February 04, 2025

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

Sub: Transcript of Earnings Call for the quarter and nine months ended December 31, 2024, of ideaForge Technology Limited ("the Company").

Dear Sir/Ma'am,

This is further to our letter dated January 29, 2025, whereby the Company had submitted the link to the audio recording of the Earnings Call hosted by the Company on Wednesday, January 29, 2025, at 11.00 a.m. (IST) post announcement of Unaudited (Standalone & Consolidated) Financial Results for the quarter and nine months ended December 31, 2024.

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, January 29, 2025, at 11.00 a.m. (IST). The Transcript is also available on Company's website at below link:

https://ideaforgetech.com/investor-relations/news-and-announcements

Kindly take the same on your records.

Thanking you,

Yours faithfully
For ideaForge Technology Limited

Nilesh Jaywant
Company Secretary and Compliance Officer
Membership No. A26554

Encl: as above

"ideaForge Technology Limited

Q3 FY '25 Earnings Conference Call"

January 29, 2025

MANAGEMENT:	MR. ANKIT MEHTA – CHIEF EXECUTIVE OFFICER – IDEAFORGE TECHNOLOGY LIMITED
	MR. RAHUL SINGH – VICE PRESIDENT, ENGINEERING – IDEAFORGE TECHNOLOGY LIMITED

MODERATOR:	MR. PARTH PATEL – ORIENT CAPITAL

Moderator:	Ladies and gentlemen, good day, and welcome to the Q3 FY '25 Earnings Conference Call of ideaForge Technology Limited. 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 phone. Please note that this conference is being recorded.
	I now hand the conference over to Mr. Parth Patel from Orient Capital. Thank you, and over to you, Mr. Patel.
Parth Patel:	Thank you, Michelle. On behalf of Orient Capital, I welcome you all to ideaForge Technology Limited Q3 and 9 Months FY '25 Earnings Conference Call. From the management side, we have Mr. Ankit Mehta, Chief Executive Officer, and Mr. Rahul Singh, VP - Engineering. I hope everyone had an opportunity to go through our investor deck and press release that we have uploaded on our exchange and company's website.
	A short disclaimer I would like to say before we begin the call. This call may contain some of the forward-looking statements, which are completely based upon our beliefs, opinion and expectations as of today. These statements are not a guarantee of our future performance and involve unforeseen risks and uncertainties.
	With this, now I hand over the call to Mr. Ankit Mehta. Over to you, sir.
Ankit Mehta:	Good morning, everyone. Thank you for joining us today for the earnings conference call for Q3 and 9 months FY '25. I hope this message finds you all in great health. I have my colleague, Rahul, who is our VP of Engineering, with me to provide us with deeper insights into our technology and product development efforts, along with our Investor Relations partner on the call with us.
	I would like to extend my heartfelt gratitude to our investors, stakeholders and employees for their continued support to ideaForge. Your unwavering belief in our vision of building an IP-driven technology powerhouse from India for the world keeps us firmly committed to this journey.
	The year so far has been a mixed bag for us and the drone industry. While a lot of development is happening on new use cases, products and technologies, the demand-to-order conversion in the first 3 quarters of the year has been below industry expectations.
	This is majorly attributable to the national general elections in the first part of the year and a substantial delay in the government coming up with the impending larger procurement opportunities. Most of the demand this year has been driven by the run-rate business, which continues to be in line with our expectations at the beginning of the year so far. From an Indian demand standpoint, once we see the larger opportunities getting floated, which is expected shortly, the industry will again be on track for the projected long-term growth.
	To boost the run-rate business even more, industry-wide efforts are being made to exemplify the role of drone technology in evaluating security and governance effectiveness for both

government and enterprise use cases. For example, widespread awareness is created about the coastal management program that is being serviced by our drones and the promotion of private use of geospatial data, coming from drones as well, apart from satellite data, in the Operation DRONAGIRI by the Government of India.

From an international business standpoint, starting from almost no opportunities outside India before this financial year, ideaForge is tracking more than 25 opportunities globally, with over a dozen opportunities being tracked in North America, and half a dozen opportunities in Africa as well. We are the only technology in consideration for some substantial and some large opportunities in these geographies, which also form a part of our L1 pipeline of INR 400-plus crores now.

Our international motion is also aided by our recognition of being placed third amongst the world's top dual-use drone manufacturers in the Drone Industry Insights' Global Drone Review 2024. We are the only Asian company to feature in the top 20. This marks the third consecutive year where we have been featured in the top 10 and made an upward move. It's a testament to our relentless focus on innovation and indigenization, and is thus elevating the Indian drone industry on a global stage.

The second piece of good news I wanted to share is that ideaForge's SWITCH MINI UAV has obtained the coveted 'Fit for Indian Military Use' certificate from the Directorate General of Quality Assurance, Ministry of Defense. The SWITCH UAV is the first and only UAV in its class to receive this certification. It is not only a testament to the level of delivery excellence at ideaForge but also showcases how inherently customer requirements are incorporated into our product development efforts.

