November 04, 2025

To, **BSE Limited** Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai – 400 001. **BSE Scrip Code: 543932**	**To,** **The National Stock Exchange of India Limited** "Exchange Plaza", Bandra – Kurla Complex, Bandra (EAST), Mumbai – 400 051 **NSE SYMBOL: IDEAFORGE**

Sub: Transcript of Earnings Call for the quarter and half year ended September 30, 2025 of ideaForge Technology Limited ("the Company").

Dear Sir/Ma'am,

This is further to our letter dated October 29, 2025, whereby the Company had submitted the link to the audio recording of the Earnings Call hosted by the Company on Wednesday, October 29, 2025 at 11.00 a.m. (IST) post announcement of Unaudited Financial Results (Standalone & Consolidated) for the quarter and half year ended September 30, 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 Wednesday, October 29, 2025. The Transcript is also available on Company's website at below link:

Link: https://ideaforgetech.com/uploads/Other/MUFG-ideaForge-Oct29-2025clean.pdf

Kindly take the same on your records.

Thanking you,

Yours faithfully
For ideaForge Technology Limited

NILESH RANJAN JAYWANT
Digitally signed by NILESH RANJAN JAYWANT
Date: 2025.11.04 15:33:16 +05'30'

Nilesh Ranjan Jaywant
Company Secretary
Membership No. A26554

Encl: as above

“ideaForge Technology Limited

Q2 and H1 FY '26 Earnings Conference Call”

October 29, 2025

MANAGEMENT: **MR. ANKIT MEHTA – CHIEF EXECUTIVE OFFICER AND WHOLE-TIME DIRECTOR – IDEAFORGE TECHNOLOGY LIMITED**
MR. VIPUL JOSHI – CHIEF FINANCIAL OFFICER AND WHOLE-TIME DIRECTOR – IDEAFORGE TECHNOLOGY LIMITED

MODERATOR: **MR. PARTH PATEL – MUFG INTIME INDIA PRIVATE LIMITED**

Moderator: Ladies and gentlemen, good day, and welcome to the ideaForge Technology Limited Q2 and H1 FY '26 Earnings Conference Call. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star, then zero on your touch-tone telephone. Please note that this conference is being recorded.

I now hand the conference over to Parth Patel from MUFG Intime. 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 Q2 and H1 FY '26 Earnings Conference Call. From the management side, we have Mr. Ankit Mehta, Chief Executive Officer and Whole-Time Director; 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 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, 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: Thanks, Parth. Good morning, everyone, and thank you for joining us for the Q2 FY '26 earnings conference call of ideaForge Technology Limited. I'm joined by our CFO, Mr. Vipul Joshi, and our Investor Relations team.

It's always a pleasure to connect and share our progress as we continue to strengthen India's position in the global UAV ecosystem. Over the last few months at ideaForge, we have witnessed a growing recognition of how UAVs are transforming both national security and enterprise operations domestically as well as globally.

What began as a tactical advantage in incident-based usage is now rapidly evolving into strategic infrastructure with persistent operations. ideaForge remains at the forefront of this shift by driving innovation, reliability and resilience in the technology.

While the UAV sector in India is on a rebound after a muted FY '25 and our efforts on the international front to build a stronger presence continue, I want to take this opportunity to reiterate how ideaForge is built differently with grit and perseverance to drive strategic innovation and help our forces and enterprises adopt this technology at scale.

We started building drones as a cool but innovative project in 2004, almost 21 years back, which morphed into building this technology for our soldiers to help them mitigate 26/11 Mumbai-like attack situations with greater situational awareness. We started at a time when none of the components that go into building a drone were commonly available or available in the open

source domain. And that led us to build most of the subsystems components of the technology grounds up.

And when we decided to build products for our soldiers, it was clear to us that they require us to build systems that can give the best performance reliably in the harshest of conditions and environments as our forces operate in. Products that don't require expert-level skills and ensure that focus remains on the mission at hand and not on flying of the drone.

Our approach and belief have been to make consistent investments in efforts and initiatives that push the boundaries of technology in the service of making better solutions for our customers. And this approach has allowed us to develop in-house solutions that pre-empt the needs of the market and build capabilities ahead of time, and thus provide an edge to our customers in the field and to us in the market.

Our legacy has sufficient evidence that our technology and products actually create a difference for our customers and their missions, as evidenced in the Op Sindoor and even in the disaster management for the floods recently.

An example of building capabilities by pre-empting the needs of our customers is actually represented in the development and market journey of our SWITCH UAV as early as 2015, being the first unconventional fixed-wing platform with vertical take-off and landing capabilities in India when the whole world was dominated by hand launched and runway dependent drones.

