



# Quantum Mutual Fund

## Profit with process



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

**Annual Report for the year ended 31<sup>st</sup> March 2014**

**Quantum Asset Management Company Private Limited**

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Every so often an obstinate regulator, against the views and recommendations of independent advisory committees, comes out with an illogical rule that defies all rationale.

We have just seen the birth of one such rule: anyone wishing to launch a mutual fund in India must have a minimum net worth of ₹ 50 crore to set up an Asset Management Company, the entity which manages the corpus of the schemes launched by a mutual fund house. AMCs, such as Quantum AMC - which have already been granted the license from SEBI in the past - have been given 3 years to reach this arbitrary net worth of ₹ 50

crore and achieve the status of a "serious player".

**Mutual funds - like doctors, lawyers and accountants - do not guarantee anything; they don't need to have a high capital base.**

In our view the rule is absurd because SEBI seems to have completely overlooked the basic "business" of a mutual fund, which is to give advice on what is the best portfolio to own. At no point in time, in the entire cycle of investments, is the money or the assets in a mutual fund owned by the mutual fund house - the assets are always owned by (and in the beneficial interest of) the unit holder, the investor. The investment manager helps build the portfolio.

Let's examine this logically - would you ask your doctor how rich she is before you consult her? Do you ask your accountant how rich he is before you allow him to help you file your tax returns? Do you check the net worth of your lawyer before you appoint the lawyer to represent you in a case? No - in each of these instances you wish to evaluate the track record and performance of the doctor, accountant, or lawyer. So, why is it different for a mutual fund? What has net worth got to do with performance?

A mutual fund is not a bank which needs to have some minimum "regulatory capital": we are not supposed to guarantee anything. Neither are we an insurance company: there is no guaranteed pay out at some future date. Has SEBI read the Disclaimers that the mutual funds are required to insert in the offer documents and advertisements which explicitly state that returns are not guaranteed? I guess not.

As of March 31, 2014 the unaudited net worth of Quantum AMC was ₹ 28 crore - ₹ 22 crore short of the minimum net worth requirement of ₹ 50 crore. Quantum Advisors, the Sponsor and 100% owner of Quantum AMC, is committed to the "business" of mutual funds and we should be in a position to meet this minimum net worth criteria within the 3 year time frame. Jimmy A Patel, the CEO of Quantum AMC, has already sent you a few emails on this.

**The silence of an influential minority and the lobbying power of AMFI will kill the consumer.**

While Quantum AMC is confident of complying with the new rule - if it were to stand the test of any legal challenge including a review by the Competition Commission of India or a review by a logical Minister of Finance - the losers are the investors: the buyers of mutual funds. Interestingly, any fund manager who respects the MBA degree or the CFA Charter that they probably hold will tell you - in private, of course - how this rule is absurd. As may members of some of the Trustee Companies and members of the Board of other AMCs. But they could be keeping quiet for one of two reasons:

- 1) This absurd rule is potentially great for their business, their annual salary and bonus, and / or
- 2) They are scared to protest and upset SEBI.

And, because of their silence, investors like you are doomed to fewer choices from fewer mutual fund houses. Worse, the mutual fund houses that survive may not be the best: they may be large and may have that minimum ₹ 50 crore net worth but they may have funds that are performing poorly compared to funds from smaller - but smarter? - AMCs. Size is no guarantee for success.

But SEBI is not the only one to "blame" for this potential decimation of investor choice. The Association of Mutual Funds of India - a group that consists of all "manufacturers" of mutual funds, including Quantum AMC - has shown itself to be totally ineffective in its fight for doing what is right for the investor. When SEBI banned entry loads for

distributors of mutual fund - a clear benefit for investors - AMFI fought with zeal to try and reinstate it. AMFI, controlled by the larger fund houses, has often focused on what is good for near-term Assets under Management (AuM), rather than acting as a custodian for the long term benefits of the investors.

The recent ad campaign released by AMFI announcing that the mutual fund industry has crossed AuM of ₹ 10,00,000 crore is a case in point. While AMFI may celebrate that milestone, they need to hang their head in shame for the other unpublicized statistic: the millions of investors who have left the mutual fund industry since 2008 because of the malpractices of mutual fund houses and their distribution partners. It is a shameful fact that, while Foreign Investors have enjoyed the benefits of one of the greatest bull markets in Indian stock markets, millions of local investors - who saw their wealth decimated by the questionable practices adopted by the giants of the mutual fund industry in the 2005 to 2007 period - preferred to park their money in bank deposits and earned pathetic returns.

Now, with the tax advantage of the mutual fund industry's debt funds over bank deposits eliminated by the recent budget proposals, representatives of AMFI are lobbying hard to get the Finance Minister to reverse his decision. I hope AMFI and their lobbyists lose, not because I wish to see the mutual fund industry suffer but because AMFI may then realize that they need to work for the investor to sustain growth - not lobby for bad regulations.

**CEOs of international fund houses laugh at the SEBI rule.**

For now, the mutual fund industry continues to be a haven for those "building a business", when it should be populated by investment professionals who can offer solutions with varying degrees of risk and return across asset classes and across time horizons to a range of investors.

In the USA the equivalent of the Sponsor of a mutual fund needs to introduce a seed capital of USD 100,000 (₹ 0.6 crore) to launch a mutual fund "business". In the EU and the UK, under the UCITS structures you need EUR 125,000 (₹ 1 crore) as the base capital. In Japan there is no minimum amount needed to start an AMC. However in India the new SEBI rule says you need ₹ 50 crore (a 5x increase from the illogical ₹ 10 crore that has been in place for a decade).

The few foreign fund houses that are present in India are silent because they can potentially benefit from the lack of competition which will be a result of this rule. Their business interests distort their moral compass. Every senior executive of the many fund houses who are not yet doing business in India - and with whom I have discussed this rule - cannot believe how such a rule made it into the regulatory handbook. It is time for SEBI to delink the net worth of an AMC to gauge this fictitious level of "seriousness". A "serious" fund house, in our opinion is one that focuses on what is good for its investors and not one that is willing to - by hook or by crook - grow its AuM.

**A challenge we will win - with your support!**

With no support from the regulatory environment and no spiritual connection to AMFI, all of us at Quantum Mutual Fund exist for one person: and that is for you, dear investor. Our commitment to move along the path of integrity and transparency is unwavering. We know that our frank talk will anger the regulator and upset AMFI - our defense is that we work for what is right.

We commit to you that we will be true to you and that we will never mis-sell our products. We will never put our desire to grow AuM ahead of your wish to be given honest and sincere advice. And we need your support in this journey to prove that an honest financial company can not only exist but thrive. We need you to continue believing in what we have delivered for the past 8 years; to ensure that what was built for you is never snatched away by poor regulation or strong lobbying from business groups that seek "consolidation" of the industry when the correct solution is more - and superior - alternatives driven by start-up AMCs with great ideas and none of the legacy and obsession of Assets under Management.

As many investors in Quantum Mutual Funds know, the "Acche Din" began a long time ago. We have built a world class, customer-focused company to diligently look after your hard-earned savings. It is now up to you to use it and place more of your savings pool in Quantum products. We seek your continued support and investment in Quantum Mutual Fund - but only after you have fully understood the risks of each product and have read the SEBI-ordained Disclaimers! ☺.

And with your support we will have the honour of serving you for many years in a mutually beneficial long-term partnership.

**Ajit Dayal**

Chairman, Quantum Asset Management Company Pvt. Ltd.

Name of the Scheme	This product is suitable for investors who are seeking*
<b>Quantum Long Term Equity Fund</b> (An Open-ended Equity Scheme)	<ul style="list-style-type: none"> <li>Long term capital appreciation</li> <li>Investments in equity and equity related securities of companies in S&amp;P BSE 200 index.</li> <li>High Risk  (BROWN)</li> </ul>
<b>Quantum Tax Saving Fund</b> (An Open-ended Equity Linked Savings Scheme)	<ul style="list-style-type: none"> <li>Long term capital appreciation</li> <li>Investments in equity and equity related securities of companies in S&amp;P BSE 200 index and to save tax u/s 80 C of the Income Tax Act. Investments in this product are subject to lock in period of 3 years.</li> <li>High Risk  (BROWN)</li> </ul>
<b>Quantum Index Fund</b> (An Open-ended Exchange Traded Fund)	<ul style="list-style-type: none"> <li>Long term capital appreciation</li> <li>Investments in equity and equity related securities of companies in CNX Nifty Index.</li> <li>High Risk  (BROWN)</li> </ul>
<b>Quantum Liquid Fund</b> (An Open-ended Liquid Scheme)	<ul style="list-style-type: none"> <li>Income over the short term</li> <li>Investments in debt / money market instruments.</li> <li>Low Risk  (BLUE)</li> </ul>
<b>Quantum Equity Fund of Funds</b> (An Open-ended Equity Fund of Funds Scheme)	<ul style="list-style-type: none"> <li>Long term capital appreciation</li> <li>Investments in portfolio of open-ended diversified equity schemes of mutual funds registered with SEBI whose underlying investments are in equity and equity related securities of diversified companies.</li> <li>High Risk  (BROWN)</li> </ul>
<b>Quantum Gold Fund</b> (An Open-ended Fund of Fund Scheme)	<ul style="list-style-type: none"> <li>Long term returns</li> <li>Investments in physical gold.</li> <li>High Risk  (BROWN)</li> </ul>
<b>Quantum Gold Savings Fund</b> (An Open-ended Fund of Fund Scheme)	<ul style="list-style-type: none"> <li>Long term returns</li> <li>Investments in units of Quantum Gold Fund – Exchange Traded Fund whose underlying investments are in physical gold.</li> <li>High Risk  (BROWN)</li> </ul>
<b>Quantum Multi Asset Fund</b> (An Open-ended Fund of Funds Scheme)	<ul style="list-style-type: none"> <li>Long term capital appreciation and current income</li> <li>Investments in portfolio of schemes of Quantum Mutual Fund whose underlying investments are in equity and equity related securities of companies, debt and money market instruments and physical gold.</li> <li>Medium Risk  (YELLOW)</li> </ul>

\* Investors should consult their financial advisers if in doubt about whether the product is suitable for them.

Note: Risk is represented as:

 <b>(BLUE)</b> Investors understand that their principal will be at low risk	 <b>(YELLOW)</b> Investors understand that their principal will be at medium risk	 <b>(BROWN)</b> Investors understand that their principal will be at high risk
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Please refer to Page (XIV) for the complete Statutory Details & Risk Factors.

## Fund Performance as on March 31, 2014

**(BROWN) - High risk: Quantum Long Term Equity Fund<sup>#</sup> Performance as on March 31, 2014**

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

	March 28, 2013 to March 31, 2014	March 30, 2012 to March 28, 2013	March 31, 2011 to March 30, 2012	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)	23.79%	8.97%	-1.50%	14.65%	30,080
Scheme Benchmark - (S&P BSE 30 TRI)	20.73%	10.13%	-9.16%	11.03%	23,234
Additional Benchmark - (S&P BSE Sensex)	18.85%	8.23%	-10.50%	9.46%	20,721

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 - 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.

**(BROWN) - High risk: Quantum Tax Saving Fund<sup>#</sup> Performance as on March 31, 2014**

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

	March 28, 2013 to March 31, 2014	March 30, 2012 to March 28, 2013	March 31, 2011 to March 30, 2012	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)	23.41%	8.98%	-1.73%	22.88%	29,640
Scheme Benchmark - (S&P BSE 30 TRI)	20.73%	10.13%	-9.16%	18.91%	24,924
Additional Benchmark - (S&P BSE Sensex)	18.85%	8.23%	-10.50%	17.21%	23,110

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

**(BROWN) - High risk: Quantum Index Fund<sup>#</sup> Performance as on March 31, 2014**

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

	March 28, 2013 to March 31, 2014	March 30, 2012 to March 28, 2013	March 31, 2011 to March 30, 2012	Since Inception**	
	Absolute Returns (%)	Absolute Returns (%)	Absolute Returns (%)	CAGR Returns (%)	Current value of standard investment of ₹10,000/- (INR)
Quantum Index Fund (Growth Option)	19.16%	8.51%	-8.26%	10.11%	17,363
Scheme Benchmark - (CNX Nifty-Total Return Index)	19.47%	8.72%	-8.18%	9.93%	17,200
Additional Benchmark - (S&P BSE Sensex)	18.85%	8.23%	-10.50%	8.64%	16,075

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 (II) for details on Product Label.

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

## Fund Performance as on March 31, 2014

**(BLUE) - Low risk: Quantum Liquid Fund<sup>#</sup> Performance as on March 31, 2014**

Mr. Murthy Nagarajan is the fund manager of Quantum Liquid Fund.

	Quantum Liquid Fund -(Growth Option)	Scheme Benchmark - (Crisil Liquid Fund Index)	Additional Benchmark - (Crisil 1 year T-Bill index)
7 days <sup>§</sup>	12.60%	13.21%	11.81%
15 days <sup>§</sup>	11.70%	12.53%	11.22%
30 days <sup>§</sup>	10.82%	11.61%	10.44%
March 28, 2013 to March 31, 2014 <sup>\$\$</sup>	9.14%	9.54%	5.84%
March 30, 2012 to March 28, 2013 <sup>\$\$</sup>	8.79%	8.17%	8.33%
March 31, 2011 to March 30, 2012 <sup>\$\$</sup>	9.05%	8.44%	6.59%
Since Inception**			
CAGR Returns (%)	7.70%	7.30%	5.76%
Current value of standard investment of ₹ 10,000/- (INR)	18,083	17,554	15,643

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

§ Simple Annualised Returns. \$\$ Absolute Returns.

**(BROWN) - High risk: Quantum Equity Fund of Funds<sup>#</sup> Performance as on March 31, 2014**

Mr. Chirag Mehta is the fund manager of Quantum Gold Fund, Quantum Gold Savings Fund, Quantum Equity Fund of Funds and Quantum Multi Asset Fund.

	March 28, 2013 to March 31, 2014	March 30, 2012 to March 28, 2013	March 31, 2011 to March 30, 2012	Since Inception**	
	Absolute Returns (%)	Absolute Returns (%)	Absolute Returns (%)	CAGR Returns (%)	Current value of standard investment of ₹10,000/- (INR)
Quantum Equity Fund of Funds - (Growth Option)	20.96%	4.86%	-5.66%	11.90%	16,968
Scheme Benchmark - (S&P BSE 200 Index)	17.19%	6.03%	-9.28%	8.23%	14,505
Additional Benchmark - (S&P BSE Sensex)	18.85%	8.23%	-10.50%	8.60%	14,737

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 20, 2009. Since inception returns are calculated on NAV of ₹ 10 invested at inception.

# Please refer to Page (II) for details on Product Label.

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

## Fund Performance as on March 31, 2014

**(BROWN) - High risk: Quantum Gold Fund<sup>#</sup> Performance as on March 31, 2014**

Mr. Chirag Mehta is the fund manager of Quantum Gold Fund, Quantum Gold Savings Fund, Quantum Equity Fund of Funds and Quantum Multi Asset Fund.

	March 28, 2013 to March 31, 2014	March 30, 2012 to March 28, 2013	March 31, 2011 to March 30, 2012	Since Inception**	
	Absolute Returns (%)	Absolute Returns (%)	Absolute Returns (%)	CAGR Returns (%)	Current value of standard investment of ₹10,000/- (INR)
Quantum Gold Fund (Growth Option)	-7.86%	3.85%	34.90%	13.72%	21,932
Scheme Benchmark - (Domestic price of physical Gold)	-6.96%	4.89%	36.24%	14.29%	22,610

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.

**(BROWN) - High risk: Quantum Gold Savings Fund<sup>#</sup> Performance as on March 31, 2014**

Mr. Chirag Mehta is the fund manager of Quantum Gold Fund, Quantum Gold Savings Fund, Quantum Equity Fund of Funds and Quantum Multi Asset Fund.

	March 28, 2013 to March 31, 2014	March 30, 2012 to March 28, 2013	Since Inception**	
	Absolute Returns (%)	Absolute Returns (%)	CAGR Returns (%)	Current value of standard investment of ₹10,000/- (INR)
Quantum Gold Savings Fund	-4.80%	4.27%	8.26%	12,560
Scheme Benchmark - (Domestic price of Gold)	-6.96%	4.89%	8.66%	12,693

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 - May 19, 2011. Since inception returns are calculated on NAV of ₹ 10 invested at inception

**(YELLOW) - Medium risk: Quantum Multi Asset Fund<sup>#</sup> Performance as on March 31, 2014**

Mr. Chirag Mehta is the fund manager of Quantum Gold Fund, Quantum Gold Savings Fund, Quantum Equity Fund of Funds and Quantum Multi Asset Fund.

	March 28, 2013 to March 31, 2014	Since Inception**	
	Absolute Returns (%)	CAGR Returns (%)	Current value of standard investment of ₹10,000/- (INR)
Quantum Multi Asset Fund (Growth Option)	12.63%	10.75%	11,924
Scheme Benchmark - [CRISIL Composite Bond Fund Index (40%) + S&P BSE Sensex Total Return Index (40%) + Domestic price of Gold (20%)]	8.65%	8.75%	10,875

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 11, 2012. Since inception returns are calculated on NAV of ₹ 10 invested at inception

# Please refer to Page (II) for details on Product Label.

Please refer to Page (XIV) 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	2012-13	2013-14
AuM (in ₹ Cr) (As on year end)	11.26	60.45	64.22	57.84	98.77	134.53	200.77	293.58	396.85
Folio (Nos) (As on year end)	798	1,671	2,602	4,446	7,124	13,359	23,466	35,858	40,538
No. of Products (As on year end)	1	2	3	5	6	6	7	8	8
Distributor Commission (₹) (For the year)	0	0	0	0	0	0	0	0	0

■ (BROWN) - High risk: Quantum Long Term Equity Fund<sup>#</sup> (QLTEF)

	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14
AuM (in ₹ Cr) (As on year end)	11.26	30.45	40.18	22.79	50.86	73.78	108.42	164.26	247.53
Folio (Nos) (As on year end)	798	1,560	1,833	1,962	2,349	5,172	9,595	14,143	17,073
Expense Ratio (%) (For the year)	2.50	2.48	2.50	2.50	2.18	1.53	1.29	1.25	1.25
Distributor Commission (₹) (For the year)	0	0	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	0.59	0.80
Portfolio Turnover (%) (For the year)	0	14.13	30.72	16.30	36.56	45.92	14.65	15.44	19.47
Brokerage Paid (%) to Average net asset (For the year) *	0.07	0.25	0.14	0.09	0.16	0.21	0.13	0.07	0.06

■ (BROWN) - High risk: Quantum Tax Saving Fund<sup>#</sup> (QTSF)

	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14
AuM (in ₹ Cr) (As on year end)	0.46	1.62	3.70	6.43	11.23	18.95
Folio (Nos) (As on year end)	235	464	1,024	1,759	2,963	3,811
Expense Ratio (%) (For the year)	0.68	2.50	1.62	1.29	1.25	1.25
Distributor Commission (₹) (For the year)	0	0	0	0	0	0
Sharpe Ratio (Since inception)	-0.01	0.21	0.05	1.53	1.33	1.62
Portfolio Turnover (%) (For the year)	0	28.98	31.63	14.65	13.16	19.49
Brokerage Paid (%) to Average net asset (For the year) *	0.20	0.23	0.25	0.15	0.09	0.08

■ (BROWN) - High risk: Quantum Index Fund<sup>#</sup> (QIF)

	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14
AuM (in ₹ Cr) (As on year end)	1.13	1.22	1.60	1.68	2.17	2.31
Folio (Nos) (As on year end)	371	338	398	416	382	368
Expense Ratio (%) (For the year)	0.75	0.75	0.62	0.50	0.50	0.50
Distributor Commission (₹) (For the year)	0	0	0	0	0	0
Tracking Error (%) (Since inception)	0.03	0.03	0.03	0.03	0.03	0.01
Brokerage Paid (%) to Average net asset (For the year) *	0.23	0.12	0.04	0.01	0.02	0.04

**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 (II) for details on Product Label.

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

**(BLUE) - Low risk: Quantum Liquid Fund<sup>#</sup> (QLF)**

	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14
AUM (in ₹ Cr) (As on year end)	30.00	20.35	25.50	27.05	24.64	25.71	40.55	52.08
Folio (Nos) (As on year end)	111	131	279	294	629	1,100	1,592	2,020
Expense Ratio (%) (For the year)	0.44	0.45	0.45	0.37	0.36	0.35	0.37	0.39
Distributor Commission (₹) (For the year)	0	0	0	0	0	0	0	0
Brokerage Paid (%) to Average net asset (For the year)*	0	0	0	0.002	0.003	0.003	0.004	0.001

**(BROWN) - High risk: Quantum Equity Fund of Funds<sup>#</sup> (QEFOF)**

	2009-10	2010-11	2011-12	2012-13	2013-14
AUM (in ₹ Cr) (As on year end)	1.27	2.42	2.71	2.94	2.99
Folio (Nos) (As on year end)	201	316	472	471	428
Expense Ratio (%) (For the year)	0.75	0.75	0.75	0.52	0.48
Distributor Commission (₹) (For the year)	0	0	0	0	0
Brokerage Paid (%) to Average net asset (For the year)*	0	0	0	0	0

**(BROWN) - High risk: Quantum Gold Fund<sup>#</sup> (QGF)**

	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14
AuM (in ₹ Cr) (As on year end)	3.69	7.96	16.74	28.39	51.69	62.42	59.86
Folio (Nos) (As on year end)	638	1,599	3,496	5,820	8,653	13,648	14,053
Expense Ratio (%) (For the year)	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Distributor Commission (₹) (For the year)	0	0	0	0	0	0	0
Tracking Error (%) (Since inception)	0.015	0.011	0.003	0.007	0.006	0.006	0.017
No. of Kilos (As on year end)	30.00	52.00	101.00	135.00	180.40	207.90	214.40
Brokerage Paid (%) to Average net asset (For the year)*	0	0	0	0	0	0	0

**(BROWN) - High risk: Quantum Gold Savings Fund<sup>#</sup> (QGSF)**

	2011-12	2012-13	2013-14
AuM (in ₹ Cr) (As on year end)	4.13	7.46	10.12
Folio (Nos) (As on year end)	1,471	2,110	2,277
Expense Ratio (%) (For the year)	0.25	0.25	0.25
Distributor Commission (₹) (For the year)	0	0	0
Brokerage Paid (%) to Average net asset (For the year)*	0.26	0.09	0.04

**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: **QLF**: April 7, 2006. **QEFOF**: July 20, 2009. **QGF**: February 22, 2008. **QGSF**: May 19, 2011.

# Please refer to Page (II) for details on Product Label.

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

**(YELLOW) - Medium risk: Quantum Multi Asset Fund<sup>#</sup> (QMAF)**

	2012-13	2013-14
AUM (in ₹ Cr) (As on year end)	2.54	3.01
Folio (Nos) (As on year end)	549	508
Expense Ratio (%) (For the year)	0.25	0.25
Distributor Commission (₹) (For the year)	0	0
Brokerage Paid (%) to Average net asset (For the year)*	0.05	0.01

**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: **QMAF**: July 11, 2012.

**Details of expenses incurred by AMC during the 2013 - 2014**

Amount in ₹ Lacs

Particulars	QLTEF	QLF	QGF	QIF	QTSF	QEFOF	QGSF	QMAF	Total
Investor Transaction processing Charges	16.79	2.11	2.03	0.07	1.29	0.33	1.51	0.28	24.41
Investment Transaction processing Charges	0.15	1.99	0.54	0.19	0.02	0	0.02	₹	2.91
Register & Transfer Fees	0.21	3.01	2.51	0.09	0.09	0.35	0	₹	6.26
Bank charges	0.48	1.49	₹	₹	0.12	0.02	0.02	₹	2.13
Custody Fees	0.03	3.12	3.99	0.14	₹	0.18	0	0	7.46
Printing charges	0.13	0.03	0.04	₹	0.01	₹	₹	₹	0.21
Other Charges	0.01	0.02	0.23	0	0	0	0	0	0.26
Annual Listing Fees	3.68	1.25	1.16	2.27	0.30	0.11	0.30	0.10	9.16
Investor Education & Awareness expenses	2.70	0.68	0.79	0.07	0.18	0.05	0.13	0.04	4.64
<b>Total</b>	<b>24.18</b>	<b>13.70</b>	<b>11.29</b>	<b>2.83</b>	<b>2.01</b>	<b>1.04</b>	<b>1.98</b>	<b>0.43</b>	<b>57.47</b>
% to Daily average net asset	0.13%	0.28%	0.18%	1.28%	0.14%	0.37%	0.22%	0.16%	

**Trusteeship fees of ₹ 20,00,000/- has been paid by the AMC for all the schemes of Quantum Mutual Fund.**

₹ amount less than ₹ 1000/-

# Please refer to Page (II) for details on Product Label.

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

**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
(BROWN) - High risk: Quantum Long Term Equity Fund <sup>#</sup>	S&P BSE 30 Total Return Index
(BROWN) - High risk: Quantum Tax Saving Fund <sup>#</sup>	S&P BSE 30 Total Return Index
(BROWN) - High risk: Quantum Equity Fund of Funds <sup>#</sup>	S&P BSE 200 Index
(BLUE) - Low risk: Quantum Liquid Fund <sup>#</sup>	Crisil Liquid Fund Index
(BROWN) - High risk: Quantum Gold Fund <sup>#</sup>	Domestic Price of Physical Gold
(BROWN) - High risk: Quantum Index Fund <sup>#</sup>	CNX Nifty Total Return Index
(BROWN) - High risk: Quantum Gold Savings Fund <sup>#</sup>	Domestic Price of Gold
(YELLOW) - Medium risk: Quantum Multi Asset Fund <sup>#</sup>	Crisil Composite Bond Fund Index (40%)+ S&P BSE Sensex Total Return Index (40%) + Domestic price of gold (20%)

**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 ₹ 100 and made a gain of ₹ 300, how well do you think that the profit of ₹ 200 compensated you for the risk you faced while parting with your ₹ 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.

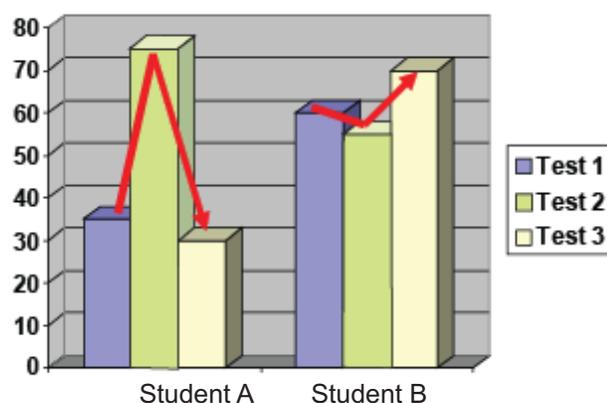
**Portfolio Turnover:** is a measure of trading activity during the previous year, expressed as a percentage of the average total assets of the fund. It is a percentage of a fund's assets that have changed over the course of a year. Mutual funds with higher turnover ratios tend to have higher expenses.

**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.

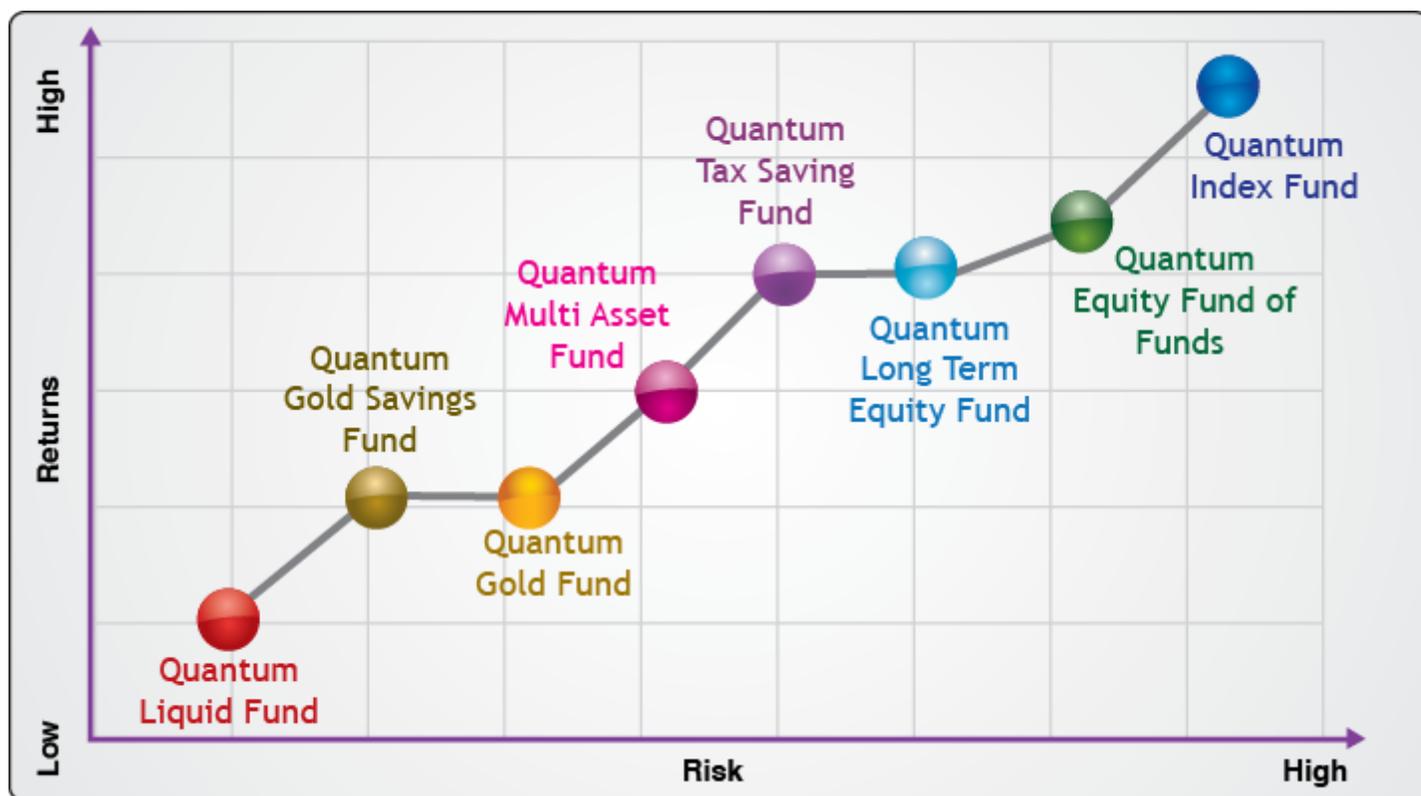


# Please refer to Page (II) for details on Product Label.

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

# 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. The above chart is for illustrative purpose only.**

The various BSE and NSE Indices are compiled on factors such as market cap, trading volume, and a broad sector representation. In doing so, the quality of the management - while admittedly a qualitative judgement - is not considered. This, in our view, represents "risk". For the increased "risk" taken, financial theory suggests that investors should get higher returns. By adding an integrity screen to our investment process, the Quantum Long Term Equity Fund<sup>#</sup> (QLTEF) and the Quantum Tax Saving Fund<sup>#</sup> (QTSF) are attempting to reduce such "risks" - and therefore might generate lower returns. To peruse the performance of our schemes please refer to the Factsheets. Past Performance may or may not be sustained in the future.

<sup>#</sup> Please refer to Page (II) for details on Product Label.

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

**Myth:** Quantum Mutual Fund is just another Mutual Fund

**Fact:** We are India's first and only direct-to-investor Mutual Fund



Quantum Mutual Fund - the 29<sup>th</sup> fund house in India is the first and only direct-to-investor Mutual Fund in the country. We offer simple and easy to understand mutual fund schemes to our investors. We are a low cost fund house because we don't give any commissions to the distributors. Our vision is to serve the investors with highest standards of integrity, ethics and transparency. We invite you to invest with us and be a part of Quantum Family!



SMS: <QUANTUM> TO 9243-22-3863 | Toll Free: 1800 - 209 - 3863 / 1800 - 22 - 3863 | Email: [CustomerCare@QuantumAMC.com](mailto:CustomerCare@QuantumAMC.com)

Mutual Fund investments are subject to market risks, read all scheme related documents carefully.  
Please refer to page (XIV) for Complete Statutory Detailed and risk factors.

**Myth:** Big fund means big returns and small risks

**Fact:** The size of a fund is no indicator of returns or risks



There is a misconception among many investors that the size of a mutual fund matters. At Quantum, we believe that this has no basis in reality. Here's a simple logic - all mutual funds invest in the stock markets, so they are all equally safe or unsafe. As long as the markets are open, even a small fund can give positive returns on your money. Look at the investment process of the fund house, and the process they have in place to ascertain the risk you are taking.



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Mutual Fund investments are subject to market risks, read all scheme related documents carefully. Please refer to page (XIV) for Complete Statutory Detailed and risk factors.

**Myth:** It's easy to make money on a daily basis in the stock market

**Fact:** If you don't plan for the long term, you could well lose



Daily trading on stock market is a speculative business and needs a lot of research and financial expertise to time the market correctly. Not everyone is blessed with these abilities and therefore could face a high probability of making losses, thereby risking their savings. At Quantum, we don't advocate speculation. We firmly believe in long term investments and follow an investment process that invests in strong businesses run by sound management teams, so that your savings can be nurtured and strive to deliver good returns for your savings in the long run.



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Mutual Fund investments are subject to market risks, read all scheme related documents carefully.  
Please refer to page (XIV) for Complete Statutory Detailed and risk factors.

**Disclaimer, Statutory Details & Risk Factors:**

**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 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 ₹ 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:** The investors of Quantum Equity Fund of Funds, Quantum Gold Savings Fund and Quantum Multi Asset Fund will bear the recurring expenses, transaction charges and loads if any of the Schemes in addition to the expenses, transaction charges and loads of the underlying Schemes.

**Disclaimer of IISL:** Quantum Index Fund (QIF) is benchmarked to 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. Please refer SID of the QIF for full Disclaimer clause in relation to the "CNX Nifty Index".

**Disclaimer of NSE:** It is to be distinctly understood that the permission given by National Stock Exchange of India Limited (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.



Dear Unitholder,  
Purity brings clarity!

Yes, that's true.

At Quantum, we believe the only way to clear even the slightest of the doubts concerning the purity of all our gold held in the Quantum Gold Fund is through a purity test.

Like a regular practice Quantum AMC has undertaken a purity test for all the gold held under Quantum Gold Fund ETF.

We wanted our investors to be double sure about the purity of gold backing Gold ETFs. We tried to address this 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 fineness or above, 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 and once it has left the vaults, it can never be a part of fund's holdings.
- ✓ 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.

For this we needed a service provider who would understand our requirements, that's when we were introduced to TCR Engineering Services Pvt. Ltd. Founded in 1973, TCR Engineering Services is India's leading ISO 17025 and NABL accredited independent materials testing laboratory. TCR has pioneered in introducing latest analytical facilities and has upgraded the same every decade, and currently has state-of-the art material testing facilities for testing of materials. TCR Engineering Services undertakes material testing as per international standards.

This year too along with TCR, in a bid to re-affirm our commitment to purity, we have conducted the purity test.

You would be pleased to know and we are 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 the service provider 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 - Commodities  
Quantum Gold Fund



**TCR ENGINEERING SERVICES PVT. LTD.**

**TRUST - COMPETENCE - RELIABILITY**

Managing Director  
VIRENDRA K. BAFNA  
B. E. M. Eng. (Canada)  
M.S.I.M. (U.S.A.) M. A. S. T. M.

TCR / QF 5101

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23092347, 23091938  
Fax: 91-22-23080197  
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Electronic Zone, Mahape,  
Navi Mumbai - 400 710.  
Ph.: 022-67380900 - 999  
Fax: 2761 2044  
Email : sales@tcreng.com



Certificate No. NABL : T - 367 & NABL : T - 368  
NABL 0011222  
NABL ACCREDITED LABORATORY

**TEST CERTIFICATE**

Date: 10<sup>th</sup> April 2014

**Project Completion Certificate**

**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 XRF Niton Model No: XL-2, 800. This is a fast, precise and non destructive Karat / percentage determination of precious metals.

All the bars as mentioned in the certificate held purity of 0.995 (995 parts per thousand) and above. The project completion certificate and the test certificate details the test results for purity of the bars tested identified by the bar nos. mentioned on each bar. Our technical expert Mr. Sunil Kotawadekar carried the task of checking the purity of bars and we hereby endorse that the assignment has been successfully completed to satisfaction.

For TCR ENGG. SERVICES PVT. LTD

Authorised Signatory

(Name & Co. Seal)



**About TCR Engineering Services Pvt Ltd.**

TCR Engineering Services Pvt Ltd - Founded in 1973, is India's leading ISO 17025 and NABL accredited independent materials testing laboratory.

TCR Engineering Services undertakes material testing as per international standards and specifications as defined by ASTM, NACE, DIN, AWS, API, BIS, IS and others.

Independent, third party inspection and quality assurance services, including Factory Audits, OEM Development, Raw Material Inspection, Initial Production Check, In-Production Check, Random Inspection and Loading Supervision directly on-site at a given vendor / supplier location in India. TCR's independent, third-party quality assurance services results in improved product quality, with a reduction in customer complaints, noncompliance and product recalls. TCR Engineering Services Factory Audit service verifies the capability of a manufacturer to meet contract conditions for quality, quantity and delivery terms. Such assessments are often tailor-made as per a client's needs and requirements. By availing of this service, TCR eliminates the need for a client to be present on-site at the manufacturer's plant or factory.

Do visit [www.tcreng.com](http://www.tcreng.com) to know more about TCR Engineering Services.

- 1) The results relate only to the sample tested.
- 2) Test Certificate shall not be re - produced except in full without the written approval of laboratory.
- 3) While 'TCR' has made their best endeavors to provide accurate and reliable information, 'TCR' is not responsible for any financial liability due to any act of omission or error made.

## Annual Report 2013 - 2014

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 Mr. Ajit Dayal and Mr. I. V. Subramaniam, directors on the Board of Directors of Quantum Asset Management Company Pvt. Ltd.



### Atul Kumar, Head (Equity)

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



### Mr. Murthy Nagarajan, Head (Fixed Income)

Mr. Murthy brings with him a rich & valuable experience of more than 2 decades in the financial service industry. Prior to his appointment at Quantum AMC, Mr. Murthy was working with Tata Asset Management Limited in the Investment Department as Head of Fixed Income.

He was also associated with Mirae Asset Global Investment India Ltd in the Investment Department as the Head of Fixed Income for more than 2 years.

He holds an M.Com degree and has completed his PGDBA from Somaiya Institute of Management & Research. Murthy manages Quantum Liquid Fund.



### Chirag Mehta, Fund Manager (Commodities)

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.

Chirag has many years of experience in handling commodities. Prior to joining Quantum, he completed his internship with Kotak & Co. Ltd where he gained insights into commodities physical trading, hedging and the futures markets. He has also been part of Federation of Indian Commodity Exchanges (FICE). 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. Chirag manages Quantum Gold Fund, Quantum Gold Savings Fund, Quantum Equity Fund of Funds and Quantum Multi Asset 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) Nilesh Shetty is the Associate Fund Manager for Quantum Long Term Equity Fund and Quantum Equity Fund of Funds.

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



### Hitendra Parekh, Fund Manager (Equity)

Hitendra Parekh has almost two decades of experience in 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. Hitendra 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>	
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<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>

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**Quantum Mutual Fund**

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CIN: U65990MH2005PTC156152

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<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.QuantumAMC.com</a> / <a href="http://www.QuantumMF.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 FINANCIAL YEAR ENDED MARCH 31, 2014**

Dear Unitholders,

We are pleased to present to you the Ninth Annual Report of Quantum Mutual Fund along with the audited financial statements of its Schemes for the Financial Year ended March 31, 2014.

**Schemes of Quantum Mutual Fund**

Quantum Mutual Fund launched its first Scheme “Quantum Long Term Equity Fund” – an open ended equity Scheme – on February 8, 2006 and completed its allotment of units on March 13, 2006.

As on March 31, 2014, Quantum Mutual Fund has 8 Schemes:

Sr. No.	Scheme Name	Inception Date
1.	Quantum Long Term Equity Fund	March 13, 2006
2.	Quantum Liquid Fund	April 07, 2006
3.	Quantum Gold Fund	February 22, 2008
4.	Quantum Index Fund	July 10, 2008
5.	Quantum Tax Saving Fund	December 23, 2008
6.	Quantum Equity Fund of Funds	July 20, 2009
7.	Quantum Gold Savings Fund	May 19, 2011
8.	Quantum Multi Asset Fund	July 11, 2012

During the financial year ended March 31, 2014, Quantum Mutual Fund has achieved continued growth in assets under management and in its investor base.

The total Assets under Management (AuM) as on March 31, 2014 was ₹ 396.85 crores. This indicates an AuM growth of 35.18% from an AuM of ₹ 293.58 crores as on March 31, 2013.

The total number of folios in Quantum Funds as on March 31, 2014 was 40,538. This indicates an investor base growth of 13.05% from 35,858 folios as on March 31, 2013.

**1. INVESTMENT OBJECTIVES, POLICY, PERFORMANCE, FUTURE OUTLOOK AND OPERATIONS OF THE SCHEMES.**

**(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 S&P 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, 2014	
Assets under Management	₹ 247.53 crores
No. of folios in the Scheme	17,073

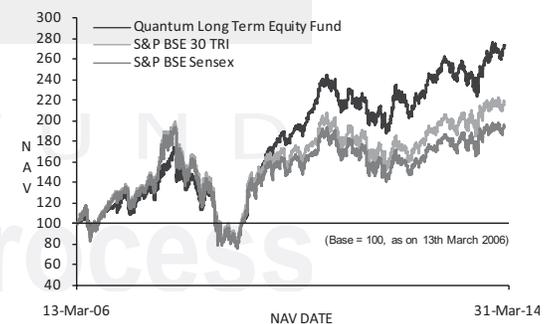
**Performance of the Quantum Long Term Equity Fund v/s Benchmark – S&P BSE 30 TRI v/s Additional Benchmark – S&P BSE Sensex as on March 31, 2014**

	March 28, 2013 to March 31, 2014	March 30, 2012 to March 28, 2013	March 31, 2011 to March 30, 2012	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)	23.79%	8.97%	-1.50%	14.65%	30,080
Scheme Benchmark - (S&P BSE 30 TRI)	20.73%	10.13%	-9.16%	11.03%	23,234
Additional Benchmark - (S&P BSE Sensex)	18.85%	8.23%	-10.50%	9.46%	20,721

**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 – S&P BSE 30 TRI v/s Additional Benchmark – S&P BSE Sensex**



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

**PERFORMANCE ANALYSIS**

During the last financial year the Scheme has delivered a return of 23.79% while the Benchmark delivered a return of 20.73%.

The Scheme follows a bottom up research driven investment process. Even though the Scheme had a relatively high cash level, better stock selection helped in outperforming the Benchmark.

**(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, 2014	
Assets under Management	₹ 52.08 crores
No. of folios in the Scheme	2,020

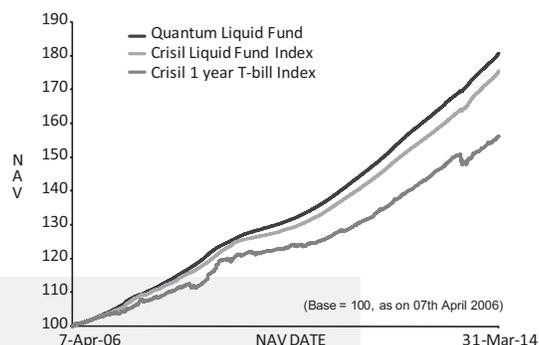
**Performance of the Quantum Liquid Fund v/s Benchmark – CRISIL Liquid Fund Index v/s Additional Benchmark – Crisil 1 year T-bill Index as on March 31, 2014**

	Quantum Liquid Fund- (Growth option)	Scheme Benchmark - (Crisil Liquid Fund Index)	Additional Benchmark - (Crisil 1 year T-Bill index)
7 days #	12.60%	13.21%	11.81%
15 days #	11.70%	12.53%	11.22%
30 days #	10.82%	11.61%	10.44%
March 28, 2013 to March 31, 2014 **	9.14%	9.54%	5.84%
March 30, 2012 to March 28, 2013 **	8.79%	8.17%	8.33%
March 31, 2011 to March 30, 2012 **	9.05%	8.44%	6.59%
Since Inception**			
CAGR Returns (%)	7.70%	7.30%	5.76%
Current value of standard investment of ₹ 10,000/- (INR)	18,083	17,554	15,643

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

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

# Simple Annualised yield, ## Absolute Returns

**NAV of the Quantum Liquid Fund v/s Benchmark – Crisil Liquid Fund Index v/s Additional Benchmark – Crisil 1 year T-bill Index**

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

**PERFORMANCE ANALYSIS**

The scheme has underperformed the Benchmark on a one year basis. The portfolio construction of the fund comprises mainly of certificate of deposits compared to the Benchmark which also has commercial papers. The Scheme does not invest in lower quality papers. The long term rating of companies has been used, even when investments in money market instruments of banks and other corporates have been made. What this means for the investor is that even though a short term paper of a company has a relatively higher rating (like a A1+ or equivalent), and the long term rating of a paper for that same company is low like an (AA- or equivalent), then the Quantum Liquid Fund will not buy even the short term paper of such a company. This may affect the performance of the fund in the short term; but the safety and liquidity of the portfolio is maintained.

The scheme return is 9.14 % on a yearly basis compared with 9.54 % for the Crisil liquid fund index. The scheme has however, outperformed the Crisil Treasury bill index.

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

**Investment Objective** of Quantum Gold Fund -ETF (QGF) is to generate returns that is in line with the performance of gold and gold related instrumentssubject 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 returnsthat, 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, 2014	
Assets under Management	₹ 59.86 crores
No. of folios in the Scheme	14,053

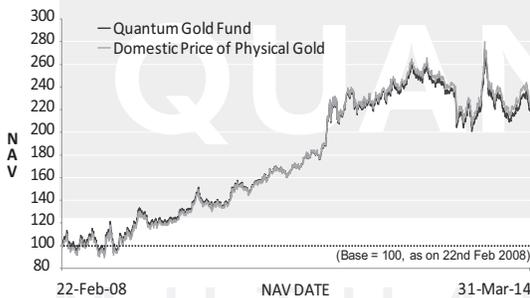
**Performance of the Quantum Gold Fund v/s Benchmark – Domestic Price of Physical Gold as on March 31, 2014**

	March 28, 2013 to March 31, 2014	March 30, 2012 to March 28, 2013	March 31, 2011 to March 30, 2012	Since Inception**	
	Absolute Returns (%)	Absolute Returns (%)	Absolute Returns (%)	CAGR Returns (%)	Current value of standard investment of ₹ 10,000/- (INR)
Quantum Gold Fund (Growth Option)	-7.86%	3.85%	34.90%	13.72%	21,932
Scheme Benchmark - (Domestic price of Physical Gold)	-6.96%	4.89%	36.24%	14.29%	22,610

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 future.

**PERFORMANCE ANALYSIS**

Since Inception, the Scheme has delivered 13.72% p.a. returns as compared to the Benchmark returns of 14.29% p.a. over the same period. On a one year comparison, the Scheme has delivered -7.86% p.a. returns via-a-vis the Benchmark returns of -6.96%. The underperformance of the scheme is largely on account of the expense accruals and partly contributed by the tracking error which over

the last one year is 0.003% and since inception on an annualized basis stands at 0.082%. The Scheme continues to be managed in a passive manner. As at March 31, 2014, 100% of the net assets of the Scheme were invested in physical gold.

The Scheme invests in physical gold in the domestic market and continues to track the spot price of gold in the domestic market while aiming to keep the tracking error as low as possible at all times.

**(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 CNX Nifty Index and endeavor to achieve returns equivalent to the Nifty by “passive” investment. The Scheme is managed by replicating the Index in the same weightage as in the CNX Nifty Index with the intention of minimizing the performance differences between the Scheme and the 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, 2014	
Assets under Management	₹ 2.31 crores
No. of folios in the Scheme	368

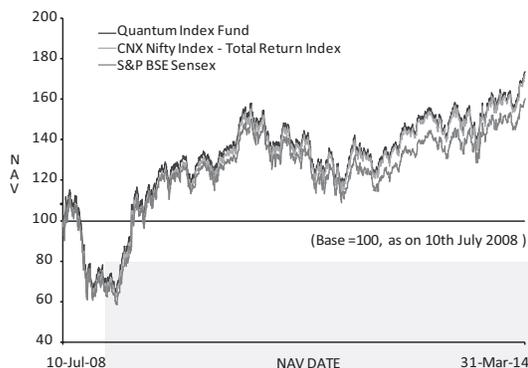
**Performance of the Quantum Index Fund v/s Benchmark –CNX Nifty-Total Return Index/v/s Additional Benchmark – S&P BSE Sensex as on March 31, 2014**

	March 28, 2013 to March 31, 2014	March 30, 2012 to March 28, 2013	March 31, 2011 to March 30, 2012	Since Inception**	
	Absolute Returns (%)	Absolute Returns (%)	Absolute Returns (%)	CAGR Returns (%)	Current value of standard investment of ₹ 10,000/- (INR)
Quantum Index Fund (Growth Option)	19.16%	8.51%	-8.26%	10.11%	17,363
Scheme Benchmark - (CNX Nifty-Total Return Index)	19.47%	8.72%	-8.18%	9.93%	17,200
Additional Benchmark - (S&P BSE Sensex)	18.85%	8.23%	-10.50%	8.64%	16,075

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 –CNX Nifty Index – Total Return Index v/s Additional Benchmark – S&P BSE Sensex**



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

**PERFORMANCE ANALYSIS**

Since Inception, the Scheme has delivered 10.11% p.a. returns as compared to the Benchmark returns of 9.93%p.a. over same period. The Scheme has given better returns as compared to the Benchmark as during the NFO period, the scheme had deployed the fund at lower level. During the year, the scheme has delivered 19.16% returns as compared to the Benchmark returns of 19.47%. The underperformance was mainly attributed to the expense ratio. The Scheme replicates the underlying 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 S&P 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, 2014	
Assets under Management	₹ 18.95 crores
No. of folios in the Scheme	3,811

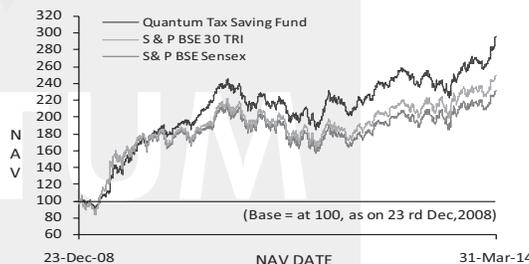
**Performance of the Quantum Tax Saving Fund v/s Benchmark – S&P BSE 30 TRI v/s Additional Benchmark- S&P BSE Sensex as on March 31, 2014**

	March 28, 2013 to March 31, 2014	March 30, 2012 to March 28, 2013	March 31, 2011 to March 30, 2012	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)	23.41%	8.98%	-1.73%	22.88%	29,640
Scheme Benchmark - (S&P BSE 30 TRI)	20.73%	10.13%	-9.16%	18.91%	24,924
Additional Benchmark - (S&P BSE Sensex)	18.85%	8.23%	-10.50%	17.21%	23,110

**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 – S&P BSE 30 TRI v/s Additional Benchmark- S&P BSE Sensex**



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

**PERFORMANCE ANALYSIS**

During the last financial year the Scheme has delivered a return of 23.41% while the Benchmark delivered a return of 20.73%.

The Scheme follows a bottom up research driven investment process. Even though the Scheme had relatively high cash level, better stock selection helped in outperforming the Benchmark.

**(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, 2014	
Assets under Management	₹ 2.99 crores
No. of folios in the Scheme	428

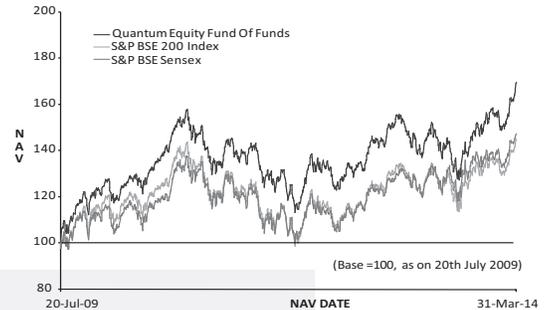
**Performance of the Quantum Equity Fund of Funds v/s Benchmark – S&P BSE 200 Index v/s Additional Benchmark – S&P BSE Sensex as on March 31, 2014**

	March 28, 2013 to March 31, 2014	March 30, 2012 to March 28, 2013	March 31, 2011 to March 30, 2012	Since Inception**	
	Absolute Returns (%)	Absolute Returns (%)	Absolute Returns (%)	CAGR Returns (%)	Current value of standard investment of ₹ 10,000/- (INR)
Quantum Equity Fund of Funds (Growth Option)	20.96%	4.86%	-5.66%	11.90%	16,968
Scheme Benchmark - (S&P BSE 200 Index)	17.19%	6.03%	-9.28%	8.23%	14,505
Additional Benchmark - (S&P BSE Sensex)	18.85%	8.23%	-10.50%	8.60%	14,737

**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 – S&P BSE 200 Index v/s Additional Benchmark – S&P BSE Sensex**



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

**PERFORMANCE ANALYSIS**

During the last financial year the Scheme has delivered a return of 20.96% while the Benchmark delivered a return of 17.19%.

The detailed analytical process that includes quantitative and qualitative parameters that is being applied to select the good performing Schemes has resulted in the fund continuing to perform better than its stated Benchmark.

**(g) Quantum Gold Savings Fund – An Open ended Fund of Funds 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, 2014	
Assets under Management	₹ 10.12 crores
No. of folios in the Scheme	2,277

Profit with Process

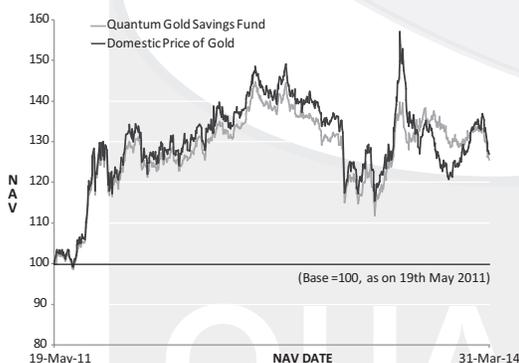
**Performance of the Quantum Gold Savings Funds v/s Benchmark – Domestic Price of Gold as on March 31, 2014**

	March 28, 2013 to March 31, 2014	March 30, 2012 to March 28, 2013	Since Inception**	
	Absolute Returns (%)	Absolute Returns (%)	CAGR Returns (%)	Current value of standard investment of ₹ 10,000/- (INR)
Quantum Gold Savings Fund (Growth Option)	-4.80%	4.27%	8.26%	12,560
Scheme Benchmark - (Domestic price of Gold)	-6.96%	4.89%	8.66%	12,693

**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**

During the last financial year the Scheme has delivered a return of -4.80% while the Benchmark delivered a return of -6.96%. The Scheme has outperformed the Benchmark over the last financial year largely on account of the premium prevailing in the domestic gold market due to the restrictive policies imposed by the Government of India to limit gold imports and thereby tightening the supply of gold in the domestic market. This premium prevailing in the domestic market is reflected in the NAV of the scheme but is not included in the calculation of the Benchmark resulting into an outperformance of the scheme.

The scheme continues to be managed in a passive manner where the fund management team seeks to deploy most of the clear balances on a daily basis and endeavors to track gold prices efficiently.

**(h) Quantum Multi Asset Fund – An Open ended Fund of Funds Scheme**

**Investment Objective** of Quantum Multi Asset Fund (QMAF) is to generate modest capital appreciation while trying to reduce risk (by diversifying risks across asset classes) from a combined portfolio of equity, debt/money markets and Gold Schemes of Quantum Mutual Fund. The Scheme may invest in the units of debt/money market Schemes of other mutual funds to gain exposure to debt as an asset class to manage any investment and regulatory constraints that arise /that prevent the Scheme from increasing investments in the Schemes of Quantum Mutual Fund. There can be no assurance that the investment objective of the Scheme will be realized.

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

For QMAF, as on March 31, 2014	
Assets under Management	₹ 3.01 crores
No. of folios in the Scheme	508

Since the Scheme has not completed one year, the performance details have not been provided.

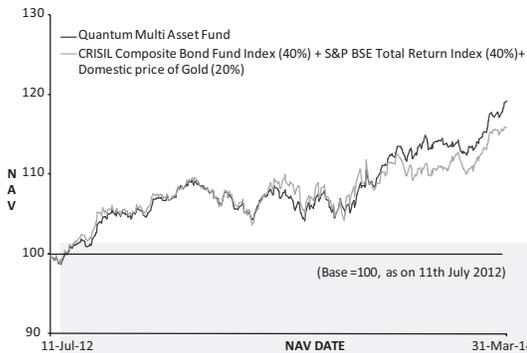
**Performance of the Quantum Multi Asset Fund v/s Benchmark – CRISIL Composite Bond Fund Index (40%) + S&P BSE Total Return Index (40%) + Domestic price of Gold (20%) as on March 31, 2014**

	March 28, 2013 to March 31, 2014	Since Inception**	
	Absolute Returns (%)	CAGR Returns (%)	Current value of standard investment of ₹ 10,000/- (INR)
Quantum Multi Asset Fund (Growth Option)	12.63%	10.75%	11,924
Scheme Benchmark - [CRISIL Composite Bond Fund Index (40%) + S&P BSE Total Return Index (40%) + Domestic price of Gold (20%)]	8.65%	8.75%	10,875

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

\*\*Date of Inception – July 11, 2012.

**NAV of the Quantum Multi Asset Fund v/s Benchmark – CRISIL Composite Bond Fund Index (40%) + S&P BSE Total Return Index (40%) + Domestic price of Gold (20%)**



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

**PERFORMANCE ANALYSIS**

During the last financial year the Scheme has delivered a return of 12.63% while the Benchmark delivered a return of 8.65%.

The detailed quantitative process being applied to determine the optimal asset allocation has resulted in the fund performing better than its stated Benchmark.

**EQUITY MARKET REVIEW AND OUTLOOK**

**Market Review, as reported by the equity team at Quantum AMC:**

Large parts of the world are still trying to recover from the slowdown post the crisis of 2008. Major developed countries including Japan and the Eurozone are following close to zero interest rates and continue to print money as a stimulus for their economy. The US, though, has started withdrawing its liquidity measures in a phased manner after seeing tentative signs of growth and a drop in unemployment.

Developing countries including BRICs (Brazil, Russia, India and China) have seen a breakdown of growth witnessed in earlier years. China, which saw expansion of credit in earlier years, is grappling with problems of credit defaults, shadow banking and runs on smaller banks. Other emerging economies also are struggling with inflation and economic growth. Some of the countries (like Brazil and Russia, which are dependent on export of natural resources) are feeling the impact of the slowdown in China.

The world geo-political scenario also remained unstable for the fiscal ending 2014. The US warned of intervention and attack in Syria; however the situation was defused later. More recently, Russia transgressed on the sovereign rights of Ukraine and took control of Crimea, inviting sanctions from other countries. On the positive side, Iran decided to join talks with other countries led by the US to stop its nuclear weapon development program. Many countries saw political upheavals notably Thailand and Egypt. Indonesia has had a mixed election result and Chile is moving towards a more leftist regime.

The Indian economy is likely to have seen GDP growth rates of sub 5% in FY14 whereas consumer price inflation is likely to be above 8%. There has been a slowdown in investment in the economy and corporate capital expenditure has also been very low. Primary reason for this has been a slowdown in government decision making after a number of graft allegations on some prominent members of political parties at the central and state governments coupled with muted demand across many key sectors. As a result, consumer spending, which was holding up earlier in the year, also moderated as inflation ate into disposable incomes. This further impacted the growth of the economy. Growth is likely to remain at 5.5% as projected by RBI for the next fiscal year ending March 31, 2015. There is also a threat of El Nino, a warming of the oceans of the coast of South America which causes drought leading to potentially lower food grain output. This can spoil the efforts of RBI to control inflation. Interest rates may remain high.

The Union government took a number of measures to woo foreign investors. Retail FDI was opened up during FY2014, though it was more symbolic decision as it was left to the states to decide. The government also relaxed the FDI norms in other sectors including aviation. Among other measures, steps were taken to rationalize the price of diesel and reduce subsidies. Diesel under-recovery can disappear if the price hikes continue - this would reduce the burden on the fiscal deficit. At the beginning of the year the government decided to limit the fiscal deficit to 4.8% of GDP. This is likely to be reined in at 4.6% as per revised estimates. Given that FY2014 preceded the general elections, there were a number of populist schemes including the newly introduced Right to Food Act that covers almost two-third of the population. The control of the fiscal deficit seems to have been achieved at the cost of pruning some important planned capital expenditures.

India was also buffeted during the year by volatility in the currency markets. The Indian Rupee breached 60 levels to the US Dollar in



June 2013 as the current account deficit (CAD) went beyond as high as 4.9. Foreign investors sold heavily in the thin Indian debt markets, causing interest rates to spike. India was on the brink of a classic downward spiral in August 2013 but this was reversed by a number of measures taken to restrict outflows of foreign exchange (most notable being higher duties on gold imports) and encourage inflows of foreign exchange (deposits from NRIs). FY2014 was a challenging year for Mr. Raghuram Rajan, who took over as the Governor of the RBI on September 4. Since then, a number of developments taken under his leadership placed India in a comfortable position. CAD in absolute terms came down to USD 37 Bn (2.1% of GDP). India garnered more than USD 30 Bn of NRI deposits, which helped withstand the "shock" of the US Fed tapering and the related outflows in January 2014.

