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(Formerly known as South West Pinnacle Exploration Pvt Ltd)  
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**Date: June 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 Q4 & year ended 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

## Q4 & FY23 Investor Presentation

May 2023





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## Company Overview

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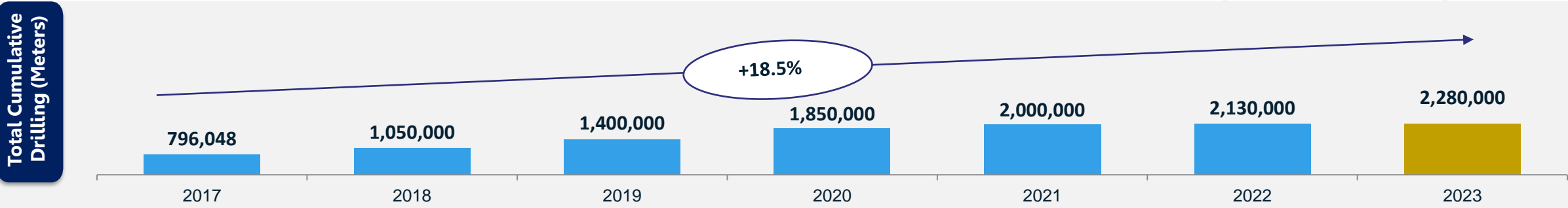


# About Us

- **Integrated Service Provider** offering end-to-end Drilling & exploration of Natural resources (Coal, Ferrous, Non-Ferrous & Atomic Minerals & Conventional & Un-conventional Oil & Gas)
- **Completed 125+ projects** over last 16 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 Vibrosis 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

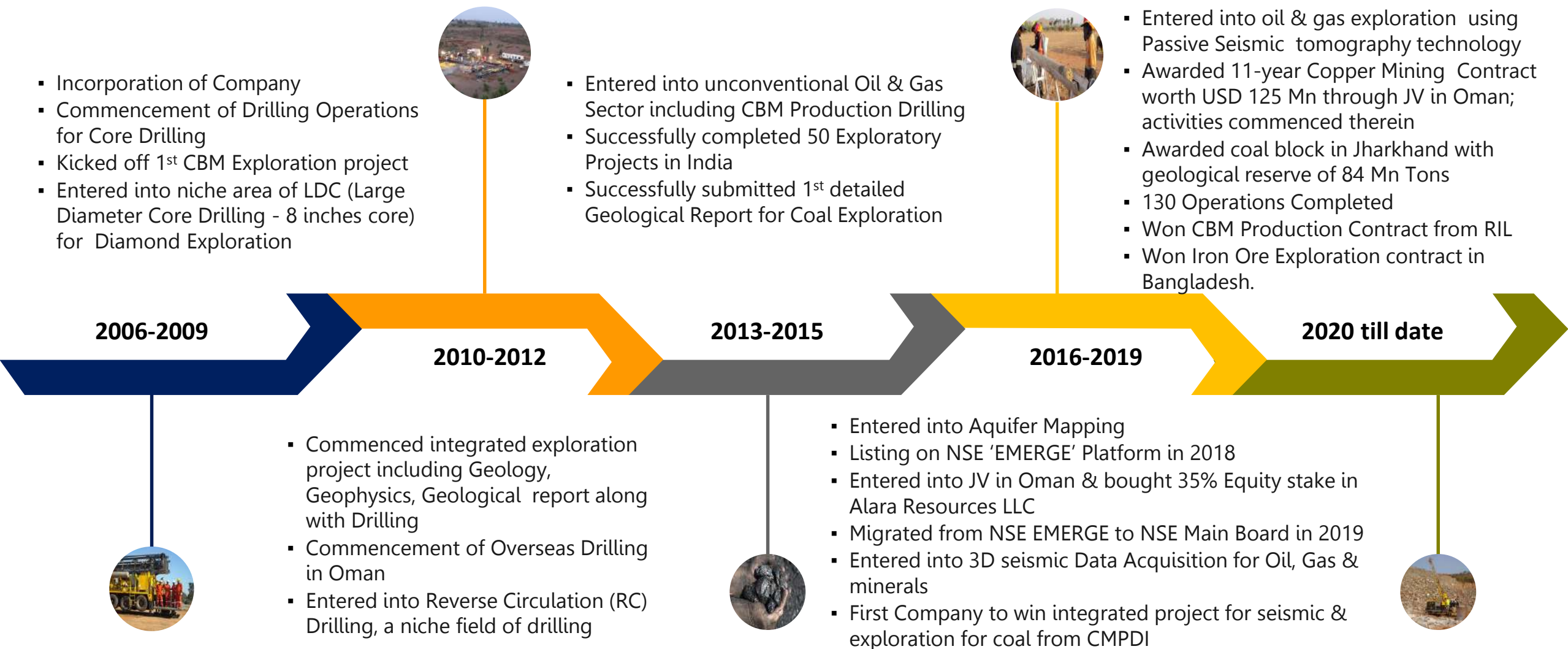
 Oil & Gas Exploration Using Passive Seismic Tomography	 Aquifer Mapping Services	 Coal & Mineral Exploration Services	 Geological & Geophysical Services
 RC Drilling Services	 2D/3D SEISMIC For Coal Exploration Services	 2D/3D SEISMIC For Oil & Gas Exploration Services	 CBM Exploration/ Production Services







