December 2024

Initiating Coverage | Sector: Real Estate

Anant Raj

Riding India's data center localization wave

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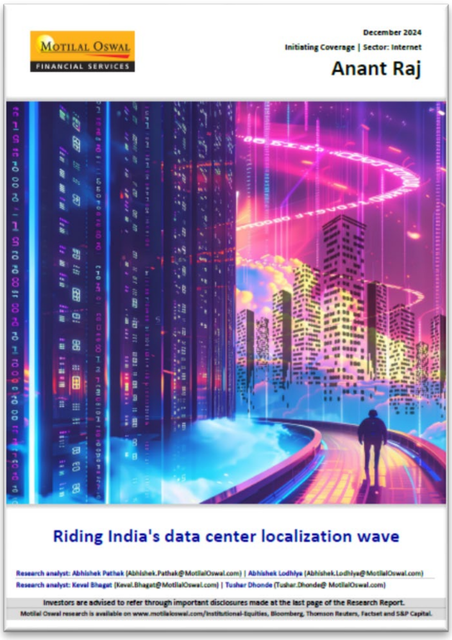

Riding India's data center localization wave

Diversification in progress…: Anant Raj (ARCP) is transitioning from its stronghold in real estate to a diversified business model with strategic investments in data centers (DCs) and cloud services. This shift capitalizes on India's burgeoning data localization and digital transformation trends. With a planned capacity of 300MW for DC over the next 4-5 years, the company is leveraging its existing technology parks to enhance execution speed and cost efficiency.

…with intense focus on profitability: ARCP's foray into higher-margin cloud services (IaaS) in partnership with Orange enhances its profitability potential, with cloud capacity projected to rise to 25% by FY32. Its residential business remains robust, with 14msf deliveries expected by FY30, generating a cumulative NOPAT of INR85.1b.

Multiple growth levers at play: Strong pre-sales, collections, and operational cash flows underpin ARCP's growth. While execution risks remain, we expect significant revenue and EBITDA margin expansion, driving long-term value creation. We initiate coverage on the stock with a BUY rating and a TP of INR1,100.

Anant Raj

BSE Sensex	S&P CNX
79,218	23,952

CMP: INR838 **TP: INR1,100 (+31%)** **Buy**

Anant Raj Group

Bloomberg	ARCP IN
Equity Shares (m)	342
M.Cap.(INRb)/(USDb)	273.5 / 3.2
52-Week Range (INR)	844 / 281
1, 6, 12 Rel. Per (%)	20/78/158
12M Avg Val (INR M)	865

Financials & Valuations (INR b)

Y/E MARCH	FY25E	FY26E	FY27E
Sales	18.8	23.1	30.8
EBITDA	8.8	11.7	15.6
EBITDA Margin (%)	46.9	50.8	50.6
Adj PAT	6.0	7.5	8.5
Cons. EPS (INR)	17.4	21.9	24.8
EPS Growth (%)	123.9	25.6	13.5
BV/Share (INR)	123.9	145.2	169.5
Ratios			
Net D:E	0.1	0.1	0.4
RoE (%)	14.1	15.1	14.6
RoCE (%)	14.9	15.4	13.8
Payout (%)	2.9	2.3	2.0
Valuations			
P/E (x)	48.1	38.3	33.8
P/BV (x)	6.8	5.8	4.9
EV/EBITDA (x)	32.9	24.9	19.9
Div. yield (%)	0.1	0.1	0.1

Shareholding pattern (%)

As On	Sep-24	Jun-24	Sep-23
Promoter	60.0	60.0	63.3
DII	6.7	6.5	1.7
FII	13.0	13.1	9.5
Others	20.3	20.4	25.5

FII Includes depository receipts

Riding India's data center localization wave

RE business to grow steadily, while DC & Cloud will be in the limelight

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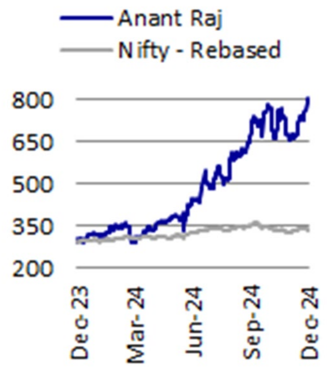
Beneficiary of NCR recovery, with a strong presence in Gurugram

- Over the past 15 years, Delhi has experienced a significant decline from its peak until FY21. Although the RE sector began to show positive trends in FY22, the NCR markets were only at one-tenth of their peak levels in FY11, both in terms of launches and absorption. This situation leaves considerable room for improvement moving forward.
- Building on its rich legacy, the company has restarted with renewed enthusiasm following the demerger, acquiring a land parcel of 167 acres in Sector 63A, Gurugram, and an additional ~100 acres in New Delhi.
- ARCP is executing ~14msf across various stages of development, with a total revenue potential estimated at INR219b in Sector 63A, Gurugram.
- ARCP possesses an additional 100 acres of land in various locations throughout New Delhi, which is currently earmarked for future development. The Master Plan for Delhi 2041 (MPD2041) is under critical review and is likely to unlock opportunities for sustainable and inclusive growth over the next two decades.

JV with Birla Estates is a testimony of strong legacy & asset-light growth

- Following the demerger, it was crucial for ARCP to grow prudently with an asset-light approach and generate cash flow without further straining its balance sheet, as the separation resulted in a debt of INR14b.
- Phases 1-3, totaling 554 units, are fully sold out for Birla Navya. Phase 4 is scheduled for launch in the upcoming quarters, and upon completion of the project, ARCP will benefit from ~INR6.7b in net operating profit after tax.

Stock Performance (1-year)



We expect the following tailwinds to sustain in the foreseeable future: 1) accelerated adoption of cloud services, 2) artificial intelligence, 3) data localization requirement, 4) roll-out of 5G & enhanced bandwidth, and 5) explosion in data creation and consumption.

Pre-sales/collections to clock 23%/87% CAGR over FY24-27E

- The 2.08msf launch pipeline could yield sales of INR36b. We estimate pre-sales of INR11b in FY25, with GH-2 launching in Mar'25, and anticipate a 22.5% CAGR in pre-sales over FY24-27.
- The company is likely to reach cumulative sales of INR173b in the next six years.
- ARCP's increased execution is projected to result in an 87% CAGR in collections over FY24-27. The company is targeting to achieve cumulative collections of INR202b over FY25-30E, by delivering 13.2msf.

Strong OCF and net cash flow generation on the cards

- ARCP is on a firm footing, with robust real estate sales and growing rental income from its DC and cloud operations.
- The real estate segment has an average operating margin of over 45%, while that of commercial, DC, and cloud businesses exceeds 75%, resulting in strong cash flow generation.
- ARCP is likely to generate an operating cash flow of INR192b over FY25-30, with a net cash flow of INR15b after interest and capex of INR165b for commercial annuities, DC, and cloud services.

India: the next frontier for DC expansion

- India's DC market is on the brink of a growth phase, fueled by the country's rapid digital transformation and increasing demand for data storage.
- Despite generating 20% of the world's data, India accounts for just 3% of global DC capacity, leaving massive room for expansion. With the rise of 5G, cloud computing, AI, and IoT, along with supportive government policies like data localization and Digital India, the industry is set to flourish.
- The market is expected to double its capacity by FY26, driven by investments from global and local players. Established giants such as NTT and STT are joined by emerging stars like AdaniConneX and Yotta, creating a competitive and fast-evolving landscape.
- **Multiple tailwinds are at play,** which are driving the growth for DC. We expect the following tailwinds to sustain in the foreseeable future: 1) accelerated adoption of cloud services, 2) artificial intelligence, 3) data localization requirement, 4) roll-out of 5G & enhanced bandwidth, and 5) explosion in data creation and consumption.

Early mover advantage in catering to the emerging DC demand

- ARCP ventured into the DC business in Sep'23 with an ambitious plan to transform three existing tech parks in Manesar, Panchkula, and Rai into cutting-edge DCs, aiming for a total capacity of 300MW within the next 4-5 years.
- Unlike many competitors, ARCP benefits from its already-built tech parks, allowing it to complete DCs in just 6–9 months instead of the usual 3–5 years.
- With its early-mover advantage and cost efficiency, the company is well-placed to thrive in this capital-intensive industry, where setup costs have risen to INR600–700 m per MW.
- With competitive lease rates of INR9m per MW per month and lower construction costs, ARCP's DCs are set to deliver healthy profits. The company is also emerging as a leading player in Delhi-NCR, a region expected to grow its DC capacity from 84MW in 2022 to 364MW by 2026, fueled by increasing digital demand and its strategic location.

ARCP's leap into cloud services with Ashok Cloud

- The company is making a bold move into the cloud space through its partnership with Orange Business Services India. Together, they're building and operating a cutting-edge cloud platform, setting up servers at ARCP's DCs, and promoting cloud and colocation services.
- By FY26, the company plans to expand its IT load capacity to 63MW, with 14MW dedicated to cloud services.
- With cloud services offering 4-5x higher margins than traditional colocation, ARCP is tapping into the fast-growing Infrastructure as a Service (IaaS) market. This move not only diversifies their portfolio but also positions them to drive higher profitability through scalable, value-driven solutions.
- Cloud Services (IaaS) will experience a gradual increase in rates to INR123m per MW per month by FY32 from INR100m per MW per month in FY24, reflecting a consistent demand for premium cloud infrastructure. Cloud Services' share in total capacity is set to increase from 8% in FY24 to 25% in FY32, highlighting the strategic shift towards higher-margin services.

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Key financial assumptions

- For ARCP, we expect revenue to clock 26.5%/23.3%/33.3% YoY growth over FY25E/FY26E/FY27E. EBITDA margin is anticipated to see significant improvement with 46.9%/50.8%/50.6% during the same period from 22.5% in FY24. We anticipate adj. PAT to grow by 124%/26%/14% in FY25E/FY26E/FY27E, resulting in a 47% CAGR over FY24-27E.
- ARCP's return ratios, including RoE and RoCE, which have historically remained in single digits, are set to improve significantly. RoE is projected to rise from 7.3% in FY24 to 14.6% in FY27E, while RoCE is expected to increase from 7.4% to 13.8% over the same period.
- Co-location services are expected to maintain steady rental rates of INR9-11m per MW per month, with a 3% annual rent escalation. Cloud Services (IaaS) will see a gradual increase in rates to INR123m per MW per month by FY32 from INR100m per MW per month in FY24, reflecting a consistent demand for premium cloud infrastructure.
- The DC capacity is primarily driven by co-location services, which dominate the capacity share, although their proportion is expected to decline to 75% by FY32 from 92% in FY24 as the focus on Cloud Services intensifies.
- Currently, ARCP is in a capital expenditure phase, which is expected to increase the debt to INR59b. ARCP's debt-to-equity ratio is projected to peak at 0.7x in FY28, supported by a robust cash generation strategy that will enable the company to achieve positive cash flow by FY30.
- Cloud Services' share is set to increase from 8% in FY24 to 25% in FY32, highlighting the strategic shift towards higher-margin services.

Total capacity is projected to grow significantly, to 307MW by FY32 from 6MW in FY24. Co-location capacity will scale from 2 MW to 230MW, while Cloud Services capacity will expand to 77MW from 0.5MW.

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RE to shine, while DC & Cloud will take center stage; Initiate with a BUY

- ARCP's residential segment is expected to deliver 14msf over FY25-30, generating a cumulative NOPAT of INR85.1b.
- Residential business cash flow, discounted at 11.6% WACC and with a 5% terminal growth rate, accounts for INR2.5b in annual business development expenses, yielding a GAV of INR140b, or INR409/share.
- The annuity business cash flow is discounted at a capitalization rate of 8.5%, valuing it at INR13b or INR38/share.
- We believe that India's DC market is on the cusp of a major growth period, driven by rapid digital transformation, the increasing demand for data storage, and several key tailwinds, including the adoption of cloud services, AI, 5G, and data localization.
- We further believe with its early-mover advantage and efficient cost management, the company is set to transform three existing tech parks into cutting-edge DCs, targeting a total capacity of 300MW over the next 4-5 years.
- The company's move into the cloud services space and tapping into the Infrastructure as a Service (IaaS) model offer the potential for 4–5x higher margins than traditional co-location. This further strengthens ARCP's profitability, in our opinion.

We expect ARCP's DC revenue to grow materially, with capacity increasing from 6 MW in FY24 to 307 MW by FY32, and a shift towards cloud services, which will expand from 0.5 MW to 77 MW over the same period.

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- This growth, coupled with a projected EBITDA margin expansion to 77% by FY30E, reflects ARCP's ability to scale operations and achieve strong profitability.
- We expect data center business to start generating positive EBIT from FY26 onwards and positive free cash flows from FY30 onwards. We expect NOPAT to reach INR 60b from Data center business by FY32.
- We model the free cash flows for data center business till FY32 using discounting rate of 11.6%, a rental escalation of 3% and a terminal growth rate of 3%, resulting in EV of INR200b or INR580/share.
- We set a TP of INR 1,100 based on our SOTP-based valuation and initiate coverage on the stock with a **BUY** rating.

STORY IN CHARTS

KEY INVESTMENT ARGUMENT

01 Beneficiary of NCR recovery, with a strong presence in Gurugram

02 JV with Birla Estates is a testimony of strong legacy & asset-light growth

03 Pre-sales/collections to clock 23%/87% CAGR over FY24-27E

04 Strong OCF and net cash flow generation on the cards

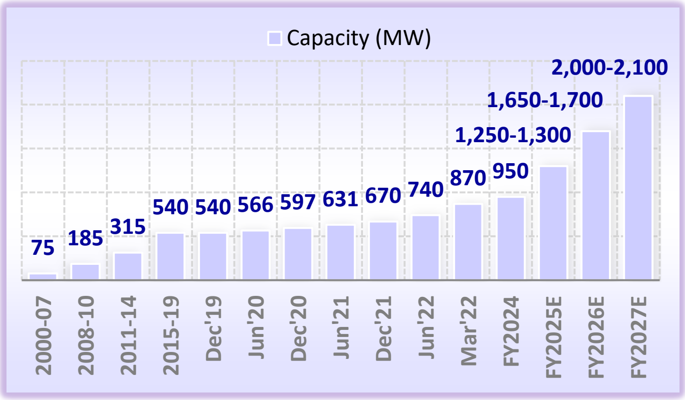
05 India: the next frontier for DC expansion

06 Early mover advantage in catering to the emerging DC demand

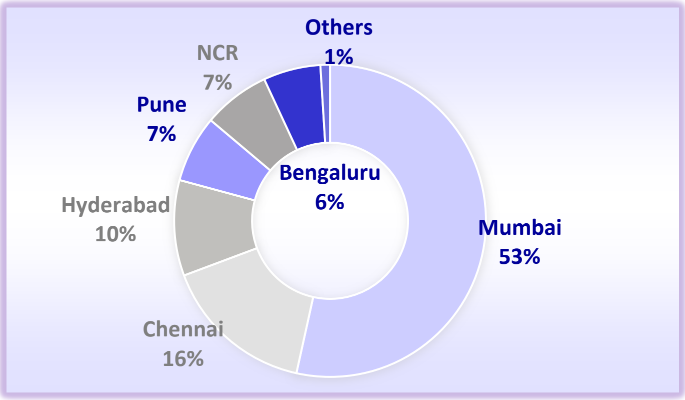
07 ARCP's leap into cloud services with Ashok Cloud

08 RE to shine, while DC & Cloud will take center stage; Initiate with a BUY

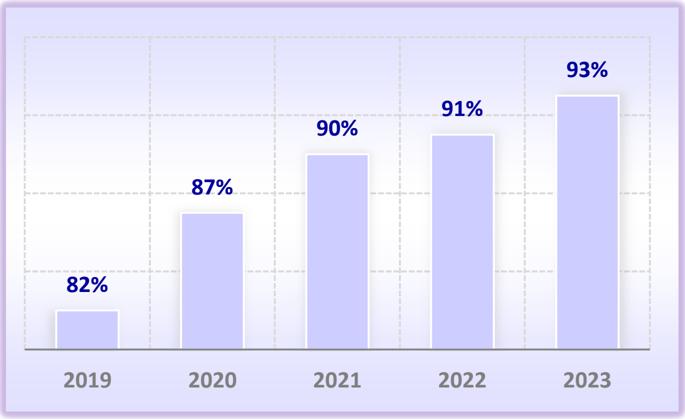
DC's operational capacity to double by FY27



