



# **QUANTUM BUILD-TECH LIMITED**

**20th Annual Report  
2017 - 2018**

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### **BOARD OF DIRECTORS:**

Mr. Guduru Satyanarayana  
Mr. Manne Rambabu  
Smt. Kodali Vijaya Rani  
Mr. Kyatham Prabhakar Reddy  
Mr. Sripathi Ram Reddy  
Mr. Kanduri Saraswathi Kumar

- Managing Director
- Director – Technical
- Promoter Director
- Non-Executive Independent Director
- Non-Executive Independent Director
- Non-Executive Independent Director

### **REGISTERED OFFICE**

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

### **STATUTORY AUDITORS:**

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

### **BANKERS TO THE COMPANY**

Axis Bank Limited  
Jubilee Hills Branch  
Film Nagar, Hyderabad - 500 033

Karur Vysya Bank Limited  
Manikonda Branch, Hyderabad

### **SHARE TRANSFER AGENTS**

Venture Capital & Corporate  
Investments Private Limited  
12-10-167, Bharat Nagar Colony  
Hyderabad - 500 018  
Phone : 040-23818475, Fax : 040-23568024

### **COMPLIANCE OFFICER & COMPANY SECRETARY**

Mrs. Rakhi Kothari  
E-mail : cs@quantumbuild.com



## GREEN INITIATIVE IN CORPORATE GOVERNANCE

Dear Shareholders,

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

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

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

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

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

## NOTICE

Notice is hereby given that the Twentieth Annual General Meeting of the members of **QUANTUM BUILD-TECH LIMITED** will be held on Friday, the 28<sup>th</sup> day of September, 2018 at 11.30 A.M at the Hyderabad Gymkhana, Road No. 2, Banjara Hills, Hyderabad – 500034 (Telangana) to transact the following business: -

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements for the Financial year ended on 31<sup>st</sup> March, 2018 together with the Reports of Directors, Auditors and such other Reports annexed thereon.
2. To appoint a Director in place of Smt. Kodali Vijaya Rani (DIN: 00102286) who retires by rotation and being eligible offers herself for re-appointment.

For this purpose, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

**“RESOLVED THAT** pursuant to the provisions of Section 152(6) of the Companies Act, 2013 read with Articles of Association of the Company and other applicable provisions, if any, Smt. Kodali Vijaya Rani, who retires by rotation from the Directorship of the Company, and being eligible, offers herself for re-appointment, be and is hereby re-appointed as a director of the Company, liable to retire by rotation.”

**By Order of the Board**

**Date:** 10.08.2018  
**Registered Office:** 8-1-405/A/66,  
Dream Valley, Shaikpet,  
Hyderabad – 500008

**(Guduru Satyanarayana)**  
**Managing Director**  
**DIN: 02051710**



## NOTES

1. A member entitled to attend and vote at the Annual General Meeting (AGM) is entitled to appoint a proxy / proxies to attend and vote on a poll instead of himself / herself and such proxy / proxies need not be a member of the company. The instrument of proxy / proxies, in order to be effective must be deposited at the registered office of the company, duly completed and signed, not less than FORTY EIGHT hours before the commencement of the meeting. A proxy form is enclosed with this notice
2. A person can act as proxy on behalf of members not exceeding fifty and holding in aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder.
3. The notice of AGM is being sent to those members / beneficial owners whose name will appear in the register of members / list of beneficiaries received from the depositories as on **17<sup>th</sup>August, 2018**.
4. The copy of annual report, notice of 20<sup>th</sup>Annual General Meeting, notice of e-voting, etc. are being sent to the members through e-mail who have registered their email ids with the Company / depository participant (DPs) / Company's Registrar and Transfer Agent (RTA).
5. The full version of the Annual Reports will also be available under the *Investor Relations* section on the website of the Company [www.quantumbuild.com](http://www.quantumbuild.com)
6. The Register of Members and Share Transfer Books of the Company will remain closed from **Saturday, 22<sup>nd</sup> September, 2018 to Friday 28<sup>th</sup> September, 2018 (both days inclusive)**, in accordance with the provisions of the Companies Act, 2013 and the Listing Agreement with the Stock Exchanges, where the equity shares of the Company are listed, for the purpose of Annual General Meeting.
7. The results of voting shall simultaneously be communicated to the Stock Exchanges. The resolutions will be deemed to be passed on the date of AGM subject to receipt of the requisite number of votes in favour of the resolutions
8. The Register of Directors and Key Managerial Personnel and their shareholding, Register of Contracts or Arrangements in which Directors are interested and documents referred to in the notice are open for inspection at the Registered Office of the Company on all working days (Monday to Friday) between 11.00 A.M. to 1.00 P.M. upto the date of AGM and will also be available for inspection at the venue of the meeting.
9. Corporate members intending to send their authorized representative(s) to attend the meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative(s) to attend and vote on their behalf at the meeting.
10. Members are requested to update their preferred e-mail ids with the Company / DPs / RTA, which will be used for the purpose of future communications. Members whose e-mail id is not registered with the Company are being sent physical copies of the Notice of 20<sup>th</sup> Annual General Meeting, Annual Report, notice of e-voting etc. at their registered address through Courier mode.
11. Members whose e-mail ids are registered with the Company and who wish to receive printed copy of the abridged / full version of the Annual Report may send their request to the Company at its registered office address or to the RTA, **M/s. Venture Capital & Corporate Investments Private Limited, 12-10-167, Bharat Nagar Colony, Hyderabad- 500018 (Telangana)**.

12. In terms of provisions of Section 107 of the Companies Act, 2013, since the Company is providing the facility of remote e-voting to the shareholders, there shall be no voting by show of hands at the AGM. The facility for Poll / polling paper shall be made available at the Meeting and the members attending the Meeting who have not cast their vote by remote e-voting shall be able to vote at the Meeting through polling paper.
13. In compliance with the provisions of Section 108 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Management and Administration) Rules, 2014, as amended and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide to its members facility to exercise their right to vote on resolutions proposed to be passed in the Meeting by electronic means. The members may cast their votes using an electronic voting system from a place other than the venue of the Meeting (“remote e-voting”).

### INSTRUCTIONS- VOTING THROUGH ELECTRONIC MEANS

1. The voting period begins on **Tuesday, the 25<sup>th</sup> day of September, 2018 (9:00 AM) and ends on Thursday, the 27<sup>th</sup> day of September, 2018 (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 21<sup>st</sup> September, 2018**, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
2. The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
3. Click on “Shareholders”.
4. Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
5. Next enter the Image Verification as displayed and Click on Login.
6. If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
7. If you are a first time user follow the steps given below :

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



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

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

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

- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.  
***Note:** In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cDSLindia.com](mailto:helpdesk.evoting@cDSLindia.com).*
- 19. A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.
- 20. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through Polling paper.
- 21. Shri. Ajay Suman Shrivastava, Practicing Company Secretary, Hyderabad (CP No. 3479) has been appointed as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.
- 22. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of “Polling Paper” for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- 23. The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer’s report of the total votes cast in favour or against, if any, to the Chair man or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- 24. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company [www.quantumbuild.com](http://www.quantumbuild.com) and on the website of CDSL immediately after the declaration of result by the Chair man or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited, Mumbai.

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## DIRECTORS' REPORT

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

### 1. INTRODUCTION :

Your Board of Directors ('Board') have pleasure in presenting their Twentieth Annual Report on the business and operations of the Company and the Audited Financial Statements and developments for the financial year ended on 31<sup>st</sup> March, 2018.

### 2. FINANCIAL RESULTS :

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

Particulars	Year ended on 31.03.2018	Year ended on 31.03.2017
Revenue from operations	276.94	294.41
Other Income	12.87	9.49
<b>Total Income</b>	<b>289.81</b>	<b>303.90</b>
<b>Total Expenses</b>	<b>244.53</b>	<b>672.67</b>
Profit/ (Loss) before Taxation	45.28	(172.69)
<b>Less:</b> Tax Expenses	3.19	0.18
Profit/ (Loss) after tax	42.09	(172.87)
<b>Profit/(Loss) C/F to the Next Year</b>	<b>42.09</b>	<b>(172.87)</b>

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

The Company earned Revenue from operations of Rs. 276.94 Lakhs in Financial year 2017-18 as against Rs. 294.41 lakhs in previous Financial year 2016-17, and the Company has earned Net Profit of Rs. 42.09 Lakhs in the Financial year 2017-18 as against Net Loss of Rs. 172.87 Lakhs in Financial year 2016-17 which was mainly due to change in contracts work in progress.

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

### 4. CHANGE IN NATURE OF BUSINESS:

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

### 5. DIVIDEND:

Due to insufficient profitability, the Directors of the Company do not recommend 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 do not apply as the Company has not declared and paid any dividend in previous years.

**7. TRANSFERRED TO RESERVES:**

The amount has been carried forward to the Balance Sheet, for the period under review is Rs. 42.09 Lakhs being current year profit. As at 31<sup>st</sup> March, 2018, the accumulated loss stand at Rs. 448.77 Lakhs.

**8. SHARE CAPITAL:**

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

During the year, your Company Redeemed 2,00,000 - 13% Cumulative Redeemable Preference Shares of Rs 100/- each to the non-resident shareholders under Settlement of dues.

**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 did not accept any such deposits during the Financial year 2017-18.

**10. DIRECTORS:**

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

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



20<sup>th</sup> 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 Ranihas been detailed in the Corporate Governance Report. Your Directors recommend her re-appointment as the Non-Executive Woman Director of your Company.

**A. Board Meetings:**

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

Sr. No.	Date of Board Meeting
1.	29.05.2017
2.	11.08.2017
3.	13.09.2017
4.	12.12.2017
5.	09.02.2018

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

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

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

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

However, Ms. Payal Bang resigned from the position of Company Secretary and Compliance officer of the Company on 14.04.2018. The Board places on record appreciation for the services and contribution made by her during her tenure. Mrs. Rakhi Kothari has been appointed as Company Secretary and Compliance Officer w.e.f. 10-08-2018.

**C. Declaration by Independent Directors:**

In accordance with Sub-section (7) of Section 149 of the Companies Act, 2013 (hereinafter called as "The Act"), the Independent Directors on your Board have given a Declaration that they meet the criteria of Independence as provided in sub section (6) of Section 149 of the Act. There has been no change in terms and conditions of appointment of Independent Directors, the Policy relating to their appointment is available on the website of the Company [www.quantumbuild.com](http://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 25th January, 2018 in Compliance with the Regulation 25 of SEBI (LODR) Regulation 2015 in which the following matters were considered:

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

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

**D. Board Evaluation:**

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

The Extract of the Policy on Evaluation of Performance of the Board, its Committees and individual Directors, is available on the website of the Company [www.quantumbuild.com](http://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 attached as Annexure - I and available on the website of the Company [www.quantumbuild.com](http://www.quantumbuild.com).