# 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 17 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 14 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

- ❖ **The Board of Directors is comprising of experienced professionals, three of whom are Independent Directors.**
- ❖ **Team SWPE is 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.**





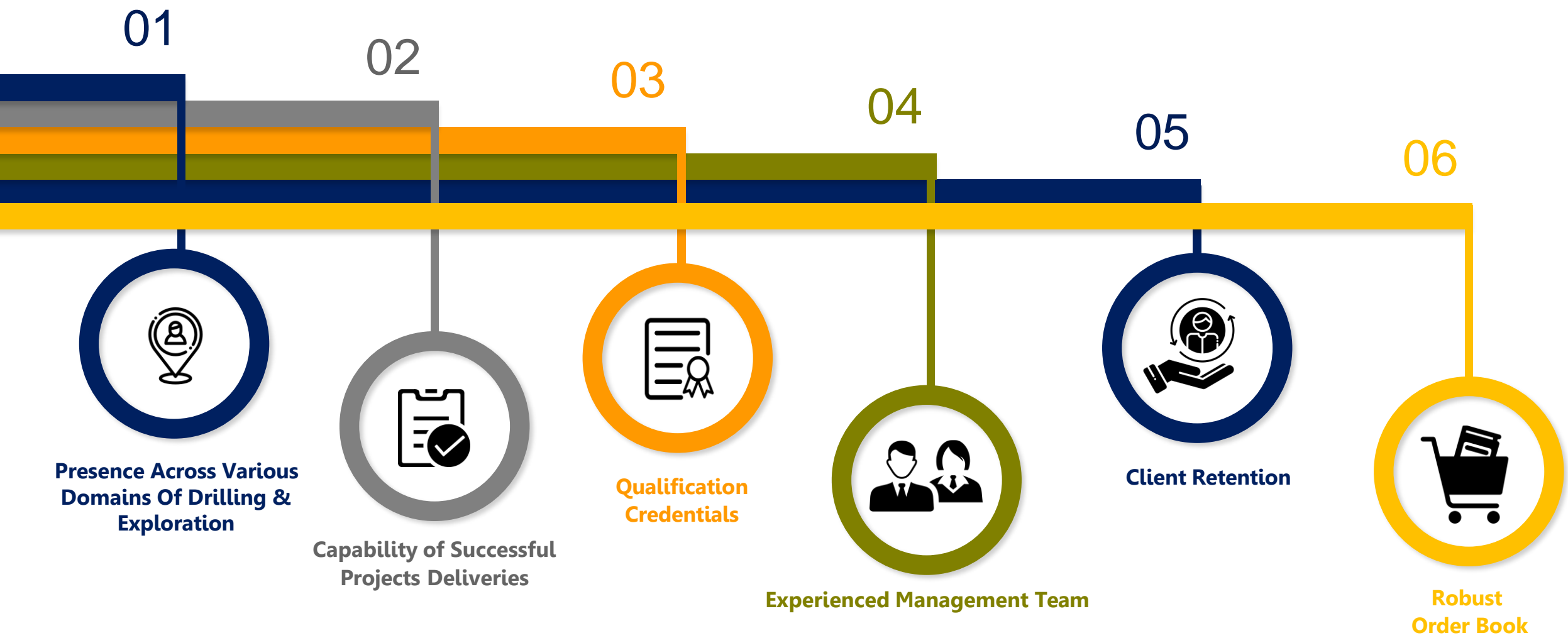
## Business Overview

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# Key Strengths







# 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 ~23 Lac meters of drilling through these technologies till date

Company is an end to end Exploration services and Mining company

### 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

### 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.

### 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



### 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

### 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

Company has been awarded another contract for CBM Production by RIL. for which we have bought a special rig from USA.

### 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

### 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

- ❑ GoI 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
- ❑ GSI like 14 new agencies have been approved by the Cabinet recently to accelerate non-coal mineral exploration for which a separate allocation of funds to the tune of Rs.2980 crores has been made

### Unconventional Sources of Energy

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



# Opportunities

### 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
- ❑ Formed a Subsidiary of Oman JV in Saudi Arabia to tap new opportunities there.

### Coal Block for Commercial Mining

- ❑ GoI announced plans to open up coal blocks for commercial mining by private players, 133 coal blocks have been allocated so far
- ❑ Company won such coal block – Jogeshwar and Khas Jogeshwar in Jharkhand through forward auction
- ❑ Mine development is 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 tenders in the state of Rajasthan are on the anvil
- ❑ New opportunities from recent 'Nal se Jal' initiative of Government in rural India



# Operations in Oman & other Middle East Countries

**South West  
Pinnacle**

