

## QUANTUM ASSET MANAGEMENT COMPANY PRIVATE LIMITED

### DIRECTORS' REPORT

#### To the Members of Quantum Asset Management Company Private Limited

Your Directors have pleasure in presenting the Sixth Annual Report along with the Audited Accounts of the Company for the year ended June 30, 2011.

#### PRINCIPAL ACTIVITIES

The Company is the Investment Manager for various schemes of Quantum Mutual Fund (the Fund) which received SEBI approval on December 2, 2005.

As on the date of this report, the Company is the Investment Manager, for the following seven Schemes of the Fund:

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

#### RENDERING OF RESEARCH SERVICES

In addition to the Investment Management Services, the Company provided advisory services in the nature of research on Equities and Fixed Income during the year ended June 30, 2011 on commercial basis to Quantum Advisors Private Limited and QIEF Management LLC, Mauritius in terms of the approval received from Securities and Exchange Board of India.

## FINANCIAL RESULTS:

Given below are the Highlights of the Financial Results for the year ended June 30, 2011

Financial Results	Current Year (July 1, 2010 to June 30, 2011) (Rs.)	Previous year (July 1, 2009 to June 30,2010) (Rs.)
Profit/(Loss) before Tax	58,996,246	40,973,260
Provision for Tax:		
Current	13,317,000	6,475,000
Deferred	(3,709,858)	(171,610)
Provision for Fringe Benefit Tax	0	0
Profit/(Loss) after Tax	49,389,104	34,669,870
Add Provision for taxes of earlier years written back	0	25,742
Balance brought forward from previous year	(4,501,457)	(39,197,069)
Balance carried to Balance Sheet	44,887,647	(4,501,457)

## DIVIDEND

The Board of Directors has not recommended dividend during the year.

## REVIEW OF OPERATIONS

The total assets under management as on June 30, 2011 were Rs.150.33Cr. as against Rs. 104.31Cr. as on June 30, 2010 a growth of 44.12%

The total number of investors has increased from 8,568 as on June 30, 2010 to 17,369 as on June 30, 2011, a growth of 102.72 %.

## PERFORMANCE OF SCHEME OF THE FUND

### (A) Quantum Long Term Equity Fund (QLTEF)

The resources of the scheme have been invested in line with the investment objective. As on June 30, 2011, the assets under management for QLTEF stood at Rs. 81.77 Cr. with a total of 6,324 existing unitholders.

The performance of QLTEF as on June 30, 2011 is given below:

Period	QLTEF Returns (%) – Growth Option	Benchmark Returns (%) BSE 30 Total Return Index
Last 1 Year	8.97	7.60
Last 3 Years	23.23	13.17
Last 5 Years	17.72	13.89
Since Inception	16.15	12.87

**Past performance may or may not be sustained in future. Returns for less than one Year is Absolute and more than one year are Compounded Annualised Returns.** Date of Inception/Allotment: March 13, 2006. Since Inception returns are calculated on NAV of Rs. 10/-invested at inception.

**(B) Quantum Liquid Fund (QLF)**

The resources of the scheme have been invested in line with the investment objective. As on June 30, 2011, the assets under management for QLF stood at Rs 26.03 Cr. with a total of 750 existing unitholders.

The performance of QLF as on June 30, 2011 is given below:

Period	QLF Returns Growth option (%)	Benchmark Returns (%) CRISIL Liquid Fund Index
1 month	0.72	0.66
3 months	2.15	1.92
6 months	4.18	3.92
Last 1 Year	7.67	7.18
Last 3 years	6.65	6.27
Last 5 Years	7.07	6.57
Since Inception	7.02	6.52

**Past performance may or may not be sustained in future. Returns for less than one Year are Absolute and more than one year are Compounded Annualised Returns.** Date of Inception/Allotment: April 7, 2006. Since Inception returns are calculated on NAV of Rs. 10/-invested at inception.

**(C) Quantum Gold Fund (QGF)**

The resources of the scheme have been invested in line with the investment objective. As on June 30, 2011, the assets under management for QGF stood at Rs 33.04 Cr with a total of 7,023 existing unitholders.

The performance of QGF as on June 30, 2011 is given below:

Period	QGF Returns Growth option(%)	Bench Mark Domestic Prices of Gold (%)
Last 1 year	15.20	16.34
Last 3 years	18.00	19.17
Since Inception	18.89	19.01

**Past performance may or may not be sustained in future. Returns for less than one Year are Absolute and more than one year are Compounded Annualised Returns.** Date of Inception /Allotment: February 22, 2008. Since Inception returns are calculated on NAV of Rs. 100/-invested at inception.

#### **(D) Quantum Index Fund (QIF)**

The resources of the scheme have been invested in line with the investment objective. As on June 30, 2011, the assets under management for QIF stood at Rs 1.55 Cr with a total of 394 existing unitholders.

The performance of QIF as on June 30, 2011 is given below:

Period	QIF Returns Growth Option(%)	Benchmark Returns S&P CNX Nifty Index (%)
Last 1 year	6.91	6.30
Since Inception	12.64	10.80

**Past performance may or may not be sustained in future. Returns for less than one Year are Absolute and more than one year are Compounded Annualised Returns.** Date of Inception /Allotment: July 10, 2008. Since Inception returns are calculated on NAV of Rs. 10/-invested at inception.

#### **(E) Quantum Tax Saving Fund (QTSE)**

The resources of the scheme have been invested in line with the investment objective. As on June 30, 2011, the assets under management for QTSE stood at 4.09 Cr. with a total of 1,160 existing unitholders.

The performance of QTSF as on June 30, 2011 is given below:

Period	QTSF Returns Growth Option (%)	Benchmark Returns BSE 30 Total Return Index (%)
Last 1 year	7.60	7.60
Since Inception	36.41	31.60

**Past performance may or may not be sustained in future. Returns for less than one Year are Absolute and more than one year are Compounded Annualised Returns.** Date of Inception /Allotment: December 23, 2008. Since Inception returns are calculated on NAV of Rs. 10/-invested at inception.

**(F) Quantum Equity Fund of Fund (QEFOF)**

The resources of the scheme have been invested in line with the investment objective. As on June 30, 2011, the assets under management for QEFOF stood at 2.61 Cr . with a total of 837 existing unitholders.

The performance of QEFOF as on June 30, 2011 is given below:

Period	QEFOF Returns Growth Option (%)	Benchmark Returns BSE 200 Index (%)
Last 1 Year	6.18	2.96
Since Inception	19.29	12.24

**Past performance may or may not be sustained in future. Returns for less than one Year are Absolute and more than one year are Compounded Annualised Returns.**Date of Inception /Allotment: July 20, 2009. Since Inception returns are calculated on NAV of Rs. 10/-invested at inception.

