


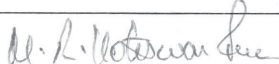
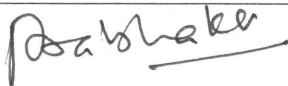



# QUANTUM BUILD-TECH LIMITED

Registered Office: 8-1-405/A/66, Dreamvalley, Near O.U.Colony, Shaikpet, Hyderabad-500 008.  
Phones : 040 - 23568766 Fax : 040 - 23568990 E-mail : info@quantumbuild.com

## FORM B

### (PURSUANT TO CLAUSE 31(A) OF THE LISTING AGREEMENT) FORMAT OF COVERING LETTER OF THE ANNUAL AUDIT REPORT TO BE FILLED WITH THE STOCK EXCHANGE:

1	Name of the Company	<b>Quantum Build-Tech Limited</b>
2	Annual Financial Statements for the year ended	31 <sup>ST</sup> March, 2015
3	Type of Audit observation	Remarks/ Qualification/ Observation
4	Frequency of observation	i. Repetitive in respect of observation A) as stated in item 5 below from the financial year ended on 31st March, 2008.  ii. Repetitive in respect of observation B) as stated in item 5 below from the financial year ended on 31st March, 2009.  iii. Second year in respect of observation C) as stated in item 5 below.  iv. Repetitive in respect of All observations A to C as stated in item 5 below from the financial year ended on 31st March, 2014.
5	Draw attention to the relevant notes in the annual financial statements and management response to the qualification in the director's report.	<b>Observations:</b> A. Regarding non provision of dividend on 13% cumulative redeemable preference shares amounting to Rs.26,00,000/- and cumulative dividend amounting to Rs.2,28,08,763/- Refer Note 3.1.1 of notes forming part of financial statements.  B. Regarding non redemption of 13% cumulative redeemable preference shares to the extent of Rs.2,00,00,000/- Refer Note 3.1.1 of notes forming part of financial statements.  C. Regarding winding up petition filed by preference shareholders for non-redemption of 2, 00,000 preference shares. Refer Note 3.1.1 of notes forming part of financial statements.
6 A	<b>To be signed by-</b> Managing Director	Shri. Guduru Satyanarayana 
B	Chief Financial Officer	Shri. M.R. Koteswara Rao 
C	Audit Committee Chairman	Shri. Kyatham Prabhakar Reddy 
D	Auditor of the Company	For RAMBABU & CO., Chartered Accountants Firm Reg.No.002976S  GVL Prasad Partner M.No.026548 



# **QUANTUM BUILD-TECH LIMITED**

**17th Annual Report  
2014 - 2015**



## 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

## AUDITORS

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

## BANKERS TO THE COMPANY

AXIS BANK LIMITED  
JUBILEE HILLS BRANCH  
FILM NAGAR, HYDERABAD - 500 033

PNB HOUSING FINANCE LIMITED  
SAIFABAD, HYDERABAD - 500 004

KARUR VYSYA BANK LIMITED  
MANIKONDA BRANCH, HYDERABAD

## REGISTERED OFFICE

8-1-405/A,66, DREAM VALLEY  
SHAIKPET, HYDERABAD - 500 008,TELANGANA  
PHONES : 040 - 23568766, FAX : 040-23568990  
E-MAIL: [info@quantumbuild.com](mailto:info@quantumbuild.com)  
WEBSITE : [www.quantumbuild.com](http://www.quantumbuild.com)

## SHARE TRANSFER AGENTS

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

## COMPLIANCE OFFICER & COMPANY SECRETARY

Ms.RACHURI CHANDANA  
E-MAIL : [cs@quantumbuild.com](mailto: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.

**Registered Folio or DP Id – Client ID\***

**Full Name \***

**Email ID\***

**Contact No\***

**Declaration: \***

**I agree to receive the communication through e-mail**

In case there is any change in your e-mail ID or any other details, please E-mail us the details to [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 Seventeenth Annual General Meeting of the members of M/s QUANTUM BUILD-TECH LIMITED will be held on Wednesday, the 30<sup>th</sup> day of September, 2015 at 11.30 A.M at Jubilee Hills International Centre, Road No.14, Jubilee Hills, Hyderabad – 500 033, Telangana to transact the following business:-

### ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as on 31<sup>st</sup> March, 2015 and the Audited Profit and Loss Account for the year ended 31<sup>st</sup> March, 2015 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 reappointment
3. To ratify the appointment of M/s Rambabu & Co., Chartered Accountants, Hyderabad as the Statutory Auditors of the Company

“RESOLVED THAT pursuant to the provisions of the Sections 139,142 and other applicable provisions, if any, of the Companies Act, 2013 read with rules made there under and resolution passed by the members in their 16<sup>th</sup> AGM held on 29<sup>th</sup> September, 2014, the appointment of M/s. Rambabu & Co., Chartered Accountants, Hyderabad (ICAI Firm Registration no 002976S), as the Statutory Auditors of the Company to hold office till the conclusion of the Annual General Meeting to be held in the calendar year 2017, be and is hereby ratified”

“RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to fix the remuneration payable to statutory auditors for the financial year ending 31<sup>st</sup>March, 2016”

By Order of the Board

Date: 12.08.2015

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

Sd/-  
(Guduru Satyamarayana)  
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 **28<sup>th</sup> August, 2015**.
4. The copy of annual report, notice of 17<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 **Thursday the 24<sup>th</sup> September, 2015 to Wednesday the 30<sup>th</sup> September, 2015** (both days inclusive), in accordance with the provisions of the Companies Act, 2013 and the Listing Agreement with the Stock Exchanges, where the equity shares of the Company are listed, for the purpose of AGM.
7. The results shall simultaneously be communicated to the Stock Exchanges. The resolutions will be deemed to be passed on the date of AGM subject to receipt of the requisite number of votes in favour of the resolutions
8. The Register of Directors and Key Managerial Personnel and their shareholding, Register of Contracts or Arrangements in which Directors are interested and documents referred to in the notice are open for inspection at the Registered Office of the Company on all working days (Monday to Friday) between 11.00 a.m. and 1.00 p.m. upto the date of AGM and will also be available for inspection at the venue of the meeting.



9. Corporate members intending to send their authorized representative(s) to attend the meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative(s) to attend and vote on their behalf at the meeting.
10. Members are requested to update their preferred e-mail ids with the Company / DPs / RTA, which will be used for the purpose of future communications. Members whose e-mail id is not registered with the Company are being sent physical copies of the Notice of 17<sup>th</sup> Annual General Meeting, Annual Report, notice of e-voting etc. at their registered address through courier mode.
11. Members whose e-mail ids are registered with the Company and who wish to receive printed copy of the abridged / full version of the Annual Report may send their request to the Company at its registered office address or to the RTA, M/s Venture Capital & Corporate Investments Private Limited, 12-10-167, Bharat Nagar Colony, Hyderabad-Telangana – 500018
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 Clause 35B of the Listing Agreement, the Company is pleased to provide to its members facility to exercise their right to vote on resolutions proposed to be passed in the Meeting by electronic means. The members may cast their votes using an electronic voting system from a place other than the venue of the Meeting ("remote e-voting").

## **BRIEF PROFILE OF THE RETIRING DIRECTOR:**

### **Smt. KODALI VIJAYA RANI**

Smt. Kodali Vijaya Rani is aged about 65 years and resident of Hyderabad. She is a Post Graduate with Masters in Education and is having more than 3 decades of experience in teaching and administration of educational institutions. She is presently working as principal in VRS & VJ Residential School, Bachupally, Hyderabad

## **INSTRUCTIONS- VOTING THROUGH ELECTRONIC MEANS**

1. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Clause 35B of the Listing Agreement, the Company



## QUANTUM BUILD-TECH LIMITED

is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).

- II. The facility for voting through Polling paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through polling paper.
- III. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
- IV. The remote e-voting period commences on **27<sup>th</sup> September, 2015(9:00 am) and ends on 29<sup>th</sup> September, 2015 (5:00 pm)**. During this period members' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of **23<sup>rd</sup> September, 2015** may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
- V. The process and manner for remote e-voting are as under:
  - A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/Depository Participants(s)] :
    - (i) Open email and open PDF file viz: "remote e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password.
    - (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com>
    - (iii) Click on Shareholder - Login
    - (iv) Put user ID and password as initial password/PIN noted in step (i) above. Click Login
    - (v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
    - (vi) Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
    - (vii) Select "EVEN" of "Quantum Build-Tech Limited" which is 103092
    - (viii) Now you are ready for remote e-voting as Cast Vote page opens.
    - (ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
    - (x) Upon confirmation, the message "Vote cast successfully" will be displayed.
    - (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.



(xi) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to [info@quantumbuild.com](mailto:info@quantumbuild.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

B. In case a Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company/Depository Participants(s) or requesting physical copy] :

(i) Initial password is provided at the bottom of the Attendance Slip for the AGM :

<u>EVEN (Remote e-voting Event Number)USER ID</u>	<u>PASSWORD/PIN</u>
103092	At the bottom of the Attendance Slip

(ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.

- VI. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the downloads section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no. : 1800-222-990.
- VII. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.
- VIII. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- IX. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 23<sup>rd</sup> September, 2015.
- X. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 23<sup>rd</sup> September, 2015, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or Issuer/RTA. However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or contact NSDL at the following toll free no. : 1800-222-990.
- XI. 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.



## QUANTUM BUILD-TECH LIMITED

XII. 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.

- XIII. Shri. Ajay S. Shrivastava, Practicing Company Secretary, (Membership 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.
- XIV. 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.
- XV. The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- XVI. The Results declared alongwith 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 NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited, Mumbai.



## DIRECTORS' REPORT FOR THE FINANCIAL YEAR 2014-2015

To  
The Members,  
QUANTUM BUILD-TECH LIMITED,  
HYDERABAD.

Your Directors have pleasure in presenting their 17<sup>th</sup> Annual Report on the business and operations of the company together with the Audited Statement of Accounts for the year ended 31<sup>st</sup> March, 2015.

### 1. FINANCIAL HIGHLIGHTS:

During the year under review, performance of your company as under:

(Rupees in Lakhs)

Particulars	Year ended 31 <sup>st</sup> March 2015	Year ended 31 <sup>st</sup> March 2014
Turnover	191.72	36.40
Profit/(Loss) before taxation	(52.58)	3.56
Less: Tax Expense	2.35	0.00
<b>Profit/(Loss) after tax</b>	<b>(54.93)</b>	<b>3.56</b>
Add: Balance B/F from the previous year	(292.71)	(296.27)
Balance Profit / (Loss) C/F to the next year	(351.86)	(292.71)

### 2. STATE OF COMPANY'S AFFAIRS & FUTRURE OUTLOOK

During the period under review, the turnover of the Company has increased substantially as against that of the previous year. The financials depict the loss for the current year as against the profit of Rs.3,56,261/- mainly due to the bad debts incurred by the Company.

Despite a long gestation period from the initial stage, the projects were on the verge of completion but due to sluggish overall market conditions, the clients have not made the further payments for their bookings. This led discrepancies in resources management which have instigated the company to book the balance of receivables as bad debts written off for the financial year.

However, the Company is optimistic in improving and continue to focus on reflecting and delivering superior performance on projects undertaken and reap profits in the coming years. The petition filed



## QUANTUM BUILD-TECH LIMITED

by preference share holders for recovery of their investments is pending before the Hon'ble High Court at Hyderabad, and the outcome is not ascertainable.

### 3. CHANGES IN NATURE OF BUSINESS:

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

### 4. DIVIDEND:

During the F.Y. 2014-15, the Company has not been able to earn profits so as to reward the shareholders. Therefore, your directors do not recommend any dividend for the year under review.

### 5. AMOUNTS TRANSFERRED TO RESERVES:

The amount to be carried forward to the Reserves is Rs. 35,186,605/-.

### 6. SHARE CAPITAL:

The Share Capital of your Company is Rs. 14,61,56,300 divided into 1,26,15,630 Equity shares of Rs. 10/- each with voting rights and 2,00,000 Cumulative Redeemable preference shares of Rs. 100/- each. During the Financial Year 2014-15, the Company has not issued and allotted any equity shares out of the unissued share capital.

### 7. PUBLIC DEPOSITS:

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

### 8. DIRECTORS

Your Board consists of SIX Directors including FOUR 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 the financial year annually.

Smt KodaliVijaya Rani, director of the Company retires by rotation in the ensuing Annual General Meeting and being eligible offer herself for re-appointment. Her profile forms part of the Notice. Your Board recommends their appointment.

#### A. BOARD MEETINGS

During the financial year under review, your Board met SIX times and the dates of the board meeting held are 01.04.2014, 30.05.2014, 12.08.2014, 02.09.2014, 13.11.2014 and 12.02.2015,





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

## **B. KEY MANAGERIAL PERSONNEL (KMPs)**

In compliance with the requirements of Section 203 of the Companies Act, 2013, Sri Guduru Satyanarayana - Managing Director, Sri Manne Rambabu- Technical Whole Time Director, Mr. M.R.Koteswara Rao – Chief Financial Officer and Smt. Bandana Sangai, up to 30<sup>th</sup> May, 2015 and there after Ms. Rachuri Chandana w.e.f. 1<sup>st</sup> June, 2015 - Company Secretary and Compliance Officer were nominated as the Key Managerial Personnel of the Company.

## **C. INDEPENDENT DIRECTORS AND THEIR DECLARATION:**

During the year under review, your Board in the Annual General Meeting held on 29<sup>th</sup> September, 2014 has appointed Sri. S Ram Reddy and Sri K Prabhakar Reddy as an independent directors of the Company to comply with the provisions of Sections 149 of the Companies Act, 2013 which mandates every listed Company to have at least 1/3<sup>rd</sup> of its directors as Independent directors. The terms and conditions of the appointment of independent directors are as per Schedule IV of the Companies Act, 2013.

All the Independent Directors have given a declaration under sub-section (7) of Section 149 of the Companies Act, 2013 that they meet the criteria of independence as laid down under Section 149 (6) of the Companies Act, 2013 and Clause 49 of the Listing Agreement. During the year under review, Independent Directors have held their meeting on 12<sup>th</sup> February, 2015, exclusively without the presence of executive management and evaluation of Board was carried out. The terms and conditions of appointment of independent directors is provided in "Annexure- I"

## **D. BOARD EVALUATION:**

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board has devised a policy on evaluation of performance of Board of Directors, Committees and Individual directors. The extract of the Policy- Evaluation of Performance of the Board, its Committees and Individual Directors, are provided along with board evaluation template in "Annexure II" and also made available on the website of the Company [www.quantumbuild.com](http://www.quantumbuild.com)

## **E. MANAGERIAL REMUNERATION:**

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



The Board Evaluation Policy includes Remuneration Policy as provided in "Annexure B"

A statement on the Ratio of the remuneration of each director to the median remuneration of the employees of the Company is provided in "Annexure III"

## 9. DIRECTORS' RESPONSIBILITY STATEMENT:

Your directors would like to inform the members that the audited accounts for the year ended 31<sup>st</sup> March, 2015 are in full conformity with the requirements of the Act and they believe that the financial statements reflect fairly the form and substance of transactions carried out during the year and reasonably present the Company's financial condition and results of operation. These financial statements are audited by the Statutory Auditors M/s **Rambabu & Co., Chartered Accountants**.

In accordance with the provisions of Section 134(5) of the Companies Act 2013, your directors confirm that:

- a) In the preparation of the annual accounts for the financial year ended 31<sup>st</sup> March, 2015, 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, 2015 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 Companies Act 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d) The directors had prepared the annual accounts on a going concern basis;
- e) The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively;
- f) The directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.

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

The Company has internal financial controls which are adequate and were operating effectively. The controls are adequate for ensuring the orderly & efficient conduct of the business, including adherence to the company's policies, the safe guarding of assets, the prevention and detection of frauds and



errors, the accuracy and completeness of accounting records and timely preparation of reliable financial information. The Company has complied with the Internal Audit requirements, as

M/s. Boppuli & Associates carried out the audit, and their reports were placed before Audit committee. The details in respect of internal financial control are included in the Management Discussion and Analysis, which forms part of this report.

## 11. STATUTORY AUDITORS:

Pursuant to the resolution passed by the members in their 16<sup>th</sup> Annual General Meeting held in 29.09.2014, have re-appointed M/s Rambabu & Co., Chartered Accountants as the statutory Auditors of the Company to hold the office till the conclusion of the annual general meeting of the company to be held in the calendar year 2017 subject to ratification every year. Accordingly, the Company has received written consent and a certificate from them to the effect that such appointment is made within the limits as prescribed under Section 139 of the Companies Act, 2013 read with the respective Rules. The Board recommends for ratification for their appointment.

