



# QUANTUM MUTUAL FUND

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[Our Philosophy](#)

[Schemes and NAV](#)

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[FAQs](#)

[Quantum View](#)

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**Investor Information** SIP registration will take 30 business days and SIP cancellation will take 15 business days.

**Suggested Asset Allocation**

Tools and Planners

\* The allocation is for a married person of the age 45-55 years and having 2 kids

**Latest NAVs** As on 19 July, 2012

Scheme	NAV
Quantum Long Term Equity Fund - Dividend	22.3900
Quantum Long Term Equity Fund - Growth	22.2000
Quantum Equity Fund of Funds - Growth	13.3220

[Check NAVs](#)

**Invest in Quantum**

**Directly Through Us**

- Quantum Long Term Equity Fund
- Quantum Tax Saving Fund
- Quantum Equity Fund of Funds
- Quantum Liquid Fund
- Quantum Gold Savings Fund

**Listed on NSE**

- Quantum Gold Fund ETF
- Quantum Index Fund ETF

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July 13, 2012

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Mutual Fund investments are subject to market risks,  
read all scheme related documents carefully.

**Annual Report for the Year ended 31st March, 2012**

**Quantum Asset Management Company Private Limited**

# The Quantum Philosophy



The media and commentators are obsessed by the decline in the rate of growth in GDP. There is a desire to revive the “animal spirits” so that the rate of growth in India’s economy can surge to the 8% levels again. The Association of Mutual Funds continues to be obsessed by weak inflows and the small size of the mutual fund industry. The government says there are “issues” with the mutual fund and insurance industry that needs to be “resolved”.

The key to the problems of lower GDP and the “dismal” state of the mutual fund industry lie in one word: transparency. Or, rather, the lack of it.

The government needs to put in place a system that allows businesses to bid for and utilise India’s natural resources for the economic development of the people – not for the benefit of the robber barons that are increasingly infesting India’s industrial landscape. While a higher rate of growth of GDP is a good objective, a more equitable distribution of opportunities is a more honourable objective. The various scandals that have engulfed India show the power of the industrial/political lobbies and their stranglehold over India’s national resources.

The mutual fund industry needs to adopt a transparent mechanism where payments to distributors of any kind are fully disclosed. This will allow investors to judge whether products are finding their way into their investment portfolios because of high commissions or because they are good for the investors. The insurance industry has a similar issue with their unit linked investment plan (ULIPs).

While the media amplifies the problems of the mutual fund industry – probably with a view to influencing policy makers to do the wrong thing – Quantum Mutual Fund continues to focus on its core principles. Quantum Mutual Fund does not believe that the business of business is business. We have been called unconventional for our belief that the business of our business is to exist for our investors. Quantum Mutual Fund provides a simple range of products so that investors can save for the future. We are clear on this: if our mutual funds do not perform well – or if we cannot service our investors with integrity and efficiency – we need to shut down and find something else to do in life.

To us success is not about the amount of money we manage but, rather, it is a measure of how well we manage it, or how we help you create wealth out of your savings.

Yes, we were the 29th mutual fund house in India, and the smallest - but we still are the country’s 1st and only direct-to-investor mutual fund, and also the 1st to work against an opaque and biased distribution system. As we have stated in the past, we have nothing against distributors – we believe that everyone needs to get paid for the work they do – but those payments need to be revealed. We would be happy to pay a fee to distributors from our revenues (not from your pockets) provided the distributors disclosed that fee to all their clients.

Meanwhile, while the industry leaders who are focused on AuM continue their lobbying for a return to their old ways, Quantum Mutual Fund will continue to focus on the original intention behind a mutual fund. To ensure that investors like you get:

- ✓ Products that work for your benefit, and not for the good of the distributor;
- ✓ Simple products that you can understand;
- ✓ Products backed by focused research and a disciplined investment process;
- ✓ Low cost products that add value to your portfolio in the long run; and
- ✓ Funds that maintain transparency in their communication with you.

It has been 6 years since we launched our first mutual fund product, Quantum Long Term Equity Fund, and our total Assets under Management across our 7 funds as of March 31, 2012 stands at **Rs. 200.77 crores**.

Subbu and I look back on our journey with great satisfaction. We are happy to have chosen the path that no one else has chosen. Jimmy Patel, as the CEO of Quantum AMC, has steered the growth and development of the team for the past two years as we journey on a path which allows us to sleep well every night knowing that we are doing the right thing for you. For your money. For your returns.

We are honored to work for you and with you, as custodians of your savings.

Thank you for your support and confidence in our very un-traditional approach to looking after your savings. May the means always be more important than the end.

**Ajit Dayal & I V Subramaniam**

Directors, Quantum Asset Management Company Pvt. Ltd

# Fund Performance as on March 30, 2012

## ● Performance of the Quantum Long Term Equity Fund as on March 30, 2012

Mr. Atul Kumar is the fund manager of Quantum Long Term Equity Fund and Quantum Tax Saving Fund.

	April 01, 2011 to March 30, 2012	April 01, 2010 to March 31, 2011	April 01, 2009 to March 31, 2010	Since Inception**	
	Absolute Returns (%)	Absolute Returns (%)	Absolute Returns (%)	CAGR Returns (%)	Current value of standard investment of Rs. 10,000/- (INR)
Quantum Long Term Equity Fund - (Growth Option)	-1.50%	19.03%	104.30%	14.16%	22,300
Scheme Benchmark - (BSE 30 TRI)	-9.16%	12.53%	82.79%	9.66%	17,476
Additional Benchmark - (BSE Sensex)	-10.50%	10.94%	80.54%	8.19%	16,109

**Past Performance may or may not be sustained in the future and may not necessarily provide a basis for comparison with other investments.** All payouts during the period have been reinvested in the units of the scheme at the then prevailing NAV.

\*\*Date of Inception - March 13, 2006. Since inception returns are calculated on NAV of ₹10 invested at inception. Mr. Nilesh Shetty is Associate Fund Manager of Quantum Long Term Equity Fund.

## ● Performance of the Quantum Tax Saving Fund as on March 30, 2012

Mr. Atul Kumar is the fund manager of Quantum Tax Saving Fund and Quantum Long Term Equity Fund

	April 01, 2011 to March 30, 2012	April 01, 2010 to March 31, 2011	April 01, 2009 to March 31, 2010	Since Inception**	
	Absolute Returns (%)	Absolute Returns (%)	Absolute Returns (%)	CAGR Returns (%)	Current value of standard investment of Rs. 10,000/- (INR)
Quantum Tax Saving Fund - (Growth Option)	-1.73%	17.56%	91.16%	27.32%	22,037
Scheme Benchmark - (BSE 30 TRI)	-9.16%	12.53%	82.79%	21.18%	18,747
Additional Benchmark - (BSE Sensex)	-10.50%	10.94%	80.54%	19.62%	17,967

**Past Performance may or may not be sustained in the future and may not necessarily provide a basis for comparison with other investments.** All payouts during the period have been reinvested in the units of the scheme at the then prevailing NAV.

\*\*Date of Inception - December 23, 2008. Since inception returns are calculated on NAV of ₹10 invested at inception.

# Fund Performance as on March 30, 2012

## Performance of the Quantum Liquid Fund as on March 31, 2012#

Mr. Arvind Chari is the fund manager of Quantum Liquid Fund and Quantum Equity Fund of Funds.

	Quantum Liquid Fund -(Growth Option)	Scheme Benchmark - (Crisil Liquid Fund Index)	Additional Benchmark - (Crisil 1 year T-Bill index)
7 days \$	8.65%	8.66%	7.83%
15 days \$	9.01%	9.16%	7.81%
30 days \$	9.18%	9.25%	8.88%
April 01, 2011 to Mar 31, 2012 \$\$	9.08%	8.44%	6.59%
April 01, 2010 to Mar 31, 2011 \$\$	6.68%	6.21%	3.86%
April 01, 2009 to Mar 31, 2010 \$\$	4.35%	3.69%	3.08%
Since Inception**			
CAGR Returns (%)	7.28%	6.78%	5.32%
Current value of standard investment of Rs. 10,000/-(INR)	15,235	14,813	13,644

**Past Performance may or may not be sustained in the future and may not necessarily provide a basis for comparison with other investments.**

All payouts during the period have been reinvested in the units of the scheme at the then prevailing NAV.

\*\* Date of Inception - April 7, 2006. Since inception returns are calculated on NAV of ₹10 invested at inception.

# March 31, 2012 being a Non Business Day NAV of the Quantum Liquid Fund considered above has been computed but not published on AMFI website.

\$ Simple Annualised Yield. \$\$ Absolute Returns.

## Performance of the Quantum Equity Fund of Funds as on March 30, 2012

Mr. Arvind Chari is the fund manager of Quantum Equity Fund of Funds and Quantum Liquid Fund.

	April 01, 2011 to March 30, 2012	April 01, 2010 to March 31, 2011	Since Inception**	
	Absolute Returns (%)	Absolute Returns (%)	CAGR Returns (%)	Current value of standard investment of Rs. 10,000/-(INR)
Quantum Equity Fund of Funds - (Growth Option)	-5.66%	12.22%	11.39%	13,378
Scheme Benchmark - (BSE 200 Index)	-9.28%	8.15%	5.90%	11,674
Additional Benchmark - (BSE Sensex)	-10.50%	10.94%	5.17%	11,457

**Past Performance may or may not be sustained in the future and may not necessarily provide a basis for comparison with other investments.**

All payouts during the period have been reinvested in the units of the scheme at the then prevailing NAV.

\*\*Date of Inception - July 20, 2009. Since inception returns are calculated on NAV of ₹10 invested at inception.

*Please refer to Page (IX) for the complete Statutory Details & Risk Factors*



# Fund Performance as on March 30, 2012

## ● Performance of the Quantum Gold Fund as on March 30, 2012

Mr. Chirag Mehta is the fund manager of Quantum Gold Fund and Quantum Gold Savings Fund.

	April 01, 2011 to March 30, 2012	April 01, 2010 to March 31, 2011	April 01, 2009 to March 31, 2010	Since Inception**	
	Absolute Returns (%)	Absolute Returns (%)	Absolute Returns (%)	CAGR Returns (%)	Current value of standard investment of Rs. 10,000/-(INR)
Quantum Gold Fund - (Growth Option)	34.90%	25.71%	7.22%	22.38%	22,920
Scheme Benchmark - (Domestic price of physical Gold)	36.24%	26.99%	8.30%	22.70%	23,170

Past Performance may or may not be sustained in the future and may not necessarily provide a basis for comparison with other investments.

\*\*Date of Inception - February 22, 2008. Since inception returns are calculated on NAV of ₹100 invested at inception.

## ● Performance of the Quantum Index Fund as on March 30, 2012

Mr. Hitendra Parekh is the fund manager of Quantum Index Fund.

	April 01, 2011 to March 30, 2012	April 01, 2010 to March 31, 2011	April 01, 2009 to March 31, 2010	Since Inception**	
	Absolute Returns (%)	Absolute Returns (%)	Absolute Returns (%)	CAGR Returns (%)	Current value of standard investment of Rs. 10,000/-(INR)
Quantum Index Fund - (Growth Option)	-8.26%	11.65%	72.86%	8.24%	13,429
Scheme Benchmark - (S&P CNX Nifty-Total Return Index)	-8.18%	12.36%	75.29%	7.83%	13,242
Additional Benchmark - (BSE Sensex)	-10.50%	10.94%	80.54%	6.17%	12,497

Past Performance may or may not be sustained in the future and may not necessarily provide a basis for comparison with other investments.

\*\*Date of Inception - July 10, 2008. Since inception returns are calculated on NAV of ₹10 invested at inception.

Please refer to Page (IX) for the complete Statutory Details & Risk Factors

## Quantum Mutual Fund (QMF)

	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12
AuM (in ₹ Cr) (As on year end)	11.26	60.45	64.22	57.84	98.77	134.53	200.77
Investors (Nos) (As on year end)	798	1,671	2,602	4,446	7,142	13,359	23,466
No. of Products (As on year end)	1	2	3	5	6	6	7
Distributor Commission (₹) (For the year)	0	0	0	0	0	0	0

## Quantum Long Term Equity Fund (QLTEF)

	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12
AuM (in ₹ Cr) (As on year end)	11.26	30.45	40.18	22.79	50.86	73.78	108.42
Investors (Nos) (As on year end)	798	1,560	1,833	1,962	2,349	5,172	9,595
Expense Ratio (%) (For the year)	2.50	2.48	2.50	2.50	2.18	1.53	1.29
Distributor Commission (₹) (For the year)	0	0	0	0	0	0	0
Sharpe Ratio (Since inception)	0.48	0.03	0.04	(0.08)	0.21	0.06	0.62
Portfolio Turnover (%) (For the year)	0	14.13	30.72	16.30	36.56	45.92	14.65
Brokerage Paid (%) (For the year) *	0.07	0.25	0.14	0.09	0.16	0.21	0.19

## Quantum Tax Saving Fund (QTSF)

	2008-09	2009-10	2010-11	2011-12
AuM (in ₹ Cr) (As on year end)	0.46	1.62	3.70	6.43
Investors (Nos) (As on year end)	235	464	1,024	1,759
Expense Ratio (%) (For the year)	0.68	2.50	1.62	1.29
Distributor Commission (₹) (For the year)	0	0	0	0
Sharpe Ratio (Since inception)	-0.01	0.21	0.05	1.53
Portfolio Turnover (%) (For the year)	0	28.98	31.63	14.65
Brokerage Paid (%) (For the year)*	0.20	0.23	0.25	0.19

## Quantum Index Fund (QIF)

	2008-09	2009-10	2010-11	2011-12
AuM (in ₹ Cr) (As on year end)	1.13	1.22	1.60	1.68
Investors (Nos) (As on year end)	371	338	398	416
Expense Ratio (%) (For the year)	0.75	0.75	0.62	0.50
Distributor Commission (₹) (For the year)	0	0	0	0
Tracking Error (%) (Since inception)	0.03	0.03	0.03	0.03
Brokerage Paid (%) (For the year)*	0.23	0.12	0.04	0.20

Past Performance may or may not be sustained in the future and may not necessarily provide a basis for comparison with other investments.

Data as on financial year ending March 31 for all the above mentioned year.\* Brokerage refers to brokerage paid for Investment.

Date of Inception / Allotment: QLTEF: March 13, 2006. QTSF: December 23, 2008. QIF: July 10, 2008.

Please refer to Page (IX) for complete Statutory Details & Risk Factors

## Quantum Gold Fund (QGF)

	2007-08	2008-09	2009-10	2010-11	2011-12
AuM (in ₹ Cr) (As on year end)	3.69	7.96	16.74	28.39	51.69
Investors (Nos) (As on year end)	638	1,599	3,496	5,820	8,653
Expense Ratio (%) (For the year)	1.00	1.00	1.00	1.00	1.00
Distributor Commission (₹) (For the year)	0	0	0	0	0
Tracking Error (%) (Since inception)	0.015	0.011	0.003	0.007	0.006
No. of Kilos (As on year end)	30.00	52.00	101.00	135.00	180.40
Brokerage Paid (%) (For the year)*	0	0	0	0	0

## Quantum Gold Savings Fund (QGSF)

	2011-12
AuM (in ₹ Cr) (As on year end)	4.13
Investors (Nos) (As on year end)	1,471
Expense Ratio (%) (For the year)	0.25
Distributor Commission (₹) (For the year)	0
Brokerage Paid (%) (For the year)*	0.17

## Quantum Liquid Fund (QLF)

	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12
AuM (in ₹ Cr) (As on year end)	30.00	20.35	25.50	27.05	24.64	25.71
Investors (Nos) (As on year end)	111	131	279	294	629	1,100
Expense Ratio (%) (For the year)	0.44	0.45	0.45	0.37	0.36	0.35
Distributor Commission (₹) (For the year)	0	0	0	0	0	0
Brokerage Paid (%) (For the year)*	0	0	0	0.002	0.003	0.004

## Quantum Equity Fund of Funds (QEFOF)

	2009-10	2010-11	2011-12
AuM (in ₹ Cr) (As on year end)	1.27	2.42	2.71
Investors (Nos) (As on year end)	201	316	472
Expense Ratio (%) (For the year)	0.75	0.75	0.75
Distributor Commission (₹) (For the year)	0	0	0
Brokerage Paid (%) (For the year)*	0	0	0

Past Performance may or may not be sustained in the future and may not necessarily provide a basis for comparison with other investments.

Data as on financial year ending March 31 for all the above mentioned year.\* Brokerage refers to brokerage paid for Investment.

Date of Inception / Allotment: QGF: February 22, 2008. QGSF: May 19, 2011. QLF: April 7, 2006. QEFOF: July 20, 2009.

Please refer to Page (IX) for complete Statutory Details & Risk Factors

# Glossary of Terms

**AuM:** Assets under Management refers to the amount money managed by a mutual fund house.

**Benchmark Returns:** Each fund has its own distinct benchmark, by which its performance is measured against. Benchmark returns refers to returns of these specific benchmarks.

Fund	Benchmark
Quantum Long Term Equity Fund	BSE 30 Total Return Index
Quantum Tax Saving Fund	BSE 30 Total Return Index
Quantum Equity Fund of Funds	BSE 200 Index
Quantum Liquid Fund	Crisil Liquid Fund Index
Quantum Gold Fund	Domestic Price of Physical Gold
Quantum Index Fund	S&P CNX Nifty Total Return Index
Quantum Gold Savings Fund	Domestic Price of Gold

**CAGR:** or Compound Annual Growth Rate is the year-on-year growth rate applied to an investment over a specified period of time.

**Distribution Commissions:** refers to the payment made by mutual fund companies to distributors to push their products to investors.

**Expense Ratio:** is a measure of what it costs to operate a mutual fund.

**Sharpe Ratio:** is used to characterize how well the return of an asset compensates the investor for the risk taken. For instance, when you buy a lottery, the kind of risk you are taking there is quite high. You may end up losing all your money or maybe you could make equally high gains. Say you purchased a ticket of Rs. 100 and made a gain of Rs. 300, how well do you think that the profit of Rs. 200 compensated you for the risk you faced while parting with your Rs. 100. The measure of how well your returns compensate you for the risk you take, is referred to as Sharpe Ratio. Hence for your mutual fund investments, higher the Sharpe ratio, the better. (Refer to Volatility below for more on assessing risk.)

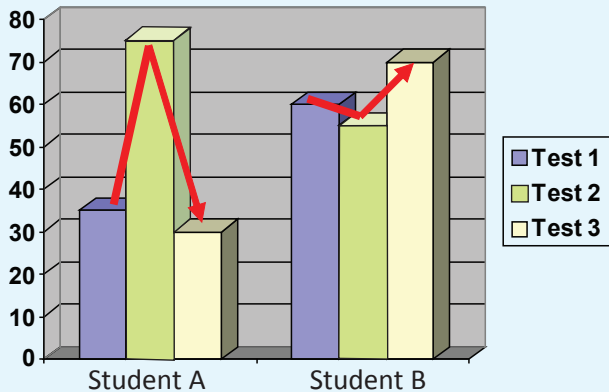
**Tracking Error:** is a measure of how closely a fund follows the index to which it is benchmarked. The more passively the fund is managed, the smaller the tracking error. In the case of Exchange Traded Funds, the lower the Tracking Error, the better.

**Portfolio Turnover:** is a measure of trading activity during the previous year, expressed as a percentage of the average total assets of the fund. It is a percentage of a fund's assets that have changed over the course of a year. Mutual funds with higher turnover ratios tend to have higher expenses.

**Volatility:** Consider this: A and B study mathematics together, Listed below are their examination scores:

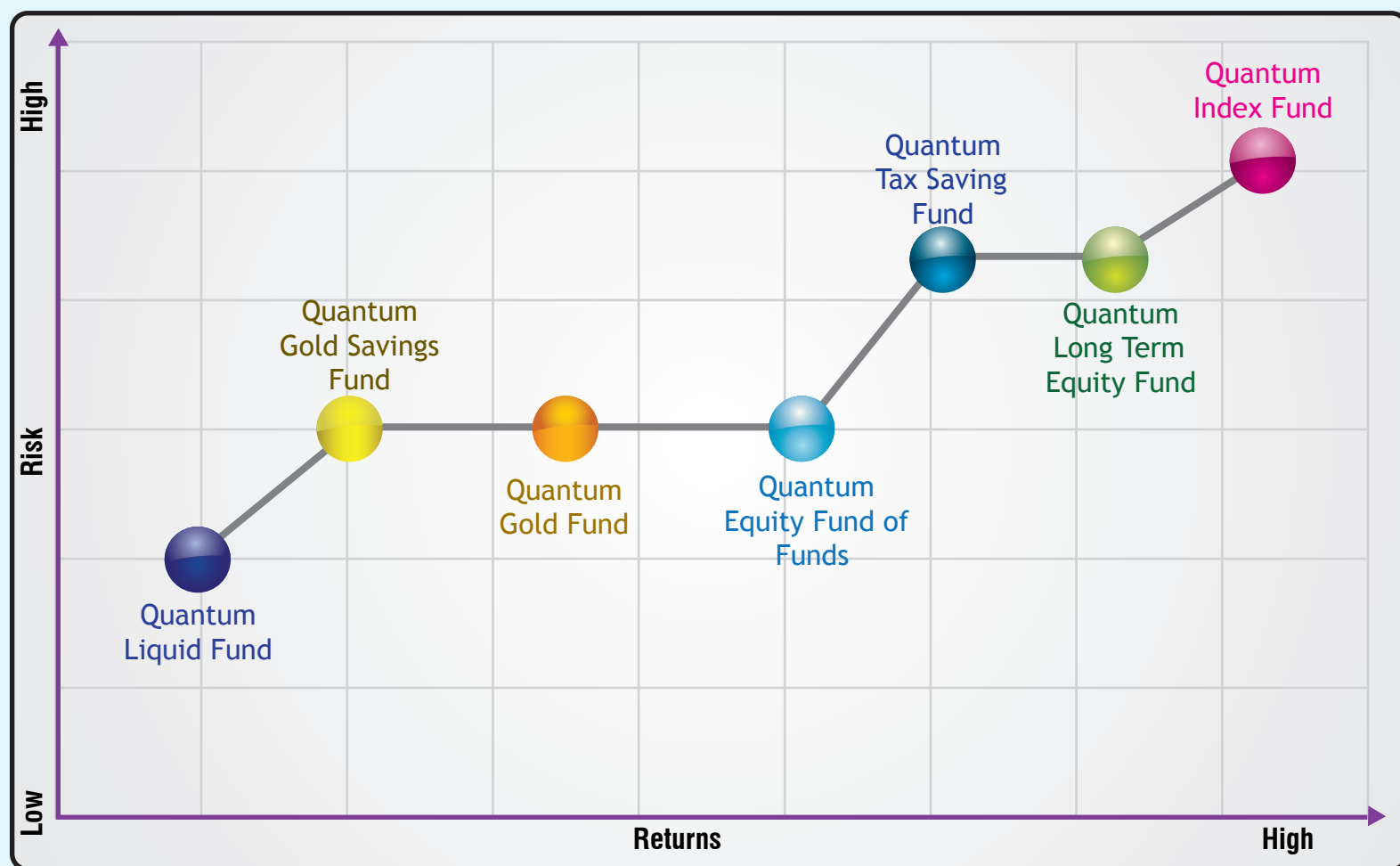
	Student A	Student B
Test 1	35	60
Test 2	75	55
Test 3	30	70

If you take a look at both their performances, though A has outperformed B in the second test, B seems to be a more consistent student. With respect to mutual funds, if the NAV of the fund moves up and down rapidly over short time periods, it has high volatility. If the NAV almost never changes, it has low volatility. Generally, the more volatile a fund, the higher the investment risk.



## Understanding Risk-Return Ratio

Risk-Return ratio refers to how far the returns of a fund justify the risk it subjects your savings to. Given below is the Risk-Return graph for Quantum Mutual Fund's products.



Mutual Fund investments are subject to market risks, read all scheme related documents carefully. Please refer to Page (IX) for complete Statutory Details & Risk Factors



### Risk Factors and Disclaimer:

**Mutual fund investments are subject to market risks, read all scheme related documents carefully.**

Please visit - [www.QuantumMF.com](http://www.QuantumMF.com) to read scheme specific risk factors. Investors in the Scheme(s) are not being offered a guaranteed or assured rate of return and there can be no assurance that the schemes objective will be achieved and the NAV of the scheme(s) may go up and down depending upon the factors and forces affecting the securities market. Investment in mutual fund units involves investment risk such as trading volumes, settlement risk, liquidity risk, default risk including possible loss of capital. Past performance of the Sponsor / AMC / Mutual Fund does not indicate the future performance of the Scheme(s). **Statutory Details:** Quantum Mutual Fund (the Fund) has been constituted as a Trust under the Indian Trusts Act, 1882. **Sponsor:** Quantum Advisors Private Limited. (liability of Sponsor limited to Rs. 1,00,000/-) **Trustee:** Quantum Trustee Company Private Limited. **Investment Manager:** Quantum Asset Management Company Private Limited. The Sponsor, Trustee and Investment Manager are incorporated under the Companies Act, 1956.

**Scheme Specific Risk Factors:** Quantum Index Fund (QIF) is benchmarked to S&P CNX Nifty Index are not sponsored, endorsed, sold or promoted by India Index Services & Products Limited (IISL). IISL is not responsible for any errors or omissions or the results obtained from the use of such index and in no event shall IISL have any liability to any party for any damages of whatsoever nature (including lost profits) resulted to such party due to purchase or sale or otherwise of such product benchmarked to such index. "Standard & Poor's®" and "S&P®" are trademarks of The McGraw-Hill Companies, Inc and have been licensed for use by IISL which has sublicensed such marks to Quantum Asset Management Company Private Limited. The S&P CNX Nifty Index is not compiled, calculated or distributed by Standard & Poor's makes no representation regarding the advisability of investing in products that utilize any such Index as a Component." Please refer to the SID of the QIF for the full Disclaimer clause in relation to the "S& P CNX Nifty Index". The investors of Quantum Equity Fund of Funds and Quantum Gold Savings Fund will bear expenses of the Schemes in addition to the expense of the underlying Schemes in which they invest.

**Disclaimer of NSE:** It is to be distinctly understood that the permission given by NSE should not in any way be deemed or construed that the Scheme Information Document (SID) of Quantum Gold Fund (QGF) and Quantum Index Fund (QIF) has been cleared or approved by NSE nor does it certify the correctness or completeness of any of the contents of the SIDs. The investors are advised to refer to the SID of QGF & QIF for the full text of the Disclaimer clause of NSE.

# Purity Test for Gold



Dear Unitholder,

Everyone can get "**better**".

Better doesn't necessarily indicate new. Better means improved.

Sometimes (or rather most often) this means doing the same thing over and over again, each effort making you better... closer to being EXCELLENT.  
So why are we telling you this?

After a period of time, we would like to look back and ask ourselves just how much value did we add to our investors. What did we do to get better? What did we do to make our investor's experience better?

Well, last year we made an effort to get better. We undertook a simple purity test for all the gold held in the Quantum Gold Fund to lay investor's doubts at rest.

We were searching for a convincing answer for our investors who were repeatedly writing to us about their concerns regarding the purity of gold backing Gold ETFs. We tried to address these concerns by sharing the process that we actually follow for purchasing the gold that backs the Quantum Gold ETF. We told them about how:

- ✓ We purchase gold of only 0.995 finesse or above, and sourced only from London Bullion Market Association accredited refiners.
- ✓ We purchase gold that is imported through banking / authorized channels.
- ✓ Since the gold is purchased only through authorized channels, there is the assurance that during the process of importing, the gold does not leave the custody of accredited vaulters.
- ✓ We ensure that the gold is accompanied by all the necessary statutory documents such as Customs invoice, Bill of Entry, Master Airway Bill, Purity Certificate etc., - establishing authenticity of gold.

However, going by their own experience or learning from someone else's experience of getting caught with impure physical gold / jewelry and thereby by yielding lower resale value; investors were still hesitant to believe in the purity of gold and the convenience of ETFs. We wouldn't give up, not yet (and probably not ever). We decided to make our answer better. To give them a reason they couldn't refute.

So, we searched for a service provider who would understand our requirements, and as we were the first Gold ETF to want to pursue such a task, the search was quite exhaustive. We found good support in Quantum Equipment Company Pvt Ltd, who carried out the purity tests at the vaults where the gold is stored. (We're sure you must be wondering about the connection between Quantum Asset Management Company Pvt Ltd and Quantum Equipment Company Pvt Ltd. However, please note that there is no relation between the two companies. We share the same name by sheer coincidence!) Quantum Equipment company had also hired the services of an assayer- Varsha Bullion and Elemental Lab which is a BIS certified hallmarking center to undertake the purity test.

The gold assaying a.k.a purity testing was done using the Karatmeter Mistral, a precious metals analyzer machine. This method uses microspot XRF technology to determine the percentage of precious metal present. It is a fast, precise and non destructive method for Karat determination. The technology and machine was designed by a firm in Germany known as Bruker AXS Microanalysis GmbH - a worldwide leader for such analyzing technology and systems.

This year too, in a bid to re-affirm our commitment to purity, we have conducted the same exercise.

You would be pleased to know, and we would be glad to announce that all the gold held in **Quantum Gold ETF** has been tested and certified to be of 99.50 purity (0.995 fineness) and above. Here is the Assaying Certificate from both the service providers for your reference.

We did not try anything new this time. We simply chose to be consistent. Our decision to have another test this year is our attempt at getting better. This is not a marketing gimmick, not a new technique that would give us "a rush", nor a bid to capture headlines. This is a simple way for our investors to say with full conviction - "We own Quantum Gold ETF units which are backed by PURE gold."

While we get excited about new and exciting avenues, we are also very focused on executing well on a consistent basis. We are not addicted to the climb, we are addicted to excellence.

Regards,  
**Chirag Mehta**  
Fund Manager  
Quantum Gold Fund

# Gold Purity Test Certificate

*Quantum*

## Quantum Equipment Co. Ltd.

301, Rajshree Plaza, Opp. Shreyas Cinema, L.B.S. Marg, Ghatkopar (W), Mumbai - 400 086, India  
Tel. : +91 22 2500 5011 / 12 • Fax : +91 22 2500 5010 • Email : [quantum@karatmeter.com](mailto:quantum@karatmeter.com)

Date: 9th April 2012

### To whomsoever it may Concern

We undertook a task to test the purity of Gold held by Quantum Mutual Fund- Quantum Gold Fund. The test was carried out in the vaults of Brinks Arya Pvt Ltd where they store their gold. The test was done by using precious metals analyser machine known as **KaratMeter ORA**. This is a fast, precise and non destructive Karat / percentage determination of precious metals and layer thickness using microspot XRF technology. Based on several decades of research, analysis & experience in the field of microspot X-ray technology, Bruker-AXS Microanalysis GmbH, Germany, has designed & developed OEM kits for karatmeter ORA taking into consideration the latest innovations in X-ray techniques. Bruker-AXS is a worldwide leader in providing advanced X-ray systems & complete solutions for structure & elemental analysis using X-ray fluorescence (XRF) & other sophisticated techniques.

The unit precisely & swiftly determines the percentage by weight (or karat) in a solid piece of jewellery, precious coins or any other piece of noble metal making use of the X-ray assay technique.

All the bars as mentioned in the annexure had purity of 0.995 (995 parts per thousand) and above. The attached annexure provides the details of the test results for purity / fineness of the bars tested identified by the bar nos. mentioned on each bar. We had employed services of "**Varsha Bullion Hallmarking Centre** - (A Division of Varsha Bullion & Elemental Analab)" for carrying on the task of assaying. Individual bar certificates from the assayer have been separately provided.  
Refer Annexure for assaying results.

For Quantum Equipment Co. Pvt Ltd.

  
D.M. Musale (Director)

### About Quantum Equipment Co. Pvt Ltd.

Quantum Equipment Co. Ltd is a well-known organization in the field of analytical, scientific and process instrumentation. We have been certified as an ISO 9001:2000 company for its quality production and excellent services in analytical and test & measuring instruments. The Company undertakes activities involving promotion and export of sophisticated instruments, manufacturing and designing of test & measuring instruments, assembling of analyzers with foreign collaboration, data stations and allied accessories etc. we entered into technical collaboration agreement with one of leading German organization namely Bruker-AXS Microanalysis GmbH -pioneer in precious metal testing, material analysis and thickness measuring micro-spot XRF analyzers since last more than 30 years. We are their Asian business partners assembling, promoting and supporting their entire range of products efficiently.

[www.karatmeter.com](http://www.karatmeter.com)

Mumbai • New Delhi • Chennai • Kolkata • Bengaluru • Hyderabad • Ahmedabad



# Gold Purity Test Certificate

E-mail : varshabullion@hotmail.com  
Hughes (Tata) Intercom : 4064  
MM Intercom : 5626

Phones : 2341 3626 / 6639 4064  
Fax : 2343 0349

## **VARSHA BULLION & ELEMENTAL ANALAB**

M.H. DHARAMKANTA BLDG., 2nd FLOOR, 223, MUMBADEVI ROAD, OPP. MUMBADEVI TEMPLE, MUMBAI - 40002

Date: 9th April 2012

To whomsoever it may Concern

We undertook a task to test the purity of Gold held by Quantum Mutual Fund- Quantum Gold Fund. The test was carried out in the vaults of Brinks Arya Pvt Ltd where they store their gold. The test was done by using precious metals analyser machine known as KaratMeter ORA. This is a fast, precise and non destructive Karat / percentage determination of precious metals and layer thickness using microspot XRF technology.

All the bars as mentioned in the annexure had purity of 0.995 (995 parts per thousand) and above. The attached annexure provides the details of the test results for purity / fineness of the bars tested identified by the bar nos. mentioned on each bar.

Refer Annexure for assaying results.

For Varsha Bullion & Elemental Analab.

  
Partner / Authorised Signatory

About Varsha Bullion Hallmarking Centre.

Varsha Bullion Hallmarking Centre is a division of Varsha Bullion and Elemental Analab. It is a BIS recognized Hallmarking Centre.

**NOTE :** This is to declare that above mentioned report /composition belongs to the sample brought to us for testing, which may or may not be representative sample of lot or actual supply. Report remains the same i.e. irrespective of weight of sample, provided sample is part of homogenous lot.

# The People who Manage Your Fund

## Annual Report 2011 - 2012

The fund management team of your mutual fund is there to ensure that your hard earned savings are looked after by a disciplined process that helps create wealth for you over the long term. The managers of the funds rely on a team based research and investment process built by Ajit Dayal and I. V Subramaniam, directors on the Board of Directors of Quantum Asset Management Company Pvt Ltd.



### **Atul Kumar, Fund Manager (Equity)**

Mr. Atul Kumar is a fund manager with panache. He has more than a decade's experience in equity research and fund management. Kumar's strong dedication and simple yet significant investment style has won accolades for Quantum Long Term Equity Fund. Mr. Kumar also serves as a Fund Manager for Quantum Tax Saving Fund.

With a Bachelor's Degree in Commerce, CFA qualification and a Post Graduate Diploma in Business Management from ICAI, Mr. Kumar's educational background supports his profile of portfolio management. He manages the funds with distinguished efficiency. He also has been a part of various public speaking events including Quantum's 'Path to Profit', where he interacts with investors and answers questions with respect to his funds.

Prior to joining Quantum AMC's Equity Research and Fund Management team in 2005, he has worked with Sahara AMC and K.R. Choksey Shares and Securities Pvt. Ltd.



### **Arvind Chari, Fund Manager (Fixed Income)**

Mr. Arvind Chari holds a Bachelor's Degree in Commerce from K.J. Somaiya College and has done his Masters in Management Studies from SIES College. With more than nine years of experience in the financial services industry, he justifies the position of Fund Manager – Debt. Mr. Chari has a deep understanding of the fixed income assets. He possesses a distinctive blend of credentials, expertise and capability and aptitude. Before joining Quantum, Arvind had managed fixed income portfolios. He worked as a fixed income dealer with Tower Capital and KJMC Capital Market. He has also worked on projects related to Asset Liability Management. Mr. Arvind Chari manages Quantum Equity Fund of Funds and Quantum Liquid Fund.



### **Chirag Mehta, Fund Manager (Commodities)**

Mr. Chirag Mehta holds CAIA (Chartered Alternative Investment Analyst) and MMS in Finance. His association with Quantum began in 2006, where he joined as an Assistant Analyst – Commodities. Chirag's consistent and commendable performance helped him grow to the position of a Fund Manager – Commodities in 2009.

Mr. Mehta has more than eight years of experience in handling commodities. Prior to joining Quantum, he worked with HDFC Bank as a Business Analyst for projects related to commodities. He regularly writes for the Golden Truth Newsletter of Quantum Mutual Fund and addresses public speaking events almost twice a month. He is frequently featured across all the media channels for his views on the commodities market. Mr. Chirag Mehta manages Quantum Gold Fund and Quantum Gold Savings Fund.



### **Nilesh Shetty, Associate Fund Manager (Equity)**

Qualified as an MMS in Finance, CFA Charter and an Associate Member of CPA (AICPA, New Hampshire board) Mr. Nilesh Shetty is the Associate Fund Manager for Quantum Long Term Equity Fund.

With close to 9 years of experience in equity research, managing funds and developing portfolios, Mr. Shetty was earlier associated with the Edelweiss group and has tracked varied sectors in his previous work assignments.



### **Hitendra Parekh, Fund Manager (Equity)**

Mr. Hitendra Parekh has more than 18 years of experience financial services industry. Prior to working with Quantum, he has been with the Unit Trust of India for 4 years and UTI Securities Ltd for 9 years. He has completed his B.Com & Masters in Financial Management from Mumbai University. Mr. Hitendra Parekh manages the Quantum Index Fund.



BOARD OF DIRECTORS		BOARD OF DIRECTORS	
<b>Quantum Trustee Company Private Limited (Trustee to Quantum Mutual Fund)</b>		<b>Quantum Asset Management Company Private Limited (Investment Manager to Quantum Mutual Fund)</b>	
<b>Mr. Jagdish Capoor</b>	<i>Chairman</i>	<b>Mr. Ajit Dayal</b>	<i>Chairman</i>
<b>Mr. Hormazdiyaar Vakil</b>	<i>Director</i>	<b>Mr. S.R.Balasubramanian</b>	<i>Director</i>
<b>Mr. Suresh Lulla</b>	<i>Director</i>	<b>Mr. C. Srinivasan</b>	<i>Director</i>
<b>Mr. Surjit Banga</b>	<i>Director</i>	<b>Mr. I. V. Subramaniam</b>	<i>Director</i>
		<b>Mr. Kamal Pande</b>	<i>Director</i>

## INDEX

Particulars	Page No.	Particulars	Page No.
<b>Report of the Trustees.....</b>	<b>3</b>	<b>Quantum Index Fund (QIF)</b>	
<b>Proxy Voting Policy.....</b>	<b>15</b>	Auditors Report for QIF .....	91
<b>Proxy Voting Exercised during the year ended</b>		Balance Sheet of QIF as at March 31, 2012 .....	92
<b>March 31, 2012.....</b>	<b>17</b>	Revenue Account of QIF for the year ended	
<b>Quantum Long-Term Equity Fund (QLTEF)</b>		March 31, 2012 .....	93
Auditors Report for QLTEF.....	51	Cash Flow Statement for the year ended	
Balance Sheet of QLTEF as at March 31, 2012.....	52	March 31, 2012.....	94
Revenue Account of QLTEF for the year ended		Schedules, Significant Accounting Policies &	
March 31, 2012.....	53	Notes to Accounts - QIF .....	95
Cash Flow Statement for the year ended		<b>Quantum Tax Saving Fund (QTSF)</b>	
March 31, 2012.....	54	Auditors Report for QTSF .....	105
Schedules, Significant Accounting Policies &		Balance Sheet of QTSF as at March 31, 2012 .....	106
Notes to Accounts – QLTEF .....	55	Revenue Account of QTSF for the year ended	
<b>Quantum Liquid Fund (QLF)</b>		March 31, 2012 .....	107
Auditors Report for QLF .....	66	Cash Flow Statement for the year ended	
Balance Sheet of QLF as at March 31, 2012 .....	67	March 31, 2012 .....	108
Revenue Account of QLF for the year ended		Schedules, Significant Accounting Policies &	
March 31, 2012.....	68	Notes to Accounts - QTSF .....	109
Cash Flow Statement for the year ended		<b>Quantum Equity Fund of Funds (QEFOF)</b>	
March 31, 2012.....	69	Auditors Report for QEFOF.....	118
Schedules, Significant Accounting Policies &		Balance Sheet of QEFOF as at March 31, 2012.....	119
Notes to Accounts – QLF .....	70	Revenue Account of QEFOF for the year ended	
<b>Quantum Gold Fund (QGF)</b>		March 31, 2012 .....	120
Auditors Report for QGF .....	79	Cash Flow Statement for the year ended	
Balance Sheet of QGF as at March 31, 2012 .....	80	March 31, 2012 .....	121
Revenue Account of QGF for the year ended		Schedules, Significant Accounting Policies &	
March 31, 2012 .....	81	Notes to Accounts - QEFOF.....	122
Cash Flow Statement for the year ended		<b>Quantum Gold Savings Fund (QGSF)</b>	
March 31, 2012.....	82	Auditors Report for QGSF .....	130
Schedules, Significant Accounting Policies &		Balance Sheet of QGSF as at March 31, 2012 .....	131
Notes to Accounts - QGF .....	83	Revenue Account of QGSF for the year ended	
		March 31, 2012 .....	132
		Schedules, Significant Accounting Policies &	
		Notes to Accounts - QGSF.....	133

## Quantum Mutual Fund

505, Regent Chambers, 5th Floor, Nariman Point, Mumbai – 400 021

Tel: 022 6144 7800 • Toll free: 1800-209-3863 / 1800-22-3863

Fax: 022 2285 4318 • Toll free: 1800-22-3864

Email ID: Info@QuantumAMC.com / CustomerCare@QuantumAMC.com.

Website: www.QuantumAMC.com/www.QuantumMF.com

<b>SPONSOR</b>	<b>Quantum Advisors Private Limited</b> Registered Office : 503 5th Floor, Regent Chambers, Nariman Point, Mumbai – 400 021.
<b>ASSET MANAGEMENT COMPANY</b>	<b>Quantum Asset Management Company Private Limited</b> Registered Office : 505, 5th Floor, Regent Chambers, Nariman Point, Mumbai – 400 021. Tel. No. : 022-6144 7800 Toll Free No. 1800 22 3863 Website : <a href="http://www.QuantumAMC.com/www.QuantumMF.com">www.QuantumAMC.com/www.QuantumMF.com</a>
<b>TRUSTEE</b>	<b>Quantum Trustee Company Private Limited</b> Registered Office : 505, 5th Floor, Regent Chambers, Nariman Point, Mumbai – 400 021. Tel. No. : 022-6144 7800
<b>REGISTRAR &amp; TRANSFER AGENTS</b>	<b>Karvy Computershare Private Limited</b> Unit: Quantum Mutual Fund, Karvy Plaza, # 8-2-596, Avenue 4, Street no. 1, Banjara Hills, Hyderabad – 500 034, Andhra Pradesh, India..
<b>CUSTODIAN</b>	<b>Deutsche Bank AG</b> Nirlon Knowledge Park, Block 1, 4th Floor, Western Express Highway Goregaon (East), Mumbai – 400 063
<b>MAIN BANKERS</b>	<b>HDFC Bank Limited</b> Manecji Wadia Bldg., Gr. Floor, Nanik Motwani Marg, Fort, Mumbai – 400 023.  <b>Deutsche Bank AG</b> Nirlon Knowledge Park, Block 1, 4th Floor, Western Express Highway Goregaon (East), Mumbai – 400 063
<b>STATUTORY AUDITORS</b>	<b>M/s Haribhakti &amp; Co., Chartered Accountants</b> 701, Leela Business Park, Andheri Kurla Road, Andheri (E), Mumbai – 400 059.

M U T U A L F U N D

Profit with Process

**TRUSTEE'S REPORT TO THE UNITHOLDERS OF QUANTUM MUTUAL FUND FOR THE YEAR ENDED MARCH 31, 2012**

Dear Unitholders,

We are pleased to present to you the Seventh Annual Report of Quantum Mutual Fund along with the audited financial statements of its schemes for the year ended March 31, 2012.

**Schemes of Quantum Mutual Fund**

Quantum Mutual Fund launched its first scheme – the Quantum Long Term Equity Fund – an open ended equity scheme, on February 8, 2006.

As on March 31, 2012, Quantum Mutual Fund has the following seven schemes:

Sr. No.	Scheme Name	Launch Date
1.	Quantum Long Term Equity Fund	February 8, 2006
2.	Quantum Liquid Fund	April 3, 2006
3.	Quantum Gold Fund	January 24, 2008
4.	Quantum Index Fund	June 9, 2008
5.	Quantum Tax Saving Fund	December 10, 2008
6.	Quantum Equity Fund of Funds	June 26, 2009
7.	Quantum Gold Savings Fund	April 28, 2011

During the financial year ended March 31, 2012, Quantum Mutual Fund has achieved a growth in assets under management.

The total Assets under Management (AuM) as on March 31, 2012 was ₹ 200.77 crores. This indicates an AuM growth of 49% from an AuM of ₹ 134.53 crores as on March 31, 2011.

The total number of investors in Quantum Funds as on March 31, 2012 was 23,466. This indicates an investor base growth of 76% from 13,359 investors as on March 31, 2011.

**1. PERFORMANCE, FUTURE OUTLOOK AND OPERATIONS OF THE SCHEMES AND PRODUCTS**
**(a) Quantum Long Term Equity Fund – An Open-ended Equity Scheme**

**Investment Objective** of Quantum Long Term Equity Fund (QLTEF) is to achieve long-term capital appreciation by investing primarily in shares of companies which are typically included in the BSE 200 Index and are in a position to benefit from the anticipated growth and development of the Indian economy and its markets.

The resources of the scheme have been invested in line with the investment objective.

For QLTEF, as on March 31, 2012	
Assets under Management	Rs 108.42 crores
Existing Unitholders	9,595

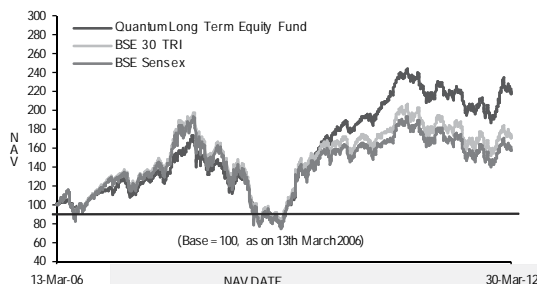
**Performance of the Quantum Long Term Equity Fund v/s Benchmark – BSE 30 TRI v/s Additional Benchmark – BSE Sensex as on March 30, 2012**

	April 01, 2011 to March 30, 2012	April 01, 2010 to March 31, 2011	April 01, 2009 to March 31, 2010	Since Inception**	
	Absolute Returns (%)	Absolute Returns (%)	Absolute Returns (%)	CAGR Returns (%)	Current value of standard investment of ₹ 10,000/- (INR)
Quantum Long Term Equity Fund - (Growth Option)	-1.50%	19.03%	104.30%	14.16%	22,300
Scheme Benchmark - (BSE 30 TRI)	-9.16%	12.53%	82.79%	9.66%	17,476
Additional Benchmark - (BSE Sensex)	-10.50%	10.94%	80.54%	8.19%	16,109

**Past performance may or may not be sustained in the future.**

\*\*Date of Inception - March 13, 2006.

### NAV of the Quantum Long Term Equity Fund v/s Benchmark – BSE 30 TRI v/s Additional Benchmark – BSE Sensex



**Past performance may or may not be sustained in the future.**

#### PERFORMANCE ANALYSIS

Over the last financial year the scheme has delivered a return of -1.50% while the benchmark delivered a return of -9.16%. The substantial outperformance was a result of superior stock selection strategies which were driven by a strict adherence to our bottom up research driven investment process which in turn resulted in a reduction in cash levels as market valuations became far more attractive late in calendar year 2011.

#### (b) Quantum Liquid Fund – An Open-ended Liquid Scheme

**The Investment Objective** of Quantum Liquid Fund (QLF) is to provide optimal returns with low to moderate levels of risks, and high liquidity through judicious investments in money market and debt instruments.

The resources of the scheme have been invested in line with the investment objective.

For QLF, as on March 31, 2012	
Assets under Management	Rs 25.71 crores
Existing Unitholders	1,100

### Performance of the Quantum Liquid Fund v/s Benchmark – Crisil Liquid Fund Index v/s Additional Benchmark – Crisil 1 year T-bill Index as on March 31, 2012#

	Quantum Liquid Fund - (Growth Option)	Scheme Benchmark - (Crisil Liquid Fund Index)	Additional Benchmark - (Crisil 1 year T-Bill index)
7 days <sup>\$</sup>	8.65%	8.66%	7.83%
15 days <sup>\$</sup>	9.01%	9.16%	7.81%
30 days <sup>\$</sup>	9.18%	9.25%	8.88%
April 01, 2011 to Mar 31, 2012 <sup>\$</sup>	9.08%	8.44%	6.59%
April 01, 2010 to Mar 31, 2011 <sup>\$</sup>	6.68%	6.21%	3.86%

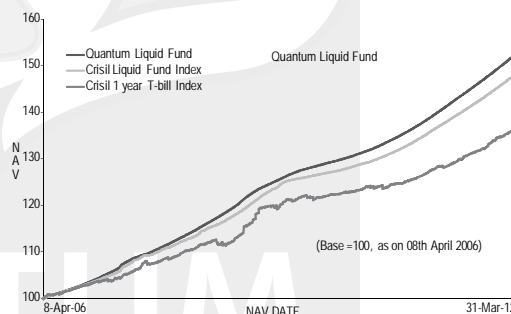
	Quantum Liquid Fund - (Growth Option)	Scheme Benchmark - (Crisil Liquid Fund Index)	Additional Benchmark - (Crisil 1 year T-Bill index)
April 01, 2009 to Mar 31, 2010 <sup>\$</sup>	4.35%	3.69%	3.08%
Since Inception**			
CAGR Returns (%)	7.28%	6.78%	5.32%
Current value of standard investment of ₹ 10,000/- (INR)	15,235	14,813	13,644

**Past performance may or may not be sustained in the future.**

\*\*Date of Inception - April 07, 2006

#March 31, 2012 being a Non Business Day, NAV of the Quantum Liquid Fund considered above has been computed but not published on AMFI website.  
\$ Simple Annualised yield, \$\$ Absolute Returns

### NAV of the Quantum Liquid Fund v/s Benchmark – Crisil Liquid Fund Index



**Past performance may or may not be sustained in the future.**

#### PERFORMANCE ANALYSIS

The investment team's continued focus on prudent Asset Liability Management (ALM) and high liquidity has ensured effective management of the portfolio and stable performance.

