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வரையறுக்கப்பட்ட இலங்கை நனோ தொழில்நுட்ப (தனியார்) நிறுவனம்

Sri Lanka Institute of Nanotechnology (Pvt)Ltd

2022/2023

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வருடாந்த அறிக்கை

ANNUAL REPORT

ANNUAL REPORT 2022/2023

Sri Lanka Institute of Nanotechnology (Pvt) Ltd

Sri Lanka Institute of Nanotechnology (Pvt) Ltd

Nanotechnology & Science Park,

Mahenwathta,Pitipana,Homagama

Tel: 011-4650500 | Fax: 011-4650532

Web: www.slintec.lk

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Reporting Entity

The reporting entity, Sri Lanka Institute of Nanotechnology (Pvt) Ltd, came into existence on 31st March 2011, by the amalgamation of the Sri Lanka Institute of Nanotechnology (Pvt) Ltd with Nanco (Pvt) Ltd. The amalgamated entity adopted the name Nanco (Pvt) Ltd. Pursuant to Section 244 (1) (a) of the Companies

Act No. 07 of 2007, the Registrar - General of Companies issued a Certificate of Amalgamation to Nanco (Private) Ltd as a new Company. Thereafter, on 30th November 2011, the amalgamated company, Nanco (Pvt) Ltd changed its name to the Sri Lanka Institute of Nano technology (Pvt) Ltd. ("SLINTEC")The registered office of the Company is situated at the Nanotechnology and Science Park, Mahenwatte, Pitipana, Homagama, Sri Lanka.

Sri Lanka Institute of Nanotechnology (SLINTEC) is a pioneer in Nano and advanced technology research in Sri Lanka. SLINTEC research is primarily focused on; Energy Storage, Nano/Advanced Materials and Minerals, Printable Electronic and Sensors, Natural Products and Nutraceuticals, Sustainable and Functional Textiles, Advanced Agricultural Technology, Graphite/Graphene Initiatives. SLINTEC is the first public-private research institute in Sri Lanka, and SLINTEC proud to have made significant progress in being a change catalyst in the field of science for over a decade.

SLINTEC have focused all our resources to create technologies that will solve many pressing problems in emerging nations such as Sri Lanka. These problems may include, but aren't limited to, affordable food security, affordable and clean energy, safe drinking water, sustainable economic development, and, more recently, detection and prevention of COVID-19 infections. In aligning with SLINTEC founding mission, SLINTEC has dedicated all our resources to find innovative and internationally competing solutions to these issues.

It is SLINTEC's aim to build a futuristic Nanotechnology and science park with advanced facilities to support all interested stakeholders to pursue their research & development. SLINTEC will provide all our clients with experienced and competent research personnel along with the right tools to help design and develop something of great value.

With expertise, SLINTEC wish to embark on new areas of research that are relevant to the development of the industrial base in Sri Lanka within an internationally competitive landscape.

Sri Lanka institute of Nano Technology (Pvt) Ltd have prepared & published Annual Report for the year ended 31st March of 2023.The report has mainly prepared with the aim of providing the relevant financial & non-financial information related to the year 2022/2023. This report included the overall company had experienced the industrial performances, challenges, achievements & financial highlights during the period 2022/2023.

VISION

"Inventions beyond the Horizon"

We want to play our part in the advancement of Nanotechnology research & development. We hope to be great minds & great technologies together in our pursuit to discover &develop product that change the way we live."

MISSION

"Build a world-class research and development center specializing in nanotechnology and advanced technology

- *Make products more competitive using Nano and advanced technologies.*
- *Add value to Sri Lanka's mineral resources by showcasing the benefits of coupling minerals with nanotechnology.*

Build a nanotechnology and science park for research, development, and commercialization"

Equity Partners

Government of Sri Lanka

The Ministry of Science, Technology and Research oversees the Government's involvement in SLINTEC through the National Science Foundation(NSF).The government of Sri Lanka contributed Rs.43Mn (50%)from total ordinary shares.

MAS HOLDINGS (Pvt) Ltd

MAS Holdings is one of the largest intimate apparel and sportswear manufacturers for leading global brands in the world. MAS holdings contributed the Rs.11Mn (13%) from total ordinary shares.

Brandix Lanka Ltd

Brandix Lanka Ltd, is one of the largest apparel manufacturers and exporters in Sri Lanka and works with leading global brands. Brandix Lanka Ltd contributed the Rs.7.5Mn (9%) from total ordinary shares.

Dialog Axiata PLC

Dialog Axiata, is the largest mobile telecommunications provider in Sri Lanka & contributed Rs.3.8Mn (4%) from total ordinary shares

Hayleys PLC

Hayleys is a multinational conglomerate with businesses in agriculture, tea, activated carbon, coir, textiles, transportation, logistics and energy. Hayleys PLC Contributed Rs3.8Mn (4%) from total ordinary shares.

Michelin Lanka (Private) Limited

Micheline is worlds No one Tire manufacturing company. Michelle Lanka contributed Rs3.8Mn (4%) from total ordinary shares.

Lankem PLC

Lankem Ceylon PLC is a diversified conglomerate and has businesses in agriculture, consumer products, animal feed ingredients, hotels, industrial chemicals and flooring, paints and pest control Lankem PLC contributed logistics and energy. Lankem PLC gathered Rs3.8Mn (4%) from total ordinary shares

LOLC PLC

The LOLC Group has rapidly evolved into being the biggest non-banking financial institution and one of the biggest and most diversified conglomerates in the country. Besides a range of financial products and services, their portfolio includes leisure, plantations, agro-inputs, renewable energy, construction, manufacturing and trading and other strategic investments.

LOLC PLC contributed the Rs.5.7Mn (7%) from total ordinary shares.

Browns and Company PLC

Browns and Company PLC is a diversified conglomerate specialized in Different industries such as Agriculture and plantation, Automotive Industrial Solution, Heavy machinery and marines, Home and Office Solution.

Browns & company PLC contributed the Rs.3.8Mn (4%) from total ordinary shares.

Board of Directors

Private

LOLC

Mr. Thilan Manjith Wijesinghe
LOLC Holdings Plc

MAS Holdigs

Mr. Ranil Kirthi Vitarana,
Director, MAS Innovation

Brandix Lanka Ltd

Mr. Anishke Dilan Christopher Gooneratne,
Managing Director, Inqube Global

Hayleys

Mr. Rajith Kariyawasam
Director, Haycarb PLC

Loadstar

Mr. Koenraad Pringiers
CEO Michel Lanka

Public

Dr. Thushara Vajira Perera
Presidential advisory Science & Innovation

Mr. M M C P Mohottigedara
Secretory at Ministry of Finance

Ms.R.J.Abdeen
Director
Department of Public Enterprises
Ministry of Finance
(Appointed w.e.f 02nd March 2022)

Professor Ranjith Senaratne
Chairman, National Science Foundation

Prof. Ravi Silva
University of Surrey

LANKEM

Mr. Ariyawansa Hettiarachchy
Director, Lankem Ceylon PLC

Ms. Jayanetti Koralalage Ramani
Radhika Samarasekera
Director General
Industrial Technology Institute

Browns & Co PLC

Mr. Manju Samarasinghe
CEO, LOLC Advanced Technologies
(Pvt) Ltd

Mrs. Uthpala I Alahakoon
Ministry Of Education

Chairman's Message

I am delighted to present the Annual Report and the Financial Statements for the financial year ended 31st March 2023.

The Sri Lanka Institute of Nanotechnology (SLINTEC) was embarked their journey in 2008, as a public-private partnership with five corporate institutions partnering with the Government of Sri Lanka through the National Science Foundation. The shareholder structure of the institute as at 31st of March 2022 has expanded to 8 equity partners and the expectation is to further expand the ownership of the company by inviting more companies from Sri Lanka to participate in the equity of the institute.

SLINTEC has been engaging with several international organizations in the past to strengthen our international collaborations. SLINTEC signed a Memorandum of Understanding (MOU) with the HBK Ceylon Nanotech Industries Pvt Ltd to facilitate research and development in areas of science and technology.

A primary focus area for SLINTEC is to promote its Nanotechnology and Science Park as a Centre of excellence to attract potential corporations into the site. Morison PLC, John Keells Holdings PLC Sri Lanka Institute of Biotechnology, JAT holding, Vibhava Solutions Pvt Ltd, Sri Lanka Technology Campus have already partnered with us in setting up their research and advanced production facilities within the park.

To support our future growth aspirations, we look forward to partnering with corporate institutions having similar interests to uplift the research and development capabilities in Sri Lanka with the aim of fulfilling the technological demands of the industry.

I would like to thank Honorable Minister and the staff at the Ministry of Education for their continued support. I would also like to take this opportunity to thank the members of the Board for their contributions and commitment throughout these years. It has been a privilege for me to work with the members of the Board, highly experienced in their respective fields. The Board discussions have been very impactful and the deliberations we have had facilitated the growth of SLINTEC.

I would like to commend our dedicated management team and the staff for their valuable contributions and for maintaining the highest standards of professionalism for the development of the institute.

Thilan Manjith Wijesinghe
Chairman

Brief History

2012/13

- Reactor for Nano fertilizer was installed.
  - Set up a pilot plant for the development of Nano fertilizer.
  - Foundation stone laid for the construction of Nanotechnology Center of Excellence (NCE).
  - Agreement signed with Nagarjuna Fertilizer Corporation, India for the sale of fertilizer patent.

2013/14

- NCE construction was completed and the facility was opened on 21st October 13.
  - Relocation of operation from Biyagama to NCE at Homagama.
  - Filed 2 patents in US patent office.
  - Published 7 papers in high impact journals.

2014/15

- - Sale of a patent to Lankem.
  - Royalty agreement was signed with Textured Jersey.
  - Lankem PLC joined as the sixth private sector equity partner.
  - SLINTEC Endowment Trust Fund was incorporated.
  - SLINTEC was awarded Platinum Certification under "Leadership in Energy & Environmental Design" (LEED) for New Construction by U.S. Green Building Council on March 2015.

2015/16

- -Molecular recognition laboratory was created
- Purchase of NMR, LCMS, GCMS and high Resolution Transmission Electron Microscope
- Cooperation Agreement with the Yunnan Rural Science and Technology Service Centre in Kunming, China for the construction of a greenhouse.
- Filed 2 patents in US patent office
- Awarded one patent by US patent office
- Published 15 papers in high impact journals

2016/17

- Greenhouse opening
- Conducting Science Clinics for SMEs
- Sold a patent to the apparel sector
- Technology Incubation Centre was opened
- Four patents filed in the USPTO

2017/18

- API pilot plant was comissioned
- Obtained patent on method for the synthesis of graphene oxide

2018/19

- Ceylon Graphene Technologies Pvt Ltd was formed on 13th June 2018 as a joint venture between Lanka Orix Leasing Company PLC (LOLC) & Sri Lanka Institute of Nanotechnology (Pvt) Ltd (SLINTEC) for the purpose of carrying on the business of developing new applications based on Graphene and other material.

2019/20

- Two Local patents were filed at NIPO for the following inventions.

(i) Use of tea dye as a colorant for textile dyeing
(ii) Antimicrobial coating for surface and air sterilization

2020/21

- Two Local patents were filed at NIPO for the following inventions.

(i) Nano filtration based portable water filtration device
(ii) Smart mask sensor

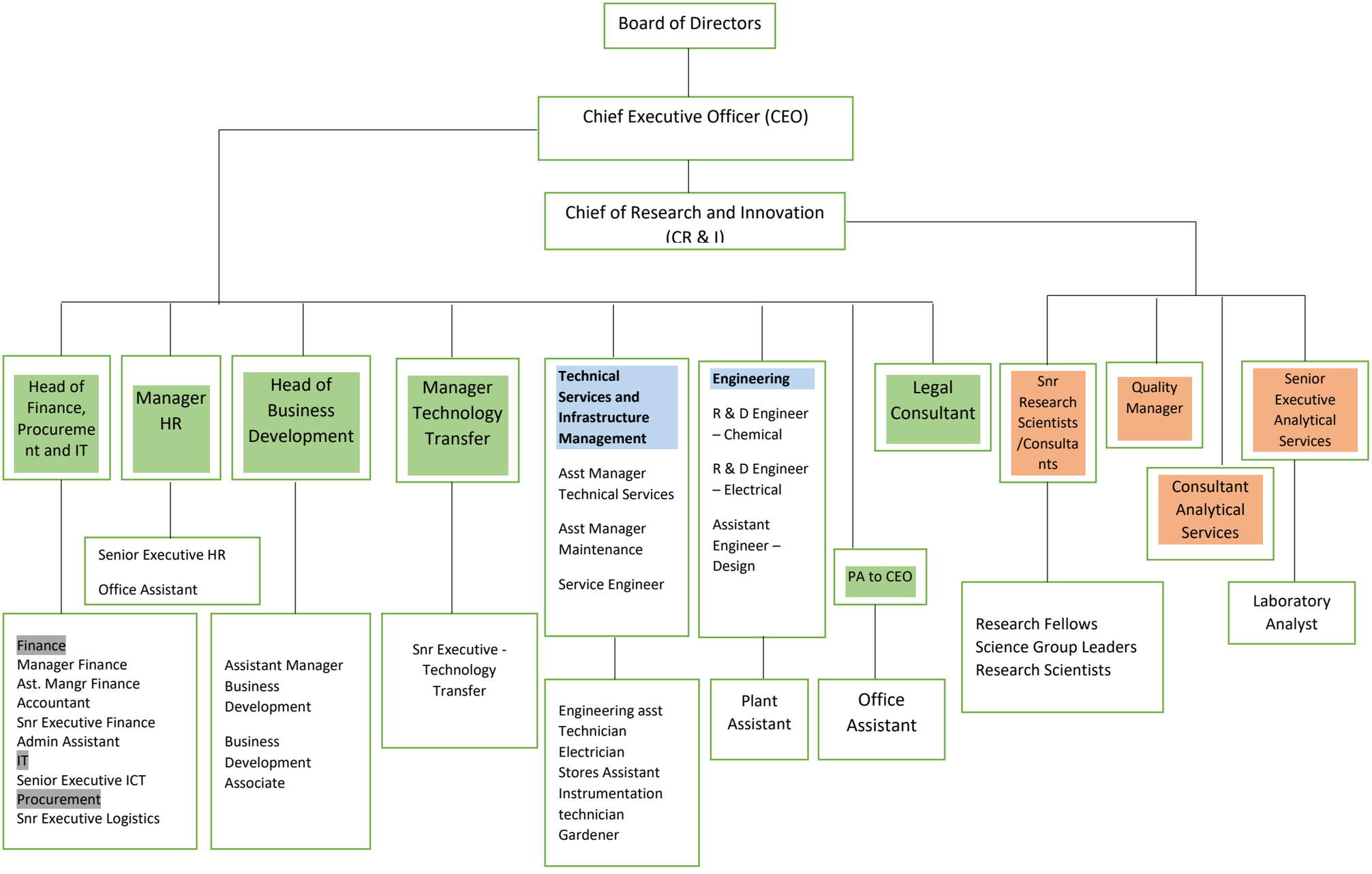
2021/22

- Launch of *BreathTech S3* - The world's first sustainably-designed smart face mask
- Launch of *SLINTEC-Multilac NOVID*® antiviral antibacterial spray
- 2 Patents filed; Opening of phase 2B building with Modular laboratories
- Launch of soil supplement product in association with Thuru brand, JAT, Vibhava as Park Tenants in Phase 2B.
- "invesTech Forum" business and investor connect forum held

2022/23

- The "Unlocking the Potential: Exploring SLINTEC's Analytical Hub" event, organized by the Sri Lanka Institute of Nanotechnology (SLINTEC), was held at the NSF Auditorium in Colombo 07 in 2023.

