

**2nd  
Annual Report  
2017 – 18**

**RIGHT AUTOMOBILES PRIVATE LIMITED**

**RIGHT AUTOMOBILES PRIVATE LIMITED**

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**DIRECTORS**

Mr. Satyapoorna Chander Yalamanchili  
Mr. Krishna Kishore Madicharla  
Mr. Manideep Katepalli  
Mr. Ashwanth Yalamanchili

**AUDITORS**

**M/s. Kommula & Co.,**  
Chartered Accountants,  
Hyderabad.

**REGISTERED OFFICE**

Unit No.106, 1st Floor, Ashoka  
Capitol Building Road, No.2,  
Banjara Hills, Hyderabad, TG  
500034 IN.

# RIGHT AUTOMOBILES PRIVATE LIMITED

Registered Office: Unit No.106, 1st Floor, Ashoka Capitol Building Road, No.2, Banjara Hills Hyderabad TG 500034 IN., CIN: U74999TG2016PTC113345.

## NOTICE

NOTICE is hereby given that the First Annual General Meeting of the Members of the Company, "RIGHT AUTOMOBILES PRIVATE LIMITED", will be held on Saturday, the 29<sup>th</sup> day of September, 2018 at 10.00 A.M. at its Registered Office at Unit No.106, 1st Floor, Ashoka Capitol Building Road, No.2, Banjara Hills Hyderabad TG 500034. to transact the following business:

### **ORDINARY BUSINESS:**

1. To Receive, Consider and Adopt the Annual Accounts of the Company for the Financial Year ended at 31<sup>st</sup> March, 2018 the Balance Sheet as on that date, the reports of Directors' and Auditors' thereon
2. To Ratify the appointment of M/s. Kommula & Co, Chartered Accountants, Hyderabad having Membership No. 235872 as Auditors of the Company, to hold office for F.Y 2018-19 and to authorize Board of Directors to fix their remuneration.

**BY ORDER OF THE BOARD**



Satyapoorna Chander Yalamanchili  
Director (DIN: 00076393)

Place: Hyderabad  
Date: 03.09.2018

### NOTES:

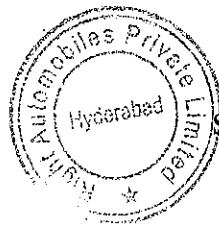
1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND SUCH PROXY (IES) DULY STAMPED AND SIGNED BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPAY, NOT LESS THAN 48 HOURS BEFORE THE TIME FOR HOLDING THE MEETING AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. Members are requested to bring alongwith them Annual Reports being sent to them.

**BY ORDER OF THE BOARD**



Satyapoorna Chander Yalamanchili  
Director (DIN: 00076393)

Place: Hyderabad  
Date: 03.09.2018



# RIGHT AUTOMOBILES PRIVATE LIMITED

Registered Office: Unit No.106, 1st Floor, Ashoka Capitol Building Road, No.2, Banjara Hills Hyderabad TG 500034 IN., CIN: U74999TG2016PTC113345.

## DIRECTORS' REPORT

To  
The Members of **RIGHT AUTOMOBILES PRIVATE LIMITED**

Your Directors hereby presents the First Annual Report, together with the Audited Accounts of the Company for the year ended 31<sup>st</sup> March, 2018.

### COMPANY'S PERFORMANCE:

During the period the Company has earned a profit of Rs. 4,52,277/- after providing all expenses. This being the second year of operations for the company hence the business is at the emerging stage. Your Directors are working hard to improve the business operations of the Company and expect the future years to be much successful.

### The highlights of the Financial Results are as follows:

Particulars	2016-17	2017-18
Income	3,74,496	10,269,692
Profit/loss Before Depreciation	(12,21,453)	7,86,546
Depreciation	7,031	2,40,855
Loss/Profit Before Tax	(1228484)	5,45,691
Deferred Tax Income	Nil	93,415
Provision for Income Tax	Nil	Nil
<b>Profit/Loss After Tax</b>	<b>(1221453)</b>	<b>4,52,277</b>

### STATE OF THE COMPANY'S AFFAIRS:

The Company is engaged in the business of manufacturing buying, selling, reselling, trading, importing, exporting, exchanging, hiring, distributing, of Automobiles and related services, the Company does some operations during the Financial Year and your Directors are hopeful to project better financial results in the forthcoming years

### DIRECTORS:

The following are the Board of Directors of the Company during financial year:

1. Mr. Satyapoorna Chander Yalamanchili
2. Mr. Krishna Kishore Madicharla
3. Mr. Ashwanth Yalamanchili

Mr. Krishna Kishore Madicharla has resigned as Director of the Company w.e.f 13/04/2018.