**(G) Quantum Gold Savings Fund (QGSF)**

The resources of the scheme have been invested in line with the investment objective. As on June 30, 2011, the assets under management for QGSF stood at 1.24 Cr . with a total of 595 existing unitholders.

The performance of QGSF as on June 30, 2011 is given below:

Period	QGSF Returns Growth Option (%)	Benchmark Returns Domestic Price of Gold (%)
Since Inception	0.25	0.68

**Past performance may or may not be sustained in future. Returns are Absolute** Date of Inception /Allotment: May 19, 2011. Since Inception returns are calculated on NAV of Rs.10/-invested at inception.

### **Direct marketing**

The Fund continues to adopt a unique method of directly marketing its products without the use of traditional distribution channels. By dealing directly with the investor and adopting a low-cost marketing approach, the Fund saves money for its investors by eliminating commissions, and minimizing other expenses, that are normally borne by investors. The Fund has laid special emphasis on communicating with investors through regular newsletters and articles like – the *Quantum Equity Direct* and the *Golden Truth*.

As a direct-to-investor mutual fund house, the Fund has constantly focused on providing investors with simple products and convenient services. To further enhance its service, the Fund has pioneered a unique Online Investing Platform which offers investors a complete paperless investing experience. This module, which is the 1<sup>st</sup> of its kind in the Mutual Fund industry, significantly contributes towards minimizing investor paperwork and offline investing formalities. The paperless Online Platform also helps the Fund contribute towards a greener cause by reducing the usage of Paper.

In the financial year 2010-2011, Quantum Advisors Private Limited, the Sponsor of the Fund published a nationwide advertisement campaign across print and online media. The focus of this campaign was on breaking myths of the mutual fund industry and establishing facts about the Quantum way of investing. This campaign also brought about the compilation of the “*Quantum Theory of Investment*”; an easy to read book that explains the Quantum philosophy along with articles from guest writers like – *Monika Halan, Vivek Law, Jawahir Mulraj, Sandeep Shanbhag, Vipin Khandelwal, and Rahul Goel*.

Going ahead, the Fund would be focusing on significantly increasing investor interaction through ‘*Path to Profit*’ meets, and amplifying investor delight through simple and value adding content. The Fund would also add to its investor base through lead generation initiatives on the internet and other relevant media.

### **SHARE CAPITAL**

The Authorised Share Capital of the Company was increased from Rs. 15 crores to Rs.22 crores at the First Annual General Meeting of the Company held on December 6, 2006. There is no change in the Authorised Capital during the year under review.

The Present Paid-up Capital of the Company is as follows:

11,000,000 Equity Shares of Rs. 10/- each aggregating to Rs. 110,000,000/-  
500,000 – 1% Redeemable Preference Shares of Rs. 100/- each aggregating to Rs.50,000,000/-

## **DIRECTORS**

The Company is in compliance with Regulation 21(d) of SEBI (Mutual Funds) Regulations, 1996 which states that the Independent Directors of the AMC should be at least 50% of the total Board strength.

During the period under review, 6 (Six) meetings of the Board of Directors were held. Details of attendance at the said meetings by the Directors are given below:

<b>Directors</b>	<b>Status (whether Associate or Independent)</b>	<b>Number of Board Meetings Attended</b>
Mr. Ajit Dayal	Associate	5
Mr. I. V. Subramaniam	Associate	6
Mr. C. Srinivasan	Independent	3
Mr. S. R. Balasubramanian	Independent	5
Mr. Kamal Pande*	Independent	2
Mr. Mahesh Vyas **	Independent	0

\*Mr. Kamal Pande was appointed on April 11, 2011 and Mr. Mahesh Vyas, resigned on August 6, 2010, there was no Board Meeting held during June 2010 to August 2010.

## **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

As your Company is a service-providing establishment, statement containing the information as per the provisions of Part A & B of Section 217(1)(e) of the Companies Act, 1956, read along with the Company's (Disclosure Of Particulars in the Report of Directors) Rules, 1988 is not applicable to the Company.

There was foreign exchange outgo of Rs. 296,604 during the period under review. The details of Foreign Exchange Earnings for the period under review are noted below:

### **Foreign Exchange Earned:**

<b>Current Year (Rs.)</b>	<b>Previous Year (Rs.)</b>
91,710,263	64,080,751

## **PARTICULARS OF EMPLOYEES**

In accordance with the provisions of Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, the members are requested to note that none of the employees was in receipt of remuneration exceeding the prescribed limit.

## **AUDITORS**

The present Statutory Auditors, M/s.Deloitte Haskins & Sells, Chartered Accountants, Baroda, vacate office at the conclusion of the ensuing Annual General Meeting of the Company, and being eligible, have offered themselves for reappointment for the financial year July 1, 2010 to June 30, 2011. Members are requested to re-appoint M/s.Deloitte Haskins & Sells as Auditors and to fix their remuneration.

## **DIRECTORS RESPONSIBILITY STATEMENT**

Directors Responsibility Statement in terms of Section 217 (2AA) of the Companies Act, 1956:

Your Directors confirm that to the best of their knowledge and ability:

- (i) in the preparation of the annual accounts, the applicable accounting standards have been followed;
- (ii) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period.
- (iii) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- (iv) the Directors have prepared the annual accounts on a going concern basis.

## **ACKNOWLEDGEMENT**

Your Directors acknowledge the valuable assistance, support and guidance provided by Securities and Exchange Board of India and Association of Mutual Funds in India. Your Directors also appreciate the services and support provided by all concerned including Registrar & Transfer Agents, Custodians and Banks.



The Directors express their gratitude to Quantum Advisors Private Limited & Quantum Trustee Company Private Limited for their support.

The Directors further express their appreciation to all its employees for their dedication and commitment.

