

2023

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இலங்கை புத்தாக்குனர் ஆணைக்குழு
SRI LANKA INVENTORS COMMISSION



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ANNUAL REPORT 2023

Sri Lanka Inventors Commission

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Members of the Commission

Prof. N. M. S. Sirimuthu
Commissioner
(From 01.01.2023 to 01.05.2023)

S. K. Cyril Suduwella
Commissioner
(From 12.07.2023 to 31.12.2023)

Dr. R. M. H. M. Anupa Indika Herath
Assistant Commissioner
(From 01.01.2023 to 26.04.2023)

Mrs. Kalpani Rajapaksha
Assistant Commissioner
(From 01.11.2023 to 31.12.2023)

Eng. D. D. Ananda Namal
Assistant Commissioner
(From 12.07.2023 to 31.12.2023)

Mrs. M. K. D. N. Madampe
Treasury Representative
(From 01.01.2023 to 31.12.2023)

Members of the Audit and Management Committee

Mrs. M. K. D. N. Madampe
Treasury Representative
(From 01.01.2023 to 31.12.2023)

Prof. Neelika Malawige
Assistant Commissioner
(From 01.01.2022 to 21.06.2022)

Dr. R. M. H. M. Anupa Indika Herath
Assistant Commissioner
(From 01.01.2023 to 26.04.2023)

Mrs. Kalpani Rajapaksha
Assistant Commissioner
(From 01.11.2023 to 31.12.2023)

Eng. D. D. Ananda Namal
Assistant Commissioner
(From 12.07.2023 to 31.12.2023)

Mrs. H. D. Anurudhika
Chief Internal Auditor
(From 01.01.2023 to 31.12.2023)

P. A. D. R. K. Wickramathilake
Representative from Auditor General Department
(From 01.01.2023 to 31.12.2023)

Message of the Commissioner



S. K. Cyril Suduwella
Commissioner
Sri Lanka Inventors Commission

The Sri Lanka Inventors Commission, established by on Act of Parliament as Sri Lanka Inventors Incentive Act No. 53 of 1979”, has the prime objective of encouraging local innovations by providing necessary technical, financial, and legal assistance.

Present day inventions are the result of combinations of efforts or improvements by scientists, academia and various intellectuals from several areas and not just an achievement of a single person or group.

At present, due to the world economic recession, many market opportunities have been created for innovations and inventions. For proper capitalization of this situation, the commission has proposed new suggestions for the commercialization of inventions.

As per the provisions of the Act of Establishment of the Commission to Commercialize Potential Inventions, “IAFM-SL” (Innovation Accelerator Funding Mechanism for Sri Lanka Project) has been introduced. In this project, it has been proposed to assist financially, technically and legally for identified potential inventions based on the expert evaluation. Further, New Bank loan scheme at concession interest rate has been introduce to encourage commercialization of inventions.

In order to overcome challenges in the present market, the commission has introduced newest schemes in collaboration with university system and other research institutes in Sri Lanka.

Intellectual Property (IP) rights and ownership of Patent Licence have been secured by introducing new division in the Commission.

The commission and Shardha TV collaborated to organize the “Inventor Champs” Programme targeting students, thereby able to encourage young inventors and bring their inventions to the public awareness. The commission has successfully concluded “Sahasak Nimawum” award ceremony in parallel to National Inventors Day on 26th October every year. Further arrangements have been made to confirm presidential awards to inventors who are eligible to receive such awards.

The staff of the commission who works under the direction of the board of management, which is a key factor in the success of all activities, should be commended for their dedication.

Message of the Former Commissioner



Prof. N. M. S. Sirimuthu
Former Commissioner
Sri Lanka Inventors Commission

The inventors and their inventions are one of the key factors that contributed to the economic revolution of many countries in the world. The countries that are unable to create inventions affect the development, and with the creation of inventions, the countries in the world develop in every sector.

As such, the direct contribution of local inventors to the development of the country is a national need. Especially, we need to provide an opportunity for local inventors to develop local industries using local resources and inventions.

The Commission has launched projects in 2023 to implement the creative ideas of inventors, introduce them to investors, develop inventions, and provide investment opportunities within the powers of the Commission and the contributions and directives of the Ministry. Accordingly, school, university, and tertiary education institutes, open and commercial categories, and 14 technical fields promoted inventions, covering the entire island.

The intention of the Commission is to develop Sri Lankan innovative skills by becoming the center for nurturing them and also to create an innovative culture. In the journey to make it a reality, we are thankful to all stakeholders who have contributed.

Message of the Director/CEO



Mr. N. N. W. Dolawatta
Director/CEO Sri Lanka Inventors Commission

The Sri Lanka Inventors Commission has been set up by the Sri Lanka Inventors Incentives Act, No. 53 of 1979, with the prime objective of promoting inventions and innovations and having a huge responsibility to contribute to the local economy.

To achieve the said objective, the Sri Lanka Inventors Commission is performing its duties under the direct supervision of the Ministry. Even though it is unavoidable to have limitations on treasury funds during this challenging period, the Commission has adopted new technology to conduct programs online and to provide the services uninterrupted in 2023.

Further, taking the import restrictions as an opportunity, in collaboration with the SPAR Sri Lanka super market chain, the commission introduced a range of products to the market.

The Commission collaborated with state and private institutes properly to start new programs, and accordingly, a program with the National Council for Road Safety to assure the safety of passengers; “Inventor Champ,” a reality TV program with Shardha Media Network to enhance the creativity of schoolchildren; and “YIELD,” a competition with Panacea (Pvt) Ltd., a local agent of the world -reputed German company Siemens, to enhance the creativity of school children, were specially mentioned.

The Commission received financial support from reputed private institutes in the relevant financial year and thankfully mentioned M/s Brandix, DSI, Panacea (Pvt) Ltd., and Arpico Plc.

The inventors who were identified and recognized through the “Sahasak Nimavum” invention and innovation competition started in 2012 are now contributing to strengthening the economy. The details are furnished in this report.

The Commission has thankfully highlighted the support of the Secretary Mr. Nihal Ranasinghe, Additional Secretary Ms. Samanthi Weerasinghe, Additional Secretary Ms. Samanthi Mihindukula, Director General Planning Ms. Kumari Meegahakotuwa, retired Director General Mr. P. M. Darmathilake, and all other officers of the Ministry during the financial year.

All who have contributed to the projects initiated by the Commission are mentioned here with heartfelt gratitude.

Further, the Commissioner and the Board of Management, who have frequently supported us thankfully mentioned, and the Hon. Minister of Education also contributed to the success of the Commission in the relevant year.

Finally, we are thankful to all inventors who contributed to the economy, even in this challenging environment, and we also invite rest of the inventors to collaborate with the Commission to develop the local economy.

1. Sri Lanka Inventors Commission

1.1 Introduction

The Sri Lanka Inventors Commission (SLIC) is a statutory body established in terms of the Sri Lanka Inventors Incentives Act No. 53 of 1979 to promote and encourage the inventiveness of local inventors and making provisions for related matters. At present, the commission functions under the Ministry of Education.

1.2 Vision

“Nawa Nipayum Mawana Deyak – Yasa Isurin Pirunu Hetak”
(Prosperity through Inventions and Innovations)

1.3 Mission

Be the leading catalyst in bringing out innovative capability of the nation. Be a forerunner of the facilitation process in converting ideas into practical applications

1.4 Objectives

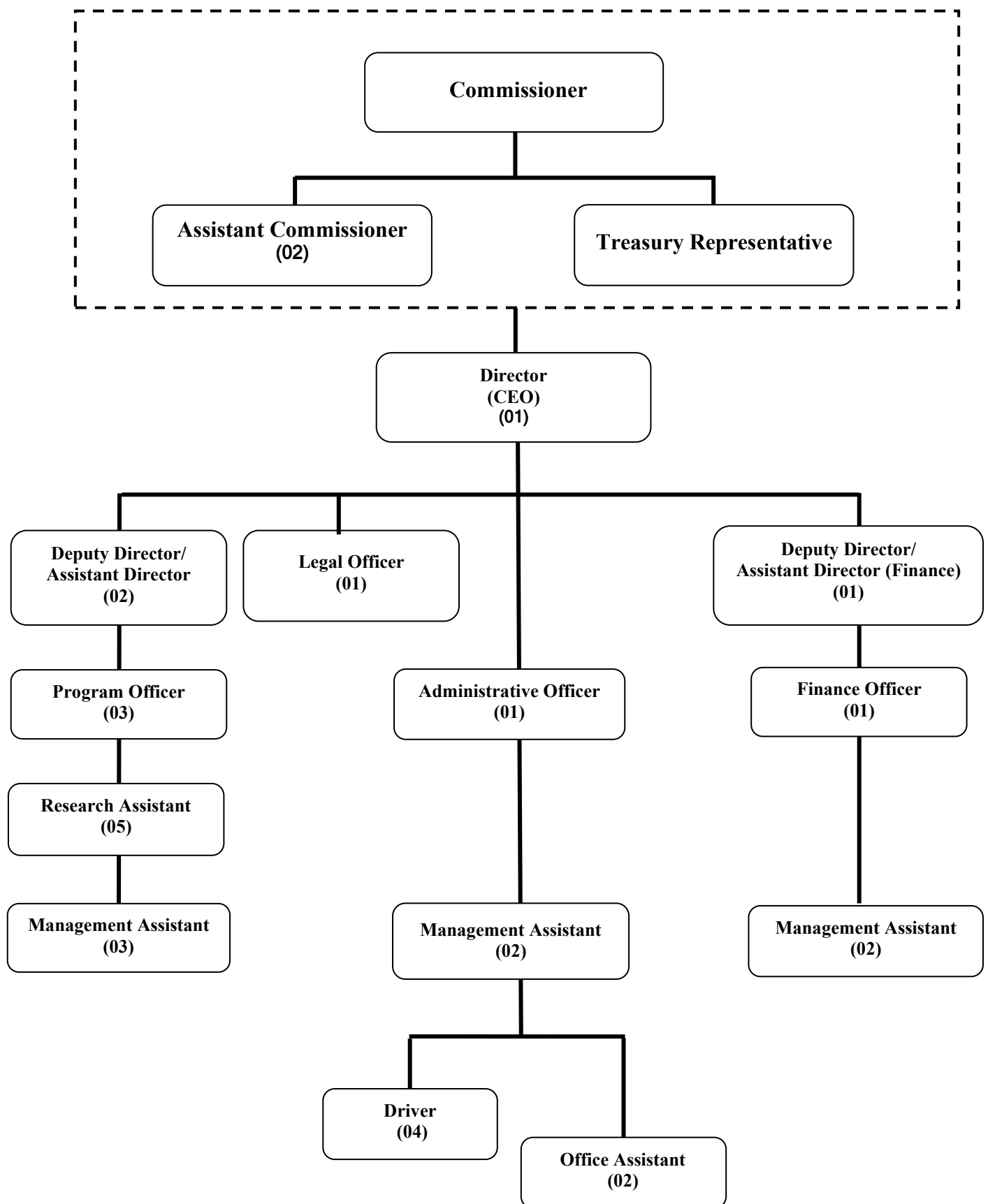
- 1.4.1 Encourage Sri Lankan citizen for invention and innovation
- 1.4.2 Provide technical, financial and legal assistance to inventors.
- 1.4.3 Exercise and deliver all the powers, functions and duties stipulated in Sri Lanka Inventors Incentives Act No. 53 of 1979.
- 1.4.4 Deliver all other functions required in achieving the above-mentioned objectives.