Now SWITCH is the only platform with certifications and accreditations from both civil regulators like DGCA and military agencies like DGQA and NATO codification. Not to mention that fixed-wing VTOL hybrid has become a standard ask now by customers needing better airtime and range of operations.

Similarly, a few years back, we started developing a suite of capabilities for electronic warfare resilience by observing technology trends and the global conflicts. We were among the very few players globally outside the war zone to realize this shift and develop this capability in-house. And after Op Sindoor, EW resilience has become a baseline requirement for the Indian forces operating in border areas. And the same is being reflected in their ask in the recent procurement programs.

The development of our tactical UAV platform, ZOLT, is also rooted in a similar thought process. And it is already proving to be a capability in demand. It is once again proving the superiority of our design and execution philosophy of performance, reliability, autonomy and resilience. As such, our strength lies in the ability to look at the technology -- trajectory of technology and identify imminent and urgent gaps in customer capabilities pertaining to our areas of interest.

As the defence sector is once again witnessing renewed momentum, our customers have realized the game-changing nature of this technology and are finally putting their faith wholeheartedly in these systems. This has been evident with the increased procurement activities, budget allocations and order in flows.

In addition to central procurement, the Army has dedicated powers to the commands and has enabled emergency procurement even at the command level. This has improved the procurement time lines, will increase equipment availability with the forces and will also accelerate adoption and induction of the technology. In all these opportunities, ready to deploy, EW resilience capability across various platforms has definitely proved to be an edge to ideaForge over competition.

In addition to these immediate changes, government is also bringing in structural and long-term improvements in defencse procurement. The recently introduced Defencse Procurement Manual 2025 has brought in many such changes. Global tenders under INR200 crores are off by default, giving domestic players an opportunity to build and scale in India.

Bids are managed through e-procurement and big orders need audited proof of local content. These and many such reforms push demand towards build here, buy here. The manual also pushes for innovation and indigenization to achieve the reliance.

Continuing our global expansion strategy. A major milestone in this quarter is the joint venture between ideaForge Technology, Inc., which is our wholly owned subsidiary in the U.S. and First Breach Inc. in the United States.

The partnership combines our cutting-edge UAV technology with First Breach's infrastructure and access to the U.S. defencse ecosystem, positioning Indian innovation on a global stage. This JV will help our plans by enabling substantial transformation in the U.S., which is a major criteria for government procurement programs. It will also help us effectively navigate tariff and geopolitical uncertainties.

Another win on the international initiatives is the allotment of a NATO Stock Number to our Q6 UAV, validating compliance with global military standards. This recognition following the earlier NATO Stock Number assignment to our SWITCH UAV makes both these platforms eligible for inclusion in NATO and allied procurement systems. It reinforces our status as a trusted vertically integrated UAV player.

While these efforts and initiatives have strengthened our potential in these geographies, the conversion of pipeline to order booking is taking some time as we navigate local regulations and certifications, rapidly changing geopolitical situation and achieving the right product market fit.

Looking back at our journey, strengthens our conviction that we are built differently. We believe in creating long-term value and have the ability to convert our innovations into deployed capability that are growing in scale. The consistency of our efforts in building differentiated solutions even during unfavorable market cycles has been the hallmark of our resilience.

Let me now walk you through our financial performance for quarter 2 and H1 FY '26. Consolidated revenues for the current quarter stood at INR40.8 crores versus INR37.1 crores in quarter 2 FY '25 and INR53.5 crores in H1 FY '26 as compared to INR123.3 crores in H1 FY '25. For the quarter, gross profit stood at INR20.4 crores with a gross profit margin of 50%. For

H1 FY '26, gross profit stood at INR28.3 crores with a gross profit margin of 52.8%. I would like to mention here that improved gross margins are a combination of factors like the execution of contracts with better margins and increased demand for differentiated products.

EBITDA for the quarter was minus INR8 crores and minus INR23.1 crores for H1 FY '26. PAT for the quarter stood at minus INR19.6 crores and minus INR43.2 crores for H1 FY '26. Our order book as of 28th October stood at approximately INR238 crores.

We can now move to the Q&A.

Moderator: Thank you. We will now begin with the question-and-answer session. The first question is from the line of Jai Chauhan from Trinetra Asset Managers.

Jai Chauhan: Sir, my first question is, given the rapid evolution in drone technology, particularly around AI, sensor integration, could you elaborate on the key priorities for your R&D efforts over the next 1, 2 years beyond the current ZOLT and YETI program?

Ankit Mehta: Jai, I think your voice is a little unclear. Can you repeat your question, please?

Jai Chauhan: Focus for R&D efforts in next 1 to 2 years looking at all the AI development and everything that is happening around the drone segment and YETI, etcetera, programs.