**On behalf of the Board of Directors**  
*for Quantum Asset Management Company Private Limited*

Sd/-

**Ajit Dayal**  
**Chairman**

Place: Mumbai

Date : September 22, 2011

# Deloitte Haskins & Sells

Chartered Accountants  
12, Dr. Annie Besant Road  
Opp. Shiv Sagar Estate  
Worli, Mumbai - 400 018  
India

Tel : + 91 (22) 6667 9000  
Fax : + 91 (22) 6667 9025

## AUDITOR'S REPORT TO THE MEMBERS OF QUANTUM ASSET MANAGEMENT COMPANY PRIVATE LIMITED

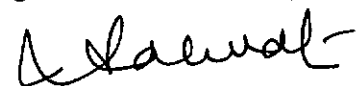
1. We have audited the attached Balance Sheet of **QUANTUM ASSET MANAGEMENT COMPANY PRIVATE LIMITED** ("the Company") as at 30<sup>th</sup> June, 2011, the Profit and Loss Account and the Cash Flow Statement for the year ended on that date, both annexed thereto. These financial statements are the responsibility 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 the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and the disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by the Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 (CARO) 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 in paragraph 3 above, we report as follows:
  - a) 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;
  - b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;



# Deloitte Haskins & Sells

- d) in our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in compliance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956;
- e) in our opinion and to the best of our information and according to the explanations given to us, the said accounts 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 30<sup>th</sup> June, 2011; and
  - ii. in the case of the Profit and Loss Account, of the profit of the Company for the year ended on that date; and
  - iii. in the case of Cash Flow Statement, of the cash flows for the year ended on that date.
5. On the basis of the written representations received from the directors as on 30<sup>th</sup> June, 2011 taken on record by the Board of Directors, none of the Directors is disqualified as on 30<sup>th</sup> June 2011 from being appointed as a director in terms of Section 274(1) (g) of the Companies Act, 1956.

For **DELOITTE HASKINS & SELLS**  
Chartered Accountants  
(Registration No.117364W)



R. SALIVATI  
Partner  
(Membership No. 34004)

MUMBAI,

22/9/11

# Deloitte Haskins & Sells

## ANNEXURE TO THE AUDITOR'S REPORT

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

- (i) Having regard to the nature of the Company's business/activities/result, clauses (ii), (vi), (viii), (x), (xi), (xii), (xiii), (xv), (xvi), (xviii), (xix) and (xx) of CARO are not applicable.
- (ii) In respect of fixed assets:
  - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - (b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
  - (c) The fixed assets disposed off during the year, in our opinion, do not constitute a substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company.
- (iii) The Company has neither granted nor taken any loans, secured or unsecured, to/from companies, firms or other parties listed in the Register maintained under Section 301 of the Companies Act, 1956.
- (iv) In our opinion and according to the information and explanations given to us, having regard to the explanations that some of the items purchased are of special nature and suitable alternative sources are not readily available for obtaining comparable quotations, there are adequate internal control systems commensurate with the size of the Company and the nature of its business with regard to purchase of fixed assets and sale of services. There are no transactions of purchase of inventory or sale of goods. During the course of our audit, we have not observed any major weaknesses in internal control system.



# Deloitte Haskins & Sells

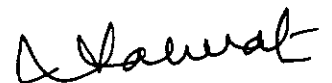
- (v) In respect of contracts or arrangements entered in the Register maintained in pursuance of Section 301 of the Companies Act, 1956, to the best of our knowledge and belief and according to the information and explanations given to us:
- (a) The particulars of contracts or arrangements referred to Section 301 that needed to be entered in the Register maintained under the said Section have been so entered.
  - (b) Where each of such transaction is in excess of Rs.5 lakhs in respect of any party, the transactions have been made at prices which are *prima facie* reasonable having regard to the prevailing market prices at the relevant time except in respect of certain purchases for which comparable quotations are not available and in respect of which we are unable to comment.
- (vi) In our opinion, the internal audit functions carried out during the year by firm of Chartered Accountants appointed by the Management have been commensurate with the size of the Company and the nature of its business.
- (vii) According to the information and explanations given to us in respect of statutory dues:
- (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Wealth Tax, Excise Duty, Sales Tax, Service Tax, Custom Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.
  - (b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Wealth Tax, Excise Duty, Sales Tax, Service Tax, Custom Duty, Cess and other material statutory dues in arrears, as at 30<sup>th</sup> June, 2011 for a period of more than six months from the date they became payable.



# Deloitte Haskins & Sells

- (c) There are no cases of non-deposit with the appropriate authorities of disputed dues in respect of Income tax, Excise duty, Custom duty, Sales tax, Wealth tax, Service tax and Cess.
- (viii) The Company has not dealt (other than in units of mutual funds), in shares, securities, debentures and other investments during the period. Based on our examination of the records and evaluation of the related internal controls, the Company has maintained proper records of the transactions and contracts in respect of its dealing in units of mutual funds and timely entries have been made therein. The aforesaid securities have been held by the Company in its own name.
- (ix) In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet, we report that funds raised on short term basis have not been used during the year for long term investment.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company has been noticed or reported during the year.

For **DELOITTE HASKINS & SELLS**  
Chartered Accountants  
(Registration No.117364W)



R. SALIVATI  
Partner  
(Membership No. 34004)

MUMBAI,

22/9/11

**QUANTUM ASSET MANAGEMENT COMPANY PRIVATE LIMITED  
BALANCE SHEET AS AT 30th JUNE, 2011**

	Schedule No.	Rupees	Rupees June 30, 2011	Rupees June 30, 2010
<b>(I) SOURCES OF FUNDS:</b>				
1. SHAREHOLDERS' FUNDS:				
(a) Share Capital	1	160,000,000		160,000,000
(b) Surplus in Profit And Loss Account		44,887,647		-
			204,887,647	160,000,000
<b>TOTAL</b>			<b>204,887,647</b>	<b>160,000,000</b>
<b>(II) APPLICATION OF FUNDS:</b>				
1. FIXED ASSETS				
(a) Gross Block	2	22,878,788		17,401,505
(b) Less Depreciation / Amortisation		14,354,187		10,183,716
(c) Net Block			8,524,601	7,217,789
2. INVESTMENTS	3		133,785,499	99,274,081
3. DEFERRED TAX ASSET (NET)			5,055,685	1,345,827
4. CURRENT ASSETS, LOANS AND ADVANCES:				
(a) Sundry Debtors	4	21,546,546		16,490,926
(b) Cash and Bank Balances	5	24,322,375		19,552,232
(c) Loans and Advances	6	37,822,548		15,010,548
			83,691,469	51,053,706
LESS: CURRENT LIABILITIES AND PROVISIONS:				
(a) Liabilities	7	26,016,561		2,978,587
(b) Provisions	8	153,046		414,273
			26,169,607	3,392,860
<b>NET CURRENT ASSETS</b>			<b>57,521,862</b>	<b>47,660,846</b>
5. (a) Misc expenditure to the extent not written off : Preliminary Expenditure				232,780
Less: written off during the year				232,780
(b) Profit & Loss Account				4,501,457
<b>TOTAL</b>			<b>204,887,647</b>	<b>160,000,000</b>
Significant Accounting Policies and Notes on Accounts	11			

In terms of our report attached

For **DELOITTE HASKINS & SELLS**  
Chartered Accountants

FOR **QUANTUM ASSET MANAGEMENT COMPANY PRIVATE LIMITED**

*R. Salivati*

R. Salivati  
PARTNER  
Mumbai

Dated: 22/9/11

*A. Jay*

DIRECTOR

*A. Haseena*

DIRECTOR  
Mumbai

Dated: 22/9/11

**QUANTUM ASSET MANAGEMENT COMPANY PRIVATE LIMITED  
PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 30th JUNE 2011**

