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26th February 2025

To, National Stock Exchange of India Limited, "Exchange Plaza" 5 th Floor, Plot No. C-1, G Block, Bandra Kurla Complex, Bandra (East), Mumbai – 400051 NSE Scrip Code - PRECAM	To, BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400001 BSE Scrip Code – 539636
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Subject: - Transcript of Earnings Call held on Tuesday, 25th February 2025.

Dear Sir/Madam,

Pursuant to clause 15 of Para A of Part A of Schedule III 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 **Tuesday, 25th February 2025** at 12.00 Noon (IST).

It is also available on the website of the Company at www.pclindia.in.

You are requested to take the same on record.

Thanking you,

For **Precision Camshafts Limited**

Harshal J Kher

Company Secretary and Compliance Officer

Membership No: [A69147](#)

Encl: A/a

Precision Camshafts Limited

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“Precision Camshafts Limited Q3 FY '25 Earnings
Conference Call”

February 25, 2025



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



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Moderator: Ladies and gentlemen, good day and welcome to the Earnings Call of Precision Camshafts Limited to discuss Financial and Operation Performance of the company for Q3 FY '25.

As a reminder, all participant lines will be in listen-only mode. And there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing "*", then "0" on your touch tone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Karan Yatin Shah – Whole-Time Director Business Development of Precision Camshafts Limited. Thank you and over to you, sir.

Karan Yatin Shah: Thank you. Good afternoon, ladies and gentlemen. I would like to thank you all for being a part of this Precision Camshafts' Q3 FY '25 Earnings Conference Call. In case of any detailed questions related to finance, please e-mail us your questions at cs@pclindia.in, and we shall provide you answers in a reasonable time. We have submitted the Investors Presentation for the quarter three to stock exchanges on the 24th of February, and the same is available on our website. Investors are requested to refer to the same.

Precision Camshafts Limited has reported a standalone revenue of Rs. 143 crores in the last quarter and a net profit of Rs. 5.3 crores for this quarter, down from a net profit of Rs. 13 crores in the previous quarter. This decline in profitability is primarily attributed to the decrease in sales and other income, coupled with slightly higher operating cost during the period under review. However, our two new manufacturing plants in Solapur are nearing completion and will house the new assembled camshaft facilities as well as the new EV production lines.

We are happy to share that the company has started serial production of assembled camshafts for one Indian OEM and will start second program with larger volumes in the coming year. Also important to note that PCL has not lost any business or any share of business from any customer during this time as well. Our subsidiary, MEMCO, has reported breakeven margin during the quarter under review. MEMCO's total income for the quarter was Rs. 10.7 crores with a net profit of Rs. 0.05 crores. This decrease is mainly attributed to decrease in sales due to the industry slowdown.

We faced challenges with our E-mobility subsidiary EMOSS in the Netherlands. The revenue dip is largely due to the severe economic slowdown in Europe, along with the pull back on subsidies due to the ongoing conflicts. This has disrupted automobile production and trading of critical resources. And this geopolitical instability has caused a shortage of auto parts and increased volatility in vehicle prices as well. EMOSS earned a total revenue of Rs. 12.7 crores in the current quarter compared to Rs. 17 crores in the previous quarter.



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MFT Germany has managed to stabilize its operation despite this challenging market condition. For the current quarter, MFT recorded a total sales of Rs. 28.5 crores and the company continues to prioritize on diversification of its product portfolio with non-engine components.

Turning to the EV business in India, we are deploying electrified vehicles across logistics, ecommerce and waste management sectors. Commercial sales have started since August 2024. However, the ramp-up of volumes has been slower than anticipated in India due to various reasons. In addition to the small commercial vehicles, PCL is actively working on a few customer-driven projects for heavy vehicle electrification, which will be disclosed at a suitable time in the future.

Times are extremely challenging in Europe, which has not only affected the local subsidiaries in Europe but also export sales from PCL and MEMCO to some extent. However, PCL continues to navigate both opportunities and challenges with resilience. We are committed to delivering value and driving growth across our diverse portfolio.

Coming to the financial performance, starting with the standalone business, total income for Q3 decreased by 21% quarter-on-quarter to Rs. 143 crores. EBITDA margin was 10.9% and PAT was 3.7%. Quantity of cast camshafts sold decreased by 13% and quantity of machine camshafts sold decreased by 13% as well.

