



# **QUANTUM BUILD-TECH LIMITED**

**18th Annual Report  
2015 - 2016**

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### BOARD OF DIRECTORS

Mr.GUDURU SATYANRAYANA  
 Mr.MANNE RAMBABU  
 Smt.KODALI VIJAYA RANI  
 Mr.KYATHAM PRABHAKAR REDDY  
 Mr.SRIPATHI RAM REDDY  
 Mr.KANDURI SARASWATHI KUMAR

MANAGING DIRECTOR  
 DIRECTOR - TECHNICAL  
 PROMOTER DIRECTOR  
 NON-EXECUTIVE INDEPENDENT DIRECTOR  
 NON-EXECUTIVE INDEPENDENT DIRECTOR  
 NON-EXECUTIVE INDEPENDENT DIRECTOR

### AUDITORS

M/s.RAMBABU & Co  
 CHARTERED ACCOUNTANTS  
 31,PANCOM CHAMBERS, RAJBHAVAN ROAD  
 HYDERABAD - 500 082, PHONE : 040-23318152

### BANKERS TO THE COMPANY

AXIS BANK LIMITED  
 JUBILEE HILLS BRANCH  
 FILM NAGAR, HYDERABAD - 500 033  
  
 PNB HOUSING FINANCE LIMITED  
 SAIFABAD, HYDERABAD - 500 004  
  
 KARUR VYSYA BANK LIMITED  
 MANIKONDA BRANCH, HYDERABAD

### REGISTERED OFFICE

8-1-405/A/66, DREAM VALLEY  
 SHAIKPET, HYDERABAD - 500 008  
 PHONES : 040 - 23568766, FAX : 040-23568990  
 E-MAIL: info@quantumbuild.com  
 WEBSITE : quantumbuild.com

### SHARE TRANSFER AGENTS

M/s.VENTURE CAPITAL & CORPORATE  
 INVESTMENTS PRIVATE LIMITED  
 12-10-167, BHARAT NAGAR COLONY  
 HYDERABAD - 500 018  
 PHONE : 040-23818475, FAX : 040-23568024

### COMPLIANCE OFFICER & COMPANY SECRETARY

Ms. SHIVANI SARDA  
 E-MAIL : cs@quantumbuild.com



**GREEN INITIATIVE IN CORPORATE GOVERNANCE**

Dear Shareholders,

The Ministry of Corporate Affairs (“MCA”) vide its circulars dated 21.04.2011 and 29.04.2011 has taken a “Green Initiative in Corporate Governance” thereby allowing companies to serve electronic documents to its shareholders.

Environment conservation and sustainable development are continuously on your Company’s radar and therefore your Company supports MCA in this initiative. Accordingly, henceforth, we propose to send documents such as notices of general meeting(s), annual reports and other communications to the shareholders through e-mail. Please note that all such documents shall be kept open for inspection at the registered office of the Company during the office hours.

We solicit your valuable cooperation and support in our endeavor to contribute our bit to the environment. You are requested to please fill the details in the format provided below. Please note that the fields marked (\*) are mandatory to fill.

<b><u>Green Initiative Form</u></b>	
<b>*Registered Folio or DP Id-Client ID</b>	
<b>*Full Name</b>	
<b>*Email ID</b>	
<b>*Contact No</b>	
<b>Declaration:</b> <b>“I agree to receive the communication through e-mail”</b>	
<b>*Signature:</b>	

In case there is any change in your e-mail ID or any other details, please E-mail us the details at [info@quantumbuild.com](mailto:info@quantumbuild.com) or [info@vcci.pl.com](mailto:info@vcci.pl.com), in case of shares held in electronic form, you are requested to inform to your DP as well.



**NOTICE**

Notice is hereby given that the Eighteenth Annual General Meeting of the members of M/s.**QUANTUM BUILD-TECH LIMITED** will be held on Tuesday, the 27<sup>th</sup> day of September, 2016 at 11.30 A.M at Jubilee Hills International Centre, Road No.14, Jubilee Hills, Hyderabad, Telangana-500 033 to transact the following business:-

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Financial Statements for the year ended on 31<sup>st</sup> March, 2016 together with the Reports of Directors, Auditors and such other Reports annexed thereon.
2. To appoint a Director in place of Smt. Kodali Vijaya Rani (DIN: 00102286) who retires by rotation and being eligible offers herself for re-appointment.
3. To ratify the appointment of M/s Rambabu & Co., Chartered Accountants, Hyderabad as the statutory Auditors of the Company.

**“RESOLVED THAT** pursuant to Section 139 of the Companies Act, 2013 read with rules made thereunder the consent of the members be and is hereby accorded to ratify the appointment of M/s. Rambabu & Co., Chartered Accountants, (FRN- 002976S), as the Statutory Auditors of the Company, to hold the office from the conclusion of this Annual General Meeting till the conclusion of the Nineteenth Annual General Meeting of the Company to be held in the Financial Year 2017, at a remuneration as may be decided by the Board with the mutual consent of the auditors.”

**“RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to fix the remuneration payable to statutory auditors for the financial year ending on 31<sup>st</sup> March, 2017.”

By Order of the Board

For **Quantum Build-Tech Limited**

**Date :** 26.08.2016

**Registered Office:** 8-1-405/A/66,  
Dream Valley, Shaikpet, Hyderabad  
Telangana- 500008

**Guduru Satyanarayana**  
**Managing Director**  
**DIN- 02051710**



NOTES

1. A member entitled to attend and vote at the Annual General Meeting (AGM) is entitled to appoint a proxy / proxies to attend and vote on a poll instead of himself / herself and such proxy / proxies need not be a member of the company. The instrument of proxy / proxies, in order to be effective must be deposited at the registered office of the company, duly completed and signed, not less than forty eight hours before the commencement of the meeting. A proxy form is enclosed with this notice
2. A person can act as proxy on behalf of members not exceeding fifty and holding in aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder.
3. The notice of AGM is being sent to those members / beneficial owners whose name will appear in the register of members / list of beneficiaries received from the depositories as on **26<sup>th</sup> August, 2016**.
4. The copy of annual report, notice of 18<sup>th</sup> Annual General Meeting, notice of e-voting, etc. are being sent to the members through e-mail who have registered their email ids with the Company / depository participant (DPs) / Company's Registrar and Transfer Agent (RTA).
5. The full version of the Annual Reports will also be available under the *Investor Relations* section on the website of the Company [www.quantumbuild.com](http://www.quantumbuild.com)
6. The Register of Members and Share Transfer Books of the Company will remain closed from **Wednesday the 21<sup>st</sup> September, 2016 to Tuesday the 27<sup>th</sup> September, 2016 (both days inclusive)**, in accordance with the provisions of the Companies Act, 2013 and the Listing Agreement with the Stock Exchanges, where the equity shares of the Company are listed, for the purpose of AGM.
7. The results of voting shall simultaneously be communicated to the Stock Exchanges. The resolutions will be deemed to be passed on the date of AGM subject to receipt of the requisite number of votes in favour of the resolutions
8. The Register of Directors and Key Managerial Personnel and their shareholding, Register of Contracts or Arrangements in which Directors are interested and documents referred to in the notice are open for inspection at the Registered Office of the Company on all working days (Monday to Friday) between 11.00 a.m. and 1.00 p.m. upto the date of AGM and will also be available for inspection at the venue of the meeting.
9. Corporate members intending to send their authorized representative(s) to attend the meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative(s) to attend and vote on their behalf at the meeting.
10. Members are requested to update their preferred e-mail ids with the Company / DPs / RTA, which will be used for the purpose of future communications. Members whose e-mail id is not registered with the Company are being sent physical copies of the Notice of 18<sup>th</sup> Annual General Meeting, Annual Report, notice of e-voting etc. at their registered address through Courier mode.
11. Members whose e-mail ids are registered with the Company and who wish to receive printed copy of the abridged / full version of the Annual Report may send their request to the Company at its registered office address or to the RTA, M/s. Venture Capital & Corporate Investments Private Limited, 12-10-167, Bharat Nagar Colony, Hyderabad, Telangana - 500 018.
12. In terms of provisions of Section 107 of the Companies Act, 2013, since the Company is providing the facility of remote e-voting to the shareholders, there shall be no voting by show of hands at the AGM. The facility for Poll / polling paper shall be made available at the Meeting and the members attending the Meeting who have not cast their vote by remote e-voting shall be able to vote at the Meeting through polling paper.



13. In compliance with the provisions of Section 108 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Management and Administration) Rules, 2014, as amended and Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide to its members facility to exercise their right to vote on resolutions proposed to be passed in the Meeting by electronic means. The members may cast their votes using an electronic voting system from a place other than the venue of the Meeting (“remote e-voting”).

**BRIEF PROFILE OF THE RETIRING DIRECTOR**

**Mrs. KODALI VIJAYA RANI**

Mrs. Kodali Vijaya Rani is aged about 66 years and resident of Hyderabad. She is a Post Graduate with Masters in Education and is having more than 3 decades of experience in field of education and administration of educational institutions. She is presently working as principal in VRS & VJ Residential School, Bachupally, Hyderabad.

**INSTRUCTIONS- VOTING THROUGH ELECTRONIC MEANS**

1. The voting period begins on Thursday, the day of **24<sup>th</sup>September, 2016 (9:00 AM)** and ends on **26<sup>th</sup>September, 2016 (5:00 PM)** During this period shareholders’ of the Company, holding shares either in physical form or in dematerialized form, as on the **Cut-Off Date 20<sup>th</sup> September, 2016**, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
2. The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
3. Click on “Shareholders”.
4. Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
5. Next enter the Image Verification as displayed and Click on Login.
6. If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
7. If you are a first time user follow the steps given below:

<b>For Members holding shares in Demat Form and Physical Form</b>	
PAN	<ul style="list-style-type: none"> <li>• Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</li> <li>• Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN Field.</li> <li>• In case the sequence number is less than 8 digits enter the applicable number of 0’s before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li> </ul>

8. After entering these details appropriately, click on “**SUBMIT**” tab.



9. Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform.  
***"It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential."***
10. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
11. Click on the **EVSN** for "**Quantum Build-Tech Limited**".
12. On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you Assent to the Resolution and option NO implies that you dissent to the Resolution.
13. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
14. After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
15. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
16. You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
17. If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
18. Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Please follow the instructions as prompted by the mobile app while voting on your mobile.

### **Note for Non – Individual Shareholders and Custodians**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.



**Note:** In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

19. A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.
20. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through Polling paper.
21. Shri. Ajay S. Shrivastava, Practicing Company Secretary, (CP No. 3479) has been appointed as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.
22. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of “Polling Paper” for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
23. The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer’s report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
24. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company [www.quantumbuild.com](http://www.quantumbuild.com) and on the website of CDSL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited, Mumbai.

\* \* \* \* \*



**DIRECTORS' REPORT**

To,  
The Members  
Quantum Build-Tech Limited,  
Hyderabad.

Your Directors have pleasure in presenting Eighteenth Annual Report on the Business and operations of the Company together with the Audited Financial statements for the year ended on 31<sup>st</sup> March 2016.

**1. FINANCIAL RESULTS:**

The financial performance of the Company, for the year ended 31<sup>st</sup> March, 2016 is summarized below:

(In Rupees)

Particulars	Year ended on 31.03.2016	Year ended on 31.03.2015
Turnover	2,59,65,925	1,91,72,942
Profit/(Loss) before Taxation	(1,12,363)	(52,58,186)
Less: Tax Expense		
Current Year	–	–
Earlier Years (Provision)		2,35,610
Profit/Loss after Tax	(1,12,363)	(54,93,796)
Add: Balance B/F from the Previous Year	(3,51,86,605)	(2,92,71,164)
Add: Adj. Relating to Fixed Assets	–	(421,645)
Balance Profit/(Loss) C/F to the Next Year	(3,52,98,968)	(3,51,86,605)

**2. STATE OF AFFAIRS OF THE COMPANY AND FUTURE OUTLOOK:**

During the period under review, the turnover of the Company has increased about 35.60% as against that of the previous year. The financials depict the loss for the current year Rs. 1,12,363/-, mainly due to the bad debts written off by the Company.

However, Yours Directors are quite hopeful for the success of the project being planned and will reap better earning out of it in the coming years, as the Company is continuing to focus on reflecting and delivering superior performance on projects.

**3. CHANGE IN NATURE OF BUSINESS:**

During the period under review, there was no change in the nature of business carried out by the Company.

**4. DIVIDEND:**

As there are losses in the current year, your Directors has not recommended any dividend for the current year.

**5. AMOUNT TRANSFERRED TO RESERVES:**

The amount of Accumulated Losses to be carried forward to the Balance Sheets is Rs.(-) 3,52,98,968/-

**6. SHARE CAPITAL:**

The Share capital of your company is Rs. 14,61,56,300/- divided into 1,26,15,630 Equity Shares of Rs. 10/- each with Voting Rights and 2,00,000 Cumulative Redeemable Preference Shares of Rs. 100/- each, which are unlisted shares. During the Financial Year 2015-2016, the Company has not issued and allotted any equity Shares out of the unissued Share Capital.

During the year under review, there is no change in the Share Capital of the Company.

**a. Provision of money by company for purchase of its own shares by employees or by trustees for the benefit of employees:**

The company has not made any provision of money for purchase of its own shares by employees or by trustees for the benefit of employees as per Rule 16(4) of Companies (share capital and debentures) Rules, 2014.

**b. Issue of Sweat Equity Shares:**

The Company has not issued any sweat equity share during the financial year in accordance with the provisions of Section 54 of Companies Act, 2013 read with Rule 8 of the Companies (Share Capital and Debentures) Rules, 2014.

**c. Issue Of Equity Shares With Differential Rights:**

The Company has not issued any equity shares with differential voting rights during the financial year as per Rule 4(4) of Companies (Share capital and debentures) Rules, 2014.

**d. Issue of Employee Stock Option:**

The company has not issued any employee stock option during the financial year as per Rule 12 of Companies (share capital and debentures) Rules, 2014.

**7. PUBLIC DEPOSITS:**

The Company has neither accepted nor renewed any deposits from Public within the Meaning of Section 73 of the Companies Act, 2013 read with Companies (Acceptance of Deposits) Rules, 2014 during the year.

**8. DIRECTORS:**

Your Board consist of Six Directors including Three Independent Non- Executive Directors. The declaration from the all the Independent Directors are being obtained both at the time of appointment and at the First Board meeting of each Financial Year.

Smt. Kodali Vijaya Rani, being a Director, liable to retire by rotation shall retire in the ensuing Eighteenth Annual General Meeting and being eligible , offers herself for re-appointment. Her Profile is appended to the Notice.

Your Board recommends her re-appointment.

**A. Board Meetings:**

During the financial year under review, your Board met **Five** times and the dates of the Board meeting held are 30.05.2015, 12.08.2015, 12.11.2015, 12.02.2016 and 15.03.2016.

The details of the meetings of the Board are covered in the Clause No. 2 of the Corporate Governance Report.