	Schedule nos.	Rupees	Rupees June 30, 2011	Rupees June 30, 2010
<b>INCOME:</b>				
Asset Management Fees	9		10,988,765	6,610,916
Research Fees			121,628,663	92,752,551
Other Income			39,720,004	4,823,505
			<b>172,337,432</b>	<b>104,186,972</b>
<b>EXPENDITURE</b>				
Administration and Other Expenses	10		108,772,778	61,044,760
Depreciation / Amortisation			4,567,958	2,020,210
Interest - Others			450	148,742
			<b>113,341,186</b>	<b>63,213,712</b>
Profit before Tax			58,996,246	40,973,260
Provision for Tax				
- Current Tax		13,317,000		6,475,000
- Deferred Tax		(3,709,858)		(171,610)
			9,607,142	6,303,390
Add: Provision for taxes of earlier years written back			49,389,104	34,669,870
Profit after Tax			49,389,104	25,742
				34,695,612
Balance brought forward from previous year			(4,501,457)	(39,197,069)
Amount available for appropriation.			44,887,647	(4,501,457)
Appropriations:				
Balance carried to Balance Sheet			44,887,647	(4,501,457)
			44,887,647	(4,501,457)
Basic & Diluted Earning per share of Rs. 10/- each (Refer note 9 of Schedule 11B)			4.44	3.11
Significant Accounting Policies and Notes on Accounts	11			

In terms of our report attached

For **DELOITTE HASKINS & SELLS**  
Chartered Accountants

FOR **QUANTUM ASSET MANAGEMENT CO. PRIVATE LIMITED**

*R. Saliwati*

*A. Jay*

*P. Anand*

*Parth*

R. Saliwati  
PARTNER  
Mumbai  
Dated: 22/9/11

DIRECTOR

DIRECTOR  
Mumbai  
Dated: 22/9/11

CEO



**Quantum Asset management Company Private Limited**

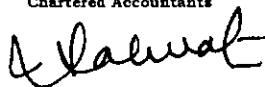
**Summary of Cash Flow Statement**

Particulars	Rupees	Year Ended
		June 30th , 2011
		Rupees
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit Before Tax		58,996,246
Adjustments for:		
Depreciation / Amortisation		4,567,958
Profit on Sale of Fixed Assets		(11,787)
Provision for Gratuity		(261,227)
Interest Income		(2,284,411)
Profit on Current Investments		(36,908,137)
 Operating Profit before Working Capital Changes		<b>24,098,642</b>
Working Capital Changes		
Increase / (Decrease) in Current Liabilities		23,037,975
Decrease / (Increase) in Debtors		(5,055,620)
Decrease / (Increase) in Loans and Advances		(20,072,405)
Cash Generated from Operations		<b>22,008,591</b>
 Direct Taxes Paid (Net)		(14,534,677)
Net cash generated form Operating Activities		<b>7,473,915</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets		(5,883,883)
Sale of Fixed Assets		20,900
Interest Income		762,492
Purchase of Investments		(192,500,000)
Sale of Investments		183,896,719
Net cash generated from /(used in) Investing Activities		<b>(13,703,771)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from borrowings		-
Repayment of Borrowing		-
Interest Paid		-
Net cash (used in) / generated from Financing Activities		-
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)</b>		<b>(6,229,857)</b>
<b>D. CASH AND CASH EQUIVALENTS</b>		
As at the commencement of the year		
Bank Balance Current account	9,402,437	
Bank deposit (maturity less than 3 months) including interest thereon	149,795	9,552,232
As at the end of the year		
Cash in hand	13,365	
Bank Balance Current account	2,625,706	
Bank deposit (maturity less than 3 months) including interest thereon	683,304	3,322,375
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>		<b>(6,229,857)</b>

in terms of our report attached

For DELOITTE HASKINS & SELLS  
Chartered Accountants

FOR QUANTUM ASSET MANAGEMENT COMPANY PRIVATE LIMITED



R. Salivati  
PARTNER  
Mumbai

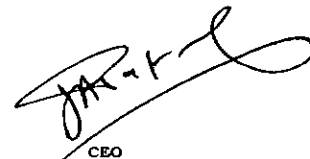
Dated: 22/9/11



DIRECTOR



DIRECTOR



CEO

Mumbai

Dated 22/9/11

**QUANTUM ASSET MANAGEMENT COMPANY PRIVATE LIMITED**  
**SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 30th JUNE, 2011**

<b>SCHEDULE 1</b>	Rupees June 30, 2011	Rupees June 30, 2010
<b>SHARE CAPITAL</b>		
<b>Authorised:</b>		
11,000,000 (Previous Year 11,000,000) Equity share of Rs. 10 each	110,000,000	110,000,000
1,100,000 (Previous Year 1,100,000) Preference Shares of Rs.100 each	110,000,000	110,000,000
	<b>220,000,000</b>	<b>220,000,000</b>
<b>Issued, Subscribed and Paid Up:</b>		
11,000,000 (Previous Year 11,000,000) Equity shares of Rs.10 each fully paid up	110,000,000	110,000,000
500,000 (Previous Year 500,000) 1% Redeemable Preference Shares of Rs 100 each fully paid up	50,000,000	50,000,000
<b>TOTAL SHARE CAPITAL</b>	<b>160,000,000</b>	<b>160,000,000</b>
<b>Note :-</b>		
1) All the above Equity shares (Previous Year 11,000,000) are held by Quantum Advisors Private Limited, the Holding company & its nominee.		
2) 1% cumulative Redeemable Preference shares are redeemable at the option of the Company but on or before 14th Dec 2025 provided the shares are fully paid up.		
3) All Preference shares (Previous Year 500,000) are held by Quantum Advisors Private Limited the Holding Company.		



