

Draft Annual Report 2020



Safe and Efficient Skies for all

CIVIL AVIATION AUTHORITY OF SRI LANKA

Annual Report – 2020

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 : Kalasuri. Arisen Ahubudu
Singer : Kalakeerthi Deshamanya Dr. Pundit W. D. Amaradewa
Melody : Kalakeerthi Deshamanya Dr. Pundit W. D. Amaradewa

Hon. State Minister of Ministry of 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

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ABBREVIATIONS

AE&F	Aerodromes & Facilitation
ANS	Air Navigation Services
AASL	Airport & Aviation Services (Sri Lanka) Ltd
ADG	Additional Director General
ADRM	Aerodrome
AME(BL)	Aircraft Maintenance Engineer (Basic License)
AML	Aircraft Maintenance License
AMO	Approved Maintenance Organization
AMT	Aircraft Maintenance Technician
ANR	Air Navigation Regulations
AOC	Air Operator Certificate
AS	Aeronautical Services
ASN	Aviation Safety Notice
ASM	Aviation Safety Monitoring
AT&ER	Air Transport and Economic Regulation
ATC	Air Traffic Control/ Air Traffic Controller
ATM	ATM/CNS
AV. SEC	Aviation Security
AW	Airworthiness
AWE	Airworthiness Engineer
BIA	Bandaranaike International Airport
BIRD	Bird Strike
CAASL	Civil Aviation Authority of Sri Lanka
CADEC	Civil Aviation Development and Educational Committee
CEO	Chief Executive Officers
COSCAP-SA	Co-operative Development of Operational Safety and Continuing Airworthiness Programme – South Asia
CSI	Cabin Safety Inspector
C of R	Certificate of Registration
D	Director
DDG/ASR	Deputy Director General (Aeronautical Service Regulation)
DDG/CAER	Deputy Director General (Corporate Management)
DDG/FSR	Deputy Director General (Flight Safety Regulation)
DDG/AVSER	Deputy Director General (Aviation Security Regulation)
D/AE&F	Director/Aerodromes & Facilitation
D/ANS	Director/Air Navigation Service
D/AOPS	Director/Aircraft Operations
D/ARAW	Director/Aircraft Registration and Airworthiness
D/ATER	Director/Air Transport & Economic Regulation
D/AVS	Director/Aviation Security
D/HR&PM	Director/Human Resources and Property Management
D/F&RM	Director/Finance & Revenue Management

D/TO&PL	Director/Training Organizations and Personnel Licensing
D/ER&P	Director/Environment, Research & Project
D/QIA	Director/Quality and Internal Audit
DG	Dangerous Goods
DGCA	Director General of Civil Aviation
EASA	European Aviation Safety Agency
ER&P	Environment, Research & Projects
FIR	Flight Information Region
FS	Flight Safety
FPP	Flight Procedure Programme
FUEL	Fuel Related
GCOL	Ground Collision
GSA	General Sales Agent
ICAO	International Civil Aviation Organization
ICT	Information Communication & Technology
IS	Implementing Standard
PBN	Performance Based Navigation
LALT	Low Altitude Operations
LCC	Low Cost Carriers
LA&EU	Legal Affairs & Enforcement Unit
MAC	Airprox/ ACAS alert/ Loss of Separation/ (near) Midair Collisions
MED	Medical
MRIA	Mattala Rajapaksa International Airport
NCASP	National Civil Aviation Security Programme
OTHR	Other
Q&IA	Quality & Internal Audit
RAMP	Ground Handling
RI	Runway Incursion - Vehicle, Aircraft or Person
RPK	Revenue Passenger Kilometers
RTK	Revenue Tonne Kilometers
SARPs	Standards and Recommended Practices
SAARC	South Asian Association for Regional Cooperation
SARI	South Asia Regional Initiative
SCF-NP	System/Component Failure or Malfunction
SCF-PP	Power Plant Failure or Malfunction
SEC	Security
SLAS	Sri Lanka Accounting Standards
SLCAP	Sri Lanka Civil Aviation Publication
SLFRS	Sri Lanka Financial Reporting Standards
SMS	Safety Management System
SSP	State Safety Programme
TO&PEL	Training Organization & Personnel Licensing
TURB	Turbulence encounter
USAP	Universal Security Audit Programme
USOAP	Universal Safety Oversight Audit Programme
WILD	Collision Wildlife
WSTRW	Windshear or Thunderstorm

DIRECTORY

Head Office	: Civil Aviation Authority of Sri Lanka No. 152/1, Minuwangoda Road Katunayake, Sri Lanka Telephone: 94 -11-2304632, 94-11-2358800 Facsimile: 94 -11-2304644 e-mail: info@caa.lk Website: www.caa.lk Postal Address : P.O. Box 535, Colombo Telegraphic Address : AIRCIVIL AFTN Address : VCCCYAYX
Katunayake Office	: Civil Aviation Authority of Sri Lanka FD II, Departure Terminal BIA, Katunayake Telephone : 94 -11-2252269 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

CHAIRMAN'S REVIEW



Year 2020 was a most challenging year for the survival of not only the civil aviation industry, but the whole world, due to the spreading of Corona Virus (COVID – 19) which invaded it in November 2019, and pushed world's economy to 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 realized 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 recognizes that the 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 current programme, with the engagement of newly appointed office bearers representing the employees of all levels. Benefits thereof would be evidenced once the financial situation becomes stable.

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 MRIA, is looking at the improvements, giving priority for cargo export operations.

MRIA, located in lush greenery, is a landmark and a sign of prosperity in the 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.

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

In connection with the said celebrations, the Chairman of the Civil Aviation Authority was instrumental in organizing the 'Flight of Celebration' originating from the United State which carried Sri Lankan expatriates in the US and US citizens. Idea was to recognize 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 that I as the Chairman CAASL, it is my privilege and duty to contribute for President Gotabhaya Rajapaksa's Policy Frame Work 'Vistas of Prosperity and Splendor'

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 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 - Provides the total passenger movement statistics at the BIA and MRIA during the year 2020 and total number of passengers carried by SriLankan Airlines in the same year, with corresponding figures of 2019.

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

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, and Capt. Themiya Abeywickrama who took office immediately afterwards, sharing the year under review.

Gratitude also goes for 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



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. Air Transport industry is proven to be a highly efficient user of resources and infrastructure and it generates wealth and creates employment.

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

However with the global challenges in the industry, 2020 was another year of importance to the local aviation industry with a series of major milestones made especially with the efforts and courage of Hon. Prasanna Ranathunga, Cabinet 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 CAA in collaboration with all stakeholders in order to conform to International Standards and Recommended Practices. The initial work in relation to the implementation of automated system for unmanned aerial vehicle operations was started during the year 2020.

There were 385 registered drones and 167 drones were physically inspected during the year 2020. Further, 473 number of approvals were issued for the operation of Unmanned Aerial Vehicles (UAV). 06 custom built drones were inspected and registered.

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

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 number (20) of drone operators were selected through knowledge, skill and medical tests and authorizations were granted for them to operate drones for surveillance operations in humanitarian tasks.

CAASL applied for the National Productivity Award 2020 organized 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 CAA in 2021.

Two customer satisfaction surveys were carried out in the year 2020 to improve the quality of services of CAASL.

The Corporate Plan 2020 – 2022 has been prepared and submitted to the Ministry of Transport & Civil Aviation. The preparation of Annual Report 2019 has been completed by the CAA during the year 2020. Accordingly the relevant documents were submitted to the Ministry of Transport & Civil Aviation for obtaining Cabinet approvals for presenting to the parliament.

Physical and Financial Progress Reports, Committee Stage Budget Report, Project Development Reports for the year 2020 were submitted to the Line Ministry. The Central Bank Reports & other requested reports by external agencies were also submitted before the deadline.

Initial stages of the Research on “King Ravana and lost heritage of Aviation dominance” was completed during the year 2020, collection of related literature and documentation of the evidence in related locations and evaluating the ancient airport sites is in progress .

The Aerodrome Certificate of Bandaranaike International Airport was renewed in 2020 after an audit was completed.

Government of Sri Lanka has identified Ratmalana airport as a potential airport to be developed for International operations and as an initial step the aerodrome certification process commenced in 2020. Aerodrome Certification audit for certifying Ratmalana Airport was conducted in February 2020 and necessary recommendations provided to comply by the operator (AASL- Airport and Aviation Services Sri Lanka Ltd) prior to granting of certificate.

The Aerodromes section of CAA 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) clearances issued to the applicants who submitted their applications and the section ensured to continue with the service even during the work from home period due to Covid 19 pandemic. Online services were implemented by the section to provide necessary assistance to applicants for height approvals without causing any delays

CAASL 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 on the Operational Centers/ systems to ensure the effectiveness of the Safety Oversight System in the provision of Air Navigation Services in Sri Lanka. CAASL continuously engaged with Ministry of Foreign affairs 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.

The Covid -19 pandemic disrupted the aviation industry and hence the CAASL published two (02) General Directives during 2020 with precautionary measures to be followed and for compliance of the aviation industry.

1. General Directive 09 - Guidelines for airlines on management of crewmember in relation to the Covid-19 Pandemic.
2. General Directive 10 - Guidelines for all airports in Sri Lanka on airport operation in relation to Covid-19 Pandemic Situation.

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

National Civil Aviation Security Programme was reviewed incorporating the 17th amendment provisions of Annex 17 and published as the 3rd edition and National Civil Aviation Contingency Plan was developed and distributed among the Aviation Security Stake Holders during the year 2020. Enforcement Actions have been taken against the Aircraft operators, Airport Operators and Aviation Security Service Providers for non-compliances of applicable AVSEC regulatory requirements during the year 2020 and Security Programmes of Foreign Airlines and National Airlines numbering to 38 were reviewed. Amidst Covid 19 Pandemic, the security surveillance activities as of the approved schedule was conducted to a greater extent, completing 40 Avsec inspections and 03 Avsec Tests in the year.

The total staff was hundred and seventy six (176) members as at 31.12.2020. 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 categorized 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. 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.

The Provisions in the Air Navigation Act No. 55 of 1992 and Civil Aviation Act No 14 of 2010 permit license (Air Transport Providers (Passenger) 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.

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 SriLankan Airlines, Fits Air, Richy Skylark, Daya Aviation, Millennium Air, Senok Air, Sakurai, Fly Southern, Cinnamon Air and F-Airways. Daya Aviation renewed its private operator license during the year. 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 finalized in 2021 and implemented.

CAASL 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.

During the year 52 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.

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 CAA 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 scheduled changes and ad-hoc operations of airlines' regular flights. 1061 such Schedule approvals were granted by the CAA to airlines to enable their operations during this difficult time.

Aeromedical Services initiated activities for prevention of spread of COVID-19 disease through air travel since December 2019 when the pandemic was in its initial stages. CAA has completed the developed guidelines to the airports and airlines for resumption of international airports in Sri Lanka. These special directions and General Directions were developed according to the local & International requirements and were subject to change due to the rapidly changing nature of the Spreading of the Virus in the Country and Internationally. All public health measures imposed by the Ministry of Health & regulatory requirements of ICAO & WHO were taken into consideration with proper collaboration with all entities when developing these Directions.

The Authority Continued medical assessments for Pilots, Air traffic Controllers, Cabin Crew members and students as usual until the total lock down came into effect in March 2020. The

services were restarted on 18th May 2020 with full capacity to cater to the above mentioned clients and to clear the backlog. During the lock down 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 CAASL. Special arrangements were made to grant approval to extend medical certificates of CAASL license holders stranded in foreign countries due to travel restrictions imposed.

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 year estimated expenditure and the forecast revenue has shown decrease of 63% compared to the previous year estimated revenue.

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

While the last year (2020) has been extremely challenging for the Aviation Industry both internationally and locally, with the support of CAASL staff we hope to forge ahead with courage and determination to re-energize our industry to derive economic prosperity for our country.

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 Organization (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 & Facilitation Section

Aerodromes & 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 Organization'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 Organization (ICAO) and ensure that those standards are compiled by the air navigation service provider in Sri Lanka.

Training Organization and Personnel Licensing Section

Training Organization and Personnel Licensing Section is responsible for the development of rules and procedures relating to certification and surveillance of training organizations 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 Organizations and oversight of any other person or organization involved in the design/production/modification/repair/maintenance of aircraft and training aspects of personnel engaged in civil aviation.

