

ANNUAL REPORT

FY 2012-13

**GODAWARI CLINKERS & CEMENT
LIMITED**

DIRECTORS REPORT

Dear Shareholders,

GODAWARI CLINKERS AND CEMENT LIMITED

Registered Office: - Hira Arcade, Near New Bus Stand, Pandri, Raipur, Chhattisgarh

Your Directors have pleasure in presenting the Annual Report of the Company with the Audited Statement of Accounts and the Auditor's Report of your Company for the financial year ended 31st March, 2013.

OPERATIONS:

Your Company has not started commercial production during the financial year ended 31st March 2013. However, the Board of Directors is planning to take up the business in the near future.

DIVIDEND:

Since the company did not do any business, no dividend could be recommended for the financial year ended 31st March 2013.

FOREIGN EXCHANGE EARNINGS AND OUTGO:

The Company had no foreign exchange earnings/outgo during the period under review.

PARTICULARS OF EMPLOYEES:

There is no employee in the Company whose name and other particulars are required to be set out in the Report as per section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars Of Employees) Rules, 1975 as amended up to date.

DIRECTORS:

In accordance with the provisions of the Companies Act, 1956 and the Company's Articles of Association, Shri Dinesh Agrawal retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for reappointment.

DIRECTORS RESPONSIBILITY STATEMENT:

In accordance with the provisions of section 217(2AA) of the Companies Act, 1956, your Directors state:

- (i) That in the preparation of the annual accounts, the applicable accounting standards have been followed.
- (ii) That your Directors have selected such accounting policies and applied them consistently and made judgment and estimates that are reasonable and prudent so as

to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the company for that period;

(iii) That your Directors have taken proper and sufficient care for the maintenance of adequate accounting record in accordance with the provisions of the Act for safeguarding the assets of your Company and for preventing and detecting fraud and other irregularities; and

(iv) That your Directors have prepared the annual accounts on a going concern basis.

CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION:

The provisions of section 217(1) (e) of the Companies Act, 1956, read with the Companies (Disclosure of particulars in the report of the Board of Directors) Rules, 1988, are not applicable to the Company, since it did not undertake any manufacturing activity.

AUDITORS REPORT:

There is no qualifying remark in the Auditors Report on the Annual Accounts of the Company for the financial year 2012-13 and hence does not require any clarification in the Directors Report.

AUDITORS:

M/s. O.P. Singhanian & Co., Chartered Accountants, the Statutory Auditors of the Company hold office until the conclusion of the forthcoming Annual General Meeting and being eligible and have offered themselves for re-appointment. The Company has received a certificate from them to the effect that their re-appointment, if made, would be within the limits prescribed under Section 224(1B) of the Companies Act, 1956.

ACKNOWLEDGEMENT:

The Board expresses its sincere gratitude to the shareholders, bankers and Central Government Officials and clients for their continued support. The Board also wholeheartedly acknowledges with thanks the dedicated efforts of all the staff and employees of the Company.

For and on behalf of the Board of Directors

Date: 25.05.2013
Place: Raipur

Dinesh Agrawal
(Director)

Siddharth Agrawal
(Director)

OPSinghania & Co.

CHARTERED ACCOUNTANTS

JDS CHAMBERS, 1ST FLOOR, 6-CENTRAL AVENUE,
CHOUBE COLONY, RAIPUR – 492001. (C.G.)

PHONE: 0771 – 4041235, 4041236,

FAX : +91-0771-4061216

Email : opsinghania.co@gmail.com

Independent Auditor's Report To the Members of Godawari Clinkers & Cement Limited

Report on the Financial Statements

We have audited the accompanying financial statements of **Godawari Clinkers & Cement Limited** which comprise the balance sheet as at 31 March 2013, the statement of profit and loss and the cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (i) in the case of the balance sheet, of the state of affairs of the Company as at 31 March 2013;
- (ii) in the case of the statement of profit and loss, of the loss for the year ended on that date; and
- (iii) in the case of the cash flow statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003, as amended, issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c. the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d. in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956; and
 - e. on the basis of written representations received from the directors as on 31 March 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For OPSinghania & Co.
(Firm Regn.No.002172C)
Chartered Accountants