Coming to the consolidated numbers, the consolidated income decreased by 18% quarter-on-quarter to Rs. 195 crores, this was largely driven by decrease in sales at MFT and EMOSS. Profit before tax was minus Rs. 4.5 crores and profit after tax was minus Rs. 6 crores for this quarter. And EBITDA margin on a consolidated basis was 10.83% and PAT was minus 3%.

Coming to the revenues of our subsidiary companies, revenue of MEMCO was Rs. 10.7 crores, revenue of MFT was Rs. 28.5 crores, and revenue of EMOSS was Rs. 12.7 crores in the previous quarter.

With this, I would now like to open the floor for question-and-answers. Thank you.

Moderator: Thank you very. We will now begin the question-and-answer session. The first question is from the line of Gautam Rajesh from Leo Capital. Please go ahead.

Gautam Rajesh: Hi sir. Good afternoon. Thank you for the opportunity. My question was regarding the EV business, what is the status for the EV business in India and Europe? And what would be your outlook for both in India and Europe over the next 12, 15 months for the EV business?

Karan Yatin Shah: Look, I think the EU business is struggling a lot, not just us but across the board across the industry there are severe headwinds in Europe, mainly due to a sudden decline in demand, as well as a lot of subsidies that were there from various countries that have been pulled back due



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to the ongoing conflicts in Europe, including higher interest rates and so on. So there is a slowdown. Good thing here is that we have not lost any customers. The customers are still partnered with EMOSS for a variety of new projects. It's just that timelines have been deferred and deferred significantly, it is not two, three months, but probably a year. And at this point of time, the best guess of recovery would be towards early part of next year. Until such time I think --

Gautam Rajesh: CY '26, sir?

Karan Yatin Shah: Yes, yes.

Gautam Rajesh: Okay.

Karan Yatin Shah: So till then I do not think we will see much recovery there in terms of revenue or profitability because of the conditions there. And there are several other companies in our line of work that have gone belly-up in the last six to eight months, that indicate the kind of market conditions there are. But we are still staying afloat with the customer orders and some of the consistent revenue that we have. But we should not expect too much of an upswing from here, at least for the next nine to 12 months. That's on the EU side.

In India, I think the Tata Ace electrification projects have been picking up. We have some good customers. We are in discussions with variety of customers who are in the solid waste management, bio biomedical waste management, as well as ecommerce and logistics. But again, this is a complicated business of doing retrofitment in India, as I have mentioned in the past where there is state-wise regulation, there is a lot of complication when it comes to actually doing the conversion of older vehicles and so on. But while we have the certifications and everything in place, it is a more time consuming process to convince customers that this is the right thing to do for their fleets and so on. But we are seeing a slow uptake and slow demand picking up over the next few quarters, let's say. I think the most interesting part of what we are doing right now is the heavy vehicle electrification, which is the bigger trucks.

Gautam Rajesh: You have special contracts?

Karan Yatin Shah: Yes. So we have already a few customers who are driving these projects for us. So there is clearly demanded there. Customers are paying for the initial vehicles as well. But this is an ongoing project right now and it would not be correct for me to disclose too much more before it is done. And we expect that in the next two quarters or so we should have the first few vehicles on Indian road. So this will be a significant milestone for us, but I will disclose more details as we go down this road.



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Gautam Rajesh: Yes, sir. Sir, for the LCV segment people are very like taking time getting convinced by the product. So do you see any form of pick up anytime soon in the next, let's say, 12 to 15 months what would be your --

Karan Yatin Shah: Yes, there are a lot of customers that we are engaged with. So as I said that whether it is ecommerce, logistics or waste management, these are the three big sectors, let's put it like that. The market is very, very fragmented. There are a lot of driver owners who are using these vehicles, and then there are the larger fleets. At this point of time, our focus is on the fleet owners simply because it is easier to manage those type of customers, easier to have charging infrastructure, service infrastructure and so on. And so we definitely see that there will be more demand coming up in the next two to three quarters. I just cannot put a number to it today.

Gautam Rajesh: Understand. Thank you, sir.

Karan Yatin Shah: Thank you.

Moderator: Thank you. The next question is from the line of Rajkumar Damania from 369 Advisor Services. Please go ahead.