We're immensely proud of our drones being part of a groundbreaking initiative with the Department of Fisheries, Maharashtra, aimed at enhancing coastal surveillance, curbing illegal, unreported and unregulated fishing, and also protecting marine ecosystems across seven coastal districts of Maharashtra, with the project set to run for an initial duration of eight years. This collaboration underscores our commitment to driving impactful change through innovation and partnerships.

Our efforts to prove the effectiveness of our Drone-as-a-Service efforts got a huge shot in the arm when our customers were able to prevent theft on several occasions wherever we are present. This exemplifies the usefulness of both drones as a technology and its deployment on a pay-per-use basis.

I'm pleased to inform you that two of our next-generation products, NETRA 5 and SWITCH V2 are now ready for customer demonstrations, and we'll be officially unveiling them at the global flagship event in the coming month, the Aero India 2025.

These platforms are designed by keeping in mind the ever-evolving nature of warfare and conflicts around the globe. They will future proof the forces with their high-end performance, resilience to operate even in modern electronic warfare-infested environments, and will feature the ability to upgrade their autonomy in the field as well. These next-generation platforms will

be game changers for the security forces, and be it their use in peacetime patrolling, counter insurgency, counterterrorism operations or their use in large-scale conflicts.

We also developed ship-based landing capability on our quadcopter platform, which is ready for testing in the seas now. This new capability will widen our offerings and open up seaborne opportunities for us, which we were not able to service earlier. On the development front of our larger platforms, we have completed more flight tests, including demonstrations in front of some end users and are finalizing the design for our tactical UAV platform.

For the middle-mile logistics platform, a 500 kg maximum take-off weight aircraft with a payload carrying capacity of 100-plus kg to over 100 kilometers, even in high altitudes, we have progressed from the initial concept design and analysis phase and are in the advanced stages of the prototype design and execution.

We are confident about the progress we are making with both these platforms and our ability to meet our planned development milestones here. We will also share the first glimpse of these platforms in the Aero India 2025.

We are making progress in the right direction on our Drone-as-a-Service business. Our drones are deployed for enterprise safety and security, traffic management and law enforcement, and urban cleanliness and encroachment monitoring use cases as well now. We launched the FLYGHT Franchisee, a franchisee-owned, franchisee-operated model for the DaaS business in Q2 and are in discussions with several potential partners here.

As a part of our effort to create a drone innovation platform and an end-to-end ecosystem, we are extensively working with partners to integrate third-party payloads on our platform, enabling even more use cases, and developing an automated workflow discovery platform, which is called FlyghtCloud.

We have made significant strides in developing solutions for power line infrastructure inspections, addressing the challenges in maintaining India's 14 million-kilometer circuit of powerlines. Our next-generation drones are equipped with advanced imaging and LiDAR for 3D mapping and thermal sensors to detect critical issues like powerline sag, hot spots, and vegetation encroachment. These will enable teams to receive real-time actionable insights, improving efficiency and reducing costs, while ensuring uninterrupted power supply across the nation.

We've also unlocked solutions related to the mining sector on our FlyghtCloud platform, which will help customers with an end-to-end stitched solution and actionable insights in one place. I'd also like to speak about the Operation DRONAGIRI, which was launched under the India's National Geospatial Policy 2022, a pilot project, which is aimed at integrating geospatial technology into key sectors like agriculture, logistics, and transport, implemented in a few sites in Uttar Pradesh, Haryana, Assam, Andhra Pradesh and Maharashtra. It features the integrated geospatial data sharing interface to provide seamless access to geospatial data for stakeholders, fostering collaboration, innovation and informed decision making. We're excited to announce

that we are participating as an official data provider for this initiative, supplying high-resolution drone data to support sustainable development and demonstrate practical applications of geospatial technologies both to private and public users.

On the international side of the business, learnings from our successful Early Adopter Program initiative in the United States helped us conceptualize and launch a new quadcopter platform, the Q6 V3, in the United States for law enforcement and public safety use cases. This will strengthen our current portfolio of SWITCH UAV and NETRA V4 PRO in the North American market. The Early Adopter Program with some of the customers is in the advanced stages, and we expect commercial conversion from there very soon.

As we move forward, I'm confident that ideaForge will continue to lead the way in revolutionizing industries through cutting-edge drone technology. Our commitment to innovation, operational excellence and stakeholder value remains steadfast.

I will take you through financial highlights for the third quarter and 9 months FY '25. Our order book as of 31st December stood at approximately INR 21 crores, with an L1 opportunity pipeline of INR 400-plus crores now as compared to INR 300 crores earlier. Consolidated revenues for the current quarter stood at INR 17.6 crores versus INR 90.9 crores in Q3 FY '24 and INR 141 crores, 9 months FY '25 as compared to INR 212 crores, 9 months FY '24.

For the quarter, gross profit stood at INR 8.1 crores, with a gross profit margin of 46%. For 9 months FY '25, gross profit stood at INR 45.9 crores, with a gross profit margin of 32.6%. EBITDA for the quarter was minus INR 12.6 crores and minus INR 14.1 crores for 9 months FY '25. PAT for the quarter stood at minus INR 24 crores and minus INR 36.6 crores for the 9-month FY '25.

Thank you. And now I'd like to open the floor for questions and answers.