1.5 Powers Functions and Duties of the Commission

- a) Give technical assistance to inventors after examination of their inventions to determine their patentability and to help them prepare patent applications, under such terms and conditions as may be specified by the Commission.
- b) Grant financial aid to inventors to enable them to develop, perfect and produce their patented inventions or those which are pending patent, under such terms and conditions as may be specified by the Commission.
- c) Render legal assistance to inventors by representing them in filing their patent applications in Sri Lanka or abroad and by protecting their secured patents from infringement in patent cases, under such terms and conditions as may be specified by the Commission.
- d) Recommend to government lending institutions inventions that are beneficial to Sri Lanka so as to enable such institutions to give long-term loans to inventors to manufacture their inventions, with only their patents, as security, the amount of any such loan to be granted depending upon the importance and market of their inventions as determined by the Commission.
- e) Help local inventors to find markets for their inventions in Sri Lanka and abroad.

- f) Encourage Sri Lankan inventors to make known their inventions by awarding “Presidential Awards for Inventions” annually to patented inventions in Sri Lanka in the fields of agriculture, chemistry, medicine, national defense, pharmacy, physics, public safety and welfare, public works, transportation and such other fields of science and technology.
- g) Establish and maintain a public research laboratory and experimental station where authorized inventors and researchers may avail themselves of its facilities and services for carrying out or perfecting their approved inventions and researches.
- h) Promote and encourage inventiveness and creativeness among people in Sri Lanka and to assist them in creating inventions in agriculture, chemistry, medicine and such other fields of science and technology through an annual “Creative Research Contest” with cash prizes and medals to the winners chosen by the respective judges of the “Presidential Awards for Inventions”.
- i) Publish and disseminate information about inventions, researches and science in general.
- j) Hold regular monthly sessions for the exchange of ideas among inventors.
- k) Help Sri Lankan inventors join international competitions for inventions and researches, or to recommend them to such competitions.
- l) Organize creative societies in schools, colleges and universities to promote and encourage creativeness among Sri Lankan youth.

1.6 Organizational Structure



1.7 Human Resources

Designation	Approved Cadre	Cadre in the year 2023	Vacancies as at 31 st December 2023
Director (Chief Executive Officer)	01	01	-
Deputy Director/ Assistant Director	02	02	-
Deputy Director/ Assistant Director (Finance)	01	01	-
Legal Officer	01	-	01
Program Officer	03	03	-
Administrative Officer	01	01	-
Finance Officer	01	01	-
Research Assistant	05	02	03
Management Assistant	07	04	03
Driver	04	04	-
Office Assistant	02	02	-

1.8 The Board of the Commission and Chief Management Officers



S. K. Cyril Suduwella
Commissioner



Mrs. Kalpani Rajapakshe
Assistant Commissioner



Eng. D. D. Ananda Namal
Assistant Commissioner



Mrs. M. K. D. N. Madampe
Treasury Representative



Eng. N. N. W. Dolawatta
Director / CEO



Ms. D. A. Sarathchandra
Assistant Director (Finance)



Mr. D. M. L. Rathnayake
Assistant Director (Project)



Mrs. P. L. Liyanagama
Assistant Director (Special Project)

2. Main programs and projects of the Commission in the year 2023

2.1 “Sahasak Nimavum” International Inventions and Innovations Exhibition & Competition to connect Sri Lanka to the world through innovations

"Sahasak Nimavum" International Inventions & Innovations Exhibition and Competition is a program that brings unique benefits to inventors, such as proper socialization of inventions, connecting with the investor community and taking the products to the commercialization level, sharing knowledge and technology with other inventors, getting proper appreciation for achievements, and having the opportunity to present at an international level exhibition.

In this competition, Sri Lankan inventors will be given the opportunity to participate in the following fourteen (14) technical fields under four main categories: schools, universities, and tertiary education institutions; commercialized inventions; and the open category.

- Public Safety, welfare and National Defense
- Chemistry
- Food Technology
- Medicine and Pharmacy
- Traditional Medicine
- Public Works and Infrastructure Engineering
- Physics
- Information and Communication Technology
- Agriculture
- Applied Sciences and Technology
- Energy
- Environmental Conservation
- Transportation
- Engineering

Until the year 2019, awareness sessions were conducted at the provincial level physically, and afterward, they were conducted as an online competition. By following the same procedure, in the year 2023, we commission conducted a successful online competition.

The award ceremony for the “Sahasak Nimavum” 2022 competition was conducted by the Commission on October 26, 2023, at the Bandaranayaka Memorial International Conference Center on National Inventors Day. This event was graced by the Hon. Minister of Education, Dr. Susil Premajayantha, State Minister Dr. Suren Ragawan, Mr. Nihal Ranasinghe, Secretary Ministry of Education, and Ms. Thilaka Jayasundara, Secretary Ministry of Industries. This occasion used to appreciate many awardees in the year 2022 and be able to optimize the expences.



2.1.1 Progress of the “Sahasak Nimavum 2023”

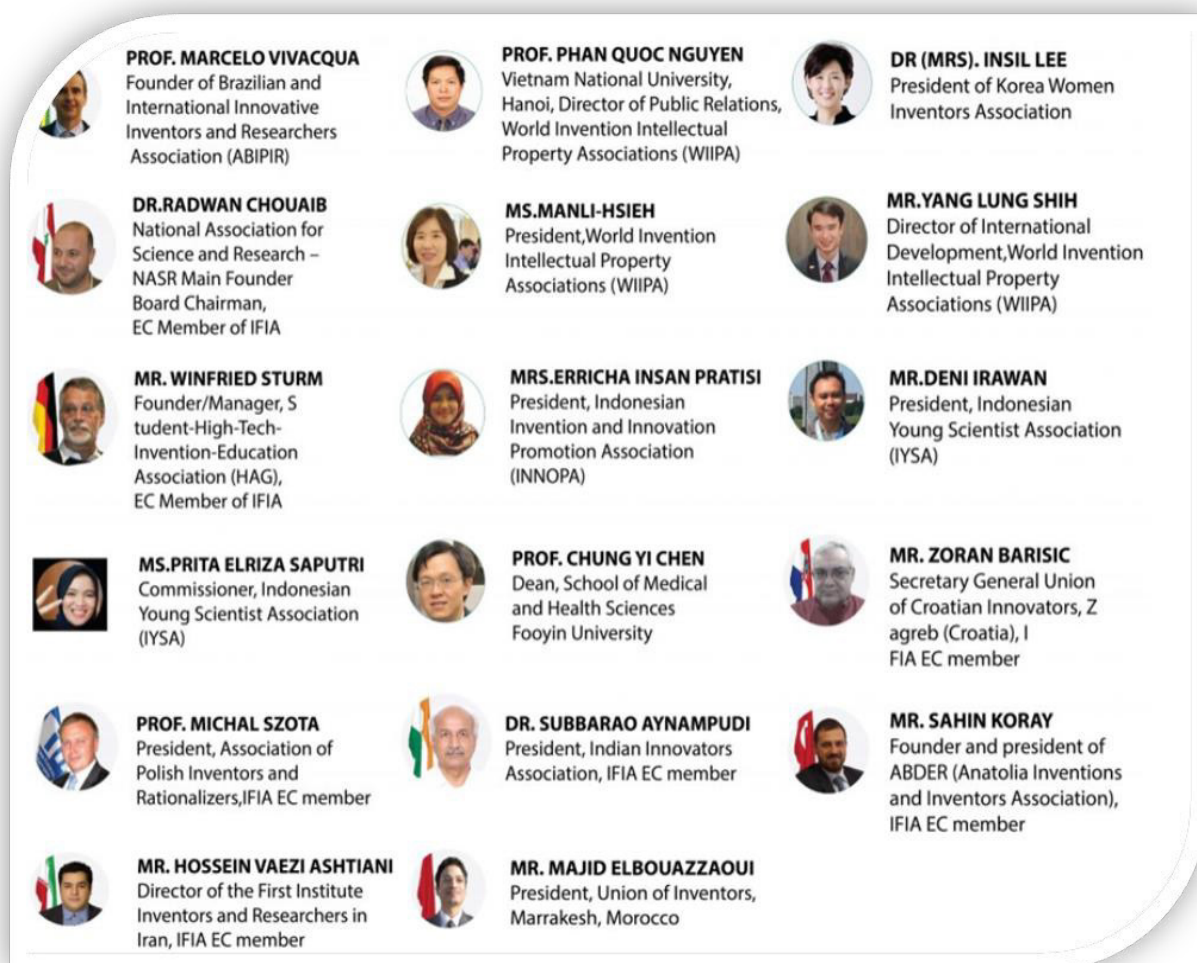
The Sri Lanka Inventors Commission conducted awareness sessions for inventors online via Zoom technology in the “Sahasak Nimavum” in 2023. School students, undergraduates, students of the tertiary education institutes inventors in the open and commercial categories, and in-charge teachers of the inventor clubs participated in the above event.



In this year “Sahasak Nimavum 2023” received 737 inventions. Simultaneously conducted the Ruhuna Invention and innovation exhibition 2023 (RIIE-2023) physically in collaboration with University of Ruhuna and evaluations of other provinces were conducted online.

Finally 560 inventions were qualified for the National Competition and 150 panel members from the national pool extended their service for evaluation.

2.1.2 “Sahask Nimavum” international competition



Until 2019, the Sri Lanka Inventors Commission, which was solely dependent on the government Treasury, has started generating a revenue. Accordingly, the Commission has been able to earn income through the registration of foreign inventions since 2019. Accordingly, besides bringing strength to local income through the commercialization of inventions, the Commission has also been able to provide a helping hand to the government treasury by generating a revenue.

Year	Generated Revenue	
2023-2024	Foreign	2023 - 2024 on going
2023	Local	LKR 243,375

Accordingly international competition has started for the year 2023/2024.



2.2 Financial assistance program for commercialize inventions

Financial assistance with zero interest provided through the Innovator Accelerator Funding Mechanism (IAFM-SL) and the Inventors Fund to commercialize inventions has stopped since 2022, and inventors were directed to the state-owned banks. Accordingly, with the positive responses of the Regional Development Bank, the Commission signed an MoU, and 11 inventors were directed to the bank on the recommendation of the Commission.

As per the provisions of the Sri Lanka Inventors Incentives Act, the Commission communicated with financial institutes to provide commercialization loans for the identified potential inventors. Accordingly, officers of the Commission completed 11 field trials with the officials of the Regional Development Bank to conduct a feasibility study.

As a result of this, the Regional Development Bank released a loan of Rs. 0.6 million to inventor A. K. Samantha at an interest rate of 23%. With this new provision, the Commission made an attempt to provide loans for the local inventors through government-owned financial institutes by keeping patents as a guarantee. This attempt was not successful, as the financial institutes are reluctant to accept the patent as a guarantee. As per the observations of the Commission, financial institutes do not offer competitive interest rates for inventors but also need to follow normal banking procedures.



2.3 Technology Incubation Centers to provide technical assistance for inventors

As per the provisions of the Sri Lanka Inventors Incentives Act No. 53 of 1979, the Commission has to maintain a laboratory internally, but due to limitations, the Commission and line Ministry have taken the necessary alternative measures to set up incubators externally. Technical services are delivered through the incubators to develop inventions.



Accordingly, with the full involvement of the Commission four technology incubation centers were setup in National Engineering and Research Development Centre, Jaffna University, Rajarata University and University of Ruhuna.

This incubation center facilitates the required technical services for Sri Lankan inventors, university students, and schoolchildren to convert their concepts to prototypes and also to market-winning inventions.

2.4 Collaborative project with BCS the Chartered Institute for IT Sri Lanka Section

ICT-related inventions were appreciated with the public-private partnership of the Commission and BCS (British Computer Society), the Chartered Institute for IT Sri Lanka Section. Eng. N. N. W. Dolawatta, the Director/CEO, contributed as a panel member for the evaluation of inventions related to the prevention of national disaster. The main objective of the event was to recognize the state-of-the-art inventions of information and communication technology. Winners



and the judging panel appreciated at the National Awards Ceremony for information & technology, and the opportunity has been provided to winners to participate in international competitions related to ICT. The Commission wishes to continue this collaboration in the future.