Rajkumar Damania: Hello.

Karan Yatin Shah: Yes, hi.

Rajkumar Damania: So continuing on the previous question, I understand you do not want to give the numbers for the quarter or the forward order book. Can we know how many cities or areas we have already done these tie-ups or infrastructure tie-ups that you were talking about?

Karan Yatin Shah: Of course. So we have already started supplying vehicles in seven to eight cities across India, so whether that is a Calcutta, Delhi, Hyderabad, Solapur, Pune, Mumbai, etc. So there are variety of cities that we have delivered vehicles and for variety of different applications whether, like I said, waste management, logistics, e-commerce and so on. And we are continuing to build on this. And just, as I said, there are these contracts especially for government operations are run by private fleet owners and they are the ones who require the convincing and require the electrification. They are the ones who would electrify their fleets and not the government bodies directly. So we are in touch with several such fleet owners across about 20 to 30 cities across India. And so we are in the process of converting these. A lot of it depends on where this contractor is in terms of the timing of the contract, the number of years left in the contract with the government and so on. So it's a balancing game that we have to play. But I think we are engaged with the right companies across India actually.

Rajkumar Damania: So you will be developing the infrastructure there or it would be only the retrofitting at their place or the premises, how is done?



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Karan Yatin Shah: It will be only the retro fitment. We provide chargers with the vehicle itself, so you do not need to create charging infrastructure, we provide a charger with every single vehicle that plugs into a regular 15 amp socket. And the service infrastructure, we have partnered with a company which has locations across India. They are trained to do EV servicing and so basically they will be the on ground partner for service and repairs.

Rajkumar Damania: And one more thing on the new capacity, which we wanted to understand is, these two new capacities that we are talking about, how much is the order book that we already have? Because as you told, these numbers have already reduced this quarter due to the slowdown in the auto industry. So, how do you see this capacity being forward order book with the forward order book basically?

Karan Yatin Shah: So this is for the camshaft side, right?

Rajkumar Damania: Right.

Karan Yatin Shah: So obviously the industry across the board has slowed down, including India. So the effect of that is obviously in the numbers that we present. What we are doing is we are adding capacity for new projects that have been awarded to PCL which have SOPs or start of production in either late 2025 or 2026. The good thing about these projects, two to three different projects, these are all running engines with the Indian OEMs or international OEMs, which are substitution to the existing suppliers. So it's a running product, it's a running engine for which we are coming in as a replacement source for camshafts. Mainly in India, it's an import substitution. So it's a very good opportune time for us to add the capacity and get this new business without really having the risk of knowing whether this engine or car platform will work or not because it's a running part.

Rajkumar Damania: Sir, when you told in the last quarter that the capacity is around 70,000 to 80,000 per month, so this capacity will be fully utilized you are saying?

Karan Yatin Shah: Yes, in the next one and a half year or so, because the capacity is not created yet, the plants are ready, the physical plans are ready. The capacities in terms of the machines and so on is being created over the next eight to 10 months and then the productionization will start.

Rajkumar Damania: And can you give a timeline on how this capacity is going to build up, let's say, in next two quarters and four quarters?

Karan Yatin Shah: The capacity will be built up in the next three to four quarters, like I said, eight to 10 months roughly. And then it will be the serial supplies after that.

Rajkumar Damania: And one more suggestion, if we can have a segmental breakup of the revenue in terms of the machining, basically in the camshaft business also and probably the retrofitting business



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basically in the reports in the quarterly results, so it might give us a proper picture how things are going on basically.

Karan Yatin Shah: Sir, we already provided a breakup of machining and casting camshafts in our investor presentation, which is available on the website. The only thing that we do not include right now is the retrofit business. But I think we will start doing that in the next few quarters once the volumes are there to provide that.

Rajkumar Damania: Thank you.

Karan Yatin Shah: Thank you.

Moderator: Thank you. The next question is from the line of Vipul Shah from Sumangal Investments. Please go ahead.

Vipul Shah: Yes. So my question is regarding drop in volume of machine and casting camshafts. They have dropped substantially, 13%. We are not seeing that type of growth in overall passenger vehicle sales. So, what are the reasons? Have we lost any orders market share?