## 12. SECRETARIAL AUDIT REPORT:

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

Sri. Ajay S Shrivastava, Practicing Company Secretary, Hyderabad to undertake the Secretarial Audit and certify the same for the Company. The Secretarial Audit Report is provided as "Annexure IV".

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

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

*The qualifications made in the Secretarial Audit Report by the Secretarial Auditor is regarding non-filing of the Annual Return on Foreign Liabilities and Assets under FEMA- RBI Regulations during the Audit Period. Your Board clarifies that the Company is making good the default by filing the said form with the Authorities.*

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



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

### 15. PARTICULARS OF EMPLOYEES:

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

### 16. ANTI SEXUAL HARASSMENT POLICY:

Your Company has few female employees and the majority of working staff/ employees are scattered and mobile in nature, hence, there lies no question of sexual harassment and neither any complaints received/resolved or pending. Since the number of female employees is less than 10, the company has not adopted any policy.

### 17. RISK MANAGEMENT:

The management has put in place adequate and effective system and man power for the purposes of risk management. In the opinion of the Board, following are risks involved in the industry,

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

### 18. ESTABLISHMENT OF VIGIL MECHANISM:

Your Company has laid down Whistle Blower Policy covering Vigil Mechanism with protective Clauses for the Whistle Blowers. The Policy is annexed to this Report as "Annexure V". The Whistle Blower Policy is made available on the website of the Company [www.quantumbuild.com](http://www.quantumbuild.com)

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

No transactions were entered with Related Parties as defined under Section 2(76) of the Companies Act, 2013 and Clause 49(VII) of the Listing Agreement during the financial year and do not attract the provisions of Section 188 of the Companies Act, 2013. 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 revised Clause 49 of the Listing Agreement. Suitable disclosure as required by the Accounting Standards (AS-18) has been made in the notes forming part of the Financial Statements.

*Since there are no contracts or arrangements or transaction made with related parties, No disclosure is required to be made under Section 188(1) of the Companies Act, 2013. However, the Company has adopted a policy on Related Party Transactions which was approved by the Audit Committee in line with the requirements of the Companies Act, 2013 and the Listing*

*Agreement. The policy is provided in "Annexure- VI" and also made available in the Company's website- [www.quantumbuild.com](http://www.quantumbuild.com)*

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

Since your Company's net worth does not exceed Rs. 500 Crores or Company's turnover does not exceed Rs. 1000 Crores or company's net profit does not exceed Rs.5 Crores for the financial year, the provisions under Section 135 of the Companies Act, 2014 read with rules made thereunder, are not applicable. Hence, the compliance to the initiative of Corporate Social Responsibility is not required.

## **21. CORPORATE GOVERNANCE:-**

Your Company has been constantly reassessing and benchmarking itself with well-established Corporate Governance practices besides strictly complying with the requirements of Clause 49 of the Listing Agreement and applicable provisions of Companies Act, 2013.

A report on Corporate Governance covering among others details of meetings of the Board and Committees along with a certificate for compliance with the Clause 49 of the Listing Agreement issued by the Practicing Company Secretary- Shri. Ajay S Shrivastava, forms part of this Annual Report. Your Board has in accordance with the requirements of Companies Act, 2013 and Clause 49 of the Listing Agreement has adopted new policies and amended existing policies such as policy on Related Party Transaction, Code of Conduct for Directors and Senior Management, Corporate Social Responsibility Policy and Whistle Blower and Vigil Mechanism Policy. These policies are available on the website of the Company and can be viewed on [www.quantumbuild.com](http://www.quantumbuild.com)

### **I. AUDIT COMMITTEE:**

The Board has constituted the Audit Committee. The composition, powers, role and terms of reference of the Committee are in accordance with the requirements mandated under Section 177 of the Companies Act, 2013 and Clause 49 of the Listing Agreement. The details of the Audit Committee along with Meetings held during the year are covered in the Clause 7 of the Corporate Governance Report

### **II. NOMINATION AND REMUNERATION COMMITTEE**

In compliance with the requirements of Section 178 of the Companies Act, 2013, the Nomination & remuneration Committee of your Board had fixed various criteria for nominating a person on the Board which inter alia include desired size and composition of the Board, age limits, qualification / experience, areas of expertise and independence of individual. Your Company has also adopted a Remuneration Policy, salient features whereof is annexed to this report.

## **22. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:-**

The particulars as prescribed under Section 134(3) (m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 are provided below



## 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 endeavour is made to ensure optimal use of energy, avoid wastages and conserve energy as far as possible
2	the steps taken by the company for utilizing alternate sources of energy	
3	the capital investment on energy conservation equipment's	

## TECHNOLOGY ABSORPTION:

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

## FOREIGN EXCHANGE EARNINGS AND OUTGO:

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



## 23. DISCLOSURES

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

The Company has not given any loan or guarantee or security or made any investments during the financial year in terms of Section 186 of the Companies Act, 2013

### ii. Transactions with Related Parties:

No transactions were made with related parties during the year which fall under the scope of Section 188(1) of the Act.

### iii. Unclaimed Dividend:

During the year under review, since no dividend is declared, there lies no question of disclosure of unclaimed dividend.

### iv. Subsidiaries & joint ventures:

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

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

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

### vi. Extract of the Annual Return:

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

## 24. LISTING:

The shares of your Company are Listed at BSE Ltd, Bangalore Stock Exchange Ltd, now (De-recognized) and Hyderabad Stock Exchange (De-recognized). Your Company has duly complied with all applicable provisions of the Listing Agreement.

## 25. ACKNOWLEDGEMENTS:

Your directors take this opportunity to express their gratitude for the assistance and co-operation extended by Government Authorities, Bankers and other business associates along with our esteemed Shareholders and employees.

Place: Hyderabad

For and on Behalf of the Board

Date: 12.08.2015

Sd/-  
G.Satyanarayana  
Managing Director

Sd/-  
K. Vijaya Rani  
Director



## ANNEXURE-I

### TERMS AND CONDITIONS OF APPOINTMENT OF INDEPENDENT DIRECTORS

#### **1. APPOINTMENT & TENURE**

The appointment of Independent Director for initial term is generally for a period of 5 (five) consecutive years unless vacated and/or terminated earlier, as per provisions of the applicable laws. This tenure is subject to meeting the criteria for being an Independent Director and not being disqualified to be a Director under applicable laws on a continuous basis.

Independent Director is not liable to retire by rotation.

The appointment and continuation of office of Independent Director is subject to the applicable provisions of the Companies Act, 2013 (the Act) and the Listing Agreement.

#### **2. TIME COMMITMENT**

Independent Director is expected to bring objectivity and independence of view to the Board's deliberations and to help the Board with effective overview of the Company's strategy, performance, social commitments and risk management and ensure high standards of financial integrity and governance. Independent Director are required to perform the duties expected including (without limitation) attending Board/Committee meetings of which a member and shareholders meetings and to devote such time, as appropriate, for you to discharge your responsibilities and duties effectively.

#### **3. ROLE & DUTIES**

Role and duties of Independent Director will be as set out under the Act and the Listing Agreement including but not limited to the fiduciary duties associated with the office of an independent director. Independent Director (and without prejudice to the roles, functions and duties specified in Schedule IV of the Act), shall:

- (i) act in accordance with the AOA;
- (ii) act in good faith in order to promote the objectives of the Company for the benefits of its members as a whole and in the best interest of the Company;
- (iii) discharge responsibilities and duties with due and reasonable care, skill and diligence by exercising independent judgement;
- (iv) strive to attend every meeting of the Board and its Committee(s) of which a member and general meetings;
- (v) strive to attend any other meetings, where attendance is solicited;
- (vi) provide strategic direction and also act as a constructive critic in evaluating the proposal and plans on strategic direction;





- (vii) evaluate and scrutinize the performance of the management in meeting agreed goals and objectives;
- (viii) satisfy on the integrity of financial information and that financial controls and systems of risk management are robust and compliant with applicable laws;
- (ix) keep well informed about the Company and the external environment in which it operates; and
- (x) ensure that the vigil mechanism policy of the Company is implemented and report concerns about any unethical behavior, actual or suspected fraud or violation of the Code of Conduct.

#### **4. ADHERENCE TO THE CODE OF CONDUCT**

During the tenure, Independent Director of the Company are required to comply and abide with the provisions of the Act and the Listing Agreement including the following:

- (i) Code for Independent Directors outlined in Schedule IV of the Act and duties of Directors as provided in the Act including Section 166 of the Act and Clause 49 of the Listing Agreement;
- (ii) Code of Conduct for Board and Senior Management framed under the Listing Agreement; and
- (iii) Policy for Prevention of Insider Trading framed by the Company under the Securities & Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 ("Insider Trading Code").

#### **5. PROFESSIONAL CONDUCT AND CONFLICT OF INTEREST**

Independent Director shall not -

- (i) participate in or vote at any meetings of the Board/Committees wherein interested ;
- (ii) Achieve or attempt to achieve any undue gain or advantage either for self or forrelatives, partners, or associates.
- (iii) allow any extraneousconsiderations to vitiate exercise of objectiveindependent judgmentin the paramount interest of the Company as awhole, while concurring with or dissenting from the collective judgment of theBoard in its decision making;
- (iv)abuse position to the detriment of the Company or its shareholders;
- (v) unfairly obstruct the functioning of the Board or Committee meeting(s);
- (vi)put in a position which results in a direct or indirect conflict of interest or possible conflict of interest with the Company; and
- (vii) Assign office of an Independent Director and any assignments so made shall be void.



### 6. CONFIDENTIALITY

- (i) All information including commercial secrets, technologies, advertising and sales promotion plans related to the Company that is acquired or provided during the tenure is confidential to the Company and should not be released/disclosed either during the tenure or following termination (by whatever means) to third parties without prior authorization by the Board, unless such release/disclosure is required by law or by the rules of any stock exchange or regulatory body/authority. Accordingly, Independent Director are expected to maintain all agenda, notes, data, records and other documents in any way relating to the Company or the Company's business interest, as highly confidential and maintain them as inaccessible to others;
- (ii) Independent Director to adhere to the requirements under the applicable regulations and the Insider Trading Code in relation to the disclosure of unpublished price sensitive information and dealing in the securities of the Company. Consequently, Independent Director should avoid making any statements or performing any transaction that might risk a breach of these requirements without prior clearance from the Board; and
- (iii) At all times and notwithstanding ceasing to be an Independent Director of the Company, Independent Director are expected not to use such information for personal or professional benefit or disclose such confidential information to third parties who may use the same for their personal or professional benefit, or otherwise engage in any activity that would constitute insider trading.

### 7. DISCLOSURES OF INTEREST

- (i) It is accepted and acknowledged that Independent Director may have business interests other than those of the Company. As a condition of appointment, Independent Director are required to submit various disclosures/declarations under applicable laws and as per Company's policies including declarations with respect to any directorships, appointments and interests to the Board in writing. Independent Director will not serve in more than seven listed companies including the Company and if to be appointed as a whole time director in any listed company, you will not serve as an Independent Director in more than three listed companies including the Company. Further, in no event Independent Director shall hold directorship in companies beyond the limits specified in Section 165 of the Act;
- (ii) During the term of appointment, Independent Director to promptly notify the Company of any change in directorships and provide such disclosure and information as may be required under the applicable laws; and



- (iii) Independent Director shall refrain from any action that would lead to loss of independence. In the event that the circumstances of Independent Director seem likely to change which might give rise to conflict of interest or such change in circumstances could lead the Board to revise its judgement regarding independence, such changes or possible changes in circumstances should be disclosed to the Board promptly.

## **8. EVALUATION**

The Company shall carry out an evaluation of the performance of the Board as a whole and of the Committees and directors of the Board on an annual basis as per the Company's policy. The performance evaluation of independent directors shall be done by the entire Board, excluding the director being evaluated. The appointment/ re-appointment on the Board shall be subject to the outcome of the annual evaluation process.

## **9. INDEPENDENT DIRECTORS' MEETING**

A separate meeting of the Independent Directors will be held at least once every year without the attendance of the non-independent directors and the members of the management. The Company expects all the Independent Directors to strive to be present at this meeting.

## **10. LIABILITY UNDER THE ACT**

Pursuant to the provisions of the Act, an Independent Director will be liable only in respect of such omission or commission by the Company which had occurred with his/her knowledge, attributable through Board processes and with his/her consent or connivance or where he/she had not acted diligently.

## **11. TERMINATION**

- (i) Independent Director may resign from the position at any time by giving a notice in writing to the Company stating reasons of resignation. The resignation shall take effect from the date on which the notice is received by the Company or the date if any specified in the notice, whichever is later.
- (ii) Independent Director shall cease to hold office if fails to meet the criteria for an Independent Director mentioned in the Act and/or the Listing Agreement and/or if otherwise disqualified and shall forthwith intimate the Company of such an event and promptly submit resignation to the Company with effect from date of such change.
- (iii) The Company can also terminate your directorship in accordance with the procedure set out in Section 169 of the Act. Apart from the grounds of termination as specified in the Act, your directorship may be terminated for violation of any provisions of the appointment letter.



## **12.COOPERATION**

In the event of any claim or litigation against the Company, based upon any alleged conduct, act or omission on the part of Independent Director during the tenure, to the Independent Director shall render all reasonable assistance and cooperation to the Company and provide such information and documents as are necessary and reasonably required by the Company or its counsels.

## **13.CHANGES IN PERSONAL DETAILS**

During term, an Independent Director shall promptly intimate the Company in the prescribed manner, of any change in address or other contact or personal details.

## **14.GENERAL**

The appointment letter and any non-contractual obligations arising out of or in connection with the letter are governed by and shall be construed in accordance with, the laws of India and the parties agree to submit to the exclusive jurisdiction of the courts in India.

\*\*\*\*\*

## **ANNEXURE II**

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

#### **EVALUATION POLICY**

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

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

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

At the second stage, a separate meeting of independent Directors shall be held to review the performance of non-independent Directors, performance of the Board as a whole and performance of the Chairperson



of the Company, taking into account the views of Executive Directors and Non-Executive Directors. Based on such report of the meetings a Evaluation Report shall be placed before the Board.

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

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

The details of the two policies are stated below:

## POLICY ON BOARD DIVERSITY

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

The broad objectives of the Policy are:

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

## REMUNERATION POLICY

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

The broad objectives of the Policy are:

- To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation of the Board;
- To recommend to the Board on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management;
- To provide to Key Managerial Personnel and Senior Management reward linked directly to their effort, performance, dedication and achievement relating to the Company's operations; and



- To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.

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

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

### EVALUATION DURING THE YEAR:

The Board has handed out the Templates and sought responses from all Directors/ members of the Committees and the same were evaluated and grades awarded by the independent Directors in their meeting held on 12<sup>th</sup> February, 2015 and the Report of the evaluation of the Board KMP and Committees were finalized by the Independent Directors and placed before the Board in the next Meeting.

#### TEMPLATE FOR EVALUATION

A	MISSION	Yes	No	Can't say	Grade Awarded
1	The board understands the vision and the mission of the Company				
2	The board is able to communicate the mission of the Company				
<b>B</b>	<b>ROLE</b>				
1	The board understands the separation of responsibility between management and the board.				
2	The board approves policies developed by management to assure the Association's objectives are met.				
3	The board committees function effectively to assist the board in conducting its business.				
4	The board understands the fund-raising strategy of the Company.				
5	The board gives the M.D enough authority and responsibility to manage the Company successfully.				
6	The board evaluates the M.D, Directors individually performance in a systematic and fair way on a regular basis.				



