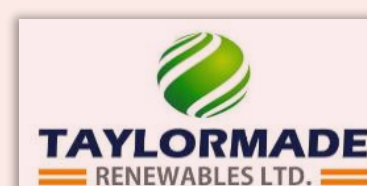




MINERVA CAPITAL RESEARCH SOLUTIONS

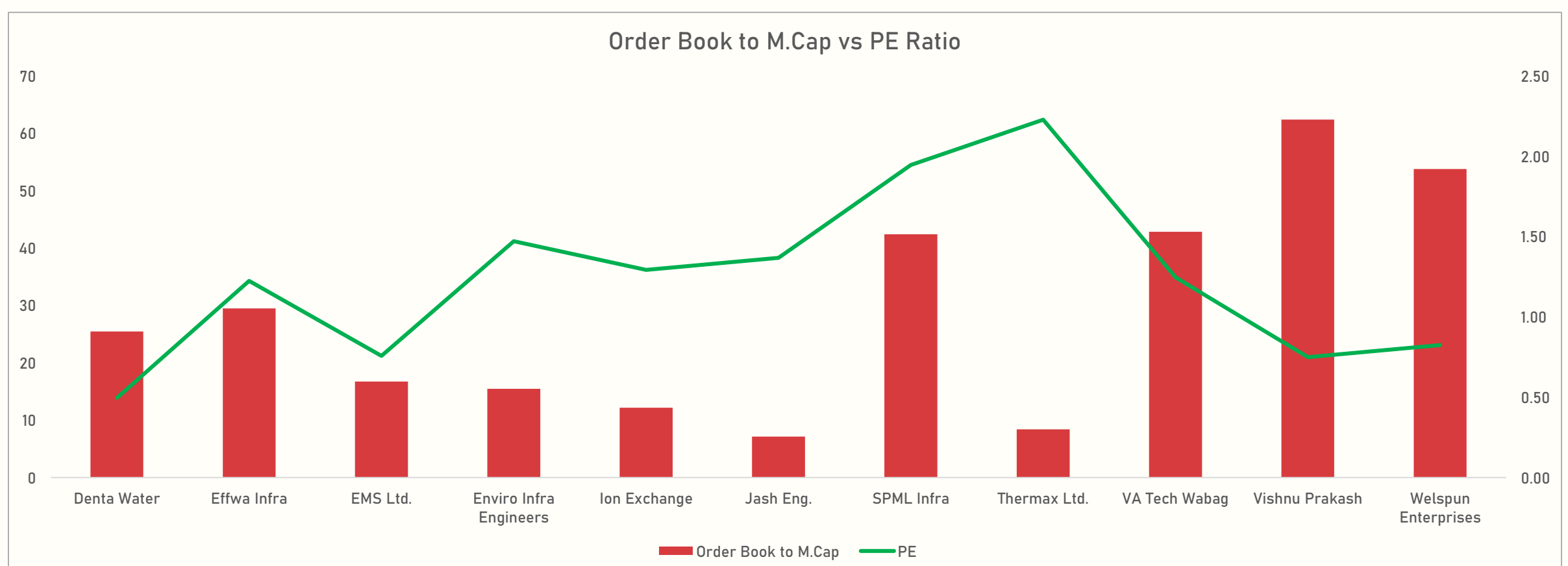
THEMATIC WATER SECTOR NOTE



WATER, WASTE-WATER TREATMENT, DESALINATION

PLAYER PROFILES : SUMMARY

Company Name	PE	M.Cap (INR Cr.)	Order Book (INR Cr.)	CAGR % (FY22 to FY24)			YTD (FY25)			Debt / Equity 6M-FY25	NWC (Days) 6M-FY25
				Revenue	EBITDA	PAT	Gross Margins %	EBITDA %	PAT %		
Denta Water	13.9	828	753	41%	24%	25%	38.3%	33.5%	24.6%	0.00x	53
Effwa Infra	34.3	475	500	18%	73%	78%	27.2%	12.0%	7.8%	0.25x	197
EMS Ltd.	21.2	3,922	2,345	48%	34%	39%	33.0%	27.7%	19.9%	0.09x	165
Enviro Infra Engineers	41.2	4,383	2,425	81%	82%	76%	31.6%	24.2%	15.1%	1.05x	36
Felix Industries	48.7	227		65%	78%	146%	78.5%	6.6%	3.6%	0.10x	270
Ion Exchange	36.2	7,817	3,405	22%	13%	10%	37.8%	10.9%	7.5%	0.18x	92
Jash Eng.	38.3	3,416	873	18%	45%	44%	58.1%	22.5%	16.4%	0.25x	202
Roto Pumps	42.1	1,506		25%	21%	14%	65.3%	19.9%	9.7%	0.13x	152
SPML Infra	54.5	1,188	1,800	18%			14.3%	6.2%	6.1%	0.70x	
Taylormade Renewable	45.5	277		178%	305%	702%	27.1%	18.8%	11.7%	0.22x	274
Thermax Ltd.	62.4	37,868	11,383	23%	38%	44%	44.3%	8.3%	5.6%	0.31x	53
VA Tech Wabag	34.9	9,321	14,263	(2%)	26%	38%	24.8%	13.1%	9.0%	0.21x	149
Vishnu Prakash	21.0	2,299	5,125	37%	55%	65%	19.4%	13.2%	5.0%	0.74x	305
Welspun Enterprises	23.1	7,549	14,500	46%	68%	59%	32.1%	14.4%	9.1%	0.74x	93



THEMATIC WATER SECTOR NOTE

INDUSTRY UPDATES

- **India water & wastewater treatment market** expected to grow at **CAGR of 6.2% (2023 to 2033)** to reach \$23.8 Bn. in 2033 from \$13 Bn. in 2023 (Source: Marketysers Global Report | Denta Water & Infra Solutions Ltd.)
 - South India expected to lead the sector growth
 - Ministry of Jal Shakti, Gol, 2023, water scarcity affects 40% of India's population
- **Jal Jeevan Mission**: Union Budget FY25-26, total budget outlay for Jal Jeevan Mission enhanced to INR 67,000 Cr. & timeline extended till 2028 to provide 100% portable tap water connections to rural population from ~80% (15.44 crore households) coverage currently
 - Mission was launched by PM Narendra Modi on 15-Aug'19 (only 3.23 crore households or 17% were covered then)
- **AMRUT 2.0 (Atal Mission for Rejuvenation & Urban Transformation)** : Launched in Oct'21 to enable cities to become self-reliant & water secure
 - Indicative outlay for AMRUT 2.0 is INR 2,99,000 Cr. including Centre share of INR 76,760 Cr. for 5 years
 - Provide universal coverage of sewerage & septage management, rejuvenation of water bodies, development of green spaces
 - Funds are released by Ministry of Housing & Urban Affairs (MoHUA) to states / UTs which then release funds to Urban Local Bodies (ULBs) / implementing agencies
 - Total of 8,998 projects worth INR 1,89,459 Cr. (incl. O&M cost) approved by MoHUA and as on 15-Nov'24, 4,916 projects worth INR 85,114 Cr. have been awarded.
 - Out of admissible Centre assistance of INR 63,977 Cr., amount of INR 11,756 Cr. has been released to states / UTs out of which states / UTs have reported utilization of INR 6,539 Cr.
- **Namami Gange Programme (National mission for Clean Ganga)** : launched to rejuvenate River Ganga & its tributaries
 - Till 31-Dec'24, total 488 projects (incl. sewerage infra projects) taken up at est. cost of INR 39,730 Cr. out of which 303 projects have been completed & made operational
 - (Since inception in FY15 to 31-Dec'23) total INR 16,461 Cr. have been released by Gol to NMCG out of which NMCG has released INR 15,665 Cr. to various implementation agencies
- **Pradhan Mantri Krishi Sinchayee Yojana (PMKSY), Accelerated Irrigation Benefit Programme (AIBP)**: for 2021-26 with outlay of INR 93,068 Cr. to benefit 22 lakh farmers
 - Total INR 53,191.6 Cr. have been released from 2016-17 to 2024-25 (as on date)
 - Against target of 34.63 Lakh Ha, irrigation potential of 25.80 Lakh Ha created through AIBP works during 2016-17 to 2023-24
- **Ground water scenario:**