## **DIRECTORS' RESPONSIBILITY STATEMENT:**

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of Section 134(3)(c) of the Companies Act, 2013:

- a) that in the preparation of the annual financial statements for the period ended 31<sup>st</sup> March, 2018, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- b) that the Directors had selected such accounting policies and applied consistently and judgment and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31<sup>st</sup> March, 2018 and of the profit of the Company for the period ended on that date;
- c) that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) that the annual financial statements have been prepared on a going concern basis;
- e) that proper internal financial controls were in place and that the financial controls were adequate and were operating effectively;
- f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## **DIVIDEND**

During the year under review, your Directors have not recommended any dividend on the Equity Share Capital of the Company.

## **CONTRACTS AND ARRANGEMENTS WITH RELATED PARTY:**

There are no Contracts and/or Arrangements with Related party(s) during the Financial Year.

## **DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE:**

There are no Significant and Material Orders passed by the regulators or Courts or Tribunals impacting the going concern status of the Company and its operations in future.

## **DEPOSITS:**

Your Company has not accepted any deposits from Public or Members under Chapter V of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014 for the year under review.

## **EXTRACT OF ANNUAL RETURN:**

Pursuant to the provisions of Section 92 of the Companies Act, 2013 and rules framed thereunder the Extract of Annual return in Form MGT-9 is annexed herewith as **Annexure-1** and forms part of this Report.

**AUDITORS:**

To Ratify the appointment of M/s. Kommula & Co, Chartered Accountants, Hyderabad as Auditors of the Company for F.Y 2018-19. The Company has received necessary certificates from the Auditor pursuant to Section 139 and 141 of the Companies Act, 2013 regarding their eligibility for appointment.

Accordingly, the approval of the Shareholders for the Ratification of M/s. Kommula & Co, Chartered Accountants, Hyderabad as Auditors of the Company is being sought at the ensuing Annual General Meeting.

Your Board recommends the appointment of M/s. Kommula & Co, Chartered Accountants, Hyderabad as Auditors of the Company.

**PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:**

Particulars of Loans, Guarantees and Investments are required under the provisions of the Section 186 of the Companies Act, 2013 are provided in the notes to the Financial Statement.

**MEETINGS:**

During the year under review 2 (Two) Board meetings were held on 09th December, 2016, 08th March, 2017,. The maximum time gap between any two consecutive meetings were within the period prescribes under the Companies Act, 2013.

**MATERIAL; CHANGES AND COMMITMENTS:**

There is no material change or commitment has occurred, affecting the financial position of the Company, between the end of the Financial Year of the Company i.e., 31<sup>st</sup> March, 2018 and the date of this Report.

**PERSONNEL:**

In terms of provisions of Section 197 read with Rule, 5 (1) & (2) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, none of the employees are receiving remuneration as mentioned in the said section.

**PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:**

Particulars with respect to Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo as required under Section 134 of the Companies Act, 2013, read with Companies (Accounts) Rules, 2014 are not applicable to your Company.

**RISK MANAGEMENT:**

The Board is of the opinion that there are no elements of risks that may threaten the existence of the Company. However the Board identifies and considers the risks which may be associated or considerably affect the Company.

**CORPORATE SOCIAL RESPONSIBILITY:**

The provisions of Section 135 of the Companies Act, 2013 and rules made thereunder are not applicable to your Company.

**INDUSTRIAL RELATIONS:**

Your Directors are happy to report that the industrial relations have been extremely cordial at all levels throughout the year.

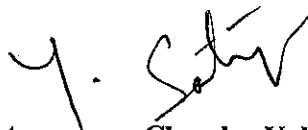
**EXPLANATION TO ANY QUALIFICATION IN AUDITORS' REPORT AND SECRETARIA AUDIT REPORT:**

There are no qualifications in the Auditors' Report.

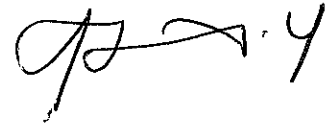
**ACKNOWLEDGEMENT:**

The Board of Directors of the Company extends their sincere appreciation to the Government, Bankers, Financial Institutions and others for their continued support. The Board also thank the employees of the Company at all levels for their valuable efforts and the shareholders for their undaunted faith in the Company.

