



DG Group

Overview Presentation





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Group Overview

- DG Group is an engineering conglomerate group of Companies in the area of mineral mining and dimensional stone quarrying
- DG Group is head quartered at Bhopal along with its international marketing office at Xiamen, China and 100% Wholly Owned Subsidiary corporate office at Hong Kong.
- The group has been allotted 22 quarries of granites, sand stone and lime stones with area of ~135 hectares of granite & flagstone quarries in Madhya Pradesh and ~990 hectare of lime stones quarries
 - All the granite quarries of the Company are distributed among 6 Companies
 - We are the only Company in Madhya Pradesh, India that owns 135 hectare of Granite quarry area with Granite in Bolder & Sheet form
- The flagship quarries of the Group are located near Khajuraho, Chhatarpur district, Tikamgarh district, Sagar district in Madhya Pradesh
- **Product range includes Granite in different colours such as Ruby Red, Grey White, Prime pearl etc. and Flagstone in varied colours and textures**
- We will also be establishing our own state of art granite cutting & polishing unit for processing the granite into Slabs at Chhattarpur near quarry area

One of the largest quarries of red granite in Central India with reserves of ~3 million cubic metres

15 quarries with heavy deposits of red colour granites which is very popular in South East Asian markets like China, Korea, Taiwan and Singapore

Would be One of the largest Group in India producing ruby red granite of ~60000-70000 cubic metres per annum

Corporate Core Strength & Capability

Team: We have a team of professionals who are *expert in their subject matter*. We have capability to take any big project and deliver with ethics. We have *overseas staff as at China and Hong Kong*, who have expertise to that market.

Geologist: We have two *in house team of geologist* who are working on full time basis to take care mining development in line with complying norms set by state government and local bodies.

Forward & Backward Integration: We are planning to make sculptures using red granites at China and using left over or over burden into construction grade raw material under forward integration.

Marketing & Sale : Proactively, we have floated a *100% wholly owned subsidiary (WOS) at Hong Kong as per RBI guideline to market our granites at International Market at very competitive price* to retain more profit with improved margins. We have *staff at China for business and market development*.

Overseas Opportunities: We are looking forward to acquire minerals at African Countries, Vietnam (White Marbles) and Turkey

“ Aim to be the only Forward and Backward Intergrated Group in North India”

“ Inhouse Geologist and Mining Consutant with Sweat Equity ”

“ Acquisition of Stone Minerals at African Countries, Vietnam and some Arabian Countries “

Led by a Visionary Management Team – Core Team

**Mr. Dileep
Gupta**
Chairman & CEO

- Dileep Gupta has over 2 decades of professional experience in various trade from manufacturing to consulting and now mining
- He has worked in Companies like LIC where he attended international delegation, meeting and seminars
- He is regular at attending MDP programs by IIM-A, IIM-B & ISB-Hyderabad
- He has a broad vision in working with the professional team and firmly believes in decentralisation of managerial decisions

Mr. Ajit Kumar
Executive Director

- Ajit Kumar has spent over a decade as a corporate finance executive, as a start-up entrepreneur, investment advisors & educationist
- Ajit is a consultant & non-executive director in many small and medium firm boards in India and Overseas
- He consults Buttar & Associates, one of the most admired and leading company at Hong Kong, Associate Director - Corporate Risk Management at The ALT Group Limited -London & Europa Digital Ltd-New Delhi
- In the month of June 2015 he accompanied Honourable President of India Shri. Pranab Mukherjee as a business delegate to Sweden

**Mr. Munish
Meena**
*Director & Chief Mining
Officer*

- He has 20 years of professional work experience in high and low mineral mining and has been a key instrument in acquiring the quarries
- He has 20 years of professional work experience in high and low mineral mining
- He is a key resource person who helped the group in finding the best granite quarries



Has a combined experience
of over 60 years in Varied
Sectors



Internationally recognized
expert & pioneer in the
Industry



Have a highly experienced
team of Geologists assisting
the Company in
prospecting the quarries
with grade and heavy
deposits of Granite

Experienced Management and Advisory Team - Operations

Vineet Jain

Director – Accounts & Finance

- Mr. Vineet is an experienced professional with 10 years of enterprising skills in marketing & product positioning. He has prowess in deal negotiation.
- He is carrying very diversified experience from real estate.
- He has joined the group as a director and he looks after accounts & finance and purchasing.
- He has done B.Com and MBA from Bhopal University

