



South West Pinnacle Exploration Ltd
(Formerly known as South West Pinnacle Exploration Pvt Ltd)
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Date: 14.11.2022

To,

Manager,
Listing Department,
National Stock Exchange of India Limited
Exchange Plaza, Bandra Kurla Complex,
Bandra (East), Mumbai-400051

Symbol: SOUTHWEST

Subject: Updated Investor's Presentation

Dear Sir/Madam,

Please find enclosed herewith copy of updated Investor's Presentation with Q2 & H1 results of FY 2022-23.

This is for your information and record.

Thanking you,
Yours faithfully,

For South West Pinnacle Exploration Limited

Vaishali
Company Secretary & Compliance Officer



Q2 & H1 FY23 Investor Presentation

November 2022



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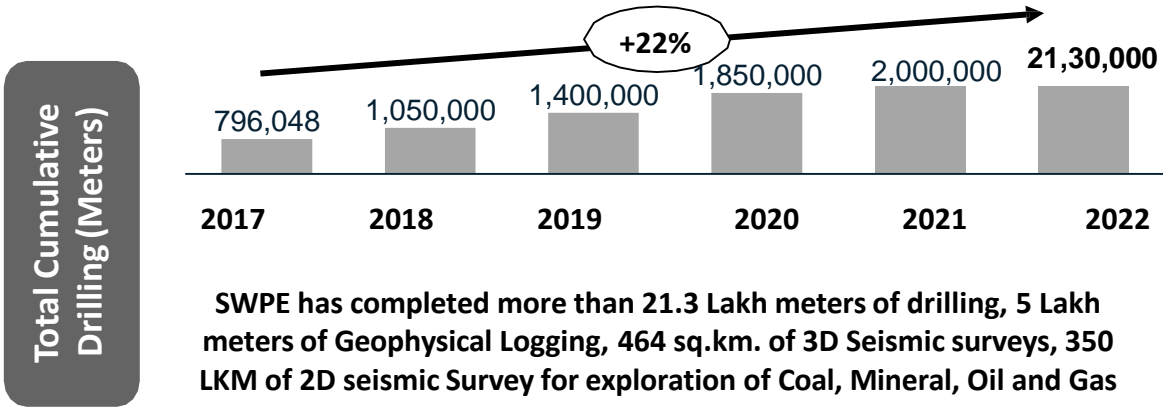
02 Company Overview



