“ideaForge Technology Limited

Q3 FY '26 Earnings Conference Call”

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MODERATOR: **MR. VIDHI VASA – MUFG INTIME INDIA PRIVATE LIMITED**

Moderator: Ladies and gentlemen, good day, and welcome to ideaForge Technology Limited Q3 FY '26 Earnings Conference Call. As a reminder, all the participants' 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 this conference call, please signal an operator by pressing star then zero on your touch-tone phone. Please note that this conference is being recorded.

I now hand the conference over to Ms. Vidhi Vasa from MUFG Intime. Thank you, and over to you, ma'am.

Vidhi Vasa: Thank you, and good morning. On behalf of MUFG Intime, I welcome you all to ideaForge Technology Limited Q3 and nine months FY '26 Earnings Conference Call. From the management side, we have Mr. Ankit Mehta, Chief Executive Officer and Whole Time Director; and Mr. Vipul Joshi, Chief Financial Officer and Whole Time Director.

I hope everyone had an opportunity to go through our investor deck and press release that we have uploaded on our exchange and company's website. A short disclaimer I would like to say before we begin the call. This call may contain some of the forward-looking statements, which are completely based upon our beliefs, opinion and expectations as of today. These statements are not a guarantee of our future performance and may involve unforeseen risks and uncertainties.

With this, now I hand over the call to Mr. Ankit Mehta. Over to you, sir.

Ankit Mehta: Good morning, everyone, and thank you for joining us for ideaForge's quarter 3 financial year '26 earnings conference call. Wishing you all a very happy New Year. I'm joined by our CFO, Mr. Vipul Joshi and our Investor Relations team.

If I had to summarize this quarter in one line, then I would say that while Q3 was muted in terms of numbers, the impending demand finally fructified into orders and has reinvigorated our focus on delivery. And all the recent developments are a proof of the long-term potential of the industry that keeps us looking forward to what's coming ahead. That's the lens I'll use through this speech. What's our order book position, focus on revenue recognition and our ability to execute, impact on margin and profitability and how are we positioning for the next cycle.

Starting with the order book. FY '26 has been a defining year for ideaForge for so far. Year-to-date, we have added approximately INR440 crores of orders to our order book, the highest quantum of orders in a single year in our 2-decade journey. In Q3 alone, the order inflow was broad-based. We added more than INR102 crores through large opportunities and roughly INR115 crores through multiple smaller orders. This matters for two reasons.

First, it shows that demand is not concentrated in just one program or one customer. Second, it creates a healthier execution pipeline, multiple delivery milestones, multiple revenue recognition events and more predictable conversions over the next few quarters. As of the end of the quarter, our order book was approximately INR350 crores. And with the addition in the current month, it stands at approximately INR368 crores. The order book is the single clearest indicator of revenue visibility in our business.

Since the beginning of the year, when we received our first large order, we have been gearing up to deliver on that order and have gone through the phases of securing the necessary components and subsystems that come together to enable the production and subsequent delivery. As we speak, we are already awaiting customer inspections of the delivery for a part of the quantity and are in advanced stages of finishing subsequent lots, while at the same time, executing shorter supply time orders as well.

We would also like to mention here that due to shifting geopolitical conditions and the aggressive nature of the global posture, we are observing certain supply side constraints, and we are working closely with our supply chain partners to navigate the dynamic challenges. However, our readiness makes us confident of delivering around 40% to 45% of the open order book in the present quarter and recognizing the revenue.

We are also comfortable in our ability to realize our entire order book into revenue in the stipulated timelines based on our financial capability and working capital limits with our banking partners. Having said that, our margin expectations on the deliveries we will make in the quarter will be healthier than all our previous quarters this year. And thus, with both the quantity of billing and better gross margins, we are confident of turning profitable.

As you are aware, our gross margins and overall numbers are not easily tracked quarter-on-quarter or year-on-year for the quarter due to strong dependency on the orders executed in that specific quarter and the vagaries of that are visible in our Q3 numbers as well. Building on what we have been consistently emphasizing, electronic warfare resilience has shifted from a wish list item to a baseline requirement, and that shift is now translating into real procurement decisions.

During the quarter, we secured capital emergency procurement orders from the Indian Army worth more than INR100 crores for our tactical class ZOLT UAV and mini UAV SWITCH. These wins are significant because they come after rigorous evaluations, including trials in electronically contested environments and tighter country of origin and intellectual property checks.

ZOLT has been designed from ground up to meet these requirements. SWITCH continues to build on its proven operational track record as a reliable hybrid vertical take-off and landing platform. These platforms equipped with our EW resilience capability for high-threat signal-denied operations, including strong ECCM and GNSS denied autonomy, add real capability to the forces and not just incremental features.