Jiaming Feng

Manager- China

- Jiaming Feng (Mingo) is an experienced professional with 5 years of professional experience as an executive in the area of product positioning and product development
- She has worked with many professional elite organisations before joining DG Group as a Manager
- Jiaming Feng has joined as an overseas employee to look after China operations and develop market for granites
- Ms Feng has done Masters in Tourism & Hospitality Management from Guangzhou University, China

Mr. Pankaj Agrawal

Group – Strategic Investments

- Mr. Pankaj has 25 years of experience in structuring financial products, financial and corporate advisory and M&A transactions of over USD 3 billion
- He held senior positions at Citibank, India and as advisor to UBS
- He is listed amongst the Top 100 Forbes list power players in the GCC
- He is a Qualified Chartered Accountant from the Institute of Chartered Accountants of India

Group Structure

DG Group

Dileep
Infrastructure
(P) Limited

DG Stones
Limited

DG Minerals
(P) Limited

DG Mining (P)
Limited

Shri Maa
Cimentech (P)
Limited

Shri Maa
Mining's &
Minerals (P)
Ltd

DG Minerals (P) Limited (Undertakes Operations of quarries for the above Companies)

100%
Subsidiary
DG Global (HK)
Limited

Extraction of Minerals



Notes explaining the Group Structure :-

- DG Group has 6 Companies, having 30 years lease license (which can be extended by 20 years where all the granite has not yet been extracted) and Granite Mines in aggregate of ~135 hectares
- Dileep Infrastructure (P) Ltd, has a 100% subsidiary DG Global (HK) Limited through which the Company does its export sales
- One of the 6 Companies i.e. DG Minerals (P) Ltd which has ~39 hectares of mines would also be the operating Company for the other 5 Companies
 - We would buy the necessary plant & machinery and undertake quarry operations for all the Quarries belonging to the other 5 group Companies.
 - We will receive income from all the Sister Companies in the form of O&M Fee.
- The Granite extracted from the respective mines would be sold through the 6 holding Companies

Product Portfolio



DG Lite 575



DG Prime Pearl 775



DG Red 375



DG Grey 475



DG Red 75



DG Red 275

Approval Stage – Quarries

Prospecting License (PL) :-

PL is given for 2 years to carryout the prospecting to see the quality of mineral and assess the deposit of minerals. Besides this, during the phase of permitted 2 years, upto 600 CM can also be sold to see the commercial value post approval

Quarrying Licence (QL):-

Post PL, on submission of all legal documentation and by paying all prescribed fee, you get QL/ML. Once you receive the QL you can start commercial production of Granite

Company Name	Area of Mines(In hectares)	Mineral	Approval Stage
DG Minerals (P) Limited	18.9	Granite	PL Done + QL Applied
DG Minerals (P) Limited	3.45	Granite	QL Done
DG Minerals (P) Limited	2.3	Granite	QL Done
DG Minerals (P) Limited	8	Granite	QL Done
DG Minerals (P) Limited	6	Granite	QL Done
DG Mining (P) Limited	4.9	Granite	QL Done
DG Mining (P) Limited	2	Granite	PL Done + QL Applied
DG Mining (P) Limited	8.9	Granite	PL Done + QL Applied
DG Mining (P) Limited	9.4	Granite	PL Done + QL Applied

Approval Stage – Quarries(2/2)

Company Name	Available Area(In hectares)	Mineral	Approval Stage
DG Mining (P) Limited	9.8	Granite	PL Done + QL Applied
DG Mining (P) Limited	7.6	Granite	PL Done + QL Applied
DG Stones (P) Limited	3.01	Granite	PL Done + QL Applied
DG Stones (P) Limited	6	Granite	QL Done
DG Stones (P) Limited	2.4	Flagstone	QL Done
DG Stones (P) Limited	4.5	Flagstone	PL Done + QL Applied
DG Stones (P) Limited	1	Flagstone	PL Done + QL Applied
DG Stones (P) Limited	1.8	Flagstone	PL Done + QL Applied
Dileep Indfrastructure (P) Limited	3	Granite	PL Done + QL Applied
Shri Maa Cimentech (P) Limited	11	Granite	PL Done + QL Applied
Shri Maa Cimentech (P) Limited	1	Granite	PL Done + QL Applied
Shri Maa Cimentech (P) Limited	4.7	Granite	QL Done
Shri Maa Mining & Minerals (P) Limited	15.4	Granite	PL Done + QL Applied
Total	135.15		

SWOT Analysis – DG Group

STRENGTHS



- The promoter group has over 135 hectares of mining license in the name of various companies under D G group. The group has been allotted 22 mines of granites, sand stone and lime stones with area of ~135 hectares of granites and ~990 hectare of lime stones
- We have geologists, who help the group of companies in prospecting the quarries with grade and heavy deposit of granites
- We have entered into an exclusive supply agreement with Five Rivers (HK) Ltd, Hong Kong for sale of 50000 cum of the granite in next 3 years for US\$ 39 Million.