Moderator:	The first question is from the line of Hardik Rawat from IIFL Capital.
Hardik Rawat:	Ankit, the first question that I had was with regards to the guidance. Now we've been consistently guiding for FY '25 to largely be at least flattish and a slight growth versus FY '24. Is there any revision to this guidance in light of the Q3 numbers?
Ankit Mehta:	Yes, Hardik, we were expecting that some of these large opportunities will come much earlier in the time frame. And the expectation was that they will get into the bidding phase in the quarter prior to this. But that, as we all know, has not happened.
	And therefore, while they will potentially be available for bidding this quarter, but closure will be difficult, and the execution, of course, will be even more challenging in this time frame that is remaining right now. So yes, there will be a revision overall on that.
Hardik Rawat:	So what are our expectations for the revenue growth for FY '25, if you could dwell on that for this year?

Ankit Mehta:	Yes. While I'm not able to give you a very specific number, but mostly the conversion that will happen in this year in the remaining quarter is going to be from the run-rate business that we get. And there are several opportunities within that. We are awaiting closure of many of those opportunities so that we can quickly build them and grab revenues as well.
Hardik Rawat:	Right. So now just getting back to the L1 pipeline that we had, we were sitting on roughly INR 300 crores plus out of an L1 pipeline at the end of 2Q. That would be correct, right?
Ankit Mehta:	Yes, yes.
Hardik Rawat:	So there, it seems to be that there's been significant delays in confirmation of those orders as well.
Ankit Mehta:	Yes, absolutely. So while the L1 pipeline has actually gone up in the last quarter, but conversion is still taking more time because of several challenges in the, you can say, dynamics of those deals in terms of not the deal itself but, let's say, peripheral issues around governments, etcetera.
Hardik Rawat:	What part of this INR300 crores plus L1 pipeline that we had at the end of 2Q was from the Indian Army or Army in general?
Ankit Mehta:	So, a lot of this L1 pipeline is actually emanating from our international efforts right now. So there, we don't have that immediate dependency from the Indian MOD right now in this L1 pipeline.
Hardik Rawat:	So any approximate percentage if you could tell us, a large part is coming from abroad, right? Is that the case?
Ankit Mehta:	Yes, yes. All of it is coming from abroad.
Hardik Rawat:	Then what is the challenge in the international geographies? I understand that in India, there's been a government issue and delays in overall capex, and that's not particular to ideaForge but all defense companies in general. But for the international orders, what is leading to this delay?
Ankit Mehta:	I think some of these opportunities are in Africa, where a bunch of government changes have also happened. So there has been that as an issue.
Hardik Rawat:	All right. That makes sense. Another next question I had was with regards to FPV drones. There were some news headlines recently that the Indian Army is looking to acquire roughly 20,000 plus FPV drones. Do we operate in that segment? Or do we have any offering in this segment?
Ankit Mehta:	Presently, we don't have. And we are, at this point in time, approaching it slightly differently. FPV drones, while are the mainstay of the way the wars are currently being fought from the point of view of what is happening in Ukraine and Russia, but there are several challenges and inefficiencies there.

And from what we understand across world, everyone's looking at slightly more evolved solutions in that direction, which is the area that we are also investigating for our forces. And |

once we have the right configuration to build, we will definitely progress in the right direction, based on the opportunities that are expected to come there.

Hardik Rawat: All right. And now coming to the R&D efforts, and I think Rahul can also touch upon this. We had 2 major drone platforms that you were investing in. So, where do we stand with the development? How close are we to trials and then probably monetization of these platforms?

Ankit Mehta: Maybe I'll request Rahul to take this question. And maybe I can talk more about the commercialization part of it.

Rahul Singh: Sure. So, these 2 platforms broadly remain on track in terms of the development that we had planned. Both of these are significant project efforts, which we have started from scratch and, hence, not just a revision of any of the existing platforms. And the original plan itself included a reasonably long effort in concluding them. But broadly, we remain on track.

As Ankit highlighted earlier that we have taken the tactical platform to a few rounds of test flights, where flight testing has started and a lot of data generation has happened. And broadly, the test flights remain on track as expected, in terms of the data that is generated. As well as initial demonstration to the end user, to take end user feedback on these platforms at an early stage have also happened.

We would be getting into the next revision of the prototype development, which will get closer to what the user final configuration is going to be. The exact time lines, we will elaborate subsequently, but we should be getting into an advanced prototype stage for that platform sometime in the coming financial year.

For the larger logistics platform, as Ankit highlighted earlier, again, we are on track. It's a much larger, much more capable platform. And unlike the smaller platforms, where we start the prototyping and keep making iterative evolutions, here the design and analysis phase is something, which is heavier and more in-depth work.

And we have broadly concluded the first phase of the design and analysis, and we are now entering the first prototype development phase, which should start flying and giving us data generation over the next quarter. And based on that, we will take it ahead and take it to the following prototype stage along with user involvement at every stage, for more aligned product development.

Ankit, do you want to add something?

