

9th September 2024



INITIATING COVERAGE

Va Tech Wabag Limited



'RIDING THE WAVE'

We are initiating coverage on Va Tech Wabag Ltd. (VTW) with a BUY recommendation and a target price of Rs 1,700/share, implying an upside of 30% from the CMP. Headquartered in Chennai, WABAG Group has a history spanning more than 90 years. With a presence in four continents, WABAG is a pure-play water technology multinational offering a wide range of solutions focused on conservation, optimization, recycling, and reuse of resources, addressing global water challenges. The group currently has a workforce of over 2,000 employees across more than 25 countries. It operates dedicated R&D centres in Europe and India, holds over 125 IP rights, and has a successful track record of executing over 6,500 municipal and industrial projects globally. WABAG presents a strong opportunity for participation in the growing green and ESG-themed investments.

Investment Thesis

Well-placed to serve the growing water security/conservation market

Regulatory bodies worldwide are allocating additional resources towards the conservation of water sources and implementing stricter regulations to minimize the impact of industrial waste on water bodies. This has led to a significant increase in municipal and industrial expenditure on water-related infrastructure, creating substantial opportunities for companies with the necessary expertise. VTW, with its nearly century-long presence in the industry, was primarily focused on revenue growth until a few years ago, with EBITDA margins hovering around the 8-9% range. However, in recent years, the company has made strategic decisions that have led to a visible improvement in its business mix, higher profitability, and steady cash flow generation. As a result, EBITDA margins have surpassed the 13% level in FY24, indicating a clear uptrend in profitability. Given VTW's extensive experience and strategic focus on key growth areas, the company is well-positioned to capitalize on the rising investment in water security and resource conservation.

Focusing on profitable and sustainable growth

VTW has adopted a strategy to be very selective about the project selection where it wants to focus. This includes 1) Reducing the construction component in EPC contracts, 2) Increasing the share of O&M revenues to at least 20% over the medium term, 3) Increasing the share of industrial contracts, 4) Adopting advanced technologies, 5) Expanding in key international geographies, and 6) Choosing projects where the payment security is higher. The company has also divested two of their European entities in Switzerland and the Czech Republic where the profitability was lower. As a result of these strategic decisions, VTW has seen a steady increase in EBITDA margins, which stood at 13.2% in FY24 compared to 7.7% in FY21. The company has guided EBITDA margins in the range of 13-15% in the medium term. Additionally, the selective approach in choosing projects is expected to increase revenue predictability while reducing default risks.

Clear revenue visibility

As of June 2024, the company's order book stood at approximately Rs 10,676 Cr, with the company identified as the preferred bidder for marquee projects worth around Rs 6,000 Cr, primarily in the MEA and India regions. The company confirmed on 6th September 2024, that it has received an order from Saudi Water Authority worth ~Rs 2,700 Cr towards a 300 MLD Mega Sea Water Desalination Plant in the Kingdom of Saudi Arabia. The Middle East is viewed as a key growth engine, offering higher payment security, larger project sizes, and better margins compared to domestic business. The company is targeting an order book of Rs 16,000 Cr or more by the end of FY25 and is confident in its ability to achieve this goal. EPC contracts typically take 2.5-3.5 years to complete, while O&M contracts can range from a few years to more than 20 years. Given these timelines, the current order book provides clear revenue visibility for the next 3-4 years, and the rising order book is expected to ensure a predictable stream of inflows in the medium term.

Expanding offerings to become a future-ready organization

In addition to its traditional offerings in water-related solutions, VTW is actively exploring new growth opportunities by leveraging its extensive experience, skills, and reputation. One notable initiative is the company's strategic partnership with Peak Sustainability Ventures to establish 100 Bio-CNG plants across India, GCC, Africa, and Europe. VTW has been involved in biogas production for the last 3-4 decades, primarily using biogas to generate electricity. Now, the company plans to convert biogas into compressed natural gas (CNG), aligning with the increasing governmental push towards cleaner energy sources. Additionally, VTW is exploring collaborations with players in the semiconductor and green hydrogen industries, where it can contribute by addressing water requirements. While these initiatives are expected to take at least 3-4 years to gain significant momentum, VTW appears to be taking the right steps to capitalize on these emerging opportunities.

Valuation & Recommendation

We initiate coverage on Va Tech Wabag Ltd. (VTW) with a BUY recommendation. Our recommendation is supported by a) Strong industry tailwinds, b) Improving profitability, c) Robust Order book, and d) Expanding offerings. The stock currently trades at 18x FY26E EPS. We value the stock at 23x FY26E EPS and initiate coverage with a BUY rating on the stock with a target price of Rs 1,700/share, implying an upside of 30% from the CMP.

Key Financials (Consolidated)

(Rs Cr)	FY24A	FY25E	FY26E	FY27E
Net Sales	2,856	3,305	4,273	4,863
EBITDA	376	456	632	739
Net Profit	250	318	461	551
EPS (Rs)	39.5	51.3	74.4	88.8
P/E (x)	33.2	25.6	17.7	14.8
EV/EBITDA (x)	21.1	17.3	12.5	10.7
ROE (%)	15%	16%	19%	20%
ROCE (%)	20%	20%	25%	26%

Source: Company, Axis Securities Research

(CMP as of 6th September, 2024)

CMP (Rs)	1,313
Upside /Downside (%)	30%
High/Low (Rs)	1,420/436
Market cap (Cr)	8,165
Avg. daily vol. (1 Yr) Shrs.	7,03,760
No. of shares (Cr)	6.22

Shareholding Pattern (%)

	Dec-23	Mar-24	Jun-24
Promoter	19.12	19.12	19.12
FIIs	13.11	12.45	11.52
DIIIs	5.85	5.63	4.99
Public	61.91	62.78	64.35

Financial & Valuations

Y/E Mar (Rs Cr)	FY24	FY25E	FY26E
Net Sales	2,856	3,305	4,273
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EPS (Rs)	39.5	51.3	74.4
P/E (x)	33.2	25.6	17.7
EV/EBITDA (x)	21.1	17.3	12.5
ROE (%)	6%	7%	9%
ROCE (%)	15%	16%	19%

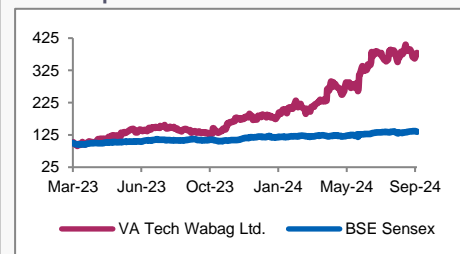
ESG disclosure Score**

Environmental Disclosure core	NA
Social Disclosure Score	NA
Governance Disclosure Score	NA
Total ESG Disclosure Score	NA

Source: Bloomberg, Scale: 0.1-100

**Note: This score measures the amount of ESG data a company reports publicly and does not measure the company's performance on any data point. All scores are based on 2022 disclosures

Relative performance



Source: Ace Equity, Axis Securities Research

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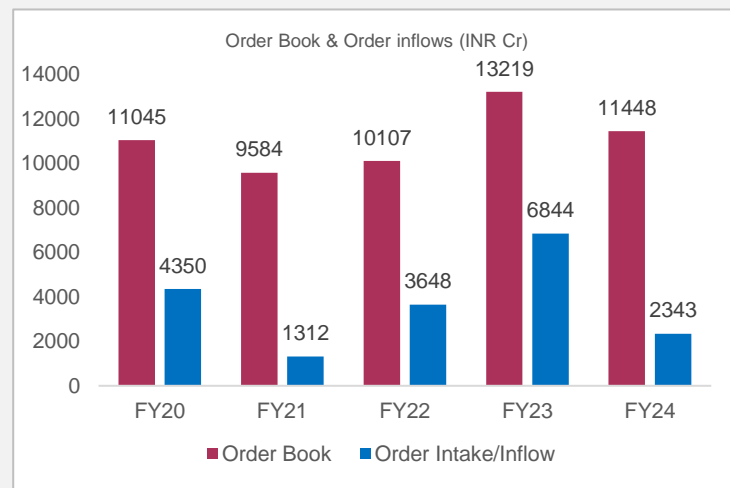
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VTW's Story in Charts

Exhibit 1: Order Book & Order Inflows (Rs in Cr)



Source: Company, Axis Securities Research

Exhibit 2: Revenue mix tilting towards industrials...

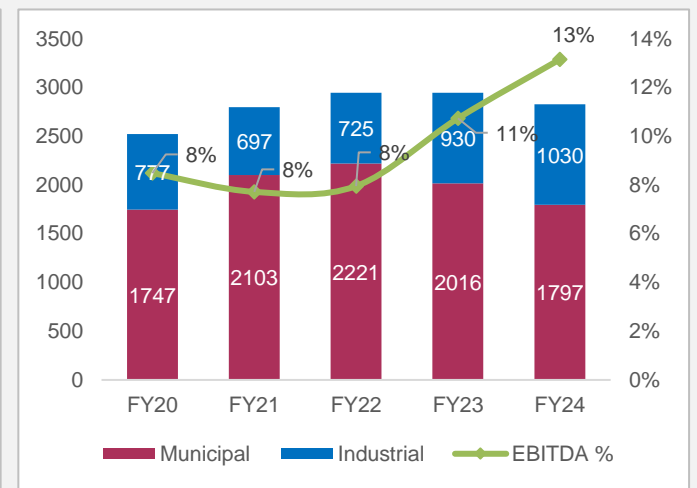
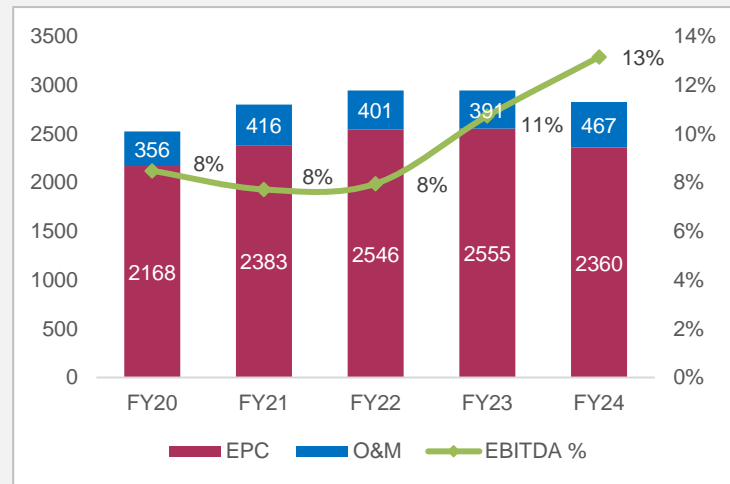


