

Annual Report - 2022



Sri Lanka Inventors Commission



Ministry of Education

5th Floor, “Mehewara Piyasa” Building, Colombo 05

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Members of the Commission

Prof. N. M. S. Sirimuthu

Commissioner

(From 01.01.2022 to 31.12.2022)

Dr. R. M. H. M. Anupa Indika Herath

Assistant Commissioner

(From 01.01.2022 to 31.12.2022)

Prof. Neelika Malawige

Assistant Commissioner

(From 01.01.2022 to 21.06.2022)

Mrs. Kalpani Rajapaksha

Assistant Commissioner

(From 01.11.2022 to 31.12.2022)

Mr. P. V. B. P. Sisira Nandana

Treasury Representative

(From 01.01.2022 to 18.02.2022)

Mrs. M. K. D. N. Madampe

Treasury Representative

(From 26.02.2022 to 31.12.2022)



Members of the Audit and Management Committee

Mr. P. V. B. P. Sisira Nandana
Treasury Representative
(From 01.01.2022 to 18.02.2022)

Mrs. M. K. D. N. Madampe
Treasury Representative
(From 26.02.2022 to 31.12.2022)

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

Dr. R. M. H. M. Anupa Indika Herath
Assistant Commissioner
(From 01.01.2022 to 31.12.2022)

Mrs. H. D. Anuruddhika
Internal Auditor
(From 01.01.2022 to 31.12.2022)

Mr. H. M. U. S. A. Wijekoon
Representative from Auditor General's Department
(From 01.01.2022 to 31.12.2022)

Mrs. W. P. L. S. R. Perera (2021.01.01- 2021.12.31)
Representative from Auditor General's Department
(From 01.01.2022 to 31.12.2022)

Message of the Commissioner



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

This will be a blessing for us as Sri Lankans to embark on a new economic pattern to be able to preface a creative tomorrow that can conquer the world.

The role of the Sri Lanka Inventors Commission (SLIC) has been very helpful in providing a new approach to the creative people of Sri Lanka who can conquer the world tomorrow. It is a clear fact to anyone that inventions and innovations are the foundation of development in the rapidly developing world, and the Sri Lanka Inventors Commission is the institution that brings breath to Sri Lankan inventions which can be moving towards development. The impact of inventions and related innovations on the generation of foreign exchange and the growth of the local economy, which affects the society of Sri Lanka, is immense.

In such an era of development through inventions, the SLIC will be the institution that gives breath to Sri Lankan inventions. The impact of inventions and innovations on the growth of the local economy as well as generating of foreign exchange affecting the Sri Lankan society is immense.

From the “Sahasak Nimavum” International Inventions and Innovations Exhibition which is an annual event of the Commission, new technical activities such as the establishment of Inventors Clubs, commercialization of inventions, the provision of loan subsidies to eligible inventors and the creation of local and foreign market opportunities for their innovations will be created. Enlightenment and new economic systems are created, as well as the opportunities to get inventors are countless. When our inventors become entrepreneurs, become economically self-sufficient, and receive high returns for their inventions, the impact on the local economy will be better felt.

By understanding the shortcomings and possibilities of the new design and providing remedies for them, we will work diligently to provide the necessary guidance to ensure the safety of the design by finding new technical methods and obtaining the patent rights to develop the design.

In the year 2022, the challenges assigned to the Commission were enormous and based on the commitment of the staff and the guidance of the Line Ministry, the promotion of inventions targeting 14 technical fields in 4 main categories identified as Schools, Universities and Tertiary Education Institutions, Open and Commercialized are covering the whole country and many programs have been successfully conducted.



The time has come to put new ideas and products in front of the country in order to empower the country through creative products and create a market for new products. For that, the Sri Lanka Inventors Commission has taken many steps to build the name of Sri Lanka through social and economic development by increasing local innovation and promotion.

The Sri Lanka Inventors Commission wishes to move gradually towards the goal of creating a perfect innovative culture with Sri Lankan identity as the centre of nurturing and improving the invention skills of Sri Lankans. We should never forget to express our gratitude to the people who have been a blessing to us in the journey of making that aspiration a reality.

The Commission's gratitude is extended to all those who have rendered exceptional service for the future of Sri Lankan inventors and to the staff of the Commission who are constantly giving strength for the fulfillment of that national mission and to the members of the Governing Board of the Commission who have always given us guidance. I express my gratitude to Hon. Dr. Susil Premajayantha and former Minister, Hon. Dr. Sitha Arambepola, and to the officials of the line Ministry as well as to other public and private sector institutions, while congratulating all the inventors who have contributed to create an innovative culture in the country by producing inventions.

Message of the Director/CEO



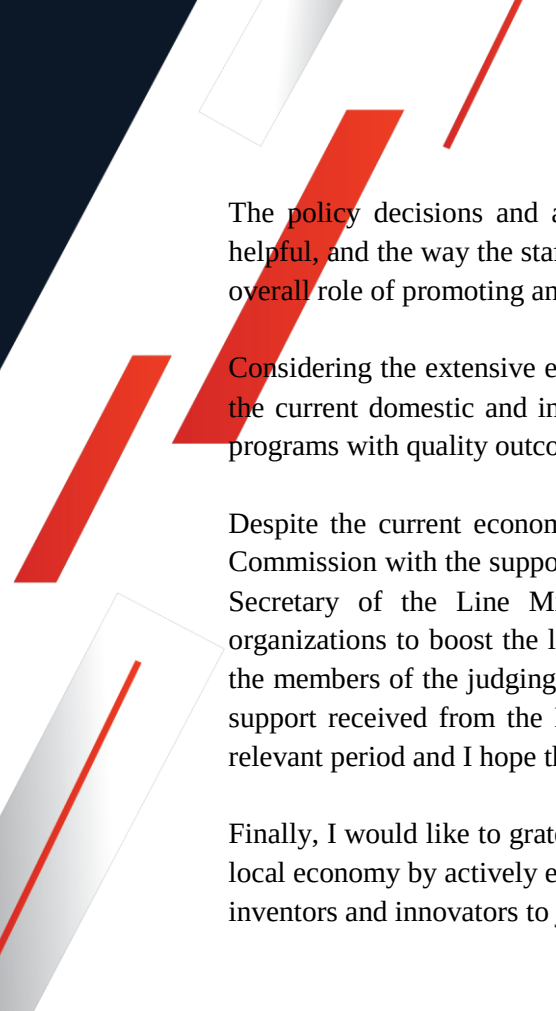
N. N. W. Dolawatta
Director/CEO
Sri Lanka Inventors Commission

The primary objective of establishing the Sri Lanka Inventors Commission under the Sri Lanka Inventors Encouragement Act No. 53 of 1979 is to provide technical, financial and legal support to Sri Lankan inventors to encourage local innovation. This annual report contains details on the actions and programs undertaken by the Commission in the challenging year 2022, and I would like to briefly indicate the main tasks carried out.

- Conducting “Sahasak Nimavum” International Inventions and Innovations Competition and thereby generating foreign income by strengthening the local economy.
- Providing necessary facilities for technical improvements and necessary quality certificates to commercialize inventions and innovations of local inventors.
- Coordinating with public and private sector organizations to provide a more comprehensive and efficient service to inventors.
- Making a contribution to the local economy in the prevailing challenging environment by introducing 14 inventions that can be used as import substitutes to the market by the Spar Sri Lanka supermarket chain.
- Creating Inventors Clubs in schools, universities and tertiary education institutions to orientate the youth community towards inventions and innovations and sharpen their creativity.
- Planning to provide loan facilities through the new project for commercialization of inventions (IAFM-SL) to encourage innovative entrepreneurs and provide seed capital for commercialization of inventions in coordination with state commercial banks.

One of the prime objectives of the Commission is to create an environment that catalyzes the creation of inventions and innovations in the society by contributing their creativity to build the local economy in order to free from dependence on government grants and financial aid.

In the current challenging environment of the local economy, the Commission has well understood the utility and the need to encourage innovation in the field of inventions, and we have been able to use the treasury allocations released on the recommendation of the line ministry effectively.



The policy decisions and approvals taken by the governing body of the commission were also very helpful, and the way the staff of the commission worked with dedication throughout the year 2022 for the overall role of promoting and encouraging inventions and innovations is commendable.

Considering the extensive experience and wealth of knowledge we have gained over the years as well as the current domestic and international environment, the Commission aims to implement result-oriented programs with quality outcomes in the year 2023.

Despite the current economic crisis and non conducive environment all the efforts have taken by the Commission with the support of all members of the governing board of the Commission, all the staff the Secretary of the Line Ministry and the staff, all government institutions and non-governmental organizations to boost the local economy through the programs implemented. I also gratefully thank all the members of the judging panel who contributed in the evaluation activities. I also gratefully recall the support received from the Honorable Ministers who held the positions of the line Ministry during the relevant period and I hope that the Commission will receive the support of them in the future too.

Finally, I would like to gratefully remember all the inventors who contributed to the empowerment of the local economy by actively engaging with the Commission in the year 2022, and I invite all the Sri Lankan inventors and innovators to join hands with us to provide maximum support to achieve the national goals.

