A SEAMLESS TRANSITION

CIVIL AVIATION AUTHORITY OF SRI LANKA

ANNUAL REPORT 2024

Civil Aviation Authority Sri Lanka

Safe and Efficient Skies for All

CAASL

Civil Aviation Authority of Sri Lanka

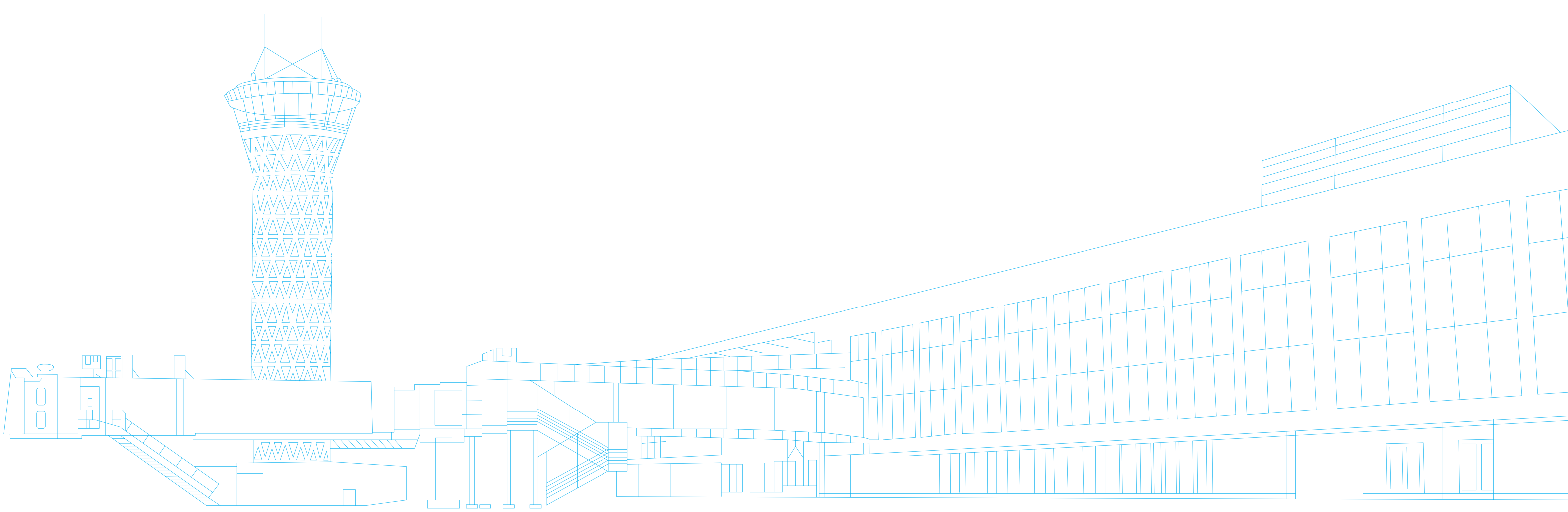
Safe and Efficient Skies for All

Annual Report – 2024

Civil Aviation Authority of Sri Lanka

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

CAASL
Civil Aviation Authority of Sri Lanka



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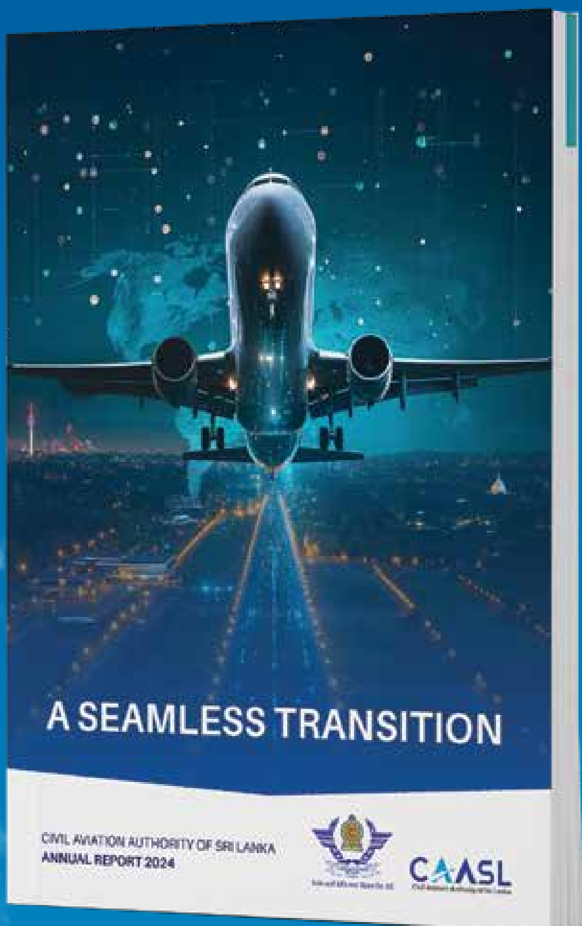
ANNEX 9 - YEAR OF FACILITATION

A SEAMLESS TRANSITION

In line with the ICAO Council's declaration of 2024 as the "Year of Facilitation" (FAL2024), Sri Lanka is undergoing a transformative shift in air transport. By embracing the active role of facilitation in streamlining border control processes & improving the efficiency of international travel, the country is redefining its aviation experience-prioritizing passenger opportunity, safety, security, faster & smarter journeys for all passengers.

The Civil Aviation Authority of Sri Lanka (CAASL) is driving this transformation by enabling the adoption of e-passports, gates, AI and digitalised processes. As the nation's aviation regulator, CAASL ensures that innovation enhances efficiency without compromising safety.

By strengthening digital frameworks and collaborating with industry partners, CAASL is making travel smoother, from check-in to boarding, while upholding its promise of safe and efficient skies as we seamlessly transition into the future of travel.



Presented to Hon. Minister of Transport, Highways, Ports & Civil Aviation,

The Annual Report - 2024 was prepared in fulfilment 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 2024 to 31st December 2024 and the Statement of Financial Position of the Authority for the Financial Year 2024.

Mr. Sunil Jayarathne
Chairman

Civil Aviation Authority of Sri Lanka
27th February 2025

Vision

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

Mission

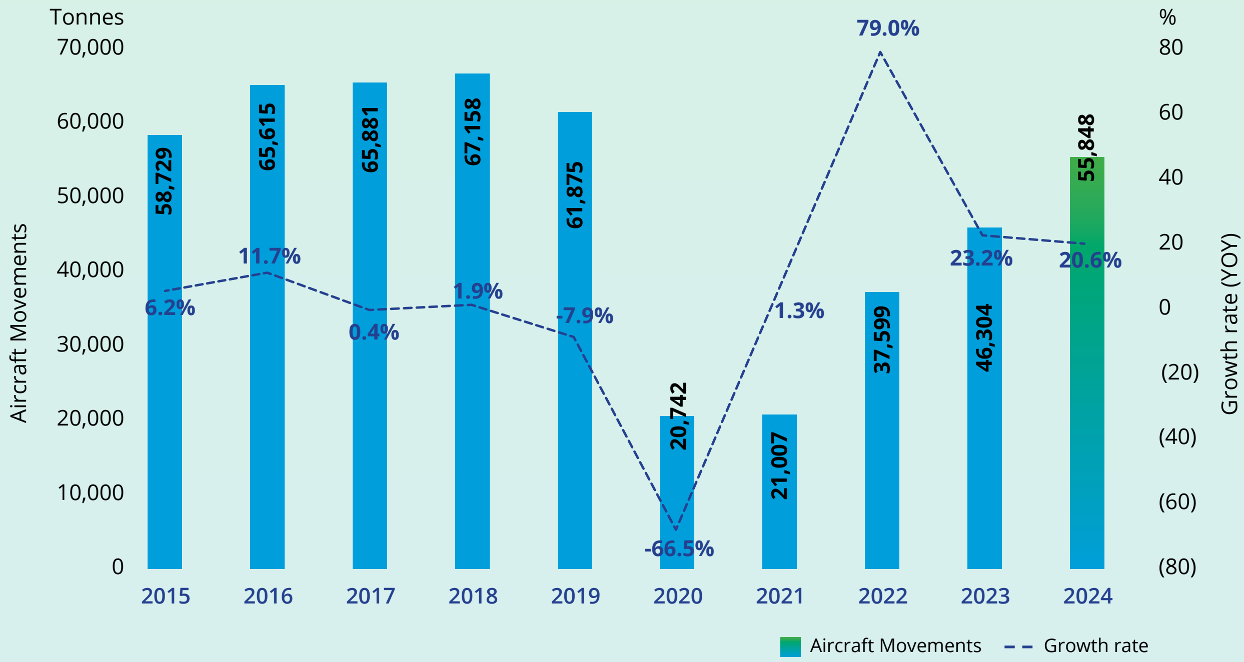
To facilitate through strategic planning and effective regulation, the operation of a safe, secure, efficient, regular, and environmentally friendly national civil aviation system that conforms to international standards and recommended practices and national legislative requirements.

Motto

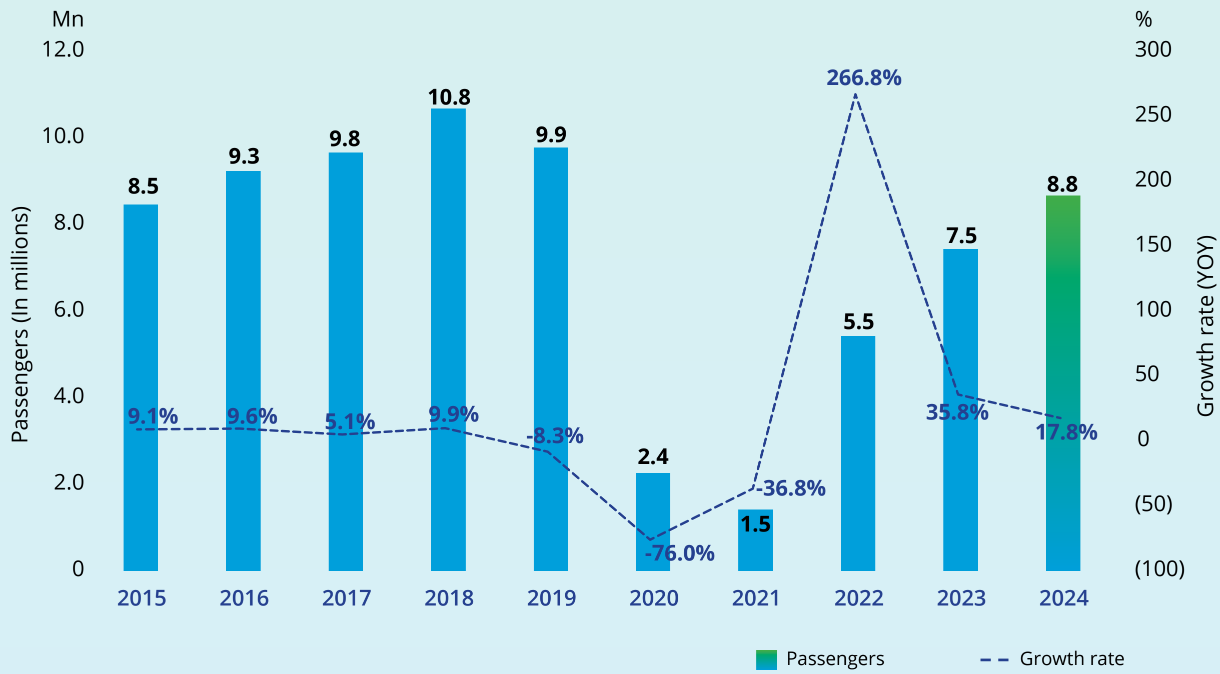
'Safe and Efficient Skies for All'

Air Transport Statistical Highlights

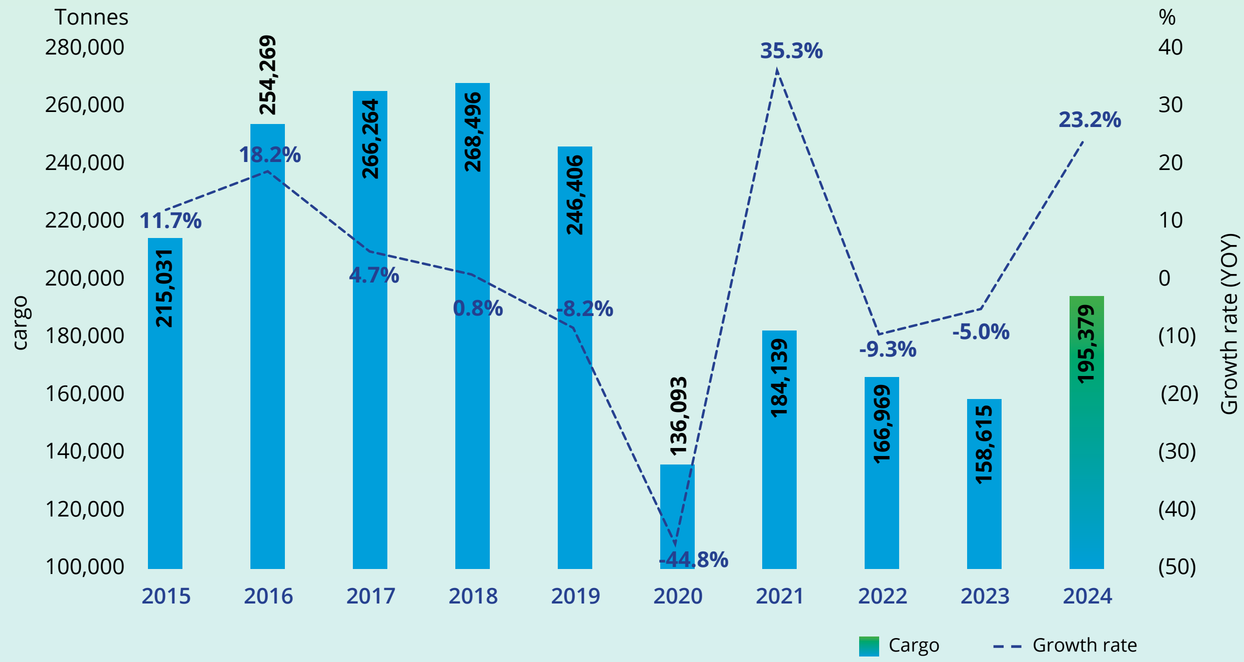
Aircraft Movements



Passenger Movements



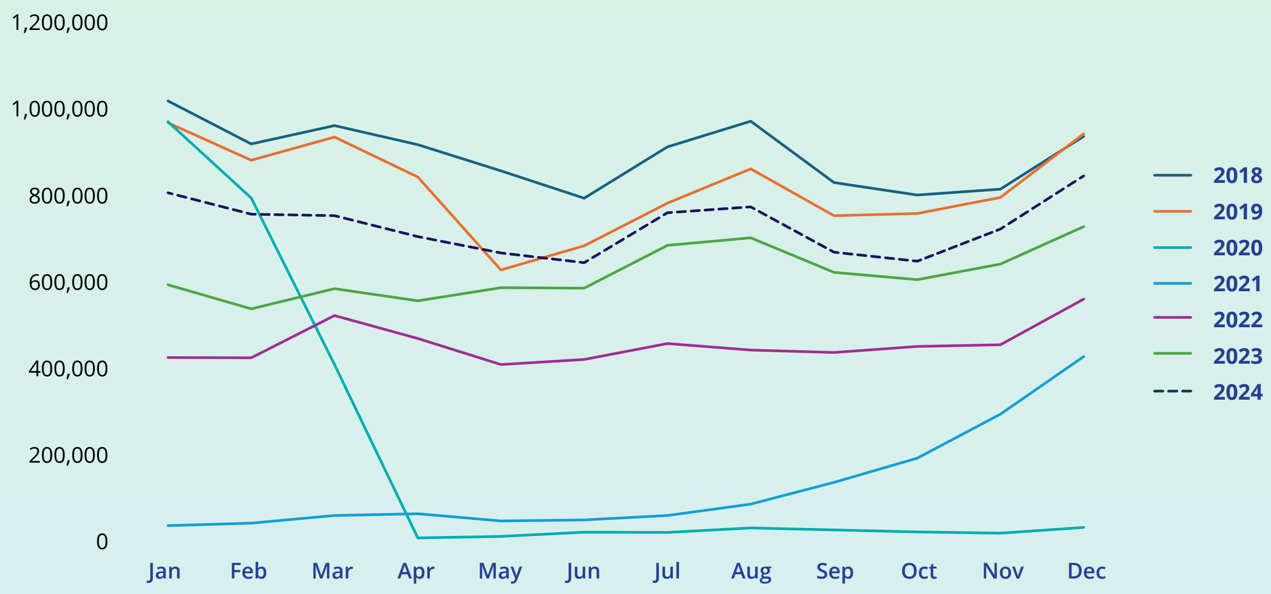
Cargo Movements



'Safe and Efficient Skies for All'

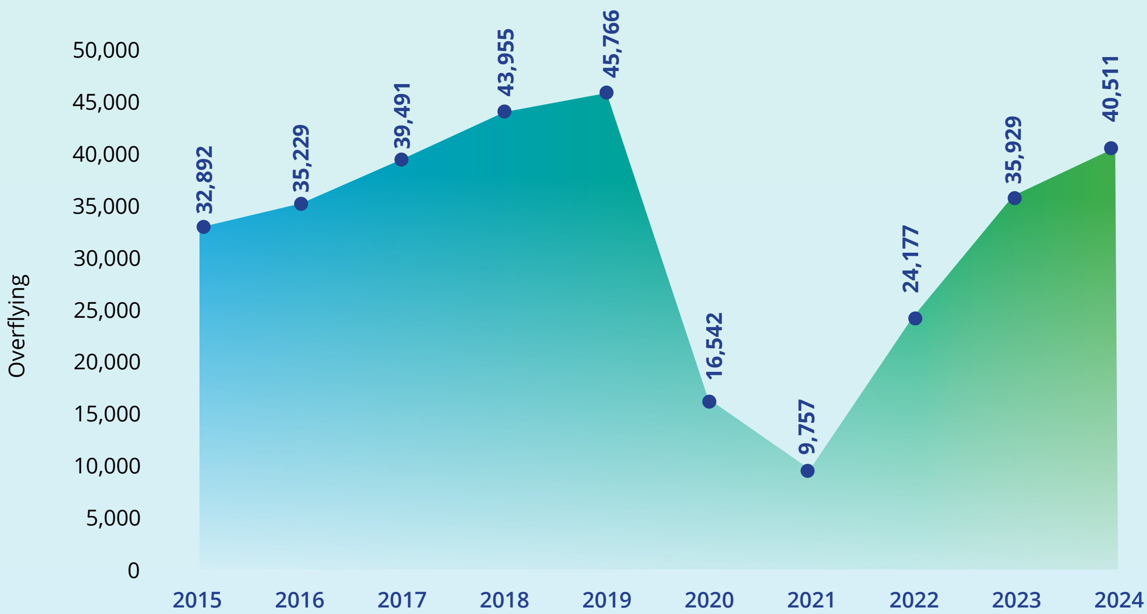
Air Transport Statistical Highlights

Monthly Passenger Movements 2018-2024



As illustrated in the graph, the 2024 figures are progressively approaching pre-pandemic levels on a month-by-month basis, as shown in the area chart. They are nearly aligned with the 2019 data and are projected to potentially surpass those levels by 2025.

Overflying data for 10 years



Regulatory Developments

In 2024, CAASL prioritized regulatory oversight in infrastructure & navigation, with Aerodromes & Air Navigation Services receiving the most attention. Other sectors saw minimal regulatory updates, reflecting a targeted approach to operational safety & modernization.

Volume of Regulations, Rules & Notices – 2024

- **9** Aerodromes
- **7** Air Navigation Services
- **1** Aeromedical Services
- **1** Aircraft Operations
- **1** Aircraft Registration & Airworthiness

Certifications Overview

Certification activities were dominated by high-volume personnel approvals, particularly in aviation security. Specialized roles and organizations experienced steady but selective certification trends, indicating a focus on maintaining quality & compliance in technical domains.

Certifications/Licenses of Organizations /Personnel

- **1,117** Certification and Re-Certification of Aviation Security Screeners
- **368** Pilots
- **85** Cabin Crew Members
- **33** Air Traffic Controllers
- **29** Aircraft Maintenance License Holders
- **13** Certification and Re-Certification of Aviation Security Managers
- **11** Ground Instructors
- **8** Type Rating Instructors
- **6** Flight Instructors (Restricted)
- **5** Aircraft Maintenance Organizations (Foreign)
- **5** Synthetic Flight Instructors
- **4** Flight Instructors
- **5** Foreign Air Operator Certificates
- **2** Continuing Airworthiness Management Organizations (CAMO)
- **1** Flight Operations Officers (Flight Dispatchers)
- **1** Approved Maintenance Training Organizations (AMTO)
- **1** Class Rating Instructors (Restricted)
- **1** Approved Maintenance Organizations (AMO)
- **1** Class Rating Instructors

Air Transport Statistical Highlights

Surveillance & Inspections

CAASL maintained strong surveillance across aviation operations, with heightened activity in security, aerodrome & airworthiness inspections. The oversight strategy balanced broad safety monitoring with focused evaluations in specialized areas.

Surveillance & Inspection Activities – 2024

11 Ramp Inspections-Operations

3 Simulator Inspections

11 En-route Inspections

10 Dangerous Goods Inspections

8 Station Facility Inspections - Operations

4 Main Base Inspections/Instructor Observations

1 Designated Check Pilots (DCP Monitoring)

11 Ramp Inspections-Airworthiness

49 Certificate of Airworthiness of Aircraft (C of A)

21 Aircraft Maintenance Organization Inspections

5 Approved Maintenance Training Organization Inspections

16 Continuing Airworthiness Management Organization (CAMO) Inspections

4 Fuel Facility Inspections/Audits

17 Approved Flying Training Organizations Inspections

5 Surveillance of Licences

43 Aerodrome Inspections

40 ATM Inspections

6 AIM Inspections

15 SMS Inspections

31 CNS Inspections

7 MET Inspections

3 Maps & Charts Inspections

6 PANS-OPS Inspections

6 Non-SKED Flight Inspections

97 Conduct of Aviation Security Surveillance Activities (Inspections, Audits, Investigations, Tests)

5 Designated Hospitals - Inspections

2 Facilitation - Inspections

Approvals Issued

Approval volumes in 2024 highlighted Sri Lanka's strategic importance in regional airspace management. While operational clearances formed the bulk of activity, CAASL also issued targeted approvals across infrastructure, scheduling & specialized aviation functions.

Approvals issued by CAASL – 2024

40,511 Number of Aircraft Overflying Colombo FIR

185 Number of Aerial Works Approval

781 Landing Clearances issued

1,429 Over flying Clearances issued

2,210 No Non-Schedule Flights Approvals

348 Approvals for Issuances of NOTAM

115 Approvals for Construction of High-Rise Structures

142 No of Tower Approvals

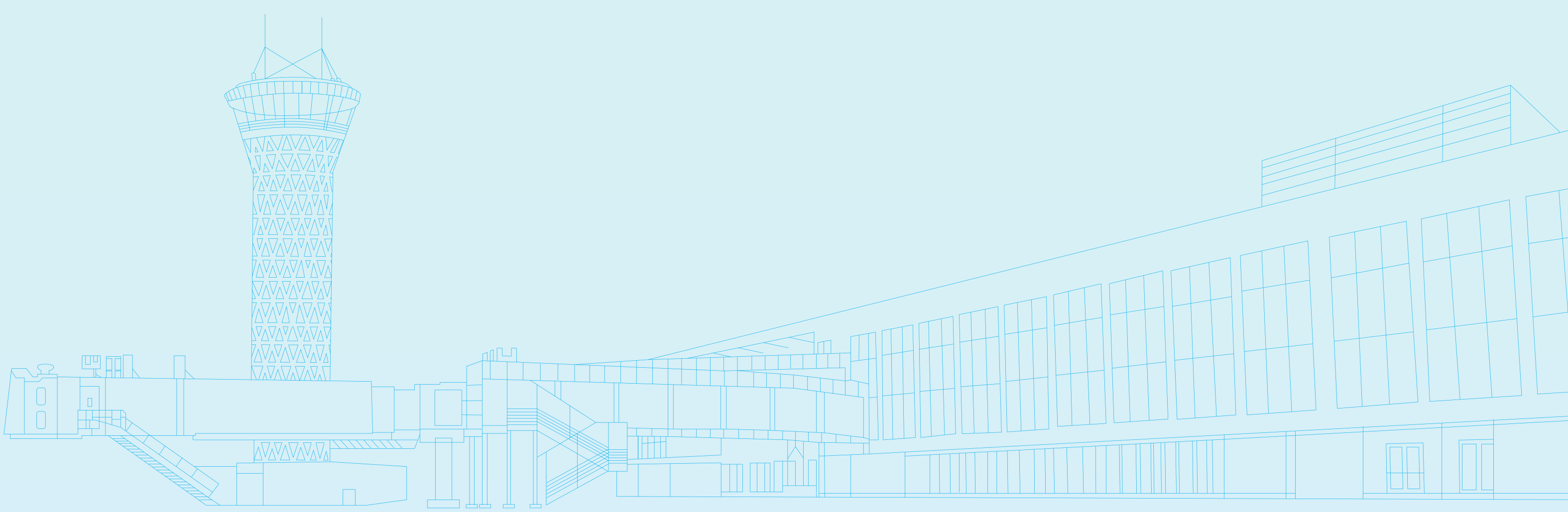
61 Carriage of Weapons in Cargo Hold

48 Domestic Flight Schedule Approvals

526 International Flight Schedule Approvals

11 Instructor Approvals

3 Special Operations (Special Flight Approvals)



Chairman's Message

> **"We are also diligently preparing for the upcoming Universal Safety Oversight Audit Programme – Continuous Monitoring Approach (USOAP CMA) conducted by ICAO. This globally recognized audit assesses the effectiveness of national safety oversight systems and serves as a key measure of a state's aviation governance. Our comprehensive and focused approach aims to ensure that Sri Lanka demonstrates substantial and sustained compliance with ICAO's critical elements of safety oversight, reaffirming our international standing as a responsible aviation state."**

It is with immense pride and a deep sense of national responsibility that I present the Chairman's Review for the year 2024—a year that marked a pivotal phase of resilience, strategic advancement, and renewed optimism for Sri Lanka's aviation sector. Against the backdrop of a complex global landscape, the Civil Aviation Authority of Sri Lanka (CAASL) continued to demonstrate leadership, agility, and foresight in fulfilling its mandate as the regulatory custodian of civil aviation in the country.

Amidst evolving challenges, our collective focus remained centered on reinforcing aviation safety, modernizing regulatory frameworks, and contributing to the sustainable growth of an industry that plays a vital role in national development. Our progress in 2024 stands as a testament to the tireless efforts of our dedicated teams, robust stakeholder partnerships, and the unwavering support of the Government of Sri Lanka.

Industry Recovery and Performance Highlights

The year under review witnessed continued momentum in the post-pandemic recovery of global aviation. In Sri Lanka, passenger traffic grew steadily, supported by a resurgence in international tourism and renewed confidence in global travel. The easing of travel restrictions and the gradual return of consumer confidence had a direct and positive impact on air travel, with both inbound and outbound passenger volumes recording a notable increase.

Cargo operations also experienced significant expansion, driven by the ongoing global demand for air freight services, particularly in sectors such as e-commerce, healthcare, and manufacturing. Airlines operating in and out of Sri Lanka scaled up cargo capacity to meet rising demand, and the country's strategic location in the Indian Ocean enabled it to function as a vital logistics and transshipment hub for the region.

Sri Lanka's geographical advantage continues to be one of our strongest assets, positioning us as a gateway between East and West. The aviation sector remains central to supporting tourism, trade, and connectivity, and in 2024, the government's continued investment in infrastructure, policy reforms, and airport modernization played a critical role in strengthening our aviation ecosystem.

Enhancing Safety, Compliance, and Regulatory Oversight

At CAASL, we remain unwavering in our commitment to upholding the highest standards of aviation safety, security, and regulatory compliance. In 2024, we undertook several strategic initiatives to strengthen our institutional and technical capabilities in line with evolving international norms. A key priority for the year was the alignment of our regulatory systems with the most recent amendments to the International Civil Aviation Organization (ICAO) Standards and Recommended Practices (SARPs).

Our regulatory functions were reinforced through regular safety audits, risk-based inspections, targeted surveillance activities, and enhanced capacity-building programs. These efforts ensured that aviation operations across the country met stringent safety benchmarks and complied with both local and international regulatory expectations.

We are also diligently preparing for the upcoming Universal Safety Oversight Audit Programme – Continuous Monitoring Approach (USOAP CMA) conducted by ICAO. This globally recognized audit assesses

Chairman's Message

the effectiveness of national safety oversight systems and serves as a key measure of a state's aviation governance. Our comprehensive and focused approach aims to ensure that Sri Lanka demonstrates substantial and sustained compliance with ICAO's critical elements of safety oversight, reaffirming our international standing as a responsible aviation state.

Driving Environmental Stewardship and Sustainability

In line with global priorities, sustainability has become an integral component of our long-term strategic vision. The aviation industry worldwide is under growing pressure to address its environmental footprint, and CAASL has proactively responded by advancing a series of policy and regulatory measures that promote environmentally responsible aviation practices.

In 2024, we actively encouraged the use of Sustainable Aviation Fuel (SAF) and supported airlines in adopting energy-efficient aircraft technologies. Efforts were also made to reduce the carbon footprint of airport operations through the use of renewable energy systems, smart infrastructure, and green building practices. Moreover, we promoted carbon offset initiatives for operators, offering guidelines and incentives for environmentally conscious airline operations within Sri Lanka's airspace.

Through close collaboration with international environmental bodies, industry associations, and airline partners, CAASL continues to promote sustainable aviation frameworks that balance economic growth with ecological responsibility. We believe that the path to long-term industry success lies in aligning aviation development with the United Nations Sustainable Development Goals (SDGs).

Economic Contribution and Sectoral Development

Aviation remains a critical pillar of Sri Lanka's economy—serving as an enabler of tourism, trade, employment, and regional integration. In 2024, increased airline operations, the expansion of route networks, and strategic partnerships with global carriers contributed to the resurgence of international tourist arrivals and export-led growth.

The year also saw continued progress in the development of domestic aviation, with enhanced connectivity between regional airports, increased private sector participation, and greater interest in charter operations. CAASL facilitated this growth by streamlining regulatory processes, encouraging investment in general aviation, and ensuring fair and transparent licensing procedures.

A significant area of focus during the year was the strengthening of Sri Lanka's aviation workforce. Recognizing the importance of a skilled and future-ready talent pool, CAASL supported the expansion of training programs, certification courses, and international exchange opportunities. Our partnerships with global aviation training institutions and academies ensured that Sri Lankan aviation professionals remained at the forefront of industry knowledge, regulatory compliance, and operational best practices.

Financial Position

In terms of financial position, as at 31st December 2024, the Authority reported a substantial increase in total assets to Rs. 41.37 billion, compared to Rs. 10.89 billion in 2023. This growth was largely driven by a sharp rise in current assets, which expanded to Rs. 38.67 billion from Rs. 8.06 billion in the previous year, mainly due to higher trade receivables and cash balances. Non-current assets stood at Rs. 2.70 billion, reflecting a slight decline from Rs. 2.82 billion in 2023, with property, plant and equipment remaining the dominant component at Rs. 2.67 billion. Equity strengthened to Rs. 7.27 billion from Rs. 6.91 billion, supported by retained earnings and a higher revaluation surplus. Non-current liabilities increased moderately to Rs. 478 million, while current liabilities rose significantly to Rs. 33.62 billion from Rs. 3.58 billion in 2023, mainly on account of higher trade payables. Overall, the Authority maintained a stable equity base amidst a notable expansion in its balance sheet, reflecting both operational challenges and adjustments to its financial structure during the year.

Navigating Challenges and Shaping the Future

While 2024 brought many achievements, it also underscored several enduring challenges—rising fuel prices, fluctuating operating costs, geopolitical uncertainties, and increased competition among regional hubs. These factors continue to exert pressure on industry margins and stakeholder resilience.

In response, CAASL has adopted a forward-looking approach grounded in strategic planning, evidence-based policymaking, and active stakeholder engagement. Key initiatives for the coming years include:

- Implementation of a National Aviation Master Plan to guide the sector's long-term development
- Expansion of bilateral and multilateral air service agreements to improve market access
- Promotion of public-private partnerships in airport services and infrastructure

- Adoption of emerging aviation technologies, such as Unmanned Aerial Vehicles (UAVs), digital air traffic management, and cybersecurity protocols
- Strengthening regional cooperation with ICAO, IATA, and other global aviation bodies to ensure policy alignment and knowledge exchange

Acknowledgement

The progress achieved in 2024 would not have been possible without the dedication and commitment of numerous individuals and institutions. I would like to sincerely thank the management and staff of CAASL for their unwavering professionalism and passion for excellence. Your work continues to safeguard the integrity of our aviation sector and contributes meaningfully to national development.

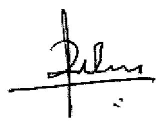
My heartfelt appreciation is also extended to our partners in the airline industry, airport authorities, ground handling services, and aviation training providers. Special thanks are due to the Transport, Highways, Ports & Civil Aviation, whose continuous support has been invaluable in shaping our policy and operational direction.

To the traveling public—your confidence in Sri Lanka's aviation infrastructure inspires us to constantly raise the bar. Your safety and satisfaction remain at the core of our mission.

Conclusion

As we navigate the path ahead, the Civil Aviation Authority of Sri Lanka (CAASL) remains fully committed to ensuring a safe, secure, and globally competitive aviation sector. Through the facilitation of seamless travel experiences and the integration of sustainability across all operations, we are shaping a resilient and future-ready industry. By upholding the Standards and Recommended Practices (SARPs) set by the International Civil Aviation Organization (ICAO), we aim to elevate Sri Lanka's standing as a preferred aviation hub within the region.

Together, we will continue to ascend to new heights—ensuring that Sri Lanka's skies remain open, well-connected, and rich with opportunity for all who traverse them.



Mr. Sunil Jayarathne
Chairman

Review of the Director General of Civil Aviation and Chief Executive Officer

"A major highlight of the year was the launch of the Strategic Development and Restructuring Initiative. Following a series of in-depth consultations and internal reviews, CAASL initiated the process of organizational restructuring to address existing structural gaps and enhance overall operational effectiveness. These discussions aimed to reposition CAASL in alignment with evolving global aviation requirements while strengthening its core regulatory functions."

It is with honour and deep responsibility that I present this review for the year under consideration, as the Director General of Civil Aviation and Chief Executive Officer of the Civil Aviation Authority of Sri Lanka (CAASL). The aviation industry continues to evolve at a rapid pace, and our role as the national aviation regulator remains pivotal in upholding the highest standards of safety and security, fostering innovation, facilitating seamless travel experiences and promoting sustainable growth in the sector. The past year has been one of significant transformation for CAASL, as we advanced key initiatives to strengthen our institutional framework, improve the quality of Service delivery and align operations with the Standards and Recommended Practices (SARPs) set by the International Civil Aviation Organization (ICAO). These efforts reflect CAASL's solid commitment to ensuring regulatory excellence, ICAO compliance, and sustainable growth in Sri Lanka's aviation sector.

Strengthening Strategic Direction through Restructuring and Planning

A major highlight of the year was the launch of the Strategic Development and Restructuring Initiative. Following a series of in-depth consultations and internal reviews, CAASL initiated the process of organizational restructuring to address existing structural gaps and enhance overall operational effectiveness. These discussions aimed to reposition CAASL in alignment with evolving global aviation requirements while strengthening its core regulatory functions.

The proposed restructuring process places special emphasis on aligning with the International Civil Aviation Organization's (ICAO's) Standards and Recommended Practices (SARPs), strengthening oversight capabilities, and improving stakeholder service delivery. This groundwork has culminated in the drafting of a comprehensive Strategic Development Plan, which will serve as a guiding framework for CAASL's evolution into a modern, agile, and regionally respected civil aviation regulator.

Investing in Our People: Human Resource Development

Recognising that human capital is at the heart of regulatory excellence, the Authority made notable strides in Human Resource Management during the year. We successfully completed the recruitment process for ten critical vacancies, including four senior management positions. This has significantly strengthened our internal leadership capacity and enabled us to accelerate policy implementation.

Furthermore, a Technical Evaluation Committee was established to review and rationalize the technical and corporate allowance structures for all staff categories. Our commitment to continuous learning and development was reinforced with the resumption of in-house training, particularly hands-on, job-oriented programmes. In addition, targeted foreign training sessions focusing on technical and regulatory domains were reintroduced to build global competencies among staff.

Cultivating the Next Generation of Aviation Professionals

In an effort to secure the future of Sri Lanka's aviation industry, CAASL has taken a strategic step forward by launching the Next Generation Aviation Professionals (NGAP) initiative. In collaboration with the Ministry of Education, aviation was introduced as a subject within the national school curriculum. This landmark initiative aims to raise awareness and encourage young minds to pursue careers in aviation.

Review of the Director General of Civil Aviation and Chief Executive Officer

Monthly Airport Educational Workshops have been rolled out for students in schools and universities, with the goal of promoting hands-on learning and industry engagement. These workshops, conducted at key Sri Lankan airports, provide an immersive experience into aviation operations and regulatory frameworks, laying the groundwork for future industry professionals.

Enhancing Airport Infrastructure and Domestic Aviation Frameworks

During the year, CAASL extended its regulatory support to the development of Hingurakgoda Airport, with key construction activities—particularly the runway—now actively underway. This development is a key milestone in expanding regional aviation capacity and strengthening the domestic aviation network.

In parallel, the General Aviation Project was launched to address the distinct needs of domestic aviation, separate from international aviation regulations. Comprehensive stakeholder consultations were held, and all outstanding issues were successfully resolved. The new regulatory framework under development will provide much-needed clarity and efficiency for operators involved in domestic aviation activities.

Financial Performance and Position

The financial year ended 31st December 2024 reflected both challenges and structural changes in the Authority's financial landscape. Total income declined sharply to Rs. 2.39 billion, from Rs. 5.53 billion in 2023, primarily due to a reduction in both operating and non-operating income. Operating income fell to Rs. 1.68 billion (2023: Rs. 4.27 billion), while non-operating income decreased to Rs. 707.08 million (2023: Rs. 1.26 billion). On the expenditure front, costs were relatively contained, rising only marginally to Rs. 1.01 billion compared to Rs. 973.44 million in 2023, despite increases in staff expenses and finance costs. Depreciation also rose to Rs. 193.73 million, reflecting continued investment in assets. Consequently, profit before tax contracted significantly to Rs. 1.38 billion, compared to Rs. 4.56 billion in the prior year, with profit after tax recorded at Rs. 1.17 billion (2023: Rs. 4.35 billion). Total comprehensive income mirrored this downward trend, declining to Rs. 1.18 billion from Rs. 4.44 billion in 2023, impacted by higher re-measurement losses on retirement benefit obligations and a lower revaluation surplus.

