

Disclosure

SME investments are subject to "getting conned" risks. Please do your own due diligence carefully before investing.

Survivability Risk - Most of these companies might disappear after 10 years
– Their current intrinsic value is close to 0.

Why SME investment is so risky?

Letter by CFO of 5 core Electronics

52-week high: 150. CMP: 35

I, Amitabh Singh, would like to bring your notice that, I have resigned from the position of Chief Financial Officer (CFO) of the company on 20th March, 2019 due to some personal reasons and same has already been intimated to Mr. Amarjit Singh Kalra, Managing Director on the same day through mail and had been intimated to the secretarial department.

Further I would also like to inform you here that, I am attending this meeting as an invitee and not as a company's official/KMP.

The financial results of December quarter were disclosed on February 12, 2019. The Company had the consolidated profit during that quarter. The factories were running smooth as also the Bank Accounts.

On 15th February, 2019 Mr. Amarjit Singh Kalra, MD and his wife Mrs. Surinder Kaur Kalra, Director of the Company left for USA for 10-12 days on personal trip.

On 27th February, 2019, DRI carried a search to our office and took away certain documents related to Five Core Electronics Limited and its group entities. I had intimated Mr. Amarjit Singh Kalra, MD regarding the search immediately and he had conversed with DRI Officials over whatsapp call on his mobile No. +91 9910395913 on the same day. However, no information/ notice have been received from DRI under my knowledge in my name.

Mr. Amarjit Singh Kalra extended his stay overseas for reason known to him and had been asserting that he will come back soon. The operations were running smooth till 20th March, 2019 when I resigned as my wife had not been keeping well for some time. GST refunds on Company's Export business was regularly coming. The last GST refund was received on March 20th, 2019.

After non receipt of any response from the MD during these days, I called him over whatsapp on the same no. i.e. +91 9910395913 and asked him about the situation/circumstances and when he would come back. Since, I had no idea about his return and I had some personal issues at home, I submitted my resignation.

Though I have submitted my resignation over mail but it has not been accepted by him. I was in contact with him till March 14, 2019 on his whatsapp no. +91 9910395913.

As on now, I also don't know the actual scenario of the situation and where about Mr. Amarjit Singh Kalra and his family.

What's the criteria of picking stocks ?



Will study couple of SME compnaies.



Investing is all about betting on future.

<https://www.youtube.com/watch?v=qs57X1YarGI>

What are the tools to **predict** future ?

Ans is simple -
"No such tools exists in this universe".

Even the best in business fail -

Here's a look back at some of the worst advice from McKinsey & Company.

- Although it is impossible to predict what will happen in the future, McKinsey got it all wrong when they told AT&T that cellphones would be a niche market in the year 2000 with only 900,000 subscribers. The firm's estimations were off by 108 million.


- In the 1990s McKinsey advised SwissAir on the controversial "hunter strategy". The major expansion program failed miserably and the airline was forced to declare bankruptcy in 2001. Other notable clients who ended up bankrupt include Kmart and General Motors.

- After General Electric lost \$1 Billion prior to the financial crisis in 2007, CEO Jeff Immelt told the press that the company heeded the advice from none other than, McKinsey & Company.

- The tightly sealed firm took a hit when All-State Insurance released information that McKinsey advised a profit-strategy that involved paying smaller claims to their customers.

- McKinsey & Company gave the go-ahead for the infamous \$350 billion merger between Time Warner (TWX) and AOL. Looking back, the merger is viewed as one of the greatest company disasters of all time.

- The most notable stain on the firm's reputation was its close relationship with Enron. McKinsey & Company had practically built up the company and Enron was its largest client for 15 years. The fact that CEO of Enron, Jeff Skilling, was an alumni of McKinsey raised many questions about the firm's accountability.

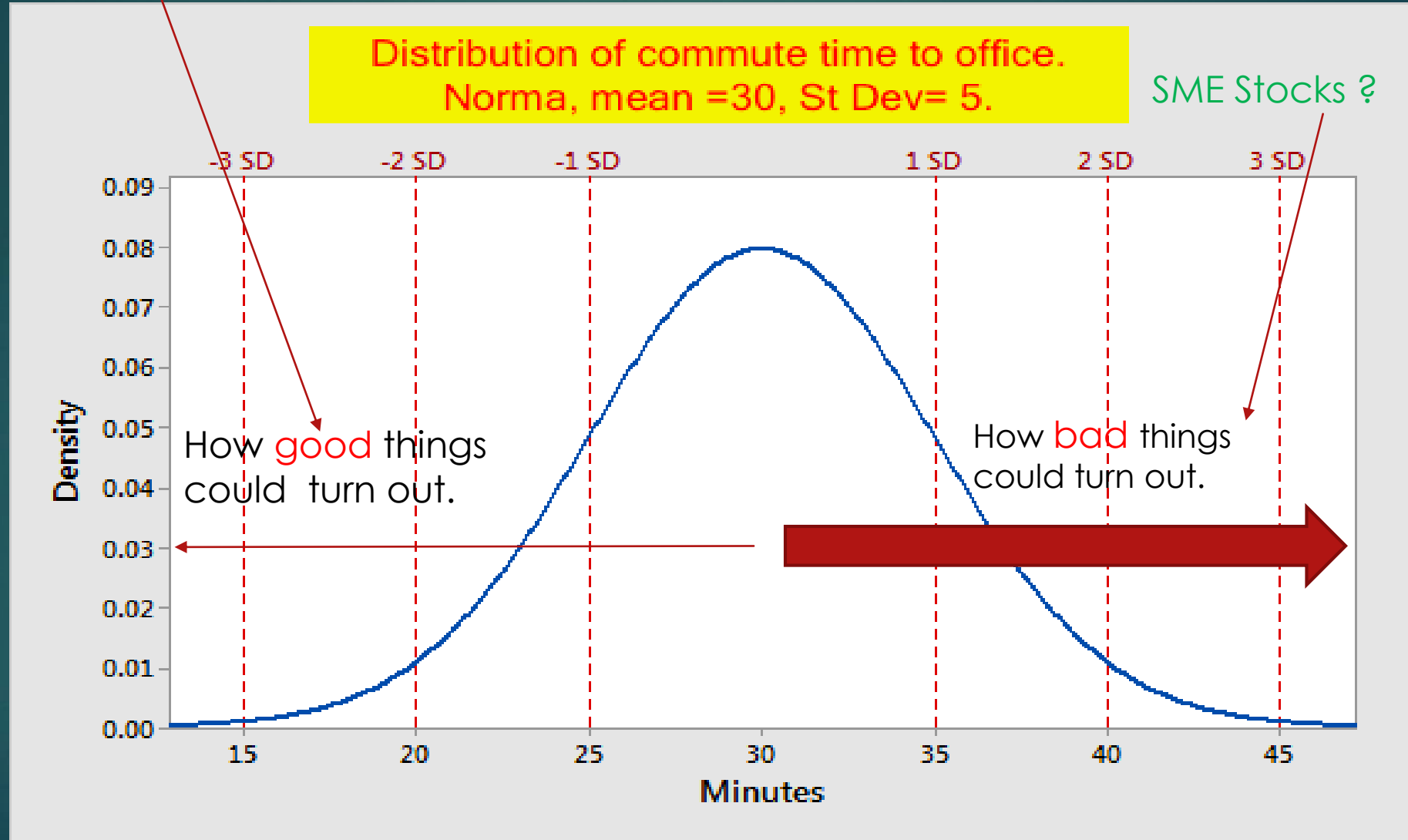


Then how would you bet on
future if it can't be predicted ?

It can't be predicted but it can be estimated.

Universe itself is very good reference can be used to
estimate range of possible outcomes.

DMART , HDFC, FMCG, NBFCs / HFCs (of 2017) etc.

