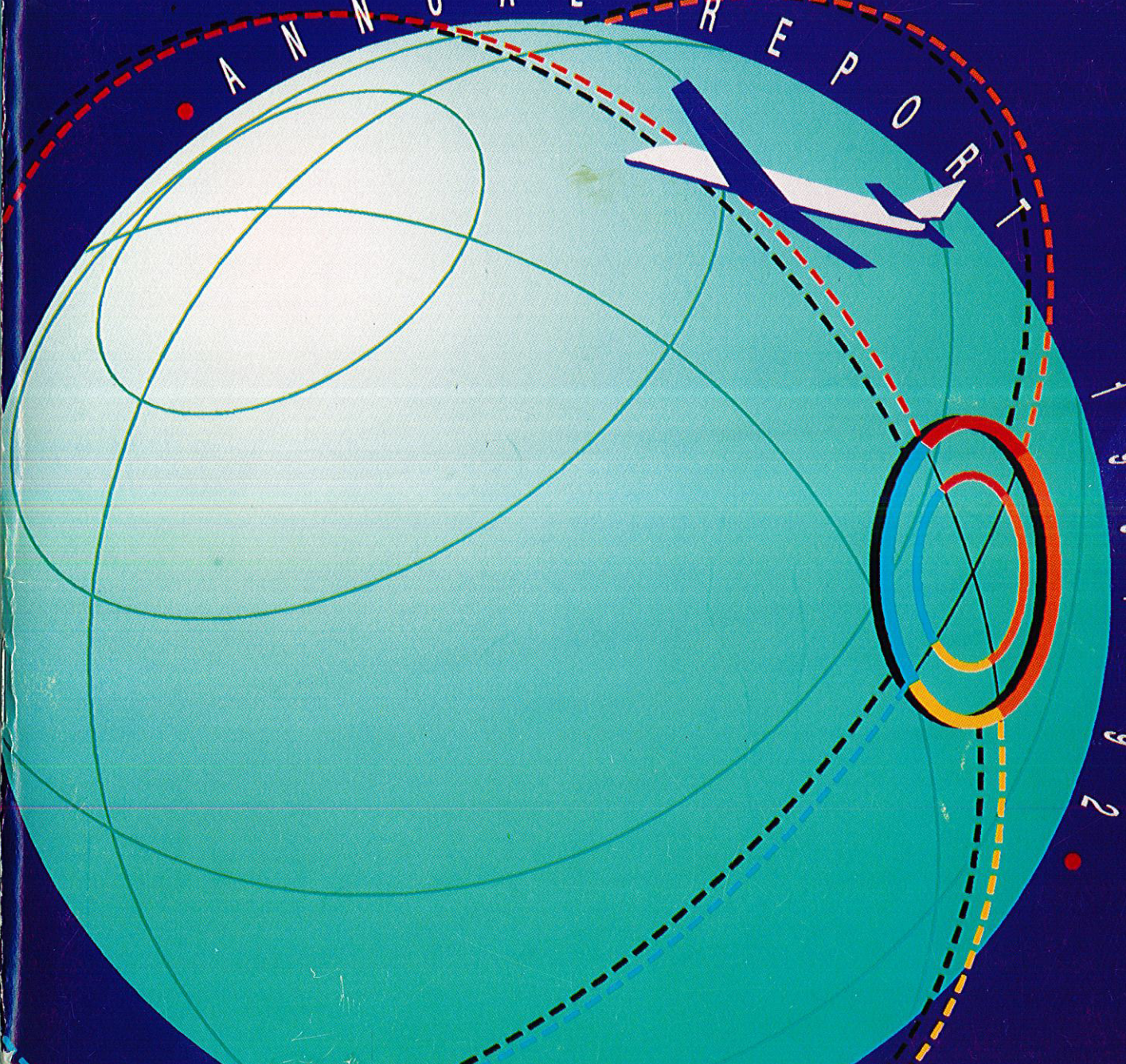


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## **CORPORATE INFORMATION**

### **LEGAL FORM**

Public Limited Liability Company

### **DIRECTORS**

Mr M G D Jayawardena,  
Chairman/Managing Director

Mr R Paskaralingam

Mr R A Jayakody

Mr S K H Wijayatilake PC

Mr S Dhanabala

### **REGISTERED OFFICE**

37 York Street

Colombo 1

Sri Lanka

### **AUDITORS**

Ernst & Young

Chartered Accountants

P.O. Box 101

Colombo

### **PRINCIPAL BANKERS**

Bank of Ceylon

## CONTENTS



HIGHLIGHTS	2
CHAIRMAN'S STATEMENT	3
REVIEW OF OPERATIONS	4 - 11
DIRECTORS' REPORT	12 - 13
REPORT OF THE AUDITORS	14
PROFIT AND LOSS ACCOUNT	15
BALANCE SHEET	16
ACCOUNTING POLICIES	17 - 20
NOTES TO THE ACCOUNTS	21 - 38
STATEMENT OF CHANGES IN FINANCIAL POSITION	39 - 40
STATEMENT OF VALUE ADDED	41
TEN YEAR REVIEW	42 - 43
GRAPHICAL REVIEW	44 - 46
ROUTE NETWORK	47
AIR LANKA OFFICES & GENERAL SALES AGENTS	48 - inside back cover

## HIGHLIGHTS

	CONSOLIDATED		THE COMPANY	
		1992	1992	1991
<b>FINANCIAL</b>				
Revenue	Rs. M	<b>11,136.16</b>	<b>10,936.03</b>	9,226.19
Expenditure	Rs. M	<b>10,591.59</b>	<b>10,551.14</b>	8,821.99
Operating profit	Rs. M	<b>544.57</b>	<b>384.89</b>	404.20
Net profit	Rs. M	<b>332.78</b>	<b>239.11</b>	201.06
<b>TRAFFIC</b>				
Capacity offered	ASK millions		<b>5,307.55</b>	4,539.59
	ATK millions		<b>698.37</b>	600.66
Passengers carried	Thousands		<b>958</b>	878
Cargo carried	Tonnes		<b>25,819</b>	22,090
Revenue tonne kilometres	Millions		<b>453.44</b>	414.76
Passenger load factor	%		<b>71.07</b>	75.91
Overall load factor	%		<b>64.93</b>	69.05
Break-even load factor	%		<b>64.91</b>	68.66
<b>STAFF AND PRODUCTIVITY</b>				
Average number of staff	Nos.	<b>4,757</b>	<b>4,181</b>	3,678
Revenue per employee	Rs.	<b>2,341,005</b>	<b>2,615,649</b>	2,508,480
Capacity per employee	Tonne Km		<b>167,034</b>	163,312

### AIRCRAFT FLEET AS AT 31st MARCH 1992

AIRCRAFT TYPE	OWNED	FINANCE LEASES	OPERATING LEASES	ON ORDER
Lockheed Tristar L 1011 - 500	-	2	1	-
Lockheed Tristar L 1011 - 200	-	-	2	-
Lockheed Tristar L 1011 - 100	1	-	-	-
Lockheed Tristar L 1011 - 50	1	-	-	-
Boeing 737 - 200	-	-	1	-
Airbus A 320 - 200	-	-	-	2
Airbus A 340 - 300	-	-	-	5
<b>TOTAL</b>	<b>2</b>	<b>2</b>	<b>4</b>	<b>7</b>



## CHAIRMAN'S STATEMENT



Despite unforeseen problems and the gloomy and unresponsive market, the year 1991/1992 was one of change, consolidation and growth for Air Lanka. The Company was able to chart a steady course, improve its profits, initiate fundamental changes, consolidate and settle down to what I believe will be a long period of growth with enhanced profits.

We have been able to commence the implementation of the Corporate Plan which was developed with great care and put the refueling programme well on course. The first deliveries of new Airbus aircraft are scheduled to begin in January and April of 1993. This would indeed mark the beginning of a new era for Air Lanka.

The success that we gained in 1991/92 was largely due to the diligent and dedicated

work of our staff. I would like to implore them to continue this hard work to achieve the objectives of our Corporate Plan so that a brighter future can be ensured for Air Lanka as well as its staff.

Finally, I wish to acknowledge with gratitude the unstinted support given to me by my colleagues on the Board of Directors who have made my tasks lighter and happier.

Dunstan Jayawardena  
CHAIRMAN/MANAGING DIRECTOR  
30th September 1992



## REVIEW OF OPERATIONS

### NET EARNINGS

The Company registered a net profit of Rs. 239.11 million during the year 1991/92, compared with a net profit of Rs. 201.06 million recorded in 1990/91. An increase of Rs. 38.05 million or 18.92% from 1990/91.

The Group net profit for the year ended 31st March 1992 amounted to Rs. 332.78 million.

At the Company level, earnings per share was up by 19.1% to Rs. 3.24 per share. Return on shareholders' funds was 19.2%, compared to 17.6% achieved in 1990/91.

### REVENUE

Total operating revenue amounted to Rs. 10,936.03 million, up by Rs. 1,709.84 million or 18.5% from 1990/91.

Group revenue for the period 1st June 1991 to 31st March 1992 was Rs. 11,136.16 million.

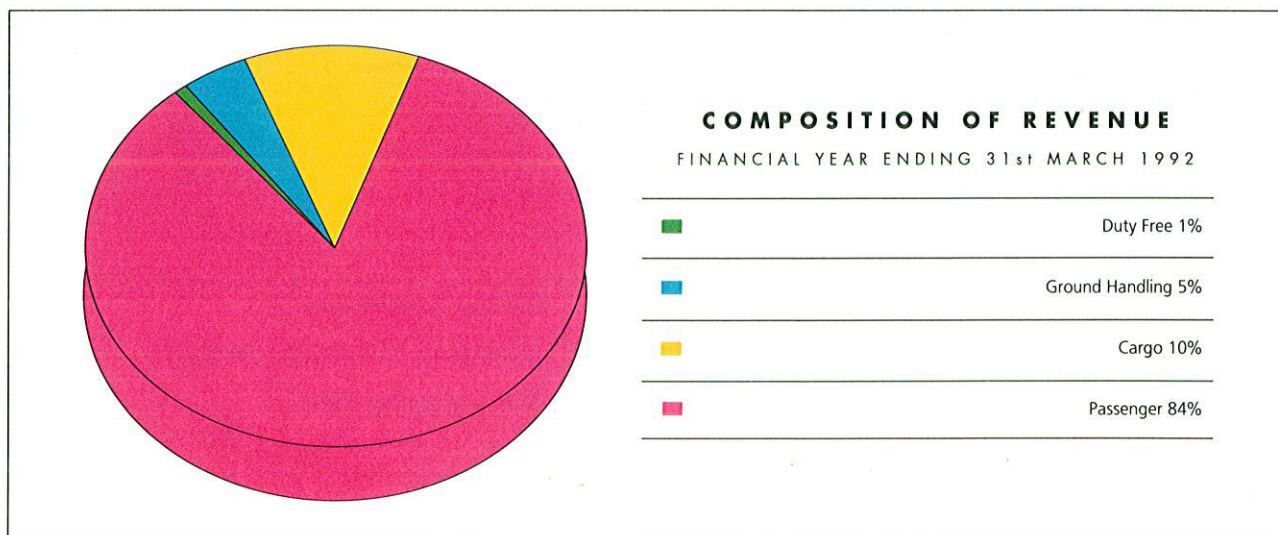
Revenue from airline operations increased by Rs. 1,629.13 million or 18.7% to

Rs. 10,362.10 million.

Passenger revenue, excluding charter revenue, totalled Rs. 8,988.89 million – an increase of 24.2% from 1990/91. Revenue from cargo carriage increased by 22.4% to Rs. 1,063.34 million. Passenger and cargo revenue constituted 94.8% of the Company's total revenue for the year.

Revenue from charter operations fell Rs. 356.71 million or 84.4% to Rs. 65.95 million, while ground handling revenue increased by 20.6% or Rs. 84.43 million to Rs. 493.88 million. Duty free sales fell 3.72 million or 4.4% to Rs. 80.05 million. Ground handling and duty free sales constituted 4.5% and 0.7% of the Company's total revenue respectively.

The European routes continued to be the largest contributor to revenue from airline operations with 50.1% of the total. South East Asian and Far East routes were second at 24.5%. Middle East and regional routes followed at 15.7% and 9.7% respectively.





## REVIEW OF OPERATIONS

### EXPENDITURE

In 1991/92 the Company's operating expenditure totalled Rs. 10,551 million, reflecting an increase of 19.6% from 1990/91. Major increases were registered in Aircraft Maintenance and Overhaul (+ Rs. 892.1 million or 102.9%), Advertising and Promotions costs (+ Rs. 70.7 million or 80.8%), Marketing costs (+ Rs. 151.9 million or 25.9%), Stations and Traffic (+ Rs. 369.5 million or 23.3%), Passenger Services (+ Rs. 242.4 million or 22.3%). The increase in Aircraft Maintenance cost is a result of higher number of hours flown, higher cost of spares and due to a greater number of engine overhauls to meet safety standards and quality control.

The freeze on Advertising and Promotion costs, which prevailed during 1990/91, was lifted in 1991/92, resulting in an increase in this item of expenditure.

Cost increases in Stations and Traffic can be attributed to the increased level of operations



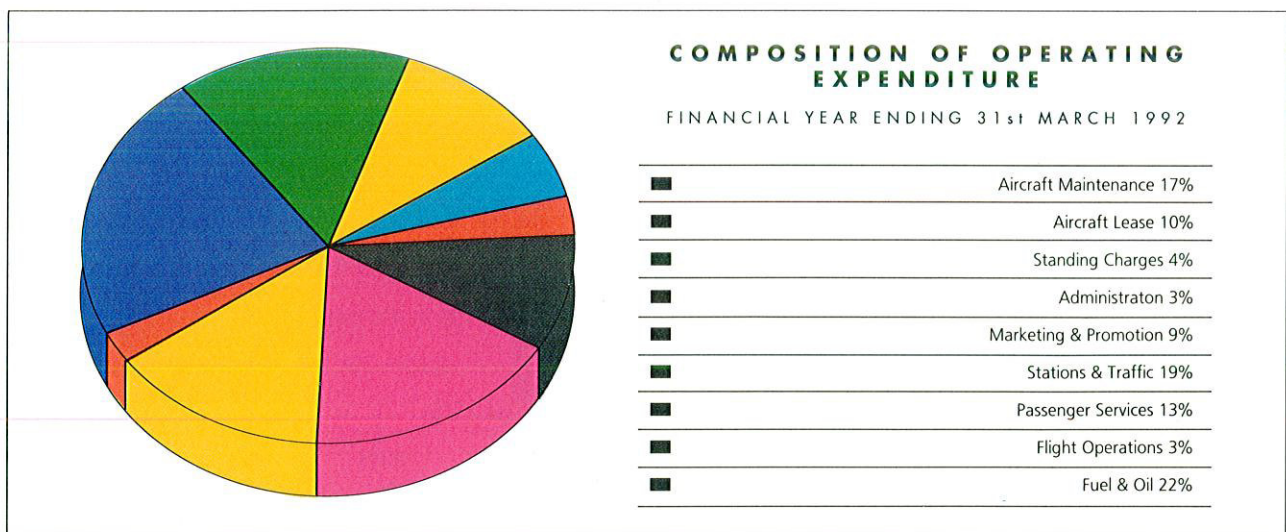
undertaken during the year and worldwide increases in navigation, landing fees and ground handling charges.