**QUANTUM ASSET MANAGEMENT COMPANY PRIVATE LIMITED**  
**SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 30th JUNE, 2011**

Schedule 2 Fixed Assets	Gross block				Depreciation / Amortisation				Net Block		
	Particulars of Assets	Opening Balance as at 1 July 10	Additions for the year ended 30th June 11	Deletions for the year ended 30th June 11	Closing Balance as at 30th June 11	Opening Depreciation upto 30th June 10	Depreciation for the year ended 30th June 11	Depreciation on deletion for the year 30th June 11	Closing Depreciation upto 30th June 11	As at 30th June 2011	As at 30th June 2010
<b>Tangible Assets</b>											
Furniture & Fixtures	297,475	151,875	-	449,350	99,995	47,643	-	147,638	301,712	197,480	
Lease Hold Improvements	10,652,307	391,362	-	11,043,669	5,967,411	1,998,624		7,966,035	3,077,634	4,684,896	
Office Equipment	1,217,350	585,949	23,000	1,780,299	489,184	155,860	19,350	625,694	1,154,605	728,166	
Vehicles	833,613	248,211	-	1,081,824	464,539	304,272	-	768,811	313,013	369,074	
Computers	2,938,340	3,432,279	383,600	5,987,019	1,938,326	1,658,365	378,137	3,218,554	2,768,465	1,000,014	
Total (A)	15,939,085	4,809,676	406,600	20,342,161	8,959,455	4,164,764	397,487	12,726,732	7,615,429	6,979,630	
<b>Intangible Assets</b>											
Computer Software	1,462,420	1,074,207	-	2,536,627	1,224,261	403,194	-	1,627,455	909,172	238,159	
Total (B)	1,462,420	1,074,207	-	2,536,627	1,224,261	403,194	-	1,627,455	909,172	238,159	
Grand Total (A + B)	17,401,505	5,883,883	406,600	22,878,788	10,183,716	4,567,958	397,487	14,354,187	8,524,601	7,217,789	
Previous Year	9,689,502	7,756,003	44,000	17,401,505	8,192,948	2,020,210	30,042	10,183,716	7,217,789	1,496,554	

**QUANTUM ASSET MANAGEMENT COMPANY PRIVATE LIMITED**  
**SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 30th JUNE, 2011**

<b>SCHEDULE 3</b>		Face Value	Rupees June 30, 2011	Rupees June 30, 2010
<b>Investments</b>				
<b>CURRENT (NON TRADE - UNQUOTED)</b>				
3,635,684 (Previous Yr 4,012,678) Units of Quantum Liquid Fund-Growth Plan	10	46,912,544	51,712,176	
Nil (Previous Yr 2,530,364) Units of Quantum Long Term Equity Fund-Growth Plan	10	-	25,000,000	
2,367,559 (Previous Yr 1,116,091) Units of HDFC Cash Magmt Fund Treasury Advtg-Growth Plan	10	50,867,955	22,556,905	
486 (Previous Yr 486 ) Units of JP Morgan India Liquid Fund - Growth Plan	10	5,000	5,000	
4,264 (Previous Yr NIL) Units of Templeton India Treasury Management Fund	10	10,000,000	-	
19,061 (Previous Yr NIL) Units of Dsp Blackrock Money Manager Fund	10	25,000,000	-	
100,000 (Previous Year NIL) units of Quantum Gold Savings Fund	10	1,000,000	-	
		133,785,499	99,274,081	
Notes:		Cost Rupees	Cost Rupees	
1) Aggregate of Quoted Investments		-	-	
Aggregate of Unquoted Investments		133,785,499	99,274,081	
<b>TOTAL</b>		133,785,499	99,274,081	
2) Details of investments purchased and sold during the year is as follows :-				
	June 30, 2011		June 30, 2010	
	Units	Amount	Units	Amount
HDFC Cash Management Treasury Advtg Plan Growth Option	5,209,757	107,188,950	3,933,531	77,643,095
Quantum Liquid Fund - Growth Plan	-	-	3,847,929	49,600,000
<b>SCHEDULE 4</b>				
<b>Sundry Debtors</b>				
Unsecured:				
1. Debts outstanding for a period exceeding Six months			Rupees June 30, 2011	Rupees June 30, 2010
2. Other Debts			21,546,546	16,490,926
<b>TOTAL</b>			21,546,546	16,490,926
Notes:				
Debtors include:				
1. (a) Considered Good (b) Considered Doubtful			Amount due Rupees	Amount due Rupees
			21,546,546	16,490,926
			21,546,546	16,490,926
2. Amount due from companies under the same management.				
	Amount Due	Maximum Amount Due Current Year	Amount Due Previous Year	Maximum Amount Due Previous Year
Quantum Information Services Pvt. Ltd.	-	18,751	-	28,126
QIEF Management LLC	20,611,960	22,834,379	15,791,382	15,791,382
Quantum Advisors Private Limited	-	7,425,000	-	7,425,000
	20,611,960	30,278,130	15,791,382	23,244,508
<b>SCHEDULE 5</b>				
<b>Cash &amp; Bank Balances</b>				
1. Bank Balances				
With Scheduled Banks				
In Current Account			2,625,706	9,402,437
In Deposit Account *			21,683,304	10,149,795
* Includes Accrued Interest Rs. 683,304/- (Previous Year 149,796/-)				
2. Cash Balance			13,365	-
<b>TOTAL</b>			24,322,375	19,552,232

**QUANTUM ASSET MANAGEMENT COMPANY PRIVATE LIMITED**  
**SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 30th JUNE, 2011**

<b>SCHEDULE 6</b>		Rupees June 30, 2011	Rupees June 30, 2010
<b>LOANS AND ADVANCES (ASSET)</b>			
Unsecured			
1. Loans and Advances to :-			
Company		21,128,160	531,633
* Includes Accrued Interest Rs. 838,615/- (Previous Year NIL)			
Employees		260,710	161,733
2. Deposit with CBLO		100,000	100,000
2. Advances recoverable in cash or in kind or for value to be received (Refer note 2)		7,949,346	7,968,427
3 Advance payment of Income tax (net)		7,353,164	6,135,488
4 Input credit of Service tax		1,031,168	113,267
		<b>37,822,548</b>	<b>15,010,548</b>
Less : Provision		-	-
		<b>37,822,548</b>	<b>15,010,548</b>
Note:			
1. (a) Considered Good		37,822,548	15,010,548
(b) Considered Doubtful		-	-
		<b>37,822,548</b>	<b>15,010,548</b>
2. Rent Deposit to a company under the same management and in a Company where Directors of the Company are Directors.			
(a) Quantum Advisors Pvt Ltd		4,822,910	4,822,910
3. Loan to company under the same management	Amount Due Rupees	Maximum Amount Due Current Year Rupees	Amount Due Previous Year Rupees
(a) Quantum Trustee Co. Pvt. Ltd.	289,545	748,574	531,633
	289,545	748,574	531,633
			779,808
			779,808
<b>SCHEDULE 7</b>			
<b>CURRENT LIABILITIES</b>			
Sundry Creditors:			
i) Total outstanding dues of Micro Small and Medium Enterprises		-	-
ii) Total outstanding dues of creditors other than Micro Small and Medium Enterprises		4,044,219	1,705,378
Other Liabilities		21,972,342	1,273,209
<b>TOTAL</b>		<b>26,016,561</b>	<b>2,978,587</b>
<b>SCHEDULE 8</b>			
<b>PROVISIONS</b>			
Provision for Gratuity		153,046	414,273
		<b>153,046</b>	<b>414,273</b>

