Date: November 11, 2026

To,
Listing Department
National Stock Exchange of India Limited
Exchange Plaza, Plot No. C-1, G Block
Bandra-Kurla Complex,
Bandra (E), Mumbai – 400051

SYMBOL: SMARTEN
ISIN: INE14GK01016

Dear Sir / Madam,

Subject: Transcript for Earnings Call on H1 FY'27 financial results

Dear Sir/ Madam,

Pursuant to regulation 30 and regulation 46 read with Schedule III of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith Transcript for Earnings Call on H1 FY'27 financial results held on Wednesday, November 04, 2026 at 02:00 P.M. (IST).

The same is also available on the Company's website at www.smartenpowersystems.in .

We request you to kindly take the same on record.

Thanking you,

Yours Faithfully
For Smarten Power Systems Limited
(formerly known as Smarten Power Systems Private Limited)

VANDITA TRIPATHI
Digitally signed by VANDITA TRIPATHI
Date: 2026.11.11 00:03:40 +05'30'

Vandita Tripathi
Company Secretary& Compliance Officer

Encl: a/a

“Smarten Power Systems Limited

H1 FY’27 Earnings Conference Call”

November 04, 2026

MANAGEMENT: **MR. RAVI DUTT – PROMOTER AND WHOLE TIME DIRECTOR – SMARTEN POWER SYSTEMS LIMITED**
MR. ARUN BHARDWAJ – MANAGING DIRECTOR – SMARTEN POWER SYSTEMS LIMITED
ADFACTORS PR – INVESTOR RELATION PARTNER – SMARTEN POWER SYSTEMS LIMITED

Moderator: Ladies and gentlemen, good day, and welcome to the Q2 FY26-'27 Smarten Power Systems Earnings Conference Call. 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 and then zero on your touchtone phone.

I now hand the conference over to Mr. Ravi Dutt. Thank you and over to you.

Ravi Dutt: Thank you. Good day, everyone, and a warm welcome to the H1 Financial Year '27 Earning Conference Call of Smarten Power Systems Limited. Our results and investor presentations have been uploaded to the stock exchange and available on our website. I hope everyone has had a chance to review them. I am joined by Arun Bhardwaj, our Managing Director and Adfactors PR, our Investor Relation partner.

Let me begin by drawing the industry landscape. India's power backup and solar market are converging into one opportunity. With solar hybrid inverters and lithium storage working together, our core home UPS and inverter battery segment remain large, but it is evolving. Established brand and new entrants are launching lithium-based all-in-one backup products. And customers increasingly accept backup than a solar-ready, charges faster and ready less maintenance.

Hybrid inverters have become the fastest growing category and several players including Smarten have launched hybrid inverters with battery compatibility. Lithium adoption is rising for its longer life, faster charging and lower maintenance. Through its upfront price remain better, so lead acid continues to play an important role. Our electronics work with both lead acid and lithium batteries, so we can serve customers on either path.

We believe these developments favor integrated solutions and combined solar, hybrid inverters, batteries and monitoring. Let me now speak about the company. Smarten was established in 2014 and listed on NSE Emerge platform in July 2025. Through the SME IPO of INR50.1 crores, we design and assemble home UPS systems, solar inverters, batteries, solar panels and solar charge controllers with over 372 SKUs.

Research, procurement, assembly and distribution are managed under one roof, which gives a tighter control over quality, cost and turnaround time. We reach customers through our 427 distributors across 24 states and 2 union territories and 32 international distributors, supported by 109 in-house and field service engineers. Let me briefly take you through our growth pillars.

First is capacity expansion. Our new plant facility at Jhajjar, Haryana is ready to move for doubling the -- our production capacity from 600 units per day to 1200 units per day, and which is expected to commence by the end of financial year '27. Moving us to automated PCB testing. Second is the backward integration in batteries. Batteries contributed about INR72 crores, about 30% of revenues in financial year '26.

