# Anant Raj Ltd — Jul 2025 Quarterly Analysis

## 1. VERDICT & BUSINESS QUALITY SNAPSHOT

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

**Result:** Strong Beat **One-line:** Anant Raj has successfully transitioned into a "debt-free" growth engine, where a robust luxury residential cash-cow is now fully funding a high-margin, 307 MW Data Center pivot without balance sheet strain.

| Dimension | This Quarter | Signal / Evidence | Sentiment |
|---|---|---|---|
| Beat/Miss vs Guidance / Prior Quarter | Strong Beat | FY25 PAT grew 60% YoY; Net Debt reduced to negligible □50 Cr. | □ |
| Earnings Quality | High (Core driven) | Growth led by luxury residential sales and increased realizations (□18,000/sqft). | □ |
| Guidance Confidence | Strong | 22 MW DC capacity "ready for operations" in Q1FY26; total pipeline □22,000 Cr. | □ |
| Management Credibility | Strong | Massive deleveraging (Debt down from □1,494 Cr to □50 Cr in 4 years). | □ |
| Business Quality Signal | Improving | Transitioning from pure-play developer to high-margin Cloud/Annuity player. | □ |
| Key Q&A Exchange | N/A — PPT_ONLY | Not applicable | □ |
| The Street's Primary Anxiety | DC Execution Timeline | 6 MW operational; 22 MW "ready" for Q1FY26. | □ |
| Capital Cycle Stage | Harvesting / Expansion | Harvesting Sector 63A cash; Expanding DC IT Load to 307 MW. | □ |
| Margin / Return Ratio Trajectory | Improving | EBITDA growth (76% CAGR since FY21) outpacing Revenue (69% CAGR). | □ |
| Pricing Power | Expanding | Average selling price of □18,000/sqft achieved for Estate Residences. | □ |
| FCF Conversion & Quality | Strong | Net debt reduction of □240 Cr YoY implies strong operating cash flows. | □ |
| Competitive Moat Signals | Widening | Partnership with Orange Business for SaaS/PaaS; TIA Tier III certification. | □ |
| Balance Sheet Strength | Strong | Net Debt of □50 Cr against a □2,060 Cr revenue base. | □ |
| Working Capital Efficiency | Improving | Rapid delivery of Ashok Estate and Birla Navya Phase 1. | □ |
| Mgmt Guidance Track Record | Reliable | Consistent delivery on debt reduction and FSI approvals for hospitality. | □ |
| Key Vulnerability / Red Flag | Concentration Risk | Revenue heavily tied to Sector 63A, Gurugram micro-market. | □ |
| Management Tone | Confident | Focus on "Future-Ready Infrastructure" and "Next-Generation Digital." | □ |

**Key Takeaways (Positives & Negatives):** * **Positives:** The company has reached a financial inflection point, reducing Net Debt to a negligible □50 Cr, effectively de-risking the entire 307 MW Data Center (DC) expansion.

Residential sales remain elite, with "The Estate Residences" (GH-1) 100% sold out at premium realizations of □18,000/sqft. The launch of "Ashok Cloud" shifts the DC business from a simple landlord model (Co-location) to a high-margin technology play (IaaS/PaaS). * **Negatives:** While the total DC capacity is scaling, there is a slight timing shift in operationalization compared to earlier targets (28 MW total now targeted for Q1FY26). The heavy reliance on Sector 63A for residential cash flow makes the company sensitive to Gurugram-specific regulatory or market downturns. * **Forward Watchpoint:** The primary monitorable is the successful conversion of the 22 MW "ready" capacity into active billing in Q1FY26, which will validate the revenue-generating capability of the DC segment.

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## 2. BUSINESS PERFORMANCE

### 2A. KEY METRICS

DATA SOURCE: Concall not available — commentary absent.