2.5 Promotion of agriculture related inventions

The annual program to promote agriculture-related inventions was conducted continuously in 2023 in collaboration with the Ministry of Agriculture. Thirty winners of the “Sahasak Nimavum” were linked to this program.

Accordingly, an awareness program on intellectual property protection was also conducted online.

In addition to that, the Commission facilitated resource persons for the training program conducted by the Development and Training Unit, Southern Province. The Commission has linked inventors who participated in the “Sahasak Nimavum” exhibition and related to agriculture with the said program. Three programs were conducted in Galle, Matara, and Hambantota at the first stage, and three programs in the second stage, including awareness of the patent drafting process.

2.6 Public-Private Partnership

The Commission has collaborated with reputed private sector companies that have shown interest in encouraging inventions and innovations to promote inventions and innovations. Accordingly, the Commission collaborated with the below list of companies in activities like innovation competitions, awareness programs, commercializing inventions, and sponsorships for inventors.

- SPAR Sri Lanka
- Panacea (Pvt) Ltd
- Dialog Axiata PLC
- Advantis Engineering
- Arpico Furniture
- Brandix Apparel Pvt Ltd
- D Samson Industries Pvt Ltd
- Gaja TV
- Shardha Media Network

2.7 Awareness sessions and workshops for inventions and innovations

The Commission frequently receives requests to conduct awareness programs and workshops on the process of invention. The participants will be able to obtain practical experience and enhance their knowledge of inventing process.

Twelve awareness sessions on inventions and innovations were conducted for schools (08 no.) and institutes (4 no) in the year 2023.

Eight programs were conducted by the Commission for Agri Entrepreneur Development Unit in the Southern Province, Advantis Engineering, the Sri Lanka Army, and Vidatha Center, Kesbewa, and benefited approximately 1000 people.

2.8 Young inventors’ clubs for creating an innovative culture

The intention of creating young inventors’ clubs is to create an innovative culture among the students of schools, universities, and tertiary education institutes. Established inventor clubs in 105 schools, which received applications in 2023. The inventor club established in Swami Vipulananda, the Institute of Aesthetics at Eastern University, is also among them.

Thirty-one progress reports related to the financial assistance provided by the Commission have been submitted by the schools in 2023. They used the funds to purchase accessories and organize exhibitions and seminars.

The Commission supported to conduct invention competitions in below mentioned schools.

1. Vishaka Collage -Innosphere'23
2. Nalanda College -NOVUS TECHNICA '23
3. St. John's Collage Nugegoda
4. Mahanama Collage -INSYPO' 23



In addition to that, awareness programs were conducted in the following schools:.

1. Mahamathya Vidyalaya, Athurugiriya
2. Holy Family Convent Wennapuwa
3. Hemamali Maha Vidyalaya Ganemulla
4. Walala A Rathnayake Central College, Kandy
5. St. John's College, Nugegoda
6. Dadly Senanayake Balika Maha Vidyalaya
7. Ananda Maha Vidyalaya, Dewalapola
8. Chandrawansha Maha Vidyalaya, Elpitiwela



As per the directives of the Line Ministry, a guidebook for inventive process and innovation was prepared for school inventors in 2023 and is now in the process of being printed to be distributed among the inventors' clubs. This will be useful to obtain the progress of inventors' clubs and maintain the clubs actively.

In collaboration with Brandix Apparel Pvt. Ltd., a smart board was donated to the Minuwangoda Ananda Vidyalaya, and an awareness workshop on the process of inventions and innovations was held the same day.



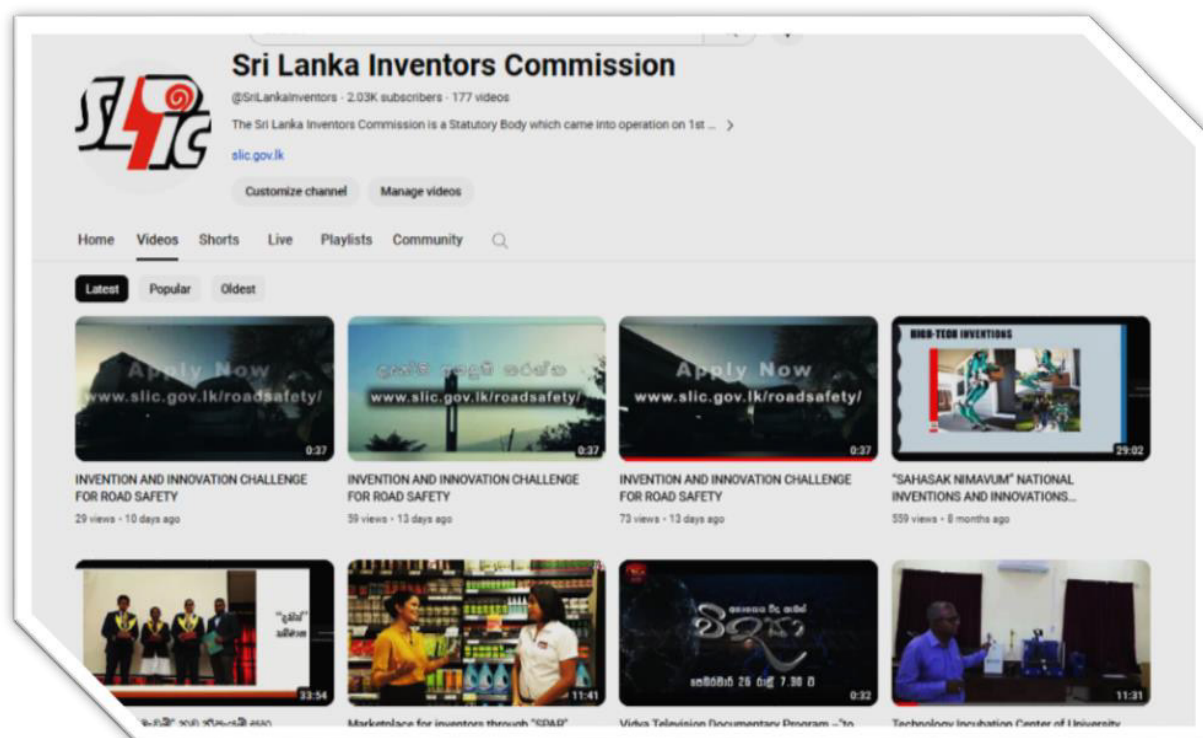
2.9 “Sri Lanka Inventors Commission” YouTube and Facebook page to encourage Sri Lankan young inventors

Sri Lankan inventors, are facilitated by social media platform facilities such as YouTube and Facebook to stay aware of new trends, inventions of inventors, and knowledge of various sectors.

The main objectives of this project are to provide publicity for the inventions with commercial potential, attract local and foreign investors, provide prestige for inventors, and create a conducive environment to deal with the state-of-the-art facilities. This program enables novel inventors to enhance their knowledge on innovations, the process of patenting, and many other facilities through this channel.

Accordingly, create an innovative culture, provide the services of resource persons, create awareness on inventions, minimize the knowledge gap on inventions among the school children and many other facilities can be obtained.

In the year 2023 four relevant videos were published and 19,872 has accessed and Subscribers for the channel is 226.



2.10 Support to secure Intellectual Property (IP) Rights of local inventors in locally and internationally

Sri Lanka Inventors Commission in collaboration of the Ministry of Education has planned to train 800 teachers on promotion of inventions and process of securing IP rights. This will be immensely useful to secure IP rights of school inventions. Accordingly, the first program has conducted by the resource persons of the Commission and National Intellectual Property Office (NIPO) at the National Institute of Education, Maharagama with the participation of forty teachers of western province.



2.10.1 Facilitation to obtain IP Rights

Commission has conducted 05 patent workshops in collaboration with Central Province Ministry of Education (02Nos.) and Southern Province Agri Entrepreneur Development Unit (03Nos.) in Kandy, Galle, Mathara and Hambanthota.

Furthermore, seventy-six “sahasak nimavum” winners are equipped the knowledge on patenting using online facility (02 Programs).

In addition to that the Commission has provided patent awareness facility for frequently as a routing activity on request basis.

2.11 Facilitation to obtain International Patents

The Commission support the reimbursement of application fees for international patents, Patent Cooperation Treaty (PCT) fees, and legal fees incurred by Sri Lankan inventors based on the proper assessment of return on investment.

In cases where local inventors apply for international patents for their inventions or in cases where they are working to confirm their intellectual property rights under the patent cooperation agreement, to reimburse them for the expenses incurred in that regard as well as for the professional payments made for those activities in the amount of Rs. 100,000.00 has been provided by the Commission as a retrospective decision.

Instead of considering the amount spent by the Commission as an expense for obtaining an international patent or PCT for that invention, the Commission considers it as an investment that can be returned to the country in foreign exchange, and has been implemented as a result of the appropriate use of public funds.

2.12 Inventor-Investor Linkage

Four patent-awarding inventors were linked with state and private companies to commercialize their patented products. Out of them, Lightning Earthing Device has linked with the Sri Lanka Railway Department and successfully created a business opportunity for the inventor.

In addition to that, the mechanical exfoliation technique for scalable production of nanoflakes from layered materials has linked Kahatagaha Graphite Lanka and Bogala Graphite Lanka, and successful business, research & development collaboration has been created.

2.13 Collaborative projects for the future

2.13.1 Young Inventors – Entrepreneur Lead Development (YIELD)

Sri Lanka Inventors Commission in collaboration with Panacea Solutions (Pvt) Ltd has launched a program to enhance the innovative skills of Sri Lankan students using the state-of-the-art 3D technology for prototype development (Solid Edge) which is a brand of the world reputed German company Siemens. This is very useful tool to develop prototypes, check their workability, etc. Commission has conducted a series of programs in collaboration with Panacea (Pvt) Ltd in order to promote this technology and encourage the young generation to use the latest technology.

The software facility provided free of charge by Panacea (Pvt) Ltd and which enable to minimize the cost of raw materials, minimize initial cost of prototyping, easily check the performance and improve it further etc.

The Commission received 700 designs created by the students and 85 designs created using Solid Edge software as a tool. SLIC appointed an eminent technical panel and selected the five best designs. Panacea (Pvt) Ltd. has sponsored 3D printers, tabs, and cash awards for award winners and guided teachers.



2.13.2 Invention and innovation competition for road safety

As per the available statistics and data, the trend of road-related accidents has shown an increasing trend, and accordingly, the number of deaths as well as damages to physical properties tends to increase. Accordingly, the Sri Lanka Inventors Commission and the National Council for Road Safety have taken a creative step to conduct a program in 2023 and obtain innovative ideas from inventors and creative citizens of Sri Lanka to reduce or prevent road-related accidents by using those innovative ideas at a reasonable cost of investment.

2.14 Presidential awards for patented inventions

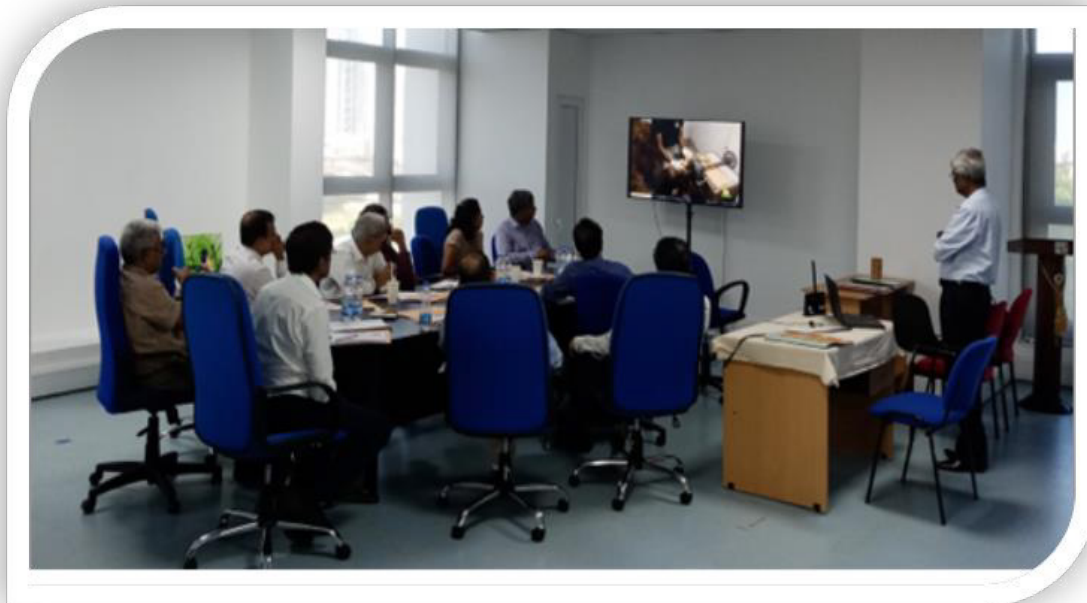
The Sri Lanka Inventors Commission conducts Presidential Awards for Inventions with the aim of popularizing and encouraging inventiveness of Sri Lankan inventors by giving them a proper recognition. In this year high attention has been paid to the commercial aspect of the patent.

