



where **Passion**  
meets **Performance**

www.pclindia.in

info@pclindia.in

+91 217 2357645

+91 9168646531/32/33

L24231PN1992PLC067126

PCL/SEC/22-23/060

Date : 1<sup>st</sup> December 2022

To <b>National Stock Exchange of India Limited,</b> "Exchange Plaza" 5 <sup>th</sup> Floor, Plot No. C-1, G Block, Bandra Kurla Complex, Bandra (East), Mumbai – 400051 <b>NSE Scrip Code - PRECAM</b>	To <b>BSE Limited,</b> Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400001 <b>BSE Scrip Code - 539636</b>
--	---

**Subject: - Transcript of Earnings Call held on Monday, 28<sup>th</sup> November 2022**

Dear Sir/Madam,

Pursuant to Clause 15(a) of Schedule III, Part A, Para A read with Regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015, please find enclosed transcript of earnings call held on Monday, 28<sup>th</sup> November 2022.

It is also available on the website of the Company at [www.pclindia.in](http://www.pclindia.in).

You are kindly requested to take the same on record.

Thanking you,

Yours Faithfully

For **Precision Camshafts Limited**

**Gautam V. Wakankar**  
**Company Secretary and Compliance Officer**

*Disclaimer*

*Transcript may contain forward-looking statements about the company, which are based on the beliefs, opinions and expectations of the company as of the date of this call. These statements are not guarantees of future performance and involve risks and uncertainties that are difficult to predict.*

**Precision Camshafts Limited**

📍 Solapur : D5 MIDC, Chincholi, Solapur, India – 413255

📍 Solapur : E102 MIDC, Akkalkot Road, Solapur, India – 413006

📍 Pune : 501/502, Kanchanban "B", Sunit Capital, Senapati Bapat Rd, Pune, India - 411016



“Transcript of Precision Camshafts Limited Q2 FY23  
Earnings Conference Call”

**28<sup>th</sup> November 2022, 10:30 AM**



**MANAGEMENT: MR. KARAN SHAH – WHOLE-TIME DIRECTOR, BUSINESS  
DEVELOPMENT – PRECISION CAMSHAFTS LIMITED**



*Precision Camshafts Limited*  
*November 28, 2022*

**Moderator:** Ladies and gentlemen, good day, and welcome to earnings call of Precision Camshafts Limited to discuss operational and financial performance for Q2 FY '23. As a reminder, all participant lines will be in the listen-only mode, and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star then zero on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Karan Shah, Whole-Time Director, Business Development. Thank you. And over to you, Mr. Shah.

**Karan Shah:** Thank you. Good morning, ladies and gentlemen. I would like to thank you all for being a part of the Precision Camshafts Q2 FY '23 Earnings Conference Call, which is mainly focused on the business and operational performance of the company. In case any detailed questions on finance, please e-mail your questions at [cs@pclindia.in](mailto:cs@pclindia.in); and we shall provide you with answers in a reasonable time.

We've submitted our investors presentation for Q2 FY '23 to the stock exchanges on the 18th of November 2022, and the same is available on our website. Investors are requested to refer to the same. I will now start with an overview of the auto industry and then get to the company's performance.

The Indian automotive industry has seen some rebound after the pandemic and the semiconductor shortages, but the general global macro trends still look uncertain, mainly due to the war in Ukraine and also inflationary trends in the US and in Europe. I'm happy to share that, compared to last quarter, the total income has increased by 10.41% to INR 163.8 crores on a stand-alone basis and increased by 14.98% to INR 277 crores on a consolidated basis.

The parent business, PCL India, has grown by approximately 30% over the last year by better asset utilization of foundries as well as machine shops. Several new camshaft and non-camshaft projects have been awarded to PCL over the last year, which have started serial production and are in the ramp-up phase. We're happy to share that PCL has onboarded several new customers in India and overseas and can see long-term visibility of contracts for the camshaft business.

Our subsidiary MEMCO has seen consistent demand and delivered good top line and bottom line results, which is in line with previous quarters. It posted a total income of INR 14.9 crores in Q2 of FY '23 compared to INR 12.9 crores in the last quarter, which is a 15% quarter-on-quarter growth. The management of the company is focused on adding new business from existing customers as well as new customers at MEMCO.