Karan Yatin Shah: Vipul ji, as I mentioned in my opening speech, we have not lost any orders or lost any share of business or market share with any customer across the world. But if you look at the individual geographies that we supply to and the individual OEMs that we are supplying to, this is a clearly derived demand that we supply on. Because there has been a significant reduction in volumes, especially in Europe, that has had an impact. Of course in India also while we are a major source to almost all OEMs, a flattish uh sales are a slightly reduced sales in the quarter ending December, because typically most OEMs do not want to carry stocks forward and so on, this is the reason why there has been a reduction in sales. And it is not because we have lost any business or lost any market share.

Vipul Shah: So can we come to the conclusion that the major drop is due to European businessmen, means, can you quantify the drop in percentage terms in Europe?

Karan Yatin Shah: I do not have those numbers with me, but I can have our team share it with you. But if you ask me, in general, the Indian market has been flattish, Europe has significantly reduced. Brazil and Mexico have also slowed down significantly. And US is more or less flat. And Korea and Uzbekistan are more or less flat. So if you look at the overall picture, Brazil, Mexico and Europe, reduction has been the main contributor for the reduction in sales.

Vipul Shah: So what is our domestic versus international split Mr. Karan?

Karan Yatin Shah: 50:50 give or take, right now.



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- Vipul Shah:** So the domestic 50 is flat, right?
- Karan Yatin Shah:** Flattish, yes.
- Vipul Shah:** And regarding our performance of the three subsidiaries, Mr. Karan, they are not scaling up either in revenue or profitability. Don't you think that it is time to have some hard look and take some hard decisions regarding this? Or you are still hopeful that over the long term they will create value, what is your view?
- Karan Yatin Shah:** Sir, I think, of course we have a hard and rational look, an emotional look at such investments and such subsidies. But as you can imagine, in the current times that we are, especially in Europe, now is not the time to look at any sort of disinvestment, if that is what you are pointing towards. Because this is a market where companies are going bankrupt left right and center. Today I think we are in a fortunate position that we have an order book for customers at MFT and EMOSS, which is sustaining the business. Of course it is not where we want it to be. We would have preferred that a lot of the contracts that have been awarded would have been scaled up, would have continued as planned and so on. But our focus right now is to make sure that the organizations are self-sufficient, that they are not leaning on to PCL for any kind of financial support, which they are. We are scaling down the operations to fit the current order book or the business perspective that we have. But of course, we look at this critically, it's not taken lightly.
- Vipul Shah:** So over the last few year, I mean, for quite some time we are having healthy profitability at the PCL standalone level, and which is being eaten away by all these subsidiaries. So I think this is really worrisome and Board should look at this.
- Karan Yatin Shah:** Right sir. We are looking at it. I think if you look at profitability, especially at EMOSS over the last two, three years, it was profitable on a standalone basis. But the current conditions in Europe have basically caused this situation. A lot of these factors are beyond our control sometimes in terms of what the customers want to do, what government subsidies want to do, what kind of grants will be available and so on. And everybody is facing it. So if you look at the general status of all the companies in Germany in Netherlands and France and so on in Western Europe, it's a very difficult position.
- Vipul Shah:** And lastly, regarding our new plant which is coming up, it is mainly for assembled shaft, right, sir?
- Karan Yatin Shah:** Yes, mainly for machining of assembled camshafts, yes.
- Vipul Shah:** So what type of value addition we get in assembled shafts as compared to normal casting?
- Karan Yatin Shah:** A similar value addition. I think the only difference here is that instead of casting the camshaft in a foundry, we will be assembling that camshaft using camlogs on a tube. So it's a very different



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process, different technology. And of course, because the materials are significantly more costlier, the selling price is higher. And the value addition which is required to do that machining is also a little bit higher.

Vipul Shah: That will have a higher EBITA margin?

Karan Yatin Shah: Yes, slightly.

Vipul Shah: And what will be the capacity of assembled camshafts?

Karan Yatin Shah: Right now we are looking at somewhere between 50,000 to 70,000 parts per month.

Vipul Shah: It's a totally new product for us, right, sir?

Karan Yatin Shah: It's a totally new product, but the good thing is it's a customer which is known to us for many, many years. It's an engine that is running right now, so it's not a new engine which is to be tried and tested in the market. But it's an import substitution part that we are stepping in as a supplier.

