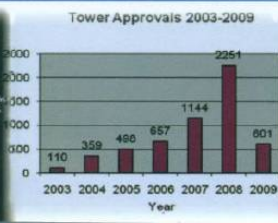
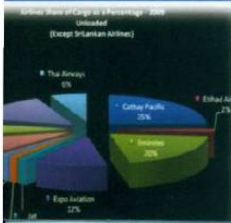




**2009**

**Civil Aviation Authority of  
Sri Lanka**

# ANNUAL REPORT





# **Civil Aviation Authority of Sri Lanka**

## **Annual Report – 2009**

Presented to Parliament pursuant to Section 15 of the Civil Aviation Authority of Sri Lanka Act  
No. 34 of 2002

## Theme Song of the Civil Aviation Authority

Sri Lanka, civil guwan seva adikariya  
kith yasasin sudile  
heli kota heli hele //

Sakvithi ravana aadi yugen dandu  
monarin guwana dina//  
Vikmathi lakdana va-riya polinuth  
pa vidu nuwana mana//

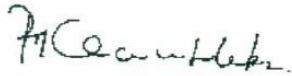
“Uvaduru thora bava sandaha mul vemu”  
vei pera vakiya ape//  
“Ikman aya maga negumehi mul vemu”  
me vei dekuma ape//

Ratavesi yuthukam itu vana ayurin  
mau bima ha bademu //  
Samaja mehewara sara daham reka  
vagakeemen pudamu//

Lyrics: Pandith Arisen Ahubudhu  
Singer: Dr. Pundit W. D. Amaradewa  
Melody: Dr. Pundit W. D. Amaradewa

**Hon. Minister of Ports and Aviation.**

This Annual Report has been prepared in accordance with Section 15 of the Civil Aviation Authority of Sri Lanka Act No. 34 of 2002 and covers the activities of the Civil Aviation Authority of Sri Lanka for the year ended 31<sup>st</sup> December 2009.



Air Chief Marshal W D R M J Goonetilleke  
Chairman  
Civil Aviation Authority of Sri Lanka

26<sup>th</sup> February 2010



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## ABBREVIATIONS

A&NS	Aerodromes and Navigation Services
AA	Assistant Accountant
AAI	Assistant Aerodrome Inspector
AA(I)	Audit Assistant (Internal)
AASI	Assistant Aviation Security Inspector
AASL	Airport & Aviation Services (Sri Lanka) Ltd
AATO	Assistant Air Transport Officer
AAwE	Assistant Airworthiness Engineer
Acct	Accountant
AFM	Assistant Finance Manager
AFTN	Aeronautical Fixed Telecommunication Network
AGOI	Assistant Ground Operations Inspector
AI	Aerodrome Inspector
AIU	Accident Investigation Unit
AISO	Aeronautical Information Service Officer
AME(BL)	Aircraft Maintenance Engineer (Basic Licence)
AML	Aircraft Maintenance Licence
AMO	Approved Maintenance Organization
AMT	Aircraft Maintenance Technician
ANR	Air Navigation Regulations
ANS	Air Navigation Services
ANSI	Air Navigation Services Inspector
AOC	Air Operator Certificate
AS	Aeronautical Services
ASI	Aviation Security Inspector
ASN	Aviation Safety Notice
AT&LA	Air Transport and Legal Affairs
ATC	Air Traffic Control/ Air Traffic Controller
ATO	Air Transport Officer
AvSec	Aviation Security
Aw	Airworthiness
AwE	Airworthiness Engineer
BIA	Bandaranaike International Airport
CAA	Civil Aviation Authority of Sri Lanka
CAATA	Civil Aviation Authority Training Academy
CEO	Chief Executive Officer
CIA	Chief Internal Auditor
COSCAP-SA	Co-operative Development of Operational Safety and Continuing Airworthiness Programme – South Asia
Cp	Corporate
CSI	Cabin Safety Inspector
C of R	Certificate of Registration
DCA	Department of Civil Aviation
D	Director
DD	Deputy Director
DGCA	Director-General of Civil Aviation
DO	Documentation Officer
DPIG	Development Planning & Implementation Group
ELP	Equipment Loading Plan
EU-SA	European Union – South Asia
FAL	Facilitation
FIR	Flight Information Region
FOI	Flight Operations Inspector
FS	Flight Safety
GOI	Ground Operations Inspector
GSA	General Sales Agent
HR&OM	Human Resources & Office Management
HR&OMA	Human Resources & Office Management Assistant
HR&OMO	Human Resources & Office Management Officer
IA	Internal Audit

ICAO	International Civil Aviation Organization
MEL	Minimum Equipment List
NOTAM	Notice to Airmen
Ops	Operations
PA	Personal Assistant
PEL	Personnel Licensing
PLO	Personnel Licensing Officer
PA-AAI	Programme Assistant- Aircraft Accident Investigation
PA-AE	Programme Assistant- Aviation Examinations
PA-IT	Programme Assistant- Information Technology
PA-SP	Programme Assistant – Special Projects
S/CAA	Secretary to the CAA
SAISO	Senior Aeronautical Information Service Officer
SARPs	Standards and Recommended Practices
SARAST	South Asia Regional Aviation Safety Team
SATO	Senior Air Transport Officer
SAwE	Senior Airworthiness Engineer
SFOI	Senior Flight Operations Inspector
SLCAP	Sri Lanka Civil Aviation Publication
SP	Special Projects
SEP	Safety & Emergency procedures
SPLO	Senior Personnel Licensing Officer
TRCSL	Telecom Regulatory commission of Sri Lanka
USTDA	United States Trade and Development Agency
USOAP	Universal Safety Oversight Audit Programme

## DIRECTORY

Head Office	: Civil Aviation Authority of Sri Lanka, 64, Galle Road, Colombo 03. Telephone: 94 -11-2433213 Facsimile: 94 -11-2440231 E-mail: <a href="mailto:info@caa.lk">info@caa.lk</a> Website: <a href="http://www.caa.lk">www.caa.lk</a>  Postal Address : P.O. Box 535, Colombo  Telegraphic Address : AIRCIVIL  AFTN Address : VCCCYAYX
Branch Office	: Civil Aviation Authority of Sri Lanka, "Hilltop", Naikanda, Minuwangoda Road, Katunayake. Telephone : 94 -11-2251076 Facsimile: 94 -11-2251076 E-mail: <a href="mailto:katcaa@sltnet.lk">katcaa@sltnet.lk</a>
Sub-office	: Airworthiness Sub Office, Civil Aviation Authority of Sri Lanka, Bandaranaike International Airport Colombo, Katunayake. Telephone: 94 -11-2252269 E-mail : <a href="mailto:aidbcaa@sltnet.lk">aidbcaa@sltnet.lk</a>  : Airworthiness Sub Office, Civil Aviation Authority of Sri Lanka, Colombo Airport, Ratmalana. Telephone : 94 - 11 - 2635756 E-mail : <a href="mailto:aidccaa@sltnet.lk">aidccaa@sltnet.lk</a>
Auditors	: Auditor General, Democratic Socialist Republic of Sri Lanka
Lawyers	: Attorney General, Democratic Socialist Republic of Sri Lanka
Banker	: Bank of Ceylon
Insurers	: 1. Sri Lanka Insurance Corporation Ltd 2. Ceylinco Insurance Company Ltd.

## PROFILE

### Overview

The Civil Aviation Authority of Sri Lanka (CAA) was established under the Civil Aviation Authority Act No. 34 of 2002 on 27<sup>th</sup> December 2002 and is deemed a Public Enterprise for the purpose of audit of accounts under Article 154 of the Constitution of the Democratic Socialist Republic of Sri Lanka.

Its primary function is to undertake activities that promote civil aviation safety and security in keeping with International Standards and Recommended Practices adopted by International Civil Aviation Organization (ICAO) and to steer the aviation sector in Sri Lanka as a prime contributor to the growth of national economy, enhancing quality of life of its citizens.

The Civil Aviation Authority of Sri Lanka consists of eight (08) members. Five (05) of them are appointed by the Minister in charge of the subject of Civil Aviation. The Secretary, Ministry of Defence, a representative of the Minister in charge of the subject of Finance and the Director-General of Civil Aviation are the three (03) members serving the CAA ex-officio. The term of office of the appointed members is three (03) years.

The Authority is subject to the direction and control of the Minister in charge of the subject of civil aviation, who, at present, is the Minister of Ports and Aviation.

### Members of the Civil Aviation Authority of Sri Lanka

#### Members appointed by the Hon. Minister of Ports and Aviation

1. Air Chief Marshal W D R M J Goonetilleke (Chairman)
2. Mr Ariyaratne Hewage (Vice Chairman)
3. Mr Kanaka Herath (Executive Director)
4. Mr. K V N Jayawardena ( Member)
5. Mr. Zaki Alif (Member)

#### Members - ex-officio

1. Secretary, Defence  
(*Mr. Gotabaya Rajapaksa- RWP RSP*)
2. Representative of the Ministry of Finance  
(*Mr. A K Seneviratne*)
3. Actg. Director General of Civil Aviation  
(*Mr. Parakrama Dissanayake*)

### **Air Chief Marshal WDRMJ Goonetilleke** **RWP & bar, VSV, USP, ndc, psc**

#### **Chairman**



Air Chief Marshal WDRMJ Goonetilleke completed his education at St. Peter's College, Bambalapitiya where he excelled both in studies and in sports. He is the elder son of the 5th Commander of the Air Force, Air chief Marshal Harry Goonetilleke.

He joined the Sri Lanka Air Force as an Officer Cadet in the General Duties Pilot Branch on 13 January 1978. On successful completion of flying training, he was commissioned in the rank of Pilot Officer on 24 August 1979.

During his illustrious career of 28 years, he has held a number of command, operational and administrative appointments. Having logged many flying hours both in fixed wing and rotary wing aircraft; he served in the capacity of an operational pilot as the Commanding Officer of No 03 Maritime Squadron and the Commanding Officer of No. 04 Helicopter Wing. He took up senior operational command appointments as the Zonal Commander Northern Zone and Zonal Commander Eastern Zone.



He has also commanded Air Force Base in Katunayake, Anuradapura and China Bay. He served a very successful tenure as the Director of Operations / Deputy Chief of Staff Operations of the Air Force before being appointed as the Chief of Staff, until he took over office as the 12th Commander of the Sri Lanka Air Force on 11 June 2006.

On 18 May 2009, with the successful conclusion of the Humanitarian Operations, he was promoted to the rank of Air Chief Marshal by HE the President in appreciation of the valuable service rendered. His promotion was very significant as he was the only Air Force Commander to be promoted to the rank of Air Chief Marshal whilst on active service.

On 05 October 2009 he was appointed as the Chairman of the Civil Aviation Authority of Sri Lanka by H E the President in addition to his duties as the Commander of the Sri Lanka Air Force. Further, he has also been vested upon the duties and responsibilities of over-looking the office of the Chief of Defence Staff apart from the aforesaid post.

Air Chief Marshal Goonetilleke graduated from the Air Command and Staff College, Air University, Alabama, USA in 1994 and had also attended the prestigious National Defence College in Pakistan in 2001.

In recognition of his distinguished service career he has been awarded the Uttama Seva Padakkama. He has been decorated with the 'Rana Wickrama Padakkama' for bravery displayed in the face of the enemy whilst engaged in operations on two occasions.

#### MR ARIYARATHNE HEWAGE



Mr Ariyaratne Hewage, obtained his degree (Bachelor of Education) from the University of Ceylon, Peradeniya in Sri Lanka. He also has obtained Master of Public Administration from West Virginia University, USA.

He joined the Government service as an Assistant Government Agent, and has an extensive career record in the Government service. Thereafter, he has held many posts, such as Deputy Director, Ministry of Public Administration, Head, Management and Organisation Division, SLIDA, Director Policy and Institutional Development, Co Team Leader, Asian Development Bank funded Institutional Strengthening for Environment Assessment (ISEA / IRG), Executive Director, Development Mahaweli Authority of Sri Lanka, Additional Secretary (Police and Media), Ministry of Defence, and Member of Board of Sri Lankan Airlines.

In 2001 he was appointed as the Secretary, Ministry of Development, Rehabilitation and Reconstruction of the East and Rural Housing Development and Women's Affairs. He held Secretary posts in various Government Ministries, they are; Secretary, Ministry of Urban Public Utilities, Actg Secretary, Ministry of Western Region Development, Secretary, Ministry of Rehabilitation, Resettlement and Refugees, Secretary Ministry of Ports and Aviation, Secretary, Ministry of Education, and Secretary to the Cabinet Sub Committee on Human Resources Development

He has obtained extensive foreign training on Management Consultancy, Environment Impact Assessment, Management of Training, Management by Results and Program Evaluation. He has been awarded the Hubert H. Humphrey Fellowship (a U.S. Government Fellowship) in 1982 / 83 to pursue higher studies.

**MR GOTABAYA RAJAPAKSA-RWP, RSP**

**Secretary Defence - Ministry of Defence – (Member Ex-Officio)**



Mr. Gotabaya Rajapaksa RWP, RSP had his early education at Ananda College, Colombo. Being an alumni of Army Training Centre, Diyatalawa, he was commissioned into Sri Lanka Signal Corps on 26<sup>th</sup> May 1972. In 1974, he was transferred to Sri Lanka Sinha Regiment. He also served in Rajarata Rifles (in 1980) and in Gajaba Regiment (in 1983), where he served until his premature retirement in 1991, at the rank of Lieutenant Colonel.

During his illustrious career in the Army Mr. Rajapaksa followed a number of prestigious courses including Defence Services Staff College at Wellington, India and the Infantry Officers' Advance Course in USA.

Mr. Rajapaksa is a veteran of the Vadamarachchi Operation. He Commanded 1<sup>st</sup> Battalion of the Gajaba Regiment during this Operation. He successfully commanded the same Battalion during Thrivida Balaya, Jayashakthi operations in 1990. He also held the post of Deputy Commandant of Kothalawela Defence Academy.

He was also awarded Rana Wickrama and Ranasura Medals for his distinguished outstanding and successful service career.

**MR PARAKRAMA DISSANAYAKE**

**Actg. Director General of Civil Aviation – (Member ex –Officio)**



Mr. Parakrama Dissanayake had his secondary education at Ananda College. He has a B. Sc. Degree from the University of Colombo.

Mr. Parakrama Dissanayake started his career in Civil Aviation as an Air Traffic Controller with Airport and Aviation (S.L.) Ltd. in 1984. He had his initial training in air traffic control at the Civil Aviation Training Centre, Ratmalana and obtained all operational air traffic control ratings in a career span of fifteen years.

He resigned from Airport and Aviation Services (S.L.) Ltd. in 1999 while serving in the capacity of a Supervisor at the Approach Radar Control Centre at BIA, in order to join the International Civil Aviation Organisation Safety Oversight Project conducted at the former Department of Civil Aviation as the National Professional Project Personnel in Personnel Licensing.

At the termination of the project, he joined Civil Aviation Authority– the Regulatory Body and was appointed as the Assistant Director- Aerodromes and Air Navigation Services in December 2003. Mr. Dissanayake was promoted as the Director- Aeronautical Services in August 2005. He was appointed as the Actg. Director General of Civil Aviation on 1<sup>st</sup> May 2007.

**MR KANAKA HERATH – Executive Director**



Mr. K.D Herath had his early education at Trinity College Kandy. He obtained his B. Eng (Aerospace Engineering) from Royal Melbourne Institute of Technology, University in Australia and is also a licensed private pilot. In addition, he is a Graduate Member of the Institute of Engineers Australia.

Mr. Herath started his career in Civil Aviation at the Engineering Department, Qantas Airlines Melbourne, Australia, and thereafter, he joined GAMCO Abu Dhabi UAE.

Subsequently, he joined the Civil Aviation Authority of Sri Lanka in 2005 as an Airworthiness Engineer. He was appointed as the Executive Director of the Civil Aviation Authority on 30<sup>th</sup> October 2009.



**MR K V N JAYAWARDENE – Member**



Mr. Nihal Jayawardene was initially appointed as a member of the Civil aviation Authority in December 2004. During this period he was serving the Attorney General's Department as a Senior State Counsel. Mr. Jayawardene enrolled himself as an Attorney-at- Law of the supreme court of Sri Lanka in 1983 and was awarded the Masters Degree in Public International Law by University College London after successful completion of the Course specialising in the area of Air and Space Law in the 1990-91 Academic-year. Mr. Jayawardene carries a vast experience in the field of Aviation Law being the Supervising Officer of Air Law at the Attorney General's Department from 1998 to May 2005. Mr. Jayawardene also functioned as a Legal Advisor to the Department of Civil Aviation and actively participated in the drafting of the Civil Aviation Authority Act and the Civil Aviation Bill. He has participated in the negotiation of numerous Bi- lateral Air Services

Agreements with various Countries as the legal advisor to the Sri Lankan Delegation.

He also functioned as a member of the Team of Legal Consultants to the Public Enterprises Reform Commission from 1996. As a member of this team he participated in almost all leading privatisation programmes carried out by the Government from 1996 to 2005 including the privatisation of the National Carrier Air Lanka. In April 2003 he became the Team Leader of this Team of Legal Consultants and served in that capacity until his retirement from Public Service in May 2005.

Mr. Jayawardene participated in the Company Law reforms process from May 1993 which resulted in the enactment of the Companies Act No. 7 of 2007. As recognition of his significant contribution in the drafting process he was appointed as a Member of the Company Law Advisory Commission in August 1998 in which capacity he continues to serve to-date.

Mr. Jayawardene reverted to the Private Bar after his retirement from the Official Bar in May 2005.

He is serving as a Director of Hotel Developers (Lanka) Ltd, the owning company of Hilton Hotel Colombo, was a Director of Milco (Private) Limited and Director and the founder Chairman of Lanka Sathosa Limited.

**MR. A K SENEVIRATNE - Ex- Officio  
Representative of the Ministry of Finance**



Mr. A K Seneviratne is a graduate from the University of Kelaniya with a B.Sc. Honors, specializing in Chemistry. He completed the post Graduate Diploma in Business and Financial Administration from the Institute of Chartered Accountants of Sri Lanka. He worked for about three years in the University of Kelaniya as an Assistant lecturer. Thereafter, he entered the Sri Lanka Administrative Service and in 1996 he was appointed as an Assistant Director to the Department of Fiscal Policy of the Ministry of the Finance and Planning. In 2006 he was appointed as a Director, Department of National Budget.

**MR. ZAKI ALIF - Member**



Mr Zaki Alif is the Director of Stassen Group of Companies, and is the Chairman of Dambadeniya Development Foundation. In addition, he is the Managing Trustee of Hambantota Development Foundation.

## GOVERNANCE AND ACCOUNTABILITY

### Role of the Authority

The Major role of the Authority includes, but is not limited, to the following:

- Communicating with the Hon Minister and other Government stakeholders to ensure their views are reflected in the planning of the Civil Aviation Authority;
- Employment of qualified and skilled personnel and determine their terms and conditions of service including remuneration to be able to perform CAA's functions and duties;
- Setting policies and goals in the field of civil aviation and monitoring organizational performance towards achieving the objectives of the CAA;
- Delegating responsibility for the achievement of specific objectives of the Director-General of Civil Aviation who is the Chief Executive Officer, CAA ex-officio;
- Accountable to the Hon Minister on plans and progress towards the implementation and;
- Ensuring systems of internal controls are maintained.

### Structure of the Civil Aviation Authority of Sri Lanka

The Authority is composed of Members who have diverse skills and experience in business, legal and aviation industry in order to bring a wide range of thought to bear on policy issues. Once appointed, all Members are required to act in the best interest of the Civil Aviation Authority and must acknowledge that the Authority must stand unified behind its decisions and that individual Members have no separate governing role outside the Authority.

In terms of the Civil Aviation Authority of Sri Lanka Act No. 34 of 2002, the Cabinet of Ministers appoint the Director-General of Civil Aviation who shall also be the Chief Executive Officer of the Civil Aviation Authority by Statute. He shall be subject to such terms and conditions of employment as shall be determined by the Cabinet of Ministers, and shall carry on all such duties and functions assigned to him by or under the Civil Aviation Authority of Sri Lanka Act or any other written law and, be charged with the general administration of the functions of the Authority. The Authority directs the Chief Executive Officer by delegating powers and functions for achievement of CAA's objectives through setting policies.