**12. DIRECTORS' RESPONSIBILITY STATEMENT:**

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

- a) In the preparation of the annual accounts for the Financial Year ended 31<sup>st</sup> March, 2018, 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 31<sup>st</sup> March, 2018 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 safe guarding of assets, the prevention and detection of frauds and errors, the accuracy and completeness of accounting records and timely preparation of reliable financial information. The details in respect of Internal Financial Controls are included in the Management Discussion and Analysis Report, which forms part of the Annual Report.

**14. STATUTORY AUDITORS:**

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 28 September, 2017, for issuing the Audit report on the Financial position of the Company

M/s. Suryanarayana & Suresh. (Firm Registration No006631S), Chartered Accountants Statutory Auditors of the Company issued Auditors Report for the financial year ended 31<sup>st</sup> March, 2018 which is with unmodified opinion (unqualified). The observations made by the Statutory Auditors in their report for the financial year ended 31st March, 2018 read with the explanatory notes therein are self-explanatory and therefore, do not call for any further explanation or comments from the Board under Section 134(3)(f) of the Companies Act, 2013.

**15. SECRETARIAL AUDIT:**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company had appointed Shri Ajay Suman Shrivastava, Practicing Company Secretary, Hyderabad, to conduct the Secretarial Audit of the Company for the financial year 2017-18.

The Secretarial Audit Report issued by the Secretarial Auditor for the financial year 2017-18 in Form MR-3 as **Annexure A** forms a part of this Report.

**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.

**16. PARTICULARS OF EMPLOYEES:**

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

**17. 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.

**18. RISK MANAGEMENT:**

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

Your Company has developed and implemented a Risk Management Policy which is approved by the Board. The Audit Committee has additional oversight in the area of financial risks and controls.

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

- a. High Interest rate
- b. Fluctuation in prices of building materials

- c. Competitive Risk due to entry of many players in local market
- d. Operational Risk of market saturation.
- e. Stringent regulatory framework.

**19. 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](http://www.quantumbuild.com)

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

All transactions entered into with related parties as defined under Section 2(76) of the Companies Act, 2013, which were in the ordinary course of business and do not attract the provisions of Section 188 of the Companies Act, 2013. The Company has also complied with Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, during the Financial Year 2017-18. There were no materially significant transactions with related parties in the Financial Year which were in conflict with the interest of the Company and requiring compliance of the provisions of Regulation 23 of SEBI Listing Regulations. The required disclosure as per the Accounting Standard-18 (AS-18) has been made by the Auditors in the notes forming part of the Financial Statements.

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

**21. 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.

**22. 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.

**23. 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 and its management.

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

**24. NOMINATION AND REMUNERATION COMMITTEE:**

The 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. During the year under review, the Committee approved remuneration of Company Secretary only.

**25. SUBSIDIARY, HOLDING, ASSOCIATE COMPANIES AND JOINT VENTURES:**

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

**26. 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.

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

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

CONSERVATION OF ENERGY:

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

TECHNOLOGY ABSORPTION:

1.	The efforts made towards technology absorption.	Since the Company is not engaged in any manufacturing, the information in connection with technology absorption is NIL.
2.	The benefits derived like product improvement, cost reduction, product development or import substitution.	
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.

**28. 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.

**29. 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: 10.08.2018**  
**Place: Hyderabad.**

**Guduru Satyanarayana**  
**Managing Director**  
**DIN: 02051710**

**Kodali Vijaya Rani**  
**Director**  
**DIN: 00102286**



**ANNEXURE- I**  
**FORM NO. MGT-9**  
**EXTRACT OF ANNUAL RETURN**  
**as on the Financial Year ended on 31<sup>st</sup> March, 2018**  
[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the  
Companies (Management and Administration) Rules, 2014]

**I. REGISTRATION AND OTHER DETAILS:**

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

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:**

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

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

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

Sr. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
NIL					

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

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

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoter</b>									
<b>1) Indian</b>									
a) Individual/ HUF	2130464		2130464	16.88	2680464		2680464	21.24	04.36
b) Central Govt									
c) State Govt(s)									
d) Bodies Corp	550000		550000	04.36	-		-	-	-4.36
e) Banks / FI									
f) Any Other	50000		50000	0.40	50000		50000	0.40	0
<b>Sub-total(A)(1)</b>	<b>2730464</b>		<b>2730464</b>	<b>21.64</b>	<b>2730464</b>		<b>2730464</b>	<b>21.64</b>	<b>0</b>
<b>2) Foreign</b>									
g) NRIs-Individuals									
h) Other-Individuals									
i) Bodies Corp.									
j) Banks / FI									
k) Any Other									
<b>Sub-total(A)(2)</b>									
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds									
b) Banks / FI									
c) Central Govt									
d) State Govt(s)									
e) Venture Capital Funds									
f) Insurance Companies									
g) FIIs	-	2150	2150	0.02	-	2150	2150	0.02	0
h) Foreign Venture Capital Funds									
Others (specify)									
<b>Sub-total (B)(1)</b>		<b>2150</b>	<b>2150</b>	<b>0.02</b>		<b>2150</b>	<b>2150</b>	<b>0.02</b>	
<b>2. Non Institutions</b>									
a) Bodies Corp.	1931532	-	1931532	15.31	1256274	-	1256274	9.96	-5.35
(i) Indian									
(ii) Overseas									
b) Individuals									
(i) Individual shareholders holding nominal share capital upto Rs. 2 lakh	1316851	183352	1500203	11.89	1320962	178102	1499064	11.88	-0.01
(ii) Individual shareholders holding nominal share capital in excess of Rs. 2 lakh	3180344	500000	3680344	29.17	3566874	800100	4366974	34.62	5.45
c) Others(Specify)	938053	1832884	2770937	21.97	927820	1832884	2760704	21.88	-0.09
<b>Sub-total(B)(2)</b>	<b>7366780</b>	<b>2516236</b>	<b>9883016</b>	<b>78.34</b>	<b>7071930</b>	<b>2811086</b>	<b>9883016</b>	<b>78.34</b>	<b>—</b>
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	<b>7366780</b>	<b>2518386</b>	<b>9885166</b>	<b>78.36</b>	<b>7071930</b>	<b>2813236</b>	<b>9885166</b>	<b>78.36</b>	<b>—</b>
C.Shares held by Custodian for GDRs&ADRs	0	0	0	0	0	0	0	0	0
<b>Grand Total (A+B+C)</b>	<b>10097244</b>	<b>2518386</b>	<b>12615630</b>	<b>100.00</b>	<b>9802394</b>	<b>2813236</b>	<b>12615630</b>	<b>100.00</b>	<b>—</b>



ii. Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1.	Vijay Madhavi investments Pvt Ltd	550000	4.36	0	0	0	0	-4.36
2.	Punukollu Kodanda Rambabu	1085114	8.60	0	1085114	8.60	0	0
3.	Kodali Vijayarani	1045350	8.28	0	1595350	12.64	0	4.36
4.	Punukollu Rachana	50000	0.40	0	50000	0.40	0	0
	<b>Total</b>	<b>2730464</b>	<b>21.64</b>	<b>0</b>	<b>2730464</b>	<b>21.64</b>	<b>0</b>	<b>0</b>

iii. Change in Promoters' Shareholding: NIL

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

iv. Change in shareholding of Top 10 Shareholders :

Sr. No.	Name of Shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	<b>Rajesh Cherukuri &amp; Vamsi Cherukuri</b>				
	At the beginning of the year	<b>1162916</b>	<b>9.22</b>	-	-
	Differences during the Year	-	-	-	-
	At the End of the year	-	-	<b>1162916</b>	<b>9.22</b>
2.	<b>Krishna Guduru</b>				
	At the beginning of the year	<b>500000</b>	<b>3.96</b>	-	-
	Differences during the Year	<b>545000</b>	<b>4.32</b>	-	-
	At the End of the year	-	-	<b>1045000</b>	<b>8.28</b>

Sr. No.	Name of Shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
3.	<b>Raghavender Rao Appannagari</b>				
	At the beginning of the year	<b>878370</b>	<b>6.96</b>	-	-
	Differences during the Year	<b>0</b>	<b>0</b>	-	-
	At the End of the year	-	-	<b>878370</b>	<b>6.96</b>
4.	<b>Shekar V Uppalapati</b>				
	At the beginning of the year	<b>669968</b>	<b>5.31</b>	-	-
	Differences during the Year	<b>0</b>	<b>0</b>	-	-
	At the End of the year	-	-	<b>669968</b>	<b>5.31</b>
5.	<b>Pancom Marketing Private Limited</b>				
	At the beginning of the year	<b>650000</b>	<b>5.15</b>	-	-
	Differences during the Year	<b>0</b>	<b>0</b>	-	-
	At the End of the year	-	-	<b>650000</b>	<b>5.15</b>
6.	<b>Neelima Guduru</b>				
	At the beginning of the year	<b>462116</b>	<b>3.66</b>	-	-
	Differences during the Year	<b>0</b>	<b>0</b>	-	-
	At the End of the year	-	-	<b>462116</b>	<b>3.66</b>
7.	<b>Himabindu Guduru</b>				
	At the beginning of the year	<b>400000</b>	<b>3.17</b>	-	-
	Differences during the Year			-	-
	At the End of the year	-	-	<b>400000</b>	<b>3.17</b>
8.	<b>Ratan Chand Guduru</b>				
	At the beginning of the year	<b>317700</b>	<b>2.52</b>	-	-
	Differences during the Year	<b>0</b>	<b>0</b>	-	-
	At the End of the year	-	-	<b>317700</b>	<b>2.52</b>
9.	<b>Cherukuri Naresh</b>				
	At the beginning of the year	<b>300000</b>	<b>2.38</b>	-	-
	Differences during the Year	<b>0</b>	<b>0</b>	-	-
	At the End of the year	-	-	<b>300000</b>	<b>2.38</b>
10.	<b>Usharani Guduru</b>				
	At the beginning of the year	<b>287610</b>	<b>2.28</b>	-	-
	Differences during the Year	-	-	-	-
	At the End of the year	-	-	<b>287610</b>	<b>2.28</b>

**INDEBTEDNESS**

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

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year	<b>3,32,12,338</b>	<b>NIL</b>	<b>NIL</b>	<b>3,32,12,338</b>
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not				
Total(i+ ii+ iii)	<b>3,32,12,338</b>	<b>-</b>	<b>-</b>	<b>3,32,12,338</b>
Change in Indebtedness during the financial year				
- Addition				
- Reduction	<b>(26,78,451)</b>			<b>(26,78,451)</b>
Net Change	<b>(26,78,451)</b>			<b>(26,78,451)</b>
Indebtedness at the end of the financial year				
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ ii+ iii)	<b>3,05,33,887</b>			<b>3,05,33,887</b>

