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Subject: Transcript of investor/analyst call held on Thursday, October 30, 2025

Ref.: Our earlier intimation dated October 31, 2025-Earnings Call on Unaudited Financial Results for Q2 of FY26

Dear Sir/Madam,

In continuation to our earlier intimation dated October 31, 2025 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 investor/analyst call held on Thursday, October 30, 2025, for the quarter and half year ended September 30, 2025. The transcript of the investor/analyst call is also made 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
Company Secretary & Compliance Officer

South West Pinnacle Exploration Limited
Q2 and H1 FY'26 Earnings Conference Call
October 30, 2025

Moderator: Ladies and gentlemen, good day and welcome to the South West Pinnacle Exploration Limited Q2 and H1 FY'26 Earnings Conference Call.

As a reminder, all the 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 "*" then "0" on your touch-tone phone.

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

Purvangi Jain: Good evening, everyone and a 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 second quarter and first half of the financial year 2026.

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 warm welcome to all of you for joining our first ever earnings conference call. It is 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 performance for the quarter and the first half of the year under review.

So South West Pinnacle is one of India's leading private exploration and building service providers offering end-to-end integrated solutions across a broad spectrum of services including coal and non-coal mineral exploration, aquifer mapping, gold and methane exploration and production, 2D and 3D seismic exploration and passive seismic tomography, underground core drilling and coal mineral operations. Over the last 19 years, we have built a strong track record of operation excellence having successfully completed more than 150 projects across India and selected international markets. We currently operate a fleet of 40 advanced drilling rigs supported by a team of geoscientists and specialized geophysical and logging equipment. We have drilled over 30 lakh meters without a single lifetime injury and a record that reflects our strong focus on safety and discipline execution. Our market clientele includes Reliance Industries, Vedanta, All India Limited, ONGC, CMPDI, CGWV, Hindustan Copper, Hindalco among others. We are currently executing 19 ongoing projects across various regions in India.

I would like now our CMD, Mr. Vikas Jain, to take you through the financial highlights and Oman operations and the development on Jharkhand mining program.

Vikas Jain:

Thank you, Piyush and good evening everyone. Let me first brief you on our financial performance for the second quarter followed first half of the financial year 2026, 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 Q2 FY'26 was our best ever quarter. The operating revenue for the second quarter was INR 62 crores, representing a 128% year-on-year increase. The EBITDA stood at INR 15 crores, an increase of 326% year-on-year, while the EBITDA margin was around 23.24%. The net profit after tax was INR 8.4 crores, compared to INR 40 lakhs in Q2 FY'25, which is a remarkable 20-fold increase on a year-on-year basis.

For the first half of financial year 2026, the operating revenue was INR 103 crores, which increased by 81% year-on-year. The EBITDA stood at INR 20 crores, an increase of 148% year-on-year, translating into EBITDA margin of 19.77%. The net profit after tax grew nearly 4.7 times year-on-year to INR 11 crores, with a PAT margin of 10.52%.

The strong financial results for the quarter reflect the team's consistent execution, operational discipline, and focus on efficiency. The performance was further supported by a diversified business mix, enabling the company to optimize resources, drive profitability, and maintain resilience across market cycles. Despite a challenging monsoon season, our team ensured timely execution across all projects and maintained strong growth momentum.

During the quarter, we secured new orders worth INR 85 crores, including a notable 15 crore contract from JSW Energy Ltd. for coal exploration. This takes our total order book to INR 412 crores, the highest ever in our company's history, providing strong visibility for the next few quarters. We have also commenced the second phase of CBM production under a revised INR 153 crores contract with Reliance Industries Ltd., and revenue generation has already started during this quarter. This project is expected to be a major growth driver in the coming periods.

On the international front, as mentioned, we have formed a new JV Al Hadeetha Mining LLC in Oman, which has already begun exploration activity in the awarded mining blocks. This further strengthens our footprint in the Middle East and diversifies our revenue base. Our first JV in Oman focused on copper and gold mining, continues to perform well and generate consistent returns. Together, these ventures position the company to participate actively in the upcoming global minerals and resources exploration cycle.

We have also been awarded a coal block domestically in Jharkhand by the Ministry of Coal. The block covers about 266 hectares and has estimated geological reserves of around 84 million tonnes. We have already completed a DGPS survey and submitted the (PL-cum-ML) application which is currently under review. Once the necessary approvals are in place, we plan to begin mine development activities, marking our entry into commercial mining as part of our long-term strategy to become a fully integrated exploration and mining company.

Overall, the company's operational performance, backed by strong order book, good order inflows, and healthy financials gives us confidence that the second half of FY'26 will be even stronger. Historically, the second half is the best performing period for us due to favorable weather and peak project activities and we expect this trend to continue. 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 very much. We will now begin the question-and-answer session. The first question comes from the line of Nilabja Dey from Ashmore Research. Please go ahead.