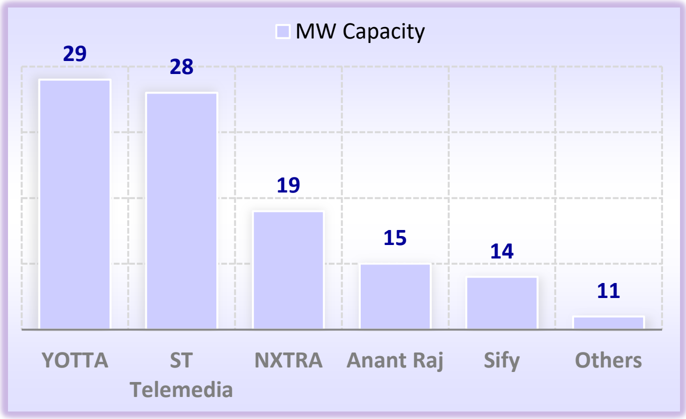
Region-wise DC capacity (MW) by FY27



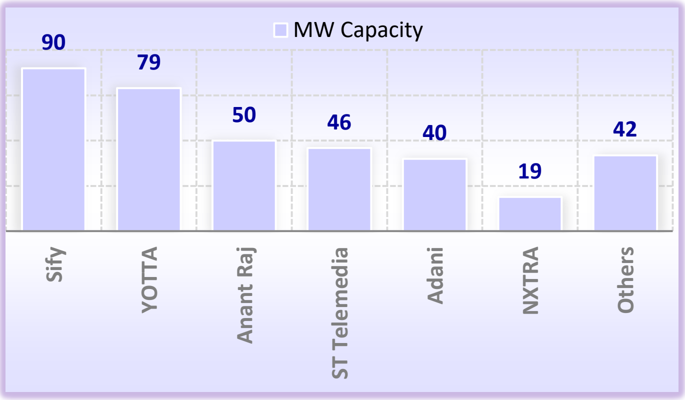
Increased capacity was also complemented by higher absorption



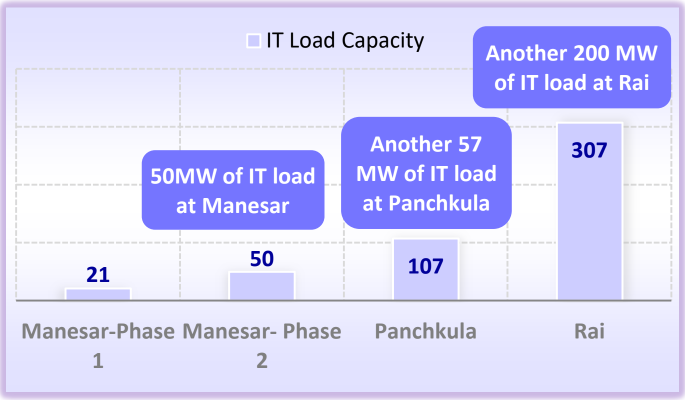
Key players in Delhi-NCR – Existing capacity



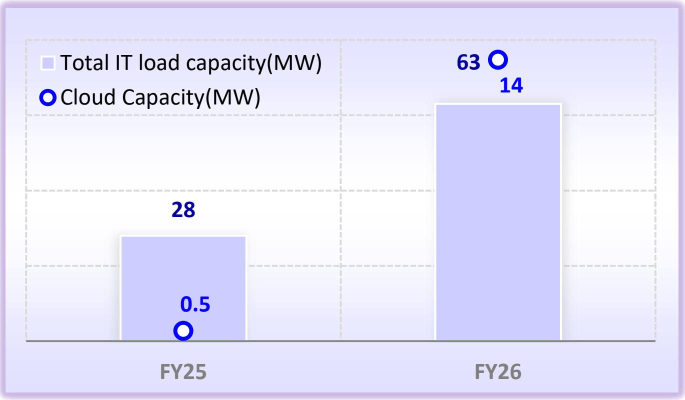
Key players in Delhi-NCR – Upcoming capacity by FY26



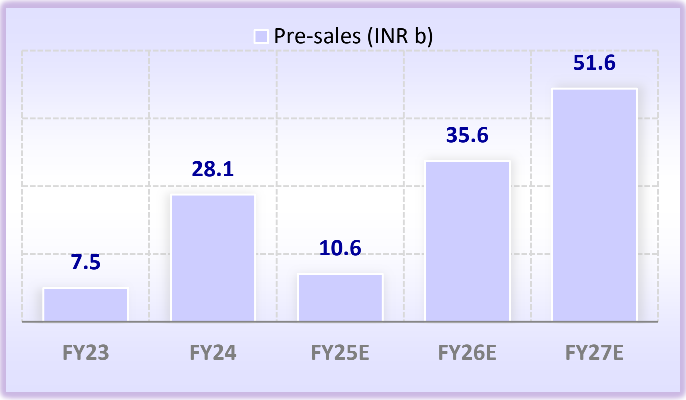
Planned Data Center Capacity Expansion by Anant Raj



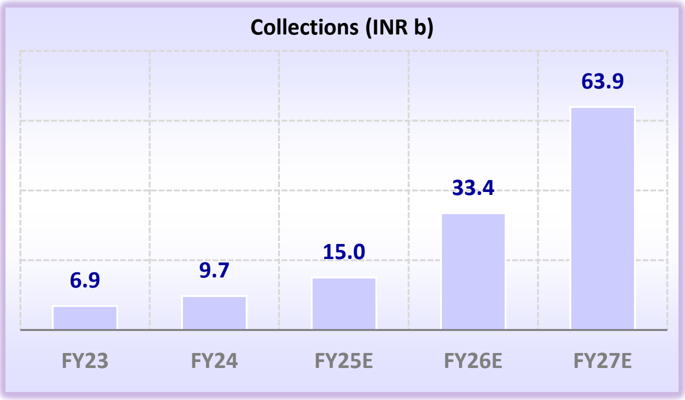
Cloud Services to grow exponentially of total load capacity in FY26...



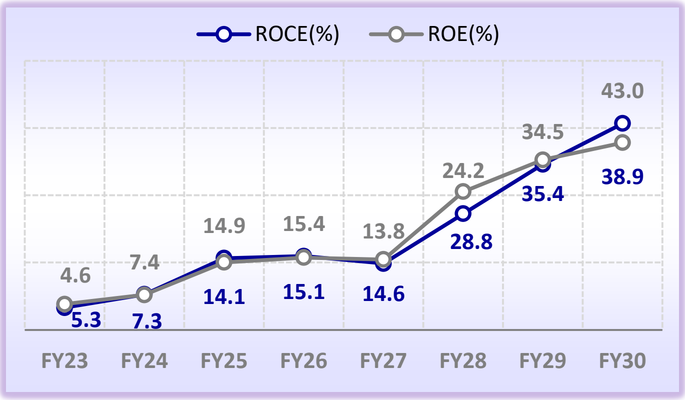
ARCP's pre-sales to grow at 22.5% CAGR over FY24-27E



ARCP's collections to grow at 87% CAGR over FY24-27E



ROE & ROCE to witness improvement



Company overview

ARCP plans to scale up to 307MW of IT load by back-fitting its existing tech parks, positioning itself ahead of its peers.

- Established in 1969, Anant Raj Group began as a trusted contractor for government projects, including the Asian Games in Delhi, and evolved into a key real estate developer in NCR.
- Over five decades, the company has established a presence across ~300 acres in premium Delhi NCR localities. The group has delivered projects across the residential, commercial, hospitality, and retail sectors.
- The company has now ventured into the high-growth DC sector, forming strategic tie-ups and partnerships with key government agencies.
- It has built 9 msf of commercial and residential projects and has an additional 9.07 msf in the pipeline (ongoing and planned). The company also aims to build 307MW of DC capacity, gaining an early mover advantage.

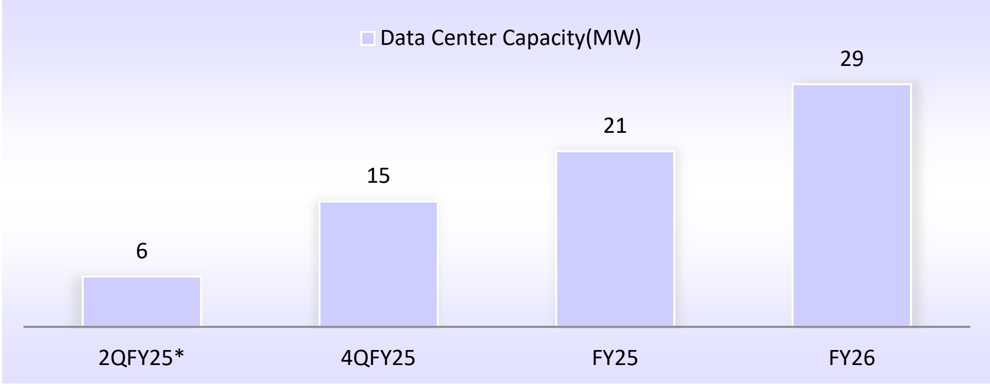
DCs and co-location centers:

- India ranks among the fastest-growing DC markets in the APAC region and is one of the top 15 globally.
- India's DC market is expected to post an 18% CAGR from 2024 to 2029.
- ARCP entered the DC business in Sep'23, with plans to backfit three commercial projects into DCs, targeting a total capacity of 300MW over the next four to five years.
- Currently, the company has 6MW of IT load operationalized at the Manesar facility, with additional 28MW IT load capacity to be operational by the end of FY2025.

Anant Raj Tech Park, Manesar

- Anant Raj Tech Park, Manesar, is spread over 10 acres and built on 1.8 msf of area. It has also received TIA-942 Tier III certification (Tier IV being the highest) from the Telecom Industry Association, which specifies the minimum requirements for DC infrastructure.
- It has operationalized 6MW IT load capacity under Phase 1 with additional 15MW set to be operational by 4QFY25, bringing the total to 21MW under Phase 1.
- It incrementally plans to build 29MW IT load by FY26, bringing the total load capacity to 50MW under Phases 1 and 2.
- Out of the total 6MW operational IT load, 0.5MW is allocated to cloud services, which the company will initially provide as Infrastructure as a Service (IaaS).

Exhibit 1: Manesar DC to hit 50MW IT load by FY26



*Operational; Source: Company, MOFSL

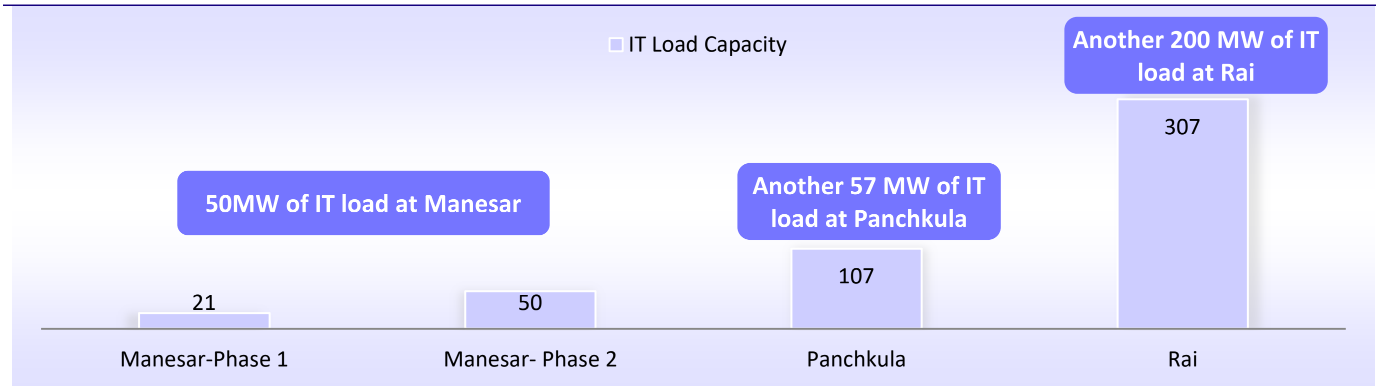
Anant Raj Tech Park, Panchkula

- Anant Raj Tech Park, Panchkula, is spread over 9.5 acres with 1.8 msf of developable area. Currently, 0.6 msf of the IT building is operational with commercial offices.
- It has 7MW IT load capacity under development, which is slated to be completed by 4QFY25. It also has 5.25 acres of green field, which can be developed into a Tier III DC with a 57MW load capacity.

Anant Raj Tech Park, Rai

- Anant Raj Tech Park, Rai, is spread over 25 acres with 5.1 msf of developable area. Currently, 2.1 msf of the IT building is constructed and can be converted into 100MW IT load DC.
- It has 14 acres of green field available with FSI of 1.5 msf, which can be developed into a Tier IV DC with 100MW IT load capacity.

Exhibit 2: Planned DC capacity expansion by ARCP



Source: Company, MOFSL

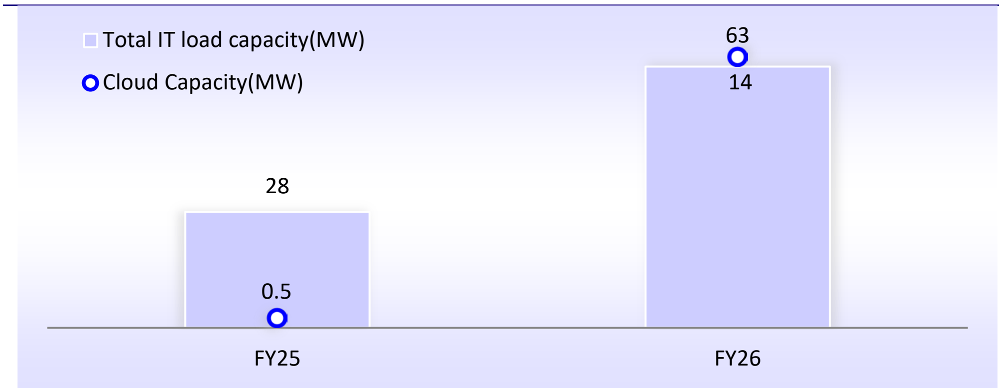
Ashok Cloud:

- ARCP has entered into a strategic MoU with Orange Business Services India Technology Pvt. Ltd. (the Indian arm of Orange, a French telecommunications and digital services provider). Under this partnership, Orange will design, build, and operate ARCP's cloud platform, establish servers at its DCs, and promote its colocation and cloud platform services to customers.

ARCP has been empaneled as a business partner with RailTel Corporation of India Ltd. for DCs. Additionally, it has formed a strategic alliance with Telecommunications Consultants of India (TCIL, a strategic PSU under DoT) for cloud and colocation services.

- Ashok Cloud (Public Cloud Service by ARCP) is a sovereign cloud infrastructure solution designed by ARCP's cloud team, in association with Orange Business, to efficiently serve numerous customers while ensuring stringent data security and resource isolation. This service offers a shared computing, networking, storage, and backup environment, enabling optimal resource utilization and cost-effectiveness.
- ARCP has been empaneled as a business partner with RailTel Corporation of India Ltd. for DCs. Additionally, it has formed a strategic alliance with Telecommunications Consultants of India (TCIL, a strategic PSU under DoT) for cloud and colocation services.
- The company plans to build additional 35MW of IT load in FY26, which will bring the total load capacity to 63MW (28MW by FY2025). Out of the 63MW IT load, ARCP expects to build 14MW IT load for cloud services.
- With its entry into cloud services, the company plans to compete with hyperscalers and other players operating in the domestic market.

Exhibit 3: Cloud services to grow exponentially in total load capacity by FY26



Source: Company, MOFSL

Exhibit 4: ARCP's strategic plan for diversification into IaaS and SaaS

Source: Company, MOFSL

A brief primer on data centers

What is a data center?

- A DC is a physical facility designed to house and manage an organization's essential data, applications, and IT systems. It serves as a central hub where large volumes of data are stored, processed, and shared using physical or virtual servers.
- These facilities are equipped with advanced cooling, power backup, and security systems to ensure reliable and uninterrupted operations.
- DCs are the backbone of modern digital services, supporting the internet, cloud computing, and global communication networks.