About Us

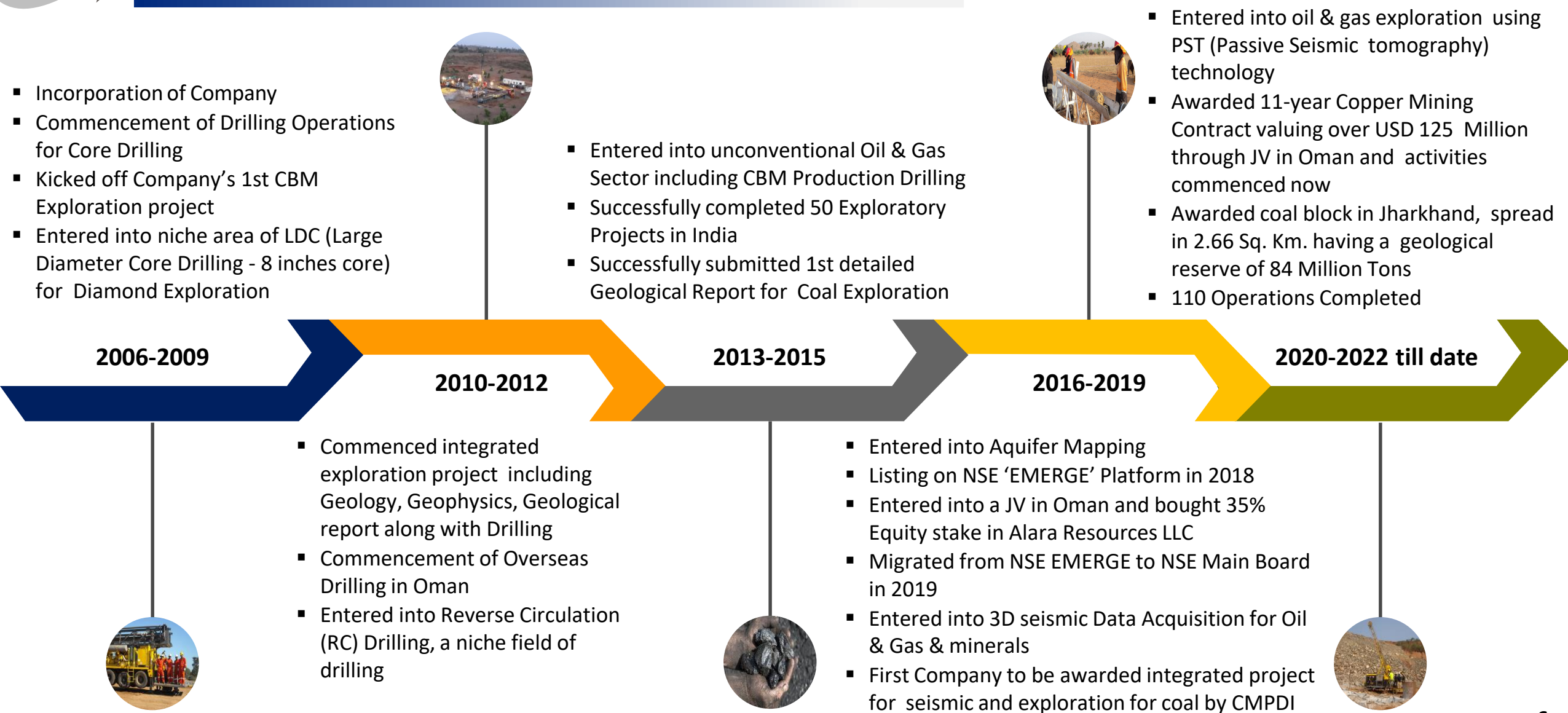
- **Integrated Service Provider** offering end-to-end Drilling & exploration of Natural resources (Coal, Ferrous, Non-Ferrous & Atomic Minerals and Conventional & Un-conventional Oil & Gas)
- **Successfully Completed over 110 projects** during 15 years journey since inception for all leading Government & Private Organizations
- **Owns 38 Top drive Hydro static Drillings Rigs** with state-of-the-art technology with capacities to drill up to a depth of **2,500 meters in all domains**
- SWPE possesses **three 2D/3D Digital Seismic Recording systems** having 8,500 channels, supported with 7 Vibriosis to conduct Land Seismic surveys for Coal, Oil & Gas
- Owns **three latest generation Geophysical logging units, DGPS & total stations** for land survey and software's for processing and interpretation of Geological and geophysical data
- SWPE has an experienced **team of dedicated professionals** to look after key areas of business and dynamic workforce capable of efficient project deliveries & execution
- Company presently has **16 running projects** in various geographical locations across India

Services Offered			
Oil & Gas Exploration Using Passive Seismic Tomography	Aquifer Mapping Services	Coal & Mineral Exploration Services	Geological & Geophysical Services
RC Drilling Services	2D/3D SEISMIC For Coal Exploration Services	2D/3D SEISMIC For Oil & Gas Exploration Services	CBM Exploration Services





Journey So Far





Strong & Experienced Management



Mr. Vikas Jain

Promoter, MD & Chairman

- Guiding force behind strategic decisions backed by industry experienced professionals to run business
- Over 15 years of experience in exploration and Mining sector
- Responsible for business development, finance, formulation of overall strategy for growth, future prospects and client relationships besides administrative affairs
- Completed MBA from Johnson & Wales University, USA



Mr. Piyush Jain

Co-Promoter & Joint Managing Director

- Has over 12 years of experience in exploration and mining sector
- Spearheads operational responsibilities, procurement, HSE, and Business Development of Company
- Completed Masters in Management & Entrepreneurship from Nottingham Trent University, UK