Nilabja Dey: Congratulations on your first and pretty good results. Also, thanks for holding the first conference call. So, sir my question is that I was going through your interview given to another advisory firm which was quite detailed. One

fundamental question is in terms of Oman, your overseas revenue, what is the percentage of your overseas revenue currently and what is your plan for diversification of your total revenue basket? Because to be very honest, you have mentioned one company name which is your competitor and we have seen because I am in the market for quite a long time how this company suffered from market because they have huge dependency on government contracts. So, can you please address these issues, how you are doing because that and also finally in the, this is my last question, in the Orion conference you have given a revenue guidance of around Rs. 300 crores for this year. Are you sticking to that? These are my three questions. Thank you.

Vikas Jain:

Okay. There are four part of, there are four questions which you have asked primarily. First being Oman business. So, Oman we have two running joint ventures. One is the services arm where we are providing billing like services to local Omani companies. Second being execution of a long-term mining contract which is being provided to Al Hadeetha Resources LLC which has a copper and gold mine in Oman. We can see a good future as far as this joint venture is concerned. Second is the mining block which we have currently got in AHML which is Al Hadeetha Mining LLC. This is a copper and gold project whereby we need to complete the exploration activity in three to five years and once we are able to locate the minerals which is highly, the probability is very high because it is surrounded by existing mines. We shall be able to start the mining activity. The second part is the revenue part which I will ask Mr. Dinesh Agarwal our CFO to guide you through.

Dinesh Agarwal:

Yes.

Vikas Jain:

Yes. Revenue from Oman, Agarwal sir.

Dinesh Agarwal:

Hello.

Nilabja Dey:

Yes, sir. Your voice is not clear, sir.

Vikas Jain:

See, actually I will tell you one thing. As far as Oman is concerned, we do not go line by line accounting. We just focus on the profit or loss figure because

one of the joint venture we hold about 35% share and in the other joint venture which we have just started, we hold about 17.5% share.

Nilabja Dey: Okay, fine. Can you move to the other questions, please?

Vikas Jain: And the third part was Alpha Geo. So Alpha Geo is primarily, as far as I know Alpha Geo is primarily focusing on oil and gas seismic activities.

Nilabja Dey: Yes.

Vikas Jain: What we are focusing on is on the entire spectrum of exploration activity in which seismic is a small part. It only constitutes about 4% of our revenue.

Nilabja Dey: Okay.

Vikas Jain: So we are quite different from Alpha Geo in that sense.

Nilabja Dey: Okay. Sure.

Vikas Jain: And the third part was about the revenue guidance. We have not given a revenue guidance of Rs. 300 crores.

Nilabja Dey: Okay. I saw the Arihant they have captured that. Anyhow, that is fine. Are you giving any guidance for FY'26?

Vikas Jain: Yes, so as far as the revenue guidance is concerned, we are giving a growth of 15% to 20% year-on-year from the last year.

Nilabja Dey: Sure. Thank you. Thanks for that. I wish you all the best.

Moderator: Thank you. The next question comes from the line of Kushal from Invade Research. Please go ahead.

Kushal: Hi. Thanks for taking my question. Sir, I am actually new to your company and I just saw your company after the results were declared. So, pardon me for some, you know, basic questions here. Just wanted to understand, sir, your business model in terms of revenue recognition. How do you recognize your revenues for, you know, these mining activities? As I understand, you

probably give your, you know, equipments to the customers and probably you service them or they will use their equipments. But apart from that, is there revenue sharing on the final outputs which are coming out of these mining? Just wanted to understand the industry. And I think my second question is around historical growth of the company. So, till 2024, from 2017, your average growth in top line was around 7%, 8% only on a CAGR basis. What has happened in the past two years that we are growing at a higher pace now? Has something fundamentally changed in the industry?

Vikas Jain: So, I will ask Piyush to answer this question.

Piyush Jain: Okay. So, first of all, you know, see, most of our revenue comes from exploration as of now. In future, yes, mining will be a major growth rider. But as of now, exploration is the main thing what we do. Now, when it comes to exploration, we are present in all the domains. Like whether it is CBM, drilling, production drilling, exploration, coal exploration, mineral exploration, seismic activities for oil and gas and coal, aquifer mapping. So, we are present in all the domains of exploration. And that is how you achieve the revenues in the company. Now, in the last few years, what has happened is that because we are present in all the domains, but all the domains were not going accordingly. I mean like hand in hand. But what has happened in the last seven or eight years because of the change in policies from the government, that all the exploration, the mining has opened up. And which has basically given a leverage to us. And that is the reason that now we are getting revenue from all the domains. Rather than, you know, one or two domains and then the other domains keep silent. But this time around, we have all the cylinders firing, all the domains are working properly.