Exhibit 3: ... and O&M, reflecting in improved margins



Source: Company, Axis Securities Research

Exhibit 4: Margins expected to improve further going ahead

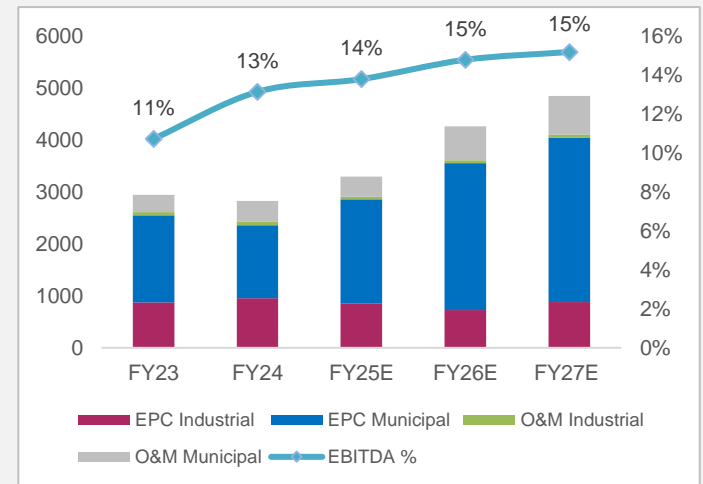
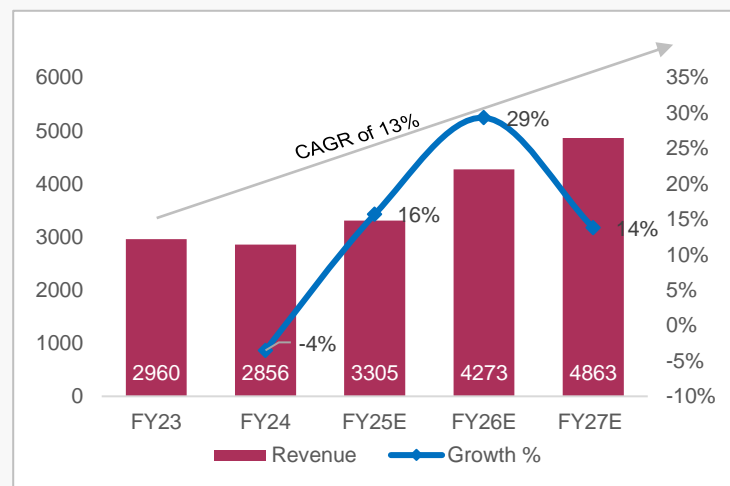


Exhibit 5: Robust order book gives clear revenue visibility



Source: Company, Axis Securities Research

Exhibit 6: International business to take an equal share

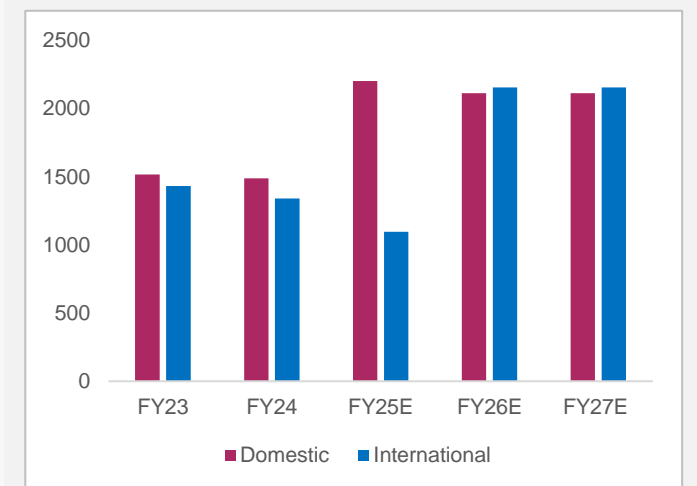
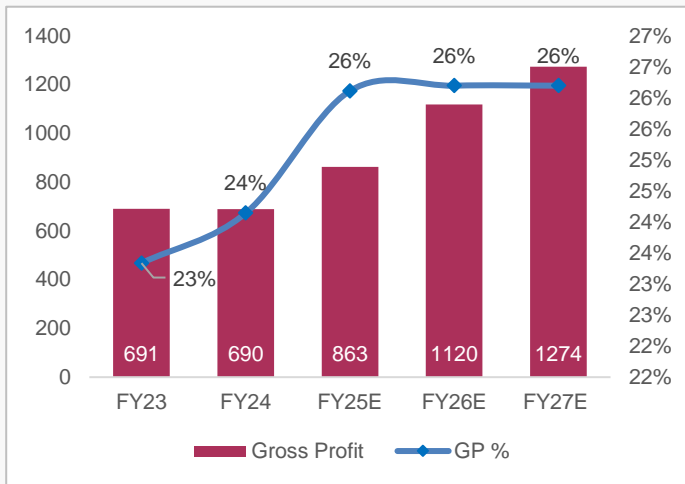
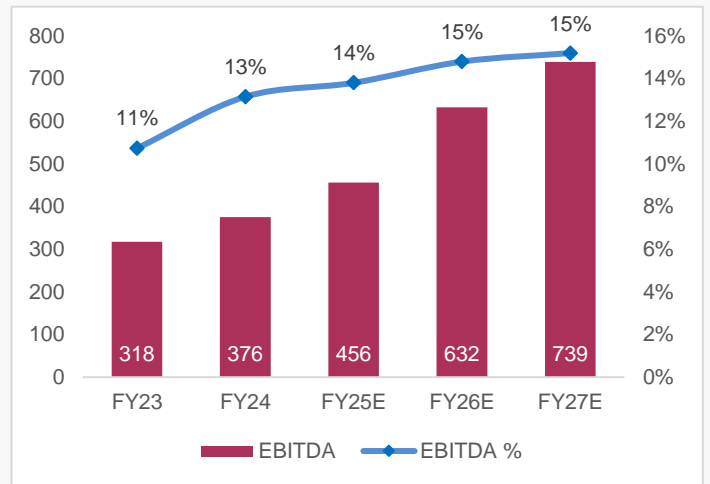
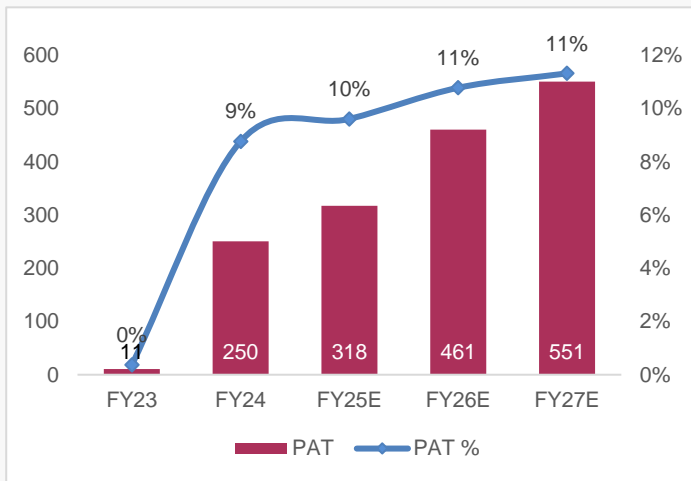
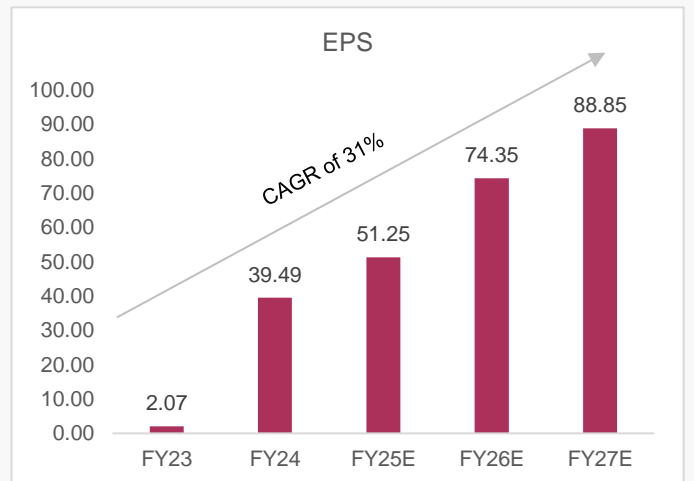
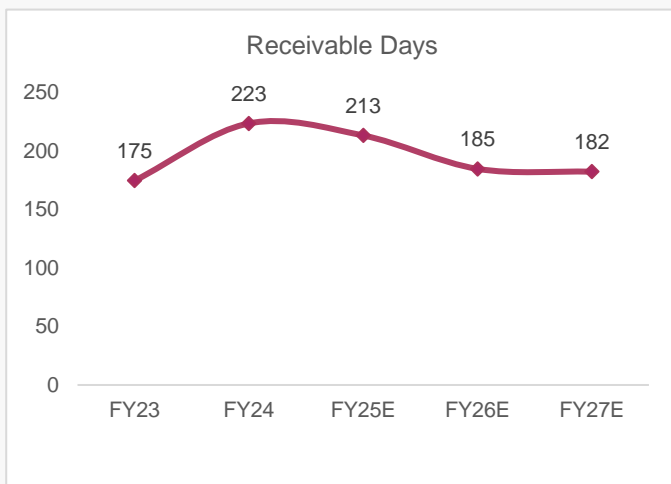


Exhibit 7: Gross margins to stabilize at improved level going forward


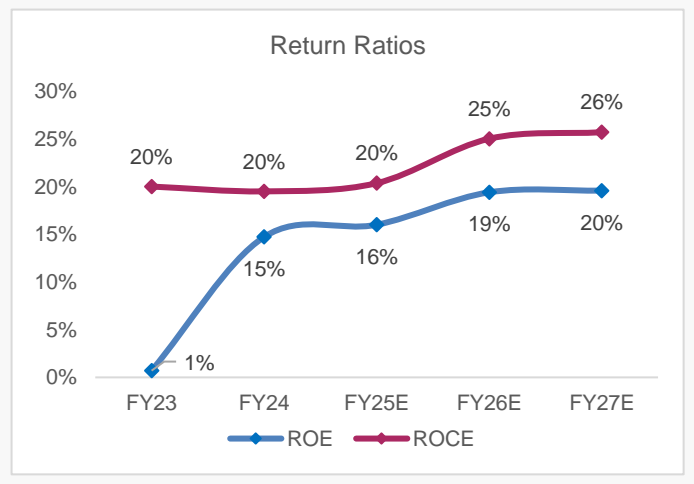
Source: Company, Axis Securities Research

Exhibit 8: Strategic steps to drive EBITDA growth...

