

**MOST IMMEDIATE**

*F.No.5(3)-B(PD)/2017*  
Government of India  
Ministry of Finance  
*Department of Economic Affairs*

*New Delhi, the 16<sup>th</sup> January, 2018*

**OFFICE MEMORANDUM**

**Subject:-** *Loans and Advances by the Central Government - Interest rates and other terms and conditions.*

Reference this Ministry's Office Memorandum F.No.5 (3)-B(PD)/2017 dated 6<sup>th</sup> January, 2017 on the captioned subject.

2. The lending rates prescribed in the aforesaid Office Memorandum have been reviewed. It has been decided that Loans for the Implantation of VRS in sick PSUs would continue @ 10% as in last financial year 2016-17. Further, if any specific request comes in future from any Financial Institutions/CPSE/Autonomous Body/Corporative or State Govt., the same would be examined by Budget Division, DEA on the Merit of that case.

3. The terms and conditions for issue of loan would remain the same as those in Ministry of Finance OM dated 6<sup>th</sup> January, 2017 mentioned above, with the addition that in case any request for waiver of outstanding Govt. of India loan or interest thereon, the same would be considered only in cases where the CPSU is being closed down/strategically sold.

4. This issues with the approval of Hon'ble Finance Minister.

  
**(Anjana Vashishtha)**  
*Deputy Secretary(Budget)*

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