South West Pinnacle Exploration Ltd
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ISO 9001: 2015 Certified Company

Date: July 24, 2026

To, Listing Department National Stock Exchange of India Ltd. Exchange Plaza, 5th Floor, Plot No. C/1, G Block, Bandra- Kurla Complex Mumbai 400051 SYMBOL: SOUTHWEST	To, Listing Department Bombay Stock Exchange Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400001 Scrip Code: 543986

Subject: Transcript of Earnings Call held on Wednesday, July 22, 2026.
Ref.: Our earlier intimation dated July 22, 2026-Earnings Call on Unaudited Financial Results for Quarter ended June 30, 2026.

Dear Sir/Madam,

In continuation to our earlier intimation dated July 22, 2026 and pursuant to Regulation 30 read with Schedule III (Para A) (15) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we wish to submit the transcript of the Earnings Call held on Wednesday, July 22, 2026, for the quarter ended June 30, 2026. The transcript of the Earnings Call is also available on the Company's website www.southwestpinnacle.com.

This is for your information and record.

Thanking You,

For South West Pinnacle Exploration Limited

VAISHALI Digitally signed by VAISHALI Date: 2026.07.24 15:41:08 +05'30'

Vaishali
Company Secretary & Compliance Officer

South West Pinnacle Exploration Limited
Q1 FY 2027 Earnings Conference Call
July 22, 2026

Moderator: Ladies and gentlemen, good day and welcome to the South West Pinnacle Exploration Limited Q1 FY27 Earnings Conference Call.

As a reminder, all participants' lines will be in the listen-only mode. There will be an opportunity for you to ask questions after the presentation concludes. Should you need any assistance during this conference, please signal the operator by pressing "*"and then "0" on your touchtone telephone.

I now hand the conference over to Ms. Purvangi Jain from Valorem Advisors for opening remarks. Thank you, and over to you, ma'am.

Purvangi Jain: Thank you. Good evening everyone and a very warm welcome to you all. My name is Purvangi Jain from Valorem Advisors. We represent the investor relations of South West Pinnacle Exploration Limited. On behalf of the company, I would like to thank you all for participating in the company's Earnings Call for the 1st Quarter of the Financial Year 2027.

Before we begin, a quick cautionary statement:

Some of the statements made in today's Earnings Conference Call may be forward-looking in nature. Such forward-looking statements are subject to risks and uncertainties, which could cause actual results to differ from those anticipated. Such statements are based on management's belief as well as assumptions made by and information currently available to the management. Audiences are cautioned not to place any undue reliance on these forward-looking statements in making any investment decisions.

The purpose of today's conference call is purely to educate and bring awareness about the company's fundamental business and financial quarter under review.

Now let me introduce you to the Management participating with us in today's Earnings Call:

We have with us Mr. Vikas Jain – Managing Director and Chairman, and Mr. Piyush Jain – Joint Managing Director.

Without any delay, I request Mr. Piyush Jain to start with his opening remarks. Thank you and over to you, sir.

Piyush Jain: Thank you, Purvangi, and good evening to everyone and a very warm welcome to all of you for joining our Earnings Conference Call. It's a pleasure to connect with you all today and share how South West Pinnacle Exploration Limited has been progressing.

As some of you may be new to our company, I would like to begin with a brief overview about the company and then move to our financial performances for the 1st Quarter of the financial year.

South West Pinnacle is one of India's leading private exploration and drilling service providers, offering end-to-end integrated solutions across a broad spectrum of services, including coal and non-coal mineral exploration, aquifer mapping, coal bed methane exploration and production drilling, 2D and 3D seismic exploration, seismic exploration using passive seismic tomography, underground core drilling, and coal business operations.

Over the last 19 years, we have built a strong track record of operational excellence, having successfully completed more than 165 projects across India and select international markets as well. We currently operate a fleet of 43 advanced drilling rigs, supported by a team of experienced geoscientists and specialized geophysical and logging equipment.

We have successfully drilled over 3.3 million meters without a single lost time injury, reflecting our unwavering commitment to safety, operational excellence, and disciplined execution.

Our marquee clientele includes Reliance Industries, Vedanta, Oil India Ltd., ONGC, CMPDI, CGWB, Hindustan Copper, Hindustan Zinc Ltd., and Hindalco, among others. We are currently executing 20 ongoing projects across various regions in India.

I would like to highlight some of the key operational developments during this quarter:

Our total order book has reached an all-time high of INR 761 crores, providing strong revenue visibility for the coming quarters. During the quarter, we commenced execution of our largest ever order, valued at 307 crores, received from Hindustan Zinc in the state of Rajasthan.

We also secured an extension of our coal-backed methane contract from Reliance Industries Ltd., valued at over INR 166 crores, further strengthening our long-term revenue visibility. Approximately 77% of our order book comprises private sector clients, reflecting the continued improvement in the quality of our order mix and supporting better cash flow and working capital efficiently.