Company Structure - Sri Lanka Institute of Nanotechnology (Pvt) Ltd, SLINTEC



MANAGEMENT REVIEW

Science Review

SLINTEC is engaged in scientific R&D, primarily in the fields of Nano and Advanced Technologies to develop products and processes utilizing local natural and human resources. Based on SLINTEC's core competence and also local and global trends, our research is currently focused mainly on the following areas – Energy, Advanced Materials, Minerals, Sensors, Textile Materials & Processes, Rubbers Plastic & Polymers, Advanced Agricultural Technology and, Natural Products.

SLINTEC carries out research under three broad categories, *Strategic*, *Mission oriented and Contract Research*. Strategic research is aimed at developing Intellectual Property (IP) in areas which have medium to long term potential for commercialization. The primary aim of Mission Oriented projects is to carry out research having wide range of impacts including among others the advancement of knowledge *(scientific impact)*, the development of societies *(societal impact)* and fostering innovation *(economic impact)*. In addition Mission Oriented research enables SLINTEC to build capacity, both human resources and specialized facilities and generate high quality publications that will contribute to the global body of knowledge. Demand driven contract research includes product/process development and problem solving for business enterprises. Number of strategic/mission oriented research projects transition into contract research, if they have commercial potential.

A. Strategic Research

The progress of the projects funded by the Line Ministry are highlighted in the following sections. It is to be noted that some of these projects were halted and did not go to completion as planned due non-disbursement of funds from the Ministry since 2019.

1. Value addition to local Ilmenite and Rutile

Ilmenite sand mined in Pulmoddai has one of the highest contents of naturally occurring Ti (~50% by weight). Currently the ilmenite sand is exported after initial beneficiation process, which is converted to TiO_2 and Ti metal by the importing countries. A pilot project in collaboration with a private company successfully demonstrated the conversion of ilmenite sand to pigment grade TiO_2 pigment using the well-known sulfuric acid process. However, the lack of local sulphuric acid production and high capital investment for an integrated TiO2-sulfuric acid plant discouraged the company to proceed beyond the pilot scale operations. Attempts to revive the project with other interested parties including the BOI have also not been successful.

Meanwhile an alternative process to convert ilmenite to TiO2 is being tried out where ilmenite is subjected to alkali roasting prior to acid treatment. If successful, this process will provide a much more efficient route to separate titanium compounds from iron complexes than the conventional sulphuric acid process.

2. Value addition to local Graphite

Ceylon Graphene Technologies (Pvt) Ltd. (CGTL), a joint venture between SLINTEC and LOLC Holdings PLC (15:85) was successfully established in 2018 for the production of Graphene oxide (GO) and reduced Graphene Oxide (rGO) from local vein graphite using the patented SLINTEC process. Unfortunately commercial production and sales were delayed due to a variety of reasons and as a result the anticipated revenue to SLINTEC from the Joint Venture did not realize as expected.

Several contract research studies were undertaken for CGTL to assess the potential applications of Nano scale graphite/graphene materials - silicon graphene composites as a potential anode material with high capacities for lithium battery; graphene coated sand for water filtration and screen printed graphene electrode platform system targeting sensor applications are nearing completion.

Lab studies with a modified ultrasound-assisted mechanical graphite exfoliation process for the production of graphene Nano platelets (GNP) has shown positive results. Discussions are being held with a potential foreign client who has shown interest in providing upfront funding for the pilot scale production on the condition that the know-how will be transferred exclusively on successful completion of the project.

3. Nanotechnology based Water Purification Techniques

A local patent has been granted for a cost effective water filtering device consisting of a Nano fibrous membrane and a nanoporous material developed by SLINTEC. The device has high removal efficiency for a range of toxicants including heavy metals and microbes under dynamic conditions. Discussions are being held with potential clients to commercialize the filter.

4. Improvement of the soil quality and fertility of degraded agricultural fields in Sri Lanka

Two main objectives of this Ministry funded project, which was commenced in 2018 are to a) Develop soil amendments to enhance soil carbon content and b) Develop microbial consortia to improve fertility of degraded soils. Successful outputs from this project are highlighted below;

a) Improving the nutrient levels of organic soil amendments i) Municipal Solid Waste (MSW) compost and ii) Glyricidia leaf/bark residues by hybridizing with inorganic fertilizers.

Chemical fertilizers play a major role in agriculture because they supply the nutrients needed for crop productivity. The heavy usage of inorganic fertilizers has a number of drawbacks, including drain on foreign exchange and health and environmental hazards. Compost and other bio-degradable plant residues act as soil conditioner in addition to providing nutrients, albeit in small amounts, to the growing plants. SLINTEC has successfully produced in lab scale, two types of hybrid pellets by combining appropriate amounts of NPK fertilizer mix with i) MSW compost and ii) Glyricidia leaf/bark residues. Pot/field trials with maize (*Zea mays*) showed that these pelletized hybrid fertilizers performances are very similar to inorganic fertilizers but at significantly lower dosage while improving soil quality and fertility of degraded soils

b) ***A novel bio fertilizer formulation for organic agriculture- Improving plant-available P and N levels in agro ecosystems via bio char-attached microbial communities***

A novel synthetic microbial consortia supported on bio char matrix derived from paddy husks that is capable of improving the soil fertility via nitrogen fixation and solubilizing immobilized phosphorous in degraded soils was developed and is ready for commercialization. A greenhouse trial carried out at the Sri Lanka Institute of Information Technology (SLIIT) confirmed commercial-level applicability of the formulation. These results also showed that the combined application with inorganic fertilizers can reduce synthetic fertilizer usage by 50%.

Although the Ministry of Agriculture initially agreed to fund the pilot-scale production cum field trials of the above projects, ban on inorganic fertilizers halted their support for hybrid fertilizers. We have now pitched these ideas to several private companies who have shown interest.

5. Development of pest control agents for the tea industry

SLINTEC and the Tea Research Institute (TRI) initiated work in 2019 to jointly develop effective formulations to control major pest infestations experienced by the tea industry with financial support from the TRI. Based on initial studies development of two formulations namely encapsulated *Beauveria Bassiana* spores WP for the control of shot-hole borer and hexaconazole Nano-emulsion for the mitigation of blister blight disease were short listed for detail study. During the period under review, after signing an amended agreement, sufficient quantities of these two formulations produced at SLINTEC were submitted to the TRI for lab/field assessment. Initial laboratory trials conducted by the TRI has shown positive results for both products and trials are now being planned for greenhouse/field trials.

6. Development of a Slow Release Nano-Nitrogen fertilizer

Urea is the most widely used nitrogen fertilizer in the world because of its high nitrogen content (46%), low cost, and ease of storage and application. However, the practical use of conventional urea is not efficient resulting in excessive nitrogen leaching from the soil and thereby significantly reducing the plant available nitrogen. In this backdrop, SLINTEC has been engaged in the development of novel smart fertilizer formulations for the past several years to improve the Nutrient Use Efficiency (NUE) of fertilizers. Actions were initiated during the period under review to commercialize the SLINTEC slow-release hydroxyapatite (HA)-urea Nano fertilizer that has the potential to reduce the urea consumption by more than 30%. A pilot plant (50 kg/day capacity) to manufacture Nano fertilizer was set up and an application has been made to the National Fertilizer Secretariat (NFS) for the manufacturing license. Discussions was also being held with a private party and the Ministry of Agriculture to manufacture and supply the said Nano fertilizer to the farmers during the coming Maha Season-2022/2023.

7. Hi-Tech Value addition to local garment industry

a) Natural textile dyes

Sustainable dyes are becoming increasingly important in the textile and fashion industry. Catering to this demand, SLINTEC has developed natural textile dyes using lignin/tannins derived from readily available waste materials such as coir fibers and oil palm waste. We are in discussion with interested parties to evaluate the performance of these natural dyes and transfer the know-how to the client, if successful. In parallel, SLINTEC is also developing bacteria-based colour pigments, which is a novel trend in the textile industry. Various pigment-producing bacteria and fungi species were identified and their performance parameters such as colour shade, wash fastness and light fastness were studied in detail. The findings were pitched to a potential client with the aim of initiating a collaborative validation programme at the client's dyeing facility.

8. Mission Oriented Research

Mission Oriented Research projects undertaken during the period under review are highlighted below.

a) Carbon nanomaterial from polymers for electronic applications

Project start/end dates: Dec 2020 to Dec 2023
Project cost: Rs.4.96 Mn; Funding Agency: NRC

Progress: Several polymer wastes namely PVC, Poly Vinyl Acetate, NBR, and Phenol-Formaldehyde were successfully converted into conductive materials that can be used to fabricate electronic sensors for humidity and pH measurements. Three communications have been presented from the work done while four more manuscripts are under review. One Research Assistant has been registered for a PhD degree at the University of Peradeniya. About 30% of the allocated funds have been utilized.

b) Engineering microbial ecology in agro-ecosystem via microbial communities to improve soil health and fertility

Project start/end dates: Aug 2021 to Aug 2023
Project cost: Rs.4.69 Mn; Funding Agency: NRC

Progress: This study was initiated to synthesize microbial communities in agro ecosystems to enhance the soil quality and soil health. During the period under review several soil microbial communities that can improve soil quality and health were identified from 22 agro-ecological zones and characterized using PCR techniques. One Research Assistant has been registered for an MPhil Degree at the Postgraduate Institute of Science, University of Peradeniya. About 50% of the total allocation was utilized as at 31.03.2023

c) Do agricultural micro plastics undermine food security and sustainable development in developing countries?

Project start/end dates: Jan 2021 to Jan 2025
Project cost: Great Britain pound 96,329.02 (SLINTEC); Granting Agency: Resuscitation Council United Kingdom (RCUK)/North American Electric Reliability Cooperation (NERC)
Lead Party: Bangor University, India
Collaborating Organizations: 13 from United Kingdom, Egypt, China, India, Vietnam and Sri Lanka (SLINTEC & Agriculture Faculty, University of Peradeniya)

Background: The overall aim of the project is to quantify the risk that agricultural plastics and associated co-contaminants may pose to the long-term health of smallholder farms in low and middle income countries (LMICs), with specific reference to food security and rural livelihoods. In addition, to identify practical, economic, socially acceptable and politically viable solutions to help remediate land contaminated with plastic and prevent further pollution from happening through social behavior and policy change. The project brings together a multidisciplinary team of natural and social scientists from the UK and five contrasting lower and middle income countries – China, Egypt, India, Sri Lanka and Vietnam. Together, these countries use 3 million tons of agricultural plastic film each year, covering 25 million hectares of agricultural land. They span a wide range of climates and possess a range of governance structures, which will enable outcomes to be readily translated to other LMICs.

Progress: During the period under review, the Lead Party had several meetings with the collaborating organizations and an agreement was signed on 28th Jan 2022 after finalizing the Work Plans (WP) and funding arrangements. The Sri Lankan components of the WP, co-lead by SLINTEC and Faculty of Agriculture, University of Peradeniya, commenced on 01st March, 2022. Soil micro plastic survey, representing all agro ecological regions is being conducted to assess the release of micro plastic and its additives to soil when continuous use of plastic mulch of different types are used in crop management practices in the country. All sample analysis for micro plastics and additives in soil will be done at SLINTEC.

Engineering Review

SLINTEC Engineering Team is mainly engaged in maintenance of high end equipment, research commercialization and development projects. Also involves providing any type of engineering support to SLINTEC research projects whenever it is required. Under development and research commercialization projects pilot plants are set up by the Engineering Team.

SLINTEC has developed its own method of producing slow-release urea fertilizer with the potential to maintain better agricultural yield and reduce the amount of urea usage in Sri Lanka. SLINTEC Engineering team has managed to build a plant that can produce this fertilizer on a commercial scale in liquid and tablet forms. It is expected to produce fertilizer for local farmers as well as for the foreign market.

SLINTEC Engineering team has designed water purification for tannin mixed waste water with the help of scientists and other external parties. These water purification technologies have the potential to provide clean water to relevant industries in the future. As per the research project requirements SLINTEC Engineering team has designed custom machinery and equipment.

SLINTEC Engineering team supported much other advanced material, sustainable, agricultural, and nutraceutical research projects in industrial-scale plant designs, capital and operation cost estimations, and Engineering consultancy according to the client's needs.

Business Development Update

Research and development are core drivers in technology-based enterprises. Research &Development creates methods, technologies, and prototypes, which may eventually be commercialized. Hence R&D creates value for the enterprise through future free cash flow, in the case of a for-profit enterprise, or through reduced costs or enhanced capabilities to meet the enterprise mission, in the case of other types of enterprises or benefit to country through knowledge and wealth creation.

SLINTEC Business Development Division is promoting SLINTEC through Inbound and outbound marketing. Inbound marketing is also carried out via SLINTEC website and social media to attract new client and aware the public on the work conducted by SLINTEC. SLINTEC also approach to potential industries for targeted research projects.

Brainstorming sessions organized by the Business Development division with scientists to discuss the Specific Industry requirements informed by certain industry stakeholders. Disruptive technologies, global technology trends on certain technology areas are analyzed for possible innovative ideas that matches SLINTEC's forte that could eventually be commercialized.

The primary aim is to carry out research which would provide for product development and support industry along with generating publications that will contribute to the global body of knowledge. Business Development team keeps track of projects via continuous Internal / external reviews & communications. Pre-evaluation of technical and commercial feasibility is carried out by the division generating a Project Feasibility Report. If a project is deemed not feasible, the project is thus ended and project closure is carried out with a formal Project Status Report.