Why do we need a DC?

- DCs are essential in today's digital economy, where data has become the most valuable asset for businesses. As organizations increasingly digitize their operations, they face growing challenges in managing, storing, and securing data while ensuring compliance with regulations.
- The rising adoption of advanced AI technologies further fuels the demand for DCs. Sectors such as education, research, healthcare, media, IT, retail, and finance benefit significantly from AI-powered infrastructure, which enables the operation of complex models such as Large Language Models (LLMs). Cloud DCs enable these industries to run complex AI models and develop data-sovereign AI applications.

According to NVIDIA's CEO, Jensen Huang, India is expected to achieve nearly 20 times more computational capacity within a year, fueled by the rapid growth of AI-driven technologies.

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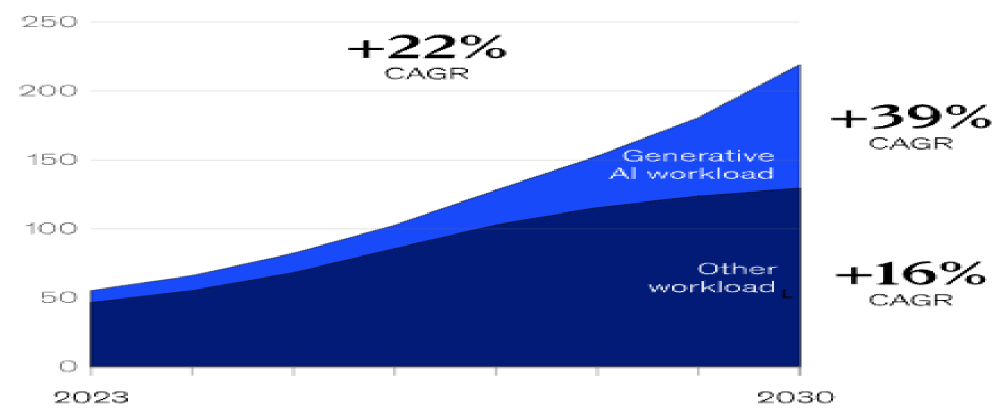
- The advent of Generative AI (Gen AI), one of the most prominent applications of artificial intelligence, relies heavily on processing vast volumes of data. According to McKinsey, a leading global consultancy firm, the demand for DCs is projected to clock a 22% CAGR between 2023 and 2030, reaching a capacity of 219 GW. Generative AI workloads are expected to account for 40% of this capacity and post an impressive ~40% CAGR during the same period.

Exhibit 5: Gen AI workload to occupy a large share in the estimated global DC capacity (gigawatts)



Source: Mckinsey, MOFSL

DC: Components and infrastructure

- A DC infrastructure broadly falls into the following categories:
  - Compute
  - Storage
  - Network
  - Support
- **Computing infrastructure**

  These include servers that manage and process data and memory. They are available in various specifications and configurations. The main two categories include:

  1) **Rack Servers:** These are flat and rectangular designs stacked in server cabinets.
  2) **Blade Servers:** They differ from rack servers in size and processing power. They are thin and offer high processing speeds and lower power usage.
- **Storage infrastructure**

  DCs utilize two primary types of storage systems:

  1) **File Storage Devices:** They are designed to store and access large volumes of files. Examples include Direct Attached Storage (DAS) and Network Attached Storage (NAS). DAS uses an external storage device attached to a PC or server (e.g. hard disk drive), while NAS uses a network to provide storage. It allows multiple users and devices connected to the network to access data.
  2) **Block Storage Devices:** A Storage Area Network (SAN) aggregates multiple drives (blocks) into large-scale storage units, offering terabytes of capacity. It provides the performance of DAS with the flexibility of NAS.
- **Network infrastructure**

  Key devices under network infrastructure include cables, switches, and routers that connect DC components to end-user locations.
- **Support infrastructure**

  Support systems ensure the uninterrupted operation of DCs. This includes UPS, backup generators, cooling and ventilation (computer room air conditioning), fire suppression systems, and physical security to protect the facility and data.

Types of DCs

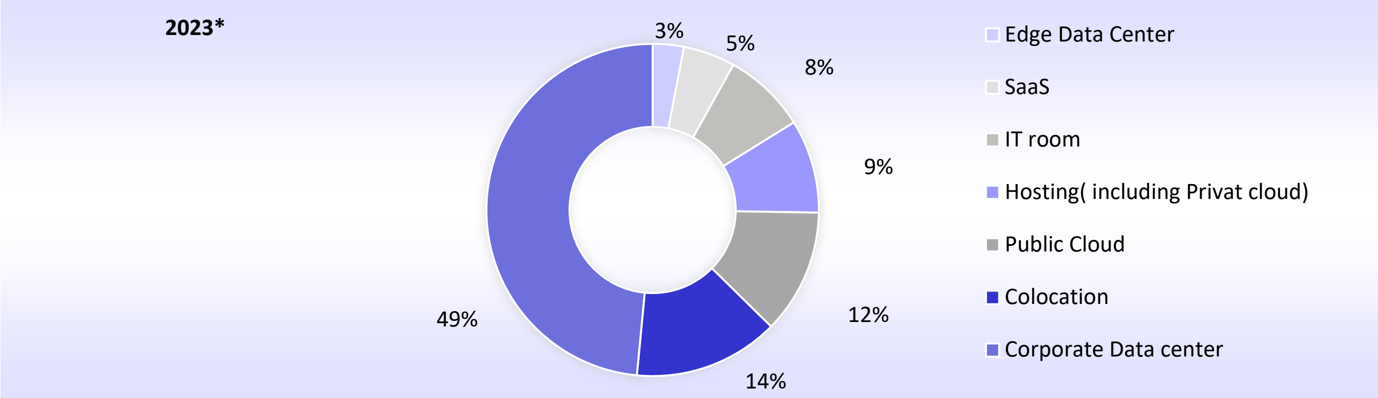
Enterprise DCs: Built, owned, and operated by companies to serve their specific needs, typically located on corporate campuses or off-site facilities

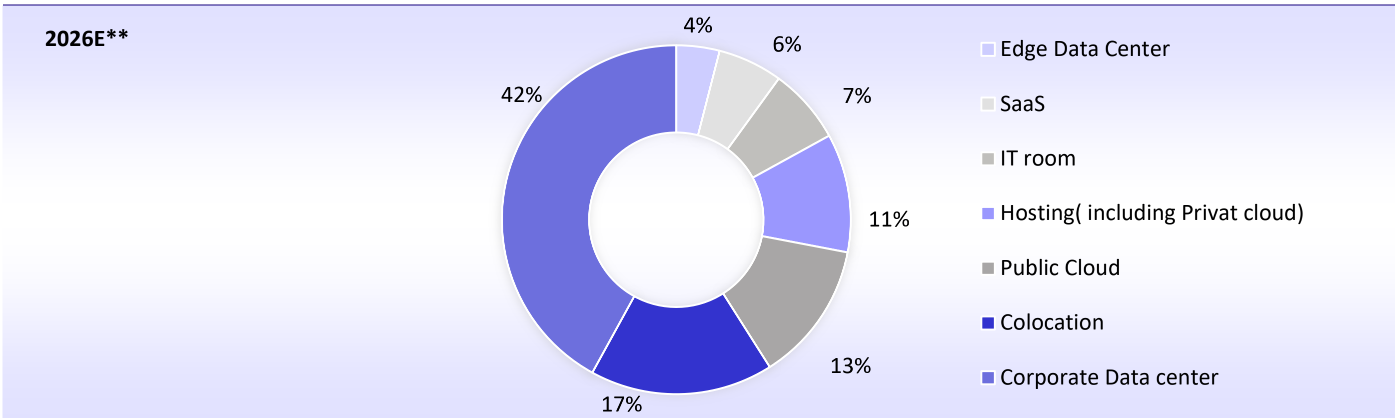
Colocation DCs: Facilities where the owner rents out space, power, and cooling to multiple customers, often offering technical support for inexperienced users

Hyperscale DCs: Large, off-site facilities operated by cloud service providers, offering scalable storage, high-speed performance, and support for big data applications

A recent survey by Uptime Institute, a global digital infrastructure authority that issues tier standards (ranging from I to IV, IV being the highest) for proper design, construction, and operation of DCs revealed that colocation DCs will accelerate at a higher pace than other market segments.

Exhibit 6: Colocation DCs to accelerate at a higher pace than other market segments





Note:*based on 309 respondents,**estimated on 291 respondents, Source: Uptime Intelligence

Investment thesis : Real Estate

A) Carrying the 120-year legacy ahead prudently

- The ARCP has a rich legacy that spans not just five decades, but its roots extend much deeper, dating back to 1904. Shri Rai Sahab Shadi Ram Sarin, the great-grandfather of the founder, the late Shri Ashok Sarin, was an engineer and architect responsible for significant Delhi heritage sites, including the Ghanta Ghar and the India Gate. In recognition of his contributions, Shri Rai Sahab was honored with the title of 'Rai Bahadur.'
- Taking the legacy forward, Shri Ashok Sarin founded a construction and development company in 1969. Within a very short span, the company became synonymous with the highest standards of quality and ethical business practices, and earning recognition as one of the largest construction and development companies of the 1970s and 1980s.
- The company has constructed nearly 30,000 houses in the Delhi and NCR regions. Some of the prestigious projects delivered include housing complexes such as the Asiad Village Complex, Rohini, East of Kailash, Shekh Sarai, Madangir, Katwaria Sarai, and many others. It was one of the primary contractors working with major government agencies, including the DDA, MES, PWD, CPWD, et al.
- Building on its well-established construction business, the company ventured into leasing commercial properties in prime areas of Delhi. The first property leased by the company was in 1978, and it still owns that property today.

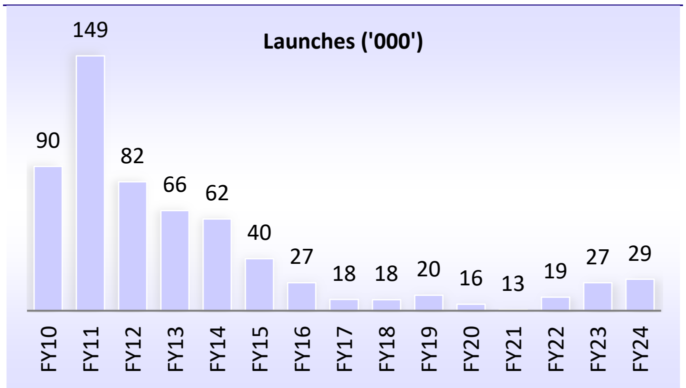
The company does not sell any of its commercial properties, a strength it has maintained to date. Currently, it boasts nearly 5msf of leasable space, most of which is ready and leased out. It is credited with some of the prime locations in Delhi & NCR.

- The company does not sell any of its commercial properties, a strength it has maintained to date. Currently, it boasts nearly 5msf of leasable space, most of which is ready and leased out. It is credited with some of the prime locations in Delhi & NCR.
- The company has gradually established itself as one of the largest real estate developers in the Delhi NCR region and is involved in nearly all segments of real estate. It is also one of the largest landowners in Delhi NCR. Its business activities include residential townships and group housing.
- In FY21, the company underwent a demerger, resulting in Shri Anil Sarin establishing a new entity named TARC (formerly known as The Anant Raj Corporation). Meanwhile, the previously listed Anant Raj remained under the leadership of Shri Ashok Sarin, operating as Anant Raj Limited.
- Building on its rich legacy, the company has restarted with renewed enthusiasm, with a land parcel of 167 acres in a prime area of Gurugram and another 100 acres in New Delhi.
- ARCP is currently executing ~14msf, which are under various stages of development, with a total revenue potential estimated at INR219b in Sector 63A, Gurugram.
- ARCP has an additional 100 acres of land in various areas of New Delhi, which is currently reserved for future development. The Master Plan for Delhi 2041 (MPD2041) is under critical review and is likely to unlock opportunities for sustainable and inclusive growth over the next two decades.
- Additionally, the FSI is expected to increase from its current level, which will further enhance the company's growth in the coming years.

B) Beneficiary of NCR recovery, with a strong presence in Gurugram

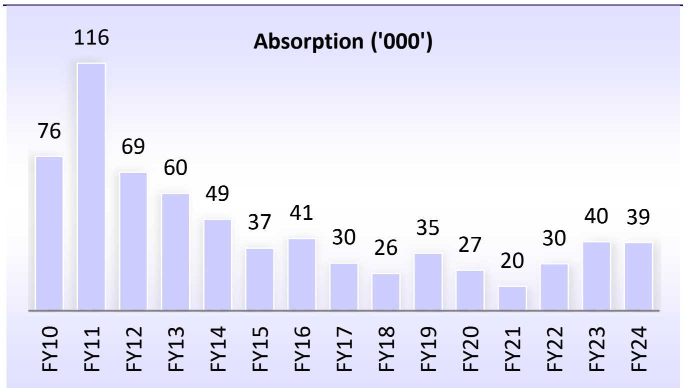
- Over the past 15 years, Delhi has experienced a significant decline from its peak until FY18. In FY19, there were some signs of recovery; however, due to the impact of Covid-19, the situation deteriorated again in FY20. Fortunately, this decline was reversed in FY21.
- Although the RE sector began to show positive trends in FY22, the NCR markets were only at one-tenth of their peak levels in FY11, both in terms of launches and absorption.
- In FY24, with ~30k units launched, this represents only 20% of the peak. The absorption rate is 33% of the 116k units at the peak in FY11, indicating significant potential for improvement moving forward.

Exhibit 7: Launches are just 20% vs. the peak



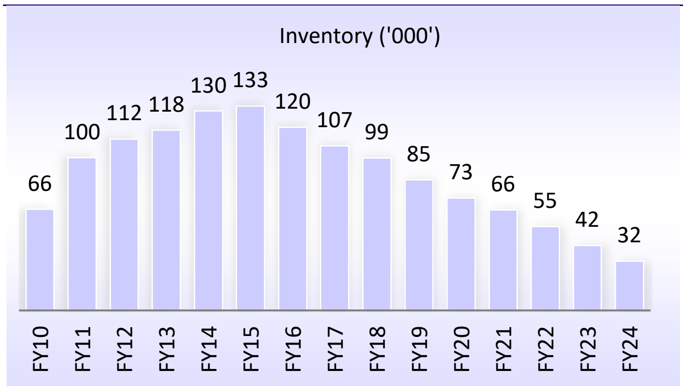
Source: Industry data, MOFSL

Exhibit 8: Absorption is just 33% vs. the peak



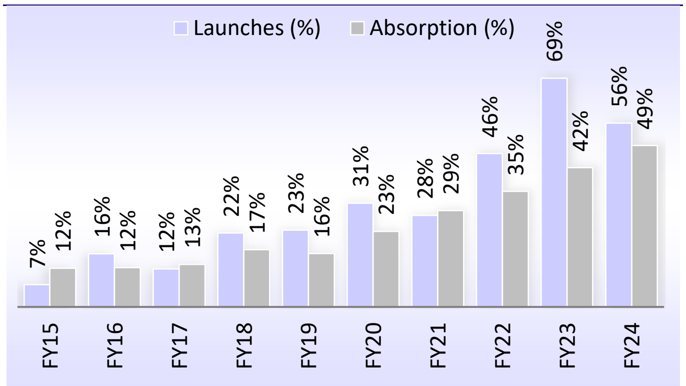
Source: Industry data, MOFSL

Exhibit 9: Inventory dipped to 32k units vs. the peak of 133k



Source: Industry data, MOFSL

Exhibit 10: Gurugram contributed over 50% of the NCR market



Source: Industry data, MOFSL

- Interestingly, the inventory has consistently decreased since FY16, as absorption has always outpaced launches. This trend has led to a reduction in inventory overhang months, which fell from a peak of 46 months to just 10 months by the end of FY24.
- The average price realization for the period FY10-21 clocked 5% CAGR, while realization posted a 32% CAGR over FY21-24.
- Gurugram, with its world-class infrastructure and robust job creation, has emerged as a crown jewel of the NCR market, contributing over 50% to both property launches and absorption rates.

ARCP, as the dominant player in the NCR, has a strong presence with over 167 acres of land parcels (partially utilized) and is capitalizing on the revival of the Gurugram market.

