

JJM 2.0 extension and enhanced allocation, limited incremental opportunity for P&F demand

- Enhanced fund allocation and timeline for JJM (Jal Jeevan Mission):** The Cabinet has approved an enhancement of the total program outlay to Rs 8.69tn, with central assistance increased to Rs 3.59tn, up from Rs 2.08tn approved in FY20 (utilized over FY20–25). Over FY20–26, the Centre has released ~Rs 2.25tn, while states have contributed ~Rs 2.36tn toward the program. This implies an incremental allocation of ~Rs 1.34tn from the Centre and ~Rs 2.74tn from states under JJM 2.0. Further, as of Mar-26, tap water coverage has reached ~81.6% of rural households, implying a residual opportunity of ~Rs 1.04tn for incremental household connections, with the remaining outlay likely to be directed toward system operations & maintenance (O&M), source sustainability, and service delivery improvements.
- JJM 2.0 will introduce a national digital framework “**Sujalam Bharat**” to digitally map the entire drinking water supply chain from source to tap and assign a unique Service Area ID to each village, improving transparency and monitoring. The program will also strengthen community participation, with Gram Panchayats and VWSCs certifying project completion through “**Jal Arpan**”, while villages declare “**Har Ghar Jal**” only after ensuring proper O&M systems, supported by an annual “**Jal Utsav**” review mechanism.
- Universal rural tap connectivity target:** JJM 2.0 aims to certify all Gram Panchayats as ‘Har Ghar Jal’ by providing tap water connections to all 193.6mn rural households across the country by Dec-2028.
- Rural tap water connectivity achieved ~82% by Mar-26:** From a baseline of 32.3mn households (17%) with tap water access in CY19, the program has added ~125.6mn new connections during CY20–25. By Mar-26, ~158.0mn households (81.6%) out of 193.6mn rural households have tap water connections.

PL view: The extension and higher allocation provide multi-year visibility for rural water infrastructure spending, supporting demand for pipes, pumps, EPC contractors, and water infrastructure players over the next 2–3 years, mainly for O&M opportunity.

JJM 2.0 is expected to support growth for P&F companies with active participation in JJM-related projects. During FY22–24, when central fund utilization under the program reached ~Rs 1.65tn (68% of total spending over FY20–26), Supreme Industries/Astral/Finolex Industries reported P&F volume CAGR of ~35%/21%/19%, respectively. Hence, effective utilization of the enhanced allocation under JJM 2.0 could provide a demand tailwind for P&F companies going forward.

However, over FY27–28, the allocation toward new tap water connections is estimated at ~Rs 1.04tn (covering the remaining ~18% households), which suggests a relatively lower incremental opportunity compared with the aggressive spending seen during FY22–25.

Exhibit 1: Jal Jeevan Mission enhanced outlay details

Total outlay (Rs tn) till Dec-28	8.69
Central Govt fund allocation (Rs tn)	3.59
Central Fund release over FY20-26 (Rs tn)	2.25
State Fund release over FY20-26 (Rs tn)	2.36
Additional Central fund allocated (Rs tn)	1.34
Additional State fund allocated (Rs tn)	2.74
Total fund release by Central & State for 82% tap water supply (Rs tn)	4.61
Fund required for remaining 18% tap water supply (Rs tn)	1.04
Fund allocated for O&M opportunity (Rs tn)	3.04

Source: JJM, PL

Exhibit 2: Details of Fund allocated vs utilization

(Rs bn)	FY20	FY21	FY22	FY23	FY24	FY25	FY26
Central Allocation	111	230	923	1,008	1,329	699	668
Central Release	100	109	400	547	699	225	169
State Release	0	0	0	560	789	702	304
Total Expenditure	101	204	436	908	1,515	900	

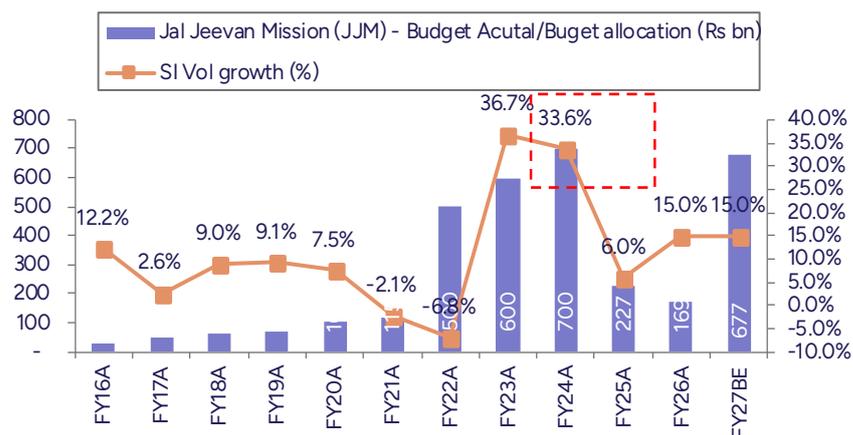
Source: JJM, PL

Exhibit 3: Over FY22-24 Central fund allocation was aggressive, drives P&F volume growth

Central Fund released (Rs bn, FY22-25)	1,646
% total fund utilised over FY20-26	68%
SI vol. CAGR over FY22-24	35%
Astral vol. CAGR over FY22-24	21%
FIL vol. CAGR over FY22-24	19%

Source: JJM, Company, PL

Exhibit 4: Jal Jeevan Mission Central Govt fund release vs Supreme's P&F volume growth



Source: Union Budget, Company, PL

Exhibit 5: Status of Tap connectivity - ~82% rural households covered

	Households (mn)	% Coverage
Total number of (HHs)	194	
Households with tap water connections as on date	158	81.7%
HHs provided with tap water connection since launch of JJM	125	64.7%
Remaining households as on date	35	18.3%

Source: JJM, PL

Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (Rs)	Share Price (Rs)
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2	Astral Ltd.	BUY	1,794	1,504
3	Avalon Technologies	BUY	1,175	1,021
4	Bajaj Electricals	Accumulate	449	409
5	Cello World	BUY	621	508
6	Century Plyboard (I)	Accumulate	843	798
7	Cera Sanitaryware	BUY	6,800	5,054
8	Crompton Greaves Consumer Electricals	BUY	346	245
9	Cyient DLM	Accumulate	418	364
10	Finolex Industries	Accumulate	199	175
11	Greenpanel Industries	BUY	369	229
12	Havells India	Accumulate	1,634	1,447
13	Kajaria Ceramics	BUY	1,056	902
14	Kaynes Technology India	BUY	5,502	3,700
15	KEI Industries	BUY	5,573	3,853
16	LG Electronics India	BUY	1,808	1,469
17	Polycab India	BUY	9,744	7,122
18	Premier Energies	BUY	892	683
19	R R Kabel	BUY	1,844	1,356
20	Supreme Industries	BUY	4,566	3,349
21	Syrma SGS Technology	BUY	929	755
22	Vikram Solar	BUY	326	215
23	Voltas	Hold	1,442	1,349
24	Waaree Energies	BUY	3,600	2,599

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Not Rated (NR)	: No specific call on the stock
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