Strong & Experienced Management

Mr. Roger James Lord Director

- Aged 73 years, Director of Company since 2010
- Started career in Drilling Industry in Australia and has rich experience of over 4 decades
- Associated with Company since inception
- Registered NSW Driller issued with Class License 6 by Water Regulation Officer, Australia

Mr. Rajendra Prasad Ritolia Independent Director

- Aged 72 years, holds Post Graduation in Mining from Leoben, Austria (under UNO scholarship) & post-graduation diploma in Management from AIMA
- Ex- Chairman-cum-Managing Director of Central Coalfields Ltd, Ranchi, and advisor (Coal) to Managing Director, Tata Steel Ltd

Mr. Jitendra Kumar Mishra Independent Director

- Aged 50 years, qualified Chartered Accountant (CA), Certified Forensic Accounting & Fraud Detection Auditor (FAFD) & Cost & Management Accountant (CMA)
- Over 22 years of experience in various Finance & Accounts roles
- Vast experience in the field of Finance, Business Planning & Restructuring, Budgeting, Taxation, and Risk Management

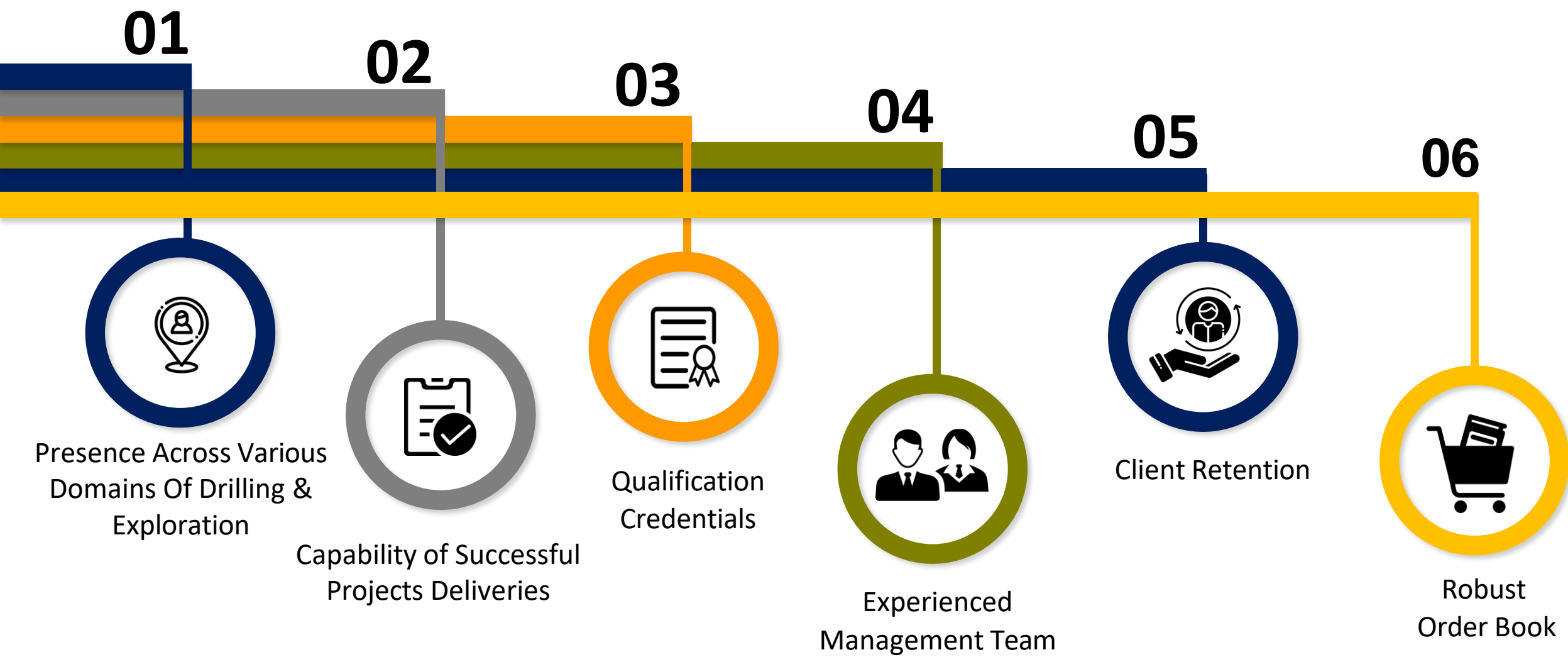
Mrs. Sudha Maheshwari Independent Director