#### (c) Quantum Gold Fund – An Open-ended Exchange Traded Fund

**Investment Objective** of Quantum Gold Fund - ETF (QGF) is to generate returns that are in line with the performance of gold and gold related instruments subject to tracking errors. However, investment in gold related instruments will be made if and when SEBI permits mutual funds to invest in gold related instruments. The scheme is designed to provide returns that, before expenses, closely correspond to the returns provided by gold.

The resources of the scheme have been invested in line with the investment objective.

For QGF, as on March 31, 2012	
Assets under Management	Rs 51.69 crores
Existing Unitholders	8,653

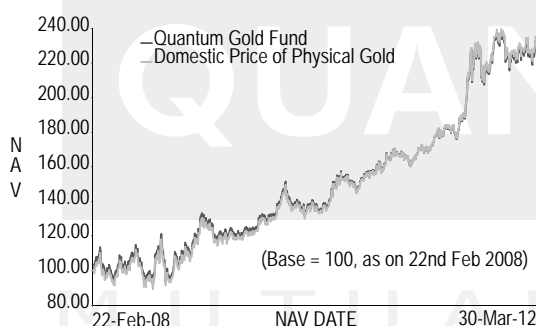
**Performance of the Quantum Gold Fund v/s Benchmark – Domestic Price of Physical Gold as on March 30, 2012**

	April 01, 2011 to March 30, 2012	April 01, 2010 to March 31, 2011	April 01, 2009 to March 31, 2010	Since Inception**	
	Absolute Returns (%)	Absolute Returns (%)	Absolute Returns (%)	CAGR Returns (%)	Current value of standard investment of ₹ 10,000/- (INR)
Quantum Gold Fund - (Growth Option)	34.90%	25.71%	7.22%	22.38%	22,920
Scheme Benchmark - (Domestic price of Physical Gold)	36.24%	26.99%	8.30%	22.70%	23,170

**Past performance may or may not be sustained in the future.**

\*\*Date of Inception - February 22, 2008.

**NAV of the Quantum Gold Fund v/s Benchmark – Domestic Price of Physical Gold**



**Past performance may or may not be sustained in the future.**

**PERFORMANCE ANALYSIS**

Since inception, the Scheme has delivered 22.38% per annum returns as compared to the benchmark returns of 22.70% per annum over same period.

The investment team continues to manage the scheme in a passive manner. The Scheme invests in physical gold in the domestic market and intends to track the spot price of gold in the domestic market.

**(d) Quantum Index Fund – An Open-ended Exchange Traded Fund**

**Investment Objective** of Quantum Index Fund (QIF) is to invest in stocks of companies comprising S&P CNX Nifty Index and endeavour to achieve returns equivalent to the Nifty by “passive” investment. The scheme will be managed by replicating the Index in the same weightage as in the S&P CNX Nifty Index with the intention of minimizing the performance differences between the scheme and the S&P CNX Nifty Index in capital terms, subject to market liquidity, costs of trading, management expenses and other factors which may cause tracking error.

The resources of the scheme have been invested in line with the investment objective.

For QIF, as on March 31, 2012	
Assets under Management	Rs 1.68 crores
Existing Unitholders	416

**Performance of the Quantum Index Fund v/s Benchmark – S&P CNX Nifty Total Return Index v/s Additional Benchmark – BSE Sensex as on March 30, 2012**

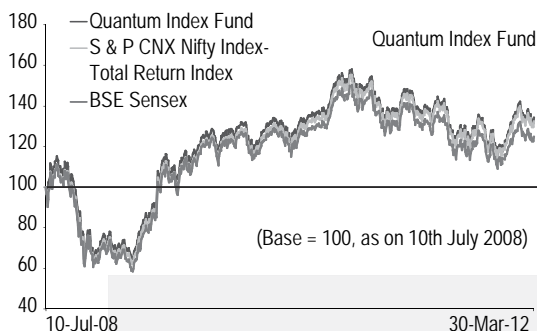
	April 01, 2011 to March 30, 2012	April 01, 2010 to March 31, 2011	April 01, 2009 to March 31, 2010	Since Inception**	
	Absolute Returns (%)	Absolute Returns (%)	Absolute Returns (%)	CAGR Returns (%)	Current value of standard investment of ₹ 10,000/- (INR)
Quantum Index Fund - (Growth Option)	-8.26%	11.65%	72.86%	8.24%	13,429
Scheme Benchmark - (S&P CNX Nifty-Total Return Index)	-8.18%	12.36%	75.29%	7.83%	13,242
Additional Benchmark - (BSE Sensex)	-10.50%	10.94%	80.54%	6.17%	12,497

**Past performance may or may not be sustained in the future.**

\*\*Date of Inception - July 10, 2008.



**NAV of the Quantum Index Fund v/s Benchmark – S&P CNX Nifty Index – Total Return Index v/s Additional Benchmark – BSE Sensex**



*Past performance may or may not be sustained in the future.*

**PERFORMANCE ANALYSIS**

The scheme has replicated the underlying S&P CNX Nifty very closely by maintaining the average cash level at a very minimal level. The investment team will continue to manage the scheme in a passive manner with an aim to keep the tracking error as low as possible.

**(e) Quantum Tax Saving Fund – An Open-ended Equity Linked Savings Scheme**

**Investment Objective** of Quantum Tax Saving Fund (QTSF) is to achieve long term capital appreciation by investing primarily in shares of companies that will typically be included in the BSE 200 Index and are in a position to benefit from the anticipated growth and development of the Indian economy and its markets.

The resources of the scheme have been invested in line with the investment objective.

For QTSF, as on March 31, 2012	
Assets under Management	Rs 6.43 crores
Existing Unitholders	1,759

**Performance of the Quantum Tax Saving Fund v/s Benchmark – BSE 30 TRI v/s Additional Benchmark- BSE Sensex as on March 30, 2012**

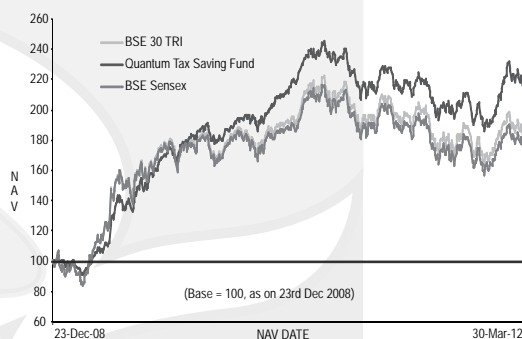
April 01, 2011 to March 30, 2012	April 01, 2010 to March 31, 2011	April 01, 2009 to March 31, 2010	Since Inception**	
Absolute Returns (%)	Absolute Returns (%)	Absolute Returns (%)	CAGR Returns (%)	Current value of standard investment of ₹ 10,000/- (INR)

Quantum Tax Saving Fund - (Growth Option)	-1.73%	17.56%	91.16%	27.32%	22,037
Scheme Benchmark - (BSE 30 TRI)	-9.16%	12.53%	82.79%	21.18%	18,747
Additional Benchmark - (BSE Sensex)	-10.50%	10.94%	80.54%	19.62%	17,967

**Past performance may or may not be sustained in the future.**

\*\*Date of Inception - December 23, 2008.

**NAV of the Quantum Tax Saving Fund v/s Benchmark – BSE 30 TRI v/s Additional Benchmark- BSE Sensex**



*Past performance may or may not be sustained in the future.*

**PERFORMANCE ANALYSIS**

Over last financial year the scheme has delivered a return of -1.73% while the benchmark delivered a return of -9.16%. The substantial outperformance was a result of superior stock selection strategies which are driven by strict adherence to our bottom up research driven investment process which in turn resulted in reduction in a cash levels as market valuations became far more attractive late in calendar year 2011.

**(f) Quantum Equity Fund of Funds – An Open-ended Equity Fund of Funds Scheme**

**Investment Objective** of Quantum Equity Fund of Funds (QEFOF) is to generate long term capital appreciation by investing in a portfolio of open-ended diversified equity schemes of mutual funds registered with SEBI. There can be no assurance of positive returns from following the stated investment strategy

The resources of the scheme have been invested in line with the investment objective.

For QEFOF, as on March 31, 2012	
Assets under Management	Rs 2.71 crores
Existing Unitholders	472

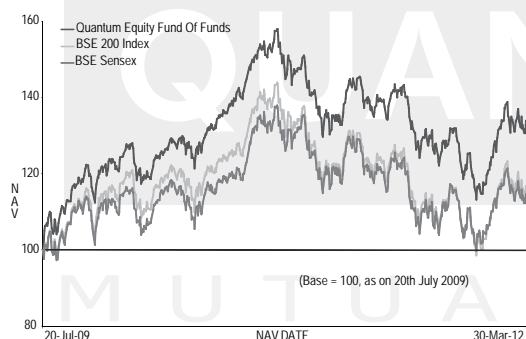
**Performance of the Quantum Equity Fund of Funds v/s Benchmark – BSE 200 Index v/s Additional Benchmark – BSE Sensex as on March 30, 2012**

	April 1, 2011 to March 30, 2012	April 1, 2010 to March 31, 2011	Since Inception**	
	Absolute Returns (%)	Absolute Returns (%)	CAGR Returns (%)	Current value of standard investment of ₹ 10,000/- (INR)
Quantum Equity Fund of Funds - (Growth Option)	-5.66%	12.22%	11.39%	13,378
Scheme Benchmark - (BSE 200 Index)	-9.28%	8.15%	5.90%	11,674
Additional Benchmark - (BSE Sensex)	-10.50%	10.94%	5.17%	11,457

**Past performance may or may not be sustained in the future.**

\*\*Date of Inception - July 20, 2009.

**NAV of the Quantum Equity Fund of Funds v/s Benchmark – BSE 200 Index v/s Additional Benchmark – BSE Sensex**



**Past performance may or may not be sustained in the future.**

**PERFORMANCE ANALYSIS**

A robust process of identifying consistent performing funds ranked by different parameters has ensured that the portfolio has been able to outperform the benchmark over longer time frames.

**(g) Quantum Gold Savings Fund – An Open ended Fund of Fund Scheme**

**Investment objective** of Quantum Gold Savings Funds (QGSF) is to provide capital appreciation by predominantly investing in units of Quantum Gold Fund – Exchange Traded Fund. The performance of the Scheme may differ from that of Quantum Gold Fund and the domestic prices of gold due to expenses and certain other factors. There can be no assurance or guarantee that the investment objective of the Scheme will be achieved.

The resources of the scheme have been invested in line with the investment objective.

For QGSF, as on March 31, 2012	
Assets under Management	Rs 4.13 crores
Existing Unitholders	1,471

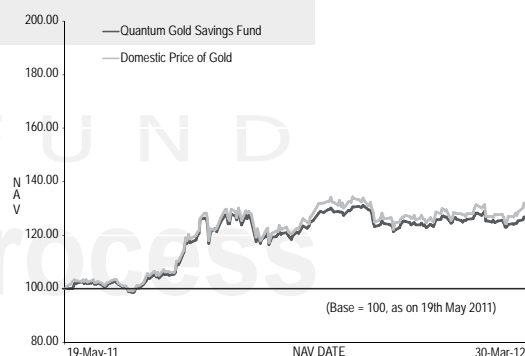
**Performance of the Quantum Gold Savings Funds v/s Benchmark – Domestic Price of Gold as on March 30, 2012**

	October 1, 2011 to March 30, 2012	Since Inception**	
	Absolute Returns (%)	Absolute Returns (%)	Current value of standard investment of ₹ 10,000/- (INR)
Quantum Gold Savings Fund - (Growth Option)	6.88%	26.54%	12,654.00
Scheme Benchmark - (Domestic price of Gold)	9.56%	30.07%	13,007.00

**Past performance may or may not be sustained in the future.**

\*\*Date of Inception - May 19, 2011.

**NAV of the Quantum Gold Savings of Fund v/s Benchmark – Domestic Price of Gold**



**Past performance may or may not be sustained in the future.**

**PERFORMANCE ANALYSIS**

The scheme has underperformed the benchmark mainly due to timing mismatches between fund inflows and actual deployment. Some portion of underperformance is also on account of the discount prevailing in the domestic gold market at that point of time that gets reflected in the Quantum Gold ETFs trading price and not in its NAV.

The investment team continues to manage the scheme in a passive manner deploying most of the clear balances on a daily basis. Over a period of time the losses due to timing mismatch of fund inflows and availability of funds would be set off by possible gains as prices move over cycles. Also, as the underlying sheds off the premium/ discounts, the apparent diversions would wear off and thereby reduce the underperformance.

**EQUITY MARKET REVIEW AND OUTLOOK****MARKET REVIEW**

The previous year witnessed many important events, including the financial crisis which plagued the European Union and prompted a subsequent liquidity infusion; downgrade of US sovereign debt, political changes in the Middle East, nuclear crises threats concerning Iran and North Korea, slowdown fears in China, and the election of socialist governments in Europe.

India also had its share of issues to deal with, such as fresh corruption cases against government officials, a freeze in Government decision making, election in key states, civil society protests, cancellation of 2G licenses etc.

In the light of this political and economical background, the performance of Indian equity markets was relatively weak. The Sensex posted a return of negative 10.5% for the fiscal year ending March 2012 as compared to 10.94% return for the previous fiscal ending 2011.

When the US sovereign debt was downgraded by rating agencies, Indian markets, amongst other emerging economies, saw a significant withdrawal of capital. As a result, markets fell. For the fiscal 2012, India saw FII net inflows amounting to USD 9.01 Bn, a sharp decline as compared to fiscal 2011 which saw inflows of approximately USD 24.29 Bn. During the same period, concerns about rising current account deficit caused the Rupee to depreciate by 12.37% against the US Dollar.

According to the Reserve Bank of India (RBI), domestic GDP growth in India is likely to slow down in Financial Year 2012 to a tad below 7%. The RBI has maintained high interest rates for a relatively long period and has only very recently announced a cut in Repo rates. Liquidity remained tight in the system during the fiscal year. Higher interest rates and a number of policy issues affecting industries (coal, spectrum, iron ore) have caused companies to delay their investment plans. Near term reduction in capital formation is likely to have an impact on the GDP growth in the years ahead. Capital formation and capacity creation are also important to take keep a check on inflationary concerns.

There have been some recent steps by the government which have added to the anxiety of foreign investors. The government had expressed its intent to implement the General Anti-Avoidance Rule (GAAR), which would tax capital gains from entities registered in Mauritius (with whom India has a favorable tax agreement). The implementation of this initiative though, has been deferred for the while. The government is also contemplating to tax some Indian MNCs in retrospect. There is a need of stable regulatory policy if long term capital has to be attracted to the country.

Irrespective of all the negative news doing the rounds, India continues to remain a promising and fast growing economy for times to come. For two decades, India's GDP has grown comfortably above 6% per annum. Our long term assumption of a rate of growth in GDP of 6.5%-7% per annum has not changed. While the services sector has been a major contributor to the GDP growth, Industry and agriculture sectors are also likely to be healthy. India has a high share of domestic consumption in GDP; with a good savings rate of approximately 30% of GDP. Given these numbers, it would not be wrong to derive that the Indian economy has decoupled to some extent from global macroeconomic problems.

**Future Outlook:**

The investment team at Quantum Mutual Fund continues to have a positive outlook for Indian equities. Equity valuations at

this point of time look relatively reasonable. With all the macro noise around us, in the end we are bottom up stock pickers and disciplined value managers. Our challenge remains to understand and analyze businesses, to decipher the valuations ascribed to these businesses in the stock market and to understand the ability of the management to guide these businesses in challenging times. With headlines changing so rapidly, nervous money flows can create interesting opportunities.

## **DEBT MARKET REVIEW AND OUTLOOK**

### **Market Review:**

As predicted last year in our outlook, the year turned out to be a good one for savers in fixed income products. Interests on fixed deposits scaled decade highs providing relief to the multitude of savers across the country who invest a large portion of their savings in fixed income products. Although, the high interest rates on offer have failed to beat inflation (the returns on deposits are lower than the rate of inflation), the absolute levels of 9-10% have enticed investors.

Having hiked the repo rate by 175 (1.75%) bps in entire Financial Year 2011, the RBI hiked the repo rate by another 175 bps just between April – October 2011, moving it to 8.5% to tackle the persistent inflation pressures. The aggressive rate hikes were clearly having its impact on the growth trend and sentiment but the RBI rightly focused on its efforts to quell inflation. Interest rates rose across the board and banks revised the lending and deposit rates upwards. Base lending rates for almost all banks are well in double digits.

On the domestic front, the manner in which the government has allowed the fiscal hole to deepen has been extremely disappointing and high fiscal deficit continues to spook inflation and dampen private investment sentiment. And to add to our domestic woes, the continued imbroglio over the European sovereign debt crisis has meant that global risk appetite has remained low, thus impacting capital flows. We have seen the rupee weaken to all-time lows and it underlines the point that a country which runs high current account deficits needs external capital flows and hence needs to ensure that domestic economy and sentiment remain conducive to attract foreign investment.

The year 2012 though started off on a brighter note with bond yields falling from above 9% in November to around 8.1% in February on the back of fall in inflation; RBI Open Market Operations (OMO - Bond purchases) and CRR cuts (Cash Reserve Ratio). Even the equity markets and the rupee staged a sharp comeback on the back of global positive sentiment and on actions taken by RBI to boost capital flows. But it has proved to be temporary as RBI's status quo on the key rates; a disappointing budget; continued political uncertainty; proposed tax changes for foreign investors and increasing global oil prices dented into the positive momentum. Bond yields went back up above the 8.5% mark and the rupee especially is back at the low levels seen in December 2011.

The RBI did surprise the market with a larger than expected 50 bps rate cut in its April Policy. Liquidity is expected to remain comfortable in the first half of the fiscal and expect further RBI actions, if required in the form of adhoc OMOs and CRR cuts, to manage the liquidity situation. Inflation is expected to average lower than last year at around 7% and if Brent oil prices fall below

the US\$100/bbl mark it would give RBI enough room to further cut repo rates and add liquidity. Overall, the RBI is expected to cut the repo rate by 100 bps during Financial Year 2013 and add further liquidity if credit growth collapses.

Fiscal and government policy however, continues to remain the dominant risk for India. Oil prices remain high and on an event of an escalation of the Iran issue, Brent crude can trend higher impacting India's trade deficit, inflation and fiscal deficit. A renewed bout of global risk aversion emanating from the ongoing Euro area crisis can lead to further depreciation in the INR and instability in the external funding of the economy. Although, the recent depreciation in the rupee would help moderate the trade deficit by boosting exports and making imports expensive, policy makers need to ensure that they create conditions to increase long term equity flows into the country to stabilize the currency and the external situation.

### **Future Outlook:**

Fixed income investment continues to be an attractive option as deposit rates are expected to remain high at around the 9% mark despite the RBI rate cuts. Liquid funds would continue to offer optimal risk adjusted returns to manage your short term cash surplus in a tax efficient manner. Longer tenor bond funds could also appear to be attractive investment options, especially to benefit out of a fall in bond yields triggered by falling oil prices; RBI rate cuts and OMOs.

## **GOLD MARKET REVIEW AND OUTLOOK**

### **Market Review:**

The year gone by has been a difficult one owing to highly volatile markets which have been impacted by global events. 2011 witnessed one of the most dramatic price increases in gold followed by a sharp correction. It can be defined as one of the most volatile years for the precious yellow metal. Consider that gold surged from roughly USD 1,400 to USD 1,900 within a single year as Europe's debt crisis aggravated, only to be followed by a 61% retracement to just under USD 1,600 in the last three months of 2011.

The recent decline in gold is much talked about these days. These discussions omit the very fact that gold prices ended with positive double digit gains of 11.6% (London AM Fix) for the year. And these gains come at a time when most of the other asset classes are negative. The recent fall in price is akin to the corrective phases that have been in gold throughout this bull run. It is highly probable the recent fall is on account of forced reluctance by central banks to print freely in order to resolve underlying economic problems as they have done since the crisis in 2008. This change in the short term removed the catalysts required for gold prices to increase further. There have been liquidity injections in Europe in the form of LTROs but it is expected that the Germans will not allow this to be unlimited and would ensure that they restrict such liquidity measures before it slips out of hand. Also, the much expected QE3 has not yet materialized on account of growing criticism of the earlier rounds of quantitative easing. This provides an opportunity for speculators to take profits or even go short sell until they see fresh triggers that would take gold higher.

This reluctance (although forced) along with other factors have triggered the fall in the price of gold. It's probably a momentary phase which will soon end on first signs of monetary debasement.



The current show of rationality is just an eye wash. There have been no real efforts to cut down spending and rein in deficits and solve the long term funding and debt issues. The Euro zone crisis has not found a resolution as yet and the political developments happening in the many Euro zone countries are worsening the crisis further.

#### Future Outlook:

One of the main reasons that gold's fundamentals are probably intact is because of erroneous policy-making theories which suggest that the economy can be made stronger via more monetary inflation, further credit expansion and more government spending.

The main influencing factor in the gold market today is the massive and unrealistic heap of sovereign debt throughout the western financial system coupled with a paper currency that is positioned as the reserve currency of the world, which, however, can be issued and abused by a single government. These high levels of debt, combined with slow economic growth compel central banks around the world to 'print' more dollars and other currencies (in order to pay the bills), stimulate the economy and inflate away the debt burden with an intentional plan of currency devaluation.

Negative real rates still prevail, and with the economic outlook still showing no signs of real improvement, these negative real rates will not fade away easily as any increase in interest rates would cause considerable strain to already hampered public finances. They are likely to exist for a longer time and would probably help gold move up as investors look at it from a 'wealth preservation' perspective. Diversification of reserves and investment into gold seems to be the course of action, and is likely to continue in the future as well, thereby supporting gold prices.

Long-term trends in gold prices are driven by changes in the overall level of confidence in the monetary system and the economy. Given the current economic backdrop, where governments are struggling with problems like rising deficits and unsustainable debts, it is indeed logical for gold prices to increase in value. Broad themes that would drive gold prices are currency debasement, rising inflationary fears and diversification of investments and reserves to gold.

The uncertain macroeconomic environment and looming inflationary threat over a long term reiterates the need for gold in one's portfolio.

## 2. BRIEF BACKGROUND OF SPONSOR, TRUST, TRUSTEE COMPANY AND ASSET MANAGEMENT COMPANY

### A. SPONSOR

Quantum Mutual Fund is sponsored by Quantum Advisors Private Limited. The Sponsor is the Settlor of the Mutual Fund Trust. The Sponsor has entrusted a sum of ₹1,00,000 to the Trustee as the initial contribution towards the corpus of the Mutual Fund. The Sponsor is a SEBI Registered Portfolio Manager engaged in the business of rendering Portfolio Management and Advisory Services. The Sponsor has been in the business of providing equity research, investment advisory services and managing portfolio of securities since 1990.

## B. QUANTUM MUTUAL FUND

Quantum Mutual Fund (Fund) has been constituted as a Trust in accordance with the provisions of the Indian Trusts Act, 1882, as per the terms of the Trust Deed dated October 7, 2005 with Quantum Advisors Private Limited as the Sponsor/Settlor and Quantum Trustee Company Private Limited, as the Trustee. The Trust Deed has been registered under the Indian Registration Act, 1908. The Trustee has entered into an Investment Management Agreement dated October 7, 2005 with Quantum Asset Management Company Private Limited to function as the Investment Manager for all the Schemes of Quantum Mutual Fund. Quantum Mutual Fund was registered with SEBI on December 2, 2005.

## C. QUANTUM TRUSTEE COMPANY PRIVATE LIMITED

Quantum Trustee Company Private Limited (Trustee) is the exclusive owner of the Trust Fund and holds the same in trust for the benefit of the Unitholders. The Trustee has been discharging its duties and carrying out the responsibilities as provided in the SEBI (Mutual Funds) Regulations, 1996 and the Trust Deed. The Trustee seeks to ensure that Quantum Mutual Fund and the schemes and products floated thereunder are managed by Quantum Asset Management Company Private Limited in accordance with the Trust Deed, the Regulations, directions and guidelines issued by SEBI, the Stock Exchanges, the Association of Mutual Funds in India and other regulatory agencies.

## D. QUANTUM ASSET MANAGEMENT COMPANY PRIVATE LIMITED

Quantum Asset Management Company Private Limited (AMC) is a private limited company incorporated under the Companies Act, 1956 on September 19, 2005. The AMC has been appointed as the Investment Manager of Quantum Mutual Fund by the Trustee vide Investment Management Agreement dated October 7, 2005, executed between Quantum Trustee Company Private Limited and the AMC. The AMC was approved by SEBI vide its letter dated December 5, 2005 to act as an Asset Management Company for Quantum Mutual Fund.

## 3. SIGNIFICANT ACCOUNTING POLICIES:

The Balance Sheet and the Revenue Account of the Schemes forming part of Annual Report have been prepared in accordance with the Accounting Policies and Standards as specified in the Ninth Schedule of the SEBI (Mutual Funds) Regulations, 1996 as amended up to date. The Significant Accounting Policies form part of the 'Notes to the Accounts' annexed with the Balance Sheet of the Schemes.

## 4. UNCLAIMED DIVIDENDS & REDEMPTIONS:

There are no unclaimed dividends and redemption proceeds for the year ended March 31, 2012.

## 5. Marketing Quantum Mutual Fund – Helping Investors in understanding the products and their financial needs



Quantum Mutual Fund continues with its unique style of marketing its products. The fund has always wanted the investors to buy the schemes rather than have the schemes sold to them. All the marketing efforts have been focused towards educating investors about understanding their financial needs and understanding products which suits their needs.

In the financial year 2011-2012, Quantum Mutual Fund continued to spread the "Quantum Theory of Investment", by providing this free E-Guide to investors which busted many myths about the mutual funds and highlighted the Quantum philosophy of investing. This guide saw around 1,10,000 downloads through the Quantum website alone. The team also launched a comic series on educating investors about investing in mutual funds. These comics too have been made available online.

Quantum Mutual Fund also continued with the "Path to Profit" meets, taking the Quantum message to cities like Chennai and Kolkata. Going forward the efforts will be continued in spreading the word of Mutual Fund investment through the investor education initiatives. The fund will continue to increase the reader base for newsletters through the internet and also support the same through offline activations.

As Trustees we are proud of the fact that, Quantum as a fund continues to grow and is the first and only fund house in the country to follow this unique direct marketing approach that has been applauded by the media, associates, and most importantly by Investors.

## **6. INVESTOR SERVICES**

As on March 31, 2012, Quantum Mutual Fund (the Fund) served investors primarily through its invest Online Section on [www.QuantumMF.com](http://www.QuantumMF.com) and also through 214 offices of Karvy Computershare Private Limited.

In October 2011, Quantum Mutual Fund (the Fund) has also activated its own official point of Acceptance (OPAT) in Chennai to expand the reach. Being direct to investor, we always tried to reach our investors through the online platform which is the most convenient and preferred mode of investment. Quantum Mutual Fund has made the online investment option completely paperless and added a few more options through online platform like Switch, Systematic Transaction Plan (STP) Systematic withdrawal Plan (SWP), Online SIP.

With its continuous focus towards Investor delight, the Fund has undertaken a few new initiatives:

1. Investors can now reach the Fund from Monday to Saturday (except public holidays) from 9:00 A.M to 9:00 P.M
2. Investors can reach the Fund through an additional toll free number 1800-209-3863 as well as through the existing toll free number 1800-22-3863 and also through its toll free fax no 1800-22-3864.
3. The Fund has started online systematic investment (ISIP) so that investors looking for a regular systematic

investment can do the same online without any paper work. ISIP is offered through 20 banks registered with it.

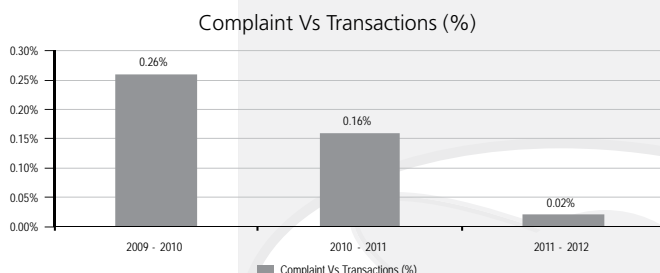
4. To make investment more convenient the Fund has also added few more services in online mode, such as Online SIP, STP and SWP Cancellation.
5. The Fund has also enabled updation /Change of mobile no and email id online.
6. The Fund has enabled the "Save for later" option through the Online portal which allows the investor to continue with his investment by clicking on the link that is triggered to the registered email id when the investor is routed to the Bank's payment gateway site for effecting the payment. This link is valid for 7 days from the date of transaction thereby helping the investor avoid filling up the online application form all over again in case of failed link.
7. The Fund has made a few changes in the Statement of Account to provide more information on the Statement. These changes include portfolio details which summarizes the current value of investments in each scheme invested along with market value, Unit balance, NAV, dividend earned (if any), We have included the MICR code, and have also accommodated non-commercial Transactions like Change of Bank details, Change of Address, Updation of Multiple Bank Accounts registrations etc.
8. The Fund has started pick up facility for various transactions from 848 locations across India. Investors can call the customer care team and they will arrange for pick of their application form and documents through the dedicated service provider.
9. The investors now can generate their PIN online.
10. The Fund has also activated Common Account Statement (CAS) to the investors through its website for all investments in Mutual funds based on PAN and email id.
11. In order to facilitate online investment for its investors, the Fund has activated various modes of payment such as RTGS/NEFT, Debit Card & Pre Paid Card in addition to the net banking option.
12. The Fund has initiated a SMS facility where an investor can send an SMS quoting 'HELP' to them and they get in touch with the investor for assisting him on his query.
13. Drop box facility is also provided at various locations in Mumbai to enable the investors to drop their applications for subscriptions, additional subscriptions, redemptions etc. instead of couriering the documents to the Official Point of Acceptance to provide cost saving benefit to their investors.
14. SMS intimation has been activated to Investors for various commercial and non-commercial transactions for an immediate update on the transactions /requests processed.

15. The Fund is seeking feedback from the investors who are contacting them through call or e-mail and is taking necessary measures based on the feedbacks received.

The Fund has initiated daily quality checks and controls in the commercial /non-commercial transactions and implemented better back end processes to improve the quality of services and redressal/ grievance handling process for reducing the complaints further.

The Fund analyzes the queries and complaints to identify the root cause and take remedial action to avoid escalation of queries as a complaint.

#### Complaints V/s Transactions Trend and Analysis



#### ANALYSIS

	2009-2010	2010-2011	2011-2012
<b>Transaction Count</b>	25583	113989	259634
<b>Complaint Count</b>	67	182	50
<b>Percentage of Complaints to Transactions</b>	0.26%	0.16%	0.02%

For safety and security in online transactions, the website has obtained 256-bit Digital Security Certificate from Verisign, an organization that is considered pioneers in such technology. Quantum AMC is an ISO 27001 Certified Company and implemented ISO/IEC 27001:2005 standard which is designed to ensure the selection of adequate and appropriate security controls that protect information assets thus giving confidence to Investors while transacting Online.

#### 7. STATUTORY INFORMATION

- Quantum Advisors Private Limited (the Sponsor) is not responsible or liable for any loss resulting from the operation of the Schemes of the Fund beyond their initial contribution (to the extent contributed) of ₹ 1,00,000 for setting of the Fund, and such other accretions / additions to the same.
- The price and redemption value of the units and income from them, can go up as well as down on account of fluctuations in the market value of its underlying investments.
- The Annual report will be send to unitholders / investors as per the following mode:
  - By email to the unitholders / investors whose email address is available with the AMC/Fund.

- In physical form to the unitholders / investors whose email address is not available with the AMC/Fund and/or those unitholders / investors who have opted/requested for receipt in physical form.

Further, the physical copies of the Annual report shall be made available to the unitholders / investors at the registered office of the AMC and they can also obtain the same on request. The Annual Report shall be displayed on the website of the AMC / Fund.

- On request, present and prospective unitholders/ investors can obtain copy of the Trust Deed.

#### 8. LIABILITIES AND RESPONSIBILITIES OF TRUSTEE AND SPONSOR

The main responsibility of the Trustee is to safeguard the interests of the unitholders and inter-alia ensure that Quantum Asset Management Company Private Limited (AMC) functions in the interest of the investors, and in accordance with the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996, the provisions of the Trust Deed and the Statement of Additional Information, Scheme Information Document of the respective schemes. From the information provided to the Quantum Trustee Company Private Limited and the reviews it has undertaken, the Directors of the Trustee Company believe that the AMC has been conducting the operations of Quantum Mutual Fund in the interest of the unitholders and in accordance with the applicable regulatory requirements.

#### 9. DISCLOSURE OF INVESTOR COMPLAINTS

The detail of redressal of complaints received against the Fund during the financial year 2011-12 and 2010-11 is attached as annexure A.

#### 10. ACKNOWLEDGEMENT

The Directors of the Trustee Company wish to thank our investors, the Securities and Exchange Board of India, the Association of Mutual Funds in India, Investor Service Centers, Registrar and Transfer Agents, Custodian, our Bankers, Payment Aggregators and other service providers. We would also like to thank Quantum Advisors Private Limited - Sponsor, Quantum Asset Management Company Private Limited and its employees who have chosen to break the myths of the mutual fund business as it exists and establish facts of how it should ideally be. We look forward to their continuous belief and much needed support in building a low-cost mutual fund house for simple, sensible, long-term investing.

**For and on behalf of the Board of Directors of  
Quantum Trustee Company Private Limited**

sd/-

Date: May 25, 2012  
Place: Mumbai

**Jagdish Capoor**  
Chairman

## Annexure A

Redressal of Complaints received against Quantum Mutual Fund during April 2010 - March 2011 and April 2011 - March 2012

	<b>2010-2011</b>	<b>2011-2012</b>
Number of Investors as on financial year end	13,359	23,466

## Redressal of Complaints received against Quantum Mutual Funds (MF's) during April'2010-March' 2011 and April'2011-March' 2012

Complaint Code	Type of Complaint#	(a) No of Complaints Pending at the beginning of the year		(b) No of complaints received during the year		Action on (a) and (b)											
						Non Actionable*		Beyond 180 days									
		2010-2011	2011-2012	2010-2011	2011-2012			Within 30 Days	30-60 Days	60-180 Days	180-360 Days	360-540 Days	540-720 Days	720-900 Days	900-1080 Days	1080-1260 Days	1260-1440 Days
I A	Non receipt of Dividend on Units	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
I B	Interest on delayed payment of dividend	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
I C	Non receipt of Redemption Proceeds	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
I D	Interest on delayed payment of Redemption	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
II A	Non receipt of Statement of Account/Unit Certificate	0	0	35	2	35	2	0	0	0	0	0	0	0	0	0	0
II B	Discrepancy in Statement of Account	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
II C	Data corrections in Investor details	0	0	120	33	120	33	0	0	0	0	0	0	0	0	0	0
II D	Non receipt of Annual Report/Abridged Summary	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
III A	Wrong Switch between Schemes	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
III B	Unauthorized switch between Schemes	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
III C	Deviation from Scheme attributes	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
III D	Wrong or excess charges/load	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
III E	Non updation of changes viz address, PAN, bank details, nomination, etc.	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
IV	Others	0	0	27	14	27	14	0	0	0	0	0	0	0	0	0	0
	Total	0	0	182	50	182	50	0	0	0	0	0	0	0	0	0	0

**Notes:**

The number of transactions have increased by 128% as compared to the previous year, however the percentage of complaints to the number of transactions have reduced as the AMC has initiated various measures to improve the quality of service and thus reduce the complaints.

The AMC has a dedicated toll free phone no. 1800-22-3863, 1800-209-3863, toll free fax no. 1800-22-3864 and email id [CustomerCare@quantumAMC.com](mailto:CustomerCare@quantumAMC.com) to handle investor's calls/emails pertaining to any transactions/queries /complaints and the same is handled by efficient customer relations executive for resolutions at the AMC end. These are marked to the Investor Relations Officer / Compliance Officer of the AMC for day to day monitoring.

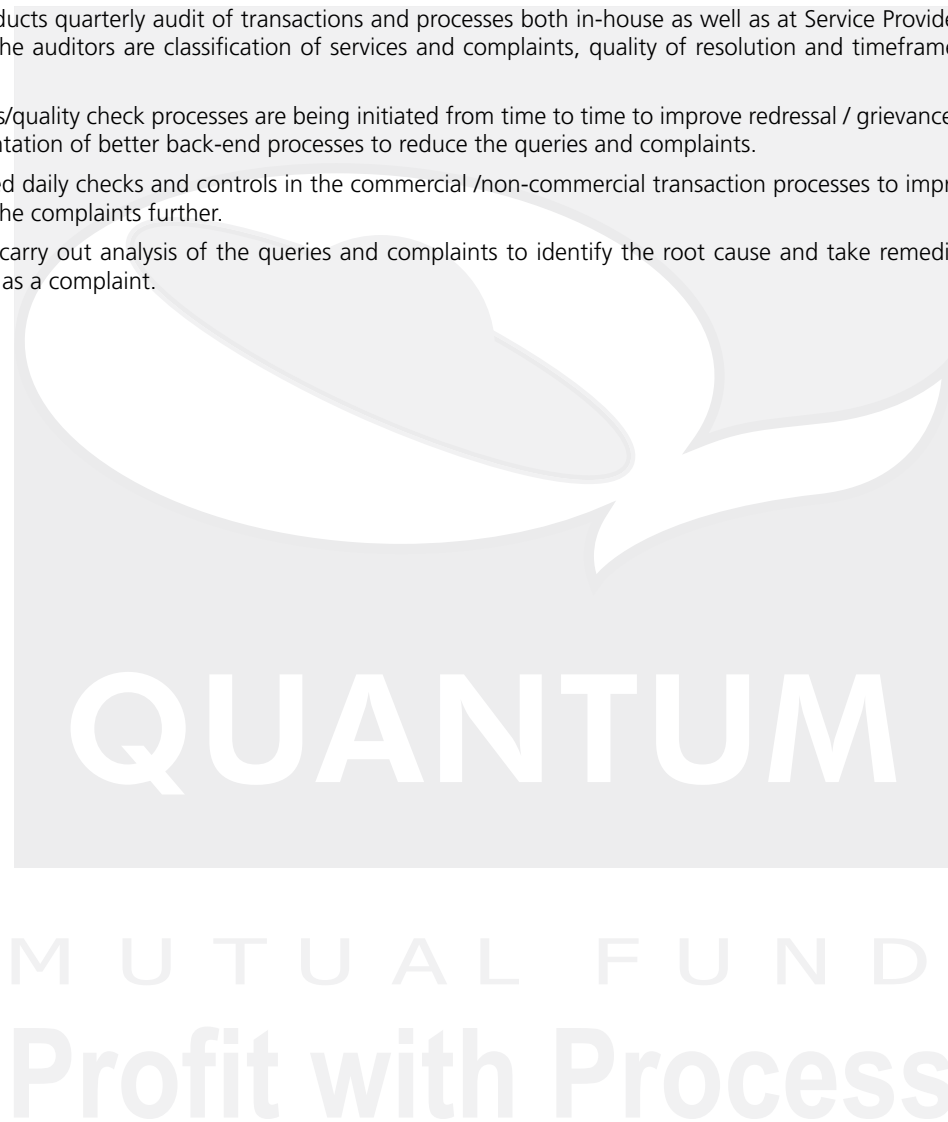
The complaints and their redressal during the month are reviewed in the monthly Risk Management Committee of the AMC and also presented to the Quantum Asset Management Company Pvt. Ltd. Board and the Trustee Board through Bi-monthly and Quarterly Reports.

Internal Auditor conducts quarterly audit of transactions and processes both in-house as well as at Service Providers end. The areas broadly covered by the auditors are classification of services and complaints, quality of resolution and timeframes for redressal of complaints.

The necessary actions/quality check processes are being initiated from time to time to improve redressal / grievance handling process along with implementation of better back-end processes to reduce the queries and complaints.

The AMC has initiated daily checks and controls in the commercial /non-commercial transaction processes to improve the quality of services and reduce the complaints further.

Also the AMC does carry out analysis of the queries and complaints to identify the root cause and take remedial action to avoid escalation of queries as a complaint.



## Proxy Voting Policy

SEBI vide its circular No. SEBI / IMD / CIR No.18/198647/2010 dated March 15,2010 has advised the Asset Management Companies to make general policy for proxy voting and exercise the voting rights in respect of shares held by the Mutual Funds in the listed companies to play an active role in ensuring better corporate governance of listed companies.

Quantum Asset Management Company Private Limited (AMC) as the Asset Management Company of Quantum Mutual Fund (the Fund) is required to do the following:

- (a) To disclose general policies and procedures for exercising the voting rights in respect of shares held by the Fund on the website of the AMC as well as in the annual report distributed to the unit holders from the financial year 2010-11.
- (b) The actual exercise of their proxy votes in the AGMs / EGMs of the investee companies in the following matters shall be disclosed on the website of the Company as well as in the annual report distributed to the unit holders from the financial year 2010-11.
  1. Corporate governance matters, including changes in the state of incorporation, merger and other corporate restructuring, and anti takeover provisions.
  2. Changes to capital structure, including increases and decreases of capital and preferred stock issuances.
  3. Stock Option Plans and other management compensation issues
  4. Social and corporate responsibility issues
  5. Appointment and Removal of Directors
  6. Any other issue that may affect the interest of the shareholders in general and interest of the unit holders in particulars

### Procedure

As a matter of policy and as a fiduciary responsibility to the investors of the Fund, the (AMC) / Quantum Trustee Company Private Limited (Trustee) has the responsibility for voting proxies for portfolio securities consistent with the best economic interests of the Scheme(s) of the Fund.

As per the Companies Act, 1956:

- (A) A proxy is not entitled to vote except on a poll.
- (B) At any General Meeting, a resolution is to be put to vote of the meeting by show of hands in the first instance unless a poll is demanded.

Generally as a practice in the general meeting of the listed companies, a resolution is carried out by show of hands and therefore in such case proxy is not entitled to vote.

As a Mutual Fund is incorporated / registered as a Trust under the Indian Trust Act, the Securities of the Fund are normally held in the name of the Trustee. The Trustee can appoint representative to attend the general meetings and vote on the Resolution by show of hands in the Annual General Meetings / Extra Ordinary General Meetings of the investee companies as per Section 187B of the Companies Act, 1956. The representative appointed by the Trustee of a Trust ( Mutual Fund in the instant case) has therefore the same rights and powers (including the right to vote by proxy) on behalf of the Fund.

The / AMC will provide the details of proxy voting in the following format prescribed by SEBI.

### **(A) Management Proposal**

Date	Type of Meeting (AGM / EGM)	Proposal	Management Recommendation	Vote ( For / Against / Abstain)

### **(B) Shareholders Proposal**

Date	Type of Meeting (AGM / EGM)	Proposal	Management Recommendation	Vote ( For / Against / Abstain)

### Responsibility

The Compliance Officer of the AMC has the responsibility for the implementation and monitoring of the company's proxy voting policy, practices, disclosures and reviewing the proxy procedure.

The Research Team along with the Back Office of the AMC has the responsibilities to maintain records of proxy votings and any document the AMC created that was material to making a decision how to vote proxies, or that memorializes that decision.



**Voting Guidelines**

The AMC's policy is to vote all proxies from a specific issuer in the same way for each scheme. The AMC /will vote proxies in the best interests of the scheme(s) of The Fund.

All voting decisions are taken on a case to case basis. The concerned Research Analyst / Fund Manager at the AMC / reviews the different proposals put before the shareholders / Management and arrives at a final decision of how to vote, keeping in mind the long term interest of the scheme(s), investment philosophy of the Fund and the market best practices. The concerned Research Analyst / Fund Manager communicate such voting decision or recommendation to the back office team for further action.

In case of Index Scheme the Fund would "Abstain" from voting on matters concerning the Company invested as an Index Portfolio by the Scheme.

In case of Mutual Fund Units / Debt Securities / meeting convened to decide on debt / fund / scheme restructuring etc, the concerned Credit Analyst / Fund Manager communicates such voting decision / recommendation to the Equity Research Analyst for his input and then to Back Office Team for further action (to the extent permitted by law).

The Custodian (as representative of the Fund) then picks up the voting instructions given by the back office and accordingly votes at the meetings of the shareholders of the various companies.

If the Company decides not to vote a proxy, the Research Analyst / Fund Manager have the responsibility for documenting the reasons for that decision.

**Conflicts of Interest**

In voting proxies, the AMC will identify any conflicts that exist between the interests of the AMC and the scheme, interest of the scheme vs. the scheme and decision of the Research Analyst / Fund Manager vs the Research Analyst / Fund Manager by reviewing the relationship of the AMC with the issuer of each security to determine if the AMC or any of its employees or schemes has any financial, business or personal relationship with the issuer.

Examples of potential conflicts of interest include;

- (a) The AMC / Fund Manager / Research Analysts has the material business relationship with a proponent of a proxy proposal, participants in a proxy contest, or directors or director candidates of a investee company; and
- (b) An employee of the AMC has a personal interest in the outcome of a particular proxy proposal (which might be the case if, for example, a member of an employee's immediate family were a director or executive officer of the relevant company).

Conflict of interest would be filtered out before the Research Analyst / Fund Manager gives his view/ final decision on how to vote which may interalia include relying on an independent third party view ( the third party can be a different Research Analyst or a research arm of a broking firm / CRISIL).



