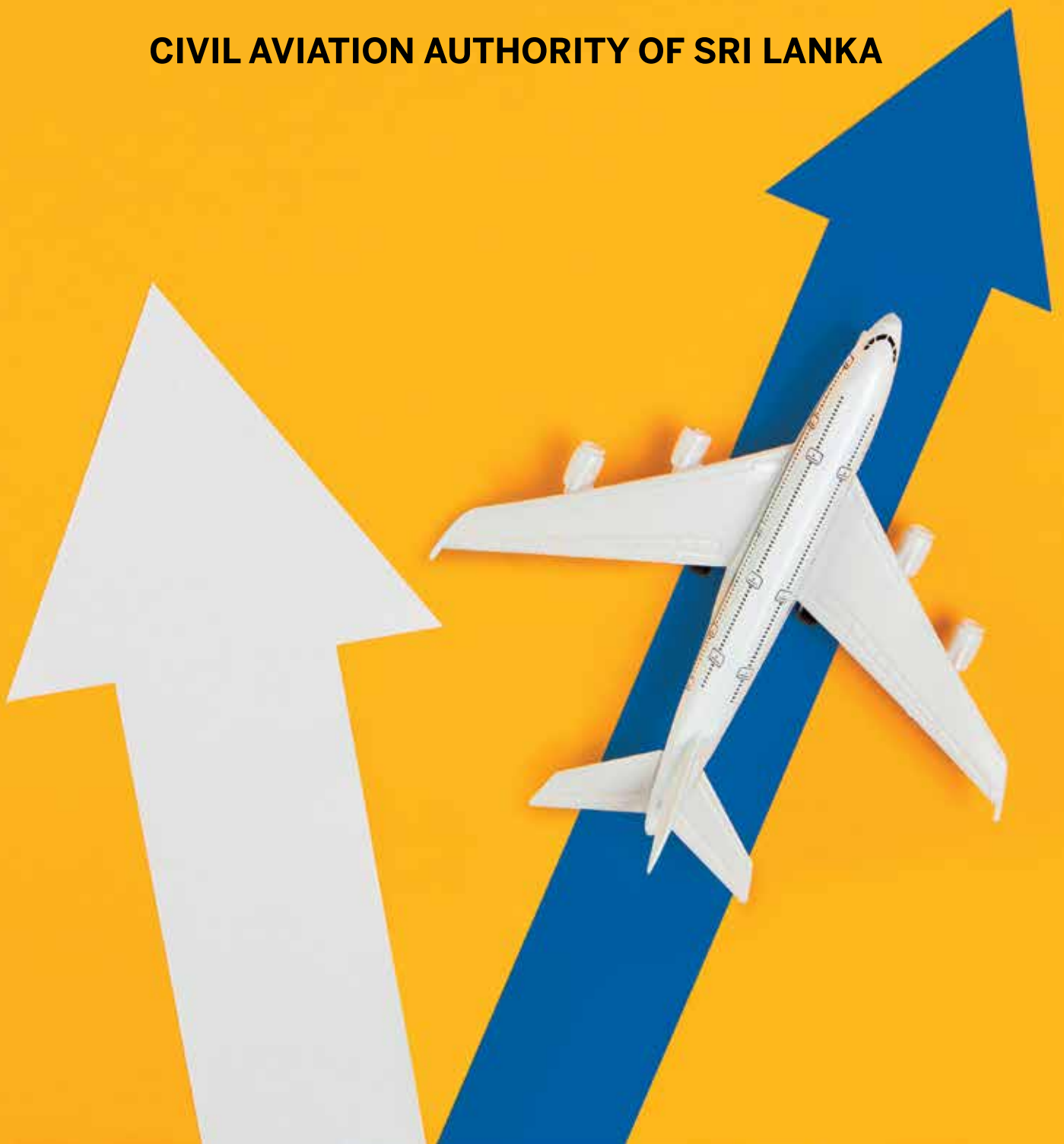




Safe and Efficient Skies for All

ANNUAL REPORT 2020

CIVIL AVIATION AUTHORITY OF SRI LANKA





ANNUAL REPORT – 2020

Civil Aviation Authority of Sri Lanka

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 OF SRI LANKA

Sri Lanka, Civil guwan seva adikariya
Kith yasasin sudile
Heli kota heli hele //

Sakvithi ravana aadi yugeth
Dandu monarin guwana dina//
Vikmathi lakdana va-riya polinuth
Pa vidu nuvana 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 : Late Kalasuri. Arisen Ahubudu
Singer : Late Kalakeerthi Deshamanya Dr. Pundit W. D. Amaradewa
Melody : Late Kalakeerthi Deshamanya Dr. Pundit W. D. Amaradewa

PRESENTED TO HON. STATE MINISTER FOR AVIATION AND EXPORT ZONES DEVELOPMENT,

The Annual Report - 2020 was prepared in fulfillment of the legislative requirement stated under Section 15 of the Civil Aviation Authority of Sri Lanka Act No. 34 of 2002. It contains a summary of major activities that the Civil Aviation Authority of Sri Lanka performed during the period from 01st January 2020 to 31st December 2020 and the Statement of Financial Position of the Authority for the financial year 2020.



Upul Dharmadasa
Chairman

Civil Aviation Authority of Sri Lanka
28th February 2021



ABOUT US

Vision

To be an adept and credible aviation safety regulator assuring safe skies for all.

Mission

To facilitate through strategic planning and effective regulation, the operation of a safe, secure, efficient, regular and environmentally friendly national civil aviation system that conforms to international standards and recommended practices and national legislative requirements.

Motto

‘Safe and Efficient Skies for All’



SAFE AND EFFICIENT SKIES FOR ALL

Over the years we have been transforming the vista of the civil aviation industry, as we mould and reshape our operations to fully grasp and align ourselves with the standards set all over the world. While we focus overwhelmingly on the safety and security of the skies, we also ensure that we are preserving the firmament for the next generation by taking a more sustainable and eco-friendly route. Through effective regulation and strategic planning, we have been able to witness a new era and we are on a flight path to excellence, firmly borne upon secure wings, creating safe and efficient skies for all.

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ABBREVIATIONS

AE&F	Aerodromes & Facilitation	D/TO&PL	Director/Training Organisations and Personnel Licensing
ANS	Air Navigation Services	D/ER&P	Director/Environment, Research & Project
AASL	Airport & Aviation Services (Sri Lanka) Ltd	D/QIA	Director/Quality and Internal Audit
ADG	Additional Director General	DG	Dangerous Goods
ADRM	Aerodrome	DGCA	Director General of Civil Aviation
AME (BL)	Aircraft Maintenance Engineer (Basic License)	EASA	European Aviation Safety Agency
AML	Aircraft Maintenance License	ER&P	Environment, Research & Projects
AMO	Approved Maintenance Organisation	FIR	Flight Information Region
AMT	Aircraft Maintenance Technician	FS	Flight Safety
ANR	Air Navigation Regulations	FPP	Flight Procedure Programme
AOC	Air Operator Certificate	FUEL	Fuel Related
AS	Aeronautical Services	GCOL	Ground Collision
ASN	Aviation Safety Notice	GSA	General Sales Agent
ASM	Aviation Safety Monitoring	ICAO	International Civil Aviation Organisation
AT&ER	Air Transport and Economic Regulation	ICT	Information Communication & Technology
ATC	Air Traffic Control/ Air Traffic Controller	IS	Implementing Standard
ATM	ATM/CNS	PBN	Performance Based Navigation
AV. SEC	Aviation Security	LALT	Low Altitude Operations
AW	Airworthiness	LCC	Low Cost Carriers
AWE	Airworthiness Engineer	LA&EU	Legal Affairs & Enforcement Unit
BIA	Bandaranaike International Airport	MAC	Airprox/ ACAS alert/ Loss of Separation/ (near) Midair Collisions
BIRD	Bird Strike	MED	Medical
CAASL	Civil Aviation Authority of Sri Lanka	MRIA	Mattala Rajapaksa International Airport
CADEC	Civil Aviation Development and Educational Committee	NCASP	National Civil Aviation Security Programme
CEO	Chief Executive Officers	OTHR	Other
COSCAP-SA	Co-operative Development of Operational Safety and Continuing Airworthiness Programme – South Asia	Q&IA	Quality & Internal Audit
CSI	Cabin Safety Inspector	RAMP	Ground Handling
C of R	Certificate of Registration	RI	Runway Incursion - Vehicle, Aircraft or Person
D	Director	RPK	Revenue Passenger Kilometers
DDG/ASR	Deputy Director General (Aeronautical Service Regulation)	RTK	Revenue Tonne Kilometers
DDG/CAER	Deputy Director General (Corporate Management)	SARPs	Standards and Recommended Practices
DDG/FSR	Deputy Director General (Flight Safety Regulation)	SAARC	South Asian Association for Regional Cooperation
DDG/AVSER	Deputy Director General (Aviation Security Regulation)	SARI	South Asia Regional Initiative
D/AE&F	Director/Aerodromes & Facilitation	SCF-NP	System/Component Failure or Malfunction
D/ANS	Director/Air Navigation Service	SCF-PP	Power Plant Failure or Malfunction
D/AOPS	Director/Aircraft Operations	SEC	Security
D/ARAW	Director/Aircraft Registration and Airworthiness	SLAS	Sri Lanka Accounting Standards
D/ATER	Director/Air Transport & Economic Regulation	SLCAP	Sri Lanka Civil Aviation Publication
D/AVS	Director/Aviation Security	SLFRS	Sri Lanka Financial Reporting Standards
D/HR&PM	Director/Human Resources and Property Management	SMS	Safety Management System
D/F&RM	Director/Finance & Revenue Management	SSP	State Safety Programme
		TO&PEL	Training Organisation & Personnel Licensing
		TURB	Turbulence encounter
		USAP	Universal Security Audit Programme
		USOAP	Universal Safety Oversight Audit Programme
		WILD	Collision Wildlife
		WSTRW	Windshear or Thunderstorm



DIRECTORY

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	e-mail : info@caa.lk
	Website : www.caa.lk
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	Telegraphic Address : AIRCIVIL
	AFTN Address : VCCCYAYX
Katunayake Office	: Civil Aviation Authority of Sri Lanka FD II, Departure Terminal BIA, Katunayake
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	Facsimile : 94 -11-2252269
Mattala Office	: Civil Aviation Authority of Sri Lanka Mattala Rajapaksa International Airport Mattala
	Telephone : 94 -47-7510530
	Facsimile : 94 -47-7510541
Airworthiness Sub Office	: Civil Aviation Authority of Sri Lanka Colombo Airport Ratmalana
	Telephone : 94 -11 -3135828
	Facsimile : 94 -11 -2635756
Auditors	: Auditor General, Democratic Socialist Republic of Sri Lanka
Lawyers	: Attorney General, Democratic Socialist Republic of Sri Lanka
Bankers	: Bank of Ceylon, People's Bank
Insurers	: Sri Lanka Insurance Corporation Limited

“Safe and Efficient Skies for All”





CHAIRMAN'S REVIEW



MRIA, located in lush greenery, is a landmark and a sign of prosperity in southern Sri Lanka. It has an attractive terminal building, comprising 12 Check-in Desks, which spans around 12,000 sq km. It has two piers and boasts of a runway capable of handling the largest commercial aircraft operating today.



CHAIRMAN'S REVIEW

MRIA, the 2nd International Airport of Sri Lanka was commissioned for commercial operations in the year 2013, March 18th by then President Mahinda Rajapaksa, and the celebrations were graced by the immediate commitment of two (02) foreign carriers, committing for scheduled operations.

The undersigned was instrumental in organising the 'Flight of Celebration' originating from the United States which carried Sri Lankan expatriates in the US and US citizens. The idea was to recognise national pride as well, so that the National Carrier was selected for the second leg of the journey from the United Arab Emirates (UAE). Now as the Chairman CAASL, it is my privilege and duty to contribute for President Gotabhaya Rajapaksa's Policy Frame Work 'Vistas of Prosperity and Splendour'.

Year 2020 was a most challenging year for the survival of not only the civil aviation industry, but for the whole world, due to the spreading of the Corona Virus (COVID – 19) which invaded in November 2019, and pushed the world's economy in a downward spiral. In the case of international civil aviation, it came to a grinding halt for several months, until new approaches were explored.

The entire fleet of our national carrier (SriLankan Airlines Ltd) too was grounded for almost two months. It was soon realised that, though with limited opportunities, all-cargo aircraft operations are feasible, and this Authority granted necessary approvals to convert one of its aircraft for this operation. Later, repatriation flights from foreign countries were commenced via the BIA, under the close scrutiny of health authorities, meeting local safety guidelines and international Aviation Security measures.

Introduction of Health Guidance -

Keeping in line with the WHO and ICAO guidelines issued from time to time, this Authority issued to all stakeholders a General Directive on health guidance for implementation, and continued with updates thereto, to enable to take preventive measures to control the spreading of COVID - 19.

Welfare and Recreational Facilities for CAASL (Civil Aviation Authority of Sri Lanka) Staff -

CAASL recognises that human resources are the most valuable asset to conduct its uninterrupted operations, with their individual and collective contributions. Therefore, the Chairman and the DGCA/ CEO took upon themselves to revise the ongoing programme, with the engagement of newly appointed office bearers representing the employees of all levels. Benefits thereof would be evident once the financial situation becomes stable.



CHAIRMAN'S REVIEW

King Rawana and his Role in

Prehistoric Aviation - The CAASL has taken the lead in exploring the identified sites in Nuwara-Eliya and Welimada areas for the verification of existing information based on historical facts, in order to include same in the National Tourism Plan. It is believed that this project would contribute towards the development of tourism in these areas, so that the living standards of the people therein would be enhanced along with the forecasted economic growth.

Matala Rajapaksa International Airport (MRIA) –

On par with the 'new-normal' status, the commercial aircraft operations at the MRJA have been recommenced since December 2020. CAASL has renewed the MRJA's Aerodrome Certification for the year. In this connection. The significant contribution made by the Airport Operator i.e., Airport and Aviation Services (Sri Lanka) Ltd, in the areas of Safety, Security and Passenger Handling, is noted. MRJA accommodated several charter flights in the recent past and carriers also have shown interest in scheduled passenger and all-cargo aircraft operations. These carriers would enjoy a variety of concessions granted by the State whilst increasing movement to and from Sri Lanka. SriLankan Airlines Ltd being the designated Ground Handling Agent at the MRJA, is looking at the improvements, giving priority for cargo operations.

MRJA, located in lush greenery, is a landmark and a sign of prosperity in southern Sri Lanka. It has an attractive terminal building, comprising 12 Check-in Desks, which spans around 12,000 sq km. It has two piers and boasts of a runway capable of handling the largest commercial aircraft operating today.

MRJA, is Sri Lanka's 2nd International Airport. This was commissioned for commercial operations on 18th March 2013 by the then President of the Republic, His Excellency Mahinda

Rajapaksa. It was a lavish celebration which was graced by the immediate commitment by two foreign carriers for scheduled operations.

The undersigned was instrumental in organising the 'Flight of Celebration' originating from the United State which carried Sri Lankan expatriates in the US and US citizens. The idea was to recognise the national pride as well, so that the National Carrier was selected for the second leg of the journey from the United Arab Emirates (UAE). Now as the Chairman CAASL, it is my privilege and duty to contribute for President Gotabhaya Rajapaksa's Policy Frame Work 'Vistas of Prosperity and Splendour'.

National Air Navigational Plan – The National Air Navigation Plan has been developed to make air navigation across Sri Lanka's airspace safer and more efficient. This is still in the draft format and is being developed meeting the requirements of the Asia-Pacific Region which are in conformity with the provisions of the Global Air Navigation Plan.

Appointment of Hostage Negotiators for incidents in civil aviation operations -

It is an international practice to make readily available suitably trained and designated personnel as Hostage Negotiators to assist in resolving of hostage taking situations. With the intervention of aviation security division of this authority the Ministry of Defense was convinced on this requirement that led to the appointment of 09 senior Police Officers in service who have been trained on Hostage Negotiating Skills. This is another achievement by this authority in the year under review.

Air Transport Section - provided the total passenger movement statistics at the BIA and MRJA including the year 2020 and total number of passengers carried by Sri Lankan Airlines with corresponding figures of 2019.

Financial Statement - depicts the CAASL revenue in the year 2020 against the corresponding statement of 2019, and gives variance percentage.

Appreciations - I take this opportunity to place on record my sincere gratitude to both the Directors General - Mr. H. M. C. Nimalsiri who has relinquished his duties on retirement in April 2020 after a long spell of service with the CAASL since 2004 to April 2020, and Capt. Themiya Abeywickrama who took office immediately afterwards, sharing the year under review.

Gratitude also goes employees at all levels, stakeholders and State officials for their excellent performance and cordial relationship, amidst the difficulties posed by the COVID - 19 outbreak.

My sincere appreciation also goes out to the members of the Board of Directors who have been mindful of their responsibilities, assistance and guidance at all times.

Hon. Minister of Tourism and Civil Aviation, the State Minister of Civil Aviation and Economic Zones Development, Secretaries to the two Ministries and all officials thereof, are also respectfully remembered for their directions, guidance and cooperation.

Upul Dharmadasa

Chairman

Civil Aviation Authority of Sri Lanka

REVIEW OF THE DIRECTOR GENERAL OF CIVIL AVIATION AND CHIEF EXECUTIVE OFFICER



A special programme was launched to identify Volunteer Drone Operators who have the potential, capability and interest to offer drone technology services to the country during the COVID-19 pandemic. The most convenient method of supplying goods and services. As a result, twenty drone operators were selected through knowledge, skills and medical tests and they have been granted authorisation to operate drones for surveillance activities in humanitarian tasks.



REVIEW OF THE DIRECTOR GENERAL OF CIVIL AVIATION AND CHIEF EXECUTIVE OFFICER

Air transport is an innovative industry that drives economic and social progress, connects people, countries and cultures, provides access to global markets, generates trade and tourism and forges links between the developed and developing nations. It is also the most expeditious, regular, efficient and the safest mode of transport whilst being very responsive to environment pollution, global warming and climate change. The Air Transport industry is proven to be a highly efficient user of resources and infrastructure. It generates wealth and creates employment.

Year 2020 was challenging for the Aviation industry's survival due to the spread of the COVID-19 disease globally. Majority of Aircraft operations in the world have been curtailed and grounded, and very limited flight movements were recorded during the year under review.

However, despite the global challenges faced by the industry, 2020 was another year of importance to the local aviation industry with a series of major milestones being made possible, especially with the efforts and courage and under the directions of Hon. Prasanna Ranathunga, Minister of Tourism and Hon D.V. Chanaka, State Minister in charge of the subject of Civil Aviation.

The Implementing Standard – SLCAIS-053, on Operation of Pilotless Aircraft Systems was upgraded by CAASL in collaboration with all stakeholders in conformity with the International Standards and Recommended Practices (SARPs).

The initial work in relation to the implementation of automated systems for unmanned aerial vehicle operations too was commenced.

385 registered drones were in operation of which 167 drones were physically inspected in the year 2020. Further, 473 approvals were granted for operation of the unmanned Aerial Vehicles (UAV), and 06 custom built drones too were inspected and registered.

A special programme was initiated during 2020 by inviting volunteer drone operators who have the potential, capability and interest to offer drone technology services to the country during the COVID-19 pandemic. The aim was to identify a qualified pool of drone operators who can be undertaken for tasks which are to be assigned by the Ministry of Health & other relevant authorities for urgent services for which drone technology is the most convenient method of supplying goods and services. Thereby twenty (20) drone operators were selected through knowledge, skill and medical tests and authorisations were granted for them to operate drones for surveillance operations in humanitarian tasks.

Aviation occurrences numbering 121 were reported of which 107 aircraft were registered in Sri Lanka and 14 were foreign registered during their operations in the territory of Sri Lanka.

CAASL applied for the National Productivity Award 2020 organised by the National Productivity Secretariat and also the initial steps were taken to implement a Quality Management System (QMS) and to obtain the ISO 9001:2015 certification in the year 2021.

Two customer surveys were carried out to assess the degree of effectiveness of ongoing systems and quality of services offered by the CAASL with a view to upgrade the quality of services in meeting with customer expectations. It was observed that there is an improvement in staff communication, professionalism and responsiveness throughout the year, compared with the last two consecutive years.

The Initial stage of research on "King Ravana and lost heritage of Aviation dominance" was completed during the year under review, and the collection of related literature and documentation of the evidence in related locations and evaluating the ancient airport sites is in progress.

Government of Sri Lanka (GOSL) has recognised the Ratmalana airport as a potential airport to be developed for International operations, including Private Jet operations. Accordingly, the CAASL has initiated action and as an initial step the aerodrome certification process commenced with a conduct of an audit to assess the suitability of the aerodrome for international operations and necessary recommendations provided to the airport operator (AASL-Airport and Aviation Services Sri Lanka Ltd) for compliance, prior to granting of Aerodrome Certificate.

The approved "Air Navigation Services (ANS) Surveillance plan 2020" wherein Eighty one (81) scheduled Inspections were carried out on the Operational Centers/ Systems to ensure the effectiveness of the Safety Oversight System in the provision of Air Navigation Services in Sri Lanka.



REVIEW OF THE DIRECTOR GENERAL OF CIVIL AVIATION AND CHIEF EXECUTIVE OFFICER

CAASL continually engaged in discussion with the Ministry of Foreign Affairs Sri Lanka and Airport Authority of India in order to establish an agreement between GOSL & GOI on the cooperation of Aeronautical Search & Rescue Services to ensure the provision of SAR services.

The COVID-19 pandemic disrupted the aviation industry – as from the initial stage in December 2019, the Aeromedical services section activated preventive measures on the COVID -19 pandemic disease. Subsequently a task force within the CAASL was established, and facilities were provided for employees and visitors who are patronising the CAASL headquarter building, in consultation with the health authorities.

Thereafter it has developed guidance material for implementation by the industry i.e. Airports and Airlines in Sri Lanka. The CAASL Doctor has promptly attended call of duty.

Strictly following both international and national health requirements, CAASL published two (02) General Directives during the year under review, providing guidance on precautionary measures that are to be followed and for compliance by the aviation industry.

1. General Directive 09 - Guidelines for airlines on management of crew members in relation to the COVID-19 pandemic.
2. General Directive 10 - Guidelines for all airports in Sri Lanka on airport operation in relation to the COVID-19 pandemic situation.

When the time was conducive the airport operator i.e. AASL was assisted with further guidance for resumption of commercial aircraft operations under New Normalcy Status, at the BIA & MRIA. The Aeromedical services section are keeping vigil due to the rapid changing nature of the virus in the country and internationally.

The CAASL continued medical assessments for pilots, air traffic controllers, cabin crew members and students as usual until the total lockdown came into effect in March 2020. The services were restarted on 18th May 2020 with full capacity to cater to its clients and to clear the backlog. During the lockdown period special approvals were granted to extend licenses of CAASL assessed the clients' medical history & present medical status individually through an online process with the assistance of other relevant sections of the CAASL. Special arrangements were made to grant approval to extend medical certificates of CAASL license holders stranded overseas due to travel restrictions imposed.

The registry of Civil Aircraft in Sri Lanka stood high at a total of 84 aircraft by the end of the year which includes 25 large aircraft (MTOW>5700KGS), 43 light aircraft, 07 helicopters, 07 balloons and 02 ultra lights.

The National Civil Aviation Security Programme (NCASP) was reviewed incorporating the 17th amendment provisions in Annex 17 and published as the 3rd edition. The National Civil Aviation Contingency Plan (NCACP) too was developed and distributed among

the Aviation Security Stakeholders for their comments. Enforcement actions have been taken against the aircraft operators, airport operators and aviation security service providers for non-compliances of applicable AVSEC regulatory requirements and security programmes of foreign airlines and national airlines numbering to 38 were reviewed. Amidst of spreading the COVID -19 pandemic, the security surveillance activities as of the approved schedule was conducted to a greater extent, completing 40 security inspections and 03 security tests throughout the year under review.

At CAASL a total number of employees stood at hundred and seventy six (176) members as at close of the year. CAASL employees consist of one (1) official in the employment category of Senior Manager other than the CEO, nine (9) in the employment category of Senior Manager and twenty four (24) in the category of Manager. According to the current statistics, forty four (44) members are employed in the category of Enforcement/Operational/Extension and six (6) members are categorised under Junior Manager. Further, five (5) members are employed as Management Assistants –Technological and fifty one (51) are employed as Management Assistants – Non Technological. Under Primary Level skilled and Primary Level un-skilled, eighteen (18) and seventeen (17) staff members are employed in each category respectively.



REVIEW OF THE DIRECTOR GENERAL OF CIVIL AVIATION AND CHIEF EXECUTIVE OFFICER

Pursuant to the provisions the Air Navigation Act No. 55 of 1992 and Civil Aviation Act No. 14 of 2010 permit Air Transport Providers (Passenger) license holders to be involved in the carriage of passengers, cargo and mail by air. Issuance of License by CAASL and its annual renewal is a mandatory requirement to conduct such businesses in Sri Lanka.

The CAASL conducts surveillance activities on the license holders to assess regulatory compliance and during the year the conducting of these activities were interrupted, hence the conduct phase was suspended from the month of April, following the observance of health guidance in the backdrop of rapid spread of COVID-19 in the western province.

However, action has been initiated to draft the regulations for licensing of Cargo Service Providers (Agents) which was a long outstanding issue. The draft regulations have been shared within the industry for their observations and comments, if any. We hope that the regulations to be finalised in the coming year, thus bringing them under a regulatory framework.

During the year 52 passenger complaints were received and 20 complaints out of them were solved and concluded by the end of the year. The rest of the complaints are being investigated and positive outcomes are expected. Most of these complaints were from passengers requesting refunds due to disruptions to their travel plans owing to the handicapped airline operations.

Due to the COVID-19 restrictions on air travel, a new approval process was introduced for the incoming passengers by the National COVID-19 task force, in that, the first approval for any passenger arriving in Sri Lanka to be given by the Secretary to the Ministry of Foreign Affairs and the 2nd approval by the CAASL Director (AT/ER). There were around 20,000 such approvals processed by the CAASL ending December 2020 to facilitate the passengers arriving in Sri Lanka including the passengers arriving on repatriation flights.

The majority of the operations conducted were repatriation flights to bring down stranded Sri Lankans home. Similarly there were constant scheduled changes and ad-hoc operations of airlines' regular flights. 1061 such Schedule approvals were granted by the CAASL to airlines enabling their operations during this difficult period of time.

The Programme Budget- 2020, which sets out the expenditure of the ensuing year under four major programmes viz. Direction and Management, Air Space & Aviation Security Regulation, Flight Safety Regulation and Corporate Affairs and Economic Regulation. The forecast revised income calculated as Rs. 963 Million as against the revised estimated recurrent and capital expenditure of Rs. 937 Million. The estimated expenditure has shown a decrease of 57% compared to the previous year estimated expenditure and the forecast revenue has shown a decrease of 63% compared to the previous year estimated revenue.

CAASL revenue has decreased by 61% when compared with the previous year. The actual income amounting to Rs. 2,504 Million, has been decreased to Rs. 985 Million. A significant decrease was also seen from the income generated from Overseas Sales Surcharge and Service Charge of Embarkation Levy.

Although the year under review (2020) was extremely critical for survival of the civil aviation industry both internationally and locally, much work has been done by us in Sri Lanka throughout the year with the commitment and support extended by our employees and that of the industry colleagues.

It is certain that in the coming year we will bounce back with a positive mind set for rapid development in Sri Lanka and connectivity to the world, even much quicker than ever before, with the support of our stakeholders. Thus bringing in economic prosperity to our motherland.

I am confident that our team will rally around me and the Board of Directors at CAASL, in achieving our desired goals.

Good Luck!

Capt. Themiya Abeywickrama
Director General of Civil Aviation and
Chief Executive Officer
Civil Aviation Authority of Sri Lanka



CAASL'S PROFILE

OVERVIEW

The Civil Aviation Authority of Sri Lanka (CAASL) was established under the Civil Aviation Authority Act No. 34 of 2002 on 27th December 2002. It is deemed a Public Enterprises for the purpose of audit of accounts under Article 154 of the Constitution of the Democratic Socialist Republic of Sri Lanka.

The primary function of the CAASL is to regulate local civil aviation industry under the legislative provisions in the Civil Aviation Authority of Sri Lanka Act No. 34 of 2002 and Civil Aviation Act No. 14 of 2010, in conformity with the applicable International Standards and recommended practices adopted by the International Civil Aviation Organisation (ICAO) aiming at higher performance in safety, security, efficiency, regularity and environmental responsiveness of the industry that contributes to growth of the national economy, for enhancement of quality of life of citizens of the country.

The Civil Aviation Authority of Sri Lanka consists of eight (08) board members and five (05) of them are appointed by the Hon. Minister in-charge of the subject of Civil Aviation. The Secretary, Ministry of Defense, a representative of the Hon. Minister in-charge of the subject of Finance and the Director – General of Civil Aviation are the other three members of CAASL, ex-officio. The Chairman and Vice Chairman of the CAASL are appointed by the Hon. Minister in charge of the subject of Civil Aviation. The Director General of Civil Aviation appointed by the Cabinet of Ministers is the Chief Executive Officer of the CAASL, by statute.

The term of office of the appointed members is three (03) years from the date of appointment.

The Authority is subject to the general direction and control of the Hon. Minister in - charge of the subject of Civil Aviation.

Overview of the Sections and Units Aerodromes and Facilitation Section

Aerodromes and Facilitation Section is responsible for assisting the Director General of Civil Aviation to carry out regulatory functions pertaining to Civil Aerodromes in Sri Lanka. The section ensures safe and efficient aircraft operations at the aerodromes by adopting International Civil Aviation Organisation's (ICAO) Standards and Recommended Practices (SARPs) to the national legislation.

Air Navigation Service Section

The primary responsibility of the Air Navigation Services Section is to formulate rules and regulations governing the provision of air navigation services within Colombo FIR in accordance with the applicable international standards and recommended practices adopted by International Civil Aviation Organisation (ICAO) and ensure that those standards are compiled by the air navigation service provider in Sri Lanka.

Training Organisation and Personnel Licensing Section

Training Organisation and Personnel Licensing Section is responsible for the development of rules and procedures relating to certification and surveillance of training organisations and personnel engaged in safety sensitive activities relating to civil aviation in conformity with the applicable international standards and recommended practices.

Aircraft Operations Section

The main role of Operations Section is to certify the Air Operators and oversee the safety of commercial aviation activities including Transportation of Dangerous Goods by Air within Sri Lanka through a licensing and approval process followed by continuous regulatory safety oversight.

Aircraft Registration and Airworthiness Section

The Airworthiness Section help maintaining airworthiness aspects of civil aviation in this country. In a broader sense this function includes, Air Transport Operators, Approved Maintenance Organisations and oversight of any other person or organisation involved in the design/ production/modification/repair/ maintenance of aircraft and training aspects of personnel engaged in civil aviation.

Human Resources and Property Management Section

The Section functions as a support service for the main functions of the CAASL under the Corporate Division. Recruitment of staff, staff training, staff allocations, cadre creations, implementation of welfare schemes and general administration are mainly carried out by the Human Resources and Property Management Section.

Financial and Revenue Management Section

The section is responsible for managing limited financial resources efficiently, effectively and economically in accordance with the CAASL/ Government policies, rules, and procedures, and maintaining books in conformity with the General Accepted Accounting Principles, Sri Lanka Accounting Standards published by the ICASL and providing with the true and fair status financial accounts.

Air Transport and Economic Regulations Section

Air Transport and Economic Regulation section plays a key role in the Corporate Division of the Civil Aviation Authority which shoulders the responsibility to regulate the aviation industry in Sri Lanka.



CAASL'S PROFILE

Aviation Security Section

The primary objective of the Aviation Security Section is the development, maintenance and implementation of National Civil Aviation Security Programme is to meet all International Civil Aviation Security standards to ensure a secure environment for civil aviation operations in Sri Lanka.

Environment, Research and Project Section

The Environment Research and Project Section is responsible for conducting research related to the Aviation, managing CAASL Statistical Programme, conducting CAASL events, physical infrastructure developments, publication of CAASL documents/reports/bulletins and implementation of Carbon Offsetting and Reduction Scheme for the International Aviation (CORSIA) Programme. The section also handles all procurements for the CAASL.

Information and Communication Technology Unit

Provides an efficient, secure, reliable and sustainable IT infrastructure to meet the business and service needs of the CAASL.

Legal Affairs and Enforcement Unit

The main objective of the unit is to streamline the work relating to the legal and enforcement matters of the CAASL.

Quality and Internal Audit Section

The Quality and Internal Audit Section provides independent assurance that the CAASL's risk management, governance and internal control processes are operating effectively and ensures that quality requirements are fulfilled.