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

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
		M.D	WTD	
1.	Gross salary:			
	(a)Salary as per provisions contained in section 17(1) of the Income-tax Act,1961.	9,30,000	9,30,000	18,60,000
	(b)Value of perquisites u/s17(2) Income-tax Act,1961	8,67,000	0	8,67,000
	(c)Profits in lieu of salary under section17(3) Income- tax Act,1961.			
2.	Stock Option	NIL	NIL	-
3.	Sweat Equity	NIL	NIL	-
4.	Commission - as % of profit - others specify	NIL	NIL	-
5.	Others, please specify	NIL	NIL	-
6.	Total (A)	17,97,000	9,30,000	27,27,000
	Ceiling as per theAct; As per Schedule V, Section II.			84,00,000

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

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

S.No.	Particulars of Remuneration	KEY MANAGERIAL PERSONNEL			
		CEO N.A	COMPANY SECRETARY Payal Bang (Per Annum)	CFO M.R. Koteswara Rao (Per Annum)	TOTAL
1.	Gross salary:				
	1. Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961.		1,73,183	6,00,000	7,73,183
	2. Value of Perquisites/s 17(2) Income –tax Act, 1961		NIL	NIL	NIL
	3. Profits in lieu of salary under section 17(3) Income-tax Act, 1961		NIL	NIL	NIL
2.	Stock Option		NIL	NIL	NIL
3.	Sweat Equity		NIL	NIL	NIL
4.	Commission				
	- as % of profit		NIL	NIL	NIL
	- others, specify		NIL	NIL	NIL
5.	Others, please Specify		NIL	NIL	NIL
	<b>Total</b>		<b>1,73,183</b>	<b>6,00,000</b>	<b>7,73,183</b>

**VI. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES: NIL**

Type	Section of the companies Act	Brief description	Details of Penalty/Punishment / Compounding fees imposed	Authority [RD/NCLT /Court]	Appeal made. If any (give details)
<b>A. Company</b>					
Penalty			NIL		
Punishment					
Compounding					
<b>B. Directors</b>					
Penalty			NIL		
Punishment					
Compounding					
<b>C. Other Officers In Default</b>					
Penalty			NIL		
Punishment					
Compounding					

Place: Hyderabad

Date: 10.08.2018

For and on behalf of the Board

Guduru Satyanarayana  
Managing Director  
DIN: 02051710

Kodali Vijaya Rani  
Director  
DIN: 00102286



Form No. MR-3  
**SECRETARIAL AUDIT REPORT  
FOR THE FINANCIAL YEAR ENDED 31.03.2018**

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

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

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

Based on my verification of the books, papers, minute books, forms and returns filed and other records maintained by QBL and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, QBL, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2018, has complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance-mechanisms in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2018 according to the provisions of:

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

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with clients;

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **Not Applicable to the Company during the Audit Period**, and

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **Not Applicable to the Company during the Audit Period**.

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

- I. Secretarial Standards issued by The Institute of Company Secretaries of India.
- II. SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 as amended.

During the Audit period under review for the Financial Year ended 31<sup>st</sup> March, 2018 and as per the clarification, representations provided by the Management in writing and oral in the Secretarial Audit checklist prepared by me, I confirm that the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, Listing Agreement, SEBI notifications etc. mentioned above. There are no fresh transactions of any inward remittance attracting the provisions of FEMA during the reporting period. During the year company has settled and paid for 13% cumulative Redeemable Preference Shares to Non-residents towards redemption of Preference Shares in Indian Rupees as per the Compromise petition filed with the High Court of Judicature at Hyderabad for the State of Telangana and the State of Andhra Pradesh.

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

**I further report that**

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

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

**I further report that** being in the real estate and construction business, the Company is subject to the compliance with the provisions of Housing Board Act, 1965, Transfer of Property Act, 1882, Building and Other Construction Workers' (Regulation of Employment and Conditions of Services) Act, 1996 and other prevalent labour laws. During the period under Audit, there were no compliance incidence under these specific laws, since no construction activity was undertaken during the Audit period.

**Place: Hyderabad**

**Date: 08.08.2018**

Signature:  
Name of Company Secretary in practice:

Sd/-  
**AJAY S. SHRIVASTAVA**  
FCS No.: 3489  
C.P. No.: 3479



'ANNEXURE - 1'

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

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

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

**Place: Hyderabad**

**Date: 08.08.2018**

Signature:  
Name of Company Secretary in practice:

Sd/-  
**AJAY S. SHRIVASTAVA**  
FCS No.: 3489  
C.P. No.: 3479

## **MANAGEMENT DISCUSSION & ANALYSIS REPORT**

### **Industry Structure and Developments:**

According to the International Monetary Fund (IMF), India remains amongst the fastest growing economies in the world, as it continues to benefit from strong private consumption and the gradual introduction of significant domestic reforms. Today, it is one of the most dynamic and emerging economy amongst large countries.

FY 2017-18 had a challenging environment with the combined effect of demonetization (November 2016) and GST implementation (July 2017) leading to subdued economic activity and consumer sentiments. Growth in private investment in the country continues to be a challenge. While the economy did witness a revival in the second half of FY 2017-18, overall annual growth is estimated at around 6.6%, lower than 7.1% of the previous year. Despite the challenges, economic reforms continued with significant steps being taken towards resolution of problems associated with non-performing assets of the banks, further liberalization of FDI, introduction of the Indian Bankruptcy Code, implementation of Real Estate Regulations (RERA), etc.

### **Opportunities:**

The study elucidates the situation of India and predicts the growth of its Real estate Market. Report talks about growth, market trends, progress, challenges, opportunities, government regulations, technologies in use, growth forecast, major companies, upcoming companies and projects etc. in the Real estate Sector of India. In addition to it, the report also talks about economic conditions of and future forecast of its current economic scenario and effect of its current policy changes in to its economy, reasons and implications on the growth of this sector. Lastly, the report is segmented by Residential and Commercial real estate. Hyderabad market has stood to benefit from dynamic growth potential and convergence of international companies in Indian market.

### **Outlook:**

The Company believes that demand conditions in the real estate sector are exhibiting early signs of improvement and the Management is positive that the Company will be able to achieve better growth than previous year by executing its real estate development and other operations and taking advantage of potential revival in economic growth and its resultant positive effects on the real estate sector over the medium term. The Company shall continue to strive to acquire new projects to increase 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. The Company has developed a robust risk management framework that reduces the volatility due to unfavourable internal and external events and facilitates risk assessment. The Management identifies the following risks:

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



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

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

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

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

**The GST Rate:** The real estate market has been confronting tremendous barrier because of high GST rate and different rate.

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

## INTERNAL CONTROL SYSTEM AND ITS ADEQUACY

The Company has a proper and adequate system of internal controls to ensure that all assets are safeguarded and protected against loss from unauthorized use or disposition and that transactions are authorized, recorded and reported correctly. The Company's internal control systems are further supplemented by an extensive programme of internal audit by an independent department of competent executives and periodic review by Management. The Company has clearly laid down policies, guidelines and procedures which form part of its internal control system.

The Audit Committee of the Company consists of independent directors who possess expert knowledge and vast experience in the field of their area of operations. They periodically review accounting records and various statements/Accounts prepared by the accounting department. They advise the senior management of the Company for any precautionary steps to be taken as required from time to time. During the year under review, five meetings of Audit Committee were held to review, inter alia, the internal audit/controls along with management comments and initiated follow-up actions thereon.

## SHARE CAPITAL

The Paid-up Share Capital of your Company is Rs. 12,61,56,300/- divided into 1,26,15,630 Equity Shares of Rs. 10/- each with Voting Rights, the Company has not issued and allotted any equity shares out of the unissued share capital.

During the year your Company Redeemed 2,00,000 - 13% Cumulative Redeemable Preference Shares of Rs 100/- each on 23<sup>rd</sup> February, 2018.

## SECURED LOANS

Secured loans of the Company stood at Rs. 3,05,33,887/- as on 31<sup>st</sup> March, 2018 which is already with DRT for resolution..

## FIXED ASSETS

The Fixed Asset (Gross Block) as on 31<sup>st</sup> March, 2018 amounts to Rs.40,28,549/-.

## 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. Adequate measures were taken to enhance the skill sets of the employees. Human resource continues to be core strength and always endeavors to work towards having sound and progressive HR strategies so as to align with Company's objectives and employee aspiration. Our HR team focuses on employee training, inculcation of values and enhancing functional expertise. 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 31<sup>st</sup> March, 2018, the manpower strength of the Company was 9 members which comprises professionals from diverse backgrounds like engineering, finance, taxation, secretarial, legal, management, business, supervisors, skilled and semi-skilled workers.

### Cautionary Statement:

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, 2018, the Board comprised Six Directors, out of which one (1) is Non-Executive Director and Two (2) are Executive Directors, 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 28.09.2017	Directorships In Other Companies
Mr. Guduru Satyanarayana	Managing Director	Executive	5	Yes	0
Mrs. Kodali Vijaya Rani	Director	Non- Executive Promoter	4	No	1
Mr. Manne Rambabu	Whole Time Director	Executive	5	Yes	0
Mr. Kanduri Saraswathi Kumar	Director	Independent Non-Executive	5	No	0
Mr. Kyatham Prabhakar Reddy	Director	Independent Non-Executive	5	Yes	2
Mr. Sripathi Ram Reddy	Director	Independent Non-Executive	4	No	0

None of the Directors on the Board is a Member of more than 10 Committees and Chairman of more than 5 Committees across all companies in which they are Directors.

The Company is in compliance with Section 203 of the Companies Act, 2013 read with Sections 2(19) & 2(51) of Companies Act, 2013 and Rule 8 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and other applicable provisions, including any statutory modification or re-enactment thereof. The Company has designated Mr. M.R. Koteswara Rao as Chief Financial Officer of the Company.

Further, Ms. Payal Bang was appointed as the Company Secretary and Compliance Officer of the Company with effect from 11<sup>th</sup> August, 2017 holding the prescribed qualification under Section 2(24) of the Companies Act, 2013. She resigned from the position of Company Secretary and Compliance Officer of the Company on 14<sup>th</sup> April, 2018. Mrs. Rakhi Kothari has been appointed as CS & CO w.e.f. 10-08-2018.

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

The Board of Directors have met Five times during the financial year on 29.05.2017, 11.08.2017, 13.09.2017, 12.12.2017 and 09.02.2018.

Independent Directors have convened their meeting on 25<sup>th</sup> January, 2018, 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](http://www.quantumbuild.com). All Board members and senior management personnel have affirmed compliance with the code of ethics. for the year 2017-18. A declaration signed by the Chief Financial Officer to this effect is attached to this Report.

#### **E. DECLARATION OF INDEPENDENCE BY DIRECTORS:**

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

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

**F. BOARD COMMITTEES:**

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

**1. AUDIT COMMITTEE:**

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

There has been no change in the composition of the Audit Committee, during the year. During the period under review, **FIVE** Audit Committee meetings were held respectively on 29.05.2017, 11.08.2017, 13.09.2017, 12.12.2017 and 09.02.2018.

The attendance of Directors at the Audit Committee Meeting held during the year 2017-18.

