

Auditor's Report

To, the Members of Quantum Asset Management Company Private Limited

1. We have audited the attached Balance Sheet of Quantum Asset Management Company Private Limited, as at 30th June, 2006 and also the Profit and Loss Account for the period 19th September 2005 to 30th June 2006 annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government in terms of section 227(4A) of the Companies Act, 1956, we enclose in the annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further, to our comments in the Annexure referred to above, we report that:
 - (i) we have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (ii) in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of the books;
 - (iii) the Balance sheet and Profit and Loss account dealt with by this report are in agreement with the books of account;
 - (iv) in our opinion, the Balance sheet and Profit and Loss account dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
 - (v) on the basis of the written representations received from the directors, as on 30th June, 2006, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 30th June, 2006 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
 - (vi) in our opinion and to the best of our information, and according to the explanations given to us, the said accounts, read with the significant accounting policies and notes thereon, give the information required by the Companies Act, 1956, in the manner so required, and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (i) in the case of the Balance sheet, of the state of affairs of the Company as at 30th June, 2006;
 - (ii) in the case of the Profit and Loss account, of the loss for the year ended on that date.

For **C.C. Chokshi & Co.**

Chartered Accountants

sd/-

R.Salivati

Partner

Membership no. 34004

Mumbai, dated: December 6, 2006

Annexure to the Auditor's report

Re: Quantum Asset Management Company Private Limited

(referred to in paragraph 3 of our report of even date)

- (i) The nature of the Company's activities during the year is such that the requirements of clauses (ii), (viii), (x), (xi), (xiii) and (xiv) of paragraph 4 of the Order are not applicable.
- (ii) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
(b) all the fixed assets have been physically verified during the year by the management. We are informed that no material discrepancies were noticed by the management on such verification;
- (c) there has not been any substantial disposal of fixed assets during the year.
- (iii) (a) The Company has not granted / taken any loan to / from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Consequently the requirements of clauses (iiiia) to (iiig) of paragraph 4 of the Order are not applicable.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of fixed assets and for the sale of services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system. The Company being a service company does not purchase inventory or sell goods.
- (v) (a) According to the information and explanations given to us, we are of the opinion that the contracts / arrangement that need to be entered into the Register maintained under section 301 of the Companies Act, 1956 have been so entered;
(b) in our opinion, and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the Register maintained under Section 301 of the Companies Act, 1956 and exceeding Rs. 500,000/- in respect of each party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- (vi) The Company has not accepted deposits from the public within the meaning of sections 58A, 58AA or any other relevant provisions of the Companies Act, 1956, where applicable, and the Rules framed thereunder. Accordingly the provisions of clause (vi) of paragraph 4 of the order are not applicable.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (viii) (a) In our opinion and according to the information and explanations given to us, the Company has generally been regular in depositing undisputed statutory dues, including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, cess and other material statutory dues where applicable with the appropriate authorities.
(b) According to the information and explanations given to us, no undisputed amounts payable in respect of income-tax, wealth-tax, sales-tax, custom-duty, excise-duty and cess were in arrears, as at 30th June 2006 for a period more than six months from the date they became payable.
(c) according to the information and explanations given to us, there are no dues of income-tax, sales-tax, wealth tax, service tax, customs duty, excise duty and cess which have not been deposited on account of any dispute.
- (ix) The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (x) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- (xi) The Company has not taken any term loan during the year hence the question of application thereof does not arise.
- (xii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investments.
- (xiii) The Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under section 301 of the Companies Act, 1956.
- (xiv) There are no debentures issued and outstanding during the year and hence the question of creating security / charges in respect thereof does not arise.
- (xv) During the year, the Company has not raised money by public issue(s).
- (xvi) To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