**B. Key Managerial Personnel (KMP):**

In compliance with the requirements of Section 203 of the Companies Act, 2013, following are the Key Managerial Personnel of the Company:-

1. Shri. Guduru Satyanarayana - Managing Director,
2. Shri. Manne Rambabu- Whole Time Director - Technical,



3. Shri. M.R. Koteswara Rao - Chief Financial Officer and,
4. Ms. Rachuri Chandana upto 10<sup>th</sup> March, 2016 and thereafter Ms. Shivani Sarada with effect from 27<sup>th</sup> April, 2016 - Company Secretary and Compliance Officer.

During the year under review, Ms. Rachuri Chandana, resigned as the Company Secretary and Compliance officer of the Company. Your Board places on record appreciation for the exemplary services and contribution made by Ms. Rachuri Chandana during her tenure as a Company Secretary.

Your Board has subsequently inducted Ms. Shivani Sarada, an associate member of the Institute of Company Secretaries of India, (ICSI) bearing Membership No A44132, as the Company Secretary and Compliance officer of the Company w.e.f 27.04.2016.

**C. Declaration by Independent Directors:**

In accordance with Sub-section (7) of Section 149 of the Companies Act, 2013(hereinafter called as “The Act”), the Independent Directors on your Board, Mr. Kyatham Prabhakar Reddy, Mr. Sripathi Ram Reddy and Mr.Kanduri Saraswathi Kumar has given a Declaration that they meet the criteria of Independence as provided in sub section (6) of Section 149 of the Act. There has been no change in terms and conditions of appointment of Independent Directors, the Policy relating to their appointment can be accessed through weblink as - <http://www.quantumbuild.com/images/pdf/t-and-c-of-appt-of-id-2015.pdf>

**D. Board Evaluation:**

The Board of Directors has carried out an Annual Evaluation of its own performance and has devised a *Policy on Evaluation* of performance of Board of Directors, Committees and Individual Directors, pursuant to the provisions of the Act, the Corporate Governance requirements and as prescribed by Regulation 25 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter called as “SEBI Listing Regulations”).

The Extract of the Policy- Evaluation of Performance of the Board, its Committees and individual Directors, are provided in “Annexure I” and is also made available on the website of the Company, the web link for which is- <http://www.quantumbuild.com/images/pdf/board-evaluation-policy-14-08-2014.pdf>

**Evaluation by Independent Directors:-**

In a separate meeting of independent directors, performance of non-independent directors, performance of the Board as a whole and performance of the Chairman was evaluated, taking into account the views of Executive directors and non-executive directors. The same was discussed in the Board meeting that followed, at which the performance of the Board, its Committees and individual directors was also discussed.

The performance of the Board as a whole was evaluated by the Independent Directors, after seeking inputs from all the directors on the basis of the criteria such as the Board’s composition, structure, effectiveness of Board processes, information and functioning, etc.

The Independent Directors reviewed the performance of the individual directors on the basis of the criteria such as the contribution of the individual director to the Board like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc. In addition, the Chairman was also evaluated on the key aspects of his role.

**Evaluation by Board (Other than Independent Directors):-**

In accordance with Regulation 17(10) of SEBI Listing Regulations the entire Board of Directors of the Company shall evaluate the performance of Independent Directors of the Company. Performance evaluation of Independent Directors was done by the entire Board, excluding the Independent Director being evaluated.



**E. Managerial Remuneration:**

The details of Remuneration paid to the Directors, Key Managerial Personnel and Employees as required under Section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given in Form MGT-9, forming part of the Directors' Report and also in the Corporate Governance Report.

A statement on the Ratio of the remuneration of each director to the median remuneration of the employees of the Company and the related remuneration details is provided in "Annexure II".

**9. DIRECTORS' RESPONSIBILITY STATEMENT:**

Your directors would like to inform the members that the Audited Financial Statements for the year ended **31<sup>st</sup> March, 2016** are in full conformity with the requirements of the Act and they believe that the Financial Statements reflect fairly the form and substance of transactions carried out during the year and reasonably present the Company's financial condition and results of operation. These Financial Statements are audited by the Statutory Auditors M/s. **Rambabu & Co., Chartered Accountants.**

In accordance with the provisions of Section 134(5) of the Act, your Directors to the best of their knowledge and ability, confirm that:

- a) In the preparation of the annual accounts for the Financial Year ended 31st March, 2016, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b) The directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2016 and of the loss of the Company for that period;
- c) The directors had taken proper and sufficient care for the 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 fraud and other irregularities;
- d) The directors had prepared the annual accounts on a going concern basis;
- e) 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.
- f) The directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.

**10. DETAILS IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS:**

The Company has Internal Financial Controls which are adequate and were operating effectively. The controls are adequate for ensuring the orderly & efficient conduct of the business, including adherence to the Company's policies, the safe guarding of assets, the prevention and detection of frauds and errors, the accuracy and completeness of accounting records and timely preparation of reliable financial information. The details in respect of Internal Financial Control are included in the Management Discussion and Analysis, which forms part of this report.

**11. STATUTORY AUDITORS:**

Pursuant to the resolution passed by the Members in their Seventeenth Annual General Meeting, held on 30<sup>th</sup> September, 2015, have re-appointed M/s. Rambabu & Co., Chartered Accountants, as the Statutory Auditors of the Company to hold the office till the conclusion of the Annual General Meeting of the Company to be held in calendar year 2017 subject to ratification every year. Accordingly, the Company has received consent from them to the effect that their appointment, if made would be within the limits prescribed under Section 141 of the Act. The Board recommends ratification for their appointment.

**12. SECRETARIAL AUDIT REPORT:**

Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company had appointed Shri. Ajay S. Shrivastava, Practicing Company Secretary, Hyderabad to undertake the Secretarial Audit and certify the same for the Company.

The Secretarial Audit Report is provided as "Annexure III" to this Report.

**13. EXPLANATION TO THE QUALIFICATIONS/ RESERVATIONS/ ADVERSE REMARKS IF ANY, MADE BY STATUTORY AUDITORS AND SECRETARIAL AUDITORS IN THEIR REPORT:**

Since there are no qualification, reservation, adverse remark or disclaimer made by the statutory auditor in his report, does not call for any further comments or explanations from the Board.

**14. DETAILS OF SIGNIFICANT & MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNAL:**

During the year under review, there has been no significant and material orders passed by any regulators or courts or tribunal.

**15. PARTICULARS OF EMPLOYEES:**

There are no employees drawing remuneration as prescribed under Section 197 of the Companies Act, 2013. Hence the details are **NIL**.

**16. ANTI SEXUAL HARASSMENT POLICY:**

Your Company has female employees and the majority of working staff/ employees are scattered and mobile in nature, hence, there lies no question of sexual Harassment and neither any complaints has received.

However, the Company adopts the Policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder.

**17. RISK MANAGEMENT:**

The management has put in place adequate and effective system and man power for the purposes of risk management. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis. The audit committee has additional oversight in the area of financial risks and controls.

In the opinion of the Board, following are risks involved in the industry-

- a. Fluctuations and uncertainty in the real estate market,
- b. Changing market prices, customer preferences and uncertainty in political judgements.
- c. Fund Raising, managing and planning of monetary resources and Loans.

**18. ESTABLISHMENT OF VIGIL MECHANISM:**

The Company has adopted a Whistle Blower Policy and has established the necessary vigil mechanism as defined under Regulation 22 of SEBI Listing Regulations for directors and employees to report concerns about unethical behavior. No person has been denied access to the Chairman of the audit committee. The said policy has been also put up on the website of the Company at the following link i.e.- <http://www.quantumbuild.com/images/pdf/vigil-mechanism-policy.pdf>

**19. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:**

All transactions entered into with Related Parties as defined under Section 2(76) of the Companies Act, 2013, were in the ordinary course of business and do not attract the provisions of Section 188 of the Companies Act, 2013. The Company has also complied with Regulation 23 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 during the Financial Year 2015-2016. There were no materially significant transactions with related parties in the Financial Year which were in conflict with the interest of the Company and



requiring compliance of the provisions of Regulation 23 of SEBI Listing Regulations. However, Suitable disclosure as required by the Accounting Standard-18 (AS-18) has been made in the notes forming part of the Financial Statements.

Since there are no Contracts or arrangements or transaction made with Related parties, No, Disclosure is required to be made under Section 188(1) of the Act.

The policy adopted by your company on Related Party Transactions is available on the website of company, the weblink of which is- <http://www.quantumbuild.com/images/pdf/policy-on-related-party-transaction.pdf>

**20. CORPORATE SOCIAL RESPONSIBILITY (CSR):**

Since your Company's net worth does not exceed Rs. 500 Crores or Company's turnover does not exceed Rs. 1000 Crores or company's net profit does not exceed Rs. 5 Crores for the financial year, the provisions under Section 135 of the Act read with rules made thereunder, are not applicable. Hence, the compliance to the initiative of Corporate Social Responsibility is not required.

**21. CORPORATE GOVERNANCE:**

Your Company has a strong legacy of fair, transparent and ethical governance practices. The Company has adopted a Code of Conduct for its employees including the Managing Director and the Executive Directors. The said Code of Conduct is available on Company's Website, the weblink for which is- <http://www.quantumbuild.com/images/pdf/code-of-conduct-15-05-2015.pdf>

The Company's philosophy on Corporate Governance oversees business strategies and ensures fiscal accountability, ethical corporate behavior and fairness to all stakeholders comprising regulators, employees, investors and the society at large.

A report on Corporate Governance covering amongst other details of Meetings of the Board and Committees along with a Certificate for compliance with the Clause 49 of the Listing Agreement and Regulation 17 to 27 read with Schedule V and clauses (b) to (i) of sub-regulation (2) of regulation 46 of SEBI Listing Regulations, as applicable, with regard to Corporate Governance, issued by the Practicing Company Secretary- Shri. Ajay S Shrivastava, forms part of this Annual Report.

**1. MATERIAL CHANGES AND COMMITMENTS IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THIS FINANCIAL STATEMENTS RELATES AND THE DATE OF THE REPORT:**

No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which this financial statements relate on the date of this report.

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

The information pertaining to conservation of energy, technology absorption, foreign exchange earnings and outgo as required under Section 134(3) (m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules 2014 are as follows:

**CONSERVATION OF ENERGY:**

1.	The steps taken or impact on conservation of energy.	Your Company, being a service provider, requires minimal energy consumption and every endeavor is made to ensure optimal use of energy, avoid wastages and conserve energy as far as possible.
2.	The steps taken by the company for utilizing alternate sources of energy.	
3.	The capital investment on energy conservation equipment's.	



**TECHNOLOGY ABSORPTION:**

1.	The efforts made towards technology absorption.	Since the Company is not engaged in any manufacturing, the information in connection with technology absorption is NIL.
2.	The benefits derived like product improvement, cost reduction, product development or import substitution.	NIL
3.	In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-- the details of technology imported the year of import;- whether the technology been fully absorbed:- if not fully absorbed, areas where absorption has not taken place, and the reasons thereof.	NIL
4.	The expenditure incurred on Research and Development.	NIL

**22. DISCLOSURES:**

**i. Particulars of loans, guarantees and investments:**

The Company has not given any loan or guarantee or security or made any investments during the financial year in terms of Section 186 of the Act.

**ii. Transactions with Related Parties:**

No transactions were made with the related parties during the year which attracts provisions of Section 188 of the Act.

**iii. Unclaimed Dividend:**

During the year under review, since no dividend is declared, there lies no question of Disclosure of Unclaimed Dividend.

**iv. Subsidiaries and Joint Ventures:**

The company neither has any subsidiaries nor entered into joint venture with any Company or institution during the year under review.

**v. Employee stock options & sweat equity shares:**

During the year under review, the Company has not issued any Employee Stock Options and sweat Equity shares.

**vi. Extract of the Annual Return:**

Pursuant to the provisions of Section 134(3)(a) of the Companies Act, 2013, the extract of the Annual Return in Form MGT-9 is attached as "Annexure IV".

**23. LISTING:**

The shares of your company are listed at Bombay Stock Exchange Limited. Your Company has duly complied with all the applicable provisions of the Listing Agreement and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**24. ACKNOWLEDGEMENTS:**

Your Directors take this opportunity to express their gratitude for the assistance and co-operation extended by Government Authorities, Bankers and other business associates along with our estimated Shareholders and employees. Your Directors also acknowledge the support extended by the Company's employees for their dedicated service.

**For and on behalf of the Board**

**Place: Hyderabad**

**Date: 26.08.2016**

**Guduru Satyanarayana  
Managing Director**

**Kodali Vijaya Rani  
Director**





<b>Annexures to the Directors' Report</b>	
<b>Annexures No.</b>	<b>Content</b>
I	Policy for Evaluation of Board
II	Ratio of the Remuneration of each Director to the Median Remuneration of the employees.
III	MR-3 - Secretarial Audit Report
IV	MGT-9- Extract of Annual Return

**ANNEXURE- I**

**EVALUATION OF PERFORMANCE OF THE BOARD, ITS COMMITTEES  
AND INDIVIDUAL DIRECTORS**

**A. Evaluation Policy:**

Pursuant to the provisions of the Companies Act, 2013 and the Corporate Governance requirements as prescribed by Securities and Exchange Board of India (SEBI) under Clause 49 of the Listing Agreement (as may be applicable), the Board of Directors (Board) shall carry out an annual evaluation of its own performance and that of its Committees and individual Directors.

The performance of the Board and individual Directors shall be evaluated by the Board seeking inputs from all the Directors. The performance of the Committees shall be evaluated by the Board, seeking inputs from the Committee members. A template is prescribed to evaluate the performance of the directors and members of the Committees.

At the first stage, the Chairman of the Nomination and Remuneration Committee shall obtain from all the Board members duly filled in Board evaluation templates for evaluation of the performance of the Board as a whole, evaluation of the Committee members etc.

At the second stage, a separate meeting of independent Directors shall be held to review the performance of non-independent Directors, performance of the Board as a whole and performance of the Chairperson of the Company, taking into account the views of Executive Directors and Non-Executive Directors. Based on such report of the meeting a Evaluation Report shall be placed before the Board.

The criteria for performance evaluation of the Board included aspects like Board composition and structure, effectiveness of Board processes, information and functioning etc. The criteria for performance evaluation of Committees of the Board included aspects like composition of Committees, effectiveness of Committee meetings, follow up actions on decisions taken etc. The criteria for performance evaluation of the individual Directors included aspects on contribution to the Board and Committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, follow up actions etc. In addition the Chairperson is to be also evaluated on the key aspects of his/her role.

The summary of the evaluation reports shall be presented to the respective Committees and the Board for their consideration.





The details of the two policies are stated below.

**B. POLICY ON BOARD DIVERSITY:**

Pursuant to the provisions of the Clause 49 of the Listing Agreement, the Policy on Board Diversity is framed and adopted.