From a balance sheet perspective, total assets grew substantially to Rs. 41.37 billion in 2024, a near fourfold increase from Rs. 10.89 billion in the previous year, largely driven by a surge in current assets—particularly trade receivables, which expanded to Rs. 29.80 billion (2023: Rs. 356 million), alongside stronger cash balances of Rs. 4.26 billion (2023: Rs. 3.45 billion). Non-current assets remained broadly stable at Rs. 2.70 billion. Equity strengthened modestly to Rs. 7.27 billion (2023: Rs. 6.91 billion), supported by retained earnings and an increased revaluation surplus. However, liabilities saw a significant expansion, with current liabilities rising sharply to Rs. 33.62 billion (2023: Rs. 3.58 billion), driven almost entirely by trade payables. Non-current liabilities also increased moderately to Rs. 478 million.

Cash flow performance highlighted reduced operating cash inflows, with net cash from operating activities amounting to Rs. 1.28 billion, down from Rs. 4.00 billion in 2023, reflecting pressure from heightened receivables. Investment activities used Rs. 271 million in cash, primarily for asset acquisitions, while financing outflows amounted to Rs. 750 million, mainly due to contributions to the Consolidated Fund. Despite these movements, cash and cash equivalents closed the year at Rs. 4.26 billion, an increase from Rs. 3.45 billion in 2023. Overall, while profitability contracted sharply, the Authority maintained a healthy liquidity position and a strengthened asset base, though the sharp rise in liabilities underscores the importance of prudent financial management moving forward.

Audit Preparedness and Regulatory Strengthening

Another major area of focus during the year was the Authority's preparations for the upcoming Universal Safety Oversight Audit Programme Continuous Monitoring Approach (USOAP CMA) audit by ICAO. To ensure audit readiness and compliance, a National Continuous Monitoring Committee (NCMC) was appointed. Regular progress review meetings have been instituted to track implementation, identify areas of concern, and ensure proactive resolution of compliance gaps.

Simultaneously, significant progress was made in developing rules and standards for Unmanned Aerial Vehicles (UAVs). A series of consultations were held with key stakeholders to align UAV regulations with global practices, while also addressing national safety, privacy, and airspace management considerations.

Advancing Aeromedical Services in Collaboration with UHKDU

In an important healthcare milestone for the aviation community, CAASL signed a Memorandum of Understanding (MoU) with the University Hospital of Kotelawala Defence University (UHKDU) to establish Aeromedical Services (AMS) at the university hospital. This collaboration now enables certified aeromedical examinations to be conducted locally, eliminating the need for external referrals and streamlining access for aviation personnel.

Embedding Accountability and Quality across the Organisation

In line with our objective of becoming a performance-driven organisation, CAASL has implemented a structured process of monthly progress review meetings, involving divisional, sectional, and unit heads. This mechanism ensures transparent evaluation, accountability, and alignment with the Authority's broader strategic goals.

To enhance operational efficiency and service standards, CAASL also introduced an ISO 9001:2015-based Quality Management System (QMS). This initiative marks a significant shift towards continuous quality improvement and institutional excellence. The QMS is being gradually rolled out across departments and is expected to create a culture of standardization, customer orientation, and sustained improvement.

Strengthening Regional and Global Engagement

As an active member of the international aviation community, CAASL represented Sri Lanka at several significant fora during the year. I had the privilege of serving as Chair of the COSCAP–South Asia Steering Committee, where we were able to secure valuable training and development opportunities for our inspectorate. Furthermore, our delegation participated in the 2nd Asia and Pacific Ministerial Conference on Civil Aviation in New Delhi, where we contributed to shaping the Delhi Declaration on regional priorities including safety, security, facilitation, capacity building, and environmental protection.

Regulating Emerging Areas of Recreational Aviation

Acknowledging the growing popularity of non-commercial flying, CAASL initiated a dedicated project to regulate recreational aviation activities in Sri Lanka. This includes the designation of specific airspace zones for recreational use, while ensuring that safety and security are never compromised. This new regulatory approach is being developed in line with both user needs and national airspace management policies.

Looking Ahead

The past year has set a strong foundation for the transformation of CAASL into a future-ready, responsive, and globally aligned civil aviation regulator. The reforms and initiatives launched during this period are aimed at long-term resilience, institutional excellence, and enhanced stakeholder confidence. As we look ahead, our priority will be to continue strengthening our regulatory framework, investing in our people, and deepening collaboration with local and international partners.

I extend my heartfelt appreciation to the Board of Directors, CAASL management and staff, our Ministry, and all industry stakeholders for their unwavering support and contribution towards building a safer, more efficient, and sustainable aviation sector in Sri Lanka.

Together, we are not only navigating change—we are shaping the future of civil aviation in the region.

(AVM) Sagara Kotakadeniya (Retd.)
Director General of Civil Aviation &
Chief Executive Officer

Board of CAASL

Members of the Authority – 15th Board of CAASL

Seated (Left to Right)

Sunil Jayarathne
Chairman
Member of CAASL – Appointed

(AVM) H.M.S.K.B Kotakadeniya (Retd.)
Director General of Civil Aviation & Chief Executive Officer Member of CAASL - Ex Officio

Standing (Left to Right)

K.G. Kumarasinghe
Member of CAASL – Appointed

(AVM) Sampath Thuyacontha
The Secretary to the Ministry of the Minister-in-Charge of the Subject of Defence Member of CAASL - Ex Officio

Shameeira Priyankarage
Member of CAASL – Appointed

C. W. K. Dharmasena
The Representative of the Ministry of the Minister-in-Charge of the subject of Finance nominated by the Minister.
Member of CAASL - Ex Officio

Senior Management Team

(Left to Right)

Standing
M.A.K. Prasanna - *Deputy Director General (Aeronautical Services Regulation)*
Thilina Warnasinghe - *Director (Air Navigation Services)*
Capt. Daminda Rambukwella - *Deputy Director General (Flight Safety Regulation)*
Champika Vidanapathirana - *Actg. Director (Trainning Organization & Personnel Licensing), Senior Civil Aviation Inspector (Personnel Licensing – Flight Crew)*
(AVM) H.N. Abeysinghe *(Retd.) Director (Aviation Security)*

Seated
J. M. D. Karunaratne - *Director (Human Resources and Property Management)*
(AVM) H.M.S.K.B Kotakadeniya (Retd.) - *Director General of Civil Aviation & Chief Executive Officer*
Mr. Sunil Jayarathne - *Chairman*

(Left to Right)

Standing

Rayhan Wanniappa - *Deputy Director General Air Transport & Security Regulation /Actg. Deputy Director General Corporate Management*
Nirosh Gunawardhana - *Director (Environment, Research and Projects)*
Mahilal Dushyantha Ratnayake - *Director (Aircraft Registration and Airworthiness)*
Rangana Samanpriya - *Director (Aerodromes)*

Seated

Asanga Liyanarchchi - *Director (Air Transport &Economic Regulation)*
Ramesha De Silva - *Director (Finance and Revenue Management)*
Lalith Premasiri - *Actg. Director (Quality & Internal Audit), Manager (Internal Audit and Quality Survey)*

CAASL's Profile

CAASL Brief Introduction

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 the 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. Hon. Minister-in-Charge of the subject of civil aviation.

CAASL's Immediate Targets

- Enhance safety measures to prevent fatal accidents in the commercial aviation sector.
- Implement robust security protocols to prevent hijacking and unlawful interference in civil aviation.
- Implement preventative measures to reduce general aviation accidents.
- Implement safety measures to prevent fatal aviation-related accidents on the ground at airports.
- Enhance safety protocols to reduce accidents in engineering/maintenance workshops.
- Minimize adverse aviation occurrences through proactive measures.
- Improve efficiency to minimize delays in on-time departures.
- Enhance the quality of service to improve the air travel experience.
- Implement measures to reduce congestion and expedite passenger processing at airports while maintaining security.
- Implement strategies to minimize operational costs and reduce waste in air transportation.
- Implement measures to minimize adverse environmental effects of aviation.
- Conduct educational programs to inform school children about the benefits of civil aviation.
- Develop programs to mentor and train the next generation of aviation professionals.

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

- Exceed safety and security outcome targets.
- Ensure adequate resourcing.
- Maintain professionalism and competence.
- Gain broad credibility and recognition.
- Continuously improve achievements.
- Maximize productivity in all activities.
- Uphold high compliance with international standards.
- Serve as a leading facilitator for civil aviation planning and development.

Expected Outcomes

- Ensure the State's adherence to international obligations in civil aviation, rigorously implementing and enforcing international standards and recommended practices to achieve a high level of effective SARPS implementation.
- Secure international recognition for Sri Lanka's civil aviation system, maintaining freedom from embargoes or restrictions and proactively addressing any safety concerns raised by ICAO.
- Enhance safety, security, regularity, and efficiency in civil aviation operations, fostering public confidence in the air transport system.
- Elevate customer satisfaction levels within the aviation sector.
- Enhance the financial performance of the Authority through strategic improvements.

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

- Prioritize aviation safety above all else and foster a culture of safety.
- Strive for excellence in all services provided to our clients.
- Embrace a proactive 'can do' attitude in every task undertaken.
- Demonstrate reliability, realism, and consistency in our actions.
- Embrace change as a means of continuous improvement.
- Collaborate as a team to achieve success and overcome challenges.
- Maintain open, honest, and transparent communication.
- Promote efficiency, productivity, and regularity in all activities.
- Cultivate trust, respect, and teamwork among colleagues.
- Recognize and value everyone's contributions.
- Fulfil social responsibilities and obligations.
- Find enjoyment and fulfilment in our work.
- Take pride in maintaining a professional approach.
- Strive for a balanced home and work environment.

Putting People First

Overview of Sections & Units

Aerodromes Section

Aerodromes Section plays a crucial role in ensuring the safety, efficiency, and development of civil aviation infrastructure in Sri Lanka. The responsibilities they handle are vital not only for the operational safety of the airports but also for the growth and regulation of the aviation industry. Here's a breakdown of the main activities described:

1. Regulatory Oversight of Civil Aerodromes:

- The Aerodromes Section provides assistance to the Director General of Civil Aviation (DGCA), ensuring civil aerodromes operate safely and in compliance with regulations.
- There are five civil aerodromes operated by the statutory service provider under their jurisdiction, with four having international status, which means they meet global standards for safety and operation.

2. Water Aerodrome Operations:

- Sri Lanka's water aerodromes play a unique role in attracting tourists, especially with float plane operations.
- Seven water aerodromes are monitored through regular surveillance to ensure that operations are safe and compliant with regulations.

3. Obstacle Limitation Surfaces:

- This refers to the management of airspace and land use around aerodromes to prevent construction or obstacles that could interfere with aircraft safety.
- The Aerodromes Section's involvement ensures that infrastructure development doesn't pose a risk to aircraft operations, allowing for safe flight paths and maximizing the usability of aerodromes.

Overview of Sections & Units

4. Regulation and Standards
Development:

- The Section formulates regulations, standards, and guidance materials in line with International Civil Aviation Organization (ICAO) publications and national requirements.
- By doing so, it not only ensures the safety of operations but also contributes to improving the overall aviation industry in Sri Lanka.

Air Navigation Service Section

ANS Section holds the critical responsibility of ensuring the safe, efficient, and effective management of air navigation services within the Colombo Flight Information Region (Colombo FIR). This involves formulating comprehensive rules and regulations that align with the International Civil Aviation Organization's (ICAO) Standards and Recommended Practices (SARPs). These standards are globally recognized benchmarks designed to promote uniformity, safety, and efficiency in civil aviation operations worldwide.

The ANS Section plays a pivotal role in adapting these international standards to the local context, ensuring that they are effectively implemented within Sri Lanka's airspace management framework. This includes establishing procedures for air traffic management, communication, navigation, surveillance, aeronautical meteorological and aeronautical information services. Furthermore, the Section monitors and audits the performance of the designated air navigation service provider in Sri Lanka to ensure compliance with these regulations.

By fulfilling these responsibilities, the ANS Section contributes to maintaining high standards of aviation safety, supporting international air travel, and fostering the sustainable development of Sri Lanka's aviation sector. Its work is integral to facilitating seamless and secure air traffic operations within the Colombo FIR, which serves as a critical junction in global aviation networks.

Aircraft Registration and Airworthiness Section

As a signatory to the Chicago Convention, Sri Lanka is committed to adhering to internationally recognized standards with respect to the aviation industry. The Aircraft Registration and Airworthiness Section is entrusted with key important responsibilities, ensuring compliance with global standards while addressing the unique operational needs of Sri Lanka, with respect to the applicable scope covered in ICAO Annexes 1,6, 7,8,16 and 19.

This Section performs periodic review of regulations, ensures that the aviation industry is informed in time in terms of directive/circulars and/or aviation safety notices of all important matters relating to airworthiness of aircraft.

Further, key steps in ensuring safety and continuous airworthiness, which includes acceptance and registration of aircraft when they are brought for the first time to Sri Lanka, assessing and issuing of Certification of Airworthiness of all aircraft registered in Sri Lanka, assessing and granting approval for Approved Maintenance Organizations (AMOs), Approved Maintenance Training Organizations (AMTOs), Continuing Airworthiness Management Organizations (CAMOs) are also entrusted to Aircraft Registration and Airworthiness Section. Further to initial approvals, continuous surveillance is performed to ensure adherence to stipulated procedures, standards and regulatory requirements by all operators, AMOs, CAMOs and AMTOs. This Section also conducts inspections of operator's route stations facilities, and major component repair/overhaul facilities that provide services to Sri Lankan-registered aircraft, guaranteeing the Section's commitment to maintaining highest safety standards across the industry.

In addition, inspection of aircraft fuel farms and fueling facilities, monitoring and granting approval for modifications (major/minor), reviewing and granting approval for Aircraft Maintenance Programmes (AMPs); Aircraft Maintenance Organization Expositions (MOEs); Continuous Airworthiness Maintenance Organization Expositions (CAMEs); Maintenance Training Organization Expositions (MTOEs) are some other continuous tasks being performed.

Implementation and/or enforcement of the legal requirements relating to aircraft nationality and registration marks, airworthiness and aircraft noise and emissions in respect of all aircraft in Sri Lanka and Sri Lanka-registered aircraft, wherever they may be, are also entrusted to this Section.

This Section contributes to the aircraft maintenance licencing process as well through reviewing applications and preparation of necessary question papers to conduct aircraft maintenance engineers basic examinations and type rated examinations on specific types of aircraft and reviewing of maintenance experience of aircraft maintenance license applicants.

Training Organisation and Personnel Licensing Section

The Training Organization and Personnel Licensing (TOPL) Section is responsible for updating and developing the legislation, regulations and procedures for the certification and surveillance of training organizations and personnel engaged in safety-sensitive activities in relation to civil aviation, in accordance with applicable international standards and recommended practices.

The TOPL Section performs all the tasks in relation to certification and continuous surveillance of Training organizations for flying, air traffic controller and flight dispatcher in accordance with the local regulations in conformity with the applicable international standards and recommended practices. Further, the Section handles issuance, revalidation and renewal of licences for personnel such as flight crew, aircraft maintenance personnel, air traffic controllers, aeronautical station operators, flight operations officers & cabin crew members. The section also conducts knowledge examinations for the issuance of flight crew licences, aircraft maintenance licences and flight dispatcher licences. In addition, the TOPL Section may be called to cooperate or assist in the investigation of an accident or an incident, as and when necessary.

Aircraft Operations Section

The Aircraft Operations Section, under the Division of Flight Safety Regulations, is responsible for multiple critical functions, including flight operations, ground operations and transport of dangerous goods by air, cabin safety, and Unmanned Aircraft Systems (UAS). This Section focuses on the development of local regulations, implementing standards, directives, and procedures in alignment with International Civil Aviation Organization (ICAO) Standards and Recommended Practices (SARPs). These efforts ensure effective safety oversight of operators and facilitate the issuance and renewal of the following operational approvals in accordance with the published regulations, rules, implementing standards, directives and guidance manuals;

- Air Operator Certification (AOC)
- Foreign Air Operator Certification (FAOC)
- Dangerous Goods Permits
- Ground Handling Licences
- Catering Licences
- Ground Support Services Permits
- Cabin Crew Member Certificates (CMC)
- Unmanned Aircraft Operator Approvals (UAS).

Aviation Security Section

The primary objective of the aviation security Section is to regulate the Aviation security functions of the civil aviation industry in the Country on behalf of the Director General of Civil Aviation (DGCA) who is the appropriate authority for civil aviation in Sri Lanka, while assuring the protection and safety of passengers, crew, ground personnel, the general public, aircraft and facilities of an airport serving civil aviation, against acts of unlawful interference perpetrated on the ground or in flight.

As a Member State of ICAO, this is carried out through a combination of measures and the marshalling of various human and material resources at international, national and airport levels in accordance with Standards and Recommended Practices (SARPs). Further, this Section has been entrusted with developing, implementing, maintaining and reviewing the National Civil Aviation Security Programme (NCASP) in Sri Lanka in accordance with the provisions of ICAO Annex 17 – Security, with the accomplishment of following significant achievements in the year 2024.

Air Transport and Economic Regulations Section

The Air Transport and Economic Regulations Section serves the country's aviation industry through its position within the Air Transport and Security Regulations Division at the Civil Aviation Authority of Sri Lanka. The governing Section maintains its dedication to achieving structural excellence and operational efficiency in air transport while upholding industry expansion with compliance management and consumer safety measures.

The Section established the strategic goal for 2024 to focus on effective air transport provision and economic affairs regulation because it strengthened the vision for a competitive and regulated aviation sector. This objective led the organization to execute diverse regulatory tasks and facilitative measures which enhanced development of Sri Lanka's aviation sector. Air services negotiations and agreements stood as the Section's primary focus because it worked to establish bilateral and multilateral agreements that boosted Sri Lanka's air connections while strengthening global partnerships. Through the agreements the organization boosted passenger access and helped foster industry expansion within trade and tourism sectors.

Flight schedules needed approval from the Section which ensured airlines adhered to both local and international regulatory guidelines to maximize airport capacity. This Section enabled expatriate visa recommendations as it supported airlines in recruiting own professionals who can contribute to the industry progress.

The Section conducted essential licensing functions for both airlines and air transport service providers

Overview of Sections & Units

which ensured all operators satisfied demanding safety and operational and economic viability criteria. The Section achieved market stability by conducting rigorous oversight through which it safeguarded aviation industry standards and promoted a competitive market. Consumer protection retained its status as a critical priority where activities aimed to protect passenger rights through enforcement of fair-trade standards and service quality requirements in the aviation field.

The Air Transport Economic Regulation Section maintains Sri Lanka's aviation industry vitality by executing its responsibilities according to international standards. Among its broad regulatory guidelines, the section maintains its dedication to create a sustainable aviation industry that benefits customers and enhances economic connectivity goals.

Human Resources and Property Management Section

Human Resources and Property Management Section (HRPM) ensures the right personnel are employed in CAASL to perform duties. Further, it creates opportunities to facilitate and motivate individuals and groups of employees to grow and advance their performance in CAASL. The Section is also responsible for office administration and management of properties of the Authority.

During the year under review, the 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 are also set as guidelines in the Staff Rules and Administrative Procedure Manual (SLCAP 5000). The 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.

Financial and Revenue Management Section

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

Environment, Research and Project Section

The Environment Research and Project Section is responsible for conducting research in relation to civil aviation sector, effective management of sustainable aviation development statistical programs, publication of reports, CAASL procurement process, conducting CAASL events, physical infrastructure developments, and implementation of the ICAO Annex 9 – Facilitation & National Civil Aviation Master Plan (CAMP).

Information & Communication Technology (ICT) Unit

The IT Unit provides the digital backbone that supports CAASL's operations, ensuring systems are secure, reliable, and scalable. IT serves as a bridge across technical and non-technical units, facilitating automation, communication, and data integrity.

Legal Affairs and Enforcement Unit

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

Quality and Internal Audit Section

The Internal Audit Section of the Civil Aviation Authority of Sri Lanka (CAASL) ensures compliance with aviation laws, evaluates risk management and internal controls, improves operational efficiency, and provides assurance on financial accuracy and security standards. It also advises management, investigates irregularities, and supports continuous improvement in governance and accountability.

Aviation Safety Monitoring Unit

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

Civil Aviation Promotion and Media Unit

The Civil Aviation Promotion Unit under the Direct Management is responsible for creating an aviation culture in Sri Lanka through enhancing aviation knowledge among general public including especially the youth of the nation, updating the community with current and most reliable aviation-related news and promoting its activities via electronic, print media and the social media platforms of the CAASL.

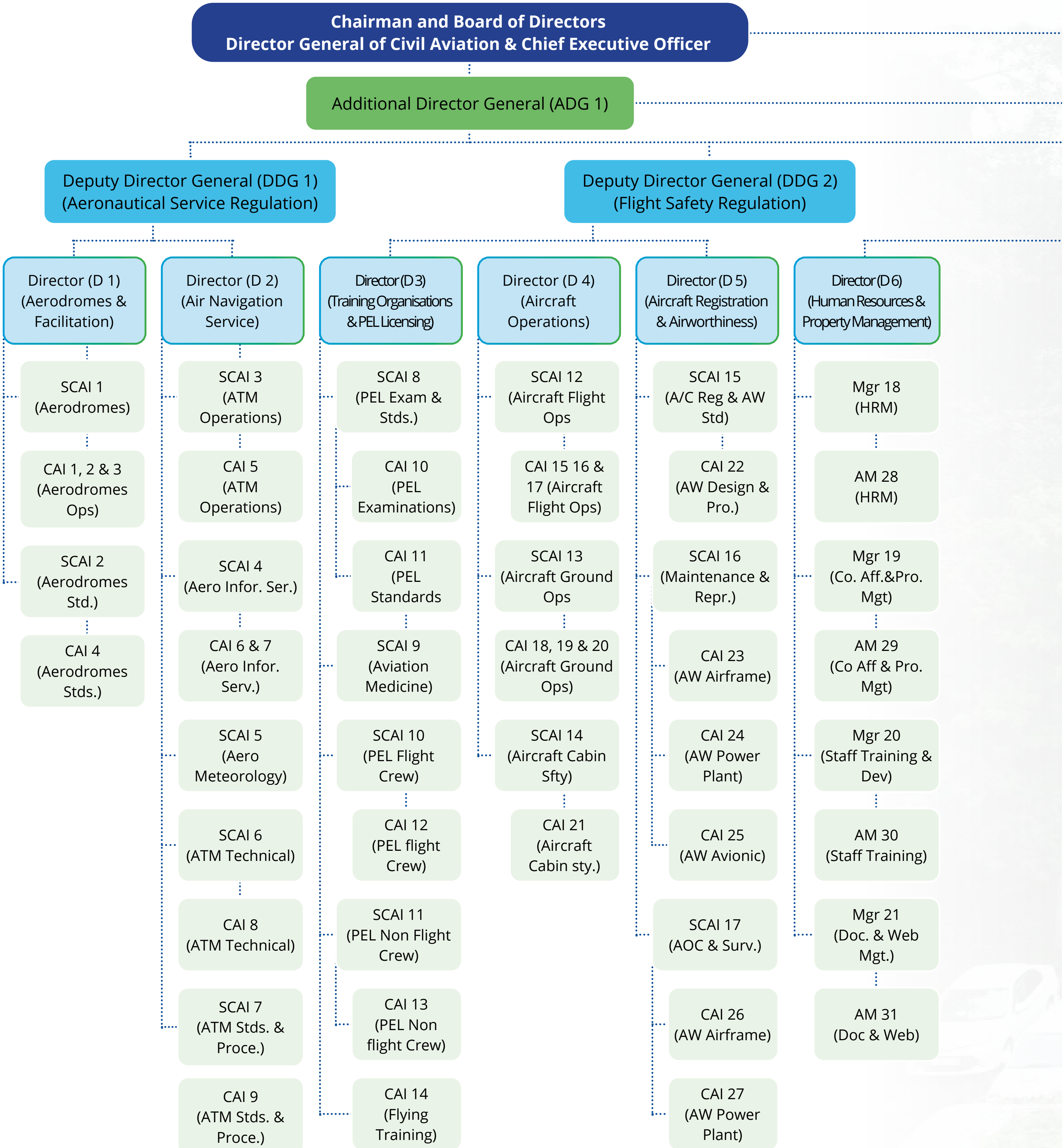
Aeromedical Services Unit

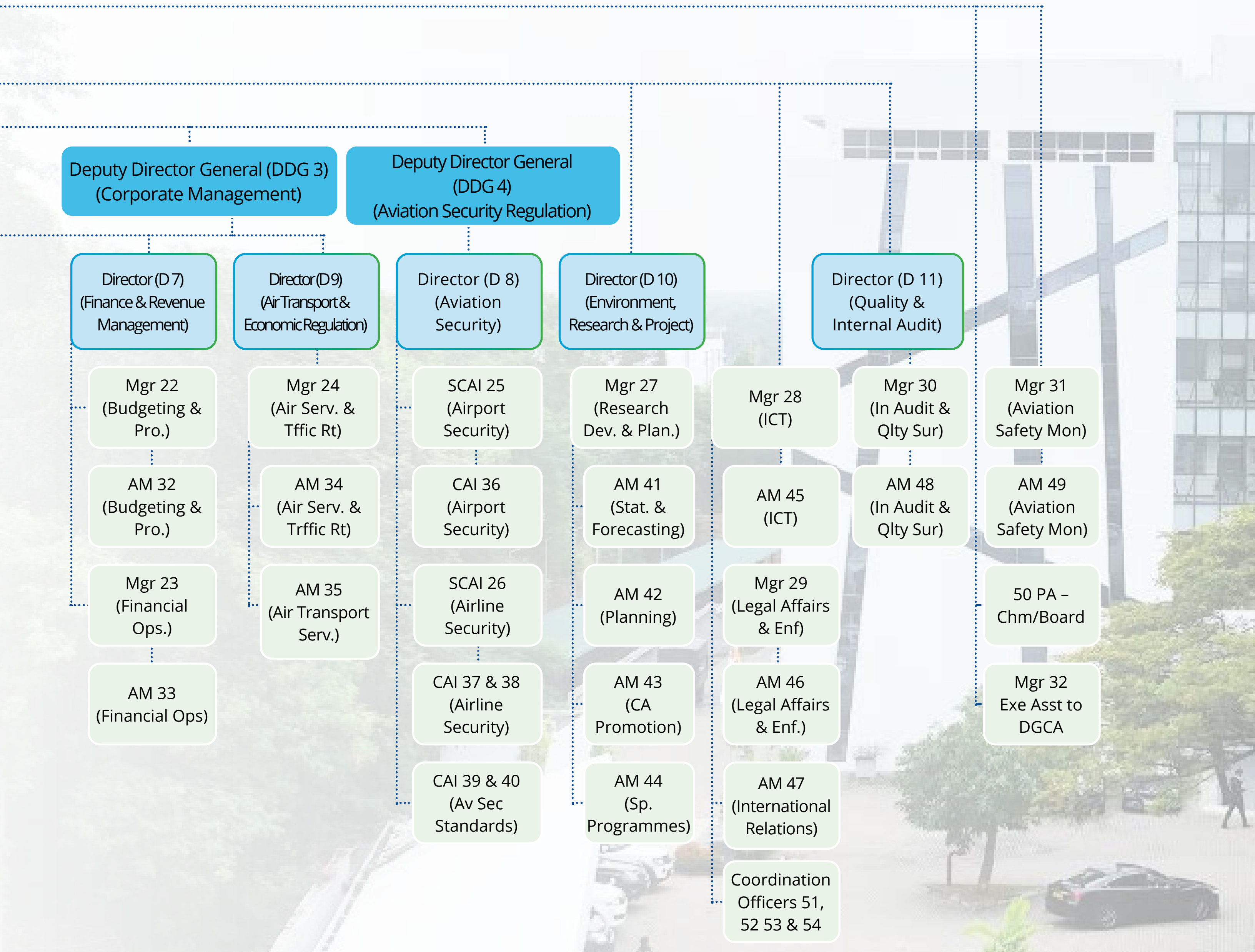
The Aeromedical Services Unit not only provides facilities to medical evaluation of CAASL license holders but also a vast area which includes other major fields of speciality namely, aeromedical training, research, creating aeromedical awareness amongst staff and other stakeholders, public health services at points of entry, surveillance activities, facilitation activities with other sections of CAASL and relevant stakeholders, and ensuring welfare of CAASL clients and staff. Further, the Aeromedical Services Unit continues to provide aerospace safety solutions and public health safety solutions to the State and the aviation industry. All facets of activity in the Aeromedical Services Unit are essentially aimed at enhancing aerospace safety.

Technical Library Unit

The key objective of the Technical Library is to strengthen the existing documentation framework through supporting CAASL's Sections to update their regulatory materials and manuals and primarily enhance the support to CAASL objectives through efficient dissemination of ICAO and other publications within CAASL as well as the local aviation industry. The unit also prioritized providing key information to the aviation industry and general public through timely website content updates as well as delivery of information to the public with regard to Right to Information queries addressed to CAASL, as stipulated in the RTI Act No. 12 of 2016.

Operational Organization Structure – Management Staff





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

Rev 03 – 09/07/2023

Governance and Accountability of CAASL

The Authority's Committees

Staff Committee

Purpose: The Staff Committee is responsible for overseeing matters related to human resources, organizational development, and employee welfare within CAASL.

Composition : The Committee is chaired by Mr. G.S. Withanage, with (AVM) H.M.S.K.B Kotakadeniya (Retd.) and Mr. D.W.S. Narangoda serving as members.

Their appointment is effective until 27th September 2024.

Responsibilities : The Staff Committee's responsibilities include determining salaries and cadre, handling employee recruitment and promotion, developing disciplinary procedures, monitoring training programs, approving overseas training and scholarships for employees, and developing social and welfare schemes for CAASL employees.

Audit and Management Committee

Purpose: The Audit and Management Committee is tasked with overseeing financial management, internal controls, and audit functions within CAASL.

Composition : The Committee is led by Mr. A.K. Senevirathne as Chairperson, with Capt. Milinda Rathnayake and Mr. Mangala Wijesinghe serving as members.

Their appointment is effective until 27th September 2024.

Responsibilities : The Committee's responsibilities include reviewing internal control systems, evaluating performance to ensure cost-effectiveness, liaising with external auditors, reviewing financial statements for compliance, implementing recommendations from audit reports, and preparing reports for inclusion in the Annual Report.

Planning Committee

Purpose: The Planning Committee focuses on strategic planning, policy development, and monitoring of civil aviation programs and activities in Sri Lanka.

Composition : The Committee is chaired by (AVM) H.M.S.K.B Kotakadeniya (Retd.) with Captain Milinda Rathnayake and Mr. Mangala Wijesinghe serving as members.
Their appointment is effective until 27th September 2024.

Responsibilities : The Planning Committee is responsible for developing the National Civil Aviation Policy and Development Plan, reviewing legislation related to civil aviation, monitoring the implementation of aviation security and air transport facilitation programs, coordinating civil-military activities, overseeing air service operations, and monitoring aeronautical service providers.

Role of the Authority

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

- Communicating with the Hon. Minister-in-Charge of the subject of civil aviation and other Government stakeholders to ensure their views are reflected in the planning of the country's civil aviation sector.
- Setting policies and goals in the field of civil aviation and monitoring organisational performance towards achieving the objectives of the CAASL and updating the CAASL Corporate Plan to reflect the Government's objectives in the civil aviation sector, as applicable.
- Delegating responsibility for the achievement of, specific objectives of the Director General of Civil Aviation who is also ex officio the Chief Executive Officer, CAASL.
- Employing qualified and skilled personnel and determining 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

Hon. Minister of Transport, Highways, Ports & Civil Aviation 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.

Board of Directors and Governance

The Board of Directors of the CAASL comprises professionals with extensive expertise in business, administration, finance, law, and the aviation industry. This blend of skills ensures a comprehensive approach to policy issues related to civil aviation.

Upon appointment, Board members are expected to prioritize the interests of the Civil Aviation Authority, emphasizing the importance of collective decision-making and acknowledging that individual members do not possess independent governing authority outside the Board.

The Authority empowers the Chief Executive Officer by delegating powers and functions necessary to achieve CAASL's objectives, through the implementation of effective policies and procedures. The strategic direction is articulated in the Triennium Corporate Plan and is monitored via the Annual Work Programme, Training Programme, Procurement Programme, Programme Budget, and Audit Programme, all sanctioned at the year's outset. The Authority also issues directives to the CEO through Board resolutions for matters not covered by existing provisions, with the CEO responsible for executing these resolutions.

Executive Powers of the Authority

Under the Civil Aviation Authority of Sri Lanka Act No. 34 of 2002, the Cabinet of Ministers is responsible for appointing the Director General of Civil Aviation, who also holds the position of Chief Executive Officer of the Civil Aviation Authority. The terms and conditions of employment for the Director General are established by the Cabinet of Ministers. In this role, the Director General is tasked with carrying out all duties and functions specified by the Civil Aviation Authority of Sri Lanka Act or any other relevant written laws. This includes the overall administration and management of the Authority's functions.

The Authority acknowledges the necessity for the Director General to perform statutory functions independently as mandated by law. Nevertheless, while executing these duties and responsibilities, the Director General is authorized to use the resources of the CAASL, provided such use complies with the approved procedures and guidelines. This arrangement ensures that the Director General can effectively manage the Authority's operations while maintaining adherence to statutory requirements and established protocols.

Relationship with Stakeholders

The Authority recognizes its critical responsibility to maintain continuous and proactive engagement with its stakeholders. This commitment ensures alignment with the strategic goals and regulatory requirements set forth by the Hon. Minister-in-Charge 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 polices and strategies and then monitors progress towards meeting the objectives. It further provides directions on matters where specific provisions do not exist in its current policies, procedures, or protocols.

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

The Authority stands apart and does not share responsibility for the discharge of specific regulatory obligations cast specifically on the Director General of Civil Aviation in terms of the Civil Aviation Act No. 14

of 2010, the Air Navigation Regulations made thereunder or any other written law.

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

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

Accountability

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

Conflict of Interest

The Authority maintains an interest register and ensures that the Authority members are aware of their obligations to declare interests. This approach is also reflected in the maintenance of a conflict of interest register for the Members of the Board and all employees of the CAASL.

Quality and Internal Audit

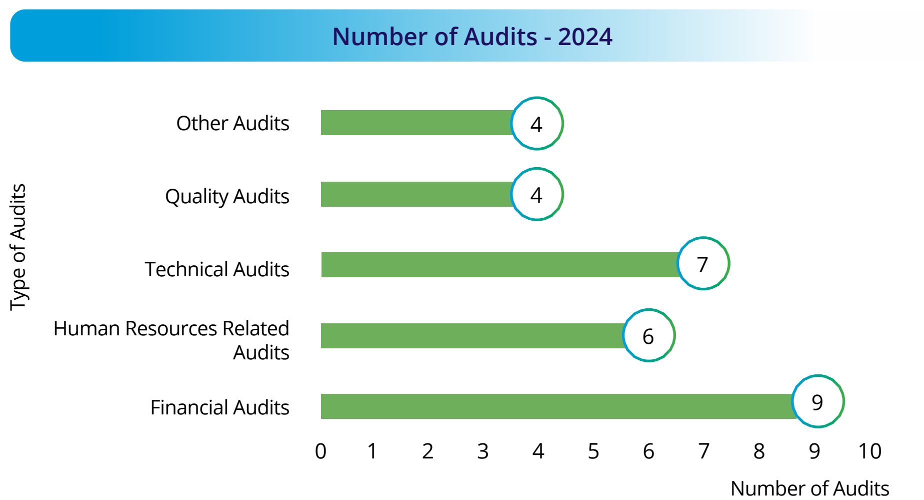
While many of the Authority's functions and duties have been delegated, the overall final responsibility for maintaining effective systems of organizational control and supervision remains with the Authority.

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

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

Quality and Internal Audit Activities Performed in the Year



Legislative Compliance

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

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

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

Legal Affairs & Enforcement Activities performed in the year

Primary Aviation Legislations

During the year 2024,the LA&E Unit was able to review four (4) draft Bills mentioned below submitted by the Legal Draftsman's Department.

- International Interests in Mobile Equipment (Cape Town Convention) Bill
- Suppression of Unlawful Acts relating to International Civil Aviation Bill
- Offences against Aircraft (Amendment) Bill
- Aircraft Accident Investigation Bureau Bill

After the above draft bills are enacted, Sri Lanka will be a State Party to the following International Civil Aviation Conventions and Protocols and be compliant with Annex 13 of the Convention on International Civil Aviation;

1. Convention on the Suppression of Unlawful Acts relating to International Civil Aviation (Beijing Convention 2010)
2. Cape Town Convention on International Interests in Mobile Equipment and the Protocol to the Convention on International Interests in Mobile Equipment on matters specific to Aircraft Equipment - 2001
3. Protocol to amend the Convention on offences and certain other Acts on Board Aircraft (Montreal Protocol 2014)
4. Annex 13 to the Convention on International Civil Aviation to establish an Aircraft Accident and Incident Investigation Bureau in Sri Lanka

Subsidiary Aviation Legislations

- LA&E Unit was able to review twenty-four (24) subsidiary legislation including regulations, implementing standards, directives, directions to be issued by the CAASL.

- Issuance of the order under Carriage by Air Act No. 29 of 2018 (Extraordinary Gazette Notification No. 2416/43 dated 27/12/2024) This order was issued to amend the liability limits relating to international carriage by air.

Ethics

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

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

From check-in to takeoff

Operational Highlights

Strengthening Safety

The year 2024 was a landmark period for the aviation sector, with significant progress made in enhancing safety, regulatory oversight, and medical resilience. In line with the global aviation industry's focus on fostering a robust safety culture and prioritising the physical and mental well-being of aviation personnel, the Civil Aviation Authority of Sri Lanka (CAASL) demonstrated exemplary leadership through a series of strategic initiatives and achievements within its Aviation Medical Section (AMS).

These milestones not only strengthened the domestic framework for aviation medicine but also elevated Sri Lanka's standing in the international stage. The work undertaken in 2024 reflects a forward-looking, collaborative approach to aviation health and regulatory excellence, ensuring that medical oversight remains both rigorous and responsive to emerging global demands.

Operations Section

In 2024, the Aircraft Operations Section of the Civil Aviation Authority of Sri Lanka (CAASL) made remarkable progress across multiple regulatory and operational domains, reinforcing its commitment to ensuring the highest standards of safety, compliance, and efficiency in Sri Lanka's aviation landscape. With a future-focused approach, the Section not only enhanced its alignment with international benchmarks but also strengthened oversight of both traditional and emerging segments of air operations, including unmanned aviation and the transport of dangerous goods.

Development of Operations Regulations in Alignment with EASA Standards

One of the most significant milestones of the year was the continued development of Operations Regulations aligned with the European Union Aviation Safety Agency (EASA) Operations Rules. By the end of 2024, approximately 90% of the framework development was completed, representing a major step toward harmonising Sri Lanka's regulatory environment with internationally recognised best practices.

