

ideaForge

“ideaForge Technology Limited  
Q4 FY '26 Earnings Conference Call”

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ideaForge



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**MODERATOR: MS. VIDHI VASA – MUFG INTIME**

**Moderator:** Ladies and gentlemen, good day, and welcome to ideaForge Technology Limited Q4 and FY '26 Earnings Conference Call. As a reminder, all participants will be in the lesson only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star then zero on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to 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 Q4 and FY '26 Earnings Conference Call. From the management side, we have Mr. Ankit Mehta, Chief Executive Officer and Whole-Time Director; Mr. Rahul Singh, VP, Engineering 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 for ideaForge's Quarter 4 and FY '26 Earnings Call. I hope all of you are doing well. I'm joined today by our CFO, Mr. Vipul Joshi; our VP of Engineering, Mr. Rahul Singh and our Investor Relations team.

FY '26 has been an important year for ideaForge. It was a year of rebuilding order visibility, strengthening execution readiness, derisking supply chains and continuing to invest in the technology that we believe will define the future of unmanned systems.

Quarter 4 brought many of these efforts together.

If I had to summarize the quarter in one line, I would say this: quarter 4 was the quarter where, while the order booking momentum continued, it was also converted into execution, all the way to acceptance of our delivered electronic warfare resilience capability with real-world testing. And as a result, the revenue converted into profitability as well.

In Q3, we had spoken about the strength of our order book and our focus on delivering a significant part of it in quarter 4. I'm pleased to say that we delivered on that intent. During the quarter, we executed around 40% of our open order book of Q3, recording our highest ever quarterly revenue and profit after tax and closed FY '26 with positive EBITDA.

For us, this is more than a strong quarter. It is a validation of the operating model we have built across engineering, supply chain ecosystem, manufacturing and customer delivery. When the opportunity arrived, the organization was able to respond with speed, discipline and quality despite the geopolitical shock in March.

Today, I will cover 5 broad areas, order execution, technology progress, our expansion into emerging defence opportunities, other business updates and finally, the financial performance and focus for financial year '27.

Let me start with order booking. FY '26 was the strongest year in our history in terms of order inflow. We booked approximately INR530 crores of orders across defence and civil customers and the highest annual order booking in our nearly 2-decade journey. While the value of the order book is important, the quality of the order book matters as well. When customers place a large number of orders with us for EW resilient systems, it reflects their confidence in our platforms, our technology depth and our ability to deliver dependable systems at scale.

For Q4, our central focus was order to revenue conversion. Our teams along with ecosystem partners worked simultaneously on product readiness, material availability, production, customer inspections and acceptance to make it happen. This happened during a period when global supply chains were again under pressure due to geopolitical developments. Despite these challenges, we executed and delivered 40% of the open order book in Q4.

This was possible because of the appropriate scale and resilience we have built across the value chain and because of the choices we have made over the years. To retain engineering ownership, build deeper control over critical technologies, invest in capability and capacity building and avoid fragile assembly-led or transfer of technology-led models for our core business.

When conditions are stable, these choices may not always be visible. But when conditions become difficult, breadth and depth both matter. As of 31st March '26, our opening order book for FY '27 stood at approximately INR310 crores. This gives us a healthy base to begin the New Year and provides meaningful revenue visibility as we move into the next execution cycle.

Let me speak about technology now. One of the most important developments in Q4 was the delivery and customer acceptance of our electronic warfare resilient systems. Over the last few quarters, we have spoken about EW resilience moving from a desirable feature to a baseline requirement.

Global conflicts have made it clear that UAVs operating in contested environments must be able to handle jamming, spoofing, degraded communication and GNSS denied conditions. For ideaForge, this was not a sudden pivot. We had started investing in these capabilities almost 3 to 4 years back, because we could see where technology landscape and customer requirements were heading. Our philosophy has been to build ahead of the market, not to chase it after the requirement becomes obvious.

In Q4, EW resilience moved from being a developmental and demonstrable capability to a deployed and inducted capability. These systems went through extensive acceptance testing by

our end users in tough EW environments as well as rigorous country of concern inspections. That matters because the demo proves possibility, but deployment proves capability and trust.

As more procurement programs begin to include EW resilience, GNSS denied navigation and secure indigenous subsystems as mandatory requirements, the capabilities we have built become repeatable advantages. They help us qualify faster, compete stronger and bring field-tested solutions to customers who cannot afford failure or denial in real missions.

