



QUANTUM BUILD-TECH LIMITED

**21st Annual Report
2018 - 2019**

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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
Smt. Yelledi Padmavathi

- Managing Director
- Director – Technical
- Promoter Director
- Non-Executive Independent Director
- Non-Executive Independent Director
- Non-Executive Independent Director
- Non-Executive Independent Director (Appointed on 23-04-2019)

REGISTERED OFFICE

8-1-405/A/66, Dream Valley, Shaikpet,
Hyderabad – 500008
Phone No. 040-23568766, 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

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

COMPLIANCE OFFICER & COMPANY SECRETARY

Ms. Neha Sharma (Resigned on 01-07-2019)
E-mail : cs@quantumbuild.com



GREEN INITIATIVE IN CORPORATE GOVERNANCE

Dear Shareholders,

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

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

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

<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 Twenty First Annual General Meeting of the members of **QUANTUM BUILD-TECH LIMITED** will be held on Saturday, the 28th day of September, 2019 at 11.30 A.M at 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, 2019 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.

SPECIAL BUSINESS:

3. **To appoint Mr. Guduru Satyanarayana, Managing Director of the Company who has attained the age of 70 Years:**

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

“RESOLVED THAT, pursuant to the provisions of Section 196 read with Section 152 of the Act and other applicable provisions if any, of the Companies Act, 2013 and subject to such other approval as may be necessary, consent of the Members be and is hereby accorded to appoint Mr. Guduru Satyanarayana (DIN:02051710), as the Managing Director of the company who has attained the age of 70 Years for a term of 5 (Five) years at the existing terms and conditions of remuneration and perquisites or as may be decided by the Board from time to time”.

“RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to do all such acts, deeds, matters and things, as may be necessary, to give effect to this resolution.”

4. **To appoint Mr. Manne Ram Babu, Whole-time Director of the Company who has attained the age of 70 Years:**

“RESOLVED THAT, pursuant to the provisions of Section 196 read with Section 152 of the Act and other applicable provisions if any, of the Companies Act, 2013 and subject to such other approval as may be necessary, consent of the Members be and is hereby accorded to appoint Mr. Ram Babu Manne (DIN:02413835), Whole-time Director of the company who has attained the age of 70 Years for a term of 5 (Five) years at the existing terms and conditions of remuneration and perquisites or as may be decided by the Board from time to time”.

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

“RESOLVED FURTHER THAT Board of Directors shall be and is hereby authorized to do all such acts, deeds, matters and things as may be necessary in this regard.”

5. **To regularize the appointment of Mrs. Yelledi Padmavathi (DIN:01721333) as Director of the Company:**

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

“RESOLVED THAT, Pursuant to provisions of Section 149 & 152 and any other applicable provisions of Companies Act, 2013 read with Schedule IV and the applicable provisions of Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 as amended,, Mrs. Yelledi Padmavathi (DIN: 01721333), who was appointed as Additional and Independent Director on 23.04.2019 and in respect of whom the Nomination & Remuneration Committee has recommended appointment, and for whom the Company has received notice in writing from a member under Section 160 of the Act, proposing her candidature for office of Director, be and is hereby appointed as an Independent Director of the Company for 5 years”.

“RESOLVED FURTHER THAT Board of Directors shall be and is hereby authorized to do all such acts, deeds, matters and things as may be necessary in this regard.”

By Order of the Board

Date : 09.08.2019

Registered Office: 8-1-405/A/66,
Dream Valley, Shaikpet,
Hyderabad – 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 **16th August, 2019**.
4. The copy of annual report, notice of 21st 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 **Monday, 23rd September, 2019 to Saturday 28th September, 2019 (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 AGM subject to receipt of the requisite number of votes in favour of the resolutions
8. The Register of Directors and Key Managerial Personnel and their shareholding, Register of Contracts or Arrangements in which Directors are interested and documents referred to in the notice are open for inspection at the Registered Office of the Company on all working days (Monday to Friday) between 11.00 A.M. and 1.00 P.M. upto the date of AGM and will also be available for inspection at the venue of the meeting.
9. Corporate members intending to send their authorized representative(s) to attend the meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative(s) to attend and vote on their behalf at the meeting.
10. Members are requested to update their preferred e-mail ids with the Company / DPs / RTA, which will be used for the purpose of future communications. Members whose e-mail id is not registered with the Company are being sent physical copies of the Notice of 21st Annual General Meeting, Annual Report, notice of e-voting etc. at their registered address through Courier mode.
11. Members whose e-mail ids are registered with the Company and who wish to receive printed copy of the abridged / full version of the Annual Report may send their request to the Company at its registered office address or to the RTA, **M/s. Venture Capital & Corporate Investments Private Limited, 12-10-167, Bharat Nagar Colony, Hyderabad- 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 AGM. The facility for Poll / polling paper shall be made available at the Meeting and the members attending the Meeting who have not cast their vote by remote e-voting shall be able to vote at the Meeting through polling paper.
13. In compliance with the provisions of Section 108 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Management and Administration) Rules, 2014, as amended and Regulation 44 of 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. 3:

Section 196(3) of the Companies Act, 2013 inter alia, Provides that no Company shall continue the employment of a person who has attained the age of 70 years, as Managing Director, Whole Time Director or Manager unless it is approved by the Members by passing special resolution.

Mr. Guduru Satyanarayana (DIN: 02051710) Managing Director of the Company has attained the age of 70 Years. Hence, approval of Shareholders by way of Special resolution is required as set out in item no. 03 for continuation of the appointment of Mr. Guduru Satyanarayana (DIN: 02051710) Managing Director of the Company for a term of 5 Years w.e.f 01.08.2019.

Keeping in view that Mr. Guduru Satyanarayana has more than Four decades of experience in field in which Company operates, it would be in the interest of the Company to continue the employment of Mr. Guduru Satyanarayana as a Managing Director.

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

Item No. 4:

Section 196(3) of the Companies Act, 2013 inter alia. Provides that no Company shall continue the employment of a person who has attained the age of 70 years, as Managing Director, Whole Time Director or Manager unless it is approved by the Members by passing special resolution.

Mr. Manne Ram Babu (DIN: 02413835) Whole-time Director of the Company has attained the age of 70 Years. Hence, approval of Shareholders by way of Special resolution is required as set out in item no. 04 for continuation of the appointment of Mr. Manne Ram Babu (DIN: 02413835) Whole-time Director of the Company for a term of 5 Years w.e.f 01.08.2019.

Keeping in view that Mr. Manne Ram Babu has more than Three decades of experience in field in which Company operates, it would be in the interest of the Company to continue the employment of Mr. Manne Ram Babu as a Whole-time Director.

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

Item No. 5:

The Board of Directors of the Company through resolution passed at the meeting of Board of Directors held on 23/04/2019 has appointed Mrs. Yelledi Padmavathi as Additional Director and Independent Director of the Company till the conclusion of the ensuing Annual General Meeting.



Mrs. Yelledi Padmavathi has been appointed as Independent Director under Section 149 of the Act read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and the erstwhile Clause 49 of the Listing Agreement with the stock exchange. She holds office as Independent Director of the Company up to the conclusion / date of the ensuing Annual General Meeting of the Company ("first term" in line with the explanation to Sections 149(10) and 149(11) of the Act). The Nomination and Remuneration Committee of the Board of Directors, on the basis of the report of performance evaluation of Independent Directors, has recommended her appointment as Independent Director for a term of 5 (five) consecutive years on the Board of the Company. The Board, based on the performance evaluation of Independent Directors and as per the recommendation of the Nomination and Remuneration Committee, considers that, given her background and experience, would be beneficial to the Company and it is desirable to continue to avail her services as Independent Directors. Accordingly, it is proposed to appoint Mrs. Yelledi Padmavathi as Independent Director of the Company, not liable to retire by rotation and to hold office for a second term of 5 (five) consecutive years on the Board of the Company.

Section 149 of the Act and provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") inter alia prescribe that an independent director of a company shall meet the criteria of independence as provided in Section 149(6) of the Act.

Section 149(10) of the Act provides that an independent director shall hold office for a term of up to five consecutive years on the Board and shall be eligible for re-appointment on passing a special resolution by the Company and disclosure of such appointment in its Board's report. Section 149(11) provides that an independent director may hold office for up to two consecutive terms.

Mrs. Yelledi Padmavathi is not disqualified from being appointed as Director in terms of Section 164 of the Act and have given her consent to act as Director.

The Company has received notices in writing from a member under Section 160 of the Act proposing her candidature, for the office of Independent Director of the Company.

Accordingly, in terms of requirement of Companies Act, 2013 approval of members is required for regularization of Mrs. Yelledi Padmavathi as Independent Director of the Company.

Brief Profile of Mrs. Yelledi Padmavathi is given below for reference of the member:

The Profiles of the Directors being appointed are given elsewhere in this report.

INSTRUCTIONS- VOTING THROUGH ELECTRONIC MEANS

1. The voting period begins on **Wednesday, the 25th day of September, 2019 (9:00 AM) and ends on Friday, the 27th day of September, 2019 (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, 2019**, 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	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> • 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 **EVS**N 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 Chair man 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.

DIRECTORS' REPORT

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

1. INTRODUCTION :

Your Board of Directors ('Board') have pleasure in presenting their Twenty First Annual Report on the business and operations of the Company and the Audited Financial Statements and developments for the financial year ended on 31st March, 2019.

2. FINANCIAL RESULTS :

During the year under review, financial performance of your company is as under: (Amount In Lakhs)

Particulars	Year ended on 31.03.2019	Year ended on 31.03.2018
Revenue from operations	425.11	276.94
Other Income	36.25	12.87
Total Income	461.37	289.81
Total Expenses	(780.86)	244.53
Profit/ (Loss) before Taxation	(319.49)	45.28
Less: Tax Expenses	-	3.19
Profit/ (Loss) after tax	-	42.09
Profit/(Loss) C/F to the Next Year	(319.49)	42.09

3. BRIEF DESCRIPTION THE STATE OF COMPANYS AFFAIRS/ PERFORMANCE :

The Company earned Revenue from operations of Rs.425.11 Lakhs in Financial year 2018-19as against Rs. 276.94 in previous Financial year 2017-18,and during the year the Company has relinquished its development rights in Quantum Heights Project at Gajularamaram, thereby the company has incurred loss of Rs. 319.49 lakhs in the Financial Year 2018-19 as against a Net Profit of Rs. 42.09 Lakhs in the Financial year 2017-18.

