

Morgan Stanley

Growth Fund

Annual Report

March 31, 2008

Morgan Stanley

Dear Unit Holders,

It gives us immense pleasure to inform you that Morgan Stanley Mutual Fund has made considerable progress in expanding its business proposition, across the retail and institutional customer segments. We have invested significant resources in augmenting our Investment Teams, and creating an efficient Sales, Marketing and Customer Service Infrastructure. We also intend to expand our product range, to offer you a variety of investment choices that you could consider, depending on your financial requirements. We hope that all of the above will translate into a more meaningful relationship with our unit holders in the coming years.

As you might be aware, the Trustees, during the year, approved the proposal of converting Morgan Stanley Growth Fund ('MSGF') into an open-ended scheme having perpetual duration. An application has been submitted to SEBI in this regard. On obtaining SEBI feedback, if any, on the proposal and completion of necessary formalities in this regard, we shall be shortly communicating to you the process involved in conversion of close-ended MSGF units you hold to open ended units and the various options and corresponding rights available to you during such process.

We would also like to emphasize that open-ending MSGF will provide unit holders an opportunity to continue with their investments in MSGF, but in addition, also allow them to avail of facilities like daily subscriptions and redemptions, switch options, Systematic Investment Plans, etc.

In that regard, we strongly urge unit holders who are holding physical unit certificates of MSGF and have yet not lodged their physical certificates for registration/transfer, to complete the necessary registration/transfer formalities to ensure that their name is reflected in the Register of unit holders of MSGF and thus avail of the benefits associated with proposed open ending of MSGF.

We thank you for your continued patronage and assure you that we will do our best to maintain the confidence and trust you have placed in us.

For Morgan Stanley Investment Management Private Limited



Anthony Heredia

Chief Executive Officer

Date: September 16, 2008

TRUSTEE REPORT

1 Scheme Performance, Future Outlook and Operations of Morgan Stanley Growth Fund: Performance of Morgan Stanley Growth Fund vis-à-vis benchmark Indices as of March 31, 2008:

(Figures in %)

Period	MSGF NAV*	BSE Sensex	BSE 100
Returns during the trailing year [(+) (-)]	11.12	19.68	24.98
Returns during the half year [(+) (-)]	-13.23	-9.52	-8.19
Compounded Annualised Growth Rate			
(i) Last 3 years	28.90	34.06	33.22
(ii) Last 5 years	38.73	38.69	40.56
(iii) Since the launch of the scheme (18th February 1994)	14.76	10.75	11.49

- Past performance is no indication of future performance and may not necessarily provide basis for comparison with other investments. Past performance may or may not be sustained in future. Distribution tax has been included in the calculation of returns.
- *Performance of the fund has been calculated based on the assumption that all dividends during the period have been reinvested in the scheme at the then prevailing NAV.
- MSGF NAV as of March 31, 2008 is Rs. 52.85 per unit.

For the 12 months ended March 31, 2008, the Scheme underperformed its benchmark (BSE 100) by 13.86%. However, since inception the scheme has outperformed its benchmark by 3.27% on an annualised basis.

In the year that passed by, from a sector allocation perspective, overweight in Industrials and underweight in Consumer Staples helped performance while overweight in Consumer Discretionary and underweight in materials detracted from performance. Whereas, from a stock selection perspective, positive alpha resulted from stocks within Consumer Discretionary and Healthcare space while stock selection in Industrials and Utilities dragged on performance.

Future Outlook:

The sharp correction in equity markets since January 2008 shifted the paradigm for Indian equities and handed the baton of sector leadership to an entirely new set of sectors. A few erstwhile favorites whose growth characteristics or promised asset creation strategies were being disproportionately rewarded in the liquidity driven surge of late 2007 fell significantly this year at the slightest disappointments. In the first half of the year, industries that consume commodities as their primary inputs have had to face a situation of rising costs and capped realizations due to price targeting fiscal measures. We feel that the rally in the oil led commodity complex is over-extended and expect commodity prices to correct. This would incrementally augur well for the deficits and inflation expectations.

In line with this viewpoint, we have reduced our exposure to commodity related sectors and have positioned our portfolio to benefit from the changing macro dynamic. We are overweight Consumer Discretionary and Industrials sector. At the margin, we have trimmed our overweight in the Industrials sector and incrementally increased our holding in the Consumer related sectors. We have also reduced our underweight in the Financials sector.

Operations of the Scheme:

Morgan Stanley Growth Fund (MSGF), an equity oriented scheme launched in January 1994, is the first mutual fund scheme launched by Morgan Stanley Mutual Fund. MSGF is a 15 year closed ended scheme which will mature in February 2009. As of the date of this report, MSGF is listed on Bombay Stock Exchange, National Stock Exchange, Calcutta Stock Exchange, Delhi Stock Exchange, Chennai Stock Exchange and Ahmedabad Stock Exchange.

In order to provide our investors with an opportunity to continue with MSGF and to benefit from advantages associated with open ended funds e.g. daily subscriptions, redemptions, Systematic Investment Plans, declaration of NAV on all business days, etc., the Board of Trustees of Morgan Stanley Mutual Fund, subject to SEBI feedback have decided to convert MSGF into an open-ended scheme, and de-list MSGF from the aforesaid stock exchanges. Subject to SEBI feedback if any, all the unit holders will be notified of the proposed modifications to the scheme by way of a public advertisement in newspapers including individual communication.

There are no unit holders over 25% of the Net Asset Value of MSGF as of March 31, 2008.

2 Brief background of Sponsors, Trust, Trustee Co. and AMC

a. Morgan Stanley Mutual Fund

Morgan Stanley Mutual Fund (MSMF) was set up as a Trust by the Settler, Morgan Stanley vide Trust Deed dated November 3, 1993 with the Board of Trustees as a Trustee in accordance with the provisions of the Indian Trust Act, 1882 and is duly registered under the Indian Registration Act, 1908. The Trustee has entered into an Investment Management Agreement dated November 3, 1993 with Morgan Stanley Investment Management Pvt. Ltd. (earlier

TRUSTEE REPORT (Contd.)

known as Morgan Stanley Asset Management India Pvt. Ltd.), (the AMC), to function as the Investment Manager for all the Schemes of MSMF. MSMF was registered with SEBI on November 5, 1993.

b. The Board of Trustees for MSMF

The Trustee is the exclusive owner of the Trust Fund and holds the same in trust for the benefit of the unit holders. The Trustee has been discharging its duties and carrying out the responsibilities as provided in the Regulations and the Trust Deed. The Trustee seeks to ensure that the Fund and the Schemes floated there under are managed by the AMC in accordance with the Trust Deed, the Regulations, directions and guidelines issued by the SEBI, the Stock Exchanges, the Association of Mutual Funds in India and other regulatory agencies.

