



# **QUANTUM BUILD-TECH LIMITED**

15<sup>th</sup> Annual Report  
2012-13



# 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. SRIPATHI RAM REDDY	- 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](mailto: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 Fifteenth Annual General Meeting of the members of QUANTUM BUILD-TECH LIMITED will be held on Monday, the 30th September, 2013 at 12.00 Noon at Film Nagar Cultural Centre, Dr. D. Ramanaidu Building, Road No.6, Film Nagar, Jubilee Hills, Hyderabad- 500033 to transact the following the following business:-

### ORDINARY BUSINESS

1. To consider and adopt the Audited Balance Sheet as on 31st March, 2013 and the Audited Profit and Loss Account for the year ended 31st March, 2013 together with the reports of Directors and Auditors thereon.
2. To appoint a Director in place of Mrs. K. Vijaya Rani who retires by rotation and being eligible offers herself for reappointment.
3. To appoint a Director in place of Mr. M. Rambabu, 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 resolution as 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 from the conclusion of the ensuing Annual General Meeting 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 modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT Mr. S. Ram Reddy, who was appointed as an Additional Director with effect from 10th November, 2012 on the Board of the Company in terms of Section 260 of the Companies Act, 1956, and as per the Articles of Association of the Company and who holds office up to this Annual General meeting, and in respect of whom notice has been received from a member in writing, under Section 257 of the Companies Act, 1956, proposing his candidature for the office of the Director, be and is hereby appointed as the director of the Company liable for rotation”.

6. To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED that pursuant to the provisions of Sections 198, 269, 309, 310 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, the Company hereby approves the appointment and terms of remuneration of Mr. G. Satyanarayana, as Managing Director for a period of five years with effect from 1st September, 2012 upon the terms and conditions the details of which are given below, with liberty to the Board of Directors (hereinafter referred to as “the Board” which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this Resolution) to alter and



vary the terms and conditions of the said appointment and / or Agreement in such manner as may be agreed to between the Board of Directors and Mr. G. Satyanarayana, subject to the same not exceeding the limits specified under Schedule XIII to the Companies Act, 1956 or any statutory modification(s) or re-enactment thereof.

I. Particulars of Remuneration:

- i. Salary (including dearness and all other allowances) ₹77,500/- per month.
- ii. Perquisites and allowances whose aggregate value shall not exceed ₹9,00,000/- per annum.

“Perquisites and Allowances include accommodation (furnished or otherwise) or house rent allowance in lieu thereof; House maintenance allowance, together with the reimbursement of expenses or allowances for utilities such as gas, electricity, water, furnishings, repairs, servants’ salaries, society charges and property tax; medical reimbursement, medical / accident insurance, leave travel concession for self and family; club fees; contribution to any statutory fund including provident fund, superannuation fund, gratuity fund etc. and such other perquisites and allowances in accordance with the Rules of the Company or as may be agreed to by the Board of Directors and Mr. Guduru Satyanarayana”.

“RESOLVED FURTHER that the Board be and is hereby authorized to take all such steps as may be necessary, proper or expedient to give effect to this resolution”.

7. To Consider and, if thought fit, to pass with or without the modifications, the following resolution as an Ordinary Resolution.

“RESOLVED that pursuant to the provisions of Sections 198, 269, 309, 310 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, the Company hereby approves the appointment and terms of remuneration of Mr. Manne Rambabu, as Director-Technical for a period of five years with effect from 1st September, 2012 upon the terms and conditions the details of which are given below, with liberty to the Board of Directors (hereinafter referred to as “the Board” which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this Resolution) to alter and vary the terms and conditions of the said appointment and/or Agreement in such manner as may be agreed to between the Board of Directors and Mr. Manne Rambabu, subject to the same not exceeding the limits specified under Schedule XIII to the Companies Act, 1956 or any statutory modification(s) or re-enactment thereof.

I. Particulars of Remuneration:

- i. Salary (including dearness and all other allowances) ₹77,500/- per month.
- ii. Perquisites and allowances whose aggregate value shall not exceed ₹9,00,000/- per annum.

“Perquisites and Allowances include accommodation (furnished or otherwise) or house rent allowance in lieu thereof; House maintenance allowance, together with the reimbursement of expenses or allowances for utilities such as gas, electricity, water, furnishings, repairs, servants’ salaries, society charges and property tax; medical reimbursement, medical/accident insurance, leave travel concession for self and family; club fees; contribution to any statutory fund including provident fund, superannuation fund, gratuity fund etc. and such other perquisites and allowances in accordance with the Rules of the Company or as may be agreed to by the Board of Directors and Mr. Manne Rambabu.

RESOLVED FURTHER that the Board be and is hereby authorized to take all such steps as may be necessary, proper or expedient to give effect to this resolution”.

By Order of the Board

Date: 31.08.2013

(Guduru Satyanarayana)

Place: Hyderabad

Managing Director

## NOTES

1. Any member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself 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 commencement of the meeting.
3. Members are requested to notify immediately changes in their address, if any.
4. The Register of Members and Share Transfer Books of the company will remain closed from 25.09.2013 to 30.09.2013 (Both days inclusive).
5. 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 to the meeting.
6. The explanatory Statement under Section 173(2) of the Companies Act, 1956 in respect of the item no. 5 to 7 is annexed hereto.

## EXPLANATORY STATEMENT

(PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956)

### Item No. 5

Mr. SRIPATHI RAM REDDY was appointed as the Additional Director of the Company with effect from 10th November, 2012 by the Board of Directors of the Company pursuant to the provisions of Section 260 of the Companies Act, 1956.

Mr. Sripathi Ram Reddy holds vast experience in the fields of construction and financial management services. Further, Mr. Sripathi Ram Reddy does not hold any Directorships in any other Company.

Under Section 257 of the Companies Act, 1956, a notice in writing has been received from a member signifying his intention to propose Mr. Ram Reddy as a Director of the Company along with a deposit of ₹500/- as request under the aforesaid Section.

None of the Directors of the Company are in any way concerned / interested in the resolution.

The Board of Directors recommend the resolution for your approval.



## Item No. 6

As the existing tenure of Mr. G. Satyanarayana was set to expire on 30th August, 2012, the Board has re-appointed him as Managing Director of the Company for a period of Five years with effect from 01.09.2012. The Board accepted the recommendation of the Remuneration Committee and approved the remuneration of Mr. G. Stayanarayana with effect from date of reappointment as per the particulars given in the resolution.

A brief profile of Mr. G. Satyanarayana is given elsewhere in the Notice.

None of the Directors other than Mr. G. Satyanarayana is interested in the resolution.

The Board of Directors commends the resolution for your approval.

## Item No. 7

The Board of Directors of the Company re-appointed Mr. Manne Rambabu as Director-Technical of the Company with effect from 1st September, 2012. The Board at its meeting held on 31-08-2012, accepted the recommendation of the Remuneration Committee and approved the remuneration of Mr. Manne Rambabu with effect from 01-09-2012 as per the particulars stated in the resolution.

A brief profile of Mr. M. Rambabu is given elsewhere in the Notice.

None of the Directors other than Mr. M. Rambabu is interested in the resolution.

The Board of Directors commends the resolution for your approval.