Sanjay Singhania
Partner
Membership No.076961

Raipur, 25th May 2013

Re: GODAWARI CLINKERS AND CEMENT LIMITED

Referred to in paragraph 1 Report on Other Legal and Regulatory Requirements of our report of even date,

- (i) As the company does not have any fixed assets except capital work in progress, therefore the provisions of clause 4(i) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- (ii) As there is no inventory during the year, therefore the provisions of clause 4(ii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- (iii) According to the information given to us, the company has not granted/taken any loans, secured or unsecured to/from companies, firms and other parties covered in the register maintained u/s 301 of the Companies Act, 1956. Therefore, the provisions of clause 4 (iii) (a) to (g) Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- (iv) In our opinion and according to the information & explanations given to us, there are adequate internal control procedures commensurate with the size of the company and nature of its business, however, during the year there was no transaction in respect of purchase of inventory, fixed assets and sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.
- (v) According to the information & explanations given to us, during the year no transaction took place which required to be entered in the register maintained under section 301 of the Companies Act, 1956, therefore the provisions of clause 4(v) (a) & (b) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- (vi) In our opinion and according to the information and explanations given to us, the company has not taken any deposits from public, therefore the provisions of clause 4(vi) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- (vii) As the company does not have paid-up capital and reserves exceeding Rs.50 lakhs or also does not have any turnover during the immediately preceding three years, therefore, the requirement of internal audit system is not applicable.
- (viii) As there is no any manufacturing activity during the year, therefore the provisions of clause 4(viii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- (ix) According to the information & explanations given to us, during the year the company is not having any statutory liabilities whether undisputed or disputed as regard to the Provident Fund, Investor Education Protection Fund, Employees' State Insurance, Wealth Tax, Service Tax, Income Tax, Sales Tax, Custom Duty, Excise Duty, Cess and other material statutory dues. Therefore the provisions of clause 4(ix) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- (x) Since the company was registered for a period of less than five years, therefore, the provisions of Clause 4(x) of the Companies (Auditor's Report) Order, 2003 is not applicable to the company.
- (xi) As there is no loan taken by the company from any bank, financial institution or issued debentures, therefore the provisions of clause 4(xi) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.

- (xii) In our opinion and according to the information and explanations given to us, the company has not granted any loans & advances on the basis of security by way of pledge of shares, debentures and other securities. Therefore the provisions of clause 4(xii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- (xiii) In our opinion, the company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- (xiv) As there are no investments held by the company during the year, therefore the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- (xv) In our opinion and according to the information and explanations given to us, the company has not given any guarantee for loans taken by others from banks or financial institutions. Accordingly the provisions of clause 4(xv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- (xvi) The company has not raised any term loan during the year. Therefore, provisions of clause 4(xvi) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we are of the opinion that, prima facie short-term funds have not been used for long term investment.
- (xviii) According to the information and explanations given to us the company has not made preferential allotment of shares to parties and companies covered in the register mentioned under section 301 of the Act. Therefore the provisions of clause 4(xviii) of the of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- (xix) The company has not issued any debentures during the year. Therefore, the provisions of clause 4(xix) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- (xx) The company has not raised any money by public issue during the year, therefore, the provisions of clause 4(xx) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- (xxi) In our opinion and according to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the year. Therefore, the provisions of clause 4(xxi) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.