Kushal: So, can you explain some of the measures by government which is leading to this highlighted demand in your case? Just maybe a follow up on the previous question.

Piyush Jain: Yes, okay. See, we are present in different verticals. So, first, let us take the coal and mineral exploration part. So, as we all know, government has opened up commercial coal mining as well as commercial exploitation of other

minerals. So, they are coming up with auctions. So, these companies are free to participate in these auctions. So, whenever the blocks are awarded to them, they come to companies like us and give us the exploration work. So, a lot of work is coming from auction of commercial coal block, which they have done more than 200 in the last four to five years. And then they also plan to do auction of other mineral blocks, which are going to be 500 in numbers approximately. Some of them has already been awarded to and some of them will be awarded in the near future. So, that takes care of the mineral, coal and non-coal.

Coming to oil and gas. So, oil and gas, government is awarding seismic work through National Seismic Program. Then they are awarding CBM blocks and other conventional, non-conventional oil and gas blocks through OALP. Then they are conducting open auctions for petroleum blocks.

In addition to that, as far as aquifer mapping is concerned our Honorable Prime Minister is very keen on conducting or evaluating the quality and quantity of the groundwater resources for which the Central Groundwater Board through Ministry of Jal Shakti is conducting aquifer mapping throughout the country, whereby they are evaluating the quality and quantity of the underground water reserves we have. So, different parameters of exploration or different domains of exploration, we have a different business proposition.

Kushal: Understood. Thanks. So, just another follow up on the mining revenues. Can you explain how mining revenues?

Moderator: Kushal Sir, we would like to interrupt. But we would not be able to take more than two questions. So, I would request you to join the question queue again.

Kushal: Sure. Thank you.

Moderator: Thank you, Sir. The next question comes from the line of Ashish Soni from Family Office. Please go ahead.

Ashish Soni:

Sir, this Mines and Minerals Program, I think it is becoming globally important. So, what is our strategy and who are our competitors in this space? Because now everybody is talking about after this China incident, right? The rare earth control that everybody has realized that they need to, so, what is our strategy in terms of one is domestic as well as international markets and who are our competitors?

Vikas Jain:

Okay. See, as far as domestic market is concerned, certainly the mining market in terms of oil and gas because oil and gas is also a kind of mining. And coal and non-coal has opened up because government does not want to rely on imports anymore due to global uncertainty. So, they want to unlock the natural resources which we have. And fortunately, we have so much of natural resources present. Only thing is that the previous governments were not exploring it. You know, the focus was not on the exploitation of natural resources within India which this government has done it. And this has opened up the industry. And definitely, mining will not start just like that. You need to do scientific exploration to start mining. So, this gives an opportunity to a company like us. And that is what we are encashing on and we have a long way to go. Still, we are only spending 2% of our entire mining budget on exploration. And in other countries like Australia and South Africa, they are spending almost 10%, 15% of their mining budget on exploration. So, we have a long way to go as far as interest is concerned. And as far as international opportunities are concerned, we are present in Oman since 2013. We went there as a drilling contractor. In 2017-18, we formed our first joint venture, Alara Resources LLC. We started providing drilling services. Then we bagged USD 125 million mining contract for copper and gold mining. Now, we have increased the number of rigs to four numbers. We are planning to put in more rigs over there in the near future. We have also formed a new joint venture whereby we have been awarded a huge mining block for copper and gold. It is surrounded by nearby existing mines. So, there is a huge opportunity in having our own mines in Oman as well.

Ashish Soni:

And in terms of all these structural tailwinds for our business, what is our revenue and growth plan and margin aspirations for the next three to five

years? And if you can split it by your exploration services and the mining services in terms of high level margins target, that will help.

Vikas Jain: See, mining services, as I said to my previous caller, we are not adding revenue line by line. We are just adding on to the profit or loss which we get from our Oman operations. So, right now, as far as the growth part of the exploration services is concerned, we are hopeful that we will grow by 15% to 20% CAGR over the next three to five years. Then once the coal block operation starts in the state of Jharkhand, we can finally see another growth line in the mining operation business as well.

Ashish Soni: And profitability, can you answer that please?

Vikas Jain: Profit should increase substantially because if you increase the top line by 15% to 20%, correspondingly, I cannot give you a ballpark figure right now. It is difficult to give that, but definitely the bottom line increases at a much faster pace.

Ashish Soni: Is it because of the operating leverage?

Vikas Jain: Because of the operating leverage and obviously, initial revenue because initial revenue is only able to take care of the fixed cost.

Ashish Soni: Okay. Thanks and all the best. Thank you.

Moderator: Thank you. The next question comes from the line of Ankur Kumar from Alpha Capital. Please go ahead.