QUANTUM

M U T U A L F U N D

Profit with Process

For the Financial Year 2011-2012					
PROXY VOTING EXERCISED DURING FINANCIAL YEAR ENDED 31st MARCH 2012					
Name of Company	Date	Type of Meeting (AGM / EGM)	Proposal	Management Recommendation	Vote ( For / Against / Abstain)
Ambuja Cements Limited	11-Apr-11	AGM	Adoption of Accounts & Directors and Auditors Report	The scrip is part of the Index Scheme and not actively managed	Abstain
			To declare dividend on equity shares.	The scrip is part of the Index Scheme and not actively managed	Abstain
			Re appointment of Mr. M L Bhakta as a Director, who retires by rotation.	The scrip is part of the Index Scheme and not actively managed	Abstain
			Re appointment of Dr. Omkar Goswami, as a Director, who retires by rotation.	The scrip is part of the Index Scheme and not actively managed	Abstain
			Re appointment of Mr. Naresh Chandra, as a Director, who retires by rotation.	The scrip is part of the Index Scheme and not actively managed	Abstain
			Re-appointment of Auditor & fix their Remuneration	The scrip is part of the Index Scheme and not actively managed	Abstain
			In the event of Transfer of an Employee between group companies, then he can exercise all the options relating to ESOP if not exercised by him as on the date of transfer.	The scrip is part of the Index Scheme and not actively managed	Abstain
ACC Ltd	13-Apr-11	AGM	Adoption of Accounts & Directors and Auditors Report	Annual Accounts fairly represent the financial position of the company.	For
			To declare dividend on equity shares.	The company is distributing its profits satisfactorily	For
			Re appointment of Mr. N. S. Sekhsaria, as a Director, who retires by rotation.	The Director has played Key role in the Company's performance.	For
			Re appointment of Mr. D.K Mehrotra, as a Director, who retires by rotation.	The Director has played Key role in the Company's performance.	For
			Re appointment of Mr. R.A Shah, as a Director, who retires by rotation.	The Director has played Key role in the Company's performance.	For
			To appoint M/s S.R Batliboi & Associates as Auditors of the Company	Auditor seems to have performed their job satisfactory.	For
			Re appointment of Mr. Aidan Lynam, as a Director, who retires by rotation.	The Director has played Key role in the Company's performance.	For
			Re appointment of Mr. Sushil Kumar Roongta, as a Director, who retires by rotation.	The Director has played Key role in the Company's performance.	For

Ranbaxy Lab Ltd	9-May-11	AGM	Adoption of Accounts & Directors and Auditors Report	The scrip is part of the Index Scheme and not actively managed	Abstain
			To declare dividend on equity shares.	The scrip is part of the Index Scheme and not actively managed	Abstain
			Re-appointment of Auditor & fix their Remuneration	The scrip is part of the Index Scheme and not actively managed	Abstain
			Appoint of Dr. Anthony H Wild, as a Director of the Company, who was appointed by the Board as an Additional Director of the Company.	The scrip is part of the Index Scheme and not actively managed	Abstain
			Appoint of Mr. Akihiro Watanabe, as a Director of the Company, who was appointed by the Board as an Additional Director of the Company.	The scrip is part of the Index Scheme and not actively managed	Abstain
			Appoint of Mr. Arun Sawhney, as a Director of the Company, who was appointed by the Board as an Additional Director of the Company.	The scrip is part of the Index Scheme and not actively managed	Abstain
			To appoint Mr. Arun Sawhney as Managing Director and fix his remunerations	The scrip is part of the Index Scheme and not actively managed	Abstain
			To issue ESOP to employees of the company	The scrip is part of the Index Scheme and not actively managed	Abstain
Larsen & Tubro Ltd	23-May-11	Other Meeting (Postal Ballot)	To transfer the Electrical & Automation (E&A) business of the company to a subsidiary/ associate or any entity as approved by the Board	The scrip is part of the Index Scheme and not actively managed	Abstain
ACC Ltd	1-Jun-11	CCM	Scheme of Amalgamation of Lucky Minmat Limited, National Limestone Company Private Limited, and Encore Cement And Additives Private Limited with ACC Limited	The Consolidation of the companies should be done. It will be helpful in the future & simplifies the accounts of the company.	For
Reliance Industries Ltd	3-Jun-11	AGM	Adoption of Accounts & Directors and Auditors Report	The scrip is part of the Index Scheme and not actively managed	Abstain
			To declare dividend on equity shares.	The scrip is part of the Index Scheme and not actively managed	Abstain
			Re appointment of Director, who retires by rotation.	The scrip is part of the Index Scheme and not actively managed	Abstain
			Re-appointment of Auditor & fix their Remuneration	The scrip is part of the Index Scheme and not actively managed	Abstain

ING Vysya Bank Ltd	6-Jun-11	Other Meeting (Postal Ballot)	To issue equity share by private placement to qualified Institutional buyers & preferential allotment to foreign promoters	Shares are issued for future growth requirements	For
Infosys Ltd	11-Jun-11	AGM	Adoption of Accounts & Directors and Auditors Report	Annual Accounts fairly represent the financial position of the company.	For
			To declare dividend on equity shares.	The company is distributing its profits satisfactorily	For
			Re appointment of Mr. Srinath Batni, as a Director, who retires by rotation.	The Director has played Key role in the Company's performance.	For
			Re appointment of Mr. Sridar A Iyengar, as a Director, who retires by rotation.	The Director has played Key role in the Company's performance.	For
			Re appointment of Mr. Deepak M Satwalekar, as a Director, who retires by rotation.	The Director has played Key role in the Company's performance.	For
			Re appointment of Dr. Omkar Goswami, as a Director, who retires by rotation.	The Director has played Key role in the Company's performance.	For
			Retirement of Mr. K Dinesh who retires by rotation and does not seek re-appointment	The Board is capable to over see the management of the Company	For
			Re-appointment of Auditor & fix their Remuneration	Auditor seems to have performed their job satisfactory, thus can be re-appointed.	For
			Re appointment of Mr. R Seshasayee, as a Director, who retires by rotation.	The Director experience will help the Company to grow in future.	For
			Re appointment of Mr. Ravi Venkatesan, as a Director, who retires by rotation.	The Director experience will help the Company to grow in future.	For
			Appointment of Mr. S. Gopalkrishnan as the Whole-time Director of the Company	The Director experience will help the Company to grow in future.	For
			Appointment of Mr. S.D Shibulal as Chief Executive Officer & Managing Director of the Company	The proposed CEO & MD has the capability and bandwidth to manage the Company	For
			Change in the name of the Company from Infosys technologies Limited to Infosys Limited	This will reflect the new business with the Company encompasses	For
AXIS BANK LIMITED	17-Jun-11	AGM	Adoption of Accounts & Directors and Auditors Report	Annual Accounts fairly represent the financial position of the company.	For
			Re appointment of Shri R.B.L. Vaish, as a Director, who retires by rotation.	The Director has played a key role in the company performance	For
			Re appointment of Shri K.N. Prithviraj, as a Director, who retires by rotation.	The Director has played a key role in the company performance	For

AXIS BANK LIMITED	17-Jun-11	AGM	To declare dividend on equity shares.	The company is distributing its profits satisfactorily	For
			Re-appointment of Auditor & fix their Remuneration	Auditor seems to have performed their job satisfactory, thus can be re-appointed.	For
			Appointment of Shri S K Chakrabarti , as the Director of the Bank.	The Director experience will help the Company to grow in future.	For
			Shri S K Chakrabarti's experience will help the Company to grow in future.	The Director experience will help the Company to grow in future.	For
			Re appointment of Shri SK Roongta, as a Director, who retires by rotation.	The Director has played a key role in the company performance.	For
			Re appointment of Shri Prasad R Menon, as a Director, who retires by rotation.	The Director has played a key role in the company performance.	For
			Re appointment of Shri R.N. Bhattacharya, as a Director, who retires by rotation.	The Director has played a key role in the company performance.	For
			Retirement of Shri J.R Verma, who retire by rotation, be retired & not to be re-appointed	The Board is capable to over see the management of the Company	For
			Revision in the remuneration of Smt. Shikha Sharma, Managing Director & CEO of the Bank	Aligning the manegerila remuneration will help the Company in the long term	For
			Revision in the remuneration of Dr. Adarsh Kishore, Chairman of the Bank	Aligning the manegerila remuneration will help the Company in the long term	For
			Borrowing of the Money by the Bank from time to time	Bank needs to have borrowings for meeting fund requirements.	For
Hero Honda Motors Ltd	17-Jun-11	EGM	Change in the name of the Company from Hero Honda Motors Ltd to Hero Motocrop Limited	The scrip is part of the Index Scheme and not actively managed	Abstain
			Alteration of Articles of Association	The scrip is part of the Index Scheme and not actively managed	Abstain
State Bank of India	20-Jun-11	AGM	Adoption of Accounts & Directors and Auditors Report	Annual Accounts fairly represent the financial position of the company.	For
State Bank of India	24-Jun-11	EGM	To Elect 4 Directors to the Central Board of the Bank under Section 19 ( C ) of the State Bank of India Act 1955.	The Director experience will help the Company to grow in future.	For
ICICI Bank Limited	27-Jun-11	AGM	Adoption of Accounts & Directors and Auditors Report	The scrip is part of the Index Scheme and not actively managed	Abstain
			To declare dividend on preference shares.	The scrip is part of the Index Scheme and not actively managed	Abstain
			To declare dividend on equity shares.	The scrip is part of the Index Scheme and not actively managed	Abstain



ICICI Bank Limited	27-Jun-11	AGM	Re appointment of Mr. M S Ramachandran, as a Director, who retires by rotation.	The scrip is part of the Index Scheme and not actively managed	Abstain
			Re appointment of Mr. K Ramkumar, as a Director, who retires by rotation.	The scrip is part of the Index Scheme and not actively managed	Abstain
			Re-appointment of Auditor & fix their Remuneration	The scrip is part of the Index Scheme and not actively managed	Abstain
			To appoint branch auditors & fix their remuneration	The scrip is part of the Index Scheme and not actively managed	Abstain
			Retirement of Mr. V Prem Watsa, who retire by rotation, be retired & not to be re-appointed	The scrip is part of the Index Scheme and not actively managed	Abstain
			Revision in the remuneration of Ms Chanda Kochhar, MD & CEO of the Bank	The scrip is part of the Index Scheme and not actively managed	Abstain
			Revision in the remuneration of Mr. N S Kannan, Executive Director & CFO of the Bank	The scrip is part of the Index Scheme and not actively managed	Abstain
			Revision in the remuneration of Mr. K Ramkumar, Executive Director of the Bank	The scrip is part of the Index Scheme and not actively managed	Abstain
			Revision in the remuneration of Mr. Rajiv Sabharwal, Executive Director of the Bank	The scrip is part of the Index Scheme and not actively managed	Abstain
Punjab National Bank	27-Jun-11	AGM	Adoption of Accounts & Directors and Auditors Report	The scrip is part of the Index Scheme and not actively managed	Abstain
			To declare dividend on equity shares.	The scrip is part of the Index Scheme and not actively managed	Abstain
Tata Consultancy Services Ltd.	1-Jul-11	AGM	Adoption of Accounts & Directors and Auditors Report	Annual Accounts fairly represent the financial position of the company.	For
			To declare dividend on equity shares.	The company is distributing its profits satisfactorily	For
			To declare dividend on redeemable preference shares.	The company is distributing its profits satisfactorily	For
			Re appointment of Mr. Aman Mehta, as a Director, who retires by rotation.	The Director has played a key role in the company performance.	For
			Re appointment of Mr. V. Thyagarajan, as a Director, who retires by rotation.	The Director has played a key role in the company performance.	For
			Re appointment of Mr. S. Mahalingam, as a Director, who retires by rotation.	The Director has played a key role in the company performance.	For
			Re-appointment of Auditor & fix their Remuneration	Auditor seems to have performed their job satisfactory, thus can be re-appointed.	For
			Appointment of Mr. Phiroz Vandrevalla as a Director of the Company.	The Director experience will help the Company to grow in future.	For

Tata Consultancy Services Ltd.	1-Jul-11	AGM	Revision in the remuneration of Mr. N. Chandrasekaran, MD & CEO of the company	Aligning the managerial remuneration will help the Company in the long term	For
			Appointment of Branch Auditors	Auditor seems to have performed their job satisfactorily.	For
HDFC Bank Limited	6-Jul-11	AGM	Adoption of Accounts & Directors and Auditors Report	Annual Accounts fairly represent the financial position of the company.	For
			To declare dividend on equity shares.	The company is distributing its profits satisfactorily	For
			Re appointment of Mr. Ashim Samanta, as a Director, who retires by rotation.	The Director has played a key role in the company performance.	For
			Re-appointment of Auditor & fix their Remuneration	Auditor seems to have performed their job satisfactory, thus can be re-appointed.	For
			Appointment of Mr. C. M. Vasudev, director as a part time Non Executive Chairman of the Company for a period of 3 year not liable to retire by rotation .	He has been an eminent policy maker and has been associated with world bank	For
			Re appointment of Mr. Partho Datta, as a Director, who retires by rotation.	The Director has played a key role in the company performance.	For
			Re appointment of Mr. Bobby Parikh, as a Director, who retires by rotation.	The Director has played a key role in the company performance.	For
			Re appointment of Mr. Anami N Roy, as a Director, who retires by rotation.	The Director has played a key role in the company performance.	For
			To consider the appointment of Mrs. Renu Karnad as a director of the bank, liable to retire by rotation.	The Director has played a key role in the company performance.	For
			Propose Alteration of memorandum of association for subdivision of equity shares.	Regulatory Requirement	For
			To consider sub division of equity share of the bank.	Would make the shares affordable	For
HDFC Limited	8-Jul-11	AGM	Adoption of Accounts & Directors and Auditors Report	Annual Accounts fairly represent the financial position of the company.	For
			To declare dividend on equity shares.	The company is distributing its profits satisfactorily	For
			Re appointment of Mr. D. N. Ghosh, as a Director, who retires by rotation.	The Director has played a key role in the company performance.	For
			Re appointment of Dr. Ram S. Tarneja, as a Director, who retires by rotation.	The Director has played a key role in the company performance.	For
			To appoint a Director in place of Dr. Bimal Jalan, however he offers himself for reappointment	The Director has played a key role in the company performance.	For

HDFC Limited	8-Jul-11	AGM	Re-appointment of Auditor & fix their Remuneration	Auditor seems to have performed their job satisfactory, thus can be re-appointed.	For
			Re-appointment of Branch Auditor & fix their Remuneration	Auditor seems to have performed their job satisfactory, thus can be re-appointed.	For
			To approve borrowing proposal.	Regular borrowing is part of Housing Finance business	For
			The re-appointment of Mr. Keki M. Mistry as the Managing Director of the corporation.	The Managing Director has played a key role in the company performance.	For
			To issue ESOP to the present and future Permanent employees & director of the Company.	ESOP is required to retain employees	For
Bajaj Auto Ltd	14-Jul-11	AGM	Adoption of Accounts & Directors and Auditors Report	Annual Accounts fairly represent the financial position of the company.	For
			Declaration of Dividend	The company is distributing its profits satisfactorily	For
			Re appointment of Mr. Nanoo Pamnani, as a Director, who retires by rotation.	The Director has played a key role in the company performance.	For
			Re appointment of Mr. Manish Kejriwal, as a Director, who retires by rotation.	The Director has played a key role in the company performance.	For
			Re appointment of Mr. P Murari, as a Director, who retires by rotation.	The Director has played a key role in the company performance.	For
			Re appointment of Mr. Niraj Bajaj, as a Director, who retires by rotation.	The Director has played a key role in the company performance.	For
			Re-appointment of Auditor & fix their Remuneration	Auditor seems to have performed their job satisfactory, thus can be re-appointed.	For
			The payment of commission to the directors of the company.	Because of good turnover board is also prudent in distributing commission to its members.	For
Jaiprakash Associate Ltd	16-Jul-11	Other Meeting (Postal Ballot)	To provide Security/ Undertaking to the lenders of Jaypee Karcham Hydro Corp. Ltd.	The scrip is part of the Index Scheme and not actively managed	Abstain
			To provide Security/ Undertaking to the lenders of Jaiprakash Power Ventures Ltd	The scrip is part of the Index Scheme and not actively managed	Abstain
			Diversification into Aviation Business	The scrip is part of the Index Scheme and not actively managed	Abstain
			To appoint Shri B K Jain, a relative of the Director	The scrip is part of the Index Scheme and not actively managed	Abstain
			Re-appointment of Shri Manoj Gaur as Executive Chariman of the company	The scrip is part of the Index Scheme and not actively managed	Abstain

Jaiprakash Associate Ltd	16-Jul-11	Other Meeting (Postal Ballot)	Increase in remuneration of other Executive Directors	The scrip is part of the Index Scheme and not actively managed	Abstain
			To approve increase in borrowing limit powers of Board of Directors	The scrip is part of the Index Scheme and not actively managed	Abstain
			To create mortgage or charge	The scrip is part of the Index Scheme and not actively managed	Abstain
Crompton Greaves Limited	19-Jul-11	AGM	Adoption of Accounts & Directors and Auditors Report	Annual Accounts fairly represent the financial position of the company.	For
			Declaration of Dividend	The company is distributing its profits satisfactorily	For
			Re appointment of Mr. S M Trehan, as a Director, who retires by rotation.	The Director has played a key role in the company performance.	For
			Re appointment of Mr. G Thapar, as a Director, who retires by rotation.	The Director has played a key role in the company performance.	For
			Re appointment of Mr. S Bayman, as a Director, who retires by rotation.	The Director has played a key role in the company performance.	For
			Re-appointment of Auditor & fix their Remuneration	Auditor seems to have performed their job satisfactory, thus can be re-appointed.	For
			Extension of tenure of Mr. SM Trehan as Managing Director.	The Managing Directors experience will help the Co to grow in the future.	For
			Mr. L Demortier is appointed as a director of the company, not liable to retire by rotation.	The Director experience will help the Company to grow in future.	For
			Appointment of Mr. L Demortier as CEO and Managing Director.	Mr. L Demortier's experience will help the Company to grow in future.	For
			The appointment of Mr. Sagnik Goswami to hold an office in the company's Belgium based subsidiary or any of it's other foreign subsidiaries.	Giving exposure.	For
Sesa Goa Limited	21-Jul-11	AGM	Adoption of Accounts & Directors and Auditors Report	The scrip is part of the Index Scheme and not actively managed	Abstain
			To declare dividend on equity shares.	The scrip is part of the Index Scheme and not actively managed	Abstain
			Re appointment of Mr. Ashok Kini, as a Director, who retires by rotation.	The scrip is part of the Index Scheme and not actively managed	Abstain
			Re appointment of Mr. P G Kakodkar, as a Director, who retires by rotation.	The scrip is part of the Index Scheme and not actively managed	Abstain
			Re-appointment of Auditor & fix their Remuneration	The scrip is part of the Index Scheme and not actively managed	Abstain

Sesa Goa Limited	21-Jul-11	AGM	Appoint of Mr. J P Singh, as a Director of the Company, who was appointed by the Board as an Additional Director of the Company.	The scrip is part of the Index Scheme and not actively managed	Abstain
			Payment of commission to Non-Wholtime Directors of the company	The scrip is part of the Index Scheme and not actively managed	Abstain
Dr. Reddy's Laboratories Ltd	21-Jul-11	AGM	Adoption of Accounts & Directors and Auditors Report	The scrip is part of the Index Scheme and not actively managed	Abstain
			To declare dividend on equity shares.	The scrip is part of the Index Scheme and not actively managed	Abstain
			Re appointment of Mr. Anupam Puri, as a Director, who retires by rotation.	The scrip is part of the Index Scheme and not actively managed	Abstain
			Re appointment of Dr. Bruce L A Carter, as a Director, who retires by rotation.	The scrip is part of the Index Scheme and not actively managed	Abstain
			Re-appointment of Auditor & fix their Remuneration	The scrip is part of the Index Scheme and not actively managed	Abstain
			Re-appointment of Dr. K Anji Reddy as the Whole-time Director designated as Chairman of the Company	The scrip is part of the Index Scheme and not actively managed	Abstain
			Re-appointment of Mr. G V Prasad as the Whole-time Director designated as Vice Chairman & CEO of the Company	The scrip is part of the Index Scheme and not actively managed	Abstain
			To pay commission of an amount not exceeding half percent of the net profits of the Company.	The scrip is part of the Index Scheme and not actively managed	Abstain
Kotak Mahindra Bank Limited	21-Jul-11	AGM	Adoption of Accounts & Directors and Auditors Report	The scrip is part of the Index Scheme and not actively managed	Abstain
			To declare dividend on equity shares.	The scrip is part of the Index Scheme and not actively managed	Abstain
			Re appointment of Mr. Asim Ghosh, as a Director, who retires by rotation.	The scrip is part of the Index Scheme and not actively managed	Abstain
			To appoint Statutory Auditors of the Company and fix their remuneration.	The scrip is part of the Index Scheme and not actively managed	Abstain
			Appoint of Mr.Amit Desai, as a Director of the Company, who was appointed by the Board as an Additional Director of the Company.	The scrip is part of the Index Scheme and not actively managed	Abstain
			Appoint of Mr. Prakash Apte, as a Director of the Company, who was appointed by the Board as an Additional Director of the Company.	The scrip is part of the Index Scheme and not actively managed	Abstain



Kotak Mahindra Bank Limited	21-Jul-11	AGM	Appoint of Mr. N P Sarda, as a Director of the Company, who was appointed by the Board as an Additional Director of the Company.	The scrip is part of the Index Scheme and not actively managed	Abstain
			Re-appointment of Mr. Uday S Kotak as the Whole-time Director designated as Executive Vice Chairman & MD of the Bank	The scrip is part of the Index Scheme and not actively managed	Abstain
			Re-appointment of Mr. C. Jayaram as the Whole-time Director designated as Joint MD of the Bank	The scrip is part of the Index Scheme and not actively managed	Abstain
			Re-appointment of Mr. Dipak Gupta as the Whole-time Director designated as Joint MD of the Bank	The scrip is part of the Index Scheme and not actively managed	Abstain
			To approve borrowing by Board of Directors of the bank.	The scrip is part of the Index Scheme and not actively managed	Abstain
			Increase in remuneration of Dr. Shankar Acharya, part-time Chairman of the Bank	The scrip is part of the Index Scheme and not actively managed	Abstain
Sterlite Industries (India) Limited	23-Jul-11	AGM	Adoption of Accounts & Directors and Auditors Report	The scrip is part of the Index Scheme and not actively managed	Abstain
			To declare dividend on equity shares.	The scrip is part of the Index Scheme and not actively managed	Abstain
			Re appointment of Mr. Sandeep Junnarkar, as a Director, who retires by rotation.	The scrip is part of the Index Scheme and not actively managed	Abstain
			To appoint Statutory Auditors of the Company and fix their remuneration.	The scrip is part of the Index Scheme and not actively managed	Abstain
			Re-appointment of Mr. D. D. Jalan as the Whole-time Director of the company	The scrip is part of the Index Scheme and not actively managed	Abstain
			To approve utilisation of proceeds of the Right Issue of equity shares for purpose as mentioned in Letter of Offer	The scrip is part of the Index Scheme and not actively managed	Abstain
Infrastructure Development Finance Company Limited	27-Jul-11	AGM	Adoption of Accounts & Directors and Auditors Report	The scrip is part of the Index Scheme and not actively managed	Abstain
			To declare dividend on equity shares.	The scrip is part of the Index Scheme and not actively managed	Abstain
			To declare dividend on unlisted Compulsorily Convertible Cumulative Preference Shares	The scrip is part of the Index Scheme and not actively managed	Abstain

Infrastructure Development Finance Company Limited	27-Jul-11	AGM	Re appointment of Mr. Omkar Goswami, as a Director, who retires by rotation.	The scrip is part of the Index Scheme and not actively managed	Abstain
			Re appointment of Mr. Shardul Shroff, as a Director, who retires by rotation.	The scrip is part of the Index Scheme and not actively managed	Abstain
			Re appointment of Mr. S H Khan, as a Director, who retires by rotation.	The scrip is part of the Index Scheme and not actively managed	Abstain
			To appoint Statutory Auditors of the Company and fix their remuneration.	The scrip is part of the Index Scheme and not actively managed	Abstain
			Re appointment of Mr. Bimal Julka, as a Director, who retires by rotation.	The scrip is part of the Index Scheme and not actively managed	Abstain
Hindustan Unilever Limited	28-Jul-11	CCM	Scheme of arrangement between Hindustan Unilever Limited to Unilever India Exports Limited.	Will help the respective business to focus on their core operations. The export potential of this division has been under-utilized for many years.	For
Hindustan Unilever Limited	28-Jul-11	AGM	Adoption of Accounts & Directors and Auditors Report	Annual Accounts fairly represent the financial position of the company.	For
			To declare dividend on equity shares.	The company is distributing its profits satisfactorily	For
			Re appointment of Mr. Harish Manwani, as a Director, who retires by rotation.	The Director has played a key role in the company performance.	For
			Re appointment of Mr. Sridhar Ramamurthy, as a Director, who retires by rotation.	The Director has played a key role in the company performance.	For
			Re appointment of Mr. D S Parekh, as a Director, who retires by rotation.	The Director has played a key role in the company performance.	For
			Re appointment of Mr. A Narayan, as a Director, who retires by rotation.	The Director has played a key role in the company performance.	For
			Re appointment of Mr. S Ramadorai, as a Director, who retires by rotation.	The Director has played a key role in the company performance.	For
			Re appointment of Mr. R A Mashelkar, as a Director, who retires by rotation.	The Director has played a key role in the company performance.	For
			Re appointment of Mr. Gopal Vittal, as a Director, who retires by rotation.	The Director has played a key role in the company performance.	For
			Re appointment of Mr. Pradeep Banerjee, as a Director, who retires by rotation.	The Director has played a key role in the company performance.	For
			To appoint Statutory Auditors of the Company and fix their remuneration.	Auditor seems to have performed their job satisfactory.	For

ITC limited	29-Jul-11	AGM	Adoption of Accounts & Directors and Auditors Report	The scrip is part of the Index Scheme and not actively managed	Abstain
			To declare dividend on equity shares.	The scrip is part of the Index Scheme and not actively managed	Abstain
			To appoint Directors in place of those retiring by rotation	The scrip is part of the Index Scheme and not actively managed	Abstain
			To appoint Statutory Auditors of the Company and fix their remuneration.	The scrip is part of the Index Scheme and not actively managed	Abstain
			Re appointment of Mr. Krishnamoorthy Vaidyanath, as a Director, who retires by rotation.	The scrip is part of the Index Scheme and not actively managed	Abstain
			To appoint Mr. Nakul Anand as a director of the Company, liable to retire by rotation and also as the Whole-time Director of the company	The scrip is part of the Index Scheme and not actively managed	Abstain
			To appoint Mr. Pradeep Vasant Dhobale as a director of the Company, liable to retire by rotation and also as the Whole-time Director of the company	The scrip is part of the Index Scheme and not actively managed	Abstain
			Re-appointment of Mr. Yogesh Chander Deveshwar as the Whole-time Director designated as Chairman of the Company	The scrip is part of the Index Scheme and not actively managed	Abstain
3I Infotech Limited	29-Jul-11	AGM	Adoption of Accounts & Directors and Auditors Report	Annual Accounts fairly represent the financial position of the company.	For
			To confirm the dividend on preference shares.	The company is distributing its profits satisfactorily	For
			To declare dividend on equity shares.	The company is distributing its profits satisfactorily	For
			Re appointment of Mr. Hoshang N Sinor, as a Director, who retires by rotation.	The Director has played a key role in the Company's performance.	For
			Re appointment of Mrs. Vishakha Mulye, as a Director, who retires by rotation.	The Director has played a key role in the Company's performance.	For
			To appoint Statutory Auditors of the Company and fix their remuneration.	Auditor seems to have performed their job satisfactory.	For
Tata Steel Limited	3-Aug-11	AGM	Adoption of Accounts & Directors and Auditors Report	Annual Accounts fairly represent the financial position of the company.	For
			To declare dividend on equity shares.	The company is distributing its profits satisfactorily	For

Tata Steel Limited	3-Aug-11	AGM	Re appointment of Mr. R N Tata, as a Director, who retires by rotation.	The Director has played a key role in the Company's performance.	For
			Re appointment of Mr. Nusli N Wadia, as a Director, who retires by rotation.	The Director has played a key role in the Company's performance.	For
			Re appointment of Mr. Subodh Bhargava, as a Director, who retires by rotation.	The Director has played a key role in the Company's performance.	For
			Re appointment of Mr. Jacobus Schraven, as a Director, who retires by rotation.	The Director has played a key role in the Company's performance.	For
			To appoint Statutory Auditors of the Company and fix their remuneration.	Auditor seems to have performed their job satisfactory.	For
			Appoint of Mr.Karl Ulrich Koehler, as a Director of the Company, who was appointed by the Board as an Additional Director of the Company.	The Director experience will help the Company to grow in future.	For
			Commission to Directors other than the Managing and Whole-time Director shall not exceed 1% per annum of the net profits of the Company.	Because of good turnover board is also prudent in distributing commission to its members.	For
DLF Limited	4-Aug-11	AGM	Adoption of Accounts & Directors and Auditors Report	The scrip is part of the Index Scheme and not actively managed	Abstain
			To declare dividend on equity shares.	The scrip is part of the Index Scheme and not actively managed	Abstain
			Re appointment of Mr. Pia Singh, as a Director, who retires by rotation.	The scrip is part of the Index Scheme and not actively managed	Abstain
			Re appointment of Mr. G S Talwar, as a Director, who retires by rotation.	The scrip is part of the Index Scheme and not actively managed	Abstain
			Re appointment of Mr. K N Memani, as a Director, who retires by rotation.	The scrip is part of the Index Scheme and not actively managed	Abstain
			Mr. Ravinder Narain, a Director who retires by rotation and expressed his desire not to offer himself for re-appointed and the vacancy be not filled.	The scrip is part of the Index Scheme and not actively managed	Abstain
			To appoint Statutory Auditors of the Company and fix their remuneration.	The scrip is part of the Index Scheme and not actively managed	Abstain
			To the appointment of Mr. Rahul Talwar as Senior Management Trainee of the Company.	The scrip is part of the Index Scheme and not actively managed	Abstain

DLF Limited	4-Aug-11	AGM	To the appointment of Ms. Kavita Singh as an Advisor to DLF Universal Limited.	The scrip is part of the Index Scheme and not actively managed	Abstain
The Indian Hotels Company Limited	5-Aug-11	AGM	Adoption of Accounts & Directors and Auditors Report	Annual Accounts fairly represent the financial position of the company.	For
			To declare dividend on equity shares.	The company is distributing its profits satisfactorily	For
			Re appointment of Mr. R N Tata, as a Director, who retires by rotation.	The Director has played a key role in the Company's performance.	For
			Re appointment of Mr. Deepak Parekh as a Director, who retires by rotation.	The Director has played a key role in the Company's performance.	For
			Re appointment of Mr. R K Krishna Kumar, as a Director, who retires by rotation.	The Director has played a key role in the Company's performance.	For
			To appoint Statutory Auditors of the Company and fix their remuneration.	Auditor seems to have performed their job satisfactorily.	For
Mahindra & Mahindra Limited	8-Aug-11	AGM	Adoption of Accounts & Directors and Auditors Report	The scrip is part of the Index Scheme and not actively managed	Abstain
			To declare dividend on equity shares.	The scrip is part of the Index Scheme and not actively managed	Abstain
			Re appointment of Mr. Anand G. Mahindra, as a Director, who retires by rotation.	The scrip is part of the Index Scheme and not actively managed	Abstain
			Re appointment of Mr. Bharat Doshi, as a Director, who retires by rotation.	The scrip is part of the Index Scheme and not actively managed	Abstain
			Re appointment of Mr. Nadir B. Godraj, as a Director, who retires by rotation.	The scrip is part of the Index Scheme and not actively managed	Abstain
			Re appointment of Mr. M. M. Murugappan, as a Director, who retires by rotation.	The scrip is part of the Index Scheme and not actively managed	Abstain
			To appoint Statutory Auditors of the Company and fix their remuneration.	The scrip is part of the Index Scheme and not actively managed	Abstain
			Revision in remuneration of Mr. Anand G. Mahindra as Managing Director of the Company.	The scrip is part of the Index Scheme and not actively managed	Abstain
Zee Entertainment Enterprises Limited	8-Aug-11	AGM	Adoption of Accounts & Directors and Auditors Report	Annual Accounts fairly represent the financial position of the company.	For
			To declare dividend on equity shares.	The company is distributing its profits satisfactorily	For
			Re appointment of Mr. Ashok Kurien, as a Director, who retires by rotation.	The Director has played a key role in the Company's performance.	For
			Re appointment of Mr. Lord Gulam Noon, as a Director, who retires by rotation.	The Director has played a key role in the Company's performance.	For



Zee Entertainment Enterprises Limited	8-Aug-11	AGM	To appoint Statutory Auditors of the Company and fix their remuneration.	Auditor seems to have performed their job satisfactory.	For
Tata Motors Ltd	12-Aug-11	AGM	Adoption of Accounts & Directors and Auditors Report	The scrip is part of the Index Scheme and not actively managed	Abstain
			To declare dividend on equity shares.	The scrip is part of the Index Scheme and not actively managed	Abstain
			Re appointment of Mr. Ravi Kant, as a Director, who retires by rotation.	The scrip is part of the Index Scheme and not actively managed	Abstain
			Re appointment of Mr. N N Wadia, as a Director, who retires by rotation.	The scrip is part of the Index Scheme and not actively managed	Abstain
			Re appointment of Mr. S M Palia, as a Director, who retires by rotation.	The scrip is part of the Index Scheme and not actively managed	Abstain
			To appoint Statutory Auditors of the Company and fix their remuneration.	The scrip is part of the Index Scheme and not actively managed	Abstain
			Appoint of Dr. Ralf Speth, as a Director of the Company, who was appointed by the Board as an Additional Director of the Company.	The scrip is part of the Index Scheme and not actively managed	Abstain
			sub division of equity share of the Company.	The scrip is part of the Index Scheme and not actively managed	Abstain
Voltas Limited	16-Aug-11	AGM	Adoption of Accounts & Directors and Auditors Report	Annual Accounts fairly represent the financial position of the company.	For
			To declare dividend on equity shares.	The company is distributing its profits satisfactorily	For
			Re appointment of Mr. Noel N. Tata, as a Director, who retires by rotation.	The Director has played a key role in the Company's performance.	For
			Re appointment of Mr. Jimmy S. Bilimoria, as a Director, who retires by rotation.	The Director has played a key role in the Company's performance.	For
			Mr. N.D. Khurody, a Director liable to retire by rotation, who does not seek re-election, is not reappointed a Director of the Company.	Independent Director has majority on the Board hence the resolution can be passed.	For
			Appoint of Mr. R. N. Mukhija, as a Director of the Company, who was appointed by the Board as an Additional Director of the Company.	The Director experience will help the Company to grow in future.	For
			To appoint Statutory Auditors of the Company and fix their remuneration.	Auditor seems to have performed their job satisfactory.	For
Cairn India Ltd	18-Aug-11	AGM	Adoption of Accounts & Directors and Auditors Report	The scrip is part of the Index Scheme and not actively managed	Abstain

Cairn India Ltd	18-Aug-11	AGM	Re appointment of Mr. Naresh Chandra, as a Director, who retires by rotation.	The scrip is part of the Index Scheme and not actively managed	Abstain
			Re appointment of Mr. Edward T Story, as a Director, who retires by rotation.	The scrip is part of the Index Scheme and not actively managed	Abstain
			To appoint Statutory Auditors of the Company and fix their remuneration.	The scrip is part of the Index Scheme and not actively managed	Abstain
			The payment of commission to the directors of the company is up to 1% of the net profit of the company.	The scrip is part of the Index Scheme and not actively managed	Abstain
Gail India Ltd	23-Aug-11	Other Meeting (Postal Ballot)	Alteration of Memorandum of Association.	The scrip is part of the Index Scheme and not actively managed	Abstain
Tata Power Co. Ltd.	24-Aug-11	AGM	Adoption of Accounts & Directors and Auditors Report	The scrip is part of the Index Scheme and not actively managed	Abstain
			To declare dividend on equity shares.	The scrip is part of the Index Scheme and not actively managed	Abstain
			Re appointment of Mr. D M Satwalsekar, as a Director, who retires by rotation.	The scrip is part of the Index Scheme and not actively managed	Abstain
			Re appointment of Dr. R H Patil, as a Director, who retires by rotation.	The scrip is part of the Index Scheme and not actively managed	Abstain
			Re appointment of Mr. P G Mankad, as a Director, who retires by rotation.	The scrip is part of the Index Scheme and not actively managed	Abstain
			To appoint Statutory Auditors of the Company and fix their remuneration.	The scrip is part of the Index Scheme and not actively managed	Abstain
			Appoint of Mr. Anil Sardana, as a Director of the Company, who was appointed by the Board as an Additional Director of the Company.	The scrip is part of the Index Scheme and not actively managed	Abstain
			Appointment of Mr. Anil Sardana as Managing Director of the Company.	The scrip is part of the Index Scheme and not actively managed	Abstain
			Sub division of equity share of the company.	The scrip is part of the Index Scheme and not actively managed	Abstain
			Alteration of Memorandum of Association.	The scrip is part of the Index Scheme and not actively managed	Abstain
			Alteration of Articles of Association.	The scrip is part of the Index Scheme and not actively managed	Abstain
			Authority to borrow in excess of paid-up capital and free reserves	The scrip is part of the Index Scheme and not actively managed	Abstain

Tata Power Co. Ltd.	24-Aug-11	AGM	to create such mortgages, charges and hypothecations in addition to the existing mortgages, charges and hypothecations created by the Company.	The scrip is part of the Index Scheme and not actively managed	Abstain
			Appointment of Branch Auditors	The scrip is part of the Index Scheme and not actively managed	Abstain
Cipla Limited	25-Aug-11	AGM	Adoption of Accounts & Directors and Auditors Report	The scrip is part of the Index Scheme and not actively managed	Abstain
			To declare dividend on equity shares.	The scrip is part of the Index Scheme and not actively managed	Abstain
			Re appointment of Mr. M. R. Raghavan, as a Director, who retires by rotation.	The scrip is part of the Index Scheme and not actively managed	Abstain
			Re appointment of Mr. Pankaj Patel, as a Director, who retires by rotation.	The scrip is part of the Index Scheme and not actively managed	Abstain
			To appoint Statutory Auditors of the Company and fix their remuneration.	The scrip is part of the Index Scheme and not actively managed	Abstain
			Appoint of Mr. S. Radhakrishnan, as a Director of the Company, who was appointed by the Board as an Additional Director of the Company.	The scrip is part of the Index Scheme and not actively managed	Abstain
			To appoint Mrs. Samina Vaziralli, a relative of Mr. M. K. Hamied, Joint MD of the Company, as a member of management team	The scrip is part of the Index Scheme and not actively managed	Abstain
Larsen & Toubro Ltd.	26-Aug-11	AGM	Adoption of Accounts & Directors and Auditors Report	The scrip is part of the Index Scheme and not actively managed	Abstain
			To declare dividend on equity shares.	The scrip is part of the Index Scheme and not actively managed	Abstain
			Re appointment of Mr. K Venkataramana, as a Director, who retires by rotation.	The scrip is part of the Index Scheme and not actively managed	Abstain
			Re appointment of Mr. S Rajgopal, as a Director, who retires by rotation.	The scrip is part of the Index Scheme and not actively managed	Abstain
			Re appointment of Mr. A K Jain, as a Director, who retires by rotation.	The scrip is part of the Index Scheme and not actively managed	Abstain
			Re appointment of Mr. S N Talwar, as a Director, who retires by rotation.	The scrip is part of the Index Scheme and not actively managed	Abstain
			Re appointment of Mr. S N Subrahmanyam, as a Director, who retires by rotation.	The scrip is part of the Index Scheme and not actively managed	Abstain

Larsen & Toubro Ltd.	26-Aug-11	AGM	Appointment of Mr. Ravi Uppal as a Whole time Director and fix his remuneration	The scrip is part of the Index Scheme and not actively managed	Abstain
			Appointment of Mr. S N Subrahmanyam as a Whole time Director and fix his remuneration	The scrip is part of the Index Scheme and not actively managed	Abstain
			Payment of commission to Director of company	The scrip is part of the Index Scheme and not actively managed	Abstain
			To appoint Statutory Auditors of the Company and fix their remuneration.	The scrip is part of the Index Scheme and not actively managed	Abstain
Tata Global Beverages Ltd	30-Aug-11	AGM	Adoption of Accounts & Directors and Auditors Report	Annual Accounts fairly represent the financial position of the company.	For
			To declare dividend on equity shares.	The company is distributing its profits satisfactorily	For
			Re appointment of Mr. R K Krishna Kumar, as a Director, who retires by rotation.	The Director has played a key role in the Company's performance.	For
			Re appointment of Mr. A R Gandhi, as a Director, who retires by rotation.	The Director has played a key role in the Company's performance.	For
			Re appointment of Mr. J S Bilimoria, as a Director, who retires by rotation.	The Director has played a key role in the Company's performance.	For
			Re appointment of Mrs. Malika Srinivasan, as a Director, who retires by rotation.	The Director has played a key role in the Company's performance.	For
			To appoint Statutory Auditors of the Company and fix their remuneration.	Auditor seems to have performed their job satisfactory.	For
			The reappointment of and remuneration payable to Managing Director of the Company.	The Director has played a key role in the Company's performance.	For
			Approval of payment of remuneration to Managing Director by an overseas subsidiary of the Company.	Since Mr. Singanporia is located in London & spends considerable time & energy in the overseas business the proposal is favourable.	For
			To approve borrowing of the Company.	Regulatory Requirement.	For
			To secure borrowing of the Company.	This is regular business requirement	For
Oil & Natural Gas Corp Ltd	30-Aug-11	AGM	Adoption of Accounts & Directors and Auditors Report	Annual Accounts fairly represent the financial position of the company.	For
			To declare dividend on equity shares.	The company is distributing its profits satisfactorily	For
			Re appointment of Mr. S S Rajsekar, as a Director, who retires by rotation.	The Director has played key role in the company performance.	For

Oil & Natural Gas Corp Ltd	30-Aug-11	AGM	Re appointment of Mr. S Balachandran, as a Director, who retires by rotation.	The Director has played key role in the company performance.	For
			Re appointment of Mr. S Nautiyal, as a Director, who retires by rotation.	The Director has played key role in the company performance.	For
			To appoint Statutory Auditors of the Company and fix their remuneration.	Auditor seems to have performed their job satisfactory.	For
			Appoint of Shri S. V. Rao, as a Director of the Company, who was appointed by the Board as an Additional Director of the Company.	The Director experience will help the Company to grow in future.	For
			Appoint of Dr. D. Chandrasekharam, as a Director of the Company, who was appointed by the Board as an Additional Director of the Company.	The Director experience will help the Company to grow in future.	For
			Appoint of Shri K. S. Jamestin, as a Director of the Company, who was appointed by the Board as an Additional Director of the Company.	The Director experience will help the Company to grow in future.	For
			Appoint of Smt. Usha Thorat, as a Director of the Company, who was appointed by the Board as an Additional Director of the Company.	The Director experience will help the Company to grow in future.	For
			Appoint of Prof. Deepak Nayyar, as a Director of the Company, who was appointed by the Board as an Additional Director of the Company.	The Director experience will help the Company to grow in future.	For
			Appoint of Shri Arun Ramanathan, as a Director of the Company, who was appointed by the Board as an Additional Director of the Company.	The Director experience will help the Company to grow in future.	For
Bharti Airtel Limited	1-Sep-11	AGM	Adoption of Accounts & Directors and Auditors Report	Annual Accounts fairly represent the financial position of the company.	For
			To declare dividend on equity shares.	The company is distributing its profits satisfactorily	For
			Re appointment of Mr. Ajay Lal, as a Director, who retires by rotation.	The Director has played key role in the company performance.	For
			Re appointment of Mr. Akhil Kumar, as a Director, who retires by rotation.	The Director has played key role in the company performance.	For



Bharti Airtel Limited	1-Sep-11	AGM	Re appointment of Mr. Narayan Kumar, as a Director, who retires by rotation.	The Director has played key role in the company performance.	For
			To appoint Statutory Auditors of the Company and fix their remuneration.	The Auditors BSR & Co have good track record they are being appointed for first time.	For
			Re appointment of Mr. Lord Evan Mervyn Davies, as a Director, who retires by rotation.	The Director experience will help the Company to grow in future.	For
			Re appointment of Mr. Hui Weng Cheong, as a Director, who retires by rotation.	The Director experience will help the Company to grow in future.	For
			Re appointment of Mr. Tan Yong Choo, as a Director, who retires by rotation.	The Director experience will help the Company to grow in future.	For
			Re appointment of Mr. Tsun-yan Hsieh, as a Director, who retires by rotation.	The Director experience will help the Company to grow in future.	For
			Re appointment of Mr. Dr. Salim Ahmed Salim, as a Director, who retires by rotation.	The Director experience will help the Company to grow in future.	For
			The Managing Director has played key role in Company's performance.	The Director has played key role in Company's performance.	For
ING Vysya Bank Ltd	7-Sep-11	AGM	Adoption of Accounts & Directors and Auditors Report	Annual Accounts fairly represent the financial position of the company.	For
			To declare dividend on equity shares.	The company is distributing its profits satisfactorily	For
			Re appointment of Mr. Meleveetil Damodaran, as a Director, who retires by rotation.	The Director has played key role in Company's performance.	For
			To appoint Statutory Auditors of the Bank and fix their remuneration.	The auditors seem to have performed their of satisfactory Thus can be reappointed.	For
			Received Mr. Vikram Talwar's, candidature u/s 257 of the Companies Act, 1956. is eligible to be appointed.	The director experience will help the Company to grow in future.	For
			Payment of annual compensation to Mr. Arun Thiagarajan, Part-time Chairman	The Director/Chairman processes skills & experience fair remuneration is required for his services	For
			Re appointment of Mr. Philippe Damas, as a Director, who retires by rotation.	The director wishes to retire from the directorship & doesn't wish to be nominated.	For
			Received Mr. Mark Edwin Newma'sn, candidature u/s 257 of the Companies Act, 1956. is eligible to be appointed.	The Director experience will help the Company to grow in future.	For

ING Vysya Bank Ltd	7-Sep-11	AGM	Proposal to borrow money.	Bank needs to have borrowings for meeting fund requirements.	For
Gail India Ltd	7-Sep-11	AGM	Adoption of Accounts & Directors and Auditors Report	The scrip is part of the Index Scheme and not actively managed	Abstain
			To declare dividend on equity shares.	The scrip is part of the Index Scheme and not actively managed	Abstain
			Re appointment of Mr. R D Goyal, as a Director, who retires by rotation.	The scrip is part of the Index Scheme and not actively managed	Abstain
			Re appointment of Mr. Apruval Chandra, as a Director, who retires by rotation.	The scrip is part of the Index Scheme and not actively managed	Abstain
			Re appointment of Mr. Mahesh Shah, as a Director, who retires by rotation.	The scrip is part of the Index Scheme and not actively managed	Abstain
			To appoint Statutory Auditors of the company and fix their remuneration.	The scrip is part of the Index Scheme and not actively managed	Abstain
			Appoint of Shri S Venkatraman, as a Director of the Company, who was appointed by the Board as an Additional Director of the Company.	The scrip is part of the Index Scheme and not actively managed	Abstain
			Appoint of Shri Arun Agrawal, as a Director of the Company, who was appointed by the Board as an Additional Director of the Company.	The scrip is part of the Index Scheme and not actively managed	Abstain
			Appoint of Shri P K Jain, as a Director of the Company, who was appointed by the Board as an Additional Director of the Company.	The scrip is part of the Index Scheme and not actively managed	Abstain
Maruti Suzuki India Ltd	8-Sep-11	AGM	Adoption of Accounts & Directors and Auditors Report	Annual Accounts fairly represent the financial position of the company.	For
			To declare dividend on equity shares.	The company is distributing its profits satisfactorily	For
			Re appointment of Mr. Tsuneo Ohashi, as a Director, who retires by rotation.	The Director has played key role in Company's performance.	For
			Re appointment of Mr. Keiichi Asai, as a Director, who retires by rotation.	The Director has played key role in Company's performance.	For
			Re appointment of Mr. Amal Ganguli, as a Director, who retires by rotation.	The Director has played key role in Company's performance.	For
			To appoint Statutory Auditors of the company and fix their remuneration.	The auditors seem to have performed their of satisfactory Thus can be reappointed.	For

Maruti Suzuki India Ltd	8-Sep-11	AGM	Re-appointment of Mr. Shinzo Nakanishi as Managing Director & Chief Executive Officer and increase in remuneration	The Director has played key role in Company's performance.	For
			Re-appointment of Mr. Tsuneo Ohashi as Wholetime Director and increase in remuneration.	The Director has played key role in Company's performance.	For
			Re-appointment of Mr. Keiichi Asai as Whole-time Director and increase in remuneration.	The Director has played key role in Company's performance.	For
			Increase in remuneration of Mr. Shuji Oishi, Wholetime Director.	Aligning of the managerial remuneration will help the Company in long term.	For
			Provision of domiciliary treatment and medical insurance.	It will not have any material impact on the finance of the Company.	For
Ultratech Cement Ltd	9-Sep-11	AGM	Adoption of Accounts & Directors and Auditors Report	Annual Accounts fairly represent the financial position of the company.	For
			To declare dividend on equity shares.	The company is distributing its profits satisfactorily	For
			Re appointment of Mr. R. C. Bhargava, as a Director, who retires by rotation.	The Director has played key role in the Company performance.	For
			Re appointment of Mr. S Rajgopal, as a Director, who retires by rotation.	The Director has played key role in the Company performance.	For
			Re appointment of Mr. D. D. Rathi, as a Director, who retires by rotation.	The Director has played key role in the Company performance.	For
			To appoint Statutory Auditors of the company and fix their remuneration.	The auditors seem to have performed their of satisfactory Thus can be re-appointed.	For
			To re-appoint M/s Haribhakti and Co. As branch auditors of the Company	The auditors seem to have performed their of satisfactory Thus can be re-appointed.	For
			Appoint of Mr Adesh Gupta, as a Director of the Company, who was appointed by the Board as an Additional Director of the Company.	The Director experience will help the Company to grow in future.	For
			Appoint of Prof Nirmalya Kumar, as a Director of the Company, who was appointed by the Board as an Additional Director of the Company.	The Director experience will help the Company to grow in future.	For
Bharat Petroleum Corporation Limited	16-Sep-11	AGM	Adoption of Accounts & Directors and Auditors Report	The scrip is part of the Index Scheme and not actively managed	Abstain
			To declare dividend on equity shares.	The scrip is part of the Index Scheme and not actively managed	Abstain

Bharat Petroleum Corporation Limited	16-Sep-11	AGM	Re appointment of Mr. S K Barua, as a Director, who retires by rotation.	The scrip is part of the Index Scheme and not actively managed	Abstain
			Re appointment of Dr. S. Mohan, as a Director, who retires by rotation.	The scrip is part of the Index Scheme and not actively managed	Abstain
			Appoint of Mr K K Gupta, as a Director of the Company, who was appointed by the Board as an Additional Director of the Company.	The scrip is part of the Index Scheme and not actively managed	Abstain
			Appoint of Mr B K Datta, as a Director of the Company, who was appointed by the Board as an Additional Director of the Company.	The scrip is part of the Index Scheme and not actively managed	Abstain
			Appoint of Mr S Varadarajan, as a Director of the Company, who was appointed by the Board as an Additional Director of the Company.	The scrip is part of the Index Scheme and not actively managed	Abstain
Sun Pharmaceuticals Industries Ltd	16-Sep-11	AGM	Adoption of Accounts & Directors and Auditors Report	The scrip is part of the Index Scheme and not actively managed	Abstain
			To declare dividend on equity shares.	The scrip is part of the Index Scheme and not actively managed	Abstain
			Re appointment of Mr. Dilip S Sanghavi, as a Director, who retires by rotation.	The scrip is part of the Index Scheme and not actively managed	Abstain
			Re appointment of Mr. Shailesh T Desai, as a Director, who retires by rotation.	The scrip is part of the Index Scheme and not actively managed	Abstain
			Re appointment of Mr. S Mohanchand Dabha, as a Director, who retires by rotation.	The scrip is part of the Index Scheme and not actively managed	Abstain
			To appoint Statutory Auditors of the company and fix their remuneration.	The scrip is part of the Index Scheme and not actively managed	Abstain
			To approve payment of remuneration to Shri Aolok Sanghvi, who is relative of Director, as non-executive Director of Taro	The scrip is part of the Index Scheme and not actively managed	Abstain
Grasim Industries Ltd	17-Sep-11	AGM	Adoption of Accounts & Directors and Auditors Report	The scrip is part of the Index Scheme and not actively managed	Abstain
			To declare dividend on equity shares.	The scrip is part of the Index Scheme and not actively managed	Abstain
			Re appointment of Mr. M L Apte, as a Director, who retires by rotation.	The scrip is part of the Index Scheme and not actively managed	Abstain

