

May 14, 2025

<b>To,</b> <b>BSE Limited</b> Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai – 400 001. <b>BSE Scrip Code: 543932</b>	<b>To,</b> <b>The National Stock Exchange of India Limited</b> “Exchange Plaza”, Bandra – Kurla Complex, Bandra (EAST), Mumbai – 400 051 <b>NSE SYMBOL: IDEAForge</b>
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**Sub: Transcript of Earnings Call for the quarter ended March 31, 2025 of ideaForge Technology Limited (“the Company”).**

Dear Sir/Ma’am,

This is further to our letter dated May 09, 2025, whereby the Company had submitted the link to the audio recording of the Earnings Call hosted by the Company on Friday, May 09, 2025 at 11.00 a.m. (IST) post announcement of Audited Financial Results (Standalone & Consolidated) for the quarter and year ended March 31, 2025.

Pursuant to the Regulation 30 and 46 read with clause 15 of Para A of Part A of Schedule III of the SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015, please find enclosed the transcript of the Earnings call held on Friday, May 09, 2025. The Transcript is also available on Company’s website at below link:

Link: <https://ideaforgetech.com/uploads/Other/TranscriptQ4.pdf>

Kindly take the same on your records.

Thanking you,

Yours faithfully

**For ideaForge Technology Limited**

**Nilesh Ranjan Jaywant**  
**Company Secretary**  
**Membership No. A26554**

*Encl: as above*



## “ideaForge Technology Limited Q4 FY-25 Earnings Conference Call”

**May 09, 2025**



**MANAGEMENT: MR. ANKIT MEHTA – CHIEF EXECUTIVE OFFICER,  
IDEAFORGE TECHNOLOGY LIMITED.  
MR. VIPUL JOSHI – CHIEF FINANCIAL OFFICER,  
IDEAFORGE TECHNOLOGY LIMITED.**



*ideaForge Technology Limited*  
*May 09, 2025*

**Moderator:** Ladies and gentlemen, good day and welcome to Q4 FY'25 ideaForge Technology Limited Earnings Conference Call.

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

I now hand the conference over to Mr. Parth Patel. Thank you and over to you, sir.

**Parth Patel:** Thank you and good morning. On behalf of MUFG Intime, I welcome you all to ideaForge Technology Limited Q4 and FY'25 Earnings Conference Call.

From the management side, we have Mr. Ankit Mehta – Chief Executive Officer, Mr. Vipul Joshi – Chief Financial Officer. I hope everyone had an opportunity to go through our Investor Deck and press release that we have uploaded on our Exchanges 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, opinions, and expectations as of today. These statements are not a guarantee of our future performance and involve unforeseen risks and uncertainties.

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

**Ankit Mehta:** Thanks Parth. Good morning, everyone. Thank you for joining us today for the earnings conference call for Quarter 4 and Financial Year '25.

I hope this message finds you all in good health. I have my colleague, Vipul Joshi, who is our Chief Financial Officer, with me along with our Investor Relations partner on the call with us.

I would like to begin this call by paying my heartfelt condolences to the victims of the Pahalgam terror attack and the subsequent loss of life of our countrymen. In the face of adversary, our armed forces continue to display unparalleled courage, resilience and commitment to the nation. As an organization deeply committed to national security, we stand steadfast in solidarity with the Indian Forces, not just in words, but in action, whether in the harshest terrains, under the cover of night or in the remotest corners of our nation, we have always been and always will be by their side. Our teams are deployed in active areas, supporting our soldiers and empowering their missions. Difficult times like these strengthen our resolve to push for the adoption of drone technology that can not only prevent avoidable loss of life but also be an effective agent for retaliation for our forces and security agencies. One thing is visible, that this incident may mark yet another inflection point for the drone industry in India, just as Galwan did.

However, Financial Year '25 saw a substantial slowdown for the broader drone industry in India, owing to the general elections in the first part, and then the slow progress towards procurement initiatives, despite the latent demand. While the opportunities continue to mushroom over the year, timely closure was elusive. The industry started to regain momentum at the end of the year, with the new emergency procurement cycle for counter insurgency and counter terrorism operations going into the tendering phase in Quarter 4, along with trials of many other civil programs as well towards the end of the same quarter. And thus, while we did not see closure of opportunities to order book in Quarter 4, we now see their progression to our L1 pipeline.

