

# Anant Raj Limited

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**ARL/CS/13450**

**November 6, 2024**

<p>The Secretary, <b>The National Stock Exchange of India Limited,</b> "Exchange Plaza", 5th Floor, Plot No. C/1, G-Block, Bandra – Kurla Complex, Bandra (E), Mumbai-400051</p> <p><b>Scrip code: ANANTRAJ</b></p>	<p>The Manager Listing Department <b>The BSE Limited,</b> Phiroze Jee Bhoy Towers, Dalal Street, Mumbai – 400001</p> <p><b>Scrip code: 515055</b></p>
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**Sub: Transcript of Earnings Call for the quarter and half year ended September 30, 2024**

**Ref: Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

Dear Sir,

In continuation to our intimation dated October 25, 2024, please find enclosed a transcript of the Earnings Call held on October 30, 2024 for the quarter and half year ended September 30, 2024.

The transcript is also available on the Company's website at [www.anantrajlimited.com](http://www.anantrajlimited.com).

Kindly take the above intimation on your records.

Thanking you.

**For Anant Raj Limited**

**Manoj Pahwa**  
**Company Secretary**  
**A7812**

**Encl: as above**



“Anant Raj Limited  
Q2 FY 25 Results Conference Call”  
October 30, 2024



**MANAGEMENT:** **MR. AMIT SARIN – MANAGING DIRECTOR – ANANT RAJ LIMITED**  
**MR. PANKAJ GUPTA – CHIEF FINANCIAL OFFICER – ANANT RAJ LIMITED**  
**MR. MANOJ GOYAL – CHIEF BUSINESS OFFICER – ANANT RAJ LIMITED**  
**MR. ASHIM SARIN – CHIEF EXECUTIVE OFFICER, DIRECTOR, HEAD DATA CENTER DIVISION – ANANT RAJ LIMITED**

**MODERATOR:** **MR. HARSH PATHAK – EMKAY GLOBAL FINANCIAL SERVICES**



**Moderator:** Ladies and gentlemen, good day and welcome to the Q2 FY25 Results Conference call of Anant Raj Limited, hosted by Emkay Global Financial Services. As a reminder, all participant lines will be in the listen only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star then zero on your touch tone phone.

Please note that this conference is being recorded. I now hand the conference over to Mr. Harsh Pathak from Emkay Global Financial Services. Thank you and over to you, sir.

**Harsh Pathak:** Yeah, thank you, Pallak. Good evening, everyone. I would like to welcome the management of Anant Raj and thank them for this opportunity. We have with us today Mr. Amit Sarin, Managing Director, Mr. Pankaj Gupta, Chief Financial Officer and Mr. Manoj Goyal, Chief Business Officer. I shall now hand over the call to them. Over to you, gentlemen.

**Amit Sarin:** Thank you, Harsh. First of all, a very happy Diwali to everyone and thank you for taking up time to attend our conference call, our earnings call. Thank you once again. First of all, I would like to introduce, I have my colleagues, Mr. Pankaj Gupta, Mr. Manoj Goyal and Mr. Ashim Sarin, who is also the CEO and the Director of the company and he heads the data center division. As we were preempting that there will be a lot of questions on the data center, so we requested him to join as well.

So I'm sure everybody has got a chance to go through the numbers of the company and this is one of the best numbers the company has reported so far. But we want to tell you one thing that this is just the beginning. The story has just begun and we are very proud and happy to share that this time not only the the real estate division of the company has been contributing a lot to the company for the past three years, but this time the data center revenues have also started to kick in into the company.

And all the real estate projects as planned and as discussed by us in our previous calls and on our various updates, in our presentations, all are fully on track. There is no delay whatsoever and everything is on track and has been launched on the decided dates, number one.

Number two, the company was already into co-location as we all know that the company successfully initially started with 3 megawatts and added another 3. In our last call in April, we had informed everybody that the company is now going to be venturing out into its own cloud and this was done in the month of April this year and we very proudly and happily would like to share that we have already done that.

On the 7th of October, the company launched its own cloud called Ashok Cloud, named after our Founder, Chairman, Shri Ashok Sarin. We got very good response for it and this today has placed Anant Raj Group as one of the main players of not only data center, but cloud also. So today we are a single stop solution for everything. If somebody wants simple co-location, we can provide that. If somebody wants to have cloud, we can do that. Somebody wants servers, we can do that and various services which as we go by, Mr. Ashim Sarin will explain further.

Other than this, vis-à-vis is the real estate division. The company has added another 20 acres of land in Gurgaon and that is as per the growth plan of the company, which the company also discussed in the earnings call.

One very good thing which the company has done, we are fully in the earnings call last time, we had mentioned that Anant Raj is going to be a zero debt company by December 24 and we are fully on track to do that. So all things compared to the previous call, fully on track. Now I will request our CFO, Mr. Pankaj to give you a financial update. Over to Pankaj.

**Pankaj Gupta:**

Thank you, sir. Firstly, I would like to extend my warm wishes to everyone for a happy and prosperous Diwali. I hope this festive season brings you joy and success to all of you.

