



South West Pinnacle Exploration Ltd
(Formerly known as South West Pinnacle Exploration Pvt Ltd)
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Date: February 13, 2023

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 Q3 & Nine months 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



South West Pinnacle

Q3 & 9M FY23 Investor Presentation

February 2023





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Company Overview





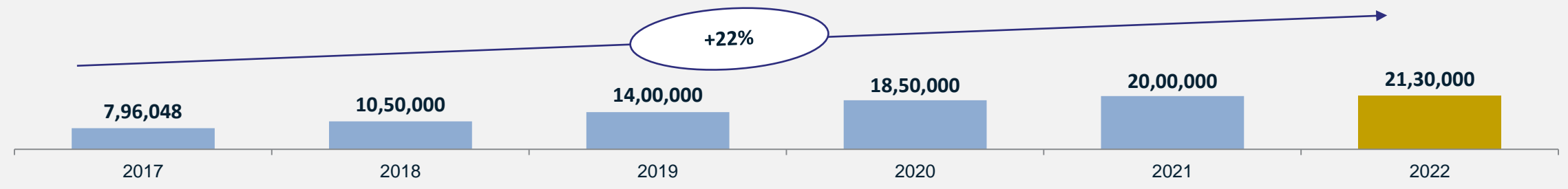
About Us

- **Integrated Service Provider** offering end-to-end Drilling & exploration of Natural resources (Coal, Ferrous, Non-Ferrous & Atomic Minerals & Conventional & Un-conventional Oil & Gas)
- **Completed 110+ projects** over last 15 years, both Government & Private
- **16 running projects** across India
- **Owns best-in-class Infrastructure:**
 - Owns **38 state-of-the-art Top drive Hydro static Drillings Rigs** with capability to drill up to depth of 2,500 meters in all domains
 - **Three 2D/3D Digital Seismic Recording systems** with 8,500 channels and 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 for processing & interpreting Geological & geophysical data
- **Experienced & dedicated team of professionals** to drive key areas of business & dynamic workforce for efficient deliveries & execution

Services Offered



Total Cumulative Drilling (Meters)



SWPE completed 21.3+ Lakh meters of drilling, 5 Lakh meters of Geophysical Logging, 464 sq.km. of 3D Seismic surveys, 350 LKM of 2D seismic Survey for exploration of Coal, Minerals, Oil & Gas



Journey So Far

- Incorporation of Company
- Commencement of Drilling Operations for Core Drilling
- Kicked off 1st CBM Exploration project
- Entered into niche area of LDC (Large Diameter Core Drilling - 8 inches core) for Diamond Exploration



- Entered into unconventional Oil & Gas Sector including CBM Production Drilling
- Successfully completed 50 Exploratory Projects in India
- Successfully submitted 1st detailed Geological Report for Coal Exploration



- Entered into oil & gas exploration using PST (Passive Seismic tomography) technology
- Awarded 11-year Copper Mining Contract worth USD 125 Mn through JV in Oman; activities commenced therein
- Awarded coal block in Jharkhand, spread in 2.66 Sq. Km. with geological reserve of 84 Mn Tons
- 110 Operations Completed

2006-2009

2010-2012

2013-2015

2016-2019

2020 till date

- Commenced integrated exploration project including Geology, Geophysics, Geological report along with Drilling
- Commencement of Overseas Drilling in Oman
- Entered into Reverse Circulation (RC) Drilling, a niche field of drilling



- Entered into Aquifer Mapping
- Listing on NSE 'EMERGE' Platform in 2018
- Entered into JV in Oman & bought 35% Equity stake in Alara Resources LLC
- Migrated from NSE EMERGE to NSE Main Board in 2019
- Entered into 3D seismic Data Acquisition for Oil, Gas & minerals
- First Company to win integrated project for seismic & exploration for coal from CMPDI





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 experience in exploration & Mining sector
- Responsible for business development, finance, formulating overall strategy for growth, future prospects & client relationships, besides administrative affairs
- Completed MBA from Johnson & Wales University, USA



Mr. Piyush Jain
Co-Promoter & Joint Managing Director

- Over 12 years experience in exploration & 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 experience in various Finance & Accounts roles
- Vast experience in fields of Finance, Business Planning & Restructuring, Budgeting, Taxation, and Risk Management