This alignment with EASA principles supports the establishment of a modern, risk-based regulatory framework, enabling the industry to operate with greater predictability, safety assurance, and operational flexibility. The initiative is a cornerstone in CAASL's long-term strategy to elevate Sri Lanka's aviation regulatory standards to global parity.

Air Operator Certification and Oversight

Initiation of Air Operator Certification Processes

In 2024, CAASL commenced certification processes for two new air operator applicants:

- **Air Ceilao** – A prospective international airline intending to operate Airbus A320 aircraft for scheduled international air transport.
- **Aura Aviation** – A domestic operator proposing helicopter-based services within Sri Lanka.

These developments highlight the continued growth of the national aviation market and the proactive role played by CAASL in fostering new entrants under stringent certification protocols, thereby supporting industry expansion while safeguarding operational integrity.

Renewal of Existing Air Operator Certificates (AOCs)

The Aircraft Operations Section also successfully renewed AOCs for five existing air transport operators, including two international carriers, in accordance with the International Civil Aviation Organization's Standards and Recommended Practices (ICAO SARPs) and the Civil Aviation Regulations of Sri Lanka. These renewals reflect the continuous oversight required to ensure that certified operators maintain full compliance with operational and safety benchmarks throughout the certificate lifecycle.

Ground Handling Licensing

In adherence to Section 31(k) of the Civil Aviation Act No. 14 of 2010, the Ground Handling Services License issued to SriLankan Airlines was successfully renewed in 2024. This license renewal confirms the operator's continued adherence to prescribed service and safety standards in the provision of ground handling

Operational Highlights

functions—an essential component of seamless and secure airport operations.

Enhanced Safety Oversight of Certified Operators

Ensuring operator compliance with both national and international safety requirements remained a central pillar of the Section's operations in 2024.

- Regulatory Audits were conducted on major operators, including SriLankan Airlines and FITS Aviation, to assess compliance with ICAO SARPs and local operational guidelines. These audits included a comprehensive evaluation of systems, documentation, and safety performance metrics.
- A total of 67 inspections—spanning flight, cabin, and ground operations—were carried out during the year. These inspections served as critical touchpoints to monitor real-time compliance and operator preparedness, helping maintain a robust aviation safety management ecosystem.

Foreign Air Operator Certificates (FAOCs)

Sri Lanka's increasing prominence as a regional aviation hub was further supported by the Aircraft Operations Section's facilitation of foreign air carrier operations:

- Five new FAOCs were issued in 2024 to the following international operators:
  - BBN Airlines Indonesia
  - Iran Air Tour Airlines
  - Jetstar
  - Arkia Israeli Airlines Ltd
  - Smartwings Hungary

- In addition, 32 FAOCs were renewed, ensuring continuous regulatory oversight of ongoing operations.

As of the end of 2024, a total of 45 foreign air operators are conducting scheduled or non-scheduled operations to and from Sri Lanka under valid and actively monitored FAOCs, reflecting sustained interest and trust in Sri Lanka's regulatory environment.

Transport of Dangerous Goods by Air

The safe and compliant transport of dangerous goods remains a priority area of regulatory focus:

- 18 operators—including both local and foreign AOC holders—were granted renewals of their permits to carry dangerous goods into, out of, over, or within Sri Lanka in 2024.
- In addition, a new training organization was approved during the year to deliver dangerous goods training programs, with full accreditation granted to both the course content and instructional personnel. This initiative supports the expansion of certified training options and enhances industry capacity to manage hazardous materials in compliance with ICAO technical instructions and CAASL requirements.

Cabin Safety Oversight and Certification

To uphold cabin crew proficiency and ensure the highest standards of inflight safety, CAASL issued a total of 1,176 crew member certificates during 2024. These certifications were granted upon verification of training compliance, medical fitness, and operational readiness, forming a vital component of the overall aviation safety framework.

Regulation of Unmanned Aircraft Systems (UAS)

Recognising the growth of unmanned aviation and its potential applications, CAASL made significant strides in strengthening the regulatory environment for Unmanned Aircraft Systems (UAS):

- The publication of SLCAP 4610 introduced clear guidelines for obtaining an Unmanned Aircraft Pilot License, thereby formalising pilot training and licensing within the UAS ecosystem.
- Additionally, the approval process for UAS Training Organisations was initiated, marking the beginning of structured institutional oversight in this rapidly evolving sector. These initiatives collectively enhance operational safety and pave the way for expanded use of drones in both commercial and recreational domains.

Revised Implementing Standards

To promote consistency and clarity in operational practices, the second edition of SLCAIS 053—a key Implementing Standard—was finalised and disseminated among relevant stakeholders. This revised edition incorporates recent regulatory updates and operational feedback, ensuring that the aviation community operates under clear and current guidelines that align with both domestic priorities and international obligations.

The year 2024 marked a period of accelerated progress and strategic foresight for the Aircraft Operations Section. With focused efforts on regulatory alignment, operator oversight, certification expansion, and emerging aviation technologies, the Section has reaffirmed its commitment to safeguarding Sri Lanka's skies while embracing the future of aviation. These accomplishments not only reflect a matured and resilient regulatory infrastructure but also position Sri Lanka as a forward-looking aviation state on the global stage.

Aircraft Registration and Airworthiness Section

In 2024, the Aircraft Registration and Airworthiness Section continued to serve as a vital pillar in the Civil Aviation Authority of Sri Lanka's (CAASL) overarching safety oversight framework. Through the successful execution of its comprehensive Safety Oversight Programme, the section reaffirmed its unwavering commitment to upholding the highest standards of operational safety and regulatory compliance across the civil aviation sector.

Surveillance and Safety Assurance Activities

Throughout the year, the section meticulously carried out all scheduled surveillance and monitoring activities, covering a broad spectrum of airworthiness-related responsibilities. Key accomplishments included:

- The issuance and renewal of Certificates of Airworthiness for the national fleet, ensuring that aircraft operating within Sri Lankan airspace continued to meet stringent airworthiness standards.

- Safety oversight audits of critical aviation entities, including:
    - Approved Maintenance Organizations (AMOs)
    - Continuing Airworthiness Management Organizations (CAMOs)
    - Approved Maintenance Training Organizations (AMTOs)

These oversight activities were instrumental in maintaining the operational integrity of aircraft and reinforcing a culture of safety across maintenance and training disciplines.

Initiation of Safety Management System (SMS) Audits

To further elevate safety oversight, the section initiated a new line of regulatory engagement in 2024 by commencing audits of Safety Management Systems (SMS) among certified operators. The first such audit was conducted at Fits Air (Pvt) Ltd, under the guidance of an internationally recognised subject matter expert facilitated through the EASA-SARI Project. This collaborative approach ensured that the audit process was benchmarked against the latest international best practices and supported operators in aligning their safety frameworks with ICAO Annex 19 provisions and SLCAIS 070 requirements.

The introduction of SMS audits signifies an important evolution in CAASL's regulatory oversight model, shifting from purely compliance-based surveillance to a more performance-based, proactive safety management regime.

Strengthening International Aviation Partnerships

The Aircraft Registration and Airworthiness Section also contributed significantly to the strengthening of regional and international aviation ties by actively participating in the European Union–South Asia Aviation Partnership Project (EU-SA APP). Engagement in this initiative provided valuable capacity-building opportunities for CAASL personnel, who benefitted from exposure to international perspectives on aviation safety, emerging risk areas, and collaborative safety improvement strategies.

Participation in the EU-SA APP not only deepened institutional knowledge but also fostered greater regional cooperation in aviation safety, aligning Sri Lanka with broader South Asian and European safety priorities and strategic objectives.

Aerodrome Section

The Aerodrome Section played a pivotal role in safeguarding operational standards and ensuring infrastructure integrity across both international and domestic airports. Through a rigorous programme of audits, regulatory updates, and targeted refurbishment, the Section helped raise the benchmark for aerodrome operations in the country.

1. Certification and License Renewal Audits

A key achievement in 2024 was the successful completion of certificate renewal audits for Sri Lanka's major international gateways—Bandaranaike International Airport (BIA), Colombo International Airport Ratmalana (CIAR), and Jaffna International Airport. These audits, conducted in strict accordance with ICAO guidelines, validated the continued compliance of these facilities with international safety and operational standards, securing their certified status for an additional two-year period.

Additionally, a license renewal audit for Batticaloa Airport was completed, reinforcing the authority's focus on maintaining robust safety compliance even at the domestic aviation level. These initiatives reaffirm CAASL's proactive regulatory posture and its steadfast commitment to ensuring the airside safety and operability of all certified aerodromes.

2. Introduction of Water Aerodrome Regulations

In a strategic move to accommodate and regulate the growing interest in float plane operations, the CAASL issued new regulatory guidelines for water aerodromes. This development marks a significant milestone in the integration of seaplane operations into the national aviation framework.

Operators have been notified to prepare and submit comprehensive operational manuals for regulatory review and future audit. The introduction of these regulations sets a clear path for the safe licensing and oversight of water aerodromes, while expanding the scope of Sri Lanka's domestic aviation network in line with global trends.

3. Obstacle Limitation Surfaces (OLS) Oversight

The Aerodrome Section continued to actively manage and monitor Obstacle Limitation Surfaces (OLS) around certified aerodromes, ensuring the safety of approach and departure paths for all aircraft operations. Regular inspections and enforcement of OLS parameters remained a top priority, contributing to the effective mitigation of hazards in aerodrome vicinities and preserving the integrity of controlled airspace. This initiative highlights CAASL's vigilant approach to maintaining a safe operating environment around all aerodrome infrastructure.

4. Runway Rehabilitation at Colombo International Airport Ratmalana

One of the most critical infrastructure projects undertaken in 2024 was the refurbishment of the runway at CIAR. This initiative addressed deteriorating runway surfaces, including surface cracking and material degradation, which posed operational risks to aircraft during take-off and landing.

The Aerodrome Section worked in close collaboration with the Airport and Aviation Services (Sri Lanka) Limited (AASL) to supervise the project, ensuring compliance with technical specifications and minimising disruptions to routine operations. This rehabilitation project reinforces CAASL's proactive infrastructure management strategy and its role in ensuring uninterrupted, safe operations at key national aerodromes.

Air Navigation Services Section

The Air Navigation Services Section of CAASL recorded a year of substantial regulatory and operational progress, particularly in enhancing oversight, resolving long-standing deficiencies, and adopting advanced meteorological systems. These developments have placed Sri Lanka on firmer footing in terms of air navigation safety and service delivery.

1. Successful Completion of Pre-USOAP Audit by COSCAP-SA

In April 2024, the ANS Section underwent a pre-Universal Safety Oversight Audit Programme (USOAP) Continuous Monitoring Approach (CMA) audit, conducted by the Cooperative Development of Operational Safety and Continuing Airworthiness Programme – South Asia (COSCAP-SA).

The audit concluded with an Effective Implementation (EI) score of 81.14%, a remarkable result that reflects Sri Lanka's strong adherence to ICAO standards and best practices in air navigation safety oversight. This achievement highlights the maturity and readiness of the ANS regulatory framework and underscores CAASL's institutional commitment to sustaining high-performance standards in line with global aviation safety benchmarks.

2. Removal of Air Navigation Deficiency Against Sri Lanka

At the 35th Meeting of the Asia Pacific Air Navigation Plan Implementation and Review Group (APANPIRG/35) in November 2024, a long-standing air navigation deficiency against Sri Lanka—originating in 2016—was officially lifted. The deficiency had pertained to the lack of an ISO 9000-certified Quality Management System (QMS) for Aeronautical Information Service (AIS) provision.

This significant milestone was the result of sustained regulatory interventions by CAASL, including frequent audits, corrective action evaluations, and continuous process improvement oversight. The removal of this deficiency affirms Sri Lanka's alignment with global air navigation standards, reinforcing the nation's commitment to safe, efficient, and regular airspace operations.

3. Commissioning of AWOS and ATIS at Bandaranaike International Airport

In a major leap toward automation and efficiency, CAASL approved the commissioning of the Automated Weather Observing System (AWOS) and the Automatic Terminal Information Service (ATIS) at Bandaranaike International Airport (BIA) in 2024.

These systems represent a paradigm shift in meteorological data management and pilot briefing efficiency. AWOS ensures the continuous, real-time capture of weather information critical to flight safety, while ATIS provides automated broadcast of operational and weather updates to arriving and departing aircraft.

The integration of these two systems enhances pilot situational awareness, decision-making accuracy, and operational fluidity, while aligning Sri Lanka's primary international gateway with modern global aviation practices. CAASL's role in approving, monitoring, and facilitating the deployment of this technology reflects its commitment to innovation and operational excellence in aviation navigation services.

A Unified Commitment to Aviation Safety and Progress

The year 2024 was marked by a concerted effort from both the Aerodrome and ANS Sections of CAASL to strengthen operational infrastructure, improve regulatory performance, and align with global aviation safety priorities. Through rigorous audits, strategic infrastructure projects, international recognition, and the deployment of advanced systems, CAASL has reinforced its standing as a forward-thinking aviation authority.

As the industry continues to navigate a complex and evolving landscape, these accomplishments serve as critical building blocks toward a more resilient, efficient, and globally integrated aviation sector in Sri Lanka.

Aviation Safety Monitoring Unit

The Aviation Safety Monitoring (ASM) Unit maintained its critical mandate to oversee accident and incident investigations in accordance with national legislation and ICAO Annex 13. Its core responsibilities included:

- Conducting independent investigations into aircraft accidents and serious incidents, to identify causal factors and issue safety recommendations that prevent recurrence.
- Supporting the implementation of the State Safety Programme (SSP) pursuant to ICAO Annex 19, which seeks to integrate safety oversight responsibilities across all aviation domains into a cohesive, risk-based framework.

These efforts ensure that Sri Lanka maintains a transparent and effective investigative capability, essential for both domestic accountability and international credibility.

Regulatory Development and Institutional Strengthening

A major regulatory milestone in 2024 was the advancement of the legislative framework for aviation accident investigation. The final draft of the Aircraft Accident Investigation Bureau (AAIB) Bill—updated to reflect the latest Standards and Recommended Practices (SARPs) in ICAO Annex 13—was submitted to the Legal Draftsman's Department for final legislative processing. This draft was developed with technical input from a subject matter expert under the EU-SA APP II Technical Mission, ensuring that the proposed legislation is both globally aligned and operationally practical for local implementation.

In parallel, the section undertook a review of ICAO USOAP Continuous Monitoring Approach (CMA) Protocol questions relevant to accident investigation. This update ensures that Sri Lanka's compliance metrics and performance indicators are calibrated against the latest ICAO audit expectations.

Development and Review of Guidance Materials

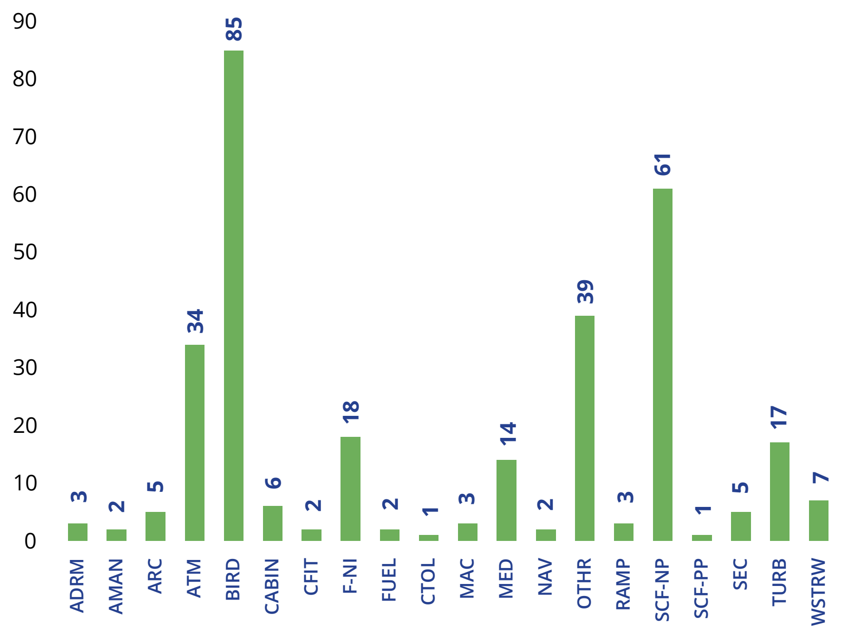
The section also contributed to ensuring consistency and compliance in the implementation of Safety Management Systems by reviewing SMS Manuals submitted by air operators. Each manual was rigorously evaluated for compliance with SLCAIS 070 – Implementing Standard on SMS Framework, prior to acceptance by the respective Operations Sections. These reviews serve as a quality assurance measure, ensuring that all safety documentation submitted by operators reflects operational realities and meets regulatory expectations.

Certification Activities

As of 2024, the Aviation Safety Monitoring Unit was not directly responsible for certification activities. However, its complementary role in accident investigation and safety performance monitoring continues to be essential in shaping certification and operational safety policies at the national level.

Operational Highlights

Reported Occurrences from Aircraft Registered in Sri Lanka and Foreign Registered Aircraft within the Territory of Sri Lanka – 2024



Abbreviations	
ADRM	AERODROME
AMAN	ABRUPT MANEUVRE
ARC	ABNORMAL RUNWAY CONTACT
ATM	ATM/CNS
BIRD	BIRDSTRIKE
CABIN	CABIN SAFETY EVENTS
CFIT	CONTROLLED FLIGHT INTO OR TOWARD TERRAIN
CTOL	COLLISION WITH OBSTACLE(S) DURING TAKE-OFF AND LANDING
F-NI	FIRE/SMOKE (NON-IMPACT)
FUEL	FUEL-RELATED
MAC	AIRPROX/ ACAS ALERT/ LOSS OF SEPARATION/ (NEAR) MIDAIR COLLISIONS
MED	MEDICAL
NAV	NAVIGATION ERROR
OTHR	OTHER
RAMP	GROUND HANDLING
SCF-NP	SYSTEM/COMPONENT FAILURE OR MALFUNCTION [NON-POWER PLANT)
SEC	SECURITY-RELATED
TURB	TURBULENCE ENCOUNTER
WSTRW	WINDSHEAR OR THUNDERSTORM

Reported Occurrences from Aircraft Registered in Sri Lanka and Foreign Registered Aircraft within the Territory of Sri Lanka – 2024

Aviation Occurrences and Investigations – 2024

The Civil Aviation Authority of Sri Lanka (CAASL) continued to uphold a robust and proactive approach to aviation safety monitoring in 2024. The reporting, assessment, and investigation of aviation occurrences played a critical role in identifying potential hazards, rectifying system vulnerabilities, and preventing future incidents

Occurrence Reporting Overview

In 2024, a total of 310 aviation occurrences were reported to the CAASL. These incidents involved aircraft registered in Sri Lanka, as well as foreign-registered aircraft operating within Sri Lankan airspace. All occurrences were associated with aircraft engaged in operations with the intention of flight.

Among the reported events, the most frequently reported categories included:

Bird Strikes

A total of 85 bird strike incidents was reported, making it the most common occurrence category for the year. These incidents involved both Sri Lankan-registered and foreign aircraft, occurring across various airports in the country.

- 50 bird strikes were recorded at Bandaranaike International Airport (BIA), Katunayake.
- 4 incidents occurred at Colombo International Airport, Ratmalana.
- 1 incident was reported at Mattala Rajapaksa International Airport (MRIA).

The high frequency of bird strikes underscores the need for continued bird hazard management and runway safety programs.

System and Component Failures

A total of 61 reports were associated with system malfunctions or component failures. These included both in-flight and ground-based mechanical issues requiring immediate or follow-up corrective action by operators and maintenance organizations.

ATM and Communication Issues
34 incidents were linked to Air Traffic Management (ATM) or communications anomalies, the majority of which involved temporary loss of contact between aircraft and Air Traffic Services (ATS) units. Although none of these cases resulted in collisions or serious outcomes, they highlight the critical need for robust contingency protocols and effective communication systems.

Investigations Conducted in 2024

In line with the State's responsibility under ICAO Annex 13, CAASL continued its commitment to conducting timely and thorough investigations into aircraft incidents and serious occurrences. The following represent notable investigations concluded or initiated during the year:

1. **Separation Breakdown – Emirates Flights UAE 359 and UAE 5CL**
   On 31 May 2023, a separation loss occurred between Emirates flight UAE 359 (Boeing 77W, A6-EGI) and UAE 5CL (Airbus A380, A6-EVG) within Colombo Oceanic Control Area. The investigation was completed in 2024, and the final report was published on the CAASL website. Safety recommendations were issued to the Air Navigation Service Provider of Sri Lanka to strengthen coordination procedures and prevent recurrence.

2. **SID Non-Compliance – Fly Dubai Flight FDB1026**
   On 9 January 2024, Fly Dubai flight FDB1026, operating from BIA to Male, failed to comply with vertical restrictions outlined in the Standard Instrument Departure (SID), despite proper clearance and readback. This resulted in reduced separation from SriLankan Airlines flight UL122, inbound from Chennai. The event was classified as a serious incident. The investigation was completed, and corrective actions were recommended for both ATC and flight crew procedural adherence.

3. **Smoke and Odour Event – SriLankan Airlines Flight UL605 (4R-ALQ)**
   On 12 February 2024, SriLankan Airlines A330-300 (4R-ALQ), operating from Melbourne to Colombo, experienced a burning smell and visible smoke during flight. The incident was fully investigated, with the final report disseminated to ICAO and relevant States. Safety recommendations were issued to address the root causes identified during the investigation.

4. **Hard Landing – Cessna 152 (4R-ACV), Asian Aviation Center**
   On 8 June 2024, a training sortie conducted by the Asian Aviation Center ended in a hard landing at Colombo International Airport, Ratmalana. The aircraft involved was a Cessna 152 (4R-ACV). The investigation was completed with emphasis on pilot handling techniques and training oversight improvements.

5. **Runway Excursion – SriLankan Airlines A330-200 (4R-ALS)**
   On 8 July 2024, during final approach into BIA, SriLankan Airlines A330-200 (4R-ALS) drifted off the Runway 22 centerline and veered left upon touchdown, damaging four main landing gear tyres and four runway edge lights. Categorized as a serious incident, the investigation was finalized, with findings shared with ICAO and the concerned States. Recommendations focused on crosswind landing procedures and runway surface assessments.

6. **Incorrect Runway Alignment – SriLankan Airlines Flight UL153 (4R-ALN)**
   On 15 July 2024, flight UL153, en route from Colombo to Lahore, aligned with the incorrect runway at Allama Iqbal International Airport, Pakistan, before executing a go-around. The aircraft subsequently landed safely on Runway 36R. The investigation concluded with recommendations for remedial crew training and enhanced situational awareness procedures.

7. **Cockpit Access Denial – SriLankan Airlines Flight UL607 (4R-ALR)**
   A mandatory occurrence report (MOR) was filed on 2 October 2024, concerning an incident on SriLankan Airlines Flight UL607, operating from Sydney to Colombo. The Pilot-in-Command reportedly denied access to the cockpit, raising concerns under flight deck security protocols. The incident was investigated thoroughly, and recommendations were issued to review crew conduct, security procedures, and address behavioural compliance standards.

Aeromedical Services Unit

The progress achieved in 2024 firmly positions CAASL and its Aeromedical Services Unit as regional leaders in aviation health governance. By investing in global partnerships, improving access to aeromedical services, empowering professionals through advanced training, and fostering a culture of awareness and compliance, CAASL is paving the way for a more resilient, safe, and health-conscious aviation ecosystem.

As the aviation industry continues to evolve amidst complex health, safety, and regulatory challenges, CAASL remains steadfast in its mission to uphold the highest standards of aviation medicine — ensuring that every journey begins with the assurance of health, safety with a solid focus on ICAO best practices.

Operational Highlights

1. AMS Recognised as a Model Aviation Medical Section in the Asia-Pacific Region

A pinnacle achievement of 2024 was the formal recognition of the CAASL's Aviation Medical Section (AMS) as a Model Aviation Medical Section within the Asia-Pacific region. This distinction, awarded based on performance benchmarks, regulatory compliance, and operational excellence, underscores AMS's unwavering commitment to upholding the highest standards in aviation medical practice.

In parallel, the Head of AMS was appointed as an International Civil Aviation Organization (ICAO) Aviation Medicine Expert for the Asia-Pacific region — a prestigious designation that signifies both individual and institutional credibility in the global arena. This recognition has not only enhanced Sri Lanka's visibility within international aviation medicine circles but has also reinforced CAASL's capacity to lead and influence regional aviation health policy and training standards.

Leveraging this recognition, the Head of AMS successfully organised and conducted three major regional aviation medicine training programmes during the year. These initiatives were meticulously designed for aviation medical examiners and medical assessors from across the region, with a focus on harmonising regulatory practices, sharing emerging medical insights, and ensuring consistency in medical certification processes. Through these efforts, CAASL has become an influential contributor to aviation medicine capacity building across Asia-Pacific.

2. Expansion of Aeromedical Services to Kotelawala Defence University Hospital

As part of its ongoing efforts to enhance access and service delivery, CAASL extended its aviation medical operations by establishing a dedicated AMS unit at the Kotelawala Defence University (KDU) Hospital. This strategic expansion was aimed at easing accessibility for licence holders located in Colombo and surrounding suburbs, significantly reducing the need for travel to the CAASL Head Office for aeromedical examinations.

The KDU Hospital branch is equipped to perform all key aeromedical assessments in accordance with ICAO standards, offering convenience without compromising the clinical integrity or regulatory oversight of the medical examination process.

This decentralisation initiative reflects CAASL's responsiveness to stakeholder needs and its long-term vision of a more accessible, efficient, and customer-centric regulatory environment.

3. Delivery of Comprehensive Aviation Medicine Refresher Training Programmes

In line with its commitment to continuous professional development, CAASL delivered a series of aviation medicine refresher training programmes during the year, targeting aviation medical professionals, examiners, and assessors. These programmes were designed to strengthen competencies in the application of medical fitness standards, address evolving health risks, and promote clinical decision-making aligned with current ICAO guidance.

Special emphasis was placed on emerging medical technologies, psychological wellness, human performance factors, and pandemic preparedness, ensuring that the training was both contemporary and anticipatory. By investing in the upskilling of aviation medical professionals, CAASL is actively fostering a culture of clinical excellence, regulatory compliance, and proactive health surveillance in aviation operations.

4. Broad-Based Awareness Programmes on Aviation Medicine and Public Health

Recognising the importance of education and public engagement, CAASL expanded its outreach efforts in 2024 through a series of awareness campaigns and training workshops. These initiatives were targeted not only at aviation personnel but also at stakeholders across the wider aviation ecosystem, including ground staff, regulators, and operational personnel.

The awareness programmes included sessions on:

- General aviation medicine awareness, designed to familiarise stakeholders with health protocols and regulatory requirements.
- Clinical psychology and mental health, aimed at de-stigmatising psychological challenges and promoting mental wellness among aviation professionals.
- Public health awareness on emerging diseases, including a focused campaign on the “mpox” virus, conducted in collaboration with the Ministry of Health.

These efforts were supported by in-person seminars, digital communication platforms, and inter-agency collaboration, reinforcing the vital role of health awareness in maintaining operational readiness and safety in the aviation industry.

5. Revision and Enhancement of Regulatory Standards in Aviation Medicine

A core strategic achievement in 2024 was the comprehensive revision of regulatory standards governing aviation medicine. In response to technological advancements, global best practices, and evolving medical knowledge, CAASL undertook a wide-ranging regulatory reform initiative aimed at modernising its aviation medical framework.

This process involved close coordination with both local medical experts and international regulatory bodies, ensuring alignment with ICAO Annex 1 provisions and other applicable global standards. The revised framework includes updated protocols for medical certification, enhanced documentation and assessment guidelines, and strengthened mechanisms for continuous review and quality assurance.

These reforms underscore CAASL’s commitment to proactive regulation, ensuring that Sri Lanka’s aviation medical governance remains fit-for-purpose in a rapidly evolving global context.

Enhancing Security & Facilitation

In 2024, the Civil Aviation Authority of Sri Lanka (CAASL) continued to strengthen the country's aviation security and facilitation framework in line with evolving global standards and national priorities. Ensuring safe, seamless, and efficient air transport remained at the forefront of its mandate, with initiatives designed to reinforce regulatory compliance, mitigate emerging threats, and enhance the passenger experience.

The year marked significant progress in surveillance and certification activities, cybersecurity oversight, and the enforcement of aviation security requirements, reaffirming Sri Lanka's commitment to maintaining robust protective measures across its aviation network. At the same time, CAASL advanced its facilitation agenda in recognition of the International Civil Aviation Organization's (ICAO) declaration of 2024 as the "Year of Facilitation." Through coordinated stakeholder engagement, policy alignment, and on-ground initiatives, Sri Lanka took important steps to streamline border processes, improve operational readiness, and align national practices with ICAO Annex 9.

Together, these efforts reflect CAASL's dual focus: safeguarding the nation's skies while enabling the efficient flow of passengers, cargo, and services. By embedding both security and facilitation as complementary pillars of its oversight functions, CAASL continues to build a resilient aviation system that supports national development and strengthens Sri Lanka's role as a trusted and responsive player in global aviation.

Enhancing Security & Facilitation

1. Surveillance Activities

In 2024, the Aviation Security Inspectorate remained steadfast in fulfilling its mandate to uphold Sri Lanka's aviation security oversight system in accordance with international standards. Surveillance activities, including audits, inspections, and security tests, were conducted in alignment with the DGCA-approved surveillance schedule, covering all aviation security service providers.

In addition to scheduled activities, inspections were extended to include non-scheduled aircraft operations to and from Sri Lanka. The inspectorate also participated in the aviation security certification audit of SriLankan Airlines, contributing to the issuance of licences related to ground handling arrangements, facilities, and services to aircraft.

1.1 Issuance of Aeronautical Service Provider Licence (Aviation Security)

In 2024, the Aeronautical Service Provider Licence for Aviation Security was re-issued to Airport & Aviation Services (Sri Lanka) (Pvt) Ltd, the designated statutory service provider. Accompanied by the Certificate of Competency, this re-issuance signifies formal approval to conduct regulated aviation security operations in compliance with national regulatory requirements.

Following the Aviation Security Audit conducted from 22nd to 25th July 2024, the Inspectorate reviewed and accepted the corrective action plans submitted by the licensee to address the audit findings. These efforts demonstrate the ongoing commitment to continuous improvement and adherence to internationally recognised aviation security standards.

2. Oversight of Cybersecurity Implementation

In light of the increasing digitisation of the civil aviation sector, the Aviation Security Section intensified its cybersecurity oversight functions in 2024. As digital transformation accelerated operational efficiency and capacity, it simultaneously introduced complex cyber risks across all stakeholder domains.

To mitigate these evolving threats, the Aviation Security Section conducted targeted surveillance activities to assess the effectiveness of cybersecurity implementations among aviation service providers. These oversight measures were designed to ensure resilience against potential cyber-attacks that could compromise financial integrity, service continuity, and the safety of aviation operations.

3. Enforcement Actions

The Aviation Security Section continued to enforce regulatory compliance by initiating actions against operators found in violation of applicable aviation security requirements. Follow-up inspections were conducted to monitor the implementation of corrective actions, thereby reinforcing a culture of accountability and regulatory adherence across the aviation ecosystem.

4. Certification Activities

4.1 Aerodrome Certification

The Inspectorate supported the renewal of the Batticaloa International Airport Aerodrome Certificate in 2024, ensuring that the aerodrome operator remained compliant with all applicable aviation security (AVSEC) regulatory standards.

4.2 Air Operator Certification

Security programme reviews and operational assessments were carried out for both local and foreign aircraft operators. Based on these evaluations, recommendations were provided for the initial issuance and renewal of Air Operator Certificates (AOC) and Foreign Air Operator Certificates (FAOC), thereby ensuring secure operational practices.

4.3 Aviation Security Personnel Certification

Throughout the year, the certification and recertification of aviation security personnel continued. Personnel including aviation security managers, instructors, and screeners were certified through a comprehensive assessment methodology, ensuring the maintenance of professional standards in security screening and operational oversight.

4.4 Aviation Security Screening Equipment Certification

In 2024, the Aviation Security Inspectorate conducted the certification and recertification of security screening equipment used by Airport & Aviation Services (Sri Lanka) Ltd and SriLankan Airlines. These assessments ensured the operational integrity and regulatory compliance of security equipment deployed at Sri Lanka's airports.

5. National Civil Aviation Security Committee (NCASC) Coordination

To ensure effective coordination among national stakeholders responsible for civil aviation security, the National Civil Aviation Security Committee (NCASC) convened periodically in 2024. Chaired by the Secretary to the Ministry of Defence, the committee facilitated collaboration among government agencies, airport and aircraft operators, air traffic service providers, and other relevant entities. These meetings served as a platform for the implementation of national aviation security policy and strategic decision-making.

6. Approval for Carriage of Munitions by Air

In accordance with national security protocols, the DGCA continued to grant approvals for the carriage of munitions within Sri Lankan airspace and through its airports. These approvals, requested by both public and private sector entities, included the secure transport of munitions in aircraft cargo holds and, where applicable, onboard carriage, following stringent evaluation procedures.

7. Approval for Air Transportation of Judicial and Administratively Controlled Passengers

Approvals for the air transportation of judicial and administratively controlled passengers to and from Sri Lanka were granted based on the outcomes of structured risk assessments. These assessments, conducted by the Aviation Security Section, took into consideration the information and observations submitted by relevant law enforcement and regulatory agencies to ensure the secure handling of such cases.

8. Civil Aviation Threat Assessment Committee

The Civil Aviation Threat Assessment Committee met regularly throughout 2024 to evaluate potential threats to Sri Lanka's civil aviation sector. The Committee's role includes continuous threat analysis and submission of reports to the Chief of National Intelligence (CNI). Based on these assessments, the DGCA receives timely advisories on the prevailing threat levels, enabling the implementation of proportional and effective aviation security measures in line with national and international best practices.

Implementation of ICAO Annex 9 – Facilitation Strategies in 2024

In recognition of the 75th Anniversary of ICAO Annex 9 – Facilitation, the International Civil Aviation Organization (ICAO) declared 2024 as the "Year of Facilitation (FAL2024)." In response, the Civil Aviation Authority of Sri Lanka (CAASL) launched a series of initiatives aimed at advancing national facilitation capabilities in line with global standards. These efforts underscore the importance of facilitation in ensuring the efficient movement of passengers, crew, cargo, and aircraft, while maintaining safety, security, and regulatory compliance.

Facilitation is a critical component of international civil aviation—integral to the smooth functioning of border control processes and the effective management of airport operations. Through its 2024 programmes, CAASL reaffirmed its commitment to strengthening Sri Lanka's aviation facilitation framework, ensuring alignment with ICAO's global objectives.

1. Integration of ICAO Annex 9 – Strengthening National Facilitation Measures

In alignment with FAL2024, CAASL proactively undertook comprehensive measures to integrate and reinforce the provisions of ICAO Annex 9 across the national aviation ecosystem. These initiatives included the systematic management and implementation of updates to Annex 9, ensuring that all amendments and enhancements were applied effectively and in accordance with ICAO guidance.

A key focus area was the accurate and timely submission of Electronic Filing of Differences (EFOD) under ICAO's Universal Safety Oversight Audit Programme – Continuous Monitoring Approach (USOAP CMA). This process supports global transparency and reflects Sri Lanka's dedication to

Operational Highlights

maintaining a fully compliant and internationally respected aviation oversight system.

CAASL also played an active role in reviewing and responding to ICAO regulatory correspondence and participated in regional and international discussions that influence global facilitation policies. By engaging both as a regulator and an industry advocate, CAASL has strengthened its capacity to contribute meaningfully to the development and application of international civil aviation standards.

In parallel, CAASL has continued to work closely with immigration, customs, and other relevant authorities to streamline border control procedures, improve passenger processing systems, and ensure the efficient movement of air travellers. These coordinated efforts are designed to uphold safety, enhance the passenger experience, and meet Sri Lanka's international obligations.

Collectively, these initiatives reflect the national commitment to fostering a secure, efficient, and facilitation-centric aviation environment that is responsive to global trends and challenges.

2. Convening the 8th National Air Transport Facilitation Committee (NATFC) – Advancing Collaborative Governance

On 14 August 2024, the Civil Aviation Authority of Sri Lanka hosted the 8th meeting of the National Air Transport Facilitation Committee (NATFC) at the Kokila Auditorium. The meeting was chaired by Mr. Ruwanchandra, Secretary to the Ministry of Ports, Shipping, and Aviation, and brought together a wide range of stakeholders from government departments, aviation authorities, and related service providers.

The NATFC serves as a central coordination platform for policy-making and decision implementation under the National Air Transport Facilitation Programme (NATFP). It plays a critical role in enabling cross-agency collaboration to resolve operational bottlenecks, standardize facilitation procedures, and support the smooth flow of air traffic across Sri Lanka's international gateways.

In line with ICAO's emphasis on the importance of facilitation, the meeting highlighted its role as a pillar of civil aviation—on par with safety and security. The experience of managing travel and trade during the COVID-19 pandemic and subsequent recovery phase demonstrated the importance of harmonised facilitation procedures in ensuring resilience and operational continuity.

Facilitation involves the coordinated and efficient use of human, procedural, and material resources to enable the seamless processing of aircraft, passengers, baggage, cargo, and mail. Members of the NATFC acknowledged

that a well-structured and consistently implemented facilitation programme is fundamental to supporting growth in air traffic, enhancing airport efficiency, and preserving national security.

The 8th NATFC meeting served not only as a forum for strategic discussion but also as a reaffirmation of Sri Lanka's ongoing commitment to strengthening its aviation sector through integrated facilitation efforts. It underscored the importance of collaboration, stakeholder alignment, and adaptability in addressing emerging aviation challenges in a dynamic global environment.

Airport Facilitation Inspection Meetings at Mattala Rajapaksa International Airport (HRI/VCRI) and Jaffna Airport (JAF/VCCJ)

In 2024, the Civil Aviation Authority of Sri Lanka (CAASL) undertook focused facilitation inspection meetings at Mattala Rajapaksa International Airport (HRI/VCRI) and Jaffna Airport (JAF/VCCJ) as part of its national strategy to monitor and enhance compliance with ICAO Annex 9 – Facilitation standards. These inspections formed a critical component of the broader initiative to strengthen Sri Lanka's aviation facilitation framework in alignment with global best practices.

The primary objective of these inspections was to assess the effectiveness and consistency of border control procedures, passenger processing mechanisms, immigration workflows, and overall airport facilitation services. Emphasis was placed on evaluating the operational readiness of these international gateways to meet ICAO-defined requirements, particularly in areas such as expedited passenger clearance, visa and customs coordination, accessibility provisions, and the efficient movement of persons and goods through airport terminals.

