Anant Raj Ltd — Jan 2026 Quarterly Analysis

1. VERDICT & BUSINESS QUALITY SNAPSHOT

Result: Strong Beat (vs. FY25 Run-rate) **One-line:** Anant Raj is successfully decoupling its valuation from the cyclical residential market by converting its legacy debt-free land bank into a high-margin (75% EBITDA) Data Center and AI-Cloud platform.

Dimension	This Quarter (Q2FY26 context)	Signal / Evidence	Sentiment
Beat/Miss vs Prior Quarter	Strong Beat	H1FY26 PAT (□264 Cr) is 63.6% of full FY25 PAT (□415 Cr).	□
Earnings Quality	High (Core driven)	Growth driven by □18,000/sqft residential realizations and DC ramp-up.	□
Guidance Confidence	Strong	Delivered 28 MW operational capacity on schedule; Building for 100 MW ready.	□
Management Credibility	Strong	Prepaid □125 Cr debt; Net cash positive post-□1,100 Cr QIP.	□
Business Quality Signal	Improving	Pivot from "Landlord" (Colocation) to "Tech Provider" (Cloud) triples revenue potential per MW.	□
Key Q&A Exchange	N/A — PPT ONLY	Presentation emphasizes "Sovereign Cloud" and "Data Localization."	□
The Street's Primary Anxiety	DC Execution Risk	Mgmt provided "Soil to Server" evidence with 28 MW live and TIA Tier III certification.	□
Capital Cycle Stage	Expansion	Aggressive build-out of Rai (200 MW) and new luxury residential phases.	□
Margin Trajectory	Improving	Consolidated EBITDA margins expanding due to 75% DC segment margins.	□
Pricing Power	Expanding	Gurugram luxury realizations held at □18,000/sqft; Cloud revenue ~13x higher than Colo.	□
FCF Conversion & Quality	Strong	Net debt reduction from □1,494 Cr (FY21) to Net Cash (FY26).	□
Competitive Moat	Widening	Only Indian developer with proprietary "Ashok Cloud" and TIA Tier III certifications.	□
Balance Sheet Strength	Strong	Net Cash Positive; □1,100 Cr QIP buffer for the 357 MW roadmap.	□
Working Capital Efficiency	Stable	Inventory being liquidated at record prices; high collection visibility on GH-1.	□
Mgmt Guidance Track Record	Reliable	5-decade legacy with consistent delivery of "Soil to Server" DC milestones.	□
Key Vulnerability	Concentration	Asset base heavily concentrated in Sector 63A, Gurugram.	□
Management Tone	Highly Confident	Shifted focus to "Bharat-Built" infrastructure and AI-enabled solutions.	□

Sentiment: □Positive

Key Takeaways (Positives & Negatives): * **Positives:** The investment thesis is undergoing a "re-rating" from a real estate developer to a technology infrastructure provider. The Data Center (DC) business has proven its economics with 75% EBITDA margins and a clear path to 357 MW by 2032. Residential sales at Sector 63A (₹18,000/sqft) provide the necessary internal accruals to fund DC capex without diluting the net-cash balance sheet. * **Negatives:** The 357 MW roadmap is long-dated (2032), requiring sustained execution over multiple cycles. Geographic concentration in Delhi-NCR remains high, though the Andhra Pradesh DC MOU provides some diversification. * **Street Concern:** Analysts are watching the MeitY empanelment (expected Nov-25) as the final "key" to unlock high-margin PSU/Sovereign Cloud contracts. * **Forward Watchpoint:** Monitoring the absorption rate of the newly launched "The Estate Apartments" (₹750 Cr revenue potential) as a bellwether for Gurugram luxury demand.

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2. BUSINESS PERFORMANCE

2A. KEY METRICS

DATA SOURCE: Concall not available — commentary extracted from Investor Presentation targets and "Prior Context" provided.

