

Deutsche Mutual Fund

Annual Report 2004-2005



Sponsors

Deutsche Asset Management (Asia) Limited
Registered Office :
20 Raffles Place, #27-01 Ocean Towers,
Singapore 048620

Asset Management Company

Deutsche Asset Management (India) Private Limited
Registered & Corporate Office :
DB House, Hazarimal Somani Marg,
Fort, Mumbai 400 001

Trustee

Deutsche Trustee Services (India) Private Limited
Registered Office :
DB House, Hazarimal Somani Marg,
Fort, Mumbai 400 001

Custodian

JP Morgan Chase Bank
Mafatlal Centre, 9th Floor,
Nariman Point, Mumbai 400 021

Registrars & Transfer Agents

Karvy Computershare Private Limited
46, Road No. 4, Street No. 1,
Banjara Hills, Hyderabad 500 034

Auditors to the Fund & Tax Advisors

Price Waterhouse
1102/1107 Raheja Chambers,
Nariman Point, Mumbai 400 021

Advocates & Solicitors to the Fund

Little & Co.
Central Bank Building,
Mahatma Gandhi Road, Mumbai 400 023

Board of Directors of the Trustee Company

Mr. Gunit Chadha - Chairman

Mr. Choy Peng Wah

Mr. M. H. Kania

Mr. A. S. Mitra

Mr. Y. B. Desai

Mr. Debabrata Bhadury

Board of Directors of the Asset Management Company

Mr. K. M. Gherda - Chairman

Mr. V. P. Gokhale

Mr. Dileep C. Choksi

Mr. Carl Saldanha

Mr. Peter Noel Sampson Hanbury

Mr. Sandeep Dasgupta

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Trustee Report

Dear Investor,

It gives us great pleasure to welcome you to Deutsche Mutual Fund - India. The fund which was launched in January 2003 has now successfully completed two years.

- **Constitution of the Fund**

Deutsche Mutual Fund ("the Mutual Fund" or "the Fund") had been constituted as a Trust in accordance with the provisions of the Indian Trusts Act, 1882 (2 of 1882) vide a Trust Deed dated May 29, 2002. The Fund has been registered with SEBI vide registration number MF/047/02/10 dated 28th October 2002. The office of the Mutual Fund is at DB House, Hazarimal Somani Marg, Fort, Mumbai 400 001. Deutsche Trustee Services (India) Private Limited ("DTS") is the trustee to the fund and Deutsche Asset Management (India) Private Limited ("DeAM") has been appointed as Asset Management Company to the Mutual Fund Vide Investment Management Agreement dated 29th May 2002.

- **Sponsor**

Deutsche Asset Management (Asia) Limited ("DeAM Asia") is the sponsor for the Deutsche Mutual Fund. DeAM Asia was incorporated in 1987 and is headquartered in Singapore.

Deutsche Asset Management is one of the largest fund manager globally providing asset management capabilities to a variety of clients worldwide, including foundations, non-profit organisations, public and private superannuation funds, high-net-worth individuals and retail investors. As at June 2005, Deutsche Asset Management had over US\$ 723.37 billion of assets under management.

The Year that was 2004 – 2005

Equity:

India's GDP grew by 6.9% in FY 2005. Current account for FY05 went into deficit after a record three years of current account surplus. The parliament elections in the month of May 2004 resulted in a smooth change in the Central Government with a Congress-led, Left Parties supported coalition taking over from the BJP-led NDA coalition. While markets reacted nervously in the initial months, the new team comprising of Prime Minister Manmohan Singh and Finance Minister P Chidambaram enthused the markets. There is now a new hope that economic reforms would now be accelerated and the economy can now grow at even faster rate.

The Indian equity markets remained volatile in the year FY05. In the month of May 2004, the BSE Sensex declined by almost 800 points on a single day, creating a history of sorts. Recovery was also equally swift and by November 2004, the fresh FII interest in Indian equities started pushing the indices into new zones. Mid cap stocks have been the star performers and the FIIs have also taken significant interest in this segment. Another significant change is the increasing investment by global funds in Indian equities. India was always looked upon as a good bottom up story by Asian funds. But the strong macro economic data has made India a good top down story which has made global funds allocate increasing percentage of their assets to India.

Debt:

The Year 2004-05, will be remembered by bond traders as one of the most volatile periods in recent times. After almost seven years of relentless fall in interest rates, the interest rate cycle finally reversed in India. 10-year bond yields rose during the year by 160 bps to close at 6.70% as against 5.10% at the end of the year. Rising inflation, volatile oil prices, sharp pick up in credit demand, rate hike by US Federal Reserve were the factors which led to RBI adopting a tightening stance on monetary policy. Wholesale price inflation rose sharply during the year to touch a high of 8.3% in August'04 from around 4.5% in April'04. RBI raised the CRR and repo rate during the year in a bid to control inflation. Slew of measures from RBI and some softening in commodity prices helped control the inflation in the later part of the year. By end of the year WPI inflation had declined to around 5.0%.

Rising interest rates affected the returns for bond fund investors as well. As long bond funds suffered volatility in returns due to volatile bond prices, investors switched safety of liquid and floating rate funds, which tend to have steady earnings. The funds have done reasonably well in a volatile market. As you may be aware, our bond fund won the silver award for strong performance (Year 2004) from ICRA.

Market Outlook for 2005 – 2006

Equity:

The economy continues to power ahead and the GDP is expected to grow at 7% this year. The manufacturing sector is expected to grow strongly with IIP touching a 9 year high. The monsoons have been excellent this year and all key reservoirs have recorded good levels of water. We feel that this should have a beneficial impact on rabi (the winter) crop. Rural consumption is expected to be a new engine of growth for the economy. We also expect infrastructure investments to be stepped up. The only risk to growth arises from high crude prices. While the economy has been shielded so far from the impact of higher energy prices, the present situation of artificially low petro product prices cannot be expected to continue forever.

Debt:

Some of the difficulties faced by the bond markets in last one year appear to have subsided now. Inflation after a volatile phase last year, seems to be settling down. After the sharp reversal last year, the bond traders are a cautious lot now. Worries however remain on account of uncertain oil prices and apparent resolve by US Federal Reserve to hike rates for some more time.

We however believe that the volatility going forward is likely to be less than that witnessed last year. Investors will do well to choose a fund according to their investment horizon and investment objective.

Trustee Report

About the funds

During the period 2004-2005, the Fund launched one new scheme namely Deutsche Fixed Term Fund (March 2005) and added an Institutional Plan to the existing Deutsche Insta Cash Plus Fund (June 2004).

Equity Funds:

Deutsche Alpha Equity Fund

The Investment objective of the scheme is to generate long-term capital growth from a diversified portfolio of equity and equity related securities of companies registered in, and/or listed on a regulated market of India. The Scheme invests in companies across a range of market capitalisations with a preference for medium and large companies.

It is a diversified equity fund launched in January 2003. The fund outperformed its benchmark (NSE Nifty) over the last one year.

As of August 22, 2005 the fund had a corpus of Rs. 81.70 Crores.

Deutsche Investment Opportunity Fund

The Investment objective of the scheme is to generate capital appreciation on the portfolio over a long term by actively investing in different asset classes as per market conditions. The investment manager has the discretion to invest upto 100% of the assets in the portfolio in equity market/equity related instruments at a given point of time however the equity allocation may fall to as low as 5% under certain circumstances, in which case, the fund shall be invested in debt and money market instruments at its discretion.

It is a dynamic allocation scheme launched in January 2004. The fund outperformed its benchmark (BSE 200) over the last one year.

As of August 22, 2005 the fund had a corpus of Rs. 10.47 Crores.

Debt Funds:

Deutsche Premier Bond Fund

The investment objective of the Scheme is to provide regular income by investing in debt securities including bonds and money market instruments.

The scheme was launched in January 2003 with Institutional and Regular Plans. Both the plans of the fund outperformed its benchmark (CRISIL Composite Bond Fund Index) over the last one year. However, the Institutional Plan was wound up in April 2005 in accordance with the SEBI regulations.

As of August 22, 2005 the fund had a corpus of Rs. 9.28 Crores.

Deutsche Short Maturity Fund

The investment objective of the Scheme is to generate steady returns with low to medium market risk for investors by investing in a portfolio of short – medium term debt and money market securities.

The scheme was launched in January 2003. The fund outperformed its benchmark (CRISIL Short Term Bond Fund Index) over the last one year.

As of August 22, 2005 the fund had a corpus of Rs. 313.77 Crores.

Deutsche Insta Cash Plus Fund

The investment objective of the scheme is to generate steady returns with high liquidity by investing in a portfolio of short-term, high quality money market and debt instruments.

The scheme was launched in January 2003 and the Institutional Plan was introduced in June 2004. Both the plans of the fund outperformed its benchmark (CRISIL Liquid Fund Index) since inception.

As of August 22, 2005 the fund had a combined corpus of Rs. 1329.07 Crores.

Deutsche Fixed Maturity Plan

The investment objective of the Scheme is to generate steady returns with low to medium market risk for investors by investing in a portfolio of short –medium term debt and money market securities.

The scheme was launched in March 2003 and matured in April 2004.

Deutsche Dynamic Bond Fund

The investment objective of the Scheme is to actively manage a portfolio of good quality debt as well as money market instruments so as to provide reasonable returns and liquidity to the Unitholders.

The scheme was launched in October 2003 with Institutional and Regular Plans. The Institutional Plan was wound up in line with the SEBI regulations in December 2004. The Regular Plan outperformed its benchmark (CRISIL Composite Bond Fund Index) over the last one year.

As of August 22, 2005 the fund had a corpus of Rs. 0.23 Crores.

Deutsche Floating Rate Fund

The investment objective of the Scheme is to provide income consistent with the prudent risk from a portfolio comprising substantially of floating rate debt instruments, fixed rate debt instruments swapped for floating rate returns and also fixed rate & money market instruments.

Trustee Report

The scheme was launched in October 2003. The fund outperformed its benchmark (CRISIL Liquid Fund Index) over the last one year. As of August 22, 2005 the fund had a corpus of Rs. 970.41 Crores.

Deutsche MIP Fund

The investment objective of the Scheme is to generate regular income (No Assured Return) in order to make regular dividend payments and growth of capital.

The scheme was launched in January 2004 with two plans having equity exposure of 20% & 10% respectively. Both the plans of the fund outperformed its benchmark (CRISIL MIP Blended Index) over the last one year.

As of August 22, 2005 the fund had a combined corpus of Rs. 24.84 Crores.

Deutsche Fixed Term Fund

The investment objective of the Scheme is to generate regular income by investing into high quality fixed/floating rate securities, normally maturing in line with the time profile of the Fund.

The scheme was launched in March 2005.

As of August 22, 2005 the fund had a corpus of Rs. 137.60 Crores.

Deutsche Fixed Term Fund – Series 2

The investment objective of the Scheme is to generate regular income by investing into high quality fixed/floating rate securities, normally maturing in line with the time profile of the Fund.

The scheme was launched in June 2005.

As of August 22, 2005 the fund had a corpus of Rs. 168.20 Crores.

Deutsche Fixed Term Fund – Series 3

The investment objective of the Scheme is to generate regular income by investing into high quality fixed/floating rate securities, normally maturing in line with the time profile of the Fund.

The scheme was launched in August 2005.

As of August 22, 2005 the fund had a corpus of Rs. 179.19 Crores.

Investors may note that past performance may or may not be sustained in future and should not be used as basis of comparison with other investments. The performances have been calculated on Growth Option NAV. Since inception returns are calculated on Rs 10 invested on inception. Inception date is deemed as date of closing of the New Fund Offering.

Statutory Details

The price and redemption value of the units, and income from them, can go up as well as down with the fluctuations in the market value of its underlying investments.

On Written request present and prospective unitholder/investor can obtain a copy of the Trust Deed, the annual report and the text of the relevant schemes. A copy of the Annual report of the AMC shall be provided to the unitholders on request.

Liabilities and Responsibilities of Trustees

The Sponsor has appointed Deutsche Trustees Service (India) Private Limited as the Trustee for the Deutsche Mutual Fund. The Rights, Duties and Responsibilities of the Trustee shall be consistent with the Regulations and the Trust Deed. The Trustee shall discharge such duties and responsibilities as provided in the Regulations and the Trust Deed.

The Sponsor is not responsible or liable for any loss resulting from the operation of the schemes beyond the initial contribution of Rs. 1 lakh made by it towards setting up of Deutsche Mutual Fund.

For and On behalf of the Board of Directors,

Deutsche Trustee Services (India) Private Limited
(Trustee to Deutsche Mutual Fund)

Sd/-
Gunit Chadha
Chairman

Place : Mumbai
Date : 30th August, 2005

Notes:

A copy of the Annual Report of the Fund will be posted to all the unit holders.

The Annual results as placed before the Board of the Trustee Company was approved by the Board on August 30, 2005.

Auditors' Report

To the Trustee

DEUTSCHE MUTUAL FUND

1. We have audited the Balance Sheet of Deutsche Mutual Fund – Deutsche Alpha Equity Fund ("The Scheme") as at March 31, 2005 and the related Revenue Account for the year ended on that date, both of which we have signed under reference to this report. These financial statements are the responsibility of the Trustee of Deutsche Mutual Fund and the Management of Deutsche Asset Management (India) 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 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, 2005 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 statement 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 purpose of our audit. The Balance Sheet and the Revenue Account referred to above are in agreement with the books of account of the Scheme.
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 amendments thereto, as applicable, and also give respectively, a true and fair view of the state of affairs of Deutsche Mutual Fund – Deutsche Alpha Equity Fund as at March 31, 2005 and its net surplus for the year ended on that date.
 - (ii) The Balance Sheet as at March 31, 2005 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.

K. H. Vachha
Partner
Membership No. F/30798

For and on behalf of
Price Waterhouse
Chartered Accountants

Place : Mumbai
Date : August 30, 2005

Balance Sheet

as at March 31, 2005

	Schedule	March 31, 2005 Rupees	March 31, 2004 Rupees
Assets			
Investments	1	631,721,013	1,123,598,875
Other Current Assets	2	56,194,387	191,052,395
TOTAL		687,915,400	1,314,651,270
Liabilities			
Unit Capital	3	398,176,404	706,766,472
Reserves and Surplus	4	272,963,388	500,764,904
Current Liabilities and Provisions	5	16,775,608	107,119,894
TOTAL		687,915,400	1,314,651,270

Reconciliation of Net Asset Value Per Unit

	March 31, 2005			March 31, 2004		
	Growth Plan Rupees	Dividend Plan Rupees	Total Rupees	Growth Plan Rupees	Dividend Plan Rupees	Total Rupees
Net Assets as per Balance Sheet (Total Assets less Current Liabilities and Provisions) (Note 2.6)	138,780,496	532,359,296	671,139,792	339,510,363	868,021,013	1,207,531,376
Number of Units in Issue	5,377,804.835	34,439,835.680		16,146,067.225	54,530,580.036	
Net Asset Value per Unit	25.81	15.46		21.03	15.92	

Notes to the Financial Statements 8

The Schedules referred to herein form an integral part of the Financial Statements

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

K. H. VACHHA
Partner

For **Deutsche Trustee Services (India)
Private Limited**

For **Deutsche Asset Management (India)
Private Limited**

For and on behalf of
PRICE WATERHOUSE
Chartered Accountants

Gunit Chadha
Director

M. H. Kania
Director

Peter Noel Sampson Hanbury
Director

Sandeep Dasgupta
Director

Y. B. Desai
Director

A. S. Mitra
Director

Kersi M. Gherda
Director

Dileep Choksi
Director

Debabrata Bhadury
Director

Choy Peng Wah
Director

Vijay P. Gokhale
Director

Carl Saldanha
Director

Place: Mumbai
Date : August 30, 2005

Vinay Kulkarni
Portfolio Manager

Revenue Account

for the year ended March 31, 2005

	Schedule	April 01, 2004 to March 31, 2005 Rupees	April 01, 2003 to March 31, 2004 Rupees
Income And Gains			
Dividends (Note 2.4)		20,646,520	7,701,111
Interest and Discount	6	2,942,386	938,885
Net Profit on Sale of Investments [Net of Net Loss on Interscheme Sale of Investments Rs. Nil, (2004 - Rs. 1,000)] (Note 2.3)		175,301,931	198,023,934
Other Income		–	332,289
TOTAL		198,890,837	206,996,219
Expenses And Losses			
Investment Management and Advisory Fees (Note 3)		12,933,903	6,467,868
Trustee Fees and Expenses (Note 4)		105,652	51,985
Transfer Agent Fees and Expenses		1,280,749	678,059
Custodian Fees and Expenses (Note 5)		888,884	1,291,460
Audit Fees		188,033	188,033
Selling and Distribution Expenses		8,079,688	3,319,995
Other Operating Expenses		3,013,488	970,200
TOTAL		26,490,397	12,967,600
Less: Expenses to be Reimbursed by the Investment Manager (Note 7)		350,043	–
TOTAL		26,140,354	12,967,600
Net Surplus for the Year		172,750,483	194,028,619
Net Change in Unrealised (Depreciation) / Appreciation in Value of Investments	7	(15,873,836)	132,785,810
Net Surplus including Net Change in Unrealised (Depreciation) / Appreciation in Value of Investments		156,876,647	326,814,429

	April 01, 2004 to March 31, 2005			April 01, 2003 to March 31, 2004		
	Growth Plan Rupees	Dividend Plan Rupees	Total Rupees	Growth Plan Rupees	Dividend Plan Rupees	Total Rupees
Net Surplus including Net Change in Unrealised (Depreciation) / Appreciation in Value of Investments by Plan	9,496,662	147,379,985	156,876,647	149,190,130	177,624,299	326,814,429
Transfer From Reserve Fund	–	92,760,306	92,760,306	–	–	–
Transfer From Dividend Equalisation Reserve (Note 2.8)	(66,970,584)	3,154,894	(63,815,690)	22,713,461	73,547,210	96,260,671
Dividend Distributions	–	(184,575,387)	(184,575,387)	–	(124,505,446)	(124,505,446)
Balance Transferred to Reserve Fund	(57,473,922)	58,719,798	1,245,876	171,903,591	126,666,063	298,569,654

Notes to the Financial Statements 8
The Schedules referred to herein form an integral part of the Financial Statements

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

K. H. VACHHA
Partner

For **Deutsche Trustee Services (India)
Private Limited**

For **Deutsche Asset Management (India)
Private Limited**

For and on behalf of
PRICE WATERHOUSE
Chartered Accountants

Gunit Chadha
Director

M. H. Kania
Director

Peter Noel Sampson Hanbury
Director

Sandeep Dasgupta
Director

Y. B. Desai
Director

A. S. Mitra
Director

Kersi M. Gherda
Director

Dileep Choksi
Director

Debabrata Bhadury
Director

Choy Peng Wah
Director

Vijay P. Gokhale
Director

Carl Saldanha
Director

Place: Mumbai
Date : August 30, 2005

Vinay Kulkarni
Portfolio Manager

Schedules

forming part of the Balance Sheet as at March 31, 2005 and the Revenue Account for the year ended March 31, 2005

	March 31, 2005		March 31, 2004	
	Market / Fair Value Rupees	Cost Rupees	Market / Fair Value Rupees	Cost Rupees
Schedule 1				
Investments				
(Notes 2.2, 2.3, 8, 9 and 12)				
(Refer to the attached Statement of Portfolio Holding as at March 31, 2005)				
Equity Shares	631,721,013	525,937,248	1,123,598,875	1,001,941,274
TOTAL	631,721,013	525,937,248	1,123,598,875	1,001,941,274

	March 31, 2005 Rupees	March 31, 2004 Rupees
Schedule 2		
Other Current Assets		
Balance with Banks		
– in Current Account	55,390,233	32,242,246
– in Dividend Account (Note 13)	339,842	–
Sales Contracts Awaiting Completion - Equity Shares	–	11,330,984
Unit Subscription Receivable	100,000	229,000
Reverse Repos	–	147,190,806
Interest Receivable on Reverse Repos	–	57,518
Receivable from the Investment Manager	350,043	1,841
Tax Deducted at Source	14,269	–
TOTAL	56,194,387	191,052,395

	March 31, 2005		March 31, 2004	
	Rupees	Units	Rupees	Units
Schedule 3				
Unit Capital				
Growth Plan				
Issued and Subscribed:				
Units of Rs.10 each fully paid-up	273,771,925	27,377,192.500	273,771,925	27,377,192.500
Outstanding:				
At the beginning of the year	161,460,672	16,146,067.225	155,655,583	15,565,558.295
Issued during the year	280,706,004	28,070,600.411	421,133,161	42,113,316.115
	442,166,676	44,216,667.636	576,788,744	57,678,874.410
Redeemed during the year	388,388,628	38,838,862.801	415,328,072	41,532,807.185
At the end of the year	53,778,048	5,377,804.835	161,460,672	16,146,067.225
Dividend Plan				
Issued and Subscribed:				
Units of Rs.10 each fully paid-up	38,074,280	3,807,428.000	38,074,280	3,807,428.000
Outstanding:				
At the beginning of the year	545,305,800	54,530,580.036	24,031,017	2,403,101.731
Issued during the year	671,417,901	67,141,790.094	927,640,129	92,764,012.910
	1,216,723,701	121,672,370.130	951,671,146	95,167,114.641
Redeemed during the year	872,325,345	87,232,534.450	406,365,346	40,636,534.605
At the end of the year	344,398,356	34,439,835.680	545,305,800	54,530,580.036
TOTAL	398,176,404	39,817,640.515	706,766,472	70,676,647.261

Schedules

forming part of the Balance Sheet as at March 31, 2005 and the Revenue Account for the year ended March 31, 2005