While a high fiscal deficit and current account deficit is one side of the problem, the trust deficit that electorate of India has with the rulers widened further. A number of corruption scams surfaced, most of which related to giving scarce resources at very nominal prices to those close to political big-wigs of the ruling parties and their allies. It is believed that a rule based and transparent system is the only way for India to grow sustainably. Recent auctions of telecom spectrum and government's intention to allocate coal mines through bidding are big steps in the right direction.

The recent Lok Sabha elections just came to an end. Not since 1984 has the Indian electorate voted so firmly in the favour of one party – the BJP this time. The verdict was contrary to many, who were expecting a coalition led by BJP and allies. It is expected that a strong government with clear mandate will lead to better policy making. Better infrastructure, PSU reforms, getting GDP growth back on track and job creation are some of the expectations from the new regime.

Coming to the stock markets, the S&P BSE 30 Index gave a return of +20.86% (Total Return Index) in FY14 as compared to a +8.2% return in the previous fiscal. Markets saw a good rally towards the end of FY14, largely driven by hopes of an NDA Government being elected to power with a clear mandate. FII flows pumped in USD 13.69 Bn in FY2014 as compared to USD 26.07 Bn in FY2013. Valuation of the S&P BSE 30 Index currently is 18x PE trailing earnings (source Bloomberg). At this level, it looks fairly priced and - in a few sectors - valuations are demanding. The markets expect earnings to grow approximately 25% on a one year forward basis, which may be difficult in an environment where GDP is expecting to grow between 5% and 5.5%. The Indian corporate sector has been able to perform relatively well in FY14 given the challenges in the operating environment. However, there have been instances during the year where MNC companies have taken decisions which have been unfair to minority shareholders. Given our bias to invest only in companies with good management and corporate governance, the investible universe keeps shrinking.

Over the past two decades, the GDP of India has grown above 6% per annum. This is despite the fact that, for many time periods, there have been coalition governments. India's longer term GDP is likely to grow in the 6.5% to 7% range, and election outcomes in the near term are unlikely to change that long term potential. A number of measures taken in the past would help economic growth in future. Similar to the road connectivity India built in early 2000s, now there has been good work happening on the Delhi Mumbai Industrial Corridor (DMIC). This is a rail network which will cater exclusively to freight movement, and can boost the manufacturing profile in the country. Most of the land acquisitions are through and contract for construction are being awarded to bidders. Similarly, the past 3-4 years has seen good progress on

the UIDAI project with enrolments crossing 600 Mn people. If used wisely, the unique identity codes can check leakages in the way government directed benefits reach the larger population. Similarly, GST (Goods & Services Tax) can be implemented soon if there is political consensus: this can add 1% to 2% to GDP growth as it removes a number of bottlenecks in tax administration and logistics. However, the banking system in India is saddled with stressed assets of approximately 11% of advances. At this level of NPAs, the credit activity may not pick up to support any rise in economic activity. Finally, India needs to find jobs for its youth. It is estimated that 12 Mn people will be entering the work force every year, and not having enough jobs will turn the demographic dividend to a nightmare. Caught up with the illusion of the BRIC fairy tale, India forgot that young people hanging around street corners is not a contribution to GDP but a potential disaster for society. Analysts sitting in ivory towers can be as destructive to society as politicians and regulators can.

Future Outlook:

The equity team at Quantum AMC continues to have a positive outlook for Indian equities. Though equity valuations look stretched in near term, there is a strong possibility of solid earnings growth over the coming decade. The team remains focused on the Quantum philosophy of adopting the bottom up stock selection process and remaining disciplined value managers. The 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 of these businesses to guide them in challenging times such as these.

A sudden withdrawal of liquidity in developed markets could increase interest rates there and this would impact Indian equities as FII flows can reduce.

## DEBT MARKET REVIEW AND OUTLOOK

### Market Review, as reported by the fixed income team at Quantum AMC:

The financial year 2013-14 was not a good year for the bond markets and currency markets. The year FY2014 started by RBI cutting interest rates by 50 bps from 7.75 % to 7.25 % levels. The Rupee depreciated between May 2013 and August 2013 largely due to the U.S Federal Reserve Chairman's statement of tapering of their Quantitative Easing programme. The Federal Reserve statement led to turmoil in the global markets. Countries which were running high current account deficits (like India, Brazil, South Africa, and Indonesia) faced large currency depreciation due to FII outflow in debt markets. The INR fell from ₹ 55 to an USD to ₹ 68 within a span of one month as FIIs withdrew around 10 billion USD from the bond markets.

The RBI and the government had to take exceptional measures to control the fall in currency. RBI hiked the interest rates on Marginal Standing Facility or MSF from 100 basis points over Repo to 300 basis points over the Repo rate. It also restricted banks access to repo window to 0.50% of their Net Demand and Time Liability or NDTL and it allowed an additional 0.50 % against export refinance compared with the previous unlimited access given to banks to borrow from repo against their government securities. The MSF rates moved 200 basis points from 8.25 % to 10.25 % levels. The short term money market rates moved up to 11.25 to 11.75 % levels in the month of July 2013 from 7.50 % levels. The 10-year yields moved from the level of 7.50 % levels to 9 % levels as funding became costlier for the banking system due to the measures taken by RBI.

RBI increased the import duty on gold from 2 % to 10 %. It also announced an 80:20 scheme, which made it mandatory to export 20% of the gold imports after some value addition. RBI introduced a dollar deposit scheme in which it gave banks forward cover at a concessional rate of 3.5 % for 3 year period and 100 basis points lower than the prevailing one year forward rates for banks borrowing from overseas markets. RBI garnered USD 34 billion of inflows - with USD 9.5 billion in the 1 year bucket and USD 24.5 billion in the 3 year bucket. RBI supplied dollars directly to the oil marketing companies to the extent of 7.5 billion USD and reduced demand pressure in the currency market. These measures stabilized the rupee with the INR strengthening from a low of ₹ 68 to a dollar to ₹ 61 levels.

RBI gradually bought down the gap between MSF rates and repo rates to 100 basis points from 300 basis points by hiking the repo rates from 7.25 % to 8% levels and reducing the MSF rates from 10.25% to 9% levels.

RBI also provided term repo of 7 day, 14 days maturity to bring the call rates closer to the repo rates. All these measures had a positive impact on the short term rates. The short term rates gradually moved down from a high of 11.25-11.75% to 9-9.5% levels as the overnight rates declined from 10.25% to 8- 8.5% levels.

The new RBI Governor, Mr. Raghuram Rajan shifted the nominal anchor of inflation targeting from WPI to CPI, citing savers are more concerned about CPI inflation than with WPI inflation. RBI governor hiked the repo rates from 7.25% levels to 8% levels to control inflationary expectations, even though GDP growth slowed down to 4.9% for the current financial year. RBI also constituted a working committee under the chairmanship of Urjit Patel to look into the appropriate index for inflation targeting. The Urjit Patel report came out with a glide path to bringing down CPI inflation to 8% levels by January 2015 and to 6% by January 2016. Subsequently, the CPI would be at 4% levels with fluctuation tolerated within a band of +/- 2% percent of the 4 % - so a range of 2% to 6%. The Urjit Patel report also shifted the focus of Open Market Operations to liquidity management.

Despite wishes of RBI committees, inflation remains a key concern. The CPI inflation has moderated from a high of 11.16 % in the month of November 2013 to 8.10 % in the month of February 2014. The fall was mainly due to vegetable prices moving down due to the bumper harvest. The average CPI inflation for the financial year has been around 9.61 % till February 2014. RBI has indicated that if inflation follows the trajectory which it anticipates, no further tightening is required. It will be a long wait.

**Future Outlook**

Further fall in CPI below 8 % looks unlikely as vegetable and fruit prices are expected to increase once again during the summer season. Core CPI inflation is expected to be sticky, as coal price and gas prices are expected to be hiked in the month of April 2014, this along with the continuing hike in diesel prices would put pressure on CPI inflation. WPI inflation which has averaged around 5.94% for the last 11 months due to weak industrial demand (Index of Industrial production has been around zero for the past one year), is expected to increase to 6% – 6.5% levels in the next financial year as the US markets seem to improve. CPI inflation is expected to average around 8% to 8.25 % in the next financial year. The RBI governor has also indicated that he will look through the base effect and not react to fall in inflation numbers due to a base effect. Statistics will be deciphered for the underlying reality.

The borrowing programme for the next fiscal year is ₹ 597,000 crores. The government is expected to borrow ₹ 368,000 crores in the first half of the financial year. It will also borrow ₹ 191,000 crores in the quarter ending June 2014; State government auction is projected to be around ₹ 45,000- 50,000 crores in the first quarter of the next financial year.

Source: RBI

The overall environment continues to be challenging and, as we look at a new government coming in this year, it is expected that the cobwebs be cleared from developmental projects and that measures to improve infrastructure will be undertaken.

The fixed income team will continue to focus on the three principles of Safety, Liquidity and Returns while focusing on managing the liquid fund, taking low to moderate levels of risks and maintaining high liquidity through judicious investments in money market and debt instruments.

**GOLD MARKET REVIEW AND OUTLOOK**

**Market Review, as reported by the commodities team at Quantum AMC:**

Last year was a challenging year for gold. Many investors have been disappointed with the magnitude of the price decline in the yellow metal which lost -6.96% in INR and -19.25% in USD for the 12 months ended March 31, 2014. With 12 years of positive returns in the calendar year periods, a round of losses seemed predictable – no asset can keep moving up in a straight line. There are bound to be years of correction and consolidation too. It would seem that all those “experts” complaining haven’t understood gold at all! It is sensible to buy gold and hope it goes down in price. Because that should mean your other investments are rising in value. And that did happen this year, with stock markets and other riskier investments faring well there wasn’t much hope for gold – one of the good portfolio diversification tools in your portfolio.

As the year progressed, there was a notable decrease of economic “tail risks” haunting the financial world. The two big risks of subsequent fiscal contraction in the U.S. and the threat of a Euro break up were momentarily rendered unfounded by monetary infusions. With central banks maintained their unconventional policies for much of this year, problems surrounding the financial/monetary system seemed temporarily sorted before they could turn into crises. Diminishing prospects of tail risks and continuation of liquidity flows encouraged investors to move back to risky assets and out of gold.

The Fed’s decision to decelerate bond-buying, starting with a \$10 billion reduction in January 2014 is, to many, a sign of confidence that the economy is starting to stand on its own feet after the severe pounding it took in 2008. But a closer look at the underlying economy indicates a very weak labor market – the most important indicator of the health of an economy. The unemployment rate has fallen from its peak of 10.0% in 2009 to below 7%, which is mostly because people have given up looking for work. The labour participation rate in the US stands at 63% - a multi decade low. The employment to population ratio is at 58.9%, just 0.7% points above its low of 58.2% for the downturn showing no real improvement in the job creation strength of this recovery and is still more than 4.0% below pre-recession levels, corresponding to 9.5 million people without jobs.

**Future Outlook:**

The rationale for owning gold assets remains simple: global deterioration of sovereign credit and a growing need to debase currencies in order to meet future obligations - whether it’s in the

U.S., Europe or Japan. The policy of socializing risk with monetary and fiscal policy and bailing out companies has adversely affected the balance sheets of the Western world. The World is in a phase of experimental central banking, which could end badly due to the dislocation of capital it has caused through prolonged periods of negative rates.

It remains an undisputed fact that debt levels across major economies still remain unsustainable. Central banks are making it easier to carry this debt overload by keeping interest rates at record-low levels. But lowering the financing costs is only a partial and temporary solution because the absolute condition of balance sheets matter. One should not be surprised that this could be a factor weighing on consumer and business confidence. People are smart enough to know that high government debt levels mean higher taxes and/or reduced services down the road.

The very reason of being pessimistic of the probability of winding down comes from the state of the economy where recovery is not really sustainable as yet. The unintended consequences of such unconventional policies on asset markets would probably be felt at the time of unwinding. It won't be too far before the economy shows signs of further deterioration and asset markets start to feel the pinch of lower money on the table. This would likely compel the policymakers to soon enough change their stance towards a more easing bias, which would propel gold to increase in value. Until this plays out, the markets and the Fed will continue to assess and reassess the health of the economy by filtering each set of economic data in isolation and in totality.

Though we indicated that some of the tail risks facing the global economy may have diminished, many structural problems remain. There are still serious imbalances and problems in many countries, including excessive private and/or public debt, the unsustainable divergence between record corporate profits and steadily declining wages, rising inequality, and mispricing of asset markets at best. Investors would do well to remember that gold is one of the valuable diversification tools against the numerous downside risks that still persist in the global arena. If concerns surrounding monetization gains momentum, this could trigger another broadly based loss of risk appetite, investors may want to increase their gold holdings.

## 1. 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.

SEBI has outlined investment valuation norms for the mutual funds to compute and carry out valuation of its investment in its portfolio under Regulation 47 and Eighth Schedule of SEBI (Mutual Funds) Regulations, 1996 as amended from time to time. Accordingly, SEBI has mandated the mutual funds to value its investments on Principal of Fair Valuation to ensure fair treatment to all investors including existing investors as well as investors seeking to purchase or redeem units of mutual funds in all Schemes at all points of time. The Board of Directors of AMC and of the Trustee Company has approved the Investment Valuation Policy and the framework for valuation of investments of Quantum Mutual Fund in accordance with SEBI Notification dated February 21, 2012 based on principles of fair valuation which is reflective of realizable value of securities/assets and the same has been reviewed regularly.

## 4. UNCLAIMED DIVIDENDS & REDEMPTIONS:

There are no unclaimed dividends and redemption proceeds for the year ended March 31, 2014.

**5. Marketing Quantum Mutual Fund – Simple products for all investors; catering to their financial needs**

Quantum Mutual Fund continues with its unique style of marketing its products. Quantum Mutual Fund has always believed in the philosophy of wanting investors to buy Quantum Schemes rather than have the Schemes sold to them. All marketing efforts have been focused towards educating investors about the importance of saving and investing in the right mutual fund Scheme at the right time.

In the financial year 2013-2014, Quantum Mutual Fund continued to increase its focus on Investor Information by propagating the “Quantum Equity Direct” (or QED), a free E-Guide to investors which busts myths about the mutual fund industry and highlights the Quantum philosophy of investing. The fund house will continue to increase the reader base for its newsletters like the QED and the Golden Truth (Quantum Gold Fund Manager’s commentary on gold) through the internet and also support the same through offline activations.

The presence on social media has been scaled up and Quantum continues to encourage socially beneficial projects like NSPA (Street music), HelpYourNGO (donations), Operation Black Dot (voting) and NCPA (teaching music to children in underprivileged schools).

The Fund has also started the practice of sending mailers to investors on regular basis to update them with any regulatory changes / introduction of new facility / changes in any process & procedures etc.

Quantum Mutual Fund also continued with the “Path to Profit” meets, taking the Quantum message to cities like Bangalore, Chennai, Delhi, Hyderabad, Kolkata, Pune and Mumbai. In order to increase Investor awareness Quantum Mutual Fund had tied up with institutions like the prestigious BSE Investor Protection Fund (BSE IPF) and the National Securities Depository Limited (NSDL) in the past to educate people on how simple investing really is and will continue exploring such tie-ups in the coming year too. Going forward, efforts will be continued in spreading this message through such investor education initiatives.

As Trustees we are proud of the fact that Quantum as a fund house continues to grow and being India’s first and only fund house to be direct to investor, it has also been applauded by the media, associates, and most importantly by investors.

**6. INVESTOR SERVICES**

At Quantum Asset Management Private limited (AMC), Investor service is a vital element for sustained business growth and, as Trustees, we want to ensure that investors receive exemplary service across different touch points of the AMC. Prompt and efficient service is essential to retaining existing relationships and therefore Investor satisfaction becomes critical to the AMC, especially since the Fund follows the Direct-to-Investor model. Investor queries and complaints constitute an important voice of Investor. Under the aegis of the Head - Customer Delight, it is hoped to further increase investor interaction and strive to be the best fund house in terms of Customer Service.

As on March 31, 2014, Quantum AMC served investors primarily through its Invest Online Section on www. QuantumMF.com and also through 201 offices of Karvy Computershare Private Limited. Quantum AMC continued to expand the investor reach by adding our own official point of acceptance in Ahmedabad and Mumbai (Ghatkopar) along with the one in Chennai for South India.

With its continuous focus towards Investor Delight, the Investor Services & Customer Relations Teams have undertaken the following initiatives:

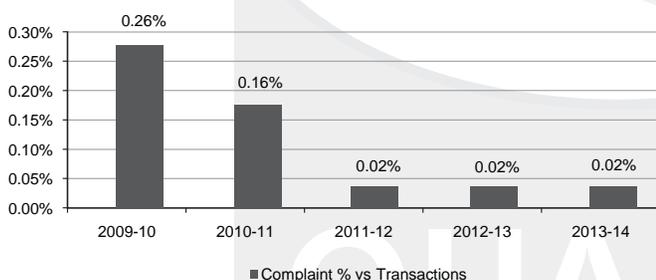
1. The AMC had initially started online systematic investment (ISIP) through 19 banks so that investors looking for a regular systematic investment can do the same online without any paper work. However we have now extended this facility through 32 banks. To make investment more convenient the AMC continues to offer more services in the online mode, such as Online SIP, STP and SWP Cancellation option etc.
2. For facilitating investors holding units in demat mode, the AMC has now enabled additional purchase and online SIP registration within the existing user ID. Additionally an investor can map and view his demat as well as non-demat folio under a single user-id.
3. The Drop box facility is also provided at various locations in Mumbai to enable investors to drop their applications for subscriptions, additional subscriptions, redemption requests etc. Plans are being put in place by the AMC to extend this facility across India.
4. Servicing through SMS has been extended from pre-investment assistance to post investment. The team has now enabled a facility for investors to receive their current balance in folio, scheme NAV and have the latest account statement emailed to them, all through the mobile phone via an SMS.
5. Interactive Voice Response (IVR) in Hindi has been introduced for investors on our toll free numbers 1800-209-3863 and 1800-22-3863. This would help our investors who prefer Hindi as the medium of communication. Going forward the AMC also plans to add other regional languages in IVR.
6. An SMS facility has been introduced for investors who place a service request on IVR. With the help of service request ID, which is sent as an SMS to their registered mobile number; investors can track the status of their service request in a better manner.
7. A new process has been initiated where calls are made to those investors or prospective investors who either gave us a missed call or hung up the phone immediately after calling our toll free number. This gives us an opportunity to reach out and speak with the investors or prospective investors and serve them better.
8. Risk categorization for all schemes through color coding concept in our online investment section which guides the Investor to select the scheme based on his risk

appetite and suitability and product labeling criteria framework mandated by the Securities and Exchange Board of India (SEBI) to all the Mutual Funds has also been enabled.

9. Investors have now been facilitated with an easy option to change their contact details online; conveniently and quickly.
10. Simplicity in Transacting is redefined with our new facility of accepting transactions through E-mail and Fax- Email. Now through a simple e-mail/Fax investor can initiate various commercial and non-commercial transactions as enabled by the AMC from time to time. This facility has been introduced to our investors with effect from 1st April, 2014.
11. For safety and security in online transactions, the website has obtained 256-bit Digital Security Certificate from Verisign, an organization that is considered pioneer in such technology. Quantum AMC is an ISO 27001 Certified Company and has 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.

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

Complaint v/s Transactions (%)



#### Analysis of Queries and Complaints Vs Transactions and Folio Count for the last 5 Financial years

Financial Year	No. of Investors/ Folios	No. of Transactions	% Increase in Transactions Year on Year (YOY)	Queries	Queries % vs Transactions	Complaints	Complaint % vs Transactions
2009-10	7,142	25,583	289%	279	1.09%	67	0.26%
2010-11	13,359	1,13,994	346%	1,849	1.62%	182	0.16%
2011-12	23,466	2,59,634	128%	9,662	3.72%	50	0.02%
2012-13	35,858	3,58,174	38%	9,821	2.74%	78	0.02%
2013-14	40,358	4,39,960	23%	9,253	2.10%	38	0.02%

#### 7. STATUTORY INFORMATION

- a 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.
- b 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.
- c The Annual report will be sent to unitholders / investors as per the following mode:
  - 1) By email to the unitholders/investors whose email address is available with the AMC/Fund.
  - 2) 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.
  - 3) 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.
- d On request, present and prospective unitholders/ investors can obtain copy of the Trust Deed.
- e The Annual Report of the AMC is displayed on the website of the AMC/ Fund. Unitholders / investors if they so desire, may request for a copy of the Annual Report of the AMC.

#### 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. The information contained herein is on the basis of data provided by the AMC to the Trustee Company.

**9. DISCLOSURE OF INVESTOR COMPLAINTS**

The details of redressal of complaints received against the Fund during the financial year 2013-14 are attached as Annexure – A.

**10. ROLE OF MUTUAL FUNDS IN CORPORATE GOVERNANCE OF PUBLIC LISTED COMPANY:**

The AMC has framed the general voting policy and procedure for exercising the voting rights in respect of shares held by the schemes of the Fund in accordance with the SEBI Circular No. SEBI / IMD/ 198647 /2010 dated March 15, 2010. The Board of Directors of Trustees has adopted the Voting Policy is attached as Annexure – B. The details of actual exercise of proxy voting for the financial year 2013-14 are attached as Annexure - C. The Voting Policy and disclosure of proxy votes are also displayed on the website of the Fund.

**11. ACKNOWLEDGEMENT**

As Trustees we would like to state that the AMC is committed to meet the Net Worth requirements of ₹ 50 Crores within the timeline as prescribed in the SEBI Regulations without compromising the interest of investors and continuing to innovate and follow the principles of remaining low cost and offering complete transparency to our investors.

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 and long-term investing.

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

sd/-

**Date: May 20, 2014  
Place: Mumbai**

**Mr. Jagdish Capoor  
Chairman**

**QUANTUM**

M U T U A L F U N D

Profit with Process

Annexure A

Redressal of Complaints received against Quantum Mutual Fund during April 2012 - March 2013 and April 2013- March 2014

	<b>2012-2013</b>	<b>2013-2014</b>
No. of Folios as on financial year end	35,858	40,538

**Redressal of Complaints received against Quantum Mutual Funds (MF's) during April'2012-March' 2013 and April'2013-March' 2014**

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)												
		2012-2013		2013-2014		Resolved						Non Actionable*						
		2012-2013	2013-2014	2012-2013	2013-2014	Within 30 Days	30-60 Days	60-180 Days	Beyond 180 days	2012-2013	2013-2014	0-3 Months	3-6 Months	6-9 Months	9-12 Months			
I A	Non receipt of Dividend on Units	0	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	0
I C	Non receipt of Redemption Proceeds	0	2	0	0	2	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	0
II A	Non receipt of Statement of Account/Unit Certificate	0	4	2	0	4	2	0	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	0
II C	Data corrections in Investor details	0	31	5	0	31	5	0	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	0
III A	Wrong Switch between Schemes	0	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	0
III C	Deviation from Scheme attributes	0	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	0
III E	Non updation of changes viz. address, PAN, bank details, nomination, etc.	0	6	2	0	6	2	0	0	0	0	0	0	0	0	0	0	0
IV	Others	0	35	29	0	35	29	0	0	0	0	0	0	0	0	0	0	0
	Total	0	78	38	78	38	78	38	0	0	0	0	0	0	0	0	0	0

# Including against its authorized persons/ distributors/ employees etc.

\*Non actionable means the complaint that are incomplete / outside the scope of the mutual fund.

**Redressal / Resolution of Complaints and Queries received against Quantum Mutual Funds (MF's) for the last 5 Financial Year.**

Complaint Code	Type of Complaint#	No of complaints received and resolved during the respective year				
		2009-2010	2010-2011	2011-2012	2012-2013	2013-2014
I A	Non receipt of Dividend on Units	0	0	0	0	0
I B	Interest on delayed payment of dividend	0	0	0	0	0
I C	Non receipt of Redemption Proceeds	1	0	1	2	0
I D	Interest on delayed payment of Redemption	0	0	0	0	0
II A	Non receipt of Statement of Account/Unit Certificate	5	36	2	4	2
II B	Discrepancy in Statement of Account	41	131	0	0	0
II C	Data corrections in Investor details	0	0	33	31	4
II D	Non receipt of Annual Report/Abridged Summary	0	0	0	0	0
III A	Wrong Switch between Schemes	0	0	0	0	0
III B	Unauthorized switch between Schemes	0	0	0	0	0
III C	Deviation from Scheme attributes	0	0	0	0	0
III D	Wrong or excess charges/load	0	0	0	0	0
III E	Non updation of changes viz. address, PAN, bank details, nomination, etc.	2	0	0	6	2
IV	Others	18	15	14	35	30
<b>Complaints</b>		<b>67</b>	<b>182</b>	<b>50</b>	<b>78</b>	<b>38</b>
<b>Queries</b>		<b>279</b>	<b>1849</b>	<b>9662</b>	<b>9821</b>	<b>9253</b>

# Including against its authorized persons/ distributors/ employees etc.

**Notes:**

The number of transactions during the year have increased by 22.83% 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 services and thus reduce the complaints.

The AMC has a dedicated toll free no 1800-22-3863/1800-209-3863 and an 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 team for resolution at the AMC's end.

The complaints and their redressal during the month are reviewed in the monthly Risk Management Committee meeting of the AMC.

The necessary action/quality check processes have been 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. Various data verification/cleaning activities are initiated for ensuring mandatory regulatory requirements as well as an initiative to ensure that communication to investors reaches them on time.

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 carries out regular analysis of the queries and complaints to identify the root cause of the query and take remedial action to avoid escalation of such queries as complaints.

## Annexure B

**Proxy Voting Policy**

Quantum Asset Management Company Private Limited ("Asset Management Company /AMC") is the Investment Manager to the Scheme's of Quantum Mutual Fund (the Fund). The AMC has a fiduciary duty to act in the best interest of the scheme(s) / unit holders of the Fund. This responsibility includes exercising voting rights attached to the securities of the companies in which the schemes of the Fund invest ("Investee Company") at the general meetings of the Investee Companies in the best interest of the scheme(s) / unit holders. This Voting Policy shall be applicable to all securities including equity holding across all schemes of the Fund.

SEBI vide its circular No. SEBI / IMD / CIR No.18/198647/2010 dated March 15, 2010 has advised all the Asset Management Companies to disclose general policies and procedure for exercising the voting rights in respect of shares held by the Mutual Funds in the Investee Company and play an active role in ensuring better corporate governance.

In terms of the SEBI Circular the AMC shall disclose the following on its website and in the Annual Report of the Fund from the financial year 2010-11 onwards:

- (a) The general policies and procedure for exercising voting rights in respect securities held by the Fund in the Investee Company
- (b) The actual exercise of votes in the AGMs / EGMs of the investee companies in the following matters in the format prescribed by SEBI:
  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.

**Voting Guidelines / Philosophy of Voting**

The Investment Policy for the schemes of the Fund is to invest in companies which have good business with good management and follows corporate governance norms.

The AMC's policy is to vote for all the "schemes" of the Fund with regard to an "investee company" in the same manner. The AMC will always vote in the best interest of the schemes/unit holders.

All voting decisions are taken by us on a case to case basis. The concerned Research Analyst / Fund Manager at the AMC reviews carefully 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) / unit holders and investment philosophy of the Fund. This decision shall be communicated by the research team to the AMC's back office team who shall then forward this information to the "representative/s" appointed by the Trustee to attend and vote at the 'investee company' meeting.

If there is some serious corporate governance issue in the Investee Company then the AMC will vote against the proposal and in many cases will also exit from the investment.

In case of the Index Scheme the AMC would "Abstain" from voting on matters concerning the Investee Company.

If the AMC decides not to vote on a proposal, the Research Analyst / Fund Manager shall document the reasons for that decision.

**Conflicts of Interest**

While voting, the AMC will identify any conflicts that exist between the interests of the AMC and the scheme / unit holders. It shall do so by reviewing the relationship of the AMC with the Investee Companies to determine;

- a) If the AMC or any of its employees or schemes has any financial, business or personal relationship with the Investee Company or
- b) Whether the Investee Company is a group company of the AMC or
- c) Whether the Investee Company has investments in the Schemes of the Fund.

Examples of potential conflicts of interest include;

- (a) The AMC / Fund Manager / Research Analysts has a material business relationship with a proponent of a proposal, 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 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).
- (c) The Investee Company has invested more than 5% of the net asset value of a scheme

If a material conflict of interest exists, the Compliance Officer will determine whether it is appropriate to disclose the Key Employee Investment Committee to give the Committee the discretion to vote or to vote according to an independent third party voting recommendation.

**Voting Procedure**

As per the Companies Act, 1956, a proxy is not entitled to vote except on a poll. At the general meetings, generally a resolution is to be put to vote in the meeting by show of hands at the first instance unless a poll is demanded.

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

The Fund is incorporated / registered as a Trust under the Indian Trust Act and, the Trustee of the Fund is a company formed under the Companies Act 1956. The Trustee being a company can appoint representative to attend the general meetings and vote on the Resolution by show of hands in the general meetings of the Investee Company as per Section 187B of the Companies Act, 1956.

The representative appointed by the Trustee endeavors to attend all the general meetings of the Investee Company and exercised the voting decision of the AMC. In case the resolution is carried out through Postal Ballot the AMC exercised vote on the resolution through the Postal Ballot.

The Agency appointed by the AMC (as representative of the Fund) then picks up the voting instructions given by the back office team and accordingly votes at the general meetings of the Investee Companies.

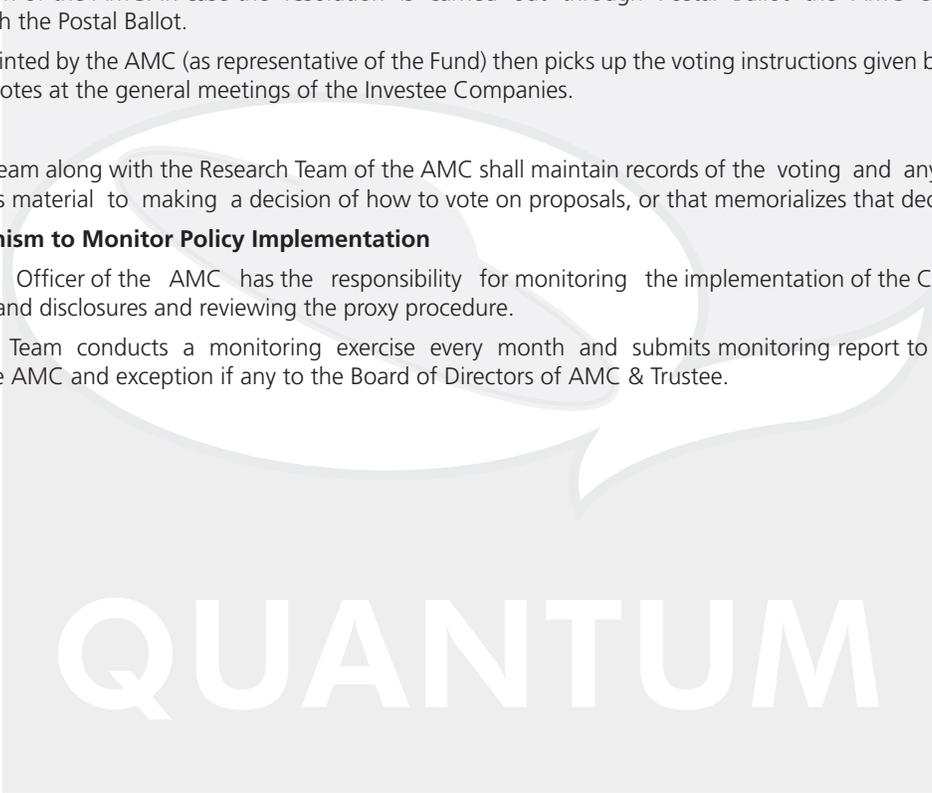
**Recordkeeping**

The Back Office Team along with the Research Team of the AMC shall maintain records of the voting and any document the AMC created that was material to making a decision of how to vote on proposals, or that memorializes that decision.

**Internal Mechanism to Monitor Policy Implementation**

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

The Compliance Team conducts a monitoring exercise every month and submits monitoring report to the Risk Management Committee of the AMC and exception if any to the Board of Directors of AMC & Trustee.



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

## Annexure C

## FOR THE FINANCIAL YEAR 2013-14

## PROXY VOTING EXERCISED DURING FINANCIAL YEAR ENDED 31st MARCH 2014

Name of Company	Date	Type of Meeting (AGM/EGM /CCM/PBL)	Proposal	Management Recommendation	AMC's Justification For Vote	Vote ( For / Against / Abstain*)
ACC Limited	05-Apr-13	AGM	Adoption of Accounts & Directors and Auditors Report.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
			To declare a dividend.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
			Re appointment of Mr N S Sekhsaria as a Director, who retires by rotation.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
			Re appointment of Mr Shailesh Haribhakti as a Director, who retires by rotation.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
			Appointment a new Director in place of Mr Naresh Chandra, a Director liable to retire by rotation does not seek re-appointment as per the Succession Policy.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
			Appointment a new Director in place of Mr Rajendra A Shah, a Director liable to retire by rotation does not seek re-appointment as per the Succession Policy.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
			To appoint M/s S R Batliboi & Co Statutory Auditors of the Company and fix their remuneration.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
Ambuja Cements Limited	04-Apr-13	AGM	Adoption of Accounts & Directors and Auditors Report.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
			To declare a dividend on equity Shares.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
			To resolve not to fill the vacancy for the time being in the Board, caused by the retirement of Mr. Mansingh L. Bhakta who retires by rotation at the conclusion of this meeting and does not seek re-appointment	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain

Name of Company	Date	Type of Meeting (AGM/EGM /CCM/PBL)	Proposal	Management Recommendation	AMC's Justification For Vote	Vote ( For / Against / Abstain*)
			To resolve not to fill the vacancy for the time being in the Board, caused by the retirement of Mr. Naresh Chandra who retires by rotation at the conclusion of this meeting and does not seek re-appointment.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
			Re appointment of Mr. Onne van der Weijde, as a Director, who retires by rotation.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
			To appoint Statutory Auditors of the Company and fix their remuneration.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
			Appointment of Mr. Haigreve Khaitan as a Additional Director of the Company.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
			Appointment of Mr. B.L. Taparia as a Additional Director of the Company and fix remuneration.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
DLF Limited	04-Apr-13	EGM	Alteration of Articles of Association for issue of fresh equity shares.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
CIPLA Limited	05-Apr-13	PBL	To issue ESOP to employees of the company.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
Power Grid Corporation of India Limited	22-Apr-13	PBL	Insertion of new Article 31A on 'Additional Directors'.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
			Amendment in existing Article 52 on ' Appointment of Auditors'.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
Ranbaxy Laboratories Limited	07-May-13	AGM	Adoption of Accounts & Directors and Auditors Report.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
			Re appointment of Dr. Tsutomu Une as a Director, who retires by rotation.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
			Re appointment of Mr. Rajesh V. Shah as a Director, who retires by rotation.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
			Appointment of Statutory Auditors of the Company and fix their remuneration.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain

Name of Company	Date	Type of Meeting (AGM/EGM /CCM/PBL)	Proposal	Management Recommendation	AMC's Justification For Vote	Vote ( For / Against / Abstain*)
			Appointment of Dr. Kazunori Hirokawa as a Additional Director of the Company and fix remuneration.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
Kotak Mahindra Bank Limited	09-May-13	EGM	Preferential allotment of 2 Cr equity shares to M/s Heliconia Pte Ltd.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
NTPC Limited	24-May-13	CCM	Scheme of Amalgamation of NTPC Hydro Limited (Transferor Company) & NTPC Limited (Transferee Company).	In Favour of the Proposal.	The merger would enable operational synergy by bringing down costs. It would also help in simplifying the company financials.	For
TATA Consultancy Services Limited	31-May-13	CCM	Scheme of Arrangement between Tata Consultancy Services Limited and TCS e-Serve Limited and TCS e-Serve International Limited and their respective shareholders ('the Scheme').	In Favour of the Proposal.	The Proposed Composite of merger & demerger would help in achieving Significant Synergies by bringing down cost of operations & administrations.	For
Bharti Airtel Limited	05-Jun-13	EGM	Preferential allotment of equity shares.	In Favour of the Proposal.	The infusion will help bring down the company's debt load. The per share price is not detrimental for minority shareholder.	For
			Amendment in Articles of Association of the Company.	In Favour of the Proposal.	Amendment in Articles of Association is required pursuant to equity infusion.	For
Cairn Limited	07-Jun-13	PBL	To consider and approve amendments to Cairn India Performance Option Plan 2006 (CIPOP).	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
Reliance Industries Limited	06-Jun-13	AGM	Adoption of Accounts & Directors and Auditors Report.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
			To declare a dividend on equity Shares.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
			To appoint Director in place of those who retiring by rotations.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain

Name of Company	Date	Type of Meeting (AGM/EGM /CCM/PBL)	Proposal	Management Recommendation	AMC's Justification For Vote	Vote ( For / Against / Abstain*)
			To appoint Statutory Auditors of the Company and fix their remuneration.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
			To approve the payment of commission to Non-Executive Directors.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
Infosys Limited	15-Jun-13	AGM	Adoption of Accounts & Directors and Auditors Report.	In Favour of the Proposal.	Annual Accounts fairly represent the financial position of the Company.	For
			To declare a dividend on equity Shares.	In Favour of the Proposal.	The company is distributing its profits satisfactorily	For
			Re appointment of S. D. Shibulal as a Director, who retires by rotation.	In Favour of the Proposal.	The Director has played a key role in the company's performance his experience will help Company to grow in future.	For
			Re appointment of Srinath Batni as a Director, who retires by rotation.	In Favour of the Proposal.	The Director has played a key role in the company's performance his experience will help Company to grow in future.	For
			Re appointment of Deepak M. Satwalekar as a Director, who retires by rotation.	In Favour of the Proposal.	The Director has played a key role in the company's performance his experience will help Company to grow in future.	For
			Re appointment of Dr. Omkar Goswami as a Director, who retires by rotation.	In Favour of the Proposal.	Mr Omkar holds directorship more than 10 Companies and getting fee of ₹ 70 lakh	Against
			Re appointment of R. Seshasayee as a Director, who retires by rotation.	In Favour of the Proposal.	The Director has played a key role in the company's performance his experience will help Company to grow in future.	For
			To appoint BSR & Co Statutory Auditors of the Company and fix their remuneration.	In Favour of the Proposal.	Auditors seems to have performed their job satisfactorily, thus can be re appointed.	For
			Re appointment of Leo Puri as a Director, who retires by rotation.	In Favour of the Proposal.	The Director has played a key role in the company's performance his experience will help Company to grow in future.	For
			Appointment of N. R. Narayana Murthy as Chairman of the Company.	In Favour of the Proposal.	The chairman has played a key role in the company's performance his experience will help Company to grow in future.	For

Name of Company	Date	Type of Meeting (AGM/EGM /CCM/PBL)	Proposal	Management Recommendation	AMC's Justification For Vote	Vote ( For / Against / Abstain*)
ICICI Bank Ltd	24-Jun-13	AGM	Adoption of Accounts & Directors and Auditors Report.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
			To declare dividend on preference shares.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
			To declare dividend on equity shares.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
			Re appointment of Mr. K. V. Kamath as a Director, who retires by rotation.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
			Re appointment of Dr. Tushaar Shah as a Director, who retires by rotation.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
			Re appointment of Mr. Rajiv Sabharwal as a Director, who retires by rotation.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
			To appoint S R Batliboi & Co Statutory Auditors of the Company and fix their remuneration.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
			To appoint Branch Auditors of the Company and fix their remuneration.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
			To appoint Mr Dileep Choksi Director of the Company.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
			To consider & approve revised remuneration of Mr. K V Kamath, Ms.Chanda Kochar, Mr. N S Kannan, Mr. Rajiv Sabharwal & Mr. K Ramkumar.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
Jindal Steel And Power Limited	17-Jun-13	PBL	To issue ESOP to employees of the company.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
			To issue ESOP to employees of the Subsidiary companies of the Company.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain

<b>Name of Company</b>	<b>Date</b>	<b>Type of Meeting (AGM/EGM /CCM/PBL)</b>	<b>Proposal</b>	<b>Management Recommendation</b>	<b>AMC's Justification For Vote</b>	<b>Vote ( For / Against / Abstain*)</b>
State Bank of India	21-Jun-13	AGM	Adoption of Accounts & Directors and Auditors Report.	In Favour of the Proposal.	The financial accounts by way of Annual report is not available so difficult to comments.	Abstain
Asian Paints Limited	24-Jun-13	AGM	Adoption of Accounts & Directors and Auditors Report.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
			To declare dividend on equity shares.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
			Re appointment of Mr. Mahendra Choksi, as a Director, who retires by rotation.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
			Appointment of director in place of Ms. Tarjani Vakil, a Director liable to retire by rotation & does not wish to seek re-appointment.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
			Re appointment of Mr. Mahendra Shah, as a Director, who retires by rotation.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
			Re appointment of Mr. S. Ramadorai, as a Director, who retires by rotation.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
			To appoint M/s Shah & Co & M/s BSR & Associate Joint Statutory Auditors of the Company and fix their remuneration.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
			To appoint Mr M K Sharma Additional Director of the Company.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
			Alteration of Capital Clauses in Memorandum & Articles of Association to provide for share split and division of Authorized share capital.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
			Revision of remuneration of Director's relatives.(Mr Manish Choksi, Mr. Jalaj Dani & Mr Vivek Vakil).	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain

Name of Company	Date	Type of Meeting (AGM/EGM /CCM/PBL)	Proposal	Management Recommendation	AMC's Justification For Vote	Vote ( For / Against / Abstain*)
HDFC Bank Limited	27-Jun-13	AGM	Adoption of Accounts & Directors and Auditors Report.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
			To declare dividend on equity shares.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
			Re appointment of Mr. Bobby Parikh, as a Director, who retires by rotation.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
			Re appointment of Mr. A N Roy, as a Director, who retires by rotation.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
			To appoint Ms BSR & Associate Statutory Auditors of the Company and fix their remuneration.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
			To appoint Mr Vijay Merchant Additional Director of the Bank.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
			To issue ESOP to employees of the company.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
			Re appointment of Mr. Paresk Sukthankar as Executive Director of the Bank	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
Ing Vysya Bank Limited	25-Jun-13	AGM	Adoption of Accounts & Directors and Auditors Report.	In Favour of the Proposal.	Annual Accounts fairly represent the financial position of the Company.	For
			To declare dividend on equity shares.	In Favour of the Proposal.	The company is distributing its profits satisfactorily	For
			Re appointment of Mr. Richard Cox, as a Director, who retires by rotation.	In Favour of the Proposal.	The Director has played a key role in the company's performance his experience will help Company to grow in future.	For
			Re appointment of Mr. Meleveetil Damodaran, as a Director, who retires by rotation.	In Favour of the Proposal.	The Director has played a key role in the company's performance his experience will help Company to grow in future.	For
			Re appointment of Mr. Vikram Talwar, as a Director, who retires by rotation.	In Favour of the Proposal.	The director has been able to attend only 4 out of 6 Board Meeting.	Against

Name of Company	Date	Type of Meeting (AGM/EGM /CCM/PBL)	Proposal	Management Recommendation	AMC's Justification For Vote	Vote ( For / Against / Abstain*)
			To appoint M/s BSR & Associate Statutory Auditors of the Company and fix their remuneration.	In Favour of the Proposal.	Auditors seems to have performed their job satisfactorily, thus can be re appointed.	For
			Re appointment of Mr. Sanjeev Aga, as a Director, who retires by rotation.	In Favour of the Proposal.	The Director has played a key role in the company's performance his experience will help Company to grow in future.	For
			To issue ESOP to employees of the company.	In Favour of the Proposal.	ESOP Scheme helpful in retaining talent The Scheme is in line with other industry players.	For
			To create, issue, offer or allot stock options under an Employee Stock Option Scheme titled "ESOS 2013".	In Favour of the Proposal.	ESOP Scheme helpful in attracting and retaining talent.	For
			To create, offer, issue and allot Equity Shares.	In Favour of the Proposal.	ING wants to raise ₹ 20 Bn which will make the capital base stronger and help in growth of Bank. Also it will help meet based 3 capital norms.	For
			Re-appointment of Mr. Shailendra Bhandari as Managing Director and Chief Executive Officer of ING Vysya Bank Limited.	In Favour of the Proposal.	The Director has played a key role in the company's performance his experience will help Company to grow in future.	For
Sesa Goa Limited	27-Jun-13	AGM	Adoption of Accounts & Directors and Auditors Report.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
			To declare dividend.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
			Re appointment of Mr. K. K. Kaura as a Director, who retires by rotation.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
			Re appointment of Mr. J P Singh as a Director, who retires by rotation.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
			To appoint Statutory Auditors of the Company and fix their remuneration.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
			Re-appointment of Mr.Amit Pradhan as Whole time Director and fix their remuneration.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain

Name of Company	Date	Type of Meeting (AGM/EGM /CCM/PBL)	Proposal	Management Recommendation	AMC's Justification For Vote	Vote ( For / Against / Abstain*)
Tata Consultancy Services Limited	28-Jun-13	AGM	Adoption of Accounts & Directors and Auditors Report.	In Favour of the Proposal.	Annual Accounts fairly represent the financial position of the Company.	For
			To confirm the payment of Interim Dividends on Equity Shares.	In Favour of the Proposal.	The company is distributing its profits satisfactorily.	For
			To declare Dividend on Redeemable Preference Shares.	In Favour of the Proposal.	The company is distributing its profits satisfactorily.	For
			Re appointment of Dr Vijay Kelkar as a Director, who retires by rotation.	In Favour of the Proposal.	The Director has played a key role in the company's performance his experience will help Company to grow in future.	For
			Re appointment of Mr. Ishaat Hussain as a Director, who retires by rotation.	In Favour of the Proposal.	The Director has played a key role in the company's performance his experience will help Company to grow in future.	For
			Re appointment of Mr. Aman Mehta as a Director, who retires by rotation.	In Favour of the Proposal.	The Director has played a key role in the company's performance his experience will help Company to grow in future.	For
			To appoint Auditors and fix their remuneration.	In Favour of the Proposal.	Auditors seems to have performed their job satisfactorily, thus can be re appointed.	For
			Revision in terms of remuneration of Mr. N. Chandrasekaran, Chief Executive Officer and Managing Director.	In Favour of the Proposal.	Mr Chandrasekaran managed the company very well. However we can suggest increase in variable pay rather than fixed pay.	For
			" Re-appointment of Mr. S. Mahalingam as Chief Financial Officer and Executive Director of the Company until his retirement".	In Favour of the Proposal.	Mr. S. Mahalingam is retiring in full.	For
			Appointment of Branch Auditors.	In Favour of the Proposal.	Given the Geographical spread of the company branch audit in necessary for better internal control.	For
Bank of Baroda	26-Jun-13	AGM	Adoption of Accounts & Directors and Auditors Report.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
			To declare Dividend for the year 2012-13.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain

<b>Name of Company</b>	<b>Date</b>	<b>Type of Meeting (AGM/EGM /CCM/PBL)</b>	<b>Proposal</b>	<b>Management Recommendation</b>	<b>AMC's Justification For Vote</b>	<b>Vote ( For / Against / Abstain*)</b>
Bharat Heavy Electricals Limited	27-Jun-13	EGM	" Scheme of Amalgamation of Bharat Heavy Plate and Vessels Limited (Transferor Company) & Bharat Heavy Electricals Limited (Transferee Company)."	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
INDUSIND Bank Ltd	28-Jun-13	AGM	Adoption of Accounts & Directors and Auditors Report.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
			To declare dividend for the year.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
			Re appointment of Mr. S. C. Tripathi as a Director, who retires by rotation.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
			Re appointment of Dr. T. T. Ram Mohan as a Director, who retires by rotation.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
			To appoint M/s BSR & Associates Statutory Auditors of the Company and fix their remuneration.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
			Re-appointment of Mr. R.Seshasayee as Part-time Chairman of the Bank who retires by rotation.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
			Re-appointment of Mr. Romesh Sobti as Managing Director and CEO of the Bank, not subject to retirement by rotation, for a period of three years with effect from February 1, 2014.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
Punjab National Bank	29-Jun-13	AGM	Adoption of Accounts & Directors and Auditors Report.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
			To declare dividend for the year.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
Petronet LNG LTD	04-Jul-13	AGM	Adoption of Accounts & Directors and Auditors Report.	In Favour of the Proposal.	Annual Accounts fairly represent the financial position of the Company.	For
			To declare dividend for the year.	In Favour of the Proposal.	The company is distributing its profits satisfactorily.	For

Name of Company	Date	Type of Meeting (AGM/EGM /CCM/PBL)	Proposal	Management Recommendation	AMC's Justification For Vote	Vote ( For / Against / Abstain*)
			Re appointment of Shri R K Singh as a Director, who retires by rotation.	In Favour of the Proposal.	The Director has played a key role in the company's performance his experience will help Company to grow in future.	For
			Re appointment of Shri A M K Sinha as a Director, who retires by rotation.	In Favour of the Proposal.	The Director has played a key role in the company's performance his experience will help Company to grow in future.	For
			Re appointment of Shri Ashok Sinha as a Director, who retires by rotation.	In Favour of the Proposal.	The Director has played a key role in the company's performance his experience will help Company to grow in future.	For
			Re appointment of Shri B C Bora as a Director, who retires by rotation.	In Favour of the Proposal.	The Director has played a key role in the company's performance his experience will help Company to grow in future.	For
			To appoint M/S T R Chadha & Co Statutory Auditors of the Company and fix their remuneration.	In Favour of the Proposal.	Auditor seems to have performed their job satisfactorily and thus can be reappointed.	For
			Appointment of Shri Rajender Singh as Director (Technical) of the Company.	In Favour of the Proposal.	The Director has played a key role in the company's performance his experience will help Company to grow in future.	For
			Re appointment of Shri Vivek Rae as a Additional Director, who retires by rotation.	In Favour of the Proposal.	The Director has played a key role in the company's performance his experience will help Company to grow in future.	For
Jaiprakash Associates Ltd	03-Jul-13	PBL	Providing Security to Lenders of Jaiprakash Power Ventures Ltd (JPVL) a subsidiary of the Company.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
			Providing Security to Lenders of Jaiprakash Power Ventures Ltd (JPVL) a subsidiary of the Company.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
Larsen And Toubro Limited	03-Jul-13	PBL	Alteration in Articles of Associations Issue of Bonus Shares in the ratio of 2:1 for Capitalization of Reserve.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
Sun Pharmaceuticals Industries Limited	13-Jul-13	PBL	Increase the Authorized Share Capital of the Company from ₹ 1,500,000,000 to 3,000,000,000.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain

Name of Company	Date	Type of Meeting (AGM/EGM /CCM/PBL)	Proposal	Management Recommendation	AMC's Justification For Vote	Vote ( For / Against / Abstain*)
			Alteration of clause V of Memorandum of Association of Company consequent to increase in the Authorized share Capital of the Company.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
			Alteration of Clause 4 of Memorandum of Association of Company consequent to increase in the Authorized share Capital of the Company.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
			Capitalization of reserves for the purpose of declaration and approval of issue of bonus equity share in the ratio of 1:1 fully paid of Equity share of the Company.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
Housing Development Finance Corporation Limited	19-Jul-13	AGM	Adoption of Accounts & Directors and Auditors Report.	In Favour of the Proposal.	Annual Accounts fairly represent the financial position of the Company.	For
			To declare dividend for the year.	In Favour of the Proposal.	The company is distributing its profits satisfactorily.	For
			Re appointment of Mr Deepak S Parekh as a Director, who retires by rotation.	In Favour of the Proposal.	The Director has played a key role in the company's performance his experience will help Company to grow in future.	For
			Re appointment of Mr Keshub Mahindra as a Director, who retires by rotation.	In Favour of the Proposal.	Mr Keshub Mahindra has been on board for 9 years such a long term is against Corporate Governance, he attended only 60% of meeting in fiscal 2013.	Against
			Re appointment of Mr D.M. Sukthankar as a Director, who retires by rotation.	In Favour of the Proposal.	Mr D M Sukthankar has been on board of the Company since 1989 such a long term is against Corporate Governance.	Against
			Re appointment of Mr Naseer Munjee as a Director, who retires by rotation.	In Favour of the Proposal.	Mr Naseer Munjee is on board of 11 Company which may limit his bandwidth in terms of managing role, he has been on board for 9 year which is a long time.	Against
			To appoint M/S Deloitte Haskins & Sells Statutory Auditors of the Company and fix their remuneration.	In Favour of the Proposal.	Auditors seems to have performed their job satisfactorily, thus can be re appointed.	For

Name of Company	Date	Type of Meeting (AGM/EGM /CCM/PBL)	Proposal	Management Recommendation	AMC's Justification For Vote	Vote ( For / Against / Abstain*)
			To appoint M/s. PKF Chartered Accountants as Branch Auditors of the Company and fix their remuneration.	In Favour of the Proposal.	The Auditors Audit Dubai branch of HDFC.	For
			Alteration of Articles of Association to provide for a borrowing power of a maximum of ₹ 3,00,000 Crores.	In Favour of the Proposal.	Increase in Borrowing Power will help the Company carry on business smoothly.	For
Kotak Mahindra Bank Limited	18-Jul-13	AGM	Adoption of Accounts & Directors and Auditors Report.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
			To declare dividend for the year.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
			Re appointment of Mr Asim Ghosh as a Director, who retires by rotation.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
			Re appointment of Mr Prakash Apte as a Director, who retires by rotation.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
			To appoint M/s. S. B. Bilimoria & Co., Statutory Auditors of the Company and fix their remuneration.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
			To appoint Prof. S. Mahendra Dev as a Director of the company.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
			To Increase the Authorized share capital from 400 Crore rupees to 500 Crore rupees.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
			To amend the Memorandum of Association in order to accommodate the above change.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
			To Increase the ceiling limit for Investments by FII's.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain

Name of Company	Date	Type of Meeting (AGM/EGM /CCM/PBL)	Proposal	Management Recommendation	AMC's Justification For Vote	Vote ( For / Against / Abstain*)
Axis Bank Limited	19-Jul-13	AGM	Adoption of Accounts & Directors and Auditors Report.	In Favour of the Proposal.	Annual Accounts fairly represent the financial position of the Company.	For
			Re appointment of Mr S B Mathur as a Director, who retires by rotation.	In Favour of the Proposal.	While Director is capable and has attended 9 out of 11 Board Meeting he is board on 16 Companies which may stretch his time.	Against
			Re appointment of Shri Prasad R Menon as a Director, who retires by rotation.	In Favour of the Proposal.	The Director has played a key role in the company's performance his experience will help Company to grow in future.	For
			Re appointment of Shri R. N. Bhattacharyya as a Director, who retires by rotation.	In Favour of the Proposal.	The Director has played a key role in the company's performance his experience will help Company to grow in future.	For
			To declare dividend for the year.	In Favour of the Proposal.	The company is distributing its profits satisfactorily	For
			To appoint M/S Deloitte Haskins & Sells Statutory Auditors of the Company and fix their remuneration.	In Favour of the Proposal.	Auditors seems to have performed their job satisfactorily, thus can be re appointed.	For
			Re appointment of Smt. Ireena Vittal as a Director, who retires by rotation.	In Favour of the Proposal.	The Director has played a key role in the company's performance his experience will help Company to grow in future.	For
			Re appointment of Shri Rohit Bhagat as a Director, who retires by rotation.	In Favour of the Proposal.	The Director has played a key role in the company's performance his experience will help Company to grow in future.	For
			Re appointment of Dr. Sanjiv Misra as a Director, who retires by rotation.	In Favour of the Proposal.	The Director has played a key role in the company's performance his experience will help Company to grow in future.	For
			Dr. Sanjiv Misra is appointed as the Non-Executive Chairman of the Bank.	In Favour of the Proposal.	The Chairman has played a key role in the company's performance his experience will help Company to grow in future.	For
			Revising the remuneration by way of salary and perquisites payable to Smt. Shikha Sharma, Managing Director & CEO of the Bank	In Favour of the Proposal.	The MD has contributed to the growth of Bank.	For
			Revision the remuneration by way of salary and perquisites payable to Shri Somnath Sengupta, Executive Director & Head (Corporate Centre) of the Bank.	In Favour of the Proposal.	The Executive Director has contributed to the growth of Bank.	For

Name of Company	Date	Type of Meeting (AGM/EGM /CCM/PBL)	Proposal	Management Recommendation	AMC's Justification For Vote	Vote ( For / Against / Abstain*)
			Revision the remuneration by way of salary and perquisites payable to Shri V. Srinivasan, Executive Director & Head (Corporate Banking) of the Bank.	In Favour of the Proposal.	The Executive Director has contributed to the growth of Bank.	For
			To issue ESOP to employees of the company.	In Favour of the Proposal.	ESOP is an important tool to reward and retain talent.	For
Bajaj Auto Limited	19-Jul-13	AGM	Adoption of Accounts & Directors and Auditors Report.	In Favour of the Proposal.	Annual Accounts fairly represent the financial position of the Company.	For
			To declare dividend for the year	In Favour of the Proposal.	The company is distributing its profits satisfactorily	For
			Re appointment of J N Godrej as a Director, who retires by rotation.	In Favour of the Proposal.	The Director has attended only 1/3 rd of the Board Meeting and has not given enough time to the company.	Against
			Re appointment of S H Khan as a Director, who retires by rotation.	In Favour of the Proposal.	The Director is on Company board for more than 9 years as independent director.	Against
			Re appointment of Suman Kirloskar as a Director, who retires by rotation.	In Favour of the Proposal.	The Director is on Company board for more than 9 years as independent director.	Against
			Re appointment of Naresh Chandra as a Director, who retires by rotation.	In Favour of the Proposal.	The Director is on Company board for more than 9 years as independent director.	Against
			To appoint the Auditors of the Company and fix their remuneration.	In Favour of the Proposal.	Auditors seems to have performed their job satisfactorily.	For
Zee Entertainment Enterprises Limited	25-Jul-13	AGM	Adoption of Accounts & Directors and Auditors Report.	In Favour of the Proposal.	Annual Accounts fairly represent the financial position of the Company.	For
			To declare dividend for the year.	In Favour of the Proposal.	The company is distributing its profits satisfactorily	For
			Re appointment of Prof. R Vaidyanathan as a Director, who retires by rotation.	In Favour of the Proposal.	The Director has played a key role in the company's performance his experience will help Company to grow in future.	For
			Re appointment of Mr. Ashok Kurien as a Director, who retires by rotation.	In Favour of the Proposal.	The Director has played a key role in the company's performance his experience will help Company to grow in future.	For

Name of Company	Date	Type of Meeting (AGM/EGM /CCM/PBL)	Proposal	Management Recommendation	AMC's Justification For Vote	Vote ( For / Against / Abstain*)
			To appoint M/s MGB & Co., as the Statutory Auditors of the Company & to fix their remuneration.	In Favour of the Proposal.	Auditors seems to have performed their duties satisfactorily, thus can be re appointed.	For
			Increase in limit of Foreign Institutional Investors' (FIIs) holding in the equity share capital from 49% to 100%.	In Favour of the Proposal.	This will not have any impact on financials of the Company but will help improving liquidity in trading on stock exchanges.	For
Cairn India Limited	24-Jul-13	AGM	Adoption of Accounts & Directors and Auditors Report.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
			To declare dividend for the year.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
			Re appointment of Mr. Narsh Chandra, as a Director, who retires by rotation.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
			Re appointment of Mr. Edward T. Story, as a Director, who retires by rotation.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
			To appoint M/s. S. R. Batliboi & Co., as the Statutory Auditors of the Company & to fix their remuneration.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
			To appoint Mr. P. Elango as a whole time director and to prescribe the terms of his service.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
Ultratech Cement Limited	29-Jul-13	AGM	Adoption of Accounts & Directors and Auditors Report.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
			To declare dividend for the year.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
			Re appointment of Mrs. Rajashree Birla as a Director, who retires by rotation.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
			Re appointment of Mr. R. C. Bhargava as a Director, who retires by rotation.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
			Re appointment of Mr. S. Rajgopal as a Director, who retires by rotation.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain

Name of Company	Date	Type of Meeting (AGM/EGM/CCM/PBL)	Proposal	Management Recommendation	AMC's Justification For Vote	Vote ( For / Against / Abstain*)
			To re-appoint M/s. Deloitte Haskins & Sells and M/s. G.P. Kapadia & Co., as the joint Statutory Auditors of the Company & to fix their remuneration.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
			To re-appoint M/s. Haribhakti & Co. as Branch auditors of the company for some specific branches.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
			To appoint Mr. Rajiv Dube as an additional director.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
			To issue ESOP to employees of the company.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
Hindustan Unilever Limited	26-Jul-13	AGM	Adoption of Accounts & Directors and Auditors Report.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
			To declare dividend for the year.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
			To elect and appoint Directors in place of the Directors retiring by rotation.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
			To appoint M/s. Lovelock & Lewes, as the Statutory Auditors of the Company & to fix their remuneration.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
			To issue ESOP to employees of the company.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
ITC Limited	26-Jul-13	AGM	Adoption of Accounts & Directors and Auditors Report.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
			To declare dividend for the year.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
			To elect and appoint Directors in place of the Directors retiring by rotation.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
			To appoint M/s. Deloitte Haskins & Sells, as the Statutory Auditors of the Company & to fix their remuneration.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain

<b>Name of Company</b>	<b>Date</b>	<b>Type of Meeting (AGM/EGM /CCM/PBL)</b>	<b>Proposal</b>	<b>Management Recommendation</b>	<b>AMC's Justification For Vote</b>	<b>Vote ( For / Against / Abstain*)</b>
			Re appointment of Ms.Meera Shankar as a Director, who retires by rotation.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
			Re appointment of Mr. Sahibzada Syed Habib-ur-Rehman as a Director, who retires by rotation.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
			Re appointment of Mr. Dinesh Kumar Mehrotra as a Director, who retires by rotation.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
			Re appointment of Mr. Sunil Behari Mathur as a Director, who retires by rotation.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
			Re appointment of Mr. Pillappakkam Bahukutumbi Ramanujam as a Director, who retires by rotation.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
			Re appointment of Mr. Kurush Noshir Grant as a Director, who retires by rotation.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
IDFC Limited	29-Jul-13	AGM	Adoption of Accounts & Directors and Auditors Report.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
			To declare dividend for the year.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
			Re appointment of Dr. Omkar Goswami, as a Director, who retires by rotation.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
			Re appointment of Mr. Shardul Shroff,, as a Director, who retires by rotation.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
			To appoint M/s. Deloitte Haskins & Sells, as the Statutory Auditors of the Company & to fix their remuneration.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
			Appointment of Mr. Joseph Dominic Silva as a Director.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
			Appointment of Ms. Snehlata Shrivastava as a Director.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain

Name of Company	Date	Type of Meeting (AGM/EGM /CCM/PBL)	Proposal	Management Recommendation	AMC's Justification For Vote	Vote ( For / Against / Abstain*)
			Appointment of Dr. Rajiv B. Lall as Executive Chairman.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
			Appointment of Mr. Vikram Limaye as Managing Director & CEO.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
			Payment of Commission to Non-executive Directors.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
			Issuance of shares under ESOS up to 2% of the issued capital of the Company.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
			Decrease in limit of Foreign Institutional Investors' (FIIs) holding in the equity share capital from 74% to 54%.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
Jaiprakash Associates Ltd	29-Jul-13	AGM	Adoption of Accounts & Directors and Auditors Report.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
			To declare dividend for the year.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
			Re appointment of Shri Pankaj Gaur, as a Director, who retires by rotation.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
			Re appointment of Shri V.K. Chopra, as a Director, who retires by rotation.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
			Re appointment of Dr. B. Samal as a Director, who retires by rotation.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
			Re appointment of Shri Sunny Gaur, as a Director, who retires by rotation.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
			Re appointment of Shri B.K. Goswami, as a Director, who retires by rotation.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
			To appoint M/s M.P. Singh & Associates, as the Statutory Auditors of the Company & to fix their remuneration.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain

<b>Name of Company</b>	<b>Date</b>	<b>Type of Meeting (AGM/EGM /CCM/PBL)</b>	<b>Proposal</b>	<b>Management Recommendation</b>	<b>AMC's Justification For Vote</b>	<b>Vote ( For / Against / Abstain*)</b>
Dr Reddys Laboratories Limited	31-Jul-13	AGM	Adoption of Accounts & Directors and Auditors Report.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
			To declare dividend for the year.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
			Re appointment of Dr. Ashok S Ganguly,, as a Director, who retires by rotation.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
			Re appointment of Dr. J P Moreau, as a Director, who retires by rotation.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
			Re appointment of Ms. Kalpana Morparia, as a Director, who retires by rotation.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
			To appoint B S R & Co., as the Statutory Auditors of the Company & to fix their remuneration.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
			Re- Designation of Mr. GV Prasad, whole time Director, as Chairman and Chief Executive Officer.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
			Re- Designation of Mr. Satish Reddy, whole time Director, as Vice Chairman in addition to his role of managing and Chief Executive Officer.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
Infosys Limited	03-Aug-13	EGM	Appointment of Mr. N R Narayana Murthy as Whole Time Director of the Company.	In Favour of the Proposal.	The Director has played a key role in the company's performance his experience will help Company to grow in future.	For
The Indian Hotel Company Limited	02-Aug-13	AGM	Adoption of Accounts & Directors and Auditors Report.	In Favour of the Proposal.	Annual Accounts fairly represent the financial position of the Company.	For
			To declare a dividend on Ordinary shares.	In Favour of the Proposal.	The company is distributing its profits satisfactorily.	For
			Re appointment of Mr. Deepak Parekh, as a Director, who retires by rotation.	In Favour of the Proposal.	The Director has played a key role in the company's performance his experience will help Company to grow in future.	For

Name of Company	Date	Type of Meeting (AGM/EGM /CCM/PBL)	Proposal	Management Recommendation	AMC's Justification For Vote	Vote ( For / Against / Abstain*)
			Re appointment of Mr. Shapoor Mistry, as a Director, who retires by rotation.	In Favour of the Proposal.	The Director has played a key role in the company's performance his experience will help Company to grow in future.	For
			To appoint M/s. Deloitte Haskins & Sells Statutory Auditors of the Company and fix their remuneration.	In Favour of the Proposal.	Auditors seems to have performed their job satisfactorily, thus can be re appointed.	For
			To appoint Mr. Cyrus P. Mistry as a Director of the Company.	In Favour of the Proposal.	The Director has played a key role in the company's performance his experience will help Company to grow in future.	For
			To appoint Mr. Guy Lindsay Macintyre Crawford as a Director of the Company.	In Favour of the Proposal.	The Director has played a key role in the company's performance his experience will help Company to grow in future.	For
			To re-appoint Mr. Raymond N. Bickson as Managing Director of the Company.	In Favour of the Proposal.	The Director has played a key role in the company's performance his experience will help Company to grow in future.	For
			To re-appoint Mr. Anil P. Goel as a Whole-time Director of the Company.	In Favour of the Proposal.	The Director has played a key role in the company's performance his experience will help Company to grow in future.	For
			To re-appoint Mr. Abhijit Mukerji as a Whole-time Director of the Company.	In Favour of the Proposal.	The Director has played a key role in the company's performance his experience will help Company to grow in future.	For
Crompton Greaves Limited	06-Aug-13	AGM	Adoption of Accounts & Directors and Auditors Report.	In Favour of the Proposal.	Annual Accounts fairly represent the financial position of the Company.	For
			To confirm the first and second interim dividends, aggregating to ₹ 0.80 per share (40%).	In Favour of the Proposal.	The company is distributing its profits satisfactorily	For
			To declare a final dividend.	In Favour of the Proposal.	The company is distributing its profits satisfactorily	For
			Re appointment of Dr O Goswami, as a Director, who retires by rotation.	In Favour of the Proposal.	The Director has played a key role in the company's performance his experience will help Company to grow in future.	For
			Re appointment of Ms M Pudumjee, as a Director, who retires by rotation.	In Favour of the Proposal.	The Director has played a key role in the company's performance his experience will help Company to grow in future.	For

Name of Company	Date	Type of Meeting (AGM/EGM /CCM/PBL)	Proposal	Management Recommendation	AMC's Justification For Vote	Vote ( For / Against / Abstain*)
			Re appointment of Ms S Prabhu, as a Director, who retires by rotation.	In Favour of the Proposal.	The Director has played a key role in the company's performance his experience will help Company to grow in future.	For
			To appoint Sharp & Tannan Statutory Auditors of the Company and fix their remuneration.	In Favour of the Proposal.	Auditors seems to have performed their job satisfactorily, thus can be re appointed.	For
			Re appointment of Mr B Hariharan, as a Director, who retires by rotation.	In Favour of the Proposal.	The Director has played a key role in the company's performance his experience will help Company to grow in future.	For
			Re appointment of Dr (Mrs) C Lewiner, as a Director, who retires by rotation.	In Favour of the Proposal.	The Director has played a key role in the company's performance his experience will help Company to grow in future.	For
			Re appointment of Mr S Apte as a Director, who retires by rotation.	In Favour of the Proposal.	The Director has played a key role in the company's performance his experience will help Company to grow in future.	For
Lupin Limited	07-Aug-13	AGM	Adoption of Accounts & Directors and Auditors Report.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
			To declare dividend for the year.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
			Re appointment of Dr. Kamal K. Sharma, as a Director, who retires by rotation.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
			Re appointment of Ms. Vinita Gupta, as a Director, who retires by rotation.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
			Re appointment of Mr. Nilesh Gupta, as a Director, who retires by rotation.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
			To appoint M/s. Deloitte Haskins & Sells, as the Statutory Auditors of the Company & to fix their remuneration.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
			Appointment of Mr. Dileep C. Choksi as a Director.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain

Name of Company	Date	Type of Meeting (AGM/EGM /CCM/PBL)	Proposal	Management Recommendation	AMC's Justification For Vote	Vote ( For / Against / Abstain*)
			To Increase the ceiling limit for Investments by FII's.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
DLF Limited	12-Aug-13	AGM	Adoption of Accounts & Directors and Auditors Report.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
			To declare dividend for the year.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
			Re appointment of Mr.N.P. Singh, as a Director, who retires by rotation.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
			Re appointment of Mr.B. Bhushan, as a Director, who retires by rotation.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
			Re appointment of Mr.K.N.Memani, as a Director, who retires by rotation.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
			To appoint M/s. Walker, Chandiook & Co, as the Statutory Auditors of the Company & to fix their remuneration.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
Tata Steel Limited	14-Aug-13	AGM	Adoption of Accounts & Directors and Auditors Report.	In Favour of the Proposal.	Annual Accounts fairly represent the financial position of the Company.	For
			To declare dividend for the year.	In Favour of the Proposal.	The company is distributing its profits satisfactorily	For
			Re appointment of Mr. Nusli N.Wadia, as a Director, who retires by rotation.	In Favour of the Proposal.	The Director has played a key role in the company's performance his experience will help Company to grow in future.	For
			Re appointment of Mr. Subodh Bhargava, as a Director, who retires by rotation.	In Favour of the Proposal.	The Director has played a key role in the company's performance his experience will help Company to grow in future.	For
			Re appointment of Mr.Jacobus Schraven, as a Director, who retires by rotation.	In Favour of the Proposal.	The Director has played a key role in the company's performance his experience will help Company to grow in future.	For
			Re appointment of Dr. Karl-Ulrich Koehler, as a Director, who retires by rotation.	In Favour of the Proposal.	The Director has played a key role in the company's performance his experience will help Company to grow in future.	For

Name of Company	Date	Type of Meeting (AGM/EGM /CCM/PBL)	Proposal	Management Recommendation	AMC's Justification For Vote	Vote ( For / Against / Abstain*)
			To appoint auditors and fix their remuneration.	In Favour of the Proposal.	Auditors seems to have performed their job satisfactorily.	For
			To appoint a Director in the place of Mr. D. K. Mehrotra, who was appointed an Additional Director of the Company.	In Favour of the Proposal.	The Director has played a key role in the company's performance his experience will help Company to grow in future.	For
			To appoint a Director in the place of Mr. O. P. Bhatt, who was appointed an Additional Director of the Company.	In Favour of the Proposal.	The Director has played a key role in the company's performance his experience will help Company to grow in future.	For
			To appoint & approves the remuneration Mr. Koushik Chatterjee as Executive Director and Group Chief Financial Officer of the Company.	In Favour of the Proposal.	The Director has played a key role in the company's performance his experience will help Company to grow in future.	For
Tata Power Company Limited	16-Aug-13	AGM	Adoption of Accounts & Directors and Auditors Report.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
			To declare dividend for the year.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
			Re appointment of Mr. R. Gopalakrishnan, as a Director, who retires by rotation.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
			Re appointment of Mr. N. H. Mirza, as a Director, who retires by rotation.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
			Re appointment of Mr. Thomas Mathew T, as a Director, who retires by rotation.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
			To appoint Auditors and fix their remuneration.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
			To appoint a Director Ms. Vishakha Mulye, who was appointed an Additional Director of the Company.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
			To appoint a Director Mr. S. Padmanabhan, who was appointed an Executive Director of the Company.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
			Commission to Non-Executive Directors.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain

Name of Company	Date	Type of Meeting (AGM/EGM /CCM/PBL)	Proposal	Management Recommendation	AMC's Justification For Vote	Vote ( For / Against / Abstain*)
			Appointment of Branch Auditors.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
Larsen And Toubro Limited	12-Aug-13	CCM	Scheme of Arrangement between Larsen & Turbo Limited and L&T Hydrocarbon Engineering Limited.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
Mahindra And Mahindra Limited	13-Aug-13	AGM	Adoption of Accounts & Directors and Auditors Report.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
			To declare dividend for the year.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
			Re appointment of Mr. Anand G. Mahindra, as a Director, who retires by rotation.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
			Re appointment of Mr. Nadir B. Godrej, as a Director, who retires by rotation.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
			Re appointment of Mr. Anupam Puri as a Director, who retires by rotation.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
			Re appointment of Dr. A. S. Ganguly, as a Director, who retires by rotation does not seek reappointment.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
			To appoint M/s. Deloitte Haskins & Sells, as the Statutory Auditors of the Company & to fix their remuneration.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
CIPLA Limited	22-Aug-13	AGM	Adoption of Accounts & Directors and Auditors Report.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
			To declare dividend for the year.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
			Re appointment of Mr. M.R. Raghavan, as a Director, who retires by rotation.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
			Re appointment of Mr. Pankaj Patel, as a Director, who retires by rotation.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain

Name of Company	Date	Type of Meeting (AGM/EGM /CCM/PBL)	Proposal	Management Recommendation	AMC's Justification For Vote	Vote ( For / Against / Abstain*)
			Re appointment of Mr. Ramesh Shroff, as a Director, who retires by rotation does not seek reappointment.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
			To appoint M/s. V. Sankar Aiyar & Co. and M/s. R.N.G. Price & Co., as the joint Statutory Auditors of the Company & to fix their remuneration.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
			Appointment of Mr. Subhanu Saxena, as a Director & fix their remuneration.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
			Appointment of Mr. M.K. Hamied as a whole time director and designated as "Executive Vice Chairman".	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
			Revision in terms of remuneration of Mr. Kamil Hamied.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
			Revision in terms of remuneration of Mr. Samina Vaziralli.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
			To issue ESOP to employees of the company.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
			Commission to Non-Executive Directors.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
			Appointment of Mr. Ashok Sinha, as a Director & fix their remuneration.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
Maruti Suzuki Limited	27-Aug-13	AGM	Adoption of Accounts & Directors and Auditors Report.	In Favour of the Proposal.	Annual Accounts fairly represent the financial position of the Company.	For
			To declare dividend for the year.	In Favour of the Proposal.	The company is distributing its profits satisfactorily	For
			Re appointment of Mr. D.S.Brar, as a Director, who retires by rotation.	In Favour of the Proposal.	The Director has played a key role in the company's performance his experience will help Company to grow in future.	For
			Re appointment of Mr. Amal Ganguli, as a Director, who retires by rotation.	In Favour of the Proposal.	The Director has played a key role in the company's performance his experience will help Company to grow in future.	For

Name of Company	Date	Type of Meeting (AGM/EGM /CCM/PBL)	Proposal	Management Recommendation	AMC's Justification For Vote	Vote ( For / Against / Abstain*)
			Re appointment of Mr. Keiichi Asai, as a Director, who retires by rotation.	In Favour of the Proposal.	The Director has played a key role in the company's performance his experience will help Company to grow in future.	For
			To appoint M/s Price Waterhouse as the Statutory Auditors of the Company & to fix their remuneration.	In Favour of the Proposal.	Auditors seems to have performed their job satisfactorily, thus can be re appointed.	For
			Re appointment of Mr. Kenichi Ayukawa, as a Managing Director, who retires by rotation and fix his remuneration.	In Favour of the Proposal.	The Director has played a key role in the company's performance his experience will help Company to grow in future.	For
			Appointment of Mr. Toshiaki Hasuike as Whole-time Director and fix his remuneration.	In Favour of the Proposal.	The Director has played a key role in the company's performance his experience will help Company to grow in future.	For
			To appoint Mr. R.P. Singh as Director of the Company liable to retire by rotation.	In Favour of the Proposal.	The Director has played a key role in the company's performance his experience will help Company to grow in future.	For
			Reimbursement of Expenses of Mr. Shinzo Nakanishi, Director a maximum of ₹ 20 Lakh.	In Favour of the Proposal.	The director will have to stay in india & perform his duties.	For
Larsen And Toubro Limited	22-Aug-13	AGM	Adoption of Accounts & Directors and Auditors Report.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
			To declare dividend for the year.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
			Re appointment of Mrs. Bhagyam Ramani, as a Director, who retires by rotation.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
			Re appointment of Mr. Subhodh Bhargava, as a Director, who retires by rotation.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
			Re appointment of Mr. Shailendra Roy, as a Director, who retires by rotation.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
			Re appointment of Mr. R Shankar Raman, as a Director, who retires by rotation.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain

Name of Company	Date	Type of Meeting (AGM/EGM /CCM/PBL)	Proposal	Management Recommendation	AMC's Justification For Vote	Vote ( For / Against / Abstain*)
			Re appointment of Mr. M. M. Chitale, as a Director, who retires by rotation.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
			Mr. M.Damodaran as appointed as Additional Director of the Company.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
			Mr. Vikram Singh Mehta appointed as a Director.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
			Special resolution relating to issue of fresh shares.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
			To approve commission to Managerial personnel.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
			To appoint M/s. Sharp & Tannan Co, as the Statutory Auditors of the Company & to fix their remuneration.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
Grasim Industries Limited	17-Aug-13	AGM	Adoption of Accounts & Directors and Auditors Report.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
			To declare dividend for the year.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
			Re appointment of Mr. ShailendraK. Jain, as a Director, who retires by rotation.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
			Re appointment of Dr. ThomasM. Connelly, as a Director, who retires by rotation.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
			Re appointment of Mr. M.L. Apte, as a Director, who retires by rotation.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
			Re appointment of Mr. R.C.Bhargava, as a Director, who retires by rotation.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
			To appoint G.P. Kapadia & Co., as the Statutory Auditors of the Company & to fix their remuneration.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain

Name of Company	Date	Type of Meeting (AGM/EGM /CCM/PBL)	Proposal	Management Recommendation	AMC's Justification For Vote	Vote ( For / Against / Abstain*)
			To appoint M/s .Vidarthi & Sons, as the Branch Auditors of the Company & to fix their remuneration.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
			To issue ESOS to employees of the company.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
Voltas Limited	19-Aug-13	AGM	Adoption of Accounts & Directors and Auditors Report.	In Favour of the Proposal.	Annual Accounts fairly represent the financial position of the Company.	For
			To declare a dividend.	In Favour of the Proposal.	The company is distributing its profits satisfactorily	For
			To appoint a Director in place of Mr. Nasser Munjee, who retires by rotation and is eligible for reappointment.	In Favour of the Proposal.	The Director has played a key role in the company's performance his experience will help Company to grow in future.	For
			To appoint a Director in place of Mr. Nani Javeri, who retires by rotation and is eligible for reappointment.	In Favour of the Proposal.	The Director has played a key role in the company's performance his experience will help Company to grow in future.	For
			To appoint a Director in place of Mr. N. N. Tata, who retires by rotation and is eligible for reappointment.	In Favour of the Proposal.	The Director has played a key role in the company's performance his experience will help Company to grow in future.	For
			To appoint Mr. Thomas Mathew T. as a Additional Director of the company.	In Favour of the Proposal.	The Director has played a key role in the company's performance his experience will help Company to grow in future.	For
			To appoint Messrs. Deloitte Haskins & Sells as Auditors and fix their remuneration.	In Favour of the Proposal.	Auditors seems to have performed their job satisfactorily.	For
PTC Limited	19-Aug-13	AGM	Adoption of Accounts & Directors and Auditors Report.	In Favour of the Proposal.	Annual Accounts fairly represent the financial position of the Company.	For
			To declare dividend for the financial year 2012-13.	In Favour of the Proposal.	The company is distributing its profits satisfactorily	For
			To re-appoint Shri I. J. Kapoor as a director liable to retire by rotation.	In Favour of the Proposal.	The Director has played a key role in the company's performance his experience will help Company to grow in future.	For
			To re-appoint Shri Hemant Bhargava as a director liable to retire by rotation.	In Favour of the Proposal.	The Director has played a key role in the company's performance his experience will help Company to grow in future.	For

Name of Company	Date	Type of Meeting (AGM/EGM /CCM/PBL)	Proposal	Management Recommendation	AMC's Justification For Vote	Vote ( For / Against / Abstain*)
			To re-appoint Shri Ved Jain as a director liable to retire by rotation.	In Favour of the Proposal.	The Director has played a key role in the company's performance his experience will help Company to grow in future.	For
			To re-appoint Shri Dipak Chatterjee Jain as a director liable to retire by rotation.	In Favour of the Proposal.	The Director has played a key role in the company's performance his experience will help Company to grow in future.	For
			To appoint M/s K.G Somani & Co. as the Statutory Auditor of the Company.	In Favour of the Proposal.	Auditors seems to have performed their job satisfactorily.	For
			To Appoint Mr. M. S. Babu as the Director of the company.	In Favour of the Proposal.	The Director has played a key role in the company's performance his experience will help Company to grow in future.	For
			Appointment of Shri S.N. Goel as Whole-time Director.	In Favour of the Proposal.	The Director has played a key role in the company's performance his experience will help Company to grow in future.	For
			Appointment of Shri Deepak Amitabh as Chairman and Managing Director.	In Favour of the Proposal.	Mr Deepak Amitabh has played a key role in the company's performance.	For
			Appointment Shri Pallav Kapoor, son of Shri I.J. Kapoor, Director as an employee of the Company.	In Favour of the Proposal.	There is no Clarity on the basis on which Mr Pallav Kapoor who is son of a director has been appointed. There could be some favoritism involved. His starting Salary has been fixed at ₹ 3 million, which for a person with no experience in power sector is too high.	Against
Reliance Infrastructure Limited	27-Aug-13	AGM	Adoption of Accounts & Directors and Auditors Report.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
			To declare dividend for the year	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
			Re appointment of Shri R.R Rai, as a Director, who retires by rotation.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
			Re appointment of Shri K Ravi Kumar, as a Director, who retires by rotation.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain

Name of Company	Date	Type of Meeting (AGM/EGM /CCM/PBL)	Proposal	Management Recommendation	AMC's Justification For Vote	Vote ( For / Against / Abstain*)
			To appoint M/s. Haribhakti & Co. as the Statutory Auditors of the Company & to fix their remuneration.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
			Alteration of Memorandum and Articles of Association of the Company to facilitate issue of securities to QIBs.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
Container Corporation Of India Limited	27-Aug-13	AGM	Adoption of Accounts & Directors and Auditors Report.	In Favour of the Proposal.	Annual Accounts fairly represent the financial position of the Company.	For
			To confirm the payment of Interim dividend and to declare dividend on equity shares for the financial year ended 31st March, 2013.	In Favour of the Proposal.	The company is distributing its profits satisfactorily	For
			To re-appoint Mr Anil Kumar Gupta as a director liable to retire by rotation.	In Favour of the Proposal.	The Director has played a key role in the company's performance his experience will help Company to grow in future.	For
			To re-appoint Shri Harpreet Singh as a director liable to retire by rotation.	In Favour of the Proposal.	The Director has played a key role in the company's performance his experience will help Company to grow in future.	For
			To re-appoint Smt. P. Alli Rani as a director liable to retire by rotation.	In Favour of the Proposal.	The Director has played a key role in the company's performance his experience will help Company to grow in future.	For
			To re-appoint Shri Manoj K. Akhouri as a director liable to retire by rotation.	In Favour of the Proposal.	The Director has played a key role in the company's performance his experience will help Company to grow in future.	For
			The appoint of M/s. Kumar Chopra & Associates, Chartered Accountants, as Statutory Auditors of the Company for the financial year 2012-13.	In Favour of the Proposal.	M/s. Kumar Chopra & Associates have been the auditors of the Company for the last 5 year it is recommended that the auditors be changed.	Against
			To re appoint Shri Sudhir Mathur as Part-time Non-Official Director of the Company, liable to retire by rotation.	In Favour of the Proposal.	The Director has played a key role in the company's performance his experience will help Company to grow in future.	For
			To re appoint Shri Pradeep Bhatnagar as Part-time Non-Official Director of the Company, liable to retire by rotation.	In Favour of the Proposal.	The Director has played a key role in the company's performance his experience will help Company to grow in future.	For
			To re appoint Shri Deepak Gupta as Part-time Non-Official Director of the Company, liable to retire by rotation.	In Favour of the Proposal.	The Director has played a key role in the company's performance his experience will help Company to grow in future.	For

Name of Company	Date	Type of Meeting (AGM/EGM /CCM/PBL)	Proposal	Management Recommendation	AMC's Justification For Vote	Vote ( For / Against / Abstain*)
			To re appoint Shri M. P. Shorawala as Part-time Non-Official Director of the Company, liable to retire by rotation.	In Favour of the Proposal.	The Director has played a key role in the company's performance his experience will help Company to grow in future.	For
			To re appoint Shri Kundan Sinha as Part-time Non-Official Director of the Company, liable to retire by rotation.	In Favour of the Proposal.	The Director has played a key role in the company's performance his experience will help Company to grow in future.	For
			capitalizing a sum for issue and allotment of 6,49,91,397 fully paid-up Equity Shares of ₹ 10 each.	In Favour of the Proposal.	The Company Possess enough resources to issue bonus shares.	For
Tata Chemicals Ltd	26-Aug-13	AGM	Adoption of Accounts & Directors and Auditors Report.	In Favour of the Proposal.	Annual Accounts fairly represent the financial position of the Company.	For
			To declare dividend on Ordinary Shares.	In Favour of the Proposal.	The company is distributing its profits satisfactorily	For
			To re-appoint Mr Prasad R Menon as a director liable to retire by rotation.	In Favour of the Proposal.	The Director has played a key role in the company's performance his experience will help Company to grow in future.	For
			To re-appoint Mr. Nasser Munjee as a director liable to retire by rotation.	In Favour of the Proposal.	The Director has played a key role in the company's performance his experience will help Company to grow in future.	For
			To re-appoint Dr. Y.S.P. Thorat as a director liable to retire by rotation.	In Favour of the Proposal.	The Director has played a key role in the company's performance his experience will help Company to grow in future.	For
			To appoint auditors and fix their remuneration.	In Favour of the Proposal.	Auditors seems to have performed their job satisfactorily.	For
			To Pay Commission to Non Whole-Time Directors of the Company.	In Favour of the Proposal.	In view of the fact that independent director provide important service to the company which cannot be compensated barely by sitting fees.	For
Tata Motors Limited	21-Aug-13	AGM	Adoption of Accounts & Directors and Auditors Report.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
			To declare dividend for the year.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
			Re appointment of Mr Nusli N Wadia, as a Director, who retires by rotation.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain

Name of Company	Date	Type of Meeting (AGM/EGM /CCM/PBL)	Proposal	Management Recommendation	AMC's Justification For Vote	Vote ( For / Against / Abstain*)
			Re appointment of Dr Raghunath A Mashelkar, as a Director, who retires by rotation.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
			To appoint Auditors and fix their remuneration.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
			Appointment of Ms Falguni S Nayar as a Additional Director of the Company.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
			Appointment of Mr Karl J Slym as a Additional Director of the Company.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
			Increase in the limit for holding by registered Foreign Institutional Investors (FIIs) for 'A' Ordinary Shares.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
			Appointment of Mr Karl J Slym as the Managing Director.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
			Commission to non Whole-time Directors.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
DLF Limited	19-Aug-13	PBL	Alteration in the 'Object Clause' of Memorandum of Association of the Company.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
Indian Oil Corporation Limited	03-Sep-13	AGM	Adoption of Accounts & Directors and Auditors Report.	In Favour of the Proposal.	Annual Accounts fairly represent the financial position of the Company.	For
			To declare dividend for the year.	In Favour of the Proposal.	The company is distributing its profits satisfactorily	For
			Re appointment of Shri A M K Sinha, as a Director, who retires by rotation.	In Favour of the Proposal.	The Director has played a key role in the company's performance his experience will help Company to grow in future.	For
			Re appointment of Shri P K Goyal, as a Director, who retires by rotation.	In Favour of the Proposal.	The Director has played a key role in the company's performance his experience will help Company to grow in future.	For
			Re appointment of Dr Sudhakar Rao, as a Director, who retires by rotation.	In Favour of the Proposal.	The Director has played a key role in the company's performance his experience will help Company to grow in future.	For

Name of Company	Date	Type of Meeting (AGM/EGM /CCM/PBL)	Proposal	Management Recommendation	AMC's Justification For Vote	Vote ( For / Against / Abstain*)
			Re appointment of Shri Raj-kumar Ghosh, as a Director, who retires by rotation.	In Favour of the Proposal.	The Director has played a key role in the company's performance his experience will help Company to grow in future.	For
			Appointment of Prof. Devang Khakhar, as a Additional Director of the Company.	In Favour of the Proposal.	His Association with Company will help the board in better managing the Company.	For
			Appointment of Shri Rajive Kumar, as a Additional Director of the Company.	In Favour of the Proposal.	His experience in administration will benefit the Company.	For
Bharti Airtel Limited	05-Sep-13	AGM	Adoption of Accounts & Directors and Auditors Report.	In Favour of the Proposal.	Annual Accounts fairly represent the financial position of the Company.	For
			To declare dividend for the year..	In Favour of the Proposal.	The company is distributing its profits satisfactorily	For
			Re appointment of Mr Ajay Lal, as a Director, who retires by rotation.	In Favour of the Proposal.	The Director has played a key role in the company's performance his experience will help Company to grow in future.	For
			Re appointment of Ms. Tan Yong Choo, as a Director, who retires by rotation.	In Favour of the Proposal.	The Director has played a key role in the company's performance his experience will help Company to grow in future.	For
			Re appointment of Mr. Pulak Prasad, as a Director, who retires by rotation.	In Favour of the Proposal.	The Director has played a key role in the company's performance his experience will help Company to grow in future.	For
			To appoint M/s. S. R. Batliboi & Associates Auditors and fix their remuneration.	In Favour of the Proposal.	Auditors seems to have performed their job satisfactorily.	For
			Re appointment of Mr. Manish Kejriwal, as a Director, who retires by rotation.	In Favour of the Proposal.	The Director has played a key role in the company's performance his experience will help Company to grow in future.	For
			Re appointment of Ms. Obiageli Katryn Ezekwesill, as a Director, who retires by rotation.	In Favour of the Proposal.	The Director has played a key role in the company's performance his experience will help Company to grow in future.	For
Hindalco Industries Limited	10-Sep-13	AGM	Adoption of Accounts & Directors and Auditors Report.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
			To declare dividend for the year.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain

Name of Company	Date	Type of Meeting (AGM/EGM /CCM/PBL)	Proposal	Management Recommendation	AMC's Justification For Vote	Vote ( For / Against / Abstain*)
			Re appointment of Mr. Kumar Mangalam Birla, as a Director, who retires by rotation.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
			Re appointment of Mr. A. K. Agarwala, as a Director, who retires by rotation.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
			To appoint Miss. Singhi & Co Auditors and fix their remuneration.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
			To appoint a Director in place of Mr. Jagdish Khatar, who was appointed to fill up the casual vacancy on the Board caused by the demise of Mr. E. B. Desai.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
			Reappointment of Mr. D. Bhattacharya as the Managing Director of the Company for a period of five years with effect from 30th September, 2013 & Fix remuneration.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
			Re appointment of Mr. Satish Pai, as a Director, who retires by rotation.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
			To issue ESOS to employees of the company.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
Hero Motocorp Limited	11-Sep-13	AGM	Adoption of Accounts & Directors and Auditors Report.	In Favour of the Proposal.	Annual Accounts fairly represent the financial position of the Company.	For
			To declare dividend for the year.	In Favour of the Proposal.	The company is distributing its profits satisfactorily	For
			Re appointment of Dr. Pritam Singh, as a Director, who retires by rotation.	In Favour of the Proposal.	The Director has played a key role in the company's performance his experience will help Company to grow in future.	For
			Re appointment of Mr. M. Damodaran, as a Director, who retires by rotation.	In Favour of the Proposal.	The Director has played a key role in the company's performance his experience will help Company to grow in future.	For
			Re appointment of Mr. Paul Edgerley, as a Director, who retires by rotation.	In Favour of the Proposal.	The Director has played a key role in the company's performance his experience will help Company to grow in future.	For

Name of Company	Date	Type of Meeting (AGM/EGM /CCM/PBL)	Proposal	Management Recommendation	AMC's Justification For Vote	Vote ( For / Against / Abstain*)
			To appoint M/s. Deloitte Haskins & Seils, Auditors and fix their remuneration.	In Favour of the Proposal.	Auditors seems to have performed their job satisfactorily.	For
			To renew remuneration by way of commission to non-executive and independent directors.	In Favour of the Proposal.	It is a standard industry practice	For
Coal India Limited	18-Sep-13	AGM	Adoption of Accounts & Directors and Auditors Report.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
			To declare dividend for the year.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
			Appointment of Dr.A K Dubey as a Additional Director of the Company.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
			Appointment of SMT Sujata Prasad, as a Additional Director of the Company.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
			Appointment of Shri A.Chatterjee, as a Additional Director of the Company.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
NTPC Limited	17-Sep-13	AGM	Adoption of Accounts & Directors and Auditors Report.	In Favour of the Proposal.	Annual Accounts fairly represent the financial position of the Company.	For
			To declare dividend for the year.	In Favour of the Proposal.	The company is distributing its profits satisfactorily	For
			Re appointment of A K Singhal, as a Director, who retires by rotation.	In Favour of the Proposal.	The Director has played a key role in the company's performance his experience will help Company to grow in future.	For
			Re appointment of N N Misra, as a Director, who retires by rotation.	In Favour of the Proposal.	The Director has played a key role in the company's performance his experience will help Company to grow in future.	For
			Re appointment of S B Ghosh Dastidar, as a Director, who retires by rotation.	In Favour of the Proposal.	The Director has played a key role in the company's performance his experience will help Company to grow in future.	For
			Re appointment of R S Sahoo, as a Director, who retires by rotation.	In Favour of the Proposal.	The Director has played a key role in the company's performance his experience will help Company to grow in future.	For

Name of Company	Date	Type of Meeting (AGM/EGM /CCM/PBL)	Proposal	Management Recommendation	AMC's Justification For Vote	Vote ( For / Against / Abstain*)
			To fix the remuneration of Auditors.	In Favour of the Proposal.	Auditors seems to have performed their job satisfactorily.	For
			Re appointment of Dr. A. Didar Singh, as a Director, who retires by rotation.	In Favour of the Proposal.	The Director has played a key role in the company's performance his experience will help Company to grow in future.	For
			Re appointment of U. P. Pani, as a Director, who retires by rotation.	In Favour of the Proposal.	The Director has played a key role in the company's performance his experience will help Company to grow in future.	For
			Re appointment of Shri Prashant Mehta, as a Director, who retires by rotation.	In Favour of the Proposal.	The Director has played a key role in the company's performance his experience will help Company to grow in future.	For
Bharat Petroleum Corporation Limited	20-Sep-13	AGM	Adoption of Accounts & Directors and Auditors Report.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
			To declare dividend for the year.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
			Re appointment of Shri K.K. Gupta, as a Director, who retires by rotation.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
			Re appointment of B. K. Datta, as a Director, who retires by rotation.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
			Appointment of Shri Tom Jose, as a Director of the Company.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
			Appointment of Dr. Neeraj Mittal, as a Director of the Company.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
Bharat Heavy Electricals Limited	20-Sep-13	AGM	Adoption of Accounts & Directors and Auditors Report.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
			To declare dividend for the year.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain

Name of Company	Date	Type of Meeting (AGM/EGM /CCM/PBL)	Proposal	Management Recommendation	AMC's Justification For Vote	Vote ( For / Against / Abstain*)
			Re appointment of Shri P.K. Bajpai, as a Director, who retires by rotation.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
			Re appointment of Shri Atul Saraya, as a Director, who retires by rotation.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
			To fix the remuneration of Auditors.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
			Appointment of Ms. Kusumjit Sidhu, as a Additional Director of the Company.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
			Appointment of Shri W.V.K. Krishna Shankar, as a Additional Director of the Company.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
Power Grid Corporation of India Limited	19-Sep-13	AGM	Adoption of Accounts & Directors and Auditors Report.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
			To declare dividend for the year.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
			Re appointment of Shri Santosh Saraf, as a Director, who retires by rotation.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
			Re appointment of Ms Rita Sinha, as a Director, who retires by rotation.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
			To fix the remuneration of StatuoryAuditors.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
			Appointment of Shri R K Gupta, as a Non Official Part Time Additional Director of the Company.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
			Appointment of Dr K Ramalingam, as a Non Official Part Time Additional Director of the Company.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
			Appointment of Shri R Krishnamoorthy, as a Non Official Part Time Additional Director of the Company.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain

Name of Company	Date	Type of Meeting (AGM/EGM/CCM/PBL)	Proposal	Management Recommendation	AMC's Justification For Vote	Vote (For / Against / Abstain*)
			Appointment of Shri Ajay Kumar Mittal, as a Non Official Part Time Additional Director of the Company.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
			Appointment of Shri Mahesh Shah, as a Non Official Part Time Additional Director of the Company.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
			Appointment of Shri Ravi P Singh, Additional Director of the Company.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
			Appointment of Shri R P Sasmal, as a Additional Director of the Company.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
			Alteration of Articles of Association issue of Equity Share for Capitalization.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
Gail India Limited	25-Sep-13	AGM	Adoption of Accounts & Directors and Auditors Report.	In Favour of the Proposal.	Annual Accounts fairly represent the financial position of the Company.	For
			To declare dividend for the year.	In Favour of the Proposal.	The company is distributing its profits satisfactorily	For
			Re appointment of Shri S. Venkatraman, as a Director, who retires by rotation.	In Favour of the Proposal.	The Director has played a key role in the company's performance his experience will help Company to grow in future.	For
			Re appointment of Shri P.K.Jain, as a Director, who retires by rotation.	In Favour of the Proposal.	The Director has played a key role in the company's performance his experience will help Company to grow in future.	For
			Re appointment of Shri Arun Agarwal, as a Director, who retires by rotation.	In Favour of the Proposal.	The Director has played a key role in the company's performance his experience will help Company to grow in future.	For
			To fix remuneration of the Statutory Auditor(s) of the Company.	In Favour of the Proposal.	Auditors seems to have performed their job satisfactorily.	For
			Re appointment of Shri P K Singh, as a Director, who retires by rotation.	In Favour of the Proposal.	The Director has played a key role in the company's performance his experience will help Company to grow in future.	For
			To appoint Shri M. Ravindran, as a Director (HR) of the Company, liable to retire by rotation.	In Favour of the Proposal.	The Director has played a key role in the company's performance his experience will help Company to grow in future.	For

Name of Company	Date	Type of Meeting (AGM/EGM /CCM/PBL)	Proposal	Management Recommendation	AMC's Justification For Vote	Vote ( For / Against / Abstain*)
			Re appointment of Shri Rajive Kumar, as a Director, who retires by rotation.	In Favour of the Proposal.	The Director has played a key role in the company's performance his experience will help Company to grow in future.	For
Oil & Natural Gas Corporation Ltd	25-Sep-13	AGM	Adoption of Accounts & Directors and Auditors Report.	In Favour of the Proposal.	Annual Accounts fairly represent the financial position of the Company.	For
			To declare dividend for the year.	In Favour of the Proposal.	The company is distributing its profits satisfactorily	For
			Re appointment of Dr. D Chandrasekharam, as a Director, who retires by rotation.	In Favour of the Proposal.	The Director has played a key role in the company's performance his experience will help Company to grow in future.	For
			Re appointment of Shri K S Jamestin, as a Director, who retires by rotation.	In Favour of the Proposal.	The Director has played a key role in the company's performance his experience will help Company to grow in future.	For
			To fix remuneration of the Statutory Auditor(s) of the Company.	In Favour of the Proposal.	Auditors seems to have performed their job satisfactorily.	For
			Appointment of Shri Pronlp Kumar Borthakur, Additional Director of the Company.	In Favour of the Proposal.	His vast experience in managing oil fields will help the company	For
			Appointment of Shri Shashi Shanker, Additional Director of the Company.	In Favour of the Proposal.	His vast experience in managing oil fields will help the company	For
			Appointment of Shri K. Narasimha Murthy, Additional Director of the Company.	In Favour of the Proposal.	His vast experience in managing oil fields will help the company	For
			Appointment of Shri Narendra Kumar Verma, Additional Director of the Company.	In Favour of the Proposal.	His vast experience in managing oil fields will help the company	For
NMDC Ltd	25-Sep-13	AGM	Adoption of Accounts & Directors and Auditors Report.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
			To declare dividend for the year.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
			Re appointment of Shri C.S. Verma, Chairman-cum-Managing Director, who retires by rotation.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain

Name of Company	Date	Type of Meeting (AGM/EGM /CCM/PBL)	Proposal	Management Recommendation	AMC's Justification For Vote	Vote ( For / Against / Abstain*)
			Re appointment of Shri N.K. Nanda, as a Director, who retires by rotation.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
			Re appointment of Shri K S Jamestin, as a Director(Technical), who retires by rotation.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
			Re appointment of Shri Shri S. Thiagarajan, as a Director(Finance), who retires by rotation.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
			Re appointment of Shri S. Bose, as a Director(Production), who retires by rotation.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
			Re appointment of Shri S.K. Das, as a Director(Commercial), who retires by rotation.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
			Re appointment of Shri Rabindra Singh, as a Director(Personnel), who retires by rotation.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
			Re appointment of Shri R.N. Aga, as a Director, who retires by rotation.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
			Re appointment of Smt. Parminder H. Mathur, as a Director, who retires by rotation.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
			Re appointment of Shri D. Rath, as a Director, who retires by rotation.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
			Re appointment of Shri S.J. Sibal, as a Director, who retires by rotation.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
Power Finance Corporation Limited	26-Sep-13	AGM	Adoption of Accounts & Directors and Auditors Report.	In Favour of the Proposal.	Annual Accounts fairly represent the financial position of the Company.	For
			To declare dividend for the year.	In Favour of the Proposal.	The company is distributing its profits satisfactorily	For
			Re appointment of Shri M. K. Goel, as a Director, who retires by rotation.	In Favour of the Proposal.	The Director has played a key role in the company's performance his experience will help Company to grow in future.	For

Name of Company	Date	Type of Meeting (AGM/EGM /CCM/PBL)	Proposal	Management Recommendation	AMC's Justification For Vote	Vote ( For / Against / Abstain*)
			Re appointment of Shrl Krishna Mohan Sahni, as a Director, who retires by rotation.	In Favour of the Proposal.	The Director has played a key role in the company's performance his experience will help Company to grow in future.	For
			To fix remuneration of the Statutory Auditor(s) of the Company.	In Favour of the Proposal.	Auditors seems to have performed their job satisfactorily.	For
Lupin Limited	26-Sep-13	PBL	Appointment of Ms Vinita Gupta, as CEO, of the Company.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
			Appointment of Dr.Kamal K.Sharma , as Vice Chairman, of the Company.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
			Appointment of Mr Nilesh Gupta, as Managing Director, of the Company.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
Gateway Distriparks Limited	27-Sep-13	AGM	Adoption of Accounts & Directors and Auditors Report.	In Favour of the Proposal.	Annual Accounts fairly represent the financial position of the Company.	For
			To declare dividend for the year.	In Favour of the Proposal.	The company is distributing its profits satisfactorily	For
			Re appointment of Mr. Shabbir Hassanbhai,, as a Director, who retires by rotation.	In Favour of the Proposal.	The Director has played a key role in the company's performance his experience will help Company to grow in future.	For
			Re appointment of Mr. Sat Pal Khattar, as a Director, who retires by rotation.	In Favour of the Proposal.	The Director has played a key role in the company's performance his experience will help Company to grow in future.	For
			Re appointment of Mr. Arun Agarwal, as a Director, who retires by rotation.	In Favour of the Proposal.	The Director has played a key role in the company's performance his experience will help Company to grow in future.	For
			To appoint M/s. Miss. Price Waterhouse, Auditors and fix their remuneration.	In Favour of the Proposal.	PWC has been the Auditors for the last 7 years out of the 7 years, the reason has remained same for the last 6 years. It is recommended to change the Auditors.	Against
Jindal Steel And Power Limited	30-Sep-13	AGM	Adoption of Accounts & Directors and Auditors Report.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
			To declare dividend for the year.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain

Name of Company	Date	Type of Meeting (AGM/EGM /CCM/PBL)	Proposal	Management Recommendation	AMC's Justification For Vote	Vote ( For / Against / Abstain*)
			Re appointment of Shri Naveen Jindal, as a Director, who retires by rotation.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
			Re appointment of Shri R V Shahi, as a Director, who retires by rotation.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
			Re appointment of Shri Arun Kumar, as a Director, who retires by rotation.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
			To appoint M/s. S.S. Kothari Mehta & Co, Auditors and fix their remuneration.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
			Re appointment of Shri Sudershan Kumar Garg, as a Director, who retires by rotation & fix their remuneration.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
			Re appointment of Shri Ravi Uppal, as a Director, who retires by rotation & fix their remuneration.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
			Shri Ravi Uppal to be appointed as Managing Director and CEO & fix their remuneration.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
			Shri Naveen Jindal to be appointed as whole time Director and be designated as Chairman of the Company & fix their remuneration.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
			Appointment of Shri Sushil Maroo as Deputy Managing Director & fix their remuneration.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
			Appointment of Shri Anand Goel as Joint Managing Director of the company & fix their remuneration..	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
			Re appointment of Shri Dinesh Kumar Saraogi, as a Director (whole time Director), who retires by rotation & fix their remuneration.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
Bharti Airtel Limited	28-Sep-13	PBL	Slump sale of data center and managed service business to Nextra data Limited, a Wholly Owned Subsidiary of Bharti Airtel Limited.	In Favour of the Proposal.	The Business is only being restructured and conducted through a wholly owned Subsidiary.	For

<b>Name of Company</b>	<b>Date</b>	<b>Type of Meeting (AGM/EGM /CCM/PBL)</b>	<b>Proposal</b>	<b>Management Recommendation</b>	<b>AMC's Justification For Vote</b>	<b>Vote ( For / Against / Abstain*)</b>
Sun Pharmaceuticals Industries Limited	30-Sep-13	AGM	Adoption of Accounts & Directors and Auditors Report.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
			To declare dividend for the year.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
			Re appointment of Mr.Dilip S Shanghvi, as a Director, who retires by rotation.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
			Re appointment of Mr.Sailesh T. Desai, as a whole time Director for a further period of 5 years, who retires by rotation.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
			Re appointment of Mr.Hasmukh S Shah, as a Director, who retires by rotation.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
			Consent accorded to Mr. Aalok D. Sanghvi to hold an office or place of profit.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
			Revise the remuneration of Mr. Sudhir V. Valia and re-appoint him as a whole time director for a further period of 5 years.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
			To accord consent to the board to issue Convertible Bonds, Debentures and/or Securities convertible into Equity shares.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
			To accord consent to the board to borrow moneys not exceeding ₹ 500 Billions.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
			To accord consent to the board to make loans and/or Give any guarantees.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
			To appoint M/s. Deloitte Haskins & Seils, Auditors and fix their remuneration.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
Jaiprakash Associates Limited	03-Oct-13	PBL	Providing Security To Lenders Of Jaiprakash Power Ventures Limited (JPVL), A Subsidiary Of The Company.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain

Name of Company	Date	Type of Meeting (AGM/EGM /CCM/PBL)	Proposal	Management Recommendation	AMC's Justification For Vote	Vote ( For / Against / Abstain*)
			Providing Security/ Guarantee/Undertakings To Lender Of Mp Jaypee Coal Limited (MPJCL), A Joint Venture Company.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
			Making Additional Investment Of Upto ₹ 40 Crores In Bhilai Jaypee Cement Limited And Bokaro Jaypee Cement Limited, Joint Venture Subsidiaries Of The Company.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
			Providing Undertakings To Lenders Of Kanpur Fertilizers & Cement Limited, A Joint Venture Company.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
Zee Entertainment Enterprises Limited	14-Oct-13	CCM	To approve Scheme of Arrangement between Zee Entertainment Enterprises Limited and its Equity Shareholders.	In Favour of the Proposal.	Company is distributing the profits Satisfactorily	For
Hindustan Unilever Limited	30-Oct-13	PBL	Appointment of Mr. Sanjiv Mehta as the Managing Director and Chief Executive Officer of the company.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
Ambuja Cements Limited	19-Nov-13	PBL	Approval for the purchase of 1,36,56,92,423 equity shares of Holcim (India) Private limited at a price of ₹ 25.63 per share.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
			Approval of the Schemes of Amalgamation between Holcim (India) Private limited and the Company.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
Ambuja Ceents Limited	23-Nov-13	EGM	To approve reduction of share capital the company, representing the holding of Holcim (India) Private Limited ("HIPL") in the Company.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
Ultratech Cement Limited	29-Nov-13	PBL	To approve alteration Articles of Association of the Company to increase the maximum number of Directors from Existing 12 (Twelve) to 15 (Fifteen).	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
Punjab National Bank	16-Dec-13	EGM	To approve preferential Issue of Equity Shares.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain

Name of Company	Date	Type of Meeting (AGM/EGM /CCM/PBL)	Proposal	Management Recommendation	AMC's Justification For Vote	Vote ( For / Against / Abstain*)
Power Grid Corporation of India Limited	23-Dec-13	PBL	Increase in the borrowing limits by authorizing the Board of Directors to borrow monies for implementation of various projects / expansion from the existing limit of ₹ 1,00,000 crore to ₹ 1,30,000 crore.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
			Increase in Shareholding limit for Foreign Institutional Investors (FIIs) from 24% to 30% of the paid-up capital of the company.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
			To appoint Scrutinizer for conducting the Postal Ballot process in accordance with law.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
HCL Technologies Limited	27-Dec-13	AGM	Adoption of Accounts & Directors and Auditors Report.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
			To appoint a Director in place of Mr. Amal Ganguli, who retires by rotation and being eligible, offers himself for re-appointment.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
			To appoint a Director in place of Mr. Vineet Nayar, who retires by rotation and being eligible, offers himself for re-appointment.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
			Mr. Subroto Bhattacharya, Director, who retires by rotation, has expressed his desire not to seek re-appointment as Director of the Company.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
			To reappoint M/s. S. R. Batliboi & Co. LLP, Chartered Accountants, as the Statutory Auditors of the Company.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
			To declare a final dividend for the financial year ended June 30, 2013.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
			Mr. Subramanian Madhavan who was appointed as an Additional Director of the Company by the Board of Directors with effect from January 15, 2013.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain

Name of Company	Date	Type of Meeting (AGM/EGM /CCM/PBL)	Proposal	Management Recommendation	AMC's Justification For Vote	Vote ( For / Against / Abstain*)
			Mr. Keki Mistry who was appointed as an Additional Director of the Company by the Board of Directors with effect from April 15, 2013.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
			Ms. Roshni Nadar Malhotra who was appointed as an Additional Director of the Company by the Board of Directors with effect from July 29, 2013.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
			Approval for payment of Commission to all the Non-Executive Directors of the Company.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
State Bank of India	30-Dec-13	EGM	To approve preferential issue of equity shares in accordance with SEBI ICDR Regulations.	In Favour of the Proposal.	SBI wants to raise capital by issuing shared to Government of India upto ₹ 20 billion and to General Public upto ₹ 95.76 billion and recommended voting for the proposal as it will increase the Tier 1 capital of the bank.	For
Cairn India Limited	02-Jan-14	PBL	Buy-Back of equity shares at a price not exceeding INR 335 per equity share.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
Bank Of Baroda	15-Jan-14	EGM	To approve preferential issue to Government of India in accordance with SEBI ICDR Regulations.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
Sesa Goa Limited	18-Jan-14	PBL	Increase in the Borrowing powers of the Company.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
			Creation of Charge on Movable and Immovable properties of the Company, both present and future.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
			Appointment and remuneration of Mr. Navin Agarwal as Whole time Director designated as Executive Vice-Chairman of the Company.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
			Appointment and remuneration of Mr. Mahendra Singh Mehta as Whole time Director designated as Chief Executive Officer of the Company.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain

Name of Company	Date	Type of Meeting (AGM/EGM /CCM/PBL)	Proposal	Management Recommendation	AMC's Justification For Vote	Vote ( For / Against / Abstain*)
			Change in Designation of Mr. P. K. Mukherjee from Managing Director to Executive Director,Iron Ore Business and change in terms of remuneration.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
ACC Limited	29-Jan-14	PBL	Approving the terms and conditions of re-appointment and remuneration of Mr Kuldip Kaura as Chief Executive Officer & Managing Director of the Company for a period of one year with effect from 1st January 2014.	In Favour of the Proposal.	Mr. Kuldip Kuara experience across various sectors (power,mining,naturalresources,engineering) should continue to help Acc on grounds of Corporate Governance, we have not come across any issues as yet.	For
IDFC Limited	29-Jan-14	PBL	Reduction in the ceiling limit on aggregate holdings of "Foreign Shareholding" in the paid-up equity share capital of the Company from 54% to 49.90%.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
INDUSIND Bank Ltd	14-Feb-14	PBL	Alteration of Memorandum of Association of the Bank.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
HDFC Bank Limited	06-Mar-14	PBL	Appointment of Mr. Paresh Sukthankar as a Deputy Managing Director of the Bank for a period of 3 (Three) years with effect from 24th December, 2013 to 23rd December, 2016.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
			Appointment of Mr. Kaizad Bharucha as Executive Director of the Bank for a period of 3 (Three) years with effect from 24th December, 2013 to 23rd December, 2016.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
			appointment of Mr. C. M. Vasudev as a Director and part-time Chairman of the Bank for a period of one year from 27th August, 2013 up to 26th August 2014.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
			Borrowing limit for business of the bank by Board of Directors up to ₹ 20,000 crore .	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain

Name of Company	Date	Type of Meeting (AGM/EGM /CCM/PBL)	Proposal	Management Recommendation	AMC's Justification For Vote	Vote ( For / Against / Abstain*)
ITC Limited	19-Mar-14	PBL	Approval of Scheme of Arrangement between Wimco Limited & ITC Limited and their respective shareholders.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
Jaiprakash Associates Ltd	24-Mar-14	PBL	Provide Security/Guarantee to Indusind Bank Limited, a lender of Jaypee Sports International Ltd (JPSI), a Subsidiary of the company.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain
			Raising of funds through Qualified Institutions Placement (QIP)/ External Commercial Borrowings (ECB) with rights of conversion into Shares / Foreign Currency Convertible Bonds (FCCBs) / American Depository Receipts (ADRs) / Global Depository Receipts (GDRs) / Follow-on Public Offer (FPO) / Optionally or Compulsorily Convertible Redeemable Preference Shares (OCPs/CCPs) etc. Pursuant to Section 81 (1A) of the Companies Act, 1956.	In Favour of the Proposal.	The Scrip is part of the Index Scheme and hence not actively researched and managed.	Abstain

## Share Holder's Proposal

Name of Company	Date	Type of Meeting (AGM / EGM)	Proposal	Management Recommendation	AMC's Justification For Vote	Vote ( For / Against / Abstain*)
Nil	Nil	Nil	Nil	Nil	Nil	Nil

## Summary of Votes cast during the F.Y. 2013-2014

Total no. of resolutions	Break-up of Vote decision		
	For	Against	Abstained*
581	212	13	356

\* The voting exercised for option Abstain/Abstained is regarding the Scrips which are part of the Index Scheme and hence not actively researched and managed.

## INDEPENDENT AUDITORS' REPORT

TO

**THE BOARD OF TRUSTEES OF  
QUANTUM MUTUAL FUND**

**Report on the Financial Statements**

We have audited the accompanying financial statements of Quantum Long Term Equity Fund (the "Scheme"), which comprise the Balance Sheet as at March 31, 2014, and the Revenue Account and Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

*Management's Responsibility for the Financial Statements*

Trustees of **Quantum Mutual Fund** and Quantum Asset Management Company Private Limited are responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Scheme in accordance with the accounting policies and standards as specified in the Ninth Schedule of the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 and amendments thereto ("the Regulations"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

*Auditors' Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Scheme's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Regulations as applicable and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Scheme as at March 31, 2014;
- (b) in the case of the Revenue Account, of the surplus for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Profit with Process

**REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

As required under the Regulations, 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, Revenue Account, and Cash Flow Statement dealt with by this Report are in agreement with the books of account of the Scheme;
3. In our opinion, the Balance Sheet, Revenue Account, and Cash Flow Statement dealt with by this report have been prepared in accordance with the accounting policies and standards as specified in Ninth Schedule of the Regulations.
4. The methods used to value non traded securities, as determined by Quantum Asset Management Company Private Limited under procedures approved by the Trustees of Quantum Mutual Fund are in good faith and in accordance with the guidelines for valuation of securities for mutual funds as mentioned in the Eighth Schedule of the Regulations issued by the Securities and Exchange Board of India, are fair and reasonable.