In H1 financial year '27, battery sales were about INR60 crores, 29% of revenue from the operations. Through an asset purchase agreement for a battery production line in Baddi,

Himachal Pradesh, we are moving from trading into manufacturing, which should improve margins and strengthen quality control.

Third is the new technology. Our smart solar inverters with integrated remote monitoring address the growing institutional demand for the smart power infrastructure. Fourth is government projects and partnerships. We executed about INR1.75 crores government order for 4000 solar PCUs and have been authorized as channel distributor for Exide.

With that, I will hand over to Arun sir to take you through financial performance.

Arun Bhardwaj: Thank you, Ravi. Let me now walk you through the consolidated financial performance of H1 financial year of 2027. Revenue from the operation was INR204.54 crores, a growth of 77.5% year-on-year, and 60.5% over the H2 financial year '26. Gross profit was INR45.68 crores, up to 77.9% year-on-year and 88% over H2 financial year '26.

Gross margin was 22.3% in line with the last year, and up from 19.1% in H2 financial year '26. EBITDA was INR17.02 crores, a growth of 148.7% year-on-year and 231.8% over H2 financial year '26. EBITDA margin was 8.3%, up from 5.9% last year and 4% in H2 financial year '26. Profit after tax was INR11.99 crores, a growth of 103.9% year-on-year and 310.6% over H2 financial year '26.

PAT margin was 5.9%, up from 5.1% last year and 2.3% in H2 financial year '26. To summarize, H1 financial year '27 was a half of the strong growth with a better margin profile.

With that, I would like to open the floor for questions. Over to moderator.

Moderator: Thank you. We will now begin the question-and-answer session. We have the first question from the line of Pranav from Prudent Equity. Please go ahead.

Pranav: Hello. Am I audible?

Management: Yes. We can hear you.

Pranav: Yes. Hi, sir. Hope you are well. First of all congratulations on a good set of numbers. My question was that like, in the first half, we showed almost an 80% growth and you had guided for like a 20% growth. So would you like to revise that guidance for the full year of FY27?

Management: Guidance for H2? Actually, our guidance is on the track what we have discussed in our DRHP. So we are on right track and maybe we will do even better than that.

Pranav: I'm asking because...

Management: Basically there was three things. One is your acquisition of battery plant, second was establishing of inverter factory. So battery plant is already acquired and it is operational, so you can see the impact of that. But the inverter factory is, we are going to get commenced within 3 months from now.

So maybe we will get some good news from over there also. And other than that we already introduced many products and those products are basically picking up in terms of sales and revenue.

Pranav: No, I get that. But you said that the share will go by 20% but you have already grown around 80%. So my question was that you to revise it because you have already grown…

Management: Sir, it is already revised so we will be touching around 370-380 or maybe around that…

Pranav: 375. Okay.

Management: We are targeting basically, Arun this side. Actually we are targeting about 375 in this year. And this is conservative one, maybe we'll...

Pranav: Okay. Got it. That's great sir. My next question was like a good March made your double over your capacity. So post that what kind of growth can we expect? Because post that like this plant was supposed to commence in July I think and I think some delay has happened. So my question is post that Jhajjar facility expansion, then what kind of growth can we expect?

Management: So in that scenario, if you see the, there is basically two portion. One is basically our manufacturing capacity and second is your sales growth. So that production capacity -- from the day one, we can declare it is going to be double. But on the sales revenue, so we are expanding rest of the India, apart from our main territory like Haryana and Uttar Pradesh.

So we cannot guarantee very quickly but definitely we are going to be a pan India player in next financial year. And the impact of that facilities would become in the next financial year.

Pranav: Yes, sir. That's expected. That's great. My next question was regarding like the inventory buildup we had, like currently our inventory is around INR55 crores which is the highest. And according to me like H1 is supposed to be slightly higher because of the summers. So what was the rationale behind building up that inventory right now?