Ankit Mehta: Right. See, in terms of our development efforts, I think first and foremost, we operate in 4 or 5 broad categories of drones that we make as of now. We will continue to build new and improved platforms in these categories because we have seen that continued effort in improving the capabilities of our existing platforms has helped us catch the cycles that happen of procurement in this domain.

And those cycles are always desiring from us improvement in our capabilities on those platforms. So that is one part on the hardware platform categories that we are building in. We are building in the categories of our drones, the smaller drones such as the Q4i drones or the NETRA drones that we have or SWITCH, ZOLT and YETI, right? We have these 5 broad categories in which we build drones today. That is one part.

Within the airframe or the platform and the operational autonomy, leveraging AI is going to become crucial as we go forward in the next few years because there is a need in the market for a lot more autonomous operations on drones in the future. And that is particularly required because with all the electronic warfare and counter drone systems that are going to be more prevalent on the ground today, the need for drones to do missions while being completely radio silent is going to go up. And if that happens, we have to have the ability to do intelligent operations on the drones that we get. And that's one of the directions that I can share on the AI side that will happen going forward.

The other direction is identification of objects on ground or using artificial intelligence for doing the job or creating a solution for the end customer. And that is also a direction where we are robustly investing in 2 things. One, we are investing in our capability, two~~o,~~ at every stage of

drone operations have the ability to host AI algorithms, let it be from the point of view of algorithms that are coming in from our partners or our own native capabilities in AI, right? So we are investing in both those capabilities. And we are also investing in the ability of our platform and our solution stack to have the ability to absorb these capabilities and deliver a comprehensive solution to the end customer.

Now the advancement in AI that has happened recently has made it, I would say, a capability that is more democratized and it is also a little bit more, you can say, a little bit more user-friendly. And therefore, the interactions for the operators with the system or end customers with the system are going to become more natural language focused.

They're going to become more seamless. And it will allow for a better pace of adoption of the technology on ground. So that is another area where work is going to happen. And then, of course, there is also work that is going to happen in multi-domain and multi-UAV autonomy. That's the third or the fourth vector.

So there is a lot of work that is going to happen, and our platforms are embedding that capability of hosting these capabilities as an overall broad solution and also building those capabilities that are required by our customers.

Jai Chauhan: Understood, sir. Understood, sir. I also wanted to understand, sir, like what are the current trends do you see that requirements of -- on your defencse side, what are the requirements they are needing for drones because there are anti-drone systems are also quite evolving, right? So what are the requirements and the trends you see, what kind of requirements in, I would say, orders or tenders you are seeing in the defencse side?

Ankit Mehta: So what is very heartening, Jai, is that as ideaForge, our focus for the longest time was on building capability for what is known as ISRT; intelligence, surveillance, reconnaissance and targeting, right? So these areas is where we had the majority of our focus from the very beginning. And these areas continue to be a very strong requirement from the armed forces, and we have seen a lot of opportunity in that domain in this cycle as well.

As well as now it is very clear since Op Sindoor that we will need the ability to do an end effect or what is known as attack systems as well. And there is going to be, and there is procurement happening for those kind of systems as well, which is presently not an area that we have active participation in those class of systems that are under demand right now, but we are building capabilities on our platform like ZOLT and Q6, wherever they can carry a load, they will be explored for different use cases.

But that's presently what the status is of what they're looking at. And of course, all of this has to come with the ability to operate in electronic warfare, counter-drone systems environment. And those capabilities are the baseline for all of these systems if they have to be effective on the ground.

Moderator: Our next question comes from the line of Dipen Vakil from PhillipCapital.

Dipen Vakil: Congratulations on a decent recovery and good order wins in first half. So first question is on the order wins itself. So second quarter, we have won orders close to around INR60 crores. And third quarter, we have won orders close to around -- sorry, third quarter, I mean, in October, we have won orders close to around INR74 crores. So can you give us an idea as to the areas from which we have received these orders, whether they were defence orders, what kind of orders that we have received so far?

Ankit Mehta: So majority of this is defence coming in from the command emergency procurements that are underway right now.

Dipen Vakil: Okay. So now how would be our order book split between defence and civil?

Ankit Mehta: I think it is heavily skewed towards defence at this point in time, as was expected and highlighted also earlier in my previous call that it will be heavily skewed towards defence. However, we are seeing green shoots also from the point of view of upliftment of demand and requirement for the technology on the enterprise side. But of course, as I have indicated earlier, the scale today on that side is lower than the scale that we can expect from defence in the short term.