Grasim Industries Ltd	17-Sep-11	AGM	Re appointment of Mr. R C Bhargava, as a Director, who retires by rotation.	The scrip is part of the Index Scheme and not actively managed	Abstain
			Re appointment of Mr. Rajashree Birla, as a Director, who retires by rotation.	The scrip is part of the Index Scheme and not actively managed	Abstain
			Re appointment of Mr. Cyril Shroff, as a Director, who retires by rotation.	The scrip is part of the Index Scheme and not actively managed	Abstain
			To appoint Statutory Auditors of the company and fix their remuneration.	The scrip is part of the Index Scheme and not actively managed	Abstain
			To appoint Vidyarthi & Sons, Chartered Accountants as Branch Auditors	The scrip is part of the Index Scheme and not actively managed	Abstain
			To appoint Mr. Adesh Gupta, Whole time Director of the company as Manager of the company	The scrip is part of the Index Scheme and not actively managed	Abstain
			To increase the remuneration to the Directors of the company	The scrip is part of the Index Scheme and not actively managed	Abstain
			Payment of commission to Director of company	The scrip is part of the Index Scheme and not actively managed	Abstain
Power Grid Corp of India Ltd	19-Sep-11	AGM	Adoption of Accounts & Directors and Auditors Report	The scrip is part of the Index Scheme and not actively managed	Abstain
			To declare dividend on equity shares.	The scrip is part of the Index Scheme and not actively managed	Abstain
			Re appointment of Mr. V M Kaul, as a Director, who retires by rotation.	The scrip is part of the Index Scheme and not actively managed	Abstain
			Re appointment of Mr. Rakesh Jain, as a Director, who retires by rotation.	The scrip is part of the Index Scheme and not actively managed	Abstain
			To fix remuneration of the Statutory Auditors of the company.	The scrip is part of the Index Scheme and not actively managed	Abstain
Container Corporation Of India Limited	19-Sep-11	AGM	Adoption of Accounts & Directors and Auditors Report	Annual Accounts fairly represent the financial position of the company.	For
			To declare dividend on equity shares.	The company is distributing its profits satisfactorily	For
			Re appointment of Mr. Anil Kumar Gupta, as a Director, who retires by rotation.	The Director has played key role in the Company performance.	For
			Re appointment of Mr. Harpreet Singh, as a Director, who retires by rotation.	The Director has played key role in the Company performance.	For
			Re appointment of Mrs. P. Alli Rani, as a Director, who retires by rotation.	The Director has played key role in the Company performance.	For
			To appoint Statutory Auditors of the company and fix their remuneration.	The auditors seem to have performed their of satisfactory Thus can be re-appointed.	For



Container Corporation Of India Limited	19-Sep-11	AGM	Shri Vinay Mittal, be and is hereby appointed as part-time Chairman of the Company.	Shri Vinay Mittal's experience will help the Company to grow in future.	For
			Lt. Gen. (Retd.) Arvind Mahajan, be appointed as part-time Chairman of the Company.	Lt. Gen. (Retd.) Arvind Mahajan experience will help the Company to grow in future.	For
			Dr. (Prof.) A. K. Bandyopadhyay, be appointed as part-time Chairman of the Company.	Dr. (Prof.) A. K. Bandyopadhyay's experience will help the Company to grow in future.	For
			Dr. (Prof.) Kausik Gupta, be appointed as part-time Chairman of the Company.	Dr. (Prof.) Kausik Gupta's experience will help the Company to grow in future.	For
Bharat Heavy Electrical Ltd	20-Sep-11	AGM	Adoption of Accounts & Directors and Auditors Report	The scrip is part of the Index Scheme and not actively managed	Abstain
			To declare dividend on equity shares.	The scrip is part of the Index Scheme and not actively managed	Abstain
			Re appointment of Mrs. Reva Nayyar, as a Director, who retires by rotation.	The scrip is part of the Index Scheme and not actively managed	Abstain
			Re appointment of Mr. Anil Sachdev, as a Director, who retires by rotation.	The scrip is part of the Index Scheme and not actively managed	Abstain
			Re appointment of Mr. Atul Saraya, as a Director, who retires by rotation.	The scrip is part of the Index Scheme and not actively managed	Abstain
			To appoint Statutory Auditors of the company and fix their remuneration.	The scrip is part of the Index Scheme and not actively managed	Abstain
			Appoint of Shri Trimbakdas S. Zanwar, as a Director of the Company, who was appointed by the Board as an Additional Director of the Company.	The scrip is part of the Index Scheme and not actively managed	Abstain
			Appoint of Shri S. Ravi, as a Director of the Company, who was appointed by the Board as an Additional Director of the Company.	The scrip is part of the Index Scheme and not actively managed	Abstain
			Appoint of Shri Ambuj Sharma, as a Director of the Company, who was appointed by the Board as an Additional Director of the Company.	The scrip is part of the Index Scheme and not actively managed	Abstain
			Appoint of Shri M.K.Dube, as a Director of the Company, who was appointed by the Board as an Additional Director of the Company.	The scrip is part of the Index Scheme and not actively managed	Abstain

Bharat Heavy Electrical Ltd	20-Sep-11	AGM	Appoint of Shri P.K. Bajpai, as a Director of the Company, who was appointed by the Board as an Additional Director of the Company.	The scrip is part of the Index Scheme and not actively managed	Abstain
			To consider sub division of equity share of the company.	The scrip is part of the Index Scheme and not actively managed	Abstain
			Alteration of AoA & MoA.	The scrip is part of the Index Scheme and not actively managed	Abstain
NTPC Ltd	20-Sep-11	AGM	Adoption of Accounts & Directors and Auditors Report	The scrip is part of the Index Scheme and not actively managed	Abstain
			To declare dividend on equity shares.	The scrip is part of the Index Scheme and not actively managed	Abstain
			Re appointment of Mr. I J Kapoor, as a Director, who retires by rotation.	The scrip is part of the Index Scheme and not actively managed	Abstain
			Re appointment of Mr. A K Sanwalka, as a Director, who retires by rotation.	The scrip is part of the Index Scheme and not actively managed	Abstain
			Re appointment of Mr. Kanwal Nath, as a Director, who retires by rotation.	The scrip is part of the Index Scheme and not actively managed	Abstain
			Re appointment of Mr. Adesh C. Jain, as a Director, who retires by rotation.	The scrip is part of the Index Scheme and not actively managed	Abstain
			To appoint Statutory Auditors of the company and fix their remuneration.	The scrip is part of the Index Scheme and not actively managed	Abstain
			Appoint of Mr. Arup Roy Choudhury, as a Director of the Company, who was appointed by the Board as an Additional Director of the Company.	The scrip is part of the Index Scheme and not actively managed	Abstain
			Appoint of Shri S P Singh, as a Director of the Company, who was appointed by the Board as an Additional Director of the Company.	The scrip is part of the Index Scheme and not actively managed	Abstain
			Appoint of Shri N N Misra, as a Director of the Company, who was appointed by the Board as an Additional Director of the Company.	The scrip is part of the Index Scheme and not actively managed	Abstain
Gateway Distriparks Ltd	21-Sep-11	AGM	Adoption of Accounts & Directors and Auditors Report	Annual Accounts fairly represent the financial position of the company.	For
			To declare dividend on equity shares.	The company is distributing its profits satisfactorily	For
			Re appointment of Mr. K J M Shetty, as a Director, who retires by rotation.	The Director has played a key role in the company performance	For

Gateway Distriparks Ltd	21-Sep-11	AGM	Re appointment of Mr. Kirpa Ram Vij, as a Director, who retires by rotation.	The Director has played a key role in the company performance	For
			Re appointment of Mr. Arun Agarwal, as a Director, who retires by rotation.	The Director has played a key role in the company performance	For
			To appoint Statutory Auditors of the company and fix their remuneration.	The auditors seem to have performed their of satisfactory, thus can be reappointed.	For
			To the Appointment of Mr. Ishaan Gupta as Manager-Corporate Planning of the Company.	The agreement with Mr. Gupta seems fair.	For
Hindalco Industries Ltd	23-Sep-11	AGM	Adoption of Accounts & Directors and Auditors Report	The scrip is part of the Index Scheme and not actively managed	Abstain
			To declare dividend on equity shares.	The scrip is part of the Index Scheme and not actively managed	Abstain
			Re appointment of Mr. Madhukar Manilal Bhagat, as a Director, who retires by rotation.	The scrip is part of the Index Scheme and not actively managed	Abstain
			Re appointment of Mr. Chaitan Manbhai Maniar, as a Director, who retires by rotation.	The scrip is part of the Index Scheme and not actively managed	Abstain
			Re appointment of Mr. Sangram Singh Kothari, as a Director, who retires by rotation.	The scrip is part of the Index Scheme and not actively managed	Abstain
			To appoint Statutory Auditors of the company and fix their remuneration.	The scrip is part of the Index Scheme and not actively managed	Abstain
			Appoint of Mr. Ram Charan, as a Director of the Company, who was appointed by the Board as an Additional Director of the Company.	The scrip is part of the Index Scheme and not actively managed	Abstain
			To pay commission of an amount not exceeding one percent of the net profits of the Company.	The scrip is part of the Index Scheme and not actively managed	Abstain
			Alteration of Memorandum of Association & Articles of Association	The scrip is part of the Index Scheme and not actively managed	Abstain
			To approve borrowing by Board of the company.	The scrip is part of the Index Scheme and not actively managed	Abstain
			Revision in remuneration of Mr. D. Bhattacharya as Director of the Company.	The scrip is part of the Index Scheme and not actively managed	Abstain
			To issue ESOP to employees of the company	The scrip is part of the Index Scheme and not actively managed	Abstain
Reliance Power Limited	27-Sep-11	AGM	Adoption of Accounts & Directors and Auditors Report	The scrip is part of the Index Scheme and not actively managed	Abstain

Reliance Power Limited	27-Sep-11	AGM	Re appointment of Mr. S L Rao, as a Director, who retires by rotation.	The scrip is part of the Index Scheme and not actively managed	Abstain
			Re appointment of Dr. V K Chaturvedi, as a Director, who retires by rotation.	The scrip is part of the Index Scheme and not actively managed	Abstain
			To appoint Statutory Auditors of the company and fix their remuneration.	The scrip is part of the Index Scheme and not actively managed	Abstain
			Issue of Equity Shares to the Qualified Institutional buyers	The scrip is part of the Index Scheme and not actively managed	Abstain
			Raising of resources through issue of securities in the International market	The scrip is part of the Index Scheme and not actively managed	Abstain
			Appointing Shri Ramaswami Kalidas as manager of the company	The scrip is part of the Index Scheme and not actively managed	Abstain
Reliance Communications Limited	27-Sep-11	AGM	Adoption of Accounts & Directors and Auditors Report	The scrip is part of the Index Scheme and not actively managed	Abstain
			To declare dividend on equity shares.	The scrip is part of the Index Scheme and not actively managed	Abstain
			Re appointment of Mr. J Ramachandran, as a Director, who retires by rotation.	The scrip is part of the Index Scheme and not actively managed	Abstain
			To appoint Statutory Auditors of the company and fix their remuneration.	The scrip is part of the Index Scheme and not actively managed	Abstain
			Issue of Equity Shares to the Qualified Institutional buyers	The scrip is part of the Index Scheme and not actively managed	Abstain
			Raising of resources through issue of securities in the International market	The scrip is part of the Index Scheme and not actively managed	Abstain
			Appointing Shri Prakash Shenoy as manager of the company	The scrip is part of the Index Scheme and not actively managed	Abstain
Reliance Infrastructure Limited	27-Sep-11	AGM	Adoption of Accounts & Directors and Auditors Report	The scrip is part of the Index Scheme and not actively managed	Abstain
			To declare dividend on equity shares.	The scrip is part of the Index Scheme and not actively managed	Abstain
			Re appointment of Mr. S L Rao, as a Director, who retires by rotation.	The scrip is part of the Index Scheme and not actively managed	Abstain
			Re appointment of Dr. Leena Srivastava, as a Director, who retires by rotation.	The scrip is part of the Index Scheme and not actively managed	Abstain
			To appoint Statutory Auditors of the company and fix their remuneration.	The scrip is part of the Index Scheme and not actively managed	Abstain
			Appoint of Shri R R Rai, as a Director of the Company, who was appointed by the Board as an Additional Director of the Company.	The scrip is part of the Index Scheme and not actively managed	Abstain

Reliance Infrastructure Limited	27-Sep-11	AGM	Issue of Equity Shares to the Qualified Institutional buyers	The scrip is part of the Index Scheme and not actively managed	Abstain
			Raising of resources through issue of securities in the International market	The scrip is part of the Index Scheme and not actively managed	Abstain
Reliance Capital Limited	27-Sep-11	AGM	Adoption of Accounts & Directors and Auditors Report	The scrip is part of the Index Scheme and not actively managed	Abstain
			To declare dividend on equity shares.	The scrip is part of the Index Scheme and not actively managed	Abstain
			Re appointment of Mr. S Bayman, as a Director, who retires by rotation.	The scrip is part of the Index Scheme and not actively managed	Abstain
			Re appointment of Mr. C P Jain, as a Director, who retires by rotation.	The scrip is part of the Index Scheme and not actively managed	Abstain
			To appoint Statutory Auditors of the company and fix their remuneration.	The scrip is part of the Index Scheme and not actively managed	Abstain
			Issue of Equity Shares to the Qualified Institutional buyers	The scrip is part of the Index Scheme and not actively managed	Abstain
Jaiprakash Associate Ltd	27-Sep-11	AGM	Adoption of Accounts & Directors and Auditors Report	The scrip is part of the Index Scheme and not actively managed	Abstain
			To declare dividend on equity shares.	The scrip is part of the Index Scheme and not actively managed	Abstain
			Re appointment of Mr. Sunny Gaur, as a Director, who retires by rotation.	The scrip is part of the Index Scheme and not actively managed	Abstain
			Re appointment of Mr. B K Goswami, as a Director, who retires by rotation.	The scrip is part of the Index Scheme and not actively managed	Abstain
			Re appointment of Mr. S C Gupta, as a Director, who retires by rotation.	The scrip is part of the Index Scheme and not actively managed	Abstain
			Re appointment of Mr. R. K. Singh, as a Director, who retires by rotation.	The scrip is part of the Index Scheme and not actively managed	Abstain
			Re appointment of Mr. S D Nailwal, as a Director, who retires by rotation.	The scrip is part of the Index Scheme and not actively managed	Abstain
			To appoint Statutory Auditors of the company and fix their remuneration.	The scrip is part of the Index Scheme and not actively managed	Abstain
			Re appointment of Mr. Rahul Kumar, as a Director, who retires by rotation.	The scrip is part of the Index Scheme and not actively managed	Abstain
Power Finance Corporation Ltd	28-Sep-11	AGM	Adoption of Accounts & Directors and Auditors Report	Annual Accounts fairly represent the financial position of the company.	For
			To declare dividend on equity shares.	The company is distributing its profits satisfactorily	For
			Re appointment of Mr. M. K Goel, as a Director, who retires by rotation.	The Director has played a key role in the company performance	For

Power Finance Corporation Ltd	28-Sep-11	AGM	Re appointment of Mr. P. Murali Mohan Rao, as a Director, who retires by rotation.	The Director has played a key role in the company performance	For
			Re appointment of Mr. Ravindra H Dholakia, as a Director, who retires by rotation.	The Director has played a key role in the company performance	For
			To appoint Statutory Auditors of the company and fix their remuneration.	The auditors seem to have performed their of satisfactory, thus can be reappointed.	For
			To approve borrowing by the Board of the company	Company needs borrowed funds in order to grow in the future.	For
			To create mortgaging and/or charging on the asset of the Company.	Mortgage of property is required for access to funds.	For
PTC India Ltd	28-Sep-11	AGM	Adoption of Accounts & Directors and Auditors Report	Annual Accounts fairly represent the financial position of the company.	For
			To declare dividend on equity shares.	The company is distributing its profits satisfactorily	For
			Re appointment of Mr. I. J. Kapoor, as a Director, who retires by rotation.	The Director has played a key role in the company performance	For
			To appoint Statutory Auditors of the company and fix their remuneration.	The auditors seem to have performed their of satisfactory, thus can be reappointed.	For
			Re appointment of Mr. Ved Jain, as a Director, who retires by rotation.	The Director experience will help the Company to grow in future.	For
			Re appointment of Mr. Dipak Chatterjee, as a Director, who retires by rotation.	The Director experience will help the Company to grow in future.	For
			Re appointment of Mr. Akhilesh Mishra, as a Director, who retires by rotation.	The Director experience will help the Company to grow in future.	For
Jindal Steel And Power Limited	29-Sep-11	AGM	Adoption of Accounts & Directors and Auditors Report	The scrip is part of the Index Scheme and not actively managed	Abstain
			To declare dividend on equity shares.	The scrip is part of the Index Scheme and not actively managed	Abstain
			Re appointment of Mrs. Savitri Jindal, as a Director, who retires by rotation.	The scrip is part of the Index Scheme and not actively managed	Abstain
			Re appointment of Mr. Ratan Jindal, as a Director, who retires by rotation.	The scrip is part of the Index Scheme and not actively managed	Abstain
			Re appointment of Mr. Arun Kumar Purwar, as a Director, who retires by rotation.	The scrip is part of the Index Scheme and not actively managed	Abstain
			Re appointment of Mr. Anand Goel, as a Director, who retires by rotation.	The scrip is part of the Index Scheme and not actively managed	Abstain



Jindal Steel And Power Limited	29-Sep-11	AGM	To appoint Statutory Auditors of the company and fix their remuneration.	The scrip is part of the Index Scheme and not actively managed	Abstain
			Re appointment of Mr. Naushad Akhter Ansari, as a Director, who retires by rotation.	The scrip is part of the Index Scheme and not actively managed	Abstain
			To re-appoint Shri Vikrant Gujral as whole time Director and fix his remuneration	The scrip is part of the Index Scheme and not actively managed	Abstain
			Revision in the remuneration of Shri Anand Goel, Jt Managing Director of the company	The scrip is part of the Index Scheme and not actively managed	Abstain
			Revision in the remuneration of Shri Naushad Akhter Ansari, Whole time Director of the company	The scrip is part of the Index Scheme and not actively managed	Abstain
Infosys Limited	11-Oct-11	Other Meeting (Postal Ballot)	Resolution revoking the resolution passed by the shareholders at the Annual General Meeting held on June 12, 2004;	Since the resolution has not been given effect	For
			Resolution for granting Restricted Stocks Unit Plan to Eligible Employees of the Company.	Compliance with the governing statutes, moving from ESOP scheme to RSU scheme	For
			Resolution for granting RSUs to Eligible Employees of subsidiaries of the Company.	Extending the benefits of RSU plan to subsidiary employees	For
Infrastructure Development Finance Company Ltd	31-Oct-11	Other Meeting (Postal Ballot)	To create mortgage or charge	The scrip is part of the Index Scheme and not actively managed	Abstain
HCL Technologies Ltd	2-Nov-11	AGM	Adoption of Accounts & Directors and Auditors Report	The scrip is part of the Index Scheme and not actively managed	Abstain
			Retirement of Mr. P. C. Sen who retires by rotation and does not seek re-appointment	The scrip is part of the Index Scheme and not actively managed	Abstain
			Retirement of Mr. T. S. R. Subramanian who retires by rotation and does not seek re-appointment	The scrip is part of the Index Scheme and not actively managed	Abstain
			Retirement of Mr. Ajai Chowdhry who retires by rotation and does not seek re-appointment	The scrip is part of the Index Scheme and not actively managed	Abstain
			To appoint Statutory Auditors of the company and fix their remuneration.	The scrip is part of the Index Scheme and not actively managed	Abstain
			To declare dividend on equity shares.	The scrip is part of the Index Scheme and not actively managed	Abstain

HCL Technologies Ltd	2-Nov-11	AGM	Appoint of Mr. R. Srinivasan , as a Director of the Company, who was appointed by the Board as an Additional Director of the Company.	The scrip is part of the Index Scheme and not actively managed	Abstain
3I Infotech Ltd	27-Jan-12	Other Meeting (Postal Ballot)	Approval for enhancement of the limit for creation of securities against loan.	Leverage in the balance sheet already very high	Against
			Raising long term resources through issue of securities	For reduction of Debt.	For
			Increase in Authorised capital of company	Regulatory Requirement.	For
			Amendment to MOA of the company	Regulatory Requirement.	For
			Amendment to AOA of the company	Regulatory Requirement.	For
			Re-appointment of Mr. Amar Chintopanth as Deputy Managing Director	The Director has played key role in Company's performance.	For
Siemens Ltd	31-Jan-12	AGM	Adoption of Accounts & Directors and Auditors Report	The scrip is part of the Index Scheme and not actively managed	Abstain
			To declare dividend on equity shares.	The scrip is part of the Index Scheme and not actively managed	Abstain
			Re appointment of Mr. Deepak S. Parekh, as a Director, who retires by rotation.	The scrip is part of the Index Scheme and not actively managed	Abstain
			Re appointment of Mr. Yezdi H. Malegam, as a Director, who retires by rotation.	The scrip is part of the Index Scheme and not actively managed	Abstain
			Re appointment of Mr. Sunil Mathur, as a Director, who retires by rotation.	The scrip is part of the Index Scheme and not actively managed	Abstain
			To appoint Statutory Auditors of the company and fix their remuneration.	The scrip is part of the Index Scheme and not actively managed	Abstain
			Appoint of Dr. Roland Busch, as a Director of the Company, who was appointed by the Board as an Additional Director of the Company.	The scrip is part of the Index Scheme and not actively managed	Abstain
			Revision in the remuneration of Dr. Armin Bruck, Managing Director of the Company	The scrip is part of the Index Scheme and not actively managed	Abstain
			Revision in the remuneration of Mr. Sunil Mathur, Executive Director of the Company	The scrip is part of the Index Scheme and not actively managed	Abstain

Siemens Ltd	31-Jan-12	AGM	One- time special payment to Mr. Vijay V. Paranjape, former Whole-time Director of the company	The scrip is part of the Index Scheme and not actively managed	Abstain
			Payment to Mr. Praveen Singh, Managing Director of erstwhile Siemens Healthcare Diagnostics Limited	The scrip is part of the Index Scheme and not actively managed	Abstain
Siemens Ltd	13-Feb-12	CCM	Approval Amalgamation of (i) Siemens VAI Metals Technologies Pvt. Ltd. and (ii) Morgan Construction Company India Pvt. Ltd. with Siemens Limited.	The scrip is part of the Index Scheme and not actively managed	Abstain
Power Grid Corp of India Ltd	21-Feb-12	Other Meeting (Postal Ballot)	Approval for rescheduling FPO proceeds to additional 8 identified projects and any other projects as deemed fit by the board	The scrip is part of the Index Scheme and not actively managed	Abstain
Maruti Suzuki India Ltd	22-Feb-12	Other Meeting (Postal Ballot)	Approval for alteration of MoA of the company for incursion of two clause	Regulatory Requirement.	For
Jaiprakash Associate Ltd	24-Feb-12	CCM	Scheme of arrangement between Jaiprakash Associate Limited and Jaippee Cement Corp. Ltd. their respective Shareholders and Creditors	The scrip is part of the Index Scheme and not actively managed	Abstain
Hindalco Industries Ltd	7-Mar-12	EGM	Approval to issue warrants on preferential basis to promoters, Such holders entitled to receive one equity share against such warrant	The scrip is part of the Index Scheme and not actively managed	Abstain
Punjab National Bank	20-Mar-12	EGM	Approval for appointing 3 shareholder Directors from amongst shareholders of the bank	The scrip is part of the Index Scheme and not actively managed	Abstain
State Bank of India	19-Mar-12	EGM	To issue Equity Shares on preferential basis to "Government of India	Govt is infusing aprox Rs. 79 Bn in SBI, which will allow the Bank to grow in future as tier I capital increases.	For
Ambuja Cements	27-Mar-12	AGM	Adoption of Accounts & Directors and Auditors Report	The scrip is part of the Index Scheme and not actively managed	Abstain
			To declare dividend on equity shares.	The scrip is part of the Index Scheme and not actively managed	Abstain
			Re appointment of Mr. Naseer Munjee, as a Director, who retires by rotation.	The scrip is part of the Index Scheme and not actively managed	Abstain
			Re appointment of Mr. Rajendra P Chintale, as a Director, who retires by rotation.	The scrip is part of the Index Scheme and not actively managed	Abstain

Ambuja Cements	27-Mar-12	AGM	Re appointment of Mr. Shailesh Haribhakti, as a Director, who retires by rotation.	The scrip is part of the Index Scheme and not actively managed	Abstain
			To appoint M/s S.R Batliboi & Associates as Auditors of the Company	The scrip is part of the Index Scheme and not actively managed	Abstain
ACC Ltd	28-Mar-12	AGM	Adoption of Accounts & Directors and Auditors Report	Annual Accounts fairly represent the financial position of the company.	For
			To declare dividend on equity shares.	The company is distributing its profits satisfactorily	For
			Re appointment of Mr. Paul Hugentobler, as a Director, who retires by rotation.	The Director has played a key role in the company performance.	For
			Re appointment of Mr. M L Narula, as a Director, who retires by rotation.	The Director has played a key role in the company performance	For
			Re appointment of Mr. S M Palia, as a Director, who retires by rotation.	The Director has played a key role in the company performance	For
			To appoint Statutory Auditors of the company and fix their remuneration.	Auditors seem to have performed their job satisfactorily can be reappointed.	For
			To appoint Mr Bernard Fontana as a Director in place of Mr Markus Akermann who retires by rotation and does not wish to seek re-election	The Director experience will help the Company to grow in future.	For
			Appoint of Mr Ashwin Dani , as a Director of the Company, who was appointed by the Board as an Additional Director of the Company.	The director experience will help the company to grow in future.	For
Tata Steel Limited	30-Mar-12	Other Meeting (Postal Ballot)	Approval for the increase in borrowing limit	The Company will require borrowing for undertaking capex programme. The management is prudent in using debt.	For
		Other Meeting (Postal Ballot)	Approval for creation of charges on the Asset of the company.	This will help company to borrow at better interest rates.	For

## Share Holders Proposal

Name of Company	Date	Type of Meeting (AGM / EGM)	Proposal	Management Recommendation	Vote ( For / Against / Abstain)
Nil	Nil	Nil	Nil	Nil	Nil

## AUDITORS' REPORT

TO

THE BOARD OF TRUSTEES OF  
QUANTUM MUTUAL FUND

We have audited the attached Balance Sheet of the Quantum Long Term Equity Fund (the "scheme") of **Quantum Mutual Fund** as at 31<sup>st</sup> March, 2012, the Revenue Account and the Cash Flow Statement for the year ended on that date which we have signed under reference to this report. These financial statements are the responsibility of the Management of the Quantum Trustee Company Private Limited and Quantum Asset Management Company Private Limited. Our responsibility is to express an opinion on these financial statements based on our audit.

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

We report that:

1. 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.
2. The Balance Sheet, the Revenue Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account of the scheme.
3. In our opinion, the valuation methods for non-traded securities are fair and reasonable and are in accordance with the guidelines for valuation issued by SEBI, under the regulation.
4. In our opinion, the Balance Sheet and the Revenue Account dealt with by this report have been prepared in accordance with the Accounting Policies and Standards as specified in the Ninth Schedule of the SEBI (Mutual Funds) Regulations, 1996 as amended up to date.
5. In our opinion, and to the best of our information and according to the explanations given to us, the said financial statements give the information required by the SEBI (Mutual Funds) Regulations, 1996 as applicable and give a true and fair view in conformity with the accounting principles generally accepted in India:
  - i) in the case of the Balance Sheet, of the state of affairs of the scheme as at 31<sup>st</sup> March, 2012
  - ii) in the case of the Revenue Account, of the surplus of the scheme for the year ended on that date ; and
  - iii) in the case of the Cash Flow Statement of the scheme for the year ended on that date

For **HARIBHAKTI & CO.**

Chartered Accountants

Firm Registration No. – 103523W

sd/-

**CHETAN DESAI**

Partner

Membership No 17000

Place: Mumbai

Date: 25th May, 2012

**QUANTUM LONG TERM EQUITY FUND**  
**BALANCE SHEET AS AT 31ST MARCH 2012**

	Schedule	31st March, 2012 Amount (₹)	31st March, 2011 Amount (₹)
<b><u>LIABILITIES</u></b>			
Unit Capital	'A'	485,615,261	325,632,137
Reserves and Surplus	'B'	598,616,240	412,558,225
Current Liabilities and Provisions	'C'	34,095,998	1,528,641
<b>Total</b>		<b>1,118,327,499</b>	<b>739,719,003</b>
<b><u>ASSETS</u></b>			
Investments	'D'	1,108,049,020	736,609,897
Other Current Assets	'E'	10,278,479	3,109,106
<b>Total</b>		<b>1,118,327,499</b>	<b>739,719,003</b>
Notes forming part of Accounts	'F'		

For Quantum Trustee Company Pvt Ltd

For Quantum Asset Management Company Pvt Ltd

Mr. Jagdish Capoor  
(Chairman)Mr. Ajit Dayal  
(Chairman)Mr. C. Srinivasan  
(Director)Mr. Hormazdiyaar Vakil  
(Director)Mr. Jimmy A. Patel  
(Chief Executive Officer)Mr. Atul Kumar  
(Fund Manager)

As per our report of even date  
 For Haribhakti & Co.  
 Chartered Accountants  
 FRN: 103523W

Mr. Chetan Desai  
 Partner  
 Membership No: 17000  
 Place : Mumbai  
 Date : May 25, 2012



**QUANTUM LONG TERM EQUITY FUND**  
**REVENUE ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2012**

Schedule	31st March, 2012 Amount (₹)	31st March, 2011 Amount (₹)
<b><u>INCOME</u></b>		
Dividend	13,491,157	7,673,602
Interest	7,176,066	5,281,592
Profit on sale / redemption of investments( Other than inter scheme transfer / sale)	37,777,858	119,714,142
Other Income (Load Income)	1,283,795	613,077
<b>Total</b>	<b>59,728,876</b>	<b>133,282,413</b>
<b><u>EXPENSES AND LOSSES *</u></b>		
Management fees	9,188,894	6,715,380
Marketing & Selling Expenses	-	176,408
Custodian fees	931,004	652,750
Registrar & Transfer Agent's fees	1,057,261	788,040
Other Operating expenses	230,134	978,131
Preliminary Expenses Written Off	-	460,060
Loss on Sale/Redemption of Investments ( Other than inter scheme transfer / sale)	16,624,570	4,957,474
<b>Total</b>	<b>28,031,863</b>	<b>14,728,243</b>
<b>Net Surplus / ( Deficit ) for the period</b>	<b>31,697,013</b>	<b>118,554,170</b>

**APPROPRIATION ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2012**

Net Surplus brought forward from previous year	235,928,877	78,846,617
Net Surplus / (Deficit) for the period	31,697,013	118,554,170
Transferred (to)/ from Equalisation Account	114,344,148	38,528,090
<b>Net Available Surplus</b>	<b>381,970,038</b>	<b>235,928,877</b>
<b>Less:</b> Unrealised appreciation of previous year written back	-	-
<b>Add:</b> Depreciation of previous year written back	-	-
<b>Net Surplus / ( Deficit ) carried forward</b>	<b>381,970,038</b>	<b>235,928,877</b>
Notes forming parts of Accounts		
* please refer note no 09		

For Quantum Trustee Company Pvt Ltd

For Quantum Asset Management Company Pvt Ltd

Mr. Jagdish Capoor  
(Chairman)

Mr. Ajit Dayal  
(Chairman)

Mr. C. Srinivasan  
(Director)

Mr. Hormazdiyaar Vakil  
(Director)

Mr. Jimmy A. Patel  
(Chief Executive Officer)

Mr. Atul Kumar  
(Fund Manager)

As per our report of even date  
For Haribhakti & Co.  
Chartered Accountants  
FRN: 103523W

Mr. Chetan Desai  
Partner  
Membership No: 17000  
Place : Mumbai  
Date :May 25, 2012

**QUANTUM LONG TERM EQUITY FUND**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2012**

	2011-12 Amount (₹)	2010-11 Amount (₹)
<b>A. Cash flow from Operating Activity</b>		
Surplus for the period	31,697,013	118,554,170
Adjustments for:-		
Deferred revenue expenditure amortised in current period	-	460,060
(Increase)/Decrease in investments at cost	(366,489,934)	(202,249,286)
(Increase)/Decrease in other current assets	(8,167,159)	7,179,499
Increase/(Decrease) in current liabilities	(343,945)	481,025
<b>Net cash generated/(used) in operations (A)</b>	<b>(343,304,025)</b>	<b>(75,574,532)</b>
<b>B. Cash flow from Financing Activities</b>		
Increase/(Decrease) in unit capital	159,983,124	58,343,968
Increase/(Decrease) in unit premium reserve	173,023,722	61,605,862
Adjustments for:-		
(Increase)/Decrease in subscription receivable for units issued to investors	987,212	(710,562)
Increase/(Decrease) in redemption payable for units redeemed by investors	32,911,302	(118,823)
<b>Net cash generated/(used) from financing activities (B)</b>	<b>366,905,360</b>	<b>119,120,445</b>
<b>Net Cash and cash equivalents at the end of period (A + B)</b>	<b>23,601,335</b>	<b>43,545,913</b>
Cash and cash equivalents, beginning of the period/year	105,571,170	62,025,256
<b>Cash and cash equivalents, end of the year</b>	<b>129,172,505</b>	<b>105,571,169</b>
<b>Components of cash and cash equivalents</b>		
Balances with banks in current accounts	1,177,454	1,188,028
Collateralised borrowing & lending obligation	127,995,051	104,383,141
	<b>129,172,505</b>	<b>105,571,169</b>

For Quantum Trustee Company Pvt Ltd

For Quantum Asset Management Company Pvt Ltd

Mr. Jagdish Capoor  
(Chairman)Mr. Ajit Dayal  
(Chairman)Mr. C. Srinivasan  
(Director)Mr. Hormazdiyar Vakil  
(Director)Mr. Jimmy A. Patel  
(Chief Executive Officer)Mr. Atul Kumar  
(Fund Manager)

As per our report of even date  
 For Haribhakti & Co.  
 Chartered Accountants  
 FRN: 103523W

Mr. Chetan Desai  
 Partner  
 Membership No: 17000  
 Place : Mumbai  
 Date : May 25, 2012

**QUANTUM LONG TERM EQUITY FUND**  
**SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2012**

	Units	31st March, 2012 Amount (₹)	Units	31st March, 2011 Amount (₹)
<b>SCHEDULE 'A'</b>				
<b>UNIT CAPITAL</b>				
(Face Value of ₹ 10 Each)				
Unit Capital {Opening Balance}	32,563,214	325,632,138	26,728,817	267,288,168
Add : Subscription during the year / period	21,498,422	214,984,220	12,283,953	122,839,528
Less : Redemption during the year / period	5,500,110	55,001,097	(6,449,556)	(64,495,559)
Unit Capital (Closing Balance)	<b>48,561,526</b>	<b>485,615,261</b>	<b>32,563,214</b>	<b>325,632,137</b>
<b>SCHEDULE 'B'</b>				
<b>RESERVES &amp; SURPLUS</b>				
<b>Unit Premium</b>				
Opening Balance		64,385,822		41,308,050
Add\ (Less) : Net Additions\ (Deduction) during the year / period		173,023,723		61,605,862
Add\ (Less):-Transferred (to) / from Equalisation Account		(114,344,148)		(38,528,090)
Closing Balance		<b>123,065,397</b>		<b>64,385,822</b>
<b>Equalisation Account</b>				
Transferred from / (to) Unit Premium Reserve		114,344,148		38,528,090
Add\ (Less): Transferred (to) / from Revenue Account		(114,344,148)		(38,528,090)
Closing Balance		-		-
<b>Unrealised Appreciation in the value of investments (Net)</b>				
Opening Balance		112,243,526		121,736,408
Add: Net change during the year / period		(18,662,721)		(9,492,882)
		<b>93,580,805</b>		<b>112,243,526</b>
<b>Appropriation Account</b>				
Surplus\ (Deficit) carried forward		<b>381,970,038</b>		<b>235,928,877</b>
<b>Total Reserves &amp; Surplus</b>		<b>598,616,240</b>		<b>412,558,225</b>
<b>SCHEDULE 'C'</b>				
<b>CURRENT LIABILITIES &amp; PROVISIONS</b>				
Management Fees Payable		845,001		661,879
Redemption Payable (other than Inter Scheme)		32,959,456		48,154
TDS Payable		93,889		73,552
STT payable		146,652		7,767
Switch Out Payable		51,000		2,000
Purchase Contract Outstanding		-		735,289
<b>Total</b>		<b>34,095,998</b>		<b>1,528,641</b>

	Units	31st March, 2012 Amount (₹)	Units	31st March, 2011 Amount (₹)
<b>SCHEDULE 'D'</b>				
<b><u>INVESTMENTS</u></b>				
Equity shares		980,053,969		632,226,756
Collateralised borrowing & lending obligation		127,995,051		104,383,141
<b>Total</b>		<b>1,108,049,020</b>		<b>736,609,897</b>
<b>SCHEDULE 'E'</b>				
<b><u>OTHER CURRENT ASSETS</u></b>				
Balances with Banks in Current Account		1,177,454		1,188,028
Subscription Receivable (other than Inter Scheme)		365,149		1,352,362
Receivable from Quantum Asset Management Co Pvt Ltd		101		63
Other Current Assets		21,487		21,487
Sales Contract outstanding		8,349,814		-
Dividend Receivable		364,474		547,166
<b>Total</b>		<b>10,278,479</b>		<b>3,109,106</b>
<b>SCHEDULE 'F'</b>				
<b><u>DEFERRED REVENUE EXPENDITURE</u></b>				
(to the extent not written off or adjusted)				
Opening b/f		-		460,060
Amortised during the period		-		460,060
		-		-



# QUANTUM

## MUTUAL FUND

# Profit with Process

**SCHEDULE 'G'**

**Notes:**

**1. ORGANISATION**

Quantum Long Term Equity Fund ("the Scheme") is an open-ended growth scheme of Quantum Mutual Fund and was launched on February 8, 2006. Quantum Mutual Fund has been sponsored by Quantum Advisors Private Ltd. Quantum Asset Management Company Private Limited incorporated under the Companies Act, 1956 has been appointed as the Asset Management Company. The duration of the scheme is perpetual. The Scheme closed for initial subscription on February 25, 2006 and is currently open for ongoing subscription.

In accordance with the Securities and Exchange Board of India ("SEBI") (Mutual Funds) Regulations, 1996 ('the SEBI Regulations'), the Board of Directors of Quantum Trustee Company Private Limited ('the Trustee') has appointed Quantum Asset Management Company Private Limited ('the AMC') to manage the Fund's affairs and operate its Schemes. The investment objective of the Scheme is to achieve long-term capital appreciation by investing primarily in shares of companies that will typically be included in the BSE 200 Index and are in a position to benefit from the anticipated growth and development of the Indian economy and its markets. The Scheme offers its investors a Dividend Option and Growth Option (collectively 'the Options'). The Benchmark for the scheme is BSE 30 TRI.

**2. SIGNIFICANT ACCOUNTING POLICIES**

**(2.1) BASIS OF ACCOUNTING**

The scheme maintains its books of accounts on an accrual basis. These financial statements have been prepared in accordance with the accounting policies and standards specified in the ninth schedule of the Securities and Exchange Board of India (Mutual Fund) Regulation, 1996 and amendments thereto as applicable.

**(2.2) INVESTMENTS**

**Accounting of Investments**

Investments are accounted on the trade date. The Scheme uses the average cost method for determining the realized gain or loss on sale of investments. In case of interest bearing securities though investments are accounted on the trade date, interest accrues from the settlement date. However, the effect of all investments traded during the financial year is recorded and reflected in the financial statements for that year. The cost of investments includes cost of acquisition, brokerage, stamp duty and any charge included in broker's brought note.

Rights/Bonus entitlements, if any, are accounted on ex-right/ex-bonus date of the principal stock exchange.

**Valuation of Investments**

Investments are stated at market / fair value at the Balance Sheet date / date of determination. The net asset value of the units of the scheme is determined separately for the units issued under the Options in valuing the Scheme's investments.

- I. Equity securities listed on a recognized stock exchange are valued at the last quoted closing price on National Stock Exchange of India Limited (NSE) on which the security is traded. If on a particular valuation day a security is not traded on NSE the value at which it is traded on the Bombay Stock Exchange Limited (BSE) of India is used. If no trade is recorded during the day the last quoted closing price of the NSE is used when it is not more than thirty days prior to the valuation date.
- II. Non traded and thinly traded equity securities including those not traded within thirty days prior to valuation date are valued at fair value as determined in good faith by the AMC under a procedure that is approved by the trustee of Quantum Mutual Fund in accordance with the provision contained in the Eight Schedule of the SEBI regulations read with guidelines for valuation of securities for mutual funds dated September 18, 2000 and amendments thereto, as applicable, issued by the SEBI
- III. Privately placed equity securities are valued at fair value as determined in good faith by the AMC under a procedure that is approved by the Trustee of Quantum Mutual Fund in accordance with the guidelines for valuation of unlisted equity securities for mutual fund dated May 9, 2002 issued by the SEBI.
- IV. Equity Securities awaiting listing are valued at fair value as determined in good faith by the AMC under a procedure that is approved by the Trustee of Quantum Mutual Fund.
- V. Debt Securities listed on recognized stock exchange are valued at the last quoted closing price on the principal exchange on which the security is traded. If no sale is reported at that time such security is valued at fair value as determined in good faith by the AMC under a procedure that is approved by the Trustee of Quantum Mutual Fund.
- VI. Non traded and thinly traded debt securities are valued at fair value as determined in good faith by the AMC under a procedure that is approved by the Trustee of Quantum Mutual Fund in accordance with the provision contained in the Eight Schedule of the SEBI Regulations, as amended up to date with relevant circulars read with guidelines for valuation of securities for mutual funds dated September 18, 2000

and subsequent amendments thereto, as applicable, issued by the SEBI.

- VII. Privately placed debt securities are valued at fair value as determined in good faith by the AMC under a procedure that is approved by the Trustee of Quantum Mutual Fund.
- VIII. Traded money market securities are valued at the weighted average price at which they are traded on the particular valuation date. If such security is not traded on particular valuation date then security with residual maturity of over 91 days is valued at benchmark yield/matrix of spread over risk free benchmark yield and security with residual maturity of up to 91 days is valued on amortization basis.
- IX. Instruments bought on 'repo' basis are valued at the resale price after deduction of applicable interest upto the date of resale.
- X. An Investment is regarded as non-performing, if the interest and/or principal amount has not been received or remains outstanding for one quarter from the day such income or installment has fallen due.
- XI. The net unrealised gain or loss in the value of investments is determined separately for each category of investments. The change in net unrealised loss, if any, between two balance sheet dates is recognized in the revenue account and net unrealised gain, if any, is adjusted in the unrealised appreciation reserve. The loss on investments sold / transferred during the year is charged to the revenue account instead of being first adjusted against the provision for depreciation, if already created in the previous year.

### (2.3) REVENUE RECOGNITION

Interest income is recorded on an accrual basis. In respect of interest bearing instruments income has been accrued on a day to day basis as it is earned. Where fixed income securities are acquired at premium or discount to the redemption value, such premium or discount is amortized on a straight line basis over the period of redemption.

Dividend income earned by the scheme has been recognised on the date the share is quoted on an ex-dividend basis.

Profit/loss on sale of investment is accounted for in the year in which the contract for sale is entered into. The cost is calculated on the basis of weighted average cost of investment.

### (2.4) EXIT LOAD INCOME

Entire exit load amount collected from the investor is credited to the revenue account.

### (2.5) DETERMINATION OF NET ASSET VALUE (NAV)

The net asset value of the units of the scheme is determined separately for units issued under the Growth / Dividend Options.

For reporting the net asset value for the Options, daily income earned, including realized and unrealized gain or loss in the value of investments and expenses incurred by the Scheme are allocated to the Options in proportion to the value of units outstanding.

### (2.6) UNIT CAPITAL

Unit Capital represents the net outstanding units at the balance sheet date, thereby reflecting all the transactions relating to the period ended on that date.

Upon issue and redemption of units, the net premium or discount to the face value of units is adjusted against the unit premium reserve of the scheme, after an appropriate portion of the issue proceeds and redemption payout is credited or debited respectively to the income equalization reserve.

### (2.7) EQUALISATION ACCOUNT

The purpose of Equalization Account is to maintain per unit distributable surplus so that continuing unit holders' share of distributable surplus remains unchanged on issue or redemption of units. The total distributable surplus (without considering unrealised appreciation) upto the date of issue/ redemption of units have been taken into account for the purpose of ascertaining the amount to be transferred to Equalization Account. The net balance in this account is transferred to the Revenue Account at the end of the year.

### (2.8) CUSTODY FEES

Deutsche Bank AG provides custodial services to the scheme for which it receives custody fees.

### (2.9) INVESTMENT MANAGEMENT FEES

The Scheme has paid or provided for investment management fees payable to the AMC for managing the Scheme at a percentage of the average daily net asset values recorded by the Scheme, such that the investment manager fees chargeable to the Scheme does not exceeds 1.25% of the average daily net asset values recorded by the Scheme upto ₹100 crores and 1% of the excess over ₹100 crores. All costs, charges and expenses incurred by the AMC in the administration and execution of the activities of the Scheme, except costs allowed to be charged to the Scheme under the Securities and Exchange Board of India (Mutual Fund) Regulation, 1996 and amendments thereto, as applicable, are on their own account for which they receive investment management fees.

### (2.10) TRUSTEE FEES

As per the Trust deed entered between Quantum Advisors Private Limited (Sponsor) and Quantum



Trustee Company Private Limited (Trustee) on October 7, 2005, the fund is entitled to pay Trusteeship fees. During the year no trustee fee amount is charged to the scheme, hence the entire amount of trustee fee is borne by the AMC.

### (2.11) REGISTRAR & TRANSFER AGENT FEES

Karvy Computershare Private Limited provides registrar and share transfer services to the scheme for which it receives registrar and share transfer fees.

### (2.12) INCOME TAX

No Provision for taxation has been made since the income of the scheme is exempt under section 10(23D) of the Income Tax Act, 1961.

## 3. NOTES TO ACCOUNTS

### (1) OPTIONS

The Scheme has two options Growth option and Dividend option. A combined Balance Sheet and Revenue Account is prepared for the Scheme.

### (2) VALUE OF INVESTMENT AS ON MARCH 31, 2012

The Cost and Market Value/ Fair Value of Investment as on March 31, 2012 is given below.

Securities	March 31, 2012		March 31, 2011	
	Cost (₹)	Market Value (₹)	Cost (₹)	Market Value (₹)
Equity Shares	886,473,165	980,053,969	519,983,229	632,226,755
Collateralised Borrowing & Lending Obligation (CBLO)	127,995,051	127,995,051	104,383,141	104,383,141
<b>TOTAL</b>	<b>1,014,468,216</b>	<b>1,108,049,020</b>	<b>624,366,370</b>	<b>736,609,896</b>

### (3) NON PERFORMING INVESTMENTS.

Type of Investment	Carrying Value Amount (₹)	Market value Amount (₹)	Provisions
NIL	NIL	NIL	NIL

### (4) AGGREGATE APPRECIATION AND DEPRECIATION IN THE VALUE OF INVESTMENTS

Aggregate appreciation and depreciation in value of investments as on March 31, 2012 is as follows:

Particulars	March 31, 2012	March 31, 2011
Equity Shares		
Unrealised Appreciation	145,152,377.16	131,445,010.76
Unrealised Depreciation	(51,571,572.32)	(19,201,484.31)
<b>Net Unrealised Appreciation/ (Depreciation)</b>	<b>93,580,804.84</b>	<b>112,243,526.45</b>

### (5) AGGREGATE VALUE OF PURCHASE AND SALE OF INVESTMENTS MADE DURING THE YEAR

Purchases (excluding CBLO and Fixed deposits) – ₹ 475,345,711.10

As a percentage of average daily net assets is 53.57 %

Sales / Redemptions (excluding CBLO and Fixed deposits) – ₹ 130,009,069.20

As a percentage of average daily net assets 14.65%

### (6) NAV

Net Asset Value (Face Value - ₹ 10) as on March 30, 2012

Scheme	NAV (March 30, 2012)*	NAV (March 31, 2011)
Growth Option	22.30	22.64
Dividend Option	22.49	22.84

\*As 31<sup>st</sup> March, 2012 is a Non-business day NAV of 30<sup>th</sup> March, 2012 has been shown.

**(7) INCOME AND EXPENDITURE**

The total income and expenditure and these amounts as a percentage of the Scheme's average daily net assets on an annualized basis are provided below:

Income (Net off losses on sale of Investments and excluding unrealized appreciation)

- Amount ₹ 43,104,306.96 /-
- As a percentage of average daily net assets is 4.86 %

Expenditure

- Amount ₹ 11,407,295.47/-
- As a percentage of average daily net assets is 1.29 %

**(8) INVESTMENT MANAGEMENT FEES**

Investment Management Fees has been computed on

the basis of Average Daily Net Assets of the Scheme accrued on a daily basis. Average daily Net Asset is ₹ 887,335,518.36 & fees charged 1.04% Management Fees accrued during the period is ₹ 9,188,893.91/- inclusive of statutory levies with service tax.

**(9) OTHER EXPENSES**

Other expenses only to the extent of 0.25% are borne by the scheme and rests of the expenses are borne by the AMC.

**(10) CONTRACTS PENDING DELIVERIES**

Sales of securities by the Scheme, the deliveries of which were pending as on March 31<sup>st</sup>, 2012, amounted to ₹ 8,349,812.74. There were no contracts for Purchase pending deliveries as on March 31, 2012.

**(11) MOVEMENT IN UNIT CAPITAL**

Particulars	2011-12		2010-11	
	Units	Amount	Units	Amount
<b>Units of ₹ 10 each fully paid up</b>				
<b>Growth Option</b>				
Opening	28,152,625.14	281,526,251.41	22,187,956.85	221,879,568.48
- Issued during the period	19,449,222.90	194,492,229.00	9,927,011.38	99,270,113.84
- Redeemed during the period	4,724,274.62	47,242,746.20	3,962,343.09	39,623,430.91
- Outstanding at end of the period	42,877,573.42	428,775,734.21	28,152,625.14	281,526,251.41
<b>Dividend Option</b>				
Opening	4,410,588.62	44,105,886.24	4,540,859.98	45,408,599.77
- Issued during the period	2,049,199.18	20,491,991.80	2,356,941.44	23,569,414.39
- Redeemed during the period	775,835.08	7,758,350.80	2,487,212.79	24,872,127.92
- Outstanding at end of the period	5,683,952.72	56,839,527.24	4,410,588.62	44,105,886.24
<b>Grand Total</b>				
Opening	32,563,213.76	325,632,137.65	26,728,816.83	267,288,168.25
- Issued during the period	21,498,422.08	214,984,220.80	12,283,952.82	122,839,528.23
- Redeemed during the period	5,500,109.70	55,001,097.00	6,449,555.88	64,495,558.83
- Outstanding at end of the period	48,561,526.14	485,615,261.45	32,563,213.77	325,632,137.65

**(12) DISCLOSURE UNDER REGULATIONS 25 (8) OF THE SEBI REGULATIONS – PAYMENTS OF FEES TO ASSOCIATE COMPANIES**

Quantum Long Term Equity Fund has made NIL payment to Associate companies during the year ended March 31, 2012 (Please refer note no. 21)

**(13) INVESTMENTS IN GROUP COMPANIES**

Quantum Long Term Equity Fund has made NIL investment in group companies during the year ended March 31, 2012

**(14) LARGE HOLDINGS**

Unit holders holding over 25% of the Scheme's NAV is NIL as at the end of the year March 31, 2012

**(15) DISCLOSURE UNDER REGULATION 25(11) OF THE SECURITY AND EXCHANGE BOARD OF INDIA (MUTUAL FUNDS) REGULATIONS, 1996 AS AMENDED - NIL**

**(16) SUPPLEMENTARY INVESTMENT PORTFOLIO INFORMATION AND INDUSTRYWISE CLASSIFICATION**

Details of investment portfolio and industry wise classification of the Scheme's investments in each category of investments at March 31, 2012, are presented below. The industry and company exposures are stated as a percentage of the Scheme's net assets as at March 31, 2012, as well as the aggregate investments in each investment category.

