



QUANTUM BUILD-TECH LIMITED

**19th Annual Report
2016 - 2017**

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BOARD OF DIRECTORS:

Mr. Guduru Satyanarayana
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

REGISTERED OFFICE

8-1-405/A/66, Dream Valley, Shaikpet,
Hyderabad – 500008
Phone No. 040-23568766, Fax: 040-23568990
E-mail: info@quantumbuild.com
Website: www.quantumbuild.com

STATUTORY AUDITORS:

M/s SURYANARAYANA & SURESH
Chartered Accountants
Flat No. C2, Millenium House, Road No. 10,
Near Zaheer Nagar X Road, Banjara Hills,
Hyderabad – 500034
Phone No. 040-23386783, 23386784

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

SHARE TRANSFER AGENTS

Venture Capital & Corporate
Investments Private Limited
12-10-167, Bharat Nagar Colony
Hyderabad - 500 018
Phone : 040-23818475, Fax : 040-23568024
Ms. Payal Bang
E-mail : cs@quantumbuild.com

COMPLIANCE OFFICER & COMPANY SECRETARY



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.

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

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 or info@vccipl.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 Nineteenth Annual General Meeting of the members of **QUANTUM BUILD-TECH LIMITED** will be held on Thursday, the 28th day of September, 2017 at 11.30 A.M at the Hyderabad Gymkhana, Road No. 2, Banjara Hills, Hyderabad – 500034 (Telangana) to transact the following business:-

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements for the Financial year ended on 31st March, 2017 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 appoint of M/s Suryanarayana & Suresh, Chartered Accountants, Hyderabad as the Statutory Auditors of the Company and in this regard to consider and if thought fit, to pass the following resolution:

“RESOLVED THAT pursuant to Section 139(2), and other provisions applicable, if any, of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014, the consent of the members be and is hereby accorded to appoint of **M/s. Suryanarayana & Suresh, Chartered Accountants, (Firm Regn. No. 006631S)**, as the Statutory Auditors of the Company, to hold the office from the conclusion of this Annual General Meeting till the conclusion of the Twenty Fourth Annual General Meeting of the Company, subject to ratification at every Annual General meeting, at a remuneration as may be decided by the Board with the mutual consent of the Auditors.”

SPECIAL BUSINESS:

4. Re-appointment of Mr. Guduru Satyanarayana as Managing Director of the Company:

To consider and if thought fit, to pass, the following resolution as Ordinary Resolution:

“RESOLVED THAT pursuant to Section 196, 197 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any statutory modification or re-enactment thereof) read with Schedule V of the Act, the Articles of Association of the Company, and on the recommendation of the Nomination and Remuneration Committee of the Company, the consent of the members be and is hereby accorded for the re-appointment of Mr. Guduru Satyanarayana (DIN: 02051710) as the Managing Director of the Company with effect from 1st September, 2017, on the following terms of remuneration:

- i. Salary: Rs. 1,00,000/- per month;
- ii. Perquisites and allowances, aggregate value of which shall not exceed: Rs. 9,00,000/- per annum;
- iii. Other terms and conditions as per the policy of the Company.

“RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised to do all such acts, deeds and things as may be deemed expedient to give effect to the above resolution.”



5. Re-appointment of Mr. Manne Rambabu as Whole-time Director of the Company:

To consider and if thought fit, to pass, the following resolution as Ordinary Resolution:

“RESOLVED THAT pursuant to Section 196, 197 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made there under (including any statutory modification or re-enactment thereof) read with Schedule V of the Act, the Articles of Association of the Company, and on the recommendation of the Nomination and Remuneration Committee of the Company, the consent of the members be and is hereby accorded for the re-appointment of Mr. Manne Rambabu (DIN: 02413835) as the Whole-time Director of the Company with effect from 1st September, 2017, on the following terms of remuneration:

- i. Salary: Rs. 77,500/- per month;
- ii. Perquisites and allowances, aggregate value of which shall not exceed: Rs. 9,00,000/- per annum;
- iii. Other terms and conditions as per the policy of the Company.”

“RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised to do all such acts, deeds and things as may be deemed expedient to give effect to the above resolution.”

6. Appointment of Mr. Kanduri Saraswathi Kumar as an Independent Director:

To consider and if thought fit, to pass, the following resolution as Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (Act) and the Rules framed there under (including any statutory modification or re-enactment thereof), read with Schedule IV to the Act, as amended from time to time, Mr. Kanduri Saraswathi Kumar (DIN: 02788086.), a non-executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company for a period of five years, with effect from the date of this Annual General Meeting.”

“RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised to do all such acts, deeds and things as may be deemed expedient to give effect to the above resolution.”

By Order of the Board
For **Quantum Build-Tech Limited**

Date : 11.08.2017
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 **18th August, 2017**.
4. The copy of Annual Report, Notice of 19th 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
6. The Register of Members and Share Transfer Books of the Company will remain closed from **Friday, 22nd September, 2017 to Thursday, 28th September, 2017 (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 Annual General Meeting.
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 Annual General Meeting 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 Annual General Meeting 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 19th 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, **Venture Capital & Corporate Investments Private Limited, 12-10-167, Bharat Nagar Colony, Hyderabad- 500018 (Telangana)**.
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 Annual General Meeting. 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 SEBI (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").

EXPLANATORY STATEMENT

[Pursuant To Section 102(2) of the Companies Act, 2013]

Item No. 4:

The term of office of Mr. Guduru Satyanarayana as the Managing Director of the Company is about to conclude. On the recommendation of the Nomination and Remuneration Committee, the Board at its meeting held on 11.08.2017 have approved the re-appointment of Mr. Guduru Satyanarayana as the Managing Director of the Company for a period of Five years effective from 01.09.2017, subject to the consent of the members at the ensuing Annual General Meeting.

Further more, in appreciation of his experience and expertise in the business of the Company and overseeing the tough times, it is proposed to revise the terms of remuneration, within the prescribed limits of Section 197 of the Companies Act, 2013 and the Rules thereunder as detailed below:

- i. Salary: Rs. 1,00,000/- per month;
- ii. Perquisites and allowances, aggregate value of which shall not exceed: Rs. 9,00,000/- per annum;
- iii. Other terms and conditions as per the policy of the Company.

Pursuant to Section 196 of the Act, the appointment/ re-appointment of Managing Director/ Whole-time Director shall be approved by the members of the Company. The Board recommends the approval of members to the said resolution.

None of the Directors, except Mr. Guduru Satyanarayana, are in anyway interested or concerned in the said resolution.

A brief profile of the Director is annexed herewith for your perusal.



Item No. 5:

The term of office of Mr. Manne Rambabu as the Whole-time Director of the Company is about to conclude. On the recommendation of the Nomination and Remuneration Committee, the Board at its meeting held on 11.08.2017 have approved the re-appointment of Mr. Manne Rambabu as the Whole-time Director of the Company for a period of Five years effective from 01.09.2017, subject to the consent of the members at the ensuing Annual General Meeting.

Pursuant to Section 196 of the Act, the appointment/ re-appointment of Managing Director/ Whole-time Director shall be approved by the members of the Company. The Board recommends the approval of members to the said resolution.

None of the Directors, except Mr. Manne Rambabu, are in anyway interested or concerned in the said resolution.

A brief profile of the Director is annexed herewith for your perusal.

Item No. 6:

On the recommendation of the Nomination and Remuneration Committee, the Board at its meeting held on 11.08.2017 have approved the appointment of Mr. Kanduri Saraswathi Kumar as an Independent Director of the Company for a period of Five years effective from the ensuing Annual General Meeting, subject to the consent of the members.

Pursuant to the provisions of Section 149 of the Companies Act, 2013, every listed public company is required to have at least one-third of the total number of directors as independent directors, who are not liable to retire by rotation.

Mr. Kanduri Saraswathi Kumar, non-executive director of the Company, has given a declaration to the Board that he meets the criteria of independence as provided under Section 149(6) of the Act. The Board opines that the director fulfills the conditions specified in the Act and the Rules framed thereunder for appointment as Independent Director. The terms and conditions of appointment of the above Directors shall be open for inspection by the Members at the Registered Office of the Company during normal business hours on any working day.

The Board has recommended the appointment of Mr. Kanduri Saraswathi Kumar as Independent Director for a period of 5 years effective from the date of this Annual General Meeting.

None of the Directors, except Mr. Kanduri Saraswathi Kumar, are in anyway interested or concerned in the said resolution.

A brief profile of the Director is annexed herewith for your perusal.

BRIEF PROFILE OF THE DIRECTORS:

MRS. KODALI VIJAYA RANI:

Mrs. KODALI VIJAYA RANI is aged about 68 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.