Vipul Shah: So it does not carry any risk for us, right, sir?

Karan Yatin Shah: Minimal risk, yes.

Vipul Shah: Okay. Thank you, Mr. Karan, and all the best.

Karan Yatin Shah: Thank you. Thank you.

Moderator: Thank you. The next question is from the line of Shagun Jain, who is an individual investor. Please go ahead.

Shagun Jain: Hi, Karan. I understand from your responses in terms of the performance as to what has happened. I have a few questions. One is, the import substitution thing what you talked about, are we planning to do most of its projects? I mean, we are running engines across and there will be cost optimization globally, right, so is there something which you are looking at to bring in more such projects back into India?

Karan Yatin Shah: Shagun, this is a specific import substitution project for the Indian market, so it's an Indian OEM that was importing parts from a variety of different companies and countries for which we are the local substitute. Of course, there is a benefit to both parties here. There are similar such other projects in India that we are exploring, but at this point of time the Indian market, if you look at it, we have a 70-plus-percent market share and we are looking at expanding this even further by looking at such opportunities.



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- Shagun Jain:** Okay. So essentially your volumes have falling down by 14%, 15%, right?
- Karan Yatin Shah:** Yes.
- Shagun Jain:** So this portrays that there is a slowdown which is going to come into the commercial vehicle segment market, right? I mean, which will be visible in the numbers in the next quarter is what I believe, because you supply and then the vehicles get made and then it gets delivered, right?
- Karan Yatin Shah:** Yes. But we do not supply to commercial vehicles, right.
- Shagun Jain:** Yes, the passenger vehicles, sorry.
- Karan Yatin Shah:** Yes.
- Shagun Jain:** Okay. So, that slowdown is visible based on the numbers which you have got. Now what I wanted to know is that is there some sort of uptick which is coming in where we can see resurgence in the PV sales probably in Q1 of this year or Q2 of this year?
- Karan Yatin Shah:** Not really. I mean, if you look at the current last couple of months, it has been a similar run rate as the previous quarter. So not a significant uptick. But if you look at some of the emission norms have been postponed, so that helps in carrying forward some of the businesses for longer than expected. There will be certain uptick that is expected towards the middle of this year or towards the second-half of this year. But at this point of time, we do not see any significant uptick.
- Shagun Jain:** From a running business, I understand, but from the new projects can we see addition in terms of some delta in terms of revenue?
- Karan Yatin Shah:** Absolutely. So whether it is machine camshaft, whether it is assembled camshaft or whether it is as-cast camshaft, we have a lot of projects in the pipeline. But all of those will get into production towards the later part of this year or the middle of next year. So, you will not see an immediate effect of those, although a lot of investment is happening on those projects right now, you will not see an immediate revenue coming out of those in in this next two to three quarters.
- Shagun Jain:** Okay. So we can look at something in FY '27 as a significant uptick in terms of revenue with the new projects coming in, right, that is what we are looking at there?
- Karan Yatin Shah:** Yes.
- Shagun Jain:** Now on the EV mobility business in India, how has your numbers been compared to one quarter earlier? Have you seen a delta increase in numbers in terms of delivery of vehicles? I know you do not want to give the numbers, but if you could tell us the trajectory at least.



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Karan Yatin Shah:

Not really. See, like I said in my previous response, a lot of these decisions are taken by the end customer, depending on where they are in the contractual positions with their end customers, right. So for example, we are not dealing with, I will give you two examples. For example, Amazon is the end customer, but there is a contractor, a fleet operator in between who is running that contract for Amazon. Or there is, for an example, a Mumbai Municipal Corporation for whom there is a contractor running in between.

It all depends on where these contractors are in the terms of their contracts, how many years they have left, how many vehicles they have, what is the aging of those vehicles and so on for us to introduce electrification as a concept, because it comes at some cost, electrification of every vehicle comes at some cost. And there needs to be enough time for the contractor to recover those costs, and not just recover those costs but also save money at the end of the day, save significant money at the end of. So wherever we have had those opportunities, for example, with Pune Municipal Corporation or PCMC in that area, there is a large contractor who we are tied up with and we have started the deliveries. We have a biomedical waste collection company in the southern part of India and the eastern part of India whom we have started working with and we started delimiting the retrofit vehicles. But timing, and a lot of these other things come into effect. Tomorrow there could be a demand for, let's say, 100 vehicles, the next month there could be none because you have to fulfill these 100 vehicles and so on.