The total annual ground water recharge is 449.08 billion cubic meters (bcm), with natural discharges amounting to 41.89 bcm. Consequently, the Annual Extractable Ground Water Resources are 407.21 bcm. The primary source of this recharge is rainfall, contributing 270.78 bcm or 60% of the total recharge, with 54% occurring during the monsoon and 6% during the non-monsoon seasons. The remaining 40%, equivalent to 178.31 bcm, comes from secondary sources like canal seepage, irrigation return flow, and water conservation structures. Certain states and Union Territories, including Assam, Goa, Gujarat, Jharkhand, Kerala, Madhya Pradesh, and others, see more than 70% of their groundwater recharge from monsoon rainfall. In contrast, areas like the Indus-Ganga-Brahmaputra belt experience significantly high recharge rates due to favorable climatic and geological conditions. The coastal alluvial belt also shows high recharge rates, whereas arid regions like Rajasthan and parts of Gujarat, as well as the hard rock terrains of southern India, exhibit lower recharge rates. Overall, the 2023 assessment reveals an increase of 11.48 bcm in annual ground water recharge and 9.13 bcm in extractable resources compared to previous assessments, with a rise of 2.18 bcm in groundwater extraction for various uses. (Source: Marketysers Global Report).

- **India's pump market size** was \$3.7 Bn. in 2023 and expected to reach \$5.25 Bn. in 2030 (**CAGR of 4.5% from 2023-2030**)
 - 16% of India's pump manufacturing potential is export-oriented
 - Positive displacement pumps market comprises 5% of total pump market (ideal for high-pressure applications & handling high-viscosity fluids like oils, syrups)

CMP: INR 310.20/-

Target Price: NA

Potential Upside: NA

Recommendation: Unrated

ABOUT: Established in 2016, Denta Water is EPC player in field of Ground Water Recharging (GWR) & lift irrigation with track record of completing 32 projects. Company operates only in State of Karnataka with projects under direct contract, sub-contract, JV & tendering mode. It is trying to diversify its revenues by undertaking construction projects in field of railways & highways.

INVESTMENT CONSIDERATIONS:

Unexecuted order book of INR 752.5 Cr. (30-Nov'24); 17 ongoing projects to be realized within 2 years

- Average completion time of GWR varies from 24 to 36 months
- Cumulative order inflow (as on 30-Nov'24) is bifurcated as direct contracts (consortium partner) : direct contracts (independent) : sub-contracts as 60 : 4 : 36 respectively

Asset light model with outsourcing of non-core jobs & activities like manpower, supply of support equipment, raw material, specialized software etc.

Income from other businesses (a) purchase of 98 acres of land with property producing coffee beans, pepper, avocado fruit (b) owns 21 fully furnished rooms beach resort in Udupi district (c) rental of building to other entities

Particulars (INR Cr.)	FY22	FY23	FY24	6M-FY25
Revenue	120	174	239	98
Gross Margin %	44.1%	40.1%	36.3%	38.3%
EBITDA %	43.3%	38.4%	33.2%	33.5%
PAT %	32.0%	28.5%	24.7%	24.6%
Debt (Short+Long)	0	1	1	1
Equity	54	105	164	188
Debt/Equity	0.00x	0.01x	0.01x	0.00x
NWC	13	19	34	28
NWC (days)	40	41	52	53
<i>NWC includes Inventory, Receivables & Payables; & NWC days is computed as % of rev.</i>				
CFO	(8)	51	27	(47)
CFI	(4)	(30)	1	2
CFF	0	1	(1)	0
CFO+CFI+CFF	(12)	23	27	(45)
Cash & Bank Bal.	27	59	63	18
<i>*Q3-FY25 financial numbers yet to be released by Company</i>				

Credit Rating: CARE BBB / Stable / A3+ (dtd. 02-Apr'24)

Stock Data (As on 12-Feb'25)

Particulars	12-Feb'25
NIFTY	23,045.25
Ticker	BSE:544345 NSE:DENTA
CMP (INR)	310.20/-
52 Wk H/L (INR)	363.00/294.00
PE Ratio	13.9
Face Value (INR)	10/-
M.Cap (INR Cr.)	828.23
O/s Shares (#)	26,700,000

Relative Stock Performance



Candle Bar represents daily movement of Denta Water & Infra Solutions Ltd. while line graph indicates NIFTY 50 Index; *Source: Tradingview*

Shareholding Pattern

As on	Pre-IPO Issue	Jan'25
Promoter	100.00%	71.91%
FII	-	3.68%
DII	-	9.12%
Public	-	15.29%
Total	100.00%	100.00%
# shareholders	7	54,275

KEY RISKS & MONITORABLES

- Geographical concentration risk as Company derives its revenues from State of Karnataka
- Corporate governance to be monitorable: 2 CFOs & 1 Director resigned in FY25 & FY24 respectively
 - Promoter Mr. C Mruthyunjaya Swamy has been subject to legal proceedings by Enforcement Directorate (ED). We understand that proceedings were decided in favour of promoter & no proceedings are pending
- Receipt of additional orders to provide further revenue visibility



CMP: INR 205.00/-

Target Price: NA

Potential Upside: NA

Recommendation: Unrated

ABOUT: Incorporated in 2014 by Ex-IITians & located in Mumbai, Effwa is in EPC & integrated project management services in water and industrial Effluent Treatment Plant (ETP) & recycling with zero liquid discharge systems (ZLD), sewage treatment & recycling, solid waste management, restoration of water bodies. Key segmental revenue drivers for FY24 were (a) ETP with recycling : 14.7% (b) ETP with ZLD: 68.5% and (c) sewage treatment plant: 15.3%. Customer bifurcation for FY24 was private sector: 53.5%, PSU: 43.5% & Govt. Institutions: ~3%

INVESTMENT CONSIDERATIONS:

Unexecuted order book of INR 500 Cr. (as on 30-Sep'24) with INR 1,800 Cr.+ orders in pipeline (30% success rate expected)

➤ Order execution expected in 18 to 24 months

Diversified customer base with reputed clientele like Tata Steel, IOCL, Steel Authority of India, ONGC etc.

➤ Increase of private clients share in revenue mix (H1FY25: 66%, FY24: 53.5%, FY23: 33.7%, FY22: 8%)

Experienced promoters with more than 3 decades of sector experience & successfully bid and execute contracts amid intense competition.

Particulars (INR Cr.)	FY22	FY23	FY24	6M-FY25
Revenue	104	115	145	61
Gross Margin %	18.3%	20.4%	26.4%	27.2%
EBITDA %	6.5%	7.6%	14.1%	12.0%
PAT %	4.2%	4.5%	9.6%	7.8%
Debt (Short+Long)	10	16	14	20
Equity	18	24	37	80
Debt/Equity	0.56x	0.69x	0.38x	0.25x
NWC	19	35	45	65
NWC (days)	67	111	112	197
<i>NWC includes Inventory, Receivables & Payables; & NWC days is computed as % of rev.</i>				
CFO	3	(6)	4	(21)
CFI	0	0	0	0
CFF	0	6	(4)	41
CFO+CFI+CFF	3	0	0	21
Cash & Bank Bal.	6	5	5	28
<i>*Q3-FY25 financial numbers yet to be released by Company</i>				

Credit Rating: CRISIL BBB-/Stable as on 29-Feb'24

Stock Data (As on 12-Feb'25)

Particulars	12-Feb'25
NIFTY	23,045.25
Ticker	NSE-SME:EFFWA
CMP (INR)	205.00/-
52 Wk H/L (INR)	389.15/155.80
PE Ratio	34.3
Face Value (INR)	10/-
M.Cap (INR Cr.)	474.52
O/s Shares (#)	2,31,47,167