Exhibit 9: ...Leading to improvement in overall PAT & PAT Margin


Source: Company, Axis Securities Research

Exhibit 10: EPS is expected to grow at 31% CAGR over the next 3 years

Exhibit 11: Receivable days to moderate after being at elevated levels in FY24 due to large order executions


Source: Company, Axis Securities Research

Exhibit 12: Revenue growth along with margin improvements resulting in significant improvement in Return Ratios


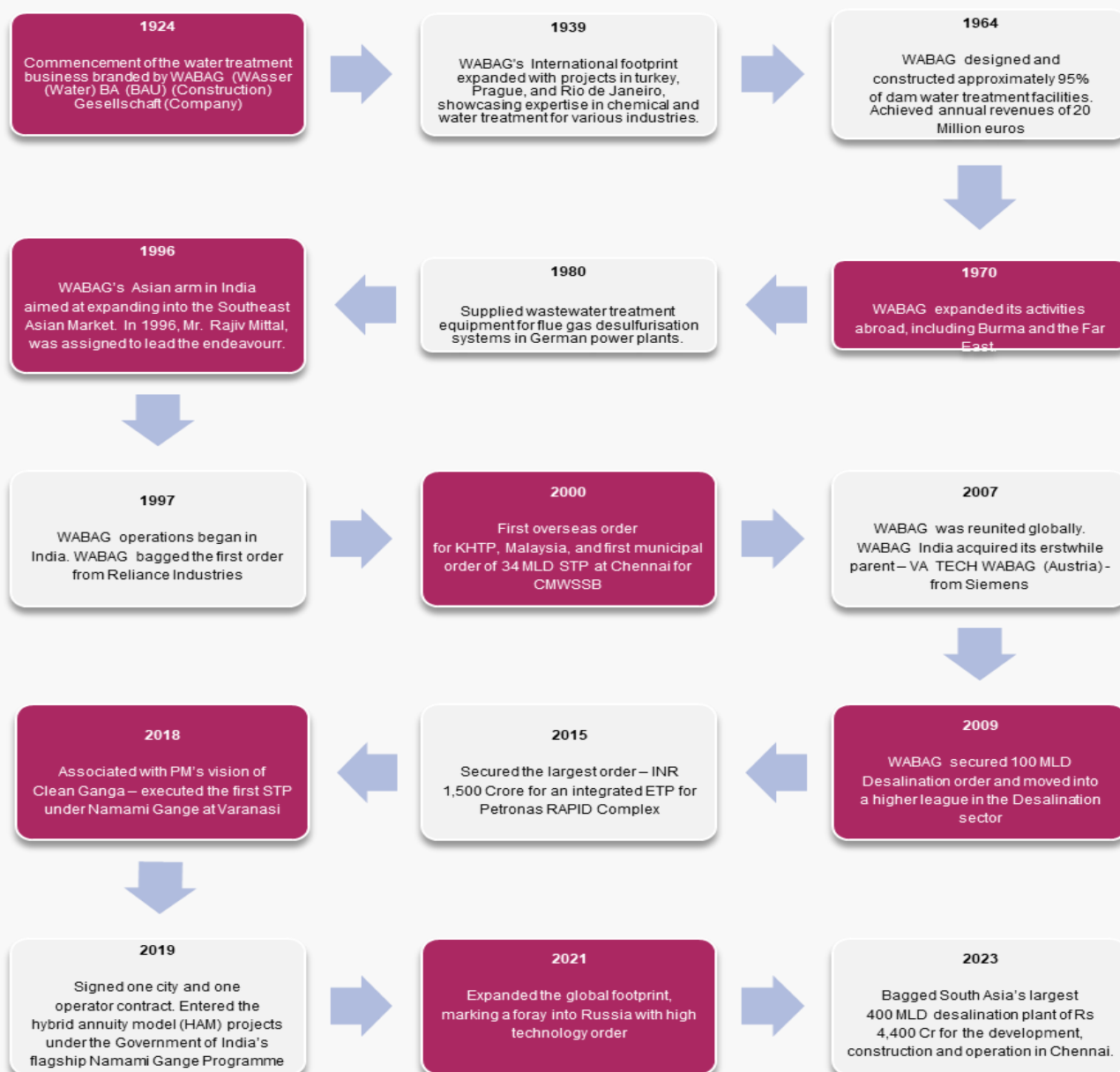
VA TECH WABAG LTD

VA Tech Wabag Ltd., an Indian multinational company headquartered in Chennai, has a rich history dating back to its founding by Max Reder in Breslau, Germany, in 1924. Over the past century, WABAG has established itself as a pioneer in water treatment, specializing in the design, supply, installation, construction, and operational management of drinking water, wastewater treatment, industrial water treatment, and desalination plants. With a presence in over 25 countries, the company has developed 125+ IP Rights in-house and operates R&D centres in Europe and India.

VA Tech Wabag follows an asset-light model, focusing on its core expertise in Engineering and Procurement (EP) while outsourcing civil activities. The company is a comprehensive solutions provider, offering services across Engineering, Procurement & Construction (EPC), Operation & Maintenance (O&M), Design Build Operate (DBO), Build Own Operate Transfer (BOOT), and Hybrid Annuity Model (HAM). Its diverse clientele includes both municipal and industrial clients across regions such as India, Southeast Asia, the Middle East, Africa, Europe, and Latin America.

Pure-play water technology company featuring in the top three private water operators, serving 88.8 million people, globally.

Exhibit 13: Key Milestones



Source: Company, Axis Securities Research

Exhibit 14: VTW's Global Presence


Source: Company, Axis Securities Research

Exhibit 15: Va Tech Wabag Global Presence

India Cluster	Europe Cluster	MEA cluster
India (global headquarters)	Austria	Bahrain
Nepal	Switzerland	Saudi Arabia
Sri Lanka	Romania	Qatar
Thailand	Germany	Oman
Malaysia	Russia	UAE
Singapore	Turkey	Tunisia
Philippines	Czech Republic	Egypt
Vietnam		Libya
Bangladesh		Nigeria
		Tanzania
		Senegal
		Namibia

Source: Company, Axis Securities Research

Exhibit 16: Va Tech Wabag Delivery Model

Delivery Models	Overview	Marquee Projects
Engineering, Procurement & Construction (EPC)	<ul style="list-style-type: none"> The company offers customized water and wastewater treatment solutions throughout the engineering, procurement and construction phases. Considering its presence in low-cost engineering bases in India and Turkey, coupled with global sourcing practices, the company has emerged as a highly competitive EPC player in the global water space. Post the completion of the plant construction, the facility undergoes a complete test run before it is handed over to the client for operation. 	<ul style="list-style-type: none"> Dambulla WTP in Sri Lanka AMAS WWTP in Bahrain Al Ghubra Desalination Plant in Oman
Operation & Maintenance (O&M)	<ul style="list-style-type: none"> WABAG undertakes the operational management of existing water and wastewater plants in the form of service agreements. Its experience and expertise across segments help optimize technical processes to enhance the operational efficiency of the plant. Its model is characterized by the training and integration of existing expert personnel with adherence to relevant standards of safety and standard operating procedures for operations and maintenance. 	
Design Build Operate (DBO)	<ul style="list-style-type: none"> WABAG with its technological expertise and process knowledge can achieve better costs as well as efficiency under design-build-operate contracts. With an in-house engineering team, global standards of procurement, quality construction support, dedicated operations and maintenance functions following the highest operating procedures along with global safety standards, WABAG is equipped to be a reliable partner for design-build-operate agreements. 	<ul style="list-style-type: none"> Major DOB projects include- The desalination plant with seven years of O&M in Nemmeli, India, and the WWTP in Adana, Turkey
Build Own Operate Transfer (BOOT)/ Hybrid Annuity Model (HAM)	<ul style="list-style-type: none"> WABAG prefers to be an asset-light company with its commitment to BOOT projects using a small stake. Company aids in obtaining competitive financing from available avenues and assumes overall responsibility for timely execution and operational management of the project. 	<ul style="list-style-type: none"> Ujams Industrial Wastewater Reclamation Plants in Windhoek, Namibia Chennai Wastewater Treatment Project in Alandur, India.

Source: Company, Axis Securities Research

Exhibit 17: Complete Life Cycle Partnership

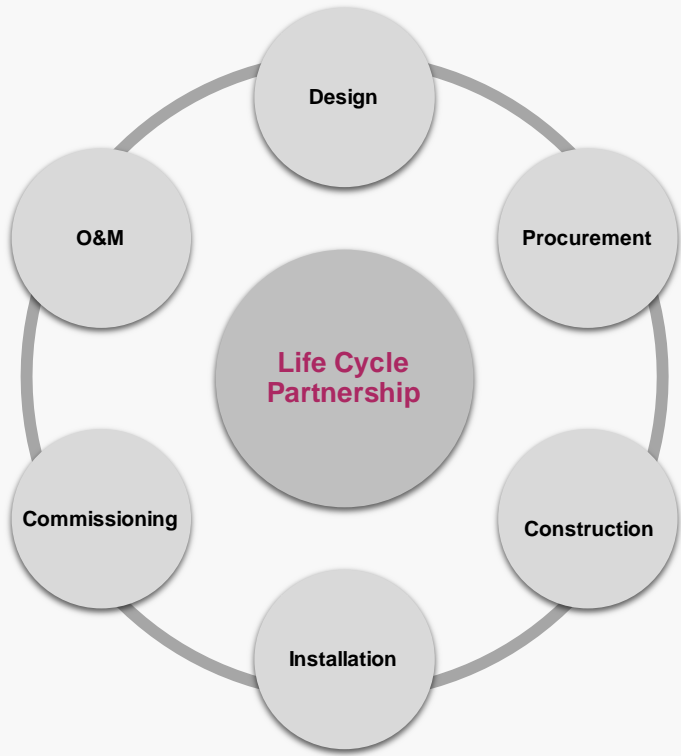
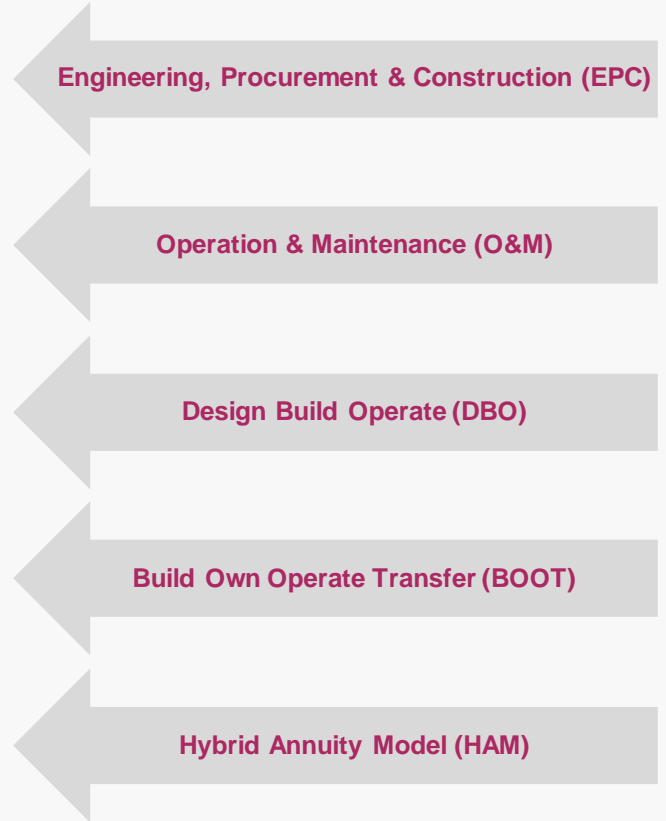