Aviation Safety Monitoring Unit

Aviation Safety Monitoring Unit is responsible for ensuring the State's obligations in relation to aircraft accident and incident investigations and implementation of State safety Programmes (SSPs) in conformity with the International Standards and Recommended Practices contained in ICAO Annex 13 and Annex 19 respectively.

Civil Aviation Promotion Development and Media Unit

Civil Aviation Promotion Development and Media Unit is responsible for creating an aviation culture in Sri Lanka through enhancing aviation knowledge among general public, especially amongst the younger generation, updating the community with current and most reliable aviation related news and promoting CAASL's activities via electronic, printed media and social media platforms.

Aeromedical Services Unit

Aeromedical Services not only provides facilities to medical evaluation of CAASL Licence holders, but it is a vast field which includes other major fields of the specialty namely, aeromedical training, research, creating aeromedical awareness amongst staff and other stakeholders, public health services at Points of Entries, surveillance activities, facilitation activities with other sections of CAASL and other relevant stake holders and ensuring welfare of CAASL clients and staff. Further, Aviation Medicine continues to provide aerospace safety solutions and Public Health safety solutions to the State and the aviation industry. All facets of activity in Aeromedical Services are essentially aimed at enhancing aerospace safety.



CAASL'S PROFILE

MEMBERS OF THE CIVIL AVIATION AUTHORITY OF SRI LANKA

13th Board of the Civil Aviation Authority of Sri Lanka (CAASL)

S/No	Name	Designations
01.	Mr. Upul Dharmadasa CTC	Chairman
02.	Mr. Amitha Wijayasuriya	Vice Chairman
03.	Mr. Nihal Jayawardene.PC	Member of CAASL
04.	Mr. W.M.S. Chaminda Welegama	Member of CAASL
05.	Mr. Sarala Chinthaka Karunaratne Up to 26 th June 2020	Member of CAASL
Ex Officio		
06.	General (Retd.) Kamal Gunaratne	Member of CAASL The Secretary to the Ministry of the Minister-in-Charge of the subject of Defense
07.	Ms. Ayanthi De Silva	Member of CAASL The Representative of the Ministry of the Minister-in-Charge of the subject of Finance nominated by the Minister (Director General, Department of Project Management and Monitoring of the Ministry of Finance)
08.	Mr. H.M.C. Nimalsiri Up to 06 th April 2020 Capt. Themiya Abeywickrama From 07 th April 2020	Member of CAASL Director General of Civil Aviation and Chief Executive Officer of Civil Aviation Authority of Sri Lanka

Ministry Observer – State Ministry of Aviation and Export Zones Development

S/No	Name	Designations
01.	Ms. Awanthi Senaratne	Ministry Observer, Director (Aviation) State Ministry of Aviation and Export Zones Development



BOARD OF DIRECTORS



Mr. Upul Dharmadasa

Chairman, CAASL



Mr. Amitha Wijayasuriya

Vice Chairman, CAASL



Capt. Themiya Abeywickrama

Director General of Civil Aviation and
Chief Executive Officer
Member Ex-Officio



Ms. P. K. Ayanthi De Silva

Treasury Representative Director General,
Department of Project Management and
Monitoring Member Ex-Officio



Mr. Nihal Jayawardene. PC

Member of the CAASL



Mr. Sarala Chinthaka Karunaratne

Member of the CAASL



BOARD OF DIRECTORS



**Major General (Retd)
G. D. H. Kamal Gunarathne**
Secretary – Ministry of Defence
Member Ex-Officio



Mr. W. M. S. Chaminda Welegama
Member of the CAASL



Ms. Avanthi Senarathne
Ministry Observer,
Director (Aviation) State Ministry of
Aviation and Export Zones Development



BOARD OF DIRECTORS

PROFILES OF THE MEMBERS OF THE 13TH BOARD OF CAASL

Mr. Upul Dharmadasa

Chairman of the CAASL

Mr. Upul Ganganath Dharmadasa CTC assumed duties as the Chairman of the Civil Aviation Authority with effect from 14th January 2020.

Mr. Upul Dharmadasa was born in 1952 and followed his School Education in Rahula, Silvester and S.Thomas' College in Matara. In 1972, he graduated from Ceylon Hotel School and worked at the hotel Ceylon Oberoi. Then, he joined Air Ceylon and underwent UTA training and had worked there from 1974 -1979.

In 1979, he sailed "Lanka Kalyani" cadet training ship as Purser and sailed until 1980.

Furthermore, in 1980 Mr. Upul Dharmadasa migrated to Los Angeles, state of California in the United States and completed a degree in Food and Nutrition. Additionally, from 1982 to 1987 he had worked in Best Hospitals in California State as a hospital dietitian.

In 1984, he started a part time Travel business by launching Upul Travels Services in the USA. In 1989, he obtained the highest-ranking certificate in the Travel Industry from 'Institute of Certificate travel Agent of Massachusetts'. As a consultant in the Travel Industry, a specialised standard titled CTC (Certified Travel Consultant) was also awarded to him. He managed and secured SriLankan Airlines GSA in the USA in 1999.

He has acquired continuous expertise training on Ticketing and Tourism related areas. Additionally, he established a company by the name 'Upperclass Travel Inc' in The USA servicing over 150,000 travel professionals, offering discounted first /business class travel. He created an upper-class limousine service in Los

Angeles offering luxury vehicle services in the entire state of California and Nevada in 2006. Also, he was appointed as a President of the Sri Lankan Limousine Consortium in Los Angeles in 2009. He created UEI Inc. Financial institution in Los Angeles, California in 2011 and developed International travel booking Engine known as Utravel.com in 2014.

He was the winner of the Exceptional Achievement Award – 2006 conferred by the Sri Lanka Foundation institute and also the winner of the Sri America Award conferred by Sri Lanka/America Cultural Organisation, USA in 2017.

During the period from 1984 to 2020, Mr. Upul Ganganath Dharmadasa was instrumental in bringing the highest revenue to Sri Lankan Airlines from North America, which was over US\$ 200 Million.

Mr. Amitha Wijayasuriya

Vice Chairman of the CAASL

Amitha Wijayasuriya joined the then National Carrier, Air Lanka Ltd in 1981. During his tenure of 38 years, he has held several senior managerial positions at SriLankan Airlines, based in both Sri Lanka and overseas.

The key highlight of his operational scope was overlooking all VVIP travel of H E the President, Hon Prime Minister, all Cabinet Ministers and Hon. Members of Parliament. He was also in-charge of all overseas travel of ministry secretaries, heads of armed forces including the Inspector General of Police. Mr. Wijayasuriya has a wealth of experience in the aviation sector, ranging from sales and marketing, public relations, promotions and Government and Public affairs. After his retirement, he was re-appointed as a consultant on Public and Government Affairs at Sri Lankan Airlines.

Capt. Themiya Abeywickrama

Director General of Civil Aviation and Chief Executive Officer - Member ex-Officio

Capt. Themiya Abeywickrama assumed duties as the Director General of Civil Aviation/Chief Executive Officer with effect from 1st April 2020 upon the retirement of his predecessor Mr. H.M.C. Nimalsiri. Just Prior to assuming the office of Director General of Civil Aviation, Capt. Themiya was a Senior Captain at Jazeera Airways in Kuwait.

Capt. Themiya commenced his distinguished career in Aviation at Air Lanka in 1990 as a flight engineer on the Lockheed TriStar fleet. He quickly progressed to become a First Officer on the TriStar, then to Airbus fleet and thereafter as Captain on the Airbus A320/A330/A340 fleets. He was also a designated check pilot and VVIP Pilot for the company.

His next stint was with Kingfisher Airlines from 2008 where he served as Captain and also as a designated check pilot for the Indian Director General of Civil Aviation on the Airline's Airbus fleet. He also initiated the introduction of the Kingfisher wide body fleet instructor and pilot training as per the Indian Director General of Civil Aviation's rules and regulations and was also recognised to fly VVIPs.

In 2011 he assumed office at Mihin Lanka as the Chief Pilot – Training and Standards, wherein he was also a designated Check Pilot for the Civil Aviation Authority of Sri Lanka and was responsible for implementing innovative cadet pilot induction and training programs. In this role he had to fulfill many regulatory requirements of the CAASL on behalf of the Airline. In addition to conducting of Acceptance Test Flights when inducting new Aircraft, Capt. Themiya was also involved in conducting special and VVIP flights.

BOARD OF DIRECTORS

From warm and sunny Sri Lanka Capt. Themiya moved to mountainous Nepal when he joined Himalaya Airlines in 2015 as the General Manager and Deputy Director Operations. There too he functioned as a Designated Check Pilot for the Civil Aviation Authority of Nepal. He was part of the team that was instrumental in the Airline obtaining its Air Operator Certificate and was also responsible for coordinating training for pilots, technical staff and cabin crew to satisfy regulatory and licensing requirements of the Civil Aviation Authority of Nepal. Once again, he was authorised to conduct new aircraft acceptance test flights for Himalayan. Captain Themiya was entrusted to Command Hon. Prime Minister of Nepal's visit to China.

From Himalaya Airlines, Capt. Themiya moved to Wataniya Airways in Kuwait in 2016 to assume duties as Operations Director fulfilling all regulatory aspects as per the requirements of the Kuwait Director General of Civil Aviation. He enabled the airline to obtain its Air Operator Certificate and coordinated the operations of the airline to the neighboring states of Saudi Arabia, UAE, Bahrain, Egypt, Iran, Iraq, Turkey, Lebanon, India, Nepal and further with eastern European countries. Aircraft acceptance test flights for Wataniya too was done by Capt. Themiya.

Capt. Themiya had his primary and higher education at Richmond College, Galle and had his flying training with Sierra Academy of Aeronautics in Oakland, California.

Major General (Retd) G. D. H. Kamal Gunarathne

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

General Kamal Gunaratne (Retd); possessing a distinguished military career spanning over 35 years and holding many key appointments in all areas of Defence and Civil - Military Coordination, assumed duties as the Secretary, Ministry of Defence on November 20, 2019 and also as the Secretary of State Ministry of Internal Security, Home Affairs and Disaster Management on August 26, 2020.

General Kamal Gunaratne (Retd), being a highly decorated Military Officer, contributed immensely to the battle against terrorism from the beginning of the conflict, steered by Liberation Tigers of Tamil Eelam (LTTE). He was the General Officer Commanding (GOC) of the victorious 53 Division from April 2008 to July 2009, who commanded his troops during the Humanitarian Operation of the final phase of Eelam War IV, which completely annihilated the 30-years of LTTE terrorism on May 19, year 2009. He also served as the Commander, Security Forces, Wanni (SF W) from year 2009 to 2010. During the latter stages of his military career he held two Principal Staff Officer Appointments at Army Headquarters as the Adjutant General and Master General Ordinance.

General Kamal Gunaratne (Retd) had also served as the Deputy Head of Mission in Brazil from year 2012 to 2015. After retiring from active military service in 2016, he has held top posts in the private sector organisations such as Hayleys PLC. He is an author who innovated War Literature for the first time in Sri Lankan history and has published several books namely 'Ranamaga Osse Nandikadal', its English translation; 'Road to Nandikadal', 'Kadol Aththu', 'Uththara Devi', 'Paathalayo' and Sinhala and English versions of 'Gotabaya' which have become revolutionary literary sensations in the country. Further, he is an eminent lyrics writer who has authored several creations such as the famous song 'Sebala Puthu' in the recent past.

He has completed his Master's in Art and Science of Warfare from the University of Balochistan and obtained his MPhil from the University of Madras. General Kamal Gunaratne (Retd) had been awarded with several Gallantry Awards such as Weera Wickrama Vibhushanaya, Rana Wickrama Padakkama, Rana Sura Padakkama for his acts of bravery and exceptional acts of valour in the battlefield, Uththama Seva Padakkama for unblemished, exceptional and exemplary conduct during his distinguished military service and Desha Putra Sammanaya for being wounded whilst on active duty during operations. He is married to Chitrani Gunaratne and they are blessed with a daughter.



BOARD OF DIRECTORS

Ms. P.K. Ayanthi De Silva

*Treasury Representative
Member Ex – Officio*

Ayanthi De Silva is the Director General of the Department of Project Management and Monitoring of Ministry of Finance, responsible for reporting of result achievement from government's investments for policy decisions.

Ayanthi leads the team operative for monitoring, evaluation and advocating for implementing agencies to deliver the intended benefits for general public from public investments.

Ayanthi joined the public service in 1994 as an Assistant Director and delivered her notable service to various departments in the Treasury in the areas of macro policy formulation, national planning, national budgeting and results monitoring. During the 27 years of her career, she held ex-officio membership of Board of Directors of 15 State Own Enterprises including National Water Board, Lanka Electricity Company, National Education Commission, and University of vocational Technology etc.

She is an active member of 03 Professional Associations in Sri Lanka; Economists, Evaluators and Demographers:

She has received Honours in both Bachelor and Master's Degrees from the University of Peradeniya in Commerce and Flinders University in Australia in International Development as well as a Post Graduate Diploma from the University of Colombo in Demography.

Mr. Nihal Jayawardene. PC

Member of the CAASL

Having had his school education at St. Anthony's College Kandy he entered Sri Lanka Law College in the year 1980. After an eventful 3 years and 10 months at Sri Lanka Law College Jayawardene enrolled as an Attorney at Law of the Supreme Court of Sri Lanka in November 1983. He joined the Attorney General's Department in July 1984.

He was awarded the Master's Degree in Public International Law by University College London in the 1990-91 Academic-year and in the year 1991 he too was enrolled as a Solicitor of the Supreme Court of England and Wales. Jayawardene carries a vast experience in the field of Aviation Law. He functioned as a Legal Advisor to the Department of Civil Aviation for some time and actively participated in the drafting of the Civil Aviation Authority Act and the Civil Aviation Act. He has participated in the negotiation of numerous Bi-lateral Air Services Agreements with large number of Countries. Having been appointed to the Board of the Civil Aviation authority of Sri Lanka in the year 2004 he served in that capacity till July 2013. Having been appointed as a Board Member of the Civil Aviation Authority he serves in that capacity since December 2019.

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 re-structuring programmes of Government Enterprises carried out by the Government from 1996 to 2005 including the privatisation of the National Carrier Air Lanka, privatisation of certain sections of the Colombo Port, Plantation, Insurance and Telecommunication Sector Government Enterprises. In April 2003, he became the Leader of this Team of Legal Consultants and served in that capacity until his retirement from Public Service in May 2005.

He was placed in charge of the overall administration of the Corporation Division of the Attorney General's Department in the year 2002. This Division handled the legal work of about 200 Government Corporations.

He participated in the Company Law reforms process from May 1993 which resulted in the enactment of the Companies Act No. 7 of 2007. He initially functioned as the Secretary of a Sub Committee appointed to carry out a study into the areas that needed reform and thereafter, as the Research Co-ordinator of the Company Law Advisory Commission worked alongside a World Bank Consultant who had a vast experience in Company Law Reforms worldwide. In 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 continued to serve until August 2008.

He has participated actively in the drafting Process of the Civil Aviation Authority Act of 2002 and the Civil Aviation Act of 2010 and in the promotion of the modern concepts introduced in place of the archaic legal regime that existed before that.

He reverted to the Private Bar in May 2005.

He is serving the Academic Staff of the Sri Lanka Law College as a Senior Lecturer and an Examiner of Commercial Law from the year 1997 and is also a Lecturer in Corporate Law at the Institute of Advanced Legal Studies of the Council of Legal Education of Sri Lanka.

He functioned as a Legal Consultant to the Department of Civil Aviation, the Civil Aviation Authority, The Ministry of Urban Development and the Ministry of Mass Media and Information.

BOARD OF DIRECTORS

Served as a Director of Hotel Developers (Lanka) Ltd, the owning company of Colombo Hilton Hotel from 2004 to 2015, was a Director of Milco (Private) Limited, Sri Lanka Libya Agricultural and Livestock Co. Ltd., and Director and the founder Chairman of Lanka Sathosa Limited.

In recognition of the contribution he made to the Legal Profession as an eminent Counsel in Aviation Law, Public Law Corporate and Commercial Law he was appointed President's Counsel in the year 2012.

He was again appointed as a Board Member of the Civil Aviation Authority in December 2019.

He has been recently appointed as the Chairman of the Company Law Advisory Commission.

Mr. Sarala Chinthaka Karunarathne

Member ex-Officio
Member of the CAASL

Having had his school education at Royal College Colombo 7, He entered Sri Lanka Law College in the year 1992 and enrolled as an Attorney at Law of the supreme court of Sri Lanka in December 1996.

Since 1996, he is practicing as an eminent criminal lawyer, in Minuwangoda Jurisdiction. He is the first elected chairman of SLPP Lawyers' Association in Gampaha District since 2017. He also functioned as the chairman of Minuwangoda Bar Association several times.

Furthermore, he is an acting magistrate and acting District Judge for Minuwangoda Jurisdiction.

Mr. W.M.S. Chaminda Welegama

Member ex-Officio

Mr. W.M.S.C Welegama started his career as a Trainee Assistant superintendent - 1989 under Janatha estate development board and trained under National Institute of plantation management Tea Research Board Talawakele, Coconut research board Lunuwila. He has rendered his services in the Plantation Industry and the private sector in Senior Managerial Capacity for a period of 32 years. He has served as a Board Director at Sri Lanka State Plantation Corporation 2011-2015 and currently the chairman of Dereniyagala Plantations Pvt Ltd, and serves as the Joint Managing Director of Cimbalka Holdings (Pvt) Ltd, involved in trading of petroleum products and the Country Director of Hyrax of Malaysia SDN Bhd manufacturing company of automobile, marine and transformer lubricants and the chairman of British Ceylon cooperation. Successfully completed the training of PIPF program under the association for overseas technical scholarship (AOTS) in Japan. Completed financial management diploma in 2003 at Indian institute of Management & Technology.

Ms. Awanthi Senaratne

Ministry Observer
State Ministry of Aviation and Export Zones Development

Ms. Awanthi Senaratne is the Director (Aviation) in the State Ministry of Aviation and Export Zones Development.

She is a class I Sri Lanka Administrative officer that counts 17 years' experience, who has delivered notable service to the country by holding many key positions under the Ministry of Public Administration, Ministry of Home Affairs, and Ministry of Agriculture.

She has earned her Master's degree in Public Administration (MPA) from University Sains, Malaysia, and completed a Diploma in Economic Development from the University of Colombo. In addition, she has obtained her Post Graduate Diploma in Education from the National Institute of Education. Her Bachelor's Degree (BA) has been obtained from the University of Sri Jayawardanapura.

Ms. Awanthi Senaratne has contributed her valuable experience and knowledge to the field of Civil Aviation since 2018, in many salient development programmes. Moreover, she has also participated in several Major Civil Aviation Conferences as a member of the State Delegation during her period.



CIVIL AVIATION AUTHORITY OF SRI LANKA

Stance

The airspace above us is a public asset with vast potential for socio-economic development that needs to be managed for the progress and prosperity of the country and posterity of the nation.

Goals

- ✚ To achieve or exceed safety and security outcome targets;
- ✚ To be appropriately resourced;
- ✚ To be professional and competent;
- ✚ To attain wide credibility and recognition;
- ✚ To sustain or enhance its achievements;
- ✚ To achieve the highest level of productivity in all activities under taken;
- ✚ To maintain a high degree of compliance with international standards and Recommended Practices; 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 in conformity with the applicable International Standards and Recommended Practices;
- ✚ 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 and consistent manner and communicating effectively both externally and internally;
- ✚ Maintaining the effectiveness and consistency of all documents, materials, and internal procedures.

Values

The CAASL and its employees shall:

- ✚ Assign top priority and importance to aviation safety and promote a safety culture;
- ✚ Excel in the services being provided to the CAASL clientele;
- ✚ Have a 'can do' attitude in everything being undertaken;
- ✚ Aim to be reliable, realistic and consistent;
- ✚ Be willing and able to change in pursuit of continuous improvement;
- ✚ Work together to achieve success;
- ✚ Be open, honest and transparent;
- ✚ Promote efficiency, productivity and regularity in all activities;
- ✚ Trust and respect colleagues and thereby uphold teamwork;
- ✚ Value everyone's contribution;
- ✚ Recognise social responsibilities and obligations;
- ✚ Enjoy what is being done;
- ✚ Take pride in the professional approach;
- ✚ Have a balanced home and work environment.

CAASL's Immediate Targets

- ✚ To prevent fatal accidents in the commercial aviation sector;
- ✚ To prevent hijacking and unlawful interference in civil aviation;
- ✚ To prevent general aviation accidents;
- ✚ To prevent fatal aviation related accidents on ground at airports;
- ✚ To reduce accidents in engineering/ maintenance workshops; and
- ✚ To minimise aviation occurrences
- ✚ To support minimising delays in on-time departures;
- ✚ To encourage improving quality of service in air travel;
- ✚ To facilitate minimising congestion and expedite passenger processing at airports, whilst being mindful of security requirements;

- ✚ To help in minimising operational cost in air transportation and eliminate waste;
- ✚ To help minimising adverse effects of aviation on the environment;
- ✚ To educate school children on the potential benefits of civil aviation and
- ✚ To groom the next generation of Aviation Professionals.

Expected Outcomes

- ✚ Fulfillment of the State's international obligations in the field of civil aviation and constant implementation and enforcement of International Standards and Recommended Practices registering a very high level of effective implementation of SARPS;
- ✚ International recognition of the civil aviation system of Sri Lanka which is free from embargoes / restrictions and avoidance of significant safety concerns being raised by ICAO against the State's aviation system;
- ✚ Enhanced safety, security, regularity and efficiency in civil aviation and consequential public confidence in the air transport system;
- ✚ Increased customer satisfaction
- ✚ Improved financial performance of the Authority



CIVIL AVIATION AUTHORITY OF SRI LANKA

Output

Output Class	Output
Policy Advice	<ul style="list-style-type: none"> • Advise Government and other organisations • Legislative Reforms • Development of Rules • Development and Promulgation of Implementing Standards • Development of Aviation Policy • Development of Manuals of Procedure • Master Planning of Aviation Infrastructure
Safety Assessment & Certification	<ul style="list-style-type: none"> • Risk management of: • Airport/Airfield sector safety; • Airlines sector safety in 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	<ul style="list-style-type: none"> • Safety Investigation • Safety Analysis • Safety Information, Education and Promotion • Aircraft Accident and Incident Investigations and Implementation of Safety Recommendations
Authorization	<ul style="list-style-type: none"> • Airline schedule approval • Airfare approval • Travel agent certification • Registration of aircraft • Authorisation for import of aircraft spare parts • Authorisation of high structure constructions • Authorisation for GSA • Designation of local carriers for international operations
Security Assessment	<ul style="list-style-type: none"> • Civil aviation sector security risk management
Enforcement	<ul style="list-style-type: none"> • Responses to regulatory breaches • Enforcement of public health and hygienic requirements
Assistance to the Government	<ul style="list-style-type: none"> • Collection of embarkation levy from airlines



REGULATORY SCOPE

By the end of 2020, the Regulatory Scope of the Civil Aviation stood as follows.

Regulated Area	2020	2019	Change (%)
Airports			
Domestic Land Airports	11	11	0
Domestic Water Aerodromes	11	11	0
International Airports	3	3	0
Airlines			
Local Airlines engaged in domestic air services	7	10	-30
Local Airlines engaged in international air services	2	2	0
International Foreign Airlines	39	43	-9
Training Organisations			
Flying Schools	8	8	0
Type Rating Training Organisations	3	3	0
Engineering/Maintenance Schools	4	4	0
Civil Aviation Training Centres	1	1	0
Air Navigation			
Air Navigation Service Providers	1	1	0
Registration and Airworthiness of Aircraft			
Large Aircraft (Maximum take-off weight 5700kg & above)	29	29	0
Small Aircraft (Maximum take-off weight less than 5700kg)			
Light Transport Aircraft	42	42	0
Ultra-Light Aircraft	2	2	0
Helicopter	9	9	0
Hot Air Balloons	6	6	0
Synthetic Training Devices Flying Training Devices			
Local full flight Simulators – A 320/A 330/ Integrated Panel Trainer	3	3	0
ATC Simulator	1	1	0

REGULATORY SCOPE

Regulated Area	2020	2019	Change (%)
Personnel Licensing			
Student Pilot License Holders	114	260	-56
Private Pilot License Holders	87	146	-40
Commercial Pilot License Holders	176	321	-45
Air Transport Pilot License Holders	295	400	-26
Air Traffic Control License Holders	49	68	-28
Aircraft Maintenance Engineer License Holders	1	2	-50
Aircraft Maintenance License Holders	144	392	-63
Flight Dispatcher License Holders/Flight Operation Officer License	0	3	-100
Cabin Crew Member Certificate Holders	96	245	-61
Flying Instructors	1	1	0
Assistant Flying Instructors	3	9	-67
Ground Instructors License Holders	6	17	-65
Flight Examiners	6	6	0
Designated Check Pilots	20	21	-5
Civil Aviation Medical Examiners/ Medical Assessors	6	6	0
Certified Aviation Security Screeners	452	806	-56
Certified Aviation Security Instructors	13	7	-71
Certified Aviation Security Managers	2	22	-41
Air Transport Service Providers			
Global Distribution Service Providers	4	4	0
Air Transport Service Provider License Holders	348	539	-35
Air Transport Service Provider License –Group A	329	448	-27
Air Transport Service Provider License –Group B	19	91	-79
General Sales Agents	24	24	0



GOVERNANCE AND ACCOUNTABILITY OF CAASL

Role of the Authority

The major role of the Authority includes, but is not limited, to the following;

- ✚ Communicating with the Hon. Minister in charge of the subject of civil aviation and other government stakeholders to ensure their views are reflected in the planning of the country's civil aviation sector;
- ✚ Setting policies and goals in the field of civil aviation and monitoring organisational performance towards achieving the objectives of the CAASL and updating the CAASL Corporate Plan to reflect the government's objectives in the civil aviation sector, as applicable
- ✚ Delegating responsibility for the achievement of specific objectives of the Director –General of Civil Aviation who is also the Chief Executive Officer, CAASL – ex officio;
- ✚ Employing qualified and skilled personnel and determine their terms and conditions of service including remuneration to be able to perform CAASL's functions and duties;
- ✚ Being accountable to the Hon. Minister in charge of the subject of civil aviation on plans and progress towards the implementation of the CAASL Corporate Plan;

Board Members

Honorable Minister of Aviation and Tourism appointed the members to the Board of the Civil Aviation Authority in terms of powers vested in him under the CAASL Act 34 of 2002.

Mr. Upul Dharmadasa CTC and Mr. Amitha Wijayasuriya, were appointed as the Chairman and Vice Chairman respectively.

Board of Directors and Governance

The members of Board of Directors of the Authority carry diverse skills and experience in business and in the fields of administration, financial, legal and aviation industry thus bringing in a wide range of viewpoints and impressions on policy issues relating to civil aviation.

Once appointed, all members are expected to act in the best interest of the Civil Aviation Authority and acknowledge that the Authority must stand unified in its decisions and that individual members have no separate governing role outside the Authority.

The Authority directs the Chief Executive Officer by delegating powers and functions for achievement of CAASL's objectives by setting apt policies and procedures. The forward plans of the Authority are included in its triennium Corporate Plan and are effectively monitored through the Annual Work Programme, Training Programme, Procurement Programme, Programme Budget and Audit Programme which are approved by the Authority at the beginning of each year. The Authority also gives directions to the Chief Executive Officer through Board Resolutions with regard to all matters for which no specific provisions are currently available and it remains the duty of the Chief Executive Officer to give effect to such resolutions.

Executive Powers of the Authority

In terms of the Civil Aviation Authority of Sri Lanka Act No. 34 of 2002, the Cabinet of Ministers appoints the Director General of Civil Aviation who shall also function as 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 Ministries, and shall carry on all such duties and functions assigned to him/her by or under the Civil Aviation Authority of Sri Lanka Act or any other applicable written law and be charged with the general administration of the functions of the Authority. The Authority acknowledges that Director General of Civil Aviation will act independently in regard to the statutory functions that are assigned to him by statute. However, in the discharge of such duties and functions, he may use the CAASL's resources within the approved procedures and guidelines.

Authority Committees

The Authority has set up two (02) standing committees, viz. Staff Committee, Audit and Management Committee to place more focus on specific issues and design and implement developmental plans. Each Committee has been delegated powers for establishing and monitoring the organisation's progress towards meeting the objectives of the Authority and achieve the set targets and goals. Notwithstanding the delegation of powers and functions to any of the following Committee, the Board may continue to exercise its powers on any or all such matters as deemed necessary.



GOVERNANCE AND ACCOUNTABILITY OF CAASL

Staff Committee

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

- ✚ Adoption of an organisational structure and modification thereof as and when necessary;
- ✚ Determination of salaries and cadre;
- ✚ Employees' matters pertaining to selection, recruitment, appointment, promotion, demotion, retirement / termination etc.;
- ✚ Development or revision of Scheme of Recruitment as and when required;
- ✚ Development of Staff Rules and Administrative Procedures for CAASL;
- ✚ Development of Office Procedures for CAASL;
- ✚ Disciplinary actions on employees;
- ✚ Development of Disciplinary Procedures for CAASL employees ;
- ✚ Revising or Updating the CAASL Corporate Plan as and when required;
- ✚ Monitoring the Annual Work Programme and Training Policies, Procedures and Programme of the CAASL;
- ✚ Grant of approval for employees overseas training and Grant of scholarships for CAASL employees;
- ✚ Grant of approval for acquiring movable or immovable properties and/or planning and development of such properties;
- ✚ Development of compensation schemes for premature retirement or separation for DCA employees ,
- ✚ Development of social and welfare schemes for CAASL employees.

The Staff Committee comprised of the following Members of the CAASL

- (1) Mr. Upul Dharmadasa (Chairperson)
- (2) Capt. Themiya Abeywickrama (Member)
- (3) Mr. Nihal Jayawardene.PC (Member)

Audit and Management Committee

The Audit and Management Committee is responsible for the following matters;

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

The Audit & Management Committee comprises of the following members.

- (1) Ms. Ayanthi De Silva (Chairperson)
- (2) Mr. Chaminda Welegama (Member)
- (3) Mr. Amitha Wijayasuriya (Member)
Up to 20th February 2020
- (4) Ms. Awanthi Senaratne (Member)
From 14th September 2020

NGAP Sri Lanka Programme National Committee

- ✚ International Civil Aviation Organisation (ICAO) concept on Next Generation of Aviation Professionals (NGAP).

It has been recognised by the international aviation community that there will be an anticipated shortage of skilled aviation professionals in the near future. Therefore to address this important issue, the Next Generation of Aviation Professionals (NGAP) initiative was introduced by the ICAO to ensure that more qualified and competent aviation professionals would be available to operate, manage and maintain the future international air transport system.

The NGAP Sri Lanka Programme National Committee assists the NGAP Sri Lanka programme with its responsibilities for its mission, vision, objective and Master Action Plan.

National Committee – NGAP Sri Lanka Programme

The NGAP Sri Lanka Programme National Committee comprises of the following officers,



GOVERNANCE AND ACCOUNTABILITY OF CAASL

Civil Aviation Authority of Sri Lanka

- (1) Capt. Themiya Abeywickrama (President)
- (2) Mr. P.A Jayakantha, (Vice President)
- (3) Mr. Gimhan Dabarera, (Secretary & NGAP National Coordinator)
- (4) Mr. N. Navajeevan, (Assistant Secretary)
- (5) Mr. Rayhan Wannappa, (Consultant)
- (6) Mr. K.M.M.N. Dassanayake, (Head of Aviation Academic Development Committee)
- (7) Mr. Prabhath Kularathna, (Head of Aviation Awareness Committee)

Representatives of Airport and Aviation Services (Sri Lanka) Ltd

- (8) Mr. Devinda Abeygunawardane
- (9) Mr. Thivanka Weerasinghe

Representatives of Sri Lankan Airlines Ltd

- (10) Mr. Nuwan Hettiarachchi
- (11) Mr. Rachitha Vitharanage

Civil Aviation Development and Education Committee (CADEC)

The Civil Aviation Development and Education Committee was established in August 2010 for planning, development and implementation of special programmes aimed at enhancing public awareness in civil aviation activities. This Committee is headed by the DGCA and CEO and is assisted by the Senior Director and Director (Corporate). It may contain members appointed from within employees of the CAASL, as and when nominated by the DGCA and approved by the Board.

Relations with Stakeholders

The Authority acknowledges its responsibility to keep in close and constant contact with stakeholders, in particular, to remain cognizant of the expectations of the Hon. Minister in charge of the subject of Civil Aviation.

Responsibility of the Authority and Senior Management

Key to the efficient functions of the Civil Aviation Authority is that there is clear demarcation between the role of the Authority and Senior Management headed by the CEO.

The Authority concentrates on setting high level policies and strategies, and then monitors progress towards meeting the objectives. It further provides directions on matters where specific provisions do not exist in its current policies, procedures or protocols.

The Senior Management headed by the Chief Executive is charged with the implementation of these high-level policies and strategies.

