

MSGF NEWSLETTER

Dear Unit Holder,

For the year ended March 31, 2000, the net asset value (“NAV”) of the Morgan Stanley Growth Fund (the “Fund”) appreciated by 53%, including dividend. During this period, the benchmark indices, BSE 200 and S&P CNX 500, increased by 64% and 74%, respectively. Since inception in January 1994, the Fund has outperformed the benchmark indices (see Table 1). The upbeat market conditions coupled with the benefits of the portfolio restructuring exercise of previous years contributed to this outperformance. The Fund continues to rank high among the best performing funds compared with its peers in the closed end mutual funds category. (see Table 2)

Sustained bull market conditions and our continued focus on maximising shareholder value has enabled us to reward our unit-holders with a dividend of 15% for the financial year ended March 31, 2000. We were able to more than capture the high returns provided by this market and accordingly distribute a part of the gains, without taking too much risk in the overall portfolio.

As you are probably only too aware, we have been through an extraordinary phase in the market cycle. This cycle was distinctly different from the past bull market phases. Never before had the market seen such divergence on a sector-wise basis. In fact, many stocks outside the TMT (technology, media and entertainment) universe were trading close to their 52-week lows while the TMT stocks themselves were reaching record highs. Otherwise, the popular notion is that a bull market is typically a tide that lifts all boats even though there will be a group of superior performers.

In such an environment it is easy to get further drawn into the momentum of the cycle and sharply tilt the portfolio in favour of the apparent winning strategy. While we were sensitive to the fact that the global economy is witnessing an unprecedented technological revolution, which would obviously benefit companies in the TMT universe, history shows that sentiment tends to get over-extended leading to valuations being stretched. At such a point in this cycle, we think it was important to stick to the basic principles of investing.

Our investment philosophy, is to invest in companies with high return on equity, enterprising management teams and sound business models. We have adhered to these basic ground rules when investing in technology companies and found enough strong candidates in the TMT field that meet our criteria. We believe that exposure to the technology revolution can be gained by holding on to a basic investment philosophy and any dilution of such a strategy is fraught with risk.

Another way of tracking risk is to be conscious of the portfolio’s position vis-à-vis the benchmark indices. On a sector-wise basis, our portfolio is roughly in line with index weights. Given the uncertainty surrounding the valuations and how long the cycle will last, we have decided to have a sector-neutral strategy and yet be very discriminating when it comes to buying the companies in the sectors. Currently, our exposure to the TMT universe is just under 40 per cent, which is marginally less than the weight of the sector in the benchmark indices.

We think it pays over time not to get carried away by sweeping market trends. It is also important to recognise that the game of waiting to exit at the right time, i.e. when the market turns sour on technology stocks, is an extremely difficult one and has humbled many a great investor in the past. Bear markets sneak in and don’t come widely announced. It all then suggests that the best way to enjoy this extraordinary period is to participate it in but with all the standard risk parameters firmly in place.

VINOD SETHI
Portfolio Manager

Mumbai
May 8, 2000

Table 1

MSGF NAV Performance v/s Benchmark Indices

Period	MSGF NAV	BSE 200	S&P CNX 500
Quarter ending March 31, 2000	- 7.2%	+ 5.2%	+ 9.8%
Year ended March 31, 2000	+ 53.4%	+ 64.0%	+ 74.4%
Inception (Jan 94) to March 31, 2000	+ 105.7%	+ 35.4%	+ 31.3%

Table 2

MSGF v/s Competition as of March 2000

Period	No. of Funds	MSGF Rank
3 Years	15	2
1 Year	18	6
3 Months	18	8

Source: Value Research rankings of closed end growth funds. Business Standard (Smart Investor) April 10, 2000

Table 3

Highlights

- Dividend of 15% was paid out to Unitholders for the financial year ending March 31, 2000
- MSGF recorded its highest Nav of Rs. 23.92 per unit on February 11, 2000
- MSGF ranked 2nd among closed end funds in 3 year performance – Business Standard (Smart Investor), April 10, 2000
- The Fund launched its website – www.msgfindia.com
- MSGF units were put on the compulsory dematerialised list for all investors from November 29, 1999