During the quarter, we also continued progress across multiple technology tracks, including production readiness of our Q6 and switch next-generation platforms, improvement in flight cloud, AI and autonomy initiatives, resilient navigation and secure communications. But these are not isolated initiatives. They are all part of the same core architecture we have been building on performance, reliability, autonomy, resilience and secure indigenous control. That has been ideaForge's DNA from the very beginning.

A major strategic theme for the next phase of expansion of our capabilities beyond ISR. Drones have moved from being just in surveillance and intelligence roles into offensive and tactical operations. Loitering munitions, long-range strike platforms, Kamikaze systems, swarming and air launched effects are no longer futuristic concepts. They are becoming part of active military planning.

We are approaching this opportunity with intent, but also with discipline. We are now extending our technology base into combat drone capabilities, including long-range strike platforms, loitering munitions and Kamikaze systems through a combination of in-house development and strategic partnerships.

This is not a sudden shift away from our core ISR business. It is an adjacency built on the same technology base and our engineering and operational depth built over 2 decades gives us a credible right to compete and win. It so happens as the customer thinks of including combat capabilities in their day-to-day operations in the next phase.

They are looking at ISR drone providers as the fulcrum of integrating these combat drones for multi-UAV orchestration and futuristic fully autonomous operations, be it in swarms or otherwise. Therefore, ideaForge's focus on ISR platforms till now and augmentation and integration of combat drones now gives us a natural advantage.

Q4 was also an important quarter for our international footprint. We received our first order in the U.S. from the Lamar Police Department in Texas, where our drones will support student safety across a school district. The first order in a new geography is never just about the order. It is about product market fit, customer validation, execution confidence and building referenceability.

We also became the first Indian drone company to train NATO forces at the U.S. National Test Pilot School. For us, this is a strong validation of our technology credibility and our ability to engage with sophisticated global defence users. In addition, we demonstrated our products to U.S. Department of Defence customers in extreme cold weather conditions in Alaska.

Our platforms have now flown in some of the highest altitudes in the world and near both the North and South poles. This will help us target the right use cases and customers where our products offer differentiated capabilities. We also signed a strategic MOU with Digital Media Professionals Inc. in Japan to enter Japan and develop next-generation AI drones.

This is aligned with our broader ambition of taking Indian deep tech to global markets through focused partnerships. Our deployed fleet completed over 250,000 end customer flights in financial year '26 and crossed 950,000 cumulative flights. These numbers reflect more than deployment scale. They reflect operational learning, customer trust and reliability built through real missions in real conditions and now globally.

Let me now connect this operating and strategic process to the financial performance. For Q4 FY26, revenue from operations stood at INR141 crores compared to INR20.3 crores in quarter 4 FY25. This was our highest quarterly revenue so far. Gross profit for the quarter stood at INR95.4 crores with a gross margin of 67.6%. EBITDA for the quarter 4 stood at INR74.2 crores translating to an EBITDA margin of 52.6%.

Profit after tax for quarter 4 stood at INR60 crores with a PAT margin of 42.5%. For the full year FY26 revenue from operations stood at INR286.1 crores compared to INR161 crores in FY25.

**Moderator:** I'm sorry, sir, again we are losing your voice.

**Ankit Mehta:** Gross profit stood at INR131 crores with a gross margin of 58%. FY26 EBITDA stood at INR27 crores. This is in line with our indication in quarter 3 about positive EBITDA for FY26. For FY26, we recorded PAT of negative INR17 crores. While the full year PAT is still negative, the improvement is clear. The loss reduced sharply, EBITDA turned positive and Q4 demonstrated that when order book and revenue scale even moderately, execution intensity, product mix and the cost discipline come together and the business is set up to generate strong profitability.

The task is now to move from quarterly profitability to annual profitability. That is one of the focuses operating for FY27. So the key financial message is, FY26 was not only a recovery in demand, it was also proof that perseverance, scale and financial discipline can go hand in hand. As we enter FY27, our priorities are clear.

First, execution. We begin the year with an opening order book of approximately INR310 crores. Our focus is to convert this order book into revenue with discipline, quality and customer satisfaction. Second, technology leadership. We will continue investing in differentiated capabilities such as EW resilience, multi-UAV autonomy, AI, secure communications, GNSS denied navigation, payload flexibility and next-generation platforms, including development and integration of combat UAVs and continuing efforts on ZOLT and Yeti other than our legacy platform categories.