Human Resources & 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

Manage limited financial resources efficiently, effectively and economically in accordance with the CAA/Government policies, rules, and procedures, and maintain books in conformity with the General Accepted Accounting Principles, Sri Lanka Accounting Standards published by the ICASL and provide with the true and fair status financial accounts.

Air Transport & Economic Regulations Section

Air Transport and Economic Regulation section is one of the main role players in the Corporate Division of the Civil Aviation Authority which shoulders the responsibility to regulate the aviation industry in Sri Lanka.

Aviation Security Section

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

Environment, Research & Project Section

The Environment Research & 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 International Aviation (CORSIA) Programme. The section is handling all procurements for the CAASL.

Information & Communication Technology Unit

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

Legal Affairs & Enforcement Unit

The main objective of the LA & E Unit is to streamline the works relating to the legal and enforcement matters of the CAASL.

Quality and Internal Audit Section

The main objective of the Quality and Internal Audit Section is to provide independent assurance that CAASL's risk management, governance and internal control processes are operating effectively and ensure 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 & Media Unit

Civil Aviation Promotion Development & Media Unit is responsible for creating an aviation Culture in Sri Lanka through enhancing aviation knowledge among general public, specially in younger generation, updating the community with current & most reliable aviation related news and development via electronic, printed media & social media platform.

Aeromedical Services Unit

Aeromedical Services is not only providing 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 stake holders, public health services at Points of Entries, surveillance activities, facilitation activities with other sections of CAASL & other relevant stake holders and welfare of CAASL clients and staff. Further Aviation Medicine continues to provide aerospace safety solutions & 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.

Members of the Civil Aviation Authority of Sri Lanka

13th Board of the Civil Aviation Authority of Sri Lanka (CAASL) Appointed by the Hon. Minister

S/No	Name	Designations
01.	Mr. Upul Dharmadasa CTC	Chairman
02.	Mr. Amitha Wijayasuriya	Vice Chairman
03.	Mr. Nihal Jayawardana.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 Gunarathne	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	Member of CAASL Director General of Civil Aviation and Chief Executive Officer of Civil Aviation Authority of Sri Lanka
	Capt. Themiya Abeywickrama From 07 th April 2020	

Ministry Observer – Ministry of Aviation and Export Zones Development

1.	Ms. Awanthi Senaratne	Ministry Observer, Director (Aviation) Ministry of Aviation and Export Zones Development
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BOARD OF DIRECTOR



Mr. Upul Dharmadasa
Chairman, CAASL



Mr. Amitha Wijayasuriya
Vice Chairman, CAASL



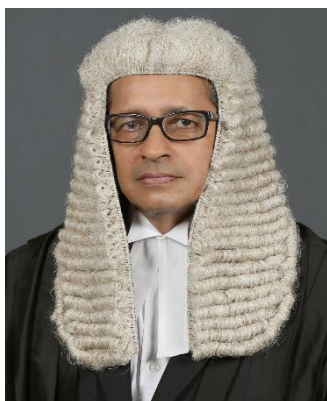
Capt. Themiya Abeywickram
Director General of Civil
Aviation and Chief Executive Officer
Member Ex – Officio



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



Ms. P.K. Ayanthi De Silva
Treasury Representative
Director General, Department of
Project Management and Monitoring
Member Ex-Officio



Mr. Nihal Jayawardana, PC
Member of the CAASL



Mr. Sarala Chinthaka Karunaratne
Member of the CAASL



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



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

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 ST.Thomas Colleges 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 was 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 Service in the USA.

In 1989, 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 specialized standard titled CTC (Certified Travel Consultant) was 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 service 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 & 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 Abeywickram
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 recognized 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 inducing new Aircraft, Capt. Themiya was also involved in conducting special and VVIP flights.

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 the person who was authorized 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 Gunaratne
Secretary Defence - Ministry of Defence
Member Ex – Officio

General Kamal Gunaratne (Retd); being obsessed with 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 the 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 to that, 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 Masters 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.



Ms. P.K. Ayanthi De Silva – Treasury Representative

Member Ex – Officio

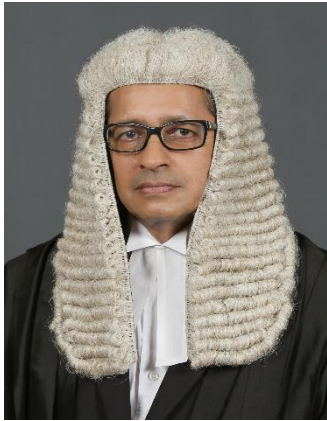
Ayanthi De Silva is the Director General of the Department of Project Management and Monitoring of Ministry of Finance, responsible for reporting of result achievement from government’s investments for policy decisions.

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 a live member of 03 Professional Associations in Sri Lanka; Economists, Evaluators and Demographers:

She received Honours in both Bachelor and Master Degree from University of Peradeniya in Commerce and Flinders University in Australia in International Development as well as Post Graduate Diploma from University of Colombo in Demography.



Mr. Nihal Jayawardana. 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 Masters 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.

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.

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.

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. And also he 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 carrier 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. Worked in the Plantation Industry state 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 plantaions pvt ltd, serves as the Joint Managing Director of Cimbalanka Holdings (Pvt) Ltd, involved in trading of petroleum products and the Country Director of Hyrax of Malaysia SDN Bhd manufacturing company of Auto mobile, 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
Ministry of Aviation and Export Zones Development



Ms. Awanthi Senaratne is the Director (Aviation) in the Ministry of Director (Aviation) Ministry of Aviation and Export Zones Development. She is a seventeen years experienced class I Sri Lanka Administrative officer who has delivered notable service to the country by holding many key posts 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 Jayawardhanapura.

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

joined few Major Civil Aviation Conferences as a member of the State Delegation during her period.

CIVIL AVIATION AUTHORITY OF SRI LANKA

CAASL'S PROFILE

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'

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;
- ✈ recognize 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 minimize aviation occurrences
- ✈ To support minimizing delays in on-time departures;
- ✈ To encourage improving quality of service in air travel;
- ✈ To facilitate minimizing congestion and expedite passenger processing at airports, whilst being mindful of security requirements;
- ✈ To help minimizing operational cost in air transportation and eliminate waste;
- ✈ To help minimizing 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

Output Class	Output
Policy Advice	<ul style="list-style-type: none"> ▪ Advise Government & other organizations ▪ 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 & 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 ▪ Authorization for import of aircraft spare parts ▪ Authorization of High structure constructions ▪ Authorization 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

Output

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 Organizations			
Flying Schools	8	8	0%
Type Rating Training Organizations	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%
Personnel Licensing			
Student Pilot Licence Holders	114	260	-56%
Private Pilot Licence Holders	87	146	-40%
Commercial Pilot Licence Holders	176	321	-45%
Air Transport Pilot Licence Holders	295	400	-26%
Air Traffic Control Licence Holders	49	68	-28%
Aircraft Maintenance Engineer Licence Holders	1	2	-50%
Aircraft Maintenance Licence Holders	144	392	-63%
Flight Dispatcher Licence Holders/Flight Operation Officer Licence	0	3	-100%
Cabin Crew Member Certificate Holders	96	245	-61%
Flying Instructors	1	1	0%
Assistant Flying Instructors	3	9	-67%
Ground Instructors Licence Holders	6	17	-65%
Flight Examiners	6	6	0%

Designated Check Pilots	20	21	-5%
Civil Aviation Medical Examiners/ Medical Assessor	6	6	0%
Certified Aviation Security Screeners	352	806	-56%
Certified Aviation Security Instructors	2	7	-71%
Certified Aviation Security Managers	13	22	-41%
Air Transport Service Providers			
Global Distribution Service Providers	4	4	0%
Air Transport Service Provider Licence Holders	348	539	-35%
Air Transport Service Provider Licence –Group A	329	448	-27%
Air Transport Service Provider Licence –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 organizational performance towards achieving the objectives of the CAASL and updating the CAA 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 & 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 Wijayasuriy, were appointed as the Chairman & Vice Chairman respectively.

Board of Directors

Board of Directors of the Authority comprises of members who have diverse skills and experience in business & administration, financial, legal & aviation industry to bring a wide range of thoughts and views 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 must acknowledge that the Authority must stand unified behind all of 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 through setting 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 every year. The Authority also gives directions to the Chief Executive Officer through Board Resolutions in regard to all matters for which no specific provisions currently available and it is 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 be the Chief Executive Officer of the Civil Aviation Authority by Statute.

He shall be subject to such terms and conditions of employment as shall be determined by the Cabinet of Ministries, and shall carry on all such duties and functions assigned to him by or under the Civil Aviation Authority of Sri Lanka Act or any other 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 committee, viz. Staff Committee, Audit & Management Committee to focus more attention on specific issues and design and implement development plans. Each Committee has been delegated powers for establishing and monitoring the organization'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.

Staff Committee

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

- ✈ Adoption of an organizational 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 CAA 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 Jayawardana.PC (Member)

Audit & Management Committee

The Audit & 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 comprised 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 Organization (ICAO) concepts on Next Generation of Aviation Professionals (NGAP).

It has been recognized by the international aviation community that there will be an anticipated shortage of skilled aviation professionals in the near future. In order to address this important issue, ICAO launched the Next Generation of Aviation Professionals (NGAP) initiative to ensure that more and more qualified and competent aviation professionals are 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,

Civil Aviation Authority of Sri Lanka

01. Capt.Themiya Abeywickram (President)
02. Mr. P.A Jayakantha, (Vice President)
03. Mr. Gimhan Dabarera, (Secretary & NGAP National Coordinator)
04. Mr. N. Navajeevan, (Assistant Secretary)
05. Mr. Rayhan Wannappa, (Consultant)
06. Mr. K.M.M.N.Dassanayake, (Head of Aviation Academic Development Committee)
07. Mr. Prabhath Kularathna, (Head of Aviation Awareness Committee)

Representatives of Airport and Aviation Services (Sri Lanka) Ltd

08. Mr. Devinda Abeygunawardane
09. 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 & CEO and 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 stand apart and does not have 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 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 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 & Internal Audit

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

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

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

Legislative Compliance

The Authority acknowledges its responsibility to ensure that the organization complies with all legislation. The Authority has delegated responsibility to the Senior Management for the development and operation of a Programme to systematically identify compliance issues and ensures that all employees are aware of legislative requirements that are particularly relevant to them.

The Authority has decided that application of general or specific circulars and /or directives issued by the Government organizations to the Authority on 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 in regard to extend 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 done 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.