Table 4

Comparison of Top twenty Five Holdings of MSGF

March 31, 1998	March 31, 1999	March 31, 2000
Bharat Heavy Electricals	Infosys Technologies	Infosys Technologies
Container Corp. of India	Bharat Heavy Electricals	Zee Telefilms
Infosys Technologies	Hero Honda	Hero Honda
HDFC	HDFC	SSI
State Bank of India	Zee Telefilms	HDFC
Zee Telefilms	Tata Tea	Telco
Hero Honda	Burroughs Wellcome	Tata Tea
NIIT	Telco	Cipla

Cummins India	Container Corp. of India	Bharat Heavy Electricals
Hind Lever Chemicals	SSI	Global Electronic Commerce Services
Cipla	Marico Industries	Container Corp. of India
Burroughs Wellcome	Cipla	VSNL
Marico Industries	Bata India	Subex Systems
Asahi India	Glaxo India	Dabur
Wyeth Lederle	Agrevo India	Hughes Software
MRF	E Merck	Cummins India
Hoechst Schering	Dr. Reddy Labs	MRF
Nestle	ITC	Sundaram Fasteners
Shriram Honda	Hind Lever Chemicals	Visualsoft
Software Solution	Abbot Laboratories	HDFC Bank
Bata India	Larsen & Toubro	ITC
Foseco	Tata Infotech	Smithkline Consumer
Tata Infotech	Novartis India	Asian Paints
Vikas WSP	Wyeth Lederle	Indian Hotels
Essel Packaging	Cummins India	Larsen & Toubro
80.90% of Portfolio	80.03% of Portfolio	83.90% of Portfolio

To our Valued Unit Holder,

We are pleased to present to you the sixth annual report of the Morgan Stanley Growth Fund (the "Fund") for the year ended March 31, 2000.

The year under review was an eventful one for investment managers and investors. The significantly upbeat market conditions during the past year were a defining moment for the Indian capital market after the protracted bear phase of previous years. This year was also marked by the long awaited return of the retail investor to the Indian stock market. Sustained investment by your Fund in growth stocks contributed to significant returns for the year and provided an opportunity for realizing gains. A consolidation and restructuring of the portfolio has provided the Fund opportunities for improved performance, while maintaining adequate risk diversification.

The Fund's strong performance for the year also was reflected in the market price of the units as they reached a high of Rs. 17.50 in January 2000. We are pleased that the Fund was in a position to reward its unitholders with an initial interim dividend distribution of 7.5% in June 1999, followed up by an additional dividend declaration of 7.5% in April, 2000.

We are pleased to report that nearly half of the Fund's outstanding capital has been dematerialised. Effective November 29, 1999, the Fund was included in the list of securities for compulsory dematerialisation. We encourage those of you who have not dematerialised your holdings to do so and eliminate the risk of holding securities in physical or paper form.

You will find enclosed detailed results of the Fund for the financial year ended March 31, 2000 along with a commentary from the portfolio manager in which he shares with you his view on the Indian economy and equity markets, their prospects and factors influencing the Fund's performance. We do hope that you find the report useful and informative.

We wish to inform you that Michael F. Klein, former Principal Trustee, resigned from Morgan Stanley Dean Witter in March 2000 and has also resigned from the Board of Trustees of Morgan Stanley Mutual Fund. We take this opportunity to express our sincere appreciation of Mr. Klein's contributions to the Fund and wish him the very best.

As Trustees of your Fund, it is our duty to safeguard the assets of the Fund and to ensure that the Fund is managed in accordance with the law and good business practice. To this end, we are pleased to report that over the past year, your Fund and its asset management company have maintained their high standards in reporting and control systems.

We greatly appreciate your participation as a unitholder of the Fund and look forward to another successful year.

Sincerely

Harold J. Schaaff Jr.
Principal Trustee
May 8, 2000*

**Effective May 8, 2000, Mr. Schaaff was appointed to the Board of Trustees of the Fund. Mr. Schaaff has been associated with Morgan Stanley Dean Witter since 1989.*

MORGAN STANLEY
G R O W T H F U N D

Annual Report
March 31, 2000

AUDITORS' REPORT

Auditors' Report

To the Board of Trustees of

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, 2000, and the related Revenue Account for the year ended on that date, both of which we have signed under reference to this report. Our audit was conducted in accordance with generally accepted auditing standards in India and accordingly, included such tests of the accounting records and such other procedures as we considered necessary in the circumstances. 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. The Balance Sheet and the Revenue Account referred to above are in agreement with the books of account of the Fund.
2. 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 Securities and Exchange Board of India (Mutual Funds) Amendment Regulations, 1998, 1999 and 2000, 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, 2000 and its net surplus for the year ended on that date.
 - (ii) The Balance Sheet as at March 31, 2000, and the Revenue Account for the year ended on that date, together with the notes thereon, have been prepared in accordance with the accounting policies and standards specified in the Ninth Schedule of the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 and Securities and Exchange Board of India (Mutual Funds) Amendment Regulations, 1998, 1999 and 2000 as applicable.
 - (iii) The methods used to value non-traded securities as at March 31, 2000 in good faith are fair and reasonable.