7	The board has a strategic vision of how the Company should be evolving over the next 3 to 5 years.			
8	Financial reports are understandable, accurate, and timely.			
9	The board has established appropriate investment policies.			
10	The organization has an effective public relations and marketing strategy.			
11	In its decisions, the board considers the view points, suggestions provided by the members			
12	The board is able to meet its financial goals for providing support to the Company.			
<b>C</b>	<b>COMPANY</b>			
1	Board meetings are structured to make effective use of the members' time and talents.			
2	Board members receive appropriate materials for timely decision making.			
3	Board members demonstrate preparation for meetings through active participation in decision making.			
<b>D</b>	<b>EDUCATION</b>			
1	Board members receive sufficient orientation to understand their duties.			
2	The board is knowledgeable about the Company's current programs and activities.			
<b>E</b>	<b>COMMENTS: Suggestions for strengthening the board</b>			

\*\*\*\*\*



# QUANTUM BUILD-TECH LIMITED

## ANNEXURE- III

A. Statement on the ratio of the remuneration of each Director to the median remuneration of the employees of the company in the financial year;

NON-EXECUTIVE DIRECTORS	REMUNERATION OF DIRECTORS & KMP	RATIO TO MEDIAN REMUNERATION
Smt. Kodali Vijaya Rani	NIL	NIL
Mr. Kanduri SaraswathiKimar	NIL	NIL
Mr. Sripathi Ram Reddy	NIL	NIL
Mr. Kyatham Prabhakar Reddy	NIL	NIL
<b>EXECUTIVE DIRECTORS</b>		
Mr. Guduru Satyanarayana	14,67,000/-	1:5.28
Mr. Manne Rambabu	16,50,000/-	1:5.94
<b>CFO &amp; CS</b>		
Mr. M.R.Koteswara Rao -	*	
Smt. Bandana Sangai -	1,80,000/-	1:0.64

\*Joined as CFO wef 01-03-2015

B. The Percentage increase in remuneration of each Director, Chief Financial officer, Company secretary in the financial year;

DIRECTORS, CFO, CFO & CS	% INCREASE IN REMUNERATION IN FINANCIAL YEAR
Smt. Kodali Vijaya Rani	No Change In Remuneration Paid
Mr. Kanduri SaraswathiKumar	No Change In Remuneration Paid
Mr. Sripathi Ram Reddy	No Change In Remuneration Paid
Mr. Kyatham Prabhakar Reddy	No Change In Remuneration Paid
Mr. Guduru Satyanarayana	No Change In Remuneration Paid
Mr. Manne Rambabu	No Change In Remuneration Paid
Smt. Bandana Sangai - Company Secretary	No Change In Remuneration Paid
Mr. M.R.Koteswara Rao - Chief Financial Officer	* Joined as CFO wef 01-03-2015

- C. The Percentage Increase in the Median Remuneration Of Employees in the Financial Year : 50% Increase for one employee
- D. The number of permanent employees on the rolls of company : Less than 10 members
- E. The Explanation on the Relationship Between Average Increase in Remuneration And Company Performance : Not applicable, as there is no change or increase in the remunerations being paid by the Company during the year.
- F. Comparison of the remuneration of the key managerial personnelagainst the performance of the company: Nil
- G. Variations In The Market Capitalization of The Company: Price Earnings ratios at the Closing Date of The Current Financial Year and Previous Financial Year: Comparison is not applicable as the market capitalization and price earnings ratios are not available for the previous year





**Annexure-IV  
Form No. MR-3**

**SECRETARIAL AUDIT REPORT  
FOR THE FINANCIAL YEAR ENDED 31.03.2015**

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

To,  
The Members  
**QUANTUM BUILD-TECH LIMITED**  
8-1-405/A/66 DREAM VALLEY,  
NEAR O.U COLONY, SHAIKPET,  
HYDERABAD- 500008- TELANGANA

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

Based on my verification of the **QUANTUM BUILD-TECH LIMITED** books, papers, minute books, forms and returns filed and other records maintained by QBL and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, QBL has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2015, the Company has complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2015 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, 1992;
  - (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 client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009: **Not Applicable to the Company during the Audit Period**
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998: **Not Applicable to the Company during the Audit Period**
  - (i) Housing Board Act, 1963, Transfer of Property Act, 1882, Building and Other Construction Workers' (Regulation of Employment and Conditions of Services) Act, 1996. NIL, since no construction activity undertaken 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. **-Not Notified during the Audit Period, hence Not Applicable**
- (ii) The Listing Agreements entered into by the Company with BSE Limited.

During the Audit period under review and as per the clarification, representations provided by the Management in writing & 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 except that the Company has not filed the Annual Return on Foreign Liabilities and Assets under FEMA. However, it has been reported that the same is



being filed with delay and that there are no fresh transactions attracting the provisions of FEMA during the reporting period.

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

**I further report that**

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

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

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

**I further report that** during the audit period, the Company under Direct Listing Norms (notified from 21<sup>st</sup> January, 2013) had applied to BSE Limited for listing of its shares. Accordingly on 19<sup>th</sup> August, 2014 the Company got listed, admitted to dealings on the Exchange and trading started from 20<sup>th</sup> August, 2014.

Place :Hyderabad

Date :12.08.2015

Sd/-

**AJAY S SHRIVASTAVA**  
Practicing Company Secretary  
FCS No. 3489  
C P No.: 3479



## QUANTUM BUILD-TECH LIMITED

### 'ANNEXURE - 1'

To,

The Members

**QUANTUM BUILD-TECH LIMITED**

8-1-405/A/66 DREAM VALLEY,

NEAR O.U COLONY, SHAIKPET,

HYDERABAD- 500008- TELANGANA

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

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

Place : 12.08.2015

Date : Hyderabad

Sd/-

**AJAY S. SHRIVASTAVA**

FCS No. 3489

C.P No.: 3479

\*\*\*\*\*



## ANNEXURE- V

### VIGIL MECHANISM / WHISTLE BLOWER POLICY

#### 1. PREFACE

Quantum Build-Tech Limited (herein after referred as "the Company") being a Company incorporated under the Companies Act, 1956 and governed by the Companies Act, 2013, being listed Company and having borrowings from banks, requires to establish a vigil mechanism for directors and employees to report the genuine concerns as per the provisions of the section 177 of the Companies Act, 2013 read with Rule 7 of Companies (Meeting of Board and its powers) Rules, 2014 in such manner as may be prescribed.

These provisions provide a mandatory requirement for all such companies having the conditions prescribed therein to devise an effective whistle blower mechanism for directors and employees to report concerns about unethical behavior, actual or suspected fraud or violation of the company's code of conduct or ethics policy.

The company has adopted a Code of Conduct ("the Code") for directors and senior management, which lays down the principles and standards that should govern the action of the company and its employees.

In view of the above, Quantum Build-Tech Limited, being a company covered under these provisions hereby propose to establish a Vigil Mechanism and to formulate a Vigil Mechanism/Whistle Blower Policy.

#### 2. OBJECTIVE OF THE POLICY

The purpose and objective of this Policy is to provide a framework to promote responsible and secure Vigil Mechanism/whistle blowing. It protects the employees wishing to raise a concern about serious irregularities within the Company and provides a platform for grievance addressal.

To maintain the standards and objectives mentioned above, the Company encourages its directors and employees who have genuine concerns about suspected misconduct to come forward and express these concerns without fear of punishment or unfair treatment.

A Vigil (Whistle Blower) mechanism provides a channel to the employees and Directors to report to the Management, any concerns about unethical behavior, actual or suspected fraud or violation of the Codes of conduct or policy. The mechanism provides for adequate safeguards against victimization of employees and Directors to avail of the mechanism and also provide for direct access to the Vigilance Officer appointed for this purpose including exceptional cases.

This policy, however, neither releases employees from their duty of confidentiality in the course of their work nor can it be used as a route for raising malicious or unfounded allegations against people in authority and / or colleagues in general.



### 3. SCOPE OF THE POLICY

This Policy covers malpractices and events which have taken place, suspected to have taken place, misuse or abuse of authority, fraud or suspected fraud, violation of the Company rules, manipulations, negligence causing danger to public health and safety, misappropriation of monies, and other matters or activity on account of which the interest of the Company is affected and formally reported by whistle blowers. This Policy is intended to encourage and enable employees to raise serious concerns within the Company prior to seeking resolution outside the Company.

### 4. DEFINITIONS

“Board” means the Board of Directors of the Company.

“Company” means Quantum Build-Tech Limited and its entire offices pan India.

“Code” means Code of Conduct for Directors and Senior Management adopted by Quantum Build-Tech Limited.

“Employee” means all the present employees and Directors of the Company (Whether working in India or abroad).

“Protected Disclosure” means any communication in good faith that discloses or demonstrates information that may evidence unethical or improper activity.

“Subject” means a person or group of persons against or in relation to whom a Protected Disclosure is made or evidence gathered during the course of an investigation.

“Vigilance and Ethics Officer” means an officer appointed to receive protected disclosures from whistle blowers, maintaining records thereof, take appropriate steps for its disposal and informing the Whistle Blower the result thereof.

“Whistle Blower” is an employee or group of employees who make a Protected Disclosure under this Policy and also referred in this policy as complainant.

### 5. REPORTING OF PROTECTED DISCLOSURES

All employees of the company are eligible to make protected disclosures under the policy in relation to matters concerning the company. The Company does not tolerate any malpractice, impropriety, statutory non-compliance or wrongdoing. This Policy ensures that employees are empowered to pro-actively bring to light such instances without fear of reprisal, discrimination or adverse employment consequences.

This Policy is not, however, intended to question financial or business decisions taken by the Company that are not Protected Disclosures nor should it be used as a means to reconsider any matters which have already been addressed pursuant to disciplinary or other internal procedures of the Company. This policy shall not be used:



- i. For raising grievances related to employees' own career / other personal grievances.
- ii. For raising grievances related to career of other employees / colleagues.
- iii. Grievances arising out of the policies / procedures of the Company and any decision taken by the superior / management in this respect.
- iv. Grievances related to such other similar issues like i, ii and iii hereinabove.

All Protected Disclosures should be reported in writing by the Whistle Blower as soon as possible after the Whistle Blower becomes aware of the same so as to ensure a clear understanding of the issues raised.

Employees can lodge a Protected Disclosure in one of the following ways:

- I. By sending an email to [md@quantumbuild.com](mailto:md@quantumbuild.com) with the subject "Protected Disclosure under the Whistle Blower Policy".
- II. By sending letter in a closed and secured envelop and super scribed as "Protected Disclosure under the Whistle Blower Policy" to the Vigilance and Ethics Officer (as notified from time to time). Letter should either be typed or written in a legible handwriting in English.

All Protected Disclosures should be addressed to the Vigilance and Ethics Officer of the Company including exceptional cases.

The contact details of the Vigilance and Ethics Officer are as under:-

**Name and Address :** Sri Guduru Satyanarayana,  
8-1-405/A/66, Dream valley Shaikpet,  
Hyderabad, -500008, Telangana

**Contact Details :** 040 -23368766

In order to protect identity of the complainant, the Vigilance and Ethics Officer will not issue any acknowledgement to the complainants and they are advised not to write their name / address on the envelope nor enter into any further correspondence with the Vigilance and Ethics Officer. The Vigilance and Ethics Officer shall assure that in case any further clarification is required he will get in touch with the complainant.

Anonymous / Pseudonymous disclosure shall not be entertained by the Vigilance and Ethics Officer. While this Policy is intended to protect genuine Whistle Blowers from any unfair treatment as a result of their disclosure, misuse of this protection by making frivolous and bogus complaints with mala fide intentions is strictly prohibited. An employee who makes complaints with mala fide intentions and which is subsequently found to be false will be subject to strict disciplinary action.

The Whistle blower's role is that of a reporting party. Whistle blowers are not investigators or finders of facts, neither can they determine the appropriate corrective or remedial action that may be warranted.



All Protected Disclosures should be addressed to the Vigilance and Ethics Officer of the Company including exceptional cases.

Protected Disclosure against the Vigilance and Ethics Officer should be addressed to the Board of Directors of the Company.

Although a Whistle blower is not required to furnish any more information than what he/she wishes to disclose, it is essential for the Company to have all critical information in order to enable the Company to effectively evaluate and investigate the complaint. It is difficult for the Company to proceed with an investigation on a complaint, which does not contain all the critical information such as the specific charge. The complaint or disclosure must therefore provide as much detail and be as specific as possible in order to facilitate the investigation.

To the extent possible, the complaint or disclosure must include the following:

1. The employee, and/or outside party or parties involved;
2. The sector of the Company where it happened (Location, Department, office);
3. When did it happen: a date or a period or time
4. Type of concern (what happened);
  - a) Financial reporting;
  - b) Legal matter;
  - c) Management action;
  - d) Employee misconduct; and/or
  - e) Health & safety and environmental issues.
5. Submit proof or identify where proof can be found, if possible.
6. Who to contact for more information, if possible; and/or
7. Prior efforts to address the problem, if any.

### **6. RECEIPT, INVESTIGATION AND DISPOSAL OF PROTECTED DISCLOSURES**

On receipt of the Protected Disclosure the Vigilance and Ethics Officer shall make a record of the Protected Disclosure and also ascertain from the complainant whether he was the person who made the protected disclosure or not. He shall also carry out initial investigation either himself or by involving any other Officer of the Company before referring the matter to the Board of Directors of the Company for further appropriate investigation and needful action. The record will include:

- a. Brief facts;
- b. Whether the same Protected Disclosure was raised previously by anyone on the subject, and if so, the outcome thereof;
- c. Details of actions taken by the Vigilance and Ethics Officer processing the complaint
- d. Findings and recommendations.





The Vigilance and Ethics Officer, if he deems fit, may call for further information or particulars from Complainant.

## **Investigation**

The decision to conduct an investigation is by itself not an accusation and is to be treated as a neutral fact finding process. Subject(s) will normally be informed in writing of the allegations at the outset of a formal investigation and shall have opportunities for providing their inputs during the investigation. Such Person shall have a duty to co-operate with the Vigilance and Ethics Officer or any of the Officers appointed by him in this regard and shall be subject to strict disciplinary action up to and including immediate dismissal, if they fail to cooperate in an investigation, or deliberately provide false information during an investigation.

Subject(s) shall have a right to consult with a person or persons of their choice, other than the Vigilance and Ethics Officer / Investigators appointed by him for this purpose and/or the Whistle Blower. He has a responsibility not to interfere with the investigation. Evidence shall not be withheld, destroyed or tampered with and witness shall not be influenced, coached, threatened or intimidated by him.

Unless there are compelling reasons not to do so, he will be given the opportunity to respond to material findings contained in the investigation report. No allegation of wrong doing against him shall be considered as maintainable unless there is good evidence in support of the allegation. He has a right to be informed of the outcome of the investigations. If allegations are not sustained, he should be consulted as to whether public disclosure of the investigation results would be in the best interest of him and the Company.

The investigation shall be completed normally within 90 days of the receipt of the protected disclosure and is extendable by such period as the Vigilance and Ethics Officer deems fit.

All information disclosed during the course of the investigation will remain confidential, except as necessary or appropriate to conduct the investigation and take any remedial action, in accordance with any applicable laws and regulations. The Company reserves the right to refer any concerns or complaints regarding Protected Disclosure to appropriate external regulatory authorities.

## **Disposal**

If an investigation leads the Vigilance and Ethics Officer to conclude that an improper Or unethical act has been committed, the Vigilance and Ethics Officer shall suo moto, or in exceptional cases recommend to the management of the Company to, take such disciplinary or corrective action commensurate with the severity of the offence, as he may deem fit. The company may also take reasonable and necessary measures to prevent any further violations which may have resulted in a complaint being made. It is clarified that any disciplinary or corrective action initiated against the Subject as a result of the findings of an investigation pursuant to this Policy shall adhere to the applicable personnel or staff conduct and disciplinary procedures.



The Vigilance and Ethics Officer shall submit a report to the Board of Directors and when required about all Protected Disclosures referred to him/her since the last report together with the results of investigations, if any.

A complainant who makes false allegations of unethical & improper practices or about alleged wrongful conduct of the Subject to the Vigilance and Ethics Officer shall be subject to appropriate disciplinary action in accordance with the rules, procedures and policies of the Company.

### 7. PROTECTION

No Personnel who, in good faith, makes a disclosure or lodges a complaint in Accordance with this Policy shall suffer reprisal, discrimination or adverse employment consequences. Accordingly, the Company prohibits discrimination, retaliation or harassment of any kind against a Whistle blower, who based on his/her reasonable belief that one or more Protected Disclosure has occurred or are, occurring, reports that information. Any employee, who retaliates against a Whistle blower who has raised a Protected Disclosure or Complaint in good faith, will be subject to strict disciplinary action up to and including immediate termination of employment or termination of his/her relationship with the Company.

If any employee, who makes a disclosure in good faith, believes that he/she is being subjected to discrimination, retaliation or harassment for having made a report under this Policy, he/she must immediately report those facts to his/her supervisor, manager or point of contact. If, for any reason, he/she do not feel comfortable discussing the matter with these persons, he/she should bring the matter to the attention of the Vigilance and Ethic Officer including exceptional cases. It is imperative that such employee brings the matter to the Company's attention promptly so that any concern of reprisal, discrimination or adverse employment consequences can be investigated and addressed promptly and appropriately.

A Whistle Blower, who reports any violation of the above clause to the Vigilance and Ethic Officer, who shall investigate into the same and recommend suitable action to the management

The company will take steps to minimize difficulties, which the Whistle Blower may experience as a result of making the Protected Disclosure. The identity of the Whistle Blower shall be kept confidential to the extent possible and permitted under law. Any other Employee assisting in the said investigation shall also be protected to the same extent as the Whistle Blower.