Brief Profile of Directors who are being reappointed at the ensuing Annual General Meeting:

1. Mr. Manne Rambabu is aged about 66 years and resident of Hyderabad. He is having qualification of LCE from Govt. Polytechnic and having more than 3 decades of experience in National Thermal Power Corporation, Hyderabad and retired as Senior Manager-construction.
2. Mrs. Kodali Vijayarani is aged about 64 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 & administration of Educational institutions. Presently she is working as Principal in V.R.S & V.J Residential School, Bachupally, Hyderabad.
3. Mr. G. Satyanarayana is aged about 66 years and he is a Bachelor of Engineering from Osmania University and has more than 3 decades of experience. Executed many civil works like excavation of canals, construction of residential as well as commercial houses, construction of bridges & roads for public sector undertakings like NTPC (National Thermal Power Corporation), Singareni Collieries, MES (Military Engineering Services), Public Works Departments for the states of Gujarat, Madhya Pradesh, and Andhra Pradesh. He has developed commercial complexes like Pancom Chambers at Rajbhavan Road, Somajiguda, Hyderabad and Pancom Business Centre at Ameerpet, Hyderabad and also Developed Dream Valley, a prestigious Residential Township, located in the vicinity of Jubilee Hills & Gachibowli Hyderabad, Andhra Pradesh, India.

## DIRECTORS' REPORT

To,  
The Members

Your Directors hereby present the Fifteenth Annual Report of the Company together with the Audited Balance Sheet and Profit and Loss Account for the year ended 31st March 2013.

### 1. FINANCIAL RESULTS:

The financial performance of the Company, for the year ended 31st March, 2013 is summarized below:

Amount in ₹

Particulars	31.03.2013	31.03.2012
Contract Receipts	14,159,934	16,148,090
Profit/(Loss) before depreciation, Interest and Income Tax (PBDIT)	8,274,777	10,021,558
Interest and Financial charges	7,023,634	8,314,436
Depreciation	401,546	415,274
Net Profit/(Loss)	849,597	1,291,848
Provision for Tax	0.00	0.00
Profit after Tax	849,597	1,291,848

### 2. REVIEW OF OPERATIONS:

For the fiscal year ended 31st March 2013, the revenue from operations was ₹1,41,59,934/- as against ₹1,61,48,090/- in the previous year due to slowdown in sales and prevailing local circumstances in Hyderabad.

There has been increase in work in progress of ₹63, 75,357/- as the Company has continued the construction work but was unable to complete the projects. The net profit also came down to ₹8,49,597/- from ₹12,91,848/- as compared to the last year, mainly due to increased finance cost.

### 3. FUTURE OUTLOOK:

The current year promises an improvement prospects over the implementation of Company's active projects as against the previous year's unsupportive market conditions. The Company with an outlook of reducing the existing accumulated losses swifts its operations so as to set off losses against the revenues generated from completion of the held up projects and inventory. The Company has drawn up plans and is in pipeline of achieving the good turnover from new residential projects for construction and development purposes.

The company has been making best efforts for securing both long term and working capital finance as bad market conditions of the real estate and low offtake of flats since two years at Gajularamaram project continues to affect the financials of the Company. The Company is also trying to raise funds for marginalizing purposes to overcome the fluctuations in the real estate sector. However, the Company is focused to increase its finance besides being in the advanced level of finalizing for direct listing of shares of the Company in to the Bombay Stock Exchange Limited (BSE)



## 4. DIVIDEND

As there are accumulated losses pertaining to the previous years, and those are being set off against current year's profit to some extent, your Directors do not declare dividend for the current year.

## 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, Mrs. K. Vijaya Rani & Sri M. Rambabu, Directors retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment.

## 6. AUDITORS:

M/s. Rambabu & Co., Chartered Accountants, Statutory Auditors of the Company retires at the ensuing Annual General Meeting and are eligible for re-appointment. 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. Board recommends for their appointment and requests members to authorize the Board to fix their remuneration.

## 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 2013 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:

- a) 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.



b) Technology absorption: The Company is mainly into construction business and hence there was not much of any new technology absorbed. Hence the measures or technology absorptions are NIL.

c) Foreign exchange Earnings & outgo	:	(Value in ₹)
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. PREFERENTIAL ISSUE:

During the year under review, the preferential issue was made pursuant to the approval of members which was sought in the Annual General Meeting of the Company held on 29.09.2012 for issue of Equity Shares on conversion of 2,46,280 - 13% Cumulative Redeemable Preference Shares together with Accumulated Dividend. Accordingly, after necessary approvals from the Bangalore Stock Exchange Limited, the Company had issued and allotted 43,10,980 Equity shares of ₹10/- each on preferential basis to the Preference shareholders of the Company. The Company had filed application to the Bangalore Stock Exchange for admitting the fresh issue of shares to the dealings of the Exchange. Currently, these shares are listed and traded at the Bangalore Stock Exchange Limited.

## 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.

## 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 practicing Company Secretary is also give as an Annexure to this report.



# QUANTUM BUILD-TECH LIMITED

---

## 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: 31-08-2013

Sd/-

**Guduru Satyanarayana**  
Managing Director

Sd/-

**Manne Rambabu**  
Director-Technical

## MANAGEMENT DISCUSSION & ANALYSIS REPORT

### Industry Structure & Developments:

The real estate sector in India has come a long way by becoming one of the fastest growing markets in the world. It is not only successfully attracting domestic real estate developers, but foreign investors as well due to the encouraging Government policies. The growth of the industry is attributed mainly to a large population base, rising income level, investment premium and rapid urbanization. The cities and towns in India are expanding and the space requirement for education, healthcare and tourism provides wide-ranging opportunities in the real estate sector. Owing to its vital role, the total contribution of the real estate industry in India to the national GDP has been estimated to be about 6.3 per cent in 2013 alone. The total revenue generated in fiscal year stood at around 314 million USD. After undergoing corporatization and professionalization, today real estate is recognized as one of the key sector contributing to the country's economic development after agriculture.

The Union Budget 2013 on the other hand is looking forward to improving the sector sentiment further and at the same time re-stimulate its growth. The size of the Indian real estate market is expected to touch 180 billion USD by 2020

Considering some of the path breaking initiatives and contribution led by the Government, the Sector portrays healthy signs of development and growth domestically. Firstly, the Reserve Bank of India which has reduced risk weight on residential housing. Loans against residential housing falling under commercial real estate projects shall attract lower provisioning of 0.75% against 1% earlier. Secondly, the ECB norms eased for low-cost housing. The Reserve Bank of India has relaxed the External Commercial Borrowing (ECB) guidelines for developers/builders executing low-cost affordable housing projects

### HYDERABAD

The realty market in Hyderabad, which witnessed a prolonged slump due to the global recession coupled with the prevailing political uncertainty, is on a gradual phase of recovery. The city with its buoyant and thriving economy and a dynamic workforce is once again promising to be a buyer's market. New projects have evoked a positive trend, expected to firm up further in over a year. The boom along the western corridor from Madhapur hi-tech city to financial district of Gachibowli and Nanakramguda is notable. Prices rose by almost ten per cent as compared to the previous quarter.

None the less, consideration of the Telangana turmoil is inevitable interference which had an overlap consequence on the real estate dealings. The political unrest in the state due to the prevailing Telengana issue impacted the realty markets in the years 2010-2011 and 2011-12 certainly, with prices plummeting to an all-time low. The apprehensions on the future of the city, led to a pile-up of inventory across segments, with many projects being stalled temporarily due to a lack of buyer interest.