MR. GUDURU SATRYANARAYANA :

Mr GUDURU SATYANARAYANA, aged 69 years. He is a bachelor of engineering from Osmania University and has more than three decades of experience. Executed many civil works like excavation of canals, construction of residential as well as commercial complexes, construction of bridges and roads for public sector undertakings like NTPC (National Thermal Power Corporation), Singareni Collieries, MES (Military Engineering Services), public works departments for the states of Gujarat, Madhya Pradesh, Telangana & Andhra Pradesh. He has developed commercial complexes like Pancom Chambers at Rajbhavan Road and Pancom Business Centre at Ameerpet. Developed a prestigious residential township-Dream Valley located in the vicinity of Jubilee Hills, Hyderabad.

MR. MANNE RAMBABU :

Mr. MANNE RAMBABU is aged about 69 years and resident of Hyderabad. He is having qualification of LCE from Govt. Polytechnic and having more than 3 decades of experience in National Thermal Power Corporation (NTPC) and retired as Senior Manager - Construction.

MR. KANDURI SARASWATHI KUMAR:

Mr. KANDURI SARASWATHI KUMAR is aged about 56 years and resident of Hyderabad. He is having qualification of Intermediate. He is having 15 years of experience in Administration.



INSTRUCTIONS-VOTING THROUGH ELECTRONIC MEANS

1. The voting period begins on **Monday, the 25th day of September, 2017 (9:00 AM) and ends on Wednesday, the 27th day of September, 2017 (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 21st September, 2017**, 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.
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 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:

For Members holding shares in Demat Form and Physical Form	
PAN	<ul style="list-style-type: none"> • Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) • 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. • 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.

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 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.
- 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 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, under help section or write an email to 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 Suman Shrivastava, Practicing Company Secretary, Hyderabad (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 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.

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**DIRECTORS' REPORT**

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

1. INTRODUCTION :

Your Directors have pleasure in presenting Nineteenth Annual Report on the Business and operations of the Company together with the Audited Financial statements for the year ended on 31st March 2017.

2. FINANCIAL RESULTS:

The financial performance of the Company, for the year ended 31st March, 2017 is summarized below: (In Rupees)

Particulars	Year ended on 31.03.2017	Year ended on 31.03.2016
Turnover	3,03,89,724	2,59,65,925
Profit/ (Loss) before Taxation	(1,72,69,117)	(1,12,363)
Less: Tax Expenses		
i.) Current Year	—	—
ii.) Provision for Income tax for Earlier years	18,261	—
Profit/ (Loss) after tax	(1,72,87,378)	(1,12,363)
Profit/(Loss) C/F to the Next Year	(1,72,87,378)	(1,12,363)

3. STATE OF AFFAIRS OF THE COMPANY AND FUTURE OUTLOOK:

During the period under review, the turnover of the Company has increased about 14.55% as against that of the previous year but the losses have increased due to reduced Contracts.

The infrastructure sector has been showing signs of recovery, which is likely to further acquire momentum in the medium term with the positive proposals in the Union Budget 2017-2018. Overall, as the new regulatory framework is rolling out and the Government is taking initiatives for revival of Real Estate business, the market scenario seems to be resurgent. Your Directors are optimistic about Company's future and hope to reap more revenues in coming years to mitigate losses.

During the year, the Company and PNB Housing Finance Limited, had agreed for Full and Final Settlement for repayment of Outstanding Loan. The said Bank has issued a No Objection Certificate (NOC) on 23rd January, 2017, and the charge was satisfied upon the payment. Likewise, the Company has entered into a Memorandum of Understanding (MoU) with Axis Bank Limited on 23rd March, 2017 for One Time Settlement of outstanding Loan.

Your Company is in the process of redeeming 2,00,000- 13% Cumulative Redeemable Preference Shares of Rs. 100/- each, which were due for redemption since 2008. Due to losses and adverse market condition in the real estate sector, the Company was not in a position to redeem the same.



However, the Board has planned to resolve the above matters, which would enable the Company to show the actual financial position in the Balance Sheet, the representing Assets value which will facilitate the Company to approach Banks and other institutions for financial assistance to revive and develop the business of the Company.

4. CHANGE IN NATURE OF BUSINESS:

During the year under review, there was no change in the nature of business of the Company.

5. DIVIDEND:

During the period under review, the Company has not been able to earn profits so as to reward the shareholders. Therefore, your directors do not recommend any dividend for the year under review.

6. TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND:

The provisions of Section 125(2) of the Companies Act, 2013 do not apply as the Company has not declared and paid dividend.

7. AMOUNT TRANSFERRED TO RESERVES:

The amount to be carried forward to the Balance Sheet, for the period under review is Rs. (1,72,87,378)/-

8. SHARE CAPITAL:

The Paid up 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 – 13% Cumulative Redeemable Preference Shares of Rs. 100/- each, which are unlisted shares.

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 Voting 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.

9. 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.

10. ANNUAL RETURN:

The extracts of the Annual Return pursuant to the provisions of Section 92(3) of the Companies Act, 2013 read with Rule 12 of the Companies (Management and Administration) Rules, 2014 in Form No. MGT-9 is enclosed herewith as "Annexure I".

**11. DIRECTORS:**

Your Board consist of Six Directors including Three Independent Non- Executive Directors. The declaration from 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 in the ensuing Nineteenth Annual General Meeting and being eligible, offers herself for re-appointment. Her Profile is appended to the Notice. Your Board recommends her re-appointment.

During the year under review, the Board appointed Ms. Shivani Sarada, an Associate members of the Institute of Company Secretaries of India, as Company Secretary and Compliance Officer of the Company as per Section 203 of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Rules, 2015.

The term of Shri Guduru Satyanarayana as the Managing Director of the Company is about to conclude. Considering his experience and expertise in the business of the Company, and on the recommendation of Nomination and Remuneration Committee, the Board recommends the re-appointment of Shri Guduru Satyanarayana as the Managing Director for a period of five years with effect from 01.09.2017, in accordance with Section 196 of the Companies Act, 2013, on revised terms of remuneration.

Further, the term of office of Shri Manne Rambabu as Director (Technical) of the Company is about to complete. Keeping in view his experience and contribution in the development of the Company, and on the recommendation of Nomination and Remuneration Committee, the Board recommends the re-appointment of Shri Rambabu Manne as Director (Technical) for a period of five years effective from 01.09.2017, on the same terms of remuneration.

On the recommendation of the Nomination and Remuneration Committee, the Board has approved the appointment of Mr. Kanduri Saraswathi Kumar as an Independent Director of the Company for a period of Five years, effective from the ensuing Annual General Meeting, subject to the consent of the members. Mr. Kanduri Saraswathi Kumar, non-executive director of the Company, has given a declaration to the Board that he meets the criteria of independence as provided under Section 149(6) of the Act. The Board recommends his appointment.

A. Board Meetings:

During the year under review, the Board of Directors met **Seven** times and the dates of the Board Meetings are: 05.05.2016, 30.05.2016, 11.08.2016, 26.08.2016, 11.11.2016, 13.02.2017 and 23.03.2017. The details of the Meetings of Board are covered in the Corporate Governance Report.

B. Key Managerial Personnel (KMPs):

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

- | | |
|-----------------------------|---|
| 1. Mr. Satyanarayana Guduru | - Managing Director |
| 2. Mr. Manne Rambabu | - Whole Time Director (Technical) |
| 3. Mr.M.R. Koteswara Rao | - Chief Financial Officer |
| 4. Ms. Shivani Sarada | - Company Secretary and Compliance Officer. |

However, Ms. Shivani Sarada resigned from the position of Company Secretary and Compliance officer of the Company on 10.04.2017. The Board places on record appreciation for the services and contribution made by her during her tenure.

Your Board has subsequently inducted Ms. Payal Bang, an associate member of the Institute of Company Secretaries of India, (ICSI) bearing Membership No. A49439, as the Company Secretary and Compliance officer of the Company w.e.f.11.08.2017.



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 have 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.

The Extract of the Policy on Evaluation of Performance of the Board, its Committees and individual Directors, is 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 held on 05.01.2017, the 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 is NA.

12. DIRECTORS' RESPONSIBILITY STATEMENT:

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, 2017, 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, 2017 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.

13. 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 and 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 Controls are included in the Management Discussion and Analysis Report, which forms part of the Annual Report.

14. STATUTORY AUDITORS:

Pursuant to Section 139 of the Companies Act, 2013 and the resolutions passed by the members in the 16th Annual General Meeting of the Company, the term of M/s. Rambabu & Co., Chartered Accountants, (Firm Registration No. 002976S) as the Statutory Auditors of the Company, shall conclude at the ensuing Annual General Meeting.

As per the provisions of Section 139(2) of the Act, and the recommendation of the Audit Committee, your Board proposes to appoint M/s Suryanarayana & Suresh, Chartered Accountants (Firm Registration No. 006631S), as Statutory Auditors of the Company from the conclusion of this Annual General Meeting till the conclusion of the Twenty Fourth Annual General Meeting of the Company. 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 their appointment.

15. SECRETARIAL AUDIT:

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company had appointed Shri Ajay Suman Shrivastava, Practicing Company Secretary, Hyderabad, to undertake the Secretarial Audit of the Company for the financial year 2016-17 and certify the same for the Company.