This trend continued for us on the international business front as well, where the conversion of opportunity to order book has been marred by several disruptions in our geographies of interest. Such as slower but concrete progress in our opportunities in Africa, and the disruptions caused by the initiatives of the new administration in the US. The tariff uncertainty and certain country of origin restrictions in the procurement programs are also driving us towards exploring substantial transformation of our products in the US.

However, we were able to do our first demonstration for the US defense forces in the last quarter, and we are seeing good traction on our Early Adopter Program with several police departments signed up with us to evaluate our products for induction in their opportunities and their operations. We have also been selected for a grant to demonstrate our technology at an event in the US, indicating the value of our technology for the market. Through our several demonstrations and Early Adopter Programs in the US, we can confidently say that our USP of offering class-leading persistence in aid of ground operations is a game changer in the US market. The trade disruptions have also led to a clear scramble within NATO countries to increase their defense spending, and it does create a window of opportunity to participate in this wave.

In the same light, the recent free trade agreement with the UK may also increase our traction and viability for that market. As we look to diversify our business geographically, we are also working on new categories of drones that can expand our addressable market. We launched the concept of our tactical drone, ZOLT, at Aero India 2025. ZOLT will revolutionize long range intelligence surveillance and reconnaissance missions with innovative payloads, such as foliage penetrating radar, large area aerial mapping with advanced payloads, such as LiDAR and also enable precision payload delivery for both our defense and civil customers. Attention garnered by ZOLT at the event has now also started to convert into additional inquiries, including in the US. Apart from the Make-II programs that we are working on for the platform.

We also revealed the concept of our middle-mile high altitude logistics drone YETI, along with ZOLT. With its modular and innovative design, YETI will change the landscape of the logistics and the mobility industries, while operating for high altitude and offshore logistics, along with a medevac configuration as well. Our recent partnership with Resonia of Sterlite Group envisages leveraging YETI to support tower construction in transmission projects. Both

platforms are in their early stages of development, with ZOLT being further along with a few prototype versions already flying.

We have also made a strategic investment in Vantage robotics, a cutting-edge nano and micro drone provider based in Silicon Valley. With this, we will have the most comprehensive dual use product and solutions portfolio ranging from sub-250 gram all up weight to 500 kgs all up weight.

As the reality of conflicts for our country also becomes real, the lessons that we can learn from global conflicts will be critical in creating an advantage over our adversaries. We announced our latest and greatest quadcopter platform, NETRA 5, which was conceptualized from the ever-changing scenarios in the wars across the world. NETRA 5 redefines equipment resilience in contested and EW rich environments. It is five steps ahead of the nearest competition, powered by AI-enabled GPS denied navigation, advanced features like frequency hopping and persistent downlink, modular payloads, obstacle avoidance, AI-on-the-edge and quick deployment, making it an indispensable equipment and a perfect multi role ally of the forces in the field.

After extensive usage by our forces, our SWITCH UAV has been certified by the DGQA as “Fit for Indian military use”. SWITCH is the only UAV in its class to get this approval. True to our commitment to provide the best technology and products for our forces. We have launched SWITCH version 2 at Aero India. This next generation platform not only performs 25% better than its predecessor in terms of flight time and range of operations, but it also has an integrated dual payload option, which can enable security forces to carry out day and night surveillance missions seamlessly. With advanced capabilities, both of these platforms will be game changers in military operations, counter insurgency and counter terrorism scenarios, especially considering the present conflict.

Last year, our transition from a drone manufacturer to an end-to-end drone solutions provider was witnessed. We augmented our robust UAV platforms with the ability to deliver actionable intelligence to our end customers, as we lead the path towards adoption of drone technology in enterprise use cases, the need for delivering user outcomes is an essential ingredient for success. Our FLYGHT Cloud platform is able to help our customers gain seamless data storage, data processing and actionable insights for both surveillance and GIS applications. FLYGHT Cloud is already helping some of our customers securely store, retrieve and analyze data at a central location without the need for investing in additional hardware.

