

Anant Raj Limited

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<p>The Secretary, The National Stock Exchange of India Limited, "Exchange Plaza", 5th Floor, Plot No. C/1, G-Block, Bandra – Kurla Complex, Bandra (E), Mumbai-400051</p> <p>Scrip code: ANANTRAJ</p>	<p>The Manager Listing Department The BSE Limited, Phiroze Jee Bhoy Towers, Dalal Street, Mumbai – 400001</p> <p>Scrip code: 515055</p>
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Sub: Transcript of Earnings Call for the quarter and year ended March 31, 2023

Ref: Regulation 30 of the SEBI (Listing obligations & Disclosure Requirements) Regulations, 2015

Dear Sir,

In continuation to our intimation dated April 25, 2023, please find enclosed a transcript of the Earnings Call held on April 27, 2023 for the quarter and year ended March 31, 2023.

The transcript is also available on the Company's website at www.anantrajlimited.com.

Kindly take the above intimation on your records.

Thanking you.

For Anant Raj Limited

Manoj Pahwa
Company Secretary
A7812



“Anant Raj Limited Q4 FY2023 Earnings Conference Call”

April 27, 2023



MANAGEMENT: MR. AMIT SARIN - MANAGING DIRECTOR - ANANT RAJ LIMITED
MR. PANKAJ GUPTA - CHIEF FINANCIAL OFFICER - ANANT RAJ LIMITED

ANALYST: MR. RAJAT GUPTA – GO INDIA ADVISORS



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Moderator: Ladies and gentlemen, good day and welcome to Q4 FY2023 Earnings Conference Call of Anant Raj Limited hosted by Go India Advisors. 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 '*' then '0' on your touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Mr. Rajat Gupta from Go India Advisors. Thank you and over to you Sir!

Rajat Gupta: Thank you Celvin. Good afternoon, everyone and welcome to Anant Raj Limited earnings call to discuss Q4 and FY2023 results. We have on the call with us today, Mr. Amit Sarin, Managing Director and Mr. Pankaj Gupta, Chief Financial Officer. We must remind you that the discussion on today's call may include certain forward-looking statements and must be therefore viewed in conjunction with the risks that the company faces. I now request Mr. Amit Sarin to take us through the company's business outlook and financial highlights subsequent to which we will open the floor for Q&A. Thank you and over to you sir.

Amit Sarin: Thank you Rajat. Namaskar to everyone and thank you for taking out the time to join us for this call, we really appreciate that. As this is the first time, we are doing a call like this, so most of you would be knowing about the company, may be some of you do not, so we just give you a brief background and then take you on forward to the what we have done in this quarter and then we will open the floor for questions. So just a brief background, our family has been in this business since 1902. The construction business was started by a great grandfather. We are three brothers involved in this business and we are now the fourth generation doing the same business. This construction business now was started by our Founder Chairman, Shri Ashok Sarin in 1969. For the first 20 years, we were a pure construction company, and we were mainly doing construction for Government of India, Delhi Development Authorities and other government bodies.

Simultaneously while we were doing this, we were making our own land bank investing money into land and holding onto it. By 1990, we had enough land bank of our own and we stopped doing outside construction and started focusing on in-house development of commercial aspects and that is how the group was going forward. The first game-changer came into the group in 2000 when banks recognized real estate as an industry and companies like us started availing of loans from banks, prime bank for Anant Raj Group has always been State Bank of India. So we started availing of loans from them at that time.



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The second game-changer came in 2003 when the government abolished land ceiling and this allowed companies like us to consolidate. Prior to that our company's work as such used to be all scattered in various companies because of land ceiling laws, but once the land ceiling laws in certain areas were abolished and in certain areas were simplified, this allowed people like us to consolidate. When we started the consolidation process, our founder chairman decided that all the consolidation of the group should be done in the listed company. Amongst about almost 100 companies which the group had or all associate companies, we only had one listed company which fortunately is the company now Anant Raj Limited, prior to that it had different names, but now this is the name, so all the consolidation was done in this company. At that time, the honorable NCLT was not made, so the demerges had to go through the process through the Honorable High Court of Delhi and this used to take a sometime.