OPPORTUNITY



- Granite is mostly used in construction sector, in residential and commercial real estate construction. In residential real estate segment, granite is used in making kitchen countertops, flooring and paving stones. In commercial real estate segment, it is used for flooring. Consequently domestic demand for granite would be dependent on the real estate construction activity
- It is estimated that more than 85% of total granite produced is exported, making it one of the largest exporters of granite in the world. The wide variety of granite available in India has made Indian granite one of the most sought after in the world

WEAKNESS



- Few approvals and clearances for the project are to be received. Timely receipt of the same is necessary to avoid any delay in project implementation.
 - We are confident of getting the necessary approvals with our experienced team in place for the same at necessary stages

THREATS



- The generic threat of economic slowdown exists
- Also government policies can have an impact as regards to temporary slowdown in the Industry

Strong Order Book

Name of Buyers	Location	Quantity	Value (US Dollar)	Supply Contract
Five Rivers (HK) Limited	Hong Kong	50000 CM in 5 years	U\$ 39 Mn	YES
KRBS Limited	Yunfu (China)	20000 CM in 3 years	U\$ 13 Mn	YES
Prototype Trading Company	Taiwan	Willing to Order : 10000-15000 Per Year	U\$ 7-10 Mn	INTERESTED
Zenith Mining Inc.	Taiwan	Willing to Order : 15000-18000 Per Year	U\$ 10-12 Mn	INTERESTED
Donghe Tiancheng Stone Co., Ltd	Xiamen (China)	Willing to Order : 10000-12000 Per Year	U\$ 7-9 Mn	INTERESTED
Zhang Trading Co	Xiamen (China)	Willing to Order : 20000-25000 Per Year	U\$13- 15 Mn	INTERESTED

Besides the above, one of leading Constructions Contractors globally – **SHAPOORJI PALLONJI – SP PROPERTIES DUBAI(GROUP COMPANY OF SHAPOORJI PALLONJI – DUBAI)** have shown keen interest in signing an off take agreement with us, which if successfully entered into, would amount to a huge off take for the Company

DG Group : Granite & Flagstone Reserve Value

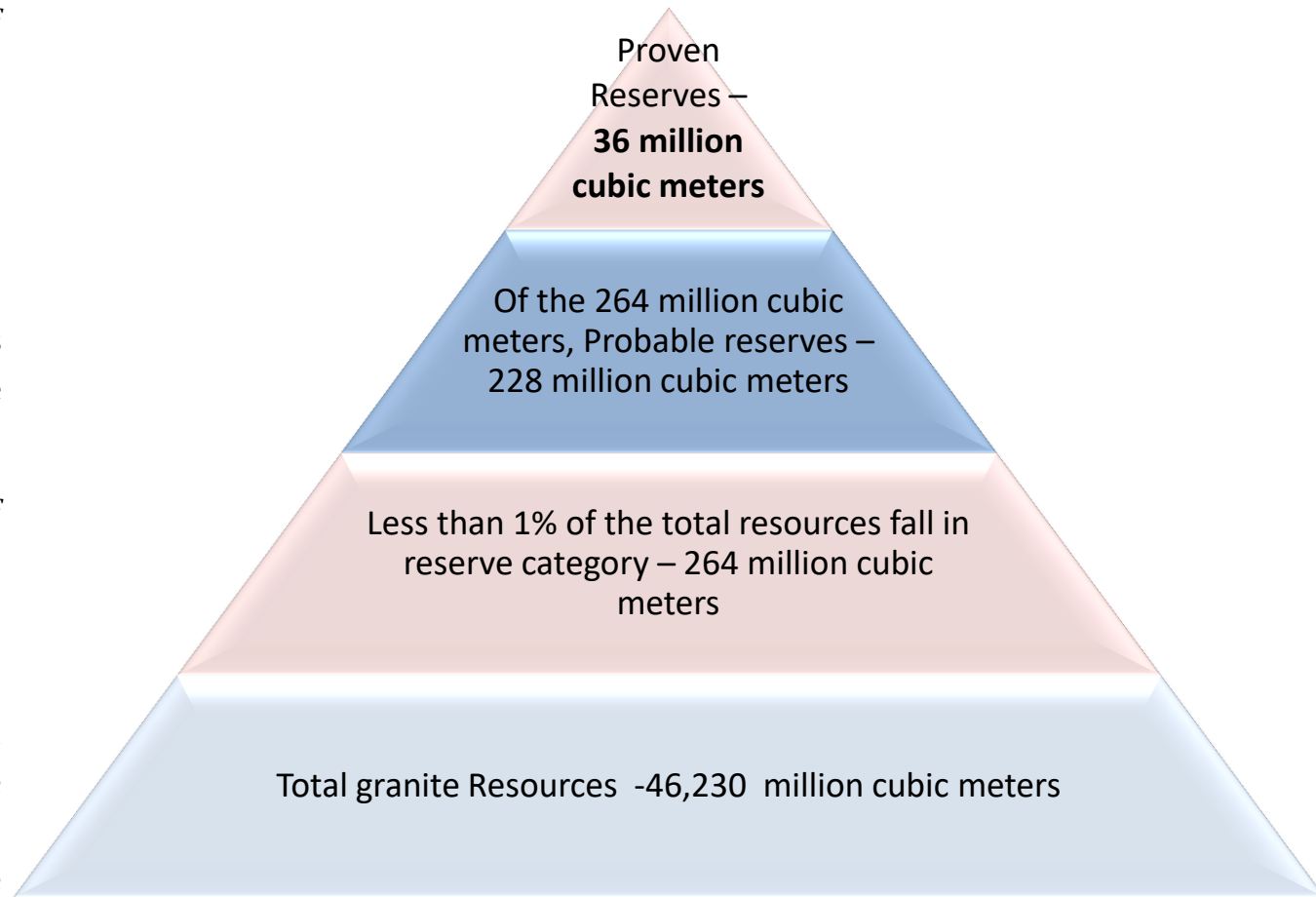
The below total, possible and probable reserve value of the quarries has been arrived at, as per the reports approved by the Indian Bureau of Mines (IBM) and the selling price per cubic metre is estimated based on the average selling price accepted in International Markets