Dipen Vakil: Got it, sir. And now coming to on execution side of it. So since most of the orders in almost INR140 crores in first quarter and even now another INR130 crores till October, most of these are emergency procurement orders. So is it safe to say that all of these orders are executable in, say, next 12 months, -- so say, by first half of next 12 months, almost entire of INR230 crores, INR240 crores of orders will be executed?

Ankit Mehta: Yes, yes, absolutely. Within the 12 months, we have to and majority will actually have to be done in this year itself.

Dipen Vakil: And in this quarter itself, majority of the execution is from the orders that we received in first quarter?

Ankit Mehta: In the quarter 2…

Vipul Joshi: Quarter 3 is…

Ankit Mehta: Are you talking about execution in this…

Dipen Vakil: Quarter 2 and quarter 3 as well.

Ankit Mehta: Quarter 2 was a mix of orders received post quarter 1 as well. So some orders we received and we build and we are being very agile keeping in mind the customer delivery time lines for many of these opportunities. So yes, execution is consistent and we are being very aggressive about making sure that we are able to meet our delivery time lines. So many orders on the command side are coming with a shorter time frame for delivery as well, while some of the other central EP procurement orders are for a longer time line of about 12 months for execution.

Dipen Vakil: Got it, sir. Sir, last question on your JV with US entity. Sir, in your opening remarks you mentioned that the partnership is mainly for the infra development and opening up in the US market. So the products that you'll be selling are the same products that you have produced right now or there will be some new products specifically for US entity? And can you give us some more thoughts into how -- when these entities will start forming -- start execution and some more commentary on that?

Ankit Mehta: See, the joint venture is predicated on our existing portfolio of solutions. That's the primary, you can say, vector to drive. However, now that we have an opportunity to address all the needs of the market over there, based on the scale of opportunities that we believe have immediate requirements, there may be things that may come up into the product development road map from the efforts that we are doing on business development there.

But right now, the focus is on the existing product categories, and there is a clear need for some of these capabilities in the market over there. These geopolitical changes and certifications and other vectors are areas where we are continuously making efforts to move closer towards setting ourselves up more aggressively there.

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

Hardik Rawat: So firstly, happy to see the inflow trajectory for us improving after 2, 3 quarters of lull. My first question was with regards to the DAC approval that came out recently and report suggesting that roughly 55 billion of that is expected to be allocated for swarm drones with a range of about 1,000 kilometers, which is currently under the Make II program. Are we associated with this program in any manner? Or are we looking to develop the products in this category?

Ankit Mehta: So Hardik, as you are aware, we are already part of some Make II programs that are particularly in favor of our ZOLT platform. That is one part of what we are already doing. Any new capabilities that have been indicated as requirements in the armed forces is an area that is under active discussion at our end. And based on the nature of the platform in terms of whether it is dual use or only for defence purposes, we will take a call on whether we need to include that in our road map or not.

Hardik Rawat: Got it. Another thing was with regards to the gross margin. So on a Y-o-Y basis, the gross margins have sort of improved. But going into Q3, Q4, wherein we'll have execution of the large order that we had received in Q1, how do you see the trajectory on the gross margin front in the second half?

Vipul Joshi: Hardik, we're projecting that it will stay in the similar lines as it is this quarter for the remaining half.

Moderator: Our next question comes from the line of Krishna Doshi, Ashika Institute.

Krishna Doshi: Sir, congratulations on a good set of order wins in the quarter. Sir, most of my questions have been answered. I just had these 2 questions. So going ahead, I can figure out that since the order book is skewed towards defence, can we see our gross margins improving further? Or are we

still expecting it to be in a similar range only? Like I heard the previous question, but don't we think that the gross margins are supposed to get better considering the product mix?

Vipul Joshi: So depending the orders that we execute and at the final juncture as to how the combined execution looks like, we are right now under the assumption that this will stay as what it is in this quarter.

Krishna Doshi: Okay, sir. And my second question is basically, like I just want you to throw some more light on the SWITCH and the Q6 platforms. Now they are carrying the NATO Stock Numbers. So I was just trying to understand like what is the kind of evaluation process that you have to go through? And also what kind of opportunities then do we see going forward from these NATO countries?

Vipul Joshi: Yes. So basically, under the evaluation process of our MOD orders is where there's QA agencies also involved to evaluate the product and also certify them for further dispatch to the customers, under which then we have to go through the process of HSN codification of, and which then gets into the overall release of the NSN number, which is basically a NATO number for which the 2 supplied orders in the last 2 years of one for SWITCH and one for quad, we've received these numbers now allocated to both of these products.

Ankit Mehta: Which means that it will now be visible to that inventory or that group of companies, countries. And as we look at global markets and as we look at the procurement processes in the global markets, this will come in handy because this sometimes becomes a requirement that helps us qualify in certain opportunities.