Ankur Kumar: Hello, sir. Thank you for taking my question. Sir, first thing I wanted to understand on this order book of Rs. 420 odd crores, what is the execution timeline and how much do we expect to do in the second half of this year?

Piyush Jain: Okay. So, we have different kinds of work orders. I mean, ranging from like starting from aquifer mapping to CBM. Some of the projects will be completed, let us say, within the next one year or so. But there are two or three projects we have which will continue for, let us say, two years or more

than that. But most of this revenue, I mean, I would say that a lot of these contracts will be completed by March 2027. Some of them, yes, will be extended towards FY'28 as well. But that is how we work in the industry. I mean, we keep getting orders and we keep executing these orders. Like, there are a few orders which have to be completed in the next four months. But, let us say, the Reliance order is going to continue until March 2027. It is a different scenario for all the companies. And all the different verticals.

Ankur Kumar: Is it basically, can you please quantify as in what percentage can be done maybe by FY'27? Or no, not possible?

Piyush Jain: Well, I think, as our CMD has said, it is going to be around 15% to 20% CAGR. So, the revenue is going to come accordingly. I mean, I really cannot give an exact figure. But, you know, most of the contracts are for one year. There are contracts which are there for six months. There is another contract which has to be completed by December 2026. And there is one contract which has to be completed by March 2027. So, there are different kinds of contracts we have.

Vikas Jain: See, we are also geared up to, in case if anything comes up, we are in the process of buying more rigs. So, you know, we may gear up to do even more. But these figures cannot be, you know, we cannot just give a clear-cut figure. So, we can only talk about assumptions that we should grow by 15% to 20% over the next three to five years.

Dinesh Agarwal: Yes, it is an ever-evolving situation. And we keep getting newer and newer orders always.

Vikas Jain: But we are capable of executing more orders if we get it.

Ankur Kumar: Got it, sir. And, sir, on this 15% to 20% growth, basically, PPT, and you also said, second half is much better. So, given that, are we trying to be a little conservative in giving this guidance? Or how should we think about H1 versus H2 revenue breakup?

Vikas Jain: As a management, we always believe in what is achievable, you know. And obviously, that does not mean that we should stop this. If something comes up or we are able to deliver more, we will deliver more.

Ankur Kumar: Got it, sir. And then, any possibility to share the bid book as in what are the new bids that we have placed and what is our win rate on that front?

Vikas Jain: See, we cannot disclose such things because it is a competitive market. So, we have to be a little, you know, cautious about all these things.

Ankur Kumar: Got it, sir. Sure and all the best.

Moderator: Thank you. The next question comes from the line of Shubham Jain from NV Alpha Fund. Please go ahead.

Shubham Jain: Hi, sir. Thank you for taking my question. I am looking at the business for the first time. If you could just help us, help me understand, you know, what sort of do we do in the exploration business? You know, just help us understand the business a little better and what the economics of this business look like. That would be great.

Vikas Jain: It is not audible. Can you please say this question again?

Shubham Jain: Give me one second. Sir, is this better?

Vikas Jain: Yes.

Shubham Jain: So, I was just saying, I am looking at the business for the first time. If you could just help us understand that.

Vikas Jain: So, you just want our business overview?

Shubham Jain: What do we do in these exploration services? Typically, what does the contract look like? And what does the economics of a contract look like? That would be great.

Vikas Jain: Okay, I will just explain you. We are into basically three main businesses. First being exploration services business, second being Oman business and third being a coal mining business. Now, in the exploration business, there are different domains. So, one part takes care of the oil and gas, whereby we have passive seismic tomography, we have CBM production, we have seismic. Seismic can do both coal and non-coal, as well as oil and gas. Then we have coal drilling, which we provide to coal blocks and non-coal blocks. Then we have aquifer mapping, which we provide to Central Ground Water Board. Then there are some miscellaneous activities, which are pertaining to exploration activities, which are part of the exploration activity, which is geophysical logging, geology.

Shubham Jain: Got it. So, just a follow-up on this. So, typically, oil and gas companies, their reliance is looking to find gas in some basin. They will outsource that activity to us to do the work?

Vikas Jain: Yes.

Shubham Jain: Got it. And typically, how long is the contract?

Vikas Jain: The contract, as Piyush just mentioned, the contract can be for three months, can be for three years. It all depends on how fast they want it, what is the contract, is it development drilling, or is it exploratory drilling, or is it initial drilling? You know, exactly what stage of production, what stage of mining they are into, what exploration activity they are into. So, it is an ever-evolving process. Just the initial exploration will not help the mine block owners. Once the mine block is in operation, they would require further drilling, which we call development drilling, to basically expand their existing block. So, it all depends what stage of business or operations our clients are into. So, it can range from anywhere between three months to three years.