- Aged 40 years, Completed Graduation and post-graduation in Economics from St. Xavier's, Mumbai & University of Warwick, U.K.
- MBA in Marketing from Warwick Business School
- Over 12 years of experience in business strategy, marketing & Communications
- A communications expert, Founder & CEO at Wordswork (a unit of B.R.M Management & Consultancy) & provides marketing advisory, content & digital marketing solutions

Well-experienced team of dedicated professionals to look after key areas of business; Respective business/division heads are ably supported by young & energetic strong force of over **550 employees** with well-defined roles & responsibilities



Key Strengths





03 Business Overview





Business Overview

COAL & MINERAL DRILLING SERVICES

SWPE offers Core Drilling, Large Diameter Core Drilling & non-core drilling through RC (Reverse Circulation), DTH (Down –the- Hole) & Mud Rotary technologies.

SWPE has completed over 20 Lac Meters of drilling through above mentioned technologies till date.

2D/3D SEISMIC EXPLORATION

SWPE has knowledge & ability to handle any challenges involved with Land 2D/3D seismic exploration, Coal ,Oil & Gas

Supplies seismic solutions covering

- 2D/3D LAND SEISMIC DATA ACQUISITION
- 2D/3D LAND SEISMIC DATA PROCESSING

GEOLOGICAL & GEOPHYSICAL SERVICES

SWPE has strong Geological & Geophysical Services Division with team of 15 experienced Geoscientists

Capable of providing on-site integrated exploration services, both for coal & other mineral resources like – Limestone, Atomic Minerals, etc.

MINING SERVICES

SWPE is equipped to provide Mining Services for Coal including OB, Ferrous and Non- ferrous minerals

Company has Copper/Gold Mining Services through JV in Oman

CBM EXPLORATION SERVICES

Leading CBM exploratory drilling service provider in country; Provided services to prominent customers like – Reliance Industries, Oil India, Dart Energy

Completed over 60 CBM core wells to date - highest in the country. SWPE has fleet of 2 CBM Exploratory Drill Rigs that are capable of drilling up to 2,000 m depth

CBM PRODUCTION SERVICES

SWPE has drilled 184 CBM Production wells up to 1,200 m depths, for its customer – Reliance Industries

Company has two CBM Production Drilling Rigs capable of drilling up to 1,500 m depths

GEOHERMAL AND SHALE GAS EXPLORATION

SWPE is one of leading companies to drill four wells each for Shale Gas & Geothermal Exploration respectively

Development of Geothermal Energy is present day focus area for our Government

AQUIFER MAPPING

SWPE aims to identify & map aquifers across India to quantify available groundwater resources, and propose plans appropriate to scale of demand and aquifer characteristics

Equipped with multiple disciplines & scientific approaches including remote sensing, hydrogeology, geophysics, hydrochemistry, drilling, groundwater modelling, and management for providing time bound & cost effective services for completion of Aquifer mapping studies



Opportunities

Drilling and Exploration of Coal

- Large number of unexplored mines of coal, iron ore and bauxite in India present considerable opportunities for future discoveries of sub-surface deposits
- Availability of large coal reserve in India and Government's thrust to enhance production

Oil & Gas Exploration

- Govt has adopted several policies to address rising oil demand
- 100% FDI in many segments of this sector
- OLAP announced by Govt. to reduce country's dependence on imports
- Govt. recently launched OLAP Bid for International Competitive Bidding – total 21 Blocks are on offer



Drilling and Exploration of Non-coal Minerals

- Over 500 non-coal mineral blocks, partially or minimally explored under current leases, are now up for grabs through competitive bidding
- Re-allocation of several non-producing blocks of state-run companies, is giving lot of enthuse to private players as many of these blocks have abundant proven resources
- Captive leases are allowed to sell the minerals in open market as per new provisions