**By Order of the Board  
For Right Automobiles Private Limited**

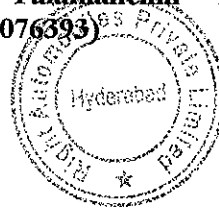


**Satyapoorna Chander Yalamanchili**  
Director (DIN: 00076393)



**Ashwanth Yalamanchili**  
Director (DIN: 07973142)

**Place: Hyderabad**  
**Date: 03.09.2018**



# RIGHT AUTOMOBILES PRIVATE LIMITED

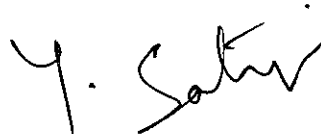
Regd. Unit No.106, 1st Floor, Ashoka Capitol Building Road No.2, Banjara Hills Hyderabad 500034

CIN: U74999TG2016PTC113345.

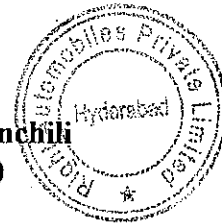
## List of Share Holders as on the date of Annual General Meeting ie., 31/03/2018

S No.	Name	Type of shares	Address	No. of Shares Held
1	Yalamanchili Satyapoorna Chander	Equity	Plot No 101 MLAs MPs Colony, Road No 10C, Jubilee Hills, Hyderabad, Telangana-500033.	9,000
2	Duggirala Ramu	Equity	14-19/1, P&T Colony, Dilsukh Nagar, Hyderabad, Telangana-500060.	1,000
			<b>Total</b>	<b>10,000</b>

For Right Automobiles Private Limited



Satyapoorna Chander Yalamanchili  
Director (DIN: 00076393)





## Form MGT- 9

EXTRACT OF ANNUAL RETURN  
as on period year ended on 31.03.2018[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the  
Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS	
CIN	U74999TG2016PTC113345
Registration Date	113345
Name of the Company	RIGHT AUTOMOBILES PRIVATE LIMITED
Category / Sub-Category of the Company	Company Limited by Shares/Indian Non-Government Company
Address of the Registered office and contact details	Unit no.106, 1st floor, Ashoka capitol building road no.2, Banjara hills Hyderabad TG 500034 IN.
Whether listed company	No
Name, Address and Contact details of Registrar and Transfer Agent, if any	Nil

## II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products/ services	NIC Code of the Product/	% to total turnover of the company
1	Automobile Dealers	9983	100%

## III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

S. NO	Name And Address Of The Company	Cin/Gln	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
--	--	--	--	--	--



h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0
<b>Sub-total (B)(1):-</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>2. Non-Institutions</b>									
a) Bodies Corp.	0	0	0	0	0	0	0	0	0
i) Indian	0	0	0	0	0	0	0	0	0
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals	0	0	0	0	0	0	0	0	0
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	0	0	0	0	0	0	0	0	0
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	0	0	0	0	0	0	0	0	0
c) Others (specify)	0	0	0	0	0	0	0	0	0
i) Trusts	0	0	0	0	0	0	0	0	0
ii) Non Resident Indians	0	0	0	0	0	0	0	0	0
iii) Clearing members	0	0	0	0	0	0	0	0	0
<b>Sub-total (B)(2):-</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
<b>Grand Total (A+B+C)</b>	<b>0</b>	<b>10000</b>	<b>10000</b>	<b>100</b>	<b>0</b>	<b>10000</b>	<b>10000</b>	<b>100</b>	<b>0</b>

(ii) Shareholding of Promoters

Sl No.	Shareholder's Name	Shareholding at the beginning of the period			Share holding at the end of the period			% change in share holding during the period
		No. of Shares	% of total Shares of the company	%of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged/ encumbered to total shares	
1	Satyapoorna Chander Yalamanchili	9000	90	-	9000	90	-	Nil
2	D. Ramu	1000	10	-	1000	10	-	Nil
	<b>Total</b>	<b>10000</b>	<b>100.00</b>		<b>10000</b>	<b>100.00</b>		

(iii) Change in Promoters' Shareholding ( please specify, if there is no change)

Shareholder Name	Shareholding at the		Cumulative Shareholding	
	No. of shares	% of total shares of the	No. of shares	% of total shares of the
No Change in Promoter's Shareholding during the Financial Year.				