To support our growing business requirements, we have placed orders for additional drilling rigs and other equipment, further strengthening our execution capabilities.

During the quarter, we were also empaneled by Oil India Limited for providing 2D and 3D seismic data acquisition services across Oil India Limited's onshore blocks, opening up new opportunities in the seismic exploration segment and further strengthening our presence in the Oil India exploration space.

With this, I would now request our Chairman and Managing Director – Mr. Vikas Jain, to take you through the operational highlights for the period.

Vikas Jain: Thank you, Piyush, and good evening, everyone.

Let me first brief you on our financial performance for the quarter, for the financial year 2027, followed by which I will provide you some of the key operational highlights for this period under review as well.

I am pleased to share that Q1 FY27 was one of our best-ever quarters. The operating revenue for the 1st Quarter was INR 62 crores, representing a 54% increase year-on-year. The EBITDA stood at INR 15 crores, an increase of 157% year-on-year, while the EBITDA margin was around 24.15%. The net profit after tax was INR 9.3 crores, compared to INR 2.5 crores Q1 FY26, which is a remarkable 289% increase on a year-on-year basis.

The strong financial performance for the quarter reflects our team's consistent execution, operational discipline and continued focus on efficiency. Our diverse business mix has enabled us to optimize resources, drive profitability and maintain resilience across market cycles, despite seasonal challenges. Our team ensured timely execution across all projects and maintained strong growth momentum.

As many of you may know, we were awarded a Coal Block in Jharkhand by the Ministry of Coal. I am pleased to share that we have made significant progress on this project during the quarter. We have successfully completed the exploration activities, and the definite geological report is currently under preparation for early submission. Subject to the necessary regulatory approvals, we will commence mine development activities including preparation of the mining plan with the objective of commencing coal production by the financial year 2028-2029.

This project continues to be a key part of our long-term strategy of becoming a fully integrated exploration and mining company.

On the international front, we continue to strengthen our presence in Oman through our strategic joint ventures. Our first joint venture with Alara Resources Ltd. continues to perform well. While our second joint venture, we have successfully completed the airborne survey across the awarded mining block, and the geological report is currently under preparation. These developments further strengthen our international mining portfolio and reinforces our long-term growth strategy.

We continue to make steady progress across both our domestic mining projects in Jharkhand and our international operations in Oman. These strategic initiatives remain integral to our long-term growth strategy and will further diversify our revenue streams over the coming years. With 20 projects currently under execution across 8 states and an unwavering commitment to state safety, we continue to maintain our excellent operational track record while enhancing our capabilities to capitalize on the growing opportunities in the exploration and the mining sector.

Overall, backed by our record order book, healthy order inflows, strong execution momentum and a robust project pipeline, we remain confident in our growth outlook.

Historically, the second half has been our strongest period owing to favorable weather conditions and higher project activity and we expect this trend to continue in future as well.

The exploration and mining sector in India continues to present significant opportunities driven by increasing investments in critical minerals, infrastructure development, energy security and mining reforms. We remain well positioned to capitalize on these opportunities through our diversified service offerings, strong execution capabilities and disciplined approach towards growth.

During the quarter, the balanced 75% consideration against warrant issues on preferential basis was also received, resulting in their conversion into equity shares and further strengthening our capital base.

In addition, we are participating in the ongoing right issue of Alara Resources Ltd., Australia, reaffirming our long-term commitment to our international mining business.

We remain focused on expanding our capabilities, maintaining execution excellence and creating sustainable value for all our stakeholders.

With this, I conclude my opening remarks. We now open the floor for the question-and-answer session.

Moderator: Thank you. Ladies and gentlemen, we will now begin the question-and-answer session. Ladies and gentlemen, we will wait for a moment while the question queue assembles. We take the first question from the line of Raman KV from Sequent Investments. Please go ahead.

Raman KV: Hello x Sir, two things. One is the order book. We have INR 761 crores of order books. Can you give the split between oil and gas orders versus metals like ferrous, non-ferrous, coal order in terms of percentage-wise?

Vikas Jain: Yes, I will have Piyush to answer this question.

Piyush Jain: Basically, this order book is segregated among all the verticals. An exact figure cannot be given because every time the situation is very dynamic for us.

Raman KV: I just want to understand in terms of a rough estimate percentage-wise how much will be from oil and gas and how much will be non-oil and gas like coal or ferrous.

Piyush Jain: Oil and gas would be around 25% and the rest of it. Basically, all the verticals, I would say, they are ranging from 15% to 25% to 30%. There is co-billing of exploration going on now. There is one order which is a high-value order there. There CBM again relies on a high-value order. And the rest of it like seismic is there. Then there is aquifer mapping. So, I would say that everything is ranging from 15% to 25%.