So we did three mergers. Starting from 2005 to 2010 and in these three merges whatever assets the family had were all merged into Anant Raj Limited and going forward in 2010 it became one company, so this is as far as the structure goes. While the mergers were also going on, the focus of the company had always been commercial assets. We were specialist of making commercial buildings and leasing them out along with all facilities and this we were very aggressively doing and during this period, we today have made almost 5 million square feet which is ready, and leasing was going on. But 2010-2011, the company realized that the leasing is now slowing down and this is the good time for the company to come back into residential like the company used to do previously.

So, the company zeroed in on basically two areas where the company wanted to develop residential. The first area was in Gurgaon and the second was in Neemrana. The Neemrana was a low-cost housing project which has already been completed and handed over and this low-cost project has become a very good cash earner for the company and the company is now trying to repeat this formula in other parts on the country also whereas we go and apply land from the government and then we do low cost housing in that so that is one segment. We will elaborate that later as we go on, but the main focus of the company was in Gurgaon where company developed full-fledged township and now as we speak, company today has about 200 acres of land bank in this sector whereas we have another 50 acres which we have tied up which is now eventually going to be in the company as well.

So out of the 200 acres which we already have, we have already developed and sold 60 acres and in these 60 acres, this consists of villas, plots, and fully furnished villas. This we have already delivered. About 43 acres, we have done a joint venture with Birla where the



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project is called Birla Navya, this is the joint venture between Anant Raj Limited and Birla Estates which is owned by Century Textiles. The first two phases of this project have been successfully launched and the third phase is being launched now. The project this one is also doing well.

The balance area which is about 97 acres which was left is now fully being developed by us and this consists of prime projects which we launched last year on the birthday of our Founder Chairman, Mr. Ashok Sarin, this is Ashok Estates which we have already launched, and half of this asset has already been sold, so that is how we are taking things forward. In 2015, the company started with the demerger process, which was completed, and all orders obtained from the honorable NCLT in August 2020. Once the demerger was done then the company came back into focus of developing further land bank, obtaining further licenses and in the last two years, the company has obtained licenses of almost 40 acres which is amongst the highest in our sector and launched new projects. Ashok Estates is one of them, the third phase of Anant Raj Estates, the other one and that is how will be launching projects after projects in this ongoing thing.

So, if we talk about the financial year which we closed on March 31, 2023. The company for the first time crossed a turnover of Rs.1004 Crores which is for the first time, the profit also looks very encouraging. From Rs.54 Crores, we had a jump to Rs.151 Crores, so going forward, our prime focus and the main cash-earner is the sector-63A which is Gurgaon and the sector which we focused on and this 97 acres is today eligible for almost about 4.5 million square feet of area which we plan to develop in the next five years and completely monetize and major part of this monetization will happen in the coming two years, so that is how we are taking things forward vis-à-vis this.

Other than this, the company's next focus for the past two years has been data centers. The company has three assets in which company has already started its first data center. The first asset which we have is Manesar which is the eligible for 50 megawatts, the second one is in Rai which is eligible for 200 megawatts and the third one is in Panchkula which is eligible for 50 megawatts, so together it is about 300 megawatts we eligible for, we already have land and the building ready for it. The first phase is three megawatts that the company has already started and in Manesar, we plan to completely do about 50 and which we plan to do in the coming two years that is vis-à-vis the data centers.

Data centers is a brand-new business in the country, which just come up because the Government of India primarily thinks that the Indian data should not be allowed to store



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outside the country which in fact all the countries follow the rule, they do not allow their data to be kept in other countries and our country is also thinking on the same lines. So, this gave birth to data centers and at Anant Raj, we were sitting on ready land, ready buildings that have already been certified by various bodies that they are eligible for data centers, so that gives us a huge edge, building is ready, the permission are already there and now three megawatt is up and running and the balance will be executed. So that is how we are taking things forward. Now, I will open the floor to everyone if they have any questions.