FLYGHT Docks is our Drone-as-a-Service initiative, and that takes the philosophy of delivering a solution to the next level by enabling the delivery of drone insights without the need for buying, operating and maintaining any equipment. It operates on a pay-per-use basis, and is revolutionizing enterprise safety and security across many verticals, such as mining, food and beverage industry, ports, etc. On a daily basis, we are preventing theft, helping resolve man-animal conflicts, catching perpetrators in action, improving compliance with safety norms, and

enabling asset inspections. The use of our drones for persistent coastal monitoring services for the Fisheries Department of Maharashtra has proven to be a game changer in maritime security and unauthorized fishing. Such use-cases are already creating good opportunities for us along our country's coastline. As a part of our efforts to create a drone innovation ecosystem, we have opened our platforms for third party innovation. In the last year, we have enabled multiple third-party payloads on our UAVs. Now our platform supports specialized payloads like LiDAR, multispectral, hyperspectral, and 3D payloads as well. Integration of these payloads enables us to participate in marquee government programs, like the recently announced Naksha project, Namami Gange, and help us deliver value in our partnership, or will help us deliver value in our partnership with Resonia.

As you are aware, we are also developing a fog penetration payload with GalaxEye to enhance the capability of our security forces. The push towards hosting advanced payloads on our platforms sets us apart from our competition and unlocks higher value opportunities for us. I would like to reiterate that as we break these temporary headwinds in terms of conversion of opportunities to order book, we have focused internally to create long term value. It is clear that as we progress towards our vision 2030, our efforts towards diversification in geography, category of drones and business models have started to take shape.

Now, I will take you through the financial highlights of Quarter 4 and FY'25:

While our order book, as of 31st March 2025 stood at approximately Rs.14 crores, our L1 pipeline opportunity of Rs. 400+ crores continue to stay active and in progress in the right direction with recent domestic additions as well. In the wake of current events, new opportunities continue to emerge on a daily basis and will be pursued based on merit.

Now, starting with the consolidated revenues for the current quarter stood at Rs.20 crores, versus Rs.17 crores in Quarter 3 FY '25 and INR 161 crores for FY'25 as compared to Rs.314 crores in FY'24. For the quarter, gross profit stood at Rs.7.3 crores with a gross profit margin of 36%. For FY'25 gross profit stood at Rs.53 crores, with a gross profit margin of about 33%. EBITDA for the quarter was minus Rs.17 crores and minus Rs.31 crores for FY'25. PAT for the quarter stood at minus Rs. 25.7 crores, and minus Rs. 62 crores for FY'25.

Thank you and now I would like to open the floor for questions-and-answers.

**Moderator:**

Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Dipen Vakil from PhillipCapital. Please go ahead.

**Dipen Vakil:**

First of all, I would like to say that it's encouraging to know that your team is already with the armed forces to support and provide support there. So, starting with my first question sir, I wanted to know a little bit more about the new emergency procurement cycle that you talked about where you have mentioned that the new tendering process is going on. So, can you throw

some more light into this as to what is happening, where we are, what products are coming in, and when are they expected to finalize?

**Ankit Mehta:** See, the emergency cycle for counter insurgency and counter terrorism operations was announced somewhere in January, I believe it was reported in the media as well. And while we are not allowed to talk about what nature of platforms and what specific opportunities were there. But as you can imagine, mid-cycle of that opportunity being under progress, we have this unfortunate attack on our countrymen, and therefore the subsequent actions and reactions will have a role to play in terms of how and when these opportunities get concluded but, we are seeing a lot of motion and movement and trials are happening for various opportunities under this and some of the next stages of evaluations are also happening as well, while I am not at liberty to really talk about those specific opportunities because of confidentiality with our end customer.

**Dipen Vakil:** So, any estimates in terms of the initial timelines?

**Ankit Mehta:** The initial timeline that we understand this opportunity came with was to potentially close in the early part of the second quarter, that was the intended timeline for closure of order delivery to the industry.