The Authority stands apart and does not share responsibility for the discharge of specific regulatory obligations cast specifically on the Director-General of Civil Aviation in terms of the Civil Aviation Act No.14 of 2010, the Air Navigation Regulations made thereunder or any other written law.

However, the Authority will provide all necessary resources and assistance which includes but is not limited to personnel, equipment, facilities and services that are required by the Director General of Civil Aviation to discharge the regulatory obligations and functions cast on him and that of the State.

The Authority clearly demonstrates those roles by ensuring that the delegation of powers and functions to the Director-General of Civil Aviation and Chief Executive Officer of CAASL 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, conducted, accounted for and monitored in accordance with the Authority's policies, strategic directions, and expectations as set out in its Corporate Plan.

Conflict of Interest

The Authority maintains an Interest 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 the Members of the Board and all employees of the CAASL.

Quality and Internal Audit

While many of the Authority's functions and duties have been delegated, the overall final responsibility for maintaining effective systems of organisational control and supervision 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.

GOVERNANCE AND ACCOUNTABILITY OF CAASL

The Authority comprises of a Quality and Internal Audit Section responsible for detailed scrutiny and monitoring systems of internal control in each of the CAASL sections. The Quality and Internal Audit Section is responsible for maintenance of the quality of overall duties, functions and services rendered by the CAASL and is accountable for the reliability of financial and other information reported directly to the chairman of the Authority and to the Audit and Management Committee as per the set protocols.

Internal Audit operates independently of the senior management and reports its finding directly to the Director General of the CAASL who also functions as the CEO of the CAASL and to the Audit and Management Committee as per the set protocols.

Legislative Compliance

The Authority acknowledges its responsibility to ensure that the organisation 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 employees are aware of legislative requirements that are particularly relevant to them.

The Authority makes decisions on the application of general or specific circulars and /or directives issued by the government organisations to the Authority on a case-by-case basis. Hence, each circular issued by a Government Department will not automatically be applied in the management of the CAASL unless the Authority examines as to the effect of such circular contents on effective functioning and discharge of the legitimate powers, functions and duties of the Authority and decided the nature and scope of such applications.

The Corporate Affairs and Economic Regulation Division of the CAASL is responsible for maintaining an updated list of concordance with regard to the extending of application of the Government Circulars to the functioning of the CAASL.

Ethics

The Authority, having developed a Code of Ethics, regularly monitors where all members of the staff maintain high standards of ethical behavior and practice the principals of 'good corporate governance'. Monitoring compliance with ethical standards is implemented through means such as monitoring trends in complaints and disciplinary actions, internal audit reports, or any reports or indications that show non-compliance with the principles contained in the code of ethics.

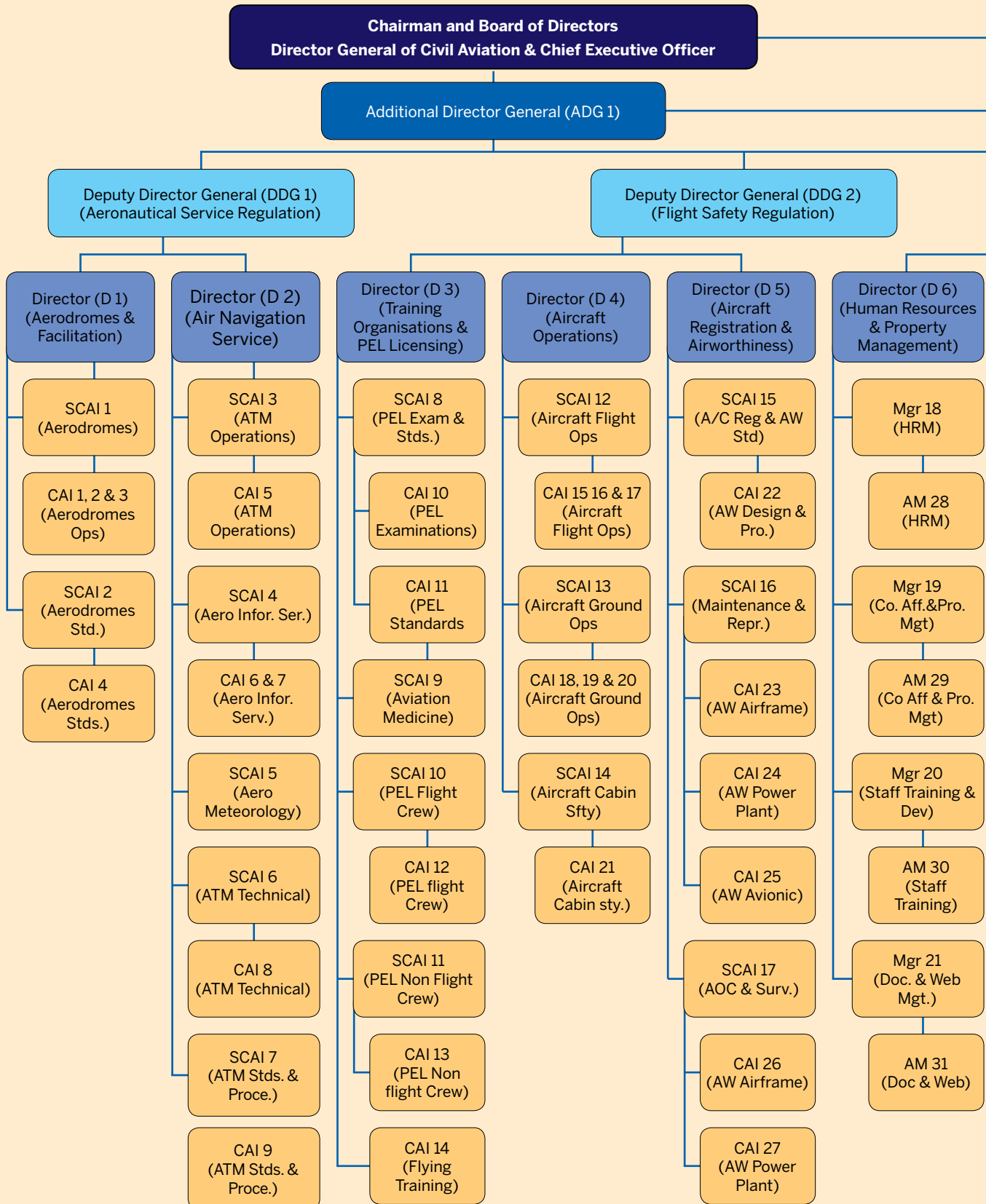
Good corporate citizenship involves the Authority, including its employees, acknowledging that it is a member of many communities outside of itself and the industry it oversees and making a commitment to act in a transparent, consistent, independent and responsible manner with the morals and accepted rights and responsibilities of all citizens of those communities.

Organisation Structure – Management Staff

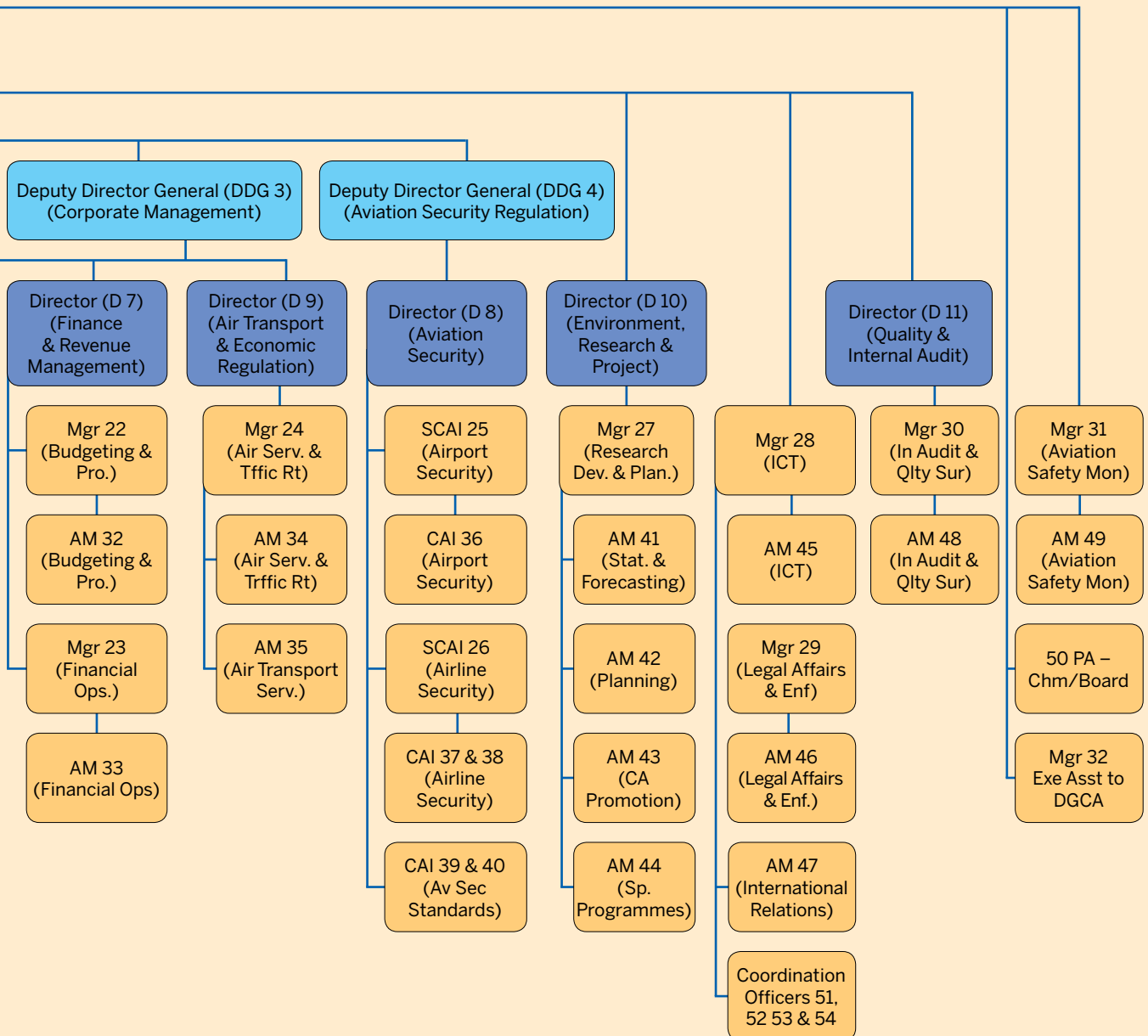
The organisation structure of the management staff of the Authority is depicted as follows. The abbreviations are enumerated at the beginning of this Report.



CIVIL AVIATION AUTHORITY OF SRI LANKA OPERATIONAL ORGANISATION STRUCTURE – MANAGEMENT STAFF



CIVIL AVIATION AUTHORITY OF SRI LANKA OPERATIONAL ORGANISATION STRUCTURE – MANAGEMENT STAFF



Legends

SCAI – Senior Civil Aviation Inspector
Mgr. – Manager
CAI – Civil Aviation Inspector
AM – Assistant Manager

Rev 03 – 09/05/2019



CIVIL AVIATION AUTHORITY OF SRI LANKA OPERATIONAL ORGANISATION STRUCTURE – MANAGEMENT STAFF

	Legends	Os Code	Designation
1.			Director General of Civil Aviation
2.	ADG 01	OS1-HM22-ADG	Additional Director General
3.	DDG 01	OS2-HM21-DDG-1	Deputy Director General (Aeronautical Service Regulation)
4.	DDG 02	OS2-HM21-DDG2	Deputy Director General (Flight Safety Regulation)
5.	DDG 03	OS2-HM21-DDG3	Deputy Director General (Corporate Management)
6.	DDG 04	OS2-HM21-DDG4	Deputy Director General (Aviation Security Regulation)
7.	D 01	OS3-HM11-D2	Director (Aerodromes & Facilitation)
8.	D 02	OS3-HM11-D3	Director (Air Navigation Services)
9.	D 03	OS3-HM11-D10	Director (Training Organisation and Personnel Licensing)
10.	D 04	OS3-HM11-D5	Director (Aircraft Operations)
11.	D 05	OS3-HM11-D6	Director (Aircraft Registration and Airworthiness)
12.	D 06	OS3-HM11-D8	Director (Human Resources and Property Management)
13.	D 07	OS3-HM11-D9	Director (Finance & Revenue Management)
14.	D 08	OS3-HM11-D1	Director (Aviation Security)
15.	D 09	OS3-HM11-D7	Director (Air Transport and Economic Regulation)
16.	D 10	OS3-HM11-D4	Director (Environment, Research & Projects)
17.	D 11	OS3-HM11-D11	Director (Quality and Internal Audit)
18.	SCAI 01	OS4-MM11-AD-1	Senior Civil Aviation Inspector (Aerodromes)
19.	SCAI 02	OS4-MM11-AD-2	Senior Civil Aviation Inspector (Aerodromes Standards)
20.	SCAI 03	OS4-MM11-AN-1	Senior Civil Aviation Inspector (Air Traffic Management- Operations)
21.	SCAI 04	OS4-MM11-AN-2	Senior Civil Aviation Inspector (Aeronautical Information Service)
22.	SCAI 05	OS4-MM11-AN-5	Senior Civil Aviation Inspector (Aeronautical Meteorology)
23.	SCAI 06	OS4-MM11-AN-3	Senior Civil Aviation Inspector (Air Traffic Management- Technical)
24.	SCAI 07	OS4-MM11-AN-4	Senior Civil Aviation Inspector (ATM & Standards and Procedures)
25.	SCAI 08	OS4-MM11-PL-1	Senior Civil Aviation Inspector (Personnel Licensing Examinations & Standards)
26.	SCAI 09	OS4-MM11-PL-2	Senior Civil Aviation Inspector (Aviation Medicine)
27.	SCAI 10	OS4-MM11-PL-3	Senior Civil Aviation Inspector (Personnel Licensing- Flight Crew)
28.	SCAI 11	OS4-MM11-PL-4	Senior Civil Aviation Inspector (Personnel Licensing- Non –Flight Crew)
29.	SCAI 12	OS4-MM11-OP-1	Senior Civil Aviation Inspector (Aircraft Flight Operations)
30.	SCAI 13	OS4-MM11-OP-2	Senior Civil Aviation Inspector (Aircraft Ground Operations)
31.	SCAI 14	OS4-MM11-OP-3	Senior Civil Aviation Inspector (Aircraft Cabin Safety)
32.	SCAI 15	OS4-MM11-AW-1	Senior Civil Aviation Inspector (Aircraft Registration and Airworthiness Standards)
33.	SCAI 16	OS4-MM11-AW-2	Senior Civil Aviation Inspector (Maintenance & Repair Organisations)

CIVIL AVIATION AUTHORITY OF SRI LANKA OPERATIONAL ORGANISATION STRUCTURE – MANAGEMENT STAFF

	Legends	Os Code	Designation
34.	SCAI 17	OS4-MM11-AW-3	Senior Civil Aviation Inspector (Air Operator Certification & Surveillance)
35.	Mgr 18	OS4-MM11-HR-1	Manager (Human Resources Management)
36.	Mgr 19	OS4-MM11-HR-2	Manager (Corporate Affairs and Property Management)
37.	Mgr 20	OS4-MM11-HR-3	Manager (Staff Training and Development)
38.	Mgr 21	OS4-MM11-FM-1	Manager (Budget and Programmes)
39.	Mgr 22	OS4-MM11-HR-5	Manager (Documents & Web Management)
40.	SCAI 23	OS4-MM11-FM-2	Manager (Financial Operations)
41.	SCAI 24	OS4-MM11-AS-1	Senior Civil Aviation Inspector (Airport Security)
42.	Mgr 25	OS4-MM11-AS-2	Senior Civil Aviation Inspector (Airline Security)
43.	Mgr 26	OS4-MM11-AT-1	Manager (Air Services and Traffic Rights)
44.	Mgr 27	OS4-MM11-SP-1	Manager (Research and Development Planning)
45.	Mgr 28	OS4-MM11-HR-4	Manager (Information & Communication Technology)
46.	Mgr 29	OS4-MM11-DM-2	Manager (Legal Affairs & Enforcement)
47.	Mgr 30	OS4-MM11-IA-1	Manager (Internal Audit and Quality Survey)
48.	Mgr 31	OS4-MM11-DM-1	Manager (Aviation Safety Monitoring)
49.	Mgr 32	OS4-MM 1-1-DM-2	Executive Assistant to DGCA
50.	CAI 01	OS5-MA5-3-AD-1 -1	Civil Aviation Inspector (Aerodrome Operations)
51.	CAI 02	OS5-MA5-3-AD-1-2	Civil Aviation Inspector (Aerodrome Operations)
52.	CAI 03	OS5-MA5-3-AD-1-3	Civil Aviation Inspector (Aerodrome Operations)
53.	CAI 04	OS5-MA5-3-AD-2	Civil Aviation Inspector (Aerodrome Standards)
54.	CAI 05	OS5-MA5-3-AN-1	Civil Aviation Inspector (Air Traffic Management – Operations)
55.	CAI 06	OS5-MA5-3-AN-2-1	Civil Aviation Inspector (Aeronautical Information Service)
56.	CAI 07	OS5-MA5-3-AN-2-2	Civil Aviation Inspector (Aeronautical Information Service)
57.	CAI 08	OS5-MA5-3-AN-3	Civil Aviation Inspector (Air Traffic Management – Technical)
58.	CAI 09	OS5-MA5-3-AN-4	Civil Aviation Inspector (ATM – Standards and Procedures)
59.	CAI 10	OS5-MA5-3-PL-1	Civil Aviation Inspector (Personnel Licensing Examinations)
60.	CAI 11	OS5-MA5-3-PL-2	Civil Aviation Inspector (Personnel Licensing Standards)
61.	CAI 12	OS5-MA5-3-PL-3	Civil Aviation Inspector (Personnel Licensing – Flight Crew)
62.	CAI 13	OS5-MA5-3-PL-5	Civil Aviation Inspector (Personnel Licensing – Non Flight Crew)
63.	CAI 14	OS5-MA5-3-PL-4	Civil Aviation Inspector (Flying Training)
64.	CAI 15	OS5-MA5-3-OP-1-1	Civil Aviation Inspector (Aircraft Flight Operations)
65.	CAI 16	OS5-MA5-3-OP-1-2	Civil Aviation Inspector (Aircraft Flight Operations)
66.	CAI 17	OS5-MA5-3-OP-1-3	Civil Aviation Inspector (Aircraft Flight Operations)
67.	CAI 18	OS5-MA5-3-OP-2-1	Civil Aviation Inspector (Aircraft Ground Operations)



CIVIL AVIATION AUTHORITY OF SRI LANKA OPERATIONAL ORGANISATION STRUCTURE – MANAGEMENT STAFF

	Legends	Os Code	Designation
68.	CAI 19	OS5-MA5-3-OP-2-2	Civil Aviation Inspector (Aircraft Ground Operations)
69.	CAI 20	OS5-MA5-3-OP-2-3	Civil Aviation Inspector (Aircraft Ground Operations)
70.	CAI 21	OS5-MA5-3-OP-3	Civil Aviation Inspector (Aircraft Cabin Safety)
71.	CAI 22	OS5-MA5-3-AW-4	Civil Aviation Inspector (Airworthiness – Design and Production)
72.	CAI 23	OS5-MA5-3-AW-1-1	Civil Aviation Inspector (Airworthiness – Airframe)
73.	CAI 24	OS5-MA5-3-AW-2-1	Civil Aviation Inspector (Airworthiness – Power Plant)
74.	CAI 25	OS5-MA5-3-AW-3	Civil Aviation Inspector (Airworthiness – Avionics)
75.	CAI 26	OS5-MA5-3-AW-1-2	Civil Aviation Inspector (Airworthiness – Airframe)
76.	CAI 27	OS5-MA5-3-AW-2-2	Civil Aviation Inspector (Airworthiness – Power Plant)
77.	AM 28	OS5-MA53-HR-1	Assistant Manager (Human Resources Management)
78.	AM 29	OS5-MA53-HR-2	Assistant Manager (Corporate Affairs & Property Management)
79.	AM 30	OS5-MA53-HR-3	Assistant Manager (Training)
80.	AM 31	OS5-MA53-HR-5	Assistant Manager (Document and Web Management)
81.	AM 32	OS5-MA53-FM-1	Assistant Manager (Budget & Programme)
82.	AM 33	OS5-MA53-FM-1	Assistant Manager (Financial Operation)
83.	AM 34	OS5-MA53-AT-1	Assistant Manager (Air Services & Traffic Rights)
84.	AM 35	OS5-MA53-AT-3	Assistant Manager (Air Transport Services)
85.	CAI 36	OS5-MA53-AS-1	Civil Aviation Inspector (Airport Security)
86.	CAI 37	OS5-MA53-AS-2-1	Civil Aviation Inspector (Airline Security)
87.	CAI 38	OS5-MA53-AS-2-2	Civil Aviation Inspector (Airline Security)
88.	CAI 39	OS5-MA53-AS-3 - 1	Civil Aviation Inspector (Security Standards)
89.	CAI 40	OS5-MA53-AS-3 - 2	Civil Aviation Inspector (Security Standards)
90.	AM 41	OS5-MA53-SP-2	Assistant Manager (Planning)
91.	AM 42	OS5-MA53-SP-3	Assistant Manager (Statistics & Forecasting)
92.	AM 43	OS6-JM11-SP-4	Assistant Manager (Civil Aviation Promotion)
93.	AM 44	OS5-MA53-SP-1	Assistant Manager (Special Programmes)
94.	AM 45	OS5-MA53-HR-4	Assistant Manager (Information and Communication Technology)
95.	AM 46	OS5-MA53-DM-2	Assistant Manager (Legal Affairs & Enforcement)
96.	AM 47	OS5-MA53-AT-2	Assistant Manager (International Relations)
97.	AM 48	OS5-MA53-IA-1	Assistant Manager (Internal Audit and Quality Survey)
98.	AM 49	OS5-MA53-DM-1	Assistant Manager (Aviation Safety Monitoring)
99.	JM 50	OS6-JM 1-1-DM-1	Personal Assistant to Chairman cum Board Secretary
100.	JM 51	OS6-JM11-DM-3-1	Coordination Officer
101.	JM 52	OS6-JM11-DM-3-2	Coordination Officer
102.	JM 53	OS6-JM11-DM-3-3	Coordination Officer
103.	JM 54	OS6-JM11-DM-3-4	Coordination Officer



DIRECTION AND MANAGEMENT

CAASL Meetings

The Civil Aviation Authority of Sri Lanka held eight (08) Authority meetings during the period under review and had passed resolutions for the progress and wellbeing of both the CAASL and the civil aviation industry that it regulates. The Staff Committee of the CAASL met three (03) times while the Audit Committee of the CAASL met four (04) times during the period under review.

AVIATION SAFETY MONITORING UNIT

The Aviation Safety Monitoring Unit is responsible for ensuring the State's obligations in relation to aircraft accident and incident investigations and implementation of the State Safety Programme (SSP) in conformity with the International Standards and Recommended Practices contained in ICAO Annex 13 and Annex 19 respectively and regulating Unmanned Aerial Vehicle operations within the country.

The main tasks of the Unit are to carry out administrative functions of aircraft accident and incident investigations under ICAO Annex 13 and tasks in relation to implementation of State Safety Programme under ICAO Annex 19 in order to achieve safety goals. In addition, the Unit remains responsible for the work regarding Unmanned Aerial Vehicle operations.

Regulatory Development

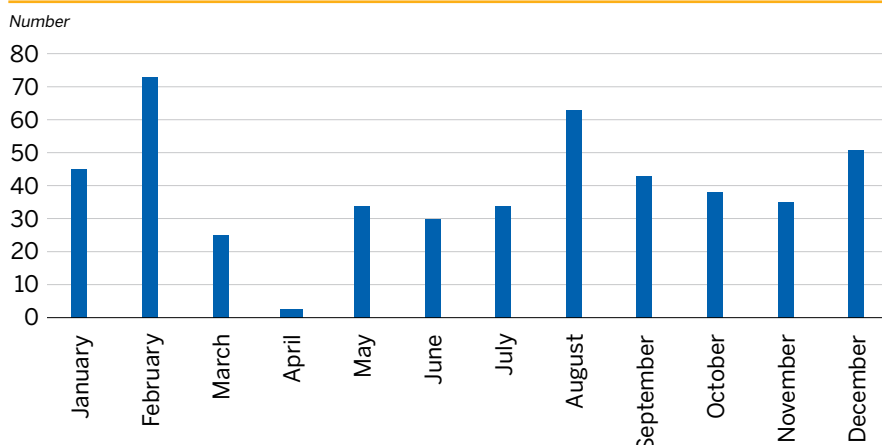
- ✚ The Implementing Standard – SLCAIS -053, on Operation of Pilotless Aircraft Systems was upgraded in collaboration with all stakeholders to conform with the International Standards and Recommended Practices and translation of the same is in progress. The initial work in relation to the implementation of the automated system for unmanned aerial vehicle operations has been commenced and is in progress.

- ✚ The Implementing Standard on SMS Framework was issued in compliance to ICAO Annex 19 on Safety Management.
- ✚ Aeronautical Information Circular on Aircraft Accident or Serious Incident Compliance Requirements of Aircraft Operators, Aerodrome Operators and Air Navigation Services Providers were updated and published in the Aeronautical Information Publication of Sri Lanka.
- ✚ Two Office Procedures were issued on Unmanned Aerial Vehicle operations and registration during the review year.

Certification Activities

Three Hundred and eighty five (385) drones were registered and Hundred and sixty-seven (167) drones were physically inspected by the CAASL during the year 2020. Further, Four hundred and seventy-three (473) approvals have been issued for the operation of Unmanned Aerial Vehicles (UAV) in 2020 while six (06) custom built drones were inspected and registered.

UAV Approvals During 2020



In addition, Two (02) of the approvals for the assembling of UAV's were granted as specified in Implementing Standard –SLCAIS 053. One site for UAV operation was inspected and approved. Further, thirteen (13) number of approvals had been granted for model flying operations in Sri Lanka.

Aviation Occurrences

There were Hundred and twenty-one (121) aviation occurrences reported in 2020 in respect of the aircraft registered in Sri Lanka and as well as foreign registered aircraft in their operations within the territory of Sri Lanka. Out of this Hundred and seven (107) were into aircraft registered in Sri Lanka while the balance 14 involved in foreign registered aircraft occurring within the territory of Sri Lanka.

Out of the total occurrences, thirty-five (35) bird strikes were reported, which accounted for the highest number of occurrences reported in one category. Amongst reported bird strikes twenty (21) occurred at the Bandaranaike International Airport, while three (03) were at Colombo International Airport and two others (02) were at the Mattala Rajapaksa International Airport.

There were twenty-five (25) system/component failure or malfunction related occurrences reported during the year and out of this twenty two (22) were into aircraft registered in Sri Lanka.



DIRECTION AND MANAGEMENT

There were nineteen (19) ATM/Communication related occurrences reported during the review period where majority of events were reported due to no contact with ATS units with the highest number being reported within Mumbai FIR.

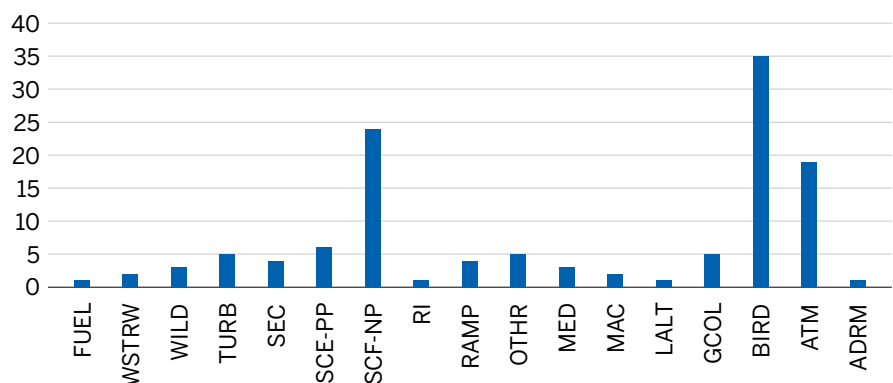
Investigations

- ✚ The incident on hydraulic yellow RSVR low level indication of Sri Lankan Airlines flight UL 1423, A320, bearing registration 4R-ANC during initial climb at 8000ft from Changi International Airport, Singapore, on 06th June 2020 was investigated and the final report was released with safety recommendations.
- ✚ The low flying incident of Lakwin Aviation Pvt. (Ltd) aircraft Cessna 152, bearing registration 4R-LWR over Panadura Beach - Sri Lanka on 26th July 2020 was investigated and the final report released with safety recommendations.
- ✚ An incident on departure delay of UL 1506 of Sri Lankan Airlines flight at Frankfurt Airport due to rejection of ATS flight plan overflying Turkish airspace prior to arriving into Cyprus on 24th Aug 2020, was investigated and safety recommendations were issued with a view to prevent recurrences in future.
- ✚ All other reported mandatory occurrences were reviewed by the relevant Sections of CAASL. The distribution of safety recommendations to the respective air operators and other organisations and follow up actions were carried out based on the investigations carried out by other technical sections.
- ✚ On 2nd December 2020, SriLankan Airlines flight UL 190 bearing registration number 4R-AND dispatching from (DAC) Hazrat Shahjalal International Airport Bangladesh to (CMB) Bandaranaike International Airport Sri Lanka, encountered multiple system failures indications on ECAM at FL

360. Subsequently, all ECAM actions were carried out by the flight crew and the weather in Colombo and Chennai was examined. As a result the aircraft was diverted to the Chennai International Airport India and had a safe landing. This was categorised as a serious incident and an investigation was initiated as per the standard and recommended practices of ICAO Annex 13 on Aircraft Accident and Incident Investigation. Accordingly, an Investigation Board was appointed, and the initial notification was sent to ICAO, State of Design and State of Manufacture. DFDR data was shared with Transport Safety Investigation Bureau (TSIB) of Singapore for decoding and analysis in line with the arrangement between CAASL and TSIB-Singapore. The investigation is in progress in collaboration with appointed accredited representatives and technical advisers from Bureau of Enquiry and Analysis for Civil Aviation Safety (BEA) – France and AIRBUS being the State of Design and State of Manufacture.

- ✚ In response to a rising demand, a special programme was initiated by inviting volunteer drone operators with the potential, capability and interest to offer drone technology services to the country during the COVID-19 pandemic. The aim was to identify a qualified pool of drone operators who could be entrusted with the tasks to be assigned by Health authorities and other relevant authorities for the deployment of urgent humanitarian services in which the drone technology would be the most convenient method of supplying goods and services. Thereby twenty (20) drone operators were selected through knowledge, skill and medical tests and authorisations were granted to them to operate drones for surveillance measures in humanitarian tasks.

All Occurrences in to Aircraft Registered in Sri Lanka and Foreign Registered Aircraft within the Territory of Sri Lanka -2020



FUEL	: Fuel related	OTHR	: Other
WSTRW	: Windshear or Thunderstorm	MED	: Medical
WILD	: Collision Wildlife	MAC	: Airprox/ACAS Alert/Loss of Separation/(Near) Midair Collisions
TURB	: Turbulence Encounter	LALT	: Low altitude operations
SEC	: Security	GCOL	: Ground Collision
SCE-PP	: Power Plant Failure or Malfunction	BIRD	: Bird strike
SCF-NP	: System/Component Failure or Malfunction	ATM	: ATM/CNS
RI	: Runway Incursion – Vehicle, Aircraft or Person	ADRM	: Aerodrome
RAMP	: Ground Handling		



DIRECTION AND MANAGEMENT

LEGAL AFFAIRS & ENFORCEMENT UNIT

The main objective of the Legal Affairs and Enforcement unit (LA&E) is to streamline the work relating to the legal and enforcement matters of the CAASL. The LA & E Unit is therefore primarily responsible for the Ratification/ Accession of International Civil Aviation Conventions, reviewing, updating and development of aviation primary and subsidiary legislations, strengthening the CAASL Enforcement policy and capacity and the protection of the rights and interests of the CAASL.

During the year 2020, the LA&E Unit was able to accomplish its assigned duties as summarised below according to the Annual Work Programme of 2020.

- ✚ Enactment of Accident and Incident Investigation Bureau Bill –
Steps have been taken to obtain a fresh cabinet approval to present the draft Bill in the Parliament for enactment.
- ✚ Enactment of the Beijing Convention on the Suppression of unlawful acts relating to the International Civil Aviation and associated supplementary Protocols –
The first draft legislation received from the Legal Draftsman's Department and CAASL has shared its observations on the draft.
- ✚ Enactment of the Cape Town Convention and related protocols –
The second draft legislation received from the Legal Draftsman's Department for CAASL observations.
- ✚ Enactment of Protocol to amend the convention of offences and certain other acts committed on board aircraft – Montreal Protocol 2014 –
Steps have been taken to obtain the cabinet approval to draft the legislation.