And from a business perspective, as more current and upcoming programs explicitly bake in EW and counter drone operating conditions into their requirements, the capabilities we have built becomes a repeatable edge. It helps us qualify faster, compete stronger and pursue follow-on and expanded orders across platforms, not just win a one-off contract.

Further, recent global conflicts have made it very clear that nations can't rely on imports alone. They need to build indigenous defence capabilities and capacity. For India, that signal became real during operations Sindoor. In the aftermath, our security forces have significantly

accelerated their procurement and induction of new technologies. Emergency procurement cycle 6, including decentralized procurement at the command level, clearly demonstrated that the forces are now focused on rapidly building both capability and scale.

On top of this, recent reports of a fresh procurement outlay of around INR20,000 crores across ISR platforms, loitering munitions and strike drones provide a strong multiyear demand tailwind for the domestic drone industry. With indigenously developed platforms, secure subsystems, full stack technology and strategic partnerships with leading DPSUs, DRDO labs and private entities to co-develop combat capabilities, ideaForge is gearing up to meet evolving requirements by expanding beyond intelligence, surveillance and reconnaissance and reinforcing leadership in the India's drone ecosystem.

On the civil side, the Indian law enforcement and paramilitary forces have been a primary driver for the civil demand, along with geospatial applications. Our collaboration with C-DAC to integrate drones into India's emergency response network will unlock new use cases and opportunities and drive the adoption of drones and FLYGHT Dock, our drone as-a-Service offering further. We have already conducted several live proof-of-concept deployments for our integrated capability.

What is changing in the civil and enterprise markets is that customers are increasingly looking for outcomes, not just hardware. That is where our broader solutions approach via software platforms like FLYGHT CLOUD matters. Over time, this can become a stabilizer alongside defence with more repeatable deployments. And also the reports of PLI 2.0 for drones and R&D incentives will further boost innovation and strengthen domestic research and development and manufacturing ecosystems.

We also continue to compound our advantage through real-world operations. Our deployed UAVs have completed more than 150,000 flights with our end users in the field during the period up to end of December 2025 and over 850,000 flights cumulatively. That operational experience is not a vanity metric. Every flight is data, mission profiles, environmental stresses, user workflows, failure modes and the nuances that only show up outside a lab.

This compounds over time into better products, better software, better reliability and ultimately higher customer trust, which shows up in a repeat usage and increased adoption of the technology. This extensive end user experience has helped us over the years to innovate and develop cutting-edge technologies. The strong patent portfolio of 100-plus patents is a testament to our learning and our ability to convert learnings to our advantage.

On a proud note, ZOLT and SWITCH UAVs will be displayed at the Republic Day Parade to demonstrate India's indigenous defence capability. It's symbolic, but it also reflects a real shift. India is moving from importing technology to building and scaling it domestically. Internationally, our joint venture with First Breach in the United States, currently in the formation and execution phase is a deliberate move to build a credible on-ground operating footprint and not just a sales presence.

The objective is to localize key elements of operations such as assembly, manufacturing, program execution and go-to-market by leveraging First Breach's infrastructure and access to the U.S. defence ecosystem. With tighter pathways for regulatory clearances for imported drones and trade policy volatility, adding uncertainty to import-led supply chains, a U.S.-based setup improves our ability to stay compliant, reduce supply risk and compete more effectively in government and enterprise programs.

As the JV gets operationalized through approvals, setup and execution readiness, it positions us to move faster when customer cycles convert while keeping delivery, pricing and regulatory exposure more under our control.

To close, here's what we want you to take away. The impending demand has fructified into orders. INR440 crores order booking year-to-date and an open order book of around INR368 crores as we speak. Revenue recognition is now the mission. We are confident in the full year's gross margin trajectory of 50% plus for FY '26, supported by our order mix and execution of higher-value programs in Q4.

With sufficient cash and funding capability to support working capital for deliveries, so execution is not constrained by liquidity. Industry tailwinds like outlay of fresh procurement worth INR20,000 crores and PLI 2.0 and R&D initiatives create positive market conditions from both demand and supply sides. Thank you for your time and continued support. We can now move to the Q&A.

Moderator: Thank you. We will now begin the question and answer session. The first question comes from the line of Jai Chauhan from Trinetra Asset Managers. Please go ahead.

Jai Chauhan: Thank you for the opportunity. Yes, I just had two questions. First is, in some state-level tenders, channel check suggests that ideaForge work with private local partners. So can you help us understand whether these partners act as a prime bidder or as a facilitator or -- and also specifically who bear the deposit bank guarantee and working capital in such cases?