Increased rates, better quality meals and drinks, and the larger number of passengers carried contributed to the increase in the Passenger Services cost.

### CAPACITY AND TRAFFIC GROWTH

1991/92 saw 16.3% growth in total capacity production from 600.66 million tonne kilometres to 698.37 million tonne kilometres.

The expansion came principally from frequency increases to Europe and India and the introduction of flights to Brussels, Berlin and Jeddah.





## REVIEW OF OPERATIONS

Traffic rose at a slower pace of 9.3% to 453.44 million tonne kilometres with passenger and cargo loads increasing by 9.5% and 14.5% respectively. The overall load factor dipped 4.12 points to 64.9%.

The number of passengers carried increased by 9.1% to reach 0.958 million in 1991/92 compared to 0.878 million in the previous year while cargo carriage increased by 16.9% from 22,090 tonnes in 1990/91 to 25,819 tonnes in 1991/92. However, the passenger seat factor fell 4.84 percentage points to 71.1% as the rise in passenger kilometres of 9.5% fell short of the 16.9% increase in seat kilometres offered.

### YIELD/UNIT COST/ BREAK-EVEN LOAD FACTOR

Compared to 1990/91, unit yield increased by 8.9% to Rs. 22.79 per load tonne kilometre, with passenger and cargo yields increasing 8.6% and 7.1% respectively. Favourable movements in exchange rates and increased fare levels enabled the Company to achieve this improvement.

	1991/92	1990/91	%
<b>NET YIELD</b>	<b>Rs./tk</b>	<b>Rs./tk</b>	<b>CHANGE</b>
OVERALL	22.79	20.93	+8.9
PASSENGER	2.39	2.20	+8.6
CARGO	10.06	9.39	+7.1

Unit cost increased 2.8% to Rs. 14.8 per capacity tonne kilometre. Aircraft Maintenance

and Overhaul costs, and Advertising and Promotions costs were the main contributors to this increase.

With marginally higher unit costs and improved yields, break-even load factor fell 3.75 percentage points to 64.91%. The load factor gap, the difference between the overall and break-even load factors, narrowed from 0.39 percentage points to 0.02 percentage points in 1991/92.

## FINANCIAL POSITION

Shareholders' funds grew by 105.37 million or 9.2% to Rs. 1,247.05 million as at 31st March 1992.

The Group Shareholders' Funds were Rs. 1,390.65 as at 31st March 1992.

Due to heavy commitments towards the refueling programme, the Company's liquid assets deteriorated by Rs. 1,259.18 million to Rs. 374.29 million.

The Group liquid assets as at 31st March 1992 were Rs. 448.94 million.

Total assets of the Company rose by Rs. 1,699.46 million or 25.7% to Rs. 8,309.04 million.

The total assets of the Group were Rs. 8,574.62 as at 31st March 1992.

Return on total assets was 2.9% compared with 3% in the previous year.

Return on total assets for the Group was 3.9%.

## REVIEW OF OPERATIONS

### VALUE ADDED

The total value added by the Company during the year under review amounted to Rs. 1,857.04 million, an increase of Rs. 96.35 million or 5.5% over the previous year.

Contributions to value added came chiefly from revenue of Rs. 10,936.03 million, investment income of Rs. 124.93 million and non-operating revenue of Rs. 226.66 million.

Of the total value added, 40.7% was distributed to employees in the form of salaries and allowances, Provident Fund contributions and other staff related expenses, whilst 40.5% was retained in the Company for re-investment and future growth. 18.7% of the value added was paid to suppliers of capital in the form of interest charges and 0.1% went to overseas governments as taxes.

Total value added by the Group was Rs. 2,097.54 million.

### PERSONNEL

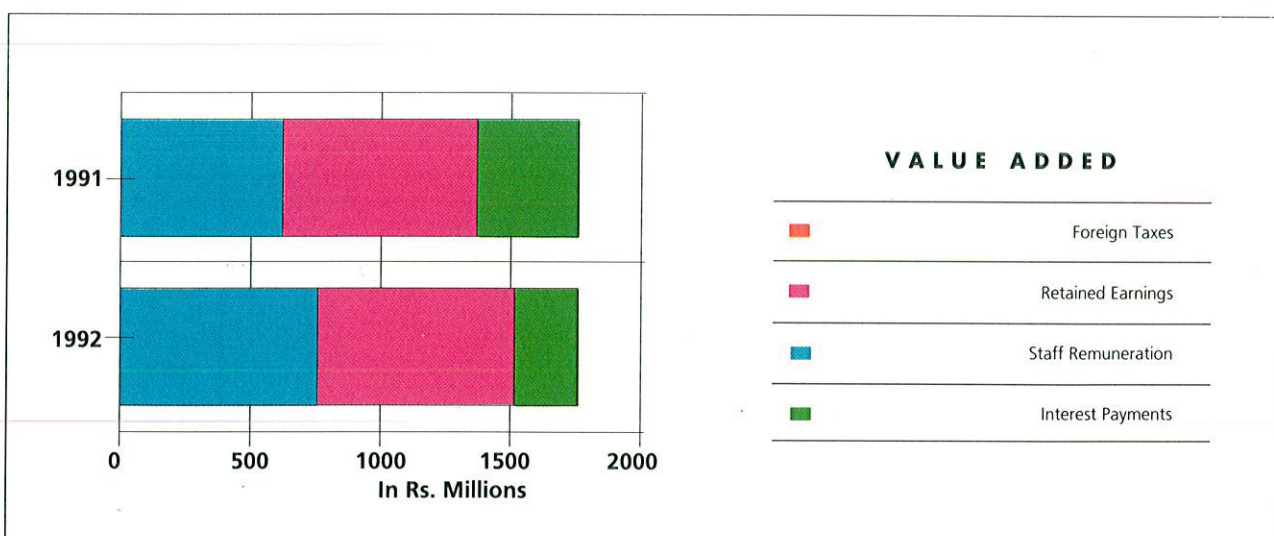
The total number of personnel employed by the Company at 31st March 1992 numbered 4,181, compared to 3,678 at 31st March 1991.

Employee productivity in terms of capacity per employee and revenue per employee improved by 2.27% and 4.27% respectively.

Value added per employee decreased from Rs. 478,709 in 1991 to Rs. 444,162 in 1992.

Employee statistics as at 31st March 1992 are given below:

FUNCTIONAL ANALYSIS	NO. OF EMPLOYEES
Engineering & Maintenance	1,037
Flight Operations	157
In-flight Services	533
Stations & Traffic	998
Marketing	376
Advertising & Promotions	21
Administration & Security	1,059
<b>TOTAL</b>	<b>4,181</b>





## REVIEW OF OPERATIONS

### AIRCRAFT FLEET

Air Lanka's fleet strength on 31st March 1992 stood at 8 aircraft comprising 7 Lockheed Tristar L1011 aircraft and 1 Boeing 737 aircraft.

Of these, 3 Lockheed Tristar L1011 aircraft and the Boeing 737 are on operating lease from other airlines, 2 are fully owned and the rest are on finance leases.

Air Lanka has embarked on a major refleet exercise which is to run from January 1993 to 1995. This project will be actioned in a phased out manner, whereby the existing Tristars are to be replaced by the state-of-the-art Airbus A320-200 and A340-300 aircraft. The agreement entered into with Airbus Industrie is for the purchase of 5 Airbus A340-300 aircraft and 2 A320-200 aircraft with an option for another A320-200 aircraft.

The first of the Airbus A320-200 aircraft

will enter service in January 1993.

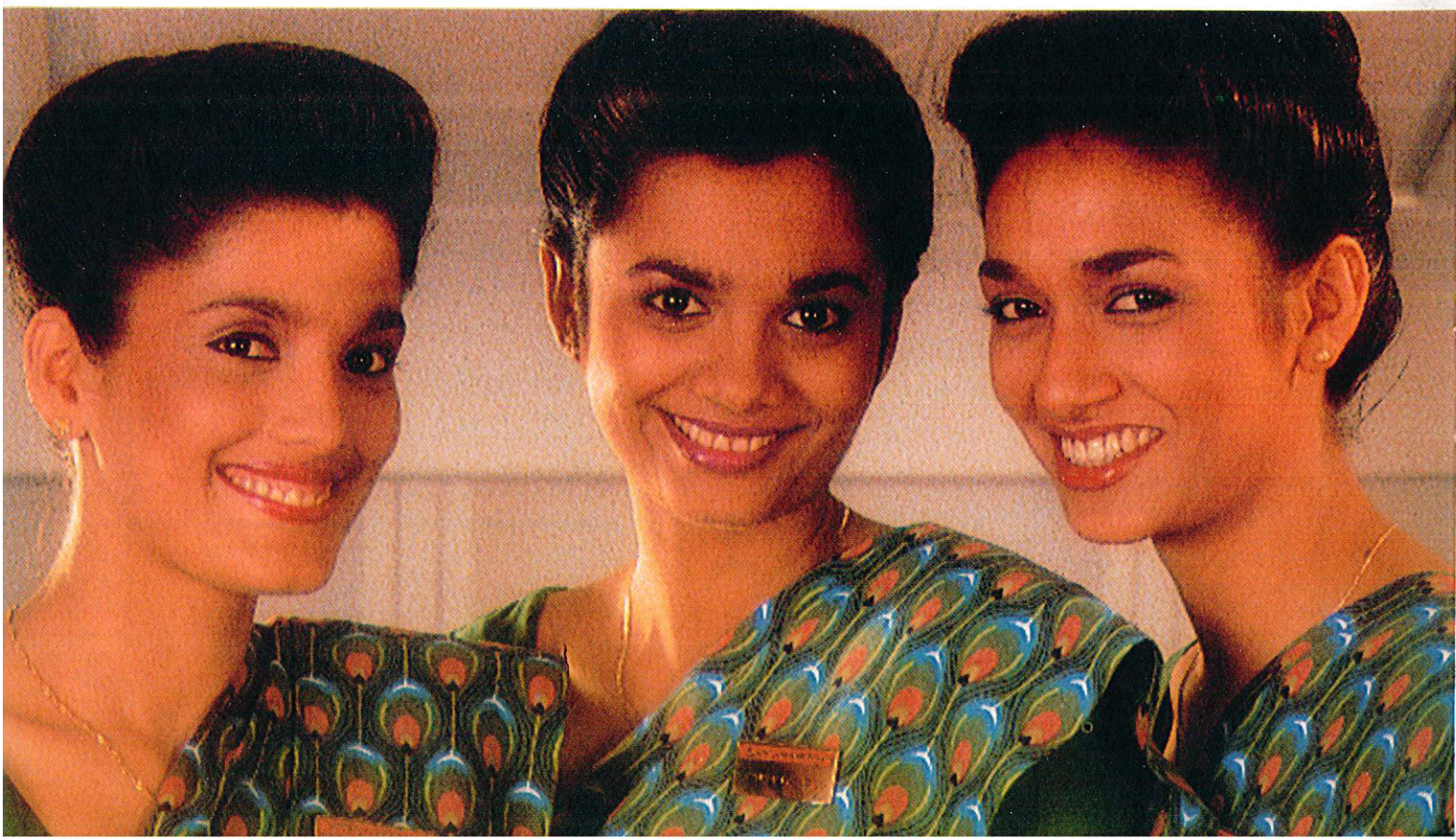
During the year, the existing Lockheed Tristar fleet was subjected to a major interior refurbishment programme to enhance passenger comfort and appeal.

### ROUTE DEVELOPMENT

Air Lanka's capacity grew during the year with the addition of new destinations, the mounting of more services to existing points and the introduction of more convenient non-stop services.

Air Lanka's route network now covers 33 cities in 24 countries and offers 64 flights a week providing convenient connections to many destinations.

During the year Air Lanka commenced operations to Brussels, Berlin and Jeddah. Weekly frequencies to London were increased with an







extra flight on Saturdays between Colombo and London. Air Lanka also switched her calling point in U.K. to Heathrow Airport (Terminal 4), providing quicker and easier connections to all points of the globe.

Weekly frequencies to the Indian sub-continent were increased during the year. Air Lanka now provides a three-class service on flights operated with its Tristar aircraft to the Maldives, Bombay and Karachi. With this facility passengers can now enjoy the comfort and superior quality of service provided in First and Business classes on these sectors.

Jakarta, Munich and New Delhi will join Air Lanka's network shortly and operations to these destinations are scheduled to commence soon.

### **SUPPORT SERVICES**

Air Lanka is now co-hosted on SABRE for its worldwide reservations. The enhanced facilities of SABRE will enable the airline to provide faster and more accurate up-to-date information to its travel agents.



In order to enhance the efficiency of the services provided at the Katunayake International Airport, the following improvements were implemented during the year.

- Change-over of the departure control system from ASTRAL to BABS.
- Setting up of a special counter at the arrivals



terminal to handle transfer passengers.

- Setting up of the Service Centre in the departure area to assist passengers in the event of a flight delay.
- Introduction of a new fleet of ramp handling equipment.

Air Lanka has actively co-operated in the setting up and running of a Cargo Export Village with even better facilities for freight forwarders, thereby assisting in the nation's drive for increased exports from Sri Lanka.

Setting up of a Flight Control Centre is planned for the forthcoming financial year.



## REVIEW OF OPERATIONS

This operational nerve centre will be specifically set up with a view to streamline the co-ordination of all operations related to intra and inter-department activities so, in the event of a flight delay in Colombo or overseas, passengers will experience the minimum inconvenience.

The initial phase of taking Air Lanka's product and service to the regional capitals of the country was implemented on 28th February 1992, with the opening of a ticket office in Kandy. This is our first regional ticket office and the forerunner of several more, planned for other key areas in Sri Lanka. The opening of another ticket office in Galle is planned for the forthcoming financial year.



Air Lanka's luxuriously refurbished First Class Lounge re-opened for passengers on the 4th of June 1991. The plushly decorated lounge has been done in a combination of peach, ochre, pink and burgundy. Line drawings by leading Sri Lankan artists, depicting aspects of the country's

culture and tradition, provide the lounge with a charming local flavour. It offers a fully equipped bar and a food counter which caters to all tastes. A range of international reading material is also available on request. Passengers can enjoy free local telephone calls.

In keeping with international trends, the First Class Lounge provides a self-service facility. The luxury of personalised service with efficient staff and every comfort at hand brings a 'Taste of Paradise' to every passenger stepping into Air Lanka's First Class Lounge.

Plans are underway to introduce a frequent flyer programme during the forthcoming financial year.

During the year, Air Lanka quadrupled its inflight Paradise Boutique local product range to include 44 items. Some of these items have been purchased directly from local craftsmen from all over the island. Such sales on-board Air Lanka flights will serve as a promotional feature for local products and handicraft items. It will also help local craftsmen to boost their earnings.

In step with the airline's drive towards enhanced passenger service, the following steps have been taken by our Inflight department.

- Introduction of the choice of 3 main courses in the Business and Economy classes on selected routes.
- Introduction of selected cabin items so as to match the refurbished interior of the aircraft.
- Introduction of Oriental boarding music.

