



QUANTUM BUILD-TECH LIMITED

**22nd Annual Report
2019 - 2020**

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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 (Resigned on w.e.f. 12-11-2019)
- Promoter Director
- Non-Executive Independent Director
- Non-Executive Independent Director
- Non-Executive Independent Director
- Non-Executive Non Independent (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

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. Suman Gupta (w.e.f. 15-07-2020)
E-mail : cs@quantumbuild.com



NOTICE

NOTICE IS HEREBY GIVEN THAT THE 22ND (TWENTY SECOND) ANNUAL GENERAL MEETING OF THE MEMBERS OF QUANTUM BUILD-TECH LIMITED WILL BE HELD ON FRIDAY THE 4TH DECEMBER, 2020 AT 11.30 AM THROUGH VIDEO CONFERENCING (“VC”) / OTHER AUDIO VISUAL MEANS (“OAVM”), TO TRANSACT THE FOLLOWING BUSINESS:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2020, together with the Reports of the Board of Directors’ and Auditor’s 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 re-appoint Shri Kyatham Prabhakar Reddy (DIN: 00966105) as an Independent Director and in this regard, to pass, with or without modifications, the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Shri Kyatham Prabhakar Reddy (DIN: 00966105), who was appointed as an Independent Director and whose term of office as Independent Director has ended and being eligible, and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of Director, be and is hereby re-appointed as an 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 w.e.f. 3rd November, 2020.”

4. To re-appoint Shri. Ram Reddy Sripathi (DIN: 06390971) as an Independent Director and in this regard, to pass, with or without modifications, the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Shri. Ram Reddy Sripathi (DIN: 06390971), who was appointed as an Independent Director and whose term has ended and being eligible, and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of Director, be and is hereby re-appointed as an 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 w.e.f. 3rd November, 2020.”

By Order of the Board

Date : 03.11.2020

Regd. off. : 8-1-405/A/66, Dream Valley,
Near O.U Colony, Shaikpet, Hyderabad -500008, TG

Guduru Satyanarayana
Managing Director
DIN: 02051710

- As you are aware, in view of the situation arising due to COVID-19 global pandemic, the general meetings of the companies shall be conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2020. Annual General Meeting (AGM) will thus be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.
- Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.
- The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to a least 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
- The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
- Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.
- In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at www.quantumbuild.com. The Notice can also be accessed from the websites of the Stock Exchanges at www.bseindia.com. The AGM Notice is also disseminated on the website of CDSL at www.evotingindia.com.
- The AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 8, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020.
- Members are hereby requested to register their E-mail addresses with their Depository Participant or with **Venture Capital & Corporate Investments Private Limited, 12-10-167, Bharat Nagar Colony, Hyderabad- 500018 (Telangana) Registrar and Share Transfer Agent (RTA)** of the Company, for sending various Notices, Dividend intimation and other documents through Electronic Mode. Those members who have changed their E-mail Addresses



are requested to register their E-mail ID / New Addresses with RTA, in case the shares are held in physical form and with the Depository Participants where shares are held in Demat mode.

- Your attention is invited on the Companies (Significant Beneficial Ownership) Amendment Rules, 2019 issued by the Ministry of Corporate Affairs on 8 February, 2019. A person is considered as a Significant Beneficial Owner (SBO) if he / she, whether acting alone, together or through one or more individuals or trust holds a beneficial interest of at least 10% or more. The beneficial interest could be in the form of a Company's shares or the right to exercise significant influence or control over the Company. If any members holding shares in the Company on behalf of other or fulfilling the criteria, is required to give a declaration specifying the nature of his / her interest and other essential particulars in the prescribed manner and within the permitted time frame.
- All the relevant documents referred to in the accompanying Notice are available for inspection at the Registered Office of the Company on all working days (From Monday to Friday) during the business hours up to the date of AGM.
- The Register of Members and Share Transfer Books of the Company will remain closed from **Saturday 28th November, 2020 to Friday 04th December, 2020** (both days inclusive) for the purpose of Annual General Meeting.
- Shri Ajay S. Shrivastava, Practicing Company Secretary has been appointed as "Scrutinizer" for the Business mentioned to be conducted by e-voting.
- The Results of the e-voting will be declared by Director by 6th December, 2020, by 05:00 P.M. at the Registered Office of the Company at Hyderabad and shall be hosted on the website of the Company; www.quantumbuild.com and on website of the Stock Exchange; www.bseindia.com.
- The Explanatory Statement under Section 102(1) of the Companies Act, 2013 in respect of Item Nos. 3 and 4 is annexed herewith.
- Since the AGM will be held through VC, the Route Map is not annexed in this Notice.
- The details pertaining to Director(s) liable to retire by rotation and director(s) proposed to be appointed/ re-appointed as required to be provided pursuant to the Listing Agreement with the Stock Exchange are as follows:

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC / OAVM ARE AS UNDER:

1. As you are aware, in view of the situation arising due to COVID-19 global pandemic, the general meetings of the companies shall be conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2020. The forthcoming AGM will thus be held through through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository

Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.

2. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to atleast 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
3. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
4. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.
5. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at www.quantumbuild.com. The Notice can also be accessed from the website of the Stock Exchanges i.e. BSE Limited at www.bseindia.com. The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. www.evotingindia.com.
6. The AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 8, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020.



THE INTRUCTIONS FOR SHAREHOLDERS FOR REMOTE E-VOTING ARE AS UNDER:

- (i) The voting period begins on **1st December, 2020 at 9.00 AM and ends on 3rd December, 2020 at 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 i.e. 28th November, 2020** may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iv) Click on "Shareholders" module.
- (v) 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. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.

OR

Alternatively, if you are registered for CDSL's EASI/EASIEST e-services, you can log-in at <https://www.cdslindia.com> from Login - Myeasi using your login credentials. Once you successfully log-in to CDSL's EASI/EASIEST e-services, click on e-Voting option and proceed directly to cast your vote electronically.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) • Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. • If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders 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.

- (xi) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xiii) 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.
- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xv) 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.
- (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xviii) 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.
- (xix) Shareholders can also cast their vote using CDSL's mobile app "m-Voting". The m-Voting app can be downloaded from respective Store. Please follow the instructions as prompted by the mobile app while Remote Voting on your mobile.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to Company/RTA email id.
2. For Demat shareholders -, please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to Company/RTA email id.



INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Shareholder will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-Voting system. Shareholders may access the same at <https://www.evotingindia.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.
2. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
3. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast 7 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at (company email id). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 3 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at (company email id). These queries will be replied to by the company suitably by email.
6. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

INSTRUCTIONS FOR SHAREHOLDERS FOR E-VOTING DURING THE AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
2. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
3. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.
4. Shareholders who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

(xx) Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the “Corporates” module.
- 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.
- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz: info@quantumbuild.com (designated email address by company) , if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.
- If you have any queries or issues regarding attending AGM & e-Voting from the e-Voting System, 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 or contact Mr. Nitin Kunder (022- 23058738) or Mr. Mehboob Lakhani (022-23058543) or Mr. Rakesh Dalvi (022-23058542).
- All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call on 022-23058542/43.