“Presidential Awards for Inventions” program is a special function of the Sri Lanka Inventors Commission and will be awarded annually in appreciation of the inventiveness of inventors who have received intellectual property right (patent) for their invention. Applications are invited for the competition based on patent which are granted annually by the National Intellectual Property Office, and evaluation work is carried out by a panel of judges appointed by the His Excellency the President with related to 14 technical fields such as Public Safety, welfare and National Defense, Food Technology, Medicine and Pharmacy, Public Works and Infrastructure Engineering, Information and Communication Technology, Applied Sciences and Technology, Environmental Conservation, Chemistry, Traditional Medicine, Physics, Agriculture, Energy, Transportation, Engineering.

According to the decision of the jury, gold, silver, bronze as well as merit awards are given to the inventions that meet the judging criteria in each technical field. Moreover, the best invention of the year will be awarded to the invention with the greatest potential among these technical fields.

The evaluations for the patented inventions related to the years 2017, 2018, 2019, and 2020 were delayed due to various reasons, such as the COVID-19 pandemic situation, etc. Accordingly, evaluations were completed for 135 inventions from 2017 to 2020. Now all preliminary activities have been completed and we are ready to conduct the awards ceremony. A convenient date to conduct the ceremony has been requested through the ministry.

Furthermore, the Commission is ready to provide all necessary facilities for all the applicants to support for commercializing by considering their commercial potential.



2.15 Inventors meetings

Three meetings were conducted with inventors to discuss issues related to their inventions and their future activities related to inventions. Accordingly, the Commission has conducted the meetings to obtain their suggestions and services, discuss their problems, and provide possible solutions on the same day.



2.16 Celebration of National Science Day

The Commission has used the event organized by the Ministry of Education to celebrate National Science Day at the premises of the National Museum to promote inventions and innovations among the public on November 8th, 9th, and 10th, 2023. An opportunity has been provided for eight local inventors to promote their innovative products at the event.



2.17 International recognition for the Commission

The Inventors Commission of Sri Lanka is a member of two international associations, the International Federation of Inventors Association (IFIA) and the World Inventions and Intellectual Property Association (WIIPA), which are globally recognized for encouraging and promoting inventions and innovations. Through that, the Commission's international relations have further developed.

By obtaining these memberships, the SLIC has had the rare opportunity to participate in many international inventions competitions representing various categories such as youth, open, women etc.

The services provided by these organizations includes training programs, commercialization of inventions, protection of intellectual property rights, promotion of environmentally friendly inventions and providing publicity for inventions and inventors' projects through their websites and print media such as magazines. Latest information about inventions is disseminated. Medals and prizes will also be awarded to the winning inventions.

Apart from that, support is also provided by sponsoring air tickets, accommodation facilities for competitions, registration for invention exhibitions, provision of exhibition booths and provision of transportation facilities. These incentives and recognitions are of great privilege for Sri Lankan inventors to commercialize their inventions in domestic and foreign markets.

With the assistance of these international associations, the winners of the Sahasak Nimavum International Inventions Competition are eligible to get the experience of international invention competitions held around the world.

2.18 National Inventors Day

In response to the need to designate a "Day Dedicated to Inventors" for the appreciation of local inventors, a cabinet decision declared October 26 every year as the "National Inventors Day" since the year 2016. The uniqueness of this day is that it is the birthday of Dr. A. N. S. Kulasinghe who was the first Commissioner of Sri Lanka Inventors Commission, an outstanding Civil Engineer, inventor and the founder of several engineering institutes.

In the year 2023, the Commission celebrated National Inventors Day on October 26 at the BMICH in the presence of Hon. Minister of Education, Dr. Susil Premajayantha, Hon. State Minister, Dr. Suren Ragawan, Secretary of the Ministry of Education, Mr. M. N. R. Ranasinghe, and Secretary to the Ministry of Industries, Ms. Thilaka Jayasundara, and appreciated the innovative talents of the inventors.

2.19 Other Programs for the Promotion of Inventions

2.19.1 “Sri Lanka Inventors” - YouTube

This channel provides an opportunity for inventions with commercial potential to connect with the world, attract local and foreign investors with the intention of commercializing them, and also interact with state-of-the-art technology. Accordingly, novel inventors can obtain knowledge on innovation, the process of patent application, and many other things through the channel.

More than 100 videos are included, and subscribers are 1200, which shows successful progress.

In 2023, the channel has visited 11,037, and subscribers are 115.

2.19.2 “Inventor Champs” innovation provision for students

“Inventor Champs” was specially designed by the Sri Lanka Inventors Commission and Shardha Media Network to enhance the innovative skills of students in grades 6 to 13. It is expected to identify innovative talents of students, improve their talents, and create an innovative culture in Sri Lanka, which are the primary objectives of the program.

It is compulsory to secure the intellectual property (IP) rights of the selected candidates from the Commission prior to commencing commercialization process.

Ten inventions were selected for the final round through the first round and other rounds of competition, and accordingly, they were selected for first, second, and third place.

This competition included workshops to enhance technical knowledge, field visits, skill development programs, and incubator facilities to develop inventions. As well, winners are given valuable awards, medals, and certificates, and a conducive environment is created to direct inventions to the markets.

Accordingly, the Commission made an open request to schools and received 170 novel ideas through applications. A one-to-one technical support clinic was conducted on the starting day of the program on October 14, 2023, at the “Shardha Media Network” premises in Kaduwela. Further, an innovation workshop was conducted for the students on November 16, 2023, at the incubation center, National Engineering and Development Center, Ja-Ela. It is expected to select 90 inventions from the provincial level, and provide the opportunity for Rupavahini telecasting.

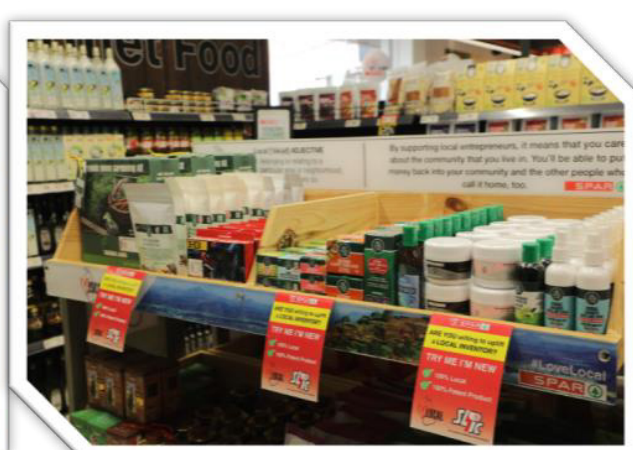


2.20 Media Support

In order to create an innovative culture in Sri Lanka, media activities have a unique place in meeting the need to popularize local inventions. Therefore, Sri Lanka Inventors Commission always cooperates with advertising media (electronic, print and social media etc) and works to get voluntary support from the media to promote innovations.

2.21 SLIC-SPAR Sri Lanka Project

This project has started to identify local inventors and support for further development and provide assistance to enter local and foreign markets. Now the objective was become a reality and 14 products of four inventors introduced to the market through SPAR Sri Lanka super market chain.



2.22 Monthly Fairs “Mehewara Piyesa”

An opportunity has been given to local inventors to sale their innovations at the fair in “Mehewara Piyesa” to promote their products among the public and strengthen their economy from June 2023. Accordingly, five innovators participated this monthly fair and able to generate Rs. 620,000 income through the event.



2.23 Commercialize food related inventions

Started a new project with Industrial Development Authority, Western Province (IDA-WP) to commercialize food related inventions. Accordingly, seven products submitted to Madiwela showroom of IDA-WP. It is expected to commercialize many foods related inventions through this project in future.

2.24 “Sathutu Pawla” Trade Fair

“Sathutu Pawla” education and trade fair has conducted with the participation of more than 200 trade stalls of local businessmen and more than 100 education stalls from 25th to 31st December 2023 in Kirindiwela. Sri Lanka Inventors Commission has provided an opportunity for eighteen inventors to participate in this event free of charge. Accordingly, the local inventors were able to receive sales and orders worth of Rs. 3.2Mn within these seven days period. Further, the Commission has taken steps to provide necessary publicity for inventors’ products among the public in Gampaha, district and support of the Ministry of Education has received for this program.



2.25 Support for inventors in 2023

The Commission had meetings with twenty-seven patented invention holders in 2023 on four occasions and discussed their requirements for commercialization and further developments. Out of them, sixteen inventors requested SLIC support, which was already supported by four inventors. Further eight inventors have given their requirements to the Commission and are now in the process of providing support.

2.26 Progress of the commercialized products in the year 2023

The inventors who were identified and recognized through the “Sahasak Nimavum” invention and innovation competition started in 2012 are now contributing to strengthening the economy.

The Commission provided various supports for IP-secured commercialized inventions owned by inventors. Financial assistance, international market opportunities, assistance to promote inventions locally, invention selling opportunities, and assistance to obtain test reports were among the benefits provided. Accordingly, the Commission supported the invention “Smart Power Guard” of Mr. S. J. Samarasekara and was able to generate a revenue of Rs. 6,260,247 for the year 2023.

නව තාක්ෂණයේ ප්‍රාතිහාර්යයෙන් බිහි වූ විදුලි විද්‍යා
උපකරණ වල රිදීමය හොඳින් හඳුනන අප
විදුලිය නැමැති හයානක මිතුරාගෙන්
ඔබ සහ උපකරණ ආරක්ෂා කරදීම උදෙසා
දැයේ ප්‍රතිභා සම්පන්න නව නිපැයුම්.

DEEP FREEZER GUARD
Rs.6900/=

TV GUARD
Rs.3840/=

FRIDGE GUARD
Rs.3840/=

AVS SYSTEM
Rs.4590/=

SMART VISUAL ENTERPRISES
RESEARCH AND DEVELOPMENT (ELECTRONIC)

Hot line 0722 273 877

SMART VISUAL ENTERPRISES 0777 495 076

Six inventions by Mr. Asiri Dilhan De Silva were able to generate a revenue of Rs. 2,057,490 in 2023 and were supported by the Commission in many ways.



(The inventors who were identified and recognized through the “Sahasak Nimavum” invention and innovation competition started in 2012 are now contributing to strengthening the economy). The invention called “seeder with fertilizer applicator” by an inventor named Mr. Jayawardene Weerasinghe supplied 45 machines to the Ministry of Agriculture through a competitive bidding process for Rs. 36.3 Mn. Accordingly prevented the outflow of the local currency and hugely contributed to the agriculture industry.



Mr. D. K. Mahipala, an inventor awarded the “DASIS” award, generated an export revenue of 20,000 USD by exporting his manual cashew-making machine and also contributed to the local economy.



