

QUANTUM BUILD-TECH LIMITED

**14th Annual Report
2011-12**



QUANTUM BUILD-TECH LIMITED

BOARD OF DIRECTORS

MR. GUDURU SATYANARAYANA	- MANAGING DIRECTOR
MR. MANNE RAMBABU	- DIRECTOR-TECHNICAL
MRS. KODALI VIJAYA RANI	- PROMOTER DIRECTOR
MR. KYTHAM PRABHAKAR REDDY	- NON-EXECUTIVE INDEPENDENT DIRECTOR
MR. VEMULA RAMBHUPAL CHOUDARY	- NON-EXECUTIVE INDEPENDENT DIRECTOR
MR. KANDURI SARASWATHI KUMAR	- NON-EXECUTIVE INDEPENDENT DIRECTOR

AUDITORS

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

BANKERS TO THE COMPANY

AXIS BANK LIMITED
JUBILEE HILLS BRANCH
FILM NAGAR, HYDERABAD - 500 033
PNB HOUSING FINANCE LIMITED
SAIFABAD, HYDERABAD - 500 004

REGD. OFFICE

8-1-405/A/66, DREAM VALLEY,
SHAIKPET, HYDERABAD - 500 008.
PHONES: 23568766 FAX : 23568990
E-MAIL : info@quantumbuild.com

SHARE TRANSFER AGENTS

M/S. VENTURE CAPITAL & CORPORATE INVESTMENTS (P) LTD.
12-10-167, BHARAT NAGAR COLONY,
HYDERABAD - 500 018.
PHONE : 23818475 FAX : 23868024

NOTICE

NOTICE is hereby given that the Fourteenth Annual General Meeting of the Members of Quantum Build-Tech Limited will be held at The Hyderabad Gymkhana, Road No. 2, Banjara Hills, Hyderabad-500 034, on Saturday the 29th day of September, 2012 at 12.00 Noon to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt the Audited Balance Sheet as on 31st March, 2012 and Audited Profit and Loss Account for the year ended 31st March, 2012 with the reports of Directors and Auditors.
2. To appoint a Director in place of Mr. K. Prabhakar Reddy who retires by rotation and being eligible offers himself for reappointment.
3. To appoint a Director in place of Mr. V. Rambhupal Choudary who retires by rotation and being eligible offers himself for reappointment.
4. To appoint auditors and fix their remuneration and for this purpose pass the following ordinary resolution:
"RESOLVED THAT M/s. Rambabu and Co., Chartered Accountants, Hyderabad retiring auditors of the Company be and hereby re-appointed as Auditors of the Company pursuant to provision of Section 224 of the Companies Act, 1956 to hold office until the conclusion of the next Annual General Meeting of the Company and that the Board of Directors of the Company be and hereby authorized to fix their remuneration."

SPECIAL BUSINESS:

5. To consider and if thought fit, to pass, with or without modifications, the following resolution, as a Special resolution:

"RESOLVED THAT subject to the Section 80(1)(a) and 81(1A) of the Companies Act 1956 read with Chapter VII of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, provisions of the Articles of Association of the Company the Listing Agreement entered into by the Company with the Stock Exchanges where the Shares of the Company are listed, guidelines issued by the Securities and Exchange Board of India (SEBI) and clarifications thereon issued from time to time and subject to the approval of SEBI, Reserve Bank of India (RBI) and all other concerned authorities, wherever applicable, and all such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed by any of them while granting such approvals, permissions and sanctions which may be agreed to by the Board of Directors of the Company or a Committee thereof, the consent of the members be and is hereby accorded to create, offer, issue and allot upto 78,11,856 (Seventy Eight Lakhs Eleven Thousand Eight Hundred and Fifty Six) Equity Shares of Rs.10/- each to the members of the Company who are holding Cumulative Redeemable Preference shares as conversion of such Preference shares into Equity shares, together with the accumulated Dividend thereto, by way of Preferential Allotment at a price of Rs.10/-(Rupees Ten Only), which shall rank pari - passu with the existing equity shares of the Company."

"RESOLVED FURTHER THAT the issue and allotment of Equity shares shall be subject to the provisions of Memorandum and Articles of Association of the Company."

"RESOLVED FURTHER THAT the Board of Directors or Committee thereof, be and are hereby authorized to do all such acts, deeds, things as may be necessary in this regard to give effect to the foregoing."

6. To consider and if thought fit, to pass, with or without modifications, the following resolution, as a Ordinary resolution:

"RESOLVED THAT pursuant to Section 94 and other applicable provisions if any, of the Companies Act, 1956, the consent of the Members subject to the Articles of Association of the Company be and is hereby



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accorded to reclassify the existing Authorized Share Capital of the Company from Rs. 13,00,00,000/- (Rupees Thirteen Crores Only) divided into 1,30,00,000 Equity Shares of Rs.10/- each and Rs.15,00,00,000/- (Rupees Fifteen Crores Only) divided into 15,00,000 Cumulative Redeemable Preference shares of Rs.100/- each, to the following classification:-

Rs. 18,00,00,000 (Rupees Eighteen Crores Only) Equity Share Capital divided into 1,80,00,000 Equity Shares of Rs.10/- each,

Rs. 10,00,00,000/- (Rupees Ten Crores Only) Preference Share Capital divided into 10,00,000 Preference Shares of Rs. 100/- each.”

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

7. To consider and if thought fit, to pass, with or without modifications, the following resolution, as a Ordinary resolution:

“RESOLVED THAT pursuant to the provisions of Section 16 of The Companies Act, 1956 and other provisions, if any, the existing Clause V of Memorandum of Association of the Company be and is hereby replaced with the following:

Rs. 18,00,00,000 (Rupees Eighteen Crores Only) Equity Share Capital divided into 1,80,00,000 Equity Shares of Rs.10/- each,

Rs. 10,00,00,000/- (Rupees Ten Crores Only) Preference Share Capital divided into 10,00,000 Preference Shares of Rs. 100/- each.

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

8. To consider and if thought fit, to pass, with or without modifications, the following resolution, as a Special resolution:

“RESOLVED THAT pursuant to the provisions of Section 31 and other applicable provisions, if any, of the Companies Act, 1956, the Articles of Association of the Company be and are hereby altered by deleting the existing Article 5 and substituting in its place the following:

Rs. 18,00,00,000 (Rupees Eighteen Crores Only) Equity Share Capital divided into 1,80,00,000 Equity Shares of Rs.10/- each.

Rs. 10,00,00,000/- (Rupees Ten Crores Only) Preference Share Capital divided into 10,00,000 Preference Shares of Rs. 100/- each.

“FURTHER RESOLVED THAT Board of Directors of the Company be and are hereby authorized to do all such acts and things as may be necessary to give effect to the above resolution.”

By the Order of the Board

Sd/-

(GUDURU SATYANARAYANA)

MANAGING DIRECTOR

Date: 31.08.2012

Place: Hyderabad

NOTES:

1. Any member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself/herself and the proxy need not be a member of the company.
2. The instrument appointing a proxy, to be effective, should be deposited at the Registered Office of the Company within FORTY EIGHT hours before the Meeting.
3. Members are requested to notify immediately changes in their address, if any.
4. Members are requested to write to the Company for any queries, regarding Accounts, at least ten days before the meeting, to enable the management to keep the information ready at the Meeting.
5. The Register of Members and Share Transfer Books of the Company will remain closed from 25.09.2012 to 29.09.2012 (both days inclusive).
6. The Explanatory Statement under Section 173(2) of the Companies Act, 1956 in respect of Item 5 to 8 is annexed hereto.

EXPLANATORY STATEMENT (UNDER SECTION 173(2) OF THE COMPANIES ACT, 1956)

ITEM NO. 2 and 3:

Brief Profile of the Retiring Directors, who are being appointed at the ensuing Annual General Meeting:

Sri K. Prabhakar Reddy aged about 64 years and resident of Hyderabad. He is a Bachelor of Engineering from Osmania University and has more than 3 decades of experience in Designing and Construction of Residential Colonies, Industrial Buildings and other Projects. He brings to the Company his experience to enable the Company to adopt the latest trends in Designs. He is presently in the Board of M/s. KSA Consultants Private Limited, (Architects and Designers) Hyderabad.

Sri V. Rambhupal Choudary aged about 70 years and resident of Hyderabad. He is a Bachelor of Engineering from Bangalore University. He is having more than 40 years of experience in Construction of Hotels and trading of Petroleum Products in Andhra Pradesh.