- ✚ Publication of Orders issued by the Minister under the Carriage by Air Act –
Orders on State Parties and Liability limits under the Carriage by Air Act have been forwarded to the Ministry for the gazette publication.
- ✚ Promulgation of Water Aerodrome Regulations –
Final draft Regulation in all three languages received from the Legal Draftsman's Department on its third return and CAASL's observations on the same have been forwarded for the final review.
- ✚ Promulgation of Aeronautical Service Provider Licensing Regulations –
CAASL observations and required schedules for the first draft Regulations forwarded by the Legal Draftsman were submitted for their review.
- ✚ Promulgation of Aircraft Registration and Common marks Regulations –
Final draft Regulation in all three languages have been received from the Legal Draftsman's Department on its third return for CAASL observations.
- ✚ Promulgation of Carriage of Dangerous Goods by Air Regulations –
Final draft Regulation in all three languages received from the Legal Draftsman's Department on its third return for CAASL observations.
- ✚ Amendments to Civil Aviation Authority Act and Civil Aviation Act –
Proposals received from the sections of the CAASL on the prevailing Acts have been reviewed and submitted to the Ministry.

- ✚ The legal validity of all the Licenses, Certificates, Permits and Forms issued by the Personnel Licensing Section and Airworthiness Section have been reviewed and forwarded with necessary amendments.
- ✚ Participation for the prior assessment committee of issuing Air Operator Certificates (AOC)

During this year, the LA&E Unit made twenty six (26) Court appearances altogether for four (4) cases with the assistance of the officers of the Attorney General's Department, which include one (1) Supreme Court case and three (3) Labour Tribunal cases filed against the CAASL. Four (04) legal documents were prepared in relation to these cases to be submitted in the Court of Law. Further, the LA&E Unit participated in thirteen (13) consultations at the Attorney General's Department and Legal Draftsman's Department in relation to the above cases and for the promulgation of aviation regulations.

By effective handling of all legal matters of the CAASL, the LA&E Unit was able to provide legal advice and opinion to the senior management of the CAASL during the year as follows;

Drafting Agreements/MOUs	01
Reviewing Agreements/MOUs	16
Giving legal opinion	59



DIRECTION AND MANAGEMENT

INFORMATION COMMUNICATION AND TECHNOLOGY (ICT) UNIT

The Information and Communication Technology (ICT) Unit carries out two main functions, the first of them being the task of managing the information technology infrastructure to provide IT services to the CAASL, which requires:

- + Managing and protecting information systems
- + Managing and protecting data resources
- + Managing and protecting system applications

The second function involves the development and adapting of information systems and ICT infrastructure.

The significant task carried out by the ICT unit during year 2020 was the Server Virtualisation Project which aided to upgrade the whole IT infrastructure of the CAASL to the latest technology. Further the ICT Unit has developed many software applications for the CAASL to meet the evolving requirements of the staff, thus providing them with ease of operation and contributing to efficiency of work flows. These applications allow operations and processes to be innovative, more productive, efficient, and to move ahead of its competitors. Whilst performing a key role in aiding the CAASL to meet its annual objectives, the ICT Unit completed the following projects in 2020.

- (1) Server Virtualisation Infrastructure Setup
- (2) Online payment system SSL certification
- (3) Public Wi-Fi Project
- (4) Update ITC Policy
- (5) Human Resource Management System (HRIS)
- (6) CAASL Web site updates and revamp
- (7) Making PIV System available online

IT Development Projects – Ongoing

- (1) PEL LIMS New system update with UCSC
- (2) Server Virtualisation Server Migration with DR site
- (3) Human Resource Management System (HRIS) User Training
- (4) Drone Registration System
- (5) AOC's in Progress System
- (6) CAASL portal for software application integration

Technical Evaluations Completed

The ICT Unit has completed nine (09) technical evaluations for the ICT procurement.

The employees of the CAASL has obtained the ICT helpdesk support when technical issues arise with their computers, network connectivity, email accounts or other ICT services. The ICT Unit has ensured an error-free ICT environment for all staff at the CAASL while providing effective and efficient system support to computer users of the CAASL during the year under review.

750 software/database related issues were reported, and all issues solved while 350 hardware/network related issues were reported and all 350 issues have been effectively solved.

CIVIL AVIATION PROMOTION AND MEDIA UNIT

Civil Aviation Promotion, Development and Media Unit is responsible for creating an aviation culture in Sri Lanka through enhancing aviation knowledge among general public including specially the youth of the nation, updating the community with current and most reliable aviation related news and promoting its activity via electronic, print media and the social media platforms of the CAASL. The unit functions under the guidance of chairman of CAASL.

Provided below is a summary of the achievements of this unit during the review year.

- + Awareness programme for school children regarding civil aviation

With a view to build the aviation related knowledge within amongst the future generation of Sri Lanka, two awareness programmes were conducted, educating students on forming a 'Civil Aviation Club' within the school. Programme aims to engage young students with the concept of civil aviation in a bid to create more awareness and interest in the subject. Most of the programmes planned for the year had to be postponed owing to the restrictions and safety protocols put in place due to the COVID-19 pandemic on instructions of the Ministry of Education. Unlike in the previous year's the nature of the programmes too had to be altered to meet the safety protocols and limitations and however, with the guidance of the Health Ministry and the Education Ministry, discussions were held to conduct them in a safer setting during the year under review.

- + Awareness programme for school students regarding the activities of international airports

Two awareness programmes to highlight the activities within an airport were conducted at Mattala Rajapaksa International Airport for a group of around 300, including students and teachers of 17 schools in the Hambantota District. This programme which will be conducted throughout the years and will be opened for students of other districts as well, had to be temporarily halted owing to the prevailing pandemic situation.



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✚ Publishing “Guwansara” Aviation Magazine targeting Schools

Twenty-one (21) issues of “Guwansara” Aviation Magazines have been published and distributed to selected school libraries. The magazine has become a popular read amongst students and a free copy of this magazine has been delivered to all schools with Advance Level classes. However due to the spread of the pandemic and closure of schools last year, the magazine was not printed in its expected volumes and distribution too had to be curtailed.

Telecast “Guwan sarisara” Television program

The “Guwan sarisara” television feature programme has gained popularity due to its unique production style and footage that covers interesting cross sections of the aviation industry which has never-before been seen or publicly displayed. The programme even secured an award owing to its popularity and worthy contribution to the society. The production of the programme is scheduled to recommence following the easing of COVID-19 restrictions in the country in the coming months and beyond.

✚ Publishing CAASL news & civil aviation industry news through print & electronic media

In a bid to raise awareness levels on the importance of ‘Civil Aviation’, steps have been taken to publish information using the electronic and print media. This is implemented through newspapers, radio and television programmes coordinated through the Civil Aviation Promotion, Development and Media Unit.

✚ Organising awareness programs for staff members

To enhance knowledge amongst staff members, The Civil Aviation Promotion, Development and Media Unit organised a panel discussion on the time -appropriate subject of “COVID -19 behind the Aviation Operation”. The programme was well-received and the unit is making arrangements to conduct a few more such staff awareness programmes in time to come.

Disseminating civil aviation information through the new media for local and international readers.

The new media, web-based resources and social media are viewed as useful platforms to channel awareness on the authority and its functions as well as civil aviation related information as a whole amongst the local and global communities. To this end, the unit is preparing with better understanding of this media to launch meaningful content for awareness creation on these platforms in the near future.

✚ Special events and programmes

The 18th anniversary celebrations of the Civil Aviation Authority of Sri Lanka was organised by the CADP to commemorate the momentous occasion and reminisce the achievements of the authority over the year.

✚ Media future endeavors

With a view to preserve all salient data of the past and the present, an electronic was initiated by the unit within the year. The Unit continues to enrich the content of this library and conducts research for historically important facts and incidents to be compiled on a continued basis.

AEROMEDICAL SERVICES UNIT

Aeromedical Services unit continued medical assessments for pilots, air traffic controllers, cabin crew members and students as usual until the total lockdown came into effect in March 2020.

The services were recommenced on 18th May 2020 with full capacity to cater the above-mentioned clients and to also clear the backlog created due to the lockdown. During the lockdown period special approvals were granted to extend licenses of CAASL Clients assessing their medical history and present medical status individually. This was done online with the assistance of other relevant sections of CAASL. Special arrangements were also made to grant approval to extend medical certificates of CAASL licenses holders stranded in foreign countries due to the travel restrictions imposed.

Aeromedical Services initiated activities of prevention of spread of COVID-19 disease through air travel since December 2019 when the pandemic was in its initial stages. The following are the key activities carried out by the unit towards this objective:

- (a) As the initial step, by end December and in the month of January the unit representatives visited Jaffna International Airport and Mattala Rajapaksa International Airport to evaluate their compliance to the international Public Health standards, and awareness programmes were conducted for the staff members of the airports on COVID-19 disease, CAA requirements on Public health events and how to adhere to the public health precautionary measures.
- (b) Awareness programmes were conducted for the BIA staff, Sri Lankan Airlines staff and CAASL staff on the COVID-19 disease, prevention of the spread of disease and public health regulatory requirements imposed by CAASL and the Ministry of Health.



DIRECTION AND MANAGEMENT

- (c) En-route inspection was conducted to evaluate the preparedness of Sri Lankan airline staff on the COVID-19 pandemic.
- (d) Members of the unit were appointed to several committees in the Ministry of Health on prevention of COVID-19 and to develop regulatory requirements when the Airports re-open for International travel. The relevant team members actively participated in these committees representing CAASL.
- (e) Rendered services as resource personnel to develop operational guidelines to the Aviation Industry for mitigating COVID-19 disease risks in association with the WHO and the Ministry of Health.
- (f) Was involved in granting approval to repatriation flights, ad-hoc flights, emergency medivac operations, and monitoring the regulatory requirements of crew rest, PCR checks of crew and quarantine requirements etc. in collaboration with the Ministry of Health.
- (g) The unit was a member of the Task Force of National Operation Centre for prevention of COVID-19 and was actively involved in Aviation related decision making.
- (h) Developed guidelines to the airports and airlines for resumption of international airports in Sri Lanka.

QUALITY AND INTERNAL AUDIT SECTION

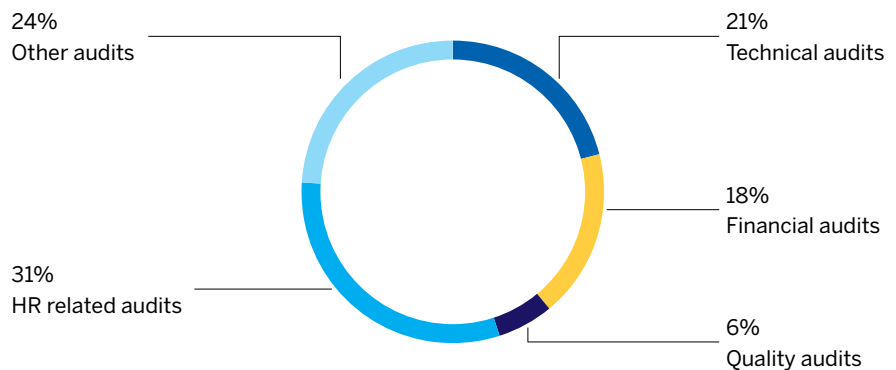
The main objective of the Quality and Internal Audit Section is to enhance the quality management of the CAASL. The internal audit process provides an assurance on the organisation's risk management, internal control environment and governance framework through review and appraisal of the extent of compliance with the relevant statutory requirements. The Quality and Internal Audit Section has further taken necessary steps to ensure the integrity

of the CAASL's accounting and financial reporting system and effectiveness of the internal control systems by reviewing and monitoring of such systems on a periodic basis.

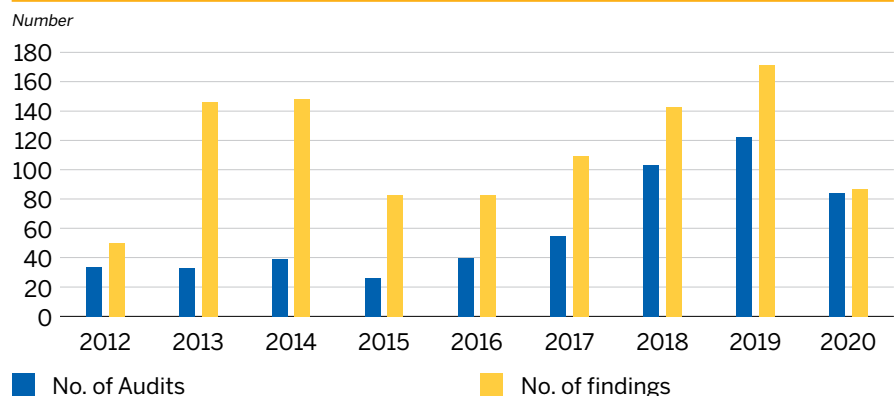
Quality and Internal Audit Section carries out post audits as well as pre-audits on the subject such as staff loans and payments of leave encashment. In total, eighty-four (84) audits were carried out including fifty-one (51) pre-audits which resulted in eighty-seven (87) audit observations during the year 2020. This is a completion of 81% of the planned audits as per the unit's annual work programme 2020. A 31% reduction was observed during the period compared to that of the previous year due to the limitations posed by the COVID-19 outbreak.

Section Highlights

Breakdown of 33 post audits carried out during the year 2020



No. of audits carried out from year 2012 to year 2020



Quality related Functions

Quality and Internal Audit Section applied for the National Productivity Award 2020 organised by the National Productivity Secretariat. Further, initial steps were taken in the year 2020 to implement a Quality Management System and to obtain the ISO 9001:2015 certification for CAASL in 2021. Two customer satisfaction surveys were also carried out in the year 2020 to assess the levels of service and improve the quality of services of CAASL.



DIRECTION AND MANAGEMENT

ENVIRONMENT, RESEARCH AND PROJECT SECTION

Civil Aviation Statistical Programme

The CAASL maintains the Civil Aviation Statistical Programme, which encompasses the Air Transport Statistical Programme and CAASL Statistical Programme. These statistical programmes involve the collection, compilation, interpretation and presentation of data through the application of various tools and techniques.

The Air Transport Statistical Programme is composed of statistics of international airlines/airports, domestic airlines/airports, aircraft registry, fuel consumption, licensed personnel and training organisations. Collected statistics are processed and disseminated to ICAO and other public/private organisations as and when required. Similarly, this programme facilitates reports compiled by the unit in order to fulfill the requests of external public organisations as well.

The CAASL Statistical Programme is for collecting monthly work performance statistics from each section in the organisation. CAASL monthly performance bulletins/reports (including CAASL Annual Report) are prepared using this data in order to evaluate the future needs of the CAASL. Moreover, selected data and descriptive statistics are displayed in the CAASL website intended for public reference and is also shared on the intranet intended for CAASL staff reference.

Research Development and Planning in relation to Civil Aviation

King Ravana and his Aviation knowledge is an interesting mystery, if this mystery could be resolved it might lead the world history to a new dimension. However, solid, material evidence is required to ascertain the truth of such folklore and to fully understand the king Ravana's intervention in Aviation.

It is noted that this section of our history is directly connected with Aviation and it is believed that the Aviation knowledge described in Ravana stories might be beyond the existing aviation technologies currently applied by the modern world. Exploration of the aviation technologies in King Ravana's era needs a comprehensive research to be conducted. Therefore, the ER&P unit initiated this research on "King Ravana and lost heritage of Aviation dominance" which is currently in progress with the collection of related literature and documentation of the evidence in related locations still ongoing.

Publication of CAASL Documents, Reports & Bulletins

Corporate Plan 2020 – 2022

The draft Report of Corporate Plan 2020 – 2022 has been prepared in 2020. The ER&P unit conducted a 'One Day Management Outdoor Workshop' at the CAASL Sub Office of MRJA (Mattala Rajapaksa International Airport) on 29th February 2020 for this purpose. Accordingly the ER&P unit finalised the preparation of the Corporate Plan 2020- 2022 at the discussion of the Management Outdoor Workshop. Finalised Corporate Plan 2020 – 2022 has been then submitted to the Line Ministry.

Annual Report 2019

The preparation, printing and publication of the Annual Report 2019 has been completed by the month of December 2020.

Report to the Line Ministry and External Agencies

In this year's Physical and Financial Progress Reports, the progress against Action Plan Report, Committee Stage Budget Progress Report, and the Project Development Reports have been submitted to the Line Ministry for review. The Central Bank Reports and other requested reports by external agencies have also been submitted in a timely manner prior to the deadline.

Environment Research and Project unit supported with the administrative / logistics requirements for the following meetings/trainings during the year 2020.

Name of the Training	Duration	No. of Participants
Basic SMS Training (COSCAP-SA)	20-24 January 2020	38
Cyber Security Workshop (EASA)	5-7 February 2020	63
Environment Matters for Aero plane Operators	25-28 February 2020	50

Implementation of the ICAO Annex 16 (Part IV) - Carbon Offsetting and Reduction Scheme of International Aviation (CORSIA)

According to the requirements of International Civil Aviation Organisation (ICAO) fuel consumption data, emission data and other relevant data were compiled from Sri Lankan Airlines and was verified and submitted to the ICAO central registry during the year. An order of magnitude check was also conducted for the verified Emissions Report for 2019 submitted by Aeroplane Operator and the verification body during the year.

Handling Procurement of Civil Aviation Authority

All the procurement of good services and consultations were carried out according to the requirements of the sections and the units of CAASL adhering to the procurement guidelines and procedures.

“Safe and Efficient Skies for All”





AERONAUTICAL SERVICE REGULATION DIVISION

AERODROMES AND FACILITATION SECTION

The Aerodromes and Facilitation Section is entrusted to regulate civil aerodromes in Sri Lanka, which enables to ensure safe and efficient aircraft operations at the aerodromes. The section is empowered by the Civil Aviation Act, ICAO Annexes, and other guidance material with relevant information promulgated through Implementing Standards, directives, directions and guidance material. Annexure 14 to the ICAO convention is the main Annex relevant to aerodromes which is promulgated through Implementing Standards (IS) 30 and 41 respectively. In addition to the ISs published for the promulgation of Annex 14, two Implementing Standards, IS 37 for certification of aerodromes and IS 32 for regulating pavement strength conditions in the aerodromes are also published. Industry guidance is regarded as another type of supporting document readily available in CAASL to aid the industry to improve their operational safety and efficiency.

Aerodrome Certification

As per the Implementing Standard 30 every international airport shall be duly certified. This certification is valid for two years and the renewal of the Certificate is subject to an aerodrome certification renewal audit conducted by the Aerodromes section.

As such the renewal of certificate for the Bandaranaike International Airport was due in the year 2020. The audit was successfully completed, and the certificate was renewed.

The GOSL has identified Ratmalana airport as a potential airport to be developed for International operations and as an initial step in this direction, the aerodrome certification process for this airport commenced in 2020. Aerodrome Certification audit for certifying Ratmalana Airport was conducted in February 2020 and necessary recommendations were provided to

comply by the operator (AASL- Airport and Aviation Services Sri Lanka Ltd) prior to granting of certificate.

In a parallel effort to equip the airport with necessary facilitation requirements, continuous dialogue was maintained with Customs, Quarantine facilities and Immigration departments, as they remain essential partners for establishing international standard operations.

Regulatory Development

Water aerodromes have become a key infrastructure development need to promote and enhance the tourism sector in Sri Lanka. Regulating of water aerodromes was identified as a requirement by the ICAO Asia Pacific regional office and Sri Lanka was one of the member states of the working group established to draft the water aerodrome regulations. Relevant requirements for Sri Lanka were identified by participating in the working group meetings conducted by ICAO Asia Pacific region. As a result, the water aerodrome regulation evolved and at present is in the process of being granted final approval from the Legal Draftsman for promulgation of the Water Aerodrome Regulations in Sri Lanka.

Zoning regulations for Bandaranaike International Airport, Ratmalana Airport and Jaffna Airport which were gazetted in 1975 are in the process of being revised to reflect the current standards of the IS 30.

Surveillance Activities

As per the approved surveillance plan of 2020, despite the challenges of the COVID-19 pandemic, most of the surveillance activities were conducted to cover all aerodromes, namely Bandaranaike International Airport (BIA), Mattala Rajapaksa Airport (MRIA), Jaffna International Airport (JIA), Ratmalana Airport (RMA), Batticaloa airport (BDA) and operated water aerodromes.

The unit also participated at the Airport emergency exercise carried out by AASL at MRJA to verify their preparedness during aerodrome emergencies and the observations of the unit were provided in contribution towards enhancement of such preparedness.

Approvals

To ensure safety compliance during constructions and other activities conducted within aerodromes, the aerodrome section provides necessary technical guidance and approvals after having reviewed the project proposal, plans and safety management system of such projects. Listed below are the projects that have been granted such approvals.

- Fuel hydrant system refurbishment at BIA.
- Phase 2 stage 2 package a development (New terminal) at BIA.
- Eastern taxiway and apron construction and marking plan at Ratmalana.
- Cinnamon Air relocation of maintenance hangar at BIA
- Ratmalana Airport Terminal expansion and plan for international operations

Global Reporting Format Implementation

Global Reporting Format (GRF) is a format published by ICAO Annex 14, required to be implemented by its member states. The format is a method of reporting runway conditions to the pilot prior to the landing and before planning their take-off operations. The main reason for the above implementation is to reduce runway excursions which is recorded as a high percentage causing factor for aircraft accidents.

Since the main aerodromes operator is AASL, a working group was appointed to discuss and formulate procedures according to the road map developed



AERONAUTICAL SERVICE REGULATION DIVISION

by the Aerodromes section. All five civil aerodromes were considered, training needs identified, and the procedures are underway for implementation. The effective date of the implementation was postponed by ICAO to 2021 due to limitations of the COVID-19 pandemic.

Construction of new airports

A proposal by a Private operator interested in establishing an aerodrome to serve his aviation training organization, was submitted to CAASL. The Aerodromes section initiated obtaining the required prior approvals from relevant organisations for commencing the project. Regulatory requirements were provided, and a site inspection was carried out. The CAASL is awaiting the receipt of approvals of the agencies to pursue the process of granting approvals for the establishment of the private airport.

Managing Obstacle Limitation Surface (OLS)

Obstacle limitation surfaces are established through the demarcation of the protected area for each civil aerodrome, and the zoning regulations implemented regarding activities within the protected area.

These regulations are deemed necessary for the safety of civil operations at the aerodromes, to maintain an obstacle-free environment around the aerodromes, for negating electronic and other interference during aircraft operations and to ensure aerodrome usability.

The Aerodromes unit issues approvals for the construction of buildings, antennas etc. based on obstacle limitation requirements to the general public, telecommunication operators and other government entities. Hundred and forty-two (142) such clearances were issued during the year to the applicants who submitted their requests and the section ensured to continue with the service even during work from

home state due to COVID-19 pandemic during the review year. Online services were implemented by the unit to provide necessary assistance to applicants for height approvals without causing any delays.

AIR NAVIGATION SERVICE SECTION

The primary responsibility of the Air Navigation Services Section is to formulate rules and regulations governing the provision of air navigation services within Colombo FIR in accordance with the applicable international standards and recommended practices adopted by International Civil Aviation Organization (ICAO) and ensure that those standards are compiled by the air navigation service provider in Sri Lanka.

Audits and Surveillance Activities

The section continuously conducted surveillance on the industry as per the "ANS Surveillance plan 2020" approved by the Director General of Civil Aviation (DGCA). Eighty-one (81) scheduled Inspections were carried-out at the following Operational Centres/ systems to ensure the effectiveness of the Safety Oversight System in the provision of Air Navigation Services in Sri Lanka.

- ATS Operational Centres at Bandaranaike International Airport (VCBI), Mattala Rajapaksa International Airport (VCRI), Colombo Airport – Ratmalana (VCCC) and Baticaloa Airport (VCCB)
- Search and Rescue (SAR) Centre at VCCC
- Aeronautical Information Services (AIS) Centres at VCBI and VCCC
- Maps & Charts unit at VCBI
- Communication Navigation and Surveillance (CNS) Centres at Attidiya, Pidurutalagala, Kandapola, VCCB, VCBI and VCRI
- Procedure Design (PANS-OPS) unit at VCBI

- Safety Management System of Air Traffic Services.

The unit also participated in the Aerodrome certification renewal Audits of VCBI and VCCC.

ATC Simulator Tests and Rating Assessments

The ANS Section conducted Nineteen (19) ATC simulator tests and Eight (8) Rating Assessments on Air Traffic Controllers to ensure improved and consistent proficiency in the provision of Air Traffic Control services.

Radio Telephony Procedure Tests

ANS Section collaborated with Training Organisation and Personnel Licensing (PEL) Section in conducting Radio Telephony (RT) examinations and represented the examination panel for RT examinations conducted on Pilots of Private flying schools for Commercial Pilot License (CPL) and Private Pilot License (PPL). Accordingly, twenty (20) Radio Telephony tests were conducted.

Investigations

The ANS section has conducted four (4) investigations on Air Traffic Management related Incidents in year 2020 to ensure that mitigation actions are in place to minimise the recurrence of such events.

Flight Permits / Landing clearance

Granting of approval for non-scheduled tech-stops/non-commercial landing flights and overflights were carried-out efficiently. Approval for Aerial Work Operations were also granted subject to additional approval from other associated agencies such as the Ministry of Defence (MOD) and Sri Lanka Air Force (SLAF) etc. depending on the location of intended operation. Accordingly, the ANS section granted approval for 859 non-scheduled aircrafts to overfly Sri Lankan territory and 451 permissions to land on Sri Lanka.



AERONAUTICAL SERVICE REGULATION DIVISION

The section coordinated with the Foreign Ministry in respect to operation of Diplomatic flights into the airports of Sri Lanka and those flights which were proposed to overfly Sri Lankan Territory. Accordingly, sixty-eight (68) no-objection/consent notes to Diplomatic landing flights and Fifty-Three (53) no-objection/consent notes to Diplomatic aircraft were issued to overfly Sri Lankan territory. Furthermore, approvals were granted for Twenty-four (24) Aerial Photography/Advertisement flights.

Implementation of State Safety Programme in respect of Air Navigation Services

SMS surveillance Inspection was conducted to oversight the Safety Management System of Air Traffic Service Provider.

Safety Management Manual of Air Traffic Service Provider was reviewed, and unsatisfactory areas were discussed with the members of the Safety Management team of AASL in two virtual meetings organised by the ANS section of CAASL.

A summary of other safety management activities carried out by the unit during the years is listed as follows;

- ✚ Reviewed the ADS-B (Out) Safety Assessment Report of the ATS Provider (AASL) conducted for the approval of ADS-B (Out) Implementation in Sri Lanka.
- ✚ Reviewed the Safety Review conducted by the ATS provider.
- ✚ Reviewed the Safety Assessment Report conducted by the ATS Provider (AASL) based on the Runway Incursion occurred at BIA.
- ✚ Reviewed the Safety Assessment Report of the ATS Provider (AASL) conducted for the approval of Stop Bar operations at BIA.
- ✚ Senior Civil Aviation Inspector (SCAI) – ATMSP, Civil Aviation Inspector (CAI) – CNS and Civil Aviation Inspector - ATMOP participated in a Training on Safety

Management System, held on 20th to 24th Jan 2020 at CAASL.

- ✚ ANs Inspectors participated in the Webinar on Inspector Competency Building Framework, conducted by COSCAP – SA on 22nd May 2020.
- ✚ Civil Aviation Inspector – AIS participated in the ICAO webinar on New ICAO methodology for assessing and reporting RWY surface conditions on 26th May.
- ✚ Senior Civil Aviation Inspector – AIS and Civil Aviation Inspector – AIS participated in the ICAO webinar on SNOTAM on 28th May.
- ✚ ANS Inspectors participated in the Webinar – Fundamentals of Air Navigation Services (for MET, CNS and PBN) conducted by the ICAO APAC Regional office.
- ✚ SCAI – ATMSP, CAI – ATMSP, CAI – AIS, CAI – ATMTECH completed the mentioned PBN Training programmes conducted by the ICAO.
- ✚ Director/ANS (DANS), SCAI-ATMSP, Two CAI-AISs, CAI-ATMTECH, CAI-ATMOP and CAI-ATMSP participated in the COSCAP SA Webinar on Sharing of Best Practices – Surveillance during COVID.
- ✚ SCAI-AIS, SCAI-ATMSP and Two CAI-AISs participated in the COSCAP SA Webinar on New Global Reporting Format for Runway Surface.
- ✚ SCAI-ATMSP and CAI-ATMSP participated in the NANP Seminar Video Teleconference.
- ✚ D/ANS and SCAI-ATMSP participated in the 12th Meeting of APAC FPP Steering Committee.
- ✚ SCAI-ATMSP participated in a Webinar on Safety Risk Analysis (AGA) conducted by COSCAP SA.
- ✚ Senior Civil Aviation Inspectors and Civil Aviation Inspectors of ANS section participated in the Webinar on Certification and Licensing of ANS conducted by COSCAP SA.
- ✚ Senior Civil Aviation Inspectors and Civil Aviation Inspectors of ANS section participated in the Webinar series conducted by COSCAP SA on

Auditing and Inspection of ANSPs, ANS Safety Oversight Strategy and Implementation Plan, approval of ANS Training Organisation, training devices & programmes, restart and Recovery of ANS Operations Following COVID-19 .

- ✚ CAI-AIS participated in the webinar on Introduction to Global Aviation Safety Plan (GASP) 2020 – 2022.
- ✚ DANS & SCAI-ATMSP participated in the meeting conducted by EASA EU – SA ATM Master Planning project & the Bi – lateral web meeting with Sri Lanka regarding the same subject.

ICAO and other Meetings

Director – Air Navigation Services (ANS) represented the CAASL at a APANPIRG Virtual meeting, while the Director-ANS, SCAI – ATM (TECH), SCAI- ATM (SP) and CAI - ATM (TECH) participated in the Mode S DAPs WG/3 Webex Meeting, and Director-ANS and SCAI-ATMSP participated in the 12th Meeting of APAC FPP Steering Committee. CAI-ATMOP participated in the 18th meeting of the Asia/pacific meteorological information exchange working group (MET/IE WG/18) and the 10th meeting of the meteorological services working group (MET/S WG/10).

AIP Supplements, Aeronautical Information Circulars (AIC's) and NOTAMs

Eight (08) AIP Supplements and Five (05) Aeronautical Information Circulars (AIC's) were issued while four hundred forty two (442) NOTAMs on operational activities were scrutinised and granted approval for issuance.

Search & Rescue (SAR) Services within Colombo FIR

Establishing coordination process between Aeronautical Rescue Coordination Centre (ARCC) maintained by Airport & Aviation Services (SL) Ltd and Maritime Rescue Coordination Centre (MRCC) established and maintained by Sri Lanka Navy was



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initiated by the interventions made by CAASL through meetings and establishing working groups in order to ensure effective discharge of state obligation in terms of provision of SAR services.

The CAASL initiated the process of establishing the National Aeronautical Search & Rescue (SAR) plan. In this regard, the initial draft of the National Aeronautical Search & Rescue plan was formulated and through the sanctions of the Ministry of Defence and the State Ministry of Aviation and developing export zones the said draft was shared to the Defence establishments and other state entities who are identified as stakeholders to the above plan. Stakeholders were notified to visit their role detailed in the plan and to reform further to give their best contribution for an Aeronautical Search and Rescue effort. Work is still in progress to establish a working committee of SAR stakeholders to finalise the plan.

The CAASL continuously engaged with the Ministry of Foreign affairs of Sri Lanka and Airport authority of India in order to establish an Agreement between GOSL & GOI on corporation on Aeronautical Search & Rescue Services to ensure the provision of SAR services.

Implementation of ADS-B (Out) Exclusive Airspace within Colombo FIR

Approval was granted for the commencement of ADS-B (Out) Tier 1 operations within Exclusive ADS-B (Out) airspace above FL290.

Further, the AIRAC AIP SUPPLEMENT 02/20 was promulgated announcing the Implementation of an Exclusive ADS-B (Out) Airspace within Colombo FIR with effect from 10th September 2020.

Accordingly, aircraft operators that intend to operate within the respective airspace were informed of the aircraft equipage mandate for ADS – B (Out) operations.

The ANS section continuously monitored the performance of ADS – B (Out) operations through monitoring the ANSP's post Hazard Identification and Risk Mitigation process of SMS, regular Inspections and ADS – B Performance Reports of ANSP.

Regulatory guidance for the development of ATM Contingency Plans

The lack of comprehensive ATM contingency plans to be followed during partial or total Air Traffic Service disruptions was a finding during the last ICAO audit held in 2018. In light of this, the ANS section of CAASL organised and conducted 6 Contingency Plan meetings (starting from July 2019 to February 2020) with ANS and Electronics & ANE divisions of AASL to provide guidance to develop Level 1 (Internal State) contingency plans for anticipated service disruptions at main ATC centers.