Management: Actually if you see, so our sales growth is already 80% up. So in same scenario, if you see the inventory carrying cost, it's almost with the same ratio. So if we grow, then the inventory will definitely grow with the same ratio. And we are trying to basically trying to do it better management for inventory control, everything. So you will see the impact some in maybe in second half.

Pranav: Yes. And sir, like moving forward, especially after acquiring this Baddi battery plant, moving forward what can we expect a mix of manufacturing versus trading revenue? Like currently it's 40-60, so what can this number be? Especially after this acquisition of the battery plant?

Management: Maybe this year maybe it will be 70-30, I guess. Slowly, our manufacturing portion will be becoming higher and the trading portion will be lesser. Because the -- right now that factory is not 100% operational and we are trying to basically increase the capacity as well. We are targeting around 11,000 batteries per month.

Pranav: Right.

Management: So once we increase this capacity, so the trading portion will be less and less and our manufacturing portion will be higher.

Pranav: And sir, it's after this new Jhajjar facility and you will save up on a lot of rent also because currently you pay like rent on the facility you currently operate. So can we expect EBITDA margins to sustain or even maybe better in FY27 moving forward?

Management: Yes, definitely next year that will be improved, because the rent cost and some other hidden costs from different locations, like administration, different manpower handling, transport from one place to another.

Pranav: Sir, this 8%, like because I think in April we posted a filing saying that lead prices affected our margins in the H2 of FY26. So I just wanted to understand what the correlation in between like lead prices and our EBITDA margins?

Management: Actually, the lead that is used is used in your battery. And battery is the major component in the top line, basically. So in the last financial year, like in January, February, and March, when there was a lead crisis, there was more blackmailing , and prices shot up a lot in the market. So basically, that completely brings down your battery margin. And the battery itself, if you look at it within your top line, holds quite a good value.

So overall, it basically impacts your margin. But you have to sell in the market, so in that process, you have to, basically, manage your margin. For example, suppose where there is black mailing , where price sustainability goes in the market, the big players or in that way, they have a 6-month planning in advance, while people like us have a 3-month planning. So there, it somewhere or the other creates an impact, and in the market you have to move according to that competition.

Pranav: Yes sir, so keeping this in mind, I was asking whether this 8% margin that we have achieved is sustainable going forward.

Management: We will do even better than that next time, maybe. That situation happened because of the war in the Middle East. So things like this are not something that has to happen every year...

Pranav: And sir regarding this China subsidiary that you commenced, what is the rationale behind setting that up?

Management: Actually, China's strategy is basically long-term, for export purposes. As of now, this industry was running more from India because of the low-frequency system and tubular batteries. But if you look at it, solar panel exports from here were not very high because China dominated the market. If you look at the last three years, because of Chinese products, the export of the overall Indian market -- not just Smarten, overall it has basically declined in this area.

Right now, our focus is mainly more on export purposes. At the same time, there is also some technology-related dependence, because lithium has to come from there, and in the future, solar

panel manufacturing and everything comes from there. So some inverters are also running on hybrid systems these days. We are developing technology here, but at the component level they are much stronger there, because in the end you have to procure the components from there. This strategy is for both ways, India market, procurement of the raw material or component and secondly, to handle the export market. As a merchant trader, we had set 2-3 shipments which are in the pipeline and we are planning more. Slowly we are planning to develop our export revenue from there again.

Moderator: Sorry to interrupt you Mr. Pranav. Request you to come back in the queue.

Pranav: Just one last question, sir. Sir, the last time we spoke, we were discussing the potential for our products to be used as some kind of data center proxies. So, have we received any such order or anything in the pipeline that would allow us to supply our products to data centers or to someone else?

Management: There are some things of ours that are currently in the pipeline, but as of now they are not in the final stage, so we cannot disclose them right now. But somehow, because we are currently focused on our projects or within the OEM, there are some items there that are at our final stage. But once they are finalized, then we will put them on the NSE basically.

Pranav: Okay. Thank you sir. Thank you. All the best.

Moderator: Thank you. We have the next question from the line of Darshil Jhaveri from Crown Capital. Please go ahead.

