

2021

වාර්ෂික වාර්තාව வருடாந்த அறிக்கை ANNUAL REPORT



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இலங்கை புத்தாக்குனர் ஆணைக்குழு
SRI LANKA INVENTORS COMMISSION



නිපුණතා සංවර්ධන, වෘත්තීය අධ්‍යාපන, පර්යේෂණ හා නව නිපැයුම් රාජ්‍ය අමාත්‍යාංශය
திறன்கள் அபிவிருத்தி, தொழில்நுட்பக் கல்வி, ஆராய்ச்சி மற்றும் புத்தாக்க அமைச்சு
State Ministry of Skills Development, Vocational Education, Research & Innovation

46-48, Cotta Road, Colombo 08
Tel: 011-2676650, Fax: 011-2676646
Website: www.slic.gov.lk, Mail: info@slic.gov.lk

Annual Report - 2021



Sri Lanka Inventor's Commission
(State Ministry of Skills Development,
Vocational Education, Research & Innovation
No.46-48, Cotta Road
Colombo 08



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Members of the Commission

Prof. N.M.S. Sirimuthu (from 27 .07.2021 to 31.12.2021)

Commissioner

Prof. Rangika Umesh Halwathura (from 01.01.2021 to 26.07.2021)

Commissioner

Prof. Neelika Malawige (from 01.01.2021 to 31.12.2021)

Assistant Commissioner

Dr. M.H.M. Anupa Indika Herath (from 08.04.2021 to 31.12.2021)

Assistant Commissioner

Mr. A.P.S.L. Wijesinghe (from 01.01.2021 to 07.04.2021)

Assistant Commissioner

Mr.P.V.B.P. Sisira Nandana (from 01.01.2021 to 31.12.2021)

Treasury Representative

Members of the Audit and Management Committee

Mr. P.V.B.P. Sisira Nandana (from 01.01.2021 to 31.12. 2021)

Treasury Representative

Professor Neelika Malawige (2021.01.01- 2021.12.31)

Assistant Commissioner

Dr. M.H.M. Anupa Indika Herath (2021.04.08- 2021.12.31)

Assistant Commissioner

Mr. A.P.S.L. Wijesinghe (2021.01.01- 2021.04.07)

Assistant Commissioner

Mrs. H.D. Anuruddhika (2021.01.01- 2021.12.31)

Internal Auditor

State Ministry of Skills Development, Vocational Training, Research and Innovation

Mr. H.M.U.S.A. Wijekoon (2021.05.01- 2021.12.31)

Representative from Auditor General's Department

Mrs. W.P.L.S.R. Perera (2021.01.01- 2021.12.31)

Representative from Auditor General's Department

Message of the Commissioner



Professor N.M.S. Sirimithu
Commissioner
Sri Lanka Inventors Commission

The primary goal of establishing the Sri Lanka Inventors Commission under the Sri Lanka Inventors Commissions Act No.53 of 1979 is to provide technical, financial, and legal assistance to investors while encouraging national innovation.

The commission encounters a number of challenges, and not only due to resolving these issues, overcoming these challenges successfully has a positive impact on the inventors and the entire society. This will enhance the creativity of the people through the creation of an innovative culture in Sri Lanka and it will be of great support to uplift the national economy.

The Sri Lanka Inventors' Commission is always dedicated to achieving such ideas, expectations, and objectives and implements special target-oriented programmes to achieve these expectations and objectives. The correct socialization is necessary to popularize and increase interest for inventions. Therefore, the Commission implements a number of programmes to make this idea a reality and the project "Sahasak Nimavum" has a unique place among them. This national exhibition that was initiated in the year 2012 was implemented as an international invention and innovation exhibition in Sri Lankan history. "Sahasak Nimavum" provides a great opportunity for Sri Lankan inventors to share the international exhibition experience within the country.

Two projects named as "IAFM-SL" (Innovation Accelerator Funding Mechanism for Sri Lanka) and "Nawa Nipayum Diriya" have been launched to provide technical and financial assistance to take the inventions that have market potential as per Act to establish the commission. Financial and technical assistance is provided for potential inventions identified through an expertise panel.

Sri Lanka Inventors Commission take actions to provide technical assistance to further develop the inventions of national inventors by the establishment of National Innovation Incubation Centres. Also an effective results were achieved through referring the inventors to other relevant institutions to meet their research needs.

The Sri Lanka Inventors Commission establishes National Innovation Incubation Centres to provide technical support for furthering the development of domestic inventors' inventions. Referring the inventors to other pertinent institutions/universities to fulfil their research demands also produced excellent results.

The Commission also implements a unique program to aid in the acquisition of intellectual property rights (patents), which certify the safeguard of the inventions.

Further, a plan has been developed for disseminating inventions through printed and electronic media. As a result, the possibility to inform local and international businesses about discoveries with market potential has been provided through the introduction of the YouTube channel "Sri Lanka innovators." For those with an interest in innovations, this offered highly appealing access. The Commission's official website, which was created to foster a partnership between innovations and investors, is crucial for promoting new ideas.

Additionally, the commission was able to carry out special duties like organizing inventors' capacity building, celebrating National Inventors Day on September 26 every year, issuing identity cards to inventors, holding inventors forums to talk about the challenges they face, and executing invention awareness campaigns.

It is important to place a larger value on the Commission's employees, even though they are few in number, who gave their support for all of the organization's accomplishments to date.

I extend my gratitude to everyone who has offered support to the Sri Lanka Inventors Commission in this effort to create a better future for innovators, and I give my blessing to the national inventors to develop inventions that can promote Sri Lankan brands abroad while fostering an innovative culture in the nation.

1. Sri Lanka Inventors Commission

1.1 Introduction

Sri Lanka Inventors Commission (SLIC) is a statutory body established in terms of the Sri Lanka Inventors Incentives Act No.53 of 1979 with principal objective of giving patronage and encouraging inventiveness of local inventors and promote innovations and making provisions for relevant matters.

1.2 Vision

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

1.3 Mission

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

1.4 Objectives

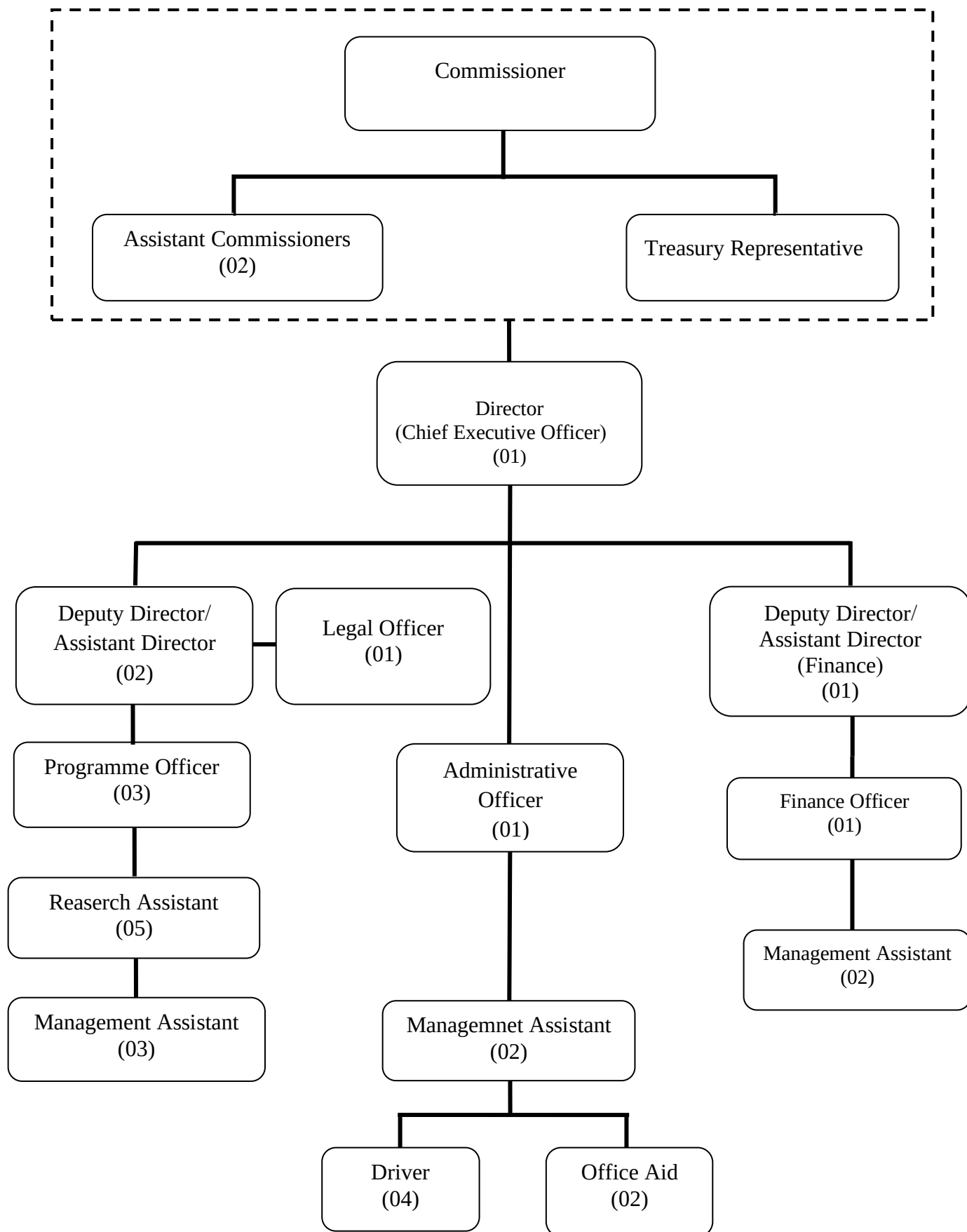
- 1.4.1 Encourage Sri Lankan citizen for invention and innovation
- 1.4.2 Provide technical, financial and legal assistance to inventors.
- 1.4.3 Exercise and deliver all the powers, functions and duties stipulated in Sri Lanka Inventors Incentives Act No. 53 of 1979.
- 1.4.4 Deliver all other functions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

1.5 Powers Functions and Duties of the Commission

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

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

1.6 Organizational Structure



1.7 Human Resources

Designation	Approved Cadre	Cadre in year 2021	Vacancies as at 31 December 2021
Director (Chief Executive Officer)	01	01	-
Deputy Director/ Assistant Director	02	02	-
Deputy Director/ Assistant Director (Finance)	01	01	-
Legal Officer	01	-	01
Programme Officer	03	03	-
Administrative Officer	01	01	-
Finance Officer	01	01	-
Research Assistant	05	03	02
Management Assistant	07	07	-
Driver	04	04	-
Office Aid	02	02	-

2. Main projects and programmes implemented in the year 2021

2.1 “Sahasak Nimavum 2021” International Inventions and Innovations Exhibition & Competition to connect Sri Lanka to the world through innovations.

