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Blue Is the New Green - Investing in India's Water Future

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India's Water Crisis:

India holds 4% of the world's freshwater yet sustains 18% of its population. The clock is running out — and the response must be on war footing.

4% GLOBAL FRESHWATER SHARE	**18%** GLOBAL POPULATION SERVED
2× DEMAND VS SUPPLY BY 2030	**600M** INDIANS UNDER WATER STRESS

There is a crisis building beneath our feet — quite literally. India, a country of 1.4 billion people, sits on a rapidly depleting reserve of freshwater that was never sufficient to begin with.

With just 4% of the world's freshwater resources to serve nearly a fifth of its population, the arithmetic has always been brutal. But today, as groundwater tables fall, rivers run toxic, and lakes vanish under concrete, that brutality is becoming an emergency.

This is not a distant problem. Over 600 million Indians already face high to extreme water stress every single year.

By 2030 — barely four years from now — India's water demand is projected to be twice the available supply. Seventy percent of our surface water is already contaminated. The groundwater that supports 80% of rural drinking needs is being extracted at three times its natural recharge rate in many regions

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Water is the new oil

Water is the new oil — except we have no substitute for it. And unlike oil, we cannot import our way out of scarcity.

If action is not taken now — decisive, structural, enforced action — India faces not a water crisis but a civilizational one. The response must match the scale of the threat: war footing, not committee meetings.

The Numbers Don't Lie

THE CRISIS SNAPSHOT

• 4% freshwater for 18% of humanity — a structural deficit with no market solution without policy intervention.
• 600 million Indians face high to extreme water stress annually.
• 70% of surface water is contaminated — our rivers, lakes, and ponds have become open drains.
• Groundwater depletion is running at 3× recharge rate in most water-stressed states.
• By 2030, national water demand will be double available supply.

These are not projections manufactured by alarmists. They come from NITI Aayog, the World Resources Institute, and the Central Ground Water Board. The data has been available for years. What has been missing is the urgency to act on it.

What Must Be Done: A Policy Manifesto

Solutions exist. They are not exotic or unaffordable. What is required is political will, legal teeth, and a shift in how we treat water — not as an infinite public good but as a finite national asset.

Criminal Offence River and lake pollution must become a criminal offence under the Indian Penal Code. Fines and civil penalties have failed. Imprisonment as a deterrent has not been tried.	**Rainwater Harvesting** No NOC for any residential complex or flat without a certified rainwater harvesting system. Several states have this on paper; it must be enforced nationally.
Recycled Water Recycled water for all non-drinking purposes — landscaping, cooling towers, construction, flushing. Potable water should never touch a toilet or a garden hose.	**Zero Construction on Lakes** Every lake filled for a housing project is a flood plain destroyed and a recharge zone lost forever. This must be an absolute prohibition.
PPP Lake Rejuvenation Give each lake to a private entity to maintain — they keep it clean, build gardens and cafes around it, and monetise the footfall. The lake lives; the city gains a lung.	**Mandatory Water Audits** For all industries above a threshold consumption level, with binding reduction targets tied to operating licences.

The lake monetisation model, in particular, deserves serious attention. Bengaluru’s Ulsoor Lake and Hyderabad’s Hussain Sagar are proof that neglect is a policy choice, not an inevitability. Where there is accountability, there is survival.

The Investment Case: Where Capital Should Flow

Crisis creates necessity. Necessity creates spending. And spending, in a sector with a decade-long structural tailwind, creates opportunity for the patient investor. The Indian water sector is no longer a niche theme — it is a sovereign imperative backed by government schemes worth lakhs of crores: Jal Jeevan Mission, AMRUT 2.0, Namami Gange, and the Smart Cities Mission

Below are six listed companies in the water infrastructure space — each representing a different risk-reward profile and thematic angle.

Ion Exchange (India) Ltd NSE: IONEXCHANG

A pioneer in water treatment, purification, and recycling since 1964, Ion Exchange has built a moat that six decades of industrial relationships, proprietary resins, and institutional trust cannot be easily replicated. It serves industries, municipalities, and households — and is increasingly the default partner for companies navigating tightening Zero Liquid Discharge (ZLD) mandates. Its order book continues to grow as environmental compliance becomes non-negotiable across pharma, power, and chemicals.

