



**GOVERNMENT OF KERALA**

**Abstract**

Procedure for fixing and enforcing responsibility for losses – Levy of Interest – Revised- orders issued –reg.

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**FINANCE (EXPENDITURE - B) DEPARTMENT**

G.O.(P) No. 282/13/Fin

Dated, Thiruvananthapuram 12.06.2013.

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Read:- Note to Article 303 A of KFC Vol. I

**ORDER**

As per the reference read above, when a loss is sustained by the Government, it should be recovered from the responsible persons with a penal interest at the rate of 5½ percent or such rate as fixed by Government from time to time should be charged after liabilities are determined and from the time a written demand is made on the amount of liability fixed against delinquent officers involved in defalcation cases, the interest so charged being not lower than 5 per cent in any event.

2. It has come to the notice of Government that imposing interest at the rate of 5½ percent per annum as penalty is not a punishment rate. Hence Government feel that a higher rate of interest has to be fixed as penalty in cases where there is violation of Government instructions and loss sustained by the Government.

3. In order to avoid the loss sustained by the Government the following orders are issued.

“Interest at the rate of 18 percent per annum or at such rate as fixed by the Government from time to time should be charged after liabilities are determined and from the time a written demand is made on the amount of liability fixed against delinquent officers involved in defalcation cases, the interest so charged being not lower than 15% per annum in any event.”

4. The amendment to Note to Article 303 (A) of KFC Vol. I will be issued separately.

By order of the Governor,

Dr. V.P. JOY,  
PRINCIPAL SECRETARY (FINANCE)

To

The Principal Accountant General (Audit) Kerala, Thiruvananthapuram

The Accountant General (A&E) Kerala, Thiruvananthapuram

All Heads of the Departments and Offices

All Departments (All Sections) of the Secretariat

The Secretary, Kerala Public Service Commission (with C.L.)

The Registrar, University of Kerala/Kochi/Kozhikode (with C.L.)

The Registrar, Mahathma Gandhi University, Kottayam (with C.L.)

The Secretary, KSEB, Thiruvananthapuram (with C.L.)

The General Manager, KSRTC, Thiruvananthapuram (with C.L.)

The Registrar, Kerala Agricultural University, Thrissur (with C.L.)

The Registrar, High Court of Kerala, Ernakulam (with C.L.)

All Secretaries, Special Secretaries, Additional Secretaries, Joint Secretaries,

Deputy Secretaries and Under Secretaries to Government

The Secretary to Governor

The Private Secretary to the Chief Minister and Other Ministers.

The Private Secretary to the Speaker, Legislative Assembly, Thiruvananthapuram

The Private Secretary of the Leader of Opposition and Chief Whip

The Additional Secretary to the Chief Secretary

✓ The Nodal Officer [www.finance.kerala.gov.in](http://www.finance.kerala.gov.in)

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Approved For Issue



Section Officer

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