We are pleased to announce that this has been the best quarter and half year in the history of our company so far, achieving a record-breaking result across key financial metrics. We announced that we have achieved a revenue of INR524 crores, which represents a growth of 54% compared to Q2 of last financial year. For the first half of FY25, revenue growth stood at 51% over H1 FY24.

In addition, our operational efficiency and focus on cost management enable us to deliver robust growth in EBITDA and profitability. For Q2 FY25, we recorded an EBITDA of INR124 with a year-on-year growth of 40%. And for H1 FY25, EBITDA rose by 49% compared to the previous year.

Our profit after tax for Q2 FY25 was INR106 crores, reflecting a remarkable 75% growth year-on-year. With PAT, for the first half of FY25 saw an increase of 78%, further highlighting our strong execution and cash flow management. As we discussed in our previous update, we remain firmly on track of achieving a net debt-free status by the end of next quarter, a key strategic objective for Anant Raj Limited.

This milestone is integral to our broader vision of strengthening our balance sheet and enhancing financial selectivity. I am pleased to report that we have made a substantial progress towards this goal, with a further reduction of our net debt by INR124 crores during Q2 FY25 compared to Q1 FY25. Our outstanding net debt stands at just INR95 crores as on 30 September 2024. This achievement reflects our disciplined approach to debt management and is supported by the strong operational cash flow, which has enabled us to aggressively reduce our leverage over the past few quarters. Now, I would like to hand over the floor to Mr. Manoj Goyal, CBO, Anant Raj Limited, to give an update on the business plan. Thank you.

**Manoj Goyal:**

Thank you, Pankaj. Good afternoon, everyone, and a warm welcome. Happy Diwali to everyone. As Pankaj mentioned, we are delighted to report the strongest performance of this quarter of the company, which demonstrates our strong teamwork and the organisation's effort to maintain the growth and to build a strong infrastructure. Our targeted investment has enhanced, already translated into tangible results, and that is reflecting into the results of the company. We have done a lot of things operationally, but there are certain key operational highlights which I want to highlight to everyone.

As Amit sir has mentioned, we have commenced 6 megawatts IT load of the data centre at our Manesar facility, and the work on 21 megawatts is going with a full speed. So this will reach to 28 megawatts of IT load at Manesar and the Panchkula by the end of FY2025. In the meantime, we have also commenced cloud services, and the pilot project of half megawatt of the IT load has already been commenced, and this cloud will be initially providing infrastructure as a service, which has been built along with the world's best of the OEM and the service provider.

In addition to the infrastructure as a service, the company has a plan to take this infrastructure as a service to the platform as a service and software as a service in the coming time. As Amit sir again mentioned that we have acquired about 20 acres of the land in Gurgaon, and that will enhance the overall development portfolio of the real estate site that is in the prime area of Gurgaon. As you are all aware that we have launched a group housing project called Estate Residences for which the construction work has been commenced, and it's going in a full fledge.

We are constructing the project with the most advanced technology, and our affordable housing in Tirupati, the work has also been commenced at that place. When we come to the JV with Birla, the phase one, the delivery of the Phase I has already been commenced, and about 228 units have already been handed over. Thank you.

Now I'll request MD Sir to take the floor and take the questions and answers.

**Amit Sarin:** I hope everybody understood the update. Everybody is more than welcome to ask us any questions if they want to. Over to you, please.

**Moderator:** Thank you very much. We will now begin the question and answer session. The first question is from the line of Gautam Shroff from Nuvama. Please go ahead.

**Gautam Shroff:** Congratulations, Amitji, on a stellar quarter. You've entered a 100 crore club. That is an achievement, I would say. To many more. Amitji, my first question to you and team Anant Raj is, we also read about you announcing a fund raise program. How aggressive are the growth plans and how are you thinking two or three years down the line?

**Amit Sarin:** As of now, this fundraising is completely focused. It's going to be INR2100 crores out of which promoters are going to put in 100 and we will go to the market for the balance 2000. The main focus of this fundraising is going to be for the data center business.

As you know, one new development this year has been that the company has come into clouds. The company is fully funded and fully on track for its first 28 megawatts. For that, we do not need any money. But in the coming year, and we are almost there at 28 now, so in the coming year, we plan to add another 35, taking the toll to 63 megawatts. In this 63 megawatts, after launching Ashok Clouds, we are very confident because we've got very good response for Ashok Cloud, the cloud services which the company has launched. When we explained on the call, today we are a single-stop solution for any cloud need of any client anywhere in the world.

Of course, the focus is always going to be India. In this situation, we feel that out of this 63 megawatts, 14 megawatts can be, as of now, depending on our fund position and the fundraising

which we are going to do, can be easily put into clouds. This takes the data center business and Anant Raj Clouds into a different horizon.

In this, you are going to be then competing with all the hyperscalers and the largest ones in the world. That is the category we want to go into. As it is already public knowledge, the technical tie-up for the product which we have launched so far, for which we got very good response, is with Orange, the French company. It's doing pretty well. That is the focus of the fundraising.