Darshil Jhaveri: Hello, hi. Good afternoon sir. Thank you so much for taking my question. Firstly sir, congratulations on a great set of results sir. Sir, I just wanted to ask you about the margin, so what could be our sustainable margin, sir?

Management: Sustainable margin... this same margin is sustainable for you, sir. This is it, and it will increase slowly from here. So, as I told you, because last year our raw material, because of lead and all these issues, you were there, and along with that, due to the war, we must have been impacted a little, right, a bit, so...

Darshil Jhaveri: If -- in a normal case scenario...

Management: Before the financial year, if you check the last financial year, before the IPO, because of IPO expenses and then the war situation, the market was a bit up and down, so our margin was a little affected last financial year. But if you now look at our first-half results, it is almost equivalent to financial year ‘26, end of ‘26, ‘25-‘26.

So this margin is basically sustainable for us. But we are working on moving to our Jhajjar factory, where we will work as a kind of backward integration. So right now our battery is gradually increasing through backward integration, and along with that, once the Jhajjar factory is operational, we are expecting the margin to increase by 1%2%, 3% more in the coming financial year. That is what we are expecting.

Darshil Jhaveri: Okay, sir. Besides that -- sorry...

Management: Apart from this, we are designing hybrid inverters in-house, and that is already in field trials. And when it goes into mass production, there are quite good margins in it right now, because when a product becomes a commodity, the margins decrease. And when there is a new technology or a new product, there is always a chance to earn more. Okay. So that is also in the pipeline. Within 1 month or 2 months, it will go into mass production.

Darshil Jhaveri: Oh, that is great to know, sir. So sir, if I mean, this year we will probably grow by 50% if we meet our target. Next year we are also doing backward integration and doubling capacity, so what revenue growth can we expect? The demand scenario is very good, but I know management will be executing based on demand, right? There is no issue with demand at all, so what revenue estimate can we make, sir?

Management: Basically, all this financial planning for the next financial year is done thoroughly, like we do for the next 3 years or 5 years. But basically, 80%90% accuracy is achieved once the financial year ends, like when '27 ends, then it is almost final. But for the next 3 years, the plan for our next financial year is conservative; you can assume it is 525.

Darshil Jhaveri: Okay. That's great to know sir. And these margins will also be better, because our own ahead will go...

Management: Right. Correct.

Darshil Jhaveri: Correct. So, what is the competition here? Specifically, how intense is the competition within your field?

Management: Sorry, come again.

Darshil Jhaveri: What do you mean by competition? Do you perceive that the market involves extremely intense price competition, requiring us to significantly compromise on pricing to determine whether there is sufficient demand to satisfy all parties? If we are increasing our market share, what exactly do you mean by that in practice, and what is your perspective on the ground?

Management: The current market dynamics indicate a gradual shift from low-frequency systems and conventional in-built transformer solutions toward high-grid and grid-tie technologies, a transition expected to accelerate over the coming years. Regarding technology, while the market was mature in 2014 with established major players, Smarten has successfully proven its capabilities as both a technology and a product.

Unlike competitors who have been operating in this space for the past 20 years, we have proactively planned ahead. As Mr. Ravi mentioned, our in-house grid-tie system, designed and manufactured internally, has already been deployed in trials. Given that we have already validated these technologies, I do not believe many other companies have reached our current level of success rates in this domain. Consequently, by establishing these innovations first, we maintain a competitive advantage and secure superior profit margins.

Darshil Jhaveri: That is fair enough, sir. I have one final question from my side. What is your total estimated capex for this year and next year? In other words, how much do you plan to spend on capital expenditure?

Management: All of our previous capex commitments are nearly complete, with work inside the factory and battery facility almost finished. We will allocate approximately INR50 lakhs to INR60 lakhs for a minor expansion and to install additional machinery there. For the Jhajjar plant, around INR2 crores to INR3 crores in pending payments remain. Following this, we do not anticipate any immediate major expansions. Therefore, you can expect the total capex for the next year to be around INR3.5 crores.