For **HARIBHAKTI & CO.**

Chartered Accountants

Firm Registration No. – 103523W

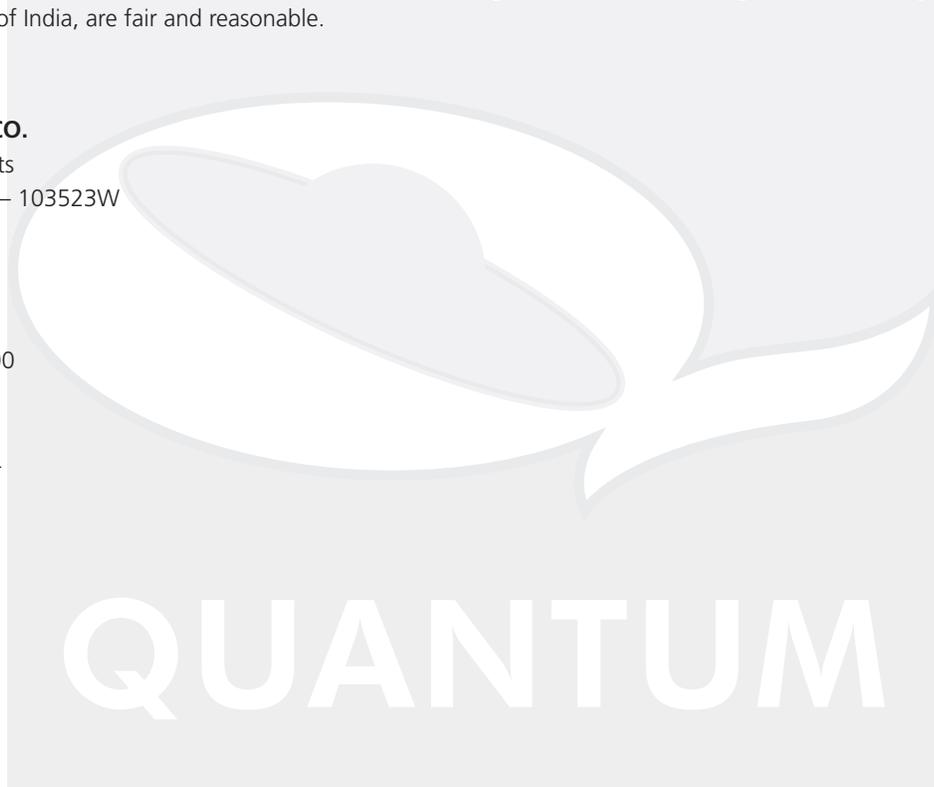
**sd/-**

**CHETAN DESAI**

Membership No 17000

Place: Mumbai

Date: 20th May, 2014



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

**QUANTUM LONG TERM EQUITY FUND  
BALANCE SHEET AS AT 31<sup>st</sup> MARCH, 2014**

	Schedule	31st March, 2014 Amount (₹)	31st March, 2013 Amount (₹)
<b>LIABILITIES</b>			
Unit Capital	'A'	822,282,926	675,243,437
Reserves and Surplus	'B'	1,652,975,765	967,365,900
Current Liabilities and Provisions	'C'	12,368,611	3,212,649
<b>Total</b>		<b>2,487,627,302</b>	<b>1,645,821,986</b>
<b>ASSETS</b>			
Investments	'D'	2,473,267,978	1,612,145,600
Other Current Assets	'E'	14,359,324	33,676,386
<b>Total</b>		<b>2,487,627,302</b>	<b>1,645,821,986</b>
Significant accounting policies and notes forming part of Accounts	'F'		

For Quantum Trustee Company Pvt Ltd

sd/-  
Jagdish Capoor  
(Chairman)

sd/-  
Hormazdiyaar Vakil  
(Director)

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

sd/-  
Chetan Desai  
Partner  
Membership No: 17000

Place : Mumbai  
Date : May 20, 2014

For Quantum Asset Management Company Pvt Ltd

sd/-  
Ajit Dayal  
(Chairman)

sd/-  
Jimmy A. Patel  
(Chief Executive Officer)

sd/-  
C. Srinivasan  
(Director)

sd/-  
Atul Kumar  
(Fund Manager)

**QUANTUM**

M U T U A L F U N D

Profit with Process

**QUANTUM LONG TERM EQUITY FUND**  
**REVENUE ACCOUNT FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2014**

Schedule	31st March, 2014 Amount (₹)	31st March, 2013 Amount (₹)
<b>INCOME</b>		
Dividend	33,688,328	21,043,477
Interest and Discount income	23,725,010	13,157,347
Profit on sale / redemption of investments (Other than inter scheme transfer / sale)	116,957,868	83,678,139
Other Income (Load Income)	2,598,311	1,436,489
<b>Total</b>	<b>176,969,517</b>	<b>119,315,452</b>
<b>EXPENSES AND LOSSES</b>		
Loss on Sale/Redemption of Investments (Other than inter scheme transfer / sale)	16,837,769	-
Management fees	19,325,006	13,113,517
Custodian fees	1,390,981	1,592,785
Registrar & Transfer Agent's fees	2,585,438	1,423,756
Investor Related Expenses	389,946	-
Other Operating expenses	464,986	261,905
<b>Total</b>	<b>40,994,126</b>	<b>16,391,963</b>
<b>Net Surplus / ( Deficit ) for the year</b>	<b>135,975,391</b>	<b>102,923,489</b>
<b>APPROPRIATION ACCOUNT FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2014</b>		
Net Surplus brought forward from previous year	647,754,140	381,970,038
Net Surplus / (Deficit) for the year	135,975,391	102,923,489
Transferred (to)/ from Equalisation Account	151,401,412	162,860,613
<b>Net Surplus / ( Deficit ) carried forward</b>	<b>935,130,943</b>	<b>647,754,140</b>
Significant accounting policies and notes forming part of Accounts	<b>F</b>	

For Quantum Trustee Company Pvt Ltd

sd/-  
Jagdish Capoor  
(Chairman)sd/-  
Hormazdiyaar Vakil  
(Director)As per our report of even date  
For Haribhakti & Co.  
Chartered Accountants  
FRN: 103523Wsd/-  
Chetan Desai  
Partner  
Membership No: 17000Place : Mumbai  
Date : May 20, 2014

For Quantum Asset Management Company Pvt Ltd

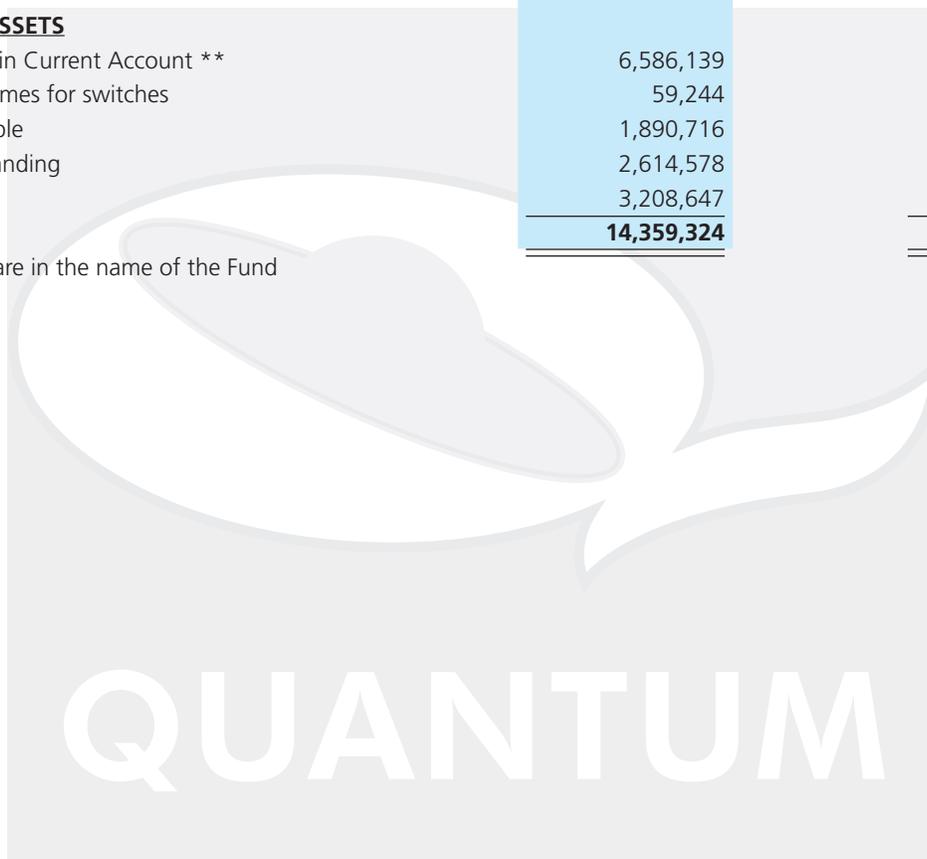
sd/-  
Ajit Dayal  
(Chairman)sd/-  
Jimmy A. Patel  
(Chief Executive Officer)sd/-  
C. Srinivasan  
(Director)sd/-  
Atul Kumar  
(Fund Manager)

QUANTUM  
MUTUAL FUND  
Profit with Process

QUANTUM LONG TERM EQUITY FUND  
SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31<sup>st</sup> MARCH, 2014

	Units	31st March, 2014 Amount (₹)	Units	31st March, 2013 Amount (₹)
<b>SCHEDULE 'A'</b>				
<b>UNIT CAPITAL</b>				
<b>Initial Capital Issued and Subscribed :</b>				
Units of ₹ 10 each fully paidup	<u>10,571,650</u>	<u>105,716,500</u>	<u>10,571,650</u>	<u>105,716,500</u>
<b>Outstanding :</b>				
Unit Capital (Opening Balance)	67,524,344	675,243,437	48,561,526	485,615,261
<b>Add</b> : Subscription during the year	30,294,192	302,941,919	26,213,724	262,137,236
<b>Less</b> : Redemption during the year	15,590,243	155,902,430	7,250,906	72,509,060
Unit Capital (Closing Balance)	<u>82,228,293</u>	<u>822,282,926</u>	<u>67,524,344</u>	<u>675,243,437</u>
<b>SCHEDULE 'B'</b>				
<b>RESERVES &amp; SURPLUS</b>				
<b>Unit Premium</b>				
Opening Balance		225,976,632		123,065,397
<b>Add\(\Less)</b> : Net Additions/\(Deduction) during the year		221,130,111		265,771,848
<b>Add\(\Less)</b> : Transferred (to) / from Equalisation Account		(151,401,412)		(162,860,613)
<b>Closing Balance</b>		<u>295,705,331</u>		<u>225,976,632</u>
<b>Equalisation Account</b>				
Transferred from / (to) Unit Premium Reserve		151,401,412		162,860,613
<b>Add\(\Less)</b> : Transferred (to) / from Revenue Account		(151,401,412)		(162,860,613)
<b>Closing Balance</b>		<u>-</u>		<u>-</u>
<b>Unrealised Appreciation in the value of investments (Net)</b>				
Opening Balance		93,635,128		93,580,805
<b>Add</b> : Net change during the year		328,504,363		54,323
		<u>422,139,491</u>		<u>93,635,128</u>
<b>Appropriation Account</b>				
Surplus/\(Deficit) carried forward		<u>935,130,943</u>		<u>647,754,140</u>
<b>Total Reserves &amp; Surplus</b>		<u>1,652,975,765</u>		<u>967,365,900</u>
<b>SCHEDULE 'C'</b>				
<b>CURRENT LIABILITIES &amp; PROVISIONS</b>				
Management Fees Payable		1,800,256		1,115,645
Payable to Quantum Asset Management Co Pvt Ltd		67,638		956,948
Redemption Payble		7,680,437		415,949
Units pending Allotment		45,884		380,922
Payable to schemes for switches		2,572,805		31,416
Other Payables		201,591		311,769
<b>Total</b>		<u>12,368,611</u>		<u>3,212,649</u>

	Units	31st March, 2014 Amount (₹)	Units	31st March, 2013 Amount (₹)
<b>SCHEDULE 'D'</b>				
<b>INVESTMENTS</b>				
Equity shares		2,052,477,136		1,338,424,707
Collateralised borrowing & lending obligation *		420,790,842		273,720,893
<b>Total</b>		<b>2,473,267,978</b>		<b>1,612,145,600</b>
* CBLO investment are registered in the name of the Fund				
<b>SCHEDULE 'E'</b>				
<b>OTHER CURRENT ASSETS</b>				
Balances with Banks in Current Account **		6,586,139		6,655,420
Receivable from schemes for switches		59,244		85,967
Subscription Receivable		1,890,716		1,801,880
Sales Contract outstanding		2,614,578		24,224,331
Dividend Receivable		3,208,647		908,788
<b>Total</b>		<b>14,359,324</b>		<b>33,676,386</b>
** Certain bank a/c are in the name of the Fund				



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

**QUANTUM LONG TERM EQUITY FUND  
CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2014**

	<b>2013-14 Amount (₹)</b>	<b>2012-13 Amount (₹)</b>
<b>A. Cash flow from Operating Activities</b>		
Surplus for the year	135,975,391	102,923,489
Adjustments for:-		
(Increase)/Decrease in investments at cost (net)	(385,548,065)	(358,316,415)
(Increase)/Decrease in other current assets	19,336,616	(16,483,210)
Increase/(Decrease) in current liabilities	2,226,512	1,279,236
<b>Net cash generated from /(used in) operations (A)</b>	<b>(228,009,546)</b>	<b>(270,596,900)</b>
<b>B. Cash flow from Financing Activities</b>		
Increase/(Decrease) in unit capital	147,039,490	189,628,176
Increase/(Decrease) in unit premium reserve	221,130,111	265,771,848
Adjustments for:-		
(Increase)/Decrease in subscription receivable for units issued to investors	(88,836)	(1,399,468)
Increase/(Decrease) in redemption payable for units redeemed by investors	7,264,487	(32,543,507)
Increase/(Decrease) in subscription received for units pending allotment to investors	(335,038)	343,659
<b>Net cash generated from /(used in) operations (B)</b>	<b>375,010,214</b>	<b>421,800,709</b>
<b>Net Increase/(Decrease) in Cash and cash equivalents (A + B)</b>	<b>147,000,668</b>	<b>151,203,809</b>
Cash and cash equivalents, beginning of the year	280,376,313	129,172,504
<b>Cash and cash equivalents, end of the year</b>	<b>427,376,981</b>	<b>280,376,313</b>
<b>Components of cash and cash equivalents</b>		
Balances with banks in current accounts	6,586,139	6,655,420
Collateralised borrowing & lending obligation	420,790,842	273,720,893
	<b>427,376,981</b>	<b>280,376,313</b>

For Quantum Trustee Company Pvt Ltd

For Quantum Asset Management Company Pvt Ltd

sd/-  
Jagdish Capoor  
(Chairman)

sd/-  
Ajit Dayal  
(Chairman)

sd/-  
C. Srinivasan  
(Director)

sd/-  
Hormazdiyaar Vakil  
(Director)

sd/-  
Jimmy A. Patel  
(Chief Executive Officer)

sd/-  
Atul Kumar  
(Fund Manager)

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

sd/-  
Chetan Desai  
Partner  
Membership No: 17000

Place : Mumbai  
Date : May 20, 2014

## SCHEDULE 'F'

## 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 S & PBSE 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 S & P BSE 30 TRI.

All investment decisions, relating to the Scheme are being undertaken by the Fund Manager / Portfolio team in accordance with the SEBI Regulations and Investment Objectives, as specified in the Scheme Information Document. The AMC has two committees for enabling investment decisions i.e. Board Investment Committee (BIC) and Key Employee Investment Committee (KIC). The Board of Directors of the AMC has the ultimate responsibilities of supervising investment activities. The Board of Directors has delegated its power with respect to approval / review of the investment activities to BIC and decision making authority with respect to the Investments to KIC except for the restrictions given in the investment policy from time to time.

Since inception, Quantum Mutual Fund is a Direct to investor Mutual Fund and does not charge / debit any distribution expenses to the schemes and does not pay any upfront or trail commission to distributors / intermediaries for investments routed through a distributor / intermediary whether empanelled with Quantum Mutual Fund or not. In accordance with the SEBI Circular No. Cir /MD/

DF/21/2012 dated September 13, 2012 SEBI allowed fund houses to launch direct plans with effect from January 01, 2013 wherein investor can invest directly in the Direct Plan and such Plan shall have lower expense ratio excluding distributor expense, commission etc. and the Plan shall have a separate NAV. Quantum Mutual Fund has continued with existing plan & NAV and does not have separate plans for receiving any investment applications either through distributors or directly from investors.

## 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 SEBI (Mutual Funds) Regulations, 1996 and amendments thereto as applicable.

## (2.2) INVESTMENTS

## ACCOUNTING OF INVESTMENTS

Investments are accounted on the trade date. The Scheme uses the weighted 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 contract note.

As per SEBI Notification dated 26th September 2012 with effect from October 01, 2012 brokerage and transaction cost incurred for trades which is included in the cost of investments shall not exceed 0.12% (excluding STT) of the trade value. STT is added to the cost wherever applicable.

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

## VALUATION OF INVESTMENTS

SEBI has outlined investment valuation norms for the mutual funds to compute and carry out valuation of its investment in its portfolio under Regulation 47 and Eighth Schedule of SEBI (Mutual Funds) Regulations, 1996 as amended from time to time.

SEBI vide its notification dated February 21, 2012 has

amended Regulation 47 and Eighth Schedule and has mandated the mutual funds to value its investments on principal of fair valuation to ensure fair treatment to all investors including existing investors as well as investors seeking to purchase or redeem units of mutual funds in all schemes at all points of time.

The Board of Directors of Quantum Asset Management Company Private Limited ("AMC") and Quantum Trustee Company Private Limited ("Trustee") have approved the Investment Valuation Policy and the framework for valuation of investments of Quantum Mutual Fund in accordance with SEBI Notification dated February 21, 2012 effective from July 1, 2012 in its meeting held on May 25, 2012. It is based on principles of fair valuation which is reflective of realizable value of securities/assets and the same is being reviewed and approved by the Board from time to time. The said investment valuation policies reviewed by independent auditors and approved by the Board can be viewed at [www.quantummf.com](http://www.quantummf.com).

**THE INVESTMENTS ARE VALUED AT MARK TO MARKET AS STATED BELOW:-**

**A. EQUITY AND EQUITY RELATED INSTRUMENTS**

- a) Traded equity shares are valued at the last quoted closing price on the National Stock Exchange (Principal stock exchange). Where the equity share is not traded on the National stock exchange, the last quoted closing price of Bombay Stock Exchange is used. If equity share is not traded on any stock exchange on a particular valuation day, the value at which it was traded on the National stock exchange or any other stock exchange, as the case may be, on the earliest previous day is used, provided such date is not more than 30 days prior to valuation date. Freak trade policy adopted as defined in valuation policy.
- b) If the equity and equity related securities are not traded on NSE or BSE stock exchange for a period of thirty days prior to the valuation date or it is thinly traded security as per SEBI guideline norms of trading less than 50,000 shares in a month and trading value is less than ₹ 5 lacs in a month, then it be should be valued as per the provision contained in the Eighth 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 SEBI.

- c) Unlisted equity shares are valued as per the method of valuation mentioned in SEBI Circular No. MFD/CIR/03/526/2002 dated May 9, 2002. At the discretion of the valuation committee and with the approval of the Board Investment committee, unlisted equity scrip may be valued at a price lower than the value derived using the aforesaid methodology.
- d) In case, trading in any equity shares is suspended on the stock exchange up to 30 days, then the last traded price would be considered for valuation of that shares.
- e) If an equity shares is suspended for trading on the stock exchange for more than 30 days then valuation committee will decide the valuation.
- f) If partly paid-up equity shares are traded in market separately then the same is valued at traded price (like any other equity instrument). If the same is not traded separately then partly paid equity shares shall be valued at Underlying Equity shares price as reduced by the balance call money payable with illiquidity discount as suggested by valuation committee. If the fully paid equity shares are not traded for more than 30 days, the same is valued as per valuation norms given for non-traded shares with necessary illiquidity discount as decided by valuation committee. Right entitlement shares where it's listed and traded is valued at traded price. Valuations of non-traded/thinly traded/ Unlisted rights entitlement have been valued at ex-right price less the rights offer price.

**B. DEBT AND MONEY MARKET INSTRUMENTS:**

- a) With effect from 1<sup>st</sup> Aug 2012 Quantum Asset Management Company Private Limited has obtained the services of ICRA Management Consulting Services Limited (IMaCS) for valuation of debt and money market instruments/security held in Quantum Mutual fund scheme's portfolio. The instruments/ securities are valued at prices as provided by IMaCS.
- b) Government Securities, State Development Loan and Treasury Bills are valued based on

- the security level valuation prices provided by IMaCS.
- c) CBLO, Repos and Fixed Deposits are valued on interest accrual/ amortization basis.

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.

The net unrealized 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 unrealized gain, if any, is adjusted in the unrealized 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 recognized 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.

Other income is accounted as and when realized.

### (2.4) TOTAL EXPENSES

Expenses are accrued on daily basis within the limits specified under Regulation 52 of SEBI (Mutual Fund) Regulations.

### (2.5) EXIT LOAD INCOME

Entire exit load amount (net off service tax) collected from the investor is credited to the revenue account of the Scheme.

### (2.6) 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 Scheme/ Options, daily income earned, including realized and unrealized gain or loss in the value of investments and expenses of the Scheme/ Options are allocated to the Scheme/ Options in proportion to their respective net assets.

### (2.7) 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.

### (2.8) 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 unrealized 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.

3. NOTES TO ACCOUNTS

(1) MOVEMENT IN UNIT CAPITAL

Particulars	2013-14		2012-13	
	Units	Amount (₹)	Units	Amount (₹)
<b>Units of ₹ 10 each fully paid up</b>				
<b>Growth Option</b>				
Units at the beginning of the year	60,692,625.27	606,926,253	42,877,573.42	428,775,734
- Issued during the year	28,209,638.98	282,096,390	24,132,043.83	241,320,438
- Redeemed during the year	(13,918,183.26)	(139,181,833)	(6,316,991.98)	(63,169,920)
Units at the end of the year	74,984,080.99	749,840,810	60,692,625.27	606,926,253
<b>Dividend Option</b>				
Units at the beginning of the year	6,831,718.45	68,317,185	5,683,952.72	56,839,527
- Issued during the year	2,084,552.88	20,845,529	2,081,679.79	20,816,798
- Redeemed during the year	(1,672,059.78)	(16,720,598)	(933,914.06)	(9,339,140)
Units at the end of the year	7,244,211.55	72,442,116	6,831,718.45	68,317,185
<b>Grand Total</b>				
Units at the beginning of the year	67,524,343.72	675,243,437	48,561,526.14	485,615,261
- Issued during the year	30,294,191.86	302,941,919	26,213,723.62	262,137,236
- Redeemed during the year	(15,590,243.04)	(155,902,430)	(7,250,906.04)	(72,509,060)
Units at the end of the year	82,228,292.54	822,282,926	67,524,343.72	675,243,437

(2) VALUE OF INVESTMENTS

The Cost and Market Value / Fair Value of Investments is given below:

Investments	March 31, 2014		March 31, 2013	
	Cost (₹)	Market Value (₹)	Cost (₹)	Market Value (₹)
Equity Shares	1,630,337,645	2,052,477,136	1,244,789,580	1,338,424,707
Collateralised Borrowing & Lending Obligation (CBLO)	420,790,842	420,790,842	273,720,893	273,720,893
TOTAL	2,051,128,487	2,473,267,978	1,518,510,473	1,612,145,600

(3) AGGREGATE APPRECIATION AND DEPRECIATION IN THE VALUE OF INVESTMENTS

Particulars	March 31, 2014 (₹)	March 31, 2013 (₹)
<b>Equity Shares</b>		
Unrealised Appreciation	443,824,208	213,791,013
Unrealised Depreciation	(21,684,717)	(120,155,885)
Net Unrealised Appreciation/ (Depreciation)	422,139,491	93,635,128

(4) NON PERFORMING INVESTMENTS.

Year	Type of Investment	Carrying Value Amount (₹)	Market value Amount (₹)	Provisions
2013-14	Nil	Nil	Nil	Nil
2012-13	Nil	Nil	Nil	Nil

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

Particulars	2013-14		2012-13	
	Amount (in ₹)	% of average daily net assets	Amount (in ₹)	% of average daily net assets
Purchases*	661,744,731	34.24%	477,101,438	36.38%
Sales/Redemptions*	376,316,765	19.47%	202,501,114	15.44%

(\*Purchases & Sales is excluding CBLO & Fixed Deposits.)

**(6) NET ASSET VALUE**

Net Asset Value (NAV) per unit having Face Value of ₹ 10/- is as given below:

Options	NAV (March 31, 2014)(₹)	NAV (March 28, 2013)* (₹)
Growth Option	30.08	24.30
Dividend Option	30.34	24.51

\* As 29<sup>th</sup>, 30<sup>th</sup> & 31<sup>st</sup> March, 2013 was a Non-business day, NAV of 28<sup>th</sup> March, 2013 has been disclosed.

**(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:

Particulars	2013-14		2012-13	
	Amount (in ₹)	% of average daily net assets	Amount (in ₹)	% of average daily net assets
Income*	160,131,748	8.29%	119,315,452	9.10%
Expenditure	24,156,357	1.25%	16,391,963	1.25%

(\*Income is net off losses on sale of Investments and excluding unrealized appreciation)

**(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 ₹ 1,932,487,366 & fees charged 1.00% Management Fees accrued during the period is ₹ 19,325,006/- inclusive of statutory levies with service tax. As per SEBI regulations, Management fee is not charged on AMC's own Investments.

**(9) TOTAL EXPENSE RATIO**

SEBI vide its Circular no. CIR/IMD/DF/21/2012 dated September 13, 2012 has allowed mutual funds to charge for additional expenses in addition to the maximum total expense ratio as permissible under Regulation 52 of SEBI. The allowed additional expenses are 30 bps of net assets for inflows beyond top 15 cities and additional 0.20 bps for additional expenses incurred under different heads and in lieu of crediting back the exit load to the Scheme and charge service tax charged on investment management fees. Quantum Mutual Fund has not charged additionally any of the above expenses allowed by SEBI Regulations. The Investment Management and Advisory fees charged by the AMC to the Scheme is within / equal to the total expense limit as prescribed by SEBI Regulations, as amended from time to time, with no sub-limit on the Investment Management and Advisory fees as currently mentioned under the respective Scheme Information Document of the schemes.

**(10) OTHER EXPENSES**

Other expenses only to the extent of 0.25% are borne by the Scheme and rest of the expenses, are borne by the Quantum Asset Management Company Private Ltd.

**(11) INVESTOR EDUCATION EXPENSES**

SEBI vide its Circular no. CIR/IMD/DF/21/2012 dated September 13, 2012 has suggested Mutual Funds/AMCs to annually set apart at least 2 basis points on daily net assets for investor education and awareness initiatives. Quantum Asset Management Company Private Ltd sets aside and incurs the amount for investor education expenses.

**(12) 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.

**(13) CUSTODY FEES**

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

**(14) 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.

**(15) 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.

**(16) CONTRACTS PENDING DELIVERIES**

There were no contracts pending for Purchase as on March 31, 2014. Sale of securities by the Scheme, the deliveries of which were pending as on March 31, 2014 amounted to ₹ 2,614,578/-

**(17) DISCLOSURE UNDER REGULATION 25(11) OF THE SEBI (MUTUAL FUNDS) REGULATIONS, 1996 AS AMENDED-NIL (PREVIOUS YEAR – NIL).**

**(18) 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, 2014 are presented below. The industry and company exposures are stated as a percentage of the Scheme's net assets as at March 31, 2014, as well as the aggregate investments in each investment category.

Industry & Scrip Name	Quantity	Market/ Fair Value (₹ In Lakhs)	% to Net Assets	% to Investment Category
<b>Auto</b>	<b>161,023</b>	<b>3,357.74</b>	<b>13.57%</b>	<b>16.36%</b>
Bajaj Auto Ltd	63,159	1315.98	5.32%	6.41%
Hero MotoCorp Ltd	36,998	841.63	3.40%	4.10%
Maruti Suzuki India Ltd	60,866	1200.13	4.85%	5.85%
<b>Auto Ancillaries</b>	<b>455,624</b>	<b>551.99</b>	<b>2.23%</b>	<b>2.69%</b>
Exide Industries Ltd	455,624	551.99	2.23%	2.69%
<b>Banks</b>	<b>206,614</b>	<b>2,180.14</b>	<b>8.81%</b>	<b>10.62%</b>
Axis Bank Ltd	41,471	605.68	2.45%	2.95%
ING Vysya Bank Ltd	124,142	788.18	3.18%	3.84%
State Bank of India	41,001	786.28	3.18%	3.83%
<b>Cement</b>	<b>74,021</b>	<b>1,035.96</b>	<b>4.19%</b>	<b>5.05%</b>
ACC Ltd	74,021	1,035.96	4.19%	5.05%
<b>Chemicals</b>	<b>273,139</b>	<b>784.46</b>	<b>3.17%</b>	<b>3.82%</b>
Tata Chemicals Ltd	273,139	784.46	3.17%	3.82%
<b>Construction Project</b>	<b>659,191</b>	<b>1,580.9</b>	<b>6.39%</b>	<b>7.70%</b>
Larsen & Toubro Ltd	46,828	595.61	2.41%	2.90%
Voltas Ltd	612,363	985.29	3.98%	4.80%
<b>Ferrous Metals</b>	<b>138,731</b>	<b>546.53</b>	<b>2.21%</b>	<b>2.66%</b>
Tata Steel Ltd	138,731	546.53	2.21%	2.66%
<b>Finance</b>	<b>154,177</b>	<b>1,362.77</b>	<b>5.51%</b>	<b>6.64%</b>
Housing Development Finance Corporation Ltd	154,177	1,362.77	5.51%	6.64%
<b>Gas</b>	<b>557,552</b>	<b>1,179.29</b>	<b>4.76%</b>	<b>5.75%</b>
Gail (India) Ltd	173,789	653.53	2.64%	3.18%
Petronet LNG Ltd	383,763	525.76	2.12%	2.56%
<b>Hotels</b>	<b>1,254,067</b>	<b>911.71</b>	<b>3.68%</b>	<b>4.44%</b>
Indian Hotels Co Ltd	1,254,067	911.71	3.68%	4.44%
<b>Industrial Capital Goods</b>	<b>423,428</b>	<b>679.18</b>	<b>2.74%</b>	<b>3.31%</b>
Crompton Greaves Ltd	423,428	679.18	2.74%	3.31%
<b>Industrial Products</b>	<b>96,221</b>	<b>574.25</b>	<b>2.32%</b>	<b>2.80%</b>
Cummins India Ltd	96,221	574.25	2.32%	2.80%
<b>Oil</b>	<b>279,349</b>	<b>890.29</b>	<b>3.60%</b>	<b>4.34%</b>
Oil & Natural Gas Corporation Ltd	279,349	890.29	3.60%	4.34%
<b>Petroleum Products</b>	<b>277,088</b>	<b>780.42</b>	<b>3.15%</b>	<b>3.80%</b>
Indian Oil Corporation Ltd	277,088	780.42	3.15%	3.80%
<b>Power</b>	<b>1,230,923</b>	<b>1,073.19</b>	<b>4.34%</b>	<b>5.23%</b>
NTPC Ltd	458,017	549.16	2.22%	2.68%
PTC India Ltd	772,906	524.03	2.12%	2.55%

Industry & Scrip Name	Quantity	Market/ Fair Value (₹ In Lakhs)	% to Net Assets	% to Investment Category
<b>Software</b>	<b>64,017</b>	<b>1,707.42</b>	<b>6.89%</b>	<b>8.32%</b>
Infosys Ltd	29,734	976.11	3.94%	4.76%
Tata Consultancy Services Ltd	34,283	731.31	2.95%	3.56%
<b>Telecom - Services</b>	<b>133,914</b>	<b>425.51</b>	<b>1.72%</b>	<b>2.07%</b>
Bharti Airtel Ltd	133,914	425.51	1.72%	2.07%
<b>Transportation</b>	<b>166,566</b>	<b>903.05</b>	<b>3.64%</b>	<b>4.40%</b>
Container Corporation of India Ltd	77,913	756.11	3.05%	3.68%
Gateway Distriparks Ltd	88,653	146.94	0.59%	0.72%
<b>TOTAL</b>		<b>20,524.80</b>	<b>82.92%</b>	<b>100.00%</b>
<b>Cash &amp; Cash Equivalent</b>				
Collateralized Borrowing & Lending Obligation (CBLO)		4,207.91	17.00%	
Net Receivable / (payable)		19.88	0.08%	
<b>Grand Total</b>		<b>24,752.59</b>	<b>100.00%</b>	

**(19) BORROWINGS**

The Scheme has not made any borrowing during the year ended March 31, 2014.(Previous Year - Nil).

**(20) DERIVATIVES**

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

**(21) CREDIT DEFAULT SWAPS (CDS)**

The scheme has not entered in to CDS transactions during the year (Previous year - Nil).

**(22) 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.

**(23) CONTINGENT LIABILITIES**

The Contingent Liabilities as on 31<sup>st</sup> March 2014 is Nil(Previous Year - Nil).

**(24) UNCLAIMED DIVIDEND/REDEMPTION**

Unclaimed dividend/redemptions outstanding for more than 3 months as of 31st March 2014are Nil(Previous Year-Nil).

**(25) DISCLOSURE OF TRANSACTIONS IN ACCORDANCE WITH ACCOUNTING STANDARD 18 – RELATED PARTY TRANSACTIONS AND AS PER REGULATION 25(8) OF SEBI MUTUAL FUND REGULATION 1996.****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

Name	Description of relationship
PREI Management Limited Mauritius	Associate
QIEF Management LLC	Associate
G Corp Homes Private Limited	Associate
G:Corp Spaces Private Limited**	Associate
Ajit Dayal	Associate
QIEF Management (HK) Ltd*	Associate

\* Associate for the period 11th July 2013 to 13th November 2013

\*\* Associate with effect from 26th July 2013.

**Other Schemes of the Fund**

Quantum Liquid Fund

Quantum Gold Fund

Quantum Index Fund

Quantum Tax Saving Fund

Quantum Equity Fund of Fund

Quantum Gold Savings Fund

Quantum Multi Asset Fund

Transaction with the above mentioned related parties (in the nature of their independent investments) are provided below:

Name of the related party	Nature of transactions	For the Year ended March 31, 2014 (₹)	Balance as at March 31, 2014 (₹)	For the Year ended March 31, 2013 (₹)	Balance as at March 31, 2013 (₹)
Quantum Asset Management Co Pvt. Ltd	Management Fees	19,325,006	1,800,256	13,113,517	1,115,645
Ajit Dayal	Subscription	-	-	-	-
	Redemption	12,500,125	-	-	-
	Net Assets value of investment at balance sheet date	-	18,466,326	-	25,230,941
QIEF Management LLC	Subscription	-	-	-	-
	Redemption	-	-	52,545,629	-
	Net Assets value of investment at balance sheet date	-	-	-	-

Quantum Gold Saving fund and Quantum Multi Asset Fund are fund of fund Scheme which as per their investment objective invests in other schemes of Quantum Mutual Fund as disclosed in the Scheme's offer document, hence information on their investment transactions have not been shown above.

Profit with Process

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, 2013 - March 31, 2014	1.25 cr. & 0.73%	Nil
Quantum Information Services Private Limited	Associate Company	April 01, 2012 - March 31, 2013	0.24 cr. & 0.39%	Nil

#### DISCLOSURE UNDER REGULATIONS 25 (8) OF THE SEBI REGULATIONS

- a) Underwriting obligations taken by the Scheme in respect of issues of securities of Associate companies - Nil (Previous Year - Nil).  
 b) Devolvement, if any- Nil (Previous Year - Nil).  
 c) Subscriptions by the Schemes in the issues lead managed by Associate companies- Nil (Previous Year- Nil).  
 d) Subscription to any issue of equity or debt on private placement basis where the sponsor or its associate companies has acted as arranger or manager: Nil (Previous Year- Nil).

#### (26) INVESTMENTS IN GROUP COMPANIES

Quantum Long Term Equity Fund has made Nil investment in group companies during the year ended March 31, 2014 (Previous Year – Nil).

#### (27) LARGE HOLDINGS

Unit holders holding over 25% of the Scheme's NAV is Nil as at the end of the year March 31, 2014 (Previous Year – Nil).

#### (28) HISTORICAL PER UNIT STATISTICS

The Historical per Unit statistics are given in Annexure I.

#### (29) 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

sd/-  
Jagdish Capoor  
(Chairman)

sd/-  
Hormazdiyaar Vakil  
(Director)

For Quantum Asset Management Company Pvt Ltd

sd/-  
Ajit Dayal  
(Chairman)

sd/-  
Jimmy A. Patel  
(Chief Executive Officer)

sd/-  
C. Srinivasan  
(Director)

sd/-  
Atul Kumar  
(Fund Manager)

**ANNEXURE 1**  
**QUANTUM LONG TERM EQUITY FUND**  
**HISTORICAL PER UNIT STATISTICS**

Sr. No.	Particulars	As of 31.03.2014	As of 31.03.2013	As of 31.03.2012
	<b>Face Value</b>	<b>₹ 10/-</b>	<b>₹ 10/-</b>	<b>₹ 10/-</b>
(a)	Net Asset Value			
i)	Growth Option	30.08	24.30	22.30
ii)	Dividend Option	30.34	24.51	22.49
(b)	Gross Income broken up into the following components			
i)	income other than profit on sale of investment	0.7298	0.5278	0.4520
ii)	income from profit on inter-scheme sales/transfer of investments	-	-	-
iii)	income from profit on sale of investment to third party	1.2176	1.2392	0.4356
iv)	transfer to revenue account from past years reserve	-	-	-
(c)	Aggregate of Expenses, write-off, amortization and charges	0.2938	0.2428	0.2349
(d)	Net Unrealized appreciation in value of investments	5.1337	1.3867	1.9271
(e)	Net Income per unit (excluding unrealized appreciation)	1.6536	1.5242	0.6527
(f)				
i)	<b>Highest Sale price</b>			
	Growth Option	30.08	26.16	23.48
	Dividend Option	30.34	26.39	23.68
ii)	<b>Lowest Sale price</b>			
	Growth Option	22.41	20.35	18.72
	Dividend Option	22.61	20.53	18.88
iii)	<b>Highest Repurchase price</b>			
	Growth Option	28.88	25.11	22.54
	Dividend Option	29.13	25.33	22.73
iv)	<b>Lowest Repurchase price</b>			
	Growth Option	21.51	19.54	17.97
	Dividend Option	21.71	19.71	18.12
v)	Price EarningsRatio	NA	NA	NA
(g)	Ratio of Expenses to Average Net Assets (excluding unrealized depreciation and amortization of deferred revenue expenditure)	1.25%	1.25%	1.29%
(h)	Ratio of Gross Income to Average Daily Net Assets (excluding unrealized appreciation/depreciation)	8.29%	9.10%	4.86%

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

## INDEPENDENT AUDITORS' REPORT

TO

**THE BOARD OF TRUSTEES OF  
QUANTUM MUTUAL FUND**

**Report on the Financial Statements**

We have audited the accompanying financial statements of Quantum Liquid Fund (the "Scheme"), which comprise the Balance Sheet as at March 31, 2014, and the Revenue Account and Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

*Management's Responsibility for the Financial Statements*

Trustees of **Quantum Mutual Fund** and Quantum Asset Management Company Private Limited are responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Scheme in accordance with the accounting policies and standards as specified in the Ninth Schedule of the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 and amendments thereto ("the Regulations"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

*Auditors' Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Scheme's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Regulations as applicable and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Scheme as at March 31, 2014;
- (b) in the case of the Revenue Account, of the surplus for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

QUANTUM  
MUTUAL FUND  
Profit with Process

**Report on Other Legal and Regulatory Requirements**

As required under the Regulations, 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, Revenue Account, and Cash Flow Statement dealt with by this Report are in agreement with the books of account of the Scheme;
3. In our opinion, the Balance Sheet, Revenue Account, and Cash Flow Statement dealt with by this report have been prepared in accordance with the accounting policies and standards as specified in Ninth Schedule of the Regulations.
4. The methods used to value non traded securities, as determined by Quantum Asset Management Company Private Limited under procedures approved by the Trustees of Quantum Mutual Fund are in good faith and in accordance with the guidelines for valuation of securities for mutual funds as mentioned in the Eighth Schedule of the Regulations issued by the Securities and Exchange Board of India, are fair and reasonable.

For **HARIBHAKTI & CO.**

Chartered Accountants

Firm Registration No. – 103523W

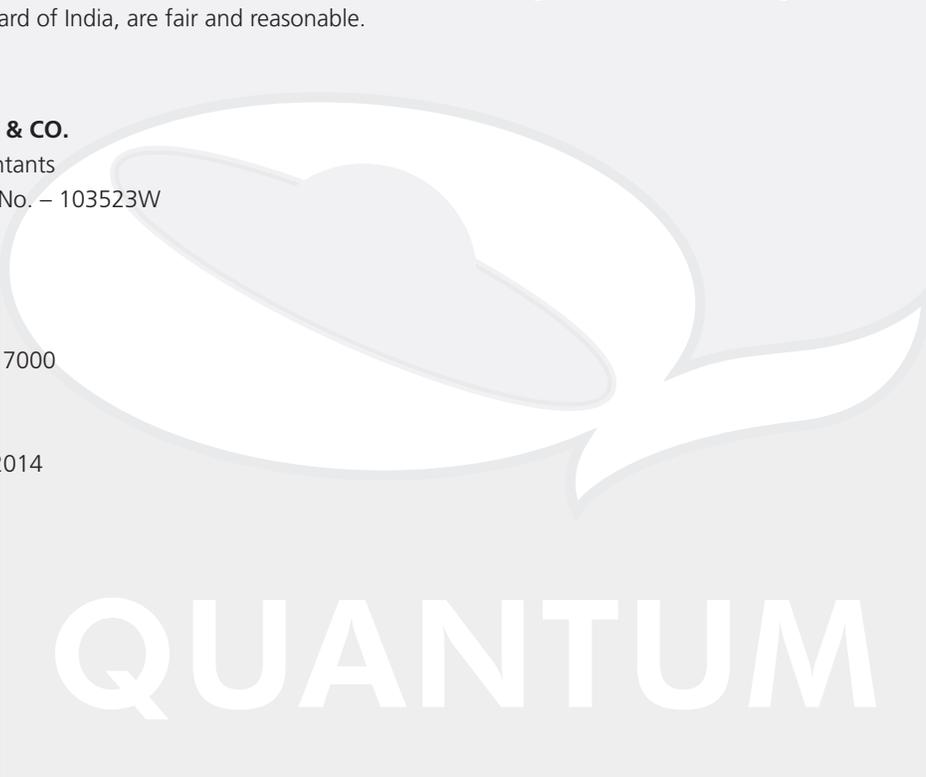
**sd/-**

**CHETAN DESAI**

Membership No 17000

Place: Mumbai

Date: 20th May, 2014



**QUANTUM**

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

**QUANTUM LIQUID FUND**  
**BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2014**

	Schedule	31st March, 2014 Amount (₹)	31st March, 2013 Amount (₹)
<b>LIABILITIES</b>			
Unit Capital	'A'	359,596,195	304,172,026
Reserves and Surplus	'B'	161,186,758	101,313,470
Current Liabilities and Provisions	'C'	2,268,157	3,269,294
<b>Total</b>		<b>523,051,110</b>	<b>408,754,790</b>
<b>ASSETS</b>			
Investments	'D'	470,327,707	400,221,117
Deposits	'E'	50,000,000	5,000,000
Other Current Assets	'F'	2,723,403	3,533,673
<b>Total</b>		<b>523,051,110</b>	<b>408,754,790</b>
Significant accounting policies and notes forming part of Accounts	'G'		

For Quantum Trustee Company Pvt Ltd

sd/-  
Jagdish Capoor  
(Chairman)

sd/-  
Hormazdiyaar Vakil  
(Director)

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

sd/-  
Chetan Desai  
Partner  
Membership No: 17000

Place : Mumbai  
Date : May 20, 2014

For Quantum Asset Management Company Pvt Ltd

sd/-  
Ajit Dayal  
(Chairman)

sd/-  
Jimmy A. Patel  
(Chief Executive Officer)

sd/-  
C. Srinivasan  
(Director)

sd/-  
Murthy Nagarajan  
(Fund Manager)

QUANTUM  
MUTUAL FUND  
Profit with Process

**QUANTUM LIQUID FUND  
REVENUE ACCOUNT FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2014**

Schedule	31st March, 2014 Amount (₹)	31st March, 2013 Amount (₹)
<b>INCOME</b>		
Interest & Discount income	42,877,325	28,943,592
Profit on sale / redemption of investments (Other than inter-scheme transfer / sale)	616,357	111,326
Other Income (Interest on CCIL Margin)	33,203	6,712
Depreciation of previous year written back	28,195	-
<b>Total</b>	<b>43,555,080</b>	<b>29,061,630</b>
<b>EXPENSES AND LOSSES</b>		
Loss on sale / redemption of investments (Other than inter-scheme transfers / sale)	496,686	-
Management fees	1,894,294	1,241,576
Net Change in Unrealised depreciation in the value of investments	-	27,981
<b>Total</b>	<b>2,390,980</b>	<b>1,269,557</b>
<b>Net Surplus / ( Deficit )</b>	<b>41,164,100</b>	<b>27,792,073</b>

**APPROPRIATION ACCOUNT FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2014**

Net Surplus brought forward from previous year	99,219,187	59,939,814
Net Surplus / (Deficit) for the year	41,164,100	27,792,073
Transferred (to) / from Equalisation Account	31,665,231	20,856,472
<b>Less : Dividend distributed</b>	<b>11,165,295</b>	<b>7,321,916</b>
<b>Less : Tax on Dividend</b>	<b>3,262,947</b>	<b>2,047,256</b>
<b>Net Surplus / ( Deficit ) carried forward</b>	<b>157,620,276</b>	<b>99,219,187</b>

Significant accounting policies and notes forming parts of Accounts

**G**

For Quantum Trustee Company Pvt Ltd

For Quantum Asset Management Company Pvt Ltd

sd/-  
Jagdish Capoor  
(Chairman)

sd/-  
Ajit Dayal  
(Chairman)

sd/-  
C. Srinivasan  
(Director)

sd/-  
Hormazdiyaar Vakil  
(Director)

sd/-  
Jimmy A. Patel  
(Chief Executive Officer)

sd/-  
Murthy Nagarajan  
(Fund Manager)

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

sd/-  
Chetan Desai  
Partner  
Membership No: 17000

Place : Mumbai  
Date : May 20, 2014

**QUANTUM LIQUID FUND**  
**SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31<sup>st</sup> MARCH, 2014**

	31st March, 2014		31st March, 2013	
	Units	Amount (₹)	Units	Amount (₹)
<b>SCHEDULE 'A'</b>				
<b>UNIT CAPITAL</b>				
Initial Capital Issued and Subscribed :				
<b>Units of ₹ 10 each fully paidup</b>	13,372,000	133,720,000	13,372,000	133,720,000
<b>Outstanding :</b>				
Unit Capital (Opening Balance)	30,417,202	304,172,026	19,558,462	195,584,620
<b>Add</b> : Subscription during the year	64,850,160	648,501,595	50,199,396	501,993,964
<b>Less</b> : Redemption during the year	59,307,743	593,077,426	39,340,656	393,406,558
<b>Unit Capital (Closing Balance)</b>	<b>35,959,619</b>	<b>359,596,195</b>	<b>30,417,202</b>	<b>304,172,026</b>
<b>SCHEDULE 'B'</b>				
<b>RESERVE &amp; SURPLUS</b>				
<b>Unit Premium</b>				
Opening Balance		2,094,283		1,566,464
<b>Add/(Less)</b> : Net Additions/(Deduction) during the year		32,361,283		21,384,291
<b>Add/(Less)</b> :-Transferred (to) / from Equalisation Account		(31,665,231)		(20,856,472)
<b>Closing Balance</b>		<b>2,790,335</b>		<b>2,094,283</b>
<b>Equalisation Account</b>				
Transferred from / (to) Unit Premium Reserve		31,665,231		20,856,472
<b>Add/(Less)</b> : Transferred (to) / from Revenue Account		(31,665,231)		(20,856,472)
<b>Closing Balance</b>		-		-
<b>Unrealised Appreciation in the value of Investments (Net)</b>				
Opening Balance		-		-
<b>Add</b> :Net change during the year		776,147		-
		776,147		-
<b>Appropriation Account</b>				
Surplus/(Deficit) carried forward		157,620,276		99,219,187
<b>Total Reserves &amp; Surplus</b>		<b>161,186,758</b>		<b>101,313,470</b>
<b>SCHEDULE 'C'</b>				
<b>CURRENT LIABILITIES &amp; PROVISIONS</b>				
Management Fees Payable		160,132		104,546
Other Payables		21,253		26,798
Dividend Tax Payable		103,161		54,850
Units pending allotment		1,983,611		3,083,100
<b>Total</b>		<b>2,268,157</b>		<b>3,269,294</b>

	31st March, 2014		31st March, 2013	
	Units	Amount (₹)	Units	Amount (₹)
<b>SCHEDULE 'D'</b>				
<b>INVESTMENTS</b>				
Commercial Paper		49,052,800		49,729,150
Certificate of Deposits		394,554,200		295,403,250
Treasury Bill**		4,910,195		-
Collateralised borrowing & lending obligation *		21,810,512		55,088,717
<b>Total</b>		<b>470,327,707</b>		<b>400,221,117</b>
* CBLO investment are registered in the name of the Fund				
** T-bill's are kept with CCIL as margin for CBLO investments				
<b>SCHEDULE 'E'</b>				
<b>DEPOSITS</b>				
Margin Money with Clearing Corporation of India Ltd (CCIL)		-		5,000,000
Deposit with Scheduled Bank		50,000,000		-
<b>Total</b>		<b>50,000,000</b>		<b>5,000,000</b>
<b>SCHEDULE 'F'</b>				
<b>OTHER CURRENT ASSETS</b>				
Balances with Banks in Current Account **		2,657,300		3,513,008
Receivable from schemes for switches		7		-
Receivable from Quantum Asset Management Co. Pvt. Ltd		-		20,665
Interest on Fixed deposit		66,096		-
<b>Total</b>		<b>2,723,403</b>		<b>3,533,673</b>
** Certain bank a/c are in the name of the Fund				

QUANTUM  
MUTUAL FUND  
Profit with Process

**QUANTUM LIQUID FUND**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2014**

	2013-14 Amount (₹)	2012-13 Amount (₹)
<b>A. Cash flow/(deficit) from Operating Activities</b>		
Surplus for the year	41,164,100	27,792,073
Adjustments for:-		
(Increase)/Decrease in investments at cost (net)	(102,608,648)	(96,639,295)
(Increase)/Decrease in Deposits	5,000,000	(5,000,000)
(Increase)/Decrease in other current assets	(45,438)	(20,640)
Increase/(Decrease) in current liabilities	50,041	45,869
<b>Net cash generated from /(used in) Operations (A)</b>	<b>(56,439,945)</b>	<b>(73,821,993)</b>
<b>B. Cash flow from Financing Activities</b>		
Increase/(Decrease) in unit capital	55,424,169	108,587,406
Increase/(Decrease) in unit premium reserve	32,361,283	21,384,291
Adjustments for:-		
Increase/(Decrease) in subscription received for units pending allotment to investors	(1,099,489)	2,634,999
(Increase)/Decrease in subscription received for units pending allotment to investors	-	-
Dividend and tax thereon paid during the year	(14,379,931)	(9,355,300)
<b>Net cash generated from /(used in) Financing Activity (B)</b>	<b>72,306,032</b>	<b>123,251,396</b>
<b>Net Increase/(Decrease) in Cash and cash equivalents (A + B)</b>	<b>15,866,087</b>	<b>49,429,403</b>
Cash and cash equivalents, beginning of the year	58,601,725	9,172,322
<b>Cash and cash equivalents, end of the year</b>	<b>74,467,812</b>	<b>58,601,725</b>
<b>Components of cash and cash equivalents</b>		
Balances with Banks in Current Account	2,657,300	3,513,008
Collateralised Borrowing & Lending Obligation	21,810,512	55,088,717
Deposit with Scheduled Bank	50,000,000	-
	<b>74,467,812</b>	<b>58,601,725</b>

For Quantum Trustee Company Pvt Ltd

For Quantum Asset Management Company Pvt Ltd

sd/-  
Jagdish Capoor  
(Director)sd/-  
Ajit Dayal  
(Chairman)sd/-  
C. Srinivasan  
(Director)sd/-  
Hormazdiyaar Vakil  
(Director)sd/-  
Jimmy A. Patel  
(Chief Executive Officer)sd/-  
Murthy Nagarajan  
(Fund Manager)As per our report of even date  
For Haribhakti & Co.  
Chartered Accountants  
FRN: 103523Wsd/-  
Chetan Desai  
Partner  
Membership No: 17000Place : Mumbai  
Date : May 20, 2014

**SCHEDULE 'G'**

**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').

All investment decisions, relating to the Scheme are being undertaken by the Fund Manager / Portfolio team in accordance with the SEBI Regulations and Investment Objectives as specified in the Scheme Information Document. The AMC has two committees for enabling investment decisions i.e Board Investment Committee (BIC) and Key Employee Investment Committee (KIC). The Board of Directors of the AMC has the ultimate responsibilities of supervising investment activities. The Board of Directors has delegated its power with respect to approval / review of the investment activities to BIC and decision making authority with respect to the Investments to KIC except for the restrictions given in the investment policy from time to time.

Since inception, Quantum Mutual Fund is a Direct to investor Mutual Fund and does not charge / debit any distribution expenses to the schemes and does not pay any upfront or trail commission to distributors / intermediaries for investments routed through a distributor / intermediary whether empanelled with Quantum Mutual Fund or not. In accordance with the SEBI Circular No. Cir /IMD/ DF/21/2012 dated September 13, 2012 SEBI allowed fund houses to launch direct plans with effect from January 01, 2013 wherein investor can invest directly in the Direct Plan and such Plan shall have lower expense ratio excluding distributor expense, commission etc and the Plan shall have a separate NAV. Quantum Mutual Fund has continued with its existing plan & NAV and does not have separate plans for receiving any investment applications either through distributors or directly from investors.

**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 SEBI (Mutual Funds) Regulations, 1996 and amendments thereto as applicable.

**(2.2) INVESTMENT**

**Accounting of Investments**

Investments are accounted on the trade date. The Scheme uses the weighted 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 Contract note.

As per SEBI Notification dated 26th September 2012 with effect from October 01, 2012 brokerage and transaction cost incurred for trades which is included in the cost of investments shall not exceed 0.12% (excluding STT) of the trade value. STT is added to the cost wherever applicable.

**Valuation of Investments**

SEBI has outlined investment valuation norms for the mutual funds to compute and carry out valuation of its investment in its portfolio under Regulation 47 and Eighth Schedule of SEBI (Mutual Funds) Regulations, 1996 as amended from time to time.

SEBI vide its notification dated February 21, 2012 has amended Regulation 47 and Eighth Schedule and has mandated the mutual funds to value its investments on Principal of Fair Valuation to ensure fair treatment to all investors including existing investors as well as investors seeking to purchase or redeem units of mutual funds in all schemes at all points of time.

The Board of Directors of Quantum Asset Management Company Private Limited ("AMC") and Quantum Trustee Company Private Limited ("Trustee") have approved the Investment Valuation Policy and the framework for valuation of investments of Quantum Mutual Fund in accordance with SEBI Notification dated February 21, 2012 effective from July 1, 2012 in its meeting held on May 25, 2012. It is based on principles of fair valuation which is reflective of realizable value of securities/assets and the same is being reviewed and approved by the Board from time to time. The said investment valuation policies reviewed by independent auditors and approved by the Board can be viewed at [www.quantummf.com](http://www.quantummf.com).

The Investments are valued at Mark to Market as stated below:-

### 1. Debt and Money market Instruments

With effect from 1<sup>st</sup> August 2012, Quantum Asset Management Company Private Ltd (AMC) has appointed ICRA Management consulting Services Limited (IMaCS), an independent external valuation agency approved by AMFI, to carry out the daily valuation of all debt and money market instruments held in the Quantum mutual fund's Schemes Portfolio. The instruments/securities are valued at prices as provided by IMaCS.

#### A. Valuation policy for debt and money market instruments till 6<sup>th</sup> January 2014 is given below:-

- i) Non-convertible debentures and Money Market instruments are valued based on available traded prices on FIMMDA's reporting platform (F-TRAC). The trade size for Commercial Paper /Certificate of Deposits should be at least 2 trades aggregating to 100 Crores or more in multiples of 5 Crores. In case of bonds there should be minimum of two trades aggregating to 20 Crores or more in multiples of 5 Crore. Weighted average yields of all trades is taken for calculating traded price after ignoring all market inter-scheme trades and freak trades.
- ii) If traded price is not available for the security to be valued, then traded prices of securities of similar maturity issued by the same issuer which have a residual maturity as mentioned in the valuation policy for the security held in the portfolio is considered. The traded yield so determined daily and the spread at which it has traded over its relevant benchmark matrix yield is calculated. This spread is used for pricing the security when its traded price is not available. This spread thus, automatically gets revised based on newly traded data.
- iii) If traded prices are not available and/or does not represent fair valuation then the security is valued based on the benchmark yield matrices for the relevant maturity as being prepared by IMaCS plus its last recorded spread over/under the matrix. In the absence of traded prices, the spread is reviewed regularly by using, primary market trades, traded prices of securities of issuers having a similar long term credit rating, and/or on the opinion of the external valuing agency in consultation with the AMC.
- iv) The Mutual Fund's First trade / Self Trade of 5 Crore or more is considered for valuation at the

weighted average yield of its trades. But if on the same day, market traded price satisfying the above mentioned conditions is available, then market traded price for valuation is considered over the AMC self-trade and the spread over/under the matrix for the same is recorded.

- v) Any security purchased in a lot size of less than 5 Crore is valued at constant spread over matrices recorded at the time of first purchase till its maturity. In case of further purchases in same security, new spread is calculated based on weighted average spreads of the purchases. This security is marked to market based on traded prices only when the security holding is 5 Crore or more.
  - vi) If the AMC believes that even after following all the process laid above, the security is not appropriately valued then the fair values is determined by taking on record the assessment of the external valuing agency and the AMC investment team with a proper rationale for the same which is documented and submitted to the valuation committee.
- B. Valuation policy for debt and money market instruments post 6<sup>th</sup> January 2014 is given below :-

#### **Non-convertible debentures and Money Market instruments – (Securities maturing less than 60 days)**

- i) Trades reported on the FIMMDA (F-TRAC), NSE and BSE is considered for valuation.  
Trade Size:  
For CP/CDs: Minimum 2 trades aggregating to 100 Crore  
For bonds: Minimum 2 trades aggregating to 20 Crore or more in multiples of 5 Crore.  
Weighted average yields of all trades is considered for calculating traded price after ignoring all market inter-scheme trades and freak trades.
- ii) If traded price is not available for the security to be valued, then traded prices of securities of similar maturity issued by the same issuer which have a residual maturity from the security held in the portfolio is considered. The traded yield so determined daily and the spread at which it has traded over its relevant benchmark matrix yield is calculated. This spread is used for pricing the security when its traded price is not available. This spread thus, automatically gets revised based on newly traded data.

- iii) If traded prices are not available and/or do not represent fair valuation then the security is valued based on the benchmark yield matrices for the relevant maturity as being prepared by IMAcS plus its last recorded spread over/under the matrix. In the absence of traded prices, the spread is reviewed regularly by using, primary market trades, traded prices of securities of issuers having a similar long term credit rating, and/or on the opinion of the external valuing agency in consultation with the AMC.
- iv) The Mutual Fund's First trade / Self Trade of 5 Crore or more is considered for valuation at the weighted average yield of its trades. But if on the same day, market traded price is available, then market traded price for valuation is considered over the MF's self-trade and the spread over/under the matrix for the same is recorded.
- v) For securities with Put and call option, the put/call date is taken as maturity date for securities with only call option, the value would be lowest of all call or maturity and in case of securities with put option the values would be higher of all put or maturity.
- vi) If the AMC believes that even after following all the process laid above, the security is not appropriately valued then the fair values is determined by taking on record the assessment of the external valuing agency and the AMC investment team with a proper rationale for the same is documented and submitted to the valuation committee.

**Non-Convertible Debentures & Money Market Instruments (Securities maturing greater than 60 days)**

The policy, procedure and methodology followed by IMAcS to value debt portfolio with maturity greater than 60 days is in line with/similar to that prescribed by AMFI for the Mutual Fund Industry. As part of the services, IMAcS will regularly keep track of AMFI's Valuation Committee's scrip level debt securities valuation policy and changes recommended by them for debt securities having maturity greater than 60 days and IMAcS will ensure to facilitate and incorporate the same in the valuation policy and consider the same while valuing debt instruments of Quantum Mutual Fund.

Any new security purchased by the Schemes which does not exist in the database of IMAcS is valued as per the below mentioned policy from the next business day. On the day of purchase that security is valued at purchase yield. Any new security purchased which exists in the database of IMAcS is valued as per the below mentioned policy from the date of purchase.

- i) Trades reported on the FIMMDA (F-TRAC), NSE and BSE is considered for valuation.

Trade Size:

For CPs and CDs: at least 1 trade of 25 Crore or more

For bonds: minimum 1 trade of 5 Crore or more.

Cut off time taken for trades reported on reporting platform as at 4:00 PM.

For calculating traded prices, last traded yield as derived from T+0/T+1 reported trades is considered after ignoring all market inter scheme trades and freak trades.

- ii) If traded price is not available for the security to be valued then traded prices of securities of similar maturity issued by the same issuer which have residual maturity as defined in the valuation policy is considered.

The traded yield so determined daily above is noted. The spread at which it has traded over its relevant benchmark curve would be calculated. This spread is used for pricing the security when its traded price is not available. This spread thus, automatically gets revised based on newly traded or polled data on a daily basis.

Quantum Mutual Funds First trade / Self Trade of 5 crore or more is considered for valuation at the level reported. But if on the same day, market traded price is available, then market traded price for valuation would be considered over the QMF's self trade and the spread over/under the benchmark curve for the same will be recorded.

In days with high intra-day volatility, traded data not reflecting the end of the day level is ignored even if they satisfy all the criteria laid above. The high volatility may arise on day of major events like policy day, major economic reforms announced by the Government, liquidity crisis etc. The rationale for the same would be suitably documented.

For securities with Put and call option, the put/call date is taken as maturity date for securities with only call option, the value would be lowest of all call or maturity and in case of securities with put option the values would be higher of all put or maturity.

- iii) If traded prices are not available and/or does not represent fair valuation, then for that day, the Security is valued based on the spread over/under the benchmark yield curve for the relevant maturity as prepared and provided by the external valuing agency. These benchmarks are segregated based on tenure, sector,

external credit rating and type of instrument. The determination of benchmark yield curve is as per the methodology approved by AMFI

iv) **Criteria for Review Of Spread Used In Valuation**

In case of highly illiquid securities, the spreads are polled once a fortnight for fine tuning of the levels. The polls are also taken from AMC holding the security along with other market participants.

Perpetual Debt instruments, Derivatives, Securitized and structured debt instruments:

The Mutual fund will invest in these instruments only after the AMC formulates a valuation methodology for these instruments.

2. Government Securities, Treasury Bills and State Development Loans of any maturity is valued based on the security level valuation as provided by IMAcS

3. CBLO, Repos and Fixed Deposits are valued on interest accrual/ amortization basis.

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.

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.

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.

Other income is accounted as and when realized.

**(2.4) TOTAL EXPENSES**

Expenses are accrued on daily basis within the limits specified under Regulation 52 of SEBI (Mutual Fund) Regulations.

**(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 Scheme/ Options, daily income earned, including realized and unrealized gain or loss in the value of investments and expenses of the Scheme/ Options are allocated to the Scheme/ Options in proportion to their respective net assets.

**(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 unrealized appreciation) up to the date of issue/ redemption of units has 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.

Profit with Process

3. NOTES TO ACCOUNTS

(1) MOVEMENT IN UNIT CAPITAL

Particulars	2013-14		2012-13	
	Units	Amount (₹)	Units	Amount (₹)
<b>Units of ₹ 10 each fully paid up</b>				
<b>Growth Option</b>				
Units at the beginning of the year	15,369,227.02	153,692,270	11,746,913.80	117,469,138
- Issued during the year	21,582,767.34	215,827,673	14,842,980.83	148,429,808
- Redeemed during the year	(17,053,229.28)	(170,532,293)	(11,220,667.61)	(112,206,676)
Units at the end of the year	19,898,765.09	198,987,651	15,369,227.02	153,692,270
<b>Daily Dividend Reinvestment Option</b>				
Units at the beginning of the year	12,488,010.45	124,880,105	6,752,584.30	67,525,843
- Issued during the year	39,697,963.00	396,979,630	31,229,755.12	312,297,551
- Redeemed during the year	(39,122,243.24)	(391,222,432)	(25,494,328.97)	(254,943,290)
Units at the end of the year	13,063,730.21	130,637,302	12,488,010.45	124,880,105
<b>Monthly Dividend Payout Option</b>				
Units at the beginning of the year	2,559,965.07	25,599,651	1,058,963.87	10,589,639
- Issued during the year	3,569,429.19	35,694,292	4,126,660.46	41,266,605
- Redeemed during the year	(3,132,270.09)	(31,322,701)	(2,625,659.26)	(26,256,593)
Units at end of the year	2,997,124.17	29,971,242	2,559,965.07	25,599,651
<b>Grand Total</b>				
Units at the beginning of the year	30,417,202.54	304,172,026	19,558,461.97	195,584,620
- Issued during the year	64,850,159.54	648,501,595	50,199,396.41	501,993,964
- Redeemed during the year	(59,307,742.62)	(593,077,426)	(39,340,655.83)	(393,406,558)
Units at the end of the year	35,959,619.47	359,596,195	30,417,202.55	304,172,026

(2) VALUE OF INVESTMENTS

The Cost and Market Value/Fair Value of Investments is given below:

Investments	March 31, 2014		March 31, 2013	
	Cost (₹)	Market Value (₹)	Cost (₹)	Market Value (₹)
Debt and Money Market Instruments	447,741,048	448,517,195	344,108,500	345,132,400
Fixed Deposit	50,000,000	50,000,000	-	-
Collateralised Borrowing & Lending Obligation (CBLO)	21,810,513	21,810,513	55,088,717	55,088,717
<b>Total</b>	<b>519,551,561</b>	<b>520,327,708</b>	<b>399,197,217</b>	<b>400,221,117</b>

(3) AGGREGATE APPRECIATION OR DEPRECIATION IN THE VALUE OF INVESTMENTS

Particulars	March 31, 2014 (₹)	March 31, 2013 (₹)
<b>Debt &amp; Money Market Instruments</b>		
Unrealised Appreciation	776,147	69,037
Unrealised Depreciation	-	(97,232)
Net Unrealised Appreciation/ (Depreciation)	776,147	(28,195)

(4) NON PERFORMING INVESTMENTS

Year	Type of Investments	Carrying Value Amount (₹)	Market value Amount (₹)	Provisions (₹)
2013-14	Nil	Nil	Nil	Nil
2012-13	Nil	Nil	Nil	Nil

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

Particulars	2013-14		2012-13	
	Amount (in ₹)	% of daily average Net Assets	Amount (in ₹)	% of daily average Net Assets
Purchases*	2,940,242,995	606.09%	1,690,887,350	506.52%
Sales/Redemptions*	2,860,129,420	589.57%	1,616,997,050	484.39%

(\*Purchases & Sales is excluding CBLO & Fixed Deposits)

**(6) NET ASSET VALUE**

Net Asset Value (NAV) per unit having Face Value of ₹ 10 is as given below:

Options	NAV (March 31, 2014)(₹)	NAV (March 28, 2013)*(₹)
Growth Option	18.0834	16.5686
Daily Dividend Reinvestment Option	10.0183	10.0011
Monthly Dividend Payout Option	10.0329	10.0089

\* As 29<sup>th</sup>, 30<sup>th</sup> & 31<sup>st</sup> March, 2013 was a Non-business day, NAV of 28<sup>th</sup> March, 2013 has been disclosed.