### Committees of the Authority

The Authority has set up four standing committees viz, Staff Committee, Finance Committee, Planning Committee and Audit Committee to focus more attention on specific issues. Each committee has been delegated powers for establishing and monitoring the organization's progress towards meeting the objectives of the Authority.

#### Staff Committee

The Staff Committee is responsible to the Authority in respect of the following matters:

1. Adoption of an organizational structure and modification thereto as and when necessary;
2. Determination of salaries and cadre;
3. Staff matters pertaining to sections, recruitments, appointments, promotions, demotions, retirements / terminations etc;
4. Staff disciplinary actions;
5. Monitoring the Annual Work Programme of the CAA;
6. Development of Administrative Rules and Procedures for CAA;
7. Development of Disciplinary Procedures for CAA Staff;
8. Development of Office Procedures for CAA;
9. Grant of scholarships for CAA Staff;
10. Development of compensation schemes for premature retirement for DCA staff, and
11. Development of social and welfare schemes for CAA staff.

The Staff Committee comprises the following Members of the CAA:

1. Air Chief Marshal W D R M J Goonetilleke, Chairman
2. Mr. Parakrama Dissanayake
3. Mr. K V N Jayawardene

#### **Finance Committee**

The Finance Committee is responsible to the Authority in respect of the following matters:

1. Preparation of Annual Budget Programme;
2. Development of Financial Rules and Procedures for CAA;
3. Monitoring the purchase of equipment, facilities or services;
4. Monitoring the avenues of revenue of the CAA and
5. Thrift Management in CAA.

The Finance Committee comprises the following Members of the CAA:

1. Air Chief Marshal W D R M J Goonetilleke, Chairman
2. Mr. Parakrama Dissanayake
3. Mr. A K Seneviratne

#### **Planning Committee**

The Planning Committee is responsible for the following matters:

1. Development of National Civil Aviation Policy;
2. Development of a National Civil Aviation Development Plan;
3. Review of Primary and Subsidiary Legislation relating to Civil Aviation and introduce amendments, where necessary;
4. Monitoring the implementation of National Civil Aviation Security Programme
5. Monitoring the implementation of National Air Transport Facilitation Programme;
6. Monitoring Civil Military Co-ordination;
7. Monitoring Air Service Operations, and
8. Monitoring the activities of Aeronautical Service Providers.

The Planning Committee comprises all eight Members of the Authority.

#### **Audit Committee**

The Audit Committee is responsible for the following matters:

1. Determination of the responsibility of the Internal Audit Unit and review the annual audit plan;
2. Review and evaluate internal control systems for all activities of the entity;
3. Review performance at regular intervals to ensure cost effectiveness and to eliminate wasteful expenditure etc.,
4. Liaise with external auditors and follow up on Auditor General's management letters;
5. Ascertain whether statute, regulations, rules and circulars are complied with;
6. Review financial statements to ensure compliance with accounting standards;
7. Review internal audit / external audit reports, Management letters for remedial action;
8. Review implementation of recommendations/ directives of the Committee on Public Enterprises;
9. Prepare report on the findings of the Committee for inclusion in the Annual Report and
10. Report on all audit matters to the Authority as and when requested to do so by the Authority.

The Audit Committee comprises of the following members

1. Mr. A K Seneviratne-Chairman
2. Mr Ariyaratne Hewage
3. Mr Kanaka Herath
4. AVM (Retd) Ravi Aruthavanathan
5. Mr. K V N Jayawardena
6. Mr. S M Chandrapala, Rep from Ministry of Ports and Aviation

#### **Connection with Stakeholders**

The Authority acknowledges its responsibility to keep in contact with stakeholders, in particular, to remain cognizant of the expectations of the Hon. Minister of Ports and Aviation.

#### **Division of responsibility between the Authority and Senior Management**

Key to the efficient functions of the Civil Aviation Authority is that there is a clear demarcation between the role of the Authority and the Senior Management headed by the CEO. The Authority concentrates on setting high level



policies and strategies, and then monitors progress towards meeting the objectives. The Senior Management is concerned with implementing these high-level policies and strategies.

The Authority stands apart and does not have responsibility for the specific regulatory obligations of the Director-General of Civil Aviation as set out in the Air Navigation Act or Regulations made thereunder or any other written law.

The Authority clearly demonstrates these roles by ensuring that the delegation of powers and functions to the Director-General of Civil Aviation and Chief Executive Officer of CAA is concise and complete.

#### **Accountability**

The Authority and its Committees hold frequent meetings to monitor the progress towards its strategic objectives and to ensure that the affairs of the Civil Aviation Authority are being managed and conducted in accordance with the Authority's policies, strategic directions, and expectations as set out in its 3 year Business Plan.

#### **Conflict of Interest**

The Authority maintains an Interests Register and ensures that the Authority Members are aware of their obligations to declare interests. This approach is also reflected in the maintenance of a conflict of interest register for staff.

#### **Internal Audit**

While many of the Authority's functions have been delegated, the overall responsibility for maintaining effective systems of organizational control remains with the Authority. Internal controls include the policy systems and procedures established to ensure that the specific objectives of the Authority are achieved. The Authority and the Senior Management have acknowledged their responsibility by signing the Statement of Responsibility, contained in this report.

The Authority has an internal audit unit that is responsible for monitoring systems of internal control in each of the CAA Sections. This unit is concerned with the quality of overall services rendered by the CAA and reliability of financial and other information reported to the Authority. Internal Audit operates independently of the senior management and reports its findings directly to the Chairman of the CAA and to the Audit Committee as per the set protocols.

#### **Legislative Compliance**

The Authority acknowledges its responsibility to ensure that the organization complies with all legislation. The Authority has delegated responsibility to the senior management for the development and operation of a Programme to systematically identify compliance issues and ensures that all staff is aware of legislative requirements that are particularly relevant to them. The Authority has decided that application of general or specific circulars and /or directives issued by the Government organizations to the Authority would only be confined to the extent as may be determined by the Authority on case by case basis.

#### **Ethics**

The Authority, having developed a code of ethics, regularly monitors whether all members of the staff maintain high standards of ethical behavior and practice the principles of 'good corporate governance. Monitoring compliance with ethical standards is done through means such as monitoring trends in complaints and disciplinary actions, internal audit reports, or any reports or indications that show non-conformance with the principles contained in the code of ethics. Good corporate citizenship involves the Authority, including its employees, acknowledging that it is a member of many communities outside of itself and the industry it oversees and making a commitment to act in a manner consistent with the morals and accepted rights and responsibilities of all citizens of those communities.

## **CIVIL AVIATION AUTHORITY OF SRI LANKA**

### **Vision**

To be a prime catalyst to the growth of the National Economy.

### **Mission**

To facilitate through strategic planning and effective regulation, the operation of a safe, secure and efficient national civil aviation system that conforms to International Standards and Recommended Practices.

### **Motto**

"Safety First"

### **Philosophy**

"Sri Lanka's airspace is a public asset that shall be managed for the progress and well being of the posterity of Sri Lanka".

### **Goals**

- To achieve or exceed safety outcome targets set by the CAA;
- To be appropriately resourced;
- To be professional and competent;
- To attain wide credibility and recognition;
- To sustain its achievements; and
- To be a strong facilitator for planning and development of civil aviation.

### **Strategies**

- Improved and consistent implementation of statutory functions and fulfillment of social obligations;
- Identification and implementation of solutions to significant aviation problems;
- Introduction of specific culture change initiatives;
- Working in co-operation and partnership with the Aviation Industry;
- Operating in a transparent manner and communicating effectively both externally and internally;
- Maintaining the effectiveness and consistency of all documents, materials, and internal procedures

### **Values**

The CAA and its employees:

- assign top priority to safety and promote safety culture;
- excel in the services being provided to the CAA customers;
- have a 'can do' attitude in everything being undertaken;
- aims to be reliable and realistic;
- willing and able to change in pursuit of continuous improvement;
- work together to achieve success;
- are open, honest and transparent;
- promote efficiency and regularity in everything being done;
- trust and respect colleagues thereby uphold teamwork;
- value everyone's contribution;
- recognize social responsibilities and obligations;
- enjoy what is being done;
- take pride in the professional approach;
- have a balanced home and work environment.

**CAA's immediate targets**

- To prevent fatal accidents in the commercial aviation sector;
- To prevent hijacking and unlawful interference in civil aviation activities;
- To prevent general aviation accidents;
- To prevent fatal accidents on ground at airports;
- To reduce accidents in engineering/maintenance workshops;
- To achieve and maintain commercial flight incident ratio below 1 per 10,000 flying hours;
- To reduce the general aviation flight incident ratio below 1 per 5,000 flying hours;
- To reduce the flying incident ratio at flying colleges 1 per 10,000 flights;
- To reduce the number of commercial flight incidents ratio involving Ground Support 1 per 20,000 flying hours;
- To reduce the number of general aviation flight incidents involving ground Support 1 per 10,000 flights;
- To reduce the number of flight incidents ratio involving ATS Support 1 per 50,000 flights;
- To minimize delays in on-time departures;
- To make air travel affordable to people of average class;
- To improve the quality of service in air travel;
- To minimize congestion and expedite passenger processing at airports, whilst being mindful of the security requirements;
- To minimize operational costs in the air transportation and eliminate waste; and,
- To minimize adverse effects of aviation on the environment.

**Outcome**

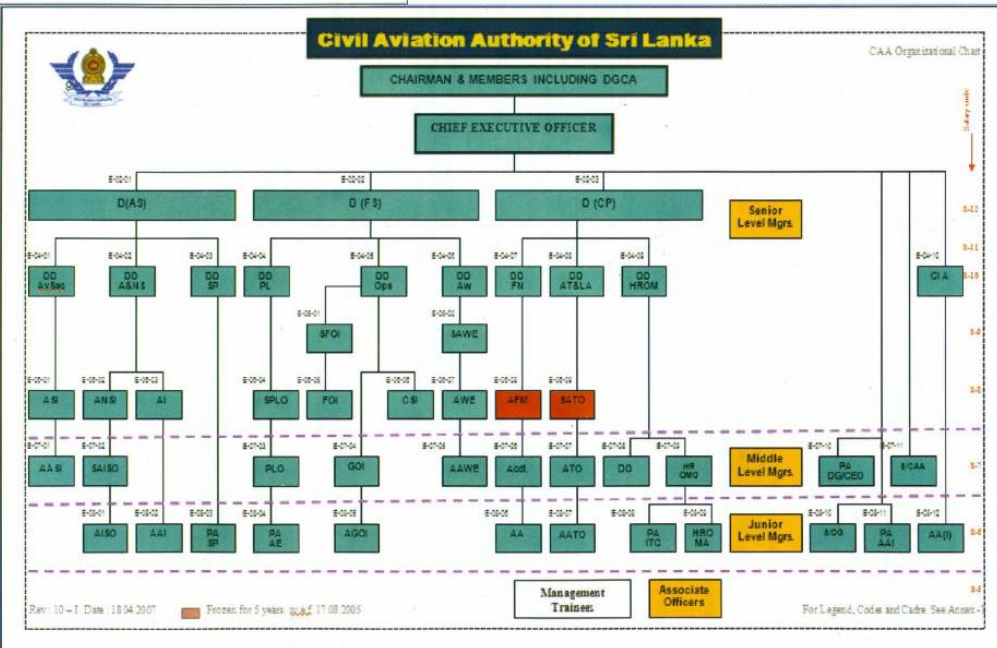
- Fulfillment of the State's international obligations in the field of civil aviation and constant implementation and enforcement of international standards and recommended practices;
- International recognition of the civil aviation system of Sri Lanka which is free from embargoes / restrictions
- Enhanced Safety, security, efficiency and regularity in civil aviation and consequential public confidence in the air transport system;
- Optimum use of Sri Lanka airspace for the well being of the citizens of Sri Lanka;
- Socio-economic development of the country;
- Prevention of economic waste caused by unreasonable competition;
- Improved access and mobility of people and goods;
- Dependable services in the field of civil aviation;
- Education in the field of civil aviation;
- Promotion of all aspects of civil aeronautics;
- Protecting and promoting public health;
- Proper legal framework for effective regulation and enforcement;
- Environmental Sustainability

**Output**

<b>Output Class</b>	<b>Output</b>
Policy Advice	Advise the Government & other organizations Legislative Reforms Development of Rules Development and promulgation of Implementing Standards Development of Aviation Policy Development of manuals of procedures Master planning of aviation infrastructure
Safety Assessment & Certification	Risk management of: Airport/Airfield sector safety; Airlines sector safety; General aviation sector safety; Personnel licensing safety; Flying training safety; Aircraft maintenance safety and Aviation services sector safety risk management.
Safety Analysis, Information and Promotion	Safety investigation Safety analysis Safety information, education and promotion Aircraft Accident & Incident Investigations and implementation of safety recommendations
Authorization	Airline schedule approval Airfare approval Travel agent certification Registration of aircraft Authorization for import of aircraft spare parts Authorization of tall structure constructions Authorization for GSA Designation of local carriers for international operations
Security Assessment	Civil aviation sector security risk management
Enforcement	Responses to regulatory breaches Enforcement of public health and hygienic requirements
Assistance to the Government	Collection of embarkation levy from Airlines



## Organizational Structure of the CAA



## CHAIRMAN'S REVIEW

Sri Lanka's strategic geographical location in the Indian Ocean provides enormous potential for expansion of aviation in all facets of it. Besides, the end of 30 years of anti terrorist operations has further enhanced its immediate capacity to develop as a significant and an entirely safe tourist destination. At this juncture, the Civil Aviation Authority, which envisions to be the prime catalyst of the growing national economy has a major role to play and has thus far taken several initiatives towards this end.

The Civil Aviation Authority (CAA) was founded in the year 2002 by an Act of Parliament and has completed seven successful years. It was established to facilitate, through strategic planning and effective regulation the operation of a safe, secure and efficient national civil aviation industry that conforms to international standards and recommended practices stated in 18 Annexes to the Convention on International Civil Aviation.

The work programme of the CAA had several important items. As a signatory to the Convention on International Civil Aviation, CAA has a compelling obligation to ensure that the international standards and recommended practices adopted by International Civil Aviation Organisation (ICAO) are locally implemented and effectively enforced. Thus the CAA needs skilled and competent technical staff to maintain the proficiency of the industry, and intends expanding its organizational structure while recruiting necessary staff to cater to the future demands.

The ICAO had planned an audit this year on Sri Lanka under its mandatory Universal Safety Oversight Audit Programme. However, this was postponed and is scheduled to be held from 25<sup>th</sup> October to 3<sup>rd</sup> November 2010.

Special emphasis is invariably laid on training and development by the CAA. The CAA considers its human resources as its most valuable asset and many of them were sent on various overseas training programmes. Further, a workshop on "Customer Care" was held from 12<sup>th</sup> June to 14<sup>th</sup> June 2009 at Embilipitya for the benefit of the entire staff. The CAA also has a training academy and continues to conduct courses for its employees as well as for those engaged in the Industry. The CAA efficiently carried out the inspections, audits, certification, monitoring and surveillance on various areas of the aviation industry during the year. The vital bi-lateral meetings the CAA had with Nepal, Oman and UAE in 2009 on liberalization of Air Services were successfully concluded.

The CAA of Sri Lanka is currently working on several primary objectives. A new draft Civil Aviation Bill is awaiting the approval of the Legislature. This will replace the old Air Navigation Act.

One of the major achievements during the year was the completion of the National Aviation Policy which was formulated in consultation with the professionals and experts in the Industry. The consultative process arranged by the Ministry of Ports and Aviation in pursuance of this assignment saw the production of a comprehensive document.

The degree program launched by the University of Moratuwa conducted in collaboration with the CAA has already been appreciated by many stake holders of the Aviation Industry. The first batch of students is expected to complete their programme this year, to join the professionals in the aviation industry.

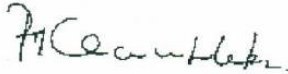
With the dawn of peace the CAA intends to strongly support and encourage domestic aviation and leisure flyers. Specially, aero sports such as hang gliding, ballooning, heli skiing, para jumping, para sailing etc., that would deliver significant economic benefits to the country.

Civil military co-ordination will be afforded utmost importance. The CAA identifies potential benefits the country could derive, when relevant civil and military institutions work in unison.

Civil Aviation Authority of Sri Lanka

I thank profusely the Director General of Civil Aviation and the members of the Authority for their magnanimous assistance extended to me in my functions. I also wish to extend my sincere gratitude to all the Board Members of the CAA for their invaluable contributions in spearheading the operation of this vital mechanism.

Excellent cooperation and encouragement extended by the Ministry of Ports and Aviation in carrying out our role, is extremely appreciated.



Air Chief Marshal W D R M J Goonetilleke  
Chairman  
Civil Aviation Authority of Sri Lanka  
26<sup>th</sup> February 2010

## PROGRESS REVIEW – 2009

### Report of the Director General of Civil Aviation & Chief Executive Officer

Sri Lanka had the misfortune of having been compelled to live with an internal armed conflict lasting almost thirty years which heavily and badly impacted the economy of the country as a developing nation. Year 2009 saw that the country won back the lost freedom and peace, due to the patriotism of H.E. the President, the Government and the Armed Forces who stood up and wiped out terrorism from the motherland amidst all kinds of pressures, international and local. The newly won peace and freedom opened a new era, hope of new life and revival of the whole economy of the country, marking the second phase of the war, the economic war.

Civil Aviation, a booming industry several years ago had made a big sacrifice as a result of the war. Internal civil aviation activities, in comparison had neared zero and becoming a dead industry. Dawn of peace gave civil aviation new light, hope of revival. But the revival was an enormously challenging one as global civil aviation was experiencing a challenge for survival of unprecedented nature.

In the last five decades, global commercial air transport has expanded rapidly and was directly instrumental in creating international tourism as the world's largest industry. The global air transport industry has experienced challenges time and again as a result of crisis situations such as terrorism and security threats, economic down turns, escalation of fuel prices, spread of communicable diseases through air travel etc. Timely action has been taken by the world aviation industry to face these situations.

The year 2008, was exceptionally challenging. Airlines were hit first by an unprecedented spike of oil prices and then by a precipitous drop in revenue caused by a collapse in world trade and the beginning of the deepest recession since the 1930s.

Airlines however reacted with resilience to resize capacity in the face of slumping demand for air travel. Re-sizing and the subsequent drop in oil prices back to reasonable levels is likely to arrest the largest ever decline in airline revenues. The losses to the airline industry as announced by the International Air Transport Association (IATA) amount to 11 billion US dollars in 2009. As a result of the decline in world air traffic, airports around the world too suffered a reduction in their revenues.

IATA reports that due to the decline in spending on travel, any significant recovery for the airline industry in 2010 seems to be weak with most analysts forecasting no significant economic recovery until 2011. IATA has predicted a loss of 5.6 billion US dollars to the world commercial air transportation industry in 2010.

Under such a global environment the local aviation industry enjoyed a mixture of miss fortunes as well as good fortunes.

SriLankan Airlines, after taking over the management control from Emirates took steps to consolidate the operations while facing up to the global challenges. Sri Lanka's low cost air operator, Mihin Air resumed their flights in 2009 and performed with much credibly to run as a profit making airlines towards the latter part of the year, dismissing it's critics. The year also marked by another milestone achievement of the country, the commencement of work on the second international airport of the country at Mattala in the Hambantota District. The Civil Aviation Authority performed required regulatory duties as applicable in connection with the above activities.

The CAA started the year with several important items in the work programme. Of these, the Audit planned to be conducted by the International Civil Aviation Organization (ICAO) on Sri Lanka under it's mandatory Universal Safety Oversight Audit Programme which was scheduled to take place in October 2009 was later postponed to October 2010. The Audit is meant to assess the degree of implementation of the Standards and Recommended Practices contained in the Annexes to the Convention on International Civil Aviation and the capability of the country to address the eight critical elements in a civil aviation regulatory safety oversight system, both of which are the responsibilities of the CAA.

