

INFORMATION MEMORANDUM

LESHA INDUSTRIES LIMITED

Registered Office: 7th floor, Ashoka Chambers, Mithakali Six Roads, Ahmedabad, Gujarat – 380 006
Phone: 079-26463227 Fax: 079 - 66051588, Website: www.lesha.in
contact person: Mr.H. K. Shah Email: info@lesha.in

(The company was originally incorporated in the name of Lesha Finstock Private Limited on 23.11.1992 and subsequently converted into public company on 27.11.1995 and the name of the company was also changed to Ashni Finance Limited on 27.11.1995. The name of the company was again changed to Technocorp Infosystems Limited on 27.09.2001. Thereafter the name of the company was also changed to Lesha Industries Limited on 31.08.2009)

INFORMATION MEMORANDUM FOR LISTING OF 11532700 EQUITY SHARES OF RS. 10/- EACH.

NO EQUITY SHARES ARE PROPOSED TO BE SOLD OR OFFERED PURSUANT TO THIS INFORMATION MEMORANDUM

GENERAL RISKS

Investments in equity and equity-related securities involve a degree of risk and investors should not invest in the equity shares of LESHA INDUSTRIES LIMITED unless they can afford to take the risk of losing their investment.

Investors are advised to read the Risk Factors carefully before taking an investment decision in the shares of LESHA INDUSTRIES LIMITED. For taking an investment decision, investors must rely on their own examination of the Company including the risks involved.

ABSOLUTE RESPONSIBILITY OF LESHA INDUSTRIES LIMITED

LESHA INDUSTRIES LIMITED having made all reasonable inquiries, accepts responsibility for, and confirms that this Information Memorandum contains all information with regard to LESHA INDUSTRIES LIMITED, which is material, that the information contained in this Information Memorandum is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Information Memorandum as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

LISTING

The Equity Shares of LESHA INDUSTRIES LIMITED, are proposed to be listed on the Bombay Stock Exchange Limited.

SHARE TRANSFER AGENT

Purva Shareregistry (India) Pvt. Ltd.
(Unit: LESHA INDUSTRIES LIMITED)
9, Shivshakti Industrial Estate,
Lower Parel, Mumbai – 400 078
Email : busicomp@vsnl.com
Tel : 022 – 23016761
Fax : 022 – 23012517
Contact Person: Mr. Rajesh Shah

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DEFINITIONS, ABBREVIATIONS & INDUSTRY RELATED TERMS

Term	Description
“LIL” or “Company” or “Our Company” or Resulting Company or LESHA INDUSTRIES Limited	LESHA INDUSTRIES LIMITED, a Public Limited Company incorporated under the Provisions of the Companies Act, 1956
“We” or “us” and “our”	Refers to LESHA INDUSTRIES LIMITED
Articles/Articles of Association	Articles of Association of Lesha Industries Limited
Auditors	The Statutory Auditors of Lesha Industries Limited
Board of Directors/Board/Directors	The Board of Directors of LESHA INDUSTRIES LIMITED
BSE	Bombay Stock Exchange Limited
Companies Act / Act	The Companies Act, 1956, as amended from time to time
Current Year	April 1, 2010 to March 31, 2011
Demerged Company	Gujarat Natural Resources Limited (formerly known as Lesha Energy Resources Limited, a Public Limited Company registered under the Provisions of the Companies Act, 1956
DSE	Designated Stock Exchange
EPS	Earnings per equity share
Equity Shares	Equity shares of the Company of Rs.10/- each unless otherwise specified in the context thereof
Financial year/fiscal/FY	The twelve months ended 31 st March , unless otherwise stated
HUF	Hindu Undivided Family
Information Memorandum	This document filed with the Stock Exchanges is known as and referred to as the Information Memorandum
I.T. Act	The Income-tax Act, 1961, as amended from time to time, except as stated otherwise

Demerged Undertaking	<p>‘Demerged Undertaking’ means Steel Unit of the Demerged Company, on a going concern basis, comprising, <i>inter alia</i>, the assets and liabilities relating thereto and which shall mean and include (without limitation):</p> <p>all assets wherever situate, whether movable or immovable, tangible or intangible, including all buildings, offices, investments, interest, capital work-in-progress, furniture, fixtures, office equipment, appliances, accessories, etc. pertaining to Steel Unit of the Demerged Company;</p> <p>all permits, quotas, rights (including rights under any contracts, government contracts, memorandum of understanding, etc.), entitlements, industrial and other licenses, municipal permissions, approvals, consents, tenancies in relation to the office and/or residential properties for the employees, offices and depots, patents, copyrights, all other intellectual property rights, investments and/or interest (whether vested, contingent or otherwise) in projects undertaken by Steel Unit of the Demerged Company, either solely or jointly with other parties, cash balances, benefit of any deposits, financial assets, corporate guarantees issued by the Demerged Company and the benefits of any bank guarantees issued in relation to Steel Unit of the Demerged Company for the benefit of the Demerged Company, deferred tax benefits, privileges, all other claims, rights and benefits, licenses, power and facilities of every kind, nature and description whatsoever, rights to use and avail of telephones, telexes, facsimile connections and installations, utilities, electricity and other services, provisions, funds, benefits of all agreements, contracts and arrangements and all other interests in connection with or relating to Steel Unit of the Demerged Company;</p> <p>all earnest moneys, advances and/or security deposits paid by the the Demerged Company in connection with or relating to Steel Unit of the Demerged Company; all necessary records, files, papers, engineering and process information, computer programmes, drawings, manuals, data, catalogues, quotations, sales and advertising materials, lists of present and former customers and suppliers, customer credit information, customer pricing information, and other records whether in physical or electronic form in connection with or relating to Steel Unit of the Demerged Company;</p> <p>employees of the Demerged Company engaged in work related to Steel Unit of the Demerged Company; and</p> <p>all present and future liabilities (including contingent liabilities, the Transferred Liabilities (as defined hereafter) and the inter-divisional liability which would become an inter-corporate liability) related to Steel Unit of the</p>
Memorandum/Memorandum of Association	The Memorandum of Association of Lesha Industries Limited
NSDL	National Securities Depository Limited
CDSL	Central Depository Services (India) Limited
RBI	Reserve Bank of India
Registered office of our Company	7 th floor, Ashoka Chambers, Mithakali Six Roads, Ahmedabad

ROC	Registrar of Companies, Gujarat, Ahmedabad
Scheme	Scheme of Arrangement under Sections 391 to 394 of the Companies Act, 1956 between Lesha Energy Resources Limited and Lesha Industries Limited and their respective shareholders and creditors sanctioned by the High Court of Judicature at Ahmedabad vide its order dated 30 th Decemeber 2009 issued on 2 nd February, 2010.
SEBI	The Securities and Exchange Board of India constituted under the Securities and Exchange Board of India Act, 1992
SEBI Act	Securities and Exchange Board of India Act, 1992 as amended from time to time
SEBI Guidelines	Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines, 2000 issued by Securities and Exchange Board of India effective from January 27, 2000, as amended, including instructions and clarifications issued by SEBI from time to time
Stock Exchanges	BSE
GNRL	Gujarat Natural Resources Limited (formerly known as Lesha Energy Resources Limited)

CERTAIN CONVENTIONS; USE OF MARKET DATA

Unless stated otherwise, the financial data in this Information Memorandum is derived from our financial statements prepared in accordance with Indian GAAP. Our current financial year commenced on 1st April, 2010 and ended on 31st March, 2011. In this Information Memorandum, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding-off.

For definitions, please see the section titled “Definitions, Abbreviations and Industry Related Terms”.

All references to “India” contained in this Information Memorandum are to the Republic of India. All references to “Rupees” or “Rs.” are to Indian Rupees, the legal currency of the Republic of India.

Unless stated otherwise, industry data used throughout this Information Memorandum has been obtained from industry publications. Industry publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but that their accuracy and completeness are not guaranteed and their reliability cannot be assured. Although we believe that industry data used in this Information Memorandum is reliable, it has not been independently verified.

The Equity shares of Lesha Industries Limited are not listed on any Stock Exchange.

FORWARD LOOKING STATEMENTS

We have included statements in this Information Memorandum, that contain words or phrases such as “will”, “aim”, “will likely result”, “believe”, “expect”, “will continue”, “anticipate”, “estimate”, “intend”, “plan”, “contemplate”, “seek to”, “future”, “objective”, “goal”, “project”, “should”, “will pursue” and similar expressions or variations of such expressions that are “forward-looking statements”.

All forward-looking statements are subject to risks, uncertainties and assumptions that could cause actual results to differ materially from those contemplated by the relevant forward- looking statement. Important factors that could cause actual results to differ materially from our expectations include, among others:

General economic and business conditions in India and other countries;
Our ability to successfully implement our strategy, our growth and expansion plans and technological changes;
Changes in the value of the Rupee and other currency changes; Changes in Indian or international interest rates;
Changes in laws and regulations in India; Changes in political conditions in India; and
Changes in the foreign exchange control regulations in India.

For further discussion of factors that could cause our actual results to differ, see the section titled “Risk Factors”. By their nature, certain risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated. We do not have any obligation to, and do not intend to, update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition.

RISK FACTORS

An investment in equity shares involves a high degree of risk, you should carefully consider all of the information in this Information Memorandum, including the risks and uncertainties described below. If any of the following risks actually occur, our business, financial condition and results of operations could suffer, the trading price of our Equity Shares could decline, and you may lose all or part of your investment.

Internal Risk Factors

The company's focus on various businesses like steel, finance & Information Technology which involve risks as the investments are high and the profits are uncertain

The investments in Steel Industry will have high risk, high turnover & high return compared to other core industries. The company's finance and investment division has its own inherent risks which are directly connected with volatility in the capital market and other finance market conditions. The field of IT & allied services is a highly competitive business and the risk involved in competing with bigger players is very high. The investment required in this business is also very high.

If governmental regulations affecting our business change, we may need to incur additional costs to comply with the governmental regulations.

If the successful start of the commercial production of the steel plant is delayed, it will harm our operating results.

If we do not successfully commercialise our products/services under development, or if our commercialization is delayed, it will have a negative impact on operating results.

Our future results of operations will depend upon our ability to successfully develop and licence innovative IT services for the corporate and soho customers.

We would be dependent on our key personnel. If we are not able to continue to attract and retain qualified employees, our operations could be harmed.

We are dependent on members of our technical and management staff and our employees for the smooth running of our business. Qualified personnel are difficult to attract and retain. We may not be able to continuously attract qualified personnel or retain such personnel, or retain them on acceptable terms, given the demand for such personnel. If we are not able to attract and retain qualified personnel, our results of operations may be adversely affected.