ITEM NO. 5:

1. Object – Due to insufficient profits, your Company has arrears of dividend of Rs. 3,34,90,563/- as on 31.03.2012, payable to Preference shareholders. Also the Preference shares of Rs. 4,46,28,000/- are due for redemption since 22.12.08. In the view to clear off these arrears and pending redemption your company has planned to convert the existing Preference shares into 78,11,856 (Seventy Eight Lakhs Eleven Thousand Eight Hundred and Fifty Six) Equity Shares of Rs.10/- each fully paid-up, whereby the outstanding Preference Shares will be redeemed.
2. Pricing - The issue of 78, 11,856 (Seventy Eight Lakhs Eleven Thousand Eight Hundred and Fifty Six) Equity Shares are subject to SEBI-ICDR Regulations in this behalf. Since there is no trading in shares at Stock Exchange, the price for such issue is kept at Rs.10/- per share.
3. Relevant date - Relevant Date for the purpose of issue of Equity Shares has been fixed as 29.08.2012
4. Intention of Promoters/Directors/Key Management persons to subscribe to the issue – None of the Promoters or Directors are the proposed allottees.
5. Time within which the Preferential issue is to be completed – As per ICDR, 2009.
6. Identity of proposed allottees and the percentage of post preferential issue capital that will be held by them:



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A Identification of class of proposed allottees on conversion of Preference shares:

A-1 The 4,46,280 Cumulative Redeemable Preference shares and Accumulated Dividend thereof to be converted into 78,11,856 (Seventy Eight Lakhs Eleven Thousand Eight Hundred and Fifty Six) Equity shares of Rs. 10/- each as fully paid-up at par to the following, as under :

Sl. No.	Name of the Proposed Allottee	Category of Shareholder	Number of Equity Shares
1	Mrs. Usha Rani Guduru	Public	4,37,610
2	Mr. Rajesh Cherukuri & Mrs. Vamsi Cherukuri	Public	16,62,916
3	Shekhar V. Uppalapati	Public	8,69,968
4	Mrs. Neelima Guduru	Public	4,62,116
5	Mr. Venugopal Reddy Pakanati & Mrs. Anuradha Reddy Pakanati	Public	17,50,438
6	Mrs. Suneela Reddy Pakanati & Mr. Rajgopal Reddy Pakanati	Public	17,50,438
7	Mr. Raghavendra Appanagari	Public	8,78,370
	Total		78,11,856

None of the above proposed allottees are holding any shares prior to this proposed preferential allotment which are freely tradable.

A-2: The shareholding and consequent voting rights assuming full allotment of shares to all the proposed allottees, comprised in preferential allotments, is given below:

Category	Pre-Preferential Issue		Post Preferential Issue	
	No. of shares	%	No. of shares	%
Promoters	29,30,464	35.29	29,30,464	18.19
Promoters Friends & Relatives (PAC)	6,00,000	7.22	6,00,000	3.72
Corporate Bodies	19,89,230	23.94	19,89,230	12.34
Overseas Corporate Bodies	2,150	0.03	2,150	0.01
Public	26,82,806	32.30	1,04,94,662	65.11
Employees	1,00,000	1.22	1,00,000	0.63
Total	83,04,650	100%	1,61,16,506	100%

7. No change in the Board of Directors would result as a consequence of this allotment.
8. No change in control of the Company would result as a consequence of this allotment.
- 9. Auditor's certificate** - A certificate as required under SEBI ICDR Regulations, certifying the proposed issue in accordance with the said guidelines has to be obtained from the Auditors of the Company.

ITEM NO. 6, 7 and 8:

Presently, the Company is operating with Authorized Share Capital of Rs.13,00,00,000/- (Rupees Thirteen Crores Only) divided into 1,30,00,000 (One Crore Thirty Lakhs) Equity Shares of Rs.10/- (Rupees Ten Only) each and Rs.15,00,00,000/- (Rupees Fifteen Crores Only) divided into 15,00,000 (Fifteen Lakhs) Cumulative Redeemable Preference shares of Rs.100/- (Rupees Hundred Only) each.

The Company proposes to convert the existing Preference shares into Equity Shares. The Authorized Share capital is proposed to be reclassified due to conversion of Preference Shares into Equity shares which involves redemption of the Cumulative Redeemable Preference shares by way of fresh issue of Equity Shares on preferential basis whereby upto 78,11,856 Equity shares of Rs. 10/- each will be issued. In order to be able to issue the said shares, the existing Preference capital to the extent of Rs. 5,00,00,000 is proposed to be re-classified as Equity share capital. The revised Authorised share capital will be as under:

Rs. 18,00,00,000 (Rupees Eighteen Crores Only) Equity Share Capital divided into 1,80,00,000 Equity Shares of Rs.10/- each,

Rs. 10,00,00,000/- (Rupees Ten Crores Only) Preference Share Capital divided into 10,00,000 Preference Shares of Rs. 100/- each.”

In order to proceed with the above issue for conversion, the approval of the Shareholders of the Company is necessary.

The resolution in item no. 7 and 8 is consequential to resolution in item no.6 in respect of alteration of Memorandum and Articles of Association of the Company.

The Board of Directors of the Company recommends the resolutions for such reclassification of capital..

None of the Directors of the Company is in any way concerned or interested in the resolution.



DIRECTORS' REPORT

To,

The Members

Your Directors are very glad to present the 14th Annual Report of the Company together with the Audited Balance Sheet and Profit and Loss Account for the year ended 31st March 2012.

1. FINANCIAL RESULTS:

Amount in Rs.

Particulars	31.03.2012	31.03.2011
Contract Receipts	16,148,090	22,574,031
Profit/(Loss) before depreciation, Interest and Income Tax (PBDIT)	10,021,558	11,318,292
Interest and Financial charges	8,314,436	9,029,688
Depreciation	415,274	482,680
Net Profit/(Loss)	1,291,848	1,805,924
Provision for Tax	0.00	0.00
Profit after Tax	1,291,848	1,805,924

2. REVIEW OF OPERATIONS:

During the year under review, for the financial year ended 31st March 2012 the revenues decreased to Rs. 16,148,090 due to major slowdown in sales of Apartments in Hyderabad which has not picked up due to many prevailing local circumstances. There has been increase in work in progress of Rs.8,609,740,- as the Company has continued the construction work but unable to complete the project. The net profit also came down to Rs. 1,291,848/- further mainly due to increased finance cost.

3. FUTURE OUTLOOK:

As per the current status the Company's financial position is too tough to go for many projects and there has been a tremendous pressure on financial resources due to projects at Manikonda, Gajularamaram are not able to sell flats and thus resulting in delay in bank repayments, thereby creating additional interest on the loan taken up for the project. Company is deploying its all strength to bring down the tough situation.

There is no improvement trend in construction industry in last two years, there has been declining trend in the real estate business also. The Company is planning to complete all the projects as soon as possible and take up new projects after considering market situations.

4. DIVIDEND:

As there is a huge accumulated loss pertaining to previous years, and those are being set off against current year's profit also to some extent. The yearly profit does not enable any provision for declaration of dividend and there was no transfer of profits to reserves also.

5. DIRECTORS:

In accordance with the provisions of Sections 256 of the Companies Act, 1956, and the provisions of the Articles of Association of the Company, Mr. K. Prabhakar Reddy and Mr. V. Rambhupal Choudary, Directors retire by rotation at the Annual General Meeting and being eligible offers themselves for re-appointment.

6. AUDITORS:

M/s. Rambabu & Co., Chartered Accountants, Statutory Auditors of the Company retire at the ensuing Annual General Meeting. The Company has received consent from them to the effect that their appointment, if made would be within the limits prescribed under Section 224(1B) of the Companies Act, 1956. Members are requested to re-appoint them and authorize the Board to fix their remunerations.

7. FIXED DEPOSITS:

Your Company has not accepted any Fixed deposits from the Public or its shareholders within the meaning of the section 58A of the Companies Act, 1956 during the year under review.

8. DIRECTORS RESPONSIBILITY STATEMENT:

In accordance with the provisions of Sections 271(2AA) of the Companies Act, 1956, your Directors state:

- i) That in the preparation of the Annual accounts, the applicable accounting standards have been followed.
- ii) That your Directors have selected such accounting policies and applied them consistently and made judgment and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit & loss of the Company for that period.
- iii) That your Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies, Act 1956 for safeguarding the assets of your Company and for preventing and detecting fraud and other irregularities.
- iv) That your Directors have prepared the Annual accounts for the financial year ended on 31st March 2012 on a going concern concept.