*for C.C.Chokshi & Co.,
Chartered Accountants*

Sd/-

R.Salivati

Partner

Membership no. 34004

Mumbai,

Dated: December 6, 2006

QUANTUM ASSET MANAGEMENT COMPANY PRIVATE LIMITED
BALANCE SHEET AS AT 30th JUNE, 2006

	Schedule Nos.	Rupees	Rupees 30th June 2006
(I) SOURCES OF FUNDS:			
1. SHAREHOLDERS' FUNDS:			
(a) Share Capital	1	130,000,000	
(b) Share Application money towards Preference Shares		10,000,000	
(c) Reserves and Surplus		-	
			140,000,000
TOTAL			<u><u>140,000,000</u></u>
(II) APPLICATION OF FUNDS:			
1. FIXED ASSETS			
(a) Gross Block	2	7,219,969	
(b) Less Depreciation		<u>1,512,651</u>	
(c) Net Block		<u>5,707,318</u>	5,707,318
2. INVESTMENTS			
	3		9,190,758
3. DEFERRED TAX ASSET (NET)			
			113,230
4. CURRENT ASSETS, LOANS AND ADVANCES:			
(a) Sundry Debtors	4	607,036	
(b) Cash and Bank Balances	5	103,677,229	
(c) Loans and Advances	6	6,723,750	
		<u>111,008,015</u>	
LESS: CURRENT LIABILITIES AND PROVISIONS:			
(a) Liabilities	7	3,092,381	
(b) Provisions	8	<u>11,000</u>	
		<u>3,103,381</u>	
NET CURRENT ASSETS			107,904,634
5. (a) Misc expenditure to the extent not written off :			
Preliminary Expenditure		1,163,900	
Less: written off during the year		<u>232,780</u>	
			931,120
(b) Profit & Loss Account			<u>16,152,940</u>
TOTAL			<u><u>140,000,000</u></u>
Significant Accounting Policies and Notes on Accounts	11		

As per our attached report of even date

For C.C. CHOKSHI & CO.

Chartered Accountants

sd/-

R. Salivati

PARTNER

Mumbai

Dated: December 6, 2006

FOR QUANTUM ASSET MANAGEMENT CO. PRIVATE LIMITED

sd/-

DIRECTOR

sd/-

DIRECTOR

Mumbai

Dated: December 6, 2006

sd/-

COMPANY SECRETARY

QUANTUM ASSET MANAGEMENT COMPANY PRIVATE LIMITED
Profit & Loss Account for the period from 19th Sept 2005 to 30th June 2006

	Schedule Nos.	Rupees	Rupees 30th June 2006
<u>INCOME:</u>			
Asset Management Fees			729,209
Other Income	9		<u>5,173,057</u>
			<u><u>5,902,266</u></u>
<u>EXPENDITURE</u>			
Membership And Subscription			160,655
Administration and Other Expenses	10		20,443,199
Depreciation			1,512,651
			<u>22,116,505</u>
Loss before Tax			(16,214,239)
Provision for Tax			
- Current		-	
- Deferred		(113,230)	
- Fringe Benefit		<u>51,931</u>	
			<u>(61,299)</u>
Loss after Tax			(16,152,940)
			<u>(16,152,940)</u>
Balance brought forward from previous year			-
Amount available for appropriation.			<u><u>(16,152,940)</u></u>
Appropriations:			-
Balance carried to Balance Sheet			<u>(16,152,940)</u>
			<u><u>(16,152,940)</u></u>
Basic & Diluted Earning Per Share of Rs. 10/- each			(1.47)

Significant Accounting Policies and Notes on Accounts 11

As per our attached report of even date

For C.C. CHOKSHI & CO.

