



QUANTUM MUTUAL FUND

Profit with Process

| Annual Report |

2008-09



INVEST NOW IN THE

Quantum Long Term Equity Fund

Profit from India's Long Term Growth

Daily SIP option also available.

Minimum investment amount Rs. 100 per day.

Statutory Information and Risk Factors

Investment Objective: QLTEF's investment objective is to achieve long-term capital appreciation. **Asset Allocation:** QLTEF will primarily invest in Equity and Equity related securities, but may invest in money market instruments to meet liquidity needs. **Terms of Issue:** QLTEF is an open-ended Equity Scheme offering Growth and Dividend Plans. The units can be subscribed/redeemed at the applicable NAV, subject to applicable load on all business days.. **Entry Load:** Nil. **Exit Load:** : On redemption/switchout within 6 months of allotment- 4%, after 6 months but within 12 months- 3%, after 12 months but within 18 months-2%, after 18 months but within 24 months-1%, after 24 months-Nil. **Statutory Details:** Quantum Mutual Fund (the Fund) has been constituted as a Trust under the Indian Trusts Act, 1882. **Sponsors:** Quantum Advisors Private Limited. (liability of Sponsor limited to Rs. 1,00,000/-) **Trustee:** Quantum Trustee Company Private Limited. **Investment Manager:** Quantum Asset Management Company Private Limited (AMC). The Sponsor, Trustee and the Investment Manager are incorporated under the Companies Act, 1956. **Risk Factors:** Investments in mutual funds are subject to market risks including uncertainty of dividend distributions and the NAV of the schemes may go up or down depending upon the factors and forces affecting the gold and securities markets and there is no assurance or guarantee that the objectives of the schemes will be achieved. The past performance of the Sponsor has no bearing on the expected performance of the scheme. Quantum Long-Term Equity Fund do not in any manner indicate either the quality of the Schemes, their future prospects or returns. **Scheme specific risk:** QLTEF the first equity, being launched by the AMC. The AMC has no previous experience in managing equity, schemes. Equity and Equity related instruments are by nature volatile and prone to price fluctuations due to both macro and micro factors. Please read the Scheme Information Document carefully before investing.

Invest online through www.QuantumAMC.com

Quantum Mutual Fund

BOARD OF DIRECTORS		BOARD OF DIRECTORS	
Quantum Trustee Company Private Limited (Trustee to Quantum Mutual Fund)		Quantum Asset Management Company Private Limited (Investment Manager to Quantum Mutual Fund)	
Mr. Jagdish Capoor	<i>Chairman</i>	Mr. Ajit Dayal	<i>Chairman</i>
Mr. Hormazdiyaar Vakil	<i>Director</i>	Mr. Mahesh Vyas	<i>Director</i>
Mr. Suresh Lulla	<i>Director</i>	Mr. C. Srinivasan	<i>Director</i>
Mr. Satish Mehta	<i>Director</i>	Mr. I. V. Subramaniam	<i>Director</i>

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Quantum Mutual Fund

107, Regent Chambers, 1st Floor, Nariman Point, Mumbai – 400 021

Tel: 022 2287 5923

Fax: 022 22854318

Email: info@QuantumAMC.com; Website: www.QuantumAMC.com

SPONSOR**Quantum Advisors Private Limited**

Registered Office : #103-104, 1st Floor,
Regent Chambers, Nariman Point,
Mumbai – 400 021.

ASSET MANAGEMENT COMPANY**Quantum Asset Management Company Private Limited**

Registered Office : #107-108, 1st Floor,
Regent Chambers, Nariman Point,
Mumbai – 400 021.
Tel. No. : 022-2287 5923
Toll Free No. 1800 22 3863
Website : www.QuantumAMC.com

TRUSTEE**Quantum Trustee Company Private Limited**

Registered Office : #107-108, 1st Floor,
Regent Chambers, Nariman Point,
Mumbai – 400 021.
Tel. No. : 022-2287 5923

REGISTRAR & TRANSFER AGENTS**Karvy Computershare Private Limited**

21, Avenue 4, Street No. 1,
Banjara Hills,
Hyderabad 500 034
Andhra Pradesh.

Deutsche Investor Services Private Limited (DISPL)

Logitech Park, M.V. Road,
Sakinaka, Andheri (East),
Mumbai 400 072.

CUSTODIANS**Deutsche Bank AG**

6th Floor, Nicholas Piramal Towers,
Peninsula Corporate Park,
Ganapatrao Kadam Marg, Lower Parel,
Mumbai 400 013.

BANKER TO THE ISSUE**The Hongkong & Shanghai Banking Corporation Ltd., (HSBC)**

2nd Floor, "Shiv", Plot No. 139-140 B, Western Express Highway
Sahar Road Junction, Vile Parle (East)
Mumbai – 400 057

Deutsche Bank AG

222, Kodak House, Dr. D.N. Road
Fort, Mumbai 400 001.

STATUTORY AUDITORS**M/s Haribhakti & Co., Chartered Accountants**

42, Free Press House, 4th Floor,
215, Nariman Point,
Mumbai 400 021.

TRUSTEE'S REPORT TO THE UNITHOLDERS OF QUANTUM MUTUAL FUND FOR THE YEAR ENDED MARCH 31, 2009

Dear Unitholders,

We have pleasure in presenting the Fourth Annual Report of Quantum Mutual Fund ('the Fund') for the year ended March 31, 2009, along with the audited financial statements for that period.

Schemes of Quantum Mutual Fund

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

As on date, the Fund has the following five schemes:

Sr. No.	Scheme Name	Launch Date	NFO Period
1.	Quantum Long Term Equity Fund (QLTEF)	February 8, 2006	February 8, 2006 to February 25, 2006
2.	Quantum Liquid Fund (QLF)	April 3, 2006	April 3, 2006 to April 4, 2006
3.	Quantum Gold Fund (QGF)	January 24, 2008	January 24, 2008 to February 8, 2008
4.	Quantum Index Fund (QIF)	June 9, 2008	June 9, 2008 to June 20, 2008
5.	Quantum Tax Saving Fund (QTSF)	December 10, 2008	December 10, 2008 to December 13, 2008

Schemes launched during the year

During the year, the Fund launched two schemes "Quantum Index Fund" – an open ended Exchange Traded Fund on June 9, 2008 and "Quantum Tax Saving Fund" – an open ended Equity Linked Savings Scheme on December 10, 2008.

Investment Objective, Strategy and performance – QIF

The principal investment objective of the scheme is to invest in stocks of companies comprising S&P CNX Nifty Index (the Nifty) and endeavor to achieve returns equivalent to Nifty by following the "passive" investment strategy. The scheme is managed by replicating the index in the same weightage as in the Nifty with the intention of minimising the performance differences between the scheme and the Nifty in capital terms, subject to market liquidity, costs of trading, management expenses and other factors which may cause tracking error. The scheme would alter the scrips /weights as and when the same are altered in the Nifty. As long as the scheme invests at least 90% of its total assets in the stocks of its Underlying Index, it may also invest its other assets in Money Market Instruments, CBLO, Corporate Debt Securities, Other Debt Instruments, including Mibor linked instruments, Securitised Debt Instruments, and Liquid Schemes of Mutual Funds to meet the liquidity requirements of the scheme.

The objective of the scheme is to generate returns that are commensurate with the performance of the Nifty, subject to tracking errors.

The investment decisions are determined as per the Nifty. Unlike other Funds, the Scheme does not try to "beat" the markets they track and does not seek temporary defensive positions when markets decline or appear over valued. The AMC does not make any judgments about the investment merit of a particular stock or a particular industry segment nor will it attempt to apply any economic, financial or market analysis. Indexing eliminates active management risks in regard to over / underperformance vis-à-vis a benchmark. In case of any change in the index due to corporate actions or change in the

constituents of the Nifty (as communicated by India Index Services & Products Limited), relevant investment decisions are determined considering such changes.

The resources of the scheme have been invested in line with this investment objective. The assets under management of QIF were Rs. 1.13 Cr. and total number of unitholders were 371 as on March 31, 2009.

Performance:

The performance of QIF upto March 31, 2009 is given below:

Period	Returns (%)	Benchmark Returns – S&P CNX Nifty Index (%)
6 months*	-22.72	-22.96
Since Inception*	-24.16	-27.42

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

* Absolute Returns

Returns are for growth plan

Benchmark Index: S&P CNX Nifty Index

Date of Inception / Allotment: July 10, 2008

Investment Objective, Strategy and performance – QTSF

The investment objective of the scheme is to achieve long-term capital appreciation by investing primarily in shares of companies that will typically be included in the BSE 200 index and are in a position to benefit from the anticipated growth and development of the Indian economy and its markets. The investment strategy of the scheme to invest in a basket of stocks after using intensive fundamental analysis, both quantitative and qualitative, monitor the portfolio actively but not so as to engage in excessive trading, and control risk by keeping the portfolio adequately diversified both in terms of the sectors included in the portfolio as well as with respect to the lever of concentration of any particular investment.

The resources of the scheme have been invested in line with this investment objective. The assets under management of QTSF

were Rs. 0.46 Cr. and total number of unitholders were 235 as on March 31, 2009.

Performance:

The Performance of QTSF upto March 31, 2009 is given below.

Period	Returns (%)	Benchmark Returns – BSE 30 TRI (%)
Since Inception*	- 0.21	0.30

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

* Absolute Returns

Returns are for Growth Plan

Benchmark Index: BSE 30 Total Return Index

Date of Inception / Allotment: December 23, 2008

Investment Objective, Assets Under Management and Performance of other existing schemes of the Fund:

Quantum Long Term Equity Fund (QLTEF)

The investment objective of QLTEF is to achieve long-term capital appreciation by investing primarily in shares of companies which are typically included in the BSE 200 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 this investment objective. The assets under management of QLTEF were Rs. 22.79 Cr. and total number of unitholders were 1962 as on March 31, 2009.

The performance of QLTEF upto March 31, 2009 is given below:

Period	Returns (%)	Benchmark Returns – BSE 30 TRI (%)
Since Inception *	-2.31	-1.53
Last 3 Year *	-3.09	-2.97
Last 1 Year **	-32.14	-37.02

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

*Compounded Annualised Returns

**Absolute Returns

Benchmark Index : BSE 30 Total Return Index.

Returns are for Growth Plan

Date of Inception / Allotment : March 13, 2006

Quantum Liquid Fund (QLF)

The Investment objective of 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 this investment objective. The assets under management of QLF were Rs. 25.50 Cr and total number of unitholders were 279 as on March 31, 2009.

The performance of QLF upto March 31, 2009 is given below:

Period	Returns (%)	Benchmark Returns CRISIL Liquid Index (%)
Since Inception *	7.90	7.49
Last 1 Year **	8.90	8.81

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

*Compounded Annualised Returns

**Absolute Returns

Benchmark Index : CRISIL Liquid Fund Index

Returns are for Growth Option

Date of Inception / Allotment : April 7, 2006

Quantum Gold Fund (QGF)

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

The resources of the scheme have been invested in line with this investment objective. The assets under management of QGF were Rs. 7.96 Cr and total number of unitholders were 1599 as on March 31, 2009.

The performance of QGF upto March 31, 2009 is given below:

Period	Returns (%)	Benchmark Returns Domestic Prices of Gold (%)
Since Inception *	23.27	21.14
Last 1 Year **	23.64	24.79

Past performance may or may not be sustained in future.

*Compounded Annualised Returns

**Absolute Returns

Returns are for Growth Plan

Benchmark Index: -Domestic Prices of Gold

Date of Inception/Allotment: February 22, 2008

Direct Marketing

Quantum Mutual Fund is dedicated to servicing its investors in every way and continues to adopt a unique method of directly marketing its schemes through the internet and other cost-effective means and does not use the traditional distributor led marketing approach. By dealing directly with the investor and adopting a low-cost marketing approach, the Fund saves money by eliminating commissions and trail commissions, and minimizing other expenses, that are normally borne by investors. As a result the maximum proportion of the amount subscribed by the Investor gets invested.

We have recently revamped our website - www.quantumamc.com, to make it more reader friendly and easier for our visitors to browse and transact online.

We also intend to focus on the Quantum Long Term Equity Fund in the future and will build a dedicated microsite, with a link to the main Quantum AMC.com website.

The idea is to evolve from Quantum Direct, a general newsletter, into Quantum *Equity* Direct, a microsite focussed solely on the Equity markets, have articles and customer interactions like chats, polls etc. related only to Equities and thereby promote the Quantum Long Term Equity Fund.

Your Fund is the first and the only one in the industry that exclusively follows this unique direct marketing approach and has received wide media coverage and appreciation for its efforts to collect assets without appointing intermediaries.

Investor Services

The Fund's initiative to continuously educate the general investor community and to consider investor's interest as prime has been appreciated by one and all.

At Quantum Mutual Fund, our constant endeavor is to educate and update the investor to offer the investor a high degree of convenience, through effective use of technology. With the objective of making the investors' investment experience with Quantum a satisfying one, we provide various facilities such as:

Online Investment

Our web-site provides various online tools that allow easy navigation. It also provides online investment facility, in case of QLTEF, QLF & QTSF making the investment process simpler and easier for the investor. Our website (www.QuantumAMC.com) contains on-line access of Quantum Direct, our monthly news letter introduced in November 2006. Quantum Direct contains topical articles, the monthly fact sheet and comprehensive relevant information.

Electronic Clearing System (ECS)

Investors can invest in QLTEF and QTSF through the Systematic Investment Plan (SIP) route via ECS. This means that the investor does not have to issue post-dated cheques for investment through SIP. A one-time debit instruction to his bank would suffice.

Direct Credit Facility

With a view to enhancing customer convenience, the Fund provides Direct Credit facility (for direct credit of redemption and dividend proceeds) wherever the investor's bank is using NEFT or RTGS platform of RBI.

Investor Service Centers

The Fund has designated eight branches of Karvy Computershare Private Limited to act as its Investor Service Centre. These branches are located across all major cities i.e., Mumbai, Delhi, Kolkata, Bangalore, Chennai, Ahmedabad, Hyderabad and Pune.

MARKET OUTLOOK

QUANTUM LONG TERM EQUITY FUND (QLTEF) & QUANTUM TAX SAVING FUND (QTSF)

India is in a sweet spot from equity markets perspective. Exports form only 18% of GDP and domestic consumption is 67%. Given the state of the global economy, it could not have been better! Indian companies depend less on the west to consume

our goods, where the demand has fallen drastically. FIIs have already pumped around \$ 4.4 Bn in the first 5 months. Historically, the markets have done well when FIIs have invested money. The GDP per capita is on a rise. There is a young population which translates into a fabulous investment case for companies focused on domestic consumption. Similarly, the infrastructure in terms of roads, railways, power, ports, urban infrastructure is set to improve drastically if India wants to be at the upper end of GDP growth. A number of companies operating in Infrastructure, construction, capital goods will see mammoth opportunities in the future. The third piece of India's growth story i.e. exports and outsourcing will probably take a back seat for sometime due to international demand destruction. But one should not write this off as there are a number of great globally competitive companies operating in the space.

We expect the markets to re-rate with the PE multiple expanding and earnings being upgraded. There may be some risks such as major upheaval in global financial markets, Government reforms not kicking off, worsening of the global recessionary environment, fiscal deficit getting out of control etc. QLTEF's and QTSF's portfolio have been built in a manner that give investors a chance to benefit from the wealth creation of Indian companies. The style of managing money is value based, buying when stocks are cheap and selling out after they realize their full potential.

QUANTUM LIQUID FUND (QLF)

India was not immune to the global crisis with the financial markets and economy feeling the brunt. RBI responded to the liquidity tightness by cutting CRR and releasing funds in to the system and sharply cut its benchmark interest rates to help maintain the economic growth rate. The government did its bit by announcing fiscal stimulus to revive growth. This resulted in a sharp drop in short term and long term bond yields. The 10 year government bond yield touched its all time lows of 4.85% in January but started rising again due to the increasing fiscal deficit. Short term rates (up to 1 year) though have remained low due to the excess liquidity and low benchmark interest rates. The increase in liquidity and improving sentiment has also led to fall in the spreads on corporate bonds.

Going forward, we do not expect the RBI to cut interest rates any further from the current levels. WPI inflation may briefly turn negative in the second quarter but may rise above the 5% mark by the fourth quarter, thus making RBI to raise interest rates in early financial year 2010-11. Longer tenor bond yields are not expected to fall from the current levels and may rise further due to fiscal deficit concerns and to the improving economic conditions. Short term rates will remain subdued till the end of the year and would rise gradually as RBI unwinds its excesses. We expect GDP growth to average 6.3% to 6.8% in financial year 2009 -10

From an individual perspective, the banks are yet to pass on the full benefit of lower interest rates and thus one can expect further easing of personal, loan rates like housing and auto loans from the current levels, but we don't see them going down to the levels seen in 2003/04. Simultaneously, fixed deposit interest rates might also trend lower below the 8% mark.

QUANTUM GOLD FUND (QGF)

The year 2008 was characterized by extreme uncertainty and an outburst of one of the worst financial crisis. Assets like equities and real estate lost heavily in most parts of the globe. At the same time, gold was positive. Gold reemphasized its important properties of being a safe haven, store of value and also asset of last recourse. Gold held its value and helped minimize losses on investor's portfolio. We saw gold prices reach record levels above US\$ 1000 per troy ounce and then lose some ground as it was sold by many to recoup losses or to meet margin calls.

In 2009, gold prices rose once again above the US\$ 1000 per troy ounce and are currently consolidating in the US\$ 900-950 per troy ounce range. Even the recent liquidity driven optimism in the financial markets hasn't affected gold prices much. Gold is seen maintaining its strength on the back of weakness in the U.S dollar.

Going forward, the broad themes that would drive gold prices higher would be U.S dollar depreciation, increased inflationary expectations and diversification of reserves and investments to Gold. Central banks increasingly moving towards quantitative easing have also raised concerns about the value of paper currencies in the medium-longer term. Unprecedented money supply growth, low interest rates and fiscal expansion worldwide have raised concerns about the risk of a surge in inflation over coming years. Gold as a percentage of total assets is estimated to be 0.58% only which clearly shows that it's very under owned given its benefits in one's portfolio.

The internal supply and demand dynamics also support the case for a tactical allocation to gold. The diversification benefits of gold provide a compelling case for longer-term investors.