The broad objectives of the Policy are:

- Diversity and inclusion initiatives based on sound business principles and objectives;
- To help the Company build a Board that can draw upon a wide range of perspectives, expertise, knowledge and experience;
- To bridge the gap in Board composition for achieving optimum and balanced Board with a wide range of attributes; and
- To encourage healthy and open discussion and promote independence of judgment in Board and Committee deliberations.

**REMUNERATION POLICY:**

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Remuneration Policy is framed and adopted.

The broad objectives of the Policy are:

- To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation of the Board;
- To recommend to the Board on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management;
- To provide to Key Managerial Personnel and Senior Management reward linked directly to their effort, performance, dedication and achievement relating to the Company's operations; and
- To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.

While deciding on the remuneration for Directors, the Board and Nomination & Remuneration Committee considers the performance of the Company, the current trends in the industry, the director's participation in Board and Committee meetings during the year and other relevant factors.

The performance of the Company and individual performance as well employees' potential, criticality and longevity in the grade are considered while determining remuneration to the Employees

**EVALUATION DURING THE YEAR:**

The Board has handed out the Templates and sought responses from all Directors/ members of the Committees and the same were evaluated and grades awarded by the independent Directors in their meeting held on 15<sup>th</sup> February, 2016 and the Report of the evaluation of the Board KMP and Committees were finalized by the Independent Directors and placed before the Board in the next Meeting.



TEMPLATE FOR EVALUATION

A	MISSION	Yes	No	Can't Say	Grade Awarded
1.	The board understands the vision and the mission of the Company				
2.	The board is able to communicate the mission of the Company				
<b>B</b>	<b>ROLE</b>				
1	The board understands the separation of responsibility between management and the board.				
2	The board approves policies developed by management to assure the Association's objectives are met.				
3	The board committees function effectively to assist the board in conducting its business.				
4	The board understands the fund-raising strategy of the Company.				
5	The board gives the M.D enough authority and responsibility to manage the Company successfully.				
6	The board evaluates the M.D, Directors individually performance in a systematic and fair way on a regular basis.				
7	The board has a strategic vision of how the Company should be evolving over the next 3 to 5 years.				
8	Financial reports are understandable, accurate, and timely.				
9	The board has established appropriate investment policies.				
10	The organization has an effective public relations and marketing strategy.				
11	In its decisions, the board considers the view points, suggestions provided by the members				
12	The board is able to meet its financial goals for providing support to the Company.				
<b>C</b>	<b>COMPANY</b>				
1.	Board meetings are structured to make effective use of the members' time and talents.				
2.	Board members receive appropriate materials for timely decision making.				
3.	Board members demonstrate preparation for meetings through active participation in decision making.				
<b>D</b>	<b>EDUCATION</b>				
1.	Board members receive sufficient orientation to understand their duties.				
2.	The board is knowledgeable about the Company's current programs and activities.				
3.	COMMENTS: Suggestions for strengthening the board				



ANNEXURE- II  
**RATIO OF REMUNERATION OF DIRECTORS TO THE  
 MEDIAN REMUNERATION OF EMPLOYEES**

A. Statement on the ratio of the remuneration of each Director to the Median Remuneration of the employees of the company in the Financial Year:

Directors	Remuneration Of Directors & Kmp (Per Annum)	Ratio To Median Remuneration
<b>Non-executive Directors</b>		
Mrs. Kodali Vijaya Rani	NIL	NIL
Mr. Kanduri Saraswathi Kimar	NIL	NIL
Mr. Ram Reddy Sripathi	NIL	NIL
Mr. Kyatham Prabhakar Reddy	NIL	NIL
<b>Executive Directors</b>		
Mr. Guduru Satyanarayana	14,67,000/-	<b>1:4.57</b>
Mr. Manne Rambabu	16,50,000/-	<b>1:5.14</b>
<b>CFO &amp; CS</b>		
Ms. Chandana Rachuri(CS)	1,40,000/-*	<b>1: 0.52</b>
Ms. Shivani Sarda(CS)	**	-
Mr. Koteswara Rao (CFO)	6,00,000/-	<b>1: 1.87</b>
<b>Note :</b> *From 1 <sup>st</sup> June, 2015 to 10 <sup>th</sup> March, 2016. **Appointed as Company Secretary with effect from 27.04.2016		

B. The percentage increase in remuneration of each Director, Chief Financial Officer, Company Secretary in the Financial Year:

Directors, CEO, CFO & CS	% Increase In Remuneration In Financial Year
Mrs. Kodali Vijaya Rani	No Change In Remuneration Paid
Mr. Kanduri Saraswathi Kimar	No Change In Remuneration Paid
Mr. Ram Reddy Sripathi	No Change In Remuneration Paid
Mr. Kyatham Prabhakar Reddy	No Change In Remuneration Paid
Mr. Guduru Satyanarayana	No Change In Remuneration Paid
Mr. Manne Rambabu	No Change In Remuneration Paid
Ms. Chandana Rachuri - Company Secretary	No Change In Remuneration Paid
Mr. Koteswara Rao – Chief Financial Officer	No Change In Remuneration Paid

C. The percentage increase in the median Remuneration of employees in the Financial Year:  
 NIL, as there is no Change in the Remuneration being paid to employees during the year.

D. The number of permanent employees on the rolls of Company:  
 Less than 10 members.

E. The explanation on the relationship between average increase in Remuneration and Company performances:  
 Not applicable, as there is no change or increase in the remunerations being paid by the Company during the year.

F. Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company: NIL

“Annexure-III”

**FORM NO. MR-3**

**SECRETARIAL AUDIT REPORT**

**FOR THE FINANCIAL YEAR ENDED 31.03.2016**

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,

The Members

**QUANTUM BUILD-TECH LIMITED**

8-1-405/A/66 Dream Valley,

Near O.U Colony, Shaikpet,

Hyderabad- 500008- Telangana.

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **QUANTUM BUILD-TECH LIMITED (CIN- L72200TG1998PLC030071)** (hereinafter called the Company/ QBL). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the **QUANTUM BUILD-TECH LIMITED** books, papers, minute books, forms and returns filed and other records maintained by QBL and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, QBL, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2016, has complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2016 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 (“SCRA”) and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 (FEMA) and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (“SEBI Act”):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **-Not Applicable to the Company during the Audit Period**
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; **Not Applicable to the Company during the Audit Period**
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **Not Applicable to the Company during the Audit Period**
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with clients;



- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **Not Applicable to the Company during the Audit Period** and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **Not Applicable to the Company during the Audit Period.**
- (i) The Securities & Exchange Board of India (Listing Obligations & Disclosure Requirement) Regulations, 2015 (After 2<sup>nd</sup> December 2015).

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreement entered into by the Company with BSE Limited till November, 2015 and SEBI-LODR, 2015 for the same thereafter.

During the Audit period under review and as per the clarification, representations provided by the Management in writing and oral in the Secretarial Audit checklist prepared by me, I confirm that the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, Listing Agreement, SEBI notifications etc. mentioned above. There are no fresh transactions attracting the provisions of FEMA during the reporting period.

**I further report that** compliance of applicable financial laws including Direct and Indirect Tax laws by the Company has not been reviewed in this Audit since the same has been subject to review by the Statutory Auditors and other designated professionals.

**I further report that**

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There were no changes in the composition of the Board of Directors during the period under review.
- Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting;
- Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

**I further report that** there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**I further report that** during the audit period the Company had to defend a Winding Up Petition filed against it by the Preference shareholders for recovery of overdue redemption with accumulated dividend. Matter is subsisting at the Hon'ble High Court of Telangana at Hyderabad and the outcome is not ascertainable.

**I further report that** being in the real estate and construction business, the Company is subject to the compliance with the provisions of (i) Housing Board Act, 1965, Transfer of Property Act, 1882, Building and Other Construction Workers' (Regulation of Employment and Conditions of Services) Act, 1996. During the period under Audit, there were **NIL compliances, since no construction activity undertaken during the Audit period. One approval for construction for a project has been obtained as per the prevailing local laws.**

Place: Hyderabad  
Date: 25.08.2016

Sd/-  
Ajay S Shrivastava  
Practicing Company Secretary  
FCS No.: 3489  
C P No.: 3479

**‘ANNEXURE –1’**

To,  
The Members  
**QUANTUM BUILD-TECH LIMITED**  
8-1-405/A/66 Dream Valley,  
Near O.U Colony, Shaikpet,  
Hyderabad- 500008- Telangana.

This report is to be read with our Certificate of even date which is annexed as ‘Annexure -1’ and forms an integral part of this report.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company and does not in any way authenticates the said compliances.

**Place: Hyderabad**  
**Date: 25.08.2016**

**Sd/-**  
**Ajay S Shrivastava**  
**Practicing Company Secretary**  
**FCS No.: 3489**  
**C P No.: 3479**

**ANNEXURE- IV  
FORMNO.MGT-9****EXTRACT OF ANNUAL RETURN****as on the Financial Year ended on 31<sup>st</sup> March, 2016**

[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 :**

1.	CIN	L72200TG1998PLC030071
2.	Registration Date	03/09/1998
3.	Name of the Company	QUANTUM BUILD-TECH LIMITED
4.	Category/Sub-Category of the Company	Public Limited Company/Limited by shares
5.	Address of the Registered office and contact details	8-1-405/A/66, Dream Valley, Near O.U Colony, Shaikpet, Hyderabad- Telangana- 500 008
6.	Whether Listed Company	Yes
7.	Name, Address and Contact details of Registrar and Transfer Agent, if any	Venture Capital And Corporate Investments Private Limited 12-10-167, Bharatnagar, Hyderabad - 500018 Phone: 040 - 23818475/476

**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:-

S.No.	Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover of the company
1.	Construction of buildings and real estate	41001	100%

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

Sr. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
NOT APPLICABLE					

**IV. SHARE HOLDING PATTERN (Equity Share Capital Break-up as percentage of Total Equity)**

**i. Category-wise Share Holding :**

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoter</b>									
<b>1) Indian</b>									
a) Individual/ HUF	2130464		2130464	16.89	2130464		2130464	16.89	0
b) Central Govt									
c) State Govt(s)									
d) Bodies Corp	550000		550000	04.36	550000		550000	4.36	0
e) Banks / FI									
f) Any Other	50000		50000	0.40	50000		50000	0.40	0
<b>Sub-total(A)(1)</b>	<b>2730464</b>		<b>2730464</b>	<b>21.64</b>	<b>2730464</b>		<b>2730464</b>	<b>21.64</b>	<b>0</b>
<b>2) Foreign</b>									
g) NRIs-Individuals									
h) Other-Individuals									
i) Bodies Corp.									
j) Banks / FI									
k) Any Other									
<b>Sub-total(A)(2)</b>									
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds									
b) Banks / FI									
c) Central Govt									
d) State Govt(s)									
e) Venture Capital Funds									
f) Insurance Companies									
g) FIIs		2150	2150	0.02		2150	2150	0.02	
h) Foreign Venture Capital Funds									
Others (specify)									
<b>Sub-total (B)(1)</b>		<b>2150</b>	<b>2150</b>	<b>0.02</b>		<b>2150</b>	<b>2150</b>	<b>0.02</b>	
<b>2. Non Institutions</b>									
a) Bodies Corp.	1565899		1565899	12.41	1764974		1764974	13.99	1.58
(i) Indian									
(ii) Overseas									
b) Individuals									
(i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	752780	180702	933482	07.40	1255693	183652	1439345	11.41	4.01
(ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	4022822	612500	4635322	36.74	2902956	500000	3402956	26.97	(9.77)
c) Others (Specify)	915429	1832884	2748313	21.79	1442857	1832884	3275741	25.97	4.18
<b>Sub-total(B)(2)</b>	<b>7256930</b>	<b>2626086</b>	<b>9883016</b>	<b>78.34</b>	<b>7366480</b>	<b>2516536</b>	<b>9883016</b>	<b>78.34</b>	<b>0.00</b>
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	<b>7256930</b>	<b>2628236</b>	<b>9885166</b>	<b>78.36</b>	<b>7366480</b>	<b>2518686</b>	<b>9885166</b>	<b>78.36</b>	<b>0.00</b>
<b>C. Shares held by Custodian for GDRs&amp;ADRs</b>	0	0	0	0	0	0	0	0	0
<b>Grand Total(A+B+C)</b>	<b>9987394</b>	<b>2626086</b>	<b>12615630</b>	<b>100.00</b>	<b>10096944</b>	<b>2518686</b>	<b>12615630</b>	<b>100.00</b>	<b>0</b>





ii. Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		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.	Vijay Madhavi investments Pvt Ltd	550000	4.36	0	550000	4.36	0	0
2.	Punukollu Kodanda Rambabu	1085114	8.60	0	1085114	8.60	0	0
3.	Kodali Vijayarani	1045350	8.29	0	1045350	8.29	0	0
4.	Punukollu Rachana	50000	0.40	0	50000	0.40	0	0
	Total	2730464	21.64	0	2730464	21.64	0	0

iii. Change in Promoters' Shareholding: NIL

Sr. No.	Name of Shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year				
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease.				
	At the End of the year				

iv. Change in shareholding of Top 10 Shareholders :

Sr. No.	Name of Shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	<b>Rajesh Cherukuri Vamsi Cherukuri</b>				
	At the beginning of the year	1162916	9.22	-	-
	Differences during the Year	0	0	-	-
	At the End of the year	-	-	1162916	9.22
2.	<b>Raghavender Rao Appannagari</b>				
	At the beginning of the year	878370	6.96	-	-
	Differences during the Year	0	0	-	-
	At the End of the year	-	-	878370	6.96

Sr. No.	Name of Shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
3	<b>Sekhar V Uppalapati</b>				
	At the beginning of the year	669968	5.31	-	-
	Differences during the Year	0	0	-	-
	At the End of the year	-	-	669968	5.31
4	<b>Pancom Marketing Private Limited</b>				
	At the beginning of the year	650000	5.15	-	-
	Differences during the Year	0	0	-	-
	At the End of the year	-	-	650000	5.15
5	<b>Geekayar Developers Private Limited</b>				
	At the beginning of the year	305000	2.42	-	-
	Differences during the Year	240000	1.90	-	-
	At the End of the year	-	-	545000	4.32
6	<b>Krishna Guduru</b>				
	At the beginning of the year	500000	3.96	-	-
	Differences during the Year	0	0	-	-
	At the End of the year	-	-	500000	3.96
7	<b>Kumar Share Brokers Limited</b>				
	At the beginning of the year	0	0	-	-
	Differences during the Year	474968	3.76	-	-
	At the End of the year	-	-	474968	3.76
8	<b>Neelima Guduru</b>				
	At the beginning of the year	462116	3.66	-	-
	Differences during the Year	0	0	-	-
	At the End of the year	-	-	462116	3.66
9	<b>Cherukuri Naresh</b>				
	At the beginning of the year	400000	3.17	-	-
	Differences during the Year	100000	0.79	-	-
	At the End of the year	-	-	300000	2.38
10	<b>Usha Rani Guduru</b>				
	At the beginning of the year	287610	2.28	-	-
	Differences during the Year	0	0	-	-
	At the End of the year	-	-	287610	2.28
11	<b>Himabindu Guduru</b>				
	At the beginning of the year	400000	3.17	-	-
	Differences during the Year	300000	2.38	-	-
	At the End of the year	-	-	100000	0.79
12	<b>Venkata Rajeev Ravi</b>				
	At the beginning of the year	300000	2.38	-	-
	Differences during the Year	300000	2.38	-	-
	At the End of the year	-	-	0	0



**V. INDEBTEDNESS**

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

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year	6,24,80,934*	NIL	NIL	6,24,80,934
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not				
Total(i+ii+iii)	6,24,80,934	-	-	6,24,80,934
Change in Indebtedness during the financial year				
- Addition				
- Reduction				
Net Change				
Indebtedness at the end of the financial year				
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)	6,24,80,934	-	-	6,24,80,934

Note:\* Overdue repayment, matter is pending before Debt Recovery Tribunal (DRT).