Moderator: Thank you. We will now begin the question-and-answer session. The first question is from the line of Amanjit Singh from Excalibur Advizors. Please go-ahead sir.

Amanjit Singh: Sir, congratulations on a great set of numbers. It is really heartening to see your debt reduction journey and the path you are on. Really happy to see on the refinance bit also from Apollo and good initiative on restarting the investor calls and I hope this will continue.

Amit Sarin: This will continue, this will be a regular feature.

Amanjit Singh: I have few questions given this is the first call I will just start. We have been reading across in the past year that the NCR region, the property price increase has been relatively disproportionate compared to the rest of the country. So, what has been the key factor according to you driving up the prices and you think that the demand will be there and what is your view on the space in NCR?

Amit Sarin: Amanjit, you are very right. The rest of the country is also doing well, but the NCR region particularly is doing especially well and, in the NCR, also Gurgaon is doing extraordinarily well. The main reason for that I guess is that because the infrastructure in Gurgaon has really, really improved. I do not know which part of the world you were in right now, but if you see the NCR and you see especially Gurgaon, Gurgaon is one area where government is really focused in the past few years on the infrastructure and this is helping people like us number one and especially after COVID, we see a lot of end-user demand coming in. Today almost 70% of our sales has been done to end users, which we see as a good strength for us going forward. Because end-user demand is a very sustainable demand and one can rely on it and have future growth accordingly. So, we feel that Gurgaon is there to stay for the time being and of course Gurgaon had gone through a big recession for almost seven to nine years, and this only started changing in 2021 and it has changed for the good. If you put a number to about how things have changed, prices have gone up by almost 60% and this is



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something which we are experiencing on-ground and we feel that this is sustainable, because this is backed by end user demand.

Amanjit Singh: Got it Sir. With regards to Ashok Estates right, I believe the revenue potential you mentioned is about Rs.1000 Crores and half is booked. So, when the half is booked what about the cash flow, Rs.500 Crores you already received or you should be receiving soon?

Amit Sarin: We sold half of it and we received almost Rs.250 Crores for it and the balance is going to come in very fast, because in Ashok Estates, we are primarily selling plots and while selling plots this is not much gestation period because licenses all are there, all the roads, infrastructure has already been laid, so we expect the balance to also come in very fast. We have received half sale and we have collected half the money for half the sale.

Amanjit Singh: What kind of demand you have seen, so do you think that you can at least sell Rs.1000 Crores by the end of the financial year?

Amit Sarin: Definitely. We see good demand in fact, we are holding on the demand, because the prices are going up. In the past four months also, we have seen an increase in the prices, so that is the reason while we have slowdown the sale and watching as to how things go. We have seen almost a 20% increase since we launched and the launch is not long back, the launch was on July 21, 2022.

Amanjit Singh: These are primarily plots right, so the capex involved should not be very high for this Rs.1000 Crores?

Amit Sarin: Not at all. The capex involved in this kind of a thing per acre you said about Rs.1 Crores that is it.

Amanjit Singh: And this 28 you said right?

Amit Sarin: Yes.

Amanjit Singh: On the group housing, could you just provide some color on what type of project that you are envisaging, will you be developing it yourself or some partner or it is going to be mixed use, so what kind of project and what are the timeline that you are expecting?

Amit Sarin: In this sector, we already have one partner like we have told you Birla Estates, but this group housing project, the company is going to do on its own. We have already tied up with



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one of the best architects a Chennai International Firm and we are going to be doing it ourselves. The launch date is going to be in the next six months. I do not want to put a number to it right away, but in the next six months, we will be launching it and we are going to be doing it ourselves.

Amanjit Singh: Understood. On the refinancing debt, I believe that there was enabling resolution for Rs.500 Crores then there was notification in the exchange Rs.250 Crores with the first tranche and Apollo was Rs.200 Crores, so who was the balance Rs.50 Crores on the first tranche Sir?