WHY HOLD *Pricing power + regulatory tailwind + a technical moat built over six decades. As ZLD mandates extend to more industries, Ion Exchange is first-call.*

VA Tech Wabag Ltd NSE: WABAG

The only listed Indian company with genuine global-scale water EPC credentials. Wabag executes large municipal and industrial water projects — desalination, sewage treatment, recycling — across India, Europe, the Middle East, and Africa. Its international revenues provide meaningful currency diversification and a window into where Indian water infrastructure will be in a decade. It is among the primary beneficiaries of AMRUT 2.0 and Jal Jeevan Mission contract flows at the municipal level.

WHY HOLD *The only large-cap pure-play with global credentials. As India accelerates urban water infrastructure, Wabag wins the large-ticket contracts.*

Enviro Infra Engineers Ltd NSE: ENVIROINFRA

A recently listed, fast-growing EPC contractor focused on Sewage Treatment Plants and Water Treatment Plants. Its asset-light model and strong government contractor credentials position it squarely in the path of accelerating urban infrastructure spend. Smaller in scale but with a growth trajectory worth tracking closely.

WHY HOLD *An early-stage play in a sector where government capex is accelerating. High risk, high reward — suited for a 3–5 year horizon with conviction.*

EMS Ltd NSE: EMSLTD

A municipal water infrastructure contractor with strong penetration in Uttar Pradesh, Madhya Pradesh, and Rajasthan — three of India's most water-stressed states. A direct beneficiary of Namami Gange and the Atal Mission for Urban Rejuvenation. Its geography is its thesis: where the water crisis is most acute, government spending is most urgent.

WHY HOLD *Concentrated exposure to states where water infrastructure spending is highest priority. A pure government capex play with visible order pipeline.*

Praj Industries Ltd NSE: PRAJIND

Known primarily for its biofuels engineering, Praj has a significant and often underappreciated Zero Liquid Discharge and wastewater engineering division. What distinguishes it from pure EPC players is its technology IP — Praj designs and licenses processes, which translates into structurally better margins and stickier client relationships across pharma, food and beverage, and distillery sectors.

WHY HOLD *Technology moat over pure EPC. Better margin profile, multi-sector exposure, and a ZLD practice that strengthens as compliance enforcement tightens.*

Thermax Ltd NSE: THERMAX

A large-cap industrial engineering company with a meaningful water and wastewater solutions vertical alongside its energy business. For investors who want water exposure with large-cap liquidity and a diversified earnings base, Thermax offers a lower-risk entry into the theme — without the single-sector concentration risk of the smaller pure-plays.

WHY HOLD *Large-cap, liquid, diversified — and a growing water division. The conservative's way into the water theme.*

For Company Comparison Swipe Right:-

swipe

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India — Listed Water & Effluent Treatment Companies

FY26 Annual Results (Year Ended March 2026) | Prices as of 24–25 June 2026 | All figures consolidated | Source: NSE Filings, Company Results, Screener.in

Company	NSE Ticker	CMP (₹) Jun 2026	Market Cap (₹ Cr)	FY26 Revenue (₹ Cr)	FY26 EBITDA (₹ Cr)	EBITDA Margin %	FY26 Net Profit (₹ Cr)	Current Order Book (₹ Cr)
VA Tech Wabag	WABAG	₹2,099	₹13,089 Cr	₹3,944 Cr	₹506 Cr +24% YoY	12.80%	₹370 Cr Strong (+25% YoY)	₹17,200 Cr ₹17,200 Cr+ (incl. ₹7,500 Cr new FY26 intake). Kuwait SWRO DBO win (₹1,000 Cr+).
Ion Exchange India	IONEXCHANG	₹370	₹5,432 Cr	₹2,915 Cr	₹210 Cr Margin pressure (-29%)	7.20%	₹143 Cr Weak FY26 (-33% YoY)	Not publicly disclosed. Strong pipeline from ZLD mandates in pharma, power & chemicals.
Praj Ind.	PRAJIND	₹343	₹6,259 Cr	₹3,168 Cr	₹160 Cr Sharp compression	5.50%	₹24 Cr Exceptional drag (-91%)*	₹4,305 Cr ₹4,305 Cr backlog. ZLD enquiry pipeline growing on regulatory push. Q3 FY26 intake ₹914 Cr.
Thermax	THERMAX	₹4,571	₹56,032 Cr	₹10,694 Cr	₹1,025 Cr +11% YoY	9.60%	₹720 Cr Steady (+14% YoY)	₹13,604 Cr ₹13,604 Cr (+27% YoY). Q4 FY26 order inflows surged 112% YoY. CRISIL AA+ rated.
EMS Ltd	EMSLIMITED	₹298	₹2,474 Cr	₹733 Cr	₹110 Cr Execution delays	15.00%	₹91 Cr Q4 profit -88% YoY (delays)	₹1,837 Cr ₹1,837 Cr. Targeting ₹1,000 Cr revenue FY27. Execution delays hit Q4. Namami Gange & Jal Jeevan Mission driven.
Enviro Infra Eng.	EIEL	₹185	₹3,259 Cr	₹1,146 Cr	₹277 Cr Best-in-class 24.2%	24.20%	₹188 Cr Stable (+6% YoY)	₹6,814 Cr ₹6,814 Cr (+242% YoY surge). New SPVs set up for Varanasi STP. Execution is now the key test.