*Precision Camshafts Limited  
November 28, 2022*

Our group company MFT, located in Germany, has seen stabilization of business during these difficult times. However, we still see challenges ahead due to the ongoing crises in Europe. The company posted a total income INR of 43 crores in Q2 of FY '23 compared to INR 37.9 crores in the last quarter, a 13.5% quarter-on-quarter growth. The team at MFT is focused on bringing new non-engine components to the company's product portfolio.

Coming to our e-mobility subsidiary EMOSS. The company posted a total income of INR 55.98 crores in Q2 of FY '23 compared to INR 42.47 crores in the last quarter, which is a 30% growth quarter-on-quarter. However, the company continues to face headwinds in the European market due to severe shortage of component supplies and a general state of uncertainty. EMOSS has not lost any customer business during this period, and the order book continues to look promising.

The company is now onboarding new management talent at the Dutch company as well as the Indian EV division to sustain future growth. Coming to the e-mobility developments in India. The company is in the final stages of commercializing an electric driveline for the sub-4-ton LCV in India, of which there are more than 2 million such LCVs running on Indian roads. These are mainly used for various applications such as last-mile deliveries, waste collection, postal services, etc.

We at Precision Camshafts Limited and EMOSS believe in achieving the goal of electrification in a more sustainable manner by giving diesel commercial vehicles a new, electric life. We call it repowering. After months of research and development, our first fully electric LCV is now being tested and used for customer demonstrations on Indian roads. The company is very close to fully localizing this electric powertrain to support the Make in India initiative while also suiting Indian driving conditions and meeting commercial expectations of the Indian customer.

We are happy to share that we have started our first customer clinics last week with key customers who have shown early confidence in us by signing MOUs. We will continue to hold these events throughout this year and early 2023, by when we would expect to have a fully certified Indian-made electric vehicle ready for commercial sales. I would like to take this opportunity to invite you to connect with us if you are a logistic service provider, an e-commerce or a delivery service provider or a business owner with an existing LCV fleet who wishes to experience our product or understand its long list of economic and environmental benefits.

You may reach us at [emobility@pclindia.in](mailto:emobility@pclindia.in). We will, of course, share more detail as soon as they are available. Coming to the financial performance of the company, starting with the stand-alone performance Precision Camshafts Limited which houses the camshaft business. Total income for Q2 increased by 37% year-on-year to INR 163.8 crores. EBITDA for Q2 FY '23



*Precision Camshafts Limited*  
*November 28, 2022*

reduced by 22.74% to INR 25.9 crores. PBT was INR 15.9 crores and PAT was INR 12 crores for this quarter. The EBITDA margin for Q2 FY '23 stood at 15.8%, and PAT at 7.38%.

The total revenue contribution from exports was 53%, and the balance was domestic sales. Quantity of camshafts that were sold during this quarter, as in the cast condition as cast, increased by 22% quarter-on-quarter and 13% year-on-year to 1.5 million units. The total quantity of machine camshafts sold during this quarter decreased by 5.5% quarter-on-quarter but has increased by 36% year-on-year to 0.79 million. And the total camshafts sold have increased by 11% quarter-on-quarter and 20% year-on-year to 2.3 million units.

Coming to the consolidated business performance. The consol income increased by 26.9% to INR 277 crores year-on-year. EBITDA decreased by 27% to INR 33.34 crores. PBT for this quarter was INR 13.25 crores, and PAT was INR 9.94 crores. EBITDA margin at the consol level was 12%, and PAT was 3.6%. Coming to the group companies' revenues. As mentioned earlier, revenue at MEMCO stood at INR 14.9 crores. Revenue at MFT stood at INR 43 crores and revenue at EMOSS stood at INR 55.9 crores for this quarter. With this, I wrap up the financial performance of the company and would now like to open the floor for question-and-answers. Thank you.

**Moderator:**

The first question is from the line of Vishal Agarwal from Leo Capital Advisors.

**Vishal Agarwal:**

I wanted to understand a little bit more about the margin profile of the stand-alone business. Historically, we have done about 20%, 25% EBITDA margin there. And recently that number has been closer to high teens. Is this a temporary blip? Or is this a change in the margin profile of the stand-alone business which we kind of expect going forward?

**Karan Shah:**

So, I think this has a few reasons. Particularly, over the last quarter, there has been an increase in commodity prices, which has led to slight reduction in the EBITDA margin as well as the product mix. It depends. This last quarter, as I mentioned, the export sales were 55% compared to a slightly higher percentage in the previous quarters, which is why the realization is lower in this quarter, but I would think that the -- in the low 20s is what the sustainable EBITDA margin should be going forward.