9. PARTICULARS OF EMPLOYEES:

During the year under review, no employees have drawn their salaries above the limits as specified under Section 217(2A) read with the Companies (Particulars of Employees) Rules, 1975 as amended.

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

- i) Conservation of energy: During the year, the amount of energy consumed by the Company was reasonable and low. Thus there is no need for the Company to undertake any specific measures to conserve energy. However, particulars in this regard are Nil.
- ii) Technology absorption: The Company is mainly into construction business and hence there was not much of any new technology absorbed. Hence the measures for technology absorptions are NIL.
- iii) Foreign exchange Earnings & outgo: (Value in Rs.)

Value of Imports (CIF Basis)	NIL
Expenditure in Foreign currency	NIL
Earnings in Foreign Exchange	NIL



11. SUBSIDIARIES:

There are no subsidiaries to the Company as on date of the report.

12. CUMULATIVE REDEEMABLE PREFERENCE SHARES:

Due to inadequate profits, the Company could not service the Cumulative Redeemable Preference shares issued in June, 2006 nor it could redeem the same on due date. Therefore, it is now proposed to offer to the Preference shareholders to accept conversion of such shares into Equity shares of Rs.10/- each and also issue Equity shares towards Cumulative Dividend as at 31st March, 2012. The Board has considered and approved the proposal upon consent for such conversion from few Preference shareholders and Board recommends passing of enabling resolutions by the Members in ensuing Annual General Meeting and listing of such Equity shares at Stock Exchanges.

13. RESEARCH AND DEVELOPMENT:

The business activity of the company is mainly construction and there is no such requirement of Research and Development except for use of established construction technologies.

14. LISTING:

The shares of your company are listed in Bangalore Stock Exchange and Hyderabad Stock Exchange. The Hyderabad Stock exchange was De-Recognized by SEBI. The Company has duly complied with all the applicable provisions of the Listing agreement. During the year, Company received trading permission from The Bangalore Stock Exchange Ltd., for 50,00,000 shares issued upon conversion of warrants.

15. CODE OF CONDUCT:

The Company has adopted a Uniform Code of Conduct for Directors and senior Management Personnel to ensure ethical standards and further compliance to such standards. The object of the code is to conduct the Company's business ethically with responsibility, integrity, fairness, transparency and honesty.

16. INSURANCE:

The properties and assets of your company are adequately insured.

17. CORPORATE GOVERNANCE CODE:

The code of Corporate Governance promulgated by Securities & Exchange Board of India is being implemented by your Company on a continuous basis. The Report on Corporate Governance as per Clause 49 of the Listing agreement is attached herewith. The Compliance Certificate on Corporate Governance received from Statutory Auditors is also give as an Annexure to this report.

18. 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 estimated shareholders and employees.

By order of the Board

Place: Hyderabad

Date: 31-08-2012

Sd/-

Guduru Satyanarayana
Managing Director

Sd/-

Kodali Vijaya Rani
Director

MANAGEMENT DISCUSSION & ANALYSIS REPORT

Industry Structure & Developments:

The Indian economy is one of the fastest growing economy in the world . Growing at a steady pace, Indian real estate industry has been among the most appealing investment areas for domestic and foreign investors also. The Indian economy grew at a healthy GDP of 8.5% in 2010-11 as against 8.0% in 2009-10. Foreign Institutional Investors inflows increased to US\$ 13.7 billion to reach US\$ 36.7 billion as on 31st March 2011, while foreign exchange reserves grew by US\$ 20 billion to about US\$ 305.49 billion (Source: Prime Minister's Economic Advisory Council). This rapid economic growth placed an increasing pressure on the country's physical infrastructure, reflected in a growing deficit in terms of their existing capacities and growing demand.

However, in the last couple of years the industry faced difficult situations and taking into consideration now, the company has enough growth oriented opportunities to develop in its business sector. Moreover, the company has earned a lot of experience and shall serve the industry in the years to come. The different strategic holders in this are lowered due to market conditions. The year 2012 will be a new challenge and also an opportunity to grab the market in real estate industry, construction contracts, are becoming a good test for the stakeholders.

The company has a strong management team running the business. The company's mission is to build a good-class real estate development company with the quality standards of professionalism, ethics and customer service and to thereby contribute to and benefit from the growth of the economy.

Opportunities and Threats:

India's infrastructure deficiency and rising infrastructure requirements projects rapid growth over the next decade for the Indian Construction Industry. Whilst real estate development and industrial Capital Expenditure are also the drivers for the construction industry, housing infrastructure will be the key demand driver over the years to come.

As a result of experience of several years, the Company is not going full throttle with housing projects due to sluggish demand. The gradient mix of the various construction segments/verticals enables the Company to protect its margins in bad times and improve the same in good times.

Opportunities:

- The boost for housing sector is increasing rapidly.
- Public sector projects through Public Private Partnerships will bring further opportunities.
- Renewable energy projects may assist construction activity
- Financial supports as loan, insurance will enable for growth.

Threats:

- Stagnant and low construction margins
- Shortage of skilled manpower
- Low entry barriers
- Longer working capital cycle
- Rising input costs for cement, steel and other construction materials
- Lack of political willingness and support on promoting new action plans and strategy



Outlook and Future Plans:

As per the current status the Company's financial position is too tough to go for many projects and there has been a tremendous pressure on financial resources due to projects at Manikonda, Gajularamaram are not able to sell flats and thus resulting in delay in bank repayments, thereby creating additional interest on the loan taken up for the project. Company is deploying its all strength to bring down the tough situation.

There is no improvement trend in construction industry in last two years, there has been declining trend in the real estate business also. The Company is planning to complete all the projects as soon as possible and take up new projects after considering market situations.

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. These risks are managed through risk management policies that are designed to minimize the potential adverse effects of these risks on financial performance of the Company. The Risk Management framework of the Company ensures, that the compliance with the requirements of Clause 49 of the Listing Agreement. The framework establishes risk management across all service 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 of the most companies which are in the construction industry:

Market Recession: Slow economic growth could stagger construction activity.

Regulations: The policies, regulations, which effect on the prices and future plans of the business

Project Execution: The project gets delayed due to licenses, permissions, and other statutory requirements.

Human Resources: Lack of trained manpower and managerial skills which are below the expectations

Equipment risk: An inability to mobilize equipment at the right time and at the right site could affect the project schedule and profitability

Competition: Increasing competition could affect profitability

Input Risk: The availability of right quality and quantity of resources are critical for timely project completion.

Financial Closure Risk: An inability of the customer to adequate funds in project delay.

There has also been scarcity of land availability

Natural Disasters: The damages and disaster caused by earthquakes, floods, tsunamis, cyclones, are also risks involved for the industry



INTERNAL CONTROL SYSTEM AND ITS ADEQUACY

The Company has advanced and improved its internal control system by making it more innovative, effective so that error could be detected in 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. These periodical checks and audits are carried out at different levels of organization under the supervision of Audit Committee. The final 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.

The Audit committee comprises of three directors appointed by the Board and they themselves comprise the Board of Directors, so as to ensure total transparency and accountability. Audit committee comprises of one executive director and rest two Independent non-executive Directors. The committee performs the task of review of internal control systems from time to time and also unaudited financials every quarter before recommending them to the Board of Directors.

The Company's Budgetary Control system that ensures economy of operations. It is required to know funds necessary to maintain operations and additional capital to be injected into business could be decided. Moreover, there has been major improvement in monitoring, managing and regulating the cost of the company. The company has also reconfigured the internal control system so as to keep a continuous and regular check on the Assets of the company and protect them from any loss or damages which occur due to unauthorized access and usage.

SHARE CAPITAL

During the year under review, there was no further issue of shares. Thus the paid up capital of the Company stands at Rs.12,76,74,500/- as on 31.03.2012.

SECURED LOANS

Secured loans of the Company stood at Rs.4,71,50,148/- as on 31.03.2012.

FIXED ASSETS

An accumulated Depreciation of Rs.23,81,589/- was charged to the balance Fixed Assets (Gross Block) thereby arriving at a Net Block of Rs.24,14,521/-

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 defer 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.

By order of the Board

Sd/-

Guduru Satyanarayana
Managing Director

Place: Hyderabad

Date: 31-08-2012

CORPORATE GOVERNANCE REPORT

1. COMPANY 'S PHILOSOPHY ON CORPORATE GOVERNANCE

As part of the Quantum Build Tech Limited, 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 along with its Committees undertakes its fiduciary responsibilities to all its stakeholders by ensuring transparency, fairplay 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 for information of all stakeholders.

