



National Water Supply & Drainage Board



ANNUAL REPORT



2023

Ministry of Water Supply & Estate Infrastructure Development

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National Water Supply & Drainage Board

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National Water Supply & Drainage Board

The supply of potable water was originally the responsibility of the Public Works Department (PWD) which was subsequently transformed to the Department of Water Supply in 1965. Thereafter, the National Water Supply & Drainage Board was formed by Act of Parliament in 1975.

The National Water Supply & Drainage Board currently functions under the Ministry of Water Supply & Estate Infrastructure Development.

Notice of the Report

Hon. Jeewan Thondaman
Minister of Water Supply & Estate Infrastructure Development,
Ministry of Water Supply & Estate Infrastructure Development,
“Lakdhiya Medhura”
No. 35, New Parliament Road,
Pelawatta,
Battaramulla.

Dear Sir,

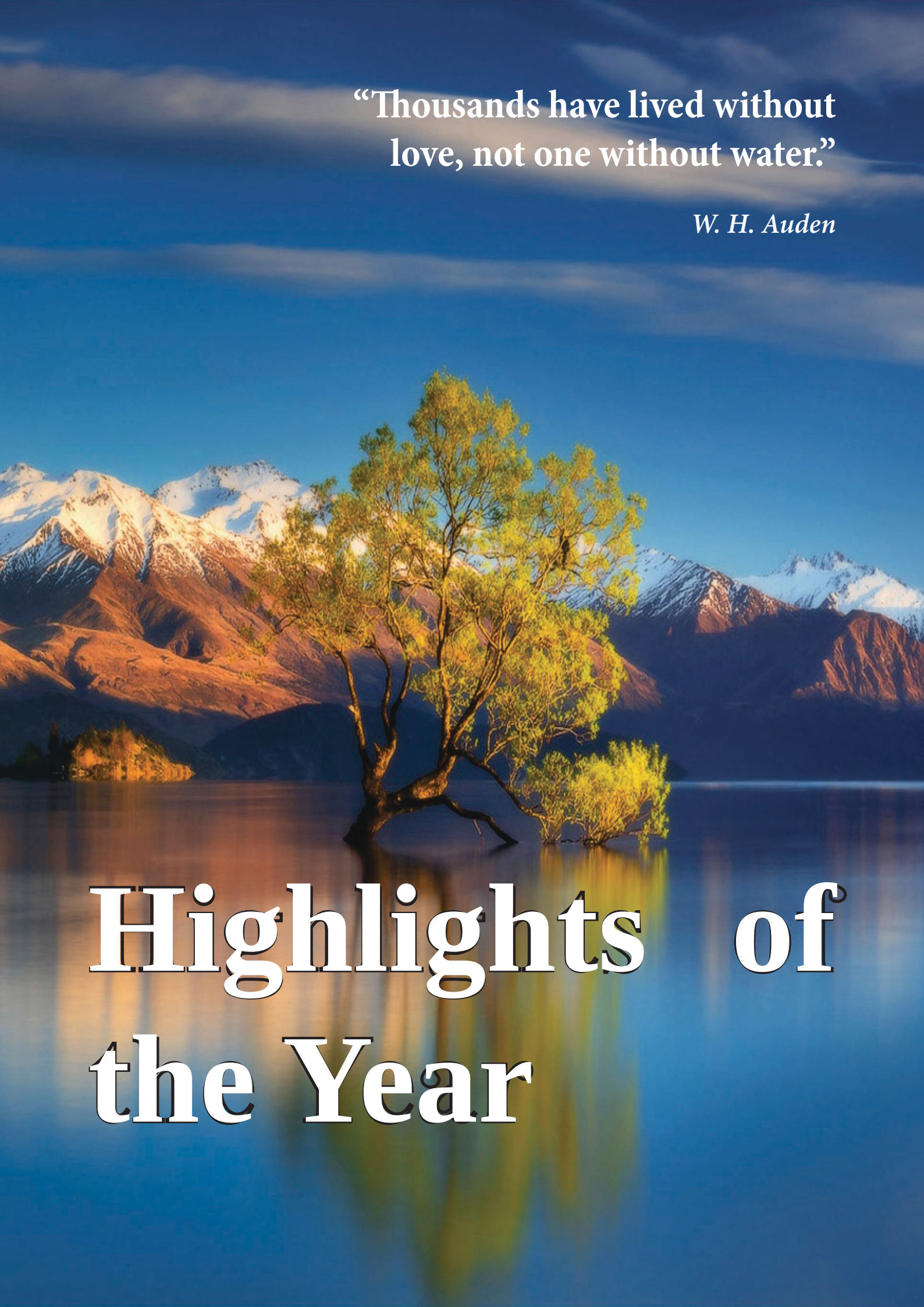
Annual Report and Financial Statements - 2023 National Water Supply & Drainage Board

In terms of Section 14 (2) of the Finance Act No. 38 of 1971, the members of the Board have the honour to forward herewith the Annual Report and the Financial Statements of the National Water Supply & Drainage Board for the year ending 31st December 2023.

The Annual Report of Public Enterprises in Sri Lanka, as mandated by the National Audit Act No. 19 of 2018, serve as a crucial accountability mechanism, ensuring transparency in financial management and performance through compliance with auditing standards established by the Auditor General.

Yours faithfully,

Nishantha Ranatunga
Chairman
National Water Supply & Drainage Board



“Thousands have lived without
love, not one without water.”

W. H. Auden

Highlights of the Year

Performance Highlights

Finance

Table 01

Financial Performance		2023	2022	YOY Change
Revenue	Rs. '000	61,852,288	35,464,466	26,387,822.00
Gross Profit	Rs. '000	29,008,505	12,319,911	16,688,597.00
Operating Profit	Rs. '000	17,113,821	(789,334)	17,903,155.00
Profit Before TAX	Rs. '000	5,286,525	(2,699,807)	7,986,332.00
Profit After TAX	Rs. '000	5,286,525	(2,699,807)	7,986,332.00

Table 02

Financial Position		2023	2022	YOY Change
Current Assets	Rs. '000	92,992,551	92,040,468	952.083.00
Total Assets	Rs. '000	987,027,797	956,570,879	30,456,919.00
Total Debt.	Rs. '000	321,825,078	334,844,033	(13,018,955.00)
Equity	Rs. '000	565,914,456	531,865,490	34,048,966.00
Debt. / Equity	%	57%	63%	(6.00 %)
Debt. / Total Assets	%	33%	35%	(2.39 %)

Table 03

Working Capital Management		2023	2022	YOY Change
Inventory	Days	212	191	(5.00)
Receivable	Days	93	93	-
Current Assets Ratio	Times	0.55	0.67	1.00
Quick Assets Ratio	Times	0.44	0.56	(0.12)

Table 04

Profitability Ratios		2023	2022	YOY Change
Gross Profit Margin	%	47%	35%	0.34 %

Operational

Table 05

Service Level Improvements		2023	2022	YOY Change %
Total Pipe borne Water Supply Coverage	%	61.60%	60.2%	2.30 %
i. NWSDB	%	48.10%	46.8%	2.708%
ii. CBO and Others	%	13.50%	13.4%	0.74 %
Access to Safe Water Coverage	%	97.30%	95.9%	1.45 %
Non Revenue Water Reduction	%	25.32%	25.24%	0.32 %
Total Staff / 1,000 connections		2.80	3.12	(10.26 %)
Collection Efficiency	%	94%	93%	1.06 %

Non- Financial Highlights

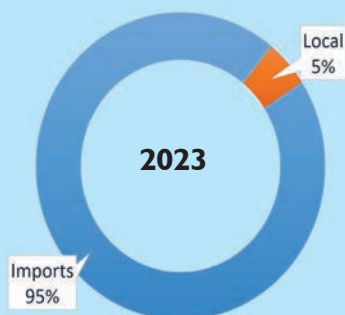
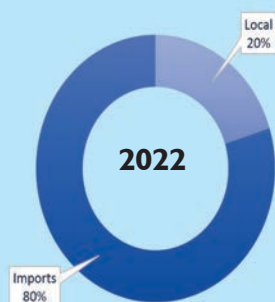
Social and Relationship Capital

Table 06

	2022	2023
Regional O&M Manager Office	28	29
No. of Cashier Points	42	42
Regional Support Centers	11	11

Table 07

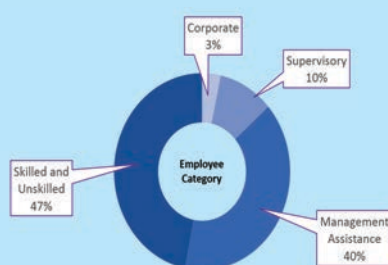
No. of Suppliers	2022	2023
Local	128	392
Foreign	11	20



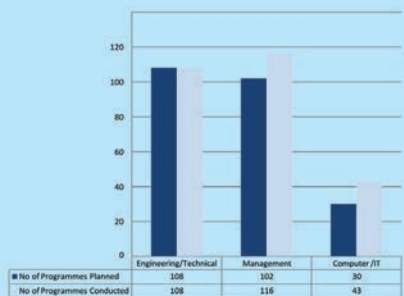
Human Capital

Employees

2022: 9,059 2023: 8,471



Employee Training



In-house Training Board Grade wise



Staff Benefit

Table 08

Description	2022 LKR million	2023 LKR million
Salaries	15,269	11,750
Contribution to Employees Provident Fund	1,174	1,176
Contribution to Employees Trust Fund	293	294
Total	16,736	13,220

- An Annual Productivity Incentive of LKR 37,073.55 was paid during the year.
- Actions were taken for Encashment of unutilized medical leave as in the previous years.
- Transport facilities were made available to the staff at a concessionaire rate.
- Death donations were granted in respect of the permanent employees who had died whilst in service.
- Local/ foreign training facilities were provided to the employees.
- LKR 650 was granted monthly as a tea allowance for the employees.
- LKR 833.33 was granted monthly as an OPD treatment allowance to the employees.
- Loan facilities were provided via Government
- Banks (Housing loan and vehicle loan through the Peoples Bank and the Bank of Ceylon respectively).
- In addition to that Ten-months loan & One year loan facilities were provided by NWSDB (Interest 4.2%).
- Festival Advance of LKR 10,000/= per employee was paid to the employees.
- LKR 146.39 million among 317 employees as 12-months loan and LKR, 1,083.92 million among 2,718 employees as 10-months loan have been distributed at a concessionary rate during the year 2023.
- A Medical Insurance policy was introduced for NWSDB employees worth of LKR 188 million and It was claimed LKR 173 million among 1,646 employees for their medical expenses and LKR 22 million was claimed as Death Compensation among 22 employees during the year

Events of the Year

The International Water Conference 2023, Sri Lanka

Held on 14th & 15th of December 2023 at Centre of Excellence for Water and Sanitation (CEWAS)



The Annual Performance Review Meeting (APRM) for the year 2022 was convened at the National Water Supply and Drainage Board (NWSDB) Head Office located on Galle Road in Ratmalana on Thursday, October 26th, 2023.





“When the well’s dry, we know
the worth of water.”

Benjamin Franklin

Organizational Framework

Our Philosophy

“ Vision

To be the most prestigious utility organization in Sri Lanka through technological and service excellence

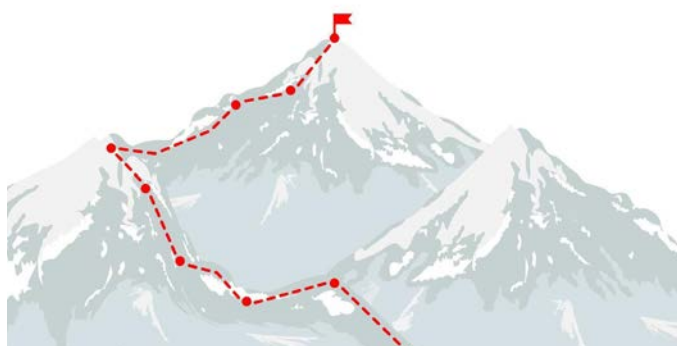


”

“ Mission

Serve the nation by providing sustainable water & sanitation solutions ensuring total user satisfaction

”



Goals

- Existing Scheme and Ongoing Projects (Service Level Improvement and Service Coverage Enhancement Strategies).
- New Projects (Service Coverage Enhancement).
- Debt Servicing and Additional Revenue Generation.
- Tariff Policy and Revenue Enhancement.
- Productivity and Efficiency Improvements to the Existing Organizational Structure and Function.
- Organizational Reforms for Business Efficiency

Scope of the National Water Supply and Drainage Board

Key to our mission is the expansion of piped water supply and sewerage coverage throughout Sri Lanka, with a commitment to equitable access for all communities. We place a paramount importance on maintaining water quality excellence and treating wastewater to safeguard public health and the environment. Through continuous efforts to enhance operational efficiency, including the reduction of Non-Revenue Water (NRW) and optimization of resource utilization, we aim to deliver services effectively and responsibly. Collaboration with government agencies, international partners, and local communities is fundamental to our pursuit of Sustainable Development Goals. Upholding principles of transparency, accountability, and integrity, we are steadfast in our dedication to advancing the well-being and sustainability of Sri Lankan communities through the provision of essential water and sanitation services.

Corporate Governance

The NWSDB's robust and comprehensive corporate governance framework endeavors to create an enabling environment for growth in a structured and sustainable manner to navigate through stable as well as volatile socioeconomic environments while addressing national objectives. The NWSDB's corporate governance philosophy is institutionalized across all its units, and it is this philosophy that has continuously created value for all its stakeholders, notwithstanding the external environment and macro conditions.

The NWSDB's Governance framework has its own set of internal policies, processes, and structures aimed at meeting and in many instances, exceeding accepted best practices, in addition to the 'triggers' which ensure compliance with mandatory regulatory requirements. This framework is regularly reviewed and updated to reflect evolving regulations, best practices and dynamic stakeholder needs, whilst maintaining its foundational principles of accountability, participation, integrity and transparency.

Governance Framework

External Regulatory Compliances

- National water Supply and Drainage Board Act No 02 of 1974 and National water supply and Drainage Board (Amendment) Act no 13 of 1992.
- Finance Act
- National audit Act No 19 of 2018
- Sri Lanka Accounting and Auditing Standards Act No. 15 of 1995
- Treasury circulars
- Guideline for corporate Governance for SOE by the department of public enterprises.

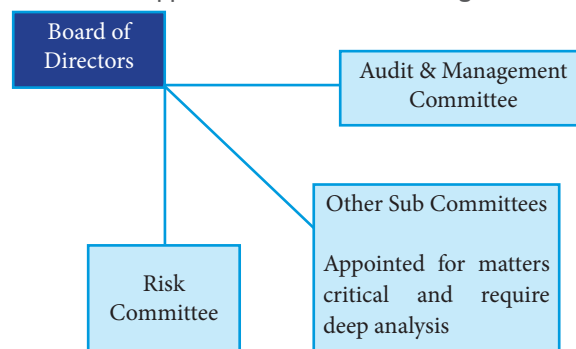
Internal Instruments / Initiatives

- Corporate plan
- Recruitment and selection policies
- Learning and development policies
- Policy on grievance handling
- Ombudsperson policy
- Disciplinary code of conduct
- Vehicle policy
- Policies on enterprise Risk Management
- Internal Circulars
- Customer Charter
- Comprehensive IT system (Commercial, Human Resources, Project Management, Board Meeting Management System)

Board of Directors

Director Board of NWSDB is consist of Executive Directors and Non-Executive Directors; them are being appointed by virtue of the Act No. 02 of 1974.

Audit & Management Committee & Risk Committee are represented by the Board Directors as per the State Owned Enterprises (SOE) guideline on 16th November 2021 & Sub Committees are appointed at the Board Meetings.



Role and Responsibility of the Board

When discharging the official duties all the Directors bring in their mix of skills and knowledge complemented by a high sense of integrity and independent judgement on issues of strategy, performance and standard of business conduct. Independent Non-Executive Directors are responsible for providing independent judgement for the proposals made by the Chairman and the Board. Such as;

- Participate actively at the Board proceedings with all the Board papers read prior to the meeting.
- Provide direction and guidance to the organization in the formulation of strategies medium and long term strategies in pursuance of the goals of the organization's goals.
- Review and approve Financial, Human Resources and Corporate Plans.
- Ensuring the operations are carries out within the scope of the organization and provision by the Act.
- Monitoring system of governance and compliance
- Make all policy decisions within the approved scope of plan
- Oversea the systems of internal control and Risk Management
- Ensure adequate delegation of authority to the Management specially in making the operational decisions facilitating the effective implementation of the strategic directives.
- Approving any amendments to the constitutional documents
- Ensure all related party transactions are comply with Statutory obligation.
- Adoption of best practices.

All Directors of the Board are required to notify the Chairman of any interests/ conflict of interest and new declarations are made annually. Directors who have an interest in a matter under discussion excuses themselves.

Role of Chairman

The main responsibility of the Chairman is to lead and manage the Board and its committees for their effective functioning. He represents the organization externally and is the focal point of contact for stakeholders on all aspects of corporate governance.

Financial Acumen

The representative member of the general Treasury is able to offer sound financial guidance through their specialized knowledge of the subject of finance.

Access to independent professional advice

In order to preserve the independence of the Board and to strengthen decision making the Board seeks independent professional advice when deemed necessary. Accordingly, the Board obtained Independent professional advice and consultancy in the areas of legal, logistics, Security and IT during the year under review.

Role of the Board secretary

- Guide the Board and individual Directors in the proper discharge of their responsibilities and act as a central source of guidance on matters of ethics and governance
- Assist Chairman and the Director Board
- Ensure all procedures are followed in compliance with Statutory requirements and industry best practices.
- Regular review of entire governance frame work in view of emerging best practices regulatory changes and stake holder interests.
- Ensure that procedures governing Board meetings are followed and guide and advise the Board on responsibilities rules and regulations that impact the operations of the entity.
- Ensure that Board papers to be discussed are duly circulated among the Board of Directors at least 5 days before the meeting.
- Ensure no Board decision is taken by circulation unless it is a matter of urgency.
- Formulate meeting agendas with the Chairman and coordinate with the General Manager and the management on Board papers memoranda or presentations for the meeting.
- Convene and attend Board meetings and maintain accurate minutes of Board proceedings in an appropriate manner.
- Function as the Secretary to Board sub-Committee.
- Make necessary arrangements for the conduct of Annual performance Review Meeting (APRM).
- Coordinate the Publication and distribution of entity's Annual Report, Accounts.

Board Meetings

The Board meets regularly at not less than monthly interval to discuss matters relevant to the operation and governance of the organization and all minutes and papers of Board meetings are documented by the Board Secretary of NWSDB. Certain functions of the Board have been delegated to the Board subcommittees with the Board retaining final decision rights. This enables the detail analysis of the matters under concern and a diplomatic approach to resolving matters, debated. The Board members have been assigned based on their areas of expertise. In addition, the case specific sub committees are also appointed from time to time for the cases which require in-depth analysis. NWSDB has its own Board audit committee composed of 3 non-executive independent Directors and a appointed Board Member as an Observer.

Typical Board meeting agenda in financial year 2023 contained.

- Adoption of the minutes
- Matters arising of the Minutes
- Progress Review
- Statutory matters
- Questions in Parliament
- Policy matters and matters under which Ministry, Treasury or cabinet approvals have to be obtained
- Audit Queries and Report as discussed at Audit & Management Committee
- Personnel matters
- Others

Attendance at Board meetings and Audit & Management Committee meeting

Table 09

Name of Board Members	Designation	Board Meeting		Audit and Management Committee	
		Eligible No. of Meeting	Meeting Attendant	Eligible No. of Meeting	Meeting Attendant
Mr. Nishantha Ranatunga	Chairman	13	13	-	-
Mr. W. M. S. B. Wijekoon	Vice Chairman	13	13	7	4
Mr. Mohamed Cader	Board Member	4	4	1	1
Dr. Eng.(Mrs.) I.M.W.K. Illangasinghe	Board Member	4	4	1	1
Dr. V.T.S.K. Siriwardana	Board Member	13	12	-	-
Mrs. W.E. Godagama	Board member	13	12	7	7
Mrs. K.A.S. Maheshika	Board Member	13	11	7	7
Mr. R.A.G. Kemitha Rajapaksha	Board Member	8	8	-	-
Eng. Luxman Ranasinghe	Board Member	8	8	5	5
Observers					
Mrs. N.M.M. Marikkar	Addl. Sec (Tech) M of WS & EID	13	12	-	-

NWSDB Risk Committee

As per the guideline on Corporate Governance for the state owned Enterprises(SOE), NWSDB set up a risk committee in 2022 to ensure an effective system of risk management in place for sustaining the operations.

The NWSDB, guided by the Statement of Corporate Intent (SCI) 2023-2025, has identified 12 major risks including water scarcity, pollution, social influences, non-revenue water, information security, project implementation, self-financing, tariff settling, financial and investment risks, energy costs, currency inflation, and government policy changes. The Risk Committee has initiated the development of a risk management framework and appointed a Additional General Manager (Corporate Services) as the Risk Coordinator and DGM (Development) as the Chief Risk Officer to oversee the process.

Risk Committee Meeting Attendance During the Year 2023

Table 10

Name of Board of Directors	Designation	11/January	27/July	10/October	28/December	Eligible No. of Meetings	Meetings Attended
Dr. V.T.S.K. Siriwardana	Board Member Chairman of the Risk Committee Meeting	✓	✓	✓	✓	4	4 of 4
Mrs. W. E. Godagama	Board Member	✓	✓	✓	✓	4	4 of 4
Eng. Luxman Ranasinghe	Board Member	✓	✓	-	-	2	2 of 2
Mr. Mohamed Cader (From 2023/October)	Board Member	-	-	-	✓	1	1 of 1
Dr. Eng.(Mrs.) I.M.W.K. Illangasinghe (From 2023/October)	Board Member	-	-	-	✓	1	1 of 1
Observer							
Ms. N.M.M. Marikkar	Additional Secretary (Technical), M of WS&EID	✓	✓	✓	✓	4	4 of 4

4 No of Risk Committee Meetings held during the Year 2023

Declaration of Directors

For the year ended 31 December 2023.

In accordance with a resolution of the Directors of National Water Supply and Drainage Board, the Directors declare that:

- They not been employed in the National Water Supply and Drainage Board.
- They do not have material business relationship with entity, directly or indirectly for the period of 2 years of appointment as directors.
- They have not been elected as members of Parliament / Provincial Council / Local Government in the last 5 years.
- They do not have close family relations of the Line Minister / State Minister / Deputy Minister of which the SOE coming under his or her purview.

Signed on the behalf of the Board of Directors.

Full Name : Nishantha Ranatunga

Designation : Chairman

Signature :



Date : 2024 / 03 / 20

Message from the Secretary

Ministry of Water Supply & Estate Infrastructure Development



It is with great pleasure that to present a message to the Annual Report of the National Water Supply & Drainage Board (NWSDB) for the year 2023. Throughout the year, the NWSDB remained steadfast in its commitment to fulfilling its mandate under the guidance of the Ministry. Engaging in national-level initiatives aimed at implementing the Sustainable Development Goals in Sri Lanka, the NWSDB diligently worked towards developing national indicators, setting targets, and monitoring progress towards achieving universal access to safe drinking water and adequate sanitation by 2030, with a focus on vulnerable populations.

Despite facing interruptions stemming from the prevailing economic crisis, the NWSDB demonstrated resilience and adaptability. In response, the “Water for All” program underwent restructuring, with a strategic pivot towards Capacity Enhancement and Distribution Expansion (CEDE) projects. Notably, cabinet approval was obtained for these projects in 2022, and the NWSDB is fully committed to their successful implementation, alongside other ongoing initiatives aimed at providing essential water services to the nation.

In order to sustain NWSDB operations and ensure uninterrupted services of NWSDB, we made the difficult decision for giving the permission to increase water tariff of NWSDB and cooperatively worked with to get received cabinet approval. Additionally, we have been actively working towards enhancing NWSDB business efficiency, encompassing organizational restructuring, cost reductions through efficient resource utilization, minimization of non-revenue water and adopting to renewable energy utilization and energy saving, optimized stock management, and the adoption of modern working techniques.

Looking ahead, I am confident in our ability to continue delivering high-quality and efficient water supply and sewerage services to the public. Our commitment to implementing various development programs slated for 2024 and beyond remains steadfast, as we strive to achieve our water supply and sanitation targets.

In conclusion, I would like to express my appreciation to the entire NWSDB team for their dedication, hard work, and unwavering commitment to our shared mission. Together, we will continue to make significant strides towards ensuring equitable access to water and sanitation for all citizens of Sri Lanka.

A handwritten signature in blue ink, likely of Waruna Samaradiwakara, the Secretary.

Waruna Samaradiwakara

Secretary

Ministry of Water Supply & Estate Infrastructure Development

Chairman's Message

National Water Supply & Drainage Board



Clean water and sanitation are indispensable for national health, serving as fundamental pillars for a livable life and meaningful development. Established to ensure access to clean water and sanitation for the people of Sri Lanka, the National Water Supply and Drainage Board (NWSDB) has remained steadfast in pursuing the goals outlined in its Corporate Plan for 2020-2025 during my tenure as chairman.

However, the onslaught of the COVID-19 pandemic, coupled with the economic crisis that surfaced in early 2022 and subsequent political instability, disrupted the meticulous planning of development endeavors. Despite these formidable challenges, NWSDB exhibited resilience, navigating through turbulent times with unwavering determination and a strategic approach to overcoming obstacles.

The Corporate Plan for 2020-2025, originally built upon the "Water for All" program, faced interruptions due to the prevailing economic crisis. Consequently, in response to the situation the "Water for All" program underwent restructuring. Priority was shifted towards the Capacity Enhancement and Distribution Expansion (CEDE) projects, which subsequently received Cabinet approval.

The CEDE Project and other ongoing initiatives in 2023 were capable of collectively increasing the total number of service connections to 3 million, covering 48.1% of the population with total annual water production of 803.2 million Cubic meters having 97.4% satisfactory for Bacteriological quality, 86.9% satisfactory for Physical & Chemical quality and 100% satisfactory in toxicological parameters of drinking water standards according to WHO guidelines. NWSDB reached 28,158 pipe sewage connections at the end of 2023 and augmented wastewater treatment capacity to 113,480 cubic meters per day. Further 271 numbers of Water Safety Plans Were Completed and 80 are in progress.

The National Water Supply and Drainage Board (NWSDB) implemented a second round of tariff increases in 2023, following its earlier adjustment in 2022, due to rising costs of chemicals and electricity, likely stemming from the previous year's economic crisis. These increases were necessary to sustain operations and ensure uninterrupted services. While tariff adjustments are essential, efforts should also focus on improving efficiency and exploring cost-saving measures. Further efforts were undertaken to reduce Non-Revenue Water (NRW) and to emphasize Information Technology initiatives. Long-term planning and investment in renewable energy are deemed crucial for sustainable service provision.

The organization hosted the "International Water Conference, Sri Lanka 2023," fostering knowledge sharing and networking in the water sector in the Centre of Excellence for Water and Sanitation (CEWAS) –NWSDB. Following our strategic plan, CEWAS has successfully transformed into a vital additional income source for the National Water Supply and Drainage Board (NWSDB), providing outstanding services to both private and government sectors, thereby enhancing financial resilience and independence.

Over the next five years from 2024 to 2027, the National Water Supply and Drainage Board (NWSDB) has outlined key results areas and specific commitments aimed at enhancing water supply and sanitation services across the region. These commitments include increasing household piped water supply coverage, expanding non-domestic (commercial) piped water connections, and extending piped sewerage coverage. The NWSDB aims to achieve these targets through initiatives such as the CEDE Project and the ongoing Water Supply Projects Action Plan, aligning with NWSDB's goals for sustainable development.

The NWSDB actively engaged in developing policies and strategies for enhancing efficiency through the ADB-funded policy reforms and capacity-building program under the following; establishment of the environmental and social unit including gender strategy, Climate resilience Roadmap, implementation of a Financial Sustainability Roadmap and Business Efficiency plan, preparation of Statement of Corporate Intent, Implementation of Benchmarking of KPIs and tariff policies and implementation roadmaps.

It's worth noting that the Tariff Formula and tariff structure were prepared through collaboration between internal experts at NWSDB and the University of Moratuwa.

For 2024, the NWSDB has set ambitious targets for each commitment, accompanied by key performance indicators (KPIs) to track progress quarterly.

I extend my heartfelt gratitude to our esteemed funding partners whose unwavering support has been instrumental in advancing the water supply and sanitation sector, even during challenging times. Their partnership and collaboration have been invaluable to our success. All these supports and all efforts of NWSDB collectively contribute to our mission of serving the nation by providing sustainable water and sanitation solutions ensuring total user satisfaction.

Looking ahead into 2024, NWSDB, bolstered by its dedicated staff, remains resolute in its mission to provide clean water and sanitation to all Sri Lankans.

Nishantha Ranatunga
Chairman
National Water Supply & Drainage Board

Board of Directors



Appointed as Chairman of the Board in January, 2020. Functions concurrently as Chairman of the National Water Supply & Drainage Board (NWSDB). He has Completed, Master of Business Administration (MBA) from the University of Western Sydney, in 2003 and over 20 years of extensive managerial experience in the Private Sector, Media and Communication, Public Administration and Business Management as Director General/ CEO – Sri Lanka Rupavahini Corporation, Chairman/ CEO – Mihini Air (Pvt) Ltd; Vice President - Asian Institute of Broadcasters Union, Chairman/Director - Sugathadasa National Sports Complex; and Marketing Manager – Mobitel (Pvt) Ltd.

Mr. Nishantha Ranatunga / Chairman
(Since January 2020 to date)

Appointed as Vice Chairman of the Board in June, 2022. Has Completed, Diploma in Local Government Administrative Training – University of Monash (Australia) and extensive Human Resources Management and Coordination experience as Coordinating Secretary to former Prime Minister Hon. Mahinda Rajapaksha, Senior Minister D E W Gunasekara; the Governor, Raja Collure - UVA & Wayamba, Private Secretary to the State Minister of Agriculture, Shasheendra Rajapaksa; Chairman of "Vishwa Kala Foundation", Former Member of Local Government Authority. In addition to post of Vice-Chairman of NWSDB, held a position of Private Secretary to the State Ministry of Irrigation concurrently and held a responsibility as observer of the Audit & Management Committee of NWSDB.

Mr. W. M. S. B. Wijekoon / Vice-Chairman
(Since June 2022 to date)



Appointed to the Board as a Director on 04th October 2023 and held a responsibility as observer of the Audit & Management Committee of NWSDB. BSc in Biochemical Engineering - University College United Kingdom, Postgraduate Executive Diploma in Business Administration - University of Colombo, Completed Part 1 and 2 of CIMA and Completed Certificate Course in Diamond Grading. He was being a Senior Manager, Director in Sabha Lanka (Pvt) Ltd, Board Member in Milk Industries of Lanka Company Ltd, General Manager in Renelle (Pvt.) Ltd, Coordinating Secretary and Private Secretary in Honorable Minister of Livestock and Rural Community Development, Director in Lanka Libya Agricultural Development Company, Executive Chairman in Poultry Development Company (Pvt.) Ltd, Private Secretary in Minister of Community Empowerment and Estate Infrastructure Development, Private Secretary in Minister of Water Supply and Estate Infrastructure Development, Chairman/ Managing Director in Lanka (Pvt.) Ltd and Executive Chairman in Shah Associates (Pvt.) Ltd

Mr. Mohamed Cader / Director
(Since October 2023 to date)

Appointed to the Board as a Director on 4th October 2023. Graduated in Bachelor of Science in Engineering University of Peradeniya in 1984, Master of Science in Infrastructure Management, Yokohama National University, Japan in 1999, PhD in Civil Engineering (Specialized in Water Treatment), University of Moratuwa in 2019. She is a fellow member in Institute of Engineers Sri Lanka; and 35 years of experience in National Water Supply and Drainage Board as Engineer, Resident Engineer; Senior Engineer, Chief Engineer; Project Manager, Project Director; Deputy General Manager; Additional General Manager (Corporate Services / Policy & Planning) and General Manager (NWSDB) and also serving as a member of the Audit & Management Committee of NWSDB.

Dr. Eng. (Mrs.) W.K. Illangasinghe / Director
(Since October 2023 to date)



Appointed to the Board as a Director in March, 2021. Graduated in MBBS (Ruhuna), MSc (Medical administration – Colombo); Medical administrator for 16 Years. He was being a Deputy Director General, Regional Director; Director, Senior Medical Officer and Medical Officer in health sector. Currently he serves as Secretary to the Food Advisory Council, Chairman, Subcommittees on Health Claims, Regulations, Technical of Food Advisory Committee; Chairman Subcommittee on Public Health Food laboratories, Council Member of College of Medical administrators.

Dr. V. T. S. K. Siriwardana / Director
(Since March 2021 to date)



Appointed to the Board as a Director in March, 2022. Functions as a Chairman of the Audit & Management Committee of NWSDB also. Graduated in Bachelor of Management Studies – Open University, Master of Financial Economics – University of Colombo; Associate Member of Chartered Institute of Accountants – UK, Chartered Global Management Accountant – UK. Was a Board Director - Post Graduate Institute of Medicine, Audit Committee Member University of Colombo. Currently serve as Deputy Director, Department of Public Enterprises and a Treasury Member – Interim Management Committee on JRDC also.

Mrs. Wathsala Erandi Godagama / Director
(Since March 2022 to December 2023)

Appointed to the Board as a Director in October, 2022. Functions as a Member of the Audit & Management Committee of NWSDB also. Graduated in Bachelor of Science, Master of Arts; Post Graduate Diploma in Management, Post Graduate Diploma in Developments Studies; Diploma in General Management. She was being a Commissioner, Project Director; Senior Assistant Secretary, Director; Assistant Secretary, Assistant Commissioner. Currently she serves as Additional Secretary of Local Government and Provincial Council and a Board Member – Sri Lanka Sustainable Energy Authority, Member – Interim Management Committee of the Disaster Management Center also.

Mrs. Maheshika Kodippili Arachchi / Director
(Since October 2022 to date)



Former Members of the Director Board in 2023



Appointed to the Board as a Director in October, 2022. Graduated in Bachelor of Science in Business Management, - B.Sc. (Mgt) SP, Master of entrepreneurship University of Jayewardeneapura; Diploma in Information Technology, Diploma in English Language (City & Guilds UK). Over 10 years' experience as Managing Director of Education Institute, 18 years' experience as Business Studies teacher with excellent written and verbal communication skills. He was being a Coordinating Secretary to the Hon. Minister of Health. Currently serving as Coordinating Secretary to the Hon. Minister of Water Supply.

Mr. R.A. Gayan Kemitha Rajapaksha / Director
(Since October 2022 to August 2023)



Appointed to the Board as a Director in February, 2020. Functions as a Member of the Audit & Management Committee of NWSDB also. Chartered Engineer (HMIE, MIIE, FIAE, (SL)) with Membership No. IESL (HMIE 6172), and Registration No. of EC 103678; Consultant Mechanical Engineer, Registered Loss Adjuster, Government Authorized Safety Inspection, Engineer, ISO 9000/2000 Consultant, Non Destructive Tester(SM), NVQ level 5 & 6 Assessor and JP for All Island. He was being Assistant General Manager, Senior Engineer and Engineer in several commercial and government institutes. Currently serving as Consultant Engineer.

Eng. R. A. Sarath Luxman Ranasinghe / Director
(Since February 2020 to September 2023)

Senior Management

Appointed as General Manager in January 2023 to September 2023. Graduated in Bachelor of Science in Engineering University of Peradeniya in 1984, Master of Science in Infrastructure Management, Yokohama National University, Japan in 1999, PhD in Civil Engineering (Specialized in Water Treatment), University of Moratuwa in 2019. She is a fellow member in Institute of Engineers Sri Lanka; and 35 years of experience in National Water Supply and Drainage Board as Engineer, Resident Engineer; Senior Engineer, Chief Engineer; Project Manager, Project Director; Deputy General Manager; Additional General Manager (Corporate Services / Policy and Planning)

Dr. Eng. (Mrs.) W.K. Illangasinghe / General Manager
(Since Jan 2023. to Sep. 2023)



Appointed as General Manager in November 2023. Graduated in Bachelor of Science in Engineering, MSc Eng. (Water & Environmental Resources Management); MSc (Water Resources Management, Holland - UNESCO-IHE); Masters of Business Administration, Post Graduate Diploma in Management, He is a fellow member in IESL and Member of Institution of Management, Sri Lanka. and 31 years of experience in National Water Supply and Drainage Board as Project Engineer, District Manager (World Bank, ADB, UNICEF Funded Projects); Project Director / Chief Engineer (KfW, Galle District, Phase 2), Assistant General Manager; Project Director (Badulla, Haliela, Ella WSP and Mahaiyangana WSP) and Deputy General Manager and Additional General Manager (Southern/Uva/Eastern) & (Water Supply Projects).

Eng. Ruwan Liyanage / General Manager
(Since November 2023 to date)



Appointed as Additional General Manager (Finance) in January, 2019. Graduated in Bachelor of Commerce University of Sri Jayawardenepura in 1992, Postgraduate Diploma in Management University of Colombo in 2009; Master of Development and Planning University of Colombo in 2014. He is a fellow member in Institute of Chartered Accounts of Sri Lanka; and 8 years of experience in National Water Supply and Drainage Board as Deputy General Manager (Internal Audit), and he earned experience in the field of Finance and Auditing in several organizations after his graduation.

Mr. R.M.A.S. Weerasena / Additional General Manager (Finance)
(Since January 2019 to date)



Appointed as Additional General Manager (Western) in June, 2019. Graduated in Bachelor of Science in Engineering (Civil) University of Moratuwa in 1987, Master of Science in Public Management – SLIDA, Post Graduate Diploma – OSLO University. He is a fellow member in Institute of Engineers Sri Lanka; and 32 years of experience in National Water Supply and Drainage Board as an Engineer, Senior Engineer, Chief Engineer, Regional Manager, Assistant General Manager, Deputy General Manager.

Eng. C.C.H.S. Fernando / Additional General Manager (Western)
(Since June 2019 to January 2024)



Appointed as additional General Manager (Eastern/Southern/Uva) in January 2023. Graduated in Bachelor of Science in Engineering (Civil) from University of Peradeniya in 1991. Master of Technology in Construction Management from Open University of Sri Lanka in Oct 2005, Master of Engineering in Structural Engineering Designs from University of Moratuwa in Feb 2012, Fellow member of Institution of Engineers Sri Lanka in Feb 2010 and International Professional Engineer in Nov 2012, and 32 years of experience in National Water Supply and Drainage Board as Engineer(Construction), Design Engineer, Chief Engineer (Planning), Chief Engineer (Construction), Manager(O&M), Assistant General Manager, Project Director and Deputy General Manager.