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013
 (“THE ACT”)**

The following Statement sets out all material facts relating to the Businesses mentioned in the Notice:

Item No. 3 and 4:

Shri Kyatham Prabhakar Reddy (DIN: 00966105) and Shri. Ram Reddy Sripathi (DIN: 06390971), were appointed as Independent Directors on the Board of the Company pursuant to the provisions of Section 149 of the Act read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Their terms of office have ended (“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 re-appointment of Shri Kyatham Prabhakar Reddy and Shri. Ram Reddy Sripathi, as Independent Directors for a second term of 5 (five) consecutive years on the Board of the Company. Based on their background and experience and contributions made by them during their tenure, the Board opines that the continued association of Shri Kyatham Prabhakar Reddy and Shri. Ram Reddy Sripathi, would be beneficial to the Company and it is desirable to continue to avail their services as Independent Directors. Accordingly, it is proposed to re-appoint both of them as Independent Directors of the Company wef 03.11.2020, 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.



In accordance with Section 149(6) of the Act and provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), Shri Kyatham Prabhakar Reddy and Shri Ram Reddy Sripathi meet the criteria of independence as prescribed and the Company has also received declarations from them in this regard.

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.

Shri Kyatham Prabhakar Reddy and Shri Ram Reddy Sripathi, are not disqualified from being appointed as Directors in terms of Section 164 of the Act and have given their consent to act as Directors.

The Company has received individual notices in writing from members under Section 160 of the Act proposing the candidature of Shri Kyatham Prabhakar Reddy and Shri Ram Reddy Sripathi. Moreover, the Nomination and Remuneration committee of the Company has considered their candidature and recommended their re-appointment for the office of Independent Directors of the Company.

Details of Directors whose re-appointment as Independent Directors is proposed at Item Nos. 3 and 4, are provided in the "**Annexure**" to the Notice pursuant to the provisions of (i) the Listing Regulations and (ii) Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India.

The Board recommends the Special Resolutions set out at Item Nos. 3 and 4 of the Notice for approval by the members.

None of the Directors and KMPs, are in any way interested or concerned in the said resolution.

PROFILE OF THE DIRECTOR RETIRING BY ROTATION AND THOSE FOR REAPPOINTMENT:

Smt.Kodali Vijaya Rani:

Smt Kodali Vijaya Rani is aged about 70 years and resident of Hyderabad. She is a Post Graduate with Masters in Education and is having more than 3 decades of experience in field of education and administration of educational institutions. She is presently working as Principal in VRS & VJ Residential School, Bachupally, Hyderabad.

hri Kyatham Prabhakar Reddy is aged about 70 years and resident of Hyderabad. He is a Bachelor of Engineering from Osmania University and has more than 3 decades of experience in Designing and construction of Residential Colonies, Industrial Buildings & other projects.

Shri Ram Reddy Sripathi:

Shri Ram Reddy Sripathi is aged about 73 years and resident of Hyderabad. He has vast experience in the fields of financial management services and construction.

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, 2020.

2. FINANCIAL SUMMARY :

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

Particulars	Year ended on 31.03.2020	Year ended on 31.03.2019
Revenue from operations	12.81	425.11
Other Income	4.22	36.25
Total Income	17.03	461.37
Less: Total Expenses	(1303.64)	(780.86)
Profit/ (Loss) before Taxation	(1286.61)	(319.49)
Less: Tax Expenses	-	-
Profit/ (Loss) after tax	-	-
Profit/(Loss) C/F to the Next Year	(1286.61)	(319.49)

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

The Company earned Revenue from operations of Rs.12.81 Lakhs in Financial year 2019-20 as against Rs. 425.11 in previous Financial year 2018-19. As at 31.03.2020, the Company has written off the Investment in shares of Necx Private Limited as the same are rendered unrealizable. Therefore, the company has incurred loss of Rs. 1286.61 lakhs in the Financial Year 2019-20 as against a Net Loss of Rs. 319.49 Lakhs in the Financial year 2018-19.

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 financial year.

In the last month of FY 2019-20, the COVID-19 pandemic developed rapidly into a global crisis, forcing governments to enforce lockdowns of all economic activity. For the Company, the focus immediately shifted to ensuring the health



and well-being of all employees and work from home was allowed. Since there are no projects underway, the impact on financial health of the Company is NIL.

4. CHANGE IN NATURE OF BUSINESS:

During the year under review, there was no change in the nature of the business of the Company. However, Company had started business in Information Technology field also, but the same was stopped in July, 2019 as there were no orders etc., forthcoming and the MOU signed with Necx Private Limited was rendered futile.

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 2019-20, the Company has transferred Rs. 1,286.61 Lakhs as loss, therefore as at 31st March 2020, the accumulated loss stands at Rs. 2,054.88 Lakhs.

8. SHARE CAPITAL:

The Share capital of your Company is Rs. 25,06,56,300/- divided into 2,50,65,630 Equity Shares of Rs. 10/- each with Voting Rights as at 31.03.2020.

During the period under review Company has issued and allotted 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 on 23rd April, 2019 in pursuant to consent of shareholders received on 16th March 2019 and BSE In principle approval dated 09th April, 2019. The Shares were listed and permitted to trade on the Exchange with effect from Wednesday, October 23, 2019.

The Board of Directors on 04th May 2020 have approved a scheme of selective reduction of the above stated 1,24,50,000 Equity shares from the Issued and Paid up capital, since the investment against which the said shares were issued have become unrealizable.

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 accepted any such deposits during the Financial year 2019-20.

10. **DIRECTORS AND KEY MANAGERIAL PERSONNEL:**

Your Board consists 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 22nd 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, following are changes in the constitution of Board and KMP.

- Smt. Padmavathi Yelledi was appointed as additional Director by Board on 23rd April 2019 and she was regularized and appointed as Director (Non-Executive Non-Independent) at the 21st AGM held on 28th September 2019.
- Sri. Manne Ram Babu has resigned as Director of the Company on 12th November 2019.
- Mr. Kyatham Prabhakar Reddy and Mr. Sripathi Ram Reddy have completed their terms as Independent Directors and they are proposed to be reappointed for a further term of 5 consecutive years.
- The Board has appointed Ms. Neha Sharma, an Associate Member of the Institute of Companies Secretaries of India, as Company Secretary and Compliance Officer, on 12th April 2019 and she tendered her resignation on 01st July 2019, and the same was approved by the Board.



- The Board has appointed Ms. Suman Gupta, an Associate Member of the Institute of Companies Secretaries of India, as Company Secretary and Compliance Officer, on 15th July 2020.

Board Meetings:

During the year under review, the Board of Directors met **Five (5)** times and the dates of the Board Meetings are:

Sr. No	Date of Board Meeting
1.	12-April-2019
2.	24-May-2019
3.	09-August-2019
4.	12-November-2019
5.	14-February-2020

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. M.R.Koteswara Rao | - | Chief Financial Officer |
| 3. | Ms. Suman Gupta
(appointed on 15.07.2020) | - | Company Secretary and Compliance Officer |

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 13.03.2020, in Compliance with the Regulation 25 of SEBI (LODR) Regulation 2015 in which the following matters were considered:

- Review of the performance of all the non-independent directors and the Board as a whole.
- Review of the performance of the Chairman of the Company, taking into accounts the views of Executive Directors and Non-Executive Directors; and

- iii. Assessment of quality, quantity, and timeliness of flow of information among the Company, management, and the Board, which is necessary for the Board to perform their duties effectively and reasonably.

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:

Your Directors would like to inform the members that the Audited Financial Statement for the financial year ended **31st March, 2020** are in full conformity with the requirement of the Act and they believe that the financial statements reflect fairly the form and substance of transactions carried out during the year and reasonably present the Company's financial condition and results of operations.