The real estate sector has become more efficient to operate in India due to Government of India Introduced Real Estate (Regulation and Development) Act, 2016, hence more opportunities in Real Estate Business for orderly growth are slated to arise in future. The Company is currently under negotiations for a land parcel for future project if the same can be undertaken and the same will be declared to the Members in due course. Your Directors are optimistic about Company's better performance with increased revenue in next year. The business in Information Technology sector is being undertaken from the last quarter onwards which has promising future prospects.

4. CHANGE IN NATURE OF BUSINESS:

During the year under review, there was no change in the nature of business of the Company. However, Company has started business in Information Technology field also as per its Main Objects.

**5. DIVIDEND:**

Due to losses, the Directors of the Company have not recommended any dividend for the current Financial year.

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

The provisions of Section 125(2) of the Companies Act, 2013 are not applicable as the Company has not declared and paid any dividend in previous years.

7. TRANSFER TO RESERVES:

For the FY 2018-19, the Company has transferred Rs. 319.49 Lakhs as loss, therefore as at 31st March 2019, the accumulated loss stands at Rs. 768.26 Lakhs.

8. SHARE CAPITAL:

The Share capital of your Company is Rs. 12,61,56,300/- divided into 1,26,15,630 Equity Shares of Rs. 10/- each with Voting Rights as at 31.03.2019

During the period under review Company has issued 1,24,50,000 shares of Rs. 10/- each amounting to Rs. 12,45,00,000 on preferential basis to shareholders of NECX Private limited, as per the consent of shareholders received on 16th March 2019.

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:

There were no outstanding deposits within the meaning of Section 73 of the Companies Act, 2013 read with Companies (Acceptance of Deposits) Rules, 2014. At the end of the financial year. Your Company has not accept any such deposits during the Financial year 2018-19.

10. DIRECTORS AND KEY MANAGERIAL PERSONNEL:

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.

In accordance with the provisions of the Companies Act, 2013 and in terms of the Memorandum and Articles of Association of the Company, Smt. Kodali Vijaya Rani (DIN: 00102286) is liable to retire by rotation at the 21st Annual General Meeting and being eligible has offered herself for re-appointment. Her re-appointment is being placed for your approval at the Annual General Meeting. The brief profile of Smt. Kodali Vijaya Rani has been detailed elsewhere. Your Directors recommend her re-appointment as the Non-Executive Woman Director of your Company.

During the year under review, Ms. Payal Bang, an Associate member of the Institute of Company Secretaries of India, has resigned as Company Secretary and Compliance Officer of the Company on 14th April 2018.

Subsequently, the Board has appointed Ms. Rakhi Kothari, an Associate Member of the Institute of Companies Secretaries of India, as Company Secretary and Compliance Office as per Section 203 of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Rules, 2015, on 10th August, 2018, however she resigned from the position due to personal reasons on 14th February, 2019.

Subsequently, the Board has appointed Ms. Neha Sharma, an Associate Member of the Institute of Companies Secretaries of India, as Company Secretary and Compliance Office, on 12th April 2019 and she tendered her resignation on 01st July 2019, and the same is approved by the Board.

Board Meetings:

During the year under review, the Board of Directors met **Four** times and the dates of the Board Meetings are:

Sr. No.	Date of Board Meeting
1.	26.05.2018
2.	10.08.2018
3.	27.10.2018
4.	14.02.2019

The details of the Meetings of Board are covered in the Corporate Governance Report.

A. 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. Guduru Satyanarayana - Managing Director
- 2. Mr. Manne Rambabu - Whole Time Director (Technical)
- 3. Mr. Manne Rama Koteswara Rao - Chief Financial Officer
- 4. Ms. Neha Sharma - Company Secretary and Compliance Officer.
(Resigned on 01-07-2019)

B. 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 is available on the website of the Company www.quantumbuild.com

During the year under review, the separate meeting of Independent Directors of the Company without the presence of non-independent directors and members of the management and all the independent directors were present in the meeting held on 14th February, 2019, in Compliance with the Regulation 25 of SEBI (LODR) Regulation 2015 in which the following matters were considered:

- i. Review of the performance of all the non-independent directors and the Board as a whole;
- ii. Review of the performance of the Chairman of the Company, taking into accounts the views of Executive Directors and Non-Executive Directors; and
- iii. Assess of the quality, quantity and timeliness of flow of information among the Company, management and the Board, which is necessary for the Board to effectively and reasonably perform their duties.

C. 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 www.quantumbuild.com.

11. 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 available on the website of the Company www.quantumbuild.com.

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 2019, 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 2019 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 safeguarding 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. AUDIT OF ACCOUNTS AND STATUTORY AUDITORS:

As per the provisions of Section 139 of the Companies Act, 2013. M/s. Suryanarayana & Suresh, Chartered Accountants (Firm Registration No. 006631S), were appointed as Statutory Auditors of the Company by the members /shareholders in the Annual General Meeting held on 28th September 2017, for issuing the Audit report on the Financial position of the Company

M/s. Suryanarayana & Suresh. (Firm Registration No006631S), Chartered Accountants Statutory Auditors of the Company issued Auditors Report for the financial year ended 31st March, 2019 which is with unmodified opinion (unqualified). The observations made by the Statutory Auditors in their report for the financial year ended 31st March, 2019 read with the explanatory notes therein are self-explanatory and therefore, do not call for any further explanation or comments from the Board under Section 134(3)(f) of the Companies Act, 2013.

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 conduct the Secretarial Audit of the Company for the financial year 2018-19.

The Secretarial Audit Report issued by the Secretarial Auditor for the financial year 2018-19 in Form MR-3 as **Annexure A** forms a part of this Report.

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

No orders have been passed by any Regulator or Court or Tribunal which can have impact on the going concern status and the Company's operations in future.

17. PARTICULARS OF EMPLOYEES:

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

18. THE SEXUAL HARASSMENT OF WOMAN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:

The Company has placed an Anti-Sexual Harassment policy in line with the requirement of the Sexual harassment of Woman at Workplace (Prevention, prohibition and redressal) Act, 2013. There have been NIL complaints of such nature during the period under review.

**19. RISK MANAGEMENT:**

The Company has well-defined risk management framework in place. The risk management works at various levels of the Company. The Company has robust organisational structure for managing and reporting on risks.

Your Company has developed and implemented a Risk Management Policy which is approved by the Board. 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. High Interest rate
- b. Fluctuation in prices of building materials
- c. Competitive Risk due to entry of many players in local market
- d. Operational Risk of market saturation.
- e. Stringent regulatory framework.
- f. Slow Disbursement of approvals

20. ESTABLISHMENT OF VIGIL MECHANISM

The Vigil Mechanism as envisaged in the Companies Act, 2013, the Rules prescribed thereunder and the Regulation 22 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is implemented through the Company's Whistle Blower Policy to enable the Directors, employees and all stakeholders of the Company to report genuine concerns, to provide for adequate safeguards against victimisation of persons who use such mechanism and make provision for direct access to the Chairman of the Audit Committee.

Whistle Blower Policy of your Company is available on the website of the Company www.quantumbuild.com

21. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:

The Company in its ordinary course of business has entered into Contract/Arrangement and paid rent of premises amounting to Rs. 1,14,000/- (Rupees One Lakhs Fourteen Thousand only) to the Director during the financial year 2018-19. The transaction is on Arm's Length basis. In pursuant to Sec. 188(1) of the Companies Act, 2013, Form AOC-2 is annexed herewith.

22. PARTICULARS OF LOANS, GUARANTEES, INVESTMENT AND SECURITIES.

The Company has given loan out of surplus funds for a short term. The Company has not given any guarantee or provided security in connection with a loan to any other body corporate or person or acquired by way of subscription the securities except for the swap of shares of NECX Private Limited after the end of financial year.

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 encompasses a set of systems and practices to ensure that the Company's affairs are being managed in a manner which ensures accountability, transparency and fairness in all transactions in the widest sense.

The objective is to meet stakeholders' aspirations and societal expectations. Good governance practices stem from the dynamic culture and positive mindset of the Company.

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,

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. NOMINATION AND REMUNERATION COMMITTEE:

The Company has 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 constituted by Company is responsible for looking into the remuneration payable to the Whole-Time Directors and other key Employees of the Company. The Committee also frames and approves the Remuneration Policy for employees other than Whole-Time Directors of the Company. The committee has recommended the appointment of Managing Director, Whole time Director and the Independent Directors.

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

The Company does not have any Subsidiary, Holding, Joint Venture or Associate Company upto 31-03-2019. However as on date NECX Private Limited is an associate company on account of acquisition of its shares by the Company under swap of shares transaction.

27. 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 except for investment by way of swap of shares of Necx Software Pvt Limited.

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

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



CONSERVATION OF ENERGY:

1.	The steps taken or impact on conservation of energy.	Your Company 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.

29. LISTING:

The shares of your Company are listed at Bombay Stock Exchange (BSE Ltd.). The 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. The shares issued on 23-04-2019 are pending for listing.

30. ACKNOWLEDGEMENTS:

Your Directors wish to place on record their appreciation and sincere thanks to all government agencies, banks, shareholders, vendors and other related organizations, who through their continued support and co-operation, have helped, as partners, in your Company's progress. Your Directors also acknowledge the hard work, dedication and commitment of the employees.

For and on behalf of the Board

Guduru Satyanarayana
Managing Director
DIN: 02051710

Kodali Vijaya Rani
Director
DIN: 00102286

Place: Hyderabad.
Date: 09.08.2019

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31.03.2019

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

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

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). The 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, 2019, has complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance-mechanisms in place to the extent, in the manner and subject to the reporting made hereinafter. This report is to be read with 'Annexure - I' and forms an integral part of this report.