The Intellectual Property (IP) created through Research & Development is valued and analyzed for potential commercialization by the Business Development Division supported by the Technology Transfer Division. At this stage, Technology Transfer Division takes over the process of commercialization of IP. During the financial year 2022/2023 around SLINTEC had discussions with about 60 new clients to discuss their industry requirements representing areas of Advanced Agriculture, Technical Textile, Advanced materials, Rubber plastics and Composites, Natural products, Energy and Printable Electronics and Sensors.

The meeting with Advanced Fuel System (Pvt) Ltd & SLINTEC

A meeting was held with the Director of Advantech Fuel Systems Private Limited, on 09th December 2022. SLINTEC team presented the capabilities in the areas of Energy, Agriculture and other advanced technologies.

MAS Holdings chairman & team visited to SLINTEC

Delegation from MAC Holdings (Private) visited Sri Lanka Institute of Nanotechnology Pvt. Ltd. (SLINTEC) premises on 28th October 2022, for a discussion focused on supporting the renewable energy storage technologies being researched and developed by SLINTEC.

AmCham Sri Lanka staff visited to SLINTEC

Delegation from American Chamber of Commerce (AmCham Sri Lanka) paid a visit to Sri Lanka Institute of Nanotechnology Pvt. Ltd. (SLINTEC) premises on 21st of October, 2022 for a strategic discussion on business networking opportunities and possible collaboration between US and Sri Lankan business entities and SLINTEC.

The United States Agency for International Development (USAID) visited to SLINTEC

Delegation from The United States Agency for International Development (USAID) visited SLINTEC premises on 20th October, 2022 for a discussion focused on supporting renewable energy storage technologies that is being researched and developed by SLINTEC. The discussion focused on the potential of utilizing science and technology for innovations on energy storage systems that can store renewable energy that benefit Sri Lanka especially at a time of power and economic crisis.

SLINTEC signed agreements with 04 private sector companies (Farmers Fertilizer, Baurs, Codegen International, Star Garments) contract research projects during the financial year 2022/2023 and few projects continued from previous year completed during 2022/2023. This period was a challenging year as most industries were not willing to invest in R&D due to the economic situation in the country.

Networking sessions, Exhibitions and Science Popularization

A panel discussion on "Competing globally through innovation and value creation "was held on 23rd January 2023. It was hosted by the American Chamber of Commerce in Sri Lanka. The event gave the opportunity to hear from our team of experts at SLINTEC and gain valuable insights on how to stay competitive in any industry. More than 30 Industry Leaders participated the event.

R

SLINTEC team participated the 'Computing & science population'' programme organized by Amarican chamber of Commerce.

ProFood ProPack & Ag-biz 2022 exhibition, organized by the Sri Lanka Food Processors Association (SLFPA), was held successfully at the BMICH, Colombo on 18th,19th & 20th November. SLINTEC team took part in the exhibition to showcase the ration sustainable and smart packaging technologies.

To commemorate the National Science Week, (SLINTEC, in collaboration with the Ministry of Education, Sri Lanka organized an “Open Day” on 14th November 2022. The event was held successfully with the participation of Ministry representatives, school children as well as students from higher educational centers located near Pitipana, Homagama area. Over 50 school children from Mahinda Rajapaksha College - Homagama Dharmapala Vidyalaya Pannipitiya, Central College Homagama and Bomiriya Central College as well as undergraduates from Institute of Technology of University of Moratuwa (ITUM), Faculty of Technology of University of Sri Jayewardenepura and NSBM Green University were present at the event.

SLINTEC, in collaboration with the Ministry of Education launched a progarmme for national science week.

SLINTEC featured in the special anniversary edition of Vidusara - විදුසර Sri Lankan weekly science magazine and be a part of their 35th Anniversary Celebrations. SLINTEC scientists also conducted special lectures to aware the public on Nanotechnology and Sustainable Development.

Published Paper Article links

SLINTEC published its achievements in newspaper articles in the following topics.

- **AmCham and USAID collaborates with SLINTEC to accelerate the growth of the country's renewable sector- 10th January 2023**
  https://bizenglish.adaderana.lk/amcham-and-usaid-collaborates-with-slintec-to-accelerate-the-growth-of-the-countrys-renewable-sector/?fbclid=IwAR3uANEq5RYQAUewpTt1mhIlZ1qMRRsgNXSDGmHf0zotzbfuxd6hAvJ-Vyk

Technology Transfer Unit Review (TTU)

SLINTEC focusses on both market demand driven research targeting commercialization and socially impactful research to uplift the social, environmental and economic conditions of Sri Lanka and beyond.

SLINTEC's Technology Transfer Unit is exclusively involved with the commercialization of intellectual property generated via its research and development projects. This is a collective act conducted in collaboration with research scientists. SLINTEC manages its innovation process through the adaptation of NASA's Technology Readiness Level (TRL).

SLINTEC Technology Transfer Unit (TTU) was established in mid-2018 with the intention of accelerating research commercialization at the institute. SLINTEC TTU holds the following responsibilities:

1. Devising strategies to commercialize matured IPs/ SLINTEC IP Management (both patents & know-hows):

When a research project progresses beyond TRL 4 (prototype ready level), the TTU is responsible for

- Promoting the technology and identify potential commercialization partners (via social media, and digital and print media)
- Liaising with Industry and providing industrial inputs to science teams to fine-tune the innovation in order to make it more suited to the needs of the commercialization partner (i.e. identifying where 'pivoting' is required)
- Deriving Tech Transfer models to engage with potential clients
- Negotiations with clients, agreement preparation and finalization

2. Managing the patenting process. The TTU:

- Assists inventors with Innovation Disclosures
- Conducts patentability search
- Facilitates patent drafting, filing and prosecution/office actions

3. Managing the startup platform, SLINTEC Startup Engine (SSE). The TTU mainly focuses on:

- Expanding the services offered through SSE to entrepreneurs by partnering with different facilitators in the country (other reputed incubators, accelerators)
- Calling for applications and selecting potential startups/entrepreneurs to SSE through an evaluation process

On-boarding startups/entrepreneurs and providing them with the necessary mentoring, incentives (free lab space, free analytical services, etc.) and assistance to commercialize their innovations In the Commercial year of 2022 – 2023 SLINTEC has not commercialize any Technology.

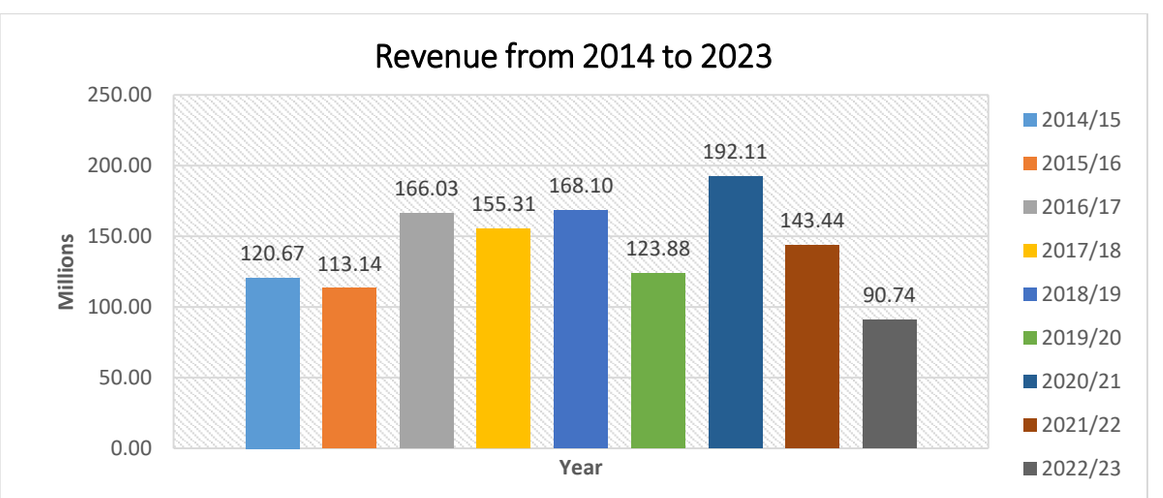
Finance Review

The loss for the year was Rs.53 million which is 158% increment of loss from previous year. The loss was mainly due to the drop in revenue, especially income from engineering services, income against recurrent expenditure and net finance income. However drop down of income offset against the new income generated through other income & Analytical Service income. During the year overall expenses were lower than the previous year due to less provision made for doubtful debtors in the year. Administration expense was almost equal to the previous year which depicts the controls implemented in expense management by the company. Biggest share of the expenses are in relation with staff cost which is around 50% of total expenditure (Expenditure before tax and impairment).

During the year the net assets of the company has been dropped by approximately Rs. 70 million compared to the previous year due to loss of the current year. Further, net asset value excludes any surplus arising from the revaluation of property, plant and equipment and the potential market value of the local and international intellectual properties in possession. The company has 25mn debt on its balance sheet as of March 31, 2023

Revenue

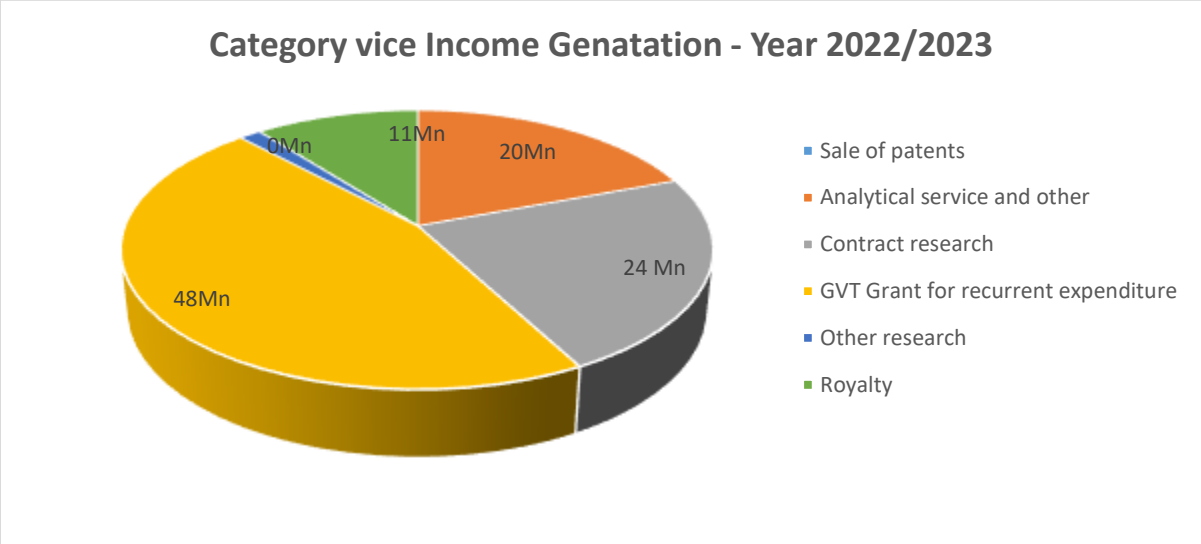
The total revenue for the year reached Rs.244 million, which is a decrease of 18% over the previous year. The main reason for the decrease is interest income loss in economic crisis situation, and non-receipt of Government recurrent budget. The key component of the above revenue was the Analytical & Other revenue which was Rs.188 million, this was Rental Income was a new source of income generated by the company. There is no sale of patent income in last year. Engineering income has reduced by Rs.16Mn from last year. The contract research income almost same, Rs.24Mn due to lack of interest from both government and private sector clients for the research due to economic crisis situation in the country. Interest income was lesser due to less cash balances and the reduction in bank deposit rate.



(All financials are in LKR million)

Revenue Year 2022/2023

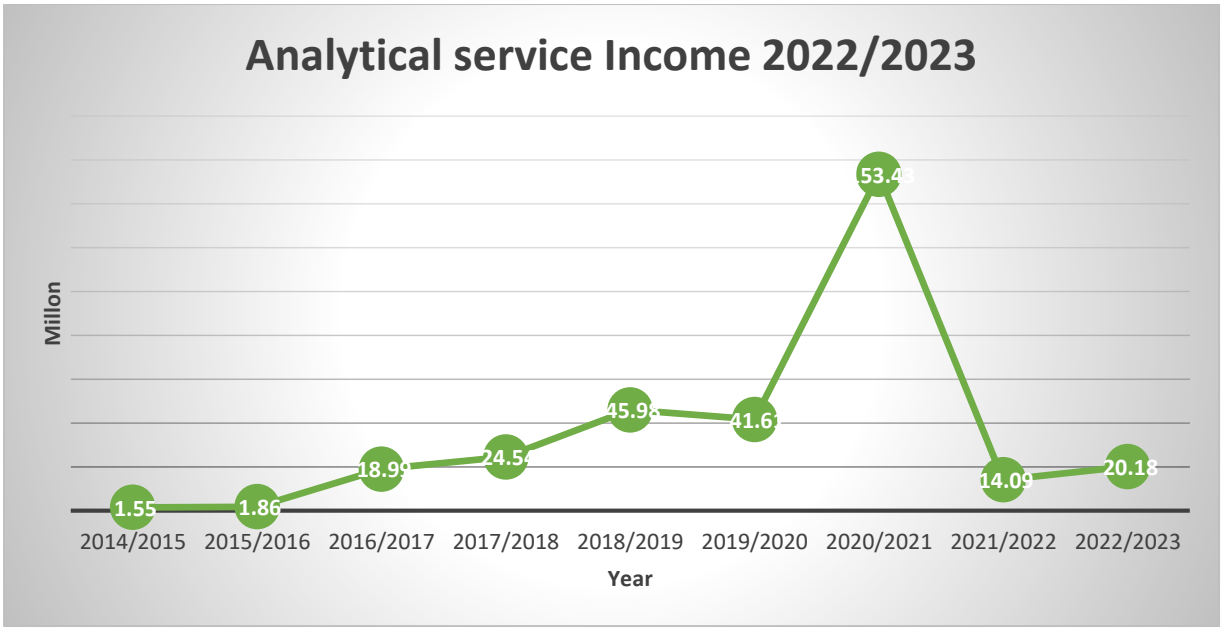
We have earned over Rs.90.74Mn income in period of 2022/2023 from analytical service, contract research, GVT grant for recurrent expenditure, royalty & other research. There are no patent sale in year 2022/2023.This chart shows the contribution of each income category during the period.