Ankit Mehta: Yes. So yes, Hardik, absolutely. So broadly, what Rahul said, right, that these are substantial efforts, and we are seeing good results so far as the design and testing phase is concerned. We are sort of tracking the tactical project based on the time lines with our end customers. So because it's a part of some development programs that we have signed up with the end user, so those time lines are being tracked, and we are presently on track on those time lines.

And in terms of the middle-mile logistics platform, I think once we do the concept really at the Aero show this year is when we will actively get into the mode of taking the conversation with end customers forward in this direction.

So we've largely worked on the broad concept. We've come up with an innovative concept that we have protected as well in the form of IP, and now we are going to be revealing it and then taking conversations forward for end user feedback and potentially building to the demand as well.

Rahul Singh:
Yes. Just to add to that, at least particularly for tactical, the opportunity is linked to not just one but multiple end-user opportunities, which the end user is actively engaged in. And the end user time lines for certain evaluation phases will happen over the next few quarters and should conclude in final, sort of approval of the project within the next 12 months or so.

Hardik Rawat:
Got it. That's helpful. Any other projects that we are working on as part of our R&D right now? Or these are the 2 major platforms that we're working on?

Rahul Singh:
So these are the largest system-level platforms that we have highlighted. But apart from that, we have had not just a hardware platform-based approach, but the Drone-as-a-Service that Ankit had mentioned, that we have been prototyping and piloting for a while and now getting into early commercial stages with that is also a product for us. It is both a business model product as well as a technology   product for us. So that continues to get a lot of our attention, and we see a lot of opportunity there, both domestically and internationally possible over the next few years.

Apart from that, as Ankit mentioned, we are also creating data analytics and data providing platform, which is called the FlyghtCloud, where GIS data could be processed as a marketplace and can be served for various government and public users. That also is a product mindset for us, where hardware is not necessarily the central part of it, but the broad software platform and the ecosystem around that.

Hardik Rawat:
Got it. 1, 2 last question, if I could squeeze in. Our R&D expense for FY '24 was roughly 18% of the top line at about INR 50 crores, INR 53-odd crores. What are we looking at our R&D expense for the current fiscal for FY '25?

Ankit Mehta:
Hardik, the percentage, of course, will be determined at the end of the year, but the R&D expenses will go up slightly from last year, for sure.

Hardik Rawat:
So on an absolute level, there should be an increase from the INR 53-odd crores we had in FY '24, right?

Ankit Mehta:
Yes, there will be, yes.

Hardik Rawat:
Got it. And lastly, coming back to the point on order confirmations. Now we are 1 month into the fourth quarter. Could you share any sort of order finalization that you've seen from the large

L1 pipeline that we have now, INR 400 crores plus? And could we see any major order confirmation in the balance 2 months that are left for the fiscal?

Ankit Mehta: Yes. So from the L1 pipeline, there is at least one that is imminent. We will announce it the moment we have it in our hands very soon. And then apart from that, the run-rate business will continue to happen, and we'll have many closures from that. The large opportunities from Indian MOD, they will get into the bidding stage in this quarter. So, conclusion of those will happen in the first, max, second quarter of the next year.

Hardik Rawat: So the contracts that you're bidding for, these will be the new contracts, right? These are in addition to whatever INR 400 crores you have?

Ankit Mehta: Yes, yes, yes.

Hardik Rawat: And this -- sorry, but this order that you just talked about, that is largely in your hands and should be awarded anytime now. What will be the size of this order or an approximate range?

Ankit Mehta: Hardik, it will be tough for me to give a range right now, but we'll announce it very soon.

Moderator: We'll take the next question from the line of Dipen Vakil from PhillipCapital.

Dipen Vakil: Yes. So my first question is that if we understand correctly, last quarter also we had an order book of close to around INR 20 crores. We have executed this in this quarter of close to around INR 18 crores. And we still have an order book of close to around INR 20 crores.

So, the one thing I want to understand is that what have we executed in this quarter? When did we get that order? And what are the balance orders that are there in our current order book? So that was my first question.

Ankit Mehta: Sure. So INR 16.8-odd crores is what was the new order booking that happened in the last quarter, which was about INR 4 crores in the quarter prior to that. So essentially, that saw a little bit of an increase in the last quarter from the run-rate business standpoint.

And the order book we had at the beginning of last quarter was, I think, about INR 20 crores, but the order opening right now is about INR 21 crores. So essentially, we have another INR 21 crores of execution that is due, that is, some of it would have happened already, and some of it is going to happen within this or the next quarter mostly. And then there will be new additions to the order book as well.

Dipen Vakil: So my question was that, which areas are these orders from? Is it from international business? Is it from domestic business? Is it from the defense business?

Ankit Mehta: These are all civil and some defense business from India itself, run-rate business.

Dipen Vakil: Okay. Can you explain a little bit on the run-rate business, what it is? And what are we looking at going ahead because at least last couple of quarters and this quarter itself, it is now turning out to be an entire execution. So can you explain a little bit on your run-rate business?

Ankit Mehta: Yes. So see, we have 2 broad areas in which we operate with our end customers. One is the area of ISR - intelligence, surveillance and reconnaissance, which includes customers in the civil market, which implies various, you can say, police forces, central armed police forces. That is one vector where we get a lot of opportunities that convert from, and then we get a lot of opportunities converting from some government departments or from private enterprises. Many of them can also be geospatial data creators and providers or service providers. So that's broadly the bucket where we get civil opportunities from at this point in time.