Nevertheless, the consumers have gradually begun to accept the prevailing uncertainty and their renewed interest which indicates a reaffirmation of their faith in the inherent strengths of the city, such as good infrastructure, improved connectivity and affordable real estate prices. This has helped the markets recover smartly, with a healthy off-take in residential stock witnessed in CY 2012. New launches by prominent builders have also received the desired response, creating a sense of optimism in the markets.



In view of the above developing trend in the real estate sector, the Company and management believe to strive for excellence coupled by its positive approach and learned principles. The Company targets achieving of a good turnover in the next 36 months with the completion of new projects being undertaken. Hence, The Company's mission is to build fine residential complexes 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:**

As the nation's housing market recovers from the recession of 2008, real estate professionals are encountering multiple offers on properties. According to the CRISIL research, Real estate prices are likely to pick up due to improved investor sentiment in the immediate term. A resurgence in corporate investment will improve demand for commercial office space in the medium term. Residential real estate demand is expected to grow 8-9% and residential capital value at a faster pace in 2013 and 2014, compared with the 6-7% envisaged earlier.

While the off-take in the commercial and retail markets continue to remain cautious and the recovery is expected to be gradual.

## **Opportunities:**

- The boost for housing sector is increasing rapidly.
- Encouraging initiatives by the Government.
- 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
- Any hike or no change in CRR affects lending rate of banks. As a result, this harms funding of new and existing projects.
- A tightening of the credit market.
- Rupee depreciation indirectly affects cost of services, inputs and raw materials like steel, consultancy, outsourcing of architects or engineers, cement, wages of labour, transportation etc. This raises the cost and time index of project and in turn becomes the major reason of project delays
- Longer working capital cycle
- Lack of political willingness and support on promoting new action plans and strategy

## **Outlook and Future Plans:**

The outlook of the Management is positive as its commitments are finely focused on competition of pending projects and to initiate the new big projects surpassing previous year losses. The management in this regard considers the statements made by the CREDAI i.e "The business will pick up, as there is an end to political uncertainty and disguise"

As per the current status the Company's financial position is to on a recovery mode and infusing funds for new projects is challenging. The construction at Gajularamaram site is still at financial crunch.

## 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, tsunami, 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, so as to ensure total transparency and accountability. Audit committee comprises of 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, the preferential issue was made pursuant to the approval of members which was sought in the Annual General Meeting of the Company held on 29.09.2012 for issue of Equity Shares on conversion of 2,46,280 - 13% Cumulative Redeemable Preference Shares together with Accumulated Dividend. Accordingly, after necessary approvals from the Bangalore Stock Exchange Limited, the Company had issued and allotted 43,10,980 Equity shares of ₹10/- each on preferential basis to the Preference shareholders of the Company. Thus the Paid up capital of the Company stands at ₹14,61,56,300/- as on 31.03.2013.

## SECURED LOANS

Secured loans of the Company stood at ₹5,00,52,217/- as on 31.03.2013.

## FIXED ASSETS

An accumulated Depreciation of ₹27,83,134/- was charged to the balance Fixed Assets (Gross Block) thereby arriving at a Net Block of ₹20,23,101/-.

## 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.

## 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 of information of all stakeholders.

### 2. BOARD OF DIRECTORS

As on date, Board consists of SIX 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
Mrs. Kodali Vijaya Rani	Director Promoter	Non-Executive	1	4	No
Mr. Manne Rambabu	Whole-Time Director	Executive	Nil	6	Yes
Mr. Kanduri Saraswathi Kumar	Director	Non Executive Independent	Nil	2	Yes
Mr. Sripathi Ram Reddy	Additional Director	Non-Executive Independent	Nil	2	NA
Mr. Kyatham Prabhakar Reddy	Director	Non-Executive Independent	1	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 10.05.2012, 13.08.2012, 31.08.2012, 10.11.2012, 13.02.2013 and 04.03.2013.

### 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 2012-2013 is given below.

#### DECLARATION - CODE OF CONDUCT:

This is to confirm that the Board 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 2012- 2013, as required under Clause 49 of the Listing Agreement with Stock Exchanges.

For Quantum Build-Tech Limited

Sd/-

Guduru Satyanarayana  
Managing Director

Place: Hyderabad  
Date: 31-08-2013



## 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:

The following are the details of the Director, their attendance at the Audit Committee Meeting held during the year 2012-13.

Meetings of the Committee and Attendance of the Members during 2012-13	Status	Meetings held	Meetings Attended
Mr. K. Prabhakar Reddy	Chairman	5	5
Mr. S. Ram Reddy	Member	5	2
Mr. K. Saraswati Kumar	Member	5	2

During the year, FIVE Audit Committee meetings were held respectively on 10.05.2012, 13.08.2012, 31.08.2012, 10.11.2012 and 13.02.2013.



## 8. REMUNERATION COMMITTEE:

### a. Composition

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

Mr. K. Prabhakar Reddy

Mr. S. Ram Reddy

Mr K. Saraswathi 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 the 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

Amount in ₹

Particulars	Mr. Guduru Satyanarayana Managing Director		Mr. Manne Rambabu Whole-time Director	
	2012-13	2011-12	2012-13	2011-12
Salary	600,000	600,000	930,000	930,000
Perquisites	870,000	870,000	720,000	720,000
<b>TOTAL</b>	<b>1,470,000</b>	<b>1,470,000</b>	<b>1,650,000</b>	<b>1,650,000</b>

### 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 duly constituted with THREE Directors viz.

Mr. K.Prabhakar Reddy

Mrs. K. Vijaya Rani

Mr. K. Sarswathi Kumar

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

The Company had received a Statutory Legal Notice under Section 433 and 434 of the Companies Act 1956, from the Preference Share Holder namely Mr. P. Venugopla Reddy and Mrs. P. Suneela Reddy for Winding up proceedings against the Company.

## 10. ANNUAL GENERAL MEETINGS:

Details of Previous Annual General Meetings:

Day	Date	Time	Venue
Wednesday	29th September, 2010	12-00 Noon	The Hyderabad Gymkhana, Road No. 2, Banjara Hills, Hyderabad – 500 034
Friday	28th September, 2011	12-30 PM	The Hyderabad Gymkhana, Road No.2, Banjara Hills, Hyderabad – 500 034.
Saturday	29th September, 2012	12-00 Noon	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 Statement
- 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, 2013."

