

**Frequently Asked Questions (FAQs) –
Distressed Asset Fund - Subordinated Debt for Stressed MSMEs (DAF-SDSM) /
Credit Guarantee Scheme for Subordinate Debt (CGSSD)**

- 1. Whether the accounts which were restructured before introduction of CGSSD, are eligible for coverage under CGSSD? Further, whether such assistance would be treated as repeated restructuring?**

As per the Scheme guidelines, accounts which are eligible for restructuring can be covered under CGSSD. However, restructuring of the account, per se, is not mandatory for coverage under CGSSD. Accordingly, any account which has been restructured prior to introduction of CGSSD and satisfies other eligibility criteria, can also be covered under the Scheme.

Further, it has also been clarified in FAQ - Part II of CGSSD that credit facility sanctioned under Sub Debt Scheme would not amount to restructuring of the entity concerned. Also, since under the Scheme, assistance is provided to the promoters in the form of personal loan and not to the MSME unit, it should not be treated as repeated restructuring of the account.

- 2. Please clarify whether the term “regular in operation”, used in clauses 5(v) and 8(i), refers to ‘operation in the account of the MSME with the banks’ or ‘operation in the unit concerned’?**

It is clarified that the term “regular in operation, in the captioned clauses refer to regular operation / functioning of the MSME unit. Accordingly, the unit should be functional during FYs 2020 and 2021, irrespective of the transactions in their bank accounts.

- 3. Please clarify whether accounts opened after 31.03.2018 and which are fulfilling other terms and conditions of the Scheme are eligible for coverage.**

Yes. It has been decided that accounts opened after 31.03.2018 and fulfilling other terms and conditions of the Scheme shall be eligible for coverage under the Scheme.