Ebg. N. Sudeshan / Additional General Manager (Eastern/Southern/Uva)
(Since January 2023 to date)



Appointed as Additional General Manager (Corporate Services) in January 2023. Graduated in Bachelor of Science in Engineering (Civil) University of Peradeniya in 1991. MBA (University of Peradeniya), P.G. Diploma (Cons. Project Mgt.) and a fellow Member of the Institution of Engineers Sri Lanka and 31 years of experience in National Water Supply & Drainage Board in different caliber such as Construction Engineer, Design Engineer, Chief Engineer, Manager (O&M), Assistant General Manager and Deputy General Manager (P&D and RSCs).

Eng. W. G. C. L. Weerasekara / Additional General Manager (Corporate Service)
(Since January 2023 to date)



Appointed as the Additional General Manager (Consumer & Asset Management) in February, 2023. Graduated in Bachelor of Science in Structural Engineering from Tongji University, P. R. of China in 1988 obtained Post Graduate qualifications in M.Sc. (Construction Project Management) in 2007 and P.G. (Dip.) in (Environment Engineering & Management) in 2018 from University of Moratuwa, Sri Lanka. He is a Fellow Member of the Institute of Engineers, Sri Lanka since 2011 and having 27 years of experience in National Water Supply and Drainage Board as Construction Engineer, Design Engineer, Manager (Construction), Assistant General Manager (Sewerage), Deputy General Manager / Project Director(GAMIWSS) and Additional General Manager (Water Reclamation).

Eng. N. H. D. P. Dharmapala / Additional General Manager (Consumer & Asset Management)
(Since January 2022 to date)



Appointed as Additional General Manager (North Central & North) in October, 2021. Graduated in Bachelor of Science in Engineering (Civil) University of Peradeniya in 1987, M.Sc (Water management in tropical and Sub tropical countries) – Germany in 1998; He is a Co-operate Member of the Institute of Engineers Sri Lanka; and 32 years of experience in National Water Supply and Drainage Board as Project Engineer, Design Engineer; Senior Construction Engineer, Project Manager; Manager(O&M), Assistant General Manager and Deputy General Manager.

Eng. M.K.D. J.H. Meegoda / Additional General Manager (North Central & North)
(Since October 2021 to November 2023)





Appointed as Additional General Manager (North & North Central) in February 2023. Graduated in Bachelor of Engineering (Civil) Madurai Kamaraj University, India in 1991, M.Eng.(Construction Management) University of Moratuwa, Sri Lanka in 1998, M.Sc. (Hydrology and Water Resources) - Netharlands in 2008, MBA, Rajarata University, Sri Lanka in 2018. He is a Fellow of Institute of Engineers Sri Lanka and he poses 29 years of experience in National Water Supply and Drainage Board as Civil Engineer, Manager (O&M), Project Manager, Assistant General Manager, Project Director, Deputy General Manager.

Eng. T. Baraththasan / Additional General Manager (North/ North Central)
(Since January 2023 to date)

Appointed as Additional General Manager (Policy & Planning) in February 2023. B.Sc. (Eng.) Hons. - Civil Engineering - University of Moratuwa - 1991, P.G. Diploma - Construction Management - University of Moratuwa - 1996, P. G. Diploma - Management of Drinking Water Supply - Carl Duisberg Institute, Germany - 2000, MBA - Business Administration - Postgraduate Institute of Management (PIM) - 2012, Corporate Member - Institution of Engineers, Sri Lanka, Corporate Member - Engineering Council of Sri Lanka 30 years of experience in National Water Supply & Drainage Board an Engineer, Ground Water Engineer, Design Engineer, Construction Engineer, Chief Engineer (P&D & O&M) Project Director (KTW Project), Assistant General Manager (MDT), Deputy General Manager (Development & WSP) and Additional General Manager.

Eng. Jaliya Seekkuge / Additional General Manager (Policy & Planning)
(Since February 2023 to date)



Appointed as Addl. General Manager (Water Reclamation) in February 2023. Graduated in Bachelor of Science in Engineering (Civil) University of Moratuwa in 1992. PG Diplomas in Environmental Engineering & Management (1995) and Structural Engineering Designs (2011) from University of Moratuwa, M. Sc. in Sanitary Engineering at UNESCO-IHE, The Netherlands (2005). Fellow Member of the Institute of Engineers Sri Lanka and Member of IWA and 30 years of experience in National Water Supply & Drainage Board as Resident Engineer, Snr. Design Engineer, Chief Engineer, Specialist (Sewerage Design), Deputy General Manager (Water Reclamation) and presently working as Additional General Manager (Water Reclamation)

Eng. Dhanesh Gunathilake / Additional General Manager (Water Reclamation)
(Since February 2023 to date)

Appointed as Additional General Manager (Central, North Western, Sabaragamuwa) in December 2023. Graduated from the University of Peradeniya with BSC Engineering (Hons) Degree in Civil Engineering in 1991. Holds Postgraduate Diploma qualifications in Construction Management, Structural Engineering Design and Project Management and Diploma in Commercial Arbitration (Institute for the Development of Commercial Law and Practice, Sri Lanka). He is a Fellow Member of the Institute of Engineers, Sri Lanka. Underwent Advance Professional Training on Management of Waste Water Disposal in Germany. Has over 30 years' experience in NWSDB in the fields of Design, Construction O&M and Project Management.

Eng. M. T. M. Razil / Additional General Manager (Central/North Western/Sabaragamuwa)
(Since December 2023 to date)





Appointed as Actg. Additional General Manager in 2022.12.30. He has done a Master of Business Administrations Degree (MBA) Postgraduate Institute of Management (PIM) University of Sri Jayawardenapura in 2006; Graduated in Bachelor of Business Management Human Resources Special Degree University of Kelaniya in 1999; He is a Corporate Member in Chartered Institute of Personnel Management; Advanced Management Certificate Course in Human Resource Management Postgraduate Institute of Management (PIM) University of Sri Jayawardenapura; and 01 year and 06 months experience in National Water Supply and Drainage Board as Deputy General Manager (Human Resources) and 01 year and 04 months as Actg. Additional General Manager (HRM), and he earned experience in the field of Human Resource Management in several Organizations after his graduation.

Mr. M. A. S. S. K. Chandasiri /
Additional General Manager (Human Resource) - covering up
(Since December 2023 to date)

Deputy General Managers of Head Office

1. Mrs. M. M. S. Peiris (Finance)

B.Sc. (Accountancy & Finance Mgt.), ACA (SL)

**2. Mr. R. M. A. Bandara
(Supplies & Material Management)**

B.Sc., (Business Administration - Spl.) Dip. in (Purchasing and Materials Mgt.)

3. Mr. A. G. S. Kumara (Costing)

B. Com. (Sp.), M. Sc. (Management), FCA

**4. Eng. (Mrs.) M. A. C. Hemachandra
(Small Town/ Rural Water Supply)**

B. Sc. (Eng.) Hons, PG. Dip (Envi.), PG. Dip. (Strac.), C. Eng. MIE (SL)

5. Eng. G. N. D. Neville (Water Reclamation)

B. Sc. in Civil Eng. (IESL), PG. Dip. (Env. Eng. & Mgt. Moratuwa), M. Sc. (Cons. Pro. Mgt.)

6. Mr. G. A. P. Pathmanatha (Commercial)

B.Sc (P. Administration - Spl.), MBA, MSLIM, Fellow (IMSL), Member (IMSL), Asso. Member (IPFDA)

7. Eng. A. Mahathanthila (Donor Coordination)

B. Sc. Eng, C. Eng. MIE (SL) - Member of IWA, PG. Dip (Env. Eng. & Mgt - UOM), Pg. Dip. Sanit. Eng. (IHE, Delft - Netherland)

8. Mr. U. J. Samarasinghe (Internal Audit)

B. Sc. (HONS), MBA (HR), MABE (UK)

9. Mr. T. G. R. D. Kumara (Industrial Relations)

B. Sc. Mgt (SP), Ad. Dip. in HRM, Dip in B. Mgt.

10. Eng. A. S. Kaluarachchi (Development)

M. Eng. (Env. Water Resources Eng.), M. Sc. Env. Science (Delft), C. Eng MIESL

**11. Eng. (Mrs.) N. P. Goonewardene
(Consumer & Asset Management)**

B. Sc. Eng, MBA, M. Eng. (AIT-Bangkok), PPD (IHE-Delft), Chartered Engineer, FIE (SL)

12. Eng. H. K. P. K. Jinadasa (Planning & Design)

Bsc. Eng. (Hons.), C. Eng., MIE (SL), MSc. (Urban Eng.), PG. Dip. (Cons. Mgt.), MBA

**13. Eng. (Mrs.) Senani Jayasinghe
(Corporate Planinng)**

B. Sc. in Civil Eng. (Hons.), M. Eng. (Structural), C. Eng. MIE. (SL)

**14. Eng. E. M. K. Ekanayaka
(Mechanical & Electrical)**

B. Sc. (Eng.) - Mech., C. Eng. (IESL), PG. Dip. (Energy Tec.)

15. Eng. L. P. A. P. Perera (WSP)

B. Sc. Eng., M. Eng. (P. Mgt.) PG. Dip (Bus. Mgt.), C. Eng. MIE (SL)

**16. Mr. K. K. R. Kannangara
(Human Resource) - Covering up**

B. Sc. (HONS), MBA (HR), MABE (UK)

Deputy General Managers of Province

17. Eng. A. K. Kapuruge (Western Central)

B.Sc. Eng. (Hon.), MIE (SL), C. Eng. M. Eng. (Struc.)

18. Eng. N. U. K. Ranathunga (Western North)

B.Sc. Eng., PG.Dip. (Env. Eng), Master in Dev. Studies, FIE (SL)

**19. Eng. A. M. A. Rafeek (North) & PD
(KCWMP)**

B.Sc. Eng, C. Eng. (IESL), M.Eng. (W.R. Mgt)

**20. Eng. D. V. Medawatte (Central) & PD
(Pathadumabara WSP)**

B.Sc. Eng, PG Dip (W.& W.W& Eng. Eng), C.Eng. (IESL), Fellow (IESL), MBA

**21. Eng. (Mrs.) A. P. Gunawardhana
(North Central)**

B.Sc.Eng, MBA, C. Eng. (IESL)

22. Eng. V. G. U. Ranjith (Production) / PD
MBA (MOT), C. Eng. MIE (SL), PG. Dip (Waste Water)

23. Eng. K. Pratheepan (North)
B. Sc. Eng., C. Eng., MIE (SL), M. Sc. (Hydraulic Netherland),
PG. Dip. (Water Supply & Waste Water)

24. Eng. H. M. P. N. Herath (Western South) & PD (Kalu Ganga WSP))
B. Sc. Eng., C. Eng., MIE (SL), PG. Dip. (Moratuwa), MBA
(Green University)

25. Eng. K. Vasudevan (East)
B. Sc. Eng., C. Eng., MIE (SL), PG. Dip. (Cons. Mgt.), PG.
Dip. (EEWRM)

26. Eng. K. G. N. S. Kumara (Southern)
B. Sc. (Eng.), C. Eng. (IESL), M. Eng. in Energy Tec.
(Moratuwa)

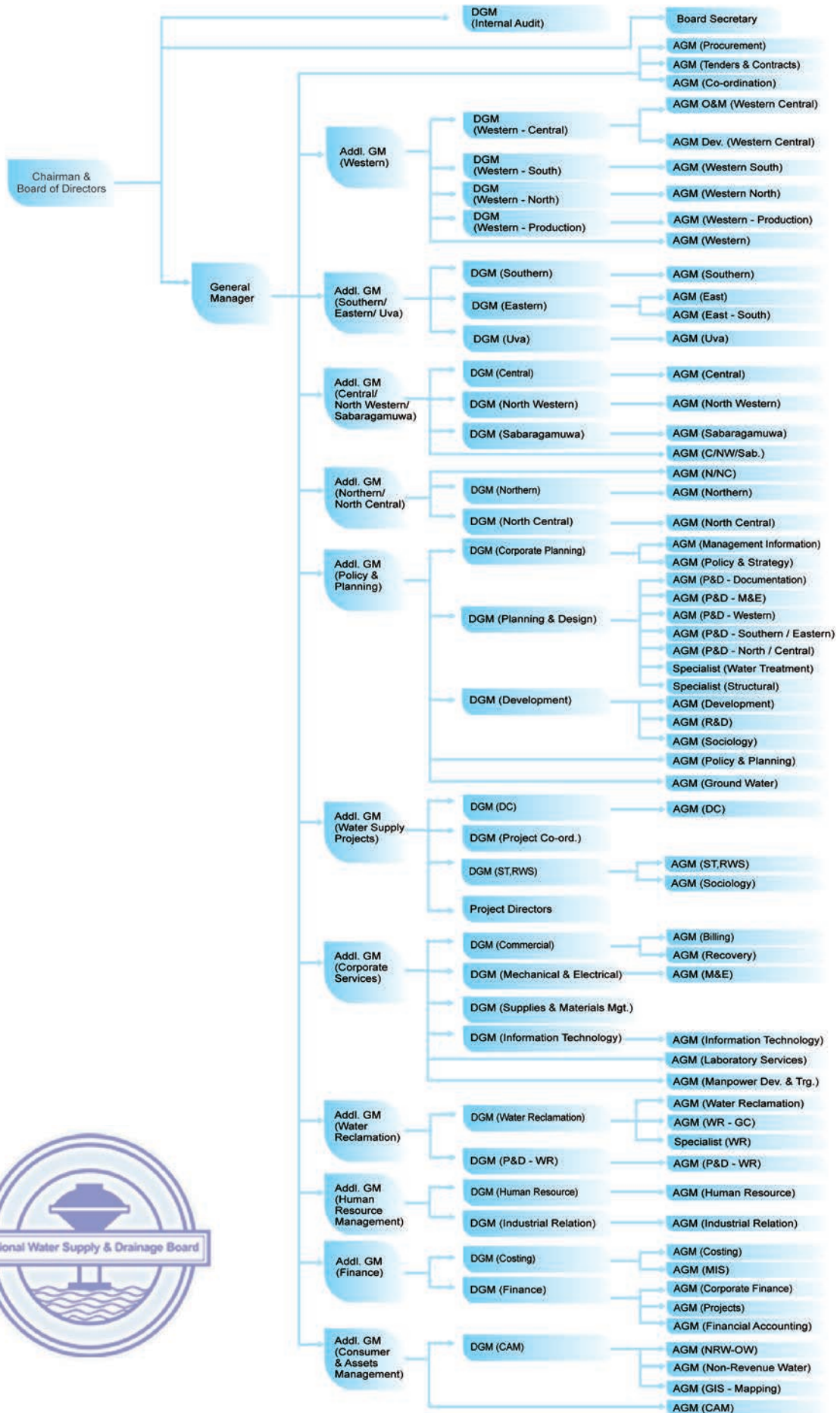
27. Eng. D. L. S. Ariyaratna (Sabaragamuwa)
B. Sc. (Eng.), C. Eng. (IESL), PG. Dip. in Civil Eng. (Ruhuna)

Deputy General Managers working as Project Directors

28. Eng. S. L. Mohan
(Exp. of Pipe Borne Sewer Coverage to Moratuwa/ Ekala Project)
B. tech. (Civil), MBA, MIESL, PG. Dip. (Cons. Mgt.), M. Sc.
(Env. Sci. & Tec.) Netherland

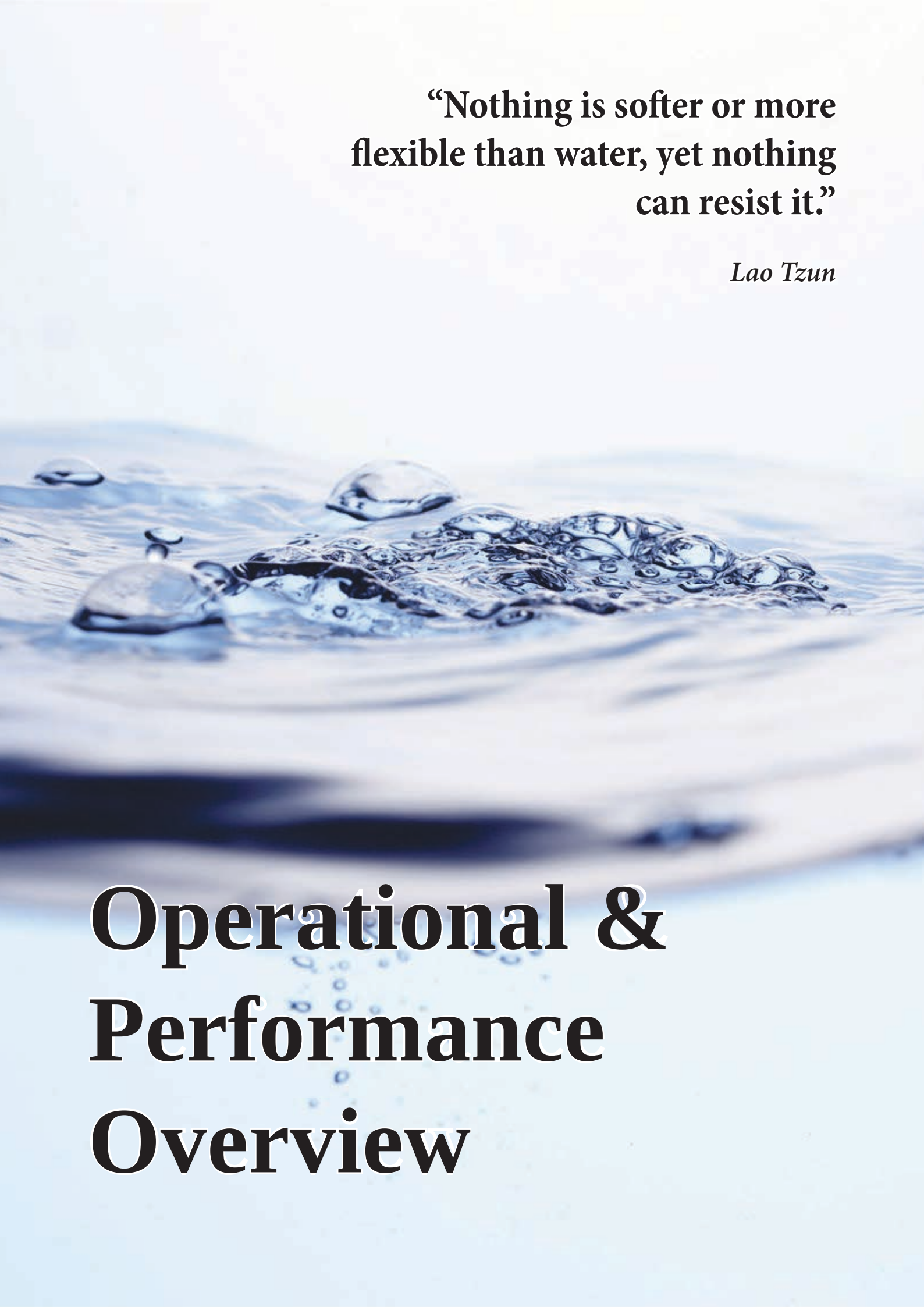
29. Eng. K. L. Edirisinghe
(Anamaduwa WSP)
B. Sc. Eng, C. Eng. MIESL, M. Sc. (Cons. Mgt.)

30. Eng. N. R. S. Wickramasinghe
(Gampaha Attanagalla WSP)
B. Sc. (Eng.), C. Eng., FIE (SL), M. Eng. in Moratuwa



**“Nothing is softer or more
flexible than water, yet nothing
can resist it.”**

Lao Tzun



Operational & Performance Overview

Implementation of Corporate Plan

In 2023, the National Water Supply and Drainage Board (NWSDB) remained steadfast in its commitment to provide essential water supply and sanitation services to the people of Sri Lanka. Despite facing economic challenges and political uncertainties, NWSDB forged ahead with strategic initiatives to enhance access to safe drinking water and improve sanitation infrastructure across the nation.

Program Restructuring for Optimal Resource Utilization

Acknowledging the economic crisis and political instability, NWSDB swiftly restructured its “Water for All” program to maximize outcomes with limited resources. Prioritizing Capacity Enhancement and Distribution Expansion (CEDE) projects, NWSDB obtained Cabinet approval to ensure efficient utilization of existing water supply schemes and enhance their capacity and quality.

Strategic Goals for Business Efficiency and Social Responsibility

NWSDB remained focused on improving business efficiency through initiatives targeting reduction of Non-Revenue Water (NRW) and power costs, alongside customer service enhancements and institutional development. Emphasis was placed on social responsibility, particularly in CKDu affected areas and rural communities lacking safe water supply facilities, through targeted interventions and technical assistance.

Water Safety Plan Implementation

In alignment with our commitment to ensure safe drinking water for all, NWSDB continued to implement Water Safety Plans (WSPs) across Sri Lanka. By the end of 2023, significant progress was made with 271 WSPs completed and implemented, while 80 WSPs were actively in progress under the guidance of Regional Support Centers (RSCs).

Summary of Investment

Summary of Investment for Development Projects -2023

The Government of Sri Lanka (GOSL) allocated 61.7 Billion LKR to the National Water Supply and Drainage Board (NWSDB) through treasury funds, consisting of domestic funds, foreign loans, grants, and financing. Within this allocation, 27.9 billion LKR was strategically invested across various water supply and sewerage projects, supplemented by an additional LKR MN 590.8 from NWSDB funds. These investments were carefully directed towards ongoing large-scale projects, CEDE initiatives within the “Water for All” program, rural drinking water supply enhancements, and sanitation development efforts.

Table 11

Category	Final Allocation 2023 (LKR MN.)	Expenditure 2023 (LKR MN.)			Financial Progress
		Treasury	NWSDB	Total	
Treasury Borrowed Large Scale water Supply Projects	45,810.48	21,464.36	374.61	21,838.97	48%
Sewerage Projects	2,565.60	55.99	92.55	148.54	6%
Emerging Small Townships Water Supply Schemes	300.00	52.04	-	52.04	17%
Development of Rural and Divisional Drinking Water Supply	50.00	21.79	-	21.79	44%
NWSDB Borrowed Large Scale water Supply Ongoing Projects- Treasury Component	400.58	317.96	-	317.96	79%
Payment of Custom Duty	255.09	265.87	-	265.87	104.2%
Payment of Custom Duty	1,000.00	-	-	-	0.0%
Total of Treasury Funded Projects except CEDE	50,381.74	2,178.02	467.16	22,645.17	44.9%
CEDE Project	11,358.25	5,800.29	123.73	5,924.02	52.2%
Treasury funded Projects Total	61,739.99	27,978.31	590.88	28,569.19	46%

The Treasury expenditure is derived from the following fund categories.

Table 12

Domestic Funds LKR Mn.	Foreign Loans LKR Mn.	Foreign Grants LKR Mn.	Foreign Finance Associated Costs LKR Mn.
8308.02	18716.04	178.67	775.56

Furthermore, alongside direct allocations from the Government of Sri Lanka (GOSL), the National Water Supply and Drainage Board (NWSDB) capitalized on various financial instruments, including loans from both foreign and local banks. Through the aforementioned Local Bank Funded (LBF) projects and foreign-funded Board Borrowed Large-scale Projects, investments totaled 11.56 billion, including LKR MN 360.07 from NWSDB own funds.

Summary of Investment on Development projects.

Table 13

Category	Treasury Allocation -2023 (LKR MN.)	Utilization 2023 (LKR MN.)	Financial Progress
Treasury Funding – Ongoing WSP	50,381.74	22,645.17	44.9%
Treasury Funding - CEDEP	11,358.25	5,924.02	52.2%
Total Treasury Fund	61,739.99	28,569.19	46.3%
Board Borrowed WSP	-	11,169.66	-
Local Bank Financing Projects	-	403	-
Grand Total	61,739.99	40,141.86	-

The NWSDB successfully utilized strategic financing approaches, facilitating the implementation of development activities totaling 40.1 billion LKR within the water supply and sewerage sector. This endeavor is in line with our core mission of guaranteeing sustainable access to water and sanitation services for all. Furthermore, an investment of 2.10 billion LKR was directed towards enhancing business efficiency through initiatives aimed at reducing Non-Revenue Water (NRW), conducting rehabilitation activities, and implementing energy conservation measures. Collectively, these investments total amounted to 42.2 billion LKR, signifying our commitment to advancing development in the sector.

In conclusion, 2023 marked a year of resilience and strategic investments for NWSDB, as we continued to navigate challenges while steadfastly pursuing our goal of providing water for all. Through prudent financial management, strategic planning, and unwavering dedication, NWSDB remains committed to advancing the health, prosperity, and development of Sri Lanka through sustainable water supply and sanitation solutions.

Statement of Economic Value Addition

In 2023, NWSDB faced challenges stemming from economic uncertainties and adjustments in monetary policy aimed at stabilizing national economic conditions. Despite these challenges, NWSDB remained steadfast in its commitment to ensure sustainable service delivery and strategic resource management. The organization reported an operating profit of 17.11 billion, making a surplus of 5.28 billion for equity holders after accounting for the cost of debt capital. However, considering the return on total invested capital by government equity, the reported Economic Value Added (EVA) of -17.64 billion reflects the impact of increased Weighted Average Cost of Capital (WACC), influenced by the Central Bank's measures in response to the economic crisis.

Amidst these economic difficulties, NWSDB continues to fulfill its crucial role in providing essential water & water reclamation services to the nation, recognizing water as a basic human need. The higher management of NWSDB persistently endeavors to enhance its economic and sociological value, navigating challenges in to sustainability & elevating the organization's contributions towards the society.

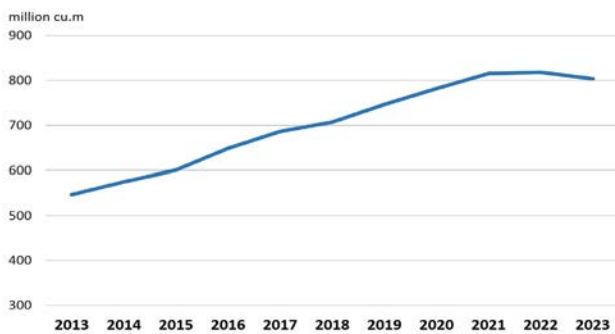
Table 14

		2022	2023	Variance %
KEY STATISTICS : WATER SUPPLY				
No. of Water Supply Systems		339	341	0.59
Piped Water Production (million cu.m.)		818	803	-1.83
Piped Water Consumption (million cu.m.)		612	599	-2.12
Domestic Connections				
	(a) Western Province	1,116,928	1,146,787	2.67
	(b) Other Province	1,556,603	1,630,145	4.72
Total Domestic Connections		2,673,531	2,776,932	3.87
Public Stand Posts (Nrs.)				
	(a) Western Province	448	443	-1.12
	(b) Other Province	691	684	-1.01
Total Public Stand Posts		1,139	1,107	-2.81
Non-Domestic Connections (Nrs.)				
	(a) Western Province	108,118	112,497	4.05
	(b) Other Province	123,892	131,621	6.24
Total Non-Domestic Connections		232,010	244,118	5.22
(Including total public stand posts)				
Total No. of Service Connections		2,905,541	3,021,050	3.98
Average Monthly Household Consumption (cu.m. per house connection)				
	(a) Western Province	16.81	15.72	-6.48
	(b) Other Province	12.88	11.91	-7.53
Average Recurrent Cost of Water Production (LKR/ cu.m.)		51.15	82.00	60.31
Average Total Cost/ Unit Sold (LKR/ cu.m.)		68.43	86.00	25.68
Average Unit Revenue (Billing/ Consumption) (LKR/ cu.m.)		53.18	53.18	0.00
Average Household Bill Value per Month (LKR)				
	(a) Western Province	1,030.88	1,794.33	74.06
	(b) Other Province	652.01	1,210.45	85.65
Collection Efficiency		0.99	0.95	-4.04
Deep Wells (Nrs.)				
	(a) Drilled	109	81	-25.69
	(b) Successful	98	68	-44.12
Non-Revenue Water (%)				
	(a) Western Province	25.06	24.46	-2.39
	(b) Other Province	25.42	26.20	3.07
	(C) Island-wide	25.23	25.32	0.36
KEY STATISTICS : WATER RECLAMATION				
Domestic Connections				
	Western Province	17,210	17,449	1.39
	Other Province	4,665	4,731	1.41
Non-Domestic Connections (Nrs.)				
	Western Province	1,415	1,441	1.84
	Other Province	864	871	0.81
Housing Scheme Connection (Bulk)				
	Western Province	3,666	3,666	0.00
	Other Province	-	-	-
Total Sewerage Connections				
	All Island	27,820	28,158	1.21
	Western Province	22,291	22,556	1.19
	Other Province	5,529	5,602	1.32
OTHER KEY STATISTIC				
Total Revenue (LKR million - without VAT)		32,533	57,537	76.86
Total Recurrent Expenditure (LKR million)		41,461	63,972	54.29
Total Staff/ 1,000 Connections		3.12	2.80	-10.26
Total Development Expenditure (LKR billion)		56.34	42.20	-25.10

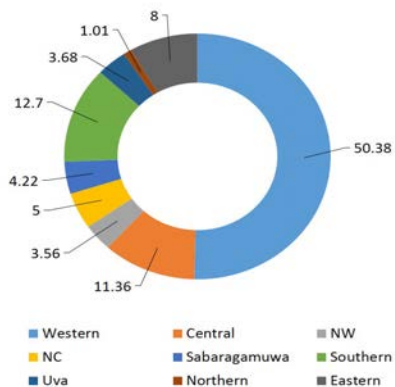
Summary of Operations

Drinking Water Production

The total quantity of drinking water produced by NWSDB during the year 2023 was 803 million cu.m. The trend in drinking water production during the last 10 years is given in the graph. The Western Province water supply system claims the major share of production mainly through the centers at Ambatale, Labugama, Kalutuwawa, Biyagama, Bambukuliya, Kandana and Kethhena amounting to 51.03% of the total water production of the NWSDB during the year.

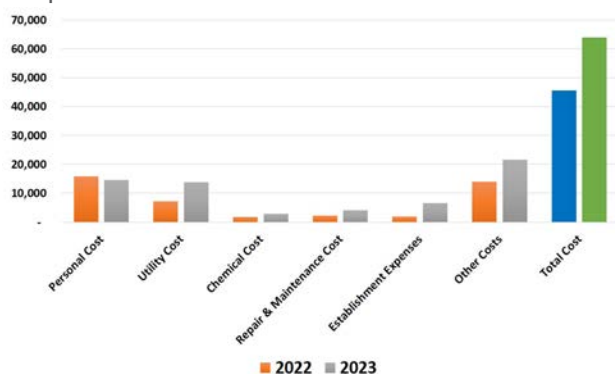


Water Production (%) by Provinces during 2023

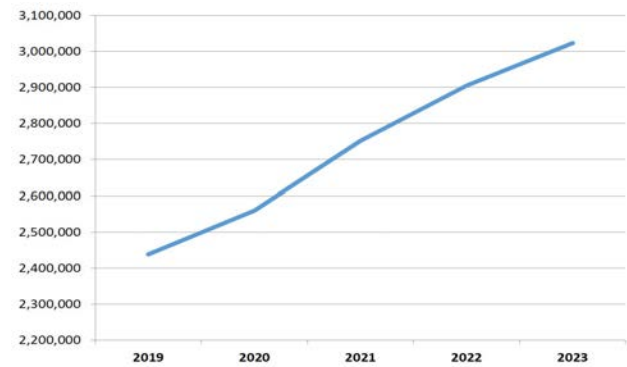


Cost of Production

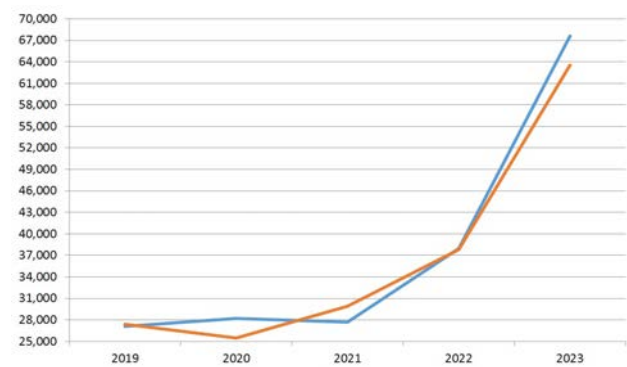
Breakdown of the total production cost (LKR million) in comparison with 2022 is shown below.



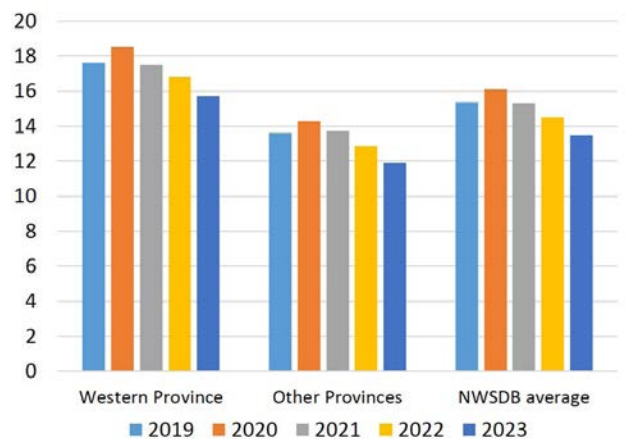
Growth of Connections



Comparison of Annual Billing and Collection (with VAT)



Average Household Monthly Consumption (cu. m. per connections)



Average Household Monthly Bill

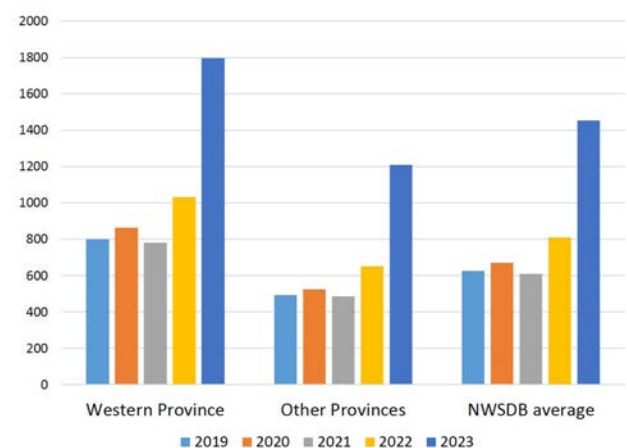
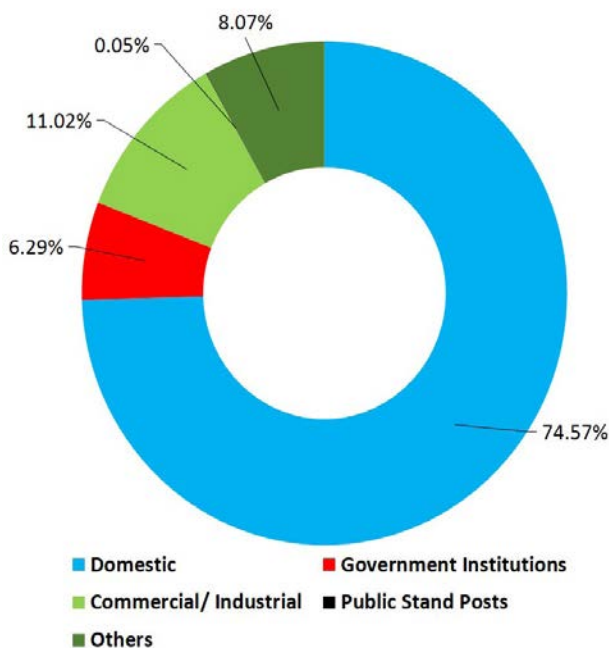


Table 15

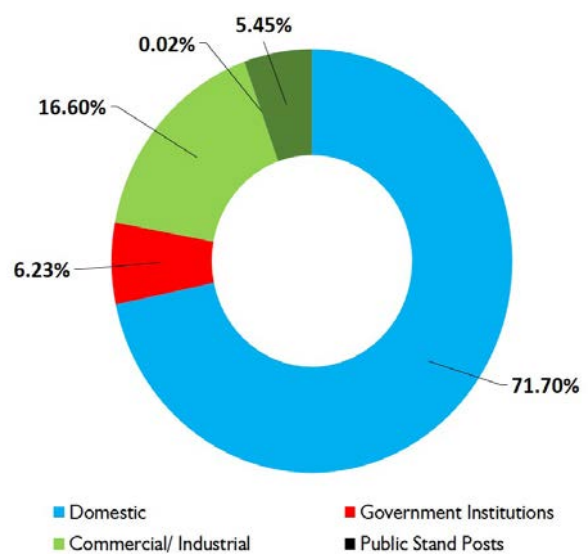
Province/ RSC	No. of Connections Province/ RSC wise		Change %	NWSDB Region	No. of Connections NWSDB Region wise		Change %
	As at end December 2022	As at end December 2023			As at end December 2022	As at end December 2023	
Western Central	563,287	575,328	2.14	Priority*	1,909	1,902	-0.37
Western North	355,414	369,713	4.02	Colombo City	147,244	148,809	1.06
				Kotte	189,922	192,763	1.50
				Maharagama	224,212	231,854	3.41
Western South	306,345	314,243	2.58	Kelaniya	248,767	255,599	2.75
				Gampaha	106,647	114,114	7.00
				Dehiwala	116,700	118,213	1.30
Central	321,665	337,112	4.80	Kalutara	79,182	81,654	3.12
				Panadura	110,463	114,376	3.54
				Kandy North	128,618	140,192	9.00
North Western	120,887	130,203	7.71	Kandy South	113,284	115,486	1.94
				Kandy East**	79,753	81,434	2.11
				Kurunegala	60,259	66,164	9.80
North Central	168,752	177,266	5.05	Puttalam	60,628	64,039	0.02
				Anuradhapura	111,035	116,951	5.33
				Polonnaruwa	57,717	60,315	4.50
Sabaragamuwa	145,556	153,197	5.25	Ratnapura	77,755	81,634	4.99
				Kegallle	67,801	71,563	5.55
				Hambantota	132,298	136,145	2.91
Southern	382,817	393,867	2.89	Matara	112,989	116,604	3.20
				Galle	137,530	141,118	2.61
				Bandarawela	84,667	89,969	6.26
Uva	144,227	151,759	5.22	Monaragala	59,560	61,790	3.74
				Jaffna	43,571	51,553	18.32
				Mannar	43,571	51,553	18.32
Northern	43,571	51,553	18.32	Vavunia	83,992	86,385	2.85
				Ampara	99,791	103,310	3.53
				Trincomalee	97,196	100,162	3.05
Eastern	353,030	366,809	3.90	Akkaraipattu	72,051	76,952	6.80
				Batticaloa	72,051	76,952	6.80
Total	2,905,541	3,021,050	3.98	Total	2,905,541	3,021,050	3.98

Note : " * " Priority Connections only Colombo City Area
 " ** " New demarcation established and changed the meter pack respectively.

