

South West Pinnacle

Exploration Limited

12TH ANNUAL REPORT

2017-18



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Chairman's Message



Dear Shareholders,

At the outset, I on behalf of entire South West Family take this opportunity to thank you all for your continued patronage, cooperation and support. Further, it gives me immense pleasure to present the 12th Annual Report of your Company.

During last year 2017-18, your Company has achieved many milestones. Your Company was converted into a Public Limited Company from Private Limited Company and also got listed on NSE SME platform. The listing has been very encouraging and we got huge response to our IPO which was oversubscribed by over 40 times. We once again thank all the subscribers and shareholders for this overwhelming success.

As all of you know that our country is going through transitional phase wherein so many transformational changes like demonetization, implementation of GST and other structural reforms have been undertaken by the Government of India in a sequential manner. As a result, some aftershocks have been felt and some business disruption also occurred in the overall business environment. Some enterprises struggled to adjust with the same and many of them are still struggling. We are pleased to inform you that your Company had been able to successfully face these challenges appropriately and has registered respectable growth.

At this point in time, I have the pleasure and privilege to share with you the highlights of the Financial year's performance as mentioned below:

- Our total consolidated revenue for the Financial year 2017-18 was Rs. 8200.38 Lakh as compared to Rs. 7488.47 Lakh during the previous financial year i.e 2016-17 registering the growth of 9.51%.
- Our consolidated Profit before tax stood at Rs. 1393.81 Lakh as compared to Rs. 865.69 Lakh during the previous year registering the growth of 61% and the profit after tax stood at Rs. 909.72 Lakh as compared to Rs. 569.95 Lakh during the previous year registering the impressive growth of 59.61%

This has been achieved due to growth in turnover, improved internal control and cost cutting measures.

As there is a saying that “growth and success in isolation is fluke”, therefore above numbers are quite satisfactory for the financial year in question and on the other hand it gives greater responsibility to perform equally good in the forthcoming financial years too. We wish to ensure you that the team South West is ready to undertake new challenges and we expect to produce similarly impressive results in the coming years also.

During the year your Company has successfully entered into the field of Aquifer Mapping and Hydro Geological services and have bagged the contracts in the states of Tamil Nadu, Karnataka and Rajasthan. Your Company's endeavor to add more domains of business specially in drilling will continue in the years to come. We expect our investors, banks and customers to have continued trust and faith on us the way they have shown in the past.

Finally I am thankful to all our Stakeholders, Bankers, Investors, Vendors and most importantly our customers for their trust and faith reposed on us. I must acknowledge huge contribution from the entire team of South West Pinnacle Exploration Limited who push its' boundaries, rise above challenges and leave no stone unturned to achieve highest customer satisfaction.

VIKAS JAIN

Chairman & Managing Director

Joint Managing Director's Message

Dear Shareholders,

I am pleased to share with you an update on the operational performance of the company during the financial year 2017-18.

Against the backdrop of structural reforms and challenging input cost environment, the past year was a test of resilience for the Indian economy and for our business. However, relentless focus on execution and cost management has helped us manage the headwinds and deliver impressive performance. During FY 18 we have drilled over 2.54 Lac meters (registering a growth of 54% over last year) in various projects spread across India and expect to further improve our performance in the year ahead.

The diesel prices, one of our main components of input cost, have risen constantly during the year besides other costs. We, by adopting modern management techniques could manage them reasonably well. While our top line growth for FY 17-18 was moderate, various cost cutting measures have helped us in improving our operational efficiencies thereby enhancing bottom line for our stakeholders. The implementation of GST with effect from 1st July 2017 has delayed our debtors realization process yet we could overcome the problem well within time and have not allowed the operations of the company to suffer.

Your Company at present is having an order book of over Rs. 200 Crores with renowned clients both from Public and Private sectors across all verticals of Drilling and Exploration. Besides, with the addition of new business vertical i.e. Horizontal Directional Drilling (HDD), we expect healthier order book during FY 19.

As we focus on steering our growth story firmly forward I assure you our commitment to deliver enhanced value for our stakeholders and would continue to strive hard to deliver top performance and predictable and sustainable growth in the coming years.

I also take this opportunity to express my sincere gratitude to our shareholders, Board of directors, management team, employees, customers, suppliers, bankers & all other associates for their trust and faith bestowed on us.

With Warm Regards,

Piyush Jain

Joint Managing Director



Board of Directors



Vikas Jain
Chairman & Managing Director

Vikas Jain, aged 43 years is the Promoter, Chairman cum Managing Director of our Company. He has been director of our Company since November 27, 2006 and has been designated as Managing Director w.e.f April 1, 2007, reappointed as Managing Director w.e.f. April 1, 2010, (revised terms on November 1, 2011 and again reappointed w.e.f. November 1, 2016. He is the founder of the company. He has completed his Master of Business and Administration from Johnson & Wales University, Providence, Rhode Island. He is incharge of the administrative affairs of the company. He looks after business development, finance and formulation of overall strategy for growth and future prospects of the Company.



Piyush Jain
Joint Managing Director

Piyush Jain, aged 36 years is the Promoter and Joint Managing Director of our Company. He is designated as Whole Time Director of our Company since November 1, 2011, reappointed w.e.f. November 1, 2016 and re-designated as Jt. Managing Director w.e.f. November 1, 2017. He has done his Postgraduate Diploma in Management & Entrepreneurship from Nottingham Test University, UK and Bachelor of Science in Business and Management Studies from University of Bradford. He takes care of entire operational responsibilities, procurement, HSE and Business Development of our Company



Roger James Lord
Director

Roger James Lord aged 70 years is the Director of our Company. He has rich experience of more than 40 years in Drilling Industry. He started his career in Drilling Industry in Australia for carrying out drilling operations and he is associated with our Company from the date of inception, to assist the company in the drilling and exploration. He is registered NSW Driller issued with Class License 6, by Water Regulation Officer, Australia.



Sudha Maheshwari
Independent Director

Sudha Maheshwari aged 36 years is Independent Director of our Company. She has been appointed as Independent Director of our Company w.e.f. October 31, 2017. She has done her postgraduate qualification in Economics from the University of Warwick, United Kingdom. She had experience in Strategic and Operations Division, Government and regulatory affairs and CSR initiatives.



Jitendra Kumar Mishra
Independent Director

Jitendra Kumar Mishra aged 47 years is the Independent Director of our Company. He is designated as Independent Director of our Company w.e.f. November 7, 2017. He is associate member of Institute of Chartered Accountant of India bearing Membership Number 058953 and qualified Cost & Management Accountant, with 17 years of experience in Finance, Funds Management, Business Restructuring, Accounting, Budgeting, Business Planning, Taxation (Direct and Indirect), Treasury operations and Risk Management with Core competencies.

Corporate Information

COMPANY NAME : SOUTH WEST PINNACLE EXPLORATION LIMITED

CIN : U13203HR2006PLC049480

REGISTERED AND CORPORATE OFFICE:

SIDDHARTHA HOUSE, 4TH FLOOR, PLOT NO.6,
SECTOR-44, GURUGRAM, HR 122003

Registrar And Share Transfer Agent:

LINK INTIME INDIA PRIVATE LIMITED

44, Community Centre, 2nd Floor, Naraina Industrial Area,
Phase-1, Near PVR Naraina New Delhi-110028

Stock Exchange Details:

NSE- EMERGE (NATIONAL STOCK EXCHANGE OF INDIA LTD.)

BOARD OF DIRECTORS

Mr. Vikas Jain (DIN: 00049217)	Promoter & Chairman cum Managing Director
Mr. Piyush Jain (DIN:00049319)	Promoter & Joint Managing Director
Mr. Roger James Lord (DIN: 00952295)	Non-Executive Director
Mrs. Sudha Maheshwari (DIN: 06784093)	Non-Executive & Independent Director
Mr. Jitendra Kumar Mishra (DIN: 07983426)	Non-Executive & Independent Director

OTHER KEY MANAGERIAL PERSONNEL

Mr. Dinesh Agarwal (PAN: ABIPA2523R)	Chief Financial Officer
Mr. Arjun Sharma (PAN: ATZPA5192K)	Company Secretary & Compliance Officer

STATUTORY AUDITORS:

Pradeep Kumar Goyal & Associates,
Chartered Accountants,
577, Agarwal Cyber Plaza-II, Netaji Subhash Place, Pitampura
Delhi-110034

INTERNAL AUDITORS

Chaufla Bharat & Associates,
Chartered Accountants,
J-5/126 3rd Floor, Rajouri Garden, New Delhi-110027

INVESTOR RELATION MAIL ID:

investors@southwestpinnacle.com

SECRETARIAL AUDITORS:

KKS & Associates,
Company Secretaries,
3RD Floor, 14 Rani Jhansi Road,
New Delhi-110055

BANKERS:

HDFC Bank Ltd.,
A-12, DLF Qutab Enclave,
Phase I, Gurugram-122002

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 12th Annual General Meeting of South West Pinnacle Exploration Limited will be held on Friday, the 14th September, 2018 at 02:30 P.M. at The Palms Town & Country Club B-Block, Sushant Lok, Phase-1 Gurugram, Haryana-122001 to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt:-
 - a. The Audited Standalone Financial Statements of the Company for the financial year ended 31st March, 2018 and the reports of the Board of Directors and Auditors thereon and in this regard, pass the following resolution(s) as **Ordinary Resolution**:

“**RESOLVED THAT** the Audited Standalone Financial Statements of the Company for the Financial Year ended March 31, 2018 and the report of the Board of Directors and the Auditors thereon laid before this meeting, be and are hereby considered and adopted.”
 - b. The Audited Consolidated Financial Statements of the Company for the financial year ended 31st March, 2018 and the report of Auditors thereon and in this regard, pass the following resolution(s) as **Ordinary Resolution**:

“**RESOLVED THAT** the Audited Consolidated Financial Statements of the Company for the Financial Year ended March 31, 2018 and the report of the Auditors thereon laid before this meeting, be and are hereby considered and adopted.”
2. To appoint Director in place of Mr. Roger James Lord (DIN: 00952295), who retires by rotation and being eligible, offers himself for re-appointment and in this regard, if thought fit, pass the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** Mr. Roger James Lord (DIN:00952295), who retires by rotation and being eligible has offered himself for re-appointment, be and is hereby re-appointed as Director, liable to retire by rotation.”

By order of the Board
For South West Pinnacle Exploration Limited

Sd/-

Vikas Jain

Chairman & Managing Director

DIN: 00049217

Place : Gurugram

Date: 04th August, 2018

Notes:

1. **The Register of members and Share Transfer Books of the Company will remain closed from 07/09/2018 to 14/09/2018 (both days inclusive) for Annual General Meeting.**
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ALSO ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE, INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING PROXY SHOULD HOWEVER BE DEPOSITED AT REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE COMMENCEMENT OF THE MEETING.**
3. The instrument appointing the proxy (duly completed, stamped and signed) must be deposited at the registered office of the Company not less than 48 hours before the commencement of the meeting. During the period beginning 24 hours before the time fixed for the commencement of the meeting till the conclusion of the meeting, member would be entitled to inspect the proxies lodged, at any time during the business hours of the Company, provided not less than 3 days written notice is given to the Company. A person can act a Proxy on behalf of Members not exceeding fifty in numbers and holding in the aggregate not more than ten percent of the total share capital of the Company carrying Voting Rights. A member holding more than ten percent of the total share capital of the Company carrying Voting Rights may appoint a single person as Proxy for his/her entire shareholding and such person shall not act as a Proxy for another person or shareholder.
4. With effect from April 01, 2014, inter-alia, provisions of section 149 of Companies Act, 2013, has been brought into force. In terms of the said section read with section 152(6) of the Act, the provisions of retirement by rotation are not applicable to Independent Directors. Accordingly, **Mr. Roger James Lord, Non-Executive Director** will retire at the ensuing annual general meeting and being eligible offers himself for re-appointment.
5. In terms of The SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015 details of director retiring by rotation at the ensuing annual general meeting is given in Annexure-A to this notice.
6. Corporate members intending to send their authorized representatives to attend the meeting are requested to send a certified copy of the Board Resolution to the Company, authorizing their representative to attend and vote on their behalf at the meeting.
7. To ensure correct identity of each member and proxy holders attending meeting is expected to bring with him/her an appropriate ID document like Driving License, Passport, Voter ID card, etc.
8. The Members/Proxies/Representatives are requested to bring the attendance slip duly completed and signed at the entrance of the meeting.
9. Shareholders are requested to bring their copies of Annual Report to the Annual General Meeting.
10. Members who are holding shares in Physical form are requested to intimate any change in their address immediately to the Company's Registrar and Share Transfer Agent, **Link Intime India Private Limited**, 44, Community Centre, 2nd Floor, Near PVR Naraina, Phase-I, Naraina Industrial Area, New Delhi - 110028, quoting their folio no. Further, please note that in case of members holding shares in demat form, any change(s) required in Address, Bank details, etc. are to be intimated to your DP (Depository Participant) and not to the Company or Registrar.
11. In terms of circular issued by the Securities and Exchange Board of India (SEBI), it is now mandatory to furnish a copy of Pan Card to the Company or its RTA in the following cases viz. transfer of shares, deletion of name, and transmission of share and transposition of shares. Shareholders are requested to furnish copy of Pan Card for all abovementioned transactions.
12. Members having any questions on accounts are requested to send their queries at least 10 days in advance to the Company at its registered office address to enable the Company to collect relevant information.

13. Pursuant to Section 72 of the Companies Act, 2013 read with Rule 19 of the Companies (Share Capital and Debentures) Rules, 2014, Members/Beneficial Owners are entitled to make nomination in respect of Shares held by them in Form No. SH-13. Shareholders holding shares in single name and physical form are advised to make nomination in respect of their holding in the Company by submitting duly completed Form No SH-13 with the Company and to their respective Depository Participant in case of shares held in electronic form. Joint Holders can also use nomination facility for shares held by them.
14. Members holding shares in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to Registrar and Transfer Agents, M/s. Link Intime India Pvt. Ltd. for consolidation into a single folio. Members holding shares in Dematerialized form are also requested to consolidate their shareholding.
15. Non-Resident Indian Members are requested to inform Registrar and Transfer Agents: **(a.)** Change in their local address in India for correspondence and e-mail ID for sending all e-communications. **(b.)** Change in their residential status on return to India for permanent settlement. c. Particulars of their bank account maintained in India with complete name, branch, account type, account number, IFSC Code, MICR No. and address of the bank, if not furnished earlier, to enable Company to remit dividend to the said Bank Account directly.
16. To support the 'Green Initiative', the Members who have not registered their e-mail addresses are requested to register the same with Link in time India Pvt Ltd., Registrar & Share Transfer Agent / NSDL (National Securities Depositories Ltd.) and CDSL (Central Depositories and Services Ltd.).
17. Relevant documents referred to in the accompanying notice are open for inspection by the members at the Registered Office of the Company on all working days i.e. Monday to Friday, between 10:30 a.m. and 12:30 p.m. upto the date of the Annual General Meeting.
18. The Route Map for Venue of 12th Annual General Meeting is given separately.

Annexure- A

Pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the brief profile of Directors eligible for re-appointment vide item no. 2 are as follows:

Name of Director	Mr. Roger James Lord
Date of Birth	12/08/1947
Relationship with Directors	Nil
Expertise in Specific Functional area	Expertise in Drilling Operations
Qualification	NSW Driller issued with Class License 6
Chairman/Member of the Committee of the Board of Directors as on March 31, 2018.	Nomination and Remuneration Committee
Number of shares held in the company as on March 31, 2018.	Nil
Date of Appointment	27/11/2006

**By order of the Board
For South West Pinnacle Exploration Limited**

Sd/-

Vikas Jain

Chairman & Managing Director

DIN: 00049217

Place : Gurugram

Date: 04th August 2018

BOARD'S REPORT

To,
The Members of South West Pinnacle Exploration Limited

Your Directors are pleased to present the 12th Annual Report on the business and operations together with the Company's audited financial statements and the auditors' report thereon for the financial year ended March 31, 2018. The financial highlights for the year are given below:

FINANCIAL RESULTS:

Particulars	Standalone		Consolidated	
	2017-18	2016-17	2017-18	2016-17
Revenue from operations	7584.26	7221.65	7885.07	7416.70
Other Income	310.64	65.85	315.31	71.76
Total Revenue	7894.90	7287.51	8200.38	7488.47
Earning before interest, tax, depreciation & amortization (EBITDA)	2654.62	2034.16	2764.06	2100.56
Finance cost	577.26	514.37	630.21	544.21
Depreciation	706.00	653.98	740.05	690.65
Profit before tax	1371.36	865.81	1393.81	865.69
Current tax	370.02	217.33	376.03	218.67
Profit after current tax	1001.38	648.49	1017.77	647.03
Deferred tax	97.59	77.08	108.06	77.08
Profit after tax	903.76	571.41	909.72	569.95
Earning per Share	9.19	6.14	9.25	6.14

DIVIDEND

The Company has ploughed back the profits to achieve higher growth in coming years, hence the Board of Directors did not recommend any dividend for the financial year 2017-18.

OPERATION HIGHLIGHTS

During the year under review, the Company has earned **Total revenue** of **Rs. 7894.90 Lakh** as against **Rs. 7287.51 Lakh** during the previous year registering an increase of **8.33%** over last year. The year under review resulted in **Net Profit** of **Rs. 903.76 Lakh** as compared to **Net Profit** of **Rs. 571.41 Lakh** during the previous year registering an increase of **58.16%** over the last year. Business Development of the Company is on the right path and the Company expects to increase its' business significantly in the following year and expects to earn handsome returns.

On consolidated basis, **revenue** for the FY 2017-18 stood at **Rs. 8200.38 Lakh** as against **Rs. 7488.47 Lakh** during previous year.

HUMAN RESOURCE DEVELOPMENT

Human Resource strive the success and growth of a company. Your Company believes that human resources are the key resource and integral part the organization and endeavors to create a culture of openness and empowerment amongst its employees and provide them good career growth.

Your Company truly believes in trust, transparency & teamwork to improve employees' productivity at all levels and is committed to the welfare of the employees and their families by having performance review, recognition and reward system in place.

TRANSFER TO RESERVES

The Company has not transferred any amount to the General reserves during the Financial Year ended on 31st March, 2018.

COMPANY'S AFFAIRS

South West Pinnacle Exploration Limited is engaged mainly, in the business of providing end to end drilling, exploration and allied services to coal, ferrous, non-ferrous, atomic and base metal mining industries and water & unconventional energy industries. The company is also engaged in doing aquifer mapping for Hydro-geological organizations in India for determining the quality and quantity of ground water in a particular areas.

CONVERSION OF THE COMPANY

The Company "South West Pinnacle Exploration Limited" was originally incorporated and registered under the Companies Act, 1956 as a Private Limited on 27th November, 2006.

The members of the company passed special resolution for conversion of the company from Private Limited into Public Limited Company on 31st October, 2017 and the same was approved by Registrar of Companies, NCT of Delhi & Haryana vide its Fresh Certificate consequent upon conversion from private company to public Company dated 17th November, 2017.

INITIAL PUBLIC OFFERING

During the year under review, your company came up with an IPO of 45,96,800 Equity shares of Rs.78/- each at a premium of Rs. 68/- per share with Total Issue size of Rs. 3585.50 Lakh. Your Board is really thankful for the trust and confidence posed in the Company. Subsequently the shares of the company have been listed on SME Platform Emerge of NSE since 19th February, 2018.

At present, the Company has only one class of shares i.e. Equity shares of Rs. 10 /-each. The authorized share capital of the company is Rs. 16,00,00,000/- (Rupees Sixteen Crores Only) divided into 1, 60,00,000 equity shares of Rs. 10 each. The paid up share capital of the company is Rs. 13,95,12,000/- (Rupees Thirteen Crore Ninety Five Lakh Twelve Thousand Only) divided into 1,39,51,200 equity shares of Rs. 10 each. The Company has raised the fund through Public Issue of shares and the equity shares of the Company got listed on SME platform Emerge of NSE Limited.

IPO FUNDS UTILISATION

The Company has raised the funds to partly repay secured and unsecured loans and to meet working capital and general corporate requirements. As the Company has raised the funds in the month of February, 2018 (during the year 2017-18) the funds were accordingly utilized for the said purposes.

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN MARCH 31, 2018 AND THE DATE OF REPORT

Except as disclosed elsewhere in this Annual Report, there have been no material changes and commitments which can affect the financial position of the Company between the closing of the financial year of the Company i.e. 31st March, 2018 till the date of this report.

As required under Section 134(3) of the Act, the Board of Directors inform the members that during the financial year, there have been no material changes, except:

- a. that the company in the month of **May 2018**, approved the investment upto **USD 1 Million** in **50:50** Joint Venture with **M/s Alara Oman Operations Pty Ltd.** for starting the exploration operations in Oman
- b. as disclosed elsewhere in the Annual Report.

CONSOLIDATED FINANCIAL STATEMENTS

In accordance with the provisions of section 129 of Companies Act, 2013 and relevant rules of Companies (Accounts) Rules, 2014, the audited consolidated financial statements are provided in the Annual Report. These financial statements disclose the assets, liabilities, income, expenses and other details of the Company, its' subsidiaries, joint ventures and associate companies.

SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

The Company has **one wholly own subsidiary i.e. South West International DWC-LLC, Dubai** and **one subsidiary namely Pilot Infrastructure Private Limited.**

There are **no** associate companies and/or Joint Ventures at any time during the financial year **2017-2018**.

Pursuant to the provisions of Section 129(3) of the Companies Act, 2013 ("Act"), a statement containing brief financial details of the Company's subsidiaries, associate companies and joint ventures for the financial year ended March 31, 2018 in **Form AOC-1** is annexed to the financial statements of the Company as **Annexure-1**.

CHANGE IN THE NATURE OF BUSINESS

During the year under review, there was no change in nature of business of the company. However, two new clauses were added to the main objects of the Company in the last Annual General Meeting held on **25th September, 2017**, to exploit the business opportunities "in the field of solar energies and trading of all types of goods, services and merchandise on retail as well as wholesale basis".

INTER SE RELATIONSHIPS BETWEEN THE DIRECTORS

There is no inter se relationship between Directors of the company except Mr. Vikas Jain, Chairman & Managing Director of the Company who is the elder brother of Mr. Piyush Jain, Joint Managing Director of the Company.

SHARE CAPITAL

There was following change in the Share Capital of the company during the year:

- **Authorized Share Capital-** During the year under review there were changes in the authorized capital of the Company as detailed below:
 - (a) The Company altered its authorized share capital from existing Rs. 5,00,00,000 (Rupees Five Crores only) divided into 50,00,000 (Fifty Lakh) equity shares of Rs. 10/- (Rupees Ten) each to Rs. 13,50,00,000 (Rupees Thirteen Crores Fifty Lakh only) divided into 1,35,00,000 (One Crore Thirty Five Lakh) equity shares of Rs. 10/- (Rupees Ten) each in its Annual General Meeting held on 25th September, 2017.

- (b) Further, the Company altered its' authorized share capital from existing Rs. 13,50,00,000 (Rupees Thirteen Crores Fifty Lakh only) divided into 1,35,00,000 (One Crore Thirty Five Lakh) equity shares of Rs. 10/- (Rupees Ten) each to Rs. 14,00,00,000 (Rupees Fourteen Crores only) divided into 1,40,00,000 (One Crore Forty Lakh) equity shares of Rs. 10/- (Rupees Ten) each in its Extra Ordinary General Meeting held on 31st October, 2017.
- (c) The Company altered its authorized share capital from existing Rs. 14,00,00,000 (Rupees Fourteen Crores only) divided into 1,40,00,000 (One Crore Forty Lakh) equity shares of Rs.10/- (Rupees Ten) each to Rs. 16,00,00,000 (Rupees Sixteen Crores only) divided into 1,60,00,000 (One Crore Sixty Lakh) equity shares of Rs. 10/- (Rupees Ten) each in its Extra Ordinary General Meeting held on 17th January, 2018.

- **Paid Up Share Capital-**

- (a) Bonus Issue: The Company issued 46,50,000 equity shares of Rs.10 each as bonus shares to existing (Prior to private placement & initial public offer) shareholders in 1:1 ratio, complying with the provisions of section 63 of Companies Act, 2013.
- (b) Private Placement: The Company issued 16,000 fully paid equity shares of Rs. 10 each to Pantomath Fund Managers LLP and 38,400 fully paid up equity shares of Rs.10 each to Pantomath Sabrimala SME Growth Fund Series I (Total 54,400 equity shares) at a price of Rs. 78/- per equity share (including a share premium of Rs. 68/- per equity share) through private placement (Pre IPO Placement) by complying with the provisions of Part II of Chapter III of Companies Act, 2013
- (c) Initial Public Offering: The company issued (Fresh issue) 45,96,800 equity shares of face value of Rs. 10/- each fully paid for cash at a price of Rs. 78/- per equity share (including share premium of Rs. 68/- per equity share) aggregating to Rs. 3585.50 Lakh, to public through prospectus (herein referred to as "Initial Public Offer") by complying with the provisions of Part I of Chapter III of Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956 (42 of 1956) and the Securities and Exchange Board of India Act, 1992 (15 of 1992) and the rules and regulations made there under.

The paid-up share capital of the Company as on March 31, 2018 is Rs. 13,95,12,000/-

PUBLIC DEPOSITS

The Company has not accepted any Public deposit during the year under review falling within the purview of Section 73 of the Companies Act, 2013 read with Companies (Acceptance of Deposits) Rules, 2014.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186 OF THE COMPANIES ACT, 2013

In terms of Section 134 (3) (g), towards inclusion of the details of particulars of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 & Rules made there under in this report, the same are given in the notes to the Financial Statements.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has an internal control system, commensurate with the size, scale and complexity of its operations. To maintain its objectivity and independence, the Internal Audit function reports to the Chairman of the Audit Committee of the Board.

The Internal Audit Department monitors and evaluates the efficacy and adequacy of internal control systems in the Company. Based on the report of internal audit function, process owners undertake corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and corrective actions thereon are presented to the Audit Committee of the Board.

AUDITORS**• STATUTORY AUDITORS**

M/s. Pradeep Kumar Goyal & Associates, Chartered Accountants (FRN: 003721N), were appointed as Statutory Auditors for a period of Two (2) years in the 11th Annual General Meeting held on 25.09.2017. They have confirmed that they are not disqualified for continuing as Statutory auditors of the Company.

The Notes on financial statement referred to in the Auditors' Report are self-explanatory and do not call for any further comments.

There were no qualifications, reservation or adverse remark or disclaimer as reported by the statutory auditor of the Company.

• SECRETARIAL AUDITORS

Section 204 of the Companies Act, 2013 inter-alia requires every listed company to annex with its' Board of Directors report, a Secretarial Audit Report given by a Company Secretary in practice, in the prescribed form.

The Board of Directors appointed M/s KKS & Associates, Company Secretaries through Mr. Krishna Kumar Singh, Practicing Company Secretary as the Secretarial Auditor to conduct Secretarial Audit of the Company for Financial Year 2017-18 and their report is annexed to this Board report. The secretarial audit report does not contain any qualification, reservation, adverse remark or disclaimer.

The Secretarial Auditor's Report, in the prescribed format, for the period ended March 31, 2018 is annexed to this Directors' Report as Annexure-2 and forms part of the Annual Report.

• INTERNAL AUDITORS

M/s Chaufla Bharat & Associates, Chartered Accountants performs the duties of internal auditors of the Company and their report is reviewed by the audit committee from time to time.

COMPLIANCE WITH SECRETARIAL STANDARDS ON BOARD MEETINGS AND GENERAL MEETINGS

The Company has complied with Secretarial Standards issued by the Institute of Company Secretaries of India on Board Meetings and General Meetings.

EXTRACT OF THE ANNUAL RETURN

The extract of Annual Return in Form No. MGT-9 as per section 134(3)(a) of the Companies Act, 2013 read with Rule 8 of Companies Act (Accounts) Rules 2014 and Rule 12 of Companies (Management & Administration) Rules, 2014 as on the financial year ended on 31.03.2018, is annexed herewith as Annexure-3. Link of the same is also available at the website of the company i.e. www.southwestpinnacle.com.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The information pertaining to conservation of energy, technology absorption, Foreign exchange Earnings and outgo as required under Section 134(3) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is furnished.

Since the company is not engaged in manufacturing, the particulars in respect of conservation of energy, Research and development, Technology Absorption are not required to be given.

Foreign Exchange Earnings/ Outgo:

Foreign Exchange Earnings and Outgoings	31 st March, 2018	31 st March, 2017
Earnings in Foreign Currency (FOB Value of Exports)	Rs. 2,16,38,400	Nil
Expenditure in Foreign Currency	Rs. 1,77,37,220	Rs. 18,67,66,399

MANAGEMENT DISCUSSION AND ANALYSIS

A detailed review of the operations, performance and future outlook of the Company is given in the Management's Discussion and Analysis appearing as **Annexure-4** to this Report

CORPORATE GOVERNANCE REPORT AND CERTIFICATE

SEBI Regulation on compliance of conditions of Corporate Governance is not applicable to the Company. However, Company is complying all other SEBI rules and regulations.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Board of Directors had formed a committee on Corporate Social Responsibility (CSR) in accordance with provisions of Companies Act, 2013. The Committee consists of following members:

- **Mr. Vikas Jain (Chairman & Managing Director)**
- **Mr. Piyush Jain (Joint Managing Director)**
- **Mr. Jitendra Kumar Mishra (Independent Director)**

The Annual report on CSR activities in pursuance of the Companies (Corporate Social Responsibility Policy) Rules, 2014 is annexed herewith as **Annexure-5**.

DIRECTORS**Changes in Directors and Key Managerial Personnel**

In accordance with Section 152 of the Companies Act, 2013, **Mr. Roger James Lord, Director** of the Company is liable to retire by rotation. Being eligible, he has offered themselves for re-appointment as director at the ensuing AGM.

Following changes occurred in the Board of Directors and Key Managerial Personnel during the Financial Year 2017-18:

Sr. No.	Name of the Person	Date of Event
1.	Mr. Arjun Sharma was appointed as Company Secretary	06.10.2017
2.	Mrs. Sudha Maheshwari was appointed as an Independent Director	31.10.2017
3.	Mr. Dinesh Agarwal was appointed as Chief Financial Officer	01.11.2017
4.	Mr. Jitendra Kumar Mishra was appointed as an Independent Director.	07.11.2017
5.	Mr. Vikas Jain was reappointed as Chairman & Managing Director	21.11.2017
6.	Mr. Piyush Jain was appointed as Joint Managing Director	21.11.2017

INDEPENDENT DIRECTORS

Mr. Jitendra Kumar Mishra and Mrs. Sudha Maheshwari were appointed as Independent Directors of the Company during the financial year 2017-18.

The Board of Directors of the Company hereby confirms that all the Independent Directors duly appointed by the Company have given the declaration and they meet the criteria of Independence as provided under Section 149(6) of the Act.

During the financial year 2017-18, the meeting of Independent Director was held on 10th March, 2018 to review the performance of Non Independent Director.

BOARD EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and Regulation 17(10) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the Board has carried out an annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of its Audit, Nomination & Remuneration and Stakeholder Relationship Committees.

NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS

The Board of Directors of your Company, met total **25 (Twenty Five)** times during the financial year 2017-18 as required under section 134 (3) (b) of the Companies Act, 2013 are as under:

11th April, 2017, 06th May, 2017, 22nd May, 2017, 05th June, 2017, 27th June, 2017, 17th July, 2017, 31st July, 2017, 14th August, 2017, 23rd August, 2017, 01st September, 2017, 25th September, 2017, 06th October, 2017, 27th October, 2017, 30th October 2017, 07th November, 2017, 20th November, 2017, 24th November, 2017, 01st January, 2018, 15th January, 2018, 18th January, 2018, 24th January, 2018, 05th February, 2018, 09th February, 2018, 15th February, 2018, 10th March, 2018.

The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

COMMITTEES

Presently, the Board has **Four (4)** Committees i.e. Audit Committee, Nomination & Remuneration Committee, Stakeholder Relationship Committee & Corporate Social Responsibility Committee, constitution of which is given below:

AUDIT COMMITTEE

Name of Director	Status in Committee	Nature of Directorship
Mr. Jitendra Kumar Mishra	Chairman	Independent Director
Mrs. Sudha Maheshwari	Member	Independent Director
Mr. Vikas Jain	Member	Chairman & Managing Director

NOMINATION & REMUNERATION COMMITTEE :

Name of Director	Status in Committee	Nature of Directorship
Mr. Jitendra Kumar Mishra	Chairman	Independent Director
Mrs. Sudha Maheshwari	Member	Independent Director
Mr. Roger James Lord	Member	Non Executive Director

STAKEHOLDER RELATIONSHIP COMMITTEE:

Name of Director	Status in Committee	Nature of Directorship
Mr. Jitendra Kumar Mishra	Chairman	Independent Director
Mr. Vikas Jain	Member	Chairman & Managing Director
Mr. Piyush Jain	Member	Jt. Managing Director

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:

Name of Director	Status in Committee	Nature of Directorship
Mr. Jitendra Kumar Mishra	Chairman	Independent Director
Mr. Vikas Jain	Member	Chairman & Managing Director
Mr. Piyush Jain	Member	Jt. Managing Director

DETAILS OF ESTABLISHMENT OF VIGIL MECHANISM FOR DIRECTORS AND EMPLOYEES

In compliance with the requirements of Section 177 of the Companies Act, 2013 and regulation 22 of SEBI (LODR) Regulation, 2015, Company has established a vigil mechanism for the Directors and Employees of the Company through which genuine concerns regarding various issues can be communicated. The Company had adopted a Code of conduct for Directors and Senior Management Executives ("the Code"), which lays down the principles and standards that should govern their actions.

Any actual or potential violation of the code, howsoever insignificant or perceived as such, is a matter of serious concern for the company and should be brought to the attention of the concerned.

DISCLOSURE AS PER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company is committed for providing and promoting a safe and healthy work environment for all its employees.

The Company has extreme intolerance towards anti-social behavior at the workplace and has adopted a 'Prevention of Sexual Harassment' Policy (POSH) that is in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules framed there under for prevention and redressal of complaints of sexual harassment at workplace, along with a structured reporting and redressal mechanism. The Company has complied with provisions relating to the constitution of Internal Complaints Committee under the said Act.

The Company has not received any complaint on sexual harassment during Financial Year 2017-18.

REPORTING OF FRAUDS

There was no instance of fraud during the year under review, which required the Statutory Auditors to report to the Audit Committee and/or Board under Section 143(12) of the Act and Rules framed there under.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

All transactions with related parties are placed before the Audit Committee for its approval. An omnibus approval from the Audit Committee is obtained for the related party transactions which are repetitive in nature. In case of transactions which are unforeseen and in respect of which complete details are not available, the Audit Committee grants an omnibus approval to enter into such unforeseen transactions, provided the transaction value does not exceed Rs. 1 Crore (per transaction in a financial year). The Audit Committee reviews all transactions entered into pursuant to the omnibus approvals so granted on a quarterly basis.

All transactions with related parties entered into during FY18 were at arm's length basis and in the ordinary course of business and in accordance with the provisions of the Act and the Rules made there under and the SEBI Regulations. There were no transactions which were material (considering the materiality thresholds prescribed under the Act and Regulation 23 of the SEBI (LODR) Regulations, 2015). Accordingly, no disclosure is made in respect of the Related Party Transactions in the Form AOC-2 in terms of Section 134 of the Act and Rules framed there under.

DISCLOSURE OF NOMINATION AND REMUNERATION POLICY

The board on recommendation of Nomination and Remuneration Committee approved Remuneration Policy for Director, KMP and Senior Management Employee are also available at the [website : www.southwestpinnacle.com](http://www.southwestpinnacle.com) of the Company.

PARTICULARS EMPLOYEES PURSUANT TO SECTION 134(3) OF THE COMPANIES ACT, 2013 READ WITH RULE 5 (1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

Sr. No.	Particulars	
(i)	The ratio of the remuneration of each director to the median remuneration of the employees of the company for financial year	Mr. Vikas Jain 30:1 Mr. Piyush Jain 22:1
(ii)	The percentage Increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year;	Mr. Vikas Jain 25% Mr. Piyush Jain 23%
(iii)	The percentage Increase in the median remuneration of employees in the financial year	7.2%
(iv)	The number of permanent employees on the rolls of Company;	458 Employees as on March 31, 2018
(v)	average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;	4.23% 4.23% increase has been made of the salaries of employees other than directors. The increase in remuneration of directors has been benchmarked with the remuneration being drawn by peers in similar trade the revision in remunerations is in accordance with the requisite approval of shareholders
(vi)	affirmation that the remuneration is as per the remuneration policy of the Company.	Remuneration paid during the FY 2017-18 is as per the Remuneration Policy of the Company

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors' Responsibility Statement referred to in clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013, shall state that –

- a) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b) The directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- c) The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d) The directors had prepared the annual accounts on a going concern basis;
- e) The directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and
- f) The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

ACKNOWLEDGEMENTS

An acknowledgement to all with whose help, cooperation and hard work the Company is able to achieve the results.

**By order of the Board
For South West Pinnacle Exploration Limited**

Sd/-
Vikas Jain
Chairman & Managing Director
DIN: 00049217

Sd/-
Piyush Jain
Joint Managing Director
DIN: 00049319

Place : Gurugram

Date: 04th August, 2018

ANNEXURE-1

Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures**Part "A": Subsidiaries**

(Information in respect of each subsidiary to be presented with amounts in AED/Rs.)

S.No.	Particulars	Details	
1.	Name of the subsidiary	South West International DWC LLC	Pilot Infrastructure Pvt. Ltd.
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	01.01.2017 to 31.12.2017	Same i.e. 01.04.2017 to 31.03.2018
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	AED 1 AED= 17.72 INR	Not Applicable
4.	Share capital	115700	50,00,000
5.	Reserves & surplus	-107194	47,42,638
6.	Total assets	47,926	8,11,40,214
7.	Total Liabilities	47,926	8,11,40,214
8.	Investments	-	-
9.	Turnover	-	3,05,48,098
10.	Profit before taxation	-49,247	31,54,975
11.	Provision for taxation	-	16,47,624
12.	Profit after taxation	-49,247	15,07,351
13.	Proposed Dividend	-	-
14.	% of shareholding	100	55

Notes:

The following information shall be furnished at the end of the statement:

1. Names of subsidiaries which are yet to commence operations -**Not Applicable**
2. Names of subsidiaries which have been liquidated or sold during the year -**Not Applicable**

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures: - Not Applicable

Note:

Since, there is no any associate /Joint Ventures of the company. Hence, the statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures is not applicable to the company.

**By order of the Board
For South West Pinnacle Exploration Limited**

Sd/-

Vikas Jain

Chairman & Managing Director

DIN: 00049217

Sd/-

Piyush Jain

Joint Managing Director

DIN: 00049319

Place : Gurugram

Date : 04th August, 2018

ANNEXURE-2

Form No. MR-3SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2018

[Pursuant to Section 204 (1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members of

SOUTH WEST PINNACLE EXPLORATION LIMITED

Siddhartha House, 4th floor,

Plot No.6, Sector-44, Gurugram

In connection with issue of a Secretarial Audit Report pursuant to Sec.204 (1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of **South West Pinnacle Exploration Limited (Company)** for the Financial Year ended **31st March, 2018**, we wish to state as under:-

- 1) South West Pinnacle Exploration Limited is incorporated under the Companies Act, 1956 vide CIN-U13203HR2006PLC049480 issued by the Registrar of Companies, NCT of Delhi & Haryana.
- 2) The company was initially incorporated as Private Limited Company on 27th November 2006. The members of the company passed special resolution for conversion of the company from Private Limited into Public Limited Company on 31st October, 2017 and the same was approved by Registrar of Companies, NCT of Delhi & Haryana vide its Fresh Certificate consequent upon conversion from private company to public Company dated 17th November, 2017.
- 3) During the year under review, the company came up with an IPO of 45,96,800 Equity shares of Rs.78/- each at a premium of Rs. 68/- per share with Total Issue size of Rs. 3585.50 Lakh. Subsequently the shares of the company have been listed on SME Platform Emerge of NSE since 19th February, 2018.
- 4) Therefore the provisions of Section 204 of Companies Act 2013 regarding secretarial audit became applicable on company.
- 5) We have verified the records maintained by the Company under the provisions of the Companies Act, 2013 (Act) from 01st April, 2017 to 31st March, 2018 and report that the Company has complied with the various provisions of the said Act.
- 6) The Authorized Share Capital of the Company is Rs. 16,00,00,000/- (Rupees Sixteen Crores Only) divided into 160,00,000 (One Crore Sixty Lakh) Equity Shares of Rs. 10/- (Ten) each.
- 7) The Issued, subscribed and Paid up Capital of the Company is Rs. 13,95,12,000/- (Thirteen Crore Ninty Five Lakh Twelve Thousand) divided into 139,51,200 (One Crore Thirty Nine Lakh Fifty One Thousand Two Hundred) Equity Shares of 10/- (Ten) each.

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **South West Pinnacle Exploration Limited (CIN- U13203HR2006PLC049480)** (hereinafter called the Company).

Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts, statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information and representation letter given by the Company, its officers and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, during the audit period covering the financial year ended on 31st March, 2018 (**'Audit Period'**), the Company has, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2018 according to the provisions of:

- I. The Companies Act, 2013 (“the Act”) and Companies Act, 1956 (to the extent applicable) the rules made there under including any re-enactment thereof;
- II. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under;
- III. The Depositories Act, 1996 and the Regulations & Bye-laws framed there under.
- IV. Foreign Exchange Management Act, 1999 (FEMA) & the Rules and Regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 & 2015
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - d. The Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations 2015
 - e. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with;
- VI. Labour Laws:-
 - a. Contract Labour (Regulation and Abolition) Act, 1970
 - b. Employees' Provident Funds and Miscellaneous Provisions Act, 1952 (“the EPF Act”) and the Employees Provident Fund Scheme, 1952
 - c. Employees' State Insurance Act, 1948 (the “ESI Act”)
 - d. Payment of Bonus Act, 1965
 - e. Minimum Wages Act, 1948
 - f. The Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013
 - g. Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979
 - h. Payment of Gratuity Act 1972

We have also examined compliance with Secretarial Standards 1 and 2 issued by the Institute of Company Secretaries of India;

We report that during the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, etc. mentioned above.

