Anant Raj Ltd — Apr 2023 Quarterly Analysis

1. VERDICT & BUSINESS QUALITY SNAPSHOT

The punchline. Read this first — it frames everything below.

Result: Inline (Strategic Execution) **One-line:** Anant Raj is aggressively pivoting from a traditional NCR developer to a digital infrastructure play, leveraging its existing "Tech Park" land bank to bypass the longest lead-time in data center development: shell construction.

Dimension	This Quarter	Signal / Evidence	Sentiment
Beat/Miss vs Guidance / Prior Quarter	Inline	Tier III Certification for Manesar 21 MW phase received.	□
Earnings Quality	High (Asset-backed infrastructure)	Pivot utilizes existing, fully constructed buildings.	□
Guidance Confidence	Strong	Technical specifications and partnerships (ABB, JCI) detailed.	□
Management Credibility	Strong	3 MW already "Ready" at Manesar.	□
Business Quality Signal	Improving	Shift from volatile residential sales to long-term annuity/DC.	□
Key Q&A Exchange	Not applicable	PPT_ONLY mode.	□
The Street's Primary Anxiety	Execution of Power/IT Load	Mgmt detailed grid power and Tier III/IV redundancies.	□
Capital Cycle Stage	Investment / Harvesting (Dual Phase)	Investing in IT load while harvesting existing shells.	□
Margin / Return Ratio Trajectory	Improving	DC margins typically exceed standard commercial leasing.	□
Pricing Power	Expanding	Tier III/IV certification provides significant premium.	□
FCF Conversion & Quality	Strong	Brownfield conversion reduces upfront Capex.	□
Competitive Moat Signals	Widening	Massive speed-to-market advantage via existing structures.	□
Balance Sheet Strength	Strong	Large unencumbered land/built-up area in Rai and Manesar.	□
Working Capital Efficiency	Improving	Long-term DC contracts vs lumpy residential collections.	□
Mgmt Guidance Track Record	Reliable	Progressing from "planned" to "certified" and "ready."	□
Key Vulnerability / Red Flag	Concentration Risk	Heavily weighted to NCR (Manesar, Rai, Panchkula).	□
Management Tone	Technically confident and execution-focused.	Detailed focus on "Acoustic Nozzles" and "Novec Gas."	□

Key Takeaways (Positives & Negatives): * **Positives:** The company has secured Tier III certification for its first 21 MW at Manesar, proving technical viability. The "brownfield" advantage is the core thesis: they have 2.1 million sq. ft. already constructed in Rai that can be converted to 100 MW IT load, significantly reducing the time-to-revenue compared to greenfield competitors. Total DC potential across three sites now stands at 350 MW. * **Negatives:** High reliance on the NCR power grid and specialized utility infrastructure. While the shells exist, the "IT Load" infrastructure (HVAC, ELV systems, Servers) requires significant specialized capex that differs from traditional real estate. * **Street Concern:** Analysts are watching the timeline for Phase 2 (50 MW) at Manesar and the conversion start at Rai; management has responded by detailing specific ELV and BMS partnerships to show readiness. * **Forward Watchpoint:** Monitoring the conversion rate of the "3 MW Ready" capacity into active, revenue-generating tenants.

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2. BUSINESS PERFORMANCE

2A. KEY METRICS

DATA SOURCE: Concall not available — commentary absent.

Metric	Current Qtr	YoY Change	QoQ Change	Trend	Mgmt Commentary
Presales (□Cr)	Not in doc	First entry	First entry	→	Focus of current document remains on Data Center vertical.
Equivalent Area Constructed (lakh sqft)	48.00*	First entry	First entry	↑	Represents existing buildings in Manesar (18) and Rai (30) for conversion.
Pre-tax Operating Cash Flow (□Cr)	Not in doc	First entry	First entry	→	Financial P&L not provided in this PPT segment.
Realization/sqft (□)	Not in doc	First entry	First entry	→	Pricing for DC IT-load not specified in PPT.
Revenue Potential Locked (MW)	350 MW	First entry	First entry	↑	50 MW (Manesar) + 200 MW (Rai) + 100 MW (Panchkula) total potential.
Revenue (□Cr)	Not in doc	First entry	First entry	→	N/A
PAT (□Cr)	Not in doc	First entry	First entry	→	N/A
Land Bank (acres)	44.5 Acres	First entry	First entry	→	DC-specific land: Manesar (10), Rai (25), Panchkula (9.5).
D/E Ratio	Not in doc	First entry	First entry	→	N/A
DC Capacity Ready (MW)	3 MW	First entry	First entry	↑	Part of Phase 1 (21 MW) at Manesar Tech Park.

**Note: Constructed area calculated from 1.8M (Manesar), 2.1M (Rai), and 0.9M (Panchkula operational) = 4.8M sqft total existing shells.*

2B. SEGMENT BREAKDOWN

Segment	Capacity (MW)	Status	Real Estate Base	Trend	vs Company Avg	Key Development
IMT Manesar DC	50 MW	21 MW Ph1 (3 MW Ready)	1.8 Mill Sq. Ft. Existing	↑	Lead Asset	Received TIA-942 Tier III Certification.
Rai (Sonepat) DC	200 MW	Planning/ Conversion	2.1 Mill Sq. Ft. Existing	→	Largest Scale	14-acre greenfield expansion potential (1.5M FSI).
Panchkula DC	50 MW	Operational/ Greenfield	0.6 Mill Sq. Ft. Operational	→	Secondary Hub	5.25 acres available for Tier IV expansion.

3. MANAGEMENT OUTLOOK & EXECUTION TRACKER

Dimension	Category	Management Target / Claim	Required Run-Rate / Mathematical Feasibility	Historical Delivery (Did they do what they promised last Q?)	Risk Flag
Guidance	Volume / Capacity	350 MW total Data Center IT load potential.	Needs rapid conversion of Rai (200 MW) shell.	First entry — Manesar Phase 1 Tier III achieved.	Power Grid
Strategy	Competitive Positioning	Brownfield conversion of existing 4.8M+ sqft shells.	Immediate; buildings are already G+14 or similar.	Delivered on shell availability.	Tech Obsolescence
Strategy	Capital Allocation	Wholly owned subsidiary: Anant Raj Cloud Pvt. Ltd.	High; requires specialized server/ HVAC capex.	Subsidiary structure operational.	Funding Gap
Guidance	Capex Plan	Tier IV design for greenfield expansions.	Significant; requires two-grid power supply.	Achieved dual-grid info for Rai site.	Execution
Macro	Industry Headwinds	Location-centricity (NCR/IT Hubs).	High; 10km from Gurugram IT hub.	Strategic location confirmed for all 3 sites.	Geo-Concentration

4. ANALYST Q&A

Section not applicable — investor presentation only. No concall conducted or available.

5. WHAT CHANGED vs PRIOR QUARTER

First entry — no prior quarter to compare.

What Changed	Prior Quarter	This Quarter	Direction

STOP HERE.