<b>Names</b>	<b>Status</b>	<b>Meetings Held</b>	<b>Meetings Attended</b>
Mr. Kyatham Prabhakar Reddy	Chairman	5	5
Mr. Sripathi Ram Reddy	Member	5	4
Mr. Kanduri Sarswathi Kumar	Member	5	5

**Terms of Reference:**

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

1. Review of the quarterly, half yearly and annual financial results of the Company before submission to the Board.
2. A check on the financial reporting process and the disclosure of its information to ensure that the financial statements are correct.
3. 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 31.03.2018 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 11.08.2017 for recommending the candidature and terms of appointment including remuneration of personnel being appointed. The attendance of the Directors in the Meetings is stated below:

Names	Designation	Meetings Held	Meetings Attended
Mr. Kanduri Sarawathi Kumar	Chairman	1	1
Mr. Sripathi Ram Reddy	Member	1	1
Mr Kyatham Prabhakar Reddy	Member	1	1

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

- Make recommendation to the Board regarding the setup and the Composition of the Board.
- The Committee shall formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board policy, relating to the remuneration for the directors, Key managerial Personnel and employees.
- Formulate criteria for evaluation of independent directors and the Board.
- Identify the qualification criteria for the directors and Key Managerial Person (KMP)
- The Committee shall ensure appropriate disclosure on the remuneration of the Managing Director and whole-time director, the management of the Company and benefits for Executive Director(s), Non-Executive Director(s) and to look after the issues relating to employee's remuneration.
- Recommended to the Board appointment or reappointment of the Directors and the appointment of KMP and executive team members.

**Remuneration Policy:**

The Company has adopted a Remuneration Policy for Directors, Key Managerial Personnel and other employees, in accordance with the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2016, which is available on the Company's website [www.quantumbuild.com](http://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](http://www.quantumbuild.com)

Particulars	Mr. Guduru Satyanarayana Managing Director		Mr. Manne Rambabu Whole-Time Director	
	2017-18	2016-17	2017-18	2016-17
Salary	9,30,000	6,00,000	9,30,000	9,30,000
Perquisites	8,67,000	8,67,000	---	3,60,000
<b>Total</b>	<b>17,97,000</b>	<b>14,67,000</b>	<b>9,30,000</b>	<b>12,90,000</b>

**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:**

During the year, the Committee did not have any meeting for noting/ approval of the Share Transfers of the Company as there were no Share Transfers during the year

Name	Designation	Meetings Held	Meetings Attended
Mr. Sripathi Ram Reddy	Chairman	0	0
Mrs Kodali Vijaya Rani	Member	0	0
Mr. Kanduri Saraswathi Kumar	Member	0	0

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](http://www.quantumbuild.com)

**H. ANNUAL GENERAL MEETINGS:**

Details of Previous Annual General Meetings:

Day	Date	Time	Venue
Wednesday	30 <sup>th</sup> September, 2015	11.30 A.M.	Jubilee Hills International Centre, Road No. 14, Jubilee Hills, Hyderabad, Telangana-500 033.
Tuesday	27 <sup>th</sup> September, 2016	11.30 A.M	Jubilee Hills International Centre, Road No. 14, Jubilee Hills, Hyderabad, Telangana-500 033.
Thursday	28 <sup>th</sup> September, 2017	11:30 A:M	Hyderabad Gymkhana, Road No. 2, Banjara Hills, Hyderabad- 500034, Telangana.

**Details of resolutions passed in previous Annual General Meeting dated 28<sup>th</sup> September, 2017:-**

1. Details of special resolution passed is as follows: **Appointment of Shri. G. Satyanaryana as Managing Director for further 5 years.**
2. Details of Ordinary Resolution passed is as follows: -
  - i. Adoption of Audited Financial Statements as on 31<sup>st</sup> March, 2017 along with Report of Auditors and Board thereon.
  - ii. Re-appointment of Retiring Director Smt. Kodali Vijaya Rani, who retires by rotation and being eligible offers herself for reappointment.
  - iii. Appointment of M/s. Suryanarayana & Suresh, Chartered Accountants, Hyderabad as the Statutory Auditors of the Company.
  - iv. Re-appointment of Mr. Manne Rambabu as Whole-time Director of the Company.
  - v. Appointment of Mr. Kanduri Saraswathi Kumar as an Independent Director.
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, there has been no instance of non-compliance by the Company on any matter related to the capital markets. Hence the question of penalties or strictures being imposed by SEBI or Stock Exchanges does not arise.
- c) The Company is in compliance with all the mandatory requirements of Corporate Governance and has fulfilled the non- mandatory requirements as prescribed in SEBI (Listing Obligations and Disclosures requirements) Regulations, 2015.
  - i. The Auditors in their Report on the Annual Financial Statements of the Company, have not stated any qualifications and reservations. Hence there are no comments on the same by the board of the company in the Director's Report.
  - ii. The Company has adopted Vigil Mechanism i.e. Whistle Blower Mechanism to report to the management concerns about unethical behaviour, actual or suspected fraud or violation of the company's code of conduct or ethics policy.
- d) The Company has followed the Accounting Standards and IND AS for the first time as issued by the Institute of Chartered Accountants of India, to the extent applicable, in the preparation of the Financial Statements.
- e) The Company has laid down procedures to inform Board Members about the risk assessment and minimization procedures. These procedures are periodically reviewed to ensure that executive management control risks through means of a properly defined framework.

**J. CEO CERTIFICATION:**

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

**K. MEANS OF COMMUNICATION:**

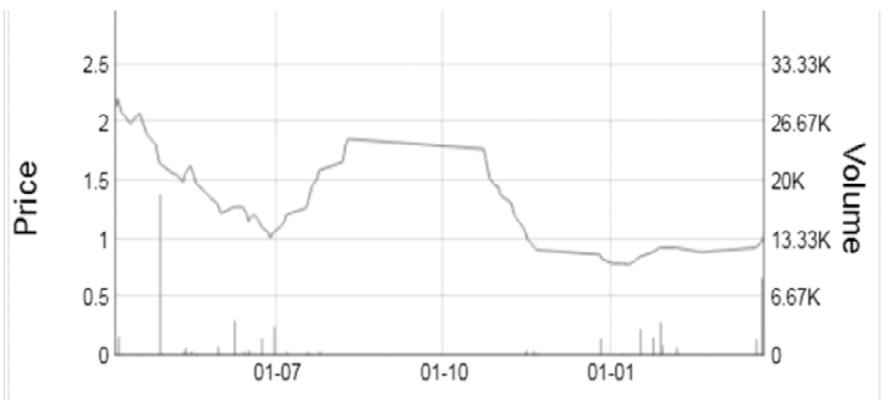
The website of the Company- [www.quantumbuild.com](http://www.quantumbuild.com) is the primary source of information regarding the operation of the Company and the information as mandated in Regulation 46 of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015. The quarterly and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

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

- 1) The market price data High, Low and Close during each month from 1st April, 2017 to 31st March, 2018 are mentioned below:

Monthly Market Price details from 01.04.2017 to 31.03.2018			
Trade date	High (In Rs.)	Low (In Rs.)	Close (In Rs.)
April, 2017	2.30	1.65	1.65
May, 2017	1.63	1.26	1.26
June, 2017	1.28	0.96	1.06
July, 2017	1.59	1.11	1.59
August, 2017	1.86	1.66	1.86
September, 2017	0	0	0
October, 2017	1.77	1.46	1.46
November, 2017	1.45	0.91	0.91
December, 2017	0.87	0.83	0.83
January, 2018	0.93	0.78	0.93
February, 2018	0.93	0.89	0.89
March, 2018	1.06	0.89	1.06

- 2) Performance Comparison:



**M. DISTRIBUTION OF SHAREHOLDING AS AT 31ST MARCH 2018 :**

Category/ No. of Shares	Number of holders	% of total holders	Number of shares	% of total shares
Upto-500	2838	86.34	327874	2.60
501-1000	134	4.08	107178	0.85
1001-2000	120	3.65	173417	1.38
2001-3000	38	1.16	93120	0.74
3001-4000	16	0.49	57249	0.45
4001-5000	23	0.70	107587	0.85
5001-10000	52	1.58	382880	3.03
10001 & Above	66	2.00	11366325	90.10
<b>Total</b>	<b>3287</b>	<b>100.00</b>	<b>12615630</b>	<b>100</b>

**N. GENERAL SHAREHOLDERS INFORMATION:**

**TWENTIETH ANNUAL GENERAL MEETING DETAILS:**

<b>Details of the Meeting:</b>	<b>Date</b> Friday, 28 <sup>th</sup> September, 2018 <b>Time</b> 11:30 A:M <b>Venue</b> The Hyderabad Gymkhana, Road No.2, Banjara Hills, Hyderabad-500 034.
Dates of book closure:	<b>22<sup>nd</sup> September, 2018 to 28<sup>th</sup> September, 2018 (Both days inclusive).</b>
Dividend Payment Date	Not Applicable.

Listing Stock Exchanges	BSE Limited (Trading w.e.f 19 <sup>th</sup> August, 2014)
The Listing Fee	The listing fees for the year 2018-19 has been paid to BSE Limited.
Stock Code (BSE Limited)	QUANTBUILD - 538596
CIN No.	L72200TG1998PLC030071
ISIN No.	INE 222B01028
Registrar & Share	<b>Venture Capital &amp; Corporate Investments Pvt. Ltd.</b>
Transfer Agents:	Address: 12-10-167, Bharat Nagar Colony, Hyderabad-18

**CATEGORY WISE SHAREHOLDING AS AT 31<sup>ST</sup> MARCH, 2018:**

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



**SHARE TRANSFER PROCESS:**

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

**DEMATERIALIZATION OF SHARES:**

The Company has entered into separate Tripartite Agreement with the Depository CSDL along with M/s Venture Capital & Corporate Investments Private Limited as Registrar and Share Transfer Agents. As on 31.03.2018 a total of 98,02,394 shares i.e. 77.70% 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, Fax. No.: 040-23568990, Email ID: [info@quantumbuild.com](mailto:info@quantumbuild.com)

**For and on behalf of the Board**

Place: Hyderabad  
Date: 10.08.2018

**G. Satyanarayana**  
Managing Director  
DIN: 02051710

**Annexures to the Corporate Governance Report**

Annexures No.	Content
I	Declaration for Compliance of Code of Conduct by Board.
II	CEO and CFO Certification

**Annexure-I**

**DECLARATION FOR COMPLIANCE OF CODE BY BOARD**

To  
**The Board of Directors**  
**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 2017-18.

Date: 10.08.2018  
Place: Hyderabad

**Guduru Satyanarayana**  
Managing Director  
DIN: 02051710

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

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

Dear Members of the Board,

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

1. We have reviewed the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement of the Company and all the notes on accounts and the Board's report.
2. These statements do not contain any materially untrue statement or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report.
3. The financial statements, and other financial information included in this report, present in all material respects a true and fair view of the Company's affairs, the financial condition, results of operations and cash flows of the Company as at, and for, the periods presented in this report, and are in compliance with the existing accounting standards and / or applicable laws and regulations.
4. There are no transactions entered into by the Company during the year that are fraudulent, illegal or violate the Company's Code of Conduct and Ethics, except as disclosed to the Company's auditors and the Company's audit committee of the Board of Directors.
5. We are responsible for establishing and maintaining disclosure controls and procedures and internal controls over financial reporting for the Company, and we have :
  - a. Designed such disclosure controls and procedures or caused such disclosure controls and procedures to be designed under our super vision 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: 10-08-2018

**G. Satyanarayana**  
Managing Director

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



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

To  
The Members,  
Quantum Build-Tech Limited  
Hyderabad.