**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/WTD/ Manager		Total Amount
		M.D	WTD	
1.	Gross salary:			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961.	6,00,000	9,30,000	15,30,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	8,67,000	7,20,000	15,87,000
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961.			
2.	Stock Option	NIL	NIL	-
3.	Sweat Equity	NIL	NIL	-
4.	Commission - as % of profit - others specify	NIL	NIL	-
5.	Others, please specify	NIL	NIL	-
6.	Total (A)	14,67,000	16,50,000	31,17,000
	Ceiling as per the Act; As per Schedule V, Section II.			42,00,000

B. Remuneration to other directors:- No remuneration paid to other Directors

C. Remuneration to Key Managerial Personnel Other Than MD /Manager /WTD:

S.No.	Particulars of Remuneration	KEY MANAGERIAL PERSONNEL			
		CEO N.A	COMPANY SECRETARY Rachuri Chandana (Per Annum)	CFO M.R. Koteswara Rao (Per Annum)	TOTAL
1.	Gross salary:		1,80,000	6,00,000	7,80,000
	1. Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961.				
	2. Value of Perquisites u/s 17(2) Income-tax Act, 1961		NIL	NIL	NIL
	3. Profits in lieu of salary under section 17(3) Income-tax Act, 1961		NIL	NIL	NIL
2.	Stock Option		NIL	NIL	NIL
3.	Sweat Equity		NIL	NIL	NIL
4.	Commission				
	- as % of profit				
	- others, specify		NIL	NIL	NIL
5.	Others, please Specify		NIL	NIL	NIL
	<b>Total</b>		<b>1,80,000</b>	<b>6,00,000</b>	<b>7,80,000</b>

VII. PENALTIES/PUNISHMENT/COMPOUNDING OFFENCES: NIL

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)
<b>A. Company</b>					
Penalty					
Punishment					
Compounding					
<b>B. Directors</b>					
Penalty					
Punishment					
Compounding					
<b>C. Other Officers In Default</b>					
Penalty					
Punishment					
Compounding					

Place: Hyderabad

Date: 26.08.2016

For and on behalf of the Board

Guduru Satyanarayana  
Managing Director

Kodali Vijaya Rani  
Director



## **MANAGEMENT DISCUSSION & ANALYSIS REPORT**

The report may contain forward looking statements, which describe company's objectives, projections, estimates, expectations or predictions within the applicable Securities, Laws and Regulations. The Company's actual results, performance or achievements could thus differ materially from those projected in any such forward looking statements. The Company assumes no responsibility to publicly amend, modify or revise any forward looking statements, on the basis of any subsequent developments, information or events.

### **Industry Structure & Developments:**

Real estate sector is one of the most globally recognized sectors and it comprises of four sub sectors- housing, retail, hospitality and commercial. Real estate is the second largest employer in India and it is expected to grow at 30% over the next decade. Growth in the corporate environment and the demand for office space as well as urban and semi-urban accommodations and infrastructure requirements points to the growth of this sector. For the period FY'08-20 the market size of this sector is expected to grow at a compounded annual growth rate (CAGR) of 11.20% to reach \$180 billion by 2020.

The year 2015 has been a year when the Modi-led government unleashed a slew of initiatives that were directed at changing the landscape and accompany in a much-awaited revival of the Real-estate sector. Various initiatives have been taken to get the stressed sector to emerge again as a formidable sub-sector. There have been measures such as an easier exit policy, funding top-up to financially stressed developers and concession period elongation option for delayed projects. The Indian real estate sector has witnessed high growth in recent times with the rise in demand for office as well as residential spaces. According to data released by Department of Industrial Policy and Promotion (DIPP), the construction development sector in India has received Foreign Direct Investment (FDI) equity inflows to the tune of US\$ 24.19 billion in the period April 2000-March 2016.

### **Opportunities and Threats:**

It has been observed that the absorption rate during 2015 was low as consumers continued with a wait and watch policy. Hyderabad is an end-user driven city. Its market has performed much better than its peer TIER-I cities. Moreover, due to demerger of the state of Andhra Pradesh, many corporate houses are still looking for residential and office space in the city.

#### **Opportunities:**

- Initiatives by the Government.
- Rental segment is set to grow in 2016.
- The Securities and Exchange Board of India (SEBI) has proposed easier regulations for real estate investment trusts (REITs), such as raising the cap of investment of REITs' assets in under-construction projects from 10 per cent to 20 per cent, in order to attract the interest of developers.
- India's Prime Minister Mr. Narendra Modi approved the launch of Housing for All by 2022, through Public-Private-Partnership (PPP) and interest subsidy.
- Boost in housing projects and smart cities across the country.

#### **Threats:**

- Global change and uncertainty.
- Political gridlock.



- Market instability and uncertainty may create a slight flutter in industry. The Current economic outlook, though not dire, seems bleak and can hamper the industry growth.
- Soaring numbers of corruption allegation cases across various State Governments and government officials can create a cascading effect in attracting further investments.
- Continuous change in policies will tend to affect investment as well.

**Outlook and Future plans:**

The Company is optimistic about the growth of its business in near future as the real estate sector has always been a resilient market with great fundamentals and springing back positively. State government is also taking initiatives to revive the real estate market could be a boost to company as well. Assignment of large funds by government to metro, infrastructure, security, flyovers, drinking water and road and buildings can have positive impact.

The Company has currently two projects “Jainhind Nagar” and “Quantum Heights” in progress, which are to yield returns in succeeding Financial Years.

**Risks and Concerns:**

In the Ordinary Course of your Company’s business, the Company is exposed to certain financial risks, principally interest rate risks, liquidity risks and credit risks, risks associated with the economy, regulations, competition, etc. The risk management framework of the Company ensures in risk mitigation areas and functions of the Company, and has in place, the procedures to inform the Board Members about the risk assessment and minimization process. These processes are periodically reviewed to ensure that the management of the Company controls risks through a defined framework.

The following are the risks and concerns for industry and as well as for the Company:

- i. Fluctuation in Price : Fluctuations in prices due to prevailing market conditions will hamper the company’s operations.
- ii. Finance Management : Timely execution of projects require regular flow of finances, hence inadequate funding resources may lead to high interest rates which impacts company’s operating performance.
- iii. Procrastination Risk : Due to the various reasons such as cost overruns, site development, force majeure etc. the project may not be completed on time.
- iv. Changes in government policies including change in tax structure : While of late, Government policies tending to be stable than they were in the past, the company expects it to be the same, any minor or major change can risk the projects undertaken.
- v. Interest Rates : Changes in interest rates can greatly influence the sector in property purchases.
- vi. Resource Risk : It includes the non-availability of raw materials for the projects operation. It also includes the risk that prices might fluctuate adversely.

Currently, the major concern of your Company is to receive the installment amount by the clients for flat bookings in the semi- finished projects, as they are hesitant to make payments due to due to the sluggish market trend. This is causing the potential discrepancies in Finance Management.

**INTERNAL CONTROL SYSTEM AND ITS ADEQUACY**

The Company is putting in place standard operating procedures specific to the various processes of business. The effectiveness of internal control mechanism is reviewed by independent Internal Auditors at regular intervals. The Company has formulated a Policy framework on internal control for identifying and rectifying internal control



weaknesses and to monitor the same and report to corporate management. The Company has Audit Committee consisting of independent directors having expert knowledge and vast experience in the field of their area of operations. They do periodic review accounting records and various statements/Accounts prepared by the accounting department. They advise time to time to the senior management of the Company and interact with them. During the year under review, four meetings of Audit Committee were held to review, inter alia, the internal audit/controls along with management comments and follow up actions thereon. The Company has a proper and adequate system of internal controls to ensure that all assets are safeguarded and protected against loss from unauthorized use or disposition and that transactions are authorized, recorded and reported correctly. The Company's internal control systems are further supplemented by an extensive programme of internal audit by an independent department of competent executives and periodic review by Management. The Company has clearly laid down policies, guidelines and procedures which form part of its internal control system.

**SHARE CAPITAL**

The Share Capital of your Company is Rs. 14,61,56,300 divided into 1,80,00,000 Equity shares of 10/- each with voting rights and 10,00,000 Cumulative Redeemable preference shares of 100/- each. During the Financial Year 2015-16, the Company has not issued and allotted any equity shares out of the unissued share capital.

**SECURED LOANS**

Secured loans of the Company stood at Rs. 6,24,80,934/- (including short and long term) as on 31<sup>st</sup> March, 2016.

**FIXED ASSETS**

The Fixed Asset (Gross Block) as on 31<sup>st</sup> March, 2016 amounts to Rs.41,38,874/-. An accumulated depreciation of Rs. 38,06,979/- was charged to the balance Fixed Assets (Gross Block) thereby arriving at a Net Block of Rs.3,31,895

**HUMAN RESOURCES AND INDUSTRIAL RELATIONS**

Manpower is biggest strength in any Sector. The Company maintains its focus on its human resources as it believes that a motivated and empowered workforce is the key to sustained competitive advantage. The Company has maintained excellent relations with its employees across all levels of the organization during the period under review. All efforts were made to ensure a high employee satisfaction. Adequate measures were undertaken to enhance the skill sets of the employees. In the present scenario the company is not hiring or recruiting any candidates. Human resource continues to be core strength and always endeavors to work towards having sound and progressive HR strategies so as to align with Company's objectives and employee aspiration.

Your Company also has good relations with other companies in the industry and it shall be useful in understanding the market behavior and phenomenon in depth and to stay updated with competitors both in growth and adoption of new technologies for cost effective operation.

**CORPORATE GOVERNANCE REPORT**

**I. COMPANY’S PHILOSOPHY ON CORPORATE GOVERNANCE:**

The Company believes that the sound Corporate Governance is critical to retain Stakeholders’ trust over the Company and is our prime aspire to attain the best practices in Corporate Governance ensuring timely and accurate disclosure of all material, operational and financial information to the stakeholders. It aims at establishing and practicing a system of good corporate governance which assist the management in managing the company’s business in an efficient and transparent manner. This emanates from our strong belief that sound governance system based on relationship and trust is integral to creating value on an overall basis.

Your Company remains resolute in its commitment to conduct business in accordance with the highest ethical standards and sound Corporate Governance practices and also believes that an independent and diversified Board following best practices, transparent disclosures and empowerment of shareholders are as necessary as good financial results for creating and sustaining shareholder’s value. The Company fully recognizes the rights of its shareholders to information on the performance of the Company and considers itself a trustee of its Stakeholders. The Company strives for the fullest possible disclosure standards.

The status of implementation of the Listing agreement with Stock Exchanges on Corporate Governance in the Company is as under.

**II. BOARD DIVERSITY:**

The Board of Directors of Quantum Build-Tech Limited is an equitable one with an optimum mix of Executive, Non- Executive and Independent Directors. As on 31<sup>st</sup> March, 2016, the Board of your Company consists of SIX (6) Directors comprising of Two (2) Executive Director, One (1) Non- Executive Director and Three (3) Non-Executive Independent Directors, who are highly experienced, competent and renowned persons in their respective fields. They show active participation at the Board and Committee Meetings, which enhances the transparency and adds value to decision making of your Board as a whole.

The Board is headed by Executive Chairman who extends wholehearted support to all the Directors, business heads and associates. The Composition and category of Directors is as follows:

**A. Composition and Category of Directors:**

Name	Designation	Category	No. of Board Meetings Attended	Attendance at AGM Held On 30.09.2015	Directorships In Other Companies
Mr. Kanduri Saraswathi Kumar	Director	Independent Non-Executive	4	Yes	0
Mr. Kyatham Prabhakar Reddy	Director	Independent Non-Executive	4	Yes	2
Mr. Sripathi Ram Reddy	Director	Independent Non-Executive	3	No	0
Mrs. Kodali Vijaya Rani	Director	Non- Executive Promoter	3	No	1
Mr. Guduru Satyanarayana	Managing Director	Executive	5	Yes	0
Mr. Manne Rambabu	Whole Time Director	Executive	5	Yes	0





None of the above Directors are acting as a member in more than Ten Committees and as Chairman in more than Five Committees across all Companies in which they are the Directors.

The Company is in compliance with Section 203 of the Companies Act, 2013 read with Sections 2(19) & 2(51) of Companies Act, 2013 and Rule 8 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and other applicable provisions, including any statutory modification or re-enactment thereof, company has designated Mr. M.R. Koteswara Rao as Chief Financial Officer of the company with effect from 1<sup>st</sup> March, 2015 and has also appointed Ms. Shivani Sarda as Company Secretary and Compliance Officer of the company with effect from 27<sup>th</sup> April, 2016 holding the prescribed qualification under Section 2(24) of the Companies Act, 2013.

**B. MEETINGS OF THE BOARD OF DIRECTORS:**

The Board of Directors have met Five times during the financial year on 30.05.2015, 12.08.2015, 12.11.2015, 12.02.2016, 15.03.2016.

Independent Directors have held their meeting on 15<sup>th</sup> February, 2016, in accordance with Regulation 25 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, exclusively without the presence of executive management.

**C. INFORMATION SUPPLIED TO THE BOARD:**

The Board members were given agenda papers along with necessary documents and information in advance of each meeting of the Board and its Committees. In addition to the regular business items, the following are regularly placed before the Board to the extent applicable.

- Quarterly and Half yearly results of the Company,
- Minutes of the audit Committee and other Committee meetings,
- Details of Agreements entered into by the Company and,
- Particulars of Non-Compliance of any statutory or listing requirement.

**D. MINUTES OF THE BOARD MEETING:**

The minutes of the proceedings of every Board Meeting and all Committee Meetings were prepared within 30 days from the conclusion of the respective meeting and were subsequently and approved/initialed by the Chairman.

**E. CODE OF ETHICS:**

The company has prescribed a code of ethics for its Directors and senior management personnel and revised as per the requirements of the statute. Further a declaration by the Managing Director to the effect that all the Directors and the senior management personnel have complied with code of ethics laid down for this purpose for the year 2015-2016 is given below.