If there is a change in accounting or tax policies applicable to us, it may affect our reported results of operations. For example, the government of India has initiated actions to curtail or eliminate certain tax benefits

New or revised accounting or tax policies promulgated from time to time by relevant Indian authorities may significantly affect our reported results of operations. We are unable to assess at this time the exact implications of the future tax policies. We cannot assure you as to what action the current or future governments of India will take regarding tax aspects applicable to us.

External Risk Factors

Downturns or disruptions in the securities markets could reduce transaction volumes, and could cause a decline in the business and impact our profitability.

We are affected directly by national and global economic and political conditions, broad trends in business and finance, disruptions to the securities markets and changes in volume and price levels of securities and future transactions.

After this listing, the prices of our Company's equity shares may be volatile, or an active trading market for our Company's equity shares may not develop.

There has been no public market for our Company's equity shares till now, and no history of public disclosure of information relating to our Company and/or our operating companies, and the prices of our Company's equity shares may fluctuate after this listing. There can be no assurance that an active trading market for the equity shares will develop or be sustained after this listing. Our Company's share price could be volatile.

A significant change in the Indian Government or its economic liberalization and deregulation policies could disrupt our business.

We are an Indian company and a substantial part of our operations are conducted, and our assets are located in India. The Indian Government has traditionally exercised and continues to exercise a dominant influence over many aspects of the economy. Its economic policies have had and could continue to have a significant effect on private-sector entities, including us, and on market conditions and prices of Indian securities. Since 1996, The Government of India has changed six times. Although the recently elected Congress-led coalition government has to-date continued India's economic liberalization and deregulation policies, it faces resistance from its coalition partners, the left wing parties. We cannot assure you that future governments will continue with the same economic policies or the same pace of change. A significant change in government policies could harm business and economic conditions in India in general as well as our business, our future financial performance and the price of our Shares.

If regional hostilities or terrorist attacks increase, our business could suffer and the price of our shares could go down.

Terrorist attacks, such as the 11 September 2001 attacks in the United States, the attack on the Indian Parliament on 13 December 2001, the bomb blasts in Mumbai on 11 July 2006 and more recently, the terrorists attacks on Mumbai during 2009 and such other acts of violence or terrorism may negatively affect the Indian markets where our Shares trade and also adversely affect the worldwide financial markets. India has from time to time experienced social and civil unrest and hostilities with neighbouring countries. During May and July 1999, there were armed conflicts over parts of Kashmir involving the Indian army and infiltrators from Pakistan into Indian Territory. India and Pakistan were in a heightened state of hostilities with significant loss of life and troop conflicts. The hostilities have continued sporadically. The hostilities between India and Pakistan are particularly threatening because both India and Pakistan are nuclear powers. Additionally, Pakistan experienced a military coup in October 1999 and had been under military rule for quite some time, resulting in further tensions between India and Pakistan. It is difficult to say how long peace could last, and should these hostilities and tensions recur, they could lead to political or economic instability in India and harm our business, our future financial performance and the price of our Shares.

INTRODUCTION

Summary

You should read the following summary together with the risk factors and the more detailed information about us and our financial results included elsewhere in this Information Memorandum.

Industry and Business Overview

The company primarily is into the business of Steel and into business of Information Technology & Allied Services. The company also operates in the capital market in shares & stocks. Steel being the core industry and with great scope for infrastructural development in India, there is considerable scope for this industry in the country.

Please refer to the section “Risk Factors” and “About Lesha Industries Limited” for more details.

GENERAL INFORMATION

LESHA INDUSTRIES LIMITED (LIL) (the “Resulting Company”) was incorporated on 23th Novemeber, 1992, under the Companies Act, 1956. The company was originally incorporated in the name of Lesha Finstock Private Limited and subsequently converted into public company on 27.11.1995 and the name of the company was also changed to Ashni Finance Limited on 27.11.1995. The name of the company was again changed to Technocorp Infosystems Limited on 27.09.2001. Thereafter the name of the company was also changed to Lesha Industries Limited on 31.08.2009.

Registered Office of Company

The Registered Office of the company is at :
7th floor, Ashoka Chambers, Mithakali Six Roads,
Ahmedabad 380 006.
Telefax : 079-66051588

Corporate Identity Number:
U65910GJ1992PLC018607

Address of Registrar of Companies:
Registrar of Companies, Gujarat, Ahmedabad
ROC Bhavan, Opp. Rupal Park,
Near Ankur Bus Stand, Naranpura,
Ahmedabad – 380 013

BOARD OF DIRECTORS

Board of Directors as on the date of filing of the draft Information Memorandum

	Name	Category
1.	Mr. Ashok C Shah	Chairman
2.	Mr. Shalin A Shah	Managing Director
3.	Mr. Keyoor Bakshi	Non Executive & Independent Director
4.	Mr. Hitesh Donga	Non Executive & Independent Director

For further details of the Board of Directors of the Company, please see the section titled "Management".

Compliance Officer: Mr. Shalin A. Shah
Email: shalin@lesha.in

Auditors

M/s Naimish K Shah & Co.
Chartered Accountants
1st floor, Kalash Bldg.,
Navrangpura, Ahmedabad.
Telephone: 079 - 26427697

Share Transfer Agent:

Purva Shareregistry (India) Pvt. Ltd.
(Unit : Lesha Industries Limited)
9, Shivshakti Industrial Estate
Lower Parel
Mumbai
Email: busicomp@vsnl.com
Contact Person: Mr. Rajesh Shah

CAPITAL STRUCTURE SHARE CAPITAL

Upon issue and allotment of shares pursuant to the Scheme, the Share Capital of the Company is as follows:

A.	Authorized Share Capital 1,20,00,000 Equity Shares of Re 10 each	Rs. 12,00,00,000
B.	Paid up Share Capital Issued, Subscribed and Paid Up Capital 1,15,32,700 Equity Shares of Re.10/- each	Rs. 11,53,27,000

Notes to Capital Structure

(i) Share Capital history of our Company:

Sr. No.	Date of Allotment	Date when Fully Paid up	Consideration	No of Equity Shares	Face Value (Rs.)	Issue Price (Rs.)	% of post Arrangement paid-up Capital	Lock-in period
1.	November 9, 1992	November 9, 1992	Cash	200	10	10	NIL	NIL
2.	July 30, 1993	July 30, 1993	Cash	4,99,800	10	10	NIL	NIL
3.	October 17, 1994	October 17, 1994	Cash	9,80,500	10	10	NIL	NIL
4.	November 15, 1995	November 15, 1995	Cash	2,07,000	10	10	NIL	NIL
5.	November 15, 1995	November 15, 1995	Cash	99,100	10	10	NIL	NIL
6.	May 31, 1996	May 31, 1996	Cash	13,67,500	10	10	NIL	NIL
7.	March 31, 2006	March 31, 2006	Cash	8,41,200	10	10	NIL	NIL
8.	March 31, 2009	March 31, 2009	Cash	7,20,000	10	10	NIL	NIL
9.	March 11, 2010	March 11, 2010	Pursuant to Scheme of Arrangement	68,17,400	10	10	NIL	NIL
			Total	1,15,32,700				

SHAREHOLDING PATTERN OF THE COMPANY BEFORE AND AFTER ALLOTMENT OF EQUITY SHARES PURSUANT TO THE SCHEME

	Category of Shareholder	PRE DEMERGER		POST DEMERGER	
		No. of Equity Shares	%	No. of Equity Shares	%
(A)	Share holding of Promoter and Promoter Group				
(1)	Indian				
(a)	Individuals/ Hindu Undivided Family	2606800	55.28	2956636	25.64
(b)	Central Government/ State Government(s)				
(c)	Bodies Corporate	2108500	44.72	2536000	21.99
(d)	Financial Institutions/ Banks				
(e)	Any Other (specify)				
	Sub-Total (A)(1)	4715300	100.00	5492636	47.63
(2)	Foreign				
(a)	Individuals (Non-Resident Individuals/ Foreign				
(b)	Bodies Corporate				
(c)	Institutions				
(d)	Any Other (specify)				
	Sub-Total (A)(2)	0	0.00	0	0.00
(A)	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	4715300	100.00	5492636	47.63
(B)	Public shareholding				
(1)	Institutions				
(a)	Mutual Funds/ UTI				
(b)	Financial Institutions/ Banks	0	0.00	550	0.00
(c)	Central Government/ State Government(s)				
(d)	Venture Capital Funds				
(e)	Insurance Companies				
(f)	Foreign Institutional Investors				
(g)	Foreign Venture Capital Investors				
	Sub-Total (B)(1)	0	0.00	550	0.00
(2)	Non-institutions				
(a)	Bodies Corporate			4338627	37.62
(b)	Individuals				
	i. Individual shareholders holding nominal share capital up to Rs. 1 lakh.			1187890	10.30
	ii. Individual shareholders holding nominal share capital in excess of Rs. 1 lakh.			444454	3.85

(c)	NRI / OCB	0	0.00	7557	0.07
(c-i)	Hindu Undivided Family	0	0.00	59347	0.51
(c-ii)	Clearing Members	0	0.00	1639	0.01
	Sub-Total (B)(2)	0	0.00	6039514	52.37
(B)	Total Public Shareholding (B)= (B)(1) + (B)(2)	0	0.00	6040064	52.37
	TOTAL (A) + (B)	4715300	100.00	11532700	100.00
(C)	Share s held by Custodians and against which Depository Receipts have been issued				
	GRAND TOTAL (A)+(B)+(C)	4715300	100.00	11532700	100.00

List of Entities comprising Promoter group

No	Name of the shareholder	Number of Shares Held	% Holding
1	SHALIN ASHOK SHAH	1539236	13.35
2	ASHOK C. SHAH	881950	7.65
3	SHREE GHANTAKARNA ROLLING MILLS PVT. LTD.	812500	7.05
4	GUJARAT NATURAL RESOURCES LIMITED	781000	6.77
5	ASHNISHA ALLOYS PVT. LTD.	767500	6.65
6	LEENA ASHOK SHAH	535350	4.64
7	TANYA ESTATES PVT. LTD.	175000	1.52
8	SHIVANI A. SHAH	100	0.00
	TOTAL	5492636	47.63

The list of top 10 shareholders of the Company and the number of Equity Shares held by them

(a) Top ten shareholders on the date of filing the Information Memorandum

Sr. No.	Name of Shareholders	No. of Equity Shares
1	SHALIN ASHOK SHAH	1539236
2	ASHOK C. SHAH	881950
3	SHREE GHANTAKARNA ROLLING MILLS PVT. LTD.	812500
4	GUJARAT NATURAL RESOURCES LIMITED	781000
5	MIDRINA OIL & GAS SERVICES PVT. LTD.	777500
6	SURYAJA INFRASTRUCTURE PVT. LTD.	777500
7	SHAURYA ORGANICS PVT. LTD	777500
8	TIW SYSTEMS PVT. LTD	777500
9	ASHNISHA ALLOYS PVT. LTD.	767500
10	RHETAN ESTATE PRIVATE LIMITED	750000

b) Top ten shareholders 10 days prior to the date of the Information Memorandum

Sr. No.	Name of Shareholders	No. of Equity Shares
1	SHALIN ASHOK SHAH	1539236
2	ASHOK C. SHAH	881950
3	SHREE GHANTAKARNA ROLLING MILLS PVT. LTD.	812500
4	GUJARAT NATURAL RESOURCES LIMITED	781000
5	MIDRINA OIL & GAS SERVICES PVT. LTD.	777500
6	SURYAJA INFRASTRUCTURE PVT. LTD.	777500
7	SHAURYA ORGANICS PVT. LTD	777500
8	TIW SYSTEMS PVT. LTD	777500
9	ASHNISHA ALLOYS PVT. LTD.	767500
10	RHETAN ESTATE PRIVATE LIMITED	750000

c) Top ten shareholders of the Company on the date of incorporation.