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 2020, 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 2020 and of the ~~profit~~/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 No 006631S), Chartered Accountants, Statutory Auditors of the Company issued Auditors Report for the financial year ended 31st March, 2020 which is with unmodified opinion (unqualified). The observations made by the Statutory Auditors in their report for the financial year ended 31st March, 2020 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.

The auditors' report does not contain any qualifications, reservations, or adverse remarks.

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, Practising Company Secretary, Hyderabad, to conduct the Secretarial Audit of the Company for the financial year 2019-20.

The Secretarial Audit Report issued by the Secretarial Auditor for the financial year 2019-20 in Form MR-3 as **Annexure-I** 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. BSE Limited imposed penalties for certain delays in compliance which were

duly paid. However National Company Law Tribunal, Hyderabad Bench, on 14th October, 2020 passed an interim order on the restrictions on trading of 1,24,50,000 shares allotted on 23.04.2019 as under below.

This Hon 'ble Tribunal granted an order restraining the Allotees from dealing with 12,450,000 Equity Shares of Quantum allotted to them on 23.04.2019 and credited in their accounts on 24.10.2019 in any manner including but not limited to, by transfer or entering into agreement(s) to transfer and or creating any third party interest or mortgaging or pledging or offering as security against any borrowing, pending disposal of the main petition.

The final outcome of the petition is still awaited.

Meanwhile, owing to exposure of the frivolous nature of the said shareholders of Nex Private Limited and their obtaining a bogus Share Valuation for their shares garnering maximum shares from Company and therefore Company has filed a petition under section 213 of Companies Act, 2013 against all the parties involved therein.

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 organizational 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 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 approvals for real estate projects.

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 Contract/Arrangement and paid rent of premises amounting to Rs. 114,000/- (Rupees One Lakh Fourteen Thousand only) to the Director during the financial year 2019-20. 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.

The Company has paid an amount of Rs.50.00 lakhs as advance to Necx Private Limited for supply of IT / IT related products like computers / softwares. As on date, the Company is pursuing for refund of the balance of advance.

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

The Company has not given any loan to any person or other body corporate or given any guarantee or provided security in connection with a loan to any other body corporate or person or acquired by way of subscription, purchase or otherwise, the securities of any other body corporate during the financial year under review.

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, the Independent Directors and KMP.

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

The Company does not have any Subsidiary, Holding, Joint Venture Company. At the year end Necx Private Limited is an Associate company by virtue of Company's shareholding in the Associate company. However the financial statements for the FY ended 31.03.2020 have not been provided by Necx Private Limited and therefore have not been grouped with the financial statements of the Company.

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 Pvt Limited which have been written off from the books of accounts as at year end.

28. INSIDER TRADING CODE

In compliance with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended ('the PIT Regulations') on prevention of insider trading, your Company had revised Code of Conduct to Regulate, Monitor and Report by Designated Persons and Immediate Relatives' in line with the recent amendments brought by SEBI in the PIT Regulations. The said Code lays down guidelines, which advise Designated Persons on the procedures to be followed and disclosures to be made in dealing with the shares of the Company and cautions them on consequences of non-compliances. Your Company also updated its Code of practices and procedures of fair disclosures of unpublished price sensitive information including a policy for determination of legitimate purposes. Further, your Company has put in place an adequate & effective system of internal controls including maintenance of structural database, standard processes to ensure compliance with the requirements of the PIT Regulations to prevent Insider trading.

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

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

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**.

30. 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.

31. 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

**Date: 03.11.2020
Place: Hyderabad**

**Guduru Satyanarayana
Managing Director
DIN: 02051710**

**Kodali Vijaya Rani
Director
DIN: 00102286**

Annexure	Contents
I	Secretarial Audit Report - Form MR - 3
II	Annual Secretarial Compliance Report
III	Particulars of Contract with related parties - Form AOC - 2



Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31.03.2020

[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 - 500 008, Telangana.

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **QUANTUM BUILD-TECH LIMITED (CIN: L72200TG1998PLC030071)** (herein called the QBL / Company). 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 the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit for the period, I hereby report that in my opinion, the Company, **Quantum Build-Tech Limited**, during the audit period covering the financial year ended on 31st March, 2020, has complied with the statutory provisions listed hereunder, except specifically stated 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:

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, 2020 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; as applicable during the period under review
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended; QBL has reported that it has complied with the compliances as prescribed by SEBI and observations of BSE with respect to fresh issue of 1,24,50,000 Equity shares issued on 23.04.2019 and listed on BSE Limited on 03.10.2019.
 - d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; Not applicable to the Company for the period under review.

- e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; Not applicable to the Company for the period under review
- 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 its members;
- g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; Not applicable to the Company for the period under review and
- h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; Not applicable to the Company for the period under review
- i) SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 as amended,
- j) Other regulations and circulars/guidelines issued thereunder; (as applicable)

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 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 and following actions were taken by the Regulators during the year under review:

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.	Observations/ Remarks
1.	BSE letter dated 24.05.2019	ICDR- Schedule XIX of SEBI-ICDR Reg 2018 erstwhile 108(2) of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009- Delay in application for Listing	Penalty imposed BSE- 2,00,000/- + GST- Rs 36,000/-	Penalty amount paid on 01.06.2019
2.	BSE letter dated 19.08.2019	SEBI Circular No. SEBI/HO/CFD/DIL2/ CIR/P/2019/94 dated 19/08/2019	Penalty imposed Rs. 40,000/- + GST Rs. 7,200/-	Paid on 19.10.2019
3.	BSE letter dated 03.02.2020	Delayed compliance of Regulation 17 for composition of Board of Directors for Quarter ended 31.12.2019	Penalty imposed - Rs. 2,10,000/- + GST- Rs 37,800/-	Paid on 31.03.2020
4.	BSE letter dated 03.02.2020	Delayed compliance of Regulation 17 for composition of Board of Directors for Quarter ended 30.09.2019	Penalty imposed - Rs. 15,000/- + GST- Rs 2,700/-	Paid on 01.04.2020
5.	BSE letter dated 15.10.2019	Regulation 34 – delay in filing of Annual Report- 31.03.2019	Penalty imposed - Rs. 32,000/- + GST- Rs 5,760/-	Penalty paid on 17.10.2019. Penalty withdrawn by BSE and to be adjusted with Annual Listing Fees



b) The Company 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 31.03.2019	Actions taken by the listed entity, if any	Comments of the Practicing Company Secretary on the actions taken by the listed entity
	NIL	Undertaking given to BSE for ratification	NIL	Not complied with the undertaking

I further report that, during the period under review,

- i. The Company has issued and allotted 1,24,50,000 Equity Shares of Rs. 10 each to the promoters/shareholders of NECX Private Limited on 23.04.2019 and the promoters/other shareholders of NECX had transferred 245,400 Equity Shares of Rs. 507.30 in favour of QBL, in the swap transaction.
- ii. The said fresh shares were duly listed on the Exchange on 03.10.2019 as per SEBI -ICDR.

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. Mr. M.Ram Babu, Whole-time Director of the Company had resigned w.e.f 12.11.2019. Two of the Independent Directors have completed their term during the year and are eligible for reappointment for a further term.
- During the period under review, Ms. Neha Sharma, Company Secretary and Compliance officer resigned from her position w.e.f. 01.07.2019. New Company Secretary & Compliance officer appointed on 15.07.2020.
- 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 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, 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, the Company being in the real estate and construction business, the Company is subject to the compliance of provisions of such acts like, Housing Board Act, 1965, Transfer of Property Act, 1882, Building and other Construction Workers' (Regulation of Employment and conditions of services) Act, 1996 and prevalent Labour Laws. During the period under review, all the compliances regarding to the said acts and laws are duly complied with.

