



UBR Infra | Market entry playbook

India Water Market Playbook 2026

Where the money is, who buys, how contracts work, and the rules a foreign water-technology, EPC or operating company must meet to win in India.

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Edition: October 2026. Figures are from public sources listed at the end; check current tender documents before bidding. This playbook is general information, not legal, tax or investment advice.

Five things a foreign water company should know

India is funding water at a scale few countries match, but the money flows through many buyers, contract models and rules. Firms that win usually pair their technology with an Indian partner, choose contracts with real payment security, and plan for local content from the start.

₹8.69 lakh cr

Jal Jeevan Mission outlay, extended to Dec 2028 [1]

₹1.86 lakh cr

AMRUT 2.0 urban water and sewerage projects approved, Feb 2026 [4]

~28%

share of urban sewage actually treated, CPCB 2021 [12]

~50%

of 1,044 surveyed city STPs meeting 2015 discharge norms [14]

- 1. The money is funded and long-term.** The rural Jal Jeevan Mission was extended to 2028 with a focus on 24×7 service and operation. Urban AMRUT 2.0 and the Namami Gange river programme keep funding sewerage, reuse and treatment. A new ₹1 lakh crore Urban Challenge Fund was announced in 2026 [1][4][5][7].
- 2. The gap is treatment and performance, not just pipes.** Urban India treated roughly 28% of the sewage it generated in the last national survey, and only about half of surveyed city plants meet 2015 discharge norms, which creates a large upgrade and retrofit market [12][14].
- 3. Contracts increasingly include long operation.** Design-build-operate contracts with 15–20 years of operation, the Hybrid Annuity Model and performance-based distribution contracts reward proven operators and technology [8][9][16][19].
- 4. Local content and partners decide eligibility.** Public buyers prefer suppliers with at least 50% Indian content, global tenders are generally not invited below ₹200 crore, and state tenders often need Indian track record or an Indian lead partner [22][23][25].
- 5. Lenders open the door to international bidders.** World Bank, ADB, JICA and KfW fund major water and desalination projects in Chennai, Bengaluru, Kerala and West Bengal [10][26][27][28].

1. Where the money is

National programmes funding water

Programme	Size	What it funds and current status
Jal Jeevan Mission (rural drinking water)	₹8.69 lakh cr total; central share ₹3.59 lakh cr [1]	Extended to Dec 2028 as "JJM 2.0", shifting from building networks to 24×7 service and village-level operation. About 82% of rural homes had a working tap by Aug 2026 [1][2]. Union Budget 2026-27: ₹67,670 cr [3].
AMRUT 2.0 (urban water, sewerage, reuse)	₹2.77 lakh cr indicative outlay at approval (2021) [4a]	By Feb 2026: 3,528 water-supply projects worth ₹1,19,636 cr (11,393 MLD of treatment) and 583 sewerage projects worth ₹66,118 cr (6,650 MLD of sewage treatment, 1,932 MLD of reuse) approved [4]. Targets recycled water meeting 20% of city demand and 10% of project value through PPP in cities above 1 million [4a].
Namami Gange (Ganga river basin)	524 projects, ₹43,030 cr sanctioned (Apr 2026) [5]	219 sewerage projects worth ₹35,970 cr, 4,263 MLD built; 25 sewage plants commissioned in 2025 [6]. Many use the Hybrid Annuity Model [6a].
Swachh Bharat Mission-Urban 2.0	₹1,41,600 cr outlay [7a]	Adds used-water management for towns under 100,000 people, including faecal sludge treatment.
Urban Challenge Fund	₹1 lakh cr central support [2]	Announced Feb 2026 to unlock about ₹4 lakh cr of urban investment by 2030-31, competitive across cities.

MLD = million litres per day. Note: AMRUT 2.0's formal extension beyond March 2026 had not been confirmed in the sources reviewed.