- Additionally, Gurugram's average realization has clocked 67% CAGR over FY21-24, leading to NCR posting healthy realization growth.
- ARCP, as the dominant player in the NCR, has a strong presence with over 167 acres of land parcels (partially utilized) and is capitalizing on the revival of the Gurugram market.
- With the realization of a strong upward trend, there is a possibility that the current estimate of pending sales, projected at INR173b, may be conservative, as we have only factored in a 5% YoY escalation for future sales.

C) Gurugram's Golf Course Extension Road emerges as a coveted destination for premium homes

- One of the most prominent residential areas in Gurugram, the Golf Course Extension Road has attracted both buyers and developers. The factors contributing to its success are excellent connectivity and a dynamic social infrastructure.
- ARCP has a strong presence on Golf Course Extension Road in Sector 63A.
- The company possesses more than 167 acres of land parcels (partially utilized), capitalizing on the revival of the Gurugram market.
- ARCP is currently executing and has a strong future pipeline that offers multiple projects under Anant Raj Estates, Ashok Estates, and Avarna Independent Floors (Birla JV).
- The company's offerings include independent floors, plots, villas, group housing, and mixed-use development as well.
- ARCP's presence at a price point between INR13,000 and INR22,000 per sq ft, along with its diverse product offerings, enables the company to capture demand from various homebuyer profiles.

D) JV with Birla Estates is a testimony of strong legacy & asset-light growth

- Following the demerger, it was crucial for ARCP to grow prudently with an asset-light approach and generate cash flow without further straining its balance sheet, as the separation resulted in a debt of INR14b.
- Birla, recognizing its strong legacy of over five decades, formed a Joint Venture (JV) with ARCP. In this partnership, Birla Estates will develop and market the residential project on the land provided by ARCP.
- Avarna Independent Floor or Birla Navya JV will develop 764 luxury independent floors across 191 plots in the Sector 63A township of Anant Raj Estates. This project will be executed in four phases.
- In Phases 1, 2, and 3, a total of 554 units have been fully sold out. The handover process for Birla Navya Phase 1 is nearly complete, with 228 units delivered by the end of 2QFY25.
- Phase 4 is scheduled for launch in the upcoming quarters, and upon completion of the project, ARCP will benefit from ~INR6.7b in net operating profit after tax.

Exhibit 11: ARCP's share of profit stands at INR6.8b over the project cycle

Project	Status	Launch Date	Completion Date	Saleable Area (msf)
Avarna -- Floors (Phase 1-3)	Ongoing	Mar-20	Dec-27	1.16
Avarna -- Floors (Phase 4)	Upcoming	Jan-25	Dec-28	0.68
Total				**1.84**

Source: Company, MOFSL

E) Carved a niche by providing differentiated products

- ARCP's current offerings include plots, independent floors, and group housing within the residential real estate sector.
- Plots and independent floors have a shorter execution cycle, resulting in faster cash flow realization. Additionally, for plots, as the risk is transferred to the buyer, recognition of sales can occur with only ~15% of the pending cash flow to be recognized at the time the common infrastructure is developed and delivered.
- Moreover, with its diverse product profile, the company caters to various demographics across all price points, allowing it to access large pools of customers.

Exhibit 12: ARCP's presence across product profiles allows it to tap large pools of customers

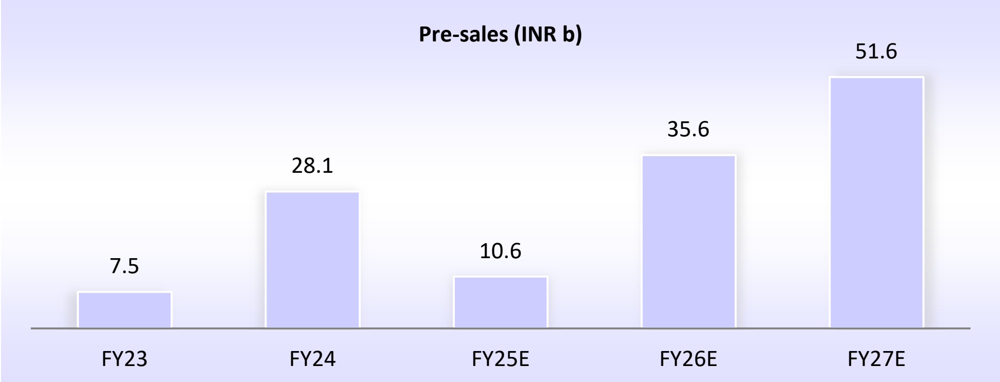
Project	Launch Date	Completion Date	Saleable Area	Type
Ashok Estate -- DDJAY	Jul-22	Dec-25	1.34	Plots
Anant Raj Estate GH-1	Jan-24	Jun-28	0.99	Apartments
Avarna -- Floors (Phase 1-3)	Mar-20	Dec-27	1.16	Independent Floors
Anant Raj Estate Plots	Mar-25	Mar-29	1.19	Independent Floors
Avarna -- Floors (Phase 4)	Jan-25	Dec-28	0.68	Independent Floors
Anant Raj Estate Floors 1	Jan-25	Dec-27	0.40	Independent Floors
Anant Raj Estate Floors 2	Jun-25	May-28	0.40	Independent Floors
Anant Raj Estate GH-2	Mar-25	Dec-28	1.00	Apartments
Anant Raj Estate GH-3	Jul-25	Jun-29	1.33	Apartments
Anant Raj Estate GH-4	Jan-26	Dec-29	1.49	Apartments
Anant Raj Estate GH-5	Jul-26	Jun-30	2.00	Apartments

Source: Company, MOFSL

F) Pre-sales to clock 22.5% CAGR over FY24-27E

- ARCP is currently executing ~14msf of projects, of which ~7.3msf are upcoming. In FY25, the company has not yet launched any projects but plans to initiate Avarna Phase 4, Anant Raj Estates Floor 1, and Anant Raj Estates GH-2 in 4QFY25.
- The total potential of the projects is 2.08msf, which could translate to total sales of INR36b. We estimate that the company will achieve pre-sales of INR11b in FY25, as GH-2 is likely to be launched in Mar'25. Additionally, pre-sales are projected to report 22.5% CAGR over FY24-27.
- Over the next six years, the company is projected to achieve cumulative sales of INR173b, with the highest sales anticipated in FY27 of INR52b. However, after this peak, sales are expected to plateau due to limited visibility at this time.

Exhibit 13: ARCP's pre-sales to clock 22.5% CAGR over FY24-27E

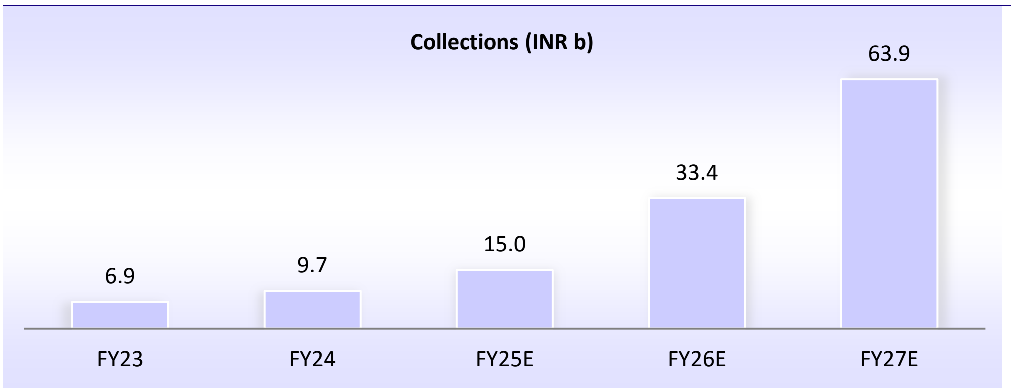


Source: Company, MOFSL

G) Collections will surge with accelerated deliveries

- While pre-sales is expected to experience significant growth in the coming years, the company plans to enhance its execution, and most of its projects will be delivered before time.
- Collections are likely to record an 87% CAGR over FY24-27E, supported by seamless execution and timely deliveries.
- ARCP aims to achieve cumulative collections of INR202b over FY25-30E by delivering 13.2msf.

Exhibit 14: ARCP's collections to record 87% CAGR over FY24-27E



Source: Company, MOFSL

H) Acquiring land parcels and business development are ongoing processes

- ARCP, post-demerger, utilized only its land parcel in Gurugram, as it was experiencing strong demand.
- The company additionally has ~91 acres of land parcels in various micro-markets of Delhi, which will be utilized once clarity emerges regarding MDP2041.
- Additionally, the company has recently acquired 11.4 acres of land parcel in Gurugram 63A to consolidate its position in that market.
- We valued the land bank of 102 acres at an average realization of ~281m per acre, which translates into INR29b.
- Business development is a continuous process, and management is committed to replenishing the land by acquiring adjacent land parcels in existing locations. We have made provision of INR2.5b for the acquisition of land or projects each year after the existing land parcels are developed and delivered.

Exhibit 15: Land bank valued at INR29b

Land Bank	Acres	Ballpark rates (INR m/acre)	Value (INR m)
Dhansa	6.6	150	989
Issapur	4.5	200	890
Mundhela Kalan	15.2	200	3,032
Bhatti mines	24.2	450	10,872
Holambi Khurd	18.7	150	2,807
Rewari	14.1	150	2,108
Samalkha	7.6	600	4,566
Gurgram	11.4	300	3,405
Total	**102.1**	**281**	**28,668**

Source: Company, MOFSL

I) Cumulative revenue recognition of INR219b from residential projects over FY25-30E

- ARCP is in the process of developing ~14msf, which is planned to be delivered in phases. Revenue is expected to jump threefold from FY25E to FY27E.
- We estimate that for FY25, ARCP will recognize INR17.6b, which is expected to cumulatively increase to INR53.6b by FY27.
- Additionally, the company is poised to recognize INR219b from residential projects over FY25-30, aided by healthy project deliveries and an average operating margin exceeding 45% over the same period.

J) Annuity to touch INR4b by FY30 with planned commissioning

- ARCP currently owns Hotel Bel-La Monde and Hotel Stellar Resorts, which have operational leased areas of 0.07msf and 0.1msf, respectively.
- In both assets, ARCP has received approval to increase the Floor Space Index (FSI) from 0.15x to 1.75x. This change allows for an increase of 0.49msf and 0.6msf for Hotel Bel-La Monde and Hotel Stellar Resorts, respectively.
- Currently, both assets generate cumulative rental income of INR258m, which, after the commissioning of additional area, will rise to INR2,834m with occupancy rates exceeding 85%.
- ARCP has another asset, Joy Square, located in Sector 63A, Gurugram, which is currently under development for commercial and office spaces. The leasable area is 0.32msf, and the project is in the fit-out stage, with rentals likely to commence soon.
- The company is commissioning Ashok Tower as part of the existing Ashok Estate project, which includes commercial shops and offices totaling 0.16msf. The development will occupy 0.80 acres and feature branded outlets along with a two-screen multiplex to cater to the daily needs of residents in the surrounding area. The company aims to complete the project by FY27.
- Following the augmentation of all assets by FY30, rental income is projected to reach INR4.1b (currently INR696m) with an optimal occupancy rate of over 85%.

Investment thesis : Data Center Business

A) India: The next frontier for DC expansion

- India presents a significant opportunity in the DC market, driven by rapid digital transformation, a growing (and the largest) internet user base, and an increasing adoption of technologies such as cloud computing, IoT, and artificial intelligence.
- The government's push for data localization and its supportive policies, such as the *Digital India* initiative, have fueled demand for local data storage and processing.
- According to CareEdge Ratings, India has significant under-penetration of DC capacity. The report highlights that India accounts for just 3% of the global DC capacity share despite generating 20% of the global data.

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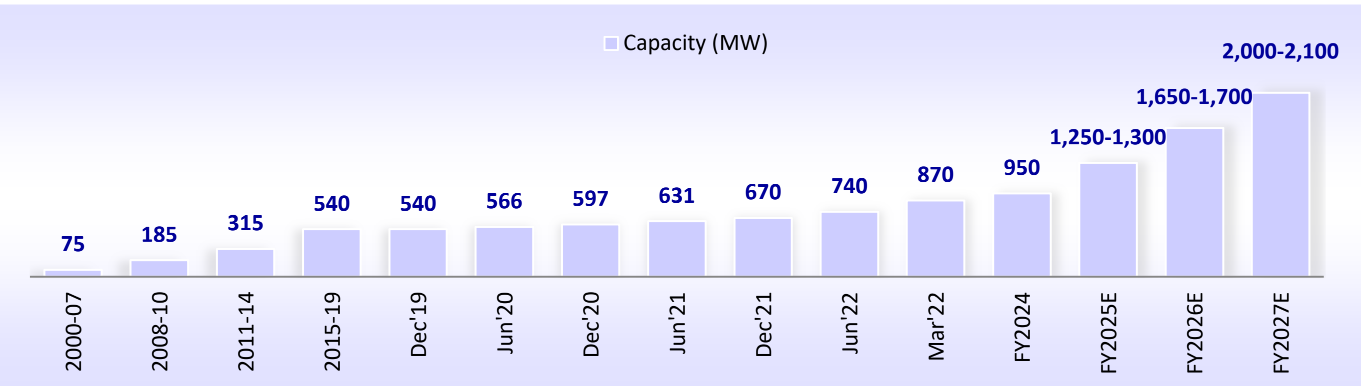
Exhibit 16: India's data usage and capacity compared to major countries

	India	China	USA	EU
Internet Users (%)	63	76	92	90
Mobile Data (EB/Month)	26	26	10	17
Data Centers (MW per M users)	1	4	51	12
Data center capacity (MW)	877	3,800	15,930	8,300

Source: Industry, ICRA, MOFSL

- With affordable real estate, abundant renewable energy potential, and a favorable geographic location, India is becoming an attractive hub for global investments in DCs.
- India's DC industry grew from 350MW in 2019 to 854MW in 2023, in line with the increasing digital usage. The industry is expected to double by 2026 to 1,645MW, indicating its ability to scale up (Source: JLL). The availability of skilled resources, the lowest DC construction costs, and government incentives make India an ideal destination for global DCs.

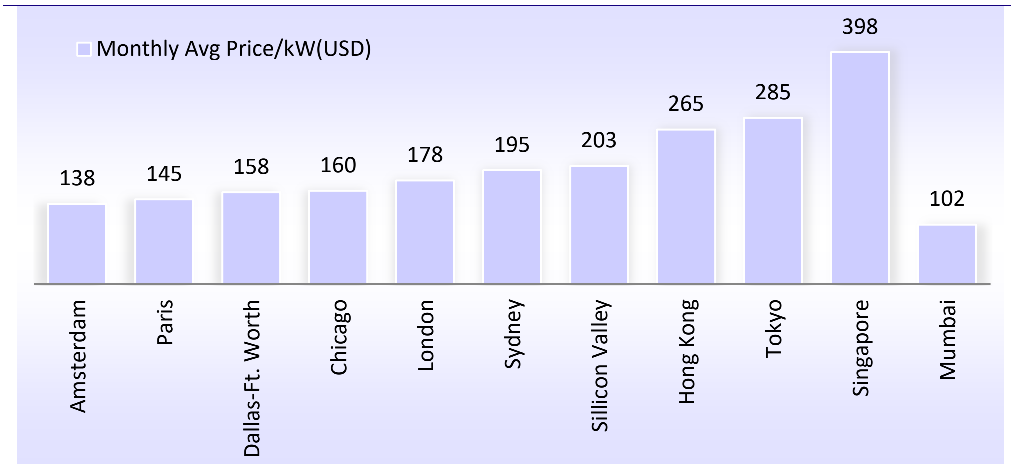
Exhibit 17: DC's operational capacity to double by FY27



Source: Industry, ICRA, MOFSL

- Rental yields for colocation centers are rising globally, influenced by short supply, high demand, rising construction costs, and low vacancy rates. The chart below shows that the Asia Pacific market has the highest (USD200-300) rates for one kW. However, in emerging markets such as India, rental rates remain more affordable compared to global cities.