**Gautam Shroff:** Thank you.

**Moderator:** Thank you, sir. The next question is from the line of Akshat from Niveshaay. Please go ahead.

**Akshat:** Congratulations, first of all. My question is, is there any realignment in the guidance for the number of data centers capacity to build over the years, like by 2029 or 2030, when it will be like 300 MW?

**Amit Sarin:** Akshat, we are fully on track, sir. As you know, there are three locations the company is working on. As of now, location number one, which is Manesar, has already started. Location number two, which is Panchkula, is about to start and should be up and running by December this year. So another two months to go, we will be starting Panchkula as well. And the third one is going to be Rai.

In the coming year, Rai is going to start as well. So as of now, the focus vis-a-vis the location is going to be these three locations. But what is going to be different is that rather than just being a co-location player, which means that if you are only a co-location player, you are always dependent on hyperscalers for business.

But now, with the cloud coming in and kicking and getting very good response, we are going to add on these services. Out of 63, 14 will go, which is almost about 25%. So we plan to maintain the same ratio.

But we see a lot of business coming in, sir. Subject to our fund position, we will try and develop more of cloud, because that is much better in terms of cash flow and profitability, compared to the co-location.

**Akshat:** Thank you, sir. I would ask that what is your...

**Moderator:** Sorry to interrupt you, sir. Sir, can you use your handset?

**Amit Sarin:** Actually, can you be a little louder? Sorry?

**Akshat:** So, what is the capex cost for building a cloud service? What is for one megawatt of that?

**Amit Sarin:** See, Akshatji, the ballpark figures for a cloud, although this business is actually calculated in terabyte, megabyte, and petabyte, but if you just put it in simple words, one megawatt has an additional investment of close to INR100 crores. So, that is how expensive it is. But then the horizon is very wide, sir.

And we have done 0.5, for which we got very good response. And this is one of the best qualities available in the world which we have been able to launch.

**Akshat:** Can we compare the type of service with companies like E2E and etc.?

**Amit Sarin:** Just a bit louder, sir, please.

**Akshat:** Sir, can we compare the type of service we are providing with companies like E2E networks?

**Amit Sarin:** This I request Mr. Ashim Sarin to answer. Ashimji?

**Ashim Sarin:** Yes, sir. The services that we are offering now is basically infrastructure as a service. So, that is the first layer of the cloud services, and that we've already started. And with time, the intent is to move on to platform as a service and software as a service, but that will take some time. But yes, we are at par with what the other players are offering in the market, as far as infrastructure as a service is concerned.

**Akshat:** Okay. Thank you.

**Moderator:** Thank you, sir. The next question is from the line of Pavas Pethia from Aditya Birla MF. Please go ahead.

**Pavas Pethia:** Hi, sir. The first thing about this fund is 2,100 odd crores. How do you plan to deploy it among various verticals, say data center, residential? What is the game plan there?

**Amit Sarin:** This is purely data center, sir. This fund is going to be purely for data centers. For our real estate, we are completely funded with our internal sources. We do not need any money, sir. So, this fund will be mainly to get into the cloud business, sir, because this cloud business, fairly for the company, is new. But, you know, thanks to the co-location which the company created, which in terms of quality is one of the best which we were able to deliver.

So, that is what generated this demand for coming into data centers also. And that's how we came into it. And now, today, we have successfully started 0.5, which is up and running now, sir. This is in two categories. Ashim, can you explain the two categories, please?

**Ashim Sarin:** Basically, sir, what we've done is we've started with a private cloud and almost 50% of whatever we've set up right now, and the remaining 50% is for a government community cloud, which actually qualifies as a sovereign cloud. Because after we started with our co-location business, we saw a lot of requirements from our clients coming in for cloud services where they wanted us to shift them from a capex model to an opex model. That is how we started building up our own cloud services.

And now, what we've launched is actually the first step because we were very cautious in our approach, and we've started with infrastructure as a service, where we are putting in the servers, we are putting in the routers, the firewalls, the switches. And basically, we are giving the customers come on board, they set up their own virtual machines, and they are able to manage their operations on their own. And the complete infrastructure is maintained and operated by us.