Further, this report is to be read with the letter of even date as attached in Annexure -A and forms part of this report.

Date: 02.11.2020

Place: Hyderabad

Sd/-
AJAY SUMAN SHRIVASTAVA
 Company Secretary in Practice
 FCS No.: 3489
 C.P. No.: 3479
 UDIN : F003489B001140020

'ANNEXURE - 1'

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

This letter is to be read with the report even date and forms an integral part of this Secretarial Audit report for the year ended 31st March 2020:

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on the random 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 random 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.

Date: 02.11.2020
Place: Hyderabad

Sd/-
AJAY SUMAN SHRIVASTAVA
Company Secretary in Practice
FCS No.: 3489
C.P. No.: 3479
UDIN : F003489B001140020



**SECRETARIAL COMPLIANCE REPORT OF QUANTUM BUILD-TECH LIMITED
FOR THE YEAR ENDED 31ST MARCH, 2020**

[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, 2020 (“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, 2009 as amended in 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.	Observations/ Remarks
1.	BSE letter dated 24.05.2019	ICDR- Schedule XIX of SEBI-ICDR Reg 2018 erstwhile 108(2) of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009- Delay in application for Listing	Penalty imposed BSE- 2,00,000/- + GST- Rs 36,000/-	Penalty amount paid on 01.06.2019
2.	BSE letter dated 17.10.2019	SEBI Circular No. SEBI/HO/CFD/DIL2/ CIR/P/2019/94 dated 19/08/2019	Penalty imposed Rs. 40,000/- + GST - Rs. 7,200/-	Paid on 19.10.2019
3.	BSE letter dated 03.02.2020	Delayed compliance of Regulation 17 for composition of Board of Directors for Quarter ended 31.12.2019	Penalty imposed - Rs. 2,10,000/- + GST- Rs 37,800/-	Paid on 31.03.2020
4.	BSE letter dated 31.10.2019	Delayed compliance of Regulation 17 for composition of Board of Directors for Quarter ended 30.09.2019	Penalty imposed - Rs. 15,000/- + GST- Rs 2,700/-	Paid on 01.04.2020
5.	BSE letter dated 15.10.2019	Regulation 34 – delay in filing of Annual Report- 31.03.2019	Penalty imposed - Rs. 32,000/- + GST- Rs 5,760/-	Penalty paid on 17.10.2019. Penalty withdrawn by BSE and to be adjusted with Annual Listing Fees

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 31.03.2019	Actions taken by the listed entity, if any	Comments of the Practicing Company Secretary on the actions taken by the listed entity
	NIL	Undertaking given to BSE for ratification	NIL	Not complied with the undertaking

Place: Hyderabad
Date: 22.06.2020

Sd-
AJAY SUMAN SHRIVASTAVA
FCS No.: 3489
C.P. No.: 3479
UDIN : F003489B000366225

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	Smt. Kodali Vijaya Rani - 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. 114,000/- (Rupees One Lakh Fourteen Thousand only) to the Director during the financial year 2019-20. The transaction is on Arm's Length basis. Rent unchanged.
5	Date of approval by the Board	12-04-2019
6	Amount paid as advances, if any	Nil

For Quantum Build-Tech Limited

Guduru Satyanarayana
 Managing Director
 DIN: 02051710



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: L72200TG1998PLC030071 and 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, 2020 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.	Smt. Kodali Vijaya Rani	Director	00102286	22/11/2014
2.	Shri. Prabhakar Reddy Kyatham	Director	00966105	19/04/2005
3.	Shri. Guduru Satyanarayana	Managing Director	02051710	31/08/2009 Reappointed on 01/08/2019
4.	Shri. Ram Babu Manne	Wholetime Director	02413835	30/08/2008 Resigned on 12/11/2019
5.	Shri. Kanduri Saraswathi Kumar	Director	02788086	03/10/2009
6.	Shri. Ram Reddy Sripathi	Director	06390971	10/11/2012
7.	Smt. Yelledi Padmavathi	Director	01721333	23/04/2019

Based on the above, I report that two of the Independent Directors have completed their tenure and can be appointed for a further term of 5 years. 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: 02.11.2020

Sd/-
AJAY SUMAN SHRIVASTAVA
Practicing Company Secretary
FCS No. 3489
C.P. No.: 3479
UDIN: F003489B001110155

MANAGEMENT DISCUSSION & ANALYSIS REPORT

Industry Structure and Developments:

According to the World Economic Situation and Prospects (WESP) 2019, the global economy was growing at a steady pace of around 3% in calendar years 2019 and first 2 months of 2020. Then the Covid-19 pandemic hit the world with a vengeance that it has not yet recovered from the jolt to all business activity across the globe and the same affect came to reel Hyderabad also.

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 % are the factors that are leading the revival of the Industry in the city and State.

Indian and Hyderabad Real Estate Sector:

The Indian real estate sector has witnessed a slump with the implementation of RERA Regulations and then the pandemic in last part of the year under review. The Indian Government focus on Home for all and Sate Government scheme for Double Bedroom Flats has given a large impetus to the market in an around Hyderabad. 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 as many large corporates are shifting to Work From Home mode which can fuel Housing demand on one side and lead to low demand for commercial estate.

Opportunities:

The Real Estate Regulatory Act (RERA) was aimed at ensuring accountability and infusing transparency and uniformity in practices prevalent in the real estate sector, and has been very widely adopted by Governments and Corporates alike, which is bringing more credibility to the sector.

On the 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 2020-21 as well. In terms of city, Hyderabad (West Hyderabad – Madhapur, Gachibowli, areas adjoining ORR) along with other cities like Bangalore, Chennai, Mumbai are expected to drive demand in present and next year as more Work From Home options will leave spendable/ investible income in hands of working class.

The Company's effort to get into Technology products trading as conceived in year 2019 did not take off and had to be abandoned as the partner Company was unable to generate the expected business and has been eluding clear business plans and has not been able to bring expected Order book to the Company. The arrangement had to be called off in April 2020 amidst the pandemic to safeguard the larger stakeholders interests.

Outlook:

The Company believes that demand conditions in the real estate sector are exhibiting early signs of improvement after the pandemic and the Management is positive that the Company will be able to strike some small or medium sized housing projects in near future and be able to take 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.

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: The pandemic has given a hard lesson to one and all in terms of complete shut down of all economic activity and such unexpected development in any of the macroeconomic variables that may adversely impact the Company's profitability or viability are a major threat. 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 primordial approach of Bankers and financial institutions towards mid sized Real estate companies has not undergone any suitable change and this recent 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 a highly unprofitable gamble.

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 31st March 2020, is Rs. 25,06,56,300/- divided into 2,50,65,630 Equity Shares of Rs. 10/- each with Voting Rights. During the year, the Company has allotted 1,24,50,000 equity shares of Rs. 10/- each on 23.04.2019 amounting to Rs. 12,45,00,000/-.

SECURED LOANS

At the beginning of the year Company has Secured loans of Rs. 3,05,33,887/- . During the Year the Company has repaid the Secured Loans under One Time Settlement. Hence the Company has no secured loans at the end of the Financial Year 2019-2020.