Updating the ANS Regulatory Framework for the oversight of Air Navigation Services

Air Navigation Section is responsible for adopting Standards and Recommended practices contained in 7 ICAO Annexures namely, Annex 2, Annex 3, Annex 4, Annex 5, Annex 11, Annex 12, and Annex 15, by publishing Implementing Standards in pursuant to the section 120 of the Civil Aviation Act no 14 of 2010.

During the year 2020, the ANS staff were continuously engaged in the process of updating the Implementing Standards with reference to those ICAO Annexes mentioned above. Accordingly, following Implementing Standards were updated to be aligned with the latest version of respective ICAO Annexes for regularisation of Air Navigation Services.

- ✚ Implementing Standards - Compliance to Annex 12 – Search & Rescue (published on: 22nd May 2020)

- ✚ Implementing Standards 003 - Conformance to Annex-5- Units of Measurements to be used in Air and Ground Operations (published on 26th May 2020)
- ✚ Implementing Standards 026 - Compliance to Annex-2 Rules of the Air (published on 27th May 2020)
- ✚ Implementing Standards 044 - Conformance to Annex-10- Aeronautical Telecommunications Vol. V (Aeronautical Radio Frequency Spectrum Utilisation) (published on 9th July 2020)
- ✚ Implementing Standards 040 - Conformance to Annex-10- Aeronautical Telecommunications Vol. III (Part II) (Voice communication Systems) (published on 20th July 2020)
- ✚ Compliance to Annex- 4 - CAASL Standards on Aeronautical Charts (published on 10th August 2020)
- ✚ ANS section developed an Implementing Standards on the Management of Fatigue in the provision of Air Traffic Services (IS 096) as required by Amendment 50 – B to the ICAO Annex 11 which will be published in March 2020.

USOAP Continuous Monitoring Approach (CMA) related activities and Corrective Action Plans

Thirty-six (36) unsatisfactory areas related to Air Navigation Services have been identified by the ICAO Universal Safety Oversight Audit conducted in 2018. ANS section has communicated with AASL on 18 unsatisfactory PQs for which they are responsible as the Air Navigation Service Provider due to the non – compliance with ICAO Standards.

Corrective Action Plans for all identified unsatisfactory PQs have been submitted to ICAO . The process of implementing these correction action plans in currently underway and up to date information and data related to the regulatory activities conducted by the unit is to be submitted in order to close the identified deficiencies.



AERONAUTICAL SERVICE REGULATION DIVISION

The ICAO has conducted an off – site validation process of Corrective Action Plans (CAPs) submitted by the State and commented on the acceptance of CAPs based on their relevance to the findings.

ANS Staff continuously attended to the implementation process of Corrective Action Plans (CAPs) whilst updating required Implementing Standards and other related documents progressively and engaging with the Air Navigation Services Provider in order to prepare the entity for the demonstration of the implementation of standards at industry CMA, as a proactive methodology adopted by ICAO to monitor the safety oversight capabilities of member states on an ongoing basis with the ultimate objective of improving the global aviation safety. The ANS section carried the onus of providing up to date information/data pertaining to the Safety Oversight Capabilities of Sri Lanka throughout the year 2020 in support of this objective.

Assistance for ANS Dues recovery from Airlines

The unit extended its assistance to the AASL, the ANS Provider with special letters to our counterparts urging some Airline operators to settle long-overdue payments on Overflying in year 2019 as well. As a result, a few Airlines settled their long-overdue overflying charges to AASL.

Service Agreements

The Service agreement with Jeppessen was renewed for further entitlement of receiving a free Supply of Aeronautical Maps and Charts in both printed and electronic versions.

Improvement/Contribution in Corporation affairs and Office Management

Through continuous reference and reviews the unit contributed in updating the existing Manuals, Checklists, Guidance Material, the ANS Inspector Hand Book and ANS Chapter of CAASL's Office Manual.

The section was also instrumental in the development of ANS Office Procedures Manual – SLCAP 2350 comprising new office procedures and the revision of existing office procedures as necessary for the management and efficient conduct of Air Navigation Services Section.

Organisational

The State Aviation Activity Questionnaire (SAAQ) Part 7 – Air Navigation services was completed by the unit during the year under review and the same was submitted to ICAO.

In further organisations support, the compliance of Air Navigation Service Provider for the International Standards and Recommended Practices and national legislative requirements was calculated by the section for the year 2020.

“Safe and Efficient Skies for All”



FLIGHT SAFETY REGULATION DIVISION

TRAINING ORGANISATIONS AND PERSONNEL LICENSING SECTION

Training Organisations and Personnel Licensing Section is responsible for the development of rules and procedures relating to certification and surveillance of training organisations and personnel engaged in safety sensitive activities relating to civil aviation in conformity with the applicable International Standards and Recommended Practices. Training Organisations and Personnel Licensing Section of the Civil Aviation Authority has undergone further developments in the year 2020, to cater to the needs of the aviation community, thus meeting client needs effectively. The progress of the section during the year under review is summarised as follows.

- ✚ Public Addressing System was incorporated for the Knowledge Examination Centre of the section.
- ✚ While abiding to the new precautionary measures for the prevention of the COVID-19 pandemic in the country, Theoretical Examinations, Medical Examinations and Personnel Licensing was recommenced.
- ✚ The Medical extensions for licence holders were granted according to the ICAO guidelines publishing the changes in the ICAO COVID-19 Contingency related differences.
- ✚ The Practical examinations conducted by the operators were accepted via email and the renewals and issuances were granted based on the evaluations done on the documents submitted.
- ✚ Security clearance for pilots' applications were accepted online and disseminated to the line ministry.

Certification of Personnel and Aviation Training Organisations, continued surveillance of their activities and resolving safety deficiencies	Pilot Licenses	699
	Flight Instructor ratings (AFI & FI)	3
	Ground Instructor License	35
	Foreign License Validation Certificate	17
	Air Traffic Controller	199
	Flight Operations Officer	0
	Aircraft Maintenance Licenses	197
	Cabin Crew Certificate	148
	Flight Test Examiner Authorisation	19
	Balloon Licenses	0
	Medical Examinations	917
	Interviews by Medical Assessor	52
	Knowledge Examinations	2,008
Certification of Aviation Training Organisations, continued surveillance of their activities and resolving safety deficiencies	Continued surveillance on approved training organisations	
	Asian Aviation Centre	1
	Sky Line Aviation	1
	Open Skies	1
	Fits Air Flight Academy	3
	Sri Lankan TRTO	2
	Fairways Aviation Academy	1
	ATC Training Centre	2
	Flight Operation Officer Training School	1
	Fly Southern (Pvt) Ltd	1
	Lakwin Aviation (Pvt) Ltd	1
	Sakurai Aviation Academy	2
	Red Bird Aviation (Pvt) Ltd	1
	License Surveillances	36
	Continued surveillance on Designated Hospital Inspection	1



FLIGHT SAFETY REGULATION DIVISION

Conduct of Knowledge Examinations for Flight Crew Licenses (PPL/ATPL)	PPL No. of Papers Delivered	305
	ATPL No. of Papers Delivered	428
Conduct of Knowledge Examinations for Aircraft Maintenance Personnel	AML No. of Papers Delivered	1,105
Conduct of Knowledge Examinations for Flight Operations Officers	FOO No. of Papers Delivered	28
Conduct of Practical test for RT & ELPC	No. of RT for PPL/CPL	40
	No. of ELPC	91
Conduct of PPL/CPL/ATPL knowledge examination for Maldives applicant	No. of Question Papers Delivered	1
Implementation of State Safety Programme	No. of Approved Safety Managers	8
	No. of Training Schools Approved SMS Manuals	8

- (1) General Directive 09 - Guidelines for airlines on management of crew members in relation to the COVID-19 Pandemic.
- (2) General Directive 10 - Guidelines for all airports in Sri Lanka on airport operations in relation to COVID-19 Pandemic Situation.

Air Operator Certificates

Seven initial applications for Air Operator Certificates were received by the Aircraft Operations section and are currently under the review of the section. The applications were received from the following entities are being reviewed accordingly.

- Openskies
- Fly Lankan Asia (Pvt) Ltd.
- Red Bird Aviation (Pvt) Ltd.
- Lakwin Aviation (Pvt) Ltd.
- Spark Air
- Aura Airlines (Pvt) Ltd.
- Flyme Airlines

Helitours (Pvt) Ltd is in the process of reactivating the lapsed Air Operator Certificate.

AIRCRAFT OPERATIONS SECTION

The Aircraft Operations Section under the division of Flight Safety Regulations is primarily responsible for the development of local regulations, rules, directives and procedures in conformity with the applicable international Standards and Recommended Practices (SARP) adopted by the International Civil Aviation Organisation (ICAO) for the effective safety oversight of operators. Initial issuances as well as re-certification of applicants for operation of air services is a major responsibility of the Aircraft Operations Section. Issuance of dangerous goods permits, and ground handling licenses too come under the purview of the Aircraft Operations Section.

Regulatory Development

The Operations Section developed regulations under section 78 of Civil Aviation Act number 14 of 2010 for 'Dangerous Goods' and the document has thus been submitted to the Legal Draftsman's department for evaluation.

The COVID-19 pandemic disrupted the aviation industry unprecedentedly, and hence the Aircraft Operations section published two (02) General Directives during the year 2020 with precautionary measures to be followed and for compliance of the aviation industry.

Air Operator Certificates were renewed by the Operations Section for the following nine (09) airlines for the year 2020.

- SriLankan Airlines (Pvt) Limited
- Fits Aviation (Pvt) Limited
- Daya Aviation (Pvt) Limited
- Senok Aviation (Pvt) Limited
- Saffron Aviation (Pvt) Limited
- IWS Aviation (Pvt) Limited
- Sakurai Aviation (Pvt) Limited
- F-Airways (Pvt) Limited

FLIGHT SAFETY REGULATION DIVISION

Foreign Air Operator Certificates

Whilst twenty-nine (29) Foreign Air Operator Certificates issued by the Operations Section were renewed to existing airlines operating services to Sri Lanka, six (06) initial Foreign Air Operator Certificates were also issued during the year 2020. The new Foreign Air Operators are;

- Scat Air from Kazakhstan
- GOAIR from India
- Ethiopian Airlines
- Maldivian Airlines
- Neos S.P.A from Italy
- Aeroflot

Transportation of Dangerous Goods

Aircraft Operations Section renewed seventeen (17) Dangerous Goods permits for the year 2020.

Designated Check Pilot Monitoring/ Pilot Proficiency Check

Designated Check Pilot approvals granted for twenty (20) Flight crew members were renewed for the year 2020. Four (04) Pilot Proficiency Checks (PPC) were carried out by the Operations Section whilst approval was granted for eighty-one (81) PPCs to be carried out in 2020.

Designated Flight Operations Inspectors

Designated Flight Operations Inspectors with powers delegated by the Authority to perform certain regulatory duties

and functions for or on behalf of the CAASL as and when required to carry out regulatory functions and surveillance activities were employed due to the shortage of competent FOIs. Instrument of Delegation of Authority of eight (08) such Designated Flight Operations Inspectors were renewed in 2020.

Surveillance

Continuous surveillance is carried out on local and Foreign Air Operators for compliance of CAASL Regulatory Requirements as per the approved surveillance plan to ensure an effective safety oversight system. Due to effects of the COVID – 19 pandemic which had calamitous impacts on the entire aviation industry, the Operations Section was able to only carry out approximately 44% of the approved surveillance activities for 2020.

The surveillance activities included Ramp Inspection, Training Observation, Dangerous Goods Operators, Dangerous Goods Handlers, Dangerous Goods Consignment, En-Route Inspection, Flight Duty Period, Flying School, Simulator Inspection, Safety Management Systems, Designated Check Pilot, Pilot Proficiency Check, Performance Based Navigation and Ground Handling Inspection. In addition, Mattala Rajapakse International Airport and Jaffna Airport inspection were carried out amidst the challenges in 2020.

AIRCRAFT REGISTRATION AND AIRWORTHINESS SECTION

The Aircraft Registration and Airworthiness Section is vested with the major responsibility for the development of rules and procedures for registration of civil aircraft in Sri Lanka in accordance with the applicable International Standards and Recommended Practices. It includes grant of approval for Maintenance Training Organisations, Continuing Airworthiness Management Organisations and aircraft maintenance organisations and monitoring their activities.

This section carries out Airworthiness related functions on all aircraft registered in Sri Lanka and surveillance of all civil registered aircraft operated to Sri Lanka.

Civil Aircraft registry in Sri Lanka stood at a total of eighty-four (84) by end December 2020 and included 25 Large aircraft (MTOW>5700KGS), 43 Light aircraft, 07 Helicopters, 07 Balloons and 02 Ultra Lights.

Regulatory Development

In the year 2020, Implementing Standard on requirements for continuing airworthiness of Aircraft, IS-M was amended and issue 02 was published with new amendments.

Implementing Standard for Annex 16 Volume III – Aero plane Carbon dioxide Emissions was published by amending IS -21 and including Annex 16 volume I, II and III accordingly.



FLIGHT SAFETY REGULATION DIVISION

Certification Activities

(1) Airworthiness of Aircrafts

In the year 2020 up to end of December, one (01) initial Certificate of Airworthiness was issued and sixty-eight (68) Certificates of Airworthiness were renewed.

(2) Approved Maintenance Organisations (AMO)

Thirteen (13) Maintenance Organisations (Local) certificates were renewed having completed the Annual Audits where necessary and fifty-eight (58) FAMO (Foreign) Certificates have been thus renewed. Four (4) special AMO approvals were also granted to Ceylon Petroleum Corporation in RMA, BIA, MRIA and JAF.

(3) Aircraft Registrations

Two (02) new aircraft were registered as at end December 2020 whilst sixty-eight (68) were renewed. During the period under review, a total of five (05) Aircraft from the Sri Lankan fleet were de-registered while four (04) Export Certificates of Airworthiness were issued.

(4) Maintenance Training Organisations (MTO)

A Total of five (05) AMTO Certificates were renewed and 02 annual audit were conducted as scheduled.

(5) Continuing Airworthiness Management Organisations (CAMO)

Total of three (03) CAMO Certificates were renewed based on bi-annual audit conducted in the year 2019.

Surveillances Activities

Safety Oversight

A total of 20 ramp inspections were carried out during the year whereas the remainder of the surveillance activities which were scheduled for the review had to be carried forward to year 2021 due to limitations and challenges presented by the pandemic situation. A total of fifty-five (55) Occurrence Reports were received from the industry and analysed as part of its Safety Oversight programme.

De-registered Aircraft

Two Cessna 172(4R-ASA & 4R-ASB), A 320(4R-ABR), A 330(4R-ALJ), and R66 (4R-MAL) were deregistered and removed from civil aircraft register.

Other Functions

Recommendations for issue of Visas

Recommendations for Landing Endorsement and Residence visas for foreign nationals employed in the local industry were issued upon completion of interview panels by the ATER with the Air Worthiness Team. Spare parts approvals were issued to numerous operators and maintenance facilities to Import/Export Spares required for Maintenance of Aircraft on requests.

The workshop capability approvals were also granted after conducting due surveillance when necessary.

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AVIATION SECURITY REGULATION DIVISION

AVIATION SECURITY SECTION

The Aviation Security Section was formed as a standalone with the appointment of Director Aviation Security in the year 2015 and as at today it functions as a division title Aviation Security Regulation, headed by Mr. P. A. Jayakantha as the Deputy Director General (Aviation Security Regulation).

The objective of Aviation Security is for the constant review of the level and nature of threat to Civil Aviation within its territory and airspace above it, and establish and implement policies and procedures to adjust the relevant elements of its National Civil Aviation Security Programme (NCASP) accordingly, based upon a security risk assessment carried out by the relevant national authorities.

Among the many responsibilities vested in the Aviation Security Division is

- (a) Updating of regulatory framework relating to the provisions in Annex 17 to the International Civil Aviation Convention 1944.
- (b) National Civil Aviation Security Programme (Implementation & Maintenance)
- (c) Certification and Approval for – Aviation Security Personnel including instructors, Security Equipment and Security Programmes
- (d) Development of Guidance Material
- (e) Conduct of Aviation Security surveillance activities in support of State Oversight Schedule
- (f) Management of Integrated Security System at CAASL HQ building
- (a) Updating of regulatory framework relating to the provisions in Annex 17 to the International Civil Aviation Convention 1944.

The Aviation Security Service Provider Licensing Regulations was developed for incorporation with the Civil Aviation Aeronautical Service Provider Licensing Regulations and it is in the process of enactment.

The Civil Aviation Authority Act No. 34 of 2002 and the Civil Aviation Act No. 14 of 2010 were reviewed in respect of Aviation Security and the recommendations submitted after extensive discussions to the legal section for follow up action.

(b) National Civil Aviation Security Programme (Implementation & Maintenance)

National Civil Aviation Security Programme was reviewed incorporating the 17th amendment provisions of Annex 17 and published as the 3rd edition.

The National Civil Aviation Contingency Plan was developed and distributed among the Aviation Security Stake Holders.

The undernoted benchmark documents too have been reviewed during the year.

- ✚ National Civil Aviation Security Quality Control Programme (NCASQCP)
- ✚ National Civil Aviation Security Training Programme (NCASP)
- ✚ National Civil Aviation Security Screener Certification Programme (NCASSCP)

National Civil Aviation Security Committee

It was only one NCASC meeting was convened in the year owing to the COVID-19 pandemic situation. It is an International requirement that NCASC meets at least twice a year.

Formation of a Civil Aviation Threat Assessment Committee Fulfilling an international requirement

Fulfilling an international requirement, a decision was made by the NCASC, that a Threat Assessment Committee was formulated by the Chief of National Intelligence (CNI) in the month of January. The committee consist of representatives from the intelligence

community (Army, Air Force and Police), the airport operator and the CAASL. The secretariat is held by CAASL. The performance of the Committee is in progress.

Enforcement Action

Enforcement Actions have been taken against the Aircraft operators, Airport Operators and Aviation Security Service Providers for non-compliances of applicable AVSEC regulatory requirements. Follow-up activities ensuring the implementation of corrective actions.

(c) Certification and Approval for – Aviation Security Personnel including instructors, Security Equipment, Security Programmes and Organisations

Aviation Security Personnel

Certification / Recertification of Aviation Security Personnel employed by the Aviation Security Service Provider and the National Airline “Sri Lankan” was continued throughout 2020 to a greater extent amidst of COVID-19 Pandemic situation. Details are as follows.

- ✚ Certification / Re-Certification of Aviation Security Managers - 02
- ✚ Certification / Re-Certification of Aviation Security Instructors - 13
- ✚ Certification / Re-Certification of Aviation Security Screeners - 452

Note: Additionally, alternate methodology was developed to maintain mandatory training for National Airline employees.

Security Screening Equipment

Certification / Re-Certification of 08 nos of Security Screening Equipment were carried.

AVIATION SECURITY REGULATION DIVISION

Security Programmes

The Security Programmes of Foreign Airlines and National Airlines numbering to 38 were reviewed and recommendation submitted to the Operations Division for follow up action.

Aviation Security Service Provider

On successful completion of the certification process, conducted by the Inspectorate during last two years under the directions of Deputy Director General Aviation Security Regulation, Airport & Aviation Services (Sri Lanka) Limited (AASL) was awarded with the Aviation Security Service Provider License, observing the provisions in the Civil Aviation Act. No. 14 of 2010.

Aerodrome Certification of BIA

The Inspectorate, as the members of BIA Aerodrome Certification has completed their task observing the provisions in Annex 17- Aviation Security.

(d) Development of Guidance Material

The Guidance Material listed below has been reviewed

- SLCAP 1000 - Aviation Security Industry Guidance Manual
- SLCAP 1100 - Aircraft Operator Security Programme Standard
- SLCAP 1200 - Aviation Security Inspector Handbook
- SLCAP 1300 - Aviation Security Office Procedure Manual

(e) Conduct of Aviation Security surveillance activities in support of State Oversight Schedule

Amidst the COVID-19 Pandemic situation, the surveillance activities as of the approved schedule was conducted to a greater extent, completing 40 Avsec inspections and 03 Avsec Tests in the year.

Universal Security Audit Programme – Continuous Monitoring Approach (USAP-CMA) Audit in Sri Lanka

The inspectorate prepared for the schedule USAP CMA-Audit Sri Lanka for July and have submitted the required documentary evidence to the designated Chief Auditor on Friday, the 20th March 2020. However it was unfortunate that the audit programme was indefinitely postponed owing to the COVID-19 pandemic spreading world over.

Review of threat level

National Authorities having performed a comprehensive threat assessment and proposed to DGCA to take appropriate action after conduct of risk assessment accordingly DGCA has adjusted operational Threat Level 2 with effect from 22nd July 2020.

(f) Management of Integrated Security System at CAASL HQ Premises

The division continuously administrated the management of integrated security system (Physical Security Services, Electronic Access Control System and Closed Circuit Television (CCTV) System) established at the headquarters premises, ensuring a secure environment for its staff, customers, visitors and to protect the properties belongs to the CAASL.

“Safe and Efficient Skies for All”





CORPORATE MANAGEMENT DIVISION

AIR TRANSPORT & ECONOMIC REGULATIONS SECTION

The Air Transport and Economic Regulation section is under the Corporate Management division of the Civil Aviation Authority of Sri Lanka with the responsibility to regulate the aviation industry in Sri Lanka.

Due to the COVID-19 pandemic the Section had challenges in implementing many of its planned work programmes. Similarly the Section was granted new activities pertaining to flight approvals to facilitate the industry and repatriation of stranded passengers across the world into Sri Lanka.

International Scene

International Airline Operations.

At the beginning of the year 34 scheduled airlines continued their operations to/from Sri Lanka including Sri Lankan airlines. Legacy carriers were the major portion of the operators while there were also “no-frills” carriers that contributed to the passenger movements to/from the world’s major destinations. Leading foreign carriers like Emirates Airlines, Korean Air, Cathay Pacific Airlines, Air China, Etihad Airways, Turkish Airlines, Singapore Airlines and Qatar Airways continued their operations to Sri Lanka in beginning of the year 2020.

However, due to the airport passenger restrictions imposed by the government in mid-March almost all the airlines had to discontinue their operations to Sri Lanka. Few international airlines resumed their operations at a very low scale due to worldwide restrictions. Qatar Airways, Emirates, Turkish Airlines, China Eastern Airlines and Etihad resumed their operations during the period while the passenger restrictions were imposed due to COVID-19 outbreak.

Sri Lankan Airlines significantly contributed for repatriation operations to bring down stranded Sri Lankan passengers on foreign soil by conducting the majority of repatriation flights,

Emirates, Qatar Airways, Kuwait Airways and Etihad Airways also operated such flights. As per health guidelines, aviation authorities limited the incoming passenger numbers and Civil Aviation Authority allocated passenger quotas among airlines that operated to Sri Lanka in an equitable manner.

Cargo Operations Growth

Passenger operations declined worldwide due to the pandemic but cargo operation increased even during the COVID-19 outbreak. Most of the carriers that operated to Sri Lanka resumed operations after a while as cargo operations using passenger aircraft and carrying cargo in the cabin with the necessary regulatory approvals. Lot Polish, Thai Air Asia, Fly Dubai, Air Arabia, Turkish Airlines are examples for such operators. The Airlines received approval for cargo carriage in the cabin from the Operations Section of the CAASL.

Ethiopian flag carrier Ethiopian Airlines and a Pakistani carrier Air Falcon operated cargo flights to Sri Lanka as new operators.

Sri Lankan Airlines started cargo flights to new destinations like Johannesburg (South Africa) and Yangon (Myanmar). Also Sri Lankan airlines secured its place in cargo operations by operating cargo flights to India, Australia, China and many other destinations.

Seafarer Exchange Operations

Seafarers working in vessels around the globe exchanged after finishing their term using normal passenger flights. Under the pre-COVID situation the process was handled smoothly. During the COVID pandemic situation the exchange process became complicated due to the non-availability of flights. The CAASL took action to grant approval for this type of operations/exchanges using Sri Lanka’s airports and sea ports under strict health guidelines. Spice Jet started the operation by operating to Mattala and exchanging seafarers via Galle Port.

Seafarer exchanges were continued by several other airlines by taking the opportunity and at the end of the year Indigo and Maldivian Airlines were continuing the operation. This was an opening of a new business opportunity.

New Operators and discontinuations

Most of the airlines discontinued their operation to Sri Lanka due to the low passenger demand and lockdowns in various countries. However Ethiopian Airlines started cargo operations and charter passenger services to Sri Lanka. A Kuwait based low cost carrier, Jazeera Airways expressed their interest to commence operations to Sri Lanka. At the end of the year they were able to commence the documentation for licensing.

International Charter, Ad-Hoc and Business Jet Operators

Five Charter operators operated during IATA Winter season of 2019-20 namely Azur Air (From Russia), Skyup (Ukraine), Royal Flights (Moscow), SCAT (Kazakhstan) and IFly (Russian). Charter carriers such as these that usually operate a series of flights during the Winter season are significant contributors to the economy of our country, as they bring tourists on an all-inclusive basis who are contracted for hotel stays, transportation and other excursions.

Slot Coordination

The latter part of the Winter 2019-20 was implemented as planned initially under the normal slot allocation. After restricting passenger flights in March 2020, all the slots given were cancelled by the Director General of Civil Aviation and practiced a special slot mechanism in order to support all the carriers’ operating to Sri Lanka during the difficult period.



CORPORATE MANAGEMENT DIVISION

Due to the health protocols implemented, there was a limitation of passenger handling and there was a requirement to maintain a separation between flights depending on the passenger numbers carried in order to prevent the COVID-19 spread. Special slot allocation process started with a close supervision of separation of flights while maintaining maximum passenger handling.

Further Airlines were permitted to carry forward their historic slots to Summer 2021 and Winter 2021/22 through a slot alleviation mechanism.

Airline licenses were renewed of Sri Lankan Airlines, Saffron Air and Fits Air during the year. No new airline licenses were issued. The renewed Charter Airlines were of Sri Lankan Airlines, Fits Air, Richy Skylark, Daya Aviation, Millenium Air, Senok Air, Sakurai, Fly Southern, Cinnamon Air and F-Airways. Daya Aviation renewed its private operator license during the year.

Airline reservations and Fares Calculations Course

The 14th batch of the above course was completed during the year. The course comprises of a visit to the airport and a travel agency to expose the participants to real world challenges. So far 147 students have graduated from this course since its inception. Many of our students have gone on to join reputable airlines and travel agencies. Some of them have started their own travel agencies. The subsequent course was not conducted due to the lockdowns and restrictions imposed.

Regulations for licensing of Cargo Agents

During the year regulations were drafted for the licensing of Cargo Agents to bring them in to the regulatory framework of the CAASL. The draft regulations were circulated to the industry. It will be finalised in 2021 and implemented.

Travel Agents

Regulation of Air Transport Providers (Passenger) License (Travel Agency License) The Provisions in the Air Navigation Act No. 55 of 1992 and Civil Aviation Act No 14 of 2010 permit license holders to involve in the carriage of passengers, cargo and mail by air. Air Transport Providers (Passenger) License is a mandatory requirement to conduct such businesses in Sri Lanka. There are two categories of license as Group A and Group B depending on the stated capital/capital contribution of the agency and the license is renewable annually.

During the year under review 23 new licenses were issued for agents with all 23 in Group A category. There were 306 Group A license holders who renewed their license while 19 Group B holders renewed the license. Many agents have terminated their business due to the impact created by the COVID-19 pandemic. A few Group B holders upgraded their license to Group A.

The planned inspections of travel agencies only took place in the first 3 months of the year because of the pandemic. A total of 46 travel agencies were inspected until the pandemic commenced.

CAASL granted special waivers on the penalties for agents for their licensing delays during the periods of the lockdowns.

Month	Air Transport Providers License							
	Initial Issue				Renewal			
	Group A		Group B		Group A		Group B	
	2019	2020	2019	2020	2019	2020	2019	2020
January	1	8	0	0	40	61	7	6
February	4	12	2	0	19	32	3	9
March	2	3	5	0	42	19	4	1
April	3	0	1	0	19	0	3	0
May	4	0	3	0	35	3	5	1
June	3	0	1	0	33	56	3	2
July	4	0	3	0	38	34	5	0
August	2	0	2	0	25	21	11	0
September	4	0	3	0	29	32	8	0
October	4	0	1	0	48	6	5	0
November	1	0	2	0	44	19	2	0
December	6	0	3	0	38	23	9	0
Total	38	23	26	0	410	306	65	19

Table 01 – Issuance of Air Transport providers license 2019 and 2020



CORPORATE MANAGEMENT DIVISION

Visa Recommendations for Expatriates & Students working/ Studying in Sri Lanka. Students

According to the directions given by the Director General of Civil Aviation as per the instructions issued by department of immigration and emigration, all expatriates who are working in a local aviation entity have to obtain recommendations from the Civil Aviation Authority in order to obtain the work permit / residence visa for Sri Lanka. The CAASL recommends such requests for the aviation industry via the line ministry. A new procedure was introduced in June 2019 with a directive from the DGCA, whereby all applicants have to be interviewed

The interview procedure could not be held due to the COVID-19 outbreak. Due to COVID-19 situation in the country and lockdowns, visa extensions were given by the Department of Immigration.

AT&ER Section issued 41 visa recommendations to the industry including foreign technical and non-technical expatriate staff and 99 visa recommendations have been issued to foreign students during the year.

Consumer Complaints against travel agents and airlines

During the year concerned 52 such complaints were received from passengers and at the end of the year the section was able to solve and conclude 20. The rest of the complaints are being investigated and positive outcomes are expected. Due to COVID-19 there were disruptions to travel and consumers requested refunds from the Airlines.

Majority of such complaints are related to air ticket refunds and the following pie chart shows the categorisation of the complaints received.

Passenger Complaints 2020

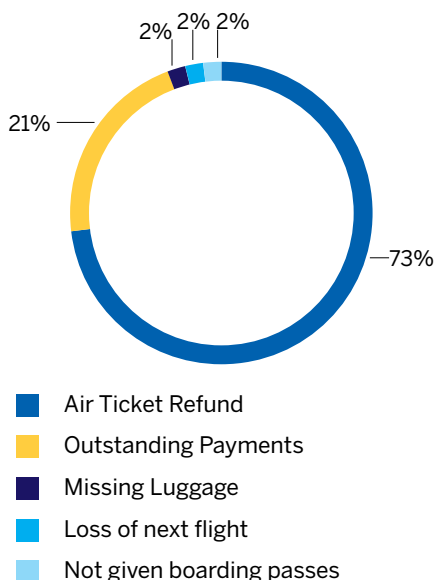


Figure 1 Passenger Complaints 2020

Ground Support Service Permits – (Fixed Base Operator Permits)

During the year concerned 7 Ground Support Service Permits were renewed and another 3 obtained new licenses. In future all business jet/private jet operators and ad-hoc charter operators will be required to have their flights operated with the assistance of CAASL approved Ground Support Service Providers.

COVID-19 Related work to assist operations of the Industry

Director (AT/ER) and Manager (ASTR) actively engaged in the Authority's COVID-19 related activities to assist to keep the industry alive during these difficult times.

Passenger approvals for repatriation-

Due to the COVID-19 restrictions for incoming passengers there was an approval process set up by the National COVID-19 task force. The approval process was for a first approval for any passenger arriving in Sri Lanka to be given by the Secretary, Ministry of Foreign Affairs and the 2nd approval to be granted by the Director (AT/ER) on behalf of the CAASL. Around 20,000 such approvals were processed by the Section during the year to facilitate the arrival of passengers into the country including the passengers that arrived on repatriation flights.

The majority of the operations conducted were repatriation flights to bring down stranded Sri Lankan home. Similarly there were constant schedule changes and ad-hoc operations of airlines' regular flights. 1061 such approvals were granted by the Section to airlines to enable their operations during this difficult time.

HUMAN RESOURCES & PROPERTY MANAGEMENT SECTION

Human Resources and Property Management Section (HRPM) ensures the right personnel are employed in CAASL at the right time enabling the Authority to function smoothly towards its mission. Further, it creates opportunities to facilitate and motivate individuals and group of employees to grow and advance their performance in CAASL. The section is also responsible for the office administration, training and development of staff, welfare of the staff and management of properties vested to the Authority.

During the year under review, HRPM Section has continuously been supporting the Authority to accomplish its strategic objectives, functioning with a collection of Human Resource policies that outline a comprehensive description of the objectives, procedures, eligibility, limitations and exemptions (if any) pertinent to the requirements which is also set as



CORPORATE MANAGEMENT DIVISION

guidelines in the Staff Rules and Administrative Procedure Manual (SLCAP 5000). HRRM Section has always maintained an uncompromising voice in ensuring achievement of the goals, objectives and expectations set by the Authority to accomplish its priorities.