3 Investment Objectives of the Schemes

Morgan Stanley Growth Fund (MSGF):

The investment objective of the Scheme is to achieve long-term capital appreciation by investment primarily in equity and equity-related securities of Indian Companies.

4 Significant Accounting Policies: "Accounting policies are in accordance with Securities Exchange Board of India (Mutual Funds) Regulations, 1996." There was no deviation from the same.

5 Unclaimed Dividends & Redemptions

Summary of number of Investors and corresponding amount for MSGF:

Period	Unclaimed Dividend		Unclaimed Redemption	
	Amount (Rs.)	No. of Investors*	Amount (Rs.)	No. of Investors
Interim Dividend - June 1999	15,219,120	70,140		
Dividend - April 2000	13,075,431	62,663	Not Applicable being a closed-end scheme listed on Stock Exchanges.	
Dividend - June 2001	20,132,600	73,889		
Dividend - April 2004	37,836,211	86,354		
Dividend - October 2006	61,713,972	100,312		

* Excludes unit holders relating to in-transit positions at National Securities Depository Limited (NSDL).

6 Statutory Information:

- The Sponsors are not responsible or liable for any loss resulting from the operation of the Schemes of the Fund beyond their initial contribution (to the extent contributed) of Rs. Five Lacs for setting up the Fund, and such other accretions / additions to the same.
- The price and redemption value of the units, and income from them, can go up as well as down with fluctuations in the market value of its underlying investments.
- Full Annual Report shall be disclosed on the website www.morganstanley.com/indiamf and shall be available for inspection at the Head Office of the Mutual Fund. Present and prospective unit holder can obtain copy of the trust deed, the full Annual Report of the Fund / AMC at a price.

Sincerely,

Sd/-

Ronald Robison

Principal Trustee

Date: September 16, 2008

AUDITORS' REPORT

To
The Board of Trustees
Morgan Stanley Mutual Fund

1. We have audited the Balance Sheet of MORGAN STANLEY MUTUAL FUND - MORGAN STANLEY GROWTH FUND (The "Fund") as at March 31, 2008, and the related Revenue Account for the year ended on that date annexed thereto, and the Cash Flow Statement for the year ended on that date which we have signed under reference to this report. These financial statements are the responsibility of the Board of Trustees of Morgan Stanley Mutual Fund and the Management of Morgan Stanley Investment Management Private Limited (the "Management"). Our responsibility is to express an opinion on these financial statements based on our audit.
2. We have conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain a reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. Our procedures included confirmation of securities owned at March 31, 2008 by correspondence with the custodian and others. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit. The Balance Sheet and the Revenue Account and the Cash Flow Statement referred to above are in agreement with the books of account of the Fund.
4. In our opinion and to the best of our information and according to the explanations given to us:
 - (i) The Balance Sheet and the Revenue Account together with the notes thereon give the information required by the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 and the amendments thereto, as applicable, and also give respectively a true and fair view of the state of affairs of Morgan Stanley Mutual Fund - Morgan Stanley Growth Fund as at March 31, 2008 and its net surplus for the year on that date.
 - (ii) The Balance Sheet as at March 31, 2008, and the Revenue Account for the year ended on that date, together with the notes thereon, have been prepared in all material respects in accordance with the accounting policies and standards specified in the Ninth Schedule of the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 and amendments thereto, as applicable.
 - (iii) The method used to value:
 - (a) privately placed equity shares in accordance with the guidelines for valuation of unlisted equity shares for Mutual Funds dated May 9, 2002 issued by the SEBI; and
 - (b) privately placed equity shares of listed companies with lock-in period in good faith as at March 31, 2008 as determined by Morgan Stanley Investment Management Private Limited under procedures approved by the Board of Trustees of Morgan Stanley Mutual Fund are fair and reasonable.

Sd/-
K.H. Vachha
Partner
M. No. F/30798
For and on behalf of
PRICE WATERHOUSE
Chartered Accountants

Mumbai
April 29, 2008

BALANCE SHEET

MORGAN STANLEY MUTUAL FUND-MORGAN STANLEY GROWTH FUND

Balance Sheet as at March 31, 2008

	Schedule	March 31, 2008 Rs.	March 31, 2007 Rs.
ASSETS			
Investments	1	31,152,883,471	27,521,537,461
Deposits	2	104,421,000	101,485,904
Other Current Assets	3	900,699,923	1,150,244,198
TOTAL		<u><u>32,158,004,394</u></u>	<u><u>28,773,267,563</u></u>
LIABILITIES			
Unit Capital	4	6,001,821,810	6,001,821,810
Reserves and Surplus	5	25,720,240,764	22,539,951,433
Current Liabilities and Provisions	6	435,941,820	231,494,320
TOTAL		<u><u>32,158,004,394</u></u>	<u><u>28,773,267,563</u></u>
RECONCILIATION TO NET ASSET VALUE PER UNIT			
Net Assets as per Balance Sheet (Total Assets less Current Liabilities and Provisions)		31,722,062,574	28,541,773,243
Number of Units in Issue		600,182,181	600,182,181
Net Asset Value per Unit		<u><u>52.85</u></u>	<u><u>47.56</u></u>
Notes to the Financial Statements	9		

The schedules form an integral part of the Financial Statements.

This is the Balance Sheet referred to in our report of even date.