The "Sahasak Nimavum" International Inventions and Innovations Exhibition and Competition was organized with the objective of providing various benefits to the inventors, such as bringing their invention to the international level, linking investors for commercialization of inventions, knowledge sharing with other participants, getting proper evaluation for award-winning innovations, and also getting the opportunity to participate at international level exhibitions.



The Sri Lankan inventors have the opportunity to participate at this competition representing national level under 04 main categories as school, university and tertiary education, commercialized and open category, in relevant to following fourteen (14) technical fields.

- Public Security, welfare and National Security
- Chemistry
- Food Technology
- Medicine and Pharmacy
- Traditional Medicine
- Common Industries and Infrastructure Facilities
- Physics
- Agriculture
- Applied Science and Technology
- Energy
- Conservation of Environment
- Engineering
- Informational and Communication Technology
- Transport

The winners are listed under each technical field, and these inventions are evaluated by a locally and internationally qualified expertise panel.

Even during this prevailing situation of the COVID-19 pandemic, Sri Lanka's Inventors Commission smoothly performed its functions following new technologies. As a result, the Sahasak Nimavum exhibition that was earlier conducted, gathering creative communities scattered island wide through awareness programmes at provincial levels, was conducted as an online competition in the years 2020 and 2021.

268 national inventions and 12 international inventions have forwarded applications for the "Sahasak Nimavum 2021" exhibition. At the competition that was evaluated by an expertise evaluation panel, they announced winners of 20 gold medals, 29 silver medals, and 27 bronze medals in the international category.

There were 7 gold medals, 29 silver and medals have been awarded to the winners of international category. Actions were taken to deliver the medals and certificates to their homes.

Sri Lanka Inventors Commission was able to earn Rs. 250,300/- from "Sahasak Nimavum" National Inventions and Innovations Exhibition and Competition 2021 and US \$ 1384 from the International Competition.

On the sidelines of National Science Week 2021, the "Dasis" award was given this year to the 04 main fields of the "Sahasak Nimavum" Inventions and Innovations Exhibition and Competition 2020.

"Sahasak Nimavum" offers an international stage for the inventors to present their inventions and also a means to build up an excellent Sri Lanka by developing technical tools that can ease the day-to-day life facing future challenges.

2.2. Identification of environmentally friendly power generation using renewable energy

- **Sustainable electricity generation by renewable energy**

The Sri Lanka Inventors Commission has taken the initiative to find environmentally friendly solutions to generate electricity through renewable energy and resolve the energy crisis through inventions. The Ministry of Power, the Sustainable Energy Authority, the Ceylon Electricity Board and universities have contributed to this endeavor, together with local innovators.

At present, 82% of the annual electricity demand of the country, which is 37.7 GWh, is provided by non-renewable energy sources. Fossil fuel burning contributes to global warming and its price is rising day by day due to limited resources. Hence, this proposed method of electricity generation has many advantages for the country. The cost of the establishment and commissioning of the system is low, and electricity is generated at a minimum cost. Another advantage is that large-scale construction like dams is not required as in power stations. As an example, potential energy in sea waves is converted to gaseous flow and this energy is used to generate electricity through a more efficient methodology for rotating turbines. Therefore, this proposed project will involve a more efficient, reliable, sustainable, and environmentally friendly electricity generation process.

The Commission expects to assist the inventors to develop proto-types of inventions selected by the expertise evaluation panel.

These innovation projects are evaluated by an expertise panel and the Commission expects to assist them in prototype development.

2.3. IAFM-SL (Innovation Accelerator Funding Mechanism for Sri Lanka) project for Commercialization of inventions



The Innovation Accelerator Funding Mechanism for Sri Lanka (IAFM-SL) project was designed to commercialize inventions, and by a Cabinet decision, the Sri Lanka Inventors Commission has been assigned the function of assisting implementation of a mechanism to transform such inventions to income generation under the supervision of the Line Ministry. The Commission has been given powers to assist in the commercialization of inventions by its Act. The main objective of this project is to facilitate inventors from the development of inventions up to commercialization as an end product and thereby contribute to national income. After applying for financial assistance/loan, it will be monitored under several steps.

The Evaluation Committee for the year 2021 was selected from the nominations received from institutions like the National Engineering Research and Development Centre, University Grants Commission, National Chamber of Commerce, FCCISL, Sri Lanka Institute of Chartered Accountants etc. with the approval of the Board of Directors on 20.01.2021.

The agreement signed between the Commission and the inventor who receives the loan has been referred to the Legal Officer of the Line Ministry and to the Attorney General's Department to ascertain its legal validity. It is expected to use the new agreement that was further improved as per the positive responses received from the Attorney General's Department from the year 2022 when loans are granted to inventors.

This year, evaluations were completed for 07 inventions that applied for loans totaling Rs. 1.2 Mn.

It also releases two loan installments valued at Rs.6 Mn to the Ministry of Agriculture for manufacturing 30 units of the invention "fertilizer and seeds". Another amount of Rs. 6.8 Mn has been recommended and Rs. 6.5 Mn is being evaluated by the Finance Committee.

The Commission's 3% royalty payment generated a reserve of Rs. 23,803.00 at the end of the year.

2.4 “Nawa Nipayum Diriya” for establishment of commercial base for inventions.



"Nawa Nipayum Diriya-INVENT Grant Scheme" is yet another programme implemented by the Commission to support the commercialization of inventions. Inventions with market potential are evaluated by an expert evaluation panel and field tested before being referred to the Finance Committee, which includes representatives from the line ministry. The decisions taken by this committee are implemented with the approval of the Board of Directors.

Basic qualifications for obtaining assistance under “Nawa Nipayum Diriya” grant scheme are as follows:

1. Should be a citizen of Sri Lanka.
2. Should have reserved intellectual property rights or have already applied for it.
3. Availability of an operational level prototype / model of an invention.
4. The invention should have the potential for commercialization or be utilized for the well-being of society.
5. Have already commenced production at a commercial level or fulfilled basic requirements to set up businesses.

In this scheme, the inventor should repay the interest-free loans that are granted as financial aid within the agreed period. Based on the recommendations made by the Evaluation Committee, the inventors are assisted in various aspects, like providing financial assistance to obtain the technical assistance required to develop the invention up to the end product. In the year 2021, 13 applications were received under the Nawa Nipayum Diriya Programme and evaluation of all these has been completed.

Field testing was conducted for four inventions that have passed the technical evaluation, and five financial committee meetings were held to evaluate the projects that had been field tested earlier. The inventors of the seed dryer that was recommended after the complete evaluation process have been provided with a loan of Rs.500,000.

At the end of 2021, a reserve of Rs. 58,177.39 has been collected as a royalty payment that is 3% of the commercialization process. As per the programme for the collection of data on inventors who have received patents during the last 10 years, data has been collected for 5 years.

2.5 Establishment of Technology Incubation Centers to give technical assistance to inventors.

These Technology Incubation Centers were established with the aim of providing technical assistance for further development of Sri Lankan inventions up to the level of commercialization.

Accordingly, two technology incubation centers were established in the National Engineering Research and Development Centre (NREDC) at Eka, Ja-ela, and Kilinochchi premises of the University of Jaffna, and another two centers were established at the University of Ruhuna and Rajarata University in the years 2021 and 2020, respectively. The Line Ministry and Sri Lanka Inventors Commission have provided technical equipment which cost about Rs. 40 million to these two centers.



2.6 Build up national and international collaboration for commercialization of inventions

• (Young Inventor – Entrepreneur Lead Development - YIELD)

Sri Lanka Inventors' Commission initiated this YIELD programme in collaboration with PANACEA Solutions (Pvt) Ltd, local agent of the software company, Siemens Digital Industries.

This program is implemented as a school program. Students get the opportunity to convert their innovations and inventions to digital computer designs using Product Life Cycle Management (PLM) software. These students also get training on new technologies. Accordingly, 696 applications have been received from inventors who are interested in joining this program and 3D modeling.



- **Collaboration between the Sri Lanka Inventors Commission and BCS, the Chartered Institute for IT Sri Lanka Section**

CELEBRATING 23 YEARS OF SERVICE TO THE ICT INDUSTRY

bcsl **NATIONAL ICT AWARDS 2021** **NBQSA**

The pathway to be the best among the best in Asia Pacific (APAC)

Applications are now open for
The National ICT Awards - NBQSA 2021

Continuing the tradition of recognizing Tertiary Institutions, Individuals, and Organizations who have achieved significant accomplishments in the Information Technology sphere, BCS - The Chartered Institute for IT Sri Lanka Section is proud to present The National ICT Awards - NBQSA 2021 for the 23rd consecutive year!

With the world continually expanding its digital frontiers, the ICT Awards has become the definitive apex platform that's designed to bring into focus and recognize the brightest stars of the IT industry.

The Ministry of Technology and the ICT Agency of Sri Lanka have joined in as National Partners once again, making this a truly national event.

The Main Awards Categories	The Special Award Categories
Tertiary Student	IoT Technology of the Year
Public and Government Sector	Most Innovative Solution in Cloud Computing
In House	AI Technology of the Year
Start-up of the Year	Mobile Payment Application of the Year
Inclusion & Community Service	Blockchain Technology of the Year
Research and Development Projects	Best Solution Addressing National Disasters
Industrial	Best Digitalization Process Enabler
Business Services	
Consumer	

For application submission and category-related inquiries as well as eligibility criteria, visit the official website
www.nbqsa.org

For more details please contact
Manager - National ICT Awards - NBQSA 2021
manager@nbqsa.org

The Deadline for Application Submission is on the 17th of July 2021.

Main Sponsor: **bcsl** National Partners: **ICTA** Special Awards Sponsors: **SLASSCOM**, **ILK** In Association With: **FITIS**, **CSSL** Digital Media Partner: **DC DIGITAL CENTER**

This programme is implemented with the collaboration of the Sri Lanka Inventors Commission and BCS, The Chartered Institute for IT Sri Lanka Section, to encourage innovations in the field of information and communication technology based on public-private partnerships.

This has being implemented for the National ICT award, and at present, initial work relevant to NBQSA 2021 is being implemented. All the inventions presented for this program are evaluated by a qualified evaluation panel.

The program's main goal is to identify new information and ICT-based products needed to detect, prevent, control, or provide relief in any natural disaster such as COVID-19, floods, or droughts, and to encourage inventors to design any ICT-based innovation.

The award winners under various categories are awardees in the National Information and Communication (NBQSA) awards ceremony, and they have access to participate in international ICT competitions.