QUANTUM INDEX FUND (QIF)

The year 2008-09 was an unpleasant year for the equity market. S&P CNX Nifty has continuously lost ground till February, 2009. On 27th October, the Nifty index went to a low of 2,524.20. This was basically attributed to global financial crisis, concern over India's growth and higher interest rate. During the year various stimulus packages were offered by several Governments locally. We expect equity market to perform well due to low proportion of export in GDP as compare to the domestic consumption and various initiatives taken by Government and RBI to facilitate corporates to access credit at lower interest rate. There were some signs of recovery towards the end of financial year 2009. Due to wide range of stocks in the Nifty Index – 50 stocks which cover almost 21 sectors, there is a natural diversification of risk across sectors and this will help the fund to give better returns once it starts upward movement.

Statutory Details

Quantum Mutual Fund (QMF/the Fund) has been constituted in accordance with the provisions of the Indian Trust Act, 1882 and is registered as a Trust under the Indian Registration Act, 1908. QMF has also been registered with the Securities and Exchange Board of India (SEBI). Quantum Advisors Private Limited is the settlor and sponsor of QMF and has contributed a sum of Rs. 100,000/- (Rupees One Lakh only) for setting up the Fund. In terms of the Trust Deed dated 7th October, 2005, Quantum Trustee Company Private Limited ('Trustee Company') has been

appointed as the Trustee of the Fund. The Trustee Company is responsible for holding the Trust property. The Trustee Company has appointed Quantum Asset Management Company Private Limited (Quantum AMC) as the Asset Management Company of QMF. Quantum AMC is required to manage the Fund's schemes in accordance with the Scheme Information Document of each of the scheme and comply with the provisions of the Trust Deed and the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996, as amended from time to time. The Sponsor is not responsible or liable for any loss resulting from the operations of the Fund beyond the initial contribution of Rs. 100,000/-. The Annual Results of the Fund have been approved by the Board of Directors of the Asset Management Company on June 25, 2009 and the Board of Directors of Trustee Company on June 26, 2009 respectively.

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 the underlying investments.

On written request, present and prospective Unitholders/ Investors can obtain a copy of the Trust Deed, the Annual Report (at a price) and the text of the relevant Schemes.

Liabilities and Responsibilities of Trustees and Sponsors

The main responsibility of the Trustees is to safeguard the interests of the unitholders and inter-alia ensure that Quantum Asset Management Company Private Limited (Quantum 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 Scheme Information Document of the scheme. 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 Quantum AMC has been conducting the operations of Quantum Mutual Fund in the interest of the unitholders and in accordance with the applicable regulatory requirements.

Annual Results

The Balance Sheet as on March 31, 2009 and the Revenue Account for the year ended March 31, 2009 in respect of QLTF, QTSF, QLF, QGF & QIF the existing five schemes of Quantum Mutual Fund as on March 31, 2009 are annexed to this report.

Acknowledgement

The Directors of the Trustee Company wish to thank the unitholders of QLTF, QLF, QGF, QIF and QTSF for their encouraging response to the schemes and the Securities and Exchange Board of India (SEBI) as well as the Association of Mutual Funds in India (AMFI) for the valuable guidance provided by them. The Directors also appreciate the services and support provided by all concerned including the Registrar and Transfer Agents, Custodians, Bankers and Quantum Asset Management Company Private Limited.

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

sd/-
Date: June 26, 2009
Place: Mumbai

Jagdish Capoor
Chairman

Encl.: Audited Accounts and Auditors Report

AUDITORS' REPORT

TO

THE BOARD OF TRUSTEES OF
QUANTUM TRUSTEE COMPANY PRIVATE LIMITED

We have audited the attached Balance sheet of the scheme of **"Quantum Long Term Equity Fund"** of **Quantum Mutual Fund** (Scheme) as at 31st March, 2009 and the Revenue Account for the year ended on that date annexed thereto which we have signed under reference to this report. These financial statements are the responsibility of the Management of the Trustees and Asset Management companies. Our responsibility is to express an opinion on these financial statements based on our audit.

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

We report that:

1. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
2. The Balance Sheet and the Revenue Account dealt with by this report are in agreement with the books of account of the scheme.

3. In our opinion, the valuation methods for non-traded securities are fair and reasonable and are in accordance with the guidelines for valuation issued by SEBI, under the regulation.
4. In our opinion, the Balance Sheet and the Revenue Account dealt with by this report have been prepared in accordance with the Accounting Policies and Standards as specified in the Ninth Schedule of the SEBI (Mutual Funds) Regulations, 1996 as amended up to date.
5. In our opinion, and to the best of our information and according to the explanations given to us, the said financial statements give the information required by the SEBI (Mutual Funds) Regulations, 1996 as applicable and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - i) in the case of the Balance Sheet, of the state of affairs of the Scheme as at 31st March, 2009; and
 - ii) in the case of the Revenue Account, of the deficit of the Scheme for the year ended on that date;

For **HARIBHAKTI & CO.**
Chartered Accountants

sd/-

CHETAN DESAI
Partner

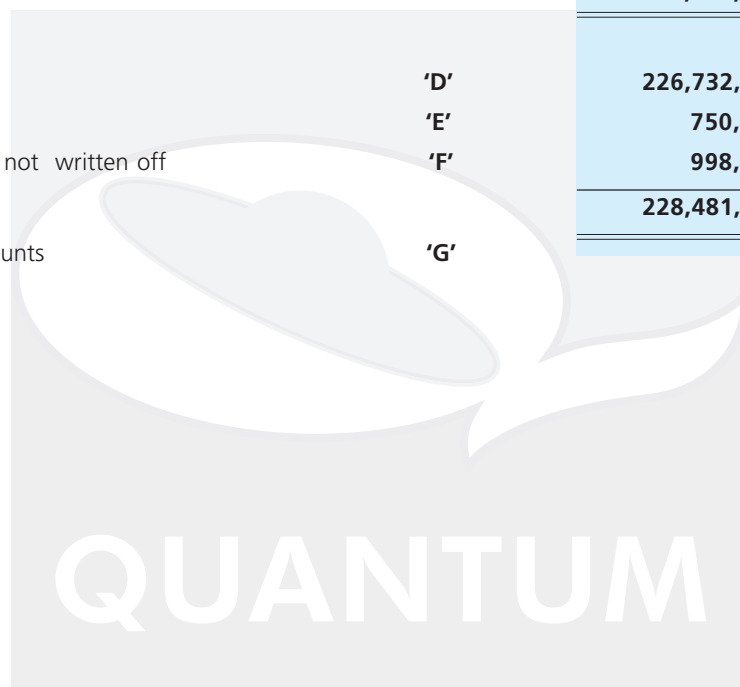
Membership No 17000

Place: Mumbai
Date: June 26, 2009

QUANTUM
MUTUAL FUND
Profit with Process

QUANTUM LONG-TERM EQUITY FUND
BALANCE SHEET AS AT 31ST MARCH, 2009

	Schedule	March 31, 2009 Amount (Rs.)	March 31, 2008 Amount (Rs.)
LIABILITIES			
LIABILITIES			
Unit Capital	'A'	244,501,965	292,924,370
Reserves and Surplus	'B'	(16,588,655)	108,887,503
Current Liabilities and Provisions	'C'	567,710	3,082,199
Total		228,481,020	404,894,072
ASSETS			
Investments	'D'	226,732,150	401,982,689
Other Current Assets	'E'	750,603	1,374,907
Deferred Revenue Expenses not written off	'F'	998,267	1,536,476
Total		228,481,020	404,894,072
Notes forming part of Accounts	'G'		



As per our report of even date

For Haribhakti & Co.

Chartered Accountants

sd/-

Chetan Desai

Partner

Membership No: 17000

For Quantum Trustee Company Pvt. Ltd.

sd/-

Mr. Jagdish Capoor
(Chairman)

sd/-

Mr. Satish Mehta
(Director)

**For Quantum Asset Management
Company Private Limited**

sd/-

Mr. Ajit Dayal
(Chairman & President)

sd/-

Mr. I.V. Subramaniam
(Director)

sd/-

Mr. Atul Kumar
(Fund Manager)

Place : Mumbai

Date : June 26, 2009

QUANTUM LONG-TERM EQUITY FUND
REVENUE ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009

Schedule	March 31, 2009 Amount (Rs.)	March 31, 2008 Amount (Rs.)
INCOME		
Dividend	6,068,087	5,764,603
Interest	451,552	1,157,278
Profit on sale / redemption of investments (Other than inter-scheme transfer / sale)	-	59,286,341
Total	6,519,639	66,208,222
EXPENSES AND LOSSES		
Loss on Sale/Redemption of Investments	34,437,832	-
Provision for depreciation in Value of Investment.	78,692,064	-
Management fees	3,513,371	4,356,176
Trustee expenses	935,860	1,055,893
Marketing & Selling Expenses	665,404	1,658,108
Audit fees	222,336	168,720
Custodian fees	570,796	551,526
Registrar & Transfer Agent's fees	1,164,446	1,179,196
Insurance Premium	93,634	248,310
Other operating expenses	582,514	780,485
Preliminary Expenses Written Off	538,209	539,683
Less: Excess of Expenditure over permissible limit recovered from AMC	-	(149,201)
Total	121,416,466	10,388,896
Net Surplus / (Deficit) for the period	(114,896,827)	55,819,326

APPROPRIATION ACCOUNT FOR THE YEAR ENDED 31st March, 2009

Net Surplus brought forward from previous year	65,879,498	10,060,172
Net Surplus / (Deficit) for the period	(114,896,827)	55,819,326
Net Surplus / (Deficit) carried forward	(49,017,329)	65,879,498

Notes forming part of Accounts

G

As per our report of even date

For Haribhakti & Co.

Chartered Accountants

sd/-

Chetan Desai

Partner

Membership No: 17000

For Quantum Trustee Company Pvt. Ltd.

sd/-

Mr. Jagdish Capoor
(Chairman)

sd/-

Mr. Satish Mehta
(Director)

**For Quantum Asset Management
Company Private Limited**

sd/-

Mr. Ajit Dayal
(Chairman & President)

sd/-

Mr. I.V. Subramaniam
(Director)

sd/-

Mr. Atul Kumar
(Fund Manager)

Place : Mumbai

Date : June 26, 2009

QUANTUM LONG-TERM EQUITY FUND

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2009

	Units	March 31, 2009 Amount (Rs)	Units	March 31, 2008 Amount (Rs)
SCHEDULE 'A'				
UNIT CAPITAL				
(Face Value of Rs. 10 Each)				
Unit Capital {Opening Balance}	29,292,437	292,924,370	26,552,784	265,527,844
Add : Subscription during the period	2,397,916	23,979,159	4,050,303	40,503,028
Less : Redemption during the period	7,240,156	72,401,564	1,310,650	13,106,502
Unit Capital (Closing Balance)	24,450,196	244,501,965	29,292,437	292,924,370
SCHEDULE 'B'				
Reserves & Surplus				
Unit Premium				
Opening Balance		21,405,246		9,478,164
Add\Less) : Net Additions\ Deduction)				
during the period		10,117,664		11,927,082
Closing Balance		31,522,910		21,405,246
UNREALISED APPRECIATION IN THE VALUE OF INVESTMENTS				
Opening Balance		21,133,769		19,420,796
Add:Net change during the year		(21,133,769)		1,712,973
		-		21,133,769
Load Reserve				
Opening balance of load reserve		468,990		52,340
Load collected		436,774		416,650
Load transfer to reserve and surplus during the year		905,764		-
Closing balance of Load reserve		-		468,990
Surplus/Deficit carried forward		(49,017,329)		65,879,498
Total Reserves & Surplus		(16,588,655)		108,887,503
SCHEDULE 'C'				
CURRENT LIABILITIES & PROVISIONS				
Management Fees Payable		219,394		873,671
Trustee Fees Payable		20,571		452,743
Audit Fees Payable		197,879		149,444
Custody Fees Payable		32,564		70,644
Registrar Fees Payable		60,983		344,251
Other payables		35,319		158,877
Units Pending allotment		1,000		-
Payable to Quantum Asset Management Co Pvt Ltd		-		1,032,569
Total		567,710		3,082,199

QUANTUM LONG-TERM EQUITY FUND
SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2009

	March 31, 2009	March 31, 2008
SCHEDULE 'D'		
INVESTMENTS		
Equity shares	217,909,128	392,145,726
Equity shares - Rights	894,000	-
Units of Mutual Fund	-	4,088,293
Call Placement	-	5,748,670
Collateralised borrowing & lending obligation	7,929,022	-
Total	226,732,150	401,982,689
SCHEDULE 'E'		
OTHER CURRENT ASSETS		
Balances with Banks in Current Account including cheques on hand	577,289	659,470
Outstanding and Accrued Income	-	214,728
Subscription Receivable (other than Inter Scheme)	33,000	164,500
Interscheme Receivable	-	242,575
Receivable from Quantum Asset Management Co. Pvt. Ltd. for scheme expenses	121,223	-
Dividend Receivable	19,091	-
Total	750,603	1,374,907
SCHEDULE 'F'		
DEFERRED REVENUE EXPENDITURE		
(to the extent not written off or adjusted)		
Opening b/f	1,536,476	2,076,162
Amortised during the period	538,209	539,685
	998,267	1,536,476

SCHEDULE 'G'

Notes:

1. ORGANISATION

Quantum Long Term Equity Fund ("the Scheme") is an open-ended growth scheme of Quantum Mutual Fund and was launched on February 8, 2006. Quantum Mutual Fund ("QUANTUM") 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. The Scheme offers its investors a Dividend Plan and Growth Plan (collectively 'the Plans').

2. SIGNIFICANT ACCOUNTING POLICIES

(2.1) BASIS OF ACCOUNTING

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

(2.2) INVESTMENTS

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

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

(2.3) PORTFOLIO VALUATION

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

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

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

approved by the Trustee of Quantum Mutual Fund in accordance with the provision contained in the Eight Schedule of the SEBI (MF) regulations 1996, as amended up to date with relevant circulars read with guidelines for valuation of securities for mutual funds dated September 18, 2000 and subsequent amendments thereto, as applicable, issued by SEBI.

- VII. Privately placed debt securities are valued at fair value as determined in good faith by Quantum Asset Management Company Private Limited under a procedure that is approved by the Trustee of Quantum Mutual Fund.
- VIII. Money market instruments are valued at cost plus accrued interest, traded money market securities are valued at the yield at which they are traded on the valuation date. If no sale is reported at that time, such security is valued at the last traded price plus accretion of the difference between the face value and the last traded price. Non traded money market instruments are valued at cost plus accrued interest.
- IX. Instruments bought on 'repo' basis are valued at the resale price after deduction of applicable interest upto the date of resale.
- X. There were no investments recognized as Non-performing Assets (NPAs), as on March 31, 2009. An Investment is regarded as non-performing, if the interest and/or principal amount has not been received or remains outstanding for one quarter from the day such income or installment has fallen due.
- XI. The above policies followed by the fund as and when applicable.
- XII. Following the issue of the guidance note on accounting for investment in the financial statements of mutual funds by The Institute of Chartered Accountant of India (pursuant to the Eleventh Schedule of the Regulation) net unrealized appreciation/depreciation in the value of investments is determined separately for each category of investments. Further the change in net unrealized appreciation/depreciation, if any between the two balance sheet dates/ date of determination is recognized in the Revenue Account. Unrealized appreciation is reduced from the distributable income at the time of distribution of income. At the end of this financial year, the balance in the revenue account including change in the net unrealised appreciation/depreciation in the value of investments is transferred to Reserve Fund.

Load collected is credited and added to reserves in the scheme.

(2.4) INVESTMENT INCOME

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

(2.5) NET ASSET VALUE FOR GROWTH / DIVIDEND PLANS

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

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

(2.6) UNIT PREMIUM RESERVE

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.

(2.7) CUSTODY FEES

HSBC Bank has provided custodial services upto 31st March 2009 for which it has received custody fees.

(2.8) INVESTMENT MANAGEMENT FEES

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

(2.9) TRUSTEE FEES

Pursuant to the Trust Deed dated October 7, 2005 between Quantum Advisors Private Limited (Settlor) and Quantum Trustee Company Private Limited (Trustee) and the offer document of the scheme, the Fund is authorized to pay the Trustee a fee, for rendering service as a Trustee of the Fund.

(2.10) REGISTRAR & TRANSFER AGENT FEES

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

(2.11) INCOME TAX

No Provision for taxation has been made as the scheme qualifies as recognized mutual fund under section 10(23D) of the Income –Tax Act, 1961.

(2.12) LOAD

The load collected from the Unit holders is credited and added to Reserves in the schemes A sum of Rs 436,773/- lying to the credit of load collected during the year was transferred to Reserves of QLTF.

3. NOTES to ACCOUNTS**(1) PLANS**

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

(2) VALUE OF INVESTMENT AS ON MARCH 31, 2009

The Cost and Market Value/ Fair Value of Investment as on March 31, 2009 is given below.

SR. NO.	SECURITIES	COST	MARKET VALUE RS.
1.	EQUITY	296,601,195	218,506,591
2	EQUITY-RIGHTS	894,000	296,540
3	CBLO	7,929,022	7,929,022
TOTAL		305,424,217	226,732,153

(3) NON PERFORMING INVESTMENTS

Type of Investment	Carrying Value Amount (Rs.)	Market Value Amount (Rs.)	Provisions
NIL	NIL	NIL	NIL

(4) NAV

Net Asset Value (NAV per unit having a Face Value of Rs. 10) as on March 31, 2009.

SCHEME	NAV (March 31, 2009)
Growth Plan	9.31
Dividend Plan	9.39

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

Aggregate appreciation and depreciation in value of investments as on March 31, 2009 is as follow:

Particulars	March 31, 2009	March 31, 2008
Equity Share		
Unrealised Appreciation	9,251,990.79	61,910,438.80
Unrealised Depreciation	(87,944,054.92)	(40,931,235.54)
Net Unrealised Appreciation		
Depreciation	(78,692,064.13)	20,979,203.26
Mutual Fund		
Unrealised Appreciation	NIL	154,565
Unrealised Depreciation	NIL	NIL
Net Unrealised Appreciation	NIL	154,565

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

Purchases (excluding Reverse repos, Call money & Fixed deposits) – Rs. 56,544,872/-

- As a percentage of average daily net assets is 18.24%.

Sales / Redemptions (excluding Reverse repos, Call money & Fixed deposits) – Rs.91,267,584.79/-

As a percentage of average daily net assets 29.44%.