**Vishal Agarwal:**

And in the core camshaft business, what sort of a growth profile are we looking at?

**Karan Shah:**

I mean it's hard to say growth profile, but like I said, we've got great visibility in terms of the order book that we have, at least for the next five years, in terms of old and new customers. We are actually onboarding new customers as well. Given that we are a derived demand business, a lot of this growth is dependent on the auto OEMs around the world and how they are growing, but besides that, it is also coming from some competition that we are getting newer businesses. So it's hard to put a number, but there is good visibility in terms of the order book going forward.



**Vishal Agarwal:** And what's the progress on the non-camshaft initiatives that you have been alluding to for the last few quarters in the stand-alone business? Do we expect this to be meaningful, or is that still very early to call?

**Karan Shah:** No. I think we've actually already started. We will be starting supplies -- or have started supplies of some non-camshaft products from the stand-alone business, which are mainly to do with braking systems of commercial vehicles, to start with. These would only be a smaller number this year, but we'll start to see larger volumes and larger contribution to the total business in the next year or the year after. But this is just the first of many opportunities that we are looking at in terms of non-camshaft.

**Vishal Agarwal:** And one final question, if I may, around EMOSS. EMOSS, obviously the situation in Europe is what it is, but from a short-, medium-term perspective, what sort of a growth profile do you see in EMOSS? And is there a change in the fundamental trajectory or opportunity for that business given the situation there?

**Karan Shah:** No. There is no fundamental change in the opportunity because, I think, we work with very niche OEMs. We work in very specific fields when it comes to electrification, which are the type of vehicles that are the first to be electrified, for example, waste collection; for example, roads repairing; for example, city transit; etc. So these businesses continue. Demand is there. I think the uncertainty is there right now and it's anybody's best bet to say when this will be resolved. So that's how this is -- in terms of the growth profile, again I would not put a forward-looking number here, but I think we have a solid order book for this year, the next year and parts of 2024 as well, so I think it's we are confident that this is a growing business.

**Vishal Agarwal:** And the orders which you have been alluding to for the last few quarters as well but is it that the orders are delayed because of lack of components to complete the orders? Or is it customers are going slow given the environment and saying, Let's take the view to the few quarters away?

**Karan Shah:** It's a mix of both actually. We have had times when we are unable to ship fully developed or fully electrified vehicles due to shortage of components. And it's also some customers who are, let's say, postponing deliveries for one reason or the other because of the situation, but like I said also, none of these customers have canceled any business or have indicated any slowdown or indicated any reduction in the order book.

**Moderator:** The next question is from the line of Vipul Shah from Sumangal Investments.

**Vipul Shah:** So can you elaborate more on your e-LCV projects; what type of capex we are incurring till date; and the benefits of those vehicles we will offer, vis-à-vis the ICE engines, in terms of total cost of ownership? So if you can give yes...



**Karan Shah:** Up until this point, whatever investments we have made have been utilizing of our existing resources at PCL in terms of plant setups or otherwise. And mostly, internal generations have been used for these. There is no significant capex at this point of time, but when we do put that plan together, we will certainly share it with stakeholders. In terms of the vehicle itself, we are doing conversions of existing diesel vehicles into electric, especially in that sub-4-ton category which a lot of customers across India own and operate.

The clear benefit there is that, instead of buying a brand-new electric vehicle, which in this category there are not many options available in the Indian market, we are providing a solution where the same vehicle is given an extended life. The same chassis, the same body is given an extended life of, say, five to seven years, where we believe that the owner will have significant economic benefit because the operating costs are about 70% to 80% lower than that of diesel.

The maintenance costs are also 70% to 80% lower than that of diesel. And so based on our initial calculations and based on the initial idea of what the selling price could be, we think that the additional delta costs that the customer spends on electrification would be recovered in about two years or so. And post that, the customer would actually end up saving a significant amount of money over the life of the vehicle, so in terms of TCO, there is significant benefit.

Now I can't put exact numbers to this at this point of time because there are certain commercial finalizations that we are yet to do but enough to say that there is benefit to the end customer, which is why I think a lot of customers have shown that early confidence with in us by signing several MOUs for vehicles.