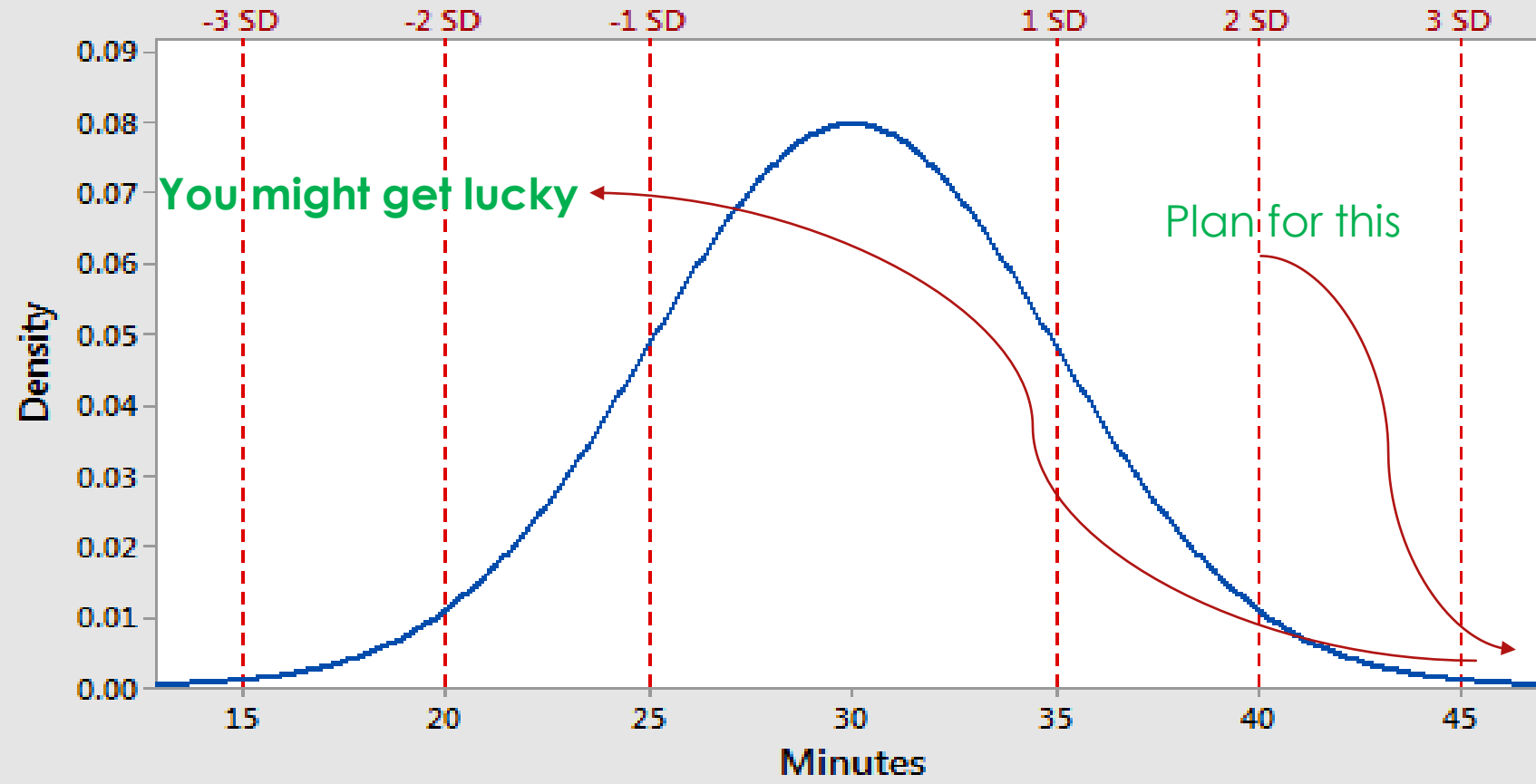


Daniel Kahneman Formula For Success

Success = talent + luck;

Great success = a little more talent + **a lot of luck.**

Distribution of commute time to office.
Norma, mean = 30, St Dev = 5.

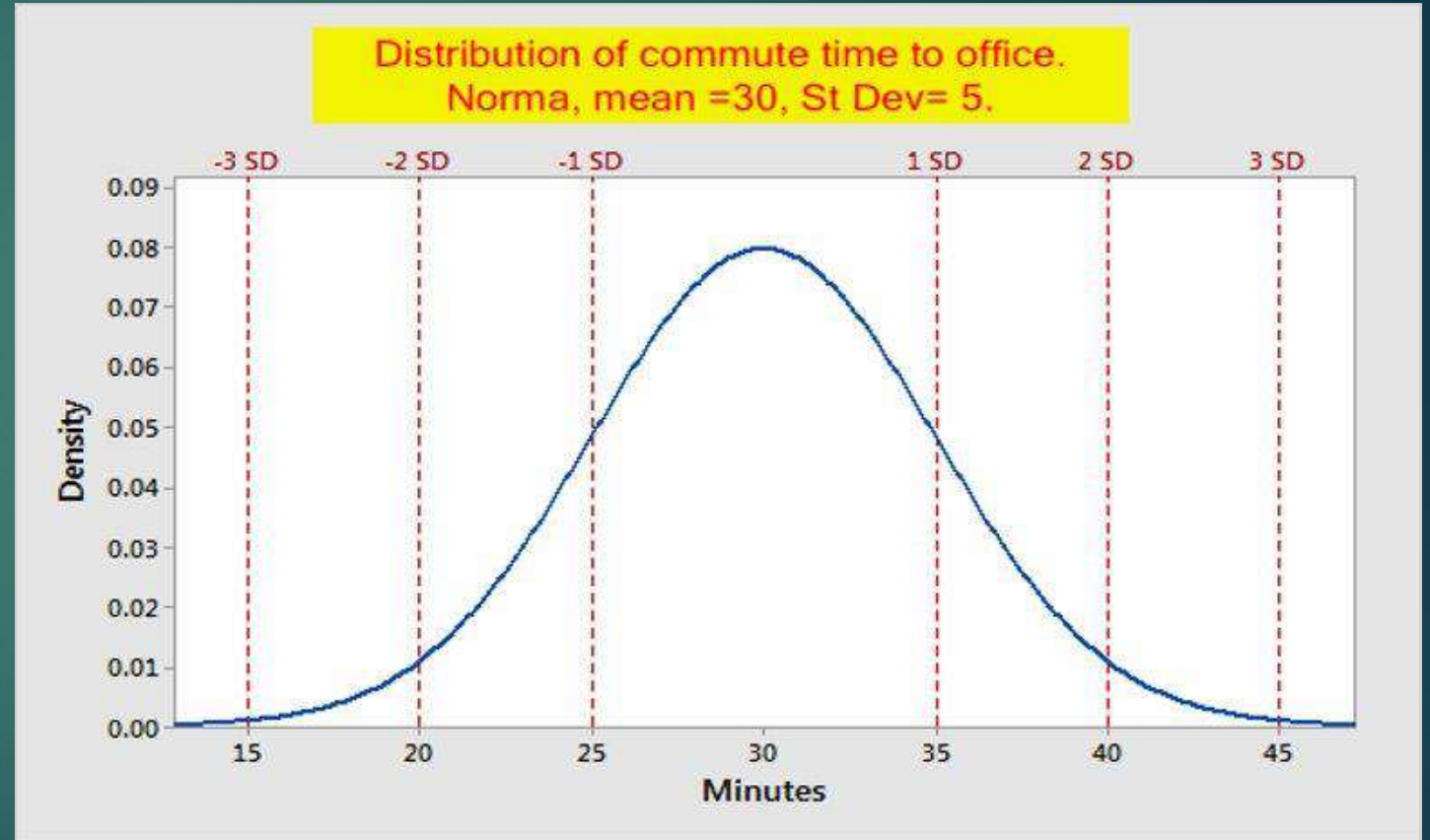


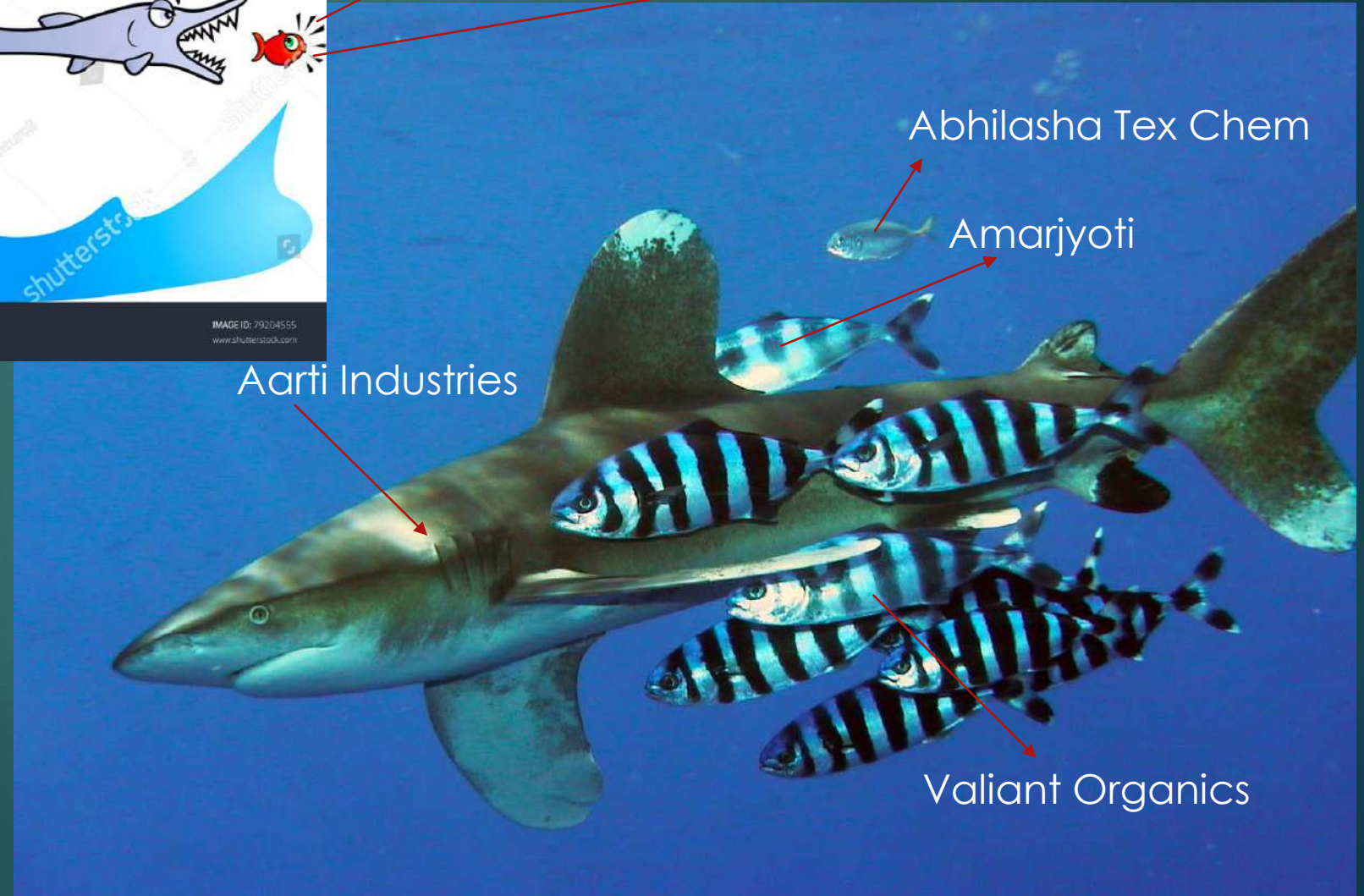
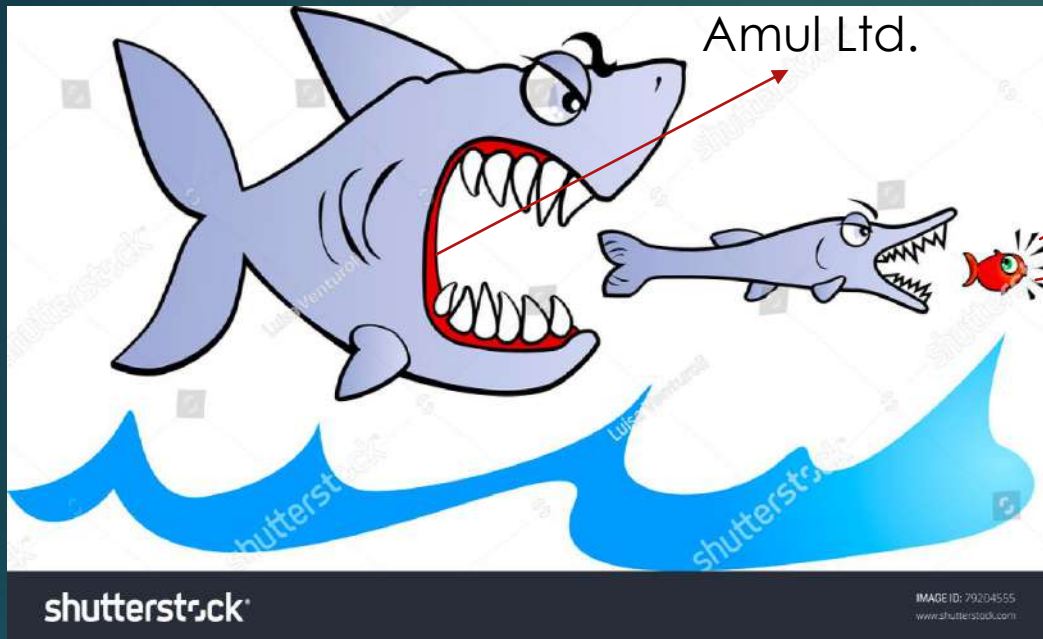
Regression to the Mean – Most powerful force in the universe.
- Daniel Kahneman