	March 31, 2005			March 31, 2004		
	Growth Plan Rupees	Dividend Plan Rupees	Total Rupees	Growth Plan Rupees	Dividend Plan Rupees	Total Rupees
Schedule 4						
Reserves and Surplus						
Unit Premium Reserve (Note 2.7)						
At the beginning of the year	17,899,830	197,862,256	215,762,086	20,125	2,432	22,557
Added during the year	(35,573,321)	(100,713,765)	(136,287,086)	17,879,705	197,859,824	215,739,529
At the end of the year	(17,673,491)	97,148,491	79,475,000	17,899,830	197,862,256	215,762,086
Dividend Equalisation Reserve (Note 2.8)						
Added during the year	(66,970,584)	3,154,894	(63,815,690)	22,713,461	73,547,210	96,260,671
Transfer to Revenue Account	66,970,584	(3,154,894)	63,815,690	(22,713,461)	(73,547,210)	(96,260,671)
At the end of the year	-	-	-	-	-	-
Reserve Fund						
At the beginning of the year	160,149,861	124,852,957	285,002,818	(11,753,730)	(1,813,106)	(13,566,836)
Transfer to Revenue Account	-	(92,760,306)	(92,760,306)	-	-	-
Balance Transferred from Revenue Account	(57,473,922)	58,719,798	1,245,876	171,903,591	126,666,063	298,569,654
At the end of the year [including net unrealised appreciation in value of investments Rs.105,783,765 (2004 - Rs. 121,657,601)]	102,675,939	90,812,449	193,488,388	160,149,861	124,852,957	285,002,818
TOTAL	85,002,448	187,960,940	272,963,388	178,049,691	322,715,213	500,764,904

	March 31, 2005 Rupees	March 31, 2004 Rupees
Schedule 5		
Current Liabilities and Provisions		
Current Liabilities		
Investment Management and Advisory Fees	774,135	1,163,896
Trustee Fees and Expenses	6,193	9,146
Transfer Agent Fees and Expenses	83,698	116,054
Custodian Fees and Expenses	45,518	145,230
Audit Fees	188,033	188,033
Purchase Contracts Awaiting Completion - Equity Shares	9,281,678	96,901,674
Redemption of Units	3,095,294	4,515,670
Selling and Distribution Expenses	2,197,747	3,420,583
Inter Scheme payable for 'Switch Out'	-	111,444
Unclaimed Dividend (Note 13)	339,842	-
Unclaimed Redemption (Note 14)	55,264	-
Load Payable	-	299,419
Sundry Payables	708,206	248,745
TOTAL	16,775,608	107,119,894

Schedules

forming part of the Balance Sheet as at March 31, 2005 and the Revenue Account for the year ended March 31, 2005

	April 01, 2004 to March 31, 2005 Rupees	April 01, 2003 to March 31, 2004 Rupees
Schedule 6		
Interest and Discount		
(Note 2.4)		
Debentures / Bonds	44,568	195,195
Treasury Bills	9,288	-
Reverse Repos	2,818,920	640,792
Deposits	-	79,501
Commercial Paper	-	23,397
Others	69,610	-
TOTAL	2,942,386	938,885

Schedule 7

Unrealised (Depreciation) / Appreciation in Value of Investments

(Note 8)

Equity Shares		
At the beginning of the year	121,657,601	(11,128,209)
At the end of the year	105,783,765	121,657,601
Net change in unrealised (depreciation) / appreciation in value of investments during the year	(15,873,836)	132,785,810

Schedule 8

Notes to the Financial Statements

1. Organisation

Deutsche Alpha Equity Fund (the "Scheme") is an open-ended scheme of Deutsche Mutual Fund (the "Fund") and was launched on January 14, 2003. Deutsche Mutual Fund has been sponsored by Deutsche Asset Management (Asia) Limited. Deutsche Asset Management (India) Private Limited incorporated under the Companies Act, 1956, has been appointed as the asset management company. The duration of the Scheme is perpetual. The Scheme closed for initial subscription on January 21, 2003 and reopened for issue and redemption of units on January 30, 2003. The investment objective of the Scheme is to generate long term capital growth from investment in a diversified portfolio of equity and equity related securities.

The Scheme has two plans - Growth Plan and Dividend Plan.

The Scheme will not declare dividend under the Growth Plan. The income earned on such units will remain invested within the Scheme and will be reflected in the net asset value.

2. Significant Accounting Policies

2.1 Basis of Accounting

The Scheme maintains its books of account on an accrual basis. These financial statements have been prepared in accordance with the accounting policies and standards specified in the Ninth Schedule of 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 / date of determination. In valuing the Scheme's investments:

- i. Equity securities listed on a recognised stock exchange are valued at the last quoted closing price on the Mumbai Stock Exchange (BSE). If on a particular valuation day, a security is not traded on BSE, the value at which it is traded on the National Stock Exchange of India Limited (NSE) is used. If no sale is reported at that time, the last quoted closing price on the principal stock exchange on which the security is traded is used when it is not more than thirty days prior to the valuation date.
- ii. Non-traded and thinly traded equity securities, including those not traded within thirty days prior to the valuation date are valued at fair value as determined by Deutsche Asset Management (India) Private Limited under procedures approved by the Trustee of Deutsche Mutual Fund in accordance with the guidelines for valuation of securities for mutual funds dated September 18, 2000 and amendments thereto, as applicable, issued by the Securities and Exchange Board of India (SEBI).

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forming part of the Balance Sheet as at March 31, 2005 and the Revenue Account for the year ended March 31, 2005

- iii. Equity shares awaiting listing are valued at fair value as determined in good faith by Deutsche Asset Management (India) Private Limited under procedures approved by the Trustee of Deutsche Mutual Fund.
- iv. Debt securities listed on a recognised stock exchange are valued at the last quoted closing price on the NSE. If no sale is reported at that time, such security is valued at fair value as determined in good faith by Deutsche Asset Management (India) Private Limited under procedures approved by the Trustee of Deutsche Mutual Fund.
- v. Non-traded and thinly traded debt securities, are valued at fair value as determined by Deutsche Asset Management (India) Private Limited under procedures approved by the Trustee of Deutsche Mutual Fund in accordance with the guidelines for valuation of securities for mutual funds dated September 18, 2000 and amendments thereto, as applicable, issued by SEBI.
- vi. Privately placed debt securities are valued at fair value as determined in good faith by Deutsche Asset Management (India) Private Limited under procedures approved by the Trustee of Deutsche Mutual Fund.
- vii. Instruments bought on 'repo' basis are valued at the resale price after deduction of applicable interest up to the date of resale.
- viii. Money Market instruments were valued at cost plus accrued interest up to October 24, 2004. Effective October 25, 2004, traded money market securities are valued at the yield at which they are traded on the valuation date. If no sale is reported at that time, such security is valued at the last traded price plus accretion of the difference between the face value and the last traded price. Non-traded money market instruments are valued at cost plus accrued interest.

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 Regulations) net unrealized 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 / dates of determination is recognized in the Revenue Account. Unrealized appreciation is reduced from the distributable income at the time of income distribution. 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 is transferred to Reserve Fund.

2.3 Securities Transaction

Investment securities transactions are accounted for on a trade date basis. The Scheme uses the average cost method for determining the realized gain or loss on sale of investments.

2.4 Investment Income

Dividend and interest income are recorded on an accrual basis.

2.5 Initial Issue Expenses

Initial issue expenses of upto 1% of the amount mobilized during the initial offer period was borne by the Scheme. Expenses over and above 1% were borne by the asset management company.

2.6 Net Asset Value for Growth / Dividend Plans

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

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

2.7 Unit Premium Reserve

Upon issue and redemption of units, the net premium or discount to the face value of units is adjusted against the unit premium reserve of the Scheme, after an appropriate portion of the issue proceeds and redemption payout is credited or debited respectively to the dividend equalization reserve.

The unit premium reserve is available for dividend distribution except to the extent it is represented by unrealised net appreciation in value of investments.

2.8 Dividend Equalisation Reserve

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

2.9 Load

Load collected is retained under a separate account in the Scheme and is used to meet the selling and distribution expenses of the Scheme.

3. Investment Management and Advisory Fees

The Scheme has paid or provided for investment management and advisory fees payable to Deutsche Asset Management (India) Private Limited for managing the Scheme at an annual rate of 1.25% of the average daily net asset values recorded by the Scheme up to Rs.100 crores and at an annual rate of 1% of the excess over Rs.100 crores. All costs, charges and expenses incurred by Deutsche Asset Management (India) Private Limited in the administration and execution of the activities of the Scheme, except costs allowed to be charged to the Scheme under the Regulations and amendments thereto, as applicable, are on their own account for which they receive investment management and advisory fees.

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forming part of the Balance Sheet as at March 31, 2005 and the Revenue Account for the year ended March 31, 2005

4. Trustee Fees

In accordance with the Deed of Trust dated May 29, 2002 between Deutsche Asset Management (Asia) Limited (the "Settlor") and Deutsche Trustee Services (India) Private Limited (the "Trustee"), the Scheme has paid or provided for trustee fees payable to the Trustee at an annual rate of 0.01% of the average daily net asset values recorded by the Scheme subject to a maximum of Rs. 500,000 per annum.

5. Custodian Fees

J P Morgan Chase Bank provides custodial services to the Scheme for which it receives custody fees.

6. Income Taxes

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

7. Limitation on Expenses

The total expenses chargeable to the Scheme is limited to an annual rate of 2.50% of the average daily net asset values recorded by the Scheme up to Rs.100 crores and at an annual rate of 2.25% of the excess over Rs.100 crores. Deutsche Asset Management (India) Private Limited has borne Rs. 350,043 in excess of the above mentioned percentage of the average daily net assets allowable to be charged to the Scheme as total expenses for the year.

8. Aggregate Appreciation and Depreciation in Value of Investments

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

	March 31, 2005 Rupees	March 31, 2004 Rupees
Equity Shares		
– Appreciation	117,501,006	138,697,897
– Depreciation	11,717,241	17,040,296

9. Aggregate Value of Purchases and Sale of Investments

The aggregate value of investment securities purchased and sold (including matured) during the year is Rs. 2,935,388,099 (excluding accretion of discount Rs. 9,288) and Rs. 3,586,703,344 respectively being 278.22% and 339.96% of the average daily net assets.

10. Income and Expenses

The total income (including net profit on sale of investments and net change in unrealized depreciation / appreciation in value of investments) and expenditure is Rs. 183,017,001 and Rs. 26,140,354 respectively being 17.35% and 2.48% of the average daily net assets.

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

Deutsche Bank AG, Mumbai Branch and Kotak Mahindra Bank Limited, associate entities of Deutsche Asset Management (India) Private Limited were paid commission amounting to Rs. 2,972,597 and Rs. 182,753 respectively for procuring unit subscriptions for the Scheme. Further, Deutsche Equities India Private Limited was paid brokerage of Rs. 1,098,685 on purchase and sale of investments by the Scheme. The commission and brokerage paid were at rates similar to those offered to other distributors / brokers.

The scheme subscribed to the issue of equity shares of Jet Airways (India) Limited where Deutsche Equities India Private Limited, an associate entity of Deutsche Asset Management (India) Private Limited was one of the lead managers / co-manager to the issue.

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

Deutsche Mutual Fund has made the following investments in companies, which hold units in excess of 5% of the net asset value of any Scheme of Deutsche Mutual Fund.

Company Name	Scheme invested in by the Company	Investments made by Schemes of Deutsche Mutual Fund in the Company / Subsidiary	Aggregate for the period under Regulation 25(11) At Cost (Rupees in lakhs)	Outstanding as at March 31, 2005 At Market / Fair Value (Rupees in lakhs)
Bank of Baroda	Deutsche Insta Cash Plus Fund	Deutsche Alpha Equity Fund	206.01	–
Bharti Tele-Ventures Ltd.	Deutsche Floating Rate Fund	Deutsche Investment Opportunity Fund	124.18	1.03
	Deutsche Insta Cash Plus Fund	Deutsche Alpha Equity Fund	402.23	3.62
		Deutsche Insta Cash Plus Fund	947.56	–
		Deutsche MIP Fund-Plan A	11.85	–
		Deutsche MIP Fund-Plan B	5.92	–

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forming part of the Balance Sheet as at March 31, 2005 and
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Company Name	Scheme invested in by the Company	Investments made by Schemes of Deutsche Mutual Fund in the Company / Subsidiary	Aggregate for the period under Regulation 25(11) At Cost (Rupees in lakhs)	Outstanding as at March 31, 2005 At Market / Fair Value (Rupees in lakhs)
Export Import Bank of India	Deutsche Short Maturity Fund	Deutsche Insta Cash Plus Fund	3,843.90	2,408.38
		Deutsche Premier Bond Fund	17,704.13	–
		Deutsche Short Maturity Fund	6,956.79	–
		Deutsche MIP Fund-Plan A	299.56	–
		Deutsche MIP Fund-Plan B	199.71	–
Finolex Cables Ltd.	Deutsche Short Maturity Fund	Deutsche Insta Cash Plus Fund	1,200.00	301.86
		Deutsche Premier Bond Fund	519.16	–
		Deutsche Short Maturity Fund	2,552.65	201.24
Glaxo Smithkline Pharmaceuticals Ltd.	Deutsche Floating Rate Fund	Deutsche Investment Opportunity Fund	80.55	–
		Deutsche Alpha Equity Fund	122.95	–
Grasim Industries Ltd.	Deutsche Insta Cash Plus Fund Deutsche Short Maturity Fund	Deutsche Investment Opportunity Fund	132.05	60.68
		Deutsche Alpha Equity Fund	376.63	242.72
		Deutsche MIP Fund-Plan A	30.26	25.62
		Deutsche MIP Fund-Plan B	9.98	9.77
		Deutsche Investment Opportunity Fund^	44.12	–
		Deutsche Alpha Equity Fund^	130.76	–
HCL Technologies Ltd.	Deutsche Short Maturity Fund	Deutsche MIP Fund-Plan A^	14.41	–
		Deutsche MIP Fund-Plan B^	9.25	–
		Deutsche Investment Opportunity Fund	146.49	55.56
		Deutsche Alpha Equity Fund	747.11	148.16
Hindalco Industries Ltd.	Deutsche Floating Rate Fund Deutsche Short Maturity Fund	Deutsche MIP Fund-Plan A	28.51	–
		Deutsche Investment Opportunity Fund	93.52	–
		Deutsche Alpha Equity Fund	676.65	194.05
		Deutsche MIP Fund-Plan A	14.03	–
		Deutsche MIP Fund-Plan B	9.35	–
Hindustan Lever Ltd.	Deutsche Fixed Term Fund Deutsche Insta Cash Plus Fund Deutsche Short Maturity Fund	Deutsche Insta Cash Plus Fund@@@@	2,000.00	–
		Deutsche Short Maturity Fund@@@@	2,000.00	–
		Deutsche Floating Rate Fund	508.93	–
Hindustan Zinc Limited	Deutsche Floating Rate Fund	Deutsche Insta Cash Plus Fund	873.14	–
		Deutsche Alpha Equity Fund	35.78	–
Housing Development Finance Corporation	Deutsche Insta Cash Plus Fund	Deutsche Alpha Equity Fund	275.45	–
		Deutsche Dynamic Bond Fund	1,446.57	–
		Deutsche Floating Rate Fund	2,392.59	3,144.04
		Deutsche Insta Cash Plus Fund	21,492.53	6,992.78
		Deutsche Premier Bond Fund	14,457.31	–
		Deutsche Short Maturity Fund	14,887.35	–
		Deutsche MIP Fund-Plan A	1,239.83	–
Deutsche MIP Fund-Plan B	200.00	–		
Industrial Development Bank of India	Deutsche Floating Rate Fund Deutsche Insta Cash Plus Fund Deutsche Short Maturity Fund	Deutsche Fixed Term Fund	1,425.16	1,424.58
		Deutsche Investment Opportunity Fund	101.19	91.15
		Deutsche Alpha Equity Fund	512.83	273.45
		Deutsche Dynamic Bond Fund	761.31	7.14
		Deutsche Floating Rate Fund	7,741.86	733.14
		Deutsche Insta Cash Plus Fund	23,131.79	6,147.51
		Deutsche Premier Bond Fund	9,282.64	115.47
		Deutsche Short Maturity Fund	9,974.79	692.66
		Deutsche MIP Fund-Plan A	1,390.68	262.72
		Deutsche MIP Fund-Plan B	472.70	146.64
		Deutsche Fixed Term Fund^^	1,992.73	1,993.01
Deutsche Short Maturity Fund^^	1,000.10	–		

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forming part of the Balance Sheet as at March 31, 2005 and
the Revenue Account for the year ended March 31, 2005

Company Name	Scheme invested in by the Company	Investments made by Schemes of Deutsche Mutual Fund in the Company / Subsidiary	Aggregate for the period under Regulation 25(11) At Cost (Rupees in lakhs)	Outstanding as at March 31, 2005 At Market / Fair Value (Rupees in lakhs)
Infrastructure Development Finance Company Limited	Deutsche Dynamic Bond Fund	Deutsche Insta Cash Plus Fund	7,356.99	857.62
	Deutsche Insta Cash Plus Fund			
	Deutsche Premier Bond Fund			
	Deutsche Short Maturity Fund			
Infrastructure Leasing and Financial Services Limited	Deutsche Insta Cash Plus Fund	Deutsche Floating Rate Fund	5,510.00	509.24
		Deutsche Insta Cash Plus Fund	8,039.91	–
		Deutsche Short Maturity Fund	4,710.60	–
ITC Limited	Deutsche Insta Cash Plus Fund	Deutsche Investment Opportunity Fund	224.64	17.28
	Deutsche Short Maturity Fund	Deutsche Alpha Equity Fund	1,661.07	158.16
		Deutsche MIP Fund-Plan A	20.37	–
		Deutsche MIP Fund-Plan B	12.20	–
Jet Airways India Pvt. Limited	Deutsche Insta Cash Plus Fund	Deutsche Premier Bond Fund	1,215.38	348.66
		Deutsche Short Maturity Fund	815.87	1,089.62
		Deutsche MIP Fund-Plan A	101.28	251.87
Larsen & Toubro Ltd.	Deutsche Investment Opportunity Fund	Deutsche Investment Opportunity Fund	663.91	–
	Deutsche Alpha Equity Fund	Deutsche Alpha Equity Fund	2,561.27	99.52
	Deutsche Insta Cash Plus Fund	Deutsche Insta Cash Plus Fund	1,884.49	–
	Deutsche Short Maturity Fund	Deutsche Short Maturity Fund	617.77	–
	Deutsche Insta Cash Plus Fund	Deutsche MIP Fund-Plan A	205.12	–
		Deutsche MIP Fund-Plan B	77.45	–
		Deutsche Floating Rate Fund^^^	100.00	–
		Deutsche Insta Cash Plus Fund^^^	2,402.34	500.18
LIC Housing Finance Ltd.	Deutsche Floating Rate Fund	Deutsche Floating Rate Fund	1,266.63	250.85
		Deutsche Insta Cash Plus Fund	4,555.99	250.85
		Deutsche Premier Bond Fund	4,229.55	–
Mahindra & Mahindra Limited	Deutsche Dynamic Bond Fund	Deutsche Investment Opportunity Fund	500.00	–
		Deutsche Alpha Equity Fund	824.39	–
		Deutsche Insta Cash Plus Fund	477.02	–
		Deutsche MIP Fund-Plan A	73.23	–
		Deutsche MIP Fund-Plan B	22.31	–
		Deutsche Alpha Equity Fund^^^^	1,300.00	–
		Deutsche Floating Rate Fund^^^^	8,290.62	1,708.46
		Deutsche Insta Cash Plus Fund^^^^	22,885.19	5,354.36
		Deutsche Premier Bond Fund^^^^	3,418.56	–
		Deutsche Short Maturity Fund^^^^	9,781.86	167.89
Nestle India Limited	Deutsche Insta Cash Plus Fund	Deutsche Alpha Equity Fund	43.01	–
Patni Computer Systems Limited	Deutsche Fixed Term Fund	Deutsche Investment Opportunity Fund	106.68	–
		Deutsche Alpha Equity Fund	192.41	–
		Deutsche MIP Fund-Plan A	22.04	–
		Deutsche MIP Fund-Plan B	12.82	–
Raymond Limited	Deutsche Dynamic Bond Fund	Deutsche Floating Rate Fund	500.00	–
	Deutsche Floating Rate Fund	Deutsche Insta Cash Plus Fund	4,000.00	–
	Deutsche Insta Cash Plus Fund	Deutsche Short Maturity Fund	6,800.00	–
	Deutsche Short Maturity Fund	Deutsche Insta Cash Plus Fund^^^	494.31	–

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forming part of the Balance Sheet as at March 31, 2005 and the Revenue Account for the year ended March 31, 2005

Company Name	Scheme invested in by the Company	Investments made by Schemes of Deutsche Mutual Fund in the Company / Subsidiary	Aggregate for the period under Regulation 25(11) At Cost (Rupees in lakhs)	Outstanding as at March 31, 2005 At Market / Fair Value (Rupees in lakhs)
Tata Chemicals Limited	Deutsche Dynamic Bond Fund Deutsche Short Maturity Fund	Deutsche Alpha Equity Fund	16.34	–
Tata Motors Limited	Deutsche Insta Cash Plus Fund	Deutsche Investment Opportunity Fund Deutsche Alpha Equity Fund Deutsche Floating Rate Fund Deutsche Insta Cash Plus Fund Deutsche MIP Fund-Plan A Deutsche MIP Fund-Plan B	568.28 1,639.00 1,045.00 2,090.00 135.95 36.39	82.79 227.67 1,041.93 2,083.87 – –
The Tata Iron and Steel Company Ltd.	Deutsche Insta Cash Plus Fund	Deutsche Investment Opportunity Fund Deutsche Alpha Equity Fund Deutsche MIP Fund-Plan A Deutsche MIP Fund-Plan B	611.24 1,378.07 181.19 78.88	179.07 525.80 102.61 29.80
The Tata Power Company Limited	Deutsche Insta Cash Plus Fund	Deutsche Investment Opportunity Fund Deutsche Alpha Equity Fund Deutsche MIP Fund-Plan A	1,193.73 478.41 170.03	– – –
UTI Bank Limited	Deutsche Floating Rate Fund Deutsche Insta Cash Plus Fund Deutsche Short Maturity Fund	Deutsche Floating Rate Fund Deutsche Insta Cash Plus Fund Deutsche Short Maturity Fund	112.22 2,137.06 190.29	– 1,667.66 –

^ DEF, DIOF, DMIP-A, DMIP-B have invested in Ultratech Cemco which is a subsidiary of Grasim Industries Limited.