FIXED ASSETS

The Fixed Asset (Gross Block) as on 31st March 2020 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, 2020 the manpower strength of the Company was 5 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 2020, 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 wholehearted 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	5	Present	0
Mrs. Kodali Vijaya Rani	Director	Non- Executive Promoter	3	Absent	1
Mr. Manne Rambabu	Whole Time Director	Executive	3	Present	0
Mr. Kanduri Saraswathi Kumar	Director	Independent Non-Executive	5	Absent	0
Mr. Kyatham Prabhakar Reddy	Director	Independent Non-Executive	5	Absent	2
Mr. Sripathi Ram Reddy	Director	Independent Non-Executive	5	Present	0
Mrs. Yelledi Padmavathi	Director	Non Independent Non-Executive	2	Absent	0

Manne Ram Babu has resigned and ceased to be Director of the Company we.f 12-Nov-2019.

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 appointed Ms. Suman Gupta as Company Secretary and Compliance Officer w.e.f 15th July, 2020 in place of Ms. Neha Sharma who has resigned w.e.f 01st July, 2019, and Mr. M. R. Koteswara Rao is continuing as Chief Financial Officer of the Company.

Further, Ms. Suman Gupta was appointed as the Company Secretary and Compliance Officer of the Company w.e.f 15th July, 2020 in place of Ms. Neha Sharma who has resigned w.e.f 01st July, 2019.

B. MEETINGS OF THE BOARD OF DIRECTORS:

The Board of Directors have met Five (5) times during the financial year on 12.04.2019, 24.05.2019, 09.08.2019, 12.11.2019 and 14.02.2020.

Independent Directors have convened their meeting on 13th March, 2020, 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 2019-20. A declaration signed by the Managing Director and 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 are 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 24.05.2019, 09.08.2019, 12.11.2019 and 14.02.2020.

The attendance of Directors at the Audit Committee Meeting held during the year 2019-20.

Name	Status	Meetings Held	Meetings Attended
Mr. Kyatham Prabhakar Reddy	Chairman	4	4
Mr. Sripathi Ram Reddy	Member	4	4
Mr. Kanduri Sarawathi 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 31.03.2020 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 12.04.2019 & 09.08.2019 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:

Name	Designation	Meetings Held	Meetings Attended
Mr. Kanduri Sarswathi Kumar	Chairman	2	2
Mr. Sripathi Ram Reddy	Member	2	2
Mr Kyatham Prabhakar Reddy	Member	2	2

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, 2015, 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	
	2019-20	2018-19
Salary	12,00,000	12,00,000
Perquisites	8,67,000	8,67,000
Total	20,67,000	20,67,000



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 on 20th February, 2020 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
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.
Saturday	28 th September, 2019	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, 2019 :-

1. Details of special resolution / special business at AGM, passed is as follows:
 - i. Appointment of Mr. Guduru Satyanarayana, Managing Director of the Company who has attained the age of 70 Years.
 - ii. Appointment of Mr. Manne Ram Babu, Whole-time Director of the Company who has attained the age of 70 Years.
 - iii. Regularized the appointment of Mrs. Yelledi Padmavathi (DIN:01721333) as Director of the Company:
2. Details of Ordinary Resolution passed is as follows: -
 - i. Adoption of Audited Financial Statements as on 31st March, 2020 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.

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 under review, there has been no instance of non-compliance by the Company on any matter related to the capital markets except for delays in filing the Listing application etc., as stated in the Form MR-3 attached herewith. Other than the same, there are no strictures being imposed by SEBI or Stock Exchanges during the period.
- c) The Company is largely 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.
 - iii. The Company has followed the Accounting Standards and IND AS as issued by the Institute of Chartered Accountants of India, to the extent applicable, in the preparation of the Financial Statements.
 - iv. 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:

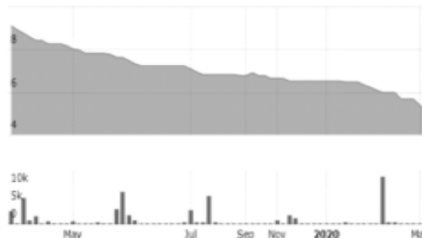
The website of the Company- www.quantumbuild.com is the primary source of information regarding the operation of the Company and the information as mandated in Regulation 46 of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015. The quarterly, half yearly and annual financial results 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, 2019 to 31st March, 2020 are mentioned below:

Monthly Market Price details from 01.04.2019 to 31.03.2020			
Trade date	High (In Rs)	Low (In Rs.)	Close (In Rs.)
April 2019	9.13	8.20	8.20
May 2019	8.04	7.25	7.25
June 2019	7.25	7.20	7.25
July 2019	7.25	6.84	6.84
August 2019	6.84	6.80	6.80
September 2019	6.93	6.80	6.93
October 2019	6.80	6.67	6.67
November 2019	6.67	6.54	6.54
December 2019	6.54	6.54	6.54
January 2020	6.67	6.25	6.25
February 2020	6.13	5.71	5.71
March 2020	5.43	5.16	5.16

2) Performance Comparison:



M. DISTRIBUTION OF SHAREHOLDING AS AT 31st MARCH, 2020 :

Category/ No. of Shares	Number of holders	% of total holders	Number of shares	% of total shares
Up to - 500	2845	87.27	322966	1.29
501 - 1000	120	3.68	97392	0.39
1001 - 2000	115	3.53	165638	0.66
2001 - 3000	36	1.10	89564	0.36
3001 - 4000	15	0.46	53539	0.21
4001 - 5000	16	0.49	73669	0.29
5001 - 10000	39	1.20	292797	1.17
10001 and above	74	2.27	23970065	95.63
Total	3260	100	25065630	100

N. GENERAL SHAREHOLDERS INFORMATION:

TWENTY SECOND ANNUAL GENERAL MEETING DETAILS:

Details of the Meeting: Twenty Second Annual General Meeting	Date Friday, 4 th December, 2020 Time 11:30 A:M Venue Through Video Conferencing (VC)/Other Audio Visual Means (OAVM)
Financial year	2019 - 20
Dates of book closure:	28th November, 2020 to 04th December, 2020
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 2019-20 have been paid to BSE Limited. Pending for 2020-21 as extended time allowed by BSE Limited
Stock Code (BSE Limited)	QUANTBUILD - 538596
CIN No.	L72200TG1998PLC030071
ISIN No.	INE 222B01028

Category wise Shareholding as at 31 st March, 2020:	Category	Number of Equity Shares Held	% of Shareholding
	Promoters	5,999,731	23.94
	Public Holding	19,065,899	76.06
	Total	25,065,630	100.00



Registrar & Share Transfer Agents:	Venture Capital & Corporate Investments Pvt. Ltd. Address: 12-10-167, Bharat Nagar Colony, Hyderabad - 500 018
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 Depositories NSDL / CDSL along with M/s Venture Capital & Corporate Investments Private Limited as Registrar and Share Transfer Agents. As on 31.03.2020 a total of 2,48,92,628 shares i.e. 99.31% 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: 03.11.2020

Guduru 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 2019-20.

Place: Hyderabad
Date: 03.11.2020

Guduru Satyanarayana
Managing Director
DIN: 02051710

Annexure-II
CEO AND CFO CERTIFICATION

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

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: 03.11.2020

G. Satyanarayana
Managing Director
DIN: 02051710

M.R. Koteswara Rao
Chief Financial Officer



CERTIFICATE ON COMPLIANCE WITH THE PROVISIONS OF CORPORATE GOVERNANCE

To
The Members,
Quantum Build-Tech Limited
Hyderabad.