We have examined the records of **Quantum Build-Tech Limited**, Hyderabad for the purpose of certifying in accordance with Schedule V(E) of SEBI (Listing Obligation and Disclosures Requirements) Regulations, 2015 (Listing Regulations) of the compliance of the corporate governance provisions as specified in Regulation 15(2) of the Listing Regulations as amended for the period ended 31<sup>st</sup> March, 2018. 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:10.08.2018

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

## INDEPENDENT AUDITOR'S REPORT

To the Members of  
**QUANTUMBUILD-TECH LIMITED**

### **Report on the Ind AS financial statements**

We have audited the accompanying Ind AS financial statements of **QUANTUM BUILD-TECH LIMITED** (*"the Company"*) which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the Ind AS financial statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (*"the Act"*) with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under and the Order under Section 143(11) of the Act.

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018, and its Profit and its Cash Flow for the year ended on that date.

### **Other Matters**

The comparative financial information of the company for the year ended 31 March 2017 and the transition date opening balance sheet as at 1 April 2016 included in these Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by the



predecessor auditor whose report for the year ended 31 March 2017 and 31 March 2016 dated 29 May 2017 and 30 May 2016 respectively expressed modified opinion on those financial statements, as adjusted for the differences in the accounting principles adopted by the company on transition to the Ind AS, which have been audited by us.

Our opinion is not modified in respect of these matters.

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

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "**Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143 (3) of the Act, we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b. In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c. The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account
  - d. In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, *except Accounting standard (AS) 15 "Employee Benefits" relating to the provision for gratuity.*
  - e. On the basis of written representations received from the directors as on March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure B**".
  - g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 and in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations as at 31st March 2018 on its financial position in its Ind AS financial statements as referred to in note 22 to the Ind AS financial statements.
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. In our opinion there are no amounts required to be transferred to the Investor Education and Protection Fund by the Company.
    - iv. The disclosures in the financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made since they do not pertain to the financial year ended 31 March 2018. However amounts as appearing in the audited financial statements for the year ended 31 March 2017 have been disclosed.

Place: Hyderabad  
Date: 26-05-2018

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

V Nagendra Rao  
Partner  
M. No. 227679

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

Referred to in paragraph 1 under the heading 'Report on Other Legal & Regulatory Requirement' of our report of even date to the Ind AS financial statements of the Company for the year ended March 31, 2018:

- 1) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
- (b) The Company has a regular program of physical verification of its fixed assets by which all fixed assets are verified in a phased manner. In our opinion the periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- 2) In respect of Inventories:
  - a) As explained to us the inventories have been physically verified during the year by the management at reasonable intervals.
  - b) In our opinion and according to the information and explanations given to us the procedures of physical verification of inventories followed by the management were reasonable and adequate in relation to the size of the company and nature of its business.
  - c) In our opinion and according to the information and explanations given to us the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
- 3) The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the Register maintained under section 189 of the Act. Accordingly, the provisions of clause 3 (iii) (a) to (C) of the Order are not applicable to the Company and hence not commented upon.
- 4) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 In respect of loans, investments, guarantees, and security.
- 5) The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
- 6) We have broadly reviewed the cost records maintained by the Company pursuant to the rules prescribed by the Central Government of India under Section 148(1) of the Companies Act 2013 and are of the opinion that prima facie the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- 7) a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company is not regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Sales tax, Service Tax, Duty of Customs, Duty of Excise, Value added Tax, Cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2018 for a period of more than six months from the date on when they become payable except Service Tax Rs.5,81,628/-.
- b) According to the information and explanation given to us, there are no dues of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax outstanding on account of any dispute.



- c) In our opinion there are no amounts required to be transferred to Investor Education and Protection Fund by the company.
- 8) In our opinion and according to the information and explanations given to us, the Company has defaulted in the repayment of dues to financial institution or banks. The Company has not issued any debentures.

S.No.	Name of the Bank	Principal	Interest
1.	Axis Bank Limited	1,50,00,000	1,17,57,841
2.	Axis Bank Limited	37,76,049	-

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

Place: Hyderabad  
Date: 26-05-2018

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

V Nagendra Rao  
Partner  
M. No. 227679

## **“Annexure B” to the Independent Auditor's Report**

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

We have audited the internal financial controls over financial reporting of QUANTUM BUILD-TECH LIMITED (“the Company”) as of March 31, 2018 in conjunction with our audit of the Ind AS 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 Ind AS 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 Ind AS 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 Ind AS 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 Ind AS 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, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place: Hyderabad  
Date: 26-05-2018

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

V Nagendra Rao  
Partner  
M. No. 227679

**BALANCE SHEET AS AT 31ST, MARCH 2018**

(Amount in ₹)

Sl. No.	Particulars	Note	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
<b>A</b>	<b>ASSETS</b>				
<b>1</b>	<b>NON CURRENT ASSETS</b>				
	a) Fixed Assets				
	Property, Plant & Equipment	1	940,188	228,227	331,895
	b) Other Non Current Assets	2	40,555,441	40,844,980	40,848,130
	<b>Total Non Current Assets</b>		<b>41,495,629</b>	<b>41,073,207</b>	<b>41,180,025</b>
<b>2</b>	<b>CURRENT ASSETS</b>				
	Inventories	3	71,607,146	77,912,791	142,887,096
	<b>FINANCIAL ASSETS</b>				
	a) Trade Receivables	4	5,237,698	11,180,019	10,550,534
	b) Cash and Cash Equivalents	5	27,628,252	30,432,242	2,675,943
	c) Short Term Loans & Advances	6	161,680	3,744,874	3,744,874
	d) Other Current Assets	7	1,499,119	1,769,452	6,323,671
	<b>Total Current Assets</b>		<b>106,133,895</b>	<b>125,039,378</b>	<b>166,182,118</b>
	<b>TOTAL ASSETS (1+2)</b>		<b>147,629,524</b>	<b>166,112,585</b>	<b>207,362,143</b>
<b>B</b>	<b>EQUITY &amp; LIABILITIES</b>				
<b>1</b>	<b>SHAREHOLDERS' FUNDS</b>				
	a) Share Capital	8	126,156,300	126,156,300	126,156,300
	b) Other Equity	9	(44,877,585)	(49,086,346)	(31,798,968)
	<b>Total Equity</b>		<b>81,278,715</b>	<b>77,069,954</b>	<b>94,357,332</b>
<b>2</b>	<b>NON CURRENT LIABILITIES</b>				
	<b>FINANCIAL LIABILITIES</b>				
	a) Long Term Borrowings	10	3,776,046	6,454,497	35,520,481
	b) Preference Share Capital		-	20,000,000	20,000,000
	<b>Total Non Current Liabilities</b>		<b>3,776,046</b>	<b>26,454,497</b>	<b>55,520,481</b>
<b>3</b>	<b>CURRENT LIABILITIES</b>				
	a) <b>FINANCIAL LIABILITIES</b>				
	Short Term Borrowings	11	26,757,841	26,757,841	26,960,453
	Trade Payables	12	8,841,069	10,482,707	11,071,927
	b) Short Term Provisions	13	3,984,290	3,616,790	3,569,290
	c) Other Current Liabilities	14	22,991,563	21,730,796	15,882,660
	<b>Total Current Liabilities</b>		<b>62,574,763</b>	<b>62,588,134</b>	<b>57,484,330</b>
	<b>TOTAL EQUITY &amp; LIABILITIES (1+2+3)</b>		<b>147,629,524</b>	<b>166,112,585</b>	<b>207,362,143</b>
	See accompanying Notes Forming part of the Financial statements 1 to 27				

In terms of our report of even date attached.

**For Suryanarayana & Suresh**

Chartered Accountants

Firm Regn No.006631S

**For and on behalf of the Board**

**V.Nagendra Rao**

Partner

M.No.227679

Place : Hyderabad

Date : 26-05-2018

**G. Satyanarayana**

Managing Director

DIN No. 02051710

**M.R. Koteswara Rao**

Chief Financial Officer

**M. Rambabu**

Director

DIN No. 02413835



**STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST, MARCH 2018**

(Amount in ₹)

Sl. No.	Particulars	Note	For the Year Ended 31 March 2018	For the Year Ended 31 March 2017
	<b>CONTINUING OPERATIONS</b>			
1	Revenue from Operations	15	27,694,354	29,440,825
	Other Income	16	1,287,091	948,899
	<b>Total</b>		<b>28,981,445</b>	<b>30,389,724</b>
2	<b>Expenses</b>			
	(a) Cost of Materials Consumed	17.a	20,038	68,730
	(b) Cost of Labour charges	17.b	174,000	323,146
	(c) Change in Contracts W.I.P	17.c	–	57,505,659
	(d) Employee Benefits Expenses	18	3,568,727	3,636,021
	(e) Finance Cost	19	94,133	3,903,912
	(f) Depreciation and Amortisation Expenses		139,499	55,579
	(g) Other Expenses	20	11,044,768	1,774,463
	<b>Total</b>		<b>15,041,165</b>	<b>67,267,510</b>
3	<b>Profit / (Loss) for the year before exceptional items</b>		<b>13,940,280</b>	<b>(36,877,786)</b>
4	Exceptional Items:	21	9,412,029	19,608,669
5	<b>Profit / (Loss) for the year before tax</b>		<b>4,528,251</b>	<b>(17,269,117)</b>
	Less : Income Tax - Current year		315,000	–
	Income Tax - Previous years		4,490	18,261
6	<b>Profit / (Loss) for the year</b>		<b>4,208,761</b>	<b>(17,287,378)</b>
7	<b>Earnings per share</b> (Nominal value of ₹10/- each)			
	(a) Basic (Rs.)		0.33	(1.37)
	(b) Diluted (Rs.)		0.33	(1.37)
	<b>See accompanying Notes Forming part of the Financial Statements 1 to 27</b>			

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 : 26-05-2018

**G. Satyanarayana**

Managing Director

DIN No. 02051710

**M.R. Koteswara Rao**

Chief Financial Officer

**M. Rambabu**

Director

DIN No. 02413835

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST, MARCH 2018**

(Amount in ₹)