The Whistle Blower shall have right to access to the Vigilance and Ethics Officer directly in exceptional cases and the Vigilance and Ethic Officer is authorized to prescribe suitable directions in this regard.

### 8. RETENTION OF DOCUMENTS

The Company shall maintain documentation of all Protected Disclosures or reports subject to this Policy. The documentation shall include any written submissions provided by the complainant, any other Company documents identified in the complaint or by the Company as relevant to the complaint, a summary of the



date and manner in which the complaint was received by the Company and any response by the Company to the complainant. All such documentation shall be retained by the Company for a minimum of five (5) years or such other period as specified by any other law in force, whichever is more, from the date of receipt of the complaint. Confidentiality will be maintained to the extent reasonably practicable depending on the requirements and nature of the investigation, as indicated above.

## 9. AMENDMENT TO THIS POLICY

The Company reserves its right to amend or modify this Policy in whole or in part, at any time without assigning any reason whatsoever. Modification may be necessary, among other reasons, to maintain compliance with local, state, central and federal regulations and/or accommodate organizational changes within the Company. However, no such amendment or modification will be binding on the Employees and Directors unless the same is notified to them in writing.

\*\*\*\*\*

## ANNEXURE- VI

### Policy on Related Party Transactions

#### 1. THE POLICY

Quantum Build-Tech Limited shall engage with Related Parties in the ordinary course of business and on an arm's length basis to leverage scale, size and drive operational synergies to provide value added, innovative services to its clients while ensuring that transactions with Related Parties are, fully compliant with applicable Regulations.

#### 2.OBJECTIVE OF THE POLICY

The Board of Directors ("the Board") of Quantum Build-Tech Limited ("QBTL" or "the Company"), after considering the recommendation of the Audit Committee, has adopted this policy and associated procedures with regard to Related Party Transactions, in line with the requirements of the Companies Act, 2013 and the Equity Listing Agreement.

This Policy is intended to ensure that proper reporting, approval and disclosure processes are in place for all transactions between the Company and Related Parties. This policy specifically deals with the review and approval of Material Related Party Transactions keeping in mind the potential or actual conflicts of interest that may arise because of entering into these transactions.



Primarily, this Policy aims that no related party transactions may be entered into by the Company, except in accordance with the provisions of this Policy and applicable laws.

### 3. DEFINITIONS AND APPLICABILITY

Definitions of some of the key terms used in this policy are given below:

- a) **'Act'** means Companies Act, 2013, as amended from time to time.
- b) **'Arm's Length Transaction'** means a transaction between the Company and its Related Party(ies) that is conducted as if they were unrelated and at a fair value, so that there is no conflict of interest.
- c) **'Audit Committee' or 'Committee'** means Committee of Board of Directors of the Company constituted under provisions of the Act and the Listing Agreement.
- d) **'Director'** means a director on the Board of the Company.
- e) **'Key Managerial Personnel or KMP'** means
  - i) the Chief Executive Officer or the Managing Director or the Manager and in their absence the Whole-Time Director;
  - ii) the Company Secretary;
  - iii) the Chief Financial Officer; and
  - iv) any other person appointed as the KMP by the Board of Directors of the Company
- f) **'Material Related Party Transaction'** will have the same meaning as defined in Clause 49 of the Listing Agreement.
- g) **'Ordinary Course of Business ('OCB')'** means a transaction which is
  - carried out in the normal course of business envisaged in accordance with the Memorandum of Association ('MoA') of the Company as amended from time to time, or
  - historical practice with a pattern of frequency, or
  - common commercial practice, or
  - meets any other parameters / criteria as decided by the Board/ Audit Committee.
- h) **'Policy'** means this Related Party Transaction Policy.
- i) **'Related Party'** has the same meaning as assigned to it under the Act and Clause 49 of the Listing Agreement, as amended from time to time.



- j) **“Related Party Transactions”** mean all transactions between the Company on one hand and one or more related party on the other hand including contracts, arrangements and transactions as envisaged in Section 188(1) of the Act and/or Clause 49
- k) **‘Stock Exchanges’** means the stock exchanges where equity shares of the Company are listed.

This policy shall be applicable to all Related Party Transactions entered into on or after 12.08.2014. The Audit Committee of the Company shall review all existing related party transactions as a matter of good governance and agree on corrective steps, if required, to ensure that the transactions entered are in the ordinary course of business and are on an arm's length basis.

#### 4. DEALING WITH RELATED PARTY TRANSACTIONS

Related Party Transactions are prohibited, unless approved or ratified by the Audit Committee and / or the Board of Directors of the Company in accordance with this policy. In dealing with Related Party Transactions, the Company will follow the following approach:

##### I. IDENTIFICATION OF RELATED PARTY TRANSACTIONS

- ❖ All Related Party Transactions must be brought to the notice of the Audit Committee of the Company.
- ❖ Any employee of the Company who is aware of any transaction that is or may be perceived to be a Related Party Transaction is required to bring the same to the attention of the Audit Committee of the Company through Company Secretary.
- ❖ All Directors, Members of the Management Committee and Key Managerial Personnel (KMPs) are responsible for informing the Company of their interest (including interest of their Relatives) in other companies, firms or concerns at the beginning of every financial year and any change in such interest during the year. In addition, all Directors, Members of the Management Committee and KMPs are responsible for providing notice to the Company Secretary of any potential Related Party Transaction involving him/her or his or her relative, including any additional information about the transaction that the Audit Committee may request. The Board shall record the disclosure of interest and the Audit Committee will determine whether the transaction is in the ordinary course of business and on an arm's length basis.



- ❖ Such notice of any potential Related Party Transaction should be given well in advance so that the Company Secretary has adequate time to obtain and review information about the proposed transaction and to refer it to the Audit Committee.

## II. REVIEW AND APPROVAL OF RELATED PARTY TRANSACTIONS

- ❖ Related Party Transactions are prohibited, unless approved or ratified by the Audit Committee of the Company in accordance with this policy.
- ❖ Unless otherwise stated in this policy, all Related Party Transactions require prior approval of the Audit Committee of the Company. All Related Party Transactions must be reported to the Company Secretary who shall submit the same for approval or ratification by the Audit Committee in accordance with this policy.
- ❖ The Audit Committee shall grant omnibus approval to Related Party Transactions that are:
  - a. repetitive in nature, and/or
  - b. entered in the ordinary course of business and are at Arm's Length. The expression Arm's Length has the meaning ascribed to it under Section 188 of the Companies Act, 2013.

Such omnibus approval will be granted to the transactions which, in addition to meeting the above criteria, also satisfy the following considerations:

- (a) The transaction in question is necessary to be executed as it is in the business interest of the Company;
- (b) If the transaction to be entered into with a Related Party is concerning technology transfer, intellectual property or specialized services that are proprietary in nature;
- (c) The requisite information is presented to the Audit Committee's satisfaction, to confirm that the transaction is at Arm's Length and in ordinary course of business;
- (d) Such omnibus approval shall specify
  - (i) the name/s of the Related Party, nature of transaction, period of transaction, maximum amount of transaction that can be entered into,
  - (ii) the indicative value and the formula for variation in the value, if any and
  - (iii) such other conditions as the Audit Committee may deem fit;
- ❖ Such omnibus approval shall be valid for a period not exceeding one year and shall require fresh approval after the expiry of one year.
- ❖ The Audit Committee shall on quarterly basis review the details of the Related Party Transactions entered into by the Company pursuant to the omnibus approval.



- ❖ In an unforeseen event where a Related Party Transaction, for which Omnibus approval has not been given by the Audit Committee, needs to be entered due to business exigencies between two Audit Committee meetings, the Audit Committee may approve such Related Party Transaction by passing a resolution by circulation, after satisfying itself that such transaction is in the interest of the Company.
- ❖ Ratification, if any, of a Related Party Transaction after its commencement or completion will be approved by the Audit Committee in exceptional circumstances only.
- ❖ A Related Party Transaction entered into without prior approval of the Audit Committee shall not be deemed to violate this policy, or be invalid or unenforceable, so long as the transaction is brought to the Audit Committee for ratification as promptly as reasonably practical after it is entered into and such transaction is ratified.
- ❖ Any member of the Audit Committee, who has a potential interest in any Related Party Transaction, will recuse him or herself and abstain from voting on the approval or ratification of such Related Party Transaction. Such member may, however, participate in discussions with respect to other Related Party Transactions placed for approval or ratification of the Audit Committee.
- ❖ The following Related Party Transactions that are not in the ordinary course of business or not on arm's length basis shall be referred to the Board of Directors for their approval.
  - (i) sale, purchase or supply of any goods or materials;
  - (ii) selling or otherwise disposing of, or buying, property of any kind;
  - (iii) leasing of property of any kind;
  - (iv) availing or rendering of any services;
  - (v) appointment of any agent for purchase or sale of goods, materials, services or property;
  - (vi) such Related Party's appointment to any office or place of profit in the Company, its subsidiary company or Associate Company; and
  - (vii) underwriting the subscription of any securities or derivatives thereof, of the Company.
- ❖ Any member of the Board who has a potential interest in such Related Party Transaction will recuse him or herself and abstain from voting on the approval of such Related Party Transaction. Such member may, however, participate in discussions with respect to other Related Party Transactions placed for approval of the Board.



- ❖ All the Material Related Party Transactions shall be considered and approved by the Board before placing them before shareholders for their approval except for those transactions that do not require approval under Section 177 and 188 of the Act; and are transactions entered into between the Company and its wholly-owned subsidiary (if any) whose accounts are consolidated with the Company and placed before the shareholders at the general meeting for approval.
- ❖ Any such Related Party Transactions shall also be placed for prior approval of shareholders if it exceeds the thresholds as prescribed under the Companies Act, 2013 and rules framed there under and the Listing Agreement.
- ❖ All entities falling under the definition of Related Parties shall abstain from voting irrespective of whether the entity is a party to the particular transaction or not.

### III. RELATED PARTY TRANSACTIONS THAT SHALL NOT REQUIRE APPROVAL

Following transactions shall not require separate approval under this policy:

- Any transaction pertaining to appointment and remuneration of Directors and KMPs that has already been approved by the Nomination and Remuneration Committee of the Company or the Board;
- Transactions that have been approved by the Board under the specific provisions of the Companies Act, e.g. inter-corporate deposits, borrowings, investments with or in wholly owned subsidiaries or other Related Parties;
- Payment of Dividend;
- Transactions involving corporate restructuring, such as buy-back of shares, capital reduction, merger, demerger, hive-off, approved by the Board and carried out in accordance with the specific provisions of the Companies Act, 2013 or the Equity Listing Agreement;
- Contribution to Corporate Social Responsibility (CSR), subject to approval of CSR Committee and within the overall limits approved by the Board of Directors of the Company.

### 5. MATERIAL RELATED PARTY TRANSACTION

- ❖ All Material Related Party Transactions shall be placed for prior approval of shareholders through Special Resolution.
- ❖ A transaction with a Related Party shall be considered Material if the transaction / transactions to be entered into individually or taken together with previous transactions





during a financial year exceed ten percent of the annual consolidated turnover of the Company as per the last audited financial statements of the Company.

## 6. DISCLOSURE(S)

- ❖ Details of all Material Related Parties Transactions shall be disclosed, on quarterly basis, along with the compliance report on corporate governance, to the Stock Exchanges.
- ❖ The Company shall disclose the policy on dealing with Related Party Transactions on its website and provide web link in the Annual Report. In addition to the disclosures required under Accounting Standard, Related Party Transactions that are not at arm's length basis and Material Related Party Transactions that are at arm's length or such other transactions as may be statutorily required, shall be disclosed in the Annual Report of the Company.

## 7. AMENDMENTS TO THE POLICY

- ❖ The Audit Committee of the Company shall review and may amend this policy from time to time, subject to the approval of the Board of Directors of the Company.
- ❖ Any or all provisions of this policy would be subject to revision / amendment in accordance with the Rules, Regulations, Notifications, etc. on the subject as may be issued by relevant statutory authorities, from time to time. In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this policy, then such amendment(s), clarification(s), circular(s), etc. shall prevail upon the provisions hereunder and this policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s), etc.

\*\*\*\*\*



# QUANTUM BUILD-TECH LIMITED

## ANNEXURE- VII FORM NO. MGT-9

### EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON 31st MARCH, 2015

Pursuant to section92(3)of the Companies Act,2013 and rule12(1)of the  
Companies(Management and Administration)Rules, 2014

#### I. REGISTRATION AND OTHER DETAILS:

i.	CIN	L72200TG1998PLC0310071
ii.	Registration Date	03.09.1998
iii.	Name of the Company	QUANTUM BUILD-TECH LIMITED
iv.	Category/Sub-Category of the Company	Public Limited Company/Limited by shares
v.	Address of the Registered office and contact details	8-1-405/A, 66 Dream Valley, Near OU Colony, Shaikpet, Hyderabad- Telangana- 500008
vi.	Whether listed company	Yes
vii.	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:-

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

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

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



**IV. SHARE HOLDING PATTERN :**

**A. Category-wise Shareholding**

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>									
<i>A) Indian</i>	-	-	-	-	-	-	-	-	-
<i>a) Individuals (IIF)</i>	200464	-	200464	21.11	200464	-	200464	20.89	(0.22)
<i>b) Control/ Govt</i>	-	-	-	-	-	-	-	-	-
<i>c) State Govt(s)</i>	-	-	-	-	-	-	-	-	-
<i>d) Bodies Corp</i>	200000	-	200000	4.86	200000	-	200000	4.86	-
<i>e) Banks / FI</i>	-	-	-	-	-	-	-	-	-
<i>f) Any Other</i>	50000	-	50000	5.14	50000	-	50000	5.14	-
Sub-total(A, IIF)-	200464	-	200464	21.09	200464	-	200464	21.05	(0.04)
<i>A) Foreign</i>									
<i>a) NRIs-Individual</i>	-	-	-	-	-	-	-	-	-
<i>b) Other-Individual</i>	-	-	-	-	-	-	-	-	-
<i>c) Bodies Corp.</i>	-	-	-	-	-	-	-	-	-
<i>d) Banks / FI</i>	-	-	-	-	-	-	-	-	-
<i>e) Any Other</i>	-	-	-	-	-	-	-	-	-
Sub-total(A, IIF)-	-	-	-	-	-	-	-	-	-
<b>B. Public Shareholding</b>									
<i>I. Institutional</i>									
<i>a) Mutual Funds</i>	-	-	-	-	-	-	-	-	-
<i>b) Banks / FI</i>	-	-	-	-	-	-	-	-	-
<i>c) Control/ Govt</i>	-	-	-	-	-	-	-	-	-
<i>d) State Govt(s)</i>	-	-	-	-	-	-	-	-	-
<i>e) Venture Capital Funds</i>	-	-	-	-	-	-	-	-	-
<i>II Insurance Companies</i>	-	-	-	-	-	-	-	-	-
<i>g) FII</i>	-	2198	2198	0.02	-	2198	2198	0.02	-
<i>h) Foreign Venture Capital Funds</i>	-	-	-	-	-	-	-	-	-
<i>II Others</i>	-	-	-	-	-	-	-	-	-
Sub-total(B, I)	-	2198	2198	0.02	-	2198	2198	0.02	-
<b>C. Non Institutional</b>									
<i>a) Bodies Corp.</i>	188813	-	188813	19.71	150000	-	150000	14.41	(1.30)
<i>b) Indian</i>									
<i>(i) Others</i>	-	-	-	-	-	-	-	-	-
<i>ii) Individuals</i>									
<i>b) Individual shareholders holding notified share capital up to Rs. 1 lakh</i>	287588	188982	476570	4.91	292788	180792	473580	4.6	1.31
<i>c) Individual shareholders holding notified share capital in excess of Rs. 1 lakh</i>	287317	12798	299915	31.07	482822	412988	903310	86.74	13.67
<i>d) Others</i>	87928	252884	341180	35.04	95428	182884	278312	26.79	(8.25)
Sub-total(C, IIF)-	474349	273364	747713	7.72	428438	242684	671122	64.24	6.52
<b>Total Public Shareholding</b>	474349	273364	747713	7.72	428438	242684	671122	64.24	6.52