- Amit Sarin:** Most of the funds which we are going to be raising is co-location. We are up to 28, we are completely funded, we do not need any money. That real estate is taken care of. But now when we want to get into the cloud, we feel that 14 megawatt is going to convert into terabyte and megabyte. That's one thing. But can comfortably, as of now, can be consumed by the market.
- We do not see any demand problems there. So we want to invest this much to get into cloud, and this will make us one of the largest players in the country doing this.
- Pavas Pethia:** So just I missed that number. How is the conversion from, say, a megawatt cloud to crores of capex?
- Amit Sarin:** Sir, crore of capex is about 100, sir. One megawatt and additional cost of 100 is required to convert one megawatt into clouds.
- Pavas Pethia:** Sure, and of this 0.5 megawatt?
- Amit Sarin:** We did it ourselves from our internal sources, and we got very good response for it, sir.
- Pavas Pethia:** So already the rentals are coming on this one?
- Amit Sarin:** The good part about cloud is that your rentals start from day one. Co-location, you know, things take time because the facilities are made, then you hand it over, then the servers start to come in. But this year, in this case, your revenues start from day one itself. So in this case, the revenues have actually started from 7th of October, sir. So as and when we multiply, we see good demand. We'll keep filling it up, sir.
- Pavas Pethia:** And on 100% utilization, this 0.5 megawatt translate to what revenue number?
- Amit Sarin:** So this 0.5 will actually generate close to INR75 crores of revenue.
- Management:** Just to add one thing here sir. This cost that we are talking about cloud can go to any extent and this is only for the basic level services. As I said, infrastructure as a service. So the cost and revenues are for infrastructure as a service that we are talking about, but then we would want to move on to the next level also like platform as a service and then later on software as a service. So these numbers that we are talking about is only for the basic level of cloud which we've started operating now.
- Amit Sarin:** So the basic idea is these are basic numbers, sir. So they will only go higher once we keep on adding services, sir.
- Pavas Pethia:** And so on this 28 megawatt, which is supposed to come on by FY25 end how much is already tied up with clients?
- Amit Sarin:** Completely tied up, sir, fully tied up, sir. We will divert around 25% of this towards our cloud business, but then we will catch up very fast because the work will continue and by next year we will be almost 63 megawatts.
- Pavas Pethia:** And any private client which has come up so far?





- Amit Sarin:** Already, sir. We've already started getting private clients. Sorry, there are NDAs in place. We can't take names and it's not even healthy to take names like this, but now today we have a mixture of all categories of clients.
- Pavas Pethia:** And sir just lastly on this 20 acres of land parcel you were talking about on the presentation there is some 11.5 acres. So is this the same thing which...
- Amit Sarin:** Sir, 11 is a part of that, yes and other than that we have another 9 which has already been done.
- Pavas Pethia:** So at what cost this has come up?
- Manoj Goyal:** So, see technically there are two kinds of acquisitions we did. One is a large portion one is a small portion which is stuck in between our township where the land cannot be independently used. So the land which cannot be independently used and is a small chunk of land that comes very cheap and the chunk of the land comes at a slightly higher price. So we spend about INR20 crores an acre if we translate it in the money terms, average for this.
- Amit Sarin:** Which is reasonable, very reasonable compared to today's prices, sir.
- Pavas Pethia:** Yes, and so it says that CTG properties, 100% equity shares which has a partnership interest. So this is not entire 11.35 which accrues to us. There's a partner, external partner also?
- Amit Sarin:** There is because buying out the whole thing was not -- would have been too expensive. So there is a partner in this, but then all the development rights and everything will be done by the company, sir.
- Pavas Pethia:** Okay, so this 20 crores per acre is including the partnership share or how to see this number?
- Amit Sarin:** So this is the money we have spent, sir. This is the money Anant Raj has spent for the land average cost to us.
- Pavas Pethia:** Development potential for this one?
- Pankaj Gupta:** So for the entire 20 acre, we'll be using majorly for the group housing and some components will go on the plotter which is part of the township. But looking at the current FSI norm, we'll have about 3 million square foot of the saleable area from the entire 20 acre.
- Amit Sarin:** This is subject to getting, this means that we've got the land, we are in the pipeline to get the permissions. And the future launches that we have this year, we haven't counted them in this. This is for the next year.
- Pavas Pethia:** Okay, 3 million is the overall attributable share will be what number?
- Management:** This will be at the project level.
- Pavas Pethia:** I missed it. This will be for your component, 3 million square feet, your share?



- Pankaj Gupta:** So at the project level, it will be 3 plus and we'll be having more than 2 million square feet. Otherwise we'll be marketing the entire thing. So only the share of that will go to the other partner. So typically 3 million will come to our balance sheet and it will go as 2 or 3 each year.
- Pavas Pethia:** Thanks. That's all from my side.
- Moderator:** Thank you. The next question is from the line of Raj Sarraf from Finvestors. Please go ahead.
- Raj Sarraf:** Congratulations for the excellent set of numbers. So the 6 megawatts started contributing to the EBITDA as mentioned in the opening remarks. Can you please quantify that for the last quarter?
- Amit Sarin:** Sorry, Raj ji can you repeat your voice is getting blurred, sir.
- Raj Sarraf:** So the 6 megawatt data center capacity has started contributing to the EBITDA as you said in the opening remarks. So can you please quantify that for the last quarter?
- Amit Sarin:** So that was about INR8 crores. It has contributed.
- Raj Sarraf:** It is in last quarter, sir contributed already INR8 crores?
- Amit Sarin:** Yes, sir.
- Raj Sarraf:** And, sir, you just covered in the first question that 14 megawatt out of 63 megawatt will be of cloud by FY26. So maybe know the difference in EBITDA potential between them, the colo and the cloud-based?
- Amit Sarin:** So the basic difference when you come into the cloud business, one is talking like Mr. Ashim just explained to I'm sure you've been listening to the whole call. Like Mr. Ashim just explained that we are as of now we are just giving it as infrastructure as a service. So here the total top line one is able to achieve in terms of megawatts per year is close to about INR150 crores.
- Raj Sarraf:** Okay, so like cloud-enabled.
- Amit Sarin:** Exactly. So whatever additional services once we provide them, we'll talk about them. Hopefully in the next call, we will be talking about that as well, but as of now when we only talk about infrastructure as a service, we are talking about a billing amount of INR150 crores per year.
- Raj Sarraf:** Okay. And, sir, one request sir. Going forward, we will have data center revenue as a major contributor. So can we have revenue bifurcation in our investor presentation separately from real estate and data center or in the quarterly results as a significant revenue. We will have more clarity to what are shareholders?
- Amit Sarin:** See, real estate will continue the way it is going on. All the information is already on the website of the upcoming projects. So real estate, if we talk about this year sir, we are going to be launching 1.8 million square feet. We are fully on track for that. So that is all on the decided dates. It will all happen. So real estate is going to contribute a good amount of money for the next one or two years. And slowly, slowly data center will catch up and eventually, both the divisions are going to do very well.