**Dipen Vakil:** Got it. So, any blended value, I am not asking for product wise, but maybe the value of the tenders or anything that sort of?

**Ankit Mehta:** So, what happens is that, in any emergency procurement, the power is given to the forces is that any specific opportunity may not be more than Rs.300 crores in value. So that's typically the limit under which they operate. But it is not necessary that every opportunity is the size for up to Rs.300 crores of spend in terms of the quantity they buy. That's the current understanding that we have. Obviously, each tender has specific quantity and associated value, but we are not yet at the liberty of sharing the same.

**Dipen Vakil:** Got it sir. Sir, our next question is on the lines of tariffs in your US market. So, in your opening remarks, you mentioned that there has been some impact or rather that the situation is developing because of the tariffs. So, can you tell us, because right now we are also focusing heavily on the traction coming in from the US, so how has it impacted off late, any flavor on that?

**Ankit Mehta:** Yes, so opportunities in the US have to evaluate it in light of the intending final tariffs that are going to happen. But despite the tariff response, one of the things that we have learned as we have interacted with more and more people and players in the US is that there are certain restrictions with respect to country of origin in the US in terms of procurement for the federal government in the US. Those restrictions will require us to potentially do a country-of-origin transformation of products in the US itself, and therefore we are looking at exploring that option and doing it the right way. In general, the response of our products is very encouraging,

particularly our SWITCH platform in a way does not find a peer in terms of something that can enable persistent overwatch for the operations or the ground operations for police forces there.

**Dipen Vakil:** Got it sir, so last question. Sir you mentioned that your SWITCH UAV has also been certified for military use. So, has that happened in this quarter, or was it already certified?

**Ankit Mehta:** We received the certificate in Quarter 4 itself.

**Dipen Vakil:** And this is also applicable for the upgraded SWITCH UAV platform that you are making right now?

**Ankit Mehta:** No, this certification is usually for a specific product, and also it goes through a fairly involved cycle of delivery of the product along with its utilization on-field and field experience. So, it is a fairly involved and very prestigious certificate. So, whenever we have additional induction of SWITCH maybe through regular capital procurement, then only will the possibility of other certifications emerge. That's what our understanding is right now.

**Dipen Vakil:** Got it Sir, got it sir, Thank you & All the best for FY26

**Ankit Mehta:** Thank you. However, I can say that the certification that has been received on SWITCH is a testament to the quality, processes and methods that we deploy, both design, development and subsequent support of our technology in the field.

**Moderator:** Thank you. The next question is from the line of Hardik Rawat from IIFL Capital. Please go ahead.

**Hardik Rawat:** I had a series of questions, the first of which was with regards to the order book. Firstly, again coming back to the question on the emergency procurements, if you could give us some flavor, because some technical trials must have begun, as to what the competition is like in the on-ground trials that have begun. And also, you mentioned that order award could be somewhere towards early 2nd Quarter FY'26 if I heard you correctly. What could the execution timelines look like for these contracts, that's the first question.

**Ankit Mehta:** See for any emergency procurement, the delivery timeline is 12 months for a formal EP cycle, that's the XP from past cycles and this cycle also our understanding is that the delivery cycle is going to be 12 months from the order date. In terms of competition, I think the demand for both surveillance and drones for causing an end effect to an adversary, are possibly going to be there, and we will not be deeply aware of competition on some of these vectors where we are not participating, but in general, as an industry given that, given what has happened last year, the participation is obviously going to be fairly large in these opportunities, and has been. But as is our experience with respect to not many people being able to deliver on the outcomes expected by the forces, we will see a very similar situation where not more than a handful of people qualify



for these opportunities. Presently, I can't share what the exact progress is, because they are all under evaluation.

**Hardik Rawat:**

Absolutely, we understand that. This is helpful. Another point was with regard to the order book. You mentioned in the opening remarks that our order book is now down to about Rs.14 crores. And like the lack of orders has been an industry issue, not specific to us, it does severely impair our growth visibility. So, just wanted to understand, should we expect another washout quarter in the 1st Quarter for FY'26 because our order book that we have...