And the run-rate business in the defense again happens at the command and the battalion level, wherever there is an immediate opportunity that needs our support and execution. And sometimes there is the repeat. There is order for spares and batteries and those kinds of things as well.

Dipen Vakil: Got it. Sir, now my next question is on our near-term vision. So I completely agree with your long-term vision and the long-term opportunities that lie for ideaForge ahead, but I'm more concerned about the near-term execution challenges, which we are facing currently because of the lack of ordering. So you have mentioned that there are INR 400 crores worth of orders that where you are already in the L1 space, which includes completely from international opportunities.

So now I want to come back to the local side of it as to what kind of opportunities from the defense standpoint? And why are we still facing challenges when the government has already started rolling out some orders, especially in the drone side of it? Because last week itself, we heard that one of your competitors from Odisha has won an order from the Indian Army. So where do we go about it in defense -- specifically on the defense side of business for India going ahead, say, next quarter, next couple of quarters?

Ankit Mehta: So, one of the things that we don't do is that we don't announce every small order or order win. So, that is probably the reason why it appears that other people are getting and we are not. But that's not the case actually. We don't have any evidence that within our categories, there is anything that has gone away.

So -- and there are certain categories where small procurements may be happening, where we are not participating. For example, we don't make an FPV drone right now. So if there is any small procurement happening there, definitely those would be opportunities that are being spoken about. But we don't talk about every win, and that's probably the reason, why you will see that there may be a lot of news. But of course, you've seen that last quarter itself, we won about INR 16-odd crores of new opportunity. So that we keep winning like a lot of opportunities. It is difficult for us to talk about each and every win.

Dipen Vakil: So was INR 16-odd crores related to defense orders you are saying?

Ankit Mehta: No, no. So, there may be some defense orders within that, but there are many civil orders as well. So, I'm saying that because the number can be quite large for us, given our scale and size and presence, it's very difficult for us to talk about each and every one of them in the market.

Dipen Vakil:	Sir, got it. So that's what I'm -- my question is that in near term, what are the contracts? Or what are the areas in the defense? Because the INR 400 crores pipeline that you mentioned where we are L1 are largely related to international opportunities. So again, I'm trying to understand is that what kind of opportunities because you have said that Indian demand opportunity is there in the long term. So what areas where the Indian opportunity lies? And when can we expect that turning around?
Ankit Mehta:	Right. So there are many opportunities, many RFPs where we have bidded, done trials, where we have technically qualified as well. Because they are competitively big, they don't form a part of our L1 pipeline presently, right, because the financials may not have opened, etcetera. So that's why they are outside the L1 pipeline.
	So there is a bucket of opportunities, where we would have qualified technically, but they are not yet opened financially from the customer's end. And then there are close to overall, we are tracking close to 300-odd opportunities, right? Of them, about 25-plus, like I said, are from international and rest of them are Indian opportunities that we are tracking.
Moderator:	The next question is from the line of Ritesh Kochhar from Riverland Capital.
Ritesh Kochhar:	Ankit, I want to ask you, while chasing your dream of building a technology-focused company, do you believe that or do you think that somehow ideaForge has become more and more inward-looking organization and, in that process, completely ignoring the outside world? When I say outside world, it's mainly the customer and the potential customers. Because for me, it is very hard to believe that a growing industry, a nascent industry, some military order or Indian government defense order not coming and the revenue dropping 70%, 80% quarter after quarter.
	It just doesn't look right. I mean on your business development team, marketing team, are they not able to find some technical opportunity outside of Indian customers, which are not your routine customers? So I want to ask you, do you think that while you are filing patents and launching innovative things and manufacturing newer drones, see, there is no point if those efforts don't get converted into revenue, right? So I want to ask you this inside versus outside. And what is your marketing and BD team doing?
Ankit Mehta:	So yes -- so Ritesh, I think...
Ritesh Kochhar:	Yes, my name is Ritesh, Ritesh Kochhar.
Ankit Mehta:	Yes, yes. Ritesh, I think from the standpoint of efforts, right, when we review -- and we review this every day. I think one of the most important vectors for us at ideaForge is that we want to build technology for it to be useful, right?
	So first of all, I want to dispel that notion, that we are inward looking and we create technology for the sake of creating technology. I think there is no other company in the country that has as many active systems in deployment and duty, as we have. This implies that we don't build technology for the sake of technology, right?

The first response is that because I would be very upset myself, if we are building technology that's not useful. And on-ground feedback that we have from what we have delivered is that -- I don't want to sort of take it to extreme, but we've had comments all the way down to saying that this is one of the best technologies that we have ever received in many parts of the country.

So I don't think that there is any gap in what we believe our customers require and what we build. In fact, all the certifications, etcetera, we are getting them only after the product has been inducted and has been exploited and has been found to be satisfactory in its exploitation as well, right? It's now that we are receiving some of these certifications because of that background and that history. So I would definitely make you feel comfortable that none of what we are doing and building is not relevant to our customer base or not helpful to our end customers.

