



**இதல் கா சகலாமிச அலாநகாங்கு**  
**நிதி மற்றும் வெகுசன ஊடக அமைச்சு**  
**MINISTRY OF FINANCE AND MASS MEDIA**

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தெலே அங்கு  
 எனது இல  
 My No }

தெலே அங்கு  
 உமது இல  
 Your No }

திகதி } 2018 - 07 - 24  
 Date }

**Press Release**

**Government writes off loan up to Rs 100,000 given to women  
 in drought-affected 12 districts**

The Cabinet of Ministers, on the recommendation of the Minister of Finance and Mass Media Mr. Mangala Samaraweera decided to write off the non-consumption loans granted up to Rs One Hundred Thousand to women by all registered Finance companies. Further, the government has also decided to introduce an interest rate cap of 30 percent per annum on all future loans given by Micro Finance Companies.

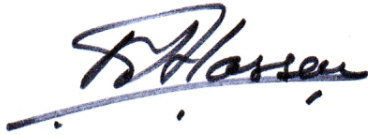
This scheme of relief initially will be limited to women who have obtained micro finance loans for non-consumption purposes in the drought-affected districts. The twelve districts that were affected by the recent drought are Trincomalee, Ampara, Batticaloa, Jaffna, Mullaitivu, Kilinochchi, Vavuniya, Mannar, Kurunegala, Puttalam, Anuradhapura and Polonnaruwa where cultivations were affected consecutively for five seasons.

Accordingly, the Minister of Finance and Mass Media Mr. Mangala Samaraweera said that women who obtained such loan amounting to Rs 100,000.00 and below can apply for complete write off of the interest and the capital payment. The General Treasury will reimburse the loss incurred by the micro finance companies for having written off the capital component. The government has allocated Rs 500 million for this year to initiate the reimbursement program. The micro finance companies will have to absorb the interest component of the loan written off.

The persons who are benefitted by this debt relief program will be included on a priority basis to provide new loan facilities from interest subsidy loan scheme launched under the Enterprise Sri

Lanka programme with a maximum of two year grace period. Further, they will also be given priority under Government's subsidized programs and other rural livelihood schemes implemented through co-operative societies as envisaged in the Budget -2018 proposal.

Micro finance institutions are currently providing micro loans without collateral through a door-to-door strategy of high interest rate loans amounting to 40 percent to 220 percent per annum for women seeking economic activities and income generation sources. When multiple loans are obtained under micro finance scheme, people have to pay much higher interest than the initial loan amount due to higher interest premium. So the government has taken the timely action to protect the rural women from falling in to a debt trap by imposing an interest rate cap of 30 percent on future loans.

A handwritten signature in blue ink, appearing to read 'M. Ali Hassen', with a horizontal line drawn underneath it.

M.Ali Hassen  
Director of Information  
Ministry of Finance & Mass Media