**Vipul Shah:** So this conversion, will you be doing directly or it will be through dealer, dealer network, I mean, how that arrangement will work?

**Karan Shah:** At this point of time, we will do it directly, at least for the first year or two, because it's an extremely critical process. It's not as simple as converting your diesel LCV to CNG. There is a significant amount of development engineering that needs to go into the vehicle for conversion, so we will keep the complete control of it. Eventually we would, of course, consider how to scale this up across India in terms of either service partners, dealer partners, etc, but initially it will be done at our site.

**Vipul Shah:** So the transporters or small-time operators will come to you directly? That is what you are trying to say, sir?

**Karan Shah:** Yes.

**Vipul Shah:** Then I'm afraid that will not be a very scalable...

**Karan Shah:** Like I said, to start with, this is how it would be.



*Precision Camshafts Limited*  
*November 28, 2022*

**Vipul Shah:** So can you put any numbers like, for next year, how many vehicles you will be doing? Any idea, sir, or some indication?

**Karan Shah:** No, unfortunately...

**Vipul Shah:** So till now, how many vehicles we have done?

**Karan Shah:** We have yet to certify the vehicles, so we have not -- like I said in my talk earlier, we have not commercially sold any vehicles, so far. We are in the process of -- our first vehicles are being driven on the Indian roads right now. Our customers are experiencing them, giving us a lot of positive feedback which we incorporate. And we will have our certified, homologated vehicles only available in early part of next year, which can then be sold unless they are certified cannot be sold.

**Vipul Shah:** And lastly, sir, regarding this non-camshaft business in your standalone, the Precision Camshafts, apart from the brake lining, any other components we are planning to manufacture? I mean, any plannings done? Any capexes done for that initiative? Because ultimately this business will go to sunset over next 5, 10 years or 15 years?

**Karan Shah:** Yes. So yes, we are in the process. I will not be able to share exact details of which type of products, but a lot of work is being done on not just non-camshafts, but let me also say non-engine components, I think that is where your question is coming from: Where will the focus of the company be?

Just as I said, that these brake components for commercial vehicles that we have developed are non-engine components that would go into braking systems and for a large customers all over the world, but eventually we are also looking at new products which are, in the chassis components and brake components, etc, or even completely non-automotive, which is something that we are doing at MEMCO, something that we are doing at MFT, where the new businesses that we are looking for are also non-automotive.

**Vipul Shah:** So can we say, five years down the line, a substantial portion of our standalone business will be coming from non-camshaft business, sir?

**Karan Shah:** I would like to say yes, but we will say that the camshaft business also continues to grow. I would like to reemphasize that we are getting new businesses, new orders from customers, not only in India but outside of India, for camshafts. And this will run much longer than we all presume or expect, so yes, while we will continue to get new businesses which are non-camshaft, when we do get camshaft business, it will add to this pie. So what percentage would be non-camshaft is yet to be seen in the coming five years.

**Vipul Shah:** And lastly, this e-LCV project, so technology for that is coming from EMOSS?





- Karan Shah:** Yes.
- Moderator:** The next question is from the line of Yash Agarwal from JM Financial.
- Yash Agarwal:** So, on the standalone business, just wondering on the camshaft side, what is the utilization? And how the order book is looking? The quarter, we met 160 crores run rate after a very-very long time, above 150 crores sustainably. And also, secondly, the margins, this used to be at 18%, 20% margin business. Now obviously I understand some commodity cost pressure was there in last six months, where do you see that stabilizing?
- Karan Shah:** Okay, in terms of the order book, I think we have a very solid order book, at least for the next five years that we see with our customers. We have got new customers onboard. And I think that this run rate that you see of machine camshafts as well as cast camshafts that we are selling is sustainable going forward. Of course, this is subject to any other crises in different parts of the world or we are still concerned about the inflation in Europe as well as in the US and what that might have, effects, on vehicle sales, etcetera, but at this point of time I think the order book, from our point of view is quite solid and we are actually building on it and on top of what we already have.
- Your second question was regarding margin profile. Like, I said in the previous answer, the early 20s is what it has been historically and that is where we expect it to be between 20% to 25%, once some of the commodity pricing pressures are eased. That's, I think, sustainable.
- Moderator:** The next follow-up is from the line of Vishal Agarwal from Leo Capital Advisors.
- Vishal Agarwal:** This is a follow-up for the previous participant's asked. Between machine camshafts and cast camshafts, how much is the realization difference? And how much is the margin profile difference?
- Karan Shah:** Machine camshafts, I'm giving you really ballpark numbers, but a typical cast camshaft is sold for somewhere between INR 300 to INR 400 per piece. And the margins are anywhere between 10% to 15%, EBITDA margins, on the as cast camshaft, whereas the machine camshafts are, we do significant value addition there and also requires that much capex, obviously, but the value addition goes from INR 350 all the way up to INR 1,000 is the average realization for machine camshafts. And the margin profile is higher there. It should be in the range of 25% to 30% EBITDA margin. So as the sale of machine camshafts increases, obviously blended margins should improve.
- Vishal Agarwal:** Machine camshafts, you said, the average realization is about INR 1,000 per piece?
- Karan Shah:** INR 1,000, yes, roughly.