^^ DSMF, DICF, DFF have invested in IDBI Capital Markets Limited which is a subsidiary of IDBI.

^^^ DSMF, DICF have invested in L&T Finance Limited which is a subsidiary of Larsen & Toubro Limited.

^^^^ DICF have invested in Raymond Apparels which is a subsidiary of Raymond Limited.

^^^^^ DSMF, DICP, DPBF, DEF, DFF, DMIP-A, DMIP-B have invested in Mahindra and Mahindra Financial Services which is subsidiary of Mahindra and Mahindra Limited.

@@@@ DSMF & DICF have invested in Indian Aluminium Limited which is a subsidiary of Hindalco Industries Limited.

The above investments comprise equity shares, debentures / bonds, commercial paper, fixed deposits and other debt instruments. These investments have been made on account of their high credit quality and competitive yield for the investment in fixed income / money market instruments and in case of equity shares because of attractive valuations of these companies.

13. Unclaimed Dividend

As at March 31, 2005 unclaimed dividends aggregate Rs.339,842 payable to thirty four investors. These details are based on confirmations received from the Scheme's Registrar and Transfer Agent that maintain information of unclaimed dividends on behalf of the Scheme.

14. Unclaimed Redemptions

As at March 31, 2005 unclaimed redemptions aggregate Rs.55,264 payable to two investors. These details are based on confirmations received from the Scheme's Registrar and Transfer Agent that maintain information of unclaimed redemptions on behalf of the Scheme.

15. Perspective Historical Per Unit Statistics*

	April 01, 2004 to March 31, 2005 Rupees	April 01, 2003 to March 31, 2004 Rupees	January 14, 2003 to March 31, 2003 Rupees
(a) Net asset value per unit at the end of the period (Note 2.5)			
Growth Plan	25.81	21.03	9.25
Dividend Plan	15.46	15.92	9.25
(b) Gross Income			
(i) income other than profit on sale of investment.	0.59	0.13	0.07
(ii) income from profit on inter scheme sales/transfer of investment.	0.00	(0.00)#	0.00



Schedules

forming part of the Balance Sheet as at March 31, 2005 and the Revenue Account for the year ended March 31, 2005

	April 01, 2004 to March 31, 2005 Rupees	April 01, 2003 to March 31, 2004 Rupees	January 14, 2003 to March 31, 2003 Rupees
(iii) income (net) from profit on sale of investments to third party	4.41	2.80	(0.21)
(iv) transfer of revenue account from past year's reserve	2.33	0.00	NA
(c) Aggregate of expenses, writeoff, amortisation and charges	0.66	0.18	0.23
(d) Net income	4.34	2.75	(0.37)
(e) Net change in unrealised (depreciation) / appreciation in value of investments	(0.40)	1.88	(0.62)
(f) Redemption price			
– Highest			
Growth Plan	27.54	22.72	9.86
Dividend Plan	18.00	18.83	9.86
– Lowest			
Growth Plan	17.06	9.25	9.34
Dividend Plan	12.91	9.39	9.44
(g) Purchase price			
– Highest			
Growth Plan	27.42	22.72	10.13
Dividend Plan	18.00	18.83	10.12
– Lowest			
Growth Plan	17.06	9.25	9.25
Dividend Plan	12.91	9.25	9.25
(h) Price earnings ratio	NA	NA	NA
(i) Ratio of expenses (excluding initial issue expenses) to average daily net assets by percentage	2.48%	2.48%	2.50% [@]
(j) Ratio of gross income (including net profit / loss on sale of investments and net change in unrealised appreciation / depreciation in value of investments) to average daily net assets by percentage	17.35%	65.01%	(33.41%) [@]

* The above per unit calculations are based on the number of units in issue at the end of the financial year / period

Below 0.01 per unit

@ The ratio of expenses and gross income to average daily net assets by percentage has been annualized for the period January 30, 2003 to March 31, 2003

16. Prior Year's Figures

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

Signatures to the Schedules 1 to 8 forming part of the Balance Sheet and the Revenue Account

K. H. VACHHA
Partner

For **Deutsche Trustee Services (India) Private Limited**

For **Deutsche Asset Management (India) Private Limited**

For and on behalf of
PRICE WATERHOUSE
Chartered Accountants

Gunit Chadha
Director

M. H. Kania
Director

Peter Noel Sampson Hanbury
Director

Sandeep Dasgupta
Director

Y. B. Desai
Director

A. S. Mitra
Director

Kersi M. Gherda
Director

Dileep Choksi
Director

Debabrata Bhadury
Director

Choy Peng Wah
Director

Vijay P. Gokhale
Director

Carl Saldanha
Director

Place: Mumbai
Date : August 30, 2005

Vinay Kulkarni
Portfolio Manager

Statement of Portfolio Holding

as at March 31, 2005

(Referred to in Schedule 1 to the Balance Sheet as at March 31, 2005 and the Revenue Account for the year ended March 31, 2005)

Description	Quantity	Market / Fair Value Rupees
EQUITY SHARES (100%)		
Auto (3.60%)		
Tata Motors Limited@	55,000	22,767,250
		22,767,250
Auto Ancillaries (1.51%)		
Amtek Auto Limited	35,000	5,680,500
Sundaram Fasteners Limited	35,000	3,846,500
		9,527,000
Banks (15.68%)		
State Bank of India	63,750	41,880,563
IDBI Bank Limited@	300,000	27,345,000
ICICI Bank Limited	50,000	19,650,000
Punjab National Bank Limited	16,527	6,500,069
HDFC Bank Limited	6,719	3,656,816
		99,032,448
Cement (10.26%)		
Gujarat Ambuja Cements Limited	65,000	26,104,000
Grasim Industries Limited@	20,000	24,272,000
Associated Cement Companies Limited	40,000	14,418,000
		64,794,000
Construction (0.52%)		
Jaiprakash Associates Limited	16,666	3,293,202
		3,293,202
Consumer Non-Durables (5.76%)		
I T C Limited@	11,770	15,815,938
Tata Tea Limited@	30,000	15,733,500
Mirza Tanners Limited	20,000	4,007,000
Emami Limited	11,035	858,523
		36,414,961
Ferrous Metals (18.27%)		
Tata Iron and Steel Company Limited@	131,155	52,580,040
Steel Authority of India Limited	450,000	28,327,500
Sesa Goa Limited	36,095	26,380,031
Saw Pipes Limited	20,000	5,360,000
Essar Steel Limited	50,000	2,750,000
		115,397,571
Industrial Capital Goods (4.11%)		
Bharat Heavy Electricals Limited	20,000	15,348,000
Larsen and Toubro Limited@	10,000	9,951,500
Jyoti Structures Limited	3,730	632,981
		25,932,481
Media and Entertainment (2.30%)		
Deccan Chronicle Holdings	100,000	14,545,000
		14,545,000
Non-Ferrous Metals (3.07%)		
Hindalco Industries Limited@	15,000	19,404,750
		19,404,750
Oil (3.49%)		
Oil and Natural Gas Corporation Limited	25,000	22,068,750
		22,068,750
Petroleum Products (1.45%)		
Hindustan Petroleum Corporation Limited	30,000	9,178,500
		9,178,500

Statement of Portfolio Holding

as at March 31, 2005

Description	Quantity	Market / Fair Value Rupees
Pharmaceuticals (8.68%)		
Strides Arcolabs Limited	63,851	13,482,139
Ranbaxy Laboratories Limited	13,000	13,050,050
Ind-Swift Laboratories Limited	60,000	11,883,000
Cipla Limited	25,000	6,370,000
Glenmark Pharmaceuticals Limited	18,988	5,359,363
Sun Pharmaceutical Industries Limited	10,000	4,714,000
		54,858,552
Power (2.58%)		
National Thermal Power Corporation Limited	190,000	16,283,000
		16,283,000
Software (16.76%)		
Infosys Technologies Limited	17,000	38,293,350
Tata Consultancy Services Limited	24,185	34,651,059
HCL Technologies Limited@	40,000	14,816,000
Wipro Limited	21,732	14,584,345
I-Flex Solutions Limited	6,000	3,539,100
		105,883,854
Telecom - Services (0.06%)		
Bharti Tele-Ventures Limited@	1,751	362,194
		362,194
Textile Products (1.90%)		
Indian Rayon and Industries Limited	30,000	11,977,500
		11,977,500
TOTAL INVESTMENTS	(Cost - Rs. 525,937,248)	631,721,013

Confirmation has been received from J P Morgan Chase Bank, Mumbai Branch at the end of the financial year for the investments held by them.

@ Investment in companies which have invested more than five per cent of the net asset value of any schemes of Deutsche Mutual Fund.

Auditors' Report

To the Trustee

DEUTSCHE MUTUAL FUND

1. We have audited the Balance Sheet of Deutsche Mutual Fund – Deutsche Premier Bond Fund ("The Scheme") as at March 31, 2005 and the related Revenue Account for the year ended on that date, both of which we have signed under reference to this report. These financial statements are the responsibility of the Trustee of Deutsche Mutual Fund and the Management of Deutsche Asset Management (India) 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 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, 2005 by correspondence with the custodian. An audit also includes assessing the accounting principles used and significant estimates made by the Management as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. 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 Scheme.
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 amendments thereto, as applicable, and also give respectively, a true and fair view of the state of affairs of Deutsche Mutual Fund – Deutsche Premier Bond Fund as at March 31, 2005 and its net surplus for the year ended on that date.
 - (ii) The Balance Sheet as at March 31, 2005 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 securities in good faith and
 - b) Non-traded / thinly traded debt securities in accordance with guidelines for valuation of securities for mutual funds dated September 18, 2000 and amendments thereto, as applicable, issued by the Securities and Exchange Board of India as at March 31, 2005 as determined by Deutsche Asset Management (India) Private Limited under procedures approved by the Trustee of Deutsche Mutual Fund are fair and reasonable.
5. We draw attention to Note 16 - Schedule 8. In accordance with the Securities and Exchange Board of India circular dated December 12, 2003, the Institutional Plan of the Scheme has been wound up on April 9, 2005.

K. H. Vachha
Partner
Membership No. F/30798

For and on behalf of
Price Waterhouse
Chartered Accountants

Place : Mumbai
Date : August 30, 2005

Balance Sheet

as at March 31, 2005

	Schedule	March 31, 2005 Rupees	March 31, 2004 Rupees
Assets			
Investments	1	187,028,885	4,378,539,720
Other Current Assets	2	13,088,977	155,992,321
TOTAL		200,117,862	4,534,532,041
Liabilities			
Unit Capital	3	181,038,762	4,005,554,637
Reserves and Surplus	4	16,585,311	409,827,184
Current Liabilities and Provisions	5	2,493,789	119,150,220
TOTAL		200,117,862	4,534,532,041

Reconciliation of Net Asset Value Per Unit

	Institutional Plan (Note 16)					Regular Plan					March 31, 2005
	March 31, 2005					March 31, 2005					
	Growth Option Rupees	Annual Dividend Option Rupees	Quarterly Dividend Option Rupees	Monthly Dividend Option Rupees	Total Rupees	Growth Option Rupees	Annual Dividend Option Rupees	Quarterly Dividend Option Rupees	Monthly Dividend Option Rupees	Total Rupees	Total Rupees
Net Assets as per Balance Sheet (Total Assets less Current Liabilities and Provisions) (Note 2.5)	53,518,028	-	-	40,254,560	93,772,588	71,819,430	11,142,409	17,820,870	3,068,776	103,851,485	197,624,073
Number of Units in Issue	4,697,580.771	-	-	3,886,076.928		6,417,930.384	1,066,064.974	1,740,573.085	295,649.861		
Net Asset Value per Unit	11.3927	-	-	10.3587		11.1904	10.4519	10.2385	10.3798		

	Institutional Plan					Regular Plan					March 31, 2004
	March 31, 2004					March 31, 2004					
	Growth Option Rupees	Annual Dividend Option Rupees	Quarterly Dividend Option Rupees	Monthly Dividend Option Rupees	Total Rupees	Growth Option Rupees	Annual Dividend Option Rupees	Quarterly Dividend Option Rupees	Monthly Dividend Option Rupees	Total Rupees	Total Rupees
Net Assets as per Balance Sheet (Total Assets less Current Liabilities and Provisions) (Note 2.5)	2,661,337,904	190,209	288,454,681	417,833,807	3,367,816,601	642,564,162	83,162,530	248,103,902	73,734,626	1,047,565,220	4,415,381,821
Number of Units in Issue	237,609,512.713	18,270.457	27,029,922.866	39,573,575.692		57,878,170.503	8,020,480.268	23,428,536.981	6,996,993.989		
Net Asset Value per Unit	11.2005	10.4108	10.6717	10.5584		11.1020	10.3688	10.5898	10.5380		

Notes to the Financial Statements 8
The Schedules referred to herein form an integral part of the Financial Statements

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

K. H. VACHHA <i>Partner</i>	For Deutsche Trustee Services (India) Private Limited		For Deutsche Asset Management (India) Private Limited	
For and on behalf of PRICE WATERHOUSE <i>Chartered Accountants</i>	Gunit Chadha <i>Director</i>	M. H. Kania <i>Director</i>	Peter Noel Sampson Hanbury <i>Director</i>	Sandeep Dasgupta <i>Director</i>
	Y. B. Desai <i>Director</i>	A. S. Mitra <i>Director</i>	Kersi M. Gherda <i>Director</i>	Dileep Choksi <i>Director</i>
	Debabrata Bhadury <i>Director</i>	Choy Peng Wah <i>Director</i>	Vijay P. Gokhale <i>Director</i>	Carl Saldanha <i>Director</i>
Place: Mumbai Date : August 30, 2005			Suresh Soni <i>Portfolio Manager</i>	

Revenue Account

for the year ended March 31, 2005

	Schedule	April 01, 2004 to March 31, 2005 Rupees	April 01, 2003 to March 31, 2004 Rupees
Income And Gains			
Interest and Discount	6	125,593,865	386,239,520
Net Profit on Sale of Investments [Including Net Profit on Inter - Scheme Sale of Investments Rs. Nil (2004, Rs. 6,085,740)] (Note 2.3)		–	151,882,798
TOTAL		125,593,865	538,122,318

Expenses And Losses

Net Loss on Sale of Investments (Including Net Loss on Inter-Scheme Sale of Investments Rs. 1,597,140) (Note 2.3)		86,911,958	–
Investment Management and Advisory Fees (Note 3)		9,797,291	24,164,073
Trustee Fees and Expenses (Note 4)		181,260	500,000
Transfer Agents Fees and Expenses		1,903,874	4,680,739
Custodian Fees and Expenses (Note 5)		1,543,764	4,503,890
Audit Fees		188,033	188,023
Selling and Distribution Expenses		8,706,858	27,895,718
Other Operating Expenses		2,126,413	4,115,578
		111,359,451	66,048,021
Less: Expenses to be Reimbursed by the Investment Manager (Note 7)		630,179	376,518
TOTAL		110,729,272	65,671,503
Net Surplus for the Year		14,864,593	472,450,815
Net Change in Unrealised (Depreciation) / Appreciation in Value of Investments	7	(40,346,521)	36,938,082
Net (Deficit) / Surplus including Net Change in Unrealised Depreciation / Appreciation in Value of Investments		(25,481,928)	509,388,897

	Institutional Plan (Note 16)					Regular Plan					April 01, 2004 to March 31, 2005
	April 01, 2004 to March 31, 2005					April 01, 2004 to March 31, 2005					
	Growth Option Rupees	Annual Dividend Option Rupees	Quarterly Dividend Option Rupees	Monthly Dividend Option Rupees	Total Rupees	Growth Option Rupees	Annual Dividend Option Rupees	Quarterly Dividend Option Rupees	Monthly Dividend Option Rupees	Total Rupees	Total Rupees
Net (Deficit) including Net Change in Unrealised Depreciation / Appreciation in Value of Investments by Option	(15,119,037)	241	(1,888,751)	(3,072,692)	(20,080,239)	(3,360,556)	(263,026)	(1,197,787)	(580,320)	(5,401,689)	(25,481,928)
Transfer from Dividend Equalisation Reserve (Note 2.7)	(239,254,425)	(311,485)	(2,616,619)	(2,258,631)	(244,441,160)	(42,643,329)	(897,577)	(3,273,596)	(123,735)	(46,938,237)	(291,379,397)
Transferred from Reserve Fund	–	–	12,949,708	16,051,311	29,001,019	–	–	11,047,456	2,655,901	13,703,357	42,704,376
Dividend Distributions	–	–	(7,600,502)	(9,112,809)	(16,713,311)	–	–	(5,711,576)	(1,449,927)	(7,161,503)	(23,874,814)
Dividend Tax Thereon	–	–	(980,416)	(1,230,737)	(2,211,153)	–	–	(740,300)	(185,772)	(926,072)	(3,137,225)
Balance Transferred to Reserve Fund	(254,373,462)	(311,244)	(136,580)	376,442	(254,444,844)	(46,003,885)	(1,160,603)	124,197	316,147	(46,724,144)	(301,168,988)



Revenue Account (Contd.) for the year ended March 31, 2005

		Schedule										
		Institutional Plan					Regular Plan					
		April 01, 2003 to March 31, 2004					April 01, 2003 to March 31, 2004					April 01, 2003 to March 31, 2004
		Growth Option Rupees	Annual Dividend Option Rupees	Quarterly Dividend Option Rupees	Monthly Dividend Option Rupees	Total Rupees	Growth Option Rupees	Annual Dividend Option Rupees	Quarterly Dividend Option Rupees	Monthly Dividend Option Rupees	Total Rupees	Total Rupees
Net Surplus including Net Change in Unrealised Appreciation in Value of Investments by Option		302,122,652	6,122,040	22,426,007	73,832,407	404,503,106	65,080,013	6,449,703	20,666,833	12,689,242	104,885,791	509,388,897
Transfer from Dividend Equalisation Reserve (Note 2.7)		(30,072,446)	(5,796,368)	4,953,094	(2,332,630)	(33,248,350)	(7,697,616)	1,315,526	4,068,759	(295,538)	(2,608,869)	(35,857,219)
Dividend Distributions		-	(12,789)	(12,469,589)	(48,033,176)	(60,515,554)	-	(5,213,312)	(11,938,962)	(8,278,014)	(25,430,288)	(85,945,842)
Dividend Tax Thereon		-	(1,639)	(1,597,666)	(6,154,251)	(7,753,556)	-	(667,956)	(1,529,679)	(1,060,621)	(3,258,256)	(11,011,812)
Balance transferred to Reserve Fund		272,050,206	311,244	13,311,846	17,312,350	302,985,646	57,382,397	1,883,961	11,266,951	3,055,069	73,588,378	376,574,024

Notes to the Financial Statements

8

The Schedules referred to herein form an integral part of the Financial Statements

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

K. H. VACHHA
Partner

For **Deutsche Trustee Services (India)
Private Limited**

For **Deutsche Asset Management (India)
Private Limited**

For and on behalf of
PRICE WATERHOUSE
Chartered Accountants

Gunit Chadha
Director

M. H. Kania
Director

Peter Noel Sampson Hanbury
Director

Sandeep Dasgupta
Director

Y. B. Desai
Director

A. S. Mitra
Director

Kersi M. Gherda
Director

Dileep Choksi
Director

Debabrata Bhadury
Director

Choy Peng Wah
Director

Vijay P. Gokhale
Director

Carl Saldanha
Director

Place: Mumbai
Date : August 30, 2005

Suresh Soni
Portfolio Manager

Schedules

forming part of the Balance Sheet as at March 31, 2005 and the Revenue Account for the year ended March 31, 2005

	March 31, 2005		March 31, 2004	
	Market / Fair Value Rupees	Cost Rupees	Market / Fair Value Rupees	Cost Rupees
Schedule 1				
Investments				
(Notes 2.2, 2.3, 8, 9, 10, 11 and 14)				
(Refer to the attached Statement of Portfolio Holding as at March 31, 2005)				
Privately Placed Non-Convertible Debentures / Bonds	26,826,698	28,281,580	231,534,260	231,984,006
Non-Convertible Debentures / Bonds Listed / Awaiting Listing	25,051,745	24,983,182	2,128,985,755	2,116,246,272
Securitized Debt	67,216,534	67,504,885	463,260,721	442,381,317
Government of India Securities	67,933,908	67,927,725	1,554,758,984	1,549,250,091
TOTAL	187,028,885	188,697,372	4,378,539,720	4,339,861,686

	March 31, 2005 Rupees	March 31, 2004 Rupees
Schedule 2		
Other Current Assets		
Balance with Banks		
– in Current Account	1,542,338	11,876,357
– in Dividend Account (Note 15)	286,794	24,255
Sales Contracts Awaiting Completion - Debentures / Bonds	5,661,570	21,894,503
Reverse Repos	–	10,825,742
Unit Subscription Receivable	–	5,000
Interest Receivable on :		
– Debentures / Bonds	3,259,821	76,444,793
– Government of India Securities	1,708,275	34,525,374
– Reverse Repo	–	890
Receivable from Trustee	–	14,458
Receivable from Investment Manager	630,179	380,949
TOTAL	13,088,977	155,992,321

	March 31, 2005		March 31, 2004	
	Rupees	Units	Rupees	Units
Schedule 3				
Unit Capital				
Institutional Plan				
Growth Option				
Issued and Subscribed :				
Units of Rs.10 each fully paid-up	1,150,000,000	115,000,000.000	1,150,000,000	115,000,000.000
Outstanding :				
At the beginning of the year	2,376,095,127	237,609,512.713	1,052,701,983	105,270,198.287
Issued during the year	2,181,758,764	218,175,876.384	10,848,019,202	1,084,801,920.217
	4,557,853,891	455,785,389.097	11,900,721,185	1,190,072,118.504
Redeemed during the year	4,510,878,083	451,087,808.326	9,524,626,058	952,462,605.791
At the end of the year	46,975,808	4,697,580.771	2,376,095,127	237,609,512.713