**F. DECLARATION:**

The Company has received declaration from each Independent Director under Section 149(7) of the Companies Act, 2013, that the Independent Director meets the criteria of independence laid down in Section 149(6) of the Companies Act, 2013 and Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Board has also laid down the Code of conduct for all the Directors and senior management personnel of the Company. Pursuant to Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Schedule V (D) the Annual Report of the Company shall contain Declaration signed by the Chief Executive officer stating the compliance of Code of Conduct by the Board of Directors and Senior Management, to give effect to the same the Company has received the affirmation and is annexed with this Report as "Annexure-I".

**G. BOARD COMMITTEES:**

The Company's guidelines relating to Board meetings are applicable to Committee meetings as far as practicable. Each Committee has the authority to engage outside experts, advisors and counsels to the extent it considers appropriate to assist in its function. Minutes of proceedings of Committee meetings are circulated to the Directors and placed before Board meetings for noting.

The Board has set up committees of Directors to deal with the various matters which require more attention and quick response in taking decisions in these matters. The Company has constituted three Committees viz. Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee.

**1. AUDIT COMMITTEE:**

Terms of Reference

The terms of reference of the Audit committee include the following:

1. Review of the quarterly, half yearly and annual financial results of the Company before submission to the Board.
2. A check on the financial reporting process and the disclosure of its information to ensure that the financial statements are correct.
3. Having discussions with statutory auditors and internal auditors of the company in concerning the accounts of the company.
4. Suggesting recommendation to the Board on Audit report and Financial Management of the Company
5. Recommendation with respect to fixation of audit fees, and any other services by auditors.

**a. Composition of Audit Committee:**

The following are the details of the Director, their attendance at the Audit Committee Meeting held during the year 2015-16.

Names	Status	Meetings Held	Meetings Attended
Mr. K Prabhakar Reddy	Chairman	4	3
Mr. Ram Reddy Sripathi	Member	4	2
Mr. Kanduri Sarswathi Kumar	Member	4	3

During the year, **FOUR** Audit Committee meetings were held respectively on 30.05.2015, 12.08.2015, 12.11.2015 and 12.02.2016.

**III. NOMINATION AND REMUNERATION COMMITTEE:**

The Nomination and remuneration Committee of the Company meets the criteria laid down under Section 178 of the Companies Act, 2013 read with Clause 49 (IV) of the Listing Agreement. The Committee is vested with all necessary powers.

The terms of reference of the Nomination and remuneration Committee are as given below-

- The committee shall formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board policy, relating to the remuneration for the directors, Key managerial Personnel and employees.
- The Committee shall formulate the criteria for evaluation of the Independent Directors, Committees of Board.
- The Committee shall ensure appropriate disclosure on the remuneration of the Managing Director and whole time director, the management of the Company and benefits for Executive Director(s), Non-Executive Director(s) and looking after the issues relating to employees remuneration.

**a. Composition:**

The Nomination and Remuneration Committee of your Company comprises of three Directors. The Composition of the committee and particulars of the meeting attended by the members are given below:

**b. Meetings of the Committee and Attendance:**

As the Key Managerial Personnel were appointed during the year, the Committee held its meetings on 30.05.2015 and 15.03.2016 for recommending the candidature and terms of appointment including remuneration of personnel being appointed. The attendance of the Directors in the Meetings is stated below:



Names	Designation	Meetings Held	Meetings Attended
Mr. Kanduri Sarswathi Kumar	Chairman	2	2
Mr. Ram Reddy Sripathi	Member	2	1
Mr K. Prabhakar Reddy	Member	2	2

**c. Remuneration Policy:**

The Company has adopted a Remuneration Policy for Directors, Key Managerial Personnel and other employees, in accordance with the provisions of the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2016, which is annexed to the Directors’ Report as “Annexure-II”.

**d. Details of remuneration paid to Directors:**

The details of remuneration paid to the Directors are stated in Form MGT-9 forming part of the Directors Report as “Annexure- IV.”

Particulars	Mr. Guduru Satyanarayana Managing Director		Mr. Manne Rambabu Whole-Time Director	
	2015-16	2014-15	2015-16	2014-15
Salary	6,00,000	6,00,000	9,30,000	9,30,000
Perquisites	8,67,000	8,67,000	7,20,000	7,20,000
<b>Total</b>	<b>14,67,000</b>	<b>14,67,000</b>	<b>16,50,000</b>	<b>16,50,000</b>

**e. Non-Executive Directors:**

Non- Executive Directors of your Company are not entitled to any fees/remuneration or such other pecuniary benefits for attending Board and Committee Meetings.

**IV. STAKEHOLDERS RELATIONSHIP COMMITTEE:**

The Stakeholders Relationship Committee meets the criteria laid down under Section 178(5) of the Companies Act, 2013 read with Clause 49 of the Listing Agreement. The Committee is vested with all necessary powers.

**a. Composition as on date**

The Stakeholders Relationship Committee of the Company comprises of THREE Directors. The terms of reference of the Committee is to look into redressal of shareholders’ and investors’ grievances, complaints, issue of duplicate / consolidated share certificates and review of cases for refusal of transfer/ transmission of shares and reference to statutory and regulatory authorities. The Committee also takes measures for timely Transfer of Share made during the year.

**b. Meetings of the Committee and Attendance:**

During the year, the Committee met Four times for noting/ approval of the Share Transfers of the Company on 11.07.2015, 22.08.2015, 12.10.2015 and 14.12.2015.

The Composition of the committee and particulars of the meeting attended by the members are given below:

Name	Designation	Meetings Held	Meetings Attended
Mr. Ram Reddy Sripathi	Chairman	4	3
Mrs Kodali Vijaya Rani	Member	4	3
Mr. Kanduri Saraswathi Kumar	Member	4	4

Further, there are no pending grievances of shareholders as on the date of the report and the status of the Complaints received and resolved during the year.

As disclosed in the Directors Report, the winding up petition was filed under Section 433 and 434 of the Companies Act, 1956 by the Preference Shareholders namely Mr. P. Venugopal Reddy and Mrs. P. Suneela Reddy for the purpose of recovery of their Investment in Preference shares and the High Court has admitted the petition and is pending before the Court.

**V. WHISTLE BLOWER POLICY/VIGIL MECHANISM:**

The Company has laid down an elaborate Vigil Mechanism and Whistle blower Policy to safeguard the assets of the company and also safeguard the personnel who are bestowed with the responsibility of keeping a watch of the same.

The Policy approved by the board is placed on the website of the Company, the link for which is <http://www.quantumbuild.com/images/pdf/vigil-mechanism-policy.pdf>.

**VI. ANNUAL GENERAL MEETINGS:**

Details of Previous Annual General Meetings:-

Day	Date	Time	Venue
Saturday	29 <sup>th</sup> September 2012	12.00 Noon	The Hyderabad Gymkhana, Road No.2, Banjara Hills, Hyderabad-500034.
Monday	30 <sup>th</sup> September 2013	12.00 Noon	Film Nagar Cultural Centre, Dr. D. Ramanaidu Building, Road No. 6, Film Nagar, Jubilee Hills, Hyderabad- 500033.
Monday	29 <sup>th</sup> September, 2014	11.30 A.M	Film Nagar Cultural Centre, Dr. D. Ramanaidu Building, Road No. 6, Film Nagar, Jubilee Hills, Hyderabad- 500033.
Wednesday	30 <sup>th</sup> September, 2015	11:30 A:M	Jubilee Hills International Centre, Road No. 14, Jubilee Hills, Hyderabad, Telangana-500 033.

**Details of resolutions passed in previous Annual general Meeting dated 30<sup>th</sup> September, 2015:-**

1. Details of special resolution passed-**NIL**.
2. Details of Ordinary Resolution passed is as follows:-
  - i. Adoption of Audited Financial Statements as on 31<sup>st</sup> March, 2015 along with Report of Auditors and Board thereon.
  - ii. Reappointment of Retiring Director Smt. Kodali Vijaya Rani, who retires by rotation and being eligible offers herself for reappointment.
  - iii. Ratified the appointment of M/s. Rambabu & Co. Chartered Accountants, as the Statutory Auditors of the Company.
3. Postal ballot resolution, any such proposal- **NIL**.

**VII. DISCLOSURES:**

- a) No transaction of material nature has been entered into by the company with directors or management and their relatives etc. that may have a potential conflict with the interests of the company. The Register of contracts containing transactions in which directors are interested is placed before the Board regularly.
- b) During the last three years, there has been no instance of non-compliance by the Company on any matter related to the capital markets. Hence the question of penalties or strictures being imposed by SEBI or Stock Exchanges does not arise.



- c) The Company is in compliance with all the mandatory requirements of Corporate Governance and has fulfilled the non- mandatory requirements as prescribed in Securities and Exchange Board of India (Listing Obligations and Disclosures requirements) Regulations, 2015.
- During the year under review, there is NO Audit dis-qualification in the financial statements.
  - The Company complies the provision of appointing separate persons for the post of Chairman and Managing Director.
  - The Company has adopted Vigil Mechanism i.e Whistle Blower Mechanism to report to the management concerns about unethical behaviour, actual or suspected fraud or violation of the company's code of conduct or ethics policy.
- d) The Company has followed the Accounting Standards issued by the Institute of Chartered Accountants of India, to the extent applicable, in the preparation of the Financial Statements.
- e) The Company has laid down procedures to inform Board Members about the risk assessment and minimization procedures. These procedures are periodically reviewed to ensure that executive management control risks through means of a properly defined framework.

**VIII. CEO CERTIFICATION:**

As required by Regulation 17(8) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015, the CEO and CFO certification is annexed to this Corporate Governance Report as "Annexure- II".

**IX. MEANS OF COMMUNICATION:**

The website of the Company- [www.quantumbuild.com](http://www.quantumbuild.com) is the primary source of information regarding the operation of the Company and the information as mandated in Regulation 46 of Securities and Exchange Board of India (listing Obligations and Disclosures Requirements) Regulations, 2015. The quarterly and annual financial results of the Company are published in the prescribed format in newspaper. Further, the Annual report which inter alia, the Directors Report, Management Analysis and Discussion Report, report on Corporate Governance is another channel of communication to the Shareholders.

**X. MARKET PRICE DATA AND PERFORMANCE COMPARISON:**

- 1) The market price data High, Low and Close During each month from 1st April, 2015 to 31st March, 2016 are mentioned below:

<b>Monthly Market Price details from 01.04.2015 to 31.03.2016</b>			
<b>Trade date (20.08.2014)</b>	<b>High (In Rs)</b>	<b>Low (In Rs.)</b>	<b>Close (In Rs.)</b>
April-15	11.72	10.01	10.98
May-15	19.12	10.44	17.35
June-15	18.50	12.65	14.95
July-15	23.27	12.35	23.27
August-15	30.60	23.00	30.45
September-15	37.90	29.95	36.30
October-15	39.00	25.45	25.45
November-15	24.20	17.85	17.85
December-15	17.00	11.25	11.25
January-16	11.03	9.00	9.00
February-16	8.82	7.88	7.88
March-16	7.88	7.88	7.88

2) Performance Comparison:

The graph of price fluctuation during the Financial Year 2015-2016 is outlined below:



XI. DISTRIBUTION OF SHAREHOLDING AS AT 31ST MARCH 2016 :

Category/ No. of Shares	Number of holders	% of total holders	Number of shares	% of total shares
Upto-500	2867	87.17	329443	2.61
501-1000	117	3.55	94459	0.75
1001-2000	117	3.56	167732	1.33
2001-3000	32	0.97	79351	0.63
3001-4000	16	0.49	56237	0.45
4001-5000	25	0.76	117328	0.93
5001-10000	48	1.46	363014	2.88
10001 & Above	67	2.04	11408066	90.43
<b>Total</b>	<b>3289</b>	<b>100.00</b>	<b>12615630</b>	<b>100</b>

XII. ANNUAL GENERAL MEETING INFORMATION:

**EIGHTEENTH ANNUAL GENERAL MEETING DETAILS:**

Details of the Meeting:	<b>Date</b> Tuesday, 27 <sup>th</sup> September, 2016 <b>Time</b> 11:30 A:M <b>Venue</b> Jubilee Hills International Centre, Road No.14, Jubilee Hills, Hyderabad-500 033.
Dates of book closure:	21 <sup>st</sup> September, 2016 to 27 <sup>th</sup> September, 2016 (Both days inclusive).
Dividend Payment Date	Not Applicable.



## QUANTUM BUILD - TECH LIMITED

Listing Stock Exchanges	BSE Limited (Trading w.e.f 19 <sup>th</sup> August, 2014) Hyderabad Stock Exchange Ltd. (De-recognized) Bangalore Stock Exchange Ltd. (De-recognized)
The Listing Fee	The listing fees for the year 2015-16 & 2016-17 has been paid to BSE Limited.
Stock Code (BSE Limited)	QUANTBUILD - 538596
CIN No.	L72200TG1998PLC030071
ISIN No.	INE 222B01028
Registrar & Share Transfer Agents:	Venture Capital & Corporate Investments Pvt. Ltd Address: 12-10-167, Bharat Nagar Colony, Hyderabad-18

### XIII. CATEGORY WISE SHAREHOLDING AS AT 31<sup>ST</sup> MARCH, 2016:

Category	Number of Equity Shares Held	% of Shareholding
Promoters	2730464	21.64
Corporate Bodies	1764974	13.99
Overseas Corporate Bodies	2150	0.02
Public Holding	8118042	64.35
<b>Total</b>	<b>12615630</b>	<b>100.00</b>

### XIV. DEMATERIALIZATION OF SHARES:

The Company has entered into separate Tripartite Agreement with the Depository CSDL along with M/s Venture Capital & Corporate Investments Private Limited as Registrar and Share Transfer Agents. As on 31.03.2016 a total of 1,00,96,944 shares i.e. 80.05% of the total listed shares have been dematerialized.

### XV. SHARE TRANSFER PROCESS:

The Company's shares are traded in Demat form at the Stock Exchanges. Only off- market trades can be delivered in physical form. All shares received for transfer are processed & returned to the shareholders within 15 days of receipt/ lodgment.

### XVI. OUTSTANDING BONDS/ CONVERTIBLE INSTRUMENTS: NIL

### XVII. ADDRESS FOR COMMUNICATION AND REGISTERED OFFICE:

8-1-405/A/66, Dream Valley, Near O.U Colony, Shaikpet, Hyderabad, Telangana-500 008.

Tel. No.: 040-23568766, Fax. No.: 040-23568990, Email ID: [info@quantumbuild.com](mailto:info@quantumbuild.com)

For and on behalf of the Board

Place: Hyderabad  
Date: 26.08.2016

G. Satyanarayana  
Managing Director  
DIN: 02051710

<b>Annexures to the Corporate Governance Report</b>	
<b>Annexures No.</b>	<b>Content</b>
I	Declaration for Compliance of Code of Conduct by Board.
II	CEO and CFO Certification

**Annexure-I****DECLARATION FOR COMPLIANCE OF CODE BY BOARD**

To  
The Board of Directors  
**QUANTUM BUILD-TECH LIMITED**  
Address: 8-1-405/A/66 Dream Valley,  
Near O.U Colony, Shaikpet,  
Hyderabad, Telangana.-500 008.