Chartered Accountants

sd/-

R. Salivati

PARTNER

Mumbai

Dated: December 6, 2006

FOR QUANTUM ASSET MANAGEMENT CO. PRIVATE LIMITED

sd/-

DIRECTOR

sd/-

DIRECTOR

Mumbai

Dated: December 6, 2006

sd/-

COMPANY SECRETARY

QUANTUM ASSET MANAGEMENT COMPANY PRIVATE LIMITED
SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 30th JUNE, 2006

SCHEDULE 1

Rupees
30th June 2006

SHARE CAPITAL

Authorised:

11,000,000 Equity share of Rs. 10/- each	110,000,000
400,000 Preference Shares of Rs.100 each	40,000,000

150,000,000

Issued, Subscribed and Paid Up:

11,000,000 Equity Shares of Rs.10 each fully paid up	110,000,000
200,000 1% Redeemable Preference Shares of Rs 100 each fully paid up	20,000,000

TOTAL SHARE CAPITAL

130,000,000

Note :-

- 1) Out of the above mentioned equity shares all shares (11,000,000) are held by Quantum Advisors Private Limited, the Holding company.
- 2) The 1% Redeemable Preference Shares shall be redeemable at the option of the Company anytime after three years but not later than twenty years from the date of allotment of shares.

QUANTUM ASSET MANAGEMENT COMPANY PRIVATE LIMITED

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 30th JUNE, 2006

Schedule 2 Fixed Assets							
Particulars of Assets	Additions during the period Sept 05 to June 06	Deletions during the period	Closing as at 30th June 06	For the year period Sept 05 to June 06	On Deletion during the period Sept 05 to June 06	Closing Depreciation upto 30th June 06	Net Block as at 30th June 2006
<u>Furniture & Fixtures</u>	145,600	-	145,600	17,881	-	17,881	127,719
<u>Lease Hold Improvements</u>	4,528,086	-	4,528,086	841,353	-	841,353	3,686,733
<u>Office Equipment</u>	665,506	-	665,506	88,677	-	88,677	576,829
<u>Computers</u>	1,179,485	-	1,179,485	373,723	-	373,723	805,762
Total (A)	6,518,677	-	6,518,677	1,321,634	-	1,321,634	5,197,043
<u>Intangible Assets</u>							
<u>Computer Software</u>	701,292	-	701,292	191,017	-	191,017	510,275
Total (B)	701,292	-	701,292	191,017	-	191,017	510,275
Grand Total (A + B)	7,219,969	-	7,219,969	1,512,651	-	1,512,651	5,707,318

QUANTUM ASSET MANAGEMENT COMPANY PRIVATE LIMITED
SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 30th JUNE, 2006

SCHEDULE 3

Rupees
30th June 2006

INVESTMENTS

CURRENT (NON TRADE - UNQUOTED)

UNITS OF MUTUAL FUNDS

919,075.773 Units of Quantum Liquid Fund - Daily Dividend Reinvestment Plan. (Repurchase price as at 30th June 06 is Rs 9,190,757)	9,190,758
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Notes:

Cost
Rupees

1) Aggregate of Quoted Investments

-

Aggregate of Unquoted Investments

9,190,758

TOTAL

9,190,758

2) Details of investments purchased and sold during the year is as follows :-

Current Year

Units
Nos

Particulars

Nil

-

QUANTUM ASSET MANAGEMENT COMPANY PRIVATE LIMITED
SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 30th JUNE, 2006

SCHEDULE 4

Rupees
30th June 2006

SUNDRY DEBTORS

Unsecured:

1. Debts outstanding for a period exceeding Six months
2. Other Debts

-
607,036
607,036

Less: Provision

-

TOTAL

607,036

Notes:

Debtors include:

Maximum
Amount due

Rupees

1. Amount due from a Director
2. (a) Considered Good
- (b) Considered Doubtful

-
607,036
-
607,036

Amount due

Rupees

3. Amount due from companies under the same management.

-
-
-

SCHEDULE 5

1. CASH ON HAND

-

2. BANK BALANCES

With Scheduled Banks

In Current Account

190,482

In Deposit Account *

103,486,747

(including interest accrued but not due Rs 2,727,304/-)

TOTAL

103,677,229

* Unutilised money out of issue aggregating to Rs.103,677,229/- is kept in Deposit / Current Account with Scheduled Bank.