- **Strategic Partnership with IEEE EMBS Student Branch Chapter of the University of Moratuwa for ISC 2021 Summit**

The Sri Lanka Inventors Commission has joined hands with the IEEE Engineering in Medicine and Biology Student Branch Chapter of the University of Moratuwa as a strategic partner in the ISC 2021 Summit to develop inventions in the field of Bio-Medical Engineering. The objective of the ISC 2021 Summit is to extend support to popularize inventions in the bio-medical engineering field in Sri Lanka.

This summit is conducted focusing on the main fields relevant to biomedical engineering.

- **Project for evaluation and promotion of inventions relevant to Agriculture**

The Sri Lanka Inventors' Commission, in collaboration with the Ministry of Agriculture, has launched a project "Evaluation and promotion of inventions relevant to agriculture". The programme evaluates and promotes local inventions in the fields of environmentally friendly organic and chemical fertilizers and agro-chemicals (pesticides, weedicides, and hormone treatments) and agricultural equipment for enhancing national production and agriculture; minimizing damage by animals; minimizing post-harvest losses; and utilizing information technology and technical applications for the improvement of agriculture.

- **Industry/ personnel collaboration**

The Commission has focused on the development and commercialization of inventions with public-private partnerships, beyond the concept of government funding mechanisms. Accordingly, the present program is being successfully conducted with the National Development Bank (NDB) for the commercialization of several inventions.

The Commission could provide assistance with several inventions in the conservation of the environment and environmentally friendly categories, protecting intellectual property rights without using government funds. In this, 25 inventions were given the opportunity. However, these inventions were referred to the National Development Bank (NDB PLC) at the request of the inventors. Having evaluated these eight inventions, the bank agreed to grant financial assistance of Rs. 300,000/-for each invention in the year 2021. Other inventions are also to be considered in the year 2022.

2.7 Establishment of Young Inventors Clubs - way forward Sri Lankan Innovative Culture

Sri Lanka's Sri Lanka Inventors Commission, which acts as a pioneer in facilitating and promoting the development of Sri Lankan innovations, has been assigned the great responsibility of creating an innovative culture in Sri Lanka. Accordingly, the programme for the establishment of inventor's societies is implemented to create an innovative culture among schoolchildren, university students, and also students of tertiary educational institutes.

The Commission has taken steps to get the contribution of various parties for this endeavor, and in the year 2020, in collaboration with the Ministry of education, more than 270 Young Inventors Clubs were established covering 39 technical colleges island-wide. In the year 2021, 450 school Young Inventors Clubs covering all nine provinces will be established, and Rs. 10,000.00 will be granted to these clubs as financial assistance.

Further, Peoples' Bank is willing to give financial assistance to this programme in the year 2021, and this contribution is Rs 2 Mn.

It has already initiated a new programme for the establishment of inventors' clubs in universities to improve inventions by university students.





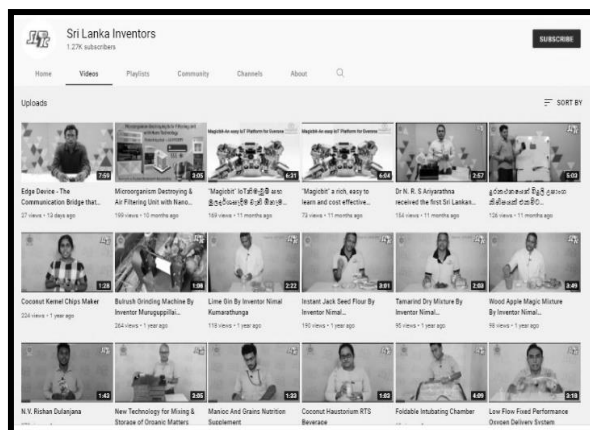
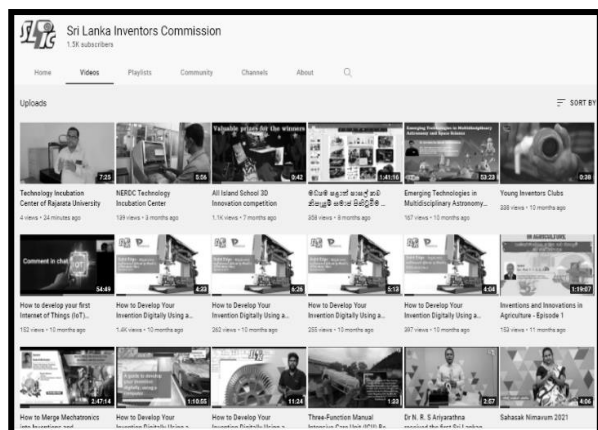
“Nipayumani” to motivate Inventor’s Societies

Initial steps have been taken to create a platform called “idea incubators” in the Sri Lanka Inventors Commission for sharing technology and knowledge within Inventor’s Societies to develop school level innovative ideas into an innovation that has market potential.

A programme called "Nipayumani" for the dissemination of knowledge through a studio with television facilities has been introduced, and this is a platform for students, inventors, and resource persons to share knowledge in various fields.

Actions were taken to disseminate knowledge through videos produced on inventions and in many other diverse fields through YouTube and social media. This YouTube channel includes more than 100 videos and 1000 subscribers.

This has many benefits, including the promotion of an innovative culture, the guidance of resource persons, the public's awareness of inventions, the provision of new technical knowledge, and the reduction of the knowledge gap among schoolchildren.



2.8 Assistance for inventors to protect intellectual property right at national and international levels.

Sri Lanka Inventors Commission has given its utmost support to Sri Lankan inventors to protect their intellectual rights by providing technical assistance and other relevant services and to secure their intellectual right by preventing improper manipulation of their innovative skills.

The staff of the Commission has been provided proper training under the programme by Technology and Innovation Support Center (TISC) conducted with the collaboration of World Intellectual Property Office and National Intellectual Property Office for the purpose of delivering such a service.

Statistical data on support extended to inventors in applying for patents during the year 2021 is given below;

Total No. of programmes conducted on patent rights by the Commission	- 11
No. of assistance extended in application for patents	- 16
No. of patent applications assisted by the Commission	- 38

Sri Lanka Inventors Commission has already planned to increase the number of patents annually applied at local and international levels through conducting awareness programmes on international property rights and extending financial support for applying for patents.

Accordingly, during the year 2021, 08 awareness programmes were conducted in other provinces except the Western Province and two online programmes on application of patents and its importance were conducted and another workshop on patent rights was conducted in collaboration with the Ministry of Agriculture. 38 inventors were benefitted through the workshop for drafting patents that is conducted in collaboration with the Ministry of Agriculture.

Methodology to support applying for international patents

The Commission supports the reimbursement of application fees for international patents, PCT fees, and legal fees incurred by Sri Lankan inventors. To obtain this service, the inventor should forward a request in writing to the Commission together with evidence for payments and an acceptable investment plan that includes social, economic, environmental, or any other benefits privileged to the country by the invention.

2.9 Innovative solutions for current social issues

• Projects to minimize human- animal conflicts through innovative solutions

The Commission introduced this project to resolve the human-animal conflict that has become a common issue at present.

The national economy experiences a huge loss due to the human-animal conflict. The government has to spend a large sum of money to import technical equipment to minimize this conflict. Therefore, the Commission has launched this project to give a long-lasting, sustainable solution to this human-animal conflict while uplifting the national economy through innovations.

The Sri Lanka Inventors Commission, Department of Wildlife Conservation, Sri Lanka Mahaweli Authority, State Ministry of Skills Development, Vocational Education, Research and Innovation, and protective programmes including the construction of electric fences (aliweta) and trenches and the State Ministry of Forest are the main parties involved in this project.

The Commission has assisted in designing and developing prototypes of inventions that can be practically used. These prototypes were established with the financial assistance of the abovementioned institutions. These were subjected to field testing, and the Commission was able to identify successful inventions through these programs.

Several projects were implemented to minimize human-animal conflict in the Mahaweli Zones using the inventions identified by the program. The main objectives are the commercialization of national inventions and minimizing the direct and indirect losses to the nation due to losses to agriculture and property.

The pilot projects implemented as the first phase in the Mahaweli "c" and "B" zones by the commission in collaboration with the Sri Lanka Mahaweli Authority using national inventions are successfully in operation by now.

The national inventors got the great achievement of completing the electric fence around Aralaganwila Seed Farm and Rathkinda Training Center, the two main seed farms in the Mahaweli "B" zone at a length of 7.5 km and 9.8 km, respectively.

In addition to these projects, actions are being taken to implement several other projects in Mahaweli "L" and "C" zones. It is to be noted that the completion of these projects is a national achievement.

- **Radio collars for elephants**

The Commission has guided the Sri Lankan inventors to locally manufacture the remote sensing, battery-operated, double frequency elephant collar and also provided the necessary requirements to them. The activities of the animals could be detected by this water-resistant, vibrationless collar.



Locally manufactured, these collars save about 375,000 USD for the country this year, and the Department of Wildlife has agreed to purchase 50 collars.

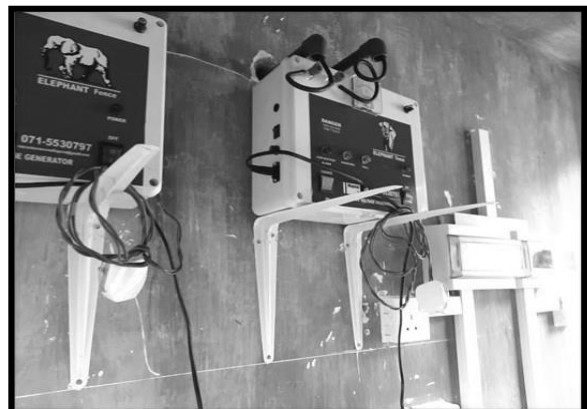


- **"Zero to Hero" project**

The Commission has implemented this programme to transform the national inventors into entrepreneurs. This series of programmes intends to empower the national economy through inventions.

Finding market opportunities for inventors, commercialization of inventions through the introduction to investors, and correct socialization of inventions through the assistance of electronic and printed media campaigns are done by this programme.

While generating employment opportunities, the commission provides assistance to initiate new enterprises that are effectively linked to the national economy. The Commission has provided guidance and assistance to initiate three enterprises under this programme.



- **Innovative Waste Recycling Project - A project with WMA**

At present, agriculture is mainly dependent on chemical fertilizer and agrochemicals like pesticides and weedicides. Higher utilization of these agricultural chemicals affects the environment, and the financial cost is a burden to the government.

Considering all these factors, with the collaboration of the Waste Management Authority (WMA-WP), the Commission has initiated a project for sustainable environmental management based on local inventions. This project is in the process of building up a platform for further testing and development of such inventions.

Accordingly, this program is implemented centralized at the "mihisaru" resource management center in Petiyakanda, and it focuses on producing environmentally friendly organic fertilizers that can be alternatives to chemical fertilizers. The Commission provides the infrastructure facilities required for inventors.