Percentage Quantity of Water Used by Consumer Categories



Percentage Revenue by Consumer Categories



Enterprise Risk Management

To ensure effective system of internal controls of risks impacting and affecting the NWSDB operation and performances, we have identified 12 major risks based on Statement of Corporate Intent (SCI) 2023-2025 as follows:-

1. The Water Scarcity
2. The Water Pollution,
3. Social and Cultural Influences
4. Non-revenue water,
5. Information Security & Cyber security
6. Project Implementation and investment risks
7. Self- financing,
8. Risk in Tariff settling
9. Financial and Investment Risks
10. Increase Cost of energy
11. Currency inflation
12. Structural change in the Government policy

The Risk Committee initiated the formation and development of risk management framework and identification of risk rating mechanism. As the preliminary step it was decided to maintain incident registers and risk registers appropriately prepared by the relevant sectional heads in respect of developing the framework. Additional General Manager (Corporate Services) and DGM (Development) have been appointed as the Risk Coordinator and the Chief Risk Officer respectively.

Annual Performance Review Meeting (APRM) - Year 2023

During the Annual Performance Review Meeting on October 26th, 2023, the Acting General Manager of the National Water Supply & Drainage Board (NWSDB), Mr. Ruwan Liyanage, acknowledged the formidable challenges faced by the organization in 2022, including the Dollar crisis, Fuel crisis, and the pandemic's impact. However, despite these obstacles, NWSDB demonstrated resilience and achieved commendable financial performance across various projects, with several nearing completion or achieving full physical progress. The Additional General Manager (Finance) presented the financial performance for 2022, highlighting revenue of LKR 35.4 Billion against a budget of LKR 40 Billion and a gross profit of LKR 12.3 Billion. Despite an operational loss of LKR 1.15 Billion, efforts were made to improve cash flow, though challenges remained in loan repayment.

Key discussions during the meeting revolved around challenges and strategies for project completion, financial performance, human capital restructuring, the Auditor General's opinion, project delays, organizational strengthening, and a national obligation and recovery strategy. The Additional General Manager (P&P) outlined strategies for improving business efficiency and financial sustainability, including increasing renewable energy generation, human resources optimization, knowledge management, reducing non-revenue water, energy-saving programs, asset management, digital transformation, business process reengineering, organizational reforms, and customer service improvements.

During the meeting, Mr. Mohamed Cader, a Board member, raised concerns about the future of NWSDB without sufficient funding, highlighting potential repercussions such as revenue setbacks and equipment deterioration. The Secretary to the Ministry of Water Supply & Estate Infrastructure Development expressed understanding of NWSDB's financial challenges and urged the treasury to prioritize overcoming these obstacles. The Chairman thanked stakeholders for their contributions and emphasized the importance of addressing funding issues and making timely policy decisions.

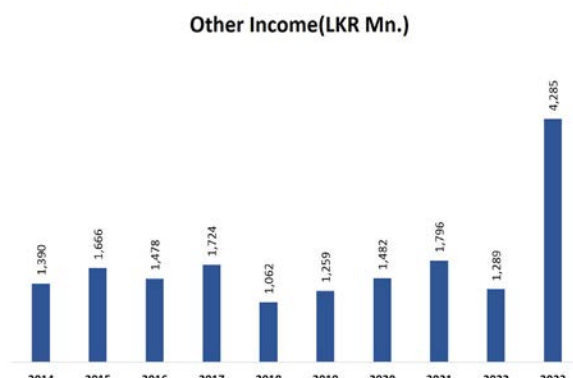
Overall, the meeting underscored NWSDB's commitment to overcoming challenges, achieving its mission, and soliciting support from stakeholders to ensure sustainable development.

Analysis of Financial Performance

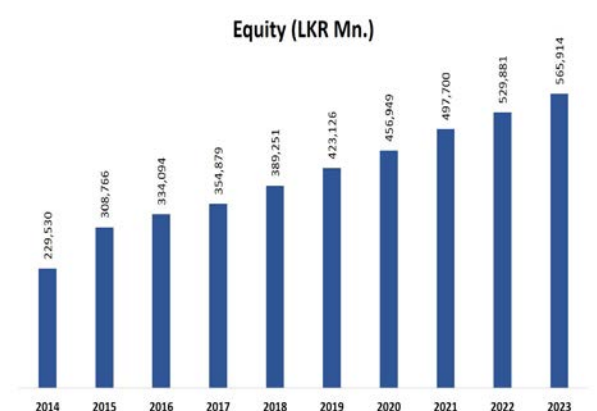
Revenue (LKR Mn.)



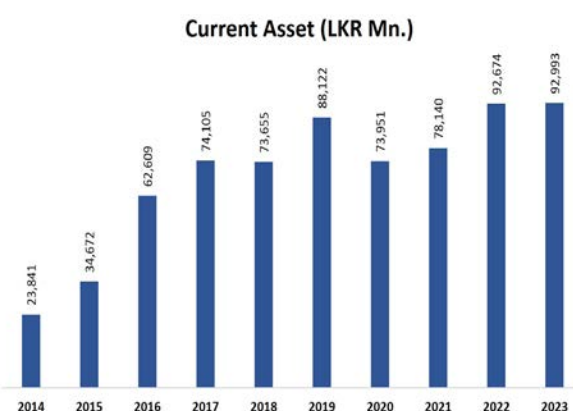
Other Income (LKR Mn.)



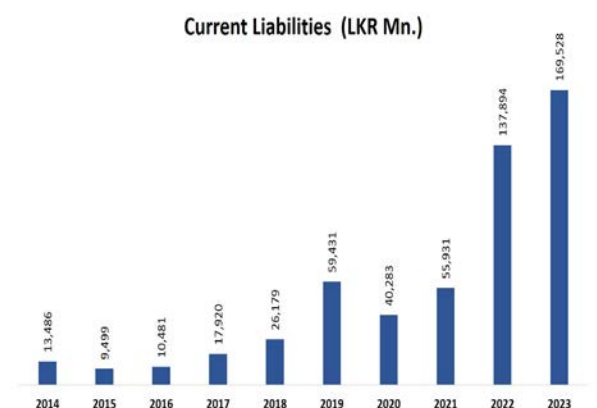
Equity (LKR Mn.)



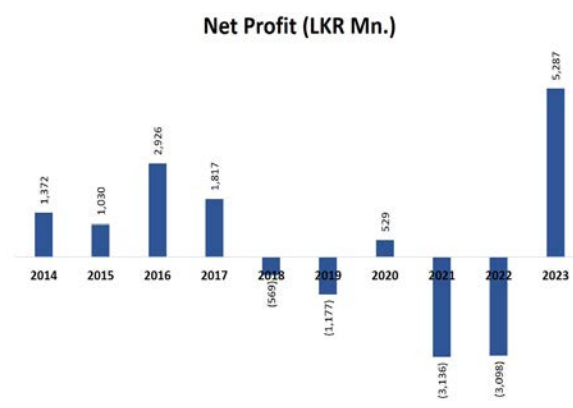
Current Asset (LKR Mn.)



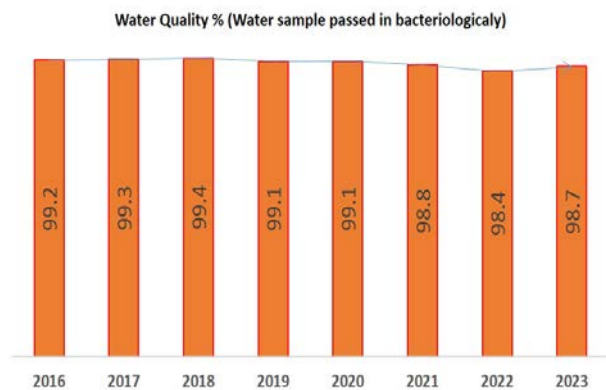
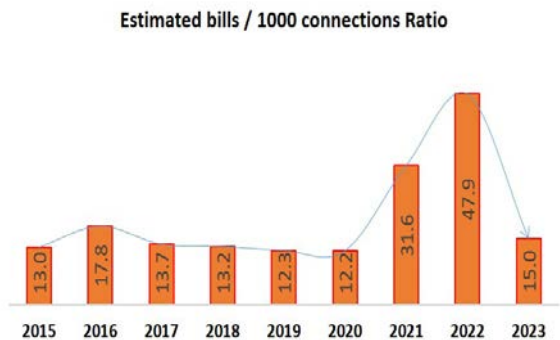
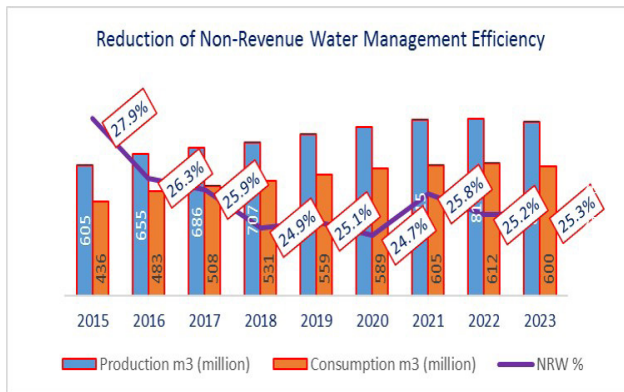
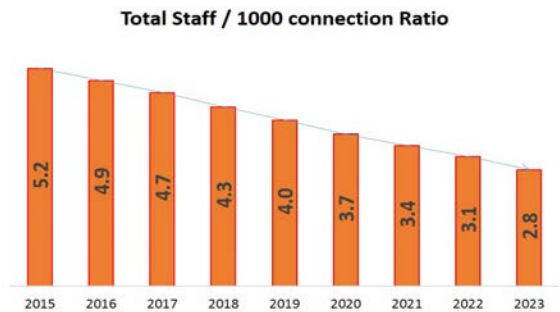
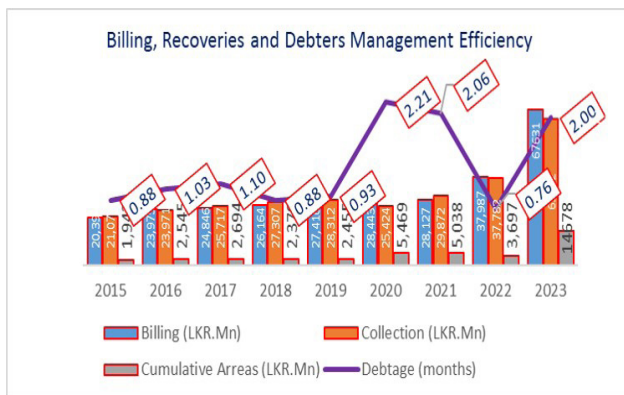
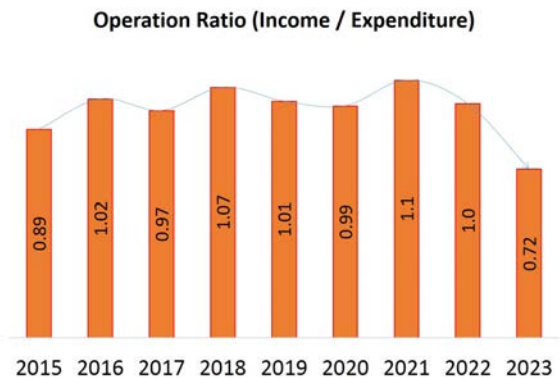
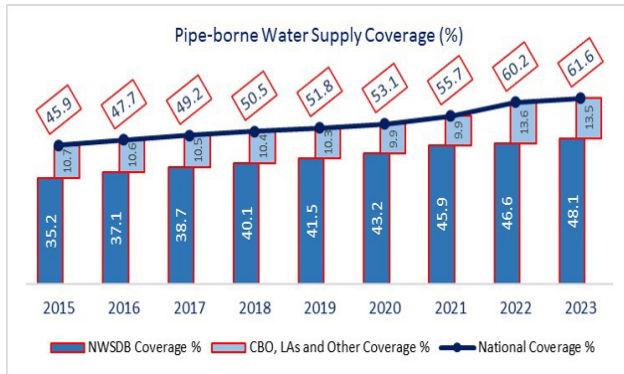
Current Liabilities (LKR Mn.)

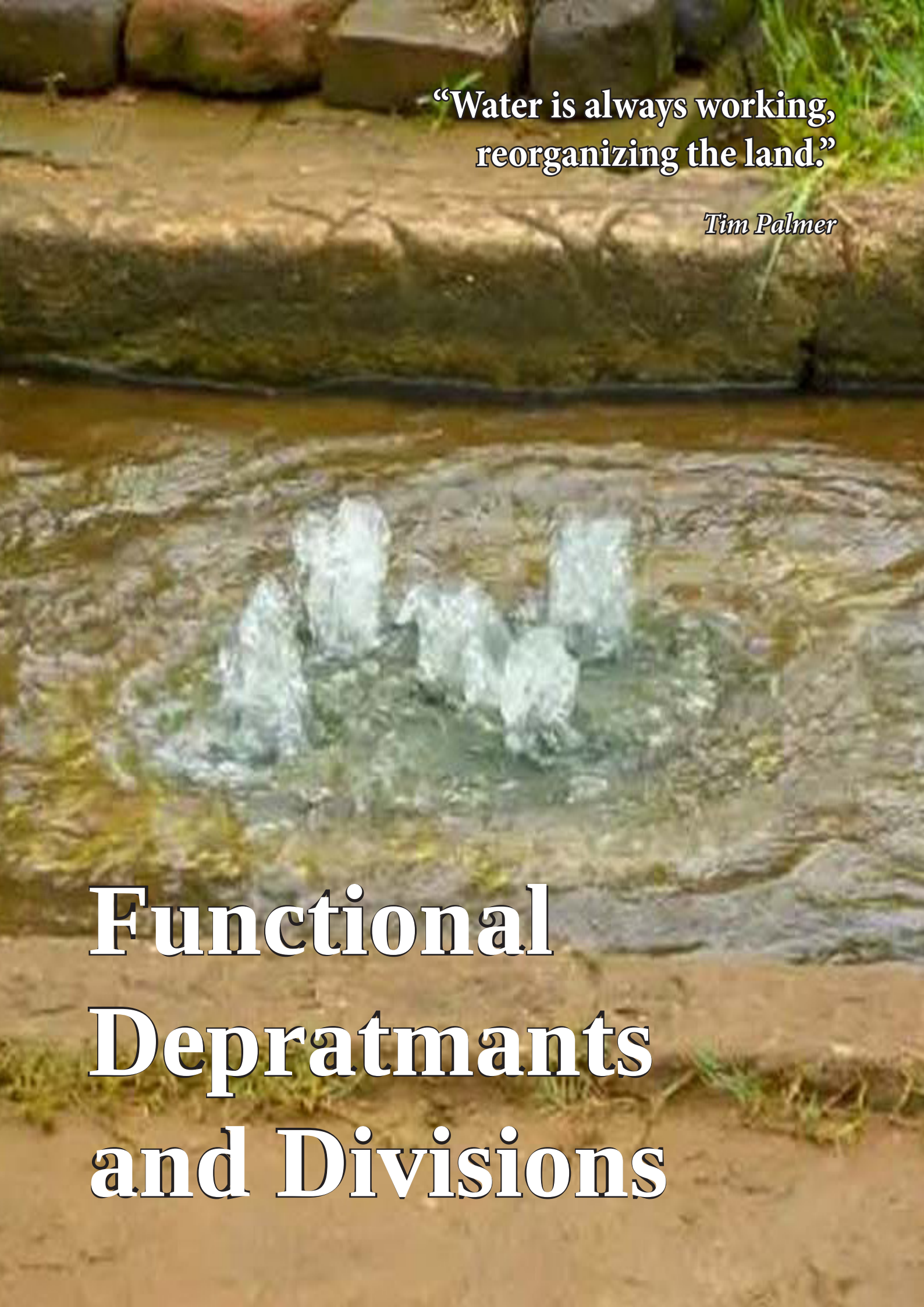


Net Profit (LKR Mn.)



Analysis of Operational Performance





**“Water is always working,
reorganizing the land.”**

Tim Palmer

Functional Departments and Divisions

Water Supply Projects

The Water Supply Projects (WSP) Division oversees various large-scale water supply projects, both domestically and internationally funded, including Treasury Funded (TF), Board Borrowed (BB), Local Bank Funded (LBF), and Capacity Enhancement & Distribution Expansion (CEDE) projects. Its core responsibilities include project administration, monitoring physical and financial progress, monthly progress reporting, record-keeping for decision-making, contract payment recommendations, human resources management, contractual compliance, financial management, assistance functions, project financing, and procurement for effective project implementation.

In 2023, the WSP division successfully implemented a number of crucial projects aimed at providing communities with access to clean and safe water. These projects play a vital role in enhancing public health and fostering economic development within the country.

Table 16

Treasury Funded Projects
Anamaduwa Integrated WSP
Anuradhapura North WSP Phase I
Anuradhapura North WSP Phase II
Ambatale Water Supply System Improvement & Energy Saving Project
Greater Colombo Water and Wastewater Management Improvement Investment Programme
Greater Matale WSP
Jaffna Kilinochchi Water Supply & Sanitation Project
Kalu Ganga WSP - Expansion I
Kandy North Pathadumbara Integrated WSP
Ruwanwella WSP

Table 17

Board Borrowed Projects
Aluthgama Mathugama Agalawatta Integrated WSP
Gampaha, Attanagalla & Minuwangoda Integrated WSS
Hemmathagama WSP
Katana WSP-Infilling works
Matara Stage IV WSP
Replacing of Transmission & Distribution mains from Orugodawatta to Kaduwela
Polgahawela Pothuhera Alawwa Integrated WSP
Thambuttegama WSP

Table 18

Local Bank Funded Projects
Towns East of Colombo District Water Supply Project -Package 02
Laggala WSP
Wilgamuwa WSP
Greater Rathnapura WSP (Distribution)
Giridara WSP
Galle Cluster WSP

Amidst challenging economic conditions, only a select few water supply projects, including the Gampaha, Attanagalla & Minuwangoda Integrated WSP, Jaffna Kilinochchi Water Supply & Sanitation Project, Ambatale Water Supply System Improvement & Energy Saving Project, Hemmathagama WSP, and Replacing of Transmission & Distribution mains from Orugodawatta to Kaduwela project, have secured funding from donor agencies. However, the country's ongoing economic crisis has led to the temporary suspension of funds disbursement by some donor agencies such as CDB, China Exim Bank, Indian Exim Bank, JICA, AFD, among others, citing the country's default status. Consequently, several projects are encountering difficulties in meeting their original timelines as planned.

In 2023, the WSP division successfully completed two projects: the Hemmathagama WSP and the Replacing of Transmission & Distribution Mains from Orugodawatta to Kaduwela project. Additionally, amidst the critical economic situation of the country, the division is actively conducting technical and financial feasibility studies to facilitate the completion of all projects using local funds. Furthermore, negotiations with donor agencies are underway to address the challenges posed by the economic crisis and ensure the continuation of project initiatives.

Corporate Planning

Deputy General Manager (CP) leads Corporate Planning Division, reporting to Additional General Manager (Policy & Planning).

Main Functions of CP Division is as follows;

- ❖ Developing and overseeing corporate plans for organizations
- ❖ Providing the Board with a concise update on the Corporate Plan's goals and targets progress
- ❖ Collect and share Management Information & manage key data in a database
- ❖ Report pertinent information to internal and external stakeholders, including the Ministry of Water Supply, General Treasury, National Planning Department, National Budget Department, Public Enterprises Department, Project Monitoring Department, Central Bank, Department of Census & Statistics, etc.
- ❖ Working on Annual Capital Budget request submission to the treasury through ministry
- ❖ Coordinating relevant section for preparation & Submission for approval of annual Capital Budget action plan & progress reporting.

- Working on preparation and submission of the NWSDB Annual Report to the Parliament.
- Manage Right to Information (RTI) requests.
- Preparing Stakeholder Meeting Presentations on Behalf of Senior Management

Highlights :

- The prioritization of CEDE projects was conducted through workshops facilitated by coordinating Regional Support center (RSCs) in response to the prevailing economic crisis.
- Developed and oversaw the 2023 capital budget, ensuring effective implementation and tracking progress toward objectives.
- Published 12 Management Information (MI) reports, including 4 quarterly reports.
- Published KPI Reports Quarterly basis.
- Grant the approval to present the Annual report and the performance report -2022 in parliament by the cabinet decision dated 23 December 2023.
- Published 04 nos. of Performance Reports quarterly.
- Collect annual productivity and bonus payment data.
- Addressed RTI requests following relevant procedures, appearing before Commissions for appeals/cases, ensuring compliance with the Act and maintaining transparency.
- Quarterly publication of Pipe-borne and Safe Water Coverage reports.
- Provided precise water and sanitation sector information to national/international organizations and stakeholders.
- The pilot KPI projects for evaluating sections and employees are ongoing.

Development

Development Division headed by the Deputy General Manager (Development) and reports to the Additional General Manager (Policy & Planning).

Main functions and activities carried out by the Development division in year 2023;

Table 19

Function	Activities
Monitoring the implementation of Water Safety Plans (WSPs)	- Completed 271 WSP developments & implementation, with 80 in progress. - Conducted 50 Internal Formal Audits, 74 Internal Informal Audits, and 14 External Formal Audits of WSSs, supported by IESL and UNICEF. - Organized two, 3-day TOT programs on Water Safety Plan 2023 WHO Manual and Auditor Training for Climate Resilient Water Safety & Security Plan (CRWSSP) via MDTD. - Hosted an expert session sponsored by WHO during the International Water Conference 2023. - Developed WSP training materials and assisted RSCC in staff training. - Coordinated 4 WSP Steering Committee meetings, presenting WSP progress.
Coordination of Water Sharing with Stakeholder Institutions	- Secured 265 water abstraction approvals for Corporate Plan 2020-2025 projects from Irrigation Department (ID) and Mahaweli Authority of Sri Lanka(MASL). - Coordinated with ID, MASL, etc. for water resource development/ rehabilitation, sharing finances. - Attended weekly Water Panel meetings by MASL and other MOI and ID meetings to resolve water sharing issues.

Assessment of Developing Upcoming Reservoirs/Projects	- Formulated the Proposed Yatimahana Reservoir Project in Maha Oya Basin, overseeing EIA coordination. - Addressed farmer grievances from Nilwala river flood impacts on behalf of NWSDB. - Aided in slope stabilization at NWSDB water intake structure within Dyraba reservoir. - Assisted Ministry of Irrigation PMU in conceptual designs for Ambatale Salinity Barrier. - Coordinated with ID on Banagoda Reservoir construction and Attanagalu Oya temporary intake works.
Environmental Sustainability Initiatives)	- Aid Central Environmental Authority (CEA) in EIA report reviews on behalf of NWSDB. - Assist General Manager in granting approvals for mini hydro power and other water sector projects. - Support in drafting catchment management plans for Attanagalu Oya basin.
Sectorial Contribution to Nationally Determined Contributions (NDCs)	Coordinated with Ministry of Water Supply & Estate Infrastructure Development (MWS&EID) to monitor the implementation of NDC targets.
Disaster Management Preparedness, Coordination and Monitoring	- Coordinated with the consultant for the NWSDB Institutional Disaster Management Plan to provide required data and inputs per National Guidelines. - Effectively handled drought and flood events in 2023. - Shared meteorological forecasts from the Meteorological Department and alert warnings from DMC, ID, and NBRO via email and WhatsApp groups with RSC staff for disaster preparedness and recovery coordination.
Contributions to National Policy Formulation and Action Plans	- Contributed to finalizing the National Integrated Water Resources Management Policy, Water Safety Plan Policy, and National Drinking Water Policy. - Assisted in preparing the National Disaster Management Plan 2023-2030 and National Environmental Action Plan 2023-2030. - Provided inputs for the National Adaptation Plan (NAP).
Implementation of Water, Sanitation Hygiene and Health (WASH+H) Approach	- Implemented and coordinated experimental pilots of Environmental Nudges in 6 selected schools to enhance handwashing practices. - Participated in nudge design workshops with stakeholders from WASH and education sectors. - Designed evidence-based WASH behavior change communication (BCC) strategy for project target towns in the Western and Southern Provinces. - Conducted awareness workshops for Ministry of Health officials in relevant areas, including the Health Promotion Bureau.
Contribution for ADB -KSTA, CCRR	- Development Section to be renamed as Environmental and Social Division (ESD) in 2024 under ADB's requested initiatives for Policy Based Lending (PBL) in water sector reform program. - Provided inputs to consultants appointed under Knowledge and Support Technical Assistance (KSTA) of ADB for baseline surveys, preparation of ESD mandate, Gender Equality and Social Inclusion (GESI) strategy, and workshop to finalize Environmental & Social Institutional Framework (ESIF) and GESI. - Provided details and coordinated activities of ADB-appointed consultant for preparation of NWSDB Climate Change Resilience Roadmap (CCRR). - Conducted expert session sponsored by ADB during International Water Conference 2023 to introduce the CCRR.

Highlights :

- Secured 265 water abstraction approvals for Corporate Plan 2020-2025 projects
- Completed 271 WSP developments & implementation
- Effective Management of Drought and Flood Events in 2023

Research & Development

The Research and Development Division, led by the Assistant General Manager (Research and Development), reports to the Additional General Manager (Policy & Planning).

The Research and Development (R&D) section plays a pivotal role within the National Water Supply and Drainage Board (NWSDB), facilitating innovation and progress in water management practices. Through rigorous investigation and experimentation, the R&D section identifies cutting-edge technologies and methodologies to enhance the efficiency, sustainability, and effectiveness of water treatment and distribution systems. By continually advancing knowledge and adapting to emerging challenges, the R&D section empowers the NWSDB to deliver high-quality water services, ensure public health, and address environmental concerns effectively.

Research and Development Activities

- ◆ Replacing Bleaching Powder with On-Site Sodium Hypochlorite Generation Collaborative research (6 nos.)

Based on the research, on-site sodium hypochlorite generation has been successfully implemented in 21 selected small-scale water treatment plants, replacing bleaching powder as a disinfectant.

- ◆ Utilizing Locally Produced Hydrated Lime from Calcined Dolomite for pH Correction in the Water Industry

The readily available solution from locally sourced calcined dolomite in Sri Lanka presents a viable option for pH adjustment in water treatment plants. A field trial setup has been established at the Ruwanwella Water Treatment Plant to evaluate the feasibility of this method. Implementing this solution could potentially reduce expenditures on imported hydrated lime by up to 50%.

Significant Researches

- ◆ Introducing of smart water meters to consumer premises
- ◆ Use of burnt coconut shells for rapid gravity filtration
- ◆ Utilization of sewerage sludge to produce hydro char and liquid fertilizer using Hydrothermal Carbonization (HTC) process
- ◆ Reuse potential of water treatment plant sludge into concrete and ceramic manufacturing.
- ◆ Systematic review and a meta-analysis of possible etiology and the effect of drinking water on the Chronic Kidney Disease of unknown etiology (CKDu) in Sri Lanka
- ◆ Hardness removal in groundwater by Pellet Reactor
- ◆ Production of health benefited drinking bottled alkaline water
- ◆ Use of Graphene in water industry are some of the significant researches.

Highlights :

1. Implementing onsite Sodium Hypochlorite Generation for Disinfection.

To enhance the usage of locally available material instead of

imported chemicals

2. Developed On-site Sodium Hypochlorite Generation System (Pilot study was done at Manampitiya (Dalukana) water supply scheme while implementing research findings concluded by Central Laboratory)
3. LKR 9 Mn annual saving was obtained by converting 27 water supply schemes to Sodium Hypochlorite Generation System in island wide.



The 8th Annual Research Symposium

Commercial

The Commercial Division is overseen by the Deputy General Manager (Commercial) and reports to the Additional General Manager (Corporate Services).

Main Functions of the Division;

1. Overseeing Metering and Billing, Consumer Relations, and Collections activities.
2. Establishing Standard Operating and Reporting procedures for outlying Regions.
3. Collecting statistical and financial data from all regions for consolidated system reporting.
4. Ensuring accurate reporting of system-wide billing and collection data to the Finance division.
5. Further, Recovery & Credit Management process, Consumer Management Process, Accounting Process, and MIS process are being carried out.

As of 2023, the implementation of the Lank QR payment capture, upgraded bill payment systems, and the Metering System has proven successful. The streamlined SMS service ensures consumers receive timely notifications regarding bill amounts, payment confirmations, and water connection updates. Ongoing integration of the Lank QR payment capture feature across NWSDB cashier points, consumer locations, and the NWSDB Self-Care Mobile App promises a seamless payment experience. Cashier points consistently accept payments through cheques and Credit/Debit cards, contributing to the modernization of bill payment processes. The Metering System remains effective, providing real-time reading status, easy monitoring, and facility activation updates. The innovative Mobile Application promptly

delivers SMS notifications, including meter readings and payment links, after Revenue Assistants capture readings. In summary, all introduced features continue to operate efficiently.

Supplies & Material Management

The Supplies and Material Management (S&MM) Division, led by the Deputy General Manager (S&MM) and reporting to the Additional General Manager (Corporate Services), executed its activities in 2023, ensuring timely supplies for NWSDB's operations while strictly adhering to purchase guidelines and procurement procedures.

Key Achievements;

- Supply of chemicals for 352 water treatment plants and providing connection material without interruption even though in a very critical crisis situation prevailed throughout the year 2023 as a result of innovative strategies and forecasting future obstacles
- During this year, savings of more than Rs. 60 million were achieved by redistributing excess material from RSCC Island-wide without the need to purchase new material.
- High standards of shipment clearance were maintained for over 425 shipments, with coordination among various institutions including the Ministry of Water Supply, Government Treasury, Sri Lanka Customs, Sri Lanka Ports Authority, banks, shipping lines, insurance companies, and clearing agent formalities. Relevant O&M cargo was efficiently managed to prevent demurrages.

Work Carried Out;

- Issued over 1500 purchase orders and approximately 150 award letters for local purchases, totaling around Rs. 1100 million in value
- Prepared 23 nos. contract documents worth around Rs. 2600 Million. In the year we have called for bids for 48 lots of redundant and obsolete items, and its estimate value is Rs. 20 Million.
- In 2023, initiated 286 E-procurement quotations totaling Rs. 100 million, offering a more competitive method than manual quotations
- The linking process of all 314 stores across the island via an Inventory Management System (IMS) is now complete, with all stores successfully connected. Presently, the recorded value of items in the IMS amounts to approximately 20 Billion, out of a total of 7.5 billion under water for all stores. Additionally, annual stock verification has been conducted through the Inventory Management System this year.

Throughout 2023, despite significant challenges such as transportation difficulties, currency shortages, and rising

sea freight charges, the Supplies and Material Management division successfully provided essential chemicals without any operational interruptions. Despite these obstacles, dedicated staff ensured the timely provision of materials, enabling the completion of a moderate number of new connections and maintaining buffer stocks to address any critical situations. These achievements were possible due to continuous follow-up actions and timely strategic planning.

Energy Management

M&E Division, led by Deputy General Manager (M&E), reports to Additional General Manager (Corporate Services).

Main functions of the M&E Division as follows;

- Provide all mechanical and electrical engineering solutions.
- Provide water and sewer system optimization consulting for NWSDB and external agencies.
- Prepare specifications and bidding documents for vehicles, water meters, and M&E equipment.
- Offer M&E expertise for RSCs and projects when needed in design, construction, and maintenance.

The M&E Section oversees the Transport, Central Workshop, and Building Maintenance sections to provide vital support services for NWSDB's core operations. It ensures overall efficiency and reliability in water supply schemes by monitoring planned preventive maintenance for all M&E equipment in regions through dedicated staff. This safeguards the uninterrupted operation of water supply systems.

Details of Electricity Consumption 2023

Table 20

Description of Usage	LKR (Mn.)
For Water production and pumping	6,443
For Sewerage treatment and pumping	82.6
For Office spaces	141

Energy Management Program

The energy saving programme was introduced in the year 2004 and it has gradually achieved a substantial progress. The tariff category rectifications, installed of solar power systems (2.2MW), electrical & mechanical improvement works and energy saving programmes which were completed during 2004 to 2023 has resulted a reasonable energy and cost savings.

- The M&E Section conducts energy usage analysis for NWSDB and implements renewable energy initiatives. Identified projects are prepared and executed to enhance energy efficiency in collaboration with RSC staff.
- Six numbers of energy audits and studies were carried out with support of M&E Sections of the RSCs during the year 2023.

Highlights :

In 2023, four projects were completed, with a total expenditure of approximately Rs. 70 million. These projects, along with ongoing ones, resulted in an annual cost saving of Rs. 42 million. For the year 2024, it has been planned to implement 15 ongoing and new projects, with an investment totaling nearly Rs. 200 million, inclusive of ongoing projects for that year.

Level monitoring and Remote Operation Systems (SCADA), which are designed and constructed locally with the available staff and installed to selected water supply schemes with the corporation of RSCs M&E staff, have been contributing to the reduction of NRW, enhancing water supply reliability, and saving energy.

Information Technology

Information Technology (IT) Division is headed by the Deputy General Manager (IT) and reports to the Additional General Manager (Corporate Services).

NWSDB prioritizes IT solutions to enhance consumer services and employee efficiency. The IT Division takes steps to expedite the development of sustainable infrastructure, bridging the gap between consumers, employees, and NWSDB.

Achievements of IT Division in year 2023

◆ Billing Process Enhancement

NWSDB introduced an Online Billing System to address customer complaints, reduce printing costs, and offer instant billing notifications via SMS and email. It replaced the outdated batch processing system, resolving payment delay issues and cutting paper and printer expenses.

◆ Digitalization of O&M Activities

A Mobile App was developed and integrated with various functions including Complaint Management (call center 1939), Meter Reading, Billing & Recovery, Inventory Management, GIS Based Asset Management, and Human Resource Management. Implemented initially in the Western Zone, it also incorporates Disconnection/Reconnection processes to streamline O&M activities with Online Billing. This paperless solution facilitates easy monitoring via comprehensive Dashboards.

◆ Infrastructure Optimization

This process entailed co-locating physical servers at an outsourced Data center through subscription-based outsourcing. It minimized capital expenses, reduced maintenance costs, and strengthened server reliability. The migration of the GIS server to an outsourced location yielded benefits in expenses, security, and reliability.

◆ Enhancement of IT Division

Strengthen the IT Division is a timely requirement in this era which is dedicated for technology advancement. Hence the management is taking necessary steps for enhancement of its human resources through recruitment / hiring.

Laboratory Services

The Laboratory Services Division, led by the Assistant General Manager (Laboratory Services) and reporting to the Additional General Manager (Corporate Services).

National Water Supply and Drainage Board Laboratory Services are structured as given below:

◆ Central Laboratory Services

◆ Regional Laboratories

◆ Plant Laboratories

Each laboratory is under the direction of a Chemist with technical coordination and consultation being provided by an Assistant General Manager (Laboratory Services). Central Laboratory functions as the Center for Water Quality Control. It serves as monitor for the activities of all levels of laboratories and engages mainly operational monitoring and verification monitoring of water quality, research programs and promotes training.

Central laboratory acts in an advisory capacity to process control and serve as the processing center for Analytical data to provide higher management levels in the organization..

Works Carried out During Year 2023:

The study on Onsite Generation of Chlorination (OSG) system for water treatment was successfully completed and subsequently installed in 21 water treatment plants with capacities ranging from 100 to 1500 m³/day.

◆ Conducted Two Research Programms –

- Value addition to water treatment sludge in practical way and Enhancement of pipe born water usage for drinking by the consumer awareness in Padukka MOH area were successfully completed. MOU was signed between National Design Center (NDC) and NWS&DB for the sludge management.
- Successfully completed production of Polyaluminium chloride made by the scrap waste Aluminium for water treatment and tested for the conformation of the standards. The application will be started to the Penrithwatta WTP.

Highlights :

1. Water quality data in year 2023 revealed that the 97.4% satisfactory for Bacteriological quality, 86.9% satisfactory for Physical & Chemical quality and 100% satisfactory in toxicological parameters of drinking water.
2. Central laboratory, Western South Laboratory, Western Production (Ambatale) Laboratory, Biyagama Laboratory Jaffna Laboratory and Vavuniya Laboratory maintained ISO/IES 17025: 2017 under the same scope for year 2023. ISO/ IEC 17025:2017 was awarded to the Kandana Water Treatment plant laboratory.

Water Reclamation (Planning & Designs)

The Water Reclamation Division, led by the Deputy General Manager (P&D - WR) and reporting to the Additional General Manager (Water Reclamation), is responsible for several key functions, including:

1. Planning and designing sanitation infrastructure projects including centralized wastewater management systems.
2. Overseeing the development of Faecal Sludge Treatment Plants (FSTPs).
3. Designing de-centralized wastewater management systems for government and private agencies.
4. Conducting design reviews for wastewater infrastructure projects.
5. Administering and monitoring Environmental Impact Assessments (EIA) and Initial Environmental Examinations (IEE) studies.
6. Raising awareness among stakeholders about sanitation sector development activities, and more.

Table 21

Work	Description
Planning ,Assessment & execution of wastewater management systems	• Notable projects included planning for wastewater management systems in prison institutions such as Kuruvita, Negombo, Wariyapola, and Polonnaruwa, collaboration with UN Habitat facilitated the planning of wastewater management systems at Rikillagaskada, Walapanae, and Haputale divisional hospitals. Additionally, planning activities extended to Dickoya and Chilaw fishery harbors and Sri-Nagar line houses in Nuwara Eliya. • The WR (P&D) division initiated the preparation of an assessment report for wastewater management systems at government hospitals in the Western Province, in collaboration with the Ministry of Health. The subsequent identification of short-term and long-term rehabilitation requirements will form the basis of a technical proposal to be submitted to the Ministry of Health. • The division successfully executed wastewater management system designs and construction for various government sector projects, including the Nila-Piyasa quarters complex at Yakkala and the construction of the Eravur sea outfall.

Rehabilitation of wastewater management systems	• Notable detailed designs were completed for the rehabilitation of wastewater management systems at the Ministry of Industries building, wastewater collection system at Wathupitiwala EPZ, wastewater treatment plants at Himbutu Uyana housing scheme, Mattegoda housing scheme, Nipuna-Boossa Navy camp, the bridge crossing for sewage forcemain from Dehiwala to Wellawatta, and a new wastewater collection system at Diyawannawa. • Rehabilitation of wastewater management system for Jaltara housing scheme • Rehabilitation of wastewater management system for Negombo court complex
Planning ,designs construction supervision and commissioning of FSTP	• Under the strategy of faecal sludge management, the construction works for FSTPs in Badulla and Monaragala were successfully completed, while substantial progress was achieved in the construction of the Bandarawela FSTP. The WR (P&D) division also finalized detailed designs for FSTPs in Ranpokunugama, Matara, Nawalapitiya, Weligama, and Galigamuwa. Planning works for FSTPs in Pathadumbara, Jaffna, Point-Pedro, Trincomalee, Kalutara, and other locations were undertaken during the same period.
Designing and construction supervision of FSTPs	• Carry out O&M related designs for rehabilitation of sewage pressure main from Dehiwala to Wellawaththa, Mattegoda housing scheme wastewater management system, Jayawadanagama pumping station etc.
Sanitation related awareness works	In 2023, several awareness programs were conducted for town planners of UDA, health sector officials, operators and technical staff in local authorities and for general public on various aspects of wastewater management as suggested under social awareness in Sanitation Master Plan (2021-2030). • Awareness programs conducted for health sector officials in Kegalle, Kandy, Galle, Jaffna & Anuradhapura districts on sustainable wastewater management in government hospitals. • Training sessions held for operators and technical staff in Ruwanwella, Weligepola, and Thalawakele local authorities, focusing on FSTP O&M aspects. • District-wise awareness initiatives organized for town planners of UDA on technical aspects of urban wastewater management. • Community outreach efforts conducted for Ranpokunugama housing scheme and Aluthgama/Beruwala urban area. • Development of video clip and handbook for general awareness on wastewater management and faecal sludge management.
Overseeing preparation of feasibility study	• Feasibility study for sanitation infrastructure development in Badulla district

Small Towns, Rural Water & Sanitation

The Small Towns, Rural Water & Sanitation (ST, RWS) Division, overseen by the Deputy General Manager (ST, RWS) and reporting to the Additional General Manager (Water Reclamation), carries out key functions including.