The on-line Accounting and Sale Information System (OASIS) developed by Singapore Airlines was introduced to certain



## REVIEW OF OPERATIONS

on-line overseas offices during the financial year. An integrated on-line Financial Accounting System will be introduced in the coming financial year.

Recognizing that quality of service is a reflection of the quality and orientation of its employees, the Company has placed much emphasis in developing and upgrading the professional skills of the various categories of employees, with a view to increase overall efficiency and standards of productivity.

Accordingly, intensive in-house training programmes have been conducted by the Air Lanka Centre for Training utilizing its own personnel. In addition to these programmes, the assistance of internationally renowned experts was sought to conduct specific courses.

Air Lanka is the first international airline to obtain the prestigious IATA Accreditation, whereby the Air Lanka Centre for Training is authorized to conduct certain classes and award IATA recognized certificates.

A concerted effort has been made to revive Air Lanka's sporting activities. Air Lanka's participation has extended to the international

sporting arena. Our sportsmen and women participated in the World Airlines Hockey Tournament held in Singapore and the World Airlines Badminton Championships in London.

During the financial year exhaustive research and analysis have been put into the compilation of a five-year Corporate Plan. Throughout the entire process, INDEVO, one of the leading international consultants in the field of aviation corporate planning, acted as the facilitator.

The objective for the Corporate Plan Development Programme has been to research and identify the best suitable options to strategically position Air Lanka for a successful future and to identify development needs and fleet requirements in order to take full benefits from the opportunities this brings.

Air Lanka now owns 60% of the issued share capital of Air Lanka Catering Services Limited which is the sole caterer to 20 airlines operating through Colombo International Airport which uplifted 1,433,792 meals during the year under review.





## **DIRECTORS' REPORT**

The Directors have pleasure in submitting their Report and audited Accounts for the year ended 31st March 1992.

The Accounts are set out on pages 15 to 40.

### **FINANCIAL STRUCTURE**

Air Lanka Limited is a Company substantially owned by the Government of Sri Lanka.

The issued share capital of the Company as at balance sheet date was Rs. 7,369.47 million.

### **PRINCIPAL ACTIVITIES**

Air Lanka's principal activity is the operation of international scheduled and non-scheduled air services for the carriage of passengers, freight and mail, as the designated carrier of Sri Lanka.

Providing air terminal services at the Colombo International Airport and the sale of duty free goods on-board, constitute other main activities of the Company.

Air Lanka owns 60% of the issued share capital of its subsidiary company, Air Lanka Catering Services Limited, which is the sole caterer to airlines operating through Colombo International Airport.

There was no significant change in the nature of the activities of the Company during the year.

## **DIRECTORS IN OFFICE**

The names of the present Directors of Air Lanka Limited are listed below:-

**Mr M G D Jayawardena**  
Chairman/Managing Director

**Mr R Paskaralingam**

**Mr R A Jayakody**

**Mr S K H Wijayatilake P C**

**Mr S Dhanabala**

Particulars of interests of Directors in contracts and proposed contracts having been declared by the Directors are in Note 28 to the Accounts.

## **ACCOUNTS**

The consolidated profit for the year ended 31st March 1992, before interest and other similar charges, was Rs 917.06 million.

Consolidated net profit for the year, after interest and similar charges, deferred expenditure, extraordinary items and minority interests amounted to Rs 332.78 million.

## **DIRECTORS' REPORT**

### **RESERVES**

There were no material transfers to or from reserves or provisions during the year ended 31st March 1992, other than those stated in the accounts and the notes thereto.

### **ACCOUNTING POLICIES**

The principal accounting policies of the Company are set out on pages 17 to 20.

### **FIXED ASSETS**

Movements of fixed assets are shown in Note 7 to the Accounts.

### **BANK AND OTHER BORROWINGS**

The net bank loans and other borrowings, including obligations under finance leases of the Company, are shown under Notes 16 and 17 to the Accounts.



### **AUDITORS**

A resolution for the re-appointment of Ernst & Young as the auditors of the Company and determining their remuneration will be proposed at the Annual General Meeting.

By order of the Board

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Secretary  
30th September 1992

Registered Office:  
37 York Street,  
Colombo



## AUDITORS' REPORT

We have examined the Balance Sheet of Air Lanka Limited as at 31st March 1992, the Consolidated Balance Sheet of the Company and of its subsidiary and the related Statements of Profit and Loss Account and the Changes in Financial Position for the year then ended, read together with the accounting policies and notes, exhibited on pages 15 to 40 of the Annual Report.

Our examination was made in accordance with the Sri Lanka Auditing Standards. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for purposes of our audit. In auditing the returns submitted by overseas stations, we have relied on management representation as to the accuracy and completeness of these returns.

The Financial Statements of the subsidiary, Air Lanka Catering Services Limited in which the Company acquired a controlling interest of 60% on 1st June 1991 have been audited by another firm of chartered accountants.

In our opinion, except for Accounting Policy G (iii) and Subject to Notes 26 and 27 to the Financial Statements of Air Lanka Limited, so far as it appears from our examination, proper books of accounts have been maintained by the Company and to the best of our information and according to explanations given to us, the said Financial Statements which are in agreement therewith, read together with notes referred to therein;

1) provide the information required by the Companies Act No. 17 of 1982; and

2) give a true and fair view of the state of the Company's affairs as at 31st March 1992 and of its Profit and Changes in Financial Position for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year except for Accounting Policies M (i) and M (ii).

We further report that according to information available to us no Director of the Company is directly or indirectly interested in a contract with the Company other than those disclosed in Note 28 to the Accounts.

In our opinion, except for Accounting Policy G (iii) and subject to Notes 26 & 27 to the Consolidated Financial Statements, so far as it appears from our examination, the Consolidated Balance Sheet, Statements of Profit and Loss Account and Changes in Financial Position which are properly drawn up in accordance with the audited accounts of the Company and its subsidiary included in consolidation:-

- 1) provide the information required by the Companies Act No. 17 of 1982; and
- 2) give a true and fair view of the state of affairs of the Group as at 31st March 1992 and of its Profit and Changes in Financial Position for the year then ended.

Ernst & Young  
Chartered Accountants  
Colombo  
30th September 1992



## PROFIT AND LOSS ACCOUNT

for the year ended 31st March

	Note	CONSOLIDATED	THE COMPANY	
		1992 Rs. M	1992 Rs. M	1991 Rs. M
REVENUE	1	11,136.16	10,936.03	9,226.19
OPERATING PROFIT	2	544.57	384.89	404.20
Other Income	3	372.49	352.56	277.79
		917.06	737.45	681.99
Interest and similar charges	4	(455.29)	(455.29)	(472.36)
		461.77	282.16	209.63
Deferred expenditure written off	5	(43.05)	(43.05)	(8.57)
		418.72	239.11	201.06
Extraordinary items	6	(23.49)	-	-
		395.23	239.11	201.06
Minority interest		(62.45)	-	-
PROFIT FOR THE YEAR		332.78	239.11	201.06
Unappropriated profit/(loss) brought forward		(6,036.69)	(6,036.69)	(6,237.75)
PROFIT/(LOSS) AVAILABLE FOR APPROPRIATIONS		(5,703.91)	(5,797.58)	(6,036.69)
Appropriations		-	-	-
UNAPPROPRIATED PROFIT/(LOSS) CARRIED FORWARD		(5,703.91)	(5,797.58)	(6,036.69)

The accounting policies and notes on pages 17 to 38 form part of these accounts.



## BALANCE SHEET

as at 31st March

	CONSOLIDATED		THE COMPANY	
	Note	1992 Rs. M	1992 Rs. M	1991 Rs. M
Fixed assets	7	5,809.58	5,723.71	3,231.25
Investment in subsidiary (Associate in 1991)	8	-	30.40	24.00
Net current liabilities	9	(1,870.44)	(2,059.24)	(356.38)
		<b>3,939.14</b>	<b>3,694.87</b>	2,898.87
Financed by:				
Issued share capital	10	7,369.47	7,369.47	7,369.47
Profit and loss account	11	(5,703.91)	(5,797.58)	(6,036.69)
Capital reserve	12	275.56	267.56	267.56
Revenue reserve	13	41.93	-	-
Other reserves	14	15.80	15.80	14.31
		<b>1,998.85</b>	<b>1,855.25</b>	1,614.65
Less : Deferred items	15	(608.20)	(608.20)	(472.97)
Shareholders' funds		<b>1,390.65</b>	<b>1,247.05</b>	1,141.68
Minority interests		91.15	-	-
Long-term loans	16	1,289.97	1,289.97	85.59
Obligations under finance leases	17	1,095.63	1,095.63	1,616.50
Deferred liabilities	18	71.74	62.22	55.10
		<b>3,939.14</b>	<b>3,694.87</b>	2,898.87

M G D Jayawardena  
Chairman/Managing Director  
Colombo, 30th September 1992

R Paskaralingam  
Director

The accounting policies and notes on pages 17 to 38 form part of these accounts.



## **ACCOUNTING POLICIES**

### **A) ACCOUNTING CONVENTION**

The Financial Statements have been prepared under the historical cost convention in accordance with accepted accounting principles and the Accounting Standards laid down by the Institute of Chartered Accountants of Sri Lanka except as stated in the Accounting Policy G (iii). No adjustments have been made for the effects of inflation other than for revaluation and restatement of certain assets as stated below.

### **B) CONSOLIDATION**

The Consolidated Financial Statements include the accounts of the Company and its subsidiary, Air Lanka Catering Services Limited.

The Company and its subsidiary have a common financial year which ends on 31st March.

The consolidated profit and loss account includes the total profits and losses of the Company and of its subsidiary, Air Lanka Catering Services Limited. The proportion of the profit or loss applicable to outside shareholders is shown under the heading "Minority Interest".

All assets and liabilities of the Company and its subsidiary, Air Lanka Catering Services Limited are included in the consolidated balance sheet. The interest of the outside shareholders is shown in the Consolidated Balance Sheet under the heading "Minority Interest".

### **C) FIXED ASSETS**

Fixed assets are stated at cost of acquisition or construction except for certain properties which

are included at valuation or are restated.

Major overhauls and modifications which result in an increase in the earning capacity or the useful life of assets are capitalised.

Depreciation is calculated to write off the cost or valuation, less residual value if any, over the anticipated useful lives of the fixed assets on a straight line basis.

Costs of fixed assets which have been financed by foreign currency loans/leases were restated in 1987/88 and in 1988/89 at year end exchange rates. These are carried at their restated value as at 31st March 1989.

#### **1. Fleet**

Aircraft and aircraft engines owned by the Company are stated in the accounts at their restated value as at 31st March 1989. Subsequent additions are reflected at cost.

#### **2. Property and equipment**

Property owned by the Company and situated at No. 12 Sir Baron Jayatilaka Mawatha, Colombo 1, was valued by Mr D S A Senaratne, chartered valuer on 25th December 1988 and the Air Lanka Administration and Training Building situated at Katunayake valued by Mr S Fernando, chartered valuer, on 20th January 1989.

These properties are included in the accounts on the basis of that valuation.

All other property and equipment have been included in these accounts at cost.

#### **3. Aircraft Rotable Spares**

Aircraft rotatable spares, which are treated as tangible fixed assets, are recorded in the Balance Sheet at cost.

## **ACCOUNTING POLICIES**

### **4. Leased Assets**

Where assets are financed by lease arrangements under which all the risks and rewards of ownership are substantially transferred to the lessee, such assets are treated as fixed assets and recorded at the present value of the minimum lease payments payable over the lease period, derived by discounting them at the rate of interest implicit in the lease.

The corresponding liability is recorded as an obligation under finance leases.

Amounts payable in respect of finance leases are apportioned between reduction of lease obligations and interest charges based on the rate of interest implicit in the relevant leases.

Amounts payable under operating lease agreements are charged to profit and loss accounts as they arise.

### **D) DEPRECIATION**

Depreciation is provided on all fixed assets (freehold and leasehold) other than freehold land at rates calculated to write off the cost or valuation of fixed assets, less residual value if any, over their estimated useful lives, on a straight-line basis.

New aircraft and spare engines – over 16 years after making a 10 percent allowance for residual value.

Used aircraft and spare engines – over the estimated remaining useful life which currently ranges from 4 to 8 years.

Buildings – over the expected useful life subject to a maximum of 20 years.

Equipment – over periods ranging from 3

to 10 years according to the type of equipment.

Aircraft rotatable spares – over 8 years.

### **E) ASSOCIATE / SUBSIDIARY COMPANIES**

A subsidiary company is an enterprise in which the Company has a controlling interest and in which the Company has more than 50 percent investment in equity.

An associate company is a company, not being a subsidiary, in which the Company has a long-term interest of not less than 20 percent of the equity and in the management of which the Company is in a position to exercise significant influence.

The Profit and Loss Account of the Company includes the dividends declared and paid by the associate and subsidiary companies.

The method of accounting for investment in the associate company has been changed from the equity method to the cost method from this year.

### **F) STOCKS AND GENERAL CONSUMABLE STORES**

Stocks are stated at the lower of cost and net realisable value after making due allowance for any obsolete or slow moving items.

Aircraft consumable spares, other consumable spares and other stocks are valued on the basis of weighted average cost.



## **ACCOUNTING POLICIES**

### **G) CONVERSION OF FOREIGN CURRENCIES**

(i) Foreign currency transactions are converted into Sri Lanka Rupees at the rates of exchange prescribed by the International Air Transport Association where applicable, and at exchange rates ruling on transaction dates in all other cases.

(ii) All assets and liabilities denominated in foreign currencies as at balance sheet date are translated at the exchange rates ruling as at 31st March 1992.

(iii) Gains and losses arising from the translation of long term liabilities (term loans and leases denominated in foreign currencies) as at balance sheet date which finance specific fixed assets are recorded in an exchange equalisation account and amortised as currency gains/losses over the remaining life of the related assets.

Unamortised balance of such gains and losses are carried forward in the exchange equalisation account.

This policy is a departure from the provisions of the Sri Lanka Accounting Standard No. 21, issued by the Institute of Chartered Accountants of Sri Lanka which is effective from 01st April 1990. This requires such exchange differences to be dealt with in the profit and loss account in the year in which they arise.

The Directors consider that the policy adopted presents a fair view since:

a) The net foreign exchange earnings of the Company are adequate to meet the foreign

currency commitments on long-term loans and finance leases without the need to convert Sri Lanka Rupees into the relevant currencies.

And

b) The related assets, mainly aircraft, which are financed by foreign currency loans and finance leases are saleable in foreign currency.

In these circumstances, if the entire unrealised exchange difference is taken into the Profit and Loss Account of a given year, it would distort that particular year's result.

iv) All other gains and losses arising on translation are dealt with through the Profit and Loss Account as exchange differences.

### **H) DEBTORS**

Debtors are stated at the amounts they are estimated to realise. Provision has been made in the accounts for bad and doubtful debts.

### **I) LIABILITIES AND PROVISIONS**

All known liabilities as at the balance sheet date have been provided for in the Financial Statements.

All employees based in Sri Lanka are covered under the Employee Provident Fund and Employees Trust Fund.

All employees based in Sri Lanka with 5 or more years service with the Company are entitled to the payment of gratuity, under the Payment of Gratuity Act No.12 of 1983.

Overseas based employees are covered

## **ACCOUNTING POLICIES**

under social security schemes applicable in their home country.