- **"Tea Talk"-Programme to develop the tea industry in Sri Lanka**

The tea industry in Sri Lanka is an effective and important sector that directly contributes to the national economy. Hence, the Commission has focused on implementing effective and innovative programmes targeting the tea industry.

Accordingly, as the first phase, the commission has planned to implement a program called "Tea Talk" to address the issues that affect the tea industry.

The objective of the programme is to provide innovative solutions to the problems of the tea industry while introducing such solutions to the market. The technical issues that affects the tea industry is identified connecting with the people engaged in the industry and innovative solutions are sought from the inventors. These innovative solutions are evaluated by the expertise in the field with the support of the Commission and also actions are taken to improve the quality of the inventions. Thereafter, properly developed inventions are referred to commercialization on the guidance of the Commission and with the intervention of inventors.

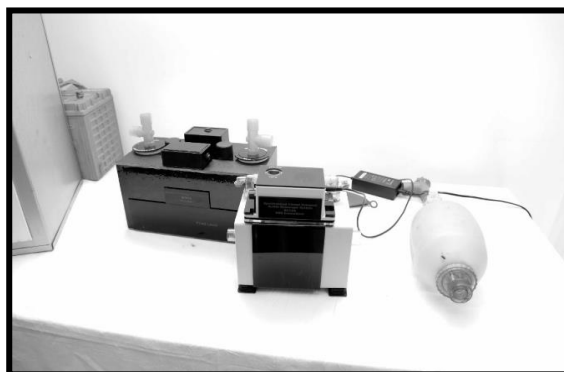
In this first step of "Tea Talk" technical issues is identified with the industrialists engaged in the industry and innovative solutions are sought from inventors to resolve these issues. These innovations are evaluated by the participation of expertise in the field and the Commission takes actions to improve the quality of such inventions. Subsequently, these inventions that are properly improved are referred to commercialization on the guidance of the Commission and intervention of investors.

This "tea talk" programme is planned to be telecasted as a series of programmes with the sponsorship of Sri Lanka Tea Board to make the public aware of it.

- **"Fight Against COVID-19" – Develop Innovations to Mitigate COVID-19 Pandemic**

The Sri Lanka Inventors Commission launched the "Fight Against COVID 19" project with the aim of mitigating the spread of the COVID-19 pandemic within the country and seeking solutions to face the problem through innovations. This was a strong base to continue the businesses that were affected due to the pandemic and to get their contribution to the national economy. Therefore, the commission has taken actions to identify successful inventions and assist in the commercialization of such inventions.

In the year 2021, the Commission has taken actions to socialize four (4) inventions [Microorganism Diverting and Clearing Device, Video Laryngoscope, Microorganism Destroying & Air Filtering Unit, and Smooth Lateral Patient Transfer Apparatus (Bed Trolley)] that are supportive in the fight against COVID-19 under the government theme "end COVID-19". Mrs. (Dr.) Seetha Arambepola, Hon. State Minister of the Line Ministry, Prof. Channa Jayasumana, Hon. Minister of State Minister of Production, Supply and Regulation of Pharmaceuticals, Prof. N.M.S.Sirimuthu, Commissioner SLIC, Mr.N.N.W.Dolawatta, Director/CEO of the Commission, inventors, and media officers were attended at this event



2.10 International Conference to Unveil the Researches - (“From Innovation to Impact – FITI” 2021)

For the promotion of inventions, innovativeness should be correctly socialized. To achieve this target, inventions should be exposed at an international level without being restricted to inventors who develop them. Therefore, an international summit "From Innovation to Impact (FITI) 2019" was held for the first time in Sri Lankan history in November 2019 to give inventors the opportunity to expose their inventions, study on inventions and obtain guidance for research needs. This summit was organized with the collaboration of the Sri Lanka Association for the Advancement of Science (SLAAS). The FITI 2020 summit was successfully conducted on December 8th, 2021 at BMICH.


SLAAS / SLIC Conference on
FROM INNOVATION TO IMPACT


08th December 2021, BMICH, COLOMBO

Co-sponsored by




IEEE Sri Lanka Section



SLIC Sri Lanka Chapter

CALL FOR PAPERS

TOPICS OF INTEREST

Societal Impact of:

- » Research & Development Innovations
- » Social Innovations

Conference Website: <https://www.slaas.lk/FITI2021>

Call for Papers: <https://easychair.org/cfp/FITI2021>

Paper Submission: <https://tinyurl.com/FITI2021>

Important Details

Call for Papers: 14th July, 2021

Deadline for Submission: 13th October, 2021 (Extended)

Notification of Acceptance: 08th November, 2021

Camera-Ready Paper Submission: 12th November, 2021

Co-chairs of Organizing Committee



Prof. Sumedha Jayanetti
General President
SLAAS
120/10, Vidya Mandiraya
Wijerama Mawatha
Colombo 07

Contact Details



Prof. N M S Srimuthu
Commissioner
SLIC
46/48, Cotta Road
Colombo 08

The researchers will have the opportunity to publish their research in the SCOPUS indexed, world-recognized "IEEE" journal, and it is very important for them. At this event, approximately 30 research papers were published, and the inventors got the opportunity to present research papers on the main heading "Social Impact of Research and Development Innovations." These are evaluated by an expertise evaluation panel comprised of national and international experts

Professor Steven Bell, an expert in the field of physical chemistry, University of Queens, UK, delivered the keynote speech and Professor Athputharajha Arulampalam, Faculty of Electrical and Electronics, University of Jaffna, also participated in this conference.



2.11 Idea Incubator (Idea generating Studio)

The Idea Incubator is a studio established within the premises of the Commission with the objective of converting the creative ideas of inventors into products that can be commercially developed. This has an auditorium consisting of knowledge-sharing platforms, fully equipped studio/television facilities, computer technology for designing inventions, and production facilities with more than 80 spectator capacity.

2.12 Special services provided to the inventors

- Two inventions were referred to the Industrial Technology Institute (ITI) to proceed with relevant testing.
- Two inventions were referred to the NERD for development of prototypes.
- One invention was referred to the NIFS to proceed with relevant testing.
- Two inventions were referred to the Sustainable Energy Authority for prototype development and feasibility testing.
- The Commission assisted one invention to get tax concessions for introducing it to the international level.
- The Commission assisted one invention by releasing necessary equipment from Customs.
- The Commission assisted 22 inventions with prototype development.

2.13 Inventors Forum

This forum is organized for the inventors to directly present the issues faced by them, discuss their problems, and resolve them. The Inventors Forum 2021 was successfully conducted on December 28th, 2021 at the Hector Kobbekaduwa Agriculture Research and Training Institute (HARTI) with the participation of 65 inventors.

2.14 International Recognition

The International Federation of Inventors Association (IFIA) and the World Inventions and Intellectual Property Association (WIIPA), the two major international organizations concerned with inventions and innovations, are both.

members of the Sri Lanka Inventors Commission. Through this, the Commission further expands its international relations.



The Commission got the great opportunity to participate in many international invention competitions under various categories like young, open, and women's via membership in these associations. These associations provide services such as conducting training programs, commercialization of inventions, protecting intellectual property rights, promoting environmentally friendly inventions and popularizing inventions. They are further involved in the dissemination of information relevant to their activities; popularization of inventions and projects implemented via websites and journals; and awarding medals and cash prizes for the inventions.

The Commission also supports them by providing sponsorships for air tickets, lodging and registration for invention exhibitions and providing exhibition stalls and transport facilities at a concession. These types of incentives and recognition are extremely beneficial to inventors seeking to commercialize their inventions in both domestic and international markets.

The award winners of the "Sahasak Nimawum" exhibition and competition are qualified to participate in international inventor competitions under the patronage of these international associations.

2.15 National Inventors Day

Every year, October 26th has been named as the National Inventor's Day by the approval of the Cabinet of Ministers for appreciation of the role of the inventors and their contribution to the economy of the country. This day has been declared the birth day of Deshabandu Dr.A.N.S.Kulasinghe, an expertise Engineer and first Commissioner of the Sri Lanka Inventors Commission, as a tribute to the commendable service delivered by him.

The objectives of declaring the National Inventors Day

- Formulation of a new procedure for the evaluation of inventors and to steer the country toward an innovative economy by incentivizing them to invent.
- Declaring National Inventors Day to draw inventors' attention to new investment opportunities
- Give priority to Sri Lankan inventors to assure a developed economy through inventions.
- The Commission gets the opportunity to closely work with inventors.
- Identify the award-winning inventors.

2.16 Popularization of Inventions

● “Sri Lanka Inventors” -YouTube Access

This new program was introduced to expose inventions that have potential for commercialization, aiming at the assistance of national and international investors for this commercialization process and to provide a background to go forward with new technologies. This YouTube channel provides facilities for inventors to be aware of innovations and get an understanding of the process of applying for patents quickly at any time.

- **Official Website**

The official website of the Sri Lanka Inventors Commission is now available with a new preface that includes useful information. This has been designed to provide broad service to inventors, investors, and the Sri Lankan community interested in innovations.

The special feature of this website is the facilities available for people who seek innovative solutions to the issues of the industrial sector to link with inventors through the coordination of the Commission.

2.17 Media Campaign

Media campaigns are given a prominent role to meet the requirement of popularizing local inventions for fostering an inventive culture in Sri Lanka. As a result, the Sri Lanka Inventors Commission collaborated with digital, printed, and social media outlets to gain their voluntary support in popularizing the innovations.

The Commission always attempts to implement media programmes to make the general public aware of inventions and innovations without any publicity expense, and the following programme is an example.

- **Derana "STARTUP 2021"**

The Commission performs as a strategic partner for Derana's "STARTUP 2021" program, initiated by Derana TV channel for the attempt to create inventors based on public-private partnership. During the year 2020, an evaluation procedure was initiated.



"STARTUP 2021" is a reality programme aimed at providing consultancy to develop young inventors. This program gives the opportunity to get the assistance of a business consultant and also have the advantage of modernization of the invention at a commercialization level while gathering business knowledge, experience, and skills. The winners of the programme receive grants to start their own businesses.

The Commission continues to build up new entrepreneurs by facilitating innovations through such collaborations.

2.18 Human Resources Development

The Sri Lanka Inventors Commission is assigned the great responsibility of delivering maximum support to local inventors. Therefore, measures were taken to conduct training programmes on the subject field, to improve the competencies of its staff for qualitative and efficient service delivery to the inventors.

