

Morgan Stanley Growth Fund

Name of the Mutual Fund : MORGAN STANLEY MUTUAL FUND
Name of the Scheme : MORGAN STANLEY GROWTH FUND

Half Yearly Portfolio Statement for the period ended September 30, 2007
Pursuant to the provisions of Regulation 59A of the Securities and
Exchange Board of India (Mutual Funds) Regulations, 1996

Sr. No.	Name of the Instrument	Industry@	Quantity	Mkt. Value (Rs. in Lakhs)	% to NAV
FOREIGN SECURITIES					
American Depository Receipts					
1	HDFC Bank ADRs	Banks	189,800	8,091	2.21%
2	Infosys Technologies ADRs	Software	83,500	1,608	0.44%
	Total		273,300	9,699	2.65%
INDIAN SECURITIES					
Equity & Equity Related -					
(a) Listed / Awaiting listing on Stock Exchanges					
1	ABB Limited	Industrial Capital Goods	2,181,320	28,280	7.74%
2	Bharti Airtel Limited	Telecom - Services	2,700,578	25,383	6.94%
3	Bharat Heavy Electricals Limited	Industrial Capital Goods	1,101,566	22,438	6.14%
4	HDFC Bank Limited	Banks	1,195,518	17,163	4.69%
5	Infosys Technologies Limited	Software	905,836	17,145	4.69%
6	Aban Offshore Limited	Oil	454,930	15,943	4.36%
7	Axis Bank Limited	Banks	1,707,500	13,055	3.57%
8	Reliance Industries Limited	Petroleum Products	454,000	10,433	2.85%
9	Maruti Udyog Limited	Auto	1,044,500	10,432	2.85%
10	Zee Entertainment Enterprises Limited	Media & Entertainment	3,025,315	10,342	2.83%
11	Glenmark Pharmaceuticals Limited	Pharmaceuticals	2,288,056	9,666	2.64%
12	Praj Industries Limited	Industrial Capital Goods	3,789,000	8,997	2.46%
13	NTPC Limited	Power	4,339,400	8,416	2.30%
14	Pantaloon Retail (India) Limited	Retailing	1,533,500	8,281	2.27%
15	Steel Authority Of India Limited	Ferrous Metals	3,816,000	7,905	2.16%
16	Deccan Chronicle Holdings Limited	Media & Entertainment	3,675,000	7,442	2.04%
17	HCL Technologies Limited	Software	2,299,400	6,911	1.89%
18	Nestle India Limited	Consumer Non Durables	497,000	6,581	1.80%
19	Jyoti Structures Limited	Power	2,750,000	6,146	1.68%
20	Welspun Gujarat Stahl Rohren Limited	Ferrous Metals	1,854,000	5,489	1.50%
21	Geodesic Information Systems Limited	Software	2,862,588	5,446	1.49%
22	Reliance Communication Limited	Telecom Service	910,500	5,342	1.46%
23	Marico Industries Limited	Consumer Non Durables	8,614,730	5,225	1.43%
24	Phoenix Mills Limited	Construction	252,000	4,997	1.37%
25	Wipro Limited	Software	1,046,486	4,816	1.32%
26	Ashok Leyland Limited	Auto	10,196,000	4,644	1.27%
27	Cairn India Limited	Oil	2,434,000	4,408	1.21%
28	Gujarat Fluorochemicals Limited	Gas	705,960	4,200	1.15%
29	Gujarat Ambuja Cements Limited	Cement	2,894,500	4,183	1.14%
30	Ess Dee Aluminium Limited#	Industrial Products	867,577	4,165	1.14%
31	Container Corporation of India Limited	Transportation	193,971	4,084	1.12%
32	Biocon Limited	Pharmaceuticals	847,277	4,008	1.10%
33	Gvk Power & Infrastructure Limited	Power	606,927	3,988	1.09%
34	New Delhi Television Limited	Media & Entertainment	1,020,250	3,862	1.06%
35	Punjab National Bank Limited	Banks	695,718	3,775	1.03%
36	Jagran Prakashan Limited	Media & Entertainment	661,202	3,743	1.02%
