



<b>Distressed Asset Fund – Subordinated Debt for Stressed MSMEs (DAF-SDSM)</b>	
<b>Target Group</b>	The Scheme is applicable for those MSMEs whose accounts have been standard as on 31.03.2018 and have been in regular operations, either as standard accounts, or as NPA accounts during FY 2018-19 and FY 2019-20.
<b>Eligibility Criteria</b>	The Scheme is valid for MSME units which are stressed, viz. SMA-2 and NPA accounts as on 30.04.2020 who are eligible for restructuring as per RBI guidelines.
<b>Maximum loan</b>	Promoter(s) of the stressed MSME unit will be given credit equal to 15 % of his/her stake (equity plus debt) or Rs 75 lakh whichever is lower. This personal loan shall not exceed the original debt of the beneficiary.
<b>Purpose</b>	Personal loans to the promoter(s) of stressed MSMEs shall be extended for infusion as equity / quasi equity in the business eligible for restructuring as per RBI guidelines for restructuring of stressed MSME advances
<b>Margin</b>	The promoters are required to bring in 10% of the sub-debt amount as collateral.
<b>Rate of interest</b>	As per prevailing Bank guidelines
<b>Security</b>	The sub-debt facility so sanctioned by Bank will have 2nd charge of the existing assets financed under existing facilities for the entire tenor of the sub-debt facility.
<b>Repayment</b>	The maximum tenor for repayment will be 10 years. There will be a moratorium of 7 years (maximum) on the payment of principal. Till the 7th year, only interest will be paid. The principal (along with interest) shall be repaid within a maximum of 3 years, after completion of moratorium.
<b>Guarantee Cover</b>	CGTMSE is providing Guarantee Coverage under Credit Guarantee Scheme for Subordinate Debt (CGSSD) for credit facilities, under the DAF-SDSM scheme. Guarantee fee of 1.50% per annum on the guaranteed amount shall be borne by the borrowers.
<b>Related Web page</b>	<a href="https://www.cgtmse.in">https://www.cgtmse.in</a>

Conditions apply. The information provided above is only illustrative and not exhaustive.

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