Name of the Company	Total Resource (In Cubic Meter)	Proved Reserves(In Cubic Meter)	Probable Reserves(In Cubic Meter)	Average Price per Cubic Meter(USD)	Market Value (In USD Mn)
Dileep Infrastructure (P) Ltd	900000	180000	126155	850	107
Shri Maa Cimentech (P) Ltd	5871784	1174357	755387	850	642
Shri Maa Mining & Minerals (P) Ltd	6360811	1272162	819162	850	696
DG Minerals (P) Ltd	17069217	3413843.4	1832017	850	1557
DG Mining (P) Ltd	12804715	2560943	1364244	600	818
DG Stones Limited	3690000	1872000	854565	500	427
Total	46696527	10473305	5751530		4248

Flagstone mines are only in DG Stones Limited and constitute a very small part of the current mines of the Group

An Overview of the Indian Granite Industry

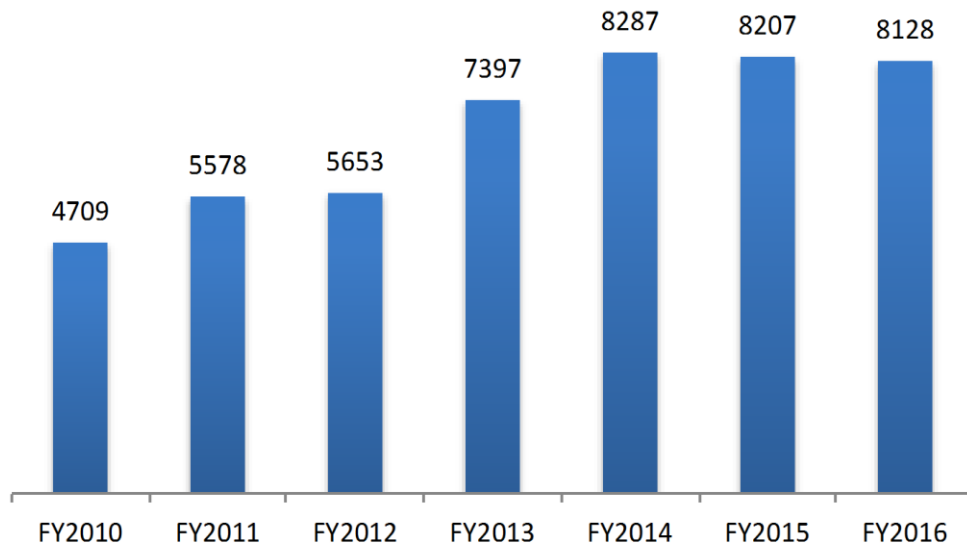
- India's granite industry is expected to grow at a CAGR of 16-18% during the period FY 2014-19 on the back of increasing demand from USA and Chinese markets. India is the largest producer of 'Dimensional and Decorative Stones made up of granite, marble, sandstone, slate, flaggy limestone etc. in the world which are largely used in construction sector
- India has abundant resources of granite, which makes her one of the top three granite producers and top five granite exporters in the world
- The country is attributed with more than 66% of around 300 shades available in the world and accounted for approximately 16% of global granite production in FY 2013-14
- Indian granite reserves are dominated by colored granite, which account for 94% of total reserves while black granite account for the rest 6%. Karnataka and Rajasthan have the largest granite reserves in the country, with both states having 20% each of total reserves. Jharkhand, Gujarat, Andhra Pradesh, and Madhya Pradesh are the other major granite rich states in the country.