Third, emerging defence opportunities. We will actively participate in opportunities around tactical UAVs, loitering munitions and long-range strike systems and other combat drone capabilities where our technology base gives us a credible right to compete and win. Fourth,

diversification. We will continue to build civil enterprise software-led and international opportunities through platforms, drone as a service, analytics and partnerships.

We remain mindful that execution risk, supply chain volatility, product mix, procurement timing, working capital cycles and quarterly lumpiness will continue to be part of the business. We are not dismissing those realities. We are actively working towards managing them. We are entering FY '27 with a stronger order book, demonstrated execution capability, a validated technology stack, deeper customer trust, a higher visibility on profitability and above all, visible demand signals in the market than we had a year ago, and this is a good place to build from.

To close, I want to leave you with the following key takeaways. First, the market opportunity is expanding, but differentiation and execution will decide value creation. defence, civil, enterprise and international customers are all moving towards greater adoption of drones as critical infrastructure. India's push for self-reliance and the global need for trusted UAV capability create a strong long-term backdrop. Our job is to convert this opportunity into revenue, profitability and long-term trust.

Second, FY '26 was a turnaround year. We booked our highest ever annual orders of approximately INR530 crores, executed a significant part of the order book in quarter 4, delivered our highest quarterly revenue and PAT and ended the year with positive EBITDA. I want to thank our customers for their trust, our employees for their perseverance, our partners for standing with us and our shareholders for their continued confidence in ideaForge.

Thank you. We can now move to Q&A.

**Moderator:** Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Balasubramanian from Arihant Capital.

**Balasubramanian:** Good morning, sir. Thank you so much for the opportunity. Congratulations for a good set of numbers. Sir, we have received first U.S order in Q4, I think JV with First Breach. Like, if could you explain what is the order size and platform end user and like, how you are aligned with this JV? If you could throw some light on that JV localization strategy? And under training NATO forces is pretty prestigious. So is there any active foreign military sales or NATO procurement program we have qualified?

**Ankit Mehta:** Hi, Bala, if I can call you that. Thank you for the question. The order that we received in the U.S is sort of, you can say, early pilot order that allows us to demonstrate our capability in the U.S. to deliver a reliable and for a very critical mission for those schools there because, you know, the kind of challenges that happen in the U.S. with respect to schools and other things.

Because it's a school district, they are looking at both the core products that we were pitching so far in the U.S., which is our SWITCH and NETRA platforms or the Q6 platform for that matter. And in terms of the NATO opportunity, the NATO opportunity is essentially an opportunity for us to showcase our products in front of customers in the Western Hemisphere where they are very sophisticated and have very deep experience of using drone technology.

We are both receiving feedback as well as receiving appreciation for our capabilities that have been built. And that is the area that we are very excited about. It is a domain where it can lead to as the word of mouth progresses into opportunities that we directly engage with them. However, in terms of opportunities that we have participated in, we have participated in some opportunities in the European domain, in the U.S. as well.

However, trials and demonstrations are yet to take place in many of those, even qualification as is usual in any defence procurement sometimes takes time. Localization is very important. So it's not so linear a journey in international markets. And therefore, we formed the JV with our partner First Breach in U.S. And there, the progress in terms of planning to build our systems there is ongoing. And as that starts to happen, we will continue to update over here.

**Balasubramanian:** Okay, sir. Sir, on the development side, I need to understand about YETI and offensive EW payloads and active development side. First thing in YETI, I think which are our customer segments in logistics, heavy lift or resupply? And when we can expect a significant revenue in YETI Logistics?

And secondly, on the offensive EW payload side, whether we are actively developing higher power platform for offensive EW because, I think it's required several kilowatts for that platform. And thirdly, we are also actively development of combat drones like loitering munitions and kamikaze, so if you could shed some light on that?

**Rahul Singh:** Bala, this is Rahul Singh. So, 3 parts, the logistics, its target market and when do we expect revenue? Second is EW capabilities and the third was...

**Balasubramanian:** Loiter munitions and combat...

**Rahul Singh:** Combat drones and related capabilities. So, YETI broadly is a middle mile logistics platform for us. We believe there is a large-scale requirement for moving the middle mile problem in a variety of domains. We expect to...