Amit Sarin: It is just Rs.200 Crores. We got a sanction from Apollo for Rs.550 Crores, we have utilized only Rs.200 Crores right now and this Rs.200 Crores also we have reduced the existing debt, so the debt has not gone up. This is something which we are very concerned of that, we will not let the debt go up, but all the same time we also wanted to start a relationship with Apollo and as you know this is the Apollo U.S., one is discussing various options, so this relationship has started. The balance sanction is there, but the company has not availed of it as of now and we do not even need the money right now.

Amanjit Singh: The sanction is available to you for use like for draw down or rather any other conditions precedent that you need to meet before you can draw that down?

Amit Sarin: We are adding land to sector-63A, we are executing data centers, but as of now we are good with our internal accruals, but this is a backup plan if we need money.

Amanjit Singh: Got it and what is the kind of the pricing differential between the debt that you have refinance, because the NSDL site mentions that these bonds are somewhere around 14%, but your old bonds are 20%. I am not sure of these this is the right number? Is there like this kind of saving or could you just get some color on that?

Amit Sarin: You are almost right. Old one was at about 20% this is 14%, so this is further bringing down the cost of debt to the company.

Amanjit Singh: What is the current weighted average, cost of debt that you have in your books?

Amit Sarin: About 13.7%.

Amanjit Singh: Okay, so this refinance is kind of in line with that as well?

Amit Sarin: Definitely, yes.



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Amanjit Singh: Any moratorium that you have got on these bonds, you must start the repayment immediately?

Amit Sarin: We have got 15 months moratorium.

Amanjit Singh: Okay. In that period, you have no interest payments or just principal payments?

Amit Sarin: We pay the interest, but the principal starts after 15 months. We have good cash flows, but at the same time we want to go on investing in data centers and unlocking the value to whatever extent we can, so we are now using this cash flows for data centers.

Amanjit Singh: So the Apollo draw down if you use it, you will be using it for data center going ahead?

Amit Sarin: Sorry, can you repeat that please?

Amanjit Singh: So the Apollo facility that you have, you will be drawing that down for the data center business?

Amit Sarin: We may not, because the kind of cash flows we are today sitting on, we may not have to, but that is the backup.

Amanjit Singh: Understood. Just coming to my final bit on data centers, you are almost ready you said with three megawatts right. So, how do you plan to fund the balance the megawatts and how confident that they can come up in September?

Amit Sarin: Definitely, we are all set. This thing we have done on our own and we know exactly what comes in from where. The orders for the balance have already been placed, the strengthening of the building is already complete, so this three is definitely on track for September and once this three is on track, the income from data center is going to kick in from this month itself. So we have the option of discounting this at much lower rates of interest and moving on further plus the encashing of the Gurgaon project is already happening, so we have two sources of liquidity and between these two, we feel that we will be able to fund this on our own.

Amanjit Singh: Got it. So using the six megawatts you said by September and you gave 50 megawatts target for two years, so what about if I say the 21 megawatts which is kind of first approval that you have got in place, by when do you expect 21 megawatts to kick in fully?



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- Amit Sarin:** One year.
- Amanjit Singh:** Great Sir. I will get back in the line. Thank you so much and all the very best.
- Moderator:** Thank you. The next question is from the line of Hitendra Gupta from Systematix. Please go ahead Sir.
- Hitendra Gupta:** Good afternoon Amit and Pankaj. Continuing with previous analyst, I just wanted to understand the timelines for the data center capacity, we already are sitting on three megawatts and by September it would be six, so can you please help me with the first?
- Amit Sarin:** One year will be 21, the income kicking in from 21, the whole idea is to do this without taking on debt, we are very clear that we do not want to do this by taking debt. We are able to get the cash flow from our residential sales further, so one year we will do 21 and there should be very robust demand for this 21, income will start to come in from this 21 and then we start unlocking the rest.
- Hitendra Gupta:** Okay and can you please help me with the kind of clientele we have or are we having any tie up with the tenants, what is the scenario in terms of tying up with the clients?
- Amit Sarin:** Today, we have two tie ups. While on the call we said that the Indian government in a law that Indian data should not be going outside India, I am sure you must have also read about it. So this is given a huge demand to data centers within India. We also have two tie ups, one with RailTel and one with TCIS, both are Government of India undertaking to help us get clients. So clientele as of now data center is not an issue at all. It is just that how much capacity one is able to create.
- Hitendra Gupta:** What kind of rentals we can expect from here per month basis, is it per square feet basis, how it goes?
- Amit Sarin:** The rental here goes per megawatt, and it is anything in between 85 to 90 lakhs per month per megawatt. The expense which you incur is about 25% of that. The balance is free cash flow.
- Hitendra Gupta:** So this 25% would be on a monthly basis also for us and you are doing it in existing commercial assets, so what kind of capex is required to upgrade it to make it a data center compliant?