So Anant Raj Limited will now have two full-fledged divisions. Real estate division which is the historical, the division of the company, the bread and butter of the company as of now and plus the technology division, in which we will be data center, co-location infrastructure and cloud. We'll have both. So slowly 63 next year, 25% of 63 will be towards cloud and the balance will be co-location.

See, co-location is something which we understand very well now, sir. And the project which we have delivered is one of the best products which anywhere in the world, one can do. And that is what has got appreciated and opened up the window of cloud also for us. And while we were dealing with our clients, they said that why don't you give this infrastructure also as a service and that's how we ventured out into this.

**Raj Sarraf:** My request is that if we can have the revenue contribution separately in the investor presentation, so that we should not disturb you in the conference call, that's why, sir?

**Amit Sarin:** Sir, we have shared with you the per-megawatt thing and the company cannot give future numbers like this, I think.

**Raj Sarraf:** No. Sir, this was for the concluding quarter like that we have now investor presentation. My first question was to ask you what was the revenue contribution last quarter. If it had been reflected in the presentation this question was not there with you, the concluded quarter, what was the revenue contribution for the data center that is only my request?

**Amit Sarin:** The point has been taken. What you are requesting is to split the real estate and data.

**Management:** Yes, sir because the data center would be the major contributor going forward, sir.

**Amit Sarin:** Sir, both the revenues are going to be substantial and we will be breaking them up, sir. We will do that definitely.

**Raj Sarraf:** Thank you very much, sir. And if you allow me to ask one more question, then it will be helpful.

**Amit Sarin:** Please sir.

**Raj Sarraf:** Sir, what is the planned timeline we have for 100-acre land in Delhi NCR for future residential and warehousing with revenue opportunity?

**Amit Sarin:** Sir, Delhi total land which we have is 101 acres, which, you know, as per the present master plan, is eligible for all categories. It is eligible for residential. It is for hotels, service apartments, commercial, retail, and warehousing. But Delhi is one plan which we, as of now, hold, and we want to actually wait. As you know, Delhi is expecting a new master plan, and it is public knowledge. The draft master plan is already available on Janta Book Depot. It's a book anybody can buy. It is yet to be notified.

So let us see when it is notified. And as of now, sir, we have enough work vis-a-vis 63-A Gurgaon, and the data center, and now the cloud. So, the focus for the next four years is very clear in the company. We will focus on 63-A because we feel that there is a huge topline with the real estate that the company can unlock there. And data center, of course, this is a sunrise

industry in the country. And Anant Raj being one of the first movers in this, we started work in data center in the year 2019, sir.

We got our certifications from international bodies. We today have all those things in place. And the product which we have delivered is easily comparable to one of the best products anywhere in the world. So, for the next four years, this is our focus, sir. Delhi, we fully own 101 acres, completely, no dispute whatsoever, 100% in possession of the company. The draft master plan, we want to wait for it to get notified. And that is when we start Delhi.

**Raj Shah:** Yeah, thank you. Very helpful, sir. And I wish you all the best and happy Diwali. And once again, congratulations on the great set of numbers. And I wish that Anant Raj should get greater heights in the future. Thank you very much.

**Amit Sarin:** Thank you, sir. Really appreciate your good wishes.

**Moderator:** Thank you, sir. The next question is from the line of Ruchita from iWealth. Please go ahead.

**Ruchita:** Hello, sir. Good evening. And congratulations on a good set of numbers. Sorry if I'm repeating the question again. So, my question is mainly on the cloud business. So we are talking about 14 megawatts, which will be coming, going ahead. So this is expected by which quarter? And what is the EBITDA per megawatt that we are expecting for this?