Training programmes that the staff participated for skills development during the year 2021 is as follows:

- A one day computer workshop on Microsoft Illustrator/ Photoshop software was conducted for the staff of the Commission and other computer trainees with the resource contribution of several officials of the Commission.
- One officer participated for two day workshop on “Financial Management structure of the government and Provincial Councils and basic knowledge on functions and responsibilities of the Government Officers on Financial Management”
- One officer participated at three day workshop on “Advanced Microsoft Excel Training for Data Analysis” conducted by the Skills Development Fund.
- Four officers participated at the three day workshop on “General Office Administration and E-Code” conducted by the Metropolitan Campus using online platform.
- Two officers participated at the three day workshop on “Essentials in Project Management” conducted by the Metropolitan Campus using online platform.
- One officer participated at the three day seminar on “Awareness Programme on E-procurement” conducted by the Metropolitan Campus using online platform.
- Four officers of the Commission have been nominated for one year course Higher National Diploma in Public Procurement and Contract Administration – 2021/2022, conducted by the Sri Lanka Institute of Development Administration.

SRI LANKA INVENTORS COMMISSION

Statement of Financial Position

As at 31st December

	Note	2021 LKR	2020 LKR
ASSETS			
Current Assets			
Cash & Bank Balance	1	62,331,856	66,587,892
Festival Advance		1,250	-
Debtors	2	11,396,880	10,491,776
Other Receivable		-	10,000
Refundable deposit	3	2,407,000	2,407,000
Distress Loan		917,399	756,212
Loans under COVID 19 Programme		722,718	994,714
Receivable from National Apprentice & Industrial Training Authority		7,560	7,560
Other Advances		136,633	136,633
Prepayments	4	1,468,653	592,860
Loans From Sri Lanka Inventors Fund		707,548	1,050,885
(Less) Provision for doubtful debtors (100%)	5	(9,602,964)	(9,802,964)
Loans from IAFM-SL		4,500,000	-
Fuel Deposit		100,000	100,000
Stock of T-Shirt	6	414,480	414,480
Stock of Stationery	6	386,860	445,954
		75,895,873	74,193,002
Non- Current Assets			
Loan from Sri Lanka Inventors Fund		1,737,658	2,198,830
Loans under COVID 19 Programe		237,729	994,376
Loans from IAFM-SL		1,500,000	-
Distress Loan		2,953,058	2,672,247
Property and Equipment	7	47,349,863	35,478,691
		53,778,308	41,344,145
Total Assets		129,674,181	115,537,147
FUNDS & LIABILITIES			
Current Liabilities			
Creditors	8	1,316,664	167,330
Accrued Expenses	9	2,201,973	2,365,509
		3,518,637	2,532,839
Non-Current Liabilities			
Provision For Mahaweli Project	10	6,534,026	-
Provision For Gratuity	11	4,268,344	3,682,614
IAFM-SL	12	36,472,155	36,472,155
Fund for National Incubation Centre	13	37,921,883	45,417,472
Government Capital Grant	14	9,905,989	14,334,314
Sri Lanka Inventors Fund	15	12,837,184	13,240,886
Total Liability		111,458,217	115,680,281
Net assets		18,215,964	(143,134)
NET ASSETS/EQUITY			
Accumulated Fund		(3,284,036)	(143,134)
Revaluation Surplus		21,500,000	-
Total Net assets/ Equity		18,215,964	(143,134)

The Significant Accounting Policies and Notes to the Financial Statements on pages 30 to 37 form an integral part of these Financial Statements.

D.A. Sarathchandra
Assistant Director (Finance)

N.N.W. Dolawatta
Director/CEO

The Board of Directors is responsible for the preparation and presentation of these Financial Statements.
These Financial Statements were approved by the board of directors and signed on their behalf.

Prof. N. M. S. Sirimuthu
Commissioner

Prof. G. N. Malavige
Assistant Commissioner

Dr. R. M. H.M. A. I. Herath
Assistant Commissioner

February 18, 2022
Colombo

SRI LANKA INVENTORS COMMISSION
Statement of Financial Performance

For the year ended 31st December

	Note	2021 LKR	2020 LKR
INCOME			
Government Contribution			
- Recurrent	16	40,370,000	40,600,000
- Projects /Programmes	20	10,107,926	4,355,907
-Capacity Building		533,750	270,000
Capital Grants Amortization - Fixed Assets	7	1,686,650	1,735,688
Incubation Fund Amortization - Machinery and Equipment		7,495,590	5,784,976
Other Income	17	1,243,843	1,559,070
Total Income		61,437,759	54,305,639
EXPENSES			
Personal Emoluments	18	19,424,172	17,430,480
Administration & Establishment Expenses	19	25,010,573	25,154,266
Depreciation - Fixed Assets	7	9,182,240	7,520,664
Gratuity	11	585,730	862,357
Inventors Incentives Expenses	20	10,107,926	4,355,907
Other Expenses	21	560,943	7,863
Total Expenditure		64,871,583	55,331,537
Surplus/(Deficit) for the year		(3,433,824)	(1,025,898)

The Significant Accounting Policies and Notes to the Financial Statements on **pages 30 to 37** form an integral part of these Financial Statements.

SRI LANKA INVENTORS COMMISSION
Statement of Changes In Equity

	Note	Revaluation Surplus LKR	Accumulated Fund LKR	Total Equity LKR
Balance as at 01st January 2020		-	(238,936)	(238,936)
Surplus/(Deficit) for the year 2020		-	(1,025,898)	(1,025,898)
Settlement of grant which grant on 2018 - W.M Jayawardena		-	603,810	603,810
Payment cancellation		-	6,000	6,000
Overpayment panel fee		-	1,260	1,260
Refend expenses from NERD		-	521,531	521,531
Correction of Distress Loan ledger balance		-	(10,902)	(10,902)
Balance as at 31st December 2020		-	(143,134)	(143,134)
<i><u>Prior Year Adjustment - 2020</u></i>				
Cancellation of stamp duty payment			25	25
Cancellation Cheque - ITI			292,896	292,896
Balance as at 31st December 2020 (Restated)		-	149,787	149,788
Balance as at 01st January 2021		-	149,787	149,787
Surplus/(Deficit) for the year 2021		-	(3,433,824)	(3,433,824)
Revaluation of Vehicle		21,500,000	-	21,500,000
Balance as at 31st December 2021		21,500,000	(3,284,036)	18,215,964

The Significant Accounting Policies and Notes to the Financial Statements on pages **30 to 37** form an integral part of these Financial Statements.

SRI LANKA INVENTORS COMMISSION

Statement of Cash Flows

For the year ended 31st December

	Note	2021 LKR	2020 LKR
Cash flows from Operating Activities			
Surplus/ (deficit)		(3,433,824)	(1,025,898)
Non-cash movement			
Depreciation	7	9,182,240	7,520,664
Differed income on capital grant for Projects /Programs	20	(10,107,926)	(4,355,907)
Differed income on Staff Capacity Building		(533,750)	(270,000)
Capital Grants Amortization - Fixed Assets		(9,182,240)	(7,520,664)
Computer Grant from NIPO		-	(70,000)
Provision for gratuity	11	585,730	862,357
Distress Loan correction		-	(10,902)
Disposal loss		560,943	2,732
Adjustments for:			
Changes of debtors (Other than unpaid loans)		(905,105)	1,010
Changes of stock of stationery		59,095	39,292
Changes of stock of T-shirts		-	785
Changes of Prepayments	3	(875,793)	1,677,698
Changes of festival advance		(1,250)	3,300
Changes of accrued expenses		(163,536)	(9,819,960)
Changes of other receivables		10,000	46,401
Changes of refundable deposit		-	(2,000)
Changes of creditors		1,149,334	(3,694,809)
Cash received related to prior year		-	1,132,601
		(13,656,080)	(15,483,301)
Gratuity paid		-	-
Net cash flows from operating activities		(13,656,080)	(15,483,301)
Cash flows from Investing Activities			
Purchase of fixed assets	7	(114,355)	(32,978,461)
Expenses on Mahaweli Project		(14,159,766)	-
Loan repayment - from Inventors fund		616,024	469,552
Expenses from inventors fund		(98,582)	(935,566)
Distress loan grant		(1,215,300)	(981,649)
Distress loan repayment		773,303	709,169
Grant under COVID 19 Programe		(160,120)	(4,808,043)
Loan under COVID 19 Programe		-	(2,350,000)
Loan Cancellation		805,000	-
Loan under "Nawanipaum Diriya programe"		(1,025,750)	(3,324,250)
Loan under IAFM-SL		(6,000,000)	-
Net cash generated used in investing activities		(20,579,548)	(44,199,248)
Cash flows from Financing Activities			
Capital Grant		7,900,000	24,538,000
Mahaweli Project		22,079,592	-
Net cash generated from financing activities		29,979,592	24,538,000
Net increase/ (decrease) in cash and cash equivalents during the year		(4,256,036)	(35,144,550)
Cash and cash equivalents at the beginning of year		66,587,892	101,732,442
Cash and cash equivalents at the end of the year		62,331,856	66,587,892
Analysis of cash and cash equivalents			
A/C No.033-1-001-0-1791066		11,925,890	10,965,343
A/C No.033-1-001-2-1791065		48,954,908	54,567,720
A/C No.204402131791066		1,451,059	1,054,829
		62,331,856	66,587,892

The Significant Accounting Policies and Notes to the Financial Statements on pages **30 to 37** from an integral part of these Financial Statements.

SRI LANKA INVENTORS COMMISSION
Comparison of Budget and Actual Funds

LKR

	Approved Budget		Fund Released by Treasury	
	2021	2020	2021	2020
Recurrent	46,000,000.00	40,600,000.00	40,370,000.00	40,600,000.00
Capital	17,500,000.00	43,300,000.00	7,900,000.00	24,538,000.00
Total	63,500,000.00	83,900,000.00	48,270,000.00	65,138,000.00

Year	Govt. Contribution Capital (LKR)
1991	163,050.00
1992	1,700,000.00
1993	-
1994	250,000.00
1995	196,000.00
1996	113,500.00
1997	757,000.00
1998	1,700,000.00
1999	290,000.00
2000	4,500,000.00
2001	2,870,000.00
2002	700,000.00
2003	2,500,000.00
2004	621,000.00
2005	5,997,000.00
2006	33,991,000.00
2007	37,100,000.00
2008	24,106,000.00
2009	15,765,000.00
2010	4,500,000.00
2011	6,151,010.00
2012	21,562,000.00
2013	17,061,000.00
2014	40,000,000.00
2015	30,269,992.00
2016	57,248,655.00
2017	73,133,822.00
2018	85,750,000.00
2019	58,000,000.00
2020	24,538,000.00
2021	7,900,000.00

1. Commission Information

1.1. Reporting Entity

Sri Lanka Inventors Commission is a statutory body established in terms of the Sri Lanka Inventors Incentives Act No. 53 of 1979 for the encouragement, promotion and manufacture of Sri Lanka inventions and for the activities in connected therewith. The Commission is functioning under the purview of the Ministry of Science, Technology and Research.