2.27 Human Resource Development

The Sri Lanka Inventors Commission is an institution engaged in a great mission to provide maximum service for local inventors. It is also essential to increase the efficiency and skills of the staff in order to provide a high-quality and efficient service for inventors. Accordingly, it is necessary to enhance the skills of the staff, and they have been directed to various training programs subject-wise.

Accordingly, one officer participated in an in an online training program on “Workshop on responsibilities and duties of administrative officers” conducted by the Skills Development Fund.

2.28 Financial highlights for the previous 10 years

Year	Financial Information	
	Allocation	Expenses
2023	35.00	5.93
2022	30.0	9.10
2021	17.5	10.64
2020	40.00	4.63
2019	90.00	69.78
2018	120.00	84.33
2017	100.00	85.43
2016	60.00	47.45
2015	53.35	25.55
2014	40.00	21.42

Table 01: Financial Review for Last 10 Years

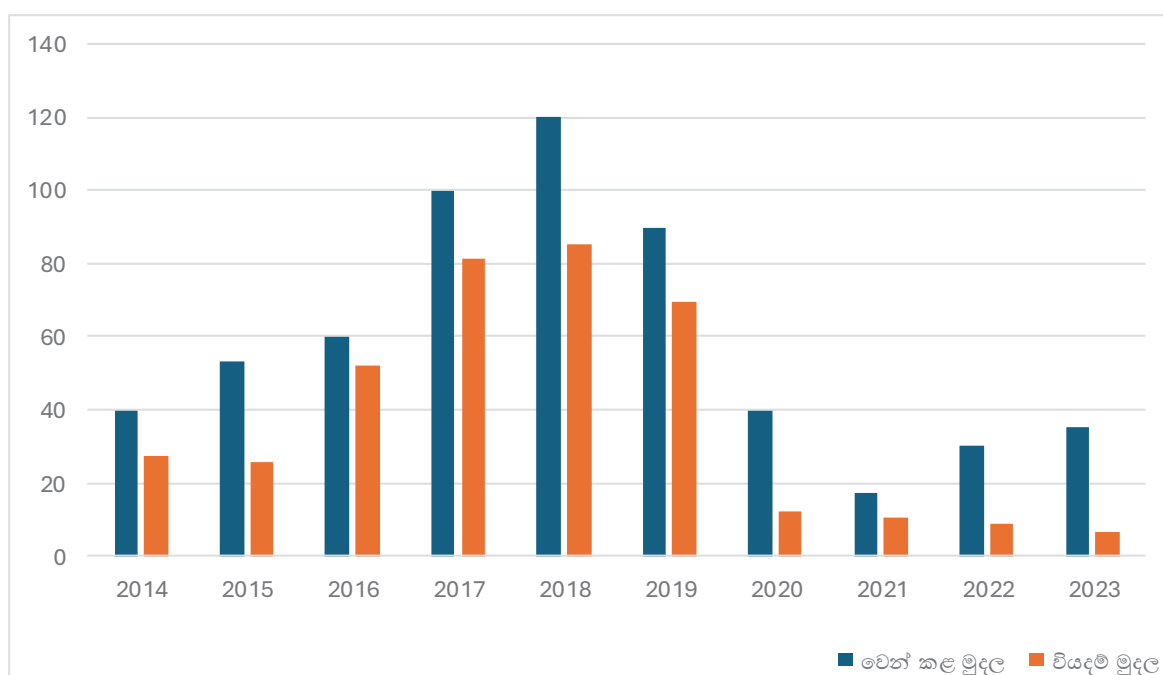
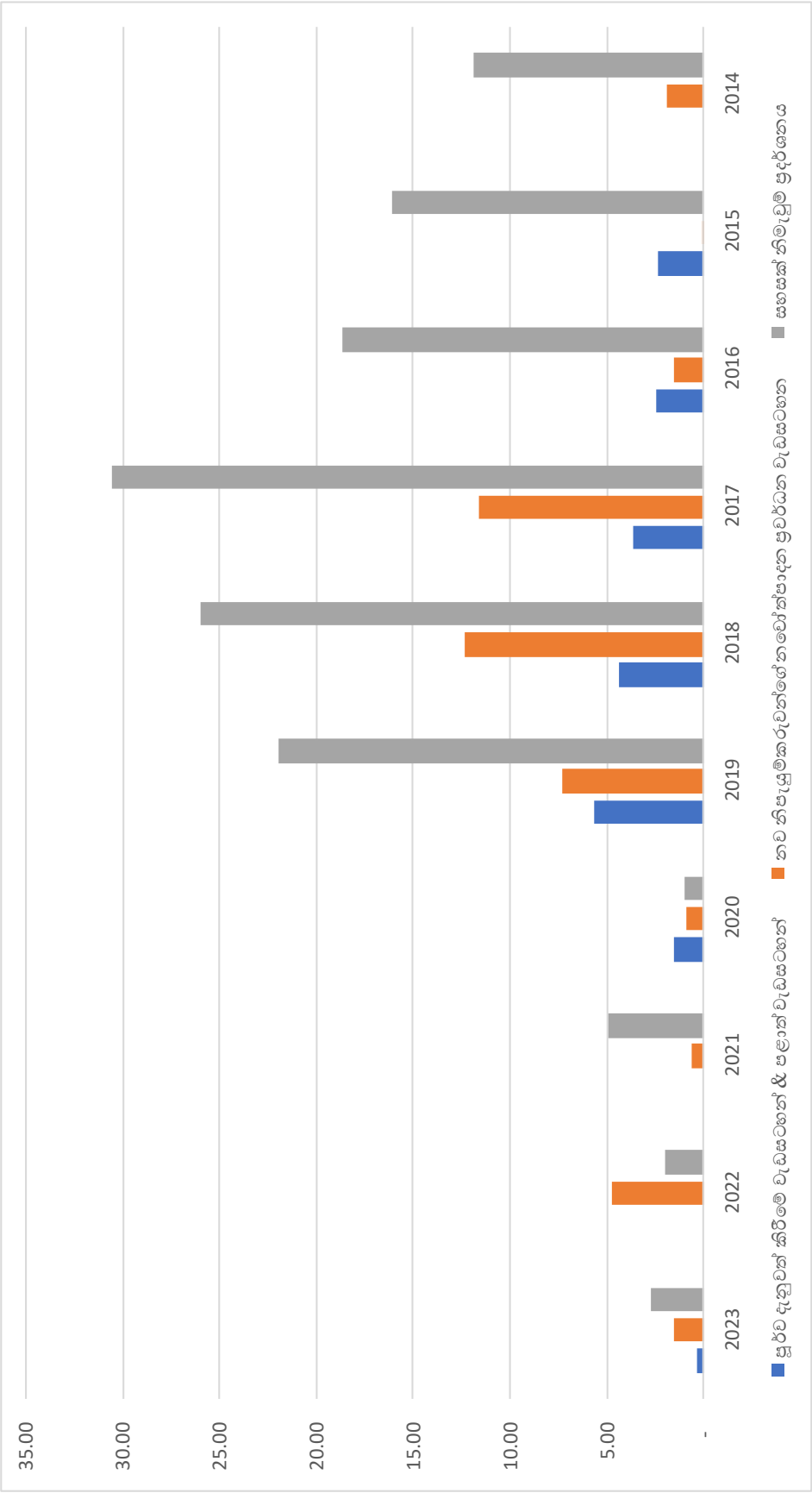


Figure 02: Financial position as a percentage of allocation

Program	2023	2022	2021	2020	2019
Invent Grant Scheme	-	-	153,845.00	-	-
IAFM	-	50,440.00	72,000.00	-	-
Staff Capacity Building	7,500.00	85,500.00	533,750.00	270,000.00	352,315.00
Incubation Centers	-	-	59,545.00	-	-
Commercializing of inventions	6,015.00	166,514.00	12,000.00	-	-
Awareness programs and Provincial programs	360,818.50	-	-	1,541,962.50	5,641,214.07
Inventor – Inventions Promotion	1,488,402.00	4,736,745.56	636,657.45	904,194.00	7,305,455.45
Presidential Awards	550,830.00	74,000.00	110,110.73	-	18,000.00
Sahasak Nimewum Exhibition	2,770,947.85	1,952,557.75	4,924,909.00	1,017,820.00	22,098,263.11
Establishing Inventor Club	15,510.00	1,520,000.00	2,993,863.00	-	1,910,377.00
Patent Assistance	93,053.00	28,175.00	-	37,209.50	647,942.08
FITI	-	359,065.03	731,616.37	509,750.00	-
Target group competitions	-	131,250.00	413,379.00	344,970.00	-
International Exhibition	-	-	-	-	20,121,249.67
Web site	-	-	-	-	3,803.25
Inventor champs	636,352.50	-	-	-	-
Inventors Day	-	-	-	-	-
Innova Minds	-	-	-	-	365,730.00
Shilpasena	-	-	-	-	11,318,382.70
	5,929,428.85	9,104,247.34	10,641,675.55	4,625,906.00	69,782,732.33

Programme	2018	2017	2016	2015	2014
Invent Grant Scheme	-	-	-	-	-
IAFM	-	-	-	-	-
Staff Capacity Building	1,423,838.83	3,456,020.25	1,263,173.25	37,967.00	292,245.38
Incubation Centers	-	-	-	-	-
Commercializing of inventions	-	-	3,184,657.30	-	4,099,597.50
Awareness programs and Provincial programs	4,330,859.25	3,648,065.09	2,445,926.95	2,321,961.51	-
Inventor – Inventions Promotion	12,364,874.79	11,566,054.30	1,541,187.75	88,420.00	1,847,704.09
Presidential Awards	3,666,072.00	548,605.00	4,006,728.74	472,004.89	2,161,368.64
Sahasak Nimewum Exhibition	25,964,420.54	30,578,735.25	18,654,670.73	16,119,189.12	11,908,920.29
Establishing Inventor Club	-	-	-	3,677,101.98	23,219.00
Patent Assistance	774,936.81	470,315.75	26,660.00	-	-
FITI	-	-	-	-	-
Target Group Competition	-	-	-	-	-
International Exhibition	16,175,756.15	16,050,906.88	5,790,159.49	2,795,759.73	1,050,197.24
Web site	21,122.28	21,122.28	-	37,887.59	38,071.26
Inventor champs	-	-	-	-	-
Inventors Day	8,501,653.55	5,833,221.99	662,500.00	-	-
Innova Minds	11,107,243.15	13,252,492.91	9,871,429.31	-	-
Shilpasena	-	-	-	-	-
	84,330,777.35	85,425,539.70	47,447,093.52	25,550,291.82	21,421,323.40



3. Corporate Governance Report

- (i) In the year 2023, the Commission conducted 10 board meetings. The Commission could not conduct the board meetings in May and June as the Commissioner post was vacant.