### **J) AIRLINE REVENUE RECOGNITION**

Passenger and cargo sales are initially recorded as a liability in the Sales in advance of carriage account and subsequently recognised as air transport revenue when the service is utilized through carriage by the Company.

Passenger and cargo sales made by the Company and utilized on the services of other airlines are billed by them and offset against Sales in advance of carriage when paid.

Provision is made in the accounts for anticipated revenue adjustments which the management considers necessary.

### **K) DEFERRED PROFITS**

Profits and losses on sale of fixed assets in the ordinary course of business are included in the Profit and Loss Account as they arise.

Profits and losses which arise from sale and lease back transactions involving fleet and spare engines and which result in finance leases, are deferred and amortised over the shorter of the lease term and the estimated useful life of the asset.

### **L) DEFERRED EXPENDITURE**

Airframe overhaul ("C" check) costs are deferred and amortised over prescribed flying hours.

Computer systems development, crew conversion and aircraft refurbishment costs are deferred and amortised over periods ranging from three to five years.

### **M) CHANGES IN ACCOUNTING POLICIES**

#### **i) Borrowing Costs**

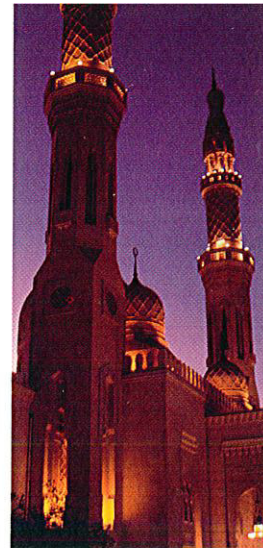
Borrowing costs incurred on long-term loans obtained to meet pre-delivery payments in respect of new aircraft are capitalised as part of the cost of such aircraft. This policy has been adopted with effect from the 1991/92 financial year.

#### **ii) Dividend Income**

The method of accounting for dividend income from the associate company and the subsidiary has been changed from an accrual basis to a cash basis from the 1991/92 financial year.



## NOTES TO THE ACCOUNTS



### 1. Revenue

	CONSOLIDATED	THE COMPANY	
	1992 Rs. M	1992 Rs. M	1991 Rs. M
Airline Operations - Note 1 (a)	10,362.10	10,362.10	8,732.97
Ground Handling	493.88	493.88	409.45
Duty Free Sales	80.05	80.05	83.77
Flight Catering	200.13	-	-
	<b>11,136.16</b>	<b>10,936.03</b>	9,226.19

#### 1(a). Revenue from airline operations comprises:

	THE COMPANY	
	1992 Rs. M	1991 Rs. M
Scheduled Services:		
Passenger	8,988.89	7,235.35
Excess Baggage	160.77	145.78
Cargo	1,063.34	868.62
Mail	83.15	60.56
	<b>10,296.15</b>	8,310.31
Non-scheduled services	65.95	422.66
	<b>10,362.10</b>	8,732.97

## NOTES TO THE ACCOUNTS

### 2. Operating profit / (loss)

	CONSOLIDATED	THE COMPANY	
	1992 Rs. M	1992 Rs. M	1991 Rs. M
Airline Operations	31.41	31.41	101.68
Ground Handling	319.89	319.89	270.96
Duty Free Sales	33.59	33.59	31.56
Flight Catering	159.68	-	-
	<b>544.57</b>	<b>384.89</b>	404.20

### 2(a). Operating profit

	CONSOLIDATED	THE COMPANY	
	1992 Rs. M	1992 Rs. M	1991 Rs. M
Operating profit has been arrived at after charging:			
Depreciation on owned fixed assets	307.23	287.92	291.41
Depreciation on leased fixed assets	224.35	224.35	224.35
	<b>531.58</b>	<b>512.27</b>	515.76
Operating lease charges	1,014.42	1,014.42	896.74
Auditor's remuneration	0.60	0.45	0.45
Director's emoluments	5.56	0.67	0.65
Bad and doubtful debts	67.90	67.89	46.88
Deferred maintenance checks	43.30	43.30	38.82



## NOTES TO THE ACCOUNTS

### 3. Other Income

	CONSOLIDATED	THE COMPANY	
	1992 Rs. M	1992 Rs. M	1991 Rs. M
Profit/(loss) on disposal of fixed assets	3.16	0.97	3.85
Exchange differences	73.91	61.40	(24.12)
Interest	129.51	124.93	155.82
Dividend income from associate company	38.82	38.82	60.00
Other items	127.09	126.44	82.24
	<b>372.49</b>	<b>352.56</b>	<b>277.79</b>

### 4. Interest & similar charges

	CONSOLIDATED	THE COMPANY	
	1992 Rs. M	1992 Rs. M	1991 Rs. M
Interest payable:			
On bank loans	(24.80)	(24.80)	(32.74)
On other loans and finance leases	(322.74)	(322.74)	(379.03)
	<b>(347.54)</b>	<b>(347.54)</b>	<b>(411.77)</b>
Currency losses:			
On bank loans	(51.86)	(51.86)	(10.15)
On other loans and finance leases	(55.89)	(55.89)	(50.44)
	<b>(107.75)</b>	<b>(107.75)</b>	<b>(60.59)</b>
	<b>(455.29)</b>	<b>(455.29)</b>	<b>(472.36)</b>

## NOTES TO THE ACCOUNTS

### 5. Deferred expenditure written off

	CONSOLIDATED	THE COMPANY	
	1992 Rs. M	1992 Rs. M	1991 Rs. M
Maintenance checks	(43.30)	(43.30)	(38.82)
Crew training and conversion	(0.48)	(0.48)	(0.36)
Computer systems development	(3.63)	(3.63)	(5.46)
Aircraft refurbishment	(38.34)	(38.34)	-
Other items	(0.60)	(0.60)	(2.75)
	(86.35)	(86.35)	(47.39)
Less: Deferred maintenance checks included in operating expenditure	43.30	43.30	38.82
	(43.05)	(43.05)	(8.57)

### 6. Extraordinary items

	CONSOLIDATED	THE COMPANY	
	1992 Rs. M	1992 Rs. M	1991 Rs. M
Provision for deposit with BCCI	(22.49)	-	-
Design and development cost of proposed flight kitchen written off	(1.00)	-	-
	(23.49)	-	-

The subsidiary, Air Lanka Catering Services Limited has a deposit of US Dollars 1,043,377.14 (equivalent of Rs. 44.98 million) with the Bank of Credit & Commerce International which was placed under receivership during the year. A provision of Rs. 22.49 million has been made in the accounts of the subsidiary in respect of this deposit, the recovery of which is in doubt.



## NOTES TO THE ACCOUNTS

### 7. Fixed assets - CONSOLIDATED

	Aircraft and related equipment		Property	Equipment	Projects	Total
	Owned	Leased				
	Rs. M	Rs. M				
<b>Cost</b>						
At 01st April 1991	2,042.30	3,986.56	741.48	743.47	190.98	<b>7,704.79</b>
Additions	63.82	-	4.00	438.00	2,513.48	<b>3,019.30</b>
Disposals	(1.81)	-	-	(9.67)	-	<b>(11.48)</b>
Adjustments & transfers	-	-	-	0.64	(3.41)	<b>(2.77)</b>
At 31st March 1992	<b>2,104.31</b>	<b>3,986.56</b>	<b>745.48</b>	<b>1,172.44</b>	<b>2,701.05</b>	<b>10,709.84</b>
<b>Depreciation</b>						
At 01st April 1991	1,642.68	1,916.13	221.56	595.00	-	<b>4,375.37</b>
Charge for the year	163.51	224.35	40.58	107.04	-	<b>535.48</b>
Disposals	(1.78)	-	-	(8.81)	-	<b>(10.59)</b>
Adjustments & transfers	-	-	-	-	-	-
At 31st March 1992	<b>1,804.41</b>	<b>2,140.48</b>	<b>262.14</b>	<b>693.23</b>	<b>-</b>	<b>4,900.26</b>
<b>Net book value</b>						
<b>At 31st March 1992</b>	<b>299.90</b>	<b>1,846.08</b>	<b>483.34</b>	<b>479.21</b>	<b>2,701.05</b>	<b>5,809.58</b>
At 01st April 1991	399.62	2,070.43	459.46	110.76	190.98	3,231.25

The amounts reflected under projects represent the advance and progress payments made in respect of the fleet replacement programme of the Company.

## NOTES TO THE ACCOUNTS

### 7(a). Fixed assets - THE COMPANY

	Aircraft and related equipment		Property Equipment	Projects	Total	
	Owned	Leased				
	Rs. M	Rs. M				Rs. M
<b>Cost</b>						
At 01st April 1991	2,042.30	3,986.56	644.35	542.84	190.98	<b>7,407.03</b>
Additions	63.82	-	3.71	426.52	2,513.48	<b>3,007.53</b>
Disposals	(1.81)	-	-	(2.21)	-	<b>(4.02)</b>
Adjustments & transfers	-	-	-	0.64	(3.41)	<b>(2.77)</b>
At 31st March 1992	<b>2,104.31</b>	<b>3,986.56</b>	<b>648.06</b>	<b>967.79</b>	<b>2,701.05</b>	<b>10,407.77</b>
<b>Depreciation</b>						
At 01st April 1991	1,642.68	1,916.13	184.89	432.08	-	<b>4,175.78</b>
Charge for the year	163.51	224.35	35.62	88.79	-	<b>512.27</b>
Disposals	(1.78)	-	-	(2.21)	-	<b>(3.99)</b>
Adjustments & transfers	-	-	-	-	-	-
At 31st March 1992	<b>1,804.41</b>	<b>2,140.48</b>	<b>220.51</b>	<b>518.66</b>	<b>-</b>	<b>4,684.06</b>
<b>Net book value</b>						
<b>At 31st March 1992</b>	<b>299.90</b>	<b>1,846.08</b>	<b>427.55</b>	<b>449.13</b>	<b>2,701.05</b>	<b>5,723.71</b>
At 01st April 1991	399.62	2,070.43	459.46	110.76	190.98	3,231.25

The amounts reflected under projects represent the advance and progress payments made in respect of the fleet replacement programme of the Company.



## NOTES TO THE ACCOUNTS

### 8. Investment in the associate / subsidiary company

	THE COMPANY	
	1992	1991
	Rs. M	Rs. M
<b>Investment in Air Lanka Catering Services Ltd.</b>		
At 01st April	<b>24.00</b>	82.73
Acquired during the year	<b>6.40</b>	-
Revaluation of share holding	-	(58.73)
At 31st March	<b>30.40</b>	24.00

The Company held 50% of the issued share capital of Air Lanka Catering Services Limited (ALCS) as at 31st March 1991. On 01st June 1991, the Company purchased 64,000 shares of Air Lanka Catering Services Limited from Thai Airways International Limited, increasing the Company's shareholding in ALCS to 60%.

The Company's shareholding in ALCS as at 31st March 1992 is included in these accounts at cost.

The corresponding figure for 1991 has been adjusted accordingly.

## NOTES TO THE ACCOUNTS

### 9. Net current assets / (liabilities)

	CONSOLIDATED	THE COMPANY	
	1992 Rs. M	1992 Rs. M	1991 Rs. M
<b>Current assets:</b>			
Stocks	497.01	455.45	380.71
Debtors - trade	1,015.92	968.04	867.10
Debtors - other	222.79	180.05	122.36
Debtors - staff	42.62	41.27	22.61
Advances and deposits	537.76	535.83	328.08
Cash and bank balances	448.94	374.29	1,633.47
Total current assets	2,765.04	2,554.93	3,354.33
<b>Current liabilities:</b>			
Creditors - repayable within one year			
Bank and other loans	145.03	145.03	112.09
Finance leases	612.14	612.14	502.28
	757.17	757.17	614.37
Trade creditors	2,142.01	2,113.99	1,660.65
Amounts due to subsidiary	-	98.63	-
Other creditors	227.04	135.13	34.51
Sales in advance of carriage	1,509.25	1,509.25	1,401.18
Total current liabilities	4,635.47	4,614.17	3,710.71
<b>Net current assets / (liabilities)</b>	<b>(1,870.44)</b>	<b>(2,059.24)</b>	<b>(356.38)</b>

The balance shown under Sales in advance of carriage represents approximately 7.6 weeks of average sales (8.8 in 1991).

This balance includes a provision for revenue adjustments which the management considers adequate based on past experience.



## NOTES TO THE ACCOUNTS

### 10. Share capital

	THE COMPANY	
	1992	1991
	Rs. M	Rs. M
<b>Authorised</b>		
150,000,000 shares of Rs. 100 each	15,000.00	15,000.00
<b>Issued and fully paid</b>		
73,694,713 shares of Rs. 100 each	7,369.47	7,369.47

### 11. Profit and loss account

	CONSOLIDATED	THE COMPANY	
	1992	1992	1991
	Rs. M	Rs. M	Rs. M
Profit for the year	332.78	239.11	201.06
Profit and loss account at 01st April:			
As previously reported	(6,036.69)	(6,036.69)	(6,164.51)
Prior year adjustments	-	-	(73.24)
As restated	(6,036.69)	(6,036.69)	(6,237.75)
Profit and loss account at 31st March	(5,703.91)	(5,797.58)	(6,036.69)

## NOTES TO THE ACCOUNTS

### 12. Capital reserve

	CONSOLIDATED	THE COMPANY	
	1992 Rs. M	1992 Rs. M	1991 Rs. M
At 01st April	267.56	267.56	326.29
Reserve on consolidation	8.00	-	-
Revaluation of investments	-	-	(58.73)
At 31st March	275.56	267.56	267.56

### 13. Revenue reserve

	CONSOLIDATED	THE COMPANY	
	1992 Rs. M	1992 Rs. M	1991 Rs. M
At 01st April	-	-	-
Additions during the year	41.93	-	-
Transfers during the year	-	-	-
At 31st March	41.93	-	-

### 14. Other reserves

	CONSOLIDATED	THE COMPANY	
	1992 Rs. M	1992 Rs. M	1991 Rs. M
At 01st April	14.31	14.31	14.31
Additions during the year	5.45	5.45	-
Transfers during the year	(3.96)	(3.96)	-
At 31st March	15.80	15.80	14.31



## NOTES TO THE ACCOUNTS

### 15. Deferred Items

	CONSOLIDATED	THE COMPANY	
	1992 Rs. M	1992 Rs. M	1991 Rs. M
Exchange equalisation (Note a)	499.35	499.35	456.58
Deferred expenditure (Note b)	108.85	108.85	16.39
	<b>608.20</b>	<b>608.20</b>	472.97

#### (a) Exchange equalisation

	CONSOLIDATED	THE COMPANY	
	1992 Rs. M	1992 Rs. M	1991 Rs. M
At 01st April	456.58	456.58	472.52
Exchange loss on translation of foreign currency loans and finance leases – see Accounting Policy G(iii)	109.14	109.14	44.65
Charge for the year	(66.37)	(66.37)	(60.59)
At 31st March	<b>499.35</b>	<b>499.35</b>	456.58

#### (b) Deferred expenditure

	CONSOLIDATED	THE COMPANY	
	1992 Rs. M	1992 Rs. M	1991 Rs. M
At 01st April	16.39	16.39	31.40
Additions during the year	178.81	178.81	32.38
Charge for the year	(86.35)	(86.35)	(47.39)
At 31st March	<b>108.85</b>	108.85	16.39

## NOTES TO THE ACCOUNTS

### 16. Long-term loans

The Company has loan obligations to banks and other institutions which are denominated in US Dollars and in Japanese yen. The balance outstanding as at 31st March 1992 in respect of loans denominated in Japanese yen was JPY 803.83million (US Dollars 6.22 million).