2. BOARD OF DIRECTORS

As on date, Board consists of 6 Directors,

Composition and Category of Directors

Name	Designation	Category	No. of other Directorships	Attendance at Board Meetings	Attendance at previous AGM
Mr. Guduru Satyanarayana	Managing Director	Executive	Nil	6	Yes
Mr. Manne Rambabu	Whole-Time Director	Executive	Nil	6	Yes
Mrs. Kodali Vijaya Rani	Director	Non-Executive Promoter	1	6	Yes
Mr. Kyatham Prabhakar Reddy	Director	Non-Executive Independent	1	5	Yes
Mr. Vemula Rambhupal Choudary	Director	Non-Executive Independent	1	5	No
Mr. Kanduri Saraswathi Kumar	Director	Non Executive Independent	Nil	6	Yes

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.

3. MEETINGS OF THE BOARD OF DIRECTORS

The Board of Directors met 6 times during the financial year on 13.05.2011, 12.08.2011, 30.08.2011, 30.09.2011, 10.11.2011 & 10.02.2012.

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/initialed by the Chairman within 30 days from the conclusion of the respective meeting.



6. CODE OF ETHICS

The company has prescribed a code of ethics for its Directors and senior management personnel. 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 2011-2012 is given below.

DECLARATION - CODE OF CONDUCT:

This is to confirm that the Board of Directors has laid down the Code of conduct for all the Directors and senior management 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 2011- 2012, as required under Clause 49 of the Listing Agreement with Stock Exchanges.

For Quantum Buildtech Limited

Sd/-

Guduru Satyanarayana

Managing Director

Place: Hyderabad

Date: 31-08-2012

7. BOARD COMMITTEES:

The Board of Directors has set up committees of Directors to deal with the various matters which requires 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 next Board meeting. The Company has constituted three Committees viz. Audit Committee, Remuneration Committee and Shareholders Grievances 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:

Meetings of the Committee and Attendance of the Members during 2011-12	Status	Meetings held	Meetings Attended
Mr. K.Prabhakar Reddy	Chairman	5	5
Mr. V. Rambhupal Choudary	Member	5	4
Mr. K. Saraswati Kumar	Member	5	5

The following are the details of the Director, their attendance at the Audit Committee Meeting held during the year 2011-12.

During the year, five Audit Committee meetings were held respectively on 13.05.2011, 12.08.2011, 30.08.2011, 10.11.2011 & 10.02.2012 .

8. REMUNERATION COMMITTEE:

a. Composition

The Remuneration Committee of the Company is re-constituted with three directors, viz.

Mr. K.Prabhakar Reddy

Mr. V.Rambhupal Choudary

Mr. K.Saraswati Kumar

b. Meetings of the Committee and Attendance

Since there is no change in remuneration paid to Directors, no meeting was held.

c. Remuneration Policy:

The remuneration of Whole-time Directors is fixed by the Remuneration Committee as constituted above. The Non-Executive Directors are not paid any remuneration. The remuneration of Employees other than Whole-time Directors is approved by the Remuneration Committee based on recommendations made to it.



d. Details of remuneration paid to Directors

Particulars	Mr. Guduru Satyanarayana Managing Director		Mr. Manne Rambabu Whole-time Director	
	2011-12	2010-11	2011-12	2010-11
Salary	6,00,000	6,00,000	9,30,000	930,000
Commission	--	---	---	---
Total	6,00,000	6,00,000	9,30,000	930,000

- e. Non-Executive Directors: Non-Executive Directors are only entitled to sitting fees for attending Board and Committee Meetings

9. SHAREHOLDER'S / INVESTOR'S GRIEVANCE COMMITTEE

a. Composition as on date

The Investor's Grievance Committee of the Company has been constituted with Three Directors viz.

Mr. K.Prabhakar Reddy

Mrs. K.Vijaya Rani

Mr. K.Saraswati Kumar

In accordance with the Clause 49(IV) of the Listing Agreement with the Stock Exchange, no grievances of shareholders are pending as on the date of the report.

10. ANNUAL GENERAL MEETINGS

Details of Previous Annual General Meetings

Day	Date	Time	Venue
Tuesday	29th September, 2009	11-30 AM	Film Nagar Cultural Centre, Dr. D. Ramanaidu Building, Road No. 6, Filmnagar, Hyderabad - 500 033
Wednesday	29th September, 2010	12-00 Noon	The Hyderabad Gymkhana, Road No. 2, Banjara Hills, Hyderabad – 500 034
Friday	30th September, 2011	12:30 PM	The Hyderabad Gymkhana, Road No.2, Banjara Hills, Hyderabad – 500 034.

11. 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) 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 1D of the revised Clause 49 of the Listing Agreement with Stock Exchanges.
- (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, 2012."

For and on behalf of the Board

Sd/-

Guduru Satyanarayana

Managing Director

Place: Hyderabad

Date: 31-08-2012

12. **CEO CERTIFICATION:** The Managing Director has given a certificate as contemplated in Clause 49 of the Listing Agreement.

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.

13. MEANS OF COMMUNICATION

The financial results are published by the Company in prescribed format in Financial Express and Andhra Prabha within 48 Hrs of approval of the Board.



14. GENERAL SHAREHOLDERS INFORMATION

- a. 14th Annual General Meeting Schedules: Saturday 29th September, 2012, at 12.00 Noon at The Hyderabad Gymkhana, Road No.2, Banjara Hills, Hyderabad-500034
- b. Financial Calendar year 2012-13

The Financial year of the Company is 1st April to 31st March	
Financial Year Reporting for	Proposed Date
First Quarter Results	on or before 14-08-2012
Second Quarter Results	on or before 14-11-2012
Third Quarter Results	on or before 14-02-2013
Fourth Quarter Results	on or before 14-05-2013
15th Annual General Meeting	September, 2013

- c. Dates of book Closure (Period) : (25.09.2012 to 29.09.2012 (both days inclusive)
- d. Dividend Payment Date : Not Applicable.
- e. Listing Stock Exchanges : Hyderabad Stock Exchange Ltd., (De-recognized)
Bangalore Stock Exchange Ltd.,
- f. The Listing Fee : The listing fees for the year 2012-13 has been paid to Bgse
- g. Stock Code : QSO on HSE
QUANTUM SOF on BgSE
- h. ISIN No. : INE 222B01028
- i. CIN No. : L72200AP1998PLC030071
- j. Market price Data : The shares of the company are currently not traded at any of the specified stock Exchange
- k. Performance Comparison : Not Available (since there is no active trading)
- 15. Registrar & Share Transfer Agents** : Venture Capital & Corporate Investments Pvt. Ltd
12-10-167, Bharat Nagar Colony, Hyderabad-18

16. Distribution of Shareholding as at 31st March 2012:

Category/ No. of shares	Number of holders	% of total holders	Number of shares	% of total shares
Upto 500	2,992	92.00	3,37,511	4.06
501-1000	82	2.52	63,079	0.76
1001-2000	95	2.92	1,32,058	1.59
2001-3000	20	0.62	48,065	0.58
3001-4000	7	0.22	25,120	0.31
4001-5000	8	0.25	38,603	0.46
5001-10000	9	0.28	71,527	0.86
Above 10001	39	1.19	75,88,687	91.38
TOTAL	3,252	100.00	83,04,650	100.00

17. Categorywise Shareholding as at 31st March, 2012

Category	Number of Equity Shares held	% of Shareholding
Promoters	35,30,464	42.51
Corporate Bodies	19,89,230	23.94
Overseas Corporate Bodies	2,150	0.03
Public	27,82,806	33.52
TOTAL	83,04,650	100.00

18. 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 31st March, 2012 a total of 30,59,193 shares i.e about 36.83 % of the total listed shares have been dematerialized.

19. Share Transfer Proces : 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 and returned to the shareholders within 21 days of receipt of lodgment.

20. Outstanding Bonds/Convertible Instruments : Nil

21. Address for Communication : 8-1-405/A/66, Dream Valley, Shaikpet, Hyderabad-500 008
and registered Office Tel No.: 040-23568766 Fax No.: 040-23568990
 Email ID: info@quantumbuild.com



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 conditions of Corporate Governance under Clause 49 of the Listing Agreement with The Bangalore Stock Exchange Limited for the financial year ended on 31st March, 2012. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of certification.

The Compliance of conditions of Corporate Governance is the responsibility of the management. Our examination has been in the manner described 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.