Sr. No.	Name of Shareholders	No. of Equity Shares on the date of Incorporation of LESHA INDUSTRIES Limited
1.	SHALIN A. SHAH	100
2.	LEENA A. SHAH	100

Notes:

- 1) As on the date of this Information Memorandum, there are no outstanding warrants, options or rights to convert debentures, loans or other instruments of the Company into equity shares of the Company
- 2) The Company, its directors, its promoters have not entered into any buy-back, standby or similar arrangements to purchase equity shares of the Company from any person.
- 3) There will be no further issue of capital by LIL whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from the date of approval of the Scheme by the High Court's till listing of the Equity Shares except issue and allotment of Equity shares of Rs.10/- each of LIL to the shareholders of GNRL, pursuant to the Scheme of Arrangement for demerger,
- 4) There shall be only one denomination for the Equity Shares of the Company, subject to applicable regulations and Company shall comply with such disclosure and accounting norms specified by SEBI, from time to time.
- 5) The Company has approximately 7000 members as on the date of filing this Information Memorandum.
- 6) None of Equity shares of the Company were under lock-in prior to the Scheme. However pursuant to the scheme the entire pre-arrangement holding of 47,15,300 shares of LIL shall be under lock-in for a period of three years from the date of listing.

SCHEME OF ARRANGEMENT**Rationale for demerger as submitted to BSE earlier with respect to the Steel division of Gujarat Natural Resources Limited (formerly known as Lesha Energy Resources Limited) to Lesha Industries Limited,**

(a) Gujarat Natural Resource Limited (formerly known as Lesha Energy Resources Limited) was incorporated with an objective to manufacture and deal in steels. Subsequently it changed the objects and engaged in the field of Oil & Gas. The company has raised large financial resources for exploration and production of Oil & Gas. The Board of Directors of the company thought that it would be appropriate if the company focuses only on the core area of Oil & Gas and demerge the steel division. This will allow the company to achieve the desired growth in the fields of Oil & Gas.

(b) It is believed that the proposed segregation will create/unlock value for shareholders and allow a focused strategy in operations, which would be in the best interest of GNRL, its shareholders and all persons connected with GNRL. The demerger proposed by this Scheme of Arrangement will enable the investors to choose whether to hold investments in businesses with different investment characteristics. This may enable them to select investments which best suit their investment strategies and risk profiles.

(c) The nature of risk and return involved in both these businesses is distinct from each other and consequently each business or undertaking/unit is capable of attracting a different set of investors, strategic partners, lenders and other stakeholders. In order to enable distinct set of investors to invest in these separate businesses and to lend greater focus to the operation of each of these diverse businesses, GNRL proposes to re-organize and segregate, by way of a demerger, its steel business and undertaking/unit from remaining the Oil & Gas business.

(d) The demerger will also provide scope for independent collaboration and expansion without committing the existing organization in its entirety.

(e) The Board of Directors of the Demerged Company are of the opinion that the demerger would benefit the shareholders, employees and other stakeholders of the Demerged Company.

With the aforesaid objectives, it is proposed to demerge GNRL's Unit comprising of GNRL's interests in Steel business.

Approvals with respect to the Scheme of Arrangement

The Honorable High Court of Gujarat at Ahmedabad, vide Order dated 30th December, 2009, has approved the Scheme of Arrangement between Gujarat Natural Resources Limited (formerly known as Leshya Energy Resources Limited) (“GNRL”) and LESHA INDUSTRIES Limited (“LIL”) and their respective shareholders and creditors (the “Scheme”)

In accordance with the said Scheme, the Equity shares of LIL issued pursuant to the Scheme, subject to applicable regulations shall be listed and admitted to trading on the Bombay Stock Exchange Limited (“BSE”). Such listing and admission for trading is not automatic and will be subject to such other terms and conditions as may be prescribed by the Stock Exchanges at the time of application by LIL seeking listing.

The aforesaid Order of the Honorable High Court of Judicature at Ahmedabad was filed by GNRL and LIL with the Registrar of Companies (“ROC”), on 6th February, 2010. The Effective Date of the Scheme is 6th February, 2010.

LIL has submitted its Information Memorandum, containing information about itself, making disclosures in line with the disclosure requirement for public issues, as applicable, to BSE for making the said Information Memorandum available to public through their websites.

This Information Memorandum is made available on the website of LIL (www.lesha.in) and website of BSE (www.bseindia.com).

LIL will publish an advertisement in the newspapers containing its details in line with the details required as per clause 8.3.5.4 of SEBI (DIP) Guidelines. The advertisement will draw a specific reference to the availability of this Information Memorandum on the website of LIL as well as the BSE.

LIL also undertakes that all material information about itself shall be disclosed to stock exchanges on a continuous basis so as to make the same available to public, in addition to the requirements, if any, specified in Listing Agreement for disclosures about the subsidiaries if any.

STATEMENT OF TAX BENEFITS

The statement of tax been benefits has been certified by M/s Pankaj K Shah & Associates, Chartered Accountants vide their letter dated 15th April, 2010.

The tax benefits listed below are the probable benefits available under the current tax laws in India. Several of these tax benefits are dependent on the company or its shareholders fulfilling the conditions prescribed under the relevant tax laws. Hence, the liability of the shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which are based on business imperatives it faces in the future, it may not choose to fulfill.

(I) Special Tax Benefits:-

There are no special tax benefits available to the company or its shareholders.

(II) General Tax Benefits:-

Benefits available under the Income Tax Act, 1961 to the company and shareholders of the company are:

1. Under section 10(34) of the Act, income earned by way of dividend from domestic company referred to in section 115(O) of the Income Tax Act, 1961 (herein after referred to as Act) is exempt from tax.
2. Under section 10(38) of the Act, long term capital gain on transfer of equity shares or units of an equity oriented fund will be exempted provided that the transaction is chargeable to Securities Transaction Tax under that Chapter provided that the income by way of long term capital gain of a company shall be taken into account in computing the book profit and income tax payable under section 115JB.
3. The long term capital gains accruing otherwise than as mentioned above shall be chargeable to tax at the rate of 20 % (plus applicable surcharge and education cess if any) in accordance with and subject to the provisions of section 112 of the Act. However, if the tax on long term capital gain resulting on sale of listed securities calculated @ 20%, with indexation benefit exceeds the tax calculated at the rate of 10% without indexation benefit, then such gains are chargeable to tax at a concessional rate of 10% (plus applicable surcharge and education cess if any)
4. Under section 111A of the Act, short term capital gain on sale of equity shares or units of an equity oriented fund where the transaction of such sale is chargeable to Securities Transaction Tax, shall be chargeable to tax @ 15% (plus applicable surcharge and education cess if any).
5. In accordance with and subject to the condition specified in section 54EC of the Act, long term capital gain [other than those exempt u/s 10(38)] shall not be chargeable to tax to the extent such capital gain is invested in certain notified bonds within six months from the date of such transfer. If only part of the capital gain is so re-invested, the exemption shall be allowed proportionately. However, if the said shares are transferred or converted into money within a period of 1 years from the date of their acquisitions, the amount of capital gain exempted earlier would become chargeable to tax as long term capital gain in the year in which the bonds are transferred or converted into money. Investment made on or after April 1, 2007 in the long term specified asset (Bonds) by an assessee during any financial year should not exceed Rs. 50Lacs.
6. Short term capital loss suffered during the year is allowed to be set-off against short term as well as long term capital gains of the said year. Balance short term capital loss if any, could be carried forward for eight assessment years immediately succeeding the assessment year for which the loss was first computed for claiming set-off against subsequent year's short-term as well as long-term capital gains.

Other benefits available, in addition to those mentioned above are as follows:

1. To the COMPANY:

- 1.1 Under section 35D of the Act, the company is eligible for a deduction of an amount equal to one-fifth of certain specified expenditure for each of the five successive years, subject to certain limits and conditions set out in the said section.
- 1.2 Under section 115JAA(1A) of the Act, credit is allowed in respect of any tax paid (MAT) under section 115JB of the Act for any assessment year commencing on or after April 1, 2006. Credit eligible for carry forward is the difference between MAT paid and the tax computed as per the normal provision of the Act. Such MAT credit shall be available for setoff up to 10 years succeeding the year in which MAT credit becomes allowable.

2. To the SHAREHOLDERS of the company:

2.1 RESIDENT SHAREHOLDERS

- i. In terms of section 36(1)(xv) of the Act, the Securities Transaction Tax paid by the shareholders in respect of the taxable securities transactions entered into the course of his business would be eligible for deduction
- ii. As business expense from the income chargeable under the head "Profit and Gains of Business or Profession" arising from taxable securities transactions.
- iii. According to the provision of section 54F of the Act, and subject to the conditions specified therein, in the case of an individual or a Hindu Undivided Family (HUF), capital gain arising on transfer of long term assets [other than a residential house and those exempt u/s 10(38)] are not chargeable to tax if the entire net consideration is invested within the prescribed period in a residential house. If only a part of such net consideration is invested, the exemption shall be allowed proportionately. For this purpose, net consideration means full value of the consideration received or accruing as a result of the transfer of capital asset as reduced by any expenditure incurred, wholly and exclusively in connection with such transfer.

Such benefit will not be available

- (a) if the individual or HUF-
 - owns more than one residential house, other than the new asset on the date of transfer of the original asset; or
 - purchase any residential house, other than the new asset, within a period of one year after the date of transfer of the original asset; or
 - constructs any residential house, other than new asset, within a period of 3 years after the date of transfer of the original asset; and
- (b) the income from such residential house, other than the one residential house owned on the date of transfer of the original asset, is chargeable under the head "Income from house property."