**Amit Sarin:** Ruchita, like we just said, once we achieve 63, which is in the year March 26. Okay? In that, 14 will be cloud. And as we ramp up, as of now, we have 0.5, which is working. And by the end of this financial year, we feel we will have at least four in this category, of the cloud category. And here, like we just said, that the investment is about, actually, this is maybe not the right term, but for easier for all of us to understand, is that when we talk about megawatts, we spend about 100 megawatts (*corrected: 100 crores per megawatt*) to give cloud as an infrastructure service.

We spend about INR100 crores per megawatt. And in these INR100 crores, we build about 150. Number one, the expense, because, when you do co-location, electricity, and all are pass-throughs. Here, you have to pay for all that. So we are talking about a running cost of about INR2 crores per month, which is INR24 crores. So your EBITDA is about INR126 crores. So INR150 crores minus INR24 crores is your EBITDA in this situation.

**Ruchita:** Okay, understood, very clear. And if we can just quantify this quarter for the co-location business, what is the kind of profit that we did, the EBITDA?

**Pankaj Gupta:** In this quarter, we have done INR8 crores revenue and the operational expenses is around 18%. So, it is around 82%.

**Ruchita:** And last quarter, what was the revenue for the same?

**Pankaj Gupta:** The same INR8 crores

**Ruchita:** Understood. Thank you so much.

- Moderator:** Thank you, ma'am. The next question is from the line of Prateek Singh from DAM Capital. Please go ahead.
- Prateek Singh:** Hi, sir. Thanks for the opportunity and congrats for the set of numbers. Great, great, sir. So just to get this clarity here, you said that around 100 crores per megawatt of capex per megawatt in cloud, these INR100 crores is on top of the co-location capex, right? Which is around INR25 crores to INR30 crores for us.
- Amit Sarin:** Yes, sir. The co-location is INR26 crores and an additional INR100 crores, sir.
- Prateek Singh:** Got it, sir. So mainly, capex would be the servers, right? The ones you install there.
- Ashim Sarin:** So this cost is mainly for your servers, your other hardware like your switches, firewalls, and also the software cost and the license cost, that comes in.
- Prateek Singh:** That's good, sir. So, on an operational basis, would we be paying any kind of fee to Orange or how is this partnership like in terms of economics of this deal?
- Ashim Sarin:** It is based on the revenue. There is a fixed amount and then it is based on the revenue the company generates.
- Amit Sarin:** But sir, Orange is only entitled to the technical fees because we actually are going to be owning all the equipment, sir. We are buying everything from them and they are going to be running it technically. So they will only get the technical fees which is actually passed forward.
- Prateek Singh:** Okay. Understood, sir. And sir, when we talk about these servers, I understand that their life in terms of depreciation is only three to four years. Is that correct, that how quickly we need to depreciate them when we make a model?
- Ashim Sarin:** Normal life would be five years. They can go beyond also. But normal life of a server is five years. And then with the technology changes and all, they can always be upgraded as and when required.
- Prateek Singh:** Yes, sir. And sir, you said that as of now with the 0.5 megawatt you did 50% of it was private and 50% was government. So, do you want to maintain the same kind of a share when you go to 14 megawatt or do you think government would be more in that and are the economics different for private versus government?
- Amit Sarin:** Sir, economics more or less are the same and now we feel that we are getting a good demand from both side. We are not able to fulfil the demand which we have. So this choice, whoever is coming, sir, we are providing and, in fact, we are getting more demand. As we go forward, sir, with 14, we do not see an issue at all of choosing as to who to give and who not to give. Right now, whoever is coming, we are giving and there is enough demand, sir. So it is actually first come first serve. Who comes in first, we give him first.
- Prateek Singh:** Understood. And maybe I missed this comment. What was the status about the group housing launch? Sir, when are we looking to launch it?



- Amit Sarin:** Fully on track, we will do it in January.
- Prateek Singh:** In January. Okay. Understood, sir. Thank you, sir.
- Amit Sarin:** There was an election, so there was a code of conduct. So that is all done now. So Haryana, as you know, went in for elections. It is all done. So now things are back on track. So we will do it in January.
- Prateek Singh:** Okay. Understood. Great, sir. Thanks a lot for taking the time. Thank you.
- Moderator:** Thank you, sir. The next question is from the line of Hardik Gandhi from HPMG Shares and Securities Pvt. Ltd. Please go ahead.
- Hardik Gandhi:** Congratulations on a good set of numbers, sir. Sir, I just wanted to know, first thing is that what would be the rental income which is there in the last quarter? Not the data centers, just the property.
- Amit Sarin:** Other than the data center, INR12.5 crores.
- Hardik Gandhi:** And going forward, I do understand that although we are looking to expand into data center and we are going to sell properties, but are we going to also have a significant number of properties just for rental so that there is a perpetuity rental income coming in?
- Amit Sarin:** Absolutely, Hardikji. As you know, two years from now the company actually did some commercial deals also. But as per the basic policy of the company, we are always very happy leasing out commercial stuff. And touch wood now with the finances all back in place and looking good, we are back to our old policy wherein we will develop commercial and only lease it out. So you will see decent increase. Although as of now the first focus of the company is data centers and cloud, but simultaneously we are working on some commercial buildings and these commercial buildings now will be purely focused on leasing out.
- Hardik Gandhi:** Understood. And what kind of revenue are we looking at just from leasing going forward? I know it's difficult to... Any ballpark number would suffice because those...
- Amit Sarin:** Coming two years, the commercial revenue will at least, although future numbers we should not be giving like this, but the revenues from here will at least go close to two and a half to three times.
- Hardik Gandhi:** Understood. And what are the current numbers, if I may ask?
- Amit Sarin:** We just told you, sir, 12.5.
- Hardik Gandhi:** Okay, sir. I thought it was just for the quarter. Or is it the annual?
- Amit Sarin:** This is for the quarter, sir. For the quarter only.
- Hardik Gandhi:** Annually it's roughly...