(*All financials are in LKR millions)*

1. Analytical Income

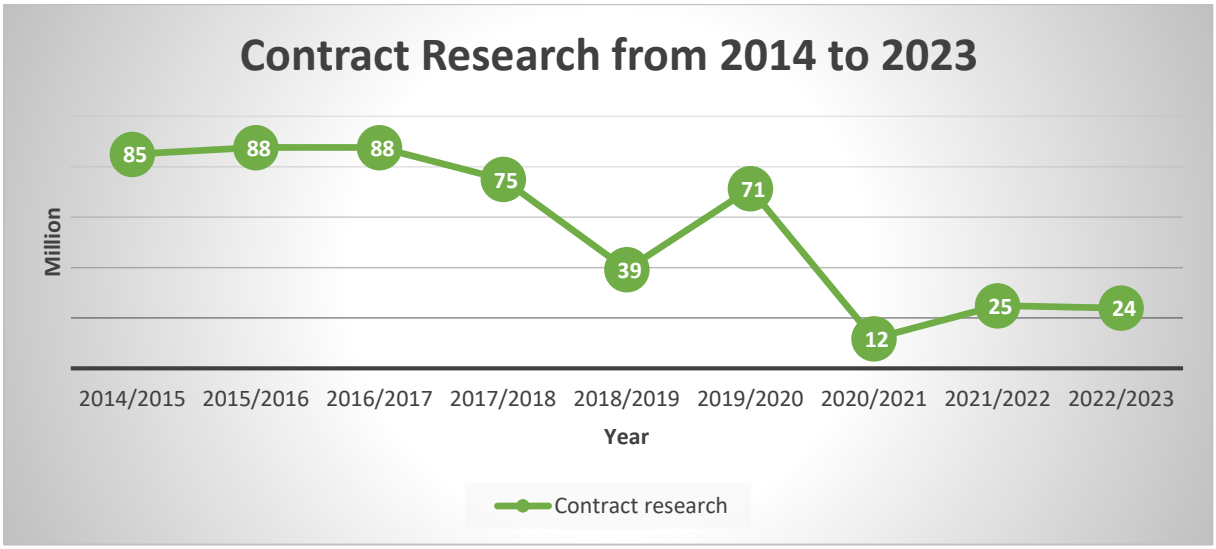
Analytical income has been contine with same increased level of 27%, it is Rs.153Mn from Covid 19 support Programme in 2020/2021.



All figures are in LKR millions

2.Contract Reaserch

Contract research income has been declined during the year of 2022/2023 due to less encouragement in the industries to invest in research and development due to crisis situation exist in the country.



All financials are in LKR millions

3. Sales of Patent

Sale of patent income has been zero durning the year of 2022/2023 compared to the last year. This has been happened due to slow movement of business operation due to crisis situation in the country,

4. Exchange gain & loss

Interest income has been declined due to excahnge rate impact due to crisis economic situtation and decline of interest rate for the investments in bank deposits during the year of 2022/2023.

5.Other Income

Other income has been increased mainly due to income generated through rent income of the phase 1b.

Total Overheads before Tax and Impairment Provisions by Main Category

1. Staff cost

Staff cost has been decreased by 01% from last year to current financial year 2022/2023, Staff has contributed by sacrificing all the increments to overcome financial difficulties faced by the company due to crisis situation in the country.

Total Overheads before Tax and Impairment Provisions by Main Category

1. Staff cost

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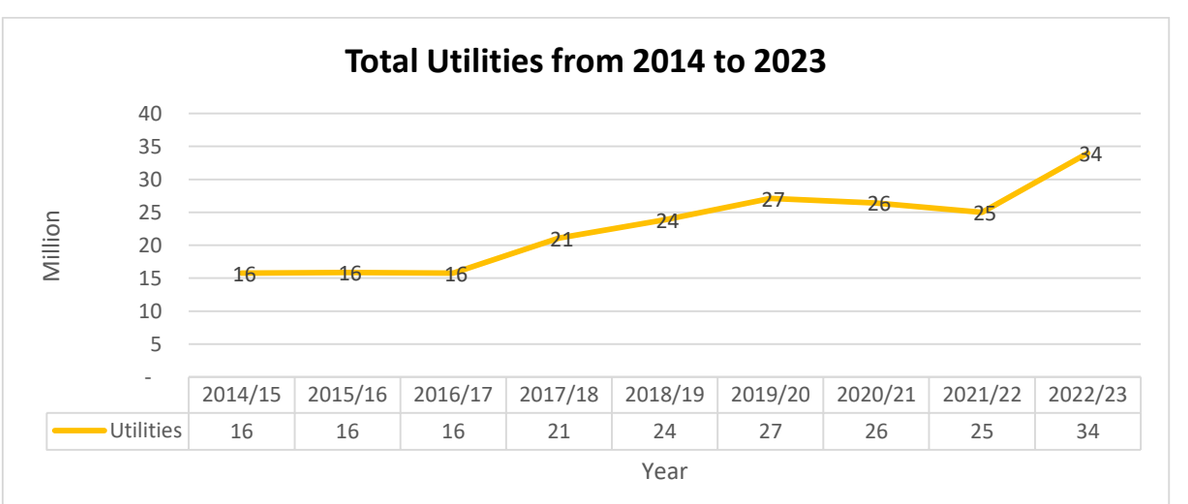
(*All financials are in Rs Million)*

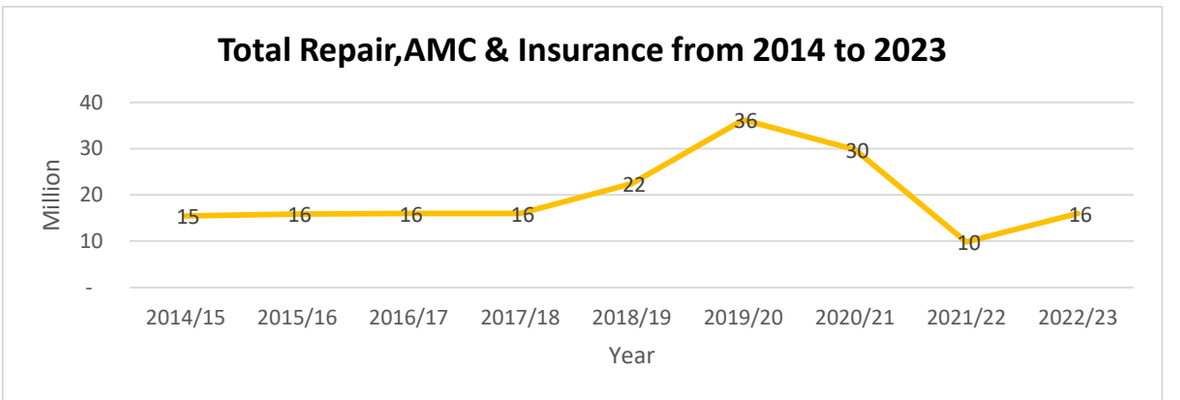
2. Utilities

Utility cost has been increased due to increase of electricity consumption rapidly from 2021/2022 to 2022/2023 financial year with the phase1b building.



(All financials are in Rs Million)

3. Repair, Annual Maintenance & Insurance



(All financials are in Rs Million)

Total expenditure for the year increased by 65% from last year mainly due to increase of Rep & AMC of lab equipment and Repair & Maintenance of Building and Repair & main of office equipment with Phase 1B building.

4. Net change in cost of Property, Plant and Equipment and Intangible assets

Key assets category purchased/ built in last five years

Asset Category	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
Lab equipment	59	47	287	36	3	1	2
Building	5	177	6	-	-	3,441	1
Computer and equipments	4	-	(1)	(2)	0	0	4
Furniture and fittings & Office	18	27	3	2	0	2	0
Software and other intangible assets	5	3	8	2	0	-	-
Capital Working progress	73	74	943	655	971	(2,740)	(1)
Total	**164**	**328**	**1,246**	**693**	**974**	**705**	**5.87**

(*All figures are in Rs millions)*

Company has invested in property plant and equipment continuously which is required to facilitate the development of Science Park. Company advanced equipment base now in a position to facilitate highest standard scientific research which will ultimately contribute towards developing technologically improved economy and society.

Financial Performances & Achievements of SLINTEC from 2012 to 2023

The way of SLINTEC, We proudly said technology developments, transferred & commercialized to various areas like agriculture, apparel industries, healthcare, and technologies for our valuable clients from 2012 to 2023

Year	No of products Commercialized	Client	Product/Innovation	Technology transfer Earning (Rs)
2012-2013	1	Nagarguna	Slow release Fertilizer	118,787,500
2014-2015	1	Lankem	Hydrophobic Coating	10,000,000
2016-2017	2	MAS Active	Moisture Management	20,615,000
2017-2018	1	MAS Active	Moisture Management	31,613,400
2018-2019	1	CGTL	Graphene production - 15% share value	63,529,412
2021-2022	1	Dynawash	Tea – based natural dying	11,000,000
2022-2023	1	CGTL	Ultra – super Graphena battery	10,800,000

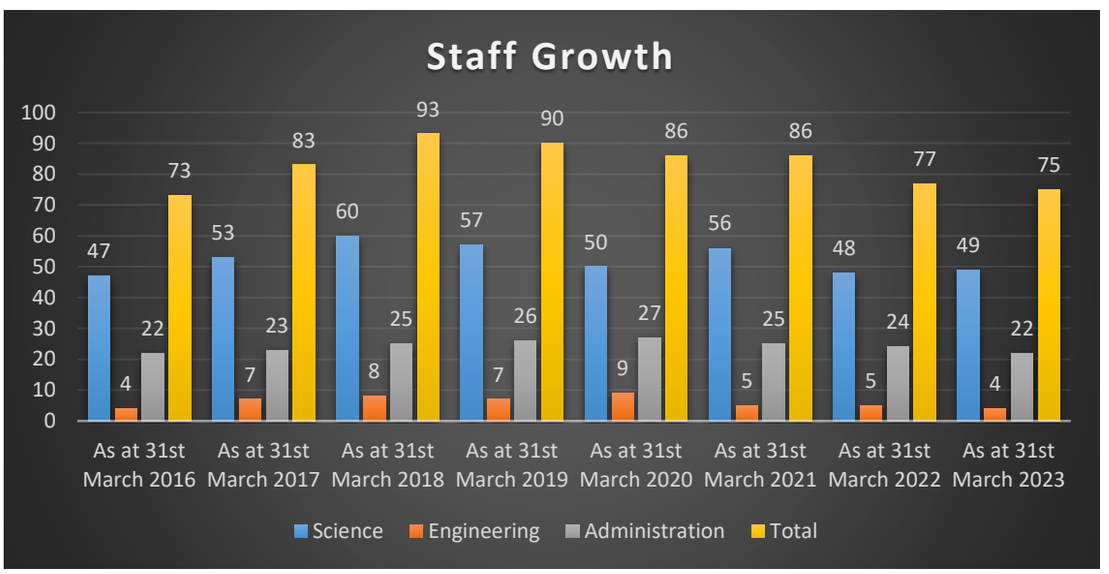
There is a brief history of SLINTEC with collaborative events, innovations, millstones from 2012 to current period. (Page 08-09)

More information - https://www.slintec.lk

Human Resources Review

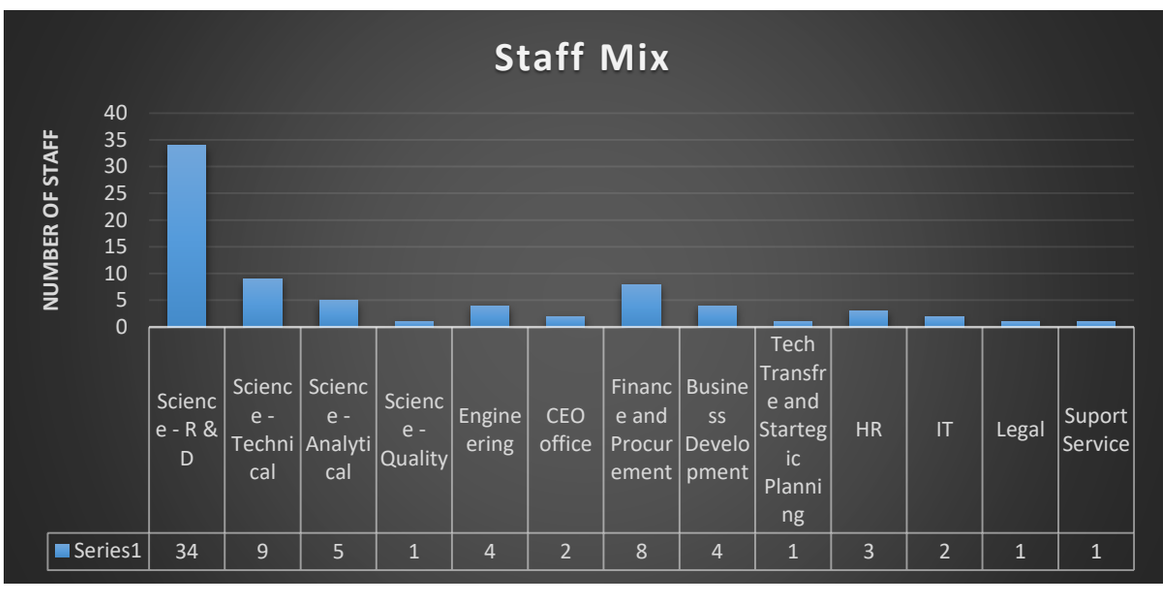
The staff strength at SLINTEC has grown from 44 as of March 31, 2012 to 69 in March 31, 2023 with overall science and enginering strength almost doubling up from 31 to 53 during the same period. To date SLINTEC has attracted 25 PhDs to relocate from overseas and currently 6 of them work at the Institute and the rest have joined the Universities and Industry providing an important contribution to increase the research and development culture in Sri Lanka. The Institute is also challenged in retaining young staff who obtain a training and leave for their PhDs overseas. Since inception we have seen a total of 56 staff leaving SLINTEC for further studies.