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

- i. All the mandatory conditions stated in Clause 49 of the Listing Agreement as amended.
- ii. the following non-mandatory requirements of the said Clause 49:
 - a. Remuneration Committee

Place: Hyderabad
Date: 31.08.2012

For AJAY S SHRIVASTAVA
Practicing Company Secretary
Sd/-
PROPRIETOR
Membership No – PCS- 3479

AUDITORS' REPORT

To
The Members
QUANTUM BUILD –TECH LIMITED
HYDERABAD.

We have audited the attached Balance Sheet of QUANTUM BUILD-TECH LIMITED, HYDERABAD, as at 31st March 2012, the Statement of Profit and Loss and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

1. As required by the Companies (Auditor's Report) Order, 2003, issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
2. Further to our comments in the annexure referred to in paragraph 1 above, we report that :
 - i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - ii) In our opinion proper books of account as required by law have been kept by the company so far as appears from our examination of those books.
 - iii) The Balance Sheet, Statement of Profit and Loss and Cash Flow statement dealt with by this report are in agreement with the books of account.
 - iv) In our opinion, the Balance Sheet, Statement of Profit and Loss Account and Cash Flow statement read with significant accounting policies and notes thereon, dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 except AS-15 relating to Employee Benefits.
 - v) In our opinion and based on written representation received from Directors, and taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March, 2012 from being appointed as a Director in terms of Clause (g) of sub section (1) to Section 274 of the Companies Act, 1956.
 - vi) Attention is invited to Note No.3.1.1 to Notes on Accounts regarding non-provision of the dividend on 13% cumulative redeemable preference shares amounting to Rs.58,01,640/- for the year and Cumulative dividend amounting to Rs.3,34,90,563/-.
 - vii) Attention is invited to Note No.3.1.1 to Notes on Accounts regarding the redemption of 13% Cumulative Redeemable Preference Shares, The Company has defaulted in redeeming the said preference shares to the extent of Rs.4,46,28,000/- due on 22nd December, 2008.
 - viii) Attention is invited to Note No.14.1(a) and (c) regarding non-provision of dues from the buyers of flats to the extent of Rs.1,13,60,000/- on which a case is pending for cancellation of sale deeds, and Rs.17,80,817/-, the recovery of which is doubtful.
 - ix) Subject to our comments as stated in paragraph (vi) and (vii), above, in our opinion and to the best of our information and according to the explanations given to us, the said accounts read with significant accounting policies and notes thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - a) In so far as it relates to balance Sheet, of the state of affairs of the Company as at 31st March 2012
 - b) In so far as it relates to Statement of Profit and Loss, of the Profit of the Company for the year ended on that date.
And
 - c) In so far as it relates to Cash Flow Statement, of the Cash Flows of the Company for the year ended on that date.

Place: Hyderabad
Date : 31-08-2012

For **RAMBABU & CO.**
Chartered Accountants
Firm Regn. No. 002976S
Sd/-
GVL Prasad
Partner
M.No. 026548



ANNEXURE TO THE AUDITORS' REPORT

(Referred to in our Report of even date)

1. In respect of its Fixed assets:
 - (a) The company has maintained proper records showing full particulars including details and situation of fixed assets.
 - (b) As explained to us, the management has physically verified the Fixed assets during the year and there is a regular programme of verification in phased periodical manner, which in our opinion is reasonable, having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such physical verification.
 - (c) As per the information and explanations given to us, during the year, the company has not disposed off substantial part of the Fixed Assets that would affect the going concern status of the company.
2. In respect of its Inventories:
 - (a) As explained to us, inventories have been physically verified during the year by the management at regular intervals. In our opinion, the frequency of verification is reasonable.
 - (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 are reasonable and adequate in relation to the size of the company and the nature of its business.
 - (c) The company is maintaining proper records of inventories. The discrepancies noticed on verification between the physical stocks and the book records were not material.
3. In respect of loans secured or unsecured, granted or taken by the company to/from companies, firms or other parties covered in the register maintained under section 301 of the Companies act, 1956 :
 - a) During the year the Company has taken a loan of Rs.85,000/- from parties listed in the register maintained under section 301 of the Companies Act, 1956.
 - b) According to the information and explanations given to us, we are of the opinion, the terms and conditions on which loan taken by the company from such parties listed in the register maintained under section 301 of the companies act, 1956 are not, prima facie, prejudicial to the interest of the company.
 - c) There is no overdue amount in-respect of loan taken from parties listed in the register maintained under section 301 of the Companies Act, 1956, the question of statement on the steps taken for payment of the Principal, and overdue amount of more than one lakh does not arise.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business, for the purchase of inventory, fixed assets and for the sale of goods. During the course of audit, based on audit procedures applied, we have not observed any continuing failure to correct major weaknesses in internal controls.
5. In respect of transactions covered under section 301 of the Companies act, 1956:
 - (a) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements, that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.
 - (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the companies Act, 1956 and exceeding the value of Rs. Five Lakhs with one party covered above during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
6. In our opinion and according to the information and explanations given to us, the company has not accepted any Deposits from public to which the directives issued by the Reserve Bank of India and the provisions of sections 58A and 58AA of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 framed there under apply.
7. In our opinion, the company has an independent internal audit system commensurate with the size and nature of its business.
8. The Central Government has not prescribed maintenance of Cost records under Section 209(1)(d) of the Companies act, 1956 .

9. In respect of its statutory dues:
- (a) According to the records of the company and as per the information and explanations given to us, the company is not regular in depositing with appropriate authorities undisputed Statutory dues including Provident fund, Investor education & protection fund, Employee's state insurance, Income tax, Sales tax, Wealth tax, Customs duty, Excise duty, Cess and other material statutory dues applicable to it. According to the information and explanations given to us, there are no undisputed amounts payable in respect of such statutory dues which have remained outstanding as at 31st March, 2012 for a period exceeding six months from the date they became payable except the Tax Deducted at Source Rs.7,76,491/- and Service Tax Rs. 41,73,040/-.
 - (b) According to the information and explanations given to us, there are no disputed dues which have not been deposited with the respective authorities in respect of Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs duty, Excise duty and Cess.
10. In our opinion, the company does not have accumulated loss at the end of the year exceeding fifty percent of its net worth, and has not incurred cash losses during the financial year covered by this report and in the immediately preceding financial year.
11. As per the records of the Company and according to the information and explanations given to us, we are of the opinion that the company has defaulted in repayment of dues to financial institutions to the extent of interest amount Rs.44,50,104/- to PNB Housing Finance Ltd., and Rs.27,04,968/- in respect of Cash Credit Account and Rs. 21,24,000/- in respect of term loan to Axis Bank Ltd.
12. According to the information and explanations given to us, the company has not given any loans and advances on the basis of security by way of pledge of Shares, debentures and other securities.
13. In our opinion, the company is not a chit fund or a nidhi / mutual benefit fund/society. Accordingly the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
14. In our opinion, the company is not dealing in or trading in shares, securities, and debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
15. In our opinion, according to the information and explanations given to us, the company has not given guarantees for loans taken by others from banks or financial institutions.
16. In our opinion, the company has not raised any fresh term loans during the year.
17. In our opinion, according to the information and explanations given to us and on an overall examination of statements and records of the company, that the funds raised on short-term basis have, prima facie, not been used during the year for long-term investment.
18. In our opinion, the company has not made any preferential allotment of shares/securities during the year to parties and companies covered in the register maintained u/s 301 of the Companies Act, 1956.
19. In our opinion, the company has not raised money by way of public issue for any specific purpose during the year.
20. In our opinion, according to the information and explanations given to us, the company has not issued debentures during the period covered by our report and hence the company is not required to create/register/modify any security (charge).
21. According to the information and explanations given to us and based on audit procedures performed, no fraud on or by the Company has been noticed during the year.

Place: Hyderabad
Date : 31-08-2012

For **RAMBABU & CO.**
Chartered Accountants
Firm Regn. No. 002976S

Sd/-
GVL Prasad
Partner
M.No. 026548



QUANTUM BUILD-TECH LIMITED

BALANCE SHEET AS AT 31ST, MARCH 2012

Amount in Rs.