In the year 2021 the office of the Commission is located at the No. 46 & 48, Cotta Road, Colombo 08.

2. Basis of Preparation

This section provides the basis of preparation of Financial Statements including significant accounting policies and application of Sri Lanka Public Sector Accounting Standards and related statutory requirements.

2.1 Statement of Compliance

The Financial Statements of the Commission, as at 31st December 2021 and for the year ended, have been prepared and presented in accordance with Sri Lanka Public Sector Accounting Standards (SLPSAS), laid down by the Public Sector Accounting Stranded Committee of the Institute of Chartered Accountants of Sri Lanka with the participation of Auditor General and Ministry of Finance and Planning.

- These Financial Statements include the following components:
- Statement of Financial Performance.
- A Statement of Financial Position providing the information of the Commission.
- A Statement of Changes in Equity depicting all changes in equity during the year under review of the Commission.
- A Statement of Cash Flow providing the information to the users, on the ability of the Commission to generate cash and cash equivalents and the needs of entity to utilize those cash flows.
- Notes to the Financial Statements comprising accounting policies and other explanatory information.

2.2 Responsibility for Financial Statements

The Board of Directors is responsible for preparation and presentation of these Financial Statements of the Commission as per the provision of the SLPSAS.

2.3 Basis of Measurement

The Financial Statements of Sri Lanka Inventors Commission have been prepared on accrual basis under historical cost convention and applied consistently with no adjustment being made for inflationary factors.

2.4 Functional and presentation currency

The Financial Statements of the Commission are presented in Sri Lanka Rupees, which is the institute's functional currency. Financial information presented in Sri Lankan Rupees.

2.5 Use of Materiality, Offsetting and Rounding

Materiality & Aggregation

Each material class of similar items is presented separately in the financial statements. Items of dissimilar nature or function are presented separately unless they are immaterial, as permitted by the Sri Lanka Public Sector Accounting Standards (SLPSAS) 1 on "Presentation of Financial Statements".

Offsetting

Assets & liabilities and income & expenses in the Financial Statements are not set off unless requires or permitted by Public Sector Accounting Standards.

Rounding

The amounts in Financial Statements have been rounded off to the nearest Rupees.

2.6 Going Concern

The Financial statements of the Commission has been prepared on the going concern basis.

2.7 Events after the reporting period

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

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

3. Foreign Currency Transactions

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

4. Property and Equipment

4.1. Basis of Recognition

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

4.2. Basis of Measurement

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

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

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

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

4.3. Revaluation

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

4.4. Derecognition

Property and equipment are de-recognised on disposal or when no future economic benefits are expected from its use. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in 'other income or other expenses' in the Statement of Profit or Loss in the year the asset is de-recognised.

4.5. Depreciation

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

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

Class of asset	Percentage per annum	Period (Years)
Office Furniture	15%	06 2/3
Office Equipment	20%	05
Name Boards	10%	10
Vehicle	20%	05
Media Equipment	20%	05
TV & Video Cassette	20%	05
Office Fittings	15%	06 2/3
Incubation Machineries and Equipment	20%	05

Sri Lanka Public Sector Accounting Standard (SLPSAS) 7 is being applied for the annual financial statements from beginning of January 1, 2014.

4.6. Fully Depreciated Property & Equipment

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

As at 31st December	2021 LKR	2020 LKR
Office Furniture	861,200	708,582
Office Equipment	5,490,577	5,487,982
Vehicle	-	1,6470,191
Media Equipment	1,380,935	1,354,940
TV & Video Cassette	941,600	111,750
Total	8,674,312	24,133,445

4.7. Property & Equipment Retired from Active Use

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

As at 31st December	2021 LKR	2020 LKR
Office Equipment	19,990	98,887
Name boards	110,805	110,805
Exhibition Stall	-	37,690
Office Fittings	38,000	1,065,682
Total	168,795	1,313,064

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

Employees are eligible for Employees’ Provident Fund contributions and Employees’ Trust Fund contributions in line with respective statutes and regulations. The Commission and employees contribute 15% and 10% of gross emoluments of employees to Employee’s Provident Fund. The Commission contribute 3% of gross emoluments of employees to the Employees’ Trust Fund.

6. Funds

The Government contribution to the Sri Lanka Inventors Commission is provided in the Annual Estimate of the Government under two distinct items, namely:

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

The Recurrent Expenditure of the Commission is shown in the Income and Expenditure Account under:

1. Administration and Establishment Expenditure
2. Personal Emoluments

Capital Expenses represent Expenditure incurred by the Commission on activities undertaken by it towards fulfillment of the objectives of the Sri Lanka Inventors Incentives Act No. 53 of 1979.

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

7. Cash Flow

Cash Flow Statement of Sri Lanka Inventors Commission is prepared in according to the SLPSAS 2, indirect method.

8. Collection funds / Donations from sponsors & third parties

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

Notes to the Financial Statements (Cont.)

	2021 LKR	2020 LKR
1 Cash & Bank Balance		
Cash Book- 033100101791066	11,925,890	10,965,343
Cash Book- 033100121791065	-	-
Incubation	13,762,138	13,762,138
IFMSL	30,495,958	36,472,155
Inventors Fund	4,696,812	4,333,427
Cash Book- 204402131791066 (Foreign Currency)	1,451,059	1,054,829
Balance as at 31st December	62,331,856	66,587,892
2 Debtors		
Rishan Dulanjana	174,223	98,336
S.J.S. Amarasekara	-	111,115
C. Dasanayaka	668,100	502,700
T. Shakthikumar	274,000	328,000
S. Ranasinghe	298,895	43,262
Sagarika Upamali	73,012	2,668
H.W.T. Chandranath	-	21,344
Udayasiri	366,666	66,668
Dishantha Premanath	97,230	-
Nilantha Gunasinghe	123,060	-
Saman Hettiarachchi	204,012	-
Other - non performance	9,117,683	9,317,683
Balance as at 31st December	11,396,880	10,491,776
3 Refundable deposit		
Gavinro Property Developers	2,400,000	2,400,000
Mobitel (Pvt)Ltd	2,000	2,000
Express Water System (Pvt) Ltd	5,000	5,000
Balance as at 31st December	2,407,000	2,407,000
4 Pre Payments		
Prepayment Contractual service	525,453	516,860
Prepayment for Laptop	943,200	-
Prepayment Sahasak Nimeum	-	76,000
Balance as at 31st December	1,468,653	592,860
5 Provision for doubtful debtors 100%		
Balance as at 1st January	9,802,964	9,802,964
Provision for the Year	-	-
Bad Debtor	(200,000)	-
Balance as at 31st December	9,602,964	9,802,964
6 Stock Valuation (SLPSAS 9)		
Closing stock of stationery has been valued at <i>First in First out</i> (FIFO) Basis accordance with the SLPSAS 9.		
Stationery		
Balance as at 1st January	445,954	431,446
Purchase during the year	397,200	961,655
Expenses during the year	(456,295)	(907,855)
Balance as at 31st December	386,860	445,954
T -Shirts		
Balance as at 1st January	414,480	415,265
Purchase during the year	-	-
Expenses during the year	-	785
Balance as at 31st December	414,480	414,480

Notes to the Financial Statements (Cont.)

7 Depreciation - Fixed Assets

	Office Equipment	Furniture Equipment	Name Boards	Vehicles	Exhibition Stall	Media Equipment	TV & Video Cassette Recorders	Office Fittings	Machinery and Tools (Incubation Centers)	Total
	LKR	LKR	LKR	LKR	LKR	LKR	LKR	LKR	LKR	LKR
Cost										
Balance as at 01st January 2020	11,742,457	2,412,224	211,305	16,470,191	37,690	2,264,999	950,300	1,139,502	4,517,802	39,746,471
Additions during the year	88,315	-	-	-	-	-	-	-	32,960,146	33,048,461
Disposals during the year	(773,390)	-	-	-	-	-	-	-	-	(773,390)
Balance as at 31st December 2020	11,057,382	2,412,224	211,305	16,470,191	37,690	2,264,999	950,300	1,139,502	37,477,948	72,021,543
Additions during the year	757,400	-	-	-	-	-	-	114,355	-	871,755
Disposals during the year	(33,272)	(4,631)	-	-	-	-	-	-	-	(37,902)
Transfer among asset class	(187,992)	161,997	-	-	-	25,995	-	-	-	-
Derecognition	(800,261)	-	-	-	(37,690)	-	(3,900)	(1,027,682)	-	(1,869,533)
Revaluation	-	-	-	5,029,809	-	-	-	-	-	5,029,809
Balance as at 31st December 2021	10,793,257	2,569,590	211,305	21,500,000	-	2,290,994	946,400	226,175	37,477,948	76,015,672
Accumulated depreciation										
Balance as at 01st January 2020	9,043,688	1,474,321	161,163	16,470,191	37,690	1,383,975	638,220	545,961	37,639	29,792,845
Charge for the year	1,097,319	255,547	10,050	-	-	193,990	167,710	11,073	5,784,976	7,520,664
Disposals	(770,658)	-	-	-	-	-	-	-	-	(770,658)
Balance as at 31st December 2020	9,370,349	1,729,868	171,213	16,470,191	37,690	1,577,965	805,930	557,034	5,822,614	36,542,851
Charge for the year	1,836,823	256,259	10,050	-	-	182,012	143,497	15,410	7,495,590	9,939,639
Disposals	(32,142)	(4,631)	-	(16,470,191)	-	-	-	-	-	(16,506,963)
Transfer among asset class	(186,145)	160,150	-	-	-	25,995	-	-	-	0
Derecognition	(794,692)	-	-	-	(37,690)	-	(3,900)	(473,438)	-	(1,309,719)
Balance as at 31st December 2021	10,194,193	2,141,646	181,263	0	-	1,785,972	945,527	99,006	13,318,204	28,665,808
Net book value										
As at 31st December 2020	1,687,033	682,356	40,093	0	-	687,034	144,370	582,467	31,655,334	35,478,692
As at 31st December 2021	599,064	427,944	30,042	21,500,000	-	505,022	873	127,169	24,159,744	47,349,863

* The revaluation model is used for the vehicle class of assets from December 31, 2021. That class of assets are carried at their fair value. Revaluation surplus is recognised in equity. Other assets are remain value at historical cost model because of those are not highly liquidated assets.

* The Vehicle No.253-2750 had been transfered by State Ministry of Skills Development, Vocational Education, Research and Innovation on for usage of Commission from 17 September,2020.