**(7) INCOME AND EXPENDITURE**

The total income and expenditure and its percentage to the Scheme's average daily net assets on an annualized basis are provided below:

Particulars	2013-14		2012-13	
	Amount (in ₹)	% of daily average Net Assets	Amount (in ₹)	% of daily average Net Assets
Income*	43,030,201	8.87%	29,061,625	8.71%
Expenditure	1,894,294	0.39%	1,241,576	0.37%

(\*Income is net off losses on sale of Investments and excluding unrealized appreciation)

**(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 ₹ 485,117,455/- & fees charged 0.39%. Management Fees accrued during the period is ₹ 1,894,294/- inclusive of statutory levies with service tax. As per SEBI regulations, Management fee is not charged on AMC's own Investments as well on fixed deposits in the portfolio (if any).

**(9) TOTAL EXPENSE RATIO & INVESTMENT MANAGEMENT FEES**

SEBI vide its Circular no. CIR/IMD/DF/21/2012 dated September 13, 2012 has allowed mutual funds to charge for additional expenses in addition to the maximum total expense ratio as permissible under Regulation 52 of SEBI. The allowed additional expenses are 30 bps of net assets for inflows beyond top 15 cities and additional 0.20 bps for additional expenses incurred under different heads and in lieu of crediting back the exit load to the Scheme and charge service tax charged on investment management fees. Quantum Mutual Fund has not charged additionally any of the above expenses allowed by SEBI Regulations. The Investment Management and Advisory fees charged by the AMC to the Scheme is within / equal to the total expense limit as prescribed by SEBI Regulations, as amended from time to time, with no sub-limit on the Investment Management and Advisory fees as currently mentioned under the respective Scheme Information Document of the schemes.

**(10) OTHER EXPENSES**

All other expenses of the Scheme are fully borne by the Quantum Asset Management Company Private Limited on behalf of Scheme.

**(11) INVESTOR EDUCATION EXPENSES**

SEBI vide its Circular no. CIR/IMD/DF/21/2012 dated September 13, 2012 has suggested Mutual Funds/AMCs to annually set apart at least 2 basis points on daily net assets for investor education and awareness initiatives. Quantum Asset Management Company Private Ltd sets aside and incurs the amount for investor education expenses.

**(12) 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 fees is borne by the AMC.

**(13) CUSTODY FEES**

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

**(14) 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.

**(15) 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.

**(16) CONTRACT PENDING DELIVERIES**

There were no contracts for sale or purchase pending deliveries as on March 31, 2014.

**(17) DISCLOSURE UNDER REGULATION 25(11) OF THE SEBI (MUTUAL FUNDS) REGULATIONS, 1996 AS AMENDED – NIL (PREVIOUS YEAR: NIL).**

**(18) 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 as of March 31, 2014, are presented below. The industry and company exposures are stated as a percentage of the Scheme's net assets as at March 31, 2014, as well as the aggregate investments in each investment category.

Asset Class & Security	Rating	Market Value (₹ in Lakhs)	% to Net Assets	% to Category
<b>SHORT TERM DEBT INSTRUMENTS</b>				
Unlisted/Private placed instruments		Nil	Nil	Nil
<b>MONEY MARKET INSTRUMENTS</b>				
<b>CERTIFICATE OF DEPOSIT</b>				
<b>BANKS</b>		<b>3,945.55</b>	<b>75.76%</b>	<b>100.00%</b>
Indian Bank CD (MD 03/06/2014)	IND A1+	985.36	18.92%	24.97%
IDBI Bank Ltd CD (MD 13/05/2014)	CARE A1+	495.02	9.51%	12.55%
Oriental Bank of Commerce CD (MD 19/05/2014)	CRISIL A1+	494.37	9.49%	12.53%
Corporation Bank CD (MD 22/05/2014)	CRISIL A1+	493.90	9.48%	12.52%
Axis Bank Ltd CD (MD 02/06/2014)	CRISIL A1+	492.70	9.46%	12.49%
Oriental Bank of Commerce CD (MD 04/06/2014)	CRISIL A1+	492.55	9.46%	12.48%
Punjab National Bank CD (MD 12/06/2014)	CRISIL A1+	491.65	9.44%	12.46%
<b>COMMERCIAL PAPER</b>		<b>490.53</b>	<b>9.42%</b>	<b>100.00%</b>
HDFC Ltd CP (MD 20/06/2014)	CRISIL A1+	490.53	9.42%	100.00%
<b>TREASURY BILL</b>		<b>49.10</b>	<b>0.94%</b>	<b>100.00%</b>
91Days T-bill (MD 19/06/2014)	Sovereign	49.10	0.94%	100.00%
<b>FIXED DEPOSIT</b>		<b>500.00</b>	<b>9.60%</b>	<b>100.00%</b>
9.65% Yes Bank Ltd FD (MD 26/06/2014)	FD	500.00	9.60%	100.00%
<b>Cash &amp; Cash Equivalent</b>				
Collateralised Borrowing & Lending Obligation (CBLO)		218.11	4.19%	
Net Receivable / (Payables)		4.54	0.09%	-
<b>Grand Total</b>		<b>5,207.83</b>	<b>100.00%</b>	<b>-</b>

**(19) BORROWINGS**

The Scheme has not made any borrowing during the year March 31, 2014 (Previous Year – Nil).

**(20) DERIVATIVES**

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

**(21) CREDIT DEFAULT SWAPS (CDS)**

The scheme has not entered in to CDS transactions during the year (Previous year - Nil).

**(22) 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.

**(23) CONTINGENT LIABILITIES**

The Contingent Liabilities as on 31<sup>st</sup> March 2014 is Nil (Previous Year – Nil).

**(24) UNCLAIMED DIVIDEND/REDEMPTION**

Unclaimed dividend/redemptions outstanding for more than 3 months as of 31<sup>st</sup> March 2014 is Nil (Previous Year-Nil).

**(25) DISCLOSURE OF TRANSACTIONS IN ACCORDANCE WITH ACCOUNTING STANDARD 18 – RELATED PARTY TRANSACTIONS AND AS PER REGULATION 25(8) OF SEBI MUTUAL FUND REGULATION 1996****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
G Corp Homes Private Limited	Associate
G:Corp Spaces Private Limited**	Associate
Ajit Dayal	Associate
QIEF Management (HK) Ltd*	Associate

\* Associate for the period 11<sup>th</sup> July 2013 to 13<sup>th</sup> November 2013

\*\* Associate with effect from 26<sup>th</sup> July 2013

**Other Schemes of the Fund**

Quantum Long Term Equity Fund

Quantum Gold Fund

Quantum Index Fund

Quantum Tax Saving Fund

Quantum Equity Fund of Fund

Quantum Gold Savings Fund

Quantum Multi Asset Fund

Transaction with the above mentioned related parties (in the nature of their independent investments) are provided below:

Name of the related party	Nature of transactions	For the Year ended March 31, 2014 (₹)	Balance as at March 31, 2014 (₹)	For the Year ended March 31, 2013 (₹)	Balance as at March 31, 2013 (₹)
Quantum Advisors Pvt. Ltd (QAPL)	Subscriptions	-	-	-	-
	Redemptions	-	-	-	-
	Net Assets value of investment at balance sheet date	-	19,010,101	-	17,417,673
Quantum Assets Management Co Pvt Ltd.	Subscription	-	-	-	-
	Redemptions	-	-	-	-
	Net Assets value of investment at balance sheet date	-	65,745,525	-	60,238,191
Quantum Trustee Company Private Ltd	Subscriptions	1,400,000	-	-	-
	Redemptions	-	-	-	-
	Net Assets value of investment at balance sheet date	-	1,436,992	-	-
Quantum Information Services Private Limited	Subscriptions	2,869	-	59,091	-
	Redemptions	-	-	1,900,000	-
	Net Assets value of investment at balance sheet date	-	46,801	-	43,854
Equitymaster Agora Research Private Ltd.	Subscriptions	8,650,000	-	8,200,000	-
	Redemptions	20,250,000	-	4,250,000	-
	Net Assets value of investment at balance sheet date	-	12,623,070	-	22,879,175
Primary Real Estate Advisors Pvt. Ltd.	Subscriptions	49,805,547	-	49,557,853	-
	Redemptions	51,325,803	-	53,500,000	-
	Net Assets value of investment at balance sheet date	-	292,417	-	1,727,378
Ajit Dayal	Subscriptions	-	-	-	-
	Redemption	-	-	-	-
	Net Assets value of investment at balance sheet date	-	262,943	-	240,917
Quantum Assets Management Co Pvt Ltd.	Management Fees	1,894,294	160,132	1,241,576	104,546

Quantum Gold Savings fund and Quantum Multi Asset Fund are fund of fund Scheme which as per their investment objective invests in other schemes of Quantum Mutual Fund as disclosed in the Scheme's offer document, hence information on their investment transactions have not been shown above.

**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, 2013 - March 31, 2014	1.33 cr. & 0.77%	Nil
Quantum Information Services Private Limited	Associate Company	April 01, 2012 - March 31, 2013	0.03 cr. & 0.05%	Nil

#### Disclosure Under Regulations 25 (8) Of The Sebi Regulations

- a) Underwriting obligations taken by the Scheme in respect of issues of securities of Associate companies: Nil (Previous Year: Nil).  
 b) Devolvement, if any: Nil (Previous Year: Nil).  
 c) Subscriptions by the schemes in the issues lead managed by Associate companies: Nil (Previous Year: Nil).  
 d) Subscription to any issue of equity or debt on private placement basis where the sponsor or its associate companies has acted as arranger or manager: Nil (Previous Year: Nil).

#### (26) INVESTMENTS IN GROUP COMPANIES

Quantum Liquid Fund has made Nil investment in group companies during the year ended March 31, 2014 (Previous Year – Nil).

#### (27) LARGE HOLDINGS

Unit holders holding over 25% of the Scheme's NAV is Nil as at the end of the year March 31, 2014 (Previous Year – Nil).

#### (28) HISTORICAL PER UNIT STATISTICS

The Historical per unit statistics are given in Annexure I.

#### (29) PRIOR PERIOD COMPARATIVES

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

For Quantum Trustee Company Pvt Ltd

sd/-  
Jagdish Capoor  
(Chairman)

sd/-  
Hormazdiyaar Vakil  
(Director)

For Quantum Asset Management Company Pvt Ltd

sd/-  
Ajit Dayal  
(Chairman)

sd/-  
Jimmy A. Patel  
(Chief Executive Officer)

sd/-  
C. Srinivasan  
(Director)

sd/-  
Murthy Nagarajan  
(Fund Manager)

M U T U A L F U N D

Profit with Process

**ANNEXURE 1  
QUANTUM LIQUID FUND  
HISTORICAL PER UNIT STATISTICS**

<b>Sr. No.</b>	<b>Particulars</b>	<b>As of 31.03.2014</b>	<b>As of 31.03.2013</b>	<b>As of 31.03.2012</b>
	<b>Face Value</b>	<b>₹ 10</b>	<b>₹ 10</b>	<b>₹ 10</b>
(a)	Net Asset Value			
(i)	Growth Option	18.0834	16.5686	15.2345#
(ii)	Daily Dividend Reinvestment Option	10.0183	10.0011	10.0000#
(iii)	Monthly Dividend Payout Option	10.0329	10.0089	10.0146#
(b)	Gross Income broken up into the following components			
(i)	Income other than profit on sale of investment	1.1933	0.9518	1.2980
(ii)	Income from profit on sale of investment to third party	0.0033	0.0037	0.0020
(iii)	Income from profit on inter-scheme sales/transfer of investment	-	-	-
(iv)	Transfer to revenue account from past year's reserve	-	-	-
	Gross Income	1.1966	0.9555	1.3000
(c)	Aggregate of expenses, write-off, amortization and charges	0.0527	0.0408	0.0511
(d)	Net Unrealised appreciation in value of investments	0.0216	(0.0009)	0.0000
(e)	Net Income per unit (excluding unrealized appreciation)	1.1439	0.9146	1.2489
(f)				
<b>I)</b>	<b>Highest Repurchase Price</b>			
i)	Growth Option	18.0834	16.5686	15.2346
ii)	Daily Dividend Reinvestment Option	10.0192	10.0079	10.0001
iii)	Monthly Dividend Payout Option	10.0921	10.0837	10.0782
<b>II)</b>	<b>Lowest Repurchase Price</b>			
i)	Growth Option	16.5862	15.2433	13.9699
ii)	Daily Dividend Reinvestment Option	9.9788	10.0000	10.0000
iii)	Monthly Dividend Payout Option	10.0013	10.0011	10.0011
<b>III)</b>	<b>Highest Resale Price</b>			
i)	Growth Option	18.0834	16.5686	15.2346
ii)	Daily Dividend Reinvestment Option	10.0192	10.0079	10.0001
iii)	Monthly Dividend Payout Option	10.0921	10.0837	10.0782
<b>IV)</b>	<b>Lowest Resale Price</b>			
i)	Growth Option	16.5862	15.2433	13.9699
ii)	Daily Dividend Reinvestment Option	9.9788	10.0000	10.0000
iii)	Monthly Dividend Payout Option	10.0013	10.0011	10.0011
<b>V)</b>	<b>Price earning Ratio</b>	NA	NA	NA
(g)	Ratio of expenses to average daily net assets (excluding Unrealized depreciation and amortization of deferred revenue Expenditure)	0.39%	0.37%	0.35%
(h)	Ratio of gross income to average daily net assets	8.87%	8.71%	8.99%

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

## INDEPENDENT AUDITORS' REPORT

TO

**THE BOARD OF TRUSTEES OF  
QUANTUM MUTUAL FUND**

**Report on the Financial Statements**

We have audited the accompanying financial statements of Quantum Gold Fund (the "Scheme"), which comprise the Balance Sheet as at March 31, 2014, and the Revenue Account and Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

*Management's Responsibility for the Financial Statements*

Trustees of **Quantum Mutual Fund** and Quantum Asset Management Company Private Limited are responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Scheme in accordance with the accounting policies and standards as specified in the Ninth Schedule of the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 and amendments thereto ("the Regulations"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

*Auditors' Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Scheme's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Regulations as applicable and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Scheme as at March 31, 2014;
- (b) in the case of the Revenue Account, of the surplus for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

QUANTUM  
MUTUAL FUND  
Profit with Process

**Report on Other Legal and Regulatory Requirements**

As required under the Regulations, we report that:

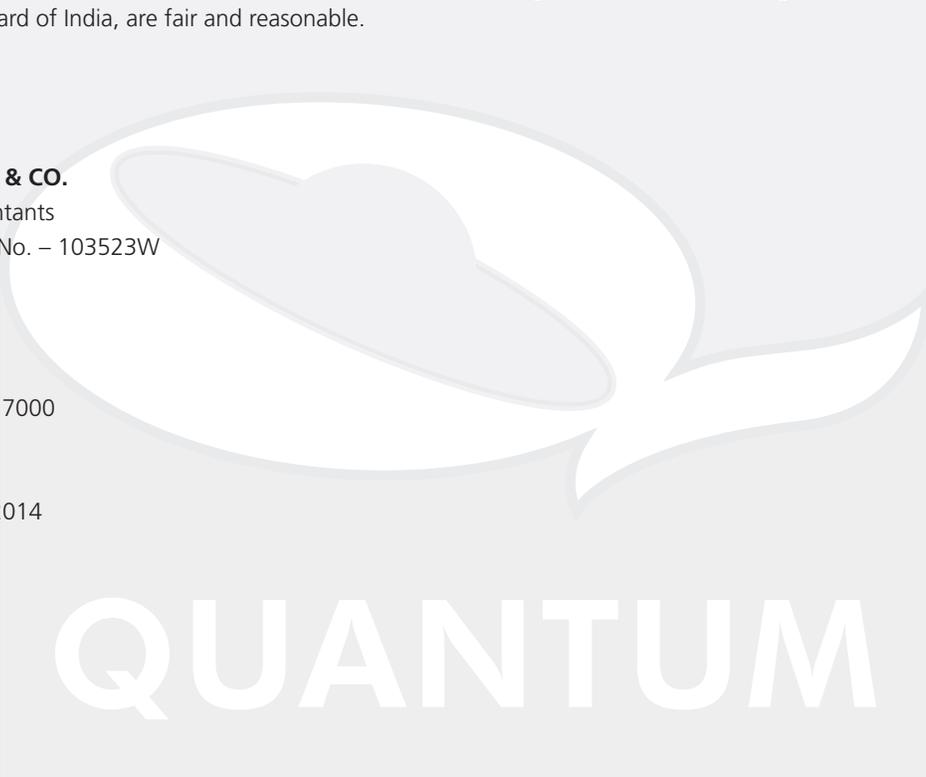
1. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
2. The Balance Sheet, Revenue Account, and Cash Flow Statement dealt with by this Report are in agreement with the books of account of the Scheme;
3. In our opinion, the Balance Sheet, Revenue Account, and Cash Flow Statement dealt with by this report have been prepared in accordance with the accounting policies and standards as specified in Ninth Schedule of the Regulations.
4. The methods used to value non traded securities, as determined by Quantum Asset Management Company Private Limited under procedures approved by the Trustees of Quantum Mutual Fund are in good faith and in accordance with the guidelines for valuation of securities for mutual funds as mentioned in the Eighth Schedule of the Regulations issued by the Securities and Exchange Board of India, are fair and reasonable.

For **HARIBHAKTI & CO.**  
Chartered Accountants  
Firm Registration No. – 103523W

sd/-

**CHETAN DESAI**  
Membership No 17000

Place: Mumbai  
Date: 20th May, 2014



QUANTUM

MUTUAL FUND  
Profit with Process

**QUANTUM GOLD FUND**  
**BALANCE SHEET AS AT 31<sup>st</sup> MARCH 2014**

	Schedule	31st March, 2014 Amount (₹)	31st March, 2013 Amount (₹)
<b>LIABILITIES</b>			
Unit Capital	'A'	46,036,300	44,236,300
Reserves and Surplus	'B'	552,557,292	579,993,082
Current Liabilities and Provisions	'C'	648,894	526,380
<b>Total</b>		<b>599,242,486</b>	<b>624,755,762</b>
<b>ASSETS</b>			
Investments	'D'	599,182,783	624,742,277
Other Current Assets	'E'	59,703	13,485
<b>Total</b>		<b>599,242,486</b>	<b>624,755,762</b>
Significant accounting policies and notes forming part of Accounts	'F'		

For Quantum Trustee Company Pvt Ltd

sd/-  
Jagdish Capoor  
(Chairman)

sd/-  
Hormazdiyaar Vakil  
(Director)

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

sd/-  
Chetan Desai  
Partner  
Membership No: 17000

Place : Mumbai  
Date : May 20, 2014

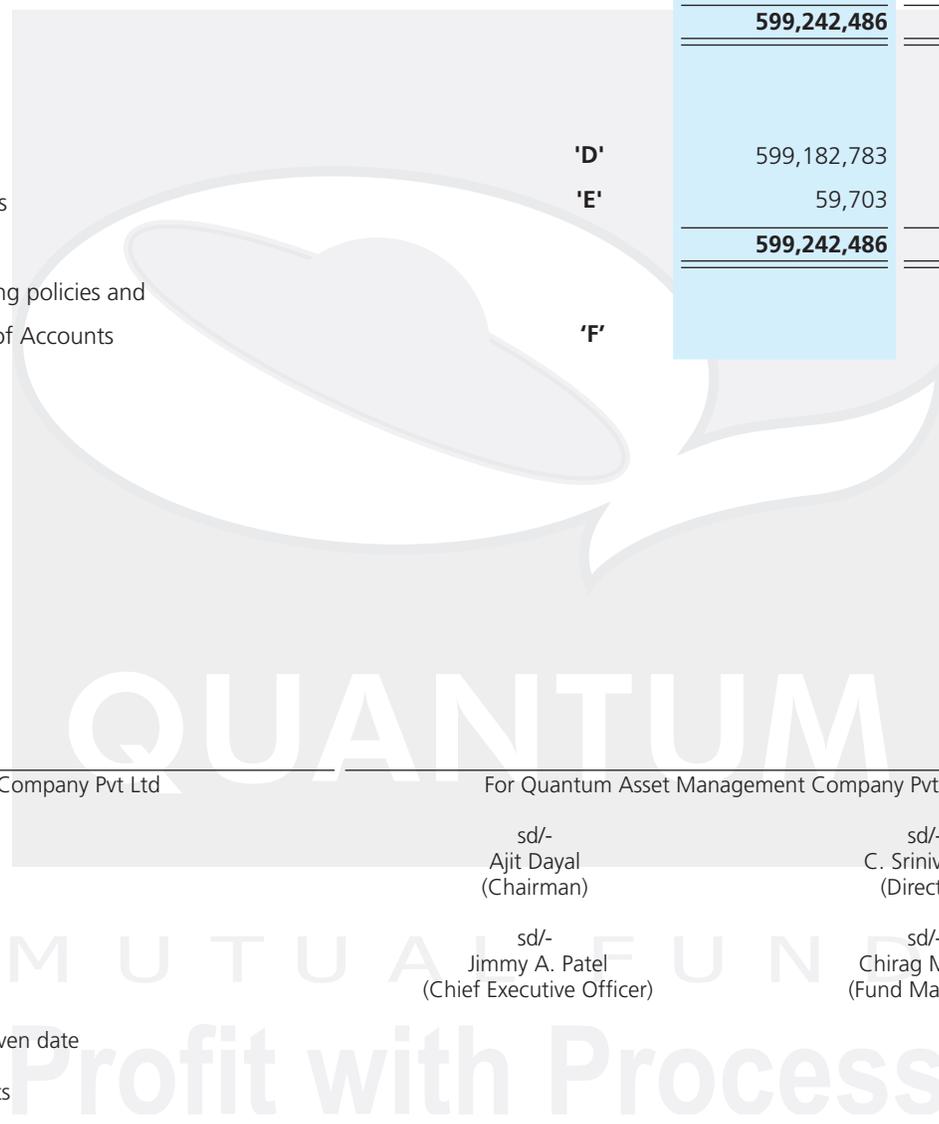
For Quantum Asset Management Company Pvt Ltd

sd/-  
Ajit Dayal  
(Chairman)

sd/-  
Jimmy A. Patel  
(Chief Executive Officer)

sd/-  
C. Srinivasan  
(Director)

sd/-  
Chirag Mehta  
(Fund Manager)



**QUANTUM GOLD FUND  
REVENUE ACCOUNT FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2014**

Schedule	31st March, 2014 Amount (₹)	31st March, 2013 Amount (₹)
<b>INCOME</b>		
Interest and Discount income	19,865	16,633
Profit on sale / redemption of investments (Other than inter-scheme transfer / sale)	8,517,530	19,306,638
<b>Total</b>	<b>8,537,395</b>	<b>19,323,271</b>
<b>EXPENSES AND LOSSES</b>		
Loss on sale / redemption of investments ( Other than inter-scheme transfers / sale)	44,286	26,009
Management Fees	6,140,156	6,032,666
<b>Total</b>	<b>6,184,442</b>	<b>6,058,675</b>
<b>Net Surplus / ( Deficit )</b>	<b>2,352,953</b>	<b>13,264,596</b>
<b>APPROPRIATION ACCOUNT FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2014</b>		
Net Surplus brought forward from previous year	26,709,315	11,313,281
Net Surplus / (Deficit) for the year	2,352,953	13,264,596
Transferred (to)/ from Equalisation Account	1,046,641	2,131,438
<b>Net Surplus / ( Deficit ) carried forward</b>	<b>30,108,909</b>	<b>26,709,315</b>

**Significant accounting policies and notes forming parts of Accounts**

**F**

For Quantum Trustee Company Pvt Ltd

For Quantum Asset Management Company Pvt Ltd

sd/-  
Jagdish Capoor  
(Chairman)

sd/-  
Ajit Dayal  
(Chairman)

sd/-  
C. Srinivasan  
(Director)

sd/-  
Hormazdiyaar Vakil  
(Director)

sd/-  
Jimmy A. Patel  
(Chief Executive Officer)

sd/-  
Chirag Mehta  
(Fund Manager)

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

sd/-  
Chetan Desai  
Partner  
Membership No: 17000

Place : Mumbai  
Date : May 20, 2014

**QUANTUM GOLD FUND**  
**SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31<sup>st</sup> MARCH, 2014**

	Units	31st March, 2014 Amount (₹)	Units	31st March, 2013 Amount (₹)
<b>SCHEDULE 'A'</b>				
<b>UNIT CAPITAL</b>				
<b>Initial Capital Issued and Subscribed :</b>				
Units of ₹ 100 each fully paidup	57,061	5,706,100	57,061	5,706,100
<b>Outstanding :</b>				
Unit Capital (Opening Balance)	442,363	44,236,300	380,363	38,036,300
<b>Add :</b> Subscription during the year	36,000	3,600,000	100,000	10,000,000
<b>Less :</b> Redemption during the year	18,000	1,800,000	38,000	3,800,000
<b>Unit Capital (Closing Balance)</b>	<b>460,363</b>	<b>46,036,300</b>	<b>442,363</b>	<b>44,236,300</b>
<b>SCHEDULE 'B'</b>				
<b>RESERVES &amp; SURPLUS</b>				
<b>Unit Premium</b>				
Opening Balance		369,214,901		285,733,430
<b>Add/(Less) :</b> Net Additions/(Deduction) during the year		17,790,409		85,612,909
<b>Add/(Less):-</b> Transferred (to) / from Equalisation Account		(1,046,641)		(2,131,438)
<b>Closing Balance</b>		<b>385,958,669</b>		<b>369,214,901</b>
<b>Equalisation Account</b>				
Transferred from / (to) Unit Premium Reserve		1,046,641		2,131,438
<b>Add/(Less):</b> Transferred (to) / from Revenue Account		(1,046,641)		(2,131,438)
<b>Closing Balance</b>		<b>-</b>		<b>-</b>
<b>Unrealised Appreciation in the value of investments (Net)</b>				
Opening Balance		184,068,866		181,771,973
<b>Add:</b> Net change during the year		(47,579,153)		2,296,893
<b>Closing Balance</b>		<b>136,489,713</b>		<b>184,068,866</b>
<b>Appropriation Account</b>				
Surplus/(Deficit) carried forward		30,108,909		26,709,315
<b>Total Reserves &amp; Surplus</b>		<b>552,557,292</b>		<b>579,993,082</b>
<b>SCHEDULE 'C'</b>				
<b>CURRENT LIABILITIES &amp; PROVISIONS</b>				
Management Fees Payable		478,181		421,099
Payable to Quantum Asset Management Co Pvt Ltd		45,000		-
Other Payables		125,713		105,281
<b>Total</b>		<b>648,894</b>		<b>526,380</b>
<b>SCHEDULE 'D'</b>				
<b>INVESTMENTS</b>				
Gold		599,156,791		624,510,360
Collateralised Borrowing & Lending Obligation*		25,992		231,917
<b>Total</b>		<b>599,182,783</b>		<b>624,742,277</b>
* CBLO investment are registered in the name of the Fund				
<b>SCHEDULE 'E'</b>				
<b>OTHER CURRENT ASSETS</b>				
Balances with Banks in Current Account**		14,703		13,294
Deposit with Gujarat Sales Tax Authority		45,000		-
Receivable from Quantum Asset Management Co. Pvt. Ltd.		-		191
<b>Total</b>		<b>59,703</b>		<b>13,485</b>
** Certain bank a/c are in the name of the Fund				

**QUANTUM GOLD FUND  
CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2014**

	<b>2013-14 Amount (₹)</b>	<b>2012-13 Amount (₹)</b>
<b>A. Cash flow/(deficit) from Operating Activities</b>		
Surplus for the year	2,352,953	13,264,596
Adjustments for:-		
(Increase)/Decrease in investments at cost (net)	(22,225,583)	(105,560,451)
(Increase)/Decrease in other current assets	(44,809)	570,055
Increase/(Decrease) in current liabilities	122,514	104,064
<b>Net cash generated from /(used in) operations (A)</b>	<b>(19,794,925)</b>	<b>(91,621,736)</b>
<b>B. Cash flow from Financing Activities</b>		
Increase/(Decrease) in unit capital	1,800,000	6,200,000
Increase/(Decrease) in unit premium reserve	17,790,409	85,612,909
<b>Net cash generated from /(used in) operations (B)</b>	<b>19,590,409</b>	<b>91,812,909</b>
<b>Net Increase/(Decrease) in Cash and cash equivalents (A + B)</b>	<b>(204,517)</b>	<b>191,173</b>
Cash and cash equivalents, beginning of the year	245,211	54,037
<b>Cash and cash equivalents, end of the year</b>	<b>40,695</b>	<b>245,211</b>
<b>Components of cash and cash equivalents</b>		
Balances with banks in current accounts	14,703	13,294
Collateralised borrowing & lending obligation	25,992	231,917
	<b>40,695</b>	<b>245,211</b>

For Quantum Trustee Company Pvt Ltd

For Quantum Asset Management Company Pvt Ltd

sd/-  
Jagdish Capoor  
(Chairman)

sd/-  
Ajit Dayal  
(Chairman)

sd/-  
C. Srinivasan  
(Director)

sd/-  
Hormazdiyaar Vakil  
(Director)

sd/-  
Jimmy A. Patel  
(Chief Executive Officer)

sd/-  
Chirag Mehta  
(Fund Manager)

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

sd/-  
Chetan Desai  
Partner  
Membership No: 17000

Place : Mumbai  
Date : May 20, 2014

## SCHEDULE 'F'

## 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. The Benchmark for the Scheme is Domestic Price of Gold.

All investment decisions, relating to the Scheme are being undertaken by the Fund Manager / Portfolio team in accordance with the SEBI Regulations and Investment Objectives as specified in the Scheme Information Document. The AMC has two committees for enabling investment decisions i.e. Board Investment Committee (BIC) and Key Employee Investment Committee (KIC). The Board of Directors of the AMC has the ultimate responsibilities of supervising investment activities. The Board of Directors has delegated its power with respect to approval / review of the investment activities to BIC and decision making authority with respect to the Investments to KIC except for the restrictions given in the investment policy from time to time.

Since inception, Quantum Mutual Fund is a Direct to investor Mutual Fund and does not charge / debit any distribution expenses to the schemes and does not pay any upfront or trail commission to distributors / intermediaries for investments routed through a distributor / intermediary whether empanelled with Quantum Mutual Fund or not. In accordance with the SEBI Circular No. Cir /IMD/DF/21/2012 dated September 13, 2012 SEBI allowed fund houses to launch direct plans with effect from January 01, 2013 wherein investor can invest directly in the Direct Plan and such Plan shall have lower expense ratio excluding distributor expense, commission etc and the Plan shall have a separate NAV. Quantum Mutual Fund has continued with existing plan & NAV and does not have separate plans for receiving any investment applications either through distributors or directly from investors.

## 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 SEBI (Mutual Funds) Regulations, 1996 and amendments thereto as applicable.

## (2.2) INVESTMENTS

## Accounting of Investments

## (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.

## (b) Others

Investments are accounted on the trade date. The Scheme uses the weighted 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

SEBI has outlined investment valuation norms for the mutual funds to compute and carry out valuation of its investment in its portfolio under Regulation 47 and Eighth Schedule of SEBI (Mutual Funds) Regulations, 1996 as amended from time to time.

SEBI vide its notification dated February 21, 2012 has amended Regulation 47 and Eighth Schedule and has mandated the mutual funds to value its investments on principal of fair valuation to ensure fair treatment to all investors including existing investors as well as investors seeking to purchase or redeem units of mutual funds in all schemes at all points of time.

The Board of Directors of Quantum Asset Management Company Private Limited ("AMC") and Quantum Trustee Company Private Limited ("Trustee") have approved the Investment Valuation Policy and the framework for valuation of investments of Quantum Mutual Fund in accordance with SEBI Notification dated February 21, 2012 effective from July 1, 2012 in its meeting held on May 25, 2012. It is based on principles of fair valuation which is reflective of realizable value of securities/assets and the same is being reviewed and approved by the Board from time to time. The said investment valuation policies reviewed by independent auditors and approved by the Board can be viewed at [www.quantummf.com](http://www.quantummf.com).

The Investments are valued at Mark to Market as stated below:-

**A. GOLD:**

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).

- i. LBMA Gold Fixing: As per SEBI Guidelines Gold is valued at AM fixing price available on the LBMA site for the day. In case the LBMA AM Fix is not published on a particular day then an average international spot gold price rate prevailing on that day between half an hour before the London AM Fix time to half an hour later then the London AM Fix time is considered. This is done to value gold as close as possible to the fair value prevailing on the particular day when the LBMA Fix price is unavailable.
- ii. The Gold Premium and fixing charges for valuation purpose is fixed on 1st working day of every month and same will be applicable for that month. Valuation committee decides the same.
- iii. LBMA Gold price is quoted for USD/Oz for 999 fineness. For conversion of Troy Ounces to Kilogram we use the NYMEX conversion factor of 31.99 Troy ounces per kilogram for 995 purity. The fineness quotient is to be adjusted by using the factor 0.995996 (0.995/0.999) In Case if the gold lying in stock is of 999 fineness, the conversion factor would be 32.12 for 999 fineness.
- iv. To convert it into ₹ /Kg, it has to be multiplied by INR reference rate from RBI. In case RBI reference rate for any day is not published the latest available reference rate is considered.
- v. The Indian levies in the form of custom duty, stamp duty, Octroi duty, VAT are added as applicable and as prescribed by relevant authorities to arrive at the final landed price of gold.

**B. DEBT & MONEY MARKET INSTRUMENTS:**

With effect from 1st Aug 2012 Quantum Asset Management Company Private Limited has obtained the services of ICRA Management Consulting Services Limited (IMaCS) for valuation of debt and money market instruments/security held in Quantum Mutual fund scheme's portfolio. The instruments/securities are valued at prices as provided by IMaCS.

- a) Government Securities, State Development Loan and Treasury Bills are valued based on the security level valuation prices provided by IMaCS.

- b) CBLO, Repos and Fixed Deposits are valued on interest accrual/ amortization basis.

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.

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.

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.

Other income is accounted as and when realized.

**(2.4) TOTAL EXPENSES**

Expenses are accrued on daily basis within the limits specified under Regulation 52 of SEBI (Mutual Funds) Regulations.

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

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

**3. NOTES TO ACCOUNTS****(1) MOVEMENT IN UNIT CAPITAL**

Particulars	2013-14		2012-13	
	Units	Amount (₹)	Units	Amount (₹)
<b>Units of ₹ 100 each fully paid up</b>				
<b>Regular Growth</b>				
Units at the beginning of the year	442,363	44,236,300	380,363	38,036,300
- Issued during the year	36,000	3,600,000	100,000	10,000,000
- Redeemed during the year	(18,000)	(1,800,000)	(38,000)	(38,00,000)
Units at the end of the year	460,363	46,036,300	442,363	44,236,300

**(2) VALUE OF INVESTMENTS**

The Cost and Market Value/Fair Value of Investments is given below:

Investments	March 31, 2014		March 31, 2013	
	Cost (₹)	Market Value (₹)	Cost (₹)	Market Value (₹)
Gold	462,667,078	599,156,791	440,441,494	624,510,360
Collateralised Borrowing & Lending Obligation (CBLO)	25,992	25,992	231,917	231,917
Total	462,693,070	599,182,783	440,673,411	624,742,277

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

Particulars	March 31, 2014 (₹)	March 31, 2013 (₹)
<b>Gold</b>		
Unrealised Appreciation	136,489,713	184,068,866
Unrealised Depreciation	-	-
Net Unrealised Appreciation/ (Depreciation)	136,489,713	184,068,866

**(4) NON PERFORMING INVESTMENTS**

Year	Type of Investments	Carrying Value Amount (₹)	Market value Amount (₹)	Provisions
2013-14	Nil	Nil	Nil	Nil
2012-13	Nil	Nil	Nil	Nil

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

Particulars	2013-14		2012-13	
	Amount (in ₹)	% of daily average Net Assets	Amount (in ₹)	% of daily average Net Assets
Purchases*	48,145,636	7.84%	156,054,088	25.87%
Sales/Redemptions*	34,396,393	5.60%	69,774,266	11.57%

(\*Purchases & Sales is excluding CBLO & Fixed Deposits.)

**(6) NET ASSET VALUE**

Net Asset Value (NAV) per unit having Face Value of ₹ 100 is as given below:

Option	NAV (March 31, 2014) (₹)	NAV (March 28, 2013)* (₹)
Growth Option	1,300.2643	1,411.2402

\* As 29th, 30th & 31st March, 2013 was a Non-business day, NAV of 28th March, 2013 has been disclosed.

**(7) INCOME AND EXPENDITURE**

The total income and expenditure and its percentage to the Scheme's average daily net assets on an annualized basis are provided below:

Particulars	2013-14		2012-13	
	Amount (in ₹)	% of daily average Net Assets	Amount (in ₹)	% of daily average Net Assets
Income*	8,493,104	1.38%	19,297,264	3.20%
Expenditure	6,140,156	1.00%	6,032,666	1.00%

(\*Income is net off losses on sale of Investments and excluding unrealized appreciation)

**(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 ₹ 614,015,569/- & fees charged 1.00%, Management Fees accrued during the period ended March 31, 2014 is ₹ 6,140,156/- inclusive of statutory levies with service tax. As per SEBI regulations, Management fee is not charged on AMC's own Investments.

**(9) TOTAL EXPENSE RATIO**

SEBI vide its Circular no. CIR/IMD/DF/21/2012 dated September 13, 2012 has allowed mutual funds to charge for additional expenses in addition to the maximum total expense ratio as permissible under Regulation 52 of SEBI. The allowed additional expenses are 30 bps of net assets for inflows beyond top 15 cities and additional 0.20 bps for additional expenses incurred under different heads and in lieu of crediting back the exit load to the Scheme and charge service tax charged on investment management fees. Quantum Mutual Fund has not charged additionally any of the above expenses allowed by SEBI Regulations. The Investment Management and Advisory fees charged by the AMC to the Scheme is within / equal to the total expense limit as prescribed by SEBI Regulations, as amended from time to time, with no sub-limit on the Investment Management and Advisory fees as currently mentioned under the respective Scheme Information Document of the schemes.

**(10) OTHER EXPENSES**

All other expenses of the Scheme are fully borne by the Quantum Asset Management Company Private Limited on behalf of Scheme.

**(11) INVESTOR EDUCATION EXPENSES**

SEBI vide its Circular no. CIR/IMD/DF/21/2012 dated September 13, 2012 has suggested Mutual Funds/AMCs to annually set apart at least 2 basis points on daily net assets for investor education and awareness initiatives. Quantum Asset Management Company Private Ltd sets aside and incurs the amount for investor education expenses.

**(12) 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.

**(13) CUSTODY FEES**

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

**(14) 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.

**(15) 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.

**(16) CONTRACTS PENDING DELIVERIES**

There were no contracts for purchase and sale pending deliveries as on March 31, 2014.

**(17) DISCLOSURE UNDER REGULATION 25(11) OF THE SEBI (MUTUAL FUNDS) REGULATIONS, 1996 AS AMENDED-**  
Not applicable.**(18) 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, 2014, are presented below. The industry and company exposures are stated as a percentage of the Scheme's net assets as at March 31, 2014, as well as the aggregate investments in each investment category.

Investments	Quantity	Market Value (₹ in Lakhs)	% to Net Assets	% to category
<b>Gold</b>		<b>5,991.56</b>	<b>100.09%</b>	<b>100.00%</b>
Gold 1 kg Bar (0.995 Fineness)	210	5,868.53	98.04%	97.95%
Gold 100 Gram Bar (0.995 Fineness)	38	106.20	1.77%	1.77%
Gold 100 Gram Bar (0.999 Fineness)	6	16.83	0.28%	0.28%
<b>Cash &amp; Cash Equivalent</b>		<b>(5.62)</b>	<b>-0.09%</b>	
Collateralised Borrowing & Lending Obligation (CBLO)		0.26	0.00%	
Net Receivable / (Payables)		(5.88)	-0.09%	
<b>Total</b>		<b>5,985.94</b>	<b>100.00%</b>	

**(19) BORROWINGS**

The Scheme has not made any borrowing during the current financial year (Previous Year- Nil).

**(20) DERIVATIVES**

The Scheme has no exposure to derivative products during the current financial year (Previous Year- Nil).

**(21) CREDIT DEFAULT SWAPS (CDS)**

The scheme has not entered in to CDS transaction during the year (Previous year - Nil).

**(22) 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.

**(23) CONTINGENT LIABILITIES**

Pursuant to completion of the assessment for financial year 2009-2010, the Sales Tax Department, Government of Maharashtra ("Sales Tax Department"), has rejected the claim for refund of Net Value Added Tax ("VAT") receivable for ₹ 784,948/- and disallowed Set-off claim of ₹ 28,496.58/- in the said year. The said order dated 27th March 2014 has been received on 7th May 2014 wherein the department has raised demand of VAT liability of ₹ 28,496.58/- by rejecting the set-off claim and interest thereon amounting to ₹ 19,260/- The total demand by Sales tax authorities is ₹ 47,756.58.

The Investment manager of the scheme is currently in the process of filing an appeal against the order received and an application of stay for payment of the demand raised by the Sales Tax Department. Additionally, based on refund received for financial year 2007-2008, the Investment Manager of the scheme believes that its position will likely be upheld in the appellate process. As a result, the above amounts have not been provided in the NAV. If the scheme was to provide for the above liabilities i.e. ₹ 47,758.58, the NAV per unit as on March 31, 2014 would have been lower by 0.008% i.e. by 0.10 paise.

Furthermore, considering the order for the year 2009-2010, the Sales Tax Department may seek to disallow the claims for other periods as well, the assessments of which have not yet been completed by the Sales Tax Department. As on March 31, 2014 the Scheme carries VAT receivable amounting to ₹ 39,65,260/- after claiming set off of input tax paid amounting to ₹ 15,75,691/- for the financial years from 2008-2009 to 2013-2014 for the trades done in Mumbai.

**(24) UNCLAIMED REDEMPTION**

Unclaimed redemptions outstanding for more than 3 months as of 31st March 2014 is Nil (Previous Year-Nil).

**(25) DISCLOSURE OF TRANSACTIONS IN ACCORDANCE WITH ACCOUNTING STANDARD 18 – RELATED PARTY TRANSACTIONS AND AS PER REGULATION 25(8) OF SEBI MUTUAL FUND REGULATION 1996.**

**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
G Corp Homes Private Limited	Associate
G:Corp Spaces Private Limited**	Associate
Ajit Dayal	Associate
QIEF Management (HK) Ltd*	Associate

\* Associate for the period 11th July 2013 to 13th November 2013

\*\* Associate with effect from 26th July 2013

**Other Schemes of the Fund**

Quantum Long Term Equity Fund

Quantum Liquid Fund

Quantum Index Fund

Quantum Tax Saving Fund

Quantum Equity Fund of Fund

Quantum Gold Savings Fund

Quantum Multi Asset Fund

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Transaction with the above mentioned related parties (in the nature of their independent investments) are provided below:

Name of the related party	Nature of transactions	Year ended March 31, 2014 (₹)	Balance as at March 31, 2014 (₹)	Year ended March 31, 2013 (₹)	Balance as at March 31, 2013 (₹)
Quantum Advisors Pvt. Ltd (QAPL)	Subscription	11,199,035	-	7,469,448	-
	Redemption	7,030,784	-	7,928,344	-
	Net Assets value of investment at balance sheet date	-	6,064,433	-	1,971,503
Ajit Dayal	Subscription	2,433,502	-	-	-
	Redemption	-	-	-	-
	Net Assets value of investment at balance sheet date	-	8,867,803	-	7,140,875
Quantum Asset Management Co Pvt. Ltd.	Management Fees	6,140,156	478,181	6,032,666	421,099

Quantum Gold Savings fund and Quantum Multi Asset Fund are fund of fund Scheme which as per their investment objective invests in other schemes of Quantum Mutual Fund as disclosed in the Scheme's offer document, hence information on their investment transactions have not been shown above.

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

- Brokerage paid to Associate Companies during the current financial year - Nil (Previous year – Nil).
- Commission paid to Associate Companies during the current financial year- Nil (Previous year – Nil).

**DISCLOSURE UNDER REGULATIONS 25 (8) OF THE SEBI REGULATIONS**

- Underwriting obligations taken by the Scheme in respect of issues of securities of Associate companies: Nil (Previous Year - Nil).
- Devolvement, if any: Nil (Previous Year - Nil).
- Subscriptions by the Schemes in the issues lead managed by Associate companies- Nil (Previous Year - Nil).
- Subscription to any issue of equity or debt on private placement basis where the sponsor or its associate companies has acted as arranger or manager- Nil (Previous Year- Nil).

**(26) INVESTMENTS IN GROUP COMPANIES**

Quantum Gold Fund has made Nil investment in group companies during the year ended March 31, 2014 (Previous Year – Nil).

**(27) LARGE HOLDINGS**

Unit holders holding over 25% of the Scheme of NAV is Nil as at the end of the year March 31, 2014 (Previous Year – Nil).

**(28) HISTORICAL PER UNIT STATISTICS**

The Historical per Unit statistics are given in Annexure I.

**(28) PRIOR PERIOD COMPARATIVES**

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

For Quantum Trustee Company Pvt Ltd

sd/-  
Jagdish Capoor  
(Chairman)

sd/-  
Hormazdiyaar Vakil  
(Director)

For Quantum Asset Management Company Pvt Ltd

sd/-  
Ajit Dayal  
(Chairman)

sd/-  
Jimmy A. Patel  
(Chief Executive Officer)

sd/-  
C. Srinivasan  
(Director)

sd/-  
Chirag Mehta  
(Fund Manager)

**ANNEXURE 1  
QUANTUM GOLD FUND  
HISTORICAL PER UNIT STATISTICS**

<b>Sr. No.</b>	<b>Particulars</b>	<b>As of 31.03.2014</b>	<b>As of 31.03.2013</b>	<b>As of 31.03.2012</b>
	<b>Face Value</b>	<b>₹ 100/-</b>	<b>₹ 100/-</b>	<b>₹ 100/-</b>
(a)	Net Assets Value, per unit - Growth Option	1,300.2643	1,411.2402	1,358.8837
(b)	Gross Income per-unit broken up into the following components			
(i)	income other than profit on sale of investment, per unit	0.0431	0.0376	0.0313
(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	18.4056	43.5855	9.9761
(iv)	transfer to revenue account from past years' reserve, per unit	-	-	-
(c)	Aggregate of expenses, write off, amortisation and charges, per-unit	13.3376	13.6374	10.9859
(d)	Net unrealized appreciation in value of investments	296.4828	416.1037	477.8908
(e)	Net Income per unit (excluding unrealized appreciation)	5.1111	29.9858	(0.9786)
(f)				
(i)	Highest sale price	1618.2596	1,547.7900	1,409.0144
(ii)	Lowest sale price	1191.3682	1,334.3290	1,005.2214
(iii)	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)	1.00%	1.00%	1.00%
(h)	Ratio of income to Average daily net assets by % (exclusive of unrealized appreciation)	1.38%	3.20%	0.91%

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

## INDEPENDENT AUDITORS' REPORT

TO

**THE BOARD OF TRUSTEES OF  
QUANTUM MUTUAL FUND**

**Report on the Financial Statements**

We have audited the accompanying financial statements of Quantum Index Fund (the "Scheme"), which comprise the Balance Sheet as at March 31, 2014, and the Revenue Account and Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

*Management's Responsibility for the Financial Statements*

Trustees of **Quantum Mutual Fund** and Quantum Asset Management Company Private Limited are responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Scheme in accordance with the accounting policies and standards as specified in the Ninth Schedule of the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 and amendments thereto ("the Regulations"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

*Auditors' Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Scheme's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Regulations as applicable and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Scheme as at March 31, 2014;
- (b) in the case of the Revenue Account, of the deficit for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

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**Report on Other Legal and Regulatory Requirements**

As required under the Regulations, 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, Revenue Account, and Cash Flow Statement dealt with by this Report are in agreement with the books of account of the Scheme;
3. In our opinion, the Balance Sheet, Revenue Account, and Cash Flow Statement dealt with by this report have been prepared in accordance with the accounting policies and standards as specified in Ninth Schedule of the Regulations.
4. The methods used to value non traded securities, as determined by Quantum Asset Management Company Private Limited under procedures approved by the Trustees of Quantum Mutual Fund are in good faith and in accordance with the guidelines for valuation of securities for mutual funds as mentioned in the Eighth Schedule of the Regulations issued by the Securities and Exchange Board of India, are fair and reasonable.

For **HARIBHAKTI & CO.**

Chartered Accountants

Firm Registration No. – 103523W

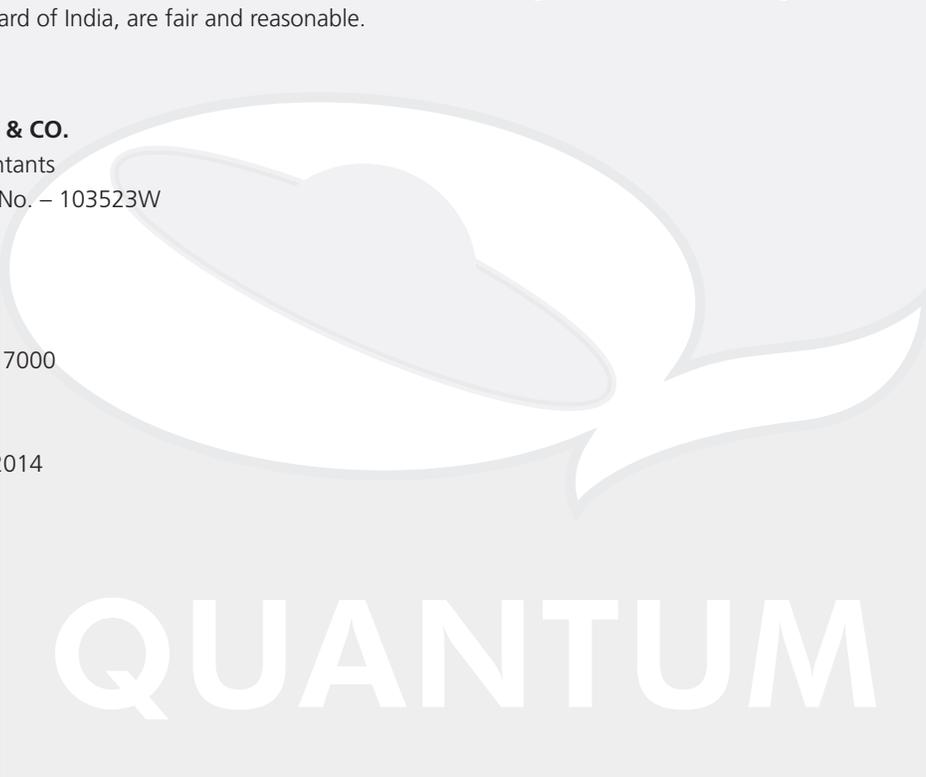
sd/-

**CHETAN DESAI**

Membership No 17000

Place: Mumbai

Date: 20th May, 2014



QUANTUM

MUTUAL FUND  
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**QUANTUM INDEX FUND**  
**BALANCE SHEET AS AT 31<sup>st</sup> MARCH, 2014**

	Schedule	31st March, 2014 Amount (₹)	31st March, 2013 Amount (₹)
<b>LIABILITIES</b>			
Unit Capital	'A'	331,460	371,460
Reserves and Surplus	'B'	22,780,743	21,365,132
Current Liabilities and Provisions	'C'	554,980	9,373
<b>Total</b>		<b>23,667,183</b>	<b>21,745,965</b>
<b>ASSETS</b>			
Investments	'D'	23,093,038	21,723,096
Other Current Assets	'E'	574,145	22,869
<b>Total</b>		<b>23,667,183</b>	<b>21,745,965</b>
Significant account policies and Notes forming part of Accounts	'F'		

For Quantum Trustee Company Pvt Ltd

sd/-  
Jagdish Capoor  
(Chairman)

sd/-  
Hormazdiyaar Vakil  
(Director)

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

sd/-  
Chetan Desai  
Partner  
Membership No: 17000

Place : Mumbai  
Date : May 20, 2014

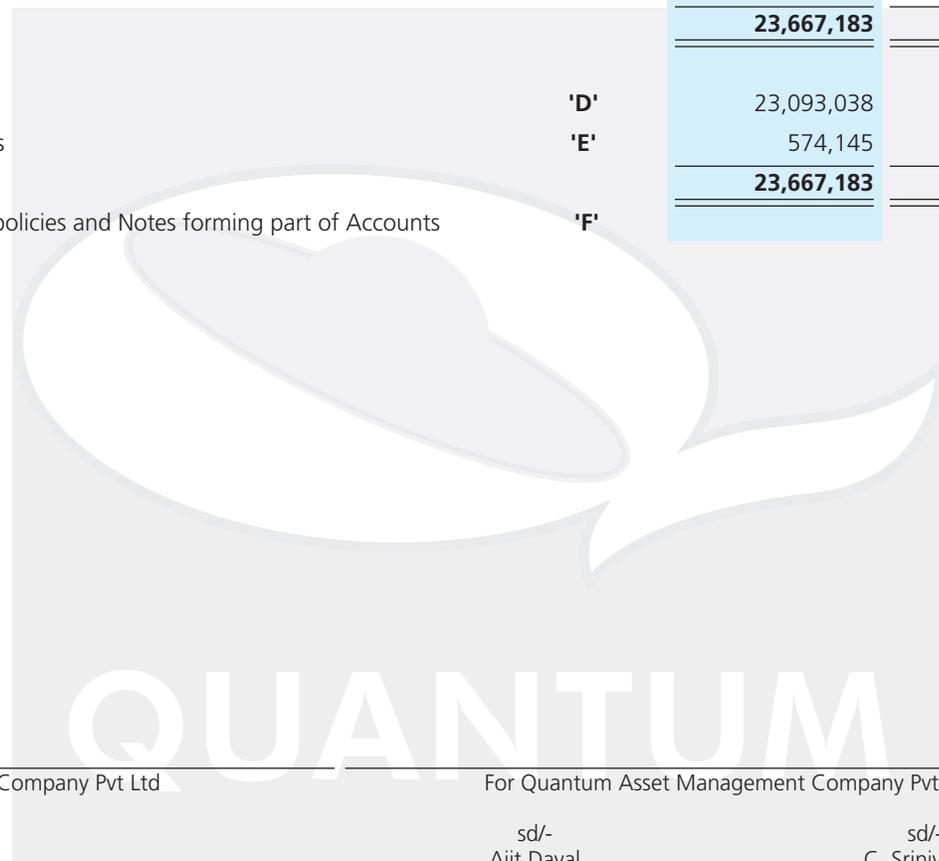
For Quantum Asset Management Company Pvt Ltd

sd/-  
Ajit Dayal  
(Chairman)

sd/-  
Jimmy A. Patel  
(Chief Executive Officer)

sd/-  
C. Srinivasan  
(Director)

sd/-  
Hitendra Parekh  
(Fund Manager)



Profit with Process

**QUANTUM INDEX FUND  
REVENUE ACCOUNT FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2014**

Schedule	31st March, 2014 Amount (₹)	31st March, 2013 Amount (₹)
<b>INCOME</b>		
Dividend	382,618	300,815
Interest and Discount income	3,177	2,875
Profit on sale / redemption of investments (Other than inter-scheme transfer / sale)	1,254,840	54,430
<b>Total</b>	<b>1,640,635</b>	<b>358,120</b>
<b>EXPENSES AND LOSSES</b>		
Loss on sale / redemption of investments ( Other than inter-scheme transfers / sale)	365,781	331,754
Management Fees	110,826	100,002
<b>Total</b>	<b>476,607</b>	<b>431,756</b>
<b>Net Surplus / ( Deficit )</b>	<b>1,164,028</b>	<b>(73,636)</b>
<b>APPROPRIATION ACCOUNT FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2014</b>		
Net Surplus brought forward from previous year	2,406,533	2,082,591
Net Surplus / (Deficit) for the year	1,164,028	(73,636)
Transferred (to)/ from Equalisation Account	(343,403)	397,578
<b>Net Surplus / ( Deficit ) carried forward</b>	<b>3,227,158</b>	<b>2,406,533</b>
Significant accounting policies and notes forming part of Accounts	<b>F</b>	

For Quantum Trustee Company Pvt Ltd

sd/-  
Jagdish Capoor  
(Chairman)

sd/-  
Hormazdiyaar Vakil  
(Director)

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

sd/-  
Chetan Desai  
Partner  
Membership No: 17000

Place : Mumbai  
Date :May 20, 2014

For Quantum Asset Management Company Pvt Ltd

sd/-  
Ajit Dayal  
(Chairman)

sd/-  
Jimmy A. Patel  
(Chief Executive Officer)

sd/-  
C. Srinivasan  
(Director)

sd/-  
Hitendra Parekh  
(Fund Manager)

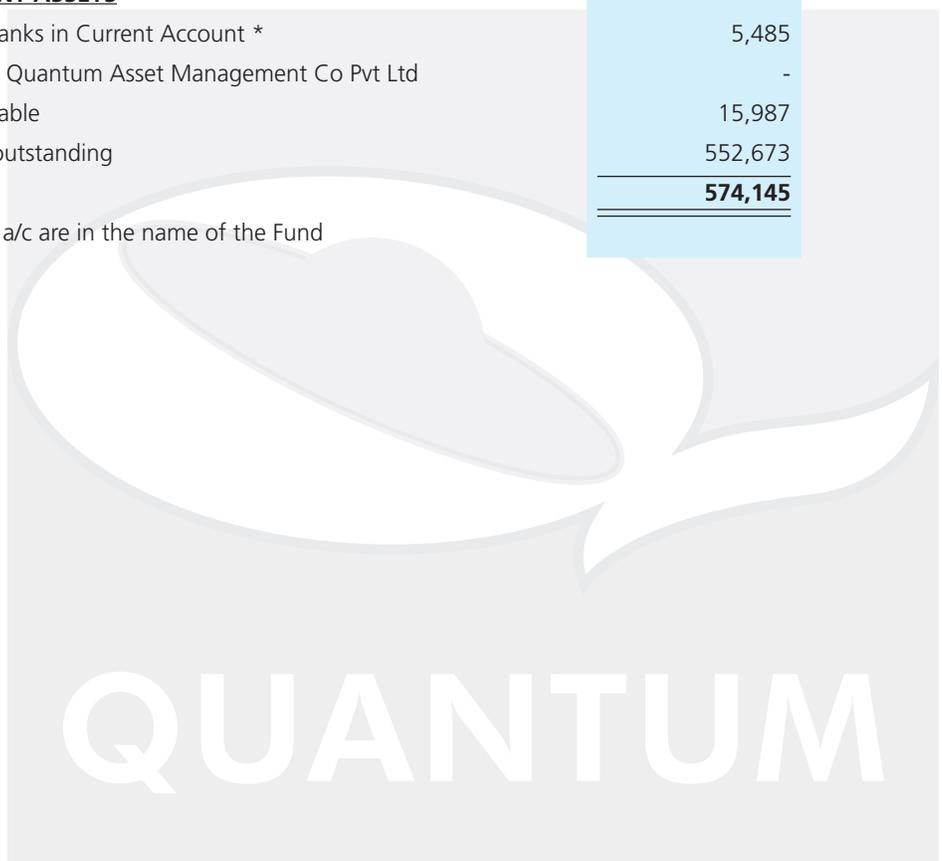
## QUANTUM INDEX FUND

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31<sup>st</sup> MARCH, 2014

	31st March, 2014		31st March, 2013	
	Units	Amount (₹)	Units	Amount (₹)
<b>SCHEDULE 'A'</b>				
<b>UNIT CAPITAL</b>				
<b>Initial Capital Issued and Subscribed :</b>				
Units of ₹ 10 each fully paidup	39,146	391,460	39,146	391,460
<b>Outstanding :</b>				
Unit Capital {Opening Balance}	37,146	371,460	31,146	311,460
<b>Add</b> : Subscription during the year	-	-	6,000	60,000
<b>Less</b> : Redemption during the year	4,000	40,000	-	-
<b>Unit Capital (Closing Balance)</b>	<b>33,146</b>	<b>331,460</b>	<b>37,146</b>	<b>371,460</b>
<b>SCHEDULE 'B'</b>				
<b>RESERVES &amp; SURPLUS</b>				
<b>Unit Premium</b>				
Opening Balance		14,877,657		11,994,722
<b>Add\Less</b> : Net Additions/(Deduction) during the year		(2,507,482)		3,280,513
<b>Add\Less</b> :-Transferred (to) / from Equalisation Account		343,403		(397,578)
<b>Closing Balance</b>		<b>12,713,578</b>		<b>14,877,657</b>
<b>Equalisation Account</b>				
Transferred from / (to) Unit Premium Reserve		(343,403)		397,578
<b>Add\Less</b> : Transferred to / (from) Revenue Account		343,403		(397,578)
<b>Closing Balance</b>		-		-
<b>Unrelaised Appreciation in the value of investments (Net)</b>				
Opening Balance		4,080,942		2,408,445
<b>Add</b> :Net change during the year		2,759,065		1,672,497
		<b>6,840,007</b>		<b>4,080,942</b>
<b>Appropriation Account</b>				
Surplus/(Deficit) carried forward		<b>3,227,158</b>		<b>2,406,533</b>
<b>Total Reserves &amp; Surplus</b>		<b>22,780,743</b>		<b>21,365,132</b>
<b>SCHEDULE 'C'</b>				
<b>CURRENT LIABILITIES &amp; PROVISIONS</b>				
Management Fees Payable		8,572		7,498
Purchase Contract outstanding		545,455		-
Other Payables		953		1,875
<b>Total</b>		<b>554,980</b>		<b>9,373</b>

	Units	31st March, 2014 Amount (₹)	Units	31st March, 2013 Amount (₹)
<b>SCHEDULE 'D'</b>				
<b><u>INVESTMENTS</u></b>				
Equity shares		23,093,038		21,723,096
<b>Total</b>		<b><u>23,093,038</u></b>		<b><u>21,723,096</u></b>
 <b>SCHEDULE 'E'</b>				
<b><u>OTHER CURRENT ASSETS</u></b>				
Balances with Banks in Current Account *		5,485		10,102
Recievable from Quantum Asset Management Co Pvt Ltd		-		49
Dividend Receivable		15,987		12,718
Sales Contract outstanding		552,673		-
		<b><u>574,145</u></b>		<b><u>22,869</u></b>

\* Certain bank a/c are in the name of the Fund



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

**QUANTUM INDEX FUND**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2014**

	2013-14 Amount (₹)	2012-13 Amount (₹)
<b>A. Cash flow/(deficit) from Operating Activities</b>		
Surplus for the year	1,164,028	(73,636)
Adjustments for:-		
(Increase)/Decrease in investments at cost (net)	1,389,123	(3,264,719)
(Increase)/Decrease in other current assets	(555,893)	(9,705)
Increase/(Decrease) in current liabilities	545,607	2,254
<b>Net cash generated from /(used in) operations (A)</b>	<b>2,542,864</b>	<b>(3,345,806)</b>
<b>B. Cash flow from Financing Activities</b>		
Increase/(Decrease) in unit capital	(40,000)	60,000
Increase/(Decrease) in unit premium reserve	(2,507,482)	3,280,513
<b>Net cash generated from /(used in) operations (B)</b>	<b>(2,547,482)</b>	<b>3,340,513</b>
<b>Net Increase/(Decrease) in Cash and cash equivalents (A + B)</b>	<b>(4,617)</b>	<b>(5,293)</b>
Cash and cash equivalents, beginning of the year	10,102	15,395
<b>Cash and cash equivalents, end of the year</b>	<b>5,485</b>	<b>10,102</b>
<b>Components of cash and cash equivalents</b>		
Balances with banks in current accounts	5,485	10,102
	<b>5,485</b>	<b>10,102</b>

For Quantum Trustee Company Pvt Ltd

sd/-  
Jagdish Capoor  
(Chairman)

sd/-  
Hormazdiyaar Vakil  
(Director)

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

sd/-  
Chetan Desai  
Partner  
Membership No: 17000

Place : Mumbai  
Date : May 20, 2014

For Quantum Asset Management Company Pvt Ltd

sd/-  
Ajit Dayal  
(Chairman)

sd/-  
Jimmy A. Patel  
(Chief Executive Officer)

sd/-  
C. Srinivasan  
(Director)

sd/-  
Hitendra Parekh  
(Fund Manager)

**SCHEDULE 'F'**

**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 CNX Nifty Index and endeavor 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 CNX Nifty Index with the intention of minimizing the performance differences between the Scheme and the CNX Nifty Index in capital terms, subject to market liquidity, costs of trading, management expenses and other factors which may cause tracking error. The Scheme has one Option i.e. Growth Option. The Benchmark for the Scheme is CNX Nifty Total Return Index.