Darshil Jhaveri: Okay. Sir, regarding the rest the depreciation figure, which I believe is INR1 crores. Does that account for all the other capex? I mean, there might have been some small amount of capex remaining, right? Is that correct, sir?

Management: Right.

Darshil Jhaveri: Okay. That's it from my side. Thank you so much and all the best.

Moderator: Thank you. We have the next question from the line of Rajesh Joseph, an individual investor. Please go ahead.

Rajesh Joseph: Am I audible?

Management: Yes.

Rajesh Joseph: Yes. Sir can you give an idea about the percentage of sale from our own manufacturing and trading products right now and after the commissioning of the new plants?

Management: As of now trading and manufacturing is about 60-40 I think. Trading is 40% and manufacturing is 60%.

Rajesh Joseph: And the same proportion will be maintained after the commissioning of the Jhajjar plants?

Management: Hopefully. But we are focusing on the our assembling or manufacturing plants. Once our Jhajjar plant will be commissioned then then assembly of the inverter part will be increased.

Rajesh Joseph: Okay. Assuming 100% capacity utilization, how much turnover can be generated from the upcoming manufacturing facilities?

Management: That upcoming manufacturing is related only on the electronic side, not from the battery side and the solar panel side. If we will talk about for the single shift, which is about 1200 per day, so we can enhance the capacity like in second shift there is no limit basically for the turnover or something.

Rajesh Joseph: Okay. Right now we are present in 9 overseas countries. Any plan to expand it?

Management: Yes, actually before that we were presenting in more than 30 countries but in last 2 years, because this market is shifting into the lithium and the hybrid system and the war situation in the Middle East as well. So our export market went down. And now we are opening like already open our subsidiary in China. So we are already focusing on like how to grow into the export market. And we already did 2, 3 shipment from like China direct to Africa.

Rajesh Joseph: Sir there is significant improvement in operating cash flow in this half year. Can we expect the same trend continuing in the going forward?

Management: Yes.

Rajesh Joseph: Nowadays competition is heating up in solar related business. What are the strategies you are planning to protect our margins?

Management: See, if as I mentioned you before, we are the technological company and we are always think what the new product we have to put into the market, where is the like customer need basically. With this logo, we managed our market into the basically in last 10 years. So we are just putting our new technological products where the other company cannot fulfill that requirement.

Rajesh Joseph: Sir the upcoming products are also related with this renewable energy or something different?

Management: Yes. As we mentioned before like this is the grid tie system. We are already into the prototype and into the production. So these are all related with the renewable energy, yes.

Rajesh Joseph: Okay sir, thank you. That is from my side.

Moderator: Thank you. We have the next question from the line of Pranav from Prudent Equity. Please go ahead.

Pranav: Yes. Hi sir again. I wanted to follow up regarding what our volume growth was in H1 and whether we can expect similar growth in H2?

Management: Actually expectations always remain of man and if you will see the past record, H1 and H2 is almost similar. Even H2 is better than H1.

Pranav: And sir, regarding the volume growth? What did we achieve in H1?

Management: Sorry, volume? 80%.

Pranav: Okay. And sir finally, how many distributors have we added in the past like a year and how much is the plan to add moving forward?

Management: Actually we basically we expanding in South India and East India, but we have to check the actual numbers. We can put into the like presentation or something. I think it is already covered into the presentation.

Pranav: Okay. Thank you sir. All the best.

Moderator: Thank you. We have the next question from the line of CA Suraj Jain from MS Capital. Please go ahead.

Suraj Jain: Hello sir, am I audible?

Management: Yes we can hear you.

Suraj Jain: Hello, sir. I would like to understand something: regarding our batteries, we have an agency for Exide, right? And are we also going to be manufacturing batteries ourselves?

Management: No, sir. This is actually Exide Technologies from Europe not Exide India with whom we have signed a distribution agreement for the Indian market. These batteries are not intended for the general retail-channel market; rather, they are primarily for project-based applications, such as in the telecom, defense, and data center sectors.