If the new residential house is transferred within a period of three years from the date of purchase or construction, the amount of capital gains on which tax was not charged earlier, will be deemed to be income chargeable under the head "Capital Gains" of the year in which the residential house is transferred.

2.2 NON- RESIDENTS INDIAN

- a. Under the provisions of section 115G of the Act, it shall not be necessary for a Non Resident Indian to furnish his return of income if his only source of income is investment income or long term capital gains or both and tax has been deducted at source under Chapter XVII-B from such income.
- b. Under section 115-I of the Act, a Non Resident Indian may elect not to be governed by the provisions of chapter XII-A of the Act for any assessment year by furnishing his return of income under section 139 of the Act declaring therein that the provisions of the Chapter shall not apply to him for that assessment year and if he does so the provisions of this chapter shall not apply to him. In such a case the tax on investment income and long term capital gains would be computed as per normal provisions of the Act.
- c. As per the provisions of Section 115E of the Act and subject to conditions specified therein, long term capital gains (in cases not covered under Section 10(38) of the Act) arising on transfer of the company's shares, will be subject to tax at the rate of 10% (plus surcharge on tax and education cess on tax and surcharge) without indexation.
- d. As per the provisions of section 115F of the Act, and subject to conditions specified therein, gains arising on transfer of a foreign exchange assets (in cases not covered under Section 10(38) of the Act) being the shares in the company shall not be chargeable to tax if the entire net consideration received on such transfer is invested within the prescribed period of six months in any specified asset or savings certificates referred to in Section 10(4B) of the Act, then such gains would not be chargeable to tax on a proportionate basis. Further, if the specified asset or savings certificate in which the investment has been made is transferred within a period of three years from the date of investment, the amount of capital gains tax exempted earlier would become chargeable to tax as long term capital gains in the year in which such specified asset or saving certificates are transferred.

2.3 NON RESIDENT

Under the first proviso to section 48 of the Act, in case of a non resident, in computing the capital gains arising from transfer of shares of the company acquired in convertible foreign exchange (as per exchange control regulation), protection is provided from fluctuations in the value of rupee in terms of foreign currency in which the original investment benefits will not be available in such a case.

(III) Benefits available under the Wealth Tax Act, 1957:-

- a. Shares in a company held will not be treated as an asset within the meaning of section 2(ea) of the Wealth Tax Act, 1957; hence, wealth tax is not leviable on shares held in a company.
- b. All the above benefit are as per the current tax law and will be available to the sole/first named holder in case the shares are held by joint holders
- c. In respect of non residents, taxability of capital gains mentioned above shall be further subject to any benefits available under Double Taxation Avoidance agreement, if any, between India and the country in which the non resident has fiscal domicile

In view of the individual nature of tax consequence, each investor is advised to consult his/her own tax adviser with respect to specific tax consequences of his/his participation in the issue.

- d. The above statement of possible direct tax benefits sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential consequences of the purchase, ownership and disposal of equity shares.

ABOUT LESHA INDUSTRIES LIMITED**OVERVIEW OF STEEL INDUSTRY**

The Engineering Industry and consequently the Steel industry is going through a phase of vigorous growth. Steel is the most widely used material in applications, both simple and sophisticated. It is an important component of industrial, agricultural and infrastructural growth of an economy. The production of steel plays an important role in the development of the country. In view of its significant backward and forward linkages, it is considered as one of the core sector industries of the nation.

The iron and Steel industry in India accounts nearly 11% of the total gross industrial product of the nation. With steel production of 15.13 million tonnes, India ranks 8th in the world. However, the steel industry is poised for vigorous growth. The emergence of numerous private sector companies in this core industry, which was so far considered to be Government controlled industry, has fired up the growth in manifold.

India stands in the list of nations having lowest per capita consumption of steel in the world and has a lot of potential to improve. Over the last 40 years, India's per capita consumption of steel has increased six times. The per capita consumption of steel in Japan is as high as 801.60 kg. as against 26.20 kg. in India. The world's average per capita consumption of steel is around 156.40 kg. and that of developing world is about 58 kg. This gap is also indicative of the scope of growth which is still there in this sector.

After a long hibernation, the steel industry is facing the spring of its life time. The change has brought about two major steps i.e. decontrol of price, licensing and distribution and liberalisation of luxury industries like automobiles and consumable durables i.e. white goods. Investment in fresh steel capacity, especially in the private sector, has surged and most of it is going into flat products like hot rolled coils, cold rolled coils, plain corrugated sheets.

Being the basic product having its application in various sectors, the product proposed by the company offers bright prospects and seeing the wide scope of growth in this particular industry, the promoters have decided to expand the base of its existing activities and accordingly this project has been conceived by the promoters.

BUSINESS

The main product of the company is M. S. Ingots, M.S. Billets, S.S. Billets and Rolled products like rounds, bars, sections etc. Presently, the unit is under implementation.

According to a report prepared by the Economic Research, Unit of the Steel Ministry, the new private sector units coming up have a total capacity of 5.92 million tonnes per annum. Liquid steel is converted into two types of basic products, longs and flats. The capital investment required for flats is relatively much higher than required for longs, but so also is the return on uses of flats. Long products like bars, rods, wires, structurals, channels and angles are used mainly in construction and infrastructure sectors for building, bridges, ports, dams, industrial buildings, roads and so on. These basic steels accounts for 60 % of India's steel production with construction steels alone accounting for 40 %.

The flat products are used mainly in sectors like tubes, automobiles, consumer durables, fabrications, containers LPG tanks, roofings etc., the demand for which are growing rapidly. According to the steel Ministry, requirement of flat products will account at 50 % of the domestic steel consumption by 2001-2002 AD or about 15 million tonnes a year against 5.6 million tonnes at present. It means that the total requirement of steel would be around 30 million tonnes including longs. Once private investment in infrastructure is picks up substantially to make up for the withdrawal of public investment and feed the shooting of demand from consumer oriented industries like auto and white goods. The demand years

recession from 1990 to 1992, the western world's steel production began to show positive growth rate. The recovery in world demand for steel has been mainly spurred by the recovery in the economies of the U.S., the U.K. and continental Europe over the last one year.

Pursuant to the scheme, the Steel Unit stands vested in the Company. The Innovative Research & Development Unit (including New Drug Delivery System) comprises, inter alia, fixed assets related to the manufacturing of various steel products.

OVERVIEW OF IT INDUSTRY

After the dotcom kaput in 2000, Internet Industry in India has steadily emerged as a powerful sector and is generating considerable worth for several shareholders. Over a decade, the sector has witnessed the materialization of forceful, protractible business models and international brands such as eBay, Google, Amazon and Yahoo. The international search engine, Google, is unquestionably the major achievement story of the India internet industry.

For a firm that has been in continuation in the Indian internet market for 8 years has an existing evaluation of around \$120 billion, and is leading the market, followed by Time Warner, making it the most expensive global media firm. Among the Indian dot-coms, Shaadi, Naukri, Rediff, Indiatimes, Yahoo India and Bharat matrimony are making considerable amount of revenues.

In addition, as per a research carried out by Nokia, the communications sector is estimated to surface as the biggest driving component in India's GDP with a contribution of about 15.4% by the FY2014.

Growth of Internet Industry in India

The Internet started when Netscape IPO launched Web 1.0 in the year 1995, generating billion-dollar initiations in the Western economy. The wave reached India in 1999, with a bunch of entrepreneurs making a foray into this money-spinning business.

The internet industry soon witnessed the creating of million dollar firms like Yahoo!, eBay, Amazon and Google, with combined market share of USD 350billion. The listing of Google in the year 2004, revealed the speed at which one of the most expensive media firm can be formulated. This gave rise to Web 2.0 which is steadily emerging in India.

The growth of Internet users in India from the year 1998- 2007 has been illustrated in the table below:

Financial Year	Internet Users	Populace	Ratio in %
1998	1,400,000	1,094,870,677	0.1
1999	2,800,000	1,094,870,700	0.3
2000	5,500,000	1,094,870,800	0.5
2001	7,000,000	1,094,870,900	0.7
2002	16,500,000	1,094,870,950	0.6
2003	22,500,000	1,094,870,975	2.1
2004	39,200,000	1,094,870,980	3.6
2005	50,600,000	1,112,225,812	4.5
2006	40,000,000	1,112,225,900	3.6
2007	42,000,000	1,129,667,528	3.7

The entire subscriber support for internet users in India in the year 2009 was 82 million. However, the market reach in India is one of the lowest as compared to its western counterparts like South Korea, United States, Japan, etc; estimating to 7.5% of the total populace. The amount of broadband connectivity in India has undergone an incessant expansion since 2006. Entire broadband connections in India attained the customer base of 8.03 million, by the end of January 2010.

Major Players in Indian Internet Industry

Post fiscal liberalization in the year 1992, several private ISPs have made a foray into the Indian Internet market along with their own domestic loop and access infrastructures. Some of the major players in the Internet Industry in India are:

- BSNL
- Tata Teleservices
- Hathway
- Airtel
- Reliance Communications
- Railtel
- Sify
- MTNL
- You Telecom
- STPI
- Netcom
- GAILTEL
- Spice

Government Initiatives for Internet Industry in India

The New Telecom Policy, 1999, launched by Indian government, specifies objectives in contexts of initiating Telecom Network with an aim to attain telecom compactness of 15% by end of financial year 2010. It also establishes goals for offering Net Access to all the provincial main offices which it attained in the year 2002. In addition, the administration has started several upbeat implementations in the propagation of the Internet facilities in India. Some of such measures are mentioned as under:

- In the year 2003, the government levied authorization charges on the ISPs which are the most moderate permit, till 31st October 2003. Subsequently, only a coupon authorization charge of Rs. 1 every year is forfeitable.
- There are no limitations on the amount of Service Providers in A, B and C categories.
- ISPs have been allowed to establish Global Gateways by executing commercial set-ups with international Satellites Providers and associates.
- ISPs have been allowed to offer preceding mile accessibility for utilizing Radio and Fiber Optics.
- ISPs have been allowed to offer ISP facilities via Cable Television Operators.
- Internet Telephony Services was launched for ISPs on April 1, 2002.
- The central administration has launched a thriving strategy to extend National Internet Backbone (NIB) in India.
- The government has approved the law acknowledging electronic deals named Information Technology Act, that assist in offering lawful structure for e-commerce in the country.

Challenges Ahead for Indian Internet Industry

One of the biggest challenges faced by Indian Internet industry was the lack of vernacular content that saturated the user access to only English speaking Indians. For the industry to add another 50 million users, turning vernacular was the best alternative. At present matrimonial dotcoms like Jeevansaathi, popular search engine like Google and Yahoo!, etc. have launched a vernacular version of the websites.