(7) INCOME AND EXPENDITURE

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

Income

- Amount Rs. - 27,012,428.50/-
- As a percentage of average daily net assets -8.71%

Expenditure

- Amount Rs.7,748,361.77/- (Excluding preliminary expenses w/off Rs. 538,209)
- Recurring expenses – 2.50%*
Preliminary expenses – 0.17%*
written-off

Total - **2.67%***

*As a percentage of average daily net assets

(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. Management Fees accrued during the period is Rs. 3,513,371/-

(9) AMORTISATION

Initial Issue Expenses of Rs. 0.27 Crores is being amortised over a period of 5 years.

Opening balance of Initial issue expense	Rs. 1,536,476.26
Written off during the year	Rs. 538,208.92
Balance carried forward to next year	Rs. 998,267.34

(10) UTILISATION OF LOAD

Balance amount lying to the credit of the load account was utilized as per given below details. (Refer note 2.12)

Opening Balance as on 1 st April 2008	Rs. 4,68,990
Load Collected during the year	Rs. 4,36,774
Transferred to Reserve of the respective Plan	Rs. 9,05,764
Closing Balance as on March 31, 2009	Rs. NIL

(11) CONTRACTS PENDING DELIVERY

There were no contracts for sale or purchase of securities pending delivery as on March 31, 2009.

(12) MOVEMENT IN UNIT CAPITAL

Particulars	2008-09		2007-08	
Units of Rs. 10 each fully paid up	Units	Amount	Units	Amount
Growth Plan				
Opening	19,106,654.63	191,066,546.24	17,848,864.74	178,488,647.35
Issued -during the period	1,978,849.93	19,788,499.32	2,326,255.05	23,262,550.50
Redeemed during the period	604,670.33	6,046,703.28	1,068,465.16	10,684,651.61
Outstanding at end of the period	20,480,834.23	204,808,342.28	19,106,654.63	191,066,546.24
Dividend Plan				
Opening	10,185,782.408	101,857,824.08	8,703,919.61	87,039,196.07
Issued -during the period	419,065.96	4,190,659.59	1,724,047.83	17,240,478.33
Redeemed during the period	6,635,486.12	66,354,861.21	242,185.03	2,421,850.32
Outstanding at end of the period	3,969,362.25	39,693,622.46	10,185,782.41	101,857,824.08
Grand Total				
opening	29,292,437.04	292,924,370.32	26,552,784.35	265,527,843.42
Issued -during the period	2,397,915.89	23,979,158.91	4,050,302.88	40,503,028.83
Redeemed during the period	7,240,156.45	72,401,564.49	1,310,650.19	13,106,501.93
Outstanding at end of the period	24,450,196.48	244,501,964.74	29,292,437.04	292,924,370.32

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

Quantum Long Term Equity Fund has made NIL payment to Associate companies during the year ended March 31, 2009

(14) INVESTMENTS IN GROUP COMPANIES

Quantum Long Term Equity Fund has made NIL investment in group companies during the year ended March 31, 2009.

(15) ACCOUNTING POLICY

There is no change in the accounting policy during the year ended March 31, 2009.

(16) LARGE HOLDINGS

Unit holders holding over 25% of the Scheme's NAV is NIL as at the end of the year March 31, 2009.

(17) DISCLOSURE UNDER REGULATION 25(11) OF THE SECURITY AND EXCHANGE BOARD OF INDIA (MUTUAL FUNDS) REGULATIONS, 1996 AS AMENDED - 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, 2009, are presented below. The industry and company exposures are stated as a percentage of the Scheme's net assets as at March 31, 2009, as well as the aggregate investments in each investment category.

Sr.No.	Name of Instrument	Industry Classification	Quantity	Amount (Rs. Lakhs)	% to Inv. Category	% to Net Asset
	EQUITY & EQUITY RELATED					
a)	Listed /Awaiting listing on the Stock Exchange					
1	Gail (India) Ltd	Gas	50,931	124.40	5.69%	
2	Housing Development Finance Corporation Ltd	Finance	8,100	114.31	5.22%	
3	Oil & Natural Gas Corporation Ltd	Oil	14,195	110.68	5.06%	
4	Infosys Technologies Ltd	Software	8,288	109.74	5.02%	
5	Bharat Heavy Electricals Ltd	Industrial Capital Goods	6,701	100.81	4.61%	
6	Tata Tea Ltd	Consumer Non -Durables	17,067	99.95	4.57%	
7	Maruti Suzuki India Ltd	Auto	12,890	99.91	4.57%	
8	Container Corporation of India Ltd	Transportation	13,365	95.71	4.37%	
9	HDFC Bank Ltd	Banks	9,644	93.34	4.27%	
10	Bharat Petroleum Corporation Ltd	Petroleum Products	24,463	92.14	4.21%	
11	State Bank Of India	Banks	8,507	90.73	4.15%	
12	Tata Consultancy Services Ltd	Software	16,535	89.29	4.08%	
13	Hindustan Petroleum Corporation Ltd	Petroleum Products	31,616	85.08	3.89%	
14	Aventis Pharma Ltd	Pharmaceuticals	7,899	77.65	3.55%	
15	Bajaj Auto Ltd-NEW SHARES	Auto	11,961	73.97	3.38%	
16	Trent Ltd	Retailing	20,845	68.79	3.14%	
17	Hero Honda Motors Ltd	Auto	6,145	65.76	3.01%	
18	Bharti Airtel Ltd	Telecom-Services	9,207	57.62	2.63%	
19	ING Vysya Bank Ltd	Banks	42,331	54.86	2.51%	
20	Zee Entertainment Enterprises Ltd	Media & Entertainment	51,410	54.62	2.50%	
21	Dr. Reddy'S Laboratories Ltd	Pharmaceuticals	11,119	54.33	2.48%	
22	Cummins India Ltd	Industrial Products	27,540	51.13	2.34%	
23	Bharat Electronics Ltd	Industrial Capital Goods	5,615	49.57	2.27%	
24	Crompton Greaves Ltd	Industrial Capital Goods	38,181	47.00	2.15%	
25	Indian Hotels Co Ltd	Hotels	105,218	41.46	1.89%	
26	Tata Steel Ltd	Ferrous Metals	19,329	39.82	1.82%	
27	Aditya Birla Nuvo Ltd	Textile Products	8,489	37.71	1.72%	
28	3I InfoTech Ltd	Software	102,230	33.22	1.52%	
29	Raymond Ltd	Textile Products	31,297	23.93	1.09%	
30	Jet Airways (India) Ltd	Transportation	13,985	23.76	1.09%	
31	Geometric Software Solutions Co. Ltd	Software	118,866	17.25	0.79%	
32	Bajaj Finserv Ltd	Auto	3,888	6.53	0.30%	
33	Tata Steel (2% CCPS)	Ferrous Metals	8,940	2.97	0.14%	
	TOTAL			2188.03	100.00%	96.00%
b)	Cash & Equivalent					
1	CBLO / Reverse Repo Investments		7930000	79.29		3.48%
2	Net Receivable / (Payables)			6.06		0.27%
3	Cash Balance			5.75		0.25%
	TOTAL			91.10		4.00%
	Grand Total			2279.13		100.00%

(19) PRIOR PERIOD COMPARATIVES

Previous year's figures have been regrouped/re-arranged where appropriate.

(20) COPY OF TRUST DEED

On written request, present and prospective unit holders/investors can obtain copy of the Trust Deed, the Annual Report (at a price) and the text of the relevant scheme.

(21) BONUS

No bonus has been declared by the Scheme during the year ended March 31, 2009.

(22) BORROWING

The scheme has not made any borrowing during the year ended March 31, 2009.

(23) UNDERWRITING

The scheme has not undertaken any underwriting obligation during the year ended March 31, 2009.

(24) DERIVATIVES

The scheme has no exposure to derivative products, foreign securities, ADR's and GDR's.

(25) ANNUAL REPORT REQUEST

The unit holders, if they so desire, may request for the annual report of Quantum Asset Management Company Private Limited.

(26) 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.

(27) RELATED PARTY TRANSACTIONS

The scheme has entered into transactions with some of the following related parties. The information required in this regard in accordance with Accounting Standards 18 i.e. Related Party Disclosure issued by the ICAI and Regulation 25(8) of the SEBI Regulation is provided below.

Related party relationships

Name	Description of relationship
Quantum Advisors Private Limited	Sponsor
Quantum Asset Management Co 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
Mymakaan Private Limited	Associate
Menlo Oak Venture Investments	Associate
Primary Real Estate Advisors Private Limited	Associate
Primary Real Estate Advisors Limited, Mauritius	Associate
QIEF Management LLC	Associate
Principal Real Estate Investment Private Limited	Associate
Centre for Monitoring Indian Economy Private Limited	Associate
Geojit Financial Services Limited	Associate
Geojit Credits Private Limited	Associate
Soltrix India Private Limited	Associate
BJN Hotels Limited	Associate
Quantum Equity Advisors Private Limited	Sponsor's subsidiary

Other Schemes of the Fund

Quantum Liquid Fund

Quantum Gold Fund

Quantum Index Fund

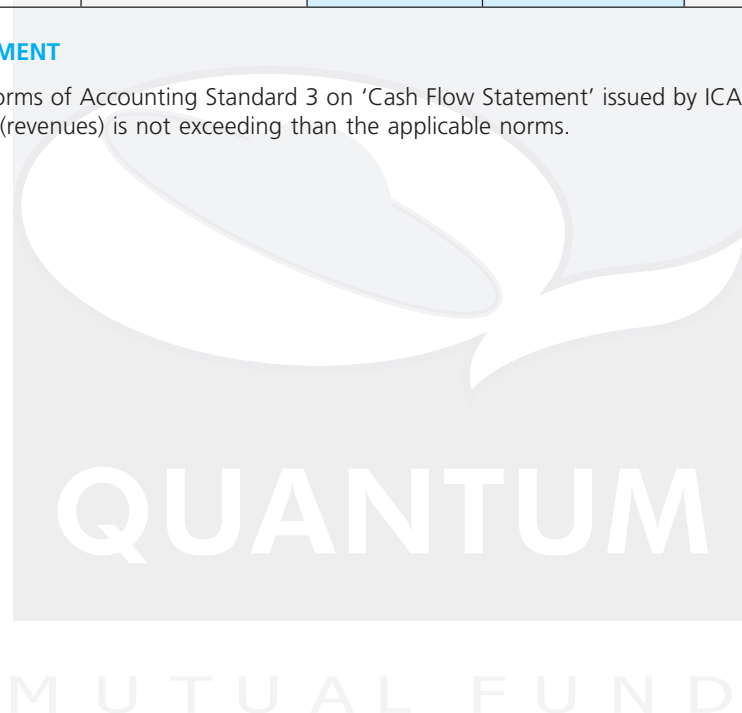
Quantum Tax Saving Fund

Transaction, if any with the above mentioned related parties as defined under Accounting standard 18 and Regulation 25(8) of the SEBI Regulation are provided below:

Name of the related party	Nature of transactions	Year ended March 2009	Balance as at March 31, 2009	Year ended March 2008	Balance as at March 31, 2008
Quantum Asset Management Co Pvt. Ltd.	Management Fees	3,513,371	219,394	4,356,176	873,671
Quantum Trustee Co Pvt. Ltd	Trusteeship Fees	935,860	20,571	1,055,893	452,743

(28) CASH FLOW STATEMENT

As per applicability norms of Accounting Standard 3 on 'Cash Flow Statement' issued by ICAI, disclosure is not required, as the scheme turnover (revenues) is not exceeding than the applicable norms.



For Haribhakti & Co.
Chartered Accountants

sd/-

Chetan Desai

Partner

Membership No: 17000

For Quantum Trustee Company Pvt. Ltd.

sd/-

Mr. Jagdish Capoor
(Chairman)

sd/-

Mr. Satish Mehta
(Director)**For Quantum Asset Management Company Private Limited**

sd/-

Mr. Ajit Dayal
(Chairman & President)

sd/-

Mr. I.V. Subramaniam
(Director)

sd/-

Mr. Atul Kumar
(Fund Manager)

Place : Mumbai

Date : June 26, 2009

HISTORICAL PER UNIT STATISTICS

No.	Per Unit Particulars (Rupees)	As on March 31, 2009	As on March 31, 2008	As on March 31, 2007
	Face Value	Rs.10/-	Rs.10/-	Rs.10/-
(a)	Net Asset Value			
	i) Growth Plan	9.31	13.72	11.47
	ii) Dividend Plan	9.39	13.71	11.47
(b)	Gross Income broken up into the following components			
	i) income other than profit on sale of investment	0.27	0.24	0.19
	ii) income from profit on inter-scheme sales/transfer of investments	-	-	-
	iii) income from profit on sale of investment to third party	-1.41	2.02	0.44
	iv) transfer to revenue account from past years reserve	-	-	-
(c)	Aggregate of expenses, write-off, amortization and charges	0.34	0.35	0.24
(d)	Net Unrealised appreciation in value of investments	-	0.72	0.73
(e)	Net Income per unit	-1.48	1.91	0.39
(f)				
	i) Highest sale price per unit			
	Growth Plan	14.81	17.43	12.77
	Dividend Plan	14.80	17.43	12.77
	ii) Lowest sale price per unit			
	Growth Plan	7.98	11.04	8.87
	Dividend Plan	8.04	11.04	8.87
	iii) Highest repurchase price per unit			
	Growth Plan	14.22	16.73	12.77
	Dividend Plan	14.21	16.73	12.77
	iv) Lowest repurchase price per unit			
	Growth Plan	7.66	10.60	10.36
	Dividend Plan	7.72	10.60	10.36
	Price earning ratio	N.A	N.A	N.A
(g)	Ratio of expenses to average net assets (excluding unrealized depreciation and amortization of deferred revenue expenditure)	2.50%	2.50%	2.48%
(h)	Ratio of gross income to average daily net assets	-0.09%	16.78%	6.93%

AUDITORS' REPORT

TO

**THE BOARD OF TRUSTEES OF
QUANTUM TRUSTEE COMPANY PRIVATE LIMITED**

We have audited the attached Balance sheet of the scheme of **"Quantum Liquid Fund"** of **Quantum Mutual Fund** (Scheme) as at 31st March, 2009 and the Revenue Account for the year ended on that date annexed thereto which we have signed under reference to this report. These financial statements are the responsibility of the Management of the Trustees and Asset Management companies. Our responsibility is to express an opinion on these financial statements based on our audit.

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

We report that:

1. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
2. The Balance Sheet and the Revenue Account dealt with by this report are in agreement with the books of account of the scheme.

3. In our opinion, the valuation methods for non-traded securities are fair and reasonable and are in accordance with the guidelines for valuation issued by SEBI, under the regulation.
4. In our opinion, the Balance Sheet and the Revenue Account dealt with by this report have been prepared in accordance with the Accounting Policies and Standards as specified in the Ninth Schedule of the SEBI (Mutual Funds) Regulations, 1996 as amended up to date.
5. In our opinion, and to the best of our information and according to the explanations given to us, the said financial statements give the information required by the SEBI (Mutual Funds) Regulations, 1996 as applicable and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - i) in the case of the Balance Sheet, of the state of affairs of the Scheme as at 31st March, 2009; and
 - ii) in the case of the Revenue Account, of the surplus of the Scheme for the year ended on that date;

Place: Mumbai
Date: June 26, 2009

For **HARIBHAKTI & CO.**
Chartered Accountants

sd/-
CHETAN DESAI
Partner

Membership No 17000

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

QUANTUM LIQUID FUND
BALANCE SHEET AS AT 31st March, 2009

	Schedule	March 31, 2009 Amount (Rs.)	March 31, 2008 Amount (Rs.)
LIABILITIES			
Unit Capital	'A'	226,420,385	186,267,475
Reserves and Surplus	'B'	28,546,254	17,236,670
Current Liabilities and Provisions	'C'	172,655	471,282
Total		255,139,294	203,975,427
ASSETS			
Investments	'D'	252,823,823	191,686,358
Deposits	'E'	-	10,000,000
Other Current Assets	'F'	2,315,471	2,289,069
Total		255,139,294	203,975,427
Notes forming part of Accounts	'G'		

As per our report of even date

For Haribhakti & Co.
Chartered Accountants

sd/-
Chetan Desai
Partner
Membership No: 17000

For Quantum Trustee Company Pvt. Ltd.

sd/-
Mr. Jagdish Capoor
(Chairman)

sd/-
Mr. Satish Mehta
(Director)

**For Quantum Asset Management
Company Private Limited**

sd/-
Mr. Ajit Dayal
(Chairman & President)

sd/-
Mr. I.V. Subramaniam
(Director)

sd/-
Mr. Arvind Chari
(Fund Manager)

Place : Mumbai
Date : June 26, 2009

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

QUANTUM LIQUID FUND
REVENUE ACCOUNT FOR THE YEAR ENDED 31st March, 2009

Schedule	March 31, 2009 Amount (Rs.)	March 31, 2008 Amount (Rs.)
INCOME		
Interest	21,405,604	15,104,471
Profit on sale / redemption of investments (Other than inter-scheme transfer / sale)	-	2,329,084
Total	21,405,604	17,433,555
EXPENSES AND LOSSES		
Management fees	417,909	351,348
Audit fees	29,180	42,697
Custodian fees	423,736	410,739
Registrar & Transfer Agent's fees	309,376	637,892
Other operating expenses	240,979	546,829
Less: Excess of Expenditure over permissible limit recovered from AMC	(340,501)	(1,001,173)
Total	1,080,679	988,333
Net Surplus / (Deficit) for the period	20,324,925	16,445,223

APPROPRIATION ACCOUNT FOR THE YEAR ENDED 31st March, 2009

Net Surplus brought forward from previous year	15,345,600	6,825,162
Net Surplus / (Deficit) for the period	20,324,925	16,445,223
Less : Dividend distributed	(6,731,653)	(6,196,481)
Less : Dividend Distribution Tax	(1,906,741)	(1,728,304)
Net Surplus / (Deficit) carried forward	27,032,131	15,345,600
Notes forming parts of Accounts		

As per our report of even date

For Haribhakti & Co.