Organisational Reforms and Staffing

Based primarily on the objective of being an adept and credible aviation safety regulator, CAASL's highly evolved and stringent recruitment process which ensures that each of the employee enters CAASL with a clear idea of expected outcome, the methods and systems that are implemented for them to optimise the innate abilities.

HRRM section has made initiatives to provide a skilled and competent workforce to drive the functions of the Authority. Hence, during the year under review, HRRM has made an enormous effort to fill the vacant positions with most appropriate candidates to assure the continuous operations of CAASL. However no new recruitments took place in the year 2020, except for the change in the post of Director General of Civil Aviation & Chief Executive Officer. The total staff was hundred and seventy six (176) members as at 31.12.2020. One (01) promotion has been made to the next level during 2020 creating a platform for existing staff members to climb up the hierarchical ladder.

Category of Staff Members

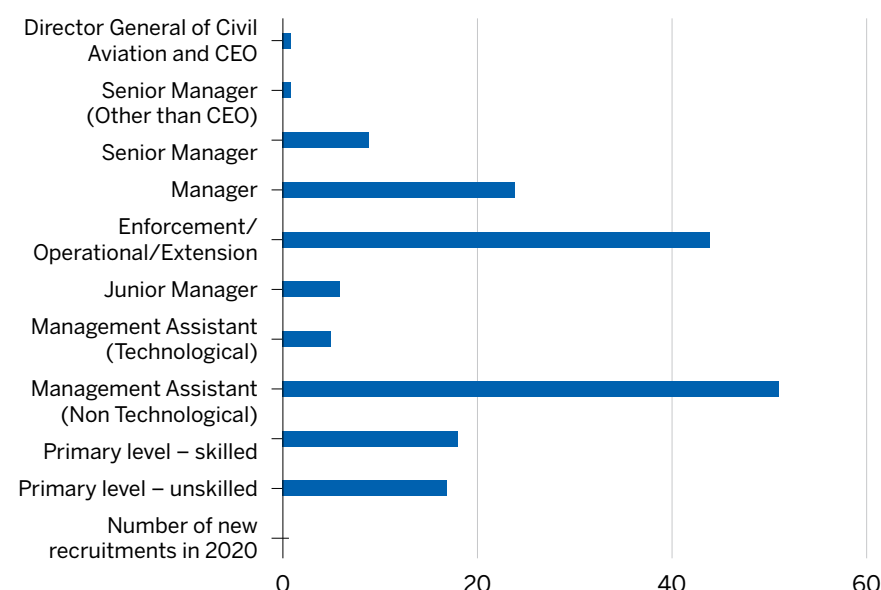


Figure 01 - Staff attached as at 31.12.2020

As depicted in Figure 01, by the end of the year under review, CAASL staff consist of one (1) officials in the employment category of Senior Manager other than CEO, nine (9) in the employment category of Senior Manager and twenty four (24) in the category of Manager. According to the current statistics, forty four (44) number of staff members are employed in the category of Enforcement/Operational/Extension and six (6) staff members are categorised under Junior Manager. Further, five (5) staff members are employed as Management Assistants – Technological and fifty one (51) are employed as Management Assistants – Non Technological. Under

Primary Level skilled and Primary Level un-skilled, eighteen (18) and seventeen (17) staff members are employed in each category respectively. However the recruitment process was curtailed since September 2019 due to the announcement of elections and the circulars issued by the government thereafter, with approval of line ministry recruitment process was restricted in September 2020.

CAASL has reported a turnover rate of 0.57% during the year under review.

Staff Welfare

Staff Welfare Facilities

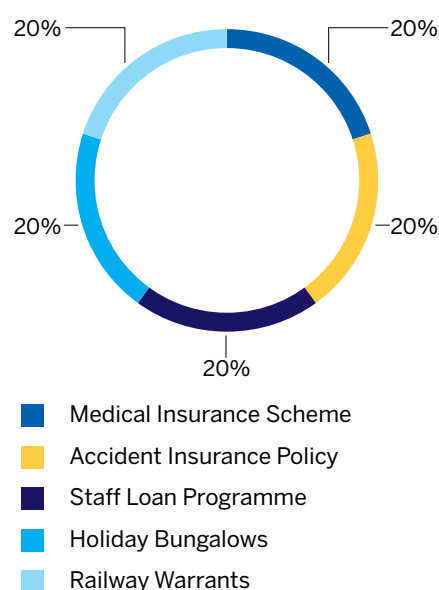


Figure 02

Irrespective of the increase of number of staff members, CAASL continued to provide a wide range of welfare facilities, which is presented in figure 02, that are essential for the well-being of the employees which is a primary concern of the Authority.

Medical Insurance Scheme remained as the mostly benefited welfare facility offered to employees and their immediate family members. During the year a total of one thousand eighty four (1084) claims have been made under



CORPORATE MANAGEMENT DIVISION

out patient benefits amounting to four million three hundred seventy five thousand seven hundred and eighty five rupees (Rs. 4,375,785.00) for the period from January 2020 till December 2020. Subsequently, the seventeen (17) medical insurance indoor claims, value of one million five hundred ninety one thousand seven hundred seventy four (Rs. 1,591,774.00) have also been granted to employees during the same period.

The Accident Insurance Policy was renewed with Sri Lanka Insurance Corporation, with a special coverage for the Inspectors to cover the possibility facing situations harmful to their health, safety, and security.

As depicted in Figure 03, the staff loan programme established by the Authority has been providing an enormous financial support to the staff members.

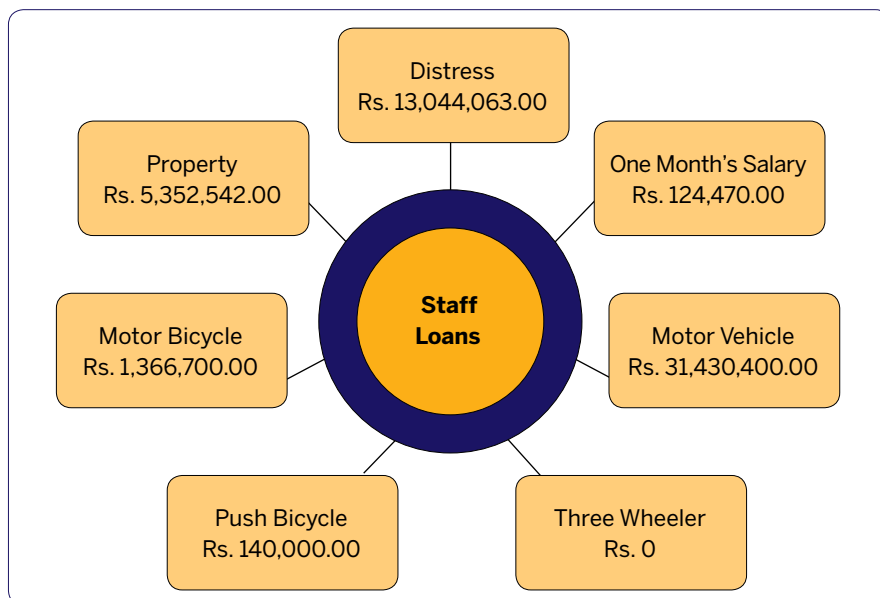


Figure 03 – Loan Profile

The staff of the CAASL were also facilitated with loans amounting to a sum of thirteen million forty-four thousand sixty three rupees and zero cents (Rs. 13,044,063.00) being granted as distress loans for thirty eight (38) employees during the year 2020. Besides this, sum of thirty one million four hundred thirty thousand and four hundred rupees (Rs. 31,430,400.00) was provided as loans to purchase Motor Vehicles for nine (9) employees. A sum of one million three hundred sixty-six thousand seven hundred rupees (Rs. 1,366,700.00) was given for five (5) employees as Motor Bike loans. Additionally, Authority has supported six (6) staff members to purchase Push Bicycles, providing one hundred forty thousand rupees (Rs. 140,000.00) in the year under review.

Correspondingly, a property loan scheme is established for the staff members to fulfill their financial requirements with the assistance of the Authority. In year 2020, two (2) staff members have been benefited through the property loan scheme and was granted five million three hundred fifty-two thousand five hundred forty two rupees and zero cents (Rs. 5,352,542.00).

Festival advance has been issued to forty one (41) staff members amounting six hundred and fifteen thousand rupees (Rs. 615,000.00) during the year. Additionally, a special loan scheme was introduced to support the staff with their financial requirements during COVID-19 period. One hundred thirty nine (139) staff were facilitated by this special loan granting six million nine hundred fifty thousand rupees. (Rs. 6,950,000.00)

Enhancing the regime of welfare facilities, in year 2020, one (01) railway warrant has been issued to staff members.

Trainings, Seminars, Workshops, Meetings, Conferences

The CAASL continued to invest in Human Capital Development and implement an effective workforce aligned around its vision to ensure that the employees are developing the skills and knowledge required for the future success of the Authority. The training portfolio consisted of Local and Foreign trainings, seminars and workshops during the year under review with the intention of developing and harnessing the human talent. Further, CAASL facilitated its staff members by providing online and virtual training. Also staff have been sent for various meetings, conferences and symposiums to represent the Authority as well as the country.

The dynamic nature of the aviation industry challenges its professionals to acquire the most updated skills and competencies. Hence, an amount of six hundred twenty two thousand eight hundred ninety two rupees and twelve cents (Rs. 622,892.12) has been spent on Human Resource Development programmes held internationally and three hundred thirty two thousand and sixty rupees (Rs. 332,060.00) locally. A sum of one million seven hundred thirty six thousand one hundred sixty eight rupees and twenty five cents (Rs. 1,736,168.25) was spent by the Authority for Online / Virtual training. All together one hundred thirty nine (139) staff members were facilitated with training.



CORPORATE MANAGEMENT DIVISION

Facilitated Training in 2020

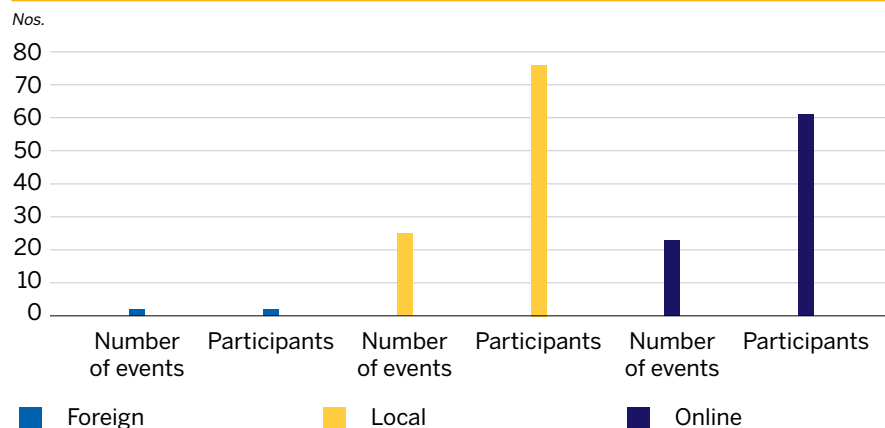


Figure 05

Similarly, total of six (6) staff members have participated for various meetings, conferences, inspections and symposiums held internationally and CAASL has spent five hundred forty four thousand two hundred sixty nine rupees and eighty three cents (Rs. 544,269.83).

Common training needs of the staff have been identified and special training has been provided for the staff category of Director and above spending one hundred ninety thousand (Rs. 190,000.00) captioned "Train the Trainer". Internal trainers facilitated seventeen (17) office Aides of the Authority for the programme on "Practical Training Session for Office aides" which was conducted to uplift their skills.

Technical Library

Technical Library functions as the hub for the knowledge seekers and offers the current and immense information on the global aviation industry, including the updates of aviation regulations.

Throughout the year under review, thirty (30) external users have utilised the facilities of technical and a sum of one hundred thirty-one thousand eight hundred fourteen rupees and forty cents (Rs.131, 814.40) was spent on the purchase of new publications to the library for the year 2020. In addition to that, Sectional Libraries were continuously maintained by mainly the Technical Library with the intention of enhancing the dissemination of updates among staff. 442 ICAO documents and publications, have been accessed and updated which amount to thirty seven (37) and one hundred and two (102) respectively during the year and a total of four hundred and sixteen (416) State letters have also been distributed among relevant sections/divisions.

CAASL Website

The CAASL website is an essential source of disseminating information to the general public. CAASL website was newly launched incorporating easy access and user friendly features through revamping. The website of CAASL had been visited by two hundred forty four thousand three hundred twenty-two (244, 322) users indicating the interest among the public on the information relating to civil aviation published in the website during the period.

Property Management Activities

Corporate Affairs and Property Management of HRPM section continues to contribute to the prime objective of the Authority through managing the facilities efficiently and effectively. The section further provides a profile of services to other divisions in order to maintain uninterrupted working processes through facilitation.

According to the provisions of Extraordinary Gazette No. 2050/38 of 12/12/2017, CAASL has initiated registration of the identified properties vested to CAASL including Bandaranaike International Airport, associated properties, Batticaloa Airport, Rathmalana Airport etc. HRPM section has been attending on the duties relating to registration of the vested lands in the name of CAASL.



CORPORATE MANAGEMENT DIVISION

FINANCE & REVENUE MANAGEMENT SECTION

Programme Budget

The Programme Budget- 2020, which sets out the expenditure of the ensuing year under four major programmes viz. Direction and Management, Air Space & Aviation Security Regulation, Flight Safety Regulation and Corporate Affairs and Economic Regulation. The forecast revised income calculated as Rs.963 Million as against the revised estimated recurrent and capital expenditure of Rs. 937 Million. The estimated expenditure has shown decrease of 57% compared to the last years' estimated expenditure and the forecast revenue has shown decrease of 63% compared to the previous year estimated revenue.

CAASL Revenue and Expenditure

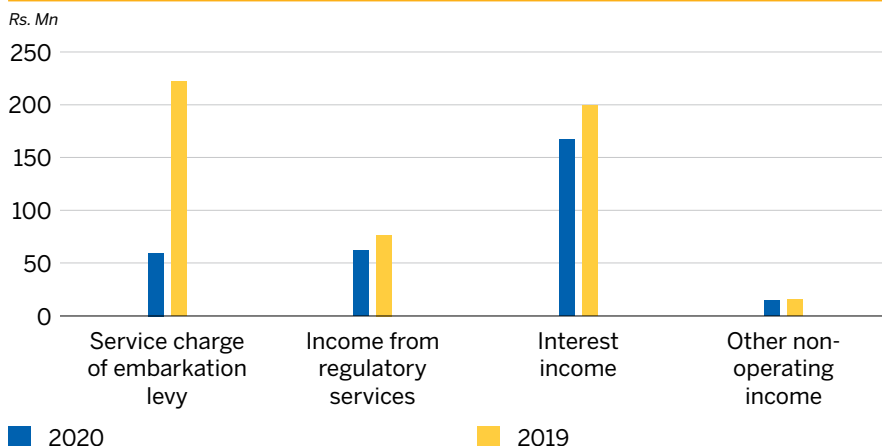
CAASL revenue has shown 61% decrease when compared to the previous year actual income amounting to Rs 2,504 Million to Rs.985 Million. Significant decrease can be seen from the income received from Overseas Sales Surcharge and Service Charge of Embarkation Levy.

The Actual expenditure has shown increase of 8% compared to the last year actual expenditure.

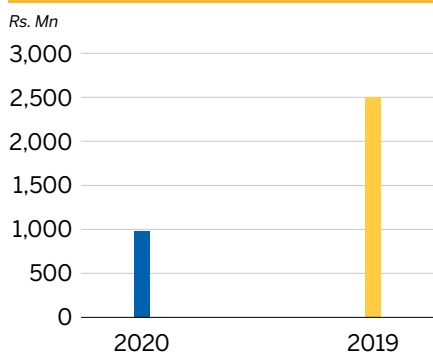
Management Information

The Financial Statements have been prepared in accordance to the Sri Lanka Financial Reporting Standards.

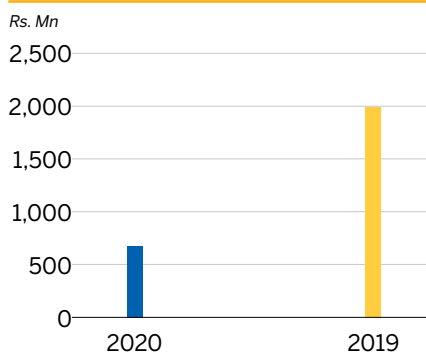
Income – 2020 Vs 2019



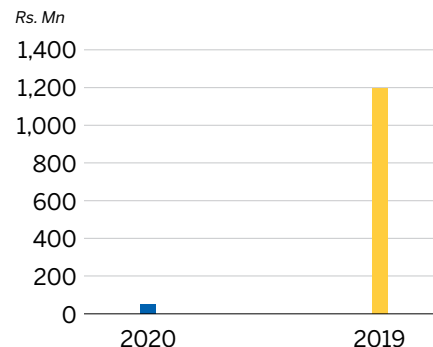
Total Income – 2020 Vs 2019



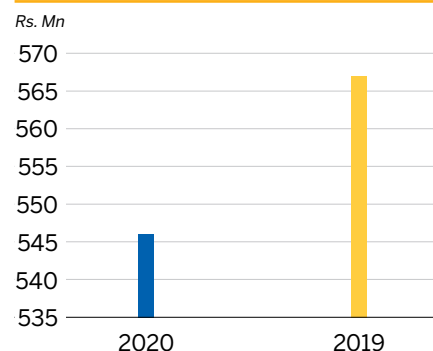
OSS Income – 2020 Vs 2019



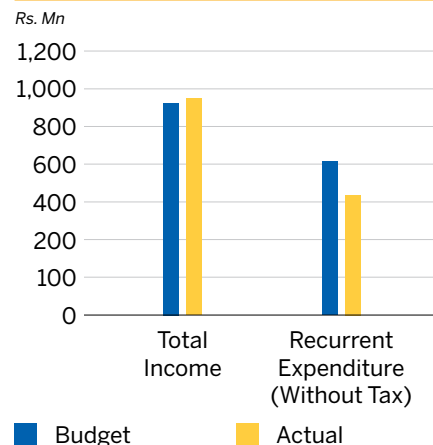
Capital Expenditure – 2020 Vs 2019



Recurrent Expenditure – 2020 Vs 2019



Budget Vs Actual-2020





KEY PERFORMANCE INDICATORS

Summary of CAASL Performances

Safety and Security Oversight Duties and Functions (No. of Regulations /Notices/Rules Issued)	2020	2019
Aircraft Operations	2	3
Aircraft Registration & Airworthiness	2	0
Aerodromes	1	0
Air Navigation Services	7	13
Aviation Security	4	4

Initial Certification of Organisations /Personnel	2020	2019
Airlines (Foreign)	3	8
Maintenance Organisations	11	4
Pilots	106	246
Air Traffic Controllers	0	2
Aircraft Maintenance License Holders	18	73
Flight Operations Officers (Flight Dispatchers)	0	2
Flight Instructors	1	1
Assistant Flight Instructors	3	7
Ground Instructors	0	9
Cabin Crew Members	0	76
Flying School Licence	2	0

Surveillances of Certified Organizations /Personnel	2020	2019
Ramp Inspections-Airworthiness	20	185
Ramp Inspections-Operations	7	61
Aerodrome Inspections	40	42
Air Traffic Service Inspections	32	36
Aircraft Maintenance Organisation Inspections	2	15
Flying Training School Inspections	14	24
Conduct of Aviation Security Surveillance Activities (Inspections, Audits, Surveys, Tests)	55	65
Simulator Inspections	3	3
En-route Inspections	2	9
Dangerous Goods Inspections	10	17
Station Facility Inspections - Operations	0	2
Aeronautical Information Services Inspections	10	15
Main Base Inspections/Instructor Observations	8	12
Designated Check Pilots (DCP Monitoring)	26	20



KEY PERFORMANCE INDICATORS

Audits Completed	2020	2019
Aviation Security	0	2

Key Performance Indicators of CAASL

Direction and Management	2020	2019
Authority Meetings	8	9
Audit Committee Meetings	6	3
Staff Committee Meeting	3	3
Industry Consultative Meeting	79	92
Appointment to Outside, Organization/Personal	184	203
Number of Letters Received	6,226	6,616

Legal Affairs & Enforcement (LA&E)	2020	2019
Regulations Issued/Reviewed/Submitted to Legal Draftsman	0	7
Agreements/MOU	17	17
No. of consultations participated at the Attorney General's Department/Legal Draftsman Department	13	19
Provisions of legal advice to CAASL/DGCA on legal matters	59	22
Court Appearances	26	22
Legal documents prepared	4	11

Aviation Security (AVSEC)	2020	2019
Reviews/Amendments – NCASP & Subsidiary Documents	5	17
Evaluations/Reviews – Local Airline/Airport Operator Aviation Security Programme	15	3
Evaluations/Reviews – Foreign Airline Operator Aviation Security Programme	27	41
Evaluations/Reviews – Aviation Security Training Programme/Syllabuses	1	5
Conduct of Aviation Security Surveillance Activities (Inspections, Audits, Surveys, Tests)	55	65
Certification and Re-Certification of Aviation Security Managers	2	22
Certification and Re-Certification of Aviation Security Instructors	13	7
Certification and Re-Certification of Aviation Security Screeners	452	806
Approval for carriage of weapons on board/cargo holds of an aircraft	62	200
Recommendation for issuance of airport access permits	37	145
Conduct of Aviation Security Training /Lectures/Presentation	1	4
Providing expertise services to Government & other agencies	2	4



KEY PERFORMANCE INDICATORS

Environment, Research and Projects (ER&P)	2020	2019
International Airline Statistical Reports	314	389
Domestic Airline Statistical Reports	43	96
International Airport Statistical Reports	28	26
Domestic Airport Statistical Reports	17	24
ICAO Reporting Forms Sent	26	60
CAASL Work Performance Statistical Reports	181	192
Provisions of Statistics for Government Institutions/General Public/Other Sections in CAASL	15	27
Bids/RFP (Request for Proposals) Issued	28	3
Awarded Contracts	42	2
Prepared CAASL Board Papers	2	4
Administration Support to CAASL Workshops/Functions/Events/Special Days	4	5
Administrative Support to Organising Meetings/Trainings/Seminars/Workshops (Aviation)	2	6
NGAP Sri Lanka Committee Meetings	9	14
Publish Guwansara Magazine	1	3
CADEC Programme Conducted	2	3
Workshops for School Students	1	4
Conduct of Special Activities and Awareness Programmes	2	3
Press Articles	47	30
TV Programmes	12	35
Other Publications /Reports	23	33

Air Navigation Services (ANS)	2020	2019
ATS Inspections Conducted	32	36
AIS Inspections Conducted	10	15
SAR Inspections Conducted	4	4
CNS Inspections Conducted	30	28
MET Inspections Conducted	0	5
Maps & Charts Inspections Conducted	3	4
PANS-OPS Inspections Conducted	1	2
Approvals for issuances of NOTAM	442	364
AIP Supplement Issued	8	11
AIP Amendment	0	3
Number of Aerial Works Approval	24	99
No. of AIC issued	5	3
Landing Clearances issued	451	1,170
Over flying Clearances issued	859	1,283
No of Non-Schedule Flights Approvals	1,317	1,684
AFTN Dispatched	600	1,486
AFTN Received	2,225	4,004
Number of Exemption Landing & Parking Charges	4	6
No. of No Objection Notes for Diplomatic Flight (Landing)	68	168
No. of No Objection Notes for Diplomatic Flight (Overflying)	53	77

KEY PERFORMANCE INDICATORS

Aerodromes & Facilitation	2020	2019
No. of Tower Approvals	46	189
Approvals for construction of high rise structures	96	194
Approval for Land Airports	0	1
Aerodrome Surveillance carried Out	40	42

Aviation Training & Personnel Licensing	2020	2019
Student Pilot Licences (SPL) (Issuance+ Renewals)	114	260
Private Pilot Licences (PPL) (Issuance+ Renewals)	87	146
Commercial Pilot Licences(CPL) (Issuance+ Renewals)	176	321
Airline Transport Pilot Licences (ATPL) (Issuance+ Renewals)	295	400
Air Traffic Controller Licences (ATC) (Issuance+ Renewals)	49	68
Aircraft Maintenance Engineer Licences (Issuance+ Renewals)	1	2
Aircraft Maintenance Licence (Issuance +Renewals)	144	432
Aircraft Maintenance Licence-Type Ratings (Issuances)	50	113
Aircraft Maintenance Licence-Categories (Issuances)	2	10
Cabin Crew Certificate (Issuance +Renewals)	96	245
Flight Operation Officer Licence (Issuance +Renewals)	0	3
Aircraft type Rating for PPL, CPL & ATPL Issuances	62	105
Assistant Flight Instructor (AFI) & Flight Instructor (FI) Rating – (Issuance +Renewals)	4	10
Flying School Licences (Issuance +Renewals)	8	13
Ground Instructor Licence (Issuance +Renewals)	6	17
Ground Instructor Approvals (Issuance +Renewals)	28	20
Air Traffic Controllers Rating (Issuances+ Renewals)	140	155
Issuance of NIB Clearances	100	96
Medical Examinations	1,894	2,686
PPL Examination (Number of Papers)	291	727
Flight Operations Officer Examination	0	1
AML Examination (No of Exams)	1	2
AML Examination(Number of Papers)	1,105	2,069
ATPL (A) Examination (Number of Papers)	21	91
ATPL -A Number of Papers delivered	416	1,178
ATPL (H) Examination	1	1
ATPL (H) Examination (Number of Papers)	3	7
English Language Proficiency Check (ELPC)	85	180
Radio Telephony Practical Test	40	104
Assistant Flight Instructor Examination (Theory & Viva)	4	16



KEY PERFORMANCE INDICATORS

Aircraft Operations	2020	2019
Special operations	52	4
Foreign Air Operator Certificate - Initial	3	8
Foreign Air Operator Certificate - Renewal	30	34
Dangerous Good transport licenses - Initial	3	0
Dangerous Good transport licenses - Renewal	12	17
DCP Initial	3	3
DCP Renewal	24	14
International Air Operator Certificate-Renewal	2	2
Simulator Renewal	3	3
PPC Approvals (Check Authorisation)	81	114
Surveillance Activities Performed	40	127

Aircraft Registration & Airworthiness (AR&AW)	2020	2019
Ramp Inspection – Airworthiness	20	185
Aircraft Maintenance Organisation inspection	2	15
Surveillance activities carried out (Ramp, Audit)	68	254
Certificate of Airworthiness of aircrafts-Initial	1	7
Certificate of Airworthiness of aircrafts-Renewal	48	56
Certificate of Registration of aircrafts-Initial	2	6
Certificate of Registration of aircrafts-Renewal	68	76
Resolution of Aviation Occurrences	55	174

Air Transport & Economic Regulations (AT&ER)	2020	2019
Domestic flight schedule approvals	42	25
Evaluations Conducted for Air Transport Providers	49	89
International flight schedule approvals	833	322
Visa Recommendations for non-technical experts staff	41	87
Charter License for Sri Lanka Registered Airline	5	8
Airline License for Sri Lanka Registered Airline	2	2
Charter licenses – International Operations	0	2
Charter licenses - Domestic Regular Operations	0	4
Air Transport provider's licenses	317	483
Private Operations license	0	1
Open skies air services agreements at the end of the year	19	19

KEY PERFORMANCE INDICATORS

Human Resources & Property Management (HR&PM)	2020	2019
Staff Recruitments	4	13
Total Staff (on Permanent Cadre)	175	181
Foreign Trainings/Seminars/Workshops Facilitated	2	20
Foreign Meeting/Conferences/Symposiums Facilitated	2	22
Foreign Inspections Facilitated	2	15
Local Trainings/Seminars/Workshops Facilitated	25	34
Local Inhouse Training Programmes Facilitated (Including Indoctrinations)	3	7
Performance Evaluations Processed	121	158
Staff Loans Facilitated	199	74
ICAO Documents Accessed and Distributed	424	970

Finance & Revenue Management (F&RM)	2020	2019
Total Revenue Collected (Rs. Million)	964	2504
Total Expenditure Incurred (Rs. Million)	493	631
Total Staff Expenses Paid (Rs. Million)	336	333

Quality & Internal Audit (Q&IA)	2020	2019
Audits conducted	84	122
Findings raised	87	171

Aviation Safety Monitoring	2020	2019
Incidents (Serious/Minor) Reported	6	10
Occurrence Reported	121	315
Serious Injuries to Passengers or Crew	0	1
Minor Injuries to Passengers or Crew	2	3
New Regulations Produced	3	1
New Guidance Materials Produced	5	0
Existing Guidance Materials Revised	5	6
New IS Produced	1	1
Existing IS Revised	6	5
Drone Registered - Local owners	383	138
Drone Registered - Foreign owners	2	156
Accident/Incident Verifications on License Holders	42	58

Information Technology (IT)	2020	2019
No. of Complaints - Help Desk Support	2,656	3,904
No. of Resolved Complaints - Help Desk Support	2,584	3,904
Evaluations Conducted for New IT Equipment Purchased	8	24

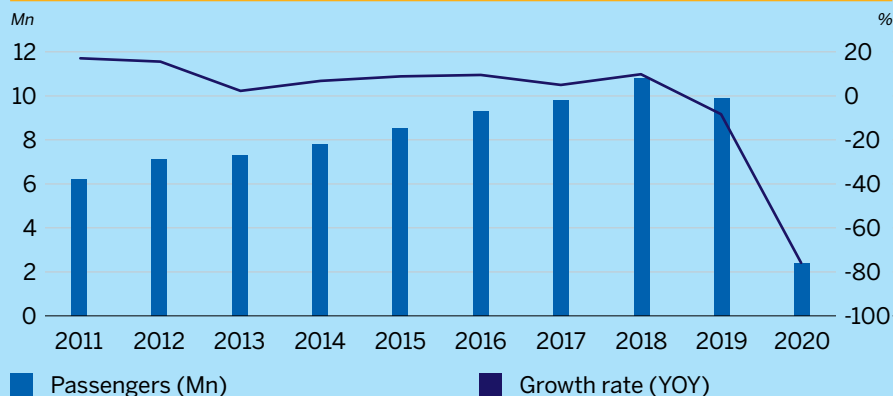


TRAFFIC PARTICULARS

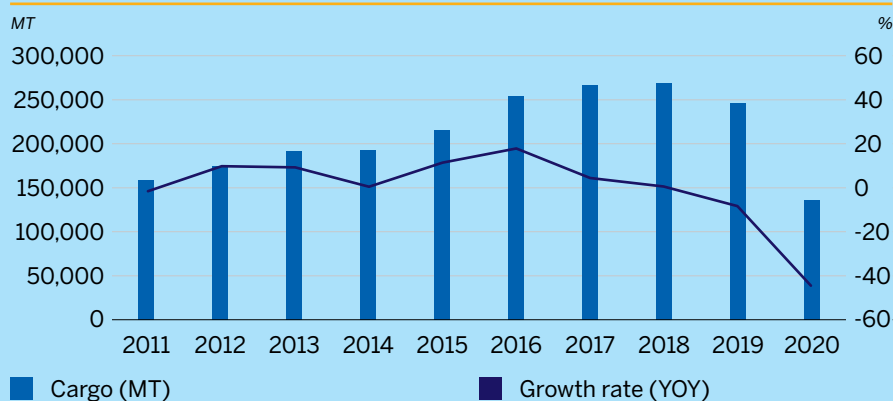
	2020	2019	Growth
INTERNATIONAL TRAFFIC			
Passengers			
Embarked	1,231,939	4,970,184	-75%
Disembarked	1,140,989	4,930,455	-77%
In Transit	275,866	1,741,201	-84%
Cargo (Metric Tonnes)			
In bound	49,766	94,859	-48%
Out bound	86,327	151,547	-43%
Aircraft Movements			
Scheduled flights	19,442	60,883	-68%
Charter flights	1,300	992	31%
Number of Airline Operated			
Scheduled services	36	38	-5%
Charter	39	7	457%
All Cargo	4	4	0%
DOMESTIC TRAFFIC			
Passengers carried	8,960	24,313	-63%
Aircraft movements	2,041	5,635	-64%
Number of airlines operated	7	10	-30%
Scheduled flights	2	2	0%
Charter flights	5	8	-38%

TRAFFIC PARTICULARS

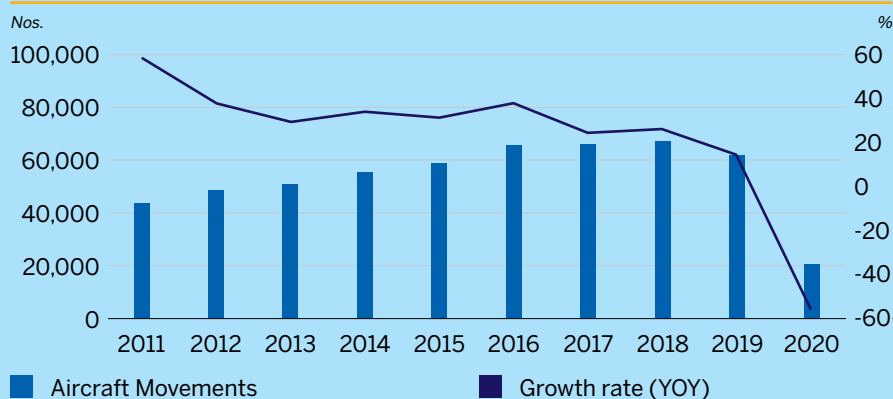
Passenger Movements



Cargo Movements



Aircraft Movements



An aerial photograph of an airport tarmac. A large white commercial airplane is parked on the left side of the frame, facing towards the top. The aircraft has two engines mounted on its wings and a red stripe along the bottom of its fuselage. To the right of the airplane, there are various ground service vehicles and equipment, including a white truck and a blue service vehicle. The tarmac is marked with yellow and red lines. The text "FINANCIAL STATEMENTS – 2020" is overlaid in white, bold, sans-serif font in the upper right quadrant of the image.