The new Civil Aviation Bill which went through a tedious legal and administrative process lasting more than eight years was finalized in the final draft form incorporating amendments to address concerns raised by many agencies and industry groups. The amended Civil Aviation Bill which provides for a most current primary legislation in the region is now expected to be presented to the Parliament in early-mid 2010.



It is a responsibility of the CAA to assist the Hon. Minister in formulation of the Aviation Policy of the country. This was undertaken in the year and the final draft has been submitted to the line Ministry for publication in media for comments from the public. The Policy contains elements in order to resurrect the aviation industry of the state with a strong will of making a substantial contribution to the economic development.

The CAA is much dependant on the competence and skill of the technical staff to regulate the industry with safety and security having the number one priority. To this end, the CAA must employ adequate numbers of staff recruited through a carefully developed schemes of recruitment, trained them through a properly drawn up training plan and retain them by offering them attractive remuneration package. After having identified the need for a revision of the scheme of recruitment, readjustment of the organizational structure and salaries of staff, CAA started a review of the organization which is expected to be complete within the first quarter of 2010.

The revenue of the CAA through the Overseas Ticket Levy which was introduced in late 2008 continued to reinforce the income of the organization and steadied the financial situation. This consolidated the financial autonomy of the CAA by not depending up on the allocation of the Treasury.

The CAA continued to host the COSCAP- South Asia technical assistance Programme in Colombo at logistical cost to the CAA. In February 2009, at the 18<sup>th</sup> Steering Committee Meeting of the Programme, Sri Lanka assumed the Chairmanship of COSCAP-SA and successfully conducted 19<sup>th</sup> Steering Committee Meeting.

The CAA actively conducted the routine functions such as inspections, audits, certification functions, monitoring and surveillance of the aviation industry, addressing and resolving the issue related to air transport industry, taking part in bi-lateral air services meetings and carrying out duties assigned by the Hon. Minister and the line Ministry from time to time.

Sri Lanka once again achieved good performance in safety in 2009 as well with no aviation accidents or major incidents recorded. The CAA continues its efforts to maintain the best possible safety record in the ensuing year as well.

I wish to take this opportunity to thank Hon. Chamal Rajapakse, Minister of Ports & Aviation for his direction guidance and support to accomplish CAA's duties and functions. I am also thankful to the Secretary, Ministry of Ports and Aviation and his staff, Chairman and the Members of the Authority, CAA employees who carried out the allocated tasks with dedication. My thanks also go out to other Government Departments and institutions, which interacted with the CAA in the execution of its work programme. I also wish to extend my thanks to ICAO, its Regional Office in Bangkok and all the other foreign agencies and personnel who provided necessary assistance and support to conduct of the CAA affairs in compliance with the obligations undertaken by the State towards the international community. I in this respect I take this opportunity to thank the COSCAP-SA Programme, its Regional Programme Co-ordinator Mr. H M C Nimalsiri and the Regional Experts for providing necessary technical support



Parakrama Dissanayake  
Actg. Director General of Civil Aviation  
& Chief Executive Officer

26<sup>th</sup> February 2010

## 1. DIRECTION AND MANAGEMENT

### 1.1 THE CAA AND ITS COMMITTEES

#### Board of Members:

The 6<sup>th</sup> Board of the Civil Aviation Authority was appointed on 05<sup>th</sup> October 2009. It consists of following members;

Air Chief Marshal W D R M J Goonetilleke (Chairman)  
Mr D M P Dissanayake (Actg Director General of Civil Aviation and Chief Executive Officer)  
Mr. Ariyaratne Hewage (Vice Chairman)  
Mr. K D Herath (Executive Director)  
Mr Gotabaya Rajapaksa, RWP, RSP (Secretary, Min of Defence)  
Mr A K Seneviratne (Representative of the Ministry of Finance)  
Mr Nihal Jayawardene (Member)  
Mr Zaki Alif (Member)

As per CAA Act 34 of 2002, ACM. W D R M J Goonetilleke, Mr Ariyaratne Hewage, Mr K D Herath, Mr Nihal Jayawardene and Mr Zaki Alif were appointed by the Hon Minister of Ports and Aviation.

The Board which was appointed on 15<sup>th</sup> May 2008, resigned on 03<sup>rd</sup> August 2009. it consisted of following members who were appointed by the Hon Minister of Ports and Aviation.

Mr Lal Liyanaarachchi, (Chairman)  
Mr. Nihal Jayawardene (Member)  
Mr Les Rajapakse (Member)  
Mr. Javid Yusuf (Member)  
Mr U C Widanagamachchi (Member)

#### Meetings of the CAA

The Civil Aviation Authority of Sri Lanka held ten (09) meetings during the period under review and passed hundred and twelve (112) resolutions for the progress and well being of both the CAA and the civil aviation industry that it regulates. The Staff Committee met only once (01) and Audit Committee of the CAA met three (03) times respectively during the period under review.

### 1.2 SENIOR MANAGEMENT AND SECRETARIAT OF THE DGCA & CEO

#### Meetings held –

DPIG Meetings	---
General Staff Meetings (Including Divisional/Sectional Meetings & Discussions)	81
Outside Meetings attended by DGCA and Meetings with outsiders in DGCA's Office	238
Others (Seminars/Interviews/Presentations/Conferences and Meetings/Discussion with Chairman/CAA	23

### CAA Staff Training

One of the major tasks of the CAA is the entry-certification of persons and/or organizations intending to engage in civil aviation activities and to conduct continued post-certification surveillance on such persons/ organizations in order to ensure that they continue to maintain initial certification requirements in strict compliance with the applicable regulatory requirements and international standards & recommended practices relating to safety, security, efficiency and regularity in air transport.

The CAA requires well-qualified and experienced staff members who have sufficient exposure and thorough understanding of the subject matter to perform the aforesaid tasks.

However, due to lack of training facilities and dearth of expertise in the country in the field of civil aviation, especially in the safety and security oversight regularity functions, the CAA has to face a huge challenge in qualifying its staff to perform their tasks with confidence. Therefore, the CAA has to spend a considerable amount of money, which is nearly 2% of its total annual budget and longer period of time in order to give the required training to its employees to keep their knowledge current with the rapid change of international standards and industry requirements.

Being mindful of the enormous cost to be incurred in this regard, the CAA has obtained membership of COSCAP-South Asia Programme, (sponsored by ICAO) which is focusing primarily on the development of human resources in the civil aviation sector in the region on a co-operative arrangement. The CAA made an annual subscription of US \$ 66,939 to the COSCAP-SA to be a member. The CAA has also persuaded COSCAP-SA Programme to establish their Regional Headquarters in Colombo with a view to accruing the optimum benefits to the country. This Programme offers wide range of training in the field of civil aviation keeping pace with the advancement of science and technologies as well as the rapid changes taking place in the international requirements in pursuit of safety improvements. Majority of these courses were held in Colombo. However, some courses were conducted overseas for fair and equal distribution of opportunities and depending on the course requirements.

The CAA has also prepared a comprehensive Staff Training Plan for each of the Executive and Senior Executive Posts in its cadre identifying the areas in which the incumbent of the post should be trained in order to perform the tasks assigned to the post in terms of the Job Description. The CAA's Annual Training Programme is prepared based on the training requirements identified in the Staff Training Plan. However, there are occasions that the CAA has to send its officials to take part in overseas activities outside the Annual Training Programme. This happens due to the lack of advanced notice of important training opportunities or due to the gravity of the subject matter on either safety or security aspects.

It is noteworthy that most of the training courses that CAA officials take part overseas are of short duration (3-10 days) and the necessity for an officer to attend a few of such courses on different subjects handled by him or her within a period of one year could be more than three depending on the importance & relevance. The CAA has also adopted a stringent bonding arrangement. Accordingly, when an officer is sent overseas for training he / she is bonded to the CAA for a specific period which is well beyond the requirements in the Government Established Code.

In support of the foregoing, the CAA's efforts to train its staff to the required level of competence utilizing scarce resources which have been organized with an extra effort through, one-to one discussions with the resource centre and at the minimum cost to the CAA were adequately supported by the agencies external to the CAA, especially the Ministry of Ports & Aviation and the Department of National Budget. It is worth mentioning that the above agencies



appreciated and understood clearly the competency required by the CAA's technical staff, which is vital for the effective discharge of duties and functions. It is also one of the key areas focused by ICAO during its Universal Safety Oversight Audit conducted on each Member State on regular basis.

#### **Universal Safety Oversight Audit by ICAO**

The Universal Safety Oversight Audit Programme initiated by ICAO in 1998 with a limited scope of ascertaining the degree of compliance of each Contracting State with the applicable SARPS relating to Personnel Licensing, Aircraft Operations and Airworthiness, has now been extended to cover all ICAO Standards and Recommended Practices contained in 17 Annexes to the Convention with the exception of Annex-9 which is on Facilitation. Accordingly, each Contracting State is required to provide ICAO with sufficient evidence that the State has taken meaningful steps for the effective implementation of all SARPS. After detailed study of such material in its Headquarters, the ICAO may, if deemed necessary, mobilize a team of auditors for on-site verification of the information provided by the State in terms of a systematic audit. Non-compliance with ICAO SARPS, if not rectified after disclosure, would entail serious repercussions including embargoes imposed on the State.

The aim and determination of the CAA is to secure full compliance with all SARPS in order to achieve higher standards in safety, security, efficiency and regularity in air transport sector in the country and to ensure the country's free participation at the international commercial aviation activities.

#### **Draft Policy on Employment of Foreign Nationals in the field of Civil Aviation**

CAA recognizes that the airspace of Sri Lanka is a national asset and all the benefits generated by this valuable asset should first be made available to its citizens. The CAA observes that a significant percentage of pilots employed by local airlines are foreigners who enjoy concessions even in taxation. In addition, there are foreign nationals employed by airlines in certain high paid posts, which can be filled with local expertise. This situation, if continued, undermines the expectations of the State. Therefore, the CAA drafted a policy paper stipulating requirements applicable for employment of foreign nationals in the field of civil aviation.

### **1.3 ACCIDENT INVESTIGATION UNIT**

The CAA released the final report of the incident involving a SriLankan Airlines flight UL121 Airbus A330, 4R-ALC on 13<sup>th</sup> October 2008 at Chennai International Airport, India and the copies were distributed to relevant organizations & personnel including Director General of Civil Aviation, India.

The incident investigation involving Expo Aviation flight EXV 711, F-27-500, 4R-MRA on 21<sup>st</sup> February 2008 at Ratmalana Airport was completed and the final report was released.

There were no accidents reported to the CAA during the year under review.

### **1.4 INTERNAL AUDIT SECTION**

The terrific effort taken by the Internal Audit Section to enhance their knowledge in the technical field was evident as the section was able to finalize successfully five audits on the technical sections of the CAA during the year 2009. The Section has conducted 19 quality assurance audits which were more effective in improving the quality of the services rendered by the CAA to its customers...

The staff of the Internal Audit Section was given on the job training on regulatory activities and on Financial and Administrative matters with the help of other training institutions.

## **2. AERONAUTICAL SERVICES DIVISION**

### **2.1 AVIATION SECURITY SECTION**

#### **Aviation Security Training for Sri Lanka Air Force (SLAF)**

Thirty two Sri Lanka Air Force personnel involved in Civil Aviation Security functions at Bandaranaike International Airport, was trained during year 2009 on Civil Aviation Security measures of control, Security procedures and its implementation, under the training programme of "Basic Civil Aviation Operations at International Airports" to ensure compliance of International Standards related to Civil Aviation Security in Sri Lanka. Training Programme was conducted from 21<sup>st</sup> April to 07<sup>th</sup> May 2009.



#### **Aviation Security Training for Airport and Aviation Services Sri Lanka Limited (AASL) security staff**

Aviation security section conducted a two week training programme on Civil Aviation Security Internal Quality Control for twenty senior security personnel of AASL from 08<sup>th</sup> to 22<sup>nd</sup> July 2009

Three staff members of CAA-SL also attended the training programme for familiarization of Aviation Security functions. Main Objective of this programme was to enhance the standard of Aviation Security measures of control implemented at Bandaranaike International Airport (BIA) and further develop the existing internal quality control system.

#### **Provision of special Aviation Security training sessions for Airport and Aviation Services Sri Lanka Limited (AASL) security staff**

AVSEC Inspectors delivered special instructional sessions on International Obligations and National Legislations on Aviation Security, Aircraft Security, and Crisis Management, Security Contingency planning at BIA and Implementation of new security measures on Liquid Aerosols and Gels (LAGs) for AASL security personnel during their refresher training programmes in year 2009

#### **Provision of special Aviation Security training sessions for newly recruited trainee security staff of Airport and Aviation Services Sri Lanka Limited (AASL)**

AVSEC Inspectors conducted lectures on International Obligations and National Legislations on Aviation Security, Aircraft Security, Crisis Management, Security Contingency planning at BIA and Implementation of new security measures on Liquid Aerosols and Gels (LAGs) for the AASL trainees of the Aviation Security Department.

#### **Speaker at an International Civil Aviation Organization Seminar**

An officer from the Aviation security section was invited as a speaker by the International Civil Aviation Organization (ICAO) to speak on a subject matter related to Crisis Management at an ICAO Seminar in Hong Kong on the "Development of an Asia-Pacific Regional Work Programme". The officer made his presentation under the theme of "Contingency planning and preparation for multiple, synchronized threat situations at International airports and on thinking about unknown threats through Sri Lanka's experience". This presentation was considered as the 'high light' of the International civil aviation security seminar by the ICAO.

#### **Participation in international training**

An inspector from the Aviation Security section attended Aviation Security Instructors Course, conducted by the International Civil Aviation Organization (ICAO) at Regional Avsec Training Center in New Zealand during the month of May 2009. The officer was awarded accreditation by ICAO to conduct ICAO approved Aviation Security courses using the ICAO training material as an AVSEC Instructor after successful completion of the course.

#### **Certification of Private Airlines**

Aviation Security section Inspectors were actively involved in certification process of Cosmos Aviation (pvt) limited during July- August 2009.

#### **Aviation Security Document Cell**

Collection of Aviation Security reference material for the AVSEC document cell was continued throughout the year 2009. The document cell is in possession of adequate amount of Aviation Security material for reference by the industry personnel.

#### **Approval for Carriage of Munitions**

Approval for carriage of munitions within the airspace of Sri Lanka and to/from airports within Sri Lanka being vested with the Director General, a considerable amount of request are made by State and private organizations and individuals for carriage of munitions for such purposes as VIP security, participation in United Nation Peace Keeping Force activities, acquisitions by the Military and the Police forces, participation at International Sports Tournaments/competitions and individuals for legitimate purposes and aircraft of other contracting States over flying the air space of Sri Lanka or designating Colombo as an alternate airfield.

All exports and imports on being approved by the Ministry of Defence approval for carriage through the air space or to land or take off with munitions, is granted under Air Navigation regulations 128 and 129 with Strict compliance with the applicable specifications laid down in ICAO document 9284 (2009-2010 edition) or the 50<sup>th</sup> edition of dangerous Goods regulations published by IATA.

Sixty nine (69) approvals were granted on evaluation for carriage of munitions in the cargo hold and Forty nine (49) approvals for carriage on board concerning VVIP/VIP International travel during year 2009.

#### **Helicopter Operations**

Commercial Helicopter operations are conducted by Deccan Aviation (Lanka) (pvt) Ltd utilizing one helicopter operated since July 2004, from the time of lifting of the suspension on civil helicopter flying which was imposed in late 1995 for security reasons.

In August 2006 a new operator Cosmos Aviation Services (Pvt) Ltd entered the Civil Helicopter Operations arena of Sri Lanka in the category of a Private Operator, with intentions to go into Commercial Operator status in year 2010. It is encouraging to note that two other companies have forwarded their letters of intent by late 2009, and progressing with the certification process. Year 2010 should see more helicopter commercial operations taking place.

Total flying hours for year 2009 – 326 hrs. 35 mts, number of passengers carried 466.



#### **Helicopter Pilot Proficiency Check**

One of the Aviation Security Inspectors, also being a Helicopter flight operations Inspector continued to conduct pilot proficiency checks of the industry helicopter pilots during 2009, as done since year 2004.

#### **Aerial Work Operations by Helicopters**

The single helicopter engaged in aerial work operations involving photography, video filming, aerial surveys involving electronic imaging, flower drops and leaflet drops and other brand promotional work for advertising purposes of corporate establishments.

Eleven (11) approvals were granted during year 2009

#### **Balloon Operations**

Commercial balloon operation season from November 2008 to May 2009 coincided with the final phase of the internal armed conflict, filled with security uncertainties, which had a negative impact on tourism and thereby on balloon operations where it recorded the lowest number of flying hours amounting to less than 10 hours ever since commercial balloon operations commenced in year 2004. A remarkable improvement was observed with the commencement of the 2009 November- 2010 May season with the armed conflict concluded and as a result an influx of tourist visiting Sri Lanka. Over ten hours of commercial balloon operations were recorded during the period of November to December 2009.

It is encouraging to note that in addition to the pioneering commercial balloon operator Adventure Asia (pvt) Ltd, Two more companies have engaged in obtaining an Air Operators Certificate for commercial balloon operations. One of the operators intend operating two balloons, one balloon being in the small and the other in the medium category, whilst the other company intends to commence with one balloon in the medium category. The 2010 November to 2011 May season should see five commercial balloons in operation.

## **2.2 SPECIAL PROJECTS**

#### **CAA Branch Office- Weerawila**

To facilitate smooth conduct of safety oversight and surveillance functions in connection with the construction and subsequent operation of the second international airport at Weerawila, it was felt necessary that the CAA establishes its branch-office at close proximity to the airport. Accordingly, a land of 0.5 acres from a location close to Weerawila town has been acquired.

Construction of the Branch Office was withheld until the major part of the construction work of the Weerawila International Airport is commenced.

#### **CAA Regional Training Centre- Weerawila**

A land of 5 acres has already been identified from Tissamaharama Division for this purpose. This land belongs to the Land Reform Commission. The Land Reform Commission has agreed, in principal, to allocate the land to the CAA after considering all such requests made by other organizations.

**Participation at "Deyata Kirula-2009" National Exhibition at Bandaranaike Memorial International Conference Hall, Colombo**



This year too the CAA participated at the above exhibition representing the Transport Sector stall cluster. The stall space was provided by the Airport & Aviation Services (Sri Lanka) Limited on complimentary basis for the CAA. Among the exhibits, the CAA exhibited guide lines for obtaining of personnel licenses issued by the CAA, in order to educate the general public, and, especially the students. The high demand of the Public witnessed the popularity of the CAA stall.

**Observing of the National Safety Day**

The Ministry of Disaster Management and Human Rights had requested, through the Ministry of Ports and Aviation, to observe the national safety day commemorating the Tsunami of 26th December 2004. Accordingly, the CAA conducted a well organized programme with connecting the Staff of the Ministry of Tourism to commemorate the event. This included an informative presentation on Natural Disasters which was conducted by the Secretary of Ministry of Tourism.

**COSCAP-SA**

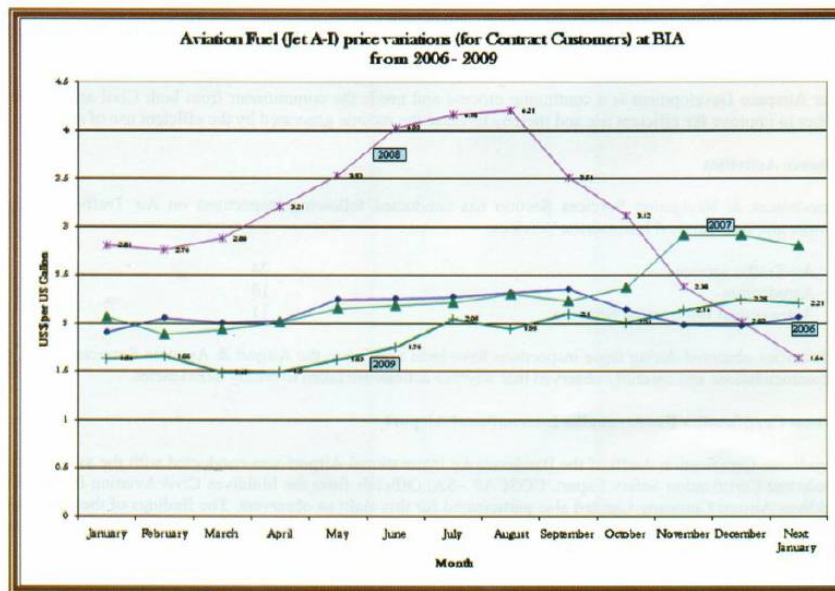
The CAA continued to host the COSCAP-SA Programme, which was relocated from Katmandu, Nepal to Colombo in September 2005. The CAA paid the State contribution of **US \$ 66,939** to the COSCAP-SA Programme for the year 2009, in addition the CAA contributed, in kind, to provide logistical support in terms of rent for office space, electricity, water and office support staff. In return, technical support in the fields of Flight Operations, Airworthiness, Personnel Licensing, Aerodromes and Air Traffic Management was provided by the Programme to strengthen and augment the safety oversight capability of the CAA.