Indian Granite Industry : Demand & Supply

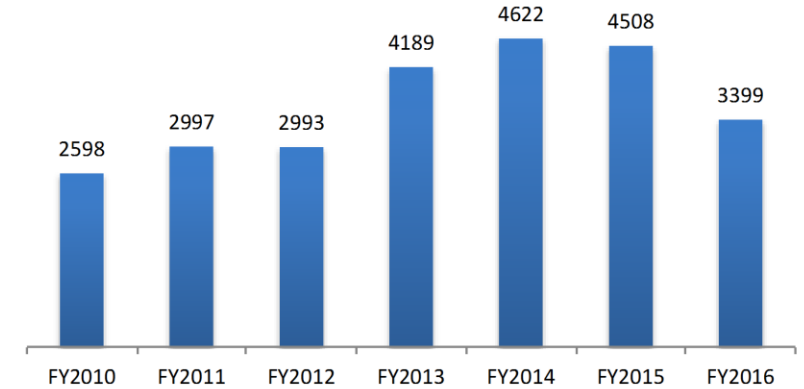
India is one of the largest producers of granite in the world. The country's granite resource is estimated to account for 20% of global granite resource. Annual production of granite is estimated to have crossed 8 million tones in FY 2016. In the FY 2013-14, the market size of India's granite reached approximately USD 2.62 billion, mainly contributed by granite export, which has crossed the mark of USD 2 billion

Granite Produc. on ('000 Tonnes)



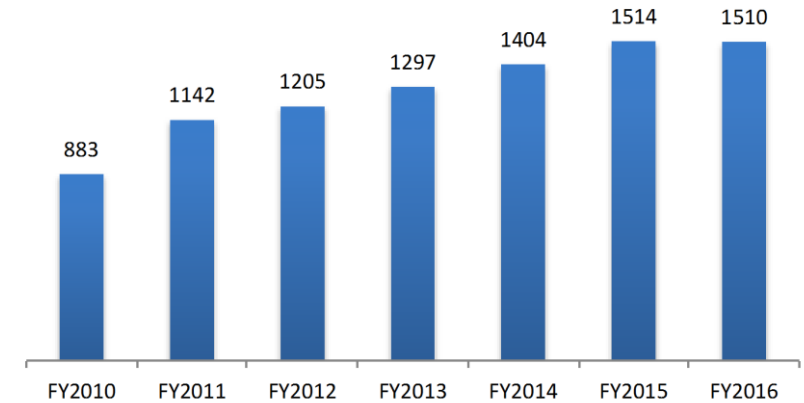
Source: Dun & Bradstreet Research

Raw Granite Exports ('000 Tonnes)



Source: DGFT

Granite Exports ('000 Tonnes)



Source: DGFT

Market Opportunities for the Products

- India is the third largest producer of natural stones, still the Indian industry holds less than 10% share in world market. In spite of holding a vast natural resources of stones and a pool of good craftsmen, the Indian stone industry is facing stiff competition from China. China is importing rough stones from India and exports it by adding some value in it
- India will almost always have an edge with its range of colours, because these products are unique to the region they are produced. A granite colour quarried in India will not be available in major other parts of the world
- Granite and products accounted for the majority of exports revenue, followed by other stones and products, marbles and slate stone
- In spite of recession in Europe and the US, the demand for granite is increasing. New markets are being developed in Africa, Eastern European countries, and the Middle East. If we are able to get sufficient raw material, we can venture into many more markets.
- The global construction industry is projected to grow from US\$7.4 trillion in 2010 to US\$10.3 trillion in 2020 and the Granite market would be a direct beneficiary of the same
- Colours manufactured by us are well positioned in the Chinese & Korean markets with a steady demand with over 2 decades