	CONSOLIDATED		THE COMPANY	
	USD M	Rs. M	USD M	Rs.M
At 01st April 1991	4.85	197.68	4.85	197.68
Additions during the year	31.23	1,303.19	31.23	1,303.19
Repayments during the year	(2.75)	(114.30)	(2.75)	(114.30)
Restatements	-	48.43	-	48.43
At 31st March 1992	33.33	1,435.00	33.33	1,435.00

The future payments under these loans are as follows:

	1992		1991	
	USD M	Rs. M	USD M	Rs.M
Bank loans payable				
- within one year	1.20	51.68	1.74	71.03
- between one and two years	0.90	38.75	1.20	48.91
- between two and five years	25.00	1,076.50	0.90	36.68
- over five years	-	-	-	-
	27.10	1,166.93	3.84	156.62
Other loans payable				
- within one year	2.17	93.35	1.01	41.06
- between one and two years	2.17	93.35	-	-
- between two and five years	1.89	81.37	-	-
- over five years	-	-	-	-
	6.23	268.07	1.01	41.06
Total long-term loans	33.33	1,435.00	4.85	197.68
Amount due within one year included under current liabilities	3.37	145.03	2.75	112.09
	29.96	1,289.97	2.10	85.59

Loans are repayable on various dates up to the year 1997 at varying interest rates which ranged from 5.4 percent to 8.5 percent per annum during the year.

Obligation on banks and other loans stated above are secured on fixed assets owned by the Company to the extent of USD 2.1 million (Rs. 90.43 million). The balance of USD 31.23 million (Rs. 1,344.57 million) is guaranteed by the Government of Sri Lanka.



## NOTES TO THE ACCOUNTS

### 17. Obligations under finance leases

The Company has commitments under finance lease agreements expiring in 1994 in respect of aircraft and aircraft spare engines.

	CONSOLIDATED		THE COMPANY	
	USD M	Rs. M	USD M	Rs. M
At 01st April 1991	<b>51.98</b>	<b>2,118.78</b>	<b>51.98</b>	<b>2,118.78</b>
Additions during the year	-	-	-	-
Repayments during the year	<b>(12.32)</b>	<b>(513.11)</b>	<b>(12.32)</b>	<b>(513.11)</b>
Restatements	-	<b>102.10</b>	-	<b>102.10</b>
At 31st March 1992	<b>39.66</b>	<b>1,707.77</b>	<b>39.66</b>	<b>1,707.77</b>

The future payments under these finance leases which are US Dollar denominated are as follows:

	1992		1991	
	USD M	Rs. M	USD M	Rs. M
Within one year	<b>14.22</b>	<b>612.14</b>	12.32	502.28
- one and two years	<b>16.36</b>	<b>704.76</b>	14.22	579.43
- two and three years	<b>9.08</b>	<b>390.87</b>	16.36	667.09
- three and four years	-	-	9.08	369.98
- four and five years	-	-	-	-
- over five years	-	-	-	-
	<b>39.66</b>	<b>1,707.77</b>	51.98	2,118.78
Amount due within one year included under current liabilities	<b>14.22</b>	<b>612.14</b>	12.32	502.28
	<b>25.44</b>	<b>1,095.63</b>	39.66	1,616.50

The Government of Sri Lanka has guaranteed the above obligations of the Company under the respective finance lease agreements.

## NOTES TO THE ACCOUNTS

### 18. Deferred liabilities

	CONSOLIDATED	THE COMPANY	
	1992 Rs. M	1992 Rs. M	1991 Rs. M
At 01st April	63.55	55.10	39.95
Additions during the year	10.97	9.90	18.10
Charge for the year	(2.78)	(2.78)	(2.95)
At 31st March	71.74	62.22	55.10

This balance represents the liability for the payment of retirement gratuity to employees which may fall due under the Payment of Gratuity Act No. 12 of 1983.

### 19. Aircraft engine overhaul

Aircraft engine maintenance cost is provided for in these accounts on the basis of actual hours flown, at an estimated cost per flying hour established at the commencement of the financial year.



## NOTES TO THE ACCOUNTS

### 20. Commitments

(a) Outstanding commitments for capital expenditure at 31st March 1992 are as follows:

	<b>CONSOLIDATED</b>	<b>THE COMPANY</b>
	<b>Rs. M</b>	<b>Rs. M</b>
Contracts placed	<b>26,882.13</b>	<b>26,871.09</b>
Authorized but not contracted for	<b>31.12</b>	<b>30.12</b>

Amount shown under contracts placed includes the price of the 2 Airbus A320-200 aircraft and the 5 Airbus A340-300 on order from Airbus Industrie.

(b) At 31st March 1992, the Company had commitments under operating leases to make payments in the next year as follows:

	<b>In USD. M</b>	<b>In Rs. M</b>
Leases expiring :		
- Within one year	<b>16.62</b>	<b>715.66</b>
- After one year but within 5 years	<b>13.21</b>	<b>568.82</b>
- After 5 years	-	-
	<b>29.83</b>	<b>1,284.48</b>

## NOTES TO THE ACCOUNTS

### 21. Investment in subsidiary

On 01st June 1991, the Company purchased 64,000 shares of Air Lanka Catering Services Limited from Thai Airways at par value for a total consideration of Rs. 6.4 million. This transfer, which is effective as of 01st June 1991, increases the Company's shareholding in Air Lanka Catering Services to 60% from 50%.

### 22. Contingencies

(a) No provision has been made in the accounts in respect of contingent liabilities arising in the normal course of business of the Company, in respect of legal actions or other claims being undertaken against the Company. This contingent liability is estimated by the management at Rs. 184.86 million.

(b) No provision has been made in the Accounts in respect of a potential tax liability of OMR 319,547 (Rs. 33.8 million) and SAR 6,011,109 (Rs. 66.66 million) in respect of income arising in Oman and Saudi Arabia respectively. However, with the impending signing of a double tax treaty between Sri Lanka and the two governments, it is anticipated that this matter will be resolved in favour of the Company.

(c) The L 1011 - 100 4R ULD aircraft which was destroyed on 03rd May 1986 was insured for third party liability up to US Dollars 550 million. The insurers are liable to settle all claims up to this amount. The claims submitted do not exceed this sum.

### 23. Taxation

#### Sri Lanka taxation

The Company has signed an agreement under Section 17 of the Greater Colombo Economic Commission Law No. 4 of 1978 which exempts it from the payment of income tax, corporate tax and tax on dividends and royalties for an initial period of seven years from 01 September 1979, subsequently extended for a period of three years from 01st August 1986. This exemption has been further extended for a period of five years from 01st August 1989.

The subsidiary, Air Lanka Catering Services Limited has signed an agreement under Section 17 of the Greater Colombo Economic Commission Law No. 4 of 1978 which exempts it from the payment of income tax, corporate tax and tax on dividends and royalties for an initial period of five years from 01st April 1980, subsequently extended for a period of two years and thereafter for another three years. This exemption has been further extended for a period of five years from 01st April 1991.

#### Overseas taxation

The Company is liable to tax on its overseas operations in countries where there are no double tax treaties at present.

However, there is no liability in the current year due to the carry forward tax losses available to the Company, except as stated in Note 22(b).



## NOTES TO THE ACCOUNTS

### 24. Charge on assets

Assets shown as owned in the financial statements of the Company at 31st March 1992 belonged to the Company and were free from any charge except for:

Lockheed Tristar L 1011-50 4R ULE (airframe)

Nine Rolls Royce RB 211 aircraft engines.

### 25. Consolidated Financial Statements

The Financial Statements of the subsidiary, Air Lanka Catering Services Limited in which the Company acquired a controlling interest of 60% on 01st June 1991 have been audited by another firm of chartered accountants.

The results for the first two months ended 30th May 1991 have been accounted as an associate company while results for the balance 10 months ended 31st March 1992 have been consolidated into the results of the Company.

### 26. Aircraft non-rotable spares (Rs. 247.03 million)

Aircraft non-rotable spares were physically verified at year end. These spares were valued at weighted average US Dollar rates available in the perpetual inventory records and were converted into Sri Lanka Rupees by using a cross rate.

The cross rate was arrived at by dividing the Sri Lanka Rupee book value of the non-rotable spares by the aforesaid total US Dollar value.

This is a departure from Sri Lanka Accounting Standard No. 5 which requires inventories to be valued at cost or net realisable value whichever is lower. Further, the consumption of non-rotable spares is charged at weighted

average US Dollar values converted at exchange rates prevailing at the time of usage.

The Directors, however, consider this appropriate in order to establish individual rupee costs which were previously not available. It is intended that, in future, individual rupee costs will be maintained in addition to the US Dollar values.

### 27. Aircraft rotatable spares (Rs. 219.70 million - Book value)

Aircraft rotatable spares were identified and physically verified at the year end. These spares were valued as follows:

(i) Purchases prior to 01st April 1991 using the cross rate arrived at by dividing the Sri Lanka Rupee book value of rotatable spares as at 31st March 1991 by the aggregate US Dollar value of individual rotatable spares as at such date.

(ii) Purchase during the year – at cost.

The method of valuing rotatable spares purchased prior to 01st April 1991 is a departure from Sri Lanka Accounting Standard No. 18 which requires fixed assets to be valued at historical rupee values. This method was nevertheless adopted, in order to establish individual rupee costs which were previously not available.

### 28. Director's interest

Air Lanka has the right to nominate 4 Directors to the Board of Air Lanka Catering Services Limited, with whom the Company has a contract for catering. The nominee Directors as at date are:

Mr M G D Jayawardena  
Mr R Paskaralingam  
Mr S K H Wijayatillake PC  
Mr R Jayakody

## NOTES TO THE ACCOUNTS

### 29. Post balance sheet events

(a) Major commitments (Rs. 85.26 million)

Subsequent to the balance sheet date, the Company has entered into a contract with GPA Group plc., for the dry lease of a Boeing 737 - 200 aircraft for a period of one year. Major commitments disclosed above include the value of this contract.

### 30. Changes in accounting policies

(i) Capitalisation of borrowing costs

The adoption of an accounting policy to capitalise borrowing costs as described under Accounting Policy M (i) has resulted in an increase in the profit by Rs. 52 million.

(ii) Accounting for investments and investment income

The change in accounting policy on valuation of investments and recognition of investment income as described under Accounting Policy M (ii) has resulted in a reduction in the profit for the year by Rs. 78 million.

### 31. Loans granted to employees

Staff debts outstanding as at 31st March 1992 amounting to Rs. 42.62 million include

loans granted to employees in excess of Rs. 20,000. Particulars of such loans are as follows;

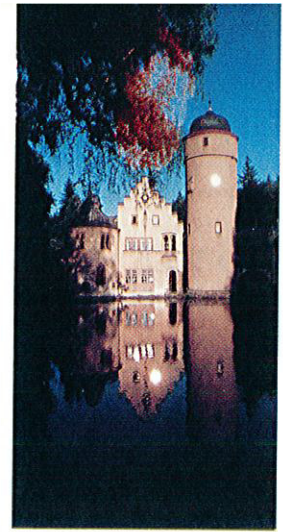
Consolidated	No. of Employees	Amount in Rs.
Balance as at 01st April 1991	14	724,723
Loans granted during the year	5	498,088
Loans recovered during the year	-	(339,524)
Balance as at 31st March 1992	18	<u>883,287</u>
The Company	No. of Employees	Amount In Rs.
Balance as at 01st April 1991	9	394,973
Loans granted during the year	5	498,088
Loans recovered during the year	-	(274,857)
Balance as at 31st March 1992	13	<u>618,704</u>

### 32. Comparative amounts

Certain comparative amounts have been reclassified to conform with the current year's presentation.



## STATEMENT OF CHANGES IN FINANCIAL POSITION



	Note	CONSOLIDATED	THE COMPANY	
		1992 Rs. M	1992 Rs. M	1991 Rs. M
<b>Source of funds</b>				
Profit/(Loss) after minority interest	A	317.45	200.29	67.82
Adjustment for items not involving the movement of funds	B	863.12	783.22	684.87
Funds generated from operations		1,180.57	983.51	752.69
Long-term liabilities		1,303.19	1,303.19	0.31
Duty-free product support reserve		5.45	5.45	-
Proceeds from disposal of fixed assets		4.05	0.99	9.91
Income from investments		-	38.82	60.00
		<b>2,493.26</b>	<b>2,331.96</b>	822.91
<b>Application of funds</b>				
Purchase of fixed assets		506.43	494.69	66.67
Investment in projects		2,510.07	2,510.07	188.63
Investment in subsidiary company		6.40	6.40	-
Deferred expenditure		178.81	178.81	32.38
Duty-free product support reserve		3.96	3.96	-
Long-term loans		114.30	114.30	273.82
Dividend		98.83	-	-
Deferred liabilities		2.78	2.78	-
Finance lease obligations		513.11	513.11	427.33
		<b>3,934.69</b>	<b>3,824.12</b>	988.83
<b>Working capital</b>				
<b>Net increase</b>	C	<b>(1,441.43)</b>	<b>(1,492.16)</b>	(165.92)

## NOTES TO THE STATEMENT OF CHANGES IN FINANCIAL POSITION

Notes	CONSOLIDATED	THE COMPANY	
	1992 Rs. M	1992 Rs. M	1991 Rs.M
<b>A) Profit/(Loss) per accounts</b>	<b>356.27</b>	<b>239.11</b>	201.06
Prior year non-cash adjustments	-	-	(73.24)
Income from associate company	<b>(38.82)</b>	<b>(38.82)</b>	(60.00)
	<b>317.45</b>	<b>200.29</b>	67.82
<b>B) Adjustment for items not involving the movement of funds</b>			
Depreciation	<b>531.58</b>	<b>512.27</b>	515.76
Amortisation of deferred items	<b>194.10</b>	<b>194.10</b>	107.98
Profit on disposal of fixed assets	<b>(3.16)</b>	<b>(0.97)</b>	(3.85)
Minority interest	<b>62.45</b>	-	-
Extraordinary items	<b>(23.49)</b>	-	-
Aircraft rotatable spares	<b>0.03</b>	<b>0.03</b>	-
General provisions	<b>101.61</b>	<b>77.79</b>	64.98
	<b>863.12</b>	<b>783.22</b>	684.87
<b>C) Increase/(Decrease) in components of working capital</b>			
Stocks	<b>86.36</b>	<b>74.74</b>	(16.82)
Debtors	<b>279.41</b>	<b>245.18</b>	218.27
Advance payments and deposits	<b>207.91</b>	<b>207.76</b>	57.59
Creditors and accruals	<b>(702.18)</b>	<b>(760.66)</b>	(823.90)
Net liquid funds	<b>(1,312.93)</b>	<b>(1,259.18)</b>	398.94
	<b>(1,441.43)</b>	<b>(1,492.16)</b>	(165.92)



## STATEMENT OF VALUE ADDED

<b>Value added</b>	<b>CONSOLIDATED</b>	<b>THE COMPANY</b>	
	<b>1992</b>	<b>1992</b>	<b>1991</b>
	<b>Rs. M</b>	<b>Rs. M</b>	<b>Rs.M</b>
Total revenue	<b>11,136.16</b>	<b>10,936.03</b>	9,226.19
Less: Purchases of goods and services	<b>9,411.11</b>	<b>9,431.55</b>	7,743.29
Value added by the Company	<b>1,725.05</b>	<b>1,504.48</b>	1,482.90
Add: Surplus on sale of fixed assets	<b>3.16</b>	<b>0.97</b>	3.85
Investment income	<b>129.51</b>	<b>124.93</b>	155.82
Non-operating revenue	<b>239.82</b>	<b>226.66</b>	118.12
Total value added	<b>2,097.54</b>	<b>1,857.04</b>	1,760.69
<b>Distribution of value added</b>			
To employees -			
as remuneration	<b>821.42</b>	<b>756.33</b>	629.90
To overseas governments -			
as taxes	<b>1.79</b>	<b>1.79</b>	2.20
To suppliers of capital -			
as interest	<b>347.54</b>	<b>347.54</b>	411.77
Minority interest	<b>62.45</b>	-	-
Retained for re-investment and future growth			
Depreciation	<b>531.56</b>	<b>512.27</b>	515.76
Retained profits	<b>332.78</b>	<b>239.11</b>	201.06
Total value added	<b>2,097.54</b>	<b>1,857.04</b>	1,760.69

Value added is a measure of wealth created. This statement shows the value added and its distribution by way of payments to employees, local and overseas governments and to providers of capital. It also indicates the proportion retained for re-investment and future growth.

