past two years.
- In case financials of only past one year is available, user may leave input cells pertaining to Past Year II column as blank and enter financials only in input cells related to Past Year I column only (the immediate completed year).
- Care may be taken to ensure that Profit After Tax (PAT) appearing on this tab tallies with financial statements.

b. Past Balance Sheet tab:

- Snapshot of Past Balance Sheet tab is given below:

LIABILITIES		Past Year II 2019	Past Year I 2020	ASSETS		Past Year II 2019	Past Year I 2020
		AUDITED	AUDITED			AUDITED	AUDITED
1	Networth (excl. revaluation reserve):			1	Gross Block / MDV of Fixed Assets (excl. revaluation reserve, intangibles & incl. CWIP):		
	(a) Capital	0	0		(a) Land	0	0
	(b) Reserves & Surplus/ Balance of P&L A/c	0	0		(b) Buildings	0	0
	Less: Intangibles assets/ Preliminary and misc. expenses not written off	0	0		(c) Plant & Machinery	0	0
	Net Worth	0	0		(d) Others	0	0
2	Current Liabilities				Total Fixed Assets	0	0
	(a) Sundry Creditors	0	0	2	Less: Cumulative Depreciation (if Gross Block)/ Depreciation for the year (if I/D/V)	0	0
	(b) Working Capital limit from Bank	0	0	3	Net Fixed Assets	0	0
	(c) Installments of Loans from Banks/FI and Int Bearing Loans payable in 1 year [combined for loans as 3(a)&(b) below]	0	0	4	Non Current Assets		
	(d) Other current liabilities	0	0		(a) Debtors more than 6 months	0	0
	Total Current Liabilities	0	0		(b) Others (incl. investment in Group/ Associates concerns, Long term investments, Deposits, Deferred tax assets etc.)	0	0
3	Long Term Liabilities (excl. installments due in 1 year shown above):			5	Current Assets:		
	(a) Loans from Banks/FI (secured/ unsecured)	0	0		(a) Inventory	0	0
	(b) Interest Bearing Loans (secured/ unsecured) (other than from Banks/ FI)	0	0		(b) Sundry Debtors (less than 6 months)	0	0
	(c) Interest Free Unsecured Loans (Quasi-Equity)	0	0		(c) Cash & Bank Balances	0	0
	(d) Other LT liability/ Deferred Tax Liabilities	0	0		(d) Others (incl. short term investments)	0	0
	Total Long Term Liabilities	0	0		Total Current Assets	0	0
	TOTAL LIABILITIES	0	0		TOTAL ASSETS	0	0
					Check (Assets - Liabilities) [should be zero]	0	0

- Similar to Past P&L tab, entry of balance sheet (audited/ provisional) of past two years is required to be made and if financials of two years not available, balance sheet of last year may be entered in Past Year I column (the immediate completed year) to enable the tool to work.
- Care may be taken to ensure that asset and liabilities totals tally.

c. Assumptions tab (for entering profitability projections):

- Snapshot of Assumptions tab is given below:

ASSUMPTIONS											
SALES/ INCOME	Past FY	FY1	FY2	FY3	FY4	FY5	FY6	FY7	FY8	FY9	FY10
	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
% Growth in Domestic Sales (over past year)		0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
(A) Domestic Sales	0	0	0	0	0	0	0	0	0	0	0
% Growth in Export Sales (over past year)		0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
(B) Export Sales	0	0	0	0	0	0	0	0	0	0	0
% Growth in Total Sales (over past year)		0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Total Sales (A + B)	0	0	0	0	0	0	0	0	0	0	0
(i) Non operational Income/ (-)Loss (Amt)	0	0	0	0	0	0	0	0	0	0	0

EXPENSES (as % of Sales/Income)	Past FY	For Projected 1st yr	For Projected 2nd yr onwards
Raw Material consumed/ Cost of service availed	0%	0%	0%
Other Direct Exp. (incl. RM and depreciation)	0%	0%	0%
Selling, Packing & Distribution Expenses	0%	0%	0%
Administrative & Misc. Expenses	0%	0%	0%
Earnings before Interest, Tax, Dep. & Amortization (EBITDA)	0%	0%	0%
Effective Income Tax Rate		0%	

