

**Government of West Bengal**  
**Finance Department**  
**Budget Branch**

No. 1991-F.B.

Howrah, the 28<sup>th</sup> December, 2023

From: Indra Nath Kundu,  
O.S.D & E.O. Special Secretary,  
to the Government of West Bengal,

To : The Accountant General (A & E), West Bengal  
(Book II Section), Treasury Buildings, Kolkata- 700 001

**Subject: Loans and Advances of the State Govt- Interest rates and other terms and conditions for the F.Y. 2023-24**

Sir,

I am directed to say that the rate of interest and the terms and conditions for Loans & Advances was fixed by the State Government vide memo no. 888-FB dated 16<sup>th</sup> December from the year 2018-19 to 2022-23.

I am also directed to say that the Governor is pleased to fix the following rates of interest for the F.Y. 2023-24 in respect of different categories of Loans and Advances as mentioned below along with other terms & conditions:

Category of borrower and type of loan	Interest Rate per annum
	2023-24
1. Industrial & Commercial Undertakings in the Public Sectors & Co-operative. i) Investment loans ii) Working Capital Loans & Loans to meet Cash losses iii) Loans for other purpose	7.70 %
2. Loans to local Bodies- Municipal Corporations, Municipalities, Improvement Trusts, Development Authorities, Zilla Parishad, Anchalic Parishads, Panchayat Samities, Housing Boards etc.	
3. Loans to Co-operative Societies (excluding Loans financed by the NABARD, NCDC etc)	
4. Other Miscellaneous Loans	

**I. Terms and conditions applicable to loans under categories 1-4 above are as follows: -**

1. Recovery of Loan:

(a) Recovery of Principal

- (i) The principal is recoverable within the period as specified in each case of sanction of loan in equal annual instalments commencing from the first anniversary date of drawal of loan unless a moratorium is allowed.
- (ii) The period for repayment of loans for all parties should be restricted to the minimum possible. Normally, no loan should be granted for a period exceeding 10 years.
- (iii) The period of repayment of working capital loans should preferably be restricted to 2 or 3 years. In no case, the period of these loans should exceed 5 years.

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