

31st May 2023

To All Staff,

PROVIDING DISTRESS LOAN FACILITY TO STAFF

The company and the telecommunication industry are facing a challenging situation due to high inflation, high interest rates and rupee devaluation. Although the cost to the company due to above reasons has increased drastically the company is not able to increase tariff due to regulatory interventions. On the contrary, majority of people and businesses in the country are facing an unprecedented economic crisis, and the spending on communication facilities is decreasing rapidly.

Although the company is faced with huge challenges due to the prevailing economic conditions in the country the management has continued to provide benefits enjoyed by the staff to ensure the employees' financial stability is not disturbed.

The range of benefits provided to employees includes the Distress Loan which is granted to employees at a very low interest rate, compared to the interest rates in the market. The company has facilitated the employees with this benefit up to now despite the high cost involved in funding for the same, however the company is not in a position to continue with the benefit owing to reasons aforesaid.

As a result, the company has decided to revise the interest rate of the 12 month Distress Loan to 10% with effect from 1st June 2023. This arrangement will be reviewed after 6-month period and the said interest rate will be revised in line with the standard lending rates.

Accordingly, this Circular will supersede CEO's Circular Number 65/2004 dated 25th October 2004, CEO's Circular Number 22/2019 dated 9th May 2019 and any other previous Chairman's Circulars or CEO's Circulars on Distress Loan Interest Rate.

It is expected that all the employees will understand the present context and assist the company, that will allow the Distress Loan benefit to the employees to be continued with a minimal impact to the company.



Janaka R Abeysinghe
Chief Executive Officer