**QUANTUM ASSET MANAGEMENT COMPANY PRIVATE LIMITED**  
**SCHEDULES FORMING PART OF THE PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 30th JUNE 2011**

<b>SCHEDULE 9</b>	Rupees June 30, 2011	Rupees June 30, 2010
<b>OTHER INCOME</b>		
Profit on sale of Current Investments	36,908,137	4,153,807
Other Income	12,952	16,371
Profit on Sale of Fixed Assets	11,787	-
Foreign Exchange Gain (Net)	467,522	-
<b>Interest On</b>		
-Bank Deposits ( Tax Deducted at Source Rs. 136,740/- ) (Previous Year Tax Deducted at Source 15,000/- )	1,212,506	641,859
- Interest on Income Tax Refund	35,195	-
- Other Interest ( Tax Deducted at Source Rs. 114,176/- ) (Previous Year Tax Deducted at Source NIL )	1,071,905	11,468
	<b>39,720,004</b>	<b>4,823,505</b>

**QUANTUM ASSET MANAGEMENT COMPANY PRIVATE LIMITED**  
**SCHEDULES FORMING PART OF THE PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 30th JUNE 2011**

<b>SCHEDULE 10</b>	Rupees June 30, 2011	Rupees June 30, 2010
<b>Administration And Other Expenses</b>		
<u>Payments to and Provisions for Employees</u>		
Salaries	37,395,915	23,138,175
Gratuity	611,312	579,857
Staff Welfare	162,356	56,814
Provision for Compensated Absences	1,433,872	-
Exgratia / Bonus	21,409,168	12,770,771
Incentive	44,578	-
P F Employer Contribution	538,345	381,500
	61,595,546	36,927,117
Audit Fees	425,000	475,000
Brokerage	50,000	803,818
Courier Charges	76,779	48,826
Directors Sitting Fees	500,000	320,000
Electricity Charges	1,115,807	637,667
Foreign Exchange Fluctuation Loss (Net)	-	196,981
Insurance Charges	275,348	35,323
Marketing & Business Promotion Exp	13,101,409	-
Membership And Subscription	2,242,865	2,444,666
Preliminary Exps Written Off	-	232,780
Printing & Stationery	346,721	177,953
Professional Fees	6,601,401	1,554,839
Quantum Mutual Fund Expenses	5,773,179	4,666,888
Lease Rent-Office Premises (Net)	10,901,719	8,771,742
Repairs & Maintenance	1,203,935	613,430
Research Fees	79,210	46,235
Stamps & Fees	270,320	505,090
Telephone & Mobile Expenses	674,962	417,431
Travelling Expenses	1,062,715	652,416
Trustee Fees	1,000,000	250,000
Web Site Development Exps	450,000	375,000
Loss on sale / scrap of Fixed Assets	-	13,958
Misc Expenses	1,025,862	877,600
	108,772,778	61,044,760

## 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 December 5<sup>th</sup> 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 7<sup>th</sup> October 2005. As on 30<sup>th</sup> June 2010 the Fund has 6 Schemes and for the year ended 30<sup>th</sup> June 2011 one new scheme "Quantum Gold Saving Fund" has been launched whose date of inception was May 19<sup>th</sup> 2011. The Company carries out research activity and earns fee based income therefrom.

##### 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 applicable accounting standards as notified under the Companies (Accounting Standards) Rules, 2006.

###### 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 vehicles and 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 amortisations. 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 / Research activity is recognized 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.

The premium or discount arising at the inception of forward exchange contract is amortized as expense or income over the life of respective contracts. Exchange difference on such contracts are recognized in the statement of profit & loss A/c in the year in which the exchange rates changes. Any profit or loss arising on cancellation or renewal of foreign exchange contracts are recognized as income or expense for the year.

**j) Employee Benefits:**

**a. Provident Fund**

Provident Fund is a defined contribution Scheme and contribution made to the Government provident fund as required under the statute / rules is charged to the Profit and Loss Account when due.

**b. Gratuity**

Gratuity contribution is made to the Gratuity Fund of Life Insurance Corporation of India. Gratuity expenses are recorded on the basis of actuarial valuation, using projected unit credit method carried out as at the valuation date, by an independent actuary. Actuarial gains / losses are immediately taken to the profit and loss account and are not deferred.

**c. Employee Stock Option Scheme**

In respect of stock options granted pursuant to the Company's Stock Option Schemes, the intrinsic value of the options (excess of valuation price over the exercise price) is spread over the vesting period as Employee Compensation Expense.

**d. Compensated Absences**

Compensated absences are short term employee benefits. They are recognized as expenses at the current salary rates, in the Profit and Loss A/c of the year in which the related services are rendered.

**k) Taxes on Income :**

Current tax represents the amount of income tax payable/recoverable in respect of the taxable income/loss for the reporting period using applicable tax rates and tax laws. 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 on a straight line basis over the lease term.

**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 PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 30th JUNE 2011**

(B) Notes on Accounts	Rupees June 30, 2011	Rupees June 30, 2010
<b>1. Contingent Liability in respect of</b>		
(a) Preference Dividend	2,428,473	1,909,379
	2,428,473	1,909,379
<b>2. Payments to Auditors:</b>		
a) As Auditors		
- Statutory Audit	375,000	400,000
- Tax Audit	50,000	75,000
b) As Advisors, or in any other capacity in respect of		
- Taxation matters	590,000	-
c) For any other manner	-	1,102
	1,015,000	476,102
<b>3. Earnings in Foreign Exchange in respect of</b>		
a. Research Fees	91,710,263	64,080,751
	91,710,263	64,080,751
<b>4. Expenditure in Foreign Currency on account of Travelling</b>	296,604	146,794
	296,604	146,794
<b>5. The amount of exchange difference included in the Profit and Loss Account is:</b>		
a. Exchange Gain	552,828	421,217
b. Exchange Loss	(85,306)	(618,198)
Net Gain / (Loss)	467,522	(196,981)
<b>6. Components of deferred tax asset / liability as on 31st March ,2011 are as under:</b>		
Difference in written down value of fixed assets as per companies Act, 1956 & Income Tax Act, 1961	1,483,832	1,208,215
Disallowances under Income Tax Act	3,571,853	137,612
Deferred Tax asset	5,055,685	1,345,827
<b>7.(a) Lease payments recognised in the profit and loss account (net of sub-lease rent recovered Rs. 34,000/-, (Previous Year Rs.812,354)) for the period are Rs. 10,901,719/- (Previous Year Rs.8,771,742). Charge for the year includes Rs. 241,148/- on account of prior period adjustments.</b>		
<b>7.(b) The Company has taken certain premises on a non-cancellable operating lease basis for a term of 36 months</b>		
Future minimum lease rentals payable are as under		
Not more than 1 year	10,878,571	9,645,816
Later than 1 year & not later than 5 years	28,593,476	14,066,815
Later than 5 years	-	-
Future minimum sub lease rental recoverable	NIL	42,500
<b>8. Mutual fund expenses include SEBI Charges, Insurance premium, custody fees etc.</b>		
<b>9. Earnings per share</b>		
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	49,389,104	34,695,612
Less: Preference Dividend	500,000	500,000
Profit/(Loss) attributable to equity shareholders	48,889,104	34,195,612
(b) Weighted average number of equity shares outstanding during the period (Denominator	Nos	Nos
Basic & Diluted	11,000,000	11,000,000
(c) Profit/(Loss) attributable to equity shareholders		
Basic & Diluted	48,889,104	34,195,612
(d) Earnings per share (Rs.)		
Basic & Diluted	4.44	3.11
(e) Nominal Value of Shares	Rs. 10/-	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	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)	11,000,000	11,000,000