The treatment gap, state by state

The last full national survey by the Central Pollution Control Board found 72,368 MLD of urban sewage generated against 31,841 MLD of installed treatment capacity in 1,469 plants, of which about 20,235 MLD was actually used [12][13]. Several large states had very little capacity relative to sewage generated:

State	Sewage generated (MLD)	Installed treatment (MLD)	Installed as share of generated
Maharashtra	9,107	6,890	76%
Uttar Pradesh	8,263	3,374	41%
Tamil Nadu	6,421	1,492	23%
West Bengal	5,457	897	16%
Kerala	4,256	120	3%
Bihar	2,276	10	0.4%

Source: CPCB data as reported to Parliament, March 2021 [12]. Capacity has grown since; newer surveys count about 1,044–1,110 operating city plants [14][15]. Shares calculated by UBR Infra.

Large plants, long operating contracts

Plant	Capacity	Buyer, model and partners
Perur, Chennai	400 MLD	Chennai water board; design-build-operate with 20 years of operation; VA Tech Wabag–Metito joint venture; JICA loan of ¥52.6 bn for the plant (Mar 2025); about 62% complete in Mar 2026 [16][17][18].
Manori, Mumbai	200 MLD, built for 400	Mumbai municipal corporation; EPC plus 20 years of operation; IDE Technologies with GVPR Engineers; contract ₹11,166 cr including construction, operation and power (Dec 2025) [19][20].
Nemmeli, Chennai	150 MLD	Opened Feb 2024; ₹1,259 cr, of which ₹700 cr from KfW [21].
Tuticorin (Mullakadu), Tamil Nadu	60 MLD	State industrial agency SIPCOT; hybrid annuity with 15 years of operation; IDE with Indian partners (Jan 2026) [21a].
Gujarat coastal plants	70–100 MLD each	PPP concessions and joint ventures (e.g. Jodiya, Gundiyali, Ganghavi), with mixed progress; check status before pursuing [21b].

What drives industrial demand

Power. New thermal power units from 2017 must achieve zero liquid discharge and stay within 2.5 cubic metres of water per MWh. Plants within 50 km of a sewage treatment plant must use treated sewage, although few did by 2023 [21c][21d].

Refining and chemicals. Refineries and chemical clusters buy treated sewage and zero-liquid-discharge systems; IOCL's Mathura refinery buys 20 MLD of treated sewage under a 15-year arrangement [21e].

Enforcement. The pollution control board requires continuous online effluent monitoring in 17 categories of highly polluting industry and third-party inspections of grossly polluting plants in the Ganga and Yamuna basins [21f].

Electronics and semiconductors. New fabs and electronics plants need ultrapure water and recycling; Kurita (Japan) set up an Indian joint venture for this market in 2026 [33].

Industrial buyers are usually private, so public procurement and local-content rules often do not apply. This can be the fastest first market for a foreign technology company.

3. Who buys and how contracts work

Buyers, contract models and payment security

Model	How it works	Example
EPC (turnkey)	Design and build for a fixed or percentage-rate price; payment by milestones. Most common for state Jal Nigam sewerage and water works.	UP Jal Nigam sewage interception and treatment tender, Najibabad, 2026 [25]
EPC + long O&M / DBO	Design-build plus 15–20 years of operation and maintenance, paid separately.	Perur (DBO, 20 years); Manori (EPC + 20 years O&M) [16][19]
Hybrid Annuity Model	40% of capital cost paid on construction; 60% as annuities over 15 years of operation with performance-linked O&M payments; payer funds an escrow of several months [8][9].	Namami Gange sewage plants in Varanasi, Haridwar, Mathura, Patna [8][24]
DBFOT concession	Private partner finances, builds and operates for 20–25 years; paid per unit of water meeting quality standards.	Jodiya desalination, Gujarat, 25 years [21b]
Performance-based O&M	Operator paid against service targets such as continuous supply and reduced water losses.	Suez in Kochi (₹970.5 cr) and Mangalore; Veolia in Nagpur [10][11][31]

Who the buyers are

State water boards and Jal Nigams; municipal corporations such as Mumbai's; the National Mission for Clean Ganga with state agencies under tripartite agreements; state industrial development agencies such as SIPCOT; and private industry. Each has its own tender portal and approval cycle.

Payment security: check before you bid

Namami Gange hybrid annuity projects pay through an escrow funded by the national mission and tripartite agreements [8][9]. Practice under many municipal and state contracts is less protective, and reviews of wastewater PPPs have called for stronger offtake and payment guarantees [9]. Lender-funded projects usually carry the strongest payment discipline.