QUANTUM ASSET MANAGEMENT COMPANY PRIVATE LIMITED
SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 30th JUNE, 2006

SCHEDULE 6

Rupees
30th June 2006

LOANS AND ADVANCES (ASSET)

Unsecured

1. Loans and Advances to :-

Company	167,700
Employees	6,000

2. Advances recoverable in cash or in kind or for value to be received

4,747,733

3 Advance payment of Income tax

1,802,317

6,723,750

Less : Provision

-

6,723,750

Note

1. (a) Considered Good

6,723,750

(b) Considered Doubtful

-

6,723,750

	Amount Due Rupees	Maximum Amount Due Rupees
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2. Loans to company under the same management

- Quantum Trustee Co. Pvt. Ltd.

167,700

167,700

167,700

167,700

SCHEDULE 7

CURRENT LIABILITIES

Sundry Creditors:

i) Total outstanding dues of Small Scale Industrial Undertakings

-

ii) Total outstanding dues of creditors other than Small Scale Industrial Undertakings

1,675,375

1,675,375

Other Liabilities

1,417,006

TOTAL

3,092,381

SCHEDULE 8

PROVISIONS

Provision for Fringe Benefit Tax (Net)

11,000

11,000

QUANTUM ASSET MANAGEMENT COMPANY PRIVATE LIMITED
SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 30th JUNE, 2006

SCHEDULE 9

Rupees
30th June 2006

OTHER INCOME

Interest On

- Current Investment - Non-Trade

-

-Bank Deposits

(Tax Deducted at Source Rs.14,70,734/-)

5,082,299

Dividend from Quantum Liquid Fund Investments - (Non Trade)

(Current Investments)

90,758

5,173,057

QUANTUM ASSET MANAGEMENT COMPANY PRIVATE LIMITED
SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 30th JUNE, 2006

SCHEDULE 10

Rupees
30th June 2006

ADMINISTRATION AND OTHER EXPENSES

Payments to and Provisions for Employees

Salaries and Bonus	13,551,894
Gratuity	35,990
Staff Welfare	9,905
P F Employer Contribution	85,428
	<hr/>
	13,683,217
Courier Charges	60,092
Directors Sitting Fees	60,000
Electricity Charges	218,915
Insurance	7,313
Legal Charges	1,000
Misc Expenses	366,026
Online Gateway Fees	350,000
Preliminary Exps Written Off	232,780
Printing & Stationery	242,807
Professional Fees	670,746
Quantum Mutual Fund Expenses	2,267,957
Rates & Taxes	3,700
Rent-Office Premises	1,909,472
Repairs & Maintenance	14,722
Stamps & Fees	36,717
Telephone & Mobile Expenses	106,715
Travelling Expenses	211,020
	<hr/>
	20,443,199
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SCHEDULE 11

Significant Accounting Policies and Notes on Accounts

(A) Significant Accounting Policies

I) Background

Quantum Asset Management Co. Pvt. Ltd. was incorporated on 19 Sept 2005 as a private Limited company under the Companies Act, 1956

The Company's principal activity is to act as an Asset Management Company for Quantum Mutual Fund (the Fund). The Company received approval on Dec 5th 2005 from Securities and Exchange Board of India (SEBI) in the form of Regulation 2 (12) of the SEBI (Mutual Funds) Regulations, 1996. The Company manages investment portfolios of the scheme(s) launched by the Fund and provides various administrative services to the Fund as laid down in the Investment Management Agreement dated 7th Oct 2005. Quantum Mutual Fund has launched two schemes during the year ended 30th June 2006 its first scheme "Quantum Long Term Equity Fund" which opened for subscription on 8th Feb 2006 and closed for initial subscription on 25th Feb 2006 and its second scheme the Quantum Liquid Fund opened for subscription on 3rd April 2006 & closed on 4th April 2006.