Schedules

forming part of the Balance Sheet as at March 31, 2005 and the Revenue Account for the year ended March 31, 2005

	March 31, 2005		March 31, 2004	
	Rupees	Units	Rupees	Units
Unit Capital (Contd...)				
Annual Dividend Option				
Issued and Subscribed :				
Units of Rs.10 each fully paid-up				
Outstanding :				
At the beginning of the year	182,705	18,270.457	–	–
Issued during the year	12,285	1,228.467	607,674,494	60,767,449.355
	194,990	19,498.924	607,674,494	60,767,449.355
Redeemed during the year	194,990	19,498.924	607,491,789	60,749,178.898
At the end of the year	–	–	182,705	18,270.457
Quarterly Dividend Option				
Issued and Subscribed :				
Units of Rs.10 each fully paid up	20,000,000	2,000,000.000	20,000,000	2,000,000.000
Outstanding :				
At the beginning of the year	270,299,229	27,029,922.866	20,000,000	2,000,000.000
Issued during the year	82,219,445	8,221,944.512	644,972,501	64,497,250.082
	352,518,674	35,251,867.378	664,972,501	66,497,250.082
Redeemed during the year	352,518,674	35,251,867.378	394,673,272	39,467,327.216
At the end of the year	–	–	270,299,229	27,029,922.866
Monthly Dividend Option				
Issued and Subscribed :				
Units of Rs.10 each fully paid up	65,000,000	6,500,000.000	65,000,000	6,500,000.000
Outstanding :				
At the beginning of the year	395,735,757	39,573,575.692	75,182,470	7,518,246.986
Issued during the year	126,057,978	12,605,797.798	1,783,938,761	178,393,876.115
	521,793,735	52,179,373.490	1,859,121,231	185,912,123.101
Redeemed during the year	482,932,966	48,293,296.562	1,463,385,474	146,338,547.409
At the end of the year	38,860,769	3,886,076.928	395,735,757	39,573,575.692
Total	85,836,577	8,583,657.699	3,042,312,818	304,231,281.728
Regular Plan				
Growth Option				
Issued and Subscribed :				
Units of Rs.10 each fully paid up	216,554,198	21,655,419.800	216,554,198	21,655,419.800
Outstanding :				
At the beginning of the year	578,781,705	57,878,170.503	216,394,553	21,639,455.306
Issued during the year	165,638,262	16,563,826.153	1,640,257,108	164,025,710.764
	744,419,967	74,441,996.656	1,856,651,661	185,665,166.070
Redeemed during the year	680,240,663	68,024,066.272	1,277,869,956	127,786,995.567
At the end of the year	64,179,304	6,417,930.384	578,781,705	57,878,170.503
Annual Dividend Option				
Issued and Subscribed :				
Units of Rs.10 each fully paid up	6,781,098	678,109.800	6,781,098	678,109.800
Outstanding :				
At the beginning of the year	80,204,803	8,020,480.268	6,847,999	684,799.879
Issued during the year	8,751,050	875,105.005	109,349,427	10,934,942.706
	88,955,853	8,895,585.273	116,197,426	11,619,742.585
Redeemed during the year	78,295,203	7,829,520.299	35,992,623	3,599,262.317
At the end of the year	10,660,650	1,066,064.974	80,204,803	8,020,480.268

Schedules

forming part of the Balance Sheet as at March 31, 2005 and the Revenue Account for the year ended March 31, 2005

	March 31, 2005		March 31, 2004	
	Rupees	Units	Rupees	Units
Unit Capital (Contd...)				
Quarterly Dividend Option				
Issued and Subscribed :				
Units of Rs.10 each fully paid-up	13,553,150	1,355,315.000	13,553,150	1,355,315.000
Outstanding :				
At the beginning of the year	234,285,370	23,428,536.981	9,630,403	963,040.285
Issued during the year	28,311,704	2,831,170.437	593,970,749	59,397,074.937
	262,597,074	26,259,707.418	603,601,152	60,360,115.222
Redeemed during the year	245,191,343	24,519,134.333	369,315,782	36,931,578.241
At the end of the year	17,405,731	1,740,573.085	234,285,370	23,428,536.981
Monthly Dividend Option				
Issued and Subscribed :				
Units of Rs.10 each fully paid-up	14,533,000	1,453,300.000	14,533,000	1,453,300.000
Outstanding :				
At the beginning of the year	69,969,941	6,996,993.989	14,644,974	1,464,497.373
Issued during the year	16,354,464	1,635,446.365	294,754,747	29,475,474.655
	86,324,405	8,632,440.354	309,399,721	30,939,972.028
Redeemed during the year	83,367,905	8,336,790.493	239,429,780	23,942,978.039
At the end of the year	2,956,500	295,649.861	69,969,941	6,996,993.989
TOTAL	95,202,185	9,520,218.304	963,241,819	96,324,181.741
TOTAL	181,038,762	18,103,876.003	4,005,554,637	400,555,463.469

	Institutional Plan					Regular Plan					March 31, 2005
	March 31, 2005					March 31, 2005					
	Growth Option Rupees	Annual Dividend Option Rupees	Quarterly Dividend Option Rupees	Monthly Dividend Option Rupees	Total Rupees	Growth Option Rupees	Annual Dividend Option Rupees	Quarterly Dividend Option Rupees	Monthly Dividend Option Rupees	Total Rupees	

Schedule 4

Reserves and Surplus

Unit Premium Reserve

(Note 2.6)

At the beginning

of the year	25,056,604	(303,740)	5,069,119	5,633,170	35,455,153	9,109,306	1,159,514	2,672,981	892,875	13,834,676	49,289,829
Added during the year	(24,327,095)	303,740	(5,069,164)	(5,029,390)	(34,121,909)	(10,138,446)	(1,315,365)	(2,480,134)	(1,312,655)	(15,246,600)	(49,368,509)
At the end of the year	729,509	-	(45)	603,780	1,333,244	(1,029,140)	(155,851)	192,847	(419,780)	(1,411,924)	(78,680)

Dividend Equalisation

Reserve (Note 2.7)

Added during the year	(239,254,425)	(311,485)	(2,616,619)	(2,258,631)	(244,441,160)	(42,643,329)	(897,577)	(3,273,596)	(123,735)	(46,938,237)	(291,379,397)
Transfer to Revenue Account	239,254,425	311,485	2,616,619	2,258,631	244,441,160	42,643,329	897,577	3,273,596	123,735	46,938,237	291,379,397
At the end of the year	-	-	-	-	-	-	-	-	-	-	-

Reserve Fund

At the beginning

of the year	260,186,173	311,244	13,086,333	16,464,880	290,048,630	54,673,151	1,798,213	11,145,551	2,871,810	70,488,725	360,537,355
Transfer to Revenue Account	-	-	(12,949,708)	(16,051,311)	(29,001,019)	-	-	(11,047,456)	(2,655,901)	(13,703,357)	(42,704,376)
Balance Transferred from Revenue Account	(254,373,462)	(311,244)	(136,580)	376,442	(254,444,844)	(46,003,885)	(1,160,603)	124,197	316,147	(46,724,144)	(301,168,988)

At the end of the year

(Including net unrealised

depreciation in value of

investments Rs. 1,668,487]

5,812,711	-	45	790,011	6,602,767	8,669,266	637,610	222,292	532,056	10,061,224	16,663,991
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TOTAL 6,542,220 - - 1,393,791 7,936,011 7,640,126 481,759 415,139 112,276 8,649,300 **16,585,311**



Schedules

forming part of the Balance Sheet as at March 31, 2005 and the Revenue Account for the year ended March 31, 2005

	Institutional Plan					Regular Plan					March 31, 2004
	March 31, 2004					March 31, 2004					
	Growth Option Rupees	Annual Dividend Option Rupees	Quarterly Dividend Option Rupees	Monthly Dividend Option Rupees	Total Rupees	Growth Option Rupees	Annual Dividend Option Rupees	Quarterly Dividend Option Rupees	Monthly Dividend Option Rupees	Total Rupees	Total Rupees
Reserves and Surplus (Contd...)											
Unit Premium Reserve (Note 2.6)											
At the beginning of the year	(8,933)	-	-	-	(8,933)	1,938	53	472	-	2,463	(6,470)
Added during the year	25,065,537	(303,740)	5,069,119	5,633,170	35,464,086	9,107,368	1,159,461	2,672,509	892,875	13,832,213	49,296,299
At the end of the year	25,056,604	(303,740)	5,069,119	5,633,170	35,455,153	9,109,306	1,159,514	2,672,981	892,875	13,834,676	49,289,829
Dividend Equalisation Reserve (Note 2.7)											
Added during the year	(30,072,446)	(5,796,368)	4,953,094	(2,332,630)	(33,248,350)	(7,697,616)	1,315,526	4,068,759	(295,538)	(2,608,869)	(35,857,219)
Transfer to Revenue Account	30,072,446	5,796,368	(4,953,094)	2,332,630	33,248,350	7,697,616	(1,315,526)	(4,068,759)	295,538	2,608,869	35,857,219
At the end of the year	-	-	-	-	-	-	-	-	-	-	-
Reserve Fund											
At the beginning of the year	(11,864,033)	-	(225,513)	(847,470)	(12,937,016)	(2,709,246)	(85,748)	(121,400)	(183,259)	(3,099,653)	(16,036,669)
Balance Transferred from Revenue Account	272,050,206	311,244	13,311,846	17,312,350	302,985,646	57,382,397	1,883,961	11,266,951	3,055,069	73,588,378	376,574,024
At the end of the year (Including net unrealised appreciation in value of investments Rs.38,678,034]	260,186,173	311,244	13,086,333	16,464,880	290,048,630	54,673,151	1,798,213	11,145,551	2,871,810	70,488,725	360,537,355
TOTAL	285,242,777	7,504	18,155,452	22,098,050	325,503,783	63,782,457	2,957,727	13,818,532	3,764,685	84,323,401	409,827,184

March 31, 2005
Rupees

March 31, 2004
Rupees

Schedule 5

Current Liabilities and Provisions

Current Liabilities

Investment Management and Advisory Fees	120,171	1,821,047
Trustee Fees and Expenses	1,816	-
Transfer Agent Fees and Expenses	90,892	346,404
Custodian Fees and Expenses	28,667	787,640
Audit Fees	188,033	188,023
Selling and Distribution Expenses	175,218	1,976,058
Purchase Contracts Awaiting Completion - Government of India Securities	-	106,030,694
Redemption of Units	1,447,484	821,241
Dividend Payable	-	5,226,101
Dividend Tax Payable	-	669,634
Unclaimed Dividend (Note 15)	286,794	24,255
Sundry Payables	154,714	1,259,123
TOTAL	2,493,789	119,150,220

Schedules

forming part of the Balance Sheet as at March 31, 2005 and the Revenue Account for the year ended March 31, 2005

	April 01, 2004 to March 31, 2005 Rupees	April 01, 2003 to March 31, 2004 Rupees
Schedule 6		
Interest and Discount		
(Note 2.4)		
Debentures / Bonds	67,582,749	189,375,102
Securitised Debt	10,524,639	–
Government of India Securities	44,342,477	195,369,306
Treasury Bills	1,701,506	–
Reverse Repos	1,442,494	742,657
Deposits	–	111,299
Commercial Paper / Certificate of Deposit	–	641,156
TOTAL	125,593,865	386,239,520

	April 01, 2004 to March 31, 2005 Rupees	April 01, 2003 to March 31, 2004 Rupees
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Schedule 7

Unrealised (Depreciation) / Appreciation in Value of Investments

(Note 8)

(a) Privately Placed Non Convertible Debentures / Bonds		
At the beginning of the year	(449,746)	(3,889,660)
At the end of the year	(1,454,882)	(449,746)
Net change during the year	(I) (1,005,136)	3,439,914
(b) Non-Convertible Debentures / Bonds Listed / Awaiting Listing		
At the beginning of the year	12,739,483	713,450
At the end of the year	68,563	12,739,483
Net change during the year	(II) (12,670,920)	12,026,033
(c) Securitised Debt		
At the beginning of the year	20,879,404	–
At the end of the year	(288,351)	20,879,404
Net change during the year	(III) (21,167,755)	20,879,404
(d) Government of India Securities		
At the beginning of the year	5,508,893	4,916,162
At the end of the year	6,183	5,508,893
Net change during the year	(IV) (5,502,710)	592,731
Net change in unrealised (depreciation) / appreciation in value of investments during the year	(I)+(II)+(III)+(IV) (40,346,521)	36,938,082

Schedules

forming part of the Balance Sheet as at March 31, 2005 and the Revenue Account for the year ended March 31, 2005

Schedule 8

Notes to the Financial Statements

1. Organisation

Deutsche Premier Bond Fund (the "Scheme") is an open-ended income scheme of Deutsche Mutual Fund (the "Fund") and was launched on January 14, 2003. Deutsche Mutual Fund has been sponsored by Deutsche Asset Management (Asia) Limited. Deutsche Asset Management (India) Private Limited incorporated under the Companies Act, 1956, has been appointed as the asset management company. The duration of the Scheme is perpetual. The Scheme closed for initial subscription on January 21, 2003 and reopened for issue and redemption of units on January 30, 2003. The investment objective of the Scheme is to provide regular income by investing in debt securities including bonds and money market instruments.

The Scheme has two Plans - Institutional Plan and Regular Plan each offering four options - Growth Option, Annual Dividend Option, Quarterly Dividend Option and Monthly Dividend Option.

The Scheme will not declare dividend under the Growth Option of both the Plans. The income earned on such units will remain invested within the Scheme and will be reflected in the net asset value.

2. Significant Accounting Policies

2.1 Basis of Accounting

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

2.2 Portfolio Valuation

Investments are stated at market / fair value at the Balance Sheet date / date of determination. In valuing the Scheme's investments:

- i. Debt securities listed on a recognised stock exchange are valued at the last quoted closing price on the National Stock Exchange of India Limited. If no sale is reported at that time, such security is valued at fair value as determined in good faith by Deutsche Asset Management (India) Private Limited under procedures approved by the Trustee of Deutsche Mutual Fund.
- ii. Non traded and thinly traded debt securities are valued at fair value as determined by Deutsche Asset Management (India) Private Limited under procedures approved by the Trustee of Deutsche Mutual Fund in accordance with the guidelines for valuation of securities for mutual funds dated September 18, 2000 and amendments thereto, as applicable issued by the Securities and Exchange Board of India (SEBI).
- iii. Privately placed debt securities are valued at fair value as determined in good faith by Deutsche Asset Management (India) Private Limited under procedures approved by the Trustee of Deutsche Mutual Fund.
- iv. Securitised debt securities are valued at fair value as determined in good faith by Deutsche Asset Management (India) Private Limited under procedures approved by the Trustee of Deutsche Mutual Fund.
- v. Government securities are valued at prices obtained from The Credit Rating Information Services of India Limited in accordance with the guidelines for valuation of securities for mutual funds dated September 18, 2000 and amendments thereto, as applicable, issued by SEBI.
- vi. Instruments bought on 'repo' basis are valued at the resale price after deduction of applicable interest up to the date of resale.
- vii. Money market instruments were valued at cost plus accrued interest up to October 24, 2004. Effective October 25, 2004, traded money market securities are valued at the yield at which they are traded on the valuation date. If no sale is reported at that time, such security is valued at the last traded price plus accretion of the difference between the face value and the last traded price. Non-traded money market instruments are valued at cost plus accrued interest.

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 Regulations) net unrealized 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 / dates of determination is recognized in the Revenue Account. Unrealized appreciation is reduced from the distributable income at the time of income distribution. 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 is transferred to Reserve Fund.

2.3 Securities Transaction

Investment securities transactions are accounted for on a trade date basis. The Scheme uses the average cost method for determining the realized gain or loss on sale of investments.

2.4 Investment Income

Interest income is recorded on an accrual basis.

2.5 Net Asset Value for Growth / Dividend Options

The net asset value of the units of the Scheme is determined separately for the units issued under the Growth and Dividend Options for the Institutional and Regular Plans.

Schedules

forming part of the Balance Sheet as at March 31, 2005 and the Revenue Account for the year ended March 31, 2005

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

2.6 Unit Premium Reserve

Upon issue and redemption of units, the net premium or discount to the face value of units is adjusted against the unit premium reserve of the Scheme after an appropriate portion of the issue proceeds and redemption payout is credited or debited respectively to the dividend equalization reserve.

The unit premium reserve is available for dividend distribution except to the extent it is represented by unrealized net appreciation in value of investments.

2.7 Dividend Equalization Reserve

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

2.8 Load

Load collected is retained under a separate account in the Scheme and is used to meet selling and distribution expenses of the Scheme.

3. Investment Management and Advisory Fees

The Scheme has paid or provided for investment management and advisory fees payable to Deutsche Asset Management (India) Private Limited for managing the Scheme at an annual rate of 0.43% and 0.91% of the average daily net asset values of the Institutional Plan and Regular Plan respectively recorded by the Scheme. All costs, charges and expenses incurred by Deutsche Asset Management (India) Private Limited in the administration and execution of the activities of the Scheme, except costs allowed to be charged to the Scheme under the Regulations and amendments thereto as applicable, are on their own account for which they receive investment management and advisory fees.

4. Trustee Fees

In accordance with the Deed of Trust dated May 29, 2002 between Deutsche Asset Management (Asia) Limited ("The Settlor") and Deutsche Trustee Services (India) Private Limited (the "Trustee"), the Scheme has paid or provided for trustee fees payable to the Trustee at an annual rate of 0.01% of the average daily net asset values recorded by the Scheme subject to a maximum of Rs.500,000 per annum.

5. Custodian Fees

J P Morgan Chase Bank provides custodial services to the Scheme for which it receives custody fees.

6. Income Taxes

No provision for taxation has been made as the Scheme qualifies as a recognized mutual fund under Section 10 (23D) of the Income Tax Act, 1961 of India.

7. Limitation on Expenses

The total expenses chargeable to the Scheme is limited to 1.11% and 2.01% of the average daily net assets of the Institutional Plan and Regular Plan respectively. Deutsche Asset Management (India) Private Limited has borne Rs. 630,179 in excess of the above mentioned percentage of the average daily net assets to be charged to the Scheme as total expenses for the year.

8. Aggregate Appreciation and Depreciation in Value of Investments

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

	March 31, 2005 Rupees	March 31, 2004 Rupees
Privately Placed Non-Convertible Debentures / Bonds		
– Appreciation	1,164	232,347
– Depreciation	1,456,046	682,093
Non Convertible Debentures / Bonds Listed / Awaiting Listing		
– Appreciation	95,920	17,975,038
– Depreciation	27,357	5,235,555
Securitized Debt		
– Appreciation	1,006,873	20,879,404
– Depreciation	1,295,224	–
Government of India Securities		
– Appreciation	7,308	5,511,393
– Depreciation	1,125	2,500



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forming part of the Balance Sheet as at March 31, 2005 and the Revenue Account for the year ended March 31, 2005

9. Registered Securities

In accordance with Regulation 44(1) of the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996, securities purchased should be held in the name of the Scheme. As at March 31, 2005 securities aggregating to Rs. 67,933,908 (market value) are held in the name of Deutsche Mutual Fund.

10. Aggregate Fair Value of Non-Traded Investments

Aggregate fair value of non traded (including privately placed) investments as determined by Deutsche Asset Management (India) Private Limited under procedures approved by the Trustee as at March 31, 2005 is Rs. 119,094,977.

11. Aggregate Value of Purchases and Sale of Investments

The aggregate value of investment securities purchased and sold (including matured) during the financial year is Rs. 16,414,689,834 (excluding accretion of discount Rs. 12,226,145) and Rs. 20,491,168,335 respectively being 911.40% and 1137.74% of the average daily net assets.

12. Income and Expenses

The total income (including net loss on sale of investments and net change in unrealized depreciation / appreciation in value of investments) and expenditure during the year is :

Plan	Total Income		Total Expenditure	
	Rupees	Percentage of Average Daily Net Assets	Rupees	Percentage of Average Daily Net Assets
Institutional Plan	(4,881,565)	(0.36)%	15,198,676	1.11%
Regular Plan	3,216,951	0.75%	8,618,638	2.01%

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

Deutsche Bank AG, Mumbai Branch, and Kotak Mahindra Bank Limited associate entities of Deutsche Asset Management (India) Private Limited were paid commission amounting to Rs. 452,565 and Rs. 574,525 respectively for procuring unit subscriptions for the Scheme. The commission was at rates similar to those offered to other distributors.

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

Deutsche Mutual Fund has made the following investments in companies, which hold units in excess of 5% of the net asset value of any Scheme of Deutsche Mutual Fund.