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**
- ❑ **Saudi Arabia has a large chunk of natural resources besides oil, hence a new company has been formed there as Subsidiary to JV in Oman to tap the potential .**



**Mr. Vikas Jain CMD, SWPE (Standing 4<sup>th</sup> 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
- Ministry of Coal has set a target of reducing coal imports to zero by 2024 to boost domestic coal production

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 FY 25-26



# Marquee Clients

South West  
Pinnacle







# 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 2<sup>nd</sup> 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

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# Coal as an Energy Source

India has estimated geological coal reserves of 344 Billion Tons

Coal production in India stood at 893.08 Million Tons during FY 2022-23 registering a growth of 14.76%

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**

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

**Gol undertaking various policy changes to enhance coal supplies**





## Financial Highlights

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## Key Recent Contracts & Developments

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- ❑ SWPE's JV company Alara Resources LLC establishes mining exploration and services subsidiary in Saudi Arabia
  - ❑ Company wins Letter of Award for CBM Production from Reliance Industries Ltd. – Aggregate value of over Rs. 84 crores
  - ❑ SWPE wins 2 Contracts from Central Mine Planning & Design Institute (CMPDI) – Coal Exploration projects cumulatively worth Rs. 17.72 crore
  - ❑ Company wins contract from Odisha Mining Corp. for Diamond Core Drilling, worth Rs. 13.57 crore
  - ❑ Company wins Exploration & Drilling Contract from Vedanta Ltd worth Rs. 16.24 crore
  - ❑ Company wins a Contract for Exploration of Iron Ore in Bangladesh through DMT, UK.
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## Other Key Developments

### Recent Projects Across Geographical Expansion

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

Company is trying to widen its footprints in Rajasthan by entering into the fields of Aquifer Mapping

Recent order win from Vedanta for Exploration of gold and copper is the first project in the state of Maharashtra.