We further report that the compliance of applicable financial laws including Direct and Indirect Tax laws by the Company has not been reviewed in this Audit since the same has been subject to review by the Statutory Auditors and other designated professionals.

WE FURTHER REPORT THAT:

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the year under review were carried out in compliance with the provisions of the Act.

- Adequate notice was given to all directors to schedule the Board Meetings. Agenda and detailed notes on agenda were sent in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- Resolutions & Decisions at the Board Meetings, as represented by the management and recorded in minutes, were taken unanimously.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**For KKS & Associates
Company Secretaries**

**Sd/-
Krishna Kumar Singh
(Proprietor)**

**FCS No: 8493
CP No: 9760**

Place : New Delhi

Date : 04th August, 2018

Note:

This report is to be read with our letter of even date which is annexed as Annexure-A and forms an integral part of this report.

ANNEXURE-A TO THE SECRETARIAL AUDIT REPORT

1. Maintenance of secretarial record is the responsibility of the Management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on the random test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of Financial Records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of Management. Our examination was limited to the verification of procedures on random test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the Management has conducted the affairs of the Company.

**For KKS& Associates
Company Secretaries**

**Sd/-
Krishna Kumar Singh
(Proprietor)**

**FCS No: 8493
CP No: 9760**

Place : New Delhi

Date : 04th August, 2018

ANNEXURE-3

FORM NO. MGT-9

EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2018

[Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12 (1) of the Companies (Management & Administration) Rules, 2014]

I. REGISTRATION & OTHER DETAILS:

i	CIN	U13203HR2006PLC049480
ii	Registration Date	27/11/2006
iii	Name of the Company	SOUTH WEST PINNACLE EXPLORATION LIMITED
iv	Category/Sub-category of the Company	Company Limited by shares Non-govt company
v	Address of the Registered office & contact details	Siddhartha House, 4th floor, Plot No.6, Sector-44, Gurugram-Hr 122003
vi	Whether listed company	Yes
vii	Name, Address & contact details of Registrar & Transfer Agent, if any.	Link Intime IndiaPrivate Limited Add: 44, Community Centre, 2nd Floor, Near PVR Naraina, Phase-I Naraina Industrial Area, New Delhi -110028

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:

Sl. No	Name & Description of main product/services	NIC code of the product/services	% of total turnover of the company
1.	Drilling and other allied services	99543203	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY & ASSOCIATE COMPANIES

Sl. No	Name & Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1.	South West International DWC -LLC, Dubai Business Center, Dubai World Central, P.O. Box. 390667, Dubai – UAE	Reg No. - 3837	Subsidiary	100	2 (87)
2.	Pilot Infrastructure Pvt Ltd 1st Floor ,14 Rani Jhansi Road Motia Khan,Pahar Ganj Near Gurudwara Delhi -110055	U11100DL2013PTC260028	Subsidiary	55	2 (87)

IV. SHAREHOLDING PATTERN (Equity Share capital Break up as percentage to total Equity)

i) CATEGORY-WISE SHARE HOLDING

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	-	46,50,000	46,50,000	100.0	93,00,000	-	93,00,000	66.66	-33.34
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt.	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	-	-	-	-	-	-	-	-	-
e) Bank/FI	-	-	-	-	-	-	-	-	-
f) Any other.									
SUB TOTAL:(A) (1)	-	46,50,000	46,50,000	100.0	93,00,000	-	93,00,000	66.66	-33.34
(2) Foreign									
a) NRIs-Individuals	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	-	-	-	-	-	-	-	-	-
d) Banks/FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
SUB TOTAL: (A) (2)	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoter (A) = (A)(1)+(A)(2)	-	46,50,000	46,50,000	100.0	93,00,000	-	93,00,000	66.66	-33.34
B. PUBLIC SHAREHOLDING									
(1) Institutions									
a) Mutual Funds	-	-	-	-	1873600	-	1873600	13.43	13.43
b) Banks/FI	-	-	-	-	-	-	-	-	-

c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt.	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	123200	-	123200	0.88	0.88
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Other (specify)	-	-	-	-	-	-	-	-	-
SUB TOTAL (B) (1):	-	-	-	-	1996800	-	1996800	14.31	14.31
(2) Non Institutions	-	-	-	-	-	-	-	-	-
a) Bodies Corporate	-	-	-	-	-	-	-	-	-
i) Indian	-	-	-	-	5,58,400	-	5,58,400	4.00	4.00
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto ` 1 Lakh	-	-	-	-	754696	-	754696	5.41	5.41
ii) Individual shareholders holding nominal share capital in excess of 1 Lakh	-	-	-	-	6,54,400	-	6,54,400	4.69	4.69
c) Others (specify)									

Non Resident Indians					24,000	-	24,000	0.17	0.17
Trusts					3,24,800		3,24,800	2.33	2.33
Clearing members					2,05,304		2,05,304	1.47	1.47
HUF					1,32,800		1,32,800	0.95	0.95
SUB TOTAL (B) (2):	-	-	-	-	26,54,400	0	26,54,400	19.03	19.03
Total Public Shareholding (B)=(B)(1)+(B)(2)	-	-	-	-	4651200	0	4651200	33.34	33.34
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	-	46,50,000	46,50,000	100	13951200	0	13951200	100	-

(ii) SHAREHOLDING OF PROMOTERS

Sl. No.	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% Change on Shareholding during the year
		No. of Shares	% of total shares of the company	% of pledged/encumbered to total shares	No. of Shares	% of total shares of the company	% of pledged/encumbered to total shares	
1.	Vikas Jain	18,95,000	40.75	Nil	38,10,000	27.31	Nil	(13.44)
2.	Piyush Jain	11,45,000	24.73	Nil	22,90,000	16.41	Nil	(8.32)
3.	Gajraj Jain HUF	11,50,000	24.73	Nil	23,00,000	16.49	Nil	(8.24)
4.	Hemlata Jain	30,000	0.645	Nil	-	-	Nil	(0.645)
5.	Rachna Jain	2,15,000	4.62	Nil	4,30,000	3.08	Nil	(1.54)
6.	Ruchi Jain	2,15,000	4.62	Nil	4,30,000	3.08	Nil	(1.54)
7.	Kasvi Jain	-	-	Nil	10,000	0.07	Nil	0.07
8.	Vikas Jain HUF	-	-	Nil	30,000	0.22	Nil	0.22

(iii) CHANGE IN PROMOTER'S SHAREHOLDING

Sl. No	Name of Promoter	Shareholding at the beginning of the year i.e. 01.04.2017		Date	Reason	Increase/Decrease in Shares	Shareholding at the end of the year i.e. 31.03.2018)	
		No. of shares	% of total Shares of the Company				No. of shares	% of total Shares of the Company
1.	Mr. Vikas Jain	18,95,000	40.75					
				11.04.2017	Transfer by way of Gift by Hemlata Jain	30,000		
				25.09.2017	Bonus Issue	19,25,000		
				30.10.2017	Transfer to Kasvi Jain by way of Gift	(10,000)		
				30.10.2017	Transfer to Vikas Jain HUF by way of Gift	(30,000)		
								38,10,000
2	Mr. Piyush Jain	11,45,000	24.63					
				25.09.2017	Bonus Issue	11,45,000		
							22,90,000	16.41
3	M/s. Gajraj Jain HUF	11,50,000	24.73					
				25.09.2017	Bonus Issue	11,50,000		
							23,00,000	16.49
4	Mrs. Rachna Jain	2,15,000	4.62					
				25.09.2017	Bonus Issue	2,15,000		
							4,30,000	3.08
5	Mrs. Ruchi Jain	2,15,000	4.62					
				25.09.2017	Bonus Issue	2,15,000		
							4,30,000	3.08
6	Ms. Kasvi Jain	-	-					
				30.10.2017	Transfer by way of Gift by Vikas Jain	10,000		
							10,000	0.07
7	M/s. Vikas Jain HUF	-	-					
				30.10.2017	Transfer by way of Gift by Vikas Jain	30,000		
							30,000	0.22
8	Mrs. Hemlata Jain	30,000	0.65					
				11.04.2017	Transfer to Vikas Jain by way of Gift	(30,000)		
							-	-
TOTAL		46,50,000	100				93,00,000	66.66

(iv) SHAREHOLDING PATTERN OF TOP TEN SHAREHOLDER (OTHER THAN DIRECTORS, PROMOTERS & HOLDER OF GDRS & ADRS)

S No.	Name of Shareholders	Shareholding at the beginning of the year as on 01.04.2017		Change in shareholding during the year		Shareholding at the end of the year as on 31.3.2018	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	HSBC Small Cap Equity Fund	-	-	10,27,200	7.36	10,27,200	7.36
2.	DSP Blackrock Natural Resources And New Energy Fund	-	-	5,92,000	4.24	5,92,000	4.24
3.	HSBC Infrastructure Equity Fund	-	-	2,54,400	1.82	2,54,400	1.82
4.	Pantomath Stock Brokers Private Limited	-	-	2,36,800	1.70	2,36,800	1.70
5.	Pantomath Sabrimala AIF Pantomath Sabrimala SME Growth Fund Series I	-	-	1,64,800	1.18	1,64,800	1.18
6.	EW Clover Scheme	-	-	1,60,000	1.15	1,60,000	1.15
7.	Prompt Corporate Services Ltd.	-	-	92,800	0.67	92,800	0.67
8.	Marwadi Shares and Finance Ltd	-	-	80,000	0.57	80,000	0.57
9.	Jagdish Prasad	-	-	57,600	0.41	57,600	0.41
10.	Sonia Jain	-	-	57,600	0.41	57,600	0.41

(v) SHAREHOLDING OF DIRECTORS & KEY MANAGERIAL PERSONNEL:

Sl. No.	Shareholding of each of the Directors & KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Mr. Vikas Jain				
	At the beginning of the year	18,95,000	40.75	18,95,000	40.75
	Increase in shareholding by transfer in form of gift on 11.04.2017 from Hemlata Jain	30,000	0.32	30,000	0.32
	Increase in shareholding by getting bonus shares on 25.09.2017	19,25,000	20.58	19,25,000	20.58
	Decrease in shareholding by transfer to Kasvi Jain in form of gift on 30.10.2017	(10,000)	(0.11)	(10,000)	(0.11)
	Decrease in shareholding by transfer to Vikas Jain HUF in form of gift on 30.10.2017	(30,000)	(0.32)	(30,000)	(0.32)
	At the end of the year	38,10,000	27.31	38,10,000	27.31
2.	Mr. Piyush Jain				
	At the beginning of the year	11,45,000	24.73	11,45,000	24.73
	Increase in shareholding by getting bonus shares on 25.09.2017	11,45,000	12.24	11,45,000	12.24
	At the end of the year	22,90,000	16.41	22,90,000	16.41
3.	Mr. Dinesh Agarwal				
	At the beginning of the year				
	Increase in shareholding by getting shares in Initial Public Offer on 15.02.2018	6,400	0.05	6,400	0.05
	At the end of the year	6,400	0.05	6,400	0.05

4.	Mr. Arjun Sharma				
	At the beginning of the year				
	Increase in shareholding by getting shares in Initial Public Offer on 15.02.2018	6,400	0.05	6,400	0.05
	Decrease in shareholding by selling shares in off market on 26.03.2018	6,400	0.05	6,400	0.05
	At the end of the year	-	-	-	-

VI. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(in Rs.)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	413607153	193603172	Nil	607210325
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
Total (i+ii+iii)	413607153	193603172	Nil	607210325
Change in Indebtedness during the financial year				
• Additions	2212901627	309003080	Nil	2521904707
• Reduction	(2369929019)	(334382994)	Nil	(2704312013)
Net Change	(157027392)	(25379914)	Nil	(182407306)
Indebtedness at the end of the financial year				
i) Principal Amount	256579761	168223258	Nil	424803019
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
Total (i+ii+iii)	256579761	168223258	Nil	424803019

VII. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A Remuneration to Managing Director, Whole time director and/or Manager:

(in Rs.)

Sl. No.	Particulars of Remuneration	Vikas Jain Chairman & Managing Director	Piyush Jain Joint Managing Director	Total Amount
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	82,50,000	59,00,000	1,41,50,000
	(b) Value of perquisites u/s 17(2) Income tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income Tax Act, 1961	-	-	-
2.	Stock option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission -as % of profit -others (specify)	-	-	-
5.	Others, please specify	-	-	-
	Total (A)	82,50,000	59,00,000	1,41,50,000

B. Remuneration to other director:-

(in Rs.)

S No.	Name of the Directors	Fee for attending Board/ Committee meetings	Conveyance Charges	Others	Total
1.	Jitendra Kumar Mishra (Independent Director)	50,000	-	-	50,000
2.	Sudha Maheshwari (Independent Director)	50,000	-	-	50,000

C. Remuneration To Key Managerial Personnel Other Than MD/Manager/WTD

(in Rs.)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		
		Company Secretary	CFO	Total
1	Gross Salary			
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	1,55,076*	7,40,000**	8,95,076
	(b) Value of perquisites u/s 17(2) Income Tax Act, 1961	11,677	10,000	21,677
	(c) Value of perquisites u/s 17(3) Income Tax Act, 1961	Nil	Nil	Nil
	(d) Profits in lieu of salary under section 17(3) Income tax Act, 1961	Nil	Nil	Nil
2	Stock Option	Nil	Nil	Nil
3	Sweat Equity	Nil	Nil	Nil
4	Commission -as % of profit -others, specify	Nil	Nil	Nil
5	Others, please specify	Nil	Nil	Nil
	Total	1,66,753	7,50,000	9,16,753

* The above remuneration paid to CS was for 6 months during the FY 2017-18.

** The above remuneration paid to CFO was for 5 months during the FY 2017-18.

VIII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority (RD/NCLT / Court)	Appeal made, if any (give details)
A. COMPANY					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
B. DIRECTORS					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
C. OFFICERS IN DEFAULT					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL

Sd/-

Vikas Jain

Chairman & Managing Director

DIN: 00049217

Sd/-

Piyush Jain

Joint Managing Director

DIN: 00049319

Place : Gurugram

Date : 04th August, 2018

ANNEXURE - 4**MANAGEMENT DISCUSSION & ANALYSIS REPORT****INTRODUCTION**

India holds a fair advantage in cost of production and conversion costs in steel and alumina. Its' strategic location enables convenient exports to develop as well as the fast-developing Asian markets. India currently produces around 95 minerals which mainly include 10 metallic, 23 non-metallic, 3 atomic, 4 fuel and 55 minor minerals.

Rise in infrastructure development and automotive production are driving growth in the sector. Power and cement industries are also aiding growth in the metals and mining sector. Demand for iron and steel is set to continue, given the strong growth expectations for the residential and commercial building industry.

DRILLING AND EXPLORATION INDUSTRY IN INDIA

The core business of the Company is drilling and exploration and allied services. Our Company focuses more on drilling and exploration of coal, minerals, oil and gas, aquifer mapping and recently added infrastructure projects.

India is the 3rd largest producer of the coal production. The coal production during the FY 2017-18 stood at 453 million tones. India has the fifth largest estimated coal reserves in the world standing at 308.8 billion tones in FY 2016. India contributed around 11 % of the world's coal production.

Similarly, India has large reserves of iron ore, chromite, zinc, silver bauxite etc. India ranks fourth in terms of iron ore production globally and has around 8% of the world's deposit of iron ore. In FY 2017 the production of iron ore was reach for the level of about 175 million tones.

India has become the third largest steel producer in FY 2017 with a production of finished steel at 83 million tones. India stood as third largest crude, steel producer in 2016.

According to ministry of mines, India has 7th largest bauxite reserves of around 2908.85 million tones in FY 2017. Aluminum production is stood at 1.7 million metric tones in FY 17. Thus, India has the vast scope of drilling & exploration with so many natural resources available.

OPPORTUNITIES

Your Company has significant scope for drilling & exploration in various sectors/verticals as summarized below:

a) Drilling & Exploration of Coal & Minerals

Last year the GOI has auctioned lot of coal blocks to the private sectors which has thrown open very large opportunities for us. We see similar thing happening in other mineral sectors too viz. iron ore, chromite, zinc, silver, bauxite & kimberlite. The auctioning of blocks in these minerals will further enhance the opportunities for us. The impetus of the government for enhancement of coal production goes in our favour in terms of new business opportunities.

b) Oil & Gas Exploration

Crude prices across the globe are hardening, thus is opening up more opportunities in India for its' exploration. Besides, there will be opportunities in offing in exploring unconventional oil & gas resources eg. Shale gas, geo-thermal & coal mine methane (cmm) etc.

c) Aquifer mapping & Hydro-geological services

Aquifer mapping is a multi disciplinary holistic scientific approach for aquifer characterization. Mapping of aquifers helps to determine the quantity and quality of ground water in a particular area. Looking at the precarious ground water situation in India coupled with depleting water tables, GOI has initiated the project for aquifer mapping to know the quality and quantity of ground water across India with sizeable capital outlay. Your Company sees a great opportunity in this new field and has already bagged some contracts which are underway.

d) Infrastructure projects

With the focus of the Government to create infrastructure across the country and the announcement of smart city project has thrown open various business opportunities in the field of Horizontal Directional Drilling (HDD). Apart, present infra in our cities needs modernization wherein power cables, gas pipelines, water pipelines, telecommunication line, etc. are getting undergrounded, thus throwing huge opportunity in HDD segment.

THREATS

- a) Many a times environmental clearances take time longer than expected thus may delay the project implementation schedule adversely.
- b) In operational sites at remote locations, sometimes we face local unrest which may cause delay in execution of projects.
- c) Any change in Government policy with regard to environment and mining/exploration laws may have an impact on the company's operations.

OUTLOOK

The outlook of the industry in general & your company in particular is quite bright. There are various positive moves by the Government & other related agencies which make the outlook even brighter as summarized below:

- a) Government of India is planning to auction more coal blocks soon which will entail sizable exploration business.
- b) With the lowering of Ground water table and to assess the quality of water, the aquifer mapping projects would get more impetus in times ahead. Government of India is monitoring the progress very closely and is allocating sufficient funds for mapping of ground water table across the country.
- c) Since the Companies upto Rs. 250 Crore revenue would fall within MSME Sector, your company would be entitled to reap more benefits allowed to MSME sector including lower corporate tax of 25%.
- d) Hardening of oil prices across globe would put more pressure on oil exploration & would thus throw more business opportunities in this field.
- e) The successful implementation of GST has contributed positively in ease of doing business, simplification of compliances in this regime would go a long way in further improving the overall performance of your company.

RESPONSIBILITY FOR THE MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

The Board of Directors have reviewed the Management Discussion and Analysis prepared by the Management, and the Independent Auditors have noted its contents. Statement in this report of the Company's objective, projections, estimates, exceptions, and predictions are forward looking statements subject to the applicable laws and regulations. The statements may be subjected to certain risks and uncertainties. Company's operations are affected by many external and internal factors which are beyond the control of the management. Thus the actual situation may differ from those expressed or implied.

The Company assumes no responsibility in respect of forward looking statements that may be amended or modified in future on the basis of subsequent developments, information or events.

**By order of the Board
For South West Pinnacle Exploration Limited**

**sd/-
Vikas Jain
Chairman & Managing Director
DIN: 00049217**

**Place: Gurugram
Date : 04th August, 2018**

ANNEXURE-5

ANNUAL REPORT ON CSR ACTIVITIES FOR THE FINANCIAL YEAR 2017-18

[As per Rule 8 of Companies (CSR Policy) Rules, 2014 read with Section 135 of the Companies Act, 2013].

Sr. No.	Particulars	Remarks
1.	A Brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and project or programs.	The CSR Policy of the company is to promote Rural Development, Education, Eradication of Hunger, Poverty, to Promote Sports in rural areas in line with the business operations of the company since the company executes projects in different states all over India in remote areas.
2.	The Composition of the CSR Committee.	Mr. Jitendra Kumar Mishra Mr. Vikas Jain Mr. Piyush Jain
3.	Average net profit of the Company for last three financial years.	Rs. 6,20,07,385/-
4.	Prescribed CSR Expenditure (two percent of the amount as in item 3 above).	Rs. 12,40,148/-
5.	Details of CSR spent during the financial year: a) Total amount to be spent for the financial year b) Amount unspent, if any; c) Manner in which the amount spent during the financial year is detailed below	Rs. 12,40,148/- Nil

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
SI. No	CSR project Or activity Identified	Sector in which the Project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs (2) Overheads:	Cumulative expenditure upto to the reporting period	Amount spent: Direct or through implementing agency *
1	Rural Education and Sports	Rural Development Projects	In the states of Haryana, Chhattisgarh, Andhra Pradesh, Karnataka and Gujarat	Rs. 13,00,000/-	Rs. 12,40,148/-	Rs. 12,40,148/-	Direct
	TOTAL				Rs. 12,40,148/-	Rs. 12,40,148/-	

We hereby state and submit that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the company.