Quantum Index Fund – Exchange Traded Fund ("QIF") Scheme is Rajiv Gandhi Equity Savings Scheme (RGESS) compliant with effect from January 07, 2013. Investments made in by a new retail investor as defined in the Notification of Ministry of Finance and SEBI circular and who complies with the conditions of the RGESS as prescribed in the Notification as amended from time to time shall be entitled to the benefits of the RGESS.

All investment decisions, relating to the Scheme are being undertaken by the Fund Manager / Portfolio team in accordance with the SEBI Regulations and Investment Objectives as specified in the Scheme Information Document. The AMC has two committees for enabling investment decisions i.e. Board Investment Committee (BIC) and Key Employee Investment Committee (KIC). The Board of Directors of the AMC has the ultimate responsibilities of supervising investment activities. The Board of Directors has delegated its power with respect to approval / review of the investment activities to BIC and decision making authority with respect to the Investments to KIC except for the restrictions given in the investment policy from time to time.

Since inception, Quantum Mutual Fund is a Direct to investor Mutual Fund and does not charge / debit any distribution expenses to the schemes and does not pay any upfront or trail commission to distributors / intermediaries for investments routed through a distributor / intermediary

whether empanelled with Quantum Mutual Fund or not. In accordance with the SEBI Circular No. Cir /IMD/ DF/21/2012 dated September 13, 2012 SEBI allowed fund houses to launch direct plans with effect from January 01, 2013 wherein investor can invest directly in the Direct Plan and such Plan shall have lower expense ratio excluding distributor expense, commission etc and the Plan shall have a separate NAV. Quantum Mutual Fund has continued with existing plan & NAV and does not have separate plans for receiving any investment applications either through distributors or directly from investors.

**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 SEBI (Mutual Funds) Regulations, 1996 and amendments thereto as applicable.

**(2.2) INVESTMENTS**

**ACCOUNTING OF INVESTMENTS**

Investments are accounted on the trade date. The Scheme uses the weighted 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 contract note.

As per SEBI Notification dated 26th September 2012 with effect from October 01, 2012 brokerage and transaction cost incurred for trades which is included in the cost of investments shall not exceed 0.12% (excluding STT) of the trade value. STT is added to the cost wherever applicable.

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

**VALUATION OF INVESTMENTS**

SEBI has outlined investment valuation norms for the mutual funds to compute and carry out valuation of its investment in its portfolio under Regulation 47 and Eighth Schedule of SEBI (Mutual Funds) Regulations, 1996 as amended from time to time.

SEBI vide its notification dated February 21, 2012 has amended Regulation 47 and Eighth Schedule and has mandated the mutual funds to value its investments on Principal of Fair Valuation to ensure fair treatment to all investors including existing investors as well as investors seeking to purchase or redeem units of mutual funds in all schemes at all points of time.

The Board of Directors of Quantum Asset Management Company Private Limited ("AMC") and Quantum Trustee Company Private Limited ("Trustee") have approved the Investment Valuation Policy and the framework for valuation of investments of Quantum Mutual Fund in accordance with SEBI Notification dated February 21, 2012 effective from July 1, 2012 in its meeting held on May 25, 2012. It is based on principles of fair valuation which is reflective of realizable value of securities/assets and the same is being reviewed and approved by the Board from time to time. The said investment valuation policies reviewed by independent auditors and approved by the Board can be viewed at [www.quantummf.com](http://www.quantummf.com).

**The Investments are valued at Mark to Market as stated below:-**

#### **A. EQUITY AND EQUITY RELATED INSTRUMENTS**

- a. Traded equity shares are valued at the last quoted closing price on the National Stock Exchange (Principal stock exchange). Where the equity share is not traded on the National stock exchange, the last quoted closing price of Bombay Stock Exchange is used. If equity share is not traded on any stock exchange on a particular valuation day, the value at which it was traded on the National stockexchange or any other stock exchange, as the case may be, on the earliest previous day is used, provided such date is not more than 30 days prior to valuation date. Freak trade policy adopted is defined in valuation policy.
- b. If the equity and equity related securities are not traded on NSE or BSE stock exchange for a period of thirty days prior to the valuation date or it is thinly traded security as per SEBI guideline norms of trading less than 50,000 shares in a month and trading value is less than ₹ 5 lacs in a month, then it is valued as per the provision contained in the Eighth 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 SEBI.
- c. Unlisted equity shares are valued as per the method of valuation mentioned in SEBI Circular No. MFD/CIR/03/526/2002 dated May 9, 2002. At the discretion of the valuation committee and with the approval of the Board Investment committee, unlisted equity scrip may be valued at a price lower than the value derived using the aforesaid methodology.
- d. In a case trading in an equity shares is suspended for trading on the stock exchange up to 30 days, then the last traded price is considered for valuation of that shares. If an

equity shares is suspended for trading on the stock exchange for more than 30 days then valuation committee will decide the valuation.

- e. If the partly paid-up equity shares are traded in market separately then the same is valued at traded price (like any other equity instrument). If the same is not traded separately then partly paid equity shares is valued at Underlying Equity shares price as reduced by the balance call money payable with illiquidity discount as suggested by valuation committee. If the fully paid equity shares are not traded for more than 30 days, the same is valued as per valuation norms given for non traded shares with necessary illiquidity discount as decided by valuation committee. Rights entitlement shares where it's listed and traded is valued at traded price. Valuations of non-traded/thinly traded/ Unlisted rights entitlement have been valued at ex-right price less the rights offer price.

#### **B. DEBT AND MONEY MARKET INSTRUMENTS**

With effect from 1st Aug 2012 Quantum Asset Management Company Private Limited has obtained the services of ICRA Management Consulting Services Limited (IMaCS) for valuation of debt and money market instruments/security held in Quantum Mutual fund scheme's portfolio. The instruments/securities are valued at prices as provided by IMaCS.

- a) Government Securities, State Development Loan and Treasury Bills are valued based on the security level valuation prices provided by IMaCS.
- b) CBLO, Repos and Fixed Deposits are valued on interest accrual/ amortization basis.

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.

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.

Other income is accounted as and when realized.

**(2.4) TOTAL EXPENSES**

Expenses are accrued on daily basis within the limits specified under Regulation 52 of SEBI (Mutual Fund) Regulations.

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

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

**3. NOTES TO ACCOUNTS**

**(1) MOVEMENT IN UNIT CAPITAL**

Particulars	2013-14		2012-13	
	Units	Amount (₹)	Units	Amount (₹)
<b>Units of ₹ 10 each fully paid up</b>				
<b>Growth Option</b>				
Units at the beginning of the year	37,146	371,460	31,146	311,460
- Issued during the year	-	-	6,000	60,000
- Redeemed during the year	(4,000)	(40,000)	-	-
Units at the end of the year	33,146	331,460	37,146	371,460

**(2) VALUE OF INVESTMENTS**

The Cost and Market Value/Fair Value of Investments are as given below:

Investments	March 31, 2014		March 31, 2013	
	Cost (₹)	Market Value (₹)	Cost (₹)	Market Value (₹)
Equity Shares	16,253,031	23,093,038	17,642,154	21,723,096
Total	16,253,031	23,093,038	17,642,154	21,723,096

**(3) AGGREGATE APPRECIATION OR DEPRECIATION IN THE VALUE OF INVESTMENTS**

Particulars	March 31, 2014 (₹)	March 31, 2013 (₹)
<b>Equity Shares</b>		
Unrealised Appreciation	7,445,720	5,418,903
Unrealised Depreciation	(605,713)	(1,337,961)
Net Appreciation /(Depreciation)	6,840,007	4,080,942

**(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 unrealized appreciation) up to 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.

**(4) NON PERFORMING INVESTMENTS**

Year	Type of Investments	Carrying Value Amount (₹)	Market value Amount (₹)	Provisions
2013-14	Nil	Nil	Nil	Nil
2012-13	Nil	Nil	Nil	Nil

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

Particulars	2013-14		2012-13	
	Amount (in ₹)	% of daily average Net Assets	Amount (in ₹)	% of daily average Net Assets
Purchases*	2,191,533	9.89%	4,230,310	21.15%
Sales/Redemptions*	4,469,714	20.17%	688,279	3.44%

(\*Purchases & Sales is excluding CBLO & Fixed Deposits.)

**(6) NET ASSET VALUE**

Net Asset Value (NAV) per unit having Face Value of ₹ 10 is as given below:

Option	NAV (March 31, 2014) (₹)	NAV (March 28, 2013)* (₹)
Growth Option	697.2848	585.1904

\* As 29<sup>th</sup>, 30<sup>th</sup>, 31<sup>st</sup> March, 2013 was a Non-business day NAV, of 28<sup>th</sup> March, 2013 has been disclosed.

**(7) INCOME AND EXPENDITURE**

The total income and expenditure and its percentage to the Scheme's average daily net assets on an annualized basis are provided below:

Particulars	2013-14		2012-13	
	Amount (in ₹)	% of daily average Net Assets	Amount (in ₹)	% of daily average Net Assets
Income*	1,274,854	5.75%	26,366	0.13%
Expenditure	110,826	0.50%	100,002	0.50%

(\*Income is net off losses on sale of Investments and excluding unrealized appreciation)

**(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 ₹ 22,165,128 & fees charged 0.50%, Management Fees accrued during the period ended March 31, 2014 is ₹ 110,826/- inclusive of statutory levies with service tax. As per SEBI regulations, Management fee is not charged on AMC's own Investments.

**(9) TOTAL EXPENSE RATIO**

SEBI vide its Circular no. CIR/IMD/DF/21/2012 dated September 13, 2012 has allowed mutual funds to charge for additional expenses in addition to the maximum total expense ratio as permissible under Regulation 52 of SEBI. The allowed additional expenses are 30 bps of net assets for inflows beyond top 15 cities and additional 0.20 bps for additional expenses incurred under different heads and in lieu of crediting back the exit load to the Scheme and charge service tax charged on investment management fees. Quantum Mutual Fund has not charged additionally any of the above expenses allowed by SEBI Regulations. The Investment Management and Advisory fees charged by the AMC to the Scheme is within / equal to the total expense limit as prescribed by SEBI Regulations, as amended from time to time, with no sub-limit on the Investment Management and Advisory fees as currently mentioned under the respective Scheme Information Document of the schemes.

**(10) OTHER EXPENSES**

All other expenses of the Scheme are fully borne by the Quantum Asset Management Company Private Limited on behalf of Scheme.

**(11) INVESTOR EDUCATION EXPENSES**

SEBI vide its Circular no. CIR/IMD/DF/21/2012 dated September 13, 2012 has suggested Mutual Funds/AMCs to annually set apart at least 2 basis points on daily net assets for investor education and awareness initiatives. Quantum Asset Management Company Private Ltd sets aside and incurs the amount for investor education expenses.

**(12) 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.

**(13) CUSTODY FEES**

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

**(14) 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.

**(15) 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.

**(16) CONTRACTS PENDING DELIVERIES**

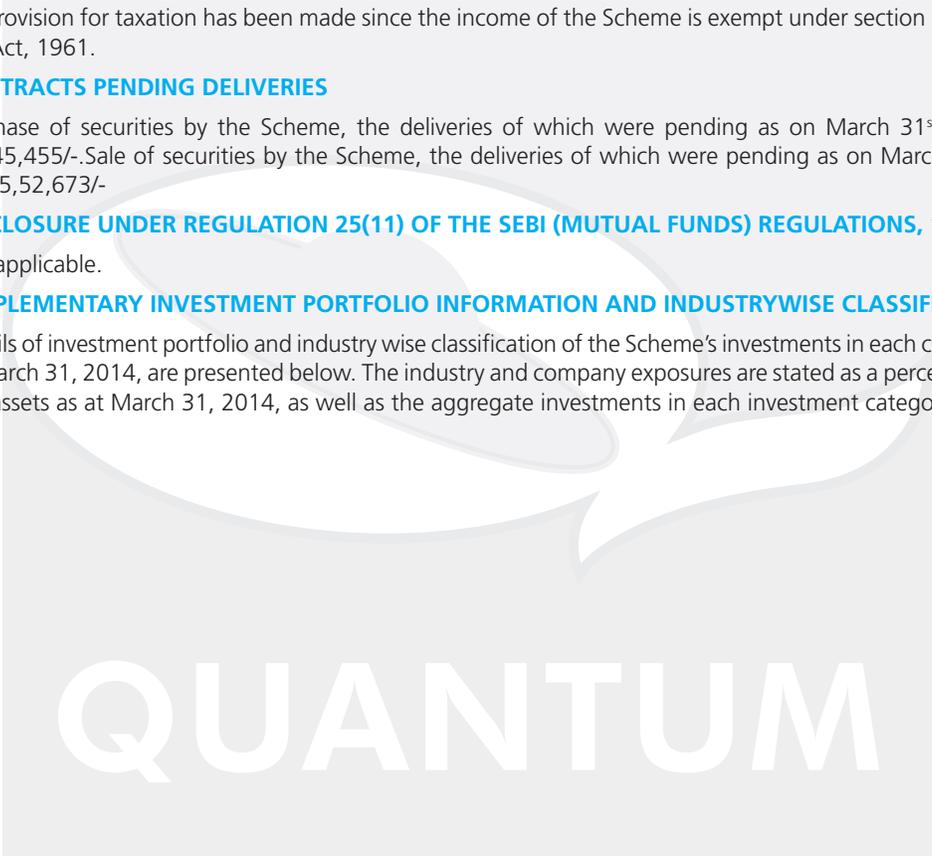
Purchase of securities by the Scheme, the deliveries of which were pending as on March 31<sup>st</sup>, 2014, amounted to ₹ 5,45,455/- Sale of securities by the Scheme, the deliveries of which were pending as on March 31, 2014 amounted to ₹ 5,52,673/-

**(17) DISCLOSURE UNDER REGULATION 25(11) OF THE SEBI (MUTUAL FUNDS) REGULATIONS, 1996 AS AMENDED-**

Not applicable.

**(18) 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, 2014, are presented below. The industry and company exposures are stated as a percentage of the Scheme's net assets as at March 31, 2014, as well as the aggregate investments in each investment category.



QUANTUM

M U T U A L F U N D

Profit with Process

Industry & Scrip Name	Quantity	Market/ Fair Value (₹ In Lakhs)	% to Net Assets	% to Investment Category
<b>Auto</b>	<b>2,721</b>	<b>20.39</b>	<b>8.82%</b>	<b>8.83%</b>
Tata Motors Ltd	1,850	7.38	3.19%	3.20%
Mahindra & Mahindra Ltd	474	4.65	2.01%	2.01%
Bajaj Auto Ltd	138	2.88	1.25%	1.25%
Hero MotoCorp Ltd	123	2.8	1.21%	1.21%
Maruti Suzuki India Ltd	136	2.68	1.16%	1.16%
<b>Banks</b>	<b>4,913</b>	<b>47.66</b>	<b>20.61%</b>	<b>20.64%</b>
ICICI Bank Ltd	1,188	14.79	6.40%	6.40%
HDFC Bank Ltd	1,908	14.29	6.18%	6.19%
State Bank of India	318	6.1	2.64%	2.64%
Axis Bank Ltd	319	4.66	2.02%	2.02%
Kotak Mahindra Bank Ltd	392	3.06	1.32%	1.33%
Indusind Bank Ltd	438	2.2	0.95%	0.95%
Bank of Baroda	197	1.42	0.61%	0.61%
Punjab National Bank	153	1.14	0.49%	0.49%
<b>Cement</b>	<b>1,054</b>	<b>7.11</b>	<b>3.08%</b>	<b>3.08%</b>
Ultratech Cement Ltd	105	2.3	1.00%	1.00%
Grasim Industries Ltd	65	1.88	0.81%	0.81%
Ambuja Cements Ltd	788	1.59	0.69%	0.69%
ACC Ltd	96	1.34	0.58%	0.58%
<b>Construction</b>	<b>460</b>	<b>0.81</b>	<b>0.35%</b>	<b>0.35%</b>
DLF Ltd	460	0.81	0.35%	0.35%
<b>Construction Project</b>	<b>839</b>	<b>10.67</b>	<b>4.62%</b>	<b>4.62%</b>
Larsen & Toubro Ltd	839	10.67	4.62%	4.62%
<b>Consumer Non Durables</b>	<b>6,966</b>	<b>29.18</b>	<b>12.63%</b>	<b>12.64%</b>
ITC Ltd	5,691	20.08	8.69%	8.69%
Hindustan Unilever Ltd	728	4.41	1.91%	1.91%
Asian Paints Ltd	466	2.55	1.10%	1.10%
United Spirits Ltd	81	2.14	0.93%	0.93%
<b>Ferrous Metals</b>	<b>1,066</b>	<b>3.81</b>	<b>1.65%</b>	<b>1.65%</b>
Tata Steel Ltd	686	2.7	1.17%	1.17%
Jindal Steel & Power Ltd	380	1.11	0.48%	0.48%
<b>Finance</b>	<b>2,896</b>	<b>15.77</b>	<b>6.82%</b>	<b>6.83%</b>
Housing Development Finance Corporation Ltd	1,605	14.19	6.14%	6.14%
IDFC Ltd.	1,291	1.58	0.68%	0.68%
<b>Gas</b>	<b>462</b>	<b>1.74</b>	<b>0.75%</b>	<b>0.75%</b>
GAIL (India) Ltd	462	1.74	0.75%	0.75%
<b>Industrial Capital Goods</b>	<b>813</b>	<b>1.59</b>	<b>0.69%</b>	<b>0.69%</b>
Bharat Heavy Electricals Ltd	813	1.59	0.69%	0.69%
<b>Minerals/Mining</b>	<b>2,738</b>	<b>5.42</b>	<b>2.34%</b>	<b>2.35%</b>
SesaSterlite Ltd	1,272	2.4	1.04%	1.04%
Coal India Ltd	650	1.88	0.81%	0.81%
NMDC Ltd	816	1.14	0.49%	0.49%

<b>Non - Ferrous Metals</b>	<b>1,324</b>	<b>1.88</b>	<b>0.81%</b>	<b>0.81%</b>
Hindalco Industries Ltd	1,324	1.88	0.81%	0.81%
<b>Oil</b>	<b>2,429</b>	<b>7.82</b>	<b>3.38%</b>	<b>3.39%</b>
Oil & Natural Gas Corporation Ltd	1,821	5.8	2.51%	2.51%
Cairn India Ltd	608	2.02	0.87%	0.87%
<b>Petroleum Products</b>	<b>1,958</b>	<b>16.97</b>	<b>7.34%</b>	<b>7.35%</b>
Reliance Industries Ltd	1,692	15.75	6.81%	6.82%
Bharat Petroleum Corporation Ltd	266	1.22	0.53%	0.53%
<b>Pharmaceuticals</b>	<b>1,673</b>	<b>12.08</b>	<b>5.24%</b>	<b>5.23%</b>
Sun Pharmaceuticals Industries Ltd	775	4.45	1.93%	1.93%
Dr. Reddy's Laboratories Ltd	130	3.33	1.44%	1.44%
Lupin Ltd	246	2.3	1.00%	1.00%
Cipla Ltd	522	2	0.87%	0.87%
<b>Power</b>	<b>6,269</b>	<b>6.38</b>	<b>2.77%</b>	<b>2.76%</b>
NTPC Ltd	2,122	2.54	1.10%	1.10%
Power Grid Corporation of India Ltd	2,267	2.38	1.03%	1.03%
Tata Power Company Ltd	1,643	1.4	0.61%	0.61%
Tata Power Company Ltd - Rights	237	0.06	0.03%	0.03%
<b>Software</b>	<b>2,124</b>	<b>37.77</b>	<b>16.33%</b>	<b>16.35%</b>
Infosys Ltd	497	16.32	7.06%	7.07%
Tata Consultancy Services Ltd	526	11.22	4.85%	4.86%
HCL Technologies Ltd	275	3.82	1.65%	1.65%
Wipro Ltd	673	3.66	1.58%	1.58%
Tech Mahindra Ltd	153	2.75	1.19%	1.19%
<b>Telecom - Services</b>	<b>1,225</b>	<b>3.89</b>	<b>1.68%</b>	<b>1.68%</b>
Bharti Airtel Ltd	1,225	3.89	1.68%	1.68%
<b>TOTAL</b>		<b>230.94</b>	<b>99.91%</b>	<b>100.00%</b>
<b>Cash &amp; Cash Equivalent</b>				
Collateralised Borrowing & Lending Obligation (CBLO)		0	0.00%	
Net Receivable/(payable)		0.18	0.09%	
<b>Grand Total</b>		<b>231.12</b>	<b>100.00%</b>	

**(19) BORROWINGS**

The Scheme has not made any borrowing during the current financial year(Previous Year- Nil)

**(20) DERIVATIVES**

The Scheme has no exposure to derivative products during the current financial year(Previous Year- Nil).

**(21) CREDIT DEFAULT SWAPS (CDS)**

The scheme has not entered into CDS transaction during the year (Previous year - Nil).

**(22) 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.

**(23) CONTINGENT LIABILITIES**

The Contingent Liabilities as on 31<sup>st</sup> March 2014 is Nil(Previous Year – Nil).

**(23) UNCLAIMED REDEMPTION**

Unclaimed redemptions outstanding for more than 3 months as of 31<sup>st</sup> March 2014are Nil(Previous Year- Nil).

**(24) DISCLOSURE OF TRANSACTIONS IN ACCORDANCE WITH ACCOUNTING STANDARD 18 – RELATED PARTY TRANSACTIONS AND AS PER REGULATION 25(8) OF SEBI MUTUAL FUND REGULATION 1996.**

## 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
G Corp Homes Private Limited	Associate
G:Corp Spaces Private Limited**	Associate
Ajit Dayal	Associate
QIEF Management (HK) Ltd*	Associate

\* Associate for the period 11<sup>th</sup> July 2013 to 13<sup>th</sup> November 2013

\*\*Associate with effect from 26<sup>th</sup> July 2013

**Other Schemes of the Fund**

Quantum Long Term Equity Fund

Quantum Liquid Fund

Quantum Gold Fund

Quantum Tax Saving Fund

Quantum Equity Fund of Fund

Quantum Gold Savings Fund

Quantum Multi Asset Fund

Transaction with the above mentioned related parties (in the nature of their independent investments) are provided below:

Name of the related party	Nature of transactions	Year ended March 31, 2014 (₹)	Balance as at March 31, 2014 (₹)	Year ended March 31, 2013 (₹)	Balance as at March 31, 2013 (₹)
Quantum Asset Management Co Pvt. Ltd.	Management Fees	110,826	8,572	100,002	7,498
Quantum Advisors Pvt Ltd	Subscriptions	3,894,219	-	2,792,410	-
	Redemptions	3,148,436	-	3,022,175	-
	Net Assets value of investment at balance sheet date	-	2,854,684	-	1,649,067

Quantum Gold Savings fund and Quantum Multi Asset Fund are fund of fund Scheme which as per their investment objective invests in other schemes of Quantum Mutual Fund as disclosed in the Scheme's offer document, hence information on their investment transactions have not been shown above.

**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 Associate Companies during the last current financial year - Nil (Previous Year - Nil)
- b) Commission paid to Associate Companies during the current financial year - Nil (Previous Year - Nil)

**DISCLOSURE UNDER REGULATIONS 25 (8) OF THE SEBI REGULATIONS**

- a) Underwriting obligations taken by the Scheme in respect of issues of securities of Associate companies: Nil (Previous Year: Nil)
- b) Devolvement, if any: Nil (Previous Year: Nil)
- c) Subscriptions by the schemes in the issues lead managed by Associate companies: Nil (Previous Year: Nil)
- d) Subscription to any issue of equity or debt on private placement basis where the sponsor or its associate companies has acted as arranger or manager: Nil (Previous Year: Nil)

**(26) INVESTMENTS IN GROUP COMPANIES**

Quantum Index Fund has made Nil investment in group companies during the year ended March 31, 2014. (Previous Year – Nil)

**(27) LARGE HOLDINGS**

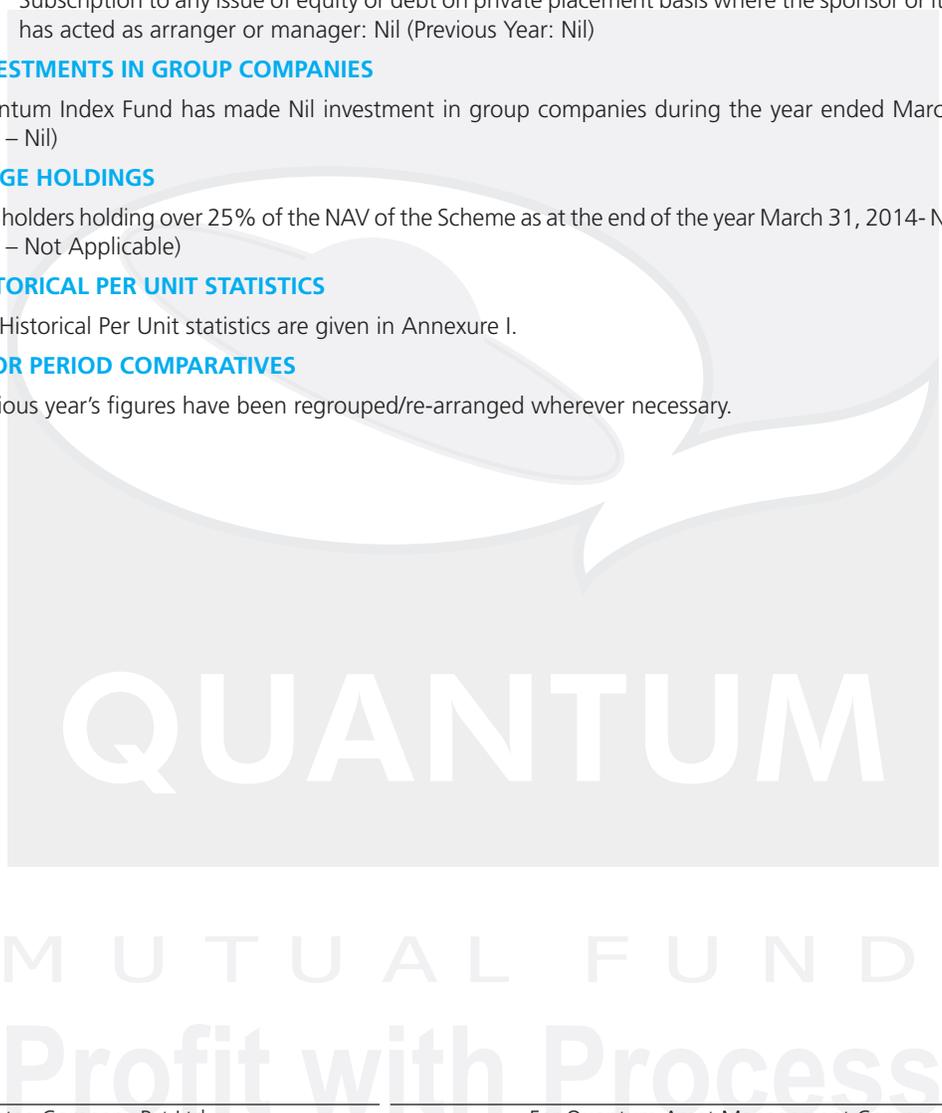
Unit holders holding over 25% of the NAV of the Scheme as at the end of the year March 31, 2014- Not Applicable(Previous Year – Not Applicable)

**(28) HISTORICAL PER UNIT STATISTICS**

The Historical Per Unit statistics are given in Annexure I.

**(28) PRIOR PERIOD COMPARATIVES**

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



For Quantum Trustee Company Pvt Ltd

sd/-  
Jagdish Capoor  
(Chairman)

sd/-  
Hormazdiyaar Vakil  
(Director)

For Quantum Asset Management Company Pvt Ltd

sd/-  
Ajit Dayal  
(Chairman)

sd/-  
Jimmy A. Patel  
(Chief Executive Officer)

sd/-  
C. Srinivasan  
(Director)

sd/-  
Hitendra Parekh  
(Fund Manager)

ANNEXURE 1  
QUANTUM INDEX FUND  
HISTORICAL PER UNIT STATISTICS

Sr. No.	Particulars	As of 31.03.2014	As of 31.03.2013	As of 31.03.2012
	<b>Face Value</b>	₹ 10/-	₹ 10/-	₹ 10/-
(a)	Net Assets Value	697.2848	585.1904	539.3131
(b)	Gross Income per-unit broken up into the following components			
(i)	income other than profit on sale of investment, per unit	11.6393	8.1756	7.2621
(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	26.8225	-7.4658	6.2613
(iv)	transfer to revenue account from past years' reserve, per unit	-	-	-
(c)	Aggregate of expenses, write off, amortisation and charges, per-unit	3.3436	2.6921	2.5541
(d)	Net unrealized appreciation in value of investments	206.3600	109.8622	77.3276
(e)	Net Income per unit (excluding unrealized appreciation)	35.1182	-1.9823	10.9693
(f)				
i)	Highest sale price per unit	697.2848	625.7200	595.5656
ii)	Lowest sale price per unit	548.9167	492.0236	462.4212
iii)	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)	0.50%	0.50%	0.50%
(h)	Ratio of income to Average daily net assets by % (exclusive of unrealized appreciation)	5.75%	0.13%	2.65%

# QUANTUM

M U T U A L F U N D

## Profit with Process

## INDEPENDENT AUDITORS' REPORT

TO

**THE BOARD OF TRUSTEES OF  
QUANTUM MUTUAL FUND**

**Report on the Financial Statements**

We have audited the accompanying financial statements of Quantum Tax Saving Fund (the "Scheme"), which comprise the Balance Sheet as at March 31, 2014, and the Revenue Account and Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

*Management's Responsibility for the Financial Statements*

Trustees of **Quantum Mutual Fund** and Quantum Asset Management Company Private Limited are responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Scheme in accordance with the accounting policies and standards as specified in the Ninth Schedule of the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 and amendments thereto ("the Regulations"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

*Auditors' Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Scheme's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Regulations as applicable and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Scheme as at March 31, 2014;
- (b) in the case of the Revenue Account, of the surplus for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Profit with Process

**Report on Other Legal and Regulatory Requirements**

As required under the Regulations, we report that:

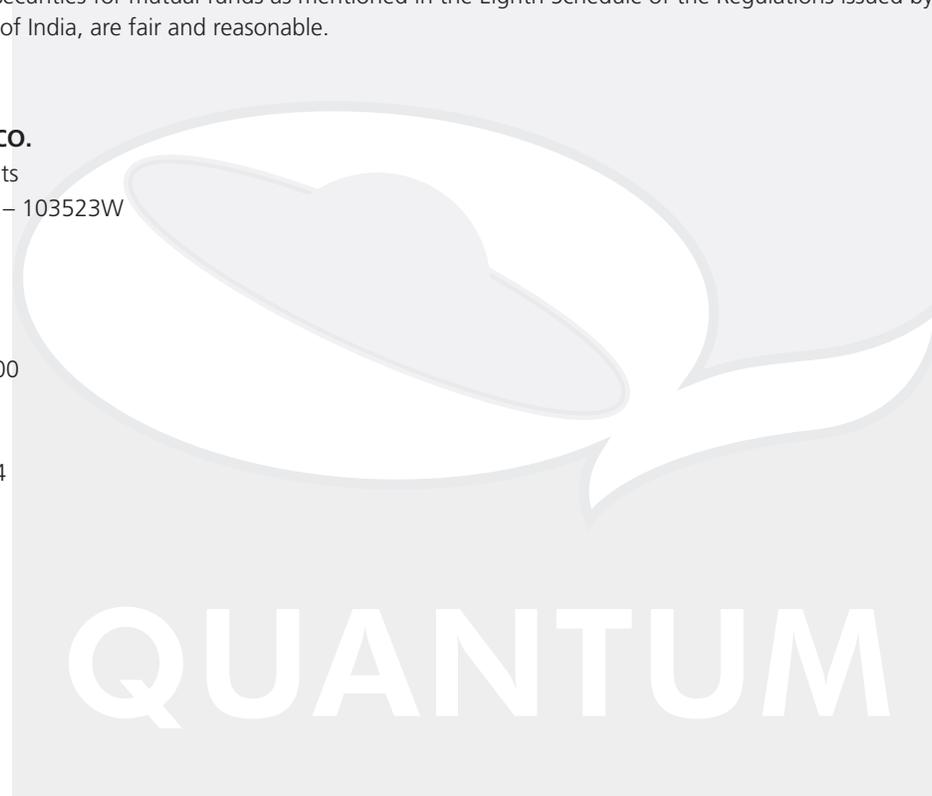
1. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
2. The Balance Sheet, Revenue Account, and Cash Flow Statement dealt with by this Report are in agreement with the books of account of the Scheme;
3. In our opinion, the Balance Sheet, Revenue Account, and Cash Flow Statement dealt with by this report have been prepared in accordance with the accounting policies and standards as specified in Ninth Schedule of the Regulations.
4. The methods used to value non traded securities, as determined by Quantum Asset Management Company Private Limited under procedures approved by the Trustees of Quantum Mutual Fund are in good faith and in accordance with the guidelines for valuation of securities for mutual funds as mentioned in the Eighth Schedule of the Regulations issued by the Securities and Exchange Board of India, are fair and reasonable.

For **HARIBHAKTI & CO.**  
Chartered Accountants  
Firm Registration No. – 103523W

sd/-

**CHETAN DESAI**  
Membership No 17000

Place: Mumbai  
Date: 20th May, 2014



M U T U A L F U N D

Profit with Process

**QUANTUM TAX SAVING FUND  
BALANCE SHEET AS AT 31<sup>st</sup> MARCH 2014**

	Schedule	31st March, 2014 Amount (₹)	31st March, 2013 Amount (₹)
<b>LIABILITIES</b>			
Unit Capital	'A'	63,938,183	46,761,517
Reserves and Surplus	'B'	125,560,989	65,542,875
Current Liabilities and Provisions	'C'	833,395	725,929
<b>Total</b>		<b>190,332,567</b>	<b>113,030,321</b>
<b>ASSETS</b>			
Investments	'D'	187,065,751	108,158,804
Other Current Assets	'E'	3,266,816	4,871,517
<b>Total</b>		<b>190,332,567</b>	<b>113,030,321</b>
Significant accounting policies and notes forming part of Accounts	'F'		

For Quantum Trustee Company Pvt Ltd

For Quantum Asset Management Company Pvt Ltd

sd/-  
Jagdish Capoor  
(Director)

sd/-  
Ajit Dayal  
(Chairman)

sd/-  
C. Srinivasan  
(Director)

sd/-  
Hormazdiyaar Vakil  
(Director)

sd/-  
Jimmy A. Patel  
(Chief Executive Officer)

sd/-  
Atul Kumar  
(Fund Manager)

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

sd/-  
Chetan Desai  
Partner  
Membership No: 17000

Place : Mumbai  
Date : May 20, 2014

**QUANTUM TAX SAVING FUND**  
**REVENUE ACCOUNT FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2014**

Schedule	31st March, 2014 Amount (₹)	31st March, 2013 Amount (₹)
<b>INCOME</b>		
Dividend	2,444,679	1,291,466
Interest and Discount income	1,808,440	871,148
Profit on sale / redemption of investments (Other than inter scheme transfer / sale)	6,887,200	4,095,530
<b>Total</b>	<b>11,140,319</b>	<b>6,258,144</b>
<b>EXPENSES AND LOSSES</b>		
Loss on sale / redemption of investments ( Other than inter-scheme transfers / sale)	1,094,172	-
Management Fees	1,389,064	807,126
Custodian Fees	99,679	89,536
Registrar & Transfer Agent's Fees	199,846	100,986
Investor Related Expenses	449	-
Other operating expenses	47,298	11,264
<b>Total</b>	<b>2,830,508</b>	<b>1,008,912</b>
<b>Net Surplus / ( Deficit ) for the year</b>	<b>8,309,811</b>	<b>5,249,232</b>

**APPROPRIATION ACCOUNT FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2014**

Net Surplus brought forward from previous year	33,099,191	16,528,250
Net Surplus / (Deficit) for the year	8,309,811	5,249,232
Transferred (to) / from Equalisation Account	13,371,154	11,321,709
<b>Net Surplus / ( Deficit ) carried forward</b>	<b>54,780,156</b>	<b>33,099,191</b>

Significant accounting policies and  
notes forming part of Accounts

F

For Quantum Trustee Company Pvt Ltd

For Quantum Asset Management Company Pvt Ltd

sd/-  
Jagdish Capoor  
(Director)

sd/-  
Ajit Dayal  
(Chairman)

sd/-  
C. Srinivasan  
(Director)

sd/-  
Hormazdiyaar Vakil  
(Director)

sd/-  
Jimmy A. Patel  
(Chief Executive Officer)

sd/-  
Atul Kumar  
(Fund Manager)

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

sd/-  
Chetan Desai  
Partner  
Membership No: 17000

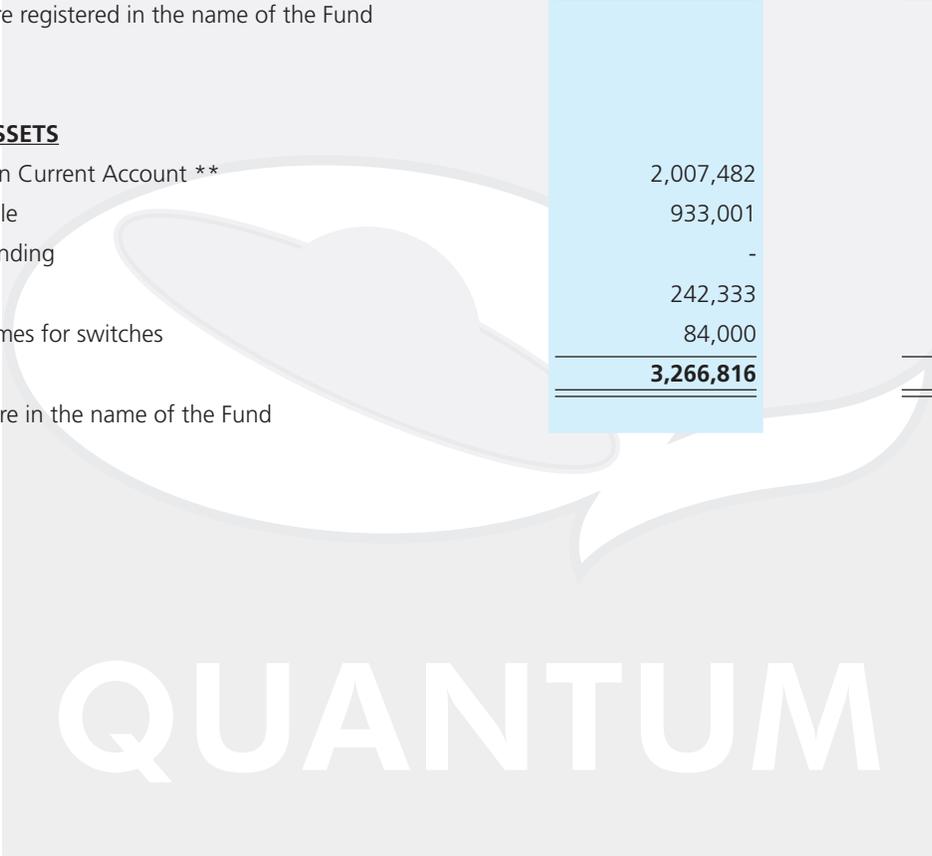
Place : Mumbai  
Date : May 20, 2014

**QUANTUM TAX SAVING FUND  
SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31<sup>st</sup> MARCH, 2014**

	31st March, 2014		31st March, 2013	
	Units	Amount (₹)	Units	Amount (₹)
<b>SCHEDULE 'A'</b>				
<b>UNIT CAPITAL</b>				
<b>Initial Capital Issued and Subscribed :</b>				
<b>Units of ₹ 10 each fully paidup</b>	<b>179,850</b>	<b>1,798,500</b>	<b>179,850</b>	<b>1,798,500</b>
<b>Outstanding :</b>				
Unit Capital (Opening Balance)	4,676,152	46,761,517	2,916,194	29,161,939
<b>Add</b> : Subscription during the year	1,996,474	19,964,741	1,914,007	19,140,070
<b>Less</b> : Redemption during the year	278,808	2,788,075	154,049	1,540,492
<b>Unit Capital (Closing Balance)</b>	<b>6,393,818</b>	<b>63,938,183</b>	<b>4,676,152</b>	<b>46,761,517</b>
<b>SCHEDULE 'B'</b>				
<b>RESERVE &amp; SURPLUS</b>				
<b>Unit Premium</b>				
Opening Balance		28,783,853		15,395,657
<b>Add/(Less)</b> : Net Additions/(Deduction) during the year		26,576,930		24,709,905
<b>Add/(Less)</b> :-Transferred (to) / from Equalisation Account		(13,371,154)		(11,321,709)
<b>Closing Balance</b>		<b>41,989,629</b>		<b>28,783,853</b>
<b>Equalisation Account</b>				
Transferred from / (to) Unit Premium Reserve		13,371,154		11,321,709
<b>Add/(Less)</b> : Transferred (to) / from Revenue Account		(13,371,154)		(11,321,709)
<b>Closing Balance</b>		<b>-</b>		<b>-</b>
<b>Unrealised Appreciation in the value of investtments (Net)</b>				
Opening Balance		3,659,831		3,170,216
<b>Add</b> :Net change during the year		25,131,374		489,615
		<b>28,791,205</b>		<b>3,659,831</b>
<b>APPROPRIATION ACCOUNT</b>				
Surplus/(Deficit) carried forward		54,780,156		33,099,191
<b>Total Reserves &amp; Surplus</b>		<b>125,560,989</b>		<b>65,542,875</b>
<b>SCHEDULE 'C'</b>				
<b>CURRENT LIABILITIES &amp; PROVISIONS</b>				
Units pending Allotment		49,000		523,502
Management Fees Payable		134,549		73,567
Redemption Payble		629,747		47,857
Other Payables		14,966		19,939
Payable to Quantum Asset Management Co Pvt Ltd		5,133		61,064
<b>Total</b>		<b>833,395</b>		<b>725,929</b>

	31st March, 2014		31st March, 2013	
	Units	Amount (₹)	Units	Amount (₹)
<b>SCHEDULE 'D'</b>				
<b>INVESTMENTS</b>				
Equity shares		151,644,316		87,690,084
Collateralised borrowing & lending obligation *		35,421,435		20,468,720
<b>Total</b>		<b>187,065,751</b>		<b>108,158,804</b>
* CBLO investment are registered in the name of the Fund				
<b>SCHEDULE 'E'</b>				
<b>OTHER CURRENT ASSETS</b>				
Balances with Banks in Current Account **		2,007,482		3,238,810
Subscription Receivable		933,001		485,000
Sales Contract outstanding		-		1,063,840
Dividend Receivable		242,333		54,776
Receivable from schemes for switches		84,000		29,091
<b>Total</b>		<b>3,266,816</b>		<b>4,871,517</b>

\*\* Certain bank a/c are in the name of the Fund



# QUANTUM

M U T U A L F U N D

Profit with Process

**QUANTUM TAX SAVING FUND  
CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2014**

	<b>2013-14 Amount (₹)</b>	<b>2012-13 Amount (₹)</b>
<b>A. Cash flow from Operating Activities</b>		
Surplus for the year	8,309,811	5,249,232
Adjustments for:-		
(Increase)/Decrease in investments at cost (net)	(38,822,858)	(33,488,731)
(Increase)/Decrease in other current assets	821,374	(1,077,613)
Increase/(Decrease) in current liabilities	78	103,837
<b>Net cash generated from /(used in) operations (A)</b>	<b>(29,691,595)</b>	<b>(29,213,275)</b>
<b>B. Cash flow from Financing Activities</b>		
Increase/(Decrease) in unit capital	17,176,666	17,599,578
Increase/(Decrease) in unit premium reserve	26,576,930	24,709,905
Adjustments for:-		
(Increase)/Decrease in subscription receivable for units issued to investors	(448,001)	251,000
Increase/(Decrease) in redemption payable for units redeemed by investors	581,890	47,857
Increase/(Decrease) in subscription received for units pending allotment to investors	(474,502)	494,002
<b>Net cash generated from /(used in) Financing Activity (B)</b>	<b>43,412,982</b>	<b>43,102,342</b>
<b>Net Increase/(Decrease) in Cash and cash equivalents (A + B)</b>	<b>13,721,387</b>	<b>13,889,067</b>
Cash and cash equivalents, beginning of the year	23,707,530	9,818,463
<b>Cash and cash equivalents, end of the year</b>	<b>37,428,917</b>	<b>23,707,530</b>
<b>Components of cash and cash equivalents</b>		
Balances with Banks in Current Account	2,007,482	3,238,810
Collateralised Borrowing & Lending Obligation	35,421,435	20,468,720
	<b>37,428,917</b>	<b>23,707,530</b>

For Quantum Trustee Company Pvt Ltd

For Quantum Asset Management Company Pvt Ltd

sd/-  
Jagdish Capoor  
(Director)

sd/-  
Ajit Dayal  
(Chairman)

sd/-  
C. Srinivasan  
(Director)

sd/-  
Hormazdiyaar Vakil  
(Director)

sd/-  
Jimmy A. Patel  
(Chief Executive Officer)

sd/-  
Atul Kumar  
(Fund Manager)

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

sd/-  
Chetan Desai  
Partner  
Membership No: 17000

Place : Mumbai  
Date : May 20, 2014

## SCHEDULE 'F'

## 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 S&P 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 S & PBSE 30 Total Return Index.

All investment decisions, relating to the Scheme are being undertaken by the Fund Manager / Portfolio team in accordance with the SEBI Regulations and Investment Objectives as specified in the Scheme Information Document. The AMC has two committees for enabling investment decisions i.e. Board Investment Committee (BIC) and Key Employee Investment Committee (KIC). The Board of Directors of the AMC has the ultimate responsibilities of supervising investment activities. The Board of Directors has delegated its power with respect to approval / review of the investment activities to BIC and decision making authority with respect to the Investments to KIC except for the restrictions given in the investment policy from time to time.

Since inception, Quantum Mutual Fund is a Direct to investor Mutual Fund and does not charge / debit any distribution expenses to the schemes and does not pay any upfront or trail commission to distributors / intermediaries for investments routed through a distributor / intermediary whether empanelled with Quantum Mutual Fund or not. In accordance with the SEBI Circular No. Cir /IMD/DF/21/2012 dated September 13, 2012 SEBI allowed fund houses to launch direct plans with effect from January 01, 2013 wherein investor can invest directly in the Direct Plan and such Plan shall have lower expense ratio excluding distributor expense, commission etc and the Plan shall have a separate NAV. Quantum Mutual Fund has continued with existing plan & NAV and does not have separate plans for receiving any investment applications either through distributors or directly from investors.

## 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 Funds) Regulations, 1996 and amendments thereto as applicable.

## (2.2) INVESTMENTS

## Accounting of Investments

Investments are accounted on the trade date. The Scheme uses the weighted 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 contract note.

As per SEBI Notification dated 26th September 2012 with effect from October 01, 2012 brokerage and transaction cost incurred for trades which is included in the cost of investments shall not exceed 0.12% (excluding STT) of the trade value. STT is added to the cost wherever applicable.

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

## VALUATION OF INVESTMENTS

The Securities and Exchange Board of India (SEBI) has outlined investment valuation norms for the mutual funds to compute and carry out valuation of its investment in its portfolio under Regulation 47 and Eighth Schedule of SEBI (Mutual Funds) Regulations, 1996 as amended from time to time.

SEBI vide its notification dated February 21, 2012 has amended Regulation 47 and Eighth Schedule and has mandated the mutual funds to value its investments on Principal of Fair Valuation to ensure fair treatment to all investors including existing investors as well as investors seeking to purchase or redeem units of mutual funds in all schemes at all points of time.

The Board of Directors of Quantum Asset Management Company Private Limited ("AMC") and Quantum Trustee Company Private Limited ("Trustee") have approved the Investment Valuation Policy and the framework for valuation of investments of Quantum Mutual Fund in accordance with SEBI Notification dated February 21, 2012 effective from July 1, 2012 in its meeting held on May 25, 2012. It is based on principles of fair valuation which is reflective of

realizable value of securities/assets and the same is being reviewed and approved by the Board from time to time. The said investment valuation policies reviewed by independent auditors and approved by the Board can be viewed at [www.quantummf.com](http://www.quantummf.com).

The Investments are valued at Mark to Market as stated below:-

**A. EQUITY AND EQUITY RELATED INSTRUMENTS**

- a) Traded equity shares are valued at the last quoted closing price on the National Stock Exchange (Principal stock exchange). Where the equity share is not traded on the National stock exchange, the last quoted closing price of Bombay Stock Exchange is used. If equity share is not traded on any stock exchange on a particular valuation day, the value at which it was traded on the National stock exchange or any other stock exchange, as the case may be, on the earliest previous day is used, provided such date is not more than 30 days prior to valuation date. Freak trade policy adopted is as defined in valuation policy.
- b) If the equity and equity related securities are not traded on NSE or BSE stock exchange for a period of thirty days prior to the valuation date or it is thinly traded security as per SEBI guideline norms of trading less than 50,000 shares in a month and trading value is less than ₹ 5 lacs in a month, then it should be valued as per the provision contained in the Eighth 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 SEBI.
- c) Unlisted equity shares are valued as per the method of valuation mentioned in SEBI Circular No. MFD/CIR/03/526/2002 dated May 9, 2002. At the discretion of the valuation committee and with the approval of the Board Investment committee, unlisted equity scrip may be valued at a price lower than the value derived using the aforesaid methodology.
- d) In case, trading in an equity share is suspended on the stock exchange up to 30 days, then the last traded price is considered for valuation of those shares.
- e) If an equity share is suspended for trading on the stock exchange for more than 30 days then valuation committee will decide the valuation.
- f) If partly paid-up equity shares are traded in market separately then the same is valued at traded price (like any other equity instrument). If the same is not traded separately then partly paid equity shares is valued at Underlying

Equity shares price as reduced by the balance call money payable with illiquidity discount as suggested by valuation committee. If the fully paid equity shares are not traded for more than 30 days, the same is valued as per valuation norms given for non traded shares with necessary illiquidity discount as decided by valuation committee. Right entitlement shares where it's listed and traded is valued at traded price. Valuations of non-traded/thinly traded/ Unlisted rights entitlement have been valued at ex-right price less the rights offer price.

**B. DEBT AND MONEY MARKET INSTRUMENTS:**

- a) With effect from 1<sup>st</sup> Aug 2012 Quantum Asset Management Company Private Limited has obtained the services of ICRA Management Consulting Services Limited (IMaCS) for valuation of debt and money market instruments/security held in Quantum Mutual fund scheme's portfolio. The instruments/ securities are valued at prices as provided by IMaCS.
- b) Government Securities, State Development Loan and Treasury Bills are valued based on the security level valuation prices provided by IMaCS.
- c) CBLO, Repos and Fixed Deposits are valued on interest accrual/ amortization basis.

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.

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.

Other income is accounted as and when realized.

#### (2.4) TOTAL EXPENSES

Expenses are accrued on daily basis within the limits specified under Regulation 52 of SEBI (Mutual Funds) Regulations.

#### (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 Scheme/ Options, daily income earned, including realized and unrealized gain or loss in the value of investments and expenses of the Scheme/ Options are allocated to the Scheme/ Options in proportion to their respective net assets.

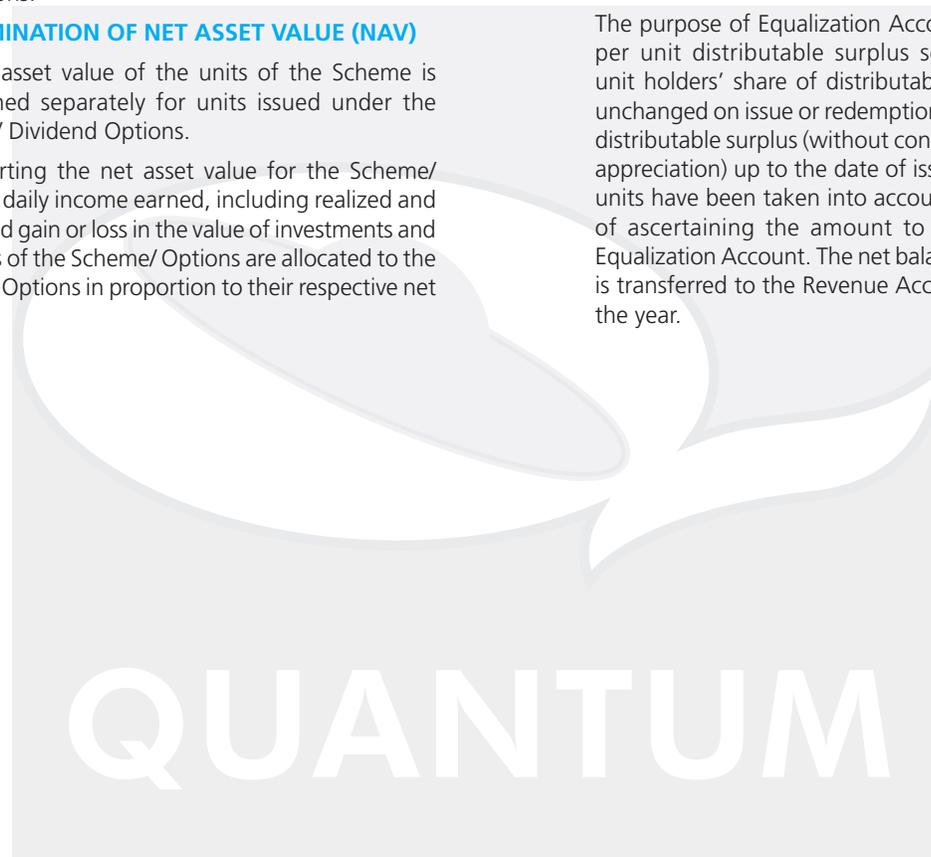
#### (2.6) UNIT CAPITAL

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 unrealized appreciation) up to 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.



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3. NOTES TO ACCOUNTS

(1) MOVEMENT IN UNIT CAPITAL

Particulars	2013-14		2012-13	
	Units	Amount (₹)	Units	Amount (₹)
<b>Units of ₹ 10 each fully paid up</b>				
<b>Growth Option</b>				
Units at the beginning of the year	3,698,009.00	36,980,090	2,183,167.42	21,831,674
- Issued during the year	1,727,334.80	17,273,348	1,591,866.42	15,918,664
- Redeemed during the year	(202,537.58)	(2,025,376)	(77,024.84)	(770,248)
Units at the end of the year	5,222,806.22	52,228,062	3,698,009.00	36,980,090
<b>Dividend Option</b>				
Units at the beginning of the year	978,142.70	9,781,427	733,026.43	7,330,264
- Issued during the year	269,139.32	2,691,393	322,140.67	3,221,407
- Redeemed during the year	(76,269.95)	(762,699)	(77,024.40)	(770,244)
Units at the end of the year	1,171,012.07	11,710,121	978,142.70	9,781,427
<b>Grand Total</b>				
Units at the beginning of the year	4,676,151.70	46,761,517	2,916,193.85	29,161,938
- Issued during the year	1,996,474.12	19,964,741	1,914,007.09	19,140,071
- Redeemed during the year	(278,807.53)	(2,788,075)	(154,049.24)	(1,540,492)
Units at the end of the year	6,393,818.29	63,938,183	4,676,151.70	46,761,517

(2) VALUE OF INVESTMENTS

The Cost and Market Value/Fair Value of Investments are as given below:

Investments	March 31, 2014		March 31, 2013	
	Cost (₹)	Market Value (₹)	Cost (₹)	Market Value (₹)
Equity Shares	122,853,110	151,644,316	84,030,253	87,690,084
Collateralised Borrowing & Lending Obligation	35,421,435	35,421,435	20,468,720	20,468,720
TOTAL	158,274,545	187,065,751	104,498,973	108,158,804

(3) AGGREGATE APPRECIATION AND DEPRECIATION IN THE VALUE OF INVESTMENTS

Particulars	March 31, 2014 (₹)	March 31, 2013 (₹)
<b>Equity shares</b>		
Unrealised Appreciation	30,337,947	10,767,142
Unrealised Depreciation	(1,546,742)	(7,107,311)
Net Appreciation / (Depreciation)	28,791,205	3,659,831

**(4) NON PERFORMING INVESTMENTS**

Year	Type of Investments	Carrying Value Amount (₹)	Market value Amount	Provisions (₹)
2013-14	Nil	Nil	Nil	Nil
2012-13	Nil	Nil	Nil	Nil

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

Particulars	2013-14		2012-13	
	Amount (in ₹)	% of daily average net assets	Amount (in ₹)	% of daily average net assets
Purchases*	60,096,792	43.26%	40,011,768	49.57%
Sales/Redemptions*	27,066,963	19.49%	10,621,864	13.16%

(\*Purchases & Sales is excluding CBLO & Fixed Deposits.)

**(6) NET ASSET VALUE**

Net Asset Value (NAV) per unit having Face Value of ₹ 10 is as given below:

Options	NAV (March 31, 2014)(₹)	NAV (March 28, 2013)*(₹)
Growth Option	29.64	24.017
Dividend Option	29.64	24.002

\* As 29<sup>th</sup>, 30<sup>th</sup> & 31<sup>st</sup> March, 2013 was a Non-business day, NAV of 28<sup>th</sup> March, 2013 has been shown.

NAV's are rounded off up to 2 decimal places instead of 3 decimal places with effect from July 01, 2013.