II) Significant Accounting Policies

a) **Basis of Accounting**

The financial statements of the Company are prepared under the historical cost convention, on an accrual basis of accounting, in accordance with the generally accepted accounting principles in India and the provisions of the Companies Act, 1956.

b) **Use of Estimates**

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets & liabilities on the date of the financial statements & the reported amount of revenues & expenses during the reporting period. Difference between the actual results & estimates are recognized in the period in which the results are known materialized.

c) **Fixed Assets:**

Fixed Assets are stated at cost of acquisition. They are stated at historical cost less accumulated depreciation.

d) **Depreciation:**

Depreciation on fixed assets is provided on the written down value method at the rates and in the manner specified in schedule XIV to the Companies Act, 1956, except in the case of computers which are depreciated at the rate of 60% per annum and lease hold improvements which are depreciated on straight line basis over the lease period.

e) **Intangible Assets:**

Computer Software, treated as intangible asset, is stated at cost less accumulated amortizations. It is amortised at 60% on written down value basis.

f) **Preliminary Expenses**

Preliminary expenses will be written off as one fifth in every year.

g) **Investments:**

Current Investments are carried at lower of cost or fair value. Long Term Investments are carried at cost. However, when there is a decline, other than temporary, the carrying amount is reduced to recognise the decline.

h) **Revenue Recognition:**

Revenue (income) is recognised when no significant uncertainty as to determination or realisation exists. Income from Asset Management activity is recognised in accordance with the contract entered into with the clients.

i) **Foreign Currency Transactions:**

Transactions in foreign currency are recorded at the original rates of exchange in force at the time the transactions are effected. At the year end monetary items denominated in foreign currency are reported using the closing rate of exchange. Exchange differences arising thereon and on realization / payment of foreign exchange are accounted in the relevant year as income / expense.

j) **Retirement Benefits:**

The trustees of Quantum Asset Management Company Private Limited Employees Group Gratuity-Cum-Life Assurance Scheme Trust have taken a group gratuity cum life assurance policy from the Life Insurance Corporation of India. Provision for gratuity is made on the basis of premium payable in respect of the aforesaid policy. Company's contribution to provident fund is charged to Profit & Loss Account.

k) **Taxes on Income :**

Tax expense comprises both current and deferred tax at the applicable enacted or substantively enacted rates. Current tax represents the amount of income tax payable/recoverable in respect of the taxable income/loss for the reporting period. Deferred tax represents the effect of timing difference between taxable income and accounting income for the reporting period that originate in one period and are capable of reversal in one or more subsequent periods. Deferred Tax is accounted using tax rates & laws that are enacted or substantively enacted. Deferred tax asset is recognized & carried forward only to the extent there is a reasonable certainty that the asset will be realized in future.

l) **Borrowing Costs :**

Borrowing costs that are attributable to the acquisition, construction or production of qualifying assets are capitalized as a part of the cost of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use. All other borrowing costs are charged to revenue.

m) **Leased Assets**

Operating leases: Rentals are expensed with reference to lease terms & other considerations.

n) **Provision, Contingent Liabilities & Contingent Assets**

Provision involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events & it is probable that there will be an outflow of resources. Contingent liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

QUANTUM ASSET MANAGEMENT COMPANY PRIVATE LIMITED
SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 30th JUNE, 2006

(B) Notes on Accounts	Rupees 30th June 2006
1. Contingent Liability in respect of	
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for.	-
(b) Preference Dividend	59,726
	59,726
2. Payments to Auditors:	
a. As Auditors	280,600
	280,600
3. Details of Remuneration paid to Directors	
(a) Salary	-
Note:	
The above remuneration excludes contribution for Gratuity, as the incremental liability in respect thereof has been accounted by the Company as a whole.	
4. Earnings in Foreign Exchange in respect of	
a. Professional and Consultation Fees	-
b. Fund Development Fees	-
	-
5. Expenditure in Foreign Currency on account of :	
Travelling	-
Professional Fees	-
	-
6. The amount of exchange difference included in the Profit and Loss Account is:	
a. Exchange Gain	-
b. Exchange Loss	-
	-
7. Components of deferred tax asset / liability as on 30th June ,2006 are as under:	
Difference in written down value of fixed assets	113,230
Provision for Doubtful Debts/ Advances	-
Deferred Tax asset	113,230
8. (a) Lease Transactions	
The Company has taken certain premises, on a cancellable operating lease basis for a period of 33 months. Future minimum lease rentals paid/payable as at 30th June 2006 are,	
Not later than 1 year	3,730,400
Later than 1 year and not later than 5 years	4,839,619
Later than 5 years	-
8. (b) Lease payments recognised in the profit and loss account for the period are Rs. 1,909,472/-	