For South West Pinnacle Exploration Limited

Sd/-

Vikas Jain

Chairman & Managing Director

DIN: 00049217

Sd/-

Piyush Jain

Joint Managing Director

DIN: 00049319

Place : Gurugram

Date : 04th August, 2018

CMD AND CFO CERTIFICATE

To,

The Board of Directors

South West Pinnacle Exploration Limited

Siddhartha House, 4th floor, Plot No.6,

Sector-44, Gurugram HR 122003

Subject: Certificate to the Board pursuant to Regulation 17(8) of the SEBI (LODR) Regulations, 2015

We, Mr. Vikas Jain, Chairman & Managing Director, and Mr. Dinesh Agarwal, Chief Financial Officer of South West Pinnacle Exploration Limited, to the best of our knowledge, information and belief, certify that:

1. We have reviewed Financial statements and the Cash Flow Statement of the Company for the Year and to the best of our knowledge, information and belief:
 - (i) These statements do not contain any materially untrue statement or omit any material fact or contain statement that might be misleading.
 - (ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. To the best of our knowledge and belief, no transactions entered into by the Company during the year are fraudulent, illegal or violative of the Company's Code of Conduct.
3. We accept responsibility for establishing and maintaining internal controls system pertaining to financial reporting for the Company, and we have :
 - a. Designed such disclosure controls and procedures to ensure that material information relating to the Company is made known to us by others within those entities, particularly during the period in which this report is being prepared.
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with standards.
 - c. Evaluated the effectiveness of the Company's disclosure, controls and procedures.
 - d. Disclosed in this report any change in the Company's internal control over financial reporting that occurred during the Company's most recent fiscal year that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.
4. We have disclosed, based on our most recent evaluation, wherever applicable, to the Company's auditors and the audit committee of the Company's Board of Directors (and persons performing the equivalent functions) :
 - a. There were no deficiencies in the design or operation of internal controls, that could adversely affect the Company's ability to record, process, summarize and report financial data, and there have been no material weaknesses in internal controls over financial reporting including any corrective actions with regard to deficiencies.
 - b. There were no significant changes in internal controls during the year covered by this report.
 - c. All significant changes in accounting policies during the year, if any, and that the same have been disclosed in the notes to the financial statements.
 - d. There were no instances of fraud of which we are aware, that involve the Management or other employees who have a significant role in the Company's internal control system.

5. We affirm that we have not denied any personnel, access to the audit committee of the Company (in respect of matters involving alleged misconduct) and we have provided protection to whistleblowers from unfair termination and other unfair or prejudicial employment practices.
6. We further declare that all Board members and senior managerial personnel have affirmed compliance with the Code of Conduct for the current year.

For South West Pinnacle Exploration Limited

Sd/-

Vikas Jain

Chairman & Managing Director

DIN: 00049217

Sd/-

Dinesh Agarwal

Chief Financial Officer

Place : Gurugram

Date : 04th August, 2018



FINANCIAL STATEMENTS

- **Consolidated Financial Statements and Auditor's Report thereon**
Page 44 to 73
- **Standalone Financial Statements and Auditor's Report thereon**
Page 74 to 108

Independent Auditors' Report

On the Consolidated Financial Statements of South West Pinnacle Exploration Limited

To
The Members of
South West Pinnacle Exploration Limited.

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **South West Pinnacle Exploration Limited** (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), comprising of the Consolidated Balance Sheet as at 31st March, 2018, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Holding Company has an internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in subparagraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March, 2018, and their consolidated profit/loss and their consolidated cash flows for the year ended on that date.

Other Matters

We did not audit the financial statements / financial information of one subsidiary South West International DWC, LLC, UAE, whose financial statements / financial information reflect total assets of Rs.8.86 Lac as at 31st March, 2018, total revenues of Rs. Nil and net cash flows amounting to (Rs.1.50 Lac in negative) for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net loss of Rs.9.11 Lac for the year ended 31st March, 2018, as considered in the consolidated financial statements, whose financial statements / financial information have not been audited by us.

These financial statements / financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiary is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements / consolidated financial statements certified by the Management.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, we report, to the extent applicable, that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2018 taken on record by the Board of Directors of the Holding Company, none of the directors is disqualified as on 31st March 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our Report in "Annexure A".
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 1. The Company has disclosed the impact of pending litigations on its financial position in its consolidated financial statements.
– Refer Note 33 to the Consolidated Financial Statements;
 2. The company did not have any material foreseeable losses on long-term contracts including derivative contracts.
 3. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the company.

For Pradeep Kumar Goyal & Associates
Chartered Accountants
(Firm's Registration No. 031270N)

Pradeep Goyal
Proprietor
(Membership No. 096865)

Place : Gurugram
Date: May 23, 2018

Annexure-A to the Independent Auditors' Report Referred to in clause (f) under the heading 'Report on Other Legal & Regulatory Requirement' of our report of even date to the consolidated financial statements of the Company for the year ended March 31, 2018:

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2018, we have audited the internal financial controls over financial reporting of South West Pinnacle Exploration Limited (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company, its subsidiaries all incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by these entities, considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Holding Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk.

The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence obtained by us and the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Group's, its associates' and jointly controlled entities', incorporated in India, internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors, as referred to in the Other Matters paragraph, the Holding Company, its subsidiaries which are incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by these entities, considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

OTHER MATTERS

Our aforesaid reports under section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to consolidated/ standalone financial statement of 2 subsidiaries which 1 company incorporated in India and 1 out of India, is based on the corresponding reports of the auditors of such company.

For Pradeep Kumar Goyal & Associates
Chartered Accountants
(Firm's Registration No. 031270N)

Pradeep Goyal
Proprietor
(Membership No. 096865)

Place : Gurugram
Date: May 23, 2018

Consolidated Balance Sheet

as at March 31, 2018

[Amount in Rupees]

Particulars	Note No.	As at March 31, 2018	As at March 31, 2017
I. EQUITY AND LIABILITIES			
{1} Shareholders' Funds			
(a) Share Capital	3	139512000	46500000
(b) Reserves and Surplus	4	572508609	244841373
{2} Minority Interest		4384188	3705879
{3} Non Current Liabilities			
(a) Long Term Borrowings	5	96209634	200376508
(b) Deferred Tax Liabilities (Net)	6	36095566	25101270
(c) Other Long Term Liabilities	7	3340680	3340680
(d) Long-Term Provisions	8	12272935	4957587
{4} Current Liabilities			
(a) Short-Term Borrowings	9	336175284	383952196
(b) Trade Payables	10	71522422	79848790
(c) Other Current Liabilities	11	92878504	93027660
(d) Short Term Provisions	12	53543385	32309916
TOTAL		1418443206	1117961859
II. ASSETS			
{1} Non-current assets			
(a) Fixed Assets			
Tangible Assets	13	525026915	549816196
Intangible Assets- Goodwil		1121139	1121138
(b) Non Current Investments	14	91118103	93193300
(c) Long Term Loans and Advances	15	7360240	9432919
(d) Other Non Current Assets	16	6965025	7904453
{2} Current Assets			
(a) Inventories	17	246180523	216437177
(b) Trade Receivables	18	411749942	149157817
(c) Cash and Cash Equivalents	19	29379830	45504061
(d) Short Term Loans and Advances	20	58883651	42799639
(e) Other Current Assets	21	40657839	2595159
TOTAL		1418443206	1117961859

See accompanying notes 1-44 forming integral part to the Financial Statements

As per our report of even date attached
For Pradeep Kumar Goyal & AssociatesChartered Accountants
Firm Regn. No. : 031270NPradeep Goyal
Proprietor
Membership No. 096865Vikas Jain
{Chairman & Managing Director}
DIN : 00049217Dinesh Agarwal
{Chief Financial Officer}

For South West Pinnacle Exploration Limited

Piyush Jain
{Jt. Managing Director}
DIN : 00049319Arjun Sharma
{Company Secretary}Place: Gurugram
Date: May 23, 2018

Consolidated Profit and Loss statement

For the year ended March 31, 2018

[Amount in Rupees]

Particulars	Note No.	For the year ended March 31, 2018	For the year ended March 31, 2017
I. Revenue From Operations	22	788507167	741670183
II. Other Income	23	31530876	7176389
III. Total Revenue (I+II)		820038043	748846573
IV. Expenses:			
(1) Operating Cost			
(i) Cost of Materials Consumed	24	214967763	193012251
(ii) Other Operating Expenses	25	122462528	111050629
Total Operating Cost		337430292	304062881
(2) Employee Benefits Expense	26	162493943	181023360
(3) Finance Costs	27	63020589	54421076
(4) Depreciation and Amortisation Expense	28	74004557	69065437
(5) Other Expenses	29	43708133	53704708
Total Expenses {(1) to (5)}		680657514	662277461
V. Profit Before Exceptional and Extraordinary Items and Tax (III-IV)		139380530	86569111
VI. Exceptional Items		0	0
VII. Profit Before Extraordinary Items and Tax (V-VI)		139380530	86569111
VIII. Extraordinary Items		0	0
IX. Profit Before Tax (VII-VIII)		139380530	86569111
X. Tax Expense:			
(1) Current Tax	30	37603068	21866573
(2) Deferred Tax	31	10805592	7707744
XI. Profit For the Period (IX-X)		90971870	56994794
XII. Earnings Per Equity Share:	32		
(1) Basic		9.25	6.14
(2) Diluted		9.25	6.14

See accompanying notes 1-44 to the Financial Statements

As per our report of even date attached
For Pradeep Kumar Goyal & Associates

Chartered Accountants

Firm Regn. No. : 031270N

For South West Pinnacle Exploration Limited
Pradeep Goyal

Proprietor

Membership No. 096865

Vikas Jain

{Chairman & Managing Director}

DIN : 00049217

Piyush Jain

{Jt. Managing Director}

DIN : 00049319

Place: Gurugram

Date: May 23, 2018

Dinesh Agarwal

{Chief Financial Officer}

Arjun Sharma

{Company Secretary}

Consolidated Statement of Cash Flow (Pursuant to AS-3) Indirect Method
for the year ended March 31, 2018

[All amounts in Rupees]

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
A Cash Flow From Operating Activities		
Net Profit After Tax	91010776	56888265
Add:- Tax Expense	48408660	29763024
Net Profit Before Tax	139419436	86651289
Adjustment for :-		
Depreciation & Amortisation Cost	74004557	69065437
Excess Depreciation charged in P&L a/c Written Back	(9453461)	0
Interest Income	(2770577)	(2696815)
Deferred Expenditure W/O	68800	17200
Long Term Provision for employee benefits	7315348	(4771199)
Finance Costs	63020589	54421076
(Profit)/Loss on the sale of plant & equipment	(1972340)	(181664)
Operating Profit Before Working Capital Changes	269632352	202505324
Adjustment for:-		
Trade Receivables	(262592125)	70102424
Inventories	(29743346)	(34633448)
Short Term Loan & Advances	(9361890)	2732281
Prepaid expenses	24564	(512758)
Other Current Assets	(35731580)	(8221569)
Trade Payables	(7628240)	14751822
Short Term Borrowings	(62610105)	38949791
Other Current Liabilities	(1149615)	(1277312)
Short Term Provisions	5531980	(4584815)
Cash Generated From Operations	(133628005)	279811740
Less: Direct Tax Paid (Including TDS)	30803651	20552661
Cash used(-)/(+)generated from operating activities (a)	(164431656)	259259079
B Cash Flow From Investing Activities		
Interest Income	2770577	2696815
Purchase of Fixed Assets	(52900081)	(293928997)
Proceeds from sale of Fixed Assets	22076405	2117845
Long term retention money payment	0	(26965320)
Investment in Foreign Subsidiary	(696817)	(2161255)
Investment in Indian Subsidiary	0	(4125000)
Investment in Mutual Fund	(4000000)	(2500000)
Refund of Secutiy deposits & earnest money	2072679	(9432919)
Cash used(-)/(+)generated from Investing activities (b)	(30677237)	(334298831)

Statement of Cash Flow (Pursuant to AS-3) Indirect Method

for the year ended March 31, 2018

[All amounts in Rupees]

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
C Cash Flow from Financing Activities		
Proceeds From issue of shares under Private Placements	4243200	8049047
Proceeds From issue of shares through initial public issue (IPO)	358550400	0
Proceeds From Long Term Borrowings (Banks)	45123621	85462577
Proceeds From Long Term Borrowings (NBFCs)	55362720	30206950
Finance Cost	(63020589)	(54421076)
Shares Issue Expenses (Inclusive of Commission of IPO)	(31557971)	(86000)
Receipt of security deposits	0	4342320
Proceeds from inter corporate loans	25282575	0
Repayment of inter corporate loans	(10449383)	0
Repayment of Long Term Borrowings (Banks)	(59176764)	(31244381)
Repayment of Long Term Borrowings (NBFCs)	(20374256)	(71807795)
Proceed from buyers credit		125000000
Repayment of Buyer's Credit	(125000000)	0
Cash used(-)/(+)generated from Financing activities (c)	178983553	95501642
Net increase(+)/decrease (-) in cash and cash equivalents (a+b+c)	(16125340)	20461890
Cash and cash equivalents opening balance	45489085	25027195
Cash and cash equivalents closing balance	29363745	45489085
Cash and cash equivalents (year end)		
Balances with Banks		
In Current Accounts	2665664	1991175
In Fixed Deposits	23602772	41271563
Cash on Hand	3095310	2226347
	29363745	45489085

As per our report of even date attached

For Pradeep Kumar Goyal & Associates

Chartered Accountants
Firm Regn. No. : 031270N

For South West Pinnacle Exploration Limited

Pradeep GoyalProprietor
Membership No. 096865**Vikas Jain**{Chairman & Managing Director}
DIN : 00049217**Piyush Jain**{Jt. Managing Director}
DIN : 00049319Place: Gurugram
Date: May 23, 2018**Dinesh Agarwal**

{Chief Financial Officer}

Arjun Sharma

{Company Secretary}

Significant Accounting Policies- Consolidated Financial Statements For the year 2017-2018

1. These are the consolidated financial statements of the company for parent and two subsidiaries South West International DWC, LLC, UAE and Pilot Infrastructure Private Limited, India.

2. **SIGNIFICANT ACCOUNTING POLICIES**

Forming part of the consolidated financial statements for the year ended 31st March, 2018.**1. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS**

These consolidated financial statements have been prepared to comply with the Generally Accepted Accounting Principles in India (Indian GAAP), including the Accounting Standards notified under the relevant provisions of the Companies Act, 2013.

2. PRINCIPLES OF CONSOLIDATION

The consolidated financial statements relate to South West Pinnacle Exploration Limited ('the Company') and its subsidiary companies, associates and joint ventures. The consolidated financial statements have been prepared on the following basis:

- a) The financial statements of the Company and its subsidiary companies are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intragroup transactions in accordance with Accounting Standard (AS) 21 - "Consolidated Financial Statements"
- b) In case of foreign subsidiaries, being non-integral foreign operations, revenue items are consolidated at the average rate prevailing during the year. All assets and liabilities are converted at rates prevailing at the end of the year. Any exchange difference arising on consolidation (if any) is recognised in the Exchange Fluctuation Reserve.
- c) The difference between cost of investment in the subsidiaries, over the net assets at the time of acquisition of shares in the subsidiaries is recognised in the financial statements as Goodwill or Capital Reserve, as the case may be.
- a) Minority Interest's share of net profit of consolidated subsidiaries for the year is identified and adjusted against the income of the group in order to arrive at the net income attributable to shareholders of the Company.
- b) Minority Interest's share of net assets of consolidated subsidiaries is identified and presented in the consolidated balance sheet separate from liabilities and the equity of the Company's shareholders.
- c) As far as possible, the consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company's separate financial statements.
3. Investments other than in subsidiaries and associates have been accounted as per Accounting Standard (AS) 13 on "Accounting for Investments".

3. OTHER SIGNIFICANT ACCOUNTING POLICIES

These are set out under "Significant Accounting Policies" as given in the Company's separate financial statements.

Notes to Consolidated Financial Statements

for the year ended March 31, 2018

[Amount in Rupees]

Particulars	As at March 31, 2018	As at March 31, 2017
NOTE-3: SHARE CAPITAL		
3.1 Authorised Capital	160000000	50000000
1,60,00,000 equity shares of Rs. 10/- each (Previous year 50,00,000 equity shares of Rs.10/- each)		
3.2 Issued, subscribed and paid up capital *	139512000	46500000
1,39,51,200 equity shares of Rs. 10/- each, fully paid up (Previous year 46,50,000 equity shares of Rs.10/- each)		
	139512000	46500000
* Every member of a company holding equity share capital, have a right to vote on every resolution placed before the company		
3.3 Reconciliation of number of Equity shares outstanding at the beginning & at the end of the reporting period.		
Particulars	As at March 31, 2018	As at March 31, 2017
(Equity shares of Rs.10/- Each)		
No. of Shares outstanding at the beginning of the year	4650000	4650000
Movement during the period		
Fresh Shares issued		
Bonus issue ^(a)	4650000	0
Private placement ^(b)	54400	0
Initial public offer (IPO) ^(c)	4596800	0
No. of shares outstanding at the end of the year.	139512000	4650000

NOTE :-**(a) Bonus Issue**

During the current reporting period, company issued 46,50,000 equity shares of Rs.10 each as bonus shares to existing (Prior to private placement & initial public offer) shareholders in 1:1 ratio, complying with the provisions of section 63 of Companies Act, 2013.

(b) Private Placement

During the current reporting period, company issued 16,000 fully paid equity shares of Rs. 10 each to Pantomath Fund Managers LLP and 38,400 fully paid up equity shares of Rs.10 each to Pantomath Sabrimala SME Growth Fund Series I (Total 54,400 equity shares) at a price of Rs. 78/- per equity share (including a share premium of Rs. 68/- per equity share) through private placement by complying with the provisions of Part II of Chapter III of Companies Act, 2013.

Notes to Consolidated Financial Statements

for the year ended March 31, 2018

[Amount in Rupees]

Particulars	As at March 31, 2018	As at March 31, 2017
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(c) Initial Public Offer (IPO)

During the current reporting period, company issued (Fresh issue) 45,96,800 equity shares of face value of Rs. 10/- each fully paid for cash at a price of Rs. 78/- per equity share (including s share premium of Rs. 68/- per equity share) aggregating to Rs. 3585.50 Lacs, to public through prospectus (herein referred to as "Initial Public Offer") by complying with the provisions of Part I of Chapter III of Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956 (42 of 1956) and the Securities and Exchange Board of India Act, 1992 (15 of 1992) and the rules and regulations made thereunder.

3.4 Detail of Shares in the company held by each**shareholder holding more than 5% shares**

(Equity shares of Rs.10/- Each)

a) Vikas jain

No of shares

3810000

1895000

% of holding

27.31

40.75

b) Piyush jain

No of shares

2290000

1145000

% of holding

16.41

24.62

c) Gajraj jain (HUF)

No of shares

2300000

1150000

% of holding

16.49

24.73

d) HSBC small cap equity fund

No of shares

1027200

0

% of holding

7.36

0

3.5 During the reporting period, 46,50,000 fully paid up equity shares (Previous reporting period: Nil) were issued as bonus shares to existing (Prior to IPO & Private placement) shareholders.

3.6 Minority Interest

Share of capital

2250000

2250000

Share of Pre-Acquisition Reserve

207707

207706

Share of Post-Acquisition Reserve

1926482

1248174

4384188

3705879

Notes to Consolidated Financial Statements

for the year ended March 31, 2018

[Amount in Rupees]

Particulars	As at March 31, 2018	As at March 31, 2017
NOTE-4: RESERVES AND SURPLUS		
4.1 Securities Premium Reserve		
Opening Balance	26000000	26000000
Addition during the year		
Securities premium on shares issued during the reporting period		
Through Private Placement ^(a)	3699200	0
Through Initial Public Offer (IPO) ^(b)	312582400	0
	342281600	26000000
Deductions during the year		
Applied for bonus issue ^(c)	26000000	0
Applied for issue expenses ^(d)	31557971	0
Closing Balance	284723629	26000000

NOTE

(a) Refer to note 3.3(b) above

(b) Refer to note 3.3(c) above

(c) Applied towards the issue of unissued shares of the company to the members of the company as fully paid bonus shares as per provisions of section 52(2)(a) of the Companies Act, 2013

(d) Applied in writing off the expenses of and commission paid on issue of shares through Initial Public Offer (IPO) during the reporting period as per provisions of section 52(2)(c) of the Companies Act, 2013. Out of total Rs. 3,15,57,971/-, Rs. 3,10,00,000/- is applied out of IPO Premium and balance out of Private Placement premium.