1.0 Sri Lanka Inventors Commission

1.1 Introduction

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

1.2 Vision

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

1.3 Mission

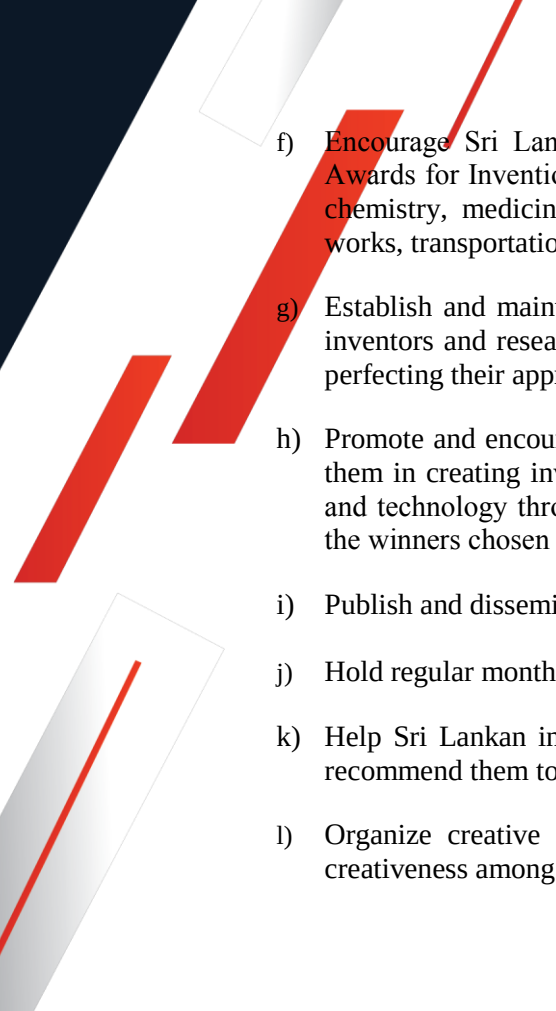
“Be the leading catalyst in bringing out innovative capability of the nation. Be a forerunner of the facilitation process in converting ideas into practical applications”

1.4 Objectives

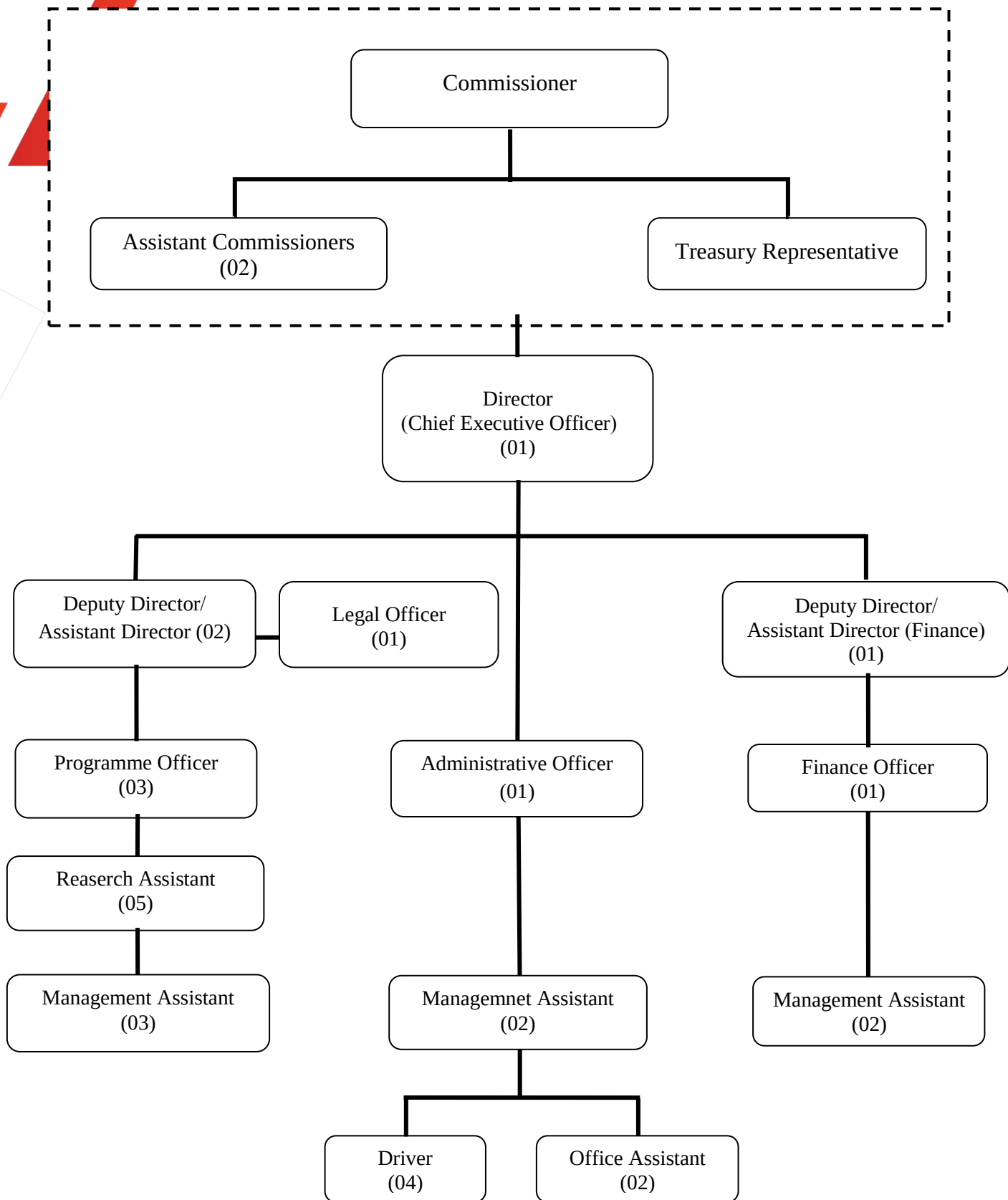
- 1.4.1 Encourage Sri Lankan citizen for invention and innovation
- 1.4.2 Provide technical, financial and legal assistance to inventors.
- 1.4.3 Exercise and deliver all the powers, functions and duties stipulated in Sri Lanka Inventors Incentives Act No. 53 of 1979.
- 1.4.4 Deliver all other functions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

1.5 Powers Functions and Duties of the Commission

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

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

1.6 Organizational Structure



1.7 Human Resources

Designation	Approved Cadre	Cadre in year 2022	Vacancies as at 31 December 2022
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	02	03
Management Assistant	07	05	02
Driver	04	04	-
Office Assistant	02	02	-

1.8 The Board of the Commission and Chief Management Officers



Prof. N. M. S. Sirimuthu
Commissioner



Dr. M.H.M. Anupa Indika Herath
Assistant Commissioner



Mrs. Kalpani Rajapaksha
Assistant Commissioner



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



Mr. N. N. W. Dolawatta
Director/C.E.O.



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



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



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

2.0 Main Projects and Programmes Implemented in the Year 2022

2.1 “Sahasak Nimavum 2022” International Inventions and Innovations Exhibition & Competition - Connecting Platform of Sri Lanka and the International through Innovations.

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

In this competition, Sri Lankan inventors will be given the opportunity to participate for the competition in the following fourteen (14) technical fields under four main categories: Schools, Universities and Tertiary Education Institutions, Commercialized Inventions and Open Category.

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

Despite the current economic recession and environmental conditions such as COVID-19 in the country, the Sri Lanka Inventors Commission is continuing its programs without interrupting using technology. 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.

On the occasion of National Inventors Day, “Sahasak Inventions 2021” Award Ceremony was held on 26th October 2022 at Sri Lanka Open University Auditorium. On this occasion, Additional Secretary of the Ministry of Education Mrs. Nadeeka Wataliyadda, Director General Mrs. Kumari Meegahakotuwa, Director General Mr. P. M. Dharmathilaka participated as the special guests and around 200 dignitaries including professors, lecturers and Sri Lankan inventors were participated.

Accordingly, awards and certificates were given to the identified winners and 30 gold medals, 51 silver medals, and 39 bronze medals among the winning inventors of the national competition for the year 2021. The Junior Dasis Trophy in the school category was awarded to the invention "Smart Dustbin", while the Dasis Trophy in the University and Tertiary Education Institutions category was awarded to the invention "Bio Green Phosphate Products". The Dasis trophy in the commercialization category was awarded to the invention "Utech Blackbox Telematic Device". According to the judgement, no one was eligible to win the Dasis trophy for the open category for the year 2021.



2.1.1 Initial progress on "Sahasak Nimavum 2022"

403 national inventions and 05 international inventions had submitted applications for the "Sahasak Nimavum 2022" exhibition.

An expertise panel of judges was involved in evaluating the entire applications of the competition, and so far, 13 gold medals, 14 silver medals and 17 bronze medals have been announced in the evaluation of the "National Competition" section. Also, plans have been made to finalize the evaluation work for awarding the "Dasis" trophy in "Sahasak Niwam 2022" as well as the indication work of the international competition. This time too, using the existing international relations of the Commission, a highly qualified foreign evaluation panel from foreign invention institutes was able to be appointed as follows for judging the International Competition.

2.1.2. Judging Pannel Members of “Sahasak Nimavum” International Competition



“Sahasak Nimavum” is a unique platform which built for inventors to showcase their pinventions, while also being a key approach to buildup a well-developed Sri Lanka by meeting future challenges and improving technological tools to achieve comfort in everyday life.

Until the year 2019, the Sri Lanka Inventors Commission, which was solely depended on the Government Treasury, is entering the path of revenue generation from the year 2019. Accordingly, the Commission has been able to earn income through the registration of foreign inventions from the year 2019. Accordingly, besides bringing strength to local income through the commercialization of inventions, the Commission has also been able to provide a helping hand to the Government Treasury by generating revenue.

Year	Amount Earned	
2022	As foreign currency	500 USD
2022	As local currency	137000 LKR

2.2 Identifying Inventions which adapted to Sustainable Environmentfriendly Electricity Generation Method related to Renewable Energy

The Sri Lanka Inventors Commission has taken the initiative to find innovative solutions to the sustainable energy generation and energy crisis related to renewable energy. At present, most of the electricity requirement in the country comes from non-renewable sources. Initially, 44 inventions were evaluated by a panel of experts and referred to the relevant institutions to provide the necessary support for the development and improvement of the prototypes of the 11 selected inventions. This programme was initiated in collaboration with the Ministry of Energy, Sustainable Energy Authority, Sri Lanka Electricity Board, Universities and local inventors.

2.3 Exhibition and Investor Meetup for Renewable-Sustainable Energy-related Inventions and Innovations

The Sri Lanka Inventors Commission, Sustainable Energy Authority and the All-Ceylon Buddhist Congress jointly organized an exhibition on energy-related inventions on 11th and 12th September 2022 at the All-Ceylon Buddhist Congress premises. A total number of 75 inventions were presented for the exhibition, and the inventors received many benefits such as the opportunity to meet investors, support for patent applications, and the opportunity to learn about various energy-related technologies, etc.





2.4 IAFM SL (Innovation Accelerator Funding Mechanism for Sri Lanka) - Pproject for Commercialization of Inventions

As mentioned in the Sri Lanka Inventors Incentive Act, coordination with lending institutions to obtain the necessary financial facilities for the commercialization of inventions useful to Sri Lanka identified by the Commission was initiated during this financial year.

In this new approach arrangements will be made to provide financial facilities to Sri Lankan inventors for the commercialization of their inventions by leaving only their patents as collateral.

As a preliminary approach to this, the Commission submitted a written request to the main public financial institutions such as the Bank of Ceylon, the People's Bank and the Regional Development Bank. The Bank of Ceylon and the Regional Development Bank have responded positively to those requests, and several discussions were held with the two banks. A preliminary Memorandum of Understanding was signed with the Regional Development Bank, which showed a more flexible response. The Commission and the Regional Development Bank have jointly completed field observations of seven (07) inventors identified by the Commission and having commercialization potential and financial need.