## QUANTUM BUILD-TECH LIMITED

### 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 shareholding during the year
		No. of Shares	% of total Shares of the company	No./Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	No./Shares Pledged / encumbered to total shares	
1.	Vijay Madhav Investments Pvt Ltd	550000	4.36	0	550000	4.36	0	0
2.	Panabolu Kodanda Sambabu	1085114	8.65	0	1085114	8.60	0	0
3.	Kodali Vijaya Ravi	1045350	14.63	0	1045350	8.29	0	(6.34)
4.	Panabolu Rachana	20000	0.40	0	20000	0.40	0	0
	<b>Total</b>	<b>2820464</b>	<b>27.84</b>	<b>0</b>	<b>2720464</b>	<b>21.64</b>	<b>0</b>	<b>(6.20)</b>

### iii. Change in Promoters' Shareholding:

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
<b>1</b>	<b>KODALI VIJAYARANI</b>				
	At the beginning of the year	18,45,350	14.63%		
	Difference during the year	8,00,000	(6.34%)		
	At the End of the year			18,45,350	8.29%

### iv. Change in shareholding of Top 10 Shareholders :

Sr. no	NAME OF SHAREHOLDER	Shareholding at the beginning of		Cumulative Shareholding during	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
<b>1</b>	<b>GEKAVAR DEVELOPERS PRIVATE LIMITED</b>				
	At the beginning of the year	12,00,000	9.51%	-	-
	Difference during the year	895000	7.09%	-	-
	At the End of the year	-	-	3,05,000	2.42%
<b>2</b>	<b>RAJESH &amp; VAMSI-CHERUKURI</b>				
	At the beginning of the year	16,62,916	13.18%	-	-
	Difference during the year	5,00,000	3.98%	-	-
	At the End of the year	-	-	11,62,916	9.21%
<b>3</b>	<b>G. RATAN CHAND</b>				
	At the beginning of the year	5,92,700	4.70%	-	-
	Difference during the year	4,75,000	3.79%	-	-
	At the end of the Year			11,77,700	9.53%
<b>4</b>	<b>SEKHAR V UPPALAPATI</b>				
	At the beginning of the year	8,69,968	6.90%		
	Difference during the year	2,00,000	1.59%		
	At the End of the year			6,69,968	5.31%

**V. INDEBTEDNESS**

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year	5,91,52,376*	NIL	NIL	5,91,52,376
(i) Principal Amount				
(ii) Interest due but not paid				
(iii) Interest accrued but not				
Total (i)+(ii)	5,91,52,376			
Change in Indebtedness during the financial year - Addition				
- Reduction				
Net Change				
Indebtedness at the end of the financial year				
(i) Principal Amount				
(ii) Interest due but not paid (iii) Interest accrued but not due				
Total (i)+(ii)+(iii)	5,91,52,376			5,91,52,376

\*Note: Overdue repayment. Matter is before DRT.

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

**A. Remuneration to Managing Director, Whole-time Directors and/or Manager**

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
		MD	WTD	
1	Gross salary	6,00,000	9,30,000	15,30,000
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961			
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	8,67,000	7,20,000	15,87,000
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2	Stock Option	NIL	NIL	-
3	Sweat Equity	NIL	NIL	-
4	Commission- as% of profit	NIL	NIL	-
5	Others, please specify	NIL	NIL	-
6	Total(A)	14,67,000	16,50,000	31,17,000
	Ceiling as per the Act: As per Scheduled V, Section-II			42,00,000



# QUANTUM BUILD-TECH LIMITED

## B. Remuneration to other directors:-

NO REMUNERATION PAID TO OTHER DIRECTORS

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

S.NO.		CEO	Company Secretary	CFO	Total
		<u>N.A</u>	<u>RANDANASANGAI</u>	<u>MR. KOTESWARA RAO</u>	
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites as 17(2) Income-tax Act, 1961 (c) Profit in lieu of salary under section 17(3) Income-tax Act, 1961		1,80,000	**	1,80,000
2	Stock Option		NIL	:	NIL
3	Sweat Equity		NIL	:	NIL
4	Commission: - as % of profit		NIL	:	NIL
5	Others please specify		NIL	:	NIL
	Total		1,80,000	:	1,80,000

\*\* Joined as C.F.O w. e. f 1<sup>st</sup> March, 2015.

## VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES: NIL

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

\*\*\*\*\*

## CORPORATE GOVERNANCE REPORT

### 1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

As part of the Quantum Build-Tech Limited good governance initiative, the Company's philosophy on Corporate Governance is founded upon a rich legacy of fair, ethical and transparent governance practices, many of which were in place even before they were mandated by adopting highest standards of professionalism, honesty, integrity and ethical behavior. Through the Governance mechanism in the Company, the Board alongwith its Committees undertakes its fiduciary responsibilities to all its stakeholders by ensuring transparency, fair play and independence in its decision making.

Corporate Governance as a systemic process by which companies are directed and controlled to enhance their wealth-generating capacity. Since large corporations employ a vast quantum of societal resources, the company believes that the governance process should ensure that these resources are utilized in a manner that meets stakeholders' aspirations and societal expectations. This belief is reflected in the Company's commitment to contribute to the conservation and development of the nation's economic, social welfare.

As a part of the compliances of the revised Clause 49 of Listing Agreement, the Company presents hereunder the required disclosures in the form of a report of information of all stakeholders.

### 2. BOARD OF DIRECTORS

The Company has the balanced mix of executive, non-executive and independent directors on the Board. The Board consists of SIX Directors.

#### Composition and Category of Directors:

Name	Designation	Category	No. of Board Meetings attended	Attendance at AGM held on 29.09.2014	Directorships in other companies
Smt. Kodali Vijaya Rani	Director	Non- Executive Promoter	4	NO	1
Mr. Guduru Satyanarayana	Managing Director	Executive	6	YES	Nil
Mr. Manne Rambabu	Whole Time Director	Executive	5	YES	Nil
Mr. Kanduri Sowathi Kumar	Director	Non-Executive Independent	4	NO	Nil
Mr. Sripathi Ram Reddy	Director	Non- Executive Independent	4	YES	Nil
Mr. Kyatham Prabhakar Reddy	Director	Non-Executive Independent	5	YES	1



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

The shareholders in its last Annual General Meeting held on 29<sup>th</sup> September, 2014 complied with the mandate to have at least 1/3<sup>rd</sup> of directors as Independent and accordingly appointed Two Independent Directors to hold office for a term of five consecutive years commencing from 29<sup>th</sup> September, 2014. A formal letter of appointment was issued to each Independent Director pursuant to the provisions of the Companies Act, 2013. None of the Independent Directors of the Company are serving as an independent director in more than seven listed companies. The declarations from the independent director pursuant to sub-section (7) of Section 149 of the Companies Act, 2013 that they meet the criteria of independence as laid down under Section 149 (6) of the Companies Act, 2013 and Clause 49 of the Listing Agreement have been duly received by the Company.

Independent Directors have held their meeting on 12<sup>th</sup> February, 2015, exclusively without the presence of executive management and evaluation of Board was carried out.

### 3. MEETINGS OF THE BOARD OF DIRECTORS

The Board of Directors have met 6 times during the financial year on 01.04.2014, 30.05.2014, 12.08.2014, 02.09.2014, 13.11.2014 and 12.02.2015.

### 4. INFORMATION SUPPLIED TO THE BOARD

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

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

### 5. MINUTES OF THE BOARD MEETING

The minutes of the proceedings of every Board and all committee meetings are prepared and approved in accordance with Secretarial Standard -I as prescribed

### 6. CODE OF ETHICS

The company has prescribed a code of ethics for its Directors and senior management personnel and revised as per the requirements of the statute. Further a declaration by the Managing Director to the effect that all the Directors and the senior management personnel have complied with code of ethics laid down for this purpose for the year 2014-2015 is given below.





Pursuant to the new Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 year company has adopted Code of Fair Disclosure and Code of Conduct which is uploaded in the Company's website [www.quantumbuild.com](http://www.quantumbuild.com)

## **DECLARATION - CODE OF CONDUCT:**

This is to confirm that the Board has laid down the Code of conduct for all the Directors and seniormanagement personnel of the Company. It is further confirmed that all Directors and senior management personnel of the Company have duly complied with the Company's Code of Conduct during the financial year 2014- 2015, as required under Clause 49 of the Listing Agreement with Stock Exchanges.

**For Quantum Build-Tech Limited**

Place: Hyderabad

Date: 12.08.2015

Sd/-

**G Satyanarayana  
Managing Director**

## **7. BOARD COMMITTEES:**

The Board of Directors has set up committees of Directors to deal with the various matters which require more attention and quick response in taking decisions in these matters.

Further, the Board has delegated certain powers to some of the Committees of its members, and these Committees decide the matters referred and report to the Board by recommendations in the Board meeting. The Company has constituted three Committees viz. Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee.

### **a) AUDIT COMMITTEE:**

Terms of Reference

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

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

### **b) COMPOSITION OF AUDIT COMMITTEE:**

The following are the details of the Director, their attendance at the Audit Committee Meeting held during the year 2014-15.



Meetings of the Committee and Attendance of the Members during 2014-15	Status	Meetings Held	Meetings Attended
Mr. K Prabhakar Reddy	Chairman	4	4
Mr. Ram Reddy Sripathi	Member	4	4
Mr. Kandari Sarawathi Kumar	Member	4	3

During the year, FOUR Audit Committee meetings were held respectively on 30.05.2014, 12.08.2014, 13.11.2014 and 12.02.2015.

## 8. NOMINATION AND REMUNERATION COMMITTEE:

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

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

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

### a. Composition

The Nomination and Remuneration Committee of the Company is constituted with three directors. The Composition of the committee and particulars of the meeting attended by the members are given below:

### b. Meetings of the Committee and Attendance

As the Key Managerial Personnel were appointed during the year, the Committee held meetings on 01.04.2014, 12.08.2014 and 12.02.2015 for deciding the candidature and terms of appointment including remuneration to be paid.

Name	Designation	Meetings Held	Meetings Attended
Mr. Kandari Sarawathi Kumar	Chairman	3	2
Mr. Sripathi Ram Reddy	Member	3	3
Mr Kyatham Prabhakar Reddy	Member	3	3

## c. Remuneration Policy

The Company has adopted a Remuneration Policy for Directors, KMP and other employees, in accordance with the provisions of the Act and the Listing Agreement, which is annexed to the Directors Report.

## d. Details of remuneration paid to Directors

The details of remuneration paid to the Directors are given below.

The same is also disclosed in Form MGT-9 forming part of the Directors Report.

Particulars	Mr. Guduru Satyanarayana Managing Director		Mr. Manne Rambabu Whole-Time Director	
	2014-15	2013-14	2014-15	2013-14
Salary	6,00,000	6,00,000	9,30,000	9,30,000
Perquisites	8,67,000	8,70,000	7,20,000	7,20,000
<b>Total</b>	<b>14,67,000</b>	<b>14,70,000</b>	<b>16,50,000</b>	<b>16,50,000</b>

## e. Non- Executive Directors:

Non- Executive Directors are not entitled to any fees/remuneration or such other for attending Board and Committee Meetings

## 9. STAKEHOLDERS RELATIONSHIP COMMITTEE:

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

### a. Composition as on date

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

### b. Meetings of the Committee and Attendance

During the year, the Committee met three times for noting/ approval of the Share Transfers of the Company on 17.10.2014, 06.12.2014 and 13.02.2015.

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



Name	Designation	Meetings Held	Meetings Attended
Mr. Sripathi Ram Reddy	Chairman	3	3
Smt Kodali Vijaya Rani	Member	3	3
Mr. Kandari Saraswathi Kumar	Member	3	1

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

As disclosed in the Directors Report, the winding up petition was filed under Section 433 and 434 of the Companies Act, 1956 by the Preference Shareholders namely Mr. P. Venugopal Reddy and Mrs. P Suneela Reddy for the purpose of recovery of their investments in Preference shares and the High Court has admitted the petition and the case will be listed for first hearing in the month of September, 2015

## 10. WHISTLE BLOWER POLICY / VIGIL MECHANISM:

The Company has laid down an elaborate Vigil Mechanism and Whistle blower Policy to safeguard the assets of the company and also safeguard the personnel who are bestowed with the responsibility of keeping a watch of the same. The Policy approved by the Board forms part of this Directors report and also is placed on the website of the Company [www.quantumbuild.com](http://www.quantumbuild.com).

## 11. ANNUAL GENERAL MEETINGS:

Details of Previous Annual General Meetings:-

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

### Details of resolutions passed in previous Annual general Meeting:

- Details of special resolution passed –No resolution Passed.
- Details of Ordinary Resolution passed- Two resolutions for appointment of Independent directors
- Postal ballot resolution, any such proposal- NIL.



## 12. 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 Annexure XIII to the revised Clause 49 of the Listing Agreement with Stock Exchanges.
  - i. During the year under review, there is NO Audit dis-qualification in the Financial statements
  - ii. The Company has not appointed any Chairman. The Managing Director is appointed as KMP.
- d) The Company has followed the Accounting Standards issued by the Institute of Chartered Accountants of India, to the extent applicable, in the preparation of the Financial Statements
- e) The Company has laid down procedures to inform Board Members about the risk assessment and minimization procedures. These procedures are periodically reviewed to ensure that executive management control risks through means of a properly defined framework
- f) The Company has adopted with the Code of Conduct applicable to all Directors, senior management and employees. The Declaration as required under Clause 49 is as below:  
"All the Directors and Senior Management of the Company have affirmed compliance with the Company's Code of Conduct for the financial year ended 31st March, 2015."

## 13. CEO CERTIFICATION:

The Managing Director has given a certificate as contemplated in Clause 49 of the Listing Agreement.

- A. They have reviewed financial statements and the cash flow statement for the year and that to the best of their knowledge and belief:
  1. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
  2. These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of their knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.



- C. They accept responsibility for establishing and maintaining internal controls for financial reporting and that they have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and they have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.
- D. They have indicated to the auditors and the Audit committee:
1. Significant changes in internal control over financial reporting during the year;
  2. Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  3. Instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

For Quantum Build-Tech Limited

Place : Hyderabad

Date: 12.08.2015

Sd/-

G Satyanarayana

Managing Director

The requirements of the Audit and other Committees as contemplated in Clause 49 have been complied with as per the report set above in respect of the same.

The Management Discussion and Analysis is provided elsewhere in this report.

#### 14. MEANS OF COMMUNICATION

The website of the Company [www.quantumbuild.com](http://www.quantumbuild.com) acts as the primary source of information regarding the operation of the Company. The quarterly and annual financial results of the Company are published in the prescribed format in Financial Express and Andhra Prabha within 48 Hours of approval of the Board. 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.

#### 15. GENERAL SHAREHOLDERS INFORMATION

##### a. 17<sup>th</sup> ANNUAL GENERAL MEETING DETAILS:

Date	Wednesday, 30 <sup>th</sup> September 2015
Time	11.30 A.M
Venue	Jubilee Hills International Centre, Road No.14, Jubilee Hills, Hyderabad – 500033, Telangana



b. Financial Calendar year 2015-16

The Financial year of the Company is 1 <sup>st</sup> April to 31 <sup>st</sup> March	
Financial Year Reporting for	Proposed Date
First Quarter Results	on or before 14.08.2015
Second Quarter Results	on or before 14.11.2015
Third Quarter Results	on or before 14.02.2016
Fourth Quarter Results	on or before 30.05.2016
18 <sup>th</sup> Annual General Meeting	September, 2016

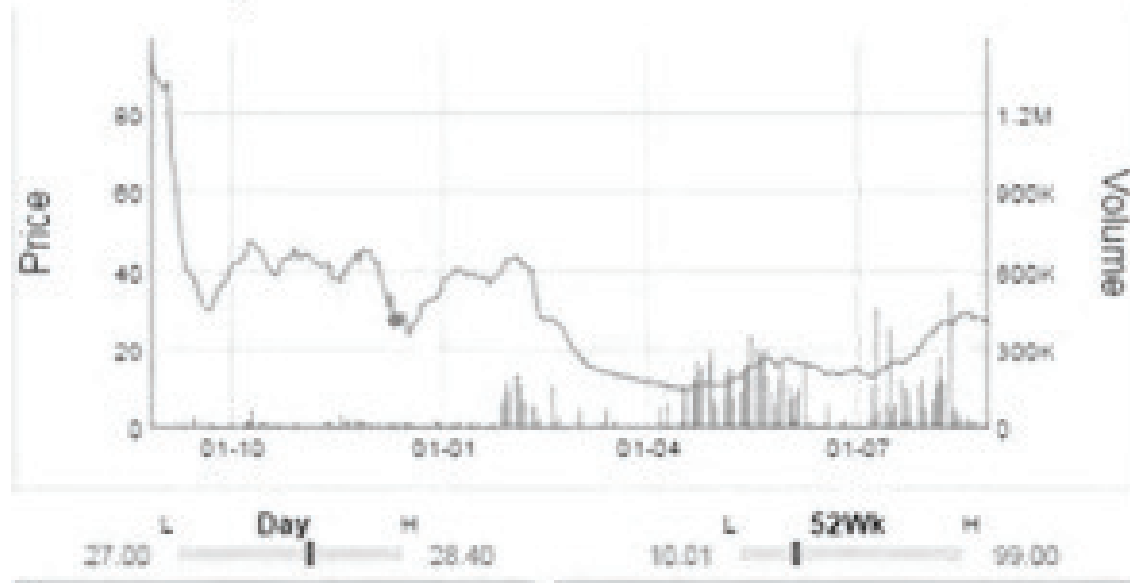
- c. Dates of book closure (Period) : 24.09.2015 to 30.09.2015 (Both days inclusive).
- d. Dividend Payment Date : Not Applicable.
- e. Listing Stock Exchanges : Hyderabad Stock Exchange Ltd., (De-recognized)  
Bangalore Stock Exchange Ltd. (De-recognized)  
BSE Limited ( w.e.f 19.August, 2014)
- f. The Listing Fee : The listing fees for the year 2015-16 has been paid to BSE Ltd.
- g. Stock Code : QUANTBUILD 538596 on BSE Limited
- h. ISIN No. : INE 222B01028
- i. CIN No. : L72200TG1998PLC030071
- j. Market price Data : As the Shares are admitted for listing on the BSE  
from 19<sup>th</sup> August, 2014 and trading  
from 20<sup>th</sup> August 2014, the Market price details are given herein.