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, 2019 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made there under as amended;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- iv. Foreign Exchange Management Act, 1999 (FEMA) and the rules and regulations made there under 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;
 - (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 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 as amended.

During the Audit period under review for the Financial Year ended 31st March, 2019 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 of any inward remittance attracting the provisions of FEMA during the reporting period. With respect to the share transfers from non - residents to residents during the period Form FC - TRS is pending for filing with Reserve Bank of India.

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 being in the real estate and construction business and has started business in Software and Hardware Trading as stated in Main objects during the period under review, the Company is subject to the compliance with the provisions of Housing Board Act, 1965, Transfer of Property Act, 1882, Building and Other Construction Workers' (Regulation of Employment and Conditions of Services) Act, 1996, Information Technology related laws and other prevalent labour laws. During the period under Audit, there were no compliance incidence under these specific laws, since no construction activity was undertaken during the Audit period and has undertaken a trading transaction in Information Technology stream of business.

Place: Hyderabad

Date: 08.08.2019

Signature:
Name of Company Secretary in practice:

Sd/-
Ajay S. Shrivastava
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

This report is to be read with the below "Annexure - 1" and forms an integral part of this report.

1. The Maintenance of Secretarial records 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. Wherever 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 authenticate the said compliances.

Place: Hyderabad

Date: 08.08.2019

Signature:
Name of Company Secretary in practice:

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



**SECRETARIAL COMPLIANCE REPORT OF QUANTUM BUILD-TECH LIMITED
FOR THE YEAR ENDED 31ST MARCH, 2019**

[Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended.]

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

I have examined:

- a) all the documents and records made available to us and explanations provided by **Quantum Build-Tech Limited (“/ QBL/ the listed entity”)**,
- b) the filings/ submissions made by the listed entity to the stock exchanges,
- c) website of the listed entity,
- d) any other document/ filing, as may be relevant, which has been relied upon to make this certification,

for the year ended **31st March, 2019 (“Review Period”)** in respect of compliance with the provisions of:

- a) the Securities and Exchange Board of India Act, 1992 (“SEBI Act”) and the Regulations, circulars, guidelines issued thereunder; and
- b) the Securities Contracts (Regulation) Act, 1956 (“SCRA”), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India (“SEBI”);

The specific Regulations, whose provisions and the circulars/ guidelines issued thereunder, have been examined, include:-

- a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended;
- b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 : QBL has complied with the observations of BSE Ltd in respect of Preferential Issue of shares except the ratification as required under Regulation 163(1)(i) to be completed in ensuing Annual General Meeting;
- c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 as applicable during the period under review;
- d) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (Not applicable to the Company during the period under review);
- e) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (Not applicable to the Company during the period under review);
- f) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not applicable to the Company during the period under review);
- g) Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013 (Not applicable to the Company during the period under review);

h) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

i) other regulations and circulars/ guidelines issued thereunder; (as applicable)

and based on the above examination, I hereby report that, during the Review Period:

a) The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder, except in respect of matters specified below:-

Sr. No.	Compliance Requirement (Regulations/ circulars /guidelines including specific clause)	Deviations	Observations/ Remarks
1.	Ratification under Regulation 163(1)(i) of ICDR, 2018	Disclosure about Willful Defaulter in explanatory statement of Extra Ordinary General Meeting held on 16.03.2019	QBL has given an Undertaking to BSE Ltd for the compliance in ensuing Annual General Meeting

b) The listed entity has maintained proper records under the provisions of the above Regulations and circulars/ guidelines issued thereunder insofar as it appears from my examination of those records.

c) The following are the details of actions taken against the listed entity/ its promoters/ directors/ material subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under the aforesaid Acts/ Regulations and circulars/ guidelines issued thereunder:

Sr. No.	Action taken by	Details of violation	Details of action taken E.g. fines, warning letter, debarment, etc.	Observation / Remarks
	NIL	NIL	NIL	NIL

d) The listed entity has taken the following actions to comply with the observations made in previous reports :

Sr. No.	Observations of the Practicing Company Secretary in the previous reports	Observations made in the secretarial compliance report for the year ended 31.03.2018	Actions taken by the listed entity, if any	Comments of the Practicing Company Secretary on the actions taken by the listed entity
	NIL	Nil as this is the first report	NA	NIL

Sd/-

Ajay Suman Shrivastava

FCS No.: 3489

C.P. No.: 3479

Place: Hyderabad

Date: 29.05.2019



MANAGEMENT DISCUSSION & ANALYSIS REPORT

Industry Structure and Developments:

According to the World Economic Situation and Prospects (WESP) 2019, the global economy will continue to grow at a steady pace of around 3% in calendar year 2019 and 2020, after an expansion of 3.1 % in 2018. However, combination of development challenges could further undermine growth. India is destined to remain Fastest-growing Economy in 2019 and 2020, says UN Report with GDP Growth at 7.1 percent in 2019-20.

Despite growing global vulnerabilities, better demand conditions, settled GST implementation, expansion from growing investments in infrastructure, continuing positive effects of reform policies and improved credit off take especially in the service sector at 24 % will sustain the robust GDP growth in the range of 7.5% in calendar year 2019.”

Indian and Hyderabad Real Estate Sector:

The Indian real estate sector has witnessed a slump with the implementation of RERA Regulations but has matured over the period and has rebound to the estimated growth trajectory within a short span. Indian Government focus on Home for all and State Government scheme for Double Bedroom Flats has given a large impetus to the market. Also with the advent of large Information Technology companies in Hyderabad and the existing ones expanding their business, the demand has remained robust. Further clouding the prospects are a confluence of risk with the potential to severely disrupt economic activity and inflict significant damage on longer-term development prospects.

Opportunities:

Real Estate Regulatory Act (RERA) was aimed at ensuring accountability and infusing transparency and uniformity in practices prevalent in the real estate sector, more than 26 states and UTs have notified rules under RERA and As on December 2018, more than 34,000 RE projects have been registered under the RERA.

GST Rates (Non-Affordable Housing) – 5% on under – construction properties with no input tax Credit (ITC), No GST on Completed Projects, having a Standard tax will allow for simplicity in compliances processes and should result in limited tax leakages. Also, government relaxed carpet area norms multiples times for affordable housing incentives. Revision in GST rate were undertaken in February 2019. The GST rate is down from 8% to 1% on under-construction properties. Area relaxations for affordable housing were also undertaken in February 2019.

On other hand incentives for affordable housing coupled with lower GST rate has increased demand for under-construction segment, a trend which is expected to continue in 2019 as well. In terms of city, Hyderabad (West Hyderabad – Madhapur, Gachibowli, Nanakaramguda) along with other cities like Bangalore, Chennai, Mumbai are expected to drive demand in 2019. The Company has recently chartered into Technology products trading also and is planning to look for further expansion of the business in that segment.

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 projects and other operations, 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 sales and profitability. Also, the Company is actively looking for development of some Technology products and tools in Security space with active collaboration with another local company and is expected to take a large plunge in the sector.

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. Owing to the nature of the industry in, it is exposed to a variety of risk factors. These risks include waning support for multilateral approaches; the escalation of trade policy disputes; financial instabilities linked to elevated levels of debt; and rising climate risk, as the world experiences and increasing number of extreme weather events. The Company has developed a robust risk management framework consist of identification, assessment, mitigation, monitoring of risks; which in turn reduces the volatility due to unfavorable internal and external events and facilitates risk. The Management identifies the following risks:

Economic risk: 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, Government policies, GST rates, 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 ongoing NBFC crises has slowed disbursements to the real estate sector, banks becoming more cautious, developers are finding it a challenge to raise funds for the projects and are being forced to other financial routes, which in turn is increasing their cost of capital, inadequate funding resources may have an impact on the liquidity position of the Company. Also there is a large mismatch between the supply and actual demand in terms of unit and ticket size.

Rising Input Cost: The real estate industry is a capital and work focused sector, accordingly, an ascent in the cost of work makes issues in the development of the project in focus. Besides, uncalled for routine with regards to specific segments of merchants and concrete industry by raising the cost, makes issues in the completion of the project venture more prominent.

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 all transactions are authorized, recorded and reported correctly. The systems are updated and monitored on a continuous basis. The Company's internal control systems are further supplemented by Internal Audit conducted by competent finance 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. They periodically review accounting records and various Accounts/statements 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 as on 31stMarch 2019, is Rs. 12,61,56,300/- divided into 1,26,15,630 Equity Shares of Rs. 10/- each with Voting Rights. In an Extraordinary General Meeting held on 16.03.2019, the Company has proposed to issue 1,24,50,000 shares of Rs. 10/- each amounting to RS. 12,45,00,000 on preferential basis to shareholders of NECX Private limited in exchange of shares of NECX to be held by the Company.

SECURED LOANS

Secured loans of the Company stood at Rs. 3,05,33,887/- as on 31stMarch 2019 which is already with DRT for resolution. There after the Company has made payment for settlement as per DRT Order.

FIXED ASSETS

The Fixed Asset (Gross Block) as on 31stMarch 2019 amounts to Rs. 36,60,705/-.

HUMAN RESOURCES AND INDUSTRIAL RELATIONS

Manpower is biggest strength in any Sector. 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 satisfied workforce.. 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,2019,the manpower strength of the Company was 9 members which comprises professionals from diverse backgrounds like engineering, finance, taxation, secretarial, legal, management, business, supervisors, skilled and semi-skilled workers.

Disclaimer:

The above Management Discussion and Analysis contains certain forward looking statements within the meaning of applicable security laws and regulations. These pertain to the Company's future business prospects and business profitability, which are subject to a number of risks and uncertainties and the actual results could materially differ from those in such forward looking statements. The risks and uncertainties relating to these statements include, but are not limited to, risks and uncertainties, regarding fluctuations in earnings, our ability to manage growth, competition, economic growth in India, ability to attract and retain highly skilled professionals, time and cost over runs on contracts, government policies and actions with respect to investments, fiscal deficits, regulation, etc. The shareholders and readers are cautioned that in the case of data and information external to the Company, no representation is made on its accuracy or comprehensiveness though the same are based on sources thought to be reliable. The Company does not undertake to make any announcement in case any of these forward-looking statements become materially incorrect in future or update any forward looking statements made from time to time on behalf of the Company.