Chartered Accountants

sd/-

Chetan Desai

Partner

Membership No: 17000

For Quantum Trustee Company Pvt. Ltd.

sd/-

Mr. Jagdish Capoor
(Chairman)

sd/-

Mr. Satish Mehta
(Director)

**For Quantum Asset Management
Company Private Limited**

sd/-

Mr. Ajit Dayal
(Chairman & President)

sd/-

Mr. I.V. Subramaniam
(Director)

sd/-

Mr. Arvind Chari
(Fund Manager)

Place : Mumbai

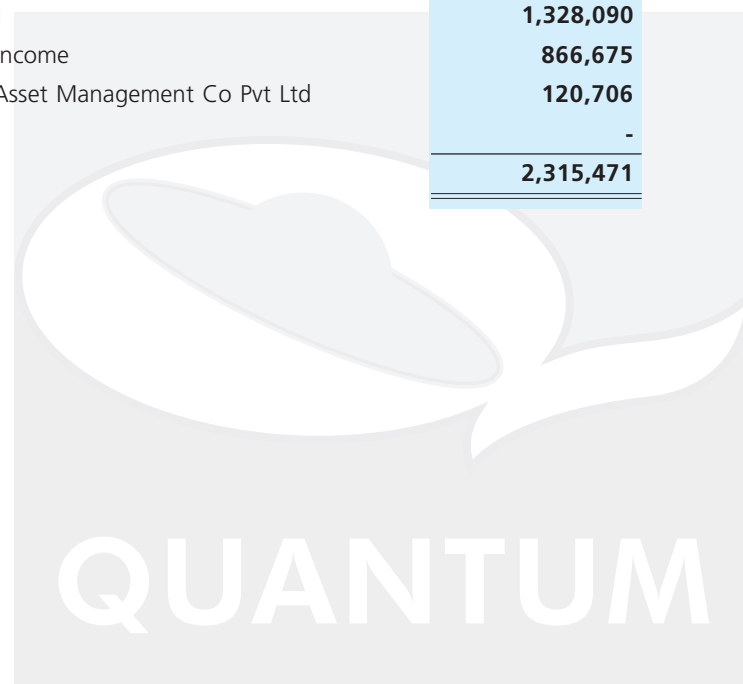
Date : June 26, 2009

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31st MARCH, 2009

	Units	March 31, 2009 Amount (Rs.)	Units	March 31, 2008 Amount (Rs.)
SCHEDULE 'A'				
UNIT CAPITAL				
(Face Value of Rs. 10 Each)				
Unit Capital {Opening Balance}	18,626,748	186,267,475	29,367,078	293,670,784
Add : Subscription during the period	41,455,988	414,559,875	92,153,507	921,535,075
Less : Redemption during the period	37,440,697	374,406,965	102,893,838	1,028,938,384
Unit Capital (Closing Balance)	22,642,039	226,420,385	18,626,747	186,267,475
SCHEDULE 'B'				
<u>Reserves & Surplus</u>				
<u>Unit Premium</u>				
Opening Balance		1,891,070		(503,596)
Add\Less) : Net Additions\ Deduction during the period		(376,947)		2,394,666
Closing Balance		1,514,123		1,891,070
<u>UNREALISED APPRECIATION IN THE VALUE OF INVESTMENTS</u>				
Opening Balance		-		54,340
Add:Net change during the year		-		(54,340)
		-		-
<u>Appropriation Account</u>				
Surplus/Deficit carried forward		27,032,131		15,345,600
Total Reserves & Surplus		28,546,254		17,236,670
SCHEDULE 'C'				
Management Fees Payable		46,050		46,608
Audit Charges Payable		22,756		37,859
Custody Fees Payable		26,515		67,970
Registrar Fees Payable		18,628		23,921
Other Payable		13,706		52,349
Interscheme Payable		-		242,576
Units pending allotment		45,000		-
Total		172,655		471,283
SCHEDULE 'D'				
INVESTMENTS				
Corporate Debentures Listed / Awaiting Listing		-		90,000,000
Non convertible debentures		40,000,000		-
Commercial Paper		29,409,984		29,598,960
Certificate of Deposits		137,919,499		48,492,859
Collateralised borrowing & lending obligation		45,494,340		23,594,539
Total		252,823,823		191,686,358

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31st MARCH, 2009

	March 31, 2009 Amount (Rs.)	March 31, 2008 Amount (Rs.)
SCHEDULE 'E'		
DEPOSITS		
Fixed Deposit with Schedule Banks	-	10,000,000
Total	-	10,000,000
SCHEDULE 'F'		
OTHER CURRENT ASSETS		
Balances with banks in current accounts including cheques on hand	1,328,090	244,519
Outstanding and Accrued Income	866,675	702,320
Receivable from Quantum Asset Management Co Pvt Ltd	120,706	1,248,598
Prepaid Insurance Premium	-	93,632
Total	2,315,471	2,289,069



MUTUAL FUND
Profit with Process

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 ('QUANTUM') 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 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 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 Plan, Monthly Dividend Payout Plan and Daily Dividend Re-investment Plan (collectively 'the Plans').

2. SIGNIFICANT ACCOUNTING POLICIES

(2.1) BASIS OF ACCOUNTING

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

(2.2) INVESTMENT

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

(2.3) PORTFOLIO VALUATION

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

1. Debt securities listed on a recognized stock exchange are valued at the last quoted closing price on the principal exchange on which the security is traded. If no sale is reported at that time, such securities are valued at fair value as determined in good faith by Quantum Asset Management Company Private Limited under procedure approved by the Board of Trustee of Quantum Mutual Fund.
2. Non-traded and thinly traded debt securities are valued at fair value as determined by Quantum Asset Management Company Private Limited under procedure approved by the Board of Trustee of Quantum Mutual Fund in accordance with the guidelines for valuation of securities for mutual funds dated September 18, 2000 and amendments thereto, as applicable, issued by the Securities and Exchange Board of India (SEBI).
3. Privately placed debt securities are valued at fair value as determined in good faith by Quantum Asset Management Company Private Limited under procedures approved by the Trustee of Quantum Mutual Fund.
4. Money markets instruments are valued at cost plus accrued interest, traded money market security are valued at the yield at which they are traded on the valuation date. If no sale is reported at that time, such security is valued at the last traded price plus accretion of the difference between the face value and the last traded price. Non traded money market instrument are valued at cost plus accrued interest.
5. Instruments bought on 'repo' basis are valued at the resale price after deduction of applicable interest up to the date of resale.
6. There were no investments recognized as Non-performing Assets (NPAs), as on March 31, 2009. An investment is regarded as non-performing, if the interest and/or principal amount has not been received or remains outstanding for one quarter from the day such income or installment has fallen due.
7. The above policies are followed as and when applicable.

Following the issue of the guidance note on accounting for investment in the financial statements of mutual funds by The Institute of Chartered Accountant of India (pursuant to the Eleventh Schedule of the Regulations 1996, as amended up to date with relevant circulars) net unrealized appreciation or depreciation in the value of investments is determined separately for each category of investments. Further the change in net

unrealized appreciation or depreciation, if any between the two balance sheet dates/ date of determination is recognized in the Revenue Account. Unrealized appreciation is reduced from the distributable income at the time of distribution of income. At the end of this financial year, the balance in the revenue account including change in the net unrealised appreciation or depreciation in the value of investments is transferred to Reserve Fund,

(2.4) INVESTMENT INCOME

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.

Dividend income is recognized on the ex-dividend date

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

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

(2.5) NET ASSET VALUE FOR GROWTH / DIVIDEND PLANS

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

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

(2.6) UNIT PREMIUM RESERVE

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.

(2.7) INCOME EQUALIZATION RESERVE

The net distributable income relating to units issued/ repurchased is transferred to/from income equalization reserve for determining the net surplus/ deficit, transferred from/to unit premium reserve.

(2.8) CUSTODY FEES

HSBC Bank has provided custodial services upto 31st March 2009 for which it has received custody fees.

(2.9) INVESTMENT MANAGEMENT FEES

The Scheme has paid or provided for investment management fees payable to Quantum Asset Management Company Private Limited for

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

(2.10) REGISTRAR & TRANSFER AGENT FEES

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

(2.11) INCOME TAX

No Provision for taxation has been made as the scheme qualifies as a recognized mutual fund under section 10(23D) of the Income –Tax Act, 1961.

3. NOTES TO ACCOUNTS

(1) PLANS

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

(2) VALUE OF INVESTMENT AS ON MARCH 31, 2009

The Cost and Market Value/Fair Value of Investment as on March 31, 2009 is given below.

SR. NO.	SECURITIES	COST RS.	MARKET VALUE RS.
1.	Debt and Money Market Instruments	207,329,483.00	207,329,483.00
2.	Repo/CBLO	45,494,339.80	45,494,339.80
	TOTAL	252,823,822.8	252,823,822.8

(3) NON PERFORMING INVESTMENTS

Type of Investments	Carrying Value Amount (Rs.)	Market Value Amount (Rs.)	Provisions
NIL	NIL	NIL	NIL

(4) NAV

Net Asset Value (NAV) per unit having a Face Value of Rs. 10 as on March 31, 2009

SCHEME	NAV (March 31, 2009)
Growth Plan	12.5459
Daily Dividend Reinvestment Plan	10.0000
Monthly Dividend Payout Plan	10.0110

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

Aggregate appreciation and depreciation in value of investments is NIL

(6) AGGREGATE VALUE OF PURCHASE AND SALE OF INVESTMENTS

Purchases (excluding Reverse repos, Call money & Fixed deposits) – Rs 2,219,341,408/-

- As a percentage of average daily net assets is 1036.61%

Sales / Redemptions (excluding Reverse repos, Call money & Fixed deposits) – Rs 2,013,000,000/-

- As a percentage of average daily net assets 940.23%

(7) INCOME AND EXPENDITURE

The total income and expenditure and these amounts

as a percentage of the Scheme's average daily net assets on an annualized basis are provided below:

Income

- Amount Rs. 21,405,604/-

- As a percentage of average daily net assets 10.00%

Expenditure

- Amount Rs. 1,080,680/-

- As a percentage of average daily net assets 0.50%

(8) INVESTMENT MANAGEMENT FEES

Investment Management Fees has been computed on the basis of Average Daily Net Asset of the Scheme accrued on a daily basis. Management Fees accrued during the period is Rs.417,909/-

(9) CONTRACTS PENDING DELIVERIES

There were no contracts for sale or purchase pending deliveries as on March 31, 2009.

(10) MOVEMENT IN UNIT CAPITAL

Particulars	2008-09		2007-08	
Units of Rs 10 each fully paid up	Units	Amount	Units	Amount
Growth Plan				
Opening	11,334,058.29	113,340,582.94	9,010,850.37	90,108,503.73
Issued during the year	28,026,374.24	280,263,742.43	38,438,946.86	384,389,468.56
Redeemed during the year	28,153,696.55	281,536,965.51	36,115,738.94	361,157,389.35
Outstanding at end of year	11,206,735.98	112,067,359.86	11,334,058.29	113,340,582.94
Daily Dividend Reinvestment Plan				
Opening	7,121,729.96	71,217,299.56	20,199,484.16	201,994,841.59
Issued during the year	11,796,356.97	117,963,569.68	53,311,887.37	533,118,873.73
Redeemed during the year	8,767,030.72	87,670,307.15	66,389,641.58	663,896,415.76
Outstanding at end of year	10,151,056.21	101,510,562.09	7,121,729.95	71,217,299.56
Monthly Dividend Payout Plan				
Opening	170,959.23	1,709,592.20	156,743.87	1,567,438.65
Issued during the year	1,633,256.30	16,332,562.95	402,673.24	4,026,732.39
Redeemed during the period	519,969.23	5,199,692.30	388,457.88	3,884,578.84
Outstanding at end of period	1,284,246.30	12,842,462.95	170,959.23	1,709,592.20
Grand Total				
Outstanding at the beginning opening	18,626,747.48	186,267,474.70	29,367,078.40	293,670,783.97
Issued during the year	41,455,987.51	414,559,875.10	92,153,507.47	921,535,074.68
Redeemed during the period	37,440,964.50	374,406,964.96	102,893,838.40	1,028,938,383.95
Outstanding at end of period	22,642,038.49	226,420,384.84	18,626,747.47	186,267,474.70

(11) PAYMENT OF FEES TO ASSOCIATE COMPANIES - NIL**(12) INVESTMENTS IN GROUP COMPANIES**

Quantum Liquid Fund has made NIL investment in group companies during the year ended March 31, 2009.

(13) LARGE HOLDINGS - NIL**(14) DISCLOSURE UNDER REGULATION 25(11) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (MUTUAL FUNDS) REGULATIONS, 1996 AS AMENDED**

Company which has invested	Scheme in which companies have invested more than 5% of the net asset	Scheme which have invested	Asset Type	Aggregate cost of acquisition during the period ended March 31, 2009 (Rs. In Lacs)	Outstanding as at March 31, 2009 at Fair/Market Value (Rs. In Lacs)
Housing Development Finance Corporation Ltd.	QLF	QLF	Zero Coupon Bond	295.39	Nil
Housing Development Finance Corporation Ltd.	QLF	QLTEF	Equity Shares	48.67	114.31
Housing Development Finance Corporation Ltd.	QLF	QIF	Equity Shares	3.74	2.37
Housing Development Finance Corporation Ltd.	QLF	QTSF	Equity Shares	2.05	1.91

*period prescribe under Regulation 25(11) is the period starting one year before and ending one year after the date of investment made in the Schemes by the Investor Company.

HDFC is the largest home finance company and also the most efficient with perceived benefits from its investments in HDFC AMC, HDFC Standard Life Insurance & HDFC ERGO General Insurance.

The above company is not associated with the sponsor or the AMC.

(15) 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, 2009, are presented below. The industry and company exposures are stated as a percentage of the Scheme's net assets as at March 31, 2009, as well as the aggregate investments in each investment category.

Sr. No.	Name of Investment	Industry Classification	Rating	Market Value Rs. in Lakhs	% to Net Assets	% to Category
(A)	SHORT TERM DEBT INSTRUMENTS (FLOATING)					
	Unlisted/Private placed instruments					
1.	MADRAS CEMENT LTD.	CEMENT	A1+	100	3.92%	100%
	Total (A)			100		
(B)	SHORT TERM DEBT INSTRUMENTS (FIXED)					
1.	KOTAK MAHINDRA PRIME LTD	Diversified Financial Services	P1+	300	11.77%	100%
	Total (B)			300		
(C)	MONEY MARKET INSTRUMENTS					
1.	AXIS BANK (CD)	Bank	P1+	496.51	19.47%	23.33%
2.	NABARD (CD)	Bank	PR1+	491.10	19.26%	23.08%
3.	CBLO / REVERSE REPO			454.94	17.84%	21.38%
4.	ING VYSYA BANK LTD (CD)	Bank	P1+	391.59	15.36%	18.40%
5.	SHRIRAM TRANSPORT (CP)	Transport	F1+	294.10	11.53%	13.82%
	Total (C)			2128.24	83.47%	100.00%
(D)	NET RECEIVABLES					
	Net Receivable / (Payables)			21.23	0.84%	
	Total (E)			21.23	0.84%	
	Grand Total			2549.67	100.00%	

(16) ACCOUNTING POLICY

There is no change in the accounting policy during the year ended March 31, 2009.

(17) PRIOR PERIOD COMPARATIVES

Previous year's figures have been regrouped/re-arranged where appropriate.

(18) COPY OF TRUST DEED

On written request, present and prospective unit holder/investors can obtain copy of the trust Deed, the Annual Report (at a price) and the text of the relevant scheme.

(19) BONUS

No bonus has been declared by the Scheme during the year ended March 31, 2009.

(20) BORROWING

The scheme has not made any borrowing during the year March 31, 2009.

(21) UNDERWRITING

The scheme has not undertaken any underwriting obligation during the year ended March 31, 2009

(22) DERIVATIVES

The scheme has no exposure to derivative products, foreign securities, ADR and GDR.

(23) ANNUAL REPORT REQUEST

The unit holders, if they so desire, may request for the annual report of Quantum Asset Management Company Private Limited.

(24) 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.

(25) RELATED PARTY TRANSACTIONS

The scheme has entered into transactions with various related parties. The information required in this regard in accordance with Accounting Standards 18 i.e. Related Party Disclosure issued by the ICAI and Regulation 25(8) of the SEBI Regulation is provided below.

Related party relationships

Name	Description of relationship
Quantum Advisors Private Limited	Sponsor
Quantum Asset Management Co 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
Mymakaan Private Limited	Associate
Menlo Oak Venture Investments	Associate
Primary Real Estate Advisors Private Limited	Associate
Primary Real Estate Advisors Limited, Mauritius	Associate
QIEF Management LLC	Associate
Principal Real Estate Investment Private Limited	Associate
Centre for Monitoring Indian Economy Private Limited	Associate
Geojit Financial Services Limited	Associate
Geojit Credits Private Limited	Associate
Soltrix India Private Limited	Associate
BJN Hotels Limited	Associate
Quantum Equity Advisors Private Limited	Sponsor's subsidiary

Other Schemes of the Fund

Quantum Long Term Equity Fund

Quantum Gold Fund

Quantum Index Fund

Quantum Tax Saving Fund

Transaction, if any with the above mentioned related parties as defined under Accounting Standard 18 and Regulation 25(8) of the SEBI Regulation are provided below:

Name of the related party	Nature of transactions	Year ended March 2009	Balance as at March 31, 2009	Year ended March 2008	Balance as at March 31, 2008
Quantum Advisors Pvt. Ltd. (QAPL)	Subscription	6,450,000.00		29,600,000.00	
	Redemption	17,475,000.00		28,824,282.37	
	Net Assets value of investment at balance sheet date		222,362.12		11,038,567.37
Quantum Asset Management Co. Pvt Ltd.	Subscription	93,100,000.00		127,581,000.00	
	Redemption	92,800,000.00		125,050,000.00	
	Net Assets value of investment at balance sheet date		75,902,401.49		69,465,837.37
Quantum Long Term Equity Fund	Subscription	2,500,000.00		44,400,000.00	
	Redemption	6,646,582.57		46,500,000.00	
	Net Assets value of investment at balance sheet date		NIL		4,088,293.00
Quantum Information Services Private Limited (QIS)	Subscription	28,400,000.00		4,250,000.00	
	Redemption	15,100,000.00		NIL	
	Net Assets value of investment at balance sheet date		18,917,373.45		4,333,910.35
Equitymaster Agora Research Private Ltd.	Subscription	14,997,412.40		22,800,000.00	
	Redemption	24,597,412.40		NIL	
	Net Assets value of investment at balance sheet date		14,200,017.65		23,007,122.91
Primary Real Estate Advisors Pvt. Ltd.	Subscription	15,300,000.00		5,400,000.00	
	Redemption	14,400,000.00		4,268,978.35	
	Net Assets value of investment at balance sheet date		2,412,053.96		1,174,387.71
Quantum Asset Management Co. Pvt Ltd.	Management Fees	417,909.00	46,050.00	351,348.00	46,608.00
Quantum Index Fund	Subscription	160,000.00		NIL	
	Redemption	160,966.58		NIL	
	Net Assets value of investment at balance sheet date		NIL		NIL

(26) CASH FLOW STATEMENT

As per applicability norms of Accounting Standard 3 on 'Cash Flow Statement' issued by ICAI, disclosure is not required, as the scheme turnover (revenues) is not exceeding than the applicable norms.