- Amit Sarin:** Sir, at least the projects that have been put in the pipeline, coming two years from now, we should comfortably triple this.
- Hardik Gandhi:** Yeah, that's it from my side. All the best to you guys. Thank you.
- Amit Sarin:** Thank you very much.
- Moderator:** Thank you, sir. The next question is from the line of Rashid Parekh from Excel Securities. Please go ahead.
- Amit Sarin:** Namaskar, Rashid ji.
- Rashid Parekh:** Hi. Just a quick question. How soon are we looking at this raise of INR2,000 cores, the QIP?
- Amit Sarin:** Sir, we've taken the enabling resolution. And, as you know, the process will be done. The EGM will be held and all those things, subject to once approved by the Board. And, sir, we are let's see when we go to the market. As of now, we are comfortable on cash, sir. The company is sitting on a decent amount of cash.
- So no work is going to stop. So we will see as and when, when we -- because this money is purely for data centers. And now we are doing, we are in the process of placing more orders for which the earnest money we can deposit from our own sources. So as and when we do that, we will go in for the raise, sir.
- Rashid Parekh:** Yeah, that's it. That's it from me.
- Amit Sarin:** Sure, sir. Thank you.
- Moderator:** Thank you, sir. The next question is from the line of Srigopal Bajaj from Stockhifi Advisory Services Private Limited. Please go ahead.
- Srigopal Bajaj:** So this is regarding a court matter. Which was last October 26, an article came out which said that the Gurugram court has halted 12-acre residential project. Is it true?
- Amit Sarin:** Sir, that article, we have written to the newspaper. Also, it is getting rectified, sir. Sir, it was a falsely reported news. The total land involved in that article is only 1,000 square yards, sir. And that also, sir, as you have asked, so we would, thanks for asking, sir, we would actually like to clarify this. The total 1,000 square yards, sir.
- Obviously what happens in this is, there is a distribution, which is done in our land. So this person, actually the distribution is done by -- in front of the government authorities. And this -- actually the distribution was done, our license was granted, no license of the company has been cancelled, sir. You can take that on record, sir.
- No license whatsoever has been cancelled. Only 1,000 square yards has been said that the company should not create any third-party right, which the company as it is not going to do, sir. That's it, sir. No license whatsoever, the 12-acres has been cancelled. One is that, it's written return sector 65. We have no land in 65. Number one.

And in this order only 1000 square yards. Right now creation of third party right has been denied. That's it sir. Nothing else.

**Srigopal Bajaj:** Sir, you said INR 2,100 crores that you are raising for QIP, out of this, all goes to data center for 35 megawatts, right?

**Amit Sarin:** Sir, 35 and so on, sir. Although it will be completed in 35, but the internal accruals will be so much that there will be no need of money, sir.

**Srigopal Bajaj:** Yes, sir. In 35, 14 megawatts.

**Amit Sarin:** Sir, in 35, 14 will come in cloud, sir.

**Srigopal Bajaj:** So, INR1,400 crores for that and INR700 crores for the rest 21 megawatts.

**Amit Sarin:** Exactly, sir.

**Srigopal Bajaj:** Right. Thank you, sir. I'll come back in the queue.

**Amit Sarin:** Sir, touch wood, God willing, sir, once you have done this, You see, whatever projections you have with your 307, you will complete them with 64, sir.

**Srigopal Bajaj:** Okay. Yes. I'll come back in the queue, sir. Thank you.

**Amit Sarin:** Thank you, sir. Thank you.

**Moderator:** Thank you, sir. The next question is from the line of Jeewan Garg. Please go ahead, sir.

**Jeewan Garg:** Thank you very much. Sir, this also, sir, like Godrej and some other real estate player, if they want to come into the data centre, then what is our USP while they all come in here?

**Amit Sarin:** Sir, see sir, it is a free country, sir. Anybody can come into any business, number one. But, sir, the thing is that buildings are built with special strength for data centres, sir. It is okay sir. And like we mentioned, that Anant Raj has started this in 2019. So if anyone starts today, it will take them that much time to reach where we are, sir.

**Jeewan Garg:** Okay, so you mean to say if any new entrants comes, it takes around 3-5 years to come into the profits. Am I right?

**Amit Sarin:** Easily sir. If someone identifies the land, then they will take approvals, build the buildings. And the buildings of the data center are in a very different strength category compared to other buildings sir. And this is something that Anant Raj, which we know, we spent and we did everything. So, which in every building is not possible.