After bravely emerging from the language hindrance, internet is yet to witness its transformation from knowledge seeking trade to an out and out commercial business. At present internet mainly provides product services. So downloading ringtones or videos from a website generally differs in quality and not

in price, hence, making Internet synonymous with low-priced information. To overcome this issue, users themselves have to take the initiative of accessing the internet for the finest content and willingly pay for it.

Indian internet business has merged competently with the conventional financial system and has become a part of our everyday life. The internet industry is bound to change our lives in the coming years the way Industrial Revolution did.

HISTORY

The company was originally incorporated in the name of Lesha Finstock Private Limited on 23.11.1992 and subsequently converted into public company on 27.11.1995 and the name of the company was also changed to Ashni Finance Limited on 27.11.1995. The name of the company was again changed to Technocorp Infosystems Limited on 27.09.2001. Thereafter the name of the company was also changed to Lesha Industries Limited on 31.08.2009.

Main Object of the LIL as set out in Memorandum of Association of the Company are as under :

1. To carry on and undertake as its principal business, the business of finance investment and to finance lease operation of all kinds of purchasing, selling, hiring or letting on hire all kinds of plant and machinery and equipment that the company may think fit and to assist in financing of all every kind and description of the purchase of deferred payment or similar transactions and to subsidise, finance or assist in subsidising or financing the sale maintenance of any goods, articles or commodities of all and every kind and description upon any land and buildings, plant and machinery equipment, ships, aircraft, automobiles, computers and all consumer commercial and industrial items regardless of whether the property purchased by new and or used and from India or from any part of the world.
2. To finance industrial enterprise and to lend and advance money to entrepreneurs promoters and industrial concerns, (whether directly or indirectly).
3. To acquire and hold shares, stocks, debentures or other securities and to carry on the activities of investment Company.
4. To carry on business of Information Technology and Information Technology related. Entrepreneurial Resources Planning, Medica Transription, E-Security, E-Business, Placements of it Professionals. Remote Data Processing, IT Enabled Services, Internet, Internet facility Management, Management Systems, Software Developer, Software Training and Management Taining, set up of Information Technology Institutes, to manufacture, Import Export, buy, sell, develop or otherwise deal in all banches of Electronics, Computer Software and Hardwar, to run Data Processing / Computer Centres, to offer consultancy in Data Processing Systems. Telecommunication, Telecommunication related, communication systems, Satellite and Sattelite related. Software and Software related Network and Networking related, E-Commerce and E-Commerce related, develop new techniques for computer software and hardware technology and generally all business related to Electronics, computers, Computings, Information Technology and high Technology Products of all rds both in Indian and Overseas, water supply, sanitation, townships and other or properties which may seem calculated directly or advance the company's and interest either in consideration of a gross sum of a rent charged in cash or services.
5. To set up, operate, fabricate, market and deal in steel furnace, steel rolling mills, steel rolling plant and to re-roll mild, low, medium, high carbon and alloy steel and alloy cold rolled and hot rolled strips, refine alloy and manufacture ingots, skelped billets of special steel and alloy steels and to act as steel makers, steel converters ship breakers and to manufacture metallurgical products in all forms.

Subsidiaries

The Company does not have any Subsidiaries.

MANAGEMENT**Board of Directors**

As per the Articles of Association of the Company, the Company shall not have less than 3 and unless otherwise determined by the Company in General Meeting not more than twelve directors.

Mr. Ashok C Shah is the Chairman & Mr. Shalin A Shah is the Managing Director of the Company.

The Board of Directors of the Company is as follows:

Sr. No.	Name	Category
1.	Mr. Ashok C Shah	Chairman
2.	Mr. Shalin A Shah	Managing Director
3.	Mr. Keyoor Bakshi	Non Executive & Independent Director
4	Mr. Hitesh Donga	Non Executive & Independent Director

Details regarding Board of Directors of the Company are given below:

Sr. No.	Name, Age, Designation, Fathers' Name, Address, Occupation	Other Directorships
1.	Mr. Ashok C Shah Age : 67 years Designation : Chairman S/o Late Mr. Chinubhai M Shah Address : 98, Lavanya Society, New Vikasgruh Road, Ahmedabad 380007. Occupation : Industrialist	Gujarat Natural Resources Limited (formerly known as Lesha Energy Resources Limited) Shree Ghantakarna Rolling Mills (P) Ltd. Tanya Estates (P) Ltd. Ashnisha Alloys (P) Ltd.
2.	Mr. Shalin A. Shah Age : 38 years Designation : Managing Director S/o Mr. Ashok C Shah Address : 98, Lavanya Society, New Vikasgruh Road, Ahmedabad 380007. Occupation: Industrialist	Gujarat Natural Resources Limited (formerly known as Lesha Energy Resources Limited) Shree Ghantakarna Rolling Mills (P) Ltd. Tanya Estates (P) Ltd. Ashnisha Alloys (P) Ltd. Infinite Infosystems (P) Ltd.
3.	Mr. Keyoor Bakshi Age: 54 S/o Shri Madhusudan Bakshi Designation : Director Address: 33, Maker Tower-J, Cuffe Parade, Mumbai 400005 Occupation : Professional	Kanha, Associates Pvt. Ltd. Kiri Dyes and Chemicals Ltd. MJP Associates Pvt. Ltd. Tudor India Ltd.
4	Mr. Hiteshkumar Donga Age : 25 S/o Mr. Madhubhai Donga Designation : Director Address: Moti Monpari TA : Visavader Di: Junagadh Occupation : Service	Nil

Brief Biography of the Directors**Mr. Ashok C Shah – Chairman**

Shri Ashok C. Shah, aged about 67 years, has studied in USA, is holding Engineering and Administrative Degrees and is having technical and administrative experience with various American companies, viz- worked as Plant Manager for 11 years with M/s. IBM Corporation. USA, worked as Area Manager for North Western Region with M/s. Prudential Insurance Co., USA for 8 years, were also associated with NYSE as Licenced Broker with Merrill Lynch Corp., USA. He has around 20 years of experience in Steel Trading and Manufacturing Business in India. He is the Chairman of the Company. He is also Chairman of group company Gujarat Natural Resources Limited (formerly known as Lesha Energy Resources Limited).

Mr. Shalin A Shah – Managing Director

Shri Shalin A. Shah, aged 38 years, an Engineering Graduate is the Managing Director of the company. He looks after the day to day affairs of the company. He is also Managing Director of Gujarat Natural Resources Limited (formerly known as Lesha Energy Resources Limited). The company is engaged the business of Oil & Gas exploration.

Mr. Keyoor Bakshi – Director

Shri Keyoor Bakshi, aged about 54 years, is a Graduate in Commerce & Laws and a Fellow Member of The Institute of Company Secretaries of India (ICSI). He is practicing as Company Secretary at Mumbai. He has over 30 years' experience in the areas of corporate laws, finance and management. His areas of expertise include Corporate Governance, Corporate & Securities Compliance Management, Due Diligence, Mergers, Acquisitions & Takeovers, Public offerings of Securities and appearances before the Securities Appellate Tribunal, Company Law Board, and Consumer Courts etc.

He was the President of the Institute of Company Secretaries of India during the year 2008 and it's Vice President during 2003 and 2007. He is currently the President of the International Federation of Company Secretaries.

He is a regular speaker at various Seminars & Conferences, and is contributing articles in the areas of professional interest.

Mr. Hitesh Donga – Director

Mr. Hitesh Donga, aged 25 years, he holds Master Degree of Commerce.

Compensation of managing directors/ whole time directors

No remuneration is paid to the Managing Director / Whole Time Directors of the Company.

CORPORATE GOVERNANCE

The provisions of the listing agreement to be entered into with the Stock Exchanges with respect to corporate governance will be applicable to the Company immediately upon the listing of its Equity Shares on the Stock Exchanges. The Company is fully compliant with the provisions of Clause 49 of the Listing Agreement.

Presently Shri Ashok C Shah is the Chairman of the Board. The Board of Directors of the Company comprises of 4 Directors including 2 Independent Director(s). The Board has also constituted the Audit

Committee and Shareholders/Investors' Grievance Committee as required under Clause 49 of the Listing Agreement as under:

Audit Committee

Director	Category	Member / Chairman of the Audit Committee
1. Mr. Shalin A Shah	Managing Director	Member
2. Mr. Keyoor Bakshi	Non Executive & Independent Director	Chairman
3. Mr. Hitesh Donga	Non Executive & Independent Director	Member

SHAREHOLDERS/INVESTORS GREVIANCE COMMITTEE

Director	Category	Member / Chairman of the Shareholders/Investors
1. Mr. Ashok C Shah	Chairman	Chairman
2. Mr. Shalin A Shah	Managing Director	Member
3. Mr. Keyoor Bakshi	Non Executive & Independent Director	Member

The role, powers, scope of functions and duties of the Audit Committee and Shareholders/Investors' Grievance Committee of the Board are as per the applicable provisions of the Companies Act, 1956 and Clause 49 of the Listing Agreement.

Since, the Company was not listed, the Clause 49 of the listing Agreement was not applicable to the Company. However the same is complied with & will be complied with continuously, with effect from the date of this Memorandum

The Directors have no interest in the transactions of the Company, otherwise than as directors of the Company and of those companies in which they are Directors.

Change in Board of Directors since the Company's inception

Sr. No.	Name of the Director	Date of Appointment	Date of Resignation
1	Mr. Shalin A. Shah	23.11.1992	25.03.1993
2	Mrs. Leenaben Ashok Shah	23.11.1992	25.03.1993
3	Mr. Rajesh Bhogilal Shah	25.03.1993	21.07.1995
4	Mr. Arvind Keshavlal Shah	25.03.1993	21.07.1995
5	Mr. Shalin A. Shah	21.07.1995	
6	Mr. Dilip Popatlal Shah	21.07.1995	20.12.1996
7	Mr. Suresh Makhanlal Sureka	31.08.1995	08.12.1995
8	Mr. Niren M. Nagari	11.11.1995	01.08.1996

9	Mr. Hafez Rustom Dalal	11.11.1995	12.10.1996
10	Mr. J. S. Varshneya	11.11.1995	01.08.1996
11	Mr. Swetank M Patel	01.08.1996	01.05.2009
12	Mr. Pragnesh K Shah	01.08.1996	30.09.2005
13	Mr. Narendra S. Ayer	30.09.2005	01.05.2009
14	Mrs. Leenaben Ashok Shah	01.05.2009	27.01.2010
15	Mr. Pravin Premchand Shah	01.05.2009	27.01.2010
16	Mr. Ashok Chinubhai Shah	27.01.2010	
17	Mr. Keyoor Bakshi	27.01.2010	
18	Mr. Hitesh Donga	15.01.2011	

Shareholding of Directors

Name of Director	No. of Shares held
Mr. Ashok C Shah	881950
Mr. Shalin A Shah	1539236
Mr. Keyoor Bakshi	--
Mr. Hitesh Donga	--

Key managerial personnel

The Company is managed, controlled, and directed by the Board of Directors. The Board has appointed Mr. Mangilal Prajapati as Chief Accounts Officer, over and above Mr. H. K. Shah as the Manager (Share Dept.) and Mr. U.V. Joshi as General Manager (Steel Div.) as the key personnel reporting directly to the Board.

