



QUANTUM BUILD-TECH LIMITED

**16th Annual Report
2013 - 2014**

BOARD OF DIRECTORS

Mr.GUDURU SATYANARAYANA	-	MANAGING DIRECTOR
Mr.MANNE RAMBABU	-	DIRECTOR – TECHNICAL
Mrs.KODALI VIJAYA RANI	-	PROMOTER DIRECTOR
Mr.KYATHAM 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 : 040- 2331815

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 : 040-23568766, FAX: 040-23568990
E-MAIL: info@quantumbuild.com
WEBSITE: quantumbuild.com

SHARE TRANSFER AGENTS

M/s.VENTURE CAPITAL & CORPORATE
INVESTMENTS (P) LTD
12-10-167, BHARAT NAGAR COLONY,
HYDERABAD – 500 018
PHONE : 040-23818475, FAX : 040-23568024

COMPLIANCE OFFICER&COMPANY SECRETARY

Ms. BANDANA SANGAI
E-MAIL: cs@quantumbuild.com



GREEN INITIATIVE IN CORPORATE GOVERNANCE

Dear shareholders,

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

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

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

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@quantumbuildtech.com or contact us. In case of shares held in electronic form, you are requested to inform your DP as well.

NOTICE

Notice is hereby given that the Sixteenth Annual General Meeting of the members of QUANTUM BUILD-TECH LIMITED will be held on Monday, 29th September, 2014 at 11.30 AM at Film Nagar Cultural Centre, Dr. D. Ramanaidu Building, Road No. 6, 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, 2014 and the Audited Profit and Loss Account for the year ended 31st March, 2014 together with the reports of Directors and Auditors thereon.
2. To appoint a Director in place of Shri.K.Saraswathi Kumar (DIN 02788086) who retires by rotation and being eligible offers himself for reappointment.
3. To appoint a Director in place of Smt.K.Vijaya Rani (DIN 00102286) who retires by rotation and being eligible offers herself for reappointment
4. To appoint auditors and fix their remuneration and for this purpose pass the following resolution as Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of sections 139 and other applicable provisions, if any of the Companies Act, 2013 (“Act”) and the Rules framed there under, as amended from time to time, M/s. Rambabu & Co., Chartered Accountants (ICAI Firm Registration No. 002976S; Hyderabad be and is hereby re-appointed as the Statutory Auditors of the Company to hold office until the conclusion of third Annual General Meeting of the Company after this meeting, subject to ratification at every Annual General Meeting, at such remuneration as may be mutually agreed upon between the Board of Directors of the Company and the Auditors.”

Special Business:

5. To consider and if thought fit to pass with or without modification(s), the following resolution as ordinary resolutions:

To appoint Sri Sripathi Ram Reddy as an Independent Director.

“RESOLVED THAT pursuant to the provisions of sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (Act) and the Rules framed there under, read with Schedule IV to the Act, as amended from time to time, Sri Sripathi Ram Reddy (DIN 06390971.), a non-executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company for a period of five years, effective from the date of this Annual General Meeting.”

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

To appoint Sri Kyatham Prabhakar Reddy as an Independent Director.



“RESOLVED THAT pursuant to the provisions of sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (Act) and the Rules framed there under, read with Schedule IV to the Act, as amended from time to time, **Sri Kyatham Prabhakar Reddy**(DIN 00966105), a non-executive Director of the Company, who has submitted a declaration that she meets the criteria for independence as provided in section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company for a period of five years, effective from the date of this Annual General Meeting.”

Registered Office:

8-1-405/A/66, Dream Valley,
Shaikpet,Hyderabad-500008

Date- 02.09.2014

By Order of the Board

Sd/-

(Guduru Satyanarayana)
Managing Director
DIN- 02051710.

NOTES:

1. A Member entitled to attend and vote at the meeting is entitled to appoint Proxy to attend and vote (through poll) instead of himself and the Proxy need not be a Member of the Company. The Proxies in order to be effective should be deposited proxy forms at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.
2. Pursuant to provisions of section 102 of the Companies Act, 2013 the explanatory statement and reasons for the proposed special business are given hereunder.
3. Pursuant to provisions of section 101 read with the Companies (Management and Administrative) Rules, 2014 the notice is being sent through email, to those members whose mail ids are registered with the Company/ Depository Participant and those who have not registered will receive through post, inter alia, along with attendance slip, proxy form and postal ballot form further for the purpose of issuing such notice names appearing in register of members as on 29th August, 2014 (cut-off date) is considered.
4. Members/Proxies are requested to fill the attendance slips duly filled in for attending the meeting and in case of joint holders attending the meeting only such joint holder who is higher in the order of names will be entitled to vote and in case of corporate members intending to depute their authorized representatives are requested to send a duly certified true copy of the Board resolution authorizing their representatives to attend and vote at the Annual General Meeting.
5. The Register of Members and Share Transfer Books of the Company will remain be closed from 22.09.2014 to 29.09.2014 (both days inclusive).

6. Members are requested to write to the Company for any queries, regarding accounts, so as to reach the Company at least ten days before the meeting, to enable the management to keep the information ready at the meeting.
7. Members are requested to notify immediately any change in their address or e-mail ids to Company or Depository Participants and the members who have not registered, are requested to register their mail ids at the earliest.
8. The information pertaining to the Directors proposed to be re-appointed is furnished below in terms of Clause 49 of the Listing Agreement with the Stock Exchanges.
9. In pursuant to the provisions of section 108 and 110 read with the Companies (Management and Administrative) Rules, 2014 your Company is pleased to facilitate electronic voting for postal ballot and for the Annual General Meeting. The business may be transacted through e-voting services provided by National Securities Depository Limited.

Brief profile of the Retiring Directors is given below:

1. Mr.Kanduri Saraswathi Kumar-

Mr. Kanduri Saraswathi Kumar is aged about 53 years and resident of Hyderabad. He is having qualification of Intermediate. He is having 14 years of experience in administration.

2. Smt.KodaliVijaya Rani-

Mrs.Kodali Vijaya Rani 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 and administration of Educational Institutions. She is presently working as Principal in VRS & VJ Residential School, Bachupally, Hyderabad,

Instructions for e-voting facility being provided through NSDL are given in the Notice.

Voting through Electronic Means:

Pursuant to Section 110 of the Companies Act, 2013, ("Act") read with Rule 22 of Companies (Management and Administration) Rules, 2014 ("Rules"), Quantum Build-Tech Limited ("the Company") is seeking Members' consent, by way of Resolutions, for matters as set out in the Notice dated 29th August, 2014.

The Company has approached NSDL for providing e-voting services through our e-voting platform. In this regard, your Demat Account / Folio Number has been enrolled by the Company for your participation in e-voting on resolution placed by the Company on e-Voting system.

Notice of the Postal Ballot along with Explanatory Statement, Postal Ballot Form and instructions can be downloaded from the link <https://www.evoting.nsdl.com> or the same can also be obtained by sending a request through email to info@quantumbuild.com or from the Registered Office of the Company at Quantum Build-Tech Limited, 8-1-405/A/66, Dream Valley Shaikpet, Hyderabad-500 008.

The procedure to login to e-Voting website is given below:



- 1) Launch internet browser by typing the URL <https://www.evoting.nsdl.com/>
- 2) Click on “Shareholder-Login”.
- 3) Put your existing User ID and password.
- 4) Home page of “e-Voting” opens. Click on e-Voting : Active Voting Cycles.
- 5) Select “EVEN”(E-Voting Event Number) of Quantum Build-Tech Limited which is 101168. Members can cast their vote online from 20th September, 2014, at 9 a.m. to 22nd September, 2014 upto 6 p.m.
- 6) Now you are ready for “e-Voting” as “Cast Vote” page opens.
- 7) Cast your vote by selecting appropriate option and click on “**Submit**” and also “**Confirm**” when prompted.
- 8) Institutional shareholders (i.e., other than Individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/Authority Letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to info@quantumbuild.com with a copy marked to evoting@nsdl.co.in.
- 9) In case shareholders desiring split voting i.e. voting FOR and AGAINST on the same Resolution, they can do so by obtaining duplicate Postal Ballot Form from the Registered Office of the Company.
- 10) The date of declaration of results of the e-voting (29th September 2014) shall be the date on which the resolution would be taken as effectively passed, if approved by requisite majority.