Shubham Jain: Understood. And which other players sort of do what we do in terms of both exploration, mining? And you know, how much does their Reliance spend on this or rather what the addressable opportunity looks like?

Moderator: Mr. Shubham Jain, May I request you to join the question queue again, please?

Shubham Jain: Sure.

Moderator: Thank you, sir. The next question comes from the line of Darshil Jhawar from Crown Capital. Please go ahead.

Darshil Jhawar: Hello. Good afternoon, sir. Thank you so much for taking my question. Firstly, congratulations on a great set of results, sir. Hopefully, I am audible.

Vikas Jain: Yes.

Darshil Jhawar: Hi, sir. So, sir, just wanted to know, like, we have given guidance, but if I just look at it, like, compared to last Q2, we have, you know, more than doubled our revenue. So, any kind of, like, revision in the guidance? Because it just feels like 15% to 20% can be, you know, we can beat that right now, sir. So, how do we see H2 looking as it, because we have mentioned that, you know, H2 is the better quarter. So, could you help us give the split of how much H2 usually is than H1? You know, could you just, you know, elaborate a bit on that, sir?

Vikas Jain: H2 is always better historically because there is no monsoon and the kind of activities we are into. So, when there is no rain, we are able to deliver more, especially the exploration part, the co-drilling part. Now, when it comes to growth, see, the future is always uncertain. You know, we cannot, sitting here, we cannot see what is going to happen in the future. So, we can only give you a ballpark figure, you know, that we are going to grow at 15% to 20%. That does not mean, obviously, as a management, we would like to deliver more. But when it comes to projections, we say that accordingly, you know.

Darshil Jhawar: Okay. Fair enough, sir. That helps a lot, sir.

Vikas Jain: Definitely, the H2 will be better than H1.

Darshil Jhavar: Okay. So, that helps a lot, sir. So, I just want to know, like, in terms of our order book, so, we have around Rs. 400 crores. So, I do not want any win rate or anything, but what other orders are we bidding for? Are they more private sector or are they some other foreign orders that we are bidding for, except for Oman? So, could you help us in that? Because we understand we are kind of going right on three verticals of a normal business, a coal business and Oman business. But what other orders are we looking for? Because the way we are going, I think, by next year, we will extinguish our full order book or at least most of it. So, just wanted to get a sense of the other growth after FY'27, sir.

Vikas Jain: See, as far as the orders are concerned we are in touch. We already have a significant order book, which gives us a clear vision for next coming quarters. And we are talking to other clients from different domains to enhance our order book further. But we cannot divulge right now with whom we are talking to, what is the progress we have. And as and when we get those orders, we will be sharing the information with the stock exchange.

Darshil Jhavar: No, I get that, sir. Just want to know, like, any targeted order book, like, we will not hold you on to it, but any kind of, like, a vision right now.

Vikas Jain: It all depends on how successful we are in tagging those orders. Like, there are competitions involved, but we expect a sizable chunk within next three to four months.

Darshil Jhavar: Okay, that helps a lot, sir. And can I ask one more question?

Vikas Jain: What?

Darshil Jhavar: Can I ask one more question?

Vikas Jain: Yes, please.

Darshil Jhavar: Yes, so just wanted to know, like, we have been able to even deliver a very good EBITDA margin in this quarter. So, going further, the quarters will look better in terms of revenue. So, what is the ideal margin that we can make?

That is something I wanted to know because we have, consistently now, in the last few quarters, given very great margins. So, just wanted to catch up on that. So, okay, can we now be above 22% for the full year, sir?

Vikas Jain: See, the margin depends on the execution. So, the idea is to work as much as possible and to cover our fixed costs. That is the basic idea. So, margin differs from contract to contract, from domain to domain.

Darshil Jhawar: Okay. Fair enough, sir. I will join back in the queue. Thank you so much.

Moderator: Thank you. The next question comes from the line of Midhun James from Moat PMS. Please go ahead.

Midhun James: Hi, thanks for the opportunity and congrats on a good set of numbers. Like many participants, I am also new to this company. So, I had a clarification. So, are you basically into oil drilling as well, other than coal and seismic and all that? And if so, do you have any rigs with you, as in captive rigs that you manage? Or how is that happening? Because other companies that we track, they have rigs companies like Jindal and all that. So, are you into that? Because I saw that as an opportunity area in your presentation. That is my first question.

Piyush Jain: When it comes to oil and gas exploration, there are two or three parts to it. One is seismic activities, which is again a part of exploration. So, we do seismic activities for oil and gas. As far as drilling is concerned, we have been drilling for CBM that is unconventional gas. And we are right now one of the leading players in India as far as CBM is concerned. We have two drilling rigs. One is around 100 tonnes and the other one is around 120 tonnes. And they both are working for the same client. These rigs can work anywhere, whether it is oil and gas, CBM, shale, geothermal, it can go anywhere. So, obviously in the future, we would like to grow as well. If any opportunity comes up, then obviously we would like to buy more number of rigs. As far as Jindal is concerned, Jindal is offshore drilling. They are into offshore. We are onshore.