**Moderator:** I'm sorry sir, you are not audible.

**Rahul Singh:** I hope I'm audible now. So, YETI is focusing on middle mile logistics for a variety of domains. We expect to start with military, high altitude, heavy logistics as the first stage to establish our performance and credibility, eventually moving on to commercial logistics at scale, which we believe is an even larger opportunity in the longer term.

From a go-to-market perspective, we expect tentatively early commercial explorations to start from the coming FY. This FY we will continue to go into continued development because of it being a much larger platform, having much more elaborate development cycles.

On the second part, which is EW capabilities, broadly, what you are indicating maybe ,so electronic warfare can be both defensive and offensive. The primary focus has been resilience in electronic warfare domain. The resilience part of the domain is more driven by the sophistication of the resilience approaches and technologies rather than the power.

And that is an area for survivability that we are championing on with a lot of homegrown technologies, and we'll continue to push on that side. The areas which are power hungry are offensive capabilities, which would mean airborne electronic warfare offense. Those are not immediately part of the current work, but are potential options for the pipeline where we do put high-power offensive electronic warfare payloads as well.

On the third part, which is on the combat drones capability, broadly, we are tracking this for a while now, and we are approaching it with variants which we think have the highest need and the impact for the end user.

The combat drones domain itself has a high variety from short, medium to long ranges and a variety of strategies there. We are picking up the most relevant ones where we think there's a path to the highest impact and hopefully, we'll be able to convert into opportunities in this year.

**Balasubramanian:** Sir, my last question on the order book side, I think we have delivered 40% of open orders in this Q4 and guided to 40% to 45% conversion for the quarter. So if you could share overall order pipeline and what is our win rate? Is there any tenders coming up?

And secondly, on the supply chain side, which specific subsystems or components are most at risk based on the current geopolitical side, specifically like GNSS chips, IMOs, specialized Comms models, if you could share on the supply chain side?

**Ankit Mehta:** Sorry, your voice is not very clear.

**Balasubramanian:** Sir, first thing on the order book side. So, I need to understand about the pipeline conversion rate. And is there any active tenders for that? And second thing on the supply chain side, which specific subsystems or components are at risk based on the current geopolitical side?

**Ankit Mehta:** See, on the supply chain side, because of a global supply chain around thermal imagers, they remain to be a constrained challenge for everyone at this point in time because of multiple reasons. And therefore, that's one area that I can suggest is a challenge amongst many others. In terms of order book itself, order book is, of course, a mix of orders for all 3 of our core platform categories, which ZOLT and SWITCH and NETRA category of systems or Q6 category of systems.

So we have orders for all of them. The order book is a mix of both our defence and civil customers with defence being the bigger, much bigger share of the pie as compared to our civil customers.

And overall, I think in terms of opportunities, there are many opportunities that are brewing. There were indications and there continue to be traction on that indication with respect to a very large buying cycle coming in from the Indian Armed Forces. There have been certain approvals that have also happened in the DPB for the same for at least some of those opportunities.

So it's an actively developing scenario with respect to a very large opportunity base that is unlocking in the year as well as small opportunities continue to come by and get converted as well from time to time.

- Balasubramanian:** Thank you so much for the detailed explanation sir and all the best for future endeavours.
- Moderator:** The next question is from the line of Deepak Poddar from Sapphire Capital. Please go ahead.
- Deepak Poddar:** Thank you very much sir for this opportunity and, sir, just wanted to understand on order book that you are mentioning. So is it possible to give some quantific number? I mean, what sort of pipeline we have and what sort of inflow we are expecting in FY27 and FY27 execution where we are seeing? I mean what percentage of your order book we are expecting to execute in FY27?
- Ankit Mehta:** In terms of execution in FY '27, the open order book that we have indicated, which is about INR310 crores, that is slated for execution in the FY27 itself. And in terms of pipeline, we do expect to continue to close a lot of what we typically internally call as run rate opportunities that keep coming in the market. We are seeing developments on the geospatial side. We are seeing developments on a lot of homeland security side, etcetera. So that will be there.
- There will be procurements that will happen at the command level in the armed forces as well. We hope that we will be able to close some business on the international side as well. However, in terms of large opportunities, they are currently under progress. Like I said, some of them have been approved by the Defense Production Board, and there is work happening with respect to getting them on to the road with respect to tendering and all of that as well. So that's what is happening both with respect to execution and order pipeline development, opportunity pipeline.
- Deepak Poddar:** Okay. And what sort of order inflow we are targeting? I mean, which were around -- I mean, this year, we saw around INR530 crores, right?
- Ankit Mehta:** Again, we don't give those projections at this point in time, Deepak.
- Deepak Poddar:** Okay. Understood. And just one last thing on the...
- Moderator:** Deepak. I'm really sorry. Please rejoin the queue for more questions. The next question is from the line of Santhosh from Ithought PMS.
- Santhosh:** Yes. Can you just give me the breakup of the order book segment base?
- Ankit Mehta:** We have traditionally not done that, Santhosh. So we restrain from that presently as well.
- Santhosh:** Yes. Okay. So no issues. Also one more question on the recent government tender on the services, which is 164 drones. Are we participating in that tender or any other comments on the set of the tender sales?
- Ankit Mehta:** Santhosh, we won't be able to comment on specific opportunities, if that is okay.
- Moderator:** The next question is from the line of Keyurkumar from Niveshaay.