Please note that:

- Login to e-voting website will be disabled upon five unsuccessful attempts to key-in the correct password. In such an event, you will need to go through ‘Forgot Password’ option available on the site to reset the same.
- Your login id and password can be used by you exclusively for e-voting on the resolutions placed by the companies in which you are the shareholder.
- It is strongly recommended not to share your password with any other person and take utmost care to keep it confidential.
- Please note that if you have opened 3-in-1 account with ICICI Group i.e. bank account and demat account with ICICI Bank Limited and trading account with ICICI Securities Limited, you can access e-Voting website of NSDL through their website viz.; www.icicidirect.com for the purpose of casting your votes electronically by using your existing user ID and password used for accessing the website www.icicidirect.com. Please note that in case you are not able to login through the ICICI direct website, you can also access the e-Voting system of NSDL by using your existing user ID and password for the evoting system of NSDL.

In case of any queries, you may refer to the Frequently Asked Questions (FAQs) for members and e-voting user manual for members available at the Downloads sections of <https://www.evoting.nsdl.com> or contact NSDL at the following Telephone No.: 022-2499 4600.

Assuring you of our best services,

Regards,

e-Voting support desk

National Securities Depository Limited (www.nsdl.co.in)

Quantum Build-Tech Limited

New Users

Dear Shareholder,

Pursuant to Section 102 of the Companies Act, 2013, ("Act") read with Rule 22 of Companies (Management and Administration) Rules, 2014 ("Rules"), Quantum Build-Tech Limited ("the Company") is seeking Members' consent, by way of Resolutions, for matters as set out in the Notice dated 2nd September, 2014.

The Company has approached NSDL for providing e-voting services through our e-voting platform. In this regard, your Demat Account / Folio Number has been enrolled by the Company for your participation in e-voting on resolution placed by the Company on e-Voting system.

Notice of Annual General Meeting along with Explanatory Statement, and instructions can be downloaded from the link <https://www.evoting.nsdl.com> or the same can also be obtained by sending a request through email to info@quantumbuild.com or from the Registered Office of the Company at Quantum Build-Tech Limited, : 8-1-405/A/66, Dream Valley, Shaikpet, Hyderabad-500008.

The procedure to login to e-Voting website is given below:

- 1) Open the attached PDF file " QBL e-voting.pdf" giving your Client ID (in case you are holding shares in demat mode) or Folio No. (in case you are holding shares in physical mode) as password, which contains your "User ID" and "Password for e-voting". Please note that the password is an initial password.
- 2) Launch internet browser by typing the URL <https://www.evoting.nsdl.com/>
- 3) Click on "Shareholder - Login".
- 4) Put User ID and password as initial password noted in step (1) above and Click Login.
- 5) Password Change Menu appears. Change the password with new password of your choice with minimum 8 digits/characters or combination thereof.
- 6) Home page of "e-Voting" opens. Click on e-Voting: Active Voting Cycles.
- 7) Select "EVEN" of Quantum Build-Tech Limited. Members can cast their vote online from 20th September, 2014 at 9.00 AM to 22nd September, 2014 upto 6.00PM.



- 8) Now you are ready for “e-Voting” as “Cast Vote” page opens.
- 9) Cast your vote by selecting appropriate option and click on “Submit” and also “Confirm”, when prompted.
- 10) Institutional shareholders (i.e., other than Individuals, HUF, NRI etc.) are also required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/Authority Letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to info@quantumbuild.com with a copy marked to **evoting@nsdl.co.in**.

Please note that:

Login to e-voting website will be disabled upon five unsuccessful attempts to key-in the correct password. In such an event, you will need to go through ‘Forgot Password’ option available on the site to reset the same.

- Your login id and password can be used by you exclusively for e-voting on the resolutions placed by the companies in which you are the shareholder.
- It is strongly recommended not to share your password with any other person and take utmost care to keep it confidential.
- Please note that if you have opened 3-in-1 account with ICICI Group i.e. bank account and demat account with ICICI Bank Limited and trading account with ICICI Securities Limited, you can access e-Voting website of NSDL through their website viz.; www.icicidirect.com for the purpose of casting your votes electronically by using your existing user ID and password used for accessing the website www.icicidirect.com. Please note that in case you are not able to login through the ICICI direct website, you can also access the e-Voting system of NSDL by using your existing user ID and password for the evoting system of NSDL.

In case of any queries, you may refer to the Frequently Asked Questions (FAQs) for members and e-voting user manual for members available at the Downloads sections of <https://www.evoting.nsdl.com> or contact NSDL at the following Telephone No.: 022-2499 4600.

Assuring you of our best services,

Regards,

e-Voting support desk

National Securities Depository Limited (www.nsdl.co.in)

EXPLANATORY STATEMENT to the Notice of the Annual General Meeting, as per Section 102 of the Companies Act, 2013

Item No. 5 and 6:

The Company had, pursuant to the provisions of clause 49 of the Listing Agreements entered with the Stock Exchanges, appointed **Sri Sripathi Ram Reddy** and **Sri Kyatham Prabhakar Reddy** as the Independent Directors, in compliance with the requirements of the clause.

Pursuant to the provisions of section 149 of the Companies Act, 2013 (Act) which came in to effect from April 1, 2014, every listed public company is required to have at least one-third of the total number of directors as independent directors, who are not liable to retire by rotation.

The Board has recommended the appointment of these directors as Independent Directors for a period of 5 years effective from the date of this Annual General Meeting.

Sri Sripathi Ram Reddy and **Sri Kyatham Prabhakar Reddy**, non-executive directors of the Company, have given a declaration to the Board that they meet the criteria of independence as provided under section 149(6) of the Act.

In the opinion of the Board, each of these directors fulfill the conditions specified in the Act and the Rules framed thereunder for appointment as Independent Director .In compliance with the provisions of section 149 read with Schedule IV of the Act, the appointment of these directors as Independent Directors is now being placed before the Members for their approval.

The terms and conditions of appointment of the above Directors shall be open for inspection by the Members at the Registered Office of the Company during normal business hours on any working day.

A brief profile and other details of the Independent Directors whose appointment is proposed has been given in below:-

Profiles:

Sri. Sripathi Ram Reddy aged about 67 years, and resident of Hyderabad, holds vast experience in the fields of construction and financial management services. Further, Mr.Sripathi Ram Reddy does not hold any directorship in any other company.

Sri. K.Prabhakar Reddy aged about 65 years and resident of Hyderabad.He is a Bachelor of Engineering from Osmania University and has more than 3 decades of experience in Designing and construction of Residential colonies, Industrial Buildings & other projects.He is presently in the Board of M/s. KSA Consultants Private Limited (Architects & Designers),Hyderabad.



DIRECTORS REPORT

To,
The Members

Your Directors hereby present the Sixteenth Annual Report of the Company together with the Audited Balance Sheet and Profit and Loss Account for the year ended 31st March 2014.

1. FINANCIAL RESULTS:

The financial performance of the Company, for the year ended 31st March, 2014 is summarized below:

(Amount in Rs.)

Particulars	31.03.2014	31.03.2013
Contract Receipts	35,67,324	1,41,59,934
Other Income	73,476	-
Profit/(Loss) before depreciation, Interest and Income Tax(PBDIT)	88,74,932	82,74,777
Exceptional items	-	-
Interest and Financial Charges	81,70,843	70,23,634
Depreciation	3,47,828	4,01,546
Net Profit/(Loss)	3,56,261	8,49,597
Provision for tax	0.00	0.00
Profit after tax	3,56,261	8,49,597

2. REVIEW OF OPERATIONS:

The year under review witnessed a period of recession due to uncertain political environment in the state. For the fiscal year ended 31st March 2014, the total revenue was Rs.36,40,800/- as against Rs.1,41,59,934/-in the previous year as the sale of real estate / flats was sluggish due to various geo-political reasons. Further the construction and real-estate industry experienced large supply of constructed spaces over the demand in market.

The net profit also came down to Rs. 3,56,261/-from Rs.8, 49,597/-as compared to the last year, due to low revenues and increased financial and other expenses.

3. FUTURE OUTLOOK:

The dynamism of the infrastructure sector always lay challenges to the company's performance. Although, the industry has witnessed a gloomy trend for first few years and this financial year, but indeed showed a slight growth trend thus instilling the investors' confidence. The Company in this juncture conveys positivity owing to the political transparency with regard to state hood and other developmental activities being undertaken by the new government. The sale of held-up projects of the Company may boost, once the Company's is able to pump new projects as per consumer demand.

4. **DIVIDEND:**

The profits are planned to be ploughed back in the business operations and hence insufficient to be distributed as dividend. Therefore, your Directors do not declare dividend for the current year.