For OPSinghania & Co.
(Firm Regn.No.002172C)
Chartered Accountants

Sanjay Singhania
Partner
Membership No.076961

Raipur, 25th May 2013

Godawari Clinkers and Cement Ltd.
Balance Sheet as at 31st March,2013

Particulars	Notes	2013 ₹	2012 ₹
EQUITY AND LIABILITIES			
<u>Shareholders' Funds</u>			
Share capital	3	500,000	500,000
Reserves and surplus	4	(98,259)	(81,674)
		<u>401,741</u>	<u>418,326</u>
<u>Non-current liabilities</u>			
		-	-
<u>Current liabilities</u>			
Other current liabilities	5	11,236	5,618
		<u>11,236</u>	<u>5,618</u>
TOTAL		<u>412,977</u>	<u>423,944</u>
ASSETS			
<u>Non-current assets</u>			
Fixed Assets			
- Capital work-in-progress including pre-operative expenses		8,476	8,476
Other non-current assets	6	-	35,534
		<u>8,476</u>	<u>44,010</u>
<u>Current assets</u>			
Cash & bank balances	7	278,277	280,515
Short-term loans and advances	8	10,731	7,822
Other current assets	6	115,493	91,597
		<u>404,501</u>	<u>379,934</u>
TOTAL		<u>412,977</u>	<u>423,944</u>
Summary of significant accounting policies	2.1		

The accompanying notes are integral part of the financial statements.

As per our report of even date

For OPSinghania & CO.

(Firm Reg. No.002172C)

Chartered Accountants

For and on behalf of the Board of Directors of
Godawari Clinkers and Cement Ltd.

per Sanjay Singhanian

Partner

Membership No.076961

DINESH AGRAWAL

Director

SIDDHARTH AGRAWAL

Director

Place : Raipur

Date : 25.05.2013

Godawari Clinkers and Cement Ltd.**Statement of Profit & Loss for the year ended 31st March, 2013**

	Notes	2013 ₹	2012 ₹
INCOME			
Revenue from operations			
Other Income	9	<u>26,803</u>	<u>26,364</u>
TOTAL REVENUE (I)		<u>26,803</u>	<u>26,364</u>
EXPENDITURE			
Other Expenses	10	<u>43,388</u>	<u>43,200</u>
TOTAL REVENUE (II)		<u>43,388</u>	<u>43,200</u>
Profit/(loss) before tax		(16,585)	(16,836)
Tax expenses			
Current tax		-	-
Total tax expenses		-	-
Profit/(loss) for the year		<u>(16,585)</u>	<u>(16,836)</u>
Earnings per equity share [nominal value of share @ Rs.10/- (31st March,2012" Rs.10]	11		
Basic		(0.33)	(0.34)
Diluted		(0.33)	(0.34)
Summary of significant accounting policies	2.1		

The accompanying notes are integral part of the financial statements.

As per our report of even date
For OPSinghania & CO.
(Firm Reg. No.002172C)
Chartered Accountants

For and on behalf of the Board of Directors of
Godawari Clinkers and Cement Ltd.

per Sanjay Singhania
Partner
Membership No.076961

DINESH AGRAWAL
Director

SIDDHARTH AGRAWAL
Director

Place : Raipur
Date : 25.05.2013

Godawari Clinkers and Cement Ltd.

Cash Flow Statement for the year ended 31st March, 2013

	2013 ₹	2012 ₹
Cash Flow from operating activities		
Profit/(loss) before tax	(16,585)	(16,836)
Non-cash adjustment to reconcile profit before tax to net cash flows		
Preliminary Expenses Written off	35,532	35,532
Interest Income	(26,803)	(26,364)
OPERATING PROFIT/(LOSS) BEFORE WORKING CAPITAL CHANGES	(7,856)	(7,668)
Movements in working capital :		
Increase/(decrease) in other current liabilities	5,618	(4,309)
Decrease/(increase) in other current assets	(23,894)	(56,065)
Decrease/(increase) in other non-current assets	-	282,112
Cash generated from/(used in) operations	(26,132)	214,070
Direct taxes paid (net of refunds)	(2,909)	(2,411)
Net Cash flow from/(used in) operating activities	A (29,041)	211,659
Cash flows from investing activities		
Interest received	26,803	26,364
Bank deposits with original maturities for more than 3 months	-	(250,000)
Net cash flow from/(used in) investing activities	B 26,803	(223,636)
Cash flows from financing activities		
Net cash flow from/(used in) financing activities	C -	-
NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENTS (A+B+C)	(2,238)	(11,977)
Cash and Cash Equivalents at the beginning of the year	30,515	42,492
Cash and Cash Equivalents at the end of the year	28,277	30,515
Components of cash and cash equivalents		
Balance with bank on current account	28,277	30,515
	28,277	30,515

As per our report of even date
For **OPSinghania & CO.**
(Firm Reg. No.002172C)
Chartered Accountants

For and on behalf of the Board of Directors of
Godawari Clinkers and Cement Ltd.