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.

2.5 “Nava Nipayum Diriya” to establish Inventions on a Commercial Basis

Loans are provided for inventions with market potential for commercialization, interest-free, and the amount to be repaid by the inventor within the agreed repayment period. While following specific criteria for providing these loans, the recommendations are made through an evaluation committee. The technical support, testing requirements and financial assistance which needed to improve the inventions to a finished product or the support and financial contribution to get the test reports through a government institution, providing interest-free loans, supporting the preparation of prototypes, etc. are helped in various aspects.

The “Nava Nipayum Diriya” assisting inventors through various aspects, such as providing technical support or financial support to obtain test reports through a government institution, providing interest-free loans, supporting the development of prototypes, etc.

2.5.1 Inventor Dr. Thulitha Sihalindu Ranwala - “Rhizosaara”

Under this project, a loan of 5.8 million rupees was given for the commercialization of Dr. Thulitha Sihalindu Ranwala's invention “Rhizosaara” for the purchase of machines to increase production capacity.

The invention of “Rhizosaara” was invented as a result of a laboratory research and research experiments conducted by Thulitha, a doctor by profession now, during his studies at the Faculty of Medicine at the University of Colombo. This young creative medical practitioner has succeeded in creating “Rhizosaara” using the milk of plants as a root growth treatment.

“Rhizosaara” invention that can change the direction of the agro-technology sector as it does not contain synthetic chemical toxins and allows Sri Lankan farmers to achieve optimum productivity through eco-friendly microbial activity.

The technical and financial support received from the Commission as well as the constant contact with him and the guidance given to him to become a successful entrepreneur helped him to overcome the obstacles in his journey.

The invention of "Rhizosaara" has been able to create significant value addition to the existing phosphate deposits in Sri Lanka, which cannot be used for short-term crop cultivation previously due to low solubility now converted into a recommended product for short-term crop cultivation with microbial activity, and it has been confirmed through field trials conducted by the Department of Agriculture. Department of Agriculture has certified that "Rhizosaara" is producing equivalent harvest to Triple Super Phosphate (TSP) by their results of long term (four year) field trials.

Accordingly, the Department of Agriculture has made arrangements to use this "Rhizosaara" product for 6000 acres of cultivated land with the approval of the Cabinet. It is a gratifying fact that the production of "Rhizosaara" which has confirmed the farmer's yield by showing practical results, has taken steps to increase its production capacity from 20 to 100 tonnes in line with the increasing demand. Dr. Thulitha Sihalindu Ranwala/inventor, who received the financial support of 5.8 million rupees by the Sri Lanka Inventors Commission, is preparing to open his new factory in Embilipitiya area soon.

Dr. Thulitha Ranwala has already obtained ISO 9001: 2015 for his manufacturing system and also European Union latest Organic Certificate for organic inputs. Already registered at the National Organic Control Unit (NOCU) under Export Development Board as an organic fertilizer.

For the success of this process, the blessings and support of the Secretary of the line Ministry and staff and the Minister of Education Hon. Dr. Susil Premajayantha should be commended. The belief that it will be an optimistic entry that will provide a strong hand to the foreign exchange crisis by conquering the future of the foreign market in Sri Lanka. The invention of "Rhizosaara" will be able to change the culture of exporting non-value-added forms of phosphate and created value added organic Sri Lankan fertilizer to generate a large amount of foreign exchange.

2.5.2 Inventor Dr. N. R. B. Nishshanka - Natural Herbal Mosquito Repellent and Balm

A loan amount of one hundred and fifty thousand rupees (Rs. 150,000/-) was recommended to Dr. Nishshanka, and the said loan was given for a period of three (03) months in order to rent a machine for increasing the production capacity of the invention.

Those products have been introduced to Sri Lanka's leading supermarket chain, "Spar Sri Lanka", and are currently being sold successfully.

2.6 Technology Incubation Centers which Established to provide Technical Support to Inventors



According to the Sri Lanka Inventors Incentives Act No. 53 of 1979, it is necessary to make arrangements for maintaining a research laboratory within the Commission, but due to financial constraints and maximize the use of already established facilities has taken steps to fulfill the above need through alternative methods. Establishing Technology Incubation Centres in a convenient location such as a university or a research organization which already has resources such as machinery, buildings, human resources etc. is one of its steps.

Through that, steps have been taken to provide technical support to Sri Lankan inventors to improve their inventions in a more convenient way. Accordingly, four (04) Technology Incubation Centres were established at Ja-Ala National Engineering Research and Development Center, University of Jaffna, Rajarata University and Ruhuna University premises.

In addition, in 2022, a new technical center was established in the North-West University of Sri Lanka, and through it, a path was laid for the task of providing technical support for Sri Lankan inventors.

This will enable Sri Lankan inventors to develop their conceptual ideas and primary innovations into marketable and workable products through the support of technical experts of the Technology Incubation Center.



2.7 Collaborative Programme of Sri Lanka Inventors Commission and BCS (British Computer Society) - the Chartered Institute for IT Sri Lanka Section

The Commission organized an innovation program with BCS (British Computer Society) the Chartered Institute for IT Sri Lanka Section to encourage inventions related to information technology based on public-private partnership. The primary objective of this was to identify the latest ICT products and innovations to detect, prevent, control or provide relief from any disaster like COVID-19, flood, famine, drought etc.

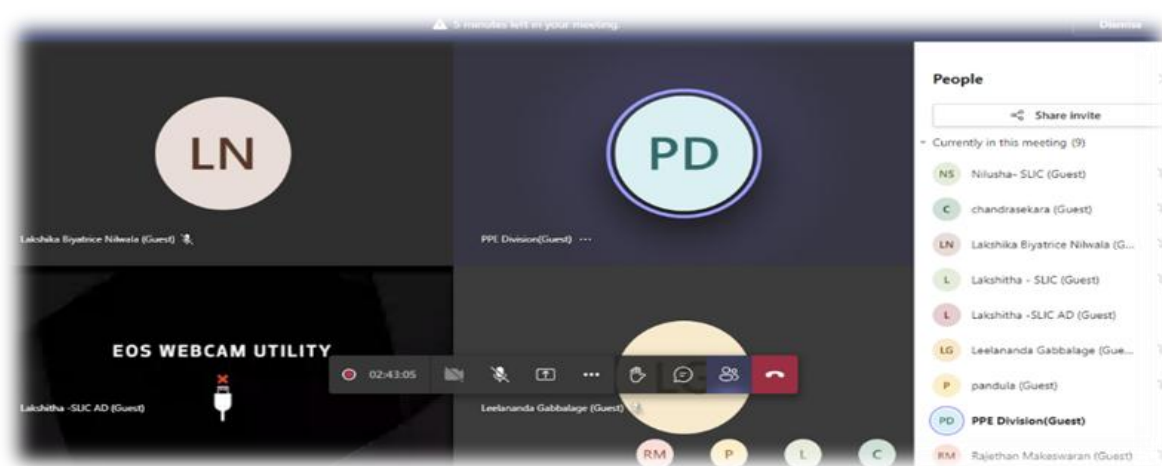
The winners were recognized as award winners at the National Information and Communication Technology Awards, and this opened the avenue for them to participate in international competitions related to ICT. In the future, it is expected to work for the advancement of innovations related to information and communication technology based on this partnership.



2.8 Project for Evaluation and Promotion of Agricultural Inventions

An awareness program related to patenting for inventors was conducted on 21.12.2022 through zoom technology under the “Empowerment of Agricultural Innovators to Become Successful Entrepreneurs Project - 2022” implemented jointly with the Ministry of Agriculture.

This enabled the inventors who have currently applied for the patent (pending status) and to be well informed about the procedure to be followed in applying for the patent and how to solve the problems that have arisen in this regard.



2.9 Public-Private Partnership

One of the concepts of the Commission is to develop and commercialize inventions in collaboration with both public and private sector institutions. Accordingly, going beyond the concept of supporting inventors by relying on government funds, the Commission was able to successfully implement a program with the National Development Bank (NDB PLC) to commercialize another invention.

In the year 2021, the Commission implemented this program by providing the opportunity for 25 inventions. Based on the requests and submissions of the inventors who came forward to take this opportunity, led the inventions to the National Development Bank (NDB PLC). Among them, 08 inventions were evaluated in the year 2021, and arrangements were made to provide financial assistance for one (01) invention. Under the second phase of the program, the National Development Bank (NDB PLC) offered a financial assistance of 500,000/- for the invention of “EMSOL Fuel Additive” in the year 2022.

2.10 Awareness Programs and Workshops

In conducting awareness programs and workshops related to inventions/innovations, a special place is also reserved for the requests received from various parties and institutions. Through these workshops, the participants of the programs will be given the opportunity to learn about the invention as well as gain practical experience.

Going beyond the traditional awareness programs, these programs were organized in such a way that one can gain practical experience on inventions and innovations.

Accordingly, programs were conducted in M/Koth/ Delta Gamunupura High School, R/ Gankanda Middle School (National School), B/ Girandurukotte Middle High School and Talawa National School. More than 1000 school students were imparted knowledge through these programs.

2.11 Electronics Course for Sri Lankan Inventors

Sri Lanka Inventors Commission (SLIC) and Arthur C Clarke Institute for Modern Technologies (ACCIMT) jointly provided an opportunity for Sri Lankan inventors to study a 03-day course in electronics.

Under the first phase, 15 Sri Lankan inventors were given the opportunity by the Commission to gain knowledge about the basics of electronics that will be helpful for their invention needs.

This program was organized by ACCIMT and the total course fee was Rupees Fifteen Thousand (15,000/-). SLIC provided financial support worth ten thousand rupees (10,000/-) to the selected inventors, and the inventors bore an amount of five thousand rupees.

2.12 Establishing Young Inventors Clubs for the Advancement of a Sri Lankan Innovative Culture

The program of establishing Inventors Clubs is being implemented to create an innovative culture in the education sectors such as schools, universities, tertiary education institutions by creating an attraction to innovation. In the year 2022, 132 school Young Inventor Clubs and 5 university Young Inventor Clubs have been formed.

As an assistance for the functioning of the Club such as organizing invention promotion activities, purchasing of necessary equipment, holding invention exhibitions, lectures, etc., financial assistance worth Rs. 10,000.00 has also been provided.