Relative Stock Performance



Candle Bar represents daily movement of Effwa Infra & Research Ltd. while line graph indicates NIFTY 50 Index; Source: Tradingview

Shareholding Pattern

As on	30-Sep'24	31-Dec'24
Promoter	72.99%	72.99%
FII	2.20%	0.27%
DII	1.48%	3.58%
Public	23.34%	23.16%
Total	100.00%	100.00%
# shareholders	1,626	2,285

KEY RISKS & MONITORABLES

- Working capital intensive operations primarily by high debtors due to milestone based billing and retention money
- Moderate scale of operations with dependence on ability to win tenders & intense competition with aggressive bidding resulting in operating margins moderation
- **Monitorable:** Management expects to sustain EBITDA margins in range of 12% to 15% with focus on exports, O&M segment

EMS LTD



CMP: INR 706.20/-

Target Price: NA

Potential Upside: NA

Recommendation: Unrated

ABOUT: Incorporated in 2010 (headquarter in Ghaziabad, UP), EMS is engaged in providing EPC and O&M services in water and waste-water segment having end to end competence in sewerage laying works and sewage treatment plants with FY24 revenue primarily coming from 5 states (UP: 47%, Bihar: 19%, Maharashtra: 16%, Rajasthan: 12% and Uttarakhand: 6%). Additionally, EMS provides EPC services in electrical transmission, distribution, building and public infra facilities.

INVESTMENT CONSIDERATIONS:

Unexecuted order book of INR 2,345 Cr. (Sep'24) including ~INR 170 Cr. of O&M and bid pipeline of INR 6,470 Cr.

- Order execution timeline of 2-3 years
- Typical project size is INR 200 Cr. to INR 500 Cr.
- Bid pipeline includes INR 2,200 Cr. of road HAM project & water segment bid pipeline includes Mission Amrit scheme
- Water segment order book typically comprises of sewage treatment ~70%, drinking water solutions ~ 20% and industrial water treatment ~10%

Diversification of revenues ~70% to 80% from water segment and 20% to 30% from other infra sectors (power, building, road)

Geographical footprint expansion to West Bengal with ~INR 700 Cr. of order from Kolkata Municipal Corporation

Multilateral agencies (World Bank, ADB)/Central Govt. funded projects reducing counterparty risks as water segment clients are Municipal bodies

Particulars (INR Cr.)	FY22	FY23	FY24	9M-FY25
Revenue	360	538	793	685
Gross Margin %	37.2%	34.3%	30.9%	33.0%
EBITDA %	31.3%	27.9%	25.7%	27.7%
PAT %	21.7%	20.0%	18.9%	19.9%
Debt (Short+Long)	4	45	71	79*
Equity	384	493	801	887*
Debt/Equity	0.01x	0.09x	0.09x	0.09x*
NWC	127	213	323	397*
NWC (days)	129	144	149	165*
<i>NWC includes Inventory, Receivables & Payables; & NWC days is computed as % of rev.</i>				
CFO	23	4	(116)	4*
CFI	(15)	(21)	(70)	22*
CFF	3	38	176	6*
CFO+CFI+CFF	11	21	(9)	32*
Cash & Bank Bal.	90	121	120	144*
<i>*As on 30-Sep-2024 (H1-FY25)</i>				

Credit Rating: ICRA BBB+/Stable/A2 withdrawn on Jan'25 on receipt of NOC from banks

Stock Data (As on 12-Feb'25)

Particulars	12-Feb'25
NIFTY	23,045.25
Ticker	BSE:543983 NSE:EMSLIMITED
CMP (INR)	706.20/-
52 Wk H/L (INR)	1,016.85/353.40
PE Ratio	21.2
Face Value (INR)	10/-
M.Cap (INR Cr.)	3,921.59
O/s Shares (#)	5,55,30,807

Relative Stock Performance



Candle Bar represents daily movement of EMS Ltd. while line graph indicates NIFTY 50 Index; *Source: Tradingview*

Shareholding Pattern

As on	31-Mar'24	31-Dec'24
Promoter	69.70%	69.70%
FII	2.78%	0.66%
DII	1.43%	0.40%
Public	26.08%	29.24%
Total	100.00%	100.00%
# shareholders	43,841	1,14,561

KEY RISKS & MONITORABLES

- Projects & clients concentration risk
- Yet to appoint independent CFO on the board. Presently Mr. Ashish Tomar, Managing Director is acting as CFO
- High working capital intensity with ageing receivables
- Equity commitment from EMS for undertaking HAM project
- Sizeable contingent liabilities in form of contractual bank guarantees

ENVIRO INFRA ENGINEERS LTD.



CMP: INR 249.70/-

Target Price: NA

Potential Upside: NA

Recommendation: Unrated

ABOUT: Incorporated in 2009 in Delhi, EIEL operates as turnkey EPC and O&M player in water and wastewater treatment sector with service offerings (a) Sewage Treatment Plants (STP) & sewage systems (b) Common Effluent Treatment Plant (CETP) and (c) Water Supply Scheme Projects (WSSP) along with O&M services with major clientele as municipal corporations, public works department, Jal Nigam authority, National Mission for Clean Ganga and industrial clients.

INVESTMENT CONSIDERATIONS:

Unexecuted order book of INR 1,687 Cr. (as on 31-Dec'24) for EPC & INR 738 Cr. for O&M (to be executed over average 10 years)

- Execution timeline for EPC is 18 months to 24 months
- Focus on increasing size of projects (current 50 MLD to 200 MLD for STPs and current 20 MLD to 50 MLD for CETPs)
- Bids for Waste Water Treatment Plants (WWTP) and WSSP turnkey projects for O&M (1 to 15 years) – maintains 11 STPs & 5 CETPs as on 30-Sep'24
- Via subsidiaries, developing/operating 3 HAM projects under Namami Gange Program in the state of Uttar Pradesh

Geographical diversification with expanding presence in East & South India (recently awarded projects in State of Jharkhand and Karnataka); presence across 11 states in India

Revenue bifurcation across service segments as follows:

Service	FY22	FY23	FY24	9M-FY25
WWTPs	91.6%	69.2%	27.8%	40.8%
WSSPs	-	25.7%	68.2%	55.8%
O&M	8.4%	5.1%	4.0%	3.4%

Particulars (INR Cr.)	FY22	FY23	FY24	9M-FY25
Revenue	224	338	729	666
Gross Margin %	30.2%	32.9%	29.2%	31.6%
EBITDA %	22.4%	24.2%	22.8%	24.2%
PAT %	15.3%	16.2%	14.4%	15.1%
Debt (Short+Long)	18	65	234	376*
Equity	72	127	291	357*
Debt/Equity	0.25x	0.51x	0.80x	1.05x*
NWC	12	(31)	(24)	82*
NWC (days)	20	NA	NA	36*
<i>NWC includes Inventory, Receivables & Payables; & NWC days is computed as % of rev.</i>				
CFO	42	101	(69)	(119)*
CFI	(26)	(141)	(139)	1*
CFF	(16)	42	207	117*
CFO+CFI+CFF	0	2	(2)	(1)*
Cash & Bank Bal.	25	92	149	126*
<i>*Q3-FY25 financial numbers yet to be released by Company</i>				

Credit Rating: CRISIL A-/Stable/A2+ as on 19-Mar'24

Stock Data (As on 12-Feb'25)

Particulars	12-Feb'25
NIFTY	23,045.25
Ticker	BSE:544290 NSE:EIEL
CMP (INR)	249.70/-
52 Wk H/L (INR)	392.00/205.10
PE Ratio	41.2
Face Value (INR)	10/-
M.Cap (INR Cr.)	4,382.98
O/s Shares (#)	17,55,30,000

Relative Stock Performance



Candle Bar represents daily movement of Enviro Infra Engineers Ltd. while line graph indicates NIFTY 50 Index; Source: Tradingview

Shareholding Pattern

As on	27-Nov'24	31-Dec'24
Promoter	70.02%	70.02%
FII	2.68%	1.45%
DII	10.84%	5.19%
Public	16.46%	23.35%
Total	100.00%	100.00%
# shareholders		2,40,931

KEY RISKS & MONITORABLES

- Working capital intensive operations primarily by high debtors due to retention money
- Undertakes Govt. projects majorly via tender based orders. Sustainability of margins while delivering the projects is monitorable
- Increasing Debt/Equity (H1FY25: 1.05x vs FY24: 0.80x)
- **Monitorable:** Basis Q2FY25 earnings call, management is expecting INR 2,000 Cr. of fresh orders in H2-FY25 (bidding of INR 4,000 Cr. & conversion rate of 50%) &
 - Revenue CAGR of 35% to 40% for 4 to 5 years
 - EBITDA margins to sustain at 25%

FELIX INDUSTRIES LTD.