## TEN YEAR REVIEW - THE COMPANY

		1983	1984	1985
<b>PROFIT AND LOSS</b>				
Total revenue	Rs. Million	2,503.79	3,238.84	3,778.60
Total expenditure	Rs. Million	2,509.28	3,082.33	3,963.96
Net profit / (loss)	Rs. Million	(464.19)	(648.15)	(1,269.06)
<b>BALANCE SHEET</b>				
Share capital	Rs. Million	980.00	1,780.00	2,868.00
Fixed assets	Rs. Million	3,797.40	4,209.43	4,280.60
Current assets	Rs. Million	947.13	974.04	1,109.26
Total assets	Rs. Million	4,744.53	5,183.48	5,389.87
Current liabilities	Rs. Million	1,338.27	1,577.66	1,693.86
<b>YIELD/UNIT COST</b>				
Overall yield	Rs. tkm	10.4	12.5	12.0
Unit cost	Rs. tkm	7.0	7.8	7.6
Break-even load factor	%	67.30	62.40	63.04
Revenue per RPK	Rs./RPK	1.2	1.4	1.4
Revenue per ASK	Rs./ASK	0.8	1.0	0.9
Operating expenditure per ASK	Rs./ASK	0.9	1.0	1.0
Revenue per ATK	Rs./ATK	6.5	7.7	6.9
<b>PRODUCTION</b>				
Passenger capacity	ASK Millions	2,821.97	3,172.91	3,910.94
Overall capacity	ATK Millions	360.00	397.20	514.30
<b>TRAFFIC</b>				
Passengers carried	Nos. ('000)	598	622	687
Passengers carried	RPK Millions	2,036.75	2,142.10	2,545.52
Passenger load factor	%	72.20	67.50	65.10
Cargo carried	Tonnes	10,415	11,805	13,773
Overall load carried	RTK Millions	227.20	245.20	294.50
Overall load factor	%	63.10	61.70	57.30
<b>STAFF</b>				
Average strength	Nos.	2,731	3,048	3,874
Revenue per employee	Rs.	916,803	1,062,612	975,374
Capacity per employee	Tonne-km	131,820	130,315	132,757
Load carried per employee	Tonne-km	83,193	80,446	76,070

### GLOSSARY OF TERMS USED

- Available seat kilometres (ASK) - The product of seats offered for sale and the distance over which they are carried.
- Available tonne kilometres (ATK) - This is the measure of transport production. The ATK produced by a flight are the capacity for payload of the aircraft measured in tonnes multiplied by the distance flown.
- Revenue passenger kilometres (RPK) - The product of passengers carried and the distance over which they are carried.



## TEN YEAR REVIEW - THE COMPANY

1986	1987	1988	1989	1990	1991	1992
4,247.25	3,746.93	4,190.34	5,144.31	6,704.95	9,226.19	<b>10,936.03</b>
4,495.23	3,658.76	4,139.44	4,713.94	6,405.91	8,821.99	<b>10,551.14</b>
(1,042.16)	(642.72)	(374.64)	(128.43)	163.17	201.06	<b>239.11</b>
3,265.00	5,898.47	6,510.47	7,369.47	7,369.47	7,369.47	<b>7,369.47</b>
4,867.62	5,456.47	4,063.57	3,979.55	3,497.75	3,231.25	<b>5,723.71</b>
1,376.58	1,246.67	1,383.21	1,962.62	2,666.08	3,354.33	<b>2,554.93</b>
6,244.21	6,774.15	5,520.95	6,035.80	6,246.56	6,609.58	<b>8,309.04</b>
1,825.14	1,722.74	1,886.51	2,158.64	2,945.89	3,710.71	<b>4,614.17</b>
12.2	13.9	15.6	16.4	18.8	20.9	<b>22.8</b>
8.6	8.9	10.3	10.2	11.9	14.4	<b>14.8</b>
70.50	64.00	66.00	62.41	63.12	68.66	<b>64.91</b>
1.4	1.6	1.8	1.9	2.3	2.5	<b>2.7</b>
0.9	1.0	1.2	1.4	1.6	1.9	<b>2.0</b>
1.1	1.1	1.3	1.3	1.6	1.9	<b>1.9</b>
7.6	8.3	9.7	10.8	12.0	14.5	<b>14.8</b>
3,959.97	3,062.21	2,930.09	3,401.17	3,945.39	4,539.59	<b>5,307.55</b>
490.40	374.80	366.70	446.20	524.53	600.66	<b>698.37</b>
713	583	591	720	775	878	<b>958</b>
2,573.25	1,927.28	1,974.00	2,510.06	2,769.50	3,445.91	<b>3,772.02</b>
65.00	62.90	67.40	73.80	70.20	75.91	<b>71.07</b>
14,959	11,045	11,462	14,995	17,177	22,090	<b>25,819</b>
303.00	223.10	228.90	294.60	332.80	414.80	<b>453.44</b>
61.80	59.50	62.40	66.00	63.45	69.05	<b>64.93</b>
3,885	3,796	3,638	3,535	3,603	3,678	<b>4,181</b>
1,093,243	987,073	1,151,825	1,455,250	1,860,935	2,508,480	<b>2,615,649</b>
126,229	98,736	100,797	126,223	145,581	163,312	<b>167,034</b>
77,992	58,772	62,919	83,338	92,367	112,768	<b>108,453</b>

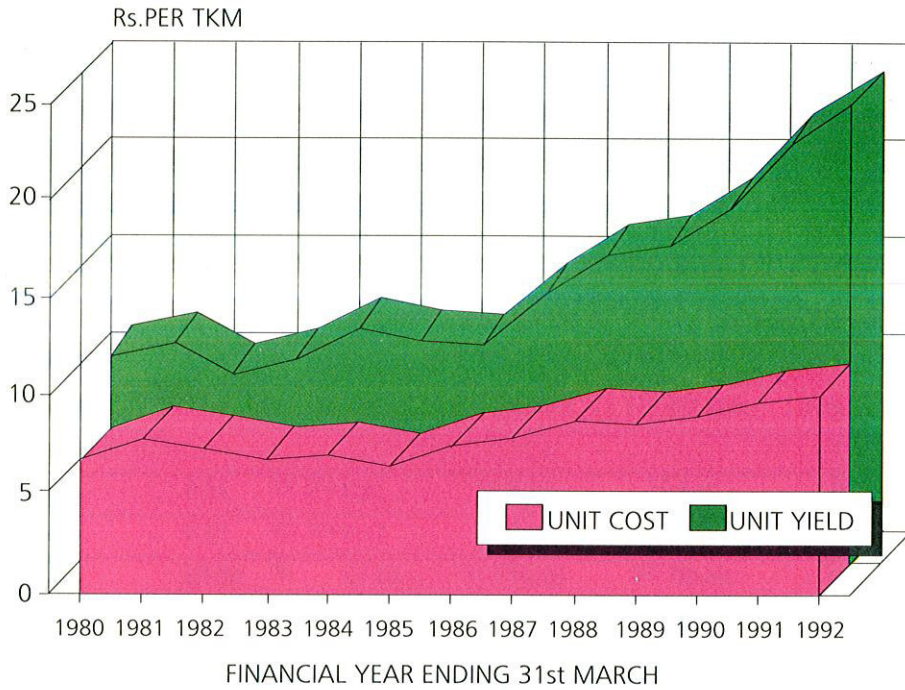
Revenue tonne kilometres (RTK) - The product of passenger and cargo carried in tonnes and the distance over which they are carried.

Load factor (%) - The percentage relationship of revenue load to capacity provided. The passenger load factor relates RPK to ASK while the overall load factor relates RTK to ATK.

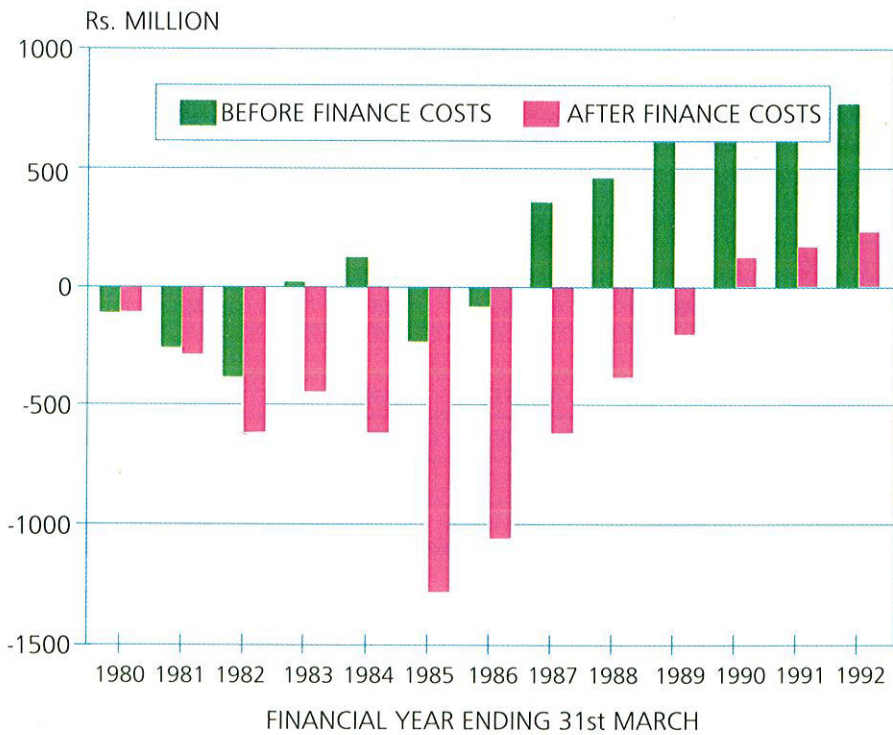
Break-even load factor (%) - The load factor required to equate revenue from scheduled airline operations with operating costs.

# GRAPHICAL REVIEW

## UNIT COST AND UNIT YIELD



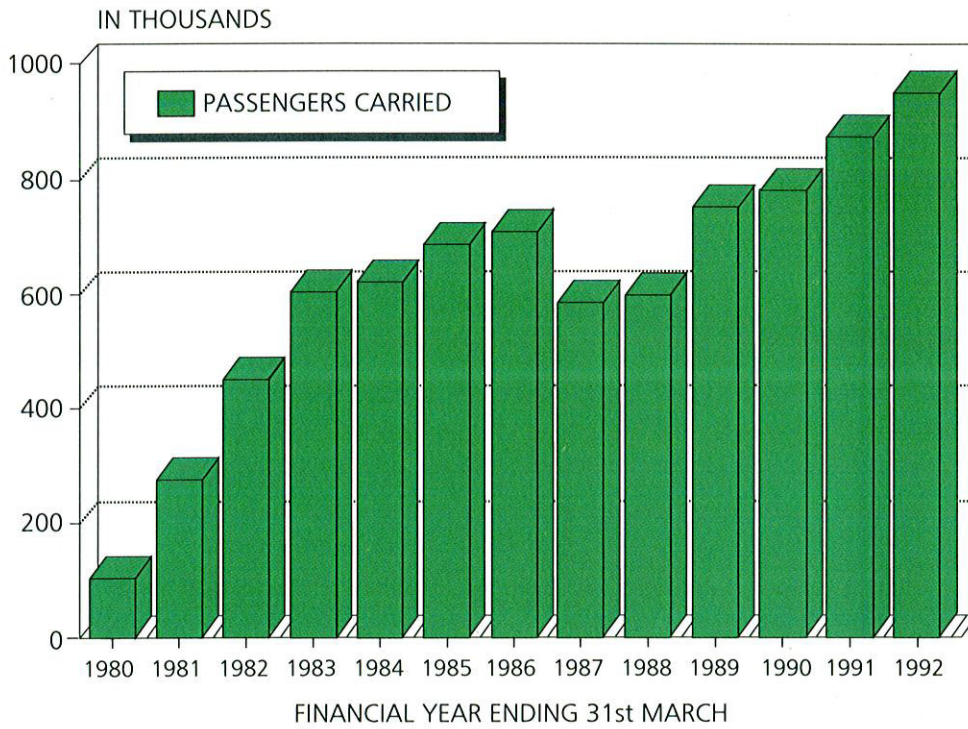
## PROFITS BEFORE AND AFTER FINANCE COST



