Anant Raj Ltd — Feb 2025 Quarterly Analysis

1. VERDICT & BUSINESS QUALITY SNAPSHOT

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

Result: Strong Beat **One-line:** Anant Raj is successfully transmuting from a regional developer into a high-margin tech-infrastructure player, with the launch of "Ashok Cloud" effectively tripling the revenue potential per megawatt compared to traditional co-location.

Dimension	This Quarter	Signal / Evidence	Sentiment
Beat/Miss vs Prior Quarter	Strong Beat	PAT grew 23.3% QoQ; Net debt reduced by □124 Cr in 90 days.	□
Earnings Quality	High (Core driven)	Growth fueled by record residential realizations (□18,000/sqft) and first DC EBITDA.	□
Guidance Confidence	Strong	Reiteration of Net Debt Free by Dec '24; 21MW DC capacity on track for Q3 FY25.	□
Management Credibility	Strong	Delivered 6MW operational capacity; launched Ashok Cloud as promised on Oct 7.	□
Business Quality Signal	Improving	Transition from cyclical residential to high-margin recurring Cloud/SaaS revenue.	□
Key Q&A Exchange	Not applicable	PPT_ONLY: No concall conducted or available.	□
The Street's Primary Anxiety	Capex Dilution	Managed via □2,100 Cr QIP to front-load high-margin Cloud infrastructure.	□
Capital Cycle Stage	Harvesting / Investment	Harvesting Gurugram Residential; Investing heavily in Cloud/ AI stack.	□
Margin / Return Ratio Trajectory	Improving	Cloud EBITDA margin estimated at ~84% vs. lower real-estate development margins.	□
Pricing Power	Expanding	GH-1 (Estate Residences) 100% sold at □18,000/sqft (up from ~□14,000 avg in Q1).	□
FCF Conversion & Quality	Strong	Massive debt reduction (□124 Cr) indicates strong collection-to-PAT conversion.	□
Competitive Moat Signals	Widening	First-mover in Tier-III DC retrofitting; "Sovereign Cloud" status via Govt empanelment.	□
Balance Sheet Strength	Strong	Net Debt/Equity negligible; poised to be Net Debt Free by end of CY2024.	□
Working Capital Efficiency	Improving	Residential handovers (Birla Navya Phase 1) releasing trapped capital.	□
Mgmt Guidance Track Record	Reliable	Meeting all stated milestones for DC operationalization and project launches.	□
Key Vulnerability / Red Flag	Capex Intensity	Cloud requires □100 Cr/MW additional capex vs. □26 Cr/MW for co-location.	□
Management Tone	Confident	Tone focused on "infinite" scale of Cloud and asset-light software layers.	□

Key Takeaways (Positives & Negatives): * **Positives:** The operationalization of 6MW IT load at Manesar has validated the P&L transition, contributing □8 Cr to EBITDA this quarter. The launch of "Ashok Cloud" is a thesis-shifter, moving the company from a "landlord" (co-location) to a "service provider" (IaaS/PaaS) with □150 Cr/MW/year revenue potential. Residential performance is providing a massive cash cushion, with the 1 msf "Estate Residences" fully sold out at a premium realization of □18,000/sqft. * **Negatives:** The pivot to Cloud is capital-intensive, requiring an incremental □100 Cr/MW in server and hardware capex, which necessitates the □2,100 Cr fundraise and associated equity dilution. There remains high geographic concentration in the Sector 63A Gurugram micro-market. * **Forward Watchpoint:** Monitoring the deployment of the □2,100 Cr QIP proceeds and the conversion of the 14MW Cloud capacity target by March 2026.

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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)	1,800	↑	↑	↑	Driven by 100% sell-out of GH-1 Estate Residences.
Equivalent Area Constructed (msf)	Not in doc	-	-	→	Construction ongoing at Manesar DC and Sector 63A.
Pre-tax Operating Cash Flow (□Cr)	124	↑	↑	↑	Calculated based on net debt reduction in the quarter.
Realization/sqft (□)	18,000	↑	↑	↑	Pricing power: Up from ~□14,000/sqft in Q1 FY25.
Revenue Potential Locked (□Cr)	8,235	↑	↑	↑	Cumulative potential across all residential pipeline.
Revenue (□Cr)	524	54.1%	18.2%	↑	Record high; reflects higher residential billing.
PAT (□Cr)	106	74.8%	23.3%	↑	Highest ever; assisted by luxury mix.
Land Bank (acres)	83.43	↑	↑	↑	Includes 20 acres added in Gurugram at ~□20 Cr/acre.
Net Debt / (Cash) (□Cr)	95	↓	↓	↑	Significant deleveraging from □219 Cr in Q1.
DC Operational Capacity (MW)	6	↑	↑	↑	Scaled from 3MW in Q1; target 21MW by Q3 FY25.

2B. SEGMENT BREAKDOWN

Segment	Revenue (□ Cr)	YoY Growth	Margin	Trend	vs Co. Avg	Key Development
Residential	~503	50%+	High	↑	Primary	GH-1 (Estate Residences) 100% sold out.
Data Center	8 (EBITDA)	New	~82%	↑	High	6MW operational; Cloud services (Ashok Cloud) launched.
Commercial	12.5 (Q)	→	High	→	In-line	Sec 44 Gurugram 100% leased; Panchkula 20%.
Hospitality	3.72 (Q)	→	Moderate	→	Low	Received approval for FSI increase (0.15 to 1.75).

3. MANAGEMENT OUTLOOK & EXECUTION TRACKER

Dimension	Category	Management Target / Claim	Required Run-Rate	Historical Delivery	Risk Flag
Guidance	DC Capacity	21 MW by Q3 FY25	Needs 15MW addition in current quarter.	Delivered 3MW addition in Q2.	Moderate
Guidance	Debt	Net Debt Free by Dec '24	Needs □95 Cr further reduction in Q3.	Reduced □124 Cr in Q2.	Low
Guidance	Cloud Revenue	□150 Cr/MW/yr (IaaS)	Based on 0.5MW pilot (□75 Cr/yr run-rate).	Pilot live and functional.	Execution
Guidance	Cloud EBITDA	□126 Cr/MW/yr	~84% margin on cloud services.	First DC EBITDA (□8 Cr) recorded.	Execution
Strategy	Capex	□2,100 Cr Fundraise	For 35MW total capacity (incl. 14MW Cloud).	Board approval received.	Dilution
Strategy	Residential	GH-2 Launch (FY25)	□2,100 Cr revenue target for 1.09 msf.	GH-1 achieved 100% sell-out.	Low
Strategy	Land	Gurugram Expansion	Added 20 acres in Q2 FY25.	Ongoing land banking at Sector 63A.	Low

4. ANALYST Q&A

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

5. WHAT CHANGED vs PRIOR QUARTER

What Changed	Prior Quarter (Q1 FY25)	This Quarter (Q2 FY25)	Direction
DC Revenue Model	Pure-play Co-location	Launched "Ashok Cloud" (IaaS/PaaS/SaaS)	↑ (Thesis Shifter)
DC Rev Recognition	First entry expected	□8 Cr EBITDA recorded in P&L	↑
Residential Realization	~□12,000 - □14,000/sqft	□18,000/sqft (Estate Residences GH-1)	↑
Net Debt Status	□219 Cr	□95 Cr	↑ (Deleveraging)
Growth Strategy	Organic internal accruals	□2,100 Cr QIP proposed for DC/Cloud	↑ (Aggression)
Operational Capacity	3 MW	6 MW	↑
Hospitality Value	Low FSI (0.15)	Approval received for 1.75 FSI in Delhi	↑

STOP HERE.