Vipul Joshi: Yes. So Jai, thank you for the question. Typically, if you have followed our trajectory in the last three years since listing, we have enumerated that our overall base and approach of approaching to our customers in multifold, one where in large tenders or otherwise the direct participation of ideaForge as well as we have now a large partner base across the country where -- who will help us in penetration to different opportunities as well as give us support and help in our L1 and L2 support and delivering the training programs to the end customers as and where is required.

So in tender opportunities, they also participate as our lead bidders for those opportunities and also help in execution of those contracts.

Jai Chauhan: Right, sir. So if they are the lead bidders, they bear working capital, right? And do they pay upfront for the inventory? And how does that work exactly?

Vipul Joshi: So it also depends upon contract to contract, but it is largely within 30 days payments with all the partners.

Jai Chauhan: Okay. And there is no advance as such, for example, if I am your partner...

Vipul Joshi: If it's a large opportunity, which typically is part of all the EP or a fast track procurement. And if the contract has a feature of advance from the end customer, then the same is also partly of our arrangement with the partner.

Jai Chauhan: Got it. And what is the proportion of your revenue today that flows through such partner-led state contracts versus direct OEM-led contracts?

Vipul Joshi: So we do not really track as distribution between what is the partner-led revenue and the direct ideaForge revenue. It is blended right now.

Jai Chauhan: Okay. Got it. And also, like could you walk us through your typical life cycle of defence state and like I just wanted to understand whether trials preceded L1 or L1 is identified first and then tested the capabilities listed afterwards? And also once if it's technically compliant, does the L1 bidder usually get the full order or the orders are split? And also in cases, for example, if an ideaForge drone has some additional capabilities beyond the base specs and if you are not the lowest bidder, how does the procurement typically play out there?

Vipul Joshi: So in a typical tender scenario, there are multiple stages. One, starting when the tender submission RFP is out, there is a paper evaluation on -- which is there for all the technical specifications that have been submitted. Post that qualification criteria is when vendors are invited for field trials. In the field evaluation trials is when people are asked to showcase their products line item by line item as to what the RFP details are.

And anybody who is not able to qualify in those field trials is basically not part of the financial bid opening. And L1 bidder is the last person who receives the order. Some contracts of late have had the feature where the -- because of the nature of the contract, there can be a split of orders. But largely, historically speaking, it has been one single person who has been awarded the contract.

Ankit Mehta: Yes. It's a contract-dependent condition. It does not have any sort of, I mean it's just what's stipulated in the contract.

Vipul Joshi: It's not a standing conditions for all contracts as being same.

Ankit Mehta: And you can't change it later as well.

Jai Chauhan: Understood. So it is typically L1 only, right, after the technical.

Vipul Joshi: So technical evaluation, you do get your additional points, but that not necessarily mean that even if you are not the L1, you'll be awarded the contract.

Jai Chauhan: So for example, if our drone has additional capabilities, like additional features to whatever it is mentioned in the RFP, then also you will have to be the lowest bidder, right, to win the tender? Or is there any...

Ankit Mehta: That does not have a bearing unless and until there is something that the customer has described in capital procurement as what is known as enhanced performance parameters, that is only happening in defence capital procurement where enhanced performance parameters can give you some pricing advantages when the financial bid opens.

Jai Chauhan: Got it. Got it. Understood. And lastly, on indigenization, like how deep is the audit today? Like, for example, does it stop at ideaForge or it extend to Tier 1, Tier 2 suppliers? Like for instance, if you source from an Indian electronics partner who in turn uses imported components, how is the indigenous content evaluated?

Ankit Mehta: It is based on certain formulas that particularly happen in defence contracts. And in other contracts as well, it is something that you have to provide a CA certificate for and there is chaining of the overall requirement as well. Depending on the value of the subsystems.

Vipul Joshi: So local content attribution is also verified and checked.

Moderator: The next question comes from the line of Hardik Rawat from IIFL Capital.

Hardik Rawat: Congratulations on the healthy inflows that you've seen this quarter. My first question would be with regards to the inflows themselves, INR440-odd crores of inflows you've seen year-to-date. Are you expecting any other large-sized order inflows in the fourth quarter? Or should we see this as -- except for the small-sized orders that will come here and there, this should be the total set of order inflow that we should be looking for -- looking at in FY '26.

Ankit Mehta: Yes, nothing large, Hardik, particularly from an EP standpoint, remains open at this point in time. We are continuing to track meaningful opportunities in the run rate business, and we are expecting closures from that.