HDFC Bank is more of exception than norm and its sin to believe " This going to be next HDFC bank etc "

And its risky to assume exceptional performance will last forever.

Pharma analysts (2014) - " Trees don't grow to the sky "





Why SME ?

- ▶ Fish where no one is fishing – Least institutionally tracked.
- ▶ Higher Inefficiency – Businesses not very well Understood.
- ▶ Illiquid.



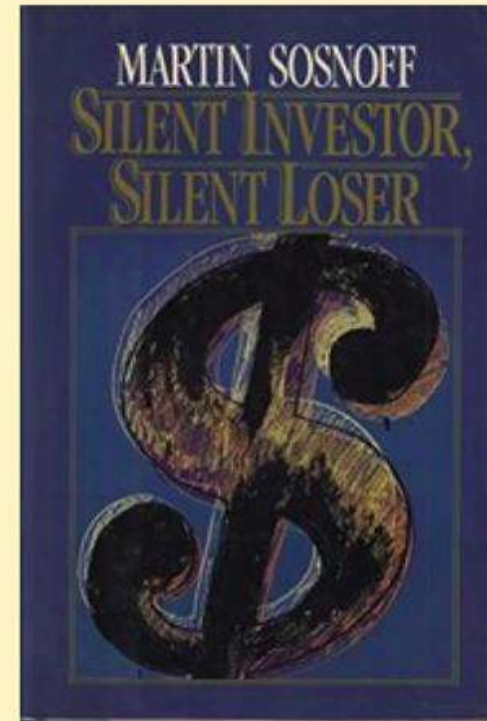
SMEs – I have tracked / Invested

1. [Valiant Organics Ltd](#) - Growth stock (hard to value).
2. [OmFurn Ltd.](#) - Ben graham stock (probably made the mistake)
3. [SouthWest Pinnacle Ltd](#) – Good management – Tough business ?
4. [Worth Peripherals Ltd](#) – Not sure why it trades at premium.
5. Zota Healthcare - Drug to Retail Pharma story.
6. Global Education Ltd – Fraud ?
7. [Suyog Telematics Ltd](#) – Great bussine but Diworsification.
8. [MRSS Ltd](#) – Ponzzie Scheme ?
9. [BANSAL ROOFING PRODUCTS LTD](#) - Intelligent Fanatic (In Bad business)
10. [ANI INTEGRATED SERVICES LIMITED](#) - Chor Promoters ??
11. Lexus Granito – Sun rise industry ?
12. Sriji Trans logistics Ltd – Great promoters (small fish trying to survive)
13. Yog Décor - Great promoters (small fish trying to survive)

More anecdotal evidence...

"The disenfranchisement of all shareholders by rapacious managements with kept boards... has cost shareholders billions upon billions. My experience as a money manager suggests that the entrepreneurial instinct equates with sizable equity ownership... If management and the board have no meaningful stake in the company – at least 10 to 20% of the stock – throw away the proxy and look elsewhere."

- Martin Sosnoff, *Silent Investor, Silent Loser*



Shreyash Sunil Raisoni

RAJEEV BHAGWAT CHAND

Riaan Energy Private Limited 2014-08-14

Sgr Warehousing Private Limited 2014-08-01

Sgr School Of Skill Private Limited 2011-10-22

AJAY KHEMCHAND CHAUDHARI

CLEAR IMPEX PRIVATE LIMITED 2009

MIGHTY OVERSEAS PRIVATE LIMITED 2009

CORAL EXIM PRIVATE LIMITED 2009

LEENA NITIN TATIYA

MIGHTY OVERSEAS PRIVATE LIMITED

CLEAR IMPEX PRIVATE LIMITED

CORAL EXIM PRIVATE LIMITED

SURENDRA HIRALALJI KABLE

Clear Impex Private Limited 2016-10-03

Mighty Overseas Private Limited 2016-10-03

Riaan Energy Private Limited 2016-03-05

Coral Exim Private Limited 2016-10-03

Sgr School Of Skill Private Limited 2016-03-05

Global Edu Ltd – Fraud ?

Curious case of " GLOBAL
EDUCATION LTD "

Revenue up 111%

EBITDA up 165%

PAT up 167%

H1fy18 almost laps fy17 PAT

EBITDA margin shoots by 900bps

PAY margin shoots by 500 bps

agm takeaways

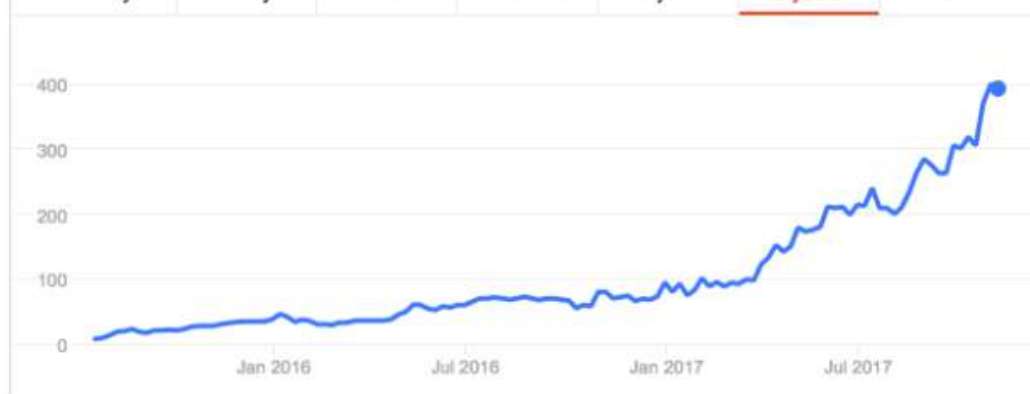
- market big enough to support growth vision of company. And it's growing at 15%
- confident of achieving 100% growth for next few years (organic+Inorganicb2b).
- Confident of maintaining the 30% ebitda margins going forward.
- gaining market share steadily from biggies like nielsen, gfk, ipsos.

-traditional/digital share may remain 70:30 going forward for co.

- exploring airport biz (clients like delhi airport and changi), agri space and IoT

393.70 INR +5.30 (1.33%)

1 day 5 day 1 month 3 months 1 year 5 years max



This company is showing sales growth of 100% CAGR and other parameters are growing even at higher rate –

(2) Current Assets

(a) Inventories			
(b) Trade receivables	13	1,029.37	617.78
(c) Cash and cash equivalents	14	1,247.70	64.24
(d) Short-term loans and advances	15	99.68	199.42
(e) Other current assets	16	1.90	16.49
TOTAL		2,480.07	946.73

Significant Accounting Policies

but what puzzling to me is they got Rs 12 Cr of Cash then why even take credits at such high interest rate and why interest on income Tax?

This business just amazingly asset light in nature. The market is valuing it around Rs 400 Cr today, they do sales of Rs 22 Cr and it requires no long term debt and just runs on 62 lacs of total fixed assets.

Isn't its just a amazing business model?

II. ASSETS

(1) Non-Current Assets

(a) Fixed Assets	11		
(i) Tangible assets		62.85	24.73
(ii) Intangible assets		0.01	1.63
(b) Goodwill on consolidation		0.37	0.37
(c) Deferred tax assets (net)	5	13.98	7.36
(d) Non-current investments		-	-
(e) Long-term loans and advances	13	24.20	15.01
(f) Other non-current assets	12	0.05	0.15

HUMAN RESOURCE

As on March 31, 2014 our Company has 21 employees on payroll. Our manpower is a prudent mix of the experienced and youth personnel which gives us the dual advantage of stability and growth. Our work processes and skilled resources together with our strong management team have enabled us to successfully implement our growth plans.