Staff Growth from 2016 to 2023

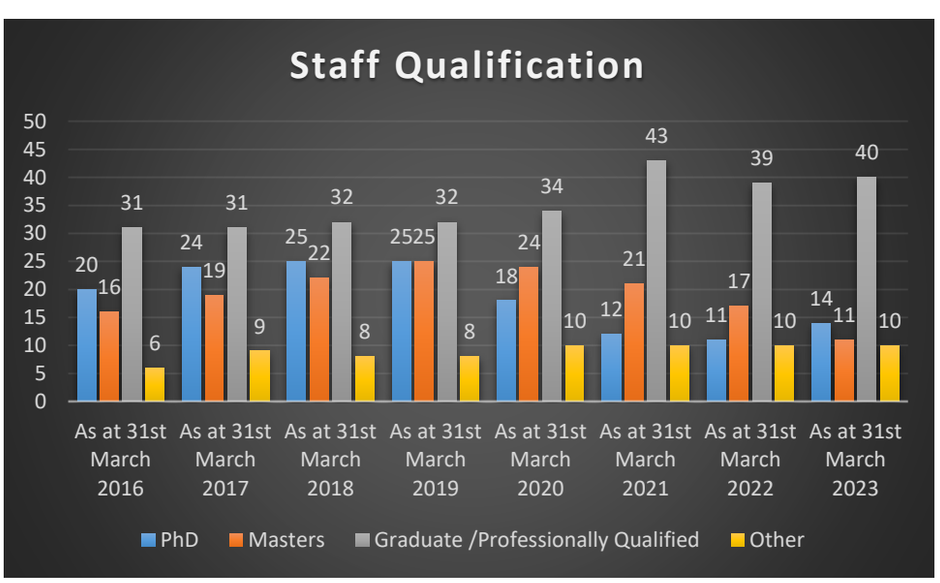


Staff Mix

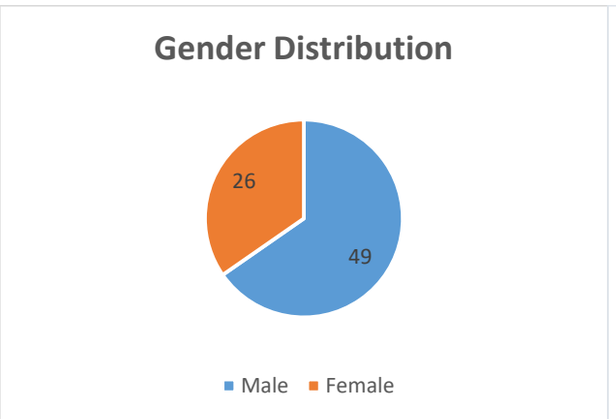
As of March 31, 2023 we have a total of 53 science and engineering related staff which is approximately 70% of the total staff strength of 75. Given the nature of the business our support staff component is maintained at a minimal.

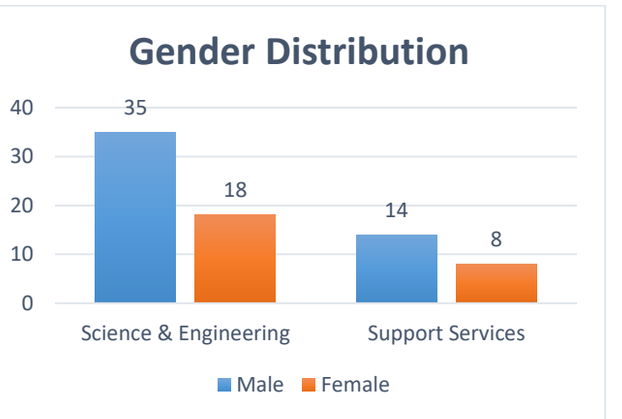


Staff Qualifications from 2016 to 2023



Gender Distribution





HR Processes

The institute works closely with the Employees Federation in order to ensure best practices are adopted. Training programs are conducted on a regular basis to provide soft skills to staff. The annual fire training (31 staff members participated) and First aid training programs (25 staff members participated) were conducted. We arranged facilities for staff for outside training opportunities (7 programs for 12 staff members). We have provided 24 internship opportunities for graduates and undergraduates throughout the year.

Employee Engagement

The Heads of Divisions meets regularly to review the activities of the Institute and to address key concerns. A quarterly town hall meeting is held to discuss staff concerns and also as a way to communicate the direction of the company and highlight the key issues highlighted by the Ministry and Board of Directors.

Due to the pandemic situation, SLINTEC did not encourage any staff gatherings or events.

Awareness Programme

The Institute participates in many awareness programs on behalf of the Ministry of Science, Technology and Research/ Ministry of Technology. The staff participate as key note speakers at various forums sharing the message of the benefits of science and engineering and in particular the benefits to be derived from Nano and advanced technology. During the past several years we have had the following visitors hosted at the Institute:

YEAR	VISITORS							
	School Students	University Students	Teachers	Foreign Visitors	Navy Students	Government Visitors	Special Visitors	Total
2014	1008	146	134	13	190	-	-	1491
2015	851	211	170	55	165	88	-	1540
	13 schools	11 Uni's						
2016	1158	355	374	108	50	14	-	2059
	14 schools	12 Uni's						
2017	519	640	946	70	36	184	151	2546
	7 schools	13 Uni's						
2018	1054	568	236	82	0	103	88	2131
	12 schools	13 Uni's						
2019	1686	288	263	71	80	103	108	2599
	19 schools	4 Uni's						
2020	80	30	10	-	48	97	-	265
	2 schools	1 Uni						
2021	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
2022 to 2023	17 schools 1953 students	9 universities 472 students	67 Teachers 17 Lecturers	40	25	20	120	
TOTAL	**6,356**	**2,238**	**2,133**	**399**	**569**	**589**	**347**	**12,631**
Average/year								**1,578**

Internal Control System & Risk Management System

Overview

The company employs a sound system of internal control which facilitates the effectiveness and efficiency of operations, helps to ensure the reliability of internal and external reporting and assists in compliance with laws and regulations. The controls ensure that the company is not unnecessarily exposed to financial risks and that financial information used within the business and for publication is reliable.

They also cover the safeguarding of assets, including the prevention and detection of fraud. The company's financial and risk identification process is carried out through quarterly internal audits based on pre-agreed structure to ensure the adequacy and effectiveness of the internal controls over identified processes and the compliance with policies and procedures.

Quarterly Compliance Reporting

A quarterly compliance report is provided to the audit committee. This report confirms the compliance to the internal processes and procedures as well as the external laws and regulations.

Audit committee

The Audit Committee consists of two directors assisted by the CEO and the Head of Finance. It meets as required to review the operations of Management and to ensure compliance with Board policies. The Committee reviews the quarterly compliance reports prepared by Management which details the action by Management to ensure compliance with Board policies. It also reviews the quarterly internal audit reports (prepared by independent auditors) to ensure that Management complies with specified procedures and that any shortcomings are addressed and corrected on a timely basis.

HR committee

The HR committee meets annually to review the policies and procedures related to HR matters as well as to review the promotion and approved salary adjustments and annual increments. During the year, any matters of concern are communicated to the committee as required.

Commercialization committee

The committee reviewed all key decisions with regard to contract research agreements, patent sales and Royalty revenue terms. The committee members are in regular contact with senior management to support the decision making process on commercial activity.

Safety Committee

The main functions of the health and safety committee are to facilitate co-operation in instigating, developing and carrying out measures to improve the health and safety of workers and assist in developing health and safety standards, rules and procedures. The committee met six times during the year.

Technical Evaluation Committees

As part of improving its procurement process as well to comply with Government procurement guidelines, the Institute has initiated the formation of Technical Evaluation Committee. These committees will be constituted depending on the nature of expertise required for a particular procurement.

ජාතික විගණන කාර්යාලය
தேசிய கணக்காய்வு அலுவலகம்
NATIONAL AUDIT OFFICE

මගේ අංකය எனது இல. My No. IMT/F/SLINTEC/FA/06/23/18 ඔබේ අංකය உமது இல. Your No. දිනය திகதி Date 17 January 2024

The Chairman

Sri Lanka Institute of Nanotechnology (Private) Limited

Report of the Auditor General on the Financial Statements and Other Legal and Regulatory Requirements of the Sri Lanka Institute of Nanotechnology (Private) Limited for the year ended 31 March 2023 in terms of Section 12 of the National Audit Act, No. 19 of 2018.

1. Financial Statements

1.2 Qualified Opinion

The audit of the financial statements of the Sri Lanka Institute of Nanotechnology (Private) Limited ("Company") for the year ended 31 March 2023 comprising the statement of financial position as at 31 March 2023 and the statement of profit or loss and other comprehensive income, statement of changes in equity and cash flow statement for the year then ended, and notes to the financial statements, 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 in my report, the accompanying financial statements give a true and fair view of the financial position of the company as at 31 March 2023, and of its financial performance and its cash flows for the year then ended in accordance with Sri Lanka Financial Reporting Standards for Small and Medium Entities (SLFRS for SMEs).

අංක 306/72, පොල්දූව පාර, බත්තරමුල්ල, ශ්‍රී ලංකාව. இல. 306/72, பொல்துவ வீதி, பத்தரமுல்லை, இலங்கை. No. 306/72, Polduwa Road, Battaramulla, Sri Lanka.
+94 11 2 88 70 28 - 34 +94 11 2 88 72 23 ag@auditorgeneral.gov.lk www.naosl.gov.lk

1.2 Basis for Qualified Opinion

Action had not been taken to reassess the usefull life of assets which were completely depreciated by March 31, 2023 but are still in use, amounting to Rs. 693,993,216 in accordance with Section 17.19 of Sri Lanka Accounting Standard for Small and Medium Enterprises and record accordingly.

1.3 Emphasis of Matters

I draw attention to Note 2.6 to the financial statements on going concern of the Company. The company incurred a net loss of Rs.53,324,398 for the year under review with an accumulated loss of Rs.1,422,311,947 as at the end of the year under review and as of that date, the company's total liabilities exceeded its total assets by Rs.59,802,470.

1.4 Other information included in the Company's 2022/2023 Annual Report.

The other information comprises the information included in the Company's 2022/2023 Annual Report but does not include the financial statements and my auditor's report thereon, which is expected to be made available to me after the date of this auditor's report. Management is responsible for the other information.

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

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

When I read the Company's 2022/2023 Annual Report, if I conclude that there are material misstatements therein, I am required to communicate that matter to those charged with governance for correction. If further material uncorrected misstatements are existed those will be included in my report to Parliament in pursuance of provisions in Article 154 (6) of the Constitution that will be tabled in due course.

1.5 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 Financial Reporting Standards for Small and Medium Entities (SLFRS for SMEs), and for such internal control as management determines 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 Company'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 Company or to cease operations, or has no realistic alternative but to do so.

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

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

1.6 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 skepticism 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 Company'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 Company'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 Company 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 and Companies Act, No. 7 of 2007 includes specific provisions for the following requirements.

2.1.1 Except for the effects of the matters described in the basis for qualified opinion section of my report I have obtained all the information and explanation that required for the audit and as far as appears from my examination, proper accounting records have been kept by the Company as per the requirement of section 163 (2) (d) of the Companies Act, No . 7 of 2007 and section 12 (a) of the National Audit Act, No. 19 of 2018.

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

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

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

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

Reference to Laws, Rules, Regulations etc.	Non- Compliance
Paragraph 6.6 of the Operational Manual of the State Owned Enterprises dated 16 November 2021.	(i) The accounts should be handed over to the Auditor General within sixty (60) days after the close of the financial year, but the accounts of the year ended 31 March 2023 were submitted on 24 August 2023, after 02 months and 24 days later. (ii) Though the financial statements should have been submitted with a draft of the annual report within 60 days after the end of the financial year, the company has not submitted them even at the reporting date.

2.2.3 to state that the Company 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.

2.2.4 to state that the resources of the Company 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.

3. Other Matters

a) Although more than two years have passed since the completion of the four research projects, the sum of remaining balances of Rs.1,908,230 had not been settled.

b) Sri Lanka Institute of Nanotechnology has constructed 62 rooms within 2 buildings to provide hostel facilities and they have been remained idle at the end of the year under review.

c) Eventhough a green house had been constructed at a cost of Rs. 33,373,109 in 2017 , it had not been utilized for the intended purpose as at September 2023.

d) Laboratory equipment and furniture purchased for the Active Pharmaceutical Ingredient pilot plant strategic project from year 2017 at a cost of Rs 88,770,040 had remained without been utilized for the said purposes even at the end of March 2023.

e) The value of the finished stock of fertilizer was Rs. 1,412,601, which has remained unsold in the warehouse.

f) On November 15, 2021, SLINTEC has entered into an agreement with private company to lease office and laboratory space for a period of 5 years. Despite the agreement, Rs. 1,986,673 worth of furniture was provided for the leased premises.

g) SLINTEC has entered into an agreement with an Indian company on March 15, 2012, to transfer Nano Fertilizer Development technology. According to the agreement, the total value was US $2,250,000 and was scheduled to be recovered in four installments. However, only a sum of US $1,000,000 had been settled on time as per the agreement, and although an invoice had been issued on June 30, 2013, for a sum of US $750,000, it had not been recovered by the end of the reviewed year.

h) The debtor balances amounting to Rs.2,767,407 of over four years and Rs.6,503,883 of over one year total amounting to Rs. 9,271,290 had not been recovered during the year under review.

W.P.C. Wickramaratne

Auditor General

The Audit Quarries that Related to Financial period 2023/2024 & what the Actions had taken against Audit Findings & Expected Recommendations by the Board of Directors/Controlling Panel in future.

- Reference to the audit observation 1.2 - As per Section 17.19 of the Property, Plant and Equipment on SLFRS for SMEs, if the expected value of effective lifetime of the assets differs from the previous estimate, the difference shall be calculated in accordance with paragraphs 10.15 - 10.18. However the Company had not re-estimated the effective life time of the fully depreciated fixed Assets which currently utilized, the cost of the assets was Rs. 693,993,216.

  Action taken – The cost to be incurred for the re-estimating of the useful life time of the assets just for the reporting purpose, is a waste of funds. SLINTEC may need to get the support from the foreign experts to re-estimate the useful life time of the assets which would be very costly. Further, if the re-estimation of the useful life time of the assets are done, it should be done within the useful life time of the asset and not after it. All these assets are fully depreciated and re-estimation of the useful lifetime and recognizing them as additions of assets would lead for improper financial statement presentation. Further, considering the cost factors related to asset revaluation, we will initiate the revaluation request process through the Ministry of Development & Innovation department.

- Reference to the audit observation 1.3 - I draw attention to Note 2.6 to the financial statements on going concern of the Company. The company incurred a net loss of Rs.53,324,398 for the year under review with an accumulated loss of Rs.1,422,311,947 as at the end of the year under review and as of that date, the company's total liabilities exceeded its total assets by Rs.59,802,470.

  Action taken – This has been addressed on the EGM. (Emergency General Meeting)

- Reference to the audit observation 3 (b) - Sri Lanka Institute of Nanotechnology has constructed 62 rooms within 02 buildings to provide hostel facilities and they have been remained idle at the end of the year under review.

  Action taken - Negotiations are underway with various parties for rent and further requirements are being prepared.

- Reference to the audit observation 3 (c) - Even though a greenhouse had been Constructed at a cost of Rs. 33,373,109 in 2017, it had not been utilized for the intended purpose as at September 2023.

  Action Taken – Green house facility was given to several clients to utilize at a cost time to time.