Sd/-

K. H. VACHHA
Partner

For Morgan Stanley Mutual Fund

For Morgan Stanley Investment Management Private Limited

For and on behalf of
PRICE WATERHOUSE
Chartered Accountants

Sd/-
ABID HUSSAIN
Trustee

Sd/-
J.S. BAIJAL
Trustee

Sd/-
B. RAI
Trustee

Sd/-
NARAYAN RAMACHANDRAN
CEO

Sd/-
JOSEPH CLIFFORD D'SOUZA
Director

Mumbai
April 29, 2008

Sd/-
MICHAEL KOLLINS
Trustee

Sd/-
RONALD ROBISON
Trustee

Sd/-
SRIDHAR SIVARAM
Portfolio Manager

Sd/-
AMAY HATTANGADI
Portfolio Manager

REVENUE ACCOUNT

MORGAN STANLEY MUTUAL FUND-MORGAN STANLEY GROWTH FUND

Revenue Account for the year ended March 31, 2008

	Schedule	Year ended March 31, 2008 Rs.	Year ended March 31, 2007 Rs.
INCOME AND GAINS			
Dividends on Equity Shares (Gross) (Note 2.5)		190,131,317	337,358,617
Dividends on American Depository Receipts and Global Depository Receipts (Net) (Note 2.5)		2,976,890	3,389,419
Interest and Discount	7	64,931,833	72,893,816
Net Profit on Sale of Investments (Note 2.4)		8,474,978,361	6,815,435,302
Provisions Written Back As No Longer Required (Net)		2,833,845	1,067,083
Realised Profit on Foreign Currency Transactions (Net) (Note 2.3)		-	6,195,434
TOTAL		<u>8,735,852,246</u>	<u>7,236,339,671</u>
EXPENSES AND LOSSES			
Investment Management and Advisory Fees (Note 4)		356,028,047	282,022,719
Transfer Agent Fees and Expenses		23,305,276	24,000,000
Custodian Fees (Note 5)		16,049,303	15,420,503
Trusteeship Fees and Expenses (Note 6)		2,146,117	2,300,000
Audit Fees		800,000	700,000
Securities and Exchange Board of India Inspection Fees		341,064	200,002
Investor Communication Expenses		32,204,005	31,000,000
Dividend Distribution Expenses		-	6,937,746
Other Operating Expenses		50,859,297	39,856,426
Realised Loss on Foreign Currency Transactions (Net) (Note 2.3)		62,333,721	-
TOTAL		<u>544,066,830</u>	<u>402,437,396</u>
Net Surplus for the Year		8,191,785,416	6,833,902,275
Net Change in Unrealised (Depreciation)/Appreciation in Value of Investments and Foreign Currency Denominated Assets and Liabilities (Note 9)	8	-	(6,012,907,809)
		<u>8,191,785,416</u>	<u>820,994,466</u>
Distribution			
Dividend (Declared on October 13, 2006)		-	(1,200,364,362)
Balance Carried to Balance Sheet		<u>8,191,785,416</u>	<u>(379,369,896)</u>
Notes to the Financial Statements	9		

The schedules form an integral part of the Financial Statements.

This is the Revenue Account referred to in our report of even date.

Sd/-

K. H. VACHHA
Partner

For Morgan Stanley Mutual Fund

For Morgan Stanley Investment Management Private Limited

For and on behalf of
PRICE WATERHOUSE
Chartered Accountants

Sd/-
ABID HUSSAIN
Trustee

Sd/-
J.S. BAIJAL
Trustee

Sd/-
B. RAI
Trustee

Sd/-
NARAYAN RAMACHANDRAN
CEO

Sd/-
JOSEPH CLIFFORD D'SOUZA
Director

Mumbai
April 29, 2008

Sd/-
MICHAEL KOLLINS
Trustee

Sd/-
RONALD ROBISON
Trustee

Sd/-
SRIDHAR SIVARAM
Portfolio Manager

Sd/-
AMAY HATTANGADI
Portfolio Manager

CASH FLOW STATEMENT

MORGAN STANLEY MUTUAL FUND-MORGAN STANLEY GROWTH FUND

Cash Flow Statement for the year ended March 31, 2008

	Year ended March 31, 2008 Rs.	Year ended March 31, 2007 Rs.
A. Cashflow from Operating Activities		
Net Surplus for the year	8,191,785,416	6,833,902,275
(Increase)/Decrease in Investments at Cost	(8,642,842,095)	(4,873,459,807)
(Increase)/Decrease in Other Current Assets	(73,659,305)	(63,449,003)
Increase/(Decrease) in Current Liabilities and Provisions	204,447,500	(70,779,949)
(Increase)/Decrease in Other Deposits	(1,000,000)	-
Net Cash From/ (Used in) Operating Activities	(A) (321,268,484)	1,826,213,516
B. Cashflow from Financing Activities		
Dividend (Declared on October 13, 2006)	-	(1,200,364,362)
Net Cash From/(Used in) in Financing Activities	(B) -	(1,200,364,362)
Net Increase/(Decrease) in Cash and Cash Equivalents	(A+B) (321,268,484)	625,849,154
Cash and Cash Equivalents Beginning of the Year	1,179,698,039	553,848,885
Cash and Cash Equivalents End of the Year	858,429,555	1,179,698,039
	<u>(321,268,484)</u>	<u>625,849,154</u>

Notes :

	March 31, 2008 Rs.	March 31, 2007 Rs.
1. Cash and Cash Equivalents include the following :		
Balances with Scheduled Banks :		
- In Current Account	67,696,218	5,735,033
- In Deposit Account	103,421,000	101,485,904
Other Collateralised Lending	687,312,337	1,072,477,102
	<u>858,429,555</u>	<u>1,179,698,039</u>

2. The above Cash Flow Statement has been prepared under the "Indirect Method" set out in Accounting Standard - 3 on Cash Flow Statements, issued by The Institute of Chartered Accountants of India.

This is the Cash Flow Statement referred to in our report of even date.

Sd/- K. H. VACHHA Partner	For Morgan Stanley Mutual Fund			For Morgan Stanley Investment Management Private Limited	
For and on behalf of PRICE WATERHOUSE <i>Chartered Accountants</i>	Sd/- ABID HUSSAIN <i>Trustee</i>	Sd/- J.S. BAIJAL <i>Trustee</i>	Sd/- B. RAI <i>Trustee</i>	Sd/- NARAYAN RAMACHANDRAN <i>CEO</i>	Sd/- JOSEPH CLIFFORD D'SOUZA <i>Director</i>
Mumbai April 29, 2008	Sd/- MICHAEL KOLLINS <i>Trustee</i>	Sd/- RONALD ROBISON <i>Trustee</i>		Sd/- SRIDHAR SIVARAM <i>Portfolio Manager</i>	Sd/- AMAY HATTANGADI <i>Portfolio Manager</i>

SCHEDULES

MORGAN STANLEY MUTUAL FUND-MORGAN STANLEY GROWTH FUND

Schedules forming part of the Balance Sheet as at March 31, 2008 and the Revenue Account for the year ended March 31, 2008

SCHEDULE 1	2008	2008	2007	2007
Investments (Notes 2.2, 2.3, 2.4, 7 and 8) (Refer to attached Statement of Portfolio Holding as at March 31, 2008)	Market/Fair Value Rs.	Cost Rs.	Market/Fair Value Rs.	Cost Rs.
American Depository Receipts	565,514,753	394,962,009	667,199,955	602,215,510
Equity Shares	30,587,368,718	25,527,416,616	26,454,713,330	16,277,696,844
Treasury Bills	-	-	399,624,176	399,624,176
	<u>31,152,883,471</u>	<u>25,922,378,625</u>	<u>27,521,537,461</u>	<u>17,279,536,530</u>