37	Television Eighteen India Limited	Media & Entertainment	412,250	3,733	1.02%
38	Mahindra & Mahindra Limited	Auto	483,800	3,638	1.00%
39	Shree Cement Limited	Cement	219,478	3,343	0.91%
40	Emco Limited	Industrial Capital Goods	274,162	3,063	0.84%
41	Aventis Pharma Limited	Pharmaceuticals	249,000	2,920	0.80%
42	Balkrishna Industries Limited	Auto Ancillaries	466,518	2,733	0.75%
43	Hindustan Zinc Limited	Non - Ferrous Metals	309,233	2,508	0.69%
44	Hindustan Construction Company Limited	Construction	1,549,900	2,123	0.58%
45	Himatsingka Seide Limited	Textiles - Silk	1,677,148	1,693	0.46%
46	Tata Consultancy Services Limited	Software	103,000	1,092	0.30%
47	SRF Limited	Auto Ancillaries	503,800	732	0.20%
48	Software Solutions India Limited	Software	187,991	269	0.07%
49	Hero Honda Motors Limited	Auto	750	6	*
	Total		82,859,135	345,187	94.42%
(b) Unlisted **					
1	Eastern Medikit	Pharmaceuticals	340,000	-	*
2	Pathaja Brothers Forging & Stamping	Industrial Products	340,000	-	*
	Total		680,000	-	-
Money Market Instruments					
1	Reverse Repos			2,936	0.80%
2	91 day Treasury- Bill 21 December 2007		5,410,250	5,324	1.46%
3	91 day Treasury- Bill 30 November 2007		4,000,000	3,954	1.08%
	Total		9,410,250	12,214	0.03
Others -					
	Cash and Current Assets			(1,511)	-0.41%
	Total			(1,511)	-0.41%
GRAND TOTAL			365,589	100.00%	
@ Industry classification as recommended by AMFI					
* indicates percentage to Net Asset Value for that security is less than 0.01%.					
** indicates thinly traded / non traded and illiquid Securities as defined in SEBI Regulations and Guidelines.					
# indicates private placement 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 in respect of the following:					
Type	Company Name	No. of Shares	Fair Value (Rs.)		
Privately Placed Equity Shares	ESS DEE Aluminium	145,279	73,500,830.14		
Privately Placed Equity Shares	ESS DEE Aluminium	635,000	295,216,262.50		
Notes: (1) The provision made for Non Performing Assets as of September 30, 2007 is NIL and its percentage to Net Asset Value is NIL. (2) Aggregate value of illiquid equity shares of the fund amounts to Rs. NIL and their percentage to Net Asset Value is NIL. (3) Net Asset Value as at March 31, 2007 is Rs. 47.56 per unit and as at September 30, 2007 is Rs. 60.91. The scheme has not declared any dividend or bonus during the half year ended September 30, 2007. (4) During the period, there was no exposure in derivative products (5) Total market value of Investments in American Depository Receipts of Indian Companies as at September 30, 2007 is Rs. 969,835,042. (6) During the current half-year, the portfolio turnover ratio for the scheme is 0.37. The portfolio turnover ratio has been calculated by dividing A by B (details given below) A : The number as obtained by division of Sum of Total Purchases and Total Sales for the half year ended September 30, 2007 by 2. B : The number as obtained by division of sum of Market Values of Portfolio as on March 31, 2007 and as on September 30, 2007 by 2.					