Raman KV: Understood. And with respect to the execution time period of this INR 760 crore, what's the execution time period?

Piyush Jain: You are talking about which one? Reliance?

Raman KV: The entire order book.

Piyush Jain: See, we have some long-term orders. We have some short-term orders. There is a contract which will go on for four years. There are one or two contracts basically for the next two years. Then there are contracts which are basically for six months. So, we have varied contracts with us. I mean the good part is that there are few long-term contracts with us. That gives us stability. And the other contracts, that will keep on varying by participating in a few upcoming tenders. So, that will keep on switching from one to the other.

Raman KV: And on the Oman JV front, you recently received a USD125 million copper mining contract in a JV with an Oman-based company. I just want to understand, you mentioned that the exploration for it has been started. So, what will be the revenue contribution this year and how will revenue start improving? What can we expect the revenue contribution improving in the coming years?

Vikas Jain: See, Oman, we have two joint ventures. The first is a services joint venture, whereby we along with an Australian company called Alara Resources are providing mining services and drilling services contract to Omani companies. So, revenue has started coming in for the last two years. And so this year also, since we own 35% of the total joint venture, we don't follow a line-by-line revenue system. We don't add it to the books of South West Pinnacle.

Raman KV: Because I think 35% stake, it will be added to your PAT, right?

Vikas Jain: Yes, it is just added in the profit & loss. We don't add line-by-line revenue because we own 35%. But yes, as you said, it's a USD125 million 10-year contract. It is running well right now. And in the last quarter itself, the total profit from this joint venture was around INR 3.5 crores to INR 4 crores. In which our share was 35%. So, it is continuing well. In addition to the mining services contract we have, we also have four operating drilling rigs in Oman. And we are booked for the next two to three years, as far as the drilling services is concerned.

So, both the services domain are doing well right now in Oman. The second joint venture in Oman we have is a mining services, it's an exploration block which we have, which we own along with an Australian company and Omani companies. So, the exploration has already started. It's almost a year and a half since we acquired this block. It is going on well. The airborne survey has been completed. And once that has been done, we shall start ground geophysics. And then we should start preparing the geological report of this block. It is spread across more than 1,400 square kilometers.

Moderator: Thank you. We take the next question from the line of Smit Gala from RSPN Ventures. Please go ahead.

Smit Gala: Thank you for the opportunity. And congratulations on a good set of numbers. My first question is on the Jharkhand coal block. We have planned around INR 200 crores of CAPEX in Phase-I. So, just wanted to understand how this will be funded and at what point in time these funds will be required, say in FY27, FY28 and FY29, till the time we start production as we are projecting.

Vikas Jain: Yes. As we have been saying that in the 1st Phase, we shall be requiring around approximately INR 200 crores to start the project. The current status of the project is that the exploration has been completed, and we are almost on the verge of finalizing the geological report, which shall be approved by the MOC. And then once that is done, we shall start working on the mining plan, which shall be subsequently approved by the MOC as well. So, once the mining plan is approved, then the process for environmental and forest clearance mining from the state government and then it shall be obtained due course. So, as far as the funding of the project is concerned, most of the money from the 1st Phase shall be either funded through internal accruals, through the profits which we have been generating and which we shall be generating in future as well, through some debt from banks and also through some off-take agreements from local domestic buyers.

Smit Gala: So, can you give me a split of the INR 200 crores? Because if we look at the cash flows of the company for FY26, the cash flows were around not much to serve the internal accruals, as I can understand.

Vikas Jain: As I said, it is going to be a mix of internal accruals, debt from the banks, which banks are willing to support us, and also through off-take agreements. So, this INR 200 crores which we are talking about also includes some non-fund-based exposure. So, that will all be funded by the banks.

Smit Gala: Okay. And once the production starts in this coal mine, do we have any revenue-sharing agreement with the government or how will the revenue work once the production starts?

Vikas Jain: In this block, we have a revenue-sharing agreement with the government, whereby we need to share 24.25% of the revenue with the government. We intend to start this block in Financial Year 28-29.

Smit Gala: Okay. And how is the pipeline looking? Apart from that, we have a confirmed order book, which we have enclosed in the presentation, how is the pipeline looking for us?

Vikas Jain: It is looking great. In fact, all the domains are firing well right now. You talk about CBM, you talk about seismic, you talk about coal drilling, mineral exploration, coal, non-coal, aquifer mapping from Central Ground Water Board. So, all the things are doing well. We are receiving extensions from the current contract, whatever the contract permits, as far as clients are concerned. There are new tenders coming in from new clients as well as the existing clients for the same work, for repetitive orders. We are participating as maximum as possible. Plus, there are new opportunities in underground coal gasification in the field of rare earths, critical minerals. So, in all, currently, the exploration phase looks very well. And it should go on for the next three to five years.