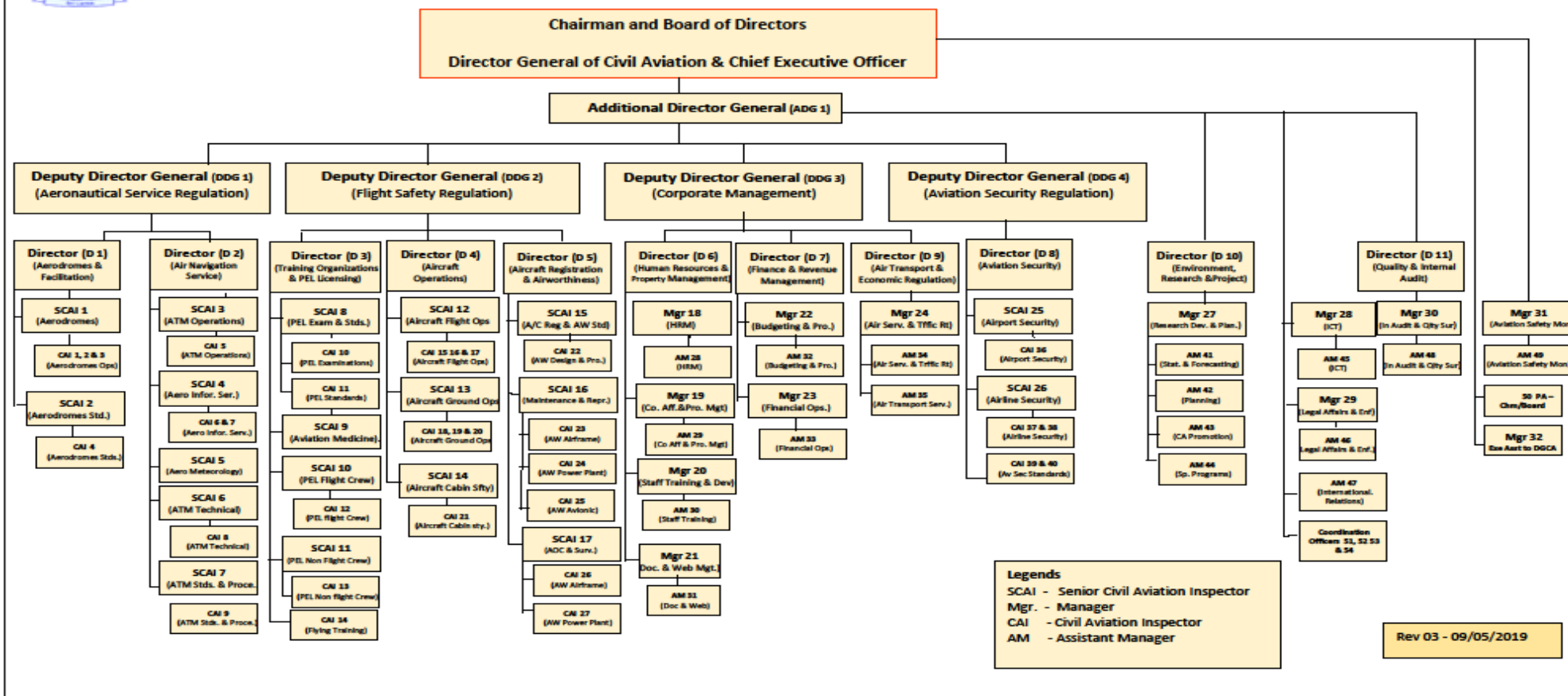
Good corporate citizenship involves the Authority, including its employees, acknowledging that it is a member of many communities outside of itself and the industry it oversees and making a commitment to act in a transparent, consistent, independent and responsible manner with the morals and accepted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

Organization Structure – Management Staff

Organization Structure - Management Staff of the CAASL is as shown below. The abbreviations are enumerated at the beginning of this Report.



Civil Aviation Authority of Sri Lanka Operational Organization Structure – Management Staff



DIRECTION AND MANAGEMENT

CAASL Meetings

The Civil Aviation Authority of Sri Lanka held eight (08) Authority meetings during the period under review & 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 and Audit Committee of the CAASL met four (04) times during the period under review.

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 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 is 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 in order 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 automated system for unmanned aerial vehicle operations was started.

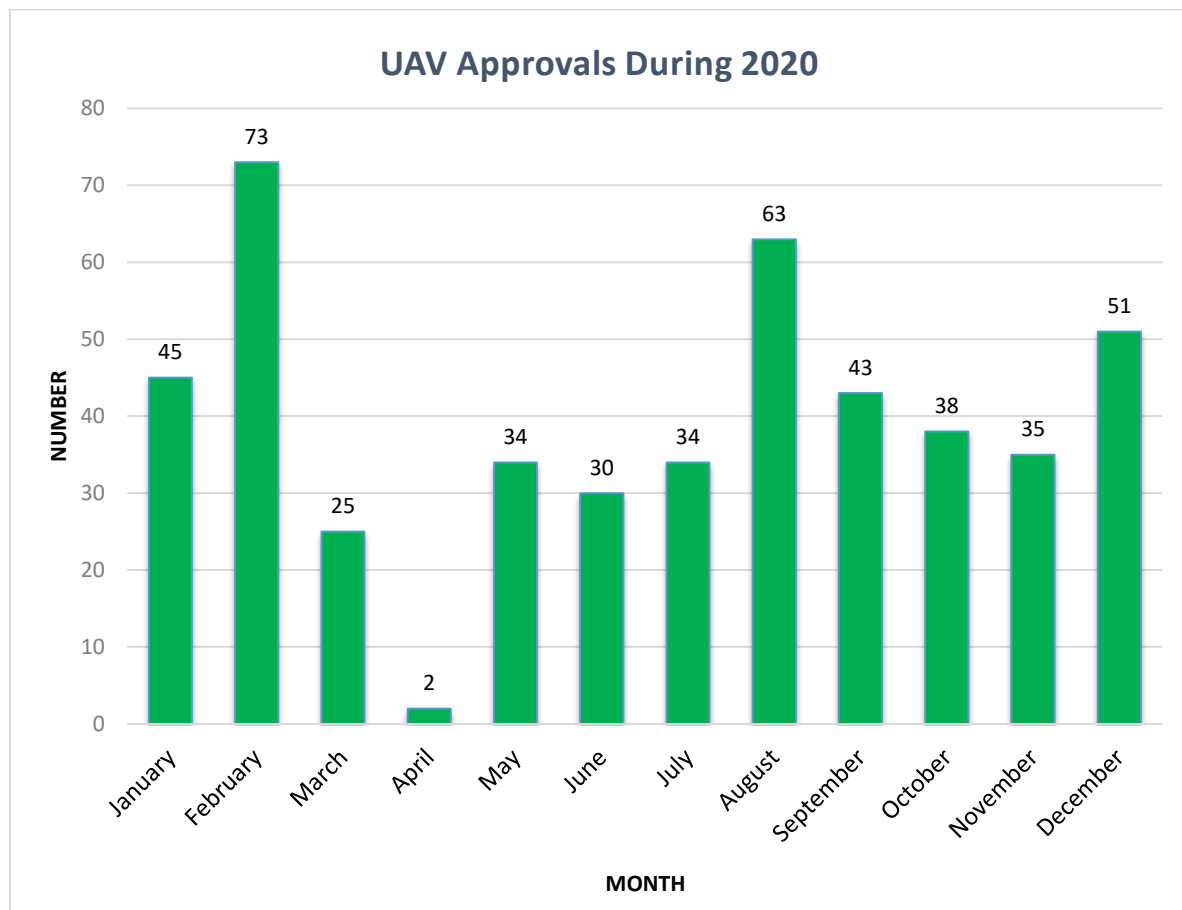
The Implementing Standard on SMS Framework issued in compliance to ICAO Annex 19 on Safety Management.

Aeronautical Information Circular on Aircraft Accident or Serious Incident Compliance Requirements of Aircraft Operators, Aerodrome Operators & Air Navigation Services Providers were updated and published in Aeronautical Information Publication of Sri Lanka.

Two Office Procedures were issued on Unmanned Aerial Vehicle operations and registration.

Certification Activities

There were 385 no of drones were registered and 167 no of drones were physically inspected during the year 2020. Further, 473 number of approvals issued for the operation of Unmanned Aerial Vehicles (UAV). 06 No of custom built drones were inspected and registered.



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

Aviation Occurrences

There were 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 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, there were 35 Bird Strikes which accounted for the highest number of occurrences reported in one category. Amongst reported bird strikes 21 occurred at Bandaranaike International Airport, 3 were at Colombo International Airport and 2 were at Mattala Rajapaksa International Airport.

There were 25 number of System/component failure or malfunction related occurrences reported and out of this 22 reports were into aircraft registered in Sri Lanka.

There were 19 of ATM/Communication related occurrences and majority of events were reported due to no contact with ATS units with the highest number reported was 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 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 final report was released with safety recommendations.

The 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.

Furthermore, all other reported mandatory occurrences reviewed with relevant Sections of CAASL. The distribution of safety recommendations to the respective air operators & other organizations and follow up actions were carried out based on the investigations done by other technical Sections.

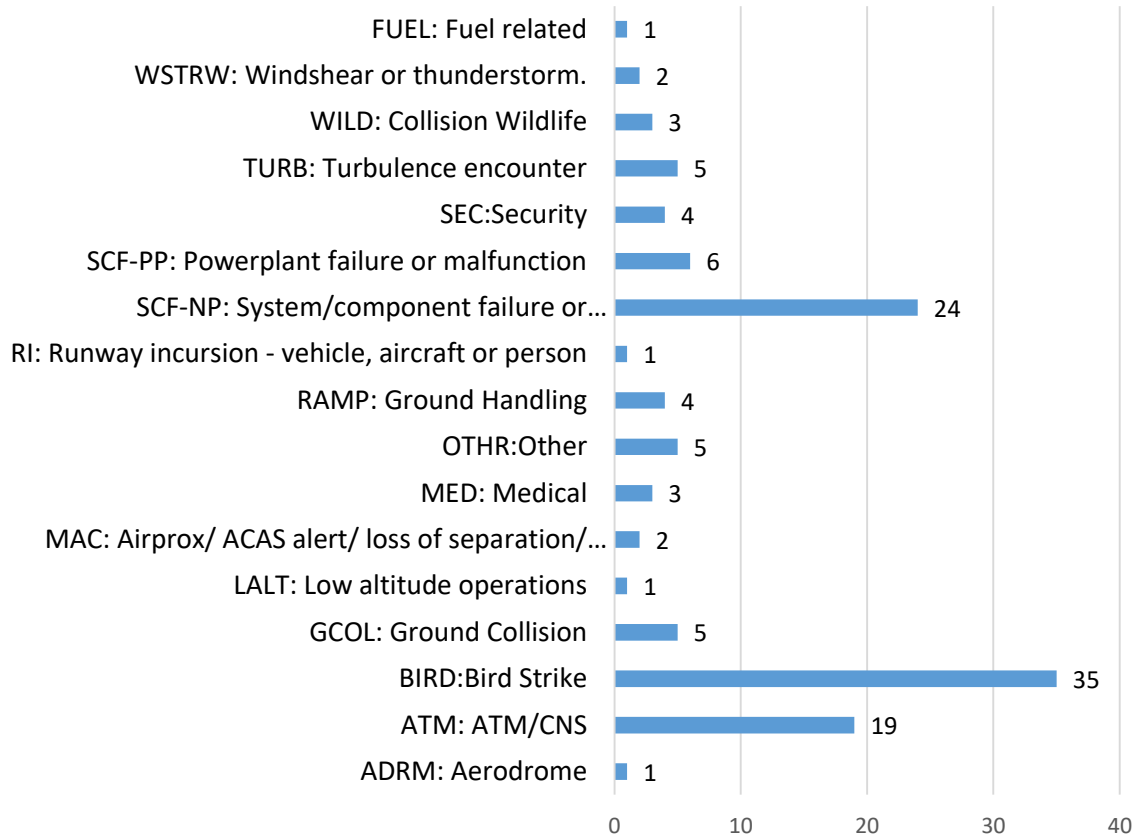
On 2nd December 2020, SriLankan Airlines flight UL 190 bearing registration number 4R-AND from (DAC) Hazrat Shahjalal International Airport, Bangladesh to (CMB) Bandaranaike International Airport, Sri Lanka encountered multiple system failures indications on ECAM at FL 360. Subsequently all ECAM actions carried out by the flight crew and they checked the weather in Colombo and Chennai. The aircraft diverted to Chennai International Airport, India and landed safely. This was categorized as a serious incident and investigation initiated as per the Standard and Recommended practices of ICAO Annex 13 on Aircraft Accident and Incident Investigation.

Accordingly, 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.

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

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



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 to be 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 Protection of the rights and interests of the CAASL.

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

- Enactment of Accident and Incident Investigation Bureau Bill
Steps have been taken to obtain the fresh cabinet approval to present the draft Bill in the Parliament for the enactment.
- Enactment of the Beijing Convention on the Suppression of unlawful acts relating to the International Civil Aviation and associated supplementary Protocols.
First draft legislation was received from the Legal Draftsman's Department and CAA has forwarded observations for the draft.
- Enactment of the Cape Town Convention and related Protocols
Second draft legislation was received from the Legal Draftsman's Department for CAA 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 was received from the Legal Draftsman's Department on third time and our observations on the same was forwarded for the final review.
- Promulgation of Aeronautical Service Provider Licensing Regulations
CAA 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 was received from the Legal Draftsman's Department on third time for CAASL observations.

- Promulgation of Carriage of Dangerous Goods by Air Regulations
Final draft Regulation in all three languages was received from the Legal Draftsman's Department on third time for CAA observations.
- Amendments to Civil Aviation Authority Act and Civil Aviation Act
Reviewed the proposals received from the sections of the CAASL on the prevailing Acts and submitted to the Ministry.
- Reviewed the legal validity of all the Licenses, Certificates, Permits and Forms issued by the Personnel Licensing Section and Airworthiness Section and forwarded them with necessary amendments.
- Participation for the prior assessment committee of issuing Air Operator Certificates (AOC)

During this year, 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. For these cases, prepared four (04) legal documents to be submitted in the Court of Law. Further, LA&E Unit participated for thirteen (13) consultations at the Attorney General's Department and Legal Draftsman's Department for the above cases and for the promulgation of aviation regulations.