K. H. VACHHA
Partner
For and on behalf of
PRICE WATERHOUSE
Chartered Accountants

Mumbai
May 08, 2000

BALANCE SHEET

MORGAN STANLEY MUTUAL FUND - MORGAN STANLEY GROWTH FUND Balance Sheet as at March 31, 2000

	Schedule	March 31, 2000 Rs.	March 31, 1999 Rs.
ASSETS			
Investments	1	14,223,497,832	9,674,723,165
Deposits	2	-	325,100,000
Other Current Assets	3	385,380,675	400,217,312
TOTAL		<u>14,608,878,507</u>	<u>10,400,040,477</u>
LIABILITIES			
Initial Contribution by Settlor		500,000	500,000
Unit Capital	4	7,192,180,040	7,594,209,000
Reserves and Surplus	5	6,522,146,353	2,590,224,011
Current Liabilities and Provisions	6	894,052,114	215,107,466
TOTAL		<u>14,608,878,507</u>	<u>10,400,040,477</u>

RECONCILIATION TO NET ASSET VALUE PER UNIT

Net Assets as per Balance Sheet (Total Assets less Current Liabilities and Provisions)	13,714,826,393	10,184,933,011
Number of Units in Issue	719,218,004	759,420,900
Net Asset Value per Unit	<u>19.07</u>	<u>13.41</u>

Notes to the Accounts 9

The schedules form an integral part of the Accounts.

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

K. H. VACHHA
Partner
For and on behalf of
PRICE WATERHOUSE
Chartered Accountants
Mumbai
May 08, 2000

For Morgan Stanley Mutual Fund

ABID HUSSAIN
Trustee

J.S.BAIJAL
Trustee

B.RAI
Trustee

B.M.BIGGS
Trustee

H.J.SCHAAFF
Trustee

For Morgan Stanley Dean Witter
Investment Management Private Limited
PAUL M.MARTIN
Director

CLIFFORD D'SOUZA
Vice President

REVENUE ACCOUNT

MORGAN STANLEY MUTUAL FUND - MORGAN STANLEY GROWTH FUND Revenue Account for the year ended March 31, 2000

	Schedule	Year ended March 31, 2000 Rs.	Year ended March 31, 1999 Rs.
INCOME AND GAINS			
Dividends (Note 2.4)		165,463,590	102,874,613
Interest	7	24,347,456	13,302,671
Provision for Outstanding Accrued Income Written Back (Net)		-	266,732
Net Profit on Sale of Investments (Note 2.3)		4,064,312,357	1,272,343,872
TOTAL		4,254,123,403	1,388,787,888
EXPENSES AND LOSSES			
Investment Management and Advisory Fees (Note 4)		130,779,828	79,723,899
Transfer Agent Fees and Expenses		43,700,000	29,100,000
Custodian Fees (Note 5)		19,182,420	16,761,498
Trusteeship Fees and Expenses (Note 6)		2,347,263	1,754,421
Audit Fees		800,000	800,000
Securities and Exchange Board of India Inspection Fees		188,218	284,211
Investor Communication Expenses		17,850,000	15,422,775
Amortisation of Deferred Revenue Expenditure (Note 2.7)		-	152,751
Provision for Outstanding Accrued Income (Net)		393,441	-
Dividend Distribution Expenses		24,946,807	-
Other Operating Expenses		2,208,487	1,710,813
TOTAL		242,396,464	145,710,368
Excess of Income and Gains over Expenses and Losses		4,011,726,939	1,243,077,520
Net Change in Unrealised Appreciation in Value of Investments	8	1,353,538,977	1,864,591,414
		5,365,265,916	3,107,668,934
Distribution			
Interim Dividend		(569,565,675)	-
Dividend (declared on April 18, 2000)		(538,151,027)	-
		(1,107,716,702)	-
Tax on Dividends		(121,848,837)	-
		(1,229,565,539)	-
Net Surplus Transferred to Revenue Reserve		4,135,700,377	3,107,668,934

Notes to the Accounts 9
The schedules form an integral part of the Accounts.
This is the Revenue Account referred to in our report of even date.