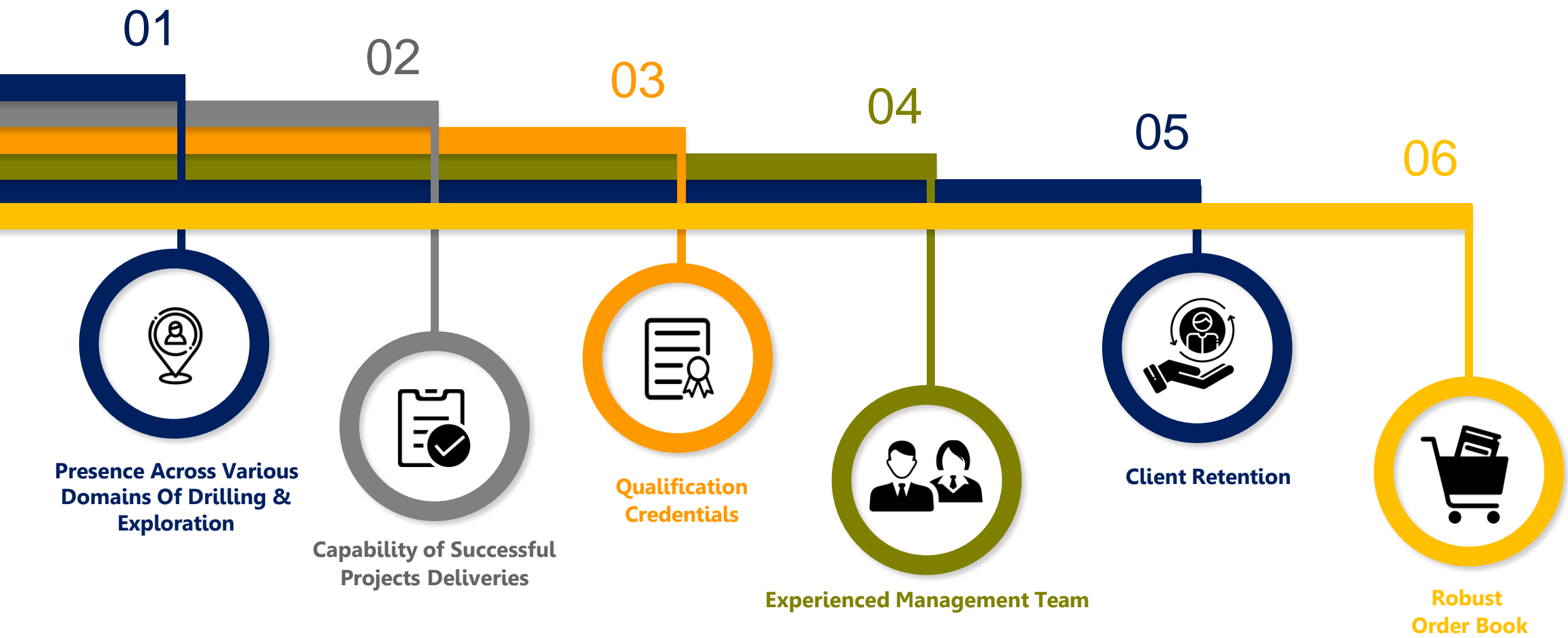
Mrs. Sudha Maheshwari Independent Director

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

Team of experienced, dedicated professionals to drive key areas of business ; Respective division heads are supported by young & strong force of > 550 employees with well-defined roles & responsibilities.



Key Strengths





Business Overview





Business Overview

COAL & MINERAL SERVICES

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

Company has completed >20 Lac meters of drilling through these technologies till date



CBM EXPLORATION SERVICES

Leading CBM exploratory drilling service provider in country

Prominent clients include Reliance Industries, Oil India, Dart Energy

Completed >60 CBM core wells to date - highest in country

Has 2 CBM Exploratory Drill Rigs with capability to drill up to 2,000 m

2D/3D SEISMIC EXPLORATION

SWPE possesses technical know-how & capability for complex Land 2D/3D seismic exploration, Coal, Oil & Gas

Supplies seismic solutions covering
2D/3D Land Seismic Data Acquisition
2D/3D Land Seismic Data Processing



CBM PRODUCTION SERVICES

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

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

GEOLOGICAL & GEOPHYSICAL SERVICES

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

Provides on-site integrated exploration services for coal & other mineral resources like Limestone, Atomic Minerals, etc.