- Reference to the audit observation 3 (d) - Laboratory equipment and furniture purchased for Active Pharmaceutical Ingredient pilot plant strategic project from year 2017 at a cost of Rs 88,770,040 had remained without been utilized for the said purposes even at the end of March 2023

  Action Taken – with success SINTREC completed the lab scale testing, achieved the necessary kilo scales and obtained the certificate of Analysis, currently project has been abandoned and some of these equipment are being used my Mineral Laboratories and Natural Product Laboratories for other R& D projects.

- Reference to the audit observation 3 (e) - The value of the finished stock of fertilizer was Rs. 1,412,601, which has remained unsold in the warehouse

  Action taken - SLINTEC (Pvt) Ltd initiated the development of a urea-based slow-release fertilizer utilizing hydroxyapatite nanoparticles in 2009, aimed at reducing urea wastage in agriculture. This research gained significant traction, attracting interest from local and international organizations due to Sri Lanka's lack of a domestic urea manufacturing plant. By 2017, SLINTEC established a mini-scale Urea-hydroxyapatite Nano hybrid production plant. However, due to limited ongoing support, production was temporarily suspended.

- Reference to the audit observation 3(h) - The debtor balances amounting to Rs.2,767,407 of over four years and Rs.6,503,883 of over one year, total amounting to Rs. 9,271,290 had not Been recovered during the year under review.

  Action taken – The Medical Research Institute owes Rs. 6.5 million for the supply of swabs provided during the COVID-19 period. Despite the delivery of goods, they have not released the payment to SLINTEC. Efforts to influence the authorities to settle this outstanding amount have been unsuccessful. Management has tried in their level best to recover these balances. However, it was failed due to various reasons

Financial Statements

SRI LANKA INSTITUTE OF NANOTECHNOLOGY (PRIVATE) LIMITED

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31st March,	Note	2023 Rs.	2022 Rs.
Revenue	5	90,739,071	143,437,459
Research and development costs	6	(117,746,606)	(120,198,895)
Other income	7	120,848,398	67,193,357
Administrative expenses	8	(119,277,669)	(94,238,967)
Impairment of trade receivables		(29,090,485)	(89,168,548)
Loss from operations		(54,527,290)	(92,975,594)
Net finance income	9	32,095,692	88,099,762
Loss before tax	10	(22,431,598)	(4,875,832)
Income tax expense	11	(30,892,799)	(15,754,912)
Loss for the year		(53,324,398)	(20,630,743)
Other comprehensive income			
Actuarial gain /(loss) on defined benefit obligations		5,460,942	2,097,994
Tax on other comprehensive income		(819,141)	(314,699)
Other comprehensive income for the year, net of tax		4,641,800	1,783,295
Total comprehensive income for the year		(48,682,597)	(18,847,448)

The accounting policies and notes as set out in pages 5 to 21 form an integral part to these financial statements.

Figures in brackets indicate deductions.

SRI LANKA INSTITUTE OF NANOTECHNOLOGY (PRIVATE) LIMITED

STATEMENT OF FINANCIAL POSITION

As at 31st March,	Note	2023 Rs	2022 Rs
ASSETS			
Non-current assets			
Property, plant and equipment	12	3,974,268,229	4,218,502,891
Intangible Assets	13	3,644	217,360
		3,974,271,873	4,218,720,251
Non current financial assets	14	63,529,412	63,529,412
Current assets			
Inventories	15	30,714,888	23,938,589
Trade and other receivables	16	55,307,261	35,738,989
Amounts due from related parties	17	6,580,318	25,664,498
Cash and cash equivalents	18	17,278,936	19,575,486
Total Current Assets		109,881,403	104,917,563
TOTAL ASSETS		4,147,682,688	4,387,167,225
EQUITY AND LIABILITIES			
Equity			
Stated capital	19	1,362,509,477	1,362,509,477
Retained earnings		(1,422,311,947)	(1,373,629,350)
Total Equity		(59,802,470)	(11,119,873)
Non-current liabilities			
Employee benefits	20	12,374,934	17,505,111
Deferred tax liabilities	21	20,187,973	19,501,811
Government grants	22	3,998,140,743	4,240,327,960
Foreign Grants	23	15,753,639	19,158,819
Loan		25,468,607	-
Total Non-Current Liabilities		4,071,925,896	4,296,493,701
Current liabilities			
Advances against research grants	24	594,121	2,667,283
Advances against equipment grants	25	451,589	4,421,215
Trade and other payables	26	49,569,291	30,786,148
Deferred income form customers	27	51,684,359	40,371,065
Income tax payable		19,451,979	9,268,314
Advances from related parties	28	31,747	31,747
Bank overdraft	18	13,776,176	14,247,627
Total Current Liabilities		135,559,262	101,793,399
Total Liabilities		4,207,485,157	4,398,287,099
TOTAL EQUITY AND LIABILITIES		4,147,682,688	4,387,167,225

The accounting policies and notes as set out in pages 5 to 21 form an integral part to these financial statements.

Figures in brackets indicate deductions.

I certify that the financial statements have been prepared in accordance with the requirements of the Companies Act No 07 of 2007.

.....
Chief Executive Officer

.....
Assistant Manager
Finance

The Directors are responsible for the preparation and presentation of these Financial Statements.
Approved and signed for and on behalf of the Board

.....
Director

.....
Director

03rd August 2023

SRI LANKA INSTITUTE OF NANOTECHNOLOGY (PRIVATE) LIMITED

STATEMENT OF CHANGES IN EQUITY

	Stated Capital			
	Ordinary shares	Preference shares	Accumulated loss	Total
	Rs.	Rs.	Rs.	Rs.
Balance as at 01st April, 2021	873,543,879	488,965,598	(1,354,781,902)	7,727,575
Loss for the year	-	-	(20,630,743)	**(20,630,743)**
Other comprehensive income for the year	-	-	1,783,295	**1,783,295**
Balance as at 31st March, 2022	873,543,879	488,965,598	(1,373,629,350)	(11,119,873)
Loss for the year	-	-	(53,324,398)	**(53,324,398)**
Other comprehensive income for the year	-	-	4,641,800	**4,641,800**
Balance as at 31st March, 2023	873,543,879	488,965,598	(1,422,311,947)	(59,802,470)

The accounting policies and notes as set out in pages 5 to 21 form an integral part to these financial statements.
Figures in brackets indicate deductions.

SRI LANKA INSTITUTE OF NANOTECHNOLOGY (PRIVATE) LIMITED

STATEMENT OF CASH FLOW

For the year ended 31st March	2023	2022
	Rs.	Rs.
Cash flows from operating activities		
Loss before income tax expense	**(22,431,598)**	**(4,875,832)**
Adjustment for		
Depreciation and amortisation of non-current assets	**250,213,513**	211,154,708
Reversal of Impairment of non moving inventories	**-**	-
Provision for retirement benefit obligations	**4,544,182**	5,271,018
Impairment of trade receivables (Provisions)	**29,090,485**	89,168,548
Reversal of Impairment of trade receivables (Provisions)	**-**	(1,401,555)
Amortisation and utilisation of grants	**(249,562,023)**	(203,040,747)
Interest income	**(2,780,128)**	(1,299,315)
Loss on fixed asset disposal	**-**	12,347
Loss from operations before working capital changes	**9,074,430**	**94,989,173**
(Increase)/decrease in inventories	**(6,776,299)**	1,518,758
(Increase)/decrease in trade and other receivables	**(48,516,545)**	(88,362,129)
(Increase)/decrease in amounts due from related parties	**19,084,179**	(22,076,732)
Increase /(decrease) in trade and other payables	**18,783,143**	7,691,928
Increase /(decrease) in deferred income form customers	**11,313,293**	28,314,676
Increase/(decrease) in amounts due to related parties	**(0)**	**31,747**
Cash generated from operations	**2,962,201**	**22,107,421**
Income tax paid	**(20,842,112)**	(10,461,404)
Gratuity paid	**(4,213,418)**	(7,843,400)
Net cash flows from operating activities	**(22,093,329)**	**3,802,617**
Cash flows from investing activities		
Purchase of plant and equipment (net of grant assets received)	**(1,795,504)**	(3,419,218)
Proceeds from disposal of plant and equipment's	**-**	-
Interest income received	**2,637,916**	1,324,170
Advances against research grants	**(5,629,774)**	(218,942)
Net cash flows from investing activities	**(8,756,988)**	**(2,313,990)**
Cash flows from financing activities		
Cash received in respect of grants	**3,556,612**	2,286,857
Cash received as short term loan	**25,468,607**	
Net cash flows from financing activities	**29,025,218**	**2,286,857**
Net increase/(decrease) in cash and cash equivalents	**(1,825,098)**	3,775,484
Cash and cash equivalents at the beginning of the year	**5,327,857**	1,552,373
Cash and cash equivalents at the end of the year (Note 18)	**3,502,759**	**5,327,857**

The accounting policies and notes as set out in pages 5 to 21 form an integral part to these financial statements.

Figures in brackets indicate deductions.

SRI LANKA INSTITUTE OF NANOTECHNOLOGY (PRIVATE) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

1 Corporate information

1.1 Reporting entity

The reporting entity, Sri Lanka Institute of Nanotechnology (Pvt) Ltd, came into existence on 31st March 2011, by the amalgamation of the Sri Lanka Institute of Nanotechnology (Pvt) Ltd with Nanco (Pvt) Ltd. The amalgamated entity adopted the name Nanco (Pvt) Ltd. Pursuant to Section 244 (1) (a) of the Companies Act No. 07 of 2007, the Registrar – General of Companies issued a Certificate of Amalgamation to Nanco (Private) Ltd as a new Company. Thereafter, on 30 November 2011 the amalgamated company, Nanco (Pvt) Ltd changed its name to the Sri Lanka Institute of Nanotechnology (Pvt) Ltd. ("SLINTEC")

The registered office of the Company is the Nanotechnology and Science Park, Mahenwatte, Pitipana, Homagama, Sri Lanka.

The Company has no distinguishable Parent undertaking.

The Company is engaged in scientific research (with special emphasis on nanotechnology applications). It aims to develop products and services, which benefit the economy, and optimises use of natural and human resources available in the Country. It works in close collaboration with the scientific community in furtherance of its objectives.

2 Basis of preparation

2.1 Statement of compliance

The financial statements of the Company have been prepared in accordance with the Sri Lanka Financial Reporting Standards for Small and Medium Enterprises (SLFRS for SMEs) adopted by the Institute of Chartered Accountants of Sri Lanka (ICASL) and with the requirements of the Companies Act No 7 of 2007 and Sri Lanka Accounting and Auditing Standards Act No.15 of 1995.

The financial statements of the Company for the year ended 31st March 2023 were authorized for issue by the directors on 03rd August 2023.

2.2 Basis of measurement

The financial statements have been prepared on the historical cost basis, except for measurement of retirement benefit obligations, which is measured at the present value of defined benefit obligations.

2.3 Events occurring after the reporting date

All material post reporting date events have been considered and where appropriate adjustments or disclosures have been made in the financial statements.

2.4 Functional and presentation currency

The financial statements are presented in Sri Lankan Rupees, which is the Company's functional currency.

SRI LANKA INSTITUTE OF NANOTECHNOLOGY (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

2.5 Use of estimates and judgments

The preparation of financial statements in conformity with SLFRS for SMEs requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from those estimates and judgmental decisions.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised. If the revision affects a prior period, the adjustment would be carried out in the year of the revision in estimates and the future periods.

2.6 Going concern

The Directors have made an assessment of the Company's ability to continue as a going concern in the foreseeable future, and they do not intend either to liquidate or to cease operations.

3 Significant accounting policies

3.1 Statement of comprehensive income

3.1.1 Revenue

Revenue comprises the fair value of the consideration received or receivable for the sale of services in the ordinary course of the company's activities. Revenue is shown net of applicable taxes and levies, returns, rebates and discounts.

The company recognises revenue when the amount of revenue can be reliably measured.

The following specific criteria are used for purpose of recognition of revenue.

3.1.1.1 Contract research

Revenue under this category comprises the amounts charged to customers in respect of research and development activities undertaken by the company on a payment of an agreed fee. Fee income is recognized as revenue over the related service period as per the agreement.

3.1.1.2 Sale of Patents

The company has made several local and international patent applications. These patents will be either sold or licensed by the company and revenue will be recognised as per the terms of the sale or licensing agreement.

3.1.1.3 Analytical services

The company equipment is used to provide analytical services to clients based on samples provided. The fees for these analytical services are recognized on an accruals basis.

3.1.2 Expenses

Expenses are recognised in the income statement on the basis of a direct association between the cost incurred and the earning of specific items of income. All expenditure incurred in the running of the business and in maintaining the Property, Plant and Equipment in a state of efficiency has been charged to income in arriving at the profit for the year.

SRI LANKA INSTITUTE OF NANOTECHNOLOGY (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

3.1.2.1 Borrowing costs

Borrowing costs are recognized as an expense in the period in which they are incurred.

3.1.2.2 Net finance costs

Finance income comprises interest income on funds invested, and gains on translation of foreign currency. Interest income is recognised in profit and loss as it accrues.

Finance expenses comprise interest payable on borrowings and losses on translation of foreign currency.

3.1.3 Taxation

Income tax expense is recognised in profit and loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

3.1.3.1 Current taxes

The current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the reporting date, and any adjustment to tax payable in respect of previous years but is subject to the tax concessions granted by the Board of Investment in respect of business income.

3.1.3.2 Deferred taxes

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefits will be realized.

The net increase in the carrying amount of deferred tax liability net of deferred tax asset is recognised as deferred tax expense and conversely any net decrease is recognised as reversal to deferred tax expense, in the statement of comprehensive income.

3.2 Foreign currency

3.2.1 Foreign currency transactions

Transactions in foreign currencies are translated to Sri Lankan Rupees at the exchange rate applicable on the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the Sri Lankan Rupees at the exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in profit and loss.

SRI LANKA INSTITUTE OF NANOTECHNOLOGY (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

3.3 Assets and bases of their valuation

Assets classified as current assets in the statement of financial position are cash and bank balances and those, which are expected to be realised in cash during the normal operating cycle or within one year from the reporting date, whichever is shorter.

3.3.1 Property, plant and equipment

3.3.1.1 Owned assets

Items of property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

3.3.1.2 Subsequent expenditure

The cost of replacing a part of an item of property, plant & equipment is recognised at the carrying amount of that item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of these parts that are replaced is recognised in accordance with the derecognition policy given below.

The cost of the day-to-day servicing of property, plant & equipment are recognised in profit and loss as incurred.

3.3.1.3 Capital work-in-progress

Capital expenditure on assets not ready to use by the company is reflected as Capital Work in Progress till the period of completion and thereafter shown as a Fixed Asset in the relevant asset category.