Depreciation			
Select method of depreciation (Straight Line method may be selected only when Gross Block of assets taken in Past BS)			
Method	Building	P&M	MFA/Others
Depreciation Rates	0%	0%	0%

- Sales/Income (net of taxes) is required to be entered in amount terms (` lakh) in first 2 projected years (domestic/ exports sales may be entered separately) and thereafter, from 3rd projected year onwards, input fields for percentage growth (or decline) have been provided to automatically work-out Sales/ Income for the projected years. Sales/ Income may be assumed clubbing other operational income and accordingly, suitable growth (decline) in Sales/Income may be projected.
- In case of non-operational losses during any year, the same is required to be entered with (-) minus/negative sign in the field for non-operational income/losses.
- All major expenses to be entered as percentage of Total Sales/ Income (both domestic and export sales). Enabling provision has been made to capture different expense ratios for the First Year of projections and Second Year onwards, if required. Entry in both the fields is mandatory.
- Method and rate of depreciation may be taken as per method being followed in the books of account.

d. Facility tab:

- This tab captures details of credit facilities and reschedulement requested.
- Facility tab has following 3 sections:

i. Section A: Existing Loan(s) appearing in the last Balance Sheet:

➤ Snapshot of Section A of Facility tab is given below:

Existing Loans from Banks/FI (secured/ unsecured e.g. TLF/BL/ LAF etc.)	Outstanding as per last B/S	ROI	ROI %	Repayment Schedule- Annual Principal Amount to be paid in each FY [After considering additional moratorium & extension of repayment period]												
				2021	2022	2023	2024	2025	2026	2027	2028	2029	2038	Total		
Existing Loan- I	Existing	0%	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Requested	0%	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Existing Loan- II	Existing	0%	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Requested	0%	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Existing Loan- III	Existing	0%	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Requested	0%	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Existing Loan- IV	Existing	0%	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Requested	0%	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Existing Loan- V	Existing	0%	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Requested	0%	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Existing other loans (combined)- VI	Existing	0%	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Requested	0%	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Interest Bearing Loans (other than from Banks/ FI)	As per terms	0%	0	0	0	0	0	0	0	0	0	0	0	0	0	0

➤ **Outstanding as per Last B/S - Column:**

- Provision has been made to capture details of outstanding loans as appearing in the last balance sheet under this section.
- Upto 5 major existing loans may be entered under “Existing Loan I to V” input fields and in case of higher than 5 existing loans, all remaining loans may be clubbed and entered under “Existing Other Loans (combined)- VI” fields.
- Seventh field has been provided to auto-capture details of “Interest Bearing Loans (other than from Banks/FIs)” from Past B/S tab.
- Care should be taken that the total outstanding of all the aforesaid 7 loans/ input cells appearing here tallies with total of these facilities appearing on the Past B/S tab [3(a) Long Term loans + 3(b) Interest Bearing Loans + 2(c) Installments of loans payable in 1 year] and in such a case “Check- Please tally with Past BS” should be zero.

➤ **Rate of interest- Column:**

- Existing rate of interest for the aforesaid 7 loans is required to be entered. In case of any change in the rate of interest, revised rate may be entered in the “Requested” field, otherwise same rate may be entered.

- In case more than one loan have been combined under “Existing Other Loans (combined)-VI”, weighted average interest rate may be entered.

➤ **Repayment Schedule (Existing & Proposed) - Column:**

- This section provides the facility to enter details of reschedulement being applied for i.e., details of additional moratorium, revised repayment installments, extension of repayment schedule can be captured here.
- For the purpose, fields have been provided to capture both existing and requested repayment schedule of each loan. For each of the projected FYs, annual principal payments are to be entered.
- To apply moratorium (i.e. deferment of principal instalments, though interest payments would continue), the user has to suitably enter reduced/ nil amount of principal repayments for each of projected FY. These instalments will get deferred and unpaid outstanding amount may be spread over the requested repayment period.
- Care may be taken to request reasonable extension of instalments/additional moratorium commensurate with the income/profitability projections. Generally, extension should not be beyond 2 years from the original terminal date of the loan and varies from bank to bank (same may be checked with lender).