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the period		Cumulative Shareholding during the period	
	At the beginning of the period	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
Nil					
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc)	Nil			
At the End of the year ( or on the date of separation, if separated during the year)					
Nil					

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	For Each of the Directors and KMP	Shareholding at the beginning of the period		Cumulative Shareholding during the period	
	At the beginning of the year	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
Nil					
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	There is no change during the period			
At the End of the period		Same as beginning of the period			

**V. INDEBTEDNESS**

Indebtedness of the Company including interest outstanding/accrued but not due for payment:

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	Nil	Nil	Nil	Nil
ii) Interest due but not paid				
iii) Interest accrued but not due				
<b>Total (i+ii+iii)</b>				
<b>Change in Indebtedness during the financial year</b>				
• Addition	Nil	Nil	Nil	Nil
• Reduction				
<b>Net Change</b>				
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	Nil	Nil	Nil	Nil
ii) Interest due but not paid				
iii) Interest accrued but not due				

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL****A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

Sl. No.	Particulars of Remuneration	Name of MD	Total Amount
			Nil

**B. Remuneration to other directors:**

Sl. No.	Particulars of Remuneration	Name of Directors		Total Amount
		Mr. Satyapoorna Chander Yalamanchili	Mr. Ashwanth Yalamanchili	
	3. Independent Directors			
	• Fee for attending board/ committee meetings	Nil	Nil	Nil
	• Commission			
	• Others, please specify			
	<b>Total(1)</b>	Nil	Nil	Nil
	4. Other Non-Executive Directors		Nil	
	• Fee for attending board/ committee meetings		Nil	
	• Commission		Nil	Nil
	• Others, please specify		Nil	
	<b>Total(2)</b>		Nil	Nil
	<b>Total(B)=(1+2)</b>		Nil	

	Total Managerial Remuneration	Nil	
	Overall Ceiling as per the Act	NA	

**C. Remuneration To Key Managerial Personnel Other Than Managing Director:**

Sl. No.	Particulars of Remuneration	Key Managerial Personnel
		Nil

**VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:**

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD/ NCLT/ COURT]	Appeal made, if any (give Details)
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil

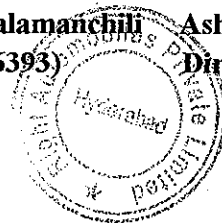
**By Order of the Board  
For Right Automobiles Private Limited**

*Y. Satru*

*Ashwanth Yalamanchili*

**Place: Hyderabad  
Date: 03.09.2018**

**Satyapoorna Chander Yalamanchili Ashwanth Yalamanchili  
Director (DIN: 00076393) Director (DIN: 07973142)**





## Kommula & Co.

Chartered Accountants

H.No.7-1-282/C/1/66, First Floor  
Beside Durga Nivas, Balkampet  
Lingayya Nagar, Near to AK Goud Function Hall  
Hyderabad-500018. Telangana  
Tel: 040-2475 2032 Cell: 9603981369

### INDEPENDENT AUDITORS' REPORT

**TO THE MEMBERS OF  
RIGHT AUTOMOBILES PRIVATE LIMITED**

#### **Report on the Financial Statements**

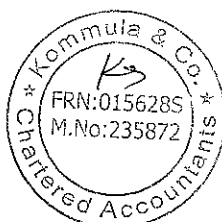
We have audited the accompanying Financial Statements of **RIGHT AUTOMOBILES PRIVATE LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

#### **Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to 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 principles generally accepted in India, including the Accounting Standards prescribed under Section 133 of the Act, read with the rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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.

#### **Auditors Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under and the Order under Section 143(11) of the Act. We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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 the 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 financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting



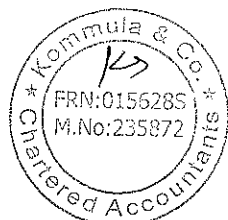
estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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, of the state of affairs of the Company as at March 31, 2018, and its profit and its cash flows for the year ended on that date.

### **Report on Other Legal and Regulatory Requirements**

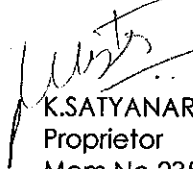
1. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law relating to preparation of the financial statements have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of these financial statements.
  - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) On the basis of the written representations received from the Directors as on March 31, 2018, taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2018 from being appointed as a Director in terms of Section 164 (2) of the Act.
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in 'Annexure A'. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
  - (g) With respect to the other matters to be included in the Independent Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:



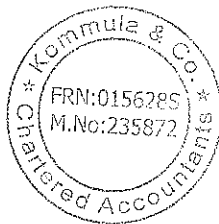


- i) The Company does not have any pending litigations which would impact its financial position.
  - ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses under the applicable law or accounting standards.
  - iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government in terms of Section 143(11) of the Act, we give in 'Annexure B' a statement on the matters specified in paragraphs 3 and 4 of the Order.