Company Name	Scheme invested in by the Company	Investments made by Schemes of Deutsche Mutual Fund in the Company / Subsidiary	Aggregate for the period under Regulation 25(11) At Cost (Rupees in lakhs)	Outstanding as at March 31, 2005 At Market / Fair Value (Rupees in lakhs)
Bank of Baroda	Deutsche Insta Cash Plus Fund	Deutsche Alpha Equity Fund	206.01	–
Bharti Tele-Ventures Ltd.	Deutsche Floating Rate Fund	Deutsche Investment Opportunity Fund	124.18	1.03
		Deutsche Alpha Equity Fund	402.23	3.62
		Deutsche Insta Cash Plus Fund	947.56	–
		Deutsche MIP Fund-Plan A	11.85	–
Export Import Bank of India	Deutsche Short Maturity Fund	Deutsche MIP Fund-Plan B	5.92	–
		Deutsche Insta Cash Plus Fund	3,843.90	2,408.38
		Deutsche Premier Bond Fund	17,704.13	–
		Deutsche Short Maturity Fund	6,956.79	–
Finolex Cables Ltd.	Deutsche Short Maturity Fund	Deutsche MIP Fund-Plan A	299.56	–
		Deutsche MIP Fund-Plan B	199.71	–
		Deutsche Insta Cash Plus Fund	1,200.00	301.86
Glaxo Smithkline Pharmaceuticals Ltd.	Deutsche Floating Rate Fund	Deutsche Premier Bond Fund	519.16	–
		Deutsche Short Maturity Fund	2,552.65	201.24
		Deutsche Investment Opportunity Fund	80.55	–
Grasim Industries Ltd.	Deutsche Insta Cash Plus Fund	Deutsche Alpha Equity Fund	122.95	–
		Deutsche Investment Opportunity Fund	132.05	60.68
		Deutsche Alpha Equity Fund	376.63	242.72

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forming part of the Balance Sheet as at March 31, 2005 and the Revenue Account for the year ended March 31, 2005

Company Name	Scheme invested in by the Company	Investments made by Schemes of Deutsche Mutual Fund in the Company / Subsidiary	Aggregate for the period under Regulation 25(11) At Cost (Rupees in lakhs)	Outstanding as at March 31, 2005 At Market / Fair Value (Rupees in lakhs)
	Deutsche Short Maturity Fund	Deutsche MIP Fund-Plan A Deutsche MIP Fund-Plan B Deutsche Investment Opportunity Fund^ Deutsche Alpha Equity Fund^ Deutsche MIP Fund-Plan A^ Deutsche MIP Fund-Plan B^	30.26 9.98 44.12 130.76 14.41 9.25	25.62 9.77 – – – –
HCL Technologies Ltd.	Deutsche Short Maturity Fund	Deutsche Investment Opportunity Fund Deutsche Alpha Equity Fund Deutsche MIP Fund-Plan A	146.49 747.11 28.51	55.56 148.16 –
Hindalco Industries Ltd.	Deutsche Floating Rate Fund Deutsche Short Maturity Fund	Deutsche Investment Opportunity Fund Deutsche Alpha Equity Fund Deutsche MIP Fund-Plan A Deutsche MIP Fund-Plan B Deutsche Insta Cash Plus Fund@@@ Deutsche Short Maturity Fund@@@@	93.52 676.65 14.03 9.35 2,000.00 2,000.00	– 194.05 – – – –
Hindustan Lever Ltd.	Deutsche Fixed Term Fund Deutsche Insta Cash Plus Fund Deutsche Short Maturity Fund	Deutsche Floating Rate Fund Deutsche Insta Cash Plus Fund	508.93 873.14	– – –
Hindustan Zinc Limited	Deutsche Floating Rate Fund	Deutsche Alpha Equity Fund	35.78	–
Housing Development Finance Corporation	Deutsche Insta Cash Plus Fund	Deutsche Alpha Equity Fund Deutsche Dynamic Bond Fund Deutsche Floating Rate Fund Deutsche Insta Cash Plus Fund Deutsche Premier Bond Fund Deutsche Short Maturity Fund Deutsche MIP Fund-Plan A Deutsche MIP Fund-Plan B	275.45 1,446.57 2,392.59 21,492.53 14,457.31 14,887.35 1,239.83 200.00	– – 3,144.04 6,992.78 – – – –
Industrial Development Bank of India	Deutsche Floating Rate Fund Deutsche Insta Cash Plus Fund Deutsche Short Maturity Fund	Deutsche Fixed Term Fund Deutsche Investment Opportunity Fund Deutsche Alpha Equity Fund Deutsche Dynamic Bond Fund Deutsche Floating Rate Fund Deutsche Insta Cash Plus Fund Deutsche Premier Bond Fund Deutsche Short Maturity Fund Deutsche MIP Fund-Plan A Deutsche MIP Fund-Plan B Deutsche Fixed Term Fund^^ Deutsche Short Maturity Fund^^	1,425.16 101.19 512.83 761.31 7,741.86 23,131.79 9,282.64 9,974.79 1,390.68 472.70 1,992.73 1,000.10	1,424.58 91.15 273.45 7.14 733.14 6,147.51 115.47 692.66 262.72 146.64 1,993.01 –
Infrastructure Development Finance Company Limited	Deutsche Dynamic Bond Fund Deutsche Insta Cash Plus Fund Deutsche Premier Bond Fund Deutsche Short Maturity Fund	Deutsche Insta Cash Plus Fund	7,356.99	857.62
Infrastructure Leasing and Financial Services Limited	Deutsche Insta Cash Plus Fund	Deutsche Floating Rate Fund Deutsche Insta Cash Plus Fund Deutsche Short Maturity Fund	5,510.00 8,039.91 4,710.60	509.24 – –
ITC Limited	Deutsche Insta Cash Plus Fund	Deutsche Investment Opportunity Fund Deutsche Alpha Equity Fund	224.64 1,661.07	17.28 158.16



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forming part of the Balance Sheet as at March 31, 2005 and
the Revenue Account for the year ended March 31, 2005

Company Name	Scheme invested in by the Company	Investments made by Schemes of Deutsche Mutual Fund in the Company / Subsidiary	Aggregate for the period under Regulation 25(11) At Cost (Rupees in lakhs)	Outstanding as at March 31, 2005 At Market / Fair Value (Rupees in lakhs)
	Deutsche Short Maturity Fund	Deutsche MIP Fund-Plan A	20.37	–
		Deutsche MIP Fund-Plan B	12.20	–
Jet Airways India Pvt. Limited	Deutsche Insta Cash Plus Fund	Deutsche Premier Bond Fund	1,215.38	348.66
		Deutsche Short Maturity Fund	815.87	1,089.62
		Deutsche MIP Fund-Plan A	101.28	251.87
Larsen & Toubro Ltd.	Deutsche Investment Opportunity Fund	Deutsche Investment Opportunity Fund	663.91	–
	Deutsche Alpha Equity Fund	Deutsche Alpha Equity Fund	2,561.27	99.52
	Deutsche Insta Cash Plus Fund	Deutsche Insta Cash Plus Fund	1,884.49	–
	Deutsche Short Maturity Fund	Deutsche Short Maturity Fund	617.77	–
	Deutsche Insta Cash Plus Fund	Deutsche MIP Fund-Plan A	205.12	–
		Deutsche MIP Fund-Plan B	77.45	–
		Deutsche Floating Rate Fund^^^	100.00	–
		Deutsche Insta Cash Plus Fund^^^	2,402.34	500.18
		Deutsche Short Maturity Fund^^^	1,700.00	–
LIC Housing Finance Ltd.	Deutsche Floating Rate Fund	Deutsche Floating Rate Fund	1,266.63	250.85
		Deutsche Insta Cash Plus Fund	4,555.99	250.85
		Deutsche Premier Bond Fund	4,229.55	–
Mahindra & Mahindra Limited	Deutsche Dynamic Bond Fund	Deutsche Investment Opportunity Fund	500.00	–
		Deutsche Alpha Equity Fund	824.39	–
		Deutsche Insta Cash Plus Fund	477.02	–
		Deutsche MIP Fund-Plan A	73.23	–
		Deutsche MIP Fund-Plan B	22.31	–
		Deutsche Alpha Equity Fund^^^^^	1,300.00	–
		Deutsche Floating Rate Fund^^^^^	8,290.62	1,708.46
		Deutsche Insta Cash Plus Fund^^^^^	22,885.19	5,354.36
		Deutsche Premier Bond Fund^^^^^	3,418.56	–
		Deutsche Short Maturity Fund^^^^^	9,781.86	167.89
		Deutsche MIP Fund-Plan A^^^^^	310.78	202.81
		Deutsche MIP Fund-Plan B^^^^^	207.19	202.81
Nestle India Limited	Deutsche Insta Cash Plus Fund	Deutsche Alpha Equity Fund	43.01	–
Patni Computer Systems Limited	Deutsche Fixed Term Fund	Deutsche Investment Opportunity Fund	106.68	–
		Deutsche Alpha Equity Fund	192.41	–
		Deutsche MIP Fund-Plan A	22.04	–
		Deutsche MIP Fund-Plan B	12.82	–
Raymond Limited	Deutsche Dynamic Bond Fund	Deutsche Floating Rate Fund	500.00	–
	Deutsche Floating Rate Fund	Deutsche Insta Cash Plus Fund	4,000.00	–
	Deutsche Short Maturity Fund	Deutsche Short Maturity Fund	6,800.00	–
	Deutsche Insta Cash Plus Fund	Deutsche Insta Cash Plus Fund^^^^^	494.31	–
Tata Chemicals Limited	Deutsche Dynamic Bond Fund	Deutsche Alpha Equity Fund	16.34	–
	Deutsche Short Maturity Fund			
Tata Motors Limited	Deutsche Insta Cash Plus Fund	Deutsche Investment Opportunity Fund	568.28	82.79
		Deutsche Alpha Equity Fund	1,639.00	227.67
		Deutsche Floating Rate Fund	1,045.00	1,041.93
		Deutsche Insta Cash Plus Fund	2,090.00	2,083.87
		Deutsche MIP Fund-Plan A	135.95	–
		Deutsche MIP Fund-Plan B	36.39	–
The Tata Iron and Steel Company Ltd.	Deutsche Insta Cash Plus Fund	Deutsche Investment Opportunity Fund	611.24	179.07
		Deutsche Alpha Equity Fund	1,378.07	525.80

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forming part of the Balance Sheet as at March 31, 2005 and the Revenue Account for the year ended March 31, 2005

Company Name	Scheme invested in by the Company	Investments made by Schemes of Deutsche Mutual Fund in the Company / Subsidiary	Aggregate for the period under Regulation 25(11) At Cost (Rupees in lakhs)	Outstanding as at March 31, 2005 At Market / Fair Value (Rupees in lakhs)
		Deutsche MIP Fund-Plan A	181.19	102.61
		Deutsche MIP Fund-Plan B	78.88	29.80
The Tata Power Company Limited	Deutsche Insta Cash Plus Fund	Deutsche Investment Opportunity Fund	1,193.73	–
		Deutsche Alpha Equity Fund	478.41	–
		Deutsche MIP Fund-Plan A	170.03	–
UTI Bank Limited	Deutsche Floating Rate Fund	Deutsche Floating Rate Fund	112.22	–
	Deutsche Insta Cash Plus Fund	Deutsche Insta Cash Plus Fund	2,137.06	1,667.66
	Deutsche Short Maturity Fund	Deutsche Short Maturity Fund	190.29	–

^ DEF, DIOF, DMIP-A, DMIP-B have invested in Ultratech Cemco which is a subsidiary of Grasim Industries Limited.

^^ DSMF, DICF, DFF have invested in IDBI Capital Markets Limited which is a subsidiary of IDBI.

^^^ DSMF, DICF have invested in L&T Finance Limited which is a subsidiary of Larsen & Toubro Limited.

^^^^ DICF have invested in Raymond Apparels which is a subsidiary of Raymond Limited.

^^^^^ DSMF, DICP, DPBF, DEF, DFF, DMIP-A, DMIP-B have invested in Mahindra and Mahindra Financial Services which is subsidiary of Mahindra and Mahindra Limited.

@@@@ DSMF & DICF have invested in Indian Aluminium Limited which is a subsidiary of Hindalco Industries Limited.

The above investments comprise equity shares, debentures / bonds, commercial paper, fixed deposits and other debt instruments.

These investments have been made on account of their high credit quality and competitive yield for the investment in fixed income / money market instruments and in case of equity shares because of attractive valuations of these companies.

15. Unclaimed Dividend

As at March 31, 2005 unclaimed dividends aggregate Rs.286,794 payable to thirty two investors. These details are based on confirmations received from the Scheme's Registrar and Transfer Agent that maintain information of unclaimed dividend on behalf of the Scheme.

16. Compliance with SEBI circular dated December 12, 2003

SEBI circular dated December 12, 2003 stated that as at December 31, 2004 and subsequently thereafter on a calendar quarter (on an average basis) each mutual funds Scheme and individual Plan(s) under the Scheme should have a minimum of 20 investors and no single investor should account for more than 25% of the corpus of the Scheme / Plan(s). In case of the non compliance of the above requirement the Scheme / Plan(s) should be immediately wound up.

As at March 31, 2005, the Institutional Plan of the Scheme has one investor holding units in excess of 25% of the corpus of the Plan. Therefore, in accordance with the above mentioned circular the Institutional Plan of the Scheme has been wound up with effect from April 9, 2005.

17. Perspective Historical Per Unit Statistics*

	April 01, 2004 to March 31, 2005	April 01, 2003 to March 31, 2004	January 14, 2003 to March 31, 2003
(a) Net asset value per unit at the end of the year / period (Note 2.5)			
Institutional Plan			
Growth Option	11.3927	11.2005	9.8872
Annual Dividend Option	–	10.4108	–
Quarterly Dividend Option	–	10.6717	9.8872
Monthly Dividend Option	10.3587	10.5584	9.8873
Regular Plan			
Growth Option	11.1904	11.1020	9.8749
Annual Dividend Option	10.4519	10.3688	9.8749
Quarterly Dividend Option	10.2385	10.5898	9.8744
Monthly Dividend Option	10.3798	10.5380	9.8749



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forming part of the Balance Sheet as at March 31, 2005 and the Revenue Account for the year ended March 31, 2005

	April 01, 2004 to March 31, 2005	April 01, 2003 to March 31, 2004	January 14, 2003 to March 31, 2003
(b) Gross Income			
(i) income other than profit on sale of investment	6.9374	0.9643	0.1406
(ii) income from profit on inter-scheme sales / transfer of investment	(0.0882)	0.0152	(0.0000)#
(iii) income (net) from profit on sale of investment to third party	(4.7125)	0.3640	(0.2749)
(iv) transfer of revenue account from past year's reserve	2.3589	0.0000	NA
(c) Aggregate of expenses, writeoff, amortisation and charges	1.3156	0.1640	0.0189
(d) Net income	0.8211	1.1795	(0.1532)
(e) Net change in unrealised (depreciation) / appreciation in value of investments	(2.2286)	0.0922	0.0125
(f) Redemption price			
– Highest			
Institutional Plan			
Growth Option	11.3877	11.1837	9.8872
Annual Dividend Option	10.4231	11.0826	–
Quarterly Dividend Option	10.5909	10.7044	–
Monthly Dividend Option	10.5858	10.7014	–
Regular Plan			
Growth Option	11.2013	11.1020	9.9875
Annual Dividend Option	10.4615	10.0483	–
Quarterly Dividend Option	10.5898	10.6910	9.7068
Monthly Dividend Option	10.5652	10.7693	–
– Lowest			
Institutional Plan			
Growth Option	10.9635	9.8872	9.6509
Annual Dividend Option	10.4231	10.4571	–
Quarterly Dividend Option	10.2258	10.5151	–
Monthly Dividend Option	10.1024	10.3243	–
Regular Plan			
Growth Option	10.8305	9.8749	9.9853
Annual Dividend Option	10.1190	10.3894	–
Quarterly Dividend Option	9.9916	10.0410	9.5016
Monthly Dividend Option	10.0521	10.1265	–
(g) Purchase price			
– Highest			
Institutional Plan			
Growth Option	11.3927	11.2005	10.0000
Annual Dividend Option	10.4108	11.0379	–
Quarterly Dividend Option	10.5731	10.6982	10.0000
Monthly Dividend Option	10.5472	10.7021	10.0000
Regular Plan			
Growth Option	11.2013	11.0868	10.0000
Annual Dividend Option	10.4608	11.0965	10.0000
Quarterly Dividend Option	10.5898	10.6910	10.0000
Monthly Dividend Option	10.5667	10.7693	10.0000

Schedules

forming part of the Balance Sheet as at March 31, 2005 and the Revenue Account for the year ended March 31, 2005

	April 01, 2004 to March 31, 2005	April 01, 2003 to March 31, 2004	January 14, 2003 to March 31, 2003
– Lowest			
Institutional Plan			
Growth Option	10.9671	10.1737	9.7411
Annual Dividend Option	10.4108	10.4108	–
Quarterly Dividend Option	10.2292	10.1347	10.0000
Monthly Dividend Option	10.1812	9.8872	9.8208
Regular Plan			
Growth Option	10.8344	9.8749	9.5493
Annual Dividend Option	10.2173	9.9508	9.7072
Quarterly Dividend Option	9.9916	9.9666	9.5493
Monthly Dividend Option	10.1042	9.9508	9.5493
(h) Price earnings ratio	NA	NA	NA
(i) Ratio of expenses to daily average net assets by percentage			
Institutional Plan	1.11%	1.01%	1.00% @
Regular Plan	2.01%	1.78%	1.75% @
(j) Ratio of gross income (including net profit / loss on sale of investments and net change in unrealised depreciation / appreciation in value of investments) to daily average net assets by percentage			
Institutional Plan	(0.36)%	10.48%	(7.52)% @
Regular Plan	0.75%	10.04%	(6.29)% @

* The above per unit calculations are based on the number of units in issue at the end of the financial year / period.

Below 0.0001 per unit

@ The ratio of expenses and gross income to average daily net assets by percentage has been annualised for a period January 30, 2003 to March 31, 2003

18. Prior Year's Figures

Prior year's figures have been re-grouped / re-arranged where appropriate.

Signatures to the Schedules 1 to 8 forming part of the Balance Sheet and the Revenue Account

K. H. VACHHA
Partner

For **Deutsche Trustees Services (India)
Private Limited**

For **Deutsche Asset Management (India)
Private Limited**

For and on behalf of
PRICE WATERHOUSE
Chartered Accountants

Gunit Chadha
Director

M. H. Kania
Director

Peter Noel Sampson Hanbury
Director

Sandeep Dasgupta
Director

Y. B. Desai
Director

A. S. Mitra
Director

Kersi M. Gherda
Director

Dileep Choksi
Director

Debabrata Bhadury
Director

Choy Peng Wah
Director

Vijay P. Gokhale
Director

Carl Saldanha
Director

Place: Mumbai
Date : August 30, 2005

Suresh Soni
Portfolio Manager



Statement of Portfolio Holding

as at March 31, 2005

(Referred to in Schedule 1 to the Balance Sheet as at March 31, 2005 and the Revenue Account for the year ended March 31, 2005)

Description	Market / Fair Value Rupees
Privately Placed Non-Convertible Debentures / Bonds (14.34%)	
Banks (100%)	
14% ICICI Bank Limited 2006 *	12,833,868
11.5% IDBI Bank Limited 2010 *@	11,547,074
11% ICICI Bank Limited 2005 *	2,445,756
Total	(Cost – Rs. 28,281,580) 26,826,698
Non-Convertible Debentures / Bonds Listed / Awaiting Listing (13.40%)	
Finance and Investments (65.34%)	
7% Power Finance Corporation Limited 2011 #	10,950,203
10.45% Indian Railway Finance Corporation Limited 2007 #	5,419,770
	16,369,973
Petroleum Products (34.66%)	
10.25% Indian Oil Corporation Limited 2008 #	4,382,048
10.25% Indian Oil Corporation Limited 2007 #	4,299,724
	8,681,772
Total	(Cost – Rs. 24,983,182) 25,051,745
Securitised Debt (35.94%)	
Finance (100%)	
JUS Trust Jet Airways Ser 4 PTC 2013 *	34,865,759
ICICI Bank NTPC Loan Sec Trust TR 12 PTC 2009 *	14,240,215
Retail Pool Trust Ptc Centurion Bank 2007 *	13,015,997
ICICI Bank Retail ABS Trust SeriesII PTC 2005 *	5,094,563
Total	(Cost – Rs. 67,504,885) 67,216,534
Government of India Securities (36.32%)	
10.95% Government of India 2011	43,543,908
8.07% Government of India 2017	24,390,000
Total	(Cost – Rs. 67,927,725) 67,933,908
TOTAL INVESTMENTS	(Cost – Rs. 188,697,372) 187,028,885

Confirmation has been received from J P Morgan Chase Bank, Mumbai Branch at the end of the financial year for the investments held by them and from Standard Chartered Bank, Mumbai Branch for the securities held by them in the Constituent Subsidiary General Ledger (CSGL) account.

- * Fair value of non-traded (privately placed) securities as determined in good faith by Deutsche Asset Management (India) Private Limited under procedures approved by the Trustee.
- # Fair value of non-traded and thinly traded debt securities 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) as determined by Deutsche Asset Management (India) Private Limited under procedures approved by the Trustee.
- @ Investment in companies which have invested more than five per cent of the net asset value of any scheme of Deutsche Mutual Fund

Auditors' Report

To the Trustee

DEUTSCHE MUTUAL FUND

1. We have audited the Balance Sheet of Deutsche Mutual Fund – Deutsche Short Maturity Fund ("The Scheme") as at March 31, 2005 and the related Revenue Account for the year ended on that date, both of which we have signed under reference to this report. These financial statements are the responsibility of the Trustee of Deutsche Mutual Fund and the Management of Deutsche Asset Management (India) 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 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, 2005 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 statement 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 purpose of our audit. The Balance Sheet and the Revenue Account referred to above are in agreement with the books of account of the Scheme.
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 amendments thereto, as applicable, and also give respectively, a true and fair view of the state of affairs of Deutsche Mutual Fund – Deutsche Short Maturity Fund as at March 31, 2005 and its net surplus for the year ended on that date.
 - (ii) The Balance Sheet as at March 31, 2005 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 securities in good faith and
 - b) Non traded / thinly traded debt securities in accordance with guidelines for valuation of securities for mutual funds dated September 18, 2000 and amendments thereto, as applicable, issued by the Securities and Exchange Board of Indiaas at March 31, 2005 as determined by Deutsche Asset Management (India) Private Limited under procedures approved by the Trustee of Deutsche Mutual Fund are fair and reasonable.

