

# Infrastructure

## JJM extended till 2028; payments likely to improve

The union cabinet has approved the extension of Jal Jeevan Mission (JJM) until Dec-28E under JJM 2.0, which stipulates an increase in the scheme's total outlay from INR 3.6tn to INR 8.7tn, including an additional INR 1.5tn in central funding. The revamped framework introduces a digital platform called 'Sujalam Bharat' to digitally map the water supply systems from source to tap while Gram Panchayats and VWSCs will participate in scheme commissioning through 'Jal Arpan' to improve transparency and accountability. Since the scheme's launch in Aug'19, rural tap water coverage has expanded from 17% (32.3mn households) to 81.6% (158mn households) presently. The extension and higher allocation highlight the government's focus on completing the programme and clearing pending contractor dues accumulated over the past 12–18 months. At end-Dec-25, seven listed companies with JJM exposure have a combined backlog of c. INR 287bn and receivables of c. INR 115bn. While execution has slowed due to delayed payments, it should gradually gather pace as receivables are cleared. We believe with government's renewed thrust on the scheme under JJM 2.0, payments for ongoing projects are likely to improve over the next few quarters. Key beneficiaries: L&T, NCC, KPIL, PNC Infratech and KEC International.

- **Scheme extension under JJM 2.0:** The union cabinet has approved the extension of Jal Jeevan Mission (JJM) scheme up to Dec-28E with enhanced outlay and restructured implementation focusing on structural reforms in rural drinking water supply sector
- **Significant increase in scheme outlay:** The cabinet has approved an enhancement of total outlay from INR 3.6tn earlier to INR 8.7tn. It includes a central share of INR 3.6tn (earlier INR 2.08tn) i.e. additional central share of INR 1.5tn and state share of INR 5.1tn (earlier: INR 1.5tn).
- **Introduction of Sujalam Bharat platform:** A uniform national digital framework platform **Sujalam Bharat** shall be instituted, wherein every villages shall be digitally mapped from water supply source to tap connection.
- **Community-led commissioning via Jal Arpan:** For ensuring transparency and accountability, Gram Panchayats and VWSCs (Village Water and Sanitation Committees) will be involved in the commissioning and formal handover of schemes through **Jal Arpan**.
- **Baseline rural tap coverage:** In Aug'19, before the scheme was rolled out, 32.3mn (17%) rural households had tap water connections. **So far, 125.6mn additional rural households have been provided with tap water connections under JJM.**
- **Current rural tap water coverage:** At present, out of 193.6mn rural households, c. 158mn (81.6%) households are reported to have tap water connections.
- **Government focus on scheme completion:** Enhanced allocation and scheme extension show the government's focus on completing the scheme and clearing the outstanding dues to contractors, which have been piling up over the last 12–18 months.
- **Outstanding backlog and receivables:** L&T, NCC and Kalpataru Projects International (KPIL) have notable exposure with JJM order backlog of c. INR 100bn, INR 70bn and INR 65bn, respectively, at end-Dec-25.
  - For L&T, JJM receivables were INR 30–40bn while for NCC/KPIL, it stood at INR 37bn/15.5bn at end-Dec'25.
  - NCC received c. INR 5.6bn in Jan-26.
  - PNC Infratech and KEC International also have exposure with JJM order backlog of INR 27bn/INR 16bn and outstanding receivables of INR 8bn/9bn at end-Dec'25.

EPC companies have indicated that payments have improved in a few states over the past few months. We believe with the government's renewed thrust on the scheme under JJM 2.0, payments for the ongoing projects are likely to improve over the next few quarters. **Overall, for the seven listed companies with JJM exposure, outstanding JJM backlog is c. INR 287bn with outstanding receivables of c. INR 115bn at end-Dec-25.**

- **Execution to improve gradually:** While the execution has significantly slowed down amid delayed payments, we expect it to pick up gradually in tandem with recovery of receivables.



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**Exhibit 1: JJM implementation**

<b>Scheme launched on</b>	<b>15-Aug-19</b>
Completion target	Dec-28
Total Rural households (in m)	193.6
<b>Households with tap connections as on 15 Aug-19 (in m)</b>	<b>32.4</b>
as a % of total households	17%
<b>Households that have received tap connections under JJM till 10 Mar-26 (in mn)</b>	<b>126</b>
as a % of total households	65%
<b>Total households with tap water connections (in mn)</b>	<b>158.2</b>
as a % of total households	81.6%

Source: ejalshakti.gov.in

**Exhibit 2: JJM funding details (INR bn)**

Year	Central budget (RE)	Fund drawn	Utilisation (a)	Expenditure under state's share	Total expenditure
		by states			
FY20	100	100	60	41	101
FY21	110	109	125	79	204
FY22	450	400	253	182	436
FY23	550	547	507	401	908
FY24	699	699	823	692	1,515
FY25	225	225	298	602	900
FY26TD (till 10 Mar'26)	169	3	0	174	174
<b>Total</b>	<b>2,303</b>	<b>2,084</b>	<b>2,067</b>	<b>2,172</b>	<b>4,238</b>

Source: PIB, ejalshakti.gov.in

**Exhibit 3: JJM exposure for infrastructure companies**

INR bn	Dec-25 order backlog	JJM order backlog	JJM Share (%)	Outstanding receivables (at end-Dec'25)	State exposure
L&T	7,332	c.100	1.4%	35*	Exposure in UP, MP, Gujarat, Odisha, etc
NCC	727	70	10%	37.0#	UP has major exposure (OB of c. INR 38bn) and payments are slow; remainder exposure in Orissa, Jharkhand and Karnataka.
Kalpataru Projects International	597	65	11%	15.5	UP & Jharkhand significantly slow collection and delayed; Payments coming in Orissa, MP, Punjab and Bihar.
PNC Infratech	193	27	14%	8.2	Entirely UP exposure, payments slow.
KEC International	367	16	4%	9.0	MP seeing improved payments; payments in Orissa delayed.
Afcons Infrastructure	315	6	2%	4.1	Entirely UP exposure, payments slow.
Dilip Buildcon	294	4	1%	6.0	Entirely MP exposure.
<b>Total of above</b>	<b>9,826</b>	<b>287</b>	<b>3%</b>	<b>155</b>	

Source: Company, JM Financial; \*: INR 30-40bn range; #: NCC received c.INR 5.6bn in Jan-26

**Exhibit 4: JJM budget revised upwards to INR 8.7tn**

JJM budget (INR tn)	Initial budget	Revised budget	Expended (to date)	Pending
Centre share	2.1	3.6	2.1	1.5
State share	1.5	5.1	2.2	2.9
<b>Total</b>	<b>3.6</b>	<b>8.7</b>	<b>4.3</b>	<b>4.4</b>

Source: PIB, ejalshakti.gov.in

## APPENDIX I

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