Metric	Current Qtr (Q2FY26)	YoY Change	QoQ Change	Trend	Mgmt Commentary
Presales Collections (₹Cr)	428	↑	↑	↑	Collections from GH-1; ₹1,422 Cr pending from total ₹1,850 Cr.
Area Constructed (msf)	11.41	↑	→	↑	Ongoing/planned projects; includes 10.87 msf in Gurugram.
Pre-tax Operating CF (₹Cr)	Not in doc	-	-	↑	Implied strong by ₹125 Cr debt prepayment.
Realization/sqft (₹)	18,000	↑	→	↑	Pricing driven by luxury demand in Sector 63A.
Revenue Potential (₹ Cr)	22,000	→	→	→	Total potential value of Sector 63A land bank.
Revenue (₹Cr)	630.79	23.0%	6.5%	↑	Volume expansion in Residential + DC ramp-up.
PAT (₹Cr)	138.18	30.8%	10.0%	↑	High-margin DC contribution expanding bottom line.
Land Bank (acres)	83.43	→	→	→	Core prime Delhi land reserves (fully paid/ freehold).
D/E Ratio	Net Cash	↓	↓	↑	Net debt zero post-QIP of ₹1,100 Cr.
DC Revenue (₹Cr)	35.47	New	54.5%	↑	Q2 surge as 28 MW operational capacity handovers began.

2B. SEGMENT BREAKDOWN

Segment	Revenue (□ Cr)	YoY Growth	Margin (EBITDA)	Trend	vs Co. Avg	Key Development
Residential	595.32 (Est)	18%	~24%	↑	In-line	RERA received for Estate Floors (0.50 msf).
Data Center	35.47	New	75.0%	↑	Far Above	28 MW live; Manesar 100 MW building ready.
Commercial	~18 (H1 Est)	→	High	→	In-line	Ashok Tower (0.16 msf) under construction.
Hospitality	~7 (H1 Est)	→	Moderate	↑	Below	FSI increased to 1.75 for Delhi hotel assets.

3. MANAGEMENT OUTLOOK & EXECUTION TRACKER

Dimension	Category	Management Target / Claim	Required Run-Rate	Historical Delivery	Risk Flag
Guidance	DC Capacity	357 MW by 2032	Add ~33 MW/year	28 MW operationalized on time.	Low
Guidance	DC Mix	25% of capacity for Cloud	~89 MW total Cloud	Ashok Cloud live; PaaS/SaaS initiated.	Low
Guidance	Real Estate	□750 Cr revenue from Estate Apartments	Launched Q1FY26	Delivered 1.34 msf at Ashok Estate.	Low
Guidance	Real Estate	□5,066 Cr pipeline (GH 2 & 3)	2.42 msf launches	RERA received for Estate Floors.	Moderate
Strategy	Cap Allocation	Maintain Net Cash Status	Internal Accruals + QIP	Prepaid □125 Cr debt in Q2.	Low
Strategy	Pivot	"Soil to Server" Integration	End-to-end DC services	MeitY empanelment Nov-25.	Low

(N/A — no concall conducted or available. Targets derived from PPT roadmap slides.)

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 (Q4FY25/FY25)	This Quarter (Q2FY26)	Direction
Balance Sheet	Net Debt □50 Crore	**Net Cash Positive**	↑ (Strength)
DC Capacity	22 MW "Ready for Q1"	**28 MW Operationalized**	↑ (Execution)
Cloud Catalyst	Strategy phase	**MeitY Empanelment Imminent**	↑ (Visibility)
Capital Base	QIP Planned	**□1,100 Cr QIP Completed**	↑ (Liquidity)
Real Estate Mix	Group Housing Focus	**RERA Received for Estate Floors**	↑ (Diversity)
Profitability	Core Realty focus	**43% DC PAT Contribution**	↑ (Quality)
Hospitality	Existing ops	**FSI increase to 1.75 approved**	↑ (Asset Value)

STOP HERE.