**Ankit Mehta:**

See Hardik, what has happened is that, like I mentioned, there are opportunities where we have been able to get to being the final candidate, both after technical and commercial evaluation, and we are in, as usual, the closing phases of contracting in those opportunities. It's a substantial order book number as well. It entirely depends on when we are able to get the opportunity in-hand with our ability to deliver on that. If we get them in-hand in time we do have preparation to deliver substantial value this quarter as well. But it entirely depends on when we get those opportunities in-hand, and at this point in time it will be a softer quarter if there is delay in getting those opportunities for execution.

**Vipul Joshi:**

And Hardik, basically in some of these processes, and specifically with the larger opportunities, there's always an inspection angle from the customer end, which is not entirely in our hand and the availability to the customer to come and visit the premises and give the evaluation certificate, so all of those will play as a role in finally shipping and realizing the revenue.

**Ankit Mehta:**

However, Hardik, I just wanted to add that there is obviously a sense of urgency at this point in time. So, we are keenly tracking what's going to happen, and we are preparing ourselves because we also believe that it is an urgent need, and we need to service what we can as soon as possible.

**Hardik Rawat:**

This is helpful. Another I would like to ask something about R&D. So, firstly, I want to understand that the two new platforms, the tactical drones and the middle-mile logistic drones, are we on track with regards to the development as to the earlier timelines, if you could reshare expected timelines where we should come up with the prototype and then eventually a commercially viable product?

**Ankit Mehta:**

So, on the ZOLT platform, which is our tactical drone, we are already flying prototypes of that platform, and we are on track for development of the platform in terms of the aircraft itself. There are a lot of peripheral developments that we also need to do once the platform is developed, with respect to the final capabilities that are desired for these programs. So those developments will continue happening. We have already had good progress on the platform development itself. So, we do expect that we will be on relative track to the timelines of development for those programs. On the middle-mile logistics platform, our first you can say, test platform or you can say our first technical prototype is expected to be flying in about 2 Quarters time.

**Moderator:** Thank you. The next question is from the line of Bala Subramanian from Arihant capital. Please go ahead.

**Bala Subramanian:** Sir, my first question regarding this US nano drone investment and Resonia partnerships, how does this align with our broader strategy?

**Ankit Mehta:** See, when we look at our portfolio, and we have been over the years wanting to build a comprehensive portfolio of uncrewed electric aircraft that we can use to service various requirements for our customers. In that portfolio, one of the elements that we have not been able to work directly on was the nano drone category. And therefore, when we today go to our customers who are using our products at the last mile, we will be able to service those customers with an added platform that can work seamlessly with our technology as well and create a more comprehensive suite of solutions for them. Secondly, when we look at Resonia, it is a very interesting partnership, where we will be in a way deployed for the entire life cycle of the tower construction and operating and maintenance business where, starting from making sure that the planning for tower construction is more efficient to ensuring that construction can happen in a timely manner including leveraging a platform like YETI to do support in last-mile tower construction, because there are a lot of challenges of the kind of geographies these towers have to be erected in, and the kind of emergent situations people may face on the ground, and last but not the least, once the tower is constructed in making sure that the operations and maintenance of the tower is also taken care of using the technology that we have developed, including LiDAR payloads and many other types of inspection payloads, that we are developing on our platform. So, it's a more of a 360-degree partnership for enabling drone technology in service of transmission to our projects.

**Bala Subramanian:** Got it sir. Sir my second question is, what is the commercialization risk for ZOLT and YETI? These platforms are still under prototype or POC stage, and so whether the industry is ready to adopt these kinds of products, and then we can expect commercialization and other things. How these products are equipped to compete with competitors?