CMP: INR 168.10/-

Target Price: NA

Potential Upside: NA

Recommendation: Unrated

ABOUT: Founded in 2010 as eco-tech startup, Company provides turnkey solutions across wastewater recycling & solid waste management while also diversifying into hydrocarbon recycling. It has executed 100+ projects (EPC, BOOT, O&M) in India & Middle East with 7MLD+ wastewater restored to fresh water, 50 TPD solid & hazardous waste restored daily & 40TPD waste oil restored daily.

INVESTMENT CONSIDERATIONS:

Growing clientele with orders received from ONGC, Hocco Industries, Ratani Global Pvt. Ltd.

- ONGC O&M orders of ~5.7 Cr. received in FY25 to be executed over 6 months to 3 years
- Recurring revenue of ~28 Cr.+ p.a. expected over next 5 years from Hocco & Ratani Global (under BOOT model)

Acquisition led growth strategy with increasing presence in Middle East

- 51% stake in Rivita Solutions Pvt. Ltd. (Oil & Gas technologies)
- 76.5% stake in Felix Industries, LLC (Oman) to cater to waste oil processing, solid water management & waste water solutions
- Incorporation of Felix Industries SPC (Oman) to acquire Al Mohtashem Trading & Contracting LLC
- Acquisition of 20% stake in Eco-Vision Aqua Care Pvt. Ltd. for INR 4.2 Cr. (Eco-Vision is executing a project cost of INR 70 Cr.)
- Felix WMC Ltd. working on pilot project in portable water reclamation & grey water recycling

Stock Data (As on 12-Feb'25)

Particulars	12-Feb'25
NIFTY	23,045.25
Ticker	NSE-SME:FELIX
CMP (INR)	168.10/-
52 Wk H/L (INR)	454.90/139.75
PE Ratio	48.7
Face Value (INR)	10/-
M.Cap (INR Cr.)	227.47
O/s Shares (#)	1,35,32,070

Relative Stock Performance



Candle Bar represents daily movement of Felix Industries Ltd. while line graph indicates NIFTY 50 Index; Source: Tradingview

Shareholding Pattern

As on	31-Mar'24	30-Sep'24
Promoter	54.85%	50.85%
FII	0.11%	1.43%
DII	-	-
Public	45.04%	47.72%
Total	100.00%	100.00%
# shareholders	474	2,872

KEY RISKS & MONITORABLES

- Company has been raising equity in form of warrants for onward investment in subsidiaries, performance of which is yet to be seen
- History of trade receivables been unrealized for more than 3 years
- Listed on NSE EMERGE platform in 2017 and yet to migrate to mainboard
- Company has appointed EY as investor relations agency in Jan'25 & further business strategy & updates will be key monitorable

Particulars (INR Cr.)	FY22	FY23	FY24	6M-FY25
Revenue	12	19	34	16
Gross Margin %	51.4%	53.2%	63.1%	78.5%
EBITDA %	14.4%	11.0%	16.6%	6.6%
PAT %	6.7%	6.0%	14.0%	3.6%
Debt (Short+Long)	4	4	3	8
Equity	8	16	66	81
Debt/Equity	0.54x	0.27x	0.04x	0.10x
NWC	6	9	20	24
NWC (days)	162	164	213	270
<i>NWC includes Inventory, Receivables & Payables; & NWC days is computed as % of rev.</i>				
CFO	0	6	(33)	(8)
CFI	(1)	1	(4)	(3)
CFF	1	7	42	20
CFO+CFI+CFF	0	15	5	10
Cash & Bank Bal.	0	0	5	15
<i>*Q3-FY25 financial numbers yet to be released by Company</i>				

Credit Rating: Not rated

ION EXCHANGE (INDIA) LTD



CMP: INR 532.95/-

Target Price: NA

Potential Upside: NA

Recommendation: Unrated

ABOUT: Incorporated in 1964, offers solutions across water cycle (pre-treatment, process water, waste water, zero liquid discharge, sewage, packaged drinking, sea water desalination) with headquarters in Mumbai & 7 manufacturing & assembly facilities across India and 5 overseas facilities. Revenue has 3 segments: engineering projects (60%), chemicals (29%) and consumer products (11%) with domestic : exports as 78 : 22.

INVESTMENT CONSIDERATIONS:

Engineering projects order book of INR 3,405 Cr. (Dec'24) with bid pipeline of INR 8,648 Cr. (~15% conversion ratio) for installation of larger & medium sized water and effluent treatment plants

- Typical order execution timeline of 2-3 years
- ~INR 719 Cr. of order book pertains to UP Jal Nigam (delays due to funding constraints from state Govt.) & Delhi Jal Nigam
- Lower EBIT margins of 5.9% (9M-FY25) vs 7.7% (FY24) due to execution of lumpy order with lower margins

Chemicals segment clocked sales of INR 596 Cr. (9M-FY25) contributing ~30% of total revenues

- Improved EBIT margins: 25.9% (9M-FY25) 24.8% (FY24)
- Includes resins, specialty chemicals, treatment packages
- Capacity expansion at Roha plant to commence ops. by Q2FY26 (Capex of INR 275 Cr. with asset turn of 2.5x and expected full ramp-up in 3 to 4 years)

Consumer Products segment offering water care products for homes, institutions & community to provide pure & safe drinking water under Zero-B brand yet to turn EBIT positive

- EBIT margins: -ve 4.6% (9M-FY25) vs -ve 2.4% (FY24)
- Co. is focusing on expanding sales & distribution

Particulars (INR Cr.)	FY22	FY23	FY24	9M-FY25
Revenue	1,577	1,990	2,348	1,903
Gross Margin %	40.0%	37.5%	37.6%	37.8%
EBITDA %	13.5%	12.8%	11.6%	10.9%
PAT %	10.0%	9.6%	8.2%	7.5%
Debt (Short+Long)	48	52	138	195*
Equity	655	836	1,020	1,098*
Debt/Equity	0.07x	0.06x	0.13x	0.18x*
NWC	165	368	477	612*
NWC (days)	38	67	74	92*
<i>NWC includes Inventory, Receivables & Payables; & NWC days is computed as % of rev.</i>				
CFO	91	63	130	(22)*
CFI	(92)	(40)	(160)	(51)*
CFF	(27)	(15)	8	30*
CFO+CFI+CFF	(27)	7	(22)	(42)*
Cash & Bank Bal.	536	548	588	490*
<i>*As on 30-Sep-2024 (H1-FY25)</i>				

Credit Rating: CRISIL A+/Stable/A1 (Reaffirmed): Dec'24

Stock Data (As on 12-Feb'25)

Particulars	12-Feb'25
NIFTY	23,045.25
Ticker	BSE:500214 NSE:IONEXCHANG
CMP (INR)	532.95/-
52 Wk H/L (INR)	767.00/407.00
PE Ratio	36.2
Face Value (INR)	1/-
M.Cap (INR Cr.)	7,816.60
O/s Shares (#)	14,66,66,590

Relative Stock Performance



Candle Bar represents daily movement of Ion Exchange (India) Ltd. while line graph indicates NIFTY 50 Index; Source: Tradingview

Shareholding Pattern

As on	31-Mar'24	31-Dec'24
Promoter	26.38%	25.80%
FII	5.63%	5.83%
DII	12.21%	13.62%
Public	39.59%	38.56%
Others	16.18%	16.18%
Total	100.00%	100.00%
# shareholders	75,497	1,19,036

KEY RISKS & MONITORABLES

- FY25 margins to be ~1% lower than FY24 due to execution of lumpy order in engineering projects. Management expects margins to improve going forward
- Commencement of Roha plant (Note: Management has mentioned INR 275 Cr. of capex outlay while CRISIL mentions INR 432 Cr.)
- Breakeven of consumer products segment along with scale in topline
- Working capital intensive operations along with off-balance sheet liabilities (bank guarantees given to clients)

JASH ENGINEERING LTD.