K. H. VACHHA
Partner
For and on behalf of
PRICE WATERHOUSE
Chartered Accountants
Mumbai
May 08, 2000

For Morgan Stanley Mutual Fund

ABID HUSSAIN
Trustee

J.S.BAIJAL
Trustee

B.RAI
Trustee

B.M.BIGGS
Trustee

H.J.SCHAAFF
Trustee

**For Morgan Stanley Dean Witter
Investment Management Private Limited**
PAUL M.MARTIN
Director

CLIFFORD D'SOUZA
Vice President

MORGAN STANLEY MUTUAL FUND - MORGAN STANLEY GROWTH FUND
Schedules forming part of the Balance Sheet as at March 31, 2000 and the
Revenue Account for the year ended March 31, 2000

SCHEDULE 1	2000	2000	1999	1999
Investments	Market/Fair	Cost	Market/Fair	Cost
(Notes 2.2 and 7)	Value	Rs.	Value	Rs.
	Rs.	Rs.	Rs.	Rs.
(Refer to attached Statement of Portfolio Holding as at March 31, 2000)				
Equity Shares	14,216,604,315	9,124,741,444	9,666,965,995	5,928,367,795
Units of Mutual Funds	1,019,280	1,064,166	1,649,970	2,202,125
Non Convertible Debentures	5,874,237	13,068,000	6,107,200	13,068,000
	<u>14,223,497,832</u>	<u>9,138,873,610</u>	<u>9,674,723,165</u>	<u>5,943,637,920</u>
SCHEDULE 2			2000	1999
Deposits			Rs.	Rs.
Deposits with Scheduled Banks			-	325,100,000
SCHEDULE 3			2000	1999
Other Current Assets			Rs.	Rs.
Balances with Bank				
- In Current Account			9,268,788	245,529
- In Dividend Account			32,568,755	-
Sales Contracts Awaiting Completion				
- Equity Shares			264,402,019	385,972,147
Application Money Pending Allotment				
- Equity Shares			55,000,000	-
Interest Receivable on				
- Debentures (net of provision of Rs.3,258,033 (1999 :Rs.3,258,033))			156,600	156,600
- Deposits (including receivable for tax deducted at source Rs.55,521(1999: Rs.55,521))			55,521	153,496
Dividends Receivable (net of provision of Rs.1,713,897 (1999: Rs.1,261,252) and including receivable for tax deducted at source Rs.2,197,912 (1999: Rs.2,197,912))			23,350,576	13,028,702
Miscellaneous Receivables			578,416	660,838
			<u>385,380,675</u>	<u>400,217,312</u>
SCHEDULE 4	2000	2000	1999	1999
Unit Capital	Rs.	Units	Rs.	Units
Issued and Subscribed:				
Units of Rs.10 each fully paid up	9,818,001,000	981,800,100	9,818,001,000	981,800,100
Outstanding				
At beginning of year	7,594,209,000	759,420,900	8,015,282,000	801,528,200
Repurchased through secondary market operations (Note 2.5)	(402,028,960)	(40,202,896)	(421,073,000)	(42,107,300)
At end of year	<u>7,192,180,040</u>	<u>719,218,004</u>	<u>7,594,209,000</u>	<u>759,420,900</u>
SCHEDULE 5			2000	1999
Reserves and Surplus			Rs.	Rs.
<i>Unit Premium Reserve</i>				
At beginning of year			552,334,506	390,813,832
Discount/(Premium) on Repurchase of Units (Note 2.5)			(203,778,035)	161,520,674
At end of year			<u>348,556,471</u>	<u>552,334,506</u>
<i>Revenue Reserve</i>				
At beginning of year			2,037,889,505	(1,069,779,429)
Net Surplus transferred from Revenue Account			4,135,700,377	3,107,668,934
At end of year			<u>6,173,589,882</u>	<u>2,037,889,505</u>
Total			<u>6,522,146,353</u>	<u>2,590,224,011</u>

MORGAN STANLEY MUTUAL FUND - MORGAN STANLEY GROWTH FUND
Schedules forming part of the Balance Sheet as at March 31, 2000 and the
Revenue Account for the year ended March 31, 2000