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

For Haribhakti & Co.

Chartered Accountants

sd/-

Chetan Desai

Partner

Membership No: 17000

For Quantum Trustee Company Pvt. Ltd.

sd/-

Mr. Jagdish Capoor

(Chairman)

sd/-

Mr. Satish Mehta

(Director)

**For Quantum Asset Management
Company Private Limited**

sd/-

Mr. Ajit Dayal

(Chairman & President)

sd/-

Mr. I.V. Subramaniam

(Director)

sd/-

Mr. Arvind Chari

(Fund Manager)

Place : Mumbai

Date : June 26, 2009

HISTORICAL PER UNIT STATISTICS

Per Unit Particulars (Rupees)		As on March 31, 2009	As on March 31, 2008
	Face Value	Rs.10/-	Rs.10/-
(a)	Net Asset Value		
	Growth Plan	12.5459	11.5205
	Daily Dividend Reinvestment Plan	10.0000	10.0000
	Monthly Dividend Payout Plan	10.0100	10.0163
(b)	Gross Income broken up into the following components		
	(i) Income other than profit on sale of investment	0.95	0.81
	(ii) Income from profit on inter-scheme sales/transfer of investment	-	-
	(iii) Income from profit on sale of Investment to third party	-	0.13
	(iv) Transfer to Revenue Account from past year's reserve	-	-
	Gross Income	0.95	0.94
(c)	Aggregate of expenses, write-off, amortization and charges	0.05	0.05
	Total Gross Expenditure	0.05	0.05
(d)	Net Unrealised appreciation in value of investments		-
(e)	Net Income	0.90	0.89
(f)	REPURCHASE PRICE		
	Highest		
	(I) Growth Plan	12.5459	11.5205
	(II) Daily Dividend Reinvestment Plan	10.0000	10.0000
	(III) Monthly Dividend Payout Plan	10.0956	10.1034
	Lowest		
	(I) Growth Plan	11.5237	10.7002
	(II) Daily Dividend Reinvestment Plan	10.0000	10.0000
	(III) Monthly Dividend Payout Plan	10.0000	10.0000
	RESALE PRICE		
	Highest		
	(I) Growth Plan	12.5459	11.5205
	(II) Daily Dividend Reinvestment Plan	10.0000	10.0000
	(III) Monthly Dividend Payout Plan	10.0956	10.1034
	Lowest		
	(I) Growth Plan	11.5237	10.7002
	(II) Daily Dividend Reinvestment Plan	10.0000	10.0000
	(III) Monthly Dividend Payout Plan	10.0000	10.0000
(g)	Ratio of expenses to average daily net assets (excluding Unrealized depreciation and amortization of deferred revenue Expenditure)	0.50%	0.45%
(h)	Ratio of gross income to average daily net assets	10.00%	7.96%

Note: Details are not available for the past 3 years, since this is the third year of the scheme.

AUDITORS' REPORT

TO

**THE BOARD OF TRUSTEES OF
QUANTUM TRUSTEE COMPANY PRIVATE LIMITED**

We have audited the attached Balance sheet of the scheme of **"Quantum Gold Fund"** of **Quantum Mutual Fund** (Scheme) as at 31st March, 2009 and the Revenue Account for the year ended on that date annexed thereto which we have signed under reference to this report. These financial statements are the responsibility of the Management of the Trustees and Asset Management companies. Our responsibility is to express an opinion on these financial statements based on our audit.

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

We report that:

1. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
2. The Balance Sheet and the Revenue Account dealt with by this report are in agreement with the books of account of the scheme.

3. In our opinion, the valuation methods for non-traded securities are fair and reasonable and are in accordance with the guidelines for valuation issued by SEBI, under the regulation.
4. In our opinion, the Balance Sheet and the Revenue Account dealt with by this report have been prepared in accordance with the Accounting Policies and Standards as specified in the Ninth Schedule of the SEBI (Mutual Funds) Regulations, 1996 as amended up to date.
5. In our opinion, and to the best of our information and according to the explanations given to us, the said financial statements give the information required by the SEBI (Mutual Funds) Regulations, 1996 as applicable and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - i) in the case of the Balance Sheet, of the state of affairs of the Scheme as at 31st March, 2009; and
 - ii) in the case of the Revenue Account, of the surplus of the Scheme for the year ended on that date;

Place: Mumbai
Date: June 26, 2009

For **HARIBHAKTI & CO.**
Chartered Accountants

sd/-
CHETAN DESAI
Partner
Membership No 17000

QUANTUM
MUTUAL FUND
Profit with Process

QUANTUM GOLD FUND
BALANCE SHEET AS AT 31st MARCH, 2009

	Schedule	March 31, 2009 Amount (Rs.)	March 31, 2008 Amount (Rs.)
LIABILITIES			
Unit Capital	'A'	10,649,700	6,106,100
Reserves and Surplus	'B'	68,940,348	30,802,003
Current Liabilities and Provisions	'C'	27,992	140,838
Total		79,618,040	37,048,941
ASSETS			
Investments	'D'	79,594,746	36,741,713
Other Current Assets	'E'	23,294	307,228
Total		79,618,040	37,048,941
Notes forming part of Accounts	'F'		

As per our report of even date

For Haribhakti & Co.
Chartered Accountants

sd/-
Chetan Desai
Partner
Membership No: 17000

For Quantum Trustee Company Pvt. Ltd.

sd/-
Mr. Jagdish Capoor
(Chairman)

sd/-
Mr. Satish Mehta
(Director)

**For Quantum Asset Management
Company Private Limited**

sd/-
Mr. Ajit Dayal
(Chairman & President)

sd/-
Mr. I.V. Subramaniam
(Director)

sd/-
Mr. Chirag Mehta
(Fund Manager)

Place : Mumbai
Date : June 26, 2009

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

QUANTUM GOLD FUND

REVENUE ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2009

Schedule	March 31, 2009 Amount (Rs.)	March 31, 2008 Amount (Rs.)
INCOME		
Interest	199	35,569
Profit on sale / redemption of investments (Other than inter-scheme transfer / sale)	793,739	214,507
Total	793,938	250,076
EXPENSES AND LOSSES		
Management fees	310,297	18,663
Custody fees	55,671	6,794
Registrar Fees	-	2,016
Trustee expenses	61,894	3,733
Marketing & Selling Expenses	126,183	-
Audit fees	13,526	13,483
Registrar & Transfer Agent's fees	29,100	-
Bank Charges	22,705	-
Insurance Premium	105,208	24,007
Other operating expenses	63,891	4,462
Less: Excess of Expenditure over permissible limit recovered from AMC	(167,880)	(35,833)
Total	620,595	37,325
Net Surplus / (Deficit) for the period	173,343	212,752

APPROPRIATION ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009

Net Surplus brought forward from previous year	212,752	-
Net Surplus / (Deficit) for the period	173,343	212,752
Net Surplus / (Deficit) carried forward	386,095	212,752

Notes forming parts of Accounts

F

As per our report of even date

For Haribhakti & Co.

Chartered Accountants

sd/-

Chetan Desai

Partner

Membership No: 17000

For Quantum Trustee Company Pvt. Ltd.

sd/-

Mr. Jagdish Capoor
(Chairman)

sd/-

Mr. Satish Mehta
(Director)

**For Quantum Asset Management
Company Private Limited**

sd/-

Mr. Ajit Dayal
(Chairman & President)

sd/-

Mr. I.V. Subramaniam
(Director)

sd/-

Mr. Chirag Mehta
(Fund Manager)

Place : Mumbai

Date : June 26, 2009

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31st MARCH, 2009

	Units	March 31, 2009 Amount (Rs.)	Units	March 31, 2008 Amount (Rs.)
SCHEDULE 'A'				
UNIT CAPITAL				
(Face Value of Rs. 10 Each)				
Unit Capital {Opening Balance}	61,061	6,106,100	-	-
Add : Subscription during new fund offer period	-	-	57,061	5,706,100
Add : Subscription during the period	55,436	5,543,600	10,000	1,000,000
Less : Redemption during the period	10,000	1,000,000	6,000	600,000
Unit Capital (Closing Balance)	1,06,497	10,649,700	61,061	6,106,100
SCHEDULE 'B'				
RESERVES & SURPLUS				
Unit Premium				
Opening Balance		30,200,739		-
Add\Less) : Net Additions\Deduction) during the period		21,604,890		30,200,739
Closing Balance		51,805,629		30,200,739
UNREALISED APPRECIATION IN THE VALUE OF INVESTMENTS				
Opening Balance		388,513		-
Add:Net change during the year		16,360,111		388,513
		16,748,624		388,513
Appropriation Account				
Surplus/Deficit carried forward		386,095		212,751
Total Reserves & Surplus		68,940,348		30,802,005
SCHEDULE 'C'				
CURRENT LIABILITIES & PROVISIONS				
Sundry Creditors		-		2,003
Management Fees Payable		265		20,969
Trustee Fees Payable		-		3,719
Audit Charges Payable		11,873		11,955
Custody Fees Payable		8,917		6,794
Registrar Fees Payable		2,749		2,016
Other Expense Payable		2,784		-
Payable to Quantum Asset Management Co Pvt Ltd		1,404		93,382
Total		27,992		140,838
SCHEDULE 'D'				
INVESTMENTS				
GOLD		79,474,776		36,741,713
Collateral Borrowing and Lending Obligation		119,970		-
Total		79,594,746		36,741,713
SCHEDULE 'E'				
OTHER CURRENT ASSETS				
Balances with Banks in Current Account, including cheques on hand		23,279		51,968
Subscription Receivable (other than Inter Scheme)		-		88
REPO		-		149,965
Prepaid Insurance Premium		-		105,207
Dividend/Interest Receivable		15		-
Total		23,294		307,228

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 ('QUANTUM') 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 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 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. The Scheme offers its investors the Growth Plan.

2. SIGNIFICANT ACCOUNTING POLICIES

(2.1) BASIS OF ACCOUNTING

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

(2.2) INVESTMENTS

(2.2.a) Gold

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

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

(2.2.b) Others

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

(2.3) PORTFOLIO VALUATION

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

- I. The Fund values its investments in gold in accordance with the valuation norms specified under The SEBI (Fourth Amendment) Regulations 2006, notified by the

Government vide gazette dated December 27, 2006 (No. F No. SEBI/LAD/DOP/82534/2006)

The Broad Valuation Norms are detailed below:

The Gold held by the Fund is valued at the AM fixing price of London Bullion Market Association (LBMA) in US dollars per troy ounce for gold having a fineness of 995.0 parts per thousand, subject to the following:

- (a) adjustment for conversion to metric measures as per standard conversion rates;
- (b) adjustment for conversion of US dollars into Indian rupees as per the RBI reference rate declared by the Foreign Exchange Dealers Association of India (FEDAI); and
- (c) addition of i) transportation and other charges that may be normally incurred in bringing such gold from London to the place where it is actually stored on behalf of mutual fund; and ii) notional customs duty and other applicable taxes and levies that are normally incurred to bring the gold from London to the place where it is actually stored on behalf of mutual fund; provided that the adjustment under clause (c) above is made on the basis of the notional premium that is usually charged for delivery of gold to the place where it is actually stored on behalf of the mutual fund; Provided further that where the gold held by the Fund has a greater fineness, the relevant LBMA prices of AM fixing is taken as the reference price under this clause. In case the gold acquired by the Fund is not in the form of standard bars, it is assayed and converted into standard bars which comply with the good delivery norms of the LBMA and thereafter valued in terms of this clause.

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

- II. Money market instrument are valued at cost plus accrued interest, traded money market securities are valued at the yield at which they are traded on the valuation date. If no sale is reported at that time, such security is valued at the last traded price plus accretion of the difference between the face value and the last traded price. Non traded money market instruments are valued at cost plus accrued interest.
 - III. Instruments bought on 'repo' basis are valued at the resale price after deduction of applicable interest upto the date of resale.
- Following the issue of the guidance note on accounting for investment in the financial statements of mutual funds by The Institute

of Chartered Accountant of India (pursuant to the Eleventh Schedule of the Regulation 1996, as amended up to date with relevant circulars) net unrealized appreciation/depreciation in the value of investments is determined separately for each category of investments. Further the change in net unrealized appreciation/depreciation, if any between the two balance sheet dates/ date of determination is recognized in the Revenue Account. Unrealized appreciation is reduced from the distributable income at the time of distribution of income. At the end of this financial year, the balance in the revenue account including change in the net unrealised appreciation/depreciation in the value of investments is transferred to Reserve Fund.

(2.4) INVESTMENT INCOME

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

(2.5) NET ASSET VALUE FOR GROWTH PLAN

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

(2.6) UNIT PREMIUM RESERVE

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.

(2.7) CUSTODY FEES

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

(2.8) INVESTMENT MANAGEMENT FEES

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

(2.9) TRUSTEE FEES

Pursuant to the Trust Deed dated October 7, 2005 between Quantum Advisors Private Limited (Settlor) and Quantum Trustee Company Private Limited (Trustee) and the offer document of the scheme, the Fund is authorized to pay the Trustee a fee, for rendering service as a Trustee of the Fund.

(2.10) REGISTRAR & TRANSFER AGENT FEES

Deutsche Investors Services Pvt. Ltd. provides registrar and share transfer services to the scheme for which it receives registrar and share transfer fees.

(2.11) INCOME TAX

No Provision for taxation has been made as the schemes qualify as recognized mutual fund under section 10(23D) of the Income –Tax Act, 1961.

3. NOTES TO ACCOUNTS

(1) PLANS

The scheme has one plan: Growth Plan.

(2) VALUE OF INVESTMENT AS ON MARCH 31, 2009

The Cost and Market Value/Fair Value of Investment as on March 31, 2009 is given below.

SR. NO.	SECURITIES	COST RS.	MARKET VALUE RS.	COST RS.	MARKET VALUE RS.
		March 31, 2009		March 31, 2008	
1.	Gold	62,726,151.60	79,474,775.73	36,353,200.04	36,741,712.81
2.	CBLO/Reverse Repo	119,970.42	119,970.42	-	-
	TOTAL	62,846,122.02	79,594,746.15	36,353,200.04	36,741,712.81

(3) NON PERFORMING INVESTMENTS

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

(4) NAV

Net Asset Value (NAV) per unit having a Face Value of Rs. 100 as on March 31, 2009

SCHEME	NAV (March 31, 2009)	NAV (March 31, 2008)
Growth Plan	747.3455	604.4464

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

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

Particulars	March 31, 2009 (Rs.)	March 31, 2008 (Rs.)
GOLD		
Unrealised Appreciation	16,748,624.13	388,512.78
Unrealised Depreciation	-	-
Net Unrealised Appreciation	16,748,624.13	388,512.78

(6) AGGREGATE VALUE OF PURCHASE AND SALE OF INVESTMENTS

Purchases (excluding Reverse repos, Call money & Fixed deposits) – Rs 32,406,025/-

- As a percentage of average daily net assets is 52.22 %

Sales / Redemptions (excluding Reverse repos, Call money & Fixed deposits) – Rs 6,826,440/-

- As a percentage of average daily net assets 11.00 %

(7) INCOME AND EXPENDITURE

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

Income (excluding unrealized appreciation)

- Amount Rs. 793,939/-

- As a percentage of average daily net assets 1.28 %

Expenditure

- Amount Rs. 310,296.56/-

- As a percentage of average daily net assets 0.50 %

(8) INVESTMENT MANAGEMENT FEES

Investment Management Fees has been computed on the basis of Average Daily Net Asset of the Scheme accrued on a daily basis. Management Fees accrued during the period ended March 31, 2009 is Rs. 310,297/-

(9) CONTRACTS PENDING DELIVERIES

There were no contracts for sale or purchase pending deliveries as on March 31, 2009.

(10) MOVEMENT IN UNIT CAPITAL

Particulars	2008-09		2007-08	
Units of Rs 100 each fully paid up	Units	Amount	Units	Amount
Regular Growth				
Opening	61,061	6,106,100	-	-
Issued	-	-	-	-
- New Fund Offer	-	-	57,061	5,706,100
- During the period	55,436	5,543,600	10,000	1,000,000
Redeemed during the period	10,000	1,000,000	6,000	600,000
Outstanding, end of period	106,497	10,649,700	61,060	6,106,100

(11) PAYMENT OF FEES TO ASSOCIATE COMPANIES

Quantum Gold Fund has made NIL payment to Associate companies during the year ended March 31, 2009

(12) INVESTMENTS IN GROUP COMPANIES

Quantum Gold Fund has made NIL investment in group companies during the year ended March 31, 2009

(13) LARGE HOLDINGS

Unit holders holding over 25% of the Scheme of NAV is NIL as at the end of the year March 31, 2009

(14) DISCLOSURE UNDER REGULATION 25(11) OF THE SECURITY AND EXCHANGE BOARD OF INDIA (MUTUAL FUNDS) REGULATIONS, 1996 AS AMENDED - NIL**(15) 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, 2009, are presented below. The industry and company exposures are stated as a percentage of the Scheme's net assets as at March 31, 2009, as well as the aggregate investments in each investment category.

Sr. No.	Name of Investment	Industry	Quantity	Market Value Rs. in Lakhs	% to Net Assets
a)	GOLD				
	GOLD 995 1KG BAR		52	794.75	99.86%
	TOTAL		52	794.75	99.86%
b)	Cash & Equivalent				
1	CBLO / Reverse Repo Investments			1.20	0.15%
2	Net Receivable / (Payables)			-0.05	-0.01%
	TOTAL			1.15	0.14%
	Grand Total			795.90	100%

(16) INITIAL ISSUE EXPENSES

No initial Issue Expenses were charged to the Quantum Gold Fund

(17) BORROWING

The scheme has not made any borrowing during the period March 31, 2009.

(18) DERIVATIVES

The scheme has no exposure to derivative products, foreign securities, ADR's and GDR's.

(19) TRUST DEED

On written request, present and prospective unit holder/investors can obtain copy of the Trust Deed, the Annual Report (at a price) and the text of the relevant scheme.

(20) BONUS

No bonus has been declared by the Scheme during the period ended March 31, 2009.