- The median remuneration of employees of the Company during the Financial Year was ₹ 2.30 Lakhs. In the FY 2015-16, the median remuneration of employees was 55.43% higher compared to previous year.
- There were 30 permanent employees on the Payroll of the Company as on 31 March 2016.
- The explanation on the relationship between average increase in Remuneration and Company performance: The median remuneration has not increased in line with increase in profits mainly on account of improved productivity achieved through judicious spend on manpower including recruitments and promoting a performance based culture.
- The median remuneration of employees of the Company during the Financial Year was ₹ 4.25 Lakhs. In the FY 2016-17, the median remuneration of employees was 84.60% higher compared to previous year.
- There were 23 permanent employees on the Payroll of the Company as on 31 March 2017.
- The explanation on the relationship between average increase in Remuneration and Company performance: The median remuneration has not increased in line with increase in profits mainly on account of improved productivity achieved through judicious spend on manpower including recruitments and promoting a performance based culture.

This means although company is growing 100% CAGR but they are not paying tax on time. Interestingly this too ignored by the investor community.

Note : 22 Financial Cost		(₹ In Lakhs)	
Particulars		2016-17	2015-16
Bank Charges		0.33	0.12
Interest on Cash Credit facility		13.67	13.56
Other Interest Expense		1.41	0.00
Loan Processing Fees		1.14	0.53
Interest on Unsecured Loan		1.65	-
Interest on Income Tax		8.47	-
TOTAL		26.58	14.21

They paid interest on Cash Credit facility around 13 lac and the credit taken from the bank was around 69 lacs (shown below). Which means they are raising funds at 18% interest from the banks and that too the short term debt.

		(₹ In Lakhs)	
Particulars	Note No.	As at 31 st March 2017	As at 31 st March 2016
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	3	499.80	412.20
(b) Reserves and Surplus	4	1,519.54	254.70
(2) Minority Interest		-	-
(3) Non-Current Liabilities			
(a) Long-term borrowings		-	-
(b) Deferred tax liabilities (net)	5	-	-
(c) Long-term provisions	6	11.08	-
(4) Current Liabilities			
(a) Short-term borrowings	7	35.38	75.16
(b) Trade payables	8	89.80	19.72
(c) Other current liabilities	9	163.48	121.32
(d) Short-term provisions	10	174.74	68.14
TOTAL		2,483.50	951.26

Majestic Research Services & Sltns Ltd

BOM: 539229

+ Follow

33.30 INR **-0.70 (2.06%)** ↓

26 Apr, 3:30 pm IST · Disclaimer

1 day 5 days 1 month 6 months YTD 1 year 5 years **Max**



OmFurn Ltd. - Ben graham stock.

Market Cap: **9.74 Cr**

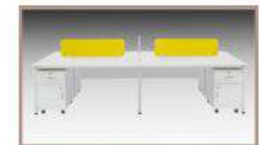
Revenue FY18 = 33Cr, Net profit = Rs 2Cr.

- Stock P/E: **5**
- Price / Book: 0.30

This model of doing customized furniture for commercial building although looks niche but i feel is not an scalable business.

Products » Office Furniture

WORK STATION




WESTIN HOTEL MUMBAI







What was the plan with IPO ?

New story started on 2017 ?

- They are expanding on manufacturing of door frames & shutter primarily to Cater Real Estate sector.
- Total Money Spent just on Expansion = Rs 8.74 Cr.
- 6Cr has been raised as a debt through Union Bank and rest Rs 2.5 Cr has been raised via IPO.
- Mcap of the company = Rs 9 Cr
- Seems like market thinks everything going to fail in long run ?



PROPOSED EXPANSION PROJECT	
<p>Our Company is undertaking expansion of existing Plot No. 6 to 8, 52 Hecter, Expansion Area, New GIDC, Umbergaon-396171, District Valsad, Gujarat to manufacture of door frames and shutters predominantly for real estate sector. We had received approval from GIDC vide it letter dated June 30, 2017 issued by Executive Engineer, GIDC, Vapi.</p> <p>The fund requirements for expansion project has been appraised by Union Bank of India and it has sanctioned a term loan of Rs. 625 Lakhs vide its approval letter dated June 16, 2017 as per details hereunder:</p>	
COST OF PROJECT	
	(Rs. in Lakhs)
Particulars	Expansion Project Amount
Expenditure towards construction of shed for new unit	299.50
Renovation of existing display unit in main factory building	46.40
Plant & Machinery (Indigenous)	185.97
Plant & Machinery (Imported)	178.43
Electrification, Installation, Transformer, GEB Deposit	18.00
Solar Power Installation	100.00
Shifting of existing machine, portable tools & Misc. Expenses	4.95
Provision for Contingencies	41.66
Total Capital Cost	874.91
<p>Our Company has started with the construction work for the proposed project and it is expected to be completed by the end of November, 2017. Erection of the plant & machineries would be completed by mid December, 2017. Commissioning as well as Trial run of proposed plant is expected to complete by the end of December, 2017.</p> <p>Union Bank of India has sanctioned term loan of Rs 625 lakhs for construction of shed for new unit as well as purchase of plant & machineries, electrification and other movable assets required for proposed expansion project vide its sanction letter dated June 16, 2017 and balance Rs. 249.91 Lakh will be met through IPO proceeds.</p>	

<p>Wooden Swing Solid Doors, Application: Interior</p>  <p>Material: Solid Wood Application: Interior Open Style: Swing Surface Finishing: Finished Our organization is more...</p> <p>Ajmera & Co Nall Sagar, Mumbai</p> <p>View Mobile No. Contact Supplier</p>	<p>Solid Wood Panel Doors</p>  <p>Keeping our synchronization with the expansions taking place in the industry, we are indulged in delivering an inclusive variety of Solid Wood Panel Doors. Features - High more...</p> <p>Jawahar Saw Mills Private Limited Mishra Sagar, Mumbai</p> <p>View Mobile No. Contact Supplier</p>
<p>Solid Wooden Door</p>  <p>Design: Customized Price Range: Rs 50,000 Per Square Feet Material: Wooden We have carved a niche amongst the most trusted names in this business, engaged in offering a more...</p> <p>Mumbai Marketing Bhivandi, Mumbai</p> <p>View Mobile No. Contact Supplier</p>	<p>Solid wood Safety Door</p>  <p>Material: Glass, Wood, Metal Open Style: Hinged Customized solid wood Safety Door Frame as per design and detail in different type of wood option</p> <p>Geeta Furnishers Ghatkhur Warli, Mumbai</p> <p>View Mobile No. Contact Supplier</p>

Look at the Competition

Rs 300/ Square Feet

Rs 550/ Square Feet

Rs 28,000/ Piece

3. Investment required; **No further investment is required.**

Reply: The investment as per prospectus is already deployed and no additional funds are required as on date.

4. Period within which the proposed capacity is to be added; **Already done.**

Reply: The additional capacity is already added and the commercial operations have been commenced.

5. Proposed capacity addition;

Reply: The proposed capacity addition is of 3,000 frames and doors per month and the same is already installed.

6. Existing capacity utilization;

They were already running at full capacity, new Capex should have started bearing fruits as we speak.

Reply: Prior to the expansion project, the Company has installed capacity of 2,000 frames and doors per month and this capacity is utilized.

7. Existing capacity;

Reply: Prior to the expansion project, the Company had installed capacity of 2000 frames and doors per month. With the commissioning of new manufacturing facility, the total capacity has gone up to 5000 frames and doors per month (earlier capacity of 2,000 frames and doors per month plus additional capacity of 3,000 doors and frames per month).

For Omfurn India Limited

DPS Shah

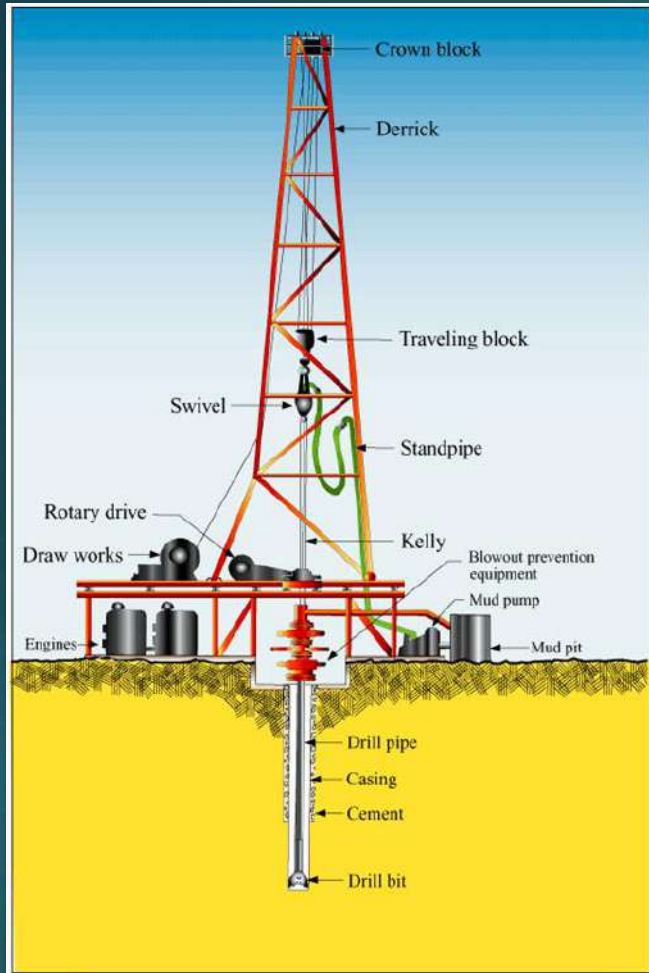
Dhara Shah
Company Secretary & Compliance Officer
M. No.: A29177

Place: Mumbai.
Date: May 15, 2018.