Smit Gala: Any number which we have that our exit order book of FY27 will reach?

Vikas Jain: See, currently, as Piyush said, the current order book which we have is INR 761 crores. And it should go up and up. There is no way it should go down from here. So, at any given time, we have a good visibility of three to five years for South West Pinnacle.

Smit Gala: Okay. And we have delivered a strong Q1 with over 50% revenue growth. And we are guiding up around 20% CAGR of revenue over the medium term. So, for FY27, do we have an upward guidance along with sustaining these margins at 24%?

Vikas Jain: See, we should experience significant growth seeing the Q1 numbers. We should experience significant growth in FY27. But our business is more cyclical, if you understand. Mining and exploration business is quite cyclical. So, normally, the 2nd Phase of the year is normally the productive time of the year. So, generally, we have seen in the past that the H2 numbers are much better than the H1 numbers. But since we have started off well this year, we expect the momentum to continue. And we should be able to achieve significant growth, what we have projected for the Financial Year '27 as well.

Moderator: Thank you. We take the next question from the line of Saket Kapoor from Kapoor & Company. Please go ahead.

Saket Kapoor: Sir, firstly, in terms of the two large-size orders, firstly from Hindustan Zinc to the tune of INR 307 crores, and the other one, I think, is the renewal from Reliance of INR 160 crores. So, in this quarter, what has been the contribution of these two orders in our revenue?

Piyush Jain: So, basically, Reliance is now being continued for the last two and a half years. So, that is going on, and it is going to give us the same quarterly results which have been going on for the last one and a half years. Hindustan Zinc, we have just kicked off one and a half months back. So, generally, because it is a long-term contract, so generally it takes time to gear up and reach maximum operational efficiency. So, maybe it will take around three months, and then onwards, for the next three and a half, four years, it will keep on giving us revenue consistently. As far as Reliance is concerned, there is one more thing, that there is provision for further extension of this contract. So, right now, the extension that we have got, so that is there, and there is another extension which can be exercised by the client later on.

Saket Kapoor: So, just to simplify it, sir, on a revenue from operation of INR 61.78 crores, what was the contribution from Reliance, firstly, and from Hindustan Zinc? And how is Hindustan Zinc's part going to add up on a quarterly basis?

Vikas Jain: See, we cannot divulge this detail. This is confidential detail.

Saket Kapoor: Reliance, I think, sir, you have given the numbers earlier also, in the last call. So, Reliance, can you say?

Vikas Jain: So, we cannot divulge these figures, because, you know, but yes, significant numbers come from these contracts, which are larger numbers, because these two contracts almost cover about 60% of the total order book which we have. So, you can say that 60% of the revenues are coming from these two contracts only.

Saket Kapoor: Correct, sir. And sir, when you were talking about participation in the Alara rights issue, if you could just explain to us how are we looking at things there, and especially, sir, with the geopolitical setup, how is Oman placed currently? How are things being there in terms of mobilization of resources and all since all the operations will be operating.

Vikas Jain: See, Oman is, you know, it is outside the, I won't say outside the State of Hormuz, but it is on the outskirt of the State of Hormuz. So, the shipments have affected, but it has not affected that much that it's a matter of concern. The mining services contract which we are running is going on well right now. And our principals in Oman, they are doing well. They are shipping well. So, it has not affected Oman as far as the Middle East tensions are concerned. So, we are in a pretty safe zone right now. And as far as contribution to right issue of Alara resources is concerned, the decision is quite strategic in nature for South West Pinnacle, because in all our joint ventures in Oman, Alara resources is our partner. And the mines where we are performing the mining services contract is also owned by Alara resources. So, it's more of a strategic decision which we have taken is to participate in the direct equity participation in the company based out of Australia, which is the mother company of the companies in Oman.

Saket Kapoor: Okay, and what is the total amount in rupee term? How much are we investing?

Vikas Jain: See, in the 1st Phase, we invested about 500,000 AUD.

Dinesh Agarwal: INR. 580 crores.

Vikas Jain: INR 2.8 crores. So, we can invest anywhere up to 1 million in the 2nd Phase in this right issue. So, it all depends apart from the entitlement we have as an equity shareholder, how much shortfall we can subscribe.

Saket Kapoor: Okay, sir. And lastly on this Alara part is what would be then our stake post the rights issue? What are we contemplating currently and our numbers that it will go to? And that is a listed entity, sir, in Australia?

Vikas Jain: Yes, that's a listed entity in Australia where I am also the Director in the company because of the personal stake as member of the board in Alara we hold. In addition to what we hold personally, South West Pinnacle has also started participating in the equity. So, currently South West Pinnacle directly holds about 1.25% in Alara in Australia. But through this opportunity, South West Pinnacle has a chance to increase its holding in Alara Resources Australia. But in addition to what South West Pinnacle holds in Australia, South West Pinnacle also holds much larger equity in Oman in direct joint ventures.