Name of the Instrument	Quantity	Market/ Fair Value (₹ In Lakhs)	% to Net Asset	% to Investment Category
<b>EQUITY &amp; EQUITY RELATED</b>				
<b>Listed /Awaiting listing on the Stock Exchange</b>				
<b>Auto</b>		<b>1,182.76</b>	<b>10.9</b>	<b>12.07</b>
Bajaj Auto Ltd	43,621	732.31	6.75	7.47
Maruti Suzuki India Ltd	33,354	450.45	4.15	4.6
<b>Banks</b>		<b>1,615.35</b>	<b>14.9</b>	<b>16.48</b>
Axis Bank Ltd	20,551	235.56	2.17	2.4
HDFC Bank Ltd	125,671	653.3	6.03	6.67
ING Vysya Bank Ltd	96,909	344.12	3.17	3.51
State Bank of India	18,240	382.37	3.53	3.9
<b>Construction Project</b>		<b>384.41</b>	<b>3.55</b>	<b>3.92</b>
Voltas Ltd	342,455	384.41	3.55	3.92
<b>Consumer Non Durables</b>		<b>491.57</b>	<b>4.53</b>	<b>5.02</b>
Hindustan Unilever Ltd	56,323	230.95	2.13	2.36
Tata Global Beverages Ltd	231,969	260.62	2.4	2.66
<b>Ferrous Metals</b>		<b>368.85</b>	<b>3.4</b>	<b>3.76</b>
Tata Steel Ltd	78,188	368.85	3.4	3.76
<b>Finance</b>		<b>869.9</b>	<b>8.02</b>	<b>8.88</b>
Housing Development Finance Corporation Ltd	95,659	644.07	5.94	6.57
Power Finance Corporation Ltd	122,368	225.83	2.08	2.31
<b>Gas</b>		<b>336.3</b>	<b>3.1</b>	<b>3.43</b>
GAIL (India) Ltd	89,383	336.3	3.1	3.43
<b>Hotels</b>		<b>405.74</b>	<b>3.74</b>	<b>4.14</b>
Indian Hotels Company Ltd	636,948	405.74	3.74	4.14
<b>Industrial Capital Goods</b>		<b>305.42</b>	<b>2.82</b>	<b>3.12</b>
Crompton Greaves Ltd	221,155	305.42	2.82	3.12
<b>Industrial Products</b>		<b>236.12</b>	<b>2.18</b>	<b>2.41</b>
Cummins India Ltd	47,663	236.12	2.18	2.41
<b>Media &amp; Entertainment</b>		<b>515.9</b>	<b>4.76</b>	<b>5.26</b>
Zee Entertainment Enterprises Ltd	407,020	515.9	4.76	5.26
<b>Oil</b>		<b>433.55</b>	<b>4</b>	<b>4.42</b>
Oil & Natural Gas Corporation Ltd	161,560	433.55	4	4.42
<b>Power</b>		<b>565.44</b>	<b>5.22</b>	<b>5.77</b>
NTPC Ltd	176,330	286.98	2.65	2.93
PTC India Ltd	453,522	278.46	2.57	2.84
<b>Software</b>		<b>1,218.19</b>	<b>11.24</b>	<b>12.43</b>
Infosys Ltd	20,955	600.63	5.54	6.13
Tata Consultancy Services Ltd	52,837	617.56	5.7	6.3
<b>Telecom - Services</b>		<b>220.34</b>	<b>2.03</b>	<b>2.25</b>
Bharti Airtel Ltd	65,210	220.34	2.03	2.25

<b>Transportation</b>		<b>650.70</b>	<b>6.00</b>	<b>6.64</b>
Container Corporation of India Ltd	53,863	514.31	4.74	5.25
Gateway Distriparks Ltd	88,653	136.39	1.26	1.39
<b>Unlisted</b>	-	-	-	-
<b>Total</b>		<b>9,800.54</b>	<b>90.39</b>	<b>100</b>
<b>Cash &amp; Cash Equivalent</b>				
Collateralised Borrowing & Lending Obligation (CBLO)		1,279.95	11.81	
Net Receivable/(payable)		-238.18	-2.2	
<b>Grand Total</b>		<b>10,842.31</b>	<b>100</b>	

**(17) BORROWINGS**

The scheme has not made any borrowing during the year ended March 31, 2012. (Previous Year – Nil)

**(18) DERIVATIVES**

The scheme has no exposure to derivative products during the financial year (Previous Year – Nil)

**(19) SEGMENT REPORTING**

As per disclosure requirement under Accounting Standard 17 on 'Segment Reporting' issued by ICAI the scheme operates only in one segment viz. to primarily generate returns, based on schemes' investment objective.

**(20) CONTINGENT LIABILITIES**

The Contingent Liabilities as on 31<sup>st</sup> March 2012 is NIL (Previous Year – Nil)

The scheme has not taken any underwriting obligation during the year ended March 31, 2012 (Previous Year – Nil)

**(21) RELATED PARTY TRANSACTIONS**

The scheme has entered into transactions with some of the following related parties. The information required in this regard in accordance with Accounting Standards 18

**Related party relationships**

<b>Name</b>	<b>Description of relationship</b>
Quantum Advisors Private Limited	Sponsor
Quantum Asset Management Company Private Limited	Asset Management Company
Quantum Trustee Company Private Limited	Trustee
Quantum Information Services Private Limited	Associate
Helpyourngo.com India Private Limited	Associate
Equitymaster India Limited	Associate
Equitymaster Agora Research Private Limited	Associate
Personalfn Insurance Services India Limited	Associate
Menlo Oak Venture Investments	Associate
Primary Real Estate Advisors Private Limited	Associate
PREI Management Limited Mauritius	Associate
QIEF Management LLC	Associate
QACPI India Fixed Income Fund Limited, Mauritius	Associate
G Corp Homes Private Limited	Associate

**Other Schemes of the Fund**

Quantum Liquid Fund

Quantum Gold Fund

Quantum Index Fund

Quantum Tax Saving Fund

Quantum Equity Fund of Funds

Quantum Gold Savings Fund

Transaction, if any with the above mentioned related parties as defined under Regulations 25(8) of the SEBI Regulation are provided below:

Name of the related party	Nature of transactions	Year ended March 31, 2012	Balance as at March 31, 2012	Year ended March 31, 2011	Balance as at Mar 31, 2011
Quantum Assets Management Co Pvt Ltd.	Subscription	-	-	-	-
	Redemption	-	-	59,044,330.43	-
	Net Assets value of investment at balance sheet date	-	-	-	-
Quantum Asset Management Co Pvt. Ltd	Management Fees	9,188,893.91	845,001.06	6,715,380.35	661,879.27
QIEF Management LLC	Subscription	-	-	-	-
	Redemption	53,852,065.24	-	-	-
	Net Assets value of investment at balance sheet date	-	53,554,274.81	-	-

Neither the sponsor nor the associates of the Quantum Mutual Fund have acted as arranger or manager of any issue of equity or debt. The associate company has not lead managed any issue.

**Brokerage and commission paid to associates as per SEBI circular SEBI/IMD/CIR No 18 / 198647 /2010 dated March 15, 2010.**

**a) Brokerage paid to Associates Companies during the last two fiscal years:-**

Name of Associate Company	Nature of Association/ Nature of relation	Period covered	Value of transaction (in ₹ Cr. & % of total value of transaction of the fund)		Brokerage (₹ Cr & % of total brokerage paid by the fund)	
HDFC Securities Limited	Associate Broker	April 01, 2010 - March 31, 2011	1.17 Cr.	1.83%	0.002 Cr.	1.81%
HDFC Securities Limited	Associate Broker	April 01, 2011 - March 31, 2012	-	-	-	-

## b) Commission paid to Associate Companies during the last two fiscal years:-

Name of Associate company	Nature of Association/ Nature of relation	Period covered	Business given (₹ Cr. & % of total business received by the fund)	Commission paid (₹ & % of total commission paid by the fund)
Quantum Information Services Private Limited	Associate Company	April 01, 2010 - March 31, 2011	0.44 cr. & 7.89%	Nil
Quantum Information Services Private Limited	Associate Company	April 01, 2011 - March 31, 2012	0.49 cr. & 1.05%	Nil

## (22) PRIOR PERIOD COMPARATIVES

Previous year's figures have been regrouped/re-arranged wherever necessary.



For Quantum Trustee Company Pvt Ltd

Mr. Jagdish Capoor  
(Chairman)

Mr. Hormazdiyaar Vakil  
(Director)

For Quantum Asset Management Company Pvt Ltd

Mr. Ajit Dayal  
(Chairman)

Mr. Jimmy A. Patel  
(Chief Executive Officer)

Mr. C. Srinivasan  
(Director)

Mr. Atul Kumar  
(Fund Manager)



**HISTORICAL PER UNIT STATISTICS**

Sr. No.	Particulars	Quantum Long Term Equity fund ("the scheme") Audited as of 31.03.2012	Quantum Long Term Equity fund ("the scheme") Audited as of 31.03.2011	Quantum Long Term Equity fund ("the scheme") Audited as of 31.03.2010
	<b>Face Value</b>	<b>RS.10/-</b>	<b>RS.10/-</b>	<b>RS.10/-</b>
(a)	Net Asset Value			
i)	Growth Option	22.30	22.64	19.02
ii)	Dividend Option	22.49	22.84	19.18
(b)	Gross Income broken up into the following components			
i)	income other than profit on sale of investment	0.4520	0.4169	0.2337
ii)	income from profit on inter-scheme sales/transfer of investments	-	-	-
iii)	income from profit on sale of investment to third party	0.4356	3.5261	1.7115
iv)	transfer to revenue account from past years reserve	-	-	-
(c)	Aggregate of expenses, write-off, amortization and charges	0.2349	0.3002	0.3253
(d)	Net Unrealised appreciation in value of investments	1.9271	3.4489	4.5545
(e)	Net Income per unit (excluding unrealized appreciation)	0.6527	3.6428	1.6199
(f)				
i)	<b>Highest sale price</b>			
	Growth Option	23.48	24.48	19.10
	Dividend Option	23.68	24.68	19.26
ii)	<b>Lowest sale price</b>			
	Growth Option	18.72	18.49	9.40
	Dividend Option	18.88	18.65	9.48
iii)	<b>Highest repurchase price</b>			
	Growth Option	22.54	23.50	18.34
	Dividend Option	22.73	23.69	18.49
iv)	<b>Lowest repurchase price</b>			
	Growth Option	17.97	17.75	9.02
	Dividend Option	18.12	17.90	9.10
	Price earning ratio	N.A	N.A	N.A
(g)	Ratio of expenses to average net assets (excluding unrealized depreciation and amortization of deferred revenue expenditure)	1.29%	1.53%	2.18%
(h)	Ratio of gross income to average daily net assets	4.86%	21.06%	13.02%

Profit with Process

## AUDITORS' REPORT

TO

THE BOARD OF TRUSTEES OF  
QUANTUM MUTUAL FUND

We have audited the attached Balance Sheet of the Quantum Liquid Fund (the "scheme") of **Quantum Mutual Fund** as at 31<sup>st</sup> March, 2012, the Revenue Account and the Cash Flow Statement for the year ended on that date, which we have signed under reference to this report. These financial statements are the responsibility of the Management of the Quantum Trustee Company Private Limited and Quantum Asset Management Company Private Limited. Our responsibility is to express an opinion on these financial statements based on our audit.

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

We report that:

1. 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.
2. The Balance Sheet, the Revenue Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account of the scheme.
3. In our opinion, the valuation methods for non-traded securities are fair and reasonable and are in accordance with the guidelines for valuation issued by SEBI, under the regulation.
4. In our opinion, the Balance Sheet and the Revenue Account dealt with by this report have been prepared in accordance with the Accounting Policies and Standards as specified in the Ninth Schedule of the SEBI (Mutual Funds) Regulations, 1996 as amended up to date.
5. In our opinion, and to the best of our information and according to the explanations given to us, the said financial statements give the information required by the SEBI (Mutual Funds) Regulations, 1996 as applicable and give a true and fair view in conformity with the accounting principles generally accepted in India:
  - i) in the case of the Balance Sheet, of the state of affairs of the scheme as at 31<sup>st</sup> March, 2012
  - ii) in the case of the Revenue Account, of the surplus of the scheme for the year ended on that date ; and
  - iii) in the case of the Cash Flow Statement of the scheme for the year ended on that date

For **HARIBHAKTI & CO.**

Chartered Accountants

Firm Registration No. – 103523W

sd/-

**CHETAN DESAI**

Partner

Membership No 17000

Place: Mumbai

Date: 25th May, 2012

**QUANTUM LIQUID FUND**  
**BALANCE SHEET AS AT 31ST MARCH 2012**

	Schedule	31st March, 2012 Amount (₹)	31st March, 2011 Amount (₹)
<b>LIABILITIES</b>			
Unit Capital	'A'	195,584,620	206,718,928
Reserves and Surplus	'B'	61,506,278	39,704,036
Current Liabilities and Provisions	'C'	574,554	446,750
<b>Total</b>		<b>257,665,452</b>	<b>246,869,714</b>
<b>ASSETS</b>			
Investments	'D'	257,067,001	213,710,223
Deposits	'E'	-	32,500,000
Other Current Assets	'F'	598,451	659,491
<b>Total</b>		<b>257,665,452</b>	<b>246,869,714</b>
Notes forming part of Accounts	'G'		

For Quantum Trustee Company Pvt Ltd

For Quantum Asset Management Company Pvt Ltd

Mr. Jagdish Capoor  
(Chairman)

Mr. Ajit Dayal  
(Chairman)

Mr. C. Srinivasan  
(Director)

Mr. Hormazdiyaar Vakil  
(Director)

Mr. Jimmy A. Patel  
(Chief Executive Officer)

Mr. Arvind Chari  
(Fund Manager)

As per our report of even date  
 For Haribhakti & Co.  
 Chartered Accountants  
 FRN: 103523W

Mr. Chetan Desai  
 Partner  
 Membership No: 17000  
 Place : Mumbai  
 Date :May 25, 2012

**QUANTUM LIQUID FUND**  
**REVENUE ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2012**

Schedule	31st March, 2012 Amount (₹)	31st March, 2011 Amount (₹)
<b><u>INCOME</u></b>		
Interest	703,973	3,211,785
Accretion of Discount	24,666,258	13,832,611
Profit on sale / redemption of investments (Other than inter-scheme transfer / sale)	38,890	13,884
Other Income (Interest on CCIL Margin)	15,122	7 224
<b>Total</b>	<b>25,424,243</b>	<b>17,065,504</b>
<b><u>EXPENSES AND LOSSES *</u></b>		
Management fees	999,890	756,879
Registrar & Transfer Agent's fees	-	35,057
Other operating expenses	-	125,246
Net Change in Unrealised depreciation in the value of investments	214	-
<b>Total</b>	<b>1,000,104</b>	<b>917,182</b>
<b>Net Surplus / ( Deficit ) for the period</b>	<b>24,424,139</b>	<b>16,148,322</b>
<b>APPROPRIATION ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2012</b>		
Net Surplus brought forward from previous year	38,366,941	41,223,282
Net Surplus / (Deficit) for the period	24,424,139	16,148,322
Transferred (to)/ from Equalisation Account	6,909,112	(12,467,143)
<b>Less : Dividend distributed</b>	<b>(7,591,140)</b>	<b>(5,118,275)</b>
<b>Less : Tax on Dividend</b>	<b>(2,169,238)</b>	<b>(1,419,245)</b>
<b>Net Surplus / ( Deficit ) carried forward</b>	<b>59,939,814</b>	<b>38,366,941</b>
Notes forming parts of Accounts		
* please refer note no. 09		

For Quantum Trustee Company Pvt Ltd

For Quantum Asset Management Company Pvt Ltd

Mr. Jagdish Capoor  
(Chairman)Mr. Ajit Dayal  
(Chairman)Mr. C. Srinivasan  
(Director)Mr. Hormazdiyaar Vakil  
(Director)Mr. Jimmy A. Patel  
(Chief Executive Officer)Mr. Arvind Chari  
(Fund Manager)

As per our report of even date  
 For Haribhakti & Co.  
 Chartered Accountants  
 FRN: 103523W

Mr. Chetan Desai  
 Partner  
 Membership No: 17000  
 Place : Mumbai  
 Date : May 25, 2012

**QUANTUM LIQUID FUND**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2012**

	2011-12 Amount (₹)	2010-11 Amount (₹)
<b>A. Cash flow from Operating Activity</b>		
Surplus for the period	24,424,139	16,148,322
Adjustments for:-		
(Increase)/Decrease in investments at cost	(48,063,241)	59,253,037
(Increase)/Decrease in Deposits	32,500,000	(22,500,000)
(Increase)/Decrease in other current assets	7,796	526,192
Increase/(Decrease) in current liabilities	28,702	(85,235)
<b>Net cash generated/(used) in operations (A)</b>	<b>8,897,396</b>	<b>53,342,316</b>
<b>B. Cash flow from Financing Activities</b>		
Increase/(Decrease) in unit capital	(11,134,307)	(22,559,486)
Increase/(Decrease) in unit premium reserve	7,140,712	(11,129,335)
Adjustments for:-		
(Increase)/Decrease in subscription received for units pending allotment to investors	99,101	349,000
Dividend and tax thereon paid during the period	(9,760,377)	(6,537,520)
<b>Net cash generated/(used) from financing activities (B)</b>	<b>(13,654,871)</b>	<b>(39,877,341)</b>
<b>Net Cash and cash equivalents at the end of period (A + B)</b>	<b>(4,757,475)</b>	<b>13,464,975</b>
Cash and cash equivalents, beginning of the period/year	13,929,797	464,822
<b>Cash and cash equivalents, end of the year</b>	<b>9,172,322</b>	<b>13,929,797</b>
<b>Components of cash and cash equivalents</b>		
Balances with banks in current accounts	598,426	651,669
Collateralised borrowing & lending obligation	8,573,896	13,278,128
	<b>9,172,322</b>	<b>13,929,797</b>

For Quantum Trustee Company Pvt Ltd

For Quantum Asset Management Company Pvt Ltd

Mr. Jagdish Capoor  
(Chairman)Mr. Ajit Dayal  
(Chairman)Mr. C. Srinivasan  
(Director)Mr. Hormazdiyaar Vakil  
(Director)Mr. Jimmy A. Patel  
(Chief Executive Officer)Mr. Arvind Chari  
(Fund Manager)

As per our report of even date  
 For Haribhakti & Co.  
 Chartered Accountants  
 FRN: 103523W

Mr. Chetan Desai  
 Partner  
 Membership No: 17000  
 Place : Mumbai  
 Date : May 25, 2012

**QUANTUM LIQUID FUND**  
**SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2012**

	Units	31st March, 2012 Amount (₹)	Units	31st March, 2011 Amount (₹)
<b>SCHEDULE 'A'</b>				
<b><u>UNIT CAPITAL</u></b>				
(Face Value of ₹ 10 Each)				
Unit Capital {Opening Balance}	20,671,893	206,718,928	22,927,841	229,278,414
Add : Subscription during the year / period	45,560,031	455,600,314	38,853,036	388,530,358
Less : Redemption during the year / period	(46,673,462)	(466,734,622)	(41,108,984)	(411,089,844)
<b>Unit Capital (Closing Balance)</b>	<b>19,558,462</b>	<b>195,584,620</b>	<b>20,671,893</b>	<b>206,718,928</b>
<b>SCHEDULE 'B'</b>				
<b><u>RESERVE &amp; SURPLUS</u></b>				
<b><u>Unit Premium</u></b>				
Opening Balance		1,334,864		(2,944)
<b>Add/(Less) : Net Additions\ (Deduction) during the year / period</b>		7,140,712		(11,129,335)
<b>Add/(Less):-Transferred (to) / from Equalisation Account</b>		(6,909,112)		12,467,143
<b>Closing Balance</b>		<b>1,566,464</b>		<b>1,334,864</b>
<b><u>Equalisation Account</u></b>				
Transferred from / (to) Unit Premium Reserve		6,909,112		(12,467,143)
<b>Add/(Less): Transferred (to) / from Revenue Account</b>		(6,909,112)		12,467,143
<b>Closing Balance</b>		<b>-</b>		<b>-</b>
<b><u>Unrealised Appreciation in the value of Investments (Net)</u></b>				
Opening Balance		2,231		89
Add: Net change during the year / period		(2,231)		2,142
		<b>-</b>		<b>2,231</b>
<b><u>Appropriation Account</u></b>				
Surplus/(Deficit) carried forward		59,939,814		38,366,941
<b>Total Reserves &amp; Surplus</b>		<b>61,506,278</b>		<b>39,704,036</b>
<b>SCHEDULE 'C'</b>				
<b><u>CURRENT LIABILITIES &amp; PROVISIONS</u></b>				
Management Fees Payable		76,477		69,884
TDS Payable		8,998		7,971
Dividend Tax Payable		40,978		19,895
Units pending allotment		448,101		349,000
<b>Total</b>		<b>574,554</b>		<b>446,750</b>



	Units	31st March, 2012 Amount (₹)	Units	31st March, 2011 Amount (₹)
<b>SCHEDULE 'D'</b>				
<b><u>INVESTMENTS</u></b>				
Certificate of Deposits		245,542,170		197,973,627
Treasury Bill		2,950,935		2,458,468
Collateralised borrowing & lending obligation		8,573,896		13,278,128
<b>Total</b>		<b>257,067,001</b>		<b>213,710,223</b>
<b>SCHEDULE 'E'</b>				
<b><u>DEPOSITS</u></b>				
Fixed Deposit with Schedule Banks		-		30,000,000
Margin Money - The Clearing Corporation of India Ltd (CCIL)		-		2,500,000
<b>Total</b>		<b>-</b>		<b>32,500,000</b>
<b>SCHEDULE 'F'</b>				
<b><u>OTHER CURRENT ASSETS</u></b>				
Balances with Banks in Current Account		598,425		651,669
Receivable from Quantum Asset Management Co. Pvt. Ltd		26		-
Interest Receivable		-		7,822
<b>Total</b>		<b>598,451</b>		<b>659,491</b>



# QUANTUM

MUTUAL FUND

Profit with Process

## SCHEDULE 'G'

## Notes:

## 1. ORGANISATION

Quantum Liquid Fund ("the Scheme") is an open-ended liquid scheme of Quantum Mutual Fund and was launched on April 3, 2006. Quantum Mutual Fund has been sponsored by Quantum Advisors Private Ltd. Quantum Asset Management Company Private Limited incorporated under the Companies Act, 1956 has been appointed as the Asset Management Company. The duration of the scheme is perpetual. The Scheme closed for initial subscription on April 4, 2006 and opened for ongoing subscription on April 10, 2006.

In accordance with the SEBI (Mutual Funds) Regulations, 1996 ('the SEBI Regulations'), the Board of Directors of Quantum Trustee Company Private Limited ('the Trustee') has appointed Quantum Asset Management Company Private Limited ('the AMC') to manage the Fund's affairs and operate its Schemes. The investment objective of the Scheme is to provide optimal returns with low to moderate levels of risks and high liquidity through judicious investments in money market and debt instruments. The Scheme offers its investors a Growth Option, Monthly Dividend Payout Option and Daily Dividend Re-investment Option (collectively 'the Options').

## 2. SIGNIFICANT ACCOUNTING POLICIES

## (2.1) BASIS OF ACCOUNTING

The scheme maintains its books of accounts on an accrual basis. These financial statements have been prepared in accordance with the accounting policies and standards specified in the ninth schedule of the Securities and Exchange Board of India (Mutual Fund) Regulation, 1996 and amendments thereto as applicable.

## (2.2) INVESTMENT

## Accounting of Investments

Investments are accounted on the trade date. The Scheme uses the average cost method for determining the realized gain or loss on sale of investments. In case of interest bearing securities though investments are accounted on the trade date, interest accrues from the settlement date. However, the effect of all investment traded during the financial year is recorded and reflected in the financial statement for that year. The cost of investment includes cost of acquisition, brokerage, stamp duty and any charge included in broker's brought note.

## Valuation of Investments

Investments are stated at market / fair value at the Balance Sheet date / date of determination. The net asset value of the units of the scheme is determined separately for the units issued under the Options in valuing the Scheme's investments.

1. Debt securities listed on a recognized stock exchange are valued at the last quoted closing price on the principal exchange on which the security is traded. If no sale is reported at that time, such securities are valued at fair value as determined in good faith by the AMC under procedure approved by the Board of Trustee of Quantum Mutual Fund.
2. Non-traded and thinly traded debt securities are valued at fair value as determined by AMC under procedure approved by the Board of Trustee of Quantum Mutual Fund in accordance with the guidelines for valuation of securities for mutual funds dated September 18, 2000 and amendments thereto, as applicable, issued by the SEBI.
3. Privately placed debt securities are valued at fair value as determined in good faith by AMC under procedures approved by the Trustee of Quantum Mutual Fund.
4. Traded money market securities are valued at the weighted average price at which they are traded on the particular valuation date. If such security is not traded on particular valuation date then security with residual maturity of up to 91 days is valued on amortization basis.
5. Instruments bought on 'repo' basis are valued at the resale price after deduction of applicable interest up to the date of resale.
6. An investment is regarded as non-performing, if the interest and/or principal amount has not been received or remains outstanding for one quarter from the day such income or installment has fallen due.
7. The net unrealised gain or loss in the value of investments is determined separately for each category of investments. The change in net unrealised loss, if any, between two balance sheet dates is recognized in the revenue account and net unrealised gain, if any, is adjusted in the unrealised appreciation reserve. The loss on investments sold / transferred during the year is charged to the revenue account instead of being first adjusted against the provision for depreciation, if already created in the previous year.

## (2.3) REVENUE RECOGNITION

Interest income is recorded on an accrual basis. In respect of interest bearing instruments income has been accrued on a day to day basis as it is earned.

Where fixed income securities are acquired at premium or discount to the redemption value, such premium or discount is amortized on a straight line basis over the period of redemption.

Profit/loss on sale of investment is accounted for in the year in which the contract for sale is entered into. The cost is calculated on the basis of weighted average cost of investment.

#### **(2.4) DETERMINATION OF NET ASSET VALUE (NAV)**

The net asset value of the units of the scheme is determined separately for units issued under the Growth / Dividend Options.

For reporting the net asset value for the Options, daily income earned, including realized and unrealized gain or loss in the value of investments and expenses incurred by the Scheme are allocated to the Options in proportion to the value of units outstanding.

#### **(2.5) UNIT CAPITAL**

Unit Capital represents the net outstanding units at the balance sheet date, thereby reflecting all the transactions relating to the period ended on that date.

Upon issue and redemption of units, the net premium or discount to the face value of units is adjusted against the unit premium reserve of the scheme, after an appropriate portion of the issue proceeds and redemption payout is credited or debited respectively to the income equalization reserve.

#### **(2.6) EQUALISATION ACCOUNT**

The purpose of Equalization Account is to maintain per unit distributable surplus so that continuing unitholders' share of distributable surplus remains unchanged on issue or redemption of units. The total distributable surplus (without considering unrealised appreciation) upto the date of issue/ redemption of units have been taken into account for the purpose of ascertaining the amount to be transferred to Equalization Account. The net balance in this account is transferred to the Revenue Account at the end of the year.

#### **(2.7) CUSTODY FEES**

Deutsche Bank AG provides custodial services to the scheme for which it receives custody fees.

#### **(2) VALUE OF INVESTMENT AS ON MARCH 31, 2012**

The Cost and Market Value/Fair Value of Investment as on March 31, 2012 is given below.

Securities	March 31, 2012		March 31, 2011	
	Cost (₹)	Market Value (₹)	Cost (₹)	Market Value (₹)
Debt and Money Market Instruments	248,493,320.49	248,493,106.45	230,429,863.37	230,432,094.57
Collateralised Borrowing & Lending Obligation (CBLO)	8,573,896.91	8,573,896.91	13,278,128.73	13,278,128.73
Total	257,067,217.40	257,067,003.36	243,707,992.10	243,710,223.30

As per the SEBI Notification dated February 21 2012, valuation of the investments should be based on the principles of fair valuation method and should be reflective of realizable value. Non-traded debt and money market securities with short term in nature should be valued on amortization basis provided such valuation price is reflective of fair value of the securities.

#### **(2.8) INVESTMENT MANAGEMENT FEES**

The Scheme has paid or provided for investment management fees payable to AMC for managing the Scheme at a percentage of the average daily net asset values recorded by the Scheme, such that the investment manager fees chargeable to the Scheme does not exceeds 1.25% of the average daily net asset values recorded by the Scheme upto ₹100 crores and 1% of the excess over ₹100 crores. All costs, charges and expenses incurred by AMC in the administration and execution of the activities of the Scheme, except costs allowed to be charged to the Scheme under the Securities and Exchange Board of India (Mutual Fund) Regulation, 1996 and amendments thereto, as applicable, are on their own account for which they receive investment management fees.

#### **(2.9) TRUSTEE FEES**

As per the Trust deed entered between Quantum Advisors Private Limited (Sponsor) and Quantum Trustee Company Private Limited (Trustee) on October 7, 2005, the fund is entitled to pay Trusteeship fees. During the year no trustee fee amount is charged to the scheme, hence the entire amount of trustee fee is borne by the AMC.

#### **(2.10) REGISTRAR & TRANSFER AGENT FEES**

Karvy Computershare Private Limited provides registrar and share transfer services to the scheme for which it receives registrar and share transfer fees.

#### **(2.11) INCOME TAX**

No Provision for taxation has been made since the income of the scheme is exempt under section 10(23D) of the Income Tax Act, 1961.

### **3. NOTES TO ACCOUNTS**

#### **(1) OPTIONS**

The scheme has three Options: Growth Option, Daily Dividend Re-Investment Option and Monthly Dividend Payout Option. A Combined Balance Sheet and Revenue Account are prepared for the Scheme.

Accordingly short term securities have been valued on amortization basis with due monitoring to ensure that the price arrived at is reflective of the fair value method as per the recommendation of the Board.

(3) **NON PERFORMING INVESTMENTS**

Type of Investments	Carrying Value Amount (₹)	Market value Amount (₹)	Provisions
NIL	NIL	NIL	NIL

(4) **NAV**

Net Asset Value (Face Value - ₹ 10) as on March 30, 2012

Scheme	NAV (March 30, 2012)*	NAV (March 31, 2011)
Growth Option	15.2303	13.9665
Daily Dividend Reinvestment Option	10.0000	10.0001
Monthly Dividend Payout Option	10.0118	10.0148

\*As 31<sup>st</sup> March, 2012 is a Non-business day NAV of 30<sup>th</sup> March, 2012 has been shown.

(5) **AGGREGATE APPRECIATION AND DEPRECIATION IN THE VALUE OF INVESTMENTS**

Aggregate Depreciation in value of investments is ₹ 214.06/- as on 31<sup>st</sup> March 2012.

(6) **AGGREGATE VALUE OF PURCHASE AND SALE OF INVESTMENTS**

Purchases (excluding CBLO & Fixed deposits) – ₹ 1,055,164,045/-

- As a percentage of average daily net assets is 373.27%

Sales / Redemptions (excluding CBLO & Fixed deposits) – ₹ 1,027,432,850/-

- As a percentage of average daily net assets is 363.46%

(7) **INCOME AND EXPENDITURE**

The total income and expenditure and these amounts as a percentage of the Scheme's average daily net assets on an annualized basis are provided below:

Income (Net off losses on sale of Investments and excluding unrealized appreciation)

- Amount ₹ 25,424,245.18 /-
- As a percentage of average daily net assets is 8.99%

Expenditure

- Amount ₹ 999,890.07 /-
- As a percentage of average daily net assets is 0.35%

(8) **INVESTMENT MANAGEMENT FEES**

Investment Management Fees has been computed on the basis of Average Daily Net Asset of the Scheme accrued on a daily basis. Average daily Net Asset is ₹ 282,681,878.55/- & fees charged 0.35%. Management Fees accrued during the period is ₹ 999,890.07/- inclusive of statutory levies with service tax.

(9) **OTHER EXPENSES**

From June 01, 2010 onwards all other expenses are fully borne by the AMC.

(10) **CONTRACTS PENDING DELIVERIES**

There were no contracts for sale or purchase pending deliveries as on March 31, 2012.

(11) **MOVEMENT IN UNIT CAPITAL**

Particulars	2011-12		2010-11	
	Units	Amount	Units	Amount
<b>Units of ₹ 10 each fully paid up</b>				
<b>Growth Option</b>				
Opening	10,004,523.93	100,045,239.25	13,329,450.49	133,294,504.94
- Issued during the period	13,660,720.74	136,607,207.40	13,191,144.84	131,911,448.39
- Redeemed during the period	11,918,330.87	119,183,308.70	16,516,071.41	165,160,714.06
- Outstanding at end of the period	11,746,913.80	117,469,137.95	10,004,523.92	100,045,239.27
<b>Daily Dividend Reinvestment Option</b>				
Opening	9,275,273.55	92,752,735.48	8,743,957.74	87,439,577.40
- Issued during the period	29,141,343.98	291,413,439.80	23,645,516.54	236,455,165.37
- Redeemed during the period	31,664,033.23	316,640,332.30	23,114,200.73	231,142,007.30

- Outstanding at end of the period	6,752,584.30	67,525,842.98	9,275,273.55	92,752,735.47
<b>Monthly Dividend Payout Option</b>				
Opening	1,392,095.30	13,920,953.00	854,433.14	8,544,331.40
- Issued during the period	2,757,966.67	27,579,666.70	2,016,374.43	20,163,744.29
- Redeemed during the period	3,091,098.10	30,910,981.00	1,478,712.26	14,787,122.64
- Outstanding at end of the period	1,058,963.87	10,589,638.70	1,392,095.31	13,920,953.05
<b>Grand Total</b>				
opening	20,671,892.78	206,718,927.73	22,927,841.37	229,278,413.74
- Issued during the period	45,560,031.39	455,600,313.90	38,853,035.81	388,530,358.05
- Redeemed during the period	46,673,462.20	466,734,623.00	41,108,984.40	411,089,844.00
- Outstanding at end of the period	19,558,461.97	195,584,618.63	20,671,892.78	206,718,927.79

**(12) DISCLOSURE UNDER REGULATIONS 25 (8) OF THE SEBI REGULATIONS – PAYMENTS OF FEES TO ASSOCIATE COMPANIES**

Quantum Liquid Fund has made NIL payment to Associate companies during the year ended March 31, 2012. (Refer note no. 22)

**(13) INVESTMENTS IN GROUP COMPANIES**

Quantum Liquid Fund has made NIL investment in group companies during the year ended March 31, 2012.

**(14) LARGE HOLDINGS**

Unit holders holding over 25% of the Scheme's NAV is NIL as at the end of the year March 31, 2012.

**(15) DISCLOSURE UNDER REGULATION 25(11) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (MUTUAL FUNDS) REGULATIONS, 1996 AS AMENDED - NIL**

**(16) SUPPLEMENTARY INVESTMENT PORTFOLIO INFORMATION AND INDUSTRYWISE CLASSIFICATION**

Details of investment portfolio and industry wise classification of the Scheme's investments in each category of investments at March 31, 2012, are presented below. The industry and company exposures are stated as a percentage of the Scheme's net assets as at March 31, 2012, as well as the aggregate investments in each investment category.

Name of Investment	Rating	Market Value (₹ Lakhs)	% to Net Asset	% to Category
<b>SHORT TERM DEBT INSTRUEMNTS</b>				
Unlisted/Private placed instruments				
<b>MONEY MARKET INSTRUMENTS</b>				
<b>CERTIFICATE OF DEPOSIT</b>				
<b>BANKS</b>		<b>2,455.42</b>	<b>95.51</b>	<b>100.00</b>
IDBI Bank Ltd CD (MD 07/05/2012)	CRISIL A1+	495.2	19.26	20.17
Indian Overseas Bank CD (MD 28/05/2012)	ICRA A1+	492.15	19.14	20.04
Oriental Bank of Commerce CD (MD 05/06/2012)	CRISIL A1+	490.57	19.08	19.98
UCO Bank CD (MD 14/06/2012)	CRISIL A1+	489.29	19.03	19.93
Canara Bank CD (MD 18/06/2012)	CRISIL A1+	488.21	18.99	19.88
<b>TREASURY BILLS</b>		<b>29.51</b>	<b>1.15</b>	<b>100.00</b>
91 Days T-Bill (MD 08/06/2012)	Sovereign	29.51	1.15	100.00
<b>Cash &amp; Cash Equivalent</b>				
Collateralised Borrowing & Lending Obligation (CBLO)		85.74	3.34	
Net Receivable / (Payables)		0.09	0.00	
<b>Grand Total</b>		<b>2,570.76</b>	<b>100.00</b>	

- (17) The Fund has kept T-bill to the extent of ₹ 30 lacs as a margin money deposit for CBLO investment with The Clearing Corporation of India Ltd (CCIL)

**(18) BORROWINGS**

The scheme has not made any borrowing during the year March 31, 2012 (Previous Year – Nil).

**(19) DERIVATIVES**

The scheme has no exposure to derivative products during the financial year (Previous Year – Nil).

**(20) SEGMENT REPORTING**

As per disclosure requirement under Accounting Standard 17 on 'Segment Reporting' issued by ICAI the scheme operates only in one segment viz. to primarily generate returns, based on schemes' investment objective.

**(21) CONTINGENT LIABILITIES**

The Contingent Liabilities as on 31<sup>st</sup> March 2012 is NIL (Previous Year – Nil)

The scheme has not taken any underwriting obligation during the year ended March 31, 2012 (Previous Year – Nil)

**(22) RELATED PARTY TRANSACTIONS**

The scheme has entered into transactions with various related parties. The information required in this regard in accordance with Accounting Standards 18.

**Related party relationships**

Name	Description of relationship
Quantum Advisors Private Limited	Sponsor
Quantum Asset Management Company Private Limited	Asset Management Company
Quantum Trustee Company Private Limited	Trustee
Quantum Information Services Private Limited	Associate
Helpyourngo.com India Private Limited	Associate
Equitymaster India Limited	Associate
Equitymaster Agora Research Private Limited	Associate
Personalfn Insurance Services India Limited	Associate
Menlo Oak Venture Investments	Associate
Primary Real Estate Advisors Private Limited	Associate
PREI Management Limited Mauritius	Associate
QIEF Management LLC	Associate
QACPI India Fixed Income Fund Limited, Mauritius	Associate
G Corp Homes Private Limited	Associate

**Other Schemes of the Fund**

Quantum Long Term Equity Fund

Quantum Gold Fund

Quantum Index Fund

Quantum Tax Saving Fund

Quantum Equity Fund of Funds

Quantum Gold Savings Fund

Transaction, if any with the above mentioned related parties as defined under Regulation 25(8) of the SEBI Regulation are provided below:

Name of the related party	Nature of transactions	Year ended March 31, 2012	Balance as at March 31, 2012	Year ended March 31, 2011	Balance as at March 31, 2011
Quantum Advisors Pvt. Ltd (QAPL)	Subscription/ Switch In	15,460,905.92	-	590,810.01	-
	Redemption/ Switch Out	10,188,777.75	-	10,000,000.00	-
	Net Assets value of investment at balance sheet date	-	16,010,790.77	-	9,918,491.11
Quantum Assets Management Co Pvt Ltd.	Subscription	-	-	-	-
	Redemption	-	-	13,000,000.00	-
	Net Assets value of investment at balance sheet date	-	55,372,555.07	-	50,777,777.88
Quantum Information Services Private Limited (QIS)	Subscription	2,187,118.12	-	2,256,277.10	-



	Redemption	737,244.47	-	15,000,000.00	-
	Net Assets value of investment at balance sheet date	-	1,884,186.23	-	434,316.98
Equitymaster Agora Research Private Ltd.	Subscription	-	-	47,100,000.00	-
	Redemption	10,700,000.00	-	49,300,000.00	-
	Net Assets value of investment at balance sheet date	-	17,112,001.48	-	26,096,657.58
Primary Real Estate Advisors Pvt. Ltd.	Subscription	49,015,728.36	-	14,780,224.55	-
	Redemption	45,740,000.00	-	14,800,000.00	-
	Net Assets value of investment at balance sheet date	-	5,677,132.23	-	2,401,368.59
Quantum Assets Management Co Pvt Ltd.	Management Fees	999,890.07	76,476.30	756,879.14	69,883.98

Neither the sponsor nor the associates of the Quantum Mutual Fund have acted as arranger or manager of any issue of equity or debt. The associate company has not lead managed any issue.

**Brokerage and commission paid to associates as per SEBI circular SEBI/IMD/CIR No 18 / 198647 /2010 dated March 15, 2011.**

a) **Brokerage paid to Associates Companies during the last two fiscal years:- Nil**

b) **Commission paid to Associate Companies during the last two fiscal years:-**

Name of Associate company	Nature of Association/ Nature of relation	Period covered	Business given (₹ Cr. & % of total business received by the fund)	Commission paid (₹ & % of total commission paid by the fund)
Quantum Information Services Private Limited	Associate Company	April 01, 2010 - March 31, 2011	0.51 cr. & 10.55%	Nil
Quantum Information Services Private Limited	Associate Company	April 01, 2011 - March 31, 2012	0.20 cr. & 0.40%	Nil

### (23) PRIOR PERIOD COMPARATIVES

Previous year's figures have been regrouped/re-arranged wherever necessary.

For Quantum Trustee Company Pvt Ltd

Mr. Jagdish Capoor  
(Chairman)

Mr. Hormazdiyaar Vakil  
(Director)

For Quantum Asset Management Company Pvt Ltd

Mr. Ajit Dayal  
(Chairman)

Mr. Jimmy A. Patel  
(Chief Executive Officer)

Mr. C. Srinivasan  
(Director)

Mr. Arvind Chari  
(Fund Manager)

## HISTORICAL PER UNIT STATISTICS

Sr. No.	Per Unit Particulars (Rupees)	Quantum Liquid fund ("the scheme") Audited as of 31.03.2012	Quantum Liquid fund ("the scheme") Audited as of 31.03.2011	Quantum Liquid fund ("the scheme") Audited as of 31.03.2010
	<b>Face Value</b>	10.00	10.00	10.00
<b>(a)</b>	<b>Net Asset Value</b>			
	Growth Option	15.2346#	13.9665	13.0919
	Daily Dividend Reinvestment Option	10.0000#	10.0001	10.0000
	Monthly Dividend Payout Option	10.0146#	10.0148	10.0078
<b>(b)</b>	<b>Gross Income broken up into the following components</b>			
(i)	Income other than profit on sale of investment	1.2980	0.8179	0.4372
(ii)	Income from profit on sale of investment to third party	0.0020	0.0007	0.0012
(iii)	Income from profit on inter-scheme sales/transfer of investment	-	-	-
(iv)	Transfer to revenue account from past year's reserve	-	-	-
	<b>Gross Income</b>	<b>1.3000</b>	<b>0.8186</b>	<b>0.4348</b>
<b>(c)</b>	<b>Aggregate of expenses, write-off, amortization and charges</b>	0.0511	0.0355	0.0444
<b>(d)</b>	<b>Net Unrealised appreciation in value of investments</b>	<b>0.0000</b>	<b>0.0001</b>	-
<b>(e)</b>	<b>Net Income per unit (excluding unrealized appreciation)</b>	<b>1.2489</b>	<b>0.4029</b>	<b>0.7742</b>
<b>(f)</b>	<b>Highest Repurchase Price</b>			
(I)	Growth Option	15.2346	13.9665	13.0919
(II)	Daily Dividend Reinvestment Option	10.0001	10.0001	10.0000
(III)	Monthly Dividend Payout Option	10.0782	10.0661	10.0559
	<b>Lowest Repurchase Price</b>			
(I)	Growth Option	13.9699	13.1007	12.5482
(II)	Daily Dividend Reinvestment Option	10.0000	10.0000	10.0000
(III)	Monthly Dividend Payout Option	10.0011	10.0000	10.0000
	<b>Highest Resale Price</b>			
(I)	Growth Option	15.2346	13.9665	13.0919
(II)	Daily Dividend Reinvestment Option	10.0001	10.0001	10.0000
(III)	Monthly Dividend Payout Option	10.0782	10.0661	10.0559
	<b>Lowest Resale Price</b>			
(I)	Growth Option	13.9699	13.1007	12.5482
(II)	Daily Dividend Reinvestment Option	10.0000	10.0000	10.0000
(III)	Monthly Dividend Payout Option	10.0011	10.0000	10.0000
	Price earning Ratio	NA	NA	NA
<b>(g)</b>	Ratio of expenses to average daily net assets (excluding Unrealized depreciation and amortization of deferred revenue Expenditure)	0.35%	0.36%	0.37%
<b>(h)</b>	Ratio of gross income to average daily net assets	8.99%	6.77%	4.61%

# March 31, 2012 being a non-business day, NAV of the Liquid Fund considered above has been computed but not published on AMFI website.

## AUDITORS' REPORT

TO

THE BOARD OF TRUSTEES OF  
QUANTUM MUTUAL FUND

We have audited the attached Balance Sheet of the Quantum Gold Fund (the "scheme") of **Quantum Mutual Fund** as at 31<sup>st</sup> March, 2012, the Revenue Account and Cash Flow Statement for the year ended on that date, which we have signed under reference to this report. These financial statements are the responsibility of the Management of the Quantum Trustee Company Private Limited and Quantum Asset Management Company Private Limited. Our responsibility is to express an opinion on these financial statements based on our audit.