Through these Young Inventors Clubs, the inventors who are constantly connected with the annual programs of the Commission are provided with the necessary guidance and support to obtain the intellectual property rights for their inventions. Also, the inventors have the opportunity to improve their knowledge via awareness sessions on inventions and innovations, as well as the technical support that can be developed the invention from primary quality up to win the. The Sri Lanka Inventors Commission is constantly ready to provide the necessary support.

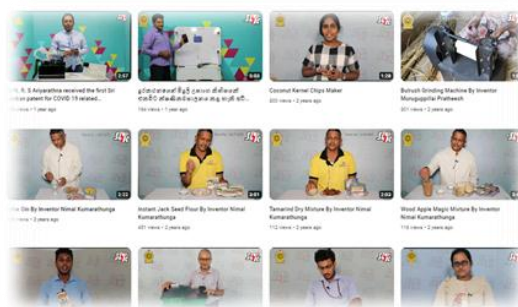
Five (05) universities namely University of Wayamba, Open University of Sri Lanka, General Sir John Kotalawala Defense University, Uva Wellassa University and Vavuniya University as well as Ceylon German Technical Training Institute have created and promoted Young Inventors Clubs.

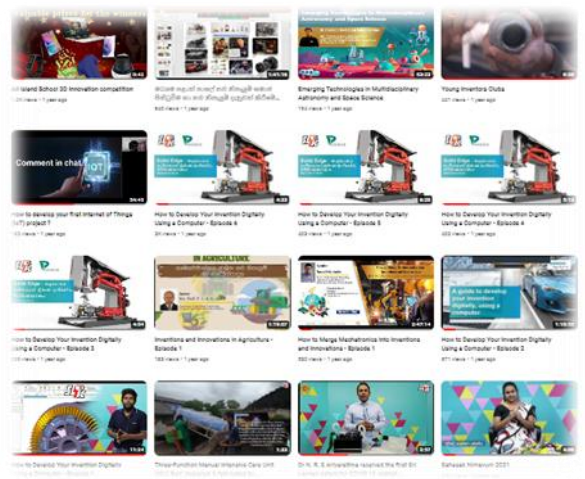
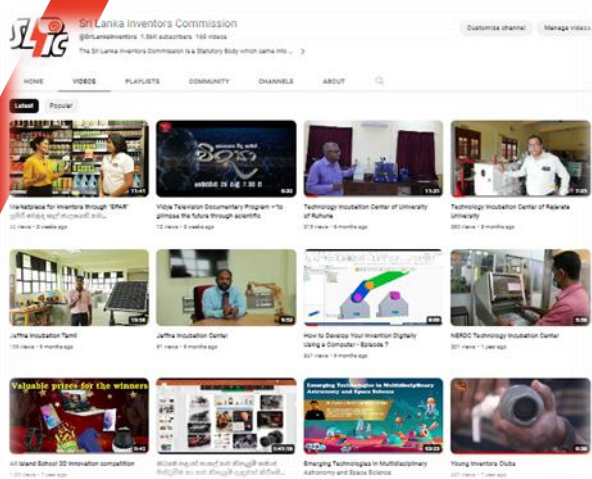
2.13 “Sri Lanka Inventors Commission” YouTube Channel and Facebook Page to Popularize Inventions

The Commission is working to use new trends like Youtube and social media to share knowledge in various fields as well as inventions of inventors. This was implemented to prepare the necessary background to move forward with the world 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.

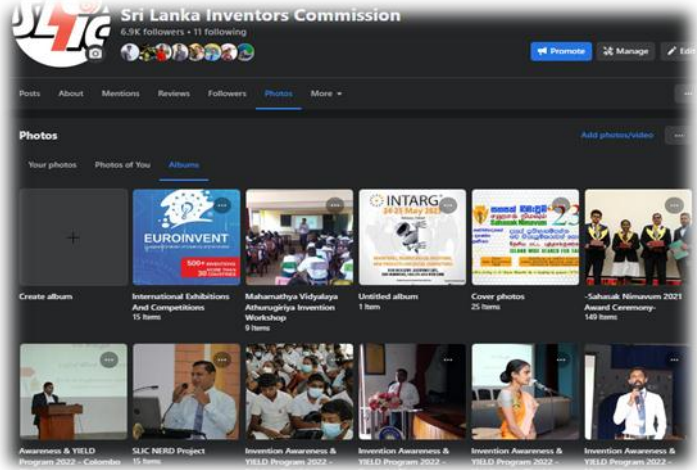
This can have many other special benefits such as promoting a culture of innovation, providing guidance to resource persons and creating awareness about inventions, imparting new technological knowledge and reducing the knowledge gap among school students.

“Sri Lanka Inventors Commission” YouTube channel already includes more than 160 videos and 1800 subscribers. This is a satisfactory progress.





SLIC Facebook page has grown to 6,900 subscribers by the end of year 2022. Through this, promoting of inventions/ inventiveness is being done very efficiently.



2.14 Services to Secure Intellectual Property Rights at National and International Levels

Sri Lanka Inventors Commission provides sufficient knowledge and related services to protect the patent rights of Sri Lankan inventors and of their innovative skills to prevent exploitation of their innovativeness.

In parallel with the provincial awareness programs organized by the Commission in the year 2022, nine (09) programs were conducted in the following districts to raise awareness about patents.

Anuradhapura, Kurunegala, Kandy, Ratnapura, Badulla, Polonnaruwa, Puttalam, Nuwara Eliya, Monaragala

Furthermore, necessary activities were carried out to share knowledge about patents through awareness programs held at Open University of Sri Lanka, University of Sri Jayewardenepura and General Sir John Kotelawala Defense University through the online method.

In addition, technical assistance was provided for 11 patents in the year 2022 for the inventors who were connected with the Commission in programs conducted by the Commission and also in collaboratively.

2.15 Procedure for Obtaining Assistance for International Patents

The Commission supports the reimbursement of application fees for international patents, Patent Cooperation Treaty (PCT) fees, and legal fees incurred by Sri Lankan inventors.

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

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

2.16 Solutions to Current Social Problems through Inventions and Innovation

2.16.1 Projects to Reduce Human-Wildlife Conflicts through Innovative Solutions

This project was initiated by the Commission in the year 2021 with the intention of providing sustainable solutions to reduce problems between wildlife and humans, which has become a common problem nowadays.

The damage caused to the local economy by human-wildlife conflicts is immense. In order to reduce these conflicts, a lot of money should be spent annually for the import of necessary technical equipment. The project was initiated by the Commission to provide long-term and sustainable solutions to human-wildlife conflicts while boosting the local economy by providing innovative solutions to these problems.

Together with the Sri Lanka Mahaweli Authority, several projects were implemented from 2021 to reduce the conflicts between human and wildlife in the Mahaweli regions by powering the existing electric fences with local inventions. The main objective of this is to commercialize local inventions, and another objective is to reduce the amount of resources lost directly and indirectly to the local economy due to property damage including crop damage caused by wildlife.

Based on these objectives, the Sri Lanka Inventors Commission and the Sri Lanka Mahaweli Authority jointly implemented the second pilot project in the Mahaweli "B" zone, "Karapola - Kandakadu - Sinhapura" with a length of about 14 km by local inventions in the year 2022, and is currently being successfully implemented.

2.16.2 Young Inventor – Entrepreneur Lead Development Programme - YIELD

The Sri Lanka Inventors Commission in collaboration with Panacea Solutions (Pvt) Ltd., (the local representative of the world renowned German Company Siemens with the aim of addressing the innovation skills in schools, has created the “Young Inventor - Entrepreneur Lead Development” program to create inventions using computer software, which is a modern technology available in the world, to test the functionality and make it a real design using 3D printers. Arrangements have been made to conduct the programme as an invention competition.

The ability of using this free computer software saves the cost of elements, the cost of manufacturing machinery. Being able to save the money and time of the inventor due to the ability to repeatedly improve the invention by checking the functionality is a unique feature of the modern technology.

SLIC expects to guide school children about how to create an invention using this software, and hold a competition related to it.

Accordingly, in the face of the COVID pandemic in 2021, awareness programs covering the nine provinces were carried out through the online method. Accordingly, six (06) videos about the new design using computer software were released on our YouTube channel. In the year 2022, fifteen (15) awareness programs on innovation were also held covering each province, and another video on how to innovate using computer software was released on our YouTube channel.



About 700 design ideas were initially submitted for the competition, and 80 inventions were created using computer software.

2.17 Presidential Awards for Inventions

The Sri Lanka Inventors Commission conducting Presidential Awards for Inventions with the aim of popularizing and encouraging inventiveness of Sri Lankan inventors by giving them proper recognition.

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

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

Accordingly, the evaluation proceedings for the patented inventions related to the years 2017, 2018, 2019 and 2020 were started from December 01 of this year. A total number of 135 inventions as 30 inventions for the year 2017, 38 for 2018, 27 for 2019 and 40 for the year 2020, have been referred for the evaluation. A pre-briefing program was held on December 1 for the entire judging panel consisting of forty-two members.

Evaluations in three technical fields namely “Transportation” on 27th December, “Chemistry” on 29th and “Physics” on 30th were completed. Judging in other technical fields will continue in the coming days.

The speciality of this year is that apart from the earlier method of judging an invention, steps have been taken to identify inventions that are effective for the local economy as well as the inventor.

2.18 Meeting with Inventors

A meeting with the inventors was organized on 28.09.2022 at the auditorium of the Sri Lanka Inventors Commission with the aim of exchanging ideas with the inventors and informing them about the latest programs expected to be implemented by the Commission.

2.19 Celebrating Science Day

In conjunction with the Science Week from November 10 to 16, 2022, the Sri Lanka Inventors Commission implemented a series of programs for the advancement of local inventors.

Accordingly, a workshop was held on 11.11.2022 regarding the support available for inventors by the Technology Incubation Centre established at the Sri Lanka National Engineering Research and Development Centre (NERDC) on the direction of the Commission.



2.20 International Recognition of the Commission

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

By obtaining these memberships, the SLIC has had the rare opportunity to participate in many international inventions competitions representing various categories such as youth, open, women etc. The services provided by these organizations includes training programs, commercialization of inventions, protection of intellectual property rights, promotion of environmentally friendly inventions and providing publicity for inventions and inventors' projects through their websites and print media such as magazines. Latest information about inventions is disseminated. Medals and prizes will also be awarded to the winning inventions.