8	Other Payables		
	Creditors	1,316,664	167,330
	Balance as at 31st December	1,316,664	167,330
9	Accrued Expenses		
	Cleaning Charges Payable	46,765	56,235
	Water Charges Payable	10,361	13,080
	Electricity Charges Payable	129,193	105,863
	Communication Charges Payable	50,566	58,277
	Fuel & Lubricant Payable	200,261	59,165
	Audit Fees Payable	770,500	874,700
	Overtime payable	68,816	189,858
	Other contractual payable	-	89,050
	Sahasak Nimeum Payable	4,284	826,784
	Other Allowances Payable	51,500	2,000
	Travelling Payable	2,400	25,987
	Inventor-Inventions Promotions	-	46,500
	Stationery Payable	206,391	-
	Stamp Duty Payable	1,950	3,750
	Other Administration Payable	658,986	14,260
	Balance as at 31st December	2,201,973	2,365,509
10	Provision For Mahaweli Project		
	Balance as at 1st January		-
	Fund Received from Mahaweli Authority	22,079,592	-
	Expences for Project Activity		
	Payment for Nano vision Anuradhpura	(14,159,766)	-
	Royalty Income	(185,625)	-
	Administration and Logistic Charges from Elephant Fence Project	(366,250)	-
	Creditors - Mahawali Athourty Pending Payment	(761,525)	-
	Creditors - Nano vision Anuradhpura Payable	(72,400)	-
	Balance as at 31st December	6,534,026	-
11	Gratuity		
	Provision for staff gratuity has been made in terms of the payment of Gratuity Act No. 12 of 1983.		
	Balance as at 1st January	3,682,614	2,820,257
	Provision for the Year	585,730	862,357
	Gratuity payment during the year	-	-
	Balance as at 31st December	4,268,344	3,682,614
12	Innovation Accelerator Funding Mechanism - Sri Lanka (IAFM-SL)		
	Balance as at 1st January	36,472,155	46,472,155
	Fund Received	-	-
	Transfer to Inventors Fund	-	(10,000,000)
	Balance as at 31st December	36,472,155	36,472,155
13	Fund for National Incubation Centre		
	Balance as at 1st January	45,417,472	51,202,448
	Fund Received		
	Expenses on Establishment of Incubators		
	Ammortization of on University of Rajarata	5 (3,648,242)	(2,716,097)
	Ammortization expenses on University of Ruhuna	5 (3,847,348)	(3,068,879)
	Balance as at 31st December	37,921,883	45,417,472
14	Capital Grant		
	Balance as at 1st January	14,334,314	(3,842,092)
	Fund Received	7,900,000	24,538,000
	Expenses for project activities	17 (10,107,926)	(4,355,907)
	Staff Capacity Building	(533,750)	(270,000)
	Capital Grant Ammortization - Fixed Assets	5 (1,686,650)	(1,735,688)
	Balance as at 31st December	9,905,989	14,334,314
15	Sri Lanka Inventor's Fund		
	Balance as at 1st January	13,240,886	8,998,495
	Fund Received From IFMSL	-	10,000,000
	Distributed Grant under "COVID 19 Programme"	(305,120)	(4,822,043)
	Payment for NERD - Build Mould	-	(630,000)
	Panel payment for COVID Evaluation	-	(125,000)
	Payment for ITI - Testing Reports	(93,582)	(176,040)
	Payment for Nano Technology (Pvt) Ltd - Testing Reports	(5,000)	(4,526)
	Balance as at 31st December	12,837,184	13,240,886
16	Government Contribution		
	Government contribution summary is given below.		
	<u>According to the SLAS 24</u>		
	Recurrent Grant	40,370,000	40,600,000
	Capital Grant	7,900,000	24,538,000
	For the Year	48,270,000	65,138,000

		2021 LKR	2020 LKR
17	Other Income		
	Distress Loan Interest	143,523	112,336
	Foreign Currency Interest	24,984	10,601
	Miscellaneous income	13,249	70,694
	Proffit on Forein Currency Transaction	96,827	-
	SN Registraion Fee	501,918	1,322,051
	Royalty Income	230,218	43,387
	Administration income from Elephant fencing project	233,123	-
		1,243,843	1,559,070
18	Personal Emoluments		
	Salaries and Wages	11,671,645	10,881,623
	Cost of Living Allowances	2,301,000	2,169,028
	Professional Allowance	144,000	131,768
	Other Allowances	591,000	565,500
	No-Pay Charges	-	(2,511)
	EPF Expenses	2,095,897	1,957,221
	Employees Trust Fund Expenses	419,179	391,444
	Overtime and Holiday Payment	663,301	406,108
	Remuneration to members	1,004,400	660,299
	Staff Capacity Building	533,750	270,000
		19,424,172	17,430,480
19	Administration & Establishment Expenses		
	Traveling Expenses - Local	120,464	149,471
	Stationeries	472,407	539,709
	Fuel and Lubricant Expenses	956,731	582,417
	Repair & Maintenance -Equipment	47,100	24,820
	Repair & Maintenance - Vehicle	2,350,107	923,526
	Postage Charges	47,900	43,035
	Communication Charges	736,889	697,679
	Utilities Expenses	75,491	39,853
	Contractual Expenses	1,683,038	1,694,084
	Electricity Charges	1,213,047	1,290,361
	Cleaning Expenses	469,752	499,913
	Water Charges	122,717	84,741
	Rental Expenses	13,375,000	14,835,938
	Entertainment Expenses	309,020	217,378
	Audit Fees	50,000	75,000
	Operating Lease Rental	1,790,550	2,387,400
	Other Administration Expenses	1,190,359	1,068,941
		25,010,573	25,154,266
20	Inventors Incentives Expenses		
	Invigorating grass root level	-	61,180
	Provincial level selection Exhibitions	-	922,971
	Inventor-Inventions Promotions Activities	636,657	904,194
	Presidential Awards	110,111	-
	"Sahasak Nimavum" National Exhibition	4,924,909	1,017,820
	Conducting awareness programmes	-	557,812
	Support inventors in patent	-	37,210
	Establishing Inventors Club	2,993,863	-
	SLAAS - FITI - 2020	731,616	509,750
	Wild Life Programe	413,379	344,971
	Incubation Centers	59,545	-
	Invent Grant scheme	153,845	-
	Commercializing of inventions	12,000	-
	IAFM - SL Programme	72,000	-
		10,107,926	4,355,907
21	Other Expenses		
	Loss on Assets Disposal	560,943	2,732
	Loss on Foreign Currency Transaction	-	5,131
		560,943	7,863

My No.: IMT/D/SLIC/1/21/56

18 May 2022

Commissioner,
Sri Lanka Inventors Commission

Report of the Auditor General on the Financial Statements and Other Legal and Regulatory Requirements of the Sri Lanka Inventors Commission for the year ended 31 December 2021 in terms of Section 12 of the National Audit Act, No. 19 of 2018.

1. Financial Statements

1.1 Qualified Opinion

The audit of the financial statements of the Sri Lanka Inventors Commission for the year ended 31 December 2020 comprising the statement of financial performance, changes in equity statement and cash flow statement for the year then ended and notes to the financial statements, as at 31 December 2021 including a summary of significant accounting policies, was carried out under my direction in pursuance of provisions in Article 154(1) of the Constitution of the Democratic Socialist Republic of Sri Lanka read in conjunction with provisions of the National Audit Act No. 19 of 2018. My report to Parliament in pursuance of provisions in Article 154 (6) of the Constitution will be tabled in due course.

In my opinion, except for the effects of the matters described in the basis for Qualified Opinion section of my report, the accompanying financial statements give a true and fair view of the financial position of the Commission as at 31 December 2021, and of its financial performance and its cash flows for the year then ended in accordance with Sri Lanka Public Sector Accounting Standards.

1.2 Basis for Qualified Opinion

- (a) Even though the residual value and useful life of an asset should be reviewed at least at the last date of the reporting period of each year as per section 65 of Sri Lanka Public Sector Accounting Standards (SLPSAS) No.7, the Commission had not taken action to adjust the useful life of assets, which are still in use, even completely depreciated and valued at Rs.8,674,312 in the financial statements, again reviewing these as per Sri Lanka Public Sector Accounting Standards No.03.
- (b) Due to not accounting for 16 accrued expenditures with a total value of Rs.2,866,966 that came under 12 categories, during the year under review, the profit for the year under review has been overstated in the financial statements by the same amount.
- (c) The 99 cheques with a total value of Rs. 990,000 out of a total value of Rs. 1,610,000 which had been written on December 30th of the year under review, to 161 schools for the purpose of establishing inventors' circles, remained in the custody of the Commission without being delivered to the particular schools. Accordingly, due to stating in the financial statements an amount of Rs. 990,000 that had not been spent on the establishment of inventor's circles, the expenditure for the year under review had been overstated in the financial statements in the same amount.

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

1.3 Other information included in the Annual Report 2021 of the Commission

The other information is defined as the information that are not included in my audit report but included in the Annual Report 2021 of the Commission, due to be forwarded to me after the date of this Audit Report. The management is responsible for this other information.

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

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

If I conclude material misstatements when reading Annual Report 2021 of the Commission, these matters should be communicated to governing parties for rectification. If further misstatement that are not rectified, these will be included in the report to be tabled in Parliament in due course by me, in accordance with Article 154 (6) of the Constitution of the Democratic Socialist Republic of Sri Lanka.

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

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

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

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

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

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

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

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Commission's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Commission to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

2. Report on Other Legal and Regulatory Requirements

- 2.1 National Audit Act, No.19 of 2018 includes specific provisions for the following requirements.
- 2.1.1 I have obtained all the information and explanation that required for the audit and as far as appears from my examination, except for the effects of the matters described in the basis for Qualified Opinion section of my report, proper accounting records have been kept by the Commission as per the requirement of section 12 (a) of the National Audit Act, No. 19 of 2018.
- 2.1.2 Financial statements presented is consistent with the preceding year as per the requirement of section 6 (1) (d) (iii) of the National Audit Act, No. 19 of 2018.
- 2.1.3 The financial statements presented includes all the recommendations made by me in the previous year as per the requirement of section 6 (1) (d) (iv) of the National Audit Act, No. 19 of 2018.
- 2.2 Based on the procedures performed and evidence obtained were limited to matters that are material nothing has come to my attention;
- 2.2.1 to state that any member of the governing body of the Commission has any direct or indirect interest in any contract entered into by the Commission which are out of the normal cause of business as per the requirement of section 12 (d) of the National Audit Act, No. 19 of 2018.
- 2.2.2 to state that the Commission has not complied with any applicable written law, general and special directions issued by the governing body of the Commission as per the requirement of section 12 (f) of the National Audit Act, No. 19 of 2018
- 2.2.3 to state that the Commission has not performed according to its powers, functions, and duties as per the requirement of section 12 (g) of the National Audit Act, No. 19 of 2018
- 2.2.4 to state that the resources of the Commission had not been procured and utilized economically, efficiently and effectively within the time frames and in compliance with the applicable laws as per the requirement of section 12 (h) of the National Audit Act, No. 19 of 2018

2.3 Other matters

Hundred percent doubtful debts had been allocated for 15 outstanding loan balances that amounted to Rs. 9,602,964/- including 12 loan balances valued at a total value of Rs. 9,317,683 that had been provided by the Inventors Fund and actions taken to recover these loan balances were not satisfactory.