Sl. No.	Particulars	For the Year Ended 31 March 2018	For the Year Ended 31 March 2017
<b>A</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
	Net Profit before tax	4,528,251	(17,269,117)
	Add: Adjustments for		
	Depreciation and Amortisation	139,499	55,579
	Profit on Sale of Asset	-	(361,911)
	Bad Debts written off	4,995,321	-
	Interest income on fixed deposits	(1,273,091)	(548,488)
	<b>Operating profit before working capital changes</b>	<b>8,389,980</b>	<b>(18,123,937)</b>
	Add/ (Less): Adjustment for working capital changes		
	a. Decrease / (Increase) in Other Non Current Assets	309,104	58,000
	b. Decrease / (Increase) in Inventories	6,305,645	64,974,305
	c. Decrease / (Increase) in Trade receivables	947,000	(629,485)
	d. Decrease / (Increase) in Short term loans & advances	3,583,194	-
	e. Decrease / (Increase) in Other current assets	446,416	5,047,857
	f. (Decrease) / Increase in Trade payables	(1,641,638)	(589,220)
	g. (Decrease) / Increase in Short term provisions	52,500	47,500
	h. (Decrease) / Increase in Other current liabilities	1,260,767	5,848,136
	<b>Cash generated from operations</b>	<b>19,652,968</b>	<b>56,633,156</b>
	Tax Paid	(4,490)	(18,261)
	<b>Net cash generated / (used in) operating activities (A)</b>	<b>19,648,478</b>	<b>56,614,895</b>
<b>B</b>	<b>Cash Flow From Investing Activities</b>		
	Purchase of Tangible Asset	(851,460)	-
	Proceeds from Sale of Asset	-	410,000
	Interest received on fixed deposits	1,077,443	-
	<b>Net Cash used in Investing Activity (B)</b>	<b>225,983</b>	<b>410,000</b>
<b>C</b>	<b>Cash Flow From Financing Activities</b>		
	Long-term borrowings	(2,678,451)	(29,065,984)
	Repayment of Short term borrowings	-	(202,612)
	Redemption of Share Capital	(20,000,000)	-
	<b>Net cash (used in) / generated from financing activities (C)</b>	<b>(22,678,451)</b>	<b>(29,268,596)</b>
	<b>Net increase in Cash and cash equivalents (A+B+C)</b>	<b>(2,803,990)</b>	<b>27,756,299</b>
	Cash and cash equivalents at the beginning of the year	30,432,242	2,675,943
	<b>Cash and cash equivalents at the end of the year</b>	<b>27,628,252</b>	<b>30,432,242</b>

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 : 26-05-2018

**G. Satyanarayana**

Managing Director

DIN No. 02051710

**M.R. Koteswara Rao**

Chief Financial Officer

**M. Rambabu**

Director

DIN No. 02413835



**1. 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.

These separate financial statements were authorized for issue in accordance with a resolution of the Directors on 26<sup>th</sup> May, 2018.

**Basis of Preparation of Financial Statements:**

For all periods up to and including the year ended 31<sup>st</sup> March, 2017 the Company prepared its Financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP). These Financial statements for the year ended 31<sup>st</sup> March, 2018 have been prepared in accordance with Indian Accounting Standards (“Ind-AS”) consequent to the notification of the Companies (Indian Accounting Standards) Rules, 2015 (the Rules) issued by the MCA. These are the First Ind-AS Financial statements of the Company, wherein the Company has restated its financial statements for the year ended 31<sup>st</sup> March, 2017 also as per Ind-AS. The Financial statements have been prepared on historical cost basis.

**Reconciliation between financial results previously reported (referred to as Previous GAAP”) and Ind AS for the quarter / year presented are as under:**

(Rs. in Lakhs)

Particulars	Year ended 31 <sup>st</sup> March, 2018	Year ended 31 <sup>st</sup> March, 2017
<b>Net Profit under Previous GAAP (After Tax)</b>	<b>42.09</b>	<b>(172.87)</b>
IND AS Adjustments	-	-
<b>Net Profit under IND AS (After Tax)</b>	<b>42.09</b>	<b>(172.87)</b>

**Reconciliation between Total Equity previously reported (referred to as “Previous GAAP”) and Ind AS for the quarter / year presented are as under**

Particulars	Total Equity as on 31.03.2017	Total Equity as on 01.04.2016
<b>Total Equity as per previous GAAP</b>	<b>1261.56</b>	<b>1261.56</b>
IND AS Adjustments	-	-
<b>Total Equity as per IND AS</b>	<b>1261.56</b>	<b>1261.56</b>

**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 thereon 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.

TANGIBLE ASSETS :	GROSS BLOCK				DEPRECIATION & AMORTISATION				NET BLOCK	
	Opening As on 01-04-17	Additions During the Year	Deletions During the Year	Balance as on 31-03-18	Balance as on 01-04-17	Deletions During the Year	For the Period 31-03-18	Total upto 31-03-18	As At 31-03-18	As At 31-03-17
Computers	501152	-	-	501152	476094	-	-	476094	25058	25058
Construction Equipment	149463	-	-	149463	124579	-	12954	137533	11930	24884
Furniture & Fixtures	226307	-	-	226307	213164	-	366	213530	12777	13143
Office Equipment	118991	-	-	118991	113042	-	-	113042	5949	5949
Vehicles	1565356	851,460	-	2416816	1487088	-	101111	1588199	828617	78268
Centering Materials	615820	-	-	615820	534895	-	25068	559963	55857	80925
<b>Total</b>	<b>3177089</b>	<b>851460</b>	<b>-</b>	<b>4028549</b>	<b>2948862</b>	<b>-</b>	<b>139499</b>	<b>3088361</b>	<b>940188</b>	<b>228227</b>
Previous Year	4138874	-	961785	3177089	3806979	913696	55579	2948862	228227	331895

Notes forming part of the Financial Statements

1. Fixed Assets - Tangible Assets				
	Particulars	As at 31 March, 2018 ₹	As at 31 March, 2017 ₹	As at 1 April, 2016 ₹
	Property, Plant & Equipment	940,188	228,227	331,895
	<b>Total</b>	<b>940,188</b>	<b>228,227</b>	<b>331,895</b>
2. Other Non Current Assets				
	Particulars	As at 31 March, 2018 ₹	As at 31 March, 2017 ₹	As at 1 April, 2016 ₹
(A)	<b>Loans and advances</b>			
	Unsecured Considered good			
	Advance for Land	39,000,000	39,350,000	39,350,000
	Rent Deposit	1,100,000	1,100,000	1,100,000
	Electricity Deposit	29,074	29,074	29,074
	Other Deposits	217,708	217,708	217,708
	<b>(A)</b>	<b>40,346,782</b>	<b>40,696,782</b>	<b>40,696,782</b>
(B)	<b>Loans and advances to employees</b>			
	Unsecured, considered good	<b>(B) 54,210</b>	<b>66,210</b>	<b>124,210</b>
(C)	<b>TDS Receivable</b>			
	Unsecured considered good			
	TDS Receivable ( Net of Provision)	<b>(C) 154,449</b>	<b>81,988</b>	<b>27,138</b>
	<b>Total (A+B+C)</b>	<b>40,555,441</b>	<b>40,844,980</b>	<b>40,848,130</b>
3. Inventories				
	Particulars	As at 31 March, 2018 ₹	As at 31 March, 2017 ₹	As at 1 April, 2016 ₹
	Contracts work - in - Progress	68,945,983	68,945,983	126,451,642
	Project Land	2,661,163	8,966,808	16,435,454
	<b>Total</b>	<b>71,607,146</b>	<b>77,912,791</b>	<b>142,887,096</b>



4.	Trade Receivables			
	Particulars	As at 31 March, 2018 ₹	As at 31 March, 2017 ₹	As at 1 April, 2016 ₹
	Trade receivables outstanding for a period exceeding six months from the date they were due for payment			
	Unsecured considered good	10,233,019	11,180,019	11,172,859
	Less: Bad Debts Written off	4,995,321	-	622,325
	<b>Total</b>	<b>5,237,698</b>	<b>11,180,019</b>	<b>10,550,534</b>

4.1 The Company has filed a case U/s.138 of Negotiable Instruments Act for recovery of ₹ 3,05,089/- due from a customer vide case reference no. S.A.No.724 of 2012 filed with the High Court of judicature at Hyderabad for the state of Telangana and the state of Andhra Pradesh, the management is confident of winning the case / recovering the dues and opinioned no provision is required.

5.	Cash and Cash Equivalents			
	Particulars	As at 31 March, 2018 ₹	As at 31 March, 2017 ₹	As at 1 April, 2016 ₹
	<b>(A) Cash</b>			
	Cash on hand	61,047	211,180	191,539
	<b>(B) Balances with Banks:</b>			
	<b>a) In Current Accounts</b>			
	(i) Karur Vysya Bank Ltd	338,119	191,741	2,454,852
	(ii) Punjab National Bank Ltd	19,086	19,321	19,552
	(iii) Axis Bank Ltd - ESW Preferential Issue	10,000	10,000	10,000
	<b>(C) Bank Deposits:</b>			
	Fixed Deposits (Refer Note 5.c)	27,200,000	30,000,000	-
	<b>Total (A+B+C)</b>	<b>27,628,252</b>	<b>30,432,242</b>	<b>2,675,943</b>

5.c Fixed deposits includes ₹ 2,72,00,000 /- having maturity period of less than three months (Previous Year Nil)

6.	Short-Term Loans and Advances (Unsecured, Considered good)			
	Particulars	As at 31 March, 2018 ₹	As at 31 March, 2017 ₹	As at 1 April, 2016 ₹
	<b>Loans and advances</b>			
	Other Advances	161,680	3,744,874	3,744,874
	<b>Total</b>	<b>161,680</b>	<b>3,744,874</b>	<b>3,744,874</b>

7.	<b>Other Current Assets</b>			
	<b>Particulars</b>	<b>As at 31 March, 2018 ₹</b>	<b>As at 31 March, 2017 ₹</b>	<b>As at 1 April, 2016 ₹</b>
	Interest Receivable	176,083	493,638	-
	GST ITC Receivable	72,232	-	47,857
	VAT Receivable	-	2,797	2,797
Advance paid for Works	1,250,804	1,273,017	6,273,017	
	<b>Total</b>	<b>1,499,119</b>	<b>1,769,452</b>	<b>6,323,671</b>

8.	<b>Share Capital</b>			
	<b>Particulars</b>	<b>As at 31 March, 2018 ₹</b>	<b>As at 31 March, 2017 ₹</b>	<b>As at 1 April, 2016 ₹</b>
	<b>(A) Authorised</b>			
	1,80,00,000 Equity shares of ₹ 10/- each with voting rights (Previous year 1,80,00,000 Equity shares of ₹ 10/- each with voting rights)	180,000,000	180,000,000	180,000,000
	10,00,000 Cumulative Redeemable preference shares of ₹ 100/- each (Previous year 10,00,000 Cumulative redeemable preference shares of ₹ 100/- each)	100,000,000	100,000,000	100,000,000
	<b>280,000,000</b>	<b>280,000,000</b>	<b>280,000,000</b>	
<b>8.1 (B) Issued , Subscribed &amp; fully paid up</b>				
1,26,15,630 Equity shares of ₹ 10/-each with voting rights	126,156,300	126,156,300	126,156,300	
2,00,000 - 13% Cumulative Redeemable preference shares of ₹ 100/- each	-	20,000,000	20,000,000	
<b>Total</b>	<b>126,156,300</b>	<b>146,156,300</b>	<b>146,156,300</b>	