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Amit Sarin: This is the best edge we have. Today, we convert one megawatt in our building, you need an investment of about Rs.25 Crores per megawatt, and because the land and building for the company has already invested. We are saving time because land and building is already there. We are saving money and we are able to do it much faster, so this is the biggest advantage we have and that is how we are taking it forward.

Hitendra Gupta: Okay and with regard to your real estate business, I just wanted to understand your township Anant Raj Estate, can you just give me some breakup in terms of expected inflows from the group housing and the other businesses like Deen Dayal, Awas Yojana and Birla Navya.

Amit Sarin: Birla Navya probably I will do the introduction, Birla Navya has already successfully launched two phases and done and the third one is now getting launched vis-à-vis Ashok Estates we had sold 50% of an inventory and we have launched to now. We have seen in pipeline increased, it is almost 20%. At Anant Raj Estate is also experiencing the same price increase and in Anant Raj Estate, we have also launched a new project in which we are doing fully furnished villas and we see a very decent demand in all the three segments. Ashok Estates, we only sell plots, Birla Estate is selling floors and in Anant Raj Estates, we are doing villas and floors both and we are doing fully furnished villas and floors both, so we are seeing a good segment of demand and as you likely said 70% of today demand is end-user demand. It is also helping us sell faster.

Hitendra Gupta: Okay, so can you just quantify few of the numbers for the next two years from overall real estate business, it would be helpful?

Amit Sarin: We cannot talk about future numbers like this, but today at Anant Raj Estate, we are sitting on an inventory of close to Rs.1700 Crores and this is something which we want to monetize very fast and we have almost all the permissions required for it.

Hitendra Gupta: Thanks a lot. I will join back.

Moderator: Thank you Sir. The next question is from the line of Avinash Gorakshkhar from Profit Mart. Please go ahead Sir.

Avinash Gorakshkhar: First of all congratulations for a very good set of numbers in fact ever since we visited Delhi when we met you personally I think numbers have got better and better every quarter, so this is very interesting and very, very positive from the investor community and I wish you all the best for the coming year also. Just had one question on the real estate side, if you



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could give us some color on what is the kind of price trends which are prevailing currently in the NCR market. We do not get this data point easily, but if you could share some broad idea as to how do you see the demand, how do you see inventory is moving up and overall on ground, what is the kind of sense you get, will real estate continue to generate steady cash flow even in FY2024 considering the kind of strong performance you have done in FY2023?

Amit Sarin:

Avinash Ji definitely. Like we just discussed the rest of India is doing well and the NCR is exceptionally doing well and within the NCR also Gurgaon is doing exceptionally well because of the infrastructure and all other things happening good in Gurgaon and a lot of end user demand coming into Gurgaon itself. As you know Gurgaon is right next to the airport, right next to Delhi in fact Gurgaon today is not dependent on Delhi as such. Gurgaon in itself is a full-fledged city and with 70% end user demand, these prices are here to stay and we have seen almost 60% increase. If you see in the last four years, we have seen a 60% increase in the prices which have gone up. Today, we are selling a floor from almost Rs.16000 to Rs.18000 square feet, this is phenomenal. In fact when we started with Birla, we were aiming, first launch was about Rs.10500, so these prices are here to say surrender is enough, supply also coming in, in spite of that the demand is there and it is sustainable. Like while we were doing on the introduction call one thing which we miss out. There have been three landmarks for companies like us. One, in 2000 when banking recognized us, then in 2003 when land ceiling was abolished and the third one was RERA came in 2016. So RERA has removed a lot of unhealthy competition from the market and it is healthy people like us.