So, most of the people who are trying to come in this, who are making brand new. So, whatever time it will take them, in which 3 to 4 years time will take minimum. Maybe more.

**Jeewan Garg:** Any entry barrier. Just like anything from the government – licensing which can be a entry barrier sir?





**Amit Sarin:** Fortunately, sir, India, touchwood, last decade, India has seen a lot of freedom in terms of working. You have seen India's ranking, how much it has gone up. So, there is no such entry barrier from the government. But yes, sir, these are technical things. And, you know, these technical things you can only understand when you do them, sir.

Today, in Anant Raj, which we started in 2019 and which we have mastered today - one is, the product which we have delivered is, quality wise, easily comparable to anywhere in the world. So, these things matter a lot, sir. And you can see our website separately, we have mentioned all the partners who we have with us.

So, these things are something which, you know, cannot happen overnight. So, I am not saying nobody else, that somebody else cannot do it. But if someone else does it, it will take a lot of time, sir. And this is what Anant Raj has today, that today we are amongst the few people who have all these categories with us.

**Jeewan Garg:** Sir, any listed player, competitor of ours, whom we can compare our things with that?

**Amit Sarin:** Sir, I think one should, sir, we have given our product, we are completely sold out of what we have delivered. And we are very -- we see a very good demand of what we are going to be delivering in future also. So, we are comfortable, sir, with what we are doing. So, as I said, to take somebody else's name is not proper in the conference call like this.

But we are good, sir. As of now, the product which we have delivered, it is completely done. And whatever we have in the pipeline, we have enough demand for it, sir. In fact, more than enough.

**Jeewan Garg:** Okay, thank you very much and great set of numbers. Thank you, sir. All the best.

**Amit Sarin:** Thank you.

**Moderator:** Thank you, sir. The next question is from the line of Prateek Singh from DAM Capital. Please go ahead.

**Prateek Singh:** Hi. Sir. Thanks for the opportunity again. So, just a bit of this clarity. So, when we say that we recognize the revenue of INR8 crores for data centers this quarter, the same was there last quarter, on a 6 megawatt run rate, this number should be higher, right? This doesn't mean that we are...

**Amit Sarin:** The second one has just got handed over to the various clients. The second one has just got handed over. So, in this quarter, you will see that increase coming in, sir.

**Prateek Singh:** Okay, understood...

**Amit Sarin:** Like we were saying, Prateek Ji what happens is when you do cloud, your revenue starts from day one. But when you do co-location, there is a lead time, sir, which is like handing over, taking over type situation. So, in this quarter, it will run completely, sir.

**Prateek Singh:** Okay, sir. Okay. Thank you.



- Moderator:** Thank you, sir. The next question is from the line of Prakash Shandilya from an Individual Investor. Please go ahead.
- Prakash Shandilya:** Very good evening.
- Amit Sarin:** Good evening, Prakash. Ji. Namaskar.
- Prakash Shandilya:** Thanks, sir, for giving me the opportunity, sir. First of all, I want to congratulate to posting on superlative Q2 results, sir. My question regarding cloud service adoption, sir. As I have gone through the presentation, sir, cloud service as an infrastructure, as a service, operationalized, working on scaling to platform as a service and plan to expand the software as a in future, sir. Can you give me the, in which year we are, can do this plan, sir?
- Amit Sarin:** Ashim ji will tell you, sir, please.
- Ashim Sarin:** So, infrastructure as a service is already operational. In fact, we have already started work on going to the next phase. So, it is on the drawing board right now. Because when you create cloud, it can actually go to any limit. It is infinite. So, you just have to keep on adding more and more services.
- And the other thing that we want to add here is, sir, that this actually compliments the co-location business also. Because many of the co-location customers would be using some of our cloud services that we will be offering. So, both the businesses, both of these will actually complement each other also. And platform as a service, we have already started work on it, sir. So, once we complete our study and are able to finalize our roadmap, then we will be going ahead with those also.
- Prakash Shandilya:** Thank you very much, sir. This was only the question. And best of luck for the future, sir.
- Ashim Sarin:** Thank you, Prakash.
- Moderator:** Thank you, sir. That was the last question for today. I now hand the conference over to the management for closing comments.
- Amit Sarin:** We would like to thank everyone for taking out the time, especially in the festival time. And we assure you that the company in the past three years has done growth quarter-on-quarter. We are very confident that we will continue this for the coming quarters as well. And data center and real estate is something that the company is always doing. The new thing which the company has added to its portfolio is the cloud services. And we are very robust on this.
- And the product which we have delivered is easily comparable to any product in the world in terms of quality. We assure you that the company will continue the growth process. And we thank all of you for supporting the company always and giving your good wishes. Thank you once again. And a very happy Diwali to everyone. Thank you. Thank you everyone. Happy Diwali.
- Moderator:** On behalf of Emkay Global Financial Services, that concludes this conference. Thank you for joining us. And you may now disconnect your lines.