So it's a little bit of a difficult thing to predict and kind of present numbers. But at least the good thing is, we are engaging with more and more customers as we go, right. If we said that we are relying on two or three customers and limiting our scope to that and saying that we hope that we get 500 or 1,000 vehicles out of them, then that would be a little bit incorrect to do. Instead, we are widening our approach and looking at more contractors, more networks to basically say, even if it means 10, 20, 30 vehicles per customer, we can all add that up to a significant number and we are in touch with all of those. But this conversion process takes time. It's unlike the camshafts business or even let's say EMOSS Netherlands business where we are supplying directly to an OEM, OEM is building and selling. Here it's more of a B2C kind of a relationship where we have to convince the end customer to do the electrification which, like I said, there is an upfront cost to it and then some kind of ROI that they have to generate out of it.

Shagun Jain:

Understood. So, I mean, what I want to understand is, are we seeing a significant upside over the next two years compared to what we have done in the last 12 months is what we want to know?

Karan Yatin Shah:

Most definitely. Look, so I think we have been working for two years on this project, spent a lot of resources on getting this off the ground. We just started a commercial sales in August, September of last y. So it has, actually if you look at it, it has only been five months at we are commercially selling these vehicles. Before that, we spent a lot of time in trials and testing and



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so on with customers. So it has only been five months. So if you say will you have higher sales in one year from now two years from now, for sure we will, but I can't quantify it.

Shagun Jain:

No, I understand. So we have been talking that you will finally try to become an OEM at some point of time, so what is the journey there, where are we on that part?

Karan Yatin Shah:

See, that is ongoing. But I think the more interesting project that we are working on right now is the heavy vehicle electrification. That is a significantly more interesting project as of now, because there is tremendous customer demand for it. There are at least three to four customers who are willing to adopt this kind of technology, put it on bigger trucks. And I am talking about a significantly different kind of product, significantly different profitability and so on. Because instead of a 10 kilowatt hour to 15 kilowatt hour battery pack, we are talking about a 300 kilowatt hour battery pack on a truck like this. Very niche applications again, not a lot of OEMs are in this space. So, for us this is very interesting because it is kind of a replication of what we are doing in Europe but for the Indian market. And most important here is that, so we are already in the process of building these vehicles, it's not that it's still on the drawing board. And as we go down this journey, from the very first or second vehicle itself, we are localizing a lot of the content, which is what makes it uh price competitive.

Moderator:

Thank you. The next question is from the line of Ketan Chheda who is an individual investor. Please go ahead.

Ketan Chheda:

Yes, hi. Thank you for the opportunity. Am I audible?

Karan Yatin Shah:

Yes.

Moderator:

Yes, sir. I would request you to please use your handset.

Ketan Chheda:

Yes, is it better?

Moderator:

Yes.

Karan Yatin Shah:

Yes, I can hear you.

Ketan Chheda:

Okay. So, I got two questions. First is on the camshaft business, what is the percentage market share we have in India in the passenger vehicle segment?

Karan Yatin Shah:

It's about 70%, it can be plus or minus little bit.

Ketan Chheda:

Okay. And the other question is, it's more of a critical question if you do not mind. We have spent a good amount of time in developing the solution for electrifying the commercial vehicles, the smaller commercial vehicles, the medium commercial vehicles as we would try to call it. We are



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on the way to kind of ramp up, but we are still not there, like the journey has not started, if I can say so. And then we are now shifting gears and moving into a heavy vehicle kind of a thing. So, from a strategic point of view, do not you think that we should focus one kind of then develop that, have that ramp up, get a steady state and then kind of move on on the other project?

Karan Yatin Shah:

So, I think a very valid question, thanks for that question. What we have done very strategically is, we spent two years on developing this light commercial vehicle platform. So much so that we have 99% localized it, got it to a price which is very, very competitive for the end customer where they have ROIs of this electrification in less than two years in some cases and so on, right. We have figured out the complete supply chain, the manufacturing and so on, the service angles and so on. Here now we only have to replicate volume. So if there is a customer who requires vehicles to be retrofitted, we just need to go in there and do the actual physical work to retrofit. I think that is scalable once, because we had everything in place, whether it's the supply chain, the ARAI certification, the RTO certification, etc.