5. **DIRECTORS:**

In accordance with the provisions of Sections 152(6)(a) of the Companies Act, 2013 and the provisions of the Articles of Association of the Company, Mr. .Kanduri Saraswathi Kumar and Mrs. K. Vijaya Rani Directors retires by rotation at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment. The Board has proposed to appoint Sri S. Ram Reddy and Sri. K. Prabhakar Reddy as Independent Directors as per new Rules

6. **AUDITORS:**

M/s Rambabu & Co., Chartered Accountants, Statutory Auditors of the Company retires at the ensuing sixteenth Annual General Meeting and is eligible for re-appointment. The Auditors if re-appointed shall hold office from the conclusion of the ensuing Annual General Meeting till the conclusion of the Seventeenth Annual General Meeting subject to ratification at the every Annual General Meeting of the Company. The Company has received the written consent and a certificate from them to the effect that their appointment, if made would be within the limits prescribed under Section 139 of the Companies Act, 2013. 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 73 of the Companies Act, 2013 during the year under review.

8. **DIRECTORS RESPOSIBILITY STATEMENT:**

In accordance with the provisions of Sections 134(5) of the Companies Act, 2013, your Directors state that:

- i. In the preparation of the Annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- ii. Your Directors have selected appropriate accounting policies and applied them consistently and made judgments and estimates that are treasonable 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 and loss account of Company for that period.
- iii. Your Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of your Company and for preventing and detecting any frauds and other irregularities.
- iv. Your Directors have prepared the Annual Accounts on going concern basis for the Financial Year ended 31.03.2014 and
- v. Your directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating efficiently.



vi. Your Directors have devised proper systems to ensure the compliance with the provisions of all applicable laws and that such systems were adequate and operating efficiently.

9. 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 annexed to this report.

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 Rs. Lakhs)

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

10. SUBSIDIARIES:

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

11. LISTING OF SHARES :

Your Company, under Direct listing Norms of BSE Limited has made an application for listing of its securities with Bombay Stock Exchange. Your directors are pleased to inform the members that after due documentation and compliances under the said norms, has received an approval for trading of shares at BSE Limited vide letter dated 14th August, 2014. This may instill confidence amongst the stakeholders and the company can plan to wriggle out of the financial crisis by way of attracting/inviting investment from institutional investors. As a result, this signals optimism and hope for the Company's growth and improvement in its financial status. Moreover, the political environment in the State has become more stable than before and the Company anticipates better performance in the future years.

The Bangalore Stock Exchange where the shares have been listed has informed that their operations are soon to be closed as per order of SEBI.

12. 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.

13. 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.

14. INSURANCE:

The properties and assets of your company are adequately insured.

15. CORPORATE GOVERNANCE CODE:

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

The Management discussion and analysis for parts of this report and is given elsewhere in the Annual Report.

16. NOMINATION & REMUNERATION COMMITTEE:

The Board has constituted Nomination & Remuneration Committee consisting of 3 Non- executive Independent Directors. The terms of reference of the Committee cover nomination of members to the Board, evaluation of compensation and benefits for Executive Director(s), Non-Executive Director(s) and looking after the issues relating to employees remuneration.

During the financial year 2013-14 (ninemonths period ended 31.03.2014), the Committee has not held any meeting as there were no proposals for revision of remuneration any senior level executives of Directors.

The below table gives the composition of the Nomination & Remuneration Committee.

S.No.	Name	Position
1	Mr.K.Prabhakar Reddy	Chairman
2	Mr.S.Ram Reddy	Member
3	Mr.K.Saraswathi Kumar	Member

17. 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.

For and on behalf of the Board of Directors

Place: Hyderabad
Date: 02.09.2014

Sd/-
Guduru Satyanarayana
Managing Director

Sd/-
Kodali Vijaya Rani
Director



FORM-A

FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

Particulars	2013-14	2012 - 13
A. POWER AND FUEL CONSUMPTION:		
Electricity		
a) Purchased : Units (KWH)	17,805	52,586
Total Amount (Rs.)	1,57,457	3,65,725
Rate/Unit (Rs.)	8.84	6.95
b) Own Generation		
Through diesel generator: Units (KWH Units per liter of diesel oil Cost per Unit (Rs.)	NA	NA
B. CONSUMPTION PER UNIT OF PRODUCTION:		
Electricity consumption	NA	NA

FORM B

DISCLOSURE OF PARTICULARS WITH RESPECT TO TECHNOLOGY ABSORPTION

- A. Research And Development (R&D) : Not Applicable
- B. Technology absorption, adaptation and innovation :Not Applicable

FORM - C

FOREIGN EXCHANGE EARNINGS AND OUTGO

(in Rupees)

Particulars	2013-14	2012-13
a) Foreign Exchange earned	Nil	Nil
b) Foreign Exchange used	Nil	Nil

MANAGEMENT DISCUSSION & ANALYSIS REPORT

Industry Structure & Developments:

The real estate sector has been the backbone of the Indian economy and has been a major contributor in the economic growth. The role of the Government of India has been instrumental in the development of the sector. As a measure to enhance affordable housing, the finance minister, in the Union Budget 2014-15, has announced relaxation of FDI norms in the real estate sector and a reduction in the size of projects eligible for FDI from 50,000 square meters to 20,000 square meters in addition to reducing the minimum investment limit for FDI to \$5 million from the existing \$10 million. Further, the introduction of Real Estate Investment Trusts (REITs) is likely to increase the liquidity in the sector. The Securities and Exchange Board of India has already issued guidelines for REITs and proposal to allow listing and trading of REITs as an investment product.

Moreover, the prolonged political instability in the domicile State of the Company, on account of the stress prevailing over statehood, has finally come to rest, infusing a fresh ray of hope in the realty sector that was stagnant and was experiencing a financial and investment crisis. With the incorporation of Telangana State, it is likely that the investment in the real estate sector will boost in the entire state and Hyderabad in particular.

Considering the above facts and reports, the Company is hopeful to spread out its operations in construction and development projects and expects enhanced business prospects. Furthermore, the Company is also optimistic about the sale of its flats at Gajularamaram and other ongoing projects, owing to the rising demands, as well as securing working capital finances from banks and other financial institutions.

Opportunities and Threats:

The real estate sector and the infrastructure sector were the focus sectors of the government in the annual Union Budget of 2014-15. The Indian construction and real estate sector continues to be a favoured destination for global investors. According to a report by IBEF, several large global investors, including a number of sovereign funds, have taken the first move by partnering with successful local investors and developers for investing in the Indian real estate market. This is expected to result in high transaction activity, especially in income yielding commercial office assets during 2014. The residential asset class also looks to have great potential for growth in the growth corridors near Hyderabad.

Opportunities:

- Continuous private sector housing boom will create more construction opportunities.
- Encouraging initiatives by the Government.
- Relaxation of FDI norms in the real estate sector
- Public sector projects through Public Private Partnerships such as Hyderabad Metro Rail project will bring further opportunities.
- Introduction of REIT is likely to have a positive impact on the retail market segment.
- Financial supports as loan, insurance will enable for growth.



Threats:

- Any hike in CRR affects lending rate of banks which indirectly affects 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.
- Natural abnormal casualties such as earth quake and floods are uncertain and can prevent the construction activity.
- Competitors are emerging in the industry by leaps and bounds.

Outlook and Future Plans:

The Company is optimistic about the growth of its business in near future as the real estate market indicates the sign of progression with several favourable government policies being introduced to boost the sector. There has been an increasing dependence on non-banking finance companies (NBFCs) for funding in the real estate sector and the Company is hopeful to get financial assistance to conclude its ongoing projects.

Further, the Company has received an In-principle approval for direct listing of its shares at the Bombay Stock Exchange. This enables the Company to raise further capital to fund new projects/undertake expansions/diversifications. Moreover, the political environment in the State has become more stable than before giving an opportunity for better performance in the forthcoming years.

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.
- Natural and Human Resources : Scarcity of land and lack of trained manpower and managerial skills has risk in terms of expansion and quality of the business.
- Equipment risk site : 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 or timely project completion.
- Financial Closure Risk : An inability of the customer to adequate funds in project delay.
- Natural Disasters : The damages and disaster caused by earthquakes, floods, tsunami, clones, are also risks involved for the industry
- Political Risk : Political environment in the state as well as in the country also possesses certain risk with respect to investment in the real estate market.

INTERNAL CONTROL SYSTEM AND ITS ADEQUACY

The Company has advanced and improved internal control system that is innovative and effective to detect the error in the system. The Company is carrying out internal audits at regular intervals of time so as to ensure that there are no irregularities and operational inefficiencies. 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 which ensures total transparency and accountability. Audit committee comprises of one executive director and rest two independent non-executive Directors. The committee performs the task of review of internal control systems from time to time and also unaudited financials every quarter before recommending them to the Board of Directors.

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



SHARE CAPITAL

During the year under review, there was no further issue of shares. Thus the paid up capital of the Company stands at Rs.146,156,300 as on 31.03.2014.

SECURED LOANS

Secured loans of the Company stood at Rs.56,722,147 lakhs as on 31.03.2014.