Exhibit 18: Delivery Models



Source: Company, Axis Securities Research

Total Water Solutions

Exhibit 19: Total Water Solutions: Municipalities

 <p>Water Treatment</p> <p>VTW follows the most exacting standards of water treatment to ensure safe and secure supply of water. Its water treatment facilities are highly scalable and can be established to suit any business model, be it EPC, DBO or BOOT.</p> <p>Global references enable production of > 19 million m³ of pure water every day, thus benefiting over 96 million people globally.</p> <p>Large scale projects as Panjrapur (455 MLD) in India, Izmir (360 MLD) in Turkey, Upper Ruwu WTP (200 MLD) in Tanzania or Putatan (150 MLD) at the Philippines, where high-quality, treated water quenches the thirst of millions of people every day.</p>	 <p>Desalination</p> <p>According to Global Water Intelligence, VTW is one of the top 10 desalination companies globally. Its desalination technologies consists both Reverse Osmosis and Thermal Desalination.</p> <p>VTW delivers end-to-end desalination solutions from deep seawater intake and outflow structures to the post-treatment of the product-water.</p> <p>Global references involve the landmark projects at Nemmeli at Chennai, India, and Al- Ghubra at Oman, where company have ensured water security to a large population.</p>	 <p>Wastewater Treatment</p> <p>The effective management of wastewater generated by rapidly growing cities has become a serious issue affecting the health and productivity of burgeoning population.</p> <p>VTW promotes sustainability with wastewater treatment solutions that ensure environmentally friendly discharge or reuse of treated wastewater. Moreover, VTW promotes a comprehensive wastewater treatment model that focuses on resource recovery through a combination of innovative technologies.</p>	 <p>Water Reclamation</p> <p>VTW has been a pioneer in state-of-the-art water reuse and reclamation systems meant for agricultural, domestic and industrial applications.</p> <p>Based upon the need and application of the reclaimed water, company employ processes such as Multi Barrier systems, Micro-Filtration, Tertiary Ultra-Filtration, Reverse Osmosis, Advanced Oxidation Processes and Disinfection for Reservoir Augmentation.</p> <p>VTW has designed and built the Koyambedu Tertiary Treatment Reverse Osmosis (TTRO) plant at Chennai, India, it is one of India's largest and technologically most advanced water reuse plant</p>	 <p>Sludge Treatment</p> <p>With the rise in volume of treated sewage, cities and municipalities around the globe are grappling with the concern of sludge management.</p> <p>VTW's proven technological know-how in sludge management allows the utilisation of valuable biogas, which in turn serves as the energy source for an entire wastewater treatment plant thereby rendering it energy-neutral.</p> <p>Among the success stories of VTW's sludge management, two are scripted at Kodungaiyur in Chennai, India, and at Adana, Turkey.</p>
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Source: Company, Axis Securities Research

Exhibit 20: Total Water Solutions: Industries

 <p>Water Treatment</p> <p>VTW provides an extensive portfolio of treatment processes under various business models like EPC, DBO, BOT and BOOT. Company cover virtually every need from conventional processes to tailor-made high-performance systems.</p> <p>VTW offer the full spectrum of industrial water solutions for different sectors namely Oil and Gas, Power, Semiconductors, Fertilizers, Steel, Food and Beverage and Pharmaceuticals and many more.</p>	 <p>Desalination</p> <p>VTW offers comprehensive technological solutions for the treatment of sea and brackish water. Along with execution excellence and global standards in project management.</p> <p>VTW is total lifecycle partner and provides solutions for all key industrial sectors such as Power, Petrochemicals, Pharmaceuticals and Semiconductors.</p> <p>Some of its marquee clients are the 50,000 m³/day desalination plant for Reliance Industries in Gujarat and the 20,000 m³/day Desalination Plant in Sohar, Oman, that caters to the industries in the Sohar Port.</p>	 <p>Effluent Treatment</p> <p>VTW offer customized treatment solutions involving aerobic, anaerobic and chemical-physical processes for any business model, based on the characteristics of the influents.</p> <p>Its water treatment solutions are customized to suit the application requirements of different industries like Oil and Gas, Fertilizers, Power-Plants, Steel, Paper and Pulp, Food and Beverage.</p> <p>Plants like Petronas RAPID in Johor, Malaysia, for Oil and Gas, and Dangote, Nigeria, for Fertilizers, are some examples of effluent treatment.</p>	 <p>Water Reclamation</p> <p>VTW has over 30 years of experience in building water reclamation systems for industries. Its technological solutions include multi-barrier systems, micro-filtration, tertiary ultra-filtration, reverse osmosis, advanced oxidation processes and disinfection.</p> <p>VTW's projects like the water recycling plant for IOCL at Paradip Refinery, which is the largest industrial reuse plant in India, bolsters its technological expertise in the field of water reclamation.</p>	 <p>Sludge Treatment</p> <p>VTW's sludge treatment solutions can be tailor-made for any business model, be it EPC, DBO, BOT or BOOT.</p> <p>Its sludge management system at Reliance PTA Recycling Plant in Dahej is a model plant where Biogas generated from the sludge is used for heating (resulting in 40% savings in OPEX). As a result of the sludge drying process, nutrient recovery is also ensured.</p>
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Source: Company, Axis Securities Research

Key Contracts in Order Book

Order Book of Rs. 95 Bn & Framework Contracts of Rs. 12 Bn as of 30th June 2024

Key Contracts in Order book	Rs. Millions	Key Framework Contracts *	Rs. Millions
400 MLD Perur, Chennai – Desal*	32,440	Libya STP	6,114
UPJN, O&M of Agra & Ghaziabad - OCOO	11,244	Bomba MED, Libya	5,522
150 MLD Digha & Kankarbagh – Network*	4,701		
200 MLD Pagla, Bangladesh – STP*	5,854		
270 MLD CIDCO, Maharashtra – WTP	3,824		
69 MLD KUKL, Nepal - WWTP*	3,621		
40 MLD GNN, Ghaziabad – TTRO (Water Recycle)*	2,648		
20 MLD Ras Tanura Refinery Complex, KSA - IWWTP*	2,590		
345 MLD Béjaoua SONEDE, Tunisia - WTP*	2,067		
AGCC, Russia – Integrated Industrial ETP*	1,891		

*Multilateral Funded / LC backed / HAM

*Contracts wherein Advance Monies / LC awaited, hence not taken in Order Book

Source: Company, Axis Securities Research

Va Tech Wabag Key Clients

Major Clients served by the company

Municipal	Industrial	Funding Agencies
		 <p>Serving clients in....</p> <ul style="list-style-type: none"> ▪ Municipal Water & Waste Water ▪ Oil & Gas ▪ Power plants ▪ Steel ▪ Food & Beverages ▪ Fertilizer ▪ Industrial parks

Source: Company, Axis Securities Research

Key Competitive Strengths

Rich experience in working across different geographies and sectors

VA Tech Wabag Ltd. (VTW) has established a significant global footprint, operating in more than 25 countries with a strong local presence in most of these markets. The company boasts an impressive track record, having executed over 6,500 projects worldwide. VTW is recognized as a technocrat-headed knowledge company, known for its expertise in delivering top-tier global water solutions. This reputation has been reinforced by its ranking as the 3rd largest private water operator globally in 2023 by Global Water Intelligence (GWI), London. This ranking highlights VTW's contribution to providing safe and clean drinking water and sanitation to over 88.8 million people worldwide.

VTW is a century-old company, experienced in working across different cultures and countries with knowledge capital over 300 professionals in the cluster.

A preferred bidder for marquee projects

The company's strong reputation for successful project execution across various sectors and geographies has positioned it as a preferred bidder for marquee projects worth approximately Rs 6,000 Cr, which include both domestic and international ventures. VTW's ability to leverage its extensive experience and expertise continues to drive its growth and reinforce its standing in the global water management industry.

Technology-focused offerings

VA Tech Wabag Ltd. (VTW) is strategically focusing on high-value segments such as industrial water treatment, desalination, water recycling, and reuse. The company aims to differentiate its offerings by adopting advanced technologies, including AI, to enhance its competitive edge. VTW has made significant R&D investments, leading to the registration of over 125 intellectual property rights (IPRs) as of FY24. To further strengthen its technological capabilities, the company has partnered with 'Pani Energy' to implement applied AI in water treatment plants.

The adoption of cutting-edge technologies, such as ultra-filtration, reverse osmosis, and aerobic granular sludge treatment, alongside AI integration, is expected to significantly improve the operational efficiency of VTW's projects. This technological prowess has already demonstrated tangible benefits; for instance, in the Nemmeli SWRO project, VTW was able to reduce the energy consumption per unit by nearly 50% and increase the discharge capacity by 10%. These advancements not only provide substantial cost savings for clients but also give VTW a competitive advantage in the market. The successful integration of these technologies enhances the company's prospects for improved profitability, making VTW a more attractive player in the global water management sector.

Experienced management complemented by local know-how

VA Tech Wabag Ltd. (VTW) positions itself as a comprehensive water solutions provider, led by an experienced management team, including Managing Director and Group CEO, Mr. Rajiv Mittal. The company leverages its significant cost advantage due to its operations in India while maintaining a strong local presence across multiple geographies. This combination of local expertise and international knowledge allows VTW to deliver competitive services across a wide range of industries.

The company has a rich history and is recognized for its technological innovations, with over 125 IP rights and dedicated R&D centres in Europe and India. VTW has consistently focused on high-value segments such as industrial water treatment, desalination, and water recycling, adopting advanced technologies like AI to enhance operational efficiency and reduce costs for its clients. This strategic focus, along with its global expertise and local execution capabilities, positions VTW as one of the leaders in the water technology sector.