- Vishal Agarwal:** What sort of utilization are we at in machine camshafts?
- Karan Shah:** The exact numbers, I don't have right now, but we are about somewhere in the 85% utilization rate right now, so we are really at a very high utilization percentage, at least on the machine camshaft side.
- Vishal Agarwal:** And then if and when that business grows, will we need extra capacities? Is that a high capex endeavor?
- Karan Shah:** If we get additional camshaft business which is machined, we will require additional investment beyond what we have. The investment ratio is generally 1:1, as in revenue to capex.
- Vishal Agarwal:** And in cast camshafts, what sort of utilization are we at?
- Karan Shah:** We are at about 75%, so there is room to grow there at this point of time in the existing facilities that we have.
- Vishal Agarwal:** In terms of export versus domestic, how different is the margin profile for export business versus domestic?
- Karan Shah:** There is a 5% difference. I think 5% to 7% difference, exports being higher obviously. I think we also have, that shift or that fluctuation over the last quarters is also what is affecting the current margin profile, if you look at it.
- Moderator:** Next follow-up question is from the line of Vipul Shah from Sumangal Investments.
- Vipul Shah:** So sir, what type of R&D expenses we are going to incur over next two, three years?
- Karan Shah:** We don't have a specific number right now that I can share with you, but I think a lot of the R&D that is being done right now has to do with the electrification that we are doing in Europe as well as in India. So it's hard to tell you an exact number, but we will come back to you with that, for sure.
- Vipul Shah:** So at consol level, what is our R&D this year? What should be the number, if you can give some color?
- Karan Shah:** I don't have it off.
- Vipul Shah:** I mean we don't spend significant amount on R&D. Should I assume that way?
- Karan Shah:** Yes. Because, see, I think, besides the electrification part, a lot of the businesses that we do in terms of auto components, these are the designs are generally from the customers. Of course, we are doing a lot of value addition or value engineering, but the R&D is done at the customers'



end because they develop the entire engine or the entire platform and we are building certain parts for them. But if you can write to us, we'll be happy to come back to you with a number.

**Vipul Shah:** Yes, that is fine. And lastly, you talked about new orders received for the camshaft business. So they are mainly on the casting side, or on the machine side?

**Karan Shah:** Most of the new businesses that we have got are machine, but the additional businesses that we have got from existing customers where, for example, we supply cast camshafts right now, it is an increase in castings. But the new customers where we are not there before, these are all machine camshafts.

**Moderator:** Next follow-up question is from the line of Vishal Agarwal from Leo Capital Advisors.

**Vishal Agarwal:** I want to understand this. By when do you expect to commission the solar power plant that we are setting up? And how much of a cost saving is that likely to be?

**Karan Shah:** The exact numbers, I will come back to you. Unfortunately, our finance team was not able to join today due to a personal emergency, but I think, hopefully, within the next month or two, we should be able to commission the plant because physically most of the solar plant is already ready. I think it's we are waiting on certain permissions, etc, to go live, but I think that's the latest status of it. I think the approximately, I have to tell you would be in the range of INR 10 crores to INR 15 crores per year is the expected saving from this solar plant.

**Vishal Agarwal:** In terms of utilization, you said you are at about 75% utilization in cast camshafts and 85% in machine camshafts. At peak, what sort of utilization levels can you practically achieve in this business, is it 100% in the past? Or can you go beyond and...

**Karan Shah:** No, no. It's not 100% because, I think, there is a factor of OE or Operational Efficiency. So I think we can talk about low 90s on both sides as the maximum utilization.