PROMOTERS**Details of Promoters**

Shri Ashok C Shah, aged about 67 years, has studied in USA, is holding Engineering and Administrative Degrees and is having technical and administrative experience with various American companies, viz- worked as Plant Manager for 11 years with M/s. IBM Corporation, USA, worked as Area Manager for North Western Region with M/s. Prudential Insurance Co., USA for 8 years, were also associated with NYSE as Licenced Broker with Merrill Lynch Corp., USA. He has around 20 years of experience in Steel Trading and Manufacturing Business in India. He is the Chairman of the Company. He is also Chairman of group company Gujarat Natural Resources Limited (formerly known as Lesha Energy Resources Limited).

Shri Shalin A. Shah, aged 38 years, an Engineering Graduate is the Managing Director of the company. He looks after the day to day affairs of the company. He is also Managing Director of Gujarat Natural Resources Limited (formerly known as Lesha Energy Resources Limited). The company is engaged the business of Oil & Gas exploration.

By virtue of Shri Ashok C Shah & Shri Shalin A Shah being the Promoter(s) of the Company, the following are derived as promoters of the Company in terms of SEBI (Substantial Acquisition of Shares & Takeover) Regulations, 1997:

1. Leena A Shah
2. Shivani A Shah
3. Shree Ghantakarna Rolling Mills (P) Ltd
4. Ashnisha Alloys (P) Ltd
5. Tanya Estates (P) Ltd.
6. Gujarat Natural Resources Limited (formerly known as Lesha Energy Resources Limited)

CURRENCY OF PRESENTATION

In this Information Memorandum all references to 'Rupees' and 'Rs' are to Indian Rupees, the legal currency of India.

DIVIDEND POLICY

There is no set dividend payment policy. Dividend is intended to be declared based on the quantum and availability of future profits and will be disbursed based on shareholder approval based on the recommendation of the Board of Directors.

We have not paid any dividend in the past.

FINANCIAL INFORMATION

BALANCE SHEET AS AT 31ST MARCH, 2011

Particulars	Schedule	Current Year (Rs.)	Previous Year (Rs.)
<u>SHAREHOLDERS' FUND</u>			
<u>SHARE CAPITAL</u>	1	115,327,000.00	115,327,000.00
<u>RESERVE & SURPLUS</u> -- On Demerger		2,680,754.25	1,280,754.25
<u>LOAN FUND :</u>			
<u>UNSECURED LOAN</u>	2	44,462,010.00	26,327,125.00
<u>SECURED LOAN</u> - GIDC Loan		1,502,902.00	1,502,902.00
DEFERRED TAX LIABILITY		2,854,137.00	2,614,205.00
TOTAL RS...		166,826,803.25	147,051,986.25
<u>APPLICATION OF FUNDS :</u>			
<u>FIXED ASSETS :</u>			
Gross Block	3	100,187,675.00	98,921,401.00
Less : Depreciation		8,725,082.40	7,863,348.40
Net Block		91,462,592.60	91,058,052.60
<u>INVESTMENTS :</u>			
	4	12,064,845.00	12,064,845.00
<u>CURRENT ASSETS & LOANS & ADVANCES :</u>			
Inventories (As valued, taken and certified by Management)		16,939,447.81	30,510,611.25
Sundry Debtors	5	21,033,493.95	24,437,390.00
Cash & Bank Balances	6	1,113,922.96	374,495.83
Loans & Advances	7	45,183,268.47	37,574,506.31
		84,270,133.19	92,897,003.39
Less : CURRENT LIABILITIES & PROVISIONS	8	24,582,148.75	52,361,253.31
NET CURRENT ASSETS		59,687,984.44	40,535,750.08
<u>MISCELLANEOUS EXPENDITURE</u>			
Preliminary Exp. (To the extent not written off)		118,102.00	157,470.00
Pre-operative Exp.		140,081.00	--
Profit & Loss A/c		3,353,198.21	3,235,868.57
TOTAL RS...		166,826,803.25	147,051,986.25
NOTES ON ACCOUNT	14	-	-
As per our report of even date annexed. FOR NAIMISH K. SHAH & CO Firm Registration No.106828W CHARTERED ACCOUNTANTS		FOR LESHA INDUSTRIES LIMITED	
(NAIMISH K. SHAH) PROPRIETOR M. No. 31147		DIRECTOR	DIRECTOR
PLACE : Ahmedabad DATE : 01.09.2011		PLACE : Ahmedabad DATE : 01.09.2011	

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

Particulars	Schedule	Current Year (Rs.)	Previous Year (Rs.)
INCOME :			
Income from Operation	9	1,444,227,453.33	84,166,515.30
Other Income	10	594,519.51	97,572.00
Increase / (Decrease) in Stock	11	(13,571,163.44)	30,510,611.25
TOTAL RS...		1,431,250,809.40	114,774,698.55
EXPENDITURE :			
Cost of Good Sold	12	1,428,918,639.71	114,074,960.61
Administrative & Other Expenses	13	1,295,715.33	265,308.94
Director Remuneration		--	250,000.00
Preliminary Exp. W/off		39,368.00	39,368.00
TOTAL RS...		1,430,253,723.04	114,629,637.55
PROFIT/(LOSS) BEFORE DEPRECIATION		997,086.36	145,061.00
Less : Depreciation		861,734.00	1,543,705.00
PROFIT/(LOSS) FOR THE YEAR		135,352.36	(1,398,644.00)
LESS : PROVISION FOR TAXATION			
-- Current Tax		12,750.00	--
-- Deferred Tax		239,932.00	327,035.00
		252,682.00	327,035.00
PROFIT/(LOSS) AFTER TAX		(117,329.64)	(1,725,679.00)
PROFIT/(LOSS) B/F FROM EARLIER YEAR		(3,235,868.57)	(1,510,189.57)
PROFIT/(LOSS) C/F TO BALANCE SHEET		(3,353,198.21)	(3,235,868.57)
NOTES ON ACCOUNT	14		
As per our report of even date annexed.			
FOR NAIMISH K. SHAH & CO		FOR LESHA INDUSTRIES LIMITED	
Firm Registration No.106828W			
CHARTERED ACCOUNTANTS			
(NAIMISH K. SHAH)		DIRECTOR	DIRECTOR
PROPRIETOR			
M. No. 31147			
PLACE : Ahmedabad		PLACE : Ahmedabad	
DATE : 01.09.2011		DATE : 01.09.2011	

SCHEDULES FORMING PART OF ACCOUNTS AS ON 31ST MARCH, 2011

SCHEDULE - 1 SHARE CAPITAL		
Particulars	Current Year (Rs.)	Previous Year (Rs.)
<u>AUTHORISED CAPITAL</u>		
1,20,00,000 Equity Shares of Rs. 10/- each	120,000,000.00	120,000,000.00
<u>ISSUED, SUBSCRIBED & PAID-UP CAPITAL</u>		
11532700 Equity Shares of Rs.10/- each fully paid up	115,327,000.00	115,327,000.00
	115,327,000.00	115,327,000.00

SCHEDULE - 2 UNSECURED LAONS			
Sr. No	Particulars	Current Year (Rs.)	Previous Year (Rs.)
1	FROM BODY CORPORATES	26,497,010.00	24,812,125.00
2	FROM OTHERS	17,965,000.00	1,515,000.00
		44,462,010.00	26,327,125.00

SCHEDULE - 3 FIXED ASSETS											
NAME OF THE ASSET	GROSS BLOCK			DEPRECIATION			NET BLOCK				
	AS ON	ADDITION / (DEDUCTION)	AS ON	AS ON	DEPRECIATION DURING THE YEAR	UP TO	AS ON	AS ON			
	01.04.2010	(DEDUCTION)	31.03.2011	01.04.2010		31.03.2011	31.3.2010	31.3.2011			
Air Conditioner	113,800.00	37,490.00	151,290.00	57,539.00	6,982.00	64,521.00	56,261.00	86,769.00			
Computer Systems	3,856,534.00	81,400.00	3,937,934.00	1,913,007.98	635,217.00	2,548,224.98	1,943,526.02	1,389,709.02			
Electrical Installation	133,959.00	--	133,959.00	39,397.28	6,363.00	45,760.28	94,561.72	88,198.72			
Office Equipment	90,188.00	--	90,188.00	33,691.86	4,284.00	37,975.86	56,496.14	52,212.14			
Furniture & Fixture	1,042,625.00	261,084.00	1,303,709.00	473,636.58	80,890.00	554,526.58	568,988.42	749,182.42			
Equipments	18,666,770.00	--	18,666,770.00	5,141,586.22	0.00	5,141,586.22	13,525,183.78	13,525,183.78			
Tower	92,825.00	--	92,825.00	32,908.38	4,409.00	37,317.38	59,916.62	55,507.62			
Vehicles	3,120.00	--	3,120.00	2,368.80	296.00	2,664.80	751.20	455.20			
Factory Building	22,461,115.00	800,000.00	23,261,115.00	0.00	0.00	0.00	22,461,115.00	23,261,115.00			
Mobile	29,880.00	2,800.00	32,680.00	6,774.30	1,518.00	8,292.30	23,105.70	24,387.70			
Office Premises	7,430,585.00	39,000.00	7,469,585.00	162,438.00	121,752.00	284,190.00	7,268,147.00	7,185,395.00			
Bikes	-	44,500.00	44,500.00	0.00	23.00	23.00	-	44,477.00			
Land	45,000,000.00	-	45,000,000.00	0.00	0.00	0.00	45,000,000.00	45,000,000.00			
	98,921,401.00	1,266,274.00	100,187,675.00	7,863,348.40	861,734.00	8,725,082.40	91,058,052.60	91,462,592.60			

SCHEDULE - 4 INVESTMENT (AT COST)				
Sr. No	Particulars	No. of Shares	Current Year (Rs.)	Previous Year (Rs.)
	UNQUOTED			
1	Ghantakarna Rolling Mills Pvt. Ltd.	9155000	9,155,000.00	9,155,000.00
	QUOTED			
	Gujarat Natural Resources Ltd	298900	2,909,845.00	2,909,845.00
			12,064,845.00	12,064,845.00