For KOMMULA & CO  
Chartered Accountants  
(Firm Regn No: 015628S)



K.SATYANARAYANA  
Proprietor  
Mem No 235872



Date: 05.06.2018  
Place: Hyderabad



## Kammula & Co.

Chartered Accountants

H.No.7-1-282/C/1/66, First Floor  
Beside Durga Nivas, Balkampet  
Lingayya Nagar, Near to AK Goud Function Hall  
Hyderabad-500018, Telangana  
Tel: 040-2475 2032 Cell: 9603981369

### ANNEXURE "A" TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

#### Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

We have audited the internal financial controls over financial reporting of **M/s. RIGHT AUTOMOBILES PRIVATE LIMITED** ("the Company") as of March 31, 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### Management's Responsibility for Internal Financial Controls

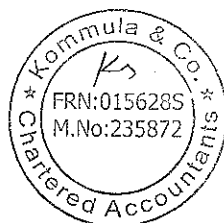
The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.



### **Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

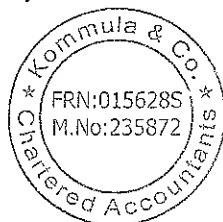
Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For KOMMULA & CO  
Chartered Accountants  
(Firm Regn No: 015628S)

  
K.SATYANARAYANA  
Proprietor  
Mem No 235872



Date: 05.06.2018  
Place: Hyderabad



## Kammula & Co.

*Chartered Accountants*

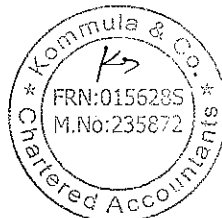
H.No.7-1-282/C/1/66, First Floor  
Beside Durga Nivas, Balkampet  
Lingayya Nagar, Near to AK Goud Function Hall  
Hyderabad-500018, Telangana  
Tel: 040-2475 2032 Cell: 9603981369

### ANNEXURE "B" TO THE INDEPENDENT AUDITORS' REPORT

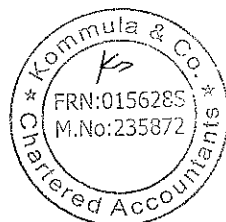
(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

**Report on Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government in terms of Section 143(11) of the Companies Act, 2013 ('the Act') of M/s. RIGHT AUTOMOBILES PRIVATE LIMITED ('the Company')**

- (i) In respect of its fixed assets:
  - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.
  - (b) The fixed assets were physically verified during the year by the Management in accordance with a phased programmed of verification, which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals having regard to the size of the Company, nature and value of its assets. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
  - (c) According to the information and explanations given to us and on the basis of our examination of the records of the company, the title deeds of immovable properties are held in the name of the company
- (ii) The management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on such physical verification.
- (iii) According to the information and explanations given to us, the Company has not granted unsecured loan to a company covered in the register maintained under Section 189 of the Companies Act, 2013.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- (v) According to information and explanations given to us, the Company has not accepted any deposit during the year. There are no unclaimed deposits to which the provisions of Section 73 to 76 or any other relevant provisions of the Companies Act, 2013 are applicable.
- (vi) The Company does not maintain the cost records pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under Section 148 (1) of the Companies Act, 2013.

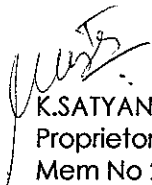


- (vii) a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, customs duty, excise duty, value added tax, cess and other material statutory dues have generally been regularly deposited with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2018 for a period of more than six months from the date on when they become payable.
- (b) According to the records of the Company, there are no dues of income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax and cess outstanding on account of any dispute
- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to banks. The Company does not have any loans or borrowings from financial institutions or government and has not issued any debentures
- (ix) In our opinion and according to the information and explanation given to us, term loans have been applied by the Company during the year for the purpose for which they were raised. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year.
- (x) To the best of our knowledge and belief, and according to the information and explanations given to us, and considering the size and nature of the Company's operations, no fraud by the Company and no fraud of material significance on the Company by its officers or employees has been noticed or reported during the year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has paid/ provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act, 2013.
- (xii) In our opinion, the Company is not a Nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.
- (xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Sections 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- (xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of the Order is not applicable to the Company.