8.1.1	<p>All Equity shares issued by the Company carry equal voting and participatory rights.</p> <p>During the year company has settled and paid 13% CRP shares for an amount of ₹ 2,94,12,029/- including foreign currency fluctuation of ₹ 94,12,029/- as per the compromise petition filed with the High Court of Judicature at Hyderabad for the state of Telangana and the state of Andhra Pradesh.</p>
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8.1.2	Particulars	As at 31 March, 2018	As at 31 March, 2017
	Equity shares at the beginning of the year	12,615,630	12,615,630
	Add : Movement during the year	-	-
	<b>Equity shares at the end of the year</b>	<b>12,615,630</b>	<b>12,615,630</b>

8.1.3	Details of Shareholders holding more than 5% shares				
	Name of the share holder	As at 31.03.2018		As at 31.03.2017	
		shares	% held	shares	% held
	Kodali Vijaya Rani	1,595,350	12.65	1,045,350	8.29
	Rajesh / Vamsi Cherukuri	1,162,916	9.22	1,162,916	9.22
	Punukollu Kodanda Rambabu	1,085,114	8.60	1,085,114	8.60
	Krishna Guduru	1,045,000	8.28	500,000	3.96
	Raghavendra Appanagari	878,370	6.96	878,370	6.96
	Sekhar V Uppalapati	669,968	5.31	669,968	5.31
	M/s. Pancom Marketing Pvt Ltd	650,000	5.15	650,000	5.15

9.	Other Equity			
	Particulars	As at 31 March, 2018 ₹	As at 31 March, 2017 ₹	As at 1 April, 2016 ₹
	<b>(A) Capital Reserve</b>	<b>3,500,000</b>	<b>3,500,000</b>	<b>3,500,000</b>
	<b>(B) Statement of Profit &amp; Loss</b>			
	Opening Balance	(52,586,346)	(35,298,968)	(35,186,605)
	Add : Surplus / (Deficit) in statement of Profit & Loss	4,208,761	(17,287,378)	(112,363)
		<b>(48,377,585)</b>	<b>(52,586,346)</b>	<b>(35,298,968)</b>
	<b>Total</b>	<b>(44,877,585)</b>	<b>(49,086,346)</b>	<b>(31,798,968)</b>

10.	Long-Term Borrowings			
	Particulars	As at 31 March, 2018 ₹	As at 31 March, 2017 ₹	As at 1 April, 2016 ₹
	<b>Term loans - Secured</b>			
	From banks			
	Axis Bank Ltd- Term Loan (Refer Note 10.1)	3,776,046	6,451,046	6,451,046
	PNB Housing Finance Ltd	-	-	29,069,435
	Karur Vysya Bank - Overdraft	-	3,451	-
	<b>Total</b>	<b>3,776,046</b>	<b>6,454,497</b>	<b>35,520,481</b>

<b>10.1</b>	<p>The Company has taken overdraft facility from Axis Bank Ltd, Jubilee Hills branch, in the month of November,2006 for an amount of ₹ 200.00 Lacs, part of the overdraft has been converted into Term Loan by the bank in November,2008 for an amount of ₹ 50.00 Lacs at an interest rate of 14.25 % . The said term loan is secured by equitable mortgage of 1320 &amp; 1095.89 Sq.yds of company own land in Jaihind Nagar, Shaikpet, Hyderabad and also equitable mortgage of land &amp; building at Plot No.66, Dream Valley, Shaikpet, Hyderabad, in the name of Smt. K.Vijaya Rani &amp; Sri P.Vamsidhar. The loan is repayable in 60 monthly equal installments of ₹ 1,16,990/-each from the date of conversion. The company has paid 20 monthly equal installments upto September 2010.</p> <p>Axis Bank Ltd has filed a case in the Hon'ble Debts Recovery tribunal against the company for recovery of debts and the company also filed a case against Axis Bank Ltd and is pending before the Hon'ble Debts Recovery Tribunal.</p> <p>The term loan facility is further secured by personal guarantees of Sri P.Kodanda Rambabu, Smt K.Vijaya Rani &amp; Sri P.Vamsidhar.</p>
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<b>11.</b>	<b>Short-Term Borrowings</b>			
	<b>Particulars</b>	<b>As at 31 March, 2018 ₹</b>	<b>As at 31 March, 2017 ₹</b>	<b>As at 1 April, 2016 ₹</b>
	<b>Loans repayable on demand - Secured</b>			
	From Banks			
	Axis Bank Ltd - Cash Credit (Refer Note 11.1)	26,757,841	26,757,841	26,960,453
	<b>Total</b>	<b>26,757,841</b>	<b>26,757,841</b>	<b>26,960,453</b>

<b>11.1</b>	<p>The Company has taken overdraft facility from Axis Bank Ltd, Jubilee Hills branch, in the month of November,2006 for an amount of ₹ 200.00 Lacs,(Out of it ₹ 50.00 Lacs has been converted into Term loan in November,2008) at an interest rate of 12% p.a. The said overdraft facilities are secured by equitable mortgage of 1320 &amp; 1095.89 Sq.yds of company own land in Jaihind Nagar, Shaikpet, Hyderabad and also equitable mortgage of land &amp; building at Plot No.66, Dream Valley, Shaikpet, Hyderabad, in the name of Smt. K .Vijaya Rani &amp; Sri P. Vamsidhar.</p> <p>Axis Bank Ltd has filed a case in the Hon'ble Debts Recovery tribunal against the company for recovery of debts, and the company also filed a case against Axis Bank Ltd and is pending before the Hon'ble Debts Recovery Tribunal.</p> <p>The said overdraft facilities are further secured by personal guarantees of Sri P.Kodanda Rambabu , Smt K.Vijaya Rani &amp; Sri P.Vamsidhar.</p> <p>During the previous year the company has entered into an MOU with M/s.Axis Bank Ltd on 23.03.2017 for settlement of loans outstanding as per the terms mentioned in the memorandum of understanding. During the previous year the company has paid an amount of ₹ 40,00,000/- to Axis Bank Ltd. and during the year an amount of ₹ 26,75,000/- was paid to the legal heirs of late Ajit Kumar as advised by the bank, the balance amount of ₹ 1,27,00,000/- shall be payable by the company and the matter relating to this amount is pending in the Debts Recovery Tribunal.</p>
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<b>12.</b>	<b>Trade Payables</b>			
	<b>Particulars</b>	<b>As at 31 March, 2018 ₹</b>	<b>As at 31 March, 2017 ₹</b>	<b>As at 1 April, 2016 ₹</b>
	Sundry Creditors for Materials	37,835	725,934	2,169,817
	Sundry Creditors for Works	102,614	102,163	106,245
	Sundry Creditors for Services	8,700,620	9,654,610	8,795,865
	<b>Total</b>	<b>8,841,069</b>	<b>10,482,707</b>	<b>11,071,927</b>



13.	<b>Short Term Provisions</b>			
	<b>Particulars</b>	<b>As at 31 March, 2018 ₹</b>	<b>As at 31 March, 2017 ₹</b>	<b>As at 1 April, 2016 ₹</b>
	<b>Provisions</b>			
	Provision for Gratuity	528,308	475,808	428,308
	Provision for Income Tax	315,000	-	-
	Other Provisions	3,140,982	3,140,982	3,140,982
	<b>Total</b>	<b>3,984,290</b>	<b>3,616,790</b>	<b>3,569,290</b>
14.	<b>Other Current Liabilities</b>			
	<b>Particulars</b>	<b>As at 31 March, 2018 ₹</b>	<b>As at 31 March, 2017 ₹</b>	<b>As at 1 April, 2016 ₹</b>
	<b>(A) Other Payables</b>			
	Outstanding Liabilities	143,426	174,344	130,410
	Others	241,430	241,430	241,430
		<b>(A) 384,856</b>	<b>415,774</b>	<b>371,840</b>
	<b>(B) Statutory Payables (B)</b>	<b>779,867</b>	<b>657,988</b>	<b>31,731</b>
	<b>(C) Advances from Customers (C)</b>	<b>20,737,806</b>	<b>19,568,000</b>	<b>12,344,055</b>
	<b>(D) Interest Accrued (D)</b>	<b>1,089,034</b>	<b>1,089,034</b>	<b>3,135,034</b>
		<b>Total ( A+B+C+D)</b>	<b>22,991,563</b>	<b>21,730,796</b>
15.	<b>Revenue from Operations</b>			
	<b>Particulars</b>	<b>As at 31 March, 2018 ₹</b>	<b>As at 31 March, 2017 ₹</b>	
	Sale of Residential Flats (Gross)	-	-	
	<b>Less:</b>			
	Service Tax	-	-	
	Sales Tax	-	-	
		-	-	
Contract Receipts	-	-		
Profit on Sale of Land	27,694,354	29,440,825		
	<b>Total Net Sales</b>	<b>27,694,354</b>	<b>29,440,825</b>	

16.	<b>Other Income</b>		
	<b>Particulars</b>	<b>As at 31 March, 2018 ₹</b>	<b>As at 31 March, 2017 ₹</b>
	Interest Income	1,273,091	548,488
	Profit on Sale of Vehicle	-	361,911
	Rent Received	14,000	38,500
	<b>Total</b>	<b>1,287,091</b>	<b>948,899</b>
17.a	<b>Cost of Materials Consumed</b>		
	<b>Particulars</b>	<b>As at 31 March, 2018 ₹</b>	<b>As at 31 March, 2017 ₹</b>
	Cost of Materials Purchased	20,038	68,730
	<b>Total</b>	<b>20,038</b>	<b>68,730</b>
17.b	<b>Cost of Labour Charges</b>		
	<b>Particulars</b>	<b>As at 31 March, 2018 ₹</b>	<b>As at 31 March, 2017 ₹</b>
	Labour charges	174,000	323,146
	<b>Total</b>	<b>174,000</b>	<b>323,146</b>
17.c	<b>Changes in Inventories of work in progress</b>		
	<b>Particulars</b>	<b>As at 31 March, 2018 ₹</b>	<b>As at 31 March, 2017 ₹</b>
	<b>Inventories at the End of the Year</b>		
	Work - in - Progress	68,945,983	68,945,983
	<b>Inventories at the Beginning of the Year</b>		
Work-in-Progress	68,945,983	126,451,642	
	<b>Total Net ( Increase ) / Decrease</b>	<b>-</b>	<b>57,505,659</b>
18.	<b>Employee Benefits Expenses</b>		
	<b>Particulars</b>	<b>As at 31 March, 2018 ₹</b>	<b>As at 31 March, 2017 ₹</b>
	Salaries & Wages	3,515,333	3,579,666
	Contributions to Gratuity	52,500	47,500
	Staff welfare expenses	894	8,855
	<b>Total</b>	<b>3,568,727</b>	<b>3,636,021</b>