K. H. Vachha
Partner
Membership No. F/30798

For and on behalf of
Price Waterhouse
Chartered Accountants

Place : Mumbai
Date : August 30, 2005

Balance Sheet

as at March 31, 2005

	Schedule	March 31, 2005 Rupees	March 31, 2004 Rupees
Assets			
Investments	1	1,020,875,531	3,470,531,270
Deposits	2	20,000,000	50,000,000
Other Current Assets	3	31,019,893	184,240,984
TOTAL		1,071,895,424	3,704,772,254
Liabilities			
Unit Capital	4	1,020,775,217	3,516,540,653
Reserves and Surplus	5	49,259,570	184,414,574
Current Liabilities and Provisions	6	1,860,637	3,817,027
TOTAL		1,071,895,424	3,704,772,254

Reconciliation of Net Asset Value Per Unit

	March 31, 2005				March 31, 2004			
	Growth Plan Rupees	Weekly Dividend Plan Rupees	Monthly Dividend Plan Rupees	Total Rupees	Growth Plan Rupees	Weekly Dividend Plan Rupees	Monthly Dividend Plan Rupees	Total Rupees
Net Assets as per Balance Sheet (Total Assets less Current Liabilities and Provisions) (Note 2.5)	299,553,802	471,943,514	298,537,471	1,070,034,787	1,899,253,393	758,844,892	1,042,856,942	3,700,955,227
Number of Units in Issue	26,563,807.686	46,207,661.131	29,306,052.887		176,213,153.629	73,872,061.269	101,568,850.346	
Net Asset Value per Unit	11.2768	10.2135	10.1869		10.7782	10.2724	10.2675	

Notes to the Financial Statements.

9

The Schedules referred to herein form an integral part of the Financial Statements

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

K. H. VACHHA
Partner

For **Deutsche Trustee Services (India)
Private Limited**

For **Deutsche Asset Management (India)
Private Limited**

For and on behalf of
PRICE WATERHOUSE
Chartered Accountants

Gunit Chadha
Director

M. H. Kania
Director

Peter Noel Sampson Hanbury
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Sandeep Dasgupta
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Y. B. Desai
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Director

Dileep Choksi
Director

Debabrata Bhadury
Director

Choy Peng Wah
Director

Vijay P. Gokhale
Director

Carl Saldanha
Director

Place: Mumbai
Date : August 30, 2005

Suresh Soni
Portfolio Manager

Revenue Account

for the Year ended March 31, 2005

	Schedule	April 01, 2004 to March 31, 2005 Rupees	April 01, 2003 to March 31, 2004 Rupees
Income And Gains			
Interest and Discount	7	157,894,582	324,956,867
TOTAL		157,894,582	324,956,867
Expenses And Losses			
Net Loss on Sale of Investments [Net of Net Gain on Inter - Scheme Sale of Investments Rs 16,469,558 (Previous Year - Net Loss Rs. 4,205,427)] (Note 2.3)		2,872,828	5,053,832
Investment Management and Advisory Fees (Note 3)		7,192,672	18,179,197
Trustee Fees and Expenses (Note 4)		233,420	500,000
Transfer Agent Fees and Expenses		1,913,030	4,365,058
Custodian Fees and Expenses (Note 5)		1,361,251	2,842,838
Audit Fees		188,033	188,033
Selling and Distribution Expenses		8,577,951	21,034,113
Other Operating Expenses		1,726,331	3,376,911
		24,065,516	55,539,982
Less: Expenses to be Reimbursed by the Investment Manager (Note 7)		184,627	2,431,047
TOTAL		23,880,889	53,108,935
Net Surplus for the year		134,013,693	271,847,932
Net Change in Unrealised (Depreciation) / Appreciation in Value of Investments	8	(41,689,279)	38,675,429
Net Surplus including Net Change in Unrealised (Depreciation) / Appreciation in Value of Investments		92,324,414	310,523,361

	April 01, 2004 to March 31, 2005				April 01, 2003 to March 31, 2004	April 22, 2003 to March 31, 2004	April 01, 2003 to March 31, 2004	Total Rupees
	Growth Plan Rupees	Weekly Dividend Plan Rupees	Monthly Dividend Plan Rupees	Total Rupees	Growth Plan Rupees	Weekly Dividend Plan Rupees	Monthly Dividend Plan Rupees	
Net Surplus including Net Change in Unrealised (Depreciation) / Appreciation in Value of Investments by Plan	39,053,401	22,806,248	30,464,765	92,324,414	166,663,774	84,452,576	59,407,011	310,523,361
Transfer from Dividend Equalisation Reserve (Note 2.7)	(133,327,732)	(4,846,984)	(10,414,653)	(148,589,369)	(37,062,328)	13,938,737	11,690,129	(11,433,462)
Transfer From Reserve Fund	-	16,731,626	23,227,313	39,958,939	-	-	-	-
Dividend Distributions	-	(24,919,272)	(35,146,935)	(60,066,207)	-	(71,357,916)	(45,077,310)	(116,435,226)
Dividend Tax Thereon	-	(4,086,821)	(5,749,134)	(9,835,955)	-	(9,142,733)	(5,775,530)	(14,918,263)
Balance Transferred to Reserve Fund	(94,274,331)	5,684,797	2,381,356	(86,208,178)	129,601,446	17,890,664	20,244,300	167,736,410

Notes to the Financial Statements 9
The Schedules referred to herein form an integral part of the Financial Statements

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

K. H. VACHHA
Partner

For **Deutsche Trustee Services (India) Private Limited**

For **Deutsche Asset Management (India) Private Limited**

For and on behalf of
PRICE WATERHOUSE
Chartered Accountants

Gunit Chadha
Director

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Debabrata Bhadury
Director

Choy Peng Wah
Director

Vijay P. Gokhale
Director

Carl Saldanha
Director

Place: Mumbai
Date : August 30, 2005

Suresh Soni
Portfolio Manager

Schedules

forming part of the Balance Sheet as at March 31, 2005 and the Revenue Account for the Year ended March 31, 2005

	March 31, 2005		March 31, 2004	
	Market / Fair Value Rupees	Cost Rupees	Market / Fair Value Rupees	Cost Rupees
Schedule 1				
Investments				
(Notes 2.2, 2.3, 8, 9, 10, 11 and 14)				
(Refer to the attached Statement of Portfolio Holding as at March 31, 2005)				
Privately Placed Non-Convertible Debentures / Bonds	203,424,821	206,807,202	1,102,750,997	1,103,041,259
Non-Convertible Debentures / Bonds Listed / Awaiting Listing	293,741,555	299,800,182	986,496,294	992,575,400
Securitized Debt	270,532,879	267,149,480	1,296,687,679	1,254,881,761
Government of India Securities	53,835,242	53,833,395	76,657,000	76,468,611
Treasury Bills	57,544,841	57,553,419	–	–
Certificate of Deposit / Commercial Paper	141,796,193	141,796,193	7,939,300	7,939,300
TOTAL	1,020,875,531	1,026,939,871	3,470,531,270	3,434,906,331
			March 31, 2005 Rupees	March 31, 2004 Rupees

Schedule 2

Deposits

Deposits with Scheduled Banks		20,000,000	50,000,000
TOTAL		20,000,000	50,000,000
		March 31, 2005 Rupees	March 31, 2004 Rupees

Schedule 3

Other Current Assets

Balances with Banks			
– in Current Account		8,516,406	18,088,870
– in Dividend Account (Note 15)		8,566	393
Sales Contracts Awaiting Completion			
– Debentures / Bonds		–	40,529,911
– Government of India Securities		–	58,352,083
Interest Receivables on :			
– Debentures / Bonds		20,604,818	62,731,139
– Government of India Securities		1,701,914	1,863,736
– Deposits		3,562	1,713,013
Receivable from Investment Manager		184,627	953,485
Receivable from Trustee		–	8,354
TOTAL		31,019,893	184,240,984

Schedules

forming part of the Balance Sheet as at March 31, 2005 and the Revenue Account for the Year ended March 31, 2005

	March 31, 2005		March 31, 2004	
	Rupees	Units	Rupees	Units
Schedule 4				
Unit Capital				
Growth Plan				
Issued and Subscribed :				
Units of Rs.10 each fully paid-up	2,112,481,400	211,248,140.000	2,112,481,400	211,248,140.000
Outstanding :				
At the beginning of the year	1,762,131,537	176,213,153.629	705,232,415	70,523,241.471
Issued during the year	3,511,445,601	351,144,560.068	15,318,239,761	1,531,823,976.050
	5,273,577,138	527,357,713.697	16,023,472,176	1,602,347,217.521
Redeemed during the year	5,007,939,060	500,793,906.011	14,261,340,639	1,426,134,063.892
At the end of the year	265,638,078	26,563,807.686	1,762,131,537	176,213,153.629
Weekly Dividend Plan				
Issued and Subscribed :				
Units of Rs.10 each fully paid-up				
Outstanding :				
At the beginning of the year	738,720,613	73,872,061.269	-	-
Issued during the year / period	2,299,297,933	229,929,793.323	7,210,510,792	721,051,079.163
	3,038,018,546	303,801,854.592	7,210,510,792	721,051,079.163
Redeemed during the year / period	2,575,941,935	257,594,193.461	6,471,790,179	647,179,017.894
At the end of the year / period	462,076,611	46,207,661.131	738,720,613	73,872,061.269
Monthly Dividend Plan				
Issued and Subscribed:				
Units of Rs.10 each fully paid-up	107,873,000	10,787,300.000	107,873,000	10,787,300.000
Outstanding :				
At the beginning of the year	1,015,688,503	101,568,850.346	9,773,143	977,314.265
Issued during the year	1,317,105,944	131,710,594.431	2,993,019,402	299,301,940.235
	2,332,794,447	233,279,444.777	3,002,792,545	300,279,254.500
Redeemed during the year	2,039,733,919	203,973,391.890	1,987,104,042	198,710,404.154
At the end of the year	293,060,528	29,306,052.887	1,015,688,503	101,568,850.346
TOTAL	1,020,775,217	102,077,521.704	3,516,540,653	351,654,065.244

	March 31, 2005				March 31, 2004			
	Growth Plan Rupees	Weekly Dividend Plan Rupees	Monthly Dividend Plan Rupees	Rupees	Growth Plan Rupees	Weekly Dividend Plan Rupees	Monthly Dividend Plan Rupees	Total Rupees
Schedule 5								
Reserves and Surplus								
Unit Premium Reserve (Note 2.6)								
At the beginning of the year	5,539,801	2,233,615	1,458,006	9,231,422	2,580,603	-	(5,405,615)	(2,825,012)
Added during the year / period	(8,931,801)	789,453	(845,539)	(8,987,887)	2,959,198	2,233,615	6,863,621	12,056,434
At the end of the year / period	(3,392,000)	3,023,068	612,467	243,535	5,539,801	2,233,615	1,458,006	9,231,422
Dividend Equalisation Reserve (Note 2.7)								
Added during the year / period	(133,327,732)	(4,846,984)	(10,414,653)	(148,589,369)	(37,062,328)	13,938,737	11,690,129	(11,433,462)
Transfer to Revenue Account	133,327,732	4,846,984	10,414,653	148,589,369	37,062,328	(13,938,737)	(11,690,129)	11,433,462
At the end of the year	-	-	-	-	-	-	-	-
Reserve Fund								
At the beginning of the year	131,582,055	17,890,664	25,710,433	175,183,152	1,980,609	-	5,466,133	7,446,742
Transfer to Revenue Account		(16,731,626)	(23,227,313)	(39,958,939)	-	-	-	-
Balance Transferred from Revenue Account	(94,274,331)	5,684,797	2,381,356	(86,208,178)	129,601,446	17,890,664	20,244,300	167,736,410
At the end of the year / period [including net unrealised depreciation in value of investments Rs. 6,064,340. (Previous Year - net unrealised appreciation Rs. 35,624,939)]	37,307,724	6,843,835	4,864,476	49,016,035	131,582,055	17,890,664	25,710,433	175,183,152
TOTAL	33,915,724	9,866,903	5,476,943	49,259,570	137,121,856	20,124,279	27,168,439	184,414,574

Schedules

forming part of the Balance Sheet as at March 31, 2005 and the Revenue Account for the Year ended March 31, 2005

	March 31, 2005 Rupees	March 31, 2004 Rupees
Schedule 6		
Current Liabilities and Provisions		
Current Liabilities		
Investment Management and Advisory Fees	302,023	745,666
Trustee Fees and Expenses	10,067	–
Transfer Agent Fees and Expenses	92,283	281,339
Custodian Fees and Expenses	66,380	441,469
Audit Fees	188,033	188,033
Selling and Distribution Expenses	531,877	1,525,672
Dividend Payable	382,977	–
Dividend Tax Payable	158,881	85,252
Unclaimed Dividend (Note 15)	8,566	393
Sundry Payables	119,550	549,203
TOTAL	1,860,637	3,817,027

	April 01, 2004 to March 31, 2005 Rupees	April 01, 2003 to March 31, 2004 Rupees
Schedule 7		
Interest and Discount		
(Note 2.4)		
Debentures / Bonds	93,375,337	213,840,244
Securitized Debt	47,783,994	–
Government of India Securities	10,672,414	34,942,968
Treasury Bills	1,209,160	6,822,723
Reverse Repos	1,294,367	1,807,594
Deposits	1,430,761	37,430,271
Certificate of Deposit / Commercial Paper	2,128,549	30,113,067
TOTAL	157,894,582	324,956,867

	April 01, 2004 to March 31, 2005 Rupees	April 01, 2003 to March 31, 2004 Rupees
Schedule 8		
Unrealised (Depreciation) / Appreciation in Value of Investments		
(Note 8)		
(a) Privately Placed Non-Convertible Debentures / Bonds		
At the beginning of the year	(290,262)	(3,051,733)
At the end of the year	(3,382,381)	(290,262)
Net change during the year	(I) (3,092,119)	2,761,471
(b) Non-Convertible Debentures / Bonds Listed / Awaiting Listing		
At the beginning of the year	(6,079,106)	1,243
At the end of the year	(6,058,627)	(6,079,106)
Net change during the year	(II) 20,479	(6,080,349)

Schedules

forming part of the Balance Sheet as at March 31, 2005 and the Revenue Account for the Year ended March 31, 2005

		April 01, 2004 to March 31, 2005 Rupees	April 01, 2003 to March 31, 2004 Rupees
Schedule 8 (Contd...)			
(c) Securitised Debt			
At the beginning of the year		41,805,918	–
At the end of the year		3,383,399	41,805,918
Net change during the year	(III)	(38,422,519)	41,805,918
(d) Government of India Securities			
At the beginning of the year		188,389	–
At the end of the year		1,847	188,389
Net change during the year	(IV)	(186,542)	188,389
(e) Treasury Bills			
At the beginning of the year		–	–
At the end of the year		(8,578)	–
Net change during the year	(V)	(8,578)	–
Net change in unrealised (depreciation) / appreciation in value of investments during the year	(I)+(II)+(III)+(IV)+(V)	(41,689,279)	38,675,429

Schedule 9

Notes to the Financial Statements

1. Organisation

Deutsche Short Maturity Fund (the "Scheme") is an open-ended income scheme of Deutsche Mutual Fund (the "Fund") and was launched on January 14, 2003. Deutsche Mutual Fund has been sponsored by Deutsche Asset Management (Asia) Limited. Deutsche Asset Management (India) Private Limited incorporated under the Companies Act, 1956 has been appointed as the asset management company. The duration of the Scheme is perpetual. The Scheme closed for initial subscription on January 21, 2003 and reopened for issue and redemption of units on January 27, 2003. The investment objective of the Scheme is to generate steady returns with low volatility by investing in short-medium term debt and money market securities.

As at March 31, 2005 the Scheme has three plans - Growth Plan, Weekly Dividend Plan (effective April 22, 2003) and Monthly Dividend Plan.

The Scheme will not declare dividend under the Growth Plan. The income earned on such units will remain invested within the Scheme and will be reflected in the net asset value.

2. Significant Accounting Policies

2.1 Basis of Accounting

The Scheme maintains its books of account on an accrual basis. These financial statements have been prepared in accordance with the accounting policies and standards specified in the Ninth Schedule of 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 / date of determination. In valuing the Scheme's investments:

- i. Debt securities listed on a recognised stock exchange are valued at the last quoted closing price on the National Stock Exchange of India Limited. If no sale is reported at that time, such security is valued at fair value as determined in good faith by Deutsche Asset Management (India) Private Limited under procedures approved by the Trustee of Deutsche Mutual Fund.
- ii. Non-traded and thinly traded debt securities are valued at fair value as determined by Deutsche Asset Management (India) Private Limited under procedures approved by the Trustee of Deutsche Mutual Fund in accordance with the guidelines for valuation of securities for mutual funds dated September 18, 2000 and amendments thereto, as applicable issued by the Securities and Exchange Board of India (SEBI).
- iii. Privately placed debt securities are valued at fair value as determined in good faith by Deutsche Asset Management (India) Private Limited under procedures approved by the Trustee of Deutsche Mutual Fund.
- iv. Securitised debt securities are valued at fair value as determined in good faith by Deutsche Asset Management (India) Private Limited under procedures approved by the Trustee of Deutsche Mutual Fund.

Schedules

forming part of the Balance Sheet as at March 31, 2005 and the Revenue Account for the Year ended March 31, 2005

- v. Money market instruments were valued at cost plus accrued interest up to October 24, 2004. Effective October 25, 2004, traded money market securities are valued at the yield at which they are traded on the valuation date. If no sale is reported at that time, such security is valued at the last traded price plus accretion of the difference between the face value and the last traded price. Non-traded money market instruments are valued at cost plus accrued interest.
- vi. Instruments bought on 'repo' basis are valued at the resale price after deduction of applicable interest up to the date of resale.
- vii. Government securities are valued at prices obtained from The Credit Rating Information Services of India Limited in accordance with the guidelines for valuation of 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 Regulations) net unrealized 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 / dates of determination is recognized in the Revenue Account. Unrealized appreciation is reduced from the distributable income at the time of income distribution. 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 is transferred to Reserve Fund.

2.3 Securities Transaction

Investment securities transactions are accounted for on a trade date basis. The Scheme uses the average cost method for determining the realized gain or loss on sale of investments.

2.4 Investment Income

Interest income is recorded on an accrual basis.

2.5 Net Asset Value for Growth / Dividend Plans

The net asset value of the units of the Scheme is determined separately for the units issued under the Growth and Dividends Plans.

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

2.6 Unit Premium Reserve

Upon issue and redemption of units, the net premium or discount to the face value of units is adjusted against the unit premium reserve of the Scheme, after an appropriate portion of the issue proceeds and redemption payout is credited or debited respectively to the dividend equalization reserve.

The unit premium reserve is available for dividend distribution except to the extent it is represented by unrealised net appreciation in value of investments.

2.7 Dividend Equalization Reserve

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

3. Investment Management and Advisory Fees

The Scheme has paid or provided for investment management and advisory fees payable to Deutsche Asset Management (India) Private Limited for managing the Scheme at an annual rate of 0.31% of the average daily net asset values recorded by the Scheme. All costs, charges and expenses incurred by Deutsche Asset Management (India) Private Limited in the administration and execution of the activities of the Scheme, except costs allowed to be charged to the Scheme under the Regulations and amendments thereto as applicable, are on their own account for which they receive investment management and advisory fees.

4. Trustee Fees

In accordance with the Deed of Trust dated May 29, 2002 between Deutsche Asset Management (Asia) Limited (the "Settlor") and Deutsche Trustee Services (India) Private Limited (the "Trustee"), the Scheme has paid or provided for trustee fees payable to the Trustee at an annual rate of 0.01% of the average daily net asset values recorded by the Scheme subject to a maximum of Rs. 500,000 per annum.

5. Custodian Fees

J P Morgan Chase Bank provides custodial services to the Scheme for which it receives custody fees.

6. Income Taxes

No provision for taxation has been made as the Scheme qualifies as a recognized mutual fund under Section 10 (23D) of the Income Tax Act, 1961 of India.

7. Limitation of Expenses

In accordance with the Offer Document dated November 11, 2002 the total expenses chargeable to the Scheme is limited to 0.90% of the average daily net assets recorded by the Scheme. Deutsche Asset Management (India) Private Limited has borne Rs.184,627 which is in excess of the above mentioned percentage of the average daily net assets allowable to be charged to the Scheme as total expenses for the year.

Schedules

forming part of the Balance Sheet as at March 31, 2005 and the Revenue Account for the Year ended March 31, 2005

8. Aggregate Appreciation and Depreciation In Value of Investments

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

	March 31, 2005 Rupees	March 31, 2004 Rupees
Privately Placed Non-Convertible Debentures / Bonds		
– Appreciation	73,758	2,604,242
– Depreciation	3,456,139	2,894,504
Non-Convertible Debentures / Bonds Listed / Awaiting Listing		
– Appreciation	288,068	1,645,031
– Depreciation	6,346,695	7,724,137
Securitised Debt		
– Appreciation	8,108,807	41,805,918
– Depreciation	4,725,408	–
Government of India Securities		
– Appreciation	2,842	188,389
– Depreciation	995	–
Treasury Bill		
– Appreciation	–	–
– Depreciation	8,578	–

9. Registered Securities

In accordance with Regulation 44(1) of the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996, securities purchased should be held in the name of the Scheme. As at March 31, 2005 securities aggregating to Rs. 111,380,083 (market / fair value) are held in the name of Deutsche Mutual Fund.

10. Aggregate Fair Value of Non-Traded Investments

Aggregate fair value of non-traded (including private placements) investments as determined by Deutsche Asset Management (India) Private Limited under the procedures approved by the Trustee as at March 31, 2005 is Rs. 937,766,109.

11. Aggregate Value of Purchases and Sale of Investments

The aggregate value of investment securities purchased and sold (including matured) during the financial year are Rs. 9,220,168,476 (excluding accretion of discount Rs. 52,859,739) and Rs. 11,678,121,847 respectively being 396.22% and 501.85% of the average daily net assets.

12. Income and Expenses

The total income (including net loss on sale of investments and net change in unrealized depreciation / appreciation in the value of investments) and expenditure is Rs. 113,332,475 and Rs. 21,008,061 respectively being 4.87% and 0.90% of the average daily net assets.

13. Disclosure Under Regulation 25(8) of the Securities and Exchange Board of India (Mutual Funds) Regulation, 1996 as amended

Deutsche Bank AG, Mumbai Branch and Kotak Mahindra Bank Limited associate entities of Deutsche Asset Management (India) Private Limited were paid commission amounting to Rs. 2,390,369 and Rs. 207,163 respectively for procuring unit subscriptions for the Scheme. The commission paid was at rates similar to those offered to other distributors.