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

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

2.21 National Inventors Day

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

2.21.1 Objectives of establishing National Inventors' Day

- Develop a new program to evaluate inventors and lead the country towards an innovative economy by encouraging them to innovate.
- To attract inventors to provide new investment opportunities by declaring Inventors Day.
- Giving priority to Sri Lankan inventors to achieve a developed economy through innovation.
- Taking an approach to encourage people to innovate.
- An opportunity for the Commission to work more closely with inventors.
- Recognition of award-winning inventors.

2.22 SLIC-Huawei ICT Competition - Information Technology related Innovation Competition

Sri Lanka Inventors Commission and Huawei Technologies Lanka Company (Pvt) Ltd jointly organized an IT innovation competition with the aim of increasing the information technology knowledge of the university student community and directing them to innovative work in that field. In the first phase, the students were informed about the competition, and the program was held on 04.01.2022. The competition was held on 12.02.2022, in which more than 200 students participated. The evaluation of the winners of the competition was held on 09.03.2022 at Huawei Technologies premises.

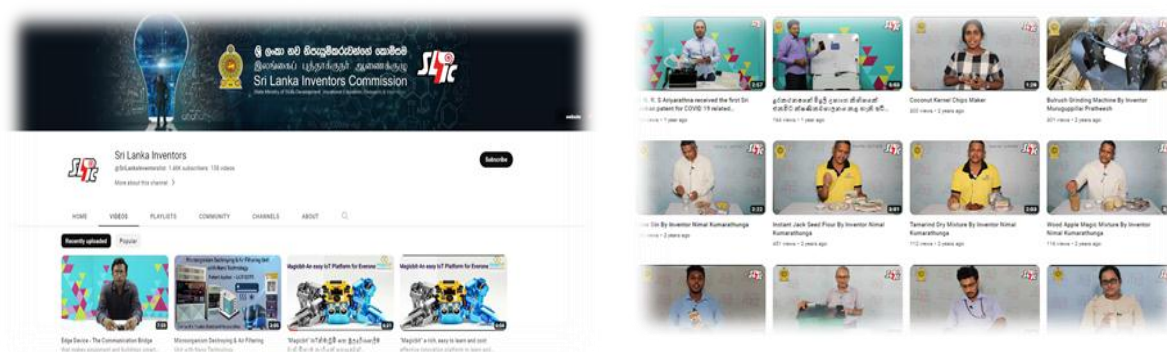


2.23 Other Programs Conducted for the Promotion of Inventions

2.23.1 “Sri Lankan Inventors” You Tube Page

In order to provide the publicity and provide assistance for commercialization with use of novel technology attracting local and foreign investors, the videos have been prepared for the identified potential inventions and innovations and published in the you tube channel. More than 100 videos including 1200 winners were included in the channel.

Inventors, who entered the field recently can acquire the comprehensive knowledge on patent drafting process through this channel.



2.23.2 Official website

The official website of the SLIC has been effectively redesigned. It has been designed to provide a wide range of services for the greater benefit for inventors, investors and the innovation-loving Sri Lankan community. The site is also unique in that it has the opportunity to connect with inventors under the coordination of the Commission for those looking for innovative solutions to industry-based matters.



In the year 2022, the Commission in coordination with several media organizations was given permission to advertise the inventions. Accordingly, “Akshara” ran three (03) programmes with PEO TV channel.

2.25 SLIC - SPAR Sri Lanka Project

Moving towards an innovation-based economy is the most appropriate solution to the current foreign exchange problem. The Commission is working to make this solution a reality by identifying local inventors, providing support to improve those products, and preparing access to local and foreign markets for them. It is a matter of happiness that the Inventors Commission of Sri Lanka has now been able to contribute to the national economy by achieving the main objectives of creating new job opportunities by turning inventors into entrepreneurs and thereby making a direct contribution to the gross domestic product of Sri Lanka.

As its initial phase, a new project was commenced in the year 2022 to introduce the inventions of local inventors to the market together with the Sri Lanka Inventors Commission and the SPAR Sri Lanka (SPAR-Sri Lanka) supermarket chain. It was inaugurated at the main branch of the SPAR Sri Lanka supermarket chain in Thalawathugoda, and government officials including Mr. Nihal Ranasinghe, Secretary of the Ministry of Education participated for the occasion. Fourteen (14) products of four (04) inventors were introduced to the market in the initial phase.

At present there are ten (10) SPAR Sri Lanka supermarket branches in Sri Lanka, and more than 13,600 branches in 48 countries around the world are currently active, so local products are popular in foreign markets under the "Made in Sri Lanka" brand. It is the sole purpose of the Sri Lanka Inventors Commission to make.



2.26 Human Resource Development

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

Programme details are as follows.

- Three officers of the Commission participated in the workshop related to "Microsoft Excel Training for Data Analysis" conducted by the Skills Development Fund.
- One officer of the Commission participated in the "Project Management" online workshop conducted by the Skills Development Fund.
- The Director of the Commission participated in the "Finance for Engineers Fundamentals of Corporate Finance" course conducted by the Institute of Engineers Sri Lanka.
- An officer of the Commission participated in the workshop on "Maintenance of Personal Files" conducted by the Skills Development Fund.
- One officer of the Commission participated in the "Workshop related to the professional development of Development Officers and Management Assistant Officers" held by the Skills Development Fund through online technology.

SRI LANKA INVENTORS COMMISSION
STATEMENT OF FINANCIAL POSITION
As at 31st December

	Note	2022 LKR	2021 LKR
ASSETS			
Current Assets			
Cash & Bank Balance	1	67,662,970	62,331,856
Festival Advance		1,250	1,250
Debtors	2	15,337,063	11,396,880
Receivable from National Apprentice & Industrial Training Authority		7,560	7,560
Other Advances		136,633	136,633
Prepayments	3	520,856	1,468,653
(Less) Provision for doubtful debtors (100%)	4	(9,602,964)	(9,602,964)
Other Receivable		167,930	-
Refundable deposit	5	2,407,000	2,407,000
Distress Loan		805,962	917,399
Loans under COVID 19 Programme		646,960	722,718
Loans From Sri Lanka Inventors Fund		754,820	707,548
Loans from IAFM-SL		2,660,400	4,500,000
Fuel Deposit		100,000	100,000
Stock of T-Shirt	6	320,280	414,480
Stock of Stationery	6	595,115	386,860
		82,521,835	75,895,873
Non- Current Assets			
Loan from Sri Lanka Inventors Fund		1,180,141	1,737,658
Loans under COVID 19 Programe		-	237,729
Loans from IAFM-SL		3,672,600	1,500,000
Distress Loan		2,499,927	2,953,058
Property and Equipment	7	39,780,730	47,349,863
		47,133,398	53,778,308
Total Assets		129,655,233	129,674,181
FUNDS & LIABILITIES			
Current Liabilities			
Creditors	8	2,160,664	1,316,664
Accrued Expenses	9	7,146,531	2,201,973
		9,307,195	3,518,637
Non-Current Liabilities			
Provision For Mahaweli Project	10	6,558,705	6,534,026
Provision For Gratuity	11	4,423,824	4,268,344
IAFM-SL	12	36,472,155	36,472,155
Fund for National Incubation Centre	13	30,426,293	37,921,883
Government Capital Grant	14	5,304,071	9,905,989
Sri Lanka Inventors Fund	15	12,837,184	12,837,184
Total Liability		105,329,427	111,458,217
Net assets		24,325,806	18,215,964
NET ASSETS/EQUITY			
Accumulated Fund		2,825,806	(3,284,036)
Revaluation Surplus		21,500,000	21,500,000
Total Net assets/ Equity		24,325,806	18,215,964

The Significant Accounting Policies and Notes to the Financial Statements on pages 40 to 44 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

Ms. Kalpani Rajapakse
Assistant Commissioner

February 23, 2023
Colombo

SRI LANKA INVENTORS COMMISSION
STATEMENT OF FINANCIAL PERFORMANCE

For the year ended 31st December	Note	2022 LKR	2021 LKR
INCOME			
Government Contribution			
- Recurrent	16	49,400,000	40,370,000
- Projects /Programmes	20	9,018,748	10,107,926
-Capacity Building		85,500	533,750
Capital Grants Amortization - Fixed Assets	7	5,567,670	1,686,650
Incubation Fund Amortization - Machinery and Equipment	7	7,495,590	7,495,590
Other Income	17	1,638,282	1,243,843
Total Income		73,205,790	61,437,759
EXPENSES			
Personal Emoluments	18	20,692,859	19,424,172
Administration & Establishment Expenses	19	24,871,009	25,010,573
Depreciation - Fixed Assets	7	13,063,259	9,182,240
Gratuity	11	554,030	585,730
Inventors Incentives Expenses	20	9,018,748	10,107,926
Other Expenses	21	13,436	560,943
Total Expenditure		68,213,341	64,871,583
Surplus/(Deficit) for the year		4,992,449	(3,433,824)

The Significant Accounting Policies and Notes to the Financial Statements on pages 40 to 44 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 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	(3,284,037)	18,215,962
<i><u>Prior Year Adjustment - 2021</u></i>				
Correction of accred expenses		-	(3,272,372)	(3,272,372)
Cheque received for Training Program on Innovation and Inventions to Skills Dev.Assi. & Dev. Officers		-	49,520	49,520
Error correction of prepayment of other contratual			(50)	(50)
Correction of depreciation charge of idea incubation studio		-	(10,467)	(10,467)
Effect from useful life time adjustment		-	4,134,762	4,134,762
Balance as at 31st December 2021(Restated)		21,500,000	(2,382,643)	19,117,355
Balance as at 01st January 2022		21,500,000	(2,382,643)	19,117,357
Cancellation cheques			216,000	216,000
Surplus/(Deficit) for the year 2022		-	4,992,449	4,992,449
Balance as at 31st December 2022		21,500,000	2,825,806	24,325,806

The Significant Accounting Policies and Notes to the Financial Statements on pages 40 to 44 form an integral part of these Financial Statements.