Particulars	Note	As at 31-03-2012	As at 31-03-2011
A EQUITY AND LIABILITIES			
1 Shareholders Funds			
(a) Share Capital	3	127,674,500	127,674,500
(b) Reserves and Surplus	4	(5,354,240)	(6,646,088)
		122,320,260	121,028,4122
2 Non-Current Liabilities			
(a) Long -Term Borrowings	5	27,288,460	32,077,206
		27,288,460	32,077,206
3 Current Liabilities			
(a) Short term Borrowings	6	23,804,968	23,521,707
(b) Trade Payables	7	22,178,653	23,016,190
(c) Other Current Liabilities	8	27,894,852	16,643,698
(d) Short -Term Provisions	9	1,656,423	1,613,923
		75,534,896	64,795,518
TOTAL		225,143,616	217,901,136
B ASSETS			
1 Non -Current Assets			
(a) Fixed Assets	10		
Tangible Assets		2,414,521	2,829,795
		2,414,521	2,829,795
(b) Long-Term Loans and Advances	11	42,301,048	44,800,548
(c) Other Non -Current Assets	12	33,483	89,954
		42,334,531	44,890,502
2 Current Assets			
(a) Inventories	13	138,039,347	128,302,130
(b) Trade Receivables	14	32,494,143	33,394,143
(c) Cash and Cash Equivalents	15	844,161	181,372
(d) Short -Term Loans and Advances	16	9,016,913	8,303,194
		180,394,564	170,180,839
TOTAL		225,143,616	217,901,136
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.002976S

For and on behalf of the Board

GVL Prasad
Partner
Membership No.026548
Place : Hyderabad
Date : 31-08-2012

Guduru Satyanarayana
Managing Director

Kodali Vijaya Rani
Director

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST, MARCH 2012

Amount in Rs.

Particulars	Note	For the Year Ended 31-03-2012	For the Year Ended 31-03-2011
CONTINUING OPERATIONS			
1 Revenue from Operations	17	16,148,090	22,574,031
Total		16,148,090	22,574,031
2 Expenses			
(a) Cost of Materials Consumed	18.a	3,967,705	2,798,205
(b) Cost of Labour charges	18.b	4,127,595	1,044,509
(c) Changes in Contracts Work-in-Progress	18.c	(8,609,740)	877,590
(d) Employee Benefits Expenses	19	2,748,728	2,656,190
(e) Finance Costs	20	8,314,436	9,029,688
(f) Depreciation and Amortisation Expenses		415,274	482,680
(g) Other Expenses	21	3,892,244	3,879,245
Total		14,856,242	20,768,107
3 Profit before tax		1,291,848	1,805,924
4 Less : Provision for Current Tax		-	-
5 Profit for the year		1,291,848	1,805,924
6 Earnings Per Share (Nominal Value of Rs.10/- each)			
(a) Basic		0.16	0.22
(b) Diluted		0.16	0.22
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.002976S

For and on behalf of the Board

GVL Prasad
Partner
Membership No.026548
Place : Hyderabad
Date : 31-08-2012

Guduru Satyanarayana
Managing Director

Kodali Vijaya Rani
Director



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012

S.No	Particulars	For the Year Ended 31-03-2012 Rs. in Lakhs	For the Year Ended 31-03-2011 Rs. in Lakhs
A	Cash flow from operating activities		
	Net Profit before tax	12.92	18.06
	<i>Adjustments for:</i>		
	Depreciation and amortisation	4.15	4.83
	Loss on Sale of Fixed Asset	-	1.88
	Operating profit / (loss) before working capital changes	17.07	24.77
	<i>Changes in working capital:</i>		
	Inventories	(97.37)	8.57
	Trade receivables	9.00	(40.14)
	Loans & Advances	18.42	(88.67)
	Trade payables	(8.37)	(54.00)
	Other current liabilities	112.51	26.82
	Short-term provisions	0.42	0.39
	Net cash flow from / (used in) operating activities (A)	51.68	(122.26)
B	Cash flow from Investing Activity		
	Sale of Fixed Asset	-	2.08
	Net Cashflow from Investing Activity (B)	-	2.08
C	Cash flow from financing activities		
	Proceeds from Long-term borrowings	(45.05)	113.54
	Net cash flow from / (used in) financing activities (C)	(45.05)	113.54
	Net increase / (decrease) in Cash and cash equivalents (A+B+C)	6.63	(6.64)
	Cash and cash equivalents at the beginning of the year	1.81	8.45
	Cash and cash equivalents at the end of the year	8.44	1.81
	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.002976S

For and on behalf of the Board

GVL Prasad
Partner
Membership No.026548
Place : Hyderabad
Date : 31-08-2012

Guduru Satyanarayana
Managing Director

Kodali Vijaya Rani
Director

1 CORPORATE INFORMATION

Quantum Build-Tech Limited is an independent company. The business activity of the company is Construction of Housing & Development of Infrastructure for residential segment. The Company carrying activities from its registered office situated at H.No.8-1-405/A/66, Dream VIlley , Near OU Colony, Shaikpet, Hyderabad - 500 008.

2 SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of accounting and preparation of financial statements

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 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

Depreciation on Tangible assets has been provided on straight line method (SLM) as per rates specified in schedule XIV of the companies Act, 1956.

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

2.11 Earnings per share

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

2.12 Taxes on income

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

2.13 Impairment of assets

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

2.14 Provisions and contingencies

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



Notes forming part of the Financial Statements

3 Share Capital

Amount in Rs.

Particulars	As at 31-03-2012	As at 31-03-2011
(a) Authorised		
1,30,00,000 Equity shares of Rs.10/- each with voting rights (Previous year 1,30,00,000 Equity shares of Rs.10/- each with voting rights)	130,000,000	130,000,000
15,00,000 Cumulative Redeemable preference shares of Rs.100/- each (Previous year 15,00,000 Cumulative redeemable preference shares of Rs.100/- each)	150,000,000	150,000,000
Total	280,000,000	280,000,000
3.1 (b) Issued , Subscribed & fully paid up		
83,04,650 Equity shares of Rs. 10/-each with voting rights	83,046,500	83,046,500
4,46,280-13% Cumulative Redeemable preference shares of Rs.100/- each	44,628,000	44,628,000
Total	127,674,500	127,674,500

3.1.1 All Equity shares issued by the Company carry equal voting and participatory rights.
13% Cumulative Redeemable preference shares of Rs.4,46,28,000/- is due for redemption on 22-12-2008, However these preference shares were not redeemed. During the year the company has not made provision for dividend on 13% Cumulative Redeemable preference shares amounting to Rs.58,01,640/- due to insufficient profits. Arrears of Cumulative dividend on redeemable preference shares as at 31st March 2012 is Rs.3,34,90,563/- (as at 31st March 2011 is Rs.2,76,88,923/-)

3.1.2 Particulars	As at 31-03-2012	As at 31-03-2011
Equity shares at the beginning of the year	8,304,650	8,304,650
Add: Issued during the year	--	--
Equity shares at the end of the year	8,304,650	8,304,650

3.1.3 Details of Shareholders holding more than 5% shares

Name of the share holder	As at 31.03.2012		As at 31.03.2011	
	No of shares	% held	No of shares	% held
Punukollu Kodanda Rambabu	1,085,114	13.07	1,085,114	13.07
Kodali Vijaya Rani	1,845,350	22.22	1,845,350	22.22
M/s.Geekeyar Developers Pvt Ltd	1,200,000	14.45	1,200,000	14.45
M/s.Pancom Marketing Pvt Ltd	650,000	7.82	650,000	7.82
M/s.Vijaya Madhavi Investments Pvt Ltd	550,000	6.62	550,000	6.62

4 Reserves and Surplus		Amount in Rs.	
Particulars		As at 31-03-2012	As at 31-03-2011
(A) Capital Reserve (Refer Note 4.1)	A	3,500,000	3,500,000
(B) Statement of Profit & Loss			
Opening Balance		(10,146,088)	(11,952,012)
Add : Surplus / (Deficit) in statement of Profit & Loss		1,291,848	1,805,924
Closing Balance	B	(8,854,240)	(10,146,088)
Total (A+B)		(5,354,240)	(6,646,088)

4.1 The Company has forfeited 17,50,000 share warrants of Rs.2/- paid, for non payment of balance amount.

5 Long-Term Borrowings		As at 31-03-2012	As at 31-03-2011
Particulars			
(A) Term loans			
From banks			
Axis Bank Ltd- Term Loan (Refer Note 5.1)		4,579,046	3,955,046
PNB Housing Finance Ltd (Refer Note 5.2)		18,450,104	21,156,130
	A	23,029,150	25,111,176
(B) Unsecured			
From Directors		235,000	150,000
From Others		4,000,000	6,500,000
	B	4,235,000	6,650,000
(C) Deferred payment liabilities			
Secured			
Axis Bank Ltd - Hire Purchase Loan (Refer Note 5.3)	C	24,310	316,030
Total (A+B+C)		27,288,460	32,077,206