The annual Steering Committee Meeting of COSCAP-SA for the year 2009 initially scheduled in Sri Lanka during 17<sup>th</sup> – 19<sup>th</sup> February 2009 had been postponed to conduct in Bangkok, Thailand with the agreement of all members, due to unavoidable circumstances. This was the 18<sup>th</sup> SCM of COSCAP-SA and meeting was attended by 46 participants from member countries and 18 participants from donor partners viz, EC, DGCA- France, FAA, BEA- France, SARI, Airbus and Boeing.

### Surveys on Civil Aviation

During the last few years, ever escalating aviation fuel prices have adversely affected on the economies of airline operations. However, this trend was drastically inverted since August 2008, due to the fuel price fall in the world market.

In addition, the ground handling charges at an airport play a decisive role in the selection or rejection of an airport by international air operators, especially the charter operators and operators making technical landing. As such, the CAA continued to keep a track on the fuel prices at the BIA. The following graph presents the behavior of fuel prices.



Source: CEYPETCO

### CAATA

The Civil Aviation Authority Training Academy (CAATA) rendered the services to internal and external programmes. During the year, the CAATA conference facilities were utilized for a total of 590 hours. Those activities involved, 49 Exams which were handled by the CAA, 33 days for other meetings, and also 3 days for hiring.

CAATA was also used for Airline Reservation & Fares Calculation Course which was conducted by the CAA, and, also for a training programme on Applied Corporate Communication for the non-executive staff.

The premises was also used by the Aeronautical Society of Sri Lanka, The Aviation Club, The Seva Vanitha Unit, The Sri Lanka Nidahas Sewaka Sangamaya- CAA Branch, and CAA Welfare Society to hold their meetings.



## **2.3 AERODROMES & NAVIGATION SERVICES**

### **THE AIRSPACE MANAGEMENT**

The National Airspace is a precious asset to the Nation. Therefore it is extremely important to manage the available Airspace to get the maximum benefit for the well being & economic development of the country. The key conditions for increasing the effective use of available airspace, while maintaining safety and security, is a commitment from both civil and military authorities to improve cooperation and coordination.

While being aware of the various security requirements of the Nation, every possible measure was taken by the Aerodromes & Navigation Services Section to emphasize the importance of this fact and continued to ensure safe & effective management of this valuable asset to optimize its use during the year 2010 too, within existing regulatory arrangements.

However Airspace Development is a continuing process and needs the commitment from both Civil and Military Authorities to improve the efficient use and thereby increase the income generated by the efficient use of Airspace.

#### **Surveillance Activities**

The Aerodromes & Navigation Services Section has conducted following inspections on Air Traffic services, Aerodromes and Aeronautical Information Services;

1) Air Traffic services	24
2) Aerodromes	10
3) Aeronautical Information Services	11

The deficiencies observed during those inspections have been notified to the Airport & Aviation Services (SL) Ltd. with recommendations and carefully observed that whether actions are taken to rectify deficiencies.

#### **Aerodrome Certification Bandaranaike International Airport**

The Aerodrome Certification Audit of the Bandaranaike International Airport was conducted with the assistance of the Aerodrome Certification Safety Expert, COSCAP –SA. Officials from the Maldives Civil Aviation Department and Maldives Airport Company Limited also participated for this audit as observers. The findings of the audit were informed to Airport & Aviation Services (SL) Ltd. for rectification. The Certification of the Bandaranaike International Airport is expected to be completed in the first quarter of 2010.

#### **Overflying and Landing Permissions**

During the year 2009, CAA has issued permission for 500 international flights to over fly Sri Lankan territory and 290 International flights to land in Sri Lanka. This figure does not reflect the total number of flights over flown/landed Sri Lanka as AASL also grants approvals for such requests on behalf of CAA during non working days of the CAA.

#### **Aviation Safety Notices**

Aerodromes & Navigation Services Section has issued the following Aviation Safety Notices to the Aviation Industry with regard to the regulatory requirements in following areas

- 1) Requirements for provision of Aeronautical Information Service
- 2) Requirements for provision of Air navigation service providers
- 3) Implementation of mandatory reporting forms



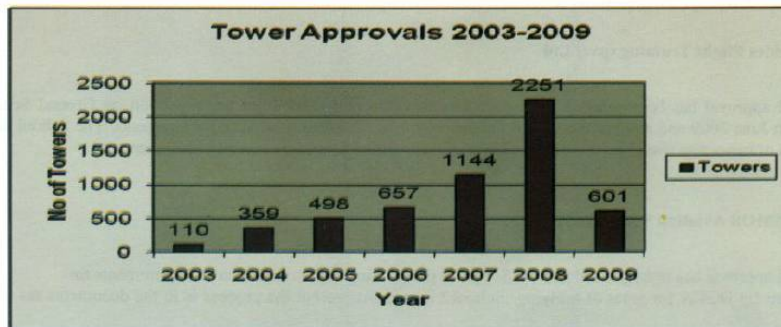
#### Aeronautical Information Service

During the year 2009 CAA has initiated /issued following Aeronautical Publications.

NOTAMs	115
Aeronautical Information Publication Amendments	01
Aeronautical Information publication supplement	01
Aeronautical Information Circulars	06
Total number of ASN issued by the CAA	20

#### Approvals for Construction of High Rise Structures

The CAA has granted approvals for 601 Telecommunication Towers and 38 high-rise buildings during the year 2009. The graph below shows the tower population in Sri Lanka during the period 2003-2009.



### **3. FLIGHT SAFETY DIVISION**

#### **3.1 PERSONNEL LICENSING**

##### **Certification of Aviation Training Organizations**

Personnel Licensing Section is in the process of certifying the following proposed Aviation Training Organizations.

##### **(I) SAAS Flight Training (pvt);**

South Asia Aviation Services (SAAS) is a BOI approved business to provide flight-Simulation Services, through establishment & operation of a modern Air bus A320 Full flight simulator. Provisional approval has been granted by DGCA for this proposed organization.

##### **(II) Openskies Flight Training (pvt) Ltd.**

Provisional approval has been granted. Personnel Licensing Section carried out an inspection on Ground School Facilities in June 2009 and advised the school for improvement of quality assurance requirements. The School is in the process of importing two (2) C152 aircraft and flight navigation procedure training equipment. (FNPT 11-A320/ B737.

##### **(III) COSMOS Aviation Services (pvt) Ltd.**

Provisional approval has been granted and the School is progressing with completion of requirements for certifications by DGCA for grant of a Flying School Licence. At present the process is in the documents re- view phase.

##### **(IV) Upali Aviation Services (pvt) Ltd.**

Upali Aviation Services (pvt) Ltd wrote to DGCA in October 2009 to inform of the proposed re- commencement of Flying School .Pre-Application meeting was held to brief them of the requirement for re- certification as a Flying School. Process is in the pre application phase.

##### **(V) Ceylon Airship and Balloon club**

A pre-application meeting was held with Upali Group officials and the chairmen of the proposed club in November 2009. Process is in the pre application phase.

##### **(VI) Eagle Flying Academy**

For the first time in history of Sri Lankan Civil Aviation, Sri Lanka Air Force has requested & is being processed for the certification of a flying school to be established in China Bay. This matter is undertaken by CAA with special enthusiasm & has made a good progress & is in the document review phase.

##### **Civil Aviation Medical Seminar**

Personnel Licensing Section organized a four (04) day Seminar on Civil Aviation Medicine in January 2009 under the aegis of COSCAP which is the Cooperative Development of Operational Safety and Continuing Airworthiness Programme under Technical Cooperation Programme of International Civil Aviation Organization. This Seminar was held with no cost to Sri Lanka except for travel of two prominent Aviation Medical Experts who conducted the training programme. Members of the Civil Aviation Medical Board and several other specialists serving as

consultants for CAASL-Medical Board participated at the Seminar together with participants from Maldives, Singapore & New Zealand

The ICAO experts made a detail perusal of the Civil Aviation Medical System of Sri Lanka and gave guidance to develop the system. The Seminar helped the participants not only to widen their knowledge, share experience, establishes network with experts of the COSCAP member states in South Asia, but also to fulfill the ICAO requirement of medical examiners undergoing recurrent training.

#### **Work Shop**

Further Personnel Licensing Section conducted a work shop in Hotel in "Club Pam Garden" in downside for the preparation of Medical Manual.

#### **Recognition of military experience for issuance of Civil Pilot Licence**

There had been no developed system for issuance of Civil Pilot Licences to military pilot (SLAF) by granting credit to knowledge, flying instructions and experience acquired by such personnel in military. DGCA Sri Lanka has in the middle of 2009 developed a system in compliance with the standards and recommended practices of Annex 01 to the ICAO convention after inspection of military training organizations and detail study of ground training and flying training procedures, students course materials and training manuals with the assistance of COSCAP-SA experts and by a panel of experience pilot trainers appointed by DGCA together with meetings and interactions with relevant Air Force Officers.

#### **Implementation of ICAO Annex 1 Amendment No 169**

ASN No 054 and 059 are amended to include ICAO Annex 1 amendment 169 with regard to standards Medical fitness and Medical Assessments. Action initiated to recruit a medical Assessor for the issue of medical Assessment.

#### **New Examination System**

It has been the practice from the inception that students for commercial pilot Licences were tested for their technical knowledge by conducting examinations of Civil Aviation Authority –United Kingdom. During the past three years the Personnel Licensing Section undertook the challenging task of establishing a Question Bank, syllabus and rules & regulations for the conduct of examination for pilots by CAASL on its own. As a result the new examination system has been implemented in 2009. The first CPL Exam of CAASL has been conducted successfully in December 2009. This is a milestone event in the development activities carried out by CAASL.

#### **Online Examinations**

Personnel Licensing Section conducts technical examinations on scheduled dates for pilots, Aircraft Maintenance Engineers and Flight Operations Officers. The examinations are organized & conducted almost every month of the year. In order to facilitate the candidates the Personnel Licensing Section has initiated action in 2009 to develop an on line (computer based) system for the conduct of Personnel Licensing Examinations and Evaluation, initially with pilot knowledge examination.

### 3.2 OPERATIONS

#### Work Carried Out By Operations Section in Year 2009

Certification of Foreign Air Operators - 06 more airlines were granted the International Airline License pursuant to ANR 251 which commenced in 2004. A total of 37 Licenses have been issued to date.

Approval of Simulators in Singapore (AE Singapore AW1/244), Kuala Lumpur & Miami for A320, A330 & DC8 respectively (SriLankan Airlines & Expo Aviation). Total of 20 Synthetic Training Devices used by air operators for training of Pilots were approved by Senior Flight Operations Inspector.

Mihin Lanka Operations Specifications was amended to include the operation of a leased B737 & Dry leased A320 - 4R MRA.

Three (03) DCPs were appointed for SriLankan Airlines. Two (02) Aviation Safety Notices were issued by the section. (ASN 109 (Guidance on Flight Crew procedures during taxi operations) & ASN 110 (Guidance on single Pilot procedures during taxi operations). As per ICAO amendment 32 four (04) Aviation Safety Notices were vamed by the section.(ASN 042, ASN 046, ASN 053, ASN 081)

#### Approvals & Revisions of Manual & Training Programme

##### Approvals & revisions of Manuals

- Weight & Balance Manual Revision 02 of SriLankan Airlines.
- FOM Revision 03 of SriLankan Airlines.
- New issue of Weight & Balance Manual of SriLankan Airlines
- Revision 01 of Weight & Balance Manual of SriLankan Airlines
- FOM Revision 04 & 05 of SriLankan Airlines.
- SOP Manual of SriLankan Airlines was amended.
- 05<sup>th</sup> revision of Expo Aviation FOM
- SOP Manual for F27 of Expo Aviation was amended.
- Training Manual revision 06 of Expo Aviation.
- FOM Supplement to Beech 1900 Revision 01 was amended.
- Mihin Lanka FOM part B, C & D was implemented. FOM Part A was revised.
- 2<sup>nd</sup> edition of SriLankan Airlines Cabin Crewmember Safety & Emergency Procedures Manual was approved in July 2009.

##### Approvals & revisions of Training Programme

- CRM & Human Factors Manual of SriLankan Airlines for Pilots
- CRM & Human Factors Manual of SriLankan Airlines for Cabin Crew
- A 330 Reactivation course
- A 320 - A 330 Cross Crew Qualification course
- A 340 - A 330 Cross Crew Qualification course
- A 320 Direct Entry First Officers Courses
- A 320 Command Course
- A340 - A330 Cross Crew Qualification Course (Revision 01)
- A330 - A340 Cross Crew Qualification Course
- A 320 Command Course (Revision 01)



- Cabin Crewmember recurrent Training Programme was amended & approved
- First Aid Training for Cabin Crewmembers, prepared by Designated Civil Aviation Medical Examiner Dr, D M S Karunaratne, was approved.

### 3.3 AIRWORTHINESS

#### DEVELOPMENT IN CIVIL AVIATION SECTOR IN 2009

##### **a) International Sector**

SriLankan Airline currently has a fleet of 13 aircraft – four A320's, four A330's and five A340's.

Airworthiness engineers carried out inspection & issued with C of A & C of R for A-320 aircraft which is dry leased for Mihin Lanka International Passenger Operations.

##### **b) Domestic Aviation Sector**

Deccan Aviation and Expo Aviation carried out Passenger Operations while Cosmos Aviation Services carried out private operations. Asian Aviation Centre performed pilot training and mechanic training.

##### **Aircraft Maintenance Organizations**

Grant initial approval for four (04) Aircraft Maintenance Organizations after conducting the required inspections. Forty two (42) foreign based & line maintenance organizations and five (05) domestic maintenance organizations were renewed for the year 2009.

##### **Third Party Maintenance Work For Airlines**

After the maintenance facility inspection CAA granted approvals for Emirates Airline to carry out the third party maintenance activities on Thai Airways and Singapore Airlines operated aircraft to Sri Lanka.

##### **Certificate Of Airworthiness And Certificate Of Registration**

During the period of under review, the CAA granted initial registration for four (04) Aircraft and renewed the Certificate of Registration of twenty three (23) Aircraft. This office issued four (04), initial Certificate of Airworthiness and renewed twenty one (21) Certificate of Airworthiness. Two aircraft were deregistered on the request of the owner and one Export Certificate of Airworthiness was issued. The Ownership of three (03) aircraft were changed on the request of the owner to operate under the Air Operator Certificate of SriLankan Airlines Limited.

##### **Safety Oversight And Monitoring Of Continuing Airworthiness**

As the continued attention of C of A on managing safety risk on Aircraft Maintenance Airworthiness Engineers conducted systematic surveillance programme throughout the year to monitor maintenance facilities of airlines. In compliance with the approved Ramp inspection schedule, seventy two (72) ramp inspections were carried out during the year 2009. Total numbers of twenty three (23) defects identified during ramp inspections were communicated to respective operators for immediate rectification.

#### **Recommendation of Visa**

CAA issued recommendations for landing endorsement and residence visas for ground engineers. During the period under review, CAA issued eleven (11) recommendations issues for ground engineers and twenty seven (27) maintenance training students.

#### **Examinations Conducted By Airworthiness Section**

Airworthiness section conducted one (01) AME (BL) Examination and two (02) AML Examinations for issuance of Maintenance Engineering Licence for the people working in the industry. Four (04) Air law Examinations carried out for validation of foreign AME Licence during the period.

#### **Spare Parts Approvals**

DGCA authorized import & export Aircraft spares approval on the recommendations of Airworthiness Section. During the period Airworthiness Section recommended one hundred forty two (142) of Expo Aviation, nineteen (19) of Deccan Aviation, fourteen of (14) of Asian Aviation Centre, eight (08) of Daya Aviation, two (02) of Cosmos Aviation Services and four (04) of Skyline Aviation approvals.

## 4. CORPORATE DIVISION

### 4.1 AIR TRANSPORT & LEGAL AFFAIRS

#### Aviation Statistics

CAASL's statistics unit is functioning under the purview of the section. The statistics collected under different categories is provided to different parties, this includes providing the required statistics to ICAO, Central Bank annual report and for requests from airlines and other interested entities and personals.

The CAA has fulfilled its obligations to ICAO by providing timely data and information about civil aviation activities in Sri Lanka.

#### Slot Co-ordination

There was no requirement to review the slot allocation criteria for the year concerned as the slot allocation criteria was the same as the year 2007 & 2008. However, there was a good communication and relationship between CAASL and slot coordinator throughout the year to ensure an efficient slot allocation. The members of the Slot Committee are from the Airport operator, Air traffic control, ground handler, schedules planning section of SriLankan Airlines, CEYPETCO as well as CAA staff.

Although the present runway can accommodate up to 25 movements per any given hour other constraints have affected the actual handling of this amount of flights. The infrastructure developments at BIA have helped in enhancing the handling capacity of the Airport.

#### Foreign Airline Operations

Oman Air & Aeroflot recommenced their operations from Oman and Russia respectively and Air Italy; Kingfisher & Air Asia commenced operations newly to Sri Lanka from Italy India and Malaysia respectively. First Choice Airways (Thompson fly), ROSSIA (Federal State Unitary Enterprise), and Air Italy Polska were the Charter Airlines that operated during the period under review.

#### Passenger and Cargo Movements

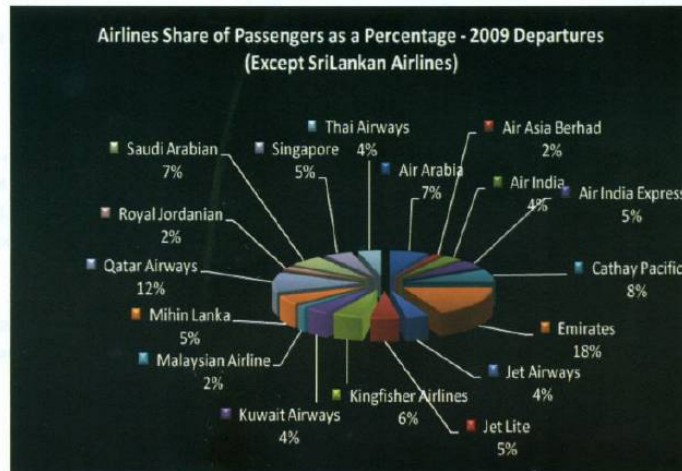
There was a marginal decrease recorded in the passenger and cargo movements during the year.