CORPORATE GOVERNANCE REPORT

I. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

The Company believes that good Corporate Governance is essential for achieving long-term corporate goals and to enhance stakeholders' value. In this pursuit, the Company's Corporate Governance philosophy is to ensure fairness, transparency and integrity of the management, in order to protect the interests of all its stakeholders.

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 DIRECTORS:

The composition of the Board of Directors of the Company is in conformity with the Listing Regulations and the Companies Act, 2013 ('the Act'). As on 31st March, 2019, the Board comprised of Six Directors, out of which One (1) is Non-Executive Director, Two (2) are Executive Directors and Three (3) are Independent Directors.

None of the Independent Directors on the Board serve as an Independent Director in more than seven listed companies. All Directors are also in compliance of the limit on Independent Directorships of listed companies as prescribed in Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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 and Attendance of Directors :

Name	Designation	Category	No. of Board Meetings Attended	Attendance at AGM Held On 28.09.2018	Directorships In Other Companies
Mr. Guduru Satyanarayana	Managing Director	Executive	4	Present	0
Mrs. Kodali Vijaya Rani	Director	Non- Executive Promoter	4	Absent	1
Mr. Manne Rambabu	Whole Time Director	Executive	4	Present	0
Mr. Kanduri Saraswathi Kumar	Director	Independent Non-Executive	4	Present	0
Mr. Kyatham Prabhakar Reddy	Director	Independent Non-Executive	4	Absent	2
Mr. Sripathi Ram Reddy	Director	Independent Non-Executive	4	Absent	0
Mrs. Yelledi Padmavathi	Additional Director	Independent Non-Executive	-	NA	-



None of the Directors on the Board is a Member of more than 10 Committees and Chairman of more than 5 Committees across all companies in which they are 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. Payal Bang was appointed as the Company Secretary and Compliance Officer of the Company with effect from 11th August, 2017. She resigned from the position of Company Secretary and Compliance Officer of the Company on 14th April, 2018.

Further Ms. Rakhi Kothari was appointed as the Company Secretary and Compliance Officer of the Company with effect from 10th August, 2018. She also resigned from the position of Company Secretary and Compliance Officer of the Company on 14th February, 2019 due to her spouse shifted out of India.

Further Ms. Neha Sharma was appointed as the Company Secretary and Compliance Officer of the Company with effect from 12th April, 2019. who held the prescribed qualification under Section 2(24) of the Companies Act, 2013. She has recently resigned from the position of Company Secretary and Compliance Officer of the Company on 01st July, 2019.

B. MEETINGS OF THE BOARD OF DIRECTORS:

The Board of Directors have met Four times during the financial year on 26.05.2018, 10.08.2018, 27.10.2018 and 14.02.2019.

Independent Directors have convened their meeting on 14th February, 2019, in accordance with Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, without the presence of non-Independent Directors and members of the management and all the independent Directors were present at the meeting.

C. 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 approved/signed by the respective Chairman.

D. CODE OF ETHICS:

The Company's Board has laid down a Code of Conduct for all Board members and designated senior management of the Company. The code of conduct is available on the website of the Company www.quantumbuild.com. All Board members and senior management personnel have affirmed compliance with the code of ethics, for the year 2018-19. A declaration signed by the Chief Financial Officer to this effect is attached to this Report.

E. DECLARATION OF INDEPENDENCE BY DIRECTORS:

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".

F. BOARD COMMITTEES:

The establishment of Board Committees imparts focus to the Board's oversight. They improve the effectiveness of the Board in areas where more focus and specialization is deemed necessary. In accordance with the Companies Act, 2013 and the SEBI Listing Regulations, the Company has constituted three Committees viz. Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee.

1. AUDIT COMMITTEE:

The Audit Committee's role shall flow directly from the Board of Directors' overview function on corporate governance, which holds the Management accountable to the Board and the Board, in turn, accountable to the shareholders. The Committee oversees the work carried out in the financial reporting process by the Management, the internal auditor, the statutory auditors and notes the processes and safeguards deployed by each of them.

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 26.05.2018, 10.08.2018, 27.10.2018 and 14.02.2019.

The attendance of Directors at the Audit Committee Meeting held during the year 2018-19.

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

Terms of Reference:

The terms of reference of the Audit committee includes 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. Review the significant related party transactions, if any.
4. Having discussions with statutory auditors and internal auditors of the company in respect of the financial statements of the company.
5. Suggesting recommendation to the Board on Audit report and Financial Management of the Company.
6. Review the internal control systems and ensure adherence thereto.
7. 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 purpose of the Nomination and Remuneration Committee is to oversee the selection of members of the Board based on criteria related to the specific requirement of expertise, independence and execution. The Nomination and Remuneration Committee also evaluates the performance of the Board members, inclusive of the executive members based on the expected performance criteria.

The Nomination and Remuneration Committee of the Company as at 31.03.2019 comprises of three directors, all of them being non-executive independent directors.



Meetings of the Committee and Attendance:

As the Key Managerial Personnel was appointed during the year, the Committee held its meeting on 10.08.2018 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. Sripathi Ram Reddy	Member	1	1
Mr Kyatham Prabhakar Reddy	Member	1	1

The terms of reference of the Committee are as given below:

- Make recommendation to the Board regarding the setup and the Composition of the Board.
- 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.
- Formulate criteria for evaluation of independent directors and the Board.
- Identify the qualification criteria for the directors and Key Managerial Person (KMP)
- 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 to look after the issues relating to employee's remuneration.
- Recommended to the Board appointment or reappointment of the Directors and the appointment of KMP and executive team members.

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 made under the provisions of Section 92(3) of the Act is available on the website of the company www.quantumbuild.com

Particulars	Mr. Guduru Satyanarayana Managing Director		Mr. Manne Rambabu Whole-Time Director	
	2018-19	2017-18	2018-19	2017-18
Salary	12,00,000	9,30,000	---	9,30,000
Perquisites	8,67,000	8,67,000	---	---
Total	20,67,000	17,97,000	---	9,30,000

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 (LODR) Regulations, 2015.

Terms of reference:

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:

The Committee held its meeting for noting/ approval of the Share Transfers of the Company during the year

Name	Designation	Meetings Held	Meetings Attended
Mr. Sripathi Ram Reddy	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.

G. WHISTLE BLOWER POLICY/VIGIL MECHANISM:

In accordance with Section 177 of the Companies Act, 2013, 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 available on the website of the company www.quantumbuild.com

H. ANNUAL GENERAL MEETINGS:

Details of Previous Annual General Meetings:

Day	Date	Time	Venue
Tuesday	27 th September, 2016	11.30 A.M	Jubilee Hills International Centre, Road No. 14, Jubilee Hills, Hyderabad, Telangana-500 033.
Thursday	28 th September, 2017	11:30 A:M	Hyderabad Gymkhana, Road No. 2, Banjara Hills, Hyderabad- 500034, Telangana.
Friday	28 th September, 2018	11.30 A.M.	Hyderabad Gymkhana, Road No. 2, Banjara Hills, Hyderabad- 500034, Telangana.



Details of resolutions passed in previous Annual General Meeting dated 28th September, 2018 :-

1. Details of special resolution passed is as follows: Nil
2. Details of Ordinary Resolution passed is as follows: -
 - i. Adoption of Audited Financial Statements as on 31st March, 2019 along with Report of Auditors and Board thereon.
 - ii. Re-appointment of Retiring Director Smt. Kodali Vijaya Rani, who retired by rotation and being eligible offered herself for reappointment.
3. Postal ballot resolution, any such proposal- **NIL**.

Details of resolutions passed in Extra Ordinary General Meeting dated 16th March, 2019 :-

1. Details of Ordinary Resolution passed is as follows :
 - Approval of reclassification of Authorised Capital of the Company.
2. Details of Special Resolution passed is as follows :
 - Approval of Alteration of Clause III of Memorandum of Association.
 - Approval of Adoption of new set of Articles of Association.
 - Approval of limit of Inter Corporate loans & investments under section 186 to Rs. 200 Crores.
 - Approval of further issue of 1,24,50,000 shares of Rs. 10/- each for swap of NECX Private Limited shares.

I. 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 SEBI (Listing Obligations and Disclosures requirements) Regulations, 2015.
 - i. The Auditors in their Report on the Annual Financial Statements of the Company have not made any qualifications and reservations.
 - ii. The Company has adopted Vigil Mechanism i.e. Whistle Blower Mechanism to report to the management concerns about unethical behavior, actual or suspected fraud or violation of the company's code of conduct or ethics policy.
- d) The Company has followed the Accounting Standards and IND AS for the first time as 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.

J. CEO CERTIFICATION:

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

K. MEANS OF COMMUNICATION:

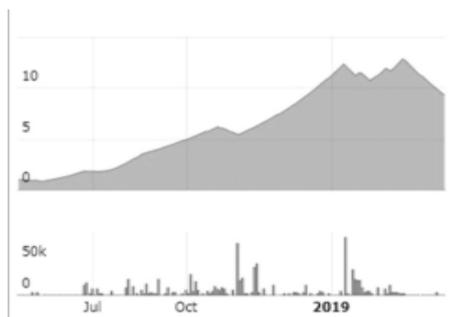
The website of the Company- www.quantumbuild.com is the primary source of information regarding the operation of the Company and the information as mandated in Regulation 46 of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015. The quarterly and annual financial results of the 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.