The Secretarial Audit Report is provided as '**Annexure II**' to this report.

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

The explanation of the Board to the qualifications and/or reservations made by Statutory Auditors in their report, are as follows:



i. Reference is invited to Note 3.1.1 of the Financial Statement:

Since, the profits of the Company are not sufficient to pay the dividend on 13% Cumulative Redeemable Preference Shares. Hence, the Company has not made provisions for Preference dividend since 2008.

ii. Reference is invited to Note 5.1 of the Financial Statement:

Axis Bank Ltd. Had filed a case against the Company in the Hon'ble Debt Recovery Tribunal 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 it is pending before the Hon'ble Debt Recovery Tribunal, during the period under review. During the year, the Company has entered into MOU with Axis Bank Limited for settlement of outstanding Loan.

iii. Reference is invited to Note 13.1 of the Financial Statement:

The Company has initiated the proceedings to recover the said dues and the same are pending. However, the management is confident of recovering the same.

17. 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.

18. PARTICULARS OF EMPLOYEES:

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

19. ANTI SEXUAL HARASSMENT POLICY:

Your Company has female employees and the Company has meagre staff/ employees are and mostly 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 work place(Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder.

20. RISK MANAGEMENT:

The management has put in place effective and robust system for the purposes of identification and mitigation of risks involved in the business of the Company. 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. Level of Competition;
- b. Fluctuation in prices of raw-materials;
- c. Availability of skilled manpower;
- d. Tax structure

21. ESTABLISHMENT OF VIGIL MECHANISM:

In accordance with Regulation 22 of SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015, the Company has formulated and established vigil mechanism 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 made available on the website of the Company at the following link i.e.– <http://www.quantumbuild.com/images/pdf/vigil-mechanism-policy.pdf>.

**22. 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, during the Financial Year 2016-17. 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. The required disclosure as per the Accounting Standard-18 (AS-18) has been made by the Auditors in the notes forming part of the Financial Statements.

Since, there are no contracts or arrangements with Related parties, no disclosure is required under Section 188 of the Act.

23. CORPORATE SOCIAL RESPONSIBILITY (CSR):

During the financial year under review, the Company's performance does not attract the provisions set out under Section 135 of the Companies Act, 2013 read with rules made thereunder. Hence, the compliances to the provisions of Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014, are not required.

24. CORPORATE GOVERNANCE:

Corporate governance is concerned about maximizing shareholder value legally, ethically and sustainably. The goal of corporate governance is to ensure fairness for every stakeholder. The Board of Directors of the Company opine that sound corporate governance is critical to enhance and retain investor trust.

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, at the web link - <http://www.quantumbuild.com/images/pdf/code-of-conduct-15-05-2015.pdf>

A report on Corporate Governance covering amongst other details of Meetings of the Board and Committees along with a Certificate for compliance with the Corporate Governance requirements of Regulations 17 to 27 read with Schedule V and clauses (b) to (i) of Regulation 46(2) of SEBI (LODR) Regulations, 2015, as applicable, with regard to Corporate Governance, issued by Shri Ajay Suman Shrivastava, Practicing Company Secretary, forms part of the Annual Report.

25. POLICY ON DIRECTORS' APPOINTMENT, REMUNERATION AND DISCHARGE OF THEIR DUTIES:

Your Company has a duly constituted Nomination and Remuneration Committee of Directors in accordance with the requirements of Section 178 of the Companies Act, 2013 read with Regulation 19 of SEBI (LODR) Regulations, 2015. The Nomination and Remuneration Committee of your Board had fixed various criteria for nominating a person on the Board which inter alia include desired size and composition of the Board, age limits, qualification/experience, areas of expertise and independence of individual.

26. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013:

There were no loans given, guarantees provided or investments made by the Company under Section 186 of the Companies Act, 2013 during the financial year under review.

27. SUBSIDIARY, HOLDING, ASSOCIATE COMPANIES AND JOINT VENTURES:

The Company does not have any Subsidiary, Holding, Joint Venture or Associate Company.

28. 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 RELATE 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 these financial statements relate, till the date of this report.



29. 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:

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.	
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.	
4.	The expenditure incurred on Research and Development.	NIL

FOREIGN EXCHANGE EARNINGS AND OUTGO:

Particulars of foreign currency earnings and outgo during the financial year are NIL.

30. LISTING:

The Equity shares of your Company are listed at Bombay Stock Exchange (BSE Ltd.). Your Company has duly complied with all the requirements of concerned Stock Exchange in accordance with applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.

31. ACKNOWLEDGEMENTS:

Your Directors place on record their sincere thanks to bankers, business associates, consultants, and various Government Authorities for their continues support extended to your Company's activities during the year under review. Your Directors also acknowledge gratefully the Shareholders for their support and confidence reposed on the Company.

For and on behalf of the Board

Date: 11.08.2017
Place: Hyderabad

Guduru Satyanarayana
Managing Director
DIN: 02051710

Kodali Vijaya Rani
Director
DIN: 00102286



ANNEXURE - I
FORM NO. MGT-9
EXTRACT OF ANNUAL RETURN
as on the Financial Year ended on 31st March, 2017
[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
NIL					

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	
A. Promoter									
1) Indian									
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
Sub-total(A)(1)	2730464		2730464	21.64	2730464		2730464	21.64	0
2) Foreign									
g) NRIs-Individuals									
h) Other-Individuals									
i) Bodies Corp.									
j) Banks / FI									
k) Any Other									
Sub-total(A)(2)									
B. Public Shareholding									
1. Institutions									
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)									
Sub-total (B)(1)		2150	2150	0.02		2150	2150	0.02	
2. Non Institutions									
a) Bodies Corp.	1764974	-	1764974	13.99	1931532	-	1931532	15.31	1.32
(i) Indian									
(ii) Overseas									
b) Individuals									
(i) Individual shareholders holding nominal share capital upto Rs. 2 lakh	1255693	183652	1439345	11.41	1316851	183352	1500203	11.89	0.48
(ii) Individual shareholders holding nominal share capital in excess of Rs. 2 lakh	2902956	500000	3402956	26.97	3180344	500000	3680344	29.17	2.20
c) Others (Specify)	1442857	1832884	3275741	25.97	938053	1832884	2770937	21.97	-4.01
Sub-total(B)(2)	7366480	2516536	9883016	78.34	7366780	2516236	9883016	78.34	—
Total Public Shareholding (B)=(B)(1)+ (B)(2)	7366480	2518686	9885166	78.36	7366780	2518386	9885166	78.36	—
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	10096944	2518686	12615630	100.00	10097244	2518386	12615630	100.00	—



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.	Rajesh Cherukuri Vamsi Cherukuri				
	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.	Raghavender Rao Appannagari				
	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	Sekhar V Uppalapati				
	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	Pancom Marketing Private Limited				
	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	Geekayar Developers Private Limited				
	At the beginning of the year	545000	4.32	-	-
	Differences during the Year			-	-
	At the End of the year	-	-	545000	4.32
6	Krishna Guduru				
	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	Neelima Guduru				
	At the beginning of the year	462116	3.66	-	-
	Differences during the Year	0	0	-	-
	At the End of the year	-	-	462116	3.66
8	Himabindu Guduru				
	At the beginning of the year	100000	0.79	-	-
	Differences during the Year	300000	2.38	-	-
	At the End of the year	-	-	400000	3.17
9	Ratan Chand Guduru				
	At the beginning of the year	117700	0.93	-	-
	Differences during the Year	200000	1.59	-	-
	At the End of the year	-	-	317700	2.52
10	Cherukuri Naresh				
	At the beginning of the year	300000	2.38	-	-
	Differences during the Year	0	0	-	-
	At the End of the year	-	-	300000	2.38



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	(2,92,68,596)			(2,92,68,596)
Net Change	(2,92,68,596)			(2,92,68,596)
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)	3,32,12,338	-	-	3,32,12,338

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/s17(2) Income-tax Act,1961	8,67,000	3,60,000	12,27,000
	(c)Profits in lieu of salary under section17(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	12,90,000	27,57,000
	Ceiling as per theAct; 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 Shivani Sarda (Per Annum)	CFO M.R. Koteswara Rao (Per Annum)	TOTAL
1.	Gross salary: 1. Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961. 2. Value of Perquisites/s 17(2) Income-tax Act, 1961 3. Profits in lieu of salary under section 17(3) Income-tax Act, 1961		2,20,000	6,00,000	8,20,000
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
	Total		2,20,000	6,00,000	8,20,000

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF 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)
A. Company					
Penalty					
Punishment					
Compounding					
B. Directors					
Penalty					
Punishment					
Compounding					
C. Other Officers In Default					
Penalty					
Punishment					
Compounding					

Place: Hyderabad

For and on behalf of the Board

Date: 11.08.2017

Guduru Satyanarayana
Managing Director
DIN: 02051710

Kodali Vijaya Rani
Director
DIN: 00102286



"Annexure-II"

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31.03.2017

[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 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 31st March, 2017, 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 31st March, 2017 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.