Unaudited Half Yearly Financial Results for the period ended September 30, 2007
Pursuant to the provisions of Regulation 59 of the Securities and
Exchange Board of India (Mutual Funds) Regulations, 1996

Sr. No.	Particulars	Morgan Stanley Growth Fund	
1.1	Unit Capital at the beginning of the half-year period	(Rs in Crores) 600.18	
1.2	Unit Capital at the end of the period	(Rs in Crores) 600.18	
2	Reserves & Surplus	(Rs in Crores) 3,055.70	
3.1	Total Net Assets at the beginning of the half-year period	(Rs in Crores) 2,854.18	
3.2	Total Net Assets at the end of the period	(Rs in Crores) 3,655.89	
4.1	NAV at the beginning of the half-year period	(Rs) 47.56	
4.2	NAV at the end of the period	(Rs) 60.91	
4.3	Dividend paid per unit during the half-year	(Rs) 0.00	
INCOME			
5.1	Dividend	(Rs in Crores) 12.19	
5.2	Interest	(Rs in Crores) 4.08	
5.3	Profit/(Loss) on sale/redemption of investments (other than inter scheme transfer/sale)	(Rs in Crores) 266.39	
5.4	Profit/(Loss) on inter-scheme transfer/sale of investments	(Rs in Crores) -	
5.5	Other Income (Gain on Foreign Currency operations)	(Rs in Crores) (3.07)	
5.6	Total Income (5.1 to 5.5)	(Rs in Crores) 279.58	
EXPENSES			
6.1	Management Fees	(Rs in Crores) 16.25	
6.2	Trustee Fees	(Rs in Crores) 0.08	
6.3	Total Recurring Expenses (including 6.1 and 6.2)	(Rs in Crores) 22.50	
6.4	Investments/Miscellaneous Receivables written off / (written back)	(Rs in Crores) (0.21)	
6.5	Percentage of Management Fees to daily average net assets #	(%) 1.01	
6.6	Total Recurring expenses as a percentage of daily average net assets #	(%) 1.40	
7.1	Returns during the half-year * [(+) (-)]	[%] 28.05	
7.2	Compounded Annualised yield in case of schemes in existence for more than 1 year **		
	(i) Last 1 year	[%] 34.47	
	(ii) Last 3 years	[%] 43.81	
	(iii) Last 5 years	[%] 43.45	
	(iv) Since the launch of the scheme (6th January 1994)	[%] 15.93	
8.1	Returns on BSE Sensex (Benchmark Index for MSGF) during the half-year	[%] 32.27	
8.2	Compounded Annualised yield on BSE Sensex		
	(i) Last 1 year	[%] 38.84	
	(ii) Last 3 years	[%] 45.76	
	(iii) Last 5 years	[%] 42.03	
	(iv) Since the launch of the scheme (6th January 1994)	[%] 11.06	
9.1	Returns on BSE 100 (Benchmark Index for MSGF) during the half-year	[%] 36.13	
9.2	Compounded Annualised yield on BSE 100		
	(i) Last 1 year	[%] 41.70	
	(ii) Last 3 years	[%] 44.08	
	(iii) Last 5 years	[%] 43.46	
	(iv) Since the launch of the scheme (6th January 1994)	[%] 11.62	
10	Provision for Doubtful Income/Debts	(Rs in Crores) 0.00	
11	Payments to associate/group companies (if applicable)	(Rs in Crores) -	
12	Investments made in associate/group companies (if applicable)	(Rs in Crores) --	
* Considering movement of NAV during the half-year and after adjustment of dividend, bonus, etc, if any.			
** For the calculation of compounded annualised yield, the procedure prescribed in Standard Offer Document is followed. All Performance calculations is based only on NAV and payout to unit holders. The calculations of returns assume that all payouts during the period has been reinvested in the units of the scheme at the then prevailing NAV.			
# Indicates annualised for the period			
Notes : 1 For the period ended September 30, 2007 Morgan Stanley Growth Fund has invested 2.65 % of its Net Assets in American Depository Receipts of Indian Companies. 2 No changes have been carried out in the accounting policies during the half-year period. 3 Disclosure Under Regulation 25(8) of the Securities And Exchange Board Of India (Mutual Funds) Regulations, 1996 As Amended. During the half-year ended September 2007 Morgan Stanley Investment Management India Pvt. Ltd. (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 SEBI Regulations. However, during the period the Fund subscribed to the issue of equity shares of the following companies where Morgan Stanley India Company Private Limited (formerly known as JM Morgan Stanley Private Limited), an associate of MSIMPL was the lead manager/co-manager to these issue. The subscriptions were made through non affiliate entities as given below.			
	Name of Company	Entities through whom investment made	Amount Invested (Rs. in Crores)
	HDFC ADR	Merill Lynch	49.93
	PHOENIX MILLS	IL&FS	50.40
4 In terms of Regulation 25(11) of SEBI Regulations, no investments have been made in companies, which have invested more than 5% of the NAV of the Scheme. 5 No unit holders hold over 25% of the NAV of the Scheme as at September 30, 2007. 6 The Scheme has not declared any bonus, not borrowed any money, not invested in derivative products during the half-year period and has no deferred revenue expenditure.			

Name of the Mutual Fund - Morgan Stanley Mutual Fund

Name of the Scheme - Morgan Stanley Growth Fund

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.

Dividend History

Record Date	Date of Declaration	Dividend per unit	NAV as of	NAV per unit
July 09, 1999	June 23, 1999	0.75	June 25, 1999	12.83
April 29, 2000	April 18, 2000	0.75	April 20, 2000	16.60
June 11, 2001	June 4, 2001	1.00	June 06, 2001	10.72
May 13, 2004	April 28, 2004	1.50	April 29, 2004	21.82
October 27, 2006	October 13, 2006	2.00	October 16, 2006	46.88

Unit holders who have either not received or encashed their dividend warrants are requested to forward a duly signed written request to Karvy Computershare Private Limited, at the address mentioned herein, indicating the details of their investment in the fund.

Registrars to the Fund : Karvy Computershare Private Limited

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

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 securities market. 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 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. Investors in the Scheme are not being offered a guaranteed or assured rate of return. 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.

Statutory Details

Morgan Stanley Mutual Fund has been set up as a Trust by Morgan Stanley (liability restricted to the seed corpus contributed). The Board of Trustees of Morgan Stanley Mutual Fund have appointed Morgan Stanley Investment Management Private Limited as the asset management company.