At both airports, the inspection teams engaged with key operational stakeholders—including airport management, immigration and customs officials, and security personnel—to conduct on-ground reviews and hold consultative meetings. These engagements provided valuable insight into the day-to-day facilitation practices and highlighted areas of strength, as well as opportunities for procedural or technological enhancement.

The outcomes of these assessments affirmed the commitment of both Mattala Rajapaksa International Airport and Jaffna Airport to maintaining high standards of facilitation. Notably, both airports demonstrated structured coordination among border agencies, effective signage and information dissemination for passengers, and adherence to internationally accepted security and processing protocols.

These proactive inspections underscore Sri Lanka's continuous effort to uphold the principles of seamless, safe, and secure air travel while ensuring conformity with Annex 9 provisions. They also reinforce the CAASL's role in guiding and supporting airport operators in their journey toward operational excellence, passenger satisfaction, and regulatory compliance in a rapidly evolving aviation landscape.

Through such initiatives, Sri Lanka further strengthens its reputation as a responsive and facilitation-oriented air transport hub within the South Asian region.

4. Enhancing Facilitation Measures in Sri Lanka's Aviation Sector

In line with its continued commitment to strengthening facilitation in civil aviation, the Civil Aviation Authority of Sri Lanka (CAASL) has actively pursued a wide range of regulatory, policy, and collaborative initiatives throughout 2024. These initiatives are designed to align Sri Lanka's aviation facilitation practices with the evolving provisions of ICAO Annex 9 – Facilitation, ensuring the country's aviation infrastructure and processes remain efficient, secure, and passenger-centric.

CAASL's role as the national aviation regulator extends beyond compliance oversight. It involves shaping national policy, engaging with cross-sectoral committees, and collaborating with multiple government agencies and industry partners to build a facilitation framework that is resilient, adaptable, and globally aligned.

4.1 Participation in National Facilitation Committees to Strengthen Regulatory Oversight

A core aspect of CAASL's facilitation strategy has been its active participation in national-level committees and technical working groups that influence and shape aviation-related policy. Through strategic representation on these forums, CAASL ensures that civil aviation priorities are integrated into broader national initiatives while safeguarding alignment with ICAO Annex 9 standards.

The Authority's contributions to the following committees and inter-agency initiatives have played a key role in enhancing aviation facilitation:

- **Issuance of Tourist Visas Free of Charge** – Led by the Ministry of Foreign Affairs, Foreign Employment & Tourism, this initiative aims to stimulate inbound tourism by easing entry requirements, thus promoting air travel.

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- **Implementation of Sri Lanka Automated Border Control (ABC) Gates (e-Gates)** – Conducted by the Department of Immigration and Emigration, this initiative supports the digital transformation of border processing, improving efficiency and passenger experience.
- **Committee on SITA Payment of USD 525,620** – Oversight of international payment mechanisms for aviation systems, ensuring cost transparency and service continuity.
- **Passport Strengthening Committee (Henley Passport Index)** – Efforts to improve Sri Lanka's global mobility ranking, with direct implications for visa facilitation and travel freedom.
- **Establishment of Public Key Infrastructure (PKI)** – Spearheaded by the Ministry of Public Security and Parliamentary Affairs, this project enhances digital identity verification at border crossings.
- **BIADP Technical Committee (Passenger Terminal Development at BIA)** – A critical infrastructure development effort under the Ministry of Ports, Shipping & Aviation.
- **BIA Master Plan Procurement Committee** – Ensures the strategic long-term planning of airport infrastructure to support growing passenger and cargo volumes.
- **Export Development Board – Trade Facilitation Task Force** – Aligning aviation services with national export strategies and enabling efficient cargo movement.
- **BIA Facilitation Committee** – Coordinated by Airport & Aviation Services (Sri Lanka) (Pvt) Ltd to address operational and passenger facilitation issues.
- **Tourism Advisory Committee** – Led by the Sri Lanka Tourism Development Authority to align aviation facilitation with the country's tourism development goals.

These engagements reflect CAASL's leadership role in advocating for facilitation improvements across a broad spectrum of policy areas, ensuring aviation considerations are incorporated into national development strategies.

4.2 Strategic Discussions and Collaborative Initiatives

In addition to committee-level involvement, CAASL has participated in multiple strategic policy dialogues, stakeholder consultations, and cross-sectoral workshops. These initiatives have created platforms for forward-looking discussions on enhancing facilitation, integrating emerging technologies, and preparing for future demands in air transport.

Key engagements included:

- **Development of a Climate-Smart, Green Growth Strategy for the Transport Sector** – Led by the Ministry of Environment, with a focus on aligning aviation development with sustainable practices and climate resilience.
- **Implementation of Stratlink e-Licensing System** – A Department of Imports and Exports Control initiative that streamlines permit issuance, contributing to improved cargo and customs facilitation.
- **Marine Spatial Planning and Blue Investment Mapping** – Conducted by the Ministry of Finance in collaboration with UNDP to support multimodal logistics and economic zoning aligned with aviation corridors.
- **National Migration Policy Steering Committee (2023–2027)** – Ministry of Labour & Foreign Employment initiative addressing labour mobility and border control coordination, with implications for airport passenger facilitation.
- **Strengthening Border Control for Infectious Disease Response** – Coordinated by the Ministry of Ports, Shipping & Aviation to build border health resilience, particularly critical in post-pandemic aviation recovery.
- **Colombo and Western Province Master Plan Consultation** – Hosted by the Ministry of Urban Development and Housing, with aviation infrastructure integrated into regional development planning.
- **24th Exporters' Forum** – An opportunity to address logistical and facilitation challenges faced by exporters, ensuring aviation cargo services are responsive to national trade priorities.
- **Sri Lanka–Egypt Joint Commission on Trade & Economic Cooperation** – Promoted bilateral discussions on trade facilitation and air connectivity.
- **Focus Group Discussions on Transport Sector Green Investments** – Led by the Ministry of Environment to assess the readiness of the aviation sector for sustainable growth.

Through these cross-cutting initiatives, CAASL has not only promoted alignment with Annex 9 – Facilitation but also ensured that Sri Lanka's aviation sector remains agile, globally competitive, and responsive to both national and international stakeholder needs.

CAASL's proactive role in both regulatory and strategic forums has strengthened Sri Lanka's facilitation capabilities in 2024. By participating in inter-agency coordination, national development committees, and cross-sectoral collaborations, the Authority continues to embed ICAO Annex 9 provisions into policy and practice.

These combined efforts contribute to a seamless, secure, and passenger-friendly aviation ecosystem while affirming Sri Lanka's position as a responsible ICAO member state dedicated to global facilitation goals. As air travel dynamics continue to evolve, CAASL remains committed to leading facilitation reforms that balance efficiency, regulatory compliance, and operational excellence.

Efficiency & Effective Management

In 2024, the Civil Aviation Authority of Sri Lanka (CAASL) continued to drive efficiency, accountability, and strong governance across its operations. Compliance monitoring was strengthened through enhanced oversight and quality assurance systems, ensuring alignment with ICAO's Universal Safety Oversight Audit Programme – Continuous Monitoring Approach (USOAP-CMA). These improvements not only reinforced safety standards but also enhanced operational transparency.

A major achievement during the year was the development of the National Civil Aviation Master Plan (NCAMP), a strategic framework that integrates the nation's aviation priorities with long-term economic goals and the UN Sustainable Development Goals (SDGs). The plan provides clear direction for sustainable sector growth while addressing future capacity and infrastructure needs.

Operationally, the Airworthiness Section met its regulatory oversight targets despite resource constraints, demonstrating resilience and commitment to safety. Meanwhile, the Corporate Affairs and Property Management Unit advanced regularisation processes and safeguarded aviation assets critical to the sector's long-term stability. Through these efforts, CAASL underscored its commitment to effective regulation, sustainable growth, and positioning Sri Lanka's aviation sector as globally competitive.

Compliance Monitoring and Technical Assistance Unit

In 2024, the Compliance Monitoring and Technical Assistance Unit continued to play a critical role in strengthening Sri Lanka's alignment with international aviation safety and compliance frameworks, particularly the Universal Safety Oversight Audit Programme – Continuous Monitoring Approach (USOAP-CMA) of the International Civil Aviation Organization (ICAO).

The Unit undertook periodic monitoring and review of progress made by various regulatory sections and operational units against core USOAP components. These included updates to the Protocol Questions (PQs), Corrective Action Plans (CAPs), Compliance Checklists (CCs), State Aviation Activity Questionnaires (SAAQs), and Electronic Filing of Differences (EFODs).

Out of 790 applicable PQs under the USOAP-CMA framework, 738 responses were successfully collected, reviewed, and submitted to ICAO after undergoing the Authority's internal quality assurance and vetting process. Sectional review meetings were held to evaluate CAP progress, with the active participation of subject matter experts to ensure the accuracy, consistency, and completeness of submissions. These efforts reflect the Authority's structured and proactive approach toward regulatory oversight and international compliance.

To further enhance compliance tracking, a rule log monitoring system was introduced to assess adherence to relevant ICAO Annexes. This system enables real-time monitoring and status updates, facilitating improved accountability and follow-through in the implementation of international aviation safety standards.

Development and Implementation of the National Civil Aviation Master Plan (NCAMP)

Another significant milestone in 2024 was the continued development and institutionalization of the National Civil Aviation Master Plan (NCAMP)—a comprehensive, forward-looking framework designed to guide Sri Lanka's civil aviation sector over the next decade.

The NCAMP consolidates a diverse range of national policies, sectoral plans, and strategic programs to ensure the sustainable and resilient growth of Sri Lanka's air transport system. It serves as a singular, authoritative reference point for long-term aviation planning, ensuring that sectoral objectives are harmonized with national development goals, ICAO standards, and the United Nations Sustainable Development Goals (SDGs). By integrating aviation-specific initiatives into the national development agenda, the NCAMP facilitates evidence-based decision-making, optimizes resource allocation, and promotes inter-agency and public-private collaboration. The framework also incorporates flexibility to accommodate emerging trends, regulatory changes, and future technological advancements without deviating from its primary objectives.

The NCAMP provides strategic direction across multiple priority areas, including:

- Aviation infrastructure development
- Air navigation and airport capacity enhancement
- Safety and security improvements
- Passenger and cargo facilitation
- Environmental sustainability
- Human capital development
- Operational efficiency and service innovation

This strategic blueprint is intended to transform Sri Lanka's aviation industry into a key enabler of economic growth, trade, tourism, and regional connectivity.

Key Milestones Achieved in 2024

During the year under review, several significant achievements were realized under the NCAMP initiative:

- Integration with National Planning Framework: Aviation sector objectives and projects were formally aligned with Sri Lanka's broader national development strategies to ensure coherence and policy synergy.
- Alignment with the UN Sustainable Development Goals (SDGs): NCAMP initiatives were evaluated and mapped against relevant SDG targets to ensure sustainability, inclusivity, and long-term value creation.
- Extensive Stakeholder Engagement: A series of multi-stakeholder consultations were conducted with government bodies, airport and airline operators, private sector representatives, and international development partners to gather input and secure buy-in.
- Identification of Priority Projects: Key initiatives—particularly those related to critical infrastructure, green technologies, and digital transformation—were earmarked for immediate implementation.
- Finalization and Submission of NCAMP: The comprehensive NCAMP document was completed and formally submitted to the Cabinet of Ministers for final review and approval.

Through these coordinated efforts, the Compliance Monitoring and Technical Assistance Unit continues to drive excellence in aviation regulation, strategic planning, and international alignment. The implementation of USOAP-CMA activities and the NCAMP framework collectively strengthen Sri Lanka's positioning as a compliant, forward-thinking, and resilient player in the global aviation sector.

Airworthiness Oversight and Operational Efficiency

Despite the ongoing challenge of limited qualified airworthiness inspectors, the Airworthiness Section of the Civil Aviation Authority of Sri Lanka (CAASL) successfully executed the full scope of its Annual Safety Oversight Surveillance Plan and Work Programme for 2024. This accomplishment is a direct reflection of the team's dedication, disciplined resource management, and unwavering commitment to maintaining national and international aviation safety standards.

In addition to meeting its surveillance targets, the Section continued to implement enhancements to internal procedures and work functions. These ongoing efforts to standardise operations and improve regulatory effectiveness contributed to greater consistency and transparency in oversight activities. Improvements in documentation, coordination with industry stakeholders, and targeted use of technical expertise have further strengthened the Airworthiness Section's ability to respond to the dynamic demands of the civil aviation sector.

This level of performance—achieved within a constrained human resource environment—demonstrates CAASL's operational resilience and its ongoing prioritisation of aviation safety as a national imperative.

Corporate Affairs and Property Management

The Corporate Affairs and Property Management Unit, operating under the Human Resources and Property Management (HRPM) Division, continued to play a critical role in maintaining the infrastructure and administrative facilities essential to the Authority's operations. The Unit provided a wide array of support services across departments, ensuring smooth and uninterrupted working conditions across CAASL offices and airport locations.

By managing properties efficiently and proactively, the Unit has directly contributed to the Authority's operational continuity and strategic alignment with national aviation development goals.

Special Achievements in Property Administration

In line with the provisions outlined in Extraordinary Gazette Notifications No. 1973/78 of 2016, No. 2050/38 of 2017, and No. 2142/74 of 2019, CAASL initiated the formal administrative documentation of properties vested to the Authority. These properties include:

- Bandaranaike International Airport
- Batticaloa Airport
- Ratmalana Airport
- Jaffna Airport
- Madampella Radio Navigational Aid
- Civil Aviation Training Centre
- Attidiya Aeronautical Transmission Station, among others.

Operational Highlights

A key achievement during the reporting period was the publication of an amended Gazette notification that formally established the boundaries of the Madampella Radio Navigational Aid, Civil Aviation Training Centre, and Attidiya Aeronautical Transmission Station. This development represents a significant advancement in CAASL's property management strategy and serves as a reference framework for progressing similar work on other properties under its purview.

In a parallel milestone, the successful acquisition of the title report for the Madampella Radio Navigational Aid land has further reinforced CAASL's legal ownership, marking a crucial step in solidifying the Authority's position as the custodian of key aviation infrastructure assets.

Additionally, Gazette Notification No. 1797/27 dated 15 February 2013 was amended during the year to reflect the provisions of the Civil Aviation Act, No. 14 of 2010. This amendment ensures consistency with current legislative mandates and strengthens the regulatory governance surrounding the management and use of state-owned aviation properties.

Amended Statement:3. The Statutory Service Provider shall be responsible for the proper upkeep and maintenance of all movable and immovable assets held in trust on behalf of the State for the advancement of the air transport industry. The Statutory Service Provider shall not lease, transfer, or otherwise assign any immovable property to a third party without the prior written approval of the Civil Aviation Authority of Sri Lanka."

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The Gazette of the Democratic Socialist Republic of Sri Lanka

EXTRAORDINARY

PART I : SECTION (I) — GENERAL

Government Notifications

Locations of CAASL Properties

Summary of Property Management Activities – 2024

During the reporting period, the Civil Aviation Authority of Sri Lanka (CAASL) made substantial progress in the administration, legal regularisation, and strategic development of its property portfolio. These efforts align with CAASL's long-term vision of strengthening its physical infrastructure to support the advancement of the national aviation sector. Key developments across major aviation-related properties are summarised below:

Bandaranaike International Airport (BIA)

The process of registering land under the ownership of CAASL was formally initiated by the Land Settlement Department. This includes lands covered within three cadastral drawings. Surveying of the airport's boundaries is currently in progress and will be instrumental in formally establishing CAASL's legal custodianship of the premises.

Ratmalana Airport

A detailed survey report has been obtained through a private surveyor to overlay the land acquired historically by the Department of Civil Aviation with the areas currently occupied by the Airport and Aviation Services (Sri Lanka) Ltd. (AASL) and the Sri Lanka Air Force (SLAF). This step is critical to reconciling legal titles with current usage and ensuring compliance in land allocation.

Batticaloa Airport

An amended Gazette notification specifying the legal boundaries of the airport was successfully published. The formal registration of the land under CAASL has since been completed, marking a significant milestone in the Authority's property management agenda.

Jaffna Airport

Following a Governmental decision to return a portion of unutilised land to the public, CAASL coordinated with the Ministry of Defence to identify and secure the area required for the airport's future expansion. A formal request outlining the land requirement for the proposed extension has been submitted accordingly.

Madampella Radio Navigational Aid

An amended Gazette notification confirming the boundaries of the land was published during the year. The land has since been registered under CAASL, and a title report has been successfully obtained, thereby solidifying legal ownership and operational authority over this critical navigation facility.

Kapungoda Radio Navigational Aid

In response to unclear boundary definitions, the Divisional Secretary (DS) of Negombo was consulted to provide formal confirmation. At the DS's request, a professional land survey was carried out. The survey plan has now been finalised, and next steps will focus on formal documentation and registration.

Aeronautical Communication Transmission Station – Attidiya

The land boundaries for this station have been clearly defined and formally confirmed by the DS of Ratmalana. Relevant documentation has been submitted to the Presidential Secretariat for the issuance of a free grant. A title certificate has already been obtained for one of the two lots, and efforts are ongoing to secure ownership of the remaining lot.

Civil Aviation Training Centre – Kandawala

With boundaries clearly established and verified by the DS of Ratmalana, an amended Gazette notification was issued to reflect the legal limits of the premises. A title certificate has been successfully secured, confirming CAASL's official ownership of the training facility.

Radar Station – Piduruthalagala and Holiday Bungalow

A comprehensive survey plan for both the radar station and holiday bungalow has been obtained. A Gazette notification formalising the boundaries and vesting the property under CAASL has been prepared and forwarded for publication.

CAASL Circuit Bungalows

As part of its service-oriented initiatives, CAASL continues to operate the Batticaloa Circuit Bungalow, now open to the public at competitive rates. Located adjacent to Batticaloa Airport, the bungalow offers visitors a unique experience with panoramic views of the airfield, further supporting regional tourism and stakeholder engagement.

Furthermore, following its recent renovation, the Weerawila Circuit Bungalow is now open for reservations, offering upgraded facilities and a refreshed, modern appearance. As part of CAASL's staff welfare initiatives, employees are eligible to reserve this and other circuit bungalows at a concessionary rate, promoting recreational opportunities and enhancing overall staff well-being.

Operational Highlights

Green Aviation

In 2024, the Civil Aviation Authority of Sri Lanka (CAASL) further advanced its commitment to sustainable aviation by embedding environmental responsibility into national aviation policy and operations. Recognising the urgency of climate change, the Authority aligned its initiatives with global sustainability priorities while driving local implementation across airline operations, airport management, and regulatory oversight.

A key achievement during the year was the implementation of the Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA) under ICAO Annex 16. Working closely with SriLankan Airlines and Fits Aviation, the Authority established robust monitoring and reporting mechanisms to ensure compliance and transparency, setting a solid foundation for long-term emissions reduction.

Beyond regulatory measures, CAASL played a pivotal role in formulating the National Policy on Sustainable Aviation, which will guide the sector towards greener growth. This policy outlines strategies for fuel efficiency, waste reduction, renewable energy use, and the gradual adoption of sustainable aviation fuels. Complementing this, the Authority initiated collaborative programmes with airlines, airports, government institutions, and international partners, supported by research-driven insights to accelerate the transition to low-carbon aviation. Through these measures, CAASL reaffirmed its determination to position Sri Lanka's aviation sector as a responsible contributor to global decarbonisation while supporting sustainable national development.

Implementation of CORSIA in Sri Lanka

As part of its commitment to aligning with global climate action in the aviation sector, the Civil Aviation Authority of Sri Lanka (CAASL) has successfully initiated the implementation of the Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA) in accordance with Annex 16, Volume IV of the International Civil Aviation Organization (ICAO).

CORSIA represents a landmark global initiative aimed at stabilising carbon emissions from international aviation by requiring operators to monitor, report, and offset CO_2 emissions exceeding 2020 levels. In Sri Lanka, this scheme has been operationalised through a structured and transparent framework led by CAASL, involving close coordination with international airlines operating within the country—namely SriLankan Airlines and Fits Aviation.

These carriers have actively contributed to the initiative by undertaking rigorous data collection, emissions monitoring, and third-party verification processes. Through these efforts, Sri Lanka ensures full compliance with ICAO's reporting and verification standards while reinforcing its proactive stance in promoting environmentally sustainable aviation practices.

The implementation of CORSIA not only reflects CAASL's regulatory responsibility but also demonstrates Sri Lanka's broader commitment to mitigating the environmental impact of air transport, supporting the global transition towards a low-carbon aviation economy.

Fostering Collaboration for a Sustainable Aviation Future

Recognising the increasing urgency of climate change, Sri Lanka is taking decisive steps to mainstream environmental sustainability within the national aviation sector. Under the leadership of CAASL, a comprehensive National Policy on Sustainable Aviation has been formulated with the objective of integrating green practices across all facets of airline operations and aviation infrastructure.

This policy framework emphasizes a holistic approach to sustainability, covering critical areas such as:

- Aircraft maintenance and fuel efficiency optimisation
- Eco-conscious waste management systems
- Reduction of greenhouse gas emissions
- Incorporation of alternative aviation fuels and clean energy technologies

By embedding sustainability principles into regulatory and operational frameworks, the policy aims to align Sri Lanka's aviation sector with global best practices and environmental benchmarks.

In line with this objective, the policy document has been finalised and submitted to the Cabinet for approval. Once adopted, it will serve as the foundational roadmap for advancing green aviation strategies nationwide.

Promoting Multi-Stakeholder Collaboration and Innovation

CAASL acknowledges that achieving meaningful and long-term sustainability in aviation requires the active participation of all stakeholders across the ecosystem. Accordingly, a collaborative platform is being fostered—bringing together airlines, airport operators, regulatory authorities, government ministries, environmental institutions, and international development partners.

This inclusive approach is expected to:
- Accelerate the adoption of innovative green technologies
- Strengthen the sharing of environmental data and research insights
- Promote harmonisation of local practices with ICAO's sustainability goals
- Cultivate a national culture of climate-conscious decision-making in aviation

Through dialogue, joint initiatives, and capacity-building programmes, CAASL aims to position Sri Lanka as a responsible, forward-thinking aviation hub that actively contributes to global decarbonisation efforts.

Research and Strategic Alignment

To ensure evidence-based policymaking and targeted action, CAASL initiated a national research effort to assess the environmental impacts of Sri Lanka's aviation sector. The study examined the ecological footprint of current aviation operations and evaluated their alignment with internationally recognised sustainability standards.

Key findings have informed the development of locally appropriate strategies, including:
- Policy reforms to incentivise greener operations
- Investment in green infrastructure and carbon-reducing technologies
- Implementation of best practices tailored to the Sri Lankan context

This research has provided valuable insights for policymakers, industry stakeholders, and academics, paving the way for a resilient, low-emission aviation ecosystem that supports sustainable economic development without compromising environmental integrity.

Operational Highlights

Aviation Growth

In 2024, Sri Lanka's aviation sector demonstrated steady progress despite global geopolitical headwinds and the lingering effects of the post-pandemic recovery. While the pace of rebound was more measured compared to some regional markets, a clear upward trend emerged with growing international connectivity, stronger airline participation, and renewed passenger confidence.

Nearly 40 international carriers operated to and from Sri Lanka during the year, reflecting increased confidence in the country's aviation potential. National carriers SriLankan Airlines and FitsAir maintained a competitive presence, particularly in regional markets, while leading full-service and low-cost foreign airlines expanded services and strengthened their market share. The resumption of operations by key carriers such as Cathay Pacific and the entry of new players including Jetstar Asia underscored Sri Lanka's growing relevance as a regional hub.

Cargo and charter operations added further resilience, with major international airlines sustaining regular freight services and specialized carriers addressing seasonal or ad hoc demand. Domestic aviation, though still limited to charter and helicopter services, continued to support business and tourism-related travel.

Alongside operational growth, the Civil Aviation Authority of Sri Lanka (CAASL) advanced its regulatory role by streamlining licensing, strengthening consumer protection mechanisms, and facilitating visa support for aviation professionals and students. Strategic negotiations with international partners, combined with evidence-based research on general aviation, reinforced the foundation for future development.

Airline Operations

The global geopolitical environment continued to exert a notable influence on international air transport in 2024, with implications for the recovery trajectory of Sri Lanka's aviation sector. While many countries experienced a rapid rebound in passenger traffic following the COVID-19 pandemic, Sri Lanka's pace of recovery was relatively moderate. Nevertheless, a positive trend emerged in 2024, marked by a substantial increase in air transport activity.

During the year under review, nearly 40 international airlines operated flights to and from Sri Lanka, reflecting growing confidence in the country's aviation market. The national carriers, SriLankan Airlines and FitsAir, continued to represent Sri Lanka in international skies. Although foreign carriers carried the majority of inbound and outbound passengers, both domestic airlines remained competitive, particularly in key regional routes.

Notable among the international operators were full-service carriers such as Qatar Airways, Emirates, Etihad Airways, Singapore Airlines, and Turkish Airlines, all of whom expanded services and increased flight frequencies. In parallel, low-cost carriers like IndiGo, Flydubai, AirAsia, and Thai AirAsia played a significant role in driving passenger volumes, especially on short-haul routes. Aeroflot sustained scheduled services catering primarily to Russian travelers, while Red Wings Airlines and Azur Airlines operated seasonal charter flights from Russia, with Red Wings resuming operations to Mattala Rajapaksa International Airport (HRI).

A significant milestone in 2024 was the resumption of operations by Cathay Pacific—a key East Asian carrier—following its hiatus during the pandemic. Additionally, Air Astana and Chongqing Airlines reinstated limited operations during the year. However, Iran Air Tour, which commenced charter services between Iran and Sri Lanka, temporarily suspended its operations due to insufficient demand, and Chongqing Airlines ceased flights due to aircraft constraints.

In the Singapore-Sri Lanka sector, competition intensified with the entry of Jetstar Asia, which challenged the previously dominant positions of Singapore Airlines and SriLankan Airlines. Maldivian Airlines also resumed services, though these were later discontinued. IndiGo emerged as the leading daily operator in terms of flight frequency, competing closely with Alliance Air, which continued to operate services to Jaffna Airport (JAF).

Despite earlier challenges in the post-pandemic recovery period, the aviation sector is now showing clear signs of resurgence. The return of major carriers, increased competition, and the growth of low-cost operations point towards a promising future. However, persistent challenges such as temporary airline suspensions and infrastructure limitations require continued attention.

Cargo Operations

Air cargo remained a vital component of Sri Lanka's air transport framework in 2024. Major carriers including Qatar Airways, Emirates, Etihad Airways, and Turkish Airlines continued to operate regular cargo services, while several others conducted ad hoc chartered cargo flights to meet fluctuating market demand.

A significant development during the year was the increased role of Indonesia-based BBN Airlines, which operated under the Seventh Freedom of the Air to transport cargo between Maldives and Sri Lanka. The rising volume of these operations prompted heightened regulatory oversight from CAASL, particularly due to safety considerations and coordination requirements involving foreign regulatory authorities.

Charter Operations

Charter operations in 2024 continued to diversify Sri Lanka's aviation landscape. Red Wings Airlines, Azur Air, SkyUp MTT, Enter Air, Iran Air, and Ethiopian Airlines were among the operators that provided both passenger and special-purpose charters. Ethiopian Airlines, notably, played a key role in airlifting United Nations peacekeeping troops, illustrating the strategic significance of chartered air services.

Non-Scheduled Commercial Charter Operations

An increase in ad hoc charter flights was observed throughout 2024, driven by rising domestic and regional travel demand. A wide range of international charter carriers, including European Air Charter, Iran Air Tour, Bulgarian Air, Iceland Air, and BBN Airlines, operated flights to Mattala and Katunayake, facilitating both passenger and cargo transport while enhancing Sri Lanka's international connectivity.

Domestic Aviation

Within Sri Lanka, FitsAir and Cinnamon Air continued to operate domestic charter services catering to business travelers and tourism-linked traffic. While regular scheduled domestic services remained suspended due to insufficient demand, helicopter operators maintained niche charter services based on client requirements.

Travel Agency Licensing

Under the Air Navigation Act No. 55 of 1992 and the Civil Aviation Act No. 14 of 2010, the CAASL issues Air Transport Provider (Passenger) Licenses, which are mandatory for agencies involved in the transport of passengers, cargo, and mail by air. Licenses are categorized into Group A and Group B based on capital contributions and are renewed annually.

In 2024:

- 88 new licenses were issued (83 in Group A, 5 in Group B).
- 494 licenses were renewed (483 in Group A).
- 103 virtual evaluations were conducted via online platforms to review applications and renewals.

This licensing framework continues to promote regulatory compliance and professional standards across travel agencies operating within Sri Lanka.

Passenger Complaints and Consumer Protection

Passenger grievances remained relatively stable in 2024, with over 90% of complaints resolved amicably through mediation by CAASL. To further strengthen consumer rights and dispute resolution processes, CAASL established a dedicated consumer protection mechanism within the Air Transport and Economic Regulation Section, reaffirming its commitment to passenger welfare and service quality.

Visa Recommendations

The Air Transport and Economic Regulation Section also played a pivotal role in supporting the aviation workforce by issuing visa recommendations for expatriates and international students engaged in Sri Lanka's aviation sector.

In 2024:

- 198 visa recommendations were issued for foreign students enrolled in aviation training institutions.
- 121 expatriates, including both technical and administrative professionals and their dependents, received visa endorsements, enabling critical talent inflow and skills development in the industry.

Air Services Negotiations

While no new bilateral air service agreements were signed in 2024, the year saw progress in the re-signing of previously delayed agreements, including those with the Netherlands and Thailand. These developments mark a continuation of Sri Lanka's efforts to expand international aviation cooperation and strengthen diplomatic ties in the aviation domain.

Research: General Aviation in Sri Lanka

In a proactive step towards future-ready aviation planning, the Environment, Research, and Projects Section of CAASL completed a comprehensive study titled:

"Addressing Challenges and Identifying Future Aspirations of General Aviation in Sri Lanka."

This study evaluated the current state and untapped potential of the general aviation sector, which includes private aviation, flight training, aerial work, and recreational flying such as paragliding and ballooning. Despite its growth potential, the sector faces challenges such as:

- Inadequate infrastructure
- Complex regulatory frameworks
- Lengthy security processes
- High operational costs and limited financial incentives
- Skill shortages and environmental sustainability concerns

The research methodology included stakeholder consultations, data analysis, and global benchmark reviews. Based on findings, the report offers practical recommendations in areas such as:

- Infrastructure expansion
- Regulatory simplification
- Security enhancement
- Incentive schemes and skills development
- Promotion of environmental sustainability

This work lays the groundwork for evidence-based policy and investment decisions aimed at unlocking the full potential of General Aviation in Sri Lanka.

Air Transport Statistics and Sector Growth

The CAASL Air Transport Statistics Programme ensures the consistent collection, interpretation, and

Operational Highlights

publication of aviation-related data essential for strategic decision-making and industry forecasting.

Key Performance Indicators in 2024:

- Passenger Movements: 8,804,019 (reaching 89% of pre-COVID levels)
- Aircraft Movements: 55,848 (reaching 90% of pre-COVID levels)

With increased tourist arrivals, greater route availability, and enhanced carrier participation, Sri Lanka is well-positioned to surpass pre-pandemic traffic volumes by the end of 2025. This robust recovery underscores the aviation sector's resilience and its essential role in driving economic revival, tourism growth, and international connectivity.

Aerodrome Development Initiatives

As part of its ongoing efforts to enhance national aviation infrastructure, the Aerodromes Section of the Civil Aviation Authority of Sri Lanka (CAASL) recorded several key milestones in 2024. Notably, Hingurakgoda Airport is currently undergoing transformation to facilitate international flight operations. This development is being carried out in collaboration with the Sri Lanka Air Force (SLAF), which is leading the refurbishment of the runway under the direct technical guidance and oversight of CAASL.

The initiative focuses on ensuring full compliance with international civil aviation standards, covering critical aspects such as:

- Runway dimensions and pavement quality
- Lighting systems and signage
- Runway markings and safety zones
- Communication and navigation equipment
- Environmental sustainability and mitigation measures

This partnership underscores CAASL's commitment to fostering inter-agency cooperation to deliver aviation infrastructure that meets global safety and operational benchmarks.

Aviation Awareness for Schoolchildren

Recognizing the importance of cultivating early interest in the aviation sector, the Civil Aviation Promotion Unit continued its efforts to engage the younger generation through structured educational outreach. In 2024, five (05) Aviation Awareness Programs were conducted in schools across the country. These sessions introduced students to the fundamental concepts of civil aviation and encouraged them to form Civil Aviation Clubs within their schools. The objective is to inspire curiosity and foster a long-term interest in aviation-related careers and disciplines.

Airport-Based Aviation Workshops

Expanding on school-based programs, the Promotion Unit introduced Airport Workshops as a second-tier engagement initiative. In 2024, seven (07) such workshops were conducted, each accommodating approximately 150 students, offering them first-hand exposure to airport environments and aviation operations.

Despite plans for wider implementation, several workshops were postponed due to prevailing COVID-19-related safety restrictions as mandated by the Ministry of Education. Nevertheless, modified sessions were carried out under the supervision of the Ministry of Health and Ministry of Education, ensuring compliance with health and safety protocols while maintaining educational value.

Publication of "Guwansara" Aviation Magazine

To further support aviation education in schools, the CAASL continued to publish and distribute its dedicated school aviation magazine, "Guwansara". In 2024, twenty-three (23) editions were published and distributed to selected school libraries across the country, particularly targeting schools with Advanced Level classes. The magazine has gained popularity among students as an informative and engaging publication.

In commemoration of 80 years of International Civil Aviation, the 24th edition was released as a special edition marking this global milestone.

"Guwan Sarisara" Television Program

The "Guwan Sarisara" television program continued to serve as a popular media platform in 2024, offering unique insights into Sri Lanka's aviation sector. With 35 episodes telecasted during the year, the program featured exclusive content, behind-the-scenes footage, and historical narratives of the aviation industry that had not previously been aired.

The show has been recognized for its public value and media excellence, winning an award for its contribution to industry awareness and public education. It remains an important tool for reaching a broader audience and promoting aviation as a critical sector of national development.

Media Engagement and Awareness Building

CAASL has made significant strides in leveraging traditional and digital media to promote civil aviation awareness. Throughout 2024, the Civil Aviation Promotion Unit collaborated with various media outlets—including newspapers, radio stations, and television networks—to disseminate CAASL news and general aviation industry updates. These efforts aim to keep the public well-informed and foster a better understanding of aviation's role in Sri Lanka's socio-economic development.

Special Commemorative Events

To mark the 80th Anniversary of the International Civil Aviation Organization (ICAO), CAASL organized a special event facilitated by the Promotion Unit. The event was graced by Hon. Deputy Minister of Ports & Civil Aviation, Eng. Janith Ruwan Kodituwakku, and attended by key stakeholders from the aviation industry.

A highlight of the event was the recognition and presentation of an honorary award to Mr. Lynal Sirimanna, acknowledged as Sri Lanka's most senior aviator, for his enduring contribution to the field.

Civil Aviation Awareness via New Media

In keeping with modern communication trends, CAASL is intensifying its focus on web-based and social media platforms to reach wider audiences, both locally and internationally. Efforts are underway to develop and publish engaging and informative digital content that communicates the Authority's functions, regulatory updates, and general aviation news to the public in real-time.

This strategic shift to new media platforms is aimed at increasing transparency, stakeholder engagement, and public participation in aviation-related matters.

Media and Knowledge Preservation – Future Outlook

As part of its long-term strategic initiatives, the Civil Aviation Promotion Unit commenced the development of a digital aviation library in 2024. This electronic repository is intended to serve as a comprehensive archive of significant events, publications, and aviation data, both historical and contemporary.

The Unit continues to enrich this platform through ongoing research and documentation efforts. By preserving the legacy of Sri Lanka's aviation journey, the electronic library will serve as an invaluable reference for students, researchers, and professionals for years to come.

Airworthiness Developments and Approvals in 2024

In 2024, the Civil Aviation Authority of Sri Lanka (CAASL) continued to strengthen the regulatory framework supporting the safe and sustainable growth of the national aviation sector. A series of critical airworthiness approvals and certifications were issued in line with international standards and national regulatory requirements, underscoring CAASL's commitment to safety, compliance, and operational excellence.

Aircraft Registrations and Airworthiness Certifications

Significant progress was made in the area of aircraft certification, with several operators receiving approvals essential for the commencement or continuation of flight operations:

- SriLankan Airlines was granted Certificates of Registration (C of R) and Certificates of Airworthiness (C of A) for an inducted Airbus A320 aircraft (registration 4R-ABT), allowing the aircraft to officially commence commercial operations.

- Lanka Ballooning (Pvt) Ltd received C of R and C of A for their newly inducted hot air balloon (4R-SLB), enabling the launch of their aerostat operations in compliance with CAASL's regulatory framework.

- Flying Angels Flight Academy was issued an initial Certificate of Airworthiness (C of A) for their newly acquired Cessna 150 J (4R-FAC), marking a key step in supporting pilot training activities under regulated standards.

Aircraft Maintenance Organization (AMO) Approvals

To ensure the continued airworthiness of aircraft, Blue Sky Aviation Services, based in Ratmalana, was granted a new Aircraft Maintenance Organization (AMO) approval. This certification authorizes the organization to conduct maintenance services in compliance with applicable safety and technical standards, contributing to the expanding maintenance capability within the country.