Main Functions of ST,RWS Division is as follows;

- ◆ Establishment of Community Based Organizations (CBO) by National Community Water Supply Department.
- ◆ Mobilization of grass root organizations to conceptual design of water supply schemes.
- ◆ Design review of proposed rural water and sanitation systems
- ◆ Procurement process facilitation for Community Based Organizations.
- ◆ Providing necessary technical support for CBOs.

Activities carried out during year 2023 by the Division is as follows;

◆ Climate Resilient Integrated Water Management Project (CRIWMP)

UNDP and the Government of Sri Lanka are conducting a project across seven districts: Kurunegala, Anuradhapura, Polonnaruwa, Vavuniya, Mannar, Trincomalee, and Puttlam. NWSDB is implementing a Community-Involvement Water Supply Extension Programme, comprising 12 sub-projects, utilizing available pipes and receiving financial assistance of Rs. 150.0 million from CRIWMP. The project, initiated in September 2022 and ongoing in 2023, aims to benefit 4,242 households upon completion. RSCs are responsible for project execution, while overall coordination and fund management are overseen by ST, RWS Section.

◆ Installation of Water Purification and Treatment Systems in Schools and Health Centers Supported by UNDP Funding.

UNDP and the Government of Sri Lanka are conducting a project across four districts: Kurunegala, Vavuniya, Mannar, and Puttlam. The project involves supplying, installing, testing, and commissioning small advanced filters and accessories, along with necessary improvements to existing facilities, for 24 schools and 05 health centers. The total cost is Rs. 71.0 million. ST, RWS Section, with assistance from RSCs, is jointly implementing this program, which began in September 2023 and is currently in the procurement stage

◆ Leak Rectification Programme

The program aims to enhance the organization's financial stability, minimize water wastage, optimize conservation efforts, and detect illegal connections in schools, religious sites, police stations, hospitals, etc., across all RSCs. ST, RWS coordinates the initiative, and work is currently underway to achieve these goals.

Providing Water Supply Facilities to Government Rural Schools



Groundwater

The Groundwater Division at the National Water Supply and Drainage Board is led by the Assistant General Manager (Ground Water), reporting to the Additional General Manager (Water Reclamation).

Main activities carried out by the Division during year 2023 is as follows;

Table 22

Activity	No Performed
Hydrogeological investigations	302
Deep and Shallow borehole constructions	81
Flushing and Well developments	127
Hand Pump installation	161
Repair & Rehabilitation of hand pump tube wells	92

Highlights :

1. Groundwater development activities were conducted to assess groundwater resources for implementing new water supply schemes, improving existing water supply schemes, and utilizing groundwater as a supplementary source for existing water supply schemes.
2. Studies were carried out to address environmental challenges and develop groundwater management plans for climate-resilient water management practices through the Climate Resilient Integrated Water Management Project (CRIWMP) in Northwestern and North Central provinces
3. Groundwater recharge awareness programs at the Wariyapola Groundwater Recharge Center, and a groundwater level monitoring program in dug wells in

surrounding areas, are currently ongoing, with analysis being carried out

4. Three training programs were conducted on groundwater extraction, dynamics, and geochemistry, managed aquifer recharge (MAR) and its applications, and pumping test and data analysis for managers and hydrogeologists, aiming to build human resource capacity.

Asset Management Section

Under the leadership of the Additional General Manager (CAM), the Consumer & Asset Management division is committed to overseeing the management of NWSDB assets, reducing Non-Revenue Water (NRW), offering consumer care services through the calling center and Manpower Development & Training, and supervising land acquisition.

Management of NWSDB Assets.

Through the Asset Management Improvement project, three pilot projects (02 Water Supply & 01 Wastewater) were launched to identify data gaps for AM implementation and develop Asset Management Plans. Additionally, four more pilot projects (03 Water Supply & 01 Wastewater) were initiated in August 2023 to develop renewal planning processes. Concurrently, a project commenced to prepare a long-term renewal plan for Reservoirs & Towers. The KSTA project, initiated in mid-2023 through ADB, aims to enhance NWSDB's institutional capacity, including introducing Asset Management (AM) activities.

Non Revenue Water (NRW)

Non-Revenue Water (NRW) Division is headed by the Assistant General Manager (NRW) and reports to the Additional General Manager (Consumer & Asset Management)

NRW has become one of the key concern areas of NWSDB. The percentage of NRW is a significant Key Performance indicator (KPI) as well indication of technical and financial performance. Planning of NRW reduction strategies (incorporating IWA standards) & monitoring of NRW activities are being done by NRW-Section.

In response to organizational reforms, NRW-Western & NRW-Outside-Western sections were instituted to execute and oversee strategies aiming to reduce NRW levels to 15% by 2032.

Table 23

Responsible Person for NRW Activities	Province	No of Manager Regions
AGM(NRW-Western) and CE(NRW-Western)	Western Province	09
AGM(NRW-OW) CEE(NRW)	Outside Western province	20

Main activities carried out during year 2023;

- ◆ Bulk meter requirements were identified in three phases for measuring scheme production volume:
 - i. Initial bulk meters issued to RSCC
 - ii. Second lot requirement awarded, supply ongoing
 - iii. Third lot requirement identified, document preparation ongoing.
- ◆ In 2023, the NRW section carried out various activities, including relocating water meters for readability, conducting nightly surveys and daily leak detection to identify and rectify active and passive leaks, reducing illegal tapping, eliminating authorized unbilled consumption, and ensuring water meter accuracy.
- ◆ Actions taken to reduce administrative errors and estimated bills such as replacing defective water meters, and minimizing the current month's sudden zero consumption premises.

Target

The NRW section developed a roadmap and identified milestones to achieve the final goal of "Comprehensive NRW Management," aiming to maintain NRW below 15%. To reach these milestones, various activities have been initiated by multiple Water Supply Schemes (WSS), guided and coordinated by the NRW section

Highlights :

However, it was noticed that the shortage of water meters The average NRW from January to November 2023 decreased to 25.15%, compared to 25.24% in 2022, representing a reduction of 0.09% over the course of one year. Remarkably, this improvement was achieved despite Constraints in both staff, budget and resources.

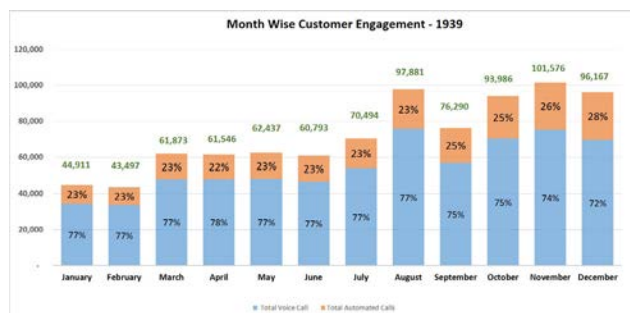
Customer Care - Call Center

The 1939 Call Center Service plays a pivotal role at National Water Supply & Drainage Board's Day to day operation. Since the implementation of modern state of the art Call Centre facility at Maligakanda NWSDB premises, the operation is running efficiently by beating the set standards for Call Centre operation. The Call Centre is now operating as the main centralized contact point for all island NWSDB customer base of 2.9 million.

During the year 2023, several initiatives and awareness sessions conducted to promote the centralized Call Centre operation and currently the operation handles on average 90,000 calls per month with the enhancement capacity to handle 120,000 calls per month. In order to handle the customer calls efficiently the operation is expanded with 20 shift operation on a daily basis with the support of NWSDB staff deployed for back-office support.

Growth of Call Centre operation in 2023

The NWSDB Call Centre operation is continuously adding new feature and facilities to its customers in providing “Excellence in Service” and enrich the NWSDB brand locally and internationally.



Manpower Development and Training

Man Power Development & Training Division (MPDTD) headed by the Assistant General Manager (MPDT) and reports to the Additional General Manager (Consumer & Asset Management).

MDTD has conducted 270 In House training programmes during the year 2023 for employees of various categories and total employee participation was 7889 and covered 16,731 training Man-days throughout the year 2023

◆ In-house Training

Table 24

Board Grade	No. of Participant
1 - 4	784
5 - 8	3,020
9 - 10	1,681
11 - 13	2,090
14 - 16	314
Total	7,889

◆ Training at Other Training Institutions within the Country

MPDT Division arranged training for 290 employees externally through other training institutes.

Table 25

No	Board Grade	No of Employees Sponsored up to the end of the December 2022	Training Institution
1	Postgraduate Courses	14	Local Universities, NIBM, CIPM, CETRAC, ICT-AD, IESL, CHPB SLIDA
2	Diploma Courses	45	
3	Certificate and Other Courses	50	
4	Unscheduled Courses	24	
5	Total No of Employees Sponsored	133	

◆ Overseas Training and Official Visits

Table 26

No	Category	No. of Visit Programs	No. of Participant
1	Inspection / Official Visits	11	22
2	Short Term Training (Visited)	18	25
3	Short Term Training (Online)	01	01
4	Long term (Online)	05	07

◆ Details of Short-Term Training (Visited)

Table 27

Name of the Programs	Duration	Country	Funded by
Master's Programme for Future Global Leaders in Environmental Policy (MGLEP)	13/02/2023 to 31/12/2024	Republic of Korea	University of Seoul, Korea
International Executive Master Programme OpT, AgroParisTech, France	24/04/2023 to 17/03/2024	France	AgroParisTech, France and NWSDB
KOICA-SNU Master's Degree Programme in Energy Policy	29/08/2023 To 31/12/2024	Republic of Korea	Korea International Cooperation Agency (KOICA)
KOICA Scholarship Master's Programme in Capacity Building for Response to Climate Change	16/08/2023 To 27/12/2024	Republic of Korea	Korean International Cooperation Agency (KOICA)
M.Sc. Programme in Water and Sustainable Development - IHE Delft Institute for Water Education - Netherlands	30/10/2023 To 11/10/2024	Netherlands	Joint Japan/World Bank Graduate Scholarship Programme

◆ Industrial Training

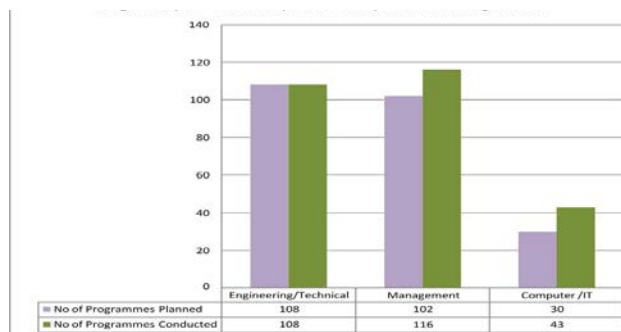
Industrial Training was provided to 650 apprentices at NWSDB and out of which 412 apprentices have been assigned by MDTD and rest was assigned by RSCs.

Table 28

Student Category	No. of Students Assigned up to the end of December 2022
Undergraduates	352
Diploma Level	156
Certificate Level	142
Total	650

Highlights :

Summary of In House Training Provided Through MDTD



Institutional Development Activities

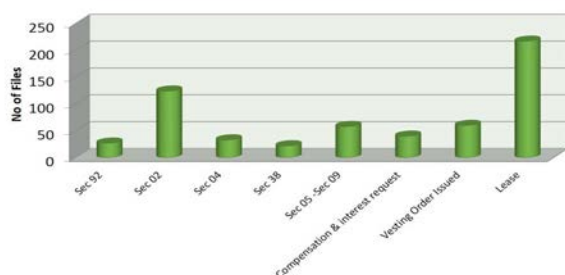
- Accredited the Plumber training yard for NVQ 4/CIDA
- Established E- Learning Platform
- Completed documentation part of the ISO 9001: 2015 implementation for MDTD
- Development of Web-Based Training IMS (TRIMS)- Software requirement gathering completed and Developing started for In-House Training Module
- Developed Mandatory Training procedure to link with employee performance
- Developed Training Curriculums for conducted programmes in the year 2023
- Conducted functional analysis for the water sector and identify the requirement of NCS development
- Developed NCS for treatment plant technicians and NCS for pipe fitters
- Applied accreditation Pipe Fitter
- Revised the NSC and Curriculum for Plumbers
- Awarding NVQ 3&4 for Plumbers through RPL method
- Conducting short course for Wastewater treatment plant technicians
- Conducted written examination for recruitment & promotion to Board Grade VI and below

Land for Water

Land acquisition and management for the supply of drinking water facilities to the people of Sri Lanka is a foremost challenge to which the Board is facing at present.

All the land related documents processing activities for water supply and water reclamation projects are handled and coordinated by this division. It is headed by the Manager (Premises) and reports to the Additional General Manager (Consumer & Asset Management).

Figure 01: Land progress as at 01.01.2023- 31.12.2023



Corporate Communication

The Corporate Communication Division, led by the Manager (Corporate Communication) and reporting to the Additional General Manager (Consumer & Asset Management)..

Key activities undertaken in 2023 include;

Public Awareness Program

The Corporate Communication Unit conducted numerous nationwide education and awareness programs aimed at customer groups, school children, and consumer societies. The focus was primarily on promoting water conservation, environmental awareness, and protecting water bodies. Specifically, there were 3 school programs and 21 programs held for government institutes and private sectors



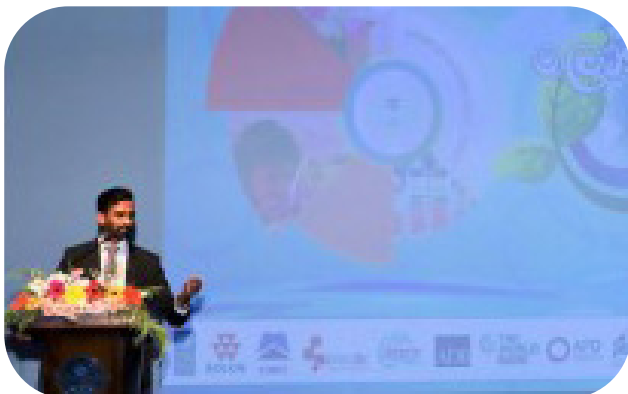
IWC 2023 - Event Management.

In 2023, the corporate communication section managed the event for the IWC, which included conceptualizing, designing, and printing a coffee table book; creating a brochure about the IWC; designing invitations, file covers, flags, banners, ID cards, and pen drives; crafting an animated backdrop; providing photography and social media coverage; designing conference bags and plaques; and publishing a newspaper supplement in three languages



◆ World Water Day Ceremony 2023

Various events were organized to commemorate World Water Day during the World Water Day Ceremony 2023. This included drama, art, and essay competitions tailored for school children.



◆ Publicity & Awareness.

The design of the “Drive Thru” water bill payment system with mural designs and creation of the e-magazine “Jalaya,” was designed to enhance awareness.

Further, The Corporate Communication Division collaborates with regional officers to publish development news and utilizes social media platforms like Facebook, Instagram, Twitter, and YouTube to boost visibility. Additionally, the division is involved in capturing and editing NWSDB-related events and meeting video recordings upon request.



Centre of Excellence for Water and Sanitation (CEWAS)

Centre of Excellence for Water and Sanitation (CEWAS), the strategic business unit of NWSDB consisting of 3 key divisions;;

CEWAS, founded by NWSDB in Rathmalana, boasts a modern four-story building with top-notch facilities covering 9,800 square meters. Its amenities include an auditorium, lecture halls, conference rooms, offices, gymnasium, canteen, and hostel. CEWAS, a strategic unit of NWSDB, hosts various events and collaborates nationally and internationally. Divided into Knowledge, Innovation, and Quality Centers, CEWAS focuses on training, research, and laboratory services. Since its launch in December 2022, CEWAS has hosted 150+ events, receiving acclaim from private and government sectors. In essence, CEWAS is a hub for innovation, training, and quality assurance in water and sanitation, epitomizing excellence under NWSDB.



China -Sri Lanka joint Research and Demonstration Center for Water Technology Development program



Centre for Quality



Training Pre-Discussion & Brain



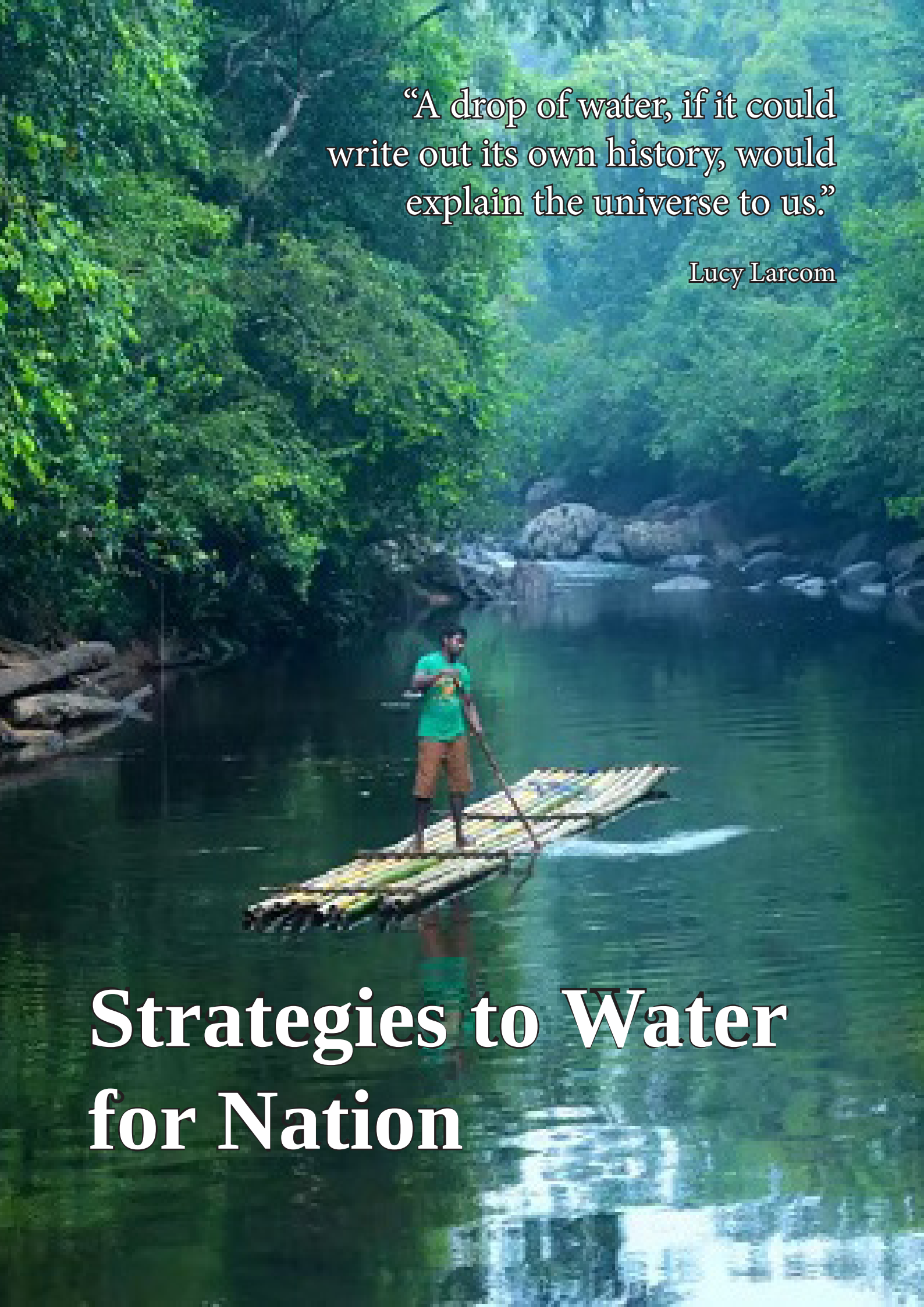
Future Stars Awards Ceremony



Hangum Exhibition ' -Divisional Secretariat Moratuwa



International Water Conference 2023, Sri Lanka

A person wearing a green shirt and brown shorts stands on a bamboo raft on a calm river. The raft is made of several bamboo poles tied together. The person is holding a long pole. In the background, there is a lush green forest and a waterfall cascading over rocks. The water is dark and reflects the surrounding greenery.

“A drop of water, if it could
write out its own history, would
explain the universe to us.”

Lucy Larcom

Strategies to Water for Nation

Completed Projects

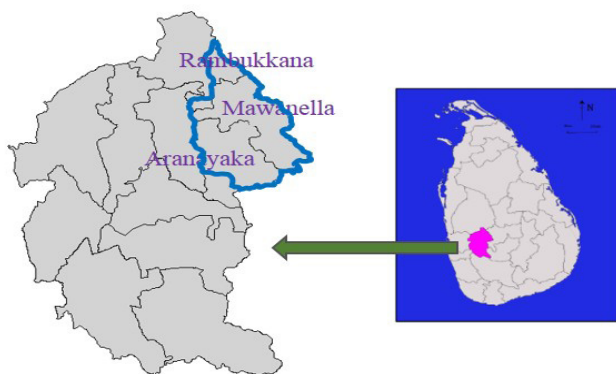
Hemmathagama Water Supply Project

Hemmathagama Water Supply Project (HWSP) is a significant undertaking by the National Water Supply & Drainage Board (NWSDB), supported financially by ING Bank of Amsterdam, Netherlands, and the Government of Sri Lanka (GOSL). The project addresses challenges faced by communities unable to access clean water due to remote locations and pollution of existing sources.



Commenced on December 24, 2018, with a completion target of July 26, 2023, HWSP aims to provide safe pipe-borne water to approximately 169,204 (by year 2042) people in 135 GN divisions across Mawanella, Aranayake, and Rabukkana Divisional Secretariat Divisions.

Project components include intake infrastructure, a water treatment plant, ground reservoirs, raw water mains, transmission, and distribution pipelines, alongside access roads.



As of July 31, 2023, the project has achieved 100% physical and financial progress, with it currently in the Defects Notification Period.

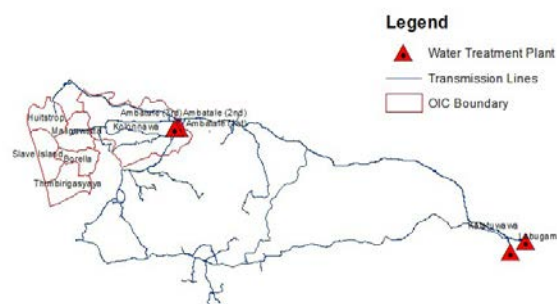
Replacing of Transmission & Distribution Mains from Orugodawatta to Kaduwela Project (RETDOK)

The objective of this project is to replace transmission lines from Labugama, Kalatuwawa, and Ambatale Water Treatment Plants with 1200 mm and 1000 mm DI pipes along the Low Level road from Orugodawatta flyover to Kaduwela Expressway Interchange. Additionally, 355 mm and 160 mm HDPE lines are being laid in this segment.



This initiative aims to improve service levels for 150,000 existing connections. It is being executed concurrently with the RDA road widening project. However, in certain road stretches, pipe laying is hindered by incomplete embankment filling and culvert works.

As of December 31, 2023, the overall physical and financial progress stands at 99.10% and 91.00% respectively.



On-going Projects

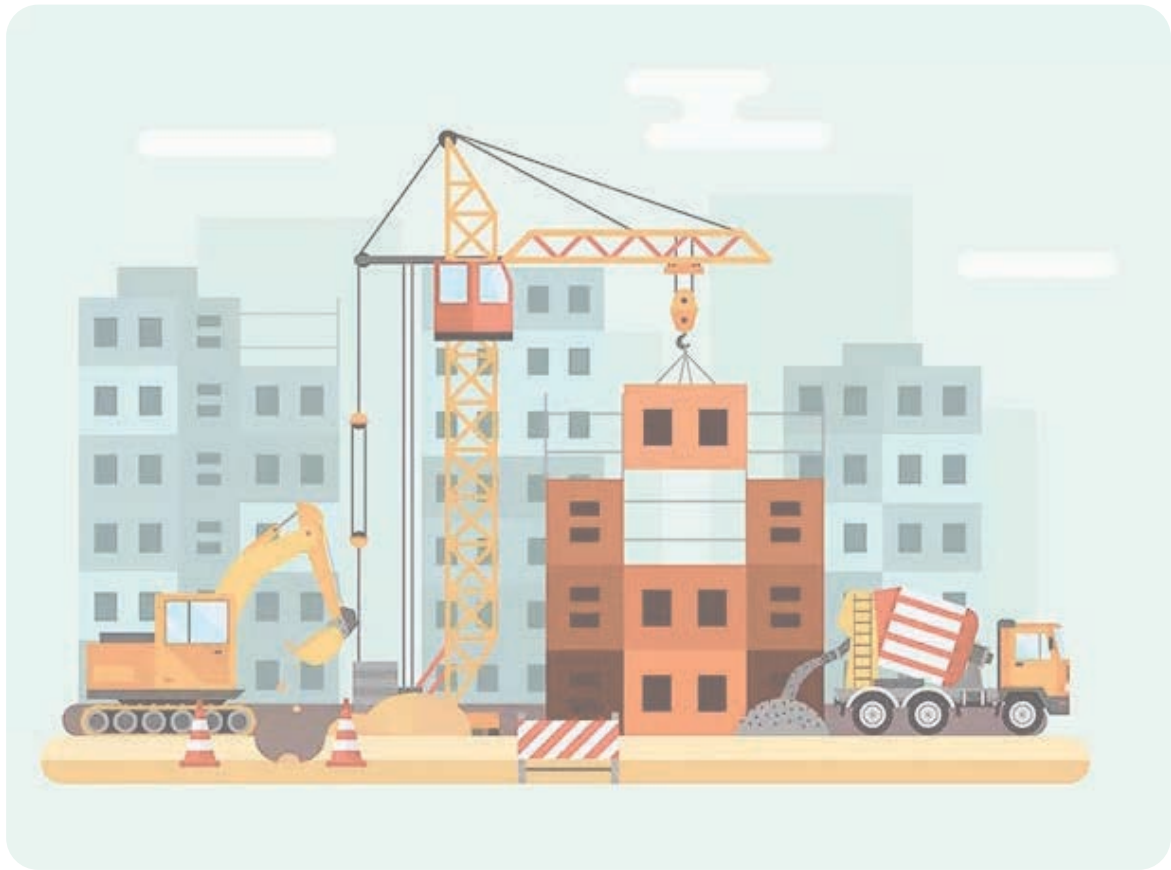


Table 29

No.	Sub Projects/ Sub Activities	Capacity (m ³ / day)	No. of Beneficiaries (Families)	No. of Connections	Coverage Area (DSD/GND)	TEC (LKR Mn)		Source of Funding	Commencement date	Expected End Date	Physical Progress as at 31st December 2023	Financial Progress 2023 up to December (LKR Mn)	Project componenets
						Original	Revised						
Tressury Borrowed Water Supply Projects													
1	Greater Matale water Supply Project	75,000	267,700	90,000	Matale ,Ukuwela , Rattthota, Naula, Yatawatta , Pallepola, Abanganga Korale DSS in Matale District	31,453.00		CACIB - France	17.04.2017	Feb - 2022	100.00%	310.87	1. Preliminary Works 2. Intake & Water Treatment Plant (mech & Elec) Supply and Fixing mechanical and electrical items for Intake and water Treatment Plant 3. Civil Works 1. Intake - 3 Raw water Pumping Station (Matale , Rajjammanna and Udatanna) and 2 weirs (Rattota and Ukuwala).WTP- 5 Water Treatment Plant (matale 30,000 , Rajjammanna 18000 and Rattota ,Ukuwala ,Udatanna 9000 each) of a total capacity of 75,000 m3/day 4. 39 km Transmission and 394 km Distribution
2	Jaffna Kilinochchi Water Supply & sanitation Project	24,000	300,000	60,000	Jaffna, Nallur, Velanai, Kayts, Karainagar, Sandilipay, Chankanai, Thenmarachchi, Karaveddy, Palai, Poonakary & Kopay	35,881.49		ADB	Feb-21	Dec-23	84.04%	9,526.03	1. Water treatment plant: 24MLD (24,000 m3 / day) 2. Elevated Towers: 20 Nos Elevated Water Towers 3. Raw Water Transmission main: HDPE / 1400 mm dia 4. Ground Reservoir: 10,000 m3,4000m3, 3000m3, 1500m3 & 100m3 5. Treated Water Transmission Main: 195 km 6. Laying of distribution – 710km (including Chunnakam) 7. OIC Buildings: Staff Quarter, AGM Building etc
3	Anuradhapura North Water Supply Project Phase 1	94,000	115,600	25,000	Rambewa & Medawachchiya	11,515.00		JICA	Mar - 2013	Dec-22	98.71%	358.80	1. Lot A - Intake Facility, Water Treatment Plant, Ground Sumps, Elevated Tanks, Office Buildings, Mechanical and Electrical Works 2. Lot B - Supply & Laying of Transmission Main & Sub Main-110mm dia. to 500mm dia.- 88.7km Distribution Main (HDPE) dia.110 – 400mm –Length of 163km) 3. Lot C1 - Laying of uPVC Pipes, Fittings and Specials and Supply and Laying of DI and GI Pipes, Fittings and Specials in Issinbessagala Zone. 4. Lot C3 - Laying of uPVC Pipes, Fittings and Specials and Supply and Laying of DI and GI Pipes, Fittings and Specials in Rambewa, East Rambewa & Ethakada Zones. 5. Consultancy Contract Above packages are the major components of the project. Apart from that, there some minor packages for Supply and delivery of O&M Equipment and vehicles which were now already completed 01. System Rehabilitation of NRW Reduction North Part of Colombo City WS distribution network Improvement and NRW Management in 16 (District Meters Areas) DMA in Northern Area of Colombo. Installation System Input Meters (SIV) Package 02 02. System Rehabilitation of NRW Reduction East Part of Colombo City WS distribution network Improvement and NRW Management in 20 DMA in East part of Colombo. Installation System Input Meters (SIV) 01. System Rehabilitation of NRW Reduction west Part of Colombo City WS distribution network Improvement and NRW Management in 19 (District Meters Areas) DMA in west Area of Colombo. Installation System Input Meters (SIV) Package 04 02. System Rehabilitation of NRW Reduction South Part of Colombo City WS distribution network Improvement and NRW Management in 23 DMA in south part of Colombo. Installation System Input Meters (SIV)
4	Greater Colombo Water and Wastewater Management Improvement Investment Programme (Tranche 01)					14,560.00		ADB	Sep-13	Jun-21			
5	Greater Colombo Water and Wastewater Management Improvement Investment Programme (Tranche 02)	Service level improvement	System Rehabilitation 127,000 Connections	131,000 - improvement of Existing Connection	Colombo & Thimbrigasaya	13,917.00		ADB	Sep-14	Feb-23	98.00%	2,182.77	
6	Greater Colombo Water and Wastewater Management Improvement Investment Programme (Tranche 03)					7,232.00		ADB	Nov-16	Feb-23	N/A	3,218.91	Additional Financing for Project 01 & 02

Table 29

No.	Sub Projects/ Sub Activities	Capacity (m ³ / day)	No. of Beneficiaries (Families)	No. of Connections	Coverage Area (DSD/GND)	TEC (LKR Mn)		Source of Funding	Commencement date	Expected End Date	Physical Progress as at 31st December 2023	Financial Progress 2023 up to December (LKR Mn)	Project components
						Original	Revised						
7	Ambatale Water Supply System Improvement & Energy Saving Project	-	Service Improvement	500,000 - Service Improvement	Kolonnawa, Sri Jayawardanapura Kotte & Kacuwela	13,000.00		AFD	Jun-16	Jun-23	80.26%	3,785.82	ICB 03-Construction of Gothatuwa 15,000 m3 Reservoir and Booster Pump Station with supply and laying of 5 Km, 1200 mm DI Pipes Construction of Gothatuwa 15,000 m3 Reservoir and Booster Pump Station with supply and laying of 5 Km, 1200 mm DI Pipes ICB 05-Reliability Enhancement and Energy saving of Ambatale Production Facilities Electrical , Mechanical, Instrumentation & Civil Works ICB 04-Supply and laying of 9km DI pipes (1200 mm Dia.) and Accessories from Ambatale to Ellie House Reservoir ICB 06-Supply of Equipment & Machineries to Western Production, NWS&DB (07 Lots of Supply) DRCS-Design Review & Construction Supervision Consultancy Services
8	Anamaduwa Integrated Water Supply Project	11,000	81,750	18,750	Anamaduwa, Kotawehera, Nawagaththegama & part of Puttalam, Galmuwa, Mundalama, and Mahakumbukkadawala Divisional Secretariat Divisions	8,625.17		ICO-Spain	Feb-17	Dec-22	75.0%	16.54	New Intake -12,500 m3 /day (Inginimitya Reservoir) New Water Treatment Plant (WTP) - 11,000 m3 /day New Water Towers - 4 Numbers (Anamaduwa 1000 m3, Kotawehera 300 m3, Nawagaththegama 300 m3, Mahakumbukkadawala 1500 m3) Raw Water Transmission line - 1 km Treated Water Transmission line - 60 km Treated water Distribution line - 328 km
9	Ruwanwella Water Supply Project	4,000	35,000	9,000	Ruwanwella, Bulathkohupitiya & Yatiyantota	6,291.00		Exim Bank of Korea	Dec-19	Dec-22	27.70%	671.78	Water Treatment Plant, Intake, 5 Service Reservoirs 2 Booster Pump stations, 21 km Transmission line and 95 km Distribution Line
10	Kandy North Pathadumbara Integrated Water Supply Project	100,000	290,000	72,000	Kundasale, Harispaththuwa, Pathadumbara, Pujapitiya, KFG, Akurana, Thumpane, Yatinuwara	51,324.25		Exim Bank of China	Aug-19	Apr-23	88.40%	1,580.80	1. Improvement of Intake . 2. Improvement of WTP from 50,000 m3/day to 100,000 m3/day. 3. Laying of Transmissions Pipeline -83 km. 4. Laying of Distributions Pipeline -570 km. 5. Construction of Service Reservoir -27nos. 6. Construction of Pump Houses -18 Nos. 7. M&E Works
11	Anuradhapura North Water Supply Project Phase II	16,500	192,390	67,000	Padaviya, Horowpothana, Kahatagasdigiya, Kebithigollewa & Part of Rambewa	JICA Loan JPY Mn 23,137 & GoSL JPY 4,164 = LKR 31,598 Mn		JICA	May-18	Jul-24	13.13%	20.05	Construction of 17400m3/day Intake, 16500 m3/day WTP, 12 Nos, towers, 10 Nos. Ground Reservoirs, 148 km of Transmission line and 1475 km of Distribution lines.
12	Kalu Ganga Water Supply Project - Expansion -1	140,000	500,100	75,000 New Connection Improving 20,000 Existing Water Connection	Moratuwa, Kesbewa, Padukka, Homagama, Horana, Ingiriya, Bulathsinhala, Maduruwela, Kalutara, Panadura, Bandaragama	55,339.00		JICA	Dec-20	May-25	8.00%	157.91	Phase -1 (05 Packages) P1. Intake structure and Water Treatment Plant at Kandana. P2. Transmission & Distribution Feeder Mains P3. Reservoirs and Pump Houses P4. Replacement & New Installation of Pipes (Dehiwela/ Moratuwa) P5. Procurement of O&M Buildings and Equipment Phase -2 (05 Packages) P6. Distribution Feeder Mains and Secondary Pipes P7. DMA construction (19 Nos) for NRW Reduction P8. Distribution Tertiary Pipes and House Connections P9. Supply & Installment of DMA Equipment P10. Procurement of O&M and NRW Equipment
13	Deduru Oya Water Supply Project - P1	15,000	90,700	20,000	Mahawa and Polpithigama DS Divisions	10,227.00		EDFC - Korea	Dec-16	Feb-21	9%	7.90	1. Micro Strainer- Design & Construction of 34,000m3/day capacity micro strainer at intake facility. 2. GAC Filter - Design & Construction 15,000m3/day GAC filter, testing commissioning and Supply of Operation & Maintenance Equipment. 3. Distribution Pipeline - Design & laying of 260km of distribution network including manholes, Supply of Operation & Maintenance Equipment.
14	Kirama - Katuwana Integrated Water Supply Project	3,500	36,000	5,200	Katuwana & Walasmulla	2776.00		Unicredits Bank - Austria	Jan-19	Feb-21	100%	0.79	Intake & WTP, Reservoirs, Transmission & Distribution Mains