How much will they be able to make in best case scenario ?

- One door typically cost around Rs 400 / sq feet , Typical door size is 7 x 4 feet = 28 Feet sq .
- Rev per door = $28 * 400 = \text{Rs } 11,200 \text{ /-}$ (lets say Rs 10,000 /-)
- At full capacity of Capacity of 5000 doors per month = $\text{Rs } 5000 \times 10,000 = \text{Rs } 5\text{Cr /-}$ per month.
- In 12 months at best they can do Revenue of = Rs 60 Cr. (**Mcap of the company is Rs 9 Cr**)
- **The Capex of 3000 doors per months at best can add around = Rs 48 Cr /- per annum.**
- At 50% utilization we should see net addition of Rs 24 Cr to the top line.
- Fy18 company did top line of Rs 33 Cr /-.
- This new business (Door & shutter frame) alone can add significant growth 70-80% to the top line next year.



OVERVIEW

Our Company “South West Pinnacle Exploration Limited”, incorporated in the year 2006 is an ISO 9001:2015 certified is 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.

Presently we have 37 operational rigs and support equipment of different capacities to drill upto a depth of 2500 meters. We also provides consultancy for geological field services and allied services. Our Company has an in-house team of geoscientists for providing integrated exploration services including geophysical logging, surface geophysical & topographic surveys.

Our 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.

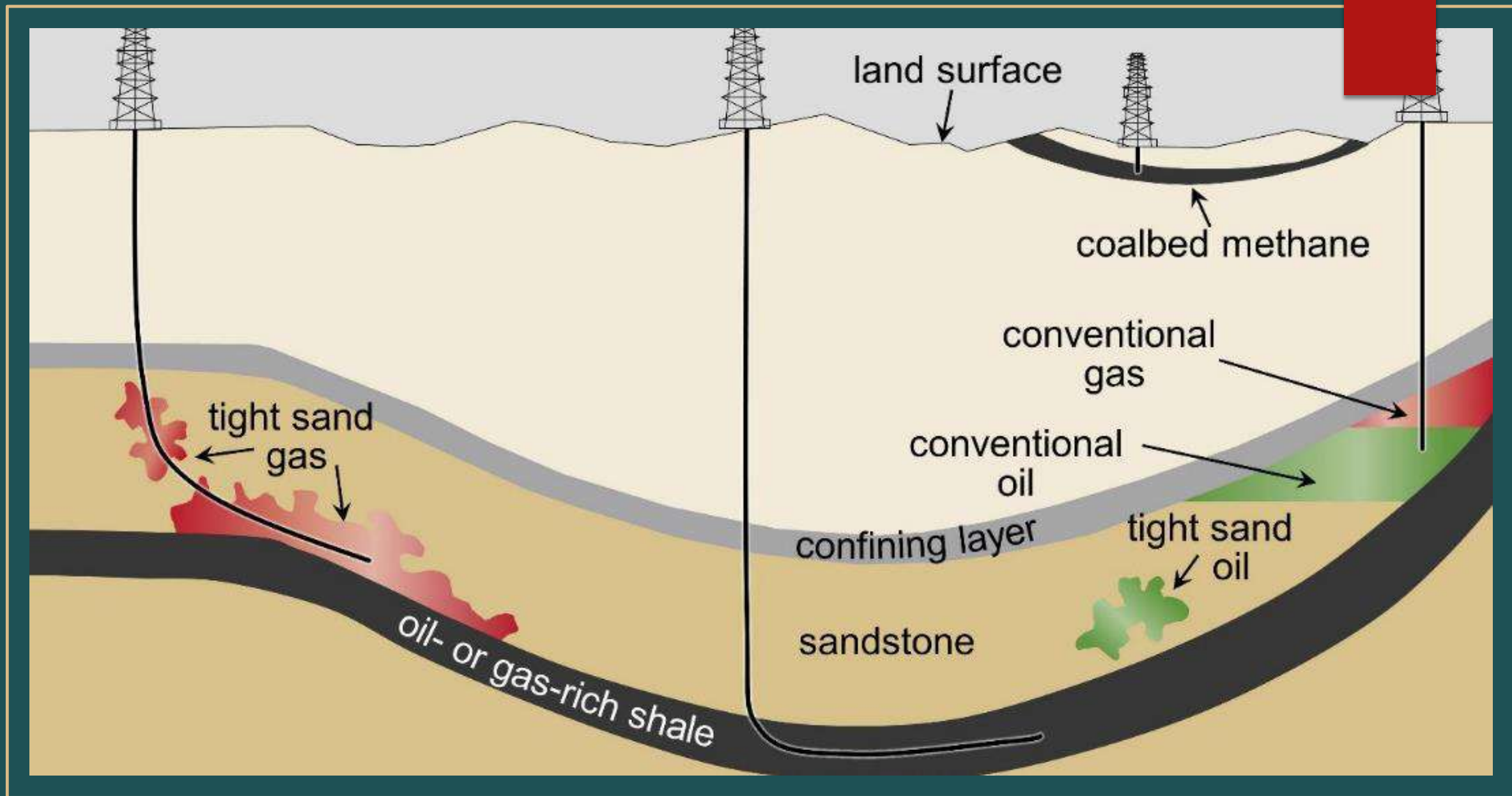
Our Company has completed more than 850,000 meters of drilling including 60 CBM exploratory and 166 CBM production wells for both Government and Private Sectors.

As on the date of Draft Red Herring Prospectus, our Company has 9 running projects in different states of India. We mobilise and demobilise our rigs from one location to another depending upon the requirement to ongoing or newly awarded project.

Our Promoter, Vikas Jain who is on the Board of our Company since inception and is the guiding force behind the strategic decision backed by industry experienced professionals to run the business and Our Promoter, Piyush Jain, joined the board of our Company in the year 2009 and since then directly involved in developing, planning, scheduling and supervising the operations of the Company.

From FY 2012-13 to FY 2016-17, as per our Restated Standalone Financial Statements, i) our total revenue has shown growth from Rs. 3781.49 lakhs to Rs. 7273.54 lakhs, representing a CAGR of 17.77% ii) our profit after tax has shown growth from Rs. 29.73 lakhs to a profit of Rs. 600.80 lakhs.

SouthWest Pinnacle Ltd.



Key Contracts Executed by Our Company as on date

Sr. No.	Description of Work	Client	Location	Duration of Work	Approx. Value of Work in Crores
1	Drilling HQ Core holes, Large Diameter Coring (LDC) of 8" & Rotary Air Blast (RAB) for Kimberlites & Lamproite Exploration	Rio Tinto Exploration India Pvt Ltd, Bangalore	Bunder Project, Chattarpur Dist., Madhya Pradesh India	Jan 2007 to Jul 2009	21.00
2	Rock Mass Proving through HQ Core Drilling for Chromite (3 Phases)	Tata Steel Ltd, Jamshedpur, Jharkhand	Sukhinda Mines, Kaliapani, JajpurDist, Odisha	Aug 2007 to Jan 2012	32.50

3	Detail Exploration for Coal	Central Mine Planning and Design Institute, Ranchi, Jharkhand	Raham Coal Block, North Karanpura Coalfield, Chatra Dist, Jharkhand	Apr 2012 to Jul2014	24.35
4	Core Drilling, Geological Logging, Sampling & Geophysical Logging	Directorate of Geology, Ranchi, Jharkhand	Banhardih Coal Block, Auranga Coalfield, LateharDist, Jharkhand	May 2013 to July 2014	13.21
5	Rock Mass Proving through HQ Core Drilling for Manganese	Tata Steel Limited, Jamshedpur, Jharkhand	Joda Mines, KeonjharDist, Odisha	April 2011 to December 2015	14.00

Sr. No.	Description of Work	Client	Location	Duration of Work	Approx. Value of Work in Crores
6	Core & Non-Core Drilling for Coal Bed Methane Exploration	Dart Energy (AS) Pte Ltd, Gurgaon, Haryana	Margherita, Tinsukia Dist. Assam	August 2014 to December 2015	23.50
7	Production hole Drilling for CBM	Reliance Industries Ltd, Mumbai, Maharashtra	Sohagpur (East) & Sohagpur (West) CBM Blocks, Shahdol Dist., Madhya Pradesh	Nov 2013 to Jan 2017	102.64
8	Detail Exploration for Coal	CMPDI, Ranchi, Jharkhand	West of Basin Phatehpur B Block, Korba Dist., Chattisgarh	December 2014 to May 2017	22.00
9	Core Drilling for Coal Exploration	Mineral Exploration Corporation Limited, (MECL) Nagpur	West Godavari Dist., Andhra Pradesh	December 2016 to October 2017	16.90

Work Order:

As on the date of Draft Red Herring Prospectus, our Company has 9 running projects details of which are as given below:

Sr. No.	Type of Mineral	Type Of Work	Projects running at	Total quantum of work awarded (in Meters)	Total Value of Work (In Lakhs)
1	Atomic Mineral	Core Drilling	Gogi, Karnataka	11,000.00	239.58
2	Coal	Core Drilling	Andhra Pradesh	46,800.00	1,764.83
3	Atomic Mineral	Core Drilling	Pakni, Surajpur, Chhattisgarh	10,000.00	197.00
4	Atomic Mineral	Core Drilling	Sonebhadra District, Uttar Pradesh	10,000.00	236.00
5	Coal	Coal Exploration	Dhadu, Jharkhand	94,700.00	1,896.84
6	Hydrogeology	DTH/Mud Rotary	Karnataka	1,05,400.00	1633.70
7	Hydrogeology	Construction of Exploration Well and Observation	Various districts of Rajasthan	60,200.00	1446.00

		Well			
8	Zinc	Core Drilling	Kayad	10,000.00	380.00
9	Rock Phosphate	Core Drilling	Maton, Rajasthan	10,000.00	550.00

Total 78-80 Cr of order book.