For Quantum Build-Tech Limited

Sd/-

Guduru Satyanarayana  
Managing Director

Place: Hyderabad  
Date: 31-08-2013



## 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. 15th Annual General Meeting Schedules: Monday 30th September 2013 at 12.00 Noon at Film Nagar Cultural Centre, Dr.D.Ramanaidu Building, Road No.6, Film Nagar, Hyderabad – 500 033.
- b. Financial Calendar year 2013-14

The Financial year of the Company is 1st April to 31st March	
<i>Financial Year Reporting for</i>	<i>Proposed Date</i>
First Quarter Results	on or before 14-08-2013
Second Quarter Results	on or before 14-11-2013
Third Quarter Results	on or before 14-02-2014
Fourth Quarter Results	on or before 30-05-2014
16th Annual General Meeting	September, 2014

- c. Dates of book Closure (Period) : 25.09.2013 to 30.09.2013 (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 2013-14 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 2013:

Category/ No. of shares	Number of holders	% of total holders	Number of shares	% of total shares
Upto 500	2,988	91.88	3,37,511	2.67
501-1000	82	2.52	63,079	0.50
1001-2000	95	2.92	1,32,058	1.05
2001-3000	20	0.61	48,065	0.38
3001-4000	7	0.22	25,120	0.20
4001-5000	8	0.25	38,603	0.31
5001-10000	9	0.28	71,527	0.57
Above 10001	43	1.32	1,18,99,667	94.32
<b>TOTAL</b>	<b>3,252</b>	<b>100.00</b>	<b>1,26,15,630</b>	<b>100.00</b>

## 17. Categorywise Shareholding as at 31st March, 2013

Category	Number of Equity Shares held	% of Shareholding
Promoters	35,30,464	27.98
Corporate Bodies	19,89,063	15.77
Overseas Corporate Bodies	2,150	0.02
Public	70,93,953	56.23
<b>TOTAL</b>	<b>1,26,15,630</b>	<b>100.00</b>

- 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, 2013 a total of 30,59,248 shares i.e about 24.25% of the total listed shares have been dematerialized.
- 19. Share Transfer Procees :** 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, 2013. 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: 31.08.2013

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

## INDEPENDENT AUDITOR'S 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 March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

Management is responsible for 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 Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control 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 conducted our audit in accordance with the Standards on Auditing 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 misstatement.

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 control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by 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.

- i) 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 ₹26,00,000/- for the year and Cumulative dividend amounting to ₹1,50,08,763/-.
- ii) 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 ₹2,00,00,000/- due on 22<sup>nd</sup> December, 2008.
- iii) Attention is invited to Note No.14.1(a) and (d) regarding non provision of dues from the buyers of flats to the extent of ₹1,13,60,000/- on which a case is pending for cancellation of sale deeds, and ₹17,80,817/-, the recovery of which is doubtful.
- iv) Attention is invited to Note No.3.1.1 to Notes to Accounts regarding the redemption of 13% Cumulative Redeemable Preference Shares, during the year, Company redeemed 2,46,280 Cumulative Redeemable Preference Shares together with accumulated dividend total amounting to ₹4,31,09,800/- by way of allotment of 43,10,980 Equity Shares of ₹10/- each at par.



# QUANTUM BUILD-TECH LIMITED

- v) *Attention is invited to Note No.6.2 to Notes to Accounts regarding non provision of interest for an amount of ₹6, 43,278/- on unsecured loan. In our opinion, the profit of the company for the year is overstated by an amount of ₹6,43,278/-*

## Opinion

Except in respect of matters as stated in points (i), (ii), (iii) and (iv) above, in our opinion and to the best of our information and according to the explanations given to us, the 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:

- In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- In the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

## Report on Other Legal and Regulatory Requirements

- As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
- As required by section 227(3) of the Act, we report that:
  - 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;
  - 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.
  - 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.
  - In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956 *except AS-15 relating to Employee Benefits and AS-19 relating to provisions, Contingent Liabilities and Contingent Assets.*
  - On the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

Place: Hyderabad  
Date: 29-05-2013.

**For RAMBABU & Co.**  
Chartered Accountants  
Firm Reg No:002976S  
Sd/-  
GVL Prasad  
Partner  
M No: 026548



**The Annexure referred to in paragraph 1 of the Our Report of even date to the members of Quantum Build-Tech Limited on the accounts of the company for the year ended 31<sup>st</sup> March, 2013.**

On the basis of such checks as we considered appropriate and according to the information and explanation given to us during the course of our audit, we report that:

1. (a) The company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.  
(b) As explained to us, fixed assets have been physically verified by the management at reasonable intervals; no material discrepancies were noticed on such verification.  
(c) In our opinion and according to the information and explanations given to us, no fixed asset has been disposed during the year and therefore does not affect the going concern assumption.
2. (a) As explained to us, 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 are reasonable and adequate in relation to the size of the company and the nature of its business.  
(c) In our opinion and on the basis of our examination of the records, the Company is generally maintaining proper records of its inventories. No material discrepancy was noticed on physical verification of stocks by the management as compared to book records.
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) Company has taken a loan aggregating to ₹2,35,000/- (including loan taken during the year Nil) 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, the internal control system in relation to sale and purchase of goods needs to be strengthened so as to be commensurate with the size of the Company and nature of its business.* During the course of our audit, based on our audit procedures applied except above we have not observed any continuing failure to correct major weaknesses in internal controls.
5. a) Based on the audit procedures applied by us and according to the information and explanations provided by the management, the particulars of contracts or arrangements referred to in section 301 of the Act have been entered in the register required to be maintained under that section.  
b) As per information & explanations given to us and in our opinion, the transaction entered into by the company with parties covered u/s 301 of the Act does not exceeds five lacs rupees in a financial year therefore requirement of reasonableness of transactions does not arises.



# QUANTUM BUILD-TECH LIMITED

6. The Company has not accepted any deposits from the public covered under section 58A and 58AA of the Companies Act, 1956.
7. As per information & explanations given by the management, the Company has an internal audit system commensurate with its size and the nature of its business.
8. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under section 209(1) (d) of the Companies Act, 1956 and are of the opinion that prima facie the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
9. In respect of statutory dues:
  - (a) According to the records of the company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, cess to the extent applicable and any other statutory dues have generally been regularly deposited with the appropriate authorities. According to the information and explanations given to us there were no outstanding statutory dues as on 31<sup>st</sup> of March, 2013 for a period of more than six months from the date they became payable except Tax Deducted at Source of ₹12,52,403/- and Service Tax of ₹ 52,12,243/-.
  - (b) According to the information and explanations given to us, there is no amounts payable in respect of income tax, wealth tax, service tax, sales tax, customs duty and excise duty which have not been deposited on account of any disputes.
10. The Company has accumulated losses at the end of the financial year and has not incurred cash loss during the financial year covered by our audit and in the immediately preceding financial year.
11. Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that, the Company has defaulted in repayment of dues to a financial institutions as follows:-

S. No.	Name of the Bank	Principal (₹)	Interest (₹)
1	Axis Bank Limited	1,50,00,000	31,56,883
2	PNB Housing Finance Limited	2,00,00,000	14,68,979
3	Axis Bank Limited	50,00,000	2,03,046

12. According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The Company is not a chit fund or a nidhi /mutual benefit fund/society. Therefore, the provision of this clause of the Companies (Auditor's Report) Order, 2003 (as amended) is not applicable to the Company.
14. According to information and explanations given to us, the Company is not trading in Shares, Mutual funds & other Investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
15. According to the information and explanations given to us, the Company has not given any guarantees for loan taken by others from a bank or financial institution.
16. Based on our audit procedures and on the information given by the management, we report that the company has not raised any term loans during the year.

17. Based on the information and explanations given to us and on an overall examination of the Balance Sheet of the Company as at 31<sup>st</sup> March, 2013, we report that no funds raised on short-term basis have been used for long-term investment by the Company.
18. Based on the audit procedures performed and the information and explanations given to us by the management, we report that the Company has made preferential allotment of 43,10,980 equity shares of ₹10/- each at par by way of conversion of 2,46,280 cumulative redeemable preference shares of ₹100/- each amounting to ₹2,46,28,000/- together with cumulative preference dividend of ₹1,84,81,800/-. In our opinion, the terms of conversion are not prima facie prejudicial to the interest of the Company.
19. The Company has no outstanding debentures during the year under audit.
20. The Company has not raised any money by public issue during the year.
21. Based on the audit procedures performed and the information and explanations given to us, we report that no fraud on or by the Company has been noticed or reported during the year, nor have we been informed of such case by the management.