FIXED ASSETS

Fixed Assets (Gross Block) amounting to Rs. 5,71,112 was sold during the year and the balance of Fixed Asset (Gross Block) as on 31.03.2014 amounts to Rs. 42,35,123/- . An accumulated depreciation of Rs.28,58,641/- was charged to the balance Fixed Assets (Gross Block) thereby arriving at a Net Block of Rs. 13,76,482/-.

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, fair play and independence in its decision making.

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

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

2. BOARD OF DIRECTORS

As on date, Board consists of **SIX** Directors,

Composition and Category of Directors

NAME	Designation	Category	No. of other Director ships	Attendance at Board meeting	Attendance at previous AGM
Mrs. Kodali Vijaya Rani	Director	Non- Executive Promoter	1	5	No
Mr. Guduru Satyanarayana	Managing Director	Executive	Nil	7	Yes
Mr. Manne Rambabu	Whole Time Director	Executive	Nil	6	Yes
Mr. Kanduri Sarswathi Kumar	Director	Non-Executive Independent	Nil	5	Yes
Mr. Ram Reddy Sripathi	Director	Non- Executive Independent	Nil	3	No
Mr. Kyatham PrabhakarReddy	Director	Non-Executive Independent	1	4	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.



i) MEETINGS OF THE BOARD OF DIRECTORS

The Board of Directors met 4 times during the financial year on 29-05-2013 , 13-08-2013 , 29-08-2013 , 31-08-2013 , 12-11-2013 , 12-02-2014 , 04-03-2014.

ii) 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.

iii) 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.

iv) 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 2013-2014 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 2013- 2014, as required under Clause 49 of the Listing Agreement with Stock Exchanges.

v) BOARD COMMITTEES:

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

Further, the Board has delegated certain powers to some of the Committees of its members, and these Committees decide the matters referred and report to the Board by recommendations in the 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 2013-14.

Meetings of the Committee and Attendance of the Members during 2013-14	Status	Meetings Held	Meetings Attended
Mr. K Prabhakar Reddy	Chairman	4	4
Mr. S.Ram Reddy	Member	4	3
Mr. K. Sarswathi Kumar	Member	4	4

During the year, FOUR Audit Committee meetings were held respectively on 29-05-2013 , 13-08-2013 , 12-11-2013, 12-02-2014.

vi) REMUNERATION COMMITTEE:

The Company's remuneration and nomination committee is vested with all the necessary powers and authority to ensure appropriate disclosure on the remuneration of the Managing Director (the only whole time director on the Board) the management of the Company and benefits for Executive Director(s), Non-Executive Director(s) and looking after the issues relating to employees remuneration.

a. Composition

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

- Mr. Kanduri Sarswathi Kumar
- Mr. Ram Reddy Sripathi
- Mr K. Prabhakar Reddy

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.

Details of remuneration paid to Directors

Particulars	Mr. Guduru Satyanarayana Managing Director		Mr. Manne Rambabu Whole-Time Director	
	2013-14	2012-13	2013-14	2012-13
Salary	6,00,000	6,00,000	9,30,000	9,30,000
Perquisites	8,70,000	8,70,000	7,20,000	7,20,000
Total	14,70,000	14,70,000	16,50,000	16,50,000

d. Non- Executive Directors:

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

vii) 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. Sripathi Ram Reddy
- Mrs. Kodali Vijaya Rani
- Mr. Kanduri Sarawathi 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.

3. ANNUAL GENERAL MEETINGS:

Details of Previous Annual General Meetings:-

Day	Date	Time	Venue
Friday	30 th September 2011	12.30 PM	The Hyderabad Gymkhana, Rd No.2, Banjara Hills, Hyderabad-500034
Saturday	29 th September 2012	12.00 Noon	The Hyderabad Gymkhana, Rd No.2, Banjara Hills, Hyderabad-500034
Monday	30 th September 2013	12.00 Noon	Film Nagar Cultural Centre, Dr. D. Ramanaidu Building, Road No. 6, Film Nagar, Jubilee Hills, Hyderabad- 500033

- **Details of special resolution passed –NIL**
- **Postal ballot resolution any such proposal- NIL**

1. DISCLOSURES:

- a) No transaction of material nature has been entered into by the company with directors or management and their relatives etc that may have a potential conflict with the interests of the company. The Register of contracts containing transactions in which directors are interested is placed before the Board regularly.
- b) There has been no instance of non-compliance by the Company on any matter related to the capital markets. Hence the question of penalties or strictures being imposed by SEBI or Stock Exchanges does not arise.
- c) The Company is in compliance with all the mandatory requirements of Corporate Governance and has fulfilled the non- mandatory requirements as prescribed in Annexure 1D of the revised Clause 49 of the Listing Agreement with Stock Exchanges.
- d) The Company has followed the Accounting Standards issued by the Institute of Chartered Accountants of India, to the extent applicable, in the preparation of the Financial Statements
- e) The Company has laid down procedures to inform Board Members about the risk assessment and minimization procedures. These procedures are periodically reviewed to ensure that executive management control risks through means of a properly defined framework
- f) The Company has adopted with the Code of Conduct applicable to all Directors, senior management and employees. The Declaration as required under Clause 49 is as below:

“All the Directors and Senior Management of the Company have affirmed compliance with the Company’s Code of Conduct for the financial year ended 31st March, 2014.”



4. CEO CERTIFICATION:

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

CEO/CFO CERTIFICATION

To

The Board of Directors,
Quantum Build-Tech Limited

I have reviewed the financial statements, read with the cash flow statement of Quantum Build-Tech Limited for the year ended 31st March, 2014 and that to the best of our knowledge and belief, we state that:

- A. (i) These statements do not contain any materially untrue statement or omit any material fact or contain statement that may be misleading;
- (ii) These statements present a true and fair view of the company's affairs and are in compliance with current accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transaction entered into by the Company during the year which are fraudulent, illegal or in violation of the Company's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting. We have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and steps taken or proposed to be taken for rectifying these deficiencies.
- D. We have indicated to the Auditors and the Audit Committee;
 - (i) Significant changes, if any, in the internal control over financial reporting during the year.
 - (ii) Significant changes, if any, in the accounting policies made during the year and that the same have been disclosed in the notes of the financial statements; and
 - (iii) Instances of significant fraud of which we have become aware and the involvement therein, if any of the management or an employee having a significant role in the company's internal control system over financial reporting.

For Quantum Build-Tech Limited

Place: Hyderabad
Dated: 02.09.2014

Sd/-

Guduru Satyanarayana
Managing Director

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

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

5. 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.

6. GENERAL SHAREHOLDERS INFORMATION

- a. 16th Annual General Meeting Schedules: Monday, 29th September 2014 at 11.30AM at Film Nagar Cultural Centre, Dr. D. Ramanaidu Building, Road No. 6, Film Nagar, Jubilee Hills, Hyderabad-500033
- b. Financial Calendar year 2014-15

The Financial year of the Company is 1st April to 31st March	
Financial Year Reporting for	Proposed Date
First Quarter Results	on or before 14.08.2014
Second Quarter Results	on or before 14.11.2014
Third Quarter Results	on or before 14.02.2015
Fourth Quarter Results	on or before 30.05.2015
17 th Annual General Meeting	September, 2015

- c. Dates of book closure (Period) : 22.09.2014 to 29.09.2014 (Both days inclusive).
 - d. Dividend Payment Date : Not Applicable.
 - e. Listing Stock Exchanges : BSE Limited and Bangalore Stock Exchange Ltd.,
 - f. The Listing Fee : The listing fees for the year 2014-15 has been paid to Bgse and BSE
 - g. Stock Code : QUANTBUILD on BSE
QUANTUM SOF on BgSE
 - h. ISIN No. : INE 222B01028
 - i. CIN No. : L72200TG1998PLC030071
 - j. Market price Data : The shares of the company were not traded at any of the specified stock Exchange during the year.
 - k. Performance Comparison : Not Available(since there was no active trading)
- 7. Registrar & Share Transfer Agents** : Venture Capital & Corporate Investments Pvt. Ltd
12-10-167, Bharat Nagar Colony, Hyderabad-18



8. Distribution of shareholding as at 31st March 2014:

Category/No.of Share	No.of Share Share	% of Total Share Holders	No. of Shares Share	% of Total Shares Holders
Upto 500	2982	92.24	337511	2.68
501 - 1000	82	2.54	63079	0.50
1001 - 2000	93	2.88	128790	1.02
2001 - 3000	20	0.61	48065	0.37
3001 - 4000	7	0.21	25120	0.20
4001 – 5000	8	0.25	38603	0.31
5001 - 10000	9	0.28	71527	0.57
10001 and Above	32	0.99	11902935	94.35
TOTAL	3233	100	12615630	100

9. Category wise shareholding as at 31st March, 2014

Category	No. of Equity Shares Held	% of Shareholding
Promoters	35,30,464	27.98
Corporate Bodies	19,89,613	15.77
Overseas Corporate Bodies	2,150	0.02
Public	70,93,403	56.23
Total	1,26,15,630	100.00

10. Dematerialization of shares : The company has entered into separate Tripartite Agreement with the Depositories viz. NSDL and CSDL along with M/s Venture Capital & Corporate Investments Private Limited as Registrar and Share Transfer Agents. As on 31.03.2014 a total of 98,80,094 shares i.e. about 78.32% of the total listed shares has been dematerialized.