	Passengers			Cargo (metric tons)		
	Uplifted	Discharged	Total	Loaded	Unloaded	Total
2006	2,310,264	2,275,516	4,585,780	96,218	57,914	154,132
2007	2,444,277	2,398,666	4,842,943	97,361	57,051	154,412
2008	2,320,715	2,247,685	4,568,400	90,632	52,639	143,271
2009	2,136,055	2,100,361	4,236,416	84,242	47,392	131,634
2010 (forecast)	2,606,922	2,566,177	5,173,099	102,462	59,466	161,928

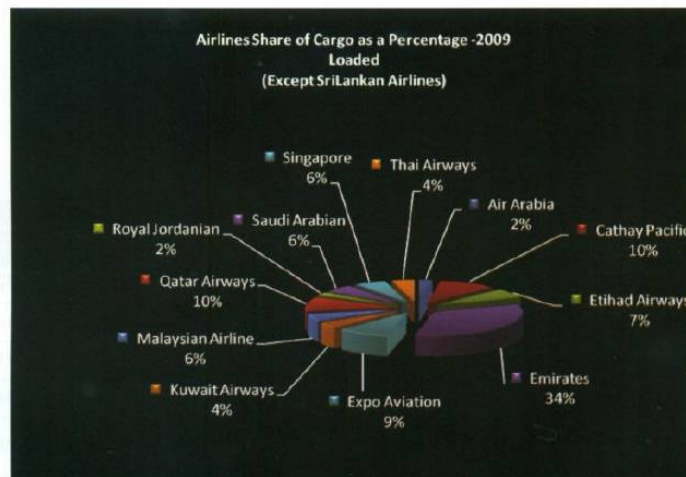
## Performance of Airlines

### Departures

Out of the total of 2,136,055 passengers that departed BIA in 2009, SriLankan Airlines uplifted 1,130,265 passengers claiming fifty three percent (53%) of departing passenger traffic.



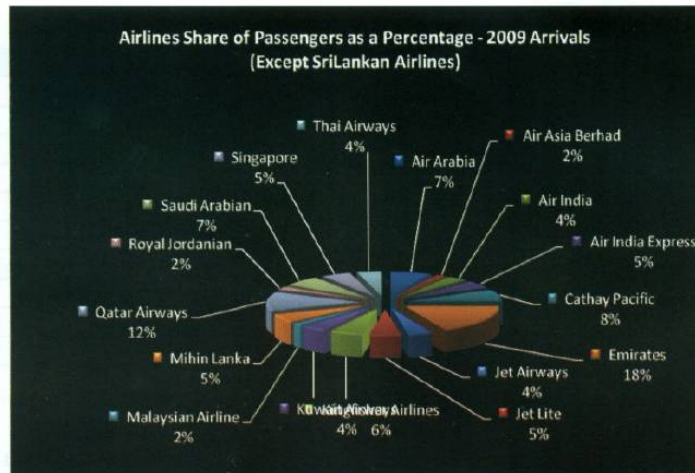
Out of a total of 84,242 cargo (metric tons) uplifted at BIA in 2009, SriLankan Airlines uplifted 39,216 cargo (metric tons) claiming forty seven percent (47%) of cargo uplifted from Colombo.



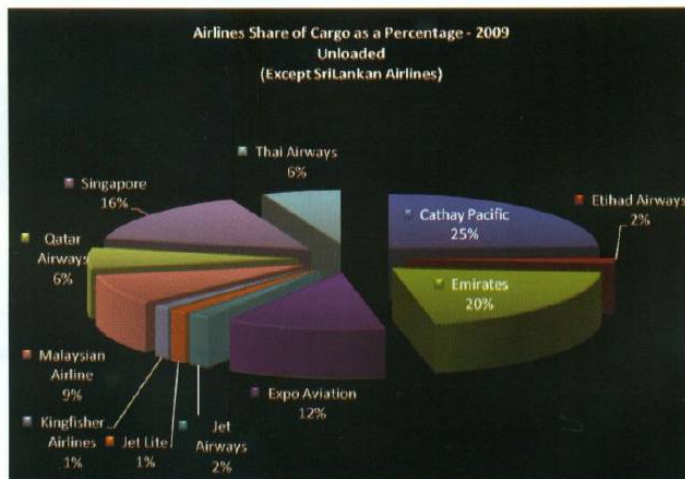


### Arrivals

Out of the total of 2,100,361 passengers that arrived at BIA in 2009, SriLankan Airlines was responsible for 1,115,845 passengers claiming fifty three percent (53%) of arriving passenger traffic.



Out of a total of 47,392 cargo (metric tons) that was discharged at BIA in 2009, SriLankan Airlines discharged 27,202 cargo (metric tons) claiming fifty seven percent (57%) of cargo discharged in Colombo.



### Transit Passengers

If BIA is to be developed as a hub airport in the region an important area to improve and develop would be to increase the number of transit passengers passing through the Airport.

The top ten airlines bringing in transit passengers are as below.

Airline	Number of Transit Passengers brought in
Sri Lankan Airlines	556,381
Emirates	2,178
Air Arabia	2,457
Mihin Lanka	1,684
Cathay Pacific Airways	569
Qatar Airways	531
Jetlite	488
Malaysia Airlines	345
Jet Airways	195
Singapore Airlines	138

### Domestic aviation

During the year under review there were only two (2) domestic scheduled operators viz. Expo Aviation Ltd that flew on the route Ratmalana - Palaly v.v. Deccan Aviation (Lanka) Ltd which commenced helicopter operations in June 2004 continued to operate to several destinations in the Country. They also operated fixed wing charter operations using their Beach 19 Aircraft. Daya Aviation Ltd continued with their private/Commercial operations.

With dawn of peace in the Country It is expected that the use of aircraft for charter and aerial work operations will be on the increase during the next couple of years.

Statistics relating to passenger transportation by local operators in the year under review are as follows.

Aircraft Type	Total number of flights		Total number of flying hours		Number of passengers transported	
	2008	2009	2008	2009	2008	2009
Helicopter	134	138	294.5	326	408	466
Balloon	5	7	5.25	10	36	42

The fixed wing aircraft were engaged mainly in the operation of passenger flights between Ratmalana and Jaffna airports. Statistics relating to transport of passengers on these routes are as follows.

Sector	2007	2008	2009
Ratmalana – Jaffna	37,126	52,522	52,618
Jaffna – Ratmalana	48,362	57,094	51,896
Ratmalana- Trincomalee	-	57	44
Trincomalee- Ratmalana	-	39	49

Performance of local airlines in the domestic air transport market in the year under review is as follows

Airline	2008			2009		
	Seat km	Pax km	Load factor	Seat km	Pax km	Load factor
Expo	39,020,384	31,873,036	81.68	36,014,540	28,397,996	78.85
Aero Lanka Ltd	11,435,136	9,722,116	85.02	10,466,688	9,722,116	92.89
Deccan Aviation	1,286,050	1,004,498	78.14	4,253,456	3,455,717	81.25
Daya Aviation	39,783	35,546	89.35	170,853	101,600	59.47

#### Travel Agents

As per the Air Navigation (Special Provisions) Act No 55 of 1992 and regulations made there under, all travel agents in Sri Lanka are required to obtain a license issued by the CAASL renewed on an annual basis. Considerable amount of employees are employed by these agents and following charts show the employment generated by this sector.





### **Bilateral Air Services Negotiations**

During the year under review Sri Lanka participated in bilateral air services negotiations with Oman, Nepal & UAE. The bilateral arrangements were further expanded and liberalized with the aforementioned countries to obtain benefits for the development of the economy.

### **Civil Aviation Bill**

The draft Civil Aviation Bill, which will replace the existing Air Navigation Act of 1950, was submitted to the line Ministry for enactment by Parliament. This Bill once enacted will provide for appointment of Service Providers for providing Aeronautical Services, Issue of Air Operator Certificates to Airlines on satisfactory compliance with the legal, financial, technical and operational requirements, Establishment of a Civil Aviation Development Fund, Imposing an Administrative Penalty for safety violations etc.

There were many meetings held in this regard to discuss the provisions of the bill for amendments however the bill is yet to be enacted as legislation. It is expected that the Act will be passed in 2010.

### **Airline Reservation & Fares Calculation Course**

The Section is responsible for the issuance of licenses for Air Transport Providers and the Section realized that the industry is lacking skilled human resources for travel agency ticketing staff. With the objective of redressing this, the Authority started a course for external students as proposed by the section in January 2009 and the first batch completed their course in April 2009 and the second batch was started in November 2009. There is a steady demand for this course as more and more students are applying to join the course.

### **Inspections for Overseas Sales Surcharge (OSS)**

In the year 2008 CAA amended the regulations imposed for tickets sold outside of Sri Lanka for travel originating in Sri Lanka. In order to monitor the payments a process of continuous inspection was started to ensure the smooth receipt of OSS returns from the Airlines. There were random inspections which were carried out at the airport check-in counters for foreign and local airlines. The inspection program helped to streamline the whole OSS regulatory process.

### **Training for students of Transport & Logistic Management Degree Program of University of Moratuwa**

The University of Moratuwa has started a degree program on Transport and Logistics and CAA is one of the main stakeholders of the degree program. As per the request made by the University, CAA facilitated two students for 06 months for their in-plant training and this training program was coordinated by the section successfully for two students during the year under review. DD (AT&LA) acted as their supervisor during the period.



## 4.2 HUMAN RESOURCES & OFFICE MANAGEMENT

### Staffing

The CAA at present consists of one hundred and thirty five (135) positions in the approved cadre which comprises of a Chief Executive Officer, twenty five (25) Senior Executives, thirty four (34) Executives, forty seven (47) Action Officers and twenty eight (28) Support Staff. A total of one hundred and thirteen (113) were attached as at the end of December 2009.

### Staff Welfare

CAA continued with its Medical Insurance Scheme as a welfare facility offered to employees and their immediate family members. A total of 113 employees enjoyed the medical insurance Indoor facility worth Rs. 713,383/= and Out Door facility worth Rs. 648,290/= during the period commencing from May 2008.

The Accident Insurance Policy was renewed with Sri Lanka Insurance Corporation Ltd under the instructions given by the circular no PF 437 dated 18.09.2009 issued by the Treasury. No evaluation process on the policies of different companies was carried out as the circular direct government organizations to obtain all insurance policies either from Sri Lanka Insurance Corporation Ltd. or National Insurance Trust Fund.

As a helping hand to the staff, the CAA has granted a sum of Rs. 299,176/= as Distress loans for twenty five (25) employees during period under review. Besides this, sums of Rs. 2,340,316/=, Rs. 100,000/= and Rs. 60,000/= respectively have been granted to purchase Vehicles, Motor bikes and Pushbikes as loans during the year.

### Outdoor workshop

Having continued with the concept of outdoor workshop for effective and efficient delivery of services, Annual Staff Outdoor Workshop was conducted for the 12<sup>th</sup> occasion in 2009 at the Hotel Centauria, Ambilipitiya under the theme of "Customer Care Within". The workshop was conducted successfully which was also attended by the Chairman, two Board members, Actg. DGCA & CEO. Mr.N.G.Kularatne, Director General of National Institute of Labour Studies was the resource person at this occasion.

### Trainings, Seminars, Workshops, Meetings, Conferences

A total of Rs. 11,346,640.07 was spent on Local and Foreign trainings, seminars, workshops, meetings, conferences for the staff of CAA during the year. The training requirements, as identified in the Programme Budget 2009 and the Training Programme 2009 were facilitated within the annual budgetary allocation. In all, forty eight (48) foreign trainings, seminars, workshops, meetings and conferences opportunities were offered to Executives; whilst thirty (30) and sixty nine (69) local trainings, seminars, workshops, meetings and conferences opportunities were offered to Executives and Action Officers respectively. Accordingly, a total of one hundred and forty seven (147) trainings, seminars, workshops, meetings and conferences opportunities were offered in the year. All these programmes were facilitated by the Human Resources & Office Management Section.

### Technical Library

Serving the interested parties in Aviation being the major objective of the Technical Library, the CAA library has been patronized by a number of users both within the staff of the CAA and aviation industry personnel. There is an increase of 21% in the year under review with regard to the number of outside users of the library. It serves as a resource and knowledge centre. A sum of Rs. 194,864/= was spent on the purchase of new publications to the library for the year 2009.

### CAA Website

Improvements were made to the CAA Website [www.caa.lk](http://www.caa.lk) and continued with updated information. Duties and functions of the CAA, important data and information about the CAA and all current activities are published in the website. Considering the current threats to websites, the security of the website has been upgraded with new technology.

### CAA Corporate Plan and Work Programmes

Corporate Plan for the year 2010-2012 was prepared and approval has been granted by the Authority.

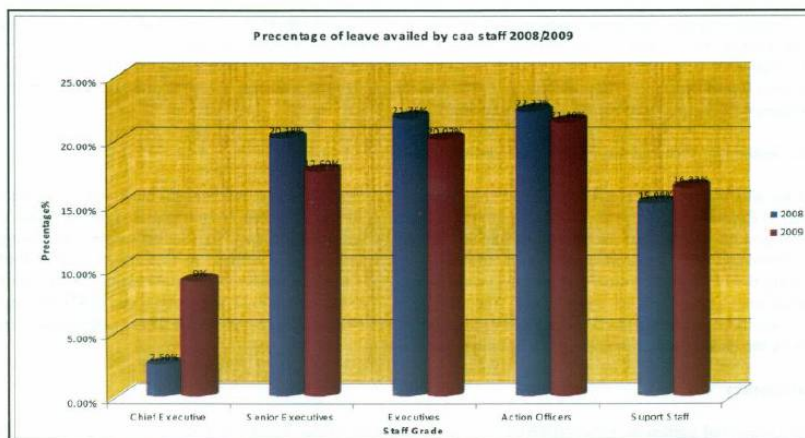
#### Automation of CAA

Information Technology Unit under the Human Resources & Office Management Section has been continued with the supporting service of automation in CAA. Day by day the use of Information Technology and Information Technology related process improvements have been taken place. Purchase of new hardware items with the assistance provided by the Information Technology Unit was one of the major tasks during 2009. Twelve computers and six laser printers have been purchased by spending a total of Rs.1, 048,300.00 and Rs179, 500.00 respectively. A total of Rs.289, 758.00 has been spent in purchasing other hardware items after following proper evaluation systems. Repairs attended in-house have been able to save a considerable amount of cost to CAA. Items have been repaired in house including CPU. Updating of software requirements was also attended by Information Technology Unit. ADSL facilities were provided to the CAA staff and the Civil Aviation Training Academy was installed with wireless connection in order to evaluate the training facilities at the center. Licensed software to protect the net work with virus was installed during the year 2009 to a cost of Rs124, 000.00.

\* will be notified later

#### Leave availed by the CAA employees

Close monitoring of late attendance records and short leave records were made during the year apart from the concessionary period granted in attendance due to difficulties faced by the staff when reporting to the office. As a matter of fact, incentives such as the Transport Allowance and the Leave Encashment facility have encouraged frequent attendance at work. Finger Print Machine was installed at the end of the year considering the government direction Public Administration Circular no.9/2009 dated 14.04.2009 and the employees of CAA are yet to be familiar with the new systems.



### 4.3 FINANCE MANAGEMENT

#### Programme Budget

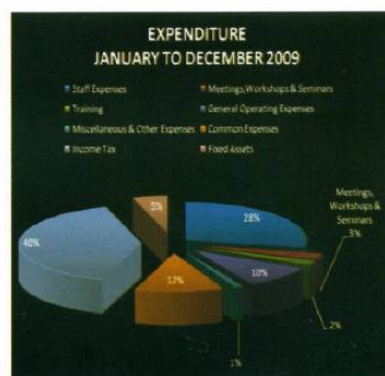
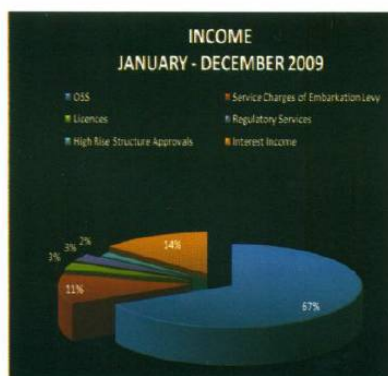
CAA prepared the Programme Budget- 2010, which sets out the expenditure of the ensuing year under four major programmes viz. Direction and Management, Aeronautical Services, Flight Safety and Corporate. The forecast income is Rs. 295.6 million as against the estimated expenditure, which is Rs. 289 million. The estimated expenditure has shown an increase of 13% compared to the last year and the forecast revenue has shown a increase of 335% compared to the forecasted revenue in year 2009.

#### CAA Revenue

After implementation of new regulation for Overseas Sales Surcharge (OSS) the CAA revenue has shown a remarkable increase which is 175% when compared to the previous year. A number of avenues for revenue has been identified during the year under review and would be finalized once the Civil Aviation bill is enacted by the Parliament.

#### Collection of Embarkation Levy

Beneficiary	2007 (Rs. Mn.)	2008 (Rs. Mn.)	2009 (Rs. Mn.)
General Treasury	653	-	-
AASL	1,418	1,479	1,499
Ceylon Tourist Board / Sri Lanka Tourism Development Authority	56	739	749
Civil Aviation Authority of Sri Lanka			53



### Conclusion

The CAA has performed a great deal of work in the year under review. These achievements were mainly due to superb teamwork and sheer dedication of the entire staff of the CAA. I am grateful to the Chairman who gave a good moral boost and leadership and the Members of the CAA for their unstinted support and co-operation for the effective functioning of the CAA.

I am also equally grateful to the Senior Executives, Executives, Action Officers and Support Staff of the CAA for their zealous commitment and dedicated service. I also take this opportunity to thank all officials of the line Ministry including Secretary, Ministry of Ports and Aviation, staff of other related State agencies concerned and all industry partners for their co-operation extended to the CAA to accomplish its mission.



**Parakrama Dissanayake.**  
Actg. Director General of Civil Aviation and  
Chief Executive Officer

26<sup>th</sup> February 2010



## ACHIEVEMENTS

### ACHIEVEMENTS OF THE CIVIL AVIATION AUTHORITY

	2008	2009
Number of Regulations/Notices/Rules issued		
Air navigation	07	03
Personnel licensing	02	11
Aircraft operation	04	06
Safety and Security Oversight duties and functions carried out		
New entry certification-Operation	-	01
New entry certification-Airworthiness	-	-
Ramp Inspections-Airworthiness	23	72
Ramp Inspections-Operation	09	21
Ramp Inspections-Combined	02	-
Aerodrome Inspections	09	10
Air navigation service providers' Inspections	-	30
Maintenance Organization Inspections	07	04
Flying Schools Inspections	04	05
Aviation Security inspections	11	-
Simulator inspections	06	06
En-route inspection-Operation	04	06
Dangerous Goods Inspection	-	19
Station Facility Inspection	-	02
Audits Completed		
Airworthiness	-	-
Operation	02	01
Combined (Airworthiness-Operations)	01	-
Air Navigation Services	01	-
Aerodromes certification	-	01
Documents Approvals		
Manuals Initial /Revision		
-flight operation	05	13
-Airworthiness	07	07
-Aviation Security	02	-
-ATC training program	08	03
-Cabin crew training program	14	04
-Flight Crew Training Program	-	08
- Air Navigation (AIS)	-	01
-Aerodromes	-	01

Number of licences, Approvals, Recommendations & Certificates issued /renewed

Category	2008	2009
<b>Personal Licensing (PL)</b>		
Student Pilot Licenses	179	156
Private Pilot Licenses	59	92
Commercial Pilot Licenses	294	210
Air Transport Pilot Licenses	448	336
Air Traffic Controller Licenses	74	27
Aircraft Maintenance Engineer Licenses	511	335
Aircraft Maintenance License.	95	115
Cabin Crew Certificate	361	96