We are currently working on expanding into the project space focusing on on-grid systems, various projects, and tenders which is why we have entered into this agreement. As you might be aware, in sectors like defense, products must first be approved and listed. For instance, with the DRDO and similar listing requirements apply for tenders. We are currently in the midst of these processes; once these are completed, the actual operations will commence.

Suraj Jain: Right, sir. Many companies are currently emerging that are working on BESS, Battery Energy Storage Systems. So, what benefits will this bring you in the near future?

Management: In the past, an inverter was primarily viewed as a luxury item, a simple power backup solution. With the advent of solar technology, you can now generate your own energy by installing solar panels on your rooftop. Looking ahead, another significant shift is on the horizon: During periods of solar energy generation, grid electricity rates will generally be lower.

Conversely, when demand peaks typically in the evening, around 7 or 8 PM electricity tariffs will rise. To navigate this, you can generate solar energy during the day and store it using a BESS Battery Energy Storage System.

Consider this scenario: if electricity costs, say, INR5 per unit during the day but climbs to INR11 per unit in the evening, generating and consuming solar power during the day saves you INR5 per unit. By storing that energy and using it during the evening peak, you effectively save INR11 per unit. This is precisely why this technology is gaining so much popularity.

Suraj Jain: Well, it’s going to be highly beneficial for us, because our batteries are also being sold as part of this, right?

Management: Yes, batteries are also being sold as part of this setup. Regarding the government’s stance initially, grid-tie inverters were the popular choice. Now, however, there is a shift toward hybrid systems, where energy storage is being made mandatory both within government schemes and more broadly. Furthermore, while no state has implemented 'peak tariffs' yet, the moment that happens, the demand for these systems will increase even further.

Suraj Jain: Thank you sir.

Moderator: Thank you. We have the next question from the line of Nimesh Pandey, an individual investor. Please go ahead.

Nimesh Pandey: Sir I have a couple of questions. So our revenue grew, I mean comparing with H1 FY26 grew 77.5%. And comparing with H2 FY26 it's grew slightly at 60.5%. Sir I wanted to know how much of that came from volume growth and how much of that is from increasing prices and products mix? And which product or segment drove it? Hello?

Management: Sorry can you please come again?

Nimesh Pandey: Sir our revenue grew slightly comparing with H1 FY26, grew at 77.5%. And sir, from previous half year that is H2 FY26 it grew around 60.5%. Am I right sir? So how much of that came from the, from volume, price and product mix? And which product or segments drove it sir?

Management: See actually, there is a two parts. One is trading part from the company, second is our like our own manufacturing. So our own manufacturing part is about 60% and the trading part is basically the 40%. Out of 60% in manufacturing side, there is about you can say 70% of the electronics and the 30% of the battery manufacturing.

Nimesh Pandey: Okay. Got it. Sir my second question is regarding distribution network. Sir, as you can see that distribution network has also grown from 327 to 427 domestic distributors. Sir how much of that growth came from new distributors and how much from existing ones? And sir what is the channel inventory and how do you track the sell-in against sell-out?

Management: We have to check. We will get back to you on this. But for as any idea like for the new distributors, this number is not confirmed but as an idea I am telling you, for the new distribution always it is about 20% in the first financial year. Then they come into the next financial year. See like in this H1 if you will see the total top line, then the 20% revenue would be from the new distributors and rest from the like previous distributors. And they will come like, this distributor, they will perform in the next financial year basically.

Nimesh Pandey: Okay, understood sir. Thank you so much sir.

Moderator: Thank you. We have the next question from the line of Poonam Jain from Jain Investment. Please go ahead.

Poonam Jain: Yes. So my first question was that the gross margins was 22.3% which is flat on a year-on-year basis. But it is up by 19% from H2 FY26. What drove the 320 basis point sequential jump and is this 22% a level that you can hold going forward?