Saket Kapoor: Okay, sir. And can you give us the net debt number as on 30th June? What is our debt and when is our credit rating due, sir?

Vikas Jain: Credit rating we have already announced in the market. So, CRISIL has increased our credit rating from BBB to BBB+. So, recently we have announced that in the market. So, that's good news as far as the credit rating is concerned. Currently, as far as the debt is concerned, I think Mr. Dinesh Agarwal would be able to answer your question.

Dinesh Agarwal: Yes, it is around INR 15 crores at the moment with a very good debt-equity of less than 0.39.

Saket Kapoor: And lastly, sir, just to classify us as we have a variety of segments where we are participating. We are an MDO which has a presence across various geographies. We can be classified under the MDO category also?

Vikas Jain: No. We are basically an exploration services provider. So, MDO is a different thing altogether. MDO takes over the entire project, and they start allotting different work to different contractors. So, we are not MDO right now. We are in fact the owner of the mines. So, we shall be in a position to appoint an MDO in future if we desire to subject to things in place. So, to answer your question, we are not MDO.

Saket Kapoor: Okay, sir. Right, sir. I will join the queue for my follow-up. And there are such players available in the drilling segments which have been languishing. So, we can look for M&A activity also going ahead just to improve the case. That is all pertaining to the coal drilling exercise. Since Coal India, the largest mine holder, has given MDO the rights now to increase the output. There are small SME companies available which we can look forward as an acquisition target.

Piyush Jain: We have already been approached by two MDOs and we have already started exploration for them. So, these mines were allotted by the Ministry to the bigger players and then they appointed MDOs. And now we are working with those MDOs for exploration activities in their respective areas.

Saket Kapoor: Exactly, sir. And for the cash accrual which we receive from the JVs and all, it is all in the form of dividends. So, for the last year, how much have we accrued through the JVs and the equity participation? What has been the amount received as dividends? That is the cash inflow for South West? From the various JVs, sir. Whatever we are putting as a percentage in consolidation, that is the line item. But the actual cash received is what the dividend that company or the JV is declaring for their entire company. So, I would like to understand how much is the cash received for us.

Vikas Jain: That amount we always mention in the balance sheet, the quarterly financials which we give. I think, Agarwal sir, can you please explain this, can you please answer this? Dinesh Ji, can you please answer this? How much is the profit from JV last year?

Dinesh Agarwal: It was somewhere INR 1.5 crores. But this year the profits are much higher, which is already reflected in the profitability above the taxation as such. INR 1.32 crores, to be precise, in this quarter.

Saket Kapoor: Sir, this is what we are putting as a share of profit. I am seeking the number of what is the cash received from the entire exercise. Because this is what is going into consolidation. But the cash amount will be dividend that year. So, how much is that, sir?

Dinesh Agarwal: I will tell you. After the dividend declaration, there will be a repatriation. That is the consolidation stage. The repatriation will gradually happen once everything is stabilized there. It is happening now. It will happen very soon. The stabilization is taking place. But that money has yet to be repatriated as such.

Vikas Jain: Apart from equity we have given a loan to the company to stabilize the company, we are getting that money first. The dividend stage has not come yet. I think the dividend stage will start coming from this year.

Saket Kapoor: I will take finance questions offline from Dinesh ji as well. Sir, in the quarter from March to June, we have seen a quarter-on-quarter dip. We will explain that with the help of a singularity factor. There was a particular contract which we executed in March. And now it has not been renewed in June. What should be the understanding of the number 78 versus 62?

Vikas Jain: Generally, Q1 is subdued Saket Ji because the monsoon onset continues. And most of the clients want to complete the work by the end of the financial year. So, with the balance work that is done on the side, the client wants us to complete it by 31st March. So, generally, in the second half, the weather is clear. And the client also wants us to complete the work in the second half. So, Q1 you will see generally subdued as compared to Q4.

Saket Kapoor: And Q2 will be the lowest. Because now the monsoon is at its peak.

Vikas Jain: Yes, it depends on where you are working. If we are working in Rajasthan or in a place where the rainfall is less, last year our Q2 was good because we were working in such a state plus we were working in a place where the rain was not affecting us so much. So, it all depends on where you are working and what is the impact of the rain there.

Saket Kapoor: Yes. Sir, what were you saying? You were telling that for this quarter?

Viskas Jain: Yes, it is going on. So far so good.

Saket Kapoor: Okay, sir. Okay, sir. I will get more information offline. Thank you, sir, and all the best to the team. Thank you.

Moderator: Thank you. We take the next question from the line of Sajal Raj from Zenflow Finance Pvt. Ltd. Please go ahead.