Category	2008	2009
Flight Operation Officer License	13	5
Validation of Foreign Licenses	48	50
Validations (AME)	15	17
A/C Type Rating	50	57
FI Rating	-	1
Flying School Licenses-Renewal	02	2
Ground Instructor License	02	3
Ground Instructor Approvals	32	44
Air Traffic controllers Rating	50	79
Flying School Licenses	02	02
AME Category	32	20
<b>Air Navigation Services (ANS)</b>		
Approvals for construction of high rise structures.	2308	639
Approvals for issuances of NOTAM	182	115
Issuance of over flying clearance.	974	500
Landing permissions for non schedule flights	411	290
Recommendation of diplomatic flights	92	112
<b>Airworthiness (Aw)</b>		
Certificate of Airworthiness of aircrafts-Initial	03	04
Certificate of Airworthiness of aircrafts-Renewal	28	21
Approval of workshop of aircraft maintenance organization.	26	51
Certificate of registration of aircrafts-Initial	02	04
Certificate of registration of aircrafts-Renewal	29	23
Approval of Maintenance Organization with facility inspection	44	45
<b>Air Transport &amp; Legal Affairs (AT&amp;LA)</b>		
Domestic flight schedule approvals.	67	16
International flight schedule approvals	49	32
Visa recommendation for non technical experts staff	11	17
Charter licenses for Sri Lanka Registered Airline	05	03
Airline licenses for Sri Lanka Registered Airline	05	05
Charter licenses - International	03	-
Charter licenses - domestic regular	05	-
Air transport provider's licenses	258	325
Private Operations license	-	02
<b>Operations (Ops)</b>		
Special operations	19	23
Cabin crew authorization	361	112
Foreign air operator certificate - issuance	04	06
Check Authorization	-	45
Dangerous Good transport licenses - initial	16	01
Foreign air operator certificate - renewal	27	24
Dangerous Good transport licenses - renewal	16	14
Air Operator Certificate-initial	-	01
Air Operator Certificate-renewal	06	05
Approvals for simulator station facility	06	03
Simulator renewal	-	13
DCP Initial	-	03
DCP Renewal	-	17
<b>Aviation Security (Av. Sec.)</b>		
Approval for photography, video filming.	10	11
Approval for flowers drops and leaflet drops from the air.	01	-
Recommendation for issuance of airport access passes.	26	-
Approval for carriage of weapons on board/cargo holds of an aircraft	83	118

**Trainings & Meetings**

	<b>2008</b>	<b>2009</b>
Total number of training opportunities provided**		
-technical staff		
a. Foreign	04 (38 MDs)	14 (106 MDs)
b. Local	10 (129 MDs)	27 (350 MDs)
-Non Technical Staff		
a. Foreign	-	02 (15 MDs)
b. Local	29 (88 MDs)	37 (170 MDs)

\*\*training provided means instances provided for individuals  
MDs – Man Days

**ACHIEVEMENTS OF THE INDUSTRY**

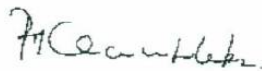
<b>Traffic Growth</b>	<b>2008</b>	<b>2009</b>
Passenger movements-international		
Embarked	2,320,715	2,136,055
Disembarked	2,247,685	2,100,361
Transit passengers-international	823,644	565,203
Cargo movement-international-M.Tons	-In 52,639	47,392
Cargo movement-international-M.Tons	-Out 90,632	84,242
Passenger movements-domestic	110,551	108,732
Aircraft Movements		
On-line Scheduled	30,621	27,545
Charter Schedule	1,024	1,057
Charter Non Schedule	-	-
Total number of revenue flights	31,645	28,602
Domestic aircraft movements	2,772	3,499
Number of Foreign airlines operated		
Schedule Passenger airlines	23	23
Charter passenger airlines	05	04
Cargo airlines	02	04
Number of local operators		
Licensed airlines	06	06
Licensed flying schools	02	02
Approved Maintenance Organizations	04	04
Total Number of Civil Aircrafts in Register		
Aircraft exceeding weight 22,000 lbs	20	19
Aircraft weight less than 22,000 lbs	09	10
Balloons	03	03
Others	01	01
Number of Aircraft accidents	00	00
Number of Aircraft incidents	03	00

## FINANCIAL STATEMENTS - 2009

### Statement of Responsibility of Members of the Authority to Financial Reporting

In terms of Section 14 & 15 of Civil Aviation Authority of Sri Lanka Act No 34 of 2002 the Members of the Authority are responsible for,

- i. keeping proper books of accounts of the income and expenditure, assets and liabilities and all other financial transactions of the Authority.
- ii. preparing accounts in accordance with the Sri Lanka Accounting Standards adopted by the Institute of Chartered Accountants of Sri Lanka under the Sri Lanka Accounting and Auditing Standards Act No. 15 of 1995 for the purpose of presenting a true and fair view of the financial performance and the financial condition of the Authority.
- iii. taking appropriate steps to safeguard the assets of the Authority and to establish appropriate internal controls to prevent and detect frauds and other irregularities.



Air Chief Marshal WDRMJ Goonetilleke  
Parakrama Dissanayaka,  
Chairman



Actg. Director General of Civil Aviation  
& Chief Executive Officer.

26<sup>th</sup> February 2010



**INCOME STATEMENT**  
**FOR THE YEAR ENDING 31<sup>ST</sup> DECEMBER 2009**

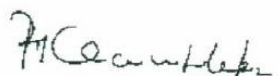
	Note	2009 (Rs)	2008 (Rs)
<b>INCOME</b>	01	<b>460,344,099.54</b>	<b>167,597,977.35</b>
<b>EXPENDITURE</b>		<b>152,370,726.25</b>	<b>131,355,702.32</b>
Staff Expenses	02	74,914,248.71	65,375,584.84
Meetings, Seminars & Workshops	03	6,862,716.54	6,928,538.68
Training	04	5,405,978.38	1,134,351.71
General Operating Expenses	05	25,721,176.62	23,316,253.32
Miscellaneous & Other Expenses	06	3,179,209.74	2,324,817.15
Common Expenses	07	30,704,460.08	28,279,571.62
Depreciation	08	5,582,937.18	3,996,585.00
<b>PROFIT FROM ORDINARY ACTIVITIES BEFORE TAX</b>		<b>307,973,373.29</b>	<b>36,242,275.03</b>
<b>INCOME TAX</b>		<b>108,356,591.00</b>	<b>12,684,796.26</b>
<b>NET PROFIT AFTER TAX</b>		<b>199,616,782.29</b>	<b>23,557,478.77</b>
Provision for Gratuity		-	1,940,032.00
Provision for Accident Investigation Fund		10,000,000.00	
<b>NET PROFIT AFTER TAX &amp; PROVISION</b>		<b>189,616,782.29</b>	<b>21,617,446.77</b>
<b>PROFIT &amp; LOSS A/C BROUGHT FORWARD</b>		<b>178,760,065.48</b>	<b>159,022,879.48</b>
Profit & Loss Account at the Beginning of the Year		180,640,326.25	160,041,883.00
Prior Year Adjustment		(1,880,260.77)	(1,019,003.52)
<b>PROFIT CARRIED FORWARD</b>		<b>368,376,847.77</b>	<b>180,640,326.25</b>

**BALANCE SHEET AS AT 31<sup>ST</sup> DECEMBER 2009**

	Note	2009 (Rs)	2008 (Rs)
<b>TOTAL ASSETS</b>		<b>692,600,278.32</b>	<b>419,085,788.52</b>
<b>Non-Current Assets</b>			
Property, Plant and Equipment	09	38,279,199.97	28,036,821.46
<b>Current Assets</b>	10	<b>654,321,078.35</b>	<b>391,048,967.06</b>
<b>EQUITY &amp; LIABILITIES, CAPITAL &amp; RESERVES</b>		<b>692,600,278.32</b>	<b>419,085,788.52</b>
<b>Equity</b>		<b>392,501,266.73</b>	<b>191,734,573.35</b>
Government Grants	11	10,472,417.05	11,094,247.10
Revaluation Surplus	12	13,652,001.91	
Profit & Loss Account		368,376,847.77	180,640,326.25
<b>Liabilities</b>		<b>300,099,011.59</b>	<b>227,351,215.17</b>
Non-Current Liabilities	13	9,261,388.00	8,647,281.00
Current Liabilities	14	290,837,623.59	218,703,934.17

The Significant Accounting Policies and Notes to the Financial Statements disclosed on pages 57 to 76 are an integral part of these Financial Statements

Signed for and on behalf of the Civil Aviation Authority of Sri Lanka,



Air Chief Marshal WDRMJ Goonetilleke  
Chairman

26<sup>th</sup> February 2010



Parakrama Dissanayaka,  
Actg. Director General of Civil Aviation  
& Chief Executive Officer.

26<sup>th</sup> February 2010

**CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2009**

	Note No:	Rs	Rs
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Net Profit before Taxation</b>		307,973,373.29	
for Adjustments			
Depreciation	08	5,582,937.18	
Interest Income		(60,857,281.28)	
Insurance Fund		77,800.00	
Gratuity Fund		1,017,200.00	
Prior Year Adjustments	15	5,706,790.38	
<b>Operating Profit Before Working Capital Changes</b>		<b>259,500,819.57</b>	
Decrease in Inventories	16	82,498.69	
Decrease in Receivables	17	(14,517,584.64)	
Increase in Payables	18	29,989,249.99	
<b>Cash Generating from Operations</b>		<b>275,054,983.61</b>	
Income Tax paid		(76,465,713.00)	
<b>Net Cash Flows from Operating Activities</b>			<b>198,589,270.61</b>

**CASH FLOWS FROM INVESTING ACTIVITIES**

Purchase of Property, Plant & Equipments	19	(12,608,055.55)
Decrease in Investments	20	(189,312,674.94)
Investment on Accident Investigation Fund		(10,000,000.00)
Investment on Gratuity Fund		(2,170,244.65)
Payments from Gratuity Fund		(51,950.00)
Interest Received		49,290,289.44
Staff Welfare and Social Security Fund - Fund		(428,943.00)
Staff Welfare and Social Security Fund - Asset		428,943.00

Net cash used in Investing Activities (164,852,635.70)

#### CASH FLOWS FROM FINANCING ACTIVITIES

Net Cash Used in Financing Activities NIL

Net Increase/Decrease in Cash and Cash Equivalent 33,736,634.91

CASH AND CASH EQUIVALENT AT THE BEGINNING OF THE YEAR 79,331,527.25

CASH AND CASH EQUIVALENTS AS AT 31<sup>ST</sup> DECEMBER 2009 21 113,068,162.16

#### STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDING 31<sup>ST</sup> DECEMBER 2009

	Government Grant	Accumulated Profit	Revaluation Surplus	Total
	Rs.	Rs.	Rs.	Rs.
Balance as at 31 <sup>st</sup> December 2008	11,094,247.10	180,640,326.25	-	191,734,573.35
Net Profit for the Year 2009	-	189,616,782.29	-	189,616,782.29
Transfers for the Year 2009	-	-	13,652,001.91	13,652,001.91
Charges for the Year 2008	621,830.05	1,880,260.77	-	2,502,090.82
Balance as at 31 <sup>st</sup> December 2009	10,472,417.05	368,376,847.77	13,652,001.92	392,501,266.73



**NOTES TO THE FINANCIAL STATEMENTS.**

Note No	2009 (Rs.)	2008 (Rs.)
<b>01 INCOME</b>	<b>460,344,099.54</b>	<b>167,597,977.35</b>
<b>Overseas Sales Surcharge (OSS)</b>	<b>310,495,664.25</b>	<b>73,945,454.05</b>
<b>Service Charge of Embarkation Levy</b>	<b>53,131,615.62</b>	<b>-</b>
<b>INITIAL ISSUE OF LICENCES / RATINGS / CERTIFICATE OF APPROVALS</b>	<b>1,037,435.00</b>	<b>1,051,215.00</b>
Private Pilot Licence (Aeroplanes / Helicopter)	80,040.00	41,400.00
Commercial Pilot Licence (Aeroplanes / Helicopter)	91,080.00	91,080.00
Airline Transport Pilot Licence (Aeroplanes / Helicopter)	131,100.00	186,300.00
Students Pilot Licence	60,720.00	61,910.00
Flight Instructor Ratings	8,280.00	4,140.00
Assistant Flight Instructor Licence Rating	-	16,560.00
Issue of Aircraft Type Rating	84,180.00	184,920.00
Flying School Licence	-	27,600.00
Validations of Foreign Crew Licence	169,050.00	318,330.00
Air Traffic Controller's Licence	9,660.00	5,520.00
Air Traffic Controller's Licence Rating	5,175.00	5,175.00
Air Transport Providers Licence (A)	340,000.00	95,000.00
Air Transport Providers Licence (B)	34,000.00	5,000.00
Flight Operations Officer – Initial	10,350.00	8,280.00
Private Operations Licence	13,800.00	-
<b>RENEWAL OF LICENCES.</b>	<b>2,696,445.00</b>	<b>2,865,746.00</b>
Private Pilot Licence (Airplanes/Helicopter)	35,880.00	25,530.00
Commercial Pilot Licence (Airplanes/Helicopter)	197,685.00	225,158.00
Airline Transport Pilot Licence (Airplanes/Helicopter)	621,000.00	656,063.00
Student Pilot Licence	24,495.00	29,325.00

Civil Aviation Authority of Sri Lanka

Airline Licence	69,000.00	138,000.00
Flying School Licence	27,600.00	13,800.00
Charter Licence	138,000.00	172,500.00
Air Traffic Controller's Licence	15,525.00	4,140.00
Air Traffic Controller's Licence Rating	44,850.00	53,130.00
Air Transport Provider Licence (A)	1,185,000.00	1,230,500.00
Air Transport Provider Licence (B)	10,000.00	7,450.00
Air Craft Maintenance Engineers Licence	259,440.00	261,510.00
Air Craft Maintenance Licence	50,370.00	48,640.00
Private Operations Licence	17,600.00	-
<b>ISSUES / RENEWALS OF CERTIFICATES.</b>	<b>7,500,870.00</b>	<b>7,054,748.00</b>
Certificate of Airworthiness - Initial issue	518,949.00	185,265.00
Certificate of Airworthiness - Renewal	6,198,891.00	6,065,583.00
Certificate of Registration (Aircraft) - Initial issue	41,400.00	20,700.00
Certificate of Registration (Aircraft) - Renewal	151,800.00	303,600.00
Organizational Approval	551,880.00	410,600.00
Validation of foreign AME's Licence	31,050.00	55,200.00
Change of Ownership	6,900.00	13,800.00
<b>AMENDMENTS TO AIRLINE LICENCE</b>	<b>2,760.00</b>	<b>2,070.00</b>
Air Transport Provider Licence	2,760.00	1,380.00
Operations Specifications	-	690.00
<b>MEDICAL EXAMINATION FEES</b>	<b>226,089.25</b>	<b>166,385.00</b>
Initial	59,330.00	62,230.00
Renewal	166,759.25	104,155.00
<b>EXAMINATIONS</b>	<b>1,573,653.00</b>	<b>2,072,557.00</b>
Private Pilot Licences (Airplanes)- PPL	224,388.00	226,872.00
Commercial Pilot Licence (Aeroplanes)- CPL	57,960.00	17,595.00
Air Transport Provider Licence - ATPL	-	198,604.00

Civil Aviation Authority of Sri Lanka

Special Air Law Examination	52,785.00	27,945.00
Grant of AME Licence	172,500.00	431,250.00
Flight Operation Officer	20,700.00	127,650.00
Issue of Additional AME Ratings	46,920.00	6,900.00
English Language Proficiency Test	168,000.00	553,000.00
Aircraft Maintenance Licence (AML)	830,400.00	482,741.00

**REGULATORY SERVICES** **13,620,270.00** **13,780,097.00**

**Air Operator Certificates**

Evaluation of applications for Grant of an authorization or a AOC for

Regular Public Transport -Private Operations 25,000.00

Regular Public Transport - Domestic Operations 250,000.00 -

Evaluation of applications for renewal of an authorization or a AOC for,

Private operations 2,500.00 2,500.00

Aerial Work Operations 5,000.00 5,000.00

Charter / Domestic Operations 100,000.00 125,000.00

Charter / International Operations 100,000.00 150,000.00

Regular Public Transport Domestic Operations 100,000.00 150,000.00

Regular Public Transport International Operations 100,000.00 100,000.00

Evaluation of applications for amendment to any Airline Licence in order to increase nature or scope,

Regular Public Transport Domestic Operations - 50,000.00

**Aerodrome**

Evaluation of applications for Amendment to the Licence of,

An Authorized Land Aerodrome - 4,500.00

A registered land, water aerodrome, STOL port - 18,000.00

**Flying School Licences**

Evaluation of applications to Grant of a Flying School Licence 300,000.00 300,000.00

Evaluation of applications to Renewal of Flying School Licence 20,000.00 10,000.00

Evaluation of applications to Amendment to a Flying School Licence - 20,000.00

**Aircraft Maintenance Organization (AMO) Certificate**

## Evaluation of applications for approval of Aircraft Maintenance Organization

Located in Sri Lanka	50,000.00	50,000.00
Located outside Sri Lanka	300,000.00	500,000.00

## Evaluation of applications for Renewal of AMO Certificates

Aircraft Maintenance Organizations - Located in Sri Lanka	40,000.00	60,000.00
Aircraft Maintenance Organizations - Located outside Sri Lanka	637,793.00	651,000.00

## Evaluation of applications for Amendment to AMO Certificate

Aircraft Maintenance Organizations - Located in Sri Lanka	-	20,000.00
Aircraft Maintenance Organizations - Located outside Sri Lanka	60,000.00	40,000.00

## Effecting an Amendment to Aircraft Maintenance Organization

Aircraft Maintenance Organizations - Located in Sri Lanka	-	5,000.00
Aircraft Maintenance Organizations - Located outside Sri Lanka	15,000.00	10,000.00

**Certificate Of Registration**

## Inspection of Aircrafts prior to grant of registration

Ultra Light Aircraft		2,500.00
Heavy Aircraft	150,000.00	50,000.00
Light Helicopter	10,000.00	

## De-registration of Aircrafts in the existing registry

Ultra Light Aircraft	-	250.00
Heavy Aircraft	-	5,000.00
Intermediate Helicopter	-	1,500.00

## Issue of Noise Certificate

10,000.00	-
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## Amendment or addition of any information in the Certificate of Airworthiness and Register of Certificate Of Airworthiness

Above 5700 kgs	-	5,000.00
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## De-registration of an Aircraft in the existing registry

Heavy Aircraft	15,000.00	-
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## Grant a certified copy of information contained in the Civil Aircraft Registry of Sri Lanka.

