



NIGERIAN CIVIL AVIATION AUTHORITY

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OFFICE OF THE DIRECTOR GENERAL

NCAA/DG/AIR/11/16/357

20th July 2022

The Accountable Manager

Dana Airlines Limited
Dana House
116 Oshodi-Apapa Expressway
Isolo, Lagos.

SUSPENSION OF AIR TRANSPORT LICENCE AND AIR OPERATOR CERTIFICATE – DANA AIR

Please recall that, in line with the provisions of Section 30 (4) (b) and (r) and Part 18.10.1 of the Nigeria Civil Aviation Regulations (Nig.CARs), the Authority, in the month of June, 2022, carried out a Financial and Economic Health Audit of Dana Airlines Limited (Dana Air) for the years ended 31st December 2018 to 31st December 2021 and for the period 1st January 2022 to 31st May 2022.

The audit found that:

- a) Dana Air will not be able to meet current obligations as they fall due without resorting to more borrowings/debts, as the current liabilities far exceed the current assets. This is a red flag on the Airline's ability to finance current obligations.
- b) The shareholders fund (equity) has been in the negative since 2018, and it will take Dana Air several years of operation for retained earnings to erase the negative equity.
- c) The debt to capital ratio is negative, showing that Dana Air is being financed by debts.
- d) Dana Air pays staff salaries in batches, between the 1st and the 10th of the succeeding month, and recently sent some employees on compulsory three months leave without pay, an indication of serious liquidity challenge in the payment of staff entitlements, with the consequence of depressed morale, low productivity and consequent impact on safety.
- e) The going concern of the Dana Air is under serious financial threat, as corroborated in the external auditors report.

In view of the findings of the Financial and Economic Health Audit, the Authority is no longer satisfied that the resources of Dana Air are adequate for carrying out safe and sustainable flight operations.

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Recall also, that on 14th and 15th of July, 2022, the Authority carried out an investigation into the flight operations of Dana Air during the month of April 2022.

The investigation revealed that Dana Air committed several flagrant operational violations, including that:

- a) Dana Air operated several flights on the MD 80 fleet with no licensed Captain. A Captain of over 65 years of age sat on the jump seat, while a senior first officer on upgrade training sat on the left seat with a line first officer sitting on the right seat.
- b) A Senior First Officer occupied the left seat while a First Officer occupied the right seat and operated Dana flight 342 LOS – PHC with aircraft 5N-DKI on 23rd of April, 2022. The flight continued from PHC – ABV and then ABV – LOS. The SF/O even went as far as signing the technical logbook.
- c) On 20th of April, 2022, a re-qualifying Captain, flew with a line Captain, instead of a line trainer (instructor) or a Check Airman.
- d) Dana Air's Director of Flight Operations, conducted checks on the aircraft even though his Check Airman authorization had expired on the 12th of September, 2020 and, in addition, he was over 65 years of age.
- e) One of Dana Air's Captain who had attained 65 years of age in July, 2021, operated several flights on the jump seat. Also, his Check Airman authorization expired on 23rd August, 2021 but he continued to exercise the privilege.
- f) The Chief Pilot of Dana Air, who does not have an NCAA Check Airman Authorization, yet conducted checks.
- g) Flight deck crews scheduled for flights disregarded flight duty times and crew rest regulations. The Zapways rostering system utilized by Dana Air, although a good system, is open to manipulation by the scheduling and rostering staff.

It is also noteworthy to remind you that the Authority recently sanctioned Dana Air and its personnel for maintenance violations. While Dana Air was fined a total sum of N30,000,000.00 (Thirty Million Naira), which it had not been able to settle till date due financial constraints, the AME Licence of Dana Air's erstwhile Director of Maintenance was revoked for making false statements and false entries in the technical logbooks of the aircraft, 5N-SAI and 5N-JOY. The AME Licence of Dana Air's Quality Inspector was suspended for sixty (60) days and the AMEL Validation of one of Dana Air's expatriate Maintenance Engineer was also suspended for sixty (60) days, for maintenance violations.

The Authority is convinced that Dana Air and its personnel deliberately violate the provisions of the Nig.CARs relating to safety and therefore the Airline is no longer in a position to conduct safe operations.



The cumulative and apparent deliberate violations of the Nig.CARS, as indicated above, by DANA Air employees, especially several key post holders is indicative of a toxic corporate safety culture within the organization. This, in conjunction with report of the Financial and Economic Health Audit, is a good indication that safety and security of Dana's flight operations are under serious threat and can no longer be guaranteed. Consequently, the Authority, pursuant to Section 35 (2), (3) (b) and (4) of the Civil Aviation Act, 2006, hereby suspends indefinitely, effective midnight on Wednesday 20th July 2022, the Air Transport Licence (ATL) and Air Operator Certificate (AOC) issued to Dana Airlines Limited.

Note that Dana Air personnel found during the investigation to have violated provisions of the Nig.CARs, will be separately sanctioned individually, as appropriate.

During the period of the suspension, the Authority shall conduct a technical audit of Dana Air. For the suspension of your authorisations to be lifted, Dana Air must:

- I. Resolve all the findings of the financial and technical audit;
- II. Provide a detailed Sustainability Plan, which shall include proven financial resources for the running of the Airline for a period of at least six (6) months; and
- III. Provide repayment plans for the settlement of its debts and enter into MoUs with all its creditors, including the NCAA.
- IV. Any other matter the Authority may deem necessary.

A handwritten signature in blue ink, appearing to read "M. Nuhu".

CAPTAIN MUSA NUHU
Director General

Cc: Honourable Minister of Aviation