Players in Industry	There are over 1000 granite producing companies (organized & unorganized), however, there are only close 50 recognized leading trading company	Space for tremendous growth
Geographical Distribution	South India: Tamil Nadu, Andhra Pradesh, Karnataka, Telangana North East: Bihar, Meghalaya, Jharkhand Central India: Madhya Pradesh, Chhatisgarh Western: Maharashtra	Most of the quarries are 25-30 years old due to which minerals have been depleted and new quarries would have a advantage over the same
Industry Size	~USD 12 Billion market size	India is expected to be the next biggest market after China



Industry – Opportunities & Threats



Demand & Supply Dynamics :-

With an expected recovery in the domestic and global housing market, the granite sector of India is likely to grow by 16-18% during 2014-19

Macro Economic Scenario :-

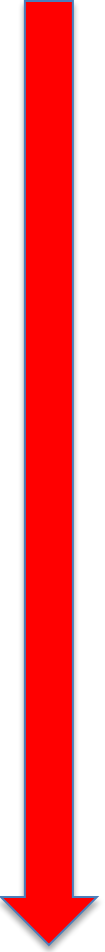
In FY 2014-15 India's GDP has shown a growth rate of 7.29% compared to 6.90% in FY 2013-14

Competitive Scenario :-

Due to the availability of large number of small sized players, the granite sector is highly competitive in India.

Government Regulations:-

The central government has promoted uniform framework to extract granite scientifically, however, the policy reforms for allocation, extraction and processing of granite in India are under consideration