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

Nikhil Gupta: So the only question I have is in the opening remarks, Ankit, you mentioned that you have a good understanding of how technology moves and our key efforts going forward, right? So I think there was a recent video demonstration of a company, Indian company named BonV Aero, where they highlighted a payload capacity of 20 kgs.

And I think the drone was in the air for about 6 to 8 hours. I think this capability is, to my limited understanding, is better than what we are trying to offer in ZOLT platform. So what do you think -- first of all, you're aware about this technology? And depending upon that, will we make some modifications? And what do you think -- I just need a more commentary on that.

Ankit Mehta: Nikhil, there are many segments in the overall market that we do not address. One of the segments that we do not address right now is the load carrying capacity of more than 10 kgs to, let's say, up to 50, 60 kgs because the limited use of that segment in our eyes was only for defencse. And therefore, if you look at what we do with ZOLT is a specific category that we believe has a lot of value. And then we are building YETI as our long range and high payload carrying delivery or you can say, payload carrying system, right?

So these are the 2 categories that we have chosen to be in. There will always be companies in the ecosystem who will address the other segments, which presently we are not building. So as

such, we haven't compared ourselves to that product, and I do not believe that those products presently replace the demand for ZOLT because ZOLT is a specific platform built for capabilities that are -- they continue to be relevant for specific use cases. So these are different categories of platforms. So we are probably not in that category as you are describing.

However, just from the word of it, carrying 20 kgs and flying 6 hours on a helicopter type drone or a quadcopter or a multi-rotor type drone, it's a capability that we will have to assess whether the context of the capability is correct or not because it can either be achieved using fuel, if it's a very small platform or the platform can be very large. So we'll have to look at the technical details of how it can be achieved.

Moderator: Our next question comes from the line of Rupesh Tatiya from Long Equity Partners.

Rupesh Tatiya: My question will be -- first question is really on the civil side of the application. I mean can you give some idea about GIS area that you are looking at? What are the applications you're looking at property mapping, digital twins, infrastructure management? And how do you see this segment evolve over next 2, 3 years? And how is our positioning in it in terms of capability and in terms of cost?

Ankit Mehta~~Krishna Doshi~~: Rupesh, it's a great question. Thank you for that. In terms of the mapping market or the GIS market in the ecosystem, I think there are many different sort of slices of that market, right. The first slice of that market is doing geospatial mapping for something like property card creation or land records creation, right? Now that is a capability and activity that happens and Survey of India has approved our platform and other platforms for doing that grade of activity which can be used as a land record tool.

Within that, there is a lot of requirement for doing large-scale geospatial mapping, so this is digitizing, at this point in time there is digitization of villages happening under the SVAMITVA scheme, then there is digitization of land records happening at several state level as well as there is the need for digitization of many defence-related use cases as well in terms of military mapping and other areas, right? So that's one part of what we do.

Within that, there are slightly different flavors of what can be done. For example, one is using a single camera system to do mapping at large scale. And the other is creating digital twins of infrastructure on ground or at this point in time there are opportunities for doing digital twins for entire cities using what is known as oblique cameras where there are 4, 5 cameras that look in different directions and create a very high resolution, very high fidelity 3D of the area that is being mapped or under observation. So that's one part of what happens in the mapping domain.

We are very well plugged in to both of those vectors. In fact, we believe that in a pure quadcopter like platform, we offer the best performance globally in these categories and our platforms are uniquely suited because they can, one, operate in extreme environmental conditions, which is one area that we excelled in and also are capable of operating in very hilly terrains in very undulating terrains, which is a capability that many other competing platforms cannot deliver and definitely cannot deliver at the kind of flight times that we offer, which allows for larger

area coverage in those scenarios and situations. So that's one advantage of our platforms, and we are very well positioned in those areas.

The other areas that we have started to look at with the launch of our Q6 V2 Geo platform is we have now LiDAR payloads available with our systems. We also have payloads like the multispectral hyperspectral, which is useful in both agriculture and geospatial mining and other mineral investigations. And then we have payloads that can do colorized LiDAR.

And broadly, I think the geospatial domain in terms of how many spectrums we could potentially map using a UAV I think now we have covered all of those spectral definitions. And there are use cases that we are unlocking both on research and commercial deployments at scale where these platforms and these kind of capabilities are very essential for operational efficiencies of our end customers.

So because this is a recent launch, we are in the process of building the pipeline and the demand for these systems. However, it is backed by robust research of the need for such systems as well as it is also backed by third parties who have partnered with us who were building these payloads, possibly for other platforms, but have now adapted their systems for our platforms as well.