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

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

Information Communication & Technology (ICT) Unit

The Information and Communication Technology (ICT) Unit has two main functions. First is managing the information technology infrastructure to provide IT services, which requires:

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

The Second function is developing and adapting information systems and IT infrastructure.

Major task of the IT Unit carried out during year 2020 was the Server Virtualization Project which helps to upgrade the whole IT infrastructure of the CAASL to the latest technology. And also ICT Unit has developed many software applications for the CAASL as per the requirement of the staff to make their work easier. These applications allow operations and processes to be innovative, more productive, efficient, and to move ahead of its competitors. Whilst performing a main role for the CAASL to achieve its objectives and other targets ICT Unit was able to complete the following projects in 2020.

- (1) Server Virtualization 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 Project – Ongoing

- (1) PEL LIMS New system update with UCSC
- (2) Server Virtualization 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

ICT Unit has completed nine technical evaluation 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 account or other ICT services. 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.

750 Software/Database related issues reported and all issues solved. 350
Hardware/Network related issues reported and all 350 issues were solved.

Civil Aviation Promotion Development & Media Unit

Civil Aviation Promotion, Development & Media Unit is responsible for creating an aviation culture in Sri Lanka through enhancing aviation knowledge among general public & specially younger generation, updating the community with current & most reliable aviation related news and development via electronic, print media & our Social Media platforms. The unit is functioning under the guidance of chairman of CAASL.

Awareness program for school children regarding the civil aviation

To build a future generation equipped with great knowledge two awareness programs were conducted, regarding forming of Civil Aviation **Club's** for students. Due to the prevailing COVID-19 pandemic some programs had to be postponed on instructions of the Ministry of Education.

Unlike previous years, it is a challenge to conduct these programs in an attractive manner. However with the guidance of the Health Ministry & Education Ministry, discussions were held to conduct them in the usual manner.

Awareness program for school students regarding the activities of international airports

Two awareness programs to highlight the activities within an airport were conducted at Mattala Rajapaksa International Airport for a group of around 300, including students & teachers of 17 schools in Hambantota District.

This program to be conducted throughout the years had to be temporarily postponed owing to the prevailing pandemic situation.

Publishing "Guwansara" Aviation Magazine among the Schools

21 issues of "Guwansara" Aviation Magazines have already been published, which has become the most popular magazine in the school libraries. A free copy of this magazine has been delivered to all schools having Advance Level streams.

Since schools had to be closed due to the pandemic, the magazine could not be printed as expected.

Telecast "Guwan sarisara" Television program

During a short time The "Guwan sarisara" Television program became popular due to the previously unpublished video clips **that** attracted, the interesting sections of the aviation trade.

Due to the recognition of this television program an award was won for promoting the **aviation Industry** as well. Soon after the situation returns to normal, the production team will resume the TV program.

Publishing CAASL news & civil aviation industry news thro' print & electronic media

To make people aware of the importance of "Civil Aviation", locally and internationally steps have been taken to publish information using the electronic and print media to make the public aware. This is done through newspapers, Radio & TV programs coordinated through the Civil Aviation Promotion, Development & Media Unit.

Organizing awareness programs for staff members

To increase knowledge of staff, The Civil Aviation Promotion, Development & Media Unit organized a panel discussion on the subject of "Covid -19 behind the Aviation Operation"

In future too the Civil Aviation Promotion, Development & Media Unit is making preparations to conduct a few more such staff awareness programme.

To provide civil aviation information through the new media for local & international readers.

Understanding the concept of new media of social media networks and measures have been taken to make aware the foreign & local readers about the authority and aviation attention.

Organizing special events & programs

18th anniversary of the Civil Aviation Authority of Sri Lanka was organized by the CADP to celebrate the event and commemorate the achievements of the organisation.

Media future endeavors

To Collect all past and present facts & events and preserving them for the future through electronic media, an electronic library has been opened. The Unit also on the search for historically important facts or incidents for the library to be completed.

Aeromedical Services Unit

Aeromedical Services unit Continued medical assessments for Pilots, Air traffic Controllers, Cabin Crew members and students as usual until the total lock down came into effect in March 2020.

Restarted the same services on 18th May 2020 with full capacity to cater the above mentioned clients and to clear the backlog.

During lock down period special approvals granted to extend licences of CAASL Clients assessing their medical history & present medical status individually. This was done online with the assistance of other relevant sections of CAASL.

Special arrangements were made to grant approval to extend medical certificates of CAASL licence holders stranded in foreign countries due to 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 main activities done:

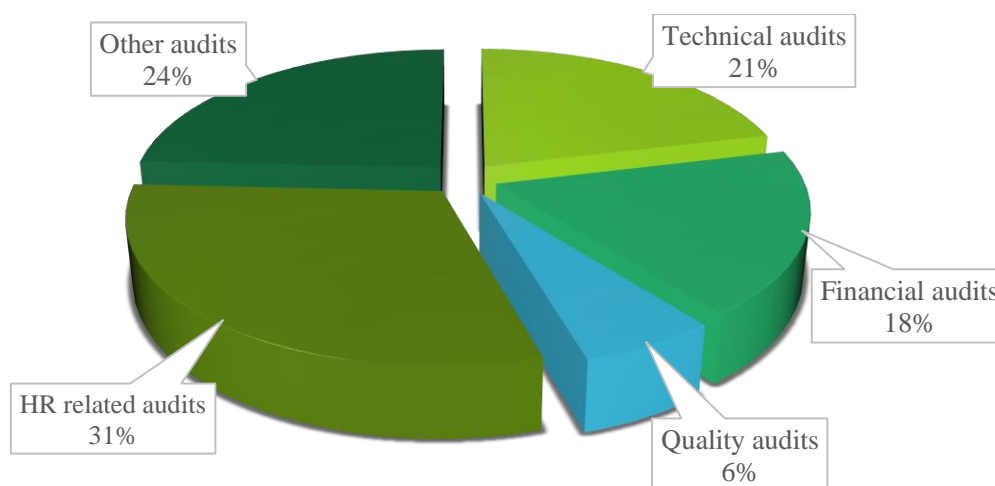
- a) As the initial step, in the end of December and in the month of January visited Jaffna International Airport & Mattala Rajapaksha International Airport to evaluate compliance to the international Public Health standards by these two airports, awareness programmes were conducted to the whole staff on COVID-19 disease, CAA requirements on Public health events & how to adhere to the public health precautionary measures.
- b) Conducted awareness programme to BIA staff, Sri Lankan Airline staff and CAASL staff on COVID-19 disease, how to prevent the spread of disease and public health regulatory requirements imposed by CAASL and the Ministry of Health.
- c) Conducted en-route inspection to evaluate the preparedness of Sri Lankan airline staff on COVID-19 pandemic.
- d) Member of several committees appointed on prevention of COVID-19 & to develop regulatory requirements when open our Airports for International travel in the Ministry of Health. Actively participated in these committees representing CAASL.
- e) Services rendered as a resource personnel to develop guidelines to Aviation Industry for COVID-19 disease in association with WHO and Ministry of Health.
- f) 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, quarantine requirements with collaboration of Ministry of Health.
- g) Member of the Task Force of National Operation Centre for prevention of COVID-19 and 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

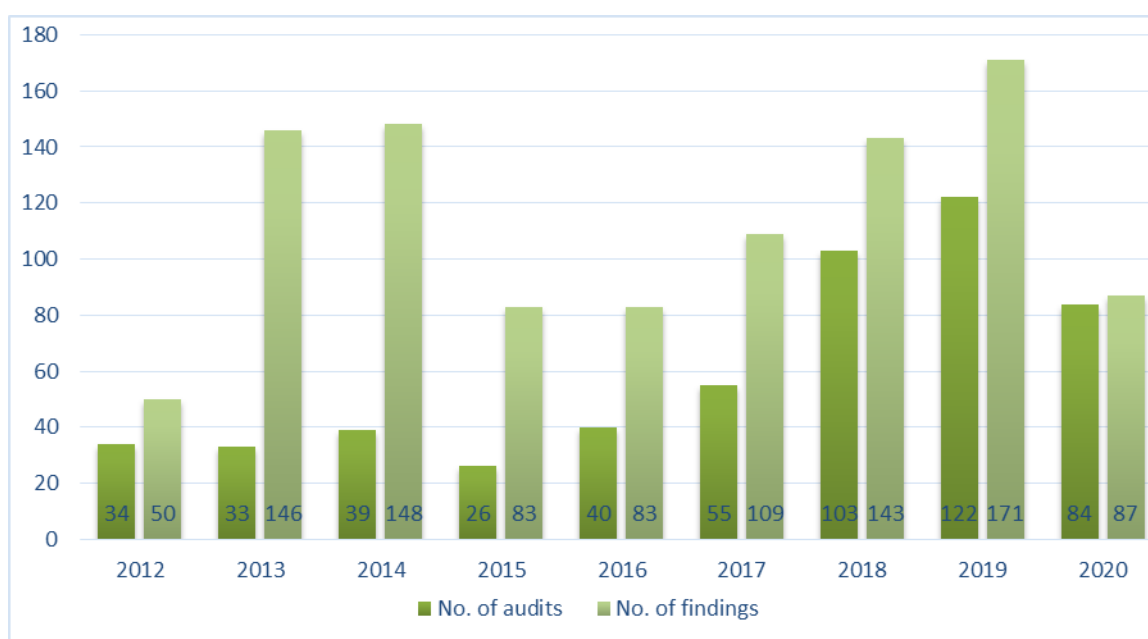
The main objective of the Quality and Internal Audit Section is to enhance the quality management of the CAASL. The internal audit process provides an assurance on the organization's risk management, internal control environment and governance framework through review and appraisal of the extent of compliance with 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 carry out post audits as well as pre audits on the subject such as staff loans and payments of leave encashment. In total 84 nos. of audits were carried out including 51 pre audits which resulted in 87 nos. of audit observations during the year 2020. This is a completion of 81% of our planned audits as per our annual work programme 2020. A 31% reduction is evident during the period compared to that of the previous year due to the reason well known for everyone, 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 organized 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 CAA in 2021.

A two customer satisfaction surveys were carried out in the year 2020 to improve the quality of services of CAASL.

Environment, Research & Projects Section

Civil Aviation Statistical Programme

CAASL maintains Civil Aviation Statistical Programme, which encompassing Air Transport Statistical Programme and CAASL Statistical Programme. This statistics programme involving 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 organizations. Collected statistics are processed and disseminated to ICAO and other public/private organizations as and when required. Likewise, this programme

facilitates the reports compiled by the section in order to fulfill the requests of outside public organizations.

The CAASL Statistical Programme is for collecting monthly work performance statistics from each section in the organization. CAASL monthly performance bulletins/reports (including CAASL Annual Report) are prepared using those 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 also in the intranet intended for CAASL staff reference.

Research Development & Planning in relation to Civil Aviation

King Ravana and his Aviation knowledge is an interesting mystery, if this mystery can be resolved it might lead the world history to a new dimension, but solid materialized evidence are needed to prove these stories and king Ravana's intervention in Aviation.

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

Publication of CAASL Documents, Reports & Bulletins Corporate Plan 2020 – 2022

The draft Report of Corporate Plan 2020 – 2022 has been prepared in 2020. ER&P Section conducted a One Day Management Outdoor Workshop at CAASL Sub Office of MRJA (Mattala Rajapaksha International Airport) on 29th February 2020. Accordingly the ER&P Section was finalized the preparation of Corporate Plan 2020- 2022 considered the discussion of the Management Outdoor Workshop. Finalized Corporate Plan 2020 – 2022 submitted to the Line Ministry.

Annual Report 2019

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

Report to the Line Ministry & External Agencies

In this year Physical and Financial Progress Reports, Progress against Action Plan Report, Committee Stage Budget Progress Report, and Project Development Reports were submitted to the Line Ministry. The Central Bank Reports & other requested reports by external agencies also submitted before the deadline.