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) SEBI (Listing obligations and Disclosure Requirement) Regulations 2015.

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 except for the application made by the Company for remittance for redemption of Preference shares.

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. Proceedings for overdues to a Bank are pending at Debt Recovery Tribunal 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 and prevalent labour laws. During the period under Audit, there were NIL compliances, since no construction activity undertaken during the said period.

Place: Hyderabad
Date: 03.08.2017

Sd/-
Ajay Suman 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: 03.08.2017

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



MANAGEMENT DISCUSSION & ANALYSIS REPORT

Industry Structure and Developments:

In a backdrop of global uncertainty and slowing economic growth, India was a bright spot in 2016-17 with robust macro-economic fundamentals. The year was marked by two major domestic policy developments i.e. passage of the Constitutional amendment which paved way for implementing the transformational Goods and Services Tax (GST), and demonetization in the country. GST will create a common Indian market, improve tax compliance and governance, and boost investment and growth. It is also a bold new experiment in the governance of India's cooperative federalism.

Moreover, reforms such as overhauling the bankruptcy laws and enabling and empowering banks to deal with their non-performing assets (NPAs), sustained increase in public infrastructure spending and continuing tight supervision of monetary policy suggests that the real estate sector is showing signs of revival and resurgence, instilling the investor's confidence. The contribution of real estate sector to India's GDP is estimated to increase about 8% in the coming financial year.

Opportunities

The Real Estate (Regulation and Development) Act, 2016 was passed by both houses of the parliament on 10th March 2016 and subsequently received the assent of the President. The Real estate Act seeks to set up a Real Estate Regulatory Authority in states and federal territories to oversee real estate transactions. It will help to regulate the sector and bring in clarity in terms of who governs and monitors realty projects.

It also seeks to protect the interest of the allottees/purchasers by promoting transparency, accountability and efficiency in the construction and execution of real estate projects by promoters. Furthermore, 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 thus opening growth corridors.

Outlook:

The Company believes that demand conditions in the real estate sector are exhibiting early signs of improvement and the Management is positive that the Company will be able to achieve better growth than previous year by executing its real estate development and other operations and taking advantage of potential revival in economic growth and its resultant positive effects on the real estate sector over the medium term. The Company shall continue to strive to acquire new projects to increase market presence.

Risks and Concerns:

The Company works in an environment which is affected by various factors, some of which are controllable while some are outside the control of the Company. The Company has developed a robust risk management framework that reduces the volatility due to unfavorable internal and external events and facilitates risk assessment. The Management identifies the following risks:



Economic conditions: An unexpected development in any of the macroeconomic variables that may adversely impact the Company's profitability or viability. Real estate is a cyclical industry and is affected by the changes in variables like interest rate, GDP Growth, purchasing power, inflation, among others.

Execution Risk: The Real Estate and construction projects are subject to various execution risks like regulatory hurdles, delay in receipt of approvals, availability of labour and raw material, etc. Any such delay may result in cost overruns and impact the Company's operations unfavorably.

Liquidity Risk: The Real estate business has significant initial outflow with staggered and long-term inflows. Delays in project cycle; inadequate funding resources may have an impact on the liquidity position of the Company.

Regulatory Environment: The operations of the Company are exposed to uncertain political, legal and economic environment, government instability and complex legal systems and laws and regulations in India and abroad.

Collection of receivables from clients: Our operations involve significant working capital requirements and prompt collection of receivables affect favorably to our liquidity and results of operations.

INTERNAL CONTROL SYSTEM AND ITS ADEQUACY

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 a 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.

The Audit Committee of the Company consists of independent directors who possess expert knowledge and vast experience in the field of their area of operations. They periodically review accounting records and various statements/Accounts prepared by the accounting department. They advise the senior management of the Company for any precautionary steps to be taken as required from time to time. 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 initiated follow-up actions thereon.

SHARE CAPITAL

The Paid-up Share Capital of your Company is Rs. 14,61,56,300/- divided into 1,26,15,630 Equity shares of 10/- each with voting rights and 2,00,000 Cumulative Redeemable preference shares of 100/- each. During the Financial Year 2016-17, 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. 3,32,12,338/- (including short and long term) as on 31st March, 2017. An Full and Final Settlement was completed with PNB Housing Finance Limited and an MOU for OTS (One Time Settlement) has been signed with Axis Bank Ltd.



FIXED ASSETS

The Fixed Asset (Gross Block) as on 31st March, 2017 amounts to Rs. 31,77,089/-.

HUMAN RESOURCES AND INDUSTRIAL RELATIONS

The Company has maintained cordial relations with its employees across all levels of the organization during the period under review. 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. The key HR objective is to ensure that our employees are aware of the role they are expected to play in the organization to be able to drive organizational momentum. Going ahead, the Company will continue to invest in its people to strengthen its delivery model.

As on 31st March, 2017, the manpower strength of the Company was 9 members which comprises professionals from diverse backgrounds like engineering, finance, taxation, secretarial, legal, management, business, supervisors, operators and sub-staff, skilled and semi-skilled workers.

Cautionary Statement:

This management discussion and analysis report may contain forward looking statements that reflects your Company's performance with respect to future events. The actual results may differ materially from those anticipated in the forward looking statements as a result of many factors.



CORPORATE GOVERNANCE REPORT

I. COMPANY’S PHILOSOPHY ON CORPORATE GOVERNANCE:

The Company is committed to conduct its business in an efficient, fair and ethical manner. Good Corporate Governance goes beyond compliances and requires Management’s commitment. It starts with the Board of Directors and percolates down the order throughout the organization and seeks to raise the standards of Corporate Management, strengthen the Board systems, significantly increase its effectiveness and ultimately serve the objective of maximizing the shareholder’s value. 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, customers, investors and the society at large.

The Board acts with autonomy and independence in exercising its strategic supervision, discharging its fiduciary responsibilities and ensuring that the management observes the highest standards of ethics, transparency and disclosure. The entire governance structure is actively supervised by the Board of Directors, who oversee management activities and ensure their effectiveness in delivering value.

The Company is in compliance with the requirements of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as entered into with the Stock Exchange with regard to Corporate Governance.

II. BOARD DIVERSITY:

The Board of Directors of Quantum Build-Tech Limited has an optimum mix of Executive, Non- Executive and Independent Directors, in order to maintain its independence and separate functions of governance and management. As on 31st March, 2017, 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. The Board acts with autonomy and independence in discharging its fiduciary responsibilities and ensuring that the management observes the highest standards of ethics, transparency and disclosure.

The Board is headed by Executive Chairman who extends whole hearted 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 27.09.2016	Directorships In Other Companies
Mr. Guduru Satyanarayana	Managing Director	Executive	6	Yes	0
Mrs. Kodali Vijaya Rani	Director	Non- Executive Promoter	6	No	1
Mr. Manne Rambabu	Whole Time Director	Executive	6	Yes	0
Mr. Kanduri Saraswathi Kumar	Director	Independent Non-Executive	7	Yes	0
Mr. Kyatham Prabhakar Reddy	Director	Independent Non-Executive	6	No	2
Mr. Sripathi Ram Reddy	Director	Independent Non-Executive	7	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. The Company has designated Mr. M.R. Koteswara Rao as Chief Financial Officer of the Company.

Further, Ms. Shivani Sarada was appointed as the Company Secretary and Compliance Officer of the Company with effect from 27th April, 2016. However, after her resignation, the Board in its meeting held on 11.08.2017, appointed Ms. Payal Bang, as the Company Secretary and Compliance Officer of the Company, who holds 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 Seven times during the financial year on 05.05.2016, 30.05.2016, 11.08.2016, 26.08.2016, 11.11.2016, 13.02.2017 and 23.03.2017.

Independent Directors have convened their meeting on 5th January, 2017, in accordance with Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, exclusively without the presence of Executive Directors.

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.

The Company provides the information as set out in Regulation 17 read with Part-A of Schedule II of the SEBI Listing Regulations to the Board and the Board Committees to the extent applicable. Detailed agenda is sent to each Director seven days in advance of the Board Meetings. All the agenda items are appended with by necessary supporting information and documents (except for price sensitive information, which are circulated separately before the meeting) to enable the Board to take informed decisions.

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 2016-2017 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:

There has been no change in the composition of the Audit Committee, during the year. During the period under review, **FOUR** Audit Committee meetings were held respectively on 30.05.2016, 11.08.2016, 11.11.2016 and 13.02.2017.

The attendance of Directors at the Audit Committee Meeting held during the year 2016-17.

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	4
Mr. Kanduri Sarswathi Kumar	Member	4	4

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.

2. 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 Regulation 19 of the SEBI Listing Regulations. The Committee is vested with all necessary powers. The Nomination and Remuneration Committee of the Company as at 31.03.2017 comprises of three directors, all of them being non-executive independent directors.

Meetings of the Committee and Attendance:

As the Key Managerial Personnel were appointed during the year, the Committee held its meeting on 27.04.2016 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	1	1
Mr. Ram Reddy Sripathi	Member	1	1
Mr K. Prabhakar Reddy	Member	1	1

The terms of reference of the 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.