SCHEDULE 6	2000	1999
Current Liabilities and Provisions	Rs.	Rs.
<i>Current Liabilities</i>		
Investment Management and Advisory Fees	14,325,664	8,891,306
Transfer Agent's Fees and Expenses	3,511,308	733,279
Custodian Fees	881,842	1,016,706
Trusteeship Fees and Expenses	526,361	531,150
Audit Fees	800,000	800,000
Investor Communication Expenses	14,690,326	11,000,000
Purchase Contracts Awaiting Completion		
- Equity Shares	144,999,779	174,891,922
Rights Payable		
- Equity Shares	30,585	30,585
Repurchase of Units	53,411,733	289,122
Unclaimed Interim Dividend	32,568,755	-
Dividend Distribution Expenses	13,000,000	-
Sundry Payables	17,958,121	16,923,396
	296,704,474	215,107,466
<i>Provisions</i>		
Dividend	538,151,027	-
Tax on Dividend	59,196,613	-
	597,347,640	-
	894,054,114	215,107,466

SCHEDULE 7	April 1, 1999 to	April 1, 1998 to
Interest (Note 2.4)	March 31, 2000	March 31, 1999
	Rs.	Rs.
Debentures	313,200	577,504
Deposits	24,034,256	12,725,167
	24,347,456	13,302,671

SCHEDULE 8	April 1, 1999 to	April 1, 1998 to
Unrealised Appreciation in Value of Investments	March 31, 2000	March 31, 1999
	Rs.	Rs.
Net unrealised appreciation in value of investments at beginning of year	3,731,085,245	1,866,493,831
Net movement in unrealised appreciation in value of investments during the year	1,353,538,977	1,864,591,414
	5,084,624,222	3,731,085,245

SCHEDULE 9
Notes to the Accounts

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 Dean Witter & Co. (formerly known as Morgan Stanley Group Inc.), a corporation organised under the laws of the State of Delaware, United States of America. Morgan Stanley Dean Witter Investment Management Private Limited ("MSDWIM") (formerly known as Morgan Stanley Asset Management India Private Limited), incorporated under the Companies Act, 1956 of India, has been appointed as the asset management company.

2. Significant Accounting Policies

2.1 Basis of Accounting

The Fund maintains its books of account on an accrual basis.

2.2 Portfolio Valuation

Investments are stated at market/fairvalue at the Balance Sheet date/valuation date. In valuing the Fund's investments

- (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 prior to the valuation date. Npmari passu (new) shares are valued as above less the previous year's dividend, if any.
- (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.

MORGAN STANLEY MUTUAL FUND - MORGAN STANLEY GROWTH FUND
Schedules forming part of the Balance Sheet as at March 31, 2000 and the
Revenue Account for the year ended March 31, 2000

(iii) Non-traded securities, including those not traded within thirty days prior to the valuation date, are valued at fair value as determined in good faith by MSDWIM under procedures approved by the Board of Trustees.

2.3 Securities Transactions

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

2.4 Investment Income

Dividend and interest income are recorded on an accrual basis.

2.5 Repurchase of Units

In accordance with the permission granted by 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.

2.6 Issue Costs

Issue costs comprise those costs directly associated with the issue of units in the Fund and included lead managers' fees, brokerage/incentive fees on issue of units, advertising and marketing, registrar's fees and expenses and printing and despatch costs, which have been charged directly to Reserves.

2.7 Deferred Revenue Expenditure

Organisation costs incurred by the Fund have been deferred and amortised over a period of five years from the commencement of the Fund.

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

In accordance with the agreement between the Board of Trustees and MSDWIM, the Fund has provided for investment management and advisory fees payable to MSDWIM for managing the Fund at an annual rate of 1.25% of the average weekly net asset value recorded by the Fund up to Rs. 100crores and at an annual rate of 1% of the excess amount over Rs. 100crores. All costs, charges and expenses incurred by MSDWIM 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. The Chase Manhattan Bank provides certain accounting services to the Fund at no cost to the Fund.

5. Custodian Fees

Stock Holding Corporation of India Limited ("SHCIL") provides custodial services to the Fund. Custody fees are charged at 0.20% per annum for securities held by the custodian in the physical segment and at 0.03% per annum for securities held in the depository. Transaction fees for the purchase and sale transactions by value are charged at 0.20% in the physical segment subject to minimum of Rs 4,000 and maximum of Rs 10,000 per trade and at 0.05% in the depository segment. In addition, SHCIL will be reimbursed for the custody and transaction charges levied by National Securities Depository Limited as set from time to time.