Per SANJAY SINGHANIA
Partner
Membership No.076961

DINESH AGRAWAL
(Director)

SIDDHARTH AGRAWAL
(Director)

Place : Raipur
Date : 25.05.2013

Godawari Clinkers and Cement Ltd.**Notes to financial statements for the year ended 31st March, 2013**

1. Corporate information

Godawari Clinkers & Cement Ltd. (the company) is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The company is in the process of setting up of Cement Plant.

2. Basis of preparation

- i) The financial statements are prepared under the historical cost convention, on going concern concept and in compliance with the accounting standards as notified by Companies (Accounting Standards) Rules, 2006 and the relevant provisions of the Companies Act, 1956.
- ii) The Company follows mercantile system of accounting and recognizes income and expenditure on an accrual basis except those with significant uncertainties.
- iii) The accounting policies have been consistently applied by the Company and except for the changes in accounting policies discussed below, are consistent with those used in the previous year.

2.1 Summary of significant accounting policies**a) Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities as on the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Difference between the actual results and estimates are recognised in the period in which the results are known/materialised.

b) Tangible Fixed Assets

Tangible Fixed Assets are stated at acquisition cost net of accumulated depreciation and accumulated impairment losses, if any. Cost includes taxes, duties, freight, installation and other direct or allocated expenses upto the date of commencement of commercial production.

Gains or losses arising from derecognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

The various expenditure incurred during the construction stage and upto the date of commencement of commercial production for setting-up the relevant project-assets are grouped under the head "Pre-operative Expenditure" and allocated to related fixed assets on pro-rata basis upon completion of project and put to use.

c) Contingent Liabilities

Liabilities which are material and whose future outcome cannot be reasonably ascertained are treated as contingent and not provided for and disclosed by way of notes to the accounts.

d) Taxes on Income

Current Taxes are accounted based on provisions of Income Tax Act, 1961. Deferred Tax Assets/Liabilities are not recognized as there is no virtual certainty about future profitability.

e) Cash and Cash equivalents

Cash and Cash equivalents in the balance sheet comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

f) Preliminary Expenses

Preliminary expenses shall be written off within five years.

g) Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period are adjusted for events of bonus issue; bonus element in a right issue to existing shareholders.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

Godawari Clinkers and Cement Ltd.**Notes to financial statements for the year ended 31st March, 2013**

	2013 ₹	2012 ₹
3. Share capital		
Authorised shares 1000000 (1000000) Equity Share of Rs.10/- each	10,000,000	10,000,000
	10,000,000	10,000,000
Issued, subscribed and fully paid-up shares 50000 (50000) Equity Shares of Rs.10/- each fully paidup	500,000	500,000

a. Reconciliation of the shares outstanding at the beginning and at the end of the reporting period**Equity shares**

	2013		2012	
	No.	₹	No.	₹
At the beginning of the period	50,000	500,000	50,000	500,000
Issued during the period	-	-	-	-
Outstanding at the end of the period	50,000	500,000	50,000	500,000

b. Terms/rights attached to equity shares

The company has only one class of equity shares having a par value of Rs.10/- per share. Each holder of equity shares is entitled to one vote per share.