Environment Research and Project Section contributed in arranging the Administrative /Logistics required for following meeting/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 Aeroplane Operators	25-28 February 2020	50

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

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

Handling Procurement of Civil Aviation Authority

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

AERONAUTICAL SERVICE REGULATION DIVISION

Aerodromes and Facilitation Section

The Aerodromes & 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 Civil Aviation Act, ICAO Annexes, and other guidance materials relevant information promulgated through Implementing Standards, directives, directions and guidance material. Annex 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 regulating pavement strength conditions in the aerodromes are published. Industry guidance regarded to be another type of supporting documents readily available in CAASL to aid industry to improve their operational safety and efficiency.

Aerodrome Certification

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

Year 2020 was marked with renewal of certificate, issued to Bandaranaike International Airport. The audit was successfully completed and the certificate was renewed.

Government of Sri Lanka has identified Ratmalana airport as a potential airport to be developed for International operations and as an initial step the aerodrome certification process commenced in 2020. Aerodrome Certification audit for certifying Ratmalana Airport was conducted in February 2020 and necessary recommendations 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, discussion was held with Customs, Quarantine and Immigration departments, as they are essential for establishing international operations.

Regulatory Development

Water aerodromes have become key infrastructure to develop the tourism sector in Sri Lanka. Requirement for regulating water aerodromes was identified as a requirement by the ICAO Asia Pacific regional office and Sri Lanka was a member 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 obtaining final approval from Legal Draftsman for promulgation of the Water Aerodrome Regulations Sri Lanka.

Zoning regulations for Bandaranaike International Airport, Ratmalana Airport and Jaffna Airport which was gazette in 1975 is 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, even amidst of 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.

Participated at the Airport emergency exercise carried out by AASL at MRJA to verify their preparedness during aerodrome emergencies and the observations provided.

Approvals

To ensure safety compliance during constructions and other activities conducted within aerodromes, the aerodrome section provides necessary technical guidance and the approvals after reviewing the project proposal, plans and safety management system of such projects. Below listed are the projects 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 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 Covid 19.

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. 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 obstacle free environment around the aerodromes, for negating electronic and other interference during aircraft operations and to ensure aerodrome usability.

The Aerodromes section 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) clearances issued to the applicants who submitted their applications and the section ensured to continue with the service even during work from home state due to Covid 19 pandemic. Online services implemented by the section 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 & 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 on 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.

Participated in the Aerodrome certification renewal Audits of VCBI and VCCC.

ATC Simulator Tests and Rating Assessments

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 service.

Radio Telephony Procedure Tests

ANS Section collaborated with Training Organization 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 Licence (CPL) and Private Pilot Licence (PPL). Accordingly, Twenty (20) Radio Telephony tests were conducted.

Investigations

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

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 Ministry of Defence (MOD) and Sri Lanka Air Force (SLAF) etc.; depending on the location of intended operation. Accordingly, ANS section granted approval for 859 nonscheduled aircrafts to overfly Sri Lankan territory and 451 permissions to land on Sri Lanka.

Coordinated with the Foreign Ministry in respect of operation of Diplomatic flights in to the airports of Sri Lanka and those flights which 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 aircrafts 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 organized by the ANS section of CAASL.

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 SNOWTAM 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, CAIA-TMOP 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 Organization, training devices & programs, 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, Director-ANS, SCAI – ATM (TECH), SCAI- ATM (SP) and CAI - ATM (TECH) participated in the Mode S DAPs WG/3 Webex Meeting, 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 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 scrutinized 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 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. .

CAASL initiated the process of establishing National Aeronautical Search & Rescue (SAR) plan. In this regard initial draft of the National Aeronautical Search & Rescue plan was formulated and through the sanctions of the Ministry of Defence and State Ministry of Aviation and developing export Zones sent that to Defence establishments and other state entities who are identified as stake holder to the above plan. Stake holders 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 in progress to establish a working committee of SAR stake holders to finalize the plan.

CAASL continuously engaged with Ministry of Foreign affairs 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.

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

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

Not having comprehensive ATM contingency plans to be followed during partial or total Air Traffic Service disruptions became a finding during the last ICAO audit held in 2018. ANS section of CAASL organized 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 centres.

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

Air Navigation Section is responsible for adopting Standards & Recommended practices contained in 7 ICAO Annexes 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 was 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 regularization 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 Utilization) (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

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 and presently in the process of implementing the CAPs and submitting up to date information and data related to the regulatory activities conducted by the section to close the identified deficiencies.

The ICAO has conducted an off – site validation process of CAPs submitted by the State and commented on the acceptance of CAP based on its relevance to the findings.

ANS Staff was continuously attending to the implementation process of Corrective Action Plans (CAPs) whilst updating required implementing standards and other related documents progressively and also engaged with 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 ongoing basis with the ultimate objective of improving the global aviation safety, ANS section throughout year 2020 was in the process of providing up to date information/data pertaining to the Safety Oversight Capabilities of Sri Lanka.

Assistance for ANS Dues recovery from Airlines

Assisted 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

Renewed the Service agreement with Jeppessen to receive free Supply of Aeronautical Maps and Charts both printed and Electronic versions.

Improvement/Contribution in Corporation affairs & Office Management

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

Development of ANS Office Procedures Manual – SLCAP 2350 comprising new office procedures and revision of existing office procedures as necessary for the management and efficient conduct Air Navigation Services Section.

Organizational

The State Aviation Activity Questionnaire (SAAQ) Part 7 – Air Navigation services was completed and submitted to ICAO.

The compliance of Air Navigation Service Provider for the International Standards and Recommended Practices and national legislative requirements was calculated for the year 2020.

FLIGHT SAFETY REGULATION DIVISION

Training Organization and Personnel Licensing Section

Training Organization and Personnel Licensing Section is responsible for the development of rules and procedures relating to certification and surveillance of training organizations and personnel engaged in safety sensitive activities relating to civil aviation in conformity with the applicable international standards and recommended practices. Training Organization and Personnel Licensing Section of the Civil Aviation Authority has shown further developments in the year 2020, to cater to the needs of the aviation community making the clientele satisfied. The progress of the section as follows.

- 5th SARI-EASA-CAASL Aircrew Regulation Development Workshop for pilot licensing requirements was held on 25th – 28th of January, 2020 was held at CAASL, Katunayake.
- Addressing the industry by the EASA experts was conducted on 28th of January, 2020 and by the CAASL staff was conducted on 20th of January, 2020.
- Publish of the New Implementing Standard, IS - 72 on Flight Crew Licensing with the guidance of the EASA experts through the SARI-EASA-CAASL workshops.
- Online ZOOM technology meetings were conducted with the EASA experts regarding the Implementing Standard – 72.
- Certification process of new Approved Training Organizations were completed for Lakwin Aviation (Pvt) Ltd and Red Bird Aviation (Pvt) Ltd.
- Upset Prevention and Recovery Training was included in the IS 67 and was published.
- Awareness programmes on COVID-19 for the CAASL staff was conducted promptly by the Aero medical section.
- Public Addressing System was incorporated for the sections Knowledge Examination Centre.
- Abiding the new precautionary measures suitable for the prevailing COVID-19 situation of the country, Theoretical Examinations, Medical Examinations and Personnel Licensing 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 Organizations, continued surveillance of their activities and resolving safety deficiencies	Pilot Licenses	699
	Flight Instructor ratings (AFI & FI)	3
	Ground Instructor Licence	35
	Foreign Licence Validation Certificate	17
	Air Traffic Controller	199
	Flight Operations Officer	0
	Aircraft Maintenance Licences	197
	Cabin Crew Certificate	148
	Flight Test Examiner Authorization	19
	Balloon Licenses	0
	Medical Examinations	917
	Interviews by Medical Assessor	52
	Knowledge Examinations	2008
Certification of Aviation Training Organizations, continued surveillance of their activities and resolving safety deficiencies	Continued surveillance on approved training organizations	
	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
	Licence Surveillances	36
	Continued surveillance on Designated Hospital Inspection	1
Conduct of Knowledge Examinations for Flight Crew Licences (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	1105
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

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 as well as re-certification of applicants for operation of air services is another 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

Operations Section developed regulations under section 78 of Civil Aviation Act number 14 of 2010 for Dangerous Goods and the document is submitted to the legal draftsman's department for evaluation.

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

1. General Directive 09 - Guidelines for airlines on management of crewmember in relation to the Covid-19 Pandemic.
2. General Directive 10 - Guidelines for all airports in Sri Lanka on airport operation in relation to Covid-19 Pandemic Situation.

Air Operator Certificates

Seven initial applications for Air Operator Certificates received by the Aircraft Operations section and they are under review;

- 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.

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

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 issued for 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

Transport 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 Crewmembers 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 the Covid – 19 Pandemic which resulted in crisis in the entire aviation industry, the Operations Section carried 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 was carried out for 2020.

Aircraft Registration and Airworthiness Section

The Aircraft Registration and Airworthiness Section is vested with the major responsibility for the development of rules and procedure 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 Organizations, Continuing Airworthiness Management Organizations and aircraft maintenance organizations 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 a total of 84 by the end of December, 2020 and includes 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 amended and published issue 02 with new amendments

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

Certification Activities

1. Airworthiness of Aircrafts

In the year 2020 up to end of December, 01 initial Certificates of Airworthiness was issued and 68 Certificates of Airworthiness were renewed.

2. Approved Maintenance Organizations (AMO)

13 Maintenance Organizations (Local) certificate renewed after conducting of Annual Audit where necessary and 58 FAMO (Foreign) Certificates were renewed. There are 4 special AMO approval given for Ceylon Petroleum Corporation in RMA, BIA, MRIA and JAF.

3. Aircraft Registrations

02 new aircraft were registered up to end of December 2020 whilst 68 were renewed. During the period under review, a total of 05 Aircraft from Sri Lankan fleet de-registered and 04 Export Certificate of Airworthiness were issued.

4. Maintenance Training Organizations (MTO)

Total of 05 AMTO Certificates were renewed and 02 annual audit were conducted as scheduled.

5. Continuing Airworthiness Management Organizations (CAMO)

Total of 03 CAMO Certificates were renewed based on bi-annual audit conducted on 2019.

Surveillances Activities

Safety Oversight

A total of 20 ramp inspections were carried out during the year and rest of surveillance activities which were scheduled for this year were carry forwarded to year 2021 due to pandemic situation. A total of 55 Occurrence Reports were received from the industry and analyzed as part of 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 working in the local industry are issued in an interview panel conducted by ATER with 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 are also granting after conducting a surveillance when necessary.

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 constant review the level and nature of threat to Civil Aviation within its territory and airspace above it, and established 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 that

- 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 (NCASTP)
- 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 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 Organizations
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.

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 of 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.

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 Covid-19 pandemic the Section had challenges in implementing many of its planned work programs. 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 COVID19 outbreak.

Sri Lankan Airlines significantly contributed for repatriation operations to bring down stranded Sri Lanka passengers in 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 COVID19 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 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 lock downs 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.

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 COVID19 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 finalized 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.

Air Transport Providers License								
Month	Initial Issue				Renewal			
	Group A		Group B		Group A		Group B	
	2019	2020	2019	2020	2019	2020	2019	2020
Jan	1	8	0	0	40	61	7	6
Feb	4	12	2	0	19	32	3	9
Mar	2	3	5	0	42	19	4	1
Apr	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
Aug	2	0	2	0	25	21	11	0
Sep	4	0	3	0	29	32	8	0
Oct	4	0	1	0	48	6	5	0
Nov	1	0	2	0	44	19	2	0
Dec	6	0	3	0	38	23	9	0
<i>Total</i>	38	23	26	0	410	306	65	19

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

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 locked downs, 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 categorization of the complaints received.