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

We report that:

1. 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.
2. The Balance Sheet, the Revenue Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account of the scheme.
3. In our opinion, the valuation methods for non-traded securities are fair and reasonable and are in accordance with the guidelines for valuation issued by SEBI, under the regulation.
4. In our opinion, the Balance Sheet and the Revenue Account dealt with by this report have been prepared in accordance with the Accounting Policies and Standards as specified in the Ninth Schedule of the SEBI (Mutual Funds) Regulations, 1996 as amended up to date.
5. In our opinion, and to the best of our information and according to the explanations given to us, the said financial statements give the information required by the SEBI (Mutual Funds) Regulations, 1996 as applicable and give a true and fair view in conformity with the accounting principles generally accepted in India:
  - i) in the case of the Balance Sheet, of the state of affairs of the scheme as at 31<sup>st</sup> March, 2012
  - ii) in the case of the Revenue Account, of the deficit of the scheme for the year ended on that date ; and
  - iii) in the case of the Cash Flow Statement of the scheme for the year ended on that date

For **HARIBHAKTI & CO.**

Chartered Accountants

Firm Registration No. – 103523W

sd/-

**CHETAN DESAI**

Partner

Membership No 17000

Place: Mumbai

Date: 25th May, 2012

**QUANTUM GOLD FUND**  
**BALANCE SHEET AS AT 31ST MARCH 2012**

	Schedule	31st March, 2012 Amount (₹)	31st March, 2011 Amount (₹)
<b>LIABILITIES</b>			
Unit Capital	'A'	38,036,300	28,181,800
Reserves and Surplus	'B'	478,818,684	255,699,041
Current Liabilities and Provisions	'C'	422,315	238,920
<b>Total</b>		<b>517,277,299</b>	<b>284,119,761</b>
<b>ASSETS</b>			
Investments	'D'	516,694,986	284,101,878
Other Current Assets	'E'	582,313	17,883
<b>Total</b>		<b>517,277,299</b>	<b>284,119,761</b>
Notes forming part of Accounts	'F'		

For Quantum Trustee Company Pvt Ltd

For Quantum Asset Management Company Pvt Ltd

Mr. Jagdish Capoor  
(Chairman)Mr. Ajit Dayal  
(Chairman)Mr. C. Srinivasan  
(Director)Mr. Hormazdiyaar Vakil  
(Director)Mr. Jimmy A. Patel  
(Chief Executive Officer)Mr. Chirag Mehta  
(Fund Manager)

As per our report of even date  
 For Haribhakti & Co.  
 Chartered Accountants  
 FRN: 103523W

Mr. Chetan Desai  
 Partner  
 Membership No: 17000  
 Place : Mumbai  
 Date : May 25, 2012

**QUANTUM GOLD FUND**  
**REVENUE ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2012**

Schedule	31st March, 2012 Amount (₹)	31st March, 2011 Amount (₹)
<b>INCOME</b>		
Interest	11,897	9,512
Profit on sale / redemption of investments (Other than inter-scheme transfer / sale)	3,822,232	9,778,840
<b>Total</b>	<b>3,834,129</b>	<b>9,788,352</b>
<b>EXPENSES AND LOSSES *</b>		
Loss on sale / redemption of investments ( Other than inter-scheme transfers / sale)	27,695	-
Management Fees	4,178,647	2,007,535
Registrar & Transfer Agent's fees	-	15,356
Insurance Premium	-	26,331
Other operating expenses	-	305,744
<b>Total</b>	<b>4,206,342</b>	<b>2,354,966</b>
<b>Net Surplus / ( Deficit ) for the period</b>	<b>(372,213)</b>	<b>7,433,386</b>

**APPROPRIATION ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2012**

Net Surplus brought forward from previous year	8,797,694	84,381
Net Surplus / (Deficit) for the period	(372,213)	7,433,386
Transferred (to)/ from Equalisation Account	2,887,800	1,279,927
<b>Net Surplus / ( Deficit ) carried forward</b>	<b>11,313,281</b>	<b>8,797,694</b>

Notes forming parts of Accounts

\* please refer note no. 09

For Quantum Trustee Company Pvt Ltd

For Quantum Asset Management Company Pvt Ltd

Mr. Jagdish Capoor  
(Chairman)Mr. Ajit Dayal  
(Chairman)Mr. C. Srinivasan  
(Director)Mr. Hormazdiyaar Vakil  
(Director)Mr. Jimmy A. Patel  
(Chief Executive Officer)Mr. Chirag Mehta  
(Fund Manager)

As per our report of even date  
 For Haribhakti & Co.  
 Chartered Accountants  
 FRN: 103523W

Mr. Chetan Desai  
 Partner  
 Membership No: 17000  
 Place : Mumbai  
 Date :May 25, 2012

**QUANTUM GOLD FUND**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012**

	2011-12 Amount (₹)	2010-11 Amount (₹)
<b>A. Cash flow from Operating Activity</b>		
Surplus for the period	(372,213)	7,433,386
Adjustments for:-		
(Increase)/Decrease in investments at cost	(117,832,981)	(74,576,183)
(Increase)/Decrease in other current assets	(570,091)	238,537
Increase/(Decrease) in current liabilities	183,396	120,224
<b>Net cash generated/(used) in operations (A)</b>	<b>(118,591,889)</b>	<b>(66,784,036)</b>
<b>B. Cash flow from Financing Activities</b>		
Increase/(Decrease) in unit capital	9,854,500	7,286,900
Increase/(Decrease) in unit premium reserve	108,457,980	59,698,540
<b>Net cash generated/(used) from financing activities (B)</b>	<b>118,312,480</b>	<b>66,985,440</b>
<b>Net Cash and cash equivalents at the end of period (A + B)</b>	<b>(279,409)</b>	<b>201,404</b>
Cash and cash equivalents, beginning of the year / period	333,446	132,042
<b>Cash and cash equivalents, end of the year</b>	<b>54,037</b>	<b>333,446</b>
Components of cash and cash equivalents		
Balances with banks in current accounts	12,067	17,728
Collateralised borrowing & lending obligation	41,970	315,718
	<b>54,037</b>	<b>333,446</b>

For Quantum Trustee Company Pvt Ltd

For Quantum Asset Management Company Pvt Ltd

Mr. Jagdish Capoor  
(Chairman)Mr. Ajit Dayal  
(Chairman)Mr. C. Srinivasan  
(Director)Mr. Hormazdiyaar Vakil  
(Director)Mr. Jimmy A. Patel  
(Chief Executive Officer)Mr. Chirag Mehta  
(Fund Manager)

As per our report of even date  
 For Haribhakti & Co.  
 Chartered Accountants  
 FRN: 103523W

Mr. Chetan Desai  
 Partner  
 Membership No: 17000  
 Place : Mumbai  
 Date : May 25, 2012



**QUANTUM GOLD FUND**  
**SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2012**

	Units	31st March, 2012 Amount (₹)	Units	31st March, 2011 Amount (₹)
<b>SCHEDULE 'A'</b>				
<b>UNIT CAPITAL</b>				
<b>(Face Value of ₹ 100 Each)</b>				
Unit Capital {Opening Balance}	281,818	28,181,800	208,949	20,894,900
Add : Subscription during the year / period	104,545	10,454,500	124,869	12,486,900
Less : Redemption during the year / period	(6,000)	(600,000)	(52,000)	(5,200,000)
<b>Unit Capital (Closing Balance)</b>	<b>380,363</b>	<b>38,036,300</b>	<b>281,818</b>	<b>28,181,800</b>
<b>SCHEDULE 'B'</b>				
<b>RESERVES &amp; SURPLUS</b>				
<b>Unit Premium</b>				
Opening Balance		180,163,249		121,744,636
Add/(Less) : Net Additions/(Deduction) during the year / period		108,457,981		59,698,540
Add/(Less):-Transferred (to) / from Equalisation Account		(2,887,800)		(1,279,927)
<b>Closing Balance</b>		<b>285,733,430</b>		<b>180,163,249</b>
<b>Equalisation Account</b>				
Transferred from / (to) Unit Premium Reserve		2,887,800		1,279,927
Add/(Less): Transferred (to) / from Revenue Account		(2,887,800)		(1,279,927)
<b>Closing Balance</b>		<b>-</b>		<b>-</b>
<b>Unrealised Appreciation in the value of investments (Net)</b>				
Opening Balance		66,738,098		24,707,176
Add:Net change during the year / period		115,033,875		42,030,922
		<b>181,771,973</b>		<b>66,738,098</b>
<b>Appropriation Account</b>				
Surplus/(Deficit) carried forward		11,313,281		8,797,694
<b>Total Reserves &amp; Surplus</b>		<b>478,818,684</b>		<b>255,699,041</b>
<b>SCHEDULE 'C'</b>				
<b>CURRENT LIABILITIES &amp; PROVISIONS</b>				
Management Fees Payable		380,083		215,030
TDS Payable		42,232		23,890
<b>Total</b>		<b>422,315</b>		<b>238,920</b>
<b>SCHEDULE 'D'</b>				
<b>INVESTMENTS</b>				
Gold		516,653,016		283,786,160
Collateralised Borrowing & Lending Obligation		41,970		315,718
<b>Total</b>		<b>516,694,986</b>		<b>284,101,878</b>
<b>SCHEDULE 'E'</b>				
<b>OTHER CURRENT ASSETS</b>				
Balances with Banks in Current Account		12,067		17,728
Sales Contract outstanding		570,246		-
Receivable from Quantum Asset Management Co. Pvt. Ltd.		-		155
<b>Total</b>		<b>582,313</b>		<b>17,883</b>

## SCHEDULE 'F'

## Notes:

## 1. ORGANISATION

Quantum Gold Fund ("the Scheme") is an open-ended exchange traded Scheme of Quantum Mutual Fund and was launched on January 24, 2008. Quantum Mutual Fund has been sponsored by Quantum Advisors Private Ltd. Quantum Asset Management Company Private Limited incorporated under the Companies Act, 1956 has been appointed as Asset Management Company. The duration of the scheme is perpetual. The Scheme closed for initial subscription on February 8, 2008, and was listed on the NSE on February 28, 2008.

In accordance with the SEBI (Mutual Funds) Regulations, 1996 ('the SEBI Regulations'), the Board of Directors of Quantum Trustee Company Private Limited ('the Trustee') has appointed as the Quantum Asset Management Company Private Limited ('the AMC') to manage the Fund's affairs and operate its Schemes. The Investment Objective of the Scheme is to generate returns that are in line with the performance of gold and gold related instruments subject to tracking errors. However, investment in gold related instruments will be made if and when SEBI permits mutual funds to invest, in gold related instruments. The Scheme is designed to provide returns that before expenses, closely correspond to the returns provided by gold. The Scheme offers its investors the Growth Option.

## 2. SIGNIFICANT ACCOUNTING POLICIES

## (2.1) BASIS OF ACCOUNTING

The scheme maintains its books of accounts on an accrual basis. These financial statements have been prepared in accordance with the accounting policies and standards specified in the ninth schedule of the Securities and Exchange Board of India (Mutual Fund) Regulation, 1996 and amendments thereto as applicable.

## (2.2) INVESTMENTS

## Accounting of Investments

## (2.2.a) Gold

The cost of gold includes cost of acquisition, CIF premium, VAT, Custom Duty, Stamp Duty & Octroi Charges.

On receipt of refund of VAT in future, the carrying value is adjusted accordingly.

## (2.2.b) Others

Investments are accounted on the trade date. The Scheme uses the average cost method for determining the realized gain or loss in sale of investment. In case of interest/discount bearing securities though investments are accounted on the trade date, interest /discount accrues from the settlement date.

## Valuation of Investments

Investments are stated at market / fair value at the Balance Sheet date / date of determination.

- I. The Fund values its investments in gold in accordance with the valuation norms specified under The SEBI (Fourth Amendment) Regulations 2006, notified by the Government vide gazette dated December 27, 2006 (No. F No. SEBI/LAD/DOP/82534/2006)

The Broad Valuation Norms are detailed below:

The gold held by the scheme is in the form of standard bars and its value as on a particular day is determined as under:

- a) The London Bullion Market Association's (LBMA) AM fixing price per troy ounce is increased with the cost, Insurance, Freight premium and the LBMA fixing charges
- b) This value arrived at in (a) above is then converted to the equivalent price for 1 kg gold of 0.995 fineness & 100 Gram gold of 0.999 fineness by applying the conversion factor.
- c) The RBI reference rate is applied to convert the price from US dollars to Indian Rupees.
- d) The Indian levies in the form of custom duty, stamp duty, octroi, Vat as applicable are added to arrive at the final landed price of gold.

If on any day the LBMA AM fixing or RBI reference rate is not available due to holiday, then the immediately previous day's prices are applied for the purpose of calculating the value of gold.

The Fund values its investments in debt and money market instruments according to the Valuation Norms as specified in the Eighth Schedule of the Regulations, or such guidelines/recommendations as may be specified by SEBI/AMFI from time to time.

- II. Traded money market securities are valued at the weighted average price at which they are traded on the particular valuation date. If such security is not traded on particular valuation date then security with residual maturity of over 91 days is valued at benchmark yield/ matrix of spread over risk free benchmark yield and security with residual maturity of up to 91 days is valued on amortization basis.
- III. Instruments bought on 'repo' basis are valued at the resale price after deduction of applicable interest upto the date of resale.
- IV. The net unrealised gain or loss in the value of investments is determined separately for each category of investments. The change in net unrealized loss, if any, between two balance sheet dates is recognized in the revenue account and net unrealised gain, if any, is adjusted in the unrealised appreciation reserve. The loss on investments sold /

transferred during the year is charged to the revenue account instead of being first adjusted against the provision for depreciation, if already created in the previous year.

### (2.3) REVENUE RECOGNITION

Interest income is recorded on an accrual basis. Where fixed income securities are acquired at premium or discount to the redemption value, such premium or discount is amortized on a straight line basis over the period of redemption. In respect of interest bearing instruments income has been accrued on a day to day basis as it is earned.

### (2.4) DETERMINATION OF NET ASSET VALUE (NAV)

For reporting the net asset value for the scheme daily income earned, including realized and unrealized gain or loss in the value of investments and expenses incurred by the Scheme are considered.

### (2.5) UNIT CAPITAL

Unit Capital represents the net outstanding units at the balance sheet date, thereby reflecting all the transactions relating to the period ended on that date.

Upon issue and redemption of units, the net premium or discount to the face value of units is adjusted against the unit premium reserve of the scheme, after an appropriate portion of the issue proceeds and redemption payout is credited or debited respectively to the income equalization reserve.

### (2.6) EQUALISATION ACCOUNT

The purpose of Equalization Account is to maintain per unit distributable surplus so that continuing unitholders' share of distributable surplus remains unchanged on issue or redemption of units. The total distributable surplus (without considering unrealised appreciation) upto the date of issue/redemption of units have been taken into account for the purpose of ascertaining the amount to be transferred to Equalization Account. The net balance in this account is transferred to the Revenue Account at the end of the year.

### (2.7) CUSTODY FEES

Deutsche Bank AG provides custodial services to the scheme for which it receives custody fees.

### (2.8) INVESTMENT MANAGEMENT FEES

The Scheme has paid or provided for investment management fees payable to the AMC for managing the Scheme at a percentage of the average daily net asset values recorded by the Scheme, such that the investment manager fees chargeable to the Scheme does not exceeds 1.25% of the average daily net asset values recorded by the Scheme upto ₹100 crores and 1% of the excess over ₹100 crores. All costs, charges and expenses incurred by Quantum Asset Management Company Private Limited in the administration and execution of the activities of the Scheme, except costs allowed to be charged to the Scheme under the Securities and Exchange Board of India (Mutual Fund) Regulation, 1996 and amendments thereto, as applicable, are on their own account for which they receive investment management fees.

### (2.9) TRUSTEE FEES

As per the Trust deed entered between Quantum Advisors Private Limited (Sponsor) and Quantum Trustee Company Private Limited (Trustee) on October 7, 2005, the fund is entitled to pay Trusteeship fees. During the year no trustee fee amount is charged to the scheme, thus entire amount of trustee fee is borne by the AMC.

### (2.10) REGISTRAR & TRANSFER AGENT FEES

Karvy Computershare Private Limited. provides registrar and share transfer services to the scheme for which it receives registrar and share transfer fees.

### (2.11) INCOME TAX

No Provision for taxation has been made since the income of the scheme is exempt under section 10(23D) of the Income Tax Act, 1961.

## 3. NOTES TO ACCOUNTS

### (1) OPTIONS

The scheme has one Option: Growth Option

### (2) VALUE OF INVESTMENT AS ON MARCH 31, 2012

The Cost and Market Value/Fair Value of Investment as on March 31, 2012 is given below.

Particulars	March 31, 2012		March 31, 2011	
	Cost ₹	Market Value ₹	Cost ₹	Market Value ₹
Gold	334,881,043	516,653,016	217,048,063	283,786,160
Collateralised Borrowing & Lending Obligation (CBLO)	41,970	41,970	315,718	315,718
Total	334,923,013	516,694,986	217,363,781	284,101,878

**(3) NON PERFORMING INVESTMENTS**

Type of Investments	Carrying Value Amount (₹)	Market value Amount (₹)	Provisions
NIL	NIL	NIL	NIL

**(4) NAV**

**Net Asset Value (Face Value - ₹ 10) as on March 30, 2012**

Scheme	NAV (March 30, 2012)*	NAV (March 31, 2011)
Growth Option	1,358.8837	1,007.3198

\* As 31st March, 2012 is a Non-business day NAV of 30th March, 2012 has been shown.

**(5) AGGREGATE APPRECIATION AND DEPRECIATION IN THE VALUE OF INVESTMENTS**

Aggregate appreciation and depreciation in value of investments is as follows:

Particulars	March 31, 2012 (₹)	March 31, 2011 (₹)
<b>Gold</b>		
Unrealised Appreciation	181,771,973.17	66,738,097.11
Unrealised Depreciation	-	-
Net Unrealised Appreciation/ (Depreciation)	181,771,973.17	66,738,097.11

**(6) AGGREGATE VALUE OF PURCHASE AND SALE OF INVESTMENTS**

Purchases (excluding CBLO and Fixed deposits) – ₹ 131,941,981.24/-

- As a percentage of average daily net assets is 31.58 %

Sales / Redemptions (excluding CBLO and Fixed deposits) – ₹ 17,881,979.76/-

- As a percentage of average daily net assets 4.28 %

**(7) INCOME AND EXPENDITURE**

The total income and expenditure and these amounts as a percentage of the Scheme's average daily net assets on an annualized basis are provided below:

**Income (Net off losses on sale of Investments and excluding unrealized appreciation)**

- Amount ₹ 3,806,434.26/-

- As a percentage of average daily net assets is 0.91 %

**Expenditure**

- Amount ₹ 4,178,646.53/-

- As a percentage of average daily net assets is 1.00 %

**(8) INVESTMENT MANAGEMENT FEES**

Investment Management Fees has been computed on the basis of Average Daily Net Asset of the Scheme accrued on a daily basis. Average daily Net Asset is ₹ 417,864,652.2/- & fees charged 1.00%, Management Fees accrued during the period ended March 31, 2012 is ₹ 41,78,646.53/- inclusive of statutory levies with service tax.

**(9) OTHER FEES**

From June 01, 2010 onwards all other expenses are fully borne by the AMC.

**(10) CONTRACTS PENDING DELIVERIES**

Sales of Gold pending to be delivered 31st March 2012, amounted to ₹ 570,246.00/- There were no contracts for Purchase pending deliveries as on March 31, 2012.

**(11) MOVEMENT IN UNIT CAPITAL**

Particulars	2011-12		2010-11	
Units of ₹ 100 each fully paid up	Units	Amount	Units	Amount
<b>Regular Growth</b>				
Opening	281,818	28,181,800	208,949	20,894,900
- Issued during the period	104,545	10,454,500	124,869	12,486,900
- Redeemed during the period	6,000	600,000	52,000	5,200,000
- Outstanding at end of the period	380,363	38,036,300	281,818	28,181,800

**(12) DISCLOSURE UNDER REGULATIONS 25 (8) OF THE SEBI REGULATIONS – PAYMENTS OF FEES TO ASSOCIATE COMPANIES**

Quantum Gold Fund has made NIL payment to Associate companies during the year ended March 31, 2012 (please refer note no.21)

**(13) INVESTMENTS IN GROUP COMPANIES**

Quantum Gold Fund has made NIL investment in group companies during the year ended March 31, 2012

**(14) LARGE HOLDINGS**

Unit holders holding over 25% of the Scheme of NAV is NIL as at the end of the year March 31, 2012

**(15) DISCLOSURE UNDER REGULATION 25(11) OF THE SECURITY AND EXCHANGE BOARD OF INDIA (MUTUAL FUNDS) REGULATIONS, 1996 AS AMENDED - NIL**
**(16) SUPPLEMENTARY INVESTMENT PORTFOLIO INFORMATION AND INDUSTRYWISE CLASSIFICATION**

Details of investment portfolio and industry wise classification of the Scheme's investments in each category of investments at March 31, 2012, are presented below. The industry and company exposures are stated as a percentage of the Scheme's net assets as at March 31, 2012, as well as the aggregate investments in each investment category.

Name of Investment	Quantity	Market Value (₹ in Lakhs)	% to Net Assets	% to Category
<b>GOLD</b>		<b>5,166.53</b>	<b>99.96</b>	<b>100.00</b>
Gold 1 kg Bar (0.995 Fineness)	180	5,155.03	99.74	99.78
Gold 100 Gram Bar (0.999 Fineness)	4	11.5	0.22	0.22
<b>Cash &amp; Cash Equivalent</b>				
Collateralised Borrowing & Lending Obligation (CBLO)		0.42	0.01	
Net Receivable / (Payables)		1.60	0.03	
<b>Grand Total</b>		<b>5,168.55</b>	<b>100.00</b>	

**(17) BORROWINGS**

The scheme has not made any borrowing during the period March 31, 2012

**(18) DERIVATIVES**

The scheme has no exposure to derivative products during the financial year (Previous Year – Nil).

**(19) SEGMENT REPORTING**

As per disclosure requirement under Accounting Standard 17 on 'Segment Reporting' issued by ICAI the scheme operates only in one segment viz. to primarily generate returns, based on schemes' investment objective.

**(20) CONTINGENT LIABILITIES**

The Contingent Liabilities as on 31st March 2012 is NIL (Previous Year – Nil)

The scheme has not taken any underwriting obligation during the year ended March 31, 2012 (Previous Year – Nil)

**(21) RELATED PARTY TRANSACTIONS**

The scheme has entered into transactions with various related parties. The information required in this regard in accordance with Accounting Standards 18.

**Related party relationships**

Name	Description of relationship
Quantum Advisors Private Limited	Sponsor
Quantum Asset Management Company Private Limited	Asset Management Company
Quantum Trustee Company Private Limited	Trustee
Quantum Information Services Private Limited	Associate
Helpyourngo.com India Private Limited	Associate
Equitymaster India Limited	Associate
Equitymaster Agora Research Private Limited	Associate
Personalfn Insurance Services India Limited	Associate
Menlo Oak Venture Investments	Associate
Primary Real Estate Advisors Private Limited	Associate
PREI Management Limited Mauritius	Associate
QIEF Management LLC	Associate
QACPI India Fixed Income Fund Limited, Mauritius	Associate
G Corp Homes Private Limited	Associate

**Other Schemes of the Fund**

Quantum Long Term Equity Fund

Quantum Liquid Fund

Quantum Index Fund

Quantum Tax Saving Fund

Quantum Equity Fund of Funds

Quantum Gold Savings Fund

**Transaction, if any with the above mentioned related parties as defined under Regulation 25(8) of the SEBI Regulation are provided below:**

Name of the related party	Nature of transactions	Year ended March 31, 2012	Balance as at March 31, 2012	Year ended March 31, 2011	Balance as at March 31, 2011
Quantum Advisors Pvt. Ltd (QAPL)	Subscription	6,003,157.46	-	4,050,993.98	-
	Redemption	5,629,623.32	-	4,772,061.63	-
	Net Assets value of investment at balance sheet date	-	2,284,283.50	-	15,48,250.53
Quantum Asset Management Co Pvt. Ltd.	Management Fees	4,178,646.53	380,083.42	2,007,534.97	215,030.14

Neither the sponsor nor the associates of the Quantum Mutual Fund have acted as arranger or manager of any issue of equity or debt. The associate company has not lead managed any issue.



Brokerage and commission paid to associates as per SEBI circular SEBI/IMD/CIR No 18 / 198647 /2010 dates March 15, 2010

- a) Brokerage paid to Associates Companies during the last two fiscal years:-- Nil
- b) Commission paid to Associate Companies during the last two fiscal years:- Nil

**(22) PRIOR PERIOD COMPARATIVES**

Previous year's figures have been regrouped /re-arranged wherever necessary.



M U T U A L F U N D  
Profit with Process

For Quantum Trustee Company Pvt Ltd

Mr. Jagdish Capoor  
(Chairman)

Mr. Hormazdiyaar Vakil  
(Director)

For Quantum Asset Management Company Pvt Ltd

Mr. Ajit Dayal  
(Chairman)

Mr. Jimmy A. Patel  
(Chief Executive Officer)

Mr. C. Srinivasan  
(Director)

Mr. Chirag Mehta  
(Fund Manager)

## HISTORICAL PER UNIT STATISTICS

Sr. No.	Particulars	Quantum Gold Fund ("the Scheme") Audited as of 31.03.2012	Quantum Gold Fund ("the Scheme") Audited as of 31.03.2011	Quantum Gold Fund ("the Scheme") Audited as of 31.03.2010
	<b>Face Value</b>	<b>₹ 100/-</b>	<b>₹ 100/-</b>	<b>₹ 100/-</b>
(a)	Net Assets Value, per unit - Growth Option	1358.8837	1007.3198	801.3012
(b)	Gross Income per-unit broken up into the following components			
(i)	income other than profit on sale of investment, per unit	0.0313	0.0338	0.0020
(ii)	income from profit on inter scheme sales / transfer of investment per unit	-	-	-
(iii)	income from profit on sale of investment to third party, per unit	9.9761	34.6991	2.2347
(iv)	transfer to revenue account from past years' reserve, per unit	-	-	-
(c)	Aggregate of expenses, write off, amortisation and charges, per-unit	10.9859	8.3570	5.7233
(d)	Net unrealized appreciation in value of investments	477.8908	236.8128	38.0885
(e)	Net Income per unit (excluding unrealized appreciation)	(0.9786)	26.3759	(3.4866)
(f)				
(i)	Highest sale price	1409.0144	1022.8254	896.9495
(ii)	Lowest sale price	1005.2214	798.6109	692.4474
(iii)	Price earning Ratio			
(g)	Ratio of expenses to average daily net assets by % (Excluding unrealized depreciation and amortization of deferred revenue expenditure)	1.00%	1.00%	1.00%
(h)	Ratio of income to Average daily net assets by % (exclusive of unrealized appreciation)	0.91%	4.16%	0.39%

M U T U A L F U N D

Profit with Process

## AUDITORS' REPORT

TO

THE BOARD OF TRUSTEES OF  
QUANTUM MUTUAL FUND

We have audited the attached Balance Sheet of the Quantum Index Fund (the "scheme") of **Quantum Mutual Fund** as at 31<sup>st</sup> March, 2012, the Revenue Account and the Cash Flow Statement for the year ended on that date, which we have signed under reference to this report. These financial statements are the responsibility of the Management of the Quantum Trustee Company Private Limited and Quantum Asset Management Company Private Limited. Our responsibility is to express an opinion on these financial statements based on our audit.

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

We report that:

1. 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.
2. The Balance Sheet, the Revenue Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account of the scheme.
3. In our opinion, the valuation methods for non-traded securities are fair and reasonable and are in accordance with the guidelines for valuation issued by SEBI, under the regulation.
4. In our opinion, the Balance Sheet and the Revenue Account dealt with by this report have been prepared in accordance with the Accounting Policies and Standards as specified in the Ninth Schedule of the SEBI (Mutual Funds) Regulations, 1996 as amended up to date.
5. In our opinion, and to the best of our information and according to the explanations given to us, the said financial statements give the information required by the SEBI (Mutual Funds) Regulations, 1996 as applicable and give a true and fair view in conformity with the accounting principles generally accepted in India:
  - i) in the case of the Balance Sheet, of the state of affairs of the scheme as at 31<sup>st</sup> March, 2012
  - ii) in the case of the Revenue Account, of the surplus of the scheme for the year ended on that date ; and
  - iii) in the case of the Cash Flow Statement of the scheme for the year ended on that date

or **HARIBHAKTI & CO.**

Chartered Accountants

Firm Registration No. – 103523W

sd/-

**CHETAN DESAI**

Partner

Membership No 17000

Place: Mumbai

Date: 25th May, 2012

**QUANTUM INDEX FUND**  
**BALANCE SHEET AS AT 31ST MARCH 2012**

	Schedule	31st March, 2012 Amount (₹)	31st March, 2011 Amount (₹)
<b><u>LIABILITIES</u></b>			
Unit Capital	'A'	311,460	271,460
Reserves and Surplus	'B'	16,485,758	15,686,058
Current Liabilities and Provisions	'C'	7,119	6,060
<b>Total</b>		<b>16,804,337</b>	<b>15,963,578</b>
<b><u>ASSETS</u></b>			
Investments	'D'	16,785,880	15,954,665
Other Current Assets	'E'	18,457	8,913
<b>Total</b>		<b>16,804,337</b>	<b>15,963,578</b>
Notes forming part of Accounts	'F'		

QUANTUM

For Quantum Trustee Company Pvt Ltd

For Quantum Asset Management Company Pvt Ltd

Mr. Jagdish Capoor  
(Chairman)Mr. Ajit Dayal  
(Chairman)Mr. C. Srinivasan  
(Director)Mr. Hormazdiyaar Vakil  
(Director)Mr. Jimmy A. Patel  
(Chief Executive Officer)Mr. Hitendra Parekh  
(Fund Manager)

As per our report of even date  
 For Haribhakti & Co.  
 Chartered Accountants  
 FRN: 103523W

Mr. Chetan Desai  
 Partner  
 Membership No: 17000  
 Place : Mumbai  
 Date : May 25, 2012

**QUANTUM INDEX FUND**  
**REVENUE ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2012**

Schedule	31st March, 2012 Amount (₹)	31st March, 2011 Amount (₹)
<b><u>INCOME</u></b>		
Dividend	223,815	174,624
Interest	2,366	1,419
Profit on sale / redemption of investments (Other than inter-scheme transfer / sale)	299,583	632,282
<b>Total</b>	<b>525,764</b>	<b>808,325</b>
<b><u>EXPENSES AND LOSSES *</u></b>		
Loss on sale / redemption of investments ( Other than inter-scheme transfers / sale)	104,564	164,295
Management Fees	79,545	68,531
Registrar & Transfer Agent's Fees	-	452
Other Operating Expenses	-	16,137
<b>Total</b>	<b>184,109</b>	<b>249,415</b>
<b>Net Surplus / ( Deficit ) for the period</b>	<b>341,655</b>	<b>558,910</b>
<b>APPROPRIATION ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2012</b>		
Net Surplus brought forward from previous year	1,498,272	720,021
Net Surplus / (Deficit) for the period	341,655	558,910
Transferred (to)/ from Equalisation Account	242,664	219,341
<b>Net Surplus / ( Deficit ) carried forward</b>	<b>2,082,591</b>	<b>1,498,272</b>
Notes forming parts of Accounts	<b>F</b>	
* please refer note no.09		

For Quantum Trustee Company Pvt Ltd

For Quantum Asset Management Company Pvt Ltd

Mr. Jagdish Capoor  
(Chairman)Mr. Ajit Dayal  
(Chairman)Mr. C. Srinivasan  
(Director)Mr. Hormazdiyaar Vakil  
(Director)Mr. Jimmy A. Patel  
(Chief Executive Officer)Mr. Hitendra Parekh  
(Fund Manager)

As per our report of even date  
 For Haribhakti & Co.  
 Chartered Accountants  
 FRN: 103523W

Mr. Chetan Desai  
 Partner  
 Membership No: 17000  
 Place : Mumbai  
 Date :May 25, 2012

**QUANTUM INDEX FUND**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2012**

	2011-12 Amount (₹)	2010-11 Amount (₹)
<b>A. Cash flow from Operating Activity</b>		
Surplus for the period	341,655	558,910
Adjustments for:-		
(Increase)/Decrease in investments at cost	(2,269,976)	(2,648,131)
(Increase)/Decrease in other current assets	(274)	6,664
Increase/(Decrease) in current liabilities	1,059	(9,135)
<b>Net cash generated/(used) in operations (A)</b>	<b>(1,927,536)</b>	<b>(2,091,692)</b>
<b>B. Cash flow from Financing Activities</b>		
Increase/(Decrease) in unit capital	40,000	40,000
Increase/(Decrease) in unit premium reserve	1,896,806	2,050,206
<b>Net cash generated/(used) from financing activities (B)</b>	<b>1,936,806</b>	<b>2,090,206</b>
<b>Net Cash and cash equivalents at the end of period (A + B)</b>	<b>9,270</b>	<b>(1,486)</b>
Cash and cash equivalents, beginning of the period/year	6,125	7,611
<b>Cash and cash equivalents, end of the year</b>	<b>15,395</b>	<b>6,125</b>
<b>Components of cash and cash equivalents</b>		
Balances with banks in current accounts	15,395	6,125
Collateralised borrowing & lending obligation	-	-
	<b>15,395</b>	<b>6,125</b>

For Quantum Trustee Company Pvt Ltd

For Quantum Asset Management Company Pvt Ltd

Mr. Jagdish Capoor  
(Chairman)Mr. Ajit Dayal  
(Chairman)Mr. C. Srinivasan  
(Director)Mr. Hormazdiyaar Vakil  
(Director)Mr. Jimmy A. Patel  
(Chief Executive Officer)Mr. Hitendra Parekh  
(Fund Manager)

As per our report of even date  
 For Haribhakti & Co.  
 Chartered Accountants  
 FRN: 103523W

Mr. Chetan Desai  
 Partner  
 Membership No: 17000  
 Place : Mumbai  
 Date : May 25, 2012



**QUANTUM INDEX FUND**  
**SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2012**

	Units	31st March, 2012 Amount (₹)	Units	31st March, 2011 Amount (₹)
<b>SCHEDULE 'A'</b>				
<b><u>UNIT CAPITAL</u></b>				
(Face Value of ₹ 10 Each)				
Unit Capital {Opening Balance}	27,146	271,460	23,146	231,460
Add : Subscription during the year / period	6,000	60,000	6,000	60,000
Less : Redemption during the year / period	2,000	20,000	2,000	20,000
<b>Unit Capital (Closing Balance)</b>	<b>31,146</b>	<b>311,460</b>	<b>27,146</b>	<b>271,460</b>
<b>SCHEDULE 'B'</b>				
<b><u>RESERVES &amp; SURPLUS</u></b>				
<b><u>Unit Premium</u></b>				
Opening Balance		10,340,581		8,509,716
<b>Add\ (Less) :</b> Net Additions\ (Deduction) during the year / period		1,896,805		2,050,206
<b>Add\ (Less):-</b> Transferred to / (from) Equalisation Account		(242,664)		(219,341)
<b>Closing Balance</b>		<b>11,994,722</b>		<b>10,340,581</b>
<b><u>Equalisation Account</u></b>				
Transferred from / (to) Unit Premium Reserve		242,664		219,341
<b>Add\ (Less):</b> Transferred to / (from) Revenue Account		(242,664)		(219,341)
<b>Closing Balance</b>		<b>-</b>		<b>-</b>
<b><u>Unrelaised Appreciation in the value of investments (Net)</u></b>				
Opening Balance		3,847,205		2,725,139
Add: Net change during the year / period		(1,438,760)		1,122,066
		<b>2,408,445</b>		<b>3,847,205</b>
<b><u>Appropriation Account</u></b>				
Surplus\ (Deficit) carried forward		<b>2,082,591</b>		<b>1,498,272</b>
<b>Total Reserves &amp; Surplus</b>		<b>16,485,758</b>		<b>15,686,058</b>
<b>SCHEDULE 'C'</b>				
<b><u>CURRENT LIABILITIES &amp; PROVISIONS</u></b>				
Management Fees Payable		6,407		5,454
TDS Payable		712		606
<b>Total</b>		<b>7,119</b>		<b>6,060</b>

**SCHEDULE 'D'****INVESTMENTS**

Equity shares

Debentures

**Total**

Units

31st March,  
2012  
Amount (₹)

Units

31st March,  
2011  
Amount (₹)

16,785,880

-

**16,785,880**

15,951,485

3,180

**15,954,665****SCHEDULE 'E'****OTHER CURRENT ASSETS**

Balances with Banks in Current Account

Other Current Assets

Dividend Receivable

15,395

-

3,062

**18,457**

6,125

6

2,782

**8,913**

QUANTUM

MUTUAL FUND

Profit with Process

**SCHEDULE 'F'**

**Notes:**

**1. ORGANISATION**

Quantum Index Fund ("the Scheme") is an open-ended exchange traded Scheme of Quantum Mutual Fund and was launched on June 09, 2008. Quantum Mutual Fund has been sponsored by Quantum Advisors Private Ltd. Quantum Asset Management Company Private Limited incorporated under the Companies Act, 1956 has been appointed as Asset Management Company. The duration of the scheme is perpetual. The Scheme closed for initial subscription on June 20, 2008, and was listed on the NSE on July 10, 2008.

In accordance with the SEBI (Mutual Funds) Regulations, 1996 ('the SEBI Regulations'), the Board of Directors of Quantum Trustee Company Private Limited ('the Trustee') has appointed Quantum Asset Management Company Private Limited ('the AMC') to manage the Fund's affairs and operate its Schemes. The investment objective of the scheme is to invest in stocks of companies comprising S&P CNX Nifty Index and endeavour to achieve return equivalent to the Nifty by "passive" investment. The scheme is managed by replicating the Index in the same weightage as in the S&P CNX Nifty-Index with the intention of minimizing the performance differences between the scheme and the S&P CNX- Nifty Index in capital terms, subject to market liquidity, costs of trading, management expenses and other factors which may cause tracking error.

**2. SIGNIFICANT ACCOUNTING POLICIES**

**(2.1) BASIS OF ACCOUNTING**

The scheme maintains its books of accounts on an accrual basis. These financial statements have been prepared in accordance with the accounting policies and standards specified in the ninth schedule of the Securities and Exchange Board of India (Mutual Fund) Regulation, 1996 and amendments thereto as applicable.

**(2.2) INVESTMENTS**

**Accounting of Investments**

Investments are accounted on the trade date. The Scheme uses the average cost method for determining the realized gain or loss in sale of investment. In case of interest bearing securities though investments are accounted on the trade date, interest accrues from the settlement date. However, the effect of all investment traded during the financial year is recorded and reflected in the financial statement for that year. The cost of investment includes cost of acquisition, brokerage, stamp duty and any charge included in broker's brought note.

Rights/Bonus entitlements, if any, are accounted on ex-right/ex-bonus date of the principal stock exchange.

**Valuation of Investments**

Investments are stated at market / fair value at the Balance Sheet date / date of determination. The net

asset value of the units of the scheme is determined separately for the units issued under the Options in valuing the Scheme's investments.

- I. Equity securities listed on a recognized stock exchange are valued at the last quoted closing price on National Stock Exchange of India Limited (NSE) on which the security is traded. If no trade is recorded during the day the last quoted closing price of the NSE is used when it is not more than thirty days prior to the valuation date.
- II. Non traded and thinly traded equity securities including those not traded within thirty days prior to valuation date are valued at fair value as determined in good faith by AMC under a procedure that is approved by the trustee of Quantum Mutual Fund in accordance with the provision contained in the Eight Schedule of the SEBI (MF) regulations read with guidelines for valuation of securities for mutual funds dated September 18, 2000 and amendments thereto, as applicable, issued by the Securities and Exchange Board of India (SEBI)
- III. Privately placed equity securities are valued at fair value as determined in good faith by AMC under a procedure that is approved by the Trustee of Quantum Mutual Fund in accordance with the guidelines for valuation of unlisted equity securities for mutual fund dated May 9, 2002 issued by SEBI.
- IV. Equity Securities awaiting listing are valued at fair value as determined in good faith by AMC under a procedure that is approved by the Trustee of Quantum Mutual Fund.
- V. Debt Securities listed on recognized stock exchange are valued at the last quoted closing price on the principal exchange on which the security is traded. If no sale is reported at that time such security is valued at fair value as determined in good faith by Quantum Asset Management Company Private Limited under a procedure that is approved by the Trustee of Quantum Mutual Fund.
- VI. Non traded and thinly traded debt securities are valued at fair value as determined in good faith by Quantum Asset Management Private Company Limited under a procedure that is approved by the Trustee of Quantum Mutual Fund in accordance with the provision contained in the Eight Schedule of the SEBI (MF) regulations 1996, as amended up to date with relevant circulars read with guidelines for valuation of securities for mutual funds dated September 18, 2000 and subsequent amendments thereto, as applicable, issued by SEBI.

- VII. Privately placed debt securities are valued at fair value as determined in good faith by AMC under a procedure that is approved by the Trustee of Quantum Mutual Fund.
- VIII. Traded money market securities are valued at the weighted average price at which they are traded on the particular valuation date. If such security is not traded on particular valuation date then security with residual maturity of over 91 days is valued at benchmark yield/matrix of spread over risk free benchmark yield and security with residual maturity of up to 91 days is valued on amortization basis.
- IX. Instruments bought on 'repo' basis are valued at the resale price after deduction of applicable interest upto the date of resale.
- X. An Investment is regarded as non-performing, if the interest and/or principal amount has not been received or remains outstanding for one quarter from the day such income or installment has fallen due.
- XI. The net unrealised gain or loss in the value of investments is determined separately for each category of investments. The change in net unrealized loss, if any, between two balance sheet dates is recognized in the revenue account and net unrealised gain, if any, is adjusted in the unrealised appreciation reserve. The loss on investments sold / transferred during the year is charged to the revenue account instead of being first adjusted against the provision for depreciation, if already created in the previous year.

### (2.3) REVENUE RECOGNITION

Interest income is recorded on an accrual basis. In respect of interest bearing instruments income has been accrued on a day to day basis as it is earned. Where fixed income securities are acquired at premium or discount to the redemption value, such premium or discount is amortized on a straight line basis over the period of redemption. Dividend income earned by the scheme has been recognised on the date the share is quoted on an ex-dividend basis. Profit/loss on sale of investment is accounted for in the year in which the contract for sale is entered into. The cost is calculated on the basis of weighted average cost of investment.

### (2.4) DETERMINATION OF NET ASSET VALUE (NAV)

For reporting the net asset value for the scheme daily income earned, including realized and unrealized gain or loss in the value of investments and expenses incurred by the Scheme are considered.

### (2.5) UNIT CAPITAL

Unit Capital represents the net outstanding units at the balance sheet date, thereby reflecting all the

transactions relating to the period ended on that date.

Upon issue and redemption of units, the net premium or discount to the face value of units is adjusted against the unit premium reserve of the scheme, after an appropriate portion of the issue proceeds and redemption payout is credited or debited respectively to the income equalization reserve.

### (2.6) EQUALISATION ACCOUNT

The purpose of Equalization Account is to maintain per unit distributable surplus so that continuing unitholders' share of distributable surplus remains unchanged on issue or redemption of units. The total distributable surplus (without considering unrealised appreciation) upto the date of issue/ redemption of units have been taken into account for the purpose of ascertaining the amount to be transferred to Equalization Account. The net balance in this account is transferred to the Revenue Account at the end of the year.

### (2.7) CUSTODY FEES

Deutsche Bank AG provides custodial services to the scheme for which it receives custody fees.

### (2.8) INVESTMENT MANAGEMENT FEES

The Scheme has paid or provided for investment management fees payable to the AMC for managing the Scheme at a percentage of the average daily net asset values recorded by the Scheme, such that the investment manager fees chargeable to the Scheme does not exceeds 0.75% of the average daily net asset values recorded by the Scheme. All costs, charges and expenses incurred by the AMC in the administration and execution of the activities of the Scheme, except costs allowed to be charged to the Scheme under the Securities and Exchange Board of India (Mutual Fund) Regulation, 1996 and amendments thereto, as applicable, are on their own account for which they receive investment manager fees.

### (2.9) TRUSTEE FEES

As per the Trust deed entered between Quantum Advisors Private Limited (Sponsor) and Quantum Trustee Company Private Limited (Trustee) on October 7, 2005, the fund is entitled to pay Trusteeship fees. During the year no trustee fee amount is charged to the scheme, hence the entire amount of trustee fee is borne by the AMC.

### (2.10) REGISTRAR & TRANSFER AGENT FEES

Karvy Computershare Private Limited provides registrar and share transfer services to the scheme for which it receives registrar and share transfer fees.

### (2.11) INCOME TAX

No Provision for taxation has been made since the income of the scheme is exempt under section 10(23D) of the Income Tax Act, 1961.

## 3. NOTES TO ACCOUNTS

## (1) OPTIONS

The scheme has one Option: Growth Option

## (2) VALUE OF INVESTMENT AS ON MARCH 31, 2012

The Cost and Market Value/Fair Value of Investment as on March 31, 2012 is given below.

Securities	March 31, 2012		March 31, 2011	
	Cost ₹	Market Value ₹	Cost ₹	Market Value ₹
Equity Shares	14,377,435.97	16,785,880.85	12,107,459.47	15,951,484.85
Debentures	-	-	3180.00	3180.00
Total	14,377,435.97	16,785,880.85	12,110,639.47	15,954,664.85

## (3) NON PERFORMING INVESTMENTS

Type of Investments	Carrying Value Amount (₹)	Market value Amount (₹)	Provisions
NIL	NIL	NIL	NIL

## (4) NAV

Net Asset Value (Face Value - ₹ 10) as on March 30, 2012

Scheme	NAV (March 30, 2012)*	NAV (March 31, 2011)
Growth Option	539.3131	587.8405

\*As 31<sup>st</sup> March, 2012 is a Non-business day NAV of 30<sup>th</sup> March, 2012 has been shown.

## (5) AGGREGATE APPRECIATION AND DEPRECIATION IN THE VALUE OF INVESTMENTS

Aggregate appreciation and depreciation in value of investments as on March 31, 2012 is as follows:

Particulars	March 31, 2012 (₹)	March 31, 2011 (₹)
Equity Shares		
Appreciation	3,555,573.23	4,176,990.04
Depreciation	(1,147,128.35)	(332,964.66)
Net Appreciation /(Depreciation)	2,408,444.88	38,44,025.38

## (6) AGGREGATE VALUE OF PURCHASE AND SALE OF INVESTMENTS

Purchases (excluding CBLO & Fixed deposits) – ₹ 3,573,994.95

- As a percentage of average daily net assets is 22.47 %

Sales / Redemptions (excluding CBLO & Fixed deposits) – ₹ 1,499,054.99

- As a percentage of average daily net assets 9.42 %

## (7) INCOME AND EXPENDITURE

The total income and expenditure and these amounts as a percentage of the Scheme's average daily net assets on an annualized basis are provided below:

Income (Net off losses on sale of Investments and excluding unrealized appreciation)

- Amount ₹ 421,200.6/-
- As a percentage of average daily net assets is 2.65 %

Expenditure

- Amount ₹ 79,545.34/-
- As a percentage of average daily net assets is 0.50 %

## (8) INVESTMENT MANAGEMENT FEES

Investment Management Fees has been computed on the basis of Average Daily Net Asset of the Scheme accrued on a daily basis. Average daily Net Asset is ₹ 15,909,071.2 & fees charged 0.50%, Management Fees accrued during the period ended March 31, 2012 is ₹ 79,545.34/- inclusive of statutory levies with service tax.

## (9) OTHER EXPENSES

From June 01, 2010 onwards all other expenses are fully borne by the AMC.

## (10) CONTRACTS PENDING DELIVERIES

There were no contracts for sale or purchase pending deliveries as on March 31, 2012.

## (11) MOVEMENT IN UNIT CAPITAL

Particulars	2011-12		2010-11	
Units of ₹ 10 each fully paid up	Units	Amount	Units	Amount
<b>Growth Option</b>				
Opening	27,146	271,460	23,146	231,460
- Issued during the period	6,000	60,000	6,000	60,000
- Redeemed during the period	2,000	20,000	2,000	20,000
- Outstanding at end of the period	31,146	311,460	27,146	271,460

## (12) DISCLOSURE UNDER REGULATIONS 25 (8) OF THE SEBI REGULATIONS – PAYMENTS OF FEES TO ASSOCIATE COMPANIES

Quantum Index Fund has made NIL payment to Associate companies during the year ended March 31, 2012 (Refer note no. 21)

## (13) INVESTMENTS IN GROUP COMPANIES

Quantum Index Fund has made NIL investment in group companies during the year ended March 31, 2012

## (14) LARGE HOLDINGS

Unit holders holding over 25% of the NAV of the Scheme is NIL as at the end of the year March 31, 2012

## (15) DISCLOSURE UNDER REGULATION 25(11) OF THE SECURITY AND EXCHANGE BOARD OF INDIA (MUTUAL FUNDS) REGULATIONS, 1996 AS AMENDED - NIL

## (16) SUPPLEMENTARY INVESTMENT PORTFOLIO INFORMATION AND INDUSTRYWISE CLASSIFICATION

Details of investment portfolio and industry wise classification of the Scheme's investments in each category of investments at March 31, 2012, are presented below. The industry and company exposures are stated as a percentage of the Scheme's net assets as at March 31, 2012, as well as the aggregate investments in each investment category.

Name of the Instrument	Quantity	Market/ Fair Value (₹ In Lakhs)	% to Net Asset	% to Investment Category
<b>EQUITY &amp; EQUITY RELATED</b>				
<b>Listed /Awaiting listing on the Stock Exchange</b>				
<b>Auto</b>		<b>14.43</b>	<b>8.59</b>	<b>8.60</b>
Bajaj Auto Ltd	138	2.32	1.38	1.38
Hero MotoCorp Ltd	98	2.01	1.20	1.20
Mahindra & Mahindra Ltd	473	3.31	1.97	1.97
Maruti Suzuki India Ltd	136	1.84	1.09	1.09
Tata Motors Ltd	1,798	4.95	2.95	2.95
<b>Banks</b>		<b>32.13</b>	<b>19.13</b>	<b>19.13</b>
Axis Bank Ltd	265	3.04	1.81	1.81
HDFC Bank Ltd	1,851	9.62	5.73	5.73
ICICI Bank Ltd	1,186	10.56	6.29	6.29
Kotak Mahindra Bank Ltd	382	2.08	1.24	1.24
Punjab National Bank	137	1.27	0.75	0.75
State Bank of India	265	5.56	3.31	3.31
<b>Cement</b>		<b>4.36</b>	<b>2.60</b>	<b>2.60</b>
ACC Ltd	96	1.31	0.78	0.78
Ambuja Cements Ltd	776	1.34	0.80	0.80
Grasim Industries Ltd	65	1.71	1.02	1.02
<b>Construction</b>		<b>1.70</b>	<b>1.02</b>	<b>1.02</b>
DLF Ltd	374	0.75	0.45	0.45
Jaiprakash Associates Ltd	1,164	0.95	0.57	0.57



<b>Construction Project</b>		<b>7.23</b>	<b>4.30</b>	<b>4.30</b>
Larsen & Toubro Ltd	552	7.23	4.30	4.30
<b>Consumer Non Durables</b>		<b>16.90</b>	<b>10.06</b>	<b>10.07</b>
Hindustan Unilever Ltd	1,055	4.33	2.58	2.58
ITC Ltd	5,540	12.57	7.48	7.49
<b>Ferrous Metals</b>		<b>6.00</b>	<b>3.57</b>	<b>3.57</b>
Jindal Steel & Power Ltd	398	2.17	1.29	1.29
Steel Authority of India Ltd	603	0.57	0.34	0.34
Tata Steel Ltd	692	3.26	1.94	1.94
<b>Finance</b>		<b>11.92</b>	<b>7.09</b>	<b>7.10</b>
Housing Development Finance Corporation Ltd	1,518	10.22	6.08	6.09
Infrastructure Development Finance Company Ltd	1,257	1.70	1.01	1.01
<b>Gas</b>		<b>1.74</b>	<b>1.03</b>	<b>1.04</b>
GAIL (India) Ltd	462	1.74	1.03	1.04
<b>Industrial Capital Goods</b>		<b>2.76</b>	<b>1.64</b>	<b>1.64</b>
Bharat Heavy Electricals Ltd	813	2.09	1.24	1.25
Siemens Ltd	88	0.67	0.40	0.40
<b>Minerals/Mining</b>		<b>3.02</b>	<b>1.79</b>	<b>1.80</b>
Coal India Ltd	652	2.24	1.33	1.34
Sesa Goa Ltd	401	0.78	0.46	0.47
<b>Non - Ferrous Metals</b>		<b>3.31</b>	<b>1.97</b>	<b>1.97</b>
Hindalco Industries Ltd	1,323	1.71	1.02	1.02
Sterlite Industries Ltd	1,440	1.60	0.95	0.95
<b>Oil</b>		<b>6.14</b>	<b>3.66</b>	<b>3.66</b>
Cairn India Ltd	376	1.26	0.75	0.75
Oil & Natural Gas Corporation Ltd	1,819	4.88	2.91	2.91
<b>Petroleum Products</b>		<b>13.95</b>	<b>8.30</b>	<b>8.31</b>
Bharat Petroleum Corporation Ltd	133	0.93	0.55	0.55
Reliance Industries Ltd	1,735	13.02	7.75	7.76
<b>Pharmaceuticals</b>		<b>6.81</b>	<b>4.07</b>	<b>4.07</b>
Cipla Ltd	521	1.59	0.95	0.95
Dr. Reddy'S Laboratories Ltd	130	2.29	1.37	1.37
Ranbaxy Laboratories Ltd	158	0.74	0.44	0.44
Sun Pharmaceutical Industries Ltd	385	2.19	1.31	1.31
<b>Power</b>		<b>6.87</b>	<b>4.09</b>	<b>4.09</b>
NTPC Ltd	1,315	2.14	1.27	1.27
Power Grid Corporation Ltd	1,456	1.57	0.94	0.94
Reliance Infrastructure Ltd	139	0.82	0.49	0.49
Reliance Power Ltd	564	0.66	0.39	0.39
Tata Power Co Ltd	1,667	1.68	1.00	1.00
<b>Software</b>		<b>23.86</b>	<b>14.20</b>	<b>14.21</b>
HCL Technologies Ltd	255	1.23	0.73	0.73
Infosys Ltd	496	14.22	8.46	8.47
Tata Consultancy Services Ltd	522	6.10	3.63	3.63
Wipro Ltd	525	2.31	1.38	1.38
<b>Telecom - Services</b>		<b>4.73</b>	<b>2.82</b>	<b>2.82</b>
Bharti Airtel Ltd	1,231	4.16	2.48	2.48

Reliance Communications Ltd	682	0.57	0.34	0.34
<b>Unlisted</b>	-	-	-	-
<b>Total</b>		<b>167.86</b>	<b>99.93</b>	<b>100.00</b>
<b>Cash &amp; Cash Equivalent</b>				
Net Receivable/(payable)		<b>0.11</b>	<b>0.07</b>	
<b>Grand Total</b>		<b>167.97</b>	<b>100.00</b>	

**(17) BORROWINGS**

The scheme has not made any borrowing during the period March 31, 2012 (Previous Year – Nil).