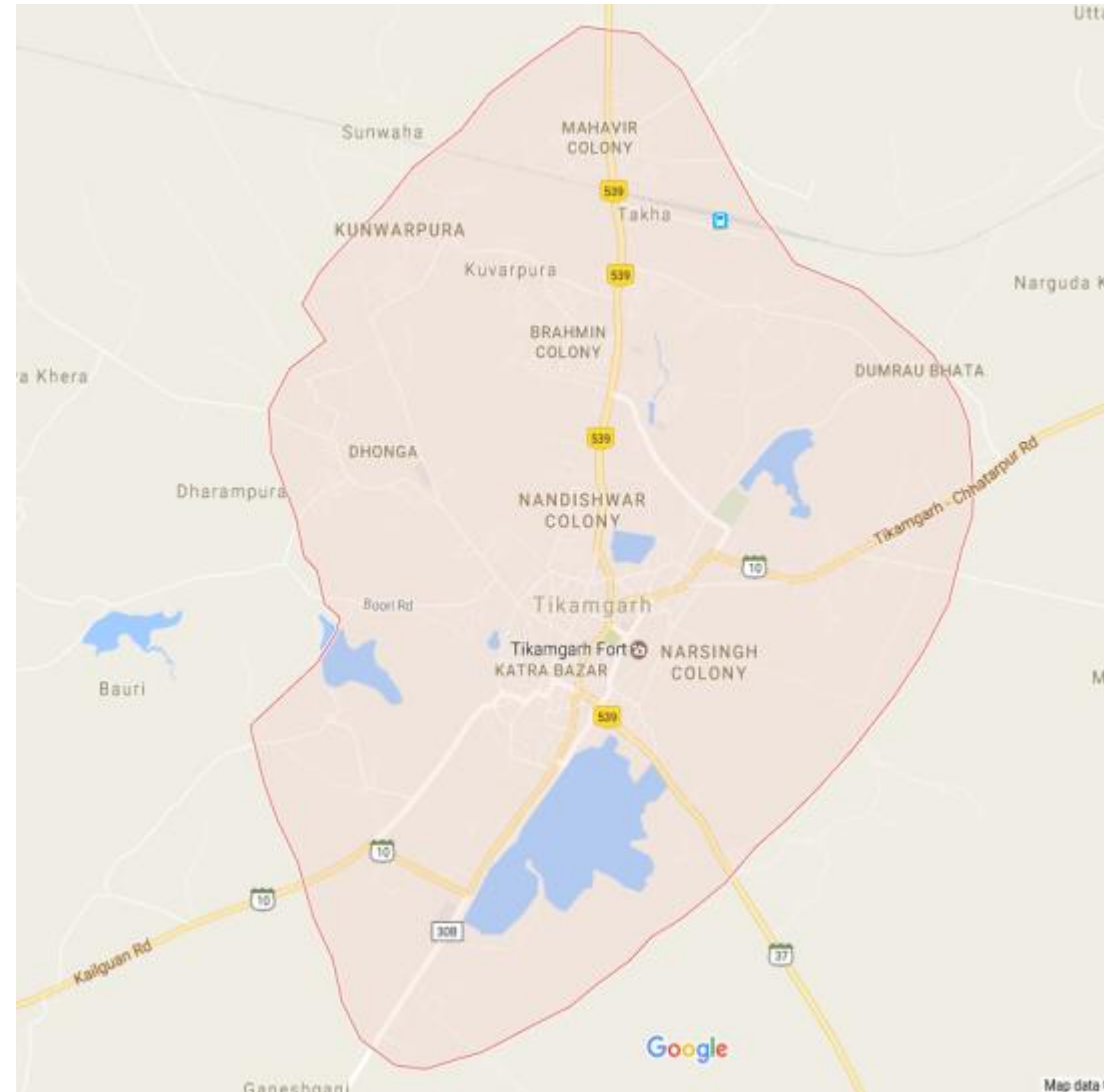
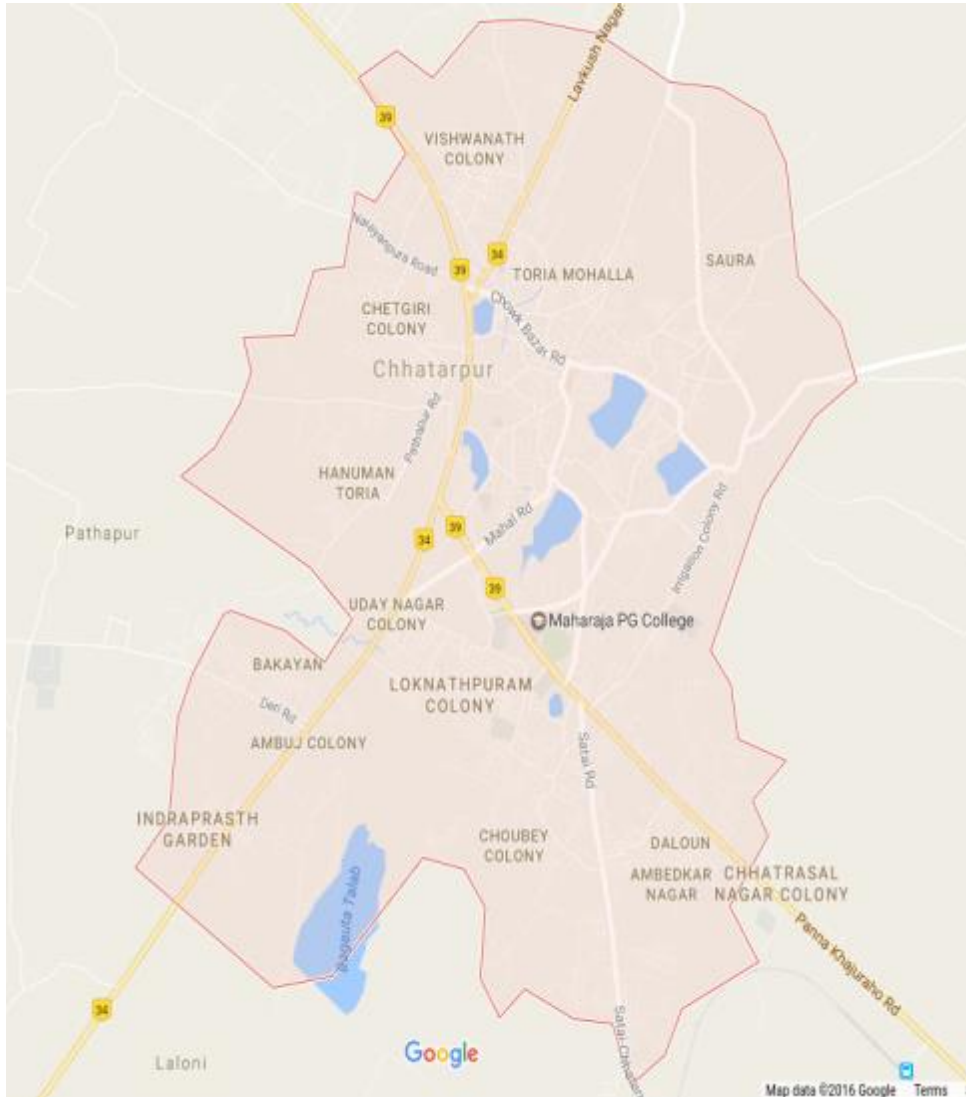
Annexure – Few Pictures of the Quarries