3.3.1.4 Depreciation

Depreciation is charged to profit or loss on a straight-line basis over the estimated useful lives of items of property, plant and equipment. The estimated useful lives are as follows.

Building	30 years
Building-Green House	10 years
Computer equipment	3 years
Furniture & Fittings	5 years
Motor Bicycles	5 years
Office Equipment	5 years
Lab Equipment - Nano characterization equipment	10 years
Lab Equipment - Project specialized lab equipment	5 years
Lab Equipment - General-purpose lab equipment	5 years

Depreciation of an asset begins when it is available for use and ceases at the earlier of the date on which the asset is classified as held for sale or derecognised.

3.3.2 Intangible Assets

The company measures intangible assets at cost less any accumulated amortisation and any impairment losses.

3.3.2.1 Amortisation

The depreciable amount of an intangible asset is amortised on a straight line basis over the estimated useful life and is recognised as an expense. The estimated useful lives are as follows.

SRI LANKA INSTITUTE OF NANOTECHNOLOGY (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

Computer Software	3 years

3.3.3 Inventories

Inventories are valued at the lower of the cost and net realizable value. Net realizable value is the estimated selling price less estimated costs of completion and the estimated costs necessary to make the Sale.

Inventories comprise of chemicals and consumables that are used in laboratories and are accounted for using a weighted average basis.

3.3.4 Financial assets

3.3.4.1 Financial assets measured at amortised cost

Financial assets measured at amortised cost are recognised initially at fair value plus any directly attributable costs. Subsequent to initial recognition, loans and receivables are measured at amortised cost using effective interest method, less impairment, if any.

3.3.4.2 Financial Assets Measured at Fair Value through Profit or Loss

Financial assets at fair value through profit or loss are measured at fair value and any changes therein are recognised in profit or loss.

3.3.5 Trade & other receivables

Trade & other receivables are stated at their estimated realisable amounts.

3.3.6 Cash and cash equivalents

Cash and cash equivalents comprise cash balances and demand deposits. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flow.

3.4 Liabilities and Provisions

Liabilities classified as current liabilities on the statement of financial position are those, which will fall due for payment on demand or within one year from the reporting date.

Non-current liabilities are those balances that fall due for payment after one year from the reporting date.

All known liabilities have been accounted for in preparing the financial statements.

3.4.1 Financial liabilities

3.4.1.1 Financial liabilities measured at amortised cost

Financial liabilities measured at amortised cost are recognised initially at fair value plus any directly attributable costs. Subsequent to initial recognition, financial liabilities are measured at amortised cost using effective interest method, less impairment, if any.

SRI LANKA INSTITUTE OF NANOTECHNOLOGY (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

3.4.1.2 Financial Liabilities Measured at Fair Value through Profit or Loss

Financial liabilities at fair value through profit or loss are measured at fair value and any changes therein are recognised in profit or loss.

3.4.2 Employee Benefits

3.4.2.1 Defined Contribution Plans

There is in operation a defined contribution plan, which is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligations to pay further amounts. Obligations for contributions to Provident and Trust Funds covering all employees are recognised as an expense in profit and loss as incurred.

3.4.2.2 Defined Benefit Plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The liability recognised in the Statement of Financial position in respect of defined benefit plans is the present value of the defined benefit obligation at the reporting date. The defined benefit obligation is calculated annually using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related liability.

Provision has been made for retirement gratuities from the first year of service for all employees, in conformity with SLFRS for SMEs. However, under the Payment of Gratuity Act No. 12 of 1983, the liability to an employee arises only on completion of 5 years of continued service.

3.4.3 Grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with.

When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the cost, which it is intended to compensate, are expensed.

Grants and subsidies which intend to compensate an expense or loss already incurred or received for the purpose of immediate financial support with no future related costs, are recognised in the income statements in the period in which the grant becomes receivables.

Grants and subsidies related to assets are immediately recognised in the statement of financial position as deferred income, and recognised in the income statements on a systematic and rational basis over the useful life of the asset.
Amortization rates for each type of grant are as follows

Building	30 years
Building-Green House	10 years
Computer equipment	03 years
Computer Software	03 years
Furniture & Fittings	05 years
Office Equipment	05 years
Lab Equipment - Nano characterization equipment	10 years
Lab Equipment - Project specialized lab equipment	05 years
Lab Equipment - General-purpose lab equipment	05 years

SRI LANKA INSTITUTE OF NANOTECHNOLOGY (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

3.4.4 Provisions

A provision is recognised if, as a result of a past event, the company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

3.4.5 Trade and other payables

Trade and other payables are stated at their cost.

3.4.6 Capital commitments and contingencies

Capital commitments and contingent liabilities of the Company are disclosed in the respective Notes to the Financial Statements.

4. Statement of cash flows

Statement of cash flows is prepared based on the indirect method. Interest income is classified as cash flows from investing activities.

SRI LANKA INSTITUTE OF NANOTECHNOLOGY (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st March,	2023 Rs.	2022 Rs.
5 Revenue		
Sale of patents	-	-
Royalty	1,542,536	3,015,000
Analytical services	20,179,656	14,091,014
Contract research	23,933,934	24,871,060
Engineering services	(4,417,055)	12,138,588
Other research	1,500,000	2,386,797
GVT Grant for recurrent expenditure	48,000,000	86,400,000
Consultancy Services	-	535,000
	90,739,071	143,437,459
6 Research and development costs		
Gross research and development expenses	224,198,661	238,910,428
Less : Amortization relevant for Research and development	(106,452,054)	(118,711,533)
	117,746,606	120,198,895
7 Other income		
Rent income	115,448,790	63,231,179
Park Ground Rental	3,926,126	3,025,000
Other Income	1,450,142	949,525
Fixed Asset Gain/(Loss)	-	(12,347)
COVID Support Income	-	-
	120,848,398	67,193,357
8 Administrative expenses		
Gross Administrative expenses	289,047,103	265,857,676
Less : Amortization relevant for the administration	(146,139,891)	(84,548,156)
	142,907,212	181,309,521
Less : impairment of trade receivables	(29,090,485)	(89,168,548)
Actuarial gain /(loss) on defined benefit obligations	5,460,942	2,097,994
	119,277,669	94,238,967
9 Net finance income		
Finance income		
Interest income - local currency	2,767,164	1,298,248
Interest income - Foreign currency	12,964	1,067
Net foreign exchange gain/(loss)	29,784,171	86,800,448
Less: Finance Cost	(468,607)	-
	32,095,692	88,099,762
10 Loss before tax		
Loss before tax is stated after charging the following:		
Depreciation / amortisation of property, plant and equipment	250,213,513	211,154,708
Auditors' remuneration - Statutory audit	18,000	708,000
Impairment of trade receivables - provision	29,090,485	89,168,548
Reversal of impairment of trade receivables	-	(1,401,555)
Personnel costs (Note 10.1)	129,231,171	127,205,549
10.1 *Personnel costs*		
Permanent Consultants	5,157,500	2,764,600
Salaries	103,549,995	103,202,679
Defined contribution plan - EPF/ETF	15,979,493	15,967,251
Defined benefit plan - Retirement gratuity	4,544,182	5,271,018
	129,231,171	127,205,549
11 Income tax expense		
Current tax expense		
Income tax expense	31,025,777	15,309,803
Deferred tax expense		
Origination /(reversal) of temporary differences	(132,978)	445,108
	30,892,799	15,754,912
Non business income		
Interest income	2,780,128	1,299,315
Other income	120,825,058	67,205,704
COVID Support Income (Net)	-	-
Taxable income	123,628,526	68,505,019
Income tax @ 24% on balance taxable income	29,665,245	16,441,204
Income tax @ 18% on COVID Support Income	-	-
Under/(over) provision	-	(1,131,401)
Taxation on profits	29,671,780	15,309,803

The Board of Investments of Sri Lanka has granted the following tax benefits to the Company.

By the letter dated 04th April 2019, the Board of Investment (BOI) has confirmed that Sri Lanka Institute of Nanotechnology (Pvt) Ltd (the amalgamated company) is entitled to the existing tax holidays of 7 years followed by a 15 % tax rate thereafter.BOI has confirmed that the tax holiday period of 7 years will commence from 2 years after 17th December 2013 (2 years reckoned from the date of commencement of commercial operations i.e. 17/Dec/2013) or year which organization commence to make profit which ever is earlier. Accordingly, 7 years of tax exemption has started from the date of 17th December 2015.

12 Property, plant and equipment

	Lab equipment	Furniture and fittings	Computer equipment	Office equipment	Leasehold Building	Vehicle	Capital work in progress	Total
Cost								
Balance as at 01.04.2022	**1,304,054,494**	**32,868,735**	**26,294,420**	**160,295,682**	**4,196,730,152**	**384,574**	**805,042**	5,721,433,099
Additions	1,781,036	362,259	3,709,861	10,500	676,439	-		6,540,095
Transfers	-	-	-	-	-	-	(774,960)	(774,960)
Disposals	(43,780)	-	(885,950)	-	-	-	-	(929,730)
Balance as at 31.03.2023	**1,305,791,750**	**33,230,994**	**29,118,331**	**160,306,182**	**4,197,406,591**	**384,574**	**30,082**	**5,726,268,504**
Accumulated depreciation / amortisation								
Balance as at 01.04.2022	**1,016,286,917**	**30,118,038**	**25,884,933**	**158,010,821**	**272,248,290**	**381,209**	**-**	**1,502,930,208**
Charge for the year	100,956,947	906,285	944,326	1,387,108	145,801,767	3,365	-	249,999,797
Disposals	(43,780)	-	(885,950)	-	-	-	-	(929,730)
Balance as at 31.03.2023	**1,117,200,084**	**31,024,322**	**25,943,309**	**159,397,928**	**418,050,057**	**384,574**	**-**	**1,752,000,274**
Carrying amount as at 31.03.2022	287,767,577	2,750,697	409,487	2,284,861	3,924,481,862	3,365	805,042	4,218,502,891
Carrying amount as at 31.03.2023	**188,591,666**	**2,206,672**	**3,175,021**	**908,253**	**3,779,356,534**	**0**	**30,082**	**3,974,268,229**

SRI LANKA INSTITUTE OF NANOTECHNOLOGY (PRIVATE) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

	As at 31st March,	2023	2022
		Rs.	Rs.
13	**Intangible Assets**		
	Cost		
	Balance at the beginning of the year	24,898,603	24,898,603
	Additions	-	-
	Balance as at the end of the year	**24,898,603**	**24,898,603**
	Accumulated amortisation		
	Balance at the beginning of the year	24,681,243	23,773,977
	Charge for the year	213,716	907,266
	Balance as at the end of the year	**24,894,959**	**24,681,243**
	Carrying amount as at the end of the year	**3,644**	**217,360**

Intangible assets include computer software, software licenses and ERP System purchased by the organization.

14	**Non current financial assets**		
	Balance at the beginning of the year	63,529,412	63,529,412
	Additions	-	-
	Balance as at the end of the year	**63,529,412**	**63,529,412**

Non current financial asset consist un quoted equity investment (6,352,941 shares) in Ceylon Graphene Technologies Private Limited.

SLINTEC (Pvt) Ltd has 50% ownership of Ceylon Nano Diagnostics (Pvt) Ltd as at balance sheet date. Shareholder agreement has not been finalized & no investment has been made as at 31st March 2022.

15	**Inventories**		
	Chemicals and consumables	**29,450,048**	25,889,244
	Less: Provision for slow moving chemicals and consumables	**(1,950,655)**	(1,950,655)
	Engineering Stock	**1,270,650**	-
	Production Stock	**1,944,846**	-
		30,714,888	**23,938,589**

	As at 31st March,	2023	2022
		Rs.	Rs.
16	**Trade and other receivable**		
	Trade receivables	**363,050,914**	309,507,534
	Advance paid for the vendors	**2,744,098**	1,776,827
	Reimbursable expenses from customers	**416,543**	416,543
	Amount due from shareholders	**1,000**	1,000
	Interest income receivable	**151,319**	9,107
	Advances and prepayments	**7,861,750**	7,435,174
	Security deposit	**1,285,492**	1,253,622
	Value Added Tax recoverable	**473,936**	7,282,043
		376,340,607	**327,681,851**
	Less: Impairment of trade receivables - provision	**(315,836,382)**	(286,941,711)
	Less: Reversal of impairment of trade receivables		195,813
	Less: Impairment of Value Added Tax receivable	**(5,196,964)**	(5,196,964)
		55,307,261	**35,738,989**

SRI LANKA INSTITUTE OF NANOTECHNOLOGY (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS

	As at 31st March,	2023	2022
		Rs.	Rs.
17	**Amounts due from related parties**		
	MAS Innovation (Pvt) Ltd	**703,174**	104,100
	Noyon Lanka (Pvt) Ltd	**41,836**	137,036
	Lankem Ceylon PLC	**2,957,894**	2,957,894
	Brandix Apparel Ltd	**18,255**	18,255
	Haycarb PLC	**1,129,909**	11,800
	LOLC Advanced Technologies Pvt Ltd	**6,104,062**	15,234,857
	Bodyline Pvt Ltd	**5,000**	5,000
	MAS fabrics (pvt) Ltd-Matrix	**39,000**	39,000
	Ceylon Graphene Technologies (Pvt) Ltd	**3,272,603**	15,082,742
	MAS Silueta (Pvt) Ltd	**212,691**	-
	Ceylon Nano Diagnostics (Pvt) Ltd		9,600
	SLINTEC Academy		23,978
	MAS Intimates (Pvt) Ltd	**55,658**	
	Less: Impairment of related party receivables - provision	**(7,959,764)**	(7,959,764)
		6,580,318	25,664,498
18	**Cash and cash equivalents**		
	Favorable cash and cash equivalents		
	Cash in hand	**218,402**	100,000
	Fixed deposits- Maturity with in 3 months	**17,000,000**	17,000,000
	Cash at bank - savings account	**5,401**	8,137
	Cash at bank - current account	**18,467**	18,467
	Cash at bank - savings account US$	**36,666**	2,448,882
		17,278,936	19,575,486
	Unfavorable cash and cash equivalents		
	Less: Bank overdraft	**(13,710,910)**	(14,146,793)
	Credit card	**(65,266)**	(100,834.02)
		3,502,760	5,327,858

18.1 The above cash and cash equivalents balance includes the advance received for the purchase of equipment.

18.2 The company has obtained a bank overdraft facility from Bank of Ceylon amounting to Rs 15 million against FD no 74501368

	As at 31st March,	2023	2022
		Rs.	Rs.
19	**Stated capital**		
	Issued and fully paid		
	Ordinary share capital		
	Balance as at the beginning of the year	**873,543,879**	873,543,879
	Balance as at the end of the year	**873,543,879**	**873,543,879**
	Preference share capital		
	Balance as at the beginning of the year	**488,965,598**	488,965,598
	Balance as at the end of the year	**488,965,598**	**488,965,598**
	Total	1,362,509,477	**1,362,509,477**
	Number of Shares		
	Ordinary share capital		
	Balance as at the beginning of the year	**87,361,572**	87,361,572
	Balance as at the end of the year	**87,361,572**	**87,361,572**
	Preference share capital		
	Balance as at the beginning of the year	**51,792,386**	51,792,386
	Balance as at the end of the year	**51,792,386**	**51,792,386**

SRI LANKA INSTITUTE OF NANOTECHNOLOGY (PRIVATE) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

19 Stated capital (Continued)

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per individual present at the meeting of shareholders or one vote per share in case of a poll. Convertible preference shares rank pari passu with the ordinary shares except they do not carry the right to vote. These preference shares carry a right of conversion to voting shares as and when the Company issues voting shares to the existing private sector shareholders or new shareholders.

