

Ref. No. CGTMSE / 03

June 24, 2020

To all Scheduled Commercial Banks,

Circular No. 170 / 2020 - 21

Madam / Dear Sir,

**Credit Guarantee Scheme for
Subordinate Debt for stressed MSMEs**

We are pleased to inform that Government of India has introduced "Distressed Assets Fund - Subordinate Debt for Stressed MSMEs". In this connection, a Credit Guarantee Scheme for Subordinate Debt (CGSSD) has been launched under which guarantee coverage would be provided to Scheduled Commercial Banks which are Member Lending Institutions (MLIs) of CGTMSE for facilitating support to stressed MSMEs.

The objective of the Credit Guarantee Scheme is to facilitate loans through Banks to the promoters of stressed MSMEs for infusion as equity / quasi equity in the business eligible for restructuring, as per RBI guidelines. The Scheme guidelines, FAQs and Format of Undertaking for registration is given at **Annexure**.

The Scheduled Commercial Banks are requested to approach CGTMSE for completing the formalities with regard to registration as Member Lending Institution of CGTMSE.

We are sure that the Banks would take full advantage of the scheme and, thereby, help the stressed MSMEs.

In case of any clarifications relating to the scheme guidelines, please feel free to write at querysubdebt@cgtmse.in / ceosecretariat@cgtmse.in.

Yours faithfully,

Sd/-

(Y Venugopal Rao)
Chief Executive Officer

Encl. : As above