Illustration:

(₹ lakh)

Existing Facilities		Annual Principal Payments					
O/s	Projected FY	I	II	III	IV	V	VI
100	Existing	25	25	25	25	-	-
100	Requested	0	10	15	25	25	25

- In the illustration above, if the unit has not paid/is proposing not to pay any principal instalment of the loan in the first year of projections, then it may enter “Zero” in the first year as shown above and thus, the unit has applied for additional moratorium. There may be a case that unit has already paid a few instalments in CFY i.e. first projected year (in which restructuring proposal is being prepared), in that case in place of “Zero”, principal amount already paid will be entered.

- In addition to moratorium, the unit has also requested for revision of principal instalments (i.e. lower instalments in II & III years) and extension of repayment period from existing 4 years to 6 years.

ii. Section B: Additional Loans availed/ to be availed in Current FY (including Undisbursed Loans):

- Provision to capture details of 3 additional loans availed/to be availed in current financial year (i.e. after last balance sheet date) has been made under this section. Screenshot of the section is given below:

Additional Loans from Banks/FI (secured/ unsecured) [pls also enter here Undisbursed Loans]	Sanc. Amt	Date of Disb.	ROI %	Repayment Schedule- Annual Principal Amount to be repaid in each FY [After considering additional moratorium & extension of repayment period]												
				2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	Total		
a) Additional/ Undisbursed Loan-I for WC purpose (e.g. Emergency Credit Line)	0	01-01-2021	0%	0	0	0	0	0	0	0	0	0	0	0	0	
b) Additional/ Undisbursed Loan-II for WC purpose	0	01-01-2021	0%	0	0	0	0	0	0	0	0	0	0	0	0	
c) Addtl/ Undisbursed Loan-III for Capital Expenditure (Capex Loan)	0	01-01-2021	0%	0	0	0	0	0	0	0	0	0	0	0	0	
[Any fund infusion by promoter(s) in current FY also to be shown here (refer User Help)]	i) Capital Exp>	Land	Building	P&M	MFA	Pre-operative exp.	Total Capex	i) Sources of funds>				Capital	Internal Accruals	Int Free Unsecured loans	Capex Term Loan	Total Funds
	ii) Amt. invested/ to be invested >	0	0	0	0	0	0	ii) Amt financed/ to be financed >				0	0	0	0	0

- **Additional loans- I and II** have been provided to capture details of fresh/ additional loans (after last balance sheet date) availed/ to be availed in current financial year for working capital/liquidity purposes (e.g. Emergency Credit Line).
- **Additional Loan III** have been provided to enter fresh/ additional loan availed/ to be availed in current financial year for Capital Expenditure (capex) purposes. Accordingly, various heads of Capex (viz., Land, Building, P&M, Misc. Fixed assets) and heads of sources of funds (promoters' contribution by way of capital, internal accruals, interest free unsecured loans and capex loan) have been provided to enter corresponding data.

Assumption here is that Additional Loans are disbursed in current financial year in which restructuring proposal is being prepared (i.e. first year of projections) and that too, in one go, for the sake of simplicity of calculations. Further, date of acquisition of assets and putting to use which are financed out of capex loan is also assumed to be same as that of date of disbursement entered by MSME user to work out depreciation either at full rate (180 days or more) or half rate (less than 180 days) in the first year of acquisition.

- **Undisbursed Loans:** In case of any undisbursed loan (fully/ partly) as at the end of last balance sheet date, is availed in current financial year (i.e. first year of projections), same may be suitably entered here as per its end-use i.e. working capital usage loan under Additional Loan I/ II and capex usage loan under Additional Loan III. Only the balance/ undisbursed portion of loan, which has been availed/ being availed after last balance sheet date needs to be entered here.

In case of partly undisbursed loans at the end of last balance sheet date, the portion already disbursed/ appearing in past balance sheet will be shown under Section A- Existing Loans with corresponding repayment schedule (pro-rata) and balance undisbursed loan may be entered under Section B- Additional Loans as per end-use with corresponding repayment schedule (pro-rata).

