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.