Sajal Raj: Yes, sir. I have two questions. Could you share your broader outlook on coal block allocation and exploration activity over the next three to four years? Given the government's continued focus on commercial mining, how do you see the opportunity pipeline evolved for MWPV? It would be highly useful if you could quantify the opportunity with an indicative range, such as the expected number of coal blocks, exploration tenders, or market size over this period.

Vikas Jain: I think we have already answered this question in previous queries but I will reiterate again for you. Right now the current state of our coal block we have already completed the exploration phase. We are working on the GR and subsequently we shall be working on the mining plan. The government has auctioned around 200 coal blocks, as far as I know. There will be more tranches coal block allocation through auctions. Apart from that the government will be focusing on approximately 500 mining blocks, including critical metals and base metals in the coming times. Many tranches have been auctioned, and many are still in the pipeline. There is good visibility as far as exploration services are concerned, including mineral, coal, and non-coal. There is good scope in the near future. It is a thrust area for the Government of India right now because this is the only way we can avoid dependence on imports, which is draining our precious foreign exchange. We have already started seeing the results. The coal production has already touched 1 billion. In fact, it has crossed 1 billion. In the last two to three years, we have almost increased our production by approximately 200 million tonnes. By 2030, we are expecting a further growth of 30% to 40% coming from only coal. Plus other minerals can also contribute to the growing demand. I hope I have been able to answer your question.

Sajal Raj: My second question is in the last Con-Call, Management highlighted underground coal gasification as a promising new opportunity and mentioned ongoing discussions with potential clients. Could you share where these discussions stand today? Are any projects nearing commercial execution or order conversion? Should investors expect any meaningful contribution from UCG in the financial year 2027?

Piyush Jain: These blocks for underground coal gasification were recently allotted to two companies in India. That was also done under the Ministry of Coal. Four blocks were awarded. The tenders are being floated by potential clients. Obviously, we are going to receive those tenders. We are in talks with them. We are in touch with them. Slowly and gradually, you will see the exploration happening in India for underground coal gasification.

Sajal Raj: Thank you so much, sir. All the best for the future.

Moderator: Thank you. We take the next question from the line of Raman KV from Sequel Investments. Please go ahead.

Raman KV: On the coal front, out of the current order book, what percentage is coal order book? And so is with the revenue. What percentage of our current revenue is from coal? And what is your guidance of how much are you expecting the revenue from coal exploration to contribute to your overall business?

Vikas Jain: Raman ji, this is as we have been telling that our industry is very dynamic. So, it is not easy for us to give you mineral-by-mineral allocation of what we have. So, at best, we can tell that almost out of all the contracts we have, almost 70% to 75% belongs to the private sector and 25% to 30% comes from the government sector. So, it is difficult for us to give exactly what is coming out of coal right now because it keeps on changing from time to time, quarter-to-quarter.

Piyush Jain: But one thing to add on to this is that whether we are doing coal exploration or mineral exploration, the resources, the manpower, they remain the same. So, once the project is over, maybe the machines can go for mineral exploration or again for coal exploration. So, because the situation is so dynamic and we just need to focus on our order book and make sure that all the resources are not idle. The resources are working all the time.

Raman KV: Understood. Can you just give a ballpark figure with respect to the resource utilization during the quarter? What was the utilization for the company?

Vikas Jain: More than 100%. The reason is that we have outsourced some of our work to other contractors as well. So, the resource utilization has been more than 100%.

Piyush Jain: And we have hired a few rigs also where our manpower is working. So, some of the resources are in the pipeline. We have raised purchase orders for a few more additional rigs and resources.

Raman KV: Understood.

Piyush Jain: Thanks, sir.

Moderator: Thank you. We take the next question from the line of Rahul from Neev Money. Please go ahead.

Rahul: Yes, sir. My question is regarding the order book. Sir, in the investor presentation, the amount of orders for CBM production was INR 2222 million. So, I am assuming this includes the INR 166 crore contract extension that we got and the INR 55 crore that was unexecuted from the Phase-1 contract.

Vikas Jain: No. This is from the past contract. Extension work has not started yet. It should be starting this quarter.

Rahul: No, sir. I am asking for the amount that was mentioned in the investor PPT. So, I am assuming the Phase-1 execution is also left.

Vikas Jain: No, no. It is in addition to what we have achieved, the extension which we have achieved. It is from the same client, but it is not from the extension part.

Rahul: And, sir, there was also an Oil India contract that you received in 2024, which was for INR 60 crore and the execution which was left for that order was around INR 23.8 crore

Vikas Jain: It is currently under execution right now.

Rahul: Okay. So, can we expect the revenue in the next quarter?

Vikas Jain: I think the last phase is under execution. So, some part of it should come under revenue in this quarter also.

Rahul: Yes.

Vikas Jain: Some revenue will come in this quarter. We are also talking to clients if there can be some extension. If we do not receive any extension, there can be something coming from Oil India also this quarter.