4.2 General Reserve

Opening balance	218841373	161114724
Addition during the year		
Transferred from surplus in statement of P&L	0	56994794
	218841373	218109518
Deduction during the year		
Depreciation adjustment	19972	19972
Appropriations- Bonus issue	20500000	0
Less: Accumulated losses of Foreign Subsidiary	2395474	0
Less: Surplus of subsidiary Included in above	1507351	773719
Add: Share in Subsidiary's Post-Acq Reserves	2354591	1525545
Closing balance	196813110	218841373
4.3 Surplus i.e. balance in Statement of Profit and Loss		
Opening balance	0	0
Addition during the year	90971870	56994794
Less: Transferred to general reserve	0	56994794
	90971870	0
Grand Total (4.1+4.2+4.3)	572508609	244841373

Notes to Consolidated Financial Statements

for the year ended March 31, 2018

[Amount in Rupees]

Particulars	As at March 31, 2018	As at March 31, 2017
NOTE-5: LONG TERM BORROWINGS		
5.1 (a) Terms Loans		
From Banks		
Secured	41920535	58692312
From Non Banking Finance Companies		
Secured	54289099	16684196
[All loans are guaranteed by directors as stated in sub-note (a) below]		
Detail of nature of security and terms of repayment of term loans ^(a)	96209634	75376508
5.1(b) Other Loans and Advances		
Buyers' credit		
Secured	0	125000000
[All loans are guaranteed by directors as stated in sub-note (a) below]		
	0	125000000
Grand Total [(5.1(a)+5(1)(b))]	96209634	200376508

(a) Detail of nature of security and terms of repayment of term loans

Term loans from HDFC bank, ICICI bank and Yes bank, as mentioned above, is secured by hypothecation of Vehicles, Rigs, Mud Pumps, Compressor. commercial vehicles & Excavators funded by them and further secured by personal guarantee of directors Vikas Jain & Piyush Jain. Amounts payable after 12 months of Balance Sheet date, are considered as Long Term and amounts payable with 12 months, have been disclosed as "Current maturities of Long term debt" under the note ' Current liabilities".

Term loans from SREI Equipment Finance Limited and Tata Capital Financial Services Limited, as mentioned above, is secured by hypothecation of Rigs, Logging unit & Misc. assets funded by them and further secured by personal guarantee of directors Vikas Jain & Piyush Jain. Amounts payable after 12 months of Balance Sheet date, are considered as

Long Term and amounts payable with 12 months, have been disclosed as "Current maturities of Long term debt" under the note ' Current liabilities".

Term loans of HDFC Bank are repayable in 36, 48 and 60 months, of ICICI bank in 48 months and of Yes bank in 36 months. Term loans of SREI Equipment Finance Limited and Tata Capital Financial Services Limited are repayable in 36 months

(b) There is no continuing default as on balance sheet date in repayment of loans and interest.**NOTE-6: DEFERRED TAX LIABILITIES (NET)**

Opening balance	25289974	17393526
Addition during the year	10805592	7707744
Closing balance	36095566	25101270

NOTE-7: OTHER LONG TERM LIABILITIES

Security deposits*	3340680	3340680
	3340680	3340680

*Security deposits received against long term lease of investment property.

Notes to Consolidated Financial Statements
for the year ended March 31, 2018

[Amount in Rupees]

Particulars	As at March 31, 2018	As at March 31, 2017
NOTE-8: LONG TERM PROVISIONS		
Provision for employee benefits*	12272935	4957587
	12272935	4957587
* As per Acturial Valuation		
NOTE-9: SHORT TERM BORROWINGS		
9.1 Loans repayable on demand		
i) From banks		
a) Secured		
Cash credit, working capital demand loan and drop line overdraft facility	94743643	131674642
Invoice discounting facility	40000000	40000000
[Guaranteed by directors and collateral owners]		
b) Unsecured		
Credit card dues	7925808	8225000
ii) From other parties		
Unsecured	41747926	71378377
[Guaranteed by directors]		
	184417376	251278018
9.2 Loans and advances from related parties		
Unsecured	151757908	132674178
	151757908	132674178
Grand total (9.1+9.2)	336175284	383952196

a) Nature of security

Cash credit, working capital demand loan , drop line overdraft and bill discounting facilities of HDFC Bank limited is secured by hypothecation of company's entire stock, book debts and other receivables, security deposits and retention money with clients and further secured by personal guarantees of directors Vikas Jain & Piyush Jain and collateral owners and equitable mortgage of immovable properties situated in Gurugram (Haryana) and ranchi (Jharkhand) and 7 (Seven) Rig machines.

(b) There is no default as on balance sheet date in repayment of loans and interest.

NOTE-10: TRADE PAYABLES

For Goods and Services	71522422	79848790
	71522422	79848790

NOTE-11: OTHER CURRENT LIABILITIES**a) Current Maturities of Long Term Debts**

i) From Banks	44322801	48194276
ii) From NBFCs	19905331	15931658
b) Other Payables		
Statutory Dues	20707479	25485007
Joint Venture Capital Advance	0	2500000
Others	7942893	916719
	92878504	93027660

Notes to Consolidated Financial Statements

for the year ended March 31, 2018

[Amount in Rupees]

Particulars	As at March 31, 2018	As at March 31, 2017
NOTE-12: SHORT TERM PROVISIONS		
Provision for employee benefits	15249317	10565879
Provision for income tax	37603068	21732586
Provision for other expenses	691000	11450
	53543385	32309915

Notes to Consolidated Financial Statements
For the year ended March 31, 2018
NOTE 13: FIXED ASSETS- TANGIBLE

SN	Description	Gross Block			Depreciation			Net Block		USEFUL LIFE	
		As on 01.04.2017	Additions	Deductions	As on 31.03.2018	Up to 01.04.2017	For the year	Adj	Up to 31.03.2018		As on 31.03.2018
1	Plant & Machinery										
	(i) General	99774480	37981456	0	137755936	40138975	3492694	47274949	90480987	59635505	15
	(ii) Special	721760255	11056565	33612279	699204541	244568533	13716411	276208295	422996246	477191722	30
2	Drilling Rigs	6516115	40400	0	6556515	4853160	0	5354720	1201795	1662955	10
3	Furniture & Fittings	40903213	2349163	3108435	40143941	33023049	2900238	32949532	7194409	7880164	8
4	Motor Vehicles	2328939	420381	0	2749320	2035446	0	2325993	423328	293494	5
5	Office Equipment										
	Computer & Data Processing Units	4273586	915401	0	5188987	3695401	0	4252521	936466	578185	3
	(a) Desktops & laptops	1247467	7610	0	1255077	343560	0	699097	555980	903907	6
	(b) Servers & Networks	6336563	129108	0	6465671	4666298	0	5227966	1237705	1670265	10
6	Electric Installations & Equipments										
	Total	883140618	52900084	36720714	899319988	333324422	20109343	374293073	525026915	549816196	
	Previous Year 2016-2017	622123742	263134721	2117845	883140618	284347527	181664	333324422	549816196	337796189	

Note :- Drilling Rigs and Motor vehicles are hypothecated as security for the concerned loans.

Notes to Consolidated Financial Statements

for the year ended March 31, 2018

[Amount in Rupees]

Particulars	As at March 31, 2018	As at March 31, 2017
NOTE-14: NON CURRENT INVESTMENTS		
14.2 Other Investments		
Investment Property ^{(c)(d)(e)}	84618103	90693300
Investment in Mutual Funds ^(d)	6500000	2500000
	91118103	93193300
Grand Total (14.1+14.2)	91118103	93193300

NOTE

(a) Investment properties consist of investment in Commercial Properties to earn rental income

(b) Investment properties are under Operating lease.

(c) All investment carried at cost except investment property which is carried at cost less accumulated depreciation as per cost model prescribed in Accounting Standard-10 "Property, Plant & Equipment"

Gross Cost	122441833	65462666
Addition during the year	0	56979167
	122441833	122441833
Deductions during the year		
Assets disposed off/Other Adjustments	5980738	0
Depreciation for the year	12055935	18927422
Accumulated depreciation as at beginning of year	31748533	12821111
	84618103	90693300

d) Aggregate Market Value of Mutual Funds as on Balance Sheet Date is Rs. 10904926/-.

e) There are no restrictions on realisability of investments or the remittance of income and proceeds of disposal.

NOTE-15: LONG TERM LOANS & ADVANCES

Security Deposits and Earnest Money (Unsecured, considered good)	7360240	9432919
	7360240	9432919

NOTE-16: OTHER NON CURRENT ASSETS

Leasehold Improvements	6965025	7904453
	6965025	7904453

NOTE-17 INVENTORIES

Stores, Spares & Diesel	246180523	216437177
	246180523	216437177

Inventories are valued at Cost or Market value whichever is lower

Notes to Consolidated Financial Statements

for the year ended March 31, 2018

[Amount in Rupees]

Particulars	As at March 31, 2018	As at March 31, 2017
NOTE-18 TRADE RECEIVABLES **		
a) Trade Receivables outstanding for a period exceeding six months from the date they are due for payment (Unsecured, Considered Good)	6890833	2358358
Total of (a)	6890833	2358358
b) Trade Receivables outstanding for a period less than six months from the date they are due for payment (Unsecured, Considered Good)		
i) General	368179183	119834139
ii) Retentions *	36679926	26965320
Total of (b)	404859109	146799459
Grand total (a)+(b)	411749942	149157817

* Retentions are amounts of progress billings which are not paid until the satisfaction of conditions specified in the contract for the payment of such amounts or until defects, if any, have been rectified and are expected to be realised within twelve months after the reporting date.

NOTE-19 CASH AND CASH EQUIVALENTS**19.1 Balances with Banks**

a) In Current Accounts	2681748	2006151
b) In Fixed Deposits	23602772	41271563
	26284520	43277714

19.2 Cash on Hand

a) At Corporate Office	2600847	700313
b) At Projects	494463	1526034
	3095310	2226347
Grand Total (19.1+19.2)	29379830	45504061

Balances with banks in Fixed Deposits are held as margin money, security against the borrowings, guarantees and other commitments.

NOTE-20 SHORT TERM LOANS AND ADVANCES**20.1 Loans**

Staff Loans (Unsecured, considered good)	337129	186909
	337129	186909

Notes to Consolidated Financial Statements

for the year ended March 31, 2018

[Amount in Rupees]

Particulars	As at March 31, 2018	As at March 31, 2017
20.2 Advances to be Recoverable or Adjustable		
(Unsecured, considered good)		
i) Advance against Expenses to project sites	724878	5290753
ii) Advance to Vendors/ Suppliers	7161547	4127290
iii) Security Deposits and Earnest Money	6717404	0
iv) Prepaid expenses	3602119	2108361
v) Balance with Government Authorities		
a) GST/Cenvat Receivable/Adjustable	8476290	7087755
b) Advance Tax & TDS for current year	26637690	17638250
c) WCT & other taxes Receivable	3394170	4865321
d) Government Grant under PMRPY receivable	59412	0
e) Stay amount with Tax Authorities	1773012	1495000
	58546522	42612730
Grand Total (20.1+20.2)	58883651	42799639
NOTE-21 OTHER CURRENT ASSETS		
i) Foreign Currency Receivables	15873350	0
ii) Other Receivables	1014685	2595159
iii) Misc. Expenditure to be written off	23769804	0
	40657839	2595159

Notes to Consolidated Financial Statements

for the year ended March 31, 2018

[Amount in Rupees]

Particulars	As at March 31, 2018	As at March 31, 2017
NOTE-22 REVENUE FROM OPERATIONS		
22.1 Sale of Products		
Scrap Sales	2024622	4856729
	2024622	4856729
22.2 Sale of Services		
a) Billed Revenue		
Gross Revenue		
From Exploration & Other Services ^(a)	825703310	804621976
Less: Service Tax included in above	27728314	106159941
Less: GST Included in above	94818939	0
Net Revenue	703156057	698462035
b) Unbilled Revenue^(b)		
From Exploration Services		
Gross Revenue	83326489	38351419
Less: Service Tax included in above	0	0
Less: GST Included in above	0	0
Net Revenue	83326489	38351419
Total Revenue From Sale of Services (a)+(b)	786482546	736813454
Total Revenue From Sale of Products & Services (22.1+22.2)	788507167	741670183

(a) Revenue from Exploration & Other Services includes revenue from leasing services amount to Rs. 21919460/- (Net of Taxes Charged). This revenue is related to Long Term Investments (Investment Properties) and amount of income tax deducted at source is included under Advance Taxes paid.

(b) Unbilled Revenue

Work completed but not billed as at end of the reporting period.

NOTE-23 OTHER INCOME**23.1 Interest Income**

Interest on Fixed Deposits & Loans	2749697	2696815
Interest on income tax refund	20880	302390
	2770577	2999205

Notes to Consolidated Financial Statements
for the year ended March 31, 2018

[Amount in Rupees]

Particulars	As at March 31, 2018	As at March 31, 2017
23.2 Other Non-operating Income		
Discounts and Written offs	1024232	1885285
Net gain on foreign currency transaction & traslation	5343669	1646711
Government Grants under PMRPY	151240	0
Recovery of Bad Debts	10114843	0
Depreciation written back ^(a)	9453462	0
Gain on sale of assets	1972340	0
Misc.Income	700512	645188
	28760298	4177184
Grand Total (23.1+23.2)	31530876	7176389

(a) Depreciation written back as income which arise in the current period as a result of errors or omissions in the preparation of the financial statements of prior period.

NOTE-24 COST OF MATERIAL CONSUMED

Opening Inventory	216437177	181803729
Add: Purchases & related expenses during the year	244711110	227645699
Less: Closing Inventory	246180523	216437177
	214967763	193012251

NOTE-25 OTHER OPERATING EXPENSES

Direct Cost incurred in execution of projects
(Other Than Employees Benefits Cost)

Communication Expenses	541055	757966
Hire Charges- Plant & Machinery	24177477	32871425
Repairs- Machines and vehicles	8329318	6981102
Site Preparation, Running & Maintenance Cost	5037801	5169555
Goods & Machines Movement Charges	16199942	14274007
Local Conveyance, Boarding & Lodging Expenses	650010	1770816
Water Charges	590946	579159
Electricity Charges	533954	726385
Work delay charges & Other Deductions	1906908	1385183
Postage & Telegram	92020	251413
Printing & Stationary	263220	331218
Cost of Sub-Contract Work	64139877	45952400
	122462528	111050629

NOTE-26 EMPLOYEES BENEFIT EXPENSES

Salaries and Allowances	129335282	139340479
Contributions to Provident Fund & Other Funds	9040823	9941120
Defined Benefits Obligations		
a) Leave Encashment	1048463	0
b) Gratuity	2131263	819399
Staff Food & Welfare Expenses	20938112	30922362
	162493943	181023360

Notes to Consolidated Financial Statements

for the year ended March 31, 2018

[Amount in Rupees]

Particulars	As at March 31, 2018	As at March 31, 2017
NOTE-27 FINANCE COST		
Interest & Commitment Charges	59517583	50970905
Other Ancillary Costs related to borrowings	3503006	3450171
	63020589	54421076
NOTE-28 DEPRECIATION AND AMORTISATION EXPENSES		
Depreciation on assets other than Investment properties	61077994	49158559
Depreciation on Investment properties	12055935	18927422
Amortization of Leasehold Improvements	870628	979456
	74004557	69065437
NOTE-29 OTHER EXPENSES		
Administrative, Selling & Distribution Expenses		
Bank Charges	1053253	503802
Business Development Expenses	2032682	3346023
Communication Expenses	933540	1046842
Electricity & Water Charges	830066	877584
Insurance Charges	3700772	3054530
Interest on Taxes, Demands & Penalties	1480583	4484704
Web Server Hire Charges & Other IT Cost	440000	272600
Legal & Professional Charges	5663235	6476871
Rentals	10319575	5056688
Repair & Maintenance	1447120	2925524
Settlement Cost of Contractual Obligation	0	5502598
Cost of travel & Local Conveyance	9608807	12267206
Expenses Related to Investment Property	512174	503007
Payment to Auditors- Audit Fees	415000	243462
Bad Debts Written Off	115631	2513099
Expenditure on CSR Activities	1242550	924500
Donation	56250	600000
Courier Charges	126001	140925
Printing & Stationary Expenses	430087	519027
Deferred Revenue Expenditure Written off	682983	0
Directors' Fees	100000	0
Miscellaneous Expenses	2517823	2445715
	43708133	53704708
NOTE-30 CURRENT TAX		
Tax liability for current reporting period	37603068	21866573
	37603068	21866573
NOTE-31 DEFERRED TAX		
Deferred Tax Provision	10805592	7707744
	10805592	7707744

Notes to Consolidated Financial Statements

for the year ended March 31, 2018

[Amount in Rupees]

Particulars	As at March 31, 2018	As at March 31, 2017
NOTE-32 EARNING PER SHARE		
Net Profit After Tax As Per Profit and Loss	90971870	57140787
Statement attributable to Equity Shareholders		
Weighted Average Number of Equity Shares Used as Denominator for calculating EPS ^(a)	9839386	9300000
Basic Earning Per Share	9.25	6.14
Diluted Earning Per Share	9.25	6.14
Face Value Per Equity Share (In Rs.)	10	10
Note:-		
(a) In case of a bonus issue , 4650000 equity shares have been issued to existing shareholders for no additional consideration and due to this, the number of equity shares outstanding have been increased without an increase in resources. Therefore, while calculating weighted average number of equity shares, the number of equity shares outstanding before the event is adjusted for the proportionate change in the number of equity shares outstanding as if the event had occurred at the beginning of the earliest period reported (As per Accounting Standard-20 "Earnings Per Share")		
NOTE-33 CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)		
33.1 Contingent Liabilities		
i) Guarantees		
Bank gaurantees	120841109	111924244
Corporate Gautrantee for subsidiary	16681061	22569930
iii) Other money for which the company is contingently liable:-		
Letter of Credits	847220	66591357
Income Tax	7846180	7846180
VAT/WCT	2367419	2645431
33.2 Commitments		
i) Uncalled liability on shares and other investments partly paid		
Investment in Carpediem Capital Partners Fund (Total Capital Commitment Rs.10000000)	3500000	7500000
NOTE-34 VALUE OF IMPORTS CALCULATED ON C.I.F BASIS DURING THE FINANCIAL YEAR IN RESPECT OF:-		
I. Components and spare parts	10066144	25581797
II. Capital goods	5717725	156411585
	15783870	181993382

Notes to Consolidated Financial Statements

for the year ended March 31, 2018

[Amount in Rupees]

Particulars	As at March 31, 2018	As at March 31, 2017
NOTE-35 EXPENDITURE IN FOREIGN CURRENCY DURING THE FINANCIAL YEAR ON ACCOUNT OF ROYALTY, KNOW-HOW, PROFESSIONAL AND CONSULTATION FEES, INTEREST, AND OTHER MATTERS		
Import	15783870	181993382
Foreign travel expenses	1953350	4604018
Legal and professional charges	0	168999
	<u>17737220</u>	<u>186766399</u>
NOTE-36 EARNINGS IN FOREIGN EXCHANGE		
Export of machinery calculated on F.O.B. basis	21638400	0
	<u>21638400</u>	<u>0</u>

Note- 37: The specified disclosures for non cancellable Operating Leases as required by Accounting Standard 19 – “Leases” are given below:-

Disclosures in respect of agreement for Office premises taken on lease:

(i) Lease Payments recognized in the Profit and Loss Account in the year	5460000	5460000
(ii) Future Minimum lease payments under non cancellable operating lease:		
a) Not later than one year	5809938	5460000
b) Later than one year but not later than five years	26166337	24880315
c) Later than Five year	11235270	18331230

Note-38 Segment Reporting

Segment reporting is not applicable on the company as there are no business segment or geographical segment as defined in clause 5.1 & 5.2 of the Accounting Standard - 17 "Segment Reporting" issued by ICAI & notified under Companies Act, 2013.

Note-39

In compliance of Accounting Standard 22 on “Accounting for taxes on Income” issued by Institute of Chartered Accountants of India, company has provided accumulated net deferred tax liability in respect of timing difference as on 31st March, 2018. The item-wise details of deferred tax liability as on 31.03.2018 are as under:-

Difference between book and tax difference as on 1st April	25289977	17393526
Add: Deferred Tax Liability		
On account of Depreciation	10805592	7896451
Difference between book and tax difference as on 31st March	36095569	25289977

Notes to the Consolidated Financial Statements

for the year ended March 31, 2018

Note 40: As per Accounting Standard - 18, the disclosures of transactions with the related parties as defined in the Accounting Standard are given below:-**i) List of related parties where control exists and related parties, with whom transactions have taken place and relationships**

Subsidiary company	South West International DWC-LLC , Dubai Pilot Infrastructure Private Limited
Enterprises significantly influenced by KMP or RKMP	Thakurji Towers Pvt Ltd Alara Resources Ltd- Australia Trilok Tirth Media Private Limited Zanskar Advisor Pvt Ltd Alsan Buildcon Pvt Ltd Pramuk Builders Pvt Ltd Advac Projects Pvt Ltd Advac Pvt Ltd Katihar Flour Mills P Ltd Chandra Prabhu International Limited Gajraj Jain HUF Vikas Jain HUF Piyush Jain HUF
Key Management Personnel	Vikas Jain Piyush Jain Dinesh Agarwal Arjun Sharma
Relative of Key Management Personnel (RKMP)	Gajraj Jain Hemlata Jain Ruchi Jain Rachna Jain Kasvi Jain Akash Jain Abhash Jain

Notes to the Consolidated Financial Statements
for the year ended March 31, 2018

(ii) Transactions during the financial year 2017-18 with the related parties are shown below: (Amount in Rupees)

Nature of Transactions	Subsidiaries	Enterprises significantly influenced by KMP or RKMP	Key Management Personnel	Relative of Key Management Personnel (RKMP)
Salary			15066753	
Interest on Unsecured Loans			3396087	4488777
Balances at Year End				
Rent Payable		231562 (PY: Rs. 281562)		
Unsecured Loans			74496558 (PY: Rs. 44353344)	77261350 (PY: Rs. 77841451)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT MARCH 31, 2018

Note: 41.