Continuing Airworthiness Management Organization (CAMO) Approvals

The year also saw the successful issuance of CAMO approvals to two organizations:

- DP Aviation Ltd
- Flying Angels Flight Academy

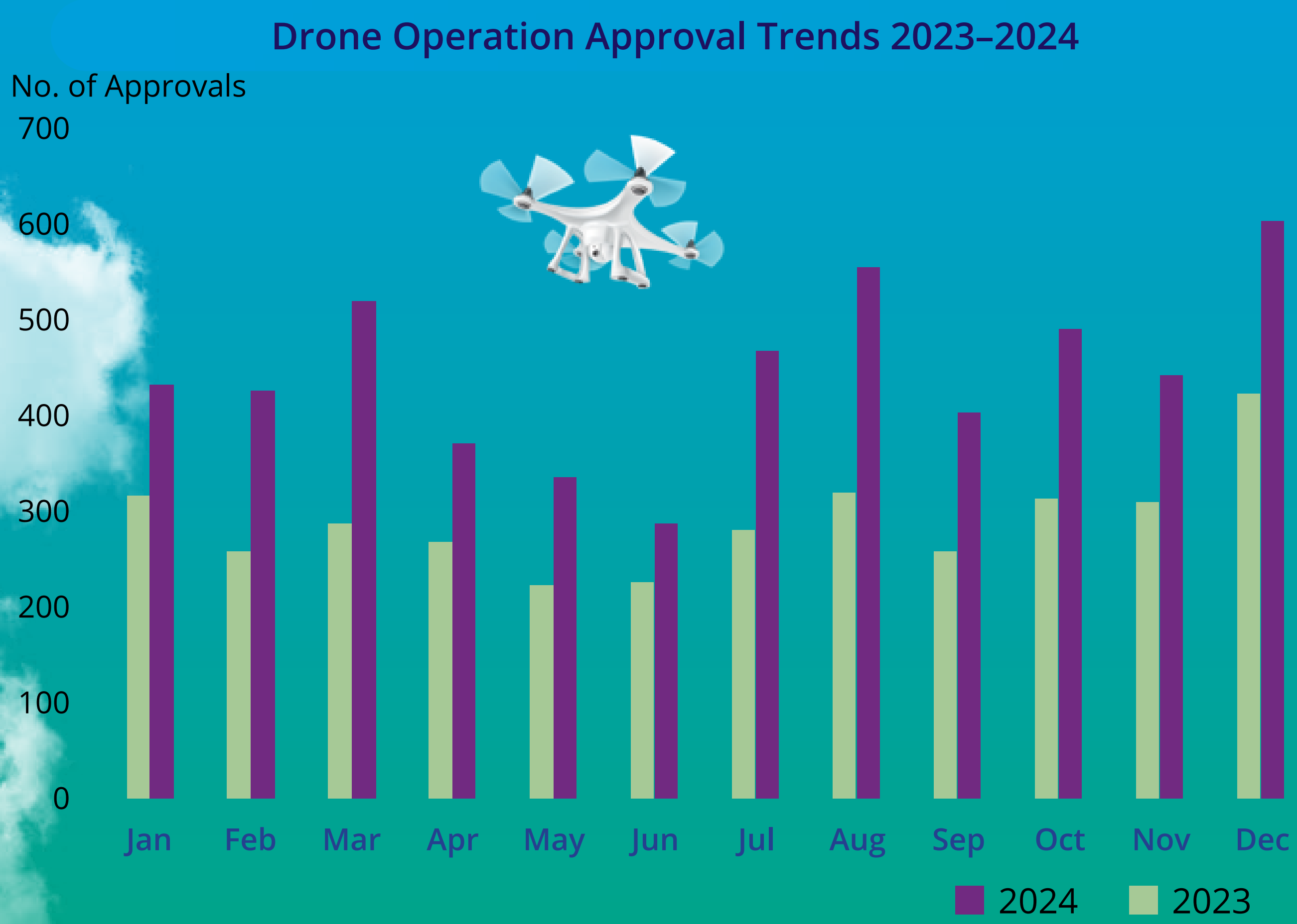
These approvals authorize the respective entities to manage the continuing airworthiness of aircraft under their responsibility, thereby ensuring systematic compliance with applicable maintenance schedules, airworthiness directives, and safety requirements.

Aircraft Type Acceptance

A notable achievement during the year was the successful type acceptance of the Boeing 737-8 aircraft model. This marks a significant enhancement to Sri Lanka's aircraft capability portfolio, enabling operators to induct newer and more efficient aircraft types into service.

Collectively, these approvals represent a strategic leap forward in reinforcing regulatory oversight, enhancing operational readiness, and promoting the safe expansion of aviation activities within Sri Lanka. CAASL remains committed to supporting innovation and growth in the industry, while safeguarding the highest standards of airworthiness and flight safety.

Operational Highlights



5,333 2024 | **3,478** 2023

Drone Approvals Issued

2,200 2024 | **1,388** 2023

Drone Registered - Local Owners

3,827 2024 | **2,388** 2023

Drone Registered - Foreign Owners

2,200
Drone Registered - Local owners

3,827
Drone Registered - Foreign owners

The year 2024 marked a period of strong progress in the Unmanned Aircraft Systems (UAS) domain in Sri Lanka, with clear momentum toward expansion and alignment with global aviation trends. Operational data reflects a steady growth in UAS activities across the country.

A major milestone was the development of a 10-year roadmap for Unmanned Aircraft Systems (UAS) and Advanced Air Mobility (AAM), which was presented to the Board of Directors at the 197th Board Meeting. This forward-looking plan sets the foundation for capacity building within the Civil Aviation Authority, strengthening regulations, and enabling the safe and sustainable growth of the UAS and AAM ecosystem.

In addition, 2024 laid the groundwork for regulatory advancements, with the revised SLCAIS 053 Edition 02, scheduled for publication in early 2025, and the drafting of an implementation process for the new rules already underway.

Together, these initiatives highlight Sri Lanka's commitment to embracing innovation in aviation and preparing for the future of UAS and AAM.

Capacity Development

In 2024, the Civil Aviation Authority of Sri Lanka (CAASL) advanced its commitment to building a skilled, globally aligned aviation workforce. Through strategic partnerships with regional and international bodies, the Authority strengthened oversight capabilities, particularly in aerodrome management, flight operations, and aviation training, ensuring safe, efficient, and sustainable growth in the sector.

A key enabler was the collaboration with the European Union Aviation Safety Agency (EASA), whose South Asia Regional Office within CAASL provided technical expertise, capacity-building programmes, and knowledge exchange. Inspectors received specialized training in areas such as drone operations, aerodrome design, environmental management, and ramp inspections, while international programmes, including training at the Singapore Aviation Academy, enhanced compliance with global standards.

CAASL also engaged with the EU–South Asia Aviation Partnership Project (EU–SA APP) to foster regional collaboration, promote sustainability, and build climate resilience. Workshops and practical exercises strengthened both CAASL and industry stakeholder capabilities, preparing Sri Lanka to manage growing air traffic safely and sustainably.

These initiatives reflect CAASL's ongoing focus on developing technical expertise, robust oversight mechanisms, and collaborative networks, positioning Sri Lanka as a forward-looking and resilient aviation hub.

Reflections from 08th International Cooperation Forum (ICF/8) in Sri Lanka

To strengthen global efforts for safer and greener aviation, the European Union Aviation Safety Agency (EASA) successfully organized the 8th International Cooperation Forum (ICF/8) from 19 to 21 March 2024 in Colombo, Sri Lanka.

Since its inception in 2008, the International Cooperation Forum has served as a global platform for aviation authorities and regional organizations to engage in dialogue on regional cooperation and the EASA system. The forum has offered participants the opportunity to exchange experiences and best practices, discuss recent developments in safety and environmental standards, and reinforce the shared vision of promoting safe and sustainable aviation worldwide.

The ICF/8 featured a wide range of topics, including the regulation of technological innovation and emerging risks, meeting evolving environmental requirements, maintaining public trust in aviation safety, and enhancing regional and technical cooperation. It built on the experiences gained since the last forum in 2019, as well as the strong collaboration developed between EASA and its international partners.

The European Union continues to play a vital role as a development and technical cooperation partner for third countries, especially in the aviation sector. EASA works closely with third-country aviation authorities and international partners to advance European aviation safety, security, and environmental standards, policies, and technologies.

The EU–South Asia Aviation Partnership Project (EU–SA APP)

The EU–South Asia Aviation Partnership Project (EU–SA APP) is a flagship initiative funded by the European Union and implemented by the European Union Aviation Safety Agency (EASA). The project is designed to strengthen collaborative ties between the EU and South Asia in the field of civil aviation, with a strategic focus on enhancing safety, environmental sustainability, and climate resilience.

Given that the South Asia region accounts for nearly 25% of the global population and is projected to experience the highest air traffic growth rate globally—estimated at 8.6% per annum over the next two decades—the need for robust aviation safety oversight, infrastructure development, and regulatory alignment is paramount.

The EU–SA APP seeks to proactively address these needs through four key objectives;

1. Strengthening institutional relationships between South Asian and European civil aviation authorities and related institutions.
2. Facilitating technical collaboration between South Asian and European aviation stakeholders, fostering mutual learning and knowledge exchange.
3. Supporting the development of safety oversight capabilities in South Asian States to meet international standards and accommodate projected growth.
4. Promoting improved environmental performance within the South Asian aviation sector, with an emphasis on emissions reduction, climate adaptation, and sustainable airport operations.

Engagement with Sri Lanka

Since 2019, the EU–SA APP has actively partnered with the Civil Aviation Authority of Sri Lanka (CAASL), delivering a range of capacity-building programmes aimed at enhancing technical competencies across the regulatory and operational spectrum.

These programmes have focused on;

- Aviation safety management systems
- Environmental sustainability and regulatory compliance
- Climate change adaptation and mitigation in aviation

Through these initiatives, CAASL personnel and industry stakeholders have benefited from advanced training and exposure to best practices in aviation safety and environmental stewardship.

Workshops Conducted Under the EU-South Asia Aviation Partnership Project II (EU-SA APP II)

As part of the EU-SA APP II initiative, the following workshops have been organized to foster regional collaboration, enhance aviation safety, and strengthen regulatory and operational frameworks across South Asia.

- Aerodromes Landscape in South Asia Workshop Landscape in South Asia Workshop
- South Asia RAMP Inspection Workshop
- Accident and Incident Investigation in South Asia Workshop
- South Asia ATM Masterplan Foundations: Air Navigation Planning and State Safety Programme Implementation in South Asia Workshop
- Drones Operations in the Certified Category and SORA Workshop
- Environment Matters in South Asia: Addressing Aviation Impact on Climate Change Workshop
- Asia Cybersecurity Workshop
- Air Navigation Initiative - ANSP Certification and Continued Oversight Workshop

Operational Highlights

Asia Pacific Civil Aviation Developments

Asia Pacific remains one of the fastest growing aviation markets in the world. The second Asia Pacific Ministerial Conference on Civil Aviation was held in New Delhi, India, from 11–12 September 2024, focusing on infrastructure, sustainability, workforce development, and public–private collaboration.

Key attendees included ICAO President Salvatore Sciacchitano and Secretary General Juan Carlos Salazar. Representing Sri Lanka, AVM Sagara Kotakadeniya (Retd.), DGCA & CEO, led the delegation, with Ms. Avanthi Senarathne of Airport and Aviation Services (Sri Lanka) Limited.

The Prime Minister of India, Mr. Narendra Modi, announced the "Delhi Declaration," adopted by all member states, marking a major step in advancing safety, security, and sustainability in the region. ICAO highlighted that Asia Pacific expects 4.5 billion passengers in 2024, projected to reach 11.5 billion by 2050.

COSCAP-South Asia (COSCAP-SA)

The 31st Steering Committee Meeting of COSCAP-South Asia (Cooperative Development of Operational Safety and Continuing Airworthiness Program – South Asia), aimed at promoting safety in civil aviation, was successfully held in Paro, Bhutan. Director General AVM Sagara Kotakadeniya (Retd.) assumed the Chairmanship of COSCAP-SA. He led the Steering Committee Meeting held from 06th to 09th May 2024, succeeding Mr. Khaqan Murtaza, DGCA of Pakistan. COSCAP-SA, established in 1997, has continuously advanced civil aviation safety in the South Asian region. Representatives from Airbus, Boeing, FAA, EASA, CAA-UK, and DGCA-France also attended the meeting.

59th DGCA Conference – ICAO Asia & Pacific Regions

The 59th Conference of Directors General of Civil Aviation for ICAO Asia and Pacific Regions was held in Cebu, Philippines, from 14th to 18th October 2024, with participation from 310 delegates representing 37 countries and 11 international organizations. Key discussions included Aviation safety and security, air navigation, air transport development, disaster prevention, environmental considerations, and capacity building, with a focus on practical implementations. AVM Sagara Kotakadeniya (Retd.) participated as the main delegate from Sri Lanka, moderated a high-level panel on the "Economic Development of Air Transport," and held discussions to strengthen bilateral aviation cooperation and capacity building.

Health and Safety Awareness

CAASL conducted an awareness session on Monkeypox (MPOX) on 13th September 2024, aimed at equipping personnel with knowledge to identify and manage MPOX cases. The session was supported by the Ministry of Health and attended by 50 participants, including civil aviation inspectors and stakeholders. The WHO has declared MPOX a Public Health Emergency of International Concern (PHEIC).

Air Operator Developments

Smartwings Airline obtained its initial Foreign Air Operator Certificate (FAOC) on 09th February 2024, enabling direct flights between Budapest, Hungary and Colombo. Aeroflot and Rossiya Airlines continued their summer operations to Sri Lanka, with discussions held at CAASL to explore new business opportunities and continued direct operations.

Information Technology Developments

In 2024, the Civil Aviation Authority of Sri Lanka (CAASL) continued to strengthen its digital infrastructure, significantly enhancing operational efficiency, security, and service delivery across the organisation. Key initiatives included the complete upgrade of network switches, deployment of a high-speed fiber uplink, enhancement of virtualization systems with improved SSL security, and expansion of local area network bandwidth to meet growing digital demands. In parallel, a dedicated drone examination platform is under development, and the CAASL website is being revamped to provide a more user-friendly, responsive, and informative experience for the public.

The IT Unit maintained uninterrupted support for core operations, including server and virtual infrastructure management, network monitoring, firewall configuration, disaster recovery oversight, and enterprise services such as email and antivirus protection. These efforts ensured business continuity, strengthened cybersecurity, and facilitated smooth day-to-day operations across all departments.

Through these strategic technology initiatives, CAASL demonstrates its commitment to digital transformation, operational resilience, and innovation, reinforcing the Authority's capacity to deliver high-quality aviation services while supporting transparency, accessibility, and effective communication with stakeholders and the wider public.

Information Technology Operations and System Enhancements

Over the past year, the Civil Aviation Authority of Sri Lanka (CAASL) has made notable strides in advancing its digital infrastructure, significantly enhancing operational efficiency and security. Several key technological upgrades and system implementations were successfully carried out, underscoring CAASL's commitment to digital modernization:

Major Infrastructure and System Developments

- Network Switch Upgrades: Complete replacement of outdated network switches, improving overall network performance and reliability.

- Fiber Uplink Deployment: Installation of a high-speed fiber link between the core switch and the server room to ensure seamless data transmission and enhanced connectivity.

- Virtualization Infrastructure Enhancement: Finalization of Secure Sockets Layer (SSL) installation to strengthen data protection and system security.

- Drone Examination System: Development of a dedicated examination platform for drone operations is currently in progress.

- CAASL Website Revamp: The redevelopment of the official website is in its final stages, aimed at delivering a more user-friendly, responsive, and informative experience.

- Local Area Network (LAN) Bandwidth Upgrade: Capacity was increased to 120 Mbps to support the growing demand for digital services and improve operational speed.

- Disaster Recovery (DR) Site: Migration of the DR site to the Internet Service Provider's (ISP) data center has entered the final implementation phase, ensuring greater data redundancy and business continuity.

Core IT Operations and Service Continuity

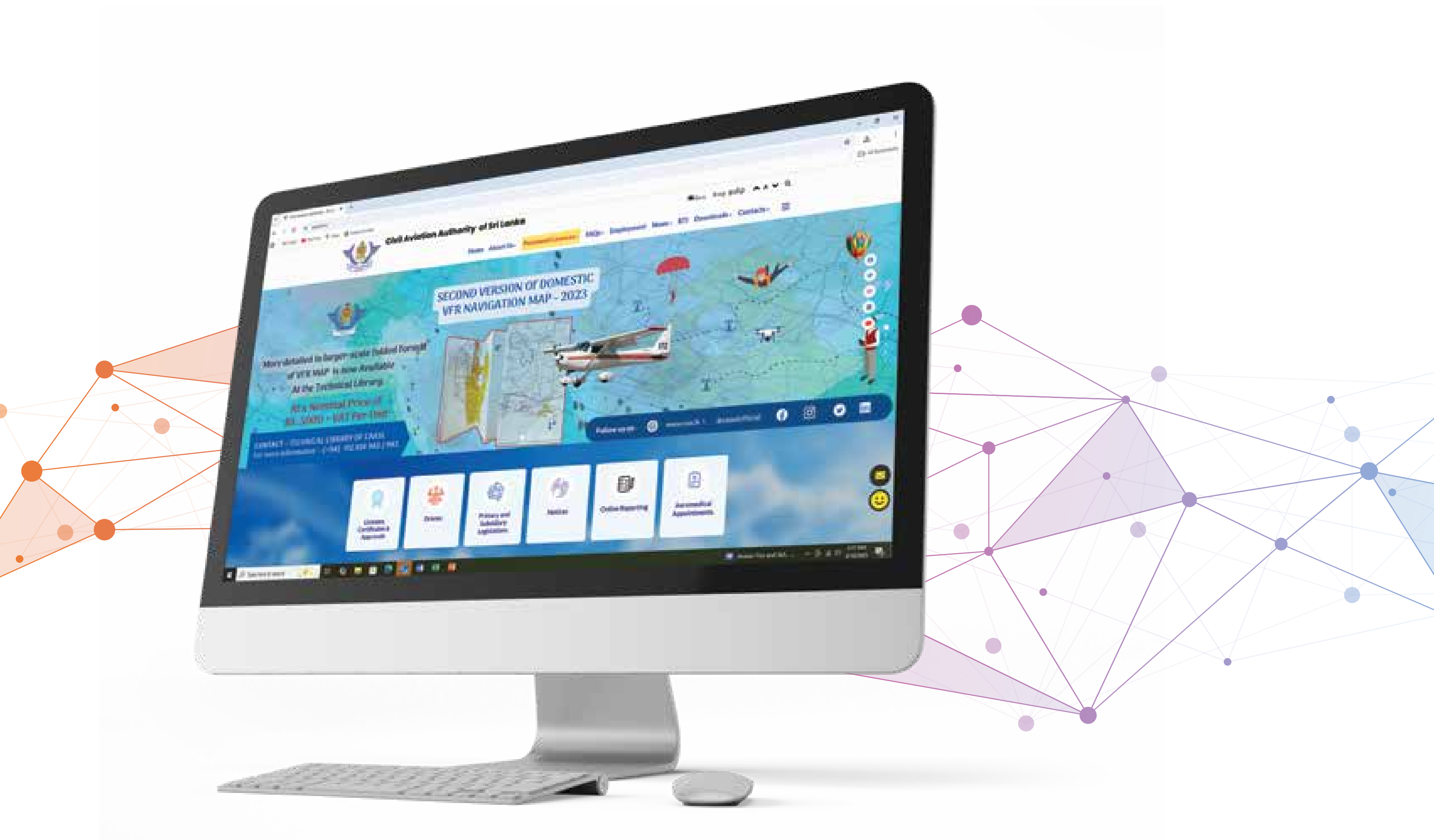
In addition to these major initiatives, the IT Unit has continued to deliver uninterrupted and high-quality support services critical to CAASL's daily operations. These include:

- Website Management and Maintenance
- Firewall Configuration and Network Security Oversight
- Server and Virtual Infrastructure Management, covering over 40 servers
- Disaster Recovery Site Monitoring and Maintenance
- Point-to-Point (P2P) Connectivity and IT Asset Management, including desktops, laptops, and printers
- Continuous Network Monitoring and Data Backup
- Enterprise Email Services, Antivirus Protection, and System Security Administration

The IT Unit remains firmly committed to driving innovation, maintaining system integrity, and ensuring the resilience of CAASL's technology landscape. As digital transformation accelerates, the unit will continue to align its efforts with the Authority's strategic goals, ensuring robust technical support across all departments.

CAASL Website

The CAASL website continues to serve as a vital communication channel for disseminating timely and accurate civil aviation information to the public. Throughout the year, the website has seen a substantial rise in traffic, with 161,829 users accessing its content to stay informed about regulatory updates, aviation developments, and other relevant news. The consistent engagement underscores the platform's value as a trusted source of public information, and the website redevelopment currently underway will further improve accessibility, functionality, and user experience.



Empowering Employees

In 2024, the Civil Aviation Authority of Sri Lanka (CAASL) reinforced its commitment to building a skilled, adaptable, and future-ready workforce. Recognizing human capital as a cornerstone of regulatory excellence, the Authority invested in a range of Human Resource Development (HRD) initiatives designed to strengthen employee competencies, knowledge, and professional capabilities.

Over the year, CAASL allocated over Rs. 13 million to training programmes, workshops, seminars, and conferences conducted locally, internationally, and through online platforms. Emphasis on digital learning ensured that employees could access high-quality development opportunities irrespective of location, supporting continuity and alignment with global trends in professional development.

Alongside capacity-building initiatives, strategic organizational reforms and targeted recruitment strengthened the Authority's institutional framework. Despite national-level recruitment constraints, 18 new appointments were made, bringing the workforce to 169 employees by year-end, while maintaining a stable employee turnover of 5.92%. These efforts reflect CAASL's dedication to fostering professional growth, operational continuity, and a culture of continuous learning, ensuring that its workforce remains capable of meeting the dynamic demands of Sri Lanka's civil aviation sector.

Human Resources Development Activities

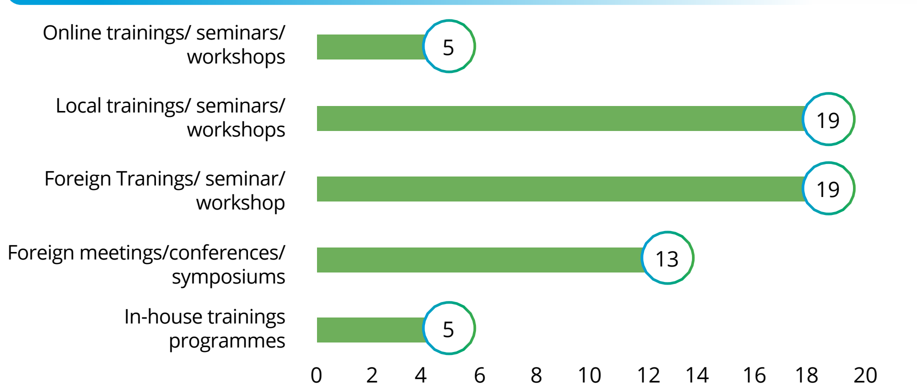
In line with its strategic vision, the Civil Aviation Authority of Sri Lanka (CAASL) continued to prioritize the development of its human capital in 2024. Emphasizing the importance of a future-ready workforce, the Authority actively invested in initiatives aimed at strengthening employee skills, competencies, and knowledge critical for its ongoing and future success.

During the year under review, a total of Rs. 13,031,080.91 was allocated towards Human Resource Development (HRD) programmes, which included a wide array of training sessions, seminars, and workshops conducted locally, internationally, and through online platforms. This investment reflects CAASL's ongoing commitment to building institutional capacity and professional excellence across all operational areas.

Given the evolving nature of training delivery, particular emphasis was placed on online learning, enabling employees to access relevant and high-quality development opportunities regardless of geographical limitations. These digital learning initiatives were designed to ensure continuity in capacity building while aligning with global trends in remote learning and professional development.

Through these efforts, CAASL continues to cultivate a skilled and adaptable workforce, capable of responding effectively to the dynamic demands of the civil aviation sector. The Authority remains committed to fostering a culture of continuous learning, innovation, and professional growth.

No. of Human Resource Development Programmes-2024



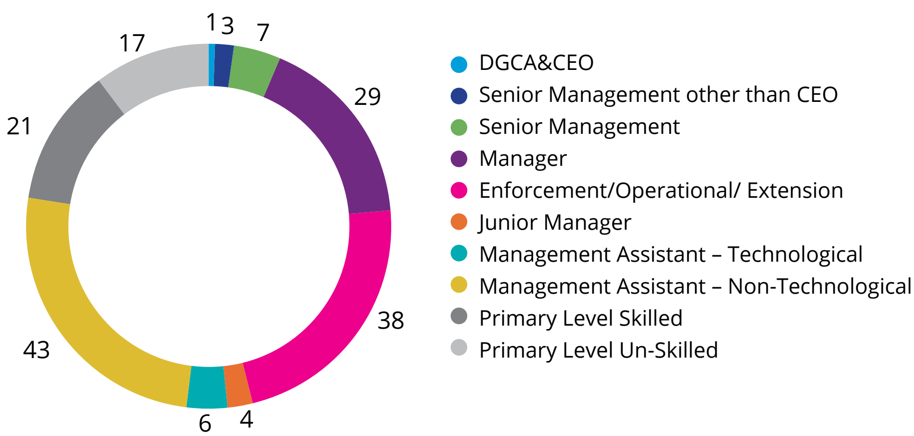
From 1st January 2024 to 31st December 2024			
	No. of Trainings	No. of Trainees	Training Man Days
In-house trainings programmes	5	175	845
Foreign meetings/ conferences/ symposiums	13	13	61
Foreign tranings/ seminar/ workshop	19	21	97
Local trainings/ seminars/ workshops	19	72	334
Online trainings/ seminars/ workshops	5	18	129
Total	61	299	1,466

Human Resources Highlights

Organizational Reforms and Staffing

In alignment with its vision of being a proficient and credible aviation safety regulator, the Civil Aviation Authority of Sri Lanka (CAASL) has continued to strengthen its institutional framework through strategic organizational reforms and human resource development. A critical aspect of this strategy lies in its rigorous and methodical recruitment process, which is designed not only to identify candidates with the appropriate qualifications and experience but also to ensure that new entrants are fully aware of their expected contributions, operational systems, and the overarching goals of the Authority.

Categories of Employees



Sports & Welfare Activities 2024


Vesak Darmadeshana Programmme


Christmas Carols


Annual Cricket Tournament


Sinhala & Hindu New Year Celebration

The Human Resources and Property Management (HRPM) Section has been instrumental in driving these reforms by taking proactive steps to build and maintain a skilled and competent workforce capable of delivering on CAASL's mandate. Recognizing that human capital is a cornerstone of regulatory excellence, HRPM has made concerted efforts to fill critical vacancies with the most suitable candidates, thereby ensuring uninterrupted functionality across all divisions.

Despite constraints arising from national-level recruitment policies, eighteen (18) new appointments were made in 2024. This brings the total staff strength to 169 employees as of 31 December 2024. These recruitments reflect HRPM's sustained commitment to operational continuity, compliance, and institutional capacity building, even within a restricted hiring environment.

However, due to the limitations imposed by prevailing government recruitment regulations, 39 positions remained vacant at the end of the reporting period. This staffing gap highlights the need for ongoing dialogue with relevant authorities to facilitate timely appointments in critical areas.

In terms of workforce stability, employee turnover was recorded at 5.92% in 2024. This relatively low rate indicates a healthy level of staff retention and a stable work environment, both of which are essential for sustaining regulatory oversight and institutional knowledge.

Looking ahead, CAASL will continue to explore innovative human resource strategies, including succession planning, targeted capacity building, and talent retention frameworks, to ensure that it remains responsive to the evolving demands of the global aviation sector.

Financial Highlights

The Finance and Revenue Management Section plays a critical role within the Civil Aviation Authority of Sri Lanka (CAASL), serving as the financial backbone that supports the organization's strategic vision and operational efficiency. Our primary objective is to ensure the robust management of CAASL's financial resources and revenue streams, thereby enabling sustainable growth, compliance, and the effective delivery of the Authority's mandate.

Key Functions

1. Revenue Collection and Expenditure Management

Our section oversees the comprehensive collection of revenues generated from a variety of sources, including but not limited to licensing fees, regulatory fines, airport levies, and other service charges. Concurrently, we meticulously manage the Authority's expenditures, ensuring that financial outlays are aligned with organizational priorities and are conducted with optimal resource allocation and fiscal discipline. This dual responsibility safeguards the financial integrity of CAASL while supporting ongoing operations and strategic initiatives.

2. Financial Forecasting and Programme Budgeting

Employing advanced financial forecasting methodologies and detailed programme budgeting, we develop forward-looking financial plans that underpin CAASL's strategic objectives. This includes precise forecasting of revenue inflows, rigorous estimation of operational and capital expenses, and the prudent allocation of resources across multiple programmes and projects. Such financial planning enables the Authority to anticipate funding requirements, adjust to market dynamics, and sustain its regulatory and developmental roles effectively.

3. Fund Management

As custodians of CAASL's financial assets, the Finance and Revenue Management Section is responsible for prudent fund management. This encompasses optimizing the deployment of available resources, strategically investing funds to maximize returns, and maintaining sufficient liquidity to meet day-to-day operational needs. All fund management activities are carried out in strict compliance with relevant financial regulations and internal policies, ensuring transparency and accountability.

4. Financial Reporting

We prepare accurate, comprehensive, and timely financial statements—including income statements, balance sheets, and cash flow statements—that reflect CAASL's financial status. These reports serve as essential tools for internal management and external stakeholders, facilitating informed decision-making, regulatory compliance, and audit processes. Our reporting practices uphold the highest standards of financial integrity and transparency.

5. Inventory Management

The section also supervises the inventory management cycle, which includes the procurement, storage, maintenance, and distribution of physical assets necessary for CAASL's operational functions. Efficient inventory control guarantees that the Authority's assets are available when needed and managed in a cost-effective and responsible manner.

6. Vehicle Fleet Management

Managing the Authority's vehicle fleet is a vital operational function under our purview. This includes overseeing the acquisition, maintenance, deployment, and utilization of vehicles to ensure their optimal performance and regulatory compliance. In 2024, we advanced the development of a comprehensive fleet management system, which was 50% completed by year-end. This system aims to streamline fleet operations, enhance maintenance scheduling, and improve asset tracking for greater operational efficiency.

Collection and Disbursement of Overseas Sales Surcharge and Embarkation Levy

In accordance with the provisions of the Finance Act, No. 25 of 2003, the

Finance and Revenue Management Section is entrusted with the critical responsibility of collecting the passenger embarkation levy from airlines operating within Sri Lanka. Acting on behalf of CAASL, we ensure the accurate collection and timely disbursement of these funds in strict adherence to regulatory guidelines.

In 2024, a total of 2,797,521 passengers fulfilled their obligations by paying the embarkation levy. The collected funds were subsequently disbursed to designated institutions and entities as mandated by law and organizational policy, supporting various aviation-related and Governmental initiatives.

Financial Operations Overview

The Civil Aviation Authority of Sri Lanka (CAASL) remains steadfast in its commitment to the efficient and effective management of its financial operations. Recognizing that robust financial stewardship is fundamental to achieving the Authority's strategic objectives and sustaining its growth trajectory, we continuously strive to enhance our financial management frameworks and practices. This overview highlights the key components and achievements of our financial operations over the reporting period.

Timely Preparation and Submission of Financial Reports

We prioritize the accurate and timely preparation of all statutory financial reports to maintain transparency and regulatory compliance. During the year, the Finance and Revenue Management division successfully prepared and submitted critical documents including the Annual Budget for 2024, the Statement of Delegation of Financial Authority for 2024, and the Annual Financial Statement for 2023. These reports underwent rigorous internal scrutiny and external audits to ensure their integrity, completeness, and alignment with national and international accounting standards. Meeting all prescribed deadlines reflects our unwavering dedication to financial discipline and accountability.

Diverse and Sustainable Revenue Streams

Our financial resilience is supported by a broad spectrum of revenue streams, carefully managed to sustain operational requirements and facilitate strategic initiatives. These revenue sources include:

- Overseas Sales Surcharge: Revenue generated from commercial sales conducted beyond Sri Lanka's territorial boundaries, reflecting our growing international footprint.
- Service Charge on Embarkation Levy: Fees collected from departing passengers, which contribute significantly to CAASL's funding base.
- Income from Regulatory Services: Earnings derived from fees and charges related to the provision of regulatory oversight and licensing services across the aviation sector.
- Interest Income: Accrued interest from staff loans and astute fund management investments, contributing to overall financial health.
- Other Non-Operating Income: Income from miscellaneous sources, enhancing financial diversification and reducing dependency on primary revenue streams.

Flexible and Accessible Payment Channels

Understanding the diverse needs of our stakeholders, CAASL offers multiple secure payment methods to facilitate ease of transactions and ensure efficient revenue collection. These include:

- Cash and Cheque Payments: Accepted at designated counters within CAASL's Head Office, catering to traditional payment preferences.
- Online Payment Portals: Enabling safe and convenient digital payments through credit and debit card options, broadening accessibility.
- Lanka QR Code System: Integration of this national electronic payment platform streamlines transactions and supports the digital economy.
- Direct USD Payments: Facilitating smooth international transactions for foreign airlines and stakeholders.
- Direct Bank Deposits: Allowing embassies, airlines, and agencies to transfer funds directly to CAASL's dedicated bank accounts, ensuring transparency and traceability.

Contribution to the Consolidated Fund

In line with our statutory obligations and national development priorities, CAASL has made significant fiscal contributions to the Government of Sri Lanka. During the reporting period, CAASL remitted a total of Rs. 4 billion in 2023 and Rs. 750 million in 2024 to the Consolidated Fund. These contributions underscore the Authority's role as a key financial partner in supporting the country's broader economic framework.

Rigorous Tax Compliance

CAASL adheres strictly to all relevant tax laws and regulations, ensuring the timely settlement of all applicable taxes, including income tax, value-added tax (VAT), and stamp duties. This compliance fosters a strong partnership with national tax authorities and enhances CAASL's reputation as a responsible corporate

Operational Highlights

citizen. Our tax management policies and procedures are continually reviewed to adapt to changing regulatory environments and ensure ongoing compliance.

Strategic Fund Management and Investment

The prudent management of financial resources is a cornerstone of CAASL's financial strategy. The Finance section oversees fund management accounts maintained with leading national banks such as People's Bank and Bank of Ceylon. These accounts enable CAASL to optimize the investment of surplus funds by investing in secure Government instruments such as Treasury Bills and Bonds. This approach balances liquidity needs with the pursuit of optimal returns, ensuring funds are available to meet operational demands while maximizing financial growth.

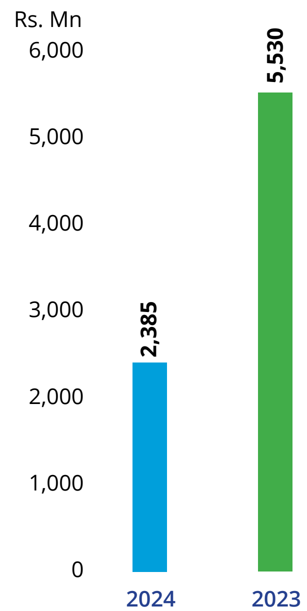
Commitment to Financial Transparency and Accountability

CAASL's financial governance framework is built on principles of transparency, accountability, and sustainability. Regular internal and external audits, adherence to international financial reporting standards, and clear delegation of financial authority collectively ensure robust oversight and control over financial resources. These measures safeguard public funds and strengthen stakeholder confidence in CAASL's financial management.

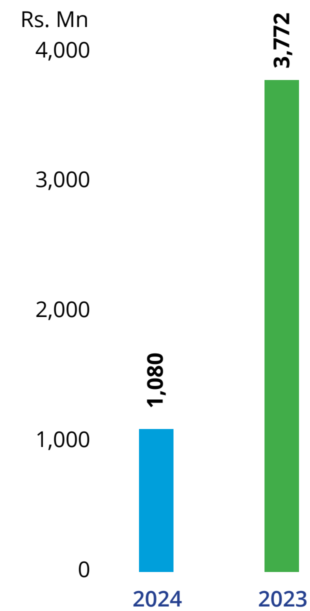
Equity and Liabilities

As at 31 December 2024, the Civil Aviation Authority of Sri Lanka (CAASL) maintained a strong and stable financial position, with total equity and liabilities amounting to LKR 41,364 million. The Authority's capital and reserves stood at LKR 7,116 million, reflecting accumulated retained earnings and contributed capital that provide a solid foundation for future growth and operational resilience.

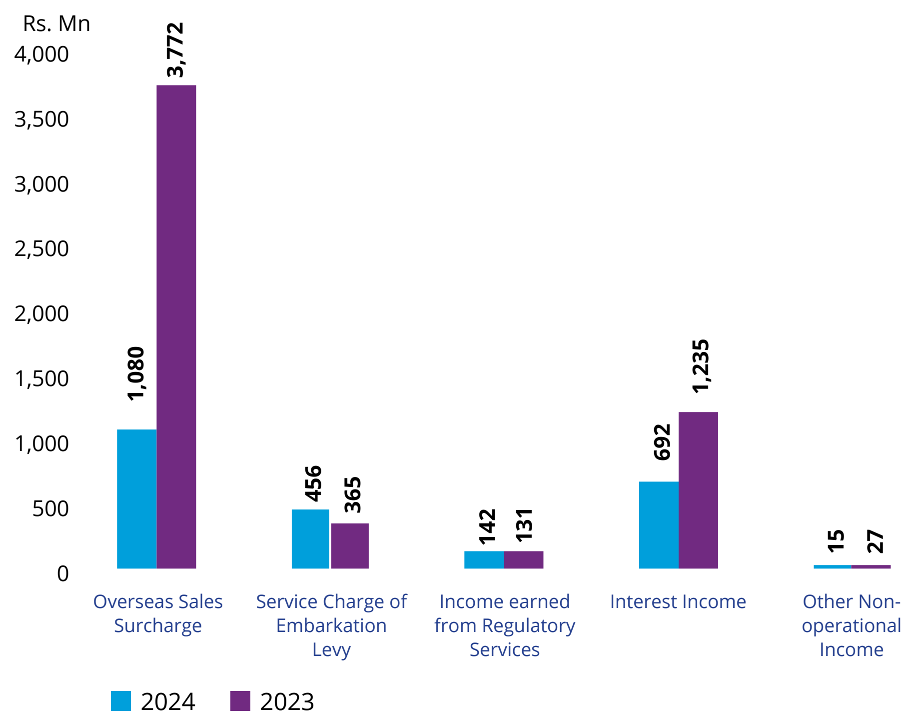
Total Income 2024 Vs 2023

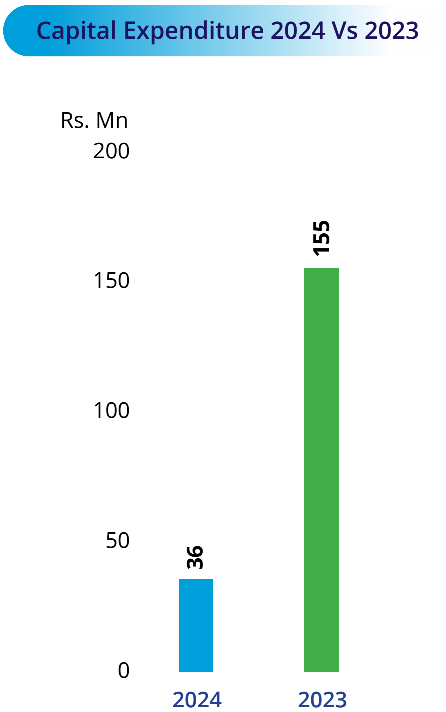


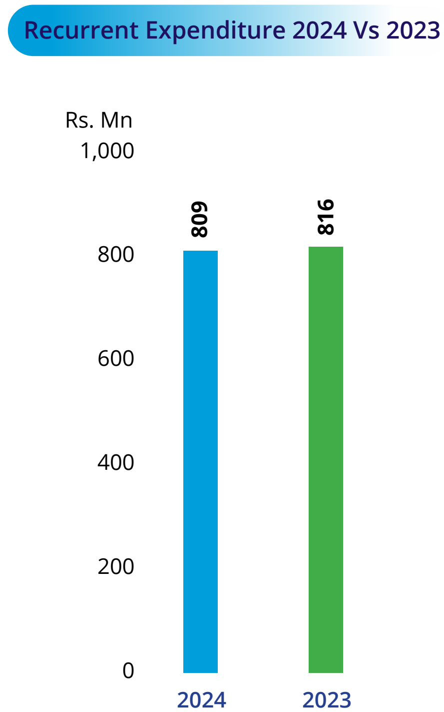
OSS Income 2024 Vs 2023

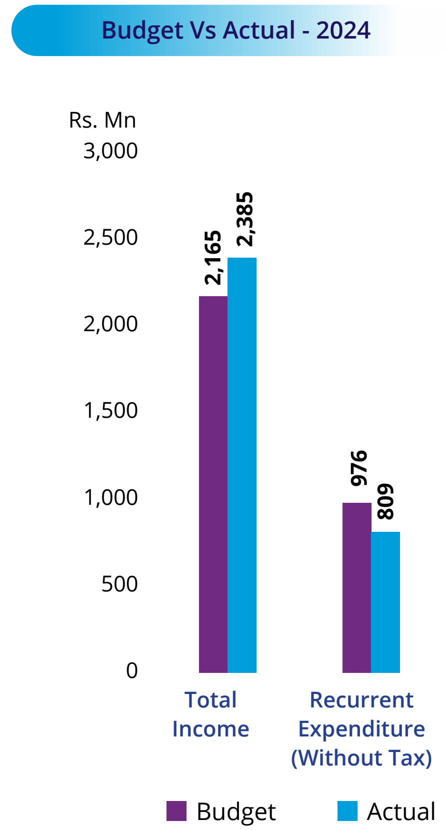


Income 2024 Vs 2023









Non-current liabilities, representing long-term financial commitments that extend beyond the next twelve months, amounted to LKR 475 million, demonstrating prudent debt management. Current liabilities totaled LKR 33,773 million and comprised operational payables, accrued expenses, and other short-term obligations essential for the smooth day-to-day functioning of the Authority.