Avinash Gorakshkhar: Amit Ji, just one more question on the data center side, please correct me if I am wrong. I remember you have been told us that the investment per megawatt for data center is roughly about Rs.1 Crores, so is it right?

Amit Sarin: Per megawatt mean Rs.25 Crores.

Avinash Gorakshkhar: Basically I just wanted to understand that this 21 megawatt what we are planning in the next 12 months, have we already done our cash flow planning for the investment because this will be significant investment in data centers which obviously will give you very good margin, so will you be looking at some sort of funding either by equity or debt or you think the cash flows from the real estate business would be enough to fund this?



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Amit Sarin: 21 we have completely sorted, 21 roughly is an investment of 400, 450 out of which we have already invested 140 and right now it is higher because the centering in all has been done for the complete towers, so that is little higher, but the average for this 21 will be within Rs.25 Crores per megawatt and this income will start to kick in. So we have basically two options. The first option is we have enough money coming in from Ashok Estates and Anant Raj Estates and that is getting diverted here and we are executing this in fact that is how we reached so far as of now, but the income from the data center will also start coming in, we can always discount this. So 21, we are completely sorted, yes, but when we go beyond 21, these are options which we want to aggressively look at and let us see tomorrow how we go about it because this is as of now owned by 100% own subsidiary which is called Anant Raj Clouds. Let us see tomorrow if you are able to get a partner into Anant Raj Clouds and unlock the complete value, it is going to be great, great thing for the company.

Avinash Gorakshkhar: Just one more thing which I wanted to just tell you obviously you must have also heard. Kotak has come out with the data center fund, they are looking at possibly investments from their perspective, so would you be open for this kind of investment also provided you get the right valuation Amit Ji?

Amit Sarin: We will have a look at it. Thanks for telling us, although may be our team is already working on it, but thanks you brought it up.

Avinash Gorakshkhar: Thank you for the information and all the best to you and your team.

Moderator: Thank you Sir. The next question is from the Parvez Qazi from Nuvama Group. Please go ahead Sir.

Parvez Qazi: Good afternoon and thanks for taking my question. Congratulations for a good set of numbers. My question is apart from Ashok Estate, what are the future projects that we may look to or launch going ahead over the next one to two years?

Amit Sarin: Ashok Estate is one then we are likely as discussed, in the next six months we will see one more big launch coming in by way of group housing. The name is yet to be finalized, so that we will start marketing on that very soon that is about one million square feet. This has already approved, all permission obtained and we are all set to, we are in fact on the drawing board right now, we will be finalizing these drawings very soon and going forward with it. This is going to be multistory housing, one million square feet to sell. Other than this we have another one million in the pipeline in which the permissions are already



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getting process for that and other than we are sitting on almost 97 acres in Anant Raj Estates which is going to be launched in phases. So there we have the option and the flexibility of doing plots, doing floors, doing villas and doing fully furnished house.

Parvez Qazi: And the earlier two projects, both of them will be in Gurgaon? One million square feet each?

Amit Sarin: Yes, both are in Gurgaon, in fact they are in the same sector and that sector is doing pretty well right now, it is called sector-63A in Gurgaon.

Parvez Qazi: Okay, great. Thanks and all the best.

Moderator: Thank you Sir. The next question is from the line of Harsh Pathak from B&K Securities. Please go ahead Sir.

Harsh Pathak: Thanks for the opportunity. Sir, I wanted one clarification with respect to your partnership project with Birla Estates, you mentioned the third phase is going to be launched now, but as far as we understand two phases have already launched and one more phase was launched in March?

Amit Sarin: Third is launched. Fourth is yet to be launched, just now launched in March.