CMP: INR 546.00/-

Target Price: NA

Potential Upside: NA

Recommendation: Unrated

ABOUT: Founded in 1973, headquarter in Indore, Jash manufactures engineering products for water and wastewater treatment, water transmission lines, desalination. Segmental FY24 turnover is bifurcated as water control gates: 59%, screening equipment: 22%, valves: 10%, hydropower & pumping process equipment: 9%. Jash has 6 integrated manufacturing plants with 4 in India and 1 each in USA & UK. Existing facilities have turnover potential of INR 800 Cr.+

INVESTMENT CONSIDERATIONS:

Unexecuted order book of INR 873 Cr. (as on 01-Nov'24) with INR 115 Cr.+ orders under negotiation

- Domestic : Export order book mix of 37:63
- Customers include Government players and private customers include Tata Projects, VA Tech Wabag etc.
- Typical execution timeline of 6 months to 1.5 years

Improvement in EBITDA margins on account of high margin accretive export orders (FY24: 60%, FY23: 52%, FY22: 50%)

- Further focusing efforts to grow in Middle East markets

Acquisition led growth for gaining technology expertise in both Indian and overseas markets

- Recent acquisition of Waterfront Flow Control Ltd., UK (Apr'24)
- Rodney Hunt Inc., USA acquired in 2016 for \$4 Mn. to achieve \$33 Mn. revenue by FY25

Commissioning new plants in FY26 to achieve **revenue target of INR 1,000 Cr. by FY28**

- Capex of INR 40 Cr. to 43 Cr. over FY25-FY26 (funded via internal accruals) & INR 30 Cr. for FY25 (includes INR 10 Cr. of maintenance capex & INR 20 Cr. of expansion capex)

Particulars (INR Cr.)	FY22	FY23	FY24	9M-FY25
Revenue	368	402	516	298
Gross Margin %	51.6%	57.2%	59.1%	58.1%
EBITDA %	12.7%	15.9%	19.2%	22.5%
PAT %	8.6%	12.5%	12.8%	16.4%
Debt (Short+Long)	76	76	72	92*
Equity	187	239	351	372*
Debt/Equity	0.41x	0.32x	0.20x	0.25x*
NWC	152	209	249	280*
NWC (days)	151	190	176	202*
<i>NWC includes Inventory, Receivables & Payables; & NWC days is computed as % of rev.</i>				
CFO	14	34	58	9*
CFI	(16)	(16)	(68)	(29)*
CFF	2	(13)	32	22*
CFO+CFI+CFF	0	5	22	2*
Cash & Bank Bal.	27	33	96	100*
<i>*As on 30-Sep-2024 (H1-FY25)</i>				

Credit Rating: India Ratings A-/Stable/A1 as on 08-Nov-24

Stock Data (As on 12-Feb'25)

Particulars	12-Feb'25
NIFTY	23,045.25
Ticker	NSE:JASH
CMP (INR)	546.00/-
52 Wk H/L (INR)	665.00/312.82
PE Ratio	38.3
Face Value (INR)	2/-
M.Cap (INR Cr.)	3,415.92
O/s Shares (#)	6,25,62,725

Relative Stock Performance



Candle Bar represents daily movement of Jash Engineering Ltd. while line graph indicates NIFTY 50 Index; *Source: Tradingview*

Shareholding Pattern

As on	31-Mar'24	31-Dec'24
Promoter	49.44%	43.52%
FII	1.18%	2.27%
DII	3.59%	0.78%
Public	45.79%	53.42%
Total	100.00%	100.00%
# shareholders	9,692	29,613

KEY RISKS & MONITORABLES

- Operating margins susceptible to steel prices which is primary raw material. Typically orders do not have price escalation clause though Company builds cushion of 5% to 10% while contract bidding
- Working capital intensive operations with rising short term debt amid high inventory requirements & large number of approvals at various stages (design, plan & final inspection post manufacturing)
- **Monitorable:** Positive guidance from management for FY25 topline target of INR 675 Cr. with EBITDA margins of 21 to 23% and PAT margins of 12% to 14%

ROTO PUMPS LTD. (RPL)



CMP: INR 239.80/-

Target Price: NA

Potential Upside: NA

Recommendation: Unrated

ABOUT: Established in 1968 & based in Noida (Uttar Pradesh), RPL manufactures different types of industrial pumps (progressive cavity, single & twin screw variants) which are specialized & custom made with end applications in wastewater treatment, oil & gas, marine & sugar industries etc. With presence in 55+ countries, export sales contributed to 57% of FY24 revenue from 3 centers (direct export from India, warehouses & marketing offices in Australia & United Kingdom). RPL has set up wholly owned subsidiary in Dubai during FY24 to cater to MENA region.

INVESTMENT CONSIDERATIONS:

Experienced promoters with five decades of presence in high value added industrial pumps industry

Margin sustainability with ability to pass on hike in steel prices to customers without major lag

➤ **In-house R&D facilities & niche product offerings** to aid margin

Geographically diversified revenue profile with established relationships with customers & suppliers

Particulars (INR Cr.)	FY22	FY23	FY24	9M-FY25
Revenue	176	226	275	215
Gross Margin %	68.1%	67.0%	65.1%	65.3%
EBITDA %	25.5%	23.6%	23.9%	19.9%
PAT %	16.8%	14.4%	14.1%	9.7%
Debt (Short+Long)	14	39	36	26*
Equity	135	163	196	205*
Debt/Equity	0.11x	0.24x	0.18x	0.13x*
NWC	66	79	96	95*
NWC (days)	137	127	127	152*
<i>NWC includes Inventory, Receivables & Payables; & NWC days is computed as % of rev.</i>				
CFO	9	30	39	13*
CFI	(18)	(39)	(25)	(11)*
CFF	2	14	(15)	(14)*
CFO+CFI+CFF	(7)	4	(1)	(12)*
Cash & Bank Bal.	29	33	32	15*

*As on 30-Sep-2024 (H1-FY25)

Credit Rating: CRISIL A-/Stable/A2+ dtd. 27-Sep'24 (outlook revised from Positive)

Stock Data (As on 12-Feb'25)

Particulars	12-Feb'25
NIFTY	23,045.25
Ticker	BSE:517500 NSE:ROTO
CMP (INR)	239.80/-
52 Wk H/L (INR)	374.33/150.23
PE Ratio	42.1
Face Value (INR)	1/-
M.Cap (INR Cr.)	1,506.31
O/s Shares (#)	6,28,15,220

Relative Stock Performance



Candle Bar represents daily movement of Roto Pumps Ltd. while line graph indicates NIFTY 50 Index; *Source: Tradingview*

Shareholding Pattern

As on	31-Mar'24	31-Dec'24
Promoter	67.26%	66.62%
FII	0.49%	0.28%
DII	0.00%	0.61%
Public	32.26%	32.49%
Total	100.00%	100.00%
# shareholders	26,741	41,875

KEY RISKS & MONITORABLES

- CRISIL has revised the outlook from Positive to Stable due to 12-15 months delay in commencement of operations in solar pump segment
- Intensive working capital operations
- **Monitorable:** Achieve INR 800 Cr.+ revenue by FY28
 - FY25 revenue est. INR 330 Cr. to INR 350 Cr.
 - Successful ramp up of phase wise capex for solar pumping systems & mud motors
 - EBITDA margins to sustain at 23% to 25%
 - Net worth INR 220 Cr. to INR 230 Cr. (FY25)

SPML INFRA LTD.