(21) ANNUAL REPORT REQUEST

The unit holders, if they so desire, may request for the annual report of Quantum Assets Management Company Private Limited.

(22) UNDERWRITING

The scheme has not undertaken any underwriting obligation during the period March 31, 2009.

(23) PRIOR PERIOD COMPARATIVES

Previous year figure are strictly not comparable as the period for previous year was from 23/02/2008 to 31/03/2008.

(24) 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.

(25) RELATED PARTY TRANSACTIONS

The scheme has entered into transactions with various related parties. The information required in this regard in accordance with Accounting Standards 18 i.e. Related Party Disclosure issued by the ICAI and Regulation 25(8) of the SEBI Regulation is provided below.

Related party relationships

Name	Description of relationship
Quantum Advisors Private Limited	Sponsor
Quantum Asset Management Co 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

Name	Description of relationship
Personal Insurance Services India Limited	Associate
Mymakaan Private Limited	Associate
Menlo Oak Venture Investments	Associate
Primary Real Estate Advisors Private Limited	Associate
Primary Real Estate Advisors Limited, Mauritius	Associate
QIEF Management LLC	Associate
Principal Real Estate Investment Private Limited	Associate
Centre for Monitoring Indian Economy Private Limited	Associate
Geojit Financial Services Limited	Associate
Geojit Credits Private Limited	Associate
Soltrix India Private Limited	Associate
BJN Hotels Limited	Associate
Quantum Equity Advisors Private Limited	Sponsor's subsidiary

Other Schemes of the Fund

Quantum Long Term Equity Fund
 Quantum Liquid Fund
 Quantum Index Fund
 Quantum Tax Saving Fund

Transaction, if any with the above mentioned related parties as defined under Accounting Standard 18 and Regulation 25(8) of the SEBI Regulation are provided below:

Name of the related party	Nature of transactions	Year ended March 2009	Bal as at Mar 31, 2009	Year ended March 2008	Bal as at Mar 31, 2008
Quantum Advisors Pvt. Ltd. (QAPL)	Subscription	2,941,142.16	-	2,527,148.54	-
	Redemption	386,216.96	-	40,316.10	-
	Net Assets value of investment at balance sheet date	-	3,307,751.18	-	2,538,070.43
Quantum Asset Management Co. Pvt. Ltd.	Management Fees	310,296.56	265.04	18,663.00	18,663.00
Quantum Trustee Co. Pvt. Ltd	Trusteeship Fees	61,893.82	-	2,016.00	2,016.00

(26) CASH FLOW STATEMENT

As per applicability norms of Accounting Standard 3 on 'Cash Flow Statement' issued by ICAI, disclosure is not required, as the scheme turnover (revenues) is not exceeding than the applicable norms.

As per our report of even date

For Haribhakti & Co.
 Chartered Accountants

sd/-

Chetan Desai

Partner
 Membership No: 17000

For Quantum Trustee Company Pvt. Ltd.

sd/-

Mr. Jagdish Kapoor
 (Chairman)

sd/-

Mr. Satish Mehta
 (Director)

For Quantum Asset Management Company Private Limited

sd/-

Mr. Ajit Dayal
 (Chairman & President)

sd/-

Mr. I.V. Subramaniam
 (Director)

sd/-

Mr. Chirag Mehta
 (Fund Manager)

Place : Mumbai
 Date : June 26, 2009

HISTORICAL PER UNIT STATISTICS

No.	Particulars	Quantum Gold Fund ("the Scheme") Audited as of 31.03.2009	Quantum Gold Fund ("the Scheme") Audited as of 31.03.2008
(a)	Net Assets Value, per unit - Growth Plan	795.9004	604.4464
(b)	Gross Income per-unit broken up into the following components		
(i)	income other than profit on sale of investment, per unit	0.0019	0.5825
(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	7.4532	3.5130
(iv)	transfer to revenue account from past years' reserve, per unit	-	-
(c)	Aggregate of expenses, write off, amortisation and charges, per-unit	(-5.8273)	0.6113
(d)	Net unrealized appreciation in value of investments	157.2685	6.3627
(e)	Net Income per unit	158.8962	3.4842
(i)	Highest sale price per unit	788.9388	672.4143
(ii)	Lowest sale price per unit	542.8786	592.8748
(f)	Ratio of expenses to average daily net assets by % (Excluding unrealized depreciation and amortization of deferred revenue expenditure)	1.00%	1.00%
(g)	Ratio of income to Average daily net assets by % (exclusive of unrealized appreciation)	1.28%	6.70%

QUANTUM

MUTUAL FUND

Profit with Process

AUDITORS' REPORT

TO

THE BOARD OF TRUSTEES OF
QUANTUM TRUSTEE COMPANY PRIVATE LIMITED

We have audited the attached Balance sheet of the scheme of **"Quantum Index Fund"** of **Quantum Mutual Fund** (Scheme) as at 31st March, 2009 and the Revenue Account for the period ended on that date annexed thereto which we have signed under reference to this report. These financial statements are the responsibility of the Management of the Trustees and Asset Management companies. Our responsibility is to express an opinion on these financial statements based on our audit.

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

We report that:

1. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
2. The Balance Sheet and the Revenue Account dealt with by this report are in agreement with the books of account of the scheme.

3. In our opinion, the valuation methods for non-traded securities are fair and reasonable and are in accordance with the guidelines for valuation issued by SEBI, under the regulation.
4. In our opinion, the Balance Sheet and the Revenue Account dealt with by this report have been prepared in accordance with the Accounting Policies and Standards as specified in the Ninth Schedule of the SEBI (Mutual Funds) Regulations, 1996 as amended up to date.
5. In our opinion, and to the best of our information and according to the explanations given to us, the said financial statements give the information required by the SEBI (Mutual Funds) Regulations, 1996 as applicable and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - i) in the case of the Balance Sheet, of the state of affairs of the Scheme as at 31st March, 2009; and
 - ii) in the case of the Revenue Account, of the deficit of the Scheme for the period ended on that date;

Place : Mumbai,
Date : June 26, 2009

For **HARIBHAKTI & CO.**
Chartered Accountants

sd/-
CHETAN DESAI
Partner
Membership No.17000

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

QUANTUM INDEX FUND
BALANCE SHEET AS AT 31st MARCH, 2009

	Schedule	March 31, 2009 Amount (Rs.)
LIABILITIES		
Unit Capital	'A'	371,460
Reserves and Surplus	'B'	10,942,330
Current Liabilities and Provisions	'C'	16,880
Total		11,330,670
ASSETS		
Investments	'D'	11,199,771
Other Current Assets	'E'	130,899
Total		11,330,670
Notes forming Part of Accounts	'F'	

As per our report of even date

For Haribhakti & Co.
Chartered Accountants

sd/-

Chetan Desai
Partner

Membership No: 17000

sd/-

For Quantum Trustee Company Pvt. Ltd.

Mr. Jagdish Capoor
(Chairman)

sd/-

Mr. Satish Mehta
(Director)

sd/-

**For Quantum Asset Management
Company Private Limited**

Mr. Ajit Dayal
(Chairman & President)

sd/-

Mr. I.V. Subramaniam
(Director)

sd/-

Mr. Hitendra Parekh
(Fund Manager)

Place : Mumbai
Date : June 26, 2009

QUANTUM INDEX FUND

REVENUE ACCOUNT FOR THE PERIOD ENDED 31st MARCH, 2009

Schedule	March 31, 2009 Amount (Rs.)
INCOME	
Dividend	157,677
Interest	33,150
Profit on sale / redemption of investments (Other than inter-scheme transfer / sale)	35,933
Other Income	81
Total	226,841
EXPENSES AND LOSSES	
Loss on sale / redemption of investments (Other than inter-scheme transfers / sale)	586,810
Management fees	23,637
Trustee expenses	9,632
Marketing & Selling Expenses	15,742
Audit fees	11,030
Custodian fees	50,172
Registrar & Transfer Agent's fees	4,307
Bank Charges	1,125
Other operating expenses	374,237
Unrealised depreciation in the value of investments	3,415,647
Less: Excess of Expenditure over permissible limit recovered from AMC	(418,926)
Total	4,073,413
Net Surplus / (Deficit) for the period	(3,846,572)
APPROPRIATION ACCOUNT FOR THE PERIOD ENDED 31ST MARCH, 2009	
Net Surplus brought forward from previous year	-
Net Surplus / (Deficit) for the period	(3,846,572)
Net Surplus / (Deficit) carried forward	(3,846,572)
Notes forming parts of Accounts	

As per our report of even date

For Haribhakti & Co.
Chartered Accountants

sd/-
Chetan Desai
Partner
Membership No: 17000

For Quantum Trustee Company Pvt. Ltd.

sd/-
Mr. Jagdish Kapoor
(Chairman)

sd/-
Mr. Satish Mehta
(Director)

**For Quantum Asset Management
Company Private Limited**

sd/-
Mr. Ajit Dayal
(Chairman & President)

sd/-
Mr. I.V. Subramaniam
(Director)

sd/-
Mr. Hitendra Parekh
(Fund Manager)

Place : Mumbai
Date : June 26, 2009

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31st MARCH, 2009

	Units	31st March, 2009 Amount (Rs.)
SCHEDULE 'A'		
UNIT CAPITAL		
(Face Value of Rs. 10 Each)		
Unit Capital {Opening Balance}	-	-
Add : Subscription during new fund offer period	39,146	391,460
Add : Subscription during the period	-	-
Less : Redemption during the period	2,000	20,000
Unit Capital (Closing Balance)	37,146	371,460
SCHEDULE 'B'		
Reserves & Surplus		
Unit Premium		
Opening Balance		-
Add\Less) : Net Additions\Deduction) during the period		14,788,902
Closing Balance		14,788,902
UNREALISED APPRECIATION IN THE VALUE OF INVESTMENTS		
Opening Balance		-
Add:Net change during the year		-
Appropriation Account		
Surplus/Deficit carried forward		(3,846,572)
Total Reserves & Surplus		10,942,330
SCHEDULE 'C'		
CURRENT LIABILITIES & PROVISIONS		
Management Fees Payable		2,444
Audit Charges Payable		9,894
Custody Fees Payable		2,628
Registrar Fees Payable		344
Other Expense Payable		1,570
Total		16,880
SCHEDULE 'D'		
INVESTMENTS		
Equity		11,199,771
Total		11,199,771
SCHEDULE 'E'		
OTHER CURRENT ASSETS		
Balances with Banks in Current Account, including cheques on hand		120,050
Recievable from Quantum Asset Management Co Pvt Ltd		8,769
Dividend/Interest Receivable		2,080
		130,899

SCHEDULE 'F'

Notes:

1. ORGANISATION

Quantum Index Fund ("the Scheme") is an open-ended exchange traded Scheme of Quantum Mutual Fund and was launched on June 09, 2008. Quantum Mutual Fund ('QUANTUM') 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 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 invest in stocks of companies comprising S&P CNX Nifty Index and endeavour to achieve return equivalent to the Nifty by "passive" investment. The scheme is managed by replicating the Index in the same weightage as in the S&P CNX Nifty-Index with the intention of minimizing the performance differences between the scheme and the S&P CNX- Nifty Index in capital terms, subject to market liquidity, costs of trading, management expenses and other factors which may cause tracking error.

2. SIGNIFICANT ACCOUNTING POLICIES

(2.1) BASIS OF ACCOUNTING

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

(2.2) INVESTMENTS

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

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

(2.3) PORTFOLIO VALUATION

Investments are stated at market / fair value at the

Balance Sheet date / date of determination. The net asset value of the units of the scheme is determined separately for the units issued under the Plans in valuing the Scheme's investments.

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

- VII. Privately placed debt securities are valued at fair value as determined in good faith by Quantum Asset Management Company Private Limited under a procedure that is approved by the Trustee of Quantum Mutual Fund.
- VIII. Money market instruments are valued at cost plus accrued interest, traded money market securities are valued at the yield at which they are traded on the valuation date. If no sale is reported at that time, such security is valued at the last traded price plus accretion of the difference between the face value and the last traded price. Non traded money market instruments are valued at cost plus accrued interest.
- IX. Instruments bought on 'repo' basis are valued at the resale price after deduction of applicable interest upto the date of resale.
- X. There were no investments recognized as Non-performing Assets (NPAs), as on March 31, 2009. An Investment is regarded as non-performing, if the interest and/or principal amount has not been received or remains outstanding for one quarter from the day such income or installment has fallen due.
- XI. The above policies are followed by the fund as and when applicable.
- XII. Following the issue of the guidance note on accounting for investment in the financial statements of mutual funds by The Institute of Chartered Accountant of India (pursuant to the Eleventh Schedule of the Regulation 1996, as amended up to date with relevant circulars) net unrealized appreciation/depreciation in the value of investments is determined separately for each category of investments. Further the change in net unrealized appreciation/depreciation, if any between the two balance sheet dates/ date of determination is recognized in the Revenue Account. Unrealized appreciation is reduced from the distributable income at the time of distribution of income. At the end of this financial year, the balance in the revenue account including change in the net unrealised appreciation/depreciation in the value of investments is transferred to Reserve Fund.

(2.4) INVESTMENT INCOME

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

weighted average cost of investment.

(2.5) NET ASSET VALUE FOR GROWTH PLAN

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

(2.6) UNIT PREMIUM RESERVE

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.

(2.7) CUSTODY FEES

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

(2.8) INVESTMENT MANAGEMENT FEES

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

(2.9) TRUSTEE FEES

Pursuant to the Trust Deed dated October 7, 2005 between Quantum Advisors Private Limited (Settlor) and Quantum Trustee Company Private Limited (Trustee) and the offer document of the scheme, the Fund is authorized to pay the Trustee a fee, for rendering service as a Trustee of the Fund.

(2.10) REGISTRAR & TRANSFER AGENT FEES

Deutsche Investors Services Pvt. Ltd. provides registrar and share transfer services to the scheme for which it receives registrar and share transfer fees.

(2.11) INCOME TAX

No Provision for taxation has been made as the schemes qualify as recognized mutual fund under section 10(23D) of the Income –Tax Act, 1961.

3. NOTES TO ACCOUNTS

(1) PLANS

The scheme has one plan: Growth Plan,

(2) VALUE OF INVESTMENT AS ON MARCH 31, 2009

The Cost and Market Value/Fair Value of Investment as on March 31, 2009 is given below.

SR. No.	Securities	Cost Rs.	Market Value (Rs.)
March 31, 2009			
1.	Equity	14,615,416.79	11,199,770.50
	TOTAL	14,615,416.79	11,199,770.50

(3) NON PERFORMING INVESTMENTS

Type of Investments	Carrying Value Amount (Rs.)	Market Value Amount (Rs.)	Provisions
NIL	NIL	NIL	NIL

(4) NAV

Net Asset Value (NAV) per unit having a Face Value of Rs. 100 as on March 31, 2009

SCHEME	NAV (March 31, 2009)
Growth Plan	304.5763

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

Aggregate appreciation and depreciation in value of investments as on March 31, 2009 is as follows:

Particulars	March 31, 2009 (Rs.)
Appreciation	413,872.67
Depreciation	3,829,518.96

(6) AGGREGATE VALUE OF PURCHASE AND SALE OF INVESTMENTS

Purchases (excluding Reverse repos, Call money & Fixed deposits) – Rs 16,370,215.92

As a percentage of average daily net assets is 125.58 %

Sales / Redemptions (excluding Reverse repos, Call money & Fixed deposits) – Rs 1,203,922.47 - As a percentage of average daily net assets 9.24 %

(7) INCOME AND EXPENDITURE

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

Income (excluding unrealized appreciation)

- Amount Rs. 190,908/-

- As a percentage of average daily net assets 1.46 %

Expenditure

- Amount Rs. 70,956.70/-

- As a percentage of average daily net assets 0.54 %

(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. Management Fees accrued during the period ended March 31, 2009 is Rs. 23,638 /-.

(9) CONTRACTS PENDING DELIVERIES

There were no contracts for sale or purchase pending deliveries as on March 31, 2009.

(10) MOVEMENT IN UNIT CAPITAL

Particulars	2008-09	
Units of 10 each fully Paid up	Units	Amount
Opening	-	-
Issued	-	-
- New Fund Offer	39,146	391,460
- During the period	-	-
Redeemed during the period	2000	20000
Outstanding, end of period	37,146	371460

(11) PAYMENT OF FEES TO ASSOCIATE COMPANIES

Quantum Index Fund has made NIL payment to Associate companies during the year ended March 31, 2009

(12) INVESTMENTS IN GROUP COMPANIES

Quantum Index Fund has made NIL investment in group companies during the year ended March 31, 2009

(13) ACCOUNTING POLICY

There is no change in the accounting policy during the year ended March 31, 2009.

(14) LARGE HOLDINGS

Unit holders holding over 25% of the NAV of the Scheme is NIL as at the end of the year March 31, 2009

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

(16) SUPPLEMENTARY INVESTMENT PORTFOLIO INFORMATION AND INDUSTRYWISE CLASSIFICATION

Details of investment portfolio and industry wise classification of the Scheme's investments in each category of investments at March 31, 2009, are presented below. The industry and company exposures are stated as a percentage of the Scheme's net assets as at March 31, 2009, as well as the aggregate investments in each investment category.