### 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. 35-40 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 893 Mn tons during FY 2022-23

India coal production expected to grow at 7.5% CAGR during 2023-26

Over 200 coal blocks on offer by GoI to market players, 133 of which already allocated





## Quarterly Consolidated Statement of Profit & Loss

Particulars (in Rs. Crore)	Q4 FY23	Q4 FY22	Y-o-Y	Q3 FY23
<b>Total Revenue</b>	<b>38.30</b>	<b>35.10</b>	<b>9.12%</b>	<b>35.28</b>
Cost of Materials Consumed	15.75	5.11		20.15
Employee Cost	4.57	4.94		5.15
Other Expenses	10.52	15.88		5.95
<b>EBITDA</b>	<b>7.48</b>	<b>9.18</b>	<b>(18.55%)</b>	<b>4.03</b>
<b>EBITDA Margin</b>	<b>19.52%</b>	<b>26.15%</b>		<b>11.42%</b>
Other Income	0.55	0.28		1.12
Depreciation	1.86	2.13		1.92
<b>EBIT</b>	<b>6.16</b>	<b>7.32</b>		<b>3.23</b>
Finance Cost	1.70	1.37		1.75
Share of Profit from JVs	0.18	0.05		0.23
<b>Profit before Tax</b>	<b>4.64</b>	<b>6.00</b>		<b>1.72</b>
Tax	0.91	1.62		0.47
<b>PAT</b>	<b>3.73</b>	<b>4.38</b>	<b>(14.84%)</b>	<b>1.25</b>
<b>PAT Margin</b>	<b>9.75%</b>	<b>12.49%</b>		<b>3.55%</b>
EPS (in Rs.)	1.34	1.57		0.45



## Consolidated Statement of Profit & Loss – FY23

Particulars (in Rs. Crore)	FY23	FY22	Y-o-Y
<b>Total Revenue</b>	<b>124.26</b>	<b>117.86</b>	<b>5.43%</b>
Cost of Materials Consumed	54.56	20.92	
Employee Cost	19.03	18.51	
Other Expenses	30.49	53.57	
<b>EBITDA</b>	<b>20.18</b>	<b>24.86</b>	<b>(18.83%)</b>
<b>EBITDA Margin</b>	<b>16.24%</b>	<b>21.09%</b>	
Other Income	4.19	2.79	
Depreciation	7.16	7.47	
<b>EBIT</b>	<b>17.21</b>	<b>20.17</b>	
Finance Cost	5.90	4.93	
Share of Profit from JVs	0.39	(0.18)	
<b>Profit before Tax</b>	<b>11.70</b>	<b>15.06</b>	
Tax	2.73	4.14	
<b>PAT</b>	<b>8.97</b>	<b>10.92</b>	<b>(17.87%)</b>
<b>PAT Margin</b>	<b>7.22%</b>	<b>9.27%</b>	
EPS (in Rs.)	3.21	3.91	



# Consolidated Balance Sheet Statement

ASSETS (Rs. Crs.)	Mar-23	Mar-22
Property, plant & Equipment	53.71	50.20
Intangible Assets under Development	7.58	4.29
Right of Use assets	1.92	2.18
Goodwill	0.11	0.11
Investment Property	3.48	3.84
FA – Investments	3.05	2.43
FA - Other FA	5.01	6.06
FA - Loan	0.34	0.00
Other Non-Current Assets	3.51	3.04
<b>Total Non Current Assets</b>	<b>78.71</b>	<b>72.15</b>
FA - Trade Receivables	56.19	66.68
FA - Cash & cash equivalents	0.32	2.97
FA - Bank balances	7.51	4.67
FA - Other Financial Assets	0.69	1.27
Other Current Assets	12.87	8.07
Current Tax Assets	0.00	0.02
Inventories	41.45	35.09
Loan	0.00	0.00
<b>Total Current Assets</b>	<b>119.02</b>	<b>118.77</b>
<b>Total Assets</b>	<b>197.73</b>	<b>190.92</b>