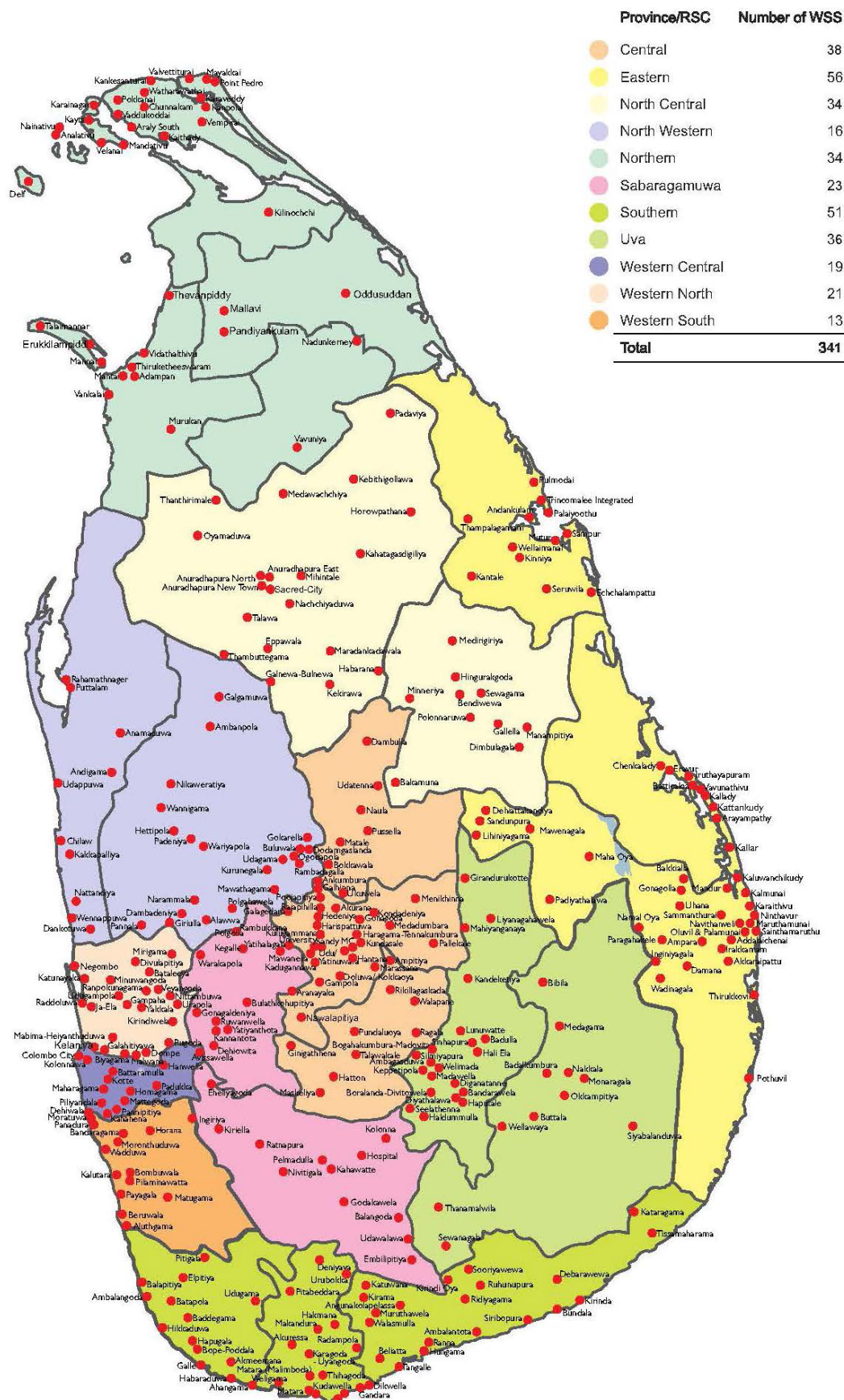
Table 29

No.	Sub Projects/ Sub Activities	Capacity (m ³ / day)	No. of Beneficiaries (Families)	No. of Connections	Coverage Area (DSD/GND)	TEC (LKR Mn)		Source of Funding	Commencement date	Expected End Date	Physical Progress as at 31st December 2023	Financial Progress 2023 up to December (LKR Mn)	Project components
						Original	Revised						
Board Borrowed Water Supply Projects													
1	Gampaha, Attanagalla & Minuwangoda Integrated WSS	54,000	550,000	88,000	Attanagalla, Minuwangoda, Gampaha, Meerigama, Mahara	33,060		CDBC-China	Feb - 2017	Dec - 2022	92.52%	2,324.11	1.54,000 cum/day Water Treatment Plant at Karasagala + 85,000 cum/day Intake at Karasagala + Manager Office, 02 OIC Office, 05 Quarters + pipe supply 2. 3.5 million cum Impounding Reservoir at Basnagoda 3. 10,000 cum High Level Reservoir at Nikahetikanda 4. Attanagalla Transmission & Distribution + Clear Water Main 5. Nittambuwa Transmission & Distribution +1500cum Water Tower +Raw water Main 6. Gampaha Transmission Main 7. Naiwala Transmission & Distribution + 1500cum Water Tower 8. Pasyala Transmission & Distribution + 1500cum Water Tower 9. Minuwangoda Transmission & Distribution + 1500cum Water Tower 10. Balummahara Transmission & Distribution + 1500cum Water Tower
2	Hemmathagama Water Supply Project	21,000		15,200	Rambukkana, Aranayaka and Mawanelle	17,422		ING Bank - Netherland	Dec 2018	Jul-23	100.00%	3,801.03	1. Design & Construction of 24,000 cum/day capacity Intake 2. Design & Laying of 0.6 km length Raw Water Main 3. Design & Construction of 21,000 cum/day capacity Water Treatment Plant 4. Design & Construction of 07 Reservoirs 5. Design & Laying of 37 km length of Water Transmission Network 6. Design & Laying of 74 km length of Water Distribution System
3	Thambuttegama WSP	18,000	91,810	25,000	Thambuttegama , Thalawa and Galnewa DS Division	15,841		China Development Bank	2018.07.01	2023.11.17	86.10%	21.08	1. Intake 2. Water Treatment plant 3. Water Towers 4. Raw Water main 5. Treated Water Transmission main 6. Treated Water Distribution main 7. Office building & Other Construction
4	Polgahawela, Pothuhera & Alawwa IWSP	29,000	162,725	38,000	Polgahawela, Alawwa, Kurunegala, Weerambugeelara & Mallawapitiya DSDs.	20,207.80 (1 USD = Rs.145)		Exim Bank of India	Jul-17	Apr-23	94.10%	1,201.13	1. Weir 2. Intake (31,000 m ³ /day) 3. Water Treatment Plant (29,000 m ³ /day) 4. Raw Water Main (1.5 km) 5. Ground Reservoirs 6 Nos (50m ³ , 175m ³ , 500m ³ , 800m ³ , 1500m ³ , 2000m ³) and Tower 1 No (1500m ³) 6. Clear Water Transmission Mains (38.25 km) 7. Distribution System (181.57 km) 8. Institutional Buildings & Quarters(3 Institutional Buildings, 2 Quarters) 9. Electromechanical Installations
5	Aluthgama Mathugama Agalawatta IWSP	13,500	300,000	60,000	Mathugama, Dodangoda, Kalutara, Beruwala, Agalawatta and Madurawala DS Divisions	32,278		Exim Bank of India & BOC	May-17	Nov-23	95.34%	1,093.39	* New intake at Kolemocara having capacity 78,500 m ³ /d * 13,500 m ³ /d (3 MGD) New WTP & Existing WTP Refurbishment at Kethhena * Augmentation of Existing Kethhena Intake (Total capacity 74,250 m ³ /d) * Ground Reservoirs (Dodangoda 1500 m ³), * 4 Nos. Water Towers (Neboda 600 m ³ / Agalawatta 600m ³ / Mathugama Kanda 225 m ³ and Mathugama 1000 m ³) * Pump Houses, Plant Buildings, Offices & Staff Quarters * Distribution System (260kms, 90 - 300 mm dia. DI/PVC) (Kaluthara, Beruwala, Dodangoda, Mathugama, Agalawatta & Madurawala) * Transmissions mains - (58 km, 300 - 800 mm dia. DI) (Raw Water TM Kolemocara - Kethhena , Old Intake - Kethhena , Kethhena - Dodangoda, Kethhena - Neboda , Neboda - Mathugama, Mathugama - Agalawatta, Mathugama - Mathugamakanda, Beruwala to Darga Town)

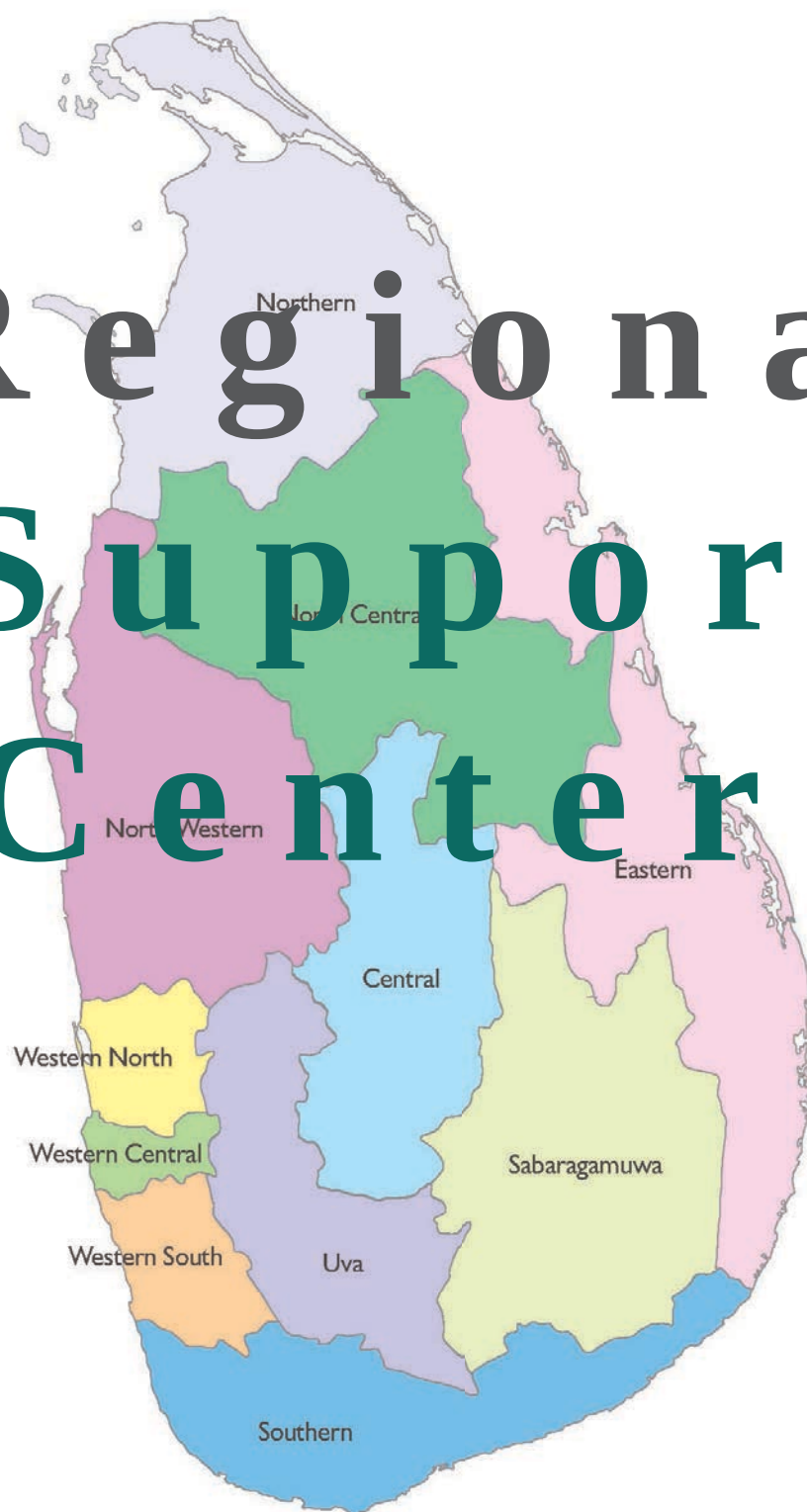
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No.	Sub Projects/ Sub Activities	Capacity (m ³ / day)	No. of Beneficiaries (Families)	No. of Connections	Coverage Area (DSD/GND)	TEC (LKR Mn)		Source of Funding	Commencement date	Expected End Date	Physical Progress as at 31st December 2023	Financial Progress 2023 up to December (LKR Mn)	Project components
						Original	Revised						
6	Replacing of Transmission and Distribution Mains from Orugodawatta to Kaduwela	-	Service Improvement		03 DS Divisions (Colombo, Thimbirigasyasa, Kolonnawa	10,794		Unicredit Bank, Austria & People's Bank	Sep-18	Mar-23	99.10%	2,101.00	*Supply & Laying of 1200mm Dia DI Pipes - 11890m *Supply & Laying of 1000mm Dia DI Pipes - 3960m *Supply & Laying of 355mm Dia HDPE Pipes - 16070m *Supply & Laying of 160mm Dia HDPE pipes - 16835m *Supply & Laying of 4400m (diameters varies from 63mm to 350mm for connection transferring.) *Connections from new Feeder mains to by-road distribution lines. *Construction of supporting structures and Steel trusses for 8 Numbers of bridge crossings *Transferring of 140,000 existing service connections. *7 Numbers of Main Line Connections (1000mm, 1200mm)
7	Matara Stage IV WSP	30,000	285,000	60,000	Matara, Devinuwara, Dikwella, Kaburupitiya, Kirinda, Puhulwella, Thihagoda, Weligama, Welipitiya, Malimbada, Beliatta and Tangalle (12 DS)	18,208		NDB Bank	October - 2017	2022.09.30	93.10%	577.53	Intake: 66,000m ³ /day, at Katuwangoda Treatment Plant: 30,000m ³ /day, T/P at Katuwangoda Transmission main: (approx.) 70km Distribution System: (approx.) 103km Ground Reservoirs: (06 nos) Malimbada, Galketiya, Yatiyana, Dandeniya, Kodigahakanda Miriswatta Towers: Chalimount, Hoondura, Karagoda Uyangoda, Miriswatta. Salinity Barrier: Across Nilwala River At Nawimana South
Sewerage Projects													
1	Kandy City Wastewater Management Project			55,000	Kandy, Yatinuwara & Gagawatakorale	22,588		JICA	Jul-2010	Dec-2022	93.56%	34.81	
2	Sanitation and Hygiene Initiative for Towns (SHIFT) in Southwest Sri Lanka			200,000	Kelaniya, Negombo MC area, Galle MC area / Unawatuna Hotel area and Kelaniya/Peliyagoda areas.	17,665		AFD	Jun-2016	Dec-2023	11.60%	64.45	
3	Phase II Stage I of Ratmalana/Moratuwa Wastewater Disposal Project			45,500	Ratmalana & Moratuwa	16,073		AFD	Jul-2016	Dec-2025	16.00%	49.28	
Local Bank Funded Projects													
1	Towns East of Colombo District Water Supply Project - Packaee 01	-		91,000	Padukka, Seethawaka, Horana	5,170		BOC	30.04.2015	Already completed (10.02.2020)	100%		
2	Towns East of Colombo District Water Supply	-			Padukka, Seethawaka	4,823		BOC	03.08.2016	31.08.2022	94.40%		
3	Towns East of Colombo District Water Supply	-			Kaduwela, Homagama, Padukka, Seethawaka	10,049		BOC	28.10.2015	Already completed	100%		
4	Uragasmanhandiya, Gonapinuwala, Dikkumbura, Weligama	-		11,395	Uragasmanhandiya, Gonapinuwala, Dikkumbura, Weligama	1755.00	(* Revised = 759.17)	Peoples's Bank / BOC	15.03.2017	31.03.2022	100%		
5	Greater Ratnapura Water Supply Project -	-		7,000	Ratnapura, Kuruwita	1,528		BOC	11.12.2018	30.06.2022	61.00%		
6	Wilgamuwa water supply project	5,500		7,500	Wilgamuwa	3,580		NDB Bank	01.08.2016	31.10.2022+ 3 months Operation and Maintenance period*	71.87%		
7	Laggala NT WSP	4,000		6,800	Laggala, Pallegama	4,496		HNB	21.07.2016	14.10.2022 3 months O&M Asst. period -	81.12%	403.00	
8	Etta mpitiya WSP	-		4,000	Haliela	2,244.00		Peoples's Bank	12.05.2017	31.10.2021	100%		
9	Medirigiriya Distribution Phase II Project	-		8,600	Medirigiriya	1,500.00		BOC	01.03.2016	31.01.2021	100%		

Existing Water Supply Schemes



Regional Support Centers



RSC	Region	Operational Efficiency										Business Efficiency							
		Domestic Connections (Nrs.)			Non-Domestic Connections (Nrs.)					Total Connections (Nrs.)	New Connections given during the year (Nrs.)	RSC Coverage %	Production (Million Cubic Meters)	Consumption (Million Cubic Meters)	Non-Revenue Water (NRW) %	Billing (LKR million)	Collection (LKR million)	Collection Efficiency (%)	Debt age Excl. Disconnections (Months)
		Domestic (Non-Samurdhi)	Samurdhi	School (Government and Other)	Religious	Commercial	Government Institute	Other											
Western-Central	Colombo City	126,503	119	230	736	21,005	1,111	1,007	150,711	1,558	100%	79,017,332	63,808,006	19.25	9,207	8,709	0.95	1.32	
	Kotte	175,478	948	106	420	15,366	334	111	192,763	2,841		67,124,172	45,179,214	32.69	5,120	4,777	0.93	2.03	
	Maharagama	213,836	540	166	496	16,240	409	167	231,854	7,642		58,403,924	46,246,962	20.82	4,811	4,518	0.94	1.93	
		515,817	1,607	502	1,652	52,611	1,854	1,285	575,328	12,041		204,545,428	155,234,182	24.11	19,139	18,004	0.94	1.68	
Western-South	Dehiwala	107,678	213	93	387	9,371	408	63	118,213	1,513		41,936,442	28,243,668	32.65	3,654	3,524	0.96	1.62	
	Kalutara	75,819	119	131	356	4,853	309	67	81,654	2,472	68.6%	19,022,935	14,893,073	21.71	1,662	1,548	0.93	2.19	
	Panadura - Horana	104,600	1,149	136	321	7,738	353	79	114,376	3,913		24,185,961	20,581,196	14.90	2,315	2,192	0.95	1.44	
		288,097	1,481	360	1,064	21,962	1,070	209	314,243	7,898		85,145,338	63,717,937	25.17	7,630	7,265	0.95	1.69	
Western-North	Kelaniya	236,317	1,469	204	530	16,351	531	197	255,599	6,832		82,496,277	62,058,528	24.77	7,374	7,006	0.95	1.52	
	Gampaha	101,535	464	154	362	10,868	501	230	114,114	7,467	57.9%	32,511,002	24,709,687	24.00	2,909	2,716	0.93	1.70	
		337,852	1,933	358	892	27,219	1,032	427	369,713	14,299		115,007,279	86,768,215	24.55	10,284	9,721	0.95	1.57	
Southern	Galle	127,332	1,784	258	604	10,191	797	152	141,118	3,588		39,018,273	26,345,554	32.48	2,929	2,721	0.93	1.88	
	Matara	104,445	2,718	205	443	8,022	746	25	116,604	3,615		29,398,569	20,463,502	30.39	2,219	2,070	0.93	1.81	
	Hambantota	125,140	3,636	243	585	5,334	974	233	136,145	3,847	64.4%	33,555,783	24,466,660	27.09	2,547	2,264	0.89	2.57	
		356,917	8,138	706	1,632	23,547	2,517	410	393,867	11,050		101,972,625	71,275,716	30.10	7,695	7,056	0.92	2.09	
Eastern	Ampara	76,951	5,184	201	320	2,840	624	265	86,385	2,393		16,401,385	13,761,453	16.10	1,341	1,260	0.94	1.84	
	Akkaraipattu	88,517	6,358	247	687	3,614	598	141	100,162	2,966		18,079,444	14,970,487	17.20	1,483	1,357	0.91	1.79	
	Batticaloa	65,921	6,663	304	618	2,709	546	191	76,952	4,901	81.9%	11,848,220	9,848,546	16.88	1,059	1,010	0.95	1.25	
	Trincomalee	93,510	4,380	509	800	3,149	827	135	103,310	3,519		20,394,963	15,872,292	22.18	1,599	1,385	0.87	2.29	
		324,899	22,585	1,261	2,425	12,312	2,595	732	366,809	13,779		66,724,012	54,452,778	18.39	5,481	5,012	0.91	1.85	
Uva	Bandarawela	81,599	563	202	485	6,409	637	74	89,969	5,302		17,186,544	12,734,069	25.91	1,364	1,257	0.92	1.60	
	Monaragala	54,474	2,987	125	231	3,580	339	54	61,790	2,230	65.1%	12,378,952	8,643,626	30.17	873	820	0.94	1.44	
		136,073	3,550	327	716	9,989	976	128	151,759	7,532		29,565,496	21,377,695	27.69	2,237	2,076	0.93	1.54	
Central	Kandy-South	105,087	316	194	613	8,804	398	74	115,486	2,202		30,028,194	19,816,554	34.01	1,947	1,771	0.91	1.74	
	Kandy-East	74,987	1,630	129	372	3,880	377	59	81,434	1,681		17,095,396	13,472,997	21.19	1,400	1,272	0.91	1.54	
	Kandy-North	127,843	1,891	252	633	8,932	520	121	140,192	11,574	58.3%	44,153,898	27,058,175	38.72	2,643	2,422	0.92	1.59	
		307,917	3,837	575	1,618	21,616	1,295	254	337,112	15,457		91,277,488	60,347,726	33.89	5,990	5,465	0.91	1.63	
North Western	Kurunagala	58,115	1,164	148	376	5,869	398	94	66,164	5,905		15,833,380	13,031,620	17.70	1,208	1,168	0.97	1.38	
	Puttlam	58,722	303	112	372	4,069	366	95	64,039	3,411	34.6%	12,775,462	10,212,247	20.06	1,127	1,072	0.95	1.90	
		116,837	1,467	260	748	9,938	764	189	130,203	9,316		28,608,842	23,243,867	18.75	2,335	2,239	0.96	1.63	
Sabaragamuwa	Ratnapura	69,470	3,567	141	260	7,752	416	28	81,634	3,879		19,389,368	14,239,901	26.56	1,551	1,457	0.94	1.72	
	Kegalle	64,133	788	180	380	5,681	333	68	71,563	3,762	53.6%	14,480,967	10,811,239	25.34	1,186	1,129	0.95	1.79	
		133,603	4,355	321	640	13,433	749	96	153,197	7,641		33,870,335	25,051,140	26.04	2,737	2,586	0.94	1.75	
North Central	Anuradhapura	105,543	674	177	506	9,022	852	177	116,951	5,916		25,027,642	21,122,914	15.60	2,249	2,487	1.11	1.66	
	Polonnaruwa	52,980	2,668	85	169	3,713	463	237	60,315	2,598	65.3%	13,406,220	10,844,758	19.11	1,156	1,037	0.90	2.23	
		158,523	3,342	262	675	12,735	1,315	414	177,266	8,514		38,433,862	31,967,672	16.82	3,405	3,524	1.03	1.85	
Northern	Jaffna	18,710	2,794	99	160	466	180	223	22,632	4,680		2,265,112	1,806,480	20.25	203	164	0.81	2.68	
	Vauniya	25,445	1,153	92	299	1,464	310	158	28,921	3,302	21.5%	5,807,264	4,606,593	20.68	496	449	0.91	2.13	
		44,155	3,947	191	459	1,930	490	381	51,553	7,982		8,072,376	6,413,073	20.56	699	613	0.88	2.28	
Island-wide		2,720,690	56,242	5,123	12,521	207,292	14,657	4,525	3,021,050	115,509	61.6%	803,223,081	599,850,001	25.32	67,632	63,562	0.94	2.00	

Western Central

Administrative Boundary

The Regional Support Center for the Western Central (RSC-WC) Region is instrumental in overseeing critical water management operations throughout the Colombo District. Geographically covering the Colombo City North (CCN), Colombo City South (CCS), Kotte, and Maharagama Manager Regions, it strategically spans the entirety of the Colombo District, excluding the Dehiwala, Ratmalana, and Moratuwa Divisional Secretariat Division areas.

Distribution Expansion

Throughout the reporting period, RSC-WC made significant progress in extending water distribution capabilities. This included the successful installation of 13.3 km of larger diameter pipes, enabling 14 priority connections for major developments in 2023. Additionally, pipeline relocation efforts encompassed 24.50 km along RDA roads, 4.80 km along MC roads, and 2.92 km along PRDA roads. Furthermore, the implementation of an extension 60 km distribution network reaffirms its dedication to improving water accessibility.

Water Quality Enhancement

Rehabilitation efforts for the Kosgama WSS Stage I project have been successfully awarded, while Stages II and III are currently in the procurement stage and are scheduled to be awarded in the year 2024.

Reduction of NRW

A notable achievement in the RSC-WC Region was the reduction of Non-Revenue Water (NRW) by 0.96% to 24.33%. The Greater Colombo Water and Wastewater Improvement Project (GCWWIIMP) significantly contributed to this success, lowering NRW from 24.27% to 19.7% in Colombo City. Ongoing initiatives involve restructuring distribution networks in Maharagama and Kotte regions to establish District Metered Areas (DMAs) for better NRW monitoring.

Energy Efficiency activities

In 2023, significant upgrades were completed at the Jubilee Edirisinghe Road Pump House in Kotte, including pump replacements and transformer incoming cable replacements. Demand-side energy management strategies were implemented, reducing kVA from 120 to 95, kWh from 70,000 to 59,500, and peak shading from 12,750 to 8,000 kWh, while increasing water demand from 190m³/h to 300m³/h. The Online Pump Monitoring system was successfully piloted at Kotte Jubilee Pumping Station and expanded to Hokandara. Energy audits were conducted at various pump houses, and generator and air conditioner rehabilitations were completed, ensuring operational efficiency and reliability.

Awareness for Business Efficiency

As part of its CSR initiatives, RSC-WC conducted surveys and inspections in schools, hospitals, police stations, and government institutions to detect and address internal leaks, reducing water wastage on billed water. Additionally, six educational programs were organized in schools to raise awareness among children about the significance of water

conservation.

System Enhancement Planning

Under the supervision of the Asian Development Bank (ADB), RSC-WC initiated projects to enhance water supply infrastructure in the Jubilee Kotte Area and Kolonnawa Area, aiming to meet anticipated demand up to year 2040. However, procurement for these projects has temporarily halted due to financial constraints. Despite challenges, RSC-WC has achieved a 0.96% reduction in Non-Revenue Water (NRW) and made significant strides in distribution, quality, and energy efficiency. The report emphasizes stakeholder collaboration for a resilient water future in the Western Central region, emphasizing sustainability and progress.

Western South

Administrative Boundary

The Western-South Regional Support Centre (RSC) operates through its central office and three Regional Manager Offices: Dehiwala, Panadura-Horana, and Kalutara. These offices oversee the Kalutara District and the Dehiwala, Ratmalana, and Moratuwa Divisional Secretariat Division (DSD) areas in the Colombo District.

Distribution Expansion

Throughout the fiscal year, the RSC effectively expanded pipelines covering a total distance of 95.3 km. Noteworthy accomplishments include extending pipelines by 29 km in the Kalutara Region, 61 km in the Panadura-Horana Region, and 1.5 km in the Dehiwala Region. Significant milestones were reached with the completion of the Dahampahanagama reservoir (500 m³) along with its corresponding 160 mm transmission line. Furthermore, the renovation of the Alwis Place reservoir (6800 m³) was successfully completed. Ongoing efforts include the ongoing pipe laying for raw water transmission in the Ingiriya Water Supply Scheme (WSS) and the construction of a transmission main from the Kethhena Water Treatment Plant to Central Junction.

Water Quality Enhancement

Our commitment to improving water quality is recognized with the "Very Good" award granted to the Horana Water Supply Schemes after undergoing external water safety plan auditing and internal formal auditing.

Reduction of NRW

Efficient water leak surveys were conducted in schools, religious establishments, and government institutions, including nocturnal assessments. Utilization of funds for Reducing Non-Revenue Water (NRW) surpassed 100% progress. The Special Investigation Unit verified 34 illegal connections out of 442 inspected, affirming our dedication to water resource efficiency and strategic allocation.

Corporate Social Responsibility

Two school awareness programs were organized, along with two stakeholder meetings, and a door-to-door awareness campaign was implemented to facilitate the acquisition of new water connections in the Dodangoda Divisional Secretariat (DS) area.

Special Achievements & Productivity Improvement Recognitions

The RSC (Western South) office secured the top spot in the IT section and Dehiwala Water Safety Plan achieved the 3rd place in the nationwide World Water Day 2023 competition. In the Western Region contest, Regional Manager Office (Panadura-Horana) achieved the 2nd place, Horeituduwa Stores claimed the 2nd place, Wadduwa OIC Office clinching the 3rd Place and the Regional Laboratory in Kalutara attained the 3rd place. Notably, the Regional Laboratory (Dehiwala/Panadura) successfully renewed its ISO 17025 Accreditation for Biological Testing through the rigorous process with the Sri Lanka Accreditation Board. These accolades reflect our commitment to excellence and continuous improvement.

Other Activities with special attention

Successfully evicted illegal occupants from Dehiwala Allen Avenue (34 perches). Implemented the one window concept for new connections in PRDA roads within the Manager (Panadura-Horana) region. Introduced Key Performance Indicators (KPIs) to assess employee performance as a pilot region for KPI implementation. Additionally, awarded a contract for the supply and installation of a 17 kW solar power system at the O.I.C. office in Horana.

Planning for System Enhancement

Pre-Feasibility study of Plaindanuwara Water Supply Project was completed in order to expand the drinking water coverage in Kaluthara District.

Western North

Administrative Boundary

The Western North Regional Support Centre includes the RSC (Western – North) office along with two regional manager offices: Manager (Kelaniya) and Manager (Gampaha). Together, they oversee the entire geographical area of the Gampaha District.

Distribution Expansion

In 2023, the distribution network of RSC(WN) expanded by 48 kilometers in the Kelaniya area and by 45 kilometers in the Gampaha regional manager's jurisdiction. Additionally, RSC facilitated the establishment of over 13,000 new water connections, increasing the total connections to 368,413. Consequently, pipe-borne coverage in the Gampaha district rose to 54%.

Water Quality Enhancement

During the reporting period, the construction division installed 25 kilometers of pipelines and completed rechargeable work valued at 119 million rupees. Significant efforts were also made to address major leaks. Ongoing enhancements of water treatment plants at Ranpokunawatte, Gampaha, Raddolugama, and Divulapitiya aimed to bolster capacity and improve water quality. Progress continued on infilling works in the Katana Project, achieving over 70% completion. As a result, the WaSSIP project extended the pipe network by 90 kilometers, enabling the provision of 1,500 new water connections.

Reduction of NRW

Throughout the year, the Non-Revenue Water (NRW) section implemented a focused program to reduce Non-Revenue Water, resulting in a decrease of over 10% in NRW within the Divulapitiya Area. Additionally, a specialized initiative was launched to detect and address internal leaks within premises.

Energy Efficiency activities

Funds from the energy savings budget were utilized to install solar panels at the Biyagama OIC office.

Corporate Social Responsibility

Water quality monitoring and security measures were implemented in the Gampaha and Kelaniya regions, covering public institutions, community water supply systems, private establishments, and public wells.

Productivity improvement appreciations

Networking infrastructure was expanded to encompass all offices within the region, resulting in acknowledgment as the second-best office in IT utilization for the year. Moreover, digitalization efforts have reached approximately 98% of customer locations and 92% of the pipeline network within the region.

Training and Development Activities

The RSC (W/N) organized a grand total of 21 staff training sessions.

Other Activities with special attention

Construction of the Negombo OIC office is finished, leading to its relocation from a rented building to new premises. The objectives of the Sanitation Master Plan 2021-2030 were not only achieved but exceeded in the Gampaha District due to efficient implementation.

Western Production

Infrastructure Overview

RSC-Western Production (RSC-WP) oversees nine Drinking Water Treatment Plants (WTP) located in Ambatale, Labugama, Kalatuwawa, Biyagama, Bambukuliya, Kandana, Kethhena, Nawagamuwa (Chico), and Attangalla, serving the water needs of the Western Province. Overall production has risen to 1.27 million cubic meters per day, accounting for nearly 50% of NWSDB's total island-wide production.

Capacity Enhancements

In 2022, the capacity of the Kethhena WTP was expanded from 53,000 m³/day to 74,000 m³/day, addressing salinity intrusion concerns with the installation of a new intake at Kolemodera. Proposed enhancements include increasing Ambatale's capacity by 50,000 m³/day and the planned augmentation of the Weliwita WTP to 180,000 m³/day. These initiatives aim to further enhance the production capacity in the Western Province to meet the escalating demand.

Energy Savings Activities

The Ambatale Water Supply System Improvement and Energy Saving Project (AWSSIESP) aims to enhance energy

efficiency and reliability. It includes replacing aging pumps, installing transmission mains and valves, and introducing a backwash recovery and sludge treatment plant to ensure environmental safety.

Distribution Network & continuous water supply

RSC Western Production provides drinking water to Colombo, Gampaha, and a portion of the Kalutara districts, utilizing three RSCs: Western Central, Western North, and Western South. The operations are overseen by four key managers to guarantee a secure and continuous water supply.

Quality Certifications

The Ambatale, Biyagama, and Bambukuliya WTPs are certified with the ISO 9001-2015 Quality Management System. Furthermore, the Kandana WTP Laboratory achieved ISO 17025-2017 accreditation on November 15, 2023, for Chemical testing involving 12 Parameters. The Laboratories at Ambatale WTP and Biyagama WTP have also previously attained ISO 17025-2017 accreditation.

Water Safety Plan (WSP)

Water Safety Plans (WSP) have been implemented in seven Water Treatment Plants (WTPs) to ensure a consistently safe water supply. External formal audits were conducted in 2023 by the IESL for Labugama WTP, Kalatuwawa WTP, Bambukuliya WTP, and Keththena WTP, all of which were ranked as 'Very Good' in terms of their WSPs.

Integrated Management System (IMS)

Implementation of IMS at all Water Treatment Plants streamlines stock and asset verification, enhancing operational efficiency. Annual verifications reduce stock levels and improve asset management. Optimal residual chlorine levels are maintained with secondary chlorination, resulting in a significant reduction in monthly chlorine usage and an annual cost saving of approximately Rs. 60.8 million.

Progress of Rehabilitation Work

The pipe bridge across the Bolgoda River near Thummodadara, vital for conveying treated water from Kadana WTP to Panadura, underwent complete rehabilitation, with a budget of Rs. 47 million allocated from the Rehabilitation budget. Furthermore, other rehabilitation projects were successfully completed using Rs. 114 million out of the allocated Rs. 125 million.

Other

In 2023, the Replacement of Transmission and Distribution mains from Orugodawatta to Kaduwela (RETDOK) project was successfully completed, allowing the RSC to decommission old pipelines from Kaduwela to Wellampitiya. This effort has notably reduced leaks along low-level roads, effectively decreasing Non-Revenue Water (NRW). Additionally, to prevent salinity intrusion into the Ambatale Intake during dry weather periods, a salinity barrier was constructed across the Kelani River at Ambatale.

Southern

Administrative Boundary

The Regional Support Centre (Southern) comprises the RSC (Southern) office and three Regional Manager Offices: Manager (Galle), Manager (Matara), and Manager (Hambantota), collectively responsible for overseeing the entire Southern Province geographically.

Distribution Expansion

A total of 73.4 kilometers of pipeline extensions in the Southern Region were finalized through laying contracts under the CEDE Project. Furthermore, in the Matara Region, under World Bank funding, three WASSIP contracts resulted in a completed length of 134.8 kilometers. Additionally, community laying efforts completed 123.4 kilometers of pipelines (37.8 kilometers in Matara, 73.2 kilometers in Hambantota, and 12.4 kilometers in Galle) within the Southern Region. In total, 331.6 kilometers of pipelines were completed in the Southern Region in the year 2023.

Water Quality Enhancement

Water quality issues were detected at the Deniyaya Water Supply Scheme (WSS), prompting urgent action. Augmentation efforts have commenced and are slated for completion by the end of 2024.

Reduction of NRW

Contracts worth LKR 14.15 million were effectively executed using Non-Revenue Water (NRW) funds. The forthcoming investments primarily target achieving precise measurement of NRW value, aligning with strategic objectives.

Energy Efficiency activities

Approval has been granted to install solar panels in the Matara, Galle, and Hambantota regions as part of energy-saving initiatives. The annual cost savings from these contracts are estimated to be Rs. 73 million. Additionally, an energy audit at the Ambalantota Water Treatment Plant identified a pumping set with poor efficiency in the Nonagama pumps, slated for replacement in 2024.

Training and Development activities

A total of 32 Technical and Non-Technical Training Programs were conducted using the training funds allocated to the RSC. These programs included 5S concept refresher sessions, specifically integrated into the training agenda, with a particular emphasis on the Water Safety Plan of the Galle, Matara, and Hambantota regions.

Other Activities with special attention

Under the rehabilitation budget, contract works totaling Rs. 272 million were effectively completed. Payments were processed for a range of tasks including the construction and renovation of office buildings, supply and installation of mechanical and electrical (M&E) items, improvements to treatment plants, distribution enhancements, and other rehabilitation efforts.

Planning for System Enhancement

The finalization of three transmission mains within the Matara Stage IV Water Supply Project has facilitated

connections and improved service levels in the Malimbada, Weligama, and Karagoda Uyangoda areas. Additionally, the completion of the Salinity Barrier under the same project will protect against salinity intrusion in the Nilwala River, ensuring uninterrupted operation of three major water intakes.

Partial commissioning of the short-term improvement initiative at the Lunugamwehera Water Treatment Plant has resulted in enhanced connection capabilities and improved service levels in the area. The remaining procurement for this initiative is scheduled for completion in 2024

Eastern

Administrative Boundary

The Regional Support Centre (East) is headed by a Deputy General Manager (DGM), supported by two Assistant General Managers (AGM(EN/ES)). Operational and Maintenance (O&M) duties are managed by four Regional Managers—Trincomalee, Ampara, Batticaloa, and Akkaraipattu—ensuring comprehensive coverage across the Eastern Province.

Distribution Expansion

In 2023, a total of 71.62 kilometers of pipelines were laid, facilitating the establishment of 2421 new connections. This comprised 22 kilometers in Batticaloa, 2.6 kilometers in Trincomalee, 18.7 kilometers in Akkaraipattu, and 28.1 kilometers in Ampara.

Additionally, in 2023, a combined length of 131 kilometers of pipelines were laid, leading to the establishment of 2581 new connections under CEDE. This included 75.24 kilometers in Batticaloa, 41 kilometers in Trincomalee, 5.89 kilometers in Akkaraipattu, and 9.3 kilometers in Ampara

Water Quality Enhancement

In 2023, a total of 6,477 chemical and bacteriological sample tests were conducted. Regional offices were allocated target dates for the implementation of the water safety plan.

Reduction of NRW

In the Batticaloa region, efforts are underway to transition existing PVC service connections to PE, while new connections are being established using PE pipes and fittings in Trincomalee, Ampara, and Batticaloa. The NRW percentage for 2023 was 18.5%, with a 2024 target of 16.63%. Measures to reduce NRW included addressing illegal connections, bypasses, meter malpractices, and adjustments in domestic and commercial connections. Defective meters were replaced, leaked meters repaired, and legal actions initiated against illegal connections.

Energy Efficiency activities

In 2023, significant improvements were achieved through the installation of solar systems at the Batticaloa RM office, Trincomalee DGM office, and a pump installed at the Nintavur Pump House.

Stock efficiency activities

In 2023, stock verification committees identified unmoving and slow-moving materials worth 182.36 million, slated for

redistribution to other region.

Uva

Administrative Boundary

The Regional Support Centre (Uva) consists of the RSC (Uva) headquarters, alongside two Regional Manager Offices: Manager (Bandarawela) and Manager (Monaragala). Together, they oversee operations across the entire Uva Province. A notable accomplishment for the RSC in 2023 was obtaining ISO 9001:2015 certification for both the Mahiyangana WTP and Kumbukkana WTP.

Distribution Expansion

Pipeline extension projects were completed through a combination of contracted work and community involvement. A total of 30.2 km of pipeline was laid with community participation, resulting in 595 connections being established through these extensions.

Water Quality Enhancement

Water Safety Plans were initiated for nearly all schemes, with all modules successfully completed in 21 schemes within the province. In 2023, an External Audit for the Mahiyangana WSS and six Internal Formal Audits were conducted and finalized.

