



GOVERNMENT OF KERALA
Finance (Rules) Department
CIRCULAR

No. 86/07/Fin.

Dated, Thiruvananthapuram, 11th December 2007.

Sub:—Government Servants—Availing of loans ceiling on monthly repayment—Instructions—Issued.

Ref:—1. Circular No. 10/98/Fin. dated 9-2-1998.

2. Letter No. E3/9701/06 dated 6-10-2007 from the Director of Treasuries, Thiruvananthapuram.

In the circular 1st cited, instructions were issued directing all Government officials to refrain from availing credit facilities, co-operative loans and advances so as to avoid habitual indebtedness, insolvency, court attachment/co-operative recoveries etc. failing which they will be removed from service following the provisions in Kerala Government Servants Conduct Rules. Despite the above instructions it has come to the notice of Government that a large number of employees still avail credit facilities and co-operative loans and become sureties to loanees beyond the maximum extent of their repayment capacity and make dues to the Societies/Financial Institutions/Banks/KSFE. The Director of Treasuries in his letter 2nd cited has requested to issue necessary direction to Head of the Departments/Drawing and Disbursing Officers to fix a monthly ceiling on repayment of loan to avoid such a situation.

The Kerala Co-operative Societies Act under which Co-operative Societies are registered imposes a statutory obligation on Government to make recoveries from the salary of Government servants on account of dues to such Societies/Banks and also provides for the execution of an agreement by the members in favour of societies requiring the employer to make such recoveries. So the repayment capacity of the officer has to be ensured by the Drawing and Disbursing Officer before declaration to effect recovery is issued in each and every case. Hence all Heads of Departments/Drawing and Disbursing Officers are directed to ensure that the total monthly repayment of the loan amount in the case of any Government servant is not exceeding half of his net salary before issuing him the declaration to effect recovery for availing a loan or becoming a surety to a loanee.

K. JOSE CYRIAC,
Additional Chief Secretary (Finance).

To

- The Principal Accountant General (Audit), Kerala, Thiruvananthapuram.
 The Accountant General (A&E), Kerala, Thiruvananthapuram.
 All Heads of Departments and Offices.
 All Departments and Sections of the Secretariat.
 The Director of Treasuries, Thiruvananthapuram.
 The Secretary, Kerala Public Service Commission, Thiruvananthapuram
 (with C.L.)
 The General Manager, Kerala State Road Transport Corporation,
 Thiruvananthapuram.
 The Registrar, High Court, Ernakulam (with C.L.).
 The Registrar, University of Kerala/Kochi/Kozhikode/Mahatma Gandhi/
 Kannur (with C.L.).
 The Registrar, Kerala Lok Ayukta, Thiruvananthapuram.
 The Registrar, Kerala Agricultural University, Mannuthi.
 The Secretary, Ombudsman for Local Self Government, Thiruvananthapuram.
 The Advocate General, Ernakulam (with C.L.).
 The Secretary, Kerala State Electricity Board, Thiruvananthapuram. (with C.L.).
 All Principal Secretaries/Secretaries/Special Secretaries/Additional Secretaries/
 Joint Secretaries/Deputy Secretaries/Under Secretaries to Government.
 The Secretary to Governor, Raj Bhavan.
 The Private Secretary to Speaker/Deputy Speaker of the Legislative
 Assembly.
 The Additional Secretary to the Chief Secretary.
 The Secretary, Human Rights Commission, Thiruvananthapuram.
 The Registrar, Sree Sankara Sanskrit University, Kalady (with C.L.).
 The Private Secretary to Chief Minister and other Ministers.
 The Private Secretary to Leader of Opposition.
 The State Election Commissioner, Kerala, Thiruvananthapuram.
 The Chief Information Commissioner, Kerala, Thiruvananthapuram.
 The Nodal Officer, www.finance.kerala.gov.in.
 The Stock File/Office Copy.