- **Special Cases:**
 - After the last balance sheet date, in case promoters are infusing additional capital/ unsecured loans in the business in the current financial year (over and above contribution brought under additional/ undisbursed capex loan), same may also be added in the corresponding fields of “sources of funds” portion of capex loan mentioned above.
 - In case of higher number of additional/ undisbursed loans than the corresponding fields available, combined loan value may be entered with weighted average rate of interest/ date of first disbursement.

iii. Section C: Working Capital:

- Screenshot of Section C is given below:

(C) WORKING CAPITAL			
Assumptions		Fund-based WC Limit : Overdrawn/Irregular portion to be regularized	
Method of WC Assessment (Enter 1 for Turnover/Nayak Committee Method (i.e. WC limit= 20% of Gross Sales) or 2 for 2nd method of Lending or 3 for User Defined method (fixed WC Limit))		a) Outstanding limit as on date (incl. overdue interest/ penal interest)	Amt
No. of Months		b) Sanctioned Limit as on date	
Inventory days (in months e.g. 30/45 days as 1/1.5 months)		c) Operating Limit/ Drawing power as on date	
Receivables/ Debtors days (in months)		d) Sanctioned Limit or Operating Limit as on date, whichever is less	
Export Receivables days (in months)		e) Total Overdrawn portion (incl. overdue interest/ penal interest) (a - d)	
Creditors days (in months)		f) Overdue interest/ penal interest included in (e) above	
Whether the unit has been availing WC limit or will avail WC limit from Bank/ FI (Enter 0 for Yes, 1 for No)		g) FITL : Out of (f), requested to be funded (PIs refer next "FITL" tab)	
Interest Rate on WC (%) - (projected years)		h) Net Overdrawn portion (e - g) :	
FY	2021	To be regularized by way of :	
Other Current Assets		1) Out of (h), WCTL requested / LT Funds proposed : [Pis refer next "WCTL" tab]	
Other Current Liabilities (excl. WC)		2) WC Enhancement, if any (Pis suitably project sanction amount of WC Limit [MPBF]: Pis refer "Dashboard" tab)	
Only if User-defined Assessment of WC has been selected, please enter (this will override other methods of WC assessment)		Non-fund based WC Facility (not part of MPBF)- Irregular/default portion to be regularized	
User defined Amount		Total Irregular/devolved/ crystallized default amount	
FY	2021	Less: To be met by internal accruals/ own sources	
User-defined Margin Money for WC		Net amount to be restructured/met by way of addl. WCTL/LT Funds : [Pis refer next "WCTL" tab]	
User-defined Bank Borrowing for WC			
Other Current Liabilities (excl. WC)			

➤ **Assumptions for Working Capital:**

- The user may select any of the following three methods of WC assessment (as acceptable to its bank):
 - i. Turnover/Nayak Committee method (20% of Gross Sales for WCL upto ₹ 5 cr.)
 - ii. 2nd method of Lending (Tandon Committee)
 - iii. User-defined method [flexibility has been provided to assume pre-defined/ fixed level of WC Limit (MPBF) and Margin Money for WC (MMWC) for the projected years in special cases]
- User has to enter holding periods, viz, inventory days, creditor days and debtor days (export receivable days in case of exports) in terms of number of months (e.g. 30/45 days to be entered as 1.00/1.50 months) as per its business cycles. Based on the assumptions taken, projected inventory, debtors and creditors figures will get calculated.

Explanation:

- ✚ *Inventory days: Average number of days the unit holds inventory before selling*
- ✚ *Debtor days (Export receivable days): How long it takes to receive payments from Customers after sale*
- ✚ *Creditor days: Average number of days taken for paying to Suppliers after purchase*

- Input fields have also been provided to capture “Other current assets” and “Other current liabilities” for the projected years, if required.