** Praj Industries FY26 PAT impacted by one-off exceptional charge of ₹34.4 Cr (new Labour Codes). Underlying business is healthier. | EBITDA for EMS and Praj are estimates derived from reported OPM. | Not investment advice.*

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Countries of Operation — Indian Listed Water & Effluent Treatment Companies

Source: Company annual reports, investor presentations, official websites — as of June 2026

Company	Ticker	India (Domestic)	Asia-Pacific	Middle East & Africa	Europe & Americas
VA Tech Wabag	WABAG	✔ Core market. Municipal & industrial projects across all states.	Singapore, Philippines, Thailand, Indonesia, Sri Lanka, Bangladesh	UAE, Saudi Arabia, Qatar, Kuwait (new), Oman, Egypt, Algeria, Tunisia, Ethiopia, Kenya,	Romania, Czech Republic, Poland, Germany, Austria (HQ origin). No
Ion Exchange India	IONEXCHANG	✔ Pan-India. Largest domestic water treatment network.	Thailand, Indonesia, Philippines, Australia, Singapore, Bangladesh, Sri Lanka	UAE, Saudi Arabia (Dammam blending facility), Qatar, Bahrain, Oman,	UK (Permutit legacy), USA (expanding), Canada, select European markets
Praj Industries	PRAJIND	✔ Dominant in bioenergy (ethanol) & industrial ZLD.	Thailand, Indonesia, Philippines, Cambodia, Vietnam, Australia, Sri Lanka	South Africa, Tanzania, Kenya, Nigeria, Sierra Leone, Malawi, Mozambique,	USA (Houston office), Brazil, Colombia, Argentina, Peru, Guatemala, Mexico,
Thermax	THERMAX	✔ Pan-India. Largest revenue base among peers.	China (JV), Singapore, Thailand, Indonesia, Bangladesh, Malaysia, Sri Lanka, Vietnam	UAE, Saudi Arabia, Qatar, South Africa, Kenya, Nigeria, Egypt	Germany, Denmark, Netherlands, UK, USA (Thermax Inc.), Brazil
EMS Ltd	EMSLIMITED	✔ Primarily UP, MP, Rajasthan, Uttarakhand, West Bengal.	Purely domestic. Concentrated in government-driven Jal Jeevan Mission, Namami Gange, AMRUT 2.0, Smart Cities in North & Central India. Government receivables risk is key watch.		
Enviro Infra Engineers	EIEL	✔ Pan-India. NCR, UP (Varanasi), MP, Rajasthan, Haryana.	Purely domestic at present. 100% India-focused municipal EPC. Order book surge of 242% in FY26 driven entirely by domestic Jal Jeevan Mission & AMRUT contracts. Suyog Urja subsidiary may eventually explore exports.		

EMS Ltd and Enviro Infra Engineers are purely domestic plays — this is a risk (government receivables) and an opportunity (100% exposure to India's water infrastructure boom). | Not investment advice.

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The Bigger Point

The tragedy of India's water crisis is not that solutions are unavailable. It is that the solutions have been known for decades — rainwater harvesting, sewage treatment, ZLD mandates, lake rejuvenation — and have been implemented only partially, patchily, and without enforcement.

As citizens, we must demand that pollution of water bodies becomes a criminal matter, that no building rises without water accountability, and that no lake is sacrificed for a residential colony. These are not radical demands. They are the minimum conditions for a country that intends to remain liveable

As investors, we can direct our capital toward companies solving the crisis — because whether governments act proactively or reactively, enormous sums will flow into water infrastructure in the coming decade. The only variable is timing, and the time to position is now, before the emergency becomes undeniable

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When the well is dry, we know the worth of water. India cannot afford to wait until then.

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