Rupesh Tatiya: That is good to know, sir. The second question is, can this segment become, let's say, INR100 crores kind of business for us in 2, 3 years? And the subtext to that is -- I mean, this is all data capturing service that you're providing, but I think 50% of your team works on sort of R&D. So where are we on the software development, application development, integration with some of these tools in this area. So if you can address that part of the equation as well?

Ankit Mehta: That's a great question. So yes, we do believe that it has the potential to grow in size to that level, number one. Number two, it also is an area where we believe that it is not just the data capture that is critical for the end customer, but it is the end outcome from that data capture that they are most interested in going forward, right? So we have built a platform such as the FLYGHT CLOUD platform that we have, wherein in FLYGHT CLOUD we allow for geospatial data to be uploaded on the cloud seamlessly from the edge, from the drone ground controller. Once it is uploaded, it can get into automated data processing workflows.

These data processing workflows prepare the data for both visualization and in some cases what is known as stitching together of the information for creating 3D and other elements. Now once that happens, then analytics can be done on that large data. And that analytics is again something we can augment building our own pipeline for analytics as well as working with third-party providers who are focused on specific solutions for specific industries, but are looking at high flight time platforms that can help them deploy this capability at scale.

So we are looking at using FLYGHT CLOUD as our end-to-end solution deliverer for making sure that we are able to work on full solutions for our end customers and work with third parties to make sure that we can address a large segment of the market domain in this space.

Rupesh Tatiya: That is good to know, sir. Just one clarification before I return to the queue. In terms of mapping in terms of resolutions, in terms of terrain, whatever the parameters are there, right, when we are mapping, is it fair to assume, let's say, that ideaForge has capability to map, let's say, 90% of the areas?

Ankit Mehta: Absolutely, 95% in my opinion.

Moderator: Our next question comes from the line of Tushar from Peace Wealth.

Tushar: So we are one of the pioneers when it comes to drones. So I just want to understand maybe like why did we stick only to mapping and surveillance? And in a way, we are late in terms of when it comes to target drones that we are now trying to do with the ZOLT platform like you said. Just want your sense on this. Like why did we not diversify into other applications early enough? So that is my first question.

Ankit Mehta: Tushar, in terms of diversifying very quickly, see ideaForge was bootstrapped for a very long time when we began our journey, right? So we were limited by capital. And progressively, even when we raised investments, there is always the need and necessity to focus and build deep capabilities in technology domains, right? And we also have to look at which domains are going to become very large and which domains also address the kind of challenges we see in the, you can say, business that we are in, right?

The business that we are in and the need for many predictable cycles and many other vectors, we have to look at what are those areas where the business goals can be enhanced in a more balanced way, right? So certain capabilities which are pure defencse capabilities, we have been in the past, deprioritizing them because we believe that the need for diversification is very critical in our domain to make sure that we achieve the business objectives in that.

So that's perhaps one of the reasons why we have not been in that domain so far. However, going forward, if we see a smoothing of the curve, there are decisions that can be taken in the right direction if that is the opportunity that allows us to meet our business objectives of what is desirable as a business for us.

Vipul Joshi: Just to add to that at least from a product capability perspective, ideaForge drones always had the precision block capabilities. So while that was the class of 500 grams to 1 kg. And it's just that the recent demand because of the current situational and overall whatever happened on our borders is where there's a pent-up demand, but ideaForge drones always could carry some of these payload wherein customer wanted to attach them at their end because we do not have the munition licenses to directly handle some of these capabilities.

And in the recent past, we have also done certain announcement on our tie-ups with MIL and also Zeus to work on creating payloads which could be attached to our drones. And even in current opportunities, wherever there are capabilities being asked of, having grenade drone capabilities and all where there is just a payload attachment could be given, our pods are basically capable of doing that as well. So it's not that we are completely sitting out of it, but we

have made this as a conscious decision of not being in a complete domain where a defence tag is something that's part of the strategy itself.

Tushar: Okay. And my other question is regarding, so what is the gestation period that we normally have, based on your experience, for both ZOLT and YETI, I want to understand. That's my last question.

Ankit Mehta: ZOLT has been in development for about 1.5 years now. And like we mentioned, there is demand in the vector. We've done customer demonstrations and trials as well. And there are opportunities for ZOLT that are currently underway in terms of real RFP opportunities as well as we are continuing to build on the Make II programs that we are a part of. So ZOLT is very real and imminent in terms of helping us win some orders.

In terms of YETI, YETI is still in development phase, and it will take slightly longer because it's a much larger platform than YETI -- than ZOLT, even ZOLT. It's almost 10x bigger than ZOLT. So it's a pretty massive endeavor, and we are working towards it very aggressively. But if you…

Tushar: Have we done any PoC for ZOLT as of now?