FINANCIAL STATEMENTS – 2020

FINANCIAL STATEMENTS – 2020

STATEMENT OF COMPREHENSIVE INCOME

<i>Year Ended 31st December</i>	Note	2020 Rs.	2019 Rs.
Income			
Operating Income	23	803,216,822	2,288,452,284
Non-Operating Income	23	182,992,523	215,603,274
		986,209,345	2,504,055,558
Expenditure			
Staff Expenses	24	354,048,327	333,482,977
Meetings, Seminars and Workshops	25	1,781,594	24,497,924
Training Expenses	26	5,078,282	18,227,802
Administration and Other Expenses	27	184,820,164	190,867,775
Depreciation	29	133,523,370	63,817,302
Amortization of Intangible Assets	30	256,265	98,614
Depreciation Expenses of Right- of -Use Assets	31	21,034	-
		679,529,036	630,992,394
Profit Before Tax		306,680,309	1,873,063,164
Income Tax Expenses	28	69,528,468	524,261,818
Profit for the year		237,151,840	1,348,801,346
Other Comprehensive Income			
Gain/(Loss) arising from re-measurement of Retirement Benefit Obligations		(20,183,552)	(1,341,090)
Total Comprehensive Income for the Year		216,968,288	1,347,460,256

The notes on pages 81 to 102 form an integral part of these financial statements.



FINANCIAL STATEMENTS – 2020

STATEMENT OF FINANCIAL POSITION

Year Ended 31st December	Note	2020 Rs.	2019 Rs.
ASSETS			
Non-Current Assets			
Property, Plant & Equipment	29	2,309,530,500	1,672,783,311
Intangible Assets	30	4,081,325	1,840,090
Right of use asset	31	357,573	-
Work in Progress - Capital	32	464,794,076	1,185,859,250
Fixed Deposit- Staff Welfare & Social Security Fund		128,487	508,915
Deferred Tax - Assets		10,377,440	5,218,243
Total Non- Current Assets		2,789,269,401	2,866,209,810
Current Assets			
Inventories		6,963,707	6,203,222
Trade Receivables	33	718,952,055	124,517,937
Staff Loans	34	90,686,852	58,518,714
Financial Assets	35	1,218,129,968	862,000,918
Advances, Prepayments ,Other Receivables	36	513,923,665	483,737,116
Cash and Cash Equivalents	37	1,658,332,429	2,148,909,180
Total Current Assets		4,206,988,675	3,683,887,087
Total Assets		6,996,258,076	6,550,096,897
EQUITY			
Capital and Reserves			
Government Grants	38	562,818,117	567,094,016
Retained Earnings	39	3,762,707,811	3,545,739,523
Total Capital and Reserves		4,325,525,928	4,112,833,539
LIABILITIES			
Non-Current Liabilities			
Deferred Tax Liabilities	40	35,260,898	33,607,253
Lease Liability	41	353,339	-
Provisions and Other Liabilities	42	94,073,855	94,454,283
Retirement Benefits Obligation	43	50,084,994	40,461,110
Total Non-Current Liabilities		179,773,086	168,522,646
Current Liabilities			
Trade Payables	44	2,309,954,594	2,032,226,872
Other Payables	45	61,855,239	25,691,653
Income Tax Liabilities	46	119,149,229	210,822,186
Total Current Liabilities		2,490,959,062	2,268,740,711
Total Equity and Liabilities		6,996,258,076	6,550,096,897

The notes on pages 81 to 102 form an integral part of these financial statements. These Financial Statements give a true and fair view of the state of affairs of the Authority as at 31.12.2020.

Director – Revenue and Financial Management

The Board of Directors is responsible for the preparation and presentation of these Financial Statements in accordance with Sri Lanka Accounting Standards. These Financial Statements were approved by the Board of Directors and signed on their behalf.

Capt. Themiya Abeywickrama

Director General of Civil Aviation & Chief Executive Officer

Upul Dharmadasa

Chairman

Civil Aviation Authority of Sri Lanka

28th February 2021

FINANCIAL STATEMENTS – 2020

STATEMENT OF CHANGES IN EQUITY

<i>Year Ended 31st December</i>	Government Grant Rs.	Retained Earnings Rs.	Total Rs.
Balance as at 1 st January 2019	571,332,766	3,010,096,178	3,581,428,944
Profit for the period	-	1,348,801,346	1,348,801,346
Disallowable VAT – 2003-2013		(13,158,001)	(13,158,001)
Amortization for the year	(4,238,750)	-	(4,238,750)
Prior year Adjustments	-	1,341,090	1,341,090
Re - measurement of Retirement Benefit Obligations	-	(1,341,090)	(1,341,090)
Appropriation of net surplus – Consolidated Fund	-	(800,000,000)	(800,000,000)
Balance as at 31 st December 2019	567,094,016	3,545,739,523	4,112,833,539
Profit for the period	-	237,151,840	237,151,840
Amortization for the year	(4,275,899)	-	(4,275,899)
Re - measurement of Retirement Benefit Obligations	-	(20,183,552)	(20,183,552)
Balance as at 31 st December 2020	562,818,117	3,762,707,811	4,325,525,928

The notes on pages 81 to 102 form an integral part of these financial statements.



FINANCIAL STATEMENTS – 2020

STATEMENT OF CASH FLOW

<i>Year Ended 31st December</i>	<i>Note</i>	2020 Rs.	2019 Rs.
Cash Flows from Operating Activities			
Profit/(Loss) from Ordinary Activities before Taxation		306,680,309	1,873,063,165
Adjustments for			
Depreciation	29	133,523,370	63,817,303
Amortization of Intangible Assets	30	256,265	98,614
Depreciation Expenses of Right of Use Assets	31	21,034	-
Amortization of Government Grant	38	(4,275,899)	(4,238,750)
Interest Income from Investments	23	(167,903,923)	(197,681,316)
(Profit)/Loss on sales of Property, Plant & Equipment		125,663	256,934
Finance Cost of the Lease Liabilities	41	1,516	-
Provision for Defined Benefit Plans	43	6,890,186	7,964,547
Operating Profit/(Loss) before Working Capital Changes		275,318,521	1,743,280,497
Increase in Inventories		(760,483)	611,873
(Increase)/ Decrease in Trade Receivables	33	(594,434,118)	3,125,874
(Increase) / in Staff Loans	34	(39,535,096)	(9,829,814)
(Increase) /Decrease in Advances/Prepayments/Other Receivables	36	12,402,778	(266,299,665)
Increase in Trade and Other Payables	44/45	313,891,308	476,401,635
Cash Generated from Operations			
Disallowable VAT		-	(13,158,001)
Defined Benefit Plan Costs Paid (Gratuity)	43	(17,449,856)	(1,134,600)
Income Tax Paid	46	(164,706,977)	(573,149,050)
Net Cash From Operating Activities		(33,117,090)	1,947,290,400
Cash Flows from Investing Activities			
Acquisition of Property, Plant & Equipment	29	(10,668,748)	(39,001,573)
Acquisition of Intangible Assets	30	(2,497,500)	(269,728)
Increase in Capital Work in Progress	32	(38,734,826)	(973,603,580)
Withdrawal /Acquisition of other Investments	35	(356,434,700)	474,386,595
Interest Received		132,987,202	187,001,989
Proceeds from sale of Property, Plant and Equipment		72,525	-
Net Cash Used in Investing Activities		(275,276,045)	(351,486,297)
Cash Flows from Financing Activities			
Contribution to Consolidation Fund		-	(800,000,000)
Payment of Lease Weerawila Land	41	(26,784)	-
Net Cash Used in Financing Activities		(26,784)	(800,000,000)
Net Increase/(Decrease) in Cash and Cash Equivalents		(490,576,752)	208,362,452
Cash and Cash Equivalents at the beginning of the year	37	2,148,909,180	1,940,546,728
Cash and Cash Equivalents at the end of the year	37	1,658,332,429	2,148,909,180

The notes on pages 81 to 102 form an integral part of these financial statements.

FINANCIAL STATEMENTS – 2020

NOTES TO THE FINANCIAL STATEMENTS

1. Corporate Information

1.1 General

Civil Aviation Authority of Sri Lanka having its registered office at No 152/1, Minuwangoda Road, Katunayaka.

1.2 Principle Activities and Nature of Operation

The Civil Aviation Authority of Sri Lanka was established under the Civil Aviation Authority Act No 34 of 2002 on 27th December 2002 and is deemed a Statutory body, in which its functions are to regulate safety, efficiency and regularity in civil aviation and its impact on environment in conformity with the applicable International Standards and Recommended Practices adopted by the International Civil Aviation Organization under the legislative provisions in the Civil Aviation Authority of Sri Lanka Act No.34 of 2002 and Civil aviation Act No.14 of 2010.

1.3 Date of Authorization for Issue

The Financial Statements of the Civil Aviation Authority of Sri Lanka for the year ended 31st December 2020 were authorized for issue in accordance with the resolution of the Civil Aviation Authority on 18th February 2021.

GENERAL ACCOUNTING POLICIES

2. Basis of Preparation

2.1 Statement of Compliance

The Statement of Financial Position, Statement of Profit or Loss and Other Comprehensive Income, Changes in Equity, Cash flow Statement and notes together with significant accounting policies (the “financial statements”) of the authority for the year ended 31st December 2020 and for the year then ended together with the comparative information have been prepared in accordance with Sri Lanka Accounting Standards (SLFRs) & (LKAS) as

issued by The Institute of Chartered Accountants of Sri Lanka (CA), which represent International Financial Reporting Standards (“IFRS”), as issued by the International Accounting standard Board. The Management of Civil Aviation Authority of Sri Lanka is responsible for the preparation and presentation of the financial statements. Few changes had been made to the presentation format in year 2020 for a better understanding of the reader.

2.2 Basis of Measurement

The Financial Statements have been prepared under the historical cost convention and Financial Assets were measured by the fair value.

2.3 Functional and Presentation Currency

The functional currency of the Authority is determined to be Sri Lankan Rupees and the Financial Statements are also presented in Sri Lankan Rupees.

2.4 Going Concern

When preparing the financial statements, the Management has assessed the ability of the Authority to continue as a going concern. The Management has a reasonable expectation that the Authority has adequate resources to perform its legitimate duties and functions and continue in operational existence for the foreseeable future. The Authority does not foresee a need for liquidation or cessation of operations, taking into account all available information about future. Accordingly, the Authority continues to adopt the going concern basis in preparing the financial statements.

2.5 Significant accounting judgments, estimates and assumptions

The preparation of the Authority's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future. These factors could include judgment, estimate and assumptions.

Judgments

In the process of applying the Authority's accounting policies, the management has made the following judgments, apart from those involving estimations and assumptions, which have the most significant effect on the amounts recognized in the financial statements.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(a) Fair value of financial instruments

Where the fair values of financial assets and financial liabilities recorded on the Statement of Financial Position cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of discounted cash flows model and/or mathematical models. The inputs to these models are derived from observable market data where possible, and where observable market data are not available, judgment is required to establish fair values.



FINANCIAL STATEMENTS – 2020

NOTES TO THE FINANCIAL STATEMENTS

Changes in assumptions about these factors could affect the reported fair value of financial Assets. Investment in Treasury Bills are shown at their Face Value whereas the previous years' are shown at their cost.

The carrying value at the balance sheet date of financial Assets (Treasury Bills) is Rs.1,232,748,534 (2019 : Rs: 876,313,834/-).

(b) Valuation of defined benefit obligation

The cost of defined benefit pension plans is determined using the formula method as per the Sri Lanka Accounting Standard 19 (LKAS).

The carrying value at the balance sheet date of defined benefit obligation is Rs. 50,084,994/- (2019: Rs. 40,461,111/-)

(c) Fair Value

Fair value is the amount of consideration that would be agreed upon in an arm's length transaction between knowledgeable, willing parties who are under no compulsion to act. When a financial instrument is initially recognized, its fair value is generally the value of the consideration paid or received. Subsequent to initial recognition, the fair value of a financial asset quoted in an active market is generally the bid price and, for a financial liability quoted in an active market, the fair value is generally the ask price. For financial instruments such as cash equivalents and short-term investments that have a short duration, the carrying value of these instruments approximates fair value.

(d) Income tax

The Authority is subject to income taxes and significant judgment is required in determining the overall provision for income taxes.

SIGNIFICANT ACCOUNTING POLICIES

3. Financial Assets

The Authority classifies its financial assets into the following categories: loans and receivables, held to maturity, and available for sale. The classification is determined by management at initial recognition and depends on the purpose for which the investments were acquired.

3.1 Classification

(a) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Receivables arising from ordinary transactions are also classified in this category and are reviewed for impairment.

(b) Held-to-maturity financial assets

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the authority's management has the positive intention and ability to hold to maturity, other than: those that

- ⊕ The Authority upon initial recognition designates as at fair value through profit or loss; or
- ⊕ The Authority designates as available for sale; and
- ⊕ That meets the definition of loans and receivables.

Interests on held-to-maturity investments are included in the income statement and are reported as 'Investment income'.

(c) Available-for-sale financial assets

Available-for-sale investments are financial assets that are intended to be held for an indefinite period of time, which may be sold in response to needs for liquidity or changes in interest rates, exchange rates or equity prices or that are not classified as

loans and receivables, held-to-maturity investments or financial assets at fair value through profit or loss.

3.2 Recognition and measurement

Financial assets are initially recognized at fair value plus, in the case of all financial assets not carried at fair value through profit or loss, transaction costs that are directly attributable to their acquisition. Financial assets carried at fair value through profit or losses are initially recognized at fair value, and transaction costs are expensed in the income statement. Financial assets are derecognised when the rights to receive cash flows from them have expired or where they have been transferred and the authority has also transferred substantially all risks and rewards of ownership. Available-for-sale financial assets are subsequently carried at fair value. Loans and receivables and held-to-maturity financial assets are carried at amortized cost using the effective interest method.

Changes in the fair value of monetary and non-monetary securities classified as available for sale are recognized in other comprehensive income.

When securities classified as available for sale are sold or impaired, the accumulated fair value adjustments recognized in other comprehensive income are included in the income statement as net realized gains/losses on financial assets.

Interest on available-for-sale securities calculated using the effective interest method is recognized in the income statement.

3.3 Determination of fair value

The fair value of loans and advances as well as liabilities to banks and customers are determined using a present value model on the basis of contractually agreed cash flows, taking into account credit quality, liquidity and costs.

FINANCIAL STATEMENTS – 2020

NOTES TO THE FINANCIAL STATEMENTS

The carrying value, less impairment provision of trade receivables and payables are assumed to approximate their fair values.

3.4 De-recognition

A financial asset (or, where applicable a part of a financial asset or part of a Group of similar financial assets) is derecognised when:

- ✚ The rights to receive cash flows from the asset have expired
- ✚ The Authority has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either
 - (a) The Authority has transferred substantially all the risks and rewards of the asset, or
 - (b) The Authority has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

When the Authority has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, and has neither transferred nor retained substantially all of the risks and rewards of the asset nor transferred control of it, the asset is recognised to the extent of the Authority's continuing involvement in it. In that case, the Authority also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Authority has retained. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Authority could be required to repay.

4. Property, Plant and Equipment

4.1 Cost / Revaluation

Property and equipment, including owner-occupied property, is stated at cost, excluding the costs of day-to-day servicing, less accumulated depreciation, and accumulated impairment losses. Replacement or major inspection costs are capitalized when incurred and if it is probable that future economic benefits associated with the item will flow to the entity, and the cost of the item can be measured reliably.

The cost of property and equipment is the cost of acquisition or construction together with any expenses incurred in bringing the asset to its condition for its intended use. Where items of property and equipment are subsequently re-valued, the entire class of such assets is re-valued. The Authority has changed the policy of revaluing assets every 03 years to every 05 years with effect from 2014. However, when the fair value of assets subject to revaluation defers materially from the carrying amount, a further revaluation is done.

When an asset is re-valued, any increase in the carrying amount is credited directly to a revaluation reserve, except to the extent that it reverses a revaluation decrease of the same asset previously recognised in the income statement, in which case the increase is recognised in the income statement. Any revaluation deficit that offsets a previous surplus in the same asset is directly offset against the surplus in the revaluation reserve and any excess recognised as an expense. Upon disposal, any revaluation reserve relating to the asset sold is transferred to retained earnings.

4.2 Depreciation

The provision for depreciation is calculated on the straight-line basis on the Cost/ valuation (less 10% of the residual value of the cost/valuation of the asset) of the Property, Plant and Equipment. All Property, Plant and Equipment other than land have been depreciated annually by the following percentages in order to write-off such amounts over the useful lives.

Buildings	6 2/3%
Motor Vehicles	12.5%
Plant, Machinery & Equipment	25%
Furniture & Fittings	25%
Other Fixed Assets	25%

Depreciation has been charged to profit & loss account on proportionate basis commencing from the date of asset available to use and 10% of the cost/ revaluation amounts have been retained as residual value in determining the depreciable amount of the individual assets.

Depreciation method, useful lives and residual values are reviewed at each reporting date by the management and adjusted if appropriate as required by the LKAS 16 based on the best of the information available and expected economic efficacy of assets. Uncertainties in these estimates is related to technical obsolescence that may change the utility of certain software and IT equipment.

The Estimated useful lives for the assets are as follows:

Buildings	15-40 years
Motor Vehicles	8-15 years
Plant, Machinery & Equipment	4-10 years
Furniture & Fittings	4-10 years
Other Fixed Assets	4-10 years



FINANCIAL STATEMENTS – 2020

NOTES TO THE FINANCIAL STATEMENTS

4.3 De-recognition

Items of property and equipment are de-recognised upon disposal or when no future economic benefits are expected from its use. Gain or loss arising on de-recognition of an item of property, plant and equipment is determined as the difference between the sales proceed and the carrying amount of the asset and is recognized in the income statement.

4.4 Impairment of Tangible Assets

At the end of each reporting period, the Authority reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the recoverable amount is determined for the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell or value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss

is recognized immediately in the income statement, unless the relevant asset is carried at a revalue amount, in which case the impairment loss is treated as a revaluation decrease.

4.5 Capital Work in Progress

Capital Work in Progress is stated at cost. These are capital nature expenses directly incurred in the construction of buildings and system developments awaiting capitalization.

These expenses will be taken to CAASL Asset Register once the receipt of Completion Certificate or when the asset is available to use.

4.6 Intangible Assets

Cost Model will be applied in measurement of Intangible Assets.

The provision for amortization is calculated on the straight-line basis on the Cost (less 10% of the residual value of the cost of the asset) of IT software and Operating Systems. All IT software amortized annually at the rate of 50% in order to write off such amounts over the useful lives.

Useful life-time of Intangible Assets reviewed time to time with the necessity of reviewing is being done. Useful life-time of IT software is as follows:

IT software	2- 4 Years
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4.7 Lease Contracts

4.7.1 Right - of - Use Assets

The Authority recognizes right-of-use assets at the commencement date of the lease (i.e., the date of the underlying asset is available for use). Right-of-use assets are measured at cost. Right-of-use assets are depreciated on a straight-line basis over the lease term and estimated useful life of assets are as follows:

Asset	Estimated Life
Land	Over 30 years

4.7.2 Lease Liabilities

At the commencement date of the Lease, the Authority recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. In calculating the present value of the lease payments, the Authority uses the Treasury bond rate as at the lease commencement date.

5. Inventories

All inventories have been valued at Cost. Cost is determined based on First in First out method. (FIFO). Inventories comprise of stationery and consumables.

6. Other Assets

Other assets include Other Debtors and Receivables, Advances, Deposits, Prepayments, and Taxation Receivable.

(a) Advances, Deposits, Prepaid Expenditure

Expenditure which is deemed to have a benefit or relationship to more than one financial year is classified as advances, deposits and prepaid expenditure. Such expenditure is written off over the period, to which it relates, on a time proportion basis.

(b) Other Debtors

Other debtors are recognized at cost less impairment loss.

(c) Taxation Receivable

Taxation receivable is recognized at cost.

(d) Prepaid Staff Cost

This represents the balance arising from the staff loans given at concessionary rates to the employees of the authority.

(e) VAT Receivable

This represent the VAT refunds receivable from Department of Inland Revenue

FINANCIAL STATEMENTS – 2020

NOTES TO THE FINANCIAL STATEMENTS

7. Cash and Cash Equivalent

Cash and cash equivalents comprise cash in hand and short-term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. These are held for the purpose of meeting short-term cash commitments.

For the purpose of the cash flow statement, cash and cash equivalents consist of cash in hand and deposits in banks. Investments with short maturities are also treated as cash equivalents. In the consolidated balance sheet, bank overdrafts are shown within borrowings in current liabilities.

8. Provisions

Provisions are recognized when the Authority has a present obligation (legal or constructive) as a result of a past event, where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

Pursuant to the Section 7 (h) of the Civil Aviation Authority Act No. 34 of 2002, the Authority has been vested with the power, function and the duty to initiate investigations on aircraft accidents and incidents and arrange for the provision of search & rescue operations. This has been further elaborated by the provision in the Civil Aviation Act No. 14 of 2010 vide Chapter VI, Sections 53, 54 & 55.

Sri Lanka, being an island with vast oceanic airspace and with an ever increasing number of aircraft movements overflying the territory and the oceanic airspace, and also operating in to and out of the country, there is an uncompromising obligation of the CAASL to maintain a sufficient reserve fund to meet the tasks involved in the aircraft accident investigation and search and rescue operations.

As such a discussion paper (DP/ May/2018/03 (a)) was tabled at 145th CAASL Board Meeting which was held on 30th May 2018, in order to have an allocation of Rs.50 Million rupees as reserved funds to be used for aircraft accident investigation and search and rescue operations.

9. Employee Benefits

9.1 Defined Contribution Plans

Employees are eligible for Employees' Provident Fund (EPF) Contributions and Employees' Trust Fund (ETF) Contributions in line with the respective statutes and regulations. The Authority pays fixed contributions of gross emoluments of employees to Employees' Provident Fund and Employees' Trust Fund and will have no legal or constructive obligation to pay further amounts.

9.2 Defined benefit plans

Defined benefit plans are post-employment plans other than defined contribution plans. Authority is liable to pay gratuity in terms of the Payment of Gratuity Act No. 12 of 1983. A provision for the obligations under the Act is determined based on the full month salary multiplied by number of years in service and calculations are based on the formula method as of LKAS 19. Separate investment is maintained for the value of Gratuity Provision at the end of each year.

9.3 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 and joined with the Civil Aviation Authority. The amount lying in the name of each retired officer with accumulated interest will be released at the time of retirement from the Civil Aviation Authority of Sri Lanka.

10. Financial Liabilities

10.1 Initial recognition and measurement

Financial liabilities within the scope of LKAS 39 are classified as financial liabilities at fair value through profit or loss or loans and borrowings as appropriate. The Authority determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings, carried at amortised cost. This includes directly attributable transaction costs. The Authority's financial liabilities include trade and other payables.

11. Other Liabilities

Other liabilities include other creditors including Accrued Expenditure. These are stated at their historical value which is deemed to be their fair value.



FINANCIAL STATEMENTS – 2020

NOTES TO THE FINANCIAL STATEMENTS

12. Income Recognition

12.1 In terms of section 12 of Civil Aviation Authority Act No. 34 of 2002 the Authority shall have its own Fund and all money received by the Authority under section 12(2) shall be paid into that fund. The money received under section 12(2) has been classified under income in financial statements for presentation purposes to be complied with the SLFRS 15.

12.2 Sources of Income

Civil Aviation Authority of Sri Lanka is receiving income from following sources:

- ✚ Operating Income
 - Overseas Sales Surcharge
 - Service Charge from Embarkation Levy
 - Regulatory Services (Issuance/ Renewal of Licences/ Certificates/Approvals & Conduct Examinations)
- ✚ Non-Operating Income
 - Other Income
 - Interest Income (from staff loans and Financial Instruments)

Revenue from Overseas sales surcharge/Service charge of embarkation levy/Regulatory service is recognized at fair value in the period in which the related services are rendered. All this income is recognised on an accrual basis.

12.3 Interest Income

Interest income for all interest-bearing financial instruments including financial instruments measured at fair value through profit or loss, are recognized within 'investment income' in the income statement using the effective interest rate method. When a receivable is impaired, the Authority reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument and continues unwinding the discount as interest income.

12.4 Other Income

Other income is recognised on an accrual basis.

13. Expenses Recognition

All expenses are measured at fair value of the consideration given and recognize in the period to which those expenses relate.

Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the depreciation period and are treated as a change in an accounting estimate.

14. Borrowing Costs

Borrowing costs are interest and other costs incurred by the Authority in connection with the borrowing of funds. Borrowing costs are recognized as an expense in the period in which they are incurred.

15. Current and Deferred Income Tax

15.1 The tax expense for the period comprises current and deferred tax. Tax is recognized in the income statement, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

Current tax assets and liabilities consist of amounts expected to be recovered from or paid to the taxation authorities in respect of the current as well as prior years. The tax rates and tax laws used to compute the amount are those that are enacted or subsequently enacted by the statement of financial position date. Accordingly, provision for taxation is made based on the profit for the

year adjusted for taxation purposes in accordance with the provisions of the Inland Revenue Act No. 10 of 2006 and the amendments thereto.

Deferred income tax is recognized, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, if the deferred income tax arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit, is not accounted for. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred income tax assets are recognized to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the Authority controls the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

FINANCIAL STATEMENTS – 2020

NOTES TO THE FINANCIAL STATEMENTS

The tax effects of carry-forwards of unused losses or unused tax credits are recognized as an asset when it is probable that future taxable profits will be available against which these losses can be utilized.

15.2 The Analysis for Deferred Tax Assets and Liabilities

	2020	2019
Opening Balance	28,389,010	28,584,877
From Provision for Gratuity	1,653,645	2,230,073
From Accelerated Tax Depreciation	(5,159,197)	(2,425,941)
Net Deferred Tax Liability	24,883,458	28,389,019

Deferred income tax liabilities have not been recognized for gratuity provision for the accounting years before 2018.

15.3 A Reconciliation between Tax Expenses and Profit of Accounting Multiplied by the Statutory Tax Rate is as follows

	2020 Rs.	2019 Rs.
Accounting Profit Before Income Tax	306,680,309	1,873,063,164
Less : Income from other Sources & Exempt Income	311,173,020	257,059,797
	(4,492,711)	1,616,003,367
Non- Deductible Expenses	140,795,485	91,184,783
Statutory Income from Business	136,302,774	1,707,188,151
Less : Tax Exempt Profit		-
Taxable Income - Business Income	136,302,774	1,707,188,150
Taxable Income - Non- Business Income	168,005,644	201,431,880
Total Taxable Income	304,308,418	1,908,620,030
Income Tax Expenses		
Taxable income - Business & Non-Business Income 24% (2019-28%)	73,034,020	534,413,608
Income Tax Expenses	73,034,020	534,413,608

16. Foreign Currency Translations / Transactions

All transactions in currencies other than the functional currency are recorded in Sri Lankan Rupees, using the exchange rates prevailing at the time the transactions were effected. At each Statement of Financial position date, monetary assets and liabilities denominated in foreign currencies are retranslated to Sri Lankan Rupee equivalents at the exchange rate prevailing on the Reporting Date. Non-monetary assets and liabilities denominated in foreign currencies are translated to Sri Lankan Rupees using the exchange rate prevailing at the date of transaction. Exchange differences arising on settlement of monetary items and re-translation of monetary items, are recognized in the income statement in the year in which they arise.

17. Events after the Balance Sheet Date

The directors monitor events closely and where necessary adjustments or disclosures are made in the current Financial Statements in respect of material post balance sheet events as appropriate.

18. Contingent Liabilities

Contingent liabilities are disclosed if there is a possible future obligation as a result of a past event or if there is a present obligation as a result of a past event but either a payment is not probable or the amount cannot be reasonably estimated.

19. Cash Flow Statement

The cash flow statement has been prepared by using Indirect Method in accordance with the LKAS 7 on Cash flow statements.

The Indirect Method discloses the profit or loss adjusted by the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments, and items of income or expense associated with investing or financing cash flow.



FINANCIAL STATEMENTS – 2020

NOTES TO THE FINANCIAL STATEMENTS

20. Government Grants

Government grants were recognized at Fair Value when there is reasonable assurance that they will be received or when these are transferred to the Authority.

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

Amortization of Government Grant

The provision for amortization is calculated on the straight-line basis on the Cost/ valuation (less 10% of the residual value of the cost/valuation of the asset) of the Property, Plant and Equipment. All Property, Plant and Equipment other than land which are accounted against the Government Grant as a corresponding account have been amortized annually on the following percentages over the useful life-time.

Buildings	6 2/3%
Motor Vehicles	12.5%
Plant, Machinery & Equipment	25%
Furniture & Fittings	25%
Other Fixed Assets	25%

21. Transactions with Key Management Personnel and Related Party Transactions

21.1 Transactions with Key Management Personnel

According to the Sri Lanka Accounting Standards (LKAS24) Related Party Disclosures Key Management Personnel, are those having authority and responsibility for planning, directing and controlling the activities of the Authority. Therefore, the Board of Directors of the Authority has been classified as key Management Personnel of the Authority.

The compensation paid to Key Management Personnel are as follows,

	2020 Rs.	2019 Rs.
Short -Term Employee Benefits	3,809,915	2,426,420
Post-Employment Benefits	-	-
Other long-term benefits	-	-
Termination benefits	-	-



FINANCIAL STATEMENTS – 2020

NOTES TO THE FINANCIAL STATEMENTS

21.2 Related Party Transactions

By the Civil Aviation Authority as a Statutory Board, the following significant transactions have been carried out with entries controlled by the Government in the ordinary course of business.

Name of the Entity	Relationship	Nature of the Transaction	2020 (Rs.)	2019 (Rs.)
Sri Lankan Airlines Ltd	Government Owned	Overseas Sales Surcharge	223,595,211	794,054,426
Ceylon Electricity Board	-Do-	Electricity Charges	13,096,725	14,949,551
Airport & Aviation (Pvt) Ltd	-Do-	Electricity Charges	861,011	1,312,014
National Water Supply and Drainage Board	-Do-	Water Charges	219,747	92,885
Airport & Aviation (Pvt) Ltd	-Do-	Water Charges	475,998	497,965
General Treasury	-Do-	Embarkation Levy	7,548,000,772	22,125,349,426
Airport & Aviation (Pvt) Ltd	-Do-	Embarkation Levy	2,111,645,812	5,749,564,198
Sri Lanka Tourism Development Authority	-Do-	Embarkation Levy	429,225,521	2,451,397,483
Employees Trust Fund Board	-Do-	ETF	7,379,359	7,236,500
Employees Provident Fund	-Do-	EPF	36,896,796	36,182,499
Inland Revenue Department	-Do-	Income Tax	164,706,977	573,149,050
Inland Revenue Department	-Do-	Stamp Duty	1,284,493	1,628,876
Road Development Authority	-Do-	JIA Development	-	410,702,753
Airport & Aviation (Pvt) Ltd	-Do-	JIA Development	-	137,014,875
Survey General Department	-Do-	JIA Development	-	6,971,220
Ceylon Electricity Board	-Do-	JIA Development	-	3,213,896
Sri Lanka Telecom	-Do-	Telecommunication	4,504,637	4,582,180
Sri Lanka Air Force	-Do-	Fuel Charges	347,744	167,637
Airport & Aviation (Pvt) Ltd	-Do-	Fuel Charges	3,902,142	4,394,840
Sri Lanka Insurance Corporation	-Do-	Insurance Charges	17,842,298	12,420,136
Bank of Ceylon	-Do-	Investments	1,621,865,492	1,266,822,749
Peoples' Bank	-Do-	Investments	857,950,000	408,000,000
Sri Lankan Catering (Pvt) Ltd	-Do-	Catering Services	685,929	179,400
Sri Lanka Air Force	-Do-	RMA Development	-	503,257,124
Sri Lanka Air Force	-Do-	Sniffer Dogs for BIA Security	22,111,831	-
Road Development Authority	-Do-	Expressway Chargers	1,622,071	2,212,174
Receivables				
Sri Lankan Airlines Ltd	-Do-	Overseas Sales Surcharge	2,009,880	33,943,219
Payables				
State Engineering Corporation	-Do-	Retention for CAASL Building	20,084,250	40,168,499
General Treasury	-Do-	Embarkation Levy	921,708,695	1,248,398,880
Airport & Aviation (Pvt) Ltd	-Do-	Embarkation Levy	199,703,550	270,486,424
Sri Lanka Tourism Development Authority	-Do-	Embarkation Levy	99,851,775	135,243,212



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Limited disclosures have been made in accordance with LKAS 24- 'Related Party Disclosures' for transactions that are individually significant because of their size and due to the impracticability of capturing and disclosure of all transactions which have been carried with all Government controlled / related entities.