Rahul: Okay. And, sir, for the tenders that you were mentioning for the aquifer mapping, has there been any progress in those contracts or tenders?

Vikas Jain: Yes. We have completed almost 65% of the work. Balance 35% will be completed after the monsoon.

Rahul: Okay. Thank you so much, sir. Sir, last question. Sir, can you give us guidance for the growth for this year? Are you expecting to meet your 20% guidance that you gave in the last call?

Vikas Jain: Let's hope for the best. We have been conservative for the past few years. So, whatever we have told, we have achieved more. And, hopefully, this year also we will try to do it. But as we have been saying that our business is quite dynamic and quite cyclical. But we are well-geared up to achieve a good growth supported by the good order book and the clients which we have. So, if all goes well, hopefully, we will be able to keep up the momentum.

Rahul: Thank you so much, sir.

Moderator: Thank you. We take the next question from the line of Rishabh Modi from Ajay Agarwal Family Office. Please go ahead.

Rishabh Modi: Hi. Good evening, sir. Good evening. First of all, congratulations on a very good set of numbers and big orders from Hindustan Zinc. My first question is, what do you think was the key reason Hindustan Zinc chose South West Pinnacle for such a large contract? Was it primarily a technical capability, execution track record, pricing or something else?

Vikas Jain: Yes. So, we have been working for this Group for last so many years now. And, seeing our capability and seeing our on-ground execution, they have awarded this large contract to us. And, it has already started in this quarter. And it should go on for the next four years.

Rishabh Modi: Okay. So, was this a highly competitive bid or, like, what's the number of serious players that have participated in?

Vikas Jain: Private clients generally have a different mindset. So, apart from taking quotation or apart from the competitive bidding, they also see the execution capability of the company. So, generally there are several companies which can do better on the ground.

Rishabh Modi: Okay. Understood. Thank you.

Moderator: Thank you. We take the next question from the line of Tahir Hyderabadwala from Globalist Fund. Please go ahead. Tahir, if you could please unmute your line and proceed with your question. Since there is no response, we will move on to the next participant. We take the next question from the line of Rahul from Neev Money. Please go ahead.

Rahul: So, for the Reliance contract, the previous guidance that you gave was for FY27, you were expecting the contract to contribute 35% to 40% of the revenue for the year. So, is it still in the same line or has the percentage changed?

Vikas Jain: Yes, it should be on the same line, (+/-5%).

Rahul: Okay, sir. Thank you.

Moderator: Thank you. We take the next question from the line of Sandeep, an Individual Investor. Please go ahead.

Sandeep: Jain sir, Congratulations on a good set of numbers.

Vikas Jain: Thank you.

Sandeep: So, I just wanted to understand the margin trajectory and for that, in domestic business, I wanted to understand competition landscape today. And who are our main competitors as well as how is it processed? We get it through tender, reverse auction, L1. What is the method that we get our contracts?

Vikas Jain: See, obviously, it's a competitive market in some segments. In some segments, we are just one or two players. In some segments, we are the only players. So, the competition or the competing companies depends on where we are participating, on what is the scope of work.

Sandeep: In CBM business, CBM Coal.

Vikas Jain: In CBM, there are very few players in India right now who are providing CBM drilling services. We are one of them. If it is coming from a private company, it is more to do with on-ground execution. If it is coming from a government company like ONGC, you need to technically qualify first and then be an L1 bidder. So, it all depends on you, who are your customers. What are they experimenting? What kind of scope of work you have on the ground?

Sandeep: So, our business is 70% private as I believe.

Vikas Jain: Yes, that's a good thing that most of our clients right now are private clients. And this figure should go up because government is also focusing on auctioning of oil and gas blocks, mineral blocks, coal, non-coal, everything. So, in future also, we expect most of the contracts coming in from private companies.

Sandeep: That's good. And that is negotiated contract? There is no reverse auction or tender or something like that?

Vikas Jain: They are like any other company. They invite quotations from different companies who are eligible. They do the internal calculation as to technically they can qualify to execute this work on ground or not. But they have one thing in the back of their mind, which is the company which can actually go to the ground and do it.

Sandeep: Perfectly alright. So, you mean to say the margins can be maintained, competition is there but manageable. Is that right to understand?

Vikas Jain: Yes. Yes, definitely.

Sandeep: And coming back to international business, there are two businesses…

Vikas Jain: The margin should be maintained because the entry barriers are quite high in this kind of a business. The CAPEX cost is very high, and it is difficult for a new entrant to come and showcase their capability.

Sandeep: Understood, understood. And coming back to international business, there are two businesses. One is Alara, which has 11-year contract of 125 million, right? So, how much is the contribution of revenue and net cash that we expect in next 11 years? Any ballpark will do.