SRI LANKA INVENTORS COMMISSION
STATEMENT OF CASH FLOWS

For the year ended 31st December		2022	2021
	Note	LKR	LKR
Cash flows from Operating Activities			
Surplus/ (deficit)		4,992,449	(3,433,824)
Non-cash movement			
Depreciation	7	13,063,259	9,182,240
Differed income on capital grant for Projects /Programs	20	(9,018,748)	(10,107,926)
Differed income on Staff Capacity Building		(85,500)	(533,750)
Capital Grants Amortization - Fixed Assets		(13,063,259)	(9,182,240)
Provision for gratuity	11	554,030	585,730
Disposal loss		13,436	560,943
Adjustments for :			
Changes of debtors		(3,940,183)	(905,105)
Changes of stock of stationery		(208,255)	59,095
Changes of stock of T-shirts		94,200	-
Changes of Prepayments	3	947,797	(875,793)
Changes of festival advance		-	(1,250)
Changes of accrued expenses		4,944,558	(163,536)
Changes of other receivables		(167,930)	10,000
Changes of creditors		844,000	1,149,334
		(1,030,148)	(13,656,080)
Gratuity paid		(267,265)	-
Net cash flows from operating activities		(1,297,413)	(13,656,080)
Cash flows from Investing Activities			
Purchase of fixed assets	7	(441,068)	(114,355)
Expenses on Mahaweli Project		(564,212)	(14,159,766)
Assets sales proceed		1,000	-
Loan repayment - from Inventors' fund		12,000	616,024
Expenses from inventors fund		-	(98,582)
Distress loan grant		(543,474)	(1,215,300)
Distress loan repayment		1,108,042	773,303
Error correction		(54,973)	-
Grant under COVID 19 Programe		-	(160,120)
Loan Cancellation		-	805,000
Loan under "Nawanipaum Diriya programe"		-	(1,025,750)
Cheque Cancellation		216,000	-
Cash received related to prior year		49,520	-
Loan repayment - from IAFM-SL		2,136,800	-
Loan grant under IAFM-SL		(5,950,000)	(6,000,000)
Net cash generated used in investing activities		(4,030,365)	(20,579,548)
Cash flows from Financing Activities			
Capital Grant		10,070,000	7,900,000
Mahaweli Project		588,891	22,079,592
Net cash generated from financing activities		10,658,891	29,979,592
Net increase/ (decrease) in cash and cash equivalents during the year		5,331,114	(4,256,036)
Cash and cash equivalents at the beginning of year		62,331,856	66,587,892
Cash and cash equivalents at the end of the year		67,662,970	62,331,856
Analysis of cash and cash equivalents			
A/C No.033-1-001-0-1791066		19,799,754	11,925,890
A/C No.033-1-001-2-1791065		45,510,115	48,954,908
A/C No.204402131791066		2,353,101	1,451,059
		67,662,970	62,331,856

The Significant Accounting Policies and Notes to the Financial Statements on pages 40 to 44 form an integral part of these Financial Statements.

SRI LANKA INVENTORS COMMISSION
Comparison of Budget and Actual Funds

LKR

	Approved Budget		Fund Released by Treasury	
	2022	2021	2022	2021
Recurrent	50,500,000	46,000,000	49,400,000	40,370,000
Capital	30,000,000	17,500,000	10,070,000	7,900,000
Total	80,500,000	63,500,000.00	59,470,000.00	48,270,000.00

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

Significant Accounting Policies

1 Commission Information

1.1. Reporting Entity

Sri Lanka Inventors Commission (SLIC) is a statutory body established in terms of the Sri Lanka Inventors Incentives Act No. 53 of 1979 for the encouragement, promotion and manufacture of Sri Lanka inventions and for the activities in connected therewith. The commission is functioning under the purview of the ministry of education. In the year 2022 the office of the commission is located at the 05th Floor, "Mehewara Piyesa" Building, Colombo 05.

2 Basis of Preparation

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

2.1. Statement of Compliance

The financial statements of the commission, as at 31st December 2022 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.

Significant Accounting Policies

2.3. Basis of Measurement

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

2.4. Functional and presentation currency

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

2.5. Use of Materiality, Offsetting and Rounding

2.5.1. Materiality & Aggregation

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

2.5.2. Offsetting

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

2.5.3 Rounding

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

2.6. Going Concern

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

2.7. Events after the reporting period

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

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

3 Foreign Currency Transactions

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

Significant Accounting Policies

4 Property and Equipment

4.1. Basis of Recognition

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

4.2. Basis of Measurement

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

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

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

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

4.3. Revaluation

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

4.4. Derecognition

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

4.5. Depreciation

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

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

Significant Accounting Policies

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

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

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

4.6. Fully Depreciated Property & Equipment

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

As at 31st December	2022 LKR	2021 LKR
Office Furniture	489,885	861,200
Office Equipment	3,256,497	5,490,577
Media Equipment	1,127,435	1,380,935
TV & Video Cassette	107,850	941,600
Total	4,981,667	8,674,312

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	2022 LKR	2021 LKR
Office Furniture	19,750	-
Office Equipment	194,000	19,990
Name Boards	-	110,805
Office Fittings	38,000	38,000
Total	251,750	168,795

Significant Accounting Policies

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.

	2022 LKR	2021 LKR
1 Cash & Bank Balance		
Cash Book- 033100101791066	19,799,754	11,925,890
Cash Book- 033100121791065		
Incubation	13,762,138	13,762,138
IFMSL	26,687,415	30,495,958
Inventors Fund	5,060,562	4,696,812
Cash Book- 204402131791066 (Foreign Currency)	2,353,101	1,451,059
Balance as at 31st December	67,662,970	62,331,856
2 Debtors		
Rishan Dulanjana	316,631	174,223
C. Dasanayaka	691,800	668,100
T. Shakthikumar	-	274,000
S. Ranasinghe	245,698	298,895
Sagarika Upamali	128,256	73,012
Udayasiri	366,666	366,666
Dishantha Premanath	224,847	97,230
Nilantha Gunasinghe	267,930	123,060
Saman Hettiarachchi	497,352	204,012
Thulitha Sihaindu	580,200	-
Rohan Basil Nishshanka	100,000	-
Jayawardana	2,800,000	-
Other - non performance	9,117,683	9,117,683
Balance as at 31st December	15,337,063	11,396,880
3 Pre Payments		
Prepayment Contractual service	520,856	525,453
Prepayment for Laptop	-	943,200
Balance as at 31st December	520,856	1,468,653
4 Provision for doubtful debtors 100%		
Balance as at 1st January	9,602,964	9,802,964
Provision for the Year	-	-
Bad Debtor	-	(200,000)
Balance as at 31st December	9,602,964	9,602,964
5 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
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	386,860	445,954
Purchase during the year	549,962	397,200
Consumption during the year	(341,707)	(456,295)
Balance as at 31st December	595,115	386,860
T -Shirts		
Balance as at 1st January	414,480	414,480
Purchase during the year	-	-
Expenses during the year	(94,200)	-
Balance as at 31st December	320,280	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	Office Fittings	Machinery and Tools (Incubation Centers)	Total
	LKR	LKR	LKR	LKR		LKR	LKR	LKR	LKR	LKR
Cost/ Fair value										-
Balance as at 01st January 2021	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
Additions during the year	1,336,320	42,098	-	-	-	5,850	-	-	-	1,384,267
Disposals during the year	(27,000)	(944)	(110,805)	-	-	-	-	(18,880)	-	(157,629)
Balance as at 31st December 2022	12,102,577	2,610,744	100,500	21,500,000	-	2,296,844	946,400	207,295	37,477,948	77,242,310
Accumulated depreciation										-
Balance as at 01st January 2021	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	28,665,809
Prior year adjustment	-	-	-	-	-	-	-	10,467	-	10,467
Effect from useful life time adjustment	(2,792,406)	(731,800)	(23,449)	-	-	(264,595)	(298,708)	(23,804)	-	(4,134,762)
Balance as at 31 December 2021 (Restated)	7,401,787	1,409,846	157,813	0	-	1,521,377	646,818	85,669	13,318,204	24,541,514
Charge for the year	873,490	149,314	6,700	4,300,000	-	116,417	104,819	16,930	7,495,590	13,063,260
Disposals	(22,133)	(588)	(110,805)	-	-	-	-	(9,668)	-	(143,194)
Balance as at 31st December 2022	8,253,145	1,558,572	53,708	4,300,000	-	1,637,793	751,637	92,931	20,813,794	37,461,580
Net book value										-
As at 31st December 2021 (Restated)	3,391,470	427,944	30,043	21,500,000	-	505,022	873	127,168	24,159,745	47,349,863
As at 31st December 2022	3,849,432	1,052,171	46,792	17,200,000	-	659,051	194,763	114,364	16,664,155	39,780,730

* The assets' useful life time has been changed with effective from January 01, 2022.

* 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 transferd by State Ministry of Skills Development, Vocational Education, Research and Innovation on for usage of Commission from 17 September,2020.

		2022 LKR	2021 LKR
8 Other Payables			
Creditors		2,160,664	1,316,664
Balance as at 31st December		2,160,664	1,316,664
9 Accrued Expenses			
Cleaning Charges Payable		12,558	46,765
Water Charges Payable		10,562	10,361
Electricity Charges Payable		210,295	129,193
Communication Charges Payable		41,592	50,566
Fuel & Lubricant Payable		24,400	200,261
Audit Fees Payable		1,089,800	770,500
Overtime payable		9,841	68,816
Other contractual payable		171,077	-
Sahasak Nimeum Payable		1,460,355	4,284
Gratuity Payable		131,285	-
Inventors Club Payable		40,000	-
Other Allowances Payable		-	51,500
Travelling Payable		350	2,400
Rent Payable		2,334,000	-
Stationery Payable		-	206,391
Stamp Duty Payable		1,725	1,950
Other Administration Payable		1,559,191	658,986
Other Payable		49,500	-
Balance as at 31st December		7,146,531	2,201,973
10 Provision for Mahaweli Project			
Balance as at 1st January		6,534,026	-
Fund Received from Mahaweli Authority		588,891	22,079,592
Expenses for Project Activity			
Payment for Nano vision Anuradhpura		-	(14,159,766)
Royalty Income		-	(185,625)
Administration and Logistic Charges from Elephant Fence Project		(564,212)	(366,250)
Creditors - Mahaweli Athourty Pending Payment		-	(761,525)
Creditors - Nano vision Anuradhpura Payable		-	(72,400)
Balance as at 31st December		6,558,705	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		4,268,344	3,682,614
Provision for the year		554,030	585,730
Gratuity payment during the year		(398,550)	-
Balance as at 31st December		4,423,824	4,268,344
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		37,921,883	45,417,472
Fund Received		-	-
Expenses on Establishment of Incubators			
Amortization of on University of Rajarata	5	(3,648,242)	(3,648,242)
Amortization expenses on University of Ruhuna	5	(3,847,348)	(3,847,348)
Balance as at 31st December		30,426,293	37,921,883
14 Capital Grant			
Balance as at 1st January		9,905,989	14,334,314
Fund Received		10,070,000	7,900,000
Expenses for project activities	17	(9,018,748)	(10,107,926)
Staff Capacity Building		(85,500)	(533,750)
Capital Grant Ammortization - Fixed Assets	5	(5,567,670)	(1,686,650)
Balance as at 31st December		5,304,071	9,905,989
15 Sri Lanka Inventor's Fund			
Balance as at 1st January		12,837,184	13,240,886
Distributed Grant under "COVID 19 Programme"		-	(305,120)
Payment for ITI - Testing Reports		-	(93,582)
Payment for Nano Technology (Pvt) Ltd - Testing Reports		-	(5,000)
Balance as at 31st December		12,837,184	12,837,184
16 Government Contribution			
Government contribution summary is given below.			
<u>According to the SLAS 24</u>			
Recurrent Grant		49,400,000	40,370,000
Capital Grant		10,070,000	7,900,000
For the Year		59,470,000	48,270,000