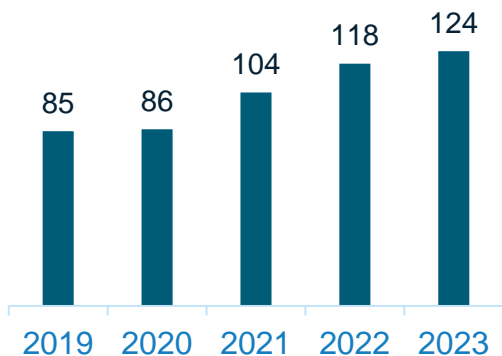
EQUITY AND LIABILITIES (Rs. Crs.)	Mar-23	Mar-22
<b>Shareholders Funds</b>	<b>113.72</b>	<b>104.93</b>
Share Capital	27.90	27.90
Other Equity	85.82	77.03
Non Controlling Interest	0.00	0.00
<b>Non Current Liabilities</b>	<b>20.69</b>	<b>20.47</b>
Long Term Borrowings	13.85	13.43
Lease Liability	1.95	2.10
Provisions	0.30	0.39
Other Financial Liabilities	0.05	0.04
Deferred tax liabilities	4.32	4.27
Other non-current liabilities	0.22	0.23
<b>Current Liabilities</b>	<b>63.33</b>	<b>65.51</b>
Short term Borrowings	48.56	35.35
Trade Payables	9.46	19.65
Other Financial Liabilities	3.06	5.46
Lease Liability	0.15	0.14
Other Current Liabilities	0.75	2.37
Short term Provisions	1.32	1.02
Current Tax Liability (Net)	0.03	1.53
<b>Total Equity &amp; Liabilities</b>	<b>197.73</b>	<b>190.92</b>



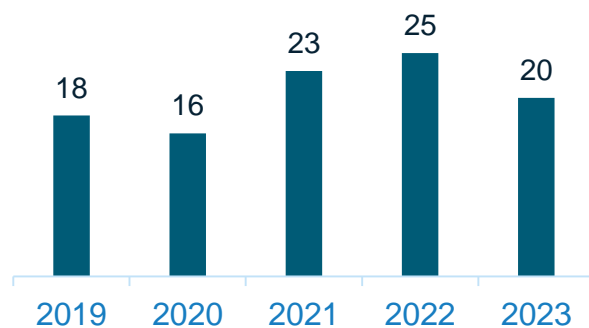


# Historical Consolidated Performance Highlights

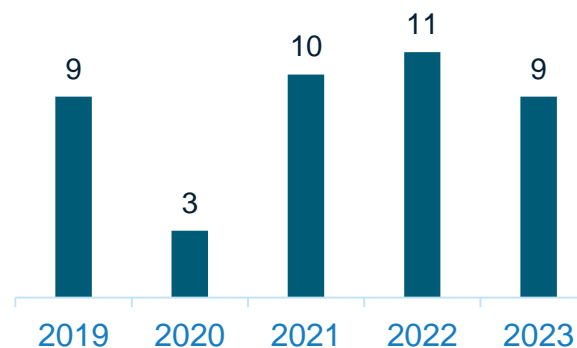
Revenue (Rs. Cr.)



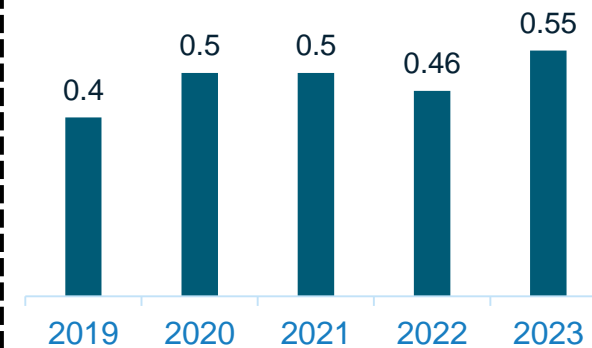
EBITDA (Rs. Cr.)