- Keyurkumar:** Congratulations on a good set of numbers. My first question is what kind of margin stability we are looking forward in quarters and on the yearly level? And the second is the offensive capabilities we are developing, is it getting developed on existing platform or it is entirely new product development side?
- Vipul Joshi:** My expectation as a blended for the year, roughly about 50% to 55% is our hope for the year. Quarter-on-quarter numbers, obviously, you know that we don't give any forward-looking projections. So on a blended rate, that will be our expectation. From a product perspective, I'll let Rahul answer.
- Rahul Singh:** So on the combat drones capability, as I already indicated in the opening remarks that it will be built both as a combination of in-house capabilities. So our existing technology stack will already have a lot of these capabilities, but we are also mixing it with a lot of partnerships to augment capabilities wherever relevant. So both internal as well as partnerships.
- Keyurkumar:** Okay. And the last question, sir, like right now, we almost got the order for the emergency procurement. Like are we participating in the capital procurement also in current year and the forward-looking years?
- Ankit Mehta:** Yes, of course.
- Moderator:** Next question is from the line of Yash Mehta from SKP Capital.
- Yash Mehta:** So actually, I wanted to ask what the government is thinking for this FY '27 in terms of defense and how companies are leveraging it?
- Ankit Mehta:** So Yash, yes, from our understanding, if you look at the amendments that have happened in the defense procurement process as well or they are impending to happen, the approach in terms of looking at procurement in the form of strategic platforms that have decadal life is a different long-term approach, which may be a little bit slow in terms of procurement versus looking at platforms that have a very high iteration cycle and shorter life in terms of technology stability, the approach will be to get into faster procurement cycles.
- So, from that standpoint, what we are seeing in terms of traction is for a lot of faster procurement cycles with respect to tactical drone capabilities, which includes drones for long-range ISR capability. When I say long range, at least from what's visible, there are opportunities for a few hundred kilometers or 100-plus kilometers as well, including opportunities for shorter ranges than that. And then, of course, many of these capabilities are being juxtaposed with the ability to act on that intelligence gathered by an ISR drone.
- And therefore, there is, in many cases, a combination of ISR plus strike capability as well. So that's broadly the approach for procurement. The intended scale of procurement, I had indicated last time as well that it's a multibillion-dollar opportunity within the year going to the floor for in terms of purchases. So, it's a very large scale that at least we have learned from public sources as well.

**Yash Mehta:** Okay. Okay. Got it. And my next question is, like which areas are the main target in terms of spending or opportunities for companies like ideaForge?

**Ankit Mehta:** For us, we will continue to iterate on the broad categories that we have defined for ourselves. In terms of drones, we are working on quadcopters, which are of a backpackable class. We have been working on hybrid VTOL UAVs for of the backpackable class as well as we are working on vehicle portable hybrid VTOL UAVs as well as we are working on very large logistics UAV as well. So, these are the broad categories. Within this, airframes will evolve, but the broad categories remain the same.

And from traditionally doing ISR to looking at one-way attack systems as well is the broad pivot that we are also making. But like I said, the pivot is on the back of the fact that we do an ISR system of a very high quality that allows us to be in that pole position to be integrating the strike capability because one thing that we've been talking about for a very long time is that ISR or intelligence surveillance and reconnaissance is the bedrock of building a very useful combination of systems that can detect targets as well as then leverage some of these onetime use systems to neutralize the target. So that combination is something that we've always been vocal about, and it's coming to play in that same fashion now.