Unconventional Sources of Energy

- Abundant unconventional sources of energy in India, most of them unexplored – opening many opportunities in this area
- These unconventional sources of energy mainly include
 - ✓ Geothermal Power
 - ✓ Shale Gas
 - ✓ Coal bed Methane (CBM)



Opportunities

Exploration & Mining Opportunities In Oman & Middle East

- Oman Government looking to diversify & reduce dependence on oil revenue and to create jobs for Omani nationals – growth is anticipated in mining sector following discovery of significant reserves of minerals including gold & copper
- SWPE entered into JV with renowned Australian Exploration & Mining company, Alara, in Oman, & started operations in 2018 through this JV

Coal Block for Commercial Mining

- GoI recently made an announcement regarding opening up of coal blocks for commercial coal mining by private players
- Participated & won such coal block namely Jogeshwar and Khas Jogeshwari in Jharkhand through forward auction
- Process of mine development is underway – this has great potential & opens up immense opportunity for Company's growth



Infrastructure Projects

- Infrastructure sector a key driver for Indian economy. With Government's impetus to create infrastructure, demand for steel & cement to increase, which will help create opportunities for exploration & mining

Aquifer Mapping & Hydro Geological Services

- Rising focus on “aquifer management” due to importance of groundwater – Central Ground Water Board (CGWB) has taken up National Project on Aquifer Management to formulate sustainable aquifer management plan
- CGWB launched aquifer mapping projects across India. Company expects to benefit from this & get more projects in future
- Recent ‘Nal se Jal’ initiative of Government in rural India also opening up new opportunities



Operations in Oman

SWPEL entered into **JV Agreement with Alara Resources**, a well known Australian exploration & mining company in 2018

JV has been awarded an
11 year
copper mining contract

Started Mining operations
in
February 2022

\$125 mn.
Contract Value over 11
years

Rationale

- Oman is the **second largest country** after Saudi Arabia in Gulf Cooperation Council region with **huge resources of copper, Gold, Silver, Chromite, Lead, Nickel, Manganese and Zinc**. These reserves are highly undeveloped due to preference for oil sector growth
- In 2014 Omani Government decided **to diversify & reduce dependence on oil reserves & created public authority under Ministry of Commerce and Industry named Mining Development Oman (MDO)** to regulate & expand mining activities, & to strengthen private sector involvement & investment in this sector
- The move would also **generate employment opportunities for Omani nationals**



Mr. Vikas Jain CMD, SWPE (Standing 4th from right) along with Alara Resources LLC team at the commencement of Copper Mining Operations in Oman.



Coal Block Acquisition

Govt. Impetus On Coal Production

- Government of India recently **allowed commercial coal mining by private players** to cater to ever-increasing coal demand in India
- Private players now **free to sell coal in open market after winning coal block** by going through auction process
- Government is **putting more & more coal blocks for auction regularly** for faster development of mines by private players to accelerate coal production
- Government of India has **targeted to accelerate pace of coal production so as to reach 1 billion ton level by 2024**
- Ministry of Coal has **reengineered & simplified Mining plan preparation & approval process** & is facilitating private players by providing single window clearance besides other industry-friendly measures to attract investment in this sector
- Company's decision **to enter into coal mining is considering above industry-friendly decisions taken by the Government**

SWPE recently won a commercial coal block for commercial coal mining in the state of Jharkhand

Total Geological block area - 2.66 Sq. Km.