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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2016, which is available on the Company's website www.quantumbuild.com.

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- I."

Particulars	Mr. Guduru Satyanarayana Managing Director		Mr. Manne Rambabu Whole-Time Director	
	2016-17	2015-16	2016-17	2015-16
Salary	6,00,000	6,00,000	9,30,000	9,30,000
Perquisites	8,67,000	8,67,000	3,60,000	7,20,000
Total	14,67,000	14,67,000	12,90,000	16,50,000

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.

3. STAKEHOLDERS RELATIONSHIP COMMITTEE:

The Stakeholders Relationship Committee of the Company comprises of THREE Directors. In accordance with Section 178(5) of the Companies Act, 2013 read with Regulation 20 of the SEBI Listing Regulations, 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.

**Meetings of the Committee and Attendance:**

During the year, the Committee met one time for noting/ approval of the Share Transfers of the Company on 28.06.2016.

Name	Designation	Meetings Held	Meetings Attended
Mr. Ram Reddy Sripathi	Chairman	1	1
Mrs Kodali Vijaya Rani	Member	1	1
Mr. Kanduri Saraswathi Kumar	Member	1	1

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.

Winding up petition under Section 433 and 434 of the Companies Act, 1956 was filed 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 the proceedings are pending before the Court.

H. 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>.

I. ANNUAL GENERAL MEETINGS:

Details of Previous Annual General Meetings:-

Day	Date	Time	Venue
Monday	29 th 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 th September, 2015	11.30 A.M	Jubilee Hills International Centre, Road No. 14, Jubilee Hills, Hyderabad, Telangana-500 033.
Tuesday	27 th September, 2016	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 27th September, 2016:-

1. Details of special resolution passed-**NIL**.
2. Details of Ordinary Resolution passed is as follows:-
 - i. Adoption of Audited Financial Statements as on 31st March, 2016 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**.

J. 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.
- i. The Auditors in their Report on the Annual Financial Statements of the Company, have stated their qualifications and reservations. The explanation on the said qualifications, by the Board of the Company is given in the Directors report.
- ii. 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.

K. 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".

L. MEANS OF COMMUNICATION:

The website of the Company- 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.

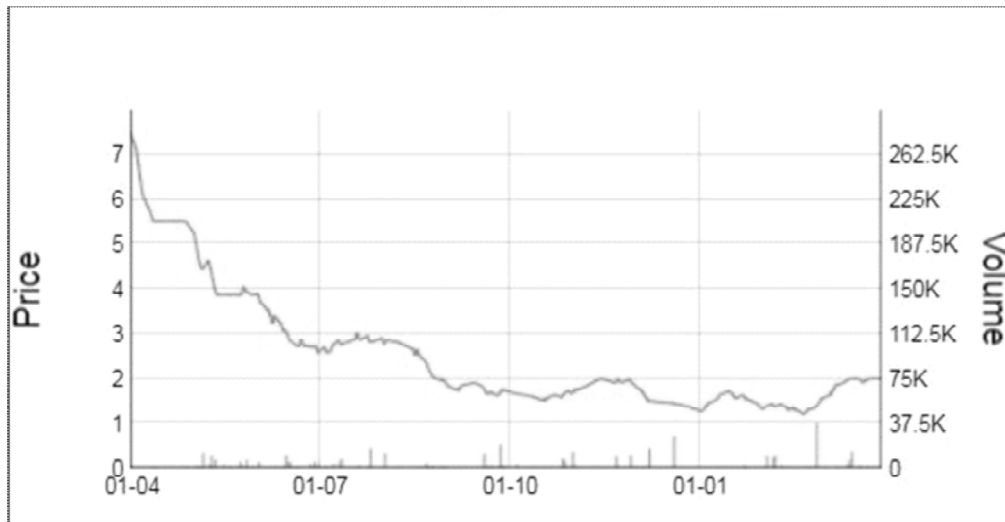


M. MARKET PRICE DATA AND PERFORMANCE COMPARISON:

1) The market price data High, Low and Close During each month from 1st April, 2016 to 31st March, 2017 are mentioned below:

Monthly Market Price details from 01.04.2016 to 31.03.2017			
Trade date	High (In Rs.)	Low (In Rs.)	Close (In Rs.)
April, 2016	7.49	5.52	5.52
May, 2016	5.25	3.87	3.87
June, 2016	4.02	2.71	2.71
July, 2016	3.05	2.46	2.81
August, 2016	2.99	1.97	1.97
September, 2016	1.90	1.55	1.74
October, 2016	1.73	1.50	1.73
November, 2016	2.10	1.66	1.90
December, 2016	1.81	1.33	1.33
January, 2017	1.72	1.21	1.37
February, 2017	1.44	1.19	1.42
March, 2017	2.00	1.49	2.00

2) Performance Comparison:





N. DISTRIBUTION OF SHAREHOLDING AS AT 31ST MARCH 2017 :

Category/ No. of Shares	Number of holders	% of total holders	Number of shares	% of total shares
Upto-500	2859	86.32	331343	2.63
501-1000	131	3.96	105034	0.83
1001-2000	124	3.74	178320	1.41
2001-3000	41	1.24	102311	0.81
3001-4000	17	0.51	60749	0.48
4001-5000	25	0.75	116346	0.92
5001-10000	53	1.60	400184	3.17
10001 & Above	62	1.87	11321343	89.74
Total	3312	100.00	12615630	100

O. ANNUAL GENERAL MEETING INFORMATION:

NINETEENTH ANNUAL GENERAL MEETING DETAILS:

Details of the Meeting:	Date Thursday, 28 th September, 2017 Time 11:30 A:M Venue The Hyderabad Gymkhana, Road No.2, Banjara Hills, Hyderabad-500 034.
Dates of book closure:	22nd September, 2017 to 28th September, 2017 (Both days inclusive).
Dividend Payment Date	Not Applicable.

Listing Stock Exchanges	BSE Limited (Trading w.e.f 19 th August, 2014) Hyderabad Stock Exchange Ltd. (De-recognized) Bangalore Stock Exchange Ltd. (De-recognized)
The Listing Fee	The listing fees for the year 2017-18 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

**P. CATEGORY WISE SHAREHOLDING AS AT 31ST MARCH, 2017:**

Category	Number of Equity Shares Held	% of Shareholding
Promoters	2730464	21.64
Corporate Bodies	1931532	15.31
Overseas Corporate Bodies	2150	0.02
Public Holding	7951484	63.03
Total	12615630	100.00

Q. 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 31.03.2017 a total of 1,00,97,244 shares i.e. 80.04% of the total listed shares have been dematerialized.

R. 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.

S. OUTSTANDING BONDS/CONVERTIBLE INSTRUMENTS: NIL**T. ADDRESS FOR COMMUNICATION AND REGISTERED OFFICE:**

8-1-405/A/66, Dream Valley, Near O.U Colony, Shaikpet, Hyderabad – 500008 (Telangana).
Tel. No.: 040-23568766, Fax. No.: 040-23568990, Email ID: info@quantumbuild.com

For and on behalf of the Board

Place: Hyderabad
Date: 11.08.2017

G. Satyanarayana
Managing Director
DIN: 02051710



Annexures to the Corporate Governance Report	
Annexures No.	Content
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,

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

I, **Satyanarayana Guduru**, 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 2016-17.

Date: 11.08.2017
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, Satyanarayana Guduru, 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: 11.08.2017

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 in accordance with Schedule V(E) of SEBI (Listing Obligation and Disclosures Requirements) Regulations, 2015(Listing Regulations) of the compliance of the corporate governance provisions as specified in Regulation 15(2) of the Listing Regulations for the period ended 31st March, 2017. 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, 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 Listing Regulations.

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:11.08.2017

Ajay Suman 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, 2017, 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 Rs.26,00,000/- for the year and Cumulative dividend amounting to Rs.2,80,08,763/- upto 31-03-2017.
- 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 Rs.2,00,00,000/- due on 22nd December, 2008.
- iii) Attention is invited to Note No. 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.
- iv) Attention is invited to Note No.5.1 to Notes forming part of the Financial Statements regarding non provision of interest on Axis Bank Term Loan amounting to Rs.6,24,000/- for the year and cumulative interest amounting to Rs.12,48,000/- upto 31-03-2017.

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 (iv) 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, 2017, 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, *except Accounting standard (AS) 15 "Employee Benefits" relating to the provision for gratuity.*
- e. On the basis of written representations received from the directors as on March 31, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure B**".
- 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 2017 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 23 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.
 - iv. The company has provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 and these are in accordance with the books of accounts maintained by the Company. Refer to Note No.27 to the financial statements.

Place: Hyderabad
Date: 29-05-2017

FOR RAMBABU & Co.,
Chartered Accountants
FRN : 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, 2017:

- 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, 2017 for a period of more than six months from the date on when they become payable except Service Tax Rs.5,81,628/-.
 - 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.