Harsh Pathak: Okay and how is the response there at the third phase?

Amit Sarin: 60% sold.

Harsh Pathak: That great to know. Would you be exploring more partnership with Birla Estates or any other developers you are willing to explore partnerships?

Amit Sarin: We are a decent brand now, so we feel that we can do ourselves also. When we get Birla just was done in 2019 that was the difference that prior to the demerger and other things, but now we guess Anant Raj brand also has fantastic value and we can do things ourselves also and we have proven it. We have given delivery. Today people are living in our sector and we are one of the best, customer wise, we have one of the best customers in the industry now.

Harsh Pathak: All the best for the future. Thank you.



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- Moderator:** Thank you Sir. The next question is from the line of Naitik Mody from OHM Portfolio. Please go ahead.
- Naitik Mody:** Thanks for the opportunity. You are targeting 21 megawatts in the data center business by this financial year end, so what about the six megawatts for which you already have customer tie ups, for the balance 15 megawatts, what is the situation now? Where are we at?
- Amit Sarin:** Pretty sorted. As of now in fact we are refusing demand, right now it is going on in the direction where we have to commit to when the dates as to when we will be able to deliver the megawatts, so right now we do not see any challenges vis-à-vis the demand and I guess this is going to stay for the next three to four years, because capacities are yet to build up and kind of edge we are sitting on our buildings are ready, our permissions are all there, all we need to do is get the racks and other infrastructures in place which takes about Rs.25 Crores for a megawatt. So we are going pretty slow and calibrated in this, we are not letting the debt go up. You know if we today allow the debt go up we can do this much faster and much bigger, but we want to be conservative in this approach, debt is something which we are very averse to.
- Naitik Mody:** What would be the profile of these customers apart from the PSUs that you already have on both?
- Amit Sarin:** We cannot disclose the profile right now Sir.
- Naitik Mody:** Would there again be the same PSUs or would there be the same?
- Amit Sarin:** Some of them are PSUs, because PSU is also a very big large market and plus of course the big hyperscale is already there, so it is going to be a combination of all.
- Naitik Mody:** Thank you Sir.
- Moderator:** Thank you Sir. The next question is from the line of Ritu Kumar from Growth Capital. Please go ahead.
- Ritu Kumar:** Thank you for taking my question. Just wanted to ask what is the income that we are generating from the existing commercial assets and how much of the total constructed areas actually leased out?



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Amit Sarin: Right now we have about 5 million square feet which we have already constructed. Now a lot of business is going to be diverted toward data center. The income which we are already generating is about Rs.50 Crores a year and as of now say about one million out of this five, one million is leased out.

Ritu Kumar: Okay, got it. Also if you could provide how much income is coming from the two hotel projects, any update is there on the business?

Amit Sarin: As you know, the company leased them out and they are running these hotels. We get minimum income of how much, we will just have to check that, because particular revenue on that thing, it is Rs.14 Crores.

Ritu Kumar: Also if you could let me know the plan for the data center ramp up and what is the capacity that we are planning to eventually take up?

Amit Sarin: Like we discussed today between these three buildings we can go up to a total capacity of 300, which is pretty huge in the country that is one. As of now we have three which is up and running, three will go to six by September and balance to achieve 21 is another 15 which we will do by the end of this financial year and by that time, the income will start to kick in and that is when will start unlocking going forward on this. Manesar alone where we are doing all these works is eligible to go up to 50. So let us reach there first, but the kind of demand we are seeing and we are also in talks with some good companies outside India. We might even start embarking on them very soon.

Ritu Kumar: Got it. Thank you Sir. That is all from my end.

Moderator: Thank you Ritu. This was the last question. I would now like to hand the conference over to the management for closing comments.

Amit Sarin: Thank you everyone. We believe that we are able to answer all the questions and we will keep this a regular feature. Thank you for all your time and thank you for joining us. Thank you. All the best.

Moderator: On behalf of Go India Advisors that concludes this conference. Thank you for joining us and you may now disconnect your lines.