Est. Geo reserves
84 MT

Grade of the coal
Block: W-IV



Process for clearances and Mine development activities has commenced

Planned to start coal production within next 30 months



Marquee Clients

South West
Pinnacle



Odisha Mining Corporation Limited
(A GOLD CATEGORY STATE PSU)



DE BEERS





Various Projects Handled



**CBM Production Drilling At Sohagpur,
MP For Reliance Industries**



**CBM Production Drilling for Reliance
Industries – completion of 100 wells**



**CBM Exploratory Drilling at Satpura,
MP for Dart Energy**



**Large Diameter Kimberlite core (8") for Rio
Tinto at Bunder, MP – Drilled by BLY LF230
upto a depth of 352 Meters. Largest coring
done in India till date**



Iron and Manganese ore



**Detailed Exploration for Coal at Raham
Coal Block for CMPDI**



**Core drilling for Chromite for Tata
Steel Limited**



**3D Seismic Project of OIL India Limited
in Bikaner Rajasthan**



CSR Activities



Environment Protection

- Participated in massive plantation drive organized by social organization and planted sizeable number of plants in and around Gurugram



Public Health

- SWPE contributed fully equipped ambulances to hospital in Gurugram during 2nd wave of COVID
- Contributed to Sant Parmanand Hospital Delhi for free Cataract operations of underprivileged section of society



Education

- Company supports meritorious children of society who cannot afford to pursue higher studies and bear their education expenses



Community Development

- SWPE contributed significantly towards marriages of girls whose parents' financial background is not sound enough
- Undertakes various community development projects wherever it has projects on a PAN-India basis, involving local citizens



03 Industry Overview





Coal as an Energy Source

India has estimated geological coal reserves of 344 Billion Tons

Total coal production in India at present is around 729 Million Tons per Annum

Coal continues to be biggest energy source – over 70% of power generation comes from coal-based plants presently

Coal is preferred source of energy due to its' abundant availability & affordability

By 2029-30, total installed capacity of power generation is estimated to be more than double

Coal supports many non-power industries as well viz. Cement, Fertilizer, Sponge Iron, Aluminum & host of other industries in organized & unorganized sector

Present Market Scenario of Coal

There is a **gap in demand and supply of coal globally**, affecting power generation by thermal plants

China facing severe power problems due to shortage of coal, making **coal prices skyrocket**

To accelerate coal production, **Ministry of coal set up committee to review/benchmark timelines in execution of coal Mining projects** including tendering process

Government of India has **targeted to enhance coal production by 25% to 30% in three years**

Government of India **putting all-out efforts to enhance coal supplies & carrying out various policy changes**



04

Financial Highlights





Consolidated Statement of Profit & Loss

Particulars (in Rs. Crore)	Q2 FY23	Q2 FY22	Y-o-Y
Total Revenue	24.85	27.95	(11.12%)
Cost of Materials Consumed	10.41	5.75	
Employee Cost	4.52	4.68	
Other Expenses	5.97	11.90	
EBITDA	3.95	5.64	(29.97%)
EBITDA Margin	15.88%	20.16%	(428 bps)
Other Income	2.03	0.88	
Depreciation	1.78	1.83	
EBIT	4.20	4.69	(10.41%)
Finance Cost	1.36	1.21	
Share of Profit from JVs	-0.09	0.08	
Profit before Tax	2.93	3.40	(13.66%)
Tax	0.67	1.11	
PAT	2.26	2.28	(1.03%)
PAT Margin	9.08%	8.16%	92 bps
EPS (in Rs.)	0.81	0.82	(1.22%)



Consolidated Balance Sheet Statement

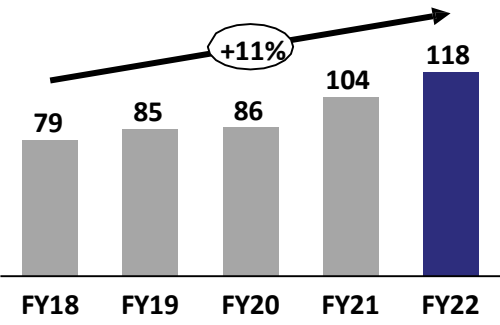
ASSETS (Rs. Crs.)	Sep-22	Mar-22
Property, plant & Equipment	57.51	50.20
Intangible Assets under Development	5.84	4.29
Right of Use assets	2.05	2.18
Goodwill	0.11	0.11
Investment Property	3.66	3.84
FA – Investments	2.56	2.43
FA - Other FA	3.52	5.43
Deferred Tax Assets	0.00	0.00
Other Non-Current Assets	2.71	3.04
Total Non Current Assets	77.98	71.51
FA - Trade Receivables	60.36	66.68
FA - Cash & cash equivalents	0.29	2.97
FA - Bank balances	8.83	4.67
FA - Other Financial Assets	1.47	1.91
Other Current Assets	12.68	6.37
Current Tax Assets	0.00	0.02
Inventories	39.59	35.09
Loan	0.33	0.00
Total Current Assets	123.57	117.71
Total Assets	201.55	189.22