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

Deutsche Mutual Fund has made the following investments in companies, which hold units in excess of 5% of the net asset value of any Scheme of Deutsche Mutual Fund.

Company Name	Scheme invested in by the Company	Investments made by Schemes of Deutsche Mutual Fund in the Company / Subsidiary	Aggregate for the period under Regulation 25(11) At Cost (Rupees in lakhs)	Outstanding as at March 31, 2005 At Market / Fair Value (Rupees in lakhs)
Bank of Baroda	Deutsche Insta Cash Plus Fund	Deutsche Alpha Equity Fund	206.01	–
Bharti Tele-Ventures Ltd.	Deutsche Floating Rate Fund	Deutsche Investment Opportunity Fund	124.18	1.03
	Deutsche Insta Cash Plus Fund	Deutsche Alpha Equity Fund	402.23	3.62
		Deutsche Insta Cash Plus Fund	947.56	–
		Deutsche MIP Fund-Plan A	11.85	–
		Deutsche MIP Fund-Plan B	5.92	–

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forming part of the Balance Sheet as at March 31, 2005 and the Revenue Account for the Year ended March 31, 2005

Company Name	Scheme invested in by the Company	Investments made by Schemes of Deutsche Mutual Fund in the Company / Subsidiary	Aggregate for the period under Regulation 25(11) At Cost (Rupees in lakhs)	Outstanding as at March 31, 2005 At Market / Fair Value (Rupees in lakhs)
Export Import Bank of India	Deutsche Short Maturity Fund	Deutsche Insta Cash Plus Fund	3,843.90	2,408.38
		Deutsche Premier Bond Fund	17,704.13	–
		Deutsche Short Maturity Fund	6,956.79	–
		Deutsche MIP Fund-Plan A	299.56	–
		Deutsche MIP Fund-Plan B	199.71	–
Finolex Cables Ltd.	Deutsche Short Maturity Fund	Deutsche Insta Cash Plus Fund	1,200.00	301.86
		Deutsche Premier Bond Fund	519.16	–
		Deutsche Short Maturity Fund	2,552.65	201.24
Glaxo Smithkline Pharmaceuticals Ltd.	Deutsche Floating Rate Fund	Deutsche Investment Opportunity Fund	80.55	–
		Deutsche Alpha Equity Fund	122.95	–
Grasim Industries Ltd.	Deutsche Insta Cash Plus Fund Deutsche Short Maturity Fund	Deutsche Investment Opportunity Fund	132.05	60.68
		Deutsche Alpha Equity Fund	376.63	242.72
		Deutsche MIP Fund-Plan A	30.26	25.62
		Deutsche MIP Fund-Plan B	9.98	9.77
		Deutsche Investment Opportunity Fund^	44.12	–
		Deutsche Alpha Equity Fund^	130.76	–
HCL Technologies Ltd.	Deutsche Short Maturity Fund	Deutsche MIP Fund-Plan A^	14.41	–
		Deutsche MIP Fund-Plan B^	9.25	–
		Deutsche Investment Opportunity Fund	146.49	55.56
		Deutsche Alpha Equity Fund	747.11	148.16
Hindalco Industries Ltd.	Deutsche Floating Rate Fund Deutsche Short Maturity Fund	Deutsche MIP Fund-Plan A	28.51	–
		Deutsche Investment Opportunity Fund	93.52	–
		Deutsche Alpha Equity Fund	676.65	194.05
		Deutsche MIP Fund-Plan A	14.03	–
		Deutsche MIP Fund-Plan B	9.35	–
Hindustan Lever Ltd.	Deutsche Fixed Term Fund Deutsche Insta Cash Plus Fund Deutsche Short Maturity Fund	Deutsche Insta Cash Plus Fund@@@	2,000.00	–
		Deutsche Short Maturity Fund@@@	2,000.00	–
		Deutsche Floating Rate Fund	508.93	–
Hindustan Zinc Limited	Deutsche Fixed Term Fund Deutsche Insta Cash Plus Fund	Deutsche Insta Cash Plus Fund	873.14	–
		Deutsche Alpha Equity Fund	35.78	–
Housing Development Finance Corporation	Deutsche Floating Rate Fund	Deutsche Alpha Equity Fund	275.45	–
		Deutsche Dynamic Bond Fund	1,446.57	–
		Deutsche Floating Rate Fund	2,392.59	3,144.04
		Deutsche Insta Cash Plus Fund	21,492.53	6,992.78
		Deutsche Premier Bond Fund	14,457.31	–
		Deutsche Short Maturity Fund	14,887.35	–
		Deutsche MIP Fund-Plan A	1,239.83	–
		Deutsche MIP Fund-Plan B	200.00	–
Industrial Development Bank of India	Deutsche Floating Rate Fund Deutsche Insta Cash Plus Fund Deutsche Short Maturity Fund	Deutsche Fixed Term Fund	1,425.16	1,424.58
		Deutsche Investment Opportunity Fund	101.19	91.15
		Deutsche Alpha Equity Fund	512.83	273.45
		Deutsche Dynamic Bond Fund	761.31	7.14
		Deutsche Floating Rate Fund	7,741.86	733.14
		Deutsche Insta Cash Plus Fund	23,131.79	6,147.51
		Deutsche Premier Bond Fund	9,282.64	115.47
		Deutsche Short Maturity Fund	9,974.79	692.66
		Deutsche MIP Fund-Plan A	1,390.68	262.72
		Deutsche MIP Fund-Plan B	472.70	146.64
		Deutsche Fixed Term Fund^^	1,992.73	1,993.01
		Deutsche Short Maturity Fund^^	1,000.10	–

Schedules

forming part of the Balance Sheet as at March 31, 2005 and the Revenue Account for the Year ended March 31, 2005

Company Name	Scheme invested in by the Company	Investments made by Schemes of Deutsche Mutual Fund in the Company / Subsidiary	Aggregate for the period under Regulation 25(11) At Cost (Rupees in lakhs)	Outstanding as at March 31, 2005 At Market / Fair Value (Rupees in lakhs)
Infrastructure Development Finance Company Limited	Deutsche Dynamic Bond Fund Deutsche Insta Cash Plus Fund Deutsche Premier Bond Fund Deutsche Short Maturity Fund	Deutsche Insta Cash Plus Fund	7,356.99	857.62
		Deutsche Floating Rate Fund	5,510.00	509.24
		Deutsche Insta Cash Plus Fund	8,039.91	–
		Deutsche Short Maturity Fund	4,710.60	–
ITC Limited	Deutsche Insta Cash Plus Fund Deutsche Short Maturity Fund	Deutsche Investment Opportunity Fund	224.64	17.28
		Deutsche Alpha Equity Fund	1,661.07	158.16
		Deutsche MIP Fund-Plan A	20.37	–
		Deutsche MIP Fund-Plan B	12.20	–
Jet Airways India Pvt. Limited	Deutsche Insta Cash Plus Fund	Deutsche Premier Bond Fund	1,215.38	348.66
		Deutsche Short Maturity Fund	815.87	1,089.62
		Deutsche MIP Fund-Plan A	101.28	251.87
Larsen & Toubro Ltd.	Deutsche Investment Opportunity Fund Deutsche Alpha Equity Fund Deutsche Insta Cash Plus Fund Deutsche MIP Fund-Plan A Deutsche MIP Fund-Plan B Deutsche Floating Rate Fund ^{^^^} Deutsche Insta Cash Plus Fund ^{^^^} Deutsche Short Maturity Fund ^{^^^}	Deutsche Investment Opportunity Fund	663.91	–
		Deutsche Alpha Equity Fund	2,561.27	99.52
		Deutsche Insta Cash Plus Fund	1,884.49	–
		Deutsche Short Maturity Fund	617.77	–
		Deutsche MIP Fund-Plan A	205.12	–
		Deutsche MIP Fund-Plan B	77.45	–
		Deutsche Floating Rate Fund ^{^^^}	100.00	–
LIC Housing Finance Ltd.	Deutsche Floating Rate Fund	Deutsche Floating Rate Fund	1,266.63	250.85
		Deutsche Insta Cash Plus Fund	4,555.99	250.85
		Deutsche Premier Bond Fund	4,229.55	–
		Deutsche Investment Opportunity Fund	500.00	–
Mahindra & Mahindra Limited	Deutsche Dynamic Bond Fund	Deutsche Alpha Equity Fund	824.39	–
		Deutsche Insta Cash Plus Fund	477.02	–
		Deutsche MIP Fund-Plan A	73.23	–
		Deutsche MIP Fund-Plan B	22.31	–
		Deutsche Alpha Equity Fund ^{^^^^^}	1,300.00	–
		Deutsche Floating Rate Fund ^{^^^^^}	8,290.62	1,708.46
		Deutsche Insta Cash Plus Fund ^{^^^^^}	22,885.19	5,354.36
		Deutsche Premier Bond Fund ^{^^^^^}	3,418.56	–
		Deutsche Short Maturity Fund ^{^^^^^}	9,781.86	167.89
Nestle India Limited	Deutsche Insta Cash Plus Fund	Deutsche Alpha Equity Fund	43.01	–
		Deutsche Investment Opportunity Fund	106.68	–
		Deutsche Alpha Equity Fund	192.41	–
		Deutsche MIP Fund-Plan A	22.04	–
Patni Computer Systems Limited	Deutsche Fixed Term Fund	Deutsche MIP Fund-Plan B	12.82	–
		Deutsche Floating Rate Fund	500.00	–
		Deutsche Insta Cash Plus Fund	4,000.00	–
		Deutsche Short Maturity Fund	6,800.00	–
Raymond Limited	Deutsche Insta Cash Plus Fund Deutsche Short Maturity Fund	Deutsche Insta Cash Plus Fund ^{^^^^}	494.31	–
		Deutsche Floating Rate Fund	500.00	–
		Deutsche Insta Cash Plus Fund	4,000.00	–
		Deutsche Short Maturity Fund	6,800.00	–

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forming part of the Balance Sheet as at March 31, 2005 and the Revenue Account for the Year ended March 31, 2005

Company Name	Scheme invested in by the Company	Investments made by Schemes of Deutsche Mutual Fund in the Company / Subsidiary	Aggregate for the period under Regulation 25(11) At Cost (Rupees in lakhs)	Outstanding as at March 31, 2005 At Market / Fair Value (Rupees in lakhs)
Tata Chemicals Limited	Deutsche Dynamic Bond Fund Deutsche Short Maturity Fund	Deutsche Alpha Equity Fund	16.34	–
Tata Motors Limited	Deutsche Insta Cash Plus Fund	Deutsche Investment Opportunity Fund Deutsche Alpha Equity Fund Deutsche Floating Rate Fund Deutsche Insta Cash Plus Fund Deutsche MIP Fund-Plan A Deutsche MIP Fund-Plan B	568.28 1,639.00 1,045.00 2,090.00 135.95 36.39	82.79 227.67 1,041.93 2,083.87 – –
The Tata Iron and Steel Company Ltd.	Deutsche Insta Cash Plus Fund	Deutsche Investment Opportunity Fund Deutsche Alpha Equity Fund Deutsche MIP Fund-Plan A Deutsche MIP Fund-Plan B	611.24 1,378.07 181.19 78.88	179.07 525.80 102.61 29.80
The Tata Power Company Limited	Deutsche Insta Cash Plus Fund	Deutsche Investment Opportunity Fund Deutsche Alpha Equity Fund Deutsche MIP Fund-Plan A	1,193.73 478.41 170.03	– – –
UTI Bank Limited	Deutsche Floating Rate Fund Deutsche Insta Cash Plus Fund Deutsche Short Maturity Fund	Deutsche Floating Rate Fund Deutsche Insta Cash Plus Fund Deutsche Short Maturity Fund	112.22 2,137.06 190.29	– 1,667.66 –

- ^ DEF, DIOF, DMIP-A, DMIP-B have invested in Ultratech Cemco which is a subsidiary of Grasim Industries Limited.
- ^^ DSMF, DICF, DFF have invested in IDBI Capital Markets Limited which is a subsidiary of IDBI.
- ^^^ DSMF, DICF have invested in L&T Finance Limited which is a subsidiary of Larsen & Toubro Limited.
- ^^^^ DICF have invested in Raymond Apparels which is a subsidiary of Raymond Limited.
- ^^^^^ DSMF, DICP, DPBF, DEF, DFF, DMIP-A, DMIP-B have invested in Mahindra and Mahindra Financial Services which is subsidiary of Mahindra and Mahindra Limited.
- @@@@ DSMF & DICF have invested in Indian Aluminium Limited which is a subsidiary of Hindalco Industries Limited.

The above investments comprise equity shares, debentures / bonds, commercial paper, fixed deposits and other debt instruments. These investments have been made on account of their high credit quality and competitive yield for the investment in fixed income / money market instruments and in case of equity shares because of attractive valuations of these companies.

15. Unclaimed Dividend

As at March 31, 2005 unclaimed dividends aggregate Rs. 8,566 payable to one investor. These details are based on confirmations received from the Scheme's Registrar and Transfer Agent that maintain information of unclaimed dividends on behalf of the Scheme.

16. Perspective Historical Per Unit Statistics*

	April 01, 2004 to March 31, 2005 Rupees	April 01, 2003 to March 31, 2004 Rupees	January 14, 2003 to March 31, 2003 Rupees
(a) Net asset value per unit at the end of the year / period (Note 2.5)			
Growth Plan	11.2768	10.7782	10.0647
Weekly Dividend Plan	10.2135	10.2724	–
Monthly Dividend Plan	10.1869	10.2675	10.0619
(b) Gross Income			
(i) income other than profit on sale of investment	1.5468	0.9241	0.2516
(ii) income from profit on inter-scheme sales / transfer of investment	0.1613	(0.0120)	(0.0222)

Schedules

forming part of the Balance Sheet as at March 31, 2005 and the Revenue Account for the Year ended March 31, 2005

	April 01, 2004 to March 31, 2005 Rupees	April 01, 2003 to March 31, 2004 Rupees	January 14, 2003 to March 31, 2003 Rupees
(iii) income (net) from profit on sale of investments to third party	(0.1895)	(0.0024)	(0.1081)
(iv) transfer of revenue account from past year's reserve	0.3915	0.0000	NA
(c) Aggregate of expenses, write off, amortisation and charges	0.2058	0.1367	0.0283
(d) Net income	1.3128	0.7730	0.0930
(e) Net change in unrealised (depreciation) / appreciation in value of investments	(0.4084)	0.1100	(0.0427)
(f) Redemption Price			
– Highest			
Growth Plan	11.2768	10.7782	10.0686
Weekly Dividend Plan	10.2898	10.2959	–
Monthly Dividend Plan	10.2737	10.2836	10.0379
– Lowest			
Growth Plan	10.7782	10.0686	9.9622
Weekly Dividend Plan	10.1506	10.1775	–
Monthly Dividend Plan	10.1023	10.1362	9.9763
(g) Purchase price			
– Highest			
Growth Plan	11.2768	10.7782	10.0402
Weekly Dividend Plan	10.2935	10.2959	–
Monthly Dividend Plan	10.2785	10.2836	10.0266
– Lowest			
Growth Plan	10.7782	10.0886	9.9677
Weekly Dividend Plan	10.1480	10.1411	–
Monthly Dividend Plan	10.1023	10.0792	9.9637
(h) Price earnings ratio	NA	NA	NA
(i) Ratio of expenses to daily average net assets by percentage	0.90%	0.90%	0.90% [@]
(j) Ratio of gross income (including net loss on sale of investments and net change in unrealised depreciation / appreciation in value of investments) to daily average net assets by percentage	4.87%	6.71%	2.50% [@]

* The above per unit calculations are based on the number of units outstanding at the end of the financial year / period

[@] The ratio of expenses and gross income to average daily net assets by percentage has been annualized for the period January 27, 2003 to March 31, 2003.

17. Prior Year's Figures

Prior year's figures have been re-grouped/ re-arranged where appropriate.

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

K. H. VACHHA
Partner

For **Deutsche Trustee Services (India) Private Limited**

For **Deutsche Asset Management (India) Private Limited**

For and on behalf of
PRICE WATERHOUSE
Chartered Accountants

Gunit Chadha
Director

M. H. Kania
Director

Peter Noel Sampson Hanbury
Director

Sandeep Dasgupta
Director

Y. B. Desai
Director

A. S. Mitra
Director

Kersi M. Gherda
Director

Dileep Choksi
Director

Debabrata Bhadury
Director

Choy Peng Wah
Director

Vijay P. Gokhale
Director

Carl Saldanha
Director

Place: Mumbai
Date : August 30, 2005

Suresh Soni
Portfolio Manager



Statement of Portfolio Holding

as at March 31, 2005

(Referred to in Schedule 1 to the Balance Sheet as at March 31, 2005 and the Revenue Account for the year ended March 31, 2005)

Description	Fair / Market Value Rupees
Privately Placed Non-Convertible Debentures / Bonds (19.94%)	
Banks (50.84%)	
11.5% Industrial Development Bank of India 2010*@	30,831,878
14% ICICI Bank Limited 2006*	21,593,460
11.15% ICICI Bank Limited 2008*	14,665,979
14% ICICI Bank Limited 2006*	8,555,912
14.25% ICICI Bank Limited 2005*	8,190,640
11% ICICI Bank Limited 2005*	7,133,455
9.75% Industrial Development Bank of India 2009*@	5,106,583
9.75% ICICI Bank Limited 2006*	4,175,176
10% Industrial Development Bank of India 2007*@	3,171,738
	103,424,821
Finance (49.16%)	
8% Global Trade Finance 2005*	100,000,000
	100,000,000
Total	(Cost - Rs. 206,807,202) 203,424,821
Non Convertible Debentures / Bonds Listed / Awaiting Listing (28.77%)	
Banks (10.27%)	
12.3% Industrial Development Bank of India 2007#@	11,010,170
14% Industrial Development Bank of India 2005#@	8,366,528
9.5% Industrial Development Bank of India 2005#@	4,127,560
12.1% Industrial Development Bank of India 2005#@	4,104,198
14% Industrial Development Bank of India 2005#@	2,547,520
	30,155,976
Chemicals (5.78%)	
13.35% Indian Petrochemical Corporation Limited. 2005#	16,967,650
	16,967,650
Finance (41.78%)	
7% Power Finance Corporation 2011#	32,850,609
10.45% Indian Railway Finance Corporation 2009#	14,619,748
10.45% Indian Railway Finance Corporation 2008#	14,369,537
10.45% Indian Railway Finance Corporation 2005#	13,175,232
10.45% Indian Railway Finance Corporation 2010#	12,639,792
10.45% Indian Railway Finance Corporation 2006#	11,608,564
9.7% Power Finance Corporation 2005#	7,657,703
9.7% Power Finance Corporation 2007#	7,510,713
6.98% Indian Railway Finance Corporation 2007#	5,040,353
10.45% Indian Railway Finance Corporation 2007#	3,251,862
	122,724,113
Industrial Products (6.85%)	
8.15% Finolex Cables 2005#@	20,124,140
	20,124,140
Petroleum Products (1.37%)	
10.25% Indian Oil Corporation 2005#	4,032,576
	4,032,576
Consumer Finance (33.95%)	
5.45% Citi Financial Consumer Finance India 2005#	99,737,100
	99,737,100
Total	(Cost - Rs. 299,800,182) 293,741,555

Statement of Portfolio Holding

as at March 31, 2005

Description	Fair / Market Value Rupees
Securitised Debt (26.50%)	
Finance (100%)	
JUS Trust Jet Airways Ser 6 PTC 2014*	48,919,693
JUS Trust Jet Airways Ser 4 PTC 2013*	46,667,863
Retail Pool Trust Ptc Centurion Bank 2007*	39,047,991
TVSFSL Securitisation Trust Feb. 2004 SrA2 2007*	35,321,503
ICICI Bank NTPC Loan Sec Trust TR 12 PTC 2009*	21,360,322
UBL Trust SR 2 UTI-PTC ALFL 2006*	19,275,919
VE Trust 2 MMFSL Ptc 2005*	16,789,188
JUS Trust Jet Airways Ser 1 PTC 2013*	13,374,700
ICICI Bank.Indian Retail ABS Trust Sr I 2006*	9,364,216
Asset Sec Trust 2004 I Chola. PTC SerA2 2006*	8,092,707
Witeco TVS Fin. Two Wheeler SerA2 PTCs 2005*	5,632,069
UBL Trust SR 6 A2 Dec03 ALFL Ptc 2006*	5,158,339
ICICI Bank Retail ABS Trust SeriesII PTC 2005*	1,528,369
Total	(Cost - Rs. 267,149,480) 270,532,879
Government of India Securities (5.27%)	
6.65% Government of India 2009	36,901,500
10.95% Government of India 2011	16,933,742
Total	(Cost - Rs. 53,833,395) 53,835,242
Treasury Bill (5.63%)	
364 Days Treasury Bill - 16 September 2005	29,274,180
91 Days Treasury Bill - 27 May 2005*	28,270,661
Total	(Cost - Rs. 57,553,419) 57,544,841
Certificate of Deposit (13.89%)	
Banks (100%)	
Federal Bank 2006*	94,649,268
Jammu & Kashmir Bank 2006*	47,146,925
Total	(Cost - Rs.141,796,193) 141,796,193
TOTAL INVESTMENTS	(Cost - Rs. 1,026,939,871) 1,020,875,531

Confirmation has been received from J P Morgan Chase Bank, Mumbai Branch at the end of the financial year for the investments held by them and from Standard Chartered Bank, Mumbai Branch for the securities held by them in the Constituent Subsidiary General Ledger (CSGL) Account.

* Fair value of non-traded (privately placed) securities as determined in good faith by Deutsche Asset Management (India) Private Limited under procedures approved by the Trustee.

Fair value of non-traded and thinly traded debt securities 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) as determined by Deutsche Asset Management (India) Private Limited under procedures approved by the Trustee.