➤ **Working Capital: To be Restructured:**

- There are two sections to capture any irregular/overdrawn portion of Fund based WC limit and Non-fund based WC facility (which is not part of MPBF). Details of each section is given below:

(i) Fund based WC Limit:

- Snapshot of the section is given below:

(C) WORKING CAPITAL	
Fund-based WC Limit : Overdrawn/Irregular portion to be regularized	Amt
a) Outstanding limit as on date (incl. overdue interest/ penal interest)	<input type="text" value="0"/>
b) Sanctioned Limit as on date	<input type="text" value="0"/>
c) Operating Limit/ Drawing power as on date	<input type="text" value="0"/>
d) Sanctioned Limit or Operating Limit as on date, whichever is less	<input type="text" value="0"/>
e) Total Overdrawn portion (incl. overdue interest/ penal interest) (a - d)	<input type="text" value="0"/>
f) Overdue interest/ penal interest included in (e) above	<input type="text" value="0"/>
g) FITL : Out of (f), requested to be funded (Pls refer next "FITL" tab)	<input type="text" value="0"/>
h) Net Overdrawn portion (e - g) :	<input type="text" value="0"/>
To be regularized by way of :	
1) Out of (h), WCTL requested / LT Funds proposed : [Pls refer next "WCTL" tab]	<input type="text" value="0"/>
2) WC Enhancement, if any (Pls suitably project sanction amount of WC Limit [MPBF]; Pls refer "Dashboard" tab)	<input type="text" value="0"/>

- Overdrawn/ irregular portion of fund based Working Capital Limit (CC/ OD) (i.e., outstanding amount in excess of drawing power/ sanction amount) may be regularized by way of:

- **FITL:** Funding of overdue interest/ penal interest on WC Limit
- **WCTL:** Conversion of irregular portion into WCTL (in such case user will have to enter necessary details on WCTL Tab also)
- **WC Limit enhancement:** Regularization of overdrawn portion by way of increase/ enhancement in WC Limit, if same is permitted by WC Limit (MPBF) assessed for the projected year(s). In other words, in this case:

Projected WC Limit [MPBF] = Existing WC Sanctioned Limit + Increase in WC Limit (to regularize the overdrawn portion)

Accordingly, in “DASHBOARD” tab in Output Section, the user has to check that aforesaid condition for projected MPBF meets.

(ii) Non-Fund Based WC facility [not part of WC (MPBF) assessment]:

- Snapshot of the section is given below:

Non-fund based WC Facility (not part of MPBF)- Irregular/ default portion to be regularized	Amt
Total Irregular/devolved/ crystalized default amount	<input type="text" value="0"/>
Less: To be met by internal accruals/ own sources	<input type="text" value="0"/>
Net amount to be restructured/met by way of addl. WCTL/LT Funds : [Pls refer next "WCTL" tab]	<input type="text" value="0"/>

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- Any irregular/ default portion of Non-fund based facility (e.g. performance guarantee) can be regularized by way of additional WCTL sanction to the unit to the extent not met by infusion of own funds/internal accruals (in such case user will have to enter necessary details on WCTL Tab also).

e. FITL Tab (Optional tab):

- This optional tab may be used to work out FITL requirement of the unit.
- FITL may be availed rationally as capitalising interest/penal interest would entail increased financial burden on the unit in the long run, though it may provide relief initially/ in immediate projected year(s).
- FITL can be availed to fund (A) Past overdue penal interest/interest and/or (B) Future interest of a certain period on the existing credit facilities (loan/limit).
- The period for funding of future dues may be decided based on the requirement of the unit/maximum period permitted as per policy of the dealing bank.

f. WCTL Tab (Optional tab):

- This optional tab may be used to workout additional WCTL requirement towards:
 - a. conversion of any overdrawn/irregular portion of fund based WC limit into WCTL [as mentioned in pre-paras]
 - b. conversion of any irregular/ devolved/ crystallized portion of non-fund based WC facility (not part of WC/ MPBF assessment) into WCTL [As per 4(c)(i) above]
 - c. conversion of full/ part WC Limit into WCTL

Explanation:

Projected WC Limit [MPBF] = Existing WC Sanctioned Limit (less) portion of WC Limit to be converted into WCTL

Accordingly, at “DASHBOARD” tab in Output Section, the user has to ensure that Projected WC Limit [MPBF] suitably works out equal to the revised sanctioned amount of WC Limit (after conversion into WCTL). In case full WC Limit is converted into WCTL, then the user will enter “No” (i.e. enter “1”) under “Whether the unit has been availing WC limit or will avail WC limit from Bank/ FI” field at “Assumptions for Working Capital” section.