GEOTHERMAL AND SHALE GAS EXPLORATION

SWPE is one of leading companies to drill 4 wells each for Shale Gas & Geothermal Exploration, respectively

Government focusing on Development of Geothermal Energy

MINING SERVICES

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

Company has Copper/Gold Mining Services through JV in Oman



AQUIFER MAPPING

SWPE identifies & maps aquifers to quantify available groundwater resources, & propose plans appropriate to scale of demand & aquifer characteristics

Uses multi-disciplinary scientific approaches, including remote sensing, hydrogeology, geophysics, hydrochemistry, groundwater modelling, to offer timely, cost effective Aquifer mapping studies/services



Drilling & Exploration of Coal

- ❑ Many unexplored mines of coal, iron ore & 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 adopting 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 on offer



Drilling & Exploration of Non-coal Minerals

- ❑ Over 500 non-coal mineral blocks, partially or minimally explored under current leases – up for grabs through competitive bidding
- ❑ Re-allocation of several non-producing blocks (with abundant resources) of state-run companies – additional opportunity for private players
- ❑ Captive leases are allowed to sell minerals in open market as per new provisions

Unconventional Sources of Energy

- ❑ Abundant unconventional sources of energy in India, most of them unexplored
 - ✓ Geothermal Power
 - ✓ Shale Gas
 - ✓ Coal bed Methane (CBM)



Exploration & Mining Opportunities In Oman & Middle East

- ❑ Oman Government diversifying & reducing dependence on oil –
- ❑ growth anticipated in mining sector following discovery of significant reserves of minerals including gold & copper
- ❑ SWPE formed JV with renowned Australian Exploration & Mining company, Alara, in Oman, to explore mining opportunities in that region



Coal Block for Commercial Mining

- ❑ GoI announced plans to open up coal blocks for commercial mining by private players
- ❑ Company won such coal block – Jogeshwar and Khas Jogeshwari in Jharkhand through forward auction
- ❑ Mine development underway – strong growth opportunity

Infrastructure Projects

- ❑ Infrastructure sector a key driver for Indian economy
- ❑ Government impetus to create infrastructure to boost demand for steel & cement, spurring opportunities for exploration & mining

Aquifer Mapping & Hydro Geological Services

- ❑ Rising focus on aquifer management – Central Ground Water Board (CGWB) taken up National Project on Aquifer Management to formulate sustainable aquifer management plan
- ❑ CGWB launched aquifer mapping projects across India – Company stands to get more such projects
- ❑ New opportunities from recent 'Nal se Jal' initiative of Government in rural India



Operations in Oman

SWPE entered into **JV with Alara Resources**, renowned Australian exploration & mining firm in 2018

JV awarded an **11 year** copper mining contract

Started Mining operations in **February 2022**

\$125 mn.
Contract Value over 11 years

Rationale

- ❑ Oman is **second largest country** after Saudi Arabia in GCC region with **huge resources of Copper, Gold, Silver, Chromite, Lead, Nickel, Manganese & Zinc**. Reserves are highly undeveloped due to preference for oil sector
- ❑ Omani Government, looking **to diversify & reduce dependence on oil, created public authority under Ministry of Commerce and Industry named Mining Development Oman (MDO)**, to regulate & expand mining activities, & strengthen private sector involvement 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

- GOI recently **allowed commercial coal mining by private players** to cater to rising coal demand in India
- Private players now **free to sell coal in open market after winning coal block** by going through auction process
- Government **putting more coal blocks for auction** for faster development of mines by private players to expedite coal production
- GOI aims to **accelerate coal production to reach 1 billion tons by 2024**
- Ministry of Coal has **reengineered & simplified mining plan preparation & approval process**, to facilitate private players, among other industry-friendly measures to attract investment in this sector

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

Total Geological block area – 2.66 Sq. Km.

Est. Geo reserves
84 MT

Grade of coal
Block: W-IV



Process for clearances and Mine development activities commenced

Plan to start coal production by FY25



Marquee Clients

South West Pinnacle



Odisha Mining Corporation Limited
(A BOLD CATEGORY STATE PSU)



DE BEERS



ऑयल इंडिया लिमिटेड
Oil India Limited





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



Industry Overview





Coal as an Energy Source

India has estimated geological coal reserves of 344 Billion Tons

Presently coal production in India is ~729 Million Tons per Annum

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

Coal is preferred source of energy due to its abundance & affordability

Total installed capacity of power generation expected to more than double by 2029-30

Coal supports many non-power industries viz. Cement, Fertilizer, Sponge Iron, Aluminum & others, in organized & unorganized sector