Assets

At the close of the fiscal year, CAASL's total assets were valued at LKR 41,365 million, indicating balanced asset management in line with its equity and liabilities. Non-current assets, including property, plant, equipment, and long-term investments, were recorded at LKR 2,705 million, representing the Authority's sustained investment in critical infrastructure and capital assets necessary for operational continuity and future development. Current assets, primarily consisting of cash, receivables, and other liquid resources, amounted to LKR 38,660 million. This healthy liquidity position enables CAASL to meet its immediate financial obligations promptly and provides the flexibility to invest in ongoing projects that support its strategic objectives.

Profitability

CAASL delivered robust financial performance during the year 2024, recording a profit before tax of LKR 1,014 million. This strong pre-tax profit underscores the Authority's operational efficiency and effective cost management strategies. After accounting for taxation, the net profit stood at LKR 1,023 million, reflecting continued growth in the bottom line and reinforcing CAASL's commitment to maintaining sustainable financial health and stability.

Financial Analysis and Outlook

The financial outcomes for 2024 highlight CAASL's ongoing dedication to strengthening its financial foundations while advancing the strategic goals of enhancing Sri Lanka's civil aviation infrastructure and regulatory capabilities. The substantial base of current assets, coupled with consistent profitability, demonstrates the Authority's ability to effectively manage operational demands, support capital investments, and uphold fiscal discipline. Looking forward, CAASL will prioritize maintaining liquidity, optimizing the allocation of resources, and ensuring transparency and accountability in financial reporting. Continued investment in non-current assets is expected to drive operational expansion and modernization, thereby facilitating the achievement of long-term objectives that align with national aviation development strategies.

The Future of Aviation

Financial Statements
Year 2024

Statement of Comprehensive Income

Year Ended 31st December. (All amounts are in Sri Lanka rupees.)	Note	2024 Rs.	2023 Rs.
Income		**2,385,836,374**	**5,530,639,804**
Operating Income	23	1,678,760,397	4,267,567,018
Non-Operating Income	23	707,075,977	1,263,072,786
Expenditure		**1,009,306,201**	**973,440,478**
Staff Expenses	24	442,740,440	432,938,638
Meetings, Seminars and Workshops	25	8,108,329	8,063,683
Training Expenses	26	7,314,858	9,659,098
Administration and Other Expenses	27	339,640,223	364,502,061
Finance Expenses	28	11,596,896	918,390
Depreciation	29	193,728,558	149,698,845
Amortization of Intangible Assets	30	6,155,864	7,638,729
Depreciations of Right-of-Use Assets	32	21,034	21,034
Profit Before Tax		**1,376,530,174**	**4,557,199,326**
Income Tax Expenses	31	205,883,300	208,920,729
Profit for the year		**1,170,646,874**	**4,348,278,597**
Other Comprehensive Income			
Gain/(Loss) arising from re-measurement of Retirement Benefit Obligations		(38,040,641)	(14,345,234)
Revaluation Surplus		47,314,551	105,418,708
Total Comprehensive Income for the Year		**1,179,920,784**	**4,439,352,071**

The notes on pages 84 to 108 are integral to these financial statements.

Statement of Financial Position

Year Ended 31st December. (All amounts are in Sri Lanka rupees.)	Note	2024 Rs.	2023 Rs.
ASSETS			
Non-Current Assets			
Property, Plant & Equipment	29	2,668,915,112	2,781,375,720
Intangible Assets	30	7,516,912	13,503,511
Right of use asset	32	273,437	294,471
Work in Progress - Capital	33	6,696,660	12,266,660
Fixed Deposit- Staff Welfare & Social Security Fund		170,647	158,564
Deferred Tax - Assets	42	17,584,263	15,596,177
Total Non-Current Assets		**2,701,157,031**	**2,823,195,103**
Current Assets			
Inventories		7,864,255	8,774,766
Non-Current Asset held for sale	29	5,924,034	-
Trade Receivables	34	29,800,210,676	355,783,337
Staff Loans	35	62,155,855	60,762,235
Financial Assets	36	4,138,699,589	3,737,658,343
Advances, Prepayments, Other Receivables	37	395,188,767	449,910,755
Cash and Cash Equivalents	38	4,256,321,939	3,451,520,415
Total Current Assets		**38,666,365,115**	**8,064,409,851**
Total Assets		**41,367,522,146**	**10,887,604,954**
EQUITY & LIABILITIES			
Capital and Reserves			
Government Grants	39	547,453,186	551,162,338
Retained Earnings	40	6,458,656,678	6,137,845,749
Revaluation Surplus	41	266,545,785	219,231,233
Total Capital and Reserves		**7,272,655,649**	**6,908,239,320**
LIABILITIES			
Non-Current Liabilities			
Deferred Tax Liabilities	42	102,262,671	100,184,510
Lease Liability	43	257,536	281,554
Provisions and Other Liabilities	44	311,692,841	268,222,208
Retirement Benefits Obligation	45	63,487,487	31,578,115
Total Non-Current Liabilities		**477,700,536**	**400,266,387**
Current Liabilities			
Trade Payables	46	33,493,881,229	3,656,608,443
Other Payables	46	36,765,358	41,764,655
Income Tax Liabilities	47	86,519,374	(119,273,851)
Total Current Liabilities		**33,617,165,961**	**3,579,099,247**
Total Equity and Liabilities		**41,367,522,146**	**10,887,604,954**

The notes on pages 84 to 108 are integral to these financial statements. I certify that these financial statements have been prepared in compliance with the Sri Lanka Accounting Standards.

The Board of Directors is responsible for preparing and presenting these Financial Statements following Sri Lanka Accounting Standards. These Financial Statements were approved by the Board of Directors and signed on their behalf.

K V P R M De Silva
Director – Finance and Revenue Management

AVM Sagara Kotakadeniya (Retd.)
Director General of Civil Aviation & Chief Executive Officer

Sunil Jayarathne
Chairman

27th February 2025

Statement of Changes in Equity

Year Ended 31st December. (All amounts are in Sri Lanka rupees.)	Government Grant	Revaluation Surplus	Retained Earnings	Total
Balance as of 1st January 2023	**554,889,603**	**113,812,525**	**5,826,217,782**	**6,494,919,909**
Profit for the period	-	-	4,348,278,597	4,348,278,597
Revaluation of Assets	-	105,418,709	-	105,418,709
Amortization for the year	(3,709,152)	-	-	(3,709,152)
Disposal of Government Grants - Assets	(18,113)	-	-	(18,113)
Disallowable Input Tax - VAT	-	-	(22,305,396)	(22,305,396)
Remeasurement of Retirement Benefit Obligations	-	-	(14,345,234)	(14,345,234)
Consolidated Fund Transfers	-	-	(4,000,000,000)	(4,000,000,000)
Balance as of 31st December 2023	**551,162,338**	**219,231,234**	**6,137,845,749**	**6,908,239,320**
Profit for the period	-	-	1,170,646,874	1,170,646,874
Revaluation of Assets	-	47,314,551	-	47,314,551
Amortisation for the year	(3,709,152)	-	-	(3,709,152)
Transfer to Accident Investigation Fund	-		(61,795,304)	(61,795,304)
Disallowable Input Tax - VAT	-	-	-	-
Remeasurement of Retirement benefit Obligations	-	-	(38,040,641)	(38,040,641)
Consolidated Fund Transfers	-	-	(750,000,000)	(750,000,000)
Balance as of 31st December 2024	**547,453,186**	**266,545,785**	**6,458,656,678**	**7,272,655,649**

The notes on pages 84 to 108 are integral to these financial statements.

Statement of Cash Flow

Year Ended 31st December. **(All amounts are in Sri Lanka rupees.)**	**Note**	**2024** **Rs.**	**2023** **Rs.**
Cash Flows from Operating Activities			
Profit/(Loss) from Ordinary Activities before Taxation		**1,376,530,174**	**4,557,199,326**
Adjustments for			
Depreciation – Current Year	29	193,728,558	149,698,845
Depreciation – on Disallowed VAT		-	2,174,170
Amortisation of Intangible Assets	30	6,155,864	7,638,729
Depreciation of Right to Use of Assets	32	21,034	21,034
Amortisation of Government Grant	39	(3,709,152)	(3,709,152)
Interest Income from Investments	23	(691,689,265)	(1,235,493,468)
Loss on sales of Property, Plant & Equipment		1,685,935	862,778
Profit on sales of Property, Plant & Equipment		-	(106,226)
Finance Cost of the Lease Liabilities	43	8,123	6,682
Provision for Defined Benefit Plans	45	6,927,202	4,426,929
Prior Year Adjustments		-	(22,305,396)
Operating Profit/(Loss) before Working Capital Changes		**889,658,472**	**3,460,414,251**
(Increase)/ Decrease in Inventories		910,511	1,015,176
(Increase)/ Decrease in Trade Receivables	34	(29,444,427,339)	(61,867,890)
(Increase) / in Staff Loans	35	22,751,826	11,324,547
(Increase) /Decrease in Advances/Prepayments/Other Receivables	37	(4,010,509)	110,568,853
Increase in Trade and Other Payables	46	29,832,273,489	1,260,284,386
Cash Generated from Operations		1,297,156,450	4,781,739,323
Defined Benefit Plan Costs Paid (Gratuity)	45	(13,058,470)	(8,390,100)
VAT refund set off against Income Tax		-	(8,250,934)
Income Tax Paid	47	-	(765,282,046)
Net Cash from Operating Activities		**1,284,097,980**	**3,999,816,244**
Cash Flows from Investing Activities			
Acquisition of Property, Plant & Equipment	29	(41,776,634)	(48,449,971)
Disallowable VAT on PPE		-	(98,947,675)
Acquisition of Intangible Assets	30	-	(3,046,875)
(Increase) / Decrease in Capital Work in Progress	33	5,570,000	(5,599,264)
Withdrawal /(Acquisition)of other Investments	36	(297,164,602)	(484,262,387)
Interest Received		622,399,671	1,303,788,920
Proceeds from the sale of Property, Plant and Equipment		44,000	196,298
Increase / (Decrease) in Accident Investigation Fund		(118,000)	(621,823)
Increase / (Decrease) in Bank Guarantee		(18,218,755)	196,332,395
Net Cash Used in Investing Activities		**270,735,680**	**859,389,618**
Cash Flows from Financing Activities			
Contribution to Consolidation Fund		(750,000,000)	(4,000,000,000)
Payment of Lease Weerawila Land	43	(32,141)	(32,141)
Net Cash Used in Financing Activities		**(750,032,141)**	**(4,000,032,141)**
Net Increase/(Decrease) in Cash and Cash Equivalents		804,801,520	859,173,720
Cash and Cash Equivalents at the beginning of the year	38	3,451,520,415	2,592,346,694
Cash and Cash Equivalents at the end of the year	38	**4,256,321,939**	**3,451,520,415**

The notes on pages 84 to 108 are integral to these financial statements.

Notes to the Financial Statements

*In the notes, all amounts are shown in Sri Lankan Rupees unless otherwise stated.

1. CORPORATE INFORMATION

1.1. Formation and Nature of Operations

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 whose function is to regulate safety, efficiency and regularity in civil aviation and its impact on the 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.

The registered office of the authority is located at No 152/1, Minuwangoda Road, Katunayaka.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in preparing these financial statements are set out below. Unless otherwise stated, these policies have been consistently applied to all the years presented.

2.1. Basis of Preparation

The financial statements have been prepared in accordance with and comply with Sri Lanka Accounting Standards (SLFRS/LKAS). The financial statements are prepared on the historical cost basis, as modified by fair valuation of certain financial assets.

2.2. Statement of Compliance

The Board of Directors is responsible for the preparation and presentation of the Financial Statements of the CAASL as per the provisions of the SLFRSs/ LKASs. The Statement of Financial Position, Statement of Comprehensive Income, Changes in Equity and Cash Flows, together with accounting policies and notes, ("Financial Statements") of the CAASL as at 31 December 2024 and for the year then ended together with the comparative information are comply with the Sri Lanka Accounting Standards (SLFRS/LKAS) laid down by the Institute of Chartered Accountants of Sri Lanka.

The Management of the Civil Aviation Authority of Sri Lanka is responsible for preparing and presenting the financial statements. The Financial Statements were authorized for issue by the Board of Directors in accordance with the resolution of the Directors on 28th February 2025.

2.3. Date of Authorization for Issue

The financial statements of Civil Aviation Authority of Sri Lanka for the year ended 31 December 2024 were authorized for issue in accordance with a resolution of the Board of Directors on 28 February 2025.

2.4. Functional and Presentation Currency

The financial statements are presented in Sri Lankan Rupees (Rs.), which is the primary economic environment in which the CAASL operates. Each entity in the Group uses the currency of the primary economic environment in which they operate as their functional currency.

These Financial Statements are presented in Sri Lankan Rupees, which is the functional currency and presentation currency of the Authority. Transactions in foreign currencies are translated into the respective functional currency of the Authority at the exchange rates at the date of the transaction

2.5. Going Concern

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

2.6. Significant Accounting Judgments, estimates and assumptions

Preparing the financial statements Authority requires conformity with SLFRSs and management to make judgments, estimates and assumptions that affect the reported 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 requiring a material adjustment to the asset's carrying amount or liability affected in the future. These factors could include judgment, estimate and assumptions.

2.6.1. Judgments

In the application of the Authority's accounting policies, management has exercised the following judgments, excluding those involving estimations and assumptions, that have had a significant impact on the amounts recognized in the financial statements.

2.6.2. Estimates and assumptions

The key assumptions regarding the future and other critical sources of estimation uncertainty as of the reporting date pose a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year. These are discussed below

(a) Fair value of financial instruments

The fair values of financial assets and liabilities recorded in the Statement of Financial Position cannot be derived from active markets. However, they are determined by using various valuation techniques, including discounted cash flow and 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 regarding these factors could impact on the reported fair value of financial assets. Investments in Treasury Bills are presented at their face value.

As of December 31, 2024, the carrying value of financial assets (Treasury Bills) amounts to Rs. 4,256,403,952, compared to Rs. 3,959,239,350 in the year 2023.

(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).

As of December 31, 2024, the carrying value of defined benefit obligation is Rs. 63,487,487/- (2023 Rs. 31,578,115/-).

(c) Fair Value
Fair value is the consideration agreed upon in an arm's length transaction between knowledgeable, willing parties acting without compulsion. Upon initial recognition, the fair value of a financial instrument is generally the value of the consideration paid or received. After initial recognition, the fair value of a financial asset quoted in an active market is typically the bid price, while the fair value of a financial liability quoted in an active market is generally the asking price. For financial instruments such as cash equivalents and short-term investments with a short duration, the carrying value of these instruments closely approximates their fair value.

(d) Income tax
The Authority is subject to income taxes, and significant judgment is required to determine the overall provision for income taxes.

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 not quoted in an active market. Ordinary transaction receipts are also classified in this category and 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 both the positive intention and the ability to hold until maturity, except for 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 in 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, 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 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, 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 in available-for-sale securities calculated using the effective interest method is recognized in the income statement.

3.2.1. Determination of fair value

The fair value of loans, advances, and liabilities to banks and customers is determined by using a present value model based on contractually agreed cash flows, considering factors such as credit quality, liquidity, and associated costs. The carrying value, net of impairment provisions, of trade receivables and payables is assumed to approximate their fair values.

Notes to the Financial Statements

3.2.2. 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 investment.

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 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, plant and equipment items are measured at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials, direct labor, and any other costs directly attributable to bringing the assets to working conditions for their intended use.

The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Authority and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognized in profit or loss.

Where items of property, plant 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, effective from 2014; however, when the fair value of assets subject to revaluation differs 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 is recognised as an expense. Any revaluation reserve relating to the asset sold is transferred to retained earnings upon disposal.

4.2. Depreciation

Depreciation is calculated over the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value. Depreciation is recognized in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. In the year of acquisition, depreciation is computed on a proportionate basis from the date the asset is put into use, and no depreciation will be charged to the date on which the particular asset was disposed. Leased assets are depreciated over the shorter of the lease term and their useful lives. Lands are not depreciated.

The estimated useful lives for the assets are as follows:

Buildings	15-40 years
Container Structures	5-10 years
Motor Vehicles	8-15 years
Plant, Machinery & Equipment	4-10 years
Furniture & Fittings	4-10 years
Other Fixed Assets	4-10 years

The provision for depreciation is calculated on a straight-line basis on the cost/ valuation (less than 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 to write off such amounts over their useful lives.

Buildings	6 2/3%
Container Structures	10%
Motor Vehicles	12.5%
Plant, Machinery & Equipment	25%
Furniture & Fittings	25%
Other Fixed Assets	25%

Depreciation has been charged to the profit and loss account on a proportionate basis, commencing from the date the asset is available for use. In determining the depreciable amount of individual assets, 10% of the cost or revaluation amount has been retained as the residual value.

The depreciation method, useful lives, and residual values are reviewed at each reporting date by management and adjusted, if necessary, in accordance with LKAS 16, based on the best available information and the expected economic efficacy of the assets. Uncertainties in these estimates, particularly related to technical obsolescence, may impact the utility of specific software and IT equipment.

4.3. De-recognition

Items of property, plant 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 recognised 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 asset's recoverable amount is estimated to determine the extent of the impairment loss (if any). Where it is impossible to estimate an individual asset's recoverable amount, 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; otherwise, they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

The recoverable amount is the higher 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.

Suppose the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount. In that case, 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 revalued 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 net of accumulated impairment losses, if any. These are expenses of a capital nature directly incurred in constructing buildings, network equipment, system development and other fixed assets awaiting capitalization.

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

4.6. Intangible Assets

Intangible assets that are acquired by the Authority, which have finite useful lives, are measured at cost less accumulated amortization and accumulated impairment losses. The provision for amortization is calculated on a straight-line basis on the cost (less than 10% of the residual value of the asset's worth) of IT software and operating systems.

All IT software is amortized annually at 50% to write off such amounts over the useful lives.

The useful lifetime of Intangible Assets reviewed from time to time with the necessity of reviewing is being done. The useful lifetime of IT software is as follows.

IT Software	2- 4 Years

4.7. Right -of-use assets and lease liabilities

4.7.1. Right-of-Use Assets

The Authority recognizes right-of-use assets at the commencement date of the lease, which is defined as the date the underlying asset becomes available for use. These assets are initially measured at cost, subsequently reduced by accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets comprises the recognized lease liabilities, any initial direct costs incurred, and lease payments made prior to or at the commencement date, net of any lease incentives received.

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term or the estimated useful life of the asset, as outlined below:

Asset	Estimated Life
Land	Over 30 years

4.7.2. Lease Liabilities

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

Notes to the Financial Statements

5. INVENTORIES

Inventories are measured at the Cost. Cost is determined based on the first in, first out method. (FIFO). The value of inventories includes expenditures incurred in acquiring, conversion costs, and other costs incurred in bringing them to their existing location and condition. Authority inventories comprise stationery and consumables.

6. OTHER ASSETS

Other assets include other debtors and receivers, advances, deposits, prepayments, and taxation receivables.

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

Expenditures that provide benefits or have a relationship extending beyond a single financial year are classified as advances, deposits, and prepaid expenditures. These expenditures account as an expense over the relevant period on a time-proportion basis.

(b) Other Debtors
Other debtors are recognized for costless 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 authority's employees.

(e) VAT Receivable
This represents the VAT refunds receivable from the Department of Inland Revenue.

7. CASH AND CASH EQUIVALENT

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

For cash flow statements, cash and cash equivalents consist of cash in hand and bank deposits. Investments with short maturities are also treated as cash equivalents. The consolidated balance sheet shows bank overdrafts 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. Suppose the effect of the time value of money is material. In that case, 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 liability.

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

At the 145th Board meeting held on 30th May 2018, the Board decided to allocate Rs. 50 million in a separate fund as "accident investigation fund" for Aircraft accident and investigation. At the 193rd Board meeting held on 11th October 2023, the Board further decided to increase the "accident investigation fund" up to Rs. 100 million at the end of the year 2023 with an increase of 10% annually and to maintain the same level at the beginning of each financial year. Accordingly, the Accident Investigation Fund as of 31st December 2024 is Rs. 110,000,000/-.

9. EMPLOYEE BENEFITS

9.1. Defined Contribution Plans

A defined contribution plan is a post-employment benefit plan under which contributions are made into a separate fund, and the entity will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plan are recognised as a Staff expense in profit or loss in the periods during which employees render services.

- **Employees' Provident Fund**
  All employees of the Authority are members of the Employee Provident Fund, to which the CAASL contributes 15% of such employees' basic salary and allowances.
- **Employees' Trust Fund**
  The CAASL contributes 3% of each employee's salary to the Employees' Trust Fund.

9.2. Defined benefit plans

Defined benefit plans are post-employment plans other than defined contribution plans. Authority is liable to pay gratuity under the Payment of

Gratuity Act No. 12 of 1983. A provision for the obligations under the Act is determined based on the full month's salary multiplied by the 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 was created in section 20(5) of the Civil Aviation Authority of Sri Lanka Act No. 34 of 2002 concerning the public officers who have retired from the public service and joined the Civil Aviation Authority. The amount lying in the name of each retired officer with accumulated interest will be released from the Civil Aviation Authority of Sri Lanka at retirement.

10. FINANCIAL LIABILITIES

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 carried at amortised cost in the case of loans and borrowings. 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 expenditures. 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 the 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 comply with the SLFRS 15.

12.2. Sources of Income

The Civil Aviation Authority of Sri Lanka receives income from the 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 and Regulatory service is recognised at fair value in the period the related services are rendered. All this income is recognised on an accrual basis.

In accordance with the Cabinet decision made at the meeting held on February 19, 2023, CAASL is authorized to retain a maximum of Rs. 90 million from the monthly OSS revenue to cover its operational expenses. Any remaining balance must be remitted to the General Treasury on or before the following month.

12.3. Interest Income

Interest income for all interest-bearing financial instruments, including those 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 The expenses are recognised on an accrual basis. All expenses incurred in the ordinary course of business and in maintaining property, plant and equipment efficiently are charged against income in arriving at the profit for the year.

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

14. BORROWING COSTS

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

Notes to the Financial Statements

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 and prior years. The tax rates and laws used to compute the amount are those 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 by the provisions of the Inland Revenue Act No. 10 of 2017 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 the 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, it is not accounted for. Deferred income tax is determined using tax rates (and laws) enacted or substantively enacted by the end of the reporting period. It is 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 from investments in subsidiaries and associates, except where the Authority controls the timing of the reversal of the temporary difference and, probably, 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 tax 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 carryforwards 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

Year Ended 31st December. (All amounts are in Sri Lanka rupees.)	2024 Rs.	2023 Rs.
Opening Balance	**84,588,333**	**47,874,164**
From Provision for Gratuity	2,078,160	1,328,079
From Accelerated Tax Depreciation	(1,988,086)	35,386,090
Net Deferred Tax Liability	**84,678,407**	**84,588,333**

Reconciliation between Tax Expenses and Profit and Accounting Mulplied by the Statutory Tax Rate is as follows

15.3.

Year Ended 31st December. (All amounts are in Sri Lanka rupees.)	2024 Rs.	2023 Rs.
Accounting Profit Before Income Tax	1,376,530,173	4,557,199,326
Less: Income from other Sources & Exempt Income	(855,916,991)	(1,403,893,444)
	520,613,182	**3,153,305,881**
Non- Deductible Expenses	209,497,559	162,779,370
Statutory Income from Business	**730,110,741**	**3,316,085,251**
Less: Qualifying Payment	(751,000,000)	(4,000,000,000)
Taxable Income - Business Income	(20,889,259)	(683,914,749)
Taxable Income - Non-Business Income	706,866,677	1,257,936,616
Total Taxable Income	685,977,418	574,021,867
Income Tax Expenses		
Taxable income- Business & Non-Business Income 30%	205,793,225	172,206,560
Income Tax Expenses for the Year	**205,793,225**	**172,206,560**

16. FOREIGN CURRENCY TRANSACTIONS

All transactions in currencies other than the functional currency are recorded, on initial recognition in the functional currency, using the spot exchange rate. At the end of each reporting period, monetary items are retranslated using the closing rate. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Exchange differences on the settlement of monetory items or on tranlsation of monetory items at rates different from those at which they were translated on initial recognition during the period or in previous financial statements are recognised in the income statement in the period in which they arise. Foreign exchange gains and losses related to Foreign Currency Transactions are presented in the Statement of Comprehensive Income under “finance income or cost”.

17. EVENTS AFTER THE REPORTING PERIOD

If CAASL receives information after the reporting period about conditions that existed at the end of the reporting period, adjustments or disclosures are made in the current Financial Statements regarding the events after the reporting period as appropriate.

18. CONTINGENT LIABILITIES

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

19. CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise short-term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of change in value. The cash and cash equivalent include cash in hand, bank balances, and money at call and short notice.

20. GOVERNMENT GRANTS

Government grants are recognized at fair value when there was reasonable assurance that they would be received or when they were transferred to the Authority. The value of the government grant reflects assets transferred from the Department of Civil Aviation at the time of the Authority's formation, along with the assets, less accumulated amortization.

20.1. Amortization of Government Grants

The provision for amortization is calculated on a straight-line basis, based on the cost or valuation (less than 10% of the residual value of the cost or valuation of the asset) of property, plant, and equipment. All property, plant, and equipment, except for land, which is accounted for against the government grant as a corresponding account, have been amortized annually at the following percentages over their useful lifetime.

Item	Rate
Buildings	6 2/3 %
Container Structures	10%
Motor Vehicles	12.50%
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

The Board of Directors have been considered as Key Management Personnel of the Authority.

Year Ended 31st December. (All amounts are in Sri Lanka rupees.)	2024 Rs.	2023 Rs.
Short-Term Employee Benefits	4,077,197	3,943,458

21.2. Related Party Transactions

The Civil Aviation Authority, as a Statutory Board, has undertaken the following significant transactions with entities controlled by the Government in the ordinary course of business. Limited disclosures have been made in accordance with LKAS 24 - 'Related Party Disclosures' for individually significant transactions, given their size and the impracticability of capturing and disclosing all transactions conducted with Government-controlled or related entities. Balances with entities controlled by the Government of Sri Lanka (GOSL) are included under Trade Receivables and Trade and Other Payables in the Statement of Financial Position.

Government Owned Entities	Nature of the Transaction	2024 (Rs.)	2023 (Rs.)
Sri Lankan Airlines Ltd	Overseas Sales Surcharge	927,554,905	1,260,242,886
Ceylon Electricity Board	Electricity Charges	29,973,663	33,668,354
Airport & Aviation (Pvt) Ltd	Electricity Charges	1,762,257	1,952,062
National Water Supply and Drainage Board	Water Charges	230,415	116,528
Airport & Aviation (Pvt) Ltd	Water Charges	2,109,323	2,188,008
General Treasury	Embarkation Levy Disbursement	38,013,284,702	38,828,543,756
Airport & Aviation (Pvt) Ltd	Embarkation Levy Disbursement	7,894,638,105	8,970,987,501
Sri Lanka Tourism Development Authority	Embarkation Levy Disbursement	3,947,319,052	4,485,493,750
Employees Trust Fund Board	ETF	6,082,316	8,551,128
Employees Provident Fund	EPF	30,401,085	42,755,626
Inland Revenue Department	Income Tax		765,282,046
Inland Revenue Department	Stamp Duty	2,214,248	2,153,482
Sri Lanka Telecom	Telecommunication Chargers	11,085,715	8,713,349
Sri Lanka Air Force	Fuel Charges	447,283	915,404
Airport & Aviation (Pvt) Ltd	Fuel Charges	19,325,324	25,689,829
Sri Lanka Insurance Corporation	Insurance Charges	256,624	301,478
Bank of Ceylon	Investments	4,440,999,988	3,614,946,156
Peoples' Bank	Investments	2,705,500,000	2,236,500,000
Sri Lankan Catering (Pvt) Ltd	Catering Services for meetings & Training	2,979,215	2,407,991
Road Development Authority	Expressway Chargers	2,945,243	2,456,557
Receivables			
Sri Lankan Airlines Ltd	Overseas Sales Surcharge	-	46,300,641
Payables			
General Treasury	Embarkation Levy Disbursement	5,558,382,098	4,020,600,433
Airport & Aviation (Pvt) Ltd	Embarkation Levy Disbursement	1,545,889,702	705,844,005
Sri Lanka Tourism Development Authority	Embarkation Levy Disbursement	772,944,851	139,822,680

Notes to the Financial Statements

22. FINANCIAL RISK MANAGEMENT

The Civil Aviation Authority of Sri Lanka is a Statutory Board, with the primary function of providing regulatory services to the civil aviation industry. The Authority has not financed its operations through financial instruments such as shares, debts, loans, or similar means. Consequently, the Authority has minimal exposure to the credit risk and liquidity risks arising from the use of financial instruments.

22.1. Credit risk

Credit risk refers to the potential financial loss to the Authority in the event that a customer fails to meet its contractual obligations. This risk primarily arises from receivables due from both internal and external parties.

Investments

The Authority mitigates its exposure to credit risk by investing exclusively in government treasury bills and short-term deposits with the CAA's official banker, the Bank of Ceylon

Employee loans

The Authority mitigates its exposure to credit risk by ensuring that loan balances are recovered through the employee's monthly salary. In the event that an employee leaves, any outstanding amounts are recovered from the guarantors. Additionally, CAASL retains absolute ownership of the properties purchased by employees using these loans

22.2. Liquidity risk

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

To maintain liquidity, the Authority invests surplus cash, exceeding Rs. 5 million, in short, medium, and long-term financial instruments. The Finance and Revenue Management Section is responsible for cash flow forecasting and continuously monitors rolling forecasts of the Authority's liquidity requirements to ensure that adequate cash is available to meet operational needs.

23. INCOME

Year Ended 31st December. (All amounts are in Sri Lanka rupees.)	2024 Rs.	2023 Rs.
Operating Income	1,678,760,397	4,267,567,018
Non-Operating Income	695,642,849	1,239,457,119
Other Non – Operating Income	11,433,128	23,615,667
Total Income	**2,385,836,374**	**5,530,639,804**
Operating Income		
Overseas Sales Surcharge	1,080,000,000	3,771,642,993
Service Charge of Embarkation Levy	456,175,353	364,495,616
Income from Regulatory Services	142,585,044	131,428,409
	1,678,760,397	**4,267,567,018**
Non-Operating Income		
Rental Income	136,250	432,050
Reservation of Circuit Bungalow	1,380,250	130,500
Profit on Assets Disposals	-	106,226
Tender Application Fees	51,000	27,000
Sale of Century Aviation Book	3600	-
Miscellaneous Income	2,113,484	1,774,198
Administrative Fee /Visa Recommendation for Students	169,000	152,000
Administrative Fine	100,000	1,341,677
Interest from Staff Loan	18,801,911	22,156,182
Interest from Investment in Treasury Bill	413,330,039	797,605,933
Interest from Investment on Call Deposits	182,693,208	335,462,280
Interest from Other Investments	76,864,108	80,269,073
	695,642,849	**1,239,457,119**
Other Non – Operating Income		
Interest Income from Staff Loans (IFRS adjustment)	7,723,976	19,906,515
Amortization of Government Grant	3,709,152	3,709,152
	11,433,128	**23,615,667**
Total Non-Operating Income	**707,075,977**	**1,263,072,786**
	2,385,836,374	**5,530,639,804**

CAASL has opened Fund Management Accounts with the Bank of Ceylon, Katunayake Branch, and Peoples Bank, Seeduwa Branch, with the approval of the Board of Directors. These accounts are used to make overnight investments of the cash balance held at the bank at the end of each day in the money market. The interest income generated from these short-term investments is reported under 'Interest from Other Investments.

Notes to the Financial Statements

24. STAFF EXPENSES

Year Ended 31st December. (All amounts are in Sri Lanka rupees.)	2024 Rs.	2023 Rs.
Salaries and Wages	115,459,725	114,622,376
Other Allowances	188,139,691	174,403,862
Employee Provident Fund	30,401,085	42,755,626
Employee Trust Fund	6,082,316	8,551,128
Leave Encashment	7,970,777	6,960,151
Bonus	8,224,598	9,060,561
Over time and Holiday Payment	9,811,904	9,713,849
Welfare Expenses	52,162,367	38,885,080
Gratuity	6,927,202	4,426,929
Death Grant for Employees	9,836,800	3,652,560
Staff Cost on Loan Benefits – (IFRS Adjustments)	7,723,976	19,906,515
	442,740,440	**432,938,638**

25. MEETINGS, SEMINARS AND WORKSHOP EXPENSES

Year Ended 31st December. (All amounts are in Sri Lanka rupees.)	2024 Rs.	2023 Rs.
Meetings, Seminars, Workshops - Local	3,360,729	1,642,653
Meetings, Seminars, Workshops - Foreign	4,747,600	6,421,030
	8,108,329	**8,063,683**

26. TRAINING EXPENSES

Year Ended 31st December. (All amounts are in Sri Lanka rupees.)	2024 Rs.	2023 Rs.
Training - Local	4,974,708	4,116,875
Training - Foreign	2,340,149	5,542,223
	7,314,858	**9,659,098**

27. ADMINISTRATION AND OTHER EXPENSES

Year Ended 31st December. (All amounts are in Sri Lanka rupees.)	2024 Rs.	2023 Rs.
Inspections	2,826,146	2,695,915
Out Door Meetings	160,315	62,229
In House Meetings	1,034,238	1,923,185
Travelling Expenses - Local	2,945,243	2,456,557
Consultancy and Legal Fees	3,226,289	349,903
External Technical Assistance	38,660,857	44,990,350
Interviews / Staff Evaluations	670,629	371,897
Board Payments	1,176,000	1,570,000
Maintenance of Property, Plant and Equipment	2,306,713	3,926,456
Stationery and Consumable	20,074,905	23,882,546
Domestic Airport Development	-	992,000
Other Supplies	1,212,613	1,354,916
Telecommunication	13,156,628	12,342,350
Postal Charges	338,551	626,994
Contributions to the International Civil Aviation Organization	47,883,592	63,622,713
Subscription for Publication, Advertisement	4,909,833	6,876,987
Examination Fee	3,265,280	2,673,639
Printing Expenses	809,400	9,025,685
Audit Fee	1,444,000	1,079,400
Loss on Disposal of Assets	1,685,935	862,778
Translation and Typing Expenses	67,605	95,524
Welfare Utilities - Sports	-	540,453
Sundry Expenses	48,165	19,225
Fuel & Lubricants	19,585,950	26,953,740
Vehicle Maintenance	23,389,249	17,971,645
Rent and Hire Charges	27,526,802	16,977,099
Common – Welfare	16,172,859	17,317,284
Expenses for Office Buildings and Quarters		
Electricity	31,735,920	35,621,216
Water	3,147,013	3,092,733
Security	12,001,482	11,883,755
Janitorial	16,083,189	13,494,800
Other Maintenance	19,780,006	27,009,417
Management Services	3,266,026	2,520,000
Landscaping & Maintenance	-	3,221,448
Aviation Development	4,535,980	1,666,401
IT Maintenance	13,512,811	4,430,822
Coparate Social Responsibility	1,000,000	
	339,640,223	**364,502,061**

* During the year 2024, Rs. 918,390 previously classified under “Administration and other expenses” in the financial statements for the year 2023 has been reclassified as “Finance expenses” (note no. 28).This adjustment was made to correctly reflect the nature of the expense. The reclassification does not affect the overall financial position or performance of the CAASL, as it is merely a change in the presentation of expenses.

Notes to the Financial Statements

28. FINANCE EXPENSES

Year Ended 31st December. (All amounts are in Sri Lanka rupees.)	2024 Rs.	2023 Rs.
Exchange Loss on Foreign Currency Transactions	11,587,718	911,208
Bank Chargers	1,054	500
Finance Cost of the Lease Liabilities	8,123	6,682
	11,596,896	**918,390**

29. PROPERTY, PLANT AND EQUIPMENT

Category of Assets	Balance as at 01/01/2024	Additions/ Transfers	Revaluation	Disposals	Balance as at 31/12/2024	Balance as at 31/12/2023
Cost:						
Land	583,943,139	-	-		583,943,139	583,943,139
Building	2,431,845,847	18,127,530	-		2,449,973,377	2,431,845,847
Container Structures	4,315,018	2,129,503	(465,018)		5,979,503	4,315,018
Vehicles	169,736,315	(7,650,000)	-	(186,950)	161,899,365	169,736,315
Plant and Machinery	78,527,151	19,025,095	8,563,327	(3,067,473)	103,048,100	78,527,151
Furniture and Fittings	35,421,039	2,494,506	8,569,404	(114,949)	46,370,000	35,421,039
Other Fixed Assets	216,208	-	(18,406)	(137,802)	60,000	216,208
	3,304,004,718	**34,126,634**	**16,649,307**	**(3,507,174)**	**3,351,273,484**	**3,304,004,718**

Category of Assets	Balance as at 01/01/2024	Charge for the year	Revaluation	Disposals / Transfers	Balance as at 31/12/2024	Balance as at 31/12/2023
Depreciation						
Building	503,932,336	145,982,957	-		649,915,293	503,932,336
Container Structures	796,919	402,139	(1,153,351)		45,707	796,919
Vehicles	12,272,178	18,291,651	-	(1,022,921)	29,540,908	12,272,178
Plant and Machinery	3,272,817	19,755,128	(19,882,242)	(1,176,497)	1,969,206	3,272,817
Furniture and Fittings	2,164,335	8,431,275	(9,660,952)	(48,547)	886,111	2,164,335
Other Fixed Assets	190,413	2,425	(67,669)	(124,022)	1,147	190,413
	522,628,998	**192,865,575**	**(30,764,214)**	**(2,371,987)**	**682,358,372**	**522,628,998**
Written Down Value	**2,781,375,720**				**2,668,915,112**	**2,781,375,720**

NON-CURRENT ASSET HELD FOR SALE

Vehicle	2024 Rs.
Cost	7,650,000
Accu. Depreciation 01.01.2024	862,983
Depreciation for 2024	862,983
As at 31st December 2024	**5,924,034**

The CAASL has classified vehicle no. KI-8568 (Micro Rexton) with a carrying value of Rs. 5,924,034.25 under "non current asset held for sale" as of 31st December 2024, in accordance with SLFRS 5, as the asset is available for immediate sale and the sale is highly probable within next twelve months.