Reduction of NRW

The NRW monitoring and reduction program included conducting night leak surveys, repairing and replacing bulk meters, as well as monitoring zero bills and disconnected premises, all of which were implemented by both regions

Energy Efficiency activities

Within the rehabilitation works, RSC Uva successfully managed over 120 urgently required contracts in the Badulla and Monaragala districts, utilizing Rs. 287 million from the REH/NRW budgets in 2023. These contracts encompassed the rehabilitation of water supply schemes, transmission and distribution systems, OIC offices, and M&E improvements across the region. The majority of the projects have been completed, with some still in progress. Additionally, a noteworthy achievement was the provision of 7,532 new connections in 2023, representing 96% of the RSC-Uva's target for the year.

Central

Administrative Boundary

The Regional Support Centre (Central) consists of the RSC (Central) office along with three Regional Manager Offices: Manager (Central-South), Manager (Central-East), and Manager (Central-North). Together, they oversee 38 water supply schemes (WSS) that collectively serve the entire Central Province.

Distribution Expansion

Approximately 1100 common line connections were established with the active participation of the community, which included the installation of 35.3 kilometers of pipelines

Water Quality Enhancement

Water Safety Planning (WSP) implementation in the region achieved a completion rate of 99%, with ongoing efforts focused on improvement plans, auditing, compliance monitoring, and supportive initiatives. External audits of the Pathadumbara Water Supply Scheme affirmed its outstanding execution of WSP.

Reduction of NRW

Efforts in water leak detection resulted in the identification of 56 concealed leaks, alongside the resolution of 41,649 major/minor leaks. The Non-Revenue Water (NRW) unit conducted bulk meter calibrations and night leak surveys, utilizing step testing within the Matale Water Supply Scheme (WSS).

Energy Efficiency activities

Five energy-saving projects, totaling Rs. 112.0 million, were in progress, with two projects already completed, leading to annual savings.

Training and Development activities

The Greater Kandy Water Treatment Plant successfully achieved ISO 9001:2015 certification. In efforts to enhance productivity, a working committee was established, launching an introductory ISO training program.

Waster Water Management

Significant progress was made in the planning and design of sewage treatment plants (STPs) for Matale, Pathadumbara, Nawalapitiya, and Nuwara Eliya.

Planning for Coverage enhancement

The Ambewela and Ankelipitya Water Supply Projects were submitted for PAC approval, while Board approval was sought for the takeover of the Laggala Mahaweli Water Supply Scheme and the Nuwaraeliya Municipal Council Water Supply Scheme.

Other Activities with special attention: Several infrastructure projects were implemented, encompassing the replacement of the Nawayalatenna pipe bridge, the installation of new baffle boards for the Polgolla Water Treatment Plant (WTP) flocculator, slope stabilization efforts for the Polgolla WTP and Hantana Water Supply Scheme (WSS), rehabilitation of pressure filters in Thalawakele, improvements to the Thalawakele intake, and additional undertakings. Additionally, progress was made on pipe laying projects in the Rambukpitiya, Werella, Eriyagama, Medadumbara, and Matale distribution areas.

Moreover, the establishment of a Complaint Management format and the implementation of asset management systems streamlined material verification and procurement processes. Rigorous quality testing, involving 7,259 chemical and 6,919 microbiological parameter tests, ensured the delivery of safe drinking water. Additionally, hydrogeological investigations, well constructions, developments, and pump repairs were carried out to support sustainable water resource management. Notably, the Central Province athletics team's outstanding performance in the Janasathu Sewa Athletic Championship underscored significant progress in sports development and community engagement.

North Western

Administrative Boundary

The Regional Support Centre (North Western) includes the RSC (North Western) office and two Regional Manager Offices: Manager (Kurunegala) and Manager (Puttalam), collectively responsible for overseeing operations across the entire North Western Province.

Distribution Expansion

A combined length of 186.50 kilometers of pipeline extensions were successfully finalized across different budget allocations. As part of the "Water for All" initiative, pipes totaling 57 kilometers in lengths of 225mm, 150mm, 90mm, and 63mm were laid.

Water Quality Enhancement

The water quality issue in the Dankotuwa Water Supply Scheme has been completely resolved. The Water Safety Plan Module has been completed for seven Water Supply Schemes in the Puttalam District out of the total eight schemes. Additionally, the Bingiriya Water Treatment Plant received a "Good" pass during the External Formal Audit. In the Kurunegala District, seven out of 22 schemes have been finalized, and the Giriulla Water Supply Scheme obtained a "Good" pass during the external formal audit.

Reduction of NRW

Tender documents with a total worth of LKR 45 million were drafted for the Non-Revenue Water Budget.

Energy Efficiency activities

Implementing Energy saving programme mainly 3 projects (Wennoruwewa Intake pump improvement, Rahamathnagar High lift pumping system improvement, Galgamuwa Intake pump improvement) were selected and proposed to replace the inefficient pumping systems. Proposed total investment is Rs 39.5 million and total energy saving expected is Rs 8.7 million per year. All tenders for implementing of above mentioned projects have been awarded and expect to complete the projects in year 2024.

Stock efficiency activities

Unserviceable stock at RSC (NW) was decreased by conducting auctions.

Corporate Social Responsibility

Two tenders have been drafted to furnish safe drinking water facilities to 5 schools and 1 health center in the Kurunegala District, as well as to 5 schools and 4 health centers in the Puttalam district. The projects are valued at Rs 15.00 million and Rs 24.0 million respectively, funded by CRIWMP. Implementation is scheduled to be finalized by the year 2024.

Wastewater Management Activities

NWSDB earned Rs 13.50 million from providing 67 new sewer connections. The Water Reclamation section within RSC (NW) undertook various design and consultancy projects, including the development of a Septage Treatment Plant for the Ibbagamuwa Waste Water Treatment Plant, augmentation for the Mawathagama BOI, implementation of a wastewater management system for a low-income housing

scheme, establishment of a wastewater management system for the Gokarella Base Hospital, and construction of a Waste Water Treatment Plant for a Batik Factory in Polgahawela.

Groundwater Investigation

A total of 28 hydrogeological investigations were concluded, along with the drilling of 07 tube wells and the flushing of 29 tube wells. Additionally, 04 hand pump repair and rehabilitation projects were successfully constructed.

Special Attention to be given

In response to a severe drought experienced during the year, the water source of the Hettipola Water Supply Scheme has dried up, necessitating the identification of a new water source.

Planning for System Enhancement

Designs and tenders totaling Rs 645 million have been successfully completed under the “CEDE” projects.

Sabaragamuwa

Administrative Boundary

The Regional Support Centre (Sabaragamuwa) consists of the RSC (Sabaragamuwa) office and two Regional Manager Offices: Manager (Ratnapura) and Manager (Kegalle). Together, they manage the entire Sabaragamuwa Province, which includes over 150,000 individual household connections.

Water Quality Enhancement

As part of the water safety plan, awareness campaigns and tree planting initiatives were carried out. Eight schemes underwent formal internal audits, while four schemes underwent external formal audits, ensuring comprehensive oversight and adherence to safety protocols.

Reduction of NRW

NRW reduction initiatives, primarily targeting pipe-related interventions, were implemented within the RSC to control expenses. These efforts resulted in a notable 1% reduction in the NRW percentage for the RSC.

Stock efficiency activities

To reduce stock levels, an Inventory Management System (IMS) module was implemented across all stores, seamlessly integrated with online capabilities. The annual stock verification disclosed a total value of Rs. 386 million.

Other Activities with special attention

The mapping of the water supply scheme pipe network in the region is nearing completion, with consumer point mapping progress at approximately 75%. Furthermore, network model analysis has been successfully completed for four schemes. In 2023, the Kegalle resettlement project utilized resettlement funds, incurring a total expenditure of Rs. 38.02 million. A special committee was formed to visit various areas, identify potential threats, and take necessary actions accordingly.

Northern

Administrative Boundary

RSC-N oversees two regions encompassing five districts: Jaffna, Killinochchi, Mullaithivu, Vavuniya, and Mannar, managing all Operations and Maintenance (O&M) as well as commercial activities. The Northern Province has a population of 1.27 million, with approximately 50,860 pipe-borne water supply connections, covering 14.73% of the population. Rural water supply coverage stands at 1.73%.

Distribution Expansion

25.74 km pipeline extension to address Non-Revenue Water (NRW) concerns were done.

Water Quality Enhancement

Both regional laboratories have undergone upgrades and obtained accreditation for ISO/IEC 17025:2017 in chemical testing, with ongoing efforts for microbiological testing accreditation. Water Safety Plans (WSP) have been implemented for 18 WSS.

Energy Efficiency activities

Mechanical & Electrical (M&E) works, amounting to Rs. 120 million, covered areas such as RC, RH, Energy, and O&M projects completed. The installation of 0.5 MW solar panels in RSC-N resulted in an annual savings of approximately Rs. 16 million.

Productivity improvement appreciations

Outstandingly, the “Peraru” Water Treatment Plant in Vavuniya received recognition for securing the 1st place in the national-level implementation of the Water Safety Plan for World Water Day 2023. The District Office Vavuniya also secured the 2nd place for community-participated pipeline extensions, achieving the 1st place at the Zonal level competition.

Ground Water Investigation

The construction of eight tube wells, 22 hydrogeological investigations, and 18 well developments have significantly contributed to enhancing water resources in the region.

Other Activities with special attention

New Schemes Named Nelukulam WSS, Puthukudiyiruppu WSS, and Karikaalanagapaduvan WSS commenced in services. Construction projects totaling LKR 130 million were undertaken in the five districts, funded by “CEDE,” Rehabilitation, and NRW funds. Water Treatment plant conceptual design has been completed for the proposed Greater Killinochchi Water Supply Project (WSP), and pre-feasibility studies were conducted for the Paliaru Reservoir. Consent for water sharing from Paliaru for the proposed Paliaru WSP has been obtained from the Department of Irrigation. Additionally, 10 new lands were identified and negotiated for the Paliaru WSP. Significant progress has been made in digitizing the existing 1770 km pipe network under the Water Asset Management System (WAMS) using ArcGIS. Design work under the “CEDE” project, worth LKR 1,284 million, and civil works amounting to LKR 587 million have been completed. Water GEMS models have been developed for 23 existing water supply schemes.

North Central

Administrative Boundary

The Regional Support Centre (North Central) consists of RSC(North Central) office and two regional Manager Offices named Manager (Anuradhapura) and Manager (Polonnaruwa) which geographically covers the entire North Central Province.

Distribution Expansion

A total of 38km was accomplished as part of the CRIWMP, 35km from the CEDE, and 31km from the CKDu program within the distribution system expansion efforts.

Water Quality Enhancement

The completion of Water Safety Plans for 35 water supply systems and Internal Formal Audits for 21 water supply systems demonstrates a dedication to maintaining water quality.

Reduction of NRW

Significantly, a reduction of 16% in Non-Revenue Water (NRW) was attained through the identification of leaks, rectification of meters, and the recuperation of lost revenue stemming from illegal connections. This reduction resulted in decreasing NRW from 25.89% to 16.76%.

Training and Development activities

In terms of human resources, RSC (NC) identified 15 customized training programs based on training needs assessments, with 08 of these programs successfully completed. Additionally, all employee profiles were updated in the SHRM system.

Corporate Social Responsibility

Leak rectification initiatives targeting schools, government organizations, and religious institutions have been successfully executed by the RWS section of small towns (ST), as per the selected samples. In 2023, a total of 10 training programs were conducted for NWSDB staff, encompassing both technical and non-technical aspects.

Groundwater Investigation

The Groundwater (NC) office effectively implemented the introduction of 31 new groundwater sources, resulting in an increase in water supply capacity of around 3000 m³/day. Furthermore, the rehabilitation of 147 public Hand Pump Tube Wells and several hydrogeological investigations were carried out.

Other Activities with special attention

By the end of 2023, the physical and financial advancement of Anuradhapura North WSP phase I stood at 98.7% and 98.55%, respectively, while Thambuththegama WSP showed progress of 86.10% physically and 88.93% financially. Similarly, the advancement of Anuradhapura North WSP phase II was recorded at 13.13% physically and 1.41% financially. Community-based organizations (CBOs) were transitioned, and within RWS endeavors, the Kelawa WSS extension facilitated 667 water supply connections, financed by the Climate Resilient Integrated Water Management Project (CRIWMP). Tender documentation was submitted for the "CEDE budget" totaling Rs. 117 million.

Sustainability and Emergency Response

Throughout its day-to-day operations, the National Water Supply & Drainage Board (NWSDB) naturally aligns with the achievement of SDG Goal 6: "Ensure availability and Sustainable Management of Water and Sanitation for all." Actively participating in national-level initiatives for implementing Sustainable Development Goals in Sri Lanka, NWSDB has been instrumental in developing national indicators and setting targets to monitor and report achievements related to Goal 6.1: achieving universal and equitable access to safe and affordable drinking water for all, and Goal 6.2: achieving access to adequate and equitable sanitation and hygiene for all while ending open defecation, with particular attention to the needs of women, girls, and vulnerable populations by 2030. The Corporate Action Plans of NWSDB are aligned with the relevant SDGs, and a committee appointed by the Secretary, M/CPWS&HE, has worked on establishing baselines and targets. The goals and targets recommended by this committee were finalized and validated by stakeholders in June 2019.

The corporate plan for 2020-2025 was primarily prepared based on the "Water for All" program. However, due to the economic crisis, this program faced interruptions. Recognizing the economic challenges and political instability, NWSDB promptly restructured its "Water for All" program to optimize outcomes despite limited resources. Prioritizing Capacity Enhancement and Distribution Expansion (CEDE) projects, NWSDB secured Cabinet approval to ensure the efficient utilization of existing water supply schemes and enhance their capacity and quality.

NWSDB continues to take action to integrate relevant activities into future Operational and Development plans and relevant budgets to achieve the set targets on above. NWSDB continued to actively engage in sustainability and emergency response efforts. Further details regarding these engagements are outlined below.

1. National Multi - Stakeholder Consultative Workshop for Sri Lanka Voluntary National Review – Auditorium of Sri Lanka Foundation Institute, 24.04.2018
2. Monitoring SDG 6 – Stakeholder Consultation Workshop– Ministry of City Planning and Water Supply - Auditorium of Ministry of City Planning and Water Supply, 26.04.2018
3. Water Quality Testing Required for Household survey to be conducted by the Department of Census & Statistics - SDG 6 Target 6.1 - Auditorium of Ministry of City Planning and Water Supply, 23.10.2018
4. SDG 6 Indicator Committee meeting - Ministry of City Planning and Water Supply, 17.08.2018.

5. Strengthening Water Supply & Sanitation sector Readiness for SDGs meeting with Key Stakeholders – the then Ministry of City Planning and Water Supply, 28.03.2018.
6. Webinar conducted by Joint Monitoring Programme of WHO and UNICEF on the Global Monitoring system on Safely Managed Water and Sanitation to achieve SDG 6.1 and 6.2 targets - Auditorium of Ministry of City Planning, Water Supply and Higher Education, 28.05.2019.
7. SDG 6 Targets – Formulation of National targets to Achieve Sustainable Development Goals in Water and Sanitation - Auditorium of Ministry of City Planning, Water Supply and Higher Education, 26.06.2019.
8. WHO / UNICEF Joint Monitoring Programme Assisted Workshop on SDG – 6 Indicators – Waters Edge Hotel, 23.07.2019.
9. Preparation of SDG Mainstreamed Public Service Delivery for Ministries, Departments and Statutory Bodies, and Consultation on the National Policy and Strategy on Sustainable Development workshop – MOVENPICK hotel, 20.09.2019.
10. Review meeting on Joint Monitoring Program (JMP) Report 2020 -2021 - Auditorium of the Ministry of Urban Development, Water Supply & Housing Facilities, 05.03.2020.
11. Validation Workshop for the National Policy and Strategy on Sustainable Development (NPSSD) - JAIC Hilton Jetwing Blue, 12.03.2020.14.03.2021.
12. Review of Draft National Policy and Strategy on Sustainable Development (NPSSD) - Auditorium of the Ministry of Water Supply, 22.06.2020.
13. Mainstreaming and Data Capacity Building Workshop - Auditorium of the Ministry of Water Supply, 2021.03.19.
14. Submission of Data requested workshop held on 2021.03.19.
15. Data submission for National Planning Department regarding to SDG indicators for water sector, 2021.08.17
16. Technical session on Mainstreaming and Data Capacity Building Workshop - Waters Edge Hotel, 2021.09.05.
17. Consultative Workshop on “Voluntary National Review of SDG 2022” at Janaki Hotel, Colombo 05 on 2022.03.03
18. A virtual meeting held on “Development of the Sri Lanka SDG Investor Map” conducted by Research Associate, Economic Intelligence Unit, The Ceylon Chamber of Commerce on 2022.03.15
19. A virtual session on validation of the second Voluntary National Review (VNR) on the implementation of SDG 27th & 29th April 2022
20. Knowledge Session on “SDG Data Management System: Introduction to the National SDG Data Portal” (Virtual) on 2022.07.07
21. A virtual session on “Methodology Development of SDG 6 Indicators” on 2022.07.19
22. A knowledge session on “Target setting for SDG progress assessment” (Virtual) on 2022.09.22
23. Preliminary Discussion on SDG implementation with all institutions which are in under Ministry of Water Supply at Auditorium - MWS on 2022.10.06
24. A focus group discussion for methodology development and data compilation (Virtual) on 2022.10.07
25. A workshop on “stakeholder mapping of SDG 06” at Auditorium - MWS on 2022.12.01.

Emergency Response

The National Water Supply & Drainage Board (NWSDB) identifies situations requiring emergency response planning by listing Emergency Preparedness Categories (EPCs) and conducting hazard assessments. The Emergency Management Committee ensures organizational continuity during emergencies. A three-tiered coordination approach is established to plan, implement, and monitor emergency response systems, integrating existing organizational setups and overseen by the Deputy General Manager (Development).

Audit Committee

“Every recommendation of the Audit Committee (AC) was forwarded to the board and some matters will be discussed further at the Board meetings”

Composition of the committee

The Audit Committee was formed as per PF/PE/3 circular dated 19th November 1999, obtaining the concurrence of the Board of Directors of the National Water Supply and Drainage Board through Board Decision No: 2965(b) of Board Meeting No.590. The purpose of the Committee is to extend its assistance to the Board of Directors as per the guidelines of PED 01/2021 dated 16.11.2021.

In the year 2023, The Audit & Management Committee consisted of the following members

Non-Executive Directors

1. Ms. W. E. Godagama - Chairman of the AMC/ Board Member
2. Eng. Luxman Ranasinghe - Board Member (Up to 2023/ Sep)
3. Ms.K.A.S. Maheshika - Board Member
4. Dr. Eng. (Mrs.) I.M.W.K. Illangasinghe - Board Member (From 2023/Oct)
5. Mr. Mohamed Cader - Board Member (From 2023/Oct)

Observers

6. Ms. E.A.N.P. Edirisinghe - Audit Superintendent, Government Audit
7. Ms. K.A.G. Thushari - CIA, Ministry of Water Supply & Estate Infrastructure Development

Convener

8. Mr.U.J. Samarasinghe - DGM (IA)

Regular Attendees by invitation

9. Mr. W.M.S.B. Wijekoon - Vice Chairman/ Board Member
10. Dr (Mrs.) I.M.W.K. Illangasinghe - General Manager (Up to 2023/Sep)
11. Mr. R.S. Liyanage - General Manager (From 2023/Sep)
12. Mr. R.M.A.S. Weerasena - Addl.GM (F)
13. Mr. W.G.C.L. Weerasekara – Addl. GM (CS)
14. Mr. J.L. Seekkuge – Addl. GM (P&P)
15. Mr. N.H.D.P. Dharmapala – Addl.GM (CAM)
16. Mr. D.N.De.S. Gunathilake – Addl. GM (WR)
17. Mr. T. Barathidasan - Addl. GM (N/NC)
18. Mr. M.K.D. J. H. Meegoda - Addl. GM (C/Sab/NW)
19. Mr. C.C.H.S. Fernando - Addl.GM (W)

20. Mr. N. Sudeshan – Addl. GM (S/U/E)
21. Mr. M.A.S.S.K. Chandrasiri – Actg. Addl. GM (HRM)
22. Mr. Piyal Pathmanatha – DGM (Com)
23. Mr. T.G.R. Dilip Kumara – DGM (IR)
24. Mr. R.W.M. Nandathilak – Actg. DGM (IT)
25. Mr. A.R. Dahanayake – AGM (Legal)

Secretary to the Committee

26. Ms. W. P. Sandamali De Silva - Secretary to the Board

Table 31

Name	Eligible to Attend / Attended
Ms. W.E. Godagama	07/07
Eng. Luxman Ranasinghe	05/05
Ms. K.A.S. Maheshika	07/07
Dr. Eng. (Mrs.) I.M.W.K. Illangasinghe	01/01
Mr. Mohamed Cader	01/01
Mr. W.M.S.B. Wijekoon	07/04

Activities in 2023

The Committee convened seven (07) meetings during the fiscal year concluding on December 31, 2023, during which various significant matters were deliberated under the agenda items.

- Report of the Auditor General on the financial statements and other legal regulatory requirements of NWSDB for the year ended 31st December 2022.
- Submission of draft financial statements for the year ended 31.12. 2022.
- Cadre approval for Addl. GM (IA) and new SOR
- Audit summaries of 3rd quarters of the year 2021 and 2022
- Responding to Audit Queries
- Operational Manual for NWSDB
- IT system for material reconciliation.
- IT system for Gully (Sewerage Section)
- Ownership of the “ Lakdiya Madura” building
- Fixed assets verification
- Checklist & evaluation process for write-offs.
- Labour contract payments
- Importance of hiring IT expertise to the Internal Audit Section.
- Internal Audit Plan- 2024

The Government Audit representatives were involved in seven (07) meetings throughout the year upon invitation. Additionally, the committee occasionally requested the presence of senior management members from the National Water Supply and Drainage Board as needed during these meetings.

The designated roles and responsibilities of the committee are outlined as follows.

- The AMC is approved the annual audit plan and all major changes to the plan.
- The AMC is required to review the continuing impartiality of the Internal Auditors and their effectiveness.
- The AMC should assist the Board in the task of overseeing to ensure that financial reporting is done in compliance with relevant Sri Lanka Accounting Standards and other applicable legal requirements.
- The AMC should assist the Board to ensure that all relevant rules, regulations and circulars issued by the government are adhered to, with continuous reviewing and monitoring, also making recommendations to the board on non-compliance.
- The AMC should review the Internal/External audit reports, management letters, and recommendations of COPE, and help the board to make remedial actions.
- The AMC should assist the Board to introduce and implement an adequate internal control system and adhere to high standards of Corporate Governance practices.
- The AMC should review significant accounting and reporting issues, including complex or unusual transactions, highly judgmental areas, and recent professional and regulatory pronouncements, and understand their impact on the Financial Statements.
- The AMC should review the Annual Financial Statements to monitor the integrity of financial statements prepared for disclosure, prior to submission to the Board.
- The AMC reviewed the procurement procedure and the progress of the implementation of the procurement plan.

All recommendations made by the Audit & Management Committee (AMC) were relayed to the Board, and certain issues were further deliberated upon during Board meetings

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NATIONAL WATER SUPPLY AND DRAINAGE BOARD



FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2023

National Water Supply And Drainage Board

STATEMENT OF COMPREHENSIVE INCOME

Year Ended 31 December 2023

	Note	Budget 2023 Rs.	Actual 2023 Rs.	Restated 2022 Rs.
Revenue (Net of VAT)	7	66,580,892,981	61,852,288,555	35,464,465,620
Cost of Sales	8	(34,716,858,475)	(32,843,783,000)	(23,144,554,365)
Gross Profit		31,864,034,506	29,008,505,555	12,319,911,255
Other Operating Income and Gains	9	1,239,727,165	4,284,862,995	1,289,485,096
Administrative Expenses	10	(17,689,396,579)	(14,841,148,486)	(14,051,648,238)
Other Operating Expenses	11	(850,000,000)	(1,338,398,898)	(347,081,649)
Operating Profit / (Loss)		14,564,365,091	17,113,821,167	(789,333,536)
Finance Income	12	2,015,541,000	3,121,158,211	2,006,866,677
Finance Cost	13	(2,964,299,201)	(14,948,454,251)	(3,917,340,209)
Profit / (Loss) Before Tax		13,615,606,891	5,286,525,126	(2,699,807,068)
Income Tax	14	-	-	-
Profit / (Loss) for the Year		13,615,606,891	5,286,525,126	(2,699,807,068)

Accounting Policies and Notes from pages 7 to 29 form an integral part of these Financial Statements. Further, summarized version of above statement of comprehensive income is included in note no 38 of these statements.



National Water Supply And Drainage Board

STATEMENT OF OTHER COMPREHENSIVE INCOME

Year Ended 31 December 2023

	Budget 2023 Rs.	Actual 2023 Rs.	Restated 2022 Rs.
Profit / (Loss) for the Year	13,615,606,891	5,286,525,126	(2,699,807,068)
Other Comprehensive Income for the Year.			
Exchange Gain/Loss on Loan Conversion	-	1,730,809,012	(181,137,567)
Total Other Comprehensive Income for the Year	-	1,730,809,012	(181,137,567)
Total Comprehensive Income for the Year	13,615,606,891	7,017,334,139	(2,880,944,635)

Accounting Policies & Notes from pages 7 to 29 form an integral part of these Financial Statements.



National Water Supply And Drainage Board

STATEMENT OF FINANCIAL POSITION

As at 31st December 2023

Assets	Note	Actual 2023 Rs	Restated 2022 Rs.
Non- Current Assets			
Property ,Plant & Equipment	15	409,227,568,841	279,650,028,501
Intangible Assets	16	1,925,979,889	27,831,140
Capital Work in Progress	17	482,561,943,621	584,529,397,340
Investment Property	18	319,319,640	322,819,561
Financial Assets	19	434,368	434,368
Total Non Current Assets		894,035,246,359	864,530,510,910
Current Assets			
Non Operating Assets	20	149,748,448	149,748,448
Inventories	21	19,075,065,611	14,362,634,874
Trade & Other Receivables	22	18,659,706,881	11,999,080,309
Deposits & Advances	23	18,742,571,261	29,349,835,341
Investments	24	13,969,122,470	13,202,089,119
Escrow Account	25	16,836,510,365	18,887,579,277
Cash & Cash Equivalents	26	5,559,826,600	4,089,500,617
Total Current Assets		92,992,551,636	92,040,467,984
Total Assets		987,027,797,995	956,570,978,895
Equity and Liabilities			
Equity			
Government Equity	27/28	111,684,749,118	115,301,123,678
Staff Welfare & Other Funds	29	21,665,392	23,656,876
Retained Earnings		(7,520,971,107)	(14,530,556,088)
Government Grant	30	155,526,551,042	123,523,371,754
Capital Grants	31	306,202,462,123	307,547,893,553
Total Equity		565,914,456,567	531,865,489,773
Non-Current Liabilities			
Loan Payable	32	247,152,906,252	282,368,872,833
Other Deferred Liabilities	33	4,432,379,812	4,435,065,261
Total Non Current Liabilities		251,585,286,064	286,803,938,094
Current Liabilities			
Non Operating Liabilities	20	51,287,805	51,287,805
Trade & Other Payables	34	65,305,058,757	69,519,289,028
Loan Capital Payable	32	74,672,171,838	52,475,160,647
Loan Interest Payable		29,499,536,965	15,855,813,547
Total Current Liabilities		169,528,055,365	137,901,551,028
Total Equity and Liabilities		987,027,797,995	956,570,978,895

R.M.A.S. Weerasena
Addl.G.M.(Finance)

Ruwan S. Liyanage
General Manager

Eng. Ruwan Liyanage
General Manager
National Water Supply & Drainage Board
Rathmalana

Nishantha Ranatunga
Chairman

W.M.S.B. Wijekoon
Vice Chairman

Sanjeewa Wijekoon
Vice Chairman
National Water Supply and Drainage Board

Colombo
28th February 2024

Nishantha Ranatunga
Chairman
National Water Supply & Drainage Board
Rathmalana

National Water Supply And Drainage Board

STATEMENT OF CHANGES IN EQUITY

Year Ended 31 December 2023

		Opening Capital				Staff Welfare	Accumulated	
		Balance	Government Grants	Government Equity	Capital Grants	& Other Funds	Profit/Loss	Total
	Note	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Balance as at 1 January 2022		185,480,387	117,548,897,076	100,263,323,220	292,054,996,873	33,115,808	(13,221,886,077)	496,863,927,288
Prior Year Adjustments								
Assets/WIP Recognized and Derecognized	36.1.1	-	-	-	-	-	108,720,438	108,720,438
Depreciation adju.for Assets Recognized and Derecognized	36.1.2	-	-	-	-	-	2,132,019,795	2,132,019,795
Financial Assets	19	-	-	-	-	-	(1,500,083)	(1,500,083)
Cash in Hand	26	-	-	-	-	-	1,500,083	1,500,083
Investments	24	-	-	-	-	-	(18,887,579,277)	(18,887,579,277)
Escrow Account	25	-	-	-	-	-	18,887,579,277	18,887,579,277
Trade & Other Payables	36.2	-	-	-	-	-	(7,735,927)	(7,735,927)
Inventories	36.2	-	-	-	-	-	7,368,976	7,368,976
Trade & Other Receivables	36.2	-	-	-	-	-	(659,277,280)	(659,277,280)
Opening Capital Balance	36.2	(185,480,387)	-	185,480,387	-	-	-	-
Capital Grants	36.2	-	-	-	23,129,503	-	(23,129,503)	-
Restated Balance as at 1 January 2022		-	117,548,897,076	100,448,803,607	292,078,126,376	33,115,808	(11,663,919,578)	498,445,023,290
Net Profit for the Year		-	-	-	-	-	(2,880,944,635)	(2,880,944,635)
Assets Recognized and Derecognized	36.1.1	-	-	-	-	-	(11,641,298)	(11,641,298)
Receipts / Transfers During the Year		-	5,974,474,678	-	15,469,062,254	-	-	21,443,536,932
Loan to Equity Conversion	36.2	-	-	14,852,320,071	-	-	-	14,852,320,071
Trade & Other Payables	36.2	-	-	-	-	-	122,170	122,170
Trade & Other Receivables	36.2	-	-	-	-	-	12,531,425	12,531,425
Inventories	36.2	-	-	-	-	-	4,541,819	4,541,819
Capital Grants	36.2	-	-	-	704,924	-	(704,924)	-
Transfers to Staff Welfare Fund		-	-	-	-	(9,458,932)	9,458,932	-
Restated balance as at 31 December 2022		-	123,523,371,754	115,301,123,678	307,547,893,554	23,656,876	(14,530,556,088)	531,865,489,774
Net Profit for the Year		-	-	-	-	-	7,017,334,139	7,017,334,139
Receipts / Transfers During the Year		-	8,614,531,477	-	1,345,431,431	(9,740,642)	-	7,259,359,405
Loans Conversion to Equity		-	-	19,772,273,249	-	-	-	19,772,273,249
Equity Conversion to Grants		-	23,388,647,810	(23,388,647,810)	-	-	-	-
Transfers to Staff Welfare Fund		-	-	-	-	7,749,157	(7,749,157)	-
Balances as at 31 December 2023		-	155,526,551,042	111,684,749,118	306,202,462,123	21,665,392	(7,520,971,107)	565,914,456,567

Accounting Policies & Notes from pages 7 to 29 form an integral part of these Financial Statements.

National Water Supply And Drainage Board

STATEMENT OF CASH FLOW

Year Ended 31 December 2023

	Note	Actual 2023 Rs.	Restated 2022 Rs.
Cash Flows from/(used in) Operating Activities			
Net Profit/(Loss) Before Tax		5,286,525,126	(2,699,807,068)
<i>Adjustments for</i>			
Interest Income	12	(3,121,158,211)	(2,006,866,677)
Profit/Loss on disposal of Fixed Assets		4,069,440	3,875,213
Depreciation	10.2	5,064,881,306	4,682,308,694
ESC Written Off			33,795,903
Retiring Gratuity Provision	33.1	1,058,795,842	241,893,010
Interest Expense	13	14,948,454,251	3,917,340,209
Operating Profit/ (Loss) before Working Capital Changes		23,241,567,755	4,172,539,285
(Increase)/Decrease in Inventories		(4,712,430,738)	(4,499,029,105)
(Increase)/Decrease in Debtors, Receivables & Deposits		3,946,637,507	(2,483,180,183)
Increase/(Decrease) in Creditors, Provisions & Deposits		(4,216,915,720)	29,428,822,174
Cash Generated from Operations		18,258,858,805	26,619,152,171
Tax Paid		-	-
Gratuity Paid	33.1	(1,058,795,842)	(241,893,010)
Net Cash from/ (Used in) Operating Activities		17,200,062,963	26,377,259,161
Cash Flows from/(used) in Investing Activities			
Investments in Fixed Assets & Work-In-Progress		(21,683,744,755)	(145,817,310,300)
Financial Assets		-	(44,671)
Sale Proceeds for Disposal Assets		3,442,549	9,138,224
Investment Income Received		3,121,158,211	2,006,866,677
(Investment) / Withdrawal of Investments		(892,339,463)	(7,740,263,539)
Net Cash Flows From/ (used in) Investing Activities		(19,451,483,458)	(151,541,613,609)
Cash Flows from/ (used in) Financing Activities			
Government Grant during the Period		8,614,531,478	5,974,474,678
Capital Grant during the period		871,460,644	18,269,721,332
New Loans and Equity including currency conversion adjustments		24,678,244,985	119,574,514,646
Loan Repayments/Received		1,114,127,965	(10,059,071,890)
Interest Paid		(31,556,618,593)	(8,740,614,116)
Net Cash Flows From/ (used in) Financing Activities		3,721,746,479	125,019,024,651
Net Increase in Cash & Cash Equivalents		1,470,325,984	(145,329,798)
Cash & Cash Equivalents at the Beginning of the Year		4,089,500,617	4,234,830,415
Cash & Cash Equivalents at the End of the Period		5,559,826,600	4,089,500,617

The Accounting Policies and Notes on pages 7 to 29 form an integral part of the Financial Statements.

National Water Supply And Drainage Board

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

NATIONAL WATER SUPPLY AND DRAINAGE BOARD

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

National Water Supply And Drainage Board
NOTES TO THE FINANCIAL STATEMENTS
 Year Ended 31 December 2023

1. CORPORATE INFORMATION

1.1 General

National Water Supply & Drainage Board is a statutory board enacted by the National State Assembly under the National Water Supply & Drainage Board Law No. 2 of 1974. The registered office of the board is located at Galle Road, Ratmalana, and the principal place of business is situated at the same location.

National Water Supply & Drainage Board (NWS&DB) is an institution under the purview of the Ministry of Water Supply and Estate Infrastructure Development.

1.2 Principal Activities

The principal activity of the Board is to supply treated drinking water to the community.

The objectives of the National Water Supply & Drainage Board are to develop treated drinking water throughout the country and its accessibility among the people of Sri Lanka.

1.3 Going Concern

The Management has made an assessment of the Board's ability to continue as a going concern and is satisfied that it has the resources to continue in business for the foreseeable future. Furthermore, the Management is not aware of any material uncertainties that may cast significant doubt upon the Board's ability to continue as a going concern and they do not intend either to liquidate or to cease operations of the Board. Therefore, the Financial Statements continue to be prepared on the going concern basis.

2. BASIS OF PREPARATION

2.1 Statements of Compliance

The financial statements which comprise the statement of comprehensive income, statement of other comprehensive income, statement of financial position, statement of changes in equity, and the statement of cash flows, together with the accounting policies and notes have been prepared in accordance with Sri Lanka Accounting Standards (SLFRS/LKAS) as issued by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka).

2.2 Basis of Measurement

The Financial Statements have been prepared on the historical cost basis except for financial instruments and other financial assets and liabilities held for trading that have been measured at fair value and liabilities for defined benefit obligation are recognized as at the present value of the defined benefit obligation.

2.3 Presentation of Currency

The financial statements are presented in Sri Lankan Rupees (LKR), which is the Board's functional and presentation currency.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Property Plant and Equipment

Property, plant, and equipment are stated at cost, net of accumulated depreciation, and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the property, plant, and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of property, plant, and equipment are required to be replaced at intervals, NWS&DB recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in profit or loss as incurred.

National Water Supply And Drainage Board
 NOTES TO THE FINANCIAL STATEMENTS (Contd..)
 Year Ended 31 December 2023

The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

3.1.1 Depreciation

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

Plant Property and Equipment	Rate
Building & Structures	1.67% - 2%
Plant & equipment pumping treatment	5%
Service & Bulk water meter	10%
Transmission & Distribution:	1.67%
Equipment	10%
Furniture & fittings	10%
Computers Peripherals & Mobile Phones	20% - 33.3%
Motor Vehicles	10% - 20%
Investment Property	2%
Leasehold Vehicles	14.30%

3.1.2 Capital Work In Progress

Capital expenses incurred during the year, which are not capitalized as of the reporting date are shown as capital work in progress, whilst the capital assets which have been capitalized during the year and put to use have been transferred to Property Plant & Equipment.

3.1.3 Investment Property

When the use of a property changes from owner-occupied to another party is classified as Investment Property and the Investment Property is measured at cost less accumulated depreciation. Such activity is disclosed to comply with the LKAS 40.

3.1.4 Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date, whether fulfillment of the arrangement depends on the use of a specific asset or the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement.

3.1.5 Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in the statement of comprehensive income in the year in which the expenditure is incurred. Acquisition of computer software is recognized as an intangible asset and amortized over the period of 7 years.

3.1.6 Research and Development Costs

Research costs are expensed as incurred. Development expenditures on an individual project are recognized as an intangible asset when NWS&DB can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
- Its intention to complete and its ability to use or sell the asset
- How the asset will generate future economic benefits
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development

National Water Supply And Drainage Board

NOTES TO THE FINANCIAL STATEMENTS (Contd..)

Year Ended 31 December 2023

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is completed and the asset is available for use. It is amortized over the period of expected future benefit. During the period of development, the asset is tested for impairment annually.

3.1.7 Impairment of Non-Financial Assets

The NWS&DB assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the NWS&DB estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an assets or cash-generating unit (CGU) fair value less costs to sell and its value in use and is determined for an individual asset unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

3.2.1 Inventories

Inventories are valued at cost or net realizable value whichever is lower after making allowance for obsolete and slow-moving items which are valued at a 'weighted average cost basis. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale. Materials and other supplies held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. However, when a decline in the price of materials indicates that the cost of the finished products exceeds net realisable value, the materials are written down to net realisable value. In such circumstances, the replacement cost of the materials may be the best available measure of their net realisable value.

Measurement of Inventories**3.2.2 Cost of Inventories****Raw Materials**

Cost of purchases together with any incidental expenses.

Other Stocks

Cost is arrived at weighted average basis.

3.3. Cash and Cash Equivalents

Cash and cash equivalents comprise cash in hand and bank balances and short-term investment, net of outstanding bank overdrafts if any.