Ankit Mehta: Yes, yes. Right after Op Sindoor we did a few PoCs. We've done some PoCs even presently. So yes, it's actively under demonstration with the industry.

Moderator: Our next question comes from the line of Dhiraj Shah from RJ Investments.

Dhiraj Shah: So I have 2 questions. Firstly, how do you see the recent GST realization, particularly on drones to be impacting the demand and pricing competitiveness and adoption of drones in India?

Ankit Mehta~~Vipul Joshi~~: Dhiraj, your voice was very low somehow. If I understood your question that is there an increase in demand because of the GST revision? And I'm sorry, I didn't get the last question that you asked.

Dhiraj Shah: So how would it be impacting the demand and pricing competitiveness and the rather greater adoption of drones in India? So what would be the impact?

Ankit Mehta: I think in terms of demand, Dhiraj, the drone domain is going to be not pricing focused, it's more utility focused at this point in time. GST improvement definitely makes sure that the adoption inertia is lower by about 12% if there was any infusion earlier. But overall, I would say that the drone ecosystem is driven by more utility than purely pricing.

Dhiraj Shah: Okay. Understood, sir. Understood. Sir, secondly, when can we expect EP cycle 6 to conclude? And also out of INR40,000 crores approximately, how much would be allocated for ISR drones? And if you could explain this with previous EP cycle example, that would be really helpful.

Ankit Mehta: See, what we are very clearly aware of is that INR40,000 crores was allocated to defence. Within the INR40,000 crores, INR9,000 crores was with the Indian Army. And within the

INR9,000 crores allocated to the Indian Army, the expectation was that a good amount of allocation will come towards drones and counter drone systems.

And in terms of what will be the actual realization from that, I think mostly the budgets are allocated from the higher limits that are available for -- in terms of value for each contract. However, the actual value may be lesser than those peak limits that are available for each opportunity.

Vipul Joshi: That has also changed this time because the command opportunities and central procurements are also happening at the same time. And hence, there's a distribution. So these are not public numbers, it's difficult to bifurcate as to what is what…

Ankit Mehta: Yes, exactly. So I think there is also allocation that has happened to commands, right? So there's distribution within commands as well as drones, but we do expect that good allocation should happen -- should have happened to drones itself and opportunities are currently under progress for many categories of systems.

Moderator: Our next question comes from the line of Raj Patel from SMG Finance.

Raj Patel: A few questions from my side. So could you give us more color on the joint venture with the first phase? I mean to say that what will be the expected time line? What will be the structure? And how this will help us to penetrate the US market?

Ankit Mehta: See, what is happening, Raj, is that in US, there is a preference to local manufacturing very heavily. If you have followed the geopolitical announcements and conversations that have happened there, most of them are focused towards making sure that there is a lot more production or end production of drones happening in the US soil itself. So that is one part where it will help us.

Two, it will help us in making sure that there are certain trade barriers that India has with US in the sense that US has certain restrictions on who they can buy from at the federal level, particularly in defencse. And this also helps us address that issue, making sure that we are -- and our products are eligible for those kind of programs and scale is not the limit with respect to who we are supplying to and how much we can supply to them. So that's another advantage that we get from doing this.

And the third advantage is that our partner is also looking to invest in the domain. So we will get to build this opportunity in the US with their participation as an investment partner along with being an operations partner with us and a go-to-market partner. So that -- these 3 areas are how it will help us significantly. And we are currently going through the necessary due diligence and you can say, operational processes that are pending once we've signed up for working with them.

Raj Patel: Okay, got it. Then my next question was that by looking at this joint venture partnership, can we also expect similar kind of international partnership in near future in other continent as well,

for example, Europe, Africa or Middle East after looking at the rising demand for the ISR and tactical drones?

Ankit Mehta: Yes, absolutely. I think these are areas that we are actively exploring because we believe the world. So I have a funny expression now for defense products globally, right? They have now become like bottling plants. You need to have a bottling plant in sort of every location to serve the local demand. So even if the technology or the IP is global, but you need to have local assembly for ensuring that we meet the desire for what is also popularly known as make in X kind of a scenario that is building up globally because of the changing geopolitical scenarios and what is happening from a strategic standpoint in defencse. So absolutely, I think that's the domain that we are working and actively seeking partners in that…

Raj Patel: Got it, sir. And my last question was with regards to that can you guide us in order to -- how do we plan to localize the manufacturing for the global clients as well as maintaining the cost competitiveness and IP control?

Ankit Mehta: See, IP control is something that one has to do by, first of all, making sure that the technology is secure natively. Number two, we have to ensure that we have the right kind of contracts with our partners. And we, of course, set up the right processes, access controls, etcetera, when we deploy the technology.