The Market price data High, Low during each month in last financial year is in BSE Limited is given below :

MONTH Trading started from 20.08.2014	HIGH (in Rs.)	LOW (inRs.)
August-14	101.00	91.20
September-14	99.00	28.45
October-14	50.30	37.30
November-14	46.70	34.35
December-14	47.00	22.45
January-15	44.95	33.00
February-15	44.65	19.80
March-15	18.85	11.95



**k. Performance Comparison**



16. Registrar & Share Transfer Agents: Venture Capital & Corporate Investments Pvt. Ltd  
12-10-167, Bharat Nagar Colony, Hyderabad-18

17. Distribution of shareholding as at 31<sup>st</sup> March 2015:

Category/ No. of Shares	Number of holders	% of total holders	Numbers of shares	% of total shares
Upto - 500	2890	88.63	331874	2.63
501 - 1000	105	3.22	83096	0.66
1001 - 2000	112	3.43	159337	1.26
2001 - 3000	36	1.10	91724	0.73
3001 - 4000	13	0.40	44543	0.35
4001 - 5000	19	0.58	89225	0.71
5001 - 10000	27	0.83	208842	1.66
10001 & Above	59	1.81	1160989	92.00
<b>Total</b>	<b>3261</b>	<b>100</b>	<b>12615630</b>	<b>100</b>

18. Category wise shareholding as at 31<sup>st</sup> March, 2015

Category	Number of Equity Shares Held	% of Shareholding
Promoters	2730464	21.64
Corporate Bodies	1590808	12.61
Overseas Corporate Bodies	2150	0.02
Public Holding	8292208	65.73
<b>Total</b>	<b>12615630</b>	<b>100</b>





**19. Dematerialization of shares:** The Company has entered into separate Tripartite Agreement with the Depositories viz. NSDL and CSDL along with M/s Venture Capital & Corporate Investments Private Limited as Registrar and Share Transfer Agents. As on 31.03.2015 a total of 99,87,394 shares i.e. about 79.16 % of the total listed shares have been dematerialized.

**20. 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.

**21. Outstanding Bonds/Convertible Instruments:** Nil

**22. Address for Communication and Registered Office:** 3-1-405/A/66, Dream Valley, Shaikpet, Hyderabad-500 008, Telangana. Tel No.: 040-23568766, Fax No.: 040-23568990, Email ID: info@quantumbuild.com

**For and behalf of the Board**

Place: Hyderabad

Date: 12.08.2015

Sd/-

**G.Satyanarayana  
Managing Director**



## QUANTUM BUILD-TECH LIMITED

### CERTIFICATE ON COMPLIANCE WITH THE PROVISIONS OF CORPORATE GOVERNANCE PURSUANT TO CLAUSE 49 OF THE LISTING AGREEMENT

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

We have examined all the records of **Quantum Build-Tech Limited**, Hyderabad for the purpose of certifying compliance of the conditions of Corporate Governance under Clause 49 of the Listing Agreement with BSE Limited and Bangalore Stock Exchange Limited( now De-recognized) for the financial year ended 31<sup>st</sup> March, 2015. 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 prescribed 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. It is neither an assurance of the efficacy or effectiveness with which the management has conducted the affairs of the Company and is not an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and based on our reliance upon the representations made by the management, that there were no transactions of material nature with the management. We certify that the Company has complied with the conditions of the corporate governance as stipulated in Clause-49 of the Listing Agreement. 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: 12.08.2015

For **AJAY. S. SHRIVASTAVA**  
Practicing Company Secretary  
Sd/-  
Proprietor  
Membership No- PCS- 3479



## MANAGEMENT DISCUSSION & ANALYSIS REPORT

### Industry Structure & Developments:

India is cherished as one of the fast-growing economies, driven by many factors including multinational entrepreneurialism, buoyant local stock markets, robust economy-changing demographics and the overall emergence of India on the global stage with Make in India initiative. With great demand for housing for India's huge population and for commercial and industrial premises for its booming economy, the initiative for large-scale real estate projects few are on the cards and rest implemented across the whole country. This transforms the real estate business into one of the most lucrative sectors in the country. By and large, the success or failure of these uses is dependent on many interrelated factors such as economic conditions, demographics, transportation, management expertise, government regulations and tax policy, climate, and topography which when placed at the right algorithm show the state of economy.

### TELANGANA SCENERIO

After a full five year sluggishness, the business community feels Hyderabad which shall act as the joint capital for ten years from separation is a promising opportunity and encouraging factor for the city's real estate market with new initiatives on Government policies for development and attracting large scale investments. With the advent of IT Companies with mega investment and large work force, the real estate sector is slated to take the positive turn shortly.

According to Mr. C Shekhar Reddy, President of Confederation of Real Estate Developers' Associations of India (CREDAI), "The real estate sector is poised for a meteoric growth as the state government is actively promoting 'Brand Hyderabad' and is also looking at transforming the city into a 'Global Smart City'. Based on the present rock bottom prices prevailing in the city, our expectation is that prices will increase by 40-50% in the next six to eight months."

Analysis reveals that the buyers shall undoubtedly prepare themselves to buy properties and invest in real estate- Hyderabad as the prices are at rock bottom and increase in population growth in the Country. This means that the Hyderabad will double in size, pushing up the demand for housing enormously. Hyderabad is going to be an incubation hub for entrepreneurs and will have a Pharma City, Sports City, Cinema City, Manufacturing City, among others, which will spur rapid growth in the housing sector.

Hence, not only the real estate players but also all other stakeholders believe that 2015-16 shall be the year of recovery for real estate in Telangana



### Opportunities and Threats:

The state Government initiative to revive the real estate market in the state is a boost. The Finance minister of the state explained that although the sector did not receive any particular budget allocation or benefits, the assignment of large funds to metro, infrastructure, security, flyovers, drinking water and roads and buildings is expected to have a positive impact on it.

According to the Mr. R. Chalapathi, Chief Convener, National Real Estate Development Council (NAREDCO), Hyderabad city is promising as the political uncertainty has come to rest, the real estate market in the city will grow at a relatively faster pace and give tough competition to Bangalore, Chennai and Pune.

### Opportunities:

The management of the Company opines that there has been a steady, albeit incremental growth in the project sites. Having said this, owing the growth prospects in the market, the management further believes that "if not euphoric, the mood is definitely optimistic, unlike earlier years, enquires are now converting into sales but certainly the conversion rate has to go up in the coming days". To substantiate, the management detailed about the survey that was conducted in Hyderabad which states that a major buying trend that can be seen in the real estate industry, include high proportion of end-users looking for mid-segment properties, buyers giving importance to infrastructure, presence of public transport and security before deciding the locality. Nearly 64 per cent of prospective buyers who participated in the survey in Hyderabad have expressed an increase in confidence in real estate.

Undoubtedly, the projects which are on hand in the Company are of similar mid-segment properties which have relatively fair silver line, potential to reap the investment made.

- i. Make in India- An initiative taken by the Modi Government envisages the potential opportunity in investing in Construction Industry, a welcoming for Foreign and National investment.
- ii. Banks report that interestingly, the non resident Indian living abroad are showing a renewed interest in the Indian Housing market.
- iii. State Government Focus on improving the real estate market and allocation of funds in budget on power, infrastructure, agriculture, irrigation and industrial development, which will ultimately help the real market investments.
- iv. Governments motto to improve the business friendly reputation of the state, especially Hyderabad, which in turn helps the real estate industry.
- v. Announcement of a string of urban and rural development projects by the government which is boon to the sector.



## **Threats:**

### **i. Financial vicious circle:**

Poor financial assistance at the right time, delay in sanction loans/ bridge loans subsequently no capacity to service the investment/ loan etc inevitable acts as a vicious circle which continues all through the project execution, thus disturbing the financial stability and future funds raising initiatives.

### **ii. Poor cash flow:**

A very critical element to maintain a positive cash flow for the Company is related to having a clear understanding of how each particular client pays and the fund flow management remains a challenge.

### **iii. Poor capitalization—**

Operating money is critical to achieve success. It so happens while project planning, financing and Loan disbursement that the Company underestimate the capital needed to pursue the most profitable projects, and have the cash necessary to fund those projects until draws can be obtained.

### **iv. Little or no flexibility:**

Being flexible provides strategic advantages, and flexibility can be gained by continually reviewing the plan versus reality. When the Company' financial Statements become weak, the management opines to resort back to the traditional approach thus contracting the flexibility, which may act as a hindrance in success of the project.

### **v. Execution difficulties:**

Clear understanding the capabilities of the company and setting strategic objectives that are realistic will allow the company to advance and achieve sustainable growth in the future. Developing a good strategic plan with a vision, mission, strategic objectives and an action plan to implement it will provide an important guide or map for growth and help avert mismanaged growth.

## **Outlook and Future Plans:**

The Company has currently few semi-finished projects which are to yield the returns in the following financial years.

During the year, the Company has made few sale proceeds from the projects and started a new project in Jaihind Nagar, Shaikpet, the site plan of the project is filed for approval before the Authorities.

## **Risks and Concerns:**

In the normal course of business, the Company is exposed to certain financial risks, principally interest rate risk, liquidity risk and credit risk, risks associated with the economy, regulations, competition, etc. The Risk Management framework of the Company ensures in risk mitigation areas and functions of the



Company, and has in place, the procedures to inform the Board Members about the risk assessment and minimization process. These processes are periodically reviewed to ensure that the management of the Company controls risks through a defined framework.

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

**i. Completion risk**

This is the risk that the project may not be completed on time, or at all, due to various reasons such as cost overruns, site development, force majeure etc.

**ii. Price risk**

This is the risk that the price of the project's output might be volatile due to supply-demand factors. If new capacities are coming up or if there is likelihood of fall in demand of the project output, the price risk is high.

**iii. Resource risk**

This risk includes the non-availability of raw materials for the project operation. It also includes the risk that the raw material prices might move adversely

**iv. Technology risk**

This is the risk that the technology used in the project is not sufficiently proven.

**v. Political risk**

This risk relates to matters such as increased taxes and royalties, revocations or changes to the concession, exchange controls on proceeds, forced government participation in shares and refusal of import licenses for essential equipment.

**vi. Financial risk**

This is the risk that the project that the project might not reach financial closure. The interest rate fluctuate may also be a factor.

**vii. Insolvency risk**

This is the risk of insolvency of contractors, project sponsors, suppliers, and purchasers of project output, insurers or a syndicate bank.

At present, the disturbing concern to the Company is that it has received advances from the customers for booking the flats in the semi-finished project. But due to the sluggish overall market conditions, few clients are hesitant to make the further payments for their bookings. This is causing the potential discrepancies in resources management. However, a case is filed and pending before the Hon'ble Debts Recovery tribunal against the company for recovery of debts. Company has also made its submission and the decision is pending before the Tribunal.



## INTERNAL CONTROL SYSTEM AND ITS ADEQUACY

The Company has an advanced and improved internal control system that is innovative and effective to detect the error in the system. The Company is carrying out internal audits at regular intervals of time so as to ensure that there are no irregularities and operational inefficiencies at all levels. These periodical checks and audits are carried out at different levels of organization under the supervision of Audit Committee. The report on the Audit is submitted to the Board of Directors after being approved by the Audit Committee. The Board shall review the policies adopted and procedures followed and shall approve the same on finding them appropriate to the requirement.

## SHARE CAPITAL

The Share Capital of your Company is Rs. 14,61,56,300 divided into 1,26,15,630 Equity shares of Rs. 10/- each with voting rights and 2,00,000 Cumulative Redeemable preference shares of Rs. 100/- each. During the Financial Year 2014-15, the Company has not issued and allotted any equity shares out of the unissued share capital.

## SECURED LOANS

Secured loans of the Company stood at Rs. 5,91,52,376/- (including short and long term) as on 31.03.2015.

## FIXED ASSETS

Fixed Assets (Gross Block) amounting to Rs. 96,249/- was sold during the year and the balance of Fixed Asset (Gross Block) as on 31.03.2015 amounts to Rs. 41,38,874/- . An accumulated depreciation of Rs.35,40,421/- was charged to the balance Fixed Assets (Gross Block) thereby arriving at a Net Block of Rs.5,98,453/-.

## HUMAN RESOURCES AND INDUSTRIAL RELATIONS

The Company has adequate man power and personnel to carry out the business without any troubles. The company is making maximum utilization of the available resources. As per current situation the company's objective is not hiring/recruit any candidates, but it will be focused on improving the current staff. The human and industrial relations have remained peaceful and composed during the year and the company is currently working on providing much comfortable working environment to the existing personnel and new talents to motivate retain and attract the highly contributing talents.

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



## CAUTIONARY STATEMENT

Statements made in the Management Discussion and Analysis report which describes the Objectives, projections, estimates, approximations, predictions etc., may be considered to be forward looking statements and are stated as per the applicable laws and regulations. Actual results may differ from those expressed or speculated and are determined by many factors both domestic and global demand – supply conditions, processes, raw material availability, tax laws, government policies and other statutory obligations and implications which may affect the actual results which may be different from what the Directors envisaged in terms of future performance and outlook.





## INDEPENDENT AUDITORS' REPORT

To The Members of  
**QUANTUM BUILD-TECH LIMITED**  
**Report on the Financial Statements**

We have audited the accompanying financial statements of QUANTUM BUILD-TECH LIMITED ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the Financial Statements**

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



### Auditor's Responsibility

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

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under, to the extent applicable.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial control system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the management as well as evaluating the overall presentation of the financial statements.

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

- D) Attention is invited to Note No.3.1.1 to Notes forming part of the Financial Statements regarding non-provision of the dividend on 13% cumulative redeemable preference shares amounting to Rs. 26,00,000/- for the year and Cumulative dividend amounting to Rs. 2,28,08,763/-.*



- (ii) *Attention is invited to Note No.3.1.1 to Notes forming part of the Financial Statements regarding the redemption of 13% Cumulative Redeemable Preference Shares. The Company has defaulted in redeeming the said preference shares to the extent of Rs. 2,00,00,000/- due on 22<sup>nd</sup> December, 2008.*
- (iii) *Attention is invited to Note 3.1.1 to Notes forming part of the Financial Statements regarding winding up petition filed by preference shareholders holding 2,00,000 preference shares for non redemption of preference shares.*

### **Opinion**

Except in respect of matters as stated in points (i), (ii) and (iii) above, in our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements, give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March, 2015 and its Loss and its cash flows for the year ended on that date.

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

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order to the extent applicable.
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 purposes of our audit.
  - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c. The Balance Sheet, the Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.



## QUANTUM BUILD-TECH LIMITED

- d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e. On the basis of written representations received from the directors as on 31<sup>st</sup> March, 2015 and taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2015, from being appointed as a director in terms of Section 164(2) of the Act.
- f. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of Companies (Audit and Auditors) Rules, 2014 in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations as at 31<sup>st</sup> March, 2015 on its financial positions in its financial statements as referred to in note 3.1.1, 5.1, 5.2, 6.1, 13.1, and 22(b) to the financial statements.
  - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long term contracts including derivative contracts.
  - iii. There were no amounts which required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31<sup>st</sup> March, 2015.