6. Trusteeship Fees

In accordance with the agreement dated November 3, 1993 between Morgan Stanley Dean Witter & Co. ("the Settlor") (formerly known as Morgan Stanley Group Inc.) 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.

7. Aggregate Value of Purchases and Sales of Investments

During the year ended March 31, 2000 purchases and sales of investment securities aggregated Rs.8,510,696,805 and Rs. 9,379,773,472 respectively, being 65.67% and 72.38% of the average weekly net asset value.

8. Income/ Expenditure

The total income (including net profit on sale of investments and net change in unrealised appreciation in the value of investments) and total expenses for the year is Rs.5,607,662,380 and Rs.242396,464 respectively, being 43.27% and 1.87% of the average weekly net asset value.

MORGAN STANLEY MUTUAL FUND - MORGAN STANLEY GROWTH FUND
Schedules forming part of the Balance Sheet as at March 31, 2000 and the
Revenue Account for the year ended March 31, 2000

9. Historical Per Unit Statistics *

	April 1, 1999 to March 31,2000 Rs.	April 1, 1998 to March 31,1999 Rs.	April 1, 1997 to March 31,1998 Rs.
(a) Net asset value per unit at end of year	19.07	13.41	9.15
(b) (i) Gross income other than profit from sale of investments	0.25	0.15	0.12
(ii) Gross income from profit on inter scheme sales/transfer of investments	-	-	-
(iii) Gross income from profit on sale of investments to third parties	5.41	1.64	-
(iv) Transfer of revenue account from past year's reserve	-	-	-
Gross income and gains	5.66	1.79	0.12
(c) Aggregate of expenses and netrealised losses	0.32	0.19	1.67
(d) Net income/ (loss) (b) - (c)	5.34	1.60	(1.55)
(e) Net change inunrealised appreciation/depreciation in value of investments	1.80	2.40	2.51
(f) Repurchase price (market buyback)			
(i) Highest	17.11	6.30	7.90
(ii) Lowest	10.11	5.99	5.85
(g) Resale price			
(i) Highest	Not Applicable	Not Applicable	Not Applicable
(ii) Lowest	Not Applicable	Not Applicable	Not Applicable
(h) Market price			
(i) Highest	17.50	9.00	9.50
(ii) Lowest	6.05	3.25	5.50
(i) Price earning ratio**	2.85	4.53	Not Applicable
(j) Ratio of expenses (excluding deferred revenue expenditure amortised and net loss on sale of investments) to average net assets	1.87%	1.87%	1.95%
(k) Ratio of gross income (including net profit on sale of investments and net change inunrealised appreciation/ depreciation in value of investments) to average net assets	43.27%	41.69%	12.83%

*** The above per unit calculations with the exception of the net asset value per unit are based on the weighted average number of units in issue over the relevant year.**

**** Price earning ratio has been calculated based on closing market price at the end of the relevant year and earnings per share represented by excess of income and gains over expenses and losses and weighted average number of units in issue over the relevant year.**

10. 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.

K. H. VACHHA
Partner
For and on behalf of
PRICE WATERHOUSE
Chartered Accountants

For Morgan Stanley Mutual Fund

ABID HUSSAIN Trustee	J.S.BAIJAL Trustee
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**For Morgan Stanley Dean Witter
Investment Management Private Limited**

B.RAI Trustee	PAUL M.MARTIN Director
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MORGAN STANLEY MUTUAL FUND - MORGAN STANLEY GROWTH FUND
Statement Of Portfolio Holding as at March 31, 2000
(Referred to in Schedule 1 to the Balance Sheet as at March 31, 2000 and the Revenue Account for the year ended March 31, 2000.)