Sr. No.	Name of the Instrument	Industry Classification	Quantity	Amount (Rs. in Lakhs)	% to Investment Category	% to Net Assets
	Equity & Equity related					
a)	Listed/ awaiting listing on Stock Exchange					
1	Reliance Industries Ltd.	Petroleum Products	935	14.26	12.73%	
2	Oil & Natural Gas Corporation Ltd.	Oil	1,265	9.87	8.81%	
3	NTPC Ltd.	Power	4,877	8.77	7.83%	
4	Bharti Airtel Ltd.	Telecom - Services	1,123	7.03	6.28%	
5	Infosys Technologies Ltd.	Software	339	4.49	4.01%	
6	Bharat Heavy Electricals Ltd.	Industrial Capital Goods	290	4.38	3.91%	
7	ITC Ltd.	Consumer Non Durables	2,232	4.13	3.69%	
8	State Bank of India	Banks	375	4.00	3.57%	
9	Tata Consultancy Services Ltd.	Software	579	3.12	2.79%	
10	Hindustan Unilever Ltd.	Diversified	1,289	3.06	2.73%	
11	Reliance Petroleum Ltd.	Petroleum Products	2,662	2.53	2.26%	
12	HDFC Bank Ltd.	Banks	252	2.45	2.19%	
13	Power Grid Corporation Ltd.	Power	2,489	2.38	2.13%	
14	Housing Development Finance Corporation Ltd.	Finance	168	2.37	2.12%	
15	Steel Authority of India Ltd.	Ferrous Metals	2,443	2.36	2.11%	
16	Larsen & Toubro Ltd.	Construction Project	346	2.32	2.07%	
17	ICICI Bank Ltd.	Banks	658	2.19	1.96%	
18	Reliance Communications Ltd.	Telecom - Services	1,221	2.13	1.90%	
19	Wipro Ltd.	Software	866	2.13	1.90%	
20	Cairn India Ltd.	Oil	1,122	2.07	1.85%	
21	GAIL (India) Ltd.	Gas	750	1.84	1.64%	
22	DLF Ltd.	Construction	1,004	1.68	1.50%	
23	Sterlite Industries Ltd.	Non - Ferrous Metals	419	1.50	1.34%	
24	Reliance Power Ltd.	Power	1,418	1.45	1.29%	
25	Sun Pharmaceutical Industries Ltd.	Pharmaceuticals	122	1.36	1.21%	
26	Maruti Suzuki India Ltd.	Auto	171	1.33	1.19%	
27	Hero Honda Motors Ltd.	Auto	118	1.26	1.13%	
28	Cipla Ltd.	Pharmaceuticals	460	1.01	0.90%	
29	Tata Power Company Ltd.	Power	131	1.01	0.90%	
30	Idea Cellular Ltd.	Telecom - Services	1,833	0.92	0.82%	
31	Tata Steel Ltd.	Ferrous Metals	432	0.89	0.79%	
32	Axis Bank Ltd.	Banks	212	0.88	0.79%	
33	Tata Communications Ltd.	Telecom - Services	169	0.88	0.79%	
34	Grasim Industries Ltd.	Cement	54	0.85	0.76%	
35	National Aluminium Company Ltd.	Non - Ferrous Metals	381	0.82	0.73%	
36	Bharat Petroleum Corporation Ltd.	Petroleum Products	214	0.80	0.71%	
37	Punjab National Bank	Banks	186	0.77	0.69%	
38	Reliance Infrastructure Ltd.	Power	135	0.70	0.63%	
39	ACC Ltd.	Cement	111	0.64	0.57%	
40	Ambuja Cements Ltd.	Cement	901	0.64	0.57%	
41	Mahindra & Mahindra Ltd.	Auto	165	0.63	0.56%	
42	ABB Ltd.	Industrial Capital Goods	125	0.53	0.47%	
43	Siemens Ltd.	Industrial Capital Goods	99	0.53	0.47%	
44	Hindalco Industries Ltd.	Non - Ferrous Metals	1,006	0.52	0.46%	
45	Reliance Capital Ltd.	Finance	145	0.51	0.46%	
46	Tata Motors Ltd.	Auto	266	0.48	0.43%	
47	Ranbaxy Laboratories Ltd.	Pharmaceuticals	249	0.41	0.37%	
48	HCL Technologies Ltd.	Software	396	0.40	0.36%	
49	Suzlon Energy Ltd.	Industrial Capital Goods	886	0.38	0.34%	
50	Unitech Ltd.	Construction	960	0.34	0.30%	
	Total			112.00	100.00%	98.99%
b)	Cash & Equivalent					
1	Net Receivables/ (Payables)			1.14		1.01%
	Total			1.14		1.01%
	GRAND TOTAL			113.14		100.00%

(17) INITIAL ISSUE EXPENSES

No initial Issue Expenses were charged to the Quantum Index Fund

(18) BORROWING

The scheme has not made any borrowing during the period March 31, 2009.

(19) DERIVATIVES

The scheme has no exposure to derivative products, foreign securities, ADR's and GDR's.

(20) TRUST DEED

On written request, present and prospective unit holder/investors can obtain copy of the Trust Deed, the Annual Report (at a price) and the text of the relevant scheme.

(21) BONUS

No bonus has been declared by the Scheme during the period ended March 31, 2009.

(22) ANNUAL REPORT REQUEST

The unit holders, if they so desire, may request for the annual report of Quantum Assets Management Company Private Limited.

(23) UNDERWRITING

The scheme has not undertaken any underwriting obligation during the period March 31, 2009.

(24) PRIOR PERIOD COMPARATIVES

As this is the first financial statement of the scheme since the date of its launch, there are no prior period comparisons.

(25) 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.

(26) RELATED PARTY TRANSACTIONS

The scheme has entered into transactions with various related parties. The information required in this regard in accordance with Accounting Standards 18 i.e. Related Party Disclosure issued by the ICAI and Regulation 25(8) of the SEBI Regulation is provided below.

Related party relationships

Name	Description of relationship
Quantum Advisors Private Limited	Sponsor
Quantum Asset Management Co 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
Mymakaan Private Limited	Associate
Menlo Oak Venture Investments	Associate
Primary Real Estate Advisors Private Limited	Associate
Primary Real Estate Advisors Limited, Mauritius	Associate
QIEF Management LLC	Associate
Principal Real Estate Investment Private Limited	Associate
Centre for Monitoring Indian Economy Private Limited	Associate
Geojit Financial Services Limited	Associate
Geojit Credits Private Limited	Associate
Soltrix India Private Limited	Associate
BJN Hotels Limited	Associate
Quantum Equity Advisors Private Limited	Sponsor's subsidiary

Other Schemes of the Fund

Quantum Long Term Equity Fund
 Quantum Liquid Fund
 Quantum Gold Fund
 Quantum Tax Saving Fund

Transaction, if any with the above mentioned related parties as defined under Accounting Standard 18 and Regulation 25(8) of the SEBI Regulation are provided below:

Name of the related party	Nature of transactions	Year ended March 2009	Balance as at March 31, 2009	Year ended March 2008	Balance as at March 31, 2008
Quantum Asset Management Co. Pvt. Ltd.	Management Fees	23,636.75	2,443.75	-	-
Quantum Trustee Co. Pvt. Ltd.	Trusteeship Fees	9,631.54	-	-	-
Quantum Advisors Pvt. Ltd.	Subscriptions	3,271,134.07	-	-	-
	Redemptions	1,207,853.50	1,657,504.22	-	-

(27) CASH FLOW STATEMENT

As per applicability norms of Accounting Standard 3 on 'Cash Flow Statement' issued by ICAI, disclosure is not required, as the scheme turnover (revenues) is not exceeding than the applicable norms.

For Haribhakti & Co.

Chartered Accountants

sd/-

Chetan Desai

Partner

Membership No: 17000

For Quantum Trustee Company Pvt. Ltd.

sd/-

Mr. Jagdish Capoor

(Chairman)

sd/-

Mr. Satish Mehta

(Director)

For Quantum Asset Management Company Private Limited

sd/-

Mr. Ajit Dayal

(Chairman & President)

sd/-

Mr. I.V. Subramaniam

(Director)

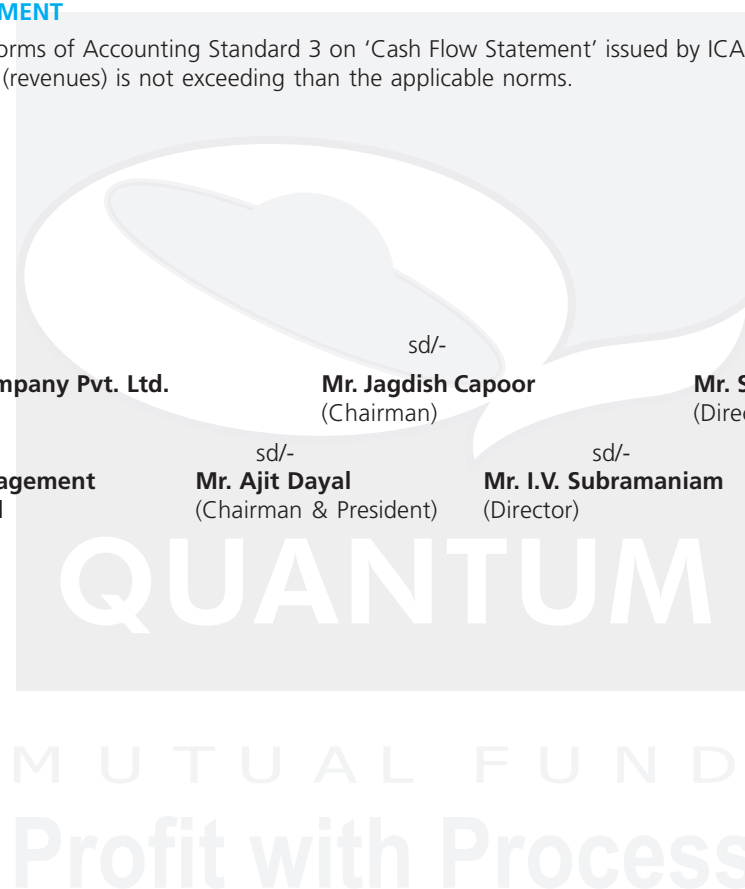
sd/-

Mr. Hitendra Parekh

(Fund Manager)

Place : Mumbai

Date : June 26, 2009



HISTORICAL PER UNIT STATISTICS

No.	Particulars	Quantum Index Fund ("the Scheme") Audited as of 31.03.2009
(a)	Net Assets Value, per unit	304.5763
(b)	Gross Income per-unit broken up into the following components	6.1067
(i)	income other than profit on sale of investment, per unit	5.1394
(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	0.9674
(iv)	transfer to revenue account from past years' reserve, per unit	-
(c)	Aggregate of expenses, write off, amortisation and charges, per-unit	1.9102
(d)	Net unrealized appreciation in value of investments	-
(e)	Net Income per unit	(103.5528)
i)	Highest sale price per unit	463.4156
ii)	Lowest sale price per unit	253.8507
(f)	Ratio of expenses to average daily net assets by % (Excluding unrealized depreciation and amortization of deferred revenue expenditure)	0.54
(g)	Ratio of income to Average daily net assets by % (exclusive of unrealized appreciation)	1.74

QUANTUM

MUTUAL FUND

Profit with Process

AUDITORS' REPORT

TO

**THE BOARD OF TRUSTEES OF
QUANTUM TRUSTEE COMPANY PRIVATE LIMITED**

We have audited the attached Balance sheet of the scheme of **"Quantum Tax Saving Fund"** of **Quantum Mutual Fund** (Scheme) as at 31st March, 2009 and the Revenue Account for the period ended on that date annexed thereto which we have signed under reference to this report. These financial statements are the responsibility of the Management of the Trustees and Asset Management companies. Our responsibility is to express an opinion on these financial statements based on our audit.

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

We report that:

1. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
2. The Balance Sheet and the Revenue Account dealt with by this report are in agreement with the books of account of the scheme.

3. In our opinion, the valuation methods for non-traded securities are fair and reasonable and are in accordance with the guidelines for valuation issued by SEBI, under the regulation.
4. In our opinion, the Balance Sheet and the Revenue Account dealt with by this report have been prepared in accordance with the Accounting Policies and Standards as specified in the Ninth Schedule of the SEBI (Mutual Funds) Regulations, 1996 as amended up to date.
5. In our opinion, and to the best of our information and according to the explanations given to us, the said financial statements give the information required by the SEBI (Mutual Funds) Regulations, 1996 as applicable and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - i) in the case of the Balance Sheet, of the state of affairs of the Scheme as at 31st March, 2009; and
 - ii) in the case of the Revenue Account, of the deficit of the Scheme for the period ended on that date;

Place: Mumbai
Date: June 26, 2009

For **HARIBHAKTI & CO.**
Chartered Accountants

sd/-

CHE TAN DESAI
Partner

Membership No 17000

QUANTUM
MUTUAL FUND
Profit with Process

QUANTUM TAX SAVING FUND
BALANCE SHEET AS AT 31st MARCH, 2009

	Schedule	March 31, 2009 Amount (Rs.)
LIABILITIES		
Unit Capital	'A'	4,764,198
Reserves and Surplus	'B'	(11,302)
Current Liabilities and Provisions	'C'	172,939
Total		4,925,835
ASSETS		
Investments	'D'	3,657,707
Other Current Assets	'E'	1,268,128
Total		4,925,835
Notes forming part of Accounts	'F'	

As per our report of even date

For Haribhakti & Co.

Chartered Accountants

sd/-

Chetan Desai

Partner

Membership No: 17000

For Quantum Trustee Company Pvt. Ltd.

sd/-

Mr. Jagdish Capoor
(Chairman)

sd/-

Mr. Satish Mehta
(Director)

**For Quantum Asset Management
Company Private Limited**

sd/-

Mr. Ajit Dayal
(Chairman & President)

sd/-

Mr. I.V. Subramaniam
(Director)

sd/-

Mr. Atul Kumar
(Fund Manager)

Place : Mumbai

Date : June 26, 2009

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

QUANTUM TAX SAVING FUND

REVENUE ACCOUNT FOR THE PERIOD ENDED 31st MARCH, 2009

Schedule	March 31, 2009 Amount (Rs.)
INCOME	
Dividend	7,585
Interest	4,056
Total	11,641
EXPENSES AND LOSSES	
Management fees	8,738
Trustee expenses	514
Audit fees	5,515
Custodian fees	18,636
Registrar & Transfer Agent's fees	13,921
Bank Charges	456
Other operating expenses	1,767
Less: Excess of Expenditure over permissible limit recovered from AMC	(32,072)
Total	17,475
Net Surplus / (Deficit) for the period	(5,834)
APPROPRIATION ACCOUNT FOR THE PERIOD ENDED 31ST MARCH, 2009	
Net Surplus brought forward from previous year	-
Net Surplus / (Deficit) for the period	(5,834)
Net Surplus / (Deficit) carried forward	(5,834)

Notes forming parts of Accounts

As per our report of even date

For Haribhakti & Co.

Chartered Accountants

sd/-

Chetan Desai

Partner

Membership No: 17000

For Quantum Trustee Company Pvt. Ltd.

sd/-

Mr. Jagdish Capoor
(Chairman)

sd/-

Mr. Satish Mehta
(Director)For Quantum Asset Management
Company Private Limited

sd/-

Mr. Ajit Dayal
(Chairman & President)

sd/-

Mr. I.V. Subramaniam
(Director)

sd/-

Mr. Atul Kumar
(Fund Manager)

Place : Mumbai

Date : June 26, 2009

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31st MARCH, 2009

	Units	March 31, 2009 Amount (Rs.)
SCHEDULE 'A'		
UNIT CAPITAL		
(Face Value of Rs. 10 Each)		
Unit Capital {Opening Balance}	-	-
Add : Subscription during new fund offer period	1,80,501	1,805,010
Add : Subscription during the period	2,95,919	2,959,188
Less : Redemption during the period	-	-
Unit Capital (Closing Balance)	4,76,420	4,764,198
SCHEDULE 'B'		
Reserves & Surplus		
Unit Premium		
Opening Balance	-	-
Add\Less : Net Additions\ (Deduction) during the period		(87,890)
Closing Balance		(87,890)
UNREALISED APPRECIATION IN THE VALUE OF INVESTMENTS		
Opening Balance	-	-
Add: Net change during the year		82,422
		82,422
Appropriation Account		
Surplus/Deficit carried forward		(5,834)
Total Reserves & Surplus		(11,302)
SCHEDULE 'C'		
CURRENT LIABILITIES & PROVISIONS		
Purchase contract outstanding		147,318
Management Fees Payable		3,898
Audit Charges Payable		4,947
Custody Fees Payable		8,499
Registrar Fees Payable		446
Other Expense Payable		831
Units pending Allotment		7,000
Total		172,939
SCHEDULE 'D'		
INVESTMENTS		
Equity		2,707,942
Collateral Borrowing and Lending Obligation		949,765
Total		3,657,707
SCHEDULE 'E'		
OTHER CURRENT ASSETS		
Balances with Banks in Current Account, including cheques on hand		900,191
Subscription Receivable (other than Inter Scheme)		355,000
Receivable from Quantum Asset Management Co. Pvt. Ltd. for scheme expenses		12,557
Dividend/Interest Receivable		380
		1,268,128

SCHEDULE 'F'**Notes:****1. ORGANISATION**

Quantum Tax Saving Fund ("the Scheme") is an open-ended Scheme of Quantum Mutual Fund and was launched on December 10, 2008. Quantum Mutual Fund ("QUANTUM") 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 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. The Scheme offers its investors a Dividend Plan and Growth Plan (collectively 'the Plans').

2. SIGNIFICANT ACCOUNTING POLICIES**(2.1) BASIS OF ACCOUNTING**

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

(2.2) INVESTMENTS

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

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

(2.3) PORTFOLIO VALUATION

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

- I. Equity securities listed on a recognized stock exchange are valued at the last quoted closing price

on Mumbai Stock Exchange (BSE) on which the security is traded. If on a particular valuation day a security is not traded on BSE the value at which it is traded on the National Stock Exchange (NSE) of India is used. If no sale is recorded at that time the last quoted closing price of the Mumbai Stock Exchange is used when it is not more than thirty days prior to the valuation date.

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

- VIII. Money market instruments are valued at cost plus accrued interest, traded money market securities are valued at the yield at which they are traded on the valuation date. If no sale is reported at that time, such security is valued at the last traded price plus accretion of the difference between the face value and the last traded price. Non traded money market instruments are valued at cost plus accrued interest.
- IX. Instruments bought on 'repo' basis are valued at the resale price after deduction of applicable interest upto the date of resale.
- X. There were no investments recognized as Non-performing Assets (NPAs), as on March 31, 2009. An Investment is regarded as non-performing, if the interest and/or principal amount has not been received or remains outstanding for one quarter from the day such income or installment has fallen due.
- XI. The above policies followed by the fund as and when applicable.
- XII. Following the issue of the guidance note on accounting for investment in the financial statements of mutual funds by The Institute of Chartered Accountant of India (pursuant to the Eleventh Schedule of the Regulation) net unrealized appreciation/depreciation in the value of investments is determined separately for each category of investments. Further the change in net unrealized appreciation/depreciation, if any between the two balance sheet dates/ date of determination is recognized in the Revenue Account. Unrealized appreciation is reduced from the distributable income at the time of distribution of income. At the end of this financial year, the balance in the revenue account including change in the net unrealised appreciation/depreciation in the value of investments is transferred to Reserve Fund.

(2.4) INVESTMENT INCOME

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

(2.5) NET ASSET VALUE FOR GROWTH / DIVIDEND PLANS

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

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

(2.6) UNIT PREMIUM RESERVE

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.