4. LIABILITIES, PROVISIONS, AND EQUITY**4.1. Retirement Benefit Obligation****4.1.1 Retirement Benefit Obligations (LKAS 19)****a) Defined Benefit Plan – Gratuity**

Provision has been made for retiring gratuity from the first year of service for all employees, in conformity with Sri Lanka Accounting Standard No. 19 (LKAS 19). The cost of the defined benefit plans and the present value of their obligations are determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future salary increases, and mortality rates. Due to the long-term nature of these plans, such estimates

National Water Supply And Drainage Board

NOTES TO THE FINANCIAL STATEMENTS (Contd..)

Year Ended 31 December 2023

are subject to significant uncertainty. All assumptions are reviewed at each reporting date. In determining the appropriate discount rate, it is considered the interest rates of Sri Lanka Government bonds with maturities corresponding to the expected duration of the defined benefit obligation. The mortality rate is based on publicly available mortality tables. Future salary increases are based on the expected future salary increase rate of the Board.

b) Retirement Benefit Cost

NWS&DB operates a defined benefit pension plan. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method. Actuarial gains and losses for the defined benefit plan are recognized in full in the period in which they occur in other comprehensive income. Such actuarial gains and losses are also immediately recognized in retained earnings and are not reclassified to profit or loss in subsequent periods.

Unvested past service costs are recognized as an expense on a straight-line basis over the average period until the benefits become vested. Past service costs are recognized immediately if the benefits have already vested immediately following the introduction of, or changes to, a pension plan.

The defined benefit asset or liability comprises the present value of the defined benefit obligation (using a discount rate based on high-quality corporate bonds), less unrecognized past service costs, and less the fair value of plan assets out of which the obligations are to be settled.

Retirement benefit obligation is measured through the service of an actuarial valuer every three years intervals and maintains such liability over the period of three years in line with the salary revision. Hence, the gratuity liability that occurred for the next two consecutive years is treated as an expense immediately after the actuarial liability is identified in the first year.

Defined Contribution Plans- EPF & ETF

Employees are eligible for Employees' Provident Fund Contributions and Employees' Trust Fund Contributions in line with respective Statutes and Regulations. The Board contributes 12% and 3% of the gross emoluments of employees to EPF and ETF respectively.

4.2 Provisions**General**

Provisions are recognized when NWS&DB has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When NWS&DB expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain. The expense relating to provisions presented in the income statement net of any reimbursement.

4.3 Government Grants

Government grants are recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognized as income on a systematic basis over the periods that the costs, which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognized as income in equal amounts over the expected useful life of the related asset.

When NWS&DB receives non-monetary grants, the asset and the grant are recorded at nominal amounts and recognized in profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset by equal annual installments. When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favorable interest is treated as a government grant.

The Cabinet Paper No 20/0974/204/029-VI is to provide necessary budgetary allocations as equity contributions for the NWSDB to settle interest and other costs which will be arisen from loans facilitated by the General Treasury for the period of 15 years, and the capital portion of such loans is being recognized as equity.

National Water Supply And Drainage Board
 NOTES TO THE FINANCIAL STATEMENTS (Contd..)
 Year Ended 31 December 2023

5. STATEMENT OF COMPREHENSIVE INCOME

For the presentation of the statement of comprehensive income, the function of the expenses method is adopted, as it represents fairly the elements of NWS&DB performance.

5.1.1 Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the NWS&DB and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable taking into account contractually defined terms of payment.

The following specific recognition criteria must also be met before revenue is recognized.

Sale of Goods

Revenue from the sale of goods is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods.

Sale of Water

Revenue from the sale of water is recognized according to the number of consumed units within 30 days of the time by the consumer, when the meters are read, and when bills are processed within the system.

Other Income

Other income is recognized on an accrual basis.

Interest Income

For all financial instruments measured at amortized cost and interest-bearing financial assets classified as available for sale, interest income or expense is recorded using the effective interest rate (EIR), which is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or liability. Interest income is included in finance income in the income statement.

Rechargeable Works

Revenue from fixed-price construction contracts is recognized on the full completion of the contract.

5.1.2 Expenses

All expenditures incurred in the running of the business have been charged to income in arriving at the profit for the year. Repairs and renewals are charged to profit and loss in the year in which the expenditure is incurred.

5.2 Deferred Tax

The NWS&DB is having massive deductible tax losses and other deductible expenses including interest against the tax liability. Hence, it is unlikely that arising of tax liability in the foreseeable future period therefore, NWSDB does not adjust differed tax in Financial Statement.

National Water Supply And Drainage Board

NOTES TO THE FINANCIAL STATEMENTS (Contd..)

Year Ended 31 December 2023

6. FINANCIAL INSTRUMENTS- INITIAL RECOGNITION AND SUBSEQUENT MEASUREMENT**6.1 Financial Asset****6.1.1 Initial Recognition and Measurement**

Financial assets within the scope of SLFRS 9 are classified as financial assets at amortized cost, financial assets at fair value through other comprehensive income, and financial assets at fair value through profit or loss, as appropriate and determine the classification of its financial assets at initial recognition.

All financial assets are recognized initially at fair value plus, in the case of assets not at fair value through profit or loss, directly attributable to transaction costs.

The financial assets of NWS&DB include cash and short-term investment, trade and other receivables, staff loans, and other receivables.

6.1.2 Subsequent Measurement

The subsequent measurement of financial assets depends on their classification as follows

6.1.2.1 Financial Assets at Fair value Through Profit or Loss

Financial assets at fair value through profit or loss include financial assets held for trading and financial assets designated upon initial recognition at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired to sell or repurchase in the near term. NWS&DB did not have any financial assets at fair value through profit or loss during the years ended.

6.1.2.2 Financial Assets at Amortized Cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. The NWS&DB measures financial assets at amortized cost if both of the following conditions are met. (i) The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows and (ii) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Financial assets at amortized cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified, or impaired. The NWS&DB's financial assets at amortized cost include trade receivables and short-term investments.

6.1.2.3 Financial Assets at Fair Value Through Other Comprehensive Income

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. The NWS&DB measures debt instruments at fair value through OCI if both of the following conditions are met. (i) The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling and; (i) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income, and foreign exchange gains and losses which are recognized in profit or loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss and recognized in other gains/(losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are presented as separate line items in the income statement.

The financing of loans is implemented as per the Cabinet Decision number १३ ३ ७/ 16/0158/719/005 where 50% of the capital and interest of the loan on urban water supply projects, 75% of the rural water supply projects and 100% of the sewerage and wastewater projects are borne by the General Treasury.

National Water Supply And Drainage Board

NOTES TO THE FINANCIAL STATEMENTS (Contd..)

Year Ended 31 December 2023

6.1.2.4 Derecognition

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognized when,

- i) The rights to receive cash flows from the asset have expired
- ii) NWS&DB has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either
 - (a) NWS&DB has transferred substantially all the risks and rewards of the asset, or
 - (b) NWS&DB has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

6.1.2.5 Impairment of Financial Assets

The NWS&DB assesses at each reporting date whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated.

Evidence of impairment may include indications that the debtors or a group of debtors are experiencing significant financial difficulty, default, or delinquency, the probability that they will enter bankruptcy or other financial reorganization, and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

6.2 Financial Liabilities**Initial Recognition and Measurement**

Financial liabilities within the scope of LKAS/SLFRS are classified as financial liabilities at fair value through profit or loss, at amortized cost, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. NWS&DB determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings, carried at amortized cost. This includes directly attributable transaction costs. NWS&DB's financial liabilities include trade and other payables.

Subsequent Measurement

Subsequent measurement of financial liabilities is at amortized cost.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.



National Water Supply And Drainage Board

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 31 December 2023

	Actual	Restated
	2023	2022
	Rs.	Rs.
7. REVENUE		
Metered Sales	57,536,590,323	32,532,771,267
Bulk Sales	724,372,233	368,826,738
Bowser Supply	288,595,778	220,555,486
Income from Main Operations	7.1 <u>3,302,730,221</u>	<u>2,342,312,129</u>
	<u>61,852,288,555</u>	<u>35,464,465,620</u>
7.1 Income from Main Operations		
Income Related to New Connection and Other Main Operations	4,785,380,943	3,378,289,321
Capital Recovery Charges	598,101,986	675,254,528
Expense Related to New Connection	<u>(2,080,752,708)</u>	<u>(1,711,231,719)</u>
	<u>3,302,730,221</u>	<u>2,342,312,129</u>
8. COST OF SALES		
Personnel Cost	7,964,033,215	8,220,144,775
Pumping Cost	13,784,944,713	7,240,988,228
Chemicals	2,988,136,090	1,997,344,741
Repairs & Maintenance	3,832,180,334	2,238,794,112
Establishment Expenses	1,424,860,986	1,147,429,361
Rent, Rates, Taxes, Security & Other Expenses	2,578,676,744	2,140,613,453
Rebates	<u>270,950,919</u>	<u>159,239,696</u>
	<u>32,843,783,000</u>	<u>23,144,554,365</u>
9. OTHER OPERATING INCOME		
Other Income	9.1 <u>4,263,606,324</u>	<u>1,274,213,626</u>
Staff Loan Benefit	<u>21,256,671</u>	<u>15,271,470</u>
	<u>4,284,862,995</u>	<u>1,289,485,096</u>
9.1 Other Income		
Water Reclamation and Ground Water Income	533,747,896	360,993,999
Miscellaneous Income including Surcharge, Penalties etc.	<u>3,729,858,429</u>	<u>913,219,627</u>
	<u>4,263,606,324</u>	<u>1,274,213,626</u>

National Water Supply And Drainage Board

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 31 December 2023

		Actual 2023 Rs	Restated 2022 Rs.
10. ADMINISTRATIVE EXPENSES			
Repairs & Maintenance		399,823,843	330,285,852
Establishment Expenses		1,720,871,423	1,353,095,724
Rent,Rates,Taxes, Security & Other Expenses		1,013,983,391	626,521,293
Staff Cost	10.1	6,630,588,524	7,048,436,675
Depreciation	10.2	5,064,881,306	4,682,308,694
Audit Fee to National Audit Office		11,000,000	11,000,000
		<u>14,841,148,486</u>	<u>14,051,648,238</u>
10.1 Staff Cost			
Staff Cost on Loan Granted		21,256,671	15,271,470
Personnel Cost		6,609,331,853	7,033,165,205
		<u>6,630,588,524</u>	<u>7,048,436,675</u>
10.2 Depreciation			
Building and Structures		1,966,466,559	1,655,542,744
Investment Property		4,786,778	4,786,778
Plant & Machinery		5,715,815,369	4,725,589,394
Equipment's		830,170,179	544,265,735
Furniture and Fittings		58,354,564	47,241,525
Computers & Peripherals		134,623,770	92,955,512
Motor Vehicles		479,445,550	419,988,068
Total Depreciation		9,189,662,770	7,490,369,756
Less: Depn. for Grant funded Assets		(4,133,092,575)	(2,797,207,561)
Less: Depn. for Rechargeable funded Assets		(14,072,128)	(12,804,308)
Add: Amortization of Intangible Assets		22,383,240	1,950,807
Depreciation Cost		<u>5,064,881,306</u>	<u>4,682,308,694</u>
Depreciation amounting 397,942,706 has been adjusted to the year 2022			
11. OTHER OPERATING EXPENSES			
Bad & Doubtful Debts		279,603,056	5,215,319
Provision for Obsolete Stock		-	43,886,872
Retiring Gratuity		1,058,795,842	241,893,010
Economic Service Charges		-	33,795,903
Revenue Grant		-	22,290,544
		<u>1,338,398,898</u>	<u>347,081,649</u>
12. FINANCE INCOME			
Investment Income		3,121,158,211	2,006,866,677
		<u>3,121,158,211</u>	<u>2,006,866,677</u>
13. FINANCE COST			
Interest On Loans		45,200,342,011	21,426,834,484
Less: WIP charged/Capitalized Interest on Construction Projects		(30,251,887,760)	(17,509,494,275)
		<u>14,948,454,251</u>	<u>3,917,340,209</u>
14. INCOME TAX			

As per the tax computation accumulated tax loss LKR 53,825,662,374.00 in Tax return for the 2022/23 tax year no tax liability was identified for the current year.

National Water Supply And Drainage Board

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 31 December 2023

15. PROPERTY, PLANT AND EQUIPMENT

15.1 Gross Carrying Amounts	Restated Balance As at 01.01.2023	Additions after Adjustments	Transfers	Disposals	Balance As at 31.12.2023
Cost	Rs.	Rs.	Rs.	Rs.	Rs.
Freehold Assets					
Land Freehold	8,557,002,181	154,563,963.91	(66,995,937)	(2,028,350)	8,642,541,858
Land Leasehold	607,050,265	-	63,401,803	-	670,452,068
Infrastructure	10,674,107,232	3,968,524,599	36,818,374	-	14,679,450,205
Building - Freehold	25,149,910,234	13,565,482,376	(38,595,427)	(2,893,000)	38,673,904,183
Structures	61,564,091,338	32,910,258,615	7,220,243	(117,774)	94,481,452,421
Plant & Equipment-Pumping & Treatment	53,185,252,461	19,661,800,896	(114,372,345)	(144,500)	72,732,536,512
Service Meter	(159,074)	664,400	-	-	505,327
Bulk Water Meter	912,117,008	506,711,939	(537,524)	-	1,418,291,423
Transmission & Distribution	156,939,559,561	68,380,924,479	(470,776,664)	(56,750)	224,849,650,625
Mobile Equipment's	1,531,358,729	434,586,993	(39,377,567)	(609,078)	1,925,959,077
Survey Equipment's	167,292,588	4,514,182	(2,389,797)	-	169,416,973
Laboratory Equipment's	1,020,499,670	393,837,980	10,089,722	(452,700)	1,423,974,671
Other Equipment	6,639,570,856	1,656,459,373	(1,999,338)	(2,579,543)	8,291,451,347
Furniture & Fittings-Computer	834,814,787	131,311,991	(2,447,477)	(7,268,110)	956,411,190
Computers & Periparels	1,056,006,584	441,248,709	(3,100,865)	(10,626,945)	1,483,527,483
Motor Vehicles Cars	2,784,134,417	(91,280,212)	79,119,102	(7,300,000)	2,764,673,306
Vans Busses & Jeeps	393,160,207	5,015,360	(15,059,830)	-	383,115,738
Lorries & Trucks	1,167,907,110	135,377,136	(77,501,416)	-	1,225,782,830
Tractors & Trailers	68,204,567	37,625	(37,625)	(350,000)	67,854,567
Water Bowsers, Heavy Vehicles	2,055,954,886	54,383,265	(34,611,598)	-	2,075,726,552
Motor Cycles	29,231,557	1,584,824	-	(7,531)	30,808,850
Three Wheelers	56,237,477	-	-	-	56,237,477
Total Value of Depreciable Assets	335,393,304,641	142,316,008,491	(671,154,167)	(34,434,282)	477,003,724,684

National Water Supply And Drainage Board

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 31 December 2023

15.2 Depreciation	Restated Balance As at 01.01.2023 Rs.	Charge for the Period Rs.	Adjustments Rs.	Disposal Rs.	Balance As at 31.12.2023 Rs.
Depreciation					
Freehold Assets					
Land Freehold	-	-	-	-	-
Land Leasehold	-	-	-	-	-
Infrastructure	1,554,046,079	231,329,474	5,906,589	-	1,791,282,141
Building - Freehold	3,266,545,693	568,925,800	25,556,284	(921,093)	3,860,106,684
Structures	8,834,698,139	1,166,211,286	129,724,041	(14,259)	10,130,619,207
Plant & Equipment					
Pumping & Treatment	16,969,166,706	2,799,003,777	753,986,035	(64,062)	20,522,092,457
Service Meter	77,611	-	-	-	77,611
Bulk Water Meter	468,958,300	89,179,819	64,062	-	558,202,181
Transmission & Distribution	16,571,777,413	2,827,631,773	1,305,966,800	(7,187)	20,705,368,799
Mobile Equipment's	768,451,057	144,284,333	1,685,445	(542,168)	913,878,667
Survey Equipment's	48,066,505	15,982,703	324,249	(452,700)	63,920,757
Laboratory Equipment's	631,978,413	87,949,524	4,778,990	-	724,706,927
Other Equipment	2,265,973,660	581,953,619	503,199,390	(1,681,893)	3,349,444,776
Furniture & Fittings-					
Computer	446,660,278	58,354,564	(18,611,648)	(5,674,572)	480,728,623
Computers & Peripherals	858,271,522	134,623,770	39,160,726	(10,289,704)	1,021,766,314
Motor Vehicles Cars	1,661,427,428	273,865,531	33,503,738	(6,935,000)	1,961,861,696
Van Busses & Jeeps	256,185,708	36,323,107	23,129,098	-	315,637,913
Lorries & Trucks	485,927,899	61,411,854	10,438,070	-	557,777,822
Tractors & Trailers	36,611,167	5,306,168	2,364,900	(332,500)	43,949,735
Water Bowsers, Heavy					
Vehicles	589,641,773	99,550,466	53,758,641	-	742,950,880
Motor Cycles	16,631,647	2,010,001	(9,407)	(7,155)	18,625,087
Three Wheelers	12,179,144	978,422	-	-	13,157,566
	<u>55,743,276,140</u>	<u>9,184,875,993</u>	<u>2,874,926,003</u>	<u>(26,922,293)</u>	<u>67,776,155,843</u>

National Water Supply And Drainage Board

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 31 December 2023

15. PROPERTY, PLANT AND EQUIPMENT (Contd...)

15.3 Net Book Values	Actual 2023 Rs.	Restated 2022 Rs.
Land Freehold	8,642,541,858	8,557,002,181
Land Leasehold	670,452,068	607,050,265
Infrastructure	12,888,168,064	9,120,061,154
Building - Freehold	34,813,797,499	21,883,364,541
Structures	84,350,833,214	52,729,393,199
Plant & Equipment-Pumping & Treatment	52,210,444,055	36,216,085,755
Service Meter	427,716	(236,685)
Bulk Water Meter	860,089,242	443,158,708
Transmission & Distribution	204,144,281,826	140,367,782,148
Mobile Equipment's	1,012,080,410	762,907,672
Survey Equipment's	105,496,217	119,226,084
Laboratory Equipment's	699,267,744	388,521,257
Other Equipment's	4,942,006,571	4,373,597,196
Furniture & Fittings-Computer	475,682,567	388,154,509
Computers & Peripherals	461,761,169	197,735,062
Motor Vehicles Cars	802,811,610	1,122,706,989
Van Busses & Jeeps	67,477,825	136,974,499
Lorries & Trucks	668,005,006	681,979,211
Tractors & Trailers	23,904,832	31,593,400
Water Bowsers, Heavy Vehicles	1,332,775,672	1,466,313,113
Motor Cycles	12,183,764	12,599,910
Three Wheelers	43,079,911	44,058,334
Total Carrying Amount of Property, Plant & Equipment	409,227,568,841	279,650,028,501

15.4 Gross carrying amount of fully depreciated Property, Plant and Equipments as at 31.12.2023 Rs 3,673,802,221 (31.12.2022, Rs 330,521,913,168)

National Water Supply And Drainage Board
NOTES TO THE FINANCIAL STATEMENTS
Year Ended 31 December 2023

	Actual 2023 Rs.	Restated 2022 Rs.
16. INTANGIBLE ASSETS		
Computer Software	1,959,247,289	27,831,140
Accumulated Amortization	(33,267,401)	-
	<u>1,925,979,889</u>	<u>27,831,140</u>

During the year Rs 33,267,401 has been provided for amortization for the above software and new software amounting to 1,931,516,649 was added.

17. CAPITAL WORK IN PROGRESS		
Construction Work	37.2 474,989,516,343	576,493,295,506
Rehabilitation	37.2 7,572,427,278	8,036,101,834
	<u>482,561,943,621</u>	<u>584,529,397,340</u>

18. INVESTMENT PROPERTY

The Building constructed by the NWS&DB at Sunil Mawatha, Battaramulla currently occupied by the Ministry of Water Supply and Estate Infrastructure Development is recognized as Investment Property according to the LKAS 40 - Investment Property. Total rent income identified for the year is Rs. 21,420,000

	Land 2023 Rs	Building 2023 Rs	Total 2023 Rs	Total 2022 Rs
Cost				
Balance as at 31.12.2022	138,500,000	239,339,891	377,839,891	376,553,034
Depreciation				
Opening Balance	-	53,733,473	53,733,473	48,946,695
Charge for the Period	-	4,786,778	4,786,778	4,786,778
Closing Balance	-	58,520,251	58,520,251	53,733,473
Net Book Value	<u>138,500,000</u>	<u>180,819,640</u>	<u>319,319,640</u>	<u>322,819,561</u>

National Water Supply And Drainage Board

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 31 December 2023

	Actual 2023 Rs.	Restated 2022 Rs.
19. FINANCIAL ASSETS		
HDFC Investment for Staff Housing Loans	434,368	434,368
	<u>434,368</u>	<u>434,368</u>
20 NON OPERATING ASSETS AND LIABILITIES		
Non Operating Assets	149,748,448	149,748,448
Non Operating Liabilities	(51,287,805)	(51,287,805)

The non operating asset balance of Rs.149,748,448 and non operating liability balance of Rs.51,287,805 appear from the year 1999 and it could not be investigated due to non accessibility of the required documents. Action is in progress to write off the said balances in the year 2024.

21 INVENTORIES

PVC Steel Pipes	37.2	13,082,405,385	9,866,926,506
Water Meter & Fitting & Brass Items	37.2	1,601,642,430	1,027,204,561
Chemical Materials	37.2	580,622,199	554,560,999
Electricals	37.2	1,157,769,338	991,516,452
Building Materials	37.2	291,255,282	325,355,005
Pump & Spare Parts	37.2	1,733,552,819	1,195,638,191
Vehicle Spare Parts	37.2	199,657,650	211,622,127
Stationary & Office Equipment's	37.2	85,821,120	82,857,870
Other Items	37.2	1,115,599,483	1,025,542,894
Stock Adjustments	37.2	(200,486,745)	(249,425,778)
		<u>19,647,838,962</u>	<u>15,031,798,826</u>
Less- Major Spares			
Property Plant and Equipment at Stores		(330,665,368)	(388,318,570)
Provision for Obsolete Stock		(242,107,983)	(280,845,382)
		<u>19,075,065,611</u>	<u>14,362,634,874</u>

National Water Supply And Drainage Board

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 31 December 2023

		Actual 2023 Rs.	Restated 2022 Rs.
22 TRADE AND OTHER RECEIVABLES			
Trade Debtors	37.2	14,614,267,136	8,309,580,399
Other Debtors	37.2	780,462,863	410,878,977
Less : Debtors Impairment		(1,787,552,803)	(1,513,035,567)
Debtors Collection Control		702,568,312	878,471,133
VAT Receivable		16,539,685	14,691,746
WHT Receivable		362,506,912	246,511,503
ESC Receivable		-	-
Advances to Staff		7,999,174	10,570,122
Loans to Employees		3,195,276,606	2,910,547,500
Dues from General Treasury		-	-
Receivable on Interest & Others		767,638,995	730,864,496
		<u>18,659,706,881</u>	<u>11,999,080,309</u>
23 DEPOSITS AND ADVANCES			
Pre Payments		1,937,000	270,946
Mobilization and Other Advances		18,320,668,036	28,948,686,972
Deposits	37.2	419,966,225	400,877,424
		<u>18,742,571,261</u>	<u>29,349,835,341</u>
24 INVESTMENTS			
Financial Assets (Including rechargeable funded investments)		13,969,122,470	13,202,089,119
		<u>13,969,122,470</u>	<u>13,202,089,119</u>
LKR 16,836,510,365 was reclassified from investments to Escrow Account in the year.			
25 ESCROW ACCOUNT			
Escrow Account		16,836,510,365	18,887,579,277
		<u>16,836,510,365</u>	<u>18,887,579,277</u>
LKR 16,836,510,365 was separately identified as Escrow account. This value was reclassified from investments.			
26 CASH AND CASH EQUIVALENTS			
Cash in Bank		5,272,461,136	3,832,751,317
Cash Imprests Head Office		3,700,000	1,525,000
Cash Imprests Regions		8,410,670	5,866,110
Cash in Transit		210,841,265	189,165,139
Bank of Ceylon Saving - II		1,538,814	1,500,083
Savings Account		62,874,715	58,692,967
		<u>5,559,826,600</u>	<u>4,089,500,617</u>
27 OPENING BALANCE OF TREASURY			
This balance was transferred to equity in restated 2022 financial statements as per the instructions received from treasury			
28. GOVERNMENT EQUITY			
Loans to Equity Conversion		97,599,284,805	101,215,659,366
Government Contribution (Bond)		14,085,464,312	14,085,464,312
		<u>111,684,749,118</u>	<u>115,301,123,678</u>

As per the Cabinet Paper No 17/0918/714/023 it was authorized to convert the loans as at 31.12.2014 of the NWS&DB to be converted as equity of the General Treasury. Accordingly the disbursements of the said loans after 01.01.2015 were also treated as equity of the General Treasury. Subsequently at the meeting held on 2020.09.29 it was directed by the State Accounts of the Treasury to treat Rs.23,388,647,810 of such converted equity to be treated as Government Grants. Accordingly the necessary approvals were obtained and the said change is made in the year 2023.

National Water Supply And Drainage Board

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 31 December 2023

		Actual 2023 Rs.	Restated 2022 Rs.
29. STAFF WELFARE & OTHER FUNDS			
Opening Balance		23,656,876	33,115,808
Received/(Paid) During the Year		(1,991,484)	(9,458,932)
		<u>21,665,392</u>	<u>23,656,876</u>
30. GOVERNMENT GRANT			
Treasury Grant		<u>155,526,551,042</u>	<u>123,523,371,754</u>
		<u>155,526,551,042</u>	<u>123,523,371,754</u>
31. CAPITAL GRANTS			
Foreign Grants	37.2	303,839,764,740	305,363,655,745
Local Grants		<u>2,362,697,383</u>	<u>2,184,237,808</u>
		<u>306,202,462,123</u>	<u>307,547,893,553</u>
32. LOAN PAYABLE			
Foreign Loans		223,552,494,634	253,349,944,793
Local Loans		<u>23,600,411,618</u>	<u>29,018,928,041</u>
Long term Portion of Loan Payable		<u>247,152,906,252</u>	<u>282,368,872,833</u>
Current Portion of Loan Payable		<u>74,672,171,838</u>	<u>52,475,160,647</u>
Loan Payable		<u>321,825,078,089</u>	<u>334,844,033,481</u>
The interim policy of GOSL is to introduce a standstill of servicing external public debts, for an interim period pending an orderly and consensual restructuring of those obligations in a manner consistent with an economic adjustment program supported by the IMF. Hence, the portion of such loans which are paid by the GOSL is remained outstanding until such period.			
33. OTHER DEFERRED LIABILITIES			
Provision for Defined Benefit Plan	33.1	4,368,425,143	4,368,425,143
Customer and Employee Security Deposits		<u>63,954,669</u>	<u>66,640,117</u>
		<u>4,432,379,812</u>	<u>4,435,065,261</u>
33.1 Movement of Retiring Gratuity Provision			
Balance at the Beginning of the Period		4,368,425,143	4,368,425,143
Add Provision for the Period		1,058,795,842	241,893,010
Less: Gratuity Payments During the Period		<u>(1,058,795,842)</u>	<u>(241,893,010)</u>
Provision for Defined Benefit Plan		<u>4,368,425,143</u>	<u>4,368,425,143</u>
34. TRADE AND OTHER PAYABLES			
Rechargeable Work - Customer Advances	37.2	3,865,646,412	8,861,379,467
Contractors Retention		15,958,853,245	18,358,832,037
Creditors Control	37.2	10,532,556,587	9,017,828,111
Other Creditors		427,733,989	400,204,587
Accrued Expenses		30,967,261,835	30,017,594,587
Deposits		2,113,436,131	1,950,040,101
VAT Payable		1,192,383,103	695,593,486
With Holding Tax		469,003	19,122
Salaries and Other Payables		<u>246,718,450</u>	<u>217,797,531</u>
		<u>65,305,058,757</u>	<u>69,519,289,028</u>



National Water Supply And Drainage Board
NOTES TO THE FINANCIAL STATEMENTS
 Year Ended 31 December 2023

35. RELATED PARTY TRANSACTIONS

Transactions with State and State Controlled Entities

In the normal course of its operations, the Board enters into transactions with related parties. Related parties include the Government of Sri Lanka (State: as the ultimate owner of the Board), various government departments, and State controlled entities. Particulars of transactions, and arrangements entered into by the Board with the State and State controlled entities which are individually significant and for other transactions that are collectively, but not individually significant.

36. EVENTS AFTER THE BALANCE SHEET DATE

All the material events after the balance sheet date have been considered and appropriate adjustments and disclosures have been made to the financial statement, where necessary. Followings are ascertained to be disclosed.

<u>Nos</u>	<u>Case No</u>	<u>Court</u>	<u>Complainant</u>	<u>The Accused</u>	<u>Amount may be (paid) or received</u>
1	M/8713	Kalutara District Court	NWS&DB	NSS Liyanage	3,052,879.23
2	7157/M/2012	Mt Lavinia District Court	NWS&DB	MP Fernando	4,777,348.87
3	7158/2012/M	Mt Lavinia District Court	NWS&DB	A Mabulage	53,328,839.04
4	7156/2012/M	Mt Lavinia District Court	NWS&DB	HV Kumaranayeka	190,335,023.30
5	M/994/22	Kilinochchi District Court	NWS&DB	L Alwis and Others	7,453,887.00
7	34383/M	Anuradhapura District Court	RKRI Ranasinghe	NWS&DB	(600,000.00)
	M/R/1207/23	Theldeniya District Court	M W J P Kumara	NWS&DB	(10,000,000.00)
8	M/9675	Galle District Court	PB Lionel	NWS&DB	(600,000.00)
9	DSC/86/23	Mahanuwara District Court	S Bandara & Others	NWS&DB	(1,100,000.00)
10	8131/19/M	Mt Lavinia District Court	NWS&DB	JM Karunarathne	21,450,000.00
11	DMR/00168/18	Colombo District Court	MF Vadooth	NWS&DB	(100,000,000.00)
Total					168,097,977.44

National Water Supply And Drainage Board

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 31 December 2023

37. PRIOR YEAR ADJUSTMENTS

- 37.1 NWSDB assets were revalued by obtaining the service of the Department of Valuation in which NWSDB involves an immense assets base. Accordingly, the revalued amount of assets was taken to the books in the year 2010 and those values have been continuing as deemed the cost of PPE at present to which some adjustments were required retrospectively. Further, under the Assets Management System (AMS) implementation, some asset categorizations were amended in 2023. Hence, the net effect of Rs. 2,683,137,853 had been adjusted to the gross carrying amount of PPE, and Rs. 435,057,807 had been adjusted for depreciation as of 31.12.2022 as follows.

37.1.1 Gross Carrying Amounts

Cost	Balance As at 31.12.2022 Rs.	Prior Year Adjustments Rs.	Restated Balance As at 31.12.2022 Rs.
Freehold Assets			
Land Freehold	8,695,502,176	(138,499,995)	8,557,002,181
Land Leasehold	607,050,265	-	607,050,265
Infrastructure	10,658,103,494	16,003,738	10,674,107,232
Building - Freehold Structures	25,414,531,711 61,686,219,221	(264,621,477) (122,127,883)	25,149,910,234 61,564,091,338
Plant & Equipment Pumping & Treatment	53,159,019,053	26,233,408	53,185,252,461
Service Meter	505,327	(664,400)	(159,074)
Bulk Water Meter	910,351,723	1,765,285	912,117,008
Transmission & Distribution	156,995,565,131	(56,005,571)	156,939,559,561
Mobile Equipment's	1,644,106,063	(112,747,334)	1,531,358,729
Survey Equipment's	164,683,481	2,609,107	167,292,588
Laboratory	1,004,951,833	15,547,837	1,020,499,670
Other Equipment	5,952,378,958	687,191,898	6,639,570,856
Furniture & Fittings-Computer	731,796,657	103,018,130	834,814,787
Computers & Peripherals	1,069,656,302	(13,649,717)	1,056,006,584
Motor Vehicles Cars	2,663,162,657	120,971,759	2,784,134,417
Van Busses & Jeeps	398,175,566	(5,015,359)	393,160,207
Lorries & Trucks	1,303,284,246	(135,377,136)	1,167,907,110
Tractors & Trailers	68,242,191	(37,624)	68,204,567
Water Bowsers, Heavy Vehicles	2,080,588,146	(24,633,261)	2,055,954,886
Motor Cycles	29,172,583	58,974	29,231,557
Three Wheelers	56,237,477	-	56,237,477
Total Value of Depreciable Assets	335,293,284,262	100,020,379	335,393,304,641

National Water Supply And Drainage Board

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 31 December 2023

37.1.2 Depreciation	Balance As at 31.12.2022 Rs.	Prior Year Adjustments Rs.	Restated Balance As at 31.12.2022 Rs.
Freehold Assets			
Land Freehold	-	-	-
Land Leasehold	-	-	-
Infrastructure	1,559,538,754	(5,492,676)	1,554,046,079
Building - Freehold	3,398,885,270	(132,339,577)	3,266,545,693
Structures	8,966,491,907	(131,793,768)	8,834,698,139
Plant & Equipment Pumping & Treatment	17,705,589,545	(736,422,839)	16,969,166,706
Service Meter	77,611	-	77,611
Bulk Water Meter	469,482,086	(523,785)	468,958,300
Transmission & Distribution	17,853,795,813	(1,282,018,400)	16,571,777,413
Mobile Equipment's	799,472,346	(31,021,289)	768,451,057
Survey Equipment's	47,511,267	555,237	48,066,505
Laboratory	635,633,441	(3,655,028)	631,978,413
Other Equipment	2,405,750,460	(139,776,800)	2,265,973,660
Furniture & fittings-computer	446,660,278	-	446,660,278
Computers & Peripherals	887,360,733	(29,089,211)	858,271,522
Motor Vehicles Cars	1,599,769,996	61,657,432	1,661,427,428
Van Busses & Jeeps	287,133,659	(30,947,951)	256,185,708
Lorries & Trucks	544,789,208	(58,861,309)	485,927,899
Tractors & Trailers	38,765,268	(2,154,101)	36,611,167
Water Bowsers, Heavy Vehicles	651,469,406	(61,827,633)	589,641,773
Motor Cycles	16,615,922	15,724	16,631,647
Three Wheelers	12,179,144	-	12,179,144
Total Value of Depreciation	58,326,972,114	(2,583,695,973)	55,743,276,140



National Water Supply And Drainage Board
 NOTES TO THE FINANCIAL STATEMENTS
 Year Ended 31 December 2023

37.2 In addition to the prior year adjustments for Property Plant & Equipment's, the following items also have been adjusted retrospectively.

	Balance As at 31.12.2022 Rs.	Prior Year Adjustments Rs.	Adjustments For 2022 Rs.	Restated Balance As at 31.12.2022 Rs.
Other Operating Expenses (Note 11)				
Economic Service Charges	-	-	33,795,903	33,795,903
Income Tax (Note 14)				
Economic Service Charges	33,795,903	-	(33,795,903)	-
Intangible Assets (Note 16)				
Computer Software	27,730,640	100,500	-	27,831,140
Capital Works in Progress (Note 17)				
Rehabilitation	8,037,522,604	1,513,416	(2,934,186)	8,036,101,834
Construction Work	576,871,469,510	(378,174,004)	-	576,493,295,506
Investment Property (Note 18)				
Cost	-	328,259,620	-	328,259,620
Accumulated Depreciation	-	53,054,474	-	53,054,474
Financial Assets (Note 19)				
Bank of Ceylon Saving - II	1,500,083	(1,500,083)	-	-
Inventories (Note 21)				
PVC Steel Pipes	9,866,282,779	556,843	86,884	9,866,926,506
Water Meter & Fitting & Brass Items	1,023,697,365	-	3,507,196	1,027,204,561
Chemical Materials	554,560,999	-	-	554,560,999
Electricals	989,815,754	1,700,698	-	991,516,452
Building Materials	325,355,005	-	-	325,355,005
Pump & Spare Parts	1,189,453,847	6,184,343	-	1,195,638,191
Stationary & Office Equipment's	82,857,870	-	-	82,857,870
Other Items	1,025,634,644	-	(91,750)	1,025,542,894
Stock Adjustments	(249,392,359)	(1,072,908)	1,039,489	(249,425,778)
Trade And Other Receivable (Note 22)				
Trade Debtors	8,309,580,399	-	-	8,309,580,399
Dues from General Treasury	659,277,280	(659,277,280)	-	-
Other Debtors	398,347,552	-	12,531,425	410,878,977

National Water Supply And Drainage Board
 NOTES TO THE FINANCIAL STATEMENTS
 Year Ended 31 December 2023

37.2 In addition to the prior year adjustments for Property Plant & Equipment's, the following items also have been adjusted retrospectively. (Cont'd)

	Balance As at 31.12.2022 Rs.	Prior Year Adjustments Rs.	Adjustments For 2022 Rs.	Restated Balance As at 31.12.2022 Rs.
Deposits & Advances (Note 23)				
Deposits	400,877,424	-	-	400,877,424
Investments (Note 24)				
Financial Assets (Including rechargeable funded investments)	32,089,668,396	(18,887,579,277)	-	13,202,089,119
Escrow Account (Note 25)				
Escrow Account	-	18,887,579,277	-	18,887,579,277
Cash & Cash Equivalents (Note 26)				
Cash In Bank	3,832,751,317	-	-	3,832,751,317
Bank of Ceylon Saving - II	-	1,500,083	-	1,500,083
Assets taken over from Government Dept. (Note 27)				
Assets taken over from Government Dept.	185,480,387	(185,480,387)	-	-
Government Equity (Note 28)				
Government Contribution (bond)	13,899,983,925	185,480,387	-	14,085,464,312
Capital Grant (Note 31)				
Foreign Grants	305,339,821,319	23,129,503	704,924	305,363,655,745
Trade And Other Payable (Note 34)				
Rechargeable Work - Customer Advances	8,862,915,143	(1,413,505)	(122,170)	8,861,379,467
Creditors Control	9,008,678,679	9,149,432	-	9,017,828,111



National Water Supply And Drainage Board

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 31 December 2023

	Actual 2023 Rs.	Restated 2022 Rs.
38. Summarized Statement of Income		
<u>Revenue</u>		
Metered and Bulk Supply	58,549,558,334	33,122,153,491
New Connection and Others	3,302,730,221	2,342,312,129
Total	61,852,288,555	35,464,465,620
<u>Cost of Sales</u>		
Personnel Cost	7,964,033,215	8,220,144,775
Pumping Cost	13,784,944,713	7,240,988,228
Chemicals	2,988,136,090	1,997,344,741
Repairs & Maintenance	3,832,180,334	2,238,794,112
Establishment Expenses	1,424,860,986	1,147,429,361
Rent, Rates, Taxes, Security & Other Expenses	2,578,676,744	2,140,613,453
Rebates	270,950,919	159,239,696
Total	32,843,783,000	23,144,554,365
Gross Profit	29,008,505,555	12,319,911,255
Other Operating Income and Gains	4,284,862,995	1,289,485,096
<u>Other Cost</u>		
Administrative Expenses	(9,776,267,180)	(9,369,339,544)
Other Operating Expenses	(1,338,398,898)	(347,081,649)
Earning before Interest, Tax, Depreciation & Amortization (EBITDA)	22,178,702,473	3,892,975,158
Depreciation	(5,064,881,306)	(4,682,308,694)
Earning before Interest & Tax (EBIT)	17,113,821,167	(789,333,536)
Finance Income	3,121,158,211	2,006,866,677
Finance Cost	(14,948,454,251)	(3,917,340,209)
Profit / (Loss) Before Tax	5,286,525,126	(2,699,807,068)
Income Tax (Economic Service Charges)	-	-
Profit / (Loss) for the Year	5,286,525,126	(2,699,807,068)



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தேசிய கணக்காய்வு அலுவலகம்

NATIONAL AUDIT OFFICE



මගේ අංකය
எனது இல.
My No.