Place: Hyderabad  
Date: 29-05-2013.

**For RAMBABU & Co.**  
Chartered Accountants  
Firm Reg No:002976S  
Sd/-  
GVL Prasad  
Partner  
M No: 026548



# QUANTUM BUILD-TECH LIMITED

## BALANCE SHEET AS AT 31ST, MARCH 2013

Amount in ₹

Particulars	Note	As at 31-03-2013	As at 31-03-2012
<b>A EQUITY AND LIABILITIES</b>			
<b>1 Shareholders Funds</b>			
(a) Share Capital	3	146,156,300	127,674,500
(b) Reserves and Surplus	4	(26,127,425)	(5,354,240)
		<b>120,028,875</b>	<b>122,320,260</b>
<b>2 Non-Current Liabilities</b>			
(a) Long -Term Borrowings	5	30,507,025	27,288,460
		<b>30,507,025</b>	<b>27,288,460</b>
<b>3 Current Liabilities</b>			
(a) Short term Borrowings	6	23,355,883	23,804,968
(b) Trade Payables	7	21,089,349	22,178,653
(c) Other Current Liabilities	8	25,461,092	27,894,852
(d) Short -Term Provisions	9	3,794,905	1,656,423
		<b>73,701,229</b>	<b>75,534,896</b>
<b>TOTAL</b>		<b>224,237,129</b>	<b>225,143,616</b>
<b>B ASSETS</b>			
<b>1 Non -Current Assets</b>			
(a) Fixed Assets	10		
Tangible Assets		2,023,101	2,414,521
		<b>2,023,101</b>	<b>2,414,521</b>
(b) Long-Term Loans and Advances	11	41,302,048	42,301,048
(c) Other Non -Current Assets	12	11,021	33,483
		<b>41,313,069</b>	<b>42,334,531</b>
<b>2 Current Assets</b>			
(a) Inventories	13	137,906,349	138,039,347
(b) Trade Receivables	14	32,038,311	32,494,143
(c) Cash and Cash Equivalents	15	788,645	844,161
(d) Short -Term Loans and Advances	16	10,167,654	9,016,913
		<b>180,900,959</b>	<b>180,394,564</b>
<b>TOTAL</b>		<b>224,237,129</b>	<b>225,143,616</b>

See accompanying Notes Forming part of the Financial Statements 1 to 26

In terms of our report of even date attached

**For Rambabu & Co**

Chartered Accountants

Firm Regn No.002976S

Sd/-

**GVL Prasad**

Partner

Membership No.026548

Place : Hyderabad

Date : 29.05.2013

**For and on behalf of the Board**

Sd/-

**Guduru Satyanarayana**

Managing Director

Sd/-

**Manne Rambabu**

Director - Technical

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST, MARCH 2013

Amount in ₹

Particulars	Note	For the Year Ended 31-03-2013	For the Year Ended 31-03-2012
<b>CONTINUING OPERATIONS</b>			
1 Revenue from Operations	17	14,159,934	16,148,090
<b>Total</b>		<b>14,159,934</b>	<b>16,148,090</b>
<b>2 Expenses</b>			
(a) Cost of Materials Consumed	18.a	3,043,971	3,967,705
(b) Cost of Labour charges	18.b	2,892,996	4,127,595
(c) Changes in Contracts Work-in-Progress	18.c	(6,375,357)	(8,609,740)
(d) Employee Benefits Expenses	19	3,649,741	3,618,728
(e) Finance Costs	20	7,005,839	7,955,738
(f) Depreciation and Amortisation Expenses		401,546	415,274
(g) Other Expenses	21	2,691,601	3,380,942
<b>Total</b>		<b>13,310,337</b>	<b>14,856,242</b>
<b>3 Profit before tax</b>		<b>849,597</b>	<b>1,291,848</b>
<b>4 Less : Provision for Current Tax</b>		<b>--</b>	<b>--</b>
<b>5 Profit for the year</b>		<b>849,597</b>	<b>1,291,848</b>
<b>6 Earnings Per Share (Nominal Value of ₹10/- each)</b>			
(a) Basic		0.06	0.16
(b) Diluted		0.06	0.16
<b>See accompanying Notes Forming part of the Financial statements 1 to 26</b>			

In terms of our report of even date attached

**For Rambabu & Co**  
Chartered Accountants  
Firm Regn No.002976S  
Sd/-  
**GVL Prasad**  
Partner  
Membership No.026548  
Place : Hyderabad  
Date : 29.05.2013

**For and on behalf of the Board**

Sd/-  
**Guduru Satyanarayana**  
Managing Director

Sd/-  
**Manne Rambabu**  
Director - Technical



# QUANTUM BUILD-TECH LIMITED

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013

S.No	Particulars	For the Year Ended 31-03-2013 ₹	For the Year Ended 31-03-2012 ₹
<b>A</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
	Net Profit before tax	849,597	1,291,848
	<i>Adjustments for:</i>		
	Depreciation and amortisation	401,546	415,274
	Finance Charges	4,394,790	-
	<b>Operating profit / (loss) before working capital changes</b>	<b>5,645,933</b>	<b>1,707,122</b>
	<i>Changes in working capital:</i>		
	Inventories	132,998	(9,737,217)
	Trade receivables	455,832	900,000
	Loans & Advances	(129,279)	1,842,252
	Trade payables	(1,089,305)	(837,537)
	Other current liabilities	(2,433,760)	11,251,154
	Short-term provisions	(1,002,500)	42,500
	<b>Net cash generated / (used in) operating activities (A)</b>	<b>1,579,919</b>	<b>5,168,274</b>
<b>B</b>	<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
	Additions to Fixed Assets	(10,125)	-
	<b>Net Cash used in Investing Activity (B)</b>	<b>(10,125)</b>	<b>-</b>
<b>C</b>	<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
	Repayment from Long-term borrowings	(1,625,310)	(4,505,485)
	<b>Net cash flow from / (used in) financing activities (C)</b>	<b>(1,625,310)</b>	<b>(4,505,485)</b>
	<b>Net decrease in Cash and cash equivalents (A+B+C)</b>	<b>(55,516)</b>	<b>662,789</b>
	Cash and cash equivalents at the beginning of the year	844,161	181,372
	<b>Cash and cash equivalents at the end of the year</b>	<b>788,645</b>	<b>844,161</b>
	<b>See accompanying notes forming part of the financial statements 1 to 26</b>		