**Ankit Mehta:** See, ZOLT is a platform that we conceived as a response to several Make-II programs that the Government of India had come up with. Therefore, their commercialization and their applicability in terms of applications is directly connected to rectification of those Make-II programs, which also is something that is dependent on our ability to develop the platform and deliver the right capability. We are fairly ahead in terms of our development there with respect to those programs, and we will continue to push ourselves to deliver on those programs in a timely manner and as aggressively as possible. So therefore, since it is built for a specific opportunity the commercialization risk is in a way mitigated by those opportunities. And while that is happening, there are, because of our announcement at the Aero show, there is a lot of interest on that platform otherwise as well now, and we are responding to that interest as and when we receive those inquiries. It is pretty active in terms of interest. On the other hand, YETI as a platform, if you look at the partnership we just announced with Resonia, in a way it's an

early sign of the fact that, that capability or that broad class of capability is useful, and we are continuing to explore partnerships and areas where we can specifically get into co-development programs for this platform, that can enable us to build specific solutions for some industries that makes it a very useful platform. But being useful as an applicability of the platform is something we are very confident about going forward.

**Moderator:** Thank you. The next question is from the line of Vipul Parekh from ABC Capital. Please go ahead.

**Vipul Parekh:** I just have a couple of questions, in light of the unfortunate recent terror attack in Pahalgam, after this can we expect some faster procurement or more RFPs in the near future or have you already started seeing some momentum in this space where we operate?

**Ankit Mehta:** Absolutely, as you have seen the noise as usual around any new war is around drones. So, it does change a little bit of the sense of urgency and the traction that is needed in this sector. And at this point in time, while I can't specify whether there is or there is not demand in, so far as the sector is concerned, if I were to project what the government definitely should be looking at is looking at drones that can pick out targets, which are drones for intelligence, surveillance and reconnaissance, as well as look at drones that can cause an end effect on the other side. So that is something which is very clear, and it is more of a, I would say a requirement emanating out of what is being visible in all the wars globally, and even in our instance it has already been deployed. On the other hand, there are added capabilities that will be required such as the capability of resisting electronic warfare, with respect to GNSS-denied navigation, etc. So, these are the additional capabilities that we believe will be very useful in situations like these. This is essentially us, projecting on what is required in general for such a conflict going forward.

**Vipul Parekh:** Okay, thank you so much. I just have one more question. Do we foresee any higher adoptions of our solutions across the armed forces and in general what does it mean for our business?

**Ankit Mehta:** See, I would say, last year has been a very visible year of adoption of our technology with the defense forces. And from my understanding and awareness, our drones are deployed in many counter insurgency and counter terrorism operations on a daily basis. They have not just helped save lives, they have helped identify armed terrorists and insurgents and our forces have been able to run successful missions because of the identification we were able to provide in so far as our technology's involvement is concerned. And therefore, there are very, very clear indications that what we build is effective, is useful and is being deployed on a daily basis.

**Moderator:** Thank you. The next question is from the line of Sahil Vora from M&S Associates. Please go ahead.

**Sahil Vora:** Sir, I have a couple of questions. First question is, you have launched several products at Aero India recently. How do you expect these products to fructify into order book, have you received any customer inquiries about these products yet?

**Ankit Mehta:** Yes, absolutely Sahil. We are already doing demonstrations of the prototypes and the near-production volumes of these platforms, and there is genuine interest in these capabilities. Like I said, these capabilities are very, very critical in the present environment globally, where electronic warfare and capability around multi-role assets is becoming an increasing reality of what is required on ground.

**Sahil Vora:** Okay, that's great. So, my next question is, so I wanted to understand how we go about our product choices and R&D efforts. Do we have any demand from the customers and then we start R&D, or do we do it on our own?

**Ankit Mehta:** See, if you look at the example of ZOLT. We got into the development of ZOLT initially because we were very clear that there is a demand from the customer with respect to these programs that they had launched. However, as we deployed our technology such as SWITCH drone and quadcopter drones, we were very clear, and there were very repeated interactions with the customer that they wanted something more capable and something which is capable of carrying a payload. However, when we look at any product category, we usually look at these product categories from the perspective of dual use. And therefore, when we look at dual use, we have to convince ourselves that there is a need for the technology for the civil markets as well. And only when we are convinced about the need for the technology, for both defense and civil users, is usually when we get into a proper development mode and look at creating various variants of that technology for multiple market opportunities. So, ZOLT is no different, and we have taken that decision after careful consideration of the 360-degree evaluation and yes, motivation for building certain class of platforms or the timing for building certain class of platforms may be timed according to the demand signals of the customer.