Midhun James: Okay, got it. So, that was my doubt, whether you are offshore or onshore. Okay, thanks. And the second question that I have is that, is on your new coal exploration facility that you have been awarded in Jharkhand. So, that is sort of a different operation than what you traditionally do, if I am right.

Piyush Jain: I know, I got your question. Our family is from mining background. So, it is not different for us. So, it is a part and parcel of what our family has been doing over the last so many decades. So, that is where we come from. So, it is not unfamiliar terrain for us. Secondly, it is currently in the stage of (PL-cum-ML) licensing. So, once we are awarded (PL-cum-ML), we shall be initiating the execution of mining plan for approval from the Ministry of Coal. So, that is the current stage of that project.

Midhun James: Yes, but a follow-up. So, how does it work in the whole scheme of things? Because that you will have to probably

Moderator: Sir, I request you to join the question queue again, please.

Midhun James: Sure, okay.

Moderator: The next question comes from the line of Hitesh Randhawa from Kager Quist Capital. Please go ahead.

Hitesh Randhawa: Yes, hi. Sir, I had a question in the order book and I just request you that, okay, if you just provide me this information, I am not asking for any granular level details. But what is the current bid pipeline that we have right now? And the order book decision between private and public sector, what is the current division and is there any kind of proportion or ratio that we try to maintain between private and public sector?

Dinesh Agarwal: It is given in our presentation. By and large, you can take it almost 40% for public and 60% for private.

Hitesh Randhawa: Okay. And what is the current bid pipeline, sorry?

Dinesh Agarwal: Hello?

Hitesh Randhawa: Yes, and what is the current bid for orders?

Dinesh Agarwal: Order book, the value, as we said, Rs. 412 crores as of date. And the breakup I told you in percentage terms, which is ballpark number.

Hitesh Randhawa: No, what I am asking is that what is the current bid pipeline? How many crores have we bid for right now?

Vikas Jain: Yes, so we have already answered that question. So, we cannot divulge that number because we are into competition. So, that we have already answered. So, it will be quite significant. And we shall update the stock exchange as and when we get the orders.

Hitesh Randhawa: Okay.

Vikas Jain: That is quite a lot number as compared to the current order book we have.

Hitesh Randhawa: Okay, thank you. That is about it.

Moderator: Thank you. The next question comes from the line of Divyansh Thakur from Spin Interest. Please go ahead.

Divyansh Thakur: Thank you so much. I would like to ask, so how much revenue visibility are we looking from the Jharkhand block and can you please also tell me how much have we invested in it?

Vikas Jain: See, this is, we are looking for a visibility of about Rs. 300 crores to Rs. 400 crores annually once the block is in full operation. And as far as investments are concerned, till date, it is quite insignificant because it is a partially explored block. And we will start significant investment only and only when we get the initial clearance from the state government. The (PM-cum-ML).

Divyansh Thakur: So, according to one of your presentations, are we expecting Rs. 100 crores EBITDA run rate from 2027?

Vikas Jain: No, it has been now postponed to 2028. But it would not be Rs. 100 crores in the first year of operations. It shall be less because first year and a half, we will not be able to reach full scale production. That is only for the coal.

Divyansh Thakur: Okay, sir.

Dinesh Agarwal: But we have already amended our presentation accordingly. If you kindly see, it is not appearing Rs. 100 crores in 2027.

Divyansh Thakur: Okay, sir.

Moderator: Thank you. The next question comes from the line of Saket Kapoor from Saket Kapoor Capital. Please go ahead.

Saket Kapoor: Sir, in your business updates, you mentioned about the, we have started the second phase of CBM production from Reliance Industries. The revised contract is Rs. 153 crores. So, what portion of the revenue has been booked in the current quarter, sir? And what is expected to be booked in H2 out of this contract?

Vikas Jain: In the current quarter, we have booked about Rs. 24 crores to Rs. 25 crores. And I think the run rate would be same for the next couple of quarters.

Saket Kapoor: Right, sir. And out of the total order book of Rs. 412 crores, how much is from the state PSUs and what percentage from the private players?

Vikas Jain: See, most of it, as we speak, most of it is coming from the private players right now. You know, you can say it is about 60:40 right now.

Saket Kapoor: 60% is private?

Vikas Jain: State PSU, none.

Saket Kapoor: Come again, sir?

Vikas Jain: No, nothing from state PSU in this quarter.

Saket Kapoor: No, sir. You have mentioned that Rs. 85 crores is what we have bagged for this quarter. Out of that, the entire bucket is from the private sector. But the closing order book of Rs. 412 crores, what is the proportion from the central or the state PSUs? And the private ones?