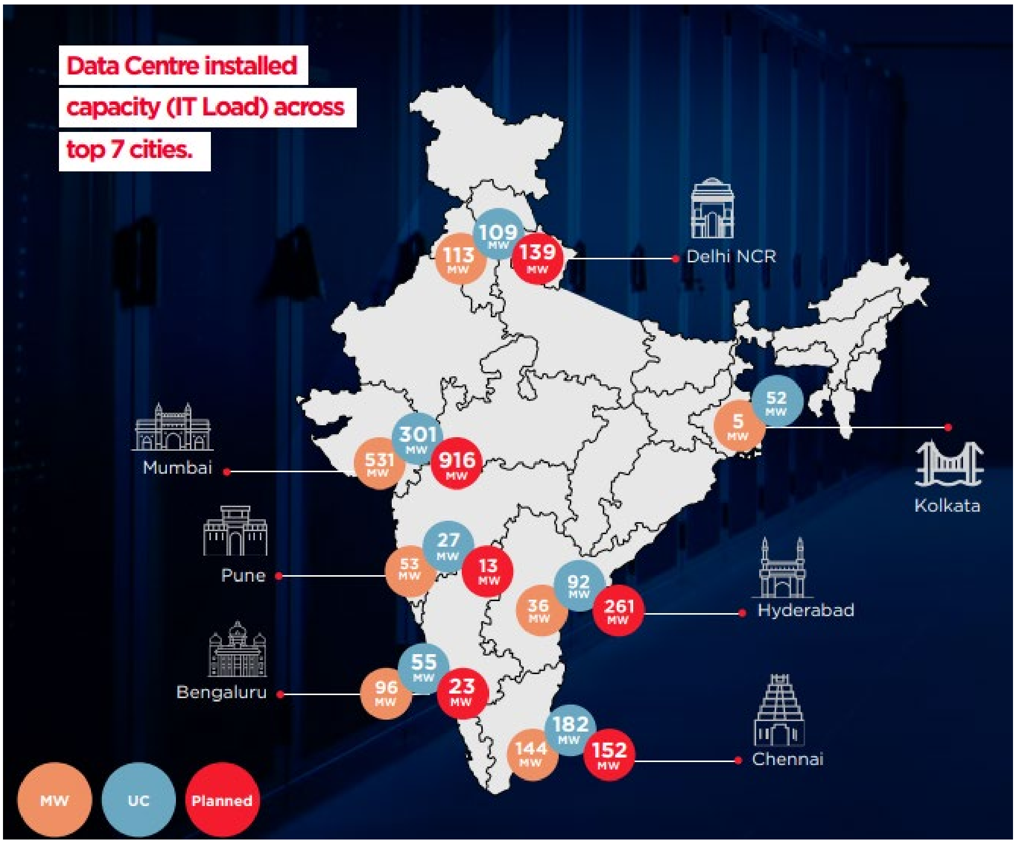
Exhibit 18: Colocation DC rates across key global cities



Source: CBRE Research (Jan- Mar'24), MOFSL

- The DC industry in India is heavily concentrated, with around 95% of its DC capacity concentrated in six cities. Mumbai and Chennai lead the way due to their proximity to dense submarine cable networks, offering low latency. Mumbai, contributing ~50% of the total capacity, remains the top location due to its reliable infrastructure and cable landing stations.

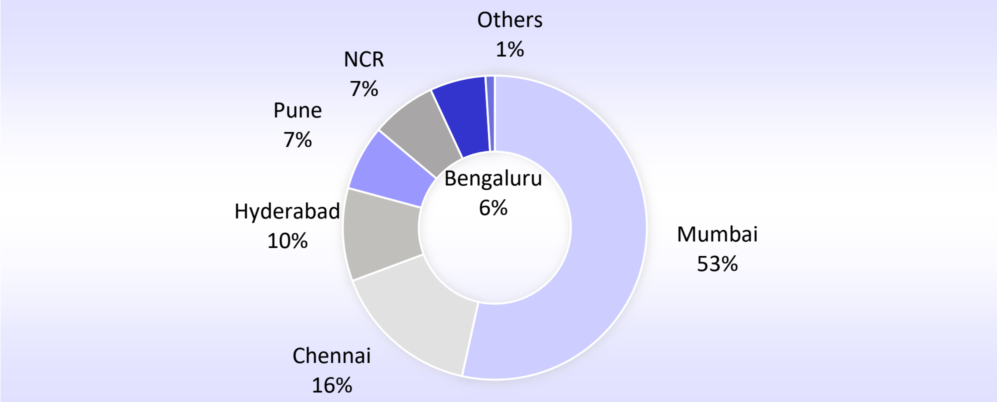
Exhibit 19: Mumbai accounts for 54% of all installed capacity currently



Source: Cushman & Wakefield, MOFSL

- Meanwhile, Chennai, Delhi NCR, and Hyderabad are emerging as key hubs, attracting investments with DC-friendly policies, abundant land, and robust power and water supplies and fostering growth across India's DC ecosystem.

Exhibit 20: Region-wise DC capacity (MW) by FY27



Source: ICRA, MOFSL

Exhibit 21: Mumbai continues to hold the lion's share in India's DC capacity

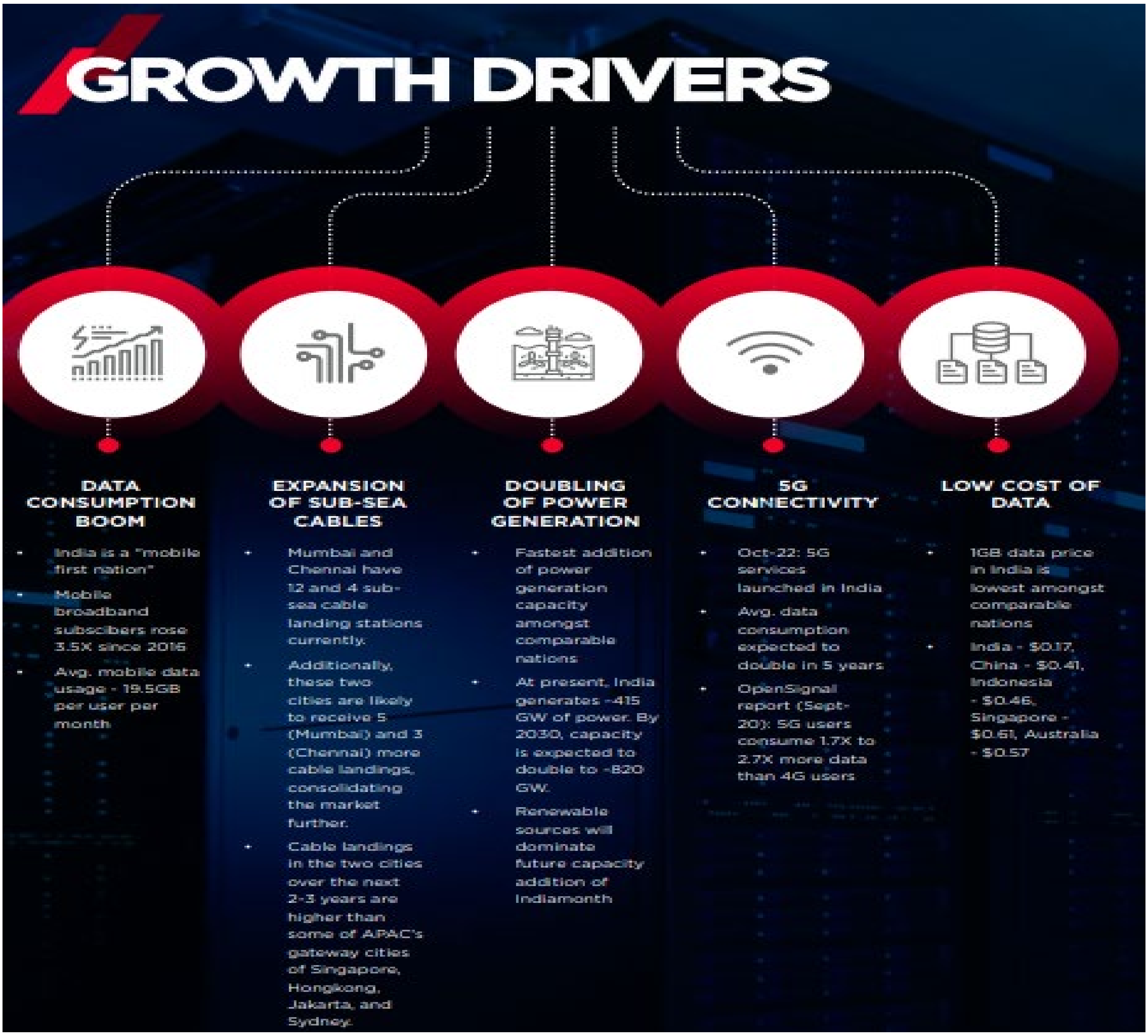
MW	Mumbai	Chennai	Benguluru	Delhi-NCR	Pune	Hyderabad	Kolkata
Total Capacity	490	147	97	94	64	48	10
Vacancy (%)	3.6%	6.9%	10.5%	16.5%	1.2%	6.4%	1.7%
Under Construction	347	259	50	162	45	34	51
Total Assets	42	22	31	33	18	13	8
Landing Stations	12	4	-	-	-	-	-
Supply	Most active market; has been on the radar of many international players	Ever-growing wholesale colocation market	New DC builds expected to attract occupiers	State policy with more incentives to push for more DCs	Majorly on precommitment by hyperscalers	Large self builds	Supplying to eastern India
Demand	Deal sizes are growing with larger hyperscaler deals getting signed	New cable landing to spur increased precommitments from cloud players	Technology, fintech, and e-commerce demand	Mostly hyperscale demand followed up by BFSI sector	Cloud / Hyperscaler dependent	BTS demand from cloud players	Enterprise demand. Landing station may change fortune
Pricing ($ per kW per Month)							
< 250 kW	100-136	100-109	91-109	95-113	86-100	95-113	100-118
250 Kw - 1 MW	91-113	95-104	89-104	89-100	80-95	89-100	91-100
1 - 5 MW	82-95	86-95	86-95	80-91	77-86	80-91	NA
> 5 MW	77-91	77-82	79-82	77-86	73-77	77-86	NA
Remarks	Best location for DCs in the country	Strategic significance coupled with growing presence of enterprises	Secure location for DCs: India's least active seismic zone	Availability of land, attractive policies & on-ground gov. support	BTS solutions - Proximity to mumbai but better risk profile	Pledged investments from major tech-giants and hyperscalers	Meets East-India enterprise demand

Source: Avendus, JLL, MOFSL

Delhi NCR, benefiting from favorable policies and land availability, along with Pune, located in proximity to Mumbai, are attracting hyperscale pre-commitments. Pricing varies by city and capacity size, reflecting differences in market maturity, demand profiles, and operational challenges.

- The competitive landscape of DCs across major Indian cities highlights Mumbai as the most active market, with significant hyperscale deals and the highest total capacity (490MW). Chennai, with its strategic coastal location, is emerging as a key wholesale colocation hub supported by new cable landing stations.
- Delhi NCR, benefiting from favorable policies and land availability, along with Pune, located in proximity to Mumbai, are attracting hyperscale pre-commitments. Pricing varies by city and capacity size, reflecting differences in market maturity, demand profiles, and operational challenges.
- **Multiple tailwinds are at play,** driving the growth of DCs, and we expect these tailwinds to sustain in the foreseeable future. These include: 1) accelerated adoption of cloud services; 2) artificial intelligence; 3) data localization requirement; 4) roll-out of 5G and increased bandwidth; 5) explosion in data creation and consumption.

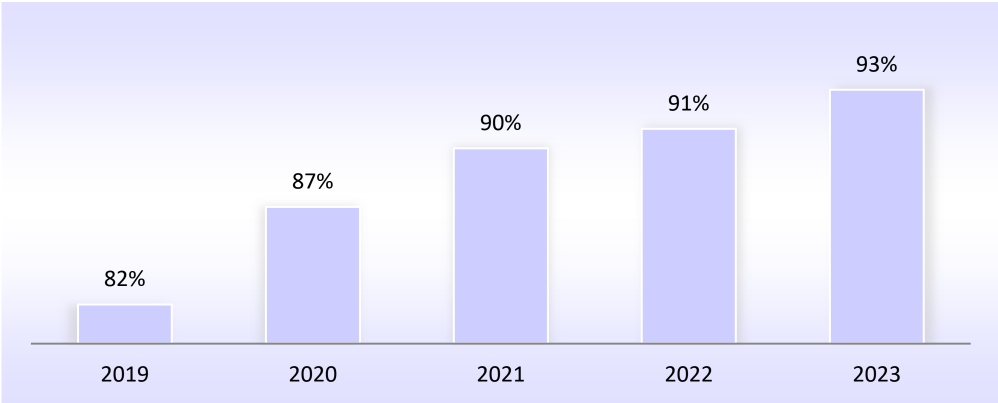
Exhibit 22: Growth drivers for colocation DCs



Source: Cushman & Wakefield, MOFSL

- According to the CBRE report, India currently has the highest DC capacity of around 950MW in Asia Pacific (excluding China). Sustained demand is expected from BFSI firms, technology corporations, and cloud service providers as they explore alternative solutions such as colocation and hyperscale facilities.
- The industry witnessed per year addition of 100 to 150MW from 2020 to 2023, reaching close to 900MW within three years. The increased capacity was well complemented by **the capacity absorption, with the utilization increasing from 82% in 2019 to 93% in 2023** as seen in the exhibit below.
- **We believe that the DC industry has entered the growth phase. This additional capacity build-up by FY27 will require an INR500 -550b investment in the next three years.**

Exhibit 23: Increased capacity was complemented by higher absorption



Source: ICRA, MOFSL

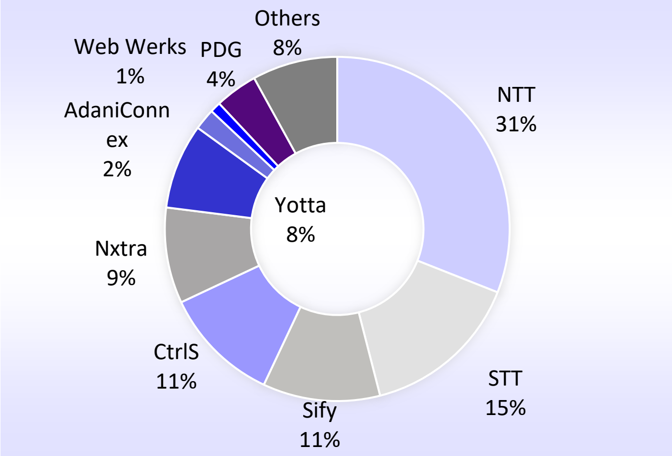
- As of 2023, the Indian DC market is dominated by a few key players, with NTT, STT, Nxtra, Sify, and CtrlS collectively holding a significant share of the market. However, the landscape is evolving with the emergence of new entrants such as Web Werks, AdaniConneX, Yotta, and others.