The business development efforts, like I said, we were at 0 opportunity outside India. So having an L1 pipeline from outside India of more than INR 400 crores, even though conversion has taken more time -- and it is taking time because the dynamics we are realizing and discovering ourselves that even outside India, the dynamics are not that linear, like we have challenges here.

I think the nature of the beast is similar elsewhere as well, is what we are realizing. And therefore, we will gain a lot of momentum once we have a much larger base of opportunities even outside. So that work is on, and we are not leaving any stone unturned from investing behind that opportunity creation.

So, I would definitely say that wherever we have found opportunities, we have some opportunities that are only meant for our type of product or our capability. It's our technology, which is getting a win there. And therefore, I would be definitely telling you that, I don't think that is the challenge. We've been making drones for the last 20 years. And we've been around doing this for our forces, almost for the last, I would say, 14-plus years in terms of selling to our end customers.

So there are vagaries of this business, and we haven't let the initiatives slip in terms of -- I don't see anybody else also getting something dramatically out in this current environment to believe that there is a challenge in terms of how we approach the market.

It is genuinely an issue on the system side, which we are continuously tracking and working towards. And we have seen such phases earlier. It's not like we haven't seen. We've been around for long enough to know these are phases and they go away. And when they go away, it comes back strongly as well. I mean at least that's our experience from our history.

Ritesh Kochhar: All right. So I mean it's heartening to know. My second question, Ankit, is if this is the case that the inward/outward, you are managing both things, then I want to ask you why this whole idea of drone has not taken off in our country. What are the problems?

I'm assuming -- the performance of ideaForge, I'm assuming the same performance for the other industry players also in this hypothesis. So, do you think that this is a temporary lull? Or do you think that the Indian government, the defense department or the Indian military, there is a

strategic, I mean, thinking to push back on drone usage? Because the first use is going to be the defense, and then it's going to be the civil.

Ankit Mehta: No, no. On the contrary, actually, on the ground, the need for the technology, see, there is a big gap between the desire for procurement and plan for procurement also and execution which is the reality of this market.

So I have not yet seen a dip in the number of opportunities we are needing to bid for. So I haven't seen that yet. Now conversion is where the challenge is, because the demand is there and customer is opening demand in many segments. Some of those segments, we don't participate in. But that's the phase we are in right now, where the customer is also trying to make sure that they can use this technology in each and every vector that they can drive towards.

Now, there are many industry nuances that will have to be understood deeply to sort of understand how exactly does this whole thing work, right? For example, if something goes into the M   ake programs, then immediate RFPs don't come out because they're expecting that technology was not there in the country, it's going to be developed, which is a part of what we're doing in the tactical opportunity, and then that developed opportunity or that developed capability will be inducted through subsequent orders, etcetera.

So there are nuances on that side. So you will see that in the phase of development, those opportunities will fructify in terms of RFP later. In terms of existing categories, where the user has demand, there are many variables like, when have they last inducted the technology? And have they exploited, have they gained experience for them too, again, order more of the same or a minor modification from the same?

So, there are many nuances like that, which also have to be accounted for on the ground, which is what we work towards and grapple with, right? And the priorities also from a geopolitical situation sometimes evolve. So those also have to be taken into account.

So, it's very difficult for us right now when we assess it to say that we are missing a beat here or there or the market opportunity has seen a lull. In fact, it's only growing. It's just that the civil business is at a very small base, and each opportunity is not as large as it will be on the defense side. And if there is any lull on the defense side, it will impact the industry heavily in the short term. So the overall market becomes large. So even on the civil side, the business has grown only it's not come down.

Ritesh Kochhar: Okay. Wonderful. And lastly, I want to ask you. I met one of your competitors. It's not a listed company. And I got to know that there are some 18, 20 now drone manufacturers which are there. So, basically, can you tell me, is it the competitive landscape over the last 2 years in which there has been no orders or a little bit of procurement from the Indian government?

Has the competition landscape changed meaningfully and you believe that whenever this opportunity comes, then earlier -- say, for example, do we have like -- you were getting 2 or 3 in L1 bidding, and now it's going to be like 10, 12. Is it going to be like that scenario now? Can you confirm or deny this?

Ankit Mehta: See, our experience on the ground has been that we have in -- even as recently as probably a quarter or 2 quarters prior to this moment, we haven't seen in specific opportunities more than two players qualify in one opportunity, right? It's not like that there is competition, but the credibility of the competition also is something that, see, there will be many players who will attempt, right? But getting there to the finish line is a hard problem. It's not an easy problem because the environments our users are operating in are hard environment, like they're difficult.

So yes, if you say that are we the only ones? No, I mean that is a known fact. But, are there too many of them who can build to the same performance grade or quality? I would still say the evidence is not of that nature on ground.

And the reason why competition is good and competition helps because it's what leads us to build better capabilities for our end users, right? So end users are buying capabilities they believe that they can exploit today. But when they actually deploy technology, they also realize that they need more than what they've just expected because it's like buying any other gadget, right? If you buy it and then you realize, okay, maybe two more features would be helpful.