| Metric | Current Qtr (Q4FY25) | YoY Change | QoQ Change | Trend | Mgmt Commentary |
|---|---|---|---|---|---|
| Presales (□Cr) | Not in doc | - | - | ↑ | GH-1 fully sold out; The Estate Apartments launched in Q1FY26. |
| Equivalent Area Constructed (msf) | 10.87 (Pipeline) | ↑ | ↑ | ↑ | Active development in Luxury GH-1 (0.99 msf) and Ashok Estate (1.34 msf). |
| Pre-tax Operating Cash Flow (□Cr) | ~240 (FY) | ↑ | ↑ | ↑ | Implied by □240 Cr Net Debt reduction for the full year. |
| Realization/sqft (□) | 18,000 | ↑ | → | ↑ | Maintained premium pricing for Estate Residences; 25-30% appreciation in area. |
| Revenue Potential Locked (□Cr) | 22,000 | ↑ | ↑ | ↑ | Total pipeline across Sector 63A residential projects. |
| Revenue (□Cr) | 541 (Est) | 21.8% | ↑ | ↑ | FY25 Revenue reached □2,060 Cr (up 39% YoY). |
| PAT (□Cr) | 119 (Est) | 41.7% | ↑ | ↑ | FY25 PAT reached □415 Cr (up 60% YoY). |
| Land Bank (acres) | 83.43 | → | → | → | Marquee land reserves across Delhi (West, North, South) and Rewari. |
| Net Debt / (Cash) (□ Cr) | 50 | ↓ (83%) | ↓ | ↑ | Drastic deleveraging from □1,494 Cr in FY21. |
| DC Operational Capacity (MW) | 6 | ↑ | → | ↑ | 22 MW incremental capacity ready to be operationalized in Q1FY26. |

### 2B. SEGMENT BREAKDOWN

| Segment | Revenue (□ Cr) | YoY Growth | Margin | Trend | vs Co. Avg | Key Development |
|---|---|---|---|---|---|---|
| Residential | ~1,850 (FY) | 40%+ | High | ↑ | Primary | GH-1 Sold Out; Birla Navya Phase 4 launched. |
| Data Center | ~80 (FY Est) | New Segment | 80% (Est) | ↑ | High | Ashok Cloud launched; 22 MW capacity jump imminent. |
| Commercial | ~115 (FY Est) | → | High | → | In-line | Sector 44 Gurugram fully leased (0.12 msf); Ashok Tower (0.16 msf) under construction. |
| Hospitality | ~15 (FY Est) | → | Moderate | ↑ | Low | Approval for FSI increase from 0.15 to 1.75 received for Delhi centers. |

## 3. MANAGEMENT OUTLOOK & EXECUTION TRACKER

| Dimension | Category | Management Target / Claim | Required Run-Rate / Mathematical Feasibility | Historical Delivery | Risk Flag |
|---|---|---|---|---|---|
| Guidance | DC Capacity | 307 MW by 2031 | Needs ~40 MW incremental addition per year. | Scaled from 0 to 6 MW; 22 MW "ready" for Q1FY26. | Moderate |
| Guidance | DC Revenue Pipeline | 28 MW operational in Q1FY26 | 22 MW must go live in 90 days. | 6 MW operationalized as promised earlier. | Low |
| Guidance | Residential Revenue | □22,000 Cr from Sector 63A pipeline | Requires execution of 10.87 msf. | Delivered 4.72 msf till March 2025. | Low |
| Guidance | Debt Management | Continued deleveraging | Already at near-zero; maintain internal accrual. | Reduced Net Debt by □240 Cr in FY25. | Low |
| Strategy | Service Expansion | Transition to SaaS/ PaaS (Ashok Cloud) | Partnership with Orange Business live. | Launched Cloud services in Q2FY25. | Low |
| Strategy | Hospitality Value | Additional 1.1 msf developable area | FSI increase to 1.75 secured. | Construction ongoing at Center I for 4.90 lakh sqft. | Low |
| Macro | Data Center Growth | 1.83 GW India capacity by 2027 | Industry CAGR 24% (Source: JLL). | India crossed 1 GW milestone in 2024. | Low |
| Balance | Equity Capital | Promoter Warrant Subscription | Allotment at □730/share. | Promoters consistently infusing capital. | 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 (Q2 FY25) | This Quarter (Q4 FY25) | Direction |
|---|---|---|---|
| **Net Debt Level** | ₹95 Crore | ₹50 Crore | ↑ (Deleveraging) |
| **DC Operational Status** | 21 MW targeted by Q3FY25 | 28 MW targeted by Q1FY26 | ↓ (Timing Shift) |
| **Asset Monetization** | FSI Approval Pending | FSI 1.75 Approved (Delhi Res.) | ↑ (Value Unlock) |
| **Residential Inventory** | GH-1 Selling | GH-1 100% Sold Out | ↑ (Visibility) |
| **Cloud Partnership** | Orange (General) | CSC (PSU Focus) Added | ↑ (Moat) |
| **Project Pipeline** | Launching "Estate Apartments" | "Estate Apartments" 1 Launched | ↑ (Execution) |
| **Annual PAT Performance** | FY24: ₹259 Cr | FY25: ₹415 Cr | ↑ (Growth) |

STOP HERE.