Scrip Code: SOUTHWEST Series: SM

Subject : Intimation regarding commencement of contract awarded by Reliance Industries Ltd. (RIL) in Madhya Pradesh

Dear Sir,

We are pleased to inform you that South West Pinnacle Exploration Limited has commenced production hole drilling rig services contract for Reliance Industries Limited (RIL) for their CBM Blocks, Sohagpur (East) and Sohagpur (West) Distt. Anuppur & Shahdol in the state of Madhya Pradesh. The Company has already spud 1st well on 5th June, 2018. This contract is initially for 2 years and is extendable for another 2 years. The Company expects to generate revenue of Rs. 24 Crore approx. p.a. from this contract.

This is for your information and record.

Jun - 2018

Subject : Announcement for bagging Letter of Intent (LOI) from Odisha Lift Irrigation Corporation Ltd. (OLIC)

Dear Sir,

We are pleased to share with you that South West Pinnacle Exploration Limited has got LOI in Aquifer Division for installation, electrification & energisation of 1800 nos. of Deep Bore wells in cluster basis in Subarnapur, Nabarangpur and Gajapati Districts in the State of Odisha, from Odisha Lift Irrigation Corporation Ltd. (OLIC). The aggregate value of contracts is Rs. 55.85 crores. The likely commencement of the said contract will be second half of the current Financial year 2018-19 and expected to be completed by June, 2019.

29th - Jun - 2018

Scrip Code: SOUTHWEST Series: SM

Subject: Intimation regarding Drilling & Geophysical Logging contract awarded by Geological Survey of India

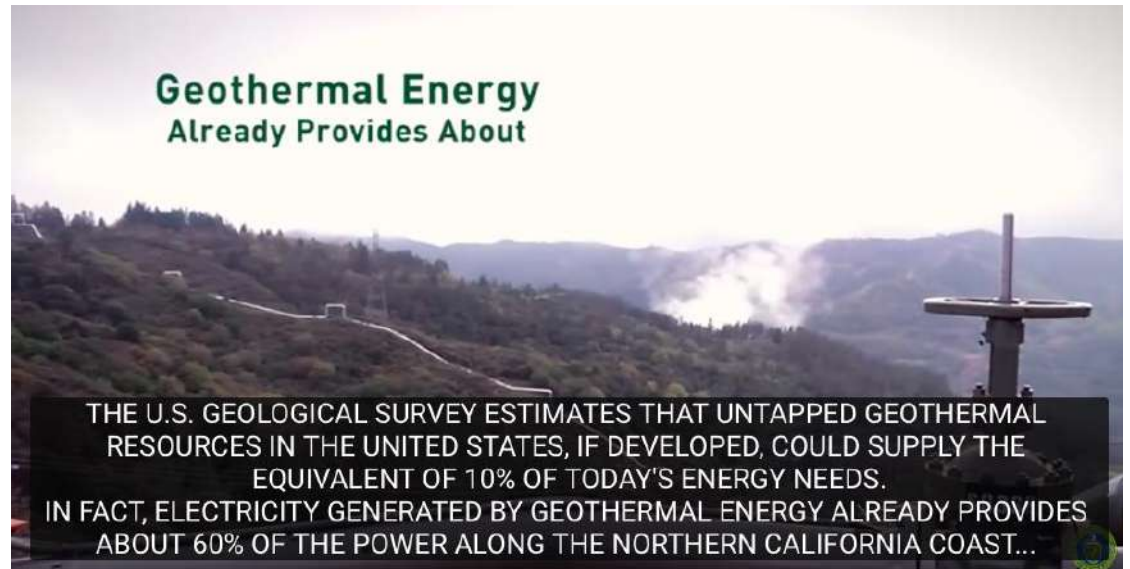
Dear Sir,

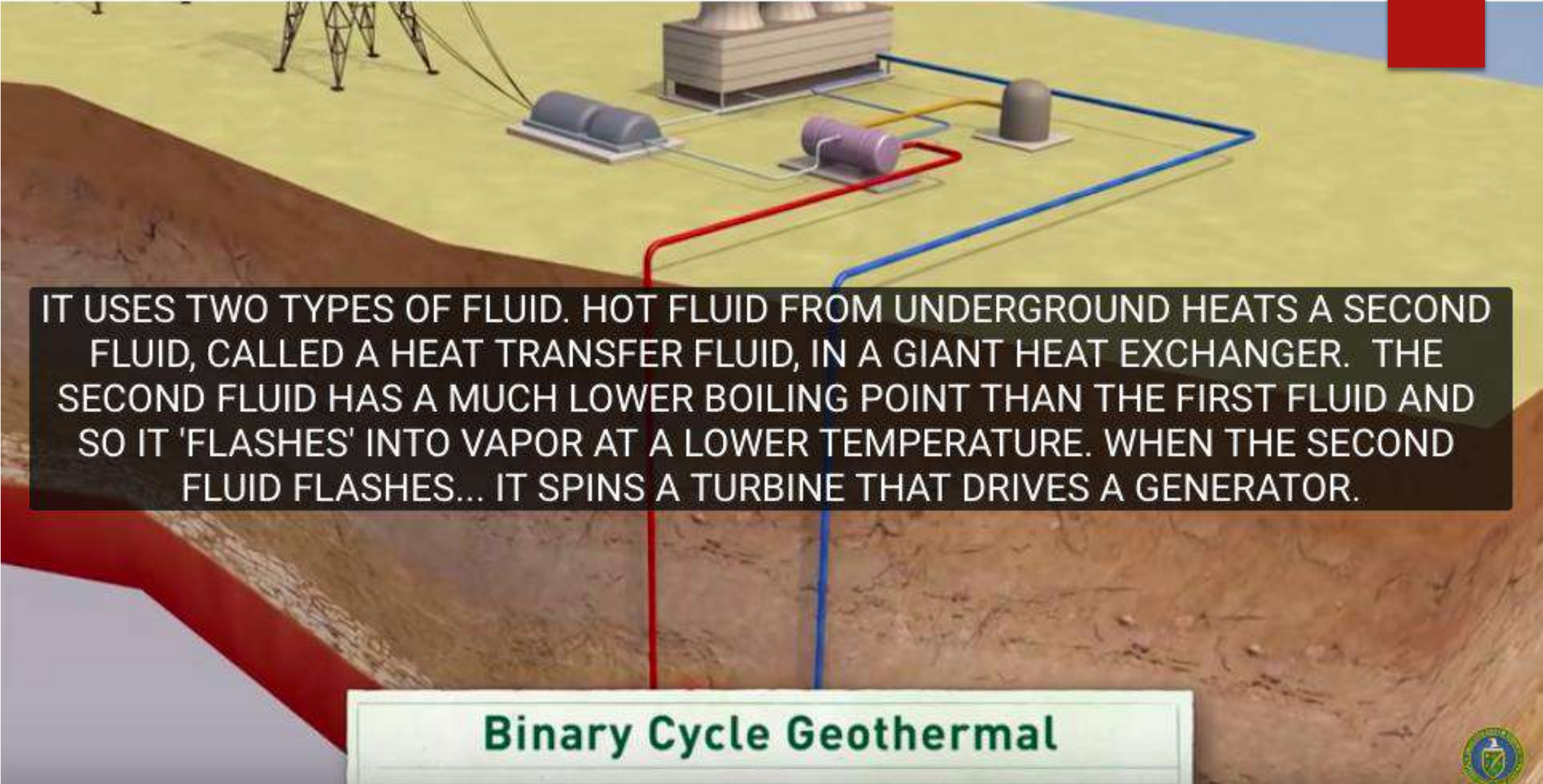
"South West Pinnacle Exploration Limited is pleased to announce the receipt of work order for Exploration in '**Geothermal Energy**', from Geological Survey of India. This is a new horizon for the exploration industry and the Company.

This will be a prestigious project of the Government of India as the said project is to access feasibility of alternate source of energy in the form geothermal energy in India, based on the outcome of the project, the Government has ambitious plans to carry out further exploration in this area.

As per the above work order, the Company has been awarded the contract for **drilling & Geophysical logging of four (4) Nos. of deep wells for Geothermal Energy in Kothagudem District, Telangana and the total work order value is Rs. 37.20 million which will be completed during the FY 2018-19"**

This is for your information and record.



A 3D cutaway diagram of a binary cycle geothermal power plant. On the left, a red pipe descends into a subsurface reservoir. On the right, a blue pipe descends into a lower-temperature reservoir. Both pipes rise and connect to a large, rectangular heat exchanger in the center. The heat exchanger has two sets of coils. The red pipe then leads to a turbine and generator set on the left, while the blue pipe leads to a similar set on the right. Both pipes then return to their respective reservoirs. The background shows a cross-section of the earth with different geological layers.

IT USES TWO TYPES OF FLUID. HOT FLUID FROM UNDERGROUND HEATS A SECOND FLUID, CALLED A HEAT TRANSFER FLUID, IN A GIANT HEAT EXCHANGER. THE SECOND FLUID HAS A MUCH LOWER BOILING POINT THAN THE FIRST FLUID AND SO IT 'FLASHES' INTO VAPOR AT A LOWER TEMPERATURE. WHEN THE SECOND FLUID FLASHES... IT SPINS A TURBINE THAT DRIVES A GENERATOR.