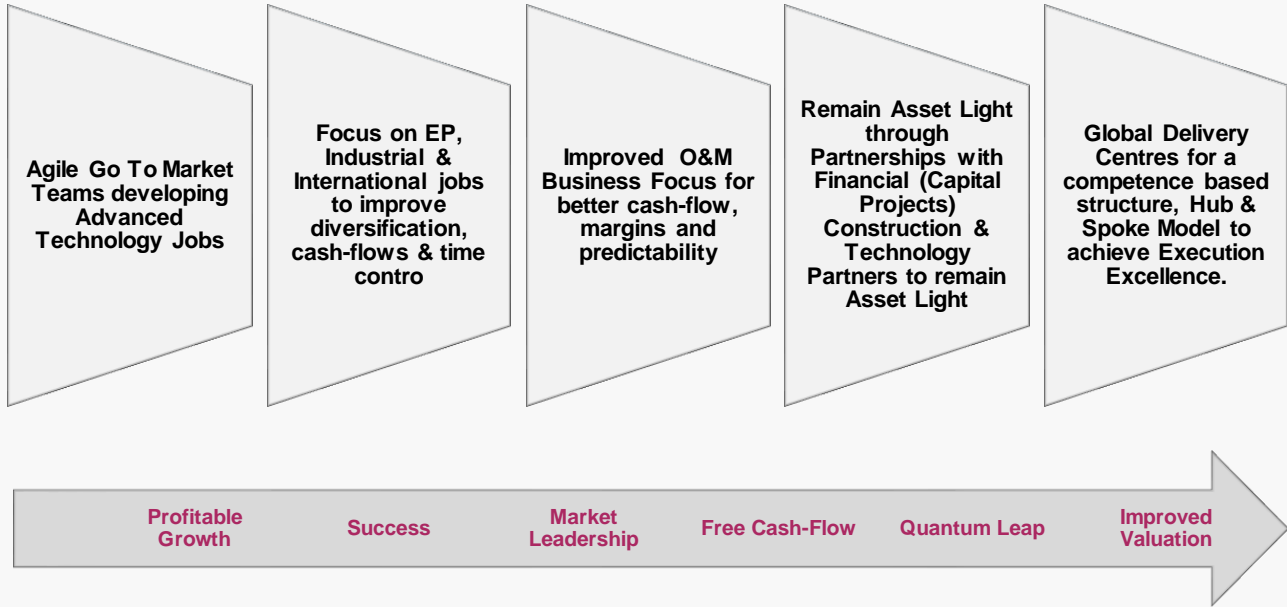
Key Growth Drivers

“Wriddhi” Business Strategy

VTW has initiated a crucial long-term strategy named “Wriddhi”, a comprehensive plan aimed at driving the company into a new phase of growth, innovation, and sustainability. In response to the ever-evolving and complex global water market, the strategy focuses on advancing technological innovation, increasing Wabag’s global footprint, fostering strategic partnerships, and driving sustainable practices. The key pillars of Wriddhi are mentioned below:

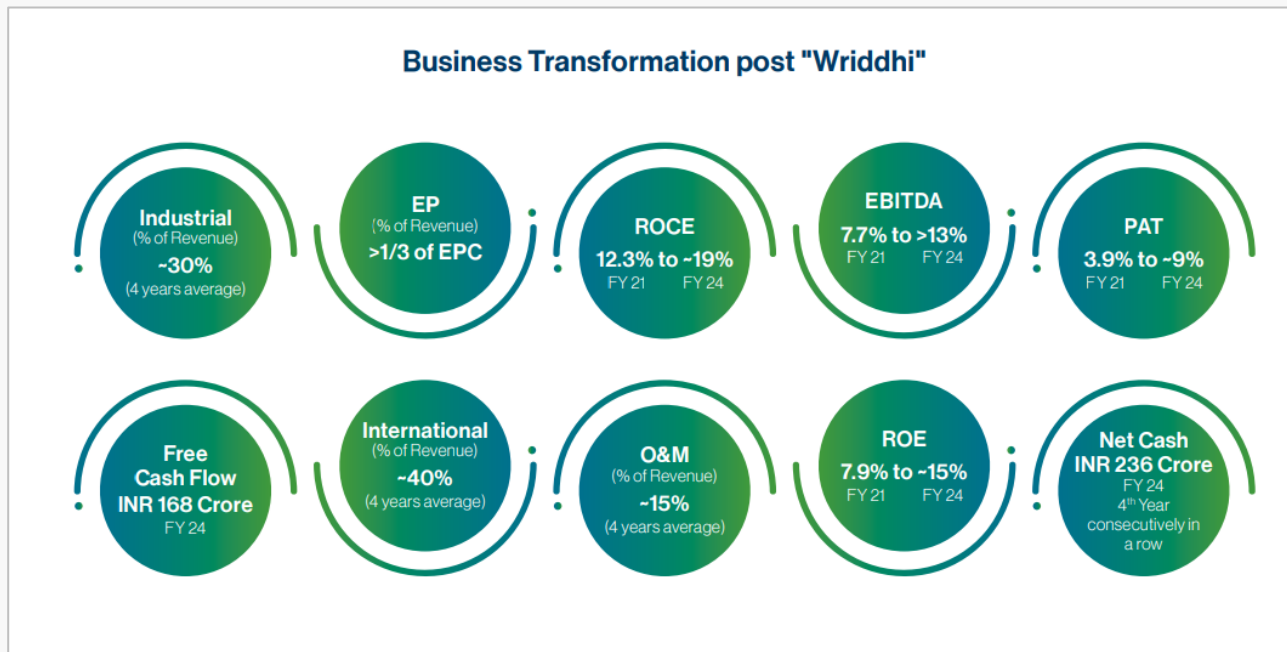
WABAG expects order book growth in Tertiary Treatment, Recycle & Reuse, Zero Liquid Discharge plants and Desalination, accounting for a high strike rate.

Exhibit 21: “Wriddhi” Business Strategy



Source: Company

Exhibit 22: Business Transformation post “Wriddhi”



Source: Company

The strategy is expected to bring in sustainable growth for the company while improving profitability. As the company focuses on the EP part, it will be able to reduce the construction contracts which are less profitable and lock in higher funds. International projects are usually of higher ticket size with better margins and steady cash flows. Similarly, increasing contribution from O&M (Operation & Maintenance) contracts is likely to improve margins and revenue predictability as those are longer-term contracts with predefined cash flows.

Increasing Government Spending/Budgetary Allocations

The increased spending on water infrastructure by regulatory bodies globally, particularly in regions like the Middle East and India, aligns well with VTW's strategic focus. In India, the company's involvement in the "One City One Operator" model for managing STPs, currently active in Agra and Ghaziabad, offers an annual revenue potential of approximately Rs 75 Cr per city. This model, supported by government schemes like Smart Cities, may be expanded across multiple cities, enhancing VTW's revenue predictability and solidifying its position as a preferred bidder for such projects in the future.

Water Recycling and Desalination Market

Managing global water resources and addressing water-related risks involves a diverse set of technologies, ranging from the measurement of water fluxes and reserves to the treatment of drinking water and wastewater, as well as desalination and greywater recycling. With the exponential rise in water demand, existing freshwater sources may become insufficient, leading to an increased need for water recycling and desalination projects. VTW embraces the philosophy of viewing wastewater as an asset rather than a liability and has extensive experience in water recycling and desalination. According to VTW's Annual Report, the global desalination market was valued at USD 16.6 Trillion as of 2023, presenting a significant growth opportunity for the company.

Stricter regulation of Industrial discharges

There is increasing concern among stakeholders about industrial discharges into natural water bodies, which pose risks to human health and biodiversity. Consequently, global regulatory bodies are implementing stricter controls on industrial sewage discharges, including limitations on the volume and types of pollutants released. VTW's solutions, such as Zero Liquid Discharge (ZLD) and Recycle & Reuse plants, assist clients in adhering to stringent environmental regulations while also potentially reducing their water costs. These regulatory measures are anticipated to drive growth in VTW's industrial business, aligning with the rising emphasis on environmental sustainability.

Traction in the Middle East and CIS countries

The company identifies the Middle East as a key growth engine and is investing significantly in the region. Management highlights a surge in water infrastructure spending in the Middle East, where project sizes tend to be large and margins are favourable. VTW has over 40 years of experience in Egypt, particularly in desalination projects, and is witnessing strong traction in this area. Many Middle Eastern countries face high water stress, which is expected to drive increased expenditure on water security. Additionally, VTW is strategically expanding its presence in CIS (Commonwealth of Independent States) countries, aiming to leverage its expertise in the Oil & Gas sector to secure profitable projects.

Opportunities in Semiconductors and Green Hydrogen Market

Besides the focus on improving its current mix of offerings and geographies, VTW is also focusing on the Green hydrogen and semiconductor sectors which may present a huge growth opportunity in future. Green hydrogen pitches itself as a key partner in taking care of clean water treatment, a crucial raw material. It also aims to leverage its proven experience in establishing Ultra-Pure Water plants, to tap the opportunity in the semiconductors industry. While the company acknowledges that it will take 3-4 years for these opportunities to materialise, it has started working towards building partnerships with players who are making/planning to make forays in Green Hydrogen and Semiconductor plants.

Peer Comparison/Key Competitors:

At the international level, the closest competitors of VTW are Veolia Environment SA (Veolia) and Suez SA (Suez). Suez also has a significant presence in India, while VTW's key competitor in the domestic market is ION Exchange India Ltd (Ion Exchange).

Veolia and Suez are France-based utility companies that are also into businesses other than Water. While VTW competed with these companies, it has a cost advantage over the European companies given the lower cost of operations in India. Furthermore, VTW's focus is on keeping its business asset light while the said competitors are also into developing and owning assets.

Ion Exchange generated ~78% of its revenue in 2024 from India and is looking to expand its presence in the global market. The company also offers products in the Chemical and Consumer Product segments. Ion Exchange is more focused on Industrial customers while VTW generates the majority (63%) of revenues from the Municipal segment. The below chart gives a brief comparison of VTW's business model and scale with these players.

	VTW	Ion Exchange	Veolia	Suez
Brief History	Present in the Water sector since 1924, became an Indian company in 2007. Currently third largest private sector operator in the world.	Originally formed as a subsidiary of Permutit, UK in 1964, became a wholly-owned Indian company in 1985.	Veolia, a France-based company has been in business since the 19 th Century. Started as a water services company and has now spread its offerings across a range of environmental management services.	SUEZ has been providing water/recycling-related services for more than 160 years. Also active in the Indian water and wastewater market since 1978.
Offerings	<p>Municipal EPC (50%): Provision of Water and Wastewater services to municipalities including Sea Water desalination, Recycle</p> <p>Industrial EPC (34 %): Provision of Water and Wastewater services to Industries</p> <p>Municipal O&M (14%): Operation and Maintenance of Municipal Projects</p> <p>Industrial O&M (3%)</p>	<p>Engineering (60%) – Provision of Water and Wastewater services to municipalities including Sea Water desalination, Recycle</p> <p>Chemicals (29%) – Resins, speciality chemicals and customized chemicals for water, non-water and specialty applications.</p> <p>Consumer Products (11%) – drinking water and a clean environment for individuals, hotels, spas, educational institutions, hospitals, laboratories, railway and defence establishments</p>	<p>Water-related services (40%): management of water resources, distribution of drinking water, wastewater, engineering, design and construction of water treatment facilities, customer relationship management, etc.</p> <p>Waste management services (35%): Waste related services</p> <p>Energy services (25%): energy efficiency, heating and cooling network management, & renewable energy production.</p>	<p>Water (36%): Infrastructure and solutions related to Drinking water & Desalination and Wastewater treatment/disposal.</p> <p>Recycling and Recovery (39%): Infrastructure and solutions related to collection, sorting and treatment of waste.</p>
Customer Segments	Municipal and industrial.	Municipal and industrial.	Municipal and industrial.	Municipal and industrial.
Geographical Presence	India (52% of revenues in FY24). Significant presence in MEA, CIS and African regions	India (78% of revenues in FY24), Africa, Japan, Middle East, Russia, Southeast Asia, Europe, UK, USA, Canada and neighbouring countries.	Primarily France and other European countries. Also focusing on USA, Middle-East, Australia (currently account for about 6% of revenues.	40 countries across the world. Prominent presence in India, China and Australia.
Annual Revenue	Rs 2,856 Cr	Rs 2,348 Cr	Euro 45 Bn	Euro 8.9 Bn
Annual EBITDA	Rs. 376 Cr	Rs. 272 Cr	Euro 6.3 Bn	Euro 1.4 Bn
EBITDA Margin	13.2%	11.6%	14.0%	15.7%

Note: Data sourced from public sources, indicates numbers for latest completed financial year. Includes approximation.