(2.7) CUSTODY FEES

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

(2.8) INVESTMENT MANAGEMENT FEES

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

(2.9) TRUSTEE FEES

Pursuant to the Trust Deed dated October 7, 2005 between Quantum Advisors Private Limited (Settlor) and Quantum Trustee Company Private Limited (Trustee) and the offer document of the scheme, the Fund is authorized to pay the Trustee a fee, for rendering service as a Trustee of the Fund .

(2.10) REGISTRAR & TRANSFER AGENT FEES

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

(2.11) INCOME TAX

No Provision for taxation has been made as the schemes qualify as recognized mutual fund under section 10(23D) of the Income –Tax Act, 1961.

3. NOTES TO ACCOUNTS

(1) PLANS

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

(2) VALUE OF INVESTMENT AS ON MARCH 31, 2009

The Cost and Market Value/Fair Value of Investment as on March 31, 2009 is given below.

SR. No.	Securities	Cost Rs.	Market Value (Rs.)
March 31, 2009			
1.	Equity	2,625,520.28	2,707,942.10
2.	CBLO/ Reverse Repo	949,765.81	949,765.81
	TOTAL	3,575,286.09	3,657,707.91

(3) NON PERFORMING INVESTMENTS

Type of Investments	Carrying Value Amount (Rs.)	Market Value Amount (Rs.)	Provisions
NIL	NIL	NIL	NIL

(4) NAV

Net Asset Value (NAV) per unit having a Face Value of Rs. 10 as on March 31, 2009

SCHEME	NAV (March 31, 2009)
Growth Plan	9.979
Dividend Plan	9.972

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

Aggregate appreciation and depreciation in value of investments as on March 31, 2009 is as follows:

Particulars	March 31, 2009 (Rs.)
Equity	
Appreciation	177,871.96
Depreciation	95,450.14

(6) AGGREGATE VALUE OF PURCHASE AND SALE OF INVESTMENTS

Purchases (excluding Reverse repos, Call money & Fixed deposits) – Rs 2,625,520.28/-

- As a percentage of average daily net assets is 101.88%

Sales / Redemptions (excluding Reverse repos, Call money & Fixed deposits) – NIL

- As a percentage of average daily net assets 0%

(7) INCOME AND EXPENDITURE

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

Income (excluding unrealized appreciation)

- Amount Rs. 11,641/-

- As a percentage of average daily net assets 0.45%

Expenditure

- Amount Rs. 17,476/-

- As a percentage of average daily net assets 0.68%

(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. Management Fees accrued during the period is Rs. 8,738/-.

(9) CONTRACTS PENDING DELIVERIES

There was no contract for sale pending deliveries as on March 31, 2009. Purchases of Securities by the Scheme, the deliveries of which were pending as on March 31, 2009 amounted to Rs. 147,318/-

(10) MOVEMENT IN UNIT CAPITAL

Particulars	2008-09	
	Units	Amount
Units of Rs 10 each fully paid up		
Growth Plan		
Opening	-	-
Issued	-	-
- New Fund Offer	103,000.961	1,030,010
- During the period	209,061.895	2,090,619
Redeemed during the period		
Outstanding, end of period	312,062.856	3,120,629
Dividend Plan		
Opening		
Issued		
- New Fund Offer	77,500.080	775,001
- During the period	86,856.898	868,569
Redeemed during the period		
Outstanding, end of period	164,356.978	1,643,570
Grand Total		
Opening		
Issued		
- New Fund Offer	180,501.041	1,805,010
- During the period	295,918.793	2,959,188
Redeemed during the period		
Outstanding, end of period	476,419.834	4,764,198

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

Quantum Tax Saving Fund has made NIL payment to Associate companies during the year ended March 31, 2009

(12) INVESTMENTS IN GROUP COMPANIES

Quantum Tax Saving Fund has made NIL investment in group companies during the year ended March 31, 2009

(13) ACCOUNTING POLICY

There is no change in the accounting policy during the year ended March 31, 2009.

(14) LARGE HOLDINGS

Unit holders holding over 25% of the Scheme of NAV is NIL as at the end of the year March 31, 2009

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

(16) SUPPLEMENTARY INVESTMENT PORTFOLIO INFORMATION AND INDUSTRYWISE CLASSIFICATION

Details of investment portfolio and industry wise classification of the Scheme's investments in each category of investments at March 31, 2009, are presented below. The industry and company exposures are stated as a percentage of the Scheme's net assets as at March 31, 2009, as well as the aggregate investments in each investment category.

Sr. No.	Name of the Instrument	Industry Classification	Quantity	Amount (Rs. in Lakhs)	% to Investment Category	% to Net Assets
	Equity & Equity related					
a)	Listed/ awaiting listing on Stock Exchange					
1	Housing Development Finance Corporation Ltd.	Finance	135	1.91	7.06%	
2	HDFC Bank Ltd.	Banks	159	1.54	5.69%	
3	Oil & Natural Gas Corporation Ltd.	Oil	181	1.41	5.21%	
4	Bharat Heavy Electricals Ltd.	Industrial Capital Goods	84	1.26	4.66%	
5	Container Corporation of India Ltd.	Transportation	173	1.24	4.58%	
6	Aditya Birla Nuvo Ltd.	Diversified	277	1.23	4.55%	
7	Infosys Technologies Ltd.	Software	91	1.2	4.44%	
8	State Bank of India	Banks	112	1.19	4.40%	
9	Tata Consultancy Services Ltd.	Software	221	1.19	4.40%	
10	GAIL (India) Ltd.	Gas	464	1.13	4.18%	
11	Zee Entertainment Enterprises Ltd.	Media & Entertainment	924	0.98	3.62%	
12	Bajaj Auto Ltd.	Auto	152	0.94	3.48%	
13	Tata Tea Ltd.	Consumer Non Durables	151	0.88	3.25%	
14	Tata Steel Ltd.	Ferrous Metals	395	0.81	2.99%	
15	Titan Industries Ltd.	Consumer Non Durables	101	0.79	2.92%	
16	Raymond Ltd.	Textile Products	1,022	0.78	2.88%	
17	Dr. Reddys Laboratories Ltd.	Pharmaceuticals	158	0.77	2.85%	
18	Maruti Suzuki India Ltd.	Auto	90	0.7	2.59%	
19	Bharti Airtel Ltd.	Telecom - Services	108	0.68	2.51%	
20	Crompton Greaves Ltd.	Industrial Capital Goods	526	0.65	2.40%	
21	ING Vysya Bank Ltd.	Banks	502	0.65	2.40%	
22	Bharat Petroleum Corporation Ltd.	Petroleum Products	170	0.64	2.37%	
23	Aventis Pharma Ltd.	Pharmaceuticals	61	0.6	2.22%	
24	Hindustan Petroleum Corporation Ltd.	Petroleum Products	217	0.58	2.14%	
25	Trent Ltd.	Retailing	161	0.53	1.96%	
26	Hero Honda Motors Ltd.	Auto	46	0.49	1.81%	
27	Jet Airways (India) Ltd.	Transportation	285	0.48	1.77%	
28	Indian Hotels Company Ltd.	Hotels	1,191	0.47	1.74%	
29	3i Infotech Ltd.	Software	1,385	0.45	1.66%	
30	Bharat Electronics Ltd.	Industrial Capital Goods	50	0.44	1.63%	
31	Cummins India Ltd.	Industrial Products	237	0.44	1.63%	
	Total			27.05	100.00%	58.45%
b)	Cash & Equivalent					
1.	CBLO/Reverse Repo Investment			9.5		20.53%
2.	Net Receivables/ (Payables)			9.73		21.02%
	Total			19.23		41.55%
	GRAND TOTAL			46.28		100.00%

(17) INITIAL ISSUE EXPENSES

No initial Issue Expenses were charged to the Quantum Tax Saving Fund

(18) BORROWING

The scheme has not made any borrowing during the period March 31, 2009.

(19) DERIVATIVES

The scheme has no exposure to derivative products, foreign securities, ADR's and GDR's.

(20) TRUST DEED

On written request, present and prospective unit holder/investors can obtain copy of the Trust Deed, the Annual Report (at a price) and the text of the relevant scheme.

(21) BONUS

No bonus has been declared by the Scheme during the period ended March 31, 2009.

(22) ANNUAL REPORT REQUEST

The unit holders, if they so desire, may request for the annual report of Quantum Assets Management Company Private Limited.

(23) UNDERWRITING

The scheme has not undertaken any underwriting obligation during the period March 31, 2009.

(24) PRIOR PERIOD COMPARATIVES

As this is the first financial statement of the scheme since the date of its launch, there are no prior period comparisons.

(25) 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.

(26) RELATED PARTY TRANSACTIONS

The scheme has entered into transactions with various related parties. The information required in this regard in accordance with Accounting Standards 18 i.e. Related Party Disclosure issued by the ICAI and Regulation 25(8) of the SEBI Regulation is provided below.

Related party relationships

Name	Description of relationship
Quantum Advisors Private Limited	Sponsor
Quantum Asset Management Co 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
Mymakaan Private Limited	Associate
Menlo Oak Venture Investments	Associate
Primary Real Estate Advisors Private Limited	Associate
Primary Real Estate Advisors Limited, Mauritius	Associate
QIEF Management LLC	Associate
Principal Real Estate Investment Private Limited	Associate
Centre for Monitoring Indian Economy Private Limited	Associate
Geojit Financial Services Limited	Associate
Geojit Credits Private Limited	Associate
Soltrix India Private Limited	Associate
BJN Hotels Limited	Associate
Quantum Equity Advisors Private Limited	Sponsor's subsidiary

Other Schemes of the Fund

Quantum Long Term Equity Fund
 Quantum Liquid Fund
 Quantum Gold Fund
 Quantum Liquid Fund

Transaction, if any with the above mentioned related parties as defined under Accounting Standard 18 and Regulation 25(8) of the SEBI Regulation are provided below:

Name of the related party	Nature of transactions	Year ended March 2009	Balance as at March 31, 2009	Year ended March 2008	Balance as at March 31, 2008
Quantum Asset Management Co. Pvt. Ltd.	Management Fees	8737.99	3898.09	-	-
Quantum Trustee Co. Pvt. Ltd.	Trusteeship Fees	514.84	-	-	-

(27) CASH FLOW STATEMENT

As per applicability norms of Accounting Standard 3 on 'Cash Flow Statement' issued by ICAI, disclosure is not required, as the scheme turnover (revenues) is not exceeding than the applicable norms.



As per our report of even date

For Haribhakti & Co.

Chartered Accountants

sd/-

Chetan Desai

Partner

Membership No: 17000

For Quantum Trustee Company Pvt. Ltd.

sd/-

Mr. Jagdish Capoor
(Chairman)

sd/-

Mr. Satish Mehta
(Director)

**For Quantum Asset Management
Company Private Limited**

sd/-

Mr. Ajit Dayal
(Chairman & President)

sd/-

Mr. I.V. Subramaniam
(Director)

sd/-

Mr. Atul Kumar
(Fund Manager)

Place : Mumbai

Date : June 26, 2009

HISTORICAL PER UNIT STATISTICS

No.	Particulars	Quantum Tax Saving Fund ("the Scheme") Audited as of 31.03.2009
	Face Value	Rs. 10/-
(a)	Net Assets Value, per unit	
i)	Growth Plan	9.979
ii)	Dividend Plan	9.972
(b)	Gross Income per-unit broken up into the following components	
(i)	income other than profit on sale of investment, per unit	0.0244
(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	-
(iv)	transfer to revenue account from past years' reserve, per unit	-
(c)	Aggregate of expenses, write off, amortisation and charges, per-unit	0.0367
(d)	Net unrealized appreciation in value of investments	0.17
(e)	Net Income per unit	(0.0122)
i)	Highest sale price per unit	
	Growth Plan	10.371
	Dividend Plan	10.371
ii)	Lowest sale price per unit	
	Growth Plan	9.086
	Dividend Plan	9.086
iii)	Highest repurchase price per unit	
	Growth Plan	10.371
	Dividend Plan	10.371
iv)	Lowest repurchase price per unit	
	Growth Plan	9.086
	Dividend Plan	9.086
(f)	Ratio of expenses to average daily net assets by % (Excluding unrealized depreciation and amortization of deferred revenue expenditure)	0.68%
(g)	Ratio of income to Average daily net assets by % (exclusive of unrealized appreciation)	0.45%

Profit with Process



Quantum Mutual Fund

INVEST WITH US

Quantum Long Term Equity Fund

- Value-driven investment process
- Low Portfolio Turnover

Quantum Liquid Fund

- Low Risk / High Liquidity
- No Securitized Debt Instruments

Quantum Tax Saving Fund

- Tax Benefit under section 80C
- Value Driven Investment Process

INVEST THROUGH NSE

Quantum Index Fund

- Mirrors the NIFTY 50 Stocks
- NSE Symbol - QNIFTY

Quantum Gold Fund

- Invest in 0.995 Fineness Gold
- NSE Symbol - QGOLDHALF

Statutory Information and Risk Factors

Investment Objective: Quantum Long-Term Equity Fund's (QLTEF) investment objective is to achieve long-term capital appreciation. Quantum Liquid Fund's (QLF) investment objective is to provide optimal returns with moderate levels of risk and high liquidity. Quantum Gold Fund's (QGF) investment objective is to generate returns that are in line with the performance of gold, subject to tracking errors. The principal investment objective of Quantum Index Fund (QIF) is to invest in stocks of companies comprising the S & P CNX Nifty and endeavour to achieve a return equivalent to Nifty by "Passive" investment. Quantum Tax Saving Fund's (QTSF) investment objective is to achieve long term capital appreciation. **Asset Allocation:** QLTEF will primarily invest in Equity and Equity related securities, but may invest in money market instruments to meet liquidity needs. QLF will invest in Money Market and other short term debt instruments having maximum repricing tenor of one year. QGF will primarily invest in physical gold and if allowed under SEBI Regulations, also in gold related securities, but may invest in money market instruments to meet liquidity needs. QIF will predominantly invest in stocks constituting the S & P CNX Nifty but may invest in money market instruments to meet liquidity needs. QTSF will primarily invest in equity and Equity related securities but may invest in short-term money market instruments or other liquid instruments as permitted under the Equity Linked Saving Scheme. **Terms of Issue:** QLTEF is an open-ended Equity Scheme offering Growth and Dividend Plans. The units can be subscribed/redeemed at the applicable NAV, subject to applicable load, on all business days. QLF is an open-ended Liquid Scheme offering Growth, Daily Dividend Re-investment and Monthly Dividend Payout Plans. The units can be subscribed/redeemed at the applicable NAV, subject to applicable load, on all business days. QGF is an open-ended Exchange Traded Fund. Each unit of QGF will be approximately equal to the price of half (1/2) gram of Gold. Units will be issued at NAV based prices. On an ongoing basis direct purchases from the Fund would be restricted to only Authorised Participants and Eligible Investors. QIF is an open-ended Exchange Traded Fund. Each unit of QIF will be approximately equal to 1/10th (one tenth) of the S & P CNX Nifty. Units will be issued at NAV based prices. On an ongoing basis direct purchases from the Fund would be restricted to only Authorised Participants and Eligible Investors. Units of QGF and QIF can be bought/sold like any other stock on the National Stock Exchange of India Ltd (NSE) or on any other stock exchanges where it is listed. QTSF is an open ended Equity linked savings scheme offering Growth and Dividend plans. The Units can be subscribed at the applicable NAV, subject to applicable load on all business days during the continuous Offer. **Entry Load:** Nil in case of all schemes. **Exit Load:** in case of QLTEF : On redemption/switchout within 6 months of allotment- 4%, after 6 months but within 12 months- 3%, after 12 months but within 18 months-2%, after 18 months but within 24 months-1%, after 24 months- Nil. In case of QGF: Nil in case of Authorised Participants; 0.5% in case of Eligible Investors. In case of QLF, QIF and QTSF: Nil. **Statutory Details:** Quantum Mutual Fund (the Fund) has been constituted as a Trust under the Indian Trusts Act, 1882. **Sponsors:** Quantum Advisors Private Limited. (liability of Sponsor limited to Rs. 1,00,000/-) **Trustee:** Quantum Trustee Company Private Limited. **Investment Manager:** Quantum Asset Management Company Private Limited (AMC). The Sponsor, Trustee and the Investment Manager are incorporated under the Companies Act, 1956. **Risk Factors:** Investments in mutual funds are subject to market risks including uncertainty of dividend distributions and the NAV of the schemes may go up or down depending upon the factors and forces affecting the gold and securities markets and there is no assurance or guarantee that the objectives of the schemes will be achieved. The past performance of the Sponsor has no bearing on the expected performance of the scheme. Quantum Long-Term Equity Fund, Quantum Liquid Fund, Quantum Gold Fund, Quantum Index Fund and Quantum Tax Saving Fund are the names of the schemes and do not in any manner indicate either the quality of the Schemes, their future prospects or returns. **Scheme specific risk:** QLTEF, QLF, QGF, QIF, and QTSF are the first equity, liquid, gold, Index and ELSS schemes being launched by the AMC. The AMC has no previous experience in managing equity, liquid, gold, Index or ELSS schemes. Equity and Equity related instruments are by nature volatile and prone to price fluctuations due to both macro and micro factors. QLF proposes to invest the portfolio in debt and money market instruments. The QGF's NAV will react to the Gold price movements. The investor may lose money over short or long period due to fluctuation in Scheme's NAV in response to factors such as economic and political developments, changes in interest rates and perceived trends in bullion prices, market movement and over longer periods during market downturns. Trading volumes, settlement periods and transfer procedures may restrict the liquidity of these investments of the QLTEF, QLF, QGF, QIF and QTSF. Units issued under QTSF will not be redeemed until the expiry of 3 (three) years from the date of their allotment. Please read the Scheme Information Document of QLTEF, QLF, QGF, QIF and QTSF before investing. Scheme Information Documents/Key Information Memorandums/Application Forms are available at the Quantum AMC Office at 107, Regent Chambers, Nariman Point, Mumbai-400021. It is to be distinctly understood that the permission given by NSE should not in any way be deemed or construed that the Offer Documents for QGF and QIF have been cleared or approved by NSE nor does it certify the correctness or completeness of any of the contents of the said Offer Documents. The investors are advised to refer to the Offer Documents of QGF and QIF for full text of the "Disclaimer Clause of NSE", "S & P" and Standard and Poor's" are trademarks of the McGraw-Hill Companies, Inc (S & P) and have licensed for use by India Services & Products Ltd in connection with the S & P Nifty Index. 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