Binary Cycle Geothermal



Scrip Code: SOUTHWEST Series: SM

Subject: Announcement for receipt of Work Order from Geological Survey of India and Atomic Minerals Directorate for Exploration & Research

Dear Sir,

We are pleased to share with you that M/s South West Pinnacle Exploration Limited has got the following work orders:-

1. Core Drilling for Atomic Minerals in Sikar, Rajasthan from Atomic Minerals Directorate for Exploration & Research. The values of work awarded is 3.70 crore out of this 0.30 crore shall be executed in FY 2018-19 and balance 3.40 crore shall be executed in FY 2019-20.
2. Drilling for Coal Exploration in Godavari Valley from Geological Survey of India. The value of work awarded is 1.06 crore(approx) out of this 0.25 crore shall be executed in FY 2018-19 and balance 0.81 crore shall be executed in FY 2019-20.

Scrip Code: SOUTHWEST Series: SM

Subject: Intimation regarding Horizontal Directional Drilling contract awarded by M/s Tata Projects Limited

Dear Sir,

We are pleased to inform you that, South West Pinnacle Exploration Limited (the Company) is now entering into Horizontal Directional Drilling (HDD) business & had recently been awarded a HDD works contract in Gurugram (Haryana) under the Smart City Project of Govt. of India by M/s Tata Projects Limited.

We further wish to inform you that, the company is negotiating/bidding for obtaining similar projects in other places including smart cities, towns etc. The Company expects to generate additional revenue from similar activities which will contribute positively to the company's top and bottom line of the company

Scrip Code: SOUTHWEST Series: SM

Subject: Intimation regarding Horizontal Directional Drilling (HDD) contract awarded by Telecommunications Consultants India Limited

Dear Sir,

Further to our communication dated 1st August 2018, regarding our entry in new domain of Drilling i.e. Horizontal Directional Drilling (HDD), we are pleased to inform you that, South West Pinnacle Exploration Limited (the Company) has recently been awarded another contract of HDD for Optical Fiber Cable laying in Vizag, Andhra Pradesh by Telecommunications Consultants India Limited (TCIL), a Government of India Enterprise. The initial value of contract is INR 14 Million, we expect quantum and value of the work shall be increased during the progress of this contract.

The entire contract is expected to be completed during the current year itself, hence the revenue so generated would be reflected in FY 2018-19 financials.

Scrip Code: SOUTHWEST Series: SM

Subject: Announcement for receipt of Work Order from Atomic Minerals Directorate for Exploration & Research

Dear Sir,

We are pleased to share with you that South West Pinnacle Exploration Limited has got a work order for Core Drilling in the State of Uttar Pradesh, under AMD, Northern Region. The aggregate value of contracts is Rs. 2.35 crore (approx) which is expected to be completed during the FY 2019-20.

JV with Alara Oman Operations Pty Ltd -

- Will help getting new exploration licenses with Oman & GCC Countries.
- AOOPL - Subsidiary of Alara resource ltd (Australian Company).

In due compliance with and pursuant to Regulation 30(6) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we wish to inform that South West Pinnacle Exploration Limited ("South West") had entered into a Memorandum of Understanding called as Heads of Agreement ("HOA") on 15th March, 2018 with Alara Oman Operations Pty Ltd ("AOOPL") a company incorporated in Australia, to establish 50/50 Joint Venture Company ("JVC") among themselves, focusing on providing mineral drilling, exploration, geological services and development of mines including application for new Exploration Licenses within Oman and Gulf Cooperation Council (GCC) Countries.

Disclosure under Regulation 30 of Listing Regulation is as under:

Name(s) of parties with whom the Agreement is entered	South West Pinnacle Exploration Limited and Alara Oman Operations Pty Ltd
Purpose of entering into the Agreement	<p>South West Pinnacle Exploration Limited ("South West") had entered into an "HOA" on 15th March, 2018 with Alara Oman Operations Pty Ltd ("AOOPL") a company incorporated in Australia, to establish 50/50 Joint Venture ("JVC") among themselves, focusing on providing mineral drilling, exploration, geological services and development of mines including application for new Exploration Licenses within Oman and GCC Countries.</p> <p>"AOOPL" will be benefitted from "South West" experience in exploration and allied activities</p>


Ajay Chakraborty

Market Cap: **73.94** Cr.

LIQUIDITY RATIOS	2018	2017	2016	2015	2014	2013
Current Ratio	1.42	0.71	0.71	0.71	0.66	0.61
Quick Ratio	0.80	0.28	0.34	0.31	0.36	0.32
CFO to Current Liabilities	-0.30	0.31	0.34	0.20	0.16	0.17

Financials

Long Term Debt Ratio

Debt / Equity	0.99	2.63	2.54	3.05	4.54	5.45
Long Term Debt to Equity	0.21	0.75	0.26	0.35	0.75	1.75
Long Term Debt to Tangible Assets	0.23	0.33	0.14	0.16	0.25	0.42
Return Ratios						
ROE %	12.78%	20.44%	16.52%	14.90%	21.12%	2.82%
ROA %	6.41%	5.63%	4.67%	3.68%	3.81%	0.44%
Fianacial Leverage	1.99	3.63	3.54	4.05	5.54	6.45

Market Cap: **73.94** Cr.

FY	2018	2017	2016	2015	2014	2013
Total revenue (A) Lacs	8,200.38	7,273.54	8,492.79	6,341.12	5,224.17	3,781.49
Profit/ (loss) for the year	909.72	600.8	386.23	290.94	282.26	29.74
EBITDA Margin	33.71%	27.93%	22.82%	22.08%	28.23%	28.49%
Net Margin	11.09%	8.26%	4.55%	4.59%	5.40%	0.79%
Interest Exp./Sales	7.69%	7.14%	9.75%	8.70%	9.73%	11.45%
Dep / Sales	9.02%	8.17%	6.22%	6.40%	11.08%	12.23%
CFO	-1644.317	1,688.26	1,815.87	1,067.17	789.25	657.79

Some interesting points about their businesses model.

HUMAN RESOURCES

We believe that our employees are key contributors to our business success. We focus on attracting and retaining the best possible talent. Our Company looks for specific skill-sets, interests and background that would be an asset for our business. As on September 30, 2017, we have 413 employees working for us as details below:

Particulars	No. of Employees
Management	2
Admin	7
Business Development	3
Human Resource	3
Geoscientist	16
Drilling Head	2
Drilling Crew (Operations)	363
HSE	4
Inventory	3
Procurement	2
Logistics	1
Accounts and Finance	7
Total	413

For Drilling crew at site, we hire them for specific projects and once they are completed, we de-hire them.

2. Pre-qualification credentials

There is some level of entry barrier

Pre-qualification is a basic requirement in our industry. It is necessary that bidder should have requisite qualification in terms of technical expertise, adequate capital, infrastructure, experienced manpower, value of projects executed in the past etc. Our track record of over ten (10) years enables us to meet clients' prequalification requirement.

6. ***Our inability to qualify for or win large contracts and compete with other engineering companies could adversely affect our margins and results of operations.***

Substantially, our contracts are obtained through competitive bidding process. Pre-qualification is pre-requisite to our winning most projects. In selecting contractors for such projects, clients generally limit the tender to contractors they have pre-qualified based on several criteria, including technical ability, past performance, financial strength and the size of previous contracts executed in similar projects, although the price competitiveness of the bid is usually the most important selection criterion. We are currently qualified to bid for projects up to certain values commensurate with our track record of previously completed projects and current net worth vis-a-vis the project size and required net worth considered appropriate by the client, and therefore may not be able to compete with other engineering companies for larger, higher-value projects, on our own or find suitable joint venture partners. Our ability to bid for and win larger value projects is dependent on our ability to find suitable joint venture partners. Any inability to qualify for and win large contracts and compete with other engineering companies could adversely affect our margins and results of operations.

Main asset is drilling rigs and **Diesel Prices are their main Input cost.**

3. We face challenge in sourcing rigs and support equipments. Further any significant increase in the prices or decrease in the availability of these rigs and support equipments may adversely affect our results of operations.

Our main asset is drilling rigs. We generally obtain these rigs from domestic supplier or these rigs are imported depending upon the availability. As on date we do not have any long term tie up or agreements for supply of these drilling rigs. Though we keep assessing our requirements in terms of sourcing rigs and support equipments, any decrease in the availability of these rigs and support equipments for whatever reason could adversely affect on our ability to provide services. Further, any price volatility of these rigs and support equipment and our inability to adjust to the same could adversely affect our results of operations and profitability.

BRIEF BIOGRAPHIES OF OUR DIRECTORS

Vikas Jain, Promoter, Chairman cum 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, Promoter and Joint Managing Director

Piyush Jain, aged 35 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 21, 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 carrier 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.