In the event of liquidation of the company, the holders of the equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c. Shares of the company held by holding company

Out of the equity shares issued by the company, shares held by its holding company are as below:

	2013 ₹	2012 ₹
Equity shares of Rs.10/- each fully paid 50000 nos. of shares held by Godawari Power & Ispat Limited, Holding company	500,000	500,000
	500,000	500,000

d. Details of shareholders holding more than 5% shares in the company:

	2013		2012	
	No.	% of holding in the class	No.	% of holding in the class
Equity shares of Rs.10/- each fully paid Godawari Power & Ispat Ltd.	50000	100	50000	100
	50000	100	50000	100

Godawari Clinkers and Cement Ltd.

Notes to financial statements for the year ended 31st March, 2013

	2013 ₹	2012 ₹
4. Reserves and Surplus		
Surplus/(deficit) in the statement of profit and loss		
Balance as per last financial statements	(81,674)	(64,838)
Profit/(Loss) for the year	(16,585)	(16,836)
Net surplus/(deficit) in the statement of profit and loss	(98,259)	(81,674)
Total reserves and surplus	(98,259)	(81,674)

	2013 ₹	2012 ₹
5. Other Current Liabilities		
Other liabilities		
Audit fees payable	11,236	5,618
	11,236	5,618

6. Other assets

	Non-current		Current	
	31st March,2013 ₹	31st March,2012 ₹	31st March,2013 ₹	31st March,2012 ₹
Unsecured, considered good unless stated otherwise				
Unamortized expenditure	-	35,534	35,534	35,532
Others				
Interest accrued on fixed deposits	-	35,534	79,959	56,065
	-	35,534	115,493	91,597

7. Cash and bank balances

	Current	
	2013 ₹	2012 ₹
Cash and cash equivalents		
Balances with banks:		
On current accounts	28,277	30,515
	28,277	30,515
Other bank balances		
Deposits with original maturity for more than 3 months but less than 12 months	250,000	250,000
	250,000	250,000
Total	278,277	280,515

Godawari Clinkers and Cement Ltd.

Notes to financial statements for the year ended 31st March, 2013

8. Short Term Loans and advances (unsecured, considered good)

	2013 ₹	2012 ₹
Other loans and advances		
TDS Receivable	10,731	7,822
Total	10,731	7,822

9. Other Income

	2013 ₹	2012 ₹
Interest Income on		
Bank Deposits	26,803	26,364
	26,803	26,364

10. Other Expense

	2013 ₹	2012 ₹
Legal and professional fees	1,500	1,500
Payment to Auditor (Refer details below)	5,618	5,618
Preliminary expenses written off	35,532	35,532
Miscellaneous expenses	738	550
	43,388	43,200

Payment to Auditor

	2013 ₹	2012 ₹
As auditor :		
Audit fee	3,933	3,933
In other capacity		
Taxation matters	1,685	1,685
	5,618	5,618

11. Earnings per share (EPS)

	2013 ₹	2012 ₹
Net profit as per profit and loss account	(16,585)	(16,836)
Net profit for calculation of basic EPS & Diluted EPS	(16,585)	(16,836)
Weighted average number of equity shares in calculating Basic EPS	50,000	50,000
Weighted average number of equity shares in calculating Diluted EPS	50,000	50,000
Basic & Diluted EPS		
- Basic earning per share	(0.33)	(0.34)
- Diluted earning per share	(0.33)	(0.34)

Godawari Clinkers and Cement Ltd.**Notes to financial statements for the year ended 31st March, 2013**

12. In the opinion of the Board, the value of realization of short term loans & advances and other current assets in the ordinary course of business will not be less than the amount at which they are stated.
13. There is no contingent liabilities against the company.
14. Previous year figures have been regrouped or rearranged wherever necessary.
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The accompanying notes are integral part of the financial statements.

As per our report of even date

For OPSinghania & CO.

(Firm Reg. No.002172C)

Chartered Accountants

For and on behalf of the Board of Directors of
Godawari Clinkers and Cement Ltd.

per Sanjay Singhania

Partner

Membership No.076961

DINESH AGRAWAL

Director

SIDDHARTH AGRAWAL

Director

Place : Raipur

Date : 25.05.2013