CMP: INR 167.20/-

Target Price: NA

Potential Upside: NA

Recommendation: Unrated

ABOUT: Established in 1981, SPML Infra is integrated EPC player in water & wastewater management and power segment with capabilities to execute large sized water projects and focus on 'river to reservoir' segment. Company has completed over 650 projects across India in EPC, PPP, BOOT basis over past 4 decades. Further, it has pre-qualifications to participate in Battery Energy Storage System (BESS) annuity tenders.

INVESTMENT CONSIDERATIONS:

Unexecuted order book of INR 1,800 Cr. (50% with SPML & 50% under JV route) to be executed over 2 years (by ~ Sep'26)

- Participation in INR 5,000 Cr. of tender out of total available tenders of INR 11,000 Cr.
- Avg. 30% revenue share under JV route
- Focus on bulk water business (distribution of water from river to reservoir where substantial portion is laying of pipelines & have paneled subcontractors for faster execution): Average tender value of INR 300 Cr. to INR 1,000 Cr.

Infusion of funds from Promoters on regular basis to support liquidity of Company (INR 190 Cr. in 7M-FY25 & INR 160 Cr. Already contributed since past 3 years)

Expected margins improvement going forward as Company is bidding for higher margin orders (which are in range of 10% to 12%)

Particulars (INR Cr.)	FY22	FY23	FY24	6M-FY25
Revenue	952	883	1,319	395
Gross Margin %	10.6%	12.8%	22.7%	14.3%
EBITDA %	(0.6%)	3.3%	1.0%	6.2%
PAT %	(0.0%)	0.0%	(0.1%)	6.1%
Debt (Short+Long)	1,811	1,753	549	400
Equity	327	349	463	574
Debt/Equity	5.55x	5.02x	1.18x	0.70x
NWC	888	856	79	(83)
NWC (days)	340	354	22	-ve
<i>NWC includes Inventory, Receivables & Payables; & NWC days is computed as % of rev.</i>				
CFO	(19)	20	594	(42)
CFI	36	46	23	(71)
CFF	(16)	(87)	(410)	(66)
CFO+CFI+CFF	1	(21)	208	(179)
Cash & Bank Bal.	43	23	234	72
<i>*Q3-FY25 financial numbers yet to be released by Company</i>				

Credit Rating: ICRA BBB-/Stable/A3 dtd. 04-Dec'24

Stock Data (As on 12-Feb'25)

Particulars	12-Feb'25
NIFTY	23,045.25
Ticker	BSE:500402 NSE:SPMLINFRA
CMP (INR)	167.20/-
52 Wk H/L (INR)	306.00/92.65
PE Ratio	54.5
Face Value (INR)	10/-
M.Cap (INR Cr.)	1,187.96
O/s Shares (#)	7,10,50,472

Relative Stock Performance



Candle Bar represents daily movement of SPML Infra Ltd. while line graph indicates NIFTY 50 Index; *Source: Tradingview*

Shareholding Pattern

As on	31-Mar'24	31-Dec'24
Promoter	39.35%	34.80%
FII	0.41%	0.76%
DII	2.34%	1.72%
Public	57.92%	62.72%
Total	100.00%	100.00%
# shareholders	9,506	14,081

KEY RISKS & MONITORABLES

- **SPML underwent debt restructuring** wherein NARCL took over lender's exposure of INR 2,612 Cr. in Aug'23 & SPML is now liable to pay ~INR 700 Cr. by FY2031 (INR 223 Cr. repaid as of Sep'24)
 - Timely receipt of arbitration awards of INR 613 Cr. as well as asset monetization proceeds receive key monitorable
 - Closure of legacy projects with low margins & time-bound delivery of new projects along with receipt of commission from JV projects
 - Non-invocation of BG's (contractual performance, mobilization advances, security deposits) to be monitored
- Growth (in topline & bottom line) expected from FY26 with bid of new tenders

TAYLORMADE RENEWABLES LTD.



CMP: INR 249.70/-

Target Price: NA

Potential Upside: NA

Recommendation: Unrated

ABOUT: Incorporated in 2010 in Ahmedabad, Gujarat, Company provides EPC services for wastewater treatment (Zero Liquid Discharge or ZLD via patented technologies), renewable energy and solar thermal applications (parabolic concentrators) to national as well as international clients.

INVESTMENT CONSIDERATIONS:

Diversified client base having executed/ongoing projects for ONGC, Indian Oil Ltd., Asian Paints etc.

- Executing water infra projects in Andhra Pradesh valued at INR 230 Cr. expected to be completed within 1.5 years (includes construction of entire water system – water pipelines, source construction, structural developments)
- Executed project sizes varies from 10 KLD to 1000 KLD

Patented technologies (TRL Rain) to deliver sustainable ZLD solutions for industrial wastewater management

Aims to establish multiple water treatment plants under Build Own Operate (BOO) model over next 5 years

Particulars (INR Cr.)	FY22	FY23	FY24	6M-FY25
Revenue	6	20	47	35
Gross Margin %	49.3%	53.5%	53.1%	27.1%
EBITDA %	16.2%	16.8%	34.3%	18.8%
PAT %	2.7%	9.9%	22.6%	11.7%
Debt (Short+Long)	4	3	7	15
Equity	18	21	63	67
Debt/Equity	0.20x	0.16x	0.11x	0.22x
NWC	20	16	26	53
NWC (days)	1,217	301	205	274
<i>NWC includes Inventory, Receivables & Payables; & NWC days is computed as % of rev.</i>				
CFO	1	2	(22)	(5)
CFI	(1)	(2)	(10)	(2)
CFF	(1)	0	32	7
CFO+CFI+CFF	0	0	0	0
Cash & Bank Bal.	0	0	0	0

**Q3-FY25 financial numbers yet to be released by Company*

Credit Rating: ACUTE B (**Downgraded: Issuer not cooperating**) dtd. 19-Nov'24

Stock Data (As on 12-Feb'25)

Particulars	12-Feb'25
NIFTY	23,045.25
Ticker	BSE:541228
CMP (INR)	249.70/-
52 Wk H/L (INR)	721.15/246.95
PE Ratio	45.5
Face Value (INR)	10/-
M.Cap (INR Cr.)	276.99
O/s Shares (#)	1,10,92,851

Relative Stock Performance



Candle Bar represents daily movement of TaylorMade Renewables Ltd. while line graph indicates NIFTY 50 Index; *Source: Tradingview*

Shareholding Pattern

As on	31-Mar'24	31-Dec'24
Promoter	61.75%	58.79%
FII	-	-
DII	-	-
Public	38.25%	41.21%
Total	100.00%	100.00%
# shareholders	2,024	7,839

KEY RISKS & MONITORABLES

- Realization of high trade receivables due to pending payment from large scale Andhra Pradesh water infrastructure project valued at INR 230 Cr. (delays due to change in State Government)
- Substantial upfront investment required for Build Own Operate model
- Closure of acquiring majority stake in TaylorMade Enviro Pvt. Ltd. (TEPL) which has obtained permission for setting up Common Effluent Treatment Plant (CETP) in Tarapur, Gujarat
- Increased raw material costs causing drop in operating margins

THERMAX LTD.



CMP: INR 3,178.05/-

Target Price: NA

Potential Upside: NA

Recommendation: Unrated

ABOUT: Incorporated in 1996 as Wanson India Pvt. Ltd., Company manufactures packaged & custom made large boilers, cogeneration equipment, waste-heat recovery systems, air pollution-control equipment, waste & water treatment plants and chemicals and absorption chillers with 14 manufacturing locations (10 in India, 4 abroad) with installations in 90+ countries & sales-service presence in 30+ countries.