- c) In our opinion there are no amounts required to be transferred to Investor Education and Protection Fund by the company.
- 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	1,17,57,841
2.	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: 29-05-2017

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

GVL Prasad
Partner
M.No. 026548



“Annexure B” to the Independent Auditor's Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of QUANTUM BUILD-TECH LIMITED (“the Company”) as of March 31, 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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

Auditors’ Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

**Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

- (1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place: Hyderabad
Date: 29-05-2017

FOR RAMBABU & Co.,
Chartered Accountants
FRN : 002976S

GVL Prasad
Partner
M.No.026548



BALANCE SHEET AS AT 31ST, MARCH 2017

(Amount in ₹)

	Particulars	Note	As at 31 March 2017	As at 31 March 2016
A.	EQUITY AND LIABILITIES			
	(a) Share Capital	3	146,156,300	146,156,300
	(b) Reserves and Surplus	4	(49,086,346)	(31,798,968)
			97,069,954	114,357,332
2	Non-Current Liabilities			
	(a) Long -Term Borrowings	5	6,454,497	35,520,481
			6,454,497	35,520,481
3	Current Liabilities			
	(a) Short term Borrowings	6	26,757,841	26,960,453
	(b) Trade Payables	7	10,482,707	11,071,927
	(c) Other Current Liabilities	8	21,730,796	15,882,660
	(d) Short -Term Provisions	9	3,616,790	3,569,290
			62,588,134	57,484,330
	TOTAL		166,112,585	207,362,143
B	ASSETS			
1	Non -Current Assets			
	(a) Fixed Assets			
	Tangible Assets	10	228,227	331,895
			228,227	331,895
	(b) Long-Term Loans and Advances	11	39,498,198	39,501,348
			39,498,198	39,501,348
2	Current Assets			
	(a) Inventories	12	77,912,791	142,887,096
	(b) Trade Receivables	13	11,180,019	10,550,534
	(c) Cash and Cash Equivalent	14	30,432,242	2,675,943
	(d) Short -Term Loans and Advances	15	6,861,108	11,415,327
			126,386,160	167,528,900
	TOTAL		166,112,585	207,362,143
	See accompanying Notes Forming part of the Financial Statements 1 to 29			

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
DIN No. 02051710

M. Rambabu
Director - Technical
DIN No. 02413835

Place : Hyderabad
Date : 29-05-2017

M.R. Koteswara Rao
Chief Financial Officer

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST, MARCH 2017

(Amount in ₹)

	Particulars	Note	For the Year Ended 31 March 2017	For the Year Ended 31 March 2016
	CONTINUING OPERATIONS			
1	Revenue from Operations	16	29,440,825	25,931,425
	Other Income	17	948,899	34,500
	Total		30,389,724	25,965,925
2	Expenses			
	(a) Cost of Materials Consumed	18.a	68,730	282,752
	(b) Cost of Labour charges	18.b	323,146	6,296,990
	(c) Change in Contracts W.I.P	18.c	57,505,659	8,454,275
	(d) Employee Benefits Expenses	19	3,636,021	4,218,105
	(e) Finance Cost	20	3,903,912	3,612,310
	(f) Depreciation and Amortisation Expenses		55,579	266,558
	(g) Other Expenses	21	1,774,463	2,947,298
	Total		67,267,510	26,078,288
3	Profit before tax and exceptional items		(36,877,786)	(112,363)
4	Exceptional Items:	22	19,608,669	-
5	Profit / (Loss) for the year before tax		(17,269,117)	(112,363)
	Less : Income Tax - Earlier Years		18,261	-
	Profit / (Loss) for the year		(17,287,378)	(112,363)
7	Earnings per share (Nominal value of '10/- each)			
	(a) Basic		(1.37)	(0.01)
	(b) Diluted		(1.37)	(0.01)
	See accompanying Notes Forming part of the Financial Statements 1 to 29			

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
DIN No. 02051710

M. Rambabu
Director - Technical
DIN No. 02413835

Place : Hyderabad
Date : 29-05-2017

M.R. Koteswara Rao
Chief Financial Officer



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST, MARCH 2017

(Amount in ₹)

	Particulars	For the Year Ended 31 March 2017	For the Year Ended 31 March 2016
A.	CASH FLOW FROM OPERATING ACTIVITIES		
	Net Profit before tax	(17,269,117)	(112,363)
	Adjustments for:		
	Depreciation and Amortisation	55,579	266,558
	Profit on Sale of Asset	(361,911)	-
	Exceptional Items	(6,039,234)	-
	Bad Debts written off	-	622,325
	Inventories written off	57,505,659	-
	Finance Charges	3,855,780	3,328,558
	Operating profit before working capital changes	37,746,756	4,105,078
	Changes in working capital:		
	Inventories	7,468,646	13,745,860
	Trade receivables	2,028,570	(3,727,559)
	Loans & Advances	4,557,369	(982,595)
	Trade payables	745,959	(1,438,968)
	Other Current liabilities	7,894,136	(10,423,032)
	Short-term provisions	47,500	47,500
		60,488,936	1,326,284
	Taxes paid	18,261	-
	Net cash generated / (used in) operating activities (A)	60,470,675	1,326,284
B	CASH FLOW FROM INVESTING ACTIVITIES		
	Proceeds from sale of Asset	410,000	-
	Net Cash used in Investing Activity (B)	410,000	-
C	CASH FLOW FROM FINANCING ACTIVITIES		
	Long-term borrowings	(33,124,376)	-
	Net cash (used in) / generated from financing activities (C)	(33,124,376)	-
	Net increase in Cash and cash equivalents (A+B+C)	27,756,299	1,326,284
	Cash and cash equivalents at the beginning of the year	2,675,943	1,349,659
	Cash and cash equivalents at the end of the year	30,432,242	2,675,943
	See accompanying Notes Forming part of the Financial Statements 1 to 29		

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
DIN No. 02051710

M. Rambabu
Director - Technical
DIN No. 02413835

Place : Hyderabad
Date : 29-05-2017

M.R. Koteswara Rao
Chief Financial Officer



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 Villey , 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 2017	31 March 2016		
		₹	₹		
3.1	(A) Authorised				
	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		
		280,000,000	280,000,000		
	(B) Issued , Subscribed & fully paid up				
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			
Total	146,156,300	146,156,300			
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 ₹2,00,00,000/- 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,2017 is ₹2,80,08,763/- (as at 31st March,2016 is ₹2,54,08,763/-)</p> <p>The balance preference shareholders 1)Venugopal Reddy Pakanati & 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 at Hyderabad for the state of Telangana & the state of Andhra Pradesh vide Ref No. CP 44 of 2014 and CP 47 of 2014 which is pending before the Hon'ble High Court of Judicature at Hyderabad for the state of Telangana & the state of Andhra Pradesh. The Investees of 13% Cumulative Redeemable Preference Shares has invested US\$ 453261 on repatriation basis vide RBI Communication dated 01st August,2006.The Company has not made provision for fluctuation in Foreign Currency and the said expenditure for Foreign Currency fluctuation is amounting to ₹ 93,73,437/- upto 31st March,2017, and income on Foreign Currency fluctuation is ₹7,07,087/- for the year 2016-17 (Previous year expenditure for Foreign Currency fluctuation is ₹12,10,207/-)</p>				
3.1.2	Particulars	As at 31 March 2017	As at 31 March 2016		
	Equity shares at the begining of the year	12,615,630	12,615,630		
	Add : Movement during the year	-	-		
	Equity shares at the end of the year	12,615,630	12,615,630		
3.1.3	Details of Shareholders holding more than 5% shares				
	Name of the share holder	As at 31.03.2017		As at 31.03.2016	
		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 31 March 2017	As at 31 March 2016
		₹	₹
	(A) Capital Reserve	3,500,000	3,500,000
	(B) Statement of Profit & Loss		
	Opening Balance	(35,298,968)	(35,186,605)
	Add : Surplus / (Deficit) in statement of Profit & Loss	(17,287,378)	(112,363)
		(52,586,346)	(35,298,968)
	Total	(49,086,346)	(31,798,968)

5	Long Term Borrowings		
	Particulars	As at 31 March 2017	As at 31 March 2016
		₹	₹
	Term loans - Secured		
	From banks		
	Axis Bank Ltd- Term Loan (Refer Note 5.1 & 6.1)	6,451,046	6,451,046
	PNB Housing Finance Ltd (Refer Note 5.2)	-	29,069,435
	Karur Vysya Bank - Overdraft (Refer Note 5.3)	3,451	-
	Total	6,454,497	35,520,481

