Anant Raj Ltd — Nov 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 from a deleveraging story to an "execution-heavy" tech-realty hybrid, using its □1,100 Cr QIP and net-cash balance sheet to de-risk a massive high-margin Cloud pivot while maintaining □18,000/sqft realizations in its core Gurugram residential engine.

Dimension	This Quarter	Signal / Evidence	Sentiment
Beat/Miss vs Guidance	Strong Beat	H1FY26 PAT (□264 Cr) is already 63% of full-year FY25 PAT (□415 Cr).	□
Earnings Quality	High (Core driven)	Growth led by luxury residential deliveries and a visible ramp-up in DC rentals (□35.47 Cr in Q2).	□
Guidance Confidence	Strong	MeitY empanelment for Cloud expected in Nov-25; 28 MW DC capacity fully delivered/showcased.	□
Management Credibility	Strong	Promoters converted warrants at □730 (premium) in Mar-25; Net debt remains below □50 Cr for 5 quarters.	□
Business Quality Signal	Improving	Pivot from "Landlord" (Colocation) to "Tech Provider" (Cloud) triples revenue potential per MW.	□
Key Q&A Exchange	7 — DC Demand	Analysts questioned demand vs global giants; Mgmt cited "Data Localization" and 50% lower cost base.	□
The Street's Primary Anxiety	DC Obsolescence/ Demand	Fear that MNCs like Brookfield/Mantra will outscale. Mgmt response: Sovereign Cloud focus + asset ownership.	□
Capital Cycle Stage	Expansion	Post-QIP, the company is aggressively building Rai (200 MW) and new luxury high-rises.	□
Margin Trajectory	Improving	Consolidated EBITDA margins reached 27.76% (up 414 bps YoY) due to high-margin DC contribution.	□
Pricing Power	Expanding	Maintaining □18,000/sqft in Gurugram; Cloud services revenue is ~13x higher than Colocation per MW.	□
FCF Conversion	Strong	Prepaid □125 Cr debt; Net cash positive status post-QIP.	□
Competitive Moat	Widening	Only Indian developer with a proprietary "Sovereign Cloud" (Ashok Cloud) and TIA Tier III certification.	□
Balance Sheet Strength	Strong	Net Cash Positive; □1,100 Cr QIP buffer for the 307 MW roadmap.	□
Mgmt Guidance Track Record	Reliable	Delivered 28 MW "Soil to Server" on schedule; debt reduction exceeded prior year targets.	□
Key Vulnerability	Concentration	Revenue remains ~90% tied to North India (Gurugram/Delhi/ Sonepat) micro-markets.	□
Management Tone	Highly Confident	Posture shifted from "survival/deleveraging" to "Bharat-Built infrastructure leadership."	□

Key Takeaways (Positives & Negatives): * **Positives:** The financial thesis is now bulletproof; the company is net-cash positive with a □1,100 Cr QIP war chest. The Data Center (DC) business is no longer a "plan"—it is generating □140 Cr+ annualized revenue at 75% EBITDA margins. Residential realizations at □18,000/sqft in

Sector 63A provide a self-sustaining cash engine to fund the □26 Cr/MW incremental DC capex. * **Negatives:** The 307 MW roadmap is now explicitly targeted for 2032 (previously implied 2030), suggesting a more measured build-out. There is potential cannibalization risk with three concurrent residential launches in Gurugram, though management claims different product segments (Floors vs. High-rise) mitigate this. * **Forward Watchpoint:** MeitY empanelment in Q3FY26 is the single most critical catalyst to unlock PSU/Government Cloud contracts, which currently form the bedrock of their DC demand.

---

2. BUSINESS PERFORMANCE

2A. KEY METRICS DATA SOURCE: PPT figures primary; Concall used for commentary and collection details.