**10. Gratuity Liability at the year end is determined based on the Actuarial Valuation. Summary of Actuarial assumptions  
Financial Assumptions at the valuation date:**

**1. Employee Benefits**

Defined Contribution Plans: Amount of Rs. 538,345/- (P.Y. Rs. 381,500/-) is recognized as an expense and included in Schedule 10 in Profit & Loss Account.

**I. Reconciliation of Opening and Closing balances of Defined Benefit Obligation**

	Year ended 30/06/2011
Liability at the beginning of the year	1,091,321
Interest cost	87,306
Current Service cost	534,935
Actuarial (gain)/loss on Obligations	48,379
<b>Liability at year end of the year</b>	<b>1,761,941</b>

**II. Reconciliation of Opening and Closing balances of Fair Value of Plan Assets**

	Year ended 30/06/2011
Fair value of plan assets as at the beginning of the year	677,048
Expected Returns on Plan Assets	100,199
Contributions	872,539
Benefits Paid	
Actuarial Gain / (Loss) on Plan Assets	(40,891)
<b>Fair value of plan assets as at the end of the year</b>	<b>1,608,895</b>

**III. Actual Return on Plan Assets**

	Year ended 30/06/2011
Expected Return on Plan Assets	100,199
Actuarial Gain / (Loss) on Plan Assets	(40,891)
<b>Actual Return on Plan Assets</b>	<b>59,308</b>

**IV. Amount recognized in the Balance Sheet**

	Year ended 30/06/2011
Liability at the end of the year	(1,761,941)
Fair value of Plan Assets at the end of the year	1,608,895
<b>Amount recognized in the Balance Sheet</b>	<b>(153,046)</b>

**V. Expense recognized in the Profit and Loss Account**

	Year ended 30/06/2011
Current Service Cost	534,935
Interest Cost	87,306
Expected Return on Plan Assets	(100,199)
Actuarial (Gain) / Loss	89,270
<b>Expense recognized in the P&amp;L A/c</b>	<b>611,312</b>

**VI. Investment Details**

	Year ended 30/06/2011
Government of India Assets	NIL
Corporate Bonds	NIL
Special Deposit Scheme	NIL
State Government Securities	NIL
Property	NIL
Others	NIL
Insurer Managed Funds	1,608,895
<b>Total</b>	<b>1,608,895</b>

The composition of the investment details is not made available by the insurance company.

**VII. Actuarial assumptions used**

For the period ended	30-Jun-11	30-Jun-10
	LIC (1994-96) ultimate	LIC (1994-96) ultimate
Discount Rate	8%	8%
Rate of Return on Plan Assets	9%	9%
Salary escalation Rate	4%	4%

Note :- The Company has ceased to be Small & medium company from the current financial year, This is first year in which disclosures under AS - 15 (Revised) has been applied as applicable to Non SMC, Accordingly the amounts of the present value of the obligation, fair value of plan assets, surplus or deficit in the plan and experience adjustment arising on plan liabilities and plan assets for the previous fourth year have not been given.

## 11. Segment Reporting

Business Segment is identified as Primary Business. As the company is mainly involved in Asset Management Services, there are no separate Reportable Segments. The company has identified Geographical segment as the secondary segment and following is the relevant disclosure as per Accounting Standard 17 on "Segment Reporting" notified under Companies (Accounting Standards) Rules, 2006:

Particulars	Outside India Amt in INR	Within India Amt in INR	Total Amt in INR
Segment Revenue	92,177,785	80,159,647	172,337,432
Segment Assets (Total Carrying Amount)	20,611,960	184,275,687	204,887,647
Segment Capital Expenditure	-	5,883,883	5,883,883

## 12. ( a ) Names of Related Parties and their relationship

Name of the Company	Relationship
<b>Parties where control exists</b>	
Quantum Advisors Pvt Ltd	Holding Company
Quantum Trustee Company Pvt Ltd	Fellow Subsidiary
Quantum Equity Advisors Pvt Ltd (w.e.f. 23rd April 08)	Fellow Subsidiary
<b>Other Related Parties</b>	
QIEF Management LLC	Associate
Primary Real Estate Advisors Pvt Ltd	Associate
Quantum Information Services Pvt Ltd	Associate
Quantum Mutual Fund	Associate
Equitymaster Agora Research Pvt Ltd	Associate
Jimmy Patel ( C.E.O) (From 3rdh May 2010)	Key Managerial Personnel
Ajit Dayal (President) (From 2nd April 2009 to 3rd May 2010)	Key Managerial Personnel