Policy decisions for the year 2023

- ii) A policy decision was taken to identify and recognize the best inventions at the “Sahasak Nimavum” invention and innovation exhibition related to the best alternative invention for import substitution, the best invention with the highest social impact, and the best sustainability, environmental friendliness, and commercial value.
- (ii) To promote collaborative approaches in collaboration with the national council for road safety to introduce inventions assure the safety of the road users.
- (iii) To minimize the cost of projects using sponsorships
- (iv) Enhance the benefits of inventors through collaborative projects

4. Financial Statement

SRI LANKA INVENTORS COMMISSION

STATEMENT OF FINANCIAL POSITION

As at 31st December	Note	2023 LKR	2022 LKR
ASSETS			
Current Assets			
Cash & Bank Balance	1	78,216,559	67,662,970
Festival Advance		-	1,250
Debtors -Loan receivables	2	15,322,609	15,337,063
Receivable from National Apprentice & Industrial Training Authority		7,560	7,560
Other Advances		136,633	136,633
Prepayments	3	580,614	520,856
(Less) Provision for doubtful debtors (100%)	4	(9,602,964)	(9,602,964)
Other Receivable		7,100	167,930
Refundable deposit	5	7,000	2,407,000
Distress Loan		925,187	805,962
Loans under COVID 19 Programme		460,634	646,960
Loans From Sri Lanka Inventors Fund		606,313	754,820
Loans from IAFM-SL		1,160,400	2,660,400
Fuel Deposit		150,000	100,000
Stock of T-Shirt	6	-	320,280
Stock of Stationery	6	484,001	595,115
		88,461,646	82,521,836
Non- Current Assets			
Loan from Sri Lanka Inventors Fund		578,828	1,180,141
Loans from IAFM-SL		2,512,200	3,672,600
Distress Loan		2,330,664	2,499,927
Property and Equipment	7	26,396,518	39,780,730
		31,818,211	47,133,397
Total Assets		120,279,857	129,655,233
FUNDS & LIABILITIES			
Current Liabilities			
Creditors	8	1,171,664	2,160,664
Accrued Expenses	9	5,142,844	7,146,531
		6,314,508	9,307,195
Non-Current Liabilities			
Provision For Mahaweli Project	10	6,555,425	6,558,705
Provision For Gratuity	11	5,406,337	4,423,824
IAFM-SL	12	36,472,155	36,472,155
Fund for National Incubation Centre	13	22,930,703	30,426,293
Government Capital Grant	14	3,867,728	5,304,071

Sri Lanka Inventors Fund	15	12,837,184	12,837,184
Total Liability		94,384,040	105,329,427
Net assets		25,895,817	24,325,806
NET ASSETS/EQUITY			
Accumulated Fund		4,395,817	2,825,806
Revaluation Surplus		21,500,000	21,500,000
Total Net assets/ Equity		25,895,817	24,325,806

Figures in brackets indicate deductions.

The Significant Accounting Policies and Notes to the Financial Statements on pages 6 to 15 form an integral part of these Financial Statements.

D.A. Sarathchandra
Assistant Director (Finance)

N.N.W. Dolawatta
Director/CEO

The Board of Directors is responsible for the preparation and presentation of these Financial Statements.

These Financial Statements were approved by the board of directors and signed on their behalf.

S. K. Cyril Suduwella
Commissioner

Kalpani Rajapakse
Assistant Commissioner

D. D. Ananda Namal
Assistant Commissioner

February 26, 2024
Colombo

SRI LANKA INVENTORS COMMISSION
STATEMENT OF FINANCIAL PERFORMANCE

For the year ended 31st December	Note	2023 LKR	2022 LKR
INCOME			
Government Contribution			
- Recurrent	16	43,023,000	49,400,000
- Projects /Programmes	20	5,921,929	9,018,748
-Capacity Building		7,500	85,500
Capital Grants Amortization - Fixed Assets	7	5,556,914	5,567,670
Incubation Fund Amortization - Machinery and Equipment	7	7,495,590	7,495,590
Other Income	17	639,658	1,638,282
Total Income		62,644,590	73,205,790
EXPENSES			
Personal Emoluments	18	18,995,451	20,692,859
Administration & Establishment Expenses	19	22,506,555	24,871,009
Depreciation - Fixed Assets	7	13,052,503	13,063,259
Gratuity	11	1,578,608	554,030
Inventors Incentives Expenses	20	5,921,929	9,018,748
Other Expenses	21	600,130	13,436
Total Expenditure		62,655,176	68,213,342
Surplus/(Deficit) for the year		(10,586)	4,992,448

The Significant Accounting Policies and Notes to the Financial Statements on pages 6 to 15 form an integral part of these Financial Statements.

SRI LANKA INVENTORS COMMISSION
STATEMENT OF CHANGES IN EQUITY

	Note	Revaluation Surplus LKR	Accumulated Fund LKR	Total Equity LKR
Balance as at 01 st January 2022		21,500,000	(2,382,643)	19,117,357
Cancellation cheques			216,000	216,000
Surplus/(Deficit) for the year 2022		-	4,992,449	4,992,449
Balance as at 31st December 2022		21,500,000	2,825,806	24,325,806
<u>Prior Year Adjustment - 2022</u>				
Depreciation			(14,205)	(14,205)
Balance as at 31st December 2022(Restated)		21,500,000	2,811,601	24,311,601
Balance as at 01 st January 2023		21,500,000	2,811,601	24,311,601
Payment Cancellation - Previous years			1,594,803	1,594,803
Surplus/(Deficit) for the year 2023			(10,586)	(10,586)
Balance as at 31st December 2023		21,500,000	4,395,817	25,895,818

The Significant Accounting Policies and Notes to the Financial Statements on pages 6 to 15 form an integral part of these Financial Statements.

SRI LANKA INVENTORS COMMISSION
STATEMENT OF CASH FLOWS

For the year ended 31st December		2023	2022
	Note	LKR	LKR
Cash flows from Operating Activities			
Surplus/ (deficit)		(10,586)	4,992,449
Non-cash movement			
Depreciation	7	13,052,503	13,063,259
Differed income on capital grant for Projects /Programs	20	(5,921,929)	(9,018,748)
Differed income on Staff Capacity Building		(7,500)	(85,500)
Capital Grants Amortization - Fixed Assets		(13,052,503)	(13,063,259)
Provision for gratuity	11	1,578,608	554,030
Disposal loss		314,105	13,436
Disposal Profit		(18,102)	-
Adjustments for :			
Changes of debtors		-	(3,940,183)
Changes of stock of stationery		111,114	(208,255)
Changes of stock of T-shirts		320,280	94,200
Changes of Prepayments	3	(59,758)	947,797
Changes of festival advance		1,250	-
Changes of accrued expenses		(2,003,687)	4,944,558
Changes of refundable deposit		2,400,000	-
Changes of fuel deposit		(50,000)	-
Changes of other receivables		160,830	(167,930)
Changes of creditors		(989,000)	844,000
		(4,174,377)	(1,030,147)
Gratuity paid		(596,095)	(267,265)
Net cash flows from operating activities		(4,770,472)	(1,297,412)
Cash flows from Investing Activities			
Purchase of fixed assets	7	-	(441,068)
Expenses on Mahaweli Project		(3,280)	(564,212)
Assets sales proceed		21,500	1,000
Loan repayment - from Inventors' fund		161,000	12,000
Loan repayment - from IAFM-SL		3,450,000	2,136,800

Distress loan grant	(1,028,480)	(543,474)
Distress loan repayment	1,078,518	1,108,042
Error correction	-	(54,973)
Cheque Cancellation	1,594,803	216,000
Cash received related to prior year	-	49,520
Loan grant under IAFM-SL	-	(5,950,000)
Net cash generated used in investing activities	5,274,060	(4,030,365)
Cash flows from Financing Activities		
Capital Grant	10,050,000	10,070,000
Mahaweli Project	-	588,891
Net cash generated from financing activities	10,050,000	10,658,891
Net increase/ (decrease) in cash and cash equivalents during the year	10,553,589	5,331,114
Cash and cash equivalents at the beginning of year	67,662,970	62,331,856
Cash and cash equivalents at the end of the year	78,216,559	67,662,970
Analysis of cash and cash equivalents		
A/C No.033-1-001-0-1791066	24,429,746	19,799,754
A/C No.033-1-001-2-1791065	51,530,220	45,510,115
A/C No.204402131791066	2,256,593	2,353,101
	78,216,559	67,662,970

The Significant Accounting Policies and Notes to the Financial Statements on pages 6 to 15 form an integral part of these Financial Statements.

SRI LANKA INVENTORS COMMISSION

Comparison of Budget and Actual Funds

LKR

	Approved Budget		Fund Released by Treasury	
	2023	2022	2023	2022
Recurrent	50,000,000	50,500,000	43,023,000	49,400,000
Capital	35,000,000	30,000,000	10,050,000	10,070,000
Total	85,000,000	80,500,000	53,073,000	59,470,000

Year	Govt. Contribution Capital (LKR)
1991	163,050
1992	1,700,000
1993	-
1994	250,000
1995	196,000
1996	113,500
1997	757,000
1998	1,700,000
1999	290,000
2000	4,500,000
2001	2,870,000
2002	700,000
2003	2,500,000
2004	621,000
2005	5,997,000
2006	33,991,000
2007	37,100,000
2008	24,106,000
2009	15,765,000
2010	4,500,000
2011	6,151,010
2012	21,562,000
2013	17,061,000
2014	40,000,000
2015	30,269,992
2016	57,248,655
2017	73,133,822
2018	85,750,000
2019	58,000,000
2020	24,538,000
2021	7,900,000
2022	10,070,000
2023	10,050,000

Significant Accounting Policies and Notes to the Financial Statements

1. Commission Information

1.1. Reporting Entity

Sri Lanka Inventors Commission (SLIC) is a statutory body established in terms of the Sri Lanka Inventors Incentives Act No. 53 of 1979 for the encouragement, promotion and manufacture of Sri Lanka inventions and for the activities in connected therewith. The commission is functioning under the purview of the ministry of education. In the year 2023 the office of the commission is located at the 05th Floor, "Mehewara Piyesa" Building, Colombo 05.

2. Basis of Preparation

This section provides the basis of preparation of financial statements including significant accounting policies and application of Sri Lanka Public Sector Accounting Standards (SLAPS) and related statutory requirements.

2.1. Statement of Compliance

The financial statements of the commission, as at 31st December 2023 and for the year ended, have been prepared and presented in accordance with Sri Lanka public sector accounting standards (SLPSAS), laid down by the public sector accounting stranded committee of the Institute of chartered accountants of Sri Lanka with the participation of auditor general and ministry of finance and planning.

These financial statements include the following components:

- Statement of Financial Performance.
- A statement of financial position providing the information of the commission.
- A statement of changes in equity depicting all changes in equity during the year under review of the commission.
- A statement of cash flow providing the information to the users, on the ability of the commission to generate cash and cash equivalents and the needs of entity to utilize those cash flows.
- Notes to the financial statements comprising accounting policies and other explanatory information.

2.2. Responsibility for Financial Statements

The board of directors is responsible for preparation and presentation of these financial statements of the commission as per the provision of the SLPSAS.

2.3. Basis of Measurement

The financial statements of Sri Lanka inventors commission have been prepared on accrual basis under historical cost convention and applied consistently with no adjustment being made for inflationary factors.

2.4. Functional and presentation currency

The financial statements of the commission are presented in Sri Lanka rupees, which is the institute's functional currency. Financial information presented in Sri Lankan rupees.

2.5. Use of Materiality, Offsetting and Rounding

2.5.1. Materiality & Aggregation

Each material class of similar items is presented separately in the financial statements. Items of dissimilar nature or function are presented separately unless they are immaterial, as permitted by the Sri Lanka public sector accounting standards (SLPSAS) 1 on “Presentation of Financial Statements”.

2.5.2. Offsetting

Assets & liabilities and income & expenses in the financial statements are not set off unless requires or permitted by public sector accounting standards.

2.5.3 Rounding

The amounts in financial statements have been rounded off to the nearest rupees.

2.6 Going Concern

The financial statements of the commission have been prepared on the going concern basis.

2.7 Events after the reporting period

According to SLPSAS 6, events after the reporting period are those events, favorable and unfavorable, that occur between the reporting date and the date when the financial statements are authorized for issue.

In this regard, there is no any events after the reporting period for this year.

3. Foreign Currency Transactions

The entity translates foreign currency items into its functional currency and reports the effects of such translation according to SLPSAS 5.

4. Property and Equipment

4.1 Basis of Recognition

Property and equipment are tangible items that are held for servicing, or for administrative purposes, and are expected to be used during more than one year.

4.2. Basis of Measurement

An item of property and equipment that qualifies for recognition as an asset is initially measured at its cost. Cost includes expenditure that is directly attributable to the acquisition of the asset and cost incurred subsequently to add to or replace a part of it.

Purchased software that is integral to the functionality of the related equipment is capitalised as a part of computer equipment.

When parts of an item of property and equipment have different useful lives, they are accounted for as separate items (major components) of property & equipment.

