

JP CHALASANI/PUNJ LLOYD GROUP

We expect more than \$2 billion new orders by end of August

BY SHEREEN BHAN
CNBC-TV18

INTERVIEW

Punj Lloyd Ltd managing director and group CEO J.P. Chalasani says he is very bullish on the company's order book position. Punj Lloyd has already booked orders worth \$800 million and hopes to take it to more than \$2 billion by August in this financial year. The company's debt reduction plans, he said, are on track. Edited excerpts:

On order book:

This year, the order book looks quite good for us. In the first two months itself, we booked over \$800 million worth of work and more than a \$1 billion orders are in the finalization stage.

We expect these to come in

in the next two months' time. We already booked around \$800 million and by August-end, I expect that we would have new orders in this financial year of more than \$2 billion.

On debt:

In relative terms, it's not a large debt like many other companies you see in the country. Therefore, reduction of debt is an important aspect of this. There, our target is that can we monetize some of our non-core assets—it's the activity under progress today. I see this happening in Q2 of this year. That would give us some reduction in debt.

On revenues:

I expect the revenues also to

go up. As far as the financial performance—it's the first time we had a negative Ebitda (earnings before interest, tax, depreciation and amortisation) margin on this.

It does happen for every single company at some point of time. We also have been conservative this time when we looked at some of the claims that we had are not settled; so, we said it is settled, we keep it outside the profits to be booked. Therefore, we have reversed some of them and that's the major reason—nothing else—why we had negative on this. But I personally believe that having seen four-and-half months of the company, I am absolutely confident that moving ahead, this could be a great opportunity.

On margins:



Looking ahead: J.P. Chalasani.

The company has been having 10% Ebitda margin and my expectation is that all the new projects we will have 10-plus on. Some of the new projects we are working have 15%-plus margin, but we have a mix of new and old, but 10-15% is what we are looking at. Anything less than 10%, I look as we are stressed because 10% is what minimum I expect the margin we make this time.