Exhibit 24: Top players with sizeable capacities and established presence in the market

Company	netmagic NTT	nxtra by airtel	STTelemedia Global Data Centres	CtrlS	sify	YOTTA
Key Shareholder	NTT Data Inc (Japan)	Airtel (76%) Carlyle (24%)	ST Telemedia (74%) Tata Comm. (26%)	Pioneer Group, Sculptor (29%)	Promoter (84%) ADRs (16%)	Hiranandani Group
Operational Assets	18 DCs	12 Hyperscale DCs 120+ Edge DCs	19 DCs	11 DCs	12 DCs	2 Hyperscale DCs 1 Edge DC
Operating Capacity (MW)	265	198	158	121	108	61
Upcoming Capacity (MW)	145	239	230	86	250	151
Geographic Presence	Mumbai, Bangalore, Chennai, Delhi-NCR	All 7 hubs (+) Bhubaneshwar	All 7 hubs (+) Ahmedabad	All 7 hubs (-) Pune (+) Lucknow (+) Patna	All 7 hubs (-) Pune	Mumbai, Delhi NCR, Gandhinagar
FY23 Revenue / EBITDA (INR Mn)	22,583 / 8,807	16,410 / 6,199	18,235 / 8,326	11,213 / 6,148	10,125 / 4,131	1,028 / 34
Remarks	NTT's business in India is growing at 40% CAGR over the last 3 years	Will invest INR 50 Bn to build 6 new hyperscale DCs and expand its capacity by 2x to 400+ MW	Intends to increase the share of renewable energy to 70%. Have invested in renewable plants owned by O2 Power and Avaada	To invest US$ 2 Bn over the next 6 years to expand into Asia and Middle East intending to add 350 MW of AI and cloud-ready DCs	Kotak DC Fund invested INR 16,000 Mn in Sify Infinit Spaces (Sify's DC arm) to expand DC capacity	Partnered with Vi Business (Vodafone Idea's enterprise arm) to enhance the data center and cloud services portfolio

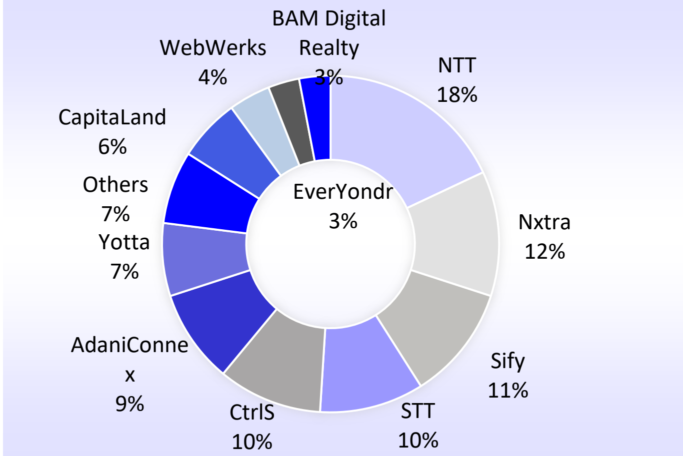
Source: Avendus, MOFSL

Exhibit 25: Colo Capacity as of 2023



Source: Cushman & Wakefield, MOFSL

Exhibit 26: Colo upcoming capacity share (2024-2028)



Source: Cushman & Wakefield, MOFSL

- While these new players will contribute to increased capacity and diversity, they are also expected to eat into the market share of established players.
- Currently, NTT holds the largest share of 31%, followed by STT (15% share) and Sify (11% share). While NTT and STT maintain a strong presence, new entrants such as Web Werks, AdaniConneX, and Yotta are gaining significant traction. The combined market share of the top five players could decline to around 66% by FY26, in our view.
- Overall, the Indian DC market is undergoing a period of rapid growth and transformation. The entry of new players and increased competition will likely lead to a more diverse and competitive market landscape.

B) ARCP's early mover advantage in catering to emerging DC demand

- ARCP entered the DC business in Sept'23 with plans to backfit three commercial projects (Tech Park in Manesar, Panchkula, and Rai) into DCs, targeting a total capacity of 300MW in the next four to five years. Moreover, its tech park in Manesar has received TIA-942 Tier III certification (Tier IV being the highest) from the Telecom Industry Association, which specifies the minimum requirements for DC infrastructure.

ARCP holds an early mover advantage over new entrants in terms of time and cost efficiency in the capital-intensive DC market. Setting up a DC requires significant investments, with approximately 40% of costs allocated to land and building (including fit-outs), 40% to electrical systems, and 20% to heating, ventilation, and cooling systems.

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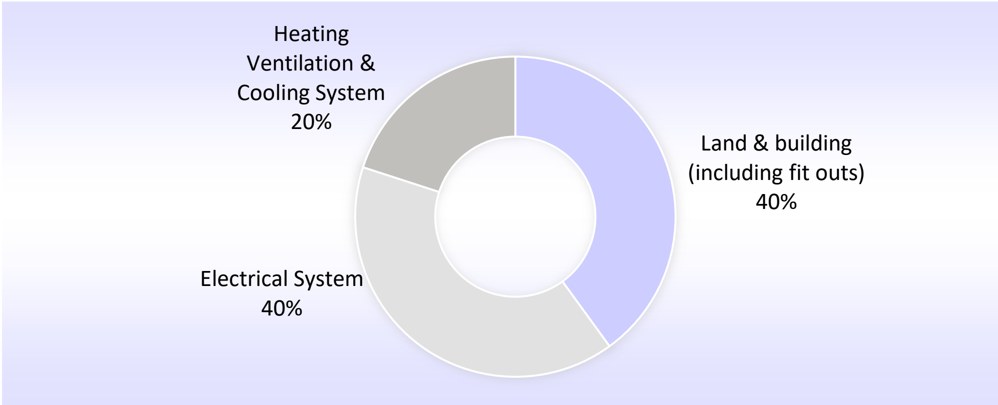
- According to CareEdge Ratings, the cost of setting up a DC in India is approximately INR400-450m per MW, but recent escalations in land, equipment, and other soft costs have pushed this to INR600-700m per MW for new facilities.
- ARCP further benefits from its three already-built tech parks, enabling it to construct DCs in just 6-9 months compared to the typical 3-5 years required by competitors. We believe these positions the company well to capitalize on emerging demand with greater speed and efficiency.

Exhibit 27: Cost breakup of a DC (%)



Source: Industry, CareEdge, MOFSL

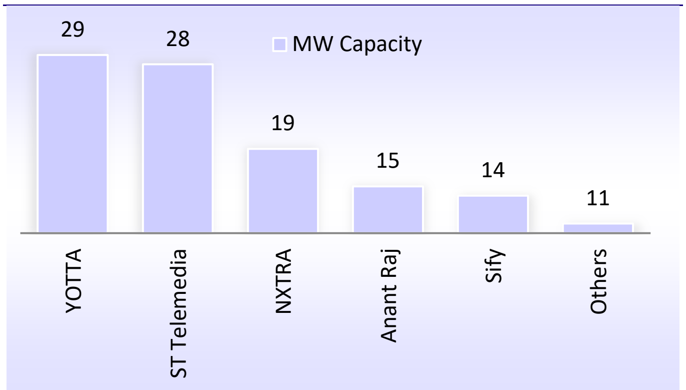
- In Manesar, ARCP has operationalized 6MW IT load capacity under Phase 1 with additional 15MW to be operational by 4QFY25, totaling 21MW under Phase 1. It plans to incrementally build 29MW IT load by FY26, bringing the total load capacity to 50MW under Phases 1 and 2.
- The Panchkula facility has 7MW IT load capacity under development, which is expected to be completed by 4QFY25. In Rai, 100MW can be added to the existing building structure and another 100MW greenfield center can be constructed on its land.

Exhibit 28: Ongoing and upcoming DC projects

Source: Company, MOFSL

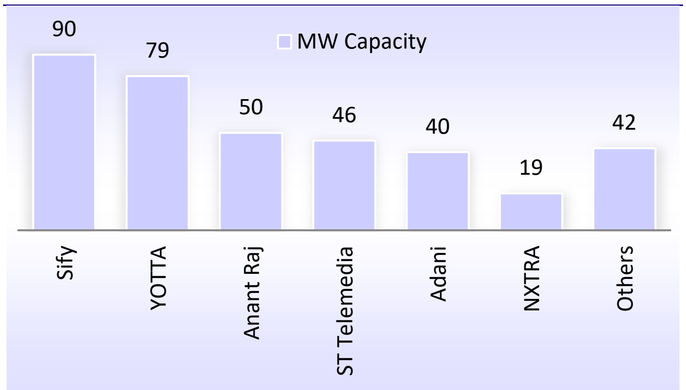
- Lease rentals for its DCs stand at INR9m per MW per month, while operating costs range between INR1.5-1.8m per MW. With lower construction costs compared to peers, this positions ARCP's DC business as a high-yielding, profitable segment.

Exhibit 29: Key players in Delhi-NCR – Existing capacity



Source: Company, MOFSL

Exhibit 30: Key players in Delhi-NCR – Upcoming capacity by FY26



Source: Company, MOFSL

- The Delhi-NCR region is positioned to grow in line with the broader DC industry, with ARCP expected to emerge as one of the leading players. As of 2022, the region had a DC capacity of 84MW, which is projected to expand significantly to 364MW by 2026.
- Delhi-NCR continues to witness strong demand for DCs, driven by its strategic location and growing digital needs. The region is set to experience rapid capacity additions and a dynamic operator landscape in the coming years.

C) ARCP's strategic move to expand into cloud services through Ashok Cloud

ARCP has formed a strategic MoU with Orange Business Services India Technology Pvt. Ltd., wherein Orange Business Services will design, build, and operate ARCP's cloud platform, establish servers at its DC, and promote and sell its colocation DC and cloud platform services to its customers.

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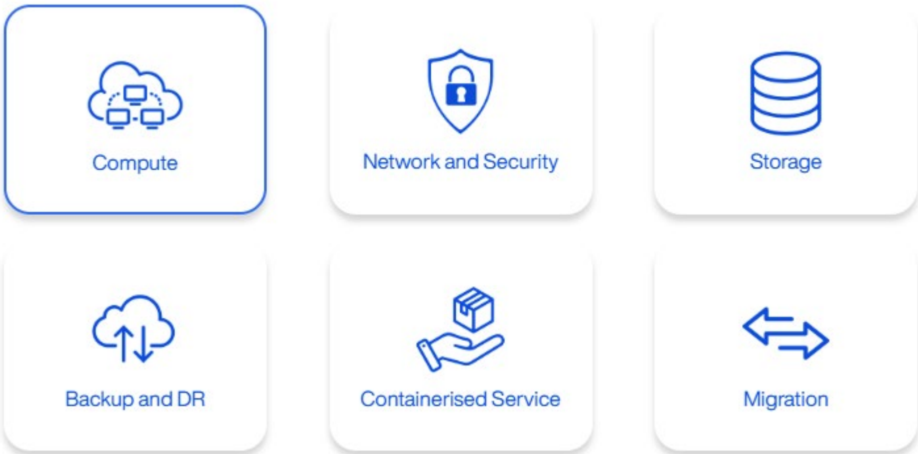
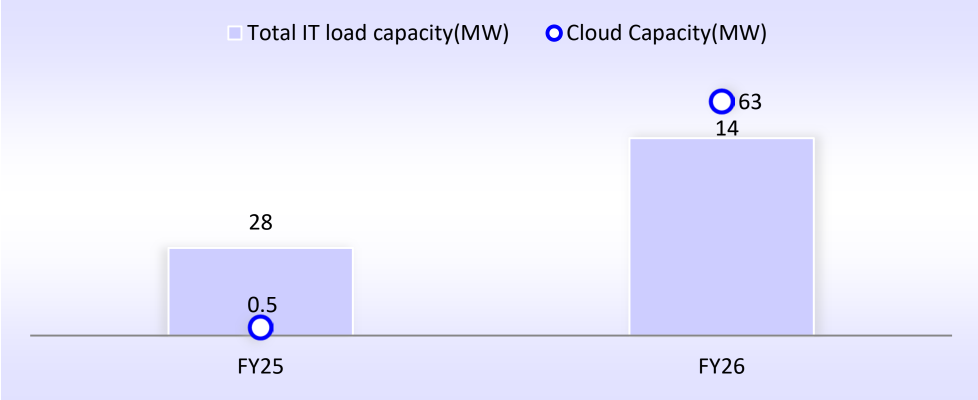
- The company plans to build an additional 35MW of IT load in FY26, which will bring the total load capacity to 63MW (28MW by FY2025). Out of the 63MW IT load, ARCP expects to build 14MW IT load for cloud services.
- Orange has begun setting up a cloud services facility, which is expected to be operational by 4QFY25. This project will help enhance service offerings and solidify its position in cloud technology.
- The company formed a partnership with RailTel for the use of DCs and formed a strategic alliance with TCIL for cloud and colocation services at Manesar. The cloud service is expected to have 4x to 5x higher margin than renting DCs due to the added value of managed services, scalability, and the ability to offer customized cloud solutions on top of the basic DC infrastructure.

Exhibit 31: Services offered by Ashok Cloud



Source: Company, MOFSL

Exhibit 32: Cloud services are expected to grow exponentially in total load capacity by FY26



Source: Company, MOFSL

- With Ashok Cloud, the company has diversified into the Infrastructure as a Service (IaaS) model, gaining traction in the space. The yields from cloud services are higher than those from colocation leasing, offering the potential for enhanced profitability with a good sales mix.
- Cloud Services (IaaS) will see a gradual increase in rates from INR100m per MW per month in FY24 to INR123m per MW per month by FY32, reflecting a consistent demand for premium cloud infrastructure. Cloud Services' share in total capacity is set to increase from 8% in FY24 to 25% in FY32, highlighting the strategic shift towards higher-margin services.

D) Strong OCF and net cash flow generation on the cards

- ARCP is on strong footing with strong sales for the real estates segment as well as the continuous ramp up of the rentals from the Data Center and cloud business.
- Real Estates business has average operating margin north of 45% while rental business from the commercial as well as Data Center and cloud business is upwards of 75% resulting in strong cashflow generation.

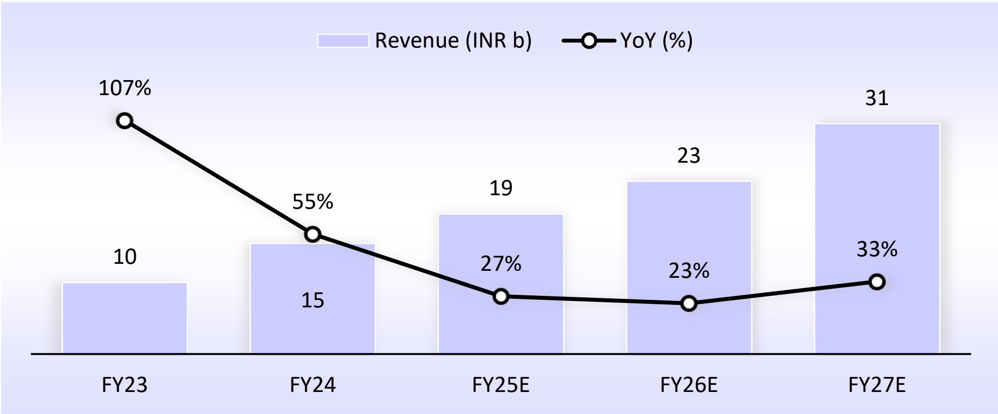
- ARCP to generate operating cashflow of INR189b over FY25E-30E while net cashflow post interest payout and Capex is INR15b as capex embarked for the commissioning of annuity i.e. commercial as well Data Center and cloud is INR165b.

E) Revenue to record 28% CAGR over FY24-27E

In the next six years, revenue from data centers (DC) and cloud services is expected to contribute equally to the real estate business.

- In the next six years, revenue from data centers (DC) and cloud services is expected to contribute equally to the real estate business. In FY25, it is projected to contribute only INR348m, while by FY30, the DC and cloud businesses are anticipated to start contributing equally to the revenue. Revenue for FY30 is estimated at INR160b, with the DC and cloud businesses likely to contribute INR72b.
- Most importantly, we have only considered the rental income from data centers and cloud services, while additional services such as Software as a Service (SaaS) and Platform as a Service (PaaS) have yet to be factored in. These services are expected to further increase revenue beyond current levels.

Exhibit 33: Revenue to grow at 28% CAGR over FY24-27E



Source: Company, MOFSL

F) Debt not concerning due to the ramp-up of DC and Cloud businesses

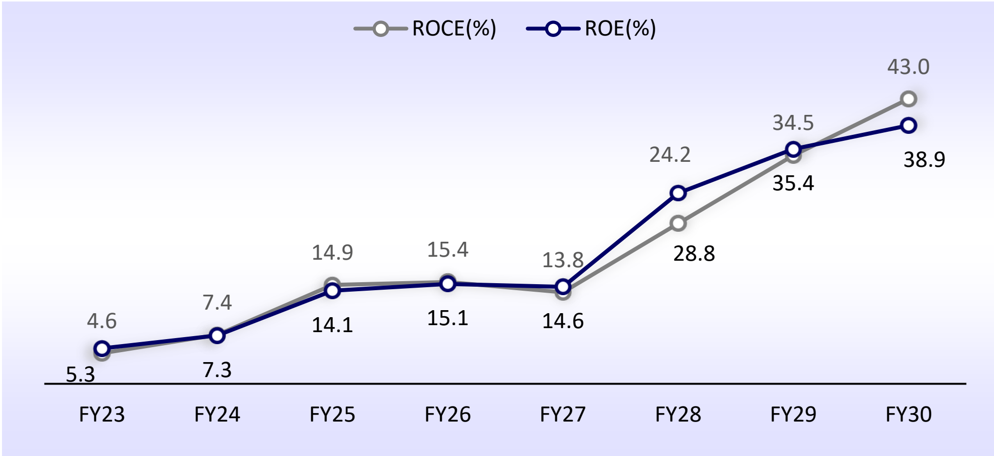
ARCP's return ratios, such as RoE and RoCE, have historically remained in single digits. However, they are projected to improve from FY25 towards the ~40% level.