Dear Sir,

**Sub: Affirmation of compliance with the Code of Conduct for Board and Senior Management.**

I, **Guduru Satyanarayana**, Managing Director of Quantum Build-Tech Limited, do hereby confirm that I have read and understood the applicability of Code of Conduct to the Board of Directors and Senior Management of the Company in accordance with Regulation 17(5)(a) & (b) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, and,

That the Members of the Board have affirmed the compliance of the requirements of the Code during the Financial Year 2015-16.

Date: 26.08.2016  
Place: Hyderabad

**Guduru Satyanarayana**  
Managing Director  
DIN: 02051710





**Annexure-II**  
**CEO AND CFO CERTIFICATION**

**To,**  
**The Board of Directors**  
**Quantum Build-Tech Limited**  
**Hyderabad-500 008**

Dear Members of the Board,

We, G. Satyanarayana, Managing Director and M.R. Koteswara Rao, Chief Financial Officer of **Quantum Build-Tech Limited**, to the best of our knowledge and belief, certify that:

1. We have reviewed the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement of the Company and all the notes on accounts and the Board's report.
2. These statements do not contain any materially untrue statement or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report.
3. The financial statements, and other financial information included in this report, present in all material respects a true and fair view of the Company's affairs, the financial condition, results of operations and cash flows of the Company as at, and for, the periods presented in this report, and are in compliance with the existing accounting standards and / or applicable laws and regulations.
4. There are no transactions entered into by the Company during the year that are fraudulent, illegal or violate the Company's Code of Conduct and Ethics, except as disclosed to the Company's auditors and the Company's audit committee of the Board of Directors.
5. We are responsible for establishing and maintaining disclosure controls and procedures and internal controls over financial reporting for the Company, and we have :
  - a. Designed such disclosure controls and procedures or caused such disclosure controls and procedures to be designed under our supervision to ensure that material information relating to the Company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared.
  - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, 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 (GAAP) in India.
  - c. Evaluated the effectiveness of the Company's disclosure, controls and procedures.
6. We have disclosed, based on our most recent evaluation of the Company's internal control over financial reporting, wherever applicable, to the Company's auditors and the audit committee of the Company's Board:



- a. Any deficiencies in the design or operation of internal controls, that could adversely affect the Company's ability to record, process, summarize and report financial data, and have confirmed that there have been no material weaknesses in internal controls over financial reporting including any corrective actions with regard to deficiencies.
  - b. Any significant changes in internal controls during the year covered by this report.
  - c. All significant changes in accounting policies during the year have been disclosed in the notes to the financial statements.
  - d. Any instances of significant fraud of which we are aware, that involve the Management or other employees who have a significant role in the Company's internal control system.
7. We affirm that we have not denied any personnel access to the audit committee of the Company.
  8. We further declare that all Board members and senior management personnel have affirmed compliance with the Code of Conduct and Ethics for the year covered by this report.

**Place: Hyderabad**  
**Date: 26.08.2016**

**G. Satyanarayana**  
**Managing Director**

**M.R. Koteswara Rao**  
**Chief Financial Officer**



**CERTIFICATE ON COMPLIANCE WITH THE PROVISIONS OF  
CORPORATE GOVERNANCE**

To  
The Members,  
Quantum Build-Tech Limited  
Hyderabad.

We have examined the records of Quantum Build-Tech Limited, Hyderabad for the Purpose of certifying compliance of the conditions as stipulated in Clause 49 of the Listing Agreement of the Company with the Stock Exchanges for the period from 1<sup>st</sup> April, 2015 to 30<sup>th</sup> November, 2015 and as per the Schedule V(E) of Securities and Exchange Board of India (Listing Obligation and Disclosures Requirements) Regulations, 2015 (Listing Regulations) as referred to in Regulation 15(2) of the Listing Regulations for the period from 1<sup>st</sup> December, 2015 to 31<sup>st</sup> March, 2016. We have obtained all the information, which is best of our knowledge and belief were necessary for the purpose of certification.

The Compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination has been in the manner suggested in the Guidance Note on certification of Corporate Governance issued by the Institute of Company Secretaries of India and has been limited to a review of the procedures and implementation thereof adopted by the Company for ensuring compliance of conditions of Corporate Governance. It is neither an audit nor an expression of an opinion on the Financial Statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and based on our reliance upon the representations made by the management, that there were no transactions of material nature with the management, We certify that the Company has complied with the condition of Corporate Governance as stipulated in the above mentioned listing Agreement and Listing Regulations, as applicable.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

Place: Hyderabad  
Date: 25.08.2016

Ajay S Shrivastava  
Practicing Company Secretary  
FCS No.: 3489  
C P No.: 3479

## **INDEPENDENT AUDITOR'S REPORT**

To the Members of  
QUANTUM BUILD-TECH LIMITED

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

We have audited the accompanying financial statements of QUANTUM BUILD-TECH LIMITED (“the Company”) which comprise the Balance Sheet as at March 31, 2016, 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**

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 specified under Section 133 of the Act, read with 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.

### **Auditor's 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 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.



- i) Attention is invited to Note No.3.1.1 to Notes forming part of the Financial Statements regarding non-provision of the dividend on 13% cumulative redeemable preference shares amounting to ₹ 26,00,000/- for the year and Cumulative dividend amounting to ₹ 2,54,08,763/-.
- ii) Attention is invited to Note No.3.1.1 to Notes forming part of the Financial Statements regarding the redemption of 13% Cumulative Redeemable Preference Shares, The Company has defaulted in redeeming the said preference shares to the extent of ₹ 2,00,00,000/- due on 22nd December, 2008.
- iii) Attention is invited to Note 3.1.1 to Notes forming part of the Financial Statements regarding winding up petition filed by preference shareholders holding 2,00,000 preference shares for non redemption of preference shares.

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, subject to the above points (i) to (iii) 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, 2016, and its Loss and its Cash Flow for the year ended on that date.

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. 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 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 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
  - 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 written representations received from the directors as on March 31, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 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:

The system of internal financial controls over financial reporting with regard to Company were not updated from previous year to enable us to determine if the Company has continued the established adequate internal financial control systems over financial reporting at the aforesaid Company and whether such internal financial controls were operating effectively as at March 31, 2016.



We have considered the disclaimer reported above in determining the nature, timing, and extent of audit tests applied in our audit of the financial statements of Company and the disclaimer does not affect our opinion on the financial statements of the said Company.

- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 and in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations as at 31st March 2016 on its financial position in its financial statements as referred to in note 3.1.1, 5.1, 5.2, 6.1, 13.1 and 21(b) to the financial statements.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. In our opinion there are no amounts required to be transferred to the Investor Education and Protection Fund by the Company.

Place: Hyderabad  
Date: 30-05-2016

**FOR RAMBABU & Co.,**  
Chartered Accountants  
Firm Regd. No. : 002976S

**GVL Prasad**  
Partner  
M.No.026548



**“Annexure A” to the Independent Auditors' Report**

Referred to in paragraph 1 under the heading 'Report on Other Legal & Regulatory Requirement' of our report of even date to the financial statements of the Company for the year ended March 31, 2016:

- 1)
  - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
  - (b) The Company has a regular program of physical verification of its fixed assets by which all fixed assets are verified in a phased manner. In our opinion the periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- 2) In respect of Inventories:
  - a) As explained to us the inventories have been physically verified during the year by the management at reasonable intervals.
  - b) In our opinion and according to the information and explanations given to us the procedures of physical verification of inventories followed by the management were reasonable and adequate in relation to the size of the company and nature of its business.
  - c) In our opinion and according to the information and explanations given to us the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
- 3) The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the Register maintained under section 189 of the Act. Accordingly, the provisions of clause 3 (iii) (a) to (C) of the Order are not applicable to the Company and hence not commented upon.
- 4) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 In respect of loans, investments, guarantees, and security.
- 5) The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
- 6) We have broadly reviewed the cost records maintained by the Company pursuant to the rules prescribed by the Central Government of India under Section 148(1) of the Companies Act 2013 and are of the opinion that prima facie the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- 7)
  - a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company is not regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Sales tax, Service Tax, Duty of Customs, Duty of Excise, Value added Tax, Cess and any other statutory dues 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, 2016 for a period of more than six months from the date on when they become payable.
  - b) According to the information and explanation given to us, there are no dues of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax outstanding on account of any dispute.



- 8) In our opinion and according to the information and explanations given to us, the Company has defaulted in the repayment of dues to financial institution or banks. The Company has not issued any debentures.

S.No.	Name of the Bank	Principal	Interest
1.	Axis Bank Limited	1,50,00,000	1,19,60,453
2.	PNB Housing Finance Limited	2,00,00,000	90,69,435
3.	Axis Bank Limited	50,00,000	14,51,046

- 9) Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company and hence not commented upon.
- 10) Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.
- 11) Based upon the audit procedures performed and the information and explanations given by the management, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act;
- 12) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 4 (xii) of the Order are not applicable to the Company.
- 13) In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
- 14) Based upon the audit procedures performed and the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company and hence not commented upon.
- 15) Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.
- 16) In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.

Place: Hyderabad  
Date: 30-05-2016

**FOR RAMBABU & Co.,**  
Chartered Accountants  
Firm Regd. No. : 002976S

GVL Prasad  
Partner  
M.No. 026548





BALANCE SHEET AS AT 31ST, MARCH 2016

(Amount in ₹)

	Particulars	Note	As at 31 March 2016	As at 31 March 2015
<b>A.</b>	<b>EQUITY AND LIABILITIES</b>			
<b>1.</b>	<b>Shareholders' Funds</b>			
	(a) Share Capital	3	146,156,300	146,156,300
	(b) Reserves and Surplus	4	(31,798,968)	(31,686,605)
			<b>114,357,332</b>	<b>114,469,695</b>
<b>2.</b>	<b>Non-Current Liabilities</b>			
	(a) Long -Term Borrowings	5	35,520,481	35,520,481
			<b>35,520,481</b>	<b>35,520,481</b>
<b>3.</b>	<b>Current Liabilities</b>			
	(a) Short term Borrowings	6	26,960,453	23,631,895
	(b) Trade Payables	7	11,071,927	12,510,895
	(c) Other Current Liabilities	8	15,882,660	26,305,692
	(d) Short -Term Provisions	9	3,569,290	3,521,790
			<b>57,484,330</b>	<b>65,970,272</b>
	<b>TOTAL</b>		<b>207,362,143</b>	<b>215,960,448</b>
<b>B.</b>	<b>ASSETS</b>			
<b>1.</b>	<b>Non - Current Assets</b>			
	(a) Fixed Assets			
	Tangible Assets	10	331,895	598,453
			<b>331,895</b>	<b>598,453</b>
	(b) Long - Term Loans and Advances	11	39,501,348	40,604,348
			<b>39,501,348</b>	<b>40,604,348</b>
<b>2.</b>	<b>Current Assets</b>			
	(a) Inventories	12	142,887,096	156,632,956
	(b) Trade Receivables	13	10,550,534	7,445,300
	(c) Cash and Cash Equivalents	14	2,675,943	1,349,659
	(d) Short - Term Loans and Advances	15	11,415,327	9,329,732
			<b>167,528,900</b>	<b>174,757,647</b>
	<b>TOTAL</b>		<b>207,362,143</b>	<b>215,960,448</b>
	<b>See accompanying Notes Forming part of the Financial Statements 1 to 26</b>			

In terms of our report of even date attached.

**For Rambabu & Co.,**  
Chartered Accountants  
Firm Regd. No. : 002976S

**For and on behalf of the Board**

**GVL Prasad**  
Partner  
M.No.026548

**G. Satyanarayana**  
Managing Director

**K. Vijaya Rani**  
Director

Place : Hyderabad  
Date : 30-05-2016

**M.R. Koteswara Rao**  
Chief Financial Officer

**Shivani Sarda**  
Company Secretary

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST, MARCH 2016

(Amount in ₹)

	Particulars	Note	For the Year Ended 31 March 2016	For the Year Ended 31 March 2015
	<b>CONTINUING OPERATIONS</b>			
1.	Revenue from Operations	16	25,931,425	19,172,942
	Other Income		34,500	–
	<b>TOTAL</b>		<b>25,965,925</b>	<b>19,172,942</b>
2.	<b>Expenses</b>			
	(a) Cost of Materials Consumed	17.a	282,752	2,170,370
	(b) Cost of Labour Charges	17.b	6,296,990	4,551,591
	(c) Change in Contracts W.I.P.	17.c	8,454,275	(15,861,585)
	(d) Employee Benefits Expenses	18	4,218,105	3,786,819
	(e) Finance Cost	19	3,612,310	7,728,751
	(f) Depreciation and Amortisation Expenses		266,558	335,036
	(g) Other Expenses	20	2,947,298	21,720,146
	<b>TOTAL</b>		<b>26,078,288</b>	<b>24,431,128</b>
3.	<b>Profit before tax</b>		<b>(112,363)</b>	<b>(5,258,186)</b>
4.	<b>Less: Provision for Income Tax - Earlier Years</b>		<b>–</b>	<b>235,610</b>
5.	<b>Profit / (Loss) for the year</b>		<b>(112,363)</b>	<b>(5,493,796)</b>
6.	<b>Earnings per share (Nominal value of ₹ 10/- each)</b>			
	(a) Basic		(0.01)	(0.43)
	(b) Dilute		(0.01)	(0.43)
	<b>See accompanying Notes Forming part of the Financial Statements 1 to 26</b>			

In terms of our report of even date attached.