**(7) INCOME AND EXPENDITURE**

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

Particulars	2013-14		2012-13	
	Amount (in ₹)	% of daily average net assets	Amount (in ₹)	% of daily average net assets
Income*	10,046,147	7.23%	6,258,144	7.75%
Expenditure	1,736,336	1.25%	1,008,912	1.25%

(\*Income is net off losses on sale of Investments and excluding unrealized appreciation)

**(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 ₹ 138,905,530/- & fees charged 1.00% Management Fees accrued during the period is ₹1,389,064/- inclusive of statutory levies with service tax. As per SEBI regulations, Management fee is not charged on AMC's own Investments.

**(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) TOTAL EXPENSE RATIO**

SEBI vide its Circular no. CIR/IMD/DF/21/2012 dated September 13, 2012 has allowed mutual funds to charge for additional expenses in addition to the maximum total expense ratio as permissible under Regulation 52 of SEBI. The allowed additional expenses are 30 bps of net assets for inflows beyond top 15 cities and additional 0.20 bps for additional expenses incurred under different heads and in lieu of crediting back the exit load to the Scheme and charge service tax charged on investment management fees. Quantum Mutual Fund has not charged additionally any of the above expenses allowed by SEBI Regulations. The Investment Management and Advisory fees charged by the AMC to the Scheme is within / equal to the total expense limit as prescribed by SEBI Regulations, as amended from time to time, with no sub-limit on the Investment Management and Advisory fees as currently mentioned under the respective Scheme Information Document of the schemes.

**(11) INVESTOR EDUCATION EXPENSES**

SEBI vide its Circular no.CIR/IMD/DF/21/2012 dated September 13, 2012 has suggested Mutual Funds/AMCs to annually set apart at least 2 basis points on daily net assets for investor education and awareness initiatives. Quantum Asset Management Company Private Ltd sets aside and incurs the amount for investor education expenses.

**(12) 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.

**(13) CUSTODY FEES**

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

**(14) 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.

**(15) 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.

**(16) CONTRACTS PENDING DELIVERIES**

There were no contracts for Purchase and sale pending deliveries as on March 31, 2014.

**(17) DISCLOSURE UNDER REGULATION 25(11) OF THE SECURITY AND EXCHANGE BOARD OF INDIA (MUTUAL FUNDS) REGULATIONS, 1996 AS AMENDED – Nil (Previous Year – Nil)**

**(18) 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, 2014, are presented below. The industry and company exposures are stated as a percentage of the Scheme's net assets as at March 31, 2014, as well as the aggregate investments in each investment category.

Industry & Scrip Name	Quantity	Market/ Fair Value (₹ In Lakhs)	% to Net Assets	% to Investment Category
<b>Auto</b>	<b>11,781</b>	<b>245.44</b>	<b>12.95%</b>	<b>16.19%</b>
Bajaj Auto Ltd	4,310	89.8	4.74%	5.92%
Hero MotoCorp Ltd	2,749	62.53	3.30%	4.12%
Maruti Suzuki India Ltd	4,722	93.11	4.91%	6.14%
<b>Auto Ancillaries</b>	<b>33,815</b>	<b>40.97</b>	<b>2.16%</b>	<b>2.70%</b>
Exide Industries Ltd	33,815	40.97	2.16%	2.70%
<b>Banks</b>	<b>16,669</b>	<b>177.55</b>	<b>9.37%</b>	<b>11.71%</b>
Axis Bank Ltd	3,362	49.1	2.59%	3.24%
ING Vysya Bank Ltd	9,880	62.73	3.31%	4.14%
State Bank of India	3,427	65.72	3.47%	4.33%
<b>Cement</b>	<b>5,345</b>	<b>74.81</b>	<b>3.95%</b>	<b>4.93%</b>
ACC Ltd	5,345	74.81	3.95%	4.93%
<b>Chemicals</b>	<b>19,797</b>	<b>56.86</b>	<b>3.00%</b>	<b>3.75%</b>
Tata Chemicals Ltd	19,797	56.86	3.00%	3.75%

<b>Construction Project</b>	<b>47,304</b>	<b>113.99</b>	<b>6.02%</b>	<b>7.52%</b>
Larsen & Toubro Ltd	3,409	43.36	2.29%	2.86%
Voltas Ltd	43,895	70.63	3.73%	4.66%
<b>Ferrous Metals</b>	<b>8,459</b>	<b>33.32</b>	<b>1.76%</b>	<b>2.20%</b>
Tata Steel Ltd	8,459	33.32	1.76%	2.20%
<b>Finance</b>	<b>11,229</b>	<b>99.25</b>	<b>5.24%</b>	<b>6.54%</b>
Housing Development Finance Corporation Ltd	11,229	99.25	5.24%	6.54%
<b>Gas</b>	<b>45,135</b>	<b>95.49</b>	<b>5.04%</b>	<b>6.30%</b>
Gail (India) Ltd	14,081	52.95	2.79%	3.49%
Petronet LNG Ltd	31,054	42.54	2.25%	2.81%
Hotels	88,087	64.04	3.38%	4.22%
Indian Hotels Co Ltd	88,087	64.04	3.38%	4.22%
<b>Industrial Capital Goods</b>	<b>30,317</b>	<b>48.63</b>	<b>2.57%</b>	<b>3.21%</b>
Crompton Greaves Ltd	30,317	48.63	2.57%	3.21%
<b>Industrial Products</b>	<b>6,810</b>	<b>40.64</b>	<b>2.14%</b>	<b>2.68%</b>
Cummins India Ltd	6,810	40.64	2.14%	2.68%
<b>Oil</b>	<b>21,029</b>	<b>67.02</b>	<b>3.54%</b>	<b>4.42%</b>
Oil & Natural Gas Corporation Ltd	21,029	67.02	3.54%	4.42%
<b>Petroleum Products</b>	<b>17,526</b>	<b>49.36</b>	<b>2.60%</b>	<b>3.25%</b>
Indian Oil Corporation Ltd	17,526	49.36	2.60%	3.25%
<b>Power</b>	<b>93,943</b>	<b>85.47</b>	<b>4.51%</b>	<b>5.64%</b>
NTPC Ltd	41,796	50.11	2.64%	3.30%
PTC India Ltd	52,147	35.36	1.87%	2.33%
<b>Software</b>	<b>4,809</b>	<b>127.99</b>	<b>6.75%</b>	<b>8.44%</b>
Infosys Ltd	2,210	72.55	3.83%	4.78%
Tata Consultancy Services Ltd	2,599	55.44	2.92%	3.66%
<b>Telecom - Services</b>	<b>10,213</b>	<b>32.45</b>	<b>1.71%</b>	<b>2.14%</b>
Bharti Airtel Ltd	10,213	32.45	1.71%	2.14%
<b>Transportation</b>	<b>9,689</b>	<b>63.16</b>	<b>3.33%</b>	<b>4.16%</b>
Container Corporation of India Ltd	5,853	56.80	3.00%	3.75%
Gateway Distriparks Ltd	3,836	6.36	0.33%	0.42%
<b>TOTAL</b>		<b>1,516.44</b>	<b>80.02%</b>	<b>100.00%</b>
<b>Cash &amp; Cash Equivalent</b>				
Collateralised Borrowing & Lending Obligation (CBLO)		<b>354.21</b>	<b>18.69%</b>	
Net Receivable/(payable)		<b>24.34</b>	<b>1.28%</b>	
<b>Grand Total</b>		<b>1,894.99</b>	<b>100.00%</b>	

**(19) BORROWINGS**

The Scheme has not made any borrowing during the period March 31, 2014. (Previous Year- Nil).

**(20) DERIVATIVES**

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

**(21) CREDIT DEFAULT SWAPS (CDS)**

The scheme has not entered in to CDS transactions during the year (Previous year - Nil).

**(22) 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.

**(23) CONTINGENT LIABILITIES**

The Contingent Liabilities as on 31<sup>st</sup> March 2014 is Nil.(Previous Year – Nil).

**(24) UNCLAIMED DIVIDEND/REDEMPTION**

Unclaimed dividend/redemptions outstanding for more than 3 months as of 31<sup>st</sup> March 2014 are Nil(Previous Year-Nil).

**(25) DISCLOSURE OF TRANSACTIONS IN ACCORDANCE WITH ACCOUNTING STANDARD 18 – RELATED PARTY TRANSACTIONS AND AS PER REGULATION 25(8) OF SEBI MUTUAL FUND REGULATION 1996.**

**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
G Corp Homes Private Limited	Associate
G:Corp Spaces Private Limited**	Associate
Ajit Dayal	Associate
QIEF Management (HK) Ltd*	Associate

\* Associate for the period 11th July 2013 to 13th November 2013

\*\* Associate with effect from 26th July 2013

**Other Schemes of the Fund**

Quantum Long Term Equity Fund

Quantum Liquid Fund

Quantum Gold Fund

Quantum Index Fund

Quantum Equity Fund of Fund

Quantum Gold Savings Fund

Quantum Multi Asset Fund

Transaction with the above mentioned related parties (in the nature of their independent investments) are

provided below:

Name of the related party	Nature of transactions	For the Year ended March 2014 (₹)	Balance as at March 31, 2014 (₹)	For the Year ended March 2013 (₹)	Balance as at March 31, 2013 (₹)
Quantum Asset Management Co Pvt Ltd	Management Fees	1,389,064	134,549	807,126	73,567

Quantum Gold Savings fund and Quantum Multi Asset Fund are fund of fund Scheme which as per their investment objective invests in other schemes of Quantum Mutual Fund as disclosed in the Scheme's offer document, hence information on their investment transactions have not been shown above.

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

- Brokerage paid to Associates Companies during the last two fiscal years:- Nil.
- 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, 2013 - March 31, 2014	0.01 cr. & 0.00%	Nil
Quantum Information Services Private Limited	Associate Company	April 01, 2012 - March 31, 2013	* & 0.05%	Nil

(\*Figure less than 0.01 cr.)

**DISCLOSURE UNDER REGULATIONS 25 (8) OF THE SEBI REGULATIONS**

- Underwriting obligations taken by the Scheme in respect of issues of securities of Associate companies: Nil (Previous Year: Nil).
- Devolvement, if any: Nil (Previous Year: Nil).
- Subscriptions by the Schemes in the issues lead managed by Associate companies: Nil(Previous Year: Nil).
- Subscription to any issue of equity or debt on private placement basis where the sponsor or its associate companies has acted as arranger or manager: Nil (Previous Year: Nil).

**(26) INVESTMENTS IN GROUP COMPANIES**

Quantum Tax Saving Fund has made Nil investment in group companies during the year ended March 31, 2014. (Previous Year – Nil).

**(27) LARGE HOLDINGS**

Unit holders holding over 25% of the Scheme of NAV is Nil as at the end of the year March 31, 2014. (Previous Year – Nil).

**(28) HISTORICAL PER UNIT STATISTICS**

The Historical Per Unit statistics are given in Annexure I.

**(29) PRIOR PERIOD COMPARATIVES**

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

For Quantum Trustee Company Pvt Ltd

sd/-  
Jagdish Capoor  
(Chairman)

sd/-  
Hormazdiyaar Vakil  
(Director)

For Quantum Asset Management Company Pvt Ltd

sd/-  
Ajit Dayal  
(Chairman)

sd/-  
Jimmy A. Patel  
(Chief Executive Officer)

sd/-  
C. Srinivasan  
(Director)

sd/-  
Atul Kumar  
(Fund Manager)

**ANNEXURE - I**  
**QUANTUM TAX SAVING FUND**  
**HISTORICAL PER UNIT STATISTICS**

<b>Sr. No.</b>	<b>Particulars</b>	<b>As of 31.03.2014</b>	<b>As of 31.03.2013</b>	<b>As of 31.03.2012</b>
	<b>Face Value</b>	<b>₹ 10/-</b>	<b>₹ 10/-</b>	<b>₹ 10/-</b>
(a)	Net Assets Value, per unit			
i)	Growth Option	29.64	24.017	22.037
ii)	Dividend Option	29.64	24.002	22.025
(b)	Gross Income per-unit broken up into the following components			
(i)	income other than profit on sale of investment, per unit	0.6652	0.4625	0.3548
(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	0.9060	0.8758	0.3915
(iv)	transfer to revenue account from past years' reserve, per unit	-	-	-
(c)	Aggregate of expenses, write off, amortization and charges, per-unit	0.2716	0.2158	0.1966
(d)	Net unrealized appreciation in value of investments	4.5030	0.7827	1.0871
(e)	Net Income per unit (excluding unrealized appreciation)	1.2997	1.1226	0.5497
(f)				
<b>i)</b>	<b>Highest resale price</b>			
	Growth Option	29.64	25.864	23.178
	Dividend Option	29.64	25.847	23.164
<b>ii)</b>	<b>Lowest resale price</b>			
	Growth Option	22.29	20.144	18.530
	Dividend Option	22.29	20.132	18.520
<b>iii)</b>	<b>Highest repurchase price</b>			
	Growth Option	29.64	25.864	23.178
	Dividend Option	29.64	25.847	23.164
<b>iv)</b>	<b>Lowest repurchase price</b>			
	Growth Option	22.29	20.144	18.530
	Dividend Option	22.29	20.132	18.520
<b>v)</b>	<b>Price Earning Ratio</b>	NA	NA	NA
(g)	Ratio of expenses to average daily net assets by % (Excluding unrealized depreciation and amortization of deferred revenue expenditure)	1.25%	1.25%	1.29%
(h)	Ratio of income to Average daily net assets by % (exclusive of unrealized appreciation)	7.23%	7.75%	4.88%

Profit with Process

## INDEPENDENT AUDITORS' REPORT

TO

**THE BOARD OF TRUSTEES OF  
QUANTUM MUTUAL FUND**

**Report on the Financial Statements**

We have audited the accompanying financial statements of Quantum Equity Fund of Funds (the "Scheme"), which comprise the Balance Sheet as at March 31, 2014, and the Revenue Account and Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

*Management's Responsibility for the Financial Statements*

Trustees of **Quantum Mutual Fund** and Quantum Asset Management Company Private Limited are responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Scheme in accordance with the accounting policies and standards as specified in the Ninth Schedule of the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 and amendments thereto ("the Regulations"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

*Auditors' Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Scheme's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Regulations as applicable and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Scheme as at March 31, 2014;
- (b) in the case of the Revenue Account, of the surplus for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

QUANTUM  
MUTUAL FUND  
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**Report on Other Legal and Regulatory Requirements**

As required under the Regulations, we report that:

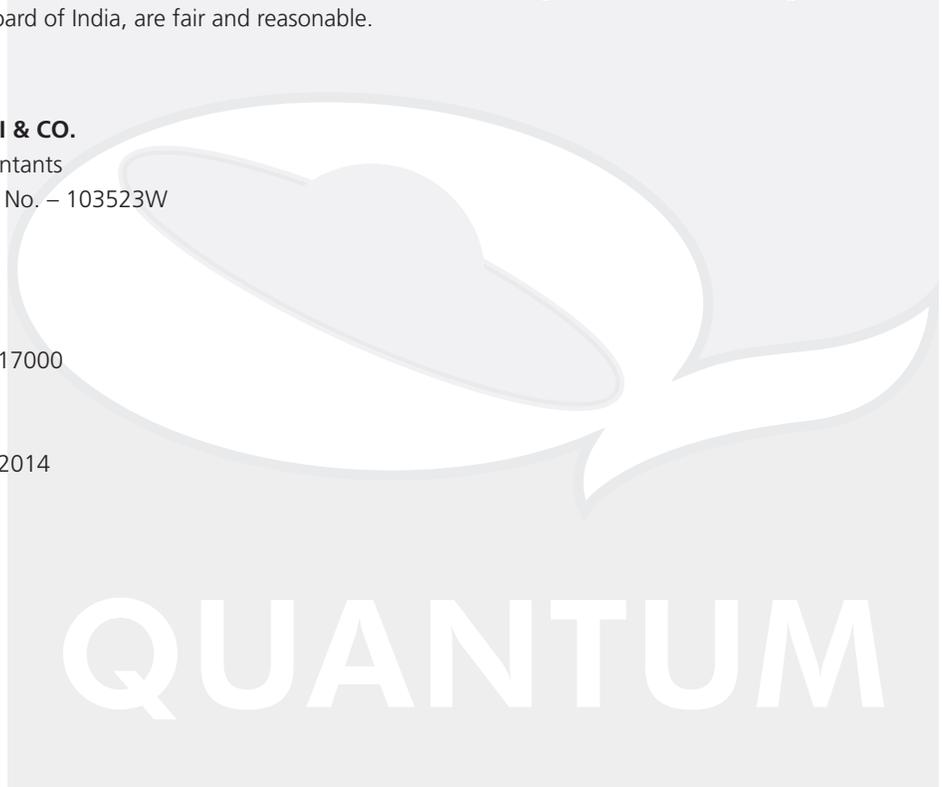
1. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
2. The Balance Sheet, Revenue Account, and Cash Flow Statement dealt with by this Report are in agreement with the books of account of the Scheme;
3. In our opinion, the Balance Sheet, Revenue Account, and Cash Flow Statement dealt with by this report have been prepared in accordance with the accounting policies and standards as specified in Ninth Schedule of the Regulations.
4. The methods used to value non traded securities, as determined by Quantum Asset Management Company Private Limited under procedures approved by the Trustees of Quantum Mutual Fund are in good faith and in accordance with the guidelines for valuation of securities for mutual funds as mentioned in the Eighth Schedule of the Regulations issued by the Securities and Exchange Board of India, are fair and reasonable.

For **HARIBHAKTI & CO.**  
Chartered Accountants  
Firm Registration No. – 103523W

**sd/-**

**CHETAN DESAI**  
Membership No 17000

Place: Mumbai  
Date: 20th May, 2014



M U T U A L F U N D  
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**QUANTUM EQUITY FUND OF FUNDS**  
**BALANCE SHEET AS AT 31<sup>st</sup> MARCH 2014**

	Schedule	31st March, 2014 Amount (₹)	31st March, 2013 Amount (₹)
<b>LIABILITIES</b>			
Unit Capital	'A'	17,621,762	20,990,258
Reserves and Surplus	'B'	12,278,839	8,453,743
Current Liabilities and Provisions	'C'	183,284	287,070
<b>Total</b>		<b>30,083,885</b>	<b>29,731,071</b>
<b>ASSETS</b>			
Investments	'D'	29,719,093	29,431,083
Other Current Assets	'E'	364,792	299,988
<b>Total</b>		<b>30,083,885</b>	<b>29,731,071</b>
Significant accounting policies and Notes forming part of Accounts	'F'		

For Quantum Trustee Company Pvt Ltd

sd/-  
Jagdish Capoor  
(Chairman)

sd/-  
Hormazdiyaar Vakil  
(Director)

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

sd/-  
Chetan Desai  
Partner  
Membership No: 17000

Place : Mumbai  
Date : May 20, 2014

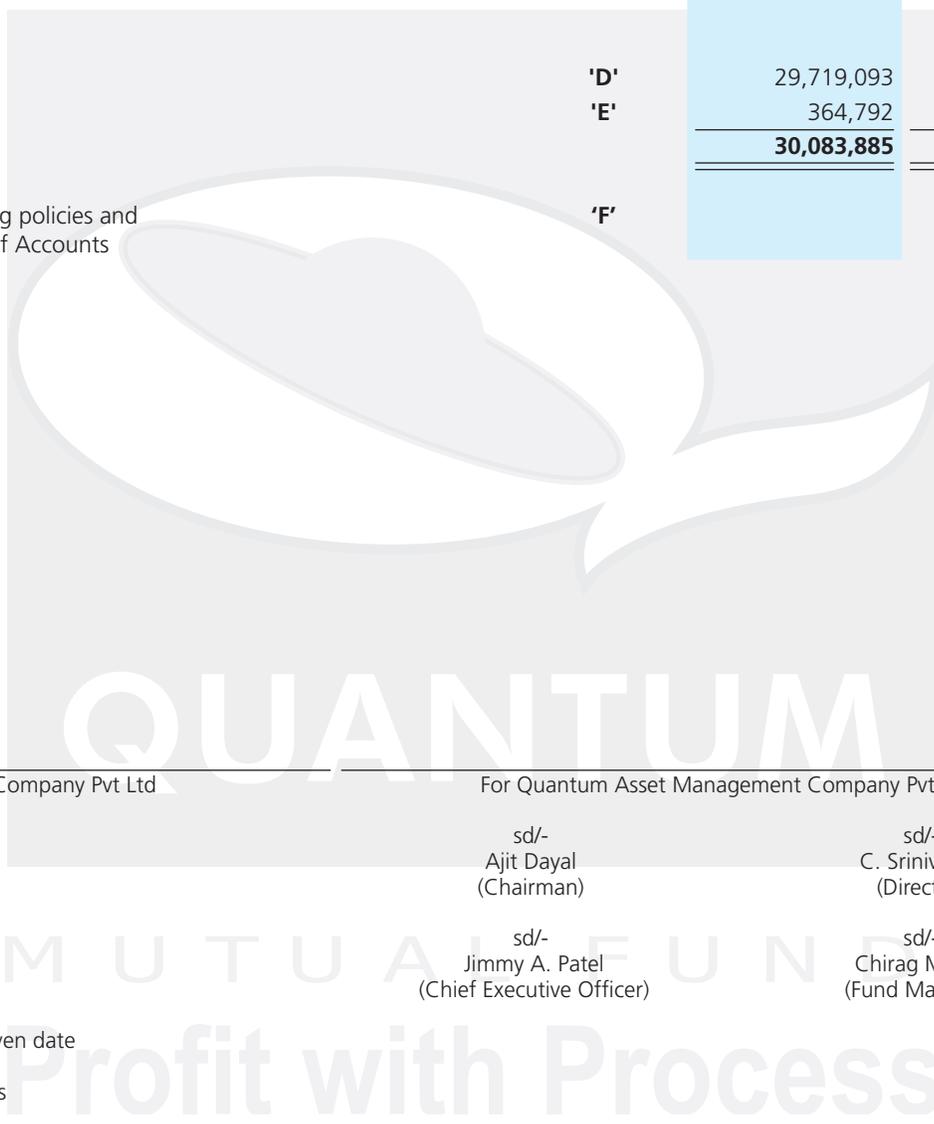
For Quantum Asset Management Company Pvt Ltd

sd/-  
Ajit Dayal  
(Chairman)

sd/-  
Jimmy A. Patel  
(Chief Executive Officer)

sd/-  
C. Srinivasan  
(Director)

sd/-  
Chirag Mehta  
(Fund Manager)



**QUANTUM EQUITY FUND OF FUNDS  
REVENUE ACCOUNT FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2014**

	31st March, 2014 Amount (₹)	31st March, 2013 Amount (₹)
<b>INCOME</b>		
Interest and Discount income	29,210	33,293
Profit on sale / redemption of investments (Other than inter-scheme transfer / sale)	52,216	5,137,977
Other Income (Load Income)	22,588	14,388
Depreciation of previous year written back	3,090,658	-
<b>Total</b>	<b>3,194,672</b>	<b>5,185,658</b>
<b>EXPENSES AND LOSSES</b>		
Loss on sale / redemption of investments ( Other than inter-scheme transfers / sale)	378,121	13,732
Management Fees	137,657	149,555
Net Change in Unrealised depreciation in the value of investments	-	3,090,658
<b>Total</b>	<b>515,778</b>	<b>3,253,945</b>
<b>Net Surplus / ( Deficit )</b>	<b>2,678,894</b>	<b>1,931,713</b>

**APPROPRIATION ACCOUNT FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2014**

Net Surplus brought forward from previous year	5,130,563	3,038,534
Net Surplus / (Deficit) for the year	2,678,894	1,931,713
Transferred (to)/ from Equalisation Account	(1,060,675)	160,316
<b>Net Surplus / ( Deficit ) carried forward</b>	<b>6,748,782</b>	<b>5,130,563</b>
Significant accounting policies and notes forming parts of Accounts	F	

For Quantum Trustee Company Pvt Ltd

For Quantum Asset Management Company Pvt Ltd

sd/-  
Jagdish Capoor  
(Chairman)

sd/-  
Ajit Dayal  
(Chairman)

sd/-  
C. Srinivasan  
(Director)

sd/-  
Hormazdiyaar Vakil  
(Director)

sd/-  
Jimmy A. Patel  
(Chief Executive Officer)

sd/-  
Chirag Mehta  
(Fund Manager)

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

sd/-  
Chetan Desai  
Partner  
Membership No: 17000

Place : Mumbai  
Date : May 20, 2014

**QUANTUM EQUITY FUND OF FUNDS**  
**SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31<sup>st</sup> MARCH, 2014**

	31st March, 2014		31st March, 2013	
	Units	Amount (₹)	Units	Amount (₹)
<b>SCHEDULE 'A'</b>				
<b>UNIT CAPITAL</b>				
<b>Initial Capital Issued and Subscribed :</b>				
Units of ₹ 10 each fully paidup	585,425	5,854,249	585,425	5,854,249
<b>Outstanding :</b>				
Unit Capital (Opening Balance)	2,099,026	20,990,258	2,028,709	20,287,088
<b>Add</b> : Subscription during the year	386,669	3,866,689	486,822	4,868,223
<b>Less</b> : Redemption during the year	723,519	7,235,186	416,505	4,165,053
<b>Unit Capital (Closing Balance)</b>	<b>1,762,176</b>	<b>17,621,762</b>	<b>2,099,026</b>	<b>20,990,258</b>
<b>SCHEDULE 'B'</b>				
<b>RESERVES &amp; SURPLUS</b>				
<b>Unit Premium</b>				
Opening Balance		3,323,180		3,176,408
<b>Add\ (Less)</b> : Net Additions/(Deduction) during the year		(1,636,986)		307,088
<b>Add\ (Less)</b> :-Transferred (to) / from Equalisation Account		1,060,675		(160,316)
<b>Closing Balance</b>		<b>2,746,870</b>		<b>3,323,180</b>
<b>Equalisation Account</b>				
Transferred from / (to) Unit Premium Reserve		(1,060,675)		160,316
<b>Add\ (Less)</b> : Transferred (to) / from Revenue Account		1,060,675		(160,316)
<b>Closing Balance</b>		<b>-</b>		<b>-</b>
<b>Unrealised Appreciation in the value Of investments (Net)</b>				
Opening Balance		-		638,264
<b>Add</b> :Net change during the year		2,783,187		(638,264)
		<b>2,783,187</b>		<b>-</b>
<b>Appropriation Account</b>				
Surplus/(Deficit) carried forward		<b>6,748,782</b>		<b>5,130,563</b>
<b>Total Reserves &amp; Surplus</b>		<b>12,278,839</b>		<b>8,453,743</b>

QUANTUM  
 MUTUAL FUND  
 Profit with Process

	31st March, 2014		31st March, 2013	
	Units	Amount (₹)	Units	Amount (₹)
<b>SCHEDULE 'C'</b>				
<b><u>CURRENT LIABILITIES &amp; PROVISIONS</u></b>				
Management Fees Payable		11,155		6,105
Purchase contract outstanding		-		196,000
Payable to schemes for switches		404		83,439
Units pending Allotment		100,000		-
Redemption Payable		70,485		-
Other payables		1,240		1,526
<b>Total</b>		<b>183,284</b>		<b>287,070</b>
<b>SCHEDULE 'D'</b>				
<b><u>INVESTMENTS</u></b>				
Mutual Fund Units		29,659,110		29,189,169
Collateralised Borrowing & Lending Obligation*		59,983		241,914
<b>Total</b>		<b>29,719,093</b>		<b>29,431,083</b>
* CBLO investment are registered in the name of the Fund				
<b>SCHEDULE 'E'</b>				
<b><u>OTHER CURRENT ASSETS</u></b>				
Balances with Banks in Current Account**		352,218		235,624
Receivable from Quantum Asset Management Co. Pvt Ltd		-		200
Receivable from schemes for switches		-		25,190
Subscription Receivable		12,574		38,974
<b>Total</b>		<b>364,792</b>		<b>299,988</b>

\*\* Certain bank a/c are in the name of the Fund

**QUANTUM**  
 MUTUAL FUND  
 Profit with Process

**QUANTUM EQUITY FUND OF FUNDS**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2014**

	2013-14 Amount (₹)	2012-13 Amount (₹)
<b>A. Cash flow from Operating Activities</b>		
Surplus for the year	2,678,894	1,931,712
Adjustments for:-		
Change in provision for net unrealised loss in value of investments	-	-
(Increase)/Decrease in investments at cost (net)	2,313,248	(3,143,085)
(Increase)/Decrease in other current assets	25,390	(25,390)
Increase/(Decrease) in current liabilities	(274,271)	269,972
<b>Net cash generated from /(used in) operations (A)</b>	<b>4,743,261</b>	<b>(966,791)</b>
<b>B. Cash flow from Financing Activities</b>		
Increase/(Decrease) in unit capital	(3,368,496)	703,170
Increase/(Decrease) in unit premium reserve	(1,636,986)	307,088
Adjustments for:-		
(Increase)/Decrease in subscription receivable for units issued to investors	26,400	(31,874)
Increase/(Decrease) in redemption payable for units redeemed by investors	70,485	-
Increase/(Decrease) in subscription received for units pending allotment to investors	100,000	-
<b>Net cash generated from /(used in) operations (B)</b>	<b>(4,808,597)</b>	<b>978,384</b>
<b>Net Increase/(Decrease) in Cash and cash equivalents (A + B)</b>	<b>(65,337)</b>	<b>11,593</b>
Cash and cash equivalents, beginning of the year	477,538	465,945
<b>Cash and cash equivalents, end of the year</b>	<b>412,201</b>	<b>477,538</b>
<b>Components of cash and cash equivalents</b>		
Balances with Banks in Current Account	352,218	235,624
Collateralised Borrowing & Lending Obligation	59,983	241,914
	<b>412,201</b>	<b>477,538</b>

For Quantum Trustee Company Pvt Ltd

For Quantum Asset Management Company Pvt Ltd

sd/-  
Jagdish Capoor  
(Chairman)sd/-  
Ajit Dayal  
(Chairman)sd/-  
C. Srinivasan  
(Director)sd/-  
Hormazdiyaar Vakil  
(Director)sd/-  
Jimmy A. Patel  
(Chief Executive Officer)sd/-  
Chirag Mehta  
(Fund Manager)As per our report of even date  
For Haribhakti & Co.  
Chartered Accountants  
FRN: 103523Wsd/-  
Chetan Desai  
Partner  
Membership No: 17000Place : Mumbai  
Date : May 20, 2014

**SCHEDULE 'F'**

**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'). The Benchmark for the Scheme is S&P BSE 200 Index.

All investment decisions, relating to the Scheme are being undertaken by the Fund Manager / Portfolio team in accordance with the SEBI Regulations and Investment Objectives as specified in the Scheme Information Document. The AMC has two committees for enabling investment decisions i.e. Board Investment Committee (BIC) and Key Employee Investment Committee (KIC). The Board of Directors of the AMC has the ultimate responsibilities of supervising investment activities. The Board of Directors has delegated its power with respect to approval / review of the investment activities to BIC and decision making authority with respect to the Investments to KIC except for the restrictions given in the investment policy from time to time.

Since inception, Quantum Mutual Fund is a Direct to investor Mutual Fund and does not charge / debit any distribution expenses to the schemes and does not pay any upfront or trail commission to distributors / intermediaries for investments routed through a distributor / intermediary whether empanelled with Quantum Mutual Fund or not. In accordance with the SEBI Circular No. Cir /IMD/ DF/21/2012 dated September 13, 2012 SEBI allowed fund houses to launch direct plans with effect from January 01, 2013 wherein investor can invest directly in the Direct Plan and such Plan shall have lower expense ratio excluding distributor expense, commission etc. and the Plan shall have a separate NAV. Quantum Mutual Fund has continued with existing plan & NAV and does not have separate plans for receiving any investment applications either through distributors or directly from investors.

**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 SEBI (Mutual Funds) Regulations, 1996 and amendments thereto as applicable.

**(2.2) INVESTMENTS**

**ACCOUNTING OF INVESTMENTS**

Investments are accounted on the trade date. The Scheme uses the weighted 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 contract note.

**VALUATION OF INVESTMENTS**

SEBI has outlined investment valuation norms for the mutual funds to compute and carry out valuation of its investment in its portfolio under Regulation 47 and Eighth Schedule of SEBI (Mutual Funds) Regulations, 1996 as amended from time to time.

SEBI vide its notification dated February 21, 2012 has amended Regulation 47 and Eighth Schedule and has mandated the mutual funds to value its investments on Principal of Fair Valuation to ensure fair treatment to all investors including existing investors as well as investors seeking to purchase or redeem units of mutual funds in all schemes at all points of time.

The Board of Directors of Quantum Asset Management Company Private Limited ("AMC") and Quantum Trustee Company Private Limited ("Trustee") have approved the Investment Valuation Policy and the framework for valuation of investments of Quantum Mutual Fund in accordance with SEBI Notification dated February 21, 2012 effective from July 1, 2012 in its meeting held on May 25, 2012. It is based on principles of fair valuation which is reflective of realizable value of securities/assets and the same is being reviewed and approved by the Board from time to time. The said investment valuation policies reviewed by independent auditors and approved by the Board can be viewed at [www.quantummf.com](http://www.quantummf.com).

**THE INVESTMENTS ARE VALUED AT MARK TO MARKET AS STATED BELOW:-**

**A. MUTUAL FUND UNITS**

Mutual fund units are valued at the same day NAV as available on AMFI website. If the same day NAV is not available it will be valued at

latest available NAV.

#### **B. DEBT AND MONEY MARKET INSTRUMENTS**

With effect from 1st Aug 2012 Quantum Asset Management Company Private Limited has obtained the services of ICRA Management Consulting Services Limited (IMaCS) for valuation of debt and money market instruments/security held in Quantum Mutual fund Scheme's portfolio. The instruments/securities are valued at prices as provided by IMaCS.

- a) Government Securities, State Development Loan and Treasury Bills are valued based on the security level valuation prices provided by IMaCS.
- b) CBLO, Repos and Fixed Deposits are valued on interest accrual/ amortization basis.

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.

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.

Other income is accounted as and when realized.

#### **(2.4) TOTAL EXPENSES**

Expenses are accrued on daily basis within the limits specified under Regulation 52 of SEBI (Mutual Funds) Regulations.

#### **(2.5) EXIT LOAD INCOME**

Entire exit load amount (net off service tax) collected from the investor is credited to the revenue account of the Scheme.

#### **(2.6) 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 Scheme/ Options, daily income earned, including realized and unrealized gain or loss in the value of investments and expenses of the Scheme/ Options are allocated to the Scheme/ Options in proportion to their respective net assets.

#### **(2.7) 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.

#### **(2.8) 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 unrealized appreciation) up to the date of issue/ redemption of units has 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.

3. NOTES TO ACCOUNTS

(1) MOVEMENT IN UNIT CAPITAL

Particulars	2013-14		2012-13	
	Units	Amount (₹)	Units	Amount (₹)
<b>Units of ₹ 10 each fully paid up</b>				
<b>Growth Option</b>				
Units at the beginning of the year	1,900,532.25	19,005,322	1,840,451.17	18,404,512
- Issued during the year	345,480.20	3,454,802	406,175.75	4,061,757
- Redeemed during the year	(638,548.18)	(6,385,482)	(346,094.67)	(3,460,947)
Units at the end of the year	1,607,464.27	16,074,643	1,900,532.25	19,005,322
<b>Dividend Option</b>				
Opening at the beginning of the year	198,493.58	1,984,936	188,257.66	1,882,577
- Issued during the year	41,188.70	411,887	80,646.55	806,465
- Redeemed during the year	(84,970.37)	(849,704)	(70,410.63)	(704,106)
Closing at the end of the year	154,711.91	1,547,119	198,493.58	1,984,936
<b>Grand Total</b>				
Opening at the beginning of the year	2,099,025.83	20,990,258	2,028,708.83	20,287,089
- Issued during the year	386,668.90	3,866,689	486,822.30	4,868,222
- Redeemed during the year	(723,518.55)	(7,235,186)	(416,505.30)	(4,165,053)
Closing at the end of the year	1,762,176.17	17,621,762	2,099,025.83	20,990,258

(2) VALUE OF INVESTMENTS

The Cost and Market Value/Fair Value of Investments is given below:

Investments	March 31, 2014		March 31, 2013	
	Cost (₹)	Market Value (₹)	Cost (₹)	Market Value (₹)
Mutual Fund Units	26,875,923	29,659,110	32,279,828	29,189,170
Collateralised Borrowing & Lending Obligation (CBLO)	59,982	59,982	241,914	241,914
TOTAL	26,935,905	29,719,092	32,521,742	29,431,084

(3) AGGREGATE APPRECIATION AND DEPRECIATION IN THE VALUE OF INVESTMENTS

Particulars	March 31, 2014 (₹)	March 31, 2013 (₹)
<b>Mutual Fund Units</b>		
Unrealised Appreciation	2,783,187	-
Unrealised Depreciation	-	(3,090,658)
Net Appreciation/ (Depreciation)	2,783,187	(3,090,658)

(4) NON PERFORMING INVESTMENTS

Year	Type of Investments	Carrying Value Amount (₹)	Market value Amount (₹)	Provisions
2013-14	Nil	Nil	Nil	Nil
2012-13	Nil	Nil	Nil	Nil

(5) AGGREGATE VALUE OF PURCHASE AND SALE OF INVESTMENTS

Particulars	2013-14		2012-13	
	Amount (in ₹)	% of daily average Net Assets	Amount (in ₹)	% of daily average Net Assets
Purchases*	12,56,000	4.40%	33,488,332	116.47%
Sales/Redemptions*	63,34,000	22.17%	32,378,832	112.61%

(\*Purchases & Sales is excluding CBLO & Fixed Deposits)

**(6) NET ASSET VALUE**

Net Asset Value (NAV) per unit having Face Value of ₹ 10 is as given below:

Options	NAV (March 31, 2014) (₹)	NAV (March 28, 2013)* (₹)
Growth Option	16.968	14.028
Dividend Option	16.968	14.029

\* As 29th, 30<sup>th</sup> & 31<sup>st</sup> March, 2013 was a nonbusiness day, NAV as of 28<sup>th</sup> March, 2013 has been disclosed.

**(7) INCOME AND EXPENDITURE**

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

Particulars	2013-14		2012-13	
	Amount (in ₹)	% of daily average Net Assets	Amount (in ₹)	% of daily average Net Assets
Income*	(274,107)	-0.96%	5,171,925	17.99%
Expenditure	137,657	0.48%	149,555	0.52%

(\*Income is net off losses on sale of Investments and excluding unrealized appreciation)

**(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 ₹ 28,572,445 & fees charged 0.48%, Management Fees accrued during the period is ₹ 137,657/- inclusive of statutory levies with service tax. As per SEBI regulations, Management fee is not charged on AMC's own Investments.

**(9) TOTAL EXPENSE RATIO & INVESTMENT MANAGEMENT FEES**

SEBI vide its Notification dated 26th September 2012 has recommended in case of a fund of funds Scheme, the total expenses of the Scheme including weighted average of charges levied by the underlying schemes shall not exceed 2.50% of the daily net assets of the Scheme. The Investment Management and Advisory fees charged by the AMC to the Scheme is within the total expense limit as prescribed by SEBI Regulations, as amended from time to time.

As the information on daily net assets and expense ratio of underlying schemes were not available Quantum mutual fund has monitored net assets and expense ratio of underlying schemes of Quantum equity fund of fund Scheme based on month end information.

**(10) OTHER EXPENSES**

All other expenses of the Scheme are fully borne by the Quantum Asset Management Company Private Limited on behalf of Scheme.

**(11) INVESTOR EDUCATION EXPENSES**

SEBI vide its Circular no. CIR/IMD/DF/21/2012 dated September 13, 2012 has stipulated Mutual Funds/AMCs to annually set apart at least 2 basis points on daily net assets for investor education and awareness initiatives. Quantum Asset Management Company Private Ltd sets aside and incurs the amount for investor education expenses.

**(12) 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.

**(13) CUSTODY FEES**

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

**(14) 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.

**(15) 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.

**(16) CONTRACTS PENDING DELIVERIES**

There were no contracts pending for Purchase and Sale as on 31<sup>st</sup> March, 2014.

**(17) DISCLOSURE UNDER REGULATION 25(11) OF THE SEBI (MUTUAL FUNDS) REGULATIONS, 1996 AS AMENDED – NIL (PREVIOUS YEAR – NIL)**

**(18) 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, 2014, are presented below. The industry and company exposures are stated as a percentage of the Scheme's net assets as at March 31, 2014, as well as the aggregate investments in each investment category.

Name of the Instrument	Units	Market Value (₹ Lakhs)	% to Net Assets	% to Inv. Category
<b>Mutual Fund Units</b>		<b>296.59</b>	<b>99.19%</b>	<b>100.00%</b>
HDFC Top 200 Fund -Direct Plan - Growth Option	20,835	53.21	17.80%	17.94%
HDFC Equity Fund -Direct Plan - Growth Option	15,285	51.17	17.11%	17.25%
Birla Sun Life Frontline Equity Fund - Growth - Direct Plan	43,486	51.00	17.06%	17.20%
Canara Robeco Equity Diversified-Direct Plan -Growth Option	70,044	49.42	16.53%	16.66%
DSP BlackRock Equity Fund - Direct Plan - Growth	260,010	49.05	16.40%	16.54%
Sundaram Select Midcap-Direct Plan- Growth	21,857	42.74	14.29%	14.41%
<b>Cash &amp; cash Equivalent</b>		<b>2.42</b>	<b>0.81%</b>	<b>100.00%</b>
Collateralised Borrowing & Lending Obligation (CBLO)		0.60	0.20%	
Net Receivables/ (Payables)		1.82	0.61%	
<b>GRAND TOTAL</b>		<b>299.01</b>	<b>100.00%</b>	

**(19) BORROWINGS**

The Scheme has not made any borrowing during the financial year(Previous Year – Nil).

**(20) DERIVATIVES**

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

**(21) CREDIT DEFAULT SWAPS (CDS)**

The scheme has not entered in to CDS transactions during the year (Previous year - Nil).

**(22) 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.

**(23) CONTINGENT LIABILITIES**

The Contingent Liabilities as on 31<sup>st</sup> March 2014 is Nil(Previous Year – Nil).

**(24) UNCLAIMED DIVIDEND/REDEMPTION**

Unclaimed dividend/redemptions outstanding for more than 3 months as of 31<sup>st</sup> March 2014 is Nil(Previous Year-Nil).

**(25) DISCLOSURE OF TRANSACTIONS IN ACCORDANCE WITH ACCOUNTING STANDARD 18 – RELATED PARTY TRANSACTIONS AND AS PER REGULATION 25(8) OF SEBI MUTUAL FUND REGULATION 1996.**

**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
G Corp Homes Private Limited	Associate
G:Corp Spaces Private Limited**	Associate
Ajit Dayal	Associate
QIEF Management (HK) Ltd*	Associate

\* Associate for the period 11th July 2013 to November 2013

\*\* Associate with effect from 26th July 2013

#### **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

Quantum Multi Asset Fund

Transaction with the above mentioned related parties (in the nature of their independent investments) are provided below:

Name of the related party	Nature of transactions	Year ended March 2014 (₹)	Balance as at March 31, 2014 (₹)	Year ended March 2013 (₹)	Balance as at March 31, 2013 (₹)
Ajit Dayal	Subscription	-	-	-	-
	Redemption	-	-	-	-
	Net Assets value of investment at balance sheet date	-	6,020,010	-	4,976,939
Quantum Asset Management Co Pvt Ltd	Management Fees	137,657	11,155	149,555	6,105

Quantum Gold Savings fund and Quantum Multi Asset Fund are fund of fund Scheme which as per their investment objective invests in other schemes of Quantum Mutual Fund as disclosed in the Scheme's offer document, hence information on their investment transactions have not been shown above.

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

- Brokerage paid to Associate Companies during the current financial year- Nil (previous year – Nil).
- Commission paid to Associate Companies during the last two financial 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, 2013- March 31, 2014	* & 0.00%	Nil
Quantum Information Services Private Limited	Associate Company	April 01, 2012- March 31, 2013	0.02 cr. & 2.32 %	Nil

(\*Figure less than 0.01 cr.)

**DISCLOSURE UNDER REGULATIONS 25 (8) OF THE SEBI REGULATIONS**

- a) Underwriting obligations undertaken by the Scheme in respect of issues of securities of Associate companies: Nil (Previous Year: Nil).
- b) Devolvement, if any: Nil (Previous Year: Nil).
- c) Subscriptions by the Schemes in the issues lead managed by Associate companies: Nil (Previous Year: Nil).
- d) Subscription to any issue of equity or debt on private placement basis where the sponsor or its associate companies have acted as arranger or manager: Nil (Previous Year: Nil).

**(26) INVESTMENTS IN GROUP COMPANIES**

Quantum Equity Fund of Funds has made Nil investment in group companies during the year ended March 31, 2014 (Previous Year – Nil).

**(27) LARGE HOLDINGS**

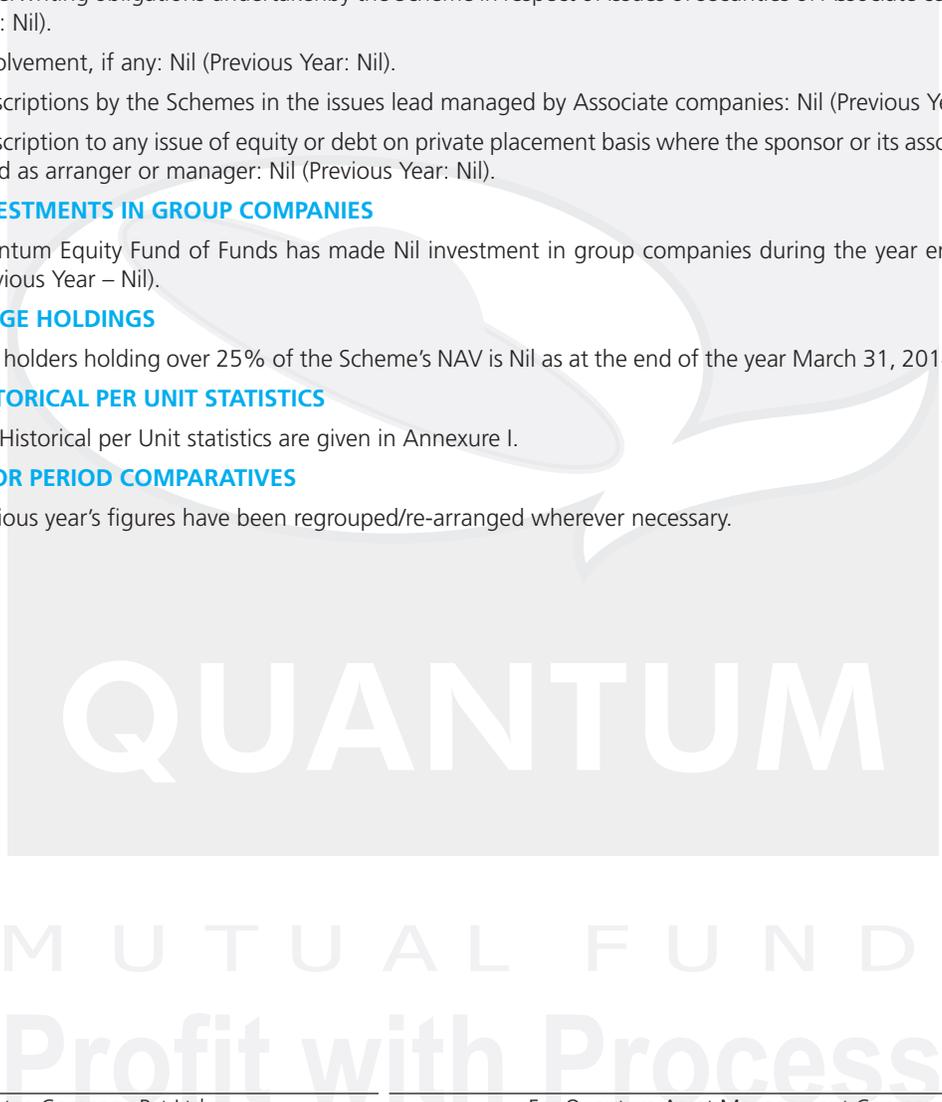
Unit holders holding over 25% of the Scheme’s NAV is Nil as at the end of the year March 31, 2014 (Previous Year – Nil).

**(28) HISTORICAL PER UNIT STATISTICS**

The Historical per Unit statistics are given in Annexure I.

**(29) PRIOR PERIOD COMPARATIVES**

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



For Quantum Trustee Company Pvt Ltd

sd/-  
Jagdish Capoor  
(Chairman)

sd/-  
Hormazdiyaar Vakil  
(Director)

For Quantum Asset Management Company Pvt Ltd

sd/-  
Ajit Dayal  
(Chairman)

sd/-  
Jimmy A. Patel  
(Chief Executive Officer)

sd/-  
C. Srinivasan  
(Director)

sd/-  
Chirag Mehta  
(Fund Manager)

**ANNEXURE 1**  
**QUANTUM EQUITY FUND OF FUNDS**  
**HISTORICAL PER UNIT STATISTICS**

Sr. No.	Particulars	As of 31.03.2014	As of 31.03.2013	As of 31.03.2012
	<b>Face Value</b>	₹ 10/-	₹ 10/-	₹ 10/-
(a)	Net Assets Value			
i)	Growth Option	16.968	14.028	13.378
ii)	Dividend Option	16.968	14.029	13.380
(b)	Gross Income per-unit broken up into the following components			
(i)	income other than profit on sale of investment, per unit	0.0294	0.0227	0.0246
(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	-0.1849	2.4412	0.1078
(iv)	transfer to revenue account from past years' reserve, per unit	-	-	-
(c)	Aggregate of expenses, write off, amortisation and charges, per-unit	0.0781	0.0713	0.0936
(d)	Net unrealized appreciation in value of investments	1.5794	-1.4724	0.3146
(e)	Net Income per unit (excluding unrealized appreciation)	-0.2337	2.3927	0.0388
(f)				
i)	<b>Highest sale price</b>			
	Growth Option	16.968	15.591	14.537
	Dividend Option	16.968	15.593	14.539
ii)	<b>Lowest sale price</b>			
	Growth Option	12.734	12.311	11.319
	Dividend Option	12.734	12.312	11.321
iii)	<b>Highest repurchase price</b>			
	Growth Option	16.713	15.360	14.320
	Dividend Option	16.713	15.360	14.320
iv)	<b>Lowest repurchase price</b>			
	Growth Option	12.540	12.130	11.150
	Dividend Option	12.540	12.130	11.150
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)	0.48%	0.52%	0.75%
(h)	Ratio of income to Average daily net assets by % (excluding of unrealized appreciation)	-0.96%	17.99%	1.06%

Profit with Process

## INDEPENDENT AUDITORS' REPORT

TO

**THE BOARD OF TRUSTEES OF  
QUANTUM MUTUAL FUND**

**Report on the Financial Statements**

We have audited the accompanying financial statements of Quantum Gold Savings Fund (the "Scheme"), which comprise the Balance Sheet as at March 31, 2014, and the Revenue Account and Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

*Management's Responsibility for the Financial Statements*

Trustees of **Quantum Mutual Fund** and Quantum Asset Management Company Private Limited are responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Scheme in accordance with the accounting policies and standards as specified in the Ninth Schedule of the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 and amendments thereto ("the Regulations"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

*Auditors' Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Scheme's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Regulations as applicable and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Scheme as at March 31, 2014;
- (b) in the case of the Revenue Account, of the surplus for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Profit with Process

**Report on Other Legal and Regulatory Requirements**

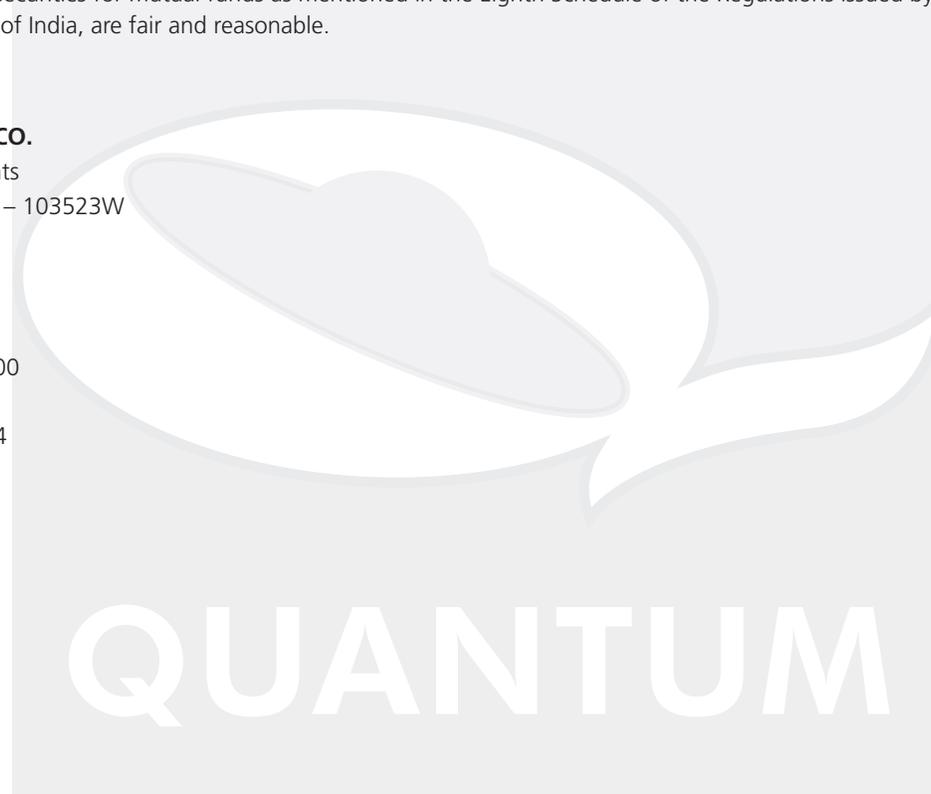
As required under the Regulations, we report that:

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, Revenue Account, and Cash Flow Statement dealt with by this Report are in agreement with the books of account of the Scheme;
3. In our opinion, the Balance Sheet, Revenue Account, and Cash Flow Statement dealt with by this report have been prepared in accordance with the accounting policies and standards as specified in Ninth Schedule of the Regulations.
4. The methods used to value non traded securities, as determined by Quantum Asset Management Company Private Limited under procedures approved by the Trustees of Quantum Mutual Fund are in good faith and in accordance with the guidelines for valuation of securities for mutual funds as mentioned in the Eighth Schedule of the Regulations issued by the Securities and Exchange Board of India, are fair and reasonable.

For **HARIBHAKTI & CO.**  
Chartered Accountants  
Firm Registration No. – 103523W

sd/-

**CHETAN DESAI**  
Membership No 17000  
Place: Mumbai  
Date: 20th May, 2014



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

**QUANTUM GOLD SAVINGS FUND  
BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2014**

	Schedule	31st March, 2014 Amount (₹)	31st March, 2013 Amount (₹)
<b>LIABILITIES</b>			
Unit Capital	'A'	80,549,316	56,529,780
Reserves and Surplus	'B'	20,623,967	18,054,817
Current Liabilities and Provisions	'C'	583,614	411,444
<b>Total</b>		<b>101,756,897</b>	<b>74,996,041</b>
<b>ASSETS</b>			
Investments	'D'	101,021,776	74,642,879
Other Current Assets	'E'	735,121	353,162
<b>Total</b>		<b>101,756,897</b>	<b>74,996,041</b>
Significant accounting policies and notes forming part of Accounts	'F'		

For Quantum Trustee Company Pvt Ltd

sd/-  
Jagdish Capoor  
(Chairman)

sd/-  
Hormazdiyaar Vakil  
(Director)

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

sd/-  
Chetan Desai  
Partner  
Membership No: 17000

Place : Mumbai  
Date : May 20, 2014

For Quantum Asset Management Company Pvt Ltd

sd/-  
Ajit Dayal  
(Chairman)

sd/-  
Jimmy A. Patel  
(Chief Executive Officer)

sd/-  
C. Srinivasan  
(Director)

sd/-  
Chirag Mehta  
(Fund Manager)

**QUANTUM**

M U T U A L F U N D

Profit with Process

**QUANTUM GOLD SAVINGS FUND**  
**REVENUE ACCOUNT FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2014**

Schedule	31st March, 2014 Amount (₹)	31st March, 2013 Amount (₹)
<b>INCOME</b>		
Interest and Discount income	25,182	19,964
Profit on sale / redemption of investments (Other than inter-scheme transfer / sale)	68,054	318,966
Other Income (Load and others)	152,093	110,441
<b>Total</b>	<b>245,329</b>	<b>449,371</b>
<b>EXPENSES AND LOSSES</b>		
Loss on sale / redemption of investments ( Other than inter-scheme transfers / sale)	8,039	-
Custodian fees	66,043	59,589
Registrar & Transfer Agent's Fees	92,899	79,638
Investor Related Expenses	62,974	-
Other Operating Expenses	7,192	8,130
<b>Total</b>	<b>237,147</b>	<b>147,357</b>
<b>Net Surplus / ( Deficit )</b>	<b>8,182</b>	<b>302,014</b>

**APPROPRIATION ACCOUNT FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2014**

Net Surplus brought forward from previous year	1,148,852	436,768
Net Surplus / (Deficit) for the year	8,182	302,014
Transferred (to)/ from Equalisation Account	(224,965)	410,070
<b>Net Surplus / ( Deficit ) carried forward</b>	<b>932,069</b>	<b>1,148,852</b>

Significant accounting policies and notes forming part of Accounts

F

For Quantum Trustee Company Pvt Ltd

sd/-  
Jagdish Capoor  
(Chairman)

sd/-  
Hormazdiyaar Vakil  
(Director)

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

sd/-  
Chetan Desai  
Partner  
Membership No: 17000

Place : Mumbai  
Date : May 20, 2014

For Quantum Asset Management Company Pvt Ltd

sd/-  
Ajit Dayal  
(Chairman)

sd/-  
Jimmy A. Patel  
(Chief Executive Officer)

sd/-  
C. Srinivasan  
(Director)

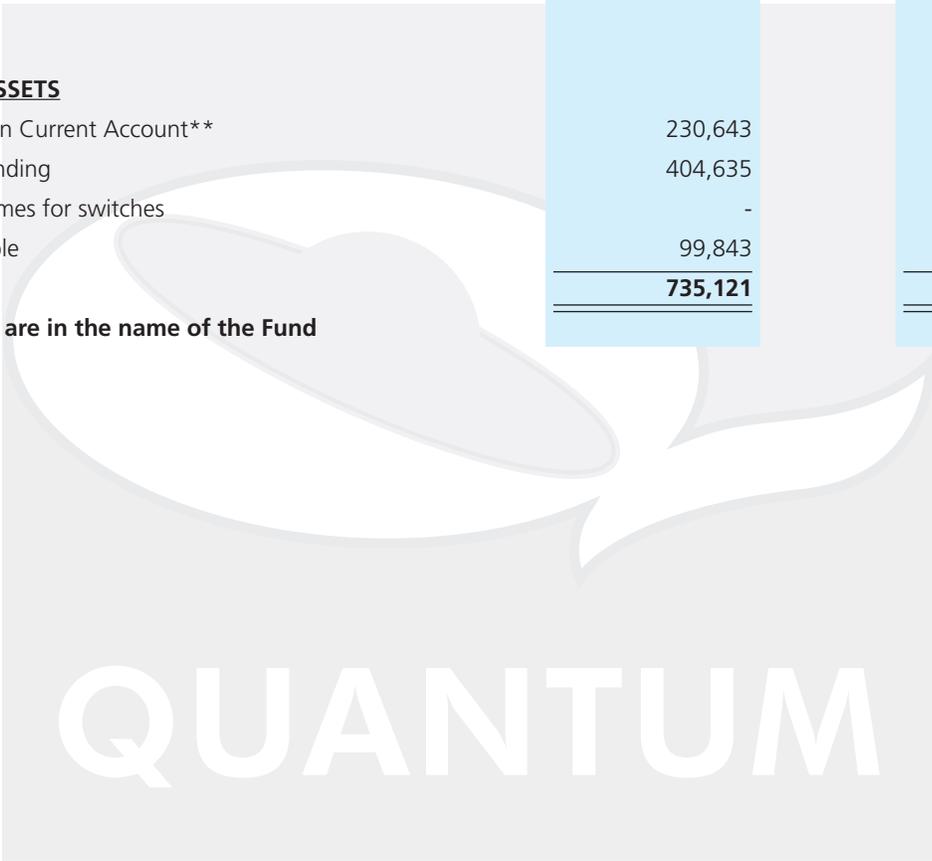
sd/-  
Chirag Mehta  
(Fund Manager)

QUANTUM  
MUTUAL FUND  
Profit with Process

QUANTUM GOLD SAVINGS FUND  
SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2014

	Units	31st March, 2014 Amount (₹)	Units	31st March, 2013 Amount (₹)
<b>SCHEDULE 'A'</b>				
<b>UNIT CAPITAL</b>				
<b>Initial Capital Issued and Subscribed :</b>				
<b>Units of ₹ 10 each fully paidup</b>	<b>621,444</b>	<b>6,214,438</b>	<b>621,444</b>	<b>6,214,438</b>
<b>Outstanding :</b>				
Unit Capital {Opening Balance}	5,652,978	56,529,780	3,265,936	32,659,358
<b>Add</b> : Subscription during the year	3,713,406	37,134,059	3,337,325	33,373,248
<b>Less</b> : Redemption during the year	1,311,452	13,114,523	950,283	9,502,826
<b>Unit Capital (Closing Balance)</b>	<b>8,054,932</b>	<b>80,549,316</b>	<b>5,652,978</b>	<b>56,529,780</b>
<b>SCHEDULE 'B'</b>				
<b>RESERVES &amp; SURPLUS</b>				
<b>Unit Premium</b>				
Opening Balance		12,126,984		4,039,436
<b>Add\ (Less)</b> : Net Additions/(Deduction) during the year		6,067,192		8,497,618
<b>Add\ (Less)</b> :-Transferred (to) / from Equalisation Account		224,965		(410,070)
<b>Closing Balance</b>		<b>18,419,141</b>		<b>12,126,984</b>
<b>Equalisation Account</b>				
Transferred from / (to) Unit Premium Reserve		(224,965)		410,070
<b>Add\ (Less)</b> : Transferred (to) / from Revenue Account		224,965		(410,070)
<b>Closing Balance</b>		-		-
<b>Unrealised Appreciation in the value of investments (Net)</b>				
Opening Balance		4,778,981		4,192,293
<b>Add</b> : Net change during the year		(3,506,224)		586,688
		<b>1,272,757</b>		<b>4,778,981</b>
<b>Appropriation Account</b>				
Surplus/(Deficit) carried forward		<b>932,069</b>		<b>1,148,852</b>
<b>Total Reserves &amp; Surplus</b>		<b>20,623,967</b>		<b>18,054,817</b>
<b>SCHEDULE 'C'</b>				
<b>CURRENT LIABILITIES &amp; PROVISIONS</b>				
Units pending Allotment		4,000		14,248
Purchase contract outstanding		-		294,508
Payable to schemes for switches		447,433		39,228
Redemption Payable		129,324		17,224
Payable to Quantum Asset Management Co. Pvt Ltd		2,788		46,045
Other Payables		69		191
<b>Total</b>		<b>583,614</b>		<b>411,444</b>

	Units	31st March, 2014 Amount (₹)	Units	31st March, 2013 Amount (₹)
<b>SCHEDULE 'D'</b>				
<b>INVESTMENTS</b>				
Quantum Gold Fund Units		100,909,809		74,266,013
Collateralised Borrowing & Lending Obligation*		111,967		376,866
<b>Total</b>		<b>101,021,776</b>		<b>74,642,879</b>
* CBLO investment are registered in the name of the Fund				
<b>SCHEDULE 'E'</b>				
<b>OTHER CURRENT ASSETS</b>				
Balances with Banks in Current Account**		230,643		249,245
Sales contract outstanding		404,635		-
Receivable from schemes for switches		-		2,324
Subscription Receivable		99,843		101,593
<b>Total</b>		<b>735,121</b>		<b>353,162</b>
** Certain bank a/c are in the name of the Fund				



QUANTUM

M U T U A L F U N D

Profit with Process

**QUANTUM GOLD SAVINGS FUND  
CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2014**

	2013-14 Amount (₹)	2012-13 Amount (₹)
<b>A. Cash flow from Operating Activities</b>		
Surplus for the year	8,182	302,014
Adjustments for:-		
(Increase)/Decrease in investments at cost (net)	(30,150,020)	(32,465,855)
(Increase)/Decrease in other current assets	(402,311)	(2,322)
Increase/(Decrease) in current liabilities	70,317	217,922
<b>Net cash generated/(used) in operations (A)</b>	<b>(30,473,832)</b>	<b>(31,948,241)</b>
<b>B. Cash flow from Financing Activities</b>		
Increase/(Decrease) in unit capital	24,019,536	23,870,422
Increase/(Decrease) in unit premium reserve	6,067,192	8,497,618
Adjustments for:-		
(Increase)/Decrease in subscription receivable for units issued to investors	1,750	(76,325)
Increase/(Decrease) in redemption payable for units redeemed by investors	112,100	(8,720)
Increase/(Decrease) in subscription received for units pending allotment to investors	(10,248)	12,748
Dividend and tax thereon paid during the period		
<b>Net cash generated from /(used in) operations (B)</b>	<b>30,190,330</b>	<b>32,295,743</b>
<b>Net Increase/(Decrease) in Cash and cash equivalents (A + B)</b>	<b>(283,502)</b>	<b>347,502</b>
Cash and cash equivalents, beginning of the year	626,111	278,609
<b>Cash and cash equivalents, end of the year</b>	<b>342,610</b>	<b>626,111</b>
<b>Components of cash and cash equivalents</b>		
Balances with Banks in Current Account	230,643	249,245
Collateralised Borrowing & Lending Obligation	111,967	376,866
	<b>342,610</b>	<b>626,111</b>

For Quantum Trustee Company Pvt Ltd

For Quantum Asset Management Company Pvt Ltd

sd/-  
Jagdish Capoor  
(Chairman)

sd/-  
Ajit Dayal  
(Chairman)

sd/-  
C. Srinivasan  
(Director)

sd/-  
Hormazdiyaar Vakil  
(Director)

sd/-  
Jimmy A. Patel  
(Chief Executive Officer)

sd/-  
Chirag Mehta  
(Fund Manager)

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

sd/-  
Chetan Desai  
Partner  
Membership No: 17000

Place : Mumbai  
Date : May 20, 2014

## SCHEDULE 'F'

## 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.

All investment decisions, relating to the Scheme are being undertaken by the Fund Manager / Portfolio team in accordance with the SEBI Regulations and Investment Objectives as specified in the Scheme Information Document. The AMC has two committees for enabling investment decisions i.e. Board Investment Committee (BIC) and Key Employee Investment Committee (KIC). The Board of Directors of the AMC has the ultimate responsibilities of supervising investment activities. The Board of Directors has delegated its power with respect to approval / review of the investment activities to BIC and decision making authority with respect to the Investments to KIC except for the restrictions given in the investment policy from time to time.