**Yash Mehta:** Okay, Got it. Thank you, so much.

**Ankit Mehta:** Thank you. Yash

**Moderator:** Thank you. Next question is from the line of Milind Karmarkar from Dalal & Broacha. Please go ahead.

**Milind Karmarkar:** Well, thank you very much for taking my question. So, I basically wanted to understand that it seems that there is a large opportunity since India is growing its transmission line significantly? There seems to be a very big opportunity in for drones and power line inspection and other things. Especially in U.S., I know that there is a lot of opportunity which is triggered off now. So just wanted to understand, are you seeing that already happen in India? And are we participating in that?

**Ankit Mehta:** It's a great question, Milind. I agree with you that power line inspection is a very useful opportunity. In fact, like you rightly said, India has a lot of upcoming power line projects as well.

And our drones are very useful in, one, doing a more accurate planning of power line inspections or power line installations, then we have a role to play in power line inspections as well, particularly in the right-of-way inspections.

Traditionally, we had not built solutions for tower inspections in power line, and that is why we have sort of not very enthusiastically approached that market. But going forward, since we now do have certain capabilities in tower inspection as well, we will be approaching that market opportunity. So, thanks for the question, Milind.

**Milind Karmarkar:** Thank you.

**Moderator:** Thank you. Next question is from the line of Jai Chauhan from Trinetra Asset Managers. Please go ahead. Mr Chauhan your line is unmuted.

**Jai Chauhan:** Congratulations on a good set of numbers, sir. I just have one question. I was just going through a few of the newer developments in the counter drone systems. So, I came up with a video which can disable entire swarms targeting onboard electronics rather than communication.

So, I just wanted to understand is there any ongoing efforts around since you are talking about EW resilience, is there any ongoing efforts to protect us from this technology? Or are you aware of the same?

**Rahul Singh:** So, if I understood your question correctly, you are indicating towards the variety of strategies for counter drone systems and our strategies to counter them. So broadly, we understand counter drone systems lie in broadly 2 domains, hard kill and soft kill.

Within soft kill as well, the typical approach has been electronic warfare where the communication and the GPS navigation signals have been interrupted, and that's the first order of business, which has been hardened to a level, and that will continue to get hardened because this area is essential for technologies which need continued operation and real-time insight availability.

So that's the baseline, and we have been doing tremendous amount of work to do, to generate these capabilities in-house domestically. On top of that, the others that you indicated, which are essentially large microwave or high energy pulses, which go and take down a large swarm of drones in mass. Again, there are strategies to shield against these as well, which are under work.

So the effectiveness of these remains in evolution because they require a large amount of energy and are only effective at very short ranges. But those are also part of our awareness and strategy to counter against.

Then goes the area of hard kill options, and we are actively tracking those capabilities as well as a part of the long-term strategy. Hard kill options obviously are relatively harder to evade because depending on the sophistication and cost of the hard kill offense, it may be difficult to run out a fast approaching missile or something like that.

But typically, we make it difficult for the hard kill option to be cheaper than the solution that it is trying to neutralize, in which case, the asymmetry of solution remains effective. So as a mix of all of these aspects, this is a constantly evolving field and no one can say that something is solved in black and white because as Ukraine proved, as Iran is proving right now, these offensive capabilities are developing every month, every quarter.

And hence, what we feel is most important is to have a lot of control over the core technology so that we can evolve at the pace of relevance rather than just do onetime integration and be obsolete in a quarter or a year.