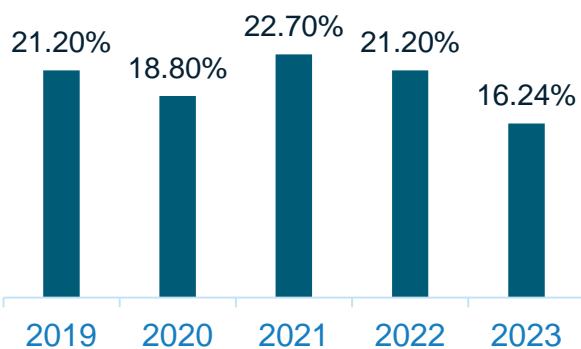
PAT (Rs. Cr.)



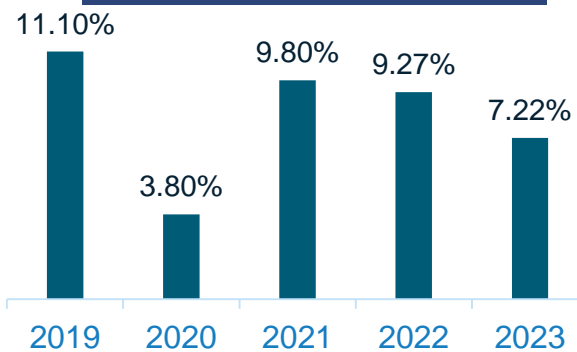
Debt to Equity



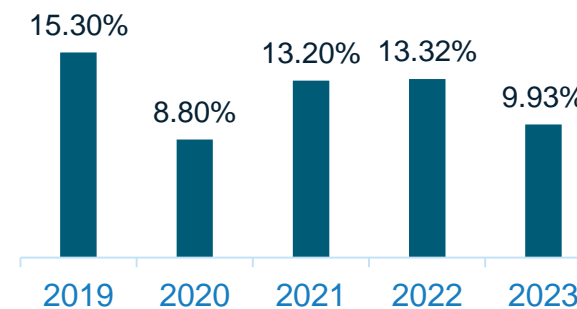
EBITDA Margin (%)



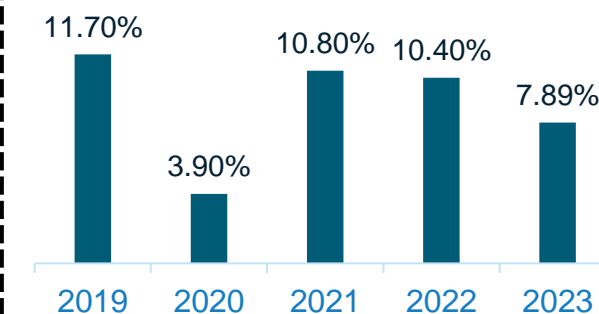
PAT Margin (%)



RoCE (%)



RoE (%)





Way Ahead

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1

### Full-fledged Exploration Service and Mining Company

- Capitalize on being only full-fledged exploration service company in India having expertise, manpower, resources & equipment 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

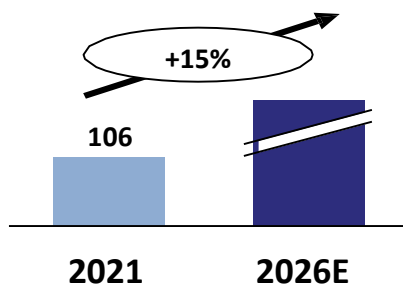




# Way Ahead

### Exploration, Infrastructure & Allied Services

Growth in core exploration service business expected to continue at **~15% P.A** over near & medium term



- Order book position as in April' 23 - **Rs. 222 Cr**

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

### Coal Block Acquisition

Mine development activities started.  
Plans to start coal production in by **FY 2025-26**

Total Capex estimated is **~Rs. 240 crores up to 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 FY2025-26.

Expect **~Rs. 700 – 800 crores** of revenue from FY26-FY28

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

### Operations in Oman

Awarded an **11 year** copper mining contract of

**USD 125 mn.**

**(~Rs. 1,030 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

**South West Pinnacle Exploration Ltd.**

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