EQUITY AND LIABILITIES (Rs. Crs.)	Sep-22	Mar-22
Shareholders Funds	108.69	104.93
Share Capital	27.90	27.90
Other Equity	80.79	77.03
Non Controlling Interest	0.00	0.00
Non Current Liabilities	22.01	20.47
Long Term Borrowings	14.84	13.43
Lease Liability	2.03	2.10
Provisions	0.42	0.39
Other Financial Liabilities	0.04	0.04
Deferred tax liabilities	4.45	4.27
Other non-current liabilities	0.23	0.23
Current Liabilities	70.84	63.81
Short term Borrowings	48.59	35.35
Trade Payables	14.75	19.65
Other Financial Liabilities	4.26	5.46
Lease Liability	0.15	0.14
Other Current Liabilities	0.52	0.67
Short term Provisions	1.05	1.02
Current Tax Liability (Net)	1.53	1.53
Total Equity & Liabilities	201.55	189.22

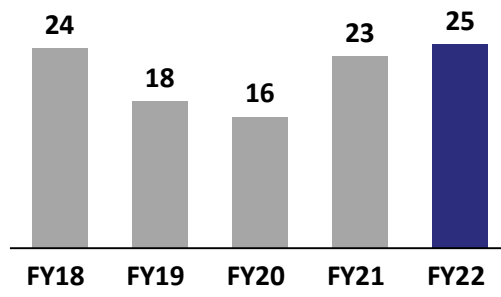


Historical Consolidated Performance Highlights

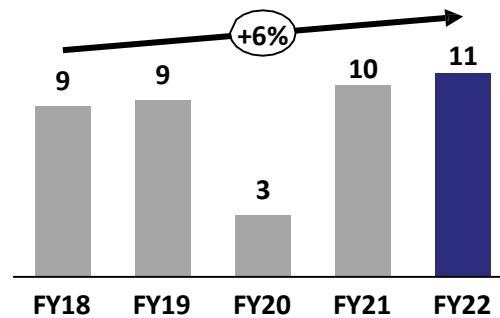
Revenue (Rs. Crs.)



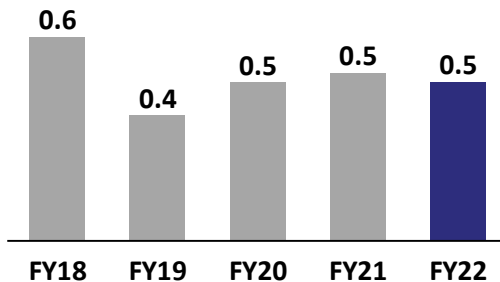
EBITDA (Rs. Crs.)



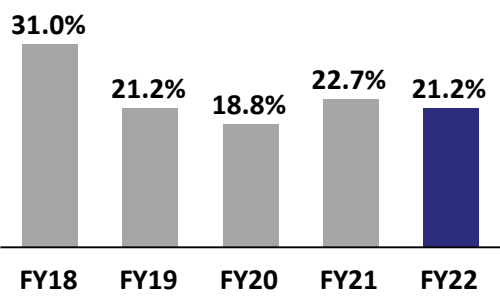
PAT (Rs. Crs.)