Metric	Current Qtr (Q2FY26)	YoY Change	QoQ Change	Trend	Mgmt Commentary
Presales Collections (□Cr)	428 (GH-1)	↑	↑	↑	Collected □428 Cr of □1,850 Cr total for GH-1; □1,422 Cr pending.
Equivalent Area (msf)	11.41 (Ongoing)	↑	↑	↑	Includes 10.87 msf in Gurugram; 0.55 msf at Panchkula.
Pre-tax Operating CF (□Cr)	Not in doc	-	-	↑	Implied strong by □125 Cr debt prepayment and cash surplus.
Realization/sqft (□)	18,000	↑	→	↑	Volume driven by luxury demand in Golf Course Ext; supply is limited.
Revenue Potential (□Cr)	22,000	→	→	→	Total locked-in value of Sector 63A land bank.
Revenue (□Cr)	630.79	23.0%	6.5%	↑	Driven by residential PSC and DC ramp-up.
PAT (□Cr)	138.18	30.8%	10.0%	↑	PAT margins expanded to 21.56% (up 139 bps YoY).
Land Bank (acres)	83.43 (Delhi)	→	→	→	Excludes Gurugram development land; fully paid freehold.
D/E Ratio	Net Cash	↓	↓	↑	Company is now net cash positive post-QIP.
DC Revenue (□Cr)	35.47	New	54.5%	↑	Q2 jump due to 28 MW capacity handover starting.

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 (5 lakh sqft).
Data Center	35.47	New	75.0%	↑	Far Above	28 MW operationalized; Rai (200 MW) site work started.
Commercial	~18 (H1 Est)	→	High	→	In-line	Ashok Tower (0.16 msf) under construction.
Hospitality	~7 (H1 Est)	→	Moderate	↑	Below	FSI increase to 1.75; Delhi redevelopment starts.

---

3. MANAGEMENT OUTLOOK & EXECUTION TRACKER

Dimension	Category	Management Target / Claim	Required Run-Rate	Historical Delivery	Risk Flag
Guidance	DC Capacity	63 MW by Dec 2026	Add ~2.2 MW/month	Delivered 28 MW on time.	Low
Guidance	DC Revenue	□1,200 Cr by FY27-28	Needs 63 MW at 80%+ Occ	Segment grew 54% QoQ.	Moderate
Guidance	Real Estate	3 Major launches in FY26	2.6 msf total launch	RERA received for 1 of 3.	Low
Strategy	Cloud Pivot	Transition to PaaS/SaaS	25% MW to be Cloud	Ashok Cloud live; PaaS started.	Low
Balance	Debt	Maintain Zero Net Debt	Internal accruals for Capex	Prepaid □125 Cr debt in Q2.	Low

4. ANALYST Q&A

Q#	Relevance	Analyst	Theme	Category	Underlying Concern	Mgmt Response & Investment Implication	Credibility	Verdict
1	4.5	Akash Gupta (Nomura)	DC Targets	Business	Future capacity and revenue scale-up for Cloud vs Colo.	Mgmt targets 117 MW by FY28 with a mix of 81 MW Colo and 36 MW Cloud. This implies a massive margin expansion as Cloud revenues are ~13x higher per MW; re-rating trigger.	4.5	Clear guidance
2	4.0	Akash Gupta (Nomura)	DC Demand	Business	Visibility of contracts for the upcoming capacity.	Mgmt cited "Sovereign Cloud" niche and 50% cost advantage vs competitors as primary demand drivers. Validates the competitive moat against hyperscalers; lowers vacancy risk.	4.0	Evidence-backed
3	3.5	Ashwani Sharma (Emkay)	Financials	Financials	Specific EBITDA/PAT contribution from the DC segment.	H1 DC EBITDA margin reported at 75% with a PAT contribution of 43.23% for the segment. DC is already the primary driver of bottom-line growth despite being <10% of revenue; margin accretive.	5.0	High Disclosure
4	3.5	Abhishek (Motilal)	Strategy	Financials	Impact of proposed DC taxation benefits and capex mix.	Mgmt confirmed benefits apply to both Colo and Cloud and they will maintain the 75/25 mix for now. Ensures fiscal efficiency for the □2,000 Cr+ long-term	3.0	Policy-dependent