- Currently, ARCP is in capex mode, which is expected to increase the debt to INR59b. However, it is anticipated that the debt will begin to decline after FY28, with a projection of becoming net cash by FY30.
- ARCP's debt-to-equity ratio is projected to peak at 0.7x in FY28, supported by a robust cash generation strategy that will enable the company to achieve positive cash flow by FY30.

G) Return profile set to improve

- ARCP's return ratios, such as RoE and RoCE, have historically remained in single digits. However, they are projected to improve from FY25 towards the ~40% level.

Exhibit 34: RoE & RoCE to witness improvement



Source: Company, MOFSL

- RoE is projected to increase to 39% in FY30E, up from 7.3% in FY24. Similarly, RoCE is expected to rise to 43.0% from 7.4% over the same period.

Key financial assumptions and valuations

Expect ARCP to reach 307MW capacity by FY32 with colocation services occupying 75% capacity while cloud services sharing 25%

Key assumptions

- For ARCP, we expect revenue to clock 26.5%/23.3%/33.3% YoY growth over FY25E/FY26E/FY27E. EBITDA margin is anticipated to see significant improvement with 46.9%/50.8%/50.6% during the same period from 22.5% in FY24. We anticipate adj. PAT to grow by 124%/26%/14% in FY25E/FY26E/FY27E, resulting in a 47% CAGR over FY24-27E.
- ARCP's return ratios, including RoE and RoCE, which have historically remained in single digits, are set to improve significantly. RoE is projected to rise from 7.3% in FY24 to 14.6% in FY27E, while RoCE is expected to increase from 7.4% to 13.8% over the same period.
- Co-location services are expected to maintain steady rental rates of INR9-11m per MW per month, with a 3% annual rent escalation. Cloud Services (IaaS) will see a gradual increase in rates to INR123m per MW per month by FY32 from INR100m per MW per month in FY24, reflecting a consistent demand for premium cloud infrastructure.
- The DC capacity is primarily driven by co-location services, which dominate the capacity share, although their proportion is expected to decline to 75% by FY32 from 92% in FY24 as the focus on Cloud Services intensifies.
- Currently, ARCP is in a capital expenditure phase, which is expected to increase the debt to INR59b. ARCP's debt-to-equity ratio is projected to peak at 0.7x in FY28, supported by a robust cash generation strategy that will enable the company to achieve positive cash flow by FY30.
- Cloud Services' share is set to increase from 8% in FY24 to 25% in FY32, highlighting the strategic shift towards higher-margin services.
- Total capacity is projected to grow significantly, to 307MW by FY32 from 6MW in FY24. Co-location capacity will scale from 2 MW to 230MW, while Cloud Services capacity will expand to 77MW from 0.5MW.

Exhibit 35: Key Financial Assumptions

DC - Rental Assumptions	FY24	FY25E	FY26E	FY27E	FY28E	FY29E	FY30E	FY31E	FY32E
Rent escalation	3%								
Co-location (INRm/per MW/month)	9	9	9	10	10	10	10	11	11
Cloud Services (IaaS) (INRm/per MW/month)	100	100	103	106	109	113	116	119	123
DC capacity - Break – up									
Co-location	92%	85%	92%	85%	83%	78%	79%	78%	75%
Cloud Services	8%	15%	8%	15%	17%	23%	21%	22%	25%
Total	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**
Capacity under Co-Location (MW)	2	22	37	74	121	148	181	217	230
Cloud Services (MW)	0.5	4	4	15	29	45	52	64	77
Cloud work in progress	3.5	0	11	14	16	7	12	13	0
Total Capacity Cumulative (MW)	**6**	**26**	**52**	**103**	**166**	**200**	**245**	**294**	**307**

Source: MOFSL estimates

Exhibit 36: Co-location capex schedule

Colocation Capex Schedule		Capex per MW (INRm)	FY25E	FY26E	FY27E	FY28E	FY29E	FY30E	FY31E	FY32E
Escalation rate	**4%**									
Brownfield Capex										
Capex (INRm/MW)		260	270	281	292	304	316	329	342	356
Capacity Addition			17	26	40	30	-	-	-	-
Total Brownfield Capex			**4,462**	**7,312**	**11,699**	**9,125**	**-**	**-**	**-**	**-**
Greenfield Capex										
Capex (INRm/MW)		340	354	368	382	398	414	430	447	465
Capacity Addition			0	0	0	19	18	38	37	0
Total Greenfield Capex			**-**	**-**	**-**	**7,557**	**7,446**	**16,348**	**16,554**	**-**
Total Capex			**4,462**	**7,312**	**11,699**	**16,682**	**7,446**	**16,348**	**16,554**	**-**

Source: MOFSL estimates

Exhibit 37: Cloud capex schedule

Cloud Capex Schedule		Capex per MW (INRm)	FY25E	FY26E	FY27E	FY28E	FY29E	FY30E	FY31E	FY32E
Escalation rate	**4%**									
Capex (INRm/MW)		1,000	1,000	1,040	1,082	1,125	1,170	1,217	1,265	1,316
Capacity Addition			3.5	0	11	14	16	7	12	13
Total Capex			**3,500**	**-**	**11,898**	**15,748**	**18,718**	**8,517**	**15,184**	**17,107**

Source: MOFSL estimates

Valuations and View

- ARCP’s residential segment is expected to deliver 14msf over FY25-30, generating a cumulative NOPAT of INR85.1b.
- Residential business cash flow, discounted at 11.6% WACC and with a 5% terminal growth rate, accounts for INR2.5b in annual business development expenses, yielding a GAV of INR140b, or INR409/share.
- The annuity business cash flow is discounted at a capitalization rate of 8.5%, valuing it at INR13b or INR38/share.
- ARCP, having entered the DC business in Sep’23, is well-positioned to capitalize on these trends. We believe with its early-mover advantage and efficient cost management, the company is set to transform three existing tech parks into cutting-edge DCs, targeting a total capacity of 300MW over the next 4-5 years.
- The company’s move into the cloud services space and tapping into the Infrastructure as a Service (IaaS) model offer the potential for 4–5x higher margins than traditional co-location. This further strengthens ARCP’s profitability, in our opinion.
- That said, slower-than-expected capacity expansion could hinder ARCP, allowing competitors to capture market share. Additionally, the company's recent entry into cloud services faces strong competition from established players and hyperscalers, which could limit its market penetration. As a result, execution will be a key monitorable moving forward.
- We expect ARCP’s DC revenue to grow materially, with capacity increasing from 6 MW in FY24 to 307 MW by FY32, and a shift towards cloud services, which will expand from 0.5 MW to 77 MW over the same period.

- This growth, coupled with a projected EBITDA margin expansion to 77% by FY30E, reflects ARCP's ability to scale operations and achieve strong profitability.
- We expect data center business to start generating positive EBIT from FY26 onwards and positive free cash flows from FY30 onwards. We expect NOPAT to reach INR 60b from Data center business by FY32.
- We model the free cash flows for data center business till FY32 using discounting rate of 11.6%, a rental escalation of 3% and a terminal growth rate of 3%, resulting in EV of INR200b or INR580/share.
- We set a TP of INR 1,100 based on our SOTP-based valuation and initiate coverage on the stock with a **BUY** rating.

Exhibit 38: DCF valuation – DC business

FCFF (INR m)	FY24	FY25E	FY26E	FY27E	FY28E	FY29E	FY30E	FY31E	FY32E	TV
EBIT	**-72**	**-265**	**2,284**	**6,000**	**15,721**	**32,156**	**47,814**	**62,833**	**80,737**	
TAX	-18	-68	585	1,536	4,025	8,232	12,240	16,085	20,669	
NOPAT	**-53**	**-197**	**1,699**	**4,464**	**11,697**	**23,924**	**35,573**	**46,748**	**60,068**	
Depreciation & Amortisation	78	520	1,047	2,648	5,059	6,650	7,565	9,185	10,568	
Capex	1,560	8,908	10,989	32,550	49,826	34,230	19,880	33,329	29,279	
FCFF	**(1,535)**	**(8,585)**	**(8,243)**	**(25,438)**	**(33,070)**	**(3,656)**	**23,258**	**22,605**	**41,357**	**4,97,033**
PV of FCFF	**(1,535)**	**(8,128)**	**(6,995)**	**(19,347)**	**(22,543)**	**(2,234)**	**12,737**	**11,095**	**2,36,853**	

EV	**1,99,903**	**WACC**	**11.6%**
Debt	6,267	**Terminal Growth**	3%
Equity Value	1,93,636		
Equity Value / Share (Rounded)	**580**		

Source: MOFSL estimates

Exhibit 39: SOTP-based valuation table

Nav Calculation	Rationale	INR b	Per share (INR)	(%)
Residential	❖ DCF of 6 years cash flow at WACC of 11.6% and terminal value assuming 5% long term growth	140	409	37
Commercial	❖ Cap rate of 8.5% for operational assets and DCF for ongoing and planned assets	13	38	3
Land	❖ 20% discount to tentative market rate	29	84	8
DC & Cloud	❖ DCF of 7 years cash flow at WACC of 11.6% and terminal value assuming 3% long term growth	200	580	53
GAV		381	1111	101
Less: Debt		3	10	1
Net Asset Value (rounded)		378	1100	100
CMP			**838**	
Upside/downside			31%	

Source: MOFSL estimates

Key risks

- ARCP primarily operates in the NCR region and other cities in North India. A downturn in the real estate market in these areas or shifts in customer preferences could significantly impact the company’s operating results.
- Any delays in launch of projects and a downside risk to pricing assumptions would reduce the NAV values for residential projects.
- The company's real estate projects are vulnerable to regulatory delays, material shortages, and cost overruns, which heighten execution risks.
- Additionally, fluctuations in input costs and supply chain disruptions may lead to project delays, further affecting operational outcomes.
- Slower-than-anticipated expansion in DC capacity could adversely affect the company’s financial results and provide competitors with opportunities to capture market share.
- The company’s recent diversification into cloud services, offering Infrastructure as a Service (IaaS), Platform as a Service (PaaS), and Software as a Service (SaaS), may face stiff competition from established players and hyperscalers, potentially impacting market penetration and profitability.

ESG initiatives

Environment

- ARCP emphasizes sustainable construction practices by integrating eco-friendly materials and technologies in its projects. This commitment helps reduce the environmental footprint of their developments.
- The company has implemented energy-efficient systems in its buildings, including the use of solar panels and energy-efficient lighting. These initiatives aim to minimize energy consumption and promote renewable energy sources.
- The company takes initiatives for the safe disposal of E-waste by handling the waste to authorized recyclers. The company is progressively incorporating circularity in its projects reducing the demand for new virgin materials.

Social

- The company benchmarks its Safety, Health, and Environment practices against industry leaders, ensuring high standards in air quality management and equipment maintenance. Project-specific safety committees are established to identify improvement areas and promote the use of non-flammable substitutes at construction sites.
- The Company has in place a systematic risk management process to identify and control all the hazards in construction project sites and offices. The Company collects and review information about the hazards present or likely to be present in the workplace.
- The company is committed to social responsibility by developing affordable housing solutions that cater to diverse income groups, thereby contributing to the reduction of housing shortages in urban areas.

Governance

- ARCP adheres to high standards of corporate governance, emphasizing transparency and accountability in all its operations. This includes regular audits and compliance with regulatory requirements.
- ARCP maintains open communication with its stakeholders, including shareholders, employees, and customers, to ensure their interests are considered in corporate strategies and operations.
- ARCP's stakeholder engagement mechanism aids in identifying key material issues that influence the company's growth, which are then presented to the board for feedback and strategic guidance. To ensure relevance, the company regularly reviews its stakeholder engagement practices, facilitating ongoing dialogue with both internal and external groups.

Bull and Bear cases

Bull Case

- ☑ Revenue is projected to grow at a ~30% CAGR from FY24-27E, driven by rising demand for data center services, increased enterprise reliance on colocation, and the rapid adoption of cloud technologies. Coupled with a strong push from government initiatives like Digital India, localization of data center is expected to sustain this growth trajectory.
- ☑ Adjusted EBITDA margins are expected to remain strong at 51% by FY27, supported by operational leverage, and a favorable shift toward high-margin enterprise and cloud customers.
- ☑ EPS is forecasted to grow at a ~53% CAGR over the same period, benefiting from strong revenue growth, and margin expansion.

Bear Case

- ☑ Revenue is projected to grow at ~26% CAGR over FY24-27, hindered by pricing pressures in a competitive market and slowing growth in data demand. Delays in enterprise adoption of colocation services or regulatory changes could further affect growth prospects.
- ☑ EBITDA margins are expected to reach 42% by FY27, driven by rising energy costs, higher competition, and an unfavorable customer mix. The inability to fully pass on cost increases to clients and operational inefficiencies might contribute to margin compression.
- ☑ EPS is anticipated to clock 31% CAGR over FY24-27, reflecting margin pressures, and higher interest and depreciation costs from recent capacity expansions that fail to deliver expected returns.

Scenario analysis: Base | Bull | Bear

	Base				Bull			Bear		
INR m	FY24	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E
Revenue	14,833	18,768	23,136	30,832	18,768	23,508	32,294	18,768	23,036	30,633
Gr (%)		27	23	33	27	25	37	27	23	33
EBITDA	3,338	8,805	11,745	15,592	8,795	12,003	16,614	8,330	10,058	12,986
EBITDA Margin (%)	23	47	51	51	47	51	51	44	44	42
Dep+Int-OI	152	849	1,753	4,252	781	1,629	3,977	938	1,977	4,952
Tax rate (%)	17	25	25	25	25	25	25	25	25	25
PAT	2,659	5,953	7,477	8,486	5,997	7,763	9,456	5,532	6,047	6,011
EPS (INR)	7.8	17.4	21.9	24.8	17.5	22.7	27.7	16.2	17.7	17.6
Gr (%)		124	26	13	126	29	22	108	9	-1
RoE (%)	7.3	14.1	15.1	14.6	14.1	15.5	16.0	13.2	12.7	11.2
SoTP based TP				1,100			1,680			580
Upside (%)				31			108			-28

SWOT analysis

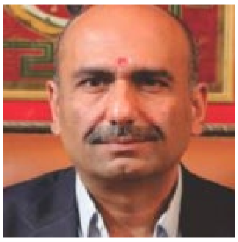
- ☑ Early entry into the DC market with retrofitted tech parks, cutting setup time and costs.
- ☑ Cloud services deliver 4–5x higher margins than colocation, driving profitability.
- ☑ Existing tech parks enable rapid DC construction in 6–9 months, far quicker than the typical 3–5 years.

- ☑ Operations are concentrated in key regions like Delhi-NCR, exposing the company to regional risks.
- ☑ High DC setup costs have risen to ₹60–70 crore per MW due to increased land and equipment expenses.

- ☑ India's DC market is set to double by FY26, driven by digital adoption, 5G, and data localization.
- ☑ Digital India policies and data localization incentives support growth.
- ☑ Rising AI, IoT, and cloud adoption by enterprises and hyperscalers present growth opportunities.

- ☑ Established players (NTT, STT) and new entrants (AdaniConneX, Yotta) could impact market share and margins.
- ☑ Escalation in construction costs for DCs could impact profitability.
- ☑ Changes in data protection laws or policies could increase compliance costs.

Management team



Amit Sarin
Managing Director

Amit Sarin is MD of the company and belongs to fourth generation of management team. He has over 3 decades of experience in business of construction, Infrastructure, Development, Real Estate, Finance and Administration.

Aman Sarin
Chief Executive Officer

Aman Sarin is CEO of company and has experience of over 2 decades. He is responsible for setting up internal system of the Company in Sales and Marketing, Land Acquisition and Operations Management.