We have examined the records of **Quantum Build-Tech Limited**, Hyderabad for the purpose of certifying in accordance with Schedule V(E) of SEBI (Listing Obligation and Disclosures Requirements) Regulations, 2015 (Listing Regulations) of the compliance of the corporate governance provisions as specified in Regulation 15 (2) of the Listing Regulations, as amended, for the period ended 31st March, 2020. We have obtained all the information, which is best of our knowledge and belief were necessary for the purpose of certification.

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

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

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

Place: Hyderabad
Date: 02.11.2020

Sd/-
AJAY SUMAN SHRIVASTAVA
Practicing Company Secretary
FCS No.: 3489
C P No.: 3479
UDIN: F003489B001110287

INDEPENDENT AUDITOR'S REPORT

To the Members of Quantum Build-Tech Ltd.

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 2020, 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 2020, 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.

Emphasis Of Matter

Attention is invited to point No 3.1 of the financial statements regarding write off of investments for an amount of Rs 12,45,00,000 made in equity shares of 2,45,400 of Necx Pvt Ltd. We are unable to ascertain the value of investments as no valuation reports are provided.



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. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Financial Statements for the financial year ended March 31, 2020 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2020 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 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: 10-06-2020

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

V Nagendra Rao
Partner
M. No. 227679
UDIN: 20227679AAAACV4166

“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, 2020:

- 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.
- (c) According to information and explanations given by the management, the title deeds/lease deeds of immovable properties included in property, plant and equipment are held in the name of the Company

2) In respect of Inventories:

As explained to us the inventories have been physically verified during the year by the management at reasonable intervals.

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.

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, Goods & Services 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, 2020 for a period of more than six months from the date on when they become payable except TDS of Rs.1,12,170/-, Service Tax of Rs.5,81,628/- and Professional Tax of Rs.2,750/-.



- 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 not defaulted in the repayment of dues to financial institution or banks. The Company has not issued any debentures.
- 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 made allotment of 1,24,50,000 of equity shares at par. In our opinion, the terms of allotment are not prima facie prejudicial to the interest of the company.
- 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: 10-06-2020

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

V Nagendra Rao
Partner
M. No. 227679
UDIN: 20227679AAAACV4166

“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, 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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

Auditors’ Responsibility

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

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

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

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

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

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, 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: 10-06-2020

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

V Nagendra Rao
Partner
M. No. 227679
UDIN: 20227679AAAACV4166

BALANCE SHEET AS AT 31ST, MARCH 2020

(Amount in ₹)

Sl. No.	Particulars	Note	As at 31 March 2020	As at 31 March 2019
A	ASSETS			
1	Non-Current Assets			
	a) Fixed Assets			
	Property, Plant and Equipment	1	707,643	818,870
	b) Other Non - Current Assets	2	23,427,374	27,690,615
	c) Investments	3	-	-
	Total Non-current assets		24,135,017	28,509,485
2	Current Assets			
	Financial assets			
	a. Trade Receivables	4	6,203,047	20,767,300
	b. Cash and Cash Equivalents	5	394,085	8,662,517
	c. Short Term Loans and Advances	6	30,243,346	31,510,939
	d. Other Current Assets	7	5,261,872	1,544,217
	Total current assets		42,102,350	62,484,973
	TOTAL - ASSETS		66,237,367	90,994,458
B	EQUITY AND LIABILITIES			
1	Shareholder's Funds			
	a. Share Capital	8	250,656,300	126,156,300
	b. Other Equity	9	(205,488,266)	(76,826,893)
	Total Equity		45,168,034	49,329,407
2	Non-Current Liabilities			
	Financial Liabilities			
	Long term Borrowings	10	-	3,776,046
	Total Non-current liabilities		-	3,776,046
3	Current Liabilities			
	a. Financial Liabilities			
	Short Term Borrowings	11	8,400,000	26,757,841
	Trade Payables	12	2,200,476	661,425
	b. Short Term Provisions	13	3,761,657	3,716,657
	c. Other current liabilities	14	6,707,200	6,753,082
	Total current liabilities		21,069,333	37,889,005
	TOTAL - EQUITY AND LIABILITIES		66,237,367	90,994,458
	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: 10-06-2020

G. Satyanarayana

Managing Director

DIN 02051710

K. Vijaya Rani

Director

DIN 00102286

M.R. Koteswara Rao

Chief Financial Officer



STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST, MARCH 2020

(Amount in ₹)

Sl. No.	Particulars	Note	For the Year Ended 31 March 2020	For the Year Ended 31 March 2019
	CONTINUING OPERATIONS			
1	Revenue from Operations	15	1,281,553	42,511,517
	Other Income	16	422,229	3,625,735
	Total		1,703,782	46,137,252
2	Expenses			
	(a) Cost of Traded Goods	17.a	1,275,181	12,659,321
	(b) Cost of Labour charges	17.b	-	63,000
	(c) Change in Contracts W.I.P	17.c	-	68,945,983
	(d) Employee Benefits Expenses	18	2,973,500	2,888,166
	(e) Finance Cost	19	111,065	157,923
	(f) Depreciation and Amortisation Expenses		111,227	136,159
	(g) Other Expenses	20	3,013,533	2,454,057
	Total		7,484,506	87,304,609
3	Profit / Loss before tax		(5,780,724)	(41,167,357)
4	Exceptional Items	21	(122,880,649)	9,218,049
5	Profit / (Loss) for the year		(128,661,373)	(31,949,308)
6	Earnings per share (Nominal value of ₹ 10/- each)			
	(a) Basic		(5.13)	(2.53)
	(b) Diluted		(5.13)	(2.53)
	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 : 10-06-2020

G. Satyanarayana
Managing Director
DIN 02051710

K. Vijaya Rani
Director
DIN 00102286

M.R. Koteswara Rao
Chief Financial Officer

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST, MARCH 2020

(Amount in ₹)

Sl. No.	Particulars	For the Year Ended 31 March 2020	For the Year Ended 31 March 2019
A	CASH FLOW FROM OPERATING ACTIVITIES		
	Net Profit before tax	(128,661,373)	(31,949,308)
	Add: Adjustments for		
	Depreciation and Amortisation	111,227	136,159
	Loss on Sale of Asset	-	4,641
	Investments written off	124,500,000	-
	Provision for doubtful debts	246,885	-
	Interest written off	1,499,177	-
	Interest Waiver	(3,118,528)	(9,218,049)
	Interest income on fixed deposits	(422,229)	(3,625,735)
	Operating profit before working capital changes	(5,844,841)	(44,652,292)
	Add/ (Less): Adjustment for working capital changes		
	a. Decrease / (Increase) in Other Non Current Assets	3,753,322	12,864,826
	b. Decrease / (Increase) in Inventories	-	71,607,146
	c. Decrease / (Increase) in Investments	-	-
	d. Decrease / (Increase) in Trade receivables	14,317,368	(15,529,602)
	e. Decrease / (Increase) in Short term loans & advances	467,013	(31,114,085)
	f. Decrease / (Increase) in Other current assets	(3,790,525)	(148,311)
	g. (Decrease) / Increase in Trade payables	1,539,051	(8,179,644)
	h. (Decrease) / Increase in Short term provisions	257,592	47,367
	i. (Decrease) / Increase in Other current liabilities	3,072,646	(7,020,432)
	Cash generated from operations	13,771,626	(22,125,027)
	Tax Paid	(401,270)	(550,174)
	Net cash generated / (used in) operating activities (A)	13,370,356	(22,675,201)
B	Cash Flow From Investing Activities		
	Purchase of Tangible Asset	-	(34,982)
	Proceeds from Sale of Asset	-	15,500
	Interest received on fixed deposits	495,099	3,728,948
	Net Cash used in Investing Activity (B)	495,099	3,709,466
C	Cash Flow From Financing Activities		
	Long-term borrowings	(3,776,046)	-
	Repayment of Short term borrowings	(18,357,841)	-
	Net cash (used in) / generated from financing activities (C)	(22,133,887)	-
	Net increase in Cash and cash equivalents (A+B+C)	(8,268,432)	(18,965,735)
	Cash and cash equivalents at the beginning of the year	8,662,517	27,628,252
	Cash and cash equivalents at the end of the year	394,085	8,662,517

In terms of our report of even date attached.