So, that development effort and that technology effort goes hand in hand. So, anybody who does not have that deep technical capability, it will be a very tough challenge for them to keep up with this cycle. It's a very hard cycle to keep up with, and we have to invest, like I haven't found a scenario where we cannot invest behind building new capabilities and continue to be comfortable.

I mean the whole world, if you know, technologically has moved on and is constantly evolving at a very rapid pace. So that control is going to be very important to drive the next generation of systems that the forces will really need to use.

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

Mithun Aswath: Obviously, the last couple of quarters have been a little bit tough in terms of the revenues and order booking. I just want to take you back maybe post the listing and the kind of opportunity size that you see in India and globally. I think you are also trying to capture some portion of the US market as well on the homeland security side.

So I just want to understand in terms of the big picture, what is the kind of size of opportunities that present themselves? And, what are you doing potentially to make the business a little bit more secular so that you have some big sort of revenue and are not so dependent on these kind of order wins, which are inconsistent?

So I just want your thoughts because I think at that point, there was an expectation or, I don't know, some sort of guidance that you could get to INR 500 crores or INR 1,000 crores revenue sort of a business. And I'm sure your aspirations would be towards that. If you could articulate that, I think that would help?

Ankit Mehta: So thanks for the question, Mithun. So I think in terms of opportunity -- so let me answer the diversification question first, right? I mean it was one of the clearly articulated strategies for us

that we will have to go to the international markets, and we plan to go to the international markets to pitch our product.

Of that, like I mentioned earlier as well, we've started doing that, and we have started to see some results, in terms of opportunities, and some of them will convert very soon. So there is that from a diversification standpoint, from a geography perspective.

From a use case point of view, I did mention that we are continuously unlocking more and more use cases of our technology. So we build very good hardware platform. And that platform needs many sensors, and it needs a lot of analytics to deliver end outcomes to the end customer. So we have partnered with many third parties to try and build more payloads that can serve different kinds of use cases for the end customer.

And then we have also partnered with analytics providers. We are building a platform that can allow many analytics providers to help us serve our customers who can deploy the technology for their users like, for example, power line inspections; for example, users in mining, users in hydrology projects, etcetera, etcetera.

There are a large number of use cases on the enterprise side. So we are constantly unlocking it by creating new payloads along with our partners and ourselves as well. And we are unlocking it by solving for the customer's problem, which is the end outcome that the customer wants. And that each, field by field, it keeps getting unlocked and becomes a little bit better. So that is one part of how the opportunity base is expanding as well as how we are geographically expanding and doing that work.

And then, of course, we are also experimenting with a new way of going to the market, which is Drone-as-a-Service. And the idea is to scale that with your franchisee-operated-and-owned model. So that model, again, is something that we have started to put into the works. So far as Drone-as-Service is concerned for enterprise safety and security, we are doing paid efforts for a few customers, and we are increasingly finding that it is a very effective solution. So I would say that that's one technology and one use case where it's actually working out very, very well for our customers.

So again, those kinds of inflection points are getting arrived at, where the technology use case and the scale of the opportunity are coming together, where we can be more aggressive about taking it to the market and creating a larger customer base from.

So those are the areas, where efforts are going on at this point in time. And because it's been only a few quarters, some of these strategies, given some of the fundamental challenges of how exports, for example, from India take time, or we have to take many Type Certifications and certifications in India, before we can commercialize a lot of technologies. So, it takes a little bit longer than usual to get out of the gate in some of these things. For example, in the international market, every time I open a new market, it takes us 3 months to take a license that allows us to take the product into a demonstration there.

So there are many hurdles that we have to cross. And these are all tactical hurdles, but we have created an engine that solves for it, but we have to wait for that time line in any case, irrespective of what we are trying to do. So there are certain delays of that nature, which are very tactical, but we are seeing that despite all of that, motions are in the right direction, and there are opportunities that we can serve and service in some form of fashion.

Mithun Aswath: Right. I'm just trying to understand on the longer picture, in terms of the size of opportunity, both locally and globally. I'm just trying to understand from your own road map, you've obviously been disappointed since the listing in terms of how the revenues have manifested themselves. So I just wanted to understand what is your confidence level of how FY '26 or '27 is going to pan out?

Ankit Mehta: See, in terms of some of these opportunities going into the motions, we do expect that conversions will happen over the next few quarters. However, in terms of confidence over the next few quarters, I would say, for example, in the US, there is a tectonic shift in terms of moving away from the large dependency that they had on the Chinese ecosystem. And that's a very large market opportunity, which is where we launched our Q6 V3 platform as well. And we are going to continue to track where are those right price-to-performance products, where we can play a large role in addressing that demand over there.

So there is a lot of conversation, a lot of excitement and a lot of traction in that direction as well. So we are also exploring all vectors we can to gain more traction in that geography. And once some conversions happen, I think a lot of conversions will happen because we've started to get traction there. And that's what we are gunning for, and we'll have some conversions soon.

Mithun Aswath: Sure, sure. But any kind of your own assessment in terms of could you get back to FY '24 sort of revenues in FY '26? Or is it going to be a little bit more slow journey of recovery?