Hardik Rawat: Got it. And just any updates with regards to the L1 pipeline that we were having with regards to overseas customers, the African customers where we were facing some issues and that L1 position ultimately confirming into order inflows. Is it still a work in progress? Or are we writing that off?

Ankit Mehta: So it is still a work in progress, Hardik. In fact, the number of opportunities that we have bid in international business has grown only. We have had a bunch of customer visits at our place as well over the last few months, where we are seeing definite interest in trying to close things. However, the final conversion is what we are awaiting right now, but it's very positive in terms of motion and movement.

Hardik Rawat: Got it. Ankit another point...

Moderator: Sorry to interrupt Mr. Rawat, we request that you return to the question queue for the follow-up question. The next question comes from the line of Dipen Vakil from PhillipCapital.

Dipen Vakil: Thank you for the opportunity. Congratulations on an encouraging order inflow for the year. Sir, my first question is on the similar line. So right now, this year, whatever major order wins

that have happened have been emergency procurement, whereas which are all executable within 12 months. So what are we looking at?

So what are the other orders that are there in pipeline in terms of which can help us in a sustainable kind of a visibility, especially now that our product profile is also improving from tactical UAVs as well as logistic UAVs coming in. And at the same time, our flagship product on NETRA and SWITCH UAV continue to get upgraded. So what is the kind of opportunity we are looking at in the near term, if you can put some number in it?

Ankit Mehta: Yes. So Dipen, if you remember, we have been working on certain MAKE programs, those programs are what we have been continuing to track, and we are executing on those programs. There are milestones of those programs that have to be completed in early this year. And those programs are certain large programs that we expect to convert into meaningful opportunities, which will have a longer delivery time period as well associated with them. So that is one part of what we are tracking in terms of opportunities.

Of course, I also mentioned that there are reports of a larger procurement being planned for drones in various categories. That's another area within which, like I mentioned, we are looking at partnering in order to expand the base of opportunities that we can be a part of going forward. That's one effort at our side. And of course, there are certain other long-term opportunities on the run rate side or in the civil side as well, where we are working on very interesting opportunities. Once they fructify, they can be multiyear opportunities for us as well.

So there is a deep pipeline that is created, a pretty large pipeline as well. But we continue to track it and execute on each of the necessary features and capabilities that we need to build for executing those programs.

Dipen Vakil: Got it, sir. Sir, you also mentioned about the PLI scheme coming in. So any timeline that you have in your experience that can be -- we can expect PLI 2.0 to come in especially focused on drones and anti-drones?

Ankit Mehta: Presently, the reports that I've also read and same as you would have, is that there may be something in the budget. So we are also holding our breath for that.

Dipen Vakil: Got it. And any new products that you focus on...

Moderator: Sorry to interrupt Mr. Vakil. We request that you rejoin the queue. The next question comes from the line of Tushar from Peace Wealth.

Tushar: Yes. So firstly, congratulations on getting your first order for the ZOLT drone. So if I understand correctly, this ZOLT comes with the loitering munition capabilities. So I just want to understand what is the potential for this new category that has come our way? And how confident are we to achieve more orders in this particular segment? That's my first question.

Ankit Mehta: Thanks, Tushar. Tushar, if you remember, we've been building ZOLT for certain MAKE - II opportunities. So that's the, I would say, the opportunity pipeline for that, that it was being

worked towards. And that's what happens like when you are building something forward-looking and you are building it because you see the demand signals. Typically, that's how you embark on a program when you see the demand signals, and you believe that you have the capability to deliver on it.

When the opportunity came during the -- in the aftermath of Op Sindoor, we had a platform that could be demonstrated and was able to garner the necessary opportunity and orders. So yes, there is a continuing pipeline for that. And I just wanted to underscore the fact that building new capability is a very, very important vector of increasing the total addressable market for the company.

And in general, the MAKE - II opportunities and other programs around combat capabilities are areas where we are seeing opportunities. There is continued demand for these kind of programs. We are working on 1 such -- 2 such programs in the MAKE – II itself. And of course, we will have to continue to look at opportunities that are going to come in the next cycle for similar platforms when the new cycle gets announced in terms of procurement.

Tushar: Okay. That's great to know, sir. And another thing, I was reading an article where it was mentioned that Indian government is planning to source about 10,000 drones per cops. And in totality, they are looking at almost 1 lakh drones to be procured by 2027, including all kind of small, medium turbulence combat drones. So I just want to understand how is ideaForge plays to benefit from all of it.

And also, if I understand correctly, under this program, government is training their soldiers on how to operate drones. And if I understand correctly, even ideaForge is helping the government in this area. So if you could talk a little more about this particular segment, how we are helping the soldiers on the training program? And how are we going to benefit from this sourcing of the government by 2027?