Vikas Jain: I would say 40:60, I told you. That is what you said. No, out of Rs. 12 crores we have, there is nothing from state PSUs.

Saket Kapoor: There is nothing from state PSUs?

Vikas Jain: There is nothing from state PSUs. But if you say public and private, I would say 40:60.

Dinesh Agarwal: In state PSUs, yes, we have in OLEC and all that.

Vikas Jain: OLEC is very miniscule. It is about 1%. It is not even 1%. I hope that answers your question or should I repeat again?

Saket Kapoor: Sir, I just jumbled it up.

Dinesh Agarwal: You can, better you refer our presentation. That gives you exact bifurcation. That would be better. Otherwise, exact knowledge in such a large gathering is very difficult.

Vikas Jain: Or you can use IR, you can bring your question to IR.

Saket Kapoor: I will speak to the IR and get it done. And lastly, if you permit me, 123 was our revenue for H2 last year. So on a bare minimum, we must be growing at 20% on what we have grown for last year H2. That would be our endeavor?

Vikas Jain: The growth numbers are significant for the next half of this financial year.

Saket Kapoor: Okay. Thank you.

Moderator: Thank you. The next question comes from the line of Kushal from Invade Research. Please go ahead.

Kushal: Thanks for the opportunity again. Sir, if you can explain in detail how does the mining revenue recognition works? Because that is the part which is not fully clear to me. When you are saying Jharkhand mining is roughly like a Rs. 200 crore, Rs. 300 crore thing from FY'28. Can you just explain me our revenue recognition versus the entire contract? How does it work?

Vikas Jain: See, as I explained, you are talking about Jharkhand or Oman?

Kushal: Jharkhand.

Vikas Jain: Okay, so there is a coal index price. So what we do is we multiply this coal index price by the maximum amount of production, allowed production which we can take from that mine. So that is how we have come to a revenue of Rs. 300 crore to Rs. 400 crores annually at the peak rate. Does it answer the question?

Kushal: No sir, in terms of, I mean, how you are able to, I mean, you would sell it to open market or can you just explain me the entire business model? How does it work? Who are your customers?

Vikas Jain: See, it is very difficult to forecast the prices which we are going to have in 2028. So what we have done is we have taken for our internal calculation, we have taken the coal index price. Now the coal index price keeps on changing from time to time. So based on the current coal index price of W4J, we have multiplied that with the peak rate of production. That is how we have arrived at this figure of Rs. 300 crores to Rs. 400 crores.

Kushal: And how to look at margins, sir, in this exploration activity? I mean, what kind of margins can we clock?

Dinesh Agarwal: EBITDA margin is about 42%, 43%. That is on coal index.

Vikas Jain: You can see the presentation.

Kushal: Got it, sir. Thank you.

Moderator: Thank you. The next question comes from the line of Ashish Soni from Family Office. Please go ahead.

Ashish Soni: Just two questions. When you said operating leverage, so your fixed asset can support to what revenues? Because you said there is an operating leverage in 15% to 20% growth also. So can you explain that?

Vikas Jain: Can you repeat this question again, Ashish ji?

Ashish Soni: Okay. So when I asked the question on the margin, you said there is operating leverage. When you grow by 15% to 20% annually, your margins will grow faster. My question is how much of your fixed asset can support to maximum revenue right now?

Vikas Jain: Currently, we have more than 40 operating rigs. In addition to that, we have also subcontracted rigs for our aquifer mapping division. So we work on a very basic model, which is fixed cost. Where we target the fixed cost. Any company will have a fixed cost. So up to a certain extent, the revenue is only able to cover the fixed cost. So the idea is to get more revenue so that we have a high operating leverage. So that is how we do it. Or maybe Mr. Agarwal can explain this.

Dinesh Agarwal: What you said is correct. In a nutshell, what you said is correct. If you have any follow-up question, please tell me, Ashish.

Ashish Soni: The question is very simple, sir. Suppose right now your fixed asset can support Rs. 400 crores of revenue, as an example. Can it expand to Rs. 600 crores with the same asset? That is the question.

Piyush Jain: No. Basically, we already have five more rigs in the pipeline. We have placed the order for five more rigs which are going to be delivered in the coming months. Now, obviously, because the way we are expanding, the way we have the order book in hand, we have to add more resources to cater to the market. So yes, when we talk about operational leverage, operational efficiency, what happens is that when we have more resources in one place, the overheads are reduced. And that is how we get operational leverage.

Dinesh Agarwal: Yes. And just to add on to this, because of the fact of the matter is that fixed cost remains almost constant, so your profitability level goes up disproportionately with the increased volume of sales.