Quantity	Company Name	Market Value (Rs.)	Rs.	Quantity	Company Name	Market Value (Rs.)	Rs.
EQUITY SHARES (99.95%)				818,200	Samtel Colour	50,482,940	
				91,300	Samtel Electron	7,212,700	549,794,015
Appliances & Household Durables (0.11%)				Energy Equipment & Services (0.51%)			
169,405	Carrier Aircon	15,246,450	15,246,450	146,100	Amar Raja Batteries	15,924,900	
Automobiles (13.34%)				200,400	Jyoti Structural	10,901,760	
197,300	Asahi India Safety Glass	71,126,650		322,500	Honda SIEL	26,428,875	
590,050	Denso India	10,768,413		241,067	Thermax India	19,888,028	73,143,563
469,203	Escorts	69,442,044		Financial Services (3.68%)			
902,215	Hero Honda	875,148,550		1,338,950	HDFC	510,675,530	
108,641	MRF	149,625,817		155,000	Tata Finance	13,244,750	523,920,280
103,900	Rane Brakes & Lining	9,351,000		Health & Personal Care (7.13%)			
92,600	Rane Madras	7,245,950		106,836	Abbot Laboratories	57,691,440	
182,800	Shanthi Gears	8,408,800		142,800	Britannia Industries	88,536,000	
114,420	Sundaram Brake Lining	23,970,990		309,510	Cipla	345,397,685	
260,450	Sundaram Fastener	143,247,500		246,703	Colgate Palmolive	35,796,605	
3,095,390	TELCO	419,115,806		230,755	Dabur	189,046,034	
331,500	TVS Suzuki	109,395,000	1,896,846,520	119,458	E Merck	37,031,980	
Banking (0.93%)				215,100	Lupin Laboratories	83,243,700	
518,600	HDFC Bank	132,761,600	132,761,600	312,078	Reckitt & Coleman	65,598,796	
Beverages & Tobacco (0.91%)				282,500	Stride Arcolab	105,655,000	
175,603	I T C	129,068,205	129,068,205	22,500	Wyeth Lederle	6,098,625	1,014,095,865
Broadcasting & Publishing (12.91%)				Industrial Components (0.34%)			
250,000	Chandamama *	4,250,000		349,100	Esab India	12,916,700	
60,000	Cinevista Communications *	18,000,000		180,918	IBIL Technologies *	1,977,434	
148,100	New Delhi Television *	19,993,500		151,630	ITW Signode	10,272,933	
1,754,290	Zee Telefilms	1,792,884,380	1,835,127,880	248,750	KSB Pump	23,880,000	49,047,067
Building Materials & Components (0.86%)				Machinery & Engineering (1.08%)			
280,981	Asian Paints	119,416,925		321,900	Alfa Laval (India)	52,711,125	
64,188	Vesuvius Industries	3,084,233	122,501,158	147,000	Elgi Equipments	30,135,000	
Chemicals (1.64%)				895,220	Hindustan Power Plus	18,307,249	
177,900	Agrevo India	74,718,000		155,643	LG Balkrishna Bros.	7,470,864	
215,536	Castrol India	66,169,552		248,400	NRB Bearing	20,368,800	
275,400	Excel Industries	38,556,000		208,250	Rane Engines Valves *	13,494,600	
239,700	Foseco India	40,269,600		6,960	Widia India	11,156,880	153,644,518
62,755	Punjab Chemicals	4,016,320		Materials & Commodities (2.23%)			
222,675	Sudarshan Chemicals	9,897,904	233,627,376	199,046	Essel Packaging	83,599,320	
Data Processing & Software (36.77%)				331,410	Gujarat Ambuja Cement	69,844,658	
150,000	Federal Technology	26,250,000		1,954,890	Hindustan Zinc	17,203,032	
46,400	Hughes Software	163,232,880		1,079,700	NALCO	55,064,700	
279,351	Indiainfo.Com*	53,635,392		2,032,600	Oil Country Tubular	22,358,600	
432,550	Infosys Technologies	3,850,538,473		85,400	Vikas WSP	69,366,150	317,436,460
170,554	SSI	756,313,185		Miscellaneous (0.02%) **			
120,500	Subex Systems	195,390,750		150,000	Aldrich Pharmaceuticals *	0	
107,973	Tata Infotech	43,223,391		1,367	Bajaj Tempo	317,349	
18,407	Visualsoft	139,855,060	5,228,439,131	800	Centak Chemicals	89,960	
Electricals & Electronics (3.86%)				2,000	Crompton Greaves	76,600	
2,614,225	Bharat Heavy Electricals	326,778,125		100	Cyanamid Agro	13,525	
156,300	Control & Switchgear *	7,815,000		202,500	Dharti Dredging *	0	
394,750	Cummins India	157,505,250		340,000	Eastern Medikit *	0	

MORGAN STANLEY MUTUAL FUND - MORGAN STANLEY GROWTH FUND
Statement Of Portfolio Holding as at March 31, 2000
(Referred to in Schedule 1 to the Balance Sheet as at March 31, 2000 and the Revenue Account for the year ended March 31, 2000.)