- Jai Chauhan:** Got it sir. Makes sense. That's it from my side sir. Thank you.
- Moderator:** Next question is from the line of Dipen Vakil from PhillipCapital. Please go ahead.
- Dipen Vakil:** Thank you for this opportunity and congratulations on a great execution of the quarter. Sir, my question coming back on the order book again. So while you have mentioned that you are closing your order book in, say, INR310 crores, what is the execution timeline that you are looking at?
- So is it entirely since we have won a lot of emergency procurement orders, which were largely due in the first half of FY'26. So what is the execution timeline that you are looking for the execution of this INR310 crores worth of order book? And any order wins that we can expect in the next -- in near term in next 1 or 2 quarters that might be on the advanced stages of conversion?
- Ankit Mehta:** In terms of execution, I think the first -- yes, the first 3 quarters is when the order book is from a timeline standpoint, expected to be converted into revenue. So that is of the pipeline that is doing the carry forward from the last year.
- In terms of new opportunities, like I said, there are opportunities which are in advanced stages on the run rate side of the business. Large opportunities from the standpoint of capital procurement are yet to be tendered. So that will take slightly longer.
- Dipen Vakil:** Got it. So is it safe to assume that this INR310 crores will be entirely be executed in FY'27 or there will be some spillover because of the kind of contract to say later?
- Ankit Mehta:** No, no. This is expected to be executed within this year.
- Dipen Vakil:** Got it sir. That's it from my side. Thank you so much for answering my questions and all the best.
- Ankit Mehta:** Thank you Dipen.
- Moderator:** Next question is from the line of Rakesh Roy from Boring AMC. Please go ahead.
- Rakesh Roy:** My first question related to sir as you say that margin for FY'27 will be near to 50%-55%, so it means that the issue is current order is a high margin (Gross) business?
- Ankit Mehta:** Yes.
- Rakesh Roy:** Okay. And this is for full year 50%-55%?
- Ankit Mehta:** Yes.
- Rakesh Roy:** Okay. And sir, any guidance, any outlook for next 3 years, how will be your margin or revenue over the next 3 years, sir?
- Ankit Mehta:** The way we have seen, Mr. Rakesh, is that when the customer looks for buying advanced capabilities, the margin profile improves. When the customer is looking to buy, you can say,

mass market capabilities, in that case, the margin profile is relatively muted. That's basically what shows up in general for us as well.

At this point in time, all indications are that the customer is looking at more advanced capabilities. At the same time, they are looking at volumes in those advanced capabilities. So there is going to be a mix of higher volume, but the capability will continue to be more advanced than what they were demanding earlier, and we don't anyways give very specific projection.

What I can definitely say is that from all indications of how the government and the market and the ecosystem is evolving, the focus has robustly shifted towards prioritizing drone and drone defense. So that is something which I can definitely very categorically suggest. And the scale of procurement from a few thousand crores in single digits is likely to scale rapidly to a much larger number in the next cycle.

**Rakesh Roy:** Okay sir, in other way. Yes sir.

**Rahul Singh:** Just to complement that part, our continued technology investment will continue to give us greater control over our margin of the business in the future. So that will directionally remain an area that will continue to strengthen.

**Rakesh Roy:** Okay, in other way, see it will say...

**Moderator:** Sorry to interrupt, Mr. Roy, please rejoin the queue for follow up question

**Rakesh Roy:** Okay. Thanks.

**Moderator:** Next question is from the line of from Tushar from Peace Wealth. Please go ahead.

**Tushar:** Yes, hi thank you for the opportunity, sir and congratulations on a great set of numbers. Sir, my first question is, so if I look at last few quarters, our main focus was on surveillance and how do we increase the civil application side of our core segment?

And now this quarter, we announced entering into combat drones and bidding in the upcoming procurement cycle for kamikaze and other target drones. So, I just need to understand what really changed that we changed our perspective from last quarter till now?

And also in the last call, you mentioned that there are certain kind of ammunition licenses that are required for a company to add those ammunition to the drone, which we did not have at that point in time, as you said last time. So, what is the latest update on that if you're entering into this long-range target drones, so do we have that licenses also in place? So that is my first question.

**Ankit Mehta:** So, Tushar, it's a great question. First of all, we do not intend to take those licenses even today. We are partnering with a lot of people who handled munitions traditionally for the government. And therefore, those partnerships are what we will continue to leverage and fructify as we progress towards that direction.

Second of all, in terms of priority, I think diversification remains an important priority for us. It is necessary for the long-term health of the business. Diversification in the form of international markets is continuing, as you can see from the traction that we have shared. In terms of continuing our development of drones on the side of enterprise use cases, that is also something that is robustly on its way.

It is not impacted in that one sense because of the existing, you can say, scale that we operate in by default. The new approach is essentially to take this very strong indigenous technology base that we have created over the last few years, that base now has our own homegrown autopilot in its mix.