In terms of our report of even date attached

**For Rambabu & Co**

Chartered Accountants

Firm Regn No.002976S

Sd/-

**GVL Prasad**

Partner

Membership No.026548

Place : Hyderabad

Date : 29.05.2013

**For and on behalf of the Board**

Sd/-

**Guduru Satyanarayana**

Managing Director

Sd/-

**Manne Rambabu**

Director - Technical

## 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/66, Dream Valley , 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 accrual 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 and 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		<i>Amount in ₹</i>	
Particulars		As at 31-03-2013	As at 31-03-2012
<b>(A) Authorised</b>			
1,80,00,000 Equity shares of ₹10/- each with voting rights (Previous year 1,30,00,000 Equity shares of ₹10/- each with voiting rights)		180,000,000	130,000,000
10,00,000 Cumulative Redeemable Preference Shares of ₹100/- each (Previous year 15,00,000 Cumulative Redeemable Preference Shares of ₹100/- each)		100,000,000	150,000,000
<b>Total</b>		<b>280,000,000</b>	<b>280,000,000</b>
<b>3.1 (B) Issued , Subscribed &amp; fully paid up</b>			
1,26,15,630 Equity shares of ₹10/-each with voting rights		126,156,300	83,046,500
2,00,000-13% Cumulative Redeemable Preference Shares of ₹100/- each		20,000,000	44,628,000
<b>Total</b>		<b>146,156,300</b>	<b>127,674,500</b>

**3.1.1** All Equity shares issued by the Company carry equal voting and participatory rights.

13% Cumulative Redeemable preference shares of ₹4,46,28,000/- is due for redemption on 22-12-2008, During the year the company has redeemed 2,46,280 preference shares of ₹100/- each together with accumulated dividend, total amounting to ₹4,31,09,800/- by way of conversion into 43,10,980 equity shares of ₹10/- each to the preference shareholders. Balance of 2,00,000 preference shares of ₹2,00,00,000/- has not been redeemed, as the company has not received consent from the above balance preference share holders for conversion into equity shares. During the year, the company has not made provision for preference dividend on balance 2,00,000 preference shares due to insufficient profits. Arrears of dividend as at 31st March, 2013 is ₹1,76,08,763/- (as at 31st March 2012 is ₹1,50,08,763/-)

3.1.2	Particulars	As at 31-03-2013	As at 31-03-2012
	Equity shares at the beginning of the year	8,304,650	8,304,650
	Add: Movement during the year	4,310,980	--
	Equity shares at the end of the year	<b>12,615,630</b>	<b>8,304,650</b>

3.1.3 Details of Shareholders holding more than 5% shares				
Name of the share holder	As at 31.03.2013		As at 31.03.2012	
	No of shares	% held	No of shares	% held
Kodali Vijaya Rani	1,845,350	14.63	1,845,350	22.22
Rajesh / Vamsi Cherukuri	1,662,916	13.18	--	--
M/s.Geekeyar Developers Pvt Ltd	1,200,000	9.51	1,200,000	14.45
Punukollu Kodanda Rambabu	1,085,114	8.60	1,085,114	13.07
Raghavendra Appanagari	878,370	6.96	--	--
Sekhar V Uppalapati	869,968	6.90	--	--
M/s.Pancom Marketing Pvt Ltd	650,000	5.15	650,000	7.82
M/s.Vijaya Madhavi Investments Pvt Ltd	550,000	4.36	550,000	6.62

4	Reserves and Surplus		Amount in ₹	
	Particulars		As at 31-03-2013	As at 31-03-2012
	(A) Capital Reserve (Refer Note 4.1)	A	3,500,000	3,500,000
	(B) Statement of Profit & Loss			
	Opening Balance		(8,854,240)	(10,146,088)
	Add : Surplus / (Deficit) in statement of Profit & Loss		849,597	1,291,848
			(8,004,643)	(8,854,240)
	Less: Dividend to Preference Share Holders		18,481,800	--
	Tax on Dividend		3,140,982	--
	Closing Balance	B	(29,627,425)	(8,854,240)
	<b>Total (A+B)</b>		<b>(26,127,425)</b>	<b>(5,354,240)</b>

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



# QUANTUM BUILD-TECH LIMITED

5	Long-Term Borrowings		Amount in ₹	
	Particulars	As at 31-03-2013	As at 31-03-2012	
	<b>(A) Term loans-Secured</b>			
	From banks			
	Axis Bank Ltd- Term Loan (Refer Note 5.1)	5,203,046	4,579,046	
	PNB Housing Finance Ltd (Refer Note 5.2)	21,468,979	18,450,104	
		<b>A</b>	<b>26,672,025</b>	<b>23,029,150</b>
	<b>(B) Unsecured</b>			
	From Directors	235,000	235,000	
	From Others	3,600,000	4,000,000	
		<b>B</b>	<b>3,835,000</b>	<b>4,235,000</b>
	<b>(C) Deferred payment liabilities</b>			
	<b>Secured</b>			
	Axis Bank Ltd - Hire Purchase Loan (Refer Note 5.3)	<b>C</b>	--	<b>24,310</b>
	<b>Total (A+B+C)</b>		<b>30,507,025</b>	<b>27,288,460</b>

**5.1** The Company has taken overdraft facility from Axis Bank Ltd, Jubilee Hills branch, in November, 2006 for an amount of ₹200 Lacs, part of the overdraft has been converted into Term Loan by the bank in November, 2008 for an amount of ₹50 Lacs at an interest rate of 14.25%. The said term loan is secured by equitable mortgagage of 1320 & 1095.89 Sq.yds of company own land in Jaihind Nagar, Shaikpet, Hyderabad and also equitable mortgagage of land & building at Plot No.66, Dream Valley, Shaikpet, Hyderabad in the name of Smt. K. Vijaya Rani and Sri P. Vamsidhar. The Loan is repayable in 60 monthly instalments of ₹1,16,990/- each from the date of conversion. The company has paid 20 monthly installments upto september 2010.

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 ₹200 Lacs at an interest rate of 14.50 % p.a. The said term loan is secured by equitable mortgagage 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 Gajulararamaram. The term loan shall be repayable in 16 monthly installments commencing after 12 months of 1st disbursement of loan.

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

6	Short-Term Borrowings		Amount in ₹	
	Particulars	As at 31-03-2013	As at 31-03-2012	
	<b>(A) Loans repayable on demand-Secured</b>			
	From Banks			
	Axis Bank Ltd - Cash Credit (Refer Note 6.1)	18,156,883	17,404,968	
	<b>(B) From Other Parties</b>			
	Secured			
	Others (Refer Note 6.2)	5,199,000	6,400,000	
	<b>Total</b>	<b>23,355,883</b>	<b>23,804,968</b>	

6.1	<p>The Company has taken overdraft facility from Axis Bank Ltd, Jubilee Hills branch, in November, 2006 for an amount of ₹200 Lacs, (Out of it ₹50 Lacs has been converted into Term loan in November, 2008) at an interest rate of 12% p.a. The said overdraft facilities are secured by equitable mortgage of 1320 &amp; 1095.89 Sq.yds of company own land in Jaihind Nagar, Shaikpet, Hyderabad and also equitable mortgage of land &amp; building at Plot No.66, Dream Valley, Shaikpet, Hyderabad, in the name of Smt. K. Vijaya Rani &amp; Sri P. Vamsidhar. During the year the company has paid an amount of ₹17,00,000/- as per the order of Debts Recovery Tribunal.</p> <p>The said overdraft facilities are further secured by personal guarantees of Sri P.Kodanda Rambabu, Smt. K.Vijaya Rani &amp; Sri P.Vamsidhar</p>
-----	--

6.2	<p>The Company has taken loan of ₹80 lacs from Mr.G.S.R Krishna Murthy by offering mortgage of 6 apartments in Jaihind Valley at Manikonda with an interest rate @12% p.a. which will be repayable on demand. During the year company has not provided interest.</p>
-----	--