L. MARKET PRICE DATA AND PERFORMANCE COMPARISON:

The market price data High, Low and Close during each month from 1st April, 2018 to 31st March, 2019 are mentioned below:

Monthly Market Price details from 01.04.2018 to 31.03.2019			
Trade date	High (In Rs)	Low (In Rs.)	Close (In Rs.)
Apr 18	1.01	0.91	0.95
May 18	0.96	0.88	0.96
Jun 18	1.90	1.00	1.85
Jul 18	1.85	1.79	1.85
Aug 18	3.37	1.88	3.37
Sep 18	4.86	3.53	4.86
Oct 18	6.33	4.95	5.54
Nov 18	7.50	5.33	7.50
Dec 18	11.03	7.65	11.03
Jan 19	12.63	10.73	11.96
Feb 19	13.11	11.34	11.34
Mar 19	11.12	9.31	9.31

2) Performance Comparison:





M. DISTRIBUTION OF SHAREHOLDING AS AT 31ST MARCH 2019 :

Category/ No. of Shares	Number of holders	% of total holders	Number of shares	% of total shares
Upto-500	2857	87.02	326350	2.59
501-1000	134	4.08	107263	0.85
1001-2000	119	3.62	172048	1.36
2001-3000	34	1.04	84106	0.67
3001-4000	16	0.49	56972	0.45
4001-5000	16	0.49	73669	0.58
5001-10000	42	1.28	317562	2.52
10001 & Above	65	1.98	11477660	90.98
Total	3283	100.00	12615630	100.00

N. GENERAL SHAREHOLDERS INFORMATION:

TWENTY FIRST ANNUAL GENERAL MEETING DETAILS:

Details of the Meeting:	Date Saturday, 28 th September, 2019 Time 11:30 A:M Venue The Hyderabad Gymkhana, Road No.2, Banjara Hills, Hyderabad-500 034.
Financial year	2018 - 19
Dates of book closure:	23rd September, 2019 to 28th September, 2019 (Both days inclusive).
Dividend Payment Date	Not Applicable.
Listing Stock Exchanges	BSE Limited (Trading w.e.f 19 th August, 2014)
The Listing Fee	The listing fees for the year 2018-19 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 - 500 018

CATEGORY WISE SHAREHOLDING AS AT 31ST MARCH, 2019:

Category	Number of Equity Shares Held	% of Shareholding
Promoters	2730464	21.64
Public Holding	9885166	78.36
Total	12615630	100.00

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.

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 31.03.2019 a total of 12,142,228 shares i.e. 96.24% of the total listed shares have been dematerialized.

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, 040-23568990, Email ID: info@quantumbuild.com

For and on behalf of the Board

Place: Hyderabad
Date: 09.08.2019

G. Satyanarayana
Managing Director
DIN: 02051710

Kodali Vijaya Rani
Director
DIN: 00102286

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
QUANTUMBUILD-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, **Guduru Satyanarayana**, Managing Director of Quantum Build-Tech Limited, do hereby confirm that I have read and understood the applicability of Code of Conduct to the Board of Directors and Senior Management of the Company in accordance with Regulation 17(5)(a) & (b) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, and that the Members of the Board have affirmed the compliance of the requirements of the Code during the Financial Year 2018-19.

Place: Hyderabad
Date: 09.08.2019

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, Guduru Satyanarayana, Managing Director and Manne Rama 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, is made known to us 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 for 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: 09.08.2019

G. Satyanarayana
Managing Director
DIN: 02051710

M.R. Koteswara Rao
Chief Financial Officer

CERTIFICATE FOR NON-DISQUALIFICATION OF DIRECTORS
(Pursuant to Regulation 34(3) and Schedule V Para Clause (10) (i) of the SEBI
(Listing Obligations and Disclosure Requirements) Regulations, 2015

To,
The Members of Quantum Build-Tech Limited
8-1-405/A/66 Dream Valley,
Near O.U Colony,Shaikpet,
Hyderabad -500008, Telangana

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Quantum Build-Tech Limited having CIN: L72200TG1998PLC030071and having its Registered Office at 8-1-405/A/66 Dream Valley,Near O.U Colony,Shaikpet, Hyderabad -500008, Telangana. (hereinafter referred to as “the Company”), produced before me/us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para- C Sub Clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended.

In my/our Opinion and to the best of my/our information and according to the verification (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanation furnished to me/us by the Company & its Officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ended on 31st March,2019 have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

S.No.	Name of Director	Designation	DIN	Date of Appointment
1.	Kodali Vijaya Rani	Director	00102286	22/11/2014
2.	Kyatham Prabhakar Reddy	Director	00966105	19/04/2005
3.	Guduru Satyanarayana	Managing Director	02051710	31/08/2009
4.	Manne Ram Babu	Wholetime Director	02413835	30/08/2008
5.	Kanduri Saraswathi Kumar	Director	02788086	03/10/2009
6.	Sripathi Ram Reddy	Director	06390971	10/11/2012

Ensuring the eligibility for the appointment/ continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on these based on my verification. This Certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place: Hyderabad
Date: 08.08.2019

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



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, as amended, for the period ended 31st March, 2019. 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.

Sd/-

Place: Hyderabad
Date: 09.08.2019

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

INDEPENDENT AUDITOR'S REPORT

To the Members of

QUANTUMBUILD-TECH LIMITED

Report on the Audit of the financial statements

Opinion

We have audited the financial statements of Quantum Build-Tech Limited (“the Company”), which comprise the balance sheet as at 31 March 2019, and the statement of Profit and Loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 (“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 31 March 2019, and loss and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Other Information

The Company’s Board of Directors is responsible for the other information. The other information comprises the information included in the Company’s Annual Report, but does not include the financial statements and our auditor’s report thereon. The Annual report is expected to be made available to us after the date of this auditor’s report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

**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 Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, loss and other comprehensive income, changes in equity 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. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

- (A) As required by Section 143(3) of the Act, we report that:
- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law 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 (including other comprehensive income), the statement of changes in equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors as on 31 March 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2019 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 with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".



- (B) 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, 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 on its financial position in its financial statements – Refer Note 10.1, Note 11.1 and Note 22 to the financial statements;
 - ii. The Company does not have material foreseeable losses, if any, on long-term contracts including derivative contracts.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
- (C) With respect to the matter to be included in the Auditors' Report under section 197(16):

In our opinion and according to the information and explanations given to us, the remuneration paid by the company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

Place: Hyderabad
Date: 24-05-2019

For Suryanarayana & Suresh.,
Chartered Accountants
Reg. No.006631S

Sd/-

V Nagendra Rao
Partner
M. No. 227679

“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, 2019:

- 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, 2019 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	37,76,049	-

- 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: 24-05-2019

For Suryanarayana & Suresh.,
Chartered Accountants
Reg. No.006631S

Sd/-
V Nagendra Rao
Partner
M. No. 227679

“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, 2019 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 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) 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, 2019, 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: 24-05-2019

For Suryanarayana & Suresh.,
Chartered Accountants
Reg. No.006631S

Sd/-

V Nagendra Rao
Partner
M. No. 227679

BALANCE SHEET AS AT 31ST, MARCH 2019

(Amount in ₹)

Sl. No.	Particulars	Note	As at 31 March 2019	As at 31 March 2018
A	ASSETS			
1	NON CURRENT ASSETS			
	a) Fixed Assets			
	Property, Plant & Equipment	1	818,870	940,188
	b) Other Non Current Assets	2	27,690,615	40,555,441
	Total Non Current Assets		28,509,485	41,495,629
2	CURRENT ASSETS			
	Inventories	3	-	71,607,146
	FINANCIAL ASSETS			
	a) Trade Receivables	4	20,767,300	5,237,698
	b) Cash and Cash Equivalents	5	8,662,517	27,628,252
	c) Short Term Loans & Advances	6	31,510,939	161,680
	d) Other Current Assets	7	1,544,217	1,499,119
	Total Current Assets		62,484,973	106,133,895
	TOTAL ASSETS (1+2)		90,994,458	147,629,524
B	EQUITY & LIABILITIES			
1	SHAREHOLDERS' FUNDS			
	a) Share Capital	8	126,156,300	126,156,300
	b) Other Equity	9	(76,826,893)	(44,877,585)
	Total Equity		49,329,407	81,278,715
2	NON CURRENT LIABILITIES			
	FINANCIAL LIABILITIES			
	a) Long Term Borrowings	10	3,776,046	3,776,046
	b) Preference Share Capital		-	-
	Total Non Current Liabilities		3,776,046	3,776,046
3	CURRENT LIABILITIES			
	a) FINANCIAL LIABILITIES			
	Short Term Borrowings	11	26,757,841	26,757,841
	Trade Payables	12	661,425	8,841,069
	b) Short Term Provisions	13	3,716,657	3,984,290
	c) Other Current Liabilities	14	6,753,082	22,991,563
	Total Current Liabilities		37,889,005	62,574,763
	TOTAL EQUITY & LIABILITIES (1+2+3)		90,994,458	147,629,524
	See accompanying Notes Forming part of the Financial statements 1 to 27			

In terms of our report of even date attached.

For Suryanarayana & Suresh

Chartered Accountants

Firm Regn No.006631S

For and on behalf of the Board

V.Nagendra Rao

Partner

M.No.227679

Place : Hyderabad

Date : 24-05-2019

G. Satyanarayana

Managing Director

DIN 02051710

M.R. Koteswara Rao

Chief Financial Officer

M. Rambabu

Director

DIN 02413835

Neha Sharma

Company Secretary



STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST, MARCH 2019

(Amount in ₹)

Sl. No.	Particulars	Note	For the Year Ended 31 March 2019	For the Year Ended 31 March 2018
	CONTINUING OPERATIONS			
1	Revenue from Operations	15	42,511,517	27,694,354
	Other Income	16	3,625,735	1,287,091
	Total		46,137,252	28,981,445
2	Expenses			
	(a) Cost of Materials Consumed	17.a	12,659,321	20,038
	(b) Cost of Labour charges	17.b	63,000	174,000
	(c) Change in Contracts W.I.P	17.c	68,945,983	–
	(d) Employee Benefits Expenses	18	2,888,166	3,568,727
	(e) Finance Cost	19	157,923	94,133
	(f) Depreciation and Amortisation Expenses		136,159	139,499
	(g) Other Expenses	20	2,454,057	11,044,768
	Total		87,304,609	15,041,165
3	Profit / (Loss) for the year before exceptional items		(41,167,357)	13,940,280
4	Exceptional Items:	21	9,218,049	9,412,029
5	Profit / (Loss) for the year before tax		(31,949,308)	4,528,251
	Less : Income Tax - Current year		–	315,000
	Income Tax - Previous years		–	4,490
6	Profit / (Loss) for the year		(31,949,308)	4,208,761
7	Earnings per share (Nominal value of ₹10/- each)			
	(a) Basic (Rs.)		(2.53)	0.33
	(b) Diluted (Rs.)		(2.53)	0.33
	See accompanying Notes Forming part of the Financial Statements 1 to 27			

In terms of our report of even date attached.