Regarding section 9 of the Civil Aviation Authority Act No. 34 of 2002, the Hon. Minister of Transport and Civil Aviation has published a Gazette Notification 1973/78 dated 1st July 2016 to transfer and vest Batticaloa with the Civil Aviation Authority of Sri Lanka. Accordingly, the land and buildings were taken to the CAA Asset Register in 2017 and 2018. These properties have been leased to Airport and Aviation Services Sri Lanka (Ltd.) for operation.

By virtue of the powers vested under section 9 of the Civil Aviation Authority of Sri Lanka Act, No.34 of 2002, the 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 the 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. The above properties' value will be taken into the CAASL Asset Register once the survey plans and valuations are finalised and assets transferred in terms of Civil Aviation Authority Act No. 34 of 2002.

Revaluation of Assets
CAASL previously adopted a policy of revaluing assets every three (03) years. However, effective from 2014, this policy was revised to revalue assets every five (05) years.

Notwithstanding this policy, a continuous revaluation of assets was carried out for the years 2023 and 2024 to ensure compliance with the requirements of Sri Lanka Accounting Standard LKAS 16 – Property, Plant, and Equipment. This revaluation was conducted by an internal committee appointed by the CAASL to ensure that the carrying amounts of the assets reflect their fair value.

CAASL conducted a revaluation of its assets on 1st December 2024. The following classes of property, plant and equipment have been revalued;
- Container structure
- Plant and machinery
- Furniture and fittings
- Other fixed assets

The impact of this revaluation has been appropriately reflected in the financial statements for the year ended 31st of December 2024, and any resulting adjustments have been accounted for as per the relevant financial reporting framework.

30. INTANGIBLE ASSETS

Category of Assets	Balance as at 01/01/2024	Additions/ Transfers	Revaluation	Disposals / Transfers	Balance as at 31/12/2024	Balance as at 31/12/2023
Cost:						
IT Software	14,229,616	-	(6,358,166)	(75,700)	7,795,750	14,229,616

	Balance as at 01/01/2024	Charges for the year	Revaluation		Balance as at 31/12/2024	Balance as at 31/12/2023
Depreciation						
IT Software	726,105	6,155,864	(6,564,708)	(38,423)	278,838	726,105
Written Down Value	**13,503,511**				**7,516,912**	**13,503,511**

Revaluation of IT Software
CAASL previously adopted a policy of revaluing assets every three (03) years. However, effective from 2014, this policy was revised to revalue assets every five (05) years.

Notwithstanding this policy, a continuous revaluation of IT software was carried out for the years 2023 and 2024 to ensure compliance with the requirements of Sri Lanka Accounting Standard LKAS 16 – Property, Plant, and Equipment. This revaluation was conducted by an internal committee appointed by the CAASL to ensure that the carrying amounts of the assets reflect their fair value. CAASL conducted a revaluation of its assets on 1st December 2024.

The impact of this revaluation has been appropriately reflected in the financial statements for the year ended 31st of December 2024, and any resulting adjustments have been accounted for as per the relevant financial reporting framework.

31. INCOME TAX EXPENSES

The significant components of income tax expenses for the year ending 31 December are as follows.

Year Ended 31st December. (All amounts are in Sri Lanka rupees.)	**2024 Rs.**	**2023 Rs.**
Current Tax Charges		
Income Tax Expenses	205,793,225	172,206,560
Deferred Tax		
Charge/ (Reversal) in respect of deferred Taxation (Note 41)	90,074	36,714,169
	205,883,300	**208,920,729**

The Tax on the Authority's Profit before Tax differs from the theoretical amount that would arise using a basic tax rate 30% applicable to a profit of the Authority as follows.

Year Ended 31st December. (All amounts are in Sri Lanka rupees.)	**2024 Rs.**	**2023 Rs.**
Profit Before Tax	1,376,530,173	4,557,199,326
Tax calculated at the effective rate of 30%	412,959,052	1,367,159,798
The Tax on expenses is not deductible from the tax	274,909,271	426,214,796
The effect on Expenses/ Income deductible for tax	(482,075,097)	(1,621,168,033)
Tax losses for which no Deferred Income Tax Asset was recognized	90,074	36,714,169
	205,883,300	**208,920,729**

32. RIGHT-OF-USE ASSET - WEERAWILA LAND

The Authority received the Land of Circuit Bungalow, Weerawila, under a 30-year lease agreement from the government in January 2008. The Authority has charged lease payments to the Profit and Loss Account up to 31.12.2019. The Institute of Chartered Accountants of Sri Lanka has issued SLFRS 16 for Leases, which supersedes LKAS 17. Hence, the Civil Aviation Authority retrospectively adopted this standard on the 1st of January 2020 with the cumulative effect of initially applying the standard recognised at the date of initial application following paragraphs C7–C13 of SLFRS 16. The carrying amounts of recognised right-of-use assets are shown below.

Year Ended 31st December. (All amounts are in Sri Lanka rupees.)	**2024 Rs.**	**2023 Rs.**
As at 1st January 2024	294,471	315,505
Additions		-
Depreciation	(21,034)	(21,034)
As at 31st December 2024	**273,437**	**294,471**

33. CAPITAL WORK IN PROGRESS

Year Ended 31st December. (All amounts are in Sri Lanka rupees.)	2024 Rs.	2023 Rs.
Acquisition of Airport Lands	841,660	457,610
Constructions – Head Office	-	5,954,050
IT Developments	5,855,000	5,855,000
	6,696,660	**12,266,660**

The amounts paid for survey plans of Airport Lands are shown under the acquisition of Airport Lands. Part Payments made for Embarkation Management Software (4,730,000/-), and Automated Personal Licensing System (1,125,000/-) mentioned under IT Development.

34. TRADE RECEIVABLES

Year Ended 31st December. (All amounts are in Sri Lanka rupees.)	2024 Rs.	2023 Rs.
OSS & Embarkation Service Charge Income Receivable	243,540,652	352,585,282
OSS & Embarkation Levy Receivable from Airlines*	29,553,764,984	-
Other Receivable	2,905,039	3,198,055
	29,800,210,676	**355,783,337**

* For the year 2024, the OSS and Embarkation Levy receivable from airlines have been recorded under the “OSS & Embarkation Levy Receivable from Airlines” . Additionally, the “Other Debtors” has been renamed to “Other Receivables” in the 2024 financial statements to more accurately reflect the nature of the receivables. These changes are made to enhance clarity and ensure more precise reporting, with no impact on the CAASL’s overall financial position.

35. STAFF LOANS

Year Ended 31st December. (All amounts are in Sri Lanka rupees.)	2024 Rs.	2023 Rs.
Staff Loans	100,514,453	123,266,278
Deferred Staff Cost (Loans)	(38,358,598)	(62,504,044)
	62,155,855	**60,762,235**

36. FINANCIAL ASSETS

Year Ended 31st December. (All amounts are in Sri Lanka rupees.)	2024 Rs.	2023 Rs.
Treasury Bills	4,224,825,837	3,938,043,298
Treasury Bills – Gratuity Fund	31,578,115	21,196,052
Less: Differed Interest Income	(117,704,363)	(221,581,007)
	4,138,699,589	**3,737,658,343**

A separate investment has been maintained for the Retirement Benefit Obligation and has been included under “Financial Assets”.

37. ADVANCES, PREPAYMENTS AND OTHER RECEIVABLES

Year Ended 31st December. (All amounts are in Sri Lanka rupees.)	2024 Rs.	2023 Rs.
Advances	178,821,386	176,789,416
Prepayments	19,814,549	19,418,757
VAT Receivable	138,382,067	136,799,321
Interest Income Receivable	19,812,167	54,399,217
Prepaid Staff Cost	38,358,598	62,504,044
	395,188,767	**449,910,755**

38. CASH AND CASH EQUIVALENTS

Year Ended 31st December. (All amounts are in Sri Lanka rupees.)	2024 Rs.	2023 Rs.
Cash at Bank		
LKR current account: 000 202 6666 - BOC	33,268,191	118,716,340
LKR current account: 000 202 6678- BOC	484,653,695	130,291,453
LKR current account: 0088591866 -BOC (Lanka QR)	1,215,241	841,237
USD current acount: 89897817- BOC	12,045,266	5,061,829
USD current acount: 91551502- BOC	487,155,108	-
LKR current account: 324 100 190 023 731- Peoples Bank	69,992,440	590,591,556
Call Deposits	3,166,500,000	2,604,500,000
Petty Cash Advances	1,492,000	1,518,000
Total Cash and Cash Equivalents for the purpose of Cash Flow Statement	**4,256,321,939**	**3,451,520,415**

The Authority has opened a new USD Account at the Bank of Ceylon to facilitate the collection of payments from foreign customers. Foreign exchange gains and losses related to Foreign Currency Transactions are presented in the Statement of Comprehensive Income under ‘finance income or cost.

Notes to the Financial Statements

39. GOVERNMENT GRANTS RECEIVED

i. The value of Batticaloa Airport Buildings and Lands transferred to the CAASL in terms of section 9 of the Civil Aviation Authority Act No. 34 of 2002.
ii. The value of the two vehicles, 65-3651 and 65-3653, received from the ICAO Project."

Year Ended 31st December. (All amounts are in Sri Lanka rupees.)	2024 Rs.
Government Grants as at 01.01.2023	554,889,603
Add: Grants Received during the year 2023	-
Less: Disposal of assets received as Grants	(18,113)
Less: Amortization for the year 2023	(3,709,152)
Government Grants as at 31.12.2023	551,162,338
Add: Grants Received during the year 2024	-
Less : Disposal of Assets received as Grants	-
Less: Amortization for the year 2024	(3,709,152)
Government Grants as at 31.12.2024	**547,453,186**

Year Ended 31st December. (All amounts are in Sri Lanka rupees.)	2024 Rs.	2023 Rs.
Land	522,374,500	522,374,500
Buildings	24,196,310	26,498,005
Plant, Machinery & Equipment	205,331	205,331
Motor Vehicles*	4,386,197	5,793,653
Total	**551,162,338**	**554,871,490**
Amortisation for the year	(3,709,152)	(3,709,152)
Balance at the end of the year	**547,453,186**	**551,162,338**

* During the year 2024, Rs. 7,793,653 previously classified under "Furniture and Fittings" in the financial statements for the year 2023 has been reclassified as "Motor Vehicles." This adjustment was made to correctly reflect the nature of the asset. The reclassification does not affect the overall financial position or performance of the CAASL, as it is merely a change in the presentation of assets.

40. RETAINED EARNINGS

Year Ended 31st December. (All amounts are in Sri Lanka rupees.)	2024 Rs.	2023 Rs.
At the beginning of the year	6,137,845,749	5,826,217,782
Current year Profit	1,170,646,874	4,348,278,597
Other Comprehensive Income / (Expenses)	(38,040,641)	(14,345,234)
Prior Year Adjustments: Disallowable Input Tax	-	(22,305,396)
Transfer to Accident Investigation Fund	(61,795,304)	-
Transfers to the Consolidated Fund	(750,000,000)	(4,000,000,000)
As of the end of the year	**6,458,656,678**	**6,137,845,749**

41. REVALUATION SURPLUS

Year Ended 31st December. (All amounts are in Sri Lanka rupees.)	2024 Rs.	2023 Rs.
Vehicles	149,478,190	149,478,190
Plant, Machinery & Equipment	70,985,852	42,821,221
IT Software	1,274,083	1,087,915
Furniture & Fittings	44,070,064	25,843,908
Container Structure	688,333	-
Other Fixed Assets	49,263	-
	266,545,784	**219,231,233**

42. DEFERRED TAX LIABILITY

	Statement of Financial Position		Statement of Comprehensive Income	
Year Ended 31st December. (All amounts are in Sri Lanka rupees.)	**2024 Rs.**	**2023 Rs.**	**2024 Rs.**	**2023 Rs.**
Deferred Tax Liability on:				
Defined Benefit Plan	23,380,725	21,302,565	2,078,160	1,328,079
Accelerated Tax Depreciation	78,881,946	78,881,946	-	35,386,090
	102,262,671	**100,184,511**	**2,078,160**	**36,714,169**
Deferred Tax Asset on:				
Accelerated Tax Depreciation	17,584,263	15,596,177	1,988,086	-
Defined Benefit Plan				
	17,584,263	**15,596,177**	**1,988,086**	**-**
Other Comprehensive Income				
Deferred Income Tax Charge (Note No 28)			**90,074**	**36,714,169**

Deferred Income Tax Assets and Liabilities are set off when there is a legally enforceable right to offset current tax assets against current tax liabilities and when deferred income taxes are related to the same fiscal authority. The net deferred tax amount is as follows.

Year Ended 31st December. (All amounts are in Sri Lanka rupees.)	2024 Rs.	2023 Rs.
Deferred Tax Asset	17,584,263	15,596,177
Deferred Tax Liability	(102,262,671)	(100,184,511)
Net Deferred Tax Asset and Liability	**(84,678,408)**	**(84,588,334)**

Notes to the Financial Statements

43. LEASE LIABILITY

Year Ended 31st December. (All amounts are in Sri Lanka rupees.)	2024 Rs.	2023 Rs.
As at 1st January	281,554	307,013
Additions	-	-
Accretion of Interest	8,123	6,682
Payments	(32,141)	(32,141)
As at 31st December	**257,536**	**281,554**

44. PROVISIONS AND OTHER LIABILITIES

Year Ended 31st December. (All amounts are in Sri Lanka rupees.)	2024 Rs.	2023 Rs.
Staff welfare fund	170,647	158,564
Bank Guarantee Deposits (Embarkation Levy)	201,522,193	219,740,948
Accident Investigation Fund	110,000,000	48,322,696
	311,692,841	**268,222,208**

The Board of Directors decided at its 193rd meeting on 11th October 2023 to increase the Accident Investigation fund up to Rs. 100m with an increase of 10% annually and maintain the same level at the beginning of each financial year.

45. RETIREMENT BENEFITS OBLIGATION

Movement in the liability recognised in the statement of Financial Position is as follows.

Year Ended 31st December. (All amounts are in Sri Lanka rupees.)	2024 Rs.	2023 Rs.
At the beginning of the year	31,578,115	21,196,052
Current Service Cost	5,090,590	2,336,505
Interest Cost	1,836,611	2,090,424
Payments made during the year	(13,058,470)	(8,390,100)
(Gain)/ Loss arising from changes in assumptions period	38,040,641	14,345,234
As of the end of the year	**63,487,487**	**31,578,115**

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:

Year Ended 31st December. (All amounts are in Sri Lanka rupees.)	2024	2023
Discount Rate	7%	12%
Rate of Future Salary Increase	1%	1%
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 finded; a seperate investment is maintained for the value of the Retirement Benefit Obligation at the end of the each year.

46. TRADE PAYABLES

Year Ended 31st December. (All amounts are in Sri Lanka rupees.)	2024 Rs.	2023 Rs.
Deposit Inspection Charges and Operations	22,081,738	18,533,532
Payable to AASL, Tourism Development Authority and General Treasury	32,419,438,350	2,585,713,770
Deposit – Jaffna International Airport Development - SLTDA	1,050,000,000	1,050,000,000
Other Creditors	2,361,140	2,361,140
	33,493,881,229	**3,656,608,443**

The Cabinet of Ministers, in terms of its decision taken on 11th October 2019, has approved retaining the 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 the development of Jaffna (Palaly) international airport for operation of regional commercial flights. Rs. 1,050,000/- retained has been stated under "Deposit- Jaffna International Airport Development – SLTDA."

OTHER PAYABLES

Year Ended 31st December. (All amounts are in Sri Lanka rupees.)	2024 Rs.	2023 Rs.
Accrued Expenses		
- Staff Expenses		
EPF	3,241,116	5,684,076
Leave Encashment	7,884,333	6,960,151
Bonus	8,224,598	52,050
ETF	388,934	682,089
Welfare Payments	53,959	117,500
PAYE	852	879,699
Salaries and Wages	62,500	1,888,271
Professional Allowance	4,920,000	-
- Training	1,277,820	45,000
- Administration and Other Expenses		
Printing	3,250,422	6,537,204
Electricity	-	3,439,637
Welfare - Common	-	1,486,238
Building Maintenance - Other	3,004,705	2,366,637
Janitorial	-	1,140,697
External Technical Assistance	204,000	3,319,700
With Holding Tax deductions	832,472	683,146
Telecommunication	67,971	1,041,338
Security	540,460	1,015,665
Audit Fees	1,240,000	1,035,000
Rent and Hire Charges	-	1,480,960
Other Expenses	1,571,215	1,909,596
	36,765,358	**41,764,655**

47. INCOME TAX LIABILITIES

Year Ended 31st December. **(All amounts are in Sri Lanka rupees.)**	**2024** **Rs.**	**2023** **Rs.**
Balance at the beginning of the year	(119,273,851)	482,052,569
Provision for the year	205,793,225	172,206,560
VAT Refund setoff (Y/A 2024/25)	-	(8,250,934)
Paid during the year	-	(765,282,046)
Balance at the end of the year	**86,519,374**	**(119,273,851)**

48. CONTINGENT LIABILITIES

It was noted that the following court cases are appearing as material contingencies as of the end of the year.

There are three (3) cases filed against CAASL in the Small claim Court in 2024 and 2025
There are three (3) cases filed in the High Court- Two (2) cases has been filed against the CAASL in 2023 and one (1) case has been filed by the CAASL in 2024
There are three (3) cases filed against CAASL in the Court of Appeal in 2022 and 2024
There are two (2) cases filed against the CAASL in the Supreme Court in 2024

Auditor General's Report 2024

ජාතික විගණන කාර්යාලය
தேசிய கணக்காய்வு அலுவலகம்
NATIONAL AUDIT OFFICE

මගේ අංකය / எனது இல. / My No. AAV/A/CAASL/FA/24/20 ඔබේ අංකය / உமது இல. / Your No. දිනය / திகதி / Date 12 June 2025

Chairman
Civil Aviation Authority of Sri Lanka

Report of the Auditor General on the Financial Statements and Other Legal and Regulatory Requirements of the Civil Aviation Authority of Sri Lanka for the year ended 31 December 2024 in terms of Section 12 of the National Audit Act, No. 19 of 2018.

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1. Financial Statements

1.1 Qualified Opinion

The audit of the financial statements of the Civil Aviation Authority of Sri Lanka ("Authority") for the year ended 31 December 2024 comprising the statement of financial position as at 31 December 2024 and the statement of comprehensive income, statement of changes in equity and cash flow statement for the year then ended, and notes to the financial statements, including material accounting policy information was carried out under my direction in pursuance of provisions in Article 154(1) of the Constitution of the Democratic Socialist Republic of Sri Lanka read in conjunction with provisions of the National Audit Act No. 19 of 2018 and Finance Act No. 38 of 1971. My report to Parliament in pursuance of provisions in Article 154 (6) of the Constitution will be tabled in due course.

In my opinion, except for the effects of the matters described in the basis for qualified opinion section of my report, the accompanying financial statements give a true and fair view of the financial position of the Authority as at 31 December 2024, and of its financial performance and its cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

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1.2 Basis for Qualified Opinion

(a) As per the Sri Lanka Accounting Standards (LKAS) No.37 of Provisions, Contingent Liabilities and Contingent Assets, unresolved disputes with the taxation authorities need to be disclosed. However, the Authority had not disclosed fifteen VAT assessment notices valued at Rs. 40.1 million in the Financial Statements for the year ended 31 December 2024.

(b) A recent sample audit revealed that out of the expenditure incurred for the renovation of Quarters, a sum of Rs. 4.6 million had been erroneously charged to the profit and loss account instead of being capitalizing. As a result, the assets and retained earning had been understated by similar amount.

(c) The registration process had been completed and title certificates had been obtained for three parcels of land under gazette No. 2050/38 on 21 December 2017. However, these lands (including building and structures) had not been valued and accounted in the financial statements of the year under review. The acquisition and registration of three parcels of land, which were officially detailed in Gazette No. 2050/38 on 21 December 2017, had not been completed even as at 16 May 2025.

(d) The development costs at Batticaloa Airport aggregating to Rs.22.7 million erroneously accounted as land acquisition cost instead of being accounted as airport infrastructure development cost. Further, an unexplained receivable of Rs. 18.9 million also capitalized as part of the land value.

(e) The cost of relocating the remote taxi park and other facilities for Airport & Aviation Services of Sri Lanka amounting to Rs. 10.4 million had erroneously capitalized under Naikanda Land, instead of being accounted as airport infrastructure or project costs.

(f) A loss on disposal of assets of Rs. 1.6 million, which were still held in the office premises, had been incorrectly accounted in the financial statements.

(g) As per the Department of Inland Revenue, for the year 2019/2020 assessment was Rs.89.5 million. However, as per the value indicated in Authority's tax return was Rs.175.3 million tax receivable from Department of Inland Revenue and no action had been taken to resolve the issue.

(h) As per the letter No. ACT/03/15 dated 20 March 2023 issued by the Deputy Commissioner General – Tax Policy, Legislation, Rulings and International Affairs of the Department of Inland Revenue, overseas Sales Surcharge (OSS) and 2.5% of the Embarkation Levy (Service charge of Embarkation Levy) were liable to pay Social Security Contribution Levy (SSCL). However, Authority had paid SSCL only on regulatory income and has not paid SSCL on the Overseas Sales Surcharge (OSS) income and on the 2.5% the Embarkation Levy. Therefore, the SSCL liability of the year under review was understated by RS.38.4 million.

(i) As per the letter dated 24 October 2023 of the Large Tax Payer unit of Department of Inland Revenue, the Authority had not fulfilled criteria for Value Added Tax (VAT) exemption under (j) of the II part of first schedule of the Value Added Tax Act No. 14 of 2002 and the Authority is liable to pay VAT on service charge income on Embarkation Levy amounting to Rs.167.5 million as VAT and Rs. 43.4 million as penalty from second Quarter of 2016 to 31 December 2023. Further, the Authority is liable to pay VAT on service charge income amounting to Rs. 68.4 million for the year under review as per the calculation made by audit. Accordingly, total VAT payable and total VAT penalty payable as at 31 December 2024 was Rs. 403.5 million and Rs. 43.4 million respectively.

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

1.3 Other information included in the Authority's 2024 Annual Report

The other information comprises the information included in the Authority's 2024 Annual Report but does not include the financial statements and my auditor's report thereon, which I have obtained prior to the date of this auditor's report. Management is responsible for the other information.

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

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

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

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

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

- Conclude on the appropriateness of the management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Authority's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Authority to cease to continue as a going concern.

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

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

2. Report on Other Legal and Regulatory Requirements

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

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

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

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

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

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

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

	Reference to Law/ Direction	Description
(a)	Civil Aviation Authority of Sri Lanka Act No.34 of 2002	
	(i) Section 7(c)	Although the Aviation Development Plan for Sri Lanka should be prepared by the Authority, it had not been prepared even as at the date of this report.
	(ii) Section 9	Even after 21 years of the enactment of the Act, as of the date of this report, the Authority had failed to gazette an order for the transfer of 10 airports out of 14 airports and 8 aircraft facilities and associated land assets, as stipulated in the Second and Third Schedules of the Act.
	(iii) Section 9 and Gazette of the Democratic Socialist Republic of Sri Lanka (Extra Ordinary) No. 2050/38 dated 21 December 2017.	The Jaffna Airport was officially transferred to the Civil Aviation Authority and commenced international operations on October 17, 2019, following a Cabinet decision on April 2, 2019. However, as of the report's date, the Authority had not yet finalized the process of identifying and officially publishing the boundaries of the 349 acres of land allocated to the airport through a gazette notification.
(b)	Section 47 of the Employee Provident Fund (EPF) Act No. 15 of 1958, Section 44 of the Employee Trust Fund (ETF) Act No. 16 of 1980 and Public Enterprises Circular No. 02/2013 dated 11 September 2013	Contrary to the earnings mentioned in the EPF and ETF Acts, the Authority incorrectly calculated contributions to the Employees' Provident Fund (EPF) and Employees' Trust Fund (ETF) by including seven types of allowances not sanctioned by the EPF and ETF Acts. This error, occurring between January 1 and June 30, 2024, resulted in an overpayment of Rs. 11,402,157 to the EPF and Rs. 2.2 million to the ETF, leading to a

		total financial loss of Rs. 13.6 million.
(c)	Gazette of the Democratic Socialist Republic of Sri Lanka (Extra Ordinary) No. 2314/16 dated 11 January 2023	Airlines operating passenger flights departing from Sri Lanka are required to provide a sum of money or a bank guarantee as security for the embarkation levy collected. However, eight airlines had failed to submit bank guarantees totalling Rs. 4,611.7 million.
(d)	Public Enterprise Circular No; 01/2021 and dated 17 November 2021 - Section 3.2	Contrary to the circular provision, special allowance, managerial allowance and interim allowance aggregating to Rs.60.6 million had been paid to the officers of the Authority without the approval of the Department of Management Services.
(e)	Secretary's to the Ministry of Finance letter No; DMS/1748 and dated 09 April 2015	The Authority improperly paid Rs. 2.9 million in technical allowance to two officers without verifying their required licenses/certificates. In addition, a sum of Rs. 27 million was paid to the Director General of the Civil Aviation Authority of Sri Lanka (CAASL) with Cabinet approval, despite the required qualifications for the position were reportedly not met.

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

(a) As per Section 1.4 of the Manual of staff and administrative rules of the Authority, the rules of Corporate Governance of the Authority has consist three main parts, such as staff and administrative rules, Corporate rules and Financial rules. Although the Corporate Rules, Financial Rules should be issued separately as per the Manual, these rules had not been issued up to the date of this report.

2.2.4 to state that the resources of the Authority had not been procured and utilized economically, efficiently and effectively within the time frames and in compliance with the applicable laws as per the requirement of section 12 (h) of the National Audit Act, No. 19 of 2018 except for;

(a) The Civil Aviation Authority of Sri Lanka (CAASL) significantly overspent on the renovation of the Weerawila circuit bungalow, expending Rs. 24.2 million against a budget of Rs. 7.5 million. The contractor was selected based on a single bid, violating Government Procurement Guidelines, and no formal contract was signed. Although the contract was awarded on May 18, 2022, work commenced 10 months later, on March 13, 2023, at the same bid price. Additionally, the contractor completed Rs. 2,193,750 worth of unrequested work, which was not approved by the Technical Evaluation Committee (TEC) or the Procurement Committee (PC). A Certificate of Completion was not issued as per Government Procurement Guidelines 8.12.2. Despite the construction being incomplete and having significant defects, the final bill was submitted and paid on October 11, 2023.

2.3 Other Matters

(a) The Civil Aviation Authority of Sri Lanka (CAASL) had failed to review and update its staff and administrative rules (CASL CAP 5000), which approved by the Cabinet on 1 October 2014, though it is mandatory to review interval of not more than three years, and the requirement for General Treasury approval, this critical document remains unrevised as 8 May 2025.

(b) A total of Rs. 1.5 million in outstanding loan balances remained unsettled for over a year, as recorded in the loan register during the review period.

(c) As per the Section 14.9 of the staff and administrative rules manual, special loans are strictly permitted only for property-related expenses. However, a sum of Rs. 2.2 million was paid for special loans for other purposes, despite the absence of any guidelines in the manual authorizing such deviations.

(d) Fifty eight employees of the Authority were improperly receiving dual transport benefits, a monthly allowance and shared transport, violating internal rules. Further, 54 of these employees also received a Rs. 5,000 hardship allowance, for the 2018 relocation to

Katunayake. These three benefits monthly transport allowances of Rs. 9.9 million in 2024, hardship allowances of totalling Rs. 3.2 million, and bus rentals of Rs. 18.5 million are redundant, all serving the same purpose of work-related travel. Additionally, transport allowance deductions are still based on outdated 2018 circulars instead of the current Authority manual.

(e) A sum of Rs. 170.6 million, related to funds provided by the Civil Aviation Authority of Sri Lanka (CAASL) to Airport and Aviation Services (Sri Lanka) Ltd. (AASL) for the development of Palaly Airport, had remained unsettled for over five years. Further, as per the CAASL's financial statements, the advance was Rs. 170.6 million. However, as per the AASL's statements it was Rs. 175.4 million, resulting in an unreconciled difference of Rs. 4.8 million.

(f) The contract for upgrading the existing licensing system was awarded directly to a private firm on 25 June 2020 at contract price of Rs.1.5 million without following competitive bidding. However, there was a delay in the signing of the agreement by the Authority after the award date. Although the Authority had already made a payment of Rs. 1.1 million to the supplier, the total cost was uneconomical as the Authority had decided to develop a completely new system.

(g) The IT project intended for the collection of Embarkation Levy and EJ Tax was launched on 06 December 2021, with an expected completion date of 20 February 2022. However, as of 26 May 2025, the project remained incomplete, with only one out of 32 targeted airlines having responded. Consequently, payments totalling Rs. 4.7 million and Rs. 1.5 million already disbursed toward the project were considered uneconomical.

(h) Although the Board approved the disposal of a vehicle costing Rs. 7.6 million, the disposal had not been completed as at the reporting date.

(i) During the year under review, the Authority incurred a sum of Rs.38.6 million as external technical assistance expenses, by engaging 20 Designated Civil Aviation Inspectors on the Board Approval No. DP/July/2017/06 without establishing a formal procedure for the selection and engagement of these officers.

(j) The delay interest calculated as at 23 May 2025 by the Authority on outstanding Embarkation Levy of Rs.25,878.2 million from nine airlines as at 31 December 2024 was Rs.3,821 million. This calculation was done according to paragraph 09 of direction EL/01/2023, issued by the Director General of Civil Aviation on January 12, 2023. However, no action had been taken by the Authority to recover these outstanding interest charges.

(k) A difference of Rs. 4,697.1 million was observed between the Embarkation Levy payables recorded in the financial statements of Authority and embarkation levy receivable recorded in the financial statements of Airport and Aviation Services Sri Lanka Limited (AASL). However, no action had been taken to resolve the difference.

G.H.D. Dharmapala,
Auditor General (Actg)

Reply to the Auditor General's Report 2024

Auditor General
National Audit Office
Battaramulla

Report of the Auditor General on the Financial Statements and Other Legal and Regulatory Requirements of the Civil Aviation Authority of Sri Lanka for the year ended 31st December 2024 in terms of Section 12 of the National Audit Act, No. 19 of 2018

In reference to the report dated 12th June 2025, bearing No. AAV/A/CAASL/FA/24/20, the Civil Aviation Authority of Sri Lanka hereby submits its formal responses to the observations contained therein.

1.2.1 Basis for qualified opinion

(a) VAT assessment notices will be disclosed in accordance with the Sri Lanka Accounting Standards LKAS 37: Provisions, Contingent Liabilities and Contingent Assets in the 2025 financial statements.

(b) Expenditure incurred for the renovation of no. 9 quarters has been capitalized in 2025

(c) This Authority has taken immediate action to initiate the process of obtaining valuation reports from the Government Valuation Department for the following lands,
- The Civil Aviation Training Centre at Kandawala Road, Ratmalana, the buildings 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.

(d) Batticaloa Airport development cost aggregating to Rs. 22.7 million was capitalized in 2017 as land acquisition cost. This was reclassified as "airport infrastructure development" in the year 2025 and necessary accounting treatment will be duly carried out in accordance with the applicable accounting standards and guidelines.

(e) The relocation cost of the remote taxi park and other facilities amounting to Rs. 10,4 million was capitalized in the year 2016 as Naikanda Land. This was reclassified as "airport infrastructure development" in the year 2025 and necessary accounting treatment will be duly carried out in accordance with the applicable accounting standards and guidelines.

(f) This has been accounted for as a disposal, and action has been taken to donate it to St. Joseph's Boys' Hostel, Mullaitivu, and the breathalyzer to the Negombo Police Station.

(g) Difference will be adjusted in year 2025 VAT returns

(h) CAASL has paid and fully settled all dues of SSCL since 2022, amounting to a total of Rs. 194,331,568.96 up to 2025 second quarter.

(i) CAASL has filed an appeal against the value added tax (VAT) issued by the Department of Inland Revenue. The matter is under discussion, and no final decision has been taken.

A provision will be made in the financial statements – 2025. Continuous reminders have been sent, with the last reminder issued on 5th August 2025.

2. Report on other legal and regulatory requirement

2.2.2.

(a)

(i) The members of the Board of the Civil Aviation Authority granted approval to submit the National Civil Aviation Master Plan (NCAMP) for Cabinet approval, aiming to establish and implement a comprehensive 10-year NCAMP framework for Sri Lanka. This decision was made at the 197th Board meeting held on 26th February 2024.

In the meantime, Airport & Aviation Services (Sri Lanka) (Private) Limited submitted a proposed amendment to the NCAMP. Accordingly, the NCAMP was updated following stakeholder feedback and submitted to the National Planning Department (NPD) through the line ministry for Cabinet approval via a letter dated 28th October 2024. The comments received from the NPD by 20th May 2025, and updated document has been submitted to NPD on 16th June 2025.

(ii)

a. Referring to Section 9 of Act No. 34 of 2002, "The Minister may by Order published in the Gazette, transfer to and vest in the Authority the Aerodromes specified in the Second Schedule and the aeronautical facilities and the land appertaining thereto specified in the Third Schedule to this Act." Therefore, until the properties listed in the Third Schedule are gazetted by the Minister, no action can be taken regarding these properties.

However, a request has been made to the Secretary of the Ministry of Transport, Highways, Ports, and Civil Aviation to vest and transfer the properties mentioned in the Civil Aviation Act, which have not yet been transferred to the Civil Aviation Authority.

Furthermore, in accordance with the instructions given by the Director General of Civil Aviation, an inquiry was made on 07/10/2024 to the Secretary of the Ministry of Defense regarding the said properties. As per the letter dated 28/10/2024, it has been informed that all these airport properties are currently being used by the Ministry of Defense for security purposes.
Accordingly, the Secretary of the Ministry of Transport, Highways, Ports, and Civil Aviation will be informed of this matter in due course, and future actions will be taken based on the instructions received.
Hence, this Authority has already taken action in this regard, although the process is in progress.

b. Consequently, the 21-year period mentioned in the audit report is not related to this Authority, whereas the gazettes in this regard were only published in 2016, 2017 and 2019 as mentioned below.
   1. Extraordinary Gazette No. 1973-78 of 01.07.2016 - Batticaloa Airport
   2. Extraordinary Gazette No. 2050-38 of 21.12.2017 – Bandaranaike International Airport, Ratmalana International Airport, and related aeronautical facilities
   3. Extraordinary Gazette No. 2142-74 of 26.09.2019 - Palaly Airport
   Hence, this Authority has initiated the process of vesting and transferring the said lands in accordance with the aforementioned gazette notifications.

(iii)
In 1950, the Department of Civil Aviation acquired 141.6296 hectares (approximately 349 acres) of land for the purpose of establishing an aerodrome. Subsequently, in 1986, 261.7365 hectares (approximately 646 acres) were acquired by the Sri Lanka Air Force for the expansion of the airport. However, the acquisition process for these lands remains incomplete. The land area of 2,962.18 acres mentioned in the audit report includes the lands acquired by the Sri Lanka Air Force.

Additionally, the Extraordinary Gazette No. 2142-74, dated 26.09.2019, regarding Palaly Airport, was published without specifying the boundaries of the lands. Therefore, this Authority has prepared a draft to re-gazette the lands acquired by the Department of Civil Aviation, including the boundaries, and the document has been sent to Legal Draftsperson and the proof reading of the draft forwarded by Legal Draftsperson has been completed. This will be sent for publishing after the proof reading is completed.

Therefore, despite the observation of National Audit Office regarding Jaffna Airport, this Authority has taken necessary actions to identify boundaries and to register the 349 acres of land acquired by the Department of Civil Aviation. However, as mentioned in the Audit Report, the remaining portion of the total 2,962.18 acres is not under the purview of this Authority.

(b)
CAASL contributes to the EPF and ETF from the total employee remuneration as per section 4.7 of the Manual of Staff and Administrative Rules (SLCAP 5000), which have been approved by the Cabinet of Ministers since its inception. Whilst the term 'remuneration' has not been defined in SLCAP 5000, from the inception the practice (for nearly 20 years) has been for the CAASL to contribute to the EPF/ETF based on the total earnings of the employee. When the Authority was established in 2003, the appointment letters issued to employees stated that the employees' gross monthly salaries would serve as the basis for calculating contributions to the EPF/ETF.

As per the Board Decision taken at the 199th Board Meeting held on 02nd May 2024, it was decided to hold the remittance of EPF and ETF on Gross Salary of Employees following AAV/B/CAASL/AQ/2023/02 - Audit Query and has taken steps to calculate the EPF & ETF limiting to the provisions in the governing Act since May 2024.

The Board also decided to obtain an opinion from the Commissioner General of Labour regarding this issue. In response to the Letter of the DGCA dated 13.05.2024, the Labor Department by their attached letter No. □□.□.□./□□/16/□□□□□ □□□□□/2024 dated 31.07.2024, informed that the Labor Commissioner can intervene only on the violations on the minimum categories identified as 'earnings' as set out in the EPF Act and the Employer has the sole discretion to pay any earnings that are above and beyond the minimum earnings categories identified in the EPF Act.

The opinion of the Labor Department was forwarded 203rd Borad Meeting held on 30.08.2024 and The Board noted the content and did not accept the content of the Note since the Auditor General has formed an opinion, and board cannot go beyond as it is based on the provisions of the Act. The Board decided to remain the Board decision taken at the 200th Board meeting held on 31st May 2024 unchanged.

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Subsequently, the matter was referred to the Department of Public Enterprises in September 2024 for further guidance, and a final decision is still pending.

Meanwhile employees made a complaint to Labor Department regarding the matter, and the labor Department hold the inquiry calling the CAASL Officials on 2024.08.09 and 2024.12.03. The written submission was forwarded to the Department. As per the Letter dated SID/D/D/148/2024 dated 03.04.2025, the Department of Labour stated that deductions must be made for any payments falling within the scope of 'earnings' as interpreted under Section 47 of the EPF Act.