Management

Jindal Drilling Industries Ltd

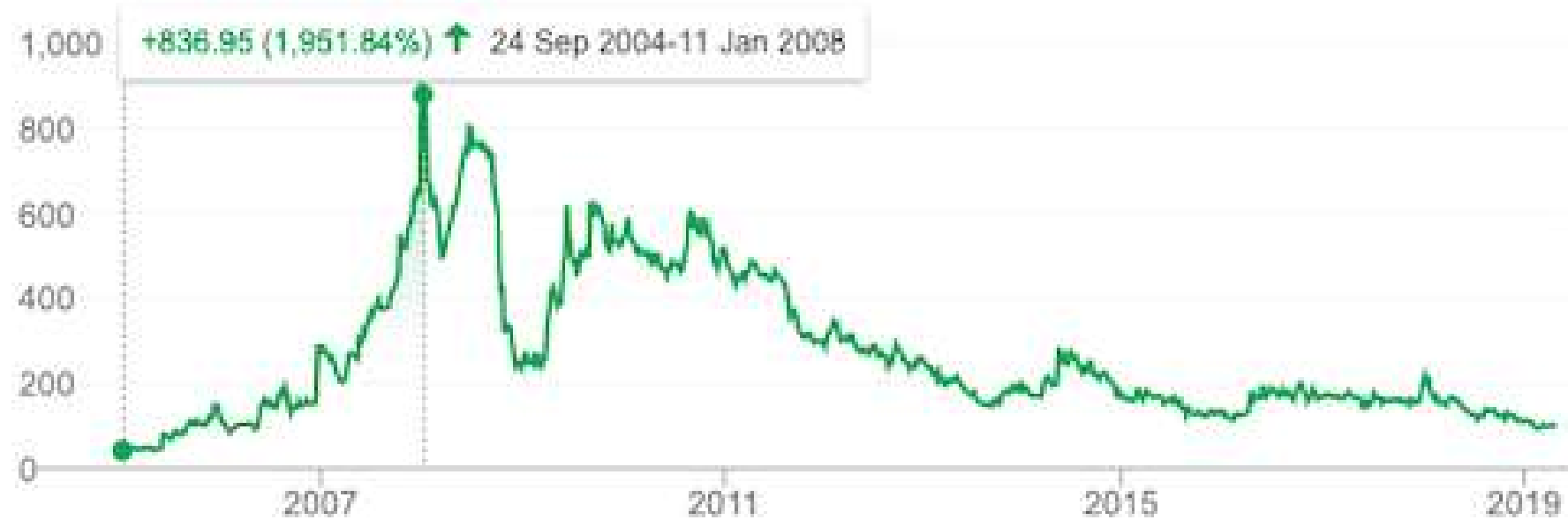
NSE: JINDRILL

+ Follow

99.25 INR -0.95 (0.95%) ↓

26 Apr, 3:30 pm IST - Disclaimer

1 day 5 days 1 month 6 months YTD 1 year 5 years Max



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,

Pivush Jain

Gurgaon, Haryana May 23th, 2018: South West Pinnacle Exploration Limited (NSE Symbol: SOUTHWEST) provides end to end drilling, exploration and allied services to coal, ferrous, non-ferrous, atomic and base metal mining industries and water & unconventional energy & oil and gas. Consolidated Results Highlights & Audited financial results for 2HFY18 & FY18 ending 31st March 2018.

Highlights – Strong 2HFY18 and FY18 numbers reported post listing on 19th Feb 2018.

- **Revenues** for 2HFY18 at Rs.44.50 crores were up 8% YoY and Rs.82 crores for 12 months ended 31 March FY18 were up 10% YoY. The growth was aided by the new line of business during the year of Aquifer Mapping.
- **EBIDTA** for the 2HFY18 is Rs.16.39 crores up 29% YoY and full year FY18 at Rs.27.64 crores up 32% YoY. **EBIDTA Margin** for the 2HFY18 improved by 600 bps points to 37% vs 31% in the corresponding previous year. This has been largely due to increase in operational efficiency and decrease in employee cost. **PAT** for 2HFY18 at Rs.5.63 crores up 88% YoY & full year FY18 Rs.9.10 crores up 60%.
- **Presently company has 44 operational rigs** including outsourced rigs along with support equipment of different capacities to drill up to a depth of 2500 meters. Company also has 3 fully built logging units. Till 31st March 2018 company has drilled more than 10,50,000 meters including 60 CBM exploratory, 167 CBM production wells and more than 450 Aquifer Mapping wells for both Government and Private Sectors. **Current order book is Rs. 175 crs.** Company expects to add another 50 crores during 1st QTR of FY 2019.

Management Comments :

Commenting on Company's performance for the 2HFY18 and full year FY18, the Chairman and Managing Director Mr. Vikas Jain said:

"We are happy to share with you the strong financial performance delivered by our company for the 2HFY18 and full year FY18. **During this period we have expanded capacity by adding outsourced rigs as well as adding New logging unit thereby increasing revenue and profitability.** Company is on its way to increase revenue and profit in FY 2019 by adding more business in all domains of drilling as well as aquifer mapping. Company has also been bidding in work over rig services and expects to have a favourable outcome in FY 2019"

He further said that "company through its Joint Venture in Oman will enter Middle East market. **The JV will initially buy 2 rigs for middle east market.** Mining opportunities in Middle East are on significant rise and company will seize this opportunity.

We aspire to continue our strong growth momentum over the next couple of years and remain focused on growing operating and profitability margins. I thank the entire team for their constant efforts, sincerity and enthusiasm. Also, I would like to thank our valued Shareholders, who have reposed faith in Company and supported us along with their critical inputs."

KEY HIGHLIGHTS OF 1H FY18-19 CONSOLIDATED RESULTS & RECENT

- **1H FY18-19 Revenue Growth:** Despite challenging climatic conditions, the company has reported Total Revenue of Rs. 38.92 crores for the 6 months ending 30th Sept. 2018, registering a modest YOY growth of 4% YoY over the corresponding previous 1H FY17-18.
- **EBIDTA:** For 1H FY18-19 at Rs. 10.52 crores was marginally down by 6% YoY mainly due to heavy monsoon and flooding resulting in delayed completion/start of many of the projects coupled with higher input cost mainly of diesel and steel besides adverse rupee dollar parity.
- **PAT (Profit after Tax).** PAT (Profits after Tax) in 1H FY18-19 at Rs. 3.58 crores, is up by modest 3% YoY due to reduction in interest and depreciation.
- The Company is an integrated service providers offers drilling services across various infrastructure sectors namely aquifer mapping, lift canal irrigation, optical fibre laying (OFL) and horizontal directional drilling (HDD), CBM production drilling besides coal and mineral exploration. Presently, Company operates 44 Rigs coring, RC & DTH rigs, having drilling capacity between 300m to 2000m with an average age of rigs less than 5 years. It deploys state of art technology with capacities to drill upto 2500 meters.
- The company currently has 12 projects across India, till date carried out more than 11,00,000 m of drilling without any major safety incident or LTI (Lost Time Injury) and 70 wells with partnership of CBM.
- The current Order Book stands at Rs. 212 crores mostly to be executed over next two years. Recent orders wins include –
 - Orissa Lift Irrigation Corporation Limited (OLIC) – Lift Canal Irrigation Projects in the State of Orissa- Rs. 55 Crores. We expect to get awarded more contracts of almost similar value in the same domain from OLIC shortly.
 - ONGC Energy Center Trust- Rs. 5.27 crores
- ★ Company is also working on geothermal exploratory drilling i.e. drilling 1000 meters down to explore possibility of electricity generation. Company have been awarded with 4 wells of which work on 2 wells has already started which is situated in Andhra Pradesh.

06th April, 2018

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

Scrip Code: SOUTHWEST Series: SM

Subject: Submission of Disclosure under Regulation 30(2) of SEBI (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) Regulations, 2011

Dear Sir,

In due compliance with and pursuant to Regulation 30(2) of SEBI (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) Regulations, 2011, Please find enclosed herewith the disclosure received by the company from Mr. Vikas Jain, Promoter South West Pinnacle Exploration Limited, on his behalf and on behalf of other promoter in the prescribed format for the year ended on 31st March, 2018.

Kindly take the note of the same and acknowledge.

Scrip Code: SOUTHWEST Series: SM

Subject : Disclosure under Regulation 7 (2)(a) of SEBI (Prohibition of Insider Trading) Regulations, 2015

Dear Sir,

I wish to inform you that I have acquired 14,400 equity shares of South West Pinnacle Exploration Limited on 07/06/2018 being 0.1032% of total paid up equity share capital of the Company.

In accordance with the provisions of Regulation 7 (2) (a) of SEBI (Prohibition of Insider Trading) Regulations, 2015, I am enclosing herewith the requisite disclosure in Form C duly signed by me.

The above is for your information and doing the needful.

Thanking you,
Yours faithfully,


Piyush Jain
Promoter & Joint Managing Director
DIN: 00049319

Scrip Code: SOUTHWEST Series: SM

Subject : Disclosure under Regulation 7 (2)(a) of SEBI (Prohibition of Insider Trading) Regulations, 2015

Dear Sir,

I wish to inform you that I have acquired 14,400 equity shares of South West Pinnacle Exploration Limited on 07/06/2018 being 0.1032% of total paid up equity share capital of the Company.

In accordance with the provisions of Regulation 7 (2)(a) of SEBI (Prohibition of Insider Trading) Regulations, 2015, I am enclosing herewith the requisite disclosure in Form C duly signed by me.

The above is for your information and doing the needful.

Thanking you,
Yours faithfully,

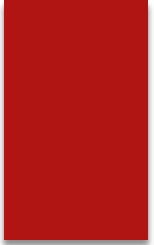

Vikas Jain
Promoter & Managing Director
DIN: 00049217

Dear Sir,

I wish to inform you that I have acquired 73,600 equity shares of South West Pinnacle Exploration Limited on 29/08/2018 being 0.5275% of total paid up equity share capital of the Company.

In accordance with the provisions of Regulation 7 (2)(a) of SEBI (Prohibition of Insider Trading) Regulations, 2015, I am enclosing herewith the requisite disclosure in Form C duly signed by me.

The above is for your information and doing the needful.



In your investing career in India, I have been told that Templeton had nearly \$10 billion directly, indirectly invested in India. Which is one business you regret buying late and one business you regret selling early?

I would say that more than business buying too late was probably the outsourcing businesses. We did not recognise the incredible potential there. Some of the **mining** companies, we bought a little bit too early. They had a lot of reforms to go through and the whole environmental issues came in play. We could have been waiting.

mark mobius.

Thankyou