Ashish Soni: Okay. Follow up question on CAPEX

Dinesh Agarwal: That is what is happening in H1 results. Yes. Go ahead.

Ashish Soni: CAPEX wise because I think what I have heard is your order book might be substantially higher after three, four or six months. So, incrementally to acquire the five rigs you spoke about, how much CAPEX is required per rig that is number one. And second, for your Jharkhand coal mining project, how much CAPEX will be required from your end?

Vikas Jain: See, rigs are available anywhere from Rs. 1.5 crores to Rs. 40 crores, as far as South West Pinnacle is concerned. So, you know, I am talking about the entire setup. So, there are rigs which are doing small work, there are rigs which are doing works up to a level of CBM production drilling. So, it all depends on the kind of rigs you are purchasing. As Piyush mentioned, we are in the process of buying five more rigs, which are in the pipeline, the orders have been placed, and two of them are sitting in customs, and the other three are expected to be delivered in the month of December and January. So, we will keep on adding rigs as and when the number of operations, the size of operation increases.

Ashish Soni: So, my question was CAPEX for this, how much will be required for this year, next year based on the growth projections or pipeline you see? And for Jharkhand mining also, how much CAPEX will be required from your end?

Vikas Jain: See, as far as Jharkhand CAPEX is concerned, we are expecting a total investment of more than Rs. 400 crores, which will be in two phases. So, both phases will require about, first phase will require investment of Rs. 225 crores that takes care of both the fund part and the non-fund part and the second phase will attract an investment of Rs. 175 crores to Rs. 200 crores.

Ashish Soni: And so, how will that be funded?

Vikas Jain: See, that will be funded through internal cash accruals, plus off-takes, we are talking to various local industry players, they are willing to support as and when we get the clearance from the governments, plus banks are willing to support us. So, that is how we have planned. And the second phase would largely come from the revenue of the first phase.

Moderator: Ladies and gentlemen, the line for the sir has disconnected. So, we will move on to the next question. The next question comes from the line of Saket Kapoor, from Saket Kapoor Company. Please go ahead.

Saket Kapoor: Yes, sir. I was looking at our cash conversion cycle. As we look at the first half, our receivables have gone up to the tune of Rs. 99 crores. So, if Agarwal ji can just allude to it, what is the cash conversion cycle? And sir, then we are carrying inventories also to the tune of Rs. 48 crores. So, what does this allude to?

Vikas Jain: Yes, so the first part of the question Agarwal sir will answer. Dinesh ji, please answer the first part of the question.

Dinesh Agarwal: Yes, I will answer. Yes. You know, the receivable level of Rs. 99 crores is having three components. One is, you know, billed revenue, second is unbilled revenue, and third one is retention money. So, first of all, the quarter-end or H1 end results show higher revenue, which is not a realistic number because billing takes place more in the end of the quarter or end of the year as such. And majority of it is getting realized gradually and the numbers get down, number one. Number two, if you will see the sales, which has gone up by two times in this, obviously inventories, this receivables are bound to go up. That is the basic reason. And moreover, the most important is in 18 years of our existence, there has been no bad debts. All money is realized well in time, be it private sector, be it public sector.

Saket Kapoor: Yes, correct. And what is our cash conversion cycle in Number of days ?

Dinesh Agarwal: Number of days, generally, it varies from, you can say, average 45 to 90 days.

Saket Kapoor: Okay, yes sir.

Vikas Jain: And the second part of this is regarding inventories. So, each rig carries a certain set of inventories in the terms of rods, barrels, you know, bits. So, with the increase in number of rigs, the inventory will also increase. So, these inventories have to be carried along with the rig, which is the main equipment to perform the operations.

Saket Kapoor: Okay. If I may just check in last question, sir, on the taxes paid past Agarwal ji, we find , for that in the cash flow, that we have paid taxes to the tune of Rs. 1 crore 25 lakhs. And for the remaining part of the year, as we are anticipating better business and better bottom line. So, in terms of the advance tax payment, are we on the lower side of the payment or can you explain?

Dinesh Agarwal: No, not really. Not really. In fact, all our contracts, we have to give the TDS, the clients have to deduct TDS at the rate of 2%. So, that gives a leverage for us not to pay any advance tax and just that is sufficient to take care of. But this year, yes, there could be some additional amount we have to deposit in the shape of advance taxes.

Saket Kapoor: Okay. Alright sir. Thank you, sir. And hope for the continuity of the interaction and all the business.

Dinesh Agarwal: Yes, it will be. H2 will be better than H1.

Saket Kapoor: Yes sir. Alright sir. Thank you, sir.

Dinesh Agarwal: Thank you.

Moderator: We take that as the last question. I would now like to hand over the conference over to management from the South West Pinnacle Exploration Limited for the closing comments.

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

Dinesh Agarwal: Thank you.

Piyush Jain: Thank you.

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