**Moderator:** Thank you. The next question is from the line of Sahil Singh from AS Investments. Please go ahead.

**Sahil Singh:** So, I had a couple of questions from my end. So, my question is, we have seen recent partnerships that ideaForge has engaged into, like for example one with Vantage Robotics, and other like we have partnered with Resonia. So, how do you expect these investments to add to our top line and give like an approximate timeline that would be great?

**Ankit Mehta:** Sahil, we have observed in the case of nano drones, the government of India has procured certain nano drones from competing vendors and therefore, at least on the Indian side, we do see demand of that technology and it is relevant for certain types of in-room or in-building interventions as well as these can be very quiet and very useful for close range operations. So, from that perspective nano drone is a requirement that is important for our forces, and especially when we are looking at anything close range in terms of contact with the adversary or with the target. Therefore, we see opportunities on that side, and particularly for special forces and many other use cases it is a platform that is under the phase of induction by many of them. On the other hand, with respect to the work on other platforms, I already mentioned that we are looking at a

lot of opportunities, and we are creating partnerships wherever we can to create visibility of the end use of several products that we build.

**Sahil Singh:** And sir, what is your current outlook on the recent development which have been going on, I see it's positive for the defense sector at large, how do you see that?

**Ankit Mehta:** So, in terms of the defense sector yes, the need for assisting our forces is very real at this point in time, both in terms of what we can do with the existing inventory that is there with them, also with respect to what may be needed as we envisage and plan our strategies around what is happening on ground. So, I do see that it is going to be a need for our defense industry to step up and help to the best extent possible, our forces deliver the kind of response and support and defense that we need to create for our country.

**Moderator:** Thank you. The next question is from the line of Vineet Gala from Xylem Investments. Please go ahead.

**Vineet Gala:** Sir, so we are in a very tricky position with the ongoing heavy CAPEX of around Rs.55 to Rs.60 crores, while our execution is quite muted. So how do we approach this and what is the capacity of our balance sheet if the new orders continue to remain, say, elusive?

**Ankit Mehta:** So, Vineet, I will let Vipul answer the question.

**Vipul Joshi:** Hi, Vineet. So right now, we have fairly capitalized from our overall cash balance perspective and overall expansion from a CAPEX perspective is purely all on the product development side, and that is helping us to add further markets, also adding into opportunities. And as Ankit enumerated in his speech, as well as the last few questions from other people, how some of these efforts have helped us in opening up markets, also in addressing the current need that our users have domestically, is where we will be able to capitalize on our investments in the recent past.

**Vineet Gala:** So, is there like, do we see the newer platform so wherever we are spending on R&D to be commercialized anywhere in next 3, 4 Quarters?

**Vipul Joshi:** So, we already have capitalized two of our products in the last quarter. One is on the hybrid platform, and one of our quadcopter platforms as well. And these are all again gamechangers from our previous specifications. On our hybrid platform, we already increased our specification by 25% and the quadcopter platform that we have launched, which is our NETRA 5 series, is an absolute differentiator from what capacities and capabilities are available in the market at the moment, and especially the GNSS-denied capability, which is not prevalent or being showcased will be something that will fast lead for this product line.

**Ankit Mehta:** Also, Vineet, we are addressing certain opportunities for these platforms where demonstrations are also happening, and yes, expectations from these demonstrations and opportunities is to have

business on these platforms in the time frame you mentioned. But like it is very important in this domain. We typically wait for the orders to come in our hand on those aspects.

**Moderator:** Thank you. The next question is from the line of Hardik Rawat from IIFL Capital. Please go ahead.

**Hardik Rawat:** So, my question was connected to the R&D bit. Just wanted to understand what are we planning, what sort of rupee value amount we expect to spend on R&D in the coming two years, three years till we operationalize these two new platforms, tactical and logistics?

**Vipul Joshi:** Hi Hardik, Vipul here. So Hardik last year we infused roughly about Rs.76 crores of fresh capital in R&D in our ongoing projects for the, at least coming year on the visibility would be to stay on the similar line, and subsequently once our larger platforms comes closer to maturity and we get into the phase of creating more mules and their early prototypes to productionize, we will be able to give a fair estimate as to what those size of investments would be.