For Suryanarayana & Suresh

Chartered Accountants
Firm Regd. No. : 006631S

For and on behalf of the Board

V. Nagendra Rao
Partner
M.No. 227679

Place : Hyderabad
Date : 24-05-2019

G. Satyanarayana
Managing Director
DIN 02051710

M.R. Koteswara Rao
Chief Financial Officer

M. Rambabu
Director
DIN 02413835

Neha Sharma
Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST, MARCH 2019

(Amount in ₹)

Sl. No.	Particulars	For the Year Ended 31 March 2019	For the Year Ended 31 March 2018
A	CASH FLOW FROM OPERATING ACTIVITIES		
	Net Profit before tax	(31,949,308)	4,528,251
	Add: Adjustments for		
	Depreciation and Amortisation	136,159	139,499
	Loss on Sale of Asset	4,641	-
	Bad Debts written off	-	4,995,321
	Exceptional Items	(9,218,049)	-
	Interest income on fixed deposits	(3,625,735)	(1,273,091)
	Operating profit before working capital changes	(44,652,292)	8,389,980
	Add/ (Less): Adjustment for working capital changes		
	a. Decrease / (Increase) in Other Non Current Assets	12,864,826	309,104
	b. Decrease / (Increase) in Inventories	71,607,146	6,305,645
	c. Decrease / (Increase) in Trade receivables	(15,529,602)	947,000
	d. Decrease / (Increase) in Short term loans & advances	(31,114,085)	3,583,194
	e. Decrease / (Increase) in Other current assets	(148,311)	446,416
	f. (Decrease) / Increase in Trade payables	(8,179,644)	(1,641,638)
	g. (Decrease) / Increase in Short term provisions	47,367	52,500
	h. (Decrease) / Increase in Other current liabilities	(7,020,432)	1,260,767
	Cash generated from operations	(22,125,027)	19,652,968
	Tax Paid	(550,174)	(4,490)
	Net cash generated / (used in) operating activities (A)	(22,675,201)	19,648,478
B	Cash Flow From Investing Activities		
	Purchase of Tangible Asset	(34,982)	(851,460)
	Proceeds from Sale of Asset	15,500	-
	Interest received on fixed deposits	3,728,948	1,077,443
	Net Cash used in Investing Activity (B)	3,709,466	225,983
C	Cash Flow From Financing Activities		
	Long-term borrowings	-	(2,678,451)
	Repayment of Short term borrowings	-	-
	Redemption of Share Capital	-	(20,000,000)
	Net cash (used in) / generated from financing activities (C)	-	(22,678,451)
	Net increase in Cash and cash equivalents (A+B+C)	(18,965,735)	(2,803,990)
	Cash and cash equivalents at the beginning of the year	27,628,252	30,432,242
	Cash and cash equivalents at the end of the year	8,662,517	27,628,252

In terms of our report of even date attached.

For Suryanarayana & Suresh

Chartered Accountants

Firm Regd. No. : 006631S

For and on behalf of the Board

V. Nagendra Rao

Partner

M.No. 227679

Place : Hyderabad

Date : 24-05-2019

G. Satyanarayana

Managing Director

DIN No. 02051710

M.R. Koteswara Rao

Chief Financial Officer

M. Rambabu

Director

DIN No. 02413835

Neha Sharma

Company Secretary

**Corporation Information**

Quantum Build-Tech Limited (the Company) is a public limited company domiciled in India and was incorporated under the provision of Companies Act, 1956. Its shares are listed on the Bombay Stock Exchange (BSE Ltd) in India. The registered office of the company is located at H.No.8-1-405/A/66, Dream Valley, Near O U Colony, Shaikpet, Hyderabad – 500 008. The Company is primarily engaged in the Construction of Residential Complexes. **During the year the company has diversified its business into sale of computers as a trader.**

SIGNIFICANT ACCOUNTING POLICIES:**a. Property, Plant and Equipment:**

Property, Plant and Equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Cost comprises of purchase price inclusive of taxes, commissioning expenses, etc., up to the date the asset is ready for its intended use. Fixed assets which were revalued are carried at revalued values. Expenditure directly related to expansion projects has been capitalized.

Cost includes non refundable taxes, duties, freight, borrowing costs and other incidental expenses related to the acquisition and installation of the respective assets.

Assets under installation or under construction as at the Balance Sheet date are shown in Capital work-in –progress. Advances paid towards acquisition of assets are shown in Capital Advances.

Fixed assets which are found to be not usable or retired from active use of when no further benefits are expected from their use are removed from the books of account and the difference if any, between the cost of such assets and the accumulated depreciation there on is charged to Statement of Profit & Loss.

Depreciation on tangible assets is provided under Straight Lime Method over the useful lives of assets estimated by the management. Depreciation on additions/ deletions during a period is charged on pro rata basis from the date of addition or deletion, as the case may be.

The Management estimated the useful life of fixed assets as follows:

Office Equipment	5 Years
Computers	3 Years
Furniture and Fixtures	10 Years
Construction Equipment	12 Years
Vehicles –Motor Cars	8 Years
Vehicles – Scooters and Mopeds	10 Years
Centering Material	12 Years

b. Impairment of Assets:

In accordance with Ind AS 36, the company assesses at each Balance Sheet date whether there is any indication that an asset may be impaired. An asset is treated as impaired when the carrying cost exceeds its recoverable value. An impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired.

The impairment loss recognized in a prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

c. Employee Benefits:

Retirement benefits to employees comprise of payments under Defined Contribution Plans like Provident Fund and payments under Defined Benefit Schemes like Gratuity and Leave encashment.

Payments under defined contribution plans are charged to revenue on accrual. The liability in respect of defined benefit scheme is arrived based on actuarial valuation made at the end of the year by using projected unit credit method.

Short-term employee benefits such as wages, salaries and short-term compensated absences like bonus and other non-monetary benefits are provided for as per Company's Rules on best estimate basis.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts include in net interest on the net defined benefit liability), are recognized immediately in the Balance Sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

d. Valuation of Inventories:

Inventories are valued at the lower of cost and net realizable value. Cost is arrived at by using weighted average method and includes all costs of purchases, conversion and other costs incurred in bringing the inventories to their present location and condition.

e. Investments:

Investments intended to be held for more than one year are treated as long term and others as short term. Short-term investments are carried at the lower of cost or quoted / fair value, computed category wise and long term investments are stated at cost. Provision for diminution in the value of long –term investments is made only if such a decline is other than temporary. As there are no investments made by the Company in any subsidiary or equity instruments, provisions of IND-AS 27 are not applied.

f. Prior period expenses / Income:

The Company follows the practice of making adjustments through “expenses/income under/over provided” in previous years in respect of material transactions pertaining to that period prior to the current accounting year.

g. Government Grants:

Government grants available to the company are recognized when there is a reasonable assurance that the conditions attached to the grant will be complied with and reasonably certain that grants will be received.

h. Tax Expenses

Tax expense for the period comprises current tax and deferred tax. Tax is recognised in Statement of Profit and Loss except to the extent that it relates to items recognised in the comprehensive income or in equity. In which case, the tax is also recognised in other comprehensive income or equity.

➤ **Current tax**

Current tax assets and liabilities are measured at the amounts expected to be recovered from or paid to the taxation authorities, based on the tax rates and laws that are enacted or substantively enacted at the Balance sheet date.

➤ **Deferred tax**

Deferred tax is recognised on temporary differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The carrying amount of deferred tax liabilities and assets are reviewed at the end of each reporting period.

i. Foreign Exchange Transactions:

Transactions denominated in foreign currency are accounted for initially at the exchange rate prevailing on the date of transaction. Foreign Currency monetary Assets and Liabilities are translated at year end exchange rates. Fluctuations, if any due to change in exchange rates Between the dates of transactions and the dates of crystallization are debited / credited to Statement of Profit & Loss.

j. Revenue Recognition:

Revenues from Projects under long term contracts is recognized 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.

Revenues from services are recognized as per the terms of contract with customers when the related services are performed or the agreed milestones are achieved.

Interest income on general deposits with Bank and others is recognized on time proportion basis.

k. Borrowing Costs:

Borrowing costs attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to revenue.

l. Provisions, Contingent Liabilities and Contingent Assets:

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is possible that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the notes on accounts. Contingent Assets are neither recognized nor disclosed in the financial statements.

m. Earnings per Share:

The basic Earnings Per Share ("EPS") is computed by dividing the net profit after tax for the year by the weighted average number of equity shares outstanding during the year. For the purpose of calculating diluted earnings per share, net profit after tax but before OCI for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential of equity shares.

SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

Preparation of the financial statements requires management to make judgments, estimates and assumptions, as described below, that affect the reported amounts and the disclosures. The Company based its assumptions and estimates on parameters available when the financial statements were prepared and reviewed at each Balance Sheet date. Uncertainty about these assumptions and estimates could result in outcomes that may require a material adjustment to the reported amounts and disclosures.