Since inception, Quantum Mutual Fund is a Direct to investor Mutual Fund and does not charge / debit any distribution expenses to the schemes and does not pay any upfront or trail commission to distributors / intermediaries for investments routed through a distributor / intermediary whether empanelled with Quantum Mutual Fund or not. In accordance with the SEBI Circular No. Cir /IMD/DF/21/2012 dated September 13, 2012 SEBI allowed fund houses to launch direct plans w.e.f. January 01, 2013 wherein investor can invest directly in the Direct Plan and such Plan shall have lower expense ratio excluding distributor expense, commission etc and the Plan shall have a separate NAV. Quantum Mutual Fund has continued with existing plan & NAV and does not have separate plans for receiving any investment applications either through distributors or directly from investors.

## 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 SEBI (Mutual Funds) Regulations, 1996 and amendments thereto as applicable.

## (2.2) INVESTMENTS

## ACCOUNTING OF INVESTMENTS

Investments are accounted on the trade date. The Scheme uses the weighted 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 contract note.

As per SEBI Notification dated 26th September 2012 with effect from October 01, 2012 brokerage and transaction cost incurred for trades which is included in the cost of investments shall not exceed 0.12% (excluding STT) of the trade value. STT is added to the cost wherever applicable.

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

## VALUATION OF INVESTMENTS

SEBI has outlined investment valuation norms for the mutual funds to compute and carry out valuation of its investment in its portfolio under Regulation 47 and Eighth Schedule of SEBI (Mutual Funds) Regulations, 1996 as amended from time to time.

SEBI vide its notification dated February 21, 2012 has amended Regulation 47 and Eighth Schedule and has mandated the mutual funds to value its investments on Principal of Fair Valuation to ensure fair treatment to all investors including existing investors as well as investors seeking to purchase or redeem units of mutual funds in all schemes at all points of time.

The Board of Directors of Quantum Asset Management Company Private Limited ("AMC") and Quantum Trustee Company Private Limited ("Trustee") have approved the Investment Valuation Policy and the framework for valuation of investments of Quantum Mutual Fund in accordance with SEBI Notification dated February 21, 2012 effective from July 1, 2012 in its meeting held on May 25, 2012. It is based on principles of fair valuation which is reflective of realizable value of securities/assets and the same is being reviewed and approved by the Board from

time to time. The said investment valuation policies reviewed by independent auditors and approved by the Board can be viewed at [www.quantummf.com](http://www.quantummf.com).

**The Investments are valued at Mark to Market as stated below:-**

**A. MUTUAL FUND UNITS**

Exchange Traded Fund units of Quantum Gold Fund (QGF) is valued at closing price available on the stock exchange i.e. NSE. If the price not available on NSE then the prices available on BSE is considered. If price at both NSE and BSE are not available the latest NAV of the fund is considered. Freak trade policy adopted is defined in the valuation policy.

**B. DEBT AND MONEY MARKET INSTRUMENTS**

With effect from 1st Aug 2012 Quantum Asset Management Company Private Limited has obtained the services of ICRA Management Consulting Services Limited (IMaCS) for valuation of debt and money market instruments/security held in Quantum Mutual fund scheme's portfolio. The instruments/securities are valued at prices as provided by IMaCS.

- a) Government Securities, State Development Loan and Treasury Bills are valued based on the security level valuation prices provided by IMaCS.
- b) CBLO, Repos and Fixed Deposits are valued on interest accrual/ amortization basis.

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.

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

Other income is accounted as and when realized.

**(2.4) TOTAL EXPENSES**

Expenses are accrued on daily basis within the limits specified under Regulation 52 of SEBI (Mutual Funds) Regulations.

**(2.5) EXIT LOAD INCOME**

Entire exit load amount (net off service tax) collected from the investor is credited to the revenue account of the Scheme.

**(2.6) DETERMINATION OF NET ASSET VALUE (NAV)**

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

**(2.7) 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.

**(2.8) 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 unrealized appreciation) up to the date of issue/ redemption of units has 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.

## 3. NOTES TO ACCOUNTS

## (1) MOVEMENT IN UNIT CAPITAL

Particulars	2013-14		2012-13	
	Units	Amount (₹)	Units	Amount (₹)
<b>Units of ₹ 10 each fully paid up</b>				
<b>Growth Option</b>				
Units at the beginning of the year	5,652,978.06	56,529,780	3,265,935.84	32,659,358
- Issued during the year	3,713,405.91	37,134,059	3,337,324.80	33,373,248
- Redeemed during the year	(1,311,452.33)	(13,114,523)	(950,282.58)	(9,502,826)
Units at the end of the year	8,054,931.64	80,549,316	5,652,978.06	56,529,780

## (2) VALUE OF INVESTMENTS

The Cost and Market Value/Fair Value of Investments are as given below:

Investments	March 31, 2014		March 31, 2013	
	Cost (₹)	Market Value (₹)	Cost (₹)	Market Value (₹)
Mutual Fund ETF Units	99,637,052	100,909,809	69,487,032	74,266,013
Collateralised Borrowing & Lending Obligation (CBLO)	111,967	111,967	376,866	376,866
Total	99,749,019	101,021,776	69,863,898	74,642,879

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

Particulars	March 31, 2014 (₹)	March 31, 2013 (₹)
<b>Mutual Fund ETF Units</b>		
Unrealised Appreciation	1,272,757	4,778,981
Unrealised Depreciation	-	-
Net Unrealised Appreciation/ (Depreciation)	1,272,757	4,778,981

## (4) NON PERFORMING INVESTMENTS.

Year	Type of Investment	Carrying Value Amount (₹)	Market value Amount (₹)	Provisions
2013-14	Nil	Nil	Nil	Nil
2012-13	Nil	Nil	Nil	Nil

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

Particulars	2013-14		2012-13	
	Amount (in ₹)	% of daily average Net Assets	Amount (in ₹)	% of daily average Net Assets
Purchases*	31,732,476	34.63%	35,107,493	59.56%
Sales/Redemptions*	1,642,470	1.79%	2,963,203	5.03%

(\*Purchases & Sales is excluding CBLO & Fixed Deposits.)

## (6) NET ASSET VALUE

Net Asset Value (NAV) per unit having Face Value of ₹ 10/- is as given below:

Option	NAV (March 31, 2014) (₹)	NAV (March 28, 2013)* (₹)
Growth Option	12.5604	13.1941

\* As 29<sup>th</sup>, 30<sup>th</sup>& 31<sup>st</sup> March, 2013 was a Non-business day, NAV as of 28<sup>th</sup> March, 2013 has been disclosed.

**(7) INCOME AND EXPENDITURE**

The total income and expenditure and its percentage to the Scheme's average daily net assets on an annualized basis are provided below:-

Particulars	2013-14		2012-13	
	Amount (in ₹)	% of daily average Net Assets	Amount (in ₹)	% of daily average Net Assets
Income*	237,290	0.26%	449,371	0.76%
Expenditure	229,108	0.25%	147,357	0.25%

(\*Income is 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 Asset Management Company.

**(10) TOTAL EXPENSE RATIO AND INVESTMENT MANAGEMENT FEES**

SEBI vide its Notification dated 26th September 2012 has recommended in case of a fund of funds Scheme, the total expenses of the Scheme including weighted average of charges levied by the underlying schemes shall not exceed 2.50% of the daily net assets of the Scheme. The Investment Management and Advisory fees charged by the AMC to the Scheme is within the total expense limit as prescribed by SEBI Regulations, as amended from time to time.

As per Scheme information document no investment management fees is charged to the Scheme.

**(11) INVESTOR EDUCATION EXPENSES**

SEBI vide its Circular no. CIR/IMD/DF/21/2012 dated September 13, 2012 has suggested Mutual Funds/AMCs to annually set apart at least 2 basis points on daily net assets for investor education and awareness initiatives. Quantum Asset Management Company Private Ltd sets aside and incurs the amount for investor education expenses.

**(12) 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.

**(13) CUSTODY FEES**

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

**(14) 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.

**(15) 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.

**(16) CONTRACTS PENDING DELIVERIES**

There were no contracts pending for Purchase as on March 31, 2014. Sale of securities by the Scheme, the deliveries of which were pending as on March 31, 2014 amounted to ₹404,635/- .

**(17) DISCLOSURE UNDER REGULATION 25(11) OF THE SEBI (MUTUAL FUNDS) REGULATIONS, 1996 AS AMENDED - Nil(Previous year Nil).**

**(18) 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, 2014 are presented below. The industry and company exposures are stated as a percentage of the Scheme's net assets as at March 31, 2014 as well as the aggregate investments in each investment category.

Name of Instrument	Quantity	Amount (₹ in lakhs)	% to Net Assets	% to Investment category
<b>EXCHANGE TRADED FUND</b>				
<b>Listed /Awaiting listing on the Stock Exchange</b>				
Units of Quantum Gold Fund	75,348	1,009.10	99.74%	100.00%
<b>Cash &amp; Cash Equivalent</b>				
Collateralised Borrowing & Lending Obligation (CBLO)		1.12	0.11%	
Net Receivable / (Payables)		1.51	0.15%	
<b>Grand Total</b>		<b>1,011.73</b>	<b>100.00%</b>	

**(19) BORROWINGS**

The Scheme has not made any borrowing during the current financial year. (Previous Year- Nil)

**(20) DERIVATIVES**

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

**(21) CREDIT DEFAULT SWAPS (CDS)**

The scheme has not entered in to CDS transactions during the year (Previous year - Nil).

**(22) 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.

**(23) CONTINGENT LIABILITIES**

The Contingent Liabilities as on 31<sup>st</sup> March 2014 is Nil. (Previous year – Nil)

**(24) UNCLAIMED REDEMPTION**

Unclaimed redemptions outstanding for more than 3 months as of 31<sup>st</sup> March 2014 is Nil(Previous Year-Nil).

**(25) DISCLOSURE OF TRANSACTIONS IN ACCORDANCE WITH ACCOUNTING STANDARD 18 – RELATED PARTY TRANSACTIONS AND AS PER REGULATION 25(8) OF SEBI MUTUAL FUND REGULATION 1996.****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
G Corp Homes Private Limited	Associate
G:Corp Spaces Private Limited**	Associate
Ajit Dayal	Associate
QIEF Management (HK) Ltd*	Associate

\* Associate for the period 11th July 2013 to 13th November 2013

\*\* Associate with effect from 26th July 2013

**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 Fund

Quantum Multi Asset Fund

Transaction with the above mentioned related parties (in the nature of their independent investments) are provided below:

Name of the related party	Nature of transactions	Period ended March 31, 2014 (₹)	Balance as at March 31, 2014 (₹)	Period ended March 31, 2013 (₹)	Balance as at March 31, 2013 (₹)
Quantum Assets Management Co Pvt Ltd.	Subscription	1,500,000	-	-	-
	Redemption	-	-	-	-
	Net Assets value of investment at balance sheet date	-	2,889,849	-	1,319,410
Ajit Dayal	Subscription	-	-	-	-
	Redemption	-	-	-	-
	Net Assets value of investment at balance sheet date	-	2,464,684	-	2,589,033

Quantum Gold Savings fund and Quantum Multi Asset Fund are fund of fund Scheme which as per their investment objective invests in other schemes of Quantum Mutual Fund as disclosed in the Scheme's offer document, hence information on their investment transactions have not been shown above.

**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(Previous year – Nil)
- b) Commission paid to Associate Companies during 2 fiscal 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	April 01, 2013- March 31, 2014	0.55 cr. & 0.32%	Nil
Quantum Information Services Private Limited	Associate Company	April 01, 2012- March 31, 2013	0.20 cr. & 4.44%	Nil

**DISCLOSURE UNDER REGULATIONS 25 (8) OF THE SEBI REGULATIONS**

- a) Underwriting obligations taken by the Scheme in respect of issues of securities of Associate companies - Nil (Previous Year - Nil)
- b) Devolvement, if any - Nil (Previous Year - Nil)
- c) Subscriptions by the Schemes in the issues lead managed by Associate companies: Nil (Previous Year - Nil)
- d) Subscription to any issue of equity or debt on private placement basis where the sponsor or its associate companies has acted as arranger or manager: Nil (Previous Year- Nil)

**(26) INVESTMENTS IN GROUP COMPANIES**

Quantum Gold Savings Fund has made Nil investment in group companies during the period ended March 31, 2014. (Previous Year – Nil)

**(27) LARGE HOLDINGS**

Unit holders holding over 25% of the Scheme's NAV is Nil as at the end of the period March 31, 2014. (Previous Year – Nil)

**(28) HISTORICAL PER UNIT STATISTICS**

The Historical per Unit statistics are given in Annexure I

**(29) PRIOR PERIOD COMPARATIVES**

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



For Quantum Trustee Company Pvt Ltd

sd/-  
Jagdish Capoor  
(Chairman)

sd/-  
Hormazdiyaar Vakil  
(Director)

For Quantum Asset Management Company Pvt Ltd

sd/-  
Ajit Dayal  
(Chairman)

sd/-  
Jimmy A. Patel  
(Chief Executive Officer)

sd/-  
C. Srinivasan  
(Director)

sd/-  
Chirag Mehta  
(Fund Manager)

ANNEXURE 1

QUANTUM GOLD SAVINGS FUND  
HISTORICAL PER UNIT STATISTICS

Sr. No.	Particulars	As of 31.03.2014	As of 31.03.2013	As of 31.03.2012
	<b>Face Value</b>	<b>₹10/-</b>	<b>₹10/-</b>	<b>₹10/-</b>
(a)	Net Asset Value			
i)	Growth Option	11.9236	13.1941	12.6542
(b)	Gross Income broken up into the following components			
i)	income other than profit on sale of investment	0.0220	0.0231	0.0305
ii)	income from profit on inter-scheme sales/transfer of investments	-	-	-
iii)	income from profit on sale of investment to third party	0.0075	0.0564	0.0876
iv)	transfer to revenue account from past years reserve	-	-	-
(c)	Aggregate of expenses, write-off, amortization and charges	0.0284	0.0261	0.0356
(d)	Net Unrealised appreciation in value of investments	0.1580	0.8454	1.2836
(e)	Net Income per unit (excluding unrealized appreciation)	0.0010	0.0534	0.0825
(f)				
i)	<b>Highest sale price</b>			
	Growth Option	13.9715	14.4723	13.1167
ii)	<b>Lowest sale price</b>			
	Growth Option	11.1821	12.5417	9.8664
iii)	<b>Highest repurchase price</b>			
	Growth Option	13.7619	14.2552	12.9199
iv)	<b>Lowest repurchase price</b>			
	Growth Option	11.0144	12.3536	9.7184
(v)	Price earnings Ratio	N.A	N.A	N.A
(g)	Ratio of expenses to average net assets (excluding unrealized depreciation and amortization of deferred revenue expenditure)	0.25%	0.25%	0.25%
(h)	Ratio of gross income to average daily net assets (excluding unrealized appreciation/depreciation)	0.26%	0.76%	1.44%

QUANTUM

MUTUAL FUND

Profit with Process

## INDEPENDENT AUDITORS' REPORT

TO

**THE BOARD OF TRUSTEES OF  
QUANTUM MUTUAL FUND**

**Report on the Financial Statements**

We have audited the accompanying financial statements of Quantum Multi Asset Fund (the "Scheme"), which comprise the Balance Sheet as at March 31, 2014, and the Revenue Account and Cash Flow Statement for the period then ended and a summary of significant accounting policies and other explanatory information.

*Management's Responsibility for the Financial Statements*

Trustees of **Quantum Mutual Fund** and Quantum Asset Management Company Private Limited are responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Scheme in accordance with the accounting policies and standards as specified in the Ninth Schedule of the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 and amendments thereto ("the Regulations"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

*Auditors' Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Scheme's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Regulations as applicable and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Scheme as at March 31, 2014;
- (b) in the case of the Revenue Account, of the deficit for the period ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the period ended on that date.

**Report on Other Legal and Regulatory Requirements**

As required under the Regulations, we report that:

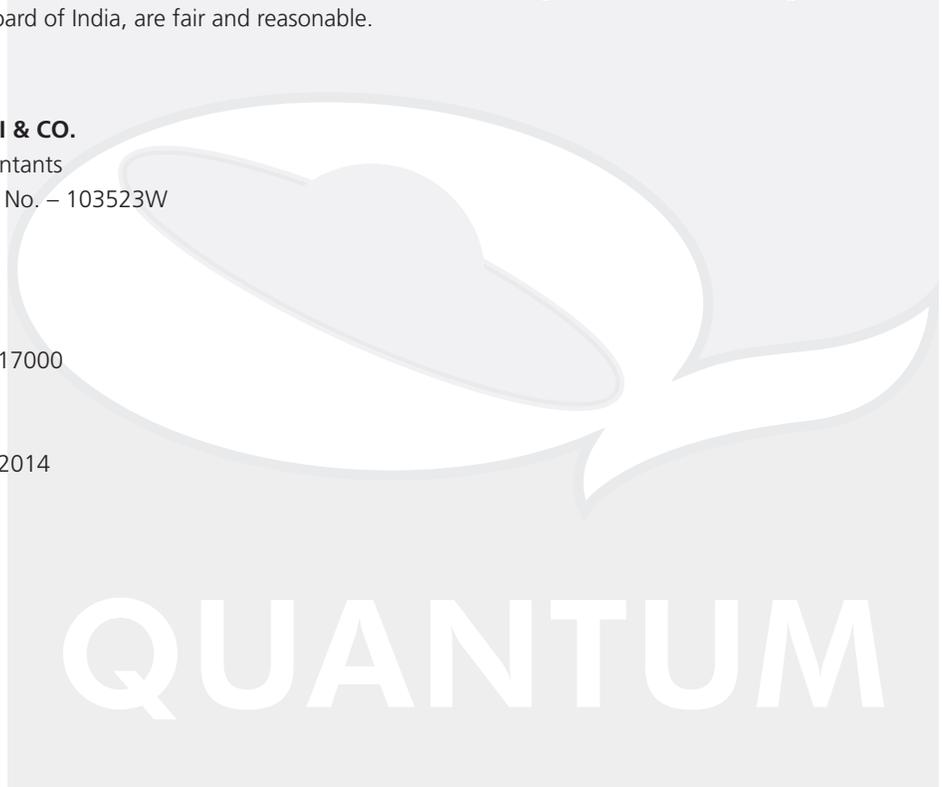
1. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
2. The Balance Sheet, Revenue Account, and Cash Flow Statement dealt with by this Report are in agreement with the books of account of the Scheme;
3. In our opinion, the Balance Sheet, Revenue Account, and Cash Flow Statement dealt with by this report have been prepared in accordance with the accounting policies and standards as specified in Ninth Schedule of the Regulations.
4. The methods used to value non traded securities, as determined by Quantum Asset Management Company Private Limited under procedures approved by the Trustees of Quantum Mutual Fund are in good faith and in accordance with the guidelines for valuation of securities for mutual funds as mentioned in the Eighth Schedule of the Regulations issued by the Securities and Exchange Board of India, are fair and reasonable.

For **HARIBHAKTI & CO.**  
Chartered Accountants  
Firm Registration No. – 103523W

**sd/-**

**CHETAN DESAI**  
Membership No 17000

Place: Mumbai  
Date: 20th May, 2014



**QUANTUM**

M U T U A L F U N D

Profit with Process

**QUANTUM MULTI ASSET FUND**  
**BALANCE SHEET AS AT 31<sup>st</sup> MARCH 2014**

	Schedule	31st March, 2014 Amount (₹)	31st March, 2013 Amount (₹)
<b>LIABILITIES</b>			
Unit Capital	'A'	25,264,394	23,957,291
Reserves and Surplus	'B'	4,859,824	1,405,135
Current Liabilities and Provisions	'C'	31,652	210,913
<b>Total</b>		<b>30,155,870</b>	<b>25,573,339</b>
<b>ASSETS</b>			
Investments	'D'	30,100,872	25,532,294
Other Current Assets	'E'	54,998	41,045
<b>Total</b>		<b>30,155,870</b>	<b>25,573,339</b>
Significant accounting policies and notes forming part of Accounts	'F'		

For Quantum Trustee Company Pvt Ltd

sd/-  
Jagdish Capoor  
(Chairman)sd/-  
Hormazdiyaar Vakil  
(Director)As per our report of even date  
For Haribhakti & Co.  
Chartered Accountants  
FRN: 103523Wsd/-  
Chetan Desai  
Partner  
Membership No: 17000Place : Mumbai  
Date : May 20, 2014

For Quantum Asset Management Company Pvt Ltd

sd/-  
Ajit Dayal  
(Chairman)sd/-  
Jimmy A. Patel  
(Chief Executive Officer)sd/-  
C. Srinivasan  
(Director)sd/-  
Chirag Mehta  
(Fund Manager)

QUANTUM  
MUTUAL FUND  
Profit with Process

**QUANTUM MULTI ASSET FUND  
REVENUE ACCOUNT FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2014**

Schedule	31st March, 2014 Amount (₹)	31st March, 2013 Amount (₹)
<b>INCOME</b>		
Interest and Discount income	18,089	25,114
Profit on sale / redemption of investments (Other than inter-scheme transfer / sale)	161,255	-
Other Income (Load Income)	24,699	9,163
<b>Total</b>	<b>204,043</b>	<b>34,277</b>
<b>EXPENSES AND LOSSES</b>		
Custodian fees	19,591	13,798
Registrar & Transfer Agent's Fees	31,665	19,401
Investor related Expenses	14,533	-
Other Operating Expenses	1,620	5,084
<b>Total</b>	<b>67,409</b>	<b>38,283</b>
<b>Net Surplus / ( Deficit )</b>	<b>136,634</b>	<b>(4,006)</b>
<b>APPROPRIATION ACCOUNT FOR THE PERIOD ENDED 31st MARCH, 2014</b>		
Net Surplus brought forward from previous period	(12,222)	-
Net Surplus / (Deficit) for the year/period	136,634	(4,006)
Transferred (to)/ from Equalisation Account	3,662	(8,216)
<b>Net Surplus / ( Deficit ) carried forward</b>	<b>128,074</b>	<b>(12,222)</b>

Significant accounting policies and notes forming part of Accounts

F

For Quantum Trustee Company Pvt Ltd

For Quantum Asset Management Company Pvt Ltd

sd/-  
Jagdish Capoor  
(Chairman)

sd/-  
Ajit Dayal  
(Chairman)

sd/-  
C. Srinivasan  
(Director)

sd/-  
Hormazdiyaar Vakil  
(Director)

sd/-  
Jimmy A. Patel  
(Chief Executive Officer)

sd/-  
Chirag Mehta  
(Fund Manager)

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

sd/-  
Chetan Desai  
Partner  
Membership No: 17000

Place : Mumbai  
Date :May 20, 2014

**QUANTUM MULTI ASSET FUND**  
**SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31<sup>st</sup> MARCH, 2014**

	31st March, 2014		31st March, 2013	
	Units	Amount (₹)	Units	Amount (₹)
<b>SCHEDULE 'A'</b>				
<b>UNIT CAPITAL</b>				
<b>Initial Capital Issued and Subscribed :</b>				
Units of ₹ 10 each fully paidup	<b>1,215,610</b>	<b>12,156,102</b>	<b>1,215,610</b>	<b>12,156,102</b>
Unit Capital (Opening Balance)	2,395,729	23,957,291	-	-
<b>Add</b> : Subscription during Initial Offer year/period			1,215,610	12,156,102
<b>Add</b> : Subscription during the year/period	534,628	5,346,282	1,239,222	12,392,216
<b>Less</b> : Redemption during the year/period	403,918	4,039,179	59,103	591,027
<b>Unit Capital (Closing Balance)</b>	<b>2,526,439</b>	<b>25,264,394</b>	<b>2,395,729</b>	<b>23,957,291</b>
<b>SCHEDULE 'B'</b>				
<b>RESERVE &amp; SURPLUS</b>				
<b>Unit Premium</b>				
Opening Balance		460,441		-
<b>Add\Less</b> : Net Additions/(Deduction) during the year/period		204,743		452,225
<b>Add\Less</b> :-Transferred (to) / from Equalisation Account		(3,662)		8,216
<b>Closing Balance</b>		<b>661,522</b>		<b>460,441</b>
<b>Equalisation Account</b>				
Transferred from / (to) Unit Premium Reserve		3,662		(8,216)
<b>Add\Less</b> : Transferred (to) / from Revenue Account		(3,662)		8,216
<b>Closing Balance</b>		-		-
<b>Unrealised Appreciation in the value of investments</b>				
Opening Balance		956,916		-
<b>Add</b> : Net change during the year/period		3,113,312		956,916
		<b>4,070,228</b>		<b>956,916</b>
<b>APPROPRIATION ACCOUNT</b>				
Surplus/(Deficit) carried forward		128,074		(12,222)
<b>Total Reserves &amp; Surplus</b>		<b>4,859,824</b>		<b>1,405,135</b>
<b>SCHEDULE 'C'</b>				
<b>CURRENT LIABILITIES &amp; PROVISIONS</b>				
Purchase Contract Outstanding		-		188,520
Redemption Payable		30,727		6,473
Units pending Allotment		-		500
Other Payables		101		-
Payable to Quantum Asset Management Co. Pvt. Ltd.		824		15,420
<b>Total</b>		<b>31,652</b>		<b>210,913</b>

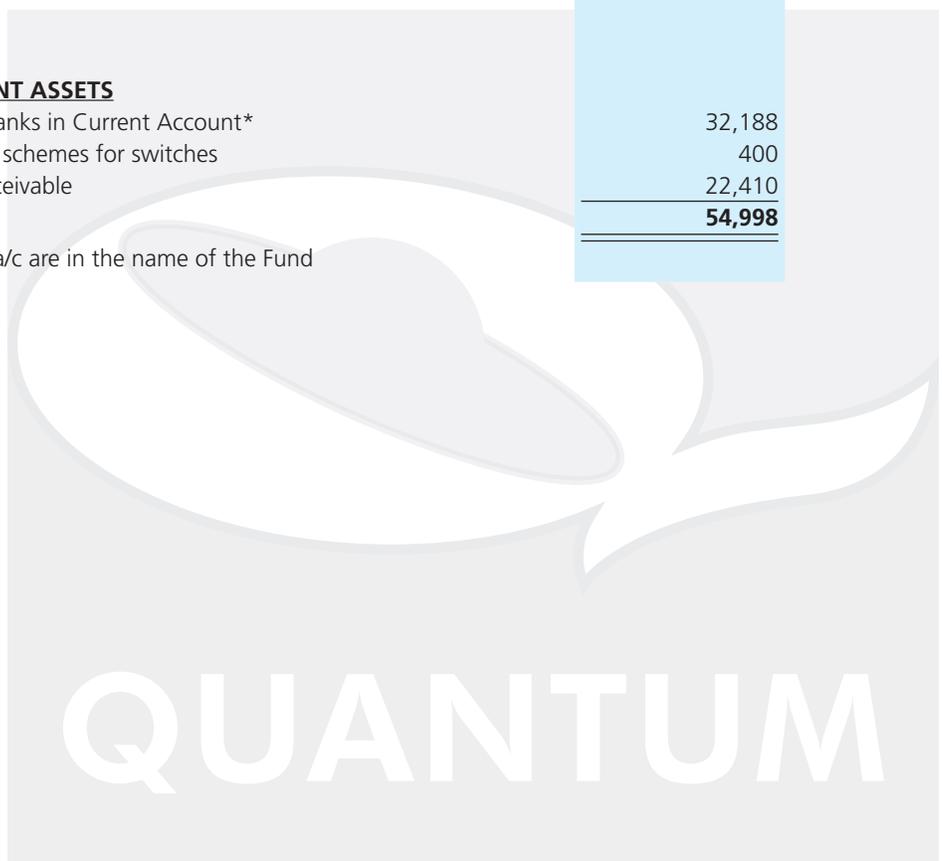
	31st March, 2014		31st March, 2013	
	Units	Amount (₹)	Units	Amount (₹)
<b>SCHEDULE 'D'</b>				
<b>INVESTMENTS</b>				
Mutual Fund Units		21,962,384		16,899,132
ETF Units		8,001,529		8,377,253
Collateralised Borrowing & Lending Obligation*		136,959		255,909
<b>Total</b>		<b>30,100,872</b>		<b>25,532,294</b>

\* CBLO investment are registered in the name of the Fund

**SCHEDULE 'E'**  
**OTHER CURRENT ASSETS**

Balances with Banks in Current Account*		32,188		26,394
Receivable from schemes for switches		400		500
Subscription Receivable		22,410		14,151
<b>Total</b>		<b>54,998</b>		<b>41,045</b>

\* Certain bank a/c are in the name of the Fund



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

**QUANTUM MULTI ASSET FUND**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2014**

	2013-14 Amount (₹)	2012-13 Amount (₹)
<b>A. Cash flow from Operating Activities</b>		
Surplus for the year/period	136,634	(4,006)
Adjustments for:-		
(Increase)/Decrease in investments at cost (net)	(1,574,216)	(24,319,469)
(Increase)/Decrease in other current assets	100	(500)
Increase/(Decrease) in current liabilities	(203,015)	203,940
<b>Net cash generated from /(used in) operations (A)</b>	<b>(1,640,497)</b>	<b>(24,120,035)</b>
<b>B. Cash flow from Financing Activities</b>		
Increase/(Decrease) in unit capital	1,307,103	23,957,291
Increase/(Decrease) in unit premium reserve	204,743	452,225
Adjustments for:-		
(Increase)/Decrease in subscription receivable for units issued to investors	(8,259)	(14,151)
Increase/(Decrease) in redemption payable for units redeemed by investors	24,254	6,473
Increase/(Decrease) in subscription received for units pending allotment to investors	(500)	500
<b>Net cash generated from /(used in) Financing Activity (B)</b>	<b>1,527,341</b>	<b>24,402,338</b>
<b>Net Increase/(Decrease) in Cash and cash equivalents (A + B)</b>	<b>(113,156)</b>	<b>282,303</b>
Cash and cash equivalents, beginning of the year/period	282,303	-
<b>Cash and cash equivalents, end of the year/period</b>	<b>169,147</b>	<b>282,303</b>
<b>Components of cash and cash equivalents</b>		
Balances with Banks in Current Account	32,188	26,394
Collateralised Borrowing & Lending Obligation	136,959	255,909
	<b>169,147</b>	<b>282,303</b>

For Quantum Trustee Company Pvt Ltd

sd/-  
Jagdish Capoor  
(Chairman)sd/-  
Hormazdiyaar Vakil  
(Director)As per our report of even date  
For Haribhakti & Co.  
Chartered Accountants  
FRN: 103523Wsd/-  
Chetan Desai  
Partner  
Membership No: 17000Place : Mumbai  
Date : May 20, 2014

For Quantum Asset Management Company Pvt Ltd

sd/-  
Ajit Dayal  
(Chairman)sd/-  
Jimmy A. Patel  
(Chief Executive Officer)sd/-  
C. Srinivasan  
(Director)sd/-  
Chirag Mehta  
(Fund Manager)

**SCHEDULE 'F'**

**1. ORGANISATION**

Quantum Multi Asset Fund ("the Scheme") is an open-ended growth Scheme of Quantum Mutual Fund and was launched on June 22, 2012. 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 July 05, 2012 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 modest capital appreciation while trying to reduce risk (by diversifying risks across asset classes) from a combined portfolio of equity, debt/money markets and Gold schemes of Quantum Mutual Fund.

The Scheme may invest in the units of debt/money market schemes of other mutual funds to gain exposure to debt as an asset class to manage any investment and regulatory constraints that arise /that prevent the Scheme from increasing investments in the schemes of Quantum Mutual Fund. There can be no assurance of positive returns from following the stated investment strategy. The Scheme offers its investors a Growth Option. The Benchmark for the Scheme is Crisil Composite Bond Fund Index (40%)+S&P BSE Total return Index (40%)+Domestic price of gold (20%).

SEBI vide it's letter dated May 02, 2012 had advised Quantum Mutual Fund that the Quantum Multi Asset Fund Scheme should garner the minimum amount of ₹ 10 Crores within one year from the date of the launch of the Scheme i.e. before June 22, 2013. As the Fund was not able to garner ₹ 10 crore before June 22, 2013, on the request of the Quantum Mutual Fund SEBI, vide it's letter dated June 17, 2013 extended the timeline to on or before June 22, 2014. If the Fund as advised by SEBI is not able to garner the minimum amount of ₹ 10 crores on or before June 22,2014 then the Scheme shall be wound up as per the applicable provisions of SEBI (Mutual Funds) Regulations, 1996. As of 31st March 2014 the corpus of Quantum Multi Asset Scheme was ₹ 3.01 Crores.

All investment decisions, relating to the Scheme are being undertaken by the Fund Manager / Portfolio team in accordance with the SEBI Regulations and Investment Objectives as specified in the Scheme Information Document. The AMC has two committees for enabling investment decisions i.e. Board Investment Committee (BIC) and Key Employee Investment Committee (KIC). The Board of Directors of the AMC has the ultimate responsibilities of supervising investment activities. The Board of Directors has delegated its power with respect to approval / review of the investment activities to BIC and decision making authority with respect to the Investments to KIC except for the restrictions given in the investment policy from time to time.

Since inception, Quantum Mutual Fund is a Direct to investor Mutual Fund and does not charge / debit any distribution expenses to the schemes and does not pay any upfront or trail commission to distributors / intermediaries for investments routed through a distributor / intermediary whether empanelled with Quantum Mutual Fund or not. In accordance with the SEBI Circular No. Cir /IMD/ DF/21/2012 dated September 13, 2012 SEBI allowed fund houses to launch direct plans with effect from January 01, 2013 wherein investor can invest directly in the Direct Plan and such Plan shall have lower expense ratio excluding distributor expense, commission etc and the Plan shall have a separate NAV. Quantum Mutual Fund has continued with existing plan & NAV and does not have separate plans for receiving any investment applications either through distributors or directly from investors.

**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 Funds) Regulations, 1996 and amendments thereto as applicable.

**(2.2) INVESTMENTS**

**Accounting of Investments**

Investments are accounted on the trade date. The Scheme uses the weighted 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 contract note.

As per SEBI Notification dated 26th September 2012 with effect from October 01, 2012 brokerage and transaction cost incurred for trades which is included in the cost of investments shall not exceed 0.12% (excluding STT) of the trade value. STT is added to the cost wherever applicable.

**Valuation of Investments**

The Securities and Exchange Board of India (SEBI) has outlined investment valuation norms for the mutual funds to compute and carry out valuation of its investment in its portfolio under Regulation 47 and Eighth Schedule of SEBI (Mutual Funds) Regulations, 1996 as amended from time to time.

SEBI vide its notification dated February 21, 2012 has amended Regulation 47 and Eighth Schedule and has mandated the mutual funds to value its investments on Principal of Fair Valuation to ensure fair treatment to all investors including existing investors as well as investors seeking to purchase or redeem units of mutual funds in all schemes at all points of time.

The Board of Directors of Quantum Asset Management Company Private Limited ("AMC") and Quantum Trustee Company Private Limited ("Trustee") have approved the Investment Valuation Policy and the framework for valuation of investments of Quantum Mutual Fund in accordance with SEBI Notification dated February 21, 2012 effective from July 1, 2012 in its meeting held on May 25, 2012. It is based on principles of fair valuation which is reflective of realizable value of securities/assets and the same is being reviewed and approved by the Board from time to time. The said investment valuation policies reviewed by independent auditors and approved by the Board can be viewed at [www.quantummf.com](http://www.quantummf.com).

**The Investments are valued at Mark to Market as stated below:-**

**A. MUTUAL FUND UNITS**

- a) Mutual fund units are valued at the same day NAV as available on AMFI website. If the same day NAV is not available it will be valued at latest available NAV.
- b) Exchange Traded Fund units are valued at closing prices available on the stock exchange i.e. NSE. If the price not available on NSE then the prices available on BSE will be considered. If price at both NSE and BSE are not available the latest NAV of the fund is considered. Freak trade policy to be considered is as defined in valuation policy.

**B. DEBT AND MONEY MARKET INSTRUMENTS**

- a) With effect from 1st Aug 2012 Quantum Asset Management Company Private Limited has obtained the services of ICRA Management Consulting Services Limited (IMaCS) for valuation of debt and money market instruments/security held in Quantum Mutual fund scheme's portfolio. The instruments/securities are valued at prices as provided by IMaCS.
- b) Government Securities, State Development Loan and Treasury Bills are valued based on the security level valuation prices provided by IMaCS.
- c) CBLO, Repos and Fixed Deposits are valued on interest accrual/ amortization basis.  
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.  
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.

Other income is accounted as and when realized.

**(2.4) TOTAL EXPENSES**

Expenses are accrued on daily basis within the limits specified under Regulation 52 of SEBI (Mutual Funds) Regulations.

**(2.5) EXIT LOAD INCOME**

Entire exit load amount (net off service tax) collected from the investor is credited to the revenue account of the Scheme.

**(2.6) DETERMINATION OF NET ASSET VALUE (NAV)**

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

**(2.7) 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.

**(2.8) 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 unrealized appreciation) up to 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.

**3. NOTES TO ACCOUNTS**

**(1) MOVEMENT IN UNIT CAPITAL**

Particulars	2013-14		2012-13	
	Units	Amount (₹)	Units	Amount (₹)
<b>Units of ₹ 10 each fully paid up</b>				
<b>Growth Option</b>				
Units at the beginning of the Year/period	2,395,729.11	23,957,291	Nil	Nil
Issued				
- New Fund Offer	-	-	1,215,610.23	12,156,102
- during the year/ period	534,628.16	5,346,282	1,239,221.60	12,392,216
- Redeemed during the year/ period	(403,917.89)	(4,039,179)	(59,102.73)	(591,027)
Units at the end of the year/ period	2,526,439.38	25,264,394	2,395,729.11	23,957,291

**(2) VALUE OF INVESTMENTS**

The Cost and Market Value/Fair Value of Investments are as given below:

Investments	March 31, 2014		March 31, 2013	
	Cost (₹)	Market Value (₹)	Cost (₹)	Market Value (₹)
Mutual Fund Units	18,587,299	21,962,384	16,133,502	16,899,132
Mutual Fund ETF Units	7,306,386	8,001,528	8,185,967	8,377,253
Collateralised Borrowing & Lending Obligation (CBLO)	136,959	136,959	255,909	255,909
Total	26,030,644	30,100,871	24,575,378	25,532,294

**(3) AGGREGATE APPRECIATION OR DEPRECIATION IN THE VALUE OF INVESTMENTS**

Particulars	March 31, 2014 (₹)	March 31, 2013 (₹)
<b>Mutual Fund &amp; ETF Units</b>		
Unrealised Appreciation	4,285,577	1,010,074
Unrealised Depreciation	(215,349)	(53,158)
Net Unrealised Appreciation/ (Depreciation)	4,070,228	956,916

**(4) NON PERFORMING INVESTMENTS.**

Year	Type of Investment	Carrying Value Amount (₹)	Market value Amount (₹)	Provisions (₹)
2013-14	Nil	Nil	Nil	Nil
2012-13	Nil	Nil	Nil	Nil

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

Particulars	2013-14		2012-13	
	Amount (in ₹)	% of daily average Net Assets	Amount (in ₹)	% of daily average Net Assets
Purchases*	3,841,932	14.25%	24,319,366	114.87%
Sales/Redemptions*	2,428,971	9.01%	-	-

(\*Purchases & Sales is excluding CBLO & Fixed Deposits)

**(6) NET ASSET VALUE**

Net Asset Value (NAV) per unit having Face Value of ₹ 10 is as given below:

Option	NAV (March 31, 2014) (₹)	NAV (March 28, 2013)* (₹)
Growth Option	11.9236	10.5866

\*As 29<sup>th</sup>, 30<sup>th</sup> & 31<sup>st</sup> March, 2013 was a Non-business day, NAV of 28<sup>th</sup> March, 2013 has been disclosed.

**(7) INCOME AND EXPENDITURE**

The total income and expenditure and its percentage to the Scheme's average daily net assets on an annualized basis are provided below:

Particulars	2013-14		2012-13	
	Amount (in ₹)	% of daily average Net Assets	Amount (in ₹)	% of daily average Net Assets
Income*	204,043	0.76%	34,277	0.22%
Expenditure	67,409	0.25%	38,283	0.25%

(\*Income is net off losses on sale of Investments and excluding unrealized appreciation)

**(8) INVESTMENT MANAGEMENT FEES - Nil****(9) TOTAL EXPENSE RATIO AND INVESTMENT MANAGEMENT FEES**

SEBI vide its Notification dated 26th September 2012 has recommended in case of a fund of funds Scheme, the total expenses of the Scheme including weighted average of charges levied by the underlying schemes shall not exceed 2.50% of the daily net assets of the Scheme. The Investment Management and Advisory fees charged by the AMC to the Scheme is within the total expense limit as prescribed by SEBI Regulations, as amended from time to time.

As per Scheme information document no investment management fees is charged to the Scheme.

**(10) 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.

**(11) INVESTOR EDUCATION EXPENSES**

SEBI vide its Circular no. CIR/IMD/DF/21/2012 dated September 13, 2012 has suggested Mutual Funds/AMCs to annually set apart at least 2 basis points on daily net assets for investor education and awareness initiatives. Quantum Asset Management Company Private Ltd sets aside and incurs the amount for investor education expenses.

**(12) 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.

**(13) CUSTODY FEES**

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

**(14) 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.

**(15) 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.

**(16) CONTRACTS PENDING DELIVERIES**

There were no contracts for Purchase and sale pending deliveries as on March 31, 2014.

**(17) DISCLOSURE UNDER REGULATION 25(11) OF THE SEBI (MUTUAL FUNDS) REGULATIONS, 1996 AS AMENDED -**

Nil (Previous Year Nil).

**(18) 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, 2014, are presented below. The industry and company exposures are stated as a percentage of the Scheme's net assets as at March 31, 2014, as well as the aggregate investments in each investment category.

Name of Instrument	Quantity	Amount (₹ in lakhs)	% to Net Assets	% to Investment category
<b>EXCHANGE TRADED FUND</b>				
<b>Listed /Awaiting listing on the Stock Exchange</b>				
Quantum Index Fund	6,419	44.69	14.84%	55.85%
Quantum Gold Fund	2,638	35.33	11.73%	44.15%
<b>MUTUAL FUND UNITS</b>				
Quantum Liquid Fund – Growth option	738,503	133.55	44.33%	60.81%
Quantum Long Term Equity Fund-Growth Option	286,161	86.08	28.58%	39.19%
<b>Cash &amp; Cash Equivalent</b>				
Collateralised Borrowing & Lending Obligation (CBLO)		1.37	0.45%	
Net Receivable / (Payables)		0.22	0.07%	
<b>Grand Total</b>		<b>301.24</b>	<b>100.00%</b>	

**(19) INITIAL ISSUE EXPENSES**

Initial Issue Expenses charged to the Scheme – Nil.

**(20) BORROWINGS**

The Scheme has not made any borrowing during the current period (Previous Year Nil).

**(21) DERIVATIVES**

The Scheme has no exposure to derivative products during the current financial period (Previous Year Nil).

**(22) CREDIT DEFAULT SWAPS (CDS)**

The scheme has not entered in to CDS transaction during the year (Previous year - Nil).

**(23) 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.

**(24) CONTINGENT LIABILITIES**

The Contingent Liabilities as on 31st March 2014 is Nil(Previous Year Nil).

**(25) UNCLAIMED REDEMPTION**

Unclaimed dividend/redemptions outstanding for more than 3 months as of 31st March 2014 is Nil (Previous Year Nil).

**(26) DISCLOSURE OF TRANSACTIONS IN ACCORDANCE WITH ACCOUNTING STANDARD 18 – RELATED PARTY TRANSACTIONS AND AS PER REGULATION 25(8) OF SEBI MUTUAL FUND REGULATION 1996.**

**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
G Corp Homes Private Limited	Associate
G:Corp Spaces Private Limited**	Associate
Ajit Dayal	Associate
QIEF Management (HK) Ltd*	Associate

\* Associate for the period 11th July 2013 to 13th November 2013.

\*\* Associate with effect from 26th July 2013.

**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 Fund

Quantum Gold Savings Fund

Transaction with the above mentioned related parties (in the nature of their independent investments) are provided below:

Name of the related party	Nature of transactions	For the Period ended March 31, 2014 (₹)	Balance as at March 31, 2014 (₹)	For the Period ended March 31, 2013 (₹)	Balance as at March 31, 2013 (₹)
Quantum Advisors Pvt. Ltd.	Subscription	-	-	2,500,000	-
	Redemption	-	-	-	-
	Net Assets value of investment at balance sheet date	-	2,849,727	-	2,530,186
Ajit Dayal	Subscription	-	-	5,000,000	-
	Redemption	-	-	-	-
	Net Assets value of investment at balance sheet date	-	5,961,800	-	5,293,300
Quantum Assets Management Co Pvt Ltd.	Subscription	-	-	1,000,000	-
	Redemption	-	-	-	-
	Net Assets value of investment at balance sheet date	-	1,139,891	-	1,012,074

Quantum Gold Savings fund and Quantum Multi Asset Fund are fund of fund Scheme which as per their investment objective invests in other schemes of Quantum Mutual Fund as disclosed in the Scheme's offer document, hence information on their investment transactions have not been shown above.

**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 (previous year – Nil)  
 b) Commission paid to Associate Companies:-

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, 2013 - March 31, 2014	Nil	Nil
Quantum Information Services Private Limited	Associate Company	July 11, 2012 - March 31, 2013	* & 0.10%	Nil

(\*Figure less than 0.01 cr.)

**DISCLOSURE UNDER REGULATIONS 25 (8) OF THE SEBI REGULATIONS**

- a) Underwriting obligations taken by the Scheme in respect of issues of securities of Associate companies Nil(previous year – Nil).
- b) Devolvement, if any Nil(previous year – Nil).
- c) Subscriptions by the Schemes in the issues lead managed by Associate companies: Nil(previous year– Nil).
- d) Subscription to any issue of equity or debt on private placement basis where the sponsor or its associate companies has acted as arranger or manager: Nil(previous year – Nil).

**(27) INVESTMENTS IN GROUP COMPANIES**

Quantum Multi Asset Fund has made Nil investment in group companies during the period ended March 31, 2014(previous year – Nil).

**(28) LARGE HOLDINGS**

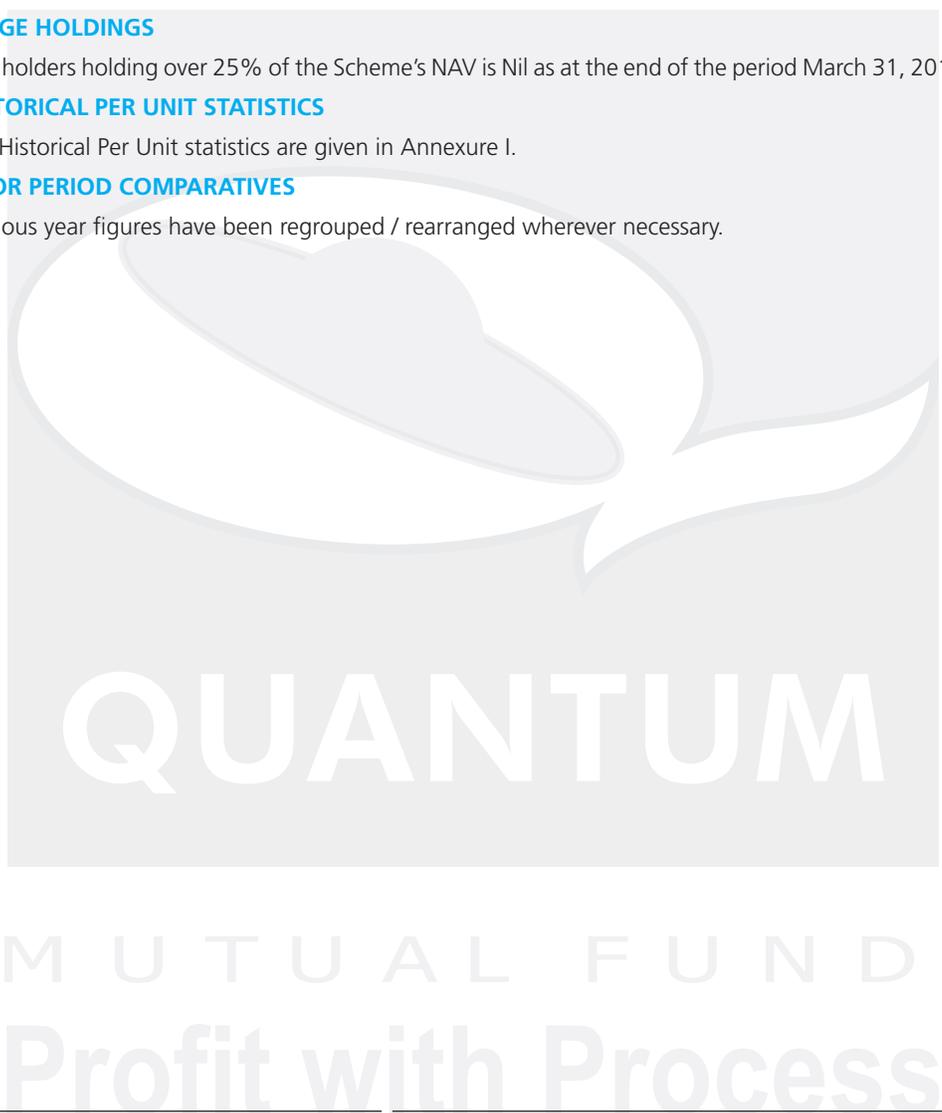
Unit holders holding over 25% of the Scheme’s NAV is Nil as at the end of the period March 31, 2014(previous year – Nil).

**(29) HISTORICAL PER UNIT STATISTICS**

The Historical Per Unit statistics are given in Annexure I.

**(30) PRIOR PERIOD COMPARATIVES**

Previous year figures have been regrouped / rearranged wherever necessary.



For Quantum Trustee Company Pvt Ltd

sd/-  
Surjit Banga  
(Director)

sd/-  
Hormazdiyaar Vakil  
(Director)

For Quantum Asset Management Company Pvt Ltd

sd/-  
Ajit Dayal  
(Chairman)

sd/-  
Jimmy A. Patel  
(Chief Executive Officer)

sd/-  
C. Srinivasan  
(Director)

sd/-  
Chirag Mehta  
(Fund Manager)

ANNEXURE 1  
**QUANTUM MULTI ASSET FUND**  
**HISTORICAL PER UNIT STATISTICS**

Sr. No.	Particulars	As of 31.03.2014	As of 31.03.2013
	<b>Face Value</b>	₹10/-	₹10/-
(a)	<b>Net Asset Value</b>		
i)	Growth Option	11.9236	10.5866
(b)	<b>Gross Income broken up into the following components</b>		
i)	income other than profit on sale of investment	0.0169	0.0143
ii)	income from profit on inter-scheme sales/transfer of investments	-	-
iii)	income from profit on sale of investment to third party	0.0638	-
iv)	transfer to revenue account from past years reserve	-	-
(c)	Aggregate of expenses, write-off, amortization and charges	0.0267	0.0160
(d)	Net Unrealised appreciation in value of investments	1.6111	0.3994
(e)	Net Income per unit (excluding unrealized appreciation)	0.0541	(0.0017)
(f)			
i)	<b>Highest sale price</b>		
	Growth Option	11.9236	10.9177
ii)	<b>Lowest sale price</b>		
	Growth Option	10.4205	9.8688
iii)	<b>Highest repurchase price</b>		
	Growth Option	11.7447	10.7539
iv)	<b>Lowest repurchase price</b>		
	Growth Option	10.2642	9.7208
(v)	<b>Price earnings ratio</b>	N.A	N.A
(g)	Ratio of expenses to average net assets (excluding unrealized depreciation and amortization of deferred revenue expenditure)	0.25%	0.25%
(h)	Ratio of gross income to average daily net assets	0.76%	0.22%

QUANTUM  
MUTUAL FUND  
Profit with Process



# Schemes of Quantum Mutual Fund

www.QuantumMF.com

## **Quantum Long Term Equity Fund<sup>#</sup>**

(BROWN) - High risk (An Open-ended Equity Scheme)



## **Quantum Liquid Fund<sup>#</sup>**

(BLUE) - Low risk (An Open-ended Liquid Scheme)



## **Quantum Gold Fund (ETF)<sup>#</sup>**

(BROWN) - High risk (An Open-ended Exchange Traded Fund - Gold)



## **Quantum Index Fund (ETF)<sup>#</sup>**

(BROWN) - High risk (An Open-ended Exchange Traded Fund)



## **Quantum Tax Saving Fund<sup>#</sup>**

(BROWN) - High risk (An Open-ended Equity Linked Savings Scheme with a lock-in period of 3 years)



## **Quantum Equity Fund of Funds<sup>#</sup>**

(BROWN) - High risk (An Open-ended Equity Fund of Funds Scheme)



## **Quantum Gold Savings Fund<sup>#</sup>**

(BROWN) - High risk (An Open-ended Fund of Fund Scheme)



## **Quantum Multi Asset Fund<sup>#</sup>**

(YELLOW) - Medium risk (An Open-ended Fund of Funds Scheme)



**# Please refer to Page (II) for details on Product Label.**

Note: Risk is represented as:



**(BLUE)** Investors understand that their principal will be at low risk



**(YELLOW)** Investors understand that their principal will be at medium risk



**(BROWN)** Investors understand that their principal will be at high risk



Email

CustomerCare@QuantumAMC.com



Call

1800 - 209 - 3863 /  
1800 - 22 - 3863

SMS



<QUANTUM> TO 9243-22-3863

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



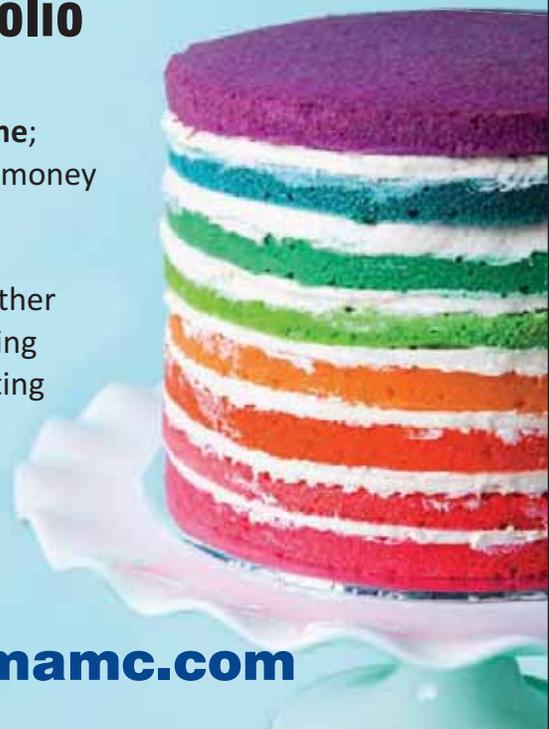
# One Fund that lets you enjoy the benefits of many

Invest in

 **Quantum Equity Fund of Funds<sup>#</sup>**  
 (BROWN)  
 High risk  
**to diversify your equity portfolio**

**Quantum Equity Fund of Funds** - an Open ended Equity Fund of Funds scheme; that makes equity investments convenient and easy for you by investing your money in the best equity schemes of other mutual funds.

The fund will be investing your savings in 5-10 diversified equity schemes of other mutual funds. The fund management team will use their expertise in identifying schemes and fund houses for investments. This helps reduce the risk of selecting the “wrong” equity funds and giving your portfolio the equity diversification advantage by investing in just one fund.



## To Invest Now

Log on to <https://invest.quantumamc.com>

### # Product Labeling

Name of the Scheme	This product is suitable for investors who are seeking*
Quantum Equity Fund of Funds (An Open-ended Equity Fund of Funds Scheme)	<ul style="list-style-type: none"> <li>• Long term capital appreciation</li> <li>• Investments in portfolio of open-ended diversified equity schemes of mutual funds registered with SEBI whose underlying investments are in equity and equity related securities of diversified companies.</li> <li>• High Risk  (BROWN)</li> </ul>

\* Investors should consult their financial advisers if in doubt about whether the product is suitable for them.

Note: Risk is represented as:

 <b>(BLUE)</b> Investors understand that their principal will be at low risk	 <b>(YELLOW)</b> Investors understand that their principal will be at medium risk	 <b>(BROWN)</b> Investors understand that their principal will be at high risk
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Reach Us At

 **EMAIL**  
[CustomerCare@QuantumAMC.com](mailto:CustomerCare@QuantumAMC.com)

 **TOLL FREE HELPLINE**  
 1800-209-3863 / 1800-22-3863

 **SMS**  
 <QEFOF> TO 9243-22-3863

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