Repairs & maintenance repairs and maintenance are charged to the statement of profit or loss during the financial period in which they are incurred. The cost of major renovations is included in the carrying amount of the assets when it is probable that future economic benefits in excess of the most recently assessed standard of performance of the existing assets will flow to the company and the renovation replaces an identifiable part of the asset. Major renovations are depreciated during the remaining useful life of the related asset.

4.3. Revaluation

The revaluation model is used for the vehicle class of assets from December 31, 2021. That class of assets are carried at their fair value. Revaluation surplus is recognised in equity.

4.4. Derecognition

Property and equipment are de-recognised on disposal or when no future economic benefits are expected from its use. Any gain or loss arising on de-recognition of the asset (calculated as the difference between

the net disposal proceeds and the carrying amount of the asset) is recognised in ‘other income or other expenses’ in the statement of profit or loss in the year the asset is de-recognised.

4.5. Depreciation

Depreciation is recognized in the statement of profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property and equipment.

The useful life of the assets was revised with effective from 01/01/2022.

The estimated useful lives for the current and comparative years are as follows:

Class of asset	Percentage per annum	Period (Years)
Office Furniture	5% - 10%	10 -20
Office Equipment	10% - 20%	05 - 10
Name Boards	6 2/3%	15
Vehicle	20%	05
Media Equipment	10%	10
TV & Video Cassette	12.5%	08
Office Fittings	10%	10
Incubation Machineries and Equipment	20%	05

Sri Lanka public sector accounting standard (SLPSAS) 7 is being applied for the annual financial statements from beginning of January 1, 2014.

4.6. Fully Depreciated Property & Equipment

The cost of fully depreciated property & equipment of the commission which are still in use as at the financial position date are as follows:

As at 31st December	2023	2022
	LKR	LKR
Office Furniture	421,580	489,885
Office Equipment	1,128,872	3,256,497
Media Equipment	-	1,127,435
TV & Video Cassette	107,850	107,850
Total	1,658,302	4,981,667

4.7. Property & Equipment Retired from Active Use

Following property & equipment of the commission were retired from active use as at the reporting date.

As at 31st December	2023	2022
	LKR	LKR
Office Furniture	-	19,750
Office Equipment	-	194,000
Name Boards	-	-
Office Fittings	38,000	38,000
Total	38,000	251,750

5. Defined Contribution Plan – Employees’ Provident Fund and Employees’ Trust Fund (EPF & ETF)

Employees are eligible for employees’ provident fund contributions and employees’ trust fund contributions in line with respective statutes and regulations. The commission and employees contribute 15% and 10% of gross emoluments of employees to employee’s provident fund. The commission contribute 3% of gross emoluments of employees to the employees’ trust fund.

6. Retirement Benefits Obligations

Gratuity

In compliance with the Payment of Gratuity Act No.12 of 1983 provision is made in the accounts from the first year of service for gratuity payable to employees.

7. Funds

The Government contribution to the Sri Lanka inventors commission is provided in the annual estimate of the government under two distinct items, namely:

1. Funds for Recurrent Expenditure
2. Funds for Capital Expenditure

The recurrent expenditure of the commission is shown in the income and expenditure account under:

1. Administration and Establishment Expenditure
2. Personal Emoluments

Capital expenses represent expenditure incurred by the commission on activities undertaken by it towards fulfillment of the objectives of the Sri Lanka Inventors Incentives Act No. 53 of 1979.

Government grants related to recurrent expenditure are recognised in profit or loss account and government grants related to capital expenditure are recognised in capital approach as well related capital expenditure is amortized in profit or loss over the periods.

8. Cash Flow

Cash flow statement of Sri Lanka Inventors commission is prepared in according to the SLPSAS 2, indirect method.

9. Collection funds / Donations from sponsors & third parties

Commission collects funds from sponsors & third parties through the provision account.

10. Related Party Disclosure

The Commission carried out transactions with parties who are defined as related parties in Sri Lanka Public Sector Accounting Standard - SLPSAS 14 - ‘Related Party Disclosures’.

Transactions with Key Management Personal (KMP)

According to Sri Lanka Public Sector Accounting Standard - SLPSAS 14 - ‘Key Management Personnel’ are all directors or members of the governing body of the entity and other persons having the authority and responsibility for planning, directing and controlling the activities of the entity. Accordingly, the Commissioner, Assisting Commissioners and the Director (chief executive officer) of the Commission have been classified as KMP of the Commission.

Mr. S. K. Cyril Suduwella (Chairman), Ms. Kalpani Rajapaksha (Assistant Commissioner), Eng. D. D. Ananda Namal (Assistant Commissioner) were board members of the Commission and Mr. N. N. W. Dollawatta was the director/CEO of the commission as at 31 December 2023.

Remuneration to Key Management Personnel

For the year ended 31 December	2023	2022
	LKR	LKR
Remuneration to Board Members	1,503,743	1,335,893
Remuneration to Director	2,026,514	1,940,923
Total	3,530,257	3,276,816

Transactions involving Key Management Personnel (KMPs)

As at 31 December	2023	2022
	LKR	LKR
Items in the Statement of Financial Position		
Assets - Loan	234,888	196,217
Items in the Statement of Profit or Loss		
Interest income	8,759	9,300

In addition to the above, the Commission has also provided Commission maintained vehicles to the Director (CEO).

	2023 LKR	2022 LKR
1 Cash & Bank Balance		
# Cash Book- 033100101791066	24,429,746	19,799,754
# Cash Book- 033100121791065		
# Incubation	13,762,138	13,762,138
# IFMSL	30,137,415	26,687,415
# Inventors Fund	7,630,667	5,060,562
# Cash Book- 204402131791066 (Foreign Currency)	2,256,593	2,353,101
Balance as at 31st December	78,216,559	67,662,970
2 Debtors		
# Rishan Dulanjana	620,511	316,631
# C. Dasanayaka	653,800	691,800
# S. Ranasinghe	248,732	245,698
# Sagarika Upamali	114,900	128,256
# Udayasiri	366,666	366,666
# Dishantha Premanath	422,787	224,847
# Nilantha Gunasinghe	487,930	267,930
# Saman Hettiarachchi	599,000	497,352
# Thulitha Sihalindu	1,740,600	580,200
# Rohan Basil Nishshanka	-	100,000
# Jayawardana	950,000	2,800,000
# Other - non performance	9,117,683	9,117,683
Balance as at 31st December	15,322,609	15,337,062
3 Pre Payments		
# Prepayment Contractual service	580,614	520,856
Balance as at 31st December	580,614	520,856
4 Provision for doubtful debtors 100%		
# Balance as at 1st January	9,602,964	9,602,964

Provision for the Year	-	-
Bad Debtor	-	-
Balance as at 31st December	9,602,964	9,602,964
5 Refundable deposit		
Gavinro Property Developers	-	2,400,000
Mobitel (Pvt)Ltd	2,000	2,000
Express Water System (Pvt) Ltd	5,000	5,000
Balance as at 31st December	7,000	2,407,000
6 Stock Valuation (SLPSAS 9)		
Closing stock of stationery has been valued at <i>First in First out</i> (FIFO) Basis accordance with the SLPSAS 9.		
Stationery		
Balance as at 1st January	595,115	386,860
Purchase during the year	121,095	549,962
Consumption during the year	(232,209)	(341,707)
Balance as at 31st December	484,001	595,115
T -Shirts		
Balance as at 1st January	320,280	414,480
Purchase during the year	-	-
Expenses during the year	(320,280)	(94,200)
Balance as at 31st December	-	320,280
8 Other Payables		
# Creditors	1,171,664	2,160,664
Balance as at 31st December	1,171,664	2,160,664

9 Accrued Expenses

# Cleaning Charges Payable	64,806	12,558
# Water Charges Payable	15,234	10,562
# Electricity Charges Payable	166,302	210,295
# Communication Charges Payable	66,300	41,592
# Fuel & Lubricant Payable	167,283	24,400
# Audit Fees Payable	1,262,700	1,089,800
# Overtime payable	170,825	9,841
# Other contractual payable	-	171,077
# Sahasak Nimeum Payable	-	1,460,355
# Gratuity Payable	-	131,285
# Inventors Club Payable	-	40,000
# Other Allowances Payable	16,500	-
# Travelling Payable	25,030	350
# Rent Payable	2,334,000	2,334,000
# Inland Revenue - PAYE Payable	7,114	-
# Stamp Duty Payable	1,675	1,725
# Other Administration Payable	-	1,559,191
# Other Payable	845,075	49,500
Balance as at 31st December	5,142,844	7,146,531

10 Provision for Mahaweli Project

Balance as at 1st January	6,558,705	6,534,026
Fund Received from Mahaweli Authority		588,891
<u>Expences for Project Activity</u>		
Administration and Logistic Charges from Elephant Fence Project	(3,280)	(564,212)
Balance as at 31st December	6,555,425	6,558,705

11 Gratuity

Provision for staff gratuity has been made in terms of the payment of Gratuity Act No. 12 of 1983.		
Balance as at 1st January	4,423,824	4,268,344
Provision for the year	1,578,608	554,030
Gratuity payment during the year	(596,095)	(398,550)
Balance as at 31st December	5,406,337	4,423,824

12 Innovation Accelerator Funding Mechanism - Sri Lanka (IAFM-SL)		
Balance as at 1st January	36,472,155	36,472,155
Fund Received	-	-
Transfer to Inventors Fund	-	-
Balance as at 31st December	36,472,155	36,472,155
13 Fund for National Incubation Centre		
Balance as at 1st January	30,426,293	37,921,883
Fund Received	-	-
<u>Expenses on Establishment of Incubators</u>		
Ammortization of on University of Rajarata	5 (3,648,242)	(3,648,242)
Ammortization expenses on University of Ruhuna	5 (3,847,348)	(3,847,348)
Balance as at 31st December	22,930,703	30,426,293
14 Capital Grant		
Balance as at 1st January	5,304,070	9,905,989
Fund Received	10,050,000	10,070,000
Expenses for project activities	17 (5,921,929)	(9,018,748)
Staff Capacity Building	(7,500)	(85,500)
Capital Grant Ammortization - Fixed Assets	5 (5,556,914)	(5,567,670)
Balance as at 31st December	3,867,728	5,304,070
15 Sri Lanka Inventor's Fund		
Balance as at 1st January	12,837,184	12,837,184
Payment	-	-
Balance as at 31st December	12,837,184	12,837,184
16 Government Contribution		
Government contribution summary is given below.		
<u>According to the SLAS 24</u>		
Recurrent Grant	43,023,000	49,400,000
Capital Grant	10,050,000	10,070,000
For the Year	53,073,000	59,470,000

Notes to the Financial Statements (Cont.)												
7 Depreciation - Fixed Assets												

Notes to the Financial Statements

	2023 LKR	2022 LKR
17 Other Income		
# Distress Loan Interest	140,036	160,948
# Foreign Currency Interest	45,322	42,359
# Miscellaneous income	37,022	230,534
# Proffit on foregin currency exchange difference	-	1,026,742
# SN Registraion Fee	390,070	173,042
# Royalty Income	9,106	4,657
# Disposal Profit	18,102	
	639,658	1,638,282
18 Personal Emoluments		
# Salaries and Wages	10,429,388	11,375,474
# Cost of Living Allowances	1,948,813	2,188,561
# Professional Allowance	193,144	169,288
# Other Allowancess-Staff	1,249,239	1,402,924
# Other Allowances	338,000	393,000
# Fuel Allowance	598,420	550,135
# Communication Allowance	114,696	123,000
# EPF Expenses	1,856,730	2,034,605
# Employees Trust Fund Expenses	371,346	408,699
# Overtime and Holiday Payment	384,432	629,780
# Remuneration to members	1,503,743	1,331,893
# Staff Capacity Building	7,500	85,500
	18,995,451	20,692,859
19 Administration & Establishment Expenses		
# Traveling Expenses - Local	61,640	143,619
# Traveling Expenses - Foreign	117,734	-
# Stationeries	260,378	353,065
# Fuel and Lubricant Expenses	1,093,623	608,233
# Repair & Maintenance -Equipment	24,488	9,189
# Repair & Maintenance - Vehicle	1,473,979	532,596
# Building Maintanance Expenses	1,242,864	-
# Postage Charges	56,250	56,825