11. Share Transfer Process : The Company's shares are traded in Demat form at the stock exchanges. Only off- market trades can be delivered in physical form. All shares received for transfer are processed and returned to the shareholders within 21 days of receipt of lodgment.



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

13. **Address for Communication
and registered Office** : 8-1-405/A/66, Dream Valley, Shaikpet,
Hyderabad-08
Tel No.: 040-23568766
Fax No.: 040-23568990
Email ID: info@quantumbuild.com
Website : www.quantumbuild.com

For and behalf of the Board

Place: Hyderabad
Date: 02.09.2014

Sd/-

(Guduru Satyanarayana)
Managing Director



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 Bangalore Stock Exchange Limited for the financial year ended on 31st March,2014. 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: 02.09.2014

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, 2014, 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") read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013 and in accordance with the accounting principles generally accepted in India. 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, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. 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 forming part of the Financial Statements regarding non-provision of the dividend on 13% cumulative redeemable preference shares amounting to Rs. 26,00,000/- for the year and Cumulative dividend amounting to Rs. 2,02,08,763/-.*
- ii) *Attention is invited to Note No.3.1.1 to Notes forming part of the Financial Statements regarding the redemption of 13% Cumulative Redeemable Preference Shares, The Company has defaulted in redeeming the said preference shares to the extent of Rs. 2,00,00,000/- due on 22nd December, 2008.*
- iii) *Attention is invited to Note 3.1.1 to Notes forming part of the Financial Statements regarding winding up petition filed by preference shareholders holding 2,00,000 preference shares for non redemption of preference shares.*



- iv) *Attention is invited to Note No.6.2 to Notes forming part of the Financial Statements regarding non provision of interest for an amount of Rs. 6,23,880/- on unsecured loan. In our opinion, the profit of the company for the year is overstated by an amount of Rs.6,23,880/-*
- v) *Attention is invited to Note No. 14.1(a) and (d) to Notes forming part of the Financial Statements regarding non provision of dues from the buyers of flats to the extent of Rs.1,09,19,092/- on which a case is pending for cancellation of sale deeds, and Rs. 11,82,713/-, the recovery of which is doubtful.*

Opinion

Except in respect of matters as stated in points (i), (ii), (iii), (iv) and (v) 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:

- a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- b) In the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- c) 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

1. 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.
2. As required by section 227(3) of the Act, we report that:
 - (a) 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;
 - (b) 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.
 - (c) 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.
 - (d) 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-29 relating to provisions, Contingent Liabilities and Contingent Assets.*
 - (e) On the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, 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: 30-05-2014.

For **RAMBABU & Co.**
Chartered Accountants
Firm Reg No: 002976S

Sd/-
GVL Prasad
Partner
M No: 026548

Annexure to Independent Auditor's Report

1. In respect of its fixed assets;
 - (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. In respect of Inventories;
 - (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) The Company has taken a loan aggregating to Rs. 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.
 - (d) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. Consequently, the provisions of clauses iii (b), iii(c) and iii (d) of the order are not applicable to the Company.
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. In respect of the contracts or arrangements referred to in section 301 of the companies Act 1956;
 - (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 and 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.
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 and 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 31st of March, 2014 for a period of more than six months from the date they became payable except Tax Deducted at Source of Rs. 7,22,704/- and Service Tax of Rs. 7,91,182/-.
 - (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	57,14,284
2	PNB Housing Finance Limited	2,00,00,000	49,81,817
3	Axis Bank Limited	50,00,000	8,27,046

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 and other Investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
15. 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 31st March, 2014, 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 not made preferential allotment of shares during the year.
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: 30-05-2014.

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 2014

(Amount in Rs.)

Particulars	Note	As at 31 March 2014	As at 31 March 2013
A EQUITY AND LIABILITIES			
1 Shareholders' Funds			
(a) Share Capital	3	146,156,300	146,156,300
(b) Reserves and Surplus	4	(25,771,164)	(26,127,425)
		120,385,136	120,028,875
2 Non-Current Liabilities			
(a) Long -Term Borrowings	5	35,543,863	30,507,025
		35,543,863	30,507,025
3 Current Liabilities			
(a) Short term Borrowings	6	25,913,284	23,355,883
(b) Trade Payables	7	21,973,310	21,089,349
(c) Other Current Liabilities	8	20,438,480	25,461,092
(d) Short -Term Provisions	9	3,837,405	3,794,905
		72,162,479	73,701,229
TOTAL		228,091,478	224,237,129
B ASSETS			
1 Non -Current Assets			
(a) Fixed Assets			
Tangible Assets	10	1,376,482	2,023,101
		1,376,482	2,023,101
(b) Long-Term Loans and Advances	11	40,801,548	41,302,048
(c) Other Non -Current Assets	12	-	11,021
		40,801,548	41,313,069
2 Current Assets			
(a) Inventories	13	149,161,098	137,906,349
(b) Trade Receivables	14	28,095,176	32,038,311
(c) Cash and Cash Equivalents	15	73,774	788,645
(d) Short -Term Loans and Advances	16	8,583,400	10,167,654
		185,913,448	180,900,959
TOTAL		228,091,478	224,237,129

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

For and on behalf of the Board

Sd/-
GVL Prasad
Partner
Membership No.026548
Place : Hyderabad
Date : 30-05-2014

Sd/-
G.Satyanarayana
Managing Director

Sd/-
K.Vijaya Rani
Director

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST, MARCH 2014

(Amount in Rs.)

Particulars	Note	For the Year Ended 31-03-2014	For the Year Ended 31-03-2013
CONTINUING OPERATIONS			
1 Revenue from Operations	17	3,567,324	14,159,934
Other Income		73,476	-
Total		3,640,800	14,159,934
2 Expenses			
(a) Cost of Materials Consumed	18.a	886,380	3,043,971
(b) Cost of Labour charges	18.b	2,343,494	2,892,996
(c) Changes in Contracts Work-in-Progress	18.c	(14,705,749)	(6,375,357)
(d) Employee Benefits Expenses	19	3,335,680	3,649,741
(e) Finance Costs	20	8,170,843	7,005,839
(f) Depreciation and Amortisation Expenses		347,828	401,546
(g) Other Expenses	21	2,906,063	2,691,601
Total		3,284,539	13,310,337
3 Profit before tax		356,261	849,597
4 Less : Provision for Current Tax		-	-
5 Profit for the year		356,261	849,597
6 Earnings per share (Nominal value of Rs. 10/- each)			
(a) Basic		0.02	0.06
(b) Diluted		0.02	0.06
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

For and on behalf of the Board

Sd/-
GVL Prasad
Partner
Membership No.026548
Place : Hyderabad
Date : 30-05-2014

Sd/-
G.Satyanarayana
Managing Director

Sd/-
K.Vijaya Rani
Director



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH,2014

(Amount in Rs.)

SI No	Particulars	For the Year Ended 31-03-2014	For the Year Ended 31-03-2013
A	CASH FLOW FROM OPERATING ACTIVITIES		
	Net Profit before tax	356,261	849,597
	Adjustments for:		
	Depreciation and Amortisation	347,828	401,546
	Loss on sale of Asset	198,792	-
	Finance Charges	6,694,239	4,394,790
	Operating profit before working capital changes	7,597,120	5,645,933
	Changes in working capital:		
	Inventories	(11,254,749)	132,998
	Trade receivables	1,875,761	455,832
	Loans & Advances	2,228,969	(129,279)
	Trade payables	883,960	(1,089,305)
	Other current liabilities	(3,088,432)	(2,433,760)
	Short-term provisions	42,500	(1,002,500)
	Net cash generated/(used in) operating activities (A)	(1,714,871)	1,579,919
B	CASH FLOW FROM INVESTING ACTIVITIES		
	Additions to Fixed Assets	-	(10,125)
	Proceeds from sale of Asset	100,000	-
	Net Cash used in Investing Activity (B)	100,000	(10,125)
C	CASH FLOW FROM FINANCING ACTIVITIES		
	Long-term borrowings	900,000	(1,625,310)
	Net cash(used in)/generated from financing activities (C)	900,000	(1,625,310)
	Net decrease in Cash and cash equivalents (A+B+C)	(714,871)	(55,516)
	Cash and cash equivalents at the beginning of the year	788,645	844,161
	Cash and cash equivalents at the end of the year	73,774	788,645
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

For and on behalf of the Board

Sd/-
GVL Prasad
Partner
Membership No.026548
Place : Hyderabad
Date : 30-05-2014

Sd/-
G.Satyanarayana
Managing Director

Sd/-
K.Vijaya Rani
Director

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 Viley , Near OU Colony, Shaikpet, Hyderabad - 500 008.