4,000.00	1000.00
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**Licences, Ratings and Validations**

## Evaluation of applications for grant and re-activation of

Student Pilot Licence	33,500.00	30,500.00
Private Pilot Licence	34,000.00	20,500.00
Commercial Pilot Licence	85,500.00	84,000.00
Airline Transport Pilot Licence	68,000.00	66,000.00
Air Traffic Controller Licence	18,000.00	9,000.00
Flight Operations Officer Licence	7,500.00	12,000.00
Aircraft Maintenance Engineer Licence	117,000.00	216,000.00
Aircraft Maintenance Licence	129,000.00	69,000.00
Other Licence/Certificate	1,000.00	-

## Evaluation of applications for validation of any Foreign Licence

Foreign Private Pilot Licence	1,500.00	-
Foreign Commercial Pilot Licence	91,500.00	139,500.00
Foreign Airline Transport Pilot Licence	168,000.00	318,000.00
Foreign Aircraft Maintenance Engineer Licence	18,000.00	45,000.00

## Evaluation of applications for endorsement –Additional type rating on Licences

91,000.00	138,000.00
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## Evaluation of applications for endorsement-type rating –for the purpose or up-grading

15,000.00	6,000.00
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## Evaluation of applications for renewal of the Licences &amp; Ratings c

Student Pilot Licence	7,500.00	14,000.00
Private Pilot Licence	8,500.00	5,750.00
Commercial Pilot Licence	117,750.00	129,500.00
Airline Transport Pilot Licence	286,750.00	302,000.00
Air Traffic Controller Licence	30,000.00	9,000.00
Aircraft Maintenance Engineer Licence	517,500.00	502,500.00
Aircraft Maintenance Licence.	103,500.00	75,000.00
Other Licence/Certificate	9,000.00	-

## Evaluation of applications for renewal of validation of any Foreign Licence

Commercial Pilot Licence	4,500.00	
Aircraft Maintenance Engineer Licence	22,500.00	49,500.00

Endorsement of Additional Type Rating on Licences	20,500.00	35,000.00
Evaluation of Applications for Re-activation of Ratings.	48,000.00	64,000.00
Recommendations for visas (Except for students)	110,000.00	114,000.00
Verification of Licences (Except for foreign CAA)	39,000.00	-
Providing technical opinions regarding competency and eligibility of the Foreign Licences holders for recruitments.	-	27,500.00
Express Evaluation (Within 24 hours) of applications for grant /reactivation of		
Student Pilot Licence	2,000.00	2,000.00
Commercial Pilot Licence	-	4,500.00
Airline Transport Pilot Licence	16,000.00	16,000.00
Flight Operations Officer Licence	-	6,000.00
Aircraft Maintenance Engineer Licence	18,000.00	-
Express Evaluation for Endorsement of Additional Type Rating on Licences	8,000.00	24,500.00
Express Evaluation for Endorsement of Additional Type Rating on Licences for the purpose of upgrading	-	500.00
Express Evaluation of applications for Renewal of Licences & Ratings of		
Student Pilot Licence	-	500.00
Private Pilot Licence	2,500.00	-
Commercial Pilot Licence	30,000.00	31,500.00
Airline Transport Pilot Licence	124,000.00	150,000.00
Aircraft Maintenance Engineer Licence	12,000.00	6,000.00
Aircraft Maintenance Licence	-	15,000.00
Express Evaluations for reactivation of Ratings	8,000.00	
Express verification of Licence (Except for foreign CAA)	8,000.00	8,000.00
Facilitation fees for conduct of Medical Examinations for		
Initial of Licences	126,465.00	157,000.00
Renewal of Licences	375,750.00	377,690.00
Facilitation fees for conduct of Medical Boards on a Licensee who's medical fitness is in question	45,000.00	35,563.00
AME Licences Issuance Charges	37,260.00	140,760.00
AML Licences Issuance Charges	149,040.00	82,800.00

**Certificate of Competency for Cabin Crew Members**

Evaluation of an application for initial issue of Certificate of Competency for Cabin Crew Members	5,000.00	147,000.00
Issuance of new certificate after a period of 05 years	-	59,000.00

**Certificate to transport Dangerous Goods by Air**

Evaluation of applications for grant approval for		
Only International operations	-	25,000.00
Grant of an approval for one year	-	10,000.00
Evaluation of applications for Renewal for		
Only International operations	180,000.00	195,000.00
Renewal of an approval for one year	120,000.00	130,000.00

**Act as an Instructor**

Evaluation of applications for Grant Approval	60,000.00	55,000.00
Grant of approvals	18,000.00	10,000.00
Evaluation of applications for Renewal	16,000.00	4,000.00

**Use of Synthetic Flight Trainer.**

Evaluation of an application for renewal of approval for use of a synthetic flight trainer.	1,250.00	-
Renewal of approval for use of a synthetic flight trainer.	1,250.00	-

**Simulator**

Evaluation of applications & Inspection prior to use simulator	300,000.00	300,000.00
Grant of approvals to use a simulator	150,000.00	150,000.00
Evaluation of applications for Renewal	150,000.00	150,000.00
Renewal of approvals to use a simulator	100,000.00	100,000.00

**Pilot Training Programme**

Evaluation of applications for Grant Approval	30,000.00	45,000.00
Grant of Approvals	6,000.00	9,000.00

Amendment to an approve Pilot Training Programme.	9,000.00	27,000.00
<b>Operations Manuals</b>		
Evaluation of applications for approval or amendments exce of 50% of initial Volume - Regular Public/Charter Operations	12,500.00	150,000.00
Evaluation of applications for approval or amendments exce of 25% of initial Volume - Regular Public/Charter Operations	25,000.00	
Grant Approval for Flight Operations Manual		
Regular Public & Charter Operations	-	25,000.00
Aerial Work Operations	10,000.00	-
Private Operations	5,000.00	-
<b>Maintenance Control Manual</b>		
Evaluation of applications for approval or amendments excess of 50% of initial Volume	50,000.00	50,000.00
Grant Approvals	35,000.00	40,000.00
Evaluation for amendments (for each 25% of initial volume)	75,000.00	87,500.00
<b>Maintenance Schedule</b>		
Evaluation of Applications for Approval	50,000.00	20,000.00
Evaluation of Amendments	13,400.00	19,600.00
<b>Engineering Training Manual</b>		
Evaluation of a request of approval	25,000.00	-
Grant of Approval	2,000.00	-
<b>Air Transport Statistics</b>		
For less than one year.	4,000.00	7,000.00
For more than one year & less than five years	78,000.00	105,000.00
<b>Nominated Post Holders of Air Operators</b>		
Evaluation of qualifications for approval (per person)	18,000.00	12,000.00
Grant of approvals	18,000.00	12,000.00
<b>Use of Technical Library</b>		



Photocopy /Scanning documents.	157,065.00	324,277.00
Electronic Copies of documents	300.00	600.00
Current Copies of ICAO Documents	29,417.00	206,902.00
CAA Manuals, Hand Books, Broachers, or any other publications	194,700.00	82,150.00
<b>Air Transport Providers Licence</b>		
Evaluation of applications for the Initial Issuance	242,500.00	52,500.00
<b>Foreign Air Operator Certification</b>		
Initial Issue – International Airline Licences for Foreign Scheduled Airlines after FAOC programme.	700,000.00	400,000.00
Initial Issue – Charter Licences	-	150,000.00
Renewal of International Airlines Licences for scheduled Operators	1,725,000.00	1,875,000.00
Renewal of Charter Licences	-	103,450.00
<b>Ferry Flight/Test Flight Permit</b>		
Evaluation of Applications for Grant permit	120,000.00	70,000.00
Grant Permits	12,000.00	7,000.00
<b>Permissions to operate Foreign Registered Aircrafts on Wet Lease/ Dry Lease/Charter by an AOC Holder-</b>		
Evaluation of applications to operate on Wet Lease	100,000.00	200,000.00
Grant approvals to operate on Wet Lease	25,000.00	150,000.00
<b>Approval for Maintenance Activities</b>		
Evaluation of applications to Grant one time approval for specialized Maintenance Activities.	50,000.00	30,000.00
Evaluation of applications to Grant validations to Foreign Licence Holders for a specific task or a Special Maintenance on Sri Lankan registered aircraft.	50,000.00	40,000.00
Grant one time Approvals for specialized Maintenance Activities	25,000.00	17,500.00
<b>Special Flight Authorization to Operations Specifications of an AOC</b>		
Evaluation of applications to Grant approval	52,500.00	87,500.00

Grant Approvals	33,000.00	54,000.00
<b>Ground Handling at Airport</b>		
Initial Grant Approval	-	2,500.00
Renewal of Approval	-	3,840.00
<b>Special Operations</b>		
Evaluation of applications for approval of any special operation	185,000.00	130,000.00
Grant of Approvals (per activity)	82,500.00	65,000.00
Grant of Approval for Amendment	14,000.00	-
<b>Engineering Workshop Capability Level</b>		
Evaluation of applications for approval	207,500.00	130,000.00
Grant Approvals	115,000.00	67,500.00
Evaluation of applications to Grant approval for modifications of an aircraft		
Minor modifications	25,000.00	5,000.00
<b>Third Party work per Airline for one year</b>		
Aircraft Engineering & Maintenance	300,000.00	150,000.00
<b>Training Programmes</b>		
Evaluation of an applications for Grant Approval	100,000.00	70,000.00
Grant Approval	85,000.00	60,000.00
Evaluation of an application for Amendments. (for each 25% of initial volume)	35,000.00	-
Grant of Approval for Amendment	17,500.00	-
<b>Air Traffic Services (Operations)/ Aerodrome Aeronautical Information Services Manual.</b>		
Evaluation of Amendments.	-	2,000.00
<b>Renewal of Lapsed Licences/Certificates (Except Personnel/Airline Licences)</b>		
Less than 06 months	-	41,400.00
Between 06-24 months	5,175.00	3,750.00

Beyond 24 months	-	33,915.00
<b>Renewal of Lapsed Air Transport Provider Licence.</b>		
Less than 06 months	29,055.00	20,000.00
Beyond 06 months	613,400.00	36,000.00
<b>Grant of No Objection Letters</b>	7,000.00	42,000.00
<b>Grant of Certified Copies of Any Licence / Certificate/ Authorization issued by DGCA</b>	64,000.00	92,000.00
<b>Making available to an air operator or potential Air Operator CAA Inspectors to visit overseas for inspections.</b>	1,084,250.00	1,035,000.00
<b>Export Certificate of Airworthiness</b>		
Evaluation of applications to grant approval		
Aircrafts above 5700Kgs	25,000.00	25,000.00
Issue of Approvals	4,000.00	2,000.00
<b>Flight Check En-Route Surveillance – Revision of Manuals</b>	78,200.00	92,400.00
<b>OTHER INCOME</b>	<b>7,338,455.86</b>	<b>18,392,557.90</b>
Telecommunication Tower Approvals	6,420,000.00	17,982,000.00
Other Sources	73,644.00	85,347.00
Late Submission Fees	5,500.00	-
Rental Income (Official Quarters)	65,666.40	64,545.90
Miscellaneous Income	-	21,365.00
CAATA Income- Hiring Charges	84,550.00	239,300.00
<b>INTEREST INCOME</b>	<b>62,720,841.56</b>	<b>48,267,147.40</b>
Interest from Staff Loans	1,863,560.28	1,527,538.54
Treasury Bills	54,814,928.03	41,058,590.30
Call Deposits	6,042,353.25	5,681,018.56
Nation Building Tax	689,095.46	-

<b>02</b>	<b>STAFF EXPENSES</b>	<b>74,914,247.71</b>	<b>65,375,584.84</b>
	Salaries & Wages	37,017,378.62	34,729,558.91
	Other Allowances	21,333,272.91	16,928,239.25
	Cost of Living Allowance	6,222,000.00	3,984,725.80
	Transport Allowance	7,888,933.33	6,502,687.50
	Professional Allowance	3,897,000.00	3,370,000.00
	Leave Encashment	2,897,589.58	2,494,729.17
	Vehicle Allowance	210,000.00	492,096.78
	Special Allowance	217,750.00	84,000.00
	Employee's Provident Fund	7,907,840.02	7,032,918.22
	Employee's Trust Fund	1,583,586.89	1,405,541.38
	PAYE Tax	2,354,207.08	2,033,386.82
	Bonus	1,164,999.98	816,803.54
	Gratuity	1,017,200.00	113,437.50
	Welfare Expenses	2,535,762.21	2,315,699.22
<b>03</b>	<b>MEETINGS, SEMINARS &amp; WORKSHOPS</b>	<b>6,862,716.54</b>	<b>6,928,538.68</b>
	Local	1,363,464.60	1,027,296.81
	Foreign	5,499,251.94	5,901,241.87
<b>04.</b>	<b>TRAINING</b>	<b>5,405,978.38</b>	<b>1,134,351.71</b>
	Local	790,616.93	369,138.00
	Foreign	4,615,361.45	765,213.71
<b>05.</b>	<b>GENERAL OPERATING EXPENSES</b>	<b>25,721,176.62</b>	<b>23,316,253.32</b>
	Overtime & Holiday Pay	3,165,685.40	2,665,297.52
	Traveling Expenses - Local	16,290.00	3,850.81
	Stationery/Consumables	2,670,335.11	2,503,030.69
	Other Supplies	126,539.96	232,123.87
	Board Payments	97,580.00	102,000.00
	Telecommunication	2,000,555.44	2,219,048.60
	Postal charges	155,089.14	131,020.08



	Subscriptions to Local / International organizations	14,254,727.20	13,530,091.28
	Subscriptions / Publications / Newspapers	226,964.26	304,085.66
	Examination (Payment to Examiners)	165,540.00	6,000.00
	Printing Expenses	1,542,726.61	661,995.77
	Civil Aviation Authority Training Academy	1,299,143.50	1,261,794.70
<b>06</b>	<b>MICELLANEOUS AND OTHER EXPENSES</b>	<b>3,179,209.74</b>	<b>2,324,817.15</b>
	Miscellaneous Expenses	2,275,936.57	1,204,749.92
	Maintenance of Plant, Machinery & Equipments	903,273.17	1,120,067.23
<b>07</b>	<b>COMMON EXPENSES</b>	<b>30,704,460.08</b>	<b>28,279,571.62</b>
	Rent & Hire Charges	-	366,168.00
	Fuel & Lubricants	3,325,499.60	3,650,044.23
	Maintenance of Office Building & Quarters	23,426,450.13	22,259,566.09
	Rent of the Building	15,009,348.00	14,622,463.40
	Electricity	5,793,540.54	5,169,331.46
	Water	447,774.44	375,654.00
	Security	1,023,662.14	896,710.14
	Janitorial	722,665.00	579,525.40
	Other	429,460.01	619,668.49
	Maintenance of Vehicles	1,641,417.40	2,000,006.50
	Social Responsibility Levy	1,616,888.0	-
	Nation Building Tax	694,204.95	-
<b>08</b>	<b>DEPRECIATION</b>	<b>5,582,937.18</b>	<b>3,996,585.00</b>
	Buildings	-	15,776.05
	Vehicles	2,937,853.56	1,520,833.50
	Plant, Machinery and Equipment	1,874,997.43	1,514,790.97
	Furniture and Fittings	770,086.19	945,184.48

<b>NOTE NO. 09 PROPERTY, PLANT AND EQUIPMENT</b>							
	<b>Land</b>	<b>Buildings</b>	<b>Vehicles</b>	<b>Plant Machinery &amp; Equipment</b>	<b>Furniture and Fittings</b>	<b>Other Fixed Assets</b>	<b>Total</b>
<b>Cost / Valuation</b>							
Cost as at 01.01.2009	5,359,200.00	9,327,445.05	16,232,128.20	18,171,394.11	7,151,069.67	999,079.00	<b>57,240,316.03</b>
Additions during the year 2009	-	-	-	2,867,418.36	261,770.19	-	<b>3,129,188.55</b>
Revaluation Adjustment on Accumulated Depreciation	-	-	(3,095,625.00)	(10,025,429.06)	(4,628,705.99)	-	<b>(17,750,060.05)</b>
Revaluation Surplus on Revaluation of Property	-	-	4,720,625.00	3,929,672.93	5,001,703.98	-	<b>13,652,001.91</b>
Disposals/Transfers During the Year	-	-	-	-	-	-	-
<b>Cost as at 31.12.2009</b>	<b>5,359,200.00</b>	<b>9,327,445.05</b>	<b>17,857,128.20</b>	<b>14,942,756.34</b>	<b>7,785,837.85</b>	<b>999,079.00</b>	<b>56,271,446.44</b>
<b>Depreciation</b>							
Accumulated depreciation as at 01.01.2009	-	3,861,226.05	4,616,458.50	14,900,074.05	5,056,699.97	949,036.00	<b>29,203,494.57</b>
Charges for the year 2009							
Profit & Loss Account	-	-	2,937,853.56	1,874,997.43	770,086.19	-	<b>5,582,937.18</b>
Government Grants	-	621,830.05	-	-	-	-	<b>621,830.05</b>
Depreciation Policy Adjustment on Accumulated Depreciation	-	-	(152,083.50)	371,847.86	113,980.36	-	<b>333,744.72</b>
Revaluation Adjustment on Accumulated Depreciation	-	-	(3,095,625.00)	(10,025,429.06)	(4,628,705.99)	-	<b>(17,749,760.00)</b>
Disposals/Transfers During the Year	-	-	-	-	-	-	-
<b>Accumulated depreciation as at 31.12.2009</b>	<b>-</b>	<b>4,303,056.10</b>	<b>4,306,603.56</b>	<b>7,121,490.28</b>	<b>1,312,060.53</b>	<b>949,036.00</b>	<b>17,992,246.47</b>
<b>Net book value as at 31.12.2009</b>	<b>5,359,200.00</b>	<b>5,024,388.95</b>	<b>13,550,524.64</b>	<b>7,821,266.06</b>	<b>6,473,777.32</b>	<b>50,043.00</b>	<b>38,279,199.97</b>
<b>Net book value as at 31.12.2008</b>	<b>5,339,200.00</b>	<b>5,646,219.00</b>	<b>11,615,669.70</b>	<b>3,271,320.06</b>	<b>2,094,369.70</b>	<b>50,043.00</b>	<b>28,036,821.46</b>

<b>10 CURRENT ASSETS</b>	<b>654,321,078.35</b>	<b>391,048,967.06</b>
Staff Welfare and Social Security Fund	361,021.00	789,964.00
Accident Investigation Fund	30,000,000.00	20,000,000.00
Gratuity Fund	5,560,076.65	3,389,832.00
Investments – Treasury Bills	273,726,813.51	84,414,138.57
Consumable Stores	1,148,611.24	1,231,109.93
Goods in Transit - vehicles	9,479,167.00	
<b>Debtors (a + b + c)</b>	<b>23,569,066.66</b>	<b>28,931,535.73</b>
Loans - (a)	<b>22,518,702.34</b>	<b>21,120,876.12</b>
Staff Loans (Existing Staff)	22,513,007.34	21,075,520.40
Staff Loans (Transferred Officials)	5,695.00	45,355.72
Advances - (b)	<b>446,787.75</b>	<b>474,846.13</b>
Staff - for operating activities	321,787.75	349,846.13
JHS Enterprises (Fuel)	125,000.00	125,000.00
Other Debtors -(c)	<b>603,576.57</b>	<b>7,335,813.48</b>
COSCAP Office	102,140.97	120,988.48
Dept. of Inland Revenue	-	6,999,745.00
Other Payments	-	322.00
Daya Aviation- Deposit Inspections	-	18,228.00
Sri Lankan Airlines- Deposit Operations	-	196,530.00
Qatar Airways – Deposit Inspection	80,896.50	-
Asian Aviation Centre- Deposit publications	70,100.00	-
Other Payment	322.00	-
Other Institutions	350,117.10	-
<b>Receivables</b>	<b>65,978,614.95</b>	<b>42,637,185.50</b>
Value Added Tax	11,577,999.87	7,547,790.19
Interest Income	24,765,153.96	13,198,162.12
OSS (EJ Tax) & Regulatory Services income	29,635,461.12	21,891,233.19

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<b>Prepayments</b>	<b>3,679,546.05</b>	<b>2,573,674.95</b>
Staff expense welfare	666,672.40	-
Common Expenses- Building Rent – C.A.S. Abesekara	2,501,558.00	2,501,558.00
General operating Expenses		
Telecommunication	7,061.78	12,500.00
Postal Charges	2,500.00	-
Miscellaneous and Other Expenses – Maintenance of Plant, Machinery	48,716.67	59,616.95
<b>Treasury Current Account</b>	<b>203,336,525.00</b>	<b>176,788,000.00</b>
Cash (Current Account No: 0002026678)	26,086,525.87	9,038,000.87
Investments	177,247,999.13	167,749,999.13
<b>Cash and Cash Equivalent</b>	<b>37,481,636.29</b>	<b>30,293,526.38</b>
Cash (Current Account No: 0002026666)	27,481,636.29	25,293,526.38
Call Deposits	10,000,000.00	5,000,000.00
<b>11 GOVERNMENT GRANTS</b>	<b>10,472,417.05</b>	<b>11,094,247.10</b>
Land	5,359,200.00	5,359,200.00
Buildings	4,832,647.95	5,454,478.00
Vehicles	91,875.00	91,875.00
Other Fixed Assets	188,694.10	188,694.10
<b>12 REVALUATION SURPLUS</b>	<b>13,652,001.91</b>	<b>-</b>
Vehicles	4,720,625.00	-
Plant, Machinery and Equipment	3,929,672.93	-
Furniture and Fittings	5,001,703.98	-
<b>13 NON-CURRENT LIABILITIES</b>	<b>9,261,388.00</b>	<b>8,647,281.00</b>
Deposits - Bank Guarantee	2,142,000.00	2,142,000.00
Insurance Fund	423,500.00	345,700.00
Provision for Gratuity	6,334,867.00	5,369,617.00
Staff Welfare and Social Security Fund (Pension Fund)	361,021.00	789,964.00
<b>14 CURRENT LIABILITIES</b>	<b>290,837,623.59</b>	<b>218,703,934.17</b>
Accrued Expenses (d + e + f + g)	51,006,381.65	17,037,838.35