Preference share capital

The National Science Foundation holds 100% of the preference share capital on behalf of the Government of Sri Lanka.

As at 31st March,	2023	2022
	Rs.	Rs.
20 Employee benefits		
Movement in the present value of employee benefits		
Balance as at the beginning of the year	**17,505,111**	22,175,487
Current service cost	**2,426,404**	3,635,395
Interest cost	**2,117,778**	1,635,624
Actuarial gain /(loss)	**(5,460,942)**	(2,097,994)
Payments during the year	**(4,213,418)**	(7,843,400)
Balance as at the end of the year	**12,374,934**	**17,505,111**

Section 28 of SLFRS for SMEs requires the use of actuarial techniques to make a reliable estimate of the amount of retirement benefit that employees have earned in return for their service in the current and prior periods and discount that benefit using the projected unit credit method in order to determine the present value of the retirement benefit obligation and the current service cost.

This requires an entity to determine how much benefit is attributable to the current and prior periods and to make estimates about demographic variables and financial variables that will influence the cost of the benefit. The following key assumptions were made in arriving at the above figure as per Section 28 of SLFRS for SMEs.

Expected salary increment	**10.0%**	**10.0%**
Discounting rate	**13.0%**	**9.0%**
Staff turnover factor	**Admin Staff 15%, R & D Staff 26%**	**Admin Staff 8%, R & D Staff 21%**

As at 31st March,	2023	2022
	Rs.	Rs.
21 Deferred tax liabilities		
Balance at the beginning of the year	**19,501,811**	18,742,003
Origination /(reversal) of temporary differences recognised in profit or loss	**(132,979)**	445,108
Origination /(reversal) of temporary differences recognised in other comprehensive income	**819,141**	314,699
Balance at the end of the year	**20,187,973**	**19,501,811**

Deferred tax assets and liabilities

	2023		2022	
	Temporary Difference	Deferred Tax	Temporary Difference	Deferred Tax
Deferred tax liabilities				
Property, plant and equipment	**146,961,423**	22,044,213	147,517,182	22,127,577
Deferred tax assets				
Employee benefits	**12,374,934**	(1,856,240)	17,505,111	(2,625,767)
	159,336,357	**20,187,973**	165,022,294	19,501,811

Composition of deferred tax assets and liabilities

	Balance as at 31.03.2021	Recognised in Profit or Loss	Recognised in Other Comprehensive Income	Balance as at 31.03.2022	Recognised in Profit or Loss	Recognised in Other Comprehensive Income	Balance as at 31.03.2023
Property, plant and equipment	22,073,276	54,301	-	**22,127,577**	**(83,363.93)**	-	**22,044,213**
Employee benefits	(1,960,846)	(979,620)	314,699	**(2,625,767)**	**(49,615)**	**819,141**	**(1,856,240)**
	20,112,430	(925,318)	314,699	**19,501,811**	**(132,979)**	**819,141**	**20,187,973**

SRI LANKA INSTITUTE OF NANOTECHNOLOGY (PRIVATE) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

As at 31st March,	2023 Rs.	2022 Rs.
22 Government Grants		
22.1 Grant against Nanotechnology Centre of Excellence - (NCE)		
Balance at the beginning of the year	**3,872,096,624**	3,242,943,463
Amounts utilised from grants received	-	700,000,000
	3,872,096,624	**3,942,943,463**
Deferred income recognised in profit or loss for the year	**(138,539,200)**	**(70,846,839)**
Balance at the end of the year	**3,733,557,424**	**3,872,096,624**
22.2 Laboratory Equipment Grant		
Balance at the beginning of the year	**328,281,910**	470,196,273
Amounts utilised from grants received	**3,969,626**	1,126,540
Transfer to General Equipment Grant	-	(41,618,275)
Deferred income recognised in profit or loss for the year	**(86,797,852)**	(101,422,628)
Balance at the end of the year	**245,453,684**	**328,281,910**
22.3 Grants against General Equipment		
Balance at the beginning of the year	**39,949,426**	25,756,965
Transfer from Laboratory Equipment Grant		41,618,275
Amounts utilised from grants received	-	-
Deferred income recognised in profit or loss for the year	**(20,819,791)**	(27,425,814)
Balance at the end of the year	**19,129,635**	**39,949,426**
Total Government Grants	**3,998,140,743**	**4,240,327,960**
23 Foreign Grants		
Equipment received against Greenhouse	**19,158,819**	22,504,285
Amounts utilised from grants received	-	-
Deferred income recognised in profit or loss for the year	**(3,405,180)**	(3,345,466)
Balance at the end of the year	**15,753,639**	**19,158,819**
24 Advances against Research Grants		
Balance at the beginning of the year	**2,667,283**	599,368
Amount received during the year	**3,556,612**	2,286,857
Utilised during the year	**(5,629,774)**	(218,942)
Balance at the end of the year	**594,121**	**2,667,283**

The NCE is fully financed by the Government of Sri Lanka. The land on which the NCE is constructed is to be provided on a 99 years lease to the company by the Ministry of Science, Technology and Research and is currently pending on account of the transfer by the Urban Development Authority to the Ministry of Science, Technology and Research. The board has approved a 30 year agreement for managing and operating the Park on behalf of the Government, with provision for renewal of such agreement for further periods by mutual consent. The agreement was signed on 4th November 2015.

The Park is situated in a 48 acre property at Pitipana, Homagama.

SRI LANKA INSTITUTE OF NANOTECHNOLOGY (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS

	As at 31st March,	2023 Rs.	2022 Rs.
25	**Advances against Equipment Grants**		
25.1	**Advances against Laboratory Equipment Grants**		
	Balance at the beginning of the year	3,969,626	3,969,626
	Amount utilised during the year for purchase of research equipment	(3,969,626)	-
	Balance at the end of the year	-	3,969,626
25.2	**Advances against General Equipment Grants**		
	Balance at the beginning of the year	451,589	451,589
	Balance at the end of the year	451,589	451,589
26	**Trade and other payables**		
	Trade & other payables	17,204,586	12,013,076
	Advance received from customers	5,986,087	2,731,720
	Accrued expenses	12,341,460	5,921,969
	Refundable deposits	11,264,585	8,919,383
	Engagement fee received in advance	1,706,400	1,200,000
	SSCL Payable	1,066,173	-
		49,569,291	30,786,148
27	**Deferred income form customers**		
	Rent received in advance	47,174,084	37,782,240
	Research Income received in advance	4,510,275	2,588,825
		51,684,359	40,371,065
28	**Advances from related parties**		
	Unichela (pvt) ltd	31,747	31,747
		31,747	31,747

29 Related party transactions

(a) Identity of related parties

(a) (i) SLINTEC Endowment Trust Fund

SLINTEC Endowment Trust Fund was incorporated on 05th June 2014 for the purpose of advancing knowledge in the area of nanotechnology for the public benefit. The objects of the trust include but are not limited to the funding of scientific research in the areas of Nanotechnology, funding specific research projects identified by the settlor funding and facilitating "Blue Sky" scientific research in Sri Lanka and the creation of a vehicle through which members of the public can make donation towards scientific research in Sri Lanka.

(a) (ii) SLINTEC Academy (Guaranteed) Ltd.

SLINTEC Academy (Guaranteed) Ltd. was incorporated in 2017 September as SLINTEC is the initial member of the SLINTEC Academy was formed to offer research based Mphil and PhD degrees to build the capacity in science and technology training and education in Sri Lanka.

(a) (iii) Ceylon Graphene Technologies (Pvt) Ltd

Ceylon Graphene Technologies Pvt Ltd was formed on 13th June 2018 as a joint venture between Lanka Orix Leasing Company PLC (LOLC) & Sri Lanka Institute of Nanotechnology (Pvt) Ltd. (SLINTEC) for the purpose of carrying on the business of developing new applications based on Graphene and other material.

(a) (iv) Ceylon Nano Diagnostics (Pvt) Ltd

Ceylon Nano Diagnostics (Pvt) Ltd was formed on 27th July 2021 as a joint venture between Browns Pharma Limited (BPL) & Sri Lanka Institute of Nanotechnology (Pvt) Ltd (SLINTEC) with the purpose of maximizing their benefits in relation to RT-LAMP (SLINTECLAMP) /PCR kits and testing protocols developed by SLINTEC for the detection of Covid 19 and related molecular diagnostic research .

SRI LANKA INSTITUTE OF NANOTECHNOLOGY (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS

29 Related party transactions (Continued)

***(c)* Transactions with affiliate Companies**

Name of the company	Relationship	Nature of transaction	Transaction value	Outstanding as at 31.03.2023
			Rs	Rs
MAS Intimates (Pvt) Ltd	Mr.R.K.Vitarana is a KMP of this entity	Analytical Services	82,458	
		Contract Research		
		Settlements	(26,800)	55,658
MAS Silueta (Pvt) Ltd	Mr.R.K.Vitarana is a KMP of this entity	Analytical Services	445,297	
		Settlements	(232,606)	212,691
MAS Innovation (Pvt) Ltd	Mr.R.K.Vitarana is a KMP of this entity	Analytical Services	929,699	
		Settlements	(226,524)	703,175
Bodyline (Pvt) Ltd	Mr.R.K.Vitarana is a KMP of this entity	Analytical Services	46,600	
		Settlements	(41,600)	5,000
Noyon Lanka (Pvt) Ltd	Mr.R.K.Vitarana is a KMP of this entity	Analytical Services	137,036	
		Settlements	(95,200)	41,836
Unichela (Pvt) ltd	Mr.R.K.Vitarana is a KMP of this entity	Analytical Services		
		Settlements	(31,747)	(31,747)
Brandix Apparel Ltd	Mr. Anishke Dilan Christopher Gooneratna is a KMP of this entity	Analytical Services	18,255	
		Consultancy		
		Settlements		18,255
Lankem Ceylon PLC	Mr. Ariyawansa Hettiarachchy is a KMP of this entity	Research fee	2,957,894	
		Settlements	-	2,957,894
LOLC Advanced Technologies (Pvt) Ltd	Mr. Manju Samarasinghe Gunawardana is a KMP of this entity Mr. Ariyawansa Hettiarachchy is a KMP of this entity	Opening	15,234,857	
		Research fee		
		Rent	29,212,375	
		Analytical Services	496,075	
		Reimbursement	4,538,655	
		Settlements	(43,377,900)	6,104,062
Haycarb PLC	Mr. Hehodagamage Senarath Rajitha Kariyawasam is a KMP of this entity	Analytical Services	1,171,309	
		Settlements	(41,400)	1,129,909
Ceylon Graphene Technologies (Pvt) Ltd	Mr. Manju Samarasinghe Gunawardana is a KMP of this entity Mr. Thilan Wijesinghe is a KMP of this entity	Opening	15,082,742	
		CGT Pilot Plant	(11,673,639)	
		Research fee	7,155,652	
		Analytical Services	2,112,761	
		Reimbursement	777,489	
		Settlements	(10,182,401)	3,272,603

SRI LANKA INSTITUTE OF NANOTECHNOLOGY (PRIVATE) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

29 Related party transactions (Continued)

(b) Transactions with Key Managements Personnel (KMP)

Key management personnel comprise the directors of the company.

There were no direct transactions with the directors. However, the directors have interest in the following organizations with which the Sri Lanka Institute of Nanotechnology (Private) Limited have had transactions.

	Directors of Sri Lanka Institute of Nanotechnology (Private) Limited	Name of the company	Relationship	Details of transactions
1)	Ranil Kirthi Vitarana	MAS Holdings	Director	Research project and chemical reimbursement
2)	Prof.Ravi Silva		Director	
3)	Hehodagamage Senarath Rajitha Kariyawasam	Hayleys Haycarb plc	Director	Research project and chemical reimbursement
4)	Anishke Dilan Christopher Gooneratna	Brandix Lanka Limited	Director	Research project and chemical reimbursement
5)	Ariyawansa Hettiarachchy	Lankem Ceylon PLC	Director	Research project and chemical reimbursement
		LOLC Advanced Technologies (Pvt) Ltd	Chairman	Developing new applications based on Graphene and other material
6)	Thilan Wijesinghe	Lanka Orix Leasing Company PLC	Chairman	Research project and chemical reimbursement
7)	Manju Samarasinghe Gunawardana	Browns & Co. PLC	Director	Research project and chemical reimbursement
		Ceylon Graphene Technologies (Pvt) Ltd	Director	Developing new applications based on Graphene and other material
		LOLC Advanced Technologies (Pvt) Ltd	Director	Research project and chemical reimbursement
		Ceylon Nano Diagnostics (Pvt) Ltd	Director	Analytical service, cost reimbursement and settlement

SRI LANKA INSTITUTE OF NANOTECHNOLOGY (PRIVATE) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

29 Related party transactions (continued)

(d) Loans to Directors

No loans have been given to the directors of the Company.

(e) Key Management Personnel compensation

The directors of the Company were not paid any fees during the year.

30 Capital commitments and contingencies

30.1 Capital commitments

There were no capital commitment as at the balance sheet date

30.2 Contingent liabilities

There were no contingent liabilities as at the reporting date.

31 Going concern

32 Serious loss of capital

The Company has held an Extra Ordinary General Meeting on xxxx 2021 as required by Section 220 of the Companies Act No. 07 of 2007 and communicated to shareholders the steps taken by the Board of Directors to prevent further losses and its plan to improve revenue generating streams.

33 Events after the reporting period

All material events occurring after the balance sheet date have been considered and where necessary adjustments or disclosures have been made in the respective notes to the accounts.