WAS/A/NWSDB/FA/01/2023

ඔබේ අංකය
உமது இல.
Your No.

දිනය
திகதி
Date

31 May 2024

The Chairman
National Water Supply and Drainage Board

Report of the Auditor General on the Financial Statements and Other Legal and Regulatory Requirements of the National Water Supply and Drainage Board for the year ended 31 December 2023 in terms of Section 12 of the National Audit Act, No 19 of 2018.

1 Financial Statements

1.1 Qualified Opinion

The audit of the financial statements of the National Water Supply and Drainage Board (NWSDB) ("Board") for the year ended 31 December 2023 comprising the statement of financial position as at 31 December 2023 and the statement of comprehensive income and the statement of other comprehensive income, statement of changes in equity and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, was carried out under my direction in pursuance of provisions in Article 154(1) of the Constitution of the Democratic Socialist Republic of Sri Lanka read in conjunction with provisions of the National Audit Act No.19 of 2018 and Finance Act, No.38 of 1971. 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 Board as at 31 December 2023, and of its financial performance and its cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

1.2 Basis for Qualified Opinion

1.2.1 Deviating from application of Sri Lanka Accounting Standards (LKAS/SLFRS)

- (a) Prior year adjustments had been done for the assets and depreciation in each and every year since the year 2012 due to weakness in internal controls relating to the assets classification. As a result of that, opening retained earnings of the year 2023 had been changed by Rs. 2,584 million and profit of previous years disclosed in audited financial statements were materially changed by providing incorrect information to users of those financial statements.
- (b) The fully depreciated fixed assets in relation to 16 categories, amounting to Rs.3.67 billion were being continuously utilized by the Board, had not been reviewed annually to revise the estimated useful lifetime as per the paragraph 51 of the Sri Lanka Accounting Standard LKAS 16.
- (c) It was revealed that the foreign grant balances aggregating to Rs.7,004 million in respect of 26 Projects and a sum of Rs. 334 million relating to one project had remained without being amortized over 15 years and 12 years respectively in the financial statements as at 31 December 2023, contrary to the provisions in the Sri Lanka Accounting Standard (LKAS 20).
- (d) Government grant, foreign grant and Local grant received for projects amounting to Rs. 42,267 million had remained over three years without being amortized and the Impact on non-amortization to the financial statements could not be ascertained in audit, since no details were submitted to the audit.
- (e) Without identifying expected credit losses as per the paragraph 5.5 of the Sri Lanka Financial Reporting Standard on Financial Instruments (SLFRS 09), a provision of Rs.47 million had been made for impairment for sewerage debtors and other debtors based on a fixed rate as at 31 December 2023.
- (f) Leased hold assets valued at Rs.670 million had been disclosed as lease hold land under the free hold lands in notes to the financial statements without being

disclosed as right of use assets as per the requirement of the para 51 of the SLFRS 16. Further, the Board had not charged the depreciation for right to use assets during the lease period and the impact on depreciation as at 31 December 2023 could not be ascertained due to lack of evidence.

- (g) As per the Section 3.2.1 of accounting policies submitted with the financial statements, provision had not been made for slow moving stocks amounting to Rs.1,106 million. Further, no procedure had been developed to identify the nature of the classification of inventory at the stock verification.
- (h) Even though the loan obtained for Water Supply Projects represent 75 per cent of the total liabilities of the Board, the only minimum required information relating to loans had been disclosed as to comply with the minimum requirement of the LKAS 01. However, other required information for users understanding had not been disclosed. Further, Subsidiary loan amount of Rs.8,717 million obtained from the Government had not been properly classified for users understanding and Loan obtained for Jaffna Killinochchi water supply Project had also categorized as direct loan instead of subsidiary loan even there is a subsidiary loan agreement. Difference of Rs.4,274 million was observed between the balances shown in the financial statements of the Board and the balances shown in the financial statements of state accounts regarding the loan No.3348.
- (i) The Board had not disclosed the details of comparison of income tax expense (income) of the current year with the previous year as per the required by the LKAS 12.
- (j) Prior year adjustments which needed to present under the specific line items such as financial assets, cash in hand, Investments, Escrow accounts in the financial statements as per the LKAS 01. However, it had been erroneously recorded in the equity statements. Further, transactions on assets recognized and derecognized, trade and other payables, trade and other receivables and inventories aggregating to Rs.29 million had been recognized to the retained earnings in equity statements instead of restating the income statements of the year 2022.

- (k) Disclosures in relation to the related party transactions such as directors' emolument and retirement gratuity had not been made in the financial statements as per the requirements of LKAS 24.
- (l) The Board had charged Rs.2,597 million of rechargeable advances given by customers in previous years to the current year income statement as other operating income and gain instead of recognizing profit from rechargeable works in respective years. The expenses relevant for these rechargeable works had been recognized in respective previous years' income statements. Therefore, profit of the year under review had been overstated by similar amount.
- (m) Indemnity liability of Rs.1,208 million recommended by the Committee appointed by the Mathara District Secretary to decide the indemnity for the farmers affected inundation due to the construction of Nilwala salinity barrier from 2019 to 2022 had not been disclosed in the financial statements as required by the paragraph 86 of the LKAS 37.

1.2.2 Accounting Deficiencies

- (a) Amounting to Rs. 1,378 million out of total grant received Rs.5,294 million incurred as demurrages in relation to Water for all Project had been set off against the grant received from the General Treasury for that Project in contrary to the paragraph 4.3 of notes to the financial statements. Further, It had not been properly disclosed as per the requirement of the paragraph 39 of SLAS 20.
- (b) As per note No. 3.2.1 of accounting policies submitted with the financial statements, the balance of inventory at the end of the year under review should be valued at weighted average cost method. However, audit test check revealed that the inventory balance derived from the management information system had not complied with the weighted average cost method due to abnormal price deviations between stock receipts and issues and amount of Rs. 200 million of abnormal price deviations had been deducted from the stock value as stock adjustments during the year under review. Hence, accuracy of balance of inventories in the financial statements could not be verified in audit.

- (c) As compared with the confirmations received from banks, in respect of accrued interest on loans of two foreign funded projects and three local funded projects, audit revealed that an over provision of Rs.1,195 million had been made in the financial statements. Therefore, the work in progress balance had been overstated by similar amount.
- (d) As per the information received, the cost of sixty eight (68) completed and commissioned Projects amounting to Rs.25,697 million had remained in the work-in-progress as at 31 December 2023 without being capitalized. Therefore, the property, plant and equipment relevant for the year had been understated by similar amount. Further, depreciation on such assets had not been made during the year under review.
- (e) The balances aggregating to Rs.199 million relating to 05 Projects shown under the work-in-progress are remained unchanged over thirteen years without being investigated to identify the reasons and to make necessary adjustments in the financial statements even this matter is reiterated from previous years. No impairment test had been carried out to identify the impairment impact.
- (f) Fixed assets in eight cost centers with an aggregate value of Rs.720 million could not be verified and physically not existed as per verification report submitted to the audit. Further, the amount of Rs.999 million valued assets in Regional support Centers could not be clearly identified. Further, a provision of Rs.33 million had been made for depreciation of those assets during the year under review.
- (g) Assets and liabilities amounting to Rs.150 million and Rs.51 million respectively are remain long outstanding as non-operating assets and non-operating liabilities in the financial statements. However, the action had not been taken to clear them. Further, an unidentified prior year balance of Rs.235million, stock balance of Rs.22 million, bank balances of Rs.8 million and advances given to ministry amounting to Rs.15 million were included in the above balance as non-operating assets.

- (h) The action had not been taken to clear land advance amount of Rs.47 million paid to Divisional Secretary by Regional Service Center (Central) even though the respective lands had been acquired as at 31 December 2023. Therefore, assets had been understated by similar amount. Further, amount of Rs. 42 million advances given to Divisional Secretariat had been recorded as advances given to contractor under ledger code 246 and is being remained more than 09 years without being cleared.
- (i) An interest income in relation to fixed deposit had been overstated by Rs.29 million in the year under review as a result of applying average interest rate without using actual rate for interest calculations. Interest income of the year under review had been understated by Rs.4.9 million and Rs.837,350 due to non-provision of interest income for some Fixed deposits and Repo respectively. Further, interest income and With holding tax had been understated by Rs. 10 million due to non-recognition of withholding tax relating to the interest income on fixed deposit.
- (j) Four lands and two vehicles which were recorded in assets registers of cost centers had not been accounted by assessing the value of that assets and three Lands belongs to Western South region had not been accounted or included in the fixed asset register.
- (k) An aggregated receipt of Rs.7.7 million from interest income on investment, employee contribution for sinking fund and salary contribution to CSR fund had been erroneously presented as income from Main Operations. Therefore profit for the year under review had been overstated by that amount.
- (l) Consultancy fee received amounting to Rs.387 million from different projects before three years ago had been recognized as consultancy fee payable and it had not been settled or recognized as income as at 31 December 2023.

- (m) Depreciation amounting to Rs.6,130 million of operating assets and amortization relevant for those assets had been classified as administration expenses instead of being recognized as cost of sales.

1.2.3 Un-Reconciled Balances

- (a) An un-reconciled difference of Rs.1,456 million was observed between the value of metered sales, bulk sales, bowser supply and income from main operation shown in the VAT returns and the financial statements.
- (b) A difference aggregating to Rs.20,667 million was observed in foreign grants of four foreign funded projects when compared the balances shown in the financial statements of the board and the balances shown in the individual financial statements of the respective projects.
- (c) A difference aggregating to Rs. 17,333 million was observed between the work-in- progress balance shown in the financial statements of the Board and the corresponding balances shown in the individual financial statements of seven Foreign Funded Projects.
- (d) A difference of Rs.10,770 million was identified between the balance shown in the financial statements of the Board and the balance shown in the financial statements of the General Treasury in relation to the Capital Contribution.
- (e) An aggregate difference of Rs.153 million was observed between balance shown in the schedules submitted to the audit and the balance shown in the financial statements in relation to the classification of Stock items.

1.2.4 Lack of Documentary Evidence for Audit

The documentary evidences indicated against each item shown below had not been furnished to audit.

Item	Value Rs. million	Evidences not Made Available
(a) Other Debtors	79	Customer wise detail schedule for other debtor balances in Head Office, Consumer asset management, Regional support centers – Colombo North, Manager office-Trinco,&Dehiwala
(b) Non- moving & Slow-moving Stocks	1,655	Age analysis
(c) Short Term Deposits in Other Institutions	5	Detailed schedules and reasons for existence.
(d) Withholding Tax	112	Detailed schedules and Certificates
(e) Rehabilitation Tax	2	Detailed Tax Computation, Schedules
(f) Treasury Grant	137	Detailed schedule of grant with relevant project details
(g) Capital Grants-Local Authorities	544	Detailed schedule of grant with relevant project details
(h) Foreign Capital Grants	7,232	Detailed schedule of grant with relevant project details

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 Board's 2023 Annual Report

The other information comprises the information included in the Board's 2023 Annual Report but does not include the financial statements and my auditor's report thereon, which I have obtained prior to the date of this auditor's report. Management is responsible for the other information.

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

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

Based on the work I have performed on the other information (draft annual report) that I have obtained prior to the date of this report auditor's report, I observed following disclosures had not been made as per the Guideline on Corporate Governance for State Owned Enterprises issued by Department of Public Enterprises.

- (a) Statement on economic value added Corporate
- (b) According to corporate governance, there are executive and non-executive directors even only Board consists of Independent Non-executive directors
- (c) Only nine years financial highlights presented instead of preceding ten years.

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 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 Board'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 Board or to cease operations, or has no realistic alternative but to do so.

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

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

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 skepticism throughout the audit. I also:

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Board'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 Board 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

National Audit Act, No. 19 of 2018 includes specific provisions for following requirements.

- Except for the effect of the matters described in the Basis for Opinion paragraph, I have obtained all the information and explanation that required for the audit and as far as appears from my examination, proper accounting records have been kept by the Board as per the requirement of section 12 (a) of the National Audit Act, No. 19 of 2018.

- The financial statements presented is consistent with the preceding year as per the requirement of section 6 (1) (d) (iii) of the National Audit Act, No. 19 of 2018.
- The financial statements presented includes all the recommendations made by me in the previous year final report as per the requirement of section 6 (1) (d) (iv) of the National Audit Act, No. 19 of 2018 except for paragraph 1.2.1(a), 1.2.1(b), 1.2.1(c), 1.2.1(d), 1.2.1 (e), 1.2.1 (f), 1.2.1(g), 1.2.2(b), 1.2.2(c) 1.2.2(d), 1.2.2(e), 1.2.2(f), 1.2.2(g), 1.2.2(h), 1.2.2(j), 1.2.3(a), 1.2.3(b), 1.2.3(c), 1.2.3(d).

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

- to state that any member of the governing body of the Board has any direct or indirect interest in any contract entered into by the Board which are out of the normal course of business as per the requirement of section 12 (d) of the National Audit Act, No. 19 of 2018 except for,
 - (i) The chairman of the board had chaired the procurement committee in which the decision taken to offer the contract to a company which had direct connection with the chairman of the Board for the procurement of the solar system at contact value of Rs.73 million even the Chairman had not disclosed the indirect interest regarding this contract as per the requirements of the Section 05 (04) of the National water supply & Drainage Board Law No.02 of 1974.
 - (ii) Even the directors should be independent; the former General Manager of the Board had been appointed as a Member of the Governing body just after the retirement from October 2023. However, it had not been disclosed in the financial statements. Retirement benefits had been given to her during the year 2023 is Rs.6.25 million.
- to state that the Board has not complied with any applicable written law, general and special directions issued by the governing body of the Board as per the

requirement of section 12 (f) of the National Audit Act, No. 19 of 2018 except for;

	Reference Laws/Direction	to	Description
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(a)	Inland Revenue Act 24 of 2017		
	Section 03		Assessable income from each source had not been calculated separately.
	Section 91		Estimated income tax return for the year of assessment 2023/2024 had not been submitted as at 15 August 2023.
(b)	Section 83A(1A) of the Inland Revenue Act 24 of 2017 and Inland Revenue (amendment) Act 10 of 2021 and Inland Revenue (amendment) Act 45 of 2022 and the Extra Ordinary Gazette No.2312/16 dated 28 December 2022		The board had not taken in to account the Medical insurance allowance, Telephone allowance, travel allowance and circuit Bungalow facility when calculating tax liable employment income on APIT Tax in the year 2023.
(c)	Section 571 of Financial Regulations of Democratic Socialist Republic of Sri Lanka		Refundable tender deposits amounting to Rs.219 million had remained over two years without being released to relevant parties or credited to the income.

- (d) Operational Manual for
State Owned Enterprises
of Department of Public
Enterprises dated 17
November 2021

- (i) Paragraph 3.5 During the year under review, the Board had paid a sum of Rs.24.34 million as salaries and allowances of fifteen employees who had been released to the Line Ministry as at 31 December 2023. Accordingly, the Board should reimburse Rs.263.33 million from Line Ministry for the employees released from December 2015. Four out of fifteen employees had been released by the Line Ministry to the Ministers office even though the approved carder of Minister office had been fulfilled.

The amount of Rs.5 million had been paid as salaries for the employee released to President office from 2020 to end of the year under review without being recovered. Further one employee had been released to Prime Minister's office without paying the salary since 22 July 2022.

Further six vehicles valued at Rs.66.47 million had been released to the line ministry and One vehicle valued at Rs.39.26 million out of them had been utilized by the coordinating secretary of the Minister of line ministry at the time of importing without use for the Project purpose since April 2019. However, this vehicle had been released by line Ministry to the Health Ministry in the year 20 January 2023 without the approval or consent of

the Board.

- (ii) Paragraph 5.1 Contrary to that provision, a sum of Rs.287.85 million had been paid as productivity incentive instead of Bonus for the year 2023 under the Board approval without paying profits to the consolidated fund. In addition to that amount of Rs.471.39 million had been paid to employees as monthly productivity allowance with the salary during the year under review.
- (iii) Paragraph 6.2 A committee of investment had not been established even the revenue per annum for last two years exceed the Rs.30 billion.
- (e) Paragraph 2.1 Corporate communication Branch had been Guidelines on Corporate handed over to the chairman of the Board by Governance for state General Manager without informing to the Board owned enterprises on 16 of directors even the Board of directors is required November 2021 to introduce and maintain necessary controls to ensure that the policy and operational roles are clearly demarcated with adequate oversight.
- (f) Management Services Approval for the Scheme of Recruitment and Circular No. 30 of 22 Promotion Procedure of the Board had not been September 2006 and obtained from the Department of Management Section 3.2(i) of Services even by the end of March 2024. Operational Manual for State Owned Enterprises of Department of Public Enterprises dated 17 November 2021 and the letter No.DMS/E2/19/4/064

dated 23 May 2011 of
Director General of DMS

- (g) Department of Board had paid the remuneration and the Bonus Management Services for employees only with the cabinet approval Circular No.49 dated 24 continuously since the year 2012, without entering December 2012 and into the collective agreements with employees. cabinet decision dated 11 January 2012
- (h) Public Finance circular Even the accident was happened in 12 April 2023 no.01/2020 of 28 August to vehicle allocated for the General Manager, the Board had not been reported the estimated loss of Rs.13 million on that vehicle accident to the Chief accounting officer and Public finance department in General Treasury as at 31 December 2023. Further, preliminary report or full report had not been prepared as per the F.R.104 (3,4) by the Board even the accident had been met due to negligence and careless driving as court case decision No.59629/23. Loss had not been recovered from the insurance company by the board even the insurance agreement was expired on 17 December 2023.
- (i) Public Enterprise Department Circular
- (i) Paragraph 1.2 of the circular Two vehicles had been assigned to the Chairman and Vice chairman in the year 2022 and 2023 No.01/2020 of 27 instead of allocating one for each under Vehicle Policy of the Board as per the Board decision January 2020 No.5/15/2022-898 without having special approval

from the Secretary to the General Treasury.

- (ii) 3.2.2 of 01/2021 Without obtaining the approval of the Board of Directors, the Board had paid Rs.7.4 million for the excess use of fuel 23,313 liters of Additional General Managers and the Deputy General Managers during the period of January 2022 to July 2023.

The Board had given approval to use the Board vehicles to Additional GMs, Deputy GMs, Assistant GMs and managers after the office time and holidays for personal use at concessionary rates of Rs.2 to 15 per kilometer without a limit since the year 1990 without obtaining special approval from the General Treasury. Accordingly, it was revealed in the sample audit that the Board had misused the Board's fund of Rs.4 million for 12,010 fuel liters utilized for the personal use of 13 employees from January 2022 to July 2023.

- (iii) 01/2015 (ii) dated 14 January 2022 Chairman and Vice Chairman of the Board utilized the unlimited fuel with the approval of the Minister instead of 145 liters per month contrary to the circular and without having approval from the Secretary to the General Treasury since January 2021. However contrary to the paragraph 3.2.1 of the PED circular No 01/2015, approval had not been obtained for the excess 5,806 liters valued at Rs.2 million used by the chairman and 6,393 liters valued at Rs.2.3 million used by the Vice chairman during the period January 2022 to July 2023. Further, vehicle No PK 3575 assigned to Vice chairman had been used by the external

party in the year 2022 and 2023 without informing to the General Manager and Governing body. During that period vehicle was run 13,698 kilometers.

(j) General Manager's
Circulars and Guidelines

(i) Admin/12/2015 of 12 August 2015 Legal actions had not been taken as per the circular to recover the outstanding debtors aggregating to Rs.695.48 million in respect of 4,448 disconnected debtors whose bill value over Rs.50,000 as at 31 December 2023.

(ii) FD/72 of 06 June 2011 The amount of Rs.1.3 million given as supply advance before one year had not been settled by the respective employees even exceed the 14 days from the date of advance given as per the circular requirement.

(k) Procurement
Guideline
8.11.4/5

Explanation had not been obtained by the contractor about the reason for nonperforming the contract valued at Rs.75 million or no any written notice had been taken from the contractor under contract no.Sup & MM/Chem/HL-01/2021/22 as at 31 December 2023. Further, the Board had not informed to the line Ministry about the breach of contract by ignoring action taken against the contractor.

- to state that the Board 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.

- to state that the resources of the Board 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 except for;

(a) With respect to fourteen foreign funded projects and five local banks' funded projects, a considerable delay ranging from 498 days to 2,510 days was observed due to poor performance of the contractors, delay in land clearance, environmental and resettlement issues, delay in contract awarding, Covid 19, economic crisis etc. even after granting extensions ranging from 02 to 08 occasions. When considering the information received from the water supply project section regarding the ongoing project progress, differences were observed between the information submitted to the audit in the current year and the previous year for the same projects such as project period and no. of extensions.

Due to above failures, the Board and the Government had to pay Rs. 19,868 million as price escalation as at 31 December 2023 uneconomically. In addition to that, Projects were incurred uneconomical expenses such as commitment charges, demerges and losses on currency fluctuations.

(b) The Board had paid additional amount of Rs. 67 million as commitment charges through Greater Colombo water and waste water management improvement investment project's funds without having approval of the funding agency for the procurement of Water Meters to the Board. Therefore cost of the water meter procured through those contracts had been increased by Rs.720.98 or 12.93 per cent. However, the quantity of 44,701 and 253,009 were remained in stock at the end of the year 2022 and 2023 respectively.

(c) The four pumps procured at Rs.45.93 million for Kadduwa pump house had not been working properly from the beginning. The board had spent board's funds to rectify the defects identified due to contractor was not attending to correct those defects during the defect liability period. However, action had not been taken by the Board to recover the cost incurred by the Board for corrections of

defects and for breaching the contract conditions even defect liability period is lapse on 22 April 2022.

- (d) After the grace period for loan granted for Gampaha, Attanagalla & Minuwangoda Water Supply project by the China Development Bank, six loan installments amounting to USD 45 million had been paid at the end of the year under review. However, out of loan disbursed by the China Development Bank, a sum of USD 52 million equivalent to Rs.16,836.51 million or 29 percent of loan had been retained in Escrow account without being utilized for project activities by the end of the year under review.
- (e) Thirteen office quarters in four Water Supply Schemes constructed at a cost of Rs.33 million had remained idle at the end of the year under review.
- (f) All the constructions relating to Iginiyagala and Wadinagala and Damana Water Supply Scheme valued at Rs. Rs.5.5 million and Rs.9 million respectively had remained idled at the end of the year under and necessary actions had not been taken to utilize those assets.
- (g) Even the bid should be cancelled due to lack of effective competition as per the paragraph 7.12 of procurement guideline, Contract for Ruwanwella Water supply Project had been offered in the year 2019 for the one and only bidder. Further, contractor had requested delay charges of Rs.57 million and Rs. 654 million for the first and second extension respectively based on various reasons and requested amount had not been paid up to the 30th March 2024. Further contractor had requested claim of USD 127,851 under paragraph of 14.7 and 14.8 of FIDIC guideline due to delay in payment of bills. Further, amount of Rs.55 million (USD 171,653.82) overpayment had been paid by the Project due to reduction of length of laying transmission lines from 20.4 km to 5.9 km due to restructuring the project as per the auditors' calculation.

- (h) Sheet files fixed at Rs.5 million under the construction of the Nilwala Salinity Barrier to avoid the salt infusion for drinking water had been removed under the instructions of the District secretary due to the influence of farmers at cost of Rs.8 million without having the recommendations of technical experts. Reports issued by the Lanka Hydraulic Institute on the impact of the development of the Nilwala Salinity Barrier highlighted that the sheet files should be reinstated to achieve the objective of this construction. Further, a report issued by a committee of the Environmental authority also highlighted that the construction of the barrier and other reasons also impact the inundation of the Matara District. After removing files, quality inspection reports of the Board show that the salt is included in the Water. Therefore, the cost of removing sheet files becomes ineffective.
- (i) The Board had mutually terminated the Mathara stage IV Project without completing the project as directions given by the para 4.10 of the letter no. PMO/DFV II/2/2/1 dated 28 October 2022 issued by Prime Minister's Secretary as per the recommendations of committee on Re strategizing and acceleration of Mega Projects without having approval from the Cabinet of Ministers for Mutual termination. An action had not been taken against the contractor who had failed to complete the balance works as at 31 March 2023 agreed at the time of mutual termination up to 31 March 2024. The board had paid Rs.72.7 million as delay charges to the contractor for delaying the commencement of Main treatment plant due to delay in acquisition of the Land. Requirement of the 2.3.1 (b) of the procurement guideline had not fulfilled by the board before entering in to the contact agreement and it was impact on payment of delay charges. Further amount of Rs.1,715 million had been paid as exchange rate differences on delay the Project as results of informal decision taken, issues in management decision making and non-following the plans. Further amount of Rs.30 million had been paid for one year period for contract employees after the termination of project contract without obtaining the approval from the Management Service department.

3. Other Audit Issues

- (a) Trade debtors, new connection debtors, sewerage debtors and other debtors aggregating to Rs.2,344.78 million had remained over two years without being recovered. Out of above trade debtors 66 per cent represents in Western central, Southern, Western North, and Western south regions. Even though new connection debtors are to be recovered from 3 installments within three months, Rs.32.5 million had remained more than 3 years period without being recovered.
- (b) A sum of Rs.3.5 million in respect of 23 water connections given to parliament members' government quarters had remained long outstanding without being recovered as at the end of the year under review.
- (c) Outstanding disconnected debtors as at 31 December 2023 was Rs.1, 886.7 million. Out of that, amounting to Rs.1,293 million which is equivalent to 69 percent had remained outstanding over two years without being recovered.
- (d) An outstanding balance of Rs.1.76 million in respect of two illegal connections of Galle Urban Council due from 20 years and Rs.28 million in respect of Colombo Municipal Council of due more than 6 years had not been recovered even by the end of the year under review.
- (e) As per the consumer charter of the Board, the first bill should be issued to the consumer within 30 days of the date of new connection. However, a considerable delay ranging from 89 days to 160 days were observed in delivering of 1st bill in Kotte-Kollonnawa, Colombo south, Kauthara- Moranthuduwa and Maharagama – Kesbewa regions in 129 occasions as at 30 March 2024.
- (f) Loans and advances given to former employees –non active amounting to Rs.17 million had remained in accounts for more than eight years period without taking proper actions to recover as at 31 October 2023. However, as per test check done by audit it was observed that more than 90 percent of the above employees who have obtained loans and advances had been given retirement without recovering the due amounts.

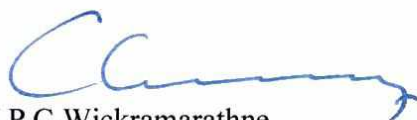
- (g) Sum of Rs.608 million out of Rs. 1,652 million of contract advances given under ledger code No. 246/0 is remained more than three years without being settled. No any evidences submitted for audit about the six legal cases filed for Rs.10 million worth advances to identify the recoverability of those advances. Further amount of Rs.31 million advance given to four contractors cannot be recovered due to non-availability of performance bonds and no any action had been taken by the Board to settle those outstanding.
- (h) Refundable Short term deposits aggregating to Rs. 60 million deposited in external institutions had remained outstanding over three years without being recovered and amount of Rs.12 million out of them cannot be recovered due to non-availability of relevant document. The amount of Rs.5 million given to reinstate the damage Road under the Raigampura green Industrial and Techno Development Zone Project had not been recovered even the Project was completed. Further, an advance given to line ministry amounting to Rs.4 million had remained outstanding over ten years without being recovered. However, the recoverability of this advance is in doubt since the Line Ministry did not taken to make allocation from national budget.
- (i) As per the financial statements, the stocks in transit on local purchase and imported stock in transit as at 31 December 2023 was Rs.1,246 million and Rs.4,827 million respectively. Out of those stocks, Local purchase amount of Rs.642 million had remained over three months without being cleared and imported stock in transit amount of Rs. 3,070 million had remained over two years without being cleared.
- (j) The assets amounting to Rs.41 million transferred between cost centers had not been removed from the accounts of initial cost centers. Therefore responsibilities of those assets are rest with the cost centers which are not utilized those assets.
- (k) The Stock values amount of Rs.41 million in three stores had not been entered to the Inventory Management system as at 31 December 2023.
- (l) An aggregate amount of Rs.2.6 million and Rs.173 million, Rs.552 million of Obsolete, unserviceable and nonmoving respectively had been remained without

being taken necessary actions to dispose as 31 December 2023 and Age analysis had not been provided by the Board to identify the stock lagging period.

- (m) 196 of vehicles which were disposed by the Board are still registered in Department of Motor Traffic under the name of the Board and 23 vehicles registered cannot be identified.
- (n) When analyzing the confirmation sent to debtors, number of 36 accounts with aggregating value of Rs.58 million out of 160 accounts with aggregating value of Rs.347 million had been confirmed as at 30 April 2023. Number of one accounts value aggregating to Rs.2 million had been returned due to inability to find the location and number of 123 accounts value aggregating to Rs.288 million and 76.87 per cent had not been responded. Therefore, existence of majority of debtors could not be verified.
- (o) As per physical verification reports of the year 2023, it was observed that Free Hold Buildings, Structures, Infrastructure, Computer & Other Equipment, Survey equipment, Mobile Equipment etc. with an aggregate value of Rs.106 million had been damaged, removed from usage and demolished in relation to eight cost centers. However, no proper actions had been taken to dispose and remove those items from the books even at the end of the year under review.
- (p) The Board had not taken necessary actions to clear the stock shortage amount of Rs.30 million which is remain more than three years.
- (q) Value of other stock items amounting to Rs.70 million in thirty regions which had not been physically verified during stock verification had also been identified as inventory in the financial statements. Therefore existence of those stocks cannot be verified.
- (r) Answering to the seventy audit queries issued by internal audit division and five audit queries of external audit division had been delayed more than three months from the issuing date. Therefore, ability to improve the internal controls of the Board was slowdown.
- (s) Approved operational manuals for the field of human resource, supply, and Information technology had not been available by the board to strengthen the

internal control of the Board. Further operational manuals available for field of auditing, project, ground water handling, sewerage, designs and operations of RSC,OIC office and Manager office are not updated since 1989.

- (t) A camera in bore hole valued at Rs.10 million remained at Akkareipattu manager office had not been utilized from 2017. However, depreciation for this unserviceable camera is charged to income statement without being disposed and written down value of the this camera is Rs.6,159,000 as at 31 December 2023.
- (u) The Board had not comply with the requirements of the transfer policy established under the circular No.P0 2/2011 dated 18 February 2011 issued by the General Manager. As a sample audit, 273 employees out of the 591 employees of the Western south region are being working between 07 years to 38 years in the same place contrary to the 05 years requirement. Further, Human resource division had not been maintained proper data base for each and every employee such as date of transferred to respective divisions, date of promotions for decision making purpose.
- (v) According to the information submitted, there were 2,625 shortages of employees and 104 excess of employees as at 31 December 2023 and 21 designations were totally vacant. However, Board had not reviewed the carder requirement to meet the manpower requirement of the Board.
- (w) The board had assigned and paid for eleven employees recruited on contract basis for Mathara Stage IV Project to duties of the Board contrary to the para No.2.2.7 and 07 of the circular no 01/2016 dated 24 March 2016 and its amendments from January 2023 without obtaining approval of Management service Department.



W.P.C. Wickramaratne

Auditor General

Abbreviations

AC	- Asbestos Cement / Audit Committee	GR	- Ground Reservoir
ACMA	- Associated Chartered Management Accountant	HDPE	- High Density Poly Ethelene
ACS	- Australian Computer Society	HRM	- Human Resource Management
ADB	- Asian Development Bank	IA	- Internal Audit
ADRA	- Adventist Development and Relief Agency	IEC	- International Electrotechnical Commission
AE	- Area Engineer	IR	- Industrial Relations
AFD	- Agence Française de Development	ICT	- Information and Communication Technology
AGM	- Assistant General Manager	ICTAD	- Institute for Construction Training and Development
AIWSP	- Anamaduwa Integrated Water Supply Project	IWA	- International Water Association
AWSSIP	- Ambatale Water Supply System Improvement & Energy Saving Project	IWSP	- Integrated Water Supply Project
		IEE	- Initial Environmental Examination
BMICH	- Bandaranayaka Memorial International Conference Hall	IESL	- Institution of Engineers Sri Lanka
BOC	- Bank of Ceylon	IMS	- Inventory Management System
BOQ	- Bills of Quantities	IoT	- Internet of Things
BOI	- Board of Investment	ISO	- International Organization for Standardization
CBO	- Community Based Organization	IT	- Information Technology
CCN	- Colombo City North	ITEC	- Indian Technical and Economic Cooperation
CCS	- Colombo City South	IPVPN	- Internet Protocol Virtual Private Network
CCTV	- Closed Circuit Television	JICA	- Japan International Cooperation Agency
CE	- Chief Engineer	JP	- Judge of Peace
CEE	- Chief Engineers	JPY	- Japanese Yen
CEA	- Central Environment Authority	KCWMP	- Kandy City Wastewater Management Project
CEB	- Ceylon Electricity Board	Km	- kilo meter
CEDE	- Capacity Enhancement and Distribution Expansion	KRB	- Kelani Right Bank
CEO	- Chief Executive Officer	LBF	- Local Bank Fund
CETRAC	- Construction Equipment Training Centre	LKR	- Sri Lankan Rupee
CIA	- Chief Internal Auditor	M&E	- Mechanical & Electrical
CIMA	- Chartered Institution of Management Accountant.	MBA	- Master of Business Admin
CHPB	- Center for Housing Planning and Building	MD&T	- Manpower Development & Training
CI	- Cast Iron	MIS	- Management Information System
CIPM	- Chartered Institute of Personal Management	MoU	- Memorandum of Understanding
CKDu	- Chronic Kidney Disease of Unknown Etiology	MSC	- Master of Science
CMC	- Colombo Municipal Council	MMDC	- Ministry of Mahaveli Development & Environment
CP	- Corporate Planning / Corporate Plan	MG	- Mega Watts
CRIP	- Climate Reliance Improvement Project	NAITA	- National Apprentices & Industrial Training Authority
CRIWMP	- Climate Resilient Integrated Water Management Project	NBRO	- National Building Research Organization
CS	- Corporate Services	NC	- North Central
cu.m	- Cubic meter	NCP	- North Central Province
DAB	- Dispute Adjudication Board	NDB	- National Development Bank
DC	- Donor Coordination	NDT	- National Diploma in Technology
DEWATS	- Decentralized Wastewater Treatment and Disposal System	NGOs	- Non-Governmental Organisation
DGM	- Deputy General Manager	NHDA	- National Housing Development Authority
DI	- Ductile Iron	NIBM	- National Institute of Business Management
DMA	- District Metering Areas	NPD	- National Planning Department
DoNCWS	- Department of National Community Water Supply	NRW	- Non-Revenue Water
DS	- Divisional Secretariat	NWSDB	- National Water Supply & Drainage Board
DSC	- Design & Supervision Consultancy	O&M	- Operation & Maintenance
DSD	- Divisional Secretariat Division	PAM	- Polyacrylamides
DZUWSP	- Dry Zone Urban Water and Sanitation Project	PE	- Poly Ethelene
EIA	- Environmental Impact Assessment	PVC	- Polyvinyl Chloride
EPZ	- Export Processing Zone	(Pvt) Ltd	- Private Limited
EWSP	- Ettampitiya Water Supply Project	OIC	- Officer in Charge
GCWWMIIP	- Greater Colombo Water and Wastewater Management Improvement Investment Programme	P&D	- Planning and Design
		P&P	- Policy & Planning
GIS	- Geographic Information System	PAC	- Project Appraisal Committee
GKWRC	- Greater Kurunegala Water Reclamation Center	PDMRC	- Planning & Design Manual Review Committee
GM	- General Manager	PMU	- Project Management Unit
GMWSP	- Greater Matale Water Supply Project	PRDA	- Provincial Road Development Authority
GN	- Grama Niladari	PTB	- Physikalisch Technische Bundesanstalt
GND	- Grama Niladari Division	PWD	- Public Works Department
GoSL	- Government of Sri Lanka	R&D	- Research & Development
GPOBA	- Global Partnership on Output-Based Aid	RAC	- Research Approval Committee
		RC	- Risk Committee
		RDA	- Road Development Authority
		RDB	- Rural Development Bank
		RFP	- Request for Proposal
		RIDEP	- Rural Infrastructure Development Project
		RM	- Regional Manager
		RO	- Reverse Osmosis
		RSC	- Regional Support Center

WN	- Regional Support Center (Western North)
WS	- Regional Support Center (Western South)
N	- Regional Support Center (North)
NW	- Regional Support Center (North Western)
RWS	- Rural Water Supply
SBD	- Standard Bidding Documents
SCADA	- Supervisory Control and Data Acquisition
SCAPC	- Standing Cabinet Appointed Procurement Committee
SDG	- Sustainable Development Goals
SEP	- Sanitation Enhancement Project
SHIFT	- Sanitation and Hygiene Initiative for Towns
SIDA	- Swedish International Development
SL	- Sri Lanka
SLAS	- Sri Lankan Administrative Services
SLIDA	- Sri Lanka Institute of Development Administration
SLSI	- Standard Institution of Sri Lanka
SOEs	- State Own Enterprises
SMS	- Short Message Service
ST	- Small Town
STP	- Septage Treatment Plants
TA	- Technical Assistance
TCE	- Total Cost Estimate
THM	- Trihalomethane
ToR	- Terms of References
ToT	- Training of Trainers
UDA	- Urban Development Authority
UK	- United Kingdom
UNDP	- United Nations Development Programme
UNICEF	- United Nations International Children's Emergency Fund
UPVC	- Unplasticised Polyvinyl Chloride
USD	- United States Dollar
VPN	- Virtual Private Network
VPP	- Vauniya Participatory Planning
VAT	- Value Added Tax
WaSSIP	- Water Supply & Sanitation Improvement Project
WDCE	- Water and Development Congress & Exhibition
WHO	- World Health Organization
WSP	- Water Supply Project / Water Safety Plan
WSS	- Water Supply Scheme
WTP	- Water Treatment Plant
WWDS	- Wastewater Disposal System
WWTP	- Wastewater Treatment Plant

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