SCHEDULE 2	2008	2007
Deposits	Rs.	Rs.
Deposits with Scheduled Banks		
- Unclaimed Dividends **	103,421,000	101,485,904
Margin Deposit with the Clearing Corporation of India Limited Towards Collateralised Borrowing and Lending Obligation	1,000,000	-
	<u>104,421,000</u>	<u>101,485,904</u>

** Rs.11,000,000 (2007: Rs. 6,500,000) earmarked towards Investor Education Fund

SCHEDULE 3	2008	2007
Other Current Assets	Rs.	Rs.
Balances with Bank		
- In Current Account	1,235,370	1,072,448
- In Dividend Account ***	66,460,848	4,662,585
Sales Contracts Awaiting Completion		
- Equity Shares	132,471,052	41,572,791
Inter Scheme Receivable	1,350,739	-
Reverse Repos	687,312,337	1,072,477,102
Interest Receivable on		
- Debentures (net of provision of Rs.3,258,032 (2007:Rs.3,258,032))	-	-
- Deposits (including receivable for deposits placed towards unclaimed dividend Rs. 566,543 (2007:Rs.507,666) ****)	566,543	507,666
- Reverse Repos	159,948	881,488
Dividends Receivable (net of provision of Rs.2,122,365 (2007: Rs.2,122,365) and including receivable for tax deducted at source Rs.1,419,050 (2007: Rs.1,419,050))	10,500,649	28,399,645
Miscellaneous Receivables	642,437	670,473
	<u>900,699,923</u>	<u>1,150,244,198</u>

*** Rs.1,289,127 (2007: Rs.677,111) earmarked towards Investor Education Fund

**** Rs.110,068 (2007: Rs.56,191) earmarked towards Investor Education Fund

SCHEDULE 4	2008	2008	2007	2007
Unit Capital	Rs.	Units	Rs.	Units
Issued and Subscribed:				
Units of Rs.10 each fully paid up	<u>9,818,001,000</u>	<u>981,800,100</u>	<u>9,818,001,000</u>	<u>981,800,100</u>
Outstanding				
At beginning of year	6,001,821,810	600,182,181	6,001,821,810	600,182,181
Repurchased through secondary market operations (Note 2.6)	-	-	-	-
At end of year	<u>6,001,821,810</u>	<u>600,182,181</u>	<u>6,001,821,810</u>	<u>600,182,181</u>

SCHEDULES

MORGAN STANLEY MUTUAL FUND-MORGAN STANLEY GROWTH FUND

Schedules forming part of the Balance Sheet as at March 31, 2008 and the Revenue Account for the year ended March 31, 2008

SCHEDULE 5	2008	2007
Reserves and Surplus	Rs.	Rs.
<i>Unit Premium Reserve</i>		
At beginning of year	412,388,608	412,388,608
(Premium) / Discount on Repurchase of Units (Net) (Note 2.6)	-	-
At end of year	<u>412,388,608</u>	<u>412,388,608</u>
<i>Unrealised Appreciation Reserve</i>		
At beginning of year	-	-
Transferred from Revenue Reserve	10,242,000,931	-
Net Change in Unrealised Appreciation in Value of Investments (Note 9)	(5,011,496,085)	-
At end of year	<u>5,230,504,846</u>	<u>-</u>
<i>Revenue Reserve</i>		
At beginning of year	22,127,562,825	22,506,932,721
Transferred to Unrealised Appreciation Reserve	(10,242,000,931)	-
Balance Transferred from Revenue Account	<u>8,191,785,416</u>	<u>(379,369,896)</u>
At end of year [including net unrealised appreciation in value of investments Rs. Nil (2007:Rs.10,242,000,931)]	<u>20,077,347,310</u>	<u>22,127,562,825</u>
	<u>25,720,240,764</u>	<u>22,539,951,433</u>

SCHEDULE 6	2008	2007
Current Liabilities and Provisions	Rs.	Rs.
<i>Current Liabilities</i>		
Investment Management and Advisory Fees	80,588,333	70,333,170
Transfer Agent's Fees and Expenses	2,200,000	2,126,020
Custodian Fees	3,577,160	1,252,143
Trusteeship Fees and Expenses	1,110,384	1,260,308
Audit Fees	800,000	700,000
Investor Communication Expenses	12,100,000	11,479,499
Purchase Contracts Awaiting Completion		
– Equity Shares	126,791,893	4,323,136
Unclaimed Dividend (Note 12)	147,977,334	89,097,087
Interest from Investment of Unclaimed Dividend	10,071,862	10,325,766
Investor Education Fund (Note 13)	12,399,195	7,233,302
Sundry Payables	38,325,659	33,363,889
	<u>435,941,820</u>	<u>231,494,320</u>

SCHEDULE 7	April 1, 2007 to March 31, 2008	April 1, 2006 to March 31, 2007
Interest and Discount (Note 2.5)	Rs.	Rs.
Treasury Bills	30,646,299	43,626,983
Reverse Repos	33,475,665	29,266,833
Collateralised Borrowing and Lending Obligation	809,869	-
	<u>64,931,833</u>	<u>72,893,816</u>

SCHEDULES

MORGAN STANLEY MUTUAL FUND-MORGAN STANLEY GROWTH FUND

Schedules forming part of the Balance Sheet as at March 31, 2008 and
Revenue Account for the year ended March 31, 2008

SCHEDULE 8	April 1, 2007 to	April 1, 2006 to
Unrealised Appreciation/(Depreciation) in Value of Investments and Foreign Currency Denominated Assets and Liabilities (Note 2.2, 2.3,7 and 9)	March 31, 2008	March 31, 2007
	Rs.	Rs.
(A) Investments		
(a) American Depository Receipts and Global Depository Receipts		
At beginning of year	64,984,445	278,431,402
Net movement during the year	(I) 105,568,299	(213,446,957)
At end of year	<u>170,552,744</u>	<u>64,984,445</u>
(b) Equity Shares		
At beginning of year	10,177,016,486	15,976,372,401
Net movement during the year	(II) (5,117,064,384)	(5,799,355,915)
At end of year	<u>5,059,952,102</u>	<u>10,177,016,486</u>
(c) Treasury Bills		
At beginning of year	-	104,936
Net movement during the year	(III) -	(104,936)
At end of year	<u>-</u>	<u>-</u>
Net movement in unrealised (depreciation)/appreciation in value of investments including foreign currency denominated investments during the year	(A) = (I) + (II) + (III) (5,011,496,085)	<u>(6,012,907,809)</u>
(B) Other Foreign Currency Denominated Assets and Liabilities	(B) -	-
Total	(A) + (B) (5,011,496,085)	<u>(6,012,907,809)</u>

SCHEDULE 9

Notes to the Financial Statements

1. Organisation

Morgan Stanley Growth Fund (the "Fund") was launched on January 6, 1994 for a period of 15 years from the date of allotment on February 18, 1994. The Fund is a closed ended fund of Morgan Stanley Mutual Fund ("MSMF"), which has been sponsored by Morgan Stanley, a corporation organised under the laws of the State of Delaware, United States of America. Morgan Stanley Investment Management Private Limited ("MSIMPL"), incorporated under the Companies Act, 1956 of India, has been appointed as the asset management company.