For Suryanarayana & Suresh

Chartered Accountants

Firm Regd. No. : 006631S

V. Nagendra Rao

Partner

M.No. 227679

Place : Hyderabad

Date : 10-06-2020

For and on behalf of the Board

G. Satyanarayana

Managing Director

DIN 02051710

K. Vijaya Rani

Director

DIN 00102286

M.R. Koteswara Rao

Chief Financial Officer

**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.

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 Line 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 01-04-2019	Additions During the Year	Deletions During the Year	Balance as on 31-03-2020	Balance as on 01-04-2019	Deletions During the Year	For the Period 31-03-2020	Total upto 31-03-2020	As At 31-03-2019	As At 31-03-2020
Computers	524,694			524,694	479,200		7,455	486,655	45,494	38,039
Construction Equipment	149,463			149,463	141,867		121	141,988	7,596	7,475
Furniture & Fixtures	226,307			226,307	213,896		366	214,262	12,411	12,045
Office Equipment	130,431			130,431	115,216		2,174	117,390	15,215	13,041
Vehicles	2,013,990			2,013,990	1,306,625		101,111	1,407,736	707,365	606,254
Centering Materials	615,820			615,820	585,031		0	585,031	30,789	30,789
Total	3,660,705	0	0	3,660,705	2,841,835	0	111,227	2,953,062	818,870	707,643
Previous Year	4,028,549	34,982	402,826	3,660,705	3,088,361	382,685	136,159	2,841,835	940,188	818,870



Notes forming part of the Financial Statements

1.	Fixed Assets - Tangible Assets		
	Particulars	As at 31 March, 2020 ₹	As at 31 March, 2019 ₹
	Property, Plant & Equipment	707,643	818,870
	Total	707,643	818,870
2.	Other Non Current Assets		
	Particulars	As at 31 March, 2020 ₹	As at 31 March, 2019 ₹
	A) Loans & Advances		
	Unsecured Considered good		
	Advance for Land	21,900,000	25,900,000
	Rent Deposit	1,100,000	1,100,000
	Electricity Deposit	29,074	29,074
	Other Deposits	217,708	217,708
	(A)	23,246,782	27,246,782
	(B) Loans and advances to employees		
Unsecured, considered good (B)	112,210	54,210	
(C) TDS Receivable			
Unsecured considered good			
TDS Receivable (Net of Provision) (C)	68,382	389,623	
Total (A+B+C)	23,427,374	27,690,615	
3.	Inventories		
	Particulars	As at 31 March, 2020 ₹	As at 31 March, 2019 ₹
	Investments	124,500,000	-
	Less : Investment Written Off (Refer Note 3.1)	124,500,000	-
Total	-	-	
3.1	<p>The Company has entered into a Memorandum of Understanding with NEcX Pvt Ltd and their shareholders to pursue the common goal of IT related activities. As per the understanding during the year, the shareholders of NEcX Pvt Ltd has transferred 2,45,400 Equity shares of NEcX Pvt Ltd, against the allotment of 1,24,50,000 Equity shares of the company to the respective shareholders. The Board of Directors has openioned that NEcX Pvt Ltd is not supportive to the company, as agreed in the understanding, entered into vide MoU dt 14th February' 2019. Accordingly the Board of Directors has decided to WriteOff the Investments made into equity of NEcX Pvt Ltd, as the same are not realisable.</p>		

4. Trade Receivables			
	Particulars	As at 31 March, 2020 ₹	As at 31 March, 2019 ₹
	Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
	Unsecured considered good	6,449,932	20,767,300
	Less: Provision for Doubtful debts	246,885	-
	Total	6,203,047	20,767,300
4.1	Trade Receivables of ₹ 6,203,047/- includes an amount of ₹ 305,089/ for which the company has filed a case U/s.138 of Negotiable Instruments Act for recovery from a customer, vide case reference no S.A.No 724 of 2012 with the High Court of Judicature at Hyderabad for the State of Telangana. 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, 2020 ₹	As at 31 March, 2019 ₹
	(A) Cash		
	Cash on hand	54,310	36,626
	(B) Balances with Banks:		
	In Current Accounts	339,775	575,891
	(C) Bank Deposits:		
	Fixed Deposits	-	8,050,000
	Total (A+B+C)	394,085	8,662,517
6. Short-Term Loans and Advances (Unsecured, Considered good)			
	Particulars	As at 31 March, 2020 ₹	As at 31 March, 2019 ₹
	Loans and advances		
	Other Advances (Refer Note 6.1)	30,243,346	31,510,939
	Total	30,243,346	31,510,939
6.1	The company has given a loan of ₹ 20,000,000/- to Sri Sai Techno Fab & ₹ 10,000,000/- to P R Consultancy @ an interest rate of 12% P.A. During the year, Company has not recognised any interest on the said loan, and decided to recognise as and when received.		



7.	Other Current Assets		
	Particulars	As at 31 March, 2020 ₹	As at 31 March, 2019 ₹
	Interest Receivable	-	72,870
	GST ITC Receivable	515,782	219,969
	Advance paid for Suppliers / Services	4,746,090	1,251,378
Total	5,261,872	1,544,217	

8.	Share Capital		
	Particulars	As at 31 March, 2020 ₹	As at 31 March, 2019 ₹
	(A) Authorised 2,80,00,000 Equity shares of Rs 10/- each with voting rights (Previous year 1,80,00,000 Equity shares of Rs 10/- each with voting rights) 10,00,000 Cumulative Redeemable preference shares of Rs 100/- each (Previous year 10,00,000 Cumulative redeemable preference shares of Rs 100/- each)	280,000,000 -	180,000,000 100,000,000
		280,000,000	280,000,000
	8.1 (B) Issued , Subscribed & fully paid up 2,50,65,630 Equity shares of Rs 10/-each with voting rights (Previous Year 1,26,15,630 Equity Shares of Rs.10/-)	250,656,300 -	126,156,300 -
Total	250,656,300	126,156,300	
8.1.1	All Equity shares issued by the Company carry equal voting and participatory rights.		