Present Market Scenario of Coal

Gap in demand & supply of coal globally, affecting power generation by thermal plants

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

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

Govt aims to boost coal production by 25% to 30% in three years

Govt undertaking various policy changes to enhance coal supplies



Financial Highlights





Key Recent Developments

Recent Projects Across Geographical Expansion

In November 2022, SWPE commenced project 'Khanna Punjab' in association with Punjab's Water Resource Department. Project comprises 9 wells totaling 700 metres depth, and expands Company's exploratory business in Punjab

Company is expanding mineral exploration activities in Rajasthan, for minerals including lignite, potash, atomic minerals and shale, as well as exploratory water wells

SWPE also widening exploratory efforts in Madhya Pradesh for diamond, coal and copper

Capex-Driven Growth

Recently acquired coal mine would require capex of Rs. 240 cr over the next 2-3 years

For exploration business, SWPE would require Rs. 20-25 cr in near-term for rigs and other equipment. This would primarily be funded by mix of debt and internal accruals



Coal Market Opportunities

Indian coal reserves at 344 bn tons, while production is 729 mn tons

India coal production expected to have grown 6.6% in 2022, and 6.8% in 2021; forecast to grow at 7.5% CAGR during 2022-26

Over 200 coal blocks on offer by Gol to private players, 39 of which already issued



Quarterly Consolidated Statement of Profit & Loss

Particulars (in Rs. Crore)	Q3 FY23	Q3 FY22	Y-o-Y	Q2 FY23
Total Revenue	35.28	30.89	14.21%	24.85
Cost of Materials Consumed	20.15	5.65		10.41
Employee Cost	5.15	4.28		4.52
Other Expenses	5.95	15.28		5.97
EBITDA	4.03	5.67	(28.93%)	3.95
EBITDA Margin	11.42%	18.36%		15.88%
Other Income	1.12	1.17		2.03
Depreciation	1.92	1.72		1.78
EBIT	3.23	5.12		4.20
Finance Cost	1.75	1.15		1.36
Share of Profit from JVs	0.23	(0.08)		0.09
Profit before Tax	1.72	3.89		2.93
Tax	0.47	0.91		0.67
PAT	1.25	2.97	(57.89%)	2.26
PAT Margin	3.55%	9.62%		9.08%
EPS (in Rs.)	0.45	1.07		0.81



Nine Months Consolidated Statement of Profit & Loss

Particulars (in Rs. Crore)	9M FY23	9M FY22	Y-o-Y
Total Revenue	85.96	82.76	3.86%
Cost of Materials Consumed	38.81	15.81	
Employee Cost	14.46	13.57	
Other Expenses	19.98	37.70	
EBITDA	12.71	15.68	(18.99%)
EBITDA Margin	14.78%	18.95%	
Other Income	3.64	2.51	
Depreciation	5.30	5.34	
EBIT	11.04	12.85	
Finance Cost	4.20	3.56	
Share of Profit from JVs	0.21	(0.23)	
Profit before Tax	7.06	9.06	
Tax	1.82	2.52	
PAT	5.24	6.54	(19.88%)
PAT Margin	6.09%	7.90%	
EPS (in Rs.)	1.88	2.34	



Consolidated Balance Sheet Statement

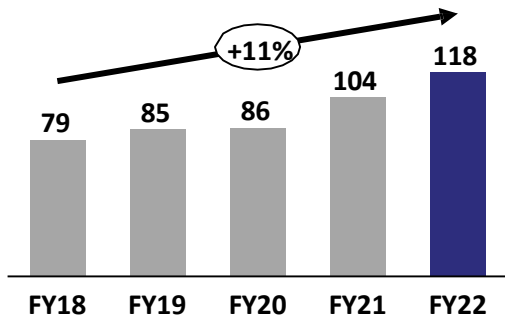
ASSETS (Rs. Crs.)	Sep-22	Mar-22
Property, plant & Equipment	57.51	50.20
Intangible Assets under Development	5.84	4.29
Right of Use assets	2.05	2.18
Goodwill	0.11	0.11
Investment Property	3.66	3.84
FA – Investments	2.56	2.43
FA - Other FA	3.52	5.43
Deferred Tax Assets	0.00	0.00
Other Non-Current Assets	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