#	Communication Charges	632,374	564,419
#	Utilities Expenses	6,985	20,144
#	Contractual Expenses	775,240	1,612,152
#	Electricity Charges	1,202,773	1,250,039
#	Cleaning Expenses	204,110	511,558
#	Water Charges	111,592	80,969
#	Rental Expenses	14,004,000	14,834,000
#	Entertainment Expenses	147,489	244,592
#	Staff Welfare	3,000	-
#	News Papers and Periodicals Expenses	790	-
#	Audit Fees	410,500	319,300
#	Operating Lease Rental	-	1,591,600
#	Other Administration Expenses	676,746	2,138,709
		22,506,555	24,871,009
20	Inventors Incentives Expenses		
#	Inventor-Inventions Promotions	2,578,626	4,736,746
#	Presidential Awards	550,830	74,000
#	"Sahasak Nimewum"	2,770,948	1,952,558
#	Conducting awareness programmes	-	28,175
#	Establishing Inventors Club	15,510	1,520,000
#	International Conference "FITI"	-	359,065
#	Target group competitions	-	131,250
#	Commercializing of inventions	6,015	166,514
#	IAFM - SL Programme	-	50,440
		5,921,929	9,018,747
21	Other Expenses		
#	Loss on Assets Disposal	314,105	13,436
#	Loss on Foreign Currency Transaction	286,025	-
		600,130	13,436

NATIONAL AUDIT OFFICE

My No.: IMT/F/SLIC/1/23/25

28 May 2024

Commissioner,
Sri Lanka Inventors Commission

Report of the Auditor General on the Financial Statements and Other Legal and Regulatory Requirements of the Sri Lanka Inventors Commission for the year ended 31 December 2023 in terms of Section 12 of the National Audit Act, No. 19 of 2018.

1. Financial Statements

1.1 Qualified Opinion

The audit of the financial statements of the Sri Lanka Inventors Commission for the year ended 31 December 2023 comprising the statement of financial performance, changes in equity statement and cash flow statement for the year then ended and notes to the financial statements, as at 31 December 2021 including a summary of significant accounting policies, was carried out under my direction in pursuance of provisions in Article 154(1) of the Constitution of the Democratic Socialist Republic of Sri Lanka read in conjunction with provisions of the National Audit Act No. 19 of 2018. 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 Commission as at 31 December 2023, and of its financial performance and its cash flows for the year then ended in accordance with Sri Lanka Public Sector Accounting Standards.

1.2 Basis for Qualified Opinion

- (a) Even though the assets were completely depreciated as per Chapter 92(b) of Sri Lanka Public Sector Accounting Standard No.07, the carrying amount of the assets valued at Rs. 1,469,302 that are still in use has not been revealed in the financial statements.

- (b) Due to calculating the allocations for gratuity considering the cost of living allowance as Rs. 17,800 which was actually Rs. 7,800, the allocations for gratuity had been overstated in the financial statements by Rs. 905,002.

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 Annual Report 2023 of the Commission

The other information is defined as the information that are not included in my audit report but included in the Annual Report 2023 of the Commission, due to be forwarded to me after the date of this Audit Report. The management is responsible for this other information.

My opinion on Financial Statement does not reveal the other information and I will not give any sort of guarantee or opinion regarding this information.

My responsibility in relevant to auditing financial statements stands reading the other information whenever they are available and while doing so, consider whether there are material mismatches in the financial statements according to my knowledge obtained by auditing or any other way.

If I conclude material misstatements when reading Annual Report 2023 of the Commission, these matters should be communicated to governing parties for rectification. If further misstatement that are not rectified, these will be included in the report to be tabled in Parliament in due course by me, in accordance with Article 154 (6) of the Constitution of the Democratic Socialist Republic of Sri Lanka.

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 Public Sector 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 Commission'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 Commission or to cease operations, or has no realistic alternative but to do so.

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

As per Section 16(1) of the National Audit Act No. 19 of 2018, the Commission 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 Commission

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 Commission'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 Commission'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 Commission 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 includes specific provisions for the 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, except for the effects of the matters described in the basis for Qualified Opinion section of my report, proper accounting records have been kept by the Commission as per the requirement of section 12 (a) of the National Audit Act, No. 19 of 2018.

2.1.2 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 Commission has any direct or indirect interest in any contract entered into by the Commission 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 Commission has not complied with any applicable written law, general and special directions issued by the governing body of the Commission as per the requirement of section 12 (f) of the National Audit Act, No. 19 of 2018
- 2.2.3 to state that the Commission 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

Reference to law/ direction

Description

Paragraph 119(1)E of the Sri Lanka Inventors Incentives Act No. 53 of 1979

Even though “Presidential Awards for Inventions” should be held to encourage the patented inventions of Sri Lanka, this ceremony has not been held for a period of 7 years, from 2017 to 2023.

- 2.2.4 to state that the resources of the Commission 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

2.3 Other matters

- (a) Even though the Commission developed a database in 2018 without carrying out a feasibility study and proper plan and spending Rs. 4,600,000, only 39 applications have been received so far from its establishment, and such a database has not been active even by the year under review.
- (b) Total loan balances of Rs. 14,372,609 comprised of Rs. 12,632,009 that have prevailed over more than 5 years and Rs. 1,740,600 that have prevailed over more than 3 years could not be recovered due to weak terms and conditions for loan recovery, a lack of general conditions, and not having sufficient information on guarantors.
- (c) The amount of Rs. 12,837,184, the balance amount in the Inventors Fund, and Rs. 13,762,138, the balance amount of the allocated amount for the establishment of incubating centers, have been idle in the current account since the years 2017 and 2020, respectively.

- (d) The debt balance of Rs. 834,224 that has been carried forward from 2021 related to the Mahweli project and the balance of Rs. 330,000 provided for school invention circles had not been settled even after the end of the year under review.
- (e) Actions were not taken to settle the advance payments of Rs. 341,088 that has been carried forward for more than 5 years for agreed services from the year 2021, even by the year under review.
- (f) Even though the estimated amount for two activities in the Action Plan 2023 namely, database management and development of website and acquisition of fixed assets is Rs. 9,000,000, no activity has been performed in the year under review.
- (g) An amount of Rs. 500,000 that had to be paid to the Dompe Pradeshiya Sabha for expenses of the Educational Trade Exhibition has been credited to the account called Cultural and Religious Committee, which does not belong to the official bank account of the Pradeshiya Sabha.

W.P.C. Wickramaratne
Auditor General

The measures taken by the management and the Board of Directors to rectify the matters raised by the Audit Queries in the year 2023

1.3 Financial Statements

1.3.1 Noncompliance to Sri Lanka Public Sector Accounting Standards

Audit Observation	Explanations given by the management
Even though the assets had been completely depreciated in accordance with paragraph 92 (b) of the Sri Lanka Public Sector Accounting Standard No.07, the carrying amount of the assets valued at Rs. 1,469,302 that is being used had not been revealed in the Financial Statements	Actions were taken to update the useful life time of assets on 01.01.2022 and if useful life time of the assets that are in assets category indicated by you is updated, it shows an unusual increase. If the useful lifetime of assets is increased as instructed by you, depreciation of assets will be overvalued.

1.3.2 Accounting Deficiencies

Audit Observation	Explanations given by the management
Allocations for gratuity had been overstated by Rs. 905,002 in financial statements due to separately calculating the cost of living allowance as Rs. 17,800 that was amounted to Rs. 7,800.	I agree with the observation. Actions will be taken to rectify this in 2024.

1.4 Accounts receivable and payable

1.4.1 Receivable amounts

Audit Observation	Explanations given by the management
(a) The total loan balance of Rs. 14,372,609 including Rs. 12,632,009 in debtors balance for more than 5 years and Rs. 1,740,600 debtors balance for more than 3 years could not be recovered due to lack of regulations and unavailability of sufficient guarantor details.	Attempts to recover loan balances could not be proceeded with without the instructions of the legal officer, and further actions will be taken through the newly appointed legal officer.
(b) Actions were not taken to settle the balance of the advance payments for contractual services amounted to Rs. 341,088 that had been carried forward for more than 05 years.	Agree with the observation. Action will be taken to rectify this in the future.

1.5.2 Amounts payable

Audit Observation	Explanations given by the management
The total debtors balance of Rs. 834,224 relevant to the Mahaweli Project and the balance amount of Rs. 330,000 provided for school inventors clubs had not been settled even at the end of the year.	Two reminders were sent through two emails and another reminder was sent through a letter to obtain the required approval from the Sri Lanka Mahweli Authority and again send another reminder letter on 16.03.2023. Accordingly, the Commission has taken further actions to settle the debtors balance, the Commission could not settle the debtors balance due to not taking further actions by the Mahweli Authority in this regard.

1.5 Non compliance to laws and regulations

Audit Observation	Explanations given by the management
Composition of the board of survey – Even though this board should be constituted with two other responsible officers other than the storekeeper or other relevant officers or their immediate subordinate officers, the commission had appointed a board of survey consisting of 5 officers.	I accept the observation. In the future further actions will be taken to rectify this.
Even though during official travels the officers should go through the way that can travel at the earliest, by the shortest way and incurring the lowest expenditure to the government, as per the Establishments Code, the Commission had not paid attention to this matter. During traveling to Nuwara Eliya, Eastern Province, and Uva Province to conduct awareness programs and observation and hand over the electric fence, the vehicle travelled 842 km, incurring an excess cost of Rs. 22,501.	I accept the observation. In the future further actions will be taken to rectify this.
Presidential Awards should be conducted to encourage inventors who have obtained patents for their inventions, this awards had not been awarded for more than 7 years from 2017 to 2023.	Even though inquired to obtain a date from the President form June 2023, a date had not fixed yet. Kindly informed that this matter is beyond the control of the Commission.

2. Financial Review

3. Operational Review

3.1 Management Inefficiencies

Audit Observation	Explanations given by the management
Even though a database has been established in the year 2018 spending Rs. 4,600,000 to handle the applications received, without a feasibility, study and proper plan, total number of 39 applications were received from its establishment, and this data system was not in operation in the year under review.	I agree with the observation. At present, this data system is being operated by the officials of the Commission.

3.2 Controversial transactions

Audit Observation	Explanations given by the management
The amount of Rs. 500,000 payable to the Dompe Pradeshiya Sabha for the expenditure incurred for the trade and educational exhibition had been credited to the account called Cultural and Religious Committee, which does not belong to the official bank account of the Pradeshiya Sabha.	This amount of Rs. 500,000 has been requested by the letterhead of Dompe Pradeshiya Sabha for hall charges, electricity, and furniture and, after ascertaining this account by the Peoples Bank, payments were made by a cheque.

3.3 Idle or underutilized property, plant and equipment

Audit Observation	Explanations given by the management
The balance of the Sri Lanka Inventors Fund amounted to Rs. 12,837,184 and the balance of the amount provided for the construction of Incubator Centers has been idle in the current account in years 2017 and 2020 respectively.	I agree with the observation. Many practical issues arose due to various reasons, like COVID-19, the economic crisis, and delivering services to inventors. Therefore, discussions are being conducted to prepare a methodology to invest this amount more effectively to provide service to the inventors.

4. Accountability and Good Governance

4.1 Annual Action Plan

Audit Observation	Explanations given by the management
Even though the estimated amount for 02 activities, namely, management of data system and development of database and acquisition of fixed assets was Rs. 9,000,000, any activity had not been performed during the year under review.	Agree with the observation. Reasons for not achieving the expected targets have been stated in the quarterly progress reports for the year 2023. The amounts approved for the year 2023 were not received in due time.