**(18) DERIVATIVES**

The scheme has no exposure to derivative products during the financial year (Previous Year – Nil).

**(19) SEGMENT REPORTING**

As per disclosure requirement under Accounting Standard 17 on 'Segment Reporting' issued by ICAI the scheme operates only in one segment viz. to primarily generate returns, based on schemes' investment objective.

**(20) CONTINGENT LIABILITIES**

The Contingent Liabilities as on 31<sup>st</sup> March 2012 is NIL (Previous Year – Nil)

The scheme has not taken any underwriting obligation during the year ended March 31, 2012 (Previous Year – Nil)

**(21) RELATED PARTY TRANSACTIONS**

The scheme has entered into transactions with various related parties. The information required in this regard in accordance with Accounting Standards 18.

**Related party relationships**

<b>Name</b>	<b>Description of relationship</b>
Quantum Advisors Private Limited	Sponsor
Quantum Asset Management Company Private Limited	Asset Management Company
Quantum Trustee Company Private Limited	Trustee
Quantum Information Services Private Limited	Associate
Helpyourngo.com India Private Limited	Associate
Equitymaster India Limited	Associate
Equitymaster Agora Research Private Limited	Associate
Personalfn Insurance Services India Limited	Associate
Menlo Oak Venture Investments	Associate
Primary Real Estate Advisors Private Limited	Associate
PREI Management Limited Mauritius	Associate
QIEF Management LLC	Associate
QACPI India Fixed Income Fund Limited, Mauritius	Associate
G Corp Homes Private Limited	Associate

**Other Schemes of the Fund**

Quantum Long Term Equity Fund

Quantum Liquid Fund

Quantum Gold Fund

Quantum Tax Saving Fund

Quantum Equity Fund of Funds

Quantum Gold Savings Fund

Transaction, if any with the above mentioned related parties as defined under Regulation 25(8) of the SEBI Regulation are provided below:

Name of the related party	Nature of transactions	Year ended March 31, 2012	Balance as at March 31, 2012	Year ended March 31, 2011	Balance as at March 31, 2011
Quantum Asset Management Co Pvt. Ltd.	Management Fees	79,545.34	6,406.53	68,531.00	5,453.78
Quantum Advisors Pvt Ltd	Subscriptions	4,942,028.30	-	6,681,457.75	-
Quantum Advisors Pvt Ltd	Redemptions	4,708,089.32	-	5,843,730.93	-
	Net Assets value of investment at balance sheet date	-	1,847,686.68	-	17,45,886.29

Neither the sponsor nor the associates of the Quantum Mutual Fund have acted as arranger or manager of any issue of equity or debt. The associate company has not lead managed any issue.

**Brokerage and commission paid to associates as per SEBI circular SEBI/IMD/CIR No 18 / 198647 /2010 dated March 15, 2012**

- a) Brokerage paid to Associates Companies during the last two fiscal years:- Nil
- b) Commission paid to Associate Companies during the last two fiscal years:- Nil

**(22) PRIOR PERIOD COMPARATIVES**

Previous year's figures have been regrouped/re-arranged wherever necessary.



For Quantum Trustee Company Pvt Ltd

Mr. Jagdish Capoor  
(Chairman)

Mr. Hormazdiyaar Vakil  
(Director)

For Quantum Asset Management Company Pvt Ltd

Mr. Ajit Dayal  
(Chairman)

Mr. Jimmy A. Patel  
(Chief Executive Officer)

Mr. C. Srinivasan  
(Director)

Mr. Hitendra Parekh  
(Fund Manager)

## HISTORICAL PER UNIT STATISTICS

Sr. No.	Particulars	Quantum INDEX Fund ("the Scheme") Audited as of 31.03.2012	Quantum INDEX Fund ("the Scheme") Audited as of 31.03.2011	Quantum INDEX Fund ("the Scheme") Audited as of 31.03.2010
	<b>Face Value</b>	<b>₹ 10/-</b>	<b>₹ 10/-</b>	<b>₹ 10/-</b>
(a)	Net Assets Value	539.3131	587.8405	526.4986
(b)	Gross Income per-unit broken up into the following components			
(i)	income other than profit on sale of investment, per unit	7.2621	6.4850	5.8459
(ii)	income from profit on inter scheme sales / transfer of investment per unit	-	-	-
(iii)	income from profit on sale of investment to third party, per unit	6.2613	17.2396	48.0970
(iv)	transfer to revenue account from past years' reserve, per unit	-	-	-
(c)	Aggregate of expenses, write off, amortisation and charges, per-unit	2.5541	3.1356	4.0165
(d)	Net unrealized appreciation in value of investments	77.3276	141.7227	117.7369
(e)	Net Income per unit (excluding unrealized appreciation)	10.9693	20.5890	49.9264
(f)				
i)	Highest sale price per unit	595.5656	635.2255	531.9083
ii)	Lowest sale price per unit	462.4212	482.7710	308.5061
iii)	Price earning Ratio			
(g)	Ratio of expenses to average daily net assets by % (Excluding unrealized depreciation and amortization of deferred revenue expenditure)	0.50	0.62	0.75
(h)	Ratio of income to Average daily net assets by % (exclusive of unrealized appreciation)	2.65	4.70	10.07

# QUANTUM

## MUTUAL FUND

### Profit with Process

## AUDITORS' REPORT

TO

THE BOARD OF TRUSTEES OF  
QUANTUM MUTUAL FUND

We have audited the attached Balance Sheet of the Quantum Tax Saving Fund (the "scheme") of **Quantum Mutual Fund** as at 31<sup>st</sup> March, 2012, the Revenue Account and the Cash Flow Statement for the year ended on that date, which we have signed under reference to this report. These financial statements are the responsibility of the Management of the Quantum Trustee Company Private Limited and Quantum Asset Management Company Private Limited. Our responsibility is to express an opinion on these financial statements based on our audit.

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

We report that:

1. 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.
2. The Balance Sheet, the Revenue Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account of the scheme.
3. In our opinion, the valuation methods for non-traded securities are fair and reasonable and are in accordance with the guidelines for valuation issued by SEBI, under the regulation.
4. In our opinion, the Balance Sheet and the Revenue Account dealt with by this report have been prepared in accordance with the Accounting Policies and Standards as specified in the Ninth Schedule of the SEBI (Mutual Funds) Regulations, 1996 as amended up to date.
5. In our opinion, and to the best of our information and according to the explanations given to us, the said financial statements give the information required by the SEBI (Mutual Funds) Regulations, 1996 as applicable and give a true and fair view in conformity with the accounting principles generally accepted in India:
  - i) in the case of the Balance Sheet, of the state of affairs of the scheme as at 31<sup>st</sup> March, 2012
  - ii) in the case of the Revenue Account, of the surplus of the scheme for the year ended on that date ; and
  - iii) in the case of the Cash Flow Statement of the scheme for the year ended on that date

For **HARIBHAKTI & CO.**

Chartered Accountants

Firm Registration No. – 103523W

sd/-

**CHETAN DESAI**

Partner

Membership No 17000

Place: Mumbai

Date: 25th May, 2012

**QUANTUM TAX SAVING FUND**  
**BALANCE SHEET AS AT 31ST MARCH 2012**

	Schedule	31st March, 2012 Amount (₹)	31st March, 2011 Amount (₹)
<b>LIABILITIES</b>			
Unit Capital	'A'	29,161,939	16,694,830
Reserves and Surplus	'B'	35,094,123	20,741,408
Current Liabilities and Provisions	'C'	50,734	33,369
<b>Total</b>		<b>64,306,796</b>	<b>37,469,607</b>
<b>ASSETS</b>			
Investments	'D'	62,350,589	35,471,691
Other Current Assets	'E'	1,956,207	1,997,916
<b>Total</b>		<b>64,306,796</b>	<b>37,469,607</b>
Notes forming part of Accounts	'F'		

For Quantum Trustee Company Pvt Ltd

For Quantum Asset Management Company Pvt Ltd

Mr. Jagdish Capoor  
(Chairman)Mr. Ajit Dayal  
(Chairman)Mr. C. Srinivasan  
(Director)Mr. Hormazdiyaar Vakil  
(Director)Mr. Jimmy A. Patel  
(Chief Executive Officer)Mr. Atul Kumar  
(Fund Manager)

As per our report of even date  
 For Haribhakti & Co.  
 Chartered Accountants  
 FRN: 103523W

Mr. Chetan Desai  
 Partner  
 Membership No: 17000  
 Place : Mumbai  
 Date : May 25, 2012

**QUANTUM TAX SAVING FUND**  
**REVENUE ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2012**

Schedule	31st March, 2012 Amount (₹)	31st March, 2011 Amount (₹)
<b>INCOME</b>		
Dividend	668,700	280,064
Interest	365,982	200,134
Profit on sale / redemption of investments (Other than inter scheme transfer / sale)	1,721,909	3,274,709
<b>Total</b>	<b>2,756,591</b>	<b>3,754,907</b>
<b>EXPENSES AND LOSSES *</b>		
Management Fees	461,810	263,035
Loss on sale / redemption of investments ( Other than inter-scheme transfers / sale)	580,194	98,379
Custodian Fees	46,247	30,950
Registrar & Transfer Agent's Fees	59,340	37,867
Other operating expenses	5,893	40,441
<b>Total</b>	<b>1,153,484</b>	<b>470,672</b>
<b>Net Surplus / ( Deficit ) for the period</b>	<b>1,603,107</b>	<b>3,284,235</b>
<b>APPROPRIATION ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2012</b>		
Net Surplus brought forward from previous year	8,539,406	1,497,493
Net Surplus / (Deficit) for the period	1,603,107	3,284,235
Transferred (to)/ from Equalisation Account	6,385,737	3,757,678
<b>Net Surplus / ( Deficit ) carried forward</b>	<b>16,528,250</b>	<b>8,539,406</b>

F

\* Refer note no. 09

For Quantum Trustee Company Pvt Ltd

For Quantum Asset Management Company Pvt Ltd

Mr. Jagdish Capoor  
(Chairman)Mr. Ajit Dayal  
(Chairman)Mr. C. Srinivasan  
(Director)Mr. Hormazdiyaar Vakil  
(Director)Mr. Jimmy A. Patel  
(Chief Executive Officer)Mr. Atul Kumar  
(Fund Manager)

As per our report of even date  
 For Haribhakti & Co.  
 Chartered Accountants  
 FRN: 103523W

Mr. Chetan Desai  
 Partner  
 Membership No: 17000  
 Place : Mumbai  
 Date :May 25, 2012



**QUANTUM TAX SAVING FUND**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012**

	2011-12 Amount (₹)	2010-11 Amount (₹)
<b>A. Cash flow from Operating Activity</b>		
Surplus for the period	1,603,106	3,284,235
Adjustments for:-		
(Increase)/Decrease in investments at cost	(23,954,094)	(17,573,353)
(Increase)/Decrease in other current assets	(45,859)	100,420
Increase/(Decrease) in current liabilities	17,364	(48,556)
<b>Net cash generated/(used) in operations (A)</b>	<b>(22,379,483)</b>	<b>(14,237,254)</b>
<b>B. Cash flow from Financing Activities</b>		
Increase/(Decrease) in unit capital	12,467,109	8,099,554
Increase/(Decrease) in unit premium reserve	13,769,853	9,656,910
Adjustments for:-		
(Increase)/Decrease in subscription receivable for units issued to investors	549,500	(717,446)
<b>Net cash generated/(used) from financing activities (B)</b>	<b>26,786,462</b>	<b>17,039,018</b>
<b>Net Cash and cash equivalents at the end of period (A + B)</b>	<b>4,406,979</b>	<b>2,801,764</b>
Cash and cash equivalents, beginning of the period/year	5,411,484	2,609,721
<b>Cash and cash equivalents, end of the year</b>	<b>9,818,463</b>	<b>5,411,485</b>
<b>Components of cash and cash equivalents</b>		
Balances with banks in current accounts	1,179,612	717,681
Collateralised borrowing & lending obligation	8,638,851	4,693,804
	<b>9,818,463</b>	<b>5,411,485</b>

For Quantum Trustee Company Pvt Ltd

For Quantum Asset Management Company Pvt Ltd

Mr. Jagdish Capoor  
(Chairman)Mr. Ajit Dayal  
(Chairman)Mr. C. Srinivasan  
(Director)Mr. Hormazdiyaar Vakil  
(Director)Mr. Jimmy A. Patel  
(Chief Executive Officer)Mr. Atul Kumar  
(Fund Manager)

As per our report of even date  
 For Haribhakti & Co.  
 Chartered Accountants  
 FRN: 103523W

Mr. Chetan Desai  
 Partner  
 Membership No: 17000  
 Place : Mumbai  
 Date : May 25, 2012

**QUANTUM TAX SAVING FUND**  
**SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2012**

	31st March, 2012		31st March, 2011	
	Units	Amount (₹)	Units	Amount (₹)
<b>SCHEDULE 'A'</b>				
<b><u>UNIT CAPITAL</u></b>				
(Face Value of ₹ 10 Each)				
Unit Capital (Opening Balance)	1,669,483	16,694,830	859,528	8,595,278
<b>Add</b> : Subscription during the year / period	1,293,111	12,931,107	809,955	8,099,552
<b>Less</b> : Redemption during the year / period	46,400	463,998	-	-
Unit Capital (Closing Balance)	<b>2,916,194</b>	<b>29,161,939</b>	<b>1,669,483</b>	<b>16,694,830</b>
<b>SCHEDULE 'B'</b>				
<b><u>RESERVE &amp; SURPLUS</u></b>				
<b><u>Unit Premium</u></b>				
Opening Balance		8,011,542		2,112,310
<b>Add/(Less)</b> : Net Additions\ (Deduction) during the year / period		13,769,852		9,656,910
<b>Add/(Less):-</b> Transferred (to) / from Equalisation Account		(6,385,737)		(3,757,678)
<b>Closing Balance</b>		<b>15,395,657</b>		<b>8,011,542</b>
<b><u>Equalisation Account</u></b>				
Transferred from / (to) Unit Premium Reserve		6,385,737		3,757,678
<b>Add/(Less):</b> Transferred (to) / from Revenue Account		(6,385,737)		(3,757,678)
<b>Closing Balance</b>		-		-
<b><u>Unrealised Appreciation in the value of investments (Net)</u></b>				
Opening Balance		4,190,460		4,189,300
<b>Add:</b> Net change during the year / period		(1,020,244)		1,160
		<b>3,170,216</b>		<b>4,190,460</b>
<b><u>APPROPRIATION ACCOUNT</u></b>				
Surplus/(Deficit) carried forward		16,528,250		8,539,406
<b>Total Reserves &amp; Surplus</b>		<b>35,094,123</b>		<b>20,741,408</b>
<b>SCHEDULE 'C'</b>				
<b><u>CURRENT LIABILITIES &amp; PROVISIONS</u></b>				
Management Fees Payable		45,177		30,032
TDS Payable		5,019		3,337
STT Payable		538		-
<b>Total</b>		<b>50,734</b>		<b>33,369</b>
<b>SCHEDULE 'D'</b>				
<b><u>INVESTMENTS</u></b>				
Equity shares		53,711,738		30,777,887
Collateralised borrowing & lending obligation		8,638,851		4,693,804
<b>Total</b>		<b>62,350,589</b>		<b>35,471,691</b>
<b>SCHEDULE 'E'</b>				
<b><u>OTHER CURRENT ASSETS</u></b>				
Balances with Banks in Current Account		1,179,613		717,681
Subscription Receivable (other than Inter Scheme)		706,500		1,256,000
Receivable from Quantum Asset Management Co Pvt Ltd.		7		-
Dividend/Interest Receivable		20,087		24,235
Switch in receivable		50,000		-
<b>Total</b>		<b>1,956,207</b>		<b>1,997,916</b>

## SCHEDULE 'F'

## Notes:

## 1. ORGANISATION

Quantum Tax Saving Fund ("the Scheme") is an open-ended Equity Linked Savings Scheme of Quantum Mutual Fund and was launched on December 10, 2008. Quantum Mutual Fund has been sponsored by Quantum Advisors Private Ltd. Quantum Asset Management Company Private Limited incorporated under the Companies Act, 1956 has been appointed as Asset Management Company. The duration of the scheme is perpetual. The Scheme closed for initial subscription on December 13, 2008, and is currently open for ongoing subscription.

In accordance with the SEBI (Mutual Funds) Regulations, 1996 ('the SEBI Regulations'), the Board of Directors of Quantum Trustee Company Private Limited ('the Trustee') has appointed Quantum Asset Management Company Private Limited ('the AMC') to manage the Fund's affairs and operate its Schemes. The investment objective of the scheme is to achieve long-term capital appreciation by investing primarily in shares of companies that will typically be included in the BSE 200 Index and are in a position to benefit from the anticipated growth and development of the Indian economy and its markets. The Scheme offers its investors a Dividend Option and Growth Option (collectively 'the Options'). The Benchmark for the scheme is BSE 30 TRI.

## 2. SIGNIFICANT ACCOUNTING POLICIES

## (2.1) BASIS OF ACCOUNTING

The scheme maintains its books of accounts on an accrual basis. These financial statements have been prepared in accordance with the accounting policies and standards specified in the ninth schedule of the Securities and Exchange Board of India (Mutual Fund) Regulation, 1996 and amendments thereto as applicable.

## (2.2) INVESTMENTS

## Accounting of Investments

Investments are accounted on the trade date. The Scheme uses the average cost method for determining the realized gain or loss in sale of investment. In case of interest bearing securities though investments are accounted on the trade date, interest accrues from the settlement date. However, the effect of all investments traded during the financial year is recorded and reflected in the financial statement for that year. The cost of investment includes cost of acquisition, brokerage, stamp duty and any charge included in broker's brought note.

Rights/Bonus entitlements, if any, are accounted on ex-right/ex-bonus date of the principal stock exchange.

## Valuation of Investments

Investments are stated at market / fair value at the Balance Sheet date / date of determination. The net asset value of the units of the scheme is determined separately for the units issued under the Options in valuing the Scheme's investments.

- I. Equity securities listed on a recognized stock exchange are valued at the last quoted closing price on National Stock Exchange of India Limited (NSE) on which the security is traded. If on a particular valuation day a security is not traded on NSE the value at which it is traded on the Bombay Stock Exchange Limited (BSE) of India is used. If no trade is recorded during the day the last quoted closing price of the NSE is used when it is not more than thirty days prior to the valuation date.
- II. Non traded and thinly traded equity securities including those not traded within thirty days prior to valuation date are valued at fair value as determined in good faith by AMC under a procedure that is approved by the trustee of Quantum Mutual Fund in accordance with the provision contained in the Eight Schedule of the SEBI (MF) regulations read with guidelines for valuation of securities for mutual funds dated September 18, 2000 and amendments thereto, as applicable, issued by the Securities and Exchange Board of India (SEBI)
- III. Privately placed equity securities are valued at fair value as determined in good faith AMC under a procedure that is approved by the Trustee of Quantum Mutual Fund in accordance with the guidelines for valuation of unlisted equity securities for mutual fund dated May 9, 2002 issued by SEBI.
- IV. Equity Securities awaiting listing are valued at fair value as determined in good faith by AMC under a procedure that is approved by the Trustee of Quantum Mutual Fund.
- V. Debt Securities listed on recognized stock exchange are valued at the last quoted closing price on the principal exchange on which the security is traded. If no sale is reported at that time such security is valued at fair value as determined in good faith by AMC under a procedure that is approved by the Trustee of Quantum Mutual Fund.
- VI. Non traded and thinly traded debt securities are valued at fair value as determined in good faith by AMC under a procedure that is approved by the Trustee of Quantum Mutual Fund in accordance with the provision contained in the Eight Schedule of the SEBI (MF) regulations 1996, as amended up to date with relevant circulars read with guidelines for valuation of securities for mutual funds dated September 18, 2000 and subsequent amendments thereto, as applicable, issued by SEBI.
- VII. Privately placed debt securities are valued at fair value as determined in good faith by AMC under a procedure that is approved by the Trustee of Quantum Mutual Fund.
- VIII. Traded money market securities are valued at

the weighted average price at which they are traded on the particular valuation date. If such security is not traded on particular valuation date then security with residual maturity of over 91 days is valued at benchmark yield/matrix of spread over risk free benchmark yield and security with residual maturity of up to 91 days is valued on amortization basis.

- IX. Instruments bought on 'repo' basis are valued at the resale price after deduction of applicable interest upto the date of resale.
- X. An Investment is regarded as non-performing, if the interest and/or principal amount has not been received or remains outstanding for one quarter from the day such income or installment has fallen due.
- XI. The net unrealised gain or loss in the value of investments is determined separately for each category of investments. The change in net unrealized loss, if any, between two balance sheet dates is recognized in the revenue account and net unrealised gain, if any, is adjusted in the unrealised appreciation reserve. The loss on investments sold / transferred during the year is charged to the revenue account instead of being first adjusted against the provision for depreciation, if already created in the previous year.

### **(2.3) REVENUE RECOGNITION**

Interest income is recorded on an accrual basis. In respect of interest bearing instruments income has been accrued on a day to day basis as it is earned. Where fixed income securities are acquired at premium or discount to the redemption value, such premium or discount is amortized on a straight line basis over the period of redemption. Dividend income earned by the scheme has been recognised on the date the share is quoted on an ex-dividend basis. Profit/loss on sale of investment is accounted for in the year in which the contract for sale is entered into. The cost is calculated on the basis of weighted average cost of investment.

### **(2.4) DETERMINATION OF NET ASSET VALUE (NAV)**

The net asset value of the units of the scheme is determined separately for units issued under the Growth / Dividend Options.

For reporting the net asset value for the Options, daily income earned, including realized and unrealized gain or loss in the value of investments and expenses incurred by the Scheme are allocated to the Options in proportion to the value of units outstanding.

### **(2.5) UNIT CAPITAL**

Unit Capital represents the net outstanding units at the balance sheet date, thereby reflecting all the transactions relating to the period ended on that date.

Upon issue and redemption of units, the net

premium or discount to the face value of units is adjusted against the unit premium reserve of the scheme, after an appropriate portion of the issue proceeds and redemption payout is credited or debited respectively to the income equalization reserve.

### **(2.6) EQUALISATION ACCOUNT**

The purpose of Equalization Account is to maintain per unit distributable surplus so that continuing unitholders share of distributable surplus remains unchanged on issue or redemption of units. The total distributable surplus (without considering unrealised appreciation) upto the date of issue/redemption of units have been taken into account for the purpose of ascertaining the amount to be transferred to Equalization Account. The net balance in this account is transferred to the Revenue Account at the end of the year.

### **(2.7) CUSTODY FEES**

Deutsche Bank AG provides custodial services to the scheme for which it receives custody fees.

### **(2.8) INVESTMENT MANAGEMENT FEES**

The Scheme has paid or provided for investment management fees payable to Quantum Asset Management Company Private Limited for managing the Scheme at a percentage of the average daily net asset values recorded by the Scheme, such that the investment manager fees chargeable to the Scheme does not exceeds 1.25% of the average daily net asset values recorded by the Scheme upto ₹100 crores and 1% of the excess over ₹100 crores. All costs, charges and expenses incurred by Quantum Asset Management Company Private Limited in the administration and execution of the activities of the Scheme, except costs allowed to be charged to the Scheme under the SEBI Regulations and amendments thereto, as applicable, are on their own account for which they receive investment manager fees.

### **(2.9) TRUSTEE FEES**

As per the Trust deed entered between Quantum Advisors Private Limited (Sponsor) and Quantum Trustee Company Private Limited (Trustee) on October 7, 2005, the fund is entitled to pay Trusteeship fees. During the year no trustee fee amount is charged to the scheme, thus entire amount of trustee fee is borne by the AMC.

### **(2.10) REGISTRAR & TRANSFER AGENT FEES**

Karvy Computershare Private Limited provides registrar and share transfer services to the scheme for which it receives registrar and share transfer fees.

### **(2.11) INCOME TAX**

No Provision for taxation has been made since the income of the scheme is exempt under section 10(23D) of the Income Tax Act, 1961.

## 3. NOTES TO ACCOUNTS

## (1) OPTIONS

The Scheme has two Options Growth Option and Dividend Option. A combined Balance Sheet and Revenue Account is prepared for the Scheme.

## (2) VALUE OF INVESTMENT AS ON MARCH 31, 2012

The Cost and Market Value/Fair Value of Investment as on March 31, 2012 is given below.

Securities	March 31, 2012		March 31, 2011	
	Cost (₹)	Market Value (₹)	Cost (₹)	Market Value (₹)
Equity Shares	50,541,521.65	53,711,737.70	26,587,427.28	30,777,887.30
Collateralised Borrowing & Lending Obligation	8,638,850.68	8,638,850.68	4,693,803.52	4,693,803.52
TOTAL	59,180,372.33	62,350,588.38	31,281,230.80	35,471,690.82

## (3) NON PERFORMING INVESTMENTS

Type of Investments	Carrying Value Amount (₹)	Market value Amount (₹)	Provisions
NIL	NIL	NIL	NIL

## (4) NAV

Net Asset Value (Face Value - ₹ 10) as on March 30, 2012

Scheme	NAV (March 30, 2012)*	NAV (March 31, 2011)
Growth Option	22.037	22.426
Dividend Option	22.025	22.418

\*As 31st March, 2012 is a Non-business day NAV of 30th March, 2012 has been shown.

## (5) AGGREGATE APPRECIATION AND DEPRECIATION IN THE VALUE OF INVESTMENTS

Aggregate appreciation and depreciation in value of investments as on March 31, 2012 is as follow

Particulars	March 31, 2012 (₹)	March 31, 2011 (₹)
Equity shares		
Appreciation	5,852,614.06	4,753,506.41
Depreciation	(2,682,398.01)	(563,046.39)
Net Appreciation / (Depreciation)	3,170,216.05	4,190,460.02

## (6) AGGREGATE VALUE OF PURCHASE AND SALE OF INVESTMENTS

Purchases (excluding CBLO & Fixed deposits) – ₹ 29,345,848.05

- As a percentage of average daily net assets is 65.81 %
- Sales / Redemptions (excluding CBLO & Fixed deposits) – 6,533,464.65
- As a percentage of average daily net assets is 14.65 %

## (7) INCOME AND EXPENDITURE

The total income and expenditure and these amounts as a percentage of the Scheme's average daily net assets on an annualized basis are provided below:

Income (Net off losses on sale of Investments and excluding unrealized appreciation)

- Amount ₹ 2,176,396.76
- As a percentage of average daily net assets is 4.88 %

## Expenditure

- Amount ₹ 573,286.73
- As a percentage of average daily net assets is 1.29 %

**(8) INVESTMENT MANAGEMENT FEES**

Investment Management Fees has been computed on the basis of Average Daily Net Asset of the Scheme accrued on a daily basis. Average daily Net Asset is ₹ 44,589,405.44 & fees charged 1.04% Management Fees accrued during the period is ₹ 461,810.02 /- inclusive of statutory levies with service tax.

**(9) OTHER EXPENSES**

Other expenses only to the extent of 0.25% are borne by the scheme and rests of the expenses are borne by the AMC.

**(10) CONTRACTS PENDING DELIVERIES**

There were no contracts for sale or purchase pending deliveries as on March 31, 2012.

**(11) MOVEMENT IN UNIT CAPITAL**

Particulars	2011-12		2010-11	
Units of ₹ 10 each fully paid up	Units	Amount	Units	Amount
<b>Growth Option</b>				
Opening	1,180,273.85	11,802,738.48	558,853.96	5,588,539.60
- Issued during the period	1,036,304.48	10,363,044.80	621,419.89	6,214,198.90
- Redeemed during the period	33,410.91	334,109.10	-	-
- Outstanding at end of the period	2,183,167.42	21,831,674.18	1,180,273.85	11,802,738.50
<b>Dividend Option</b>				
Opening	489,209.10	4,892,091.00	300,673.77	3,006,737.70
- Issued during the period	256,806.20	2,568,062.00	188,535.33	1,885,353.30
- Redeemed during the period	12,988.87	129,888.70	-	-
- Outstanding at end of the period	733,026.43	7,330,264.30	489,209.10	4,892,091.00
<b>Grand Total</b>				
Opening	1,669,482.95	16,694,829.48	859,527.73	8,595,277.30
- Issued during the period	1,293,110.68	12,931,106.80	809,955.22	8,099,552.20
- Redeemed during the period	46,399.78	463,997.80	-	-
- Outstanding at end of the period	2,916,193.85	29,161,938.48	1,669,482.95	16,694,829.50

**(12) DISCLOSURE UNDER REGULATIONS 25 (8) OF THE SEBI REGULATIONS – PAYMENTS OF FEES TO ASSOCIATE COMPANIES**

Quantum Tax Saving Fund has made NIL payment to Associate companies during the year ended March 31, 2012  
(Please refer note no. 21)

**(13) INVESTMENTS IN GROUP COMPANIES**

Quantum Tax Saving Fund has made NIL investment in group companies during the year ended March 31, 2012

**(14) LARGE HOLDINGS**

Unit holders holding over 25% of the Scheme of NAV is NIL as at the end of the year March 31, 2012

**(15) DISCLOSURE UNDER REGULATION 25(11) OF THE SECURITY AND EXCHANGE BOARD OF INDIA (MUTUAL FUNDS) REGULATIONS, 1996 AS AMENDED - NIL****(16) SUPPLEMENTARY INVESTMENT PORTFOLIO INFORMATION AND INDUSTRYWISE CLASSIFICATION**

Details of investment portfolio and industry wise classification of the Scheme's investments in each category of investments at March 31, 2012, are presented below. The industry and company exposures are stated as a percentage of the Scheme's net assets as at March 31, 2012, as well as the aggregate investments in each investment category.



Name of the Instrument	Quantity	Market/ Fair Value (₹ In Lakhs)	% to Net Asset	% to Investment Category
<b>EQUITY &amp; EQUITY RELATED</b>				
<b>Listed /Awaiting listing on the StockExchange</b>				
<b>Auto</b>		<b>66.07</b>	<b>10.28</b>	<b>12.31</b>
Bajaj Auto Ltd	2,462	41.33	6.43	7.70
Maruti Suzuki India Ltd	1,832	24.74	3.85	4.61
<b>Banks</b>		<b>87.11</b>	<b>13.56</b>	<b>16.22</b>
Axis Bank Ltd	1,032	11.83	1.84	2.20
HDFC Bank Ltd	6,961	36.19	5.63	6.74
ING Vysya Bank Ltd	5,386	19.13	2.98	3.56
State Bank of India	952	19.96	3.11	3.72
<b>Construction Project</b>		<b>18.93</b>	<b>2.95</b>	<b>3.52</b>
Voltas Ltd	16,864	18.93	2.95	3.52
<b>Consumer Non Durables</b>		<b>22.87</b>	<b>3.56</b>	<b>4.26</b>
Hindustan Unilever Ltd	2751	11.28	1.76	2.10
Tata Global Beverages Ltd	10,317	11.59	1.80	2.16
<b>Ferrous Metals</b>		<b>18.86</b>	<b>2.93</b>	<b>3.51</b>
Tata Steel Ltd	3,997	18.86	2.93	3.51
<b>Finance</b>		<b>47.89</b>	<b>7.46</b>	<b>8.92</b>
Housing Development Finance Corporation Ltd	5,416	36.47	5.68	6.79
Power Finance Corporation Ltd	6,186	11.42	1.78	2.13
<b>Gas</b>		<b>19.51</b>	<b>3.04</b>	<b>3.63</b>
GAIL (India) Ltd	5,185	19.51	3.04	3.63
<b>Hotels</b>		<b>24.73</b>	<b>3.85</b>	<b>4.60</b>
Indian Hotels Company Ltd	38,829	24.73	3.85	4.60
<b>Industrial Capital Goods</b>		<b>20.22</b>	<b>3.15</b>	<b>3.76</b>
Crompton Greaves Ltd	14,643	20.22	3.15	3.76
<b>Industrial Products</b>		<b>12.40</b>	<b>1.93</b>	<b>2.31</b>
Cummins India Ltd	2,504	12.40	1.93	2.31
<b>Media &amp; Entertainment</b>		<b>29.83</b>	<b>4.64</b>	<b>5.55</b>
Zee Entertainment Enterprises Ltd	23,532	29.83	4.64	5.55
<b>Oil</b>		<b>24.17</b>	<b>3.76</b>	<b>4.50</b>
Oil & Natural Gas Corporation Ltd	9,007	24.17	3.76	4.50
<b>Power</b>		<b>30.02</b>	<b>4.67</b>	<b>5.59</b>
NTPC Ltd	10,113	16.46	2.56	3.07
PTC India Ltd	22,079	13.56	2.11	2.52
<b>Software</b>		<b>68.20</b>	<b>10.61</b>	<b>12.69</b>
Infosys Ltd	1,142	32.73	5.09	6.09
Tata Consultancy Services Ltd	3,035	35.47	5.52	6.60



Name of the Instrument	Quantity	Market/ Fair Value (₹ In Lakhs)	% to Net Asset	% to Investment Category
<b>Telecom - Services</b>		<b>11.80</b>	<b>1.84</b>	<b>2.20</b>
Bharti Airtel Ltd	3,492	11.80	1.84	2.20
<b>Transportation</b>		<b>34.52</b>	<b>5.37</b>	<b>6.43</b>
Container Corporation of India Ltd	2,997	28.62	4.45	5.33
Gateway Distriparks Ltd	3,836	5.90	0.92	1.10
<b>Unlisted</b>	-	-	-	-
<b>Total</b>		<b>537.13</b>	<b>83.60</b>	<b>100.00</b>
<b>Cash &amp; Cash Equivalent</b>				
Collateralised Borrowing & Lending Obligation (CBLO)		86.39	13.44	
Net Receivable/(payable)		19.05	2.97	
<b>Grand Total</b>		<b>642.57</b>	<b>100.00</b>	

**(17) BORROWINGS**

The scheme has not made any borrowing during the period March 31, 2012 (Previous Year – Nil).

**(18) DERIVATIVES**

The scheme has no exposure to derivative products during the financial year (Previous Year – Nil).

**(19) SEGMENT REPORTING**

As per disclosure requirement under Accounting Standard 17 on 'Segment Reporting' issued by ICAI the scheme operates only in one segment viz. to primarily generate returns, based on schemes' investment objective.

**(20) CONTINGENT LIABILITIES**

The Contingent Liabilities as on 31st March 2012 is NIL (Previous Year – Nil)

The scheme has not taken any underwriting obligation during the year ended March 31, 2012 (Previous Year – Nil)

**(21) RELATED PARTY TRANSACTIONS**

The scheme has entered into transactions with various related parties. The information required in this regard in accordance with Accounting Standards 18.

**Related party relationships**

Name	Description of relationship
Quantum Advisors Private Limited	Sponsor
Quantum Asset Management Company Private Limited	Asset Management Company
Quantum Trustee Company Private Limited	Trustee
Quantum Information Services Private Limited	Associate
Helpyourngo.com India Private Limited	Associate
Equitymaster India Limited	Associate
Equitymaster Agora Research Private Limited	Associate
Personalfn Insurance Services India Limited	Associate
Menlo Oak Venture Investments	Associate
Primary Real Estate Advisors Private Limited	Associate
PREI Management Limited Mauritius	Associate
QIEF Management LLC	Associate
QACPI India Fixed Income Fund Limited, Mauritius	Associate
G Corp Homes Private Limited	Associate

**Other Schemes of the Fund**

Quantum Long Term Equity Fund

Quantum Liquid Fund

Quantum Gold Fund

Quantum Index Fund

Quantum Equity Fund of Funds

Quantum Gold Savings Fund

Transaction, if any with the above mentioned related parties as defined under Regulation 25(8) of the SEBI Regulation are provided below:

Name of the related party	Nature of transactions	Year ended March 2012	Balance as at March 31, 2012	Year ended March 2011	Balance as at March 31, 2011
Quantum Asset Management Co Pvt Ltd	Management Fees	461,810.02	45,177.59	263,035.49	30,032.11

Neither the sponsor nor the associates of the Quantum Mutual Fund have acted as arranger or manager of any issue of equity or debt. The associate company has not lead managed any issue.

**Brokerage and commission paid to associates as per SEBI circular SEBI/IMD/CIR No 18 / 198647 /2010 dated March 15, 2010.**

a) **Brokerage paid to Associates Companies during the last two fiscal years:- NIL**

b) **Commission paid to Associate Companies during the last two fiscal years:-**

Name of Associate company	Nature of Association/ Nature of relation	Period covered	Business given (₹ Cr. & % of total business received by the fund)	Commission paid (₹ & % of total commission paid by the fund)
Quantum Information Services Private Limited	Associate Company	April 01, 2010 - March 31, 2011	* & 0.68%	Nil
Quantum Information Services Private Limited	Associate Company	April 01, 2011 - March 31, 2012	0.01 Cr. & 0.34%	Nil

\* Figures less than 0.01 crores

**(22) PRIOR PERIOD COMPARATIVES**

Previous year's figures have been regrouped /re-arranged wherever necessary.

For Quantum Trustee Company Pvt Ltd

Mr. Jagdish Capoor  
(Chairman)

Mr. Hormazdiyaar Vakil  
(Director)

For Quantum Asset Management Company Pvt Ltd

Mr. Ajit Dayal  
(Chairman)

Mr. Jimmy A. Patel  
(Chief Executive Officer)

Mr. C. Srinivasan  
(Director)

Mr. Atul Kumar  
(Fund Manager)

**HISTORICAL PER UNIT STATISTICS**

Sr. No.	Particulars	Quantum Tax Fund (" the Scheme ") Audited as of 31.03.2012	Quantum Tax Fund (" the Scheme ") Audited as of 31.03.2011	Quantum Tax Fund (" the Scheme ") Audited as of 31.03.2010
	<b>Face Value</b>	<b>₹ 10/-</b>	<b>₹ 10/-</b>	<b>₹ 10/-</b>
<b>(a)</b>	<b>Net Assets Value, per unit</b>			
i)	Growth Option	22.037	22.426	19.076
ii)	Dividend Option	22.025	22.418	19.070
<b>(b)</b>	<b>Gross Income per-unit broken up into the following components</b>			
(i)	income other than profit on sale of investment, per unit	0.3548	0.2912	0.1592
(ii)	income from profit on inter scheme sales / transfer of investment per unit	-	-	-
(iii)	income from profit on sale of investment to third party, per unit	0.3915	1.9262	1.3215
(iv)	transfer to revenue account from past years' reserve, per unit	-	-	-
<b>(c)</b>	<b>Aggregate of expenses, write off, amortization and charges, per-unit</b>	0.1966	0.2258	0.2893
<b>(d)</b>	<b>Net unrealized appreciation in value of investments</b>	1.0871	2.5412	4.7781
<b>(e)</b>	<b>Net Income per unit (excluding unrealized appreciation)</b>	0.5497	1.9916	1.1914
<b>(f)</b>				
i)	<b>Highest resale price</b>			
	Growth Option	23.178	24.495	19.145
	Dividend Option	23.164	24.486	19.139
ii)	<b>Lowest resale price</b>			
	Growth Option	18.530	18.522	10.060
	Dividend Option	18.520	18.515	10.053
iii)	<b>Highest repurchase price</b>			
	Growth Option	23.178	24.495	19.145
	Dividend Option	23.164	24.486	19.139
iv)	<b>Lowest repurchase price</b>			
	Growth Option	18.530	18.522	10.060
	Dividend Option	18.520	18.515	10.053
	Price earning Ratio	NA	NA	NA
<b>(g)</b>	<b>Ratio of expenses to average daily net assets by % (Excluding unrealized depreciation and amortization of deferred revenue expenditure)</b>	1.29%	1.62%	2.50%
<b>(h)</b>	<b>Ratio of income to Average daily net assets by % (exclusive of unrealized appreciation)</b>	4.88%	15.96%	12.80%

## AUDITORS' REPORT

TO

THE BOARD OF TRUSTEES OF  
QUANTUM MUTUAL FUND

We have audited the attached Balance Sheet of the Quantum Equity Fund of Fund (the "scheme") of **Quantum Mutual Fund** as at 31<sup>st</sup> March, 2012, the Revenue Account and the Cash Flow Statement for the year ended on that date, which we have signed under reference to this report. These financial statements are the responsibility of the Management of the Quantum Trustee Company Private Limited and Quantum Asset Management Company Private Limited. Our responsibility is to express an opinion on these financial statements based on our audit.

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

We report that:

1. 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.
2. The Balance Sheet, the Revenue Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account of the scheme.
3. In our opinion, the valuation methods for non-traded securities are fair and reasonable and are in accordance with the guidelines for valuation issued by SEBI, under the regulation.
4. In our opinion, the Balance Sheet and the Revenue Account dealt with by this report have been prepared in accordance with the Accounting Policies and Standards as specified in the Ninth Schedule of the SEBI (Mutual Funds) Regulations, 1996 as amended up to date.
5. In our opinion, and to the best of our information and according to the explanations given to us, the said financial statements give the information required by the SEBI (Mutual Funds) Regulations, 1996 as applicable and give a true and fair view in conformity with the accounting principles generally accepted in India:
  - i) in the case of the Balance Sheet, of the state of affairs of the scheme as at 31<sup>st</sup> March, 2012
  - ii) in the case of the Revenue Account, of the surplus of the scheme for the year ended on that date ; and
  - iii) in the case of the Cash Flow Statement of the scheme for the year ended on that date

For **HARIBHAKTI & CO.**

Chartered Accountants

Firm Registration No. – 103523W

sd/-

**CHETAN DESAI**

Partner

Membership No 17000

Place: Mumbai

Date: 25th May, 2012

**QUANTUM EQUITY FUND OF FUNDS**  
**BALANCE SHEET AS AT 31ST MARCH 2012**

	Schedule	31st March, 2012 Amount (₹)	31st March, 2011 Amount (₹)
<b>LIABILITIES</b>			
Unit Capital	'A'	20,287,088	17,094,225
Reserves and Surplus	'B'	6,853,207	7,145,563
Current Liabilities and Provisions	'C'	17,098	66,907
<b>Total</b>		<b>27,157,393</b>	<b>24,306,695</b>
<b>ASSETS</b>			
Investments	'D'	27,132,030	24,235,554
Other Current Assets	'E'	25,363	71,141
<b>Total</b>		<b>27,157,393</b>	<b>24,306,695</b>
Notes forming part of Accounts	'F'		

For Quantum Trustee Company Pvt Ltd

For Quantum Asset Management Company Pvt Ltd

Mr. Jagdish Capoor  
(Chairman)

Mr. Ajit Dayal  
(Chairman)

Mr. C. Srinivasan  
(Director)

Mr. Hormazdiyaar Vakil  
(Director)

Mr. Jimmy A. Patel  
(Chief Executive Officer)

Mr. Arvind Chari  
(Fund Manager)

As per our report of even date  
For Haribhakti & Co.  
Chartered Accountants  
FRN: 103523W

Mr. Chetan Desai  
Partner  
Membership No: 17000  
Place : Mumbai  
Date :May 25, 2012

**QUANTUM EQUITY FUND OF FUNDS**  
**REVENUE ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2012**

Schedule	31st March, 2012 Amount (₹)	31st March, 2011 Amount (₹)
<b><u>INCOME</u></b>		
Interest	37,928	41,416
Profit on sale / redemption of investments (Other than inter-scheme transfer / sale)	235,332	1,668,023
Other Income (Load Income)	12,013	29,260
<b>Total</b>	<b>285,273</b>	<b>1,738,699</b>
<b><u>EXPENSES AND LOSSES *</u></b>		
Loss on sale / redemption of investments ( Other than inter-scheme transfers / sale)	16,581	15,742
Management Fees	189,936	111,232
Registrar & Transfer Agent's Fees	-	3,363
Other Operating Expenses	-	12,585
<b>Total</b>	<b>206,517</b>	<b>142,922</b>
<b>Net Surplus / ( Deficit ) for the period</b>	<b>78,756</b>	<b>1,595,777</b>

**APPROPRIATION ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2012**

Net Surplus brought forward from previous year	2,572,539	118,608
Net Surplus / (Deficit) for the period	78,756	1,595,777
Transferred (to)/ from Equalisation Account	387,239	858,154
<b>Net Surplus / ( Deficit ) carried forward</b>	<b>3,038,534</b>	<b>2,572,539</b>

Notes forming parts of Accounts

\* Refer note no. 9

For Quantum Trustee Company Pvt Ltd

For Quantum Asset Management Company Pvt Ltd

Mr. Jagdish Capoor  
(Chairman)

Mr. Ajit Dayal  
(Chairman)

Mr. C. Srinivasan  
(Director)

Mr. Hormazdiyaar Vakil  
(Director)

Mr. Jimmy A. Patel  
(Chief Executive Officer)

Mr. Arvind Chari  
(Fund Manager)

As per our report of even date  
For Haribhakti & Co.  
Chartered Accountants  
FRN: 103523W

Mr. Chetan Desai  
Partner  
Membership No: 17000  
Place : Mumbai  
Date : May 25, 2012

**QUANTUM EQUITY FUND OF FUNDS**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2012**

	2011-12 Amount (₹)	2010-11 Amount (₹)
<b>A. Cash flow from Operating Activity</b>		
Surplus for the period	78,756	1,595,777
Adjustments for:-		
(Increase)/Decrease in investments at cost	(4,096,836)	(11,791,076)
(Increase)/Decrease in other current assets		60,562
Increase/(Decrease) in current liabilities	2,482	(31,542)
<b>Net cash generated/(used) in operations (A)</b>	<b>(4,015,598)</b>	<b>(10,166,279)</b>
<b>B. Cash flow from Financing Activities</b>		
Increase/(Decrease) in unit capital	3,192,863	7,006,245
Increase/(Decrease) in unit premium reserve	1,056,128	2,613,969
Adjustments for:-		
(Increase)/Decrease in subscription receivable for units issued to investors	4,950	(12,050)
Increase/(Decrease) in redemption payable for units redeemed by investors	(52,292)	52,292
<b>Net cash generated/(used) from financing activities (B)</b>	<b>4,201,649</b>	<b>9,660,456</b>
<b>Net Cash and cash equivalents at the end of period (A + B)</b>	<b>186,051</b>	<b>(505,823)</b>
Cash and cash equivalents, beginning of the year / period	279,894	785,717
<b>Cash and cash equivalents, end of the year</b>	<b>465,945</b>	<b>279,894</b>
<b>Components of cash and cash equivalents</b>		
Balances with banks in current accounts	18,263	59,091
Collateralised borrowing & lending obligation	447,682	220,803
	<b>465,945</b>	<b>279,894</b>

For Quantum Trustee Company Pvt Ltd

For Quantum Asset Management Company Pvt Ltd

Mr. Jagdish Capoor  
(Chairman)Mr. Ajit Dayal  
(Chairman)Mr. C. Srinivasan  
(Director)Mr. Hormazdiyaar Vakil  
(Director)Mr. Jimmy A. Patel  
(Chief Executive Officer)Mr. Arvind Chari  
(Fund Manager)

As per our report of even date  
 For Haribhakti & Co.  
 Chartered Accountants  
 FRN: 103523W

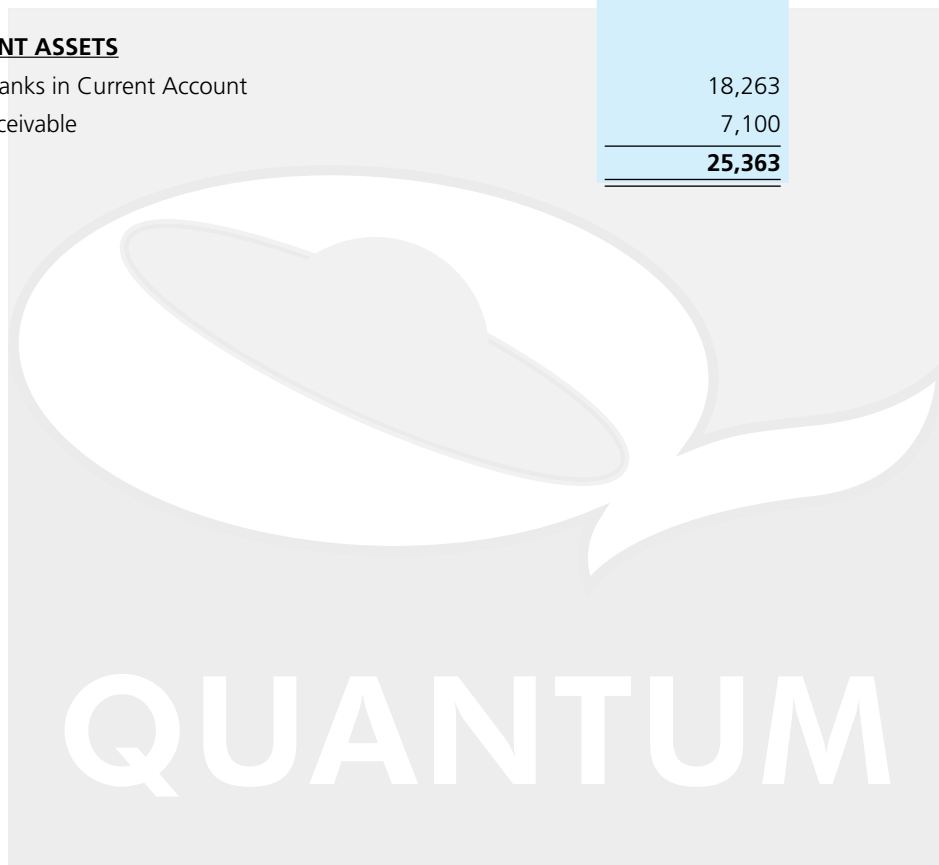
Mr. Chetan Desai  
 Partner  
 Membership No: 17000  
 Place : Mumbai  
 Date : May 25, 2012



**QUANTUM EQUITY FUND OF FUNDS**  
**SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2012**

	Units	31st March, 2012 Amount (₹)	Units	31st March, 2011 Amount (₹)
<b>SCHEDULE 'A'</b>				
<b>UNIT CAPITAL</b>				
(Face Value of ₹ 10 Each)				
Unit Capital {Opening Balance}	1,709,422	17,094,225	1,008,798	10,087,981
Add : Subscription during the year / period	549,259	5,492,589	1,084,036	10,840,365
Less : Redemption during the year / period	(229,973)	(2,299,726)	(383,412)	(3,834,121)
<b>Unit Capital (Closing Balance)</b>	<b>2,028,709</b>	<b>20,287,088</b>	<b>1,709,422</b>	<b>17,094,225</b>
<b>SCHEDULE 'B'</b>				
<b>RESERVES &amp; SURPLUS</b>				
<b>Unit Premium</b>				
Opening Balance		2,507,520		751,705
<b>Add\Less</b> : Net Additions\Deduction) during the year / period		1,056,128		2,613,969
<b>Add\Less</b> : Transferred (to) / from Equalisation Account		(387,239)		(858,154)
<b>Closing Balance</b>		<b>3,176,409</b>		<b>2,507,520</b>
<b>Equalisation Account</b>				
Transferred from / (to) Unit Premium Reserve		387,239		858,154
<b>Add\Less</b> : Transferred (to) / from Revenue Account		(387,239)		(858,154)
<b>Closing Balance</b>		-		-
<b>Unrealised Appreciation in the value Of investments (Net)</b>				
Opening Balance		2,065,504		1,789,730
Add:Net change during the year / period		(1,427,240)		275,774
		<b>638,264</b>		<b>2,065,504</b>
<b>Appropriation Account</b>				
Surplus/(Deficit) carried forward		<b>3,038,534</b>		<b>2,572,539</b>
<b>Total Reserves &amp; Surplus</b>		<b>6,853,207</b>		<b>7,145,563</b>
<b>SCHEDULE 'C'</b>				
<b>CURRENT LIABILITIES &amp; PROVISIONS</b>				
Management Fees Payable		15,388		13,154
TDS Payable		1,710		1,461
Redemption Payable		-		52,292
<b>Total</b>		<b>17,098</b>		<b>66,907</b>

	Units	31st March, 2012 Amount (₹)	Units	31st March, 2011 Amount (₹)
<b>SCHEDULE 'D'</b>				
<b><u>INVESTMENTS</u></b>				
Mutual Fund Units		26,684,348		24,014,751
Collateralised Borrowing & Lending Obligation		447,682		220,803
<b>Total</b>		<b>27,132,030</b>		<b>24,235,554</b>
<b>SCHEDULE 'E'</b>				
<b><u>OTHER CURRENT ASSETS</u></b>				
Balances with Banks in Current Account		18,263		59,091
Subscription Receivable		7,100		12,050
<b>Total</b>		<b>25,363</b>		<b>71,141</b>



M U T U A L F U N D  
Profit with Process

## SCHEDULE 'F'

## Notes:

## 1. ORGANISATION

Quantum Equity Fund of Funds ("the Scheme") is an open-ended Scheme of Quantum Mutual Fund and was launched on June 26, 2009. Quantum Mutual Fund has been sponsored by Quantum Advisors Private Ltd. Quantum Asset Management Company Private Limited incorporated under the Companies Act, 1956 has been appointed as an Asset Management Company. The duration of the scheme is perpetual. The Scheme closed for initial subscription on July 13, 2009, and is currently open for ongoing subscription.