If we only keep doing this and ignore what the customer is actually asking us, so when we are going to these customers for light commercial vehicle electrification, these are the same customers who are coming back to us saying that, yes, we will continue to do this. But we have a bigger need and a better ROI on the heavier vehicles. It is something that is natural for us to do because it's been done many 1,000 times in EMOSS Netherlands anyway. Our job right now is to take that same technology, take those same concepts, but localize the supply chain and make sure we have a competitive product. So it's not like we are diverting attention from one project to the other, but it is, one has already become streamlined, we have to start on the second one as well.

Ketan Chheda:

Okay, I appreciate your response. I mean, my question was only, because like the wait for the revenues to start flowing in from these interesting and new projects is kind of just becoming, what you say, longer and longer. So that was perspective. So, when do you think we could start generating substantial revenue? I am not asking for quantifying how much revenue, but at least kind of a timeline or a horizon where we can see that either, the smaller vehicles as well as the bigger vehicles would start generating revenue? I am not looking for any peak revenue.

Karan Yatin Shah:

Yes. So we have already started generating revenue on the smaller vehicles, right, like I said, since September we have started generating revenues. Let's put it like this. I will give you a rough estimate. So the conversion cost is, let's say, Rs. 5 lakh to Rs. 7 lakh. And our revenues are already in the crores of rupees for the small vehicle electrification pipeline that we have. So it's not like we are doing five or 10 vehicles anymore. So we are doing higher numbers, but it's still not enough for us to kind of have a significant order book where we are fully booked for the year or something like this. So, there is a revenue stream there, not as much as we hoped there was, but there is a revenue stream. On the heavy vehicle side also there are customers who are actually basically leading some of these projects for us, and we are actually planning to start



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revenues of this project in calendar year '26 itself. So it's not a very long development time for this.

Ketan Chheda: Okay. And last question, as of now how many uh places are we doing the retrofitting? Or it's only one single location?

Karan Yatin Shah: We do it in Solapur and in Pune right now. But we supply to a variety of cities.

Ketan Chheda: Right. But any additions planned in this next financial year to kind of increase those to more places, more locations?

Karan Yatin Shah: As the customer demands it. I think this is a fairly simpler task for us to do. For example, if we have a demand in Delhi for a large number of vehicles, we will identify local partners to help us do the electrification there. We do not need to necessarily set up plants and it's not a very long lead time kind of a thing. Even a local partner to do this mechanical and electrical conversion I would suffice the job.

Ketan Chheda: Alright, thank you so much and wish you all the best. Thank you.

Karan Yatin Shah: Thank you.

Moderator: Thank you. The next follow-up question is from the line of Vipul Shah from Sumangal Investments. Please go ahead.

Vipul Shah: Hi, Mr. Karan. So technology for this retrofitting of heavy truck, it comes from EMOSS, right, sir?

Karan Yatin Shah: Yes.

Vipul Shah: But the entire supply chain is important components right now?

Karan Yatin Shah: No, no. We are right from vehicle one we will go for deep localization. It might not be 100% on the first vehicle, but we are localizing right from day one. Of course, the difference is that while the technology comes from EMOSS Netherlands, the vehicles that we are retrofitting or converting are Indian. So whether it is a Bharat Benz or an Eicher or a Tata Motors or a Ashok Leyland, these are Indian vehicles. So our architecture and our platforms have to change accordingly. So, while let's say the base template is there in place, there will be some changes as per the Indian vehicles.

Vipul Shah: But economics will remain same that return on investment will be two to three years, right?

Karan Yatin Shah: Yes, yes.



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Vipul Shah: And lastly, this retrofitting of small commercial vehicles, right now that business is reported under which head, it is PCL under standalone?

Karan Yatin Shah: Standalone, yes.

Vipul Shah: Okay. Thank you.

Moderator: Thank you. As there are no further questions from the participants, I would now like to hand the conference over to Mr. Karan Yatin Shah for closing comments.

Karan Yatin Shah: Thank you so much. I hope we have been able to answer most of your queries during this conference call. And we look forward to your participation in the next quarter. And thank you again for joining this concall.

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