5.1 The Company has taken overdraft facility from Axis Bank Ltd., Jubilee Hills branch, in November, 2006 for an amount of Rs.200.00 Lacs, part of the overdraft has been converted into Term Loan by the bank in November, 2008 for an amount of Rs.50.00 Lacs at an interest rate of 14.25%. The said term loan is secured by equitable mortgage of 1320 & 1095.89 Sq.yds of company own land in Jaihind Nagar, Shaikpet, Hyderabad and also equitable mortgage of land & building at Plot No.66, Dream Valley, Shaikpet, Hyderabad, in the name of K.Vijaya Rani & P.Vamsidhar. The loan is repayable in 60 monthly installments of Rs.1,16,990/-each from the date of conversion. The company has paid 20 monthly installments upto september 2010. During the year Company has paid an amount of Rs.3,00,000/-as per the order of Debts Recovery Tribunal. The term loan facility is further secured by personal guarantees of Sri P.Kodanda Rambabu, Smt. K.Vijaya Rani & Sri P.Vamsidhar



5.2 The Company has utilised Term loan from PNB Housing Finance Ltd., Lakdikapul branch, in April, 2008 for an amount of Rs.200.00 Lacs at an interest rate of 14.50% p.a. The said term loan is secured by equitable mortgage of 7744 Sq.Yds of land belonging to Smt.T.Vijaya Lakshmi who entered into developement agreement with the company for the development of Quantum Heights residential complex at Gajulamaram. The term loan shall be repayable in 16 monthly installments commencing after 12 months of 1st disbursement of loan. During the year the Company has paid an amount of Rs.60,00,000/- as per the order of Debts Recovery Tribunal.

The term loan facilities are further secured by personal guarantees of Sri G. Satyanarayana, Sri P. Kodanda Rambabu, and Smt. K.Vijaya Rani.

5.3 The company has taken a loan from Axis Bank Ltd Rs.4.25 lacs in the year 2008 for purchase of car at an interest rate of 12.00% on a monthly reducing basis. The said loan is secured by way of hyphothecation of the same asset on which loan taken.The said loan is repayable in 36 monthly equal instalments.

6 Short-Term Borrowings		<i>Amount in Rs.</i>	
Particulars	As at 31-03-2012	As at 31-03-2011	
(a) Loans repayable on demand			
From Banks			
Axis Bank Ltd - Cash Credit (Refer Note 6.1)	17,404,968	15,521,707	
(b) From Other Parties			
Secured			
Others (Refer Note 6.2)	6,400,000	8,000,000	
Total	23,804,968	23,521,707	

6.1 The Company has taken overdraft facility from Axis Bank Ltd., Jubilee Hills branch, in November,2006 for an amount of Rs.200.00 Lacs, (Out of it Rs.50.00 Lacs has been converted into Term loan in November, 2008) at an interest rate of 12.00% p.a. The said overdraft facilities are secured by equitable mortgage of 1320 & 1095.89 Sq.yds of Company own land in Jaihind Nagar, Shaikpet, Hyderabad and also equitable mortgage of land & building at Plot No.66, Dream Valley, Shaikpet, Hyderabad, in the name of Smt. K .Vijaya Rani & Sri P. Vamsidhar.

The said overdraft facilities are further secured by personal guarantees of Smt. K.Vijaya Rani & Sri P.Vamsidhar

6.2 The Company has taken loan of Rs.80.00 lacs from Mr.G.S.R Krishna Murthy by offering mortgage of 6 apartments in Jaihind Valley at manikonda with an interest rate at 12.00% p.a. which will be repayable on demand.

7 Trade Payables			
Particulars	As at 31-03-2012	As at 31-03-2011	
Sundry Creditors for Materials	4,601,834	5,123,402	
Sundry Creditors for Works	7,555,701	10,270,474	
Sundry Creditors for Services	10,021,118	7,622,314	
Total	22,178,653	23,016,190	

8 Other Current Liabilities		Amount in Rs.	
Particulars	As at 31-03-2012	As at 31-03-2011	
(A) Current maturities of long term debts			
From Banks			
Secured - Axis Bank Ltd (Refer Note 8.1)	291,720	347,599	
	291,720	347,599	A
(B) Other Payables			
Outstanding Liabilities	412,697	494,115	
Others	241,430	241,430	
	654,127	735,545	B
(C) Statutory Payables			
Professional Tax	1,980	585	
Service Tax	4,831,881	4,173,040	
TDS	1,259,458	833,474	
VAT	294,397	13,791	
	6,387,716	5,020,890	C
(D) Advances from Customers	17,150,690	8,592,007	D
(E) Interest Accrued	3,410,599	1,947,657	E
Total (A+B+C+D+E)	27,894,852	16,643,698	

8.1 The Company has taken a loan from Axis Bank Ltd., Rs.10.80 lacs in the year 2008 for purchase of car at an interest rate of 13.00% on a monthly reducing basis. The said loan is secured by way of hypothecation of the same asset on which loan taken. The said loan is repayable in 60 monthly equal instalments. The Company has paid 47 installments as at 31st March, 2012.

9 Short-Term Provisions			
Particulars	As at 31-03-2012	As at 31-03-2011	
(a) Provision for employee benefits			
Provision for Gratuity (Refer Note 9.1)	251,433	208,933	
(b) Provision for unexecuted contracts	1,404,990	1,404,990	
Total	1,656,423	1,613,923	

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

NOTE NO. 10

Amount in Rs.

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As on 1-4-2011	Additions during the year	Deletions during the Year	Balance 31-3-2012	Balance as on 1-4-2011	Deletions during the Year	For the year	Total upto 31-3-2012	As at 31-3-2011	As at 31-3-2012
TANGIBLE ASSETS										
Computers	501,152	--	--	501,152	462,263	--	13,831	476,094	38,889	25,058
Construction Equipment	149,463	--	--	149,463	31,579	--	7,099	38,678	117,884	110,785
Furniture & Fixtures	223,007	--	--	223,007	73,585	--	14,116	87,701	149,422	135,306
Office Equipment	112,166	--	--	112,166	34,771	--	7,100	41,871	77,395	70,295
Vehicles	3,194,502	--	--	3,194,502	1,113,373	--	303,478	1,416,851	2,081,129	1,777,651
Centring Materials	615,820	--	--	6,15,820	250,744	--	69,649	320,393	365,076	295,427
Total	4,796,110	--	--	4,796,110	1,966,315	--	415,274	2,381,589	2,829,795	2,414,521
Previous year	5,383,026	--	586,916	4,796,110	1,674,499	190,863	482,680	1,966,315	3,708,527	2,829,795

11 Long-Term Loans and Advances		Amount in Rs.	
Particulars	As at 31-03-2012	As at 31-03-2011	
(A) Loans and advances			
Unsecured Considered good			
Advance for Land	35,600,000	38,100,000	
Others	6,554,200	6,554,200	
	A	42,154,200	44,654,200
(B) Loans and advances to employees			
Unsecured, considered good			
	B	119,710	119,210
(C) TDS Receivable			
Unsecured considered good			
TDS Receivable (Net of Provision)			
	C	27,138	27,138
Total (A+B+C)		42,301,048	44,800,548

12 Other Non-Current Assets			
Particulars	As at 31-03-2012	As at 31-03-2011	
Unaccrued Hire purchase charges	33,483	89,954	
Total	33,483	89,954	

13 Inventories			
Particulars	As at 31-03-2012	As at 31-03-2011	
Contracts work - in - Progress	97,963,226	89,353,486	
Project Land	40,076,121	38,948,644	
Total	138,039,347	128,302,130	

14 Trade Receivables			
Particulars	As at 31-03-2012	As at 31-03-2011	
Trade receivables outstanding for a period exceeding six months from the date they were due for payment			
Unsecured, considered good (Refer Note 14.1)	32,119,143	21,774,447	
Others	375,000	11,619,696	
Total	32,494,143	33,394,143	



- 14.1 a) Debtors exceeding six months includes an amount of Rs.1,13,60,000/- against which the company has filed civil suit for cancellation of sale deeds executed by the company relating to sale of 4 semi finished flats situated at Sy No.159,160 &162 (part),Manikonda village, Rajendra Nagar Mandal, R. R. District, as the buyer has not complied with the terms of sale deed.
- b) The Company has filed a case U/s.138 of Negotiable Instruments Act for recovery of Rs.3,05,089/- due from a customer.
- c) Debtors exceeding six months includes an amount of Rs.17,80,817/-, the recovery of which is doubtful.
- d) Debtors exceeding six months includes an amount of Rs.80,46,141/- against which the company has executed sale deeds relating to sale of 3 flats situated at Sy No.159,160&162 (part), Manikonda village, Rajendra Nagar Mandal, R R District, and the dues are yet to receive.
- e) However the management is confident of winning the cases / recovering the dues and openioned no provision is required in the books.