- Complete projected financial viability assessment/projections will get auto-generated after data entry is completed with the help of the algorithms/calculations working in background.
- User may visit Dashboard/ other reports at Output Section and may suitably finalize its assumptions/work out financial projections of the unit. Indicative tips for DSCR / Cash Balance, etc. have also been given at the Dashboard Tab to guide user suitably (detailed in next part of the Manual).

Assumptions for calculation in the module:

- a) Effective date of Restructuring has been assumed as 1st date of next month (following the month in which the MSME is applying for restructuring) for the purpose of all calculations/ passing on the relief being applied.

Illustration: If restructuring proposal is prepared in the month of December 2020, system will take effective date of restructuring as January 1, 2021.

- b) Interest on existing loan(s) and additional/undisbursed loan(s) availed in current FY, is worked out on the average outstanding balance.
- c) Additional loan is assumed to be disbursed in current financial year itself in one go (i.e. first year of projections).

3. Output Section: Reports

3.1. Dashboard of Key Financial indicators for Projected Years

- A dashboard has been provided to the user for viewing the key projected financials to help one finalize the financial projections taking suitable assumptions.
- Snapshot of dashboard is furnished below:

DASHBOARD TAB: KEY FINANCIAL INDICATORS FOR PROJECTED YEARS						
Key Indicators	Y 1	Y 2	Y 3	Y 4	Y 5	Y 6
DSCR for the year						
Avg. DSCR						
Total Sales/ Income						
PAT						
Closing Cash & Bank Balance						
Current Ratio						
TOL/ TNW						
Projected WC Limit (MPBF)						
Incremental Margin Money for WC						

- Guidance Note for use of Dashboard for finalizing/working out the financial viability assessment/projections is given below:

Key Indicators	Guidance Note
Debt Service Coverage Ratio (DSCR)	<p>DSCR reflects the debt servicing capability (i.e. capacity to pay interest and principal installments of loan) of a unit over the projected years. In other words, this ratio reflects how many times cash accruals/ net cash inflows cover the interest and principal payment burden of loans.</p> <p>"DSCR for the year" should generally be 1.0 times or above for each of the Projected FYs and "Average DSCR (overall)" should generally be 1.50 times or above [Same varies depending upon the internal norms/ guidelines of Bank, however, generally Avg. DSCR below 1.20/ 1.25 times may not be acceptable. Thus, same needs to be checked with your Bank].</p>
Cashflow Statement	<p>"Closing Cash & Bank Balance" must be POSITIVE for each of the projected FYs. In case same is NEGATIVE for any of the projected years, it indicates that cash outflow assumed is higher than cash inflow for that year, which may require rectification. Therefore,</p>

financial assumptions are required to be reworked e.g. applying for higher moratorium period, lower installments of loans in initial years of projections, infusion of additional funds in the business by promoter(s), lower/ no additional loans (FITL/ WCTL), etc. Thus, the assumptions/ projections may be suitably modified till Closing Cash & Bank balance becomes positive for all the projected years.

3.2. Projected Financials

- The MSME user can check the financial projections auto populated in various tabs in the Output Section and download. The reports include projected Profit & Loss Statement, Balance Sheet, Cashflow Statement, DSCR and WC assessment sheets.

3.3. Submission of the proposal to Bank

- After completion of data entry in Input Section and verification of the projected financials, the user can upload soft copies of duly signed restructuring application/ other documents prescribed by its Bank(s) in “Document tab” and online submit (maximum 3 lenders). If required by bank, hard copies of the restructuring proposal may also be submitted separately (may vary from bank to bank).

The screenshot shows the 'Send To Bank' section of the ARM-MSME web application. The interface includes a navigation bar with tabs for Dashboard, DSCR, WC, P&L, CF, BS, Document, and Send to Bank. Below the navigation bar, there is a 'Send To Bank' section with input fields for IFSC Code, Bank Name, Branch Name, and Branch Email, along with a Search button and a Send to Bank button. A 'User Guide' box is also visible, providing instructions on how to submit the proposal online.