Notes to the Financial Statements

	2022 LKR	2021 LKR
17 Other Income		
Distress Loan Interest	160,948	143,523
Foreign Currency Interest	42,359	24,984
Miscellaneous income	230,534	13,249
Proffitt on foregin currency exchange difference	1,026,742	96,827
SN Registraion Fee	173,042	501,918
Royalty Income	4,657	230,218
Administration income from Elephant fencing project	-	233,123
	1,638,282	1,243,844
18 Personal Emoluments		
Salaries and Wages	11,375,474	11,671,645
Cost of Living Allowances	2,188,561	2,301,000
Professional Allowance	169,288	144,000
Other Allowances-Staff	1,402,924	-
Other Allowances	393,000	591,000
Fuel Allowance	550,135	-
Communication Allowance	123,000	-
EPF Expenses	2,034,605	2,095,897
Employees Trust Fund Expenses	408,699	419,179
Overtime and Holiday Payment	629,780	663,301
Remuneration to members	1,331,893	1,004,400
Staff Capacity Building	85,500	533,750
	20,692,859	19,424,172
19 Administration & Establishment Expenses		
Traveling Expenses - Local	143,619	120,464
Stationeries	353,065	472,407
Fuel and Lubricant Expenses	608,233	956,731
Repair & Maintenance -Equipment	9,189	47,100
Repair & Maintenance - Vehicle	532,596	2,350,107
Postage Charges	56,825	47,900
Communication Charges	564,419	736,889
Utilities Expenses	20,144	75,491
Contractual Expenses	1,612,152	1,683,038
Electricity Charges	1,250,039	1,213,047
Cleaning Expenses	511,558	469,752
Water Charges	80,969	122,717
Rental Expenses	14,834,000	13,375,000
Entertainment Expenses	244,592	309,020
Audit Fees	319,300	50,000
Operating Lease Rental	1,591,600	1,790,550
Other Administration Expenses	2,138,709	1,190,359
	24,871,009	25,010,573
20 Inventors Incentives Expenses		
Inventor-Inventions Promotions	4,736,746	636,657
Presidential Awards	74,000	110,111
"Sahasak Nimewum"	1,952,558	4,924,909
Conducting awareness programmes	28,175	-
Establishing Inventors Club	1,520,000	2,993,863
International Conference "FITI"	359,065	731,616
Target group competitions	131,250	413,379
Incubation Centers	-	59,545
Invent Grant scheme	-	153,845
Commercializing of inventions	166,514	12,000
IAFM - SL Programme	50,440	72,000
	9,018,748	10,107,926
21 Other Expenses		
Loss on Assets Disposal	13,436	560,943
	13,436	560,943

NATIONAL AUDIT OFFICE

My No.: IMT/F/SLIC/1/22/04

18 May 2023

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 2022 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 2022 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 2022, 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 fixed assets had been completely depreciated in accordance with paragraph 65 of the Sri Lanka Public Sector Accounting Standard No. 07, the defect in estimating the useful life of assets worth Rs. 3,636,467 that are still in use, had not been adjusted in the financial standards in accordance with the Sri Lanka Public Sector Accounting Standard No. 03.
- (b) Due to not calculating the depreciation for computer accessories worth Rs. 194,000 that were not in use, deviating from paragraph 69 of the Sri Lanka Public Sector Accounting Standard No. 07, depreciation for the year had been understated by Rs. 19,400.

- (c) Even though the computer software should be considered as an intangible asset when the software is not a compulsory unit of the relevant hardware, in accordance with paragraph 07 of the Sri Lanka Public Sector Accounting Standard No. 20, software valued at Rs. 162,964 had not been stated in the financial statements as an intangible asset.
- (d) Acknowledgments receipts had not been provided for verification of the receipt of financial assistance worth Rs. 4,845,000 provided for schools to establish inventor's circles from the year 2019 to 2022.

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 2022 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 2022 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 2022 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

Reference to law/ direction	Description
(a) FR 138 (6) and (8)	72 cheques valued at Rs. 720,000 that were written had been retained without delivered to the relevant person deviating FR.
(b) FR 780 (1)	Total amount of Rs. 1,407,399 had been spent on providing accommodation facilities in A/C rooms, food and fuel expenses for the officers of the Inventors Commission who involved in handing over of the electric fence, YEILD programme and awareness programmes.
(c) Section 4 of the Chapter XIV of Establishments Code	In the year under review, the commission had spent an amount of Rs. 461,520 for providing accommodation instead of combined allowance and Rs. 718,028 for food

and beverages for 14 officers participated at promotional programmes conducted in 9 provinces of the country.

- | | |
|--|--|
| (d) Public Finance Circular
No. 438 dated 13
November 2009 | Actions had not been taken to dispose assets worth of Rs. 568,000 that were not in use for more than 05 years. |
|--|--|

- 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

- (a) Even though a total amount of Rs.9,117,682 that had been provided from the Inventors Fund since before the year 2009 had to be recovered, actions had not been taken to recover this amount even by the end of the year under review.
- (b) 408 number of T-shirts worth of Rs. 320,280 out of total number of 998,450 T-shirts that were printed in the year 2018 spending Rs. 998,450 for the ‘Sahasak Nimavum’ exhibition without analysing the requirement, had being remained without being utilized even at the end of the year under review.
- (c) 05 sub activities that were estimated at Rs.6,950,000 under activities of each projects in the action plan had not been implemented during the year.
- (d) During the year under review the total cost of Rs. 3,254,791 has been spent on YEILD programme and awareness programmes at provincial levels. 81% of this total expenditure had been spent on purposes such as providing refreshments for participants of the programme, providing food and lodging to the officers of the Commission, that are not directly connected to the objective of the programme.
- (e) Actions were not taken to settle the total creditors balance valued at Rs 843,924 that had been carried forward from the year 2021.
- (f) During the period from year 2019 to 2022, an amount of Rs. 1,780,000 had been provided for 176 schools that had not forwarded applications for establishment of inventors clubs.

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 2022

Audit observation	Explanations given by the management
1. Even though depreciation of fixed assets has been completed in accordance with paragraph 65 of the Sri Lanka Public Sector Accounting Standard No.07, actions had not been taken to adjust the estimated defect on the useful lifetime of assets worth Rs. 3,636,467 and is still in use in accordance with Sri Lanka Public Sector Accounting Standard No.03.	The useful lifetime of the assets has been revised as per Decision No.1035.04.02 dated 01 January 2022 of the Governing Board. This has been adjusted in the accounts of the year under review. In this revision to the useful lifetime, the general useful lifetime of assets categories was considered. In practical calculations, completely depreciated assets may be retained within the assets category. These assets have been revealed by the notes to the accounts.
2. Even though computer software is to be considered as an intangible asset when it is not an essential component of the relevant hardware. in accordance with paragraph 07 of the Sri Lanka Public Sector Accounting Standard No.20, software valued at Rs. 162,964 had not been stated in financial statements as an intangible asset.	Actions will be taken to separately present intangible assets in financial statements when preparing accounts for the year 2023.
3. Even though depreciation should not be discontinued for assets that are inactive if an asset had not been completely depreciated, due to not depreciating computers and accessories worth Rs. 194,000 that were not in use and not completely depreciated, in the year under review, the depreciation for the year had been understated by Rs. 19,400.	I accept the observations. The opening balance in the year 2023 will be corrected and presented.
4. Providing financial assistance to the schools for the establishment of inventor's circles from the year 2019 to 2022.	I accept your observation of not receiving a receipt from schools to the Commission to ascertain delivery of financial assistance. In the future actions will be taken to rectify this defect.

5. Even though a total value of Rs. 9,117,682 provided from the Inventors Fund before the year 2009 had to be recovered, actions had not been taken to recover this amount even after the end of the year under review.	In the future, proper actions will be taken this regard.
6. The commission had taken actions to settle the creditor's balance amounted to Rs. 843,924 that had been carried forward from the previous year.	Authority, ordered to utilize the amount of Rs.761,524 for the Thoda farm. After payment of Rs. 72,400 to the Mahaweli Authority as per the decision of the Governing Board, decided to make payments to Nano Vision (Pvt) Ltd. Accordingly, a letter has been forwarded to the Mahaweli Authority inquiring about the measures to be taken relevant to this payment and proper action will be taken in the future. Actions will be taken to immediately settle cheque No. 539398 amounting to Rs 10,000.
7. Even though the authorized officer should certify that the given certificates are attached or file notes of such certificates are noted in this voucher, the voucher is correct and completed in all extent, the Commission has written 72 cheques worth Rs. 720,000 without ascertaining complete details and detained without delivering to the recipient.	A cheque worth Rs. 10,000 was provided to schools to purchase equipment required for innovations in schools and the promotion of inventions in schools and cheques for 72 schools which were failed to establish school invention societies and provide the completed application to the Commission could not be credited to the relevant school development account. Reminders were sent to such schools to furnish the completed application and the Commission will take actions to cancel the cheques of schools that will not forward such applications.
8. During the sample examination observed 10 instances where payments were made without ascertaining bill value as correct and the value is Rs.748,070.	2022/85 - In the future actions will be taken to obtain proper bills stating number of units and value. 2022/87,2022/89, 2022/222, 2022/223, 2022/267, 2022/597, 2022/772 - I accept the observation relevant to these vouchers. In the future actions will be taken to rectify this defect by informing the officers of the Commission. 2022/998 - I inform that certificate for attendance is attached to this answer.