Management: Yes, actually that margin if you will see like, I am repeating again, like this margin if you will see before the IPO, our margin is same like this. If you are comparing with the last basically the financial year where there are so many up and downs like in the war situation as well, in the component side, in the like raw material of the battery as a lead side as well, so our margin went down into the last basically financial year because of all this reason. Temporarily.

But our this like 22.3% gross margin, this is like since last like three, four years it is the same and this is sustainable. And we are increasing our margin because we are planning as a backward integration, we are coming with the new products, new upcoming products for the renewable energy, like grid tie system or hybrid systems, even we are planning for the some backward integration in our existing products, all these things we are planning to increase our margin.

Poonam Jain: Okay, got it. So my second question was in terms of EBITDA margins rose from 5.9% to 8.3% and the employee costs grew from around 45% to 58% against the revenue growth. So how much more of this operating leverage is left and what is your target for margin range in FY27?

Management: Like it is the same. As I told you that margin and the EBITDA we are trying to make it like same as to the H1 result basically.

Poonam Jain: Okay. Got it.

Management: It should be the same. H2 should be the replication of the H1 basically, same as it is, what we are expecting, yes.

Poonam Jain: Okay. Understood. And the last question from my side would be around trading. So trading is about 40% of sales right now and batteries about 29%. And batteries are largely traded today. So what are the margins on traded versus self assembled products and on the traded versus self made batteries?

Management: See, if you will talk about the manufacturing of the inverter then margin is different. But if we will talk about for the battery then because this is our first year for the manufacturing, we took that plant in November, December in last financial year. So this is our very first year into the battery manufacturing.

We are enhancing the product, we are doing some testing, we are putting some equipment. So as a margin obviously it is more than trading product basically, but it is not at that up to mark. But in the next financial year once we will do all the like R&D and all the setup, then battery margin will also increase. As a compare like I tell you, in trading we are getting about suppose 7% to 8% as a margin, so in battery manufacturing it is about 12% to 15%.

Poonam Jain: Okay. Got it. Thank you so much and all the best for your future sir.

Moderator: Thank you. We have the next question from the line of Darshan Jhaveri from Crown Capital. Please go ahead.

Darshan Jhaveri: Hi, thank you so much for taking my question.

Moderator: Mr. Jhaveri, request you to kindly come closer to the microphone as your audio is not very audible.

Darshan Jhaveri: Hello. Hi, is this better?

Moderator: Yes.

Darshan Jhaveri: Hi, sir I just wanted to understand sir, in terms of branding and brand recall, so how do we standard? Are we planning to spend some money getting our own brand and some marketing spends we are planning to do? And we want to get into the projects site, so there will the margins be better, not better? How do you quantify that sir?

Management: Marketing side we always have the budget. Our sales team, our marketing team always have the budget to spend on the like how to make the -- our known brand into the market. So we always do like all the ATL, BTL activities we are doing into our market. Like if you will go into the Haryana, you will see some flex boards, some roadside boards, some like some decoration into the like dealer shops or something.

So sometime we motivate as a marketing budget, we are motivated to our like dealers as well, we are making some schemes and discount as a travelling plan and we are always do some exhibition into the like region wise, we always do the like this. So all this activity we are already doing.

Darshan Jhaveri: Okay. Fair enough sir. And in terms of projects, what type of projects? Are we planning to go into government projects because their working capital is very you know problematic so...

Management: No, not into the project, into the government side, that would be the next step basically. Currently, we are focusing on private rooftop projects, For instance, installations on industrial facilities or private residences. Previously, we operated primarily through a distribution channel:

We would sell our products to distributors, who would then supply them to dealers, and the dealers would handle the final installation at a client's site. We were not directly involved in the installation process ourselves. Now, however, we are planning to undertake private-sector projects such as 50 kW, 100 kW, or even 500 kW installations on factory rooftops. As for tenders, we continue to execute those through third parties.

