

## Ideaforge Technology Ltd — 12 Mar 2026 Credit Rating Summary

Section	Details
Agency	CRISIL Ratings
Rating Change	<b>CRISIL BBB</b> (Reaffirmed); Outlook revised from <b>Stable to Negative</b>
Outlook	<b>Negative</b> (Current) vs. <b>Stable</b> (Previous)
Key Drivers of Change	<ol style="list-style-type: none"> <li><b>Revenue Contraction:</b> H1FY26 revenue plummeted to ₹54.4 Cr (vs ₹123.29 Cr in H1FY25) due to lower order book intake.</li> <li><b>Severe Operating Losses:</b> Reported an operating loss of 43.2% in H1FY26; FY25 PAT was a loss of ₹62.51 Cr (vs ₹45 Cr profit in FY24).</li> <li><b>Poor Execution:</b> Low conversion of confirmed orders to revenue; reliance on volatile government/defense tenders.</li> <li><b>Information Risk:</b> Per Mar 2026 update, the company is delayed in providing data, signaling potential governance/reporting stress.</li> </ol>
Rated Instruments	<b>Corporate Credit Rating:</b> ₹0 Cr (Issuer Rating), Rating: CRISIL BBB, Outlook: Negative.
Key Observations	<p><b>Strengths:</b> 1. <b>Zero Debt:</b> Adjusted Debt/Networth at 0.00x. 2. <b>Strong Liquidity:</b> Cash &amp; equivalents of ₹189 Cr (Mar '25). 3. <b>Market Lead:</b> Established position in UAV/Drone industry with a ₹238 Cr order book (Oct '25).</p> <p><b>Concerns:</b> 1. <b>Concentration:</b> Heavy reliance on government/defense contracts. 2. <b>Execution Risk:</b> Lumpy revenue recognition from tenders. 3. <b>Information Adequacy:</b> CRISIL awaiting data for full review.</p>
Investor Impact	<p><b>Growth:</b> Stalled; revenue visibility is high (order book) but actual conversion is failing.</p> <p><b>Margins:</b> Deeply negative; unlikely to hit the &gt;10% threshold required for a rating upgrade soon.</p> <p><b>Leverage:</b> Minimal risk; no debt.</p> <p><b>Dilution:</b> Low risk in the short term given ₹120 Cr cash (Sept '25), but persistent losses may necessitate future funding if cash burn continues.</p>
Agency / Cross Analysis	<p><b>Historical Trend:</b> Ratings have deteriorated over time (BBB+ in Aug '23 → BBB in Feb '25 → BBB/Negative in Nov '25).</p> <p><b>Conclusion: Deterioration.</b> While the balance sheet is "bulletproof" (nil debt), the business model is proving highly volatile and unpredictable.</p>
Final Inference	<b>Real Business Stress:</b> The Negative outlook is a warning that the "Asset-Rich" balance sheet cannot compensate for "Operational Fragility." For equity investors, the lack of information sharing with CRISIL is a significant red flag.