12. (b) Transactions with Related parties

	Quantum Advisors Pvt Ltd	Quantum Advisors Pvt Ltd	Quantum Trustee Co. Ltd	Quantum Trustee Co. Ltd	Primary Real Estate Advisors Pvt. Ltd	Primary Real Estate Advisors Pvt. Ltd	QIEF Management LLC	QIEF Management LLC	Quantum Information Service Ltd.	Quantum Information Service Ltd.	Quantum Mutual Fund	Quantum Mutual Fund	Equity Master Agora Research Pvt Ltd	Equity Master Agora Research Pvt Ltd	Key Management Personnel	Key Management Personnel
	30-Jun-11	30-Jun-10	30-Jun-11	30-Jun-10	30-Jun-11	30-Jun-10	30-Jun-11	30-Jun-10	30-Jun-11	30-Jun-10	30-Jun-11	30-Jun-10	30-Jun-11	30-Jun-10	30-Jun-11	30-Jun-10
Equity Shares Capital as at the end of the year	110,000,000	110,000,000														
Preference Shares Capital as at the end of the year	50,000,000	50,000,000														
Loan Given / (taken)			750,612	1,199,506					500,000							
Loan Repaid / (Recovered)			(992,700)	(953,175)												
Outstanding Receivable/ (payable)	(180,048)	(620,108)	289,545	531,633			20,611,960	15,791,382			1,094,467	699,544			(2,873)	(14,074)
Reimbursement of Expenses	10,582,795	5,892,540														
Security Deposit Paid		4,822,910														
Security Deposit Receivable	4,822,910	4,822,910														
Purchase of Units of Quantum Liquid Fund- Growth Plan												49,600,000				
Purchase of Units of Quantum Gold Savings Fund											1,000,000					
Redemption of Units of Quantum Equity Fund- Growth Plan											25,000,000					
Balance Units Outstanding											4,799,632	67,818,936				
- Quantum Long Term Equity Fund- Growth Div												25,000,000				
- Quantum Liquid Fund- Growth Div											46,912,544	51,712,176				
- Quantum Gold Saving Fund											1,000,000					
Recovery of Expenses						735,854			37,502	76,500						
Research Fees (Income)	29,918,400	28,671,800					91,710,263	64,080,751								
Asset Management Fees (Income)											10,988,765	6,610,916				
Trustee fees (Expense)			1,000,000	250,000												
Mutual Fund Expenses											5,773,179	4,666,888				
Marketing Expenses	1,103,000								665,054				1,295,886			
Research Fees ( Expenses )									82,313	48,027						
Remuneration to Key Management Personnel																
Mr. Ajit Dayal																7,196,005
Mr. Jimmy Patel															5,125,013	806,452

**13. The year end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below**

	Current Year		Previous Year	
	INR (Rs)	US \$	INR (Rs)	US \$
Export of Services	20,611,960	459,709	15,791,382	338,871

	Current Year (Rs.)	Previous Year (Rs.)
14. Details of remuneration paid to Managerial Personnel		
I) a) Salary	5,115,653	804,893
b) Contribution to Provident Fund	9,360	1,560
c) Ex-Gratia	-	7,196,005
	<u>5,125,013</u>	<u>8,002,458</u>

Note:- The above remuneration excludes contribution for gratuity, as the incremental liability in respect thereof has been accounted by the Company as a whole.

15. The Company has not received any intimation from "suppliers" regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures, if any, relating to amounts unpaid as at the year end together with interest paid / payable as required under the said Act have not been given.

16. A trust in the name of "Quantum Advisors ESOP Trust" created on November 29, 2005 is administering the ESOP for the benefit of the company's employees. In the earlier years, Committee of the Board of Quantum Advisors Pvt Ltd (Holding Company) approved the Employees Stock Options Plans II & IV for the grant of 151,000 stock options to the employees of the company (being its subsidiary). Vesting period commenced from the date of grant of options and lasts over a total period of 3 years.

The value of equity shares as of the date of the grant of ESOPs II & IV respectively has been determined at Rs. 33 Per share by the management based on a valuation by an independent appraiser. As per the terms of the ESOP the exercise price in case of ESOP II is Rs. 11.49. The ESOP Plan II was terminated during the previous year, as all the options within that plan had lapsed. In case of ESOP IV considering that the exercise price is more than the value of the equity shares determined by an independent appraiser no compensation cost has been recognized by the company in accordance with the "Guidance note on accounting for employees share-based payments" issued by the Institute of Chartered Accountants of India. The ESOP Plan IV was terminated during the year as all the options within the plan has lapsed

Details of movement of options	ESOP II & IV	
	For the period 1st July10 to 30th Jun11	ESOP II & IV For the period 1st July09 to 30th Jun10
Particulars	Nos.	Nos.
Options outstanding at the beginning of the year	5,166	67,000
Options granted during the year	-	-
Options exercised during the year	-	(20,334)
Options expired/ lapsed during the year	5,166	(5,000)
Transferred during the year	-	-
Terminated during the year	-	(36,500)
Options outstanding at the end of the year	-	5,166
Options Exercisable at the end of the year	-	5,166

ESOP Plan VI, VII & VIII :- Exercise period commenced from the vesting date i.e 26th March 2010 ended on 28th March 2010

The Value of equity shares as of the date of grant of ESOP Plan VI, VII & VIII has been determined at Rs. 13.58 per share by the management based on a valuation by an independent appraiser. The same has been determined after considering the discounted re-purchase price in case of exiting employees. As per the terms of ESOP the exercise price in case of ESOP VI is Rs. 65.08, ESOP VII is Rs. 71.06 & in case of ESOP VIII is Rs. 25.79. Considering that the exercise price is more than the value of the equity shares determined by an independent appraiser no compensation cost has been recognized by the company in the previous year in accordance with the "Guidance note on accounting for employees share-based payments" issued by the Institute of Chartered Accountants of India.

Details of movement of options	ESOP VI, VII & VIII	
	For the period 1st July10 to 30th Jun11	ESOP VI, VII & VIII For the period 1st July09 to 30th Jun10
Particulars	Nos.	Nos.
Options outstanding at the beginning of the year	-	-
Options granted during the year	-	413,768
Options exercised during the year	-	(413,768)
Options outstanding at the end of the year	-	-

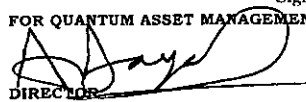
As per the above mentioned guidance note, the impact on the net results and EPS both basic and diluted for the previous year, had the company used the "fair value" method of accounting of ESOPs has to be disclosed. "Fair value" method of accounting presumes applying generally accepted valuation methodologies for pricing financial instruments (e.g. Use of an option pricing model for valuing stock options). The Company has not gone in for the fair valuation of ESOPs for this purpose.

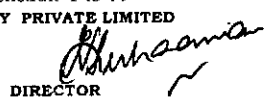
17. Comparative financial information is presented in accordance with the 'Corresponding Figure' financial reporting framework set out in Auditing and Assurance Standard on Comparatives. Accordingly, amounts and other disclosures for the preceding year are included as an integral part of the current years financial statements, and are to be read in relation to the amounts and other disclosures relating to the current year. Figures of the previous year have been regrouped / reclassified wherever necessary to correspond with the figures of the current financial year.

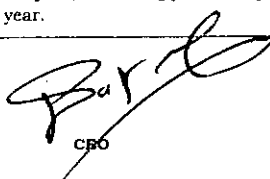
18 The Company has ceased to be Small & medium company from the current financial year, accordingly the company has complied with accounting standards as applicable to small and medium companies in the previous year.

Signature to Schedule 1 to 11

FOR QUANTUM ASSET MANAGEMENT COMPANY PRIVATE LIMITED

  
DIRECTOR

  
DIRECTOR

  
CFO

Mumbai  
Dated: 22/9/11