User Guide:

1. Restructuring proposal can be submitted online upto 3 Banks simultaneously through the portal. A system generated mail would be sent to the Bank(s) on submission with copy to MSME. Once submitted, the proposal cannot be modified.
2. The concerned Bank Branch can be selected, either, (i) by using Drop-down option finding Name of the Bank and Branch, OR, (ii) by using Search option and entering IFSC of the Bank Branch (in case Bank name is not appearing automatically, please select from drop-down).
3. On selection of the Bank and Branch, generally mail id of the Branch will appear automatically. In case not available, please enter manually and check before submission.
4. After clicking "Send to Bank" button, details of the proposal submitted online to the Banks, would start appearing on the screen.

- Restructuring proposal can be submitted online upto 3 Banks simultaneously through the portal. A system generated mail would be sent to the Bank(s) on submission with copy to MSME.

- Once submitted, the proposal cannot be modified.
- The concerned Bank Branch can be selected, either, (i) by using Drop-down option finding Name of the Bank and Branch, OR, (ii) by using Search option and entering IFSC of the Bank Branch (in case Bank name is not appearing automatically, please select from drop-down and in case Branch name is not appearing automatically, Name of the Branch may also be entered).
- On selection of the Bank and Branch, generally mail id of the Branch will appear automatically. In case not available, please enter manually and check before submission.
- After clicking “Send to Bank” button, details of the proposal submitted online to the Banks, would start appearing on the screen.

B. Bank User

1. **Bank User is not required to register for creation of User id/Password.** Upon submission of any restructuring proposal by a MSME user to a Bank Branch for first time through this portal, system would automatically create a “User id” and generate “Password” (for the Branch), which will be intimated to the Branch by way of an auto generated mail.
2. On submission of **first restructuring proposal** to a branch by a MSME user through this portal, 2 auto-generated mails will flow as given below:
 - (i) intimating Bank Branch about submission of the restructuring proposal with a copy to MSME for information and
 - (ii) mail advising Bank Branch about the “User id” and “Password” (as indicated at 1 above).
3. After login for the first time, Branch will be required to change the password. The user id and password should be kept secured, as for subsequent proposals submitted through the portal, first auto-generated mail intimating receipt of restructuring proposals to the branch with copy to MSME user only will be issued.
4. To login the portal to view/ rework the proposals received through the portal, the Branch has to select user type as “**Bank User**” and enter user id and password. After login following first screen will appear:

The screenshot shows the 'BranchDashboard.aspx' page. At the top, there are logos for sidbi and isarc, and a user profile 'Dummy 07'. Below the logos is a search form with the following fields:

- Start Date: dd-mm-yyyy
- End Date: dd-mm-yyyy
- IFSC Code: aaaa0000017
- Name of Enterprise: Enter Enterprise Name
- Mobile No: Enter Mobile No
- Email: Enter Email ID
- Search button

Below the search form is a table with the following data:

Name of MSME	Mobile Number	Email	Date of receipt	Original proposal		Rework by Bank		Status
				Past Financials & Assumptions	Financial Projections	Past Financials & Assumptions	Financial Projections	
Dummy 2	9920290999	saviseshtj_sarc@yahoo.com	02-12-2020	View	View	Edit	View	Approved

5. The branch can view all the restructuring proposals submitted to it over the portal. Search option is also provided to filter out any specific proposal based on various criteria.
6. The proposal submitted by a MSME user can be viewed under the column “Original proposal”. Provision is also there to take print out/download the report/documents uploaded.
7. The Branch can rework the proposal/ financial viability projections submitted by MSME customer, if required. The proposal can be reworked/edited by clicking “Edit” button under “Rework by Bank” column. The reworked/ edited financials projections can be viewed by clicking “View” button under this column.
8. Provision has been made for Branch User to record its comments/ justifications/ reasons for any changes/ modification made in the proposal submitted in the “Remarks” section under each of the Input Tabs, while finalizing the proposal as per internal guidelines.
9. After decision of the competent authority, status may please be updated under Status column by way of marking the proposal as “Approved/ Rejected”.
10. **Forgot password:** In case the Bank user forgot the password, new password can be generated by clicking “Forgot Password” in the login page and then entering the registered mail id in the page that opens and click “Get password” button. The new password would be auto generated and mailed to the registered mail id.