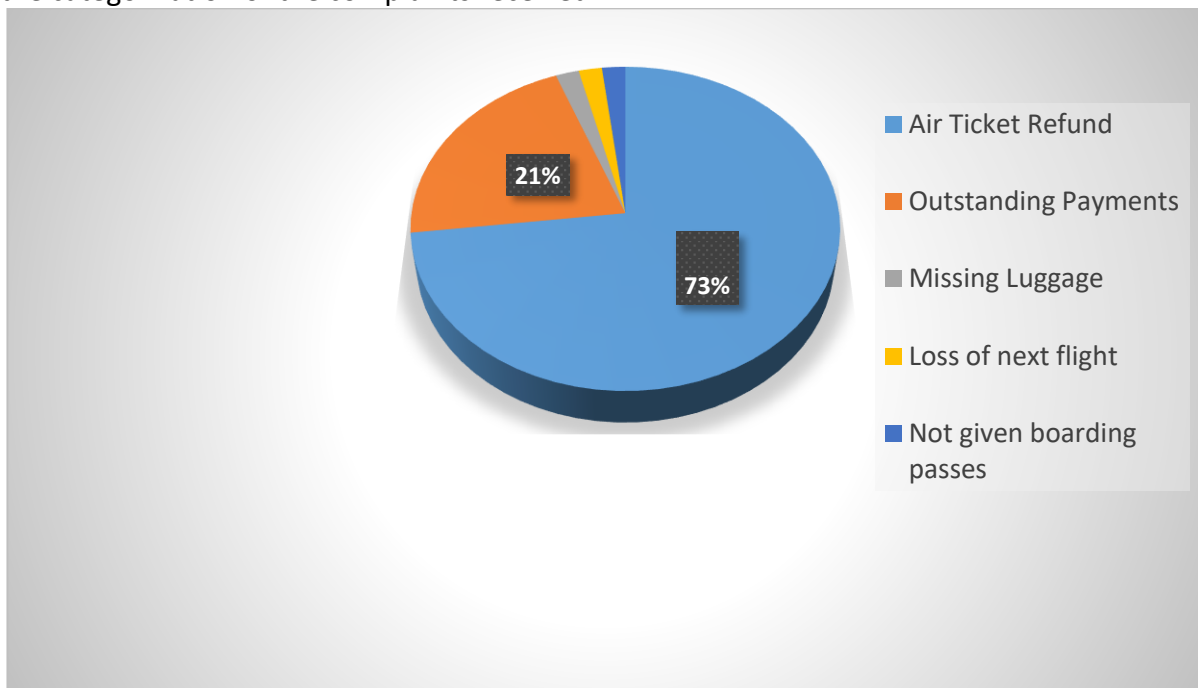


Figure 1 Passenger Complaints 2020

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 scheduled 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 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 Resources 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

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

Organizational Reforms and Staffing

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

HRPM section has made initiatives to provide skilled and competent workforce to drive the functions of the Authority. Hence, during the year under review, HRPM 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.

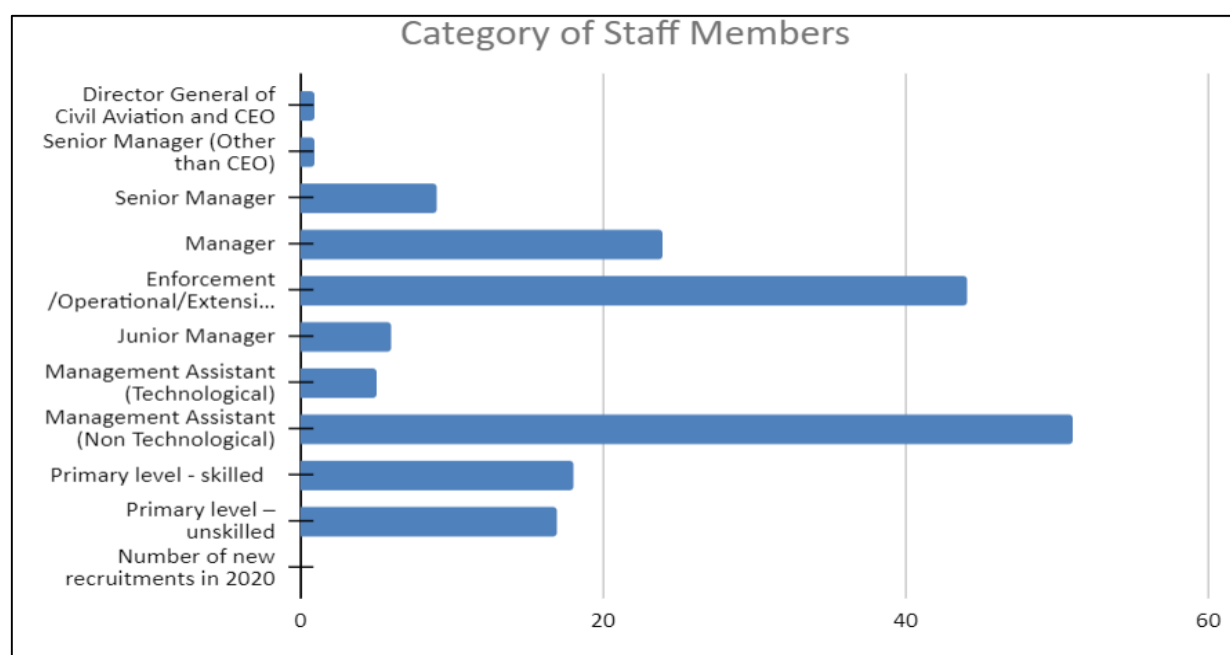


Figure 01 - Staff attached as at 31.12.2020

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 categorized 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

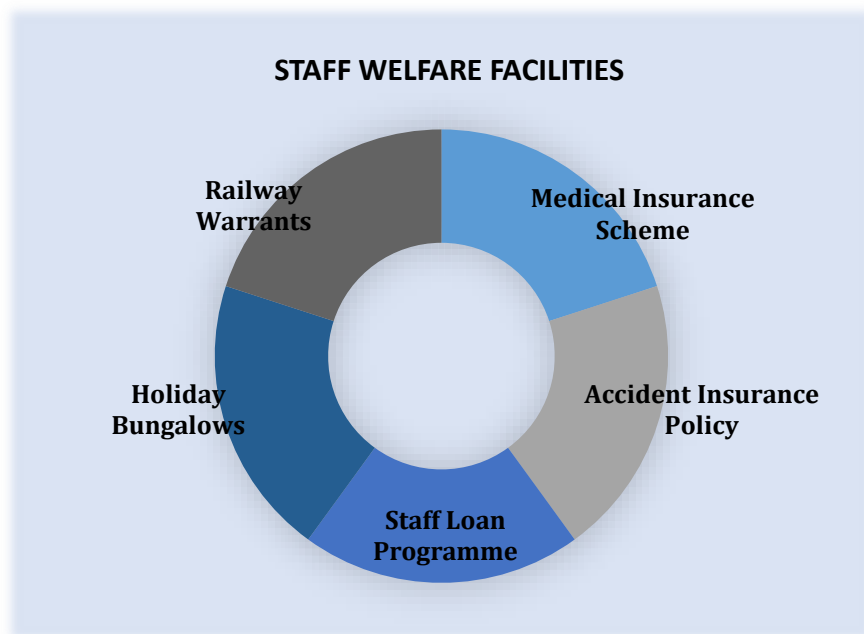


Figure 02

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 Out Door 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.

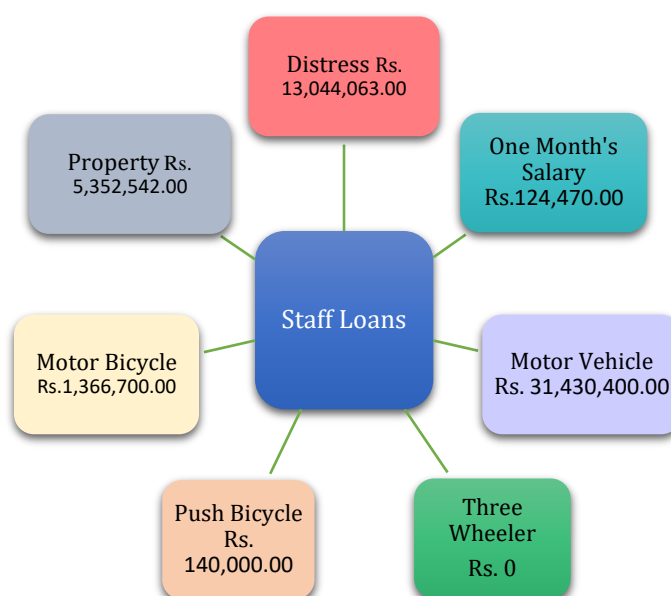


Figure 03 – Loan Profile

The staff of the CAASL were also facilitated with grant of loans and a sum of thirteen million forty-four thousand sixty three rupees and zero cents (Rs 13,044,063.00) was 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) number of railway warrant has been issued to staff members.

Trainings, Seminars, Workshops, Meetings, Conferences

The CAASL continued to invest in Human Capital Development and implement 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 aviation industry challenges its professionals to acquire 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.

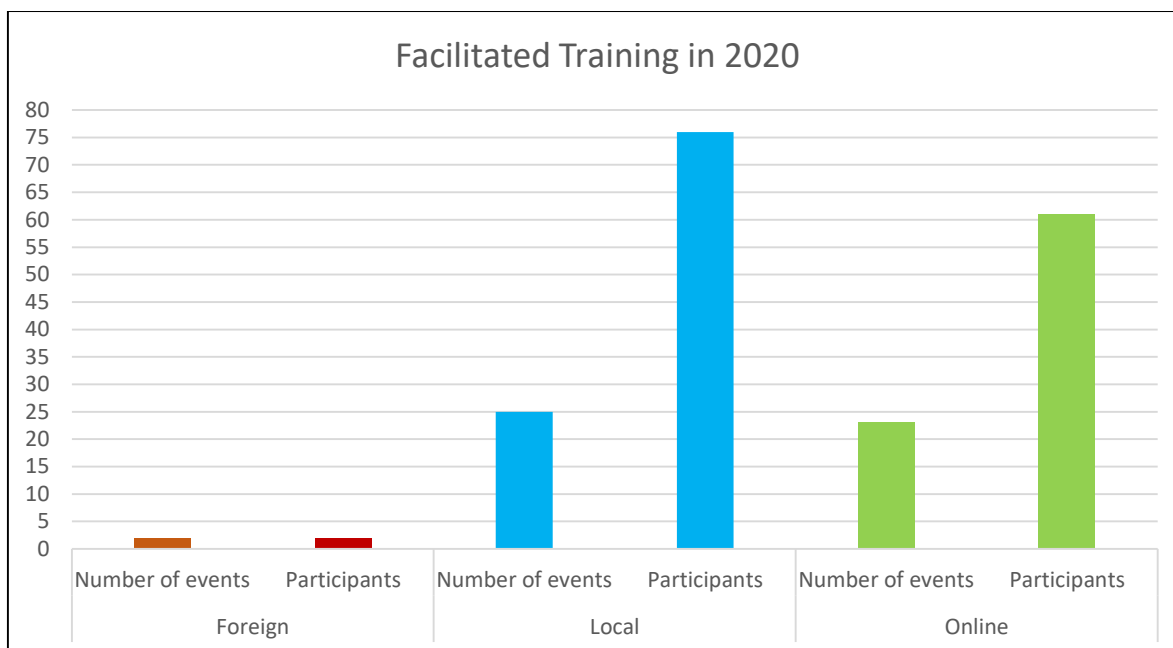


Figure 05

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 global aviation industry, including the updates of aviation regulations.

Throughout the year under review, thirty (30) external users have utilized 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 (Rs.244, 322.00) of users indicating the interest among 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 diversified profile of services to other divisions in order to maintain an 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.

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 year estimated expenditure and the forecast revenue has shown decrease of 63% compared to the previous year estimated revenue.