The Board of Trustees at their meeting held on February 22, 2008 approved the proposal to convert the Fund into an open ended scheme subject to approvals from the regulatory authorities.

2. Significant Accounting Policies

2.1 Basis of Accounting

The Fund 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 the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 (the "Regulations") and amendments thereto, as applicable.

2.2 Portfolio Valuation

Investments are stated at market/fair value at the Balance Sheet date/valuation date. In valuing the Fund's investments:-

SCHEDULES

MORGAN STANLEY MUTUAL FUND - MORGAN STANLEY GROWTH FUND

Schedules forming part of the Balance Sheet as at March 31, 2008 and the Revenue Account for the year ended March 31, 2008

- (i) Securities listed on a recognised stock exchange, including dematerialised securities, are valued at the last quoted closing price on the principal exchange on which the security is traded. If no sale is reported, the previous quoted price is used, when it is not more than thirty days in case of equity shares and fifteen days in case of debt securities prior to the valuation date.
- (ii) Securities not listed on a recognised stock exchange for which over-the-counter quotations are readily available, are valued at the mean between the last current bid and asked price.
- (iii) Non traded/thinly traded equity securities, including those not traded within thirty days and non traded/thinly traded debt securities including those not traded within fifteen days prior to the valuation date, are valued at fair value as determined by MSIMPL 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) and approved by the Board of Trustees.
- (iv) Privately placed unlisted equity securities are valued at fair value as determined by MSIMPL in accordance with the guidelines for valuation of unlisted equity shares for mutual funds dated May 09, 2002 issued by SEBI and approved by the Board of Trustees.
- (v) Equity shares awaiting listing are valued at fair value/application price as determined in good faith by MSIMPL in accordance with procedures approved by the Board of Trustees.
- (vi) Privately placed equity shares of listed companies with lock in period are valued at fair value as determined in good faith by MSIMPL under procedures approved by the Board of Trustees.
- (vii) Treasury bills are valued at the yield at which they are currently traded. Treasury bills not traded for a period of seven days are valued at cost plus accrued interest till the beginning of the day plus the difference between the redemption value and cost spread uniformly over the remaining maturity period of the treasury bills.
- (viii) Instruments bought on 'repo' basis are valued at the resale price after deduction of applicable interest up to the date of resale.
- (ix) Non traded money market instruments are valued at cost plus accrued interest.

Debt securities are classified as non performing assets and provision has been made in respect thereof in accordance with the guidelines for identification and provisioning for non performing assets (debt securities) for mutual funds dated September 18, 2000 and amendments thereto, as applicable issued by SEBI.

Following the issue of the guidance note on accounting for investments in the financial statements of mutual funds by the Institute of Chartered Accountants of India (pursuant to the Eleventh Schedule of the SEBI Regulations), net unrealised appreciation/depreciation in the value of investments is determined separately for each category of investments. Further, the change in net unrealised appreciation/depreciation, if any, between two balance sheet dates/valuation dates has been recognised in the Revenue account upto March 31, 2007. At the end of the financial year the balance in the Revenue Account including change in the net unrealised appreciation or depreciation in the value of investments was transferred to Revenue Reserve.

Effective April 1, 2007, in respect of each category of investments, the change in the net unrealised appreciation if any, between two balance sheet dates/valuation dates is accounted through the Unrealized Appreciation Reserve and net unrealized depreciation, if any, is accounted through the Revenue Account. Unrealized appreciation is reduced from the distributable income at the time of income distribution.

2.3 Foreign Currency Translation

The books and records of the Fund are maintained in Indian rupees. Amounts denominated in or expected to settle in foreign currencies are translated into Indian rupees on the following basis.

- (i) Market value of investments, other assets and liabilities at the closing rate of exchange on the Balance Sheet date/valuation date.

SCHEDULES

MORGAN STANLEY MUTUAL FUND - MORGAN STANLEY GROWTH FUND

Schedules forming part of the Balance Sheet as at March 31, 2008 and the Revenue Account for the year ended March 31, 2008

- (ii) Purchases and sales of investments, income and expense at the rate of exchange prevailing on the respective date of such transactions.

The Fund does not isolate that portion of the change in investment valuation resulting from changes in the foreign exchange rates from the fluctuations arising from changes in the local market prices of securities held. Such fluctuations are included in unrealised appreciation or depreciation on investments.

Net realised foreign exchange gains and losses arise from sales of foreign currency denominated securities, currency gains or losses realised between trade and settlement dates of foreign currency denominated securities transactions and the difference between the recorded amounts of foreign currency denominated dividends, interest and expenses recorded in the Fund's books and the Indian rupee equivalent amounts actually received or paid. Net unrealised foreign exchange gains and losses arising from changes in value of assets and liabilities denominated in foreign currency resulting from changes in foreign exchange rate are included in net unrealised appreciation or depreciation in value of investments and foreign currency denominated assets and liabilities.

2.4 Securities Transactions

Investment securities transactions are accounted for on a trade date basis. The Fund uses the average cost method for determining the realised gain or loss on sale of investments. Fully paid "Rights" are included in the cost of investments for the purpose of determining realised gains or losses. Accruals for rights entitlements or partly paid rights are not included in the cost of investments for the purpose of determining realised gains or losses.

2.5 Investment Income

Dividend and interest income are recorded on an accrual basis.

2.6 Repurchase of Units

In accordance with the permission granted by the Securities and Exchange Board of India, dated June 23, 1994, the Fund may repurchase units from the secondary market based on prevailing market prices. The discount/premium resulting from repurchases is credited/debited to Unit Premium Reserve.

3. Income Taxes

No provision for taxation has been made as the Fund qualifies as a recognised mutual fund under Section 10 (23D) of the Income Tax Act, 1961. For taxes deducted at source from the investment income, which are recoverable, a receivable is recorded in the books of account.