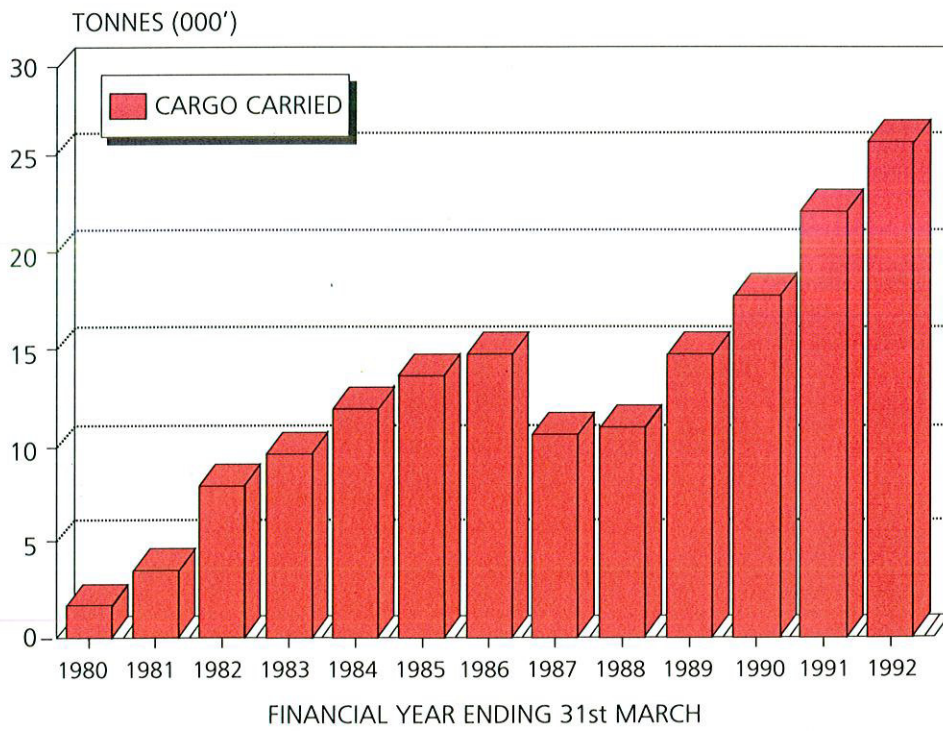


# GRAPHICAL REVIEW

## PASSENGER GROWTH

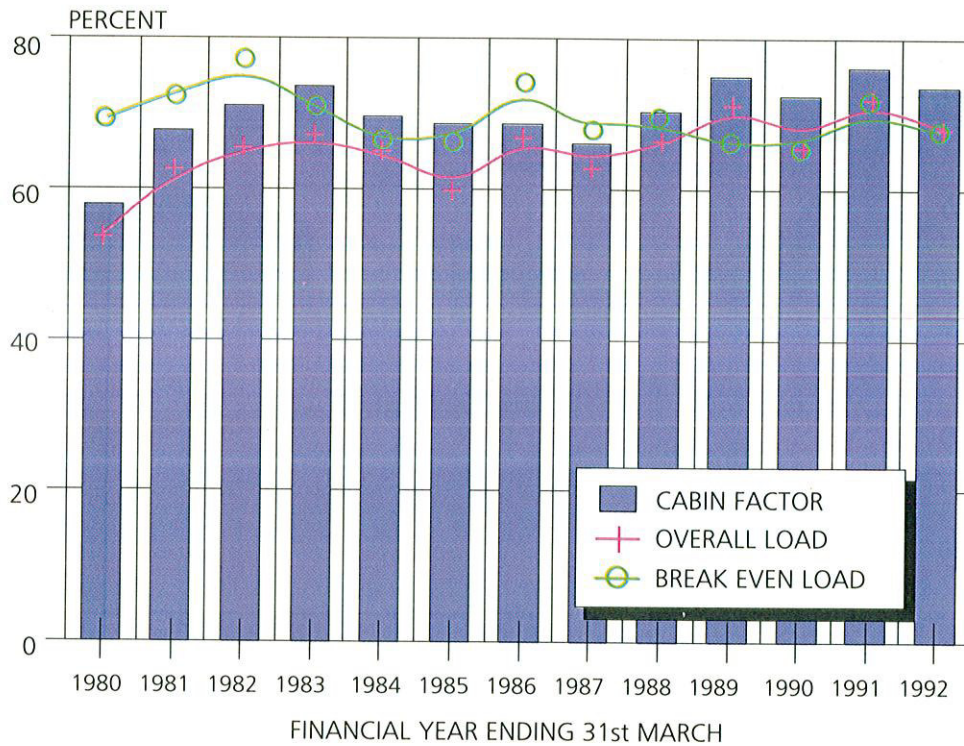


## CARGO GROWTH

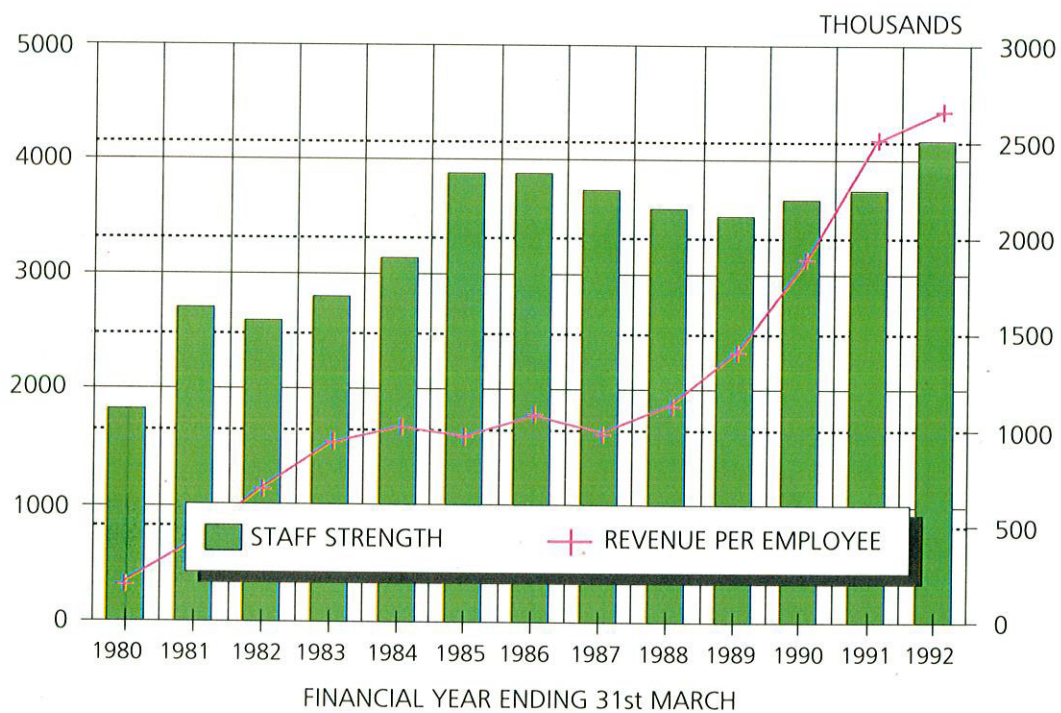


# GRAPHICAL REVIEW

## LOAD FACTORS AND BREAK-EVEN

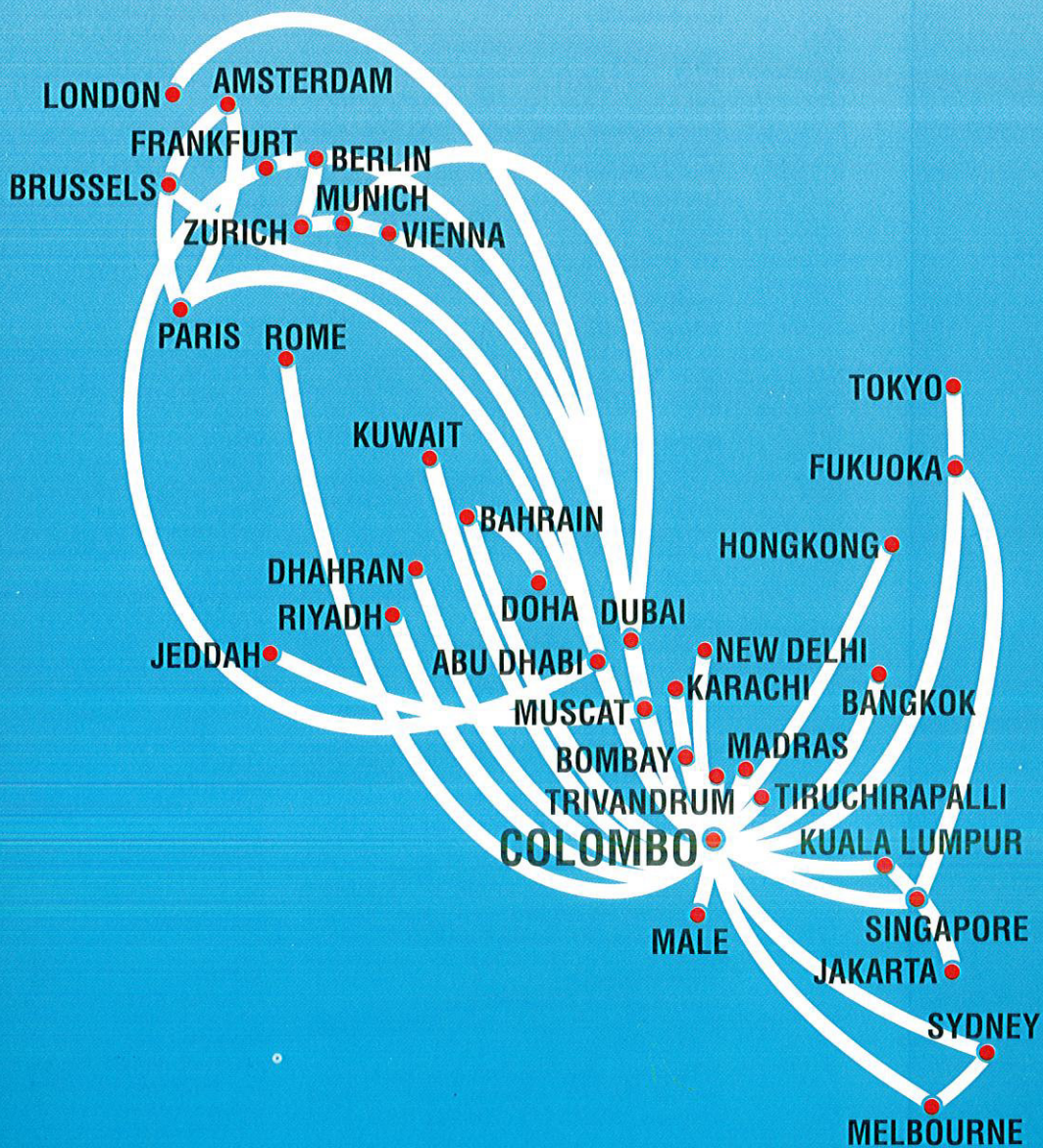


## STAFF STRENGTH AND PRODUCTIVITY





# Air Lanka Route Network Map





# AIR LANKA OFFICES & GENERAL SALES AGENTS

**HEAD OFFICE:** 37 York Street, Colombo 1, Sri Lanka. Tel: 94-1 Gen Admin 421291, Passenger Reservations/Reconfirmations 421161 Telex: 21401 LANKAIR CE. Fax: 449841, Cargo Sales 581131-4

## AUSTRALIA

**Adelaide:** World Aviation Systems (Aust) Pty Ltd., Avion House, 249-251 Pulteney Street, Adelaide 5000, South Australia.

Tel: (G) 61-8-2321411 Tlx: AA88302 CONIT

**Brisbane:** World Aviation Systems (Aust)

Pty Ltd., 6th Floor, 217 George Street, Brisbane QLD 4000, Australia.

Tel: 61-07 (G) 8677188 Fax: 2213049

**Canberra:** World Aviation Systems (Aust)

Pty Ltd., A.C.I.L. House, 103-105, Northbourne Avenue, Turner A.C.T. 2601, Australia. Tel: (G) 61-6-2571055

**Melbourne:** Air Lanka Ltd., c/o

World Aviation Systems (Aust) Pty Ltd., 543 King Street, West Melbourne, Victoria 3003, Australia. Tel: 61-3 (G) 3216860, (R) 3216882

Tlx: AA33508 CONIT Fax: 3290082

**Sydney:** Admin.: Air Lanka Ltd., c/o

World Aviation Systems (Aust) Pty Ltd., 403 George Street, Sydney 2000, New South Wales, Australia.

Tel: 61-2 (G) 2391786, (R) 2391722

Tlx: AA24577 CONIT Fax: 2901817

Tktg. & Res.: World Aviation Systems (Aust)

Pty Ltd., 64 York Street, Sydney 2000,

New South Wales, Australia.

Tel: 61-2 (R/T) 2391722

INWATTS: 008-424038

## AUSTRIA

**Vienna:** Air Lanka Ltd.,

Mattiellstrasse 2-4, 1040 Vienna, Austria.

Tel: 43-222 (G) 5133776-16

Tlx: 113254 AIRLA Fax: 5139552

## BAHRAIN

**Manama:** Air Lanka Ltd., c/o

Bahrain International Travel, Ground Floor, Chamber of Commerce Bldg., King Faizal Street, P.O. Box 1142, Manama, Bahrain.

Tel: 973 (G) 253315, (R) 233819

Tlx: 9242 BIT BAH BN Fax: 210175

## BELGIUM

**Brussels:** Air Lanka Ltd.,

Station Building 1, Room No 445, B-1930 Zaventem, Belgium.

Tel: 32-2 (G) 7223132, 7223133

Tlx: 21524 ALANKA B Fax: 7223829

## BRAZIL

**Rio De Janeiro:** Varig S.A.,

Av. Almet Silvio De Noronha, 365 Sala 308 Bloco A, Castelo, Rio De Janeiro, CEP 20021, Brazil.

Tel: 55-21 (G) 2725451, (R) 2926600,

(T) 2203871 Tlx: 2122363

## BULGARIA

**Sofia:** Balkan Bulgarian Airlines,

12 Narodno Subranie Square, Sofia, People's Republic of Bulgaria.

Tel: 359 (G) 884433, 884493, 881180

## CANADA

**Ontario:** D & N Travel Services Inc.,

789 Donmills Road, Suite 700, Donmills, Ontario M3C, 3L6, Canada.

Tel: (G) 1-416-6961225 Tlx: 06217847

## CYPRUS

**Nicosia:** Signal Travel Ltd.,

52-54 Evagoras Avenue, P.O. Box 1301, Nicosia, Cyprus. Tel: 357-2 (R) 464764

Tlx: 2341 LOUITOUR

## FRANCE

**Paris:** Sales: Air Lanka Ltd.,

18 Rue Therese, 75001, Paris, France.

Tel: 33-1 (R/T) 44778222, (R) 42974344,

(T) 44778223 Tlx: 213628 F (AIRLANKA)

Admin.: Air Lanka Ltd.,

2 Rue Des Moulins, 75001, Paris, France.

Tel: 33-1 (G) 42969022, 44778215

Fax: 42868320

## GERMANY

**Berlin:** Air Lanka Ltd.,

Berlin-Schoenefeld, Flughafen Building A 031,

Room 3040/3041, East Berlin 0-1188, Germany.

Tel: 49-30 (G) 6788600, 67872874

Tlx: 11254224 DD Fax: 67872914

**Frankfurt:** Air Lanka Ltd.,

Schwind Str. 3, 6000 Frankfurt, Main 1,

Germany. Tel: 49-69 (G) 975739, (R) 740941-4

Tlx: 4170366 ULD Fax: 748432

## GREECE

**Athens:** Intermodal Air S.A.,

25 Filellinon Street, Second Floor,

10057 Athens, Greece. Tel: 30-1 (R) 3249098,

(T) 3249650 Tlx: 221530

## HONG KONG

**Hong Kong:** Air Lanka Ltd.,

Room 602, 6/F, EIE Tower, Bond Centre,

89 Queensway, Hong Kong.

Tel: 852 (R) 5210708 (4 Lines),

Pax Sales 5210812, CGO Sales 5210830

Fax: 8015600

## INDIA

**Amritsar:** Stic Travels Pvt. Ltd.,

Amritsar International Hotel, City Centre, India.

