

Thirsty for Profits?

Dive into water sector stocks

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Did You Know?

India's water infrastructure: A market of \$2.08 billion

It is expected that by 2050, about 1450 km³ of water will be required out of which ~75% will be used in agriculture, ~7% for drinking water, ~4% in industries, ~9% for energy generation.

Major water infra initiatives

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| Sewage treatment | Industrial effluent treatment | Desalination | Piped water supply systems | Water treatment chemicals |

Making liquid gold accessible to all

“Next war will be fought over water” is a common saying. As India races towards a \$5 trillion economy, the Government of India’s focus is on several key initiatives aimed at safeguarding water availability and promoting sustainable management practices.

One primary goal is to enhance water use efficiency by 20%, recognising the importance of utilising this precious resource more judiciously. Urban areas, in particular, are targeted for initiatives to ensure clean and safe drinking water, reflecting the growing demands of urban demographics.

Efforts are underway to enhance water management infrastructure, including the construction of reservoirs, rainwater harvesting structures, and groundwater recharge systems. Additionally, there is a focus on treating wastewater for reuse in irrigation, industrial processes, and potable water, thus conserving valuable water resources and alleviating pressure on freshwater sources.

Key schemes of Govt of India



Driving forces behind the growth of water-based businesses in India

- Increased government funding in EPC and HAM projects
- Growing domestic opportunities in recycling, reusing, and zero liquid discharge businesses
- Emerging opportunities in sewage recycling and water treatment solutions
- Attractive municipal business opportunities in various states
- Increased demand for water from the power industry
- Efforts to tackle water crises, such as in Bengaluru
- Exim Bank of India's funding initiatives in Asia and Africa
- Private sector involvement in implementing water infrastructure projects and sanitation services
- Tech advancements in water treatment: Membrane filtration, Advanced oxidation, Smart water management systems

Water treatment chemical market

The market is segmented into various categories, including coagulants and flocculants, corrosion and scale inhibitors, biocides and disinfectants, pH adjusters, chelating agents, and others. Each segment addresses specific water treatment challenges and requirements. According to TechSci Research, India's water treatment chemicals market was valued at \$1760.38 million in 2022 and is anticipated to experience robust growth in the forecast period, with a projected compound annual growth rate (CAGR) of 7.52% through 2028.

Growth drivers

- Increasing demand from the chemical manufacturing industry
- Addressing the toxicity of water treatment chemicals
- Rising investments in sewage treatment plants
- Power generation sector's large market share
- Numerous applications: Drinking water purification, wastewater treatment, industrial process water treatment, cooling water treatment, boiler water treatment, and desalination

Top Players

Company	Mcap (INR crore)	CMP (INR)
ION Exchange	7,611	519
Thermax	54,596	4,582
Aarti Industries	24,384	673

Piped water supply market

With promising prospects in areas such as potable water supply, wastewater management, electrical and telecommunication cable protection, agriculture, chemicals, and oil and gas, the future of the Indian plastic pipe market appears bright. The government has already set the ball rolling through various schemes. On back of this, India's plastic pipe market is expected to grow at a CAGR of 10.3% from 2022 to 2027, reaching an estimated value of \$10.9 billion.

Growth drivers

- Population growth and rising awareness of hygiene and sanitation
- Government initiatives like Jal Jeevan Mission, targeting tap water supply to all rural households by 2024
- Urban demand surge due to population influx and industrial expansion, with municipal corporations tasked with piped water provision

Top Players

Company	Mcap (INR crore)	CMP (INR)
Welspun Corp	14,526	555
Astral	58,187	2,166

Water EPC market

According to the Central Pollution Control Board (CPCB), wastewater generation in India was estimated to be almost 39,600 million litres per day (MLD) in rural regions and 72,368 MLD in urban regions for the year 2020-21.

The Namami Gange Programme is an Integrated Conservation Mission approved as a flagship programme by the Union Government of India in June 2014. It has a budget outlay of ₹22,500 crore from 2023–26 to accomplish the twin objectives of effectively abating pollution and conserving and rejuvenating the National River Ganga.

Growth drivers

- Rehabilitation and enhancement of existing sewage treatment plants
- Restoration and maintenance of surface flow and groundwater
- Public participation in the protection, rejuvenation, and management of the river

Top Players

Company	Mcap (INR crore)	CMP (INR)
Jash Engineering	2,463	1,990
EMS	2,345	422
Triveni Engineering	7,551	345
VA Tech Wabag	5,381	865

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