19. Finance Cost			
Particulars		As at 31 March, 2018 ₹	As at 31 March, 2017 ₹
<b>Interest On</b>			
(i) Overdraft & Working Capital Loan		41,775	3,855,780
(ii) TDS		47,745	1,669
(iii) Interest on Hire Purchase		-	36,000
(iv) Others		4,613	10,463
<b>Total</b>		<b>94,133</b>	<b>3,903,912</b>
20. Other Expenses			
Particulars		As at 31 March, 2018 ₹	As at 31 March, 2017 ₹
Power and fuel		15,346	16,459
Rent		114,000	114,000
Repairs and maintenance		57,231	9,576
Insurance		23,143	18,478
Rates and taxes		466,772	404,533
Communication		150,204	144,917
Consultancy & Professional		454,800	260,629
Bank Charges		34,898	4,930
Payment to Auditors			
Audit Fees		75,000	75,000
Tax Audit Fees		25,000	25,000
Travelling and conveyance		157,720	91,522
Printing and stationery		68,029	63,034
Business promotion		-	15,348
Advertisement Expenses		98,984	95,184
AGM Expenses		8,193	6,996
Office Maintenance		42,270	45,920
Miscellaneous Expenses		21,553	13,668
Bad Debts Written off		4,995,321	-
Other Advances Written off		3,450,061	-
Postage & Courier		32,417	40,556
Vehicle Maintenance		485,766	327,713
Legal Expenses		255,000	1,000
Filing Fees		13,060	-
<b>Total</b>		<b>11,044,768</b>	<b>1,774,463</b>

21.	<b>Exceptional Items</b>		
	<b>Particulars</b>	<b>As at 31 March, 2018 ₹</b>	<b>As at 31 March, 2017 ₹</b>
	Interest waiver	-	13,569,435
	Credit Balances no longer payable	-	6,039,234
	Fluctuation in foreign currency	9,412,029	-
	<b>Total</b>	<b>9,412,029</b>	<b>19,608,669</b>
22.	<b>Contingent Liabilities :</b> a) Capital commitments on account of unexecuted contracts ( Land Development Agreements) are estimated at ₹ 513 lakhs ( Previous year ₹ 513 lakhs ) b) Disputed seigniorage fees liability of ₹ 28.43 lakhs ( Fees ₹ 4.77 lakhs and penalty of ₹ 23.66 lakhs ) for which revision petition has been filed by the company.		
23.	<b>Related Party Disclosures</b> Key Management Personnel (KMP) : G.Satyanarayana M.Rambabu M.R.Koteswara Rao		
24.	<b>Transactions with Key Management Persons and their Relatives</b>		
	<b>Particulars</b>	<b>KMP &amp; Relatives of KMP</b>	
		<b>31 March, 2018 ₹</b>	<b>31 March, 2017 ₹</b>
	Remuneration & Perquisites	3,342,000	3,357,000
	Rent	114,000	114,000
Salaries & Perquisites payable	8,377,129	8,973,995	
Rent Payable	70,286	426,894	
25.	Confirmations are not received in respect of the amounts relating to trade receivables, trade payables, loans & advances.		
26.	<b>Dues to Micro, Small and Medium Enterprises :</b> The identification of micro, small and medium enterprise suppliers as defined under the provisions of "Micro, small and medium enterprises Act, 2006" is based on Management's knowledge of their status. There are no dues to micro, small and medium enterprises as on 31 March 2018.		
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 : 26-05-2018

**For and on behalf of the Board**

**G. Satyanarayana**

Managing Director

DIN No. 02051710

**M.R. Koteswara Rao**

Chief Financial Officer

**M. Rambabu**

Director

DIN No. 02413835



**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. K. Vijaya Rani - <b>Director</b>
2	Nature of contracts/arrangements/transaction	Payment of Rent
3	Duration of the contracts/arrangements/transaction	Regular on year to year basis
4	Salient terms of the contracts or arrangements or transaction including the value, if any	The Company in its ordinary course of business has entered into Contract/Arrangement and paid rent of premises amounting to Rs. 1,14,000/- (Rupees One Lakhs Fourteen Thousand only) to the Director during the financial year 2017-18. The transaction is on Arm's Length basis.
5	Date of approval by the Board	19-04-2005
6	Amount paid as advances, if any	Nil

**For QUANTUM BUILD-TECH LIMITED**

**Guduru Satyanarayana**  
**Managing Director**  
**DIN: 02051710**

**LEFT BLANK INTENTIONALLY**

# QUANTUM BUILD-TECH LIMITED

CIN: L72200TG1998PLC030071

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

**20<sup>th</sup> Annual General Meeting on Friday, the 28<sup>th</sup> of September, 2018 at 11.30 A.M.**

## **MGT-11 - PROXY FORM**

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

<b>CIN</b>	L72200TG1998PLC030071
<b>Name of the Company</b>	QUANTUM BUILD-TECH LIMITED
<b>Registered Office</b>	8-1-405/A/66 Dream Valley, Near O.U Colony, Shaikpet. Hyderabad- Telangana 500008
<b>Name of Member(s)</b>	
<b>Registered Address</b>	
<b>Email ID</b>	
<b>Folio No./ DP ID – Client ID</b>	

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

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

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

(3) Name: ..... Address: .....  
Email ID: ..... Signature .....

As my/our proxy to attend and vote (on a poll) for me/us and On my/our behalf at the 20<sup>th</sup> Annual General Meeting of the Company to be held on Friday, the 28<sup>th</sup> September, 2018 at 11.30 A.M. at Hyderabad Gymkhana, Road No.2, Banjara Hills, Hyderabad – 500034 and at any adjournment thereof in respect of such resolution:

<b>ORDINARY BUSINESS:</b>		<b>For</b>	<b>Against</b>
Item No. 1	Approval of Audited Financial Statements for the year ended on 31 <sup>st</sup> March, 2018.		
Item No. 2	Re-appointment of Retiring Director, Smt. Kodali Vijaya Rani.		

Signed this .....day of ..... 2018

Signature of Member(s): .....

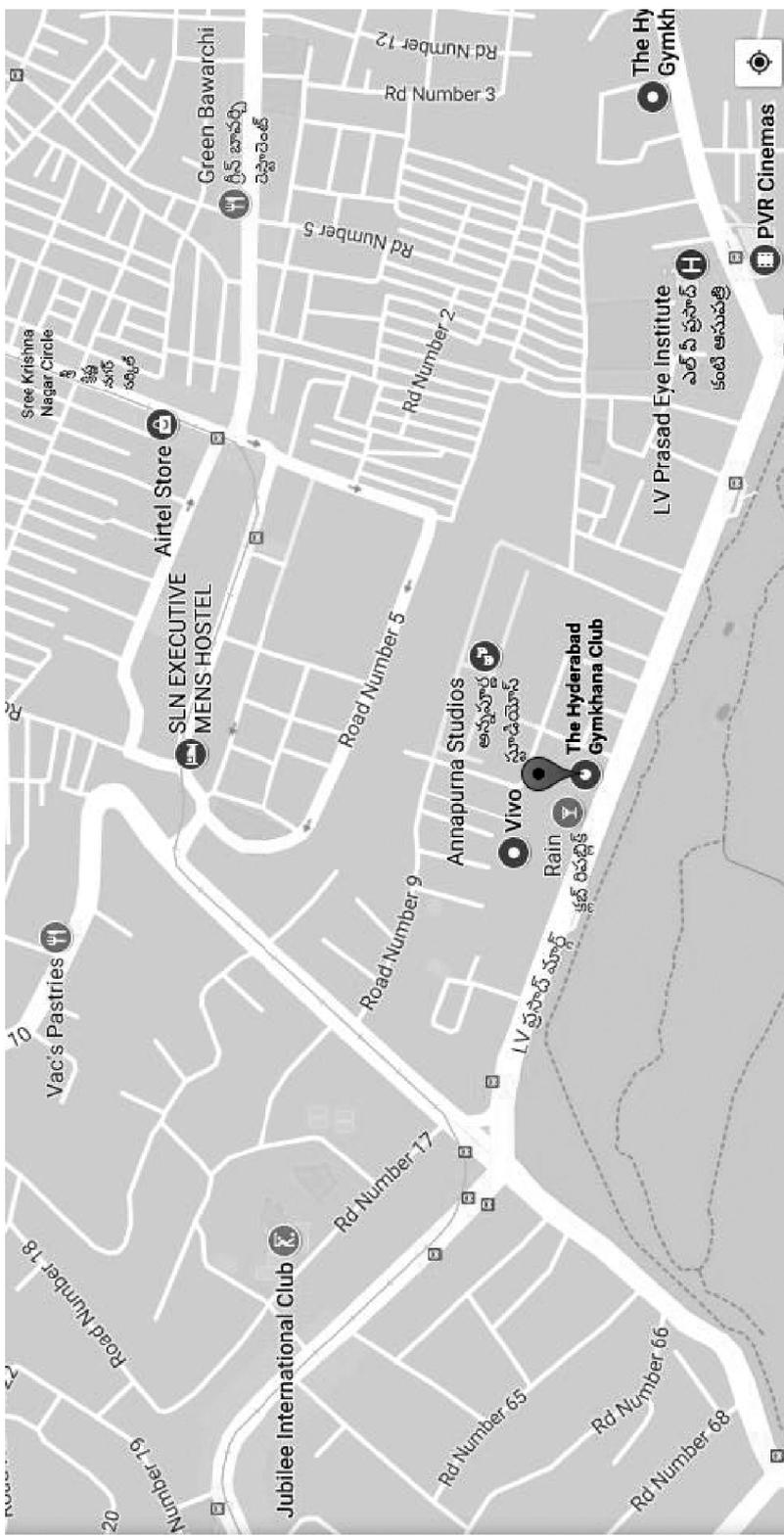
Signature of Proxy holder(s): .....

Affix  
Revenue  
Stamp of  
Re. 1/-

### **Notes:**

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. For the Resolutions, Statement setting out material facts thereon and notes, please refer to the Notice of the 20<sup>th</sup> Annual General Meeting.
3. A person can act as proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or Members.

**ROUTE MAP OF 20TH ANNUAL GENERAL MEETING TO BE HELD  
ON 28TH DAY OF SEPTEMBER 2018.**



# QUANTUM BUILD-TECH LIMITED

CIN: L72200TG1998PLC030071

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

**20<sup>th</sup> Annual General Meeting on Friday, the 28<sup>th</sup> of September, 2018 at 11.30 A.M.**

## **ATTENDANCE SLIP**

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

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

I hereby record my presence at the 20<sup>th</sup> Annual General Meeting of the Company to be held at Hyderabad Gymkhana, Road No. 2, Banjara Hills, Hyderabad – 500034 on Friday, the 28<sup>th</sup> day of September, 2018 at 11.30 A.M

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

<b>Electronic Voting Event Number (EVSN)</b>	<b>User ID</b>	<b>Password</b>
<b>180814040</b>		

### **Note:**

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

**PRINTED MATTER**

***If Undelivered, Please return to :***

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

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