2 Significant accounting policies

2.1 Basis of accounting and preparation of financial statements

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

2.2 Use of estimates

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

2.3 Inventories and Services

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

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

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

2.5 Cash flow statement

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



2.6 Depreciation and amortisation

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

2.7 Revenue recognition

Contract Revenue & Expenses

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

2.8 Tangible fixed assets

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

2.9 Intangible assets

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

2.10 Employee benefits

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

2.11 Earnings per share

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations.

Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits/ reverse share splits and bonus shares, as appropriate.

2.12 Taxes on income

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

2.13 Impairment of assets

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

2.14 Provisions and contingencies

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



Notes forming part of the Financial Statements

3 Share Capital		(Amount in Rs.)	
Particulars	As at 31-03-2014	As at 31-03-2013	
(a) Authorised			
1,80,00,000 Equity shares of Rs.10/- each with voting rights (Previous year 1,80,00,000 Equity shares of Rs. 10/- each with voiting rights	180,000,000	180,000,000	
10,00,000 Cumulative Redeemable preference shares of Rs.100/- each (Previous year 10,00,000 Cumulative redeemable preference shares of Rs.100/- each)	100,000,000	100,000,000	
Total	280,000,000	280,000,000	
3.1 (b) Issued, Subscribed & fully paid up			
1,26,15,630 Equity shares of Rs. 10/-each with voting rights	126,156,300	126,156,300	
2,00,000 - 13% Cumulative Redeemable preference shares of Rs.100/- each	20,000,000	20,000,000	
Total	146,156,300	146,156,300	

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

13% Cumulative Redeemable preference shares of Rs. 4,46,28,000/-is due for redemption on 22-12-2008, During the previous year the company has redeemed 2,46,280 preference shares of Rs. 100/- each together with accumulated dividend of total amounting to Rs. 4,31,09,800/- by way of conversion into 43,10,980 equity shares of Rs.10/- each to the preference shareholders.

Balance of 2,00,000 preference shares of Rs.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,2014 is Rs. 2,02,08,763/- (as at 31st March,2013 is Rs.1,76,08,763/-)

The balance preference shareholders 1)Venugopal Reddy Pakanati & Anuradha Reddy Pakanati jointly holding 1,00,000 preference shares and 2) Rajagopal Reddy Pakanati and Suneela Reddy Pakanati jointly holding 1,00,000 preference shares have filed a recovery suit in the court of City civil court at Secunderabad vide Ref No.O.S.No.492 of 2013 which is pending before the court.

The above preference shareholders have also filed winding up petition against the company in the High Court of Judicature of Andhra Pradesh at Hyderabad vide Ref No. CP 44 of 2014 and CP 47 of 2014 which is pending before the Hon'ble court.

3.1.2	Particulars	As at 31-03-2014	As at 31-03-2013
	Equity shares at the beginning of the year	12,615,630	8,304,650
	Add : Movement during the year	-	4,310,980
	Equity shares at the end of the year	12,615,630	12,615,630

3.1.3 Details of Shareholders holding more than 5% shares					
	Name of the share holder	As at 31.03.2014		As at 31.03.2013	
		No of shares	% held	No of shares	% held
	Kodali Vijaya Rani	1,845,350	14.63	1,845,350	14.63
	Rajesh / Vamsi Cherukuri	1,662,916	13.18	1,662,916	13.18
	M/s.Geekeyar Developers Pvt Ltd	1,200,000	9.51	1,200,000	9.51
	Punukollu kodanda Rambabu	1,085,114	8.60	1,085,114	8.60
	Raghavendra Appanagari	878,370	6.96	878,370	6.96
	Sekhar V Uppalapati	869,968	6.90	869,968	6.90
	M/s.Pancom Marketing Pvt Ltd	650,000	5.15	650,000	5.15

4	Reserves and Surplus	(Amount in Rs.)	
	Particulars	As at 31-03-2014	As at 31-03-2013
	(A) Capital Reserve (Refer Note 4.1) (A)	3,500,000	3,500,000
	(B) Statement of Profit & Loss		
	Opening Balance	(29,627,425)	(8,854,240)
	Add: Surplus / (Deficit) in statement of Profit & Loss	356,261	849,597
		(29,271,164)	(8,004,643)
	Less: Dividend to Preference Share Holders	-	18,481,800
	Tax on Dividend	-	3,140,982
	Closing Balance (B)	(29,271,164)	(29,627,425)
	Total (A+B)	(25,771,164)	(26,127,425)

4.1	The Company has forfeited 17,50,000 share warrants of Rs. 2/-paid , for non payment of balance amount
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5 Long-Term Borrowings		(Amount in Rs.)	
Particulars	As at 31-03-2014	As at 31-03-2013	
(A) Term loans - Secured			
From banks			
Axis Bank Ltd- Term Loan (Refer Note 5.1)	5,827,046	5,203,046	
PNB Housing Finance Ltd (Refer Note 5.2)	24,981,817	21,468,979	
(A)	30,808,863	26,672,025	
(B) Unsecured			
From Directors			
From Others	235,000	235,000	
	4,500,000	3,600,000	
(B)	4,735,000	3,835,000	
Total (A+B)	35,543,863	30,507,025	
5.1	<p>The Company has taken overdraft facility from Axis Bank Ltd, Jubilee Hills branch, in November,2006 for an amount of Rs.200.00 Lacs, part of the overdraft has been converted into Term Loan by the bank in November,2008 for an amount of Rs.50.00 Lacs at an interest rate of 14.25 % . The said term loan is secured by equitable mortgage of 1320 & 1095.89 Sq.yds of company own land in Jaihind Nagar, Shaikpet, Hyderabad and also equitable mortgage of land & building at Plot No.66, Dream Valley, Shaikpet, Hyderabad, in the name of K.Vijaya Rani & P.Vamsidhar. The loan is repayable in 60 monthly installments of Rs.1,16,990/-each from the date of conversion. The company has paid 20 monthly installments upto september 2010.</p> <p>Axis Bank Ltd has filed a case in the Hon'ble Debts Recovery tribunal against the company for recovery of debts vide case Reference No.O.A.No.436 of 2013, and the company also filed a case against Axis Bank Ltd vide case Reference No. SA.48 of 2012 and is pending before the Hon'ble Debts Recovery Tribunal.</p> <p>The term loan facility is further secured by personal guarantees of Sri P.Kodanda Rambabu, Smt K.Vijaya Rani & Sri P.Vamsidhar</p>		
5.2	<p>The Company has utilised Term loan from PNB Housing Finance Ltd,Lakdikapul branch, in April,2008 for an amount of Rs.200.00 Lacs at an interest rate of 14.50 % p.a. The said term loan is secured by equitable mortgage of 7744 Sq.Yds of land belonging to Smt.T.Vijaya Lakshmi who entered into developement agreement with the company for the development of Quantum Heights residential complex at Gajularamaram. The term loan shall be repayable in 16 monthly installments commencing after 12 months of 1st disbursement of loan.</p> <p>The Company has filed a case in the Hon'ble Debts Recovery Tribunal against PNB Housing Finance Limited vide case Reference No.SA 673 of 2013, which is pending before the Hon'ble Debts Recovery Tribunal.</p> <p>The term loan facilities are further secured by personal guarantees of Sri G.Satyanarayana, Sri.P.Kodanda Rambabu, and Smt K.Vijaya Rani.</p>		