Tel: 91-183 (G) 31991, 31992

**Bangalore:** Stic Travels Pvt. Ltd.,

G-5 Imperial Court, 33/1 Cunningham Road,

Bangalore-5, India. Tel: 91-812-262814, 267613

Tlx: 845-8633 STIC IN

**Bombay:** Air Lanka Ltd., c/o

Anusha Air Travels Pvt. Ltd.,

Mittal Tower "C", Ground Floor,

Nariman Point, Bombay 400 021, India.

Tel: 91-22 (G) 244148, 223599,

(R) 223288-99, (T) 244156

**Chandigarh:** Stic Travels Pvt. Ltd.,

SC 40-41, Sector 17-A, Chandigarh, India.

Tel: 91-172-21770

**Faridabad:** Stic Travels Pvt. Ltd.,

Maggie Tourist Complex, Mathura Road,

Faridabad, India. Tel: 91-1181(G) 3473, 5864

**Hyderabad:** Nagarjuna Travels & Hotels

Pvt. Ltd., 3-6-356/358 Basheer Bagh,

Hyderabad 500029, India. Tel: 91-237201

(7 Lines) Tlx: 04256260 HONAIN

**Jullundur:** Stic Travels Pvt. Ltd.,

"Hotel International", GT Road, Jullundur, India.

Tel: (G) 91-181-2975 Tlx: 56540 STIC IN

**Madras:** Air Lanka Ltd., c/o

Translanka Air Travels (Pvt.) Ltd.,

Mount Chambers, 758 Mount Road,

Madras 600 002, India. Tel: 91-44 (G) 861237,

(R) 861777, 867932 Tlx: 41-6317 ALK IN

**New Delhi:** Air Lanka Limited

c/o Stic Travels Pvt. Ltd., Room No. 5

"Hotel Imperial", Janpath, New Delhi 110001,

India. Tel: 91-11 (G) 3713766-9, (R) 3327909,

3327585, (T) 3325559, 3324789

**Patna:** Stic Travels Pvt. Ltd., "Hotel Ashok",

Patliputra, Patna, India.

Tel: (G) 91-612-26270 Tlx: 31-62985 STIC IN

**Tiruchirapalli:** Air Lanka Ltd., c/o

Translanka Air Travels (Pvt.) Ltd.,

"Femina Hotel", 14-C Williams Road,

Cantonment, Tiruchirapalli 620 001, India.

Tel: (G) 91-431-40844

**Trivandrum:** Air Lanka Ltd., c/o

Anusha Air Travels (Pvt.) Ltd.,

"Geethanjali Building", Ganapathy Koil Road,

Vazhuthacaud, Trivandrum 695014, India.

Tel: 91-471 (R) 68767, 64495

## INDONESIA

**Jakarta:** Air Lanka Ltd., c/o

Cosmopolitan Aviatama International,

Room 1406, 14th Floor, Jl. Jend. Sudirman,

Kav 28, Jakarta 12910, Indonesia.

Tel: 62-21 (G) 5212101-03, 5212105-07,

5212109-10 Fax: 8301547

## IRELAND

**Belfast:** Aer Lingus, 46-48 Castle Street, Belfast,

BT1 1HB, Northern Ireland.

Tel: 44-232 (D) 244224, (R) 245151

**Cork:** Aer Lingus, 38 Patrick Street, Cork,

Ireland. Tel: 353-21-27431 Tlx: 76176

**Dublin:** Aer Lingus, 40 Upper O'Connell Street,

Dublin, Ireland. Tel: 353-1-377747, 377777

**Branch Office:**

Aer Lingus, 42 Grafton Street, Dublin, Ireland.

Aer Lingus, 12 Upper George Street, Dublin,

Ireland.

Aer Lingus, Teoranta, Dublin Airport, Dublin,

Ireland. Tel: 353-1-370011

**Limerick:** Aer Lingus, 136 O'Connell Street,

Limerick, Ireland. Tel: 353-61-45556

**Shannon:** Aer Lingus, Limerick Office, Shannon,

Ireland. Tel: 353-61-45556

## ITALY

**Milan:** Air Lanka Ltd., Piazza Diaz, No. 1, 20123

Milano, Italy. Tel: 39-2 (G) 86461209,

(R) 878745, (T) 86464513

**Rome:** Air Lanka Ltd., Via Barberini,

No. 3, 00187 Roma, Italy. Tel: 39-6 (G) 484858,

(R) 483830, (T) 484428 Tlx: 620430

Fax: 4746385

## JAPAN

**Fukuoka:** Air Lanka Ltd., Kyukan Recruit,

"Hakata Building", 2-19-27 Hakata Ekimae,

Hakata-Ku, Fukuoka 812, Japan.

Tel: 81-92 (G) 4512856, (R/T) 4512855

Fax: 4512857

**Tokyo:** Air Lanka Ltd., "Dowa Building",

7-2-22 Ginza, Chuo-Ku, Tokyo 104, Japan.

Tel: 81-3 (G) 35734263-4, (R) 35734261,

(T) 35734262 Fax: 35740780

## JORDAN

**Amman:** Grand Travel & Tourism Co.,

King Hussein Street, P.O. Box 2152, Amman,

Jordan. Tel: 96-26 (G) 630125

Tlx: 21194 GRAND JO



**KOREA (SOUTH)**

**Seoul:** Dongil Express Co. Ltd., Room 705, Namsang Bldg., 32-2 Mukyo-Dong Chung-Ku, Seoul, South Korea. Tel: (R) 82-2-7562161-2

**KUWAIT**

**Safat:** Air Lanka Ltd., c/o Delta Travel Company, P.O. Box 26347, Alsour Street, Safat 13124, Kuwait. Tel: (G) 965-2424444 Tlx: 44544 KT OZARK Fax: 2461437

**LEBANON**

**Beirut:** World International Lines Co. Ltd., Autostrade Jal-Eldib, Doueih Bldg., P.O. Box 70775, Beirut, Lebanon. Tel: 961-1 (G) 403515, (R) 415385 Tlx: 43750 PALTIC LE

**MALAYSIA**

**Kuala Lumpur:** Air Lanka Ltd., UG4 Wisma KWSG, Lot 999 Jalan Kampong Attap 50460, Kuala Lumpur, Malaysia. Tel: 03 (G) 2740211 Fax: 2740897

**MALDIVES**

**Male:** Air Lanka Ltd., No. 20, Athireege Annex 2, Amir Ahmed Magu, Henveiru, Male, Rep. of Maldives. Tel: 960 (G) 320189, (R) 325676, (T) 352677 Fax: 313169 Maldives Air Services Ltd., "Faashana Building", Marine Drive, P.O. Box 2049, Male 20-05, Rep. of Maldives. Tel: 960 (G) 322438, (T) 322437, (R) 325676 Tlx: 77058 AIRMALE MF

**MALTA**

**Malta:** World Aviation Systems Ltd., 20/2 Republic Street, Valletta, VLT04, Malta. Tel: 356 (G) 238744, (R) 242233-6 Tlx: 1574 WASMLA

**NETHERLANDS**

**Amsterdam:** Air Lanka Amsterdam Assumburg 150, 1081 GC Amsterdam, The Netherlands. Tel: 31-20 (G) 6428809, (R) 6442929 Tlx: 12820 Fax: 6428181

**NEW ZEALAND**

**Auckland:** Astjet Air Services Ltd., Jetset Center, Level 6, 44 Emily Place, Auckland, New Zealand. Tel: 64-9-3022695

**PAKISTAN**

**Islamabad:** Crown Travels Ltd., No. 12, Block 1/A, Shaid Plaza, Blue Area, Islamabad, Pakistan. Tel: 92-51 (G) 210947, (R) 819706 Tlx: 54265 AKBAR PK  
**Karachi:** Air Lanka Ltd., c/o Crown Travels, 1st Floor, Services Club Extn. Bldg., Mereweather Road, Karachi 75520, Pakistan. Tel: 92-21 (G) 528286, (R) 514421, 514428, (T) 522679, 526480 Tlx: 24368 AKBAR PK Fax: 5684522  
**Lahore:** Crown Travels, Ali Complex, 23 Empress Road, Lahore, Pakistan. Tel: 92-42 (G) 304265, 303265 Tlx: 44162 AKBAR PK

**QATAR**

**Doha:** Air Lanka Ltd., c/o Ali Bin Ali Travel Bureau, P.O. Box 2197, Doha, Qatar. Tel: 974 (R) 441924, (T) 441161-3 Tlx: 4243 ABATRV DH Fax: 441241

**SAUDI ARABIA**

**Dammam (Eastern Province):** Air Lanka Ltd., c/o Y.B.A. Kanoo, Airline Centre, P.O. Box 122, King Abdul Aziz Street, Al Khobar 31932, Dhahran Airport, Saudi Arabia. Tel: 966-3 (R) 8951153, (T) 8952180, 8952196 Tlx: 871298 KANOO SJ, 801011 YAKD SJ Fax: 8984942

**Jeddah (Western Province):**

Air Lanka Ltd., c/o Y.B.A. Kanoo, Kanoo Centre, P.O. Box 812, Medina Road, Kilo 7, Jeddah 21421, Saudi Arabia. Tel: (G) 966-2-6654284 Tlx: 601039 YBAK SJ Fax: 6695801

**Riyadh (Central Province):**

Air Lanka Ltd., c/o Y.B.A. Kanoo, Kanoo Tower, P.O. Box 753, King Abdul Aziz Street, Riyadh 11421, Saudi Arabia. Tel: 966-1 (D) 4788935, (G) 4772228 Tlx: 401038 KANOO SJ Fax: 4786869

**SINGAPORE**

**Singapore:** Air Lanka Ltd., Unit 02-00/B PIL Bldg., 140 Cecil Street, Singapore 0106. Tel: 65 (G/T) 2257233, (R) 2236023 Fax: 2219425

**SRI LANKA**

**Colombo:** Cargo Office: Air Lanka Ltd., 660 Galle Road, Colombo 3, Sri Lanka. Tel: 94-1 Gen 581131-4, Tktg. Office: Air Lanka Ltd., (Opp. National Savings Bank) No 283C, Galle Road, Colombo 3, Sri Lanka. Tel: 94-1-576394-7  
Tktg. Office: Air Lanka Ltd., Mercantile Building, 55 Janadhpathi Mawatha, Colombo 1, Sri Lanka. Tel: 94-1 (G) Tktg 28331-4, (R) Recon 421161, Fares 27735, Flt Inf 446175, 452911, 452281 PTA & Regional Tktg. Office: Air Lanka Ltd., No. 10-12, Sir Baron Jayathilake Mawatha, Colombo 1, Sri Lanka. Tel: 94-1 (G) 421291, PTA Section 436362, 430531  
**Kandy:** Tktg. Office: Air Lanka Ltd., (Opp. The Queens Hotel), No. 19, Temple Street, Kandy, Sri Lanka. Tel: 94-8-32494-5

**SOLOMON ISLANDS**

**Guadalcanal:** Solomon Airlines, Solar House, P.O. Box 23, Honiara, Solomon Islands. Tel: 677 (G) 20031, (T) 20152 Tlx: HQ66312

**SULTANATE OF OMAN**

**Muscat:** Air Lanka Ltd., c/o Mezon Travel L.L.C., P.O. Box 629, Muscat, Sultanate of Oman. Tel: 968 (G) 796695, (R) 796680-85, (T) 796686 Tlx: 704750 MEZMCT ON Fax: 795721

**SWITZERLAND**

**Zurich:** Air Lanka Ltd., Reitergasse 6, 8021 Zurich, Switzerland. Tel: 41-1 (G) 2412090, (R) 2415100, (S) 2413334-5 Tlx: 822418 (MANGMT) 812517 (RES) Fax: 2417738

**TAIWAN**

**Taipei:** Overseas Travel Services Ltd., 3F, No 156, Fu-Shin N. Road, Taipei, Taiwan, Rep. of China. Tel: (G) 886-2-5144600 Tlx: 26360 OTS TPE

**THAILAND**

**Bangkok:** Air Lanka Ltd., 942/34-35, Charn Issara Tower, Rama IV Road, Bangkok 10500, Thailand. Tel: 66-2 (G) 2369292-3, (R) 2364981-2, (T) 2360159 Fax: 2367617

**UNITED ARAB EMIRATES**

**Abu Dhabi:** Air Lanka Ltd., c/o Atlas Travels Tourism & Transport, Zayed The 2nd Street, Al Darmaki Bldg., P.O. Box 2086, Abu Dhabi, U.A.E. Tel: 971-2 (G) 337272, (R) 337125 Tlx: 23575 ATTRAV Fax: 340391

**Ajman:** Ajman National Travel Agency, Sh. Mohd Bin Ali Al Nuaimi Building, Flat No. 2, Ground Floor, Sh. Rashid Bin Humaid Street, Ajman, U.A.E. Tel: (G/R) 971-6-422300 Tlx: 69625 ANTA EM

**Al Ain:** Atlas Travels Tourism & Transport, Al Ain Street, Al Dhaheri Building, P.O. Box 16060, Al Ain, U.A.E. Tel: 971-3-643344

**Dubai:** Air Lanka Ltd., Dnata Airline Center, "C" Entrance, P.O. Box 12889, Dubai, U.A.E. Tel: 971-4 (G) 225951, 287781, (R) 236755, 223423

Dubai National Air Travel Agency, P.O. Box 1515, Dubai, U.A.E. Tel: 971-4 (G) 228151, (R) 236755 Tlx: 45728 DNATA EM Fax: 234245

**Fujairah:** Fujairah National Air Travel Agency, P.O. Box 96, Fujairah, U.A.E. Tel: 971-70 (G) 222524 (R/T) 222316

**Ras Al Khaimah:** Rak National Travel Agency, Al Seer Bldg., P.O. Box 5214, Oman Street, Ras Al Khaimah, U.A.E. Tel: 971-77 (R) 221536, 221531

**Sharjah:** Sharjah National Travel & Tourist Agency (Pvt.) Ltd., Al Arooba Street, Sharjah Tower, Sharjah, U.A.E. Tel: 971-6 (R) 544066, (T) 351411 Tlx: 68021 SNTTA EM

**Umm Al Qiwain:** Umm Al Qiwain National Travel Agency, P.O. Box 601, King Faizal Street, Umm Al Qiwain, U.A.E. Tel: (G) 971-6-656615

**UNITED KINGDOM**

**London:** Air Lanka Ltd., 6/10, Bruton Street, London, W1X 7AG, United Kingdom. Tel: 44-71 (G) 4910444, (R) 4390291 Tlx: 269171 LANKA G Fax: 6294968

**Manchester:** Avion Lanka Travel Ltd., 36 King Street, Manchester, M2 6AB, United Kingdom. Tel: (G) 44-61-8396891 Tlx: 668590 AVION G

**UNITED STATES OF AMERICA**

**Los Angeles:** Pyramid Travel Inc., 8127 San Fernando Road, Sun Valley, CA. 91352, U S A. Tel: 1-818 (R) 7674132, (S) 7673827 Tlx: 910 3214599 Fax: 7674346

**Branch Offices:** Pyramid Travel Inc., New York Branch, 767 Fifth Avenue, G.M. Plaza, New York, NY 10153, U S A. Tel: 1-212-8385120 Tlx: 710 5812297  
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**Moscow:** Aeroflot Soviet Airlines, Leningradsky Prospekt, 37 Moscow 125167, U.S.S.R.

**YUGOSLAVIA**

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