**Hardik Rawat:** Vipul could you repeat that number Rs.76 crores?

**Vipul Joshi:** Rs.76.5, yes.

**Hardik Rawat:** So roughly Rs.77 crores is what we have incurred in the current fiscal and should probably continue at least for the next one fiscal?

**Vipul Joshi:** Yes.

**Hardik Rawat:** Got it. Another question that I had was you mentioned the UK FDA, and ramp up in European defense spending. So, question there, with regards to, firstly, do we have any history of supplying to Europe? If yes, then to what extent and how big an order size have we sort of supplied? And secondly, with regards to the UK FDA, you mentioned that there will be benefits on duty. Just wanted to understand, what duty do our drone products currently attract in the UK, and how it will fall probably relative to other countries? What's the exact quantum of benefit that will rate out of this FDA?

**Ankit Mehta:** See, in terms of what is happening in NATO, I will give an example of a country like Germany, the defense spending is expected to go up by at least 1.5 times in a very short time span because of the pressure on the NATO spending and the mandates in NATO. So that in general, if you look at new dollars and where they will go, it is very evident that a lot of that spending for most countries is going to happen through, at least some part of it is going to drone technology. So that is one part, but we have not had a traditional presence in Europe, per se, but we do have partners who are present in the UK. So, we are actively pursuing opportunities in the UK. In terms of partnerships in Europe, it is something that we will get on to now. I already did a visit last month to try and understand what are the possibilities of partnerships in the European continent, as well. In terms of the UK, duty structures in general, it is a critical aspect from the

point of view of relative duty, with respect to other countries, either in the rest of the world, around China, or many other countries, where the duty structures will help us be better positioned than our competition. The exact duty amount, because we haven't yet delivered a finished product in terms of sales, I will have to get back to you in terms of what we incur on that.

**Vipul Joshi:** 20% of what, will be the VAT.

**Ankit Mehta:** 20% is typically the VAT.

**Hardik Rawat:** Okay. So, we will be saving so that 20% will go to zero, versus it will stay 20% probably for other countries which don't have anything that helps.

**Ankit Mehta:** Yes.

**Hardik Rawat:** If I could squeeze one more question and it is with regard to the net working capital intensity. While we have seen a decline in revenues, our trade receivable position has in fact gone higher. So just wanted to understand, and this is despite lower sort of execution that you have done in the 4th Quarter. So just wanted to understand, how do you see the net working capital situation? Any specific reasons of its sharp innovation in FY'25 and on a normalized level what should we expect here?

**Ankit Mehta:** So, Hardik obviously the factors stayed as because of the top line being on the lower end having impacted the overall numbers on the net working capital. As we go ahead and build in the order book and start delivering, we are hoping that we will be able to bring down the overall numbers. And while we have done a significant amount of collection last year, the controls on overall trade receivables is still going on. Main impact is still, broadly because of the overall top line impact and nothing else.

**Moderator:** Thank you. Ladies and gentlemen, in the interest of time, this would be our last question for today. I now like to hand the conference over to Mr. Ankit Mehta – CEO, ideaForge for his closing comments.

**Ankit Mehta:** Thank you, everyone for your questions. At this point in time, events like the Pahalgam terror attack continue to remind us of the reason why we started building drones as a product in the first place, and this happened in the aftermath of the 26/11 attacks, when we decided that we need to take the technology capability that we have and convert to a product for our country. We continue to believe that our country needs to create leadership in this domain through creation of resilient, high performance, reliable and autonomous capabilities, and ideaForge is firmly on the path and is leading the way. I also would like to reflect on the clarion call of our Honorable Minister of Commerce and Industry Shri Piyush Goyal for deep tech innovation. We are glad to champion that calls for over 18 years now, as one of the early deep tech ventures of our country, ideaForge has the potential to lead the path to a product nation for India. I once again, sincerely thank you all for your support and faith in ideaForge. Jai Hind.



*ideaForge Technology Limited*  
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**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.