7	Trade Payables			
	Particulars	As at 31-03-2013	As at 31-03-2012	
	Sundry Creditors for Materials	4,400,671	4,601,834	
	Sundry Creditors for Works	6,963,523	7,555,701	
	Sundry Creditors for Services	9,725,155	10,021,118	
	<b>Total</b>	<b>21,089,349</b>	<b>22,178,653</b>	



8	Other Current Liabilities		Amount in ₹	
	Particulars	As at 31-03-2013	As at 31-03-2012	
	<b>(A) Current maturities of long term debts</b>			
	From Banks			
	Secured - Hire Purchase Loan (Refer Note 8.1)	24,309	291,720	
	<b>A</b>	<b>24,309</b>	<b>291,720</b>	
	<b>(B) Other Payables</b>			
	Outstanding Liabilities	368,432	412,697	
	Others	241,430	241,430	
	<b>B</b>	<b>609,862</b>	<b>654,127</b>	
	<b>(C) Statutory Payables</b>			
	Professional Tax	660	1,980	
	Service Tax	5,357,790	4,831,881	
	TDS	1,124,018	1,259,458	
	VAT	--	294,397	
	<b>C</b>	<b>6,482,468</b>	<b>6,387,716</b>	
	<b>(D) Advances from Customers</b>	<b>D</b>	<b>13,909,690</b>	<b>17,150,690</b>
	<b>(E) Interest Accrued</b>	<b>E</b>	<b>4,434,763</b>	<b>3,410,599</b>
	<b>Total (A+B+C+D+E)</b>	<b>25,461,092</b>	<b>27,894,852</b>	

**8.1** The company has taken a loan from Axis Bank Ltd ₹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.

9	Short-Term Provisions			
	Particulars	As at 31-03-2013	As at 31-03-2012	
	(A) Provision for employee benefits			
	Provision for Gratuity (Refer Note 9.1)	293,933	251,433	
	(B) Tax on Dividend	3,140,982	--	
	(C) Provision for unexecuted contracts	359,990	1,404,990	
	<b>Total</b>	<b>3,794,905</b>	<b>1,656,423</b>	

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

Amount in ₹

Particulars	GROSS BLOCK			DEPRECIATION				NET BLOCK		
	As on 1-4-2012	Additions during the year	Deletions during the Year	Balance 31-3-2013	Balance as on 1-4-2012	Deletions during the Year	For the year	Total upto 31-3-2013	As at 31-3-2012	As at 31-3-2013
<b>TANGIBLE ASSETS</b>										
Computers	501,152	--	--	501,152	476,094	--	--	476,094	25,058	25,058
Construction Equipment	149,463	--	--	149,463	38,678	--	7,099	45,777	110,785	103,686
Furniture & Fixtures	223,007	3,300	--	226,307	87,701	--	14,117	101,818	135,306	124,489
Office Equipment	112,166	6,825	--	118,991	41,871	--	7,202	49,073	70,295	69,918
Vehicles	3,194,502	--	--	3,194,502	1,416,851	--	303,478	1,720,329	1,777,651	1,474,173
Centring Materials	615,820	--	--	615,820	320,393	--	69,649	390,042	295,427	225,778
<b>Total</b>	4,796,110	10,125	--	4,806,235	2,381,589	--	401,546	2,783,134	2,414,521	2,023,101
Previous year	4,796,110	--	--	4,796,110	1,966,315	--	415,274	2,381,589	2,829,795	2,414,521



# QUANTUM BUILD-TECH LIMITED

11	Long-Term Loans and Advances		<i>Amount in ₹</i>	
	Particulars	As at 31-03-2013	As at 31-03-2012	
	<b>(A) Loans and advances</b>			
	Unsecured Considered good			
	Advance for Land	35,600,000	35,600,000	
	Others	5,554,200	6,554,200	
	<b>A</b>	<b>41,154,200</b>	<b>42,154,200</b>	
	<b>(B) Loans and advances to employees</b>			
	Unsecured, considered good	120,710	119,710	
	<b>B</b>			
	<b>(C) TDS Receivable</b>			
	Unsecured considered good			
	TDS Receivable ( Net of Provision)	27,138	27,138	
	<b>C</b>			
	<b>Total (A+B+C)</b>	<b>41,302,048</b>	<b>42,301,048</b>	

12	Other Non-Current Assets			
	Particulars	As at 31-03-2013	As at 31-03-2012	
	Unaccrued Hire purchase charges	11,021	33,483	
	<b>Total</b>	<b>11,021</b>	<b>33,483</b>	

13	Inventories			
	Particulars	As at 31-03-2013	As at 31-03-2012	
	Contracts work - in - Progress	104,338,583	97,963,226	
	Project Land	33,567,766	40,076,121	
	<b>Total</b>	<b>137,906,349</b>	<b>138,039,347</b>	



14	Trade Receivables		Amount in ₹	
	Particulars	As at 31-03-2013	As at 31-03-2012	
	Trade receivables outstanding for a period exceeding six months from the date they were due for payment			
	Unsecured, considered good (Refer Note 14.1)	31,589,311	32,119,143	
	Others	449,000	375,000	
	<b>Total</b>	<b>32,038,311</b>	<b>32,494,143</b>	

14.1	<p>a) Debtors exceeding six months includes an amount of ₹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&amp;162 (part), Manikonda village, Rajendra Nagar Mandal, R R District, as the buyer has not complied with the terms of sale deed.</p> <p>b) The Company has filed a case U/s.138 of Negotiable Instruments Act for recovery of ₹3,05,089/- due from a customer.</p> <p>c) Debtors exceeding six months includes an amount of ₹77,46,141/- against which the Company has executed sale deeds for sale of three flats and the buyers has promised to clear the dues subsequent to the registration of the flats. The Management is confident of recovering the same and hence no case was filed.</p> <p>d) Debtors exceeding six months includes an amount of ₹17,80,817/-, the recovery of which is doubtful.</p> <p>e) However the management is confident of winning the cases/ recovering the dues and opinioned no provision is required.</p>
------	---

15	Cash and Cash Equivalents			
	Particulars	As at 31-03-2013	As at 31-03-2012	
	<b>(A) Cash</b>			
	Cash on hand	734,139	666,644	
	<b>(B) Balances with Banks in Current accounts</b>			
	(i) Karur Vysya Bank Ltd	24,320	147,151	
	(ii) Punjab National Bank Ltd	20,166	20,366	
	(iii) Axis Bank Ltd - ESW Preferential Issue account	10,000	10,000	
	<b>Total</b>	<b>788,645</b>	<b>844,161</b>	



# QUANTUM BUILD-TECH LIMITED

16	Short-Term Loans and Advances		Amount in ₹	
	Particulars	As at 31-03-2013	As at 31-03-2012	
	<b>(A) Loans and advances</b>			
	Unsecured Considered good	5,123,680	5,186,680	
	Rent Deposit	1,100,000	1,100,000	
	Electricity Deposit	29,074	29,074	
	Other Deposits	215,309	215,309	
	<b>A</b>	<b>6,468,063</b>	<b>6,531,063</b>	
	<b>B) Advance paid for Works</b>			
	Unsecured Considered good	3,699,591	2,485,850	
	<b>B</b>	<b>3,699,591</b>	<b>2,485,850</b>	
	<b>Total (A+B)</b>	<b>10,167,654</b>	<b>9,016,913</b>	