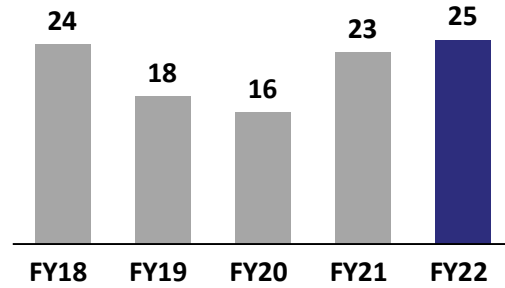


Historical Consolidated Performance Highlights

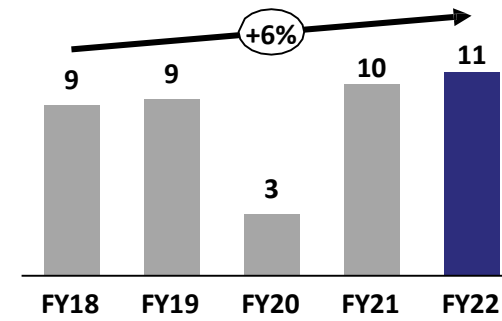
Revenue (Rs. Crs.)



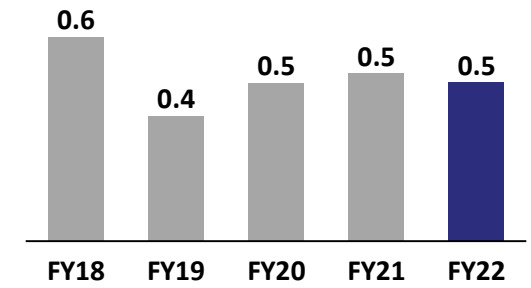
EBITDA (Rs. Crs.)



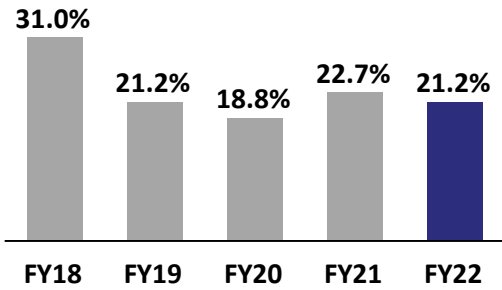
PAT (Rs. Crs.)



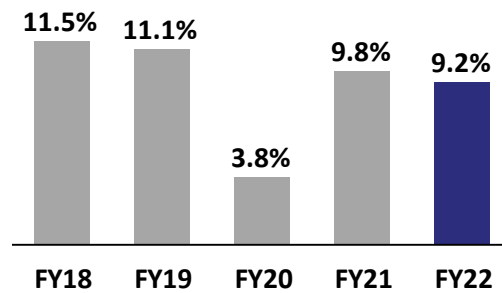
Debt to Equity



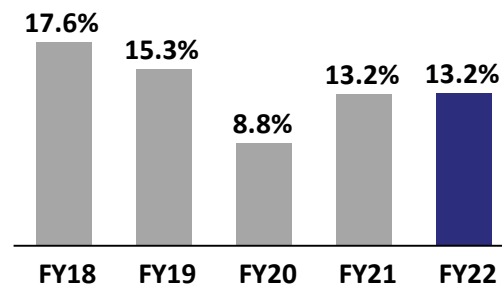
EBITDA Margin (%)



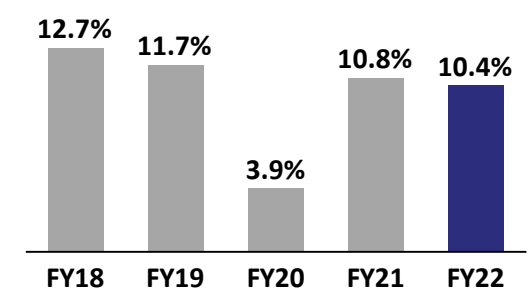
PAT Margin (%)



RoCE (%)



RoE (%)





Way Ahead





1

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



2

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



3

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



4

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

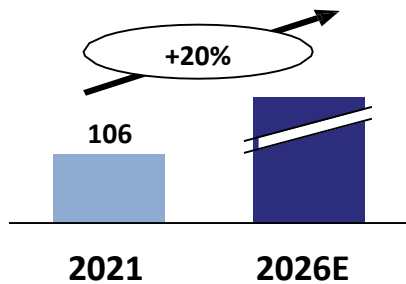




Way Ahead

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 Dec' 22 - **Rs. 264.40 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. 243 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. 1,015 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 :

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