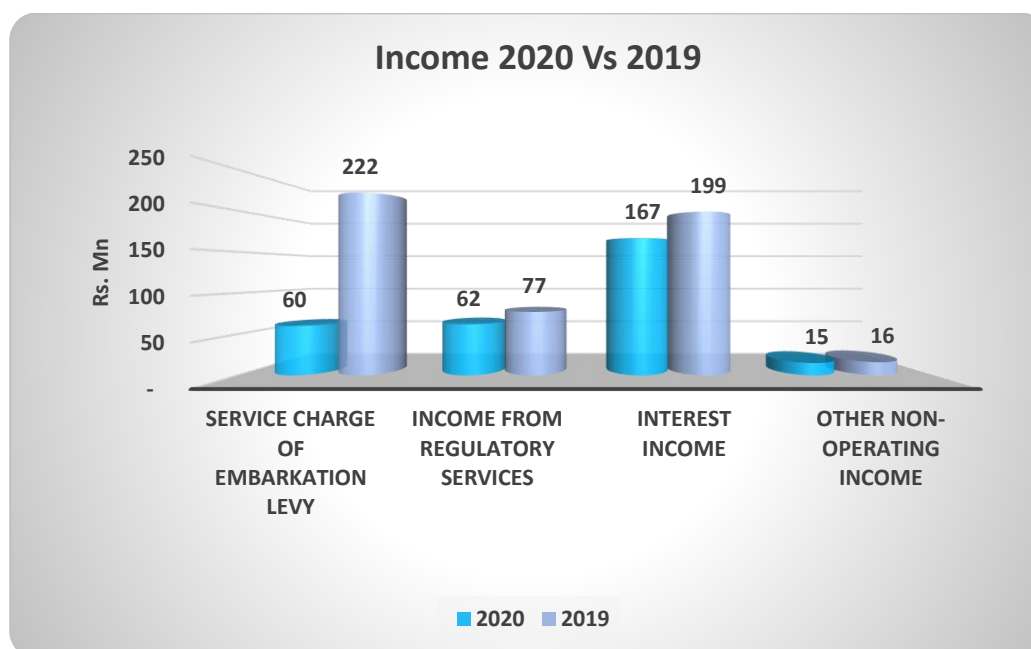
CAASL Revenue and Expenditure

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

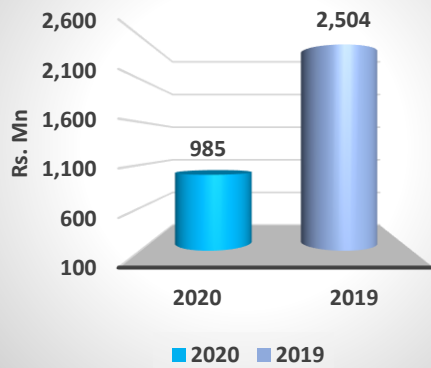
The Actual expenditure has shown increase of 8% compared to the last year Actual expenditure.

MANAGEMENT INFORMATION

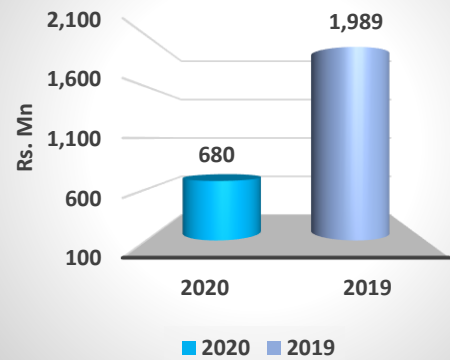
The Financial Statements have been prepared in accordance to the Sri Lanka Financial Reporting Standards.



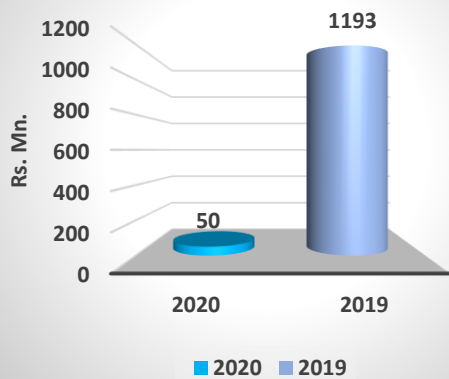
Total Income 2020 Vs 2019



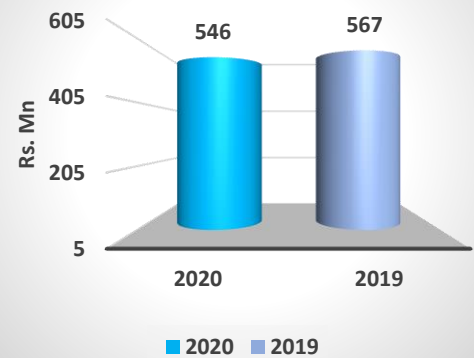
OSS Income 2020 Vs 2019



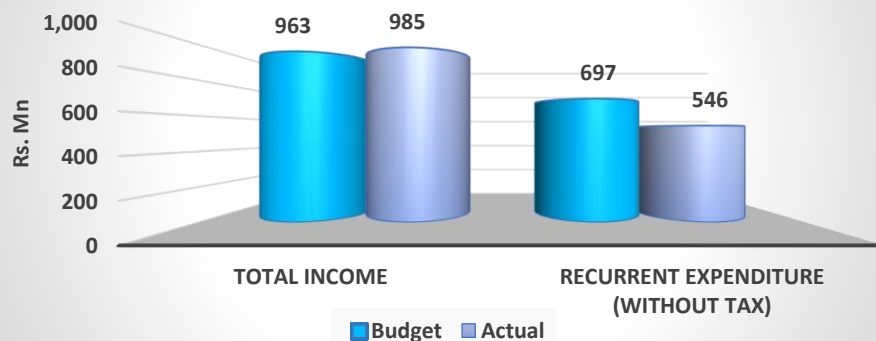
Capital Expenditure- 2020 Vs 2019



Recurrent Expenditure - 2020 Vs 2019



Budget Vs Actual-2020



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 Organizations /Personnel	2020	2019
Airlines (Foreign)	3	8
Maintenance Organizations	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	4	61
Aerodrome Inspections	40	42
Air Traffic Service Inspections	32	36
Aircraft Maintenance Organization Inspections	2	15
Flying Training School Inspections	14	24
Conduct of Aviation Security Surveillance Activities (Inspections, Audits, Surveys, Tests)	55	65
Simulator Inspections	2	2
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

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	6226	6616

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	14	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	13	22
Certification and Re-Certification of Aviation Security Instructors	2	7
Certification and Re-Certification of Aviation Security Screeners	352	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

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 Organizing 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	1170
Over flying Clearances issued	859	1283
No of Non Schedule Flights Approvals	1317	1684
AFTN Dispatched	600	1486
AFTN Received	2225	4004
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

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	1894	2686
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)	1105	2069
ATPL (A) Examination (Number of Papers)	21	91
ATPL -A Number of Papers delivered	416	1178
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

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 Authorization)	81	114
Surveillance Activities Performed	36	126

Aircraft Registration & Airworthiness (AR&AW)	2020	2019
Ramp Inspection – Airworthiness	20	185
Aircraft Maintenance Organization 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

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

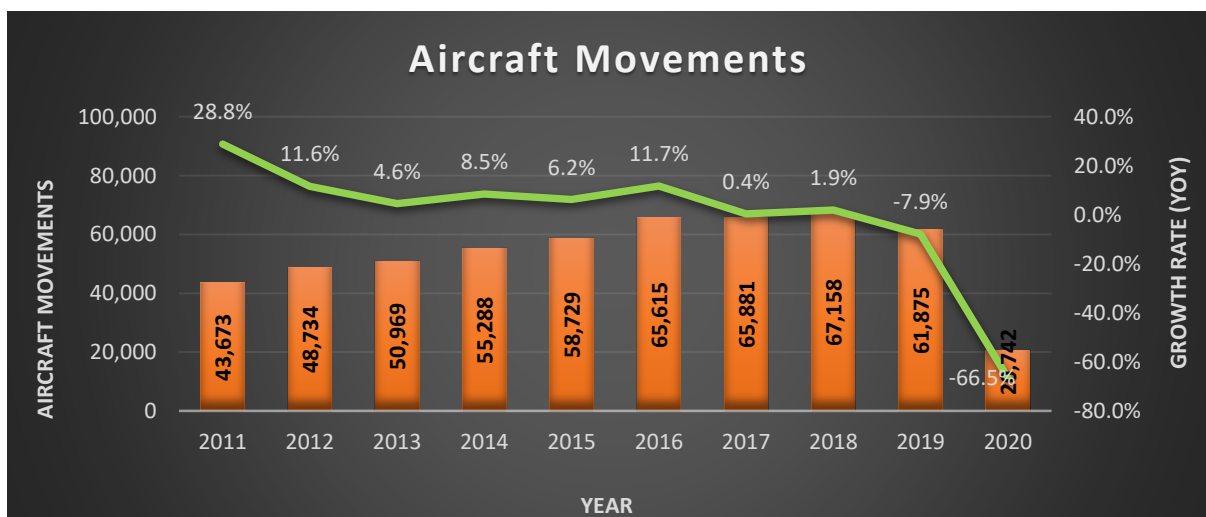
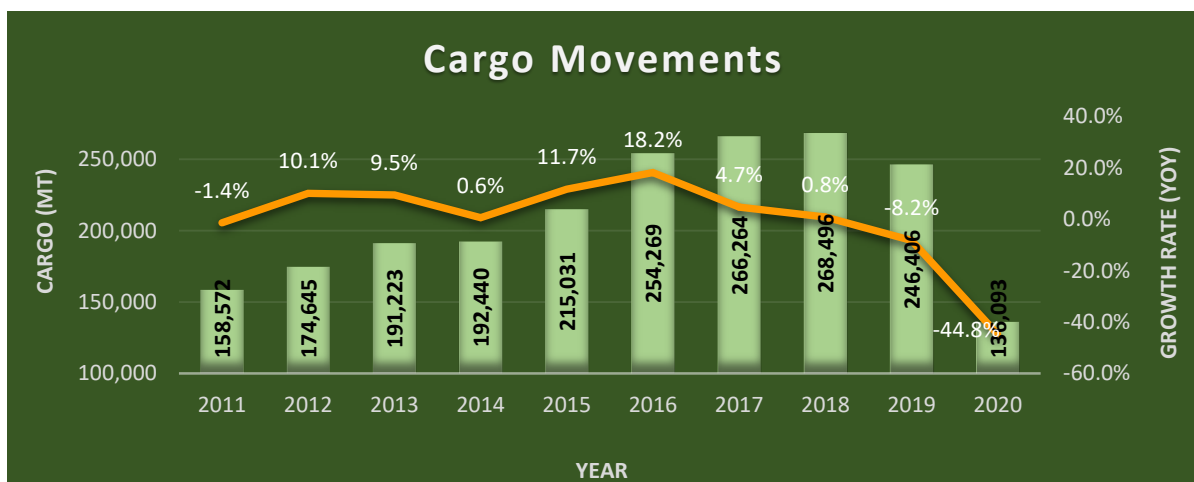
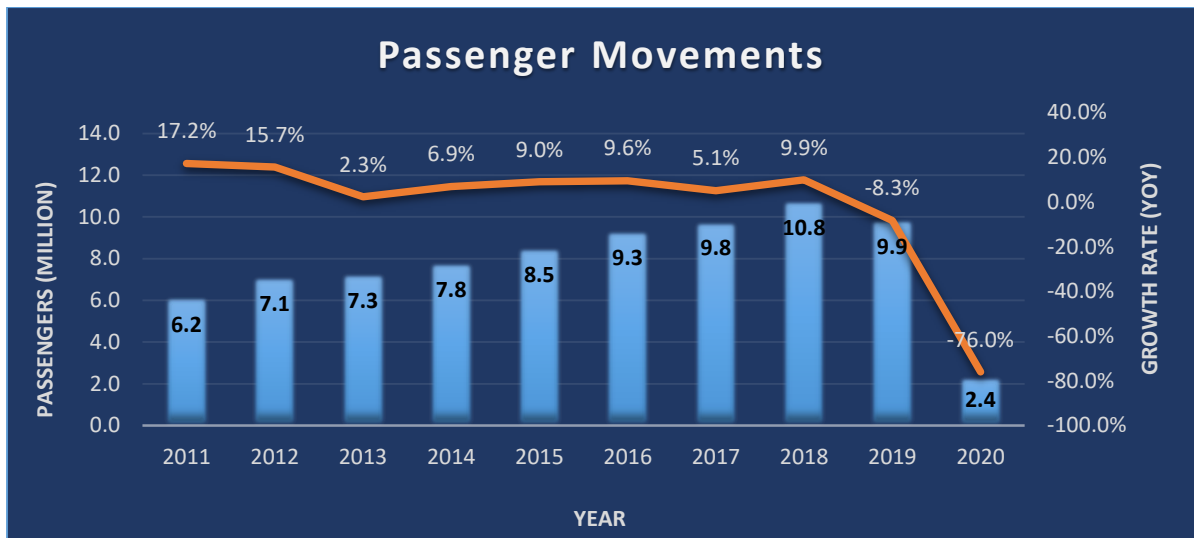
Drone Registered - Local owners	383	138
Drone Registered - Foreign owners	2	156
Accident/Incident Verifications on License Holders	42	58

