

South West Pinnacle

ISO 9001 : 2015 Certified Company

South West Pinnacle Exploration Limited

(formerly known as South West Pinnacle Exploration Pvt. Ltd.)

CIN No.: L13203HR2006PLC049480

Regd. & Corp. Office:

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Date: 03/06/2020

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

Symbol: SOUTHWEST

Sub: Disclosure under Regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 – MATERIAL IMPACT OF COVID-19 PANDEMIC

Dear Sir/Madam,

Pursuant to SEBI Circular SEBI/HO/CFD/CMD1/CIR/P/2020/84 dated May 20, 2020 and in continuation to our letter dated May 18, 2020, please find enclosed herewith the disclosure on material impact of COVID-19 pandemic on the Company.

This is for your information and record.

Thanking you,
Yours faithfully,

For South West Pinnacle Exploration Limited


Vaishali

Company Secretary & Compliance Officer



Encl: as above

DISCLOSURE OF MATERIAL IMPACT OF COVID-19 PANDEMIC

Pursuant to SEBI circular SEBI/HO/CFD/CMD1/CIR/P/2020/84 dated May 20, 2020 on disclosure of material impact of covid-19 pandemic are as follow:-

S.No	Particulars	Disclosures
1.	Impact of the CoVID-19 pandemic on the business	The Company's facilities suddenly stopped in March, 2020 due to lockdown in various parts of the country which got partially re-opened in May, 2020. This way pandemic has impacted our operations during March, April and May'2020. Abrupt stoppage of Company's operations in March, when they were at peak, effected our top line by 12 to 15 Crores with reduction in bottom line. The overall financial performance for the year 2019-20 thus was impacted significantly. However, we could restart the operations in May 2020 beginning since all our employees were at the operation site only when the lock down was imposed. Accordingly, restart didn't take much time.
2.	Ability to maintain operations including factories/units/office spaces functioning and closed down	The Company has restarted most of its' operations during the month of May 2020 adhering to the safety norms prescribed by Government of India and by the local authorities. With the comfortable order book position and active support of clients, we are confident of maintaining/ sustaining our operations smoothly in the times ahead.
3.	Schedule, if any, for restarting the operations	Not Applicable in our case
4.	Steps taken to ensure smooth functioning of operations	The Company is taking utmost care of its' staff and work force in adhering to sanitization, social distancing, mandatory mask wearing, thermal screening at the gate and maintaining proper hygiene. Supply chain is being monitored to ensure timely availability of material. We have taken adequate measures to have comfortable cash flows to smoothly manage our operations. Overheads are also being monitored very closely during this period.
5.	Estimation of the future impact of CoVID-19 on its operations	April to June' 2020 being lockdown months, the revenues and profitability of the Company are likely to be impacted. As per indications, restrictions may continue even in July 20 too. As the situation is very dynamic, the company is closely monitoring it. Though we do hope that the business situation should normalize to a large extent during 3rd and 4thquarter of 2020-21.



6.	Details of impact of COVID-19 on listed entity's :-	
6.1	Capital and financial resources	The Company's capital and Banking facilities remain intact. There are no liquidity concerns as we have sufficient unutilized banking limits available. We have also got assurances from our banker to extend additional financial assistance if any such need arises during this period.
6.2	Profitability	In view of the nationwide lock down imposed in the month of March 2020, the profitability during the year 2019-20 was adversely impacted . 1 st quarter (April to June) profitability is also likely to remain impacted .As the situation is evolving , the company is keeping a close watch .We hope the business situation should normalize during 3rd and 4th quarter.
6.3	Liquidity position	As explained above, there are no liquidity concerns at present as we have sufficient banking limits available. Further Banks have assured for additional assistance in case need arises.
6.4	Ability to service debt and other financing arrangements	As mentioned above, Company has sufficient unutilized working capital limits to meet financial requirements. Though the cash flow position is dynamic , yet with our existing limits and strict monitoring and control over expenditure, the company will be able to serve its' debt and other financing arrangements.
6.5	Assets	Weekly review mechanism adopted by company to monitor account receivables and inventory has so far been very effective. Proper system is also in place to control the capital expenditure and COVID era has no impact on our asset management.
6.6	Internal financial reporting and control	Internal Financial reporting and control is a regular feature and COVID19 didn't have any bearing on our control mechanism.
6.7	Supply chain	The restrictions in movement of goods during the month of April 20 did impacted our supply chain adversely but with easing of restrictions, it is now running smoothly
6.8	Demand for its products/services	Since our company is imparting services in exploratory drilling field, there is no impact on demand of our services due to COVID 19. In fact recent announcements by Govt of India restricting participation by global players in tenders up to 200 Crore and opening up of Coal and mining sector for private players has opened up new areas of opportunities which in turn will obviously generate additional demand for companies like us.
7.	Existing contracts/agreements where non-fulfillment of the obligations by any party will have significant impact on the listed entity's business	All our contracts in hand are valid hence it will have no impact on our business.

8.	Other relevant material updates about the listed entity's business	Many new tenders are on the anvil. As mentioned in point no 6.8, we expect to garner sizable business in the times to come in view of the favorable policies of the Government of India throughing open many new opportunity in post COVID era.
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