



UNIVERSITY GRANTS COMMISSION

Finance Circular Letter No. 04/2025

22nd August 2025

Vice-Chancellors of Universities,
Directors of Institutes,
Rectors of Campuses

PAYMENT OF DISTRESS LOAN

Your attention is drawn to Commission Circular No 606 dated 18th July 1994 and Finance Circular Letter No..2/2009 dated 5th February 2009.

The Director General, Department of Public Enterprises by his letter No.PED/P/DLL/04/49 dated 21.08.2025 informed that General Treasury has no objection to increase of the distress loan limit for university employees up to Rs.400,000/- as revised by the Budget Proposal 2025 subject to following conditions.

1. Enhancement is solely financed through the owned funds generated by the universities/HEIs and not depends on National Budget support.
2. Increment should not affect to the other essential expenses of the universities/HEIs
3. It is responsibility of the each university Council and management to implement and maintain an effective recovery mechanism to safeguard institutional funds.

Accordingly, you are requested to implement the provisions of this circular with effect from 21st August 2025. The other provisions applicable to the payment of Distress Loan remain unchanged.

Senior Professor Kapila Seneviratne
Chairman

- Cc:
1. Secretary/Ministry of Education, Higher Education and Vocational Education
 2. Vice Chairman/UGC
 3. Secretary/UGC
 4. Registrars of Universities/ DR/SAR/AR/ of Institutes/Campuses
 5. Accountant/UGC
 6. Bursars of Universities/DB/SAB/AB/ of Institutes/Campuses
 7. Engineer/IDD/UGC
 8. Deputy Accountant/UGC
 9. Internal Auditor/UGC
 10. Auditor General