4. Rules for foreign bidders

Eligibility, local content and ownership

Rule	What it means for a foreign firm
Make in India procurement order	Class I suppliers (at least 50% local content) get purchase preference; Class II (20–50%) rank next; non-local suppliers (20% or less) can bid only where a global tender is invited [22]. The preference margin is generally 20% [22a].
Global tender ceiling	Since May 2020, public buyers may not invite global tenders for contracts up to ₹200 crore without special approval [23].
Land-border countries	Bidders from or controlled through countries that share a land border with India (China, Pakistan, Bangladesh, Nepal, Bhutan, Myanmar, Afghanistan) must register with a government committee, with security clearance, before bidding [24a].
Foreign ownership	100% foreign ownership has long been allowed under the automatic route for drinking-water, water treatment and wastewater recycling activities; confirm the current policy for your exact activity with counsel [24b].
Typical pre-qualification	Example (UP Jal Nigam, 2026): completed similar works of 30–60% of the estimate in the last 10 years, plant track record, average turnover of at least 30% of the estimate, 1% bid security and 10% performance security [25].
Joint ventures	In the same tender: up to two members, an Indian lead with at least 51%, and a foreign partner allowed with at least 30% [25]. Rules vary by tender and lender.

What this means in practice. For most state and municipal tenders below ₹200 crore, a foreign firm competes as technology supplier, licensor or junior joint-venture partner to an Indian contractor, or localises enough content to qualify as Class I. Larger, lender-funded and industrial projects are where foreign firms can lead.

5. Who funds it

Multilateral and bilateral lenders

Lender	Recent water lending in India
World Bank	US\$426m for the Karnataka Water Security and Resilience Program, Bengaluru, including nine new sewage plants with reuse (Jun 2025) [26].
ADB	US\$4.26bn to India in 2025, including US\$775m for urban water and sanitation in Assam, Kerala, Sikkim and West Bengal; US\$230m for Chennai water security and sewerage [27][28].
JICA	¥52.6bn for Chennai's 400 MLD Perur desalination plant (Mar 2025) [17].
KfW	₹700 crore toward Chennai's 150 MLD Nemmeli desalination plant [21].

6. How foreign firms entered

Five routes that have worked

Company	Route	What they did
Veolia (France)	Indian subsidiary; long O&M contracts	About 25 years in India; Nagpur 24×7 water supply; operation of Mumbai's Bhandup and Panjrapur treatment plants with an Indian developer [31].
IDE Technologies (Israel)	Technology partner to Indian EPCs	Wins large desalination plants with Indian partners: Manori with GVPR, Tuticorin with Jindal Water Infrastructure and VPIL [19][21a].
Metito (UAE)	Joint venture with an Indian leader	Partnered VA Tech Wabag on Chennai's 400 MLD Perur plant [16].
Xylem, Grundfos (US, Denmark)	Wholly owned subsidiaries with local manufacturing	Xylem's Vadodara manufacturing and test centre; Grundfos plants in Chennai and Gujarat [32][32a].
Kurita (Japan)	Joint venture for a niche	Kurita Membrane India, focused on semiconductor and electronics water (2026) [33].

Choosing your route

Technology supplier or licensor. Fastest and lowest risk. Sell or license to Indian EPC contractors bidding public projects; build local content through assembly or sourcing over time.

Joint venture for bidding. Combine your technology and operating record with an Indian partner's completed works to qualify for larger EPC, DBO and hybrid annuity tenders.

Own subsidiary. Best for operators and equipment makers committing to India for the long term; needed to build your own Indian track record and to manufacture.

Industrial-first. Start with private industrial customers where procurement rules are lighter, then use the references to enter public tenders.

A realistic first 90 days

When	What to do
Weeks 1–4	Pick one or two states and one segment; map live tenders, buyers and payment security; check your eligibility and local-content position.
Weeks 5–8	Short-list and meet Indian EPC or manufacturing partners; check their completed works, finances and litigation.
Weeks 9–12	Agree the partnership and entry vehicle; register with target buyers; choose the first two or three tenders.

Talk to UBR Infra

We help international water companies choose the right states and buyers, find and vet Indian partners, clear registrations and bid. Book a 30-minute call with a partner at ubrinfra.com/contact or write to info@ubrinfra.com. We reply within one working day.

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