Management Team

Name	Experience
Mr. Rajiv Mittal <i>Chairman & Managing Director</i>	<p>Mr. Rajiv Mittal is the Chairman & Managing Director of the company. He holds a degree in Chemical Engineering from the University of Mumbai, Department of Chemical Technology (UDCT) and is a Fellow of the International Water Association and Corporate Member of the Indian Desalination Association. He has experience of over 4 decades and has dedicated himself to the Water industry with a special focus on Sustainability.</p>
Ms. Vijaya Sampath <i>Independent Director</i>	<p>Ms. Vijaya Sampath is an Independent Director on the Board of the companies in IT, manufacturing, branded luggage, power, pharmaceuticals and auto component sectors. She holds a graduate degree in English literature and law and is a fellow member of the Institute of Company Secretaries of India. She has been working both as in-house counsel for large Indian conglomerates and multinational companies and also been the corporate law partner in renowned national law firms.</p>
Mr. Amit Goela Non-Executive Non-Independent Director	<p>Mr. Amit Goela is the Non-Executive Non-Independent Director of the company. He is an MBA in finance from the University of North Florida and has gained international experience. He has a distinguished profile in the Indian Financial and Securities market with over 30 years of experience. He has worked with several leading corporate houses on strategy planning and investments. He is currently on the board of various companies in India.</p>
Mr. Milin Mehta Independent Director	<p>Mr. Milin Mehta is an Independent Director of the company. He is a Fellow Member of the Institute of Chartered Accountants of India. Mr. Mehta is also a Law Graduate and has obtained a Master's Degree in Commerce. Presently he is a member of the Committee appointed by the finance minister under the CBDT to consider the MAT Impact on the introduction of Ind AS and also to notify further ICDS due to the introduction of Ind AS.</p>
Mr. Ranjit Singh Independent Director	<p>Mr. Ranjit Singh is an Independent Director of the company. He has over 30 years of experience in Industrial Management in Indian, International and Multicultural business environments. His core strengths include Corporate Growth and Turnaround Strategy and its implementation. He worked as Managing Director, of Kalpataru Power Transmission and Global COO & Board member of Polyplex Corporation Limited.</p>
Mr. S. Varadarajan <i>Whole time director and CGO</i>	<p>Mr. S. Varadarajan is the Whole-time director and CGO of the company. He is a Graduate of Commerce and Post Graduate in Public Administration. He joined the Company in January 1997 as Senior Manager – Finance cum Company Secretary and held various key positions including Chief Financial Officer before he was appointed Whole Time Director & Chief Growth Officer of the Company.</p>

Key Risks & Mitigation

- Majority Order Book Contributed by Municipal Clients:** The company relies heavily on Central and State Governments, as well as other government-controlled entities such as municipal corporations across various states in India, where Central and/or State Governments or multilateral aid agencies hold a majority stake. Most of its projects are government-sponsored and are often subject to delays. Such delays may result from changes in the Central and/or State Government, alterations in policies impacting the public, scaling back of government policies or initiatives, changes in governmental or external budgetary allocations, or insufficient funds. These factors can significantly and adversely affect the business and financial condition of the company.
- Long Receivables Cycle:** Given the nature of the EPC business, most projects have lengthy payment cycles, which may be further extended in international and multilaterally funded projects due to the need for dual approvals. Additionally, many projects include provisions for retention funds as a guarantee, which further increases the working capital requirement. To address these challenges, the company is undertaking measures such as accelerating project execution and payment cycles and negotiating with customers to use bank guarantees instead of retention funds. Furthermore, the company manages its trade receivables by aligning payments with the receipt of payment approvals from customers, thereby balancing trade receivables against trade payables.
- Foreign Exchange Fluctuation Risk:** The majority of Wabag's business transactions are executed in Indian Rupees, though the company also operates internationally. It plans to expand its international business, with revenue from international operations constituting 47%, 49%, 28%, and 35% of its revenue in FY24, FY23, FY22, and FY21, respectively. Currency exchange rate risks arise from the company's overseas sales and purchases, primarily denominated in US dollars (USD) and Euros (EUR). To mitigate this risk, Wabag monitors cash flows and employs forward exchange contracts as part of its risk management strategy. If the costs to be paid or received in a particular currency are anticipated to offset each other, no additional hedging activities are undertaken.
- Interest Rate Risk:** Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will differ because of fluctuations in market interest rates. Wbag's exposure to the risk of changes in market interest rates relates mainly to the company's debt obligations with floating interest rates.
- Credit Risk:** Credit risk is the risk that a counterparty fails to discharge an obligation to the company. The Wabag is exposed to credit risk for several financial instruments, for example, trade receivables, placing deposits etc. However, to mitigate this, it continuously tracks the defaults of clients and other counterparties and incorporates this information into its credit risk controls.
- Liquidity Risk:** Liquidity risk pertains to the company's potential inability to meet its financial obligations. If the company fails to generate sufficient funds from both internal and external sources to cover its obligations and commitments, it could adversely impact its performance. To manage liquidity risk, the company monitors scheduled debt servicing payments for long-term financial liabilities and forecasts cash inflows and outflows required for day-to-day operations.

Any unfavorable change in Govt. Policies, Major Payment Defaults and fluctuations in Foreign Exchange Rates could affect the performance of the company.

Valuation and Outlook

Robust Long-Term Growth Outlook – Initiate with BUY

VTW has been focusing on enhancing the quality and predictability of revenue over recent years. As part of this strategy, the company has divested its low-profit European subsidiaries, which has led to a revenue decline over the last two years. However, VTW has successfully improved its profitability, with EBITDA margins reaching 13.2%—up from 7.7% in 2021—marking an increase for the third consecutive year. Moving forward, the management expects strong revenue growth driven by India and MEA at a CAGR of 15%-20% over the next 3-5 years. EBITDA margins are anticipated to remain in the 13%-15% range, with the potential to exceed the upper end of this guidance. The company currently holds a robust order book of approximately Rs 11,000 Cr and aims to surpass Rs 16,000 Cr by FY25. The company has received an order from Saudi Water Authority worth approximately Rs 2,700 Cr in September 2024. The targeted revenue mix, which includes over 50% from international projects, 30% from industrial customers, 20% from O&M, and one-third of EPC being EP projects, is expected to support margin improvement.

We estimate revenue/EBITDA/EPS CAGR growth of 19%/25%/31% over FY24-FY27E driven by clear revenue visibility as reflected in the order book, industry tailwinds, and improving revenue mix. **We value the stock at 23x FY26E EPS and initiate coverage with a BUY rating on the stock with a target price of 1,700/share, implying an upside of 30% from the CMP.**

Industry Trends

Global Market

The water industry deals with drinking water and wastewater services to the public, including sewage treatment. The primary activities of the industry include providing safe drinking water, treating wastewater, and desalinating seawater. The major driving factors for the industry are; rising water demand, increasing levels of water pollution: and water scarcity/unequal distribution of water resources. Sewage treatment has become a critical part of public infrastructure globally as it helps conserve this precious resource by removing contaminants from sewage to produce an effluent that can be discharged or reused. Industrial sewage is a combination of liquid and water-carried wastes discharged from industrial establishments. Industrial wastewater can contain heavy metals, cyanide, chemical solvents, oil, and grease in large quantities and hence requires more advanced processes to minimize the impact. As a result, regulatory bodies across the globe are increasing their spends towards water-related infrastructure and are tightening the regulations around the discharge of industrial sewage, leading to a rising demand for services related to the development and maintenance of such infrastructure. Depending on the customer or usage, the water and sewage market can be segmented by:

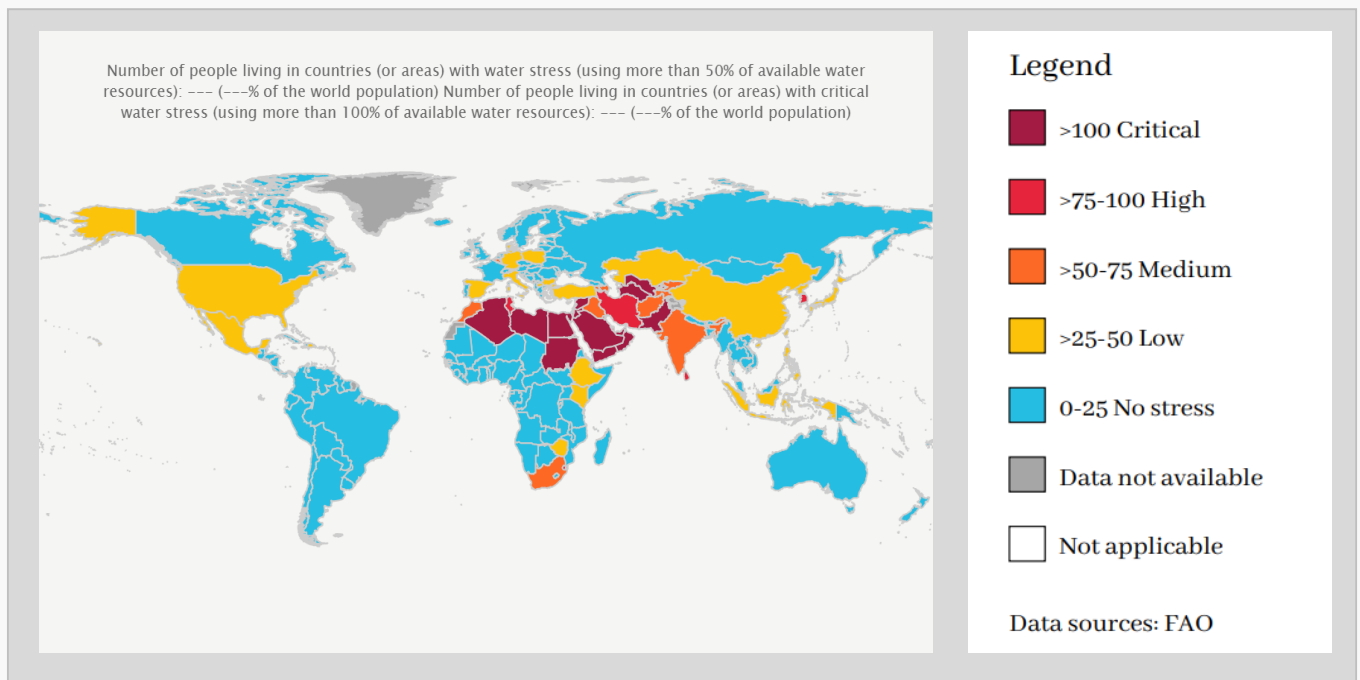
- By Customer: Municipal or Industrial
- By Usage Type: Water Supply, Irrigation systems, Sewage treatment, Industrial (such as ultra-pure water for the semiconductor industry)
- By End-user: Residential, Commercial, Industrial, Agriculture

Water Security: A growing concern worldwide

As per a 2023 UN report, Water use has been increasing globally by roughly 1% per year over the last 40 years and is expected to grow at a similar rate through 2050, driven by a combination of population growth, socio-economic development and changing consumption patterns. The bulk of this increase is concentrated in middle- and lower-income countries, particularly in emerging economies. Water scarcity is becoming endemic as a result of the local impact of physical water stress, coupled with the acceleration and spreading of freshwater pollution. It estimates that on average, 10% of the global population lives in countries with high or critical water stress.