**For Rambabu & Co.,**  
Chartered Accountants  
Firm Regd. No. : 002976S

**For and on behalf of the Board**

**GVL Prasad**  
Partner  
M.No.026548

**G. Satyanarayana**  
Managing Director

**K. Vijaya Rani**  
Director

Place : Hyderabad  
Date : 30-05-2016

**M.R. Koteswara Rao**  
Chief Financial Officer

**Shivani Sarada**  
Company Secretary



**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST, MARCH 2016**

(Amount in ₹)

	Particulars	For the Year Ended 31 March 2016	For the Year Ended 31 March 2015
<b>A.</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
	Net Profit before tax	(112,363)	(5,258,186)
	Adjustments for:		
	Depreciation and Amortisation	266,558	335,036
	Loss on Sale of Asset	—	3,349
	Bad Debts written off	622,325	19,525,346
	Finance Charges	3,328,558	7,629,229
	<b>Operating profit before working capital changes</b>	<b>4,105,078</b>	<b>22,234,774</b>
	Changes in working capital:		
	Inventories	13,745,860	(7,471,858)
	Trade receivables	(3,727,559)	1,124,530
	Loans & Advances	(982,595)	(549,132)
	Trade payables	(1,438,968)	(9,462,416)
	Other Current liabilities	(10,423,032)	668,212
	Short-term provisions	47,500	(315,615)
		<b>1,326,284</b>	<b>6,228,495</b>
	Taxes paid	—	235,610
	<b>Net cash generated / (used in) operating activities (A)</b>	<b>1,326,284</b>	<b>5,992,885</b>
<b>B.</b>	<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
	Proceeds from sale of Asset	—	18,000
	<b>Net Cash used in Investing Activity (B)</b>	<b>—</b>	<b>18,000</b>
<b>C.</b>	<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
	Long-term borrowings	—	(4,735,000)
	<b>Net cash (used in) / generated from financing activities (C)</b>	<b>—</b>	<b>(4,735,000)</b>
	<b>Net increase in Cash and cash equivalents (A+B+C)</b>	<b>1,326,284</b>	<b>1,275,885</b>
	Cash and cash equivalents at the beginning of the year	1,349,659	73,774
	<b>Cash and cash equivalents at the end of the year</b>	<b>2,675,943</b>	<b>1,349,659</b>
	<b>See accompanying Notes Forming part of the Financial Statements 1 to 26</b>		

In terms of our report of even date attached.

**For Rambabu & Co.,**

Chartered Accountants  
Firm Regd. No. : 002976S

**For and on behalf of the Board**

**GVL Prasad**  
Partner  
M.No.026548

**G. Satyanarayana**  
Managing Director

**K. Vijaya Rani**  
Director

Place : Hyderabad  
Date : 30-05-2016

**M.R. Koteswara Rao**  
Chief Financial Officer

**Shivani Sarada**  
Company Secretary

**1. Corporation Information**

Quantum Build-Tech Limited is engaged in business of Construction of Housing & Development of Infrastructure for residential segment.. The Company carrying its activities from its registered office situated at H.No.8-1-405/A/66, Dream Vley , Near OU Colony, Shaikpet, Hyderabad - 500 008.

**2. SIGNIFICANT ACCOUNTING POLICIES****2.1 Basis of accounting and preparation of financial statements**

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 2013. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

**2.2 Use of Estimates**

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

**2.3 Inventories and Services**

a) Inventories are valued at the lower of cost (on FIFO / weighted average basis) and the net realisable value after providing for obsolescence and other losses, where considered necessary. Cost includes all charges in bringing the goods to the point of sale, including octroi and other levies, transit insurance and receiving charges and is net of credit under VAT and CENVAT scheme, where applicable.

b) Work-in-progress and finished goods have been valued at cost or net realizable value whichever is lower. Cost include all direct costs and appropriate proportion of overheads and, where applicable.

c) Construction work in progress is measured by reference to the actual cost incurred for the work performed up to the reporting date bear to the estimated total contract cost for each contract

**2.4 Cash and Cash Equivalents (for purposes of Cash Flow Statement)**

Cash comprises of cash on hand, amount in current accounts.

**2.5 Cash Flow Statement**

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

**2.6 Depreciation and Amortisation**

Depreciable amount for assets is the cost of an asset or other amount substituted for cost, less its estimated residual value. Depreciation on Tangible assets has been provided on straight line method (SLM) as per the useful life prescribed in Schedule II to the Companies Act,2013.



Depreciation on the additional value due to revaluation has been charged to be revaluation reserve account.

The estimated useful life of the intangible assets and the amortisation period are reviewed at the end of each financial year and amortisation method is revised to affect the changed pattern.

## **2.7 Revenue Recognition**

### **Contract Revenue & Expenses**

Revenue from projects under long term contracts is recognised by reference to the completion of the contract activity at the reporting date, where the contract activity extend beyond the reporting date, on the basis of percentage of completion method.

## **2.8 Tangible Fixed Assets**

Fixed assets are stated at cost of acquisition as reduced by accumulated depreciation. All costs including financial costs up to the date of commissioning and attributable to the fixed assets are capitalised apart from taxes, freight and incidental expenses related to the acquisition and installation of the respective fixed assets and excludes duties and taxes to the extent recoverable from tax authorities.

## **2.9 Intangible Assets**

Intangible assets are carried at cost less accumulated amortisation and impairment losses, if any. The cost of an intangible asset comprises its purchase price, including any import duties and other taxes (other than those subsequently recoverable from the taxing authorities), and any directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates. Subsequent expenditure on an intangible asset after its purchase / completion is recognised as an expense when incurred unless it is probable that such expenditure will enable the asset to generate future economic benefits in excess of its originally assessed standards of performance and such expenditure can be measured and attributed to the asset reliably, in which case such expenditure is added to the cost of the asset.

## **2.10 Employee Benefits**

- a) Gratuity is accounted on accrual basis and charged to profit and loss statement on reporting date.
- b) Employer contribution towards provident fund is accounted on accrual basis and charged to profit and loss statement on reporting date.
- c) Bonus and leave encashment is accounted on payment basis and charged to profit loss statement on reporting date.

## **2.11 Earnings Per Share**

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair

value (i.e.average market value of the outstanding shares).Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits/ reverse share splits and bonus shares, as appropriate.

**2.12 Taxes on Income**

Income tax liability for the year is calculated in accordance with the relevant tax laws and regulations applicable to the company. Deferred tax is recognised on timing differences, being the differences between taxable income and accounting income that originate in one period and are capable of reversal in one more subsequent periods.

**2.13 Impairment of Assets**

The carrying amounts of assets are reviewed at each Balance Sheet date to determine whether there is any indication of impairment of the carrying amount of the company's assets. The recoverable amount of such assets is estimated. Where the carrying amount of the asset exceeds the recoverable amount, the impairment loss is recognised in the statement of profit and loss.

**2.14 Provisions and Contingencies**

Provisions are recognised only when there is a present obligation as a result of past events and when a reliable estimate of the amount of obligation can be made Contingent liability is disclosed for (i) Possible obligation which will be confirmed only by future events not wholly within the control of the company or (ii) Present obligations arising from past events where it is not possible that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made. Contingent assets are not recognised in the financial statements since this may result in the recognition of income that may never be realised.



Notes forming part of the Financial Statements

3 Share Capital

	Particulars	As at	As at		
		31 March 2016	31 March 2015		
		₹	₹		
3.1	<b>(A) Authorised</b>				
	1,80,00,000 Equity shares of ₹10/- each with voting rights (Previous year 1,80,00,000 Equity shares of ₹10/- each with voting rights)	180,000,000	180,000,000		
	10,00,000 Cumulative Redeemable preference shares of ₹100/- each (Previous year 10,00,000 Cumulative redeemable preference shares of 100/- each)	100,000,000	100,000,000		
		<b>280,000,000</b>	<b>280,000,000</b>		
	<b>(B) Issued , Subscribed &amp; fully paid up</b>				
1,26,15,630 Equity shares of ₹10/-each with voting rights	126,156,300	126,156,300			
2,00,000 - 13% Cumulative Redeemable preference shares of ₹100/- each	20,000,000	20,000,000			
	<b>Total</b>	<b>146,156,300</b>	<b>146,156,300</b>		
3.1.1	<p>All Equity shares issued by the Company carry equal voting and participatory rights.</p> <p>13% Cumulative Redeemable Preference shares of ₹20,000,000/- is due for redemption on 22-12-2008, and the company has not redeemed . During the year the company has not made provision for preference dividend on balance 2,00,000 preference shares, due to insufficient profits. Arrears of Dividend as at 31st March,2016 is ₹25,408,763/- (as at 31st March,2015 is ₹22,808,763/-)</p> <p>The balance preference shareholders 1)Venugopal Reddy Pakanati &amp; Anuradha Reddy Pakanati jointly holding 1,00,000 preference shares and 2) Rajagopal Reddy Pakanati and Suneela Reddy Pakanati jointly holding 1,00,000 preference shares have filed a recovery suit in the court of City civil court at Secunderabad vide Ref No.O.S.No.492 of 2013 which is pending before the court.</p> <p>The above preference shareholders have also filed winding up petition against the company in the High Court of Judicature of Andhra Pradesh at Hyderabad vide Ref No. CP 44 of 2014 and CP 47 of 2014 which is pending before the Hon'ble High Court.</p>				
3.1.2	Particulars	As at 31 March 2016	As at 31 March 2015		
	Equity shares at the beginning of the year	12,615,630	12,615,630		
	Add : Movement during the year	-	-		
	<b>Equity shares at the end of the year</b>	<b>12,615,630</b>	<b>12,615,630</b>		
3.1.3	Details of Shareholders holding more than 5% shares				
	Name of the share holder	As at 31.03.2016		As at 31.03.2015	
		No. of Shares	% held	No. of Shares	% held
	Rajesh / Vamsi Cherukuri	1,162,916	9.22	1,162,916	9.22
	Punukollu kodanda Rambabu	1,085,114	8.60	1,085,114	8.60
	Kodali Vijaya Rani	1,045,350	8.29	1,045,350	8.29
	Raghavendra Appanagari	878,370	6.96	878,370	6.96
	Sekhar V Uppalapati	669,968	5.31	669,968	5.31
	M/s. Pancom Marketing Pvt Ltd	650,000	5.15	650,000	5.15

4 Reserves and Surplus			
	Particulars	As at	As at
		31 March 2016	31 March 2015
		₹	₹
	<b>(A) Capital Reserve ( Refer Note 4.1)</b>	3,500,000	3,500,000
	<b>(B) Statement of Profit &amp; Loss</b>		
	Opening Balance	(35,186,605)	(29,271,164)
	Add : Adjustment relating to Fixed Assets	-	(421,645)
	Add : Surplus / (Deficit) in statement of Profit & Loss	(112,363)	(5,493,796)
	<b>Total</b>	<b>(35,298,968)</b>	<b>(35,186,605)</b>
<b>4.1</b>	The Company has forfeited 17,50,000 share warrants of ₹ 2/-paid , for non payment of balance amount.		
<b>5 Long Term Borrowings</b>			
	Particulars	As at	As at
		31 March 2016	31 March 2015
		₹	₹
	<b>Term loans - Secured</b>		
	From banks		
	Axis Bank Ltd- Term Loan (Refer Note 5.1)	6,451,046	6,451,046
	PNB Housing Finance Ltd (Refer Note 5.2)	29,069,435	29,069,435
	<b>Total</b>	<b>35,520,481</b>	<b>35,520,481</b>
<b>5.1</b>	<p>The Company has taken overdraft facility from Axis Bank Ltd, Jubilee Hills branch, in the month of November,2006 for an amount of ₹200.00 Lacs, part of the overdraft has been converted into Term Loan by the bank in November,2008 for an amount of ₹50.00 Lacs at an interest rate of 14.25 % . The said term loan is secured by equitable mortgagage of 1320 &amp; 1095.89 Sq.yds of company own land in Jaihind Nagar, Shaikpet, Hyderabad and also equitable mortgagage of land &amp; building at Plot No.66, Dream Valley, Shaikpet, Hyderabad, in the name of K.Vijaya Rani &amp; P.Vamsidhar. The loan is repayable in 60 monthly equal installments of 116,990/-each from the date of conversion. The company has paid 20 monthly equal installments upto september 2010.</p> <p>Axis Bank Ltd has filed a case in the Hon'ble Debts Recovery tribunal against the company for recovery of debts vide case Reference No.O.A.No.436 of 2013, and the company also filed a case against Axis Bank Ltd vide case Reference No. SA.48 of 2012 and is pending before the Hon'ble Debts Recovery Tribunal.</p> <p>The term loan facility is further secured by personal guarantees of Sri P.Kodanda Rambabu, Smt K.Vijaya Rani &amp; Sri P.Vamsidhar</p>		
<b>5.2</b>	<p>The Company has utilised Term loan from PNB Housing Finance Ltd,Lakdikapul branch, in the month of April,2008 for an amount of ₹200.00 Lacs at an interest rate of 14.50 % p.a. The said term loan is secured by equitable mortgagage of 7744 Sq.Yds of land belonging to Smt.T.Vijaya Lakshmi who entered into developement agreement with the company for the development of Quantum Heights residential complex at Gajulararamaram. The term loan shall be repayable in 16 monthly installments commencing after 12 months of 1st disbursement of loan.</p> <p>The Company has filed a case in the Hon'ble Debts Recovery Tribunal against PNB Housing Finance Limited vide case Reference No.SA 673 of 2013, which is pending before the Hon'ble Debts Recovery Tribunal.</p> <p>The term loan facilities are further secured by personal guarantees of Sri G.Satyanarayana, Sri.P.Kodanda Rambabu, and Smt K.Vijaya Rani.</p>		
<b>5.3</b>	<p>During the year, company has not made provision for Interest of ₹624,000/-on Term loan from Axis Bank Limited and ₹4,756,452/- on Term loan from PNB Housing Finance Limited, since the matter is pending with the Debts Recovery Tribunal, Hyderabad.</p>		





6 Short - Term Borrowings			
	Particulars	As at	As at
		31 March 2016	31 March 2015
		₹	₹
	<b>Loans repayable on demand - Secured</b>		
	From Banks		
	Axis Bank Ltd - Cash Credit (Refer Note 6.1)	26,960,453	23,631,895
	<b>Total</b>	<b>26,960,453</b>	<b>23,631,895</b>
6.1	<p>The Company has taken overdraft facility from Axis Bank Ltd, Jubilee Hills branch, in the month of November,2006 for an amount of ₹200.00 Lacs,(Out of it ₹50.00 Lacs has been converted into Term loan in November,2008) at an interest rate of 12% p.a. The said overdraft facilities are secured by equitable mortgage of 1320 &amp; 1095.89 Sq.yds of company own land in Jaihind Nagar, Shaikpet, Hyderabad and also equitable mortgage of land &amp; building at Plot No.66, Dream Valley, Shaikpet, Hyderabad, in the name of K .Vijaya Rani &amp; P. Vamsidhar.</p> <p>Axis Bank Ltd has filed a case in the Hon'ble Debts Recovery tribunal against the company for recovery of debts vide case Reference No.O.A.No.436 of 2013, and the company also filed a case against Axis Bank Ltd vide case Reference No. SA.48 of 2012 and is pending before the Hon'ble Debts Recovery Tribunal.</p> <p>The said overdraft facilities are further secured by personal guarantees of Sri P.Kodanda Rambabu , Smt K.Vijaya Rani &amp; Sri P.Vamsidhar</p>		
7 Trade Payable			
	Particulars	As at	As at
		31 March 2016	31 March 2015
		₹	₹
	Sundry Creditors for Materials	2,169,817	3,126,055
	Sundry Creditors for Works	106,245	80,281
	Sundry Creditors for Services	8,795,865	9,304,559
	<b>Total</b>	<b>11,071,927</b>	<b>12,510,895</b>
8 Other Current Liabilities			
	Particulars	As at	As at
		31 March 2016	31 March 2015
		₹	₹
	<b>(A) Other Payables</b>		
	Outstanding Liabilities	130,410	176,706
	Others	241,430	241,430
	<b>(A)</b>	<b>371,840</b>	<b>418,136</b>
	<b>(B) Statutory Payables</b>		
	Professional Tax	200	150
	Service Tax	-	69,436
	TDS	31,531	288,808
	<b>(B)</b>	<b>31,731</b>	<b>358,394</b>
	<b>(C) Advances from Customers</b>	<b>(C)</b>	<b>(C)</b>
		<b>12,344,055</b>	<b>21,954,603</b>
	<b>(D) Interest Accrued</b>	<b>(D)</b>	<b>(D)</b>
		<b>3,135,034</b>	<b>3,574,559</b>
	<b>Total ( A+B+C+D)</b>	<b>15,882,660</b>	<b>26,305,692</b>
9 Short Term Provisions			
	Particulars	As at	As at
		31 March 2016	31 March 2015
		₹	₹
	<b>(A) Provision for Employee Benefits</b>		
	Provision for Gratuity (Refer Note 9.1)	428,308	380,808
	(B) Tax on Dividend	3,140,982	3,140,982
	<b>Total (A+B)</b>	<b>3,569,290</b>	<b>3,521,790</b>
9.1	The company has made provision for gratuity based on accrual calculations as on balance sheet date.		