Information Technology (IT)	2020	2019
No of Complaints - Help Desk Support	2656	3904
No of Resolved Complaints - Help Desk Support	2584	3904
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 Tons)			
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 Performance - Year 2020



FINANCIAL

STATEMENTS

2020

STATEMENT OF COMPREHENSIVE INCOME

(All amounts in Sri Lanka Rupees)

Year Ended 31 st December	Note	2020	2019
Income			
Operating Income	23	802,617,064	2,288,452,284
Non-Operating Income	23	182,992,523	215,603,274
		985,609,587	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	158,451	98,614
Depreciation Expenses of Right- of -Use Assets	31	21,034	-
		679,431,222	630,992,394
Profit Before Tax		306,178,365	1,873,063,164
Income Tax Expenses	28	69,405,602	524,261,818
Profit for the year		236,772,763	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		216,589,211	1,347,460,256

The notes on pages 106 to 137 form an integral part of these financial statements

STATEMENT OF FINANCIAL POSITION

(All amounts in Sri Lanka Rupees)

As at 31 st December	Note	2020	2019
ASSETS			
Non-Current Assets			
Property, Plant & Equipment	29	2,309,530,500	1,672,783,311
Intangible Assets	30	3,585,439	1,840,090
Right of use asset	31	357,573	-
Work in Progress - Capital	32	465,387,776	1,185,859,250
Fixed Deposit- Staff Welfare & Social Security Fund		128,487	508,915
Deferred Tax - Assets		10,363,369	5,218,243
Total Non- Current Assets		2,789,353,144	2,866,209,810
Current Assets			
Inventories		6,963,707	6,203,222
Trade Receivables	33	718,352,296	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	514,420,730	484,215,604
Cash and Cash Equivalents	37	1,657,835,364	2,148,430,693
Total Current Assets		4,206,388,917	3,683,887,087
Total Assets		6,995,742,061	6,550,096,897
EQUITY			
Capital and Reserves			
Government Grants	38	562,818,117	567,094,016
Retained Earnings	39	3,762,328,734	3,545,739,523
Total Capital and Reserves		4,325,146,851	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	119,012,291	210,822,186
Total Current Liabilities		2,490,822,124	2,268,740,711
Total Equity and Liabilities		6,995,742,061	6,550,096,897

These Financial Statements give a true and fair view of the state of affairs of the Authority as at 31.12.2020

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 on 18th February 2021 and signed on their behalf

Manjula N. Wickramanayake
Director – Finance and
Revenue Management

Capt. Themiya Abeywickrama
Director General of Civil Aviation &
Chief Executive Officer

Upul Dharmadasa
Chairman

February 2021

The notes on pages 106 to 137 form an integral part of these financial statements

STATEMENT OF CHANGES IN EQUITY

(All amounts in Sri Lanka Rupees)

	Government Grant	Retained Earnings	Total
Balance as at 1st 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 31st December 2019	567,094,016	3,545,739,523	4,112,833,539
Profit for the period	-	236,772,763	236,772,763
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 31st December 2020	562,818,117	3,762,328,734	4,325,146,851

The notes on pages 106 to 137 form an integral part of these financial statements

STATEMENT OF CASH FLOW

(All amounts in Sri Lanka Rupees)

Year Ended 31 December	Note	2020	2019
Cash Flows from Operating Activities			
Profit/(Loss) from Ordinary Activities before Taxation		306,178,365	1,873,063,165
Adjustments for			
Depreciation	29	133,523,370	63,817,303
Amortization of Intangible Assets	30	158,451	98,614
Depreciation Expenses of Right of Use Assets	32	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	28	1,516	-
Provision for Defined Benefit Plans	42	<u>6,890,186</u>	<u>7,964,547</u>
Operating Profit/(Loss) before Working Capital Changes		274,718,763	1,743,280,497
Increase in Inventories		(760,483)	611,873
(Increase)/ Decrease in Trade Receivables	32	(593,830,360)	3,125,874
(Increase) / in Staff Loans	33	(39,535,096)	(9,829,814)
(Increase) /Decrease in Advances/Prepayments/Other Receivables	35	12,384,201	(266,778,153)
Increase in Trade and Other Payables	42/43	313,891,308	476,401,635
Cash Generated from Operations		(33,135,667)	1,946,811,913
Disallowable VAT		-	(13,158,001)
Defined Benefit Plan Costs Paid (Gratuity)	40	(17,449,856)	(1,134,600)
Income Tax Paid	43	(164,706,977)	(573,149,050)
Net Cash From Operating Activities		(215,292,500)	1,359,370,261
Cash Flows from Investing Activities			
Acquisition of Property, Plant & Equipment	29	(10,668,748)	(39,001,573)
Acquisition of Intangible Assets	30	(1,903,800)	(269,728)
Increase in Capital Work in Progress	31	(39,328,526)	(973,603,580)
Withdrawal /Acquisition of other Investments	34	(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		(26,784)	-
Net Cash Used in Financing Activities		(26,784)	(800,000,000)
Net Increase/(Decrease) in Cash and Cash Equivalents		(490,595,329)	207,883,964
Cash and Cash Equivalents at the beginning of the year	36	2,148,430,693	1,940,546,728
Cash and Cash Equivalents at the end of the year	36	1,657,835,364	2,148,430,692

The notes on pages 106 to 137 form an integral part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS

REPORTING ENTITY.

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 function are 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, 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.

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 previous years shown at their cost.

The carrying value at the balance sheet date of financial Assets (Treasury Bills) is Rs. 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 derecognized 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

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 on 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 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

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 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 Treasury bond rate 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 stationary and consumables.

6. OTHER ASSETS

Other assets include Other Debtors and Receivables, Advances, Deposits, Prepayments, 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

7. CASH AND CASH EQUIVELANT

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 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.

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 these 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 & 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.

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	(5,136,847)	(2,425,941)
Net Deferred Tax Liability	24,905,808	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	306,178,365	1,873,063,164
Less : Income from other Sources & Exempt Income	311,143,835	257,059,797
	(4,965,470)	1,616,003,367
Non- Deductible Expenses	140,697,670	91,184,783
Statutory Income from Business	135,732,201	1,707,188,151
Less : Tax Exempt Profit		-
Taxable Income - Business Income	135,732,201	1,707,188,150
Taxable Income - Non- Business Income	168,005,644	201,431,880
Total Taxable Income	303,737,844	1,908,620,030
<i>Income Tax Expenses</i>		
Taxable income- Business & Non-Business Income 24% (2019-28%)	72,897,083	534,413,608
Income Tax Expenses	72,897,083	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

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

21.2. Related Party Transactions

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

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 CAA 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 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 meet its liabilities when due under both normal and unexpected conditions, without incurring unacceptable losses or risking damaging 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.

23. INCOME

	2020	2019
Operating Income	802,617,064	2,288,452,284
Non-Operating Income	182,992,523	215,603,274
Total Income	985,609,587	2,504,055,558
Operating Income		
Overseas Sales Surcharge	680,256,647	1,989,473,679
Service Charge of Embarkation Levy	60,496,184	222,074,304
Income from Regulatory Services	61,864,233	76,904,301
	802,617,064	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	985,609,587	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.

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

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

The Cabinet of Ministers in terms of its decision taken on 29th January 2019 which has, has granted approval to purchase 20 sniffer dogs from CAASL funds and handover them 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 BIA. Accordingly Civil Aviation Authority has purchased 20 sniffer dogs for the value of 22,111,831/-. It has 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	72,897,083	524,457,686
Deferred Tax		
Charge/ (Reversal) in respect of deferred Taxation (Note 39)	(3,491,481)	(195,868)
Total Tax Expenses	69,405,602	524,261,818

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

	2020	2019
Profit Before Tax	306,178,365	1,873,063,164
Tax calculated at the effective rate of 24% (2019-28%)	73,482,808	524,457,686
The Tax on expenses not deductible for tax	74,088,795	-
Tax effect on income not subject to tax		
The effect on Expenses/ Income deductible for tax	(74,674,520)	(71,976,743)
Tax losses for which no Deferred Income Tax Asset was recognized	(3,491,481)	(195,868)
Total Tax Expenses	69,405,602	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 deemed cost as at 1st January 2011.

- ii. Classification changes has 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 was not affected to the profit.
- iii. 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 surplus to SLAF as cost of relocation. This amount has been capitalized under the Buildings from 10.02.2020.
- iv. 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.
- v. 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 & vest Baticaloa with Civil Aviation Authority of Sri Lanka. Accordingly Land and Buildings were taken to CAA Asset Register in year 2017 and 2018. These properties has been leased to Airport and Aviation Services Sri Lanka (Ltd.) for operation
- 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
	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	1,903,800		17,985,767	16,081,967
	Balance as at 01/01/2020	Additions/ Transfers	Disposals	Balance as at 31/12/2020	Balance as at 31/12/2019
IT Software	14,241,877	158,451		14,400,328	14,241,877
Written Down Value				3,585,439	1,840,090

31. RIGHT -OF - USE ASSET - WEERAWILA LAND

The Authority has received the Land of Circuit Bungalow, Weerawila, under 30 years lease agreement from the government from January 2008. The Authority has charged lease payments 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 shows below.

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

32. CAPITAL WORK IN PROGRESS

- i. CAASL has spent money on survey plans for the development of domestic airports at Puttlam and Bandarawela which were proposed in National Budgets. . As the development of these domestic airports has not been finalized such construction did not commence.
- ii. The Cost of Rs. 446,509,332/- borne by CAASL up to 31,12,2019, has stated under the “Work in Progress – Capital” in Financial Statements and advance payments of Rs. 170,621,991/- under Advance- Palaly . The asset has not been capitalized yet as constructors have not submitted final bills up to 31.12.2020.
- iii. Part Payments made for Server Virtualization and HRIS software mentioned under IT Developments

	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	17,886,444	
	465,387,776	1,185,859,250

33. TRADE RECEIVABLES

Sri Lankan Airlines and few Airlines have not settled Embarkation Levy for the year 2020 due to COVID 19 pandemic. All recognized amounts have 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	30,976,393	123,676,641
Other Debtors	687,375,903	841,296

	718,352,296	124,517,937
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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

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/- maintaining 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	174,355,881	196,884,789
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
	514,420,730	484,215,604

Department of Inland 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	160,000	140,000
Total Cash and Cash Equivalents for the purpose of Cash Flow Statements	1,657,835,364	2,148,430,693

38. GOVERNMENT GRANTS RECEIVED

- i. The value of Baticaloa Airport Buildings and Lands transferred to the CAASL in terms of section 9 of the Civil Aviation Authority Act No. 34 of 2002.
- ii. The value of the two vehicles 65-3651 and 65-3653 received from ICAO Project.
- iii. 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	<u>(4,275,899)</u>
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	<u>18,113</u>	<u>18,113</u>
Total	567,094,016	571,332,766
Amortization for the year	<u>(4,275,899)</u>	<u>(4,238,750)</u>
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	236,772,763	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	-	<u>(800,000,000)</u>
As at end of the year	3,762,328,734	3,545,739,523

40. DEFERRED TAX LIABILITY

	Statement of Financial Position		Statement of Comprehensive Income	
	2020	2019	2020	2019
Deferred Tax Liability on:	14,846,280	13,192,635	1,653,645	
Defined Benefit Plan	20,414,618	20,414,618		2,230,073
Accelerated Tax Depreciation	35,260,898	33,607,253	1,653,645	2,230,073
Deferred Tax Asset on:				
Accelerated Tax Depreciation	10,363,369	5,218,243	5,145,126	-
Defined Benefit Plan				2,425,941
	10,363,369	5,218,243	5,145,126	2,425,941
Other Comprehensive Income				
Deferred Income Tax Charge (Note No 28)			(3,491,481)	(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 related to the same fiscal authority. The net deferred tax amount is as follows.

	2020	2019
Deferred Tax Asset	10,363,369	5,218,243
Deferred Tax Liability	(35,260,898)	(33,607,253)
Net Deferred Tax Asset and Liability	(24,897,529)	(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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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 maintaining for the value of the Retirement Benefit Obligation at the end of the 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 retained has 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

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	72,897,083	524,457,686
Paid during the year	(164,706,977)	(573,149,050)
Balance at the end of the year	119,012,291	210,822,185

47. EVENTS AFTER THE BALANCE SHEET DATE

There have been no material events occurring after the Statement of Financial Position that require adjustments to or disclosure in the Financial Statements