**Vishal Agarwal:** And sir, as we develop the non-camshaft business, does it mean that you will need to do more capex for it? Because you are pretty close to full utilization, at least on the machine side and also coming full on the non-machine side.

**Karan Shah:** Yes, that's correct. It will require new capex, when it comes to machining, but obviously the idea for us in terms of finding the type of products and whether it's cast or machine, is also one of the criteria that we look at is how best can we utilize the assets that we already have and not incur significantly more capex at this point of time.

**Vishal Agarwal:** Are there plans at this point in time to expand camshaft capacity, or as you said you want to fully utilize existing assets.

**Karan Shah:** Yes, exactly. So at this point of time, we don't need to expand capacity, not immediately.



- Moderator:** The next question is from the line of Sanket Bihani from Kedia Securities.
- Sanket Bihani:** Sir, I just wanted to understand. Like, in next two or three years, what is the kind of financial projection you would have, a ballpark? Like not looking to full management against the guidance but just for understanding. Like what are we looking to achieve?
- Karan Shah:** Unfortunately, I'm not able to share that number because this is forward-looking numbers that we have not shared in the past. And we'll continue to have that policy, but I think I have shared with you all in the talk as well as some of the answers that, all of this, all of the companies within the group, including the e-mobility business and the parent camshaft business, we see a very strong order book. We see good customers onboard, new and old. And we do see that the next few years look very promising in terms of the business that we can do. Just it would be very difficult for me to put numbers in terms of projections.
- Sanket Bihani:** Can you just elaborate bit on the regime? Like what are you seeing for the company in next two, three years? Like not of – in terms of numbers but what you are feeling how the progression will be. Like just to get a rough sketch of companies' progression?
- Karan Shah:** Yes. So like I said, we are hoping that we have already seen with the acquisitions that we've done, with the business development that is going on in terms of new products. We have certainly moved away from this one product company which was camshafts in the past to a significantly diversified portfolio in terms of the products that we offer.
- We are hoping that in the next two to three years there will be more additions to these product portfolios as well as customer portfolios on the automotive component business side. And I think the overall vision for the e-mobility side of things is that we'll continue to grow with our partners in Europe through EMOSS. And in India, eventually, I think, the plan in the next three years to four years would be that we would want to be an OEM ourselves, where we would build ground up electric vehicles for our customers rather than converting or doing retrofits. So that will be the big picture vision for what we hope to do in India.
- Sanket Bihani:** In terms of our Europe businesses, can you highlight, like, what are some of the key issues we are facing as of now? Like one is the component shortage. Other is the war going on. Similarly, there are a lot of electric vehicle norms which are coming into place in these countries in terms of levies or charges, so how does it overall impact us? And how is the situation looking at the ground, when we look to scale up the European side of business?
- Karan Shah:** Yes. I think there is, like you mentioned, right, there's uncertainty right now. And it's really difficult to put a number or say what exactly is going to happen in the next three months or even a year because of the ongoing war, because of the ongoing component shortages, etc. So we don't see, or even the inflationary pressures that are there right now, but we don't see any customers backing off from orders or reducing business, etc. There seems to be a continuous



*Precision Camshafts Limited*  
*November 28, 2022*

uptick there, I think it's for us to be patient and get through this uncertain time in that part of the world.

**Sanket Bihani:** Like do we have any specific strategy to address these issues or we will just evolve with time? Like that's how you...

**Karan Shah:** No. Of course, there are certain specific strategies, especially when it comes to component supplies. We are developing a supply base in India as we speak right now, especially for the LCVs. We are hoping that some of the component supplies that we develop here could be used for our European business. We are looking at multi-sourcing a lot of the components and not depend on single suppliers or single geographies for these supplies. So there are a lot of strategic initiatives at our end, in terms of the supply chain, to mitigate those risks, but the macro risks, which are inflation, which are the ongoing war, etc, those are things that we really can't, we don't have much control over.

**Moderator:** As there are no further questions, I now hand the conference over to Mr. Karan Shah for closing comments.

**Karan Shah:** Thank you so much. I hope we have been able to answer most of your queries, especially on the business front. We look forward to your participation in the next quarter. Thank you so much for joining this earnings call today.

**Moderator:** Thank you very much. On behalf of Precision Camshafts Limited, that concludes this conference. Thank you for joining us. You may now disconnect your lines. Thank you.