(Amount in ₹)

Particulars	GROSS BLOCK				DEPRECIATION & AMORTISATION				NET BLOCK	
	Opening As on 01-04-15	Additions During the Year	Deletions During the Year	Balance as on 31-03-16	Balance as on 01-04-15	Deletions During the Year	For the Period 31-03-16	Total upto 31-13-16	As At 31-03-16	As At 31-03-15
Computers	501,152			501,152	476,094		0	476,094	25,058	25,058
Construction Equipment	149,463			149,463	76,777		23,901	100,678	48,785	72,686
Furniture & Fixtures	226,307			226,307	184,302		24,235	208,537	17,770	42,005
Office Equipment	118,991			118,991	109,076		1,983	111,059	7,932	9,915
Vehicles	2,527,141			2,527,141	2,209,413		191,371	2,400,784	126,357	317,728
Centering Materials	615,820			615,820	484,759		25,068	509,827	105,993	131,061
<b>Total</b>	<b>4,138,874</b>	<b>0</b>	<b>0</b>	<b>4,138,874</b>	<b>3,540,421</b>	<b>0</b>	<b>266,558</b>	<b>3,806,979</b>	<b>331,895</b>	<b>598,453</b>
<b>Previous Year</b>	<b>4,235,123</b>	<b>0</b>	<b>96,249</b>	<b>4,138,874</b>	<b>3,280,285</b>	<b>74,900</b>	<b>335,036</b>	<b>3,540,421</b>	<b>598,453</b>	<b>954,838</b>



11 Long-Term Loans and Advances			
	Particulars	As at	As at
		31 March 2016	31 March 2015
		₹	₹
(A)	<b>Loans and advances</b>		
	Unsecured Considered good		
	Advance for Land	35,000,000	35,000,000
	Others	4,350,000	5,450,000
	<b>(A)</b>	<b>39,350,000</b>	<b>40,450,000</b>
(B)	<b>Loans and advances to employees</b>		
	Unsecured, considered good	124,210	127,210
(C)	<b>TDS Receivable</b>		
	Unsecured considered good		
	TDS Receivable (Net of Provision)	27,138	27,138
	<b>Total (A+B+C)</b>	<b>39,501,348</b>	<b>40,604,348</b>

  

12 Inventories			
	Particulars	As at	As at
		31 March 2016	31 March 2015
		₹	₹
	Contracts work - in - Progress	126,451,642	134,905,917
	Project Land	16,435,454	21,727,039
	<b>Total</b>	<b>142,887,096</b>	<b>156,632,956</b>

  

13 Trade Receivables			
	Particulars	As at	As at
		31 March 2016	31 March 2015
		₹	₹
	Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
	Unsecured, considered good (Refer Note 13.1)	10,550,534	7,445,300
	<b>Total</b>	<b>10,550,534</b>	<b>7,445,300</b>

  

13.1	<p>a) The Company has filed a case U/s.138 of Negotiable Instruments Act for recovery of ₹ 305,089/- due from a customer vide case reference no. S.A.No.724 of 2012 filed with High Court ,Hyderabad, the management is confident of winning the case / recovering the dues and opinioned no provision is required.</p> <p>b) Debtors exceeding six months includes an amount of ₹ 3,304,852/- , the recovery of which is doubtful. However the management is confident of recovering the same.</p>		
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14 Cash and Cash Equivalents			
	Particulars	As at	As at
		31 March 2016	31 March 2015
		₹	₹
(A)	<b>Cash</b>		
	Cash on hand	191,539	584,930
(B)	<b>Balances with Banks in Current accounts</b>		
	(i) Karur Vysya Bank Ltd	2,454,852	734,963
	(ii) Punjab National Bank Ltd	19,552	19,766
	(iii) Axis Bank Ltd - ESW Preferential Issue account	10,000	10,000
	<b>Total (A+B)</b>	<b>2,675,943</b>	<b>1,349,659</b>

15 Short-Term Loans and Advances (Unsecured, Considered good)			
	Particulars	As at 31 March 2016	As at 31 March 2015
		₹	₹
(A)	<b>Loans and advances</b>		
	Other Advances	3,795,528	3,769,874
	Rent Deposit	1,100,000	1,100,000
	Electricity Deposit	29,074	29,074
	Other Deposits	217,708	217,808
	<b>(A)</b>	<b>5,142,310</b>	<b>5,116,756</b>
(B)	<b>Advance paid for Works</b>	<b>6,273,017</b>	<b>4,212,976</b>
	<b>Total ( A+B)</b>	<b>11,415,327</b>	<b>9,329,732</b>
16 Revenue from Operations			
	Particulars	As at 31 March 2016	As at 31 March 2015
		₹	₹
	Sale of Residential Flats (Gross )	6,000,000	384,990
	<b>Less:</b>		
	Service Tax	152,785	-
	Sales Tax	66,740	-
		<b>5,780,475</b>	<b>384,990</b>
	Contract Receipts	4,496,324	-
	Sale of Land	15,654,626	18,787,952
	<b>Total Net Sales</b>	<b>25,931,425</b>	<b>19,172,942</b>
17a. Cost of Materials Consumed			
	Particulars	As at 31 March 2016	As at 31 March 2015
		₹	₹
	Cost of Materials Purchased	282,752	2,170,370
	<b>Total</b>	<b>282,752</b>	<b>2,170,370</b>
17b. Cost of Labour Charges			
	Particulars	As at 31 March 2016	As at 31 March 2015
		₹	₹
	Labour charges	6,296,990	4,551,591
	<b>Total</b>	<b>6,296,990</b>	<b>4,551,591</b>
17c. Changes in Inventories of Work-in-Progress			
	Particulars	As at 31 March 2016	As at 31 March 2015
		₹	₹
	<b>Inventories at the End of the Year</b>		
	Work - in - Progress	126,451,642	134,905,917
	<b>Inventories at the Beginning of the Year</b>		
	Work-in-Progress	134,905,917	119,044,332
	<b>Total Net ( Increase ) / Decrease</b>	<b>8,454,275</b>	<b>(15,861,585)</b>



18	Employee Benefits Expenses		
	Particulars	As at 31 March 2016	As at 31 March 2015
		₹	₹
	Salaries & Wages	4,170,160	3,727,940
	Contributions to Gratuity	47,500	44,375
	Staff welfare expenses	445	14,504
	<b>Total</b>	<b>4,218,105</b>	<b>3,786,819</b>
19	Finance Cost		
	Particulars	As at 31 March 2016	As at 31 March 2015
		₹	₹
	(a) Interest On		
	(i) Term Loan (Refer Note 19.1)	–	4,711,618
	(ii) Working Capital Loan	3,328,558	2,917,611
	(iii) TDS	207,500	30,931
	(iv) Others	76,252	68,591
	<b>Total</b>	<b>3,612,310</b>	<b>7,728,751</b>
19.1	During the year, company has not made provision for Interest of ₹ 624,000/- on Term loan from Axis Bank Limited and ₹ 4,756,452/- on Term loan from PNB Housing Finance Limited, since the matter is pending with the Debts Recovery Tribunal, Hyderabad.		
20	Other Expenses		
	Particulars	As at 31 March 2016	As at 31 March 2015
		₹	₹
	Power and fuel	23,566	25,352
	Rent	114,000	114,000
	Repairs and maintenance	27,734	103,855
	Insurance	28,356	9,348
	Rates and taxes	405,673	252,341
	Registration Charges	–	217,100
	Communication	140,665	142,888
	Consultancy & Professional	270,123	156,536
	Bank Charges	2,709	3,031
	Payment to Auditors		
	Audit Fees	75,000	75,000
	Tax Audit Fees	25,000	25,000
	Other Services	23,158	–
	Travelling and conveyance	151,505	144,249
	Printing and stationery	93,016	59,525
	Freight & Transport charges	3,580	18,890
	Business promotion	6,450	1,709
	Advertisement Expenses	106,016	105,170
	AGM Expenses	7,129	5,315
	Office Maintenance	36,871	42,277
	Miscellaneous Expenses	13,427	20,600
	Bad Debts writte off	622,325	19,525,346
	Postage & Courier	36,523	47,560
	Vehicle Maintenance	506,729	527,501
	Loss on sale of vehicle	–	3,349
	Legal Expenses	13,250	94,204
	Late Filing Fees	214,493	–
	<b>Total</b>	<b>2,947,298</b>	<b>21,720,146</b>

21	<b>Contingent Liabilities :</b>	a) Capital commitments on account of unexecuted contracts ( Land Development Agreements) are estimated at ₹ 513 lakhs ( Previous year ₹ 513 lakhs ) b) Disputed seigniorage fees liability of ₹ 28.43 lakhs ( Fees ₹ 4.77 lakhs and penalty of ₹ 23.66 lakhs ) for which revision petition has been filed by the company.	
22	<b>Related Party Disclosures</b>		
	Key Management Personnel (KMP)	: Mr.G.Satyanarayana Mr.M.Rambabu Mr. M.R. Koteswara Rao	
23	<b>Transactions with Key Management Persons and their Relatives</b>	<b>KMP &amp; Relatives of KMP</b>	
	<b>Particulars</b>	As at <b>31 March 2016</b> ₹	As at <b>31 March 2015</b> ₹
	Remuneration & Perquisites	3,717,000	3,117,000
	Rent	114,000	114,000
	Salaries & Perquisites payable	7,975,032	8,148,318
	Rent Payable	626,894	526,500
24	Confirmations are not received in respect of the amounts relating to trade receivables, trade payables, loans & advances.		
25	<b>Dues to Micro, Small and Medium Enterprises :</b>		
	The identification of micro, small and medium enterprise suppliers as defined under the provisions of “Micro, small and medium enterprises Act, 2006” is based on Management’s knowledge of their status. There are no dues to micro, small and medium enterprises as on 31 March 2016.		
26	Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure. Figures are rounded off to the nearest ₹.		

In terms of our report of even date attached.

**For Rambabu & Co.,**  
 Chartered Accountants  
 Firm Regd. No. : 002976S

**For and on behalf of the Board**

**GVL Prasad**  
 Partner  
 M.No.026548

**G. Satyanarayana**  
 Managing Director

**K. Vijaya Rani**  
 Director

Place : Hyderabad  
 Date : 30-05-2016

**M.R. Koteswara Rao**  
 Chief Financial Officer

**Shivani Sarda**  
 Company Secretary



QUANTUM BUILD-TECH LIMITED

CIN: L72200TG1998PLC030071

Registered Office 8-1-405/A/66 Dream Valley, Near O.U Colony, Shaikpet. Hyderabad, Telangana.500008
Website www.quantumbuild.com • Tel: (040) 23568766 • Fax : (040) 23568990

18th Annual General Meeting on Tuesday, the 27th of September, 2016 at 11.30 A.M.

MGT-11 - PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Table with 2 columns: Field Name and Value. Fields include CIN, Name of the Company, Registered Office, Name of Member(s), Registered Address, Email ID, and Folio No./ DP ID - Client ID.

I/We, being the Member(s) of and hold/holds \_\_\_\_\_ shares of above named Company, hereby appoint:

(1) Name.....Address: .....
Email ID:..... Signature .....Or failing him/her
Name..... Address: .....
Email ID: ..... Signature .....Or failing him/her
(2) Name..... Address: .....
Email ID: ..... Signature .....Or failing him/her

As my/our proxy to attend and vote (on a poll) for me/us and On my/our behalf at the 18th Annual General Meeting of the Company to be held on Tuesday, the 27th September, 2016 at 11.30 A.M. at Jubilee Hills International Centre, Road No.14, Jubilee Hills, Hyderabad - 500033 and at any adjournment thereof in respect of such resolution:

Table with 3 columns: Item No., Description, For, and Against. Items include approval of financial statements, re-appointment of director, and ratification of auditors.

Signed this .....day of ..... 2016
Signature of Member(s): .....
Signature of Proxy holder(s): .....

Affix
Revenue
Stamp of
Re. 1/-

Notes:

- 1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. For the Resolutions, Statement setting out material facts thereon and notes, please refer to the Notice of the 18th Annual General Meeting.
3. A person can act as proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights.

LEFT BLANK INTENTIONALLY



LEFT BLANK INTENTIONALLY

LEFT BLANK INTENTIONALLY

## QUANTUM BUILD-TECH LIMITED

CIN: L72200TG1998PLC030071

Registered Office 8-1-405/A/66 Dream Valley, Near O.U Colony, Shaikpet. Hyderabad- Telangana 500008

Website www.quantumbuild.com • Tel: (040) 23568766 • Fax : (040) 23568990

**18<sup>th</sup> Annual General Meeting on Tuesday, the 27<sup>th</sup> of September, 2016 at 11.30 A.M.**

### **ATTENDANCE SLIP**

[PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE AUDITORIUM]

Name and address of the registered member	
Folio No./DP ID No./ Client ID No.	
No. of Shares	

I hereby record my presence at the 18<sup>th</sup> Annual General Meeting of the Company to be held at Jubilee Hills International Centre, Road No.14, Jubilee Hills, Hyderabad – 500033 on Tuesday, the 27<sup>th</sup> day of September, 2016 at 11.30 A.M

Signature of the Member/Joint Member/Proxy attending the Meeting

<b>Electronic Voting Event Number (EVSN)</b>	<b>User ID</b>	<b>Password</b>

**Note:**

Person attending the Meeting is requested to bring this Attendance Slip and Annual Report with him/her. Duplicate Attendance and Annual Report will not be issued at the Annual General Meeting.

**PRINTED MATTER**

*If Undelivered, Please return to :*

**M/s. Quantum Build-Tech Limited**

8-1-405/A/66, Dream Valley, Shaikpet,  
Hyderabad - 500 008.