Darshan Jhaveri: Okay. No, fair enough. Got it. Got it. That's it from my side. Thank you so much. All the best.

Moderator: Thank you. We have the next question from the line of Manaswini from Oracle Investment. Please go ahead.

Manaswini: Hello. Congratulations sir for the good set of numbers. I had a question which was with the development of IoT enabled solar inverters and remote monitoring systems. Does Smarten then intend to say move beyond primarily being like a hardware manufacturer towards offering integrated solutions? And could this then create like a recurring revenue opportunity through software monitoring and maintenance services?

Management: Yes, definitely. Actually right now the company is not directly connected with the end consumer. So by doing so, we will be having data for the each and every like consumer. So we can track under warranty products, out of warranty products, and we can offer basically after sale service and AMC kind of things. So definitely the revenue will be jumped in terms of after sale service.

Manaswini: Okay. I had another question which is, given the company's stated objective of moving towards 100% in-house production, then which components currently procured or say semi-finished products are most critical to indigenize? And what challenges could then arise in achieving say complete backward integration?

Management: Right now we are selling the products like solar inverters, hybrid inverters, solar charge controllers and normal inverters. So and for that we are basically dependent only on the semiconductor imports and other than that like cabinet assembly, plastic products and some other like raw materials we are getting from within India.

Manaswini: Okay. So then what challenges do you see that could arise in achieving this 100% in-house production?

Management: Right now we are on the right track so we are not finding any challenges but definitely we have to basically keep on our eyes on the import side because right now because of the war situation, the raw material, like supply chain is little bit distant. So we have to plan earlier for that. Like bare PCB manufacturing raw material is 80% is coming from this Middle East kind of thing, so the price is almost double and the supply chain is already disturbed for that.

So we have to basically plan little bit earlier, then there will be no basically challenges. And if we are not planning in proper manner, then definitely there is a supply chain issue for that.

Manaswini: Okay. That answers my question. Thank you so much sir. Thank you and congratulations and good luck.

Moderator: Thank you. We have the next question from the line of Yash Parker from Patil InvestmentPlease go ahead.

Yash Parker: Hi sir. Thank you so much for the opportunity. Good afternoon. So I had a couple of questions. First is sir with over 372 SKUs across multiple categories, how does the management evaluate product level profitability and capital allocation? And are there plans to rationalize the portfolio and focus resources on high margin fast growing product categories?

Management: Yes definitely, as we said earlier, so there is always a truth. Once the product is get commodity, everyone is available, everyone having that product, then the margin is less in that kind of product. So we always focus for the new product introduction. So there is always chance to earn more.

Like right now we are developing our own grid tie inverters and hybrid inverters. And with you know, some USPs. Like in grid tie inverters we are basically introducing one system one like specs, so it will be not only feed into the grid, when the grid will not available, it will run the rest of the like home appliances. So it is I think this spec is we are the first company to introduce this spec.

So this kind of things we are doing day by day or every year we introduce two, three products like that. So in that way we are able to basically secure our margins.

Yash Parker: Right. Okay. Sir another question is, as the company scales and grows, across manufacturing, distribution, exports, and also institutional projects. So what are the key strategic priorities that you will be focusing over the next three years? And which business segment is expected to become like the growth engine for us?

Management: Our first strategy is to expand as a pan India player. So right now our you can say our total revenue is coming from Haryana and half of the UP. So if we penetrate pan India then definitely the growth engine will be from like channel expansion itself. Other than that we just, trying to establish our project business and institutional sales as well. So that will be slowly, slowly like separate business unit apart from what we are doing right now.

Yash Parker: Okay. That answers my questions. Thank you so much sir.

Moderator: Thank you. As there are no further questions, I would now hand the conference over to Mr. Ravi Dutt for closing comments.

Ravi Dutt: Thank you everyone for the joining this call and believing on us. And we wish you all very, very happy Diwali.

Moderator: Thank you. On behalf of Smarten Power Systems, that concludes this conference. Thank you for joining us and you may now disconnect your lines.