Vikas Jain: As I said earlier, we are only holding 35% of Oman's joint ventures. So, we don't do line-by-line revenue or we don't do the line-by-line accounting. So, we only add the profit figure in the consolidated balance sheet. So, the revenue figure is not coming in our balance sheet.

Sandeep: I understand. What I want to understand is that there is a contract of 125 million in 11 years. Is that right?

Vikas Jain: Yes.

Sandeep: So, approximate revenue or…

Vikas Jain: Correct. If the contact is 10 years and if the total contract is of INR 1000 crores, then it comes to INR 100 crores.

Sandeep: So, against INR 100 crores what is our net margin in that business?

Vikas Jain: Our net margin in that business should be around 5% to 7% from the mining services. From the drilling services which we have the profit margin goes slightly higher.

Sandeep: Perfectly alright. So, this business of Oman or Alara would generate approximately INR 1,200-1,300 crores of revenue over a period of time and 7%-8% margin of which 37% is our shares. Is that right?

Vikas Jain: Yes. Yes. Only from the mining. Apart from that, our drilling services are dynamic and that keeps on changing. We have contracts of 2-3 years. So, depending on the ground, depending on the client, depending on the mineral we are drilling in, profit can increase or decrease.

Sandeep: Now, coming back to the last question is about AHML. We have 17.5% stake. And as I understood, a lot of money will be spent on exploration because you know the gold and copper mining exploration will take a lot of money. So, if I see the money which is being made in the service business today here is something that you can utilize for that. But I strongly feel that you will need a lot of money to put into that venture even if it is 17.5%. Number two, Jharkhand Coal will also need a lot of money. So, what is the approximate plan of making money from the business, raising money from the market and putting into these two businesses which are optional?

Vikas Jain: See, primarily our focus would be to fund these projects from our internal accruals, from the bank, the debt and also the outsource, the off-take contracts. So, that is our primary goal. And I think we should be able to achieve that.

Sandeep: Okay. And when are you expecting revenue from all these two, AHML and Jharkhand Coal?

Vikas Jain: Jharkhand Coal, we are expecting revenue in financial year 2028-2029. We should start the production. And the Oman project, we should be expecting around 2030.

Sandeep: And any ballpark figure that these two projects will need you to invest?

Vikas Jain: See, that figure has not come yet. We have told Jharkhand Coal in the 1st Phase that the total investment would be around INR 200 crores. But as far as the Oman project is concerned, it all depends on the results which we derive from the exploration.

Sandeep: I understand because these two projects are too heavy for the size of our balance sheet and P&L today. Please don't mind. But we need to have clarity on how this will pan out because a lot of money will be needed for these projects.

Vikas Jain: I do understand. And before taking any decision, we have done our own evaluation. Before taking these decisions, we have done our internal evaluation. So, we are hopeful of achieving that goal.

Moderator: We take the next question from the line of Akshay Jhawar, an individual investor. Please go ahead.

Akshay Jhawar: Hi. I just want to understand that the presentation makes a reference to commencing coal production in 2027-28. But if I understand correctly from one of the answers to the earlier questions, we are expecting revenue only in 2028-29. That understanding would be right, correct?

Vikas Jain: Yes.

Akshay Jhawar: And the other point was that do we have a debt ceiling that you are looking to maintain, like in the sense a target debt equity which we will not be exceeding.

Vikas Jain: Currently, our debt equity is quite low, It's 0.39. The kind of profit we are expecting over the next two, three years, we shall be. And if we don't buy additional equipments, we don't incur any CAPEX, we are getting towards being a debt-free company.

Akshay Jhawar: Okay. All right. Irrespective of what the other expansion plans may be for the coal blocks, not the new rigs part, but like for the planned expansion, like for the coal blocks and everything.

Vikas Jain: The idea is to prepare ourselves to take a plunge into coal block execution. So, that is what we are preparing ourselves for.

Akshay Jhawar: All right. And just is there any plan for ther promoter dilution for any activities? Like there was some reduction, pre-warrant conversion but going forward, is there anything planned? Like is there any promoter dilution that you all are planning on doing?

Vikas Jain: The promoters have currently acquired, recently they have converted some partly paid shares into fully paid shares. So, as such, we are still thinking. It all depends on what happens in the future. It's a thing which we cannot answer right now.

Akshay Jhawar: All right. Okay. Thank you, sir.

Moderator: Thank you. Ladies and gentlemen, as there are no further questions from the participants, I would now hand the conference over to the Management from South West Pinnacle Exploration Limited for closing comments.

Vikas Jain: Thank you all for participating in this Earnings Call. I hope we were able to answer your questions satisfactorily and at the same time offer insight into our business. If you have any further questions or would like to know more about the company, please reach out to our IR Managers at Valorem Advisors. Thank you so much.

Moderator: Thank you. On behalf of South West Pinnacle Exploration Limited, that concludes this conference call. Thank you for joining us. And you may now disconnect your lines.