9. Earnings per share

Earnings per share is calculated by dividing the profit attributable to the equity shareholder by the weighted average number of equity shares outstanding during the period.

(a) Net profit attributable to Equity Shareholder's (Numerator)	
Profit/(Loss) after tax	(16,152,940)
Less: Preference Dividend	59,726
Less: Short provision for tax in respect of earlier years	0
Profit/(Loss) attributable to equity shareholders	<u>(16,212,666)</u>
(b) Weighted average number of equity shares outstanding during the period (Denominator)	
Basic & Diluted	11,000,000
(c) Profit/(Loss) attributable to equity shareholders	
Basic & Diluted	(16,212,666)
(d) Earnings per share (Rs.)	
Basic & Diluted	(1.47)
(e) Nominal Value of Shares	Rs. 10/-
(f) Reconciliation between denominators used in basic and diluted earning per share	
Denominators used in calculating basic earnings per share (Nos)	11,000,000
Add: Weighted average number of dilutive potential equity (Nos) shares	-
Total weighted average number of equity shares outstanding during the period used for calculating diluted earnings per share (Nos)	<u>11,000,000</u>

9. This is the first year of operation for the Company.

10. As the company is a Small & Medium Enterprise (SME) for the purpose application of accounting standards, disclosures under the following standards are not made

- i) Cash Flow Statements
- ii) Segment Reporting
- iii) Related Party Disclosures
- iv) Discontinuing Operations

Signature to Schedule 1 to 11

As per attached report of even date.

For C.C. CHOKSHI & CO.

Chartered Accountants

sd/-

R. Salivati

PARTNER

Mumbai

Dated: December 6, 2006

FOR QUANTUM ASSET MANAGEMENT CO. PVT LTD

sd/-

sd/-

sd/-

DIRECTOR

DIRECTOR

COMPANY SECRETARY

Mumbai

Dated: December 6, 2006

Balance Sheet Abstract and Company's General Business Profile

I.Registration Details

Registration No.	65990	State Code	11
Balance Sheet Date	30/06/2006		

II.Capital Raised during the Year(Rs.in thousands)

Public Issue	NIL	Right Issue	NIL
Bonus Issue	NIL	Private Placement	140,000

III.Position of Mobilisation and Deployment of Funds (Rs.in thousands)

TOTAL LIABILITIES	TOTAL ASSETS
143,103	143,103
SOURCES OF FUNDS	
Paid Up Capital	Reserves & Surplus
140,000	NIL
Secured Loans	Unsecured Loans
NIL	NIL
APPLICATION OF FUNDS	
Net Fixed Assets	Investments
5,707	9191
Net Current Assets	Misc.Expenditure
107,905	931
Accumulated Losses	Deferred Tax Asset
16153	113

IV.Performance of Company (Rs.in thousands)

Turnover/Receipts	Total Expenditure
5,902	22,117
Profit Before Tax	Profit After Tax
(16,214)	(16,153)
Earnings Per Share (in Rs.)	Dividend Rate %
(1.47)	NIL

V.Generic Names of Principal Product/Services of Company (as per monetary terms)

Item Code No. (ITC Code)	N.A.
Product /Service Description	Asset Management / Research

Signature to Schedule 1 to 11

FOR QUANTUM ASSET MANAGEMENT CO. PRIVATE LIMITED

sd/-

DIRECTOR

Mumbai

Dated: December 6, 2006

sd/-

DIRECTOR

Mumbai

Dated: December 6, 2006

sd/-

COMPANY SECRETARY