In terms of localization, you're absolutely right that there has to be a balance between using the advantages that India offers as well as making sure that you are doing a substantial transformation in those geographies. So that balance is, Raj, what we are currently in process of testing, and we will make sure that we are able to meet the aspirations on both sides.

Moderator: Our next question comes from the line of Akshay Kothari from Envision Capital.

Akshay Kothari: Sir, just wanted to understand the relevance of ISR drones vis-à-vis satellite mapping because earlier we didn't used to do this activity.

Ankit Mehta: See, Akshay, what happens is that satellites are limited by the exposure, the lower-earth orbit satellites are limited by the exposure that they get to the patch of ground. It is frequent, but it is not frequent enough to be real time. Number two is the challenge of geospatialtationary satellites being fewer in numbers. And ultimately, every asset that is observing ground is observing a patch on the ground. And you cannot have your eyes everywhere, whereas war or intelligence is an activity you want to deepen by getting eyes on pretty much every possible patch on the ground, right?

So usually, the way we look at it is that satellites will direct based on the intelligence they collect for larger areas and give the signals that would require a deeper investigation using a drone when it comes to incident-based deployments. When it comes to persistent deployments, there will be need for patrolling like we do human patrolling today, there will be need for patrolling and there is a need for constant operation, persistent operations for patrolling areas using drones.

In there, drones will become the elements for generating the first insights into any incident, etcetera. So satellites are very complementary to what we do, and they will be triggers for missions for drones as well as, in some cases, drones will become the primary eyes on the ground.

Akshay Kothari: Okay. And secondly, you mentioned that out of INR40,000 crores, INR9,000 crores is allocated for Indian Army. So I'm assuming that Navy and Air Force won't be procuring any sort of ISR drones.

Ankit Mehta: Honestly, we haven't tracked that vector very closely at this point in time because most of those vectors are beyond our range of operations and those were beyond the capability of our existing category of systems. And therefore, probably we have not tracked it very closely, but I'm not aware of too many programs on that side.

Akshay Kothari: Okay. And out of that INR9,000 crores, what sense are we getting for the Indian Army order for ISR drones or the quantum?

Ankit Mehta: So there are a lot of programs live right now. I'm not too sure we have done a sort of a specific sense of the number right now.

Moderator: Our next question comes from the line of Amaya Devastali, who is an investor.

Amaya Devastali: I just wanted to know what are the new R&D initiatives that are going on in the defence vertical, because we know that this is a space that requires continuous R&D. So if you could highlight some of the things that you guys are doing?

Ankit Mehta: Absolutely. I think from our standpoint, the categories that we are building in, we are making sure that if there is a new type of [inaudible~~data~~ 0:57:47] required by defence for earth observation, then we are working on those platforms. For example, with our partner and investment in GalaxEye, we are working for building synthetic aperture radar solution for observation ~~of ground~~ on ground even in foggy conditions, etcetera.

So there are similar capabilities that we are developing with respect to earth observation as well as we are working towards building capabilities on multi-role use of our platforms with respect to dropping capability for several types of assets, be it for logistics or for precision payload delivery.

And in terms of development, we have to do a lot of development on AI-based intelligence capabilities that can help make the missions more autonomous for the end user, particularly given that there is a tremendous push towards resisting drones on the other side or counter drone systems. So the whole work on building resilience on communication and GPS denial, as well as that we have to work on autonomy of operations so that certain missions can be done fully offline. So these are some of the areas where work is happening.

These are horizontal capabilities that go across all our platforms at this point in time. So the good part about our stack, Amaya, is that we have a stack that has multi-role users. They are

dual-use platforms. So we can mount sensors that are leveraging capabilities that our civil customers want as well as sensors that our defence customers may want, as well as we can do analytics of different nature and different products.

Vipul Joshi: And productionization of our current platform will continue.

Ankit Mehta: And of course, like Vipul rightly pointed, we are continuing to put a lot of effort on finishing the programs we have already working towards and making sure that productionization happens and we are delivering our contracts to the government as well.

Moderator: Ladies and gentlemen, in the interest of time, that was the last question for this conference. I would now like to hand over the conference to Mr. Ankit Mehta, CEO and Whole-Time Director of ideaForge Technology Limited for the closing comments.

Ankit Mehta: Thanks, Parth. So thank you, everyone, for the questions. It was really useful to have this conversation once again this quarter. At ideaForge, we believe that electric uncrewed aviation today is at a juncture where civil aviation and electric vehicles were once a few decades ago, at the cusp of exponential growth.

A century ago, civil aviation was fragmented and experimental. Today, it connects billions of people. Similarly, EVs evolved from niche to mainstream in a couple of decades. For UAVs, the time is now. And ideaForge is built with the right DNA to lead this charge. Thank you.

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