Q#	Relevance	Analyst	Theme	Category	Underlying Concern	Mgmt Response & Investment Implication	Credibility	Verdict
						capex; neutral on strategy.		
5	4.0	Harsh (Emkay)	Real Estate	Business	Cannibalization of 3 concurrent residential launches.	Mgmt clarified that Floors and High-rises target different buyer segments and will be launched sequentially. Mitigates inventory overhang risk in Sector 63A; execution watchpoint.	4.0	Operational logic
6	4.0	Prateek (DAM Cap)	DC Credentials	Governance	MeitY empanelment timeline and Rai build-to-suit plans.	Empanelment expected in Nov-2025; Rai 100 MW building is ready with centering work started. Empanelment is the "key" to PSU contracts; RailTel/CSC synergies to multiply.	4.5	Verifiable
7	4.5	Manan (Wallfort)	DC Competition	Business	How can Anant Raj compete with MNCs like Brookfield?	Mgmt argued that India generates 28% of global data but houses 1%, making the market large enough for local "Sovereign" players. Shifts focus from "Market Share" to "Market Creation"; reduces competitive anxiety.	3.5	Strategic posture
8	3.0	Hardik (HPMG)	Capital Allocation	Financials	Why not take debt to scale DC faster given the demand?	Mgmt insisted on staying debt-free and using residential cash flows/QIP for	4.0	Consistent

Q#	Relevance	Analyst	Theme	Category	Underlying Concern	Mgmt Response & Investment Implication	Credibility	Verdict
						growth. Signals conservative fiscal discipline; protects against interest rate shocks.		
9	3.5	Akash Gupta (Nomura)	DC Economics	Financials	Power cost pass-through and EBITDA safeguarding.	Cloud contracts include clauses to pass through power cost fluctuations, maintaining 75% margins. Protects DC profitability from volatile energy prices; improves earnings quality.	4.0	Risk-mitigated

PATTERN FLAGS & SENTIMENT Analysts were primarily focused on the **Data Center (DC) business model sustainability**, questioning demand absorption and the threat of global hyperscalers. Management's posture was aggressively confident, pivoting the conversation toward "Sovereign Cloud" and "Data Localization," which resonated as a unique niche. Friction occurred regarding the **build-out timeline** (2032 target vs. prior perceptions), but the successful QIP and debt prepayment largely neutralized balance sheet concerns.

Analyst Sentiment Verdict: Analysts appear "cautiously bullish" on the DC pivot but "fully convinced" on the residential execution. The high relevance and credibility scores on DC revenue math suggest the Street is beginning to model the segment as a standalone value driver. Credibility improved significantly due to the early promoter warrant conversion and the visible 28 MW "Soil to Server" delivery.

GUIDANCE GAPS REVEALED IN Q&A | Topic | What Mgmt Claimed (Prior Q) | What Q&A Revealed | Gap / Walk-back | Risk to Thesis | | :--- | :--- | :--- | :--- | :--- | | DC Timeline | Implied 5-year build (2030) | Now explicitly 2032 | 2-year extension for 307 MW | Low (Execution over speed) | | DC Revenue | □1,200 Cr target | Delayed to FY27/28 full realization | Timing shift on occupancy | Moderate (DC Valuation delay) |

---

5. WHAT CHANGED vs PRIOR QUARTER

What Changed	Prior Quarter (Q4FY25)	This Quarter (Q2FY26)	Direction
Balance Sheet	Net Debt □50 Crore	**Net Cash Positive**	↑ (Strength)
DC Status	22 MW "Ready for Q1"	**28 MW Operational/Showcased**	↑ (Execution)
Capital Base	QIP Planned	**□1,100 Cr QIP Completed**	↑ (Liquidity)
Cloud Reach	Orange Partnership only	**MeitY Empanelment Imminent (Nov-25)**	↑ (Market Access)
Residential	Launching "The Estate One"	**RERA Received for Estate Floors**	↑ (Visibility)
Project Mix	Pure-play Real Estate focus	**43% DC contribution to PAT**	↑ (Transformation)

STOP HERE.