The report also says that as a result of climate change, seasonal water scarcity will increase in regions where it is currently abundant – such as Central Africa, East Asia and parts of South America – and worsen in regions where water is already in short supply – such as the Middle East and the Sahel in Africa. The water stress levels can be visualized in the below figure.

Exhibit 23: Level of water Stress: Freshwater withdrawal as a proportion of available freshwater resources (2021)



Source: SDG 6 Data

Rising Allocations towards Water Infrastructure:

As per a publication by the World Bank, nearly \$165 Billion is spent on water annually and public spending makes up about 85% of the spending.

Exhibit 24: Investing In The Water Sector Fosters Development



Source: World Bank

However, only 1.2% of public spending is done on water which is low compared to other sectors and the majority of it goes into Water Supply and Sanitation. Globally, more than 190 countries have committed to United Nations Sustainable Development Goals, including SDG 6 which is to “Ensure availability and sustainable management of water and sanitation for all”. However, there is a \$141 Bn gap in Annual spending required to achieve SDG 6.1 and 6.2 by 2030. Additionally, out of the allocated budgets, the execution rate is very low for the sector. Given the commitment from governments and the rising need for investing in water security, capital spending in the water sector is expected to rise significantly over the next few years. Multilateral organizations like the World Bank, Asian Development Bank, and KfW from Germany see this sector being a social sector and directing significant amounts of funds in the sector. There has also been an increase in green bond issuances where the money is used for funding water/wastewater projects. Most of these projects come with strong payment security and fetch a low cost of funding with a long tenure.

Regulatory Requirements and Rising Need for Recycling Water

With rising awareness about the impact of human activities on natural resources such as water, there is a growing global demand to reduce the discharge of polluting substances into water bodies. Municipal bodies are increasingly compelled to establish infrastructure for wastewater treatment to meet the needs of growing populations. Regulators are also implementing stringent regulations to minimize water usage and discharge by industries.

In the USA, the Clean Water Act has been in place since 1972, and the EU's wastewater treatment regulations have successfully improved the cleanliness of rivers, lakes, and groundwater. However, some developing countries are still lagging in regulating industrial wastewater discharges but are now taking concrete steps toward improvement. The UN World Water Development Report 2017 highlighted countries in sub-Saharan Africa and the Pacific Region, in particular, lacked sufficient regulatory frameworks.

Additionally, the recycling of water is being promoted as it not only reduces the strain on freshwater sources but also often leads to long-term cost savings. Desalination, a process that removes mineral components from saline water to make it suitable for consumption, is one such widely adopted method.

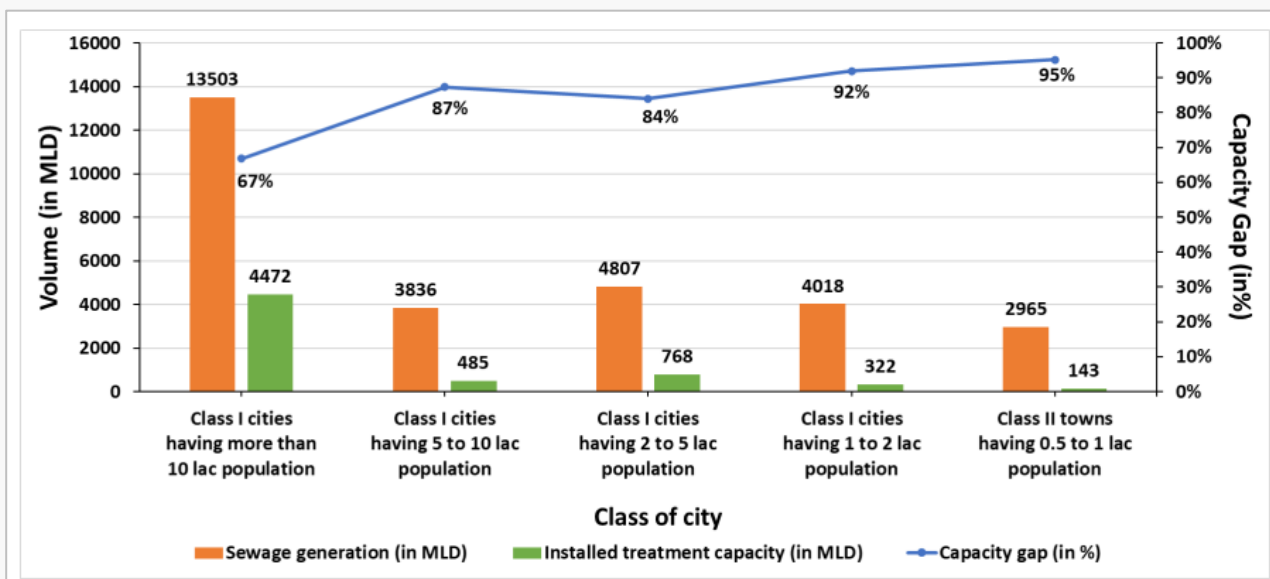
Indian Market

The global trends in water supply and wastewater discharge are also reflected in the Indian market. India, like many countries, has committed to the United Nations' Sustainable Development Goals, including water security, and is making strides toward this objective. The government's recent emphasis on manufacturing and infrastructure is expected to further boost both government and private sector spending in the water sector.

Wastewater Management Challenges:

According to the Central Pollution Control Board (CPCB), sewage generation in urban centres in India was 72,368 million litres per day (MLD) for the year 2020-21. The current installed sewage treatment capacity stands at 31,841 MLD, with an operational capacity of 26,869 MLD. This is significantly lower than the sewage load generated. Of the total urban sewage generated, only 28% was treated, indicating that 72% remains untreated and is disposed of into rivers, lakes, or groundwater. Despite proposed increases in sewage treatment capacity, there will still be a gap of 35,700 MLD (i.e., 49%) between the wastewater generated and the capacity available for treatment (CPCB, 2021b).

Exhibit 25: Wastewater generation and treatment capacity gap at city level in India (CPCB, 2022)



Source: NITI Aayog

Additionally, the wastewater generation in Urban areas is expected to increase further which may put further pressure on the infrastructure. The population projection data in Niti Ayog's whitepaper suggests that wastewater generation will increase by about 75% to 80% in the next 25 years, which by volume works out to be 50,000 MLD to 55,000 MLD, thus taking the total estimated wastewater generation to 1.3 Lc MLD. At this rate, about 0.8 BCM of wastewater will be generated additionally every year, and thus the total annual wastewater volume is expected to reach close to 48 BCM by 2050. This volume is about 3.5 times the existing installed treatment capacity, which testifies to the necessity of scaling up treatment capacity, a robust system for wastewater collection, and a well-accepted framework for reusing the treated wastewater (TWW).

Exhibit 26: Estimated Wastewater generation till 2050

Year	Projected Urban Population (In Mn)	Estimated wastewater generation* (MLD)	Annually generated quantity (BCM)
2025	543.78	80479.44	29.37
2030	608.15	90006.2	32.85
2035	676.85	100173.8	36.56
2040	747.32	110603.36	40.37
2045	816.4	120827.2	44.10
2050	882.7	130639.6	47.68

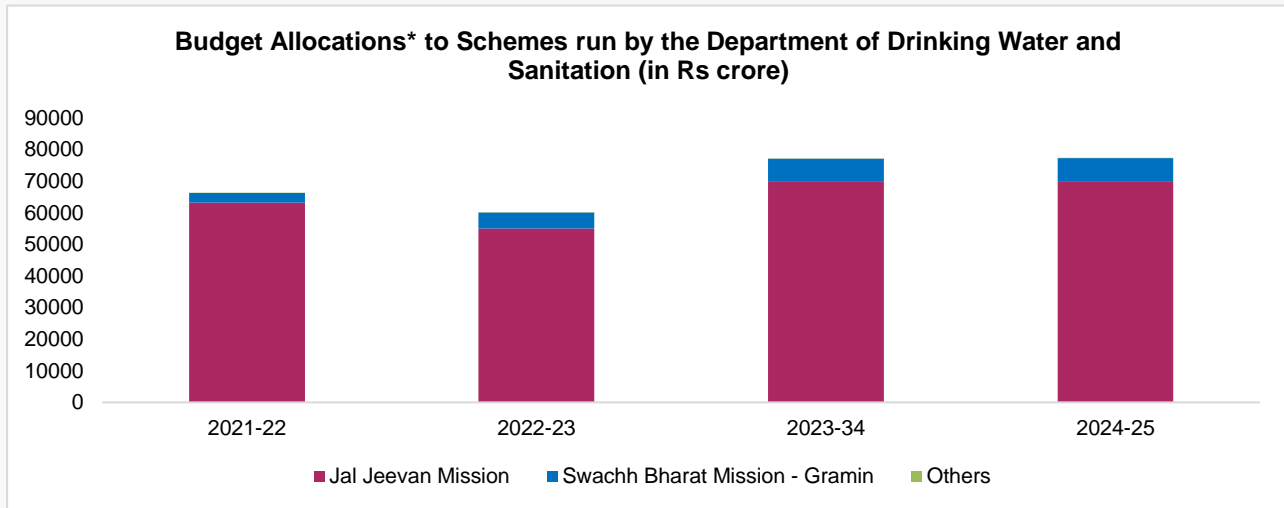
*Estimated @145 lpcd (i.e. 80% of 185 lpcd fresh water supplied); Source: NITI Aayog

Government Spending on Rise

The government of India has demonstrated its commitment towards water infrastructure development and wastewater treatment via robust budgetary allocations in recent years. Wastewater is seen as a reliable and cost-effective source of fresh water, particularly for agricultural applications, and there has been a push from the state as well as central government to increase water resource efficiencies via various projects. Various budgetary allocations by the government of India in the recent budget are:

- **Department of Drinking Water and Sanitation:** This department received Rs 77,390.68 Cr, with a focus on sanitation and the Jal Jeevan Mission. The budget also included significant increases for water supply projects and the SPM-NIWAS program
- **Ministry of Jal Shakti:** This ministry received Rs 98,418 Cr, with 71% of the budget going to the Jal Jeevan Mission.
- **Department of Water Resources:** This department's budget increased by 55% to Rs 30,234 Cr. The budget included Rs 11,500 Cr for irrigation and flood control projects and significant increases for the Namami Gange Mission-II and Farakka Barrage projects.
- **National Hydrology Project:** This project's budget increased to Rs 661 Cr.
- **Pradhan Mantri Krishi Sinchai Yojana:** This scheme received Rs 9,339 Cr, up from Rs 7,031 Cr in the previous fiscal year.
- **National River Conservation Plan:** This plan received Rs 592 Cr, up from Rs 432 Cr in the previous fiscal year.