8.1.2	Particulars	As at 31 March, 2020	As at 31 March, 2019
	Equity shares at the beginning of the year	12,615,630	12,615,630
	Add : Movement during the year	12,450,000	-
	Equity shares at the end of the year	25,065,630	12,615,630

8.1.3	Details of Shareholders holding more than 5% shares				
	Name of the Share holder	As at 31.03.2020		As at 31.03.2019	
		Shares	% held	Shares	% held
	Yelledi Srinivasa Rao	3,269,267	13.04	-	-
	Tadepalli Srinivasa Rao	3,044,010	12.14	-	-
	Gudapati Aveena	2,179,511	8.69	-	-
	Kodali Vijaya Rani	1,595,350	6.36	1,595,350	12.65
	Potluri Venkata Satyanarayana	1,522,005	6.07	-	-
	Potluri Krishna Prasad	1,522,005	6.07	-	-
	Naresh Cherukuri	1,462,916	5.83	1,462,916	11.59
	Krishna Guduru	1,245,100	4.96	1,245,000	9.86
	Punukollu kodanda Rambabu	1,085,114	4.32	1,085,114	8.60
	Usha Rani Guduru	749,726	2.99	749,726	5.94
	Uppalapati Saibabu Rao	669,968	2.67	669,968	5.31
	M/s.Pancom Marketing Pvt Ltd	650,000	2.59	650,000	5.15

9.	Reserves and Surplus		
	Particulars	As at 31 March, 2020 ₹	As at 31 March, 2019 ₹
	(A) Capital Reserve (Refer Note 9.1)	3,500,000	3,500,000
	(B) Statement of Profit & Loss		
	Opening Balance	(80,326,893)	(48,377,585)
	Add : Surplus/(Deficit) in statement of Profit & Loss	(128,661,373)	(31,949,308)
		(208,988,266)	(80,326,893)
	Total	(205,488,266)	(76,826,893)
9.1	The Company has forfeited 17,50,000 share warrants of Rs 2/- paid , for non payment of balance amount.		

10.	Long-Term Borrowings		
	Particulars	As at 31 March, 2020 ₹	As at 31 March, 2019 ₹
	Term loans - Secured		
	From banks		
	Axis Bank Ltd- Term Loan	-	3,776,046
	Total	-	3,776,046



11. Short-Term Borrowings			
	Particulars	As at 31 March, 2020 ₹	As at 31 March, 2019 ₹
	Loans repayable on demand - Secured		
	A) From Banks		
	Axis Bank Ltd - Cash Credit	-	26,757,841
	B) From Related Parties		
	Loan from Director (Refer Note 11.1)	8,400,000	-
	Total (A+B)	8,400,000	26,757,841
11.1	During the year, company has taken interest free unsecured loan of ₹ 8,400,000/- from Sri G.Satyanarayana, Managing Director. The said loan is repayable on demand.		

12. Trade Payables			
	Particulars	As at 31 March, 2020 ₹	As at 31 March, 2019 ₹
	Sundry Creditors for Materials	-	17,789
	Sundry Creditors for Works	-	21,022
	Sundry Creditors for Services	2,200,476	622,614
	Total	2,200,476	661,425

13. Short Term Provisions			
	Particulars	As at 31 March, 2020 ₹	As at 31 March, 2019 ₹
	Provisions		
	Provision for Gratuity	618,308	573,308
	Other Provisions	3,143,349	3,143,349
	Total	3,761,657	3,716,657
13.1	Provision for Gratuity has made based on the actual calculations as on the balance sheet date.		

14. Other Current Liabilities			
Particulars		As at 31 March, 2020 ₹	As at 31 March, 2019 ₹
(A) Other Payables			
Outstanding Liabilities		28,652	28,533
	(A)	28,652	28,533
(B) Statutory Payables	(B)	696,548	742,549
(C) Advance from customers	(C)	5,982,000	5,982,000
Total (A+B+C)		6,707,200	6,753,082

15. Revenue from Operations			
Particulars		As at 31 March, 2020 ₹	As at 31 March, 2019 ₹
Sale of Relinquishment of Rights		-	16,900,000
Less:			
Service Tax		-	-
Sales Tax		-	-
		-	16,900,000
Sale of Computers / Software		1,281,553	13,160,680
Profit on Sale of Land		-	12,450,837
Total Net Sales		1,281,553	42,511,517

16. Other Income			
Particulars		As at 31 March, 2020 ₹	As at 31 March, 2019 ₹
Interest Income		422,229	3,625,735
Total		422,229	3,625,735

17.a Cost of Traded Goods			
Particulars		As at 31 March, 2020 ₹	As at 31 March, 2019 ₹
Purchase of Computers / Software		1,275,181	12,659,321
Total		1,275,181	12,659,321



17.b Cost of Labour Charges			
	Particulars	As at 31 March, 2020 ₹	As at 31 March, 2019 ₹
	Labour charges	–	63,000
	Total	–	63,000

17.c Changes in Inventories of work in progress			
	Particulars	As at 31 March, 2020 ₹	As at 31 March, 2019 ₹
	Inventories at the End of the Year		
	Work - in - Progress	–	–
	Inventories at the Beginning of the Year		
	Work-in-Progress	–	68,945,983
	Total Net (Increase) / Decrease	–	68,945,983

18. Employee Benefits Expenses			
	Particulars	As at 31 March, 2020 ₹	As at 31 March, 2019 ₹
	Salaries & Wages	2,928,500	2,843,166
	Contributions to Gratuity	45,000	45,000
	Total	2,973,500	2,888,166

19. Finance Cost			
	Particulars	As at 31 March, 2020 ₹	As at 31 March, 2019 ₹
	Interest On		
	(i) Overdraft	45,867	–
	(ii) TDS	65,198	155,880
	(iii) Others	–	2,043
	Total	111,065	157,923

20.	Other Expenses		
	Particulars	As at 31 March, 2020 ₹	As at 31 March, 2019 ₹
	Power and fuel	2,447	8,703
	Rent	114,000	114,000
	Repairs and maintenance	14,597	13,352
	Insurance	18,740	23,133
	Rates and taxes	331,686	255,320
	Communication	93,623	124,152
	Consultancy & Professional	605,365	651,111
	Bank Charges	15,604	787
	Audit Remuneration	100,000	100,000
	Travelling and conveyance	60,389	87,323
	Printing and stationery	72,437	69,497
	Advertisement Expenses	103,680	116,070
	AGM Expenses	7,110	16,649
	Office Maintenance	61,480	52,370
	Miscellaneous Expenses	5,420	37,343
	Postage & Courier	32,994	106,488
	Vehicle Maintenance	425,276	623,708
	Provision for doubtful debts	246,885	-
	Freight Charges	-	7,500
	Filing Fees	19,800	23,910
	Late Filing Charges / Penalty	482,000	-
	Loss on sale of Vehicle	-	4,641
	Legal Expenses	200,000	18,000
	Total	3,013,533	2,454,057
21.	Exceptional Items		
	Particulars	As at 31 March, 2020 ₹	As at 31 March, 2019 ₹
	Investments written off (Refer Note 3.1)	(124,500,000)	-
	Interest written off (Refer Note 21.1)	(1,499,177)	-
	Credit Balances no longer Payable	3,118,528	9,218,049
	Total	(122,880,649)	9,218,049
21.1	During the previous year, company has recognised interest on short term loans & advances for an amount of ₹ 1,499,177/-. However the company has not realised the said interest , the management has decided to writeoff the interest already recognised during earlier year.		



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 (Resign w.e.f. 12-11-2019) M. R. Koteswara Rao		
24.	Transactions with Key Management Persons and their Relatives		
	Particulars	KMP & Relatives of KMP	
		31 March, 2020 ₹	31 March, 2019 ₹
	Remuneration & Perquisites	2,667,000	2,667,000
	Rent	114,000	114,000
	Salaries & Perquisites payable	1,599,636	335,174
	Unsecured Loan	8,400,000	-
	Rent Payable	272,434	171,360
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 2020		
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

V. Nagendra Rao

Partner

M.No. 227679

Place : Hyderabad

Date : 10-06-2020

For and on behalf of the Board

G. Satyanarayana

Managing Director

DIN 02051710

K. Vijaya Rani

Director

DIN 00102286

M.R. Koteswara Rao

Chief Financial Officer