SCHEDULE - 5 SUNDRY DEBTORS (UNSECURED, CONSIDERED GOOD)			
Sr. No	Particulars	Current Year (Rs.)	Previous Year (Rs.)
A)	Outstanding for More Than Six Months	15,143,723.06	3,050,000.00
B)	Others	5,889,770.89	21,387,390.00
		21,033,493.95	24,437,390.00

SCHEDULE - 6 CASH & BANK BALANCE			
Sr. No	Particulars	Current Year (Rs.)	Previous Year (Rs.)
1	Cash on Hand	50,914.83	143,030.00
2	Balance with Schedule Bank in current A/c		
	ICICI Bank - Surat Branch	--	694.83
	The United Co.Op. Bank	--	54,455.00
	State Bank of India	53,673.13	146,659.00
	Bank of Baroda	--	9,002.00
	Vijaya Bank	--	20,655.00
	IDBI Bank	510,000.00	--
	ICICI Bank	490,000.00	--
	Union Bank of India	9,335.00	--
		1,113,922.96	374,495.83

SCHEDULE - 7 LOAN & ADVANCES (UNSECURED, CONSIDERED GOOD)			
Sr. No	Particulars	Current Year (Rs.)	Previous Year (Rs.)
1	Deposits	652,000.00	352,000.00
2	Recoverable in Cash or Kind for value to be received	44,531,268.47	37,222,506.31
		45,183,268.47	37,574,506.31

SCHEDULE - 8 CURRENT LIABILITIES			
Sr. No	Particulars	Current Year (Rs.)	Previous Year (Rs.)
	SUNDRY CREDITORS		
1	C.P Mehta	11,000.00	5,000.00
2	Emkay Globle Financial Services Ltd.	--	166,830.56
3	Mukta Industrial Pvt. Ltd.	14,145,584.00	32,384,102.00
4	Kantilal Mistry	24,002.75	24,002.75
5	Samvid Engineer	--	19,463,542.00
6	S.S Gandhi & Associates	--	5,515.00
7	NHB Ball & Roller Ltd	10,200,025.00	--
8	Purva Sharegistry (India) Pvt. Ltd.	8,622.00	--

9	Vastupal Steel & Spares Pvt. Ltd.	116,191.00	--
PROVISIONS			
1	Provision for Income Tax	12,750.00	2,261.00
2	Audit Fees Payable	5,000.00	5,000.00
3	Unpaid Professional Fees	25,000.00	45,000.00
4	Unpaid Legal Fees	7,000.00	10,000.00
5	Unpaid Salary	21,800.00	244,644.00
6	TDS Payable	--	5,356.00
7	Telephone Exp. Payable	1,310.00	--
8	Electric Exp. Payable	3,864.00	--
		24,582,148.75	52,361,253.31

SCHEDULE - 9 INCOME FROM OPERATION			
Sr. No	Particulars	Current Year (Rs.)	Previous Year (Rs.)
A)	Sales		
1	Sale of Shares	1,319,387,197.75	63,471,063.76
2	Sale of Toys	3,334,967.93	673,135.54
3	Sale of Steel Items	120,995,887.65	19,472,316.00
		1,443,718,053.33	83,616,515.30
1	Bandwidth Income	--	550,000.00
2	Income from Data Work	509,400.00	--
		1,444,227,453.33	84,166,515.30

SCHEDULE - 10 OTHER INCOME			
Sr. No	Particulars	Current Year (Rs.)	Previous Year (Rs.)
1	Rent Income	442,668.00	97,572.00
2	Dividend Income	66,667.31	--
3	Rate Difference	84,604.00	--
4	Misc. Income	541.00	--
5	Kasar/ vatav	39.20	--
		594,519.51	97,572.00

SCHEDULE - 11 INCREASE/(DECREASE) IN STOCK			
Sr. No	Particulars	Current Year (Rs.)	Previous Year (Rs.)
	CLOSING STOCK		
	--- Steel	11,980,957.16	30,510,611.25
	--- Equity Shares	4,958,490.65	--
		16,939,447.81	30,510,611.25
	OPENING STOCK		
	--- Steel	30,510,611.25	--
		(13,571,163.44)	30,510,611.25

SCHEDULE - 12 COST OF GOOD SOLD			
Sr. No	Particulars	Current Year (Rs.)	Previous Year (Rs.)
1	Purchase of Shares	1,324,431,173.47	63,699,752.56
2	Purchase of Toys	2,627,185.80	521,708.80
3	Purchase of Steel Items	101,860,280.44	49,853,499.25
		1,428,918,639.71	114,074,960.61

SCHEDULE - 13 ADMINISTRATIVE & OTHER EXPENSES			
Sr. No	Particulars	Current Year (Rs.)	Previous Year (Rs.)
1	Advertisement Exp.	10,405.00	--
2	Audit Fees	4,000.00	5,000.00
3	Bank Charges	4,759.00	1,025.00
4	Building Repair & Maintenance	40,500.00	--
5	Conveyance Exp.	10,912.00	--
6	CST	29,377.00	--
7	Demat Charges	3,725.64	662.40
8	Electricity Exp.	54,074.00	13,550.00
9	Filling Fees	5,450.00	103,600.00
10	Insurance Exp.	25,043.00	--
11	Interest Exp.	--	1,092.27
12	Late Payment Charges	10,020.92	--
13	Legal Fees	9,650.00	10,515.00
14	Loss from Mutual Fund	9,616.88	--
15	Municipal Tax	98,752.00	60,250.00
16	Office Exp.	72,930.00	--
17	Postage & Courier Exp.	1,057.00	--
18	Prion Period Exp.	10,903.00	--
19	Professional Fees	38,000.00	32,500.00
20	Rounding Off	11.82	(1.35)
21	Salary Exp.	346,000.00	6,000.00
22	Salary Exp. of Data Operator	240,000.00	--
23	Service Tax	7,519.49	5,974.10
24	Share Transfer Exp.	50,576.50	--
25	Stamp Charges	8,683.72	2,395.89
26	Stationery & Printing Exp.	40,355.00	--
27	STT	69,156.38	20,147.00
28	Telephone Exp.	17,501.00	--
29	Transaction Charges	37,854.98	2,598.63
30	Travelling Exp.	35,925.00	--
31	Vehicle Exp.	2,956.00	--
		1,295,715.33	265,308.94

GROUP COMPANIES FINANCIAL AND OTHER INFORMATION

The details of other listed company in the Group are as under:

Gujarat Natural Resources Limited (formerly known as Lesha Energy Resources Limited)
("GNRL") (Also a Transferor Company at the time of Demerger)

GNRL was incorporated on 23.08.1991 under the Companies Act, 1956 having its Registered Office at 8 Sigma Corporate, Nr, Mann Party Plot, S. G. Highway, Ahmedabad Gujarat, 380 059. The Company's shares are listed in Bombay Stock Exchange in India. (BSE Code : 513536)..

The Company was incorporated with the main object of

"To carry on in India or elsewhere either alone or jointly in financial or technical collaboration the business to explore, extract, excavate, procure, produce, pump, refine, purify, store, research, prepare, promote, prospect, process, grade, split, remove, amalgamate, barter, convert, clean, commercialize, compound, distribute, discover, handle, import, export, buy, sell, market, organize, manage, protect, provide, vaporize, condense, concentrate, dilute, mix and to act as agent, broker, stockiest, clearing & forwarding agent, transporter, consultant, engineering contractor, advisor, job worker, export house or otherwise to deal in all sorts of crude, and refined petroleum oils, natural gases, oleaginous and saponaceous substances, their products, by – products, residues, ingredients, derivatives, formulations, blends, mixtures, goods and materials ; and engage in operating, providing, running, chartering, of ships, vessels, drilling rigs, machines and equipments and to do offshore drilling, repair and reconditioning of tubulars, to provide oilfield services such as mud logging, cementing, mud engineering, wire lining and to take contracts for prospecting, searching and exploring oil fields, gas fields and other mineral oils and gases and to do all incidental acts and things necessary for the attainment of these objects."

Capital Structure of GNRL

(Amt in Rs.)

	As on 31st March 2011
Authorised Share Capital	40,00,00,000/-
Total	40,00,00,000/-
Issued, Subscribed & Paid Up Share Capital	38,75,16,450/-
Total	38,75,16,450/-

Board of Directors

Name of Director	Designation
Mr. Ashok C. Shah	Chairman
Mr. Shalin A. Shah	Managing Director
Mr. Hariyant C. Shelat	Independent Director
Mr. Ilesh Shah	Director
Mr. Malav Mehta	Director
Mr. Pravinbhai V. Trivedi	Independent Director

Shareholding Pattern as on 30.06.2011

Sr. No	Name of the Shareholder	No. of Shares Held	% holding
(1)	Promoter and Promoter Group	8197941	21.16
(2)	Mutual Funds/ UTI	0	0.00

(3)	Financial Institutions/ Banks / Insurance Companies	800	0.00
(4)	Foreign Institutional Investors	0	0.00
(5)	Bodies Corporate	22339546	57.65
(6)	Indian Public	7684407	19.83
(7)	N. R. I.	221881	0.57
(8)	Others	307070	0.79
	Total	38751645	100.00

Financial Performance of GNRL

Rs. in thousands

Particulars	2006-07	2007-08	2008-09	2009-10	2010-11
Sales & Other Income	21257.92	10444.43	7197.32	18874.59	599802.41
PAT	92.17	55.01	57.31	41.12	70.23
Equity Capital	56837.00	96337.00	139337.00	327105.22	387516.45
Reserves	23586.69	81375.10	81432.41	7751.29	434723.64
EPS (Rs.)	--	--	--	--	--

Details of listing and Highest & Lowest market price during the preceding six months:

Equity Shares of GNRL are listed at the Bombay Stock Exchange Limited.

Monthly High & Low price of the Equity Shares of GNRL at BSE

Month	BSE	
	High Rs.	Low Rs.
March 2011	87.80	72.00
April 2011	91.40	70.00
May 2011	90.40	73.25
June 2011	87.00	74.20
July 2011	87.45	70.30
August 2011	85.50	64.70

High, Low and Average prices of the shares of the GNRL at BSE during the preceding 3 years.

Year	Open Price	High Price	Low Price	Close Price
2007	0.99	12.72	0.99	12.72
2008	13.35	17.02	5.30	9.12
2009	8.67	101.00	7.51	85.6
2010	82.00	140.00	68.05	82.30
2011 (upto 22.09.2011)	82.95	107.90	64.70	94.35

Other Group Companies**ASHNISHA ALLOYS PRIVATE LIMITED("AAPL")**

AAPL was incorporated on 27.07.2009 under the companies Act, 1956 having its Registered Office at 98 Lavanya Society, New Vikas Gruh Road, Paldi, Ahmedabad, Gujarat 380 007. The Company shares are not listed on any Stock Exchange in India. The company is engaged in business of manufacturer, importer, exporter, trader of various steel products.