4. Investment Management and Advisory Fees

The Fund has paid or provided for investment management and advisory fees payable to MSIMPL for managing the Fund at an annual rate of 1.25% of the average daily net asset value recorded by the Fund up to Rs. 100 crores and at an annual rate of 1% of the excess amount over Rs. 100 crores. All costs, charges and expenses incurred by MSIMPL in the administration and execution of the activities of the Fund, except those costs directly attributable to the Fund, are on their own account for which they receive investment management and advisory fees. JPMorgan Chase Bank provides certain accounting services to the Fund at no cost to the Fund.

5. Custodian Fees

JPMorgan Chase Bank provides custodial services to the Fund for which custody fee is payable to them.

6. Trusteeship Fees

In accordance with the agreement dated November 3, 1993 between Morgan Stanley ("the Settlor") and the Board of Trustees, the Fund has paid or provided for an annual fee of the rupee equivalent of US\$5,000 and a fee of the rupee equivalent of US\$500 per meeting attended, to each of the Trustees not affiliated with the Settlor.

SCHEDULES

MORGAN STANLEY MUTUAL FUND - MORGAN STANLEY GROWTH FUND

Schedules forming part of the Balance Sheet as at March 31, 2008 and the Revenue Account for the year ended March 31, 2008

7. Aggregate Appreciation and Depreciation In Value of Investments

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

	2008 (Rs.)	2007 (Rs.)
American Depository Receipts and Global Depository Receipts		
- Appreciation	170,552,744	120,948,369
- Depreciation	Nil	55,963,924
Equity Shares		
- Appreciation	8,055,615,044	10,994,859,891
- Depreciation	2,995,662,942	817,843,405

8. Aggregate Value of Purchases and Sales of Investments

During the year ended March 31, 2008 purchases and sales of investment securities aggregated Rs. 27,391,078,122 (excluding accretion of discount Rs. 30,646,299) and Rs. 27,189,516,123 respectively, being 77.47% and 76.90% of the average daily net asset value.

9. Unrealised Appreciation in Value of Investments

Effective April 1, 2007 the change in net unrealized appreciation if any between two balance sheet dates/ valuation dates is determined separately for each category of investments and is accounted through the Unrealised Appreciation Reserve as against the earlier policy of accounting such unrealized appreciation through the Revenue Account. Had the earlier basis of accounting been followed the balance in the Revenue Account carried to the Balance Sheet and Revenue Reserve as at March 31, 2008 would have been lower by Rs. 5,011,496,085. This however has no impact on the net asset value per unit of the Fund.

10. Income / Expenditure

The total income (including net profit on sale of investments, realised loss on foreign currency transactions) and total expenses for the year is Rs. 8,673,518,525 and Rs. 481,733,109 respectively, being 24.53% and 1.36% of the average daily net asset value.

11. Disclosure Under Regulation 25(8) of the Securities and Exchange Board Of India (Mutual Funds) Regulations, 1996 as Amended.

MSIMPL has not utilized the services of the Sponsor or any of its affiliates, employees or their relatives for the purpose of any securities transaction as specified under Regulation 25(8) of the Regulation. However, during the year the Fund subscribed to the issue of equity shares of the following companies where JM Morgan Stanley Private Limited, an associate of MSIMPL was the lead manager/co-manager to these issues. The subscriptions were made through non-affiliate entities as given below:-

Name of company	Amount invested (Rs.)	Entities through whom investment made
HDFC ADR	499,300,000	Merrill Lynch
Phoenix Mills	504,000,000	IL&FS Limited
Mundra Port And SEZ Limited	39,221,600	DSP Merrill Lynch Limited

SCHEDULES

MORGAN STANLEY MUTUAL FUND - MORGAN STANLEY GROWTH FUND

Schedules forming part of the Balance Sheet as at March 31, 2008 and the Revenue Account for the year ended March 31, 2008

12. Unclaimed Dividend

Details of unclaimed dividend are as follows: -

	Unclaimed Dividend (Rs.)		Number of unit holders*	
	March 31, 2008	March 31, 2007	March 31, 2008	March 31, 2007
Interim Dividend - June 1999	15,219,120	15,519,720	70,140	71,576
Dividend - April 2000	13,075,431	13,386,456	62,663	64,147
Dividend - June 2001	20,132,600	20,706,200	73,889	75,907
Dividend - April 2004	37,836,211	39,484,711	86,354	89,814
Dividend - October 2006	61,713,972	-	100,312	-

*Excludes unit holders relating to in-transit positions at National Securities Depository Limited (NSDL).

13. Investor Education Fund

In accordance with the guidelines issued by SEBI on unclaimed dividend, interest accrued on call deposits in respect of unclaimed dividend after a period of three years from the due dates for the respective dividend declaration is being transferred to a separate pool account on a quarterly basis. Such amounts along with further interest earned thereon would be utilized for investor education.

14. Segment Reporting

The Scheme operates in one segment only viz. to primarily generate attractive returns from a diversified and actively managed portfolio of equity and equity related instruments.

15. Related Party Disclosures

a. Related parties (during the year)

- i) Asset Management Company that manages the Fund : Morgan Stanley Investment Management Private Limited.
- ii) Key Management Personnel:
 - Narayan Ramchandran*
 - Joseph Clifford D'Souza
 - Amay Hattangadi
 - Sridhar Sivaram*
- iii) Relatives of Key Management Personnel -
 - Matilda Celine D'Souza
- iv) Scheme of Morgan Stanley Mutual Fund managed by Morgan Stanley Investment Management Private Limited : Morgan Stanley A.C.E. Fund

b. The following transactions were carried out with the related parties in the ordinary course of business.

Particulars	Asset Management Company that manages the Fund (Rs.)	Key Management Personnel (Rs.)	Relatives of Key Management Personnel (Rs.)	Total (Rs.)
Investment Management and Advisory Fees	356,028,047	-	-	356,028,047
2006-07	282,022,719	-	-	282,022,719
Dividend				
Joseph Clifford D'Souza	-	-	-	-
2006-07	-	22,000	-	22,000
Amay Hattangadi	-	-	-	-
2006-07	-	58,000	-	58,000
Matilda Celine D'Souza	-	-	-	-
2006-07	-	-	2,000	2,000

SCHEDULES

MORGAN STANLEY MUTUAL FUND - MORGAN STANLEY GROWTH FUND

Schedules forming part of the Balance Sheet as at March 31, 2008 and the Revenue Account for the year ended March 31, 2008

c. Balance outstanding at year end :

Particulars	Asset Management Company that manages the Fund (Rs.)	Key Management Personnel (Rs.)	Relatives of Key Management Personnel (Rs.)	Morgan Stanley - ACE Fund (Rs.)	Total (Rs.)
Investment Management and Advisory Fees	80,588,333	-	-	-	80,588,333
2006-07	70,333,170	-	-	-	70,333,170
Inter Scheme Receivable	-	-	-	1,350,739	1,350,739
2006-07	-	-	-	-	-
Year end outstanding units (at face value)				Rs.	Rs.
Joseph Clifford D'Souza	-	110,000	-	-	110,000
2006-07	-	110,000	-	-	110,000
Amay Hattangadi	-	290,000	-	-	290,000
2006-07	-	290,000	-	-	290,000
Matilda Celine D'Souza	-	-	10,000	-	10,000
2006-07	-	-	10,000	-	10,000

*No transactions during the year and outstanding at year end.