Quantity	Company Name	Market Value (Rs.)	Rs.	Quantity	Company Name	Market Value (Rs.)	Rs.
1260	IPCL	76482		111,016	VSNL	204,269,440	566,544,440
2,058	ITC Bhadrachalam	74,088			Textiles & Apparel (0.26%)		
200	ITC Hotels	14,020		99,700	Pearl Global	1,106,670	
150	Madura Coats	3,082		222,300	Shoppers Stop *	35,568,000	36,674,670
650	Mahavir Spinning	32,825			Transportation - Road & Rail (2.06%)		
135	Max India	80,730		1,918,997	Container Corporation of India	293,414,641	293,414,641
280	Motherson Sumi	33,250			Total (Cost Rs.9,124,741,444)		<u>14,216,604,315</u>
550	NIIT	1,128,050			UNITS OF MUTUAL FUNDS (0.01%)		
340,000	Patheja Brothers & Forging *	0		82,200	UTI Master Gain	1,019,280	1,019,280
680	Phillips India	73,440			Total (Cost Rs.1,064,166)		<u>1,019,280</u>
100	RS Software	39,340			NON-CONVERTIBLE DEBENTURES (0.04%)		
20	Sandvik Asia	16,000		581,000	Shri Ishar Alloys *	4,496,940	
290,000	Shaily Engineering *	0		26,100	Textool Industries *	1,377,297	5,874,237
45,000	Sri Venkatesa Mills *	0			Total (Cost Rs.13,068,000)		<u>5,874,237</u>
2,810	State Bank of India	565,091			TOTAL INVESTMENTS AT MARKET VALUE		<u><u>14,223,497,832</u></u>
2,000	Tamilnadu Newsprint	48,600			(Cost Rs.9,138,873,610)		
70,500	Targoff Drugs *	0					
50	Trent	4,475	2,686,907				
	Multi Industry (1.32%)						
1,853,843	Indo Gulf Fertilizer	77,397,945					
383,856	Larsen & Toubro	110,358,600	187,756,545				
	Power (0.41%)						
873,297	Tata Power	58,729,223	58,729,223				
	Recreation & other Consumer Goods (5.60%)						
381,825	Bata India	41,618,925					
483,172	Indian Hotels	117,410,796					
311,877	Smithkline Beecham Consumer	124,750,800					
1,009,915	Tata Tea	387,807,360					
1,000,500	Timex Watches	15,957,975					
1,135,573	Titan Industries	102,201,570					
252,500	VIP Industries	6,350,375	796,097,801				
	Telecommunications (3.98%)						
1,200,000	Global Electronic Commerce Services *	300,000,000					
265,000	MTNL	62,275,000					

*Fair value as determined in good faith by Morgan Stanley Dean Witter Investment Management Private Limited under procedures approved by the Board of Trustees.

**Individual securities with holding less than 5,000 shares or value less than Rs.500,000.

Confirmation has been received from Stock Holding Corporation of India Limited at theyear end of the investments held by them.

MSGF Per Unit Assets and liabilities at 31 March 31, 2000

ASSETS

Equities	19.77
Fixed Income Securities	0.01
Deposits	0.00
Other Current Assets	0.53

Total Assets Marked to Market **20.31**

LIABILITIES 1.24

NET ASSESTS VALUE **19.07**

Capital 10.00

Net Reserves 9.07

NET ASSET VALUE **19.07**

Mutual Fund :

MORGAN STANLEY MUTUAL FUND

Trustees:

ABID HUSSAIN

J.S.BAIJAL

B.RAI

B.M.BIGGS

H.J.SCHAAFF

Scheme :

MORGAN STANLEY GROWTH FUND

Asset Management Company :

MORGAN STANLEY DEAN WITTER
INVESTMENT MANAGEMENT PRIVATE
LIMITED

Custodian :

STOCK HOLDING CORPORATION
OF INDIA LIMITED

Registrar & Transfer Agent :

KARVY CONSULTANTS LIMITED

Legal Advisor :

LITTLE & CO.

Auditor :

PRICE WATERHOUSE

Banker :

STANDARD CHARTERED BANK

On written request and on payment of a nominal fee, present and prospective unit holders can obtain a copy of the trust deed, the annual report and the offering circular.