From May 2024 to now, the EPF and ETF contribution has been calculated limiting to the provisions in the EPF Act. Accordingly, EPF and ETF contribution is calculated on the basis of total Basic Salary, Cost of Living Allowance.

(c) Out of the eight airlines CAASL were able to collect Bank Guarantees from five airlines. CAASL is currently seeking for legal action for litigation

(d)

Interim Allowance

The Authority, at its 180th Meeting held on 08.04.2022, approved paying a temporary interim allowance of Rs. 25,000/- to all employees of CAASL. This allowance was given to all staff, as there had been no significant increase in their salaries since 2016. Furthermore, the cost of living has increased tremendously. It was also pointed out that the Department of Civil Aviation could not recruit competent staff due to rigid regulations, and to give more autonomy to DCA, the Civil Aviation Authority was established in 2002.

Further, the Board observed that during the past the CAA had not incurred any loss and has contributed an amount of Rs.1000 million in 2022 to the Consolidated fund and that if a privilege already given to the employees is withdrawn under the current prevailing economic hardships any resulting employee unrest may cripple the vital aviation industry in the country creating an adverse impact on the already strained economy of the country.

After considering the above, the Board at its 185th Meeting held on 01.02.2023 agreed to the continuation of the interim allowance; however, since this decision has been taken as a temporary measure at the 180th Meeting held on 08.04.2022, the Board decided that it should be absorbed into the future salary revisions/ increases.

Accordingly, the 196th Board meeting held on 19.01.2024 has decided to deduct Rs.10, 000/- from the interim allowance of each employee and to increase the cost-of-living allowance, which was increased by the DMS Circular no. 01/2024.

This Authority has taken action to obtain approval from the Ministry of Finance for the payment of above-mentioned allowance with the consent of the 207th Board meeting held on 07.05.2025. Approval is pending.

Managerial allowance

The managerial allowance is paid to the officers in the Manager category (salary scale of MM1-1 as approved by the General Treasury), consisting of 19 Senior Civil Aviation Inspectors and 15 Managers in the cadre.

The Authority at its 143rd meeting held on 29.03.2018, has approved a monthly allowance for managers of Rs.50, 000/- instead of a transport allowance of Rs.20, 000/- .

The Authority at its 185 Meeting held on 01.02.2023 has decided to continue the payment of Managers' allowance due to the following reasons. This Authority cannot revert the decision since this allowance has been paid since 2018.

- Grooming of middle-level managers for senior management positions for the effective implementation of succession plan and transition;
- This category of employees is the immediate below level to the Director in CAASL and needs to attend various duties on analyzing, planning, forecasting for execution of the Annual Work programme and the working hours are not limited to the general office hours. If they are to observe extended hours during weekdays, and if called for duty on weekends, CAASL is required to provide transport under normal circumstances. With the payment of this allowance, requirement for providing transport by the CAASL is not required which is also a cost saving to CAASL;
- Retention of competent officers for the service of the Authority;

  Due to the unique nature of the job, the International Civil Aviation Organization (ICAO) has stated as a mandatory requirement to provide remuneration with market value for the need to retain the employees of the regulatory authorities in the organization. Safety Oversight Manual (doc 9734) stated that states should take necessary measures, such as remuneration and conditions of service, to ensure that qualified personnel performing safety oversight functions are recruited and retained;
- Helps the manager category employees to regulate official movements independently enabling efficient and effective discharge the assigned duties and functions devoid of worries on travelling;
- Due to the use of these officers to report work using their own transport arrangements, the authority does not have to face the practical problems and financial costs to provide transport facilities;

- Discontinuance of payment will severely affect the organizational status and standard of living of the officers in the manager category. Further, the officers in the category have been trained extensively and if they leave the CAASL, it will be a huge loss to the functions of the organization and could result in serious findings at the Audit conducted by the international Civil Aviation Organization;

- At the initial stage of this allowance, all the management category officials were encouraged to set up their own method of transport and they purchased vehicles by taking loans under the vehicle loan scheme from the Authority, and if the payment of the relevant allowance discontinued, they would have to face a problem in paying the loan installments;

- Managers' allowance is extremely helpful in continuing the surveillance activities of aviation industry carried out by senior civil aviation inspectors as they have own transport arrangements;

- This Authority has taken action to obtain approval from the Ministry of Finance for the payment of above-mentioned allowance with the consent of the 207th Board meeting held on 07.05.2025. Approval is pending.

Special allowance

This Station Adjustment Allowance of Rs.5,000/- is being paid as approved by the Board of Directors at its 142nd meeting held on 22.02.2018. In order to minimize the inconvenience caused to the employees due to the relocation of the Head office from Colombo to Katunayake, it is being paid only to the employees who were in service at the time of the relocation. Accordingly, this allowance will not be paid to employees who joined the Authority after January 2018.

This Authority has taken action to obtain approval from the Ministry of Finance for the payment of the above-mentioned allowance with the consent of the 207th Board meeting held on 07.05.2025. Approval is pending.

(e)

1. Technical allowances

Special technical allowance is paid as per the provisions mentioned in the letter no. DMS/1748 dated 09.04.2015 issued by the Ministry of Finance on the subject " Urgent need for strengthening of the Safety Oversight capabilities of the Civil Aviation Authority for the effective discharge of the international obligations cast on the State under the convention on International Civil Aviation" and on the recommendation of the Assessment Panel for payment of special technical allowance and on the approval of the Staff Committee.
The undermentioned payments of Special Technical allowances were made as per the following decisions.

Post	Decision taken to pay Special Technical Allowance
Senior Civil Aviation Inspector (Aircraft Cabin Safety)	202nd Board meeting held on 26.07.2024, considering following reasons; • To maintain a current license, a post holder needs to be employed by an airline, which is not possible while she is employed by CAASL. • The post holder was the only qualified applicant for the post of Senior Civil Aviation Inspector (Aircraft Cabin Safety) out of the two applications received, including her own. In the context of the difficulty in attracting suitable and qualified personnel, withholding the special technical allowance could demotivate employees and potentially lead to their departure from the Authority.
Director (Aircraft Operations)	Staff Committee decision dated 29.12.2023, considering following reasons; • The post holder is a distinguished Commercial Pilot with over 22 years of experience. His extensive tenure includes serving as Captain for Airbus A330 at Sri Lankan Airlines and Captain A330 & A340 with Assistant to Chief Pilot at Etihad Airlines. • Ground Instructor at Asian Aviation Center • Holder of Air Transport Pilot Licence (ATPL) since 10.05.2007.

According to para III of Cabinet approval No.24/0436/628/024 dated 12.03.2024, this Authority paid the Special technical allowance to AVM Kotakadeniya which was previously paid to the post of DGCA & CEO. The Secretary of the Ministry of Ports, Shipping and Aviation has been informed of this by letter no.AD/1/1/365/1 dated 22.03.2024.

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2.2.3

(a)

Corporate rules -

The CAA had to introduce organizational reforms as one of the Remedial actions for audit findings, which the International Civil Aviation Organization had raised consequent to the State's safety oversight audit conducted in December 2010.As such Corporate Rules made by the Authority in pursuance to section 40(1) of Civil Aviation Authority of Sri Lanka Act no 34 of 2002 which was approved by the Hon. Minister of Ports and Aviation was gazetted on 02.03.2012; Gazette no 1748.

Accordingly, CAASL forwarded the reforms proposals which included the Corporate Rules for approval of the General Treasury through Line Ministry on 11.12.2012. However, the Treasury did not respond to the CAASL proposal. Instead, the Department of Management Services, by letter no. DMS. /2/1 dated 22.11.2013, instructed to adhere to the provisions of Management services circular 30 dated 22.09.2006, by which all public Corporations, Statutory Bodies and fully owned government companies were reformed to have a common salary structure. And approval was granted for reforms of CAASL by the Department of Management service which were in line with the government instructions. Accordingly, the Department of Management services has approved the following correspondence.

Scheme of Recruitment and Job Descriptions (SLCAP 5005)- Approved by the Department of Management Services – Letter no. DMS/1748-SOR dated 23.11.2015

II. Staff Salaries – CAASL has complied with Management services circular no 30 dated 22.09.2006 with regard to revision of salaries of employees of public corporations, statutory bodied and fully owned government companies - 2006.

III. Cadre- Department of Management services have approved CAASLs cadre by letter no. DMS/F1/52/1 dated 22.11.2013

IV. Organizational structure – According to the approval given by Department of Management Services for re-structuring by letter no. DMS/F1/52/1 dated 22.11.2013, organizational structure has been implemented by the Authority.

V. Staff Training Policy – Staff Training Policies and Procedures Manual has been implemented by the approval of the 123 Board Meeting held on 30 June 2016.

Financial rules - The preparation has been completed, and finalization is expected during the year 2025.

2.2.4

(a) The Civil Aviation Authority of Sri Lanka (CAASL) has made a timely and necessary decision to refurbish the existing Circuit Bungalow located at Weerawila. This decision was taken in response to the urgent need for maintenance, as the property has significantly deteriorated over time. The bungalow's state had become so poor that staff members and customers were reluctant to visit or stay there, resulting in a loss of potential revenue for the authority.

According to the Government Procurement Guidelines 7.12.2, when quotations are called under National Competitive Bidding (NCB), even if only one bid is received, the procurement process can still proceed under certain conditions. This guideline ensures that procurement is both fair and efficient, even in scenarios where competition appears limited. The DPC approved rates based on those existing prior to the economic crisis. Therefore, it was not practical to negotiate a downward revision of the price with the bidder, knowing that prices had increased two to threefold.

Additionally, in their letter dated March 13, 2023, the bidder informed the Civil Aviation Authority of Sri Lanka (CAASL) of the challenges they are facing due to high price instability and fluctuations caused by the prevailing economic crisis, which has led to the collapse of the construction industry. Considering the prevailing economic crisis and the collapse of the construction industry, the CAASL procurement office sought guidance from the Departmental Procurement Committee (DPC).

In light of the current market conditions in the country and in strict adherence to the Procurement Guidelines, the DPC made a crucial decision to re-award the contract to the same bidder. This decision was reached after a comprehensive assessment of the situation, considering various factors such as market dynamics, previous procurement practices, the bidder's performance, and, most importantly, the bidder's agreement to adhere to the same prices, which is highly beneficial to CAASL

Formal Contract agreement signed with the contractor. Board of directors approved the budget of 25 million for the renovation and it was completed within the allocated limit. Additional works were completed by the contractor after the recommendation of TEC and proper approval from the approving authority.

The bidder is registered with the Construction Industry Development Authority (CIDA) at the C7 level. CIDA is the authoritative body that governs and regulates the construction industry in Sri Lanka, ensuring that all registered entities meet stringent standards of quality, reliability, and professionalism. The C7 registration denotes a high level of competence and credibility, reflecting the bidder's adherence to these rigorous standards.

The extension had been granted as a variation to the original project scope to complete the construction of wall tile work in 12 bathrooms. This work is mutually exclusive from the originally assigned tasks, and therefore, the deadline applicable to the original project does not apply to the variation work.

Eight years after the building's construction, a comprehensive inspection revealed significant deterioration in the sanitary ware, including sinks, toilets, and other bathroom accessories. The issues identified were discoloration, burning, and cracking. Discoloration indicated material degradation, burning suggested exposure to extreme temperatures, and cracks compromised both functionality and aesthetics. These problems diminished the sanitary ware's usability and appearance, making replacement essential. Installing new, high-quality fixtures was deemed necessary to restore hygiene standards, functionality, and visual appeal, ensuring the bungalow remained in good condition for its occupants and the image of CAASL.

2.3 Other Matters

(a)
The Manual of Staff and Administrative Rules (SLCAP 5000) has been approved by the Cabinet of Ministers on 18.09.2014 .As per the Chapter 14 Advances and Loans , para 14.1 mentioned that " The loan amounts may be revised by the Authority taking into account the inflation and the financial health of the CAASL , in intervals not less than three years with the approval of the General Treasury."

Accordingly, the Authority has taken action to increase the amount of the festival advance. The Authority has taken action to increase loans for the purchase of a three-Wheeler and Motor Bicycle, and approval of the General Treasury is being processed. The other loans mentioned in chapter 14 such as Ten month's salary loan, Motor vehicles loan, Property loan are calculated based on employee's salary.

The review process of the Manual of Staff and Administrative Rules (SLCAP 5000) has reached its final stage. All decisions taken by the Authority relating to Staff and Administrative Rules were incorporated to the revision of SLCAP 5000 and the required approvals are being processed.

(b) The staff committee held on 7th Sep 2023 approved one year no pay leave to an employee for one-year w.e.f. 15.10.2023 to undergo essential medical treatment subject to the following conditions

- Accumulate the loan balances with monthly interest during the no pay period and to be recovered from the date he reports back

The recovery process commenced in January 2025, and the loan has been rescheduled.

(c) Special loans for medical and educational purposes have been granted to employees with the approval of the Authority. It has, however, been decided to incorporate this loan scheme into the Manual of Staff and Administrative Rules (SLCAP 5000), which is currently being amended.

(d) The monthly transport allowance is provided to all staff members categorized under Junior Manager (JM1-1) & Implementation/ Enforcement/Extension grades (MA 5-3) and below to support their daily commute from residence to workplace. This allowance has been paid since 2002, during which time the Civil Aviation Authority of Sri Lanka (CAASL) was located within Colombo City (Colombo 01 and Colombo 03).

However, following the decision to relocate the CAASL Head Office from Colombo to Katunayake, employee dissatisfaction arose due to the increased burden placed on their daily commute and lifestyle. In response, the CAASL Management was compelled to take several measures to mitigate the challenges faced by the staff and to ease the transition resulting from the relocation.

Upon the relocation of the CAASL Head Office to Katunayake, the Board at its 142nd Board Meeting held on 22.02.2018 recognized the increased travel burden on staff and the shift away from their established living pattern. In response, the Board approved a Station Adjustment Allowance of Rs. 5,000 for all employees. This was aimed at compensating the staff for the additional travel expenses, time, and lifestyle adjustments required due to the relocation to an area significantly farther from central Colombo. This is only applicable to the staff who were in CAASL before shifting in 2018.

Additionally, the Board its143rd Board Meeting held on 29th March 2018 145th Board Meeting held on 30th May 2018 made provisions for transport facilities for two specific employee groups where access to the workplace required multiple connecting bus journeys and significant travel time.:

1. Employees commuting from southern parts of Colombo
2. Employees residing in the Anamaduwa area,

For example, an employee residing in Kottawa previously commuted to Colombo within 45 minutes. However, post-relocation to Katunayake, the travel time has extended to over two hours. The provision of office transport (via two designated buses) helped alleviate this hardship and ensured that employee productivity and punctuality were not compromised.

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The transport service is operated on a cost-sharing basis, with a fixed amount deducted monthly from participating employees, depending on their boarding point. It is important to note that the transport allowance is distinct from the transport facility. While the allowance is meant to support travel from residence to office, the transport service only covers a limited route, requiring employees to manage the initial leg of the journey to designated pick-up points on their own. Other than that, the Transport Allowance is a common allowance applicable to all the staff but said facility is granted only to an identified separate group of employees. This facility also is provided for the staff members categorized under Junior Manager (JM1-1) & Implementation/ Enforcement/Extension grades (MA 5-3) and below staff.

Furthermore, this facility has also served as a recruitment incentive, helping to attract and retain staff despite the organization's location being far from the main urban center.

In response to Audit Query, section 18.3.2 of SLCAP 5000, which allows for a revision of the transport allowance by 10% every five years, it must be emphasized that there is not any correlation between the transport allowance and the actual monthly deductions made for the transport service. Despite this, no revisions to the deductions have been implemented in recent years, taking into account the current economic climate and the potential financial burden on employees.

However, it is proposed to increase the monthly deduction by 10%, in line with the 10% increase in the Transport Allowance scheduled to be implemented by the end of December 2025, as stipulated under Section 18.3.2(b) of SLCAP 5000.

Furthermore, by its letter No. AD/2/3/1 dated 16.05.2025, approval was sought from the Department of Management Services for the payment of the Station Adjustment Allowance (referred to as the Hardship Allowance in the Audit Query) amounting to Rs. 5,000.00.

In conclusion, the continued provision of the transport allowance and facility is a justified, employee-centered policy designed to ensure fairness, accessibility, and operational efficiency within the CAASL workforce and no violation of rules and regulations of CAASL

(e) As per the CAASL financial statements for the year 2024 there is an unsettled advance of Rs. 170.6 Mn for the development of Palaly Airport, for which CAASL is in the process of reconciling and verifying the bills submitted by AASL.

(f) Licensing system

The original Licensing System was a unique software system developed by the Software DevelopmentCentre of the University of Colombo, School of Computing (UCSC). Ongoing maintenance and support for the system have historically been provided by UCSC staff, as requested by the Licensing Section. As the original developer, UCSC has the intellectual property rights to the software.

Given the critical role of this system in the issuance of licences for pilots, Aircraft Maintenance Engineers, Air Traffic Controllers, and Cabin Crew members, it is imperative that system reliability and continuity be rigorously maintained.

According to the minutes of the Department Procurement Committee (DPC), the UCSC staff involved in the initial development and maintenance of the system possess specialized knowledge and familiarity with its architecture. Accordingly, the DPC has determined that assigning the system upgrade to the same team is the most efficient and cost-effective course of action, avoiding unnecessary expenditure of time, funds, and resources.

Furthermore, as recorded in the DPC minutes, Theekshana, a company established to professionalize research and consultancy services of the UCSC, is recognized as one of the pioneering entities in the university sector. The Board of Management of Theekshana includes members of the UCSC faculty. Notably, all personnel who previously rendered services through the UCSC Software Development Centre have been absorbed by Theekshana, which continues to deliver these services in a more structured and professional capacity.

As per the DPC minutes, all UCSC-related software projects were being executed by Theekshana, ensuring continuity in expertise and service delivery. As per its Articles of Association, Theekshana is considered the successor to UCSC in relation to software development activities.

In light of the above, the continuation of the Licensing System's upgrade through Theekshana is deemed both appropriate and aligned with established institutional processes and technical best practices.

It should also be acknowledged that the **onset of the COVID-19 pandemic significantly delayed the execution of the planned upgrade**. The pandemic caused widespread disruptions in both institutional operations and project implementation schedules, including restricted physical access to offices and systems, delays in decision-making processes, and resource limitations. These factors collectively contributed to the postponement of the system upgrade and the signing of agreements.

While the company completed the assigned tasks under the scope of the project and delivered a functional Licensing System that has served CAASL's operational needs, it is important to note that the overall performance did not fully meet the expected standards in certain key areas.

The system's core features were developed and deployed as required, and the company provided a commendable service in line with the contractual obligations and payments (Rs. 1,125,000) made. However, limitations were observed in terms of system efficiency, printing and overall responsiveness, which impacted the operational effectiveness to some extent.

While the work done was generally aligned with the financial value of the contract, the Civil Aviation Authority of Sri Lanka (CAASL), in its fiduciary responsibility to ensure value for money and performance accountability, decided to withhold the final payment pending the resolution of the identified performance concerns. This decision was taken in view of the need to maintain high standards for systems that directly support the licensing of aviation personnel such as pilots, Aircraft Maintenance Engineers, Air Traffic Controllers, and Cabin Crew members.

It is acknowledged that the company delivered a satisfactory service within its capacity and under prevailing constraints at the time.

As per the government digitalization project, discussions are going on to go for a new system with evolving technologies since this existing system is more than 15 years old. Considering the above facts, we are not in agreement with the finding.

(g) The project experienced delays due to integration issues with data sharing. Currently, CAASL is conducting a parallel run with one airline, and measures are being implemented to ensure the system is finalized soon.

(h) The Board approval has been granted to dispose of the vehicle in February 2024. This has been accounted for as an "asset held for sale" in the financial statements for the year 2024. The assets will be disposed of during the year.

(i)
The Board of Directors at its Board meeting held on 27.07.2017, approval was granted to get the service of qualified personnel of the Aviation industry including the retired officers of CAASL in order to perform specific safety oversight functions that may assigned to them to be completed within a defined time framework. The Areas are Air Navigation Services, Aerodrome, Airworthiness, Personnel Licensing, Aircraft Operations and Aviation Security.

According, Policy was developed by Civil Aviation Authority for obtaining the Service of the Designated Senior Civil Aviation Inspectors (DSCAIs) to ensure the effective utilization of DSCAIs for the smooth operation of CAASL. (Attachment 1 - Mgt. Circular)

According to the policy, the period of the assignment shall be determined based on the need for engaging continuous safety oversight operation and on the complexity of specific task the assigned as the project. The minimum assignment shall be for a period of six months to ensure continuity, thorough assessment, and effective safety oversight. However, in order to cater to the organizational need for continuous safety oversight and for those projects' greater complexity, the assignment duration may be extended beyond the six months period. Such an extension is granted only with reasonable justification to that effect made by the Sectional Head and upon the scrutiny and sanctioned by the Evaluation Committee.

The DSCAIs shall sign the form titled "Declaration of Absence of Any Real, Apparent, or Potential Conflicts of Interest Between Official Responsibilities and Private Affairs" (Attachment 2), in line with the generic agreement.

DSCAIs have participated in the local training programs which were not involved in the cost factor. In the foreign programs, they were nominated to gain the latest/updated knowledge as refresher programs.

The Policy, initially developed for obtaining the services of Designated Senior Civil Aviation Inspectors (DSCAIs), will be further refined to incorporate the limitations of DSCAIs and clearly defined tasks and timelines, procedures for monitoring performance and attendance, and the applicable payment methods.

(j) CAASL has taken all necessary steps to ensure the correct implementation of the Embarkation Levy regulations issued by the Director General of Civil Aviation and following action has been taken to recover the outstanding balances

- Since 2022, CAASL has been continuously following up with airlines regarding the non-payment of the Embarkation Levy and the applicable penalties. This has been done through emails, official letters, and meetings.

- CAASL has consistently communicated this matter to the Ministry of Finance through the line ministry.

- To recover a portion of the outstanding amounts, the CAA has en-cashed bank guarantees held for a few of the defaulting airlines.

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- In accordance with the Board decision, final reminders were issued to the respective airlines on 20th May 2024, requesting settlement of the dues within seven days. The board also decided to obtain legal advice from the Attorney General.

- A formal letter was sent to the Hon. Attorney General in June 2024. Upon review, the Attorney General has recommended that amendments be made to the Finance Act to enable more effective enforcement and recovery mechanisms.

- The Board decided to initiate a meeting with Treasury representatives on this matter early and to continue with having meetings with the Airlines by the DGCA

- Following this decision, the CAA held discussions with the Department of Fiscal Policy of the Ministry of Finance to begin drafting and implementing the necessary amendments to Finance Act No. 25 of 2003.

- In parallel with the above actions, CAASL is currently evaluating the initiation of legal proceedings.

(k) CAASL has already confirmed and acknowledged the payable balance to AASL.

Sunil Jayarathna
Chairman
Civil Aviation Authority of Sri Lanka

Regulatory Scope

↑ Increase ↓ Decrease = Equal

Regulated Area	2024	2023	Change
Airports			
Domestic Land Airports	10	10	=
Domestic Water Aerodromes	11	11	=
International Airports	4	4	=
Airlines			
Local Airlines engaged in domestic air services	4	5	↓
Local Airlines engaged in international air services	2	2	=
International Foreign Airlines	38	37	↑
Training Organizations			
Approved Flying Training Organizations	8	7	↑
Approved Training Organizations - Flight Operations Officers	1	1	=
Approved Training Organizations - Air Traffic Controllers	1	1	=
Type Rating Training Organizations	1	1	=
Approved Maintenance Training Organizations/Engineering Schools	6	5	↑
Approved Maintenance Organizations (Local)	14	13	↑
Continuing Airworthiness Management Organizations	14	12	↑
Civil Aviation Training Centres	1	1	=
Air Navigation			
Air Navigation Service Providers	1	1	=
Registration and Airworthiness of Aircraft			
Large Aircraft (Maximum take-off weight 5700kg & above)	27	29	↓
Small Aircraft (Maximum take-off weight less than 5700kg)			
Light Transport Aircraft	41	40	↑
Ultra-Light Aircraft	2	1	↑
Helicopter	6	7	↓
Hot Air Balloons	7	4	↑
Synthetic Training Devices Flying Training Devices			
Local full flight Simulators – A 320/A 330/ Integrated Panel Trainer	3	3	=
ATC Simulator	1	1	=
Personnel Licensing			
Student Pilot Licence Holders	388	253	↑
Private Pilot Licence Holders	212	100	↑
Commercial Pilot Licence Holders	188	300	↓
Air Transport Pilot Licence Holders	709	768	↓
Air Traffic Control Licence Holders	99	68	↑
Aircraft Maintenance Engineer Licence Holders	2	2	=
Aircraft Maintenance Licence Holders	536	507	↑

Regulatory Scope

↑ Increase ↓ Decrease = Equal

Regulated Area	2024	2023	Change
Flight Dispatcher Licence Holders/Flight Operation Officer Licence	234	233	=
Aeronautical Station Operator Licence Holders	9	9	=
Cabin Crew Member Certificate Holders	979	894	↑
Flight Instructors	24	22	↑
Flight Instructors (Restricted)	7	11	↓
Ground Instructors	32	28	↑
Class Rating Instructors	2	1	↑
Type Rating Instructors	27	9	↑
Synthetic Flight Instructors	5	4	↑
Flight Examiners	6	6	=
Class Rating Examiners	-	1	↓
Type Rating Examiner	23	23	=
Synthetic Flight Examiners	3	3	=
Civil Aviation Medical Examiners/ Medical Assessor	6	6	=
Certified Aviation Security Screeners	1117	1056	↑
Certified Aviation Security Instructors	-	20	↓
Certified Aviation Security Managers	13	23	↓
Air Transport Service Providers			
Global Distribution Service Providers	3	3	=
Air Transport Service Provider Licence Holders	582	528	↑
Air Transport Service Provider Licence –Group A	564	510	↑
Air Transport Service Provider Licence –Group B	18	18	=
General Sales Agents	26	26	=

Summary of CAASL's Technical Performance

Number of Regulations/Notices/Rules	2024	2023
Aircraft Operations	1	12
Aircraft Registration & Airworthiness	1	1
Aerodromes	9	3
Air Navigation Services	7	2
Aviation Security	0	11
Aeromedical Services	1	2

Initial Certification of Organizations /Personnel	2024	2023
Airlines (Foreign)	5	7
Approved Maintenance Organizations (AMO)	1	2
Approved Maintenance Training Organizations (AMTO)	1	1
Continuing Airworthiness Management Organizations (CAMO)	2	1
Aircraft Maintenance Organizations (Foreign)	5	1
Pilots	368	492
Air Traffic Controllers	33	7
Aircraft Maintenance License Holders	29	38
Flight Operations Officers (Flight Dispatchers)	1	4
Flight Instructors	4	15
Flight Instructors (Restricted)	6	9
Class Rating Instructors (Restricted)	1	0
Class Rating Instructors	1	1
Type Rating Instructors	8	9
Synthetic Flight Instructors	5	4
Ground Instructors	11	27
Cabin Crew Members	85	137

Summary of CAASL's Technical Performance

Surveillances of Certified Organizations /Personnel	**2024**	**2023**
Ramp Inspections-Operations	11	13
Simulator Inspections	3	3
En-route Inspections	11	10
Dangerous Goods Inspections	10	13
Station Facility Inspections - Operations	8	0
Main Base Inspections/Instructor Observations	4	6
Designated Check Pilots (DCP Monitoring)	1	0
Ramp Inspections-Airworthiness	11	15
Certificate of Airworthiness of Aircraft (C of A)	49	42
Aircraft Maintenance Organization Inspections	21	22
Approved Maintenance Training Organization Inspections	5	4
Continuing Airworthiness Management Organization (CAMO) Inspections	16	9
Fuel Facility Inspections/Audits	4	4
Approved Flying Training Organizations Inspections	17	16
Surveillance of Licences	5	13
Aerodrome Inspections	43	60
ATM Inspections	40	42
AIM Inspections	6	6
SMS Inspections	15	15
CNS Inspections	31	25
MET Inspections	7	3
Maps & Charts Inspections	3	3
PANS-OPS Inspections	6	3
Non-SKED Flight Inspections	6	5
Conduct of Aviation Security Surveillance Activities (Inspections, Audits, Investigations, Tests)	97	97
Designated Hospitals - Inspections	5	5

Audits Completed	**2024**	**2023**
Aviation Security	1	1

Key Performance Indicators

Direction and Management	2024	2023
Authority Meetings	8	11
Audit Committee Meetings	3	5
Staff Committee Meeting	3	3
Industry Consultative Meeting	29	13
Appointment to Outside, Organization/Personal	195	203
Number of Letters Received	4,717	5,225

Legal Affairs & Enforcement (LA&E)	2024	2023
Primary Legislations Enacted/Draft Bills Reviewed	4	6
Subsidiary Legislations Issued/Reviewed/Revised	18	41
Agreements/MOU	22	24
No of consultations participated at the Attorney General's Department/Legal Draftsman Department	15	14
Provisions of legal advice to CAASL/DGCA on legal matters	54	86
Appearance in Courts/Law Suits	38	27
Legal documents prepared	9	10
No of CAASL Documents Reviewed	6	5

Aviation Security (AVSEC)	2024	2023
Reviews/Amendments – NCASP & Subsidiary Documents	-	10
Evaluations/Reviews – Local Airline/Airport Operator Aviation Security Programme	4	6
Evaluations/Reviews – Foreign Airline Operator Aviation Security Programme	25	14
Evaluations/Reviews – Aviation Security Training Programme/Syllabuses	-	4
Conduct of Aviation Security Surveillance Activities (Inspections, Audits, Investigations, Tests)	97	97
Certification and Re-Certification of Aviation Security Managers	13	23
Certification and Re-Certification of Aviation Security Instructors	-	20
Certification and Re-Certification of Aviation Security Screeners	1,117	1,056
Approval for carriage of weapons on board/cargo holds of an aircraft	61	87
Recommendation for issuance of airport access permits	683	572
Conduct of Aviation Security Training /Lectures/Presentation	-	2
Providing expertise services to Government & other agencies	1	-

Key Performance Indicators

Environment, Research and Projects (ERP)	2024	2023
International Airline Statistical Reports	406	357
Domestic Airline Statistical Reports	45	51
ICAO Reporting Forms Sent	69	69
CAASL Work Performance Statistical Reports	240	240
Provisions of Statistics for Government Institutions/General Public/Other Sections in CAASL	29	38
Bids/RFP (Request for Proposals) Issued	25	19
Awarded Contracts	166	130
Prepared CAASL Board Papers	1	3
Administration Support to CAASL Workshops/Functions/Events/Special Days	-	3
Administrative Support to Organizing Meetings/Trainings/Seminars/Workshops (Aviation)	9	13

Air Navigation Services (ANS)	2024	2023
ATM Inspections Conducted	40	42
AIM Inspections Conducted	6	6
SMS Inspections Conducted	15	15
CNS Inspections Conducted	31	25
MET Inspections Conducted	7	3
Maps & Charts Inspections Conducted	3	3
PANS-OPS Inspections Conducted	6	3
Non-SKED Flight Inspections	6	5
Approvals for issuances of NOTAM	348	326
AIP Supplement Issued	6	13
AIP Amendment	5	4
No of AIC issued	8	6
Number of Aerial Works Approval	185	73
Landing Clearances issued	781	591
Over flying Clearances issued	1,429	1,667
No of Non Schedule Flights Approvals	2,210	2,258
AFTN Dispatched	1,870	1,983
AFTN Received	3,905	4,249
Number of Exemption Landing & Parking Charges	6	9
No of No Objection Notes for Diplomatic Flight (Landing)	176	103
No of No Objection Notes for Diplomatic Flight (Overflying)	210	176
No of Aircraft Overflying Colombo FIR	40,511	35,929

Aerodromes	2024	2023
No of Tower Approvals	142	266
Approvals for construction of high rise structures	115	85
Land Airports Certificate - Renewals	4	2
Aerodrome Surveillance carried Out	43	60

Aviation Training & Personnel Licensing	2024	2023
Student Pilot Licences (SPL) (Issuance+ Renewals)	135	253
Private Pilot Licence (PPL) Issuances	70	66
Commercial Pilot Licence (CPL) Issuances	34	73
Airline Transport Pilot Licence (ATPL) Issuances	27	38
Air Traffic Controller Licences (ATC) (Issuance+ Renewals)	107	68
Aircraft Maintenance Engineer Licences (Issuance+ Renewals)	2	-
Aircraft Maintenance Licence (Issuance +Renewals)	271	275
Aircraft Maintenance Licence-Type Ratings (Issuances)	54	59
Aircraft Maintenance Licence-Categories (Issuances)	25	8
Cabin Crew Certificate (Issuance +Renewals)	220	501
Flight Operation Officer Licence (Issuance)	1	4
Single Engine Pistone (SEP) (Issuances + Revalidations + Renewals)	71	106
Multi Engine Pistone (MEP) (Issuances + Revalidations + Renewals)	23	29
Single Engine Turbine (SET) (Issuances + Revalidations + Renewals)	16	15
Type Ratings (Issuances + Revalidations + Renewals))	751	1,772
Instructor Rating – (Issuance +Renewals)	40	47
Approved Flying Training Organizations Licences - (Issuance +Renewals)	7	7
Ground Instructor Approvals (Issuance +Renewals)	11	28
Air Traffic Controllers Rating (Issuances+ Renewals)	149	118
Issuance of NIB Clearances	319	231
PPL Examination (Number of Papers)	640	573
Flight Operations Officer Examination	4	-
AML Examination (No of Exams)	4	5
AML Examination(Number of Papers)	1,915	2,650
ATPL (A) Number of Papers delivered	1,401	1,653
ATPL (H) Examination (Number of Papers)	17	17
English Language Proficiency Check (ELPC)	169	127
Flight Instructor (Restricted) Examination (Theory & Viva)	7	9

Aircraft Operations	2024	2023
Special operations	3	1
Foreign Air Operator Certificate - Initial	5	7
Foreign Air Operator Certificate - Renewal	29	34
Dangerous Good transport licenses - Initial	-	2
Dangerous Good transport licenses - Renewal	19	11
International Air Operator Certificate-Renewal	2	1
Simulator Renewal	1	2
PPC Authorization	111	57
Surveillance Activities Performed	82	67
Drone Registered - Local owners	2,200	1,388
Drone Registered - Foreign owners	3,827	2,388

Key Performance Indicators

Aircraft Registration & Airworthiness (AR&AW)	2024	2023
Surveillance activities carried out (Ramp, Audit)	119	96
Certificate of Airworthiness of aircrafts-Initial	3	2
Certificate of Airworthiness of aircrafts-Renewal	49	40
Issuance of Test Flight Permit	8	25
Issuance of Type Acceptance Certificates	1	-
Certificate of Registration of aircrafts-Initial	3	4
Certificate of Registration of aircrafts-Renewal	73	63
De-Registration of Aircrafts	4	4
Approved Maintenance Organization (Local) - Initial	1	1
Approved Maintenance Organization (Local) - Renewal	16	17
Maintenance Organization (Foreign) - Initial	5	1
Maintenance Organization (Foreign) - Renewal	52	45
Approved Maintenance Training Organization - Initial	1	1
Approved Maintenance Training Organization - Renewal	5	4
Continuing Airworthiness Management Organization - Initial	2	1
Continuing Airworthiness Management Organization - Renewal	12	9
Fuel Facility Approval - Renewal	4	4
Investigations of Aviation Occurrences	231	339

Air Transport & Economic Regulations (ATER)	2024	2023
Domestic flight schedule approvals	48	72
Evaluations Conducted for Air Transport Providers	103	123
International flight schedule approvals	526	477
Visa Recommendations for Foreign Technical/Non-Technical Experts Staff	121	110
Visa Recommendations for Foreign Students	198	162
Charter License for Sri Lanka Registered Airline	7	4
Airline License for Sri Lanka Registered Airline	4	2
Charter licenses – International Operations	3	2
Charter licenses - Domestic Regular Operations	6	2
Air Transport provider's licenses	582	528
Foreign Airline Licenses	20	33
New Air Service Agreements Entered	1	-
Existing Air Service Agreements Reviewed	1	1
Consumer Complaints Handled	41	52
Open skies air services agreements at the end of the year	19	19

Human Resources & Property Management (HRPM)	2024	2023
Staff Recruitments	18	10
Total Staff (on Permanent Cadre)	169	168
Foreign Trainings/Seminars/Workshops Facilitated	19	15
Foreign Meeting/Conferences/Symposiums Facilitated	13	18
Foreign Inspections Facilitated	10	16
Local Trainings/Seminars/Workshops Facilitated	19	14
Local Inhouse Training Programmes Facilitated (Including Indoctrinations)	14	9
Online Training/ Seminar/Workshops Facilitated	5	11
Online Meetings/Conferences Facilitated	-	2
Performance Evaluations Processed	112	102
Staff Loans Facilitated	49	80

Quality & Internal Audit (Q&IA)	2024	2023
Audits conducted	30	104
Findings raised	58	133

Aviation Safety Monitoring	2024	2023
Incidents Reported	9	16
Occurrences Reported	279	364
Minor Injuries to Passengers or Crew	-	1
Existing Regulations Revised	1	-
Existing Guidance Materials Revised	1	1
Existing IS Revised	1	1
Accident/Incident Verifications on License Holders	51	96

AeroMedical Services (AMS)	2024	2023
Medical Examinations	1,108	1,657

Information Technology (IT)	2024	2023
No of Complaints - Help Desk Support	11,945	11,732
No of Resolved Complaints - Help Desk Support	11,945	11,732
Evaluations Conducted for New IT Equipment Purchased	9	9

Key Performance Indicators

Civil Aviation Promotion & Media	2024	2023
Publish Guwansara Magazine	1	-
CADEC Programme Conducted	5	5
Workshops for School Students	11	8
Conduct of Special Activities and Awareness Programmes	2	4
Press Articles	33	30
TV Programmes	9	24

Technical Library	2024	2023
ICAO Documents Accessed and Distributed	118	267

Traffic Particulars

	2024	2023	Change
International Traffic			
Passengers			
Embarked	4,430,361	3,837,541	↑
Disembarked	4,373,658	3,637,041	↑
In Transit	778,804	899,229	↓
Cargo (Metric Tons)			
In bound	78,630	65,071	↑
Out bound	116,749	93,544	↑
Aircraft Movements			
Scheduled flights	53,895	44,995	↑
Charter flights	1,953	1,309	↑
Number of Airline Operated			
Scheduled services	35	33	↑
Charter	33	35	↓
All Cargo	4	4	=
Domestic Traffic			
Passengers carried	14,545	11,955	↑
Aircraft movements	5,223	4,070	↑
Number of airlines operated	4	5	↓
Scheduled flights	2	2	=
Charter flights	2	3	↓

↑ Increase ↓ Decrease = Equal

Notes

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