Place: Hyderabad  
Date: 30-05-2015

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

GVL Prasad  
Partner  
M.No.026548



The Annexure referred to in the Independent Auditors' Report of even date on the Financial Statements to the Members of Quantum Build-Tech Limited for the year ended 31<sup>st</sup> March 2015. We report that:

- i. In respect of its fixed assets:
  - a) 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.
- ii. 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.
- iii. According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act 2013. Hence we have not reported on the related matters of this clause and sub-clauses.
- iv. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the company and the nature of its business with regard to purchase of inventory and fixed assets and with regard to sale of goods and services. We have not observed any major weakness in the internal control system during the course of the audit.



- v. According to the information and explanations given to us, the Company has not accepted any deposits from the public.
- vi. 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.
- vii. According to the information and explanations given to us in respect of statutory dues:
  - a) The Company is not regular in depositing undisputed statutory dues with appropriate authorities including provident fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues applicable to it.
  - b) According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, sales tax, wealth tax, duty of customs, duty of excise, value added tax or cess were in arrears as at 31<sup>st</sup> March 2015 for a period more than six months from the date they became payable *except Service tax Rs.69,436/-*.
- viii. In our opinion, there are no amounts required to be transferred to the investor Education and Protection fund by the Company.
- ix. The Company has accumulated losses at the end of the financial year and it has incurred cash loss during the year covered by audit and not in the immediately preceding financial year.
- x. In our opinion and according to the information and explanations given to us, the company has defaulted in repayment of dues to any financial institution or bank or debenture holders, as applicable, as at the Balance sheet date.



S. No	Name of the Bank	Principal	Interest
1	Axis Bank Limited	1,50,00,000	86,31,895
2	PNB Housing Finance Limited	2,00,00,000	90,69,435
3	Axis Bank Limited	50,00,000	14,51,046

xi. In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.

xii. In our opinion, and according to the information and explanations given to us, during the year company not raised any fresh term loans.

xiii. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

Place: Hyderabad  
Date: 30-05-2015

FOR RAMBABU & Co.,  
Chartered Accountants  
FRN: 0029765

GVL Prasad  
Partner  
M.No.026548



# QUANTUM BUILD-TECH LIMITED

## BALANCE SHEET AS AT 31ST, MARCH 2015

(Amount in Rs.)

Particulars	Note	As at 31 March 2015	As at 31 March 2014
<b>A EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' Funds</b>			
(a) Share Capital	3	146,156,300	146,156,300
(b) Reserves and Surplus	4	(31,688,605)	(25,771,164)
		<u>114,468,695</u>	<u>120,385,136</u>
<b>2 Non-Current Liabilities</b>			
(a) Long -Term Borrowings	5	35,520,481	35,543,863
		<u>35,520,481</u>	<u>35,543,863</u>
<b>3 Current Liabilities</b>			
(a) Short term Borrowings	6	23,631,895	25,913,284
(b) Trade Payables	7	12,510,895	21,973,310
(c) Other Current Liabilities	8	28,305,692	20,438,480
(d) Short -Term Provisions	9	3,521,790	3,837,405
		<u>68,970,272</u>	<u>72,162,479</u>
<b>TOTAL</b>		<u><b>215,960,448</b></u>	<u><b>228,091,478</b></u>
<b>B ASSETS</b>			
<b>1 Non -Current Assets</b>			
(a) Fixed Assets			
Tangible Assets	10	598,453	1,376,482
		<u>598,453</u>	<u>1,376,482</u>
(b) Long-Term Loans and Advances	11	40,604,348	40,801,548
		<u>40,604,348</u>	<u>40,801,548</u>
<b>2 Current Assets</b>			
(a) Inventories	12	156,632,956	149,161,095
(b) Trade Receivables	13	7,445,300	28,095,176
(c) Cash and Cash Equivalents	14	1,349,659	73,774
(d) Short -Term Loans and Advances	15	9,329,732	8,583,400
		<u>174,757,647</u>	<u>185,913,448</u>
<b>TOTAL</b>		<u><b>215,960,448</b></u>	<u><b>228,091,478</b></u>
See accompanying Notes Forming part of the Financial Statements 1 to 27			

In terms of our report of even date attached

For Rambabu & Co  
Chartered Accountants  
Firm Regn No.0029768

For and on behalf of the Board

GVL Prasad  
Partner  
Membership No.028548  
Place : Hyderabad  
Date : 30-05-2015

G.Satyanarayana  
Managing Director

K.Vijaya Rani  
Director

M.R. Koteswara Rao  
Chief Financial Officer





STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST, MARCH 2015

( Amount in Rs.)

Particulars	Note	For the Year Ended 31-03-2015	For the Year Ended 31-03-2014
<b>CONTINUING OPERATIONS</b>			
1 Revenue from Operations	16	19,172,942	3,567,324
Other Income		-	73,476
<b>Total</b>		<b>19,172,942</b>	<b>3,640,800</b>
<b>2 Expenses</b>			
(a) Cost of Materials Consumed	17.a	2,170,370	886,380
(b) Cost of Labour charges	17.b	4,551,591	2,343,484
(c) Changes in Contracts Work-in-Progress	17.c	(15,861,585)	(14,705,749)
(d) Employee Benefits Expenses	18	3,786,619	3,335,660
(e) Finance Costs	19	7,728,751	8,170,843
(f) Depreciation and Amortisation Expenses		335,036	347,828
(g) Other Expenses	20	21,720,146	2,906,063
<b>Total</b>		<b>24,431,128</b>	<b>3,284,539</b>
3 Profit before tax		(5,258,186)	356,261
4 Less : Provision for Income Tax-Earlier Years		235,610	-
5 Profit / (Loss) for the year		<b>(5,493,796)</b>	<b>356,261</b>
<b>6 Earnings per share (Nominal value of Rs. 10/- each)</b>			
(a) Basic		-	0.02
(b) Diluted		-	0.02

See accompanying Notes Forming part of the Financial statements 1 to 27

In terms of our report of even date attached

For Rambabu & Co  
Chartered Accountants  
Firm Regn No.0029755

For and on behalf of the Board

GVL Prasad  
Partner  
Membership No.026548

G.Satyannarayana  
Managing Director

K.Vijaya Rani  
Director

Place : Hyderabad  
Date : 30-05-2015

M.R. Koteswara Rao  
Chief Financial Officer



# QUANTUM BUILD-TECH LIMITED

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015

(Amount in Rs.)

Sl No	Particulars	For the Year Ended 31-03-2015	For the Year Ended 31-03-2014
<b>A</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
	Net Profit before tax	(5,258,186)	358,261
	Adjustments for:		
	Depreciation and Amortisation	335,036	347,828
	Loss on sale of Asset	3,349	198,792
	Bad Debts written off	19,525,346	-
	Finance Charges	7,629,229	6,694,239
	<b>Operating profit before working capital changes</b>	<b>22,234,774</b>	<b>7,697,120</b>
	Changes in working capital:		
	Inventories	(7,471,858)	(11,254,749)
	Trade receivables	1,124,530	1,875,761
	Loans & Advances	(549,132)	2,228,969
	Trade payables	(9,462,416)	683,960
	Other current liabilities	668,212	(3,088,432)
	Short-term provisions	(315,615)	(42,500)
		<b>6,228,495</b>	<b>(1,714,871)</b>
	Taxes paid	235,610	-
	<b>Net cash generated/(used in) operating activities (A)</b>	<b>5,992,885</b>	<b>(1,714,871)</b>
<b>B</b>	<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
	Proceeds from sale of Asset	18,000	100,000
	<b>Net Cash used in Investing Activity (B)</b>	<b>18,000</b>	<b>100,000</b>
<b>C</b>	<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
	Long-term borrowings	(4,735,000)	900,000
	<b>Net cash/(used in)generated from financing activities (C)</b>	<b>(4,735,000)</b>	<b>900,000</b>
	<b>Net decrease in Cash and cash equivalents (A+B+C)</b>	<b>1,275,885</b>	<b>(714,871)</b>
	Cash and cash equivalents at the beginning of the year	73,774	788,645
	<b>Cash and cash equivalents at the end of the year</b>	<b>1,349,659</b>	<b>73,774</b>
	See accompanying notes forming part of the financial statements 1 to 27		

In terms of our report of even date attached

For Rambabu & Co  
Chartered Accountants  
Firm Regn No.0029785

For and on behalf of the Board

GVL Prasad  
Partner  
Membership No.026548  
Place : Hyderabad  
Date : 30-05-2015

G.Satyanarayana  
Managing Director

K.Vijaya Rani  
Director

M.R. Koteswara Rao  
Chief Financial Officer



## 1 Corporate information

Quantum Build-Tech Limited is engaged in business of Construction of Housing & Development of Infrastructure for residential segment. The Company carrying its activities from its registered office situated at H.No.8-1-405/A/86, Dream Viley , Near OU Colony, Shaikpet, Hyderabad - 500 008.

## 2 Significant accounting policies

### 2.1 Basis of accounting and preparation of financial statements

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

### 2.2 Use of estimates

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

### 2.3 Inventories and Services

a) Inventories are valued at the lower of cost (on FIFO / weighted average basis) and the net realisable value after providing for obsolescence and other losses, where considered necessary. Cost includes all charges in bringing the goods to the point of sale, including octroi and other levies, transit insurance and receiving charges and is net of credit under VAT and CENVAT scheme, where applicable. b) Work-in-progress and finished goods have been valued at cost or net realizable value whichever is lower. Cost include all direct costs and appropriate proportion of overheads and, where applicable. c) Construction work in progress is measured by reference to the actual cost incurred for the work performed up to the reporting date bear to the estimated total contract cost for each contract

### 2.4 Cash and cash equivalents (for purposes of Cash Flow Statement)

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

### 2.5 Cash flow statement

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



## 2.6 Depreciation and amortisation

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

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

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

## 2.7 Revenue recognition

### Contract Revenue & Expenses

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

## 2.8 Tangible fixed assets

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

## 2.9 Intangible assets

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

## 2.10 Employee benefits

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

## 2.11 Earnings per share

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax



(including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits/ reverse share splits and bonus shares, as appropriate.

## 2.12 Taxes on income

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

## 2.13 Impairment of assets

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

## 2.14 Provisions and contingencies

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



# QUANTUM BUILD-TECH LIMITED

## QUANTUM BUILD-TECH LIMITED

Notes forming part of the Financial Statements

### 3 Share Capital

	Particulars	As at	As at		
		31 March, 2015	31 March, 2014		
		₹	₹		
	<b>(A) Authorised</b>				
	1,80,00,000 Equity shares of ₹10/- each with voting rights	180,000,000	180,000,000		
	(Previous year 1,80,00,000 Equity shares of ₹ 10/- each with voting rights)				
	10,00,000 Cumulative Redeemable preference shares of ₹ 100/- each	100,000,000	100,000,000		
	(Previous year 10,00,000 Cumulative redeemable preference shares of ₹100/- each)				
		<b>280,000,000</b>	<b>280,000,000</b>		
<b>3.1</b>	<b>(B) Issued, Subscribed &amp; fully paid up</b>				
	1,26,15,630 Equity shares of ₹ 10/-each with voting rights	126,156,300	126,156,300		
	2,00,000 - 13% Cumulative Redeemable preference shares of ₹100/- each	20,000,000	20,000,000		
	<b>Total</b>	<b>146,156,300</b>	<b>146,156,300</b>		
<b>3.1.1</b>	All Equity shares issued by the Company carry equal voting and participatory rights.				
	13% Cumulative Redeemable Preference shares of ₹2,00,00,000/- is due for redemption on 22-12-2008, and the company has not redeemed. During the year the company has not made provision for preference dividend on balance 2,00,000 preference shares, due to insufficient profits. Amount of Dividend as at 31st March,2015 is ₹ 2,28,08,763/- (as at 31st March,2014 is ₹2,02,08,763/-)				
	The balance preference shareholders 1)Venugopal Reddy Pakanati & Anuradha Reddy Pakanati jointly holding 1,00,000 preference shares and 2) Rajagopal Reddy Pakanati and Sarada Reddy Pakanati jointly holding 1,00,000 preference shares have filed a recovery suit in the court of City civil court at Secunderabad vide Ref.No.CS.No.492 of 2013 which is pending before the court.				
	The above preference shareholders have also filed winding up petition against the company in the High Court of Judicature of Andhra Pradesh at Hyderabad vide Ref No. CP 44 of 2014 and CP 47 of 2014 which is pending before the Hon'ble High Court.				
<b>3.1.2</b>	<b>Particulars</b>	<b>As at</b>	<b>As at</b>		
		<b>31 March, 2015</b>	<b>31 March, 2014</b>		
		₹	₹		
	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>		
<b>3.1.3</b>	<b>Details of Shareholders holding more than 5% shares</b>				
	<b>Name of the share holder</b>	<b>As at 31.03.2015</b>		<b>As at 31.03.2014</b>	
		<b>No of shares</b>	<b>% held</b>	<b>No of shares</b>	<b>% held</b>
	Rajesh / Yansi Cherkari	1,662,916	9.22	1,662,916	13.19
	Purankolla Indranda Rambabu	1,095,114	8.60	1,095,114	8.60
	Kodali Vijaya Ravi	1,945,350	8.29	1,945,350	14.65
	Raghavendra Appanagari	878,378	6.96	878,378	6.96
	Sekhar V Uppalapati	649,968	5.31	649,968	6.90
	M.A.Pearson Marketing Pvt Ltd	650,000	5.15	650,000	5.15

<b>4 Reserves and Surplus</b>			
Particulars		As at 31 March, 2015	As at 31 March, 2014
		₹	₹
<b>(A) Capital Reserve (Refer Note 4.1)</b>		3,500,000	3,500,000
<b>(B) Statement of Profit &amp; Loss</b>			
Opening Balance		(29,271,164)	(29,627,435)
Add: Adjustment relating to Fixed Assets (Refer Note 4.2)		(421,645)	-
Add: Surplus / (Deficit) in statement of Profit & Loss		(5,493,796)	256,261
<b>Total</b>		<b>(25,186,605)</b>	<b>(29,271,164)</b>
<b>Total</b>		<b>(21,686,605)</b>	<b>(25,771,164)</b>
4.1	The Company has forfeited 17,50,000 share warrants of ₹ 2/-paid, for non payment of balance amount.		
4.2	Pursuant to the enactment of Companies Act,2013, the company has applied the estimated useful lives as specified in Schedule II. Accordingly, the unamortised carrying value is being depreciated / amortised over the revised / remaining useful lives. The written down value of Fixed Assets whose lives expired as at 31st April 2014 have been adjusted in the opening balance of profit & loss account amounts to Rs.4,21,645/-		
<b>5 Long-Term Borrowings</b>			
Particulars		As at 31 March, 2015	As at 31 March, 2014
		₹	₹
<b>(A) Term loans - Secured</b>			
From banks			
Axis Bank Ltd- Term Loan (Refer Note 5.1)		6,451,046	3,827,046
PNB Housing Finance Ltd (Refer Note 5.2)		25,099,435	24,961,617
<b>(A)</b>		<b>31,520,481</b>	<b>30,888,663</b>
<b>(B) Unsecured</b>			
From Directors		-	235,000
From Others		-	4,500,000
<b>(B)</b>		<b>-</b>	<b>4,735,000</b>
<b>Total (A+B)</b>		<b>31,520,481</b>	<b>35,623,663</b>
5.1	<p>The Company has taken overdraft facility from Axis Bank Ltd, Jubilee Hills branch, in the month of November,2008 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 1/328 &amp; 1/95.89 Sq.yds of company own land in Jalahid Nagar, Sitafpet, Hyderabad and also equitable mortgage of land &amp; building at Plot No.66, Dream Valley, Sitafpet, Hyderabad, in the name of K.Vijaya Rani &amp; P.Vamsidhar. The loan is repayable in 60 monthly equal instalments of ₹1,16,990/-each from the date of conversion. The company has paid 20 monthly equal instalments upto september 2009.</p> <p>Axis Bank Ltd has filed a case in the Hon'ble Debt Recovery tribunal against the company for recovery of debts vide case Reference No.D.A.No.436 of 2013, and the company also filed a case against Axis Bank Ltd vide case Reference No. SA-48 of 2012 and is pending before the Hon'ble Debt Recovery Tribunal.</p> <p>The term loan facility is further secured by personal guarantees of Sri P.Godanda Rambabu, Sri K.Vijaya Rani &amp; Sri P.Vamsidhar</p>		
5.2	<p>The Company has utilised Term loan from PNB Housing Finance Ltd,Lakshmi nagar branch, in the month of April,2008 for an amount of ₹200.00 Lacs at an interest rate of 14.50 % p.a. The said term loan is secured by equitable mortgage of 7744 Sq.Yds of land belonging to Sri T.Vijaya Lakshani who entered into development agreement with the company for the development of Quantum Heights residential complex at Gajularamapuram. The term loan shall be repayable in 36 monthly instalments commencing after 12 months of the disbursement of loans.</p> <p>The Company has filed a case in the Hon'ble Debt Recovery Tribunal against PNB Housing Finance Limited vide case Reference No.SA.673 of 2013, which is pending before the Hon'ble Debt Recovery Tribunal.</p> <p>The term loan facilities are further secured by personal guarantees of Sri G.Satyamangunta, Sri P.Godanda Rambabu, and Sri K.Vijaya Rani.</p>		



# QUANTUM BUILD-TECH LIMITED

<b>6 Short-Term Borrowings</b>			
	Particulars	As at	As at
		31 March, 2015	31 March, 2014
		₹	₹
<b>(A) Loans repayable on demand - Secured</b>			
From Banks			
Axis Bank Ltd - Cash Credit (Refer Note 6.1)		23,631,895	28,714,284
<b>(B) From Other Parties</b>			
Secured			
Others		-	5,199,000
<b>Total (A+B)</b>		<b>23,631,895</b>	<b>23,913,284</b>

6.1 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% pa. The said overdraft facilities are secured by equitable mortgage of 1320 & 1095.89 Sq.yds of company own land in Jubilee Nagar, Shakhpot, Hyderabad and also equitable mortgage of land & building at Plot No.68, Dream Valley, Shakhpot, Hyderabad, in the name of Sri K. Vijaya Rani & Sri P. Yamaidhar.