Balances from / to entities controlled by the GOSL are included under Trade Receivables, Trade and Other Payables in the Statement of Financial Position

22. Financial Risk Management

Civil Aviation Authority of Sri Lanka is a Statutory Board. The main function of this Authority is providing Regulatory Services to the Civil Aviation Industry. The Authority has not financed with financial instruments like Shares, Debentures, and Loans etc. The Authority has minimum exposure to the following risks from its use of financial instruments.

- ✚ Credit Risk
- ✚ Liquidity Risk

22.1 Credit Risk

Credit Risk is the risk of financial loss to the Authority if a customer fails to meet its contractual obligations and arises principally from the receivables from internal and external parties.

Investments

The Authority limits its exposure to credit risk by investing only in government Treasury Bills and short-term deposits only with CAASL's Official Banker: Bank of Ceylon.

Employee Loans

The Authority limits its exposure to credit risk by ensuring the loan balances are recovered from the employee's monthly salary or if the employee leaves such amounts are recovered from the Guarantors. Also, the CAASL is the absolute owner of the properties purchased by the employees with these loans.

22.2 Liquidity Risk

Liquidity Risk is the risk that the Authority will not be able to meet its financial obligations as they fall due. The Authority's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient cash to meet its liabilities when due under both normal and unexpected conditions, without incurring unacceptable losses or risking damage to the Authority's reputation.

The Authority ensures its liquidity is maintained by investing Surplus cash held by the Authority over and above Rs.5mn in short, medium, and long-term financial instruments. Cash Flow forecasting is performed by the Finance and Revenue Management Section. The Finance and Revenue Management Section monitors rolling forecasts of the Authority's liquidity requirements to ensure it has sufficient cash to meet operational needs.

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NOTES TO THE FINANCIAL STATEMENTS

23. Income

	2020	2019
Operating Income	803,216,822	2,288,452,284
Non-Operating Income	182,992,523	215,603,274
Total Income	986,209,345	2,504,055,558
Operating Income		
Overseas Sales Surcharge	680,256,647	1,989,473,679
Service Charge of Embarkation Levy	61,095,942	222,074,304
Income from Regulatory Services	61,864,233	76,904,301
	803,216,822	2,288,452,284
Non-Operating Income		
Rental Income	38,471	70,041
Reservation of Circuit Bungalow	63,250	179,200
Tender Application Fees	51,900	67,200
Airfare & Ticketing Course - receipts	285,600	468,800
Administrative Fine	550,848	90,000
Sale of Century Aviation Book	-	2,490
Miscellaneous Income	518,441	1,534,735
Administrative Fee /Visa Recommendation for Students	108,000	155,000
Interest from Staff Loan	4,279,616	4,117,999
Interest from Investment on Treasury Bill	82,332,927	157,043,183
Interest from Investment on Call Deposits	62,511,530	31,108,226
Interest from Other Investments	18,779,850	7,275,956
	169,520,433	202,112,830
Other Non-Operating Income		
Interest Income from Staff Loans (IFRS adjustment)	9,196,191	9,251,694
Amortization of Government Grant	4,275,899	4,238,750
	13,472,090	13,490,444
Total Income	986,209,345	2,504,055,558

The primary income of CAASL is receiving from Passenger Air Tickets. Hence the revenue dropped drastically in 2020 due to air travel restrictions with the COVID 19 pandemic.

CAASL has opened Fund Management Accounts with Bank of Ceylon Katunayaka Branch and Peoples Bank Seeduwa Branch with the approval of Board of Directors to make overnight investments of cash balance at bank at the end of each day in money market. The interest income earned through this short-term investments has shown under Interest from Other Investments.



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NOTES TO THE FINANCIAL STATEMENTS

24. Staff Expenses

	2020	2019
Salaries and Wages	128,647,386	127,536,653
Other Allowances	114,221,817	104,299,465
Employee Provident Fund	36,890,796	36,182,499
Employee Trust Fund	7,378,159	7,236,500
Leave Encashment	10,428,105	6,500,077
Bonus	9,650,614	8,566,568
Over time and Holiday Payment	9,135,704	9,656,272
Welfare Expenses	19,748,528	16,288,701
Gratuity	6,890,187	7,964,547
Death Grant of Employees	1,860,840	-
Staff Cost on Loan Benefits – (IFRS Adjustments)	9,196,191	9,251,695
Total Staff Expenses	354,048,327	333,482,977

25. Meetings, Seminars and Workshops Expenses

	2020	2019
Meetings, Seminars, Workshops Expenses - Local	1,251,760	5,115,009
Meetings, Seminars, Workshops Expenses - Foreign	529,834	19,382,915
Total Meetings, Seminars and Workshops Expenses	1,781,594	24,497,924

26. Training Expenses

	2020	2019
Training Expenses – Local	1,632,671	3,924,209
Training Expenses – Foreign	3,445,611	14,303,593
Total Training Expenses	5,078,282	18,227,802

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NOTES TO THE FINANCIAL STATEMENTS

27. Administration and Other Expenses

	2020	2019
Inspections	1,044,254	2,348,330
Out Door Meetings	247,235	394,628
In House Meetings	520,809	646,084
Travelling Expenses – Local	1,622,071	2,212,174
Consultancy and Legal Fees	81,132	596,406
External Technical Assistance	15,806,454	13,581,840
Compliance Management Cost	-	4,010
Interviews / Staff Evaluations	105,500	248,036
Board Payments	958,500	1,092,500
Maintenance of Property, Plant and Equipment	1,114,188	1,086,959
Stationery and Consumable Expenses	6,510,633	9,483,473
Domestic Airport Development	-	2,492,128
Other Supplies	2,557,964	909,289
Telecommunication	8,079,981	8,804,023
Postal Charges	92,171	364,117
Contributions to International Civil Aviation Organization	31,851,288	36,922,885
Subscription for Publication & Advertisement	1,866,248	5,801,820
Examination Fee	68,100	696,200
Printing Expenses	2,190,024	3,272,948
Bank Chargers	750	850
Finance Cost of the Lease Liabilities	1,516	-
Audit Fee	1,200,000	1,200,000
Loss on Disposal of Assets	125,663	256,934
Translation and Typing Expenses	450,101	306,010
Welfare Utilities – Sports	-	225,098
Sundry Expenses	37,520	160,399
Fuel & Lubricants	4,600,029	5,500,360
Vehicle Maintenance	6,579,123	8,372,213
Rent and Hire Charges	19,146,000	19,146,000
Common – Welfare	2,019,113	2,880,472
Expenses for Office Building and Quarters		
Electricity	13,420,707	17,838,656
Water	1,215,382	1,302,763
Security	11,966,097	9,061,257
Janitorial	12,121,997	12,070,017
Other Maintenance	11,737,418	7,474,868
Management Services	-	950,000
Landscaping & Maintenance	-	371,950
Aviation Development	22,265,618	3,968,008
Corporate Social Responsibility	424,000.00	-
IT Maintenance	2,632,670	3,936,101
Organizational Events	-	1,032,731
Promotional Activities	-	86,221
Research, Planning & Development	-	3,566,000
Airfare and Ticketing Course Expenses	159,910	203,017
Total Administration and Other Expenses	184,820,164	190,867,775



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The Cabinet of Ministers in terms of its decision taken on 29th January 2019, has granted approval to purchase 20 sniffer dogs with CAASL funds and hand them over to Sri Lanka Air Force to train and retain them under the custody and at the cost of SLAF to use them for airport security duties at the BIA. Accordingly, the Civil Aviation Authority has purchased 20 sniffer dogs to the value of 22,111,831/- this has been shown under Aviation Development Expenses.

28. Income Tax Expenses

The major components of Income Tax expenses for the year ended 31 December are as follows:

	2020	2019
Current Income Tax		
Current Tax Charges		
Income Tax	73,034,020	524,457,686
Deferred Tax		
Charge/ (Reversal) in respect of deferred Taxation (Note 39)	(3,505,552)	(195,868)
Total Tax Expenses	69,528,468	524,261,818

The Tax on the Authority Profit before Tax, differs from the theoretical amount that would arise using the basic tax rate (24%) (2019-28%) applicable to profit of the Authority as follows;

	2020	2019
Profit Before Tax	306,680,309	1,873,063,164
Tax calculated at the effective rate of 24% (2019-28%)	73,603,274	524,457,686
The Tax on expenses not deductible for tax	74,112,271	-
Tax effect on income not subject to tax		
The effect on Expenses/ Income deductible for tax	(74,681,525)	(71,976,743)
Tax losses for which no Deferred Income Tax Asset was recognized	(3,505,552)	(195,868)
Total Tax Expenses	69,528,468	524,261,818

29. Property Plant and Equipment

- Property, Plant and Equipment transferred from General Treasury/Government are stated at the fair value as of the date of receipt of the assets. (Valuation was done in 2003.) For the purpose IFRS conversion, revalued amounts of the said assets have been considered as costs as at 1st January 2011.
- Classification changes have been identified during the year, and reclassification has been done accordingly which is depicted in the note no. 30 and 31 as per the LKAS 1. Above Reclassification did not affect the profit.
- In view of the necessity to develop Rathmalana Airport for civil use cabinet of ministers has granted approval to relocate SLAF Y-12 Hangars, MA-60 Hanger, B-200 Hangar together with parking aprons at Rathmalana from current premises to the northern premises and has authorized CAASL to remit a sum of Rs. 759,800,000/- out of the surplus to SLAF as cost of relocation. This amount has been capitalized under the Buildings from 10.02.2020.
- The Cabinet of Ministers in terms of its decision taken on 29th January 2019 which has been revised by its subsequent decisions taken on 05th February and 02nd April, has granted approval for development of Palaly Airport for operation of Regional Commercial Flights using domestic funds composed of Rs. 900 million and Rs. 1,050 million contributed by CAASL and Sri Lanka Tourism Development Fund (SLTDA) respectively.
- In terms of section 9 of the Civil Aviation Authority Act No. 34 of 2002 the Hon. Minister of Transport and Civil Aviation has published a Gazette Notification 1973/78 dated 1st July 2016 to transfer and vest Batticaloa with the Civil Aviation Authority of Sri Lanka. Accordingly, Land and Buildings were taken to CAASL Asset Register in year 2017 and 2018. These properties have been leased to the Airport and Aviation Services Sri Lanka (Ltd.) for operation.

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NOTES TO THE FINANCIAL STATEMENTS

- vi. By virtue of the powers vested under section 9 of the Civil Aviation Authority of Sri Lanka Act, No.34 of 2002, Minister of Transport and Civil Aviation, has made an Order by Extraordinary gazette No: 2050/38 dated 21.12.2017 to transfer and vest in the Civil Aviation Authority of Sri Lanka the following aerodromes, specified in the Second Schedule and the aeronautical facilities and the land appertaining thereto specified in the Third Schedule of the aforementioned Act, that are specified in the Schedule hereto with immediate effect.

Aerodromes (Specified in the Second Schedule)

- ✚ Katunayake Airport
- ✚ Ratamalana Airport

Aeronautical Facilities and Land appertaining thereto (Specified in the Third Schedule)

- ✚ The Civil Aviation Training Centre at Kandawla Road, Rathmalana, the building and structures thereon and the land appertaining thereto.
- ✚ The Aeronautical Communication Transmission Station at Attidiya, Ratmalana, the buildings and structures thereon and the land appertaining thereto.
- ✚ The Radio Navigational Aid for Bandaranaike International Airport located at Madampella, Gampaha, the buildings and structures thereon and the land appertaining thereto.
- ✚ The Radio Navigation Aid for runway at Bandaranaike International Airport located at Kapungoda, Pamunugama in Gampaha, the buildings and structures thereon and the land appertaining thereto
- ✚ The Radar Station located at Mount Piduruthalagala, the buildings and structures thereon and the land appertaining thereto.
- ✚ The Land at Piduruthalaga, in Nuwara Eliya District where the holiday bungalows for aviation staff have been constructed, including any structures thereon or appertaining thereto.
- ✚ The block of land of 0.125 hectares in extent bearing parcel No. 976, which is situated in Anuradhapura New Town, No. 249 Stage II- Gramasevaka Division, of Nuwaragampalatha East Divisional Secretariat Division of Anuradhapura District.

Value of above properties will be taken in to CAASL Asset Register once the survey plans and valuations are finalized and assets transferred in terms of Civil Aviation Authority Act No. 34 of 2002.

Category of Assets	Balance as at 01/01/2020	Additions/ Transfers	Disposals	Balance as at 31/12/2020	Balance as at 31/12/2019
Land	575,826,244			575,826,244	575,826,244
Building	1,038,330,214	765,207,364		1,803,537,578	1,038,330,214
Vehicles	132,502,263			132,502,263	132,502,263
Plant and Machinery	119,351,121	2,680,796	(594,000)	121,437,918	119,351,121
Furniture and Fittings	56,559,781	2,580,587		59,140,368	56,559,781
Other Fixed Assets	625,254			625,254	625,254
	1,923,194,877	770,468,748	(594,000)	2,693,069,625	1,923,194,877



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NOTES TO THE FINANCIAL STATEMENTS

Depreciation	Balance as at 01/01/2020	Charge for the year	Disposals	Balance as at 31/12/2020	Balance as at 31/12/2019
Building	61,240,313	102,672,565		163,912,877	61,240,313
Vehicles	95,153,700	5,770,511		100,924,211	95,153,700
Plant and Machinery	66,533,574	15,926,356	(395,812)	82,064,118	66,533,574
Furniture and Fittings	27,065,397	9,078,927		36,144,325	27,065,397
Other Fixed Assets	418,582	75,011		493,593	418,582
	250,411,566	133,523,370	(395,812)	383,539,125	250,411,566
Written Down Value				2,309,530,500	1,672,783,311

30. Intangible Assets

Category of Assets	Balance as at 01/01/2020	Additions/ Transfers	Disposals	Balance as at 31/12/2020	Balance as at 31/12/2019
IT Software	16,081,967	2,497,500.00	-	18,579,466.95	16,081,967

Depreciation	Balance as at 01/01/2020	Charge for the year	Disposals	Balance as at 31/12/2020	Balance as at 31/12/2019
IT Software	14,241,877	256,265		14,498,142	14,241,877
Written Down Value				4,081,325	1,840,090

31. Right-of-use Asset – Weerawila Land

The Authority has received the Land of the Circuit Bungalow, Weerawila, under 30 years' lease agreement from the government from January 2008. The Authority has charged the lease payments to the Profit and Loss Account up to 31.12.2019. The Institute of Chartered Accountants of Sri Lanka has issued SLFRS 16 for Leases which supersedes LKAS 17. Hence the Civil Aviation Authority adopted this standard from 1st of January 2020 retrospectively with the cumulative effect of initially applying the standard recognized at the date of initial application following paragraphs C7–C13 of SLFRS 16.

Carrying amounts of right-of-use assets recognized, are indicated below.

	2020	2019
As at 1st January 2020	378,607	-
Additions	-	-
Depreciation Expense	(21,034)	-
As at 31st December 2020	357,573	-

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NOTES TO THE FINANCIAL STATEMENTS

32. Capital Work in Progress

- CAASL has spent money on survey plans for the development of domestic airports at Puttalam and Bandarawela which were proposed in National Budgets. As the development of these domestic airports has not been finalized such construction did not commence.
- The Cost of Rs. 446,509,332/- borne by CAASL up to 31.12.2019, has been stated under the “Work in Progress – Capital” in Financial Statements and the advance payments of Rs. 170,621,991/- mentioned under Advance- Palaly. The asset has not been capitalized yet as constructors have not submitted final bills up to 31.12.2020.
- Part Payments made for Server Virtualization and HRIS software mentioned under IT Developments are as follows;

	2020	2019
Domestic Airport- Bandarawela	677,000	677,000
Domestic Airport- Puttalam	315,000	315,000
Domestic Airport - Rathmalana	-	754,474,756
Jaffna International Airport - Palali	446,509,332	430,392,493
IT Developments	17,292,744	
	464,794,076	1,185,859,250

33. Trade Receivables

Sri Lankan Airlines and few Airlines have not settled Embarkation Levy for the year 2020 due to the challenges of the COVID-19 pandemic. All recognized amounts have been mentioned under other debtors as CAASL is the competent Authority of collection and disbursement of Embarkation Levy.

	2020	2019
OSS & Embarkation Service Charge Income Receivable	31,576,152	123,676,641
Other Debtors	687,375,903	841,296
	718,952,055	124,517,937

34. Staff Loans

	2020	2019
Staff Loans	140,306,603	100,771,508
Deferred Staff Cost (Loans)	(49,619,751)	(42,252,794)
	90,686,852	58,518,714



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NOTES TO THE FINANCIAL STATEMENTS

35. Financial Assets

	2020	2019
Treasury Bills	1,232,748,534	876,313,834
Less: Differed Interest Income	(14,618,566)	(14,312,916)
	1,218,129,968	862,000,918

A separate investment of Rs.40, 461,111/- being maintained for Retirement Benefit Obligation (balance as of 31.12.2019) has been included in the Financial Assets.

36. Advances, Prepayments and Other Receivables

	2020	2019
Advances	173,858,816	196,406,301
Prepayments	8,103,104	5,204,322
VAT Receivable	241,172,350	233,926,423
Interest Income Receivable	41,169,645	5,947,275
Prepaid Staff Cost	49,619,751	42,252,794
	513,923,665	483,737,116

Department of Inland Revenue has not started to audit invoices of the Authority from year 2015. The value of VAT receivables from year 2015- 2019 represent more than 90% of VAT Receivables.

37. Cash and Cash Equivalents

	2020	2019
Cash at Bank		
Current Account: 000 202 6666	5,354,213	140,739,958
Current Account: 000 202 6678	370,637,638	605,722,250
Current Account: 324 100 190 023 731	34,733,513	603,828,485
Call Deposits	1,246,950,000	798,000,000
Petty Cash Advances	657,065	618,487
Total Cash and Cash Equivalents for the purpose of Cash Flow Statements	1,658,332,429	2,148,909,180

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38. Government Grants Received

- The value of Batticaloa Airport Buildings and Lands transferred to the CAASL in terms of section 9 of the Civil Aviation Authority Act No. 34 of 2002.
- The value of the two vehicles 65-3651 and 65-3653 received from ICAO Project.
- The value of 3 units of Breath Analyzer test for Alcohol received from Japan's Grant Aid for the Economic and Social Development Programme for Sri Lanka as a donation through the Department of External Resources.

Government Grants as at 01.01.2019	571,332,766
Add: Grants Received during the year 2019	-
Less: Amortization for the year 2019	(4,238,750)
Government Grants as at 31.12.2019	567,094,016
Add: Grants Received during the year 2020	-
Less: Amortization for the year 2020	(4,275,899)
Government Grants as at 31.12.2020	562,818,117

	2020	2019
Land	522,374,500	522,374,500
Buildings	33,403,094	35,704,790
Plant , Machinery & Equipment	1,172,201	1,674,275
Vehicle	10,126,108	11,561,088
Furniture & Fittings	18,113	18,113
Total	567,094,016	571,332,766
Amortization for the year	(4,275,899)	(4,238,750)
Balance at the end of the year	562,818,117	567,094,016

39. Retained Earnings

	2020	2019
As at beginning of the year	3,545,739,523	3,010,096,178
Current year Profit	237,151,840	1,348,801,346
Prior Year Adjustments - VAT	-	(13,158,001)
Prior Year Adjustments - Gratuity	-	1,341,090
Other Comprehensive Income / (Expenses)	(20,183,552)	(1,341,090)
Transfers to the Consolidated Fund	-	(800,000,000)
As at end of the year	3,762,707,811	3,545,739,523



FINANCIAL STATEMENTS – 2020

NOTES TO THE FINANCIAL STATEMENTS

40. Deferred Tax Liability

	Statement of Financial Position		Statement of Comprehensive Income	
	2020	2019	2020	2019
Deferred Tax Liability on:				
Defined Benefit Plan	14,846,280	13,192,635	1,653,645	
Accelerated Tax Depreciation	20,414,618	20,414,618		2,230,073
	35,260,898	33,607,253	1,653,645	2,230,073
Deferred Tax Asset on:				
Accelerated Tax Depreciation	10,377,440	5,218,243	5,159,196	-
Defined Benefit Plan	-	-	-	2,425,941
	10,377,440	5,218,243	5,145,126	2,425,941
Other Comprehensive Income				
Deferred Income Tax Charge (Note No 28)			(3,505,552)	(195,868)

Deferred Income Tax Asset and Liabilities are setoff when there is a legal, enforceable right to offset current tax asset against current tax liabilities and when deferred income taxes are related to the same fiscal authority. The net deferred tax amount is as follows;

	2020	2019
Deferred Tax Asset	10,377,440	5,218,243
Deferred Tax Liability	(35,260,898)	(33,607,253)
Net Deferred Tax Asset and Liability	(24,883,458)	(28,389,010)

41. Lease Liability

	2020	2019
As at 1st January 2020	378,607	-
Additions	-	-
Accretion of Interest	1,516	-
Payments	(26,784)	-
As at 31st December 2020	353,339	-

42. Provisions and Other Liabilities

	2020	2019
Staff welfare fund	128,487	508,915
Bank Guarantee Deposits (Embarkation Levy)	43,945,368	43,945,368
Accident Investigation Fund	50,000,000	50,000,000
	94,073,855	94,454,283

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NOTES TO THE FINANCIAL STATEMENTS

43. Retirement Benefits Obligation

Movement in the liability recognized in the statement of Financial Position as follows:

	2020	2019
As at beginning of the year	40,461,111	33,631,163
Current Service Cost	4,826,489	3,932,965
Interest Cost	2,063,698	2,690,493
Payments made during the year	(17,449,856)	(1,134,600)
(Gain)/ Loss arising from changes in assumptions period	20,183,552	1,341,090
As at end of the year	50,084,994	40,461,111

The principle assumptions used in determining the cost of employee benefits using the projected unit credit method to calculate the liability for Defined Benefit Obligation at year end were:

	2020	2019
Discount Rate	6%	8.50%
Rate of Future Salary Increase	1%	2.50%
Cost of Living Allowance Increase Rate	0%	0%
Rate of Staff Turnover	0%	0%
Retirement Age	60 years	60 Years

The liability for Defined Benefit Obligation is not externally funded, a separate investment is maintained for the value of the Retirement Benefit Obligation at the end of each year.

44. Trade Payables

- i. The Cabinet of Ministers in terms of its decision taken on 11th October 2019 has approved to retain Embarkation Levy remittance of Civil Aviation Authority of Sri Lanka (CAASL) to Sri Lanka Tourism Development Authority (SLTDA) up to Rs. 1,050/- million to be used for development of Jaffna (Palaly) International Airport for operation of regional commercial flights. Rs. 1,050,000/- which has been retained is stated under "Deposit- Jaffna International Airport Development – SLTDA"

	2020	2019
Deposit Inspection Charges and Operations	7,725,019	6,556,025
Payable to AASL, Tourism Development Authority and Government Treasury	1,228,944,925	1,664,531,840
Deposit – Jaffna International Airport Development – SLTDA	1,050,000,000	313,018,895
Other Creditors	23,284,650	48,120,112
	2,309,954,594	2,032,226,872



FINANCIAL STATEMENTS – 2020

NOTES TO THE FINANCIAL STATEMENTS

45. Other Payables

	2020	2019
Accrued Expenses		
- Staff Expenses		
Leave Encashment	9,761,991	6,500,077
Bonus	9,560,112	-
EPF	5,906,772	10,000
ETF	817,578	1,200
Welfare Payments	581,986	606,451
PAYE	201,123	-
Incentive Payments	189,438	-
Salaries and Wages	30,000	10,000
- Training	-	101,300
- Administration and Other Expenses		
Subscriptions to ICAO	16,343,796	5,504,475
External Technical Assistance	2,726,000	1,295,671
Telecommunication	777,015	1,444,311
Audit Fees	3,718,000	2,518,000
Electricity	1,437,564	1,376,496
Security	91,020	1,141,226
Janitorial	14,612	1,165,414
Printing	3,431,994	1,400,000
Other Expenses	6,266,238	2,617,033
	61,855,239	25,691,653

46. Income Tax Liabilities

	2020	2019
Balance at the beginning of the year	210,822,185	259,513,549
Provision for the year	73,034,020	524,457,686
Paid during the year	(164,706,977)	(573,149,050)
Balance at the end of the year	119,149,229	210,822,185

47. Events After The Balance Sheet Date

There have been no material events occurred after the Statement of Financial Position, that requisite adjustments to or disclosure in the Financial Statements.

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NATIONAL AUDIT OFFICE



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எனது இல.
My No.

AVA/B/CAASL/01/20/13

ඔබේ අංකය
உமது இல.
Your No.

දිනය
திகதி
Date

20 May 2021

Chairman

Civil Aviation Authority of Sri Lanka

Report of the Auditor General on the Financial Statements and Other Legal and Regulatory Requirements of the Civil Aviation Authority of Sri Lanka for the year ended 31 December 2020 in terms of Section 12 of the National Audit Act, No. 19 of 2018.

1. Financial Statements

1.1 Opinion

The audit of the financial statements of the Civil Aviation Authority of Sri Lanka ("Authority") for the year ended 31 December 2020 comprising the statement of financial position as at 31 December 2020 and the statement of comprehensive income, statement of changes in equity and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, 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 provisions of the National Audit Act No. 19 of 2018 and Finance Act No. 38 of 1971. My report to Parliament in pursuance of provisions in Article 154 (6) of the Constitution will be tabled in due course.

In my opinion, the accompanying financial statements give a true and fair view of the financial position of the Authority as at 31 December 2020, and of its financial performance and its cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

1.2 Basis for Opinion

I conducted my audit in accordance with Sri Lanka Auditing Standards (SLAuSs). My responsibilities, under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

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1.3 Other information included in the Authority's 2020 Annual Report.

The other information comprises the information included in the Authority's 2020 Annual Report but does not include the financial statements and my auditor's report thereon, which I have obtained prior to the date of this auditor's report. Management is responsible for the other information.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated.

If based on the work I have performed on the other information that I have obtained prior to the date of this auditor's report, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

1.4 Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with Sri Lanka Accounting Standards, and for such internal control as management determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Authority's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Authority or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Authority's financial reporting process.

As per Section 16(1) of the National Audit Act No. 19 of 2018, the Authority is required to maintain proper books and records of all its income, expenditure, assets and liabilities, to enable annual and periodic financial statements to be prepared of the Authority.





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1.5 Auditor's Responsibilities for the Audit of the Financial Statements

My objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Sri Lanka Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Sri Lanka Auditing Standards, I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Authority's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Authority to cease to continue as a going concern.





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- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

2. Report on Other Legal and Regulatory Requirements

2.1 National Audit Act, No. 19 of 2018 include specific provisions for following requirements.

2.1.1 I have obtained all the information and explanation that required for the audit and as far as appears from my examination, proper accounting records have been kept by the Authority as per the requirement of section 12 (a) of the National Audit Act, No. 19 of 2018.

2.1.2 The financial statements presented is consistent with the preceding year as per the requirement of section 6 (1) (d) (iii) of the National Audit Act, No. 19 of 2018.

2.1.3 The financial statements presented includes all the recommendations made by me in the previous year as per the requirement of section 6 (1) (d) (iv) of the National Audit Act, No. 19 of 2018.

2.2 Based on the procedures performed and evidences obtained were limited to matters that are material, nothing has come to my attention;

2.2.1 to state that any member of the governing body of the Authority has any direct or indirect interest in any contract entered into by the Authority which are out of the normal cause of business as per the requirement of section 12 (d) of the National Audit Act, No. 19 of 2018

2.2.2 to state that the Authority has not complied with any applicable written law, general and special directions issued by the governing body of the Authority as per the requirement of section 12 (f) of the National Audit Act, No. 19 of 2018.

2.2.3 to state that the Authority has not performed according to its powers, functions and duties as per the requirement of section 12 (g) of the National Audit Act, No. 19 of 2018

2.2.4 to state that the resources of the Authority had not been procured and utilized economically, efficiently and effectively within the time frames and in compliance with



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the applicable laws as per the requirement of section 12 (h) of the National Audit Act, No. 19 of 2018.

2.5 Other Matters

- (a) Even though allowances should not be paid without obtaining the approval of the Department of Management Services of the General Treasury, a managerial allowance of Rs.50,000 per month had been paid to 27 officers of the higher management in the Authority as per a decision taken by the Board of Directors, with effect from May 2018. Thereon, a total allowance of Rs.14,050,000 had been paid by the Authority for the year ended 31 December 2020.
- (b) The Value Added Tax (Input Tax) receivable from Inland Revenue Department in relation to the purchases up to 31 December 2020 was Rs.241,172,350. Even though several discussions were held with the Inland Revenue Department for deduction of this tax receivable, final decision had not been taken. It is observed that the recoverability of this input-tax is doubtful. However no provisions had been made in the financial statements in this regard.
- (c) As per the paragraph 18.3.2(b) of Authority's Administration Manual (SLCAP-5000), the transport and mobility allowance may be revised by the Authority at a percentage of not more than 10 per cent in the interval of not less than five years taking into account the inflation and financial health of the Authority. However, a sum of Rs.9,286,520 had been paid as transport allowance arrears from the year 2016 to 2020 as per the board decision taken on 23 June 2020 without considering the poor financial health of the Authority due to Covid – 19 pandemic.
- (d) Profit after tax for the year under review had been decreased up to Rs.236,772,763 for the year under review from Rs.1,348,801,346 for the preceding year, by Rs.1,112,028,583 or 82.5 per cent. As per the performance report, performance in every sector had been got down due to pandemic situation. Further, due to lock-down of the country and the specific areas in time to time, staff of the Authority had been allowed to stay at home and work from home. However, the Authority had paid normal leave encashment of one month salary to the staff for the year under review amounting to Rs.10,428,105 without considering those situations and it was 37 per cent or Rs.3,928,028 increment comparing to the preceding year. It is observed that the decision was contentious and could not be justifiable.


W.P.C. Wickramaratne
Auditor General





FINANCIAL STATEMENTS – 2020

REPLY TO THE AUDITOR GENERAL'S REPORT – 2020

Auditor General
National Audit Office
Battaramulla

Report of the Auditor General on the Financial Statements and Other Legal and Regulatory Requirements of the Civil Aviation Authority of Sri Lanka for the year ended 31st December 2020 in terms of Section 12 of the National Audit Act, No. 19 of 2018

This has reference to your reports dated 20th May 2021 bearing No: AVA/B/CAASL/01/20/13.

PI find below the answers for the above mentioned report.

2.5 Other Matters

(a) Not agree with your observation

CAASL has written to the General Treasury through the line Ministry for obtaining covering approval for the Managerial Allowance. Meantime as per the decision of the Board of Directors, payment is continued, considering the powers vested for the CAASL through Act No 34 of 2002.

Hence kindly request to remove this statement considering the above.

(b) Not agree with your observation

Discussions and follow-up actions are ongoing, and there is no doubt about receiving the refunds. Hence a provision had not been made in financial statements in this regard.

Hence kindly request to remove this statement considering the above.

(c) Not agree with your observation

Arrears payment has been made as per the provisions available in the Administrative Manual (SLCAP 5000) as there was an entitlement for revision of the allowance though it had not taken place on time. Therefore the Board of Directors has decided to revise the Transport Allowance from the due date.

Budgetary provisions were available for this payment, and CAASL made a profit during the particular year. Hence CAASL decided to make this routine payment considering the financial difficulties of the staff. CAASL will not make this payment if there was a financial loss.

Hence I kindly request to remove this observation from the Audit Report

(d) Not Agree with the observation

Having followed the Administrative Manual (SLCAP 5000) provisions, the Leave Encashment has been implemented with the due authorizations for the payment.

Budgetary provisions were available for this payment, and CAASL made a profit during the particular year. Hence CAASL decided to make this routine payment considering the financial difficulties of the staff. CAASL will not make this payment if there was a loss.

Hence kindly request to remove this statement considering the above.

Upul Dharmadasa
Chairman
Civil Aviation Authority of Sri Lanka



Safe and Efficient Skies for All

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