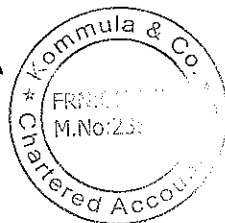


- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of Section 192 of the Companies Act, 2013 are not applicable.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934

For KOMMULA & CO  
Chartered Accountants  
(Firm Regn No: 015628S)



K.SATYANARAYANA  
Proprietor  
Mem No 235872



Date: 05.06.2018  
Place: Hyderabad

**RIGHT AUTOMOBILES PVT LTD**

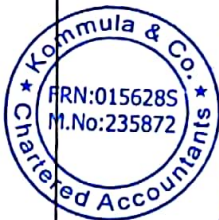
**BALANCE SHEET AS AT 31 MARCH 2018**

Particulars	Notes	Figures as at the end of Current Reporting Period 31.03.2018	Figures as at the end of Current Reporting Period 31.03.2017
<b>I EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' Funds</b>			
(a) Share Capital	2.1	100,000	100,000
(b) Reserves and Surplus	2.2	(776,208)	(1,228,484)
<b>2 Share application money pending allotment</b>			
		-	-
<b>3 Non-Current Liabilities</b>			
(a) Long-term borrowings	2.3	-	2,416,953
(b) Deferred tax liabilities (Net)	2.4	93,415	-
<b>4 Current Liabilities</b>			
(a) Short-term borrowings		6,692,500	
(b) Trade payables	2.5	1,424,221	419,037
(c) Other current liabilities	2.6	14,336,209	3,724,949
(d) Short-term provisions		-	-
<b>Total</b>		<b>21,870,137</b>	<b>5,432,455</b>
<b>II ASSETS</b>			
<b>1 Non-current assets</b>			
(a) Fixed assets			
(i) Tangible assets	2.7	2,624,505	2,084,501
(ii) Intangible assets		-	-
(b) Long term loans and advances		-	-
(c) Other Non-Current Assets		-	-
(d) Deferred tax Assets		-	-
<b>2 Current assets</b>			
(a) Inventories		-	-
(b) Trade receivables	2.8	1,400,539	1,088,057
(c) Cash and cash equivalents	2.9	2,435,076	1,887,476
(d) Short-term loans and advances	2.10	15,410,017	372,421
SIGNIFICANT ACCOUNTING POLICIES	1		
<b>Total</b>		<b>21,870,137</b>	<b>5,432,455</b>

The above financials are prepared based on information provided to us and subject to audit

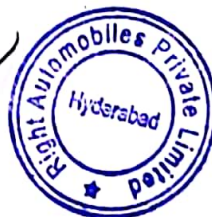
For and on behalf of the Board of Directors

For Kommula and Co  
Chartered Accountants  
(FRN : 015629S)



K.Satyanarayana  
M.No.235872

*[Signature]*  
Director



*[Signature]*  
Director

Place: Hyderabad  
Date : 05.06.2018

**RIGHT AUTOMOBILES PVT LTD**

**STATEMENT OF PROFIT AND LOSS A/C FOR THE PERIOD OF 01.04.2017 TO 31.03.2018**

Particulars	Notes	Figures as at the end of Current Reporting Period 31.03.2018	Figures as at the end of Current Reporting Period 31.03.2017
I. Revenue from operations	2.11	10,269,692	374,496
II. Other Income		48,005	-
III. Total Revenue (I + II)		<b>10,317,697</b>	<b>374,496</b>
IV. Expenses:			
1 Cost of materials consumed		-	-
2 Changes in inventories of finished goods, work -in-progress and Stock -in-Trade		-	-
3 Employee benefit expense	2.12	3,508,857	484,759
4 Financial costs		14,098	-
5 Depreciation and amortization expense	2.8	240,855	7,032
6 Other expenses	2.13	6,008,195	1,111,189
Total Expenses		<b>9,772,006</b>	<b>1,602,980</b>
V. Profit before exceptional and extraordinary items and tax (III - IV)		545,691	(1,228,484)
VI. Exceptional Items		-	-
VII. Profit before extraordinary items and tax (V)		545,691	(1,228,484)
VIII. Extraordinary Items		-	-
IX. Profit before tax (VII - VIII)		545,691	(1,228,484)
X. Tax expense:			
1 Current tax		-	-
2 Deferred tax		93,415	-
3 Taxes paid for earlier years		-	-
XI. Profit/(Loss) from the period from continuing		452,277	(1,228,484)
XII. Profit/(Loss) from discontinuing operations		-	-
XIII. Tax expense of discounting operations		-	-
XIV. Profit/(Loss) from Discontinuing operations		-	-
XV. Profit/(Loss) for the period (XI + XIV)		452,277	(1,228,484)
XVI. Earning per equity share:			
1 Basic		45.23	(122.85)
2 Diluted		45.23	(122.85)