We have our own communication technology. We have our own GPS and or GNSS denied solution. We have our own communication resilience stack as well as our own ability to design platforms for extreme environments and very different and varied attitudes.

All of this, when you put together adding this small, I would say, an incremental layer of combat capability, which is essentially hosting a payload and having the ability to target a specific point, those are the capabilities that we will be augmenting and delivering a new capability to the market. So, it's well within our strike range.

We use a lot of our systems because they've been designed to be effective in many environments. So, it's not really a very large shift. It is a shift in terms of how we think and the opportunities we will approach. And like I said, the customer is looking at our traditional capabilities and is pushing us in the direction of integrating those capabilities in our system.

A lot of what we will do may not just be in-house, it will be achieved by partnering with ecosystem players who are already building good capability in this domain.

**Tushar:**

That's very helpful, sir. And if I may ask a follow-up question on this. So, what is the role that will be played by ZOLT platform in this target zone? And I believe we executed all the INR72 crores order that we had on ZOLT. So, have we added any new orders also on the platform in the quarter gone by?

**Ankit Mehta:**

Tushar, not yet. But in terms of the combat capabilities, if I may bring you back to some of our earlier conversations on these calls, we have been building ZOLT as the platform that is capable of dropping munitions.

And therefore, that capability is what is going to come up first on the platform. And then we will be iterating towards one-way capability if we believe it's the right fit for the platform. However, there are other platforms that are looking more conducive for the kind of capabilities or the demand we are envisaging on ground.

So, it may not necessarily come up on ZOLT based on the demand that we are seeing. Maybe we will evolve that stance as the demand evolves for those categories. Some of these capabilities we may build upfront as well. We will suggest once we have those capabilities built up.

- Rahul Singh:** Zolt execution is still pending because of the order timelines that were there.
- Tushar:** Okay. That's very helpful, sir. My last question?
- Moderator:** I am sorry to interrupt sir.
- Tushar:** We like to call ourselves as a.
- Moderator:** Please rejoin the queue, Tushar.
- Tushar:** Please, if I may. Please it's a simple request. my last question is we call ourselves as a robotic company and not a drone company. So maybe not in the near future, but in the medium to long run, do we have any plans to enter into AI humanoids?
- Ankit Mehta:** See, one thing is very clear that as an AI in a robotics company, presently, our focus has been aerial robotics, but collaborative autonomy is something which is not a future that we can escape. We will have to be a part of the collaborative autonomy future.
- However, whether we will build our own humanoids or we will collaborate and partner, I think it's a matter of, I would say, opportunity, the capability available in the market and the price point at which that capability is available in the market as well for the needs that the customer has.
- Tushar:** Okay. Thank you very much and all the best.
- Ankit Mehta:** Thank you.
- Moderator:** Thank you. Next question is from the line of Shubham Gupta from Prospera Wealth Pvt. Ltd. Please go ahead.
- Shubham Gupta:** Sir, as per your order book like next year, how much revenue are you expecting like in percentage terms, what and will you be able to maintain the margins like the current OPM margins that are there?
- Ankit Mehta:** Shubham, if you look at the open order book and the fact that we have to execute that order book within the first 3 quarters or so, I would say that that's already giving a very strong indication of where the revenue will look like in the year to begin with.
- How much more and at what scale eventually is an area which we are continuing to evolve. Like I said, there are opportunities in the run rate business, and we are also working towards large opportunities on the capital side. So, all of this is work in progress. We will update the market as we move along.
- Shubham Gupta:** Okay, sir. And as per your current capability, like how long will it take to complete the current order book as per the current capability?
- Ankit Mehta:** That's what I mentioned, right, the first 3 quarters.

**Rahul Singh:** So, the overall order time line is still about 3 quarters. We will execute as and when we get ready.

**Shubham Gupta:** Okay. And will the margins be sustainable, the current margins?

**Rahul Singh:** As was previously answered as well, we hope to keep our margin structure between 50% to 55% as a blended for the year.

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

**Ankit Mehta:** Thank you, and thank you for your questions and for your continued engagement. FY26 reinforced our belief that the work we have done over the years is becoming increasingly relevant to our customers and to the market.

We moved through a challenging cycle, rebuilt momentum, delivered on our Q4 execution intent and demonstrated that ideaForge can scale with discipline. As we move into FY27, our focus remains clear. Thank you once again for your support and confidence in ideaForge. Jai Hind.

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