INVESTMENT CONSIDERATIONS:

Unexecuted order book of INR 11,383 Cr. as on 31-Dec'24 (diversified across Industrial Products: 39%, Industrial Infra: 51%, green solutions: 8% & chemical: 2% segments)

- Steady increase in global footprint with ~30% revenue coming from overseas market

Diversification across product portfolio with increasing investments (outlined: INR 800 Cr. to INR 850 Cr.) in renewable energy wholly owned subsidiaries (First Energy Pvt. Ltd. with target to deploy 1 GW of hybrid renewable energy solutions & Thermax Onsite Energy Solutions Ltd.)

- Strengthening of water & tunneling portfolio with acquisition of 100% stake in Buildtech Products Ltd. (for INR 72 Cr. in Oct'24) & 51% stake in TSA Process Equipments Pvt. Ltd. (for ~INR 71 Cr. in Feb'24)

Efficient management of working capital with careful selection of projects & tight control on collections

Particulars (INR Cr.)	FY22	FY23	FY24	9M-FY25
Revenue	6,128	8,090	9,323	7,304
Gross Margin %	43.1%	42.8%	44.0%	44.3%
EBITDA %	6.9%	7.4%	8.6%	8.3%
PAT %	5.0%	5.5%	6.7%	5.6%
Debt (Short+Long)	355	811	1,256	1,452*
Equity	3,492	3,870	4,440	4,628*
Debt/Equity	0.10x	0.21x	0.28x	0.31x*
NWC	691	1,020	1,348	1,379*
NWC (days)	41	46	53	53*
<i>NWC includes Inventory, Receivables & Payables; & NWC days is computed as % of rev.</i>				
CFO	325	460	247	516*
CFI	(422)	(680)	(509)	(593)*
CFF	(21)	349	285	(13)*
CFO+CFI+CFF	(117)	128	23	(90)*
Cash & Bank Bal.	953	1,132	975	767*

**As on 30-Sep-2024 (H1-FY25)*

Credit Rating: CRISIL AA+/Stable/A1+ (dtd. 20-Dec'24)

Stock Data (As on 12-Feb'25)

Particulars	12-Feb'25
NIFTY	23,045.25
Ticker	BSE:500411 NSE:THERMAX
CMP (INR)	3,178.05/-
52 Wk H/L (INR)	5,835.00/3,067.30
PE Ratio	62.4
Face Value (INR)	2/-
M.Cap (INR Cr.)	37,868.47
O/s Shares (#)	11,91,56,300

Relative Stock Performance



Candle Bar represents daily movement of Thermax Ltd. while line graph indicates NIFTY 50 Index; *Source: Tradingview*

Shareholding Pattern

As on	31-Mar'24	31-Dec'24
Promoter	61.99%	61.99%
FII	12.24%	15.49%
DII	15.82%	12.66%
Public	4.48%	4.39%
Others	5.48%	5.47%
Total	100.00%	100.00%
# shareholders	40,819	50,755

KEY RISKS & MONITORABLES

- Cyclicity in end-user industries (engineering, capital goods) & increasing focus towards global markets with generally fixed price contracts to be key monitorable
- Range bound EBITDA margins due to intense competition & volatility in input prices

VA TECH WABAG LTD



CMP: INR 1,498.75/-

Target Price: NA

Potential Upside: NA

Recommendation: Unrated

ABOUT: Incorporated in 1996, VA Tech Wabag provides turnkey solutions (design, engineering, procurement, construction, commissioning and O&M) for water, waste water treatment, sea water desalination to municipal and industrial segments with presence in 25+ countries. It is world's 3rd largest private water operator and 5th top desalination plant suppliers backed by global R&D centers in Europe and India. Order book is funded by Federal Governments / Multilateral agencies.

INVESTMENT CONSIDERATIONS:

Unexecuted order book of INR 14,263 Cr. (as on 31-Dec'24)

- EPC : O&M in ratio of ~58:42 while India : Overseas as 60:40
- Municipal : Industrial order mix in ratio 84 : 16
- EPC order is typically executed in 3 to 3.5 years while O&M contracts can be for 15 years+ providing revenue visibility

Asset light model and presence across value chain of water treatment (drinking water, sewage, industrial, seawater desalination, water recycling) with strong focus on R&D and technology driven projects and ability to bid and execute large projects on its own

Solar PV / Semiconductor / Green H2 sector water treatment demand beneficiary (recd. INR 1,000 Cr. order from Indosol Solar for sea water desalination to be used for 10 GW solar PV manufacturing unit)

Multilateral agencies / Central Govt. / Sovereign Guarantees funded projects reducing counterparty risks

Particulars (INR Cr.)	FY22	FY23	FY24	9M-FY25
Revenue	2,979	2,961	2,856	2,138
Gross Margin %	22.6%	23.3%	24.1%	24.8%
EBITDA %	8.0%	10.7%	13.2%	13.1%
PAT %	4.4%	0.4%	8.6%	9.0%
Debt (Short+Long)	428	213	281	423*
Equity	1,526	1,575	1,824	1,972*
Debt/Equity	0.28x	0.14x	0.15x	0.21x*
NWC	372	472	999	1,077*
NWC (days)	46	58	128	149*
<i>NWC includes Inventory, Receivables & Payables; & NWC days is computed as % of rev.</i>				
CFO	12	85	134	(25)*
CFI	(34)	16	84	28*
CFF	45	(240)	44	123*
CFO+CFI+CFF	22	(139)	261	126*
Cash & Bank Bal.	429	275	510	637*
<i>*As on 30-Sep-2024 (H1-FY25)</i>				

Credit Rating: India Ratings AA-/Stable/A1+ as on 04-Feb-25 (upgraded from IND A+/Stable/A1+)

Stock Data (As on 12-Feb'25)

Particulars	12-Feb'25
NIFTY	23,045.25
Ticker	BSE:533269 NSE:WABAG
CMP (INR)	1,498.75/-
52 Wk H/L (INR)	1,943.95/650.05
PE Ratio	34.9
Face Value (INR)	2/-
M.Cap (INR Cr.)	9,320.79
O/s Shares (#)	6,21,90,428

Relative Stock Performance



Candle Bar represents daily movement of VA Tech Wabag Ltd. while line graph indicates NIFTY 50 Index; *Source: Tradingview*

Shareholding Pattern

As on	31-Mar'24	31-Dec'24
Promoter	19.12%	19.12%
FII	12.45%	18.86%
DII	5.63%	2.01%
Public	62.78%	60.00%
Total	100.00%	100.00%
# shareholders	1,08,230	1,78,346

KEY RISKS & MONITORABLES

- Large confirmed order (INR 2,700 Cr.; 300 MLD mega sea water desalination plant) from Saudi Water Authority which Company won in Sep'24 was cancelled by Authority in Dec'24. However, this order will open again for retendering which Company will bid for.
- Larger receivable cycle from municipal orders which comprise ~85% of order book (Sep'24)
- Expected topline growth of 15% to 20% CAGR and EBITDA margins in range of 13% to 15%; PAT margins in range of 9% to 10% for 3 to 5 years while sustaining margins will be monitorable

VISHNU PRAKASH R PUNGALIA LTD.



CMP: INR 184.45/-

Target Price: NA

Potential Upside: NA

Recommendation: Unrated

ABOUT: Established in 1986, VPRPL is integrated EPC Company promoted by Pungalia family who are in EPC business for last 4 decades. Business is divided into four categories (a) Water Supply Projects (WSP) (b) Railway projects (c) Road projects & (d) Irrigation network projects with key customers as Central & State Govt., autonomous bodies and private clients. VPRPL specializes in WSPs including setting up Water Treatment Plants (WTPs) along with pumping stations & laying of pipelines for water supply.