Exhibit 27: Budget Allocations* to Schemes run by the Department of Drinking Water and Sanitation (in Rs crore)



Source: Indiabudget.gov.in, Axis Securities Research

The government has also adopted innovative approaches to accelerate funding and implementation of projects such as the Hybrid Annuity Model (HAM) and the One City One Operator Model where all the Sewage Treatment Plants of a city are assigned to a single operator. During the recent union budget, the government announced twelve new industrial parks will be developed under the National Industrial Corridor Development programme and indicated that 'plug and play' parks will be sanctioned in or near 100 cities. These projects expected are to be built with an integrated water supply and sewage treatment infrastructure and may further accelerate investment in the water sector.

Financials (Consolidated)

Profit & Loss

(Rs. Cr)

Y/E March	FY23A	FY24A	FY25E	FY26E	FY27E
Net Revenue	2,960	2,856	3,305	4,273	4,863
COGS	2,270	2,167	2,442	3,154	3,589
Staff costs	266	235	287	342	389
Operating Exp.	108	79	119	145	146
Total Expenditure	2,643	2,481	2,848	3,641	4,124
EBITDA	317.8	375.7	456.2	632.5	739.2
EBITDA Margin %	10.7%	13.2%	13.8%	14.8%	15.2%
Depreciation	9	8	7	8	7
EBIT	363	411	515	710	829
Interest	66	71	82	82	81
Other Income	54	43	66	85	97
PBT	17	330	424	616	736
Tax	6	80	107	155	185
Tax Rate %	35.1%	24.1%	25.2%	25.2%	25.2%
PAT	11	250	318	461	551
EPS	2.1	39.5	51.3	74.4	88.8

Source: Company, Axis Securities Research

Balance Sheet

(Rs. Cr)

Y/E March	FY23A	FY24A	FY25E	FY26E	FY27E
Share Capital	12	12	12	12	12
Reserves & Surplus	1,562	1,806	2,125	2,587	3,002
Net Worth	1,575	1,824	2,142	2,602	3,015
Financial Non-Current Liability	193	323	218	163	118
Other Non-current Liability	7	260	260	260	260
Deffered Tax Liability	1	-	-	-	-
Total Non-Current Liability	214	596	491	436	391
Current Financial Liability	1,266	1,153	1,312	1,125	1,491
Other Current Liability	974	865	865	865	865
Provisions	8	22	22	22	22
Total Current Liability	2,301	2,155	2,315	2,127	2,494
Total Equity & Liability	4,089	4,575	4,947	5,166	5,899
Application Of Funds					
PPE	72	69	67	64	62
Capital Work in Progress	-	-	-	-	-
Right Use Of Assets	-	-	-	-	-
Intangible Assets	4	4	4	4	4
Non- Current Financial Assets	691	535	535	535	535
Other Non-Current Assets	3	-	-	-	-
Total Non-Current Assets	1,018	949	947	944	942
Inventories	41	36	45	82	107
Current-Financial Assets	1,782	2,501	2,970	3,154	3,866
Other Current Assets	1,072	1,054	950	950	950
Total Current Assets	3,072	3,625	4,000	4,221	4,957
Total Assets	4,089	4,575	4,947	5,166	5,899

Source: Company, Axis Securities Research

Cash Flow
(Rs. Cr)

Y/E March	FY23A	FY24A	FY25E	FY26E	FY27E
PBT	17	330	424	616	736
Depreciation & Amortization	9	8	7	8	7
Finance Cost	29	26	28	18	8
Chg in Working cap	49	-288	397	-765	391
Direct tax paid	-27	-26	-107	-155	-185
Cash flow from operations	85	134	804	-214	1,030
Chg in Gross Block	-5	-12	-5	-5	-5
Chg in Investments	1	56	-	-	-
Other Investments	10	25	-	-	-
Cash flow from investing	16	84	-5	-5	-5
Fresh Issue Proceeds	-	-	-	-	-
Proceeds / (Repayment) of ST Borrowings (Net)	-218	-	-	-	-
Finance Cost paid	-28	-25	-82	-82	-81
Dividends paid	-	-	-	-	-138
Cash flow from financing	-240	44	-182	-182	-259
Chg in cash	-139	261	591	-402	766

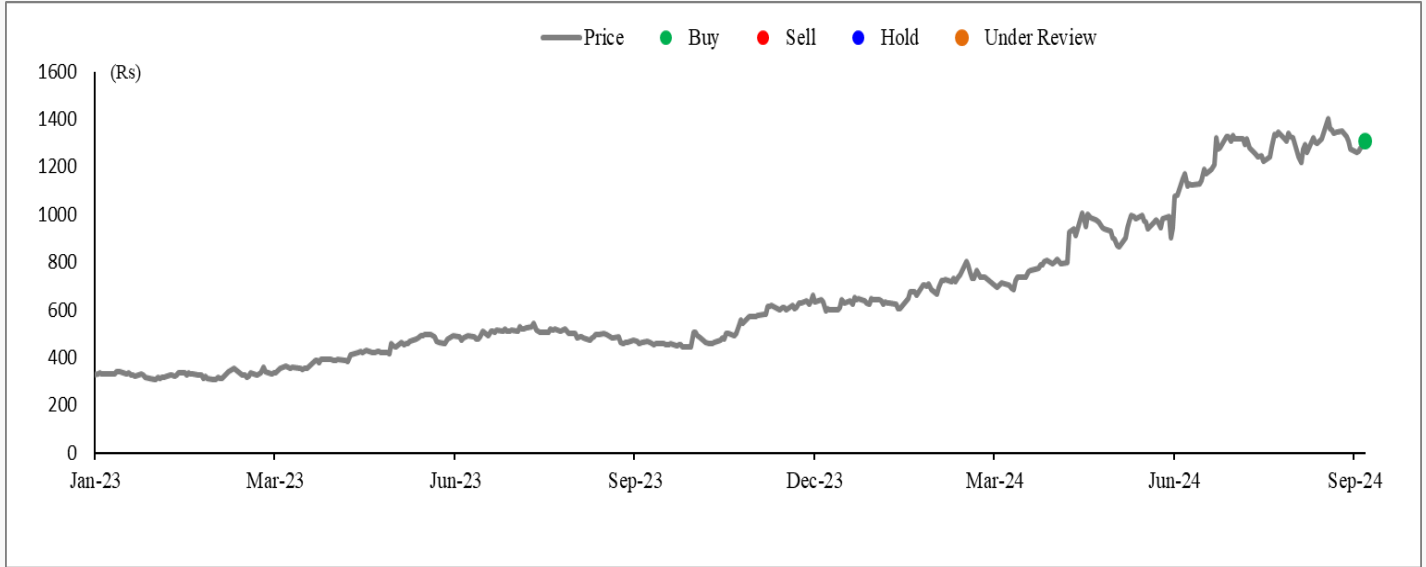
Source: Company, Axis Securities Research

Ratio Analysis
(%)

Y/E March	FY23A	FY24A	FY25E	FY26E	FY27E
Efficiency Ratios					
Asset Turnover (x)	0.73	0.66	0.69	0.85	0.88
Inventory Turnover(x)	62.11	56.26	60.16	49.58	38.07
Sales/Total Assets	0.72	0.62	0.67	0.83	0.82
Receivable days	175	223	213	185	182
Inventory Days	5	5	4	5	7
Payable days	127	134	122	96	93
Financial Stability Ratios					
Total Debt/Equity(x)	0.0	0.1	0.0	0.0	0.0
Total Asset/Equity(x)	2.4	2.4	2.1	2.0	2.0
Current Ratio(x)	1.3	1.7	1.7	2.0	2.0
Quick Ratio(x)	1.3	1.7	1.7	1.9	1.9
Interest Cover(x)	4.8	-	-	-	-
Operational & Financial Ratios					
Earnings Per Share (Rs)	2	39	51	74	89
Book Value (Rs)	253	293	344	418	485
Tax Rate(%)	35.1%	24.1%	25.2%	25.2%	25.2%
Performance Ratios					
ROA (%)	0.3%	5.8%	6.7%	9.1%	10.0%
ROCE (%)	20.0%	19.5%	20.4%	25.0%	25.7%
ROE (%)	0.7%	14.7%	16.0%	19.4%	19.6%

Source: Company, Axis Securities Research

Va Tech Wabag Price Chart and Recommendation History



Date	Reco	TP	Research
09-Sep-24	BUY	1,700	Initiating Coverage

Source: Axis Securities Research

Disclosures:

Axis Securities Limited is a subsidiary company of Axis Bank Ltd. Axis Bank Ltd. is a listed public company and one of India's largest private sector banks and has its various subsidiaries engaged in businesses of Asset management, NBFC, Merchant Banking, Trusteeship, Venture Capital, Stock Broking, the details in respect of which are available on www.axisbank.com.

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- Corporate Agent with Insurance Regulatory and Development Authority of India
- Point of Presence with Pension Fund Regulatory and Development Authority
- Distributor for Mutual Funds with AMFI

Registration Details:

SEBI Single Reg. No.- NSE, BSE, MSEI, MCX & NCDEX – INZ000161633 | SEBI Depository Participant Reg. No. IN-DP-403-2019 | Portfolio Manager Reg. No.- INP00000654 | Investment Advisor Reg No. INA00000615 | SEBI-Research Analyst Reg. No. INH000000297 | IRDA Corporate Agent (Composite) Reg. No. CA0073| PFRDA – POP Reg. No. POP387122023 | Mutual Fund Distributor ARN- 64610.

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In case of any grievances please call us at 022-40508080 or write to us helpdesk@axisdirect.in.

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HOLD	Between 10% and -10%
SELL	Less than -10%
NOT RATED	We have forward looking estimates for the stock, but we refrain from assigning valuation and recommendation.
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