Few more pictures

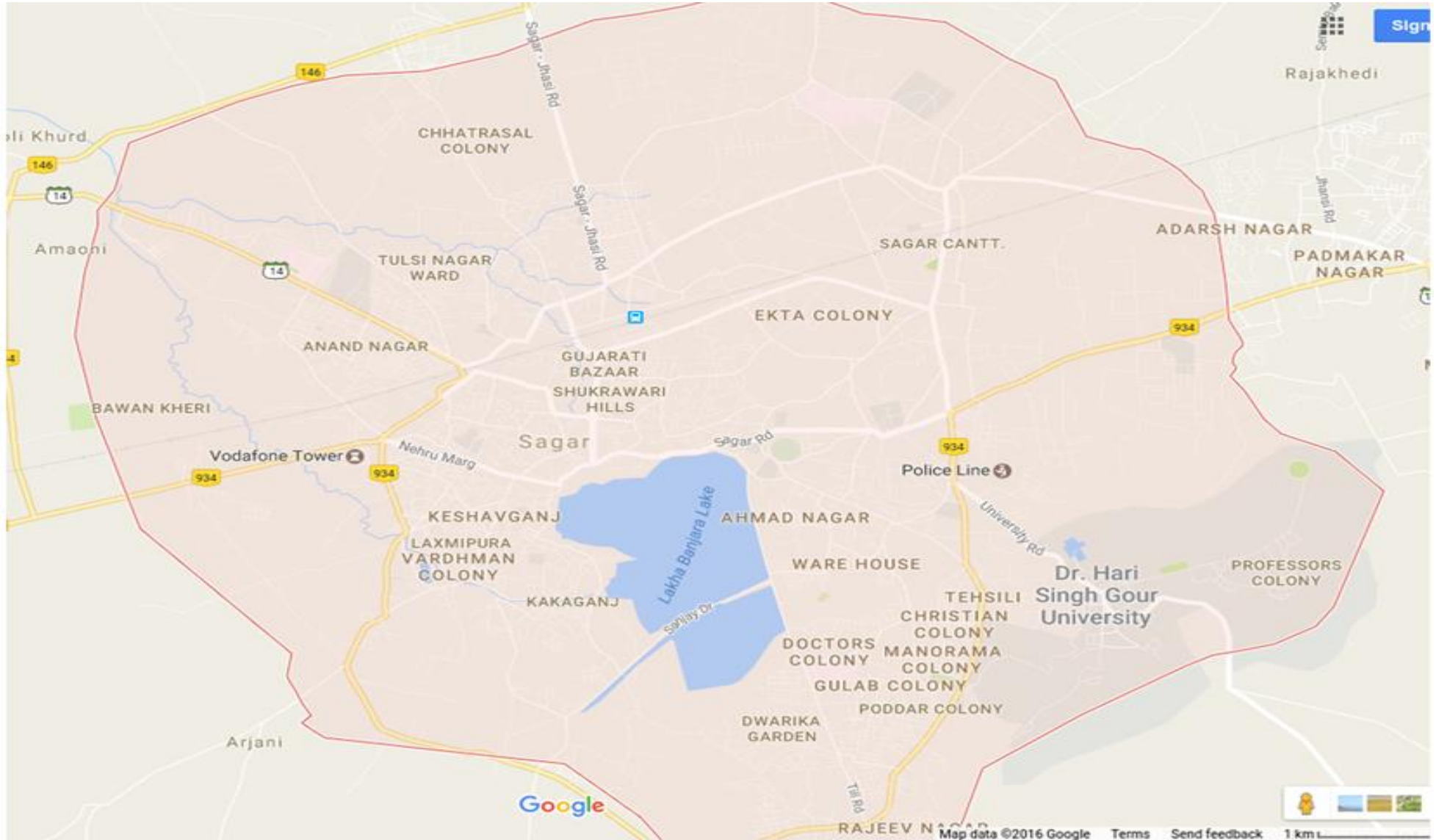


Quarry Locations(1/2)



■ → Quarries

Quarry Locations(2/2)



■ → Quarries



Disclaimer

- The material in this presentation is a general background information about DG Groups current activities as at the date of this presentation
- Information in this presentation, including financial information, should not be considered as advice or a recommendation to investors or potential investors in relation to holding, purchasing or selling securities or other financial products or instruments and does not take into account your particular investment objectives, financial situation or needs
- All securities and financial product or instrument transactions involve risks, which include (among others) the risk of adverse or unanticipated market, financial or political developments and, in international transactions, currency risk
- Information provided herein with respect to the industry and the competitors has been compiled from publicly available sources, including official publications and research reports, and is given as general information and has not been independently verified by the Company. Accordingly, Recipient should not put undue reliance on such Information