<b>Staff Expenses (d)</b>	<b>3,907,421.76</b>	<b>3,395,331.85</b>
Salaries & Wages	27,220.00	-
Cost of Living Allowance	165,000.00	-
Pay As You Earn Tax	-2,086.54	213,978.56
Transport Allowance	662,775.00	636,125.00
Employee Provident Fund	75,162.72	48,269.12
Employee Trust Fund	7,581.00	-
Leave Encashment	2,897,179.58	2,494,729.17
Bonus	66,500.00	-
Welfare	8,090.00	2,230.00
<b>General Operating Expenses (e)</b>	<b>1,882,994.16</b>	<b>1,619,386.08</b>
Overtime & Holiday Pay	348,223.99	235,020.44
Travelling Expenses-Local	240.00	-
Telecommunication	195,876.65	136,450.44
Postal Charges	4,586.00	-
Printing Expenses	105,000.00	-
Subscriptions to Local/International Organizations	137,165.52	-
Subscriptions for Publications and Advertisements	4,960.00	-
Audit Fees	645,389.00	923,989.00
Training Academy Expenses	109,339.00	193,361.20
Stamp Duty	332,214.00	130,565.00
<b>Miscellaneous and Other Expenses (f)</b>	<b>273,023.54</b>	<b>118,257.05</b>
Miscellaneous Expenses	85,998.54	118,257.05
Maintenance of Plant, machinery & Equipment	187,025.00	-
<b>Common Expenses (g)</b>	<b>44,942,942.19</b>	<b>11,904,863.37</b>
Fuel & Lubricants	86,226.60	-
Income Tax - SRL	647,861.00	-
Income Tax /ESC	44,045,516.00	11,901,076.57
Nation Building Tax	113,276.82	-
Building Maintenance	7,901.15	3,786.80

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Water		
Security	32,079.62	-
Other	10,081.00	-
Social Responsibility Levy	642,554.00	-
<b>Accident Investigation Fund</b>	<b>30,000,000.00</b>	<b>20,000,000.00</b>
<b>Creditors</b>	<b>209,831,241.94</b>	<b>181,666,095.82</b>
Deposit – Inspection Charges -	<b>1,877,100.40</b>	<b>1,250,952.38</b>
Expo Aviation (Pvt) Ltd.	518,150.71	385,478.92
Kuwait Airways	31,698.84	31,698.84
Asian Aviation Center	331.00	331.00
SriLankan Airlines Ltd.	528,594.81	45,073.38
Mihin Lanka	53,903.78	39,637.38
Malaysian Airlines	27,402.00	27,402.00
Aero Lanka (Pvt) Ltd.	36,655.40	36,655.40
K.L.M. Royal Dutch Air	29,317.00	29,317.00
Decan Aviation (Pvt) Ltd	229,124.89	278,364.71
Gulf Air	23,848.45	26,691.95
Emirates	23,903.78	23,903.78
SIA Engineering Co.	12,911.68	12,613.96
MTU Maintenance Organization	68,376.21	68,376.21
Daya Aviation	35,709.00	-
Oman Air	52,947.68	52,947.68
IHI Corporation	192,460.17	192,460.17
JSC Aeroflot Russian Air	11,765.00	-
<b>Deposit – Operations</b>	<b>1,106,379.30</b>	<b>469,141.13</b>
Sri Lankan Airlines	509,871.00	-
Expo Aviation (Pvt) Ltd.	572,722.17	445,355.00
Mihin Lanka (Pvt) Ltd.	23,786.13	23,786.13
<b>Creditors - Income</b>	<b>788,534.57</b>	<b>788,534.57</b>
Deposit – WHT (Inland Revenue Dept.)	83,079.00	71,395.00

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Deposit - Medical (For Doctors)	232,790.44	187,588.82
Deposit - Other	125,305.00	125,305.00
Deposit - Common	699,007.39	689,724.29
Deposit - Insurance	4,520.28	5,501.29
Deposit - Exam Fees	1,483,773.21	1,288,353.35
Deposit- Airfare & Ticketing Course	94,227.35	1,600.00
Treasury Current Account	203,336,525.00	176,788,000.00
Civil Aviation Authority of Sri Lanka	5,083,413.13	-
Airport & Aviation Services (Pvt) Ltd.	132,168,741.25	117,858,666.67
Sri Lanka Tourism Development Authority	66,084,370.63	58,929,333.33
<b>15 PRIOR YEAR ADJUSTMENTS</b>	<b>5,706,790.38</b>	
Adjusted to the Profit & Loss Account	(1,880,260.77)	
Less: Non cash transactions		
Depreciation	333,744.72	
Income Tax	793,013.43	
Transfer Tax Payments	6,460,293.00	
<b>16 INCREASE IN INVENTORIES</b>	<b>82,498.69</b>	
Consumable Stores	82,498.69	
<b>17 INCREASE IN RECEIVABLES</b>	<b>14,517,584.64</b>	
Staff Loans	1,397,826.22	
Advances	(28,058.38)	
Other Debtors (except. Dept. of Inland Revenue)	267,508.09	
Other Receivables (except Interest Income)	11,774,437.61	
Prepayments	1,105,871.10	
<b>18 INCREASE IN PAYABLES</b>	<b>29,989,249.99</b>	
Creditors	28,165,146.12	
Accrued Expenses (except Income Tax)	1,824,103.87	
<b>19 PURCHASE OF PROPERTY, PLANT &amp; EQUIPMENTS</b>	<b>12,608,055.55</b>	
Vehicles	9,479,167.00	

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Plant, Machinery & Equipments	2,867,118.36
Furniture & Fittings	261,770.19
<b>20 INCREASE IN INVESTMENTS</b>	<b>189,312,674.94</b>
Treasury Bills - CAA	181,779,942.78
Treasury Bills - E.L.	7,532,732.16
<b>21 CASH &amp; CASH EQUIVALENT AT THE END OF THE YEAR</b>	<b>113,068,162.16</b>
Current Account - Authority (Account No: 0002026666)	27,481,636.29
Call Deposit- Authority	10,000,000.00
Current Account - E.L. (Current Account No: 0002026678)	49,500,000.00
Call Deposits	26,086,525.87



**SIGNIFICANT ACCOUNTING POLICIES****1. General Policies****1.1 Statement of Compliance.**

The Financial Statements are prepared under the historical cost convention in conformity with generally accepted accounting principles, and the Sri Lanka Accounting Standards laid down by the Institute of Chartered Accountants of Sri Lanka. It also provides the information as required by the Sri Lanka Accounting and Auditing Standard Act No. 15 of 1995.

**1.2 Responsibility for Financial Statements.**

The members of Civil Aviation Authority of Sri Lanka are responsible for the preparation and presentation of the financial statements.

**2. Property, Plant and Equipment****2.1** Property, Plant and Equipment transferred from General Treasury/Government initially stated at the valuation of purchases of 2003, whereas the Property, Plant and Equipment acquired after 2003 and during the current financial year have been valued at cost.

Two Vehicles 65/3651 and 65/3653 Toyota Land Cruisers, which are registered under the UNDP Representative, have not been transferred to the Authority yet.

Fourteen Aerodromes, and aeronautical facilities including the land appertaining thereto specified in the Second Schedule and the Third Schedule to the Civil Aviation Authority of Sri Lanka Act No. 34 of 2002 respectively have not been transferred to the Authority as yet. Such transfer would be affected only after the Civil Aviation Bill is enacted in order to ensure smooth transition.

Plant and equipment is stated at cost /revalued amount, excluding the costs of day-to-day servicing, less accumulated depreciation and accumulated impairment in value. Such cost includes the cost of replacing part of the plant and equipment when that cost is incurred, if the recognition criteria are met.

A revaluation has been done on the Assets which have been fully depreciated,, Furniture and Fittings, Plant Machinery and Equipment,. Vehicles valued Rs.4,847,812.013, Rs. 10,553,256.13 Rs.175,000.00 respectively The revaluation has been done by the Government Valuer based on the existed market prices of the Assets. Effective date for the revaluation taken as 31/12/2009.All increase of the carrying amount of the revalued assets has been credited to Revaluation Surplus.

**2.2 Depreciation**

The provision for depreciation is calculated on the straight-line basis on the valuation of the Property, Plant and Equipment (Assets) acquired from the Department of Civil Aviation at the time of formation of the Authority, whereas the depreciation of the assets purchased thereafter were calculated at cost. All Property, Plant and Equipment other than land have been depreciated annually on the following percentages in order to write off such amounts over the useful lives, by equal installments,

Buildings	6 2/3%
Motor Vehicles	25 %
Plant, Machinery & Equipment	50 %
Furniture & Fittings	25 %

Up to year 2008, no depreciation is provided on Property, Plant and Equipment (other than Land) in the year of purchase, whilst full year depreciation is deducted when dispose the particular asset. At the end of depreciation process, 10% of the current written down value of the Property, Plant and Equipment is retained as book values as required by the standard after 2008 depreciation has been charged commencing the year of purchase and 10% of the cost/revaluation amount would be retained as residual values.

The value (Rs.9,479,167/=) of the vehicle purchased in the current year is shown as Goods in Transit under the Current Assets due to the fact that the transaction has not been completed..

### 3. Inventories

All inventories have been valued at the cost.

### 4. Debtors and Receivables

Debtors are stated at book values.

### 5. Liabilities and Provisions

5.1 All known liabilities have been accounted for, in preparing the Financial Statements.

#### 5.2 Gratuity

Provision has been made for gratuity for employees who have completed one year of service in terms of Payment of Gratuity Act No. 12 of 1983.

#### 5.3 Accident Investigation Fund

The States obligation of accident investigation and search and rescue vests with the Civil Aviation Authority. Rs. 20 Mn provision had been made in year 2006 accounts as a fund to be utilized to set off expenses likely to be incurred to meet these obligations. Another Rs. 10 Million has been provided in the current year to cover the escalation of prices of services..

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#### 5.4 Staff Welfare & Social Security Fund

The Staff Welfare & Social Security Fund has been created in terms of section 20(5) of the Civil Aviation Authority of Sri Lanka Act No. 34 of 2002, in respect of the public officers, who have retired from the public service. The amount lying in the name of each retired officer will be released at the time of retirement from the Civil Aviation Authority of Sri Lanka. The current year Rs. 428,943/= has been released due to retirement of 3 officers.

### 6. Income Tax

Provision for Income Tax is made on the basis of the profit reported in the Financial Statements and adjusted for the purpose in terms of the provisions of the Inland Revenue Act No. 38 of 2000 and the amendments thereto.

### 7. Cash and Cash Equivalents

Cash and Cash Equivalents are defined as the balance of Cash Book and call deposits.

### 8. Government Grants

The value of the Government Grant reflects, Assets transferred from Department of Civil Aviation at the time of formation of the Authority less accumulated depreciation.

Government Grants as at 01.01.2009	-	Rs.	11,094,247.10
Less: Charges for the year 2009	-	Rs.	<u>621,830.05</u>
Government Grants as at 31.12.2009	-	Rs.	10,472,417.05

**9. Treasury Current Account**

The treasury current Account reflects the money collected on Embarkation Levy pursuant to the Finance Act No. 25 of 2003.

Airport and Aviation Services (Sri Lanka) Ltd.	-	Rs. 132,168,741.25
Tourism Development Fund	-	Rs. 66,084,370.63
Civil Aviation Authority of Sri Lanka	-	Rs. 5,083,413.13

**10. Post Balance Sheet Events**

No circumstances have arisen since the Balance Sheet date, which requires adjustments to, or disclosure in the final accounts.

**11. Prior Year Adjustments**

Following adjustments have been made to the Income Statement in respect of the prior year (2009) transactions.

	Debit (Rs.)	Credit (Rs.)
<b><i>Staff Expenses</i></b>		
Salaries & Wages	32,209.54	
Leave Encashment	303.33	
PAYE Tax	1,832.76	
ETF	178.27	
EPF	1,485.62	
<b><i>General Operating Expenses</i></b>		
Overtime & Holiday Pay	17,994.58	
Telecommunication	108,728.41	
Board Payments	3,000.00	
Subscriptions / Publications / Newspapers	3,975.00	
Printing Expenses	2,080.00	
Examination Fees	16,000.00	3,547.98
Audit Fees	132,825.00	
<b><i>Miscellaneous and Other Expenses</i></b>		
Miscellaneous Expenses	27.50	
<b><i>Workshops &amp; seminars- Foreign</i></b>	5,352.77	
<b><i>Training - Foreign</i></b>		209,910.52

**Common Expenses**

Security Charges	11,035.25
Water	3,786.80
Income Tax	7,253,306.43

**Depreciation**

Plant, Machinery & Equipment	371,847.86	
Furniture & Fittings	113,980.36	
Vehicles		152,083.50

<b>Income</b>	835.00	5,834,981.71
<b>Total</b>	<b>8,080,784.48</b>	<b>6,200,523.71</b>

**12 Reporting Format**

The reporting format has not been changed in the financial year under review.



SC/A/CAASL/2009  
2010

08 July

The Chairman,  
Civil Aviation Authority of Sri Lanka

**Report of the Auditor General on the Financial Statements of the Civil Aviation Authority of Sri Lanka for the year ended 31 December 2009 in terms of Section 14 (2) (c) of the Finance Act, No. 38 of 1971**

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The audit of financial statements of the Civil Aviation Authority of Sri Lanka for the year ended 31 December 2009 was carried out under my direction in pursuance of provisions in Article 154 (1) of the Constitution of the Democratic Socialist Republic of Sri Lanka read in conjunction with Section 13(1) of the Finance Act, No. 38 of 1971 and Section 14(4) of the Civil Aviation Authority of Sri Lanka Act, No. 34 of 2002. My observations, which I consider should be published with the Annual Report of the Authority in terms of Section 14 (2)(c) of the Finance Act, appear in this report. A detailed report in terms of Section 13 (7) (a) of the Finance Act was issued to the Chairman on 26 March 2010 in addition to this report.

**1:2 Responsibility of the Management for the Financial Statements**

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Management is responsible for the preparation and fair presentation of these financial statements in accordance with Sri Lanka Accounting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error, selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

### **1:3 Scope of Audit and Basis of Opinion**

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My responsibility is to express an opinion on these financial statements based on my audit. Audit opinion comments and findings in this report are based on review of the financial statements presented to audit and substantive tests of samples of transactions. The scope and extent of such review and test were such as to enable as wide an audit coverage as possible within the limitation of staff, other resources and time available to me. The audit was carried out in accordance with Sri Lanka Auditing Standards to obtain reasonable assurance as to whether the financial statements are free from material misstatements. The audit includes the examination on a test basis of evidence supporting the amounts and disclosures in financial statements and assessment of accounting principles used and significant estimates made by the management in the preparation of financial statements as well as evaluating their overall presentation. I have obtained sufficient information and explanations which to the best of my knowledge and belief were necessary for the purpose of my audit. I therefore believe that my audit provides a reasonable basis for my opinion. Subsections (3) and (4) of the Section 13 of the Finance Act, No. 38 of 1971 give discretionary powers to the Auditor General to determine the scope and extent of the audit.

## **2. Financial Statements**

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### **2:1 Opinion**

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So far as appears from my examination and to the best of information and according to the explanations given to me, I am of opinion that the Civil Aviation Authority of Sri Lanka had maintained proper accounting records for the year ended 31 December 2009 and except for the effects on the financial statements of the matters referred to in paragraph 2:2 of this report, the financial statements have been prepared in accordance with Sri Lanka Accounting Standards and give a true and fair view of the state of affairs of the Civil Aviation Authority of Sri Lanka as at 31 December 2009 and the financial results of its operation and cash flows for the year then ended.

## **2:2 Comments on Financial Statements**

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### **2.2.1 Unexplained Differences**

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According to the financial statements, Value Added Tax receivable amounted to Rs.11,578,000 whereas according to the Tax Return for the quarter ended 31 December 2009 sent by the Authority to the Department of Inland Revenue, that amounted to Rs.4,610. Thus the unexplained difference amounted to Rs.11,573,390.

### **2.2.2 Accounts Receivable and Payable**

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A sum of Rs.69,266,957 remained outstanding as at 31 December 2009 in relation to the accounts receivable. Similarly, a sum of Rs.289,999,068 remained outstanding as at the end of the year under review in relation to the accounts payable and out of that, a sum of Rs.645,389 related to a period of over one year.

### **2.2.3 Lack of Evidence for Audit**

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Payables relating to 56 accounts amounting to Rs.255,505,889 and receivables amounting to Rs.69,266,957 for which the number of related accounts could not be ascertained, could not be satisfactorily vouched / verified due to the non-rendition of confirmations of balances to audit.

#### 2.2.4 Non – compliance with Laws, Rules, Regulations and Management Decisions

Non – compliances with the following laws, rules, regulations etc. were observed in audit.

Reference to Laws, Rules, Regulations etc.	Non - compliance
(a) Section 11 of the Finance Act, No 38 of 1971	A sum of Rs.321,194,081 had been invested in Treasury Bills and term deposits in 39 instances without obtaining the prior approval of the Treasury.
(b) Section 153 and 155 of the Inland Revenue Act, No. 10 of 2006	It was observed at a test check, that Withholding Tax amounting to Rs.32,595 had not been recovered in 28 instances of payment in the year under review and remitted to the Commissioner General of Inland Revenue.
(c) Stamp Duty Special Provisions Act, No.12 of 2006	It was observed at a test check, that action had not been taken to recover stamp duty amounting to Rs.2,900 in 116 instances of payment.
(d) Financial Regulation 104	Even though a loss of Rs.189,034 had been caused due to two motor vehicles accidents, no action had been taken on the losses and damages.
(e) Circular No SP/SA/05706 dated 13 July 2006 of the Presidential Secretariat	The cost of electricity consumption of the Authority during the year under review as compared with that of the preceding year shown an increase of Rs.633,209 and as such the management had failed to follow strategies to reduce the expenditure in the consumption of

electricity.

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|---|--|
| (f) Public Administration Circular<br>No. 26/92 of 19 August 1992 | The State Emblem and the name of the Authority had not been stenciled on 10 motor vehicles of the Authority which belonged to the class of motor vehicles specified in the Circular. |
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### **3. Financial and Operating Review**

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#### **3:1 Financial Review**

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According to the financial statements presented, the operations for the year under review had resulted in a pre-tax profit of Rs.307,973,373 as compared with the pre-tax profit of Rs.36,242,275 for the preceding year, thus indicating an increase of Rs.271,731,098 in the financial results. The operating income which had decreased due to the improvements to the technology adopted for the issue of air travel tickets had increased again in the year under review and such increase had affected the increase in the financial result.

#### **3:1:2 Analytical Financial Review**

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The income for the year under review as compared with that of the preceding year had increased by 175 per cent while the recurrent expenditure had also increased by 17 per cent. The pre-tax profit from the operations during the year under review had increased by 747 per cent.



### 3:2 Operating Review

#### 3:2:1 Performance

According to the following performance indicators, the performance for the year 2009 as compared with the preceding year shows a decrease.

Item	Particulars	2008	2009
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(a) Aircraft Movements	(i) Charter Flights	1,024	1,057
	(ii) Regular Air Transport		
	Companies- Flights	30,621	27,545
(b) Approved / Recommended			
Number of License	Student Flight Licenses	179	86
	Commercial Flight Licenses	294	21
	Air Cargo Transport Licenses	448	18
	Aircraft maintenance		
	Engineering Licenses	511	11
	Aircraft Operating Officers	13	06
(c) Completed Audit			
Programmes	(i) Operations	02	-
	(ii) Combined	01	-
	(iii) Air Navigation Services	01	-

### **3.2.2 Identified Losses**

The following losses were observed at an audit test check .

- (a) In obtaining comprehensive insurance cover for 04 motor vehicles of the same make purchased on the same day a sum of Rs.58,224 had been over paid in respect of insurance cover for two of those motor vehicles.
- (b) The entire amount of foreign exchange obtained for official foreign travels on 28 December 2009 had been banked and as such an exchange loss of Rs.3,395 had been caused due to the change in the exchange rate of the Dollar.

### **3.2.3 Budgetary Control**

Variances ranging from 63 per cent to 1450 per cent were observed between the estimated and the actual income and expenditure for the year under review, thus indicating that the budget had not been made use of as an instrument of management control.

## **4. Systems and Controls**

Deficiencies observed during the course of audit were brought to the notice of the Chairman from time to time. Special attention is needed in respect of the following areas of control.

- (a) Collection of Income
- (b) Vehicles Control
- (c) Expenditure Management



**S. Swarnajothi**  
**Auditor General.**