16. Previous year's figures have been regrouped / rearranged where appropriate.

Signatures to Schedules 1 to 9 forming part of the Balance Sheet and Revenue Account.

Sd/- K. H. VACHHA Partner	For Morgan Stanley Mutual Fund			For Morgan Stanley Investment Management Private Limited	
For and on behalf of PRICE WATERHOUSE <i>Chartered Accountants</i>	Sd/- ABID HUSSAIN <i>Trustee</i>	Sd/- J.S. BAIJAL <i>Trustee</i>	Sd/- B. RAI <i>Trustee</i>	Sd/- NARAYAN RAMACHANDRAN <i>CEO</i>	Sd/- JOSEPH CLIFFORD D'SOUZA <i>Director</i>
Mumbai April 29, 2008	Sd/- MICHAEL KOLLINS <i>Trustee</i>	Sd/- RONALD ROBISON <i>Trustee</i>		Sd/- SRIDHAR SIVARAM <i>Portfolio Manager</i>	Sd/- AMAY HATTANGADI <i>Portfolio Manager</i>

PORTFOLIO OF INVESTMENTS

MORGAN STANLEY MUTUAL FUND-MORGAN STANLEY GROWTH FUND

Statement of Portfolio Holding as at March 31, 2008
(Referred to in Schedule 1 to the Balance Sheet as at March 31, 2008 and the
Revenue Account for the year ended March 31, 2008)

Quantity	Company Name	Market/ Fair Value (Rs.)	Rs.	Quantity	Company Name	Market/ Fair Value (Rs.)	Rs.
FOREIGN SECURITIES				Diversified (6.59%)			
AMERICAN DEPOSITORY RECEIPTS (1.82%)				3,027,200	Hindustan Unilever Limited	692,623,360	
Banking (100.00%)				435,600	Larsen and Toubro Limited	1,322,459,820	2,015,083,180
139,800	HDFC Bank ADRs	565,514,753	565,514,753				
Total (Cost Rs. 394,962,009)							
				Ferrous Metals (5.30%)			
INDIAN SECURITIES				232,500	Jindal Steel & Power Limited	481,275,000	
EQUITY SHARES (98.18%)				1,491,300	Steel Authority of India Limited	276,337,890	
Auto (2.51%)				2,252,500	Welspun Gujarat Stahl Rohren Limited	863,045,375	1,620,658,265
750	Hero Honda Motors Limited	520,913					
927,300	Maruti Suzuki India Limited	766,877,100	767,398,013				
Auto Ancillaries (0.77%)				Finance (4.50%)			
436,650	Balkrishna Industries Limited	236,445,975	236,445,975	406,900	HDFC Limited	968,320,275	
Banks (10.50%)				2,696,500	IDFC Limited	407,171,500	1,375,491,775
1,554,500	Axis Bank Limited	1,227,821,825		Gas (0.64%)			
1,053,018	HDFC Bank Limited	1,401,830,213		1,086,180	Gujarat Fluorochemicals Limited	196,652,889	196,652,889
305,800	Kotak Mahindra Bank Limited	191,400,220		Industrial Capital Goods (11.01%)			
244,200	State Bank of India Limited	390,781,050	3,211,833,308	1,293,003	ABB Limited	1,525,678,890	
Cement (2.05%)				690,166	Bharat Heavy Electricals Limited	1,422,673,684	
1,980,447	India Cements Limited	369,947,500		3,083,000	Praj Industries Limited	419,904,600	3,368,257,174
234,478	Shree Cement Limited	257,292,709	627,240,209	Industrial Products (1.43%)			
Construction (4.79%)				868,652	Ess Dee Aluminium Limited #	438,141,090	
537,300	Housing Development & Infrastructure Limited	353,140,425		340,000	Patheja Brothers Forging & Stamping Limited*	-	438,141,090
1,263,000	Jaiprakash Associates Limited	286,132,650		Logistics (0.52%)			
746,371	Madhucon Projects Limited	380,126,750		956,900	Arshiya International Limited	159,323,850	159,323,850
1,181,112	Phoenix Mills Limited	447,050,892	1,466,450,717	Media & Entertainment (6.89%)			
Consumer Non Durables (4.59%)				3,675,000	Deccan Chronicle Holdings Limited	594,982,500	
8,439,112	Marico Industries Limited	572,171,794		3,339,300	Jagran Prakashan Limited	295,194,120	
554,808	Nestle India Limited	831,130,124	1,403,301,918	1,020,250	New Delhi Television Limited	393,051,313	
				946,800	Television Eighteen India Limited	374,790,780	

PORTFOLIO OF INVESTMENTS

MORGAN STANLEY MUTUAL FUND-MORGAN STANLEY GROWTH FUND

Statement of Portfolio Holding as at March 31, 2008
(Referred to in Schedule 1 to the Balance Sheet as at March 31, 2008 and the Revenue Account for the year ended March 31, 2008)