Ankit Mehta: So Tushar, it's a great question. That's exactly the demand signal that I've been speaking about. There is a lot of restructuring that is visible in the Indian armed forces. And based on that restructuring, we are expecting a lot of demand to flow in. That's perhaps one of the reasons why we saw the recent reports of a large procurement.

In terms of our own capability, presently, we've been focused on building multi-roll assets the assets that can do in a very, very high, you can say, precision and performance ISR missions. That was our primary role. Some of these platforms are getting adapted to being able to carry certain munitions as well.

And we are also looking at building new platforms based on the exact requirements that the forces are going to come up with. So we are creating that internal capability to react based on the clear specifications that we will get privy to once we have the opportunities in front of us.

But the background capability, if you see in terms of having our own indigenous stack and self-developed stack for the entire avionics for the aircraft the GNSS denied and communication denied resilience capability as well as the ability to do onboard compute and to support compute

on the edge and AI on the edge, we have the necessary ingredients that can be leveraged across a very wide set of platform capabilities that we can react to when the opportunities come.

So that preparation phase in that one sense is what we've spent our time in, and we have arrived at a version of these capabilities that can be deployed on the field. While we continue to iterate and evolve these capabilities, we have the ability to react better now in this upcoming phase of procurement and opportunity. So every specific capability that they will buy in bulk has not been declared publicly presently.

Therefore, we have to respond. We are preparing to be responsive as well as there are certain capabilities we are aware of opportunities in for which these platforms that we already have into some size and shape are already applicable for those opportunities.

Tushar: Okay. Great. And sir, are we working on solar-powered drones also because recently, a competitor company, NRT, they secured an order for a solar-powered drone that can stay in air for almost 24 hours because of the powering done by solar. So are we also working in this area? And also on the YETI drone, so when do we expect this prototype to be ready? That was also the question I asked in the last call. So that's all from my side.

Ankit Mehta: Yes. So the propulsion testing version of the YETI platform is going to fly within the first half of this year and an advanced prototype, again, we expect to fly towards the end of the year, which is the next iteration getting us closer to the product. In terms of what is happening with respect to the solar-powered or HAPS opportunities, I think Tushar, we have to probably not participate in some categories because, again, the breadth will be very large. So that is one category.

Presently, we have not envisaged in our portfolio because in most of the low altitude missions, that is not going to be a practical solution in the short term. For solutions that are flying at a very large altitude, for them to be leverageable across the entire seasonal expense of atmospheric and conditions, it's also going to be tough for them to look at what's happening on the ground unless it's a clear atmospheric condition. So we are still sort of building our thesis on that. So we're not there yet in so far as that capability is concerned.

Tushar: Okay. And sir -- if I may just squeeze the last question, please. Okay. So 18 months back, you were working on two programs that you were calling as Zolt and YETI, now Zolt being commercial and YETI is in process. Any other program that you have a name of and then you want to talk about and in which area we are working upon?

Ankit Mehta: Like I said, I think right now, the approach is shifting a little bit instead of going after a specific program right now, our focus is on making sure that we are responsive to the opportunities that we will see. And therefore, presently, I can't articulate a specific platform for you, but the categories that we have been operating in, we have expanded the definition of those categories and are more flexible in what all we will build in those categories.

Moderator: The next question comes from the line of Jatin Jadhav from Sahasrar Capital.

Jatin Jadhav: First of all, congratulations on new orders. Actually, my question was more on the lines of the capabilities. So how does your UAV maintain reliable navigation mission continuity and flight sustainability in a full GPS denied and communication contested environment? Do you guys use visually something like a terrain contour mapping? Or do you pre-feed the flight data and then it does ISR and then come back? So that's the first question.

Ankit Mehta: So Jatin, it's a great question. If you see the technical update or the product development update that we shared in the presentation this time, you will see a small column that talks about the capabilities that we have built in-house for resilient communication and navigation. So we have a specific communication solution that we have built that helps us maintain communication with the drone even in pretty challenging environments that we have observed from the testings and the trials that we have undergone. So that is one part.

We have developed a unique capability there. On top of that, we have developed what is known as a CRPA antenna that has the ability to reject jamming signals from specific directions. So that helps us in reducing the noise that is generated by GPS jammers and continues to help the UAV look at satellites -- actual satellites rather than focusing on the jamming signals. That's a standard technology in the domain.