(Amount in ₹)

Particulars	GROSS BLOCK				DEPRECIATION & AMORTISATION				NET BLOCK	
	Opening As on 01-04-18	Additions During the Year	Deletions During the Year	Balance as on 31-03-19	Balance as on 01-04-18	Deletions During the Year	For the Period 31-03-19	Total upto 31-03-19	As At 31-03-19	As At 31-03-18
Computers	501,152	23,542		524,694	476,094		3,106	479,200	45,494	25,058
Construction Equipment	149,463			149,463	137,533		4,334	141,867	7,596	11,930
Furniture & Fixtures	226,307			226,307	213,530		366	213,896	12,411	12,777
Office Equipment	118,991	11,440		130,431	113,042		2,174	115,216	15,215	5,949
Vehicles	2,416,816		402,826	2,013,990	1,588,199	382,685	101,111	1,306,625	707,365	828,617
Centering Materials	615,820			615,820	559,963		25,068	585,031	30,789	55,857
Total	4,028,549	34,982	402,826	3,660,705	3,088,361	382,685	136,159	2,841,835	818,870	940,188
Previous Year	3,177,089	851,460	0	4,028,549	2,948,862	0	139,499	3,088,361	940,188	228,227



Notes forming part of the Financial Statements

1.	Fixed Assets - Tangible Assets		
	Particulars	As at 31 March, 2019 ₹	As at 31 March, 2018 ₹
	Property, Plant & Equipment	818,870	940,188
	Total	818,870	940,188
2.	Other Non Current Assets		
	Particulars	As at 31 March, 2019 ₹	As at 31 March, 2018 ₹
	(A) Loans and advances		
	Unsecured Considered good		
	Advance for Land	25,900,000	39,000,000
	Rent Deposit	1,100,000	1,100,000
	Electricity Deposit	29,074	29,074
	Other Deposits	217,708	217,708
	(A)	27,246,782	40,346,782
	(B) Loans and advances to employees		
Unsecured, considered good (B)	54,210	54,210	
(C) TDS Receivable			
Unsecured considered good			
TDS Receivable (Net of Provision) (C)	389,623	154,449	
Total (A+B+C)	27,690,615	40,555,441	
3.	Inventories		
	Particulars	As at 31 March, 2019 ₹	As at 31 March, 2018 ₹
	Contracts work - in - Progress (Refer note 3.1)	-	68,945,983
	Project Land	-	2,661,163
Total	-	71,607,146	
3.1	During the year the company has relinquished its development rights (vide Regd Document No.14940 of 2018 dt 05-07-2018) in Quantum Heights Project at Gajularamaram. Since the rights were transferred, the relevant expenses incurred on the said project has been charged to Statement of Profit & Loss.		

4.	Trade Receivables		
	Particulars	As at 31 March, 2019 ₹	As at 31 March, 2018 ₹
	Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
	Unsecured considered good Less: Bad Debts Written off	20,767,300 -	10,233,019 4,995,321
	Total	20,767,300	5,237,698
4.1	The Company has filed a case U/s.138 of Negotiable Instruments Act for recovery of ₹ 3,05,089/- due from a customer vide case reference no. S.A.No.724 of 2012 filed with the 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.		
5.	Cash and Cash Equivalents		
	Particulars	As at 31 March, 2019 ₹	As at 31 March, 2018 ₹
	(A) Cash Cash on hand	36,626	61,047
	(B) Balances with Banks: a) In Current Accounts		
	(i) Karur Vysya Bank Ltd	547,041	338,119
	(ii) Punjab National Bank Ltd	18,850	19,086
	(iii) Axis Bank Ltd - ESW Preferential Issue	10,000	10,000
	(C) Bank Deposits: Fixed Deposits (Refer Note 5.c)	8,050,000	27,200,000
	Total (A+B+C)	8,662,517	27,628,252
5.c	Fixed deposits includes ₹ 80,50,000 /- having maturity period of less than three months.		
6.	Short-Term Loans and Advances (Unsecured, Considered good)		
	Particulars	As at 31 March, 2019 ₹	As at 31 March, 2018 ₹
	Loans and advances		
	Other Advances (Refer Note 6.1)	31,510,939	161,680
	Total	31,510,939	161,680
6.1	The company has given a short term loan of ₹ 2,00,00,000/- to Sri Sai Techno Fab @ an interest rate of 12% P.A. & ₹1,00,00,000/- to P R Consultancy @ an interest rate of 12% P.A on recovery basis.		

8.1.2	Particulars	As at 31 March, 2019	As at 31 March, 2018
	Equity shares at the beginning 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

8.1.3	Details of Shareholders holding more than 5% shares				
	Name of the Share holder	As at 31.03.2019		As at 31.03.2018	
		Shares	% held	Shares	% held
	Kodali Vijaya Rani	1,595,350	12.65	1,595,350	12.65
	Rajesh / Vamsi Cherukuri	-	-	1,162,916	9.22
	Naresh Cherukuri	1,462,916	11.59	300,000	2.38
	Krishna Guduru	1,245,000	9.86	1,045,000	8.28
	Punukollu Kodanda Rambabu	1,085,114	8.60	1,085,114	8.60
	Usha Rani Guduru	749,726	5.94	287,610	2.28
	Uppalapati Saibabu Rao	669,968	5.31	200,000	1.58
	M/s. Pancom Marketing Pvt Ltd	650,000	5.15	650,000	5.15

9.	Other Equity		
	Particulars	As at 31 March, 2019 ₹	As at 31 March, 2018 ₹
	(A) Capital Reserve	3,500,000	3,500,000
	(B) Statement of Profit & Loss		
	Opening Balance	(48,377,585)	(52,586,346)
	Add : Surplus / (Deficit) in statement of Profit & Loss	(31,949,308)	4,208,761
		(80,326,893)	(48,377,585)
	Total	(76,826,893)	(44,877,585)

10.	Long-Term Borrowings		
	Particulars	As at 31 March, 2019 ₹	As at 31 March, 2018 ₹
	Term loans - Secured		
	From banks		
	Axis Bank Ltd- Term Loan (Refer Note 10.1)	3,776,046	3,776,046
	Total	3,776,046	3,776,046

10.1 The matter relating to Axis Bank loan outstanding is pending at Debts Recovery Tribunal as on meeting date.



11. Short-Term Borrowings			
	Particulars	As at 31 March, 2019 ₹	As at 31 March, 2018 ₹
	Loans repayable on demand - Secured		
	From Banks		
	Axis Bank Ltd - Cash Credit (Refer Note 11.1)	26,757,841	26,757,841
	Total	26,757,841	26,757,841
11.1	The matter relating to Axis Bank loan outstanding is pending at Debts Recovery Tribunal as on meeting date.		

12. Trade Payables			
	Particulars	As at 31 March, 2019 ₹	As at 31 March, 2018 ₹
	Sundry Creditors for Materials	17,789	37,835
	Sundry Creditors for Works	21,022	102,614
	Sunday Creditors for Services	622,614	8,700,620
	Total	661,425	8,841,069

13. Short Term Provisions			
	Particulars	As at 31 March, 2019 ₹	As at 31 March, 2018 ₹
	Provisions		
	Provision for Gratuity	573,308	528,308
	Provision for Income Tax	–	315,000
	Other Provisions	3,143,349	3,140,982
	Total	3,716,657	3,984,290

14. Other Current Liabilities			
Particulars		As at 31 March, 2019 ₹	As at 31 March, 2018 ₹
(A) Other Payables	Outstanding Liabilities	28,533	143,426
	Others	-	241,430
	(A)	28,533	384,856
(B) Statutory Payables	(B)	742,549	779,867
(C) Advances from Customers	(C)	5,982,000	20,737,806
(D) Interest Accrued	(D)	-	1,089,034
Total (A+B+C+D)		6,753,082	22,991,563
15. Revenue from Operations			
Particulars		As at 31 March, 2019 ₹	As at 31 March, 2018 ₹
a) Sale of Relinquishment of Rights (Refer Note 15.a)		16,900,000	-
Less:			
Service Tax		-	-
Sales Tax		-	-
		16,900,000	-
b) Sales - Computers		13,160,680	-
c) Profit on Sale of Land		12,450,837	27,694,354
Total Net Sales		42,511,517	27,694,354
15.a	The company has entered into Development Agreement cum General power of Attorney vide Regd Document No.27984 of 2006 dt 10-11-2006, registered at S.R.O Medchal, Ranga Reddy District. During the year company has relinquished its development rights (vide Regd Document No.14940 of 2018 dt 05-07-2018) in Quantum Heights Project at Gajularamaram for a total consideration of ₹ 300 lakhs (the deposit amount of ₹ 131.00 lakhs was adjusted against consideration and the balance accounted as Sale of Relinquishment of rights)		
16. Other Income			
Particulars		As at 31 March, 2019 ₹	As at 31 March, 2018 ₹
Interest Income		3,625,735	1,273,091
Rent Received		-	14,000
Total		3,625,735	1,287,091



17.a	Cost of Material Purchases		
	Particulars	As at 31 March, 2019 ₹	As at 31 March, 2018 ₹
	Cost of Materials Purchased	12,659,321	20,038
	Total	12,659,321	20,038

17.b	Cost of Labour Charges		
	Particulars	As at 31 March, 2019 ₹	As at 31 March, 2018 ₹
	Labour charges	63,000	174,000
	Total	63,000	174,000

17.c	Changes in Inventories of work in progress		
	Particulars	As at 31 March, 2019 ₹	As at 31 March, 2018 ₹
	Inventories at the End of the Year Work - in - Progress (Refer note 17.c)	–	68,945,983
	Inventories at the Beginning of the Year Work-in-Progress	68,945,983	68,945,983
	Total Net (Increase) / Decrease	68,945,983	–

17.c During the year the company has relinquished its development rights (vide Regd Document No.14940 of 2018 dt 05-07-2018) in Quantum Heights Project at Gajularamaram. Since the rights were transferred, the relevant expenses incurred on the said project has been charged to Statement of Profit & Loss.