6 Short-Term Borrowings (Amount in Rs.)			
Particulars		As at 31-03-2014	As at 31-03-2013
(a) Loans repayable on demand - Secured			
From Banks			
Axis Bank Ltd - Cash Credit (Refer Note 6.1)		20,714,284	18,156,883
(b) From Other Parties			
Secured			
Others (Refer Note 6.2)		5,199,000	5,199,000
Total		25,913,284	23,355,883
6.1	<p>The Company has taken overdraft facility from Axis Bank Ltd, Jubilee Hills branch, in November,2006 for an amount of Rs.200.00 Lacs,(Out of it Rs.50.00 Lacs has been converted into Term loan in November,2008) at an interest rate of 12% p.a. The said overdraft facilities are secured by equitable mortgage of 1320 & 1095.89 Sq.yds of company own land in Jaihind Nagar, Shaikpet, Hyderabad and also equitable mortgage of land & building at Plot No.66, Dream Valley, Shaikpet, Hyderabad, in the name of K .Vijaya Rani & P. Vamsidhar.</p> <p>Axis Bank Ltd has filed a case in the Hon'ble Debts Recovery tribunal against the company for recovery of debts vide case Reference No.O.A.No.436 of 2013, and the company also filed a case against Axis Bank Ltd vide case Reference No. SA.48 of 2012 and is pending before the Hon'ble Debts Recovery Tribunal.</p> <p>The said overdraft facilities are further secured by personal guarantees of Sri P.Kodanda Rambabu, Smt K.Vijaya Rani & Sri P.Vamsidhar</p>		
6.2	<p>The Company has taken loan of Rs. 80.00 lacs from Mr.G.S.R Krishna Murthy by offering mortgage of 6 apartments in Jaihind Valley at manikonda with an interest rate @12% p.a. which will be repayable on demand.During the year company has not provided interest.</p>		
7 Trade Payables			
Particulars		As at 31-03-2014	As at 31-03-2013
Sundry Creditors for Materials		4,316,932	4,400,671
Sundry Creditors for Works		6,700,676	6,963,523
Sundry Creditors for Services		10,955,702	9,725,155
Total		21,973,310	21,089,349



8 Other Current Liabilities (Amount in Rs.)			
Particulars		As at 31-03-2014	As at 31-03-2013
(A) Current maturities of long term debts			
From Banks			
Secured - Hire Purchase Loan (Refer Note 8.1)		-	24,309
		-	24,309
(B) Other Payables			
Outstanding Liabilities		379,448	368,432
Others		241,430	241,430
		620,878	609,862
(C) Statutory Payables			
Professional Tax		600	660
Service Tax		924,376	5,357,790
TDS		894,823	1,124,018
		1,819,799	6,482,468
(D) Advances from Customers		13,445,504	13,909,690
(E) Interest Accrued		4,552,299	4,434,763
Total (A+B+C+D+E)		20,438,480	25,461,092
8.1	The company has taken a loan from Axis Bank Ltd Rs.10.80 lacs in the year 2008 for purchase of car at an interest rate of 13.00% on a monthly reducing basis. The said loan is secured by way of hyphothecation 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 31-03-2014	As at 31-03-2013
(a) Provision for employee benefits			
Provision for Gratuity (Refer Note 9.1)		336,433	293,933
(b) Tax on Dividend		3,140,982	3,140,982
(c) Provision for unexecuted contracts		359,990	359,990
Total		3,837,405	3,794,905
9.1	The company has made provision for gratuity based on accrual calculations as on balance sheet date.		

QUANTUM BUILD-TECH LIMITED
HYDERABAD

NOTE 10 Particulars	GROSS BLOCK			DEPRECIATION & AMORTISATION			(Amount in ₹) NET BLOCK			
	As On 01-04-2013	Additions During the Year	Deletions During the Year	Balance as on 31-03-2014	Balance as on 01-04-2013	Deletions During the Year	For the Year	Total upto 31-03-2014	As At 31-03-2013	As At 31-03-2014
TANGIBLE ASSETS :										
Computers	501,152	-	-	501,152	476,094	-	-	476,094	25,058	25,058
Construction Equipment	149,463	-	-	149,463	45,777	-	7,099	52,876	103,686	96,587
Furniture & Fixtures	226,307	-	-	226,307	101,818	-	14,325	116,143	124,489	110,164
Office Equipment	118,991	-	-	118,991	49,073	-	7,532	56,605	69,918	62,386
Vehicles	3,194,502	-	571,112	2,623,390	1,720,329	272,320	249,222	1,697,231	1,474,173	926,159
Centering Materials	615,820	-	-	615,820	390,042	-	69,649	459,691	225,778	156,129
Total	4,806,235	-	571,112	4,235,123	2,783,133	272,320	347,828	2,858,641	2,023,102	1,376,482
Previous Year	4,796,110	10,125	-	4,806,235	2,381,589	-	401,546	2,783,134	2,414,521	2,023,101



11	Long-Term Loans and Advances	(Amount in Rs.)	
	Particulars	As at 31-03-2014	As at 31-03-2013
	(A) Loans and advances		
	Unsecured Considered good		
	Advance for Land	35,100,000	35,600,000
	Others	5,554,200	5,554,200
	(A)	40,654,200	41,154,200
	(B) Loans and advances to employees		
	Unsecured, considered good	120,210	120,710
	(C) TDS Receivable		
	Unsecured considered good		
	TDS Receivable (Net of Provision)	27,138	27,138
	(C)		
	Total (A+B+C)	40,801,548	41,302,048

12	Other Non-Current Assets		
	Particulars	As at 31-03-2014	As at 31-03-2013
	Unaccrued Finance charges	-	11,021
	Total	-	11,021

13	Inventories		
	Particulars	As at 31-03-2014	As at 31-03-2013
	Contracts work - in - Progress	119,044,332	104,338,583
	Project Land	30,116,766	33,567,766
	Total	149,161,098	137,906,349

14	Trade Receivables (Amount in Rs.)		
Particulars	As at 31-03-2014	As at 31-03-2013	
Trade receivables outstanding for a period exceeding six months from the date they were due for payment			
Unsecured, considered good (Refer Note 14.1)	28,095,176	31,589,311	
Others	-	449,000	
Total	28,095,176	32,038,311	
14.1	<p>a) Debtors exceeding six months includes an amount of Rs.1,09,19,092/- against which the company has filed a case in the court of District Judge, Ranga Reddy,vide case reference No.O.S.No.366 of 2012 for cancellation of sale deeds executed by the company relating to sale of 4 semi finished flats situated at Sy No.159,160&162 (part),Manikonda village, Rajendra Nagar Mandal, R R District, as the buyer has not complied with the terms of sale deed.</p> <p>b) The Company has filed a case U/s.138 of Negotiable Instruments Act for recovery of Rs.3,05,089/- due from a customer.</p> <p>c) Debtors exceeding six months includes an amount of Rs. 74,23,541/- against which the Company has executed sale deeds for sale of three flats .The Management is confident of recovering the dues and hence no case was filed.</p> <p>d) Debtors exceeding six months includes an amount of Rs.11,82,713/-, 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 Equivalentents		
Particulars	As at 31-03-2014	As at 31-03-2013	
(A) Cash			
Cash on hand	32,194	734,159	
(B) Balances with Banks in Current accounts			
(i) Karur Vysya Bank Ltd	11,614	24,320	
(ii) Punjab National Bank Ltd	19,966	20,166	
(iii) Axis Bank Ltd - ESW Preferential Issue account	10,000	10,000	
Total (A+B)	73,774	788,645	



16	Short-Term Loans and Advances (Unsecured, Considered good) (Amount in Rs.)		
	Particulars	As at 31-03-2014	As at 31-03-2013
	(A) Loans and advances		
	Other Advances	4,869,874	5,123,680
	Rent Deposit	1,100,000	1,100,000
	Electricity Deposit	29,074	29,074
	Other Deposits	215,309	215,309
	(A)	6,214,257	6,468,063
	(B) Advance paid for Works	2,369,143	3,699,591
	(B)		
	Total (A+B)	8,583,400	10167654

17	Revenue from Operations		
	Particulars	As at 31-03-2014	As at 31-03-2013
	Sale of Residential Flats (Gross)	3,750,000	14,820,000
	Less:		
	Service Tax	145,547	525,909
	Sales Tax	37,129	134,157
	Total Net Sales	3,567,324	14,159,934

18.a	Cost of Materials Consumed		
	Particulars	As at 31-03-2014	As at 31-03-2013
	Cost of Materials Purchased	886,380	3,043,971
	Total	886,380	3,043,971

18.b	Cost of Labour Charges		
	Particulars	As at 31-03-2014	As at 31-03-2013
	Labour charges	2,343,494	2,892,996
	Total	2,343,494	2,892,996