15 Cash and Cash Equivalents		Amount in Rs.	
Particulars	As at 31-03-2012	As at 31-03-2011	
(a) Cash			
Cash on hand	666,644	84,298	
(b) Balances with Banks in Current accounts			
(i) Karur Vysya Bank Ltd	147,151	66,508	
(ii) Punjab National Bank Ltd	20,366	20,566	
(iii) Axis Bank Ltd - ESW Preferential Issue account	10,000	10,000	
Total	844,161	181,372	

16 Short-Term Loans and Advances			
Particulars	As at 31-03-2012	As at 31-03-2011	
(A) Loans and advances			
Unsecured Considered good	5,186,680	3,581,680	
Rent Deposit	1,100,000	1,100,000	
Electricity Deposit	29,074	29,074	
Other Deposits	215,309	215,309	
	A	6,531,063	4,926,063
B) Advance paid for Works			
Unsecured Considered good	B	2,485,850	3,377,131
Total (A+B)		9,016,913	8,303,194

17 Revenue from Operations		Amount in Rs.	
Particulars	As at 31-03-2012	As at 31-03-2011	
Sale of Residential Flats (Gross)	16,975,000	23,730,000	
Less:			
Service Tax	658,841	921,017	
Sales Tax	168,069	234,952	
Net Sales Total	16,148,090	22,574,031	

18. a Cost of Materials Consumed		
Particulars	As at 31-03-2012	As at 31-03-2011
Cost of Materials Purchased	3,967,705	2,798,205
Total	3,967,705	2,798,205

18. b Cost of Labour Charges		
Particulars	As at 31-03-2012	As at 31-03-2011
Labour charges	4,127,595	1,044,509
Total	4,127,595	1,044,509

18. c Changes in Inventories of Work-in-Progress		
Particulars	As at 31-03-2012	As at 31-03-2011
Inventories at the End of the Year		
Work - in - Progress	97,963,226	89,353,486
Inventories at the Beginning of the Year		
Work-in-Progress	89,353,486	90,231,076
Net (Increase) / Decrease	(8,609,740)	877,590

19 Employee Benefits Expenses		
Particulars	As at 31-03-2012	As at 31-03-2011
Salaries & Wages	2,635,758	2,578,417
Contributions to Gratuity	42,500	39,500
Staff welfare expenses	70,470	38,273
Total	2,748,728	2,656,190



QUANTUMBUILD-TECH LIMITED

20 Finance Cost		Amount in Rs.	
Particulars	As at 31-03-2012	As at 31-03-2011	
(a) Interest on			
(i) Term Loan	3,917,974	3,159,588	
(ii) Working Capital Loan	2,183,261	2,924,622	
(iii) Hire Purchase Loan	56,471	100,404	
(iv) TDS & Others	1,798,032	2,808,531	
(b) Bank charges	358,698	36,543	
Total	8,314,436	9,029,688	

21 Other Expenses			
Particulars	As at 31-03-2012	As at 31-03-2011	
Other Expenses			
Power and fuel	267,617	283,019	
Rent	984,000	738,000	
Repairs and Maintenance	36,332	13,968	
Insurance	37,362	68,178	
Rates and taxes	499,100	273,790	
Communication	177,525	194,238	
Consultancy & Professional	379,341	273,905	
Payment to Auditors	100,000	100,000	
Travelling and conveyance	491,458	779,776	
Printing and stationery	69,161	91,237	
Freight & Transport charges	38,570	40,477	
Sales commission	100,000	-	
Business Promotion Expenses	12,450	10,966	
Advertisement Expenses	50,934	51,164	
Board Meeting Expenses	3,160	7,529	
Festival Expenses	1,243	1,664	
Membership & Subscription	5,738	9,196	
News Papers , Books & Periodicals	5,415	5,133	
Office Maintenance	32,846	49,226	
Miscellaneous Expenses	28,188	50,144	
Postage & Courier	21,535	23,574	
Vehicle Maintenance	550,269	626,009	
Loss on sale of Asset	-	188,052	
Total	3,892,244	3,879,245	

21 Other expenses (contd.)		<i>Amount in Rs.</i>	
Particulars	As at 31-03-2012	As at 31-03-2011	
(i) Payments to the auditors comprises (Excluding Service tax)			
Statutory Audit Fee	75,000	75,000	
Tax Audit Fee	25,000	25,000	
Total	100,000	100,000	

22			
Particulars	As at 31-03-2012	As at 31-03-2011	
Net profit attributable to equity Share holders	1,291,848	1,805,924	
No of Equity Shares	8,304,650	8,304,650	
Basic and Diluted Earning Per Share Rs.	0.16	0.22	

23 Contingent Liabilities :			
a) Contingent liability on account of works contracts is Rs.994836/- (Previous Year Rs.994836/-)			
b) Capital commitments on account of unexecuted contracts (Land Development Agreements) are estimated at Rs.513 lakhs (Previous year Rs.537 lakhs)			
c) Disputed seigniorage fees liability of Rs.28.43 lakhs (Fees Rs.4.77 lakhs and penalty of Rs.23.66 lakhs) for which revision petition has been filed by the company.			

24 Related Party Disclosures			
Particulars			
Associate Company	:	M/s. Vijaya Madhavi Investments Pvt Ltd	
Key Management Personnel	:	Mr. G. Satyanarayana Mr. M. Rambabu	
Relatives of Key Management Personnel	:	Mr. G. Krishna Mrs. G.Hima Bindu Mr. G. Ratan Chand Mrs. M.V.R. Jyothi Sree Mrs. M. Prameela Rani	



25 Transactions with Key Management Persons and their Relatives		<i>Amount in Rs.</i>	
Particulars	As at 31-03-2012	As at 31-03-2011	
Remuneration	1,530,000	1,530,000	
Rent	1,344,000	1,344,000	
Car Hire Charges	360,000	360,000	
Balances Payable	9,176,088	6,090,870	
Balances Receivable	714,832	714,832	

26 Confirmations are not received in respect of the amounts relating to trade receivables, trade payables, loans & advances.

27 The Revised Schedule VI has become effective from 1st April, 2011 for the preparation of financial statements. This has significantly impacted the disclosure and presentation made in the financial statements. 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 Rupee.

In terms of our report of even date attached
For Rambabu & Co
Chartered Accountants
Firm Regn No.002976S

For and on behalf of the Board

GVL Prasad
Partner
Membership No.026548
Place : Hyderabad
Date : 31-08-2012

Guduru Satyanarayana
Managing Director

Kodali Vijaya Rani
Director

QUANTUM BUILD-TECH LIMITED

Regd. Office: 8-1-405/A/66, Dream Valley, Near OU Colony, Shaikpet, Hyderabad - 500 008.

ATTENDANCE SLIP

(To be handed over at the Entrance of the Meeting Hall)

14TH ANNUAL GENERAL MEETING

I hereby record my presence at the **14th Annual General Meeting** of the Company held at The Hyderabad Gymkhana, Road No.2, Banjara Hills, Hyderabad - 500 034 on **Saturday, the 29th September, 2012 at 12-00 Noon.**

Full Name of the Member (in Block Letters) _____

Reg. Folio No. _____

Full Name of the Proxy (in Block Letters) _____

Member's / Proxy's Signature _____

QUANTUM BUILD-TECH LIMITED

Regd. Office: 8-1-405/A/66, Dream Valley, Near OU Colony, Shaikpet, Hyderabad - 500 008.

PROXY FORM

14TH ANNUAL GENERAL MEETING

Reg. Folio No. _____ No. of Shares held _____

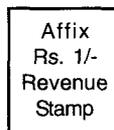
I / We _____ being Member/Members of **QUANTUM BUILD-TECH LIMITED**

hereby appoint _____ of _____

as failing him _____ of _____ as my/

our proxy to vote for me/us on my/our behalf at the **14th Annual General Meeting** of the Company held at Hyderabad Gymkhana, Road No.2, Banjara Hills, Hyderabad - 500 034 on **Saturday, the 29th September, 2012 at 12-00 Noon.**

Signed this _____ day of _____ 2012



Signature _____

Note: This form duly completed and signed should be deposited at the Registered Office of the company not later than 48 hours before the meeting

If undelivered, please return to :

M/s. QUANTUM BUILD-TECH LTD.

8-1-405/A/66, Dream Valley, Near OU Colony
Shaikpet, Hyderanad - 500 008.