We have developed our own version and variant of that, that performs as good or better than what's available in the market otherwise as well as we have developed our own visual positioning system. And that visual positioning system in both day and night takes snapshots off the ground in a way that or uses a continuous video pipeline from the sensors that we have embedded in that solution and creates its own map and uses that map as a reference for continued navigation even in denied conditions. And both of these solutions are pretty accurate for ISR missions.

Jatin Jadhav: Got it. Just a follow-up on that. Let's say, we are emitting information from the drone to, let's say, any link. But won't that itself create -- the drone will itself become a target according -- because it's emitting RF signals or any way in any form. So won't that be a little counterintuitive?

Ankit Mehta: But yes, so absolutely. See, there is -- there are two ways to navigate the environment, right? One is navigation of the environment in an autonomous manner. Now when you're autonomous and you're in a completely communication -- no communication environment, then you have to imagine a mission that does not require real-time intelligence or does not require real-time interference by the operator or anybody else.

In that case, you can be completely radio silent. Most likely, you will be gathering information. In some cases, you may be listening to what is happening on the other side. And in many cases, they can become targets for your drone as well if you have combat capability. So there are certain radio silent missions that you can do. Those missions is one way of doing that navigation and capability, which we are capable of.

Apart from that, there are missions where you need real-time communication or confirmation of a target. And therefore, in those kind of situations, again, you have to be building the capability that some communication can pass through even though the system is in a contested environment. Yes, the system may get detected. Yes, the system can be targeted as well in the

future. However, the soft targeting won't work on it, which is why it is being designed to resist communication and GPS jamming.

Hard targeting may work against such systems, but then it's an unmanned systems getting targeted versus a manned system in an alternate environment because that's the only alternative to the aerial perspective and aerial view or aerial missions other than deploying an unmanned system. So that's the overall environment or domain that the entire unmanned systems domain has to operate in.

Jatin Jadhav: Got it. Got it. Just one small follow-up question. So when the drone or your product is in listening mode, so will that help in essentially identifying the enemies EW zones and possibly help the suppression of air defence missions for our troops, like will that be a use case?

Ankit Mehta: With the right sensors on board, it can be.

Moderator: The next question comes from the line of Nikhil Gupta from Vayu Capital.

Nikhil Gupta: Thank you for the opportunity. My first question is regarding -- like you highlighted -- touched upon that we are expanding beyond ISR operations. And also in the last question, you mentioned about that we are not looking to develop another platform apart like when –Yeti is finished, like we are shifting our strategy.

So can you please highlight on this how we are planning to move ahead? I think this is -- this must be very important for the other investors as well. If you can expand what we are thinking, how we are expanding beyond ISR, it would be a great help.

Ankit Mehta: Sure, Nikhil. So see, we -- in a way, from an overall portfolio standpoint, we were already doing beyond ISR. We were doing geospatial applications. We are progressing towards inspection applications as well as with YETI, we were building a logistics delivery capability. However, if you look at what we were doing with ZOLT, we were on ZOLT looking to mount payloads up to 10 kgs in weight and deploy those payloads in conditions where they could be used for specific missions that were outlined as a part of the make program that we were participating in.

So that gives ZOLT a combat capability that allows it to look at targets. And then, of course, after looking at targets, it also allows it to take action as long as the right payloads are mounted, right? And then overall, when we look at how the market is presently shaping up and the kind of platform capabilities and platform sizes that are being demanded, we are looking at essentially trying to understand what are the reactive approaches that we can take today to look at an overall scenario where we are not sort of straddled or you can say we are not limited by the platforms that we are maturing in isolation today.

Those platforms are doing well. They will continue to do well in their category, but the categories keep shifting. And therefore, you have to be a bit more responsive. And therefore, our approach will be more platform-oriented approach going forward where in the modular fashion in which we've already built our technology, we can adapt it to more number of airframes and more types of missions for the end user because the intelligence base has been created and

the platform itself, the hardware of the airframe and some other elements is something that you can responsibly build at a faster speed.

So there is that sort of change that we are doing in our approach. It is not being done outside the categories we were identifying, but it is now moving towards responsive opportunities for large programs that are coming up. So that program count that we are now seeing is actually increasing quite a bit. And to be a part of many categories, we have to be adopting a modular approach and move away from slightly monolithic product approach that we had earlier. So that's the kind of shift that we are going to see in our progress.

Nikhil Gupta: Understood. Makes sense. So my last question is about strategy for nano drones. I know we have invested in Vantage Robotics. So how do you just see that a minority stake in the company or we will leverage and build nano drones for India? Like I just want to know the high-level long-term plan in that sense.

Ankit Mehta: So Nikhil, it's a very interesting question. There are three, four things that are happening globally in so far as small drones are concerned. One is that there are very, very tiny drones that are required for -- in many cases, for room interventions. They call it room interventions, basically drones that can go inside a building and clear the building for the soldiers to ensure that they are safe and they are able to -- they should be able to go inside and do their mission, right?