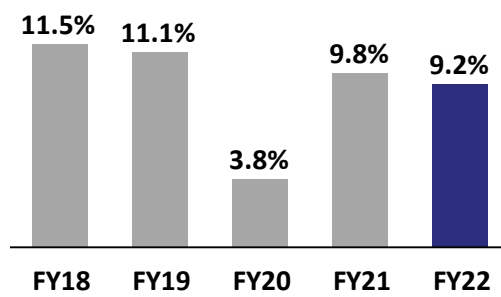
Debt to Equity



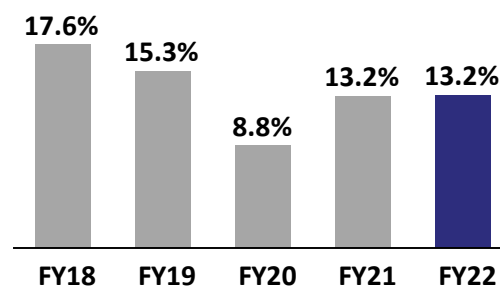
EBITDA Margin (%)



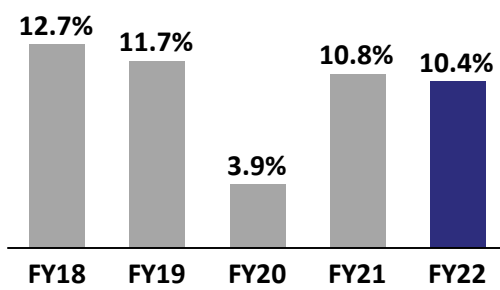
PAT Margin (%)



RoCE (%)



RoE (%)





05
Way Ahead



Way Ahead

Full-fledged Exploration Service Company

- Capitalize on being only full-fledged exploration service company in India having expertise, manpower, resources & equipments providing end-to-end drilling, exploration & allied services
- Expect our core exploration service business to continue to grow at ~20-25% per annum over near to medium term. Strive to be **preferred choice of exploration service contractors for marquee clients**

Niche Capabilities

- Utilize our capability of maneuvering our bouquet of exploration services across minerals, oil & gas, geothermal energy, 2D/3D seismic study & aquifer mapping according to market cycles & needs

Robust Asset Utilization

- Company has multi-purpose rigs which can be used for exploration across various applications & domains for different types of minerals. Thus, we have robust asset utilization irrespective of the industry cycle

Next level of growth

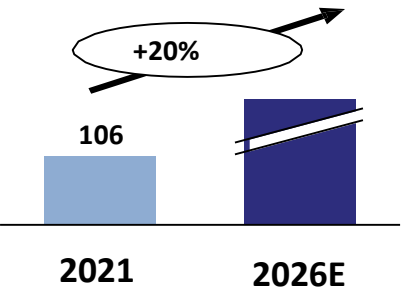
- With strong balance sheet, Company is entering into mining business as next phase of expansion that is expected to give over 2-3x growth in top line & significant margin improvement.
- Gradual capex over 5-7 years – mainly financed by mix of internal accruals & debt



Way Ahead

Exploration, Infrastructure & Allied Services

Growth in core exploration service business expected to continue at ~20% P.A over near & medium term



- Order book position as in Nov' 22 - Rs. 245 Cr

EBITDA Margins in the range of **20% - 22%**

Coal Block Acquisition

Mine development activities started. **Plans to start coal production in by FY 2024-25**

Total Capex estimated is **~Rs. 240 crores upto production**

- Company would require Rs. 240 crores* as capex upto commencement of coal production towards payment to Government Agencies (upfront fee etc.) land acquisition, equipment & other infra development.
- To be funded through debt, internal accruals and receipts against Off-take agreements or any other mode of funding as per market scenario at the time of fund raising

Post that, capex would be funded through internal accruals from coal business only

Revenues to kick in from FY2025. Expect **~Rs. 700 – 800 crores** of revenue from FY25-FY27

EBITDA Margins in the range of **40% - 42%**

Operations in Oman

Awarded an **11 year** copper mining contract of **USD 125 mn.**

(~Rs. 1015 crores)

Net Margin in the range of **5% - 6%** with assured yearly profit of **Rs. 2-3 crores**

**Out of Rs. 243 crores, Rs. 72 crores approx. payable as upfront fee shall be adjustable against future payments to Governments by way of Royalty & Revenue share, thus leaving effective capex of Rs. 171 crores only*



Thank You

Company :

South West Pinnacle Exploration Ltd.

CIN: L13203HR2006PLC049480

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