Form AOC-1: Salient features of Financial Statements of Subsidiary / Associates / Joint Ventures.

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

a) SUBSIDIARIES

Sr#	Name of Subsidiary Company	Reporting Currency	Share Capital	Reserve & Surplus	Total Assets	Total Liabilities	Investments	Turnover	Profit Before Tax	Tax	Profit After Tax	Proposed dividend	% of Shareholding
1	South West International DWC-LLC, UAE	INR	2140450	-1983089	886631	886631	0	0	-911070	0	-911070	0	
	South West International DWC-LLC UAE (Previous Year)	AED	115700	-107194	47926	47926	0	0	-49247	0	-49247	0	100%
2	Pilot Infrastructure Private Limited	INR	5000000	4742638	81140214	81140214	0	30548098	3154975	1647624	1507351	0	55%
	Pilot Infrastructure Private Limited (Previous Year)	INR	5000000	3235287	44759574	44759574	0	19504460	1096410	322691	773719	0	55%

Note

- a) Reporting period for the subsidiary South West International DWC, LLC is December 31, 2017, different from the holding company's reporting period.
- b) The audited/unaudited financial statements of foreign subsidiary have been prepared in accordance with the Generally Accepted Accounting Principle of its Country of Incorporation or International Financial Reporting Standards. The differences in accounting policies of the Company and its subsidiary are not material and there are no material transactions from 1st January, 2018 to 31st March, 2018 in respect of subsidiary having financial year ended 31st December, 2017 & adjustments related to transactions from 1st January, 2018 to 31st March 2018 have been made to align with reporting period of Holding which is March 31st, 2018.
- c) Exchange rate as on last day of relevant financial year in case of foreign subsidiary i.e South West International DWC LLC is 17.72 (AED/INR)
- d) Foreign Subsidiary South West International DWC LLC, UAE is yet to start its operations.
- e) No subsidiaries have been liquidated or sold during the year.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT MARCH 31, 2018

(All amount in Rupees)

42. The audited/unaudited financial statements of foreign subsidiary have been prepared in accordance with the Generally Accepted Accounting Principle of its Country of Incorporation or International Financial Reporting Standards. The differences in accounting policies of the Company and its subsidiary are not material and there are no material transactions from 1st January, 2018 to 31st March, 2018 in respect of subsidiary having financial year ended 31st December, 2017.

43. ENTERPRISES CONSOLIDATED AS SUBSIDIARY IN ACCORDANCE WITH ACCOUNTING STANDARD 21-CONSOLIDATED FINANCIAL STATEMENTS

Name of the Enterprises	Country of Incorporation	Proportion of Ownership Interest
Pilot Infrastructure Private Limited	India	55%
South West International DWC-LLC ¹	UAE	100%

1. Subsidiary Company having 31st December as a reporting date

44 . Additional Information, as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiary / Associates / Joint Ventures.

Name of Enterprises	Net Assets i.e. total assets minus total liabilities	
	As % of consolidated net assets	Amount
Parent South West Pinnacle Exploration Limited	100.05%	712366729
Subsidiaries		
Indian Pilot Infrastructure Private Limited	1.37%	9742638
Foreign South West International DWC-LLC	0.02%	157361

Name of Enterprises	Share in Profit or Loss	
	As % of consolidated Profit or Loss	Amount
Parent South West Pinnacle Exploration Limited	99.34%	90375589
Subsidiaries		
Indian Pilot Infrastructure Private Limited	1.66%	1507351
Foreign South West International DWC-LLC	-1.00%	-911070
Minority Interest in Indian Subsidiary Pilot Infrastructure Private Limited		4384188.1 (PY. 3705879/-)

Notes to Consolidated Financial Statements

for the year ended March 31, 2018

[Amount in Rupees]

Particulars	As at March 31, 2018	As at March 31, 2017
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The previous year figures have been accordingly regrouped/ re-classified to conform to the current year's classification

SIGNATURE TO NOTES '1' TO '44'

**As per our report of even date attached
For Pradeep Kumar Goyal & Associates**
Chartered Accountants
Firm Regn. No. : 031270N

For South West Pinnacle Exploration Limited

Pradeep Goyal
Proprietor
Membership No. 096865

Vikas Jain
{Chairman & Managing Director}
DIN : 00049217

Piyush Jain
{Jt. Managing Director}
DIN : 00049319

Dinesh Agarwal
{Chief Financial Officer}

Arjun Sharma
{Company Secretary}

Place: Gurugram
Date: May 23, 2018

Independent Auditors' Report

On the Standalone Financial Statements of South West Pinnacle Exploration Limited

To
The Members of
South West Pinnacle Exploration Limited.

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of South West Pinnacle Exploration Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2018, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility.

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act.

Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2018, and its profit and its cash flows for the year ended on that date.

Report on Other Legal & Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure-A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors as on 31st March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the system of the internal financial controls over financial reporting of the Company in place and the operating effectiveness of such controls, refer to our separate Report in "Annexure-B".
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 1. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements.
– Refer Note 33 to the Standalone Financial Statements;
 2. The company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.
 3. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For Pradeep Kumar Goyal & Associates
Chartered Accountants
(Firm's Registration No. 031270N)

Pradeep Goyal
Proprietor
(Membership No. 096865)

Place : Gurugram
Date: May 23, 2018

Annexure-A to the Independent Auditors' Report Referred to in paragraph 1 under the heading 'Report on Other Legal & Regulatory Requirement' of our report of even date to the financial statements of the Company for the year ended March 31, 2018:

According to the information and explanations given to us:-

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets on the basis of information available.
- (b) The Fixed Assets have been physically verified by the management in a phased manner designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the company and nature of its business. Pursuant to the program, a portion of the fixed asset has been physically verified by the management during the year and no material discrepancies between the books records and the physical fixed assets have been noticed.
- (c) The title deeds of immovable properties are held in the name of the company.
- (ii) The management has conducted the physical verification of inventory at reasonable intervals and the discrepancies noticed on physical verification of the inventory as compared to books records, which has been properly dealt with in the books of account, were not material.
- (iii) The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the Register maintained under section 189 of the Act. Accordingly, the provisions of clause 3 (iii) (a) to (C) of the Order are not applicable to the Company and hence not commented upon.
- (iv) The company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 In respect of loans, investments, guarantees, and security.
- (v) The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
- (vi) As informed to us, the maintenance of Cost Records has not been specified by the Central Government under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the company.
- (vii) (a) The Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Sales tax, Service Tax, Duty of Customs, Duty of Excise, Value added Tax, Cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2018 for a period of more than six months from the date on when they become payable.
- (b) Details of dues of Income Tax, Sales Tax, Service Tax, Customs Duty, Excise Duty and Value Added Tax which have not been deposited as on March 31, 2018 on account of disputes are given below:

S. No.	Name of Statute	Nature of Dues	Amount (Rs. in Lakhs)	Period to which Amount relates	Forum where dispute
1.	Income Tax Act, 1961	Income Tax	78.46	FY 2013-14	CIT (A)
2.	VAT, Odisha	Entry tax Demand	19.47	01.04.2008 to 30.06.2018	CU(II)ET
3.	VAT	Demand	4.20	2010-2015	Appeal
Total			102.14		

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks. The Company has not taken any loan either from financial institutions or from the government and has not issued any debentures.
- (ix) During the year under review, company raised moneys by way of initial public offer through SME Exchange of NSE and term loans. In our opinion and according to the information and explanations given to us, all money were applied for the purposes for which those are raised.
- (x) Based upon the audit procedures performed, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.
- (xi) Based upon the audit procedures performed, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act;
- (xii) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 4 (xii) of the Order are not applicable to the Company.
- (xiii) In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standard-18 "Related Party Disclosures". Refer to Note-40 with Financial Statements.
- (xiv) The company has made private placement of shares during the year under review. In our opinion and according to the information and explanations given to us, the requirement of section 42 of the Companies Act, 2013 have been complied with and the amount raised have been used for the purposes for which the funds were raised.
- (xv) Based upon the audit procedures performed, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.

(xvi) In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.

For Pradeep Kumar Goyal & Associates
Chartered Accountants
(Firm's Registration No. 031270N)

Pradeep Goyal
Proprietor
(Membership No. 096865)

Place : Gurugram
Date: May 23, 2018

Annexure-B to the Independent Auditors' Report Referred to in paragraph 2(f) under the heading 'Report on Other Legal & Regulatory Requirement' of our report of even date to the financial statements of the Company for the year ended March 31, 2018:

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of South West Pinnacle Exploration Limited ("the Company") as of March 31, 2018 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India.

Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Pradeep Kumar Goyal & Associates
Chartered Accountants
(Firm's Registration No. 031270N)

Pradeep Goyal
Proprietor
(Membership No. 096865)

Place : Gurugram
Date: May 23, 2018

as at March 31, 2018

[Amount in Rupees]

Particulars	Note No.	As at March 31, 2018	As at March 31, 2017
I. EQUITY AND LIABILITIES			
{1} Shareholders' Funds			
(a) Share Capital	3	139512000	46500000
(b) Reserves and Surplus	4	572854729	244235539
{2} Non Current Liabilities			
(a) Long Term Borrowings	5	72938463	183695447
(b) Deferred Tax Liabilities (Net)	6	34860421	25101273
(c) Other Long Term Liabilities	7	3340680	3340680
(d) Long-Term Provisions	8	12272935	4957587
{3} Current Liabilities			
(a) Short-Term Borrowings	9	310892709	373502814
(b) Trade Payables	10	66406727	76985027
(c) Other Current Liabilities	11	76257427	86855275
(d) Short Term Provisions	12	52942206	32140923
TOTAL		1342278295	1077314565
II. ASSETS			
{1} Non-current assets			
(a) Fixed Assets			
Tangible Assets	13	474795420	524832061
(b) Non Current Investments	14	98101175	99479555
(c) Long Term Loans and Advances	15	7360240	9432919
(d) Other Non Current Assets	16	6965025	7835653
{2} Current Assets			
(a) Inventories	17	246180523	216437177
(b) Trade Receivables	18	390946137	139710161
(c) Cash and Cash Equivalents	19	25784333	42442254
(d) Short Term Loans and Advances	20	52688669	34549626
(e) Other Current Assets	21	39456774	2595159
TOTAL		1342278295	1077314565

See accompanying notes from 1 to 40 forming integral part to the Financial Statements

As per our report of even date attached
For Pradeep Kumar Goyal & Associates
Chartered Accountants
Firm Regn. No. : 031270N

For South West Pinnacle Exploration Limited

Pradeep Goyal
Proprietor
Membership No. 096865

Vikas Jain
{Chairman & Managing Director}
DIN : 00049217

Piyush Jain
{Jt. Managing Director}
DIN : 00049319

Place: Gurugram
Date: May 23, 2018

Dinesh Agarwal
{Chief Financial Officer}

Arjun Sharma
{Company Secretary}

Profit and Loss statement

For the year ended March 31, 2018

[Amount in Rupees]

Particulars	Note No.	For the year ended March 31, 2018	For the year ended March 31, 2017
I. Revenue From Operations	22	758426128	722165723
II. Other Income	23	31063818	6585087
III. Total Revenue (I+II)		789489946	728750810
IV. Expenses:			
(1) Operating Cost			
(i) Cost of Materials Consumed	24	210866088	192443925
(ii) Other Operating Expenses	25	116677920	101897127
Total Operating Cost		327544008	294341052
(2) Employee Benefits Expense	26	157765961	180169835
(3) Finance Costs	27	57725550	51437007
(4) Depreciation and Amortisation Expense	28	70599988	65398041
(5) Other Expenses	29	38717815	50823755
Total Expenses {(1) to (5)}		652353321	642169690
V. Profit Before Exceptional and Extraordinary Items and Tax (III-IV)		137136625	86581120
VI. Exceptional Items		0	0
VII. Profit Before Extraordinary Items and Tax (V-VI)		137136625	86581120
VIII. Extraordinary Items		0	0
IX. Profit Before Tax (VII-VIII)		137136625	86581120
X. Tax Expense:			
(1) Current Tax	30	37001888	21732586
(2) Deferred Tax	31	9759148	7707747
XI. Profit For the Period (IX-X)		90375589	57140787
XII. Earnings Per Equity Share:	32		
(1) Basic		9.19	6.14
(2) Diluted		9.19	6.14

See accompanying notes from 1 to 40 forming integral part to the Financial Statements

As per our report of even date attached
For Pradeep Kumar Goyal & Associates

 Chartered Accountants
 Firm Regn. No. : 031270N

Pradeep Goyal
 Proprietor
 Membership No. 096865

 Place: Gurugram
 Date: May 23, 2018

For South West Pinnacle Exploration Limited
Vikas Jain
 {Chairman & Managing
 Director}
 DIN : 00049217

Dinesh Agarwal
 {Chief Financial Officer}

Piyush Jain
 {Jt. Managing Director}
 DIN : 00049319

Arjun Sharma
 {Company Secretary}

Statement of Cash Flow (Pursuant to AS-3) Indirect Method

for the year ended March 31, 2018

[All amounts in Rupees]

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
A Cash Flow From Operating Activities		
Net Profit After Tax	90375589	57140787
Add:- Tax Expense	46761036	29440333
Net Profit Before Tax	137136625	86581120
Adjustment for :-		
Depreciation & Amortisation Cost	70599988	65398041
Excess Depreciation charged in P&L a/c Written Back	(9453461)	0
Interest Income	(2303519)	(2265982)
Long Term Provision for employee benefits	7315348	(4771199)
Finance Costs	57725550	51437007
(Profit)/Loss on the sale of plant & equipment	(1972340)	0
Operating Profit Before Working Capital Changes	259048191	196378987
Adjustment for:-		
Trade Receivables	(251235976)	70789247
Inventories	(29743346)	(34633448)
Short Term Loan & Advances	(9141845)	2732281
Other Current Assets	(36861616)	(1675787)
Trade Payables	(10578300)	13192857
Short Term Borrowings	(62610105)	38949791
Other Current Liabilities	(1258439)	(1608921)
Short Term Provisions	5531980	(4584815)
Cash Generated From Operations	(136849456)	279540192
Less: Direct Tax Paid (Including TDS)	30729784	20171317
Cash used(-)/(+)generated from operating activities (a)	(167579240)	259368875
B Cash Flow From Investing Activities		
Interest Income	2303519	2265982
Purchase of Fixed Assets	(24248152)	(263341285)
Proceeds from sale of Fixed Assets	22076405	0
Long term retention money payment	0	(26965320)
Investment in Foreign Subsidiary	(696817)	(2161255)
Investment in Indian Subsidiary	0	(4125000)
Investment in Mutual Fund	(4000000)	(2500000)
Refund of Secutiy deposits & earnest money	2072679	(9432919)
Cash used(-)/(+)generated from Investing activities (b)	(2492366)	(306259797)

Statement of Cash Flow (Pursuant to AS-3) Indirect Method

for the year ended March 31, 2018

[All amounts in Rupees]

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
C Cash Flow from Financing Activities		
Proceeds From issue of shares under Private Placements	4243200	0
Proceeds From issue of shares through initial public issue (IPO)	358550400	0
Proceeds From Long Term Borrowings (Banks)	18802285	85462577
Proceeds From Long Term Borrowings (NBFCs)	55362720	0
Finance Cost	(57725550)	(51437007)
Shares Issue Expenses (Inclusive of Commission of IPO)	(31557971)	
Receipt of security deposits	0	4342320
Repayment of Long Term Borrowings (Banks)	(54776013)	(31244381)
Repayment of Long Term Borrowings (NBFCs)	(14485386)	(64170775)
Proceed from buyers credit		125000000
Repayment of Buyer's Credit	(125000000)	0
Cash used(-)/(+)generated from Financing activities (c)	153413685	67952734
Net increase(+)/decrease (-) in cash and cash equivalents (a+b+c)	(16657921)	21061812
Cash and cash equivalents opening balance	42442254	21380442
Cash and cash equivalents closing balance	25784333	42442254
Cash and cash equivalents (year end)		
Balances with Banks		
In Current Accounts	1271225	470378
In Fixed Deposits	23602772	41271563
Cash on Hand	910336	700313
	25784333	42442254

As per our report of even date attached

For Pradeep Kumar Goyal & Associates

Chartered Accountants

Firm Regn. No. : 031270N

For South West Pinnacle Exploration Limited

Pradeep Goyal

Proprietor

Membership No. 096865

Vikas Jain

{Chairman & Managing Director}

DIN : 00049217

Piyush Jain

{Jt. Managing Director}

DIN : 00049319

Dinesh Agarwal

{Chief Financial Officer}

Arjun Sharma

{Company Secretary}

Place: Gurugram

Date: May 23, 2018

Significant Accounting Policies- Standalone Financial Statements For the year 2017-2018**NOTE-1:****GENERAL INFORMATION**

Company South West Pinnacle Exploration Limited, which was originally incorporated on Twenty seventh day of November Two thousand six under the Companies Act, 1956 as South West Pinnacle Exploration Private Limited, have been converted into Public Limited Company under Section 18 of the Companies Act, 2013 on 17.11.2017, hence the name of the company is this day changed to South West Pinnacle Exploration Limited. Company got listed with National Stock Exchange-Emerge (SME Growth Platform) vide NSE Approval Letter No. NSE/LIST/34544 dated January 23, 2018.

Company is an ISO 9001:2015 certified, providing end to end drilling, exploration and allied services to coal, ferrous, non-ferrous, atomic and base metal mining industries and water & unconventional energy industries. Company also provides consultancy for geological field services and allied services and has an in-house team of geoscientists for providing integrated exploration services including geophysical logging, surface geophysical & topographic surveys.

Company has recently diversified into aquifer mapping for Hydro-geological organisations in India for determining the quantity and quality of groundwater in a particular area, viz., water level, productivity and concentration of various chemicals in groundwater. This helps in identifying zones for groundwater development, groundwater recharge, rainwater harvesting etc.

NOTE-2:**SIGNIFICANT ACCOUNTING POLICIES****[Forming part of the Standalone financial statements for the year ended 31st March, 2018]**

Below are the specific accounting principles and the methods of applying those principles, herein called "Accounting Policies", adopted by the company in the preparation and presentation of financial statements. These accounting policies, unless specified separately, have been applied consistently to the periods presented in these financial statements.

2.1 Basis of Preparation of Financial Statements

These financial statements are prepared in accordance with the Indian Generally Accepted Accounting Principles (GAAP). The company have prepared these financial statements to comply in all material aspects with the accounting standards as prescribed under section 133 of the Companies Act, 2013 ('the Act') read with Rule 7 of the Companies (Accounts) Rules, 2014 and other recognized accounting policies and practices generally accepted in India. The financial statements have been prepared on an accrual basis and under historical cost convention unless otherwise specified. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

2.2 Operating Cycle

Based on the nature of its activities, the company has considered its operating cycle as twelve months for the purpose of current/ non-current classification of assets and liabilities.

2.3 Use of Estimates

The preparation of financial statements in conformity with GAAP requires the management to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to contingent liabilities as at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Examples of such estimates include provision for doubtful debts, future obligations under employees retirement benefit plans, income taxes, post service clients' support and the useful life of fixed tangible assets.

2.4 Inventories

Company's inventory are the assets in the form of materials or supplies to be consumed in the rendering of services and accounting policies adopted in measuring inventories, including the cost formula used **are below** as per Accounting Standard-2 on "Valuation of Inventories":-

a) Measurement of inventories

Inventories are valued at lower of cost or net realizable value.

Cost of Inventories

- i) The cost of inventories comprise all costs of purchase and other costs incurred in bringing the inventories to their present location and condition.
- ii) The costs of purchase consist of the purchase price including duties and taxes (other than those subsequently recoverable by the company from the taxing authorities), freight inwards and other expenditure directly attributable to the acquisition. Trade discounts, rebates, duty drawbacks and other similar items are deducted in determining the costs of purchase.
- iii) Other costs are included in the cost of inventories only to the extent that they are incurred in bringing the inventories to their present location and condition.

a) Cost Formulas

The cost of inventories been assigned by using the first-in, first-out (FIFO) formula to reflect the fairest possible approximation to the cost incurred in bringing the items of inventory to their present location. This formula assumes that the items of inventory which were purchased or produced first are consumed or sold first, and consequently the items remaining in inventory at the end of the period are those most recently purchased or produced.

2.5 Cash Flow Statements

Cash flows are reported using indirect Method as prescribed by Regulation 34(2) (c) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, whereby net profit or loss is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments, and items of income or expense associated with investing or financing cash flows.

2.6 Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies

A change in an accounting policy is made only if the adoption of a different accounting policy is required by statute or for compliance with an accounting standard or if it is considered that the change would result in a more appropriate presentation of the financial statements of the company.