In accordance with the SEBI (Mutual Funds) Regulations, 1996 ('the SEBI Regulations'), the Board of Directors of Quantum Trustee Company Private Limited ('the Trustee') has appointed Quantum Asset Management Company Private Limited ('the AMC') to manage the Fund's affairs and operate its Schemes. The investment objective of the scheme is to generate long-term capital appreciation by investing in a portfolio of open-ended diversified equity schemes of mutual funds registered with SEBI. There can be no assurance of positive returns from following the stated investment strategy. The Scheme offers its investors a Dividend Option and Growth Option (collectively 'the Options').

## 2. SIGNIFICANT ACCOUNTING POLICIES

## (2.1) BASIS OF ACCOUNTING

The scheme maintains its books of accounts on an accrual basis. These financial statements have been prepared in accordance with the accounting policies and standards specified in the ninth schedule of the Securities and Exchange Board of India (Mutual Fund) Regulation, 1996 and amendments thereto as applicable.

## (2.2) INVESTMENTS

**Accounting of Investments**

Investments are accounted on the trade date. The Scheme uses the average cost method for determining the realized gain or loss on sale of investments. In case of interest bearing securities though investments are accounted on the trade date, interest accrues from the settlement date. However, the effect of all investments traded during the financial year is recorded and reflected in the financial statements for that year. The cost of investments includes cost of acquisition, brokerage, stamp duty and any charge included in broker's brought note.

**Valuation of Investments**

- I. Investments in Mutual Fund scheme's units are valued at the last declared net asset value (NAV) per unit.
- II. Instruments bought on 'repo' basis are valued at the resale price after deduction of applicable interest upto the date of resale.

- III. The net unrealised gain or loss in the value of investments is determined separately for each category of investments. The change in net unrealized loss, if any, between two balance sheet dates is recognized in the revenue account and net unrealised gain, if any, is adjusted in the unrealised appreciation reserve. The loss on investments sold / transferred during the year is charged to the revenue account instead of being first adjusted against the provision for depreciation, if already created in the previous year.

## (2.3) REVENUE RECOGNITION

Interest income is recorded on an accrual basis. In respect of interest bearing instruments income has been accrued on a day to day basis as it is earned. Where fixed income securities are acquired at premium or discount to the redemption value, such premium or discount is amortized on a straight line basis over the period of redemption.

Dividend income earned by the scheme has been recognised on the date the share is quoted on an ex-dividend basis.

Profit/loss on sale of investment is accounted for in the year in which the contract for sale is entered into. The cost is calculated on the basis of weighted average cost of investment.

## (2.4) EXIT LOAD INCOME

Entire exit load amount collected from the investor is credited to the revenue account.

## (2.5) DETERMINATION OF NET ASSET VALUE (NAV)

The net asset value of the units of the scheme is determined separately for units issued under the Growth / Dividend Options.

For reporting the net asset value for the Options, daily income earned, including realized and unrealized gain or loss in the value of investments and expenses incurred by the Scheme are allocated to the Options in proportion to the value of units outstanding.

## (2.6) UNIT CAPITAL

Unit Capital represents the net outstanding units at the balance sheet date, thereby reflecting all the transactions relating to the period ended on that date.

Upon issue and redemption of units, the net premium or discount to the face value of units is adjusted against the unit premium reserve of the scheme, after an appropriate portion of the issue proceeds and redemption payout is credited or debited respectively to the income equalization reserve.

## (2.7) EQUALISATION ACCOUNT

The purpose of Equalization Account is to maintain per unit distributable surplus so that continuing

unitholders' share of distributable surplus remains unchanged on issue or redemption of units. The total distributable surplus (without considering unrealised appreciation) upto the date of issue/ redemption of units have been taken into account for the purpose of ascertaining the amount to be transferred to Equalization Account. The net balance in this account is transferred to the Revenue Account at the end of the year.

**(2.8) INVESTMENT MANAGEMENT FEES**

The Scheme has paid or provided for investment management fees payable to AMC for managing the Scheme at a percentage of the average daily net asset values recorded by the Scheme, such that the investment manager fees chargeable to the Scheme does not exceeds 0.75% of the average daily net asset values recorded by the Scheme. All costs, charges and expenses incurred by Quantum Asset Management Company Private Limited in the administration and execution of the activities of the Scheme, except costs allowed to be charged to the Scheme under the Securities and Exchange Board of India (Mutual Fund) Regulation, 1996 and amendments thereto, as applicable, are on their own account for which they receive investment management fees.

**(2) VALUE OF INVESTMENT AS ON MARCH 31, 2012**

The Cost and Market Value/Fair Value of Investment as on March 31, 2012 is given below.

Securities	March 31, 2012		March 31, 2011	
	Cost (₹)	Market Value (₹)	Cost (₹)	Market Value (₹)
Mutual Fund Units	26,046,083	26,684,348	21,949,247	24,014,751
Collateralised Borrowing & Lending Obligation (CBLO)	447,682	447,682	220,803	220,803
<b>TOTAL</b>	<b>26,493,765</b>	<b>27,132,030</b>	<b>22,170,050</b>	<b>24,235,554</b>

**(3) NON PERFORMING INVESTMENTS**

Type of Investments	Carrying Value Amount (₹)	Market value Amount (₹)	Provisions
NIL	NIL	NIL	NIL

**(4) NAV**

Net Asset Value (NAV) per unit having a Face Value of ₹ 10 as on March 30, 2012

Scheme	NAV (March 30, 2012)*	NAV (March 31, 2011)
Growth Option	13.3780	14.1800
Dividend Option	13.3800	14.1820

\*As 31<sup>st</sup> March, 2012 is a Non-business day NAV of 30<sup>th</sup> March, 2012 has been shown.

**(5) AGGREGATE APPRECIATION AND DEPRECIATION IN THE VALUE OF INVESTMENTS**

Aggregate appreciation and depreciation in value of investments as on March 31, 2012 is as follow

Particulars	March 31, 2012 (₹)	March 31, 2011 (₹)
Mutual Fund Units		
Appreciation	1,207,385	2,224,087
Depreciation	(569,121)	(158,583)
<b>Net Appreciation/ (Depreciation)</b>	<b>638,264</b>	<b>2,065,504</b>

**(2.9) TRUSTEE FEES**

As per the Trust deed entered between Quantum Advisors Private Limited (Sponsor) and Quantum Trustee Company Private Limited (Trustee) on October 7, 2005, the fund is entitled to pay Trusteeship fees. During the year no trustee fee amount is charged to the scheme, hence the entire amount of trustee fee is borne by the AMC.

**(2.10) REGISTRAR & TRANSFER AGENT FEES**

Karvy Computershare Private Limited provides registrar and share transfer services to the scheme for which it receives registrar and share transfer fees.

**(2.11) INCOME TAX**

No Provision for taxation has been made since the income of the scheme is exempt under section 10(23D) of the Income Tax Act, 1961.

**3. NOTES TO ACCOUNTS**

**(1) OPTIONS**

The Scheme has two Options Growth Option and Dividend Option. A combined Balance Sheet and Revenue Account is prepared for the Scheme.

**(6) AGGREGATE VALUE OF PURCHASE AND SALE OF INVESTMENTS**

Purchases (excluding CBLO & Fixed deposits) – ₹ 7,685,500/-

- As a percentage of average daily net assets is 30.35 %

Sales / Redemptions (excluding CBLO & Fixed deposits) – ₹ 3,807,755/-

- As a percentage of average daily net assets is 15.04 %

**(7) INCOME AND EXPENDITURE**

The total income and expenditure and these amounts as a percentage of the Scheme's average daily net assets on an annualized basis are provided below:

Income (Net off losses on sale of Investments and excluding unrealized appreciation)

- Amount ₹ 268,691/-
- As a percentage of average daily net assets is 1.06 %

Expenditure

- Amount ₹ 189,936/-
- As a percentage of average daily net assets is 0.75 %

**(8) INVESTMENT MANAGEMENT FEES**

Investment Management Fees has been computed on the basis of Average Daily Net Asset of the Scheme accrued on a daily basis. Average daily Net Asset is ₹ 25,325,104.48 & fees charged 0.75%, Management Fees accrued during the period is ₹ 189,936.09/- inclusive of statutory levies with service tax.

**(9) OTHER EXPENSES**

From June 01, 2010 onwards all other expenses are fully borne by the AMC.

**(10) CONTRACTS PENDING DELIVERIES**

There were no contracts for sale or purchase pending deliveries as on March 31, 2012.

**(11) MOVEMENT IN UNIT CAPITAL**

Particulars	2011-12		2010-11	
	Units	Amount	Units	Amount
<b>Units of ₹ 10 each fully paid up</b>				
<b>Growth Option</b>				
Opening	1,509,239.59	15,092,395.90	781,865.37	7,818,653.70
- Issued during the period	465,483.61	4,654,836.10	999,543.66	9,995,436.60
- Redeemed during the period	134,272.04	1,342,720.40	272,169.44	2,721,694.40
- Outstanding at end of the period	1,840,451.16	18,404,511.60	1,509,239.59	15,092,395.90
<b>Dividend Option</b>				
Opening	200,182.91	2,001,829.10	226,932.71	2,269,327.10
- Issued during the period	83,775.32	837,753.20	84,492.81	844,928.10
- Redeemed during the period	95,700.56	957,005.60	111,242.61	1,112,426.10
- Outstanding at end of the period	188,257.67	1,882,576.70	200,182.91	2,001,829.10
<b>Grand Total</b>				
Opening	1,709,422.47	17,094,225	1,008,798.08	10,087,980.80
- Issued during the period	549,258.93	5,492,589.30	1,084,036.47	10,840,364.75
- Redeemed during the period	229,972.60	2,299,726.00	383,412.05	3,834,120.50
- Outstanding at end of the period	2,028,708.83	20,287,088.30	1,709,422.47	17,094,224.70

**(12) DISCLOSURE UNDER REGULATIONS 25 (8) OF THE SEBI REGULATIONS – PAYMENTS OF FEES TO ASSOCIATE COMPANIES**

Quantum Equity Fund of Funds has made NIL payment to Associate companies during the year ended March 31, 2012 (Refer note no. 21)

**(13) INVESTMENTS IN GROUP COMPANIES**

Quantum Equity Fund of Funds has made NIL investment in group companies during the year

ended March 31, 2012

**(14) LARGE HOLDINGS**

Unit holders holding over 25% of the Scheme's of NAV is NIL as at the end of the year March 31, 2012

**(15) DISCLOSURE UNDER REGULATION 25(11) OF THE SECURITY AND EXCHANGE BOARD OF INDIA (MUTUAL FUNDS) REGULATIONS, 1996 AS AMENDED - NIL**

**(16) SUPPLEMENTARY INVESTMENT PORTFOLIO INFORMATION AND INDUSTRYWISE CLASSIFICATION**

Details of investment portfolio and industry wise classification of the Scheme's investments in each category of investments at March 31, 2012, are presented below. The industry and company exposures are stated as a percentage of the Scheme's net assets as at March 31, 2012, as well as the aggregate investments in each investment category.

Name of the Instrument	Units	Market value Amount (₹ Lakhs)	% of Net Assets	% to Inv. Category
<b>Mutual Fund Units</b>		<b>266.83</b>	<b>98.32</b>	<b>100.00</b>
DSP BlackRock Equity Fund - Regular Plan - Growth	315,540.38	50.16	18.48	18.80
HDFC Top 200 Fund - Growth Option	24,844.01	50.03	18.43	18.75
HDFC Equity Fund - Growth Option	18,127.45	47.43	17.48	17.78
Canara Robeco Equity Diversified-Growth Option	76,951.94	42.62	15.70	15.97
Birla Sun Life Frontline Equity Fund-Growth	49,154.13	40.83	15.04	15.30
Sundaram Select Midcap-Growth	24,480.14	35.76	13.18	13.40
<b>Cash &amp; Equivalent</b>				
Collateralised Borrowing & Lending Obligation (CBLO)		4.48	1.65	
Net Receivables/ (Payables)		0.08	0.03	
<b>GRAND TOTAL</b>		<b>271.40</b>	<b>100.00</b>	

**(17) BORROWINGS**

The scheme has not made any borrowing during the period March 31, 2012. (Previous Year – Nil)

**(18) DERIVATIVES**

The scheme has no exposure to derivative products during the financial year (Previous Year – Nil)

**(19) SEGMENT REPORTING**

As per disclosure requirement under Accounting Standard 17 on 'Segment Reporting' issued by ICAI the scheme operates only in one segment viz. to primarily generate returns, based on schemes' investment objective.

**(20) CONTINGENT LIABILITIES**

The Contingent Liabilities as on 31<sup>st</sup> March 2012 is NIL (Previous Year – Nil)

The scheme has not taken any underwriting obligation during the year ended March 31, 2012 (Previous Year – Nil)

**(21) RELATED PARTY TRANSACTIONS**

The scheme has entered into transactions with various related parties. The information required in this regard in accordance with Accounting Standards 18.

**Related party relationships**

Name	Description of relationship
Quantum Advisors Private Limited	Sponsor
Quantum Asset Management Company Private Limited	Asset Management Company
Quantum Trustee Company Private Limited	Trustee
Quantum Information Services Private Limited	Associate
Helpyourngo.com India Private Limited	Associate
Equitymaster India Limited	Associate
Equitymaster Agora Research Private Limited	Associate
Personalfn Insurance Services India Limited	Associate
Menlo Oak Venture Investments	Associate
Primary Real Estate Advisors Private Limited	Associate
PREI Management Limited Mauritius	Associate
QIEF Management LLC	Associate
QACPI India Fixed Income Fund Limited, Mauritius	Associate
G Corp Homes Private Limited	Associate

**Other Schemes of the Fund**

Quantum Long Term Equity Fund

Quantum Liquid Fund

Quantum Gold Fund

Quantum Index Fund

Quantum Tax Saving Fund

Quantum Gold Savings Fund

Transaction, if any with the above mentioned related parties as defined under Regulation 25(8) of the SEBI Regulation are provided below:

Name of the related party	Nature of transactions	Year ended March 2012	Balance as at March 31, 2012	Year ended March 2011	Balance as at March 31, 2011
Quantum Asset Management Co Pvt Ltd	Management Fees	189,936.09	15,388.02	111,231.85	13,154.03

Neither the sponsor nor the associates of the Quantum Mutual Fund have acted as arranger or manager of any issue of equity or debt. The associate company has not lead managed any issue.

**Brokerage and commission paid to associates as per SEBI circular SEBI/IMD/CIR No 18 / 198647 /2010 dated March 15, 2010.**

a) **Brokerage paid to Associates Companies during the last two fiscal years:- Nil**

b) **Commission paid to Associate Companies during the last two fiscal years:-**

Name of Associate company	Nature of Association/ Nature of relation	Period covered	Business given (₹ Cr. & % of total business received by the fund)	Commission paid (₹ & % of total commission paid by the fund)
Quantum Information Services Private Limited	Associate Company	April 01, 2010 - March 31, 2011	0.01 cr. & 6.78%	Nil
Quantum Information Services Private Limited	Associate Company	April 01, 2011- March 31, 2012	0.01 cr. & 1.92%	Nil

**(22) PRIOR PERIOD COMPARATIVES**

Previous year's figures have been regrouped/re-arranged wherever necessary.

# QUANTUM

## MUTUAL FUND

# Profit with Process

For Quantum Trustee Company Pvt Ltd

For Quantum Asset Management Company Pvt Ltd

Mr. Jagdish Capoor  
(Chairman)

Mr. Ajit Dayal  
(Chairman)

Mr. C. Srinivasan  
(Director)

Mr. Hormazdiyaar Vakil  
(Director)

Mr. Jimmy A. Patel  
(Chief Executive Officer)

Mr. Arvind Chari  
(Fund Manager)



**HISTORICAL PER UNIT STATISTICS**

Sr. No.	Particulars	Quantum Equity Fund of Funds (" the Scheme") Audited as of 31.03.2012	Quantum Equity Fund of Funds (" the Scheme") Audited as of 31.03.2011	Quantum Equity Fund of Funds (" the Scheme") Audited as of 31.03.2010
	<b>Face Value</b>	<b>₹ 10/-</b>	<b>₹ 10/-</b>	<b>₹ 10/-</b>
(a)	Net Assets Value			
i)	Growth Option	13.378	14.180	12.636
ii)	Dividend Option	13.380	14.182	12.638
(b)	Gross Income per-unit broken up into the following components			
(i)	income other than profit on sale of investment, per unit	0.0246	0.0413	0.0120
(ii)	income from profit on inter scheme sales / transfer of investment per unit	-	-	-
(iii)	income from profit on sale of investment to third party, per unit	0.1078	0.9666	0.1242
(iv)	transfer to revenue account from past years' reserve, per unit	-	-	-
(c)	Aggregate of expenses, write off, amortisation and charges, per-unit	0.0936	0.0744	0.0499
(d)	Net unrealized appreciation in value of investments	0.3146	1.2083	1.7741
(e)	Net Income per unit (excluding unrealized appreciation)	0.0388	0.9335	0.0863
(f)				
i)	<b>Highest sale price</b>			
	Growth Option	14.537	15.792	12.794
	Dividend Option	14.539	15.794	12.795
ii)	<b>Lowest sale price</b>			
	Growth Option	11.319	12.138	10.292
	Dividend Option	11.321	12.139	10.292
iii)	<b>Highest repurchase price</b>			
	Growth Option	14.320	15.560	12.600
	Dividend Option	14.320	15.560	12.600
iv)	<b>Lowest repurchase price</b>			
	Growth Option	11.150	11.960	10.140
	Dividend Option	11.150	11.960	10.140
v)	Price earning Ratio	NA	NA	NA
(g)	Ratio of expenses to average daily net assets by % (Excluding unrealized depreciation and amortization of deferred revenue expenditure)	0.75%	0.75%	0.52%
(h)	Ratio of income to Average daily net assets by % (excluding of unrealized appreciation)	1.06%	10.16%	1.55%

Profit with Process

## AUDITORS' REPORT

TO

THE BOARD OF TRUSTEES OF  
QUANTUM MUTUAL FUND

We have audited the attached Balance Sheet of the Quantum Gold Savings Fund (the "scheme") of **Quantum Mutual Fund** as at 31<sup>st</sup> March, 2012 and the Revenue Account for the period ended on that date, which we have signed under reference to this report. These financial statements are the responsibility of the Management of the Quantum Trustee Company Private Limited and Quantum Asset Management Company Private Limited. Our responsibility is to express an opinion on these financial statements based on our audit.

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

We report that:

1. 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.
2. The Balance Sheet and the Revenue Account dealt with by this report are in agreement with the books of account of the scheme.
3. In our opinion, the valuation methods for non-traded securities are fair and reasonable and are in accordance with the guidelines for valuation issued by SEBI, under the regulation.
4. In our opinion, the Balance Sheet and the Revenue Account dealt with by this report have been prepared in accordance with the Accounting Policies and Standards as specified in the Ninth Schedule of the SEBI (Mutual Funds) Regulations, 1996 as amended up to date.
5. In our opinion, and to the best of our information and according to the explanations given to us, the said financial statements give the information required by the SEBI (Mutual Funds) Regulations, 1996 as applicable and give a true and fair view in conformity with the accounting principles generally accepted in India:
  - i) in the case of the Balance Sheet, of the state of affairs of the scheme as at 31<sup>st</sup> March, 2012 ; and
  - ii) in the case of the Revenue Account, of the surplus of the scheme for the period ended on that date

QUANTUM

For **HARIBHAKTI & CO.**  
Chartered Accountants  
Firm Registration No. – 103523W

sd/-

MUTUAL FUND

**CHETAN DESAI**

Partner  
Membership No 17000

Place: Mumbai  
Date: 25th May, 2012

Profit with Process

**QUANTUM GOLD SAVINGS FUND**  
**BALANCE SHEET AS AT 31ST MARCH, 2012**

	Schedule	31st March, 2012 Amount (₹)
<b><u>LIABILITIES</u></b>		
Unit Capital	'A'	32,659,358
Reserves and Surplus	'B'	8,668,497
Current Liabilities and Provisions	'C'	187,995
<b>Total</b>		<b>41,515,850</b>
<b><u>ASSETS</u></b>		
Investments	'D'	41,421,322
Other Current Assets	'E'	94,528
<b>Total</b>		<b>41,515,850</b>
Notes forming part of Accounts	'F'	

For Quantum Trustee Company Pvt Ltd

For Quantum Asset Management Company Pvt Ltd

Mr. Jagdish Capoor  
(Chairman)

Mr. Ajit Dayal  
(Chairman)

Mr. C. Srinivasan  
(Director)

Mr. Hormazdiyaar Vakil  
(Director)

Mr. Jimmy A. Patel  
(Chief Executive Officer)

Mr. Chirag Mehta  
(Fund Manager)

As per our report of even date  
For Haribhakti & Co.  
Chartered Accountants  
FRN: 103523W

Mr. Chetan Desai  
Partner  
Membership No: 17000  
Place : Mumbai  
Date : May 25, 2012

**QUANTUM GOLD SAVINGS FUND**  
**REVENUE ACCOUNT FOR THE PERIOD ENDED 31ST MARCH, 2012**

Schedule	31st March, 2012 Amount (₹)
<b><u>INCOME</u></b>	
Interest	16,290
Profit on sale / redemption of investments (Other than inter-scheme transfer / sale)	286,050
Other Income (Load Income)	83,340
<b>Total</b>	<b>385,680</b>
<b><u>EXPENSES AND LOSSES *</u></b>	
Loss on sale / redemption of investments ( Other than inter-scheme transfers / sale)	-
Custodian fees	22,931
Registrar & Transfer Agent's Fees	33,883
Other Operating Expenses	1,316
<b>Total</b>	<b>58,130</b>
<b>Net Surplus / ( Deficit ) for the period</b>	<b>327,550</b>
<b>APPROPRIATION ACCOUNT FOR THE PERIOD ENDED 31st MARCH, 2012</b>	
Net Surplus brought forward from previous year	-
Net Surplus / (Deficit) for the period	327,550
Transferred (to)/ from Equalisation Account	109,218
<b>Net Surplus / ( Deficit ) carried forward</b>	<b>436,768</b>
Notes forming parts of Accounts	F
* Refer note no. 9	

For Quantum Trustee Company Pvt Ltd

For Quantum Asset Management Company Pvt Ltd

Mr. Jagdish Capoor  
(Chairman)Mr. Ajit Dayal  
(Chairman)Mr. C. Srinivasan  
(Director)Mr. Hormazdiyaar Vakil  
(Director)Mr. Jimmy A. Patel  
(Chief Executive Officer)Mr. Chirag Mehta  
(Fund Manager)

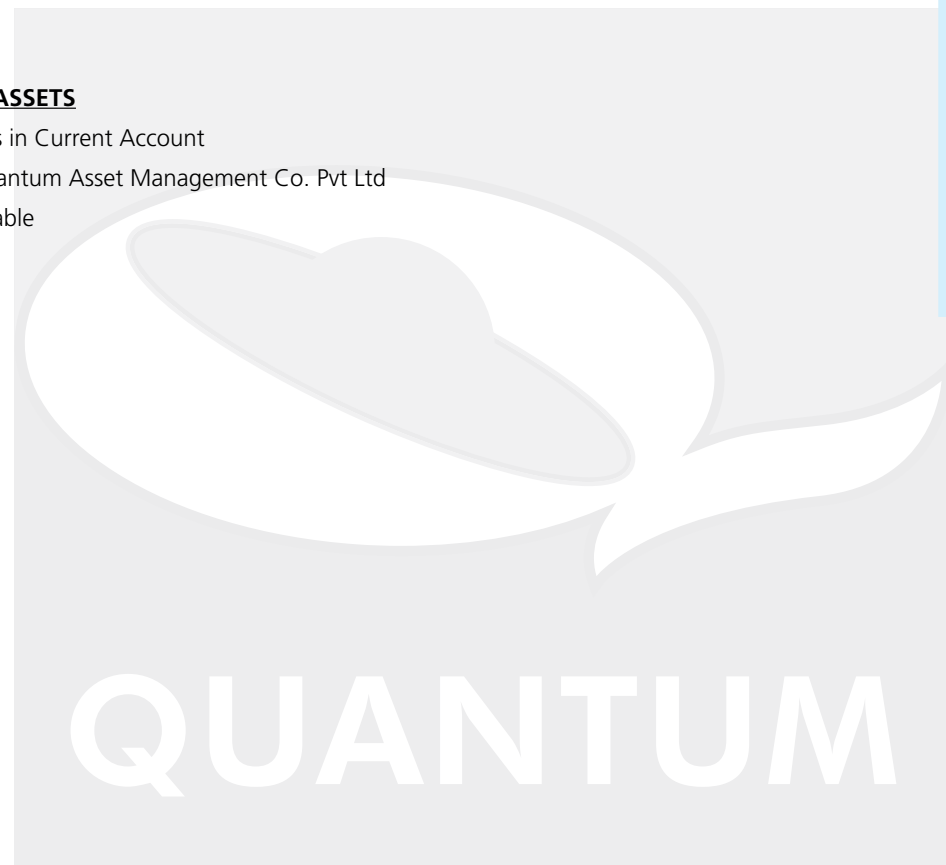
As per our report of even date  
 For Haribhakti & Co.  
 Chartered Accountants  
 FRN: 103523W

Mr. Chetan Desai  
 Partner  
 Membership No: 17000  
 Place : Mumbai  
 Date :May 25, 2012

**QUANTUM GOLD SAVINGS FUND**  
**SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2012**

	Units	31st March, 2012 Amount (₹)
<b>SCHEDULE 'A'</b>		
<b><u>UNIT CAPITAL</u></b>		
<b>(Face Value of ₹ 10 Each)</b>		
Unit Capital {Opening Balance}	-	-
Add : Subscription during Initial Offer period	621,444	6,214,438
Add : Subscription during the year / period	3,094,158	30,941,577
Less : Redemption during the year / period	449,666	4,496,657
<b>Unit Capital (Closing Balance)</b>	<b>3,265,936</b>	<b>32,659,358</b>
<b>SCHEDULE 'B'</b>		
<b><u>RESERVES &amp; SURPLUS</u></b>		
<b><u>Unit Premium</u></b>		
Opening Balance		-
<b>Add\ (Less) : Net Additions\ (Deduction) during the year / period</b>		4,148,654
<b>Add\ (Less):-Transferred (to) / from Equalisation Account</b>		(109,218)
<b>Closing Balance</b>		<b>4,039,436</b>
<b><u>Equalisation Account</u></b>		
Transferred from / (to) Unit Premium Reserve		109,218
<b>Add\ (Less): Transferred (to) / from Revenue Account</b>		(109,218)
<b>Closing Balance</b>		-
<b><u>Unrealised Appreciation in the value of investments (Net)</u></b>		
Opening Balance		-
Add: Net change during the year / period		4,192,293
		<b>4,192,293</b>
<b><u>Appropriation Account</u></b>		
Surplus\ (Deficit) carried forward		<b>436,768</b>
<b>Total Reserves &amp; Surplus</b>		<b>8,668,497</b>
<b>SCHEDULE 'C'</b>		
<b><u>CURRENT LIABILITIES &amp; PROVISIONS</u></b>		
Purchase Contract Outstanding		162,051
Redemption Payable		25,944
<b>Total</b>		<b>187,995</b>

	Units	31st March, 2012 Amount (₹)
<b>SCHEDULE 'D'</b>		
<b><u>INVESTMENTS</u></b>		
Mutual Fund Units		41,213,470
Collateralised Borrowing & Lending Obligation		207,852
<b>Total</b>		<b>41,421,322</b>
<b>SCHEDULE 'E'</b>		
<b><u>OTHER CURRENT ASSETS</u></b>		
Balances with Banks in Current Account		70,757
Receivable from Quantum Asset Management Co. Pvt Ltd		3
Subscription Receivable		23,768
<b>Total</b>		<b>94,528</b>



# QUANTUM

M U T U A L F U N D

## Profit with Process

**SCHEDULE 'F'**

**Notes:**

**1. ORGANISATION**

Quantum Gold Savings Fund ("the Scheme") is an open-ended growth scheme of Quantum Mutual Fund and was launched on April 28, 2011. Quantum Mutual Fund has been sponsored by Quantum Advisors Private Ltd. Quantum Asset Management Company Private Limited incorporated under the Companies Act, 1956 has been appointed as the Asset Management Company. The duration of the scheme is perpetual. The Scheme closed for initial subscription on May 12, 2011 and is currently open for ongoing subscription.

In accordance with the Securities and Exchange Board of India ("SEBI") (Mutual Funds) Regulations, 1996 ('the SEBI Regulations'), the Board of Directors of Quantum Trustee Company Private Limited ('the Trustee') has appointed Quantum Asset Management Company Private Limited ('the AMC') to manage the Fund's affairs and operate its Schemes. The investment objective of the scheme is to provide capital appreciation by predominantly investing in units of Quantum Gold Fund – Exchange Traded Fund. The Scheme offers its investors the Growth Option. The Benchmark for the scheme is Domestic Price of Gold.

**2. SIGNIFICANT ACCOUNTING POLICIES**

**(2.1) BASIS OF ACCOUNTING**

The scheme maintains its books of accounts on an accrual basis. These financial statements have been prepared in accordance with the accounting policies and standards specified in the ninth schedule of the Securities and Exchange Board of India (Mutual Fund) Regulation, 1996 and amendments thereto as applicable.

**(2.2) INVESTMENTS**

**Accounting of Investments**

Investments are accounted on the trade date. The Scheme uses the average cost method for determining the realized gain or loss on sale of investments. In case of interest bearing securities though investments are accounted on the trade date, interest accrues from the settlement date. However, the effect of all investments traded during the financial year is recorded and reflected in the financial statements for that year. The cost of investments includes cost of acquisition, brokerage, stamp duty and any charge included in broker's brought note.

Rights/Bonus entitlements, if any, are accounted on ex-right/ex-bonus date of the principal stock exchange.

**Valuation of Investments**

Investments are stated at market / fair value at the Balance Sheet date / date of determination. The net asset value of the units of the scheme is determined separately for the units issued under the Options in valuing the Scheme's investments.

- I. Units of Quantum Gold Fund listed on a recognized stock exchange is valued at the last quoted closing price on National Stock Exchange of India Limited (NSE) on which the security is traded. If on a particular valuation day a security is not traded on NSE the value at which it is traded on the Bombay Stock Exchange Limited (BSE) of India is used. In case the units of Quantum Gold Fund gets classified as thinly traded/ non traded the same may be valued as per underlying NAV of the fund. For the purpose of determination of the thinly traded / non traded securities the definitions in the SEBI Regulation pertaining to equity schemes shall be applied, since there are not specific reference of Gold based units.
- II. Non traded and thinly traded equity securities including those not traded within thirty days prior to valuation date are valued at fair value as determined in good faith by the AMC under a procedure that is approved by the trustee of Quantum Mutual Fund in accordance with the provision contained in the Eight Schedule of the SEBI regulations read with guidelines for valuation of securities for mutual funds dated September 18, 2000 and amendments thereto, as applicable, issued by the SEBI
- III. Debt Securities listed on recognized stock exchange are valued at the last quoted closing price on the principal exchange on which the security is traded. If no sale is reported at that time such security is valued at fair value as determined in good faith by the AMC under a procedure that is approved by the Trustee of Quantum Mutual Fund.
- IV. Non traded and thinly traded debt securities are valued at fair value as determined in good faith by the AMC under a procedure that is approved by the Trustee of Quantum Mutual Fund in accordance with the provision contained in the Eight Schedule of the SEBI Regulations, as amended up to date with relevant circulars read with guidelines for valuation of securities for mutual funds dated September 18, 2000 and subsequent amendments thereto, as applicable, issued by the SEBI.
- V. Privately placed debt securities are valued at fair value as determined in good faith by the AMC under a procedure that is approved by the Trustee of Quantum Mutual Fund.
- VI. Traded money market securities are valued at the weighted average price at which they are traded on the particular valuation date. If such security is not traded on particular valuation date then security with residual maturity of over 91 days is valued at benchmark yield/ matrix of spread over risk free benchmark yield



and security with residual maturity of up to 91 days is valued on amortization basis.

- VII. Instruments bought on 'repo' basis are valued at the resale price after deduction of applicable interest upto the date of resale.
- VIII. An Investment is regarded as non-performing, if the interest and / or principal amount has not been received or remains outstanding for one quarter from the day such income or installment has fallen due.
- IX. The net unrealised gain or loss in the value of investments is determined separately for each category of investments. The change in net unrealised loss, if any, between two balance sheet dates is recognized in the revenue account and net unrealised gain, if any, is adjusted in the unrealised appreciation reserve. The loss on investments sold / transferred during the year is charged to the revenue account instead of being first adjusted against the provision for depreciation, if already created in the previous year.

#### **(2.3) REVENUE RECOGNITION**

Interest income is recorded on an accrual basis. In respect of interest bearing instruments income has been accrued on a day to day basis as it is earned. Where fixed income securities are acquired at premium or discount to the redemption value, such premium or discount is amortized on a straight line basis over the period of redemption. Dividend income earned by the scheme has been recognised on the date the share is quoted on an ex-dividend basis. Profit / loss on sale of investment is accounted for in the year in which the contract for sale is entered into. The cost is calculated on the basis of weighted average cost of investment.

#### **(2.4) EXIT LOAD INCOME**

Entire exit load amount collected from the investor is credited to the revenue account

#### **(2.5) DETERMINATION OF NET ASSET VALUE (NAV)**

For reporting the net asset value for the scheme daily income earned, including realized and unrealized gain or loss in the value of investments and expenses incurred by the Scheme are considered.

#### **(2.6) UNIT CAPITAL**

Unit Capital represents the net outstanding units at the balance sheet date, thereby reflecting all the transactions relating to the period ended on that date.

Upon issue and redemption of units, the net premium or discount to the face value of units is adjusted against the unit premium reserve of the scheme, after an appropriate portion of the issue proceeds and redemption payout is credited or debited respectively to the income equalization reserve.

#### **(2.7) EQUALISATION ACCOUNT**

The purpose of Equalization Account is to maintain per unit distributable surplus so that continuing unit holders' share of distributable surplus remains unchanged on issue or redemption of units. The total distributable surplus (without considering unrealised appreciation) upto the date of issue / redemption of units have been taken into account for the purpose of ascertaining the amount to be transferred to Equalization Account. The net balance in this account is transferred to the Revenue Account at the end of the year.

#### **(2.8) CUSTODY FEES**

Deutsche Bank AG provides custodial services to the scheme for which it receives custody fees.

#### **(2.9) INVESTMENT MANAGEMENT FEES**

As per Scheme information document no investment management fees is charged to the scheme.

#### **(2.10) TRUSTEE FEES**

As per the Trust deed entered between Quantum Advisors Private Limited (Sponsor) and Quantum Trustee Company Private Limited (Trustee) on October 7, 2005, the fund is entitled to pay Trusteeship fees. During the year no trustee fee amount is charged to the scheme, thus entire amount of trustee fee is borne by the AMC.

#### **(2.11) REGISTRAR & TRANSFER AGENT FEES**

Karvy Computershare Private Limited provides registrar and share transfer services to the scheme for which it receives registrar and share transfer fees.

#### **(2.12) INCOME TAX**

No Provision for taxation has been made since the income of the scheme is exempt under section 10(23D) of the Income Tax Act, 1961.

### **3. NOTES TO ACCOUNTS**

#### **(1) OPTIONS**

The scheme has one Option: Growth Option.

**(2) VALUE OF INVESTMENT AS ON MARCH 31, 2012**

The Cost and Market Value/ Fair Value of Investment as on March 31, 2012 is given below.

Securities	March 31, 2012	
	Cost (₹)	Market Value (₹)
Mutual Fund ETF Units	37,021,176	41,213,470
Collateralised Borrowing & Lending Obligation (CBLO)	207,852	207,852
Total	37,229,028	41,421,322

**(3) NON PERFORMING INVESTMENTS.**

Type of Investment	Carrying Value Amount (₹)	Market value Amount (₹)	Provisions
NIL	NIL	NIL	NIL

**(4) NAV**

Net Asset Value (Face Value - ₹ 10) as on March 30, 2012

Scheme	NAV (March 30, 2012)*
Growth Option	12.6542

\*As 31<sup>st</sup> March, 2012 is a Non-business day NAV of 30<sup>th</sup> March, 2012 has been shown.

**(5) AGGREGATE APPRECIATION AND DEPRECIATION IN THE VALUE OF INVESTMENTS**

Aggregate appreciation and depreciation in value of investments as on March 31, 2012 is as follows:

Particulars	March 31, 2012
Mutual Fund ETF Units	
Unrealised Appreciation	4,192,293.40
Unrealised Depreciation	-
Net Unrealised Appreciation/ (Depreciation)	4,192,293.40

**(6) AGGREGATE VALUE OF PURCHASE AND SALE OF INVESTMENTS MADE DURING THE YEAR**

- Purchases (excluding CBLO and Fixed deposits) – ₹ 38,844,362.46 As a percentage of average daily net assets is 145.04%
- Sales / Redemptions (excluding CBLO and Fixed deposits) – ₹ 2,091,450.89
- As a percentage of average daily net assets 7.81%

- Amount ₹ 385,679.39
- As a percentage of average daily net assets is 1.44 %
- Expenditure
- Amount ₹ 58,131.76
- As a percentage of average daily net assets is 0.25 %

**(7) INCOME AND EXPENDITURE**

The total income and expenditure and these amounts as a percentage of the Scheme's average daily net assets on an annualized basis are provided below:

Income (Net off losses on sale of Investments and excluding unrealized appreciation)

**(8) INVESTMENT MANAGEMENT FEES - NIL****(9) OTHER EXPENSES**

Other expenses only to the extent of 0.25% are borne by scheme and rests of the expenses are borne by the AMC.

**(10) CONTRACTS PENDING DELIVERIES**

Purchase of securities by the Scheme, the deliveries of which were pending as on March 2012, amounted to ₹ 162,050.89. There were no contracts for Sale pending deliveries as on March 31, 2012.

**(11) MOVEMENT IN UNIT CAPITAL**

Particulars	2011-12	
	Units	Amount
<b>Units of ₹ 10 each fully paid up</b>		
<b>Growth Option</b>		
Opening	Nil	Nil
Issued		
- New Fund Offer	621,443.83	6,214,438.30
- during the period	3,094,157.73	30,941,577.30
- Redeemed during the period	449,665.72	4,496,657.20
- Outstanding at end of the period	3,265,935.84	32,659,358.40
<b>Grand Total</b>		
Opening	Nil	Nil
Issued		
- New Fund Offer	621,443.83	6,214,438.30
- during the period	3,094,157.73	30,941,577.30
- Redeemed during the period	449,665.72	4,496,657.20
- Outstanding at end of the period	3,265,935.84	32,659,358.40

**(12) DISCLOSURE UNDER REGULATIONS 25 (8) OF THE SEBI REGULATIONS – PAYMENTS OF FEES TO ASSOCIATE COMPANIES**

Quantum Gold Savings Fund has made Nil payment to Associate companies during the period ended March 31, 2012 (please refer note no. 22)

**(13) INVESTMENTS IN GROUP COMPANIES**

Quantum Gold Savings Fund has made NIL investment in group companies during the period ended March 31, 2012

**(14) LARGE HOLDINGS**

Unit holders holding over 25% of the Scheme's NAV is NIL as at the end of the period March 31, 2012

**(15) DISCLOSURE UNDER REGULATION 25(11) OF THE SECURITY AND EXCHANGE BOARD OF INDIA (MUTUAL FUNDS) REGULATIONS, 1996 AS AMENDED - NIL****(16) SUPPLEMENTARY INVESTMENT PORTFOLIO INFORMATION AND INDUSTRYWISE CLASSIFICATION**

Details of investment portfolio and industry wise classification of the Scheme's investments in each category of investments at March 31, 2012, are presented below. The industry and company exposures are stated as a percentage of the Scheme's net assets as at March 31, 2012, as well as the aggregate investments in each investment category.

Name of Instrument	Quantity	Amount (₹ in lacs)	% to Net Asset	% to Investment category
<b>EXCHANGE TRADED FUND</b>				
Listed /Awaiting listing on the Stock Exchange				
Units of Quantum Gold Fund	30,584	412.13	99.72	100.00
<b>Cash &amp; Cash Equivalent</b>				
Collateralised Borrowing & Lending Obligation (CBLO)		2.08	0.50	
Net Receivable / (Payables)		-0.93	-0.23	
<b>Grand Total</b>		<b>413.28</b>	<b>100.00</b>	

**(17) INITIAL ISSUE EXPENSES**

Initial Issue Expenses charged to the Scheme - Nil

**(18) BORROWINGS**

The scheme has not made any borrowing during the period ended March 31, 2012

**(19) DERIVATIVES**

The scheme has no exposure to derivative products during the current financial period.

**(20) SEGMENT REPORTING**

As per disclosure requirement under Accounting Standard 17 on 'Segment Reporting' issued by ICAI the scheme operates only in one segment viz. to primarily generate returns, based on schemes' investment objective.

**(21) CONTINGENT LIABILITIES**

The Contingent Liabilities as on 31<sup>st</sup> March 2012 is NIL.

The scheme has not taken any underwriting obligation during the period ended March 31, 2012.

**(22) RELATED PARTY TRANSACTIONS**

The scheme has entered into transactions with some of the following related parties. The information required in this regard in accordance with Accounting Standards 18

**Related party relationships**

Name	Description of relationship
Quantum Advisors Private Limited	Sponsor
Quantum Asset Management Company Private Limited	Asset Management Company
Quantum Trustee Company Private Limited	Trustee
Quantum Information Services Private Limited	Associate
Helpyourngo.com India Private Limited	Associate
Equitymaster India Limited	Associate
Equitymaster Agora Research Private Limited	Associate
Personalfn Insurance Services India Limited	Associate
Menlo Oak Venture Investments	Associate
Primary Real Estate Advisors Private Limited	Associate
PREI Management Limited Mauritius	Associate
QIEF Management LLC	Associate
QACPI India Fixed Income Fund Limited, Mauritius	Associate
G Corp Homes Private Limited	Associate

**Other Schemes of the Fund**

Quantum Long Term Equity Fund

Quantum Liquid Fund

Quantum Gold Fund

Quantum Index Fund

Quantum Tax Saving Fund

Quantum Equity Fund of Funds

Transaction, if any with the above mentioned related parties as defined under Regulations 25(8) of the SEBI Regulation are provided below:

Name of the related party	Nature of transactions	Period ended March 31, 2012	Balance as at March 31, 2012
Quantum Assets Management Co Pvt Ltd.	Subscription	1,000,000.00	-
	Redemption	-	-
	Net Assets value of investment at balance sheet date	1,265,420.00	-

Neither the sponsor nor the associates of the Quantum Mutual Fund have acted as arranger or manager of any issue of equity or debt. The associate company has not lead managed any issue.

Brokerage and commission paid to associates as per SEBI circular SEBI / IMD / CIR No 18 / 198647 /2010 dated March 15, 2010.

- a) Brokerage paid to Associates Companies during current financial year :- NIL
- b) Commission paid to Associate Companies during current financial year:-

Name of Associate company	Nature of Association/ Nature of relation	Period covered	Business given (₹ Cr. & % of total business received by the fund)	Commission paid (₹ & % of total commission paid by the fund)
Quantum Information Services Private Limited	Associate Company	May 19, 2011 - March 31, 2012	0.08 cr. & 1.82%	Nil

#### (23) CASH FLOW STATEMENT

As this is the first year of the scheme, previous year figures are not available, hence cash flows is not prepared.

#### (24) PRIOR PERIOD COMPARATIVES

Previous year figures are not available as the scheme was launched during current financial year.



For Quantum Trustee Company Pvt Ltd

Mr. Jagdish Capoor  
(Chairman)

Mr. Hormazdiyaar Vakil  
(Director)

For Quantum Asset Management Company Pvt Ltd

Mr. Ajit Dayal  
(Chairman)

Mr. Jimmy A. Patel  
(Chief Executive Officer)

Mr. C. Srinivasan  
(Director)

Mr. Chirag Mehta  
(Fund Manager)

## HISTORICAL PER UNIT STATISTICS

Sr. No.	Per Unit Particulars (Rupees)	Quantum Gold Savings Fund ("the scheme") Audited as of 31.03.2012
	Face Value	RS.10/-
<b>(a)</b>	<b>Net Asset Value</b>	
i)	Growth Option	12.6542
<b>(b)</b>	<b>Gross Income broken up into the following components</b>	
i)	income other than profit on sale of investment	0.0305
ii)	income from profit on inter-scheme sales/transfer of investments	-
iii)	income from profit on sale of investment to third party	0.0876
iv)	transfer to revenue account from past years reserve	-
<b>(c)</b>	<b>Aggregate of expenses, write-off, amortization and charges</b>	0.0356
<b>(d)</b>	<b>Net Unrealised appreciation in value of investments</b>	1.2836
<b>(e)</b>	<b>Net Income per unit (excluding unrealized appreciation)</b>	0.0825
<b>(f)</b>		
i)	Highest sale price	
	Growth Option	13.1167
ii)	Lowest sale price	
	Growth Option	9.8664
iii)	Highest repurchase price	
	Growth Option	12.9199
iv)	Lowest repurchase price	
	Growth Option	9.7184
(v)	Price earnings Ratio	N.A
<b>(g)</b>	<b>Ratio of expenses to average net assets (excluding unrealized depreciation and amortization of deferred revenue expenditure)</b>	0.25%
<b>(h)</b>	<b>Ratio of gross income to average daily net assets</b>	1.44%

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