Quantity	Company Name	Market/ Fair Value (Rs.)	Rs.	Quantity	Company Name	Market/ Fair Value (Rs.)	Rs.									
1,824,415	Zee Entertainment Enterprises Limited	448,897,311	2,106,916,024	Software (5.51%)												
Non - Ferrous Metals (1.05%)				2,905,813	Geodesic Information Systems Limited	523,482,213										
316,000	Hindustan Zinc Limited	165,979,000		755,436	Infosys Technologies Limited	1,087,752,296										
345,000	National Aluminium Company Limited	155,871,000	321,850,000	796,900	IOL Netcom Limited	73,832,785	1,685,067,294									
Oil (7.41%)				Telecom - Services (4.60%)												
408,830	Aban Offshore Limited	1,232,663,333		1,236,578	Bharti Airtel Limited	1,021,722,571										
2,711,673	Cairn India Limited	607,685,919		753,200	Reliance Communications Limited	383,943,700	1,405,666,271									
435,800	Oil and Natural Gas Corporation Limited	427,323,690	2,267,672,942	Travel and Transportation (0.94%)												
Petroleum Products (7.29%)					Mundra Port and Special Economic Zone Limited	288,009,150	288,009,150									
983,900	Reliance Industries Limited	2,229,320,620	2,229,320,620	Total (Cost Rs. 25,527,416,616)												
Pharmaceuticals (3.67%)							30,587,368,718									
847,277	Biocon Limited	364,752,749		TOTAL INVESTMENTS AT												
340,000	Eastern Medikit Limited*	-		MARKET VALUE(Cost Rs. 25,922,378,625)												
1,548,301	Glenmark Pharmaceuticals Limited	757,119,189	1,121,871,938	*Private placements of equity shares at fair value as determined by Morgan Stanley Investment Management Private Limited (MSIMPL) in accordance with the guidelines for valuation of unlisted equity shares for mutual funds dated May 09, 2002 issued by SEBI and approved by the Board of Trustees.												
Power (5.14%)				# Private placement of equity shares of listed company with lock-in period valued at fair values as determined in good faith by MSIMPL under procedure approved by the board of Trustees in respect of the following :												
6,069,270	GVK Power & Infrastructure Limited	243,074,264		<table border="1"> <thead> <tr> <th>Company Name</th> <th>No. of Shares</th> <th>Fair Value (Rs.)</th> </tr> </thead> <tbody> <tr> <td>ESS DEE</td> <td></td> <td></td> </tr> <tr> <td>Aluminium Limited</td> <td>635,000</td> <td>313,452,701</td> </tr> </tbody> </table>				Company Name	No. of Shares	Fair Value (Rs.)	ESS DEE			Aluminium Limited	635,000	313,452,701
Company Name	No. of Shares	Fair Value (Rs.)														
ESS DEE																
Aluminium Limited	635,000	313,452,701														
2,700,655	Jyoti Structures Limited	431,699,702		ADR - American Depository Receipts												
765,000	Tata Power Company Limited	896,197,500	1,570,971,466	Confirmation has been received from JPMorgan Chase Bank, Mumbai branch at the year end of the investments held by them.												
Retailing (2.30%)																
1,648,500	Pantaloon Retail (India) Limited	703,744,650	703,744,650													

MORGAN STANLEY MUTUAL FUND - MORGAN STANLEY GROWTH FUND

Regulatory Disclosures

Investment Objective

Morgan Stanley Growth Fund is a closed end Fund with long-term capital appreciation as its investment objective. The Scheme will seek to achieve this objective through investment, primarily in equity and equity-related securities of Indian companies.

Statutory Details

Morgan Stanley Mutual Fund has been set up as a Trust by Morgan Stanley being its Sponsor. The Board of Trustees of Morgan Stanley Mutual Fund has appointed Morgan Stanley Investment Management Private Limited as the asset management company.

Risk Factors

All investments in Mutual Funds and securities are subject to market and other risks and the NAV of units issued under the Scheme can go up or down depending on the factors and forces affecting the capital markets. There can be no assurance that the objectives of the Scheme of the fund will be achieved.

Investments in close-ended schemes are subject to market risks of infrequent trading, possibility of market price of units being traded at a discount to NAV etc. The liquidity of investments made in the Scheme may be restricted by trading volumes and settlement periods. The name of the Scheme does not indicate the quality of the Scheme, its future prospects or returns. Please read the Offer Document before investing.

The past performance of the Mutual Funds managed by the Sponsors and their affiliates/associates is not necessarily indicative of the future performance of the Scheme. The Sponsor is not responsible or liable for any loss resulting from the operations of the Scheme beyond their initial contribution of Rs. 5 Lacs towards setting up of the Mutual Fund and such other accretions and additions to the corpus.

Investors in the Scheme are not being offered a guaranteed or assured rate of return. There is no assurance or guarantee to the unit holders as to the rate of dividend distribution nor that dividends will be paid regularly. The liquidity and valuation of the Scheme's investments due to its holdings of unlisted securities may be affected if they have to be sold prior to their target date of divestment.

Liability and responsibility of Trustees and Sponsors:

The primary responsibility of the Board of Trustees is to safeguard the interest of the unit holders and inter-alia ensure that Morgan Stanley Investment Management Pvt. Ltd. (MSIM) functions in the interest of investors and in accordance with Securities and Exchange Board of India (Mutual Funds) Regulations, 1996, (the Regulations) the provisions of Trust Deed and the offer document of the scheme. The Board of Trustees has been discharging its duties and carrying out the responsibilities as provided in the Regulations and Trust Deed. The Board of Trustees seeks to ensure that MSIM manages the Fund in accordance with the Regulations, directions and guidelines issued by SEBI, Stock Exchanges, the Association of Mutual Funds in India and other regulatory authorities.

Other Investor Information

- There are no unit holders over 25% of the Net Asset Value of the scheme as at March 31, 2008
- Nomination Facility is available and individual unit holders desirous of availing the same can contact Karvy Computershare Private Limited at below mentioned address. Nomination form is also available on the Fund's website www.morganstanley.com/indiamf.
- In order to avoid fraudulent encashment of dividend warrants, unit holders are requested to intimate name, address and account number details of their bank to Karvy Computershare Private Limited at the below address:

Karvy Computershare Private Limited

Karvy Registry House
Unit: Morgan Stanley Growth Fund,
21, Avenue 4, Street No. 1,
Banjara Hills, Hyderabad - 500 034.
Tel: 040 - 2331 2454, 2332 0251

On written request and on payment of a nominal fee, present and prospective unit holders/investors can obtain a copy of the trust deed, the annual report of the Asset Management Company and/or the Fund and the offering circular.

Contact: Karvy Computershare Private Ltd., 21, Avenue 4, Street No. 1, Banjara Hills, Hyderabad - 500 034.

Tel: 040 - 2331 2454, 2332 0251

Mutual Fund:

Morgan Stanley Mutual Fund

Trustees:

Dr. Abid Hussain

Mr. J. S. Baijal

Mr. B. Rai

Mr. Ronald Robison

Mr. Michael Kollins

Scheme:

Morgan Stanley Growth Fund

Asset Management Company:

Morgan Stanley Investment Management Private Limited

Custodian:

JPMorgan Chase Bank

Registrar & Transfer Agent:

Karvy Computershare Private Limited

Legal Advisor:

J. Sagar Associates

Auditor:

Price Waterhouse

Banker:

Standard Chartered Bank

If undelivered please return to:

Karvy Computershare Private Limited

Karvy Registry House

Unit: Morgan Stanley Growth Fund,

21 Avenue 4, Street No. 1,

Banjara Hills, Hyderabad - 500 034.

Tel: 040 - 2331 2454, 2332 0251