Ankit Mehta: I think it will happen fast, definitely. I think when the conversions happen, it will happen very fast. We just have to wait for those conversions to happen before we make a projection fully. So that's the place we are at right now.

Mithun Aswath: Okay. Let me put it this way. In FY '24, you would have had maybe INR 200 crores of visibility. You have now INR 600 crores of visibility, something like that, if we could kind of understand that opportunity set that it is manifoldly larger than what it was.

Ankit Mehta: Definitely, definitely. I think the opportunity has grown in terms of how many opportunities are clear to us that will get bidded once they become available for bidding. So the challenge, if at all, is when they become available for bidding more than anything else.

Mithun Aswath: And just lastly, some conversations I was having with other people in the defense space were mentioning that the government is very keen on implementing drone technology, and then ideaForge is one of the key companies that the government looks to, in terms of while making the policy. I just wanted to understand how closely you work with the government on this.

Ankit Mehta: Absolutely. I think we are quite plugged in because, first of all, I think the depth that we have in terms of understanding this technology and what's possible in the short term and what's possible in the medium to long term is definitely very high, and we've always been involved in various policy initiatives.

I'm also the Co-Chair of the FICCI Committee on Drones. So we are consulted as a committee as well, and I am directly involved in many conversations on that side. In fact, in a way, we motivated the PLI a few years back for the first time. So yes, I mean, we are quite involved as a group.

Mithun Aswath: Right. And do you think this -- is it because of lack of funds or lack of implementation in some of these state governments? I think I was hearing Maharashtra is also a large opportunity. So I just wanted to understand, do you think maybe post the budget, a lot of decision-making will come to fruition?

Ankit Mehta: Yes, states and all -- I mean, see, there are opportunities I know that the teams are working on. However, there are some states who are looking at statewide deployments, and there are some who aren't. But I would say that if there were only two states earlier looking at state-level deployments of this technology, then I would say now there are maybe five states who are doing. But conversion cycles being government and being in the state, they remain of a similar nature, if the opportunity size is large.

Moderator: The next question is from the line of Jayesh Parekh from JMP Capital.

Jayesh Parekh: Ankit, my question is slightly different than I would request you to please take it in a very right spirit. We came for IPO in July 2023. INR 240 crores came to the company, and about INR 327 crores has gone to offer for sale to those shareholders.

At that point in time, various electronic media interactions took place with the management and promoter. And from then onwards, if you see the third quarter, June 2024, there is a small profit of INR2 crores. So my -- and then a INR12 crores loss and then INR20 crores loss.

So my humble request to you is that, even management team could not predict the third quarter at the time of IPO or offer for sale. So how do we believe -- in spite of giving due respect to all your technological working, all your efforts, in spite of everything, how do we believe what you are telling us now?

Ankit Mehta: So only -- Jayesh bhai, the only thing I can add to what I've said so far is that -- and I've said that earlier as well that we've seen such cycles. When we deal with several government customers, things do become a bit unpredictable from the point of view of predicting when the things will close or when they will start. However, I think it's my experience that once the government has decided that they want to do something, it does happen sooner or later, and we end up getting benefit of that.

Now, the main challenge that we face is that can we say that it will happen in this specific time line? Those are some of the gaps that are not easy to address, but we are trying our level best to

become better at it, and we are constantly trying to improve as much as we can in terms of what we can do in that direction. But definitely, they are looking to induct the technology, and I haven't seen that intent gap so far.

Jayesh Parekh: Ankit bhai, you are collecting INR 600 crores plus from the public, and in the third quarter, you are giving a profit of INR 2 crores. You are not able to predict the third quarter, fourth quarter, where there is a loss of INR 12 crores, no, I think it's an issue of corporate governance. Because if you see -- if you replay all your electronic media interviews, you never gave an indication that third quarter onwards, even management can't predict the third quarter.

I'm sorry, but I'm not able to digest this. I thought the third quarter, this is the one-off, but then fourth quarter, INR12 crores, then fifth quarter, INR20 crores. So I don't know what's happening, Mr. Ankit bhai? Thank you.

Moderator: Ladies and gentlemen, in the interest of time, this would be our last question, and I would like to hand the conference over to Mr. Ankit Mehta for closing comments. Over to you, sir.

Ankit Mehta: Thank you. So, I think just to sort of briefly address the last question, I think it is very important to note that the orders that we may have in hand, may predict a certain outcome. And then we are always looking at closing more things in the interim. And if there is a slippage in that closing is why the variations will happen in terms of what the outcomes are. And that's one of the reasons why we don't specifically give a concrete guidance because of knowing the industry challenges and the environment that we operate in.

And therefore, I would definitely sort of suggest that as long as we are continuing to govern the method that we know works for our business, I would request that we take that into account when thinking about this.

Once again, I would like to thank all of you to keep faith in ideaForge and for your continued support. We have been working with drones, like I said, for the last two decades now and are very confident in the potential of the technology and the disproportionate change that it is able to bring to the sectors that we touch. The current headwinds are temporary, and the whole drone industry will soar to new heights very soon. We hope to make that journey together with all of you. Thank you.

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