**SIGNIFICANT ACCOUNTING POLICIES**

The above financials are prepared based on information provided to us and subject to audit

For and on behalf of the Board of Directors

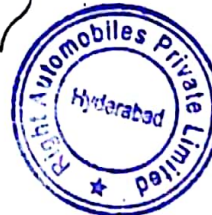
For Kommula and Co  
Chartered Accountants  
(FRN : 015629S)



K.Satyanarayana  
M.No.235872

Place: Hyderabad  
Date : 05.06.2018

*Y. Satru*  
Director



*[Signature]*  
Director



**RIGHT AUTOMOBILES PVT LTD**

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

Note No	Particulars			As at 31.03.2018	As at 31.03.2017		
2.1	(i) <b>Share Capital</b>						
	<b>a) Authorised Share Capital</b> 100,000 Equity Shares of Rs. 10/- each			1,000,000	1,000,000		
	<b>b) Issued, subscribed &amp; fully paid share capital</b> 10,000 Equity Shares of Rs. 10/- each			100,000	100,000		
	<b>Total</b>			<b>100,000</b>	<b>100,000</b>		
2.1	(ii) <b>Reconciliation of the number of shares outstanding at the beginning and end of the reporting period</b>						
				31.03.2018	31.03.2017		
		Particulars		No of Shares	Amount	No of Shares	Amount
		<b>a) Equity Shares</b>					
		Shares Outstanding at the Beginning of the Year	10,000	100,000	-	-	
		Add: Shares Issued During the Period	-	-	10,000	100,000	
	Less: Shares Redeemed/ Bought Back During the Period	-	-	-	-		
	Shares Outstanding at the End of the Period	10,000	100,000	10,000	100,000		
2.1	(iii) <b>Details of shareholders holding more than 5% in the company:</b>						
				31.03.2018	31.03.2017		
		Name of the Shareholder		No of Shares Held	%	No of Shares Held	No of Shares Held
		i) Mr.Satyapooma Chander Yalamanchili	9000	90%	9000	90%	
		ii) Mr.D Ramu	1000	10%	1000	10%	
				-	-		
2.2	<b>Reserves and Surplus</b>						
	<b>a) General Reserve</b>						
	Opening Balance			(1,228,484)	-		
	Add : Profit / (Loss) For the year			452,277	(1,228,484)		
	<b>Total</b>			<b>(776,208)</b>	<b>(1,228,484)</b>		
2.3	<b>Long - Term borrowings</b>						
	Loan from Directors			-	2,416,953		
	<b>Total</b>			-	<b>2,416,953</b>		
2.4	<b>Deferred Tax Liabilities (Net)</b>						
	Opening Balance						
	Add: Deferred Tax Assets						
	(i) On account of difference between book and tax depreciation			93,415	-		
	Closing Balance			93,415	-		
2.5	<b>Trade Payables</b>						
	Creditors for expenses			1,424,221	419,037		
	<b>Total</b>			1,424,221	419,037		




Note No	Particulars	As at 31.03.2018	As at 31.03.2017
<b>2.6</b>	<b>Other current liabilities</b>		
	TDS Payable	6,046	13,249
	Salaries Payable	182,635	354,919
	GST Payable	160,894	-
	Others	13,986,634	3,356,781
	<b>Total</b>	<b>14,336,209</b>	<b>3,724,949</b>
<b>2.7</b>	<b>(a) Tangible Assets</b>		
	Opening Balance	2,084,501	-
	Add: acquisition during the year	780,859	2,091,533
	<b>Sub total</b>	<b>2,865,360</b>	<b>2,091,533</b>
	Less: Disposals	-	-
	Gross Block at year end (a)	<b>2,865,360</b>	<b>2,091,533</b>
	Less: Depreciation		
	Opening Depreciation	7,032	-
	Depreciation for the year	240,855	7,032
	Less : Accumulated depreciation on sale of assets	-	-
	<b>Total accumulated depreciation (b)</b>	<b>240,855</b>	<b>7,032</b>
	Net carrying value (a) - (b)	<b>2,624,505</b>	<b>2,084,501</b>
	<b>Total</b>	<b>2,624,505</b>	<b>2,084,501</b>
<b>2.8</b>	<b>Trade receivables</b>		
	Sundry Debtors	1,400,539	1,088,057
	<b>Total</b>	<b>1,400,539</b>	<b>1,088,057</b>
<b>2.9</b>	<b>Cash and cash equivalents</b>		
	Balances with banks	758,693	1,356,015
	Cash on Hand	1,676,383	531,461
	<b>Total</b>	<b>2,435,076</b>	<b>1,887,476</b>
<b>2.10</b>	<b>Short term loans and advances</b>		
	Services tax	-	50,571
	Deposits	30,500	10,000
	Loans and Advances	8,183,065	-
	Prepaid Expenses	145,331	-
	Purchases - Car	6,337,200	-
	TDS Receivable	26,321	-
	Advance for Expenses	687,600	311,850
	<b>Total</b>	<b>15,410,017</b>	<b>372,421</b>