W.P.C. Wickramaratne
Auditor General

The measures taken by the management and the Board of Directors to rectify the matters raised by the Audit Queries in the year 2021

Audit observation	Explanations given by the management
1. Even though the residual value and useful life of an asset should be reviewed at least at the last date of the reporting period as per Section 65 of Sri Lanka Public Sector Accounting Standards No. 7, actions had not been taken to adjust the useful lives of assets that cost Rs. 8,674,312 still in use even these were completely depreciated by the institute, again reviewing it as per SLPSAS No. 03.	The goods and equipment falling under these asset categories belong to different varieties; estimation of common useful lives is not practical. When these are taken individually, excessive variation can be observed in their useful lives. Therefore, it is not practical to make revisions to the estimated useful life; these were only revealed as per Section 45 of SLPSAS No. 3.
2. Due to not accounting for 12 accrual expenses under 12 categories with a total cost of Rs. 2,286,966 relevant to the year under review, profit for the year under review had been overstated in the financial statements by the same value.	I agree with the observation. A copy of the binary note for correction of the relevant ledger account as at 01/01/2022 is submitted.
3. The cheques with total value of Rs 990,000 out of cheques of a total value of Rs. 1,610,00 dated 30 December of the year under review written in favour of 161 schools for the purpose of establishment of inventors circles had been kept in the commission without being delivered to the relevant schools even by 21 March 2022. Therefore, due to stating Rs. 990,000 that was not incurred for establishment of inventor's circles in the financial statements, expenditure for the year under review had been overstated by the same amount in the financial	As the application should be forwarded to the commission to deposit the cheque, as a result of closing schools due to Covid-19 pandemic these applications were not forwarded to the commission and therefore actions are being taken to deliver these cheques again coordinating with the relevant schools.

statements.	
4. Actions had not been taken to dispose and remove office equipment, name boards, and office appliances with a total value of Rs. 168,975.00 that had not been actively in use from the property, plant and equipment in the financial statements.	A DVD player that cost Rs. 19,990 had been listed as an asset that was not in use, by a mistake. Actions will be taken to rectify this in future financial statement. The Board of Survey conducted in the year 2021, recommended to remove name boards valued at Rs. 110,805. The name boards that cost Rs 38,000 have been temporarily removed from use due to difficulty using them within this premise.
5. 100% doubtful debt was allocated for 15 receivable loan balances with a total value of Rs. 9,317,683 including 12 loan balances with a total value of Rs. 9,602,964 provided by the Inventors Fund and actions taken to recover these loan balances were not satisfactory.	These balances had been stated in the accounts books as receivable balances since 2011. A 100% doubtful loan balance had been allocated until actions were taken to write off these balances from the books.
6. Even though the notes in the cash book should be updated with serial numbers according to the order of receiving cash, the same number should be noted in the relevant documents that verify such notes, and the date in the notes of the cash book should be tallied with the issued date on the receipt, it is observed that the receipt number in the cash receiving book had not been entered according to the serial number.	Actions will be taken not to make such mistakes in the future.
7. Even though serial numbers should be entered in the notes to the cashbook, upon examining the cashbook maintained at the commission, it was observed that the Commission does not practice such a system.	I agree with the observation. As instructed by you, actions have been taken to maintain the cashbook at the commission according to serial numbers.

8. The Commission had not maintained a register for entering details about chequebooks	I agree with the observation. As per your instructions given by you, actions have been taken to maintain a register for cheque books from year 2022.
9. Even though provisions have been made to mention the voucher number in the cheque book for each written cheque, the commission had not paid attention to this matter.	I agree with the comment that sometimes voucher numbers are not mentioned in the remaining part of the chequebook, and actions will be taken to avoid such mistakes in the future.
10. A stock of 528 t-shirts valued at Rs. 414,489 that was printed three years ago in the year 2018 for the Sahasak Nimaum programme without analysing the necessity had been remaining in the commission even by the end of the year under review. This stock had not been entered in the inventory.	As per the instructions given by the Ministry, a separate sub-inventory is being maintained under an officer of the commission and actions will be taken to include this in the main inventory as shown by you.
11. 40 cheques with total value of Rs. 743,089.00 that had been written for various projects and expenses without proper planning and requirements had been returned due to being these in the commission without delivering to relevant institutions and persons.	I agree with the observations. Actions have already been taken to settle some of these cheques. However, actions will be taken to avoid such incidents in the future.
12. Evaluations of Sahasak Nimavum Competition 2021 had been completed by 26 December 2021 and cash prizes had been granted to the winners of the school category. However, certificates and colours had not been awarded to the winners of the school category and other categories even after exceeding 176 days of the	The Treasury had provided financial provisions on 31 March 2022 for the awards ceremony that had to be conducted in the year 2022 and as per National Budget Circular No. 03/2022 these activities were temporarily suspended and therefore, procurement processes or organizing

competition.	ceremonies were also suspended.
13. The bills and other documents to be submitted as per the agreement signed in providing a total financial assistance of Rs. 3,187,500 to A. Sanjeewa Samarawickrama as a grant in the year 2008 and 2009 through the IAFM (Innovation Accelerator Funding Mechanism) project that is implemented with the aim of enhancing innovations by Sri Lankan inventors and thereby getting their contribution to the society and national economy had not been received to the Commission even by the date of auditing, that was 25 July 2022.	Letters have been forwarded to obtain the bills and other documents to be provided as per the agreement and a meeting has also been conducted.
14. This project was implemented in several phases and cost more than Rs. 22 million only in the year under review, was done by Nano Vision (Pvt) Ltd, Anuradhapura and this supplier was selected deviating from the provisions of the procurement guidelines.	Sri Lanka Inventors Commission has implemented several pilot projects in collaboration with Sri Lanka Mahaweli Authority in Mahaweli Zones aiming at minimizing human-animal conflict based on the requirement of the Mahaweli Authority. As per the MOU signed on this pilot project (annexure 05), the commission facilitated finding suitable inventors, and as assisting inventors to find local and international markets is a function assigned to the commission, this project was implemented to explore market opportunities for inventors. As per the last para in the second part of the MOU signed between the Sri Lanka Inventors Commission and Sri Lanka Mahaweli Authority, all the procurements required for this pilot project should be

	carried out by the Sri Lanka Mahaweli Authority. The commission has only forwarded the quantity of required equipment and estimates for these equipment.
15. As per the inquiry made from the National Intellectual Property Office in this audit, it is revealed that there were four local patents on minimizing human-animal conflict, and they had not been made aware of the above project. In the audit, it was observed that the commission has avoided its national responsibility by awarding this contract to a general person without paying attention to patent holders.	02 of the 04 inventors in the patent list (patent Nos. 17895 and 18814) had been made aware of the pilot projects implemented in collaboration with the Department of Wildlife Conservation. During the commercialization stages, implemented in collaboration with the Department of Wildlife Conservation and Sri Lanka Mahaweli Authority, considered only the inventor who had succeeded in the pilot project implemented with the Department of Wildlife Conservation. I agree with your observations on not getting the participation of two inventions, Patent Nos. 17772 and 15277, for the first pilot project implemented in collaboration with the Department of Wildlife Conservation. However, any of these 04 inventions are not connected to electricity system and due to this reason, there was no possibility to use this inventions for this pilot project. When considering the patents issued in the year 2020, average time for issuance of one patent is 03 years and 06 months. Therefore, the commission provides financial and technical assistance for the inventions that have applied for patents. Some inventions among these have successfully

	commercialized and succeeded the market. Actions were taken to commercialize the two inventions “radio collars for identification of movements of elephants” and “multipurpose electric energizer” that had already applied for patents and show progress at the first pilot project implemented in collaboration with the Dept. of Wildlife Conservation. At the meantime National Intellectual Property Office has informed that patent application forwarded by the inventor, G.D.K.Samaranayake was rejected.
16. Further, a patent holder had expressed his objection to this construction, addressing the Secretary, State Ministry of Development of Common Infrastructure Facilities of Settlements and Canals in Mahaweli Zones, in his letter dated October 23, 2020. Even though the Director of the Sri Lanka Mahaweli Authority had informed the commission to report him investigating this matter, the Commission had not paid its attention in this regard.	The Commission had paid attention to the letter No. MASL/D/RDSP/03/03 dated 18 March 2021 forwarded by Sri Lanka Mahaweli Authority. However, this inventor, Mr. Sarath Gamini had expressed his objection only for utilizing his invention that bears patent No.18814 without his knowledge and there was no objection against the pilot project implemented by the Commission in collaboration with Sri Lanka Mahaweli Authority. Since his invention was not used by the commission for the projects implemented in collaboration with Sri Lanka Mahaweli Authority this is not a charge framed against the Commission. He forwarded this letter on 23.10.2020 during the period in which we had only initial discussions with the Mahaweli Authority and therefore the Commission had not implemented the project by this time.

17. Further, even though assisting inventors to market their inventions locally and internationally is among the objectives of the commission, it does not intend to earn income through this, but the commission has charged contractors a 30% royalty payment through this project. Accordingly, the contractor had included this 30% commission that has to be paid to the commission in his estimate, and therefore the government had to bear this unnecessary burden.	As per policy decisions taken from time to time by the Commission, a royalty payment are charged from the inventors upon commercialization of their inventions after the commission has supported them. The Commission intends to use this income earned by charging royalty payments to give necessary assistance to another inventor. This income had not been used for any recurring expenditures by the commission. This royalty payment is charged not only from the projects implemented with the Sri Lanka Mahaweli Authority and Department of Wildlife Conservation, but also through the programme for providing financial assistance.
18. Further, the selected company that is not a patent holder in this subject area had been registered as a company on 05 January 2021. Accordingly, this had not been registered as a company when it was selected for this project and also even when field inspections were carried out on 23 December 2020.	Even though the patent had not been obtained for the invention “Electric Energizer” by the inventor G.D.K.Samaranayake, he had applied for the patent by the relevant period. As mentioned in No. 04 above, the Commission assisted the inventions that have applied for patents. At the time of implementing the pilot project in collaboration with the Department of Wildlife Conservation he had already commenced his business under the business name “nano vision” and this was approved by the Board of Directors at its meeting held on 22.12.2020. He has registered his business at the Department of Registration of Companies before signing the agreement for the pilot project with Sri Lanka

	Mahaweli Authority. The commission had provided assistance and guidance to register both inventions “Electric Energizer” and “Radio collars for elephants” at the Department of Registration of Companies within its institutional framework.
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