Ashim Sarin
Chief Operating Officer

Ashim Sarin is Chief Operating officer of company hailing his Masters in Business Administration from Switzerland. He manages the construction, and development of business, including operations of IT Parks, office buildings, hospitality and other development projects. Besides construction, he is also responsible for marketing and operations of the projects.

Pankaj Kumar Gupta
Chief Financial Officer

Pankaj Kumar Gupta is Chief Financial Officer of the company. He is associated with company since 2008. He has experience of 16 years for Accounts and Finance at Anant Raj Ltd.

Manoj Kumar Goyal
Chief Business Officer

Manoj Kumar Goyal is Chief Business Officer for Anant Raj Ltd. He has over 23 years of experience in Real estate covering Corporate & Business Strategy, Asset Management, Fund Raising & Business Development. He is associated with the company from 2020.

Gaurav Sharma
VP, Data Centres, Real Estate and IR

Gaurav Sharma is Vice President for Data Centres , Real Esate and Investor relations at Anant Raj Ltd. He has experience in Hospitality Management and Operations. He is associated with Anant Raj for 11 years now.

Financials and valuations

Consolidated - Income Statement (INR m)

Y/E March	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
Total Income from Operations	**2,497**	**4,619**	**9,569**	**14,833**	**18,768**	**23,136**	**30,832**
Change (%)	NA	85.0	107.2	55.0	26.5	23.3	33.3
Total Expenditure	**2,143**	**3,860**	**7,599**	**11,495**	**9,963**	**11,391**	**15,240**
% of Sales	85.8	83.6	79.4	77.5	53.1	49.2	49.4
EBITDA	**354**	**759**	**1,971**	**3,338**	**8,805**	**11,745**	**15,592**
Margin (%)	14.2	16.4	20.6	22.5	46.9	50.8	50.6
Depreciation	172	167	165	181	594	1,161	2,856
EBIT	**182**	**592**	**1,806**	**3,157**	**8,211**	**10,583**	**12,736**
Int. and Finance Charges	306	271	318	346	705	1,064	1,892
Other Income	200	394	479	374	450	473	496
PBT bef. EO Exp.	**76**	**715**	**1,967**	**3,186**	**7,956**	**9,992**	**11,340**
EO Items	0	0	0	0	0	0	0
PBT after EO Exp.	**76**	**715**	**1,967**	**3,186**	**7,956**	**9,992**	**11,340**
Total Tax	74	231	523	540	2,002	2,515	2,854
Tax Rate (%)	96.9	32.2	26.6	17.0	25.2	25.2	25.2
Minority Interest/Profit from JV	104	64	67	14	0	0	0
Reported PAT	**106**	**549**	**1,511**	**2,659**	**5,953**	**7,477**	**8,486**
Adjusted PAT	**106**	**549**	**1,511**	**2,659**	**5,953**	**7,477**	**8,486**
Change (%)	NA	415.5	175.3	76.0	123.9	25.6	13.5
Margin (%)	4.3	11.9	15.8	17.9	31.7	32.3	27.5

Consolidated - Balance Sheet (INR m)

Y/E March	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
Equity Share Capital	590	590	648	684	684	684	684
Total Reserves	24,405	25,801	27,603	35,880	41,662	48,968	57,283
Net Worth	**24,995**	**26,391**	**28,251**	**36,564**	**42,346**	**49,652**	**57,967**
Minority Interest	370	353	332	282	282	282	282
Total Loans	14,987	9,681	11,011	6,472	12,972	19,472	34,472
Deferred Tax Liabilities	190	251	374	512	512	512	512
Other non-current liabilities	1,056	1,696	1,845	1,804	1,804	1,804	1,804
Capital Employed	**41,597**	**38,373**	**41,813**	**45,634**	**57,916**	**71,722**	**95,037**
Gross Block	15,179	15,185	15,270	15,527	24,685	35,924	70,964
Less: Accum. Deprn.	1,918	2,084	2,217	2,389	2,983	4,145	7,001
Net Fixed Assets	**13,261**	**13,101**	**13,052**	**13,138**	**21,701**	**31,779**	**63,963**
Other Non- current Assets	3,908	4,130	3,951	4,931	4,931	4,931	4,931
Capital WIP	904	476	185	215	887	2,683	2,071
Total Investments	**4,225**	**4,602**	**4,603**	**3,018**	**3,018**	**3,018**	**3,018**
Curr. Assets, Loans&Adv.	**23,807**	**21,542**	**21,774**	**27,380**	**30,478**	**32,467**	**24,309**
Inventory	14,566	11,349	11,967	14,159	14,058	12,576	6,623
Account Receivables	436	218	513	996	1,004	1,047	1,058
Cash and Bank Balance	374	308	691	3,212	6,403	9,830	7,616
Other current assets	8,431	9,666	8,603	9,013	9,013	9,013	9,013
Curr. Liability & Prov.	**4,509**	**5,477**	**1,753**	**3,049**	**3,100**	**3,156**	**3,256**
Account Payables	69	60	136	192	243	299	399
Other Current Liabilities	4,431	5,408	1,608	2,846	2,846	2,846	2,846
Provisions	8	10	9	11	11	11	11
Net Current Assets	**19,299**	**16,064**	**20,021**	**24,331**	**27,378**	**29,310**	**21,053**
Appl. of Funds	**41,597**	**38,373**	**41,812**	**45,634**	**57,916**	**71,722**	**95,037**

Financials and valuations

Ratios

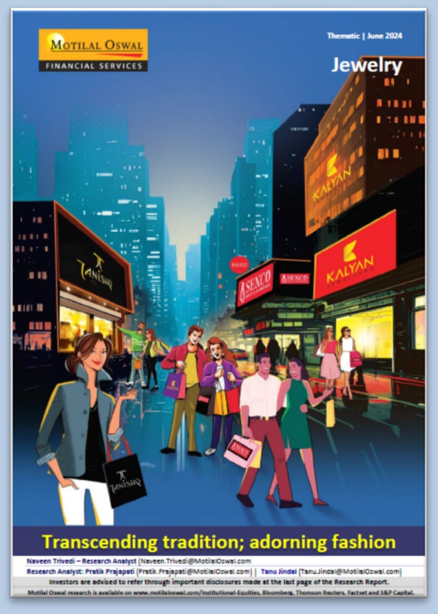
Y/E March	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
Basic (INR)							
EPS	**0.4**	**1.9**	**4.7**	**7.8**	**17.4**	**21.9**	**24.8**
Cash EPS	0.9	2.4	5.2	8.3	19.2	25.3	33.2
BV/Share	84.7	89.4	87.2	106.9	123.9	145.2	169.5
DPS	0.1	0.1	0.5	0.7	0.5	0.5	0.5
Payout (%)	27.7	6.5	10.7	9.4	2.9	2.3	2.0
Valuation (x)							
P/E	NA	NA	179.7	107.7	48.1	38.3	33.8
Cash P/E	NA	NA	162.0	100.9	43.8	33.2	25.3
P/BV	9.9	9.4	9.6	7.8	6.8	5.8	4.9
EV/Sales	NA	NA	29.0	19.3	15.4	12.7	10.1
EV/EBITDA	NA	NA	140.6	85.8	32.9	24.9	19.9
FCF per share	-3.8	13.1	1.0	3.9	-7.1	-5.4	-44.3
Return Ratios (%)							
RoE	0.4	2.1	5.3	7.3	14.1	15.1	14.6
RoCE	0.5	1.6	4.6	7.4	14.9	15.4	13.8
Turnover Ratios							
Asset Turnover (x)	0.1	0.1	0.2	0.3	0.3	0.3	0.3
Inventory (Days)	NA	NA	456	348	273	198	78
Debtor (Days)	64	17	20	25	20	17	13
Creditor (Days)	10	5	5	5	5	5	5
Leverage Ratio (x)							
Current Ratio	5.3	3.9	12.4	9.0	9.8	10.3	7.5
Interest Cover Ratio	0.6	2.2	5.7	9.1	11.6	9.9	6.7
Net Debt/Equity	0.4	0.2	0.2	0.0	0.1	0.1	0.4

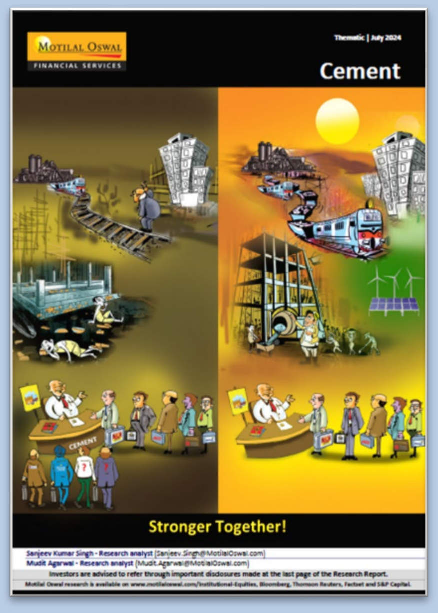
Consolidated - Cash Flow Statement (INR m)

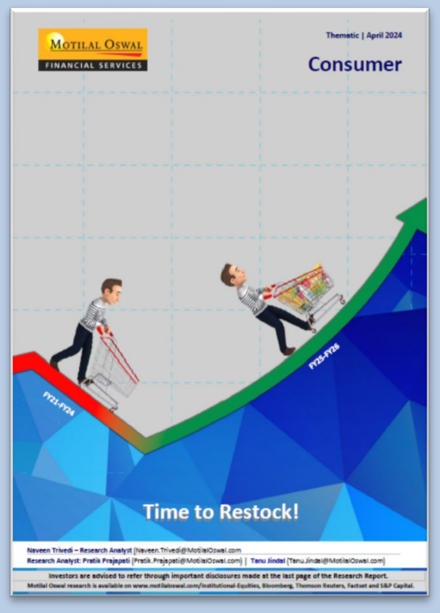
Y/E March	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
OP/(Loss) before Tax	76	715	1,967	3,186	7,956	9,992	11,340
Depreciation	172	167	165	181	594	1,161	2,856
Interest & Finance Charges	277	261	308	326	705	1,064	1,892
Direct Taxes Paid	-74	-231	-523	-540	-2,002	-2,515	-2,854
(Inc)/Dec in WC	-1,866	3,617	-1,159	-3,068	144	1,495	6,042
CF from Operations	**-1,415**	**4,530**	**759**	**84**	**7,397**	**11,197**	**19,276**
Others	-83	-297	-430	-339	0	0	0
CF from Operating incl EO	**-1,499**	**4,233**	**329**	**-255**	**7,397**	**11,197**	**19,276**
(Inc)/Dec in FA	389	-377	0	1,584	-9,830	-13,035	-34,428
Free Cash Flow	**-1,110**	**3,856**	**329**	**1,329**	**-2,433**	**-1,838**	**-15,152**
Others	465	682	-202	224	0	0	0
CF from Investments	**853**	**305**	**-203**	**1,808**	**-9,830**	**-13,035**	**-34,428**
Issue of Shares	0	0	0	0	0	0	0
Inc/(Dec) in Debt	1,137	-5,205	-40	-4,070	6,500	6,500	15,000
Interest Paid	-277	-261	-308	-326	-705	-1,064	-1,892
Dividend Paid	-8	-30	-35	-162	-171	-171	-171
Others	-21	884	404	5,714	0	0	0
CF from Fin. Activity	**830**	**-4,613**	**20**	**1,156**	**5,624**	**5,265**	**12,937**
Inc/Dec of Cash	**185**	**-74**	**146**	**2,709**	**3,191**	**3,427**	**-2,215**
Opening Balance	84	269	194	341	3,050	6,241	9,668
Closing Balance	**269**	**194**	**341**	**3,050**	**6,241**	**9,668**	**7,453**

REPORT GALLERY

RECENT STRATEGY/THEMATIC REPORTS







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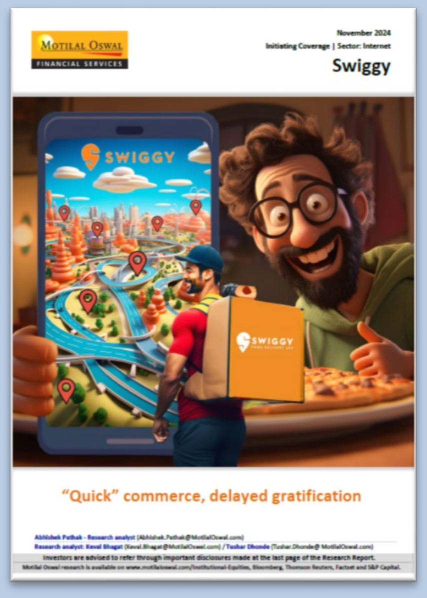

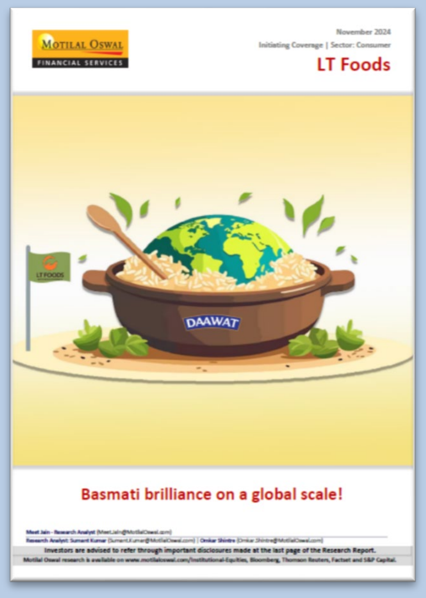

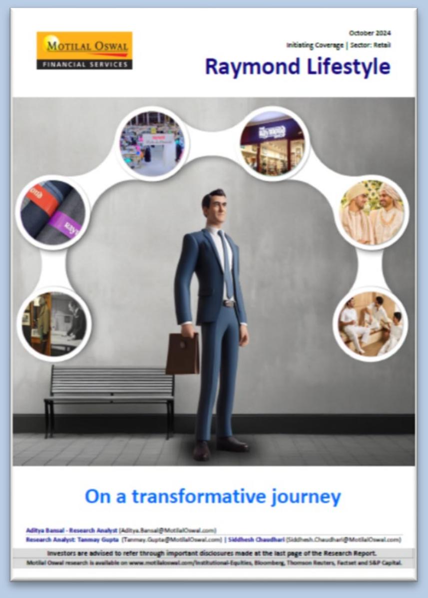

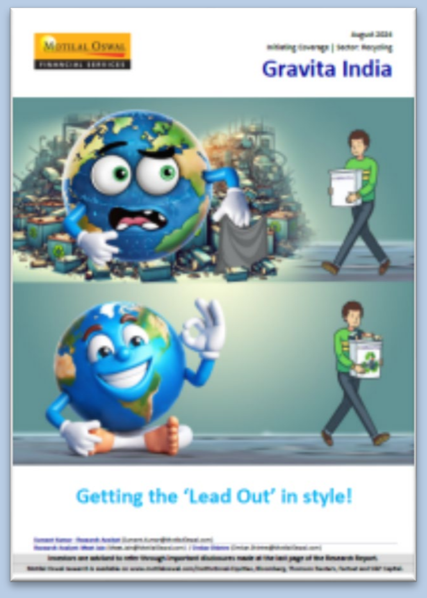

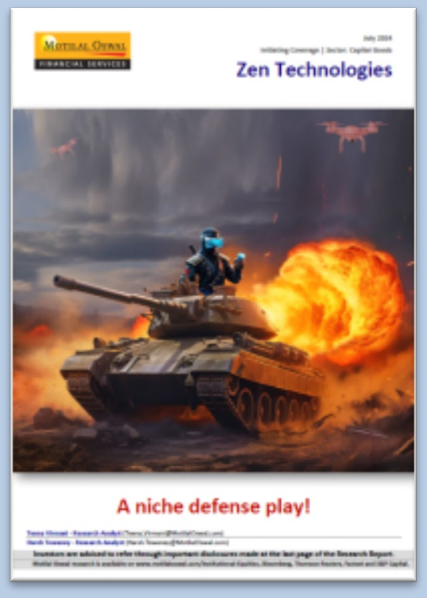

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BUY	>=15%
SELL	< - 10%
NEUTRAL	> - 10 % to 15%
UNDER REVIEW	Rating may undergo a change
NOT RATED	We have forward looking estimates for the stock but we refrain from assigning recommendation

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