INVESTMENT CONSIDERATIONS:

Unexecuted order book of INR 5,125 Cr. (as on 31-Dec'24) & potential orders bidding opportunity of INR 4,500 Cr.

- Execution over 24-36 months
- WSP, railways & road-civil account for 67%, 29%, and 4% resp.
- Railways segment includes constructing, developing, O&M of railway tracks, rail over-bridges, platforms, foot-over bridges, stations etc.
- In-built price escalation clause for major inputs

Geographical diversification with Rajasthan, Uttarakhand, UP, MP account for 45%, 17%, 10%, 10% respectively of unexecuted order book along with smaller share in 6 other states

In-house execution team with fleet of more than 500+ construction equipment reducing dependence on 3rd parties

Asset light model for road & highway projects which includes only EPC project (with or without O&M) and no BOT or HAM

Particulars (INR Cr.)	FY22	FY23	FY24	9M-FY25
Revenue	786	1,168	1,474	832
Gross Margin %	14.2%	17.2%	18.5%	19.4%
EBITDA %	11.1%	13.4%	14.2%	13.2%
PAT %	5.7%	7.7%	8.2%	5.0%
Debt (Short+Long)	177	250	396	562*
Equity	159	315	721	759*
Debt/Equity	1.11x	0.80x	0.55x	0.74x*
NWC	176	304	791	985*
NWC (days)	82	95	196	305*
<i>NWC includes Inventory, Receivables & Payables; & NWC days is computed as % of rev.</i>				
CFO	(3)	(8)	(220)	(131)*
CFI	(30)	(98)	(12)	(36)*
CFF	42	108	340	139*
CFO+CFI+CFF	9	2	108	(28)*
Cash & Bank Bal.	39	70	91	77*
<i>*As on 30-Sep-2024 (H1-FY25)</i>				

Credit Rating: CARE BBB+/Stable/A3+ (08-Oct'24); **outlook revised from Positive**

Stock Data (As on 12-Feb'25)

Particulars	12-Feb'25
NIFTY	23,045.25
Ticker	BSE:543974 NSE:VPRPL
CMP (INR)	184.45/-
52 Wk H/L (INR)	345.85/141.35
PE Ratio	21.0
Face Value (INR)	10/-
M.Cap (INR Cr.)	2,299.06
O/s Shares (#)	12,46,44,000

Relative Stock Performance



Candle Bar represents daily movement of VPRPL while line graph indicates NIFTY 50 Index; *Source: Tradingview*

Shareholding Pattern

As on	31-Mar'24	31-Dec'24
Promoter	67.81%	67.81%
FII	1.11%	0.89%
DII	4.16%	4.14%
Public	26.90%	26.90%
Government	0.00%	0.24%
Total	100.00%	100.00%
# shareholders	84,560	1,22,627

KEY RISKS & MONITORABLES

- CARE has revised the outlook from Positive to Stable via rating rationale dtd. 08-Oct'24 due to elongated receivables & inventory holding due to delays in work certification & payment releases
 - 34% of order book pertains to recently awarded projects at nascent stage & 40% of orders delayed
- INR 2,000 Cr. of order book is Jal Jeevan Mission which is facing payment delays (50% center disbursement pending due to which states 50% delay)
- **Monitorable:** FY25 topline of INR 1,700 Cr. with EBITDA margins in range of 13% to 14%

WELSPUN ENTERPRISES LTD.(WEL)



CMP: INR 545.40/-

Target Price: NA

Potential Upside: NA

Recommendation: Unrated

ABOUT: Established in 1994 and formerly known as Welspun Projects Ltd., WEL develops & operates Public Private Partnership (PPP) projects in roads, water & urban infrastructure. Further, via Adani Welspun Exploration Ltd., 65:35 JV between Adani Group & WEL, it is developing 3 oil & gas blocks which are expected to commence revenue generation in FY28. Acquisition (60.09% stake) of water EPC player: Welspun Michigan Engineers Ltd. (WMEL), WEL is focusing to grow water business and enter tunneling segment.

INVESTMENT CONSIDERATIONS:

Unexecuted order book of INR 14,500 Cr. including INR 4,400 Cr. for O&M (excludes INR 1,850 Cr. of road projects where WEL is L1)

- Water, tunneling-water, WMEL, Road contribute to 64%, 14%, 10%, 12% of total order book respectively (including O&M)
- 3 large projects of contract value INR 9,200 Cr. in wastewater segment (Dharavi Sewage Treatment Plant, UP Jal Jeevan Mission, Bhandup Water Treatment Plant)
- Recently won Ghatkopar to Dharavi water tunneling project (~INR 1,989 Cr.) from Brihanmumbai Municipal Corporation which has been subcontracted to WMEL (93 months execution)
- O&M revenue spans 10 to 15 years

Innovative water treatment solution through Welspun Smart Ops via subsidiary WMEL to address est. 63% of India's sewage issue

Industry tailwind in tunneling business with opportunity of INR 3 Lakh Cr. over period of next 5 to 7 years

Asset light model with most projects sub-contracted to established, regional, mid-sized EPC players

Particulars (INR Cr.)	FY22	FY23	FY24	9M-FY25
Revenue	1,342	2,758	2,872	2,563
Gross Margin %	29.0%	23.3%	32.1%	32.1%
EBITDA %	11.2%	9.0%	14.8%	14.4%
PAT %	9.0%	25.0%	10.4%	9.1%
Debt (Short+Long) <i>incl. contract liab.</i>	3,413	1,866	1,595	1,950*
Equity	1,794	2,362	2,490	2,619*
Debt/Equity	1.90x	0.79x	0.64x	0.74x*
NWC	39	473	765	866*
NWC (days)	11	63	97	93*
<i>NWC includes Inventory, Receivables & Payables; & NWC days is computed as % of rev.</i>				
CFO	287	345	(344)	(391)*
CFI	(487)	1,289	(52)	26*
CFF	125	(204)	(486)	343*
CFO+CFI+CFF	(75)	1,430	(882)	(22)*
Cash & Bank Bal.	277	542	484	367*
<i>*As on 30-Sep-2024 (H1-FY25)</i>				

Credit Rating: CRISIL AA-/Stable/A1+ as on 27-Jan'25

Stock Data (As on 12-Feb'25)

Particulars	12-Feb'25
NIFTY	23,045.25
Ticker	BSE:532553 NSE:WELENT
CMP (INR)	545.40/-
52 Wk H/L (INR)	664.10/270.05
PE Ratio	23.1
Face Value (INR)	10/-
M.Cap (INR Cr.)	7,549.09
O/s Shares (#)	13,84,13,810

Relative Stock Performance



Candle Bar represents daily movement of Welspun Enterprises Ltd. while line graph indicates NIFTY 50 Index; *Source: Tradingview*

Shareholding Pattern

As on	31-Mar'24	31-Dec'24
Promoter	54.51%	54.80%
FII	4.55%	4.58%
DII	1.93%	6.31%
Public	37.62%	33.07%
Others	1.37%	1.23%
Total	100.00%	100.00%
# shareholders	58,167	63,886

KEY RISKS & MONITORABLES

- Intense competition as projects are tender based with dependence on state Govt. as counterparties
- **Monitorable:** Management is expecting INR 3,700 Cr. of revenue including other income for FY25 (**revised downwards from INR 4,000 Cr. in Q2FY25**)
 - Closing order book (FY25) of INR 15,000 Cr. to INR 20,000 Cr. & medium term (INR 50k Cr.)
 - Revenue growth of 15% to 20% over FY25 to FY27 (revised from 20% to 22% in Q2FY25)
 - EBITDA margins (incl. other income) ~16% to 17% over 3 to 4 years
 - Mumbai block clearance expected in Q4-FY25 (Post approval of Field Development Plan (FDP), capex requirement will be estimated)

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- Buy: > 15%
- Hold: -5% to 15%
- Reduce: -15% to -5%
- Sell: < -15%