17	Revenue from Operations			
	Particulars	As at 31-03-2013	As at 31-03-2012	
	Sale of Residential Flats (Gross)	14,820,000	16,975,000	
	<b>Less:</b>			
	Service Tax	525,909	658,841	
	Sales Tax	134,157	168,069	
	<b>Net Sales Total</b>	<b>14,159,934</b>	<b>16,148,090</b>	

18.a	Cost of Materials Consumed			
	Particulars	As at 31-03-2013	As at 31-03-2012	
	Cost of Materials Purchased	3,043,971	3,967,705	
	<b>Total</b>	<b>3,043,971</b>	<b>3,967,705</b>	

18. b	Cost of Labour Charges			
	Particulars	As at 31-03-2013	As at 31-03-2012	
	Labour charges	2,892,996	4,127,595	
	<b>Total</b>	<b>2,892,996</b>	<b>4,127,595</b>	

18. c	Changes in Inventories of Work-in-Progress		<i>Amount in ₹</i>
	Particulars	As at 31-03-2013	As at 31-03-2012
	<b>Inventories at the End of the Year</b>		
	Work - in - Progress	104,338,583	97,963,226
	<b>Inventories at the Beginning of the Year</b>		
	Work-in-Progress	97,963,226	89,353,486
	<b>Total Net (Increase) / Decrease</b>	<b>(6,375,357)</b>	<b>(8,609,740)</b>

19	Employee Benefits Expenses		
	Particulars	As at 31-03-2013	As at 31-03-2012
	Salaries & Wages	3,492,000	3,505,758
	Contributions to Gratuity	42,500	42,500
	Staff welfare expenses	115,241	70,470
	<b>Total</b>	<b>3,649,741</b>	<b>3,618,728</b>

20	Finance Cost		
	Particulars	As at 31-03-2013	As at 31-03-2012
	<b>Interest on</b>		
	(i) Term Loan	3,642,875	3,917,974
	(ii) Working Capital Loan	2,451,915	2,183,261
	(iii) Hire Purchase Loan	22,462	56,471
	(iv) TDS & Others	888,587	1,798,032
	<b>Total</b>	<b>7,005,839</b>	<b>7,955,738</b>



# QUANTUM BUILD-TECH LIMITED

21	Other Expenses		Amount in ₹	
	Particulars	As at 31-03-2013	As at 31-03-2012	
	<b>Other Expenses</b>			
	Power and fuel	381,225	267,617	
	Rent	114,000	114,000	
	Repairs and Maintenance	17,075	36,332	
	Insurance	30,233	37,362	
	Rates and taxes	295,586	499,100	
	Communication	175,605	177,525	
	Consultancy & Professional	182,774	379,341	
	Bank Charges	17,795	358,698	
	Payment to Auditors	100,000	100,000	
	Travelling and conveyance	276,344	491,458	
	Printing and stationery	68,071	69,161	
	Freight & Transport charges	101,193	38,570	
	Sales commission	--	100,000	
	Business Promotion	22,928	12,450	
	Advertisement Expenses	101,422	50,934	
	AGM Expenses	4,786	3,160	
	Festival Expenses	2,748	1,243	
	Membership & Subscription	2,850	5,738	
	News Papers , Books & Periodicals	1,880	5,415	
	Office Maintenance	30,792	32,846	
	Miscellaneous Expenses	28,590	28,188	
	Postage & Courier	36,867	21,535	
	Vehicle Maintenance	492,443	550,269	
	Legal Expenses	206,394	-	
	<b>Total</b>	<b>2,691,601</b>	<b>3,380,942</b>	
21	<b>Other Expenses (Contd.)</b>			
	<b>(i) Payments to the auditors comprises</b> (Excluding Service tax )			
	Statutory Audit Fee	75,000	75,000	
	Tax Audit Fee	25,000	25,000	
	<b>Total</b>	<b>100,000</b>	<b>100,000</b>	

<b>22</b>	<p><b>Contingent Liabilities :</b></p> <p>a) Contingent liability on account of works contracts is ₹994,836/- (Previous Year ₹994,836/-)</p> <p>b) Capital commitments on account of unexecuted contracts (Land Development Agreements) are estimated at ₹513 lakhs (Previous year ₹513 lakhs)</p> <p>c) Disputed seigniorage fees liability of ₹28.43 lakhs (Fees ₹4.77 lakhs and penalty of ₹23.66 lakhs) for which revision petition has been filed by the company.</p>
-----------	--

<b>23</b>	<p><b>Related Party Disclosures</b></p> <p>Associate Company : M/s. Vijaya Madhavi Investments Pvt Ltd</p> <p>Key Management Personnel (KMP) : Mr. G. Satyanarayana Mr. M. Rambabu</p> <p>Relatives of Key Management Personnel : Mr. G. Krishna Mrs. G.Hima Bindu Mr. G. Ratan Chand Mrs. M. Jyothi Sree Mrs. M. Prameela Rani</p>
-----------	---

<b>24</b>	<b>Transactions with Key Management Persons and their Relatives</b>			<i>Amount in ₹</i>	
	<b>Particulars</b>	<b>Associate Company</b>		<b>KMP &amp; Relatives of KMP</b>	
		<b>As at 31-03-2013</b>	<b>As at 31-03-2012</b>	<b>As at 31-03-2013</b>	<b>As at 31-03-2012</b>
	Remuneration & Perquisites	-	-	3,120,000	3,120,000
	Rent	-	-	144,000	144,000
	Balances Payable	-	-	8,697,688	9,176,088
	Balances Receivable	-	-	387,000	714,832

<b>25</b>	Confirmations are not received in respect of the amounts relating to trade receivables, trade payables, loans & advances.
-----------	---

<b>26</b>	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

Sd/-

**GVL Prasad**

Partner

Membership No.026548

Place : Hyderabad

Date : 29.05.2013

**For and on behalf of the Board**

Sd/-

**Guduru Satyanarayana**

Managing Director

Sd/-

**Manne Rambabu**

Director - Technical



## 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 MCS 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: (Select whichever is applicable) \*

I agree to receive the communication through e-mail

I agree to receive the communication through physical mode

In case there is any change in your e-mail ID or any other details, please e-mail us the details at **info@quantumbuild.com** or contact us. In case of shares held in electronic form, you are requested to inform your DP as well.

## 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)

### 15TH ANNUAL GENERAL MEETING

I hereby record my presence at the **15th Annual General Meeting** of the Company held at Film Nagar Cultural Center, Dr. D. Ramanaidu Building, Road # 6, Film Nagar, Hyderabad - 500 033 on **Monday, the 30th September, 2013 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

### 15TH ANNUAL GENERAL MEETING

Reg. Folio No. \_\_\_\_\_ No. of Shares held \_\_\_\_\_

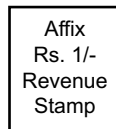
I / We \_\_\_\_\_ being Member/Members of **QUANTUM BUILD-TECH LIMITED**

hereby appoint \_\_\_\_\_ of \_\_\_\_\_

as failing him \_\_\_\_\_ of \_\_\_\_\_ as

my/our proxy to vote for me/us on my/our behalf at the **15th Annual General Meeting** of the Company held at Film Nagar Cultural Center, Dr. D. Ramanaidu Building, Road # 6, Film Nagar, Hyderabad - 500 033 on **Monday, the 30th September, 2013 at 12-00 Noon.**

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2013



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

**BOOK - POST**  
PRINTED MATTER

To

*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.