Board of Directors :

Name	Position
Mr. Ashok C. Shah	Director
Mr. Shalin A. Shah	Director

Shareholding Pattern as on 30.06.2011

Sr. No.	Name of the Shareholders	No. of Shares Held	% Holding
1.	Indian Holding	10000	100.00
2.	Public Holding	0	0.00
3.	Foreign Companies	0	0.00
	Total	10000	100.00

Financial Performance

Particulars	For the Financial Years ended on 31 st March	
	2011	2010
Sales	-----	-----
Other Income	-----	-----
PAT/ (loss)	(7721.00)	(5665.45)
Equity Share Capital	100000	100000
Reserves & Surplus	-----	-----
Book Value per share in Rs.	29.00	9.77
EPS per Share of Rs. 10	(0.77)	(0.57)

SHREE GHANTAKARNA ROLLING MILLS PRIVATE LIMITED("SGRMPL")

SGRMPL was incorporated on 26.06.1984 under the companies Act, 1956 having its Registered Office at 7th Floor, Ashoka Chambers, Rasala Marg, Mithakhali, Ahmedabad – 380 006. The Company shares are not listed on any Stock Exchange in India. The company is engaged in business of manufacturing and trading of rolled steel products and other allied activities.

Board of Directors :

Name	Position
Mr. Shalin A. Shah	Director
Mr. Umesh Joshi	Director

Shareholding Pattern as on 30.06.2011

Sr. No.	Name of the Shareholders	No. of Shares Held	% Holding
1.	Indian Holding	120500	100.00
2.	Public Holding	0	0.00
3.	Foreign Companies	0	0.00
	Total	120500	100.00

Financial Performance

Particulars	For the Financial Years ended on 31 st March		
	2011	2010	2009
Sales	-----	-----	1741200.00
Other Income	-----	-----	-----
PAT/ (loss)	(74577.71)	(125252.70)	(118683.00)
Equity Share Capital	1205000.00	1205000.00	1205000.00
Reserves & Surplus	21164458.59	21239036.30	21364289.00
Book Value per share in Rs.	569.33	437.92	443.73
EPS per Share of Rs. 10	-----	-----	-----

TANYA ESTATES PRIVATE LIMITED ("TEPL")

TEPL was incorporated on 29.07.2009 under the companies Act, 1956 having its Registered Office at 98, Lavanya Society, New Vikas Gruh road, Paldi, Ahmedbad. The Company shares are not listed on any Stock Exchange in India. The company is engaged in business of organizers and developers of real estates.

Board of Directors :

Name	Position
Mr. Shalin A. Shah	Director
Mr. Leena Ashok Shah	Director

Shareholding Pattern as on 30.06.2011

Sr. No.	Name of the Shareholders	No. of Shares Held	% Holding
1.	Indian Holding	10000	100.00
2.	Public Holding	0	0.00
3.	Foreign Companies	0	0.00
	Total	10000	100.00

Financial Performance:

Particulars	For the Financial Years ended on 31 st March	
	2011	2010
Sales	-----	-----
Other Income	-----	-----
PAT/ (loss)	(6548.28)	(8110.30)
Equity Share Capital	100000	100,000
Reserves & Surplus	-----	-----
Book Value per Share in Rs.	77.72	31.38
EPS per Share of Rs. 10	(0.65)	(0.81)

KEY INVESTMENTS**Business**

Pursuant to the scheme, the Steel Unit of GNRL stands vested in the Company. The Steel Unit comprises, inter alia, fixed assets aggregating to Rs.7.49 crores.

LEGAL & OTHER INFORMATION**OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPMENTS**

In relation to the Company, persons named as Promoters, Directors, and the companies/firms promoted by the Promoters, to the best of knowledge of the Company, there is a liability of a co-operative bank where the promoters of LIL are promoter directors and that private limited company has approached the Bank for one-time settlement of the dues. Registrar of Companies, has filed cases against a group company and its directors for alleged violation of the provisions of the Companies Act, 1956 and the company has applied for compounding of the cases permissible under the Act. Except these, there are no outstanding material litigations against or any material disputes for tax liabilities, nonpayment of statutory dues, defaults in dues towards instrument holders like debenture holders, fixed deposits and arrears on cumulative preference shares issued by the Company, defaults in creation of full security as per terms of issue/ other liabilities, proceedings initiated for economic/ civil/ any other offences (including past cases where penalties may or may not have been awarded and irrespective of whether they are specified under paragraph (i) of part 1 of Schedule XIII to the Companies Act, 1956), no disciplinary action has been taken by SEBI / Stock Exchanges against the Company, its Directors, its promoters, and the companies/firms promoted by the Promoters.

GOVERNMENT APPROVALS

No further approvals from any Government authority/Reserve Bank of India (RBI) are required by the Company to undertake the existing activities, save and except those approvals, which may be required to be taken in the normal course of business from time to time.

OTHER REGULATORY AND STATUTORY DISCLOSURES**Authority for the Scheme**

The Honorable High Court of Judicature at Ahmedabad, by its Order dated 30th December, 2009 issued on 2nd February, 2010 has approved the Scheme of Arrangement between Gujarat Natural Resources Limited (formerly known as Lesha Energy Resources Limited) (GNRL) and LESHA INDUSTRIES Limited (LIL) and their respective shareholders and creditors (the "Scheme").

Prohibition by SEBI

The Company, its directors, its promoters, other companies promoted by the promoters and companies with which the Company's directors are associated as directors have not been prohibited from accessing the capital markets under any order or direction passed by SEBI.

Caution

The Company accepts no responsibility for statements made otherwise than in the Information Memorandum or in the advertisements to be published in terms of Clause 8.3.5.4 of SEBI (DIP) Guidelines, 2000 or any other material issued by or at the instance of the Company and anyone placing reliance on any other source of information would be doing so at his or her own risk. All information shall be made available by the Company to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner.

Disclaimer Clause of the BSE

As required, a copy of this Information Memorandum has been submitted to BSE. The BSE has vide its letter dated April 10, 2006 has approved the said Scheme under Clause 24(f) of the Listing Agreement and by virtue of that approval the BSE's name in this Information Memorandum has been incorporated as one of the Stock Exchanges on which the Company's securities are proposed to be listed.

The BSE does not in any manner:

warrant, certify or endorse the correctness or completeness of any of the contents of this Information Memorandum; or warrant that this Company's securities will be listed or will continue to be listed on the BSE; or take any responsibility for the financial or other soundness of this Company, its promoters, its management or any scheme or project of this Company; and it should not for any reason be deemed or construed to mean that this Information Memorandum has been cleared or approved by the BSE. Every person who desires to acquire any securities of this Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the BSE whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.

Filing

Copies of this Information Memorandum have been filed with BSE.

Listing

Application will be made to BSE for permission to deal in and for an official quotation of the Equity Shares of the Company. The Company has nominated BSE as the Designated Stock Exchange for the aforesaid listing of the shares.

The Company shall ensure that all steps for the completion of necessary formalities for listing and commencement of trading at all the Stock Exchanges mentioned above.

Demat Credit

The Company has executed Agreements with NSDL and CDSL for admitting its securities in demat

form. On 11th March, 2010 the Company made allotment of the equity shares and such shares were credited in demat form by NSDL on 4th May 2010 and by CDSL on 5th May, 2010, to the respective demat account of those shareholders who have provided necessary details to the Company and/or who were holding their shares in GNRL in demat form and/or of those shareholders who have opted to receive the shares in demat form, as on the Record Date.

Dispatch of Share Certificates

Upon allotment of Shares to eligible shareholders pursuant to the Scheme on 11th March, 2010, the Company dispatched share certificates on 8th May, 2010, to those shareholders who were holding shares in GNRL in physical form and have not opted to receive shares in demat form, as on the Record Date.

Expert Opinions

Save as stated elsewhere in this Information Memorandum, we have not obtained any expert opinions.

Previous rights and public issues

The Company came out with a public issue in May, 1996. However, as the required 90% subscription was not received from the public, the monies received were returned to the respective investors and no allotment of shares was made to the public.

Commission and brokerage on previous issues

Since the Company has not issued shares to the public in the past, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of the Equity Shares since its inception.

Companies under the Same Management

Save and except GNRL there is no other listed company under the same management within the meaning of erstwhile Section 370 (1B) of the Companies Act.

Promise vis-à-vis performance

This is for the first time the Company is being listed on the Stock Exchange.

Disposal of Investor Grievances

Purva Shareregistry (India) Pvt. Ltd. are the Registrars and Transfer Agents of the Company. Documents/Letters are also received from the Investors directly at Mumbai by courier/post.

All documents are received at the inward department, where the same are classified based on the nature of the queries/actions to be taken and coded accordingly. The documents are then electronically captured before forwarding to the respective processing units.

The Company has appointed Shalin A Shah, Managing Director as the Compliance Officer and he may be contacted in case of any queries. He can be contacted at the following address:

Mr. Shalin A Shah, Managing Director - Email address : shalin@lesha.in

Lesha Industries Limited
7th floor, Ashoka Chambers
Mithakali Six Roads
Ahmedabad
Tel.: (079) 26463227

ARTICLES OF ASSOCIATION

Articles of Association comply with the requirements of the Companies Act, 1956, other relevant laws and the requirements of the Listing agreement.

OTHER INFORMATION

Documents available for Inspection during business hours at the Registered office of the Company:

1. Memorandum and Articles of Association, as amended till date.
2. Certification of incorporation dated November 23, 1992
3. Scheme of Arrangement sanctioned by the Hon'ble High Court of Judicature of Ahmedabad vide its order dated 30th December 2009 between Gujarat Natural Resources Limited (formerly known as Lesha Energy Resources Limited) and Lesha Industries Limited.
4. Order dated 30th December, 2009 of the Honorable High Court of Judicature at Ahmedabad approving the Scheme of Arrangement.
5. Letters dated June 10, 2009 of BSE approving the Scheme.
6. Tripartite Agreement with NSDL dated 21st April, 2010 and with CDSL dated 27th April, 2010.
7. Certificate from M/s. Pankaj K Shah & Associates, Chartered Accountants regarding Statement of Tax Benefits, dated 15.04.2010
8. Letter No. CFD/DIL/SK/MS/29908/2011 dated September 20, 2011 from Securities and Exchange Board of India for Relaxation of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957.

DECLARATION:

To the best of knowledge and belief of the Board of Directors of the Company, all statements made in this Information Memorandum are true and correct.

**BY ORDER OF THE BOARD OF DIRECTORS
FOR LESHA INDUSTRIES LIMITED**

**Shalin A Shah
Managing Director**

September 23, 2011