So there is one class of drones that is currently being leveraged for that. So most of the nano drones are of that nature, let me put it this way. And therefore -- and then, of course, it doesn't remain a nano drone necessarily. Sometimes it can be a larger drone. In fact, many people are using the Chinese drones globally to do room clearing because they are convenient to operate and except for the fact that there is a cybersecurity risk, people are leveraging whatever is available in the market right now.

Then the second class of drones that was very popular as a hobby was FPV drones, which are smaller drones that people carry in their backpack, but now they are being loaded with munition, and they are acting as attack agents. So that definition is also growing, and the mode of operation is also of a way that they can survive some parts of EW resilience because the communication is analogue. There are certain ways in which it operates that keeps it functional until the very end.

So there are multiple types of systems. A particular type of system is what our present partner builds, but there are several other types of systems that are a requirement or in demand. Based on opportunities, we may decide to look at those capabilities as well. And we are open to partnering for capabilities that we do not have at this point in time.

Moderator: The next question comes from the line of Mithun Aswath from Kivah Advisors.

Mithun Aswath: I just wanted to get a sense; you mentioned that half of your order book you would be able to execute in Q4. So are we expecting around INR200 crores of execution in Q4? You've also mentioned that you're looking to break even at the annual level for FY '26. I understand that

business is very lumpy and it's very difficult for you to kind of second guess how your order book or revenues trajectory will happen as we've seen in the last couple of years.

But I just wanted to understand, obviously, you're a listed company and you have to kind of meet the annual or quarterly kind of expectations. In a business like yours, how do you see the next couple of years faring? Would you continue to have this sort of lumpiness? Or are you seeing a little bit more visibility compared to the last couple of years?

Ankit Mehta: Mithun, thanks for your question. I think if I were to look at how the -- you're right that the situation has panned out the way it has over the last couple of years. With the present cycle and the posture, we feel very confident that a baseline activity will continue to happen because we are seeing growth in the run rate business as well. And that run rate business is an area where we will continue to see more activation, more traction.

And we are expecting that next year also the momentum on the run rate business is only going to go up because increasingly, we are seeing that the adoption of the technology even in enterprises is becoming very, very evident. We get more inquiries for adoption. We are uncovering unique use cases. And therefore, I'm pretty confident that the baseline of the business is actually now stepping up from where it used to be earlier. And that is one base we are confident of over the next few years.

However, those very large opportunities will continue to make it look lumpy when they come. And therefore, that is a reality that we'll have to live with, but the baseline is definitely improving, and we will see a better baseline business over the next couple of years for sure.

And also what is happening is that with the shift of capabilities from -- particularly for defence and even homeland security to some extent progressively, we will see that some of these capabilities that we have built will again create an environment where having them in-house is going to give us a competitive advantage going forward. And the procurement will not happen without those capabilities.

Mithun Aswath: Sure, sure. And do you think this sort of gross margin of 50% is something sustainable even in FY '27? Or it would really depend on the underlying orders that you have?

Ankit Mehta: I mean, as of now, the order book that we have, that definitely gives us confidence. However, as more orders add in, we will be able to probably respond to that a bit more progressively.

Moderator: The next question comes from the line of Ishani Jain from MAS Capital.

Ishani Jain: So my question is like you have highlighted multiple enterprise deployments across mining, forestry, crowd management and coastal surveillance. So like what proportion of these deployments are currently revenue generating versus the trial based?

Ankit Mehta: Ishani, many surveillance-based services that we are doing in mining and in some enterprises, they are paid customers who have basically adopted our technology to help us monitor their facilities and their locations. We are very effective in those environments. In terms of forestry

in some pockets, we are doing POCs. In some cases or in most cases now, actually, we are doing paid POCs. So even if it is a POC, in many cases, it is a paid POC. So that's also very helpful.

And in terms of overall mix of opportunities, I think by adopting a more open stance with respect to having more third-party payloads on our system, etcetera, is allowing us to address a wider spectrum of capabilities without necessarily creating an engineering debt on the company. So that is also helping in exploring more opportunities for us.

Ishani Jain: Okay, sir. Got your point. Also, I have one more question. Like when should investors expect meaningful revenue contribution from drone as a service and FLYGHT CLOUD models like by FY '27 or later? And what would be the key trigger for scaling this business?