2.7 Accounting Policy for Revenue Recognition

Revenue, in the statement of profit and loss of the company arising in the course of the ordinary activities which is from the sale of goods, the rendering of services, and the use by others of enterprise resources yielding interest and rentals, have been recognized as per Accounting Standard-9 on "Revenue Recognition".

a) Revenue from rendering of services

Revenue from service transactions is usually recognised as the service is performed, by the proportionate completion method because performance consists of the execution of more than one act. Revenue is recognised proportionately by reference to the performance of each acts of drilling process in a particular month as per terms of contract with the clients.

Service tax/GST collected on services is shown by way of deduction from services revenue. Revenue from services are netted off for debit notes raised by clients. Revenue from drilling is under fixed price contracts, where there is no uncertainty as to measurement or collectability of consideration. When there is uncertainty as to measurement or ultimate collectability, revenue recognition is postponed until such uncertainty resolved.

Cost and earning in respect to uncompleted work as on year end, are classified as unbilled revenue. Provision for estimated losses, if any, on uncompleted contracts, are recorded in the period in which such losses become probable based on the estimates

b) Revenue on sale of Goods

Revenue under this head is recognized when risk and rewards of ownership of goods are passed on to the customers, which are generally on dispatch of goods and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of the goods. The amount recognized as revenue is exclusive of Sales Tax, Value Added Tax and is net off returns, trade discounts and allowances.

c) From the use by others of enterprise resources

- (i) Revenue under this head is recognised when no significant uncertainty as to measurability or collectability exists.
- (ii) Revenue from Interest accrues on the time basis determined by the amount outstanding and rates applicable.
- (iii) Revenue from rentals of immovable property and machineries is recognized on an accrual basis in accordance with the terms of the relevant agreements with the clients.

2.8 Property, Plant and Equipment

a) Investment property, as defined in AS 13, Accounting for Investments, accounted for only in accordance with the cost model prescribed in this standard.

b) Measurement

Property, plant and equipment carried at its cost less any accumulated depreciation and any accumulated impairment losses.

c) Depreciation methods

Diminishing balance method of depreciation have been used to allocate the depreciable amount of an asset on a systematic basis over its useful life.

d) Useful lives or the depreciation rates.

Useful lives have been taken as prescribed in Schedule II of the Companies Act 2013.

2.9 The Effects of Changes in Foreign Exchange Rates

Same policy is adopted for translation of financial statement of foreign subsidiary treated as Non Integral Foreign Operations.

a) Initial Recognition

A foreign currency transaction is recorded, on initial recognition in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

b) Recognition of Exchange Differences

Exchange differences arising on the settlement of monetary items or on reporting company's monetary items at rates different from those at which they were initially recorded during the period, or reported in previous financial statements, have been recognized as income or as expenses in the period in which they arise.

c) Reporting at Subsequent Balance Sheet Dates

Foreign currency monetary items is reported using the closing rate. However, if in certain circumstances, the closing rate do not reflect with reasonable accuracy the amount in reporting currency that is likely to be realized from, or required to disburse, a foreign currency monetary item at the balance sheet date, e.g., where there are restrictions on remittances or where the closing rate is unrealistic and it is not possible to effect an exchange of currencies at that rate at the balance sheet date. In such circumstances, the relevant monetary item is reported in the reporting currency at the amount which is likely to be realized from, or required to disburse, such item at the balance sheet date.

2.10 Government Grants

- a) Government grants available to the company are considered for inclusion in accounts:
 - (i) Where there is reasonable assurance that the company will comply with the conditions attached to them; and
 - (ii) Where such benefits have been earned by the company and it is reasonably certain that the ultimate collection will be made.
- b) An appropriate amount in respect of such earned benefits, estimated on a prudent basis, is credited to income for the year even though the actual amount of such benefits may be finally settled and received after the end of the relevant accounting period.

2.11 Investments

Accounting policies for classification and determination of carrying amount of investments as per Accounting Standard-13 “Investments”.

• Investments in Subsidiaries (Read with AS-21 “Consolidated Financial Statements)

Investment in subsidiaries are intended to be held for more than one year from the date on which such investment is made, hence classified as Long Term Investment (Non-Current Assets) and accounted for at cost in the financial statements.

• Investment Property (Read with AS-10 “Property, Plant and Equipment”)

Investment in buildings and machineries, which are not intended to be occupied substantially for use by, or in the operations of, the company, is treated as an investment property and carried at cost less accumulated depreciation herein called as “cost model”.

• Investment in Shares/Mutual Funds

Investment in shares/mutual funds are intended to be held for more than one year from the date on which such investment is made, hence classified as Long Term Investment (Non-Current Assets) and recognized at cost wherein the cost includes acquisition charges such as brokerage, fees and duties, if any.

2.12 Employee Benefits

- a) Monthly contribution to the Provident Fund being in the nature of defined contribution scheme is charged against revenue. The fund is administered through Provident Fund Authority.
- b) Post-employment and other long term employees' benefits are recognized at the present value of the amount payable determined using actuarial Valuation techniques.

2.13 Borrowing Costs

- a) Borrowing costs that are attributable to the acquisition of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use.
- b) All other borrowing costs are charged to profit and loss account

2.14 Earnings Per Share

The weighted average number of equity shares outstanding during the period and for all periods presented have been adjusted for bonus issue that have changed the number of equity shares outstanding, without a corresponding change in resources.

In bonus issue, equity shares have been issued to existing shareholders for no additional consideration. Therefore, the number of equity shares outstanding is increased without an increase in resources. The number of equity shares outstanding before the event is adjusted for the proportionate change in the number of equity shares outstanding as if the event had occurred at the beginning of the earliest period reported

2.15 Accounting for Taxes on Income

Current Tax is determined on the basis of the amount of tax payable in respect of taxable income for the year, expected to be paid to (recovered from) the taxation authorities, using the applicable tax rates and tax laws.

Deferred tax is calculated at current statutory income tax rate and is recognized on timing differences; being the difference between taxable incomes and accounting income that originate in the one period and are capable of reversal in one or more subsequent periods. Deferred tax assets subject to the consideration of prudence, are recognized and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

2.16 Impairment of Assets

Company evaluate impairment of assets as per requirement of AS-28 on basis of some indications by external & internal source of information. If any of those indications is present, than company make a formal estimate of recoverable amount. If no indication of a potential impairment loss is present, company don't make a formal estimate of recoverable amount.

Majority of assets of the company are Rig Machines and immoveable properties. Company continuously assess whether there is any indication that an asset may be impaired, on basis of following indications:

External Source of information:-

- a) Company monitor market value of assets to check whether there is significant decline in value of asset as result of passage of time or normal use. This company assess by checking availability of market if they go to sale these assets.
- b) Company also check any significant changes with an adverse effect on the have taken place during the period, or will take place in the near future, in the technological, market, economic or legal environment in which the enterprise operates or in the market to which an asset is dedicated. This is checked as per deployment of machines and capacity utilization.
- c) Market capitalization never fall down to carrying amount of net assets.

Internal sources of information:

- a) Company evaluate its assets on basis of internal verification and check if there is any evidence available of obsolescence or physical damage of an asset;
- b) Company check budgeted revenue with actual and monitor any evidence is available from internal reporting that indicates that the economic performance of an asset is, or will be, worse than expected.

- c) Monitor on basis of cash flows for acquiring the asset, or subsequent cash needs for operating or maintaining it, and check that are significantly higher than those originally budgeted or not the carrying amounts of assets are reviewed at each balance sheet date, if there is any indication of impairment based on internal/external factors. An impairment loss will be recognised wherever the carrying amount of an asset exceeds its estimated recoverable amount. The recoverable amount is greater of the assets' net selling price and value in use. In assessing the value in use the estimated future cash flows are discounted to the present value at the weighted average cost of capital. During the year there are no impairment losses on assets of the Company.

2.17 Provision, Contingent Liabilities and Contingent Assets.

Provision is recognised when there is a present obligation as a result of a past event that probably requires an outflow resources and a reliable estimate can be made of the amount of the obligation. Disclosure for contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. No provision is recognised or disclosure for contingent liability is made when there is possible obligation or a present obligation and the likelihood of outflow of resources is remote. Contingent Asset is neither recognized nor disclosed in the financial statements.

2.18 Operating Leases

Assets given on lease under which all risks and rewards of ownership are effectively retained by lessor are classified as operating lease. Lease income from operating leases have been recognized in the statement of profit and loss exclusive of applicable taxes and on basis of monthly repayment of term loans taken for assets purchase over the lease term as this method is more representative of the time pattern in which benefit derived from the use of the leased asset is diminished.

The depreciation of leased assets is on a basis consistent with the normal depreciation policy of the company for similar assets, and the depreciation charge have been calculated on the basis set out in AS 10.

Notes to the Financial Statements

for the year ended March 31, 2018

[Amount in Rupees]

Particulars	As at March 31, 2018	As at March 31, 2017
NOTE-3: SHARE CAPITAL		
3.1 Authorised Capital	160000000	50000000
1,60,00,000 equity shares of Rs. 10/- each (Previous year 50,00,000 equity shares of Rs.10/- each)		
3.2 Issued, subscribed and paid up capital *	139512000	46500000
1,39,51,200 equity shares of Rs. 10/- each, fully paid up (Previous year 46,50,000 equity shares of Rs.10/- each)		
	139512000	46500000

* Every member of a company holding equity share capital, have a right to vote on every resolution placed before the company

3.3 Reconciliation of number of Equity shares outstanding at the beginning & at the end of the reporting period.

Particulars	As at March 31, 2018	As at March 31, 2017
(Equity shares of Rs.10/- Each)		
No. of Shares outstanding at the beginning of the year	4650000	4650000
Movement during the period		
Fresh Shares issued		
Bonus issue ^(a)	4650000	0
Private placement ^(b)	54400	0
Initial public offer (IPO) ^(c)	4596800	0
No. of shares outstanding at the end of the year.	13951200	4650000

NOTE :-**(a) Bonus Issue**

During the current reporting period, company issued 46,50,000 equity shares of Rs.10 each as bonus shares to existing (Prior to private placement & initial public offer) shareholders in 1:1 ratio, complying with the provisions of section 63 of Companies Act, 2013.

(b) Private Placement

During the current reporting period, company issued 16,000 fully paid equity shares of Rs. 10 each to Pantomath Fund Managers LLP and 38,400 fully paid up equity shares of Rs.10 each to Pantomath Sabrimala SME Growth Fund Series I (Total 54,400 equity shares) at a price of Rs. 78/- per equity share (including a share premium of Rs. 68/- per equity share) through private placement by complying with the provisions of Part II of Chapter III of Companies Act, 2013.

Notes to the Financial Statements

for the year ended March 31, 2018

[Amount in Rupees]

Particulars	As at March 31, 2018	As at March 31, 2017
(c) Initial Public Offer (IPO)		
During the current reporting period, company issued (Fresh issue) 45,96,800 equity shares of face value of Rs. 10/- each fully paid for cash at a price of Rs. 78/- per equity share (including s share premium of Rs. 68/- per equity share) aggregating to Rs. 3585.50 Lacs, to public through prospectus (herein referred to as "Initial Public Offer") by complying with the provisions of Part I of Chapter III of Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956 (42 of 1956) and the Securities and Exchange Board of India Act, 1992 (15 of 1992) and the rules and regulations made thereunder.		
3.4 Detail of Shares in the company held by each		
shareholder holding more than 5% shares (Equity shares of Rs.10/- Each)		
a) Vikas jain		
No of shares	3810000	1895000
% of holding	27.31	40.75
b) Piyush jain		
No of shares	2290000	1145000
% of holding	16.41	24.62
c) Gajraj jain (HUF)		
No of shares	2300000	1150000
% of holding	16.49	24.73
d) HSBC small cap equity fund		
No of shares	1027200	0
% of holding	7.36	0

3.5 During the reporting period, 46,50,000 fully paid up equity shares (Previous reporting period: Nil) were issued as bonus shares to existing (Prior to IPO & Private placement) shareholders.

NOTE-4: RESERVES AND SURPLUS**4.1 Securities Premium Reserve**

Opening Balance	26000000	26000000
Addition during the year		
Securities premium on shares issued during the reporting period		
Through Private Placement ^(a)	3699200	0
Through Initial Public Offer (IPO) ^(b)	312582400	0
	342281600	26000000
Deductions during the year		
Applied for bonus issue ^(c)	26000000	0
Applied for issue expenses ^(d)	31557971	0
Closing Balance	284723629	26000000

Notes to the Financial Statements

for the year ended March 31, 2018

[Amount in Rupees]

Particulars	As at March 31, 2018	As at March 31, 2017
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NOTE

(a) Refer to note 3.3(b) above

(b) Refer to note 3.3(c) above

(c) Applied towards the issue of unissued shares of the company to the members of the company as fully paid bonus shares as per provisions of section 52(2)(a) of the Companies Act, 2013

(d) Applied in writing off the expenses of and commission paid on issue of shares through Initial Public Offer (IPO) during the reporting period as per provisions of section 52(2)(c) of the Companies Act, 2013. Out of total Rs. 3,15,57,971/-, Rs. 3,10,00,000/- is applied out of IPO Premium and balance out of Private Placement premium.

4.2 General Reserve

Opening balance	218235539	161114724
Addition during the year		
Transferred from surplus in statement of P&L	0	57140787
	218235539	218255511
Deduction during the year		
Depreciation adjustment	19972	19972
Appropriations- Bonus issue	20500000	0
Closing balance	197755511	218235539

4.3 Surplus i.e. balance in Statement of Profit and Loss

Opening balance	0	0
Addition during the year	90375589	57140787
Less: Transferred to general reserve	0	57140787
Closing balance	90375589	0
Grand Total (4.1+4.2+4.3)	572854729	244235539

NOTE-5: LONG TERM BORROWINGS**5.1 (a) Terms Loans****From Banks**Secured 41920535 58692312**From Non Banking Finance Companies**Secured 31017928 3135

[All loans are guaranteed by directors as stated in sub-note (a) below]

Detail of nature of security and terms of repayment of term loans^(a)**72938463** **58695447****5.1(b) Other Loans and Advances**

Buyers' credit

Secured 0 125000000

[Guaranteed by directors as in sub-note (a) below]

0 **125000000**Grand Total [(5.1(a)+5(1)(b))] **72938463** **183695447**

Notes to the Financial Statements

for the year ended March 31, 2018

[Amount in Rupees]

Particulars	As at March 31, 2018	As at March 31, 2017
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Sub--Notes

(a) Detail of nature of security and terms of repayment of term loans

Term loans from HDFC bank, ICICI bank and Yes bank, as mentioned above, is secured by hypothecation of Vehicles, Rigs, Mud Pumps, Compressor. commercial vehicles & Excavators funded by them and further secured by personal guarantee of directors Vikas Jain & Piyush Jain. Amounts payable after 12 months of Balance Sheet date, are considered as Long Term and amounts payable with 12 months, have been disclosed as "Current maturities of Long term debt" under the note ' Current liabilities".

Term loans from SREI Equipment Finance Limited and Tata Capital Financial Services Limited, as mentioned above, is secured by hypothecation of Rigs, Logging unit & Misc. assets funded by them and further secured by personal guarantee of directors Vikas Jain & Piyush Jain. Amounts payable after 12 months of Balance Sheet date, are considered as Long Term and amounts payable with 12 months, have been disclosed as "Current maturities of Long term debt" under the note ' Current liabilities".

Term loans of HDFC Bank are repayable in 36, 48 and 60 months, of ICICI bank in 48 months and of Yes bank in 36 months. Term loans of SREI Equipment Finance Limited and Tata Capital Financial Services Limited are repayable in 36 months

(b) There is no continuing default as on balance sheet date in repayment of loans and interest.

NOTE-6: DEFERRED TAX LIABILITIES (NET)

Opening balance	25101273	17393526
Addition during the year	9759148	7707747
Closing balance	<u>34860421</u>	<u>25101273</u>

NOTE-7: OTHER LONG TERM LIABILITIES

Security deposits*	3340680	3340680
	<u>3340680</u>	<u>3340680</u>

* Security deposits received against long term lease of investment property.

NOTE-8: LONG TERM PROVISIONS

Provision for employee benefits*	12272935	4957587
	<u>12272935</u>	<u>4957587</u>

* As per Acturial Valuation

NOTE-9: SHORT TERM BORROWINGS**9.1 Loans repayable on demand****i) From banks****a) Secured**

Cash credit, working capital demand loan and drop line overdraft facility	94743643	131674642
Invoice discounting facility	40000000	40000000

[Guaranteed by directors and collateral owners]

Notes to the Financial Statements

for the year ended March 31, 2018

[Amount in Rupees]

Particulars	As at March 31, 2018	As at March 31, 2017
b) Unsecured		
Credit card dues	7925808	8225000
ii) From other parties		
Unsecured	16465351	71378377
[Guaranteed by directors]		
	159134801	251278019
9.2 Loans and advances from related parties		
Unsecured	151757908	122224795
	151757908	122224795
Grand total (9.1+9.2)	310892709	373502814

a) Nature of security

Cash credit, working capital demand loan, drop line overdraft and bill discounting facilities of HDFC Bank limited is secured by hypothecation of company's entire stock, book debts and other receivables, security deposits and retention money with clients and further secured by personal guarantees of directors Vikas Jain & Piyush Jain and collateral owners and equitable mortgage of immovable properties situated in Gurugram (Haryana) and ranchi (Jharkhand) and 7 (Seven) Rig machines.

(b) There is no default as on balance sheet date in repayment of loans and interest.

NOTE-10: TRADE PAYABLES

For Goods and Services

	66406727	76985027
	66406727	76985027

NOTE-11: OTHER CURRENT LIABILITIES**a) Current Maturities of Long Term Debts**

i) From Banks	28992325	48194276
ii) From NBFCs	19905331	10042789

b) Other Payables

Statutory Dues	20546456	25201491
Joint Venture Capital Advance	0	2500000
Others	6813315	916719
	76257427	86855275

NOTE-12: SHORT TERM PROVISIONS

Provision for employee benefits	15249317	10408337
Provision for income tax	37001888	21732586
Provision for other expenses	691000	0
	52942206	32140923

Notes to the Financial Statements
for the year ended March 31, 2018
NOTE 13: FIXED ASSETS- TANGIBLE

(Amount in Rs.)

SN	Description	Gross Block			Depreciation			Net Block		USEFUL LIFE	
		As on 01.04.2017	Additions	Deductions	As on 31.03.2018	Up to 01.04.2017	For the year	Adj	Up to 31.03.2018		As on 31.03.2018
1	Plant & Machinery										
	(i) General	71304613	9459018	0	80763631	36653243	7288045	3492694	40448594	40315037	34651370
	(ii) Special										
	Drilling Rigs	721760255	11056565	33612279	699204541	244588533	45356173	13716411	276208295	422996246	477191722
2	Furniture & Fittings	6516115	40400	0	6556515	4853160	501560	0	5354720	1201795	1662955
3	Motor Vehicles	40903213	2349163	3108435	40143941	33023049	2826721	2900238	32949532	7194409	7880164
4	Office Equipment	2328939	420381	0	2749320	2035446	290547	0	2325993	423328	293494
5	Computer & Data Processing Units										
	(a) Desktops & laptops	4273586	785910	0	5059496	3695401	493174	0	4188575	870921	578185
	(b) Servers & Networks	1247467	7610	0	1255077	343560	355537	0	699097	555980	903907
6	Electric Installations & Equipments	6336563	129108	0	6465671	4666298	561668	0	5227966	1237705	1670265
	Total	854670751	24248155	36720714	842198192	329838690	57673425	20109343	367402772	474795420	524832061
	Previous Year 2016-2017	622123742	232547009	0	854670751	284347527	45491163	0	329838690	524832061	337796189

Note:-

Drilling Rigs and Motor vehicles are hypothecated as security for the concerned loans.

Notes to the Financial Statements

for the year ended March 31, 2018

[Amount in Rupees]

Particulars	As at March 31, 2018	As at March 31, 2017
NOTE-14: NON CURRENT INVESTMENTS		
14.1 Trade Investments		
Investment in Equity Instruments (Unquoted) In Equity Shares of Subsidiary Companies:-		
i) 55% shares in Pilot Infrastructure Private Limited ^(a) (Carried at cost)	4125000	4125000
ii) 100% shares in South West International DWC LLC ^(b) (Carried at cost)	2858072	2161255
	6983072	6286255
14.2 Other Investments		
Investment Property ^{(c)(d)(e)}	84618103	90693300
Investment in Mutual Funds ^(d)	6500000	2500000
	91118103	93193300
Grand Total (14.1+14.2)	98101175	99479555

NOTE

(a) Pilot Infrastructure Private Limited is Indian Subsidiary with CIN No. U11100DL2013PTC260028 and having registered office in New Delhi.

(b) South West International DWC LLC is Foreign Subsidiary with registration no. 3837, License no. 4215 and having registered office in Dubai, UAE.

(c) Investment properties consist of investment in Commercial Properties to earn rental income

(ca) Investment properties are under Operating lease.