*Y. Satish*



Note No	Particulars	As at 31.03.2018	As at 31.03.2017
2.11	<b>Revenue from Operations</b>		
	Revenue from - Sales of Services	9,282,681	374,496
	Good Service Tax (GST)	987,011	
	<b>Total</b>	<b>10,269,692</b>	<b>374,496</b>
2.12	<b>Employee Benefits Expense</b>		
	Salaries and Bonus	3,499,921	483,919
	Staff welfare expenses	8,936	840
	<b>Total</b>	<b>3,508,857</b>	<b>484,759</b>
2.16	<b>Other Expenses</b>		
	<b>Payments to Auditor</b>		
	a) As a auditor	35,000	20,000
	b) Other Services	-	-
	Advertisement Charges	921,140	487,159
	House Keeping Charges	2,685,129	329,833
	Insurance	15,262	-
	Conveyance	3,040	10,960
	Printing & Stationery	67,775	59,198
	Transport Charges	165,163	32,086
	Telephone & Internet Charges	223,275	14,049
	Reparis and Maintenance	-	112,582
	Office Maintenance	109,628	27,204
	Professionnal Charges	23,190	-
	Business Promofions	-	15,000
	Electricity Charges	224,253	2,526
	Rates & Taxes	14,662	-
	Bank Charges	9,551	592
	Margin	75,300	-
	Purchases	87,428	-
	GST	1,126,663	-
	Customs Duty	220,067	-
	Discount Given	1,669	-
	Interest		
	<b>Total</b>	<b>6,008,195</b>	<b>1,111,189</b>



Y. Satru

**RIGHT AUTOMOBILES PVT LTD**

**NOTE 2.9**

**FIXED ASSETS & DEPRECIATION ACCORDING TO COMPANIES ACT**

PARTICULARS	GROSS BLOCK				DEPRECIATION			NET BLOCK	
	AS ON 01.04.2017	ADDITIONS	AS ON 31.03.2018	AS ON 01.04.2017	FOR THE YEAR	AS ON 31.03.2018	AS ON 31.03.2018	AS ON 31.03.2017	
<b>TANGIBLE ASSETS</b>									
BUILDING	1,229,488	96,000	1,325,488	853	20,835	21,688	1,303,800	1,228,635	
ELECTRICAL EQUIPMENT	474,392	23,930	498,322	1,976	46,597	48,573	449,749	472,416	
COMPUTERS	187,633	-	187,633	3,419	58,278	61,697	125,936	184,214	
VEHICLE-ALTO-CAR	50,000	130,000	180,000	33	19,679	19,712	160,288	49,967	
AIR CONDITIONER	60,800	-	60,800	253	11,501	11,754	49,046	60,547	
OFFICE EQUIPMENT	6,100	11,000	17,100	22	2,443	2,465	14,635	6,078	
OFFICE FURNITURE	83,120	1,700	84,820	476	8,005	8,481	76,339	82,644	
<b>TOTAL</b>	<b>2,091,533</b>	<b>262,630</b>	<b>2,354,163</b>	<b>7,032</b>	<b>167,339</b>	<b>174,371</b>	<b>2,179,792</b>	<b>2,084,501</b>	

<b>INTANGIBLE ASSETS</b>								
SOFTWARE	-	518,229	518,229	0	73,517	73,517	444,712	-
<b>TOTAL</b>	<b>-</b>	<b>518,229</b>	<b>518,229</b>	<b>-</b>	<b>73,517</b>	<b>73,517</b>	<b>444,712</b>	<b>-</b>



*Handwritten signature/initials in blue ink.*