Ankit Mehta: So Ishani, it's very fascinating. What is happening is that FLYGHT CLOUD is also becoming a meaningful vector to achieve product sales. So in some cases, FLYGHT CLOUD is an embedded part of the purchase. So that is helping us. So in a way, the capability is essentially going to be such that the capability stand-alone will have sales, but it also will be part of many product procurements, and we are seeing that evidence today as well, where platforms are being bought along with the software subscriptions so that the customer can, like I mentioned during my speech, get a solution out of the platform rather than merely getting a hardware.

So I think we have to look at the overall picture of how this product development is going to help us both in sales because that's going to be increasingly the demand from customers that I don't just want a hardware, I want a full solution because I don't care who operates or how it operates. And then, of course, the next bit is looking at the overall capability of the stand-alone product as well.

We do believe that in certain global opportunities and markets as the platform matures, we can see stand-alone revenues coming from a wider base of customers across the world from FLYGHT CLOUD and these platforms. And it may not even require a hardware sale in that particular situation.

Moderator: The next question comes from the line of Shubham Thorat from Perpetual Capital Advisors.

Shubham Thorat: First question was earlier in the call, you mentioned that we are looking at some opportunity in civil demand, which can be multiyear, along with that, some opportunity from the expanded -- I mean, the expected expanded procurement from the military side, Indian Army side. So any specifics that you can provide how we are going to benefit from that or which program are you looking to leverage in that?

Ankit Mehta: See, apart from the programs you mentioned on the MAKE side, we presently cannot give you a deeper lens on what's happening there, unfortunately, Shubham.

Vipul Joshi: The details are yet to emerge because government programs are in works is the overall reports that we have been hearing.

Shubham Thorat: Okay. And parallelly, you also mentioned in the nano drones that we are currently catering to one kind of specific application. Can you elaborate on that? I mean I just missed your comments there.

Ankit Mehta: See, nano drones, the partner we've invested in Vantage Robotics, they have a drone that can act as a personal reconnaissance drone for any soldier, right? It is primarily meant for only doing surveillance capability. So that's the kind of platform. You can "carry it in your pocket" and deploy it at the last mile and get your intelligence at the last mission.

Shubham Thorat: Okay. And lastly, just a general question. So I just wanted to get a sense on what kind of issues you faced in the last 9 months or in the previous quarter? And how are you addressing those? What are your expectations there?

Ankit Mehta: Shubham, in terms of issues, I would say that like we mentioned that there are supply chain-related areas that are emerging. As we start looking at procuring volumes, it starts emerging. And those are areas that we are continuously working on. We are adapting. We are continuously doing things so that we are still ahead of time when we get to the end customer. So that's one area that we are constantly working towards. And that's one primary, I would say, area of effort right now because it's directly linked to delivery of our systems.

Moderator: The next question comes from the line of Jatin Jadhav from Sahasrar Capital.

Jatin Jadhav: So this is one more question regarding -- it's a follow-up question to the earlier question. So taking a reference from the E18 growler, it's like F-18 Super Hornets modified version, which does electronic attacks. So I wanted to understand, can our drones essentially carry the electronic warfare payload and then enter the enemy airspace and jam the -- or possibly spoof or completely attack the enemy radar system.

And then subsequently, how will that payload, if we integrate it into our drones, affect the power generation, the distribution, the thermal management, cooling capacity and possibly the endurance time? Or do we have to completely build a new platform altogether to achieve these goals?

Ankit Mehta: A system that can do jamming in -- on the other side, Typically, jamming is something that requires a very large power base as well. So I do believe that a platform like ours presently may not be able to do it even if we are able to carry a payload of that nature, we may not be able to jam for a very long time. That much I can envisage because from whatever I hear, it takes several kilowatts of power to sustain jamming.

So that would be one, I would say, area of investigation that may have to be done for an offensive capability there. But a listening capability doesn't require that much power. That is something which is feasible. And then along with the listening capability, if you have the ability to attack, those can be a reasonable combination in the future.

Moderator: Ladies and gentlemen, in the interest of time, this was the last question. I now hand the conference over to the management for closing comments. Thank you, and over to you, sir.

Ankit Mehta: Thank you, everyone, for your questions and the patient listening. I remain confident in ideaForge's resilience and fundamental strength. Our nearly INR368 crores order book provides robust revenue visibility and stands as a testament to the trust that we have earned by delivering on time and in full. As India's leading drone player, we are strategically aligned with the historical scale defence procurement that is underway and are ready to meet our nation's unprecedented demand for indigenously built and secure UAVs.

To our long-term shareholders and new investors, thank you for your faith in us. Let's stay the course and propel the next phase of ideaForge's growth together. Thank you.

Moderator: Thank you. On behalf of ideaForge Technology Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your lines. Thank you.