18.c	Changes in Inventories of Work-in-Progress (Amount in Rs.)			
	Particulars	As at 31-03-2014	As at 31-03-2013	
	Inventories at the End of the Year			
	Work - in - Progress	119,044,332	104,338,583	
	Inventories at the Beginning of the Year			
	Work-in-Progress	104,338,583	97,963,226	
	Total Net (Increase) / Decrease	(14,705,749)	(6,375,357)	
19	Employee Benefits Expenses			
	Particulars	As at 31-03-2014	As at 31-03-2013	
	Salaries & Wages	3,283,143	3,492,000	
	Contributions to Gratuity	42,500	42,500	
	Staff welfare expenses	10,037	115,241	
	Total	3,335,680	3,649,741	
20	Finance Cost			
	Particulars	As at 31-03-2014	As at 31-03-2013	
	(a) Interest On			
	(i) Term Loan	4,136,838	3,642,875	
	(ii) Working Capital Loan	2,557,401	2,451,915	
	(iii) Hire Purchase Loan	-	22,462	
	(iv) TDS	138,523	200,288	
	(v) Others	1,338,081	688,299	
		Total	8,170,843	7,005,839
	21	Other Expenses		
Particulars		As at 31-03-2014	As at 31-03-2013	
Power and fuel		157,457	381,225	
Rent		114,000	114,000	
Repairs and maintenance		39,340	17,075	
Insurance		33,626	30,233	
Rates and taxes		792,192	295,586	
Communication		139,806	175,605	



(Amount in Rs.)		
Particulars	As at 31-03-2014	As at 31-03-2013
Consultancy & Professional	306,351	182,774
Bank Charges	7,981	17,795
Payment to Auditors	100,000	100,000
Travelling and conveyance	176,825	276,344
Printing and stationery	66,837	68,071
Freight & Transport charges	43,590	101,193
Business promotion	22,428	22,928
Advertisement Expenses	100,280	101,422
AGM Expenses	7,123	4,786
Membership & Subscription	5,200	2,850
News Papers , Books & Periodicals	1,985	1,880
Office Maintainence	42,287	30,792
Miscellaneous Expenses	41,827	31,338
Postage & Courier	10,097	36,867
Vehicle Maintenance	488,539	492,443
Loss on sale of vehicle	198,792	-
Legal Expenses	9,500	206,394
Total	2,906,063	2,691,601

21	Other expenses (contd.)		
Particulars	As at 31-03-2014	As at 31-03-2013	
(i) Payments to the auditors comprises			
(Excluding Service tax)			
Statutory Audit Fee	100,000	75,000	
Tax Audit Fee	-	25,000	
Total	100,000	100,000	

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

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

24	Transactions with Key Management Persons and their Relatives				
	Particulars	Associate Company		KMP & Relatives of KMP	
		31-03-2014	31 -03-2013	31-03-2014	31 -03-2013
		Rs.	Rs.	Rs.	Rs.
	Remuneration & Perquisites	-	-	2,983,083	3,120,000
	Rent	-	-	114,000	114,000
	Balances Payable	-	-	10,440,641	8,574,688
	Balances Receivable	-	-	-	387,000

25	Confirmations are not received in respect of the amounts relating to trade receivables, trade payables, loans & advances.
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26	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 Rs.
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In terms of our report of even date attached

For Rambabu & Co
Chartered Accountants
Firm Regn No.002976S

For and on behalf of the Board

Sd/-
GVL Prasad
Partner
Membership No.026548
Place : Hyderabad
Date : 30-05-2014

Sd/-
G.Satyanarayana
Managing Director

Sd/-
K.Vijaya Rani
Director



QUANTUM BUILD-TECH LIMITED

QUANTUM BUILD-TECH LIMITED
FORM NO. MGT-11
PROXY FORM

[Pursuant To Section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN: L72200TG1998PLC030071

Name of the Company: **Quantum Build-Tech Limited**

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

Name of the Member(s) :

Registered Address :

E-mail ID :

Folio No/ Client ID :

DP ID :

I / We, being the member(s) of shares of the above named Company, hereby appoint

1. Name: Address:

E-mail ID: Signature:

2. Name: Address:

E-mail ID: Signature:

3. Name: Address:

E-mail ID: Signature:

As my our proxy to attend and vote (on a poll) for me/ us on my/ our behalf at the Annual General Meeting of the Company, to be held on **Monday the 29th September**, 2014 at 11.30 A.M. at Film Nagar Cultural Centre, Dr. D. Ramanaidu Building, Road No. 6, Jubilee Hills, Hyderabad-500033 and at any adjournment thereof in respect of such resolution(s) as are indicated below



S. No.	Resolution	For	Against
Ordinary Business			
1.	Consider and adopt audited financial statements, Reports of Directors and Auditors		
2.	Re-appointment of Shri K. Saraswathi Kumar, who retires by rotation		
3.	Re-appointment of Smt. K. Vijaya Rani, who retires by rotation		
4.	Appointment of Auditors and fixing their remuneration		
Special Business			
5.	Appointment of Shri. S. Ram Reddy as an Independent Director for Five years u/s 149 of the Act.		
6.	Appointment of Shri K. Prabhakar Reddy as an Independent Director for Five years u/s 149 of the Act		

Signed this day of 2014

Signature of the Shareholder(s) Signature of Proxy (s).....

Affix Revenue Stamp

Note: The form of Proxy in order to be effective should be duly completed and deposited at the registered office of the Company, not less than 48 hours before the commencement of the meeting.

ELECTRONIC VOTING PARTICULARS

EVEN (Electronic Voting Event Number)	User ID	Password



QUANTUM BILD-TECH LIMITED

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

ATTENDANCE SLIP

**(To be handed over at the entrance of the meeting hall)
(16th Annual General Meeting – 29th September, 2014)**

I hereby record my presence at the Annual General Meeting of the Company held on, **Monday the 29th September**, 2014 at 11.30 A.M. at Film Nagar Cultural Centre, Dr. D. Ramanaidu Building, Road No. 6, Jubilee Hills, Hyderabad-500033.

Full name of the member (In BLOCK LETTERS)

Folio No.DP ID No. Client ID No.....

Full name of Proxy (In BLOCK LETTERS):

Member/ Proxy(s) Signature:

PRINTED MATTER

If Undelivered, please return to:

M/s. QUANTUM BUILD-TECH LIMITED

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



QUANTUM BUILD-TECH LIMITED

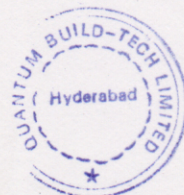
Registered Office: 8-1-405/A/66, Dreamvalley, Near O.U.Colony, Shaikpet, Hyderabad-500 008. www.quantumbuild.com
Phones : 040 - 23568766 Fax : 040 - 23568990 E-mail : info@quantumbuild.com CIN : L72200AP1998PLC030071
76

FORM B

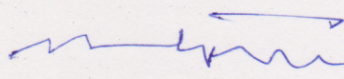
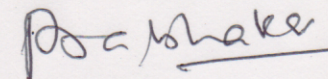
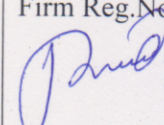
(Pursuant to Clause 31(a) of the Listing Agreement)

Format of covering letter of the annual audit report to be filled with the stock exchanges

1.	Name of the Company	QUANTUM BUILD-TECH LIMITED BSE Code – 538596 (Equity)
2.	Annual Financial Statements for the year ended	31 st March 2014
3.	Type of Observation	Qualified
4.	Frequency of Audit observation and Type	A) Repetitive in respect of observation A) as stated in item 5 below from the financial year ended on 31 st March, 2008. B) Repetitive in respect of observation B) as stated in item 5 below from the financial year ended on 31 st March, 2009. C) First year in respect of observation C) as stated in item 5 below. D) Repetitive in respect of observation D) as stated in item 5 below from the financial year ended on 31 st March, 2013. E) Repetitive in respect of observation E) as stated in item 5 below from the financial year ended on 31 st March, 2012.
5.	Draw attention to relevant notes in the financial statements.	Observation A) Regarding non provision of dividend on 13% cumulative redeemable preference shares amounting to Rs.26,00,000/- and cumulative dividend amounting to Rs.2,02,08,763/- Refer Note 3.1.1 of notes forming part of financial statements. B) Regarding non redemption of 13% cumulative redeemable preference shares to the extent of Rs.2,00,00,000/-. Refer Note 3.1.1 of notes forming part of financial statements. C) Regarding winding up petition filed by preference shareholders for non redemption of 2,00,000 preference shares. Refer Note 3.1.1 of notes forming part of financial statements.





		<p>D) Regarding non provision of interest on secured loans for an amount of Rs.6,23,880/- Refer Note 6.2 of notes forming part of financial statements.</p> <p>E) Regarding non provision of dues from buyers of flats to the extent of Rs.1,09,19,092/- on which case is pending for cancellation of sale deeds and Rs.11,82,713/- the recovery of which is doubtful. Refer Note 14.1 of notes forming part of financial statements.</p>
6.	To be signed by -	
	Managing Director	 Guduru Satyanarayana
	CFO	The company does not have CFO
	Audit Committee Chairman	 Kyatham Prabhakar Reddy
	Auditor of the Company	For RAMBABU & CO., Chartered Accountants Firm Reg.No.002976S  GVL Prasad Partner M.No.026548 