9. Even though the paying officer is responsible to the accounting officer that the identity of the account holder is to be ascertained, as at date of the audit in March 2023, during the period from 2019 to 2022 an amount of Rs. 1,780,000 had been provide for 176 schools that had not forwarded applications for the establishment of inventors clubs.	As per your observation on providing financial assistance to 176 schools that had not forwarded applications, • 70 schools have not responded despite of reminders forwarded, and in the future actions will be taken to cancel these cheques issued for establishment of Inventors Clubs. • Applications for Inventors Clubs or its copies have been received for 10 schools. • Applications of 96 schools have been delayed due to closing schools time to time caused by Covid Pandemic, economic crisis, fuel crisis, teachers and principals strikes and also due to giving priority to education purpose that were evaded. The Commission will take actions to prevent such circumstances in the future.
10. Even though provisions have been made to provide ad-hoc sub imprests only to staff grade officers, ad-hoc sub imprests had been provided to the officers who were not in staff grade	There are 06 staff officers who have the authority to have the advance of the Commission. It is difficult to manage advances only from these staff officers in the sub-projects that are planned aiming at main projects and programmes that are carried out on requests of various institutions. Therefore, this matter was referred to the Governing Board which obtained approval to issue advances to the other officers subject to financial limits within the FR 135, delegation of functions for financial control.
11. Even though provisions Have been made that ad-hoc sub imprests should be settled immediately after completion of the particular work, in 07 instances delayed 06 to 19 days to settle advances totaling Rs. 462,000, and the commission had not paid attention to this regard.	In the future, actions will be taken to rectify this defect as per your recommendation.
12. Even though provisions have been made to state voucher numbers in all the leaflets of cheques written, the Commission had not paid attention to this matter.	I accept the observation. In the future actions will be taken to prevent such defects.

13. Even though all the goods in the inventory should be physically examined compared to the balance in the inventory as at the date of examination, the board of survey had not signed this inventory by keeping a note to certify that the inventory was examined and reconciled with the balance.	This error is due to unawareness of this subject and I inform that from next year's board of survey, actions will be taken as per observations shown by you.
14. Even though all the institutions have made provisions on the requirement of delivering government works and services economically and efficiently, the officers of the Commission have spent Rs. 1,407,399 for accommodation in A/C rooms including food, fuel, and other allowances for traveling to hand over the electric fence, YIELD and awareness programmes. These expenses incurred for the officers of the Commission were 31% of the total expenditure incurred for the activities involved in the promotion of inventions.	The Commission has taken actions to provide accommodation facilities for its members from public institutions whenever possible. I draw your attention to the matter that the commission has to bear comparatively higher expenditure on these works in an environment of increased prices of goods and services due to an increase in inflation.
15. Even though provisions have been imposed as, the start point of the official duty within the country is the workplace of the officer and as per paragraph 2.2, if the travel starts from his home it shall be considered as the starting point only if both home and workplace are situated within the same urban council limit or his home is within 04 miles from his workplace or if his home is closer to the destination than the home, during the travel to Polonnaruwa for observing the electric fence officers were picked up from their homes travelling 193 Km.	A accept your observation. In the future actions will be taken to rectify this.

16. Even though provisions have been imposed as, during official travels should go through the way that can travel at the earliest, by the shortest way and incurring the lowest expenditure to the government, the Commission had not paid attention to this matter. During traveling to Nuwara Eliya, Eastern Province and Uva Province to conduct awareness programmes and observation and handing over the electric fence the vehicle traveled 842 Km incurring an excess cost of Rs. 22,501.	A accept your observation. In the future actions will be taken to rectify this.
17. Even though provisions have been imposed to immediately dispose of the disposable goods in public institutions if these goods have been identified, actions were not taken to dispose of the goods valued at Rs. 568,000 that were retained for more than 05 years.	The relevant disposals were done on the recommendations of the Board of Survey.
18. A stock of 408 t-shirts out of the stock of 1270 valued at Rs. 320,280 that was printed 4 years ago in the year 2018 for the Sahasak Nimaum programme without analyzing the necessity incurring Rs.998,450 had been remaining in the commission even by the end of the year under review.	I accept that the observations are correct and in the future actions will be taken to rectify these defects. Actions are being taken to properly distribute these T-shirts in various programmes of the Project Division.
19. During the year under review the total cost of Rs. 3,254,791 has been spent on YEILD and awareness programmes at provincial levels. An amount of Rs. 1,475,469, 45% of this amount was spent on providing food and beverages for the participants, Rs. 728,408, 22% for providing food and beverages for the officers of the Commission, Rs. 451,138, 14% for providing accommodation for the officers participated at the programme and accordingly 81% of the total expenditure has been spent on providing food and accommodation and not for targeted functions of the programme	The Commission organized the training programmes for YEILD 3D Innovation Competition and the Commission was able to provide resource contributions from Panacea Solutions free of charge. In planning the project providing food and accommodation which was necessary for successfully conducting this series of programmes, was considered as a project component. Accordingly, in preparation for estimates, these expenditures were included and therefore, the expenditure was incurred for relevant targeted functions of the project. Actions were taken to provide accommodation facilities from public institutions whenever possible.

20. Even though approval for providing financial assistance for the newly registered inventors circles has been granted by the Governing Board decision No. 1002.01.07, a register or a computer database has not been updated by properly studying 595 applications received from the year 2019 including details such as the name, address, account number of the school, contact details of the principal and coordinator.	The account numbers and updated details will be included in this database.
21. As per letter No. Slic/ AC / FM -: 2022 dated 10 November 2022 of the Director, Inventors Commission on “Regarding Encashment of Cheques” addressed to the Manager, Peoples Bank, signatures were provided to the Bank for encashment of cheques for daily transactions. Since drivers and KKS were among these, the audit observed it as a weakness of financial control.	There is no post of Shroff within the approved cadre of the Commission. Therefore, action was taken to appoint only the officers in the post of Management Assistant to encash cheques as shown by the audit.
22. In the year incurred Rs. 1,668,000 as total expenditure for a provincial-level awareness programme in 2022. The number of innovations registered for Sahasak Niwavum 2022 national competition was 402. Awareness programmes were conducted in Uva province for 02 days and spent Rs. 209,419 on this. Even though awareness programmes on Sahasak Nimavum 2022 had not been conducted in Southern and Western provinces it was observed that 84 and 93 innovations have been registered in both districts respectively. Accordingly, it is clear that there is no direct impact of awareness programmes on the motivation of innovations.	The Commission frequently attempts to implement new projects and as a result, it was able to attract more people for the awareness programmes conducted in the year 2022 than in the previous years. However amid the crisis situation arising within the country the expected number of inventions has not emerged as a result of a lack of opportunity to properly complete the programmes initiated in the year 2022, projects could not be continued due to lack of funds, paying more attention to rebuild the daily activities I do not agree with your clearance that says there is no direct impact of awareness programmes on the motivation of innovations. Further, I kindly inform you that the Commission is expected to initiate a more attractive programme following a new methodology to encourage and make the inventors aware.

23. It was observed that the Commission is not properly monitoring whether inventors societies were established in the schools, whether these are in active condition	The Commission could not properly carry out the monitoring of inventors clubs in the year 2022 due to lack of financial facilities. In the future expect to take the following actions to actively maintain the inventors clubs.
24. There were excess stocks of Rs, 595,115 exceeding the annual requirement due to not ordering stocks preparation of stationary requirement for the year following a proper study.	As a result of not implementing the projects that were planned to implement by the project division during the year due to lack of financial provisions, there was a large excess in stationery.
25. As per the Action Plan 2022 the Commission has allocated Rs. 1,800,000 for the establishment of inventors circles and monitoring these and through this the Commission aimed at establishing 50 new school circles, and 20 University circles to present 80 inventions for national-level competitions. However, Sahasak Niwavum national competition 2022 had not been held even at the date of audit and within the period of 04 years from 2019-2023 total of 6 circles were established in the Universities. Accordingly, the Commission could not achieve its anticipated aim and was not able to create an invention culture among the young community and investment opportunities in the country which are the expected benefits.	In the year 2022, 132 school inventor's societies and 5 University inventor's societies have been established. From March 2020, as a result of closing schools from time to time due to Covid Pandemic, economic crisis, fuel crisis, teachers and principals strikes, and also due to giving priority to education purposes that were evaded, it was difficult to get their cooperation encouraging them for inventions. Under the prevailing situation that has a trend to resolving this matter in the future, the Commission will take action to create inventors societies more properly in the Universities. Further, the Commission will take action to socialize more effective inventions and refer them for commercialization under new projects implemented by the Commission.
26. The balance of the Sri Lanka Inventors Fund as at 31 December 2022 was Rs. 12,837,184 and this account was inactive (dement) during the year 2022.	Inventors were referred to the bank to formalize the procedure for granting financial assistance and you are kindly informed that we have signed a MOU with RDB. Further, field examinations for 07 inventors have been completed by the Commission together with RDB.
27. Even though it was expected to provide financial and technical assistance for 40 patents as per the action plan, only 04 inventors were referred to the Commission during the year.	Awareness programmes on applying for patents and providing necessary assistance have been conducted in 09 districts, conducted 02 awareness seminars and workshops in 03 schools and 01 university, and an online programme for 02 universities. 02 workshops on patents were conducted for 08 university students. Reimbursed patent application charges for 09 inventions.

28. Even though the financial and physical progress for each sub-activity and its percentage should be clearly stated against each sub-activity in the action plan, it was not stated accordingly.	I accept your observation on separately indicating each sub-activity in action plan 2022. Actions will be taken to prepare action plan in accordance with your observations in the future.
29. Even though the approved estimate in the action plan for sub-activities, YIELD programme, and awareness programme were Rs. 200,000 and Rs.700,000 respectively. However incurred expenditure amounted to Rs. 1, 367,222, and Rs. 2,518,093 respectively by exceeding Rs. 1,167,222 and Rs. 1,818,093 this limit and respectively these were 584% and 260% as a percentage.	A accept your observation on expenditure incurred exceeding approved limits for relevant sub-activities.
30. Five sub-activities that cost Rs.6, 950,000 come under each project in the action plan had not been performed during the year.	The Commission did not received financial provisions required for the relevant activities and due to this reason, activities of this programme that have been continued for months has to be halted. Accordingly, I accept the observation given by you that the “Sahasak Nimavum” -2022 competition was not completed within the relevant year.
31. Eight (08) sub-activities that cost Rs. 19,950,000 stated in the action plan for the year under review, had not achieved the expected targets.	A accept your observation on the activities that had not achieved the expected targets
32. Even though provisions of Rs. 2,250,000 has been allocated for the Innovations to Village programme in the year under review, only one programme has been conducted during the year spending Rs.148,623.	This programme was initiated by the Ministry and only one programme was conducted.