18.	Employee Benefits Expenses		
	Particulars	As at 31 March, 2019 ₹	As at 31 March, 2018 ₹
	Salaries & Wages	2,843,166	3,515,333
	Contributions to Gratuity	45,000	52,500
	Staff welfare expenses	–	894
	Total	2,888,166	3,568,727

19. Finance Cost			
	Particulars	As at 31 March, 2019 ₹	As at 31 March, 2018 ₹
	Interest On		
	(i) Overdraft & Working Capital Loan	-	41,775
	(ii) TDS	155,880	47,745
	(iii) Others	2,043	4,613
	Total	157,923	94,133
20. Other Expenses			
	Particulars	As at 31 March, 2019 ₹	As at 31 March, 2018 ₹
	Power and fuel	8,703	15,346
	Rent	114,000	114,000
	Repairs and maintenance	13,352	57,231
	Insurance	23,133	23,143
	Rates and taxes	255,320	466,772
	Communication	124,152	150,204
	Consultancy & Professional	651,111	454,800
	Bank Charges	787	34,898
	Payment to Auditors		
	Audit Fees	75,000	75,000
	Tax Audit Fees	25,000	25,000
	Travelling and conveyance	87,323	157,720
	Printing and stationery	69,497	68,029
	Advertisement Expenses	116,070	98,984
	AGM Expenses	16,649	8,193
	Office Maintenance	52,370	42,270
	Miscellaneous Expenses	37,343	21,553
	Bad Debts Written off	-	4,995,321
	Other Advances Written off	-	3,450,061
	Freight Charges	7,500	-
	Loss on Sale of Vehicle	4,641	-
	Postage & Courier	106,488	32,417
	Vehicle Maintenance	623,708	485,766
	Legal Expenses	18,000	255,000
	Filing Fees	23,910	13,060
	Total	2,454,057	11,044,768



21.	Exceptional Items		
	Particulars	As at 31 March, 2019 ₹	As at 31 March, 2018 ₹
	Fluctuation in foreign currency	–	9,412,029
	Credit Balances no longer payable	9,218,049	–
	Total	9,218,049	9,412,029
22.	Contingent Liabilities : 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.		
23.	Related Party Disclosures Key Management Personnel (KMP) : G.Satyanarayana M.Rambabu M.R.Koteswara Rao		
24.	Transactions with Key Management Persons and their Relatives		
	Particulars	KMP & Relatives of KMP	
		31 March, 2019 ₹	31 March, 2018 ₹
	Remuneration & Perquisites	2,667,000	3,342,000
	Rent	114,000	114,000
Salaries & Perquisites payable	335,174	8,377,129	
Rent Payable	171,360	70,286	
25.	Confirmations are not received in respect of the amounts relating to trade receivables, trade payables, loans & advances.		
26.	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 2019.		
27.	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 Suryanarayana & Suresh

Chartered Accountants

Firm Regd. No. : 006631S

For and on behalf of the Board

V. Nagendra Rao

Partner

M.No. 227679

Place : Hyderabad

Date : 24-05-2019

G. Satyanarayana

Managing Director

DIN 02051710

M.R. Koteswara Rao

Chief Financial Officer

M. Rambabu

Director

DIN 02413835

Neha Sharma

Company Secretary

FORM AOC -2

Disclosure of Particulars of Contracts/ Arrangements entered into with related parties under Section 188(1) of the Companies Act, 2013 including certain arm's length transaction thereto

[Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014]

I. Details of contracts or arrangements or transactions not at Arm's length basis:

S.No.	Particulars	Details
1.	Name (s) of the related party & nature of relationship	-
2.	Nature of contracts/arrangements/transaction	-
3.	Duration of the contracts/arrangements/transaction	-
4.	Salient terms of the contracts or arrangements or transaction including the value, if any	-
5.	Justification for entering into such contracts or arrangements or transactions'	-
6.	Date of approval by the Board	-
7.	Amount paid as advances, if any	-
8.	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	-

II. Details of contracts or arrangements or transactions at Arm's length basis:

S.No.	Particulars	Details
1	Name (s) of the related party & nature of relationship	Mr. Guduru Satyanarayana - Director
2	Nature of contracts/arrangements/transaction	Payment of Rent
3	Duration of the contracts/arrangements/transaction	Regular on year to year basis
4	Salient terms of the contracts or arrangements or transaction including the value, if any	The Company in its ordinary course of business has entered into Contract/Arrangement and paid rent of premises amounting to Rs. 1,14,000/- (Rupees One Lakhs Fourteen Thousand only) to the Director during the financial year 2018-19. The transaction is on Arm's Length basis. Rent unchanged.
5	Date of approval by the Board	19-04-2005
6	Amount paid as advances, if any	Nil

For Quantum Build-Tech Limited

Sd/-

Guduru Satyanarayana
Managing Director
DIN: 02051710

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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

21st Annual General Meeting on Saturday, the 28th of September, 2019 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 21st Annual General Meeting of the Company to be held on Saturday, the 28th September, 2019 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:

Item No.	Resolution	For	Against
ORDINARY BUSINESS:			
Item No. 1	Approval of Audited Financial Statements for the year ended on 31 st March, 2019.		
Item No. 2	Re-appointment of Retiring Director, Smt. Kodali Vijaya Rani.		
SPECIAL BUSINESS:			
Item No. 3	Appointment of Mr. Guduru Satyanarayana as Managing Director of the Company who has attained the age of 70 Years.		
Item No. 4	Appointment of Mr. Manne Ram Babu as Whole-time Director of the Company who has attained the age of 70 Years.		
Item No. 5	To Regularize the appointment of Mrs. Yelledi Padmavathi (DIN: 01721333) as Director of the Company.		

Signed thisday of 2018

Signature of Member(s):

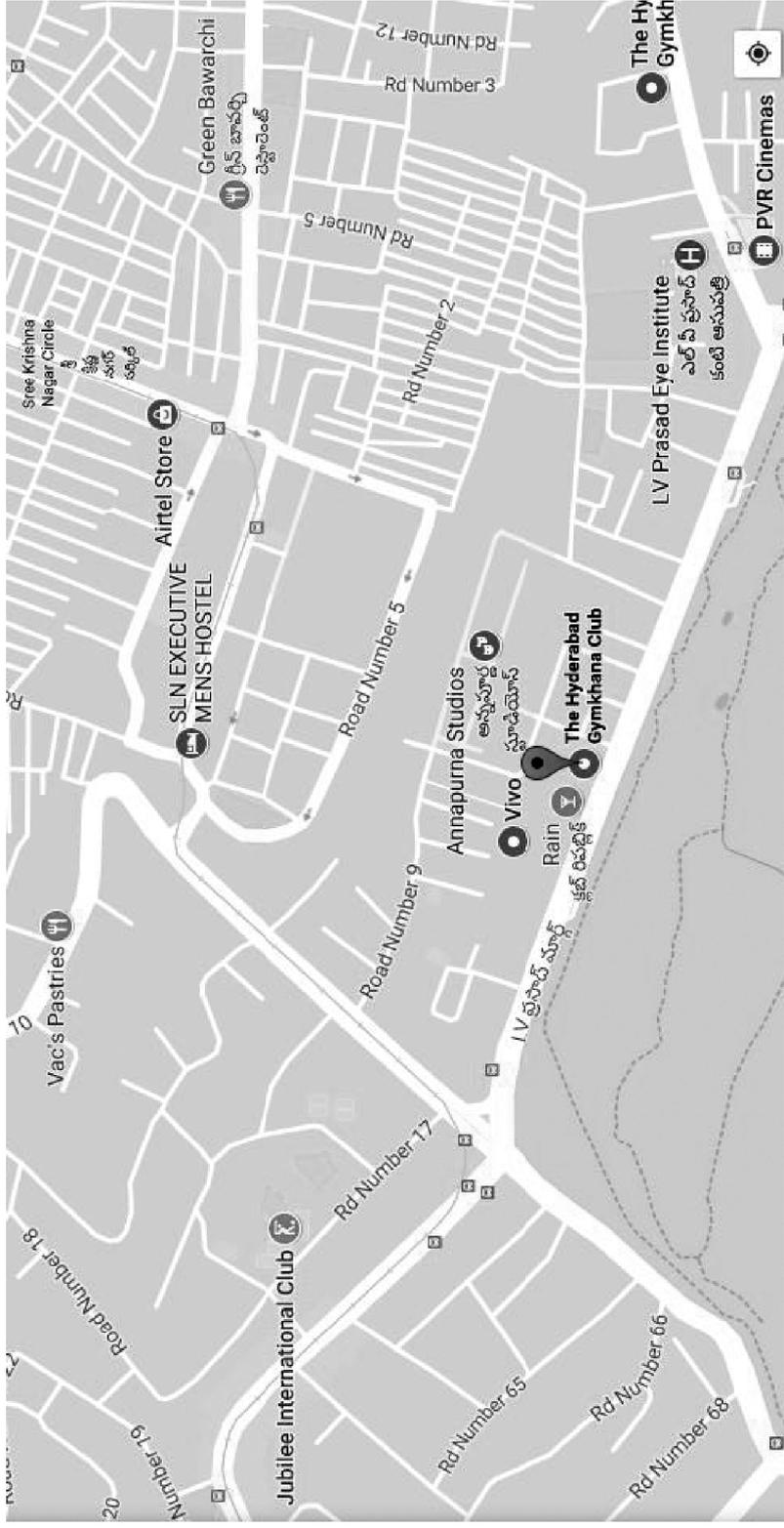
Signature of Proxy holder(s):

Affix
Revenue
Stamp of
Re. 1/-

Notes:

- 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.
- For the Resolutions, Statement setting out material facts thereon and notes, please refer to the Notice of the 20th Annual General Meeting.
- 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 21ST ANNUAL GENERAL MEETING TO BE HELD
ON 28TH DAY OF SEPTEMBER 2019.**



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

21st Annual General Meeting on Saturday, the 28th of September, 2019 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 21st Annual General Meeting of the Company to be held at Hyderabad Gymkhana, Road No. 2, Banjara Hills, Hyderabad – 500034 on Saturday, the 28th day of September, 2019 at 11.30 A.M

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

Electronic Voting Event Number (EVSN)	User ID	Password
190822028		

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.