5.1	<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, 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 mortgage of 1320 & 1095.89 Sq.yds of company own land in Jaihind Nagar, Shaikpet, Hyderabad and also equitable mortgage of land & building at Plot No.66, Dream Valley, Shaikpet, Hyderabad, in the name of K.Vijaya Rani & 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 & Sri P.Vamsidhar</p> <p>During the year, company has not made provision for Interest of ₹6,24,000/- (Cumulative provision for Interest not provided ₹12,48,000/-) on Term loan from Axis Bank Limited, since the matter is pending with the Debts Recovery Tribunal, Hyderabad. The shareholders funds of the company are overstated by an extent of ₹12,48,000/-.</p>
5.2	<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 mortgage of 7744 Sq.Yds of land belonging to Smt.T.Vijaya Lakshmi who entered into development agreement with the company for the development of Quantum Heights residential complex at Gajulararamam. 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> <p>During the year company has entered into Full & Final settlement proposal with PNB Housing Finance Ltd under OTS for a sum of ₹2,15,00,000/- . and out of the settled amount of ₹2,15,00,000/- the bank has adjusted earlier payment of ₹60,00,000/- and the company has paid the balance amount of ₹1,55,00,000/-.</p>
5.3	<p>During the year Company has availed overdraft facility from Karur Vysya Bank Ltd, Manikonda Branch against lien on fixed deposit.</p>



6 Short - Term Borrowings			
	Particulars	As at	As at
		31 March 2017	31 March 2016
		₹	₹
	Loans repayable on demand - Secured		
	From Banks		
	Axis Bank Ltd - Cash Credit (Refer Note 6.1)	26,757,841	26,960,453
	Total	26,757,841	26,960,453
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 & 1095.89 Sq.yds of company own land in Jaihind Nagar, Shaikpet, Hyderabad and also equitable mortgage of land & building at Plot No.66, Dream Valley, Shaikpet, Hyderabad, in the name of K .Vijaya Rani & 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 & Sri P.Vamsidhar.</p> <p>During the year the company has entered into an MOU with M/s. Axis Bank Ltd for settlement of loan outstanding and the company paid ₹40,00,000/- as per the terms of the memorandum of understanding.</p>		
7 Trade Payables			
	Particulars	As at	As at
		31 March 2017	31 March 2016
		₹	₹
	Sundry Creditors for Materials	725,934	2,169,817
	Sundry Creditors for Works	102,163	106,245
	Sundry Creditors for Services	9,654,610	8,795,865
	Total	10,482,707	11,071,927
8 Other Current Liabilities			
	Particulars	As at	As at
		31 March 2017	31 March 2016
		₹	₹
(A) Other Payables			
	Outstanding Liabilities	174,344	130,410
	Others	241,430	241,430
	(A)	415,774	371,840
(B) Statutory Payables			
	Professional Tax	1,050	200
	Service Tax	581,628	-
	TDS	75,310	31,531
	(B)	657,988	31,731
(C) Advances from Customers	(C)	19,568,000	12,344,055
(D) Interest Accrued	(D)	1,089,034	3,135,034
	Total (A+B+C+D)	21,730,796	15,882,660
9 Short Term Provisions			
	Particulars	As at	As at
		31 March 2017	31 March 2016
		₹	₹
(A) Provision for Employee Benefits			
	Provision for Gratuity (Refer Note 9.1)	475,808	428,308
(B) Tax on Dividend		3,140,982	3,140,982
	Total (A+B)	3,616,790	3,569,290
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 01-04-16	Additions During the Year	Deletions During the Year	Balance as on 31-03-17	Balance as on 01-04-16	Deletions During the Year	For the Year	Total upto 31-03-17	As At 31-03-17	As At 31-03-16
Computers	501,152	-	-	501,152	476,094	-	-	476,094	25,058	25,058
Construction Equipment	149,463	-	-	149,463	100,678	-	23,901	124,579	24,884	48,785
Furniture & Fixtures	226,307	-	-	226,307	208,537	-	4,627	213,164	13,143	17,770
Office Equipment	118,991	-	-	118,991	111,059	-	1,983	113,042	5,949	7,932
Vehicles	2,527,141	-	9,61,785	1,565,356	2,400,784	913,696	-	1,487,088	78,268	126,357
Centering Materials	615,820	-	-	615,820	509,827	-	25,068	534,895	80,925	105,993
Total	4,138,874	-	9,61,785	3,177,089	3,806,979	913,696	55,579	2,948,862	228,227	331,895
Previous Year	4,138,874	-	-	4,138,874	3,540,421	-	266,558	3,806,979	331,895	598,453



11	Long-Term Loans and Advances		
	Particulars	As at 31 March 2017	As at 31 March 2016
		₹	₹
	(A) Loans and advances		
	Unsecured Considered good		
	Advance for Land	35,000,000	35,000,000
	Others	4,350,000	4,350,000
	(A)	39,350,000	39,350,000
	(B) Loans and advances to employees		
	Unsecured, considered good	66,210	124,210
	(B)		
	(C) TDS Receivable		
	Unsecured considered good		
	TDS Receivable (Net of Provision)	81,988	27,138
	(C)		
	Total (A+B+C)	39,498,198	39,501,348
12	Inventories		
	Particulars	As at 31 March 2017	As at 31 March 2016
		₹	₹
	Contracts work - in - Progress	68,945,983	126,451,642
	Project Land	8,966,808	16,435,454
	Total	77,912,791	142,887,096
13	Trade Receivables		
	Particulars	As at 31 March 2017	As at 31 March 2016
		₹	₹
	Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
	Unsecured, considered good (Refer Note 13.1)	11,180,019	10,550,534
	Total	11,180,019	10,550,534
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 the Hon'ble High Court of Judicature at Hyderabad for the State of Telangana and the State of Andhra Pradesh, 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>		
14	Cash and Cash Equivalents		
	Particulars	As at 31 March 2017	As at 31 March 2016
		₹	₹
	(A) Cash		
	Cash on hand	211,180	191,539
	(B) Balances with Banks in Current accounts		
	(i) Karur Vysya Bank Ltd	191,741	2,454,852
	(ii) Punjab National Bank Ltd	19,321	19,552
	(iii) Axis Bank Ltd - ESW Preferential Issue account	10,000	10,000
	(C) Bank Deposits		
	a) Fixed Deposits	30,000,000	-
	Total (A+B+C)	30,432,242	2,675,943
14.1	Cash and cash equivalents which meet the definitions of cashflow statement is ₹3,04,32,242/- (Previous year ₹26,75,943/-)		

15	Short-Term Loans and Advances (Unsecured, Considered good)		
	Particulars	As at 31 March 2017	As at 31 March 2016
		₹	₹
	(A) Loans and advances		
	Other Advances	4,241,309	3,795,528
	Rent Deposit	1,100,000	1,100,000
	Electricity Deposit	29,074	29,074
Other Deposits	217,708	217,708	
	(A)	5,588,091	5,142,310
(B) Advance paid for Works	(B)	1,273,017	6,273,017
	Total (A+B)	6,861,108	11,415,327
16	Revenue from Operations		
	Particulars	As at 31 March 2017	As at 31 March 2016
		₹	₹
	Sale of Residential Flats (Gross)	-	6,000,000
	Less:		
	Service Tax	-	152,785
	Sales Tax	-	66,740
		5,780,475	
Contract Receipts	-	4,496,324	
Profit on Sale of Land	29,440,825	15,654,626	
	Total Net Sales	29,440,825	25,931,425
17.	Other Income		
	Particulars	As at 31 March 2017	As at 31 March 2016
		₹	₹
	Interest Income	548,488	-
	Profit on Sale of Vehicle	361,911	-
Rent Received	38,500	34,500	
	Total	948,899	34,500
18a.	Cost of Materials Consumed		
	Particulars	As at 31 March 2017	As at 31 March 2016
		₹	₹
Cost of Materials Purchased	68,730	282,752	
	Total	68,730	282,752
18b.	Cost of Labour Charges		
	Particulars	As at 31 March 2017	As at 31 March 2016
		₹	₹
	Labour charges	323,146	6,296,990
	Total	323,146	6,296,990



18c.	Changes in Inventories of Work-in-Progress		
	Particulars	As at 31 March 2017	As at 31 March 2016
		₹	₹
	Inventories at the End of the Year Work - in - Progress	68,945,983	126,451,642
	Inventories at the Beginning of the Year Work-in-Progress	126,451,642	134,905,917
	Total Net (Increase) / Decrease	57,505,659	8,454,275
19	Employee Benefits Expenses		
	Particulars	As at 31 March 2017	As at 31 March 2016
		₹	₹
	Salaries & Wages	3,579,666	4,170,160
	Contributions to Gratuity	47,500	47,500
Staff welfare expenses	8,855	445	
	Total	3,636,021	4,218,105
20	Finance Cost		
	Particulars	As at 31 March 2017	As at 31 March 2016
		₹	₹
	(a) Interest On		
	(i) Term Loan (Refer Note 20.1)	-	-
	(ii) Working Capital Loan	3,855,780	3,328,558
	(iii) TDS	1,669	207,500
	(iv) Interest on Hire Purchase	36,000	-
	(v) Others	10,463	76,252
		Total	3,903,912
20.1	During the year, company has not made provision for Interest of ₹ 624000/-on Term loan from Axis Bank Limited since the matter is pending with the Debts Recovery Tribunal, Hyderabad.		