(d) All investment carried at cost except investment property which is carried at cost less accumulated depreciation as per cost model prescribed in Accounting Standard-10 "Property, Plant & Equipment"

Gross Cost	122441833	65462666
Addition during the year	0	56979167
	122441833	122441833
Deductions during the year		
Assets disposed off/Other Adjustments	5980738	0
Depreciation for the year	12055935	18927422
Accumulated depreciation as at beginning of year	31748533	12821111
	84618103	90693300

e) Aggregate Market Value of Mutual Funds as on Balance Sheet Date is Rs. 10904926/-.

f) There are no restrictions on realisability of investments or the remittance of income and proceeds of disposal.

NOTE-15: LONG TERM LOANS & ADVANCES

Security Deposits and Earnest Money (Unsecured, considered good)	7360240	9432919
	7360240	9432919

Notes to the Financial Statements

for the year ended March 31, 2018

[Amount in Rupees]

Particulars	As at March 31, 2018	As at March 31, 2017
NOTE-16: OTHER NON CURRENT ASSETS		
Leasehold Improvements	6965025	7835653
	6965025	7835653
NOTE-17 INVENTORIES		
Stores, Spares & Diesel	246180523	216437177
	246180523	216437177
Inventories are valued at Cost or Market value whichever is lower		
NOTE-18 TRADE RECEIVABLES **		
a) Trade Receivables outstanding for a period exceeding six months from the date they are due for payment (Unsecured, Considered Good)	6890833	2358358
Total of (a)	6890833	2358358
b) Trade Receivables outstanding for a period less than six months from the date they are due for payment (Unsecured, Considered Good)		
i) General	347375378	110386483
ii) Retentions *	36679926	26965320
Total of (b)	384055304	137351803
Grand total (a)+(b)	390946137	139710161

* Retentions are amounts of progress billings which are not paid until the satisfaction of conditions specified in the contract for the payment of such amounts or until defects, if any, have been rectified and are expected to be realised within twelve months after the reporting date.

NOTE-19 CASH AND CASH EQUIVALENTS**19.1 Balances with Banks**

a) In Current Accounts	1271225	470378
b) In Fixed Deposits	23602772	41271563
	24873997	41741941

19.2 Cash on Hand

a) At Corporate Office	415873	497037
b) At Projects	494463	203276
	910336	700313
Grand Total (19.1+19.2)	25784333	42442254

Balances with banks in Fixed Deposits are held as margin money, security against the borrowings, guarantees and other commitments.

Notes to the Financial Statements

for the year ended March 31, 2018

[Amount in Rupees]

Particulars	As at March 31, 2018	As at March 31, 2017
NOTE-20 SHORT TERM LOANS AND ADVANCES		
20.1 Loans		
Staff Loans (Unsecured, considered good)	337129	186909
	337129	186909
20.2 Advances to be Recoverable or Adjustable (Unsecured, considered good)		
i) Advance against Expenses to project sites	302276	419355
ii) Advance to Vendors/ Suppliers	7161547	4127290
iii) Security Deposits and Earnest Money	6717404	0
iv) Prepaid expenses	3092148	1580548
v) Balance with Government Authorities		
a) GST/Cenvat Receivable/Adjustable	3982943	5003774
b) Advance Tax & TDS for current year	25868628	16871430
c) WCT & other taxes Receivable	3394170	4865321
d) Government Grant under PMRPY receivable	59412	0
e) Stay amount with Tax Authorities	1773012	1495000
	52351540	34362717
Grand Total (20.1+20.2)	52688669	34549626
NOTE-21 OTHER CURRENT ASSETS		
i) Foreign Currency Receivables	15873350	0
ii) Other Receivables	1014685	2595159
iii) Misc. Expenditure to be written off	22568740	0
	39456775	2595159

Notes to the financial statements

for the year ended March 31, 2018

[Amount in Rupees]

Particulars	As at March 31, 2018	As at March 31, 2017
NOTE-22 REVENUE FROM OPERATIONS		
22.1 Sale of Products		
Scrap Sales	2024622	4856729
	2024622	4856729
22.2 Sale of Services		
a) Billed Revenue		
Gross Revenue		
From Exploration & Other Services ^(a)	796441955	782701244
Less: Service Tax included in above	26183921	103743669
Less: GST Included in above	92161496	0
Net Revenue	678096538	678957575
b) Unbilled Revenue^(b)		
From Exploration Services		
Gross Revenue	78304969	38351419
Less: Service Tax included in above	0	0
Less: GST Included in above	0	0
Net Revenue	78304969	38351419
Total Revenue From Sale of Services (a)+(b)	756401507	717308994
Total Revenue From Sale of Products & Services (22.1+22.2)	758426128	722165723

(a) Revenue from Exploration & Other Services includes revenue from leasing services amount to Rs. 21919460/- (Net of Taxes Charged). This revenue is related to Long Term Investments (Investment Properties) and amount of income tax deducted at source is included under Advance Taxes paid.

(b) Unbilled Revenue

Work completed but not billed as at end of the reporting period.

NOTE-23 OTHER INCOME**23.1 Interest Income**

Interest on Fixed Deposits	2303519	2265982
Interest on income tax refund	0	302390
	2303519	2568372

Notes to the financial statements
for the year ended March 31, 2018

[Amount in Rupees]

Particulars	As at March 31, 2018	As at March 31, 2017
23.2 Other Non-operating Income		
Discounts and Written offs	1024232	1885285
Net gain on foreign currency transaction & traslation	5343669	1486242
Government Grants under PMRPY	151240	0
Recovery of Bad Debts	10114843	0
Depreciation written back ^(a)	9453462	0
Gain on sale of assets	1972340	0
Misc.Income	700512	645188
	28760298	4016715
Grand Total (23.1+23.2)	31063818	6585087
(a) Depreciation written back as income which arise in the current period as a result of errors or omission in the preparation of the financial statements of prior period.		
NOTE-24 COST OF MATERIAL CONSUMED		
Opening Inventory	216437177	181803729
Add: Purchases & related expenses during the year	240609434	227077373
Less: Closing Inventory	246180523	216437177
	210866088	192443925
NOTE-25 OTHER OPERATING EXPENSES		
Direct Cost incurred in execution of projects (Other Than Employees Benefits Cost)		
Communication Expenses	541055	757966
Hire Charges- Plant & Machinary	23134301	32746825
Repairs- Machines and vehicles	8329318	6981102
Site Preparation, Running & Maintenance Cost	5037801	6890396
Goods & Machines Movement Charges	16199942	14274007
Local Conveyance, Boarding & Lodging Expenses	484049	1770816
Water Charges	590946	579159
Electricity Charges	533954	726385
Work delay charges & Other Deductions	1906908	1385183
Postage & Telegram	92020	251413
Printing & Stationary	263220	331218
Cost of Sub-Contract Work	59564406	35202657
	116677920	101897127
NOTE-26 EMPLOYEES BENEFIT EXPENSES		
Salaries and Allowances	125425112	138492544
Contributions to Provident Fund & Other Funds	9040823	9941120
Defined Benefits Obligations		
a) Leave Encashment	1048463	0
b) Gratuity	2131263	819399
Staff Food & Welfare Expenses	20120300	30916772
	157765961	180169835

Notes to the financial statements
for the year ended March 31, 2018

[Amount in Rupees]

Particulars	As at March 31, 2018	As at March 31, 2017
NOTE-27 FINANCE COST		
Interest & Commitment Charges	54222544	47997970
Other Ancilliary Costs related to borrowings	3503006	3439037
	57725550	51437007
NOTE-28 DEPRECIATION AND AMORTISATION EXPENSES		
Depreciation on assets other than Investment properties	57673425	45491163
Depreciation on Investment properties	12055935	18927422
Amortization of Leasehold Improvements	870628	979456
	70599988	65398041
NOTE-29 OTHER EXPENSES		
Administrative, Selling & Distribution Expenses		
Bank Charges	1053253	503802
Business Development Expenses	1702769	3346023
Communication Expenses	933540	1046842
Electricity & Water Charges	544554	661284
Insurance Charges	3520696	3054530
Interest on Taxes, Demands & Penalties	1480583	4484704
Web Server Hire Charges & Other IT Cost	440000	272600
Legal & Professional Charges	5481735	6476871
Rentals	10319575	5056688
Repair & Maintenance	1447120	2925524
Settlement Cost of Contractual Obligation	0	5502598
Cost of travel & Local Conveyance	7091936	10889204
Expenses Related to Investment Property	512174	503007
Payment to Auditors- Audit Fees	250000	225000
Bad Debts Written Off	115631	2513099
Expenditure on CSR Activities	1242550	924500
Donation	56250	600000
Courier Charges	126001	140925
Printing & Stationary Expenses	430087	519027
Deferred Revenue Expenditure Written off	682983	0
Directors' Fees	100000	0
Miscellaneous Expenses	1186377	1177526
	38717815	50823755
NOTE-30 CURRENT TAX		
Tax liability for current reporting period	37001888	21732586
	37001888	21732586
NOTE-31 DEFERRED TAX		
Deferred Tax Provision	9759148	7707747
	9759148	7707747

Notes to the financial statements
for the year ended March 31, 2018

[Amount in Rupees]

Particulars	As at March 31, 2018	As at March 31, 2017
NOTE-32 EARNING PER SHARE		
Net Profit After Tax As Per Profit and Loss	90375589	57140787
Statement attributable to Equity Shareholders		
Weighted Average Number of Equity Shares Used as Denominator for calculating EPS ^(a)	9839386	9300000
Basic Earning Per Share	9.19	6.14
Diluted Earning Per Share	9.19	6.14
Face Value Per Equity Share (In Rs.)	10	10

Note:-

(a) In case of a bonus issue , 4650000 equity shares have been issued to existing shareholders for no additional consideration and due to this, the number of equity shares outstanding have been increased without an increase in resources. Therefore, while calculating weighted average number of equity shares, the number of equity shares outstanding before the event is adjusted for the proportionate change in the number of equity shares outstanding as if the event had occurred at the beginning of the earliest period reported (As per Accounting Standard-20 "Earnings Per Share")

NOTE-33 CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)

33.1 Contingent Liabilities**i) Guarantees**

Bank gaurantees	120841109	111924244
Corporate Gaurantee for subsidiary	16681061	22569930

iii) Other money for which the company is contingently liable:-

Letter of Credits	847220	66591357
Income Tax	7846180	7846180
VAT/WCT	2367419	2645431

33.2 Commitments**i) Uncalled liability on shares and other investments partly paid**

Investment in Carpediem Capital Partners Fund (Total Capital Commitment Rs.10000000)	3500000	7500000
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NOTE-34 VALUE OF IMPORTS CALCULATED ON C.I.F BASIS DURING THE FINANCIAL YEAR IN RESPECT OF:-

I. Components and spare parts	10066144	25581797
II. Capital goods	5717725	156411585
	15783870	181993382

Notes to the financial statements
for the year ended March 31, 2018

[Amount in Rupees]

Particulars	As at March 31, 2018	As at March 31, 2017
NOTE-35 EXPENDITURE IN FOREIGN CURRENCY DURING THE FINANCIAL YEAR ON ACCOUNT OF ROYALTY, KNOW-HOW, PROFESSIONAL AND CONSULTATION FEES, INTEREST, AND OTHER MATTERS		
Import	15783870	181993382
Foreign travel expenses	1953350	4604018
Legal and professional charges	0	168999
	17737220	186766399
NOTE-36 EARNINGS IN FOREIGN EXCHANGE		
Export of machinery calculated on F.O.B. basis	21638400	0
	21638400	0

Note- 37: The specified disclosures for non cancellable Operating Leases as required by Accounting Standard 19 – “Leases” are given below:-

Disclosures in respect of agreement for Office premises taken on lease:

(i) Lease Payments recognized in the Profit and

Loss Account in the year

5460000

5460000

(ii) Future Minimum lease payments under non cancellable operating lease:

a) Not later than one year

5809938

5460000

b) Later than one year but not later than five years

26166337

24880315

c) Later than Five year

11235270

18331230

Note-38 Segment Reporting

Segment reporting is not applicable on the company as there are no business segment or geographical segment as defined in clause 5.1 & 5.2 of the Accounting Standard - 17 "Segment Reporting" issued by ICAI & notified under Companies Act, 2013.

Note-39

In compliance of Accounting Standard 22 on “Accounting for taxes on Income” issued by Institute of Chartered Accountants of India, company has provided accumulated net deferred tax liability in respect of timing difference as on 31st March, 2018. The item-wise details of deferred tax liability as on 31.03.2018 are as under:-

Difference between book and tax difference as on 1st April

25101273

17393526

Add: Deferred Tax Liability

On account of Depreciation

9759148

7707747

Difference between book and tax difference as on 31st March

34860421

25101273

Notes to the Financial Statements

for the year ended March 31, 2018

Note 40: As per Accounting Standard - 18, the disclosures of transactions with the related parties as defined in the Accounting Standard are given below:-**(I) List of related parties where control exists and related parties, with whom transactions have taken place and relationships**

Subsidiary company	South West International DWC-LLC , Dubai Pilot Infrastructure Private Limited
Enterprises significantly influenced by KMP or RKMP	Thakurji Towers Pvt Ltd Alara Resources Ltd- Australia Trilok Tirth Media Private Limited Zanskar Advisor Pvt Ltd Alsan Buildcon Pvt Ltd Pramuk Builders Pvt Ltd Advac Projects Pvt Ltd Advac Pvt Ltd Katihar Flour Mills P Ltd Chandra Prabhu International Limited Gajraj Jain HUF Vikas Jain HUF Piyush Jain HUF
Key Management Personnel	Vikas Jain Piyush Jain Dinesh Agarwal Arjun Sharma
Relative of Key Management Personnel (RKMP)	Gajraj Jain Hemlata Jain Ruchi Jain Rachna Jain Kasvi Jain Akash Jain Abhash Jain

Notes to the Financial Statements
for the year ended March 31, 2018

(ii) Transactions during the financial year 2016-17 with the related parties are shown below: (Amount in Rupees)

Nature of Transactions	Subsidiaries	Enterprises significantly influenced by KMP or RKMP	Key Management Personnel	Relative of Key Management Personnel (RKMP)
Salary			15066753	
Interest on Unsecured Loans			3396087	4488777
Balances at Year End				
Rent Payable		231562 (PY: Rs. 281562)		
Unsecured Loans			74496558	77261350
Investments at year end	6983072 (PY: Rs. 6286255)		(PY: Rs.44353344)	(PY: Rs.77841451)

Notes to the financial statements
for the year ended March 31, 2018

[Amount in Rupees]

Particulars	As at March 31, 2018	As at March 31, 2017
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The previous year figures have been accordingly regrouped/ re-classified to conform to the current year's classification

SIGNATURE TO NOTES '1' TO '40'

As per our report of even date attached
For Pradeep Kumar Goyal & Associates
Chartered Accountants
Firm Regn. No. : 031270N

For South West Pinnacle Exploration Limited

Pradeep Goyal
Proprietor
Membership No. 096865

Vikas Jain
{Chairman & Managing Director}
DIN : 00049217

Piyush Jain
{Jt. Managing Director}
DIN : 00049319

Dinesh Agarwal
{Chief Financial Officer}

Arjun Sharma
{Company Secretary}

Place: Gurugram
Date: May 23, 2018

PROXY FORM

SOUTH WEST PINNACLE EXPLORATION LTD

CIN : U13203HR2006PLC049480

Regd. Office : Siddhartha House, 4th Floor, Plot No. 6, Sector-44, Gurugram-122003 (HR)

Tel.: +91-11-124-4235400 | E-mail : secretarial@southwestpinnacle.com

Website : www.southwestpinnacle.com

12th ANNUAL GENERAL MEETING

Friday, 14th September , 2018

[Pursuant to section 105(6) of Companies Act, 2013 and rule 19(3) of the Companies Management and Administration) Rule, 2014]

Name of the Member(s) : _____

Registered Address : _____

E-mail Id : _____

Folio No/DP ID-Client ID : _____

I/ We being the Member(s), holding _____ of the above named company, hereby appoint :

1	Name : Address : E-mail :	Signature
2	Name : Address : E-mail :	Signature
3	Name : Address : E-mail :	Signature

As my /our Proxy to attend and vote (on a poll) for me/us and on my/our behalf at the **12th Annual General Meeting** to be held on **Friday, 14th day of September, 2018** at **2.30 p.m.** at **The Palms Town & Country Club, B-Block, Sushant Lok, Phase-1, Gurugram-122001(Haryana)**

Ordinary Business :

1. **Adoption of Financial Statements for the year ended 31.03.2018.**
2. **Re-appointment of Mr. Roger James Lord who retires by rotation.**

Signed this _____ day of _____, 2018

(Signature of the Shareholder)

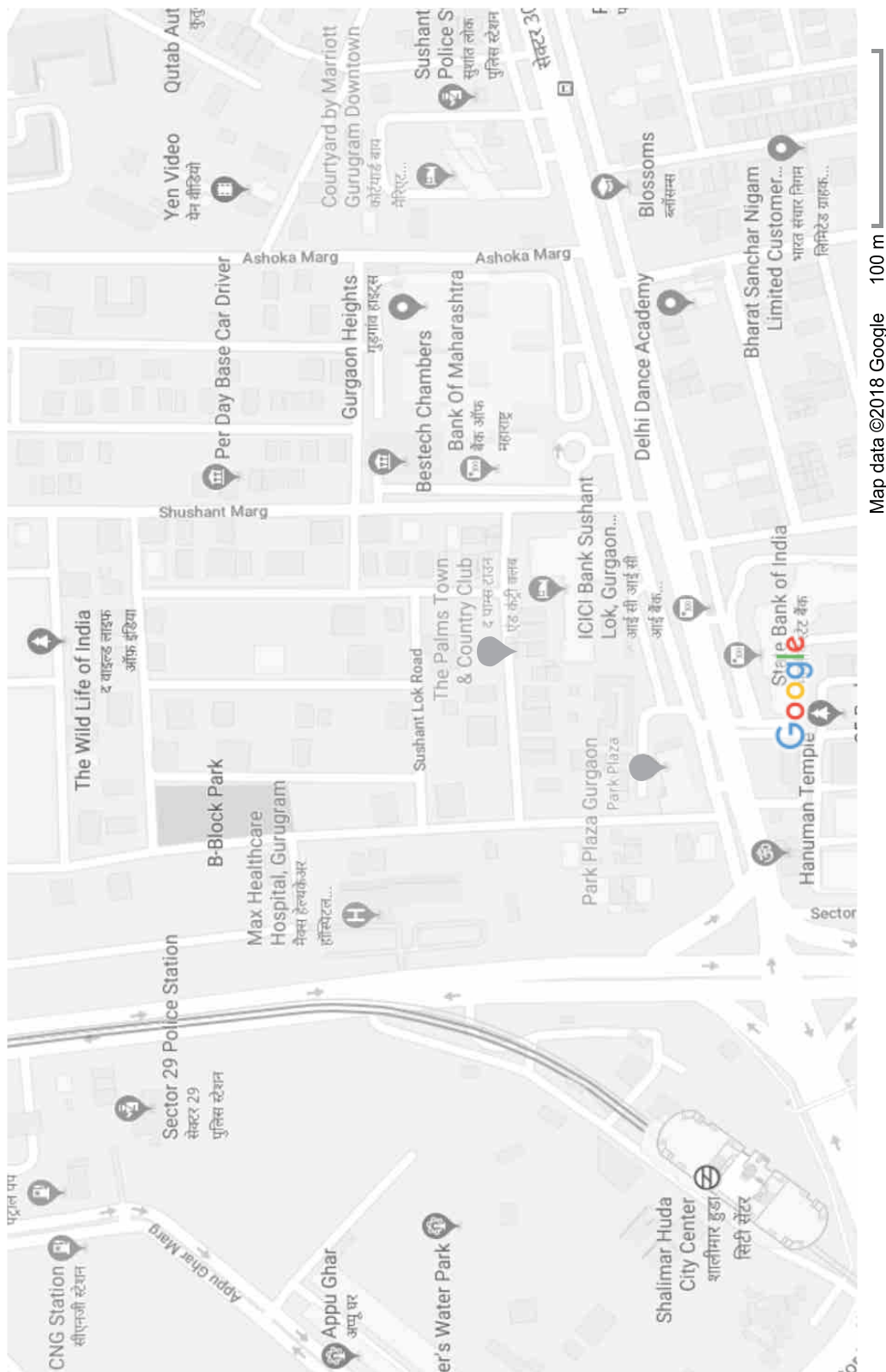
Affix
Revenue
Stamp

Sign Across Revenue Stamp

(Signature of the First Proxy Holder) (Signature of the Second Proxy Holder) (Signature of the Third Proxy Holder)

Note : (i) The Proxy need not be member. (ii) The Proxy form duly completed should be deposited at the Registered Office of the Company at Delhi not later than 48 hours before the time of the meeting.

**Route Map of the Venue of 12th Annual General Meeting (AGM) of
M/s South West Pinnacle Exploration Limited**



Map data ©2018 Google 100 m

“EXPLORATION
IS AN
OPPORTUNITY
WE MAKE IT A
REALITY”

SOUTH WEST PINNACLE EXPLORATION LTD.

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WEBSITE : www.southwestpinnacle.com