Axis Bank Ltd has filed a case in the Hon'ble Debts Recovery tribunal against the company for recovery of debts vide case Reference No.O.A.No-436 of 2013, and the company also filed a case against Axis Bank Ltd vide case Reference No. 58,40 of 2012 and is pending before the Hon'ble Debts Recovery Tribunal.

The said overdraft facilities are further secured by personal guarantors of Sri P.Kodanda Rameshbabu, Sri K.Vijaya Rani & Sri P.Yamaidhar

<b>7 Trade Payables</b>			
	Particulars	As at	As at
		31 March, 2015	31 March, 2014
		₹	₹
	Sundry Creditors for Materials	3,126,855	4,316,802
	Sundry Creditors for Works	80,291	6,788,676
	Sundry Creditors for Services	9,384,559	18,955,702
<b>Total</b>		<b>12,591,695</b>	<b>21,973,218</b>

<b>8 Other Current Liabilities</b>			
	Particulars	As at	As at
		31 March, 2015	31 March, 2014
		₹	₹
<b>(A) Other Payables</b>			
Outstanding Liabilities		176,706	378,448
Others		241,430	241,430
	<b>(A)</b>	<b>418,136</b>	<b>620,878</b>
<b>(B) Statutory Payables</b>			
Professional Tax		150	600
Service Tax		69,436	924,376
TDS		288,308	894,823
	<b>(B)</b>	<b>358,894</b>	<b>1,819,799</b>
<b>(C) Advances from Customers</b>	<b>(C)</b>	<b>21,954,683</b>	<b>13,445,504</b>
<b>(D) Interest Accrued</b>	<b>(D)</b>	<b>3,574,559</b>	<b>4,552,299</b>
<b>Total (A+B+C+D)</b>		<b>26,305,692</b>	<b>28,438,480</b>



[Amount in ₹]

Particulars	GROSS BLOCK		DEPRECIATION & AMORTISATION		NET BLOCK		
	Opening Balance as on 01-04-14	Additions During the Year	Balance as on 01-04-14	Deletions During the Year	Total upto 31-03-15	As at 31-03-14	As at 31-03-15
Computers	501,152		476,094	-	476,094	250,508	25,058
Construction Equipment	149,463		52,076	23,961	76,777	96,507	72,686
Furniture & Fixtures	226,207		127,453	56,049	104,262	98,054	42,005
Office Equipment	118,991		107,093	1,983	109,076	11,898	9,915
Vehicles	2,623,396	96,249	2,057,078	74,900	2,227,235	566,312	317,728
Contracting Materials	615,820		459,691		25,068	484,759	156,129
<b>Total</b>	<b>4,235,123</b>	<b>96,249</b>	<b>3,206,295</b>	<b>74,900</b>	<b>3,331,036</b>	<b>954,838</b>	<b>998,453</b>
Previous Year	4,806,235	571,312	2,783,138	272,320	2,858,641	2,028,192	1,276,462



# QUANTUM BUILD-TECH LIMITED

9 Short-Term Provisions			
Particulars	As at		
	31 March, 2015	31 March, 2014	
	₹	₹	
(A) Provision for Employee Benefits			
Provision for Gratuity (Refer Note 9.1)	304,080	336,433	
(B) Tax on Dividend	3,144,982	3,140,892	
(C) Provisions for unexecuted contracts	-	359,898	
<b>Total (A+B+C)</b>	<b>3,521,798</b>	<b>3,837,485</b>	

9.1 The company has made provision for gratuity based on actuarial calculations as on balance sheet date.

11 Long-Term Loans and Advances			
Particulars	As at		
	31 March, 2015	31 March, 2014	
	₹	₹	
(A) Loans and advances			
Unsecured Considered good			
Advance for Land	35,800,000	35,160,808	
Others	3,418,080	3,341,208	
<b>(A)</b>	<b>40,453,080</b>	<b>40,654,288</b>	
(B) Loans and advances to employees			
Unsecured, considered good	127,218	139,219	
(B)	127,218	139,219	
(C) TDS Receivable			
Unsecured considered good			
TDS Receivable (Net of Provisions)	27,138	27,138	
(C)	27,138	27,138	
<b>Total (A+B+C)</b>	<b>40,807,448</b>	<b>40,961,548</b>	

12 Inventories			
Particulars	As at		
	31 March, 2015	31 March, 2014	
	₹	₹	
Contracts work - in - Progress	134,805,917	119,044,332	
Project Land	21,737,000	28,136,756	
<b>Total</b>	<b>156,542,924</b>	<b>149,161,088</b>	

13 Trade Receivables			
Particulars	As at		
	31 March, 2015	31 March, 2014	
	₹	₹	
Trade receivables outstanding for a period exceeding six months from the date they were due for payment			
Unsecured, considered good (Refer Note 13.1)	7,445,388	28,095,176	
<b>Total</b>	<b>7,445,388</b>	<b>28,095,176</b>	

13.1 (a) The Company has filed a case (S. No. 136 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 High Court, Hyderabad, the management is confident of winning the case / recovering the dues and opined no provision is required.

14 Cash and Cash Equivalents			
Particulars	As at		
	31 March, 2015	31 March, 2014	
	₹	₹	
(A) Cash			
Cash on hand	594,930	71,794	
(B) Balance with Banks in Current accounts			
(i) Karur Vysya Bank Ltd	734,943	11,614	
(ii) Punjab National Bank Ltd	19,766	19,966	
(iii) Axis Bank Ltd - BSVV Preferential loan account	18,080	30,808	
<b>Total (A+B)</b>	<b>1,349,629</b>	<b>13,774</b>	

<b>15 Short-Term Loans and Advances (Unsecured, Considered good)</b>			
Particulars		As at 31 March, 2015	As at 31 March, 2014
		₹	₹
<b>(A) Loans and advances</b>			
Other Advances		3,769,874	4,069,874
Rent Deposit		1,090,000	1,100,000
Electricity Deposits		29,074	29,074
Other Deposits		217,000	215,300
	<b>(A)</b>	<b>5,106,948</b>	<b>6,414,248</b>
<b>(B) Advance paid for Works</b>	<b>(B)</b>	<b>4,212,976</b>	<b>2,369,143</b>
<b>Total [ (A+B) ]</b>		<b>9,319,924</b>	<b>8,783,391</b>

<b>16 Revenue from Operations</b>			
Particulars		As at 31 March, 2015	As at 31 March, 2014
		₹	₹
Sale of Residential Plots (Gross)		384,999	3,736,000
Less:			
Service Tax		-	145,587
Sales Tax		-	37,329
		<b>384,999</b>	<b>3,567,324</b>
Sale of Land		18,782,952	-
<b>Total Net Sales</b>		<b>19,172,962</b>	<b>3,567,324</b>

<b>17.a Cost of Materials Consumed</b>			
Particulars		As at 31 March, 2015	As at 31 March, 2014
		₹	₹
Cost of Materials Purchased		3,170,370	666,380
<b>Total</b>		<b>3,170,370</b>	<b>666,380</b>

<b>17.b Cost of Labour Charges</b>			
Particulars		As at 31 March, 2015	As at 31 March, 2014
		₹	₹
Labour charges		4,551,591	2,343,494
<b>Total</b>		<b>4,551,591</b>	<b>2,343,494</b>

<b>17.c Changes in Inventories of Work-in-Progress</b>			
Particulars		As at 31 March, 2015	As at 31 March, 2014
		₹	₹
Inventories at the End of the Year			
Work - In - Progress		134,905,917	119,044,332
Inventories at the Beginning of the Year			
Work-in-Progress		119,044,332	104,338,583
<b>Total Net ( Increase ) / Decrease</b>		<b>(13,861,585)</b>	<b>(14,705,749)</b>



# QUANTUM BUILD-TECH LIMITED

18	Employee Benefits Expenses		
	Particulars	As at 31 March, 2015 ₹	As at 31 March, 2014 ₹
	Salaries & Wages	3,727,940	3,283,143
	Contributions to Gratuity	44,375	42,508
	Staff welfare expenses	14,504	10,057
	<b>Total</b>	<b>3,786,819</b>	<b>3,335,698</b>

19	Finance Cost		
	Particulars	As at 31 March, 2015 ₹	As at 31 March, 2014 ₹
	<b>(a) Interest On:</b>		
	(i) Term Loan	4,711,610	4,136,038
	(ii) Working Capital Loan	2,917,611	2,557,400
	(iii) TDS	30,951	138,523
	(iv) Others	60,591	1,338,080
	<b>Total</b>	<b>7,720,763</b>	<b>8,170,041</b>

20	Other Expenses		
	Particulars	As at 31 March, 2015 ₹	As at 31 March, 2014 ₹
	Power and fuel	25,352	157,457
	Rent	114,000	114,000
	Repairs and maintenance	603,855	39,544
	Insurance	9,348	35,628
	Rates and taxes	252,341	792,192
	Registration Charges	217,100	-
	Communication	142,888	139,806
	Consultancy & Professional	156,538	306,551
	Bank Charges	3,031	7,960
	Payment to Auditors	100,000	100,000
	Traveling and conveyance	144,249	176,825
	Printing and stationery	59,525	66,937
	Freight & Transport charges	10,990	43,590
	Business promotion	1,709	22,428
	Advertisement Expenses	105,170	100,298
	AGM Expenses	6,315	7,123
	Membership & Subscription	-	5,206
	Newspapers, Books & Periodicals	100	1,985
	Office Maintenance	42,277	42,287
	Miscellaneous Expenses	20,500	41,027
	Bad Debt write off (Refer Note 20.1)	18,525,346	-
	Postage & Courier	47,500	10,097
	Vehicle Maintenance	527,501	480,539
	Loss on sale of vehicle	3,349	180,793
	Legal Expenses	94,204	9,508
	<b>Total</b>	<b>21,728,146</b>	<b>2,986,093</b>

20.1 (a) The Company has filed a case for recovery of an amount of Rs. 18,919,092/- and the same was discontinued by the District Judge, B.R. Dist. The Management has decided to write-off the said debt.  
(b) An amount of Rs. 8,686,254/-, the recovery of which is doubtful, has been written off during the year.

21	<b>Other expenses (contd.)</b>		
	Particulars	As at 31 March, 2015 ₹	As at 31 March, 2014 ₹
	<b>(i) Payments to the auditors comprises</b> (Excluding Service tax.)		
	Statutory Audit Fee	75,000	100,000
	Tax Audit Fee	25,000	-
	<b>TOTAL</b>	<b>100,000</b>	<b>100,000</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 assignment fees liability of ₹ 2643 lakhs ( Fees ₹ 4.77 lakhs and penalty of ₹ 25.66 lakhs ) for which revision petition has been filed by the company.

23	<b>Related Party Disclosures</b>
	Associate Company : M/s.Vijaya Madhavi Investments Pvt Ltd
	Key Management Personnel (KMP) : Mr.G.Satyannarayana Mr. M.Rambabu

24	<b>Transactions with Key Management Persons and their Relatives</b>				
	Particulars	Associate Company		KMP & Relatives of KMP	
		31-03-15	31-03-14	31-03-2015	31-03-2014
		₹	₹	₹	₹
	Remuneration & Perquisites	-	-	5,117,000	2,983,000
	Rent	-	-	114,000	114,000
	Salaries & Perquisites payable	-	-	8,148,518	9,729,141
	Rent payable	-	-	526,500	712,500

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 2015.
----	---

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 Rambabu & Co**  
Chartered Accountants  
Firm Regn No.0029765

**For and on behalf of the Board**

**G.V.L.Prasad**  
Partner  
Membership No.026548  
Place : Hyderabad  
Date : 30-05-2015

**G.Satyannarayana**  
Managing Director

**K.Vijaya Rani**  
Director

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



# QUANTUM BUILD-TECH LIMITED

## QUANTUM BUILD-TECH LIMITED

CIN: L72207TG1998PLC0358071

17<sup>th</sup> Annual General Meeting on Wednesday, the 30<sup>th</sup> of September, 2015 at 11.30 A.M.

### PROXY FORM

(Pursuant to section 105(b) of the Companies Act, 2013 and Rule 19(2) of the Companies (Management and Administration) Rules, 2014)

CIN	L72207TG1998PLC0358071
Name of the Company	QUANTUM BUILD-TECH LIMITED
Registered Office	S-5-405/485 Dream Valley, near O.U Colony, Shakpet, Hyderabad- Telangana 500008
Name of Member(s)	
Registered Address	
Email ID	
Folio No./ DP ID – Client ID	

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

(I) Name: \_\_\_\_\_ Address: \_\_\_\_\_

Email ID: \_\_\_\_\_ Signature: \_\_\_\_\_ Or failing further

Name: \_\_\_\_\_ Address: \_\_\_\_\_

Email ID: \_\_\_\_\_ Signature: \_\_\_\_\_ Or failing

further

Or Name: \_\_\_\_\_ Address: \_\_\_\_\_

Email ID: \_\_\_\_\_ Signature: \_\_\_\_\_ Or failing

further

Or \_\_\_\_\_

As my/our proxy to attend and vote (on a poll) for me/us and On my/our behalf at the 17<sup>th</sup> Annual General Meeting of the Company to be held on Wednesday, the 30<sup>th</sup> September, 2015 at 11.30 A.M. at Jubilee Hills International Centre, Road No.14, Jubilee Hills, Hyderabad – 500033 and of any adjournment thereof in respect of each resolution:

ORDINARY BUSINESS:		For	Against
Item No. 1	Approval of Audited Financial Statements for the year ended 31 <sup>st</sup> March, 2015		
Item No. 2	Re-appointment of Shri. Kotam Vjaya Rao as the Director of the Company		
Item No. 3	Ratification of appointment of M/s Rambabu & Co., Chartered Accountants, Hyderabad as the statutory Auditors of the Company		

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2015

Signature of Member(s): \_\_\_\_\_

Signature of Proxy holder(s): \_\_\_\_\_



#### Notes:

- This form of proxy is only to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
- For the Resolutions, Statement setting out material facts thereon and notes, please refer to the notice of the 17<sup>th</sup> Annual General Meeting.
- A person can act as proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or Member.





## QUANTUM BUILD-TECH LIMITED

CIN: LT2007120981PLC034971

Registered Office 4-1-485 A/66 Dream Valley, near O.U. Colony, Shaikpet, Hyderabad- Telangana  
500084 • Website: www.quantumbuild.com • Tel: (040) 23568766 • Fax: (040) 23568990

### 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 17<sup>th</sup> Annual General Meeting of the Company to be held at Jubilee Hills International Centre, Road No.14, Jubilee Hills, Hyderabad – 500033, Telangana on Wednesday, the 30<sup>th</sup> day of September, 2015 at 11.30 A.M

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

Electronic Voting Event Number (EVEN)	User ID	Password
<b>103092</b>		

**Note:** Slip Person attending the Meeting is requested to bring this Attendance Slip and Annual Report with her/his. 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**  
8-1-105/A/88, Dream Valley, Shaikpet,  
Hyderabad - 500 005