21	Other Expenses		
	Particulars	As at 31 March 2017	As at 31 March 2016
		₹	₹
	Power and fuel	16,459	23,566
	Rent	114,000	114,000
	Repairs and maintenance	9,576	27,734
	Insurance	18,478	28,356
	Rates and taxes	404,533	405,673
	Communication	144,917	140,665
	Consultancy & Professional	260,629	270,123
	Bank Charges	4,930	2,709
	Payment to Auditors		
	Audit Fees	75,000	75,000
	Tax Audit Fees	25,000	25,000
	Other Services	–	23,158
	Travelling and conveyance	91,522	151,505
	Printing and stationery	63,034	93,016
	Freight & Transport charges	–	3,580
	Business promotion	15,348	6,450
	Advertisement Expenses	95,184	106,016
	AGM Expenses	6,996	7,129
	Office Maintenance	45,920	36,871
	Miscellaneous Expenses	13,668	13,427
	Bad Debts writte off	–	622,325
	Postage & Courier	40,556	36,523
	Vehicle Maintenance	327,713	506,729
	Legal Expenses	1,000	13,250
	Late Filing Fees	–	214,493
	Total	1,774,463	2,947,298
22	Exceptional Items		
	Particulars	As at 31 March 2017	As at 31 March 2016
		₹	₹
	Waiver under OTS with PNB	13,569,435	–
	Credit Balances no longer payable	6,039,234	–
	Total	19,608,669	–
23	Contingent Liabilities :		
	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.		



24	Related Party Disclosures			
	Key Management Personnel (KMP)	:	Mr.G.Satyanarayana Mr.M.Rambabu Mr. M.R. Koteswara Rao	
25	Transactions with Key Management Persons and their Relatives	KMP & Relatives of KMP		
	Particulars	As at 31 March 2017	As at 31 March 2016	
		₹	₹	
	Remuneration & Perquisites	3,357,000	3,717,000	
	Rent	114,000	114,000	
	Salaries & Perquisites payable	8,973,995	7,975,032	
	Rent Payable	426,894	626,894	
26	Confirmations are not received in respect of the amounts relating to trade receivables, trade payables, loans & advances.			
27	Details of Specified Bank Notes(SBN) held and transacted during the period 8th November,2016 to 30th December,2016			
	Particulars	SBN's	Other Denomination Notes	Total
	Closing Cash in hand on 08.11.2016	437500	22682	460182
	(+) Permitted Receipts -Cash	8000	1846	9846
	(+) Permitted Receipts - Cash Withdrawals	94000	0	94000
	(-) Permitted Payments	282500	68329	350829
	(-) Amounts deposited in Banks	155000	0	155000
	Closing Cash in hand on 30.12.2016	46000	12199	58199
28	Dues to Micro, Small and Medium Enterprises : 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 2017.			
29	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
DIN No. 02051710

M. Rambabu
Director - Technical
DIN No. 02413835

Place : Hyderabad
Date : 29-05-2017

M.R. Koteswara Rao
Chief Financial Officer

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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

19th Annual General Meeting on Thursday, the 28th of September, 2017 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]

CIN	L72200TG1998PLC030071
Name of the Company	QUANTUM BUILD-TECH LIMITED
Registered Office	8-1-405/A/66 Dream Valley, Near O.U Colony, Shaikpet. Hyderabad- Telangana 500008
Name of Member(s)	
Registered Address	
Email ID	
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:..... SignatureOr failing him/her

(2) Name.....Address:

Email ID: SignatureOr failing him/her

(3) Name.....Address:

Email ID: Signature

As my/our proxy to attend and vote (on a poll) for me/us and On my/our behalf at the 19th Annual General Meeting of the Company to be held on Thursday, the 28th September, 2017 at 11.30 A.M. at Hyderabad Gymkhana, Road No.2, Banjara Hills, Hyderabad – 500034 and at any adjournment thereof in respect of such resolution:

ORDINARY BUSINESS:		For	Against
Item No. 1	Approval of Audited Financial Statements for the year ended on 31 st March, 2017.		
Item No. 2	Re-appointment of Retiring Director, Smt. Kodali Vijaya Rani.		
Item No. 3	Appointment of M/s. Suryanarayana & Suresh, Chartered Accountant, Hyderabad as the statutory Auditors of the Company.		
SPECIAL BUSINESS			
Item No. 4	Re-appointment of Mr. Guduru Satyanarayana as Managing Director of the Company		
Item No. 5	Re-appointment of Mr. Manne Rambabu as Director – Technical of the Company		
Item No. 6	Appointment of Mr. Kanduri Saraswathi Kumar as Independent Director of the Company		

Signed thisday of 2016

Signature of Member(s):

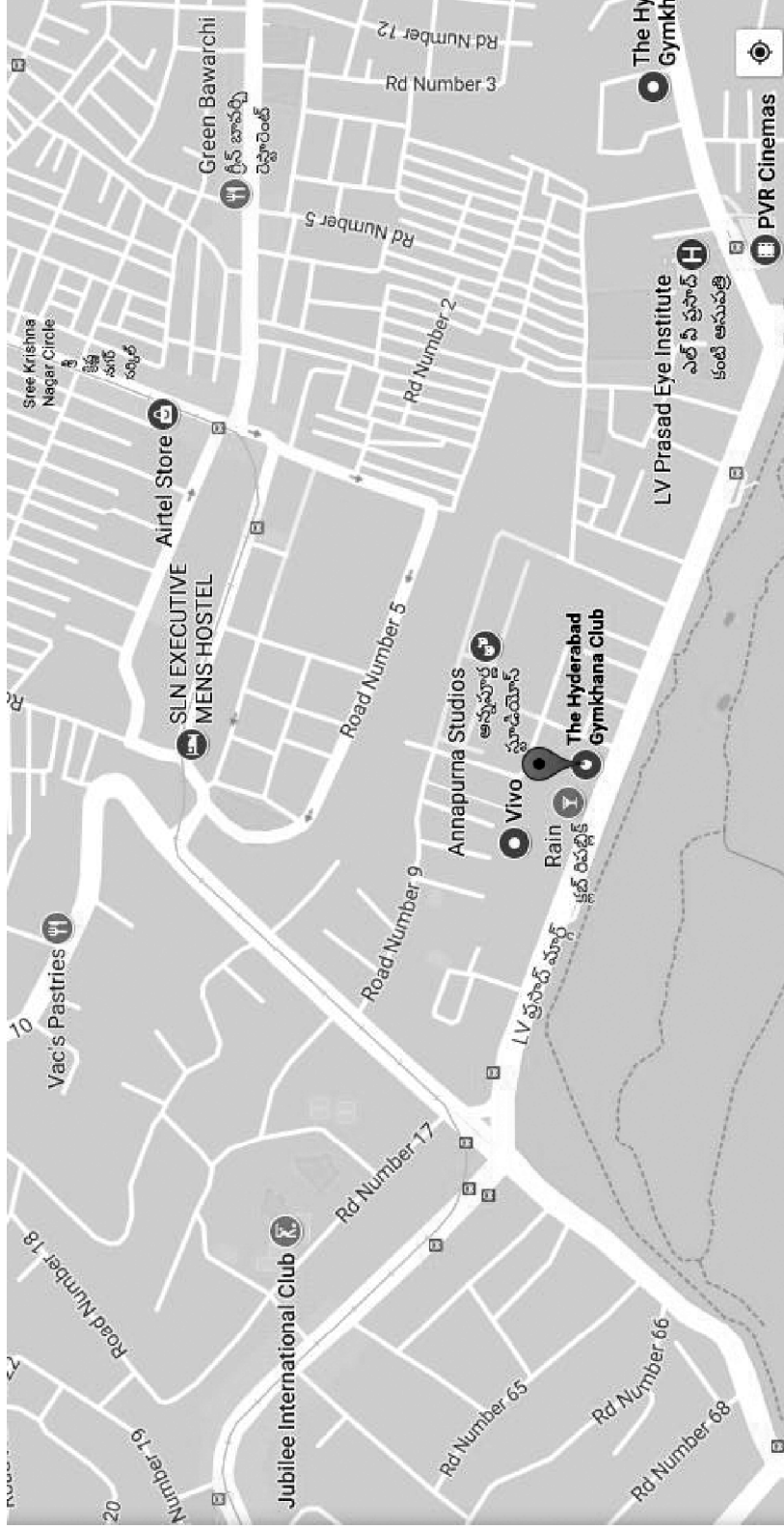
Signature of Proxy holder(s):

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 19th 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. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or Members.

**ROUTE MAP OF 19TH ANNUAL GENERAL MEETING TO BE HELD
ON 28TH DAY OF SEPTEMBER 2017.**



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

19th Annual General Meeting on Thursday, the 28th of September, 2017 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 19th Annual General Meeting of the Company to be held at Hyderabad Gymkhana, Road No. 2, Banjara Hills, Hyderabad – 500034 on Thursday, the 28th day of September, 2017 at 11.30 A.M

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

Electronic Voting Event Number (EVSN)	User ID	Password

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.