@ Investment in companies which have invested more than five percent of the net asset value of any scheme of Deutsche Mutual Fund

Auditors' Report

To the Trustee

DEUTSCHE MUTUAL FUND

1. We have audited the Balance Sheet of Deutsche Mutual Fund – Deutsche Insta Cash Plus Fund ("The Scheme") as at March 31, 2005 and the related Revenue Account for the year ended on that day, both of which we have signed under reference to this report. These financial statements are the responsibility of the Trustee of Deutsche Mutual Fund and the Management of Deutsche Asset Management (India) 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 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, 2005 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 statement 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 purpose of our audit. The Balance Sheet and the Revenue Account referred to above are in agreement with the books of account of the Scheme.
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 read together with Note 16 on Schedule 9 regarding investment made by the Scheme in a Floating Rate Instrument having a residual maturity of more than one year and other notes thereon give the information required by the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 and amendments thereto, as applicable, and also give respectively, a true and fair view of the state of affairs of Deutsche Mutual Fund – Deutsche Insta Cash Plus Fund as at March 31, 2005 and its net surplus for the year ended on that date.
 - (ii) The Balance Sheet as at March 31, 2005 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 debt securities in good faith and
 - b) Non-traded / thinly traded debt securities in accordance with guidelines for valuation of securities for mutual funds dated September 18, 2000 and amendments thereto, as applicable, issued by the Securities and Exchange Board of Indiaas at March 31, 2005 as determined by Deutsche Asset Management (India) Private Limited under procedures approved by the Trustee of Deutsche Mutual Fund are fair and reasonable.

K. H. Vachha

Partner

Membership No. F/30798

For and on behalf of

Price Waterhouse

Chartered Accountants

Place : Mumbai

Date : August 30, 2005

Balance Sheet

as at March 31, 2005

	Schedule	March 31, 2005 Rupees	March 31, 2004 Rupees
Assets			
Investments	1	8,709,639,960	5,601,678,643
Deposits	2	785,000,000	2,429,000,000
Other Current Assets	3	176,538,464	1,184,448,629
TOTAL		9,671,178,424	9,215,127,272
Liabilities			
Unit Capital	4	9,419,181,851	8,874,123,418
Reserves and Surplus	5	244,099,405	334,436,110
Current Liabilities and Provisions	6	7,897,168	6,567,744
TOTAL		9,671,178,424	9,215,127,272

Reconciliation of Net Asset Value Per Unit

	Regular Plan March 31, 2005					Institutional Plan March 31, 2005					Total Rupees	Total Rupees
	Growth Option Rupees	Daily Dividend Option Rupees	Weekly Dividend Option Rupees	Regular Dividend Option Rupees	Total Rupees	Growth Option Rupees	Daily Dividend Option Rupees	Weekly Dividend Option Rupees	Regular Dividend Option Rupees	Total Rupees		
Net Assets as per Balance Sheet (Total Assets less Current Liabilities and Provisions) (Note 2.5)	814,190,113	543,408,471	253,610,405	114,694,486	1,725,903,475	3,484,743,714	1,938,906,278	1,297,778,005	1,215,949,784	7,937,377,781	9,663,281,256	
Number of Units in Issue	73,175,441.300	52,752,971.159	25,021,815.678	11,286,594.815		335,786,787.611	193,513,235.811	129,413,335.825	120,968,002.891			
Net Asset Value per Unit	11.1265	10.3010	10.1356	10.1620		10.3778	10.0195	10.0282	10.0518			

	Regular Plan March 31, 2004					Total Rupees
	Growth Option Rupees	Daily Dividend Option Rupees	Weekly Dividend Option Rupees	Regular Dividend Option Rupees	Total Rupees	
Net Assets as per Balance Sheet (Total Assets less Current Liabilities and Provisions) (Note 2.5)						9,208,559,528
Number of Units in Issue						130,390,469.575
Net Asset Value per Unit						10.1719

Notes to the Financial Statements.

9

The Schedules referred to herein form an integral part of the Financial Statements

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

K. H. VACHHA
Partner

For **Deutsche Trustee Services (India)
Private Limited**

For and on behalf of
PRICE WATERHOUSE
Chartered Accountants

Gunit Chadha
Director

M. H. Kania
Director

Y. B. Desai
Director

A. S. Mitra
Director

Debabrata Bhadury
Director

Choy Peng Wah
Director

For **Deutsche Asset Management (India)
Private Limited**

Peter Noel Sampson Hanbury
Director

Sandeep Dasgupta
Director

Kersi M. Gherda
Director

Dileep Choksi
Director

Vijay P. Gokhale
Director

Carl Saldanha
Director

Place: Mumbai
Date : August 30, 2005

Jignesh Barasara
Portfolio Manager



Revenue Account

for the year ended March 31, 2005

	Schedule	April 01, 2004 to March 31, 2005 Rupees	April 01, 2003 to March 31, 2004 Rupees
Income And Gains			
Interest and Discount	7	669,717,034	291,293,784
Net Profit on Sale of Investments [Net of Net Loss on Inter-Scheme Sale of Investments Rs.169,303 (2004 - Net Profit Rs. 558,286)] (Note 2.3)		8,855,606	6,121,677
TOTAL		678,572,640	297,415,461

Expenses And Losses

Investment Management and Advisory Fees (Note 3)		34,582,463	18,017,092
Trustee Fees and Expenses (Note 4)		500,000	500,000
Transfer Agent Fees and Expenses		8,825,641	4,667,050
Custodian Fees and Expenses (Note 5)		6,619,308	3,127,761
Audit Fees		300,000	188,033
Selling and Distribution Expenses		13,580,941	11,786,253
Other Operating Expenses		7,311,780	3,261,116
		71,720,133	41,547,305
Less: Expenses to be Reimbursed by the Investment Manager (Note 7)		1,987,671	4,910,516
TOTAL		69,732,462	36,636,789
Net Surplus for the year		608,840,178	260,778,672
Net Change in Unrealised (Depreciation) / Appreciation in Value of Investments	8	(21,948,678)	7,019,206
Net Surplus including Net Change in Unrealised Depreciation / Appreciation in Value of Investments		586,891,500	267,797,878

	Regular Plan					Institutional Plan					
	April 01, 2004 to March 31, 2005					June 25, 2004 to March 31, 2005					
	Growth Option Rupees	Daily Dividend Option Rupees	Weekly Dividend Option Rupees	Regular Dividend Option Rupees	Total Rupees	Growth Option Rupees	Daily Dividend Option Rupees	Weekly Dividend Option Rupees	Regular Dividend Option Rupees	Total Rupees	Total Rupees
Net Surplus including Net Change in Unrealised Depreciation / Appreciation in Value of Investments by Option	111,372,254	40,000,861	50,190,016	26,967,060	228,530,191	116,301,882	97,942,704	100,777,835	43,338,888	358,361,309	586,891,500
Transfer from Dividend Equalisation Reserve (Note 2.7)	(282,765,863)	(8,694,103)	(25,109,130)	(14,540,521)	(331,109,617)	10,703,720	530,625	(2,681,564)	(349,807)	8,202,974	(322,906,643)
Transfer from Reserve Fund	-	67,398	1,251,676	16,869,864	18,188,938	-	-	-	-	-	18,188,938
Dividend Distributions	-	(34,084,078)	(37,531,161)	(25,276,220)	(96,891,459)	-	(78,253,259)	(78,179,522)	(30,367,305)	(186,800,086)	(283,691,545)
Dividend Tax Thereon	-	(5,245,358)	(5,430,050)	(3,545,274)	(14,220,682)	-	(16,280,614)	(16,261,555)	(6,349,804)	(38,891,973)	(53,112,655)
Balance Transferred to Reserve Fund	(171,393,609)	(7,955,280)	(16,628,649)	474,909	(195,502,629)	127,005,602	3,939,456	3,655,194	6,271,972	140,872,224	(54,630,405)

Revenue Account

for the year ended March 31, 2005

Schedule	Regular Plan				Total Rupees
	April 01, 2003 to March 31, 2004				
	Growth Option Rupees	Daily Dividend Option Rupees	Weekly Dividend Option Rupees	Regular Dividend Option Rupees	
Net Surplus including Net Change in Unrealised Appreciation in Value of Investments by Option	135,555,978	26,128,397	83,480,671	22,632,832	267,797,878
Transfer from Dividend Equalisation Reserve (Note 2.7)	113,698,314	24,271,240	29,020,433	16,204,064	183,194,051
Dividend Distributions	-	(23,160,839)	(78,642,523)	(18,198,028)	(120,001,390)
Dividend Tax Thereon	-	(2,967,482)	(10,076,073)	(2,331,622)	(15,375,177)
Balance Transferred to Reserve Fund	249,254,292	24,271,316	23,782,508	18,307,246	315,615,362

Notes to the Financial Statements

9

The Schedules referred to herein form an integral part of the Financial Statements

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

Place: Mumbai
Date : August 30, 2005

For **Deutsche Trustee Services (India)
Private Limited**

Gunit Chadha
Director

Y. B. Desai
Director

Debabrata Bhadury
Director

M. H. Kania
Director

A. S. Mitra
Director

Choy Peng Wah
Director

For **Deutsche Asset Management (India)
Private Limited**

Peter Noel Sampson Hanbury
Director

Kersi M. Gherda
Director

Vijay P. Gokhale
Director

Jignesh Barasara
Portfolio Manager

Sandeep Dasgupta
Director

Dileep Choksi
Director

Carl Saldanha
Director



Schedules

forming part of the Balance Sheet as at March 31, 2005 and the Revenue Account for the year ended March 31, 2005

	March 31, 2005		March 31, 2004	
	Market / Fair Value Rupees	Cost Rupees	Market / Fair Value Rupees	Cost Rupees
Schedule 1				
Investments				
(Notes 2.2, 2.3, 8, 9, 10, 11 and 14)				
(Refer to the attached Statement of Portfolio Holding as at March 31, 2005)				
Privately Placed Non-Convertible Debentures / Bonds	1,688,066,076	1,688,327,683	2,636,827,722	2,638,160,732
Non-Convertible Debentures / Bonds Listed / Awaiting Listing	1,011,633,533	1,010,138,924	517,769,659	521,309,356
Securitized Debt	3,004,825,931	3,020,646,436	1,309,791,488	1,297,784,299
Treasury Bills	972,927,967	973,154,660	19,863,429	19,863,429
Commercial Paper / Certificate of Deposit	2,032,186,453	2,032,186,453	1,117,426,345	1,117,426,345
TOTAL	8,709,639,960	8,724,454,156	5,601,678,643	5,594,544,161

	March 31, 2005 Rupees	March 31, 2004 Rupees
Schedule 2		
Deposits		
Deposits with Scheduled Banks	785,000,000	2,429,000,000
TOTAL	785,000,000	2,429,000,000

	March 31, 2005 Rupees	March 31, 2004 Rupees
Schedule 3		
Other Current Assets		
Balances with Banks in Current Account	18,438,125	9,486,113
Sales Contracts Awaiting Completion		
– Non-Convertible Debentures / Bonds	–	850,000,000
Interest Receivable on :		
– Debentures / Bonds	45,450,552	54,634,004
– Securitized Debt	10,140,487	2,552,609
– Deposits	221,877	16,325,687
– Application Money	–	95,548
Application Money Pending Allotment - Securitized Debt	100,232,937	250,000,000
Receivable from Investment Manager	1,987,671	1,257,168
Miscellaneous Receivables	66,815	97,500
TOTAL	176,538,464	1,184,448,629

Schedules

forming part of the Balance Sheet as at March 31, 2005 and the Revenue Account for the year ended March 31, 2005

	March 31, 2005		March 31, 2004	
	Rupees	Units	Rupees	Units
Schedule 4				
Unit Capital				
Regular Plan				
Growth Option				
Issued and Subscribed :				
Units of Rs.10 each fully paid up	597,290,000	59,729,000.000	597,290,000	59,729,000.000
Outstanding :				
At the beginning of the year	4,181,602,214	418,160,221.443	650,841,607	65,084,160.749
Issued during the year	18,349,907,256	1,834,990,725.606	41,940,607,031	4,194,060,703.061
	22,531,509,470	2,253,150,947.049	42,591,448,638	4,259,144,863.810
Redeemed during the year	21,799,755,057	2,179,975,505.749	38,409,846,424	3,840,984,642.367
At the end of the year	731,754,413	73,175,441.300	4,181,602,214	418,160,221.443
Daily Dividend Option				
Issued and Subscribed :				
Units of Rs.10 each fully paid-up				
Outstanding :				
At the beginning of the year	866,983,477	86,698,347.753	-	-
Issued during the year	9,024,196,626	902,419,662.564	16,659,376,453	1,665,937,645.330
	9,891,180,103	989,118,010.317	16,659,376,453	1,665,937,645.330
Redeemed during the year	9,363,650,391	936,365,039.158	15,792,392,976	1,579,239,297.577
At the end of the year	527,529,712	52,752,971.159	866,983,477	86,698,347.753
Weekly Dividend Option				
Issued and Subscribed :				
Units of Rs.10 each fully paid up				
Outstanding :				
At the beginning of the year	2,521,633,031	252,163,303.037	-	-
Issued during the year	3,369,842,127	336,984,212.695	11,580,796,019	1,158,079,601.855
	5,891,475,158	589,147,515.732	11,580,796,019	1,158,079,601.855
Redeemed during the year	5,641,257,001	564,125,700.054	9,059,162,988	905,916,298.818
At the end of the year	250,218,157	25,021,815.678	2,521,633,031	252,163,303.037
Regular Dividend Option				
Issued and Subscribed :				
Units of Rs.10 each fully paid up				
Outstanding :				
At the beginning of the year	1,303,904,696	130,390,469.575	23,282,702	2,328,270.222
Issued during the year	2,145,699,914	214,569,991.447	4,181,453,254	418,145,325.394
	3,449,604,610	344,960,461.022	4,204,735,956	420,473,595.616
Redeemed during the year	3,336,738,662	333,673,866.207	2,900,831,260	290,083,126.041
At the end of the year	112,865,948	11,286,594.815	1,303,904,696	130,390,469.575
Total	1,622,368,230	162,236,822.952	8,874,123,418	887,412,341.808
Institutional Plan				
Growth Option				
Issued and Subscribed:				
Units of Rs.10 each fully paid-up				
Outstanding :				
Issued during the period	40,249,701,353	4,024,970,135.353		
	40,249,701,353	4,024,970,135.353		
Redeemed during the period	36,891,833,477	3,689,183,347.742		
At the end of the period	3,357,867,876	335,786,787.611		

Schedules

forming part of the Balance Sheet as at March 31, 2005 and the Revenue Account for the year ended March 31, 2005

	March 31, 2005		March 31, 2004	
	Rupees	Units	Rupees	Units
Unit Capital (Contd...)				
Daily Dividend Option				
Issued and Subscribed :				
Units of Rs.10 each fully paid up				
Outstanding :				
Issued during the period	23,147,639,305	2,314,763,930.497		
	23,147,639,305	2,314,763,930.497		
Redeemed during the period	21,212,506,947	2,121,250,694.686		
At the end of the period	1,935,132,358	193,513,235.811	-	-
Weekly Dividend Option				
Issued and Subscribed:				
Units of Rs.10 each fully paid-up				
Outstanding :				
Issued during the period	13,848,797,949	1,384,879,794.916		
	13,848,797,949	1,384,879,794.916		
Redeemed during the period	12,554,664,591	1,255,466,459.091		
At the end of the period	1,294,133,358	129,413,335.825		
Regular Dividend Option				
Issued and Subscribed:				
Units of Rs.10 each fully paid-up				
Outstanding :				
Issued during the period	2,867,043,030	286,704,303.047		
	2,867,043,030	286,704,303.047		
Redeemed during the period	1,657,363,001	165,736,300.156		
At the end of the period	1,209,680,029	120,968,002.891		
Total	7,796,813,621	779,681,362.138		
TOTAL	9,419,181,851	941,918,185.090	8,874,123,418	887,412,341.807

	Regular Plan					Institutional Plan					
	March 31, 2005					March 31, 2005					March 31, 2005
	Growth Option Rupees	Daily Dividend Option Rupees	Weekly Dividend Option Rupees	Regular Dividend Option Rupees	Total Rupees	Growth Option Rupees	Daily Dividend Option Rupees	Weekly Dividend Option Rupees	Regular Dividend Option Rupees	Total Rupees	Total Rupees

Schedule 5

Reserves and Surplus

Unit Premium Reserve (Note 2.6)

At the beginning of the year / period	3,940,165	1,192,065	2,390,789	3,891,084	11,414,103	-	-	-	-	-	11,414,103
Added during the year / period	(6,555,392)	(1,561,944)	(4,900,724)	(4,191,238)	(17,209,298)	(129,764)	(165,536)	(10,547)	(2,217)	(308,064)	(17,517,362)
At the end of the year / period	(2,615,227)	(369,879)	(2,509,935)	(300,154)	(5,795,195)	(129,764)	(165,536)	(10,547)	(2,217)	(308,064)	(6,103,259)

Dividend Equalisation Reserve (Note 2.7)

Added during the year / period	(282,765,863)	(8,694,103)	(25,109,130)	(14,540,521)	(331,109,617)	10,703,720	530,625	(2,681,564)	(349,807)	8,202,974	(322,906,643)
Transfer to Revenue Account	282,765,863	8,694,103	25,109,130	14,540,521	331,109,617	(10,703,720)	(530,625)	2,681,564	349,807	(8,202,974)	322,906,643
At the end of the year / period	-	-	-	-	-	-	-	-	-	-	-

Schedules

forming part of the Balance Sheet as at March 31, 2005 and the Revenue Account for the year ended March 31, 2005

	Regular Plan					Institutional Plan					March 31, 2005
	March 31, 2005					March 31, 2005					
	Growth Option Rupees	Daily Dividend Option Rupees	Weekly Dividend Option Rupees	Regular Dividend Option Rupees	Total Rupees	Growth Option Rupees	Daily Dividend Option Rupees	Weekly Dividend Option Rupees	Regular Dividend Option Rupees	Total Rupees	
Reserve Fund											
At the beginning of the year / period	256,444,536	24,271,316	23,782,508	18,523,647	323,022,007	-	-	-	-	-	323,022,007
Transfer to Revenue Account	-	(67,398)	(1,251,676)	(16,869,864)	(18,188,938)	-	-	-	-	-	(18,188,938)
Balance Transferred from Revenue Account	(171,393,609)	(7,955,280)	(16,628,649)	474,909	(195,502,629)	127,005,602	3,939,456	3,655,194	6,271,972	140,872,224	(54,630,405)
At the end of the year / period [including net unrealised depreciation in value of investments Rs.14,814,196]	85,050,927	16,248,638	5,902,183	2,128,692	109,330,440	127,005,602	3,939,456	3,655,194	6,271,972	140,872,224	250,202,664
TOTAL	82,435,700	15,878,759	3,392,248	1,828,538	103,535,245	126,875,838	3,773,920	3,644,647	6,269,755	140,564,160	244,099,405

	Regular Plan				
	March 31, 2004				
	Growth Option Rupees	Daily Dividend Option Rupees	Weekly Dividend Option Rupees	Regular Dividend Option Rupees	Total Rupees
At the beginning of the year	(63,692)	-	-	38,272	(25,420)
Added during the year / period	4,003,857	1,192,065	2,390,789	3,852,812	11,439,523
At the end of the year / period	3,940,165	1,192,065	2,390,789	3,891,084	11,414,103

Reserves and Surplus

Unit Premium Reserve (Note 2.6)

At the beginning of the year	(63,692)	-	-	38,272	(25,420)
Added during the year / period	4,003,857	1,192,065	2,390,789	3,852,812	11,439,523
At the end of the year / period	3,940,165	1,192,065	2,390,789	3,891,084	11,414,103

Dividend Equalisation Reserve (Note 2.7)

Added during the year / period	113,698,314	24,271,240	29,020,433	16,204,064	183,194,051
Transfer to Revenue Account	(113,698,314)	(24,271,240)	(29,020,433)	(16,204,064)	(183,194,051)
At the end of the year / period	-	-	-	-	-

Reserve Fund

At the beginning of the year	7,190,244	-	-	216,401	7,406,645
Balance Transferred from Revenue Account	249,254,292	24,271,316	23,782,508	18,307,246	315,615,362
At the end of the year / period [including net unrealised appreciation in value of investments Rs. 7,134,482]	256,444,536	24,271,316	23,782,508	18,523,647	323,022,007
TOTAL	260,384,701	25,463,381	26,173,297	22,414,731	334,436,110



Schedules

forming part of the Balance Sheet as at March 31, 2005 and the Revenue Account for the year ended March 31, 2005

	March 31, 2005 Rupees	March 31, 2004 Rupees
Schedule 6		
Current Liabilities and Provisions		
Current Liabilities		
Investment Management and Advisory Fees	2,240,182	1,364,939
Trustee Fees and Expenses	183	28,859
Transfer Agent Fees and Expenses	661,077	716,555
Custodian Fees and Expenses	453,228	1,172,289
Audit Fees	300,000	188,033
Selling and Distribution Expenses	875,115	2,026,820
Dividend Payable	1,666,497	103,550
Dividend Tax Payable	1,256,691	328,409
Sundry Payables	444,195	638,290
TOTAL	7,897,168	6,567,744

	April 01, 2004 to March 31, 2005 Rupees	April 01, 2003 to March 31, 2004 Rupees
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Schedule 7

Interest and Discount

(Note 2.4)

Debentures / Bonds	235,466,072	126,504,950
Securitized Debt	155,041,807	7,001,838
Treasury Bills	59,281,347	12,299,533
Commercial Paper / Certificate of Deposit	118,716,240	65,687,740
Reverse Repos	10,408,016	7,262,461
Deposits	90,797,387	72,441,714
Application Money	–	95,548
Others (Note 15)	6,165	–
TOTAL	669,717,034	291,293,784

Schedule 8

Unrealised (Depreciation) / Appreciation in Value of Investments

(Note 8)

(a) Privately Placed Non Convertible Debentures / Bonds		
At the beginning of the year	(1,333,010)	–
At the end of the year	(261,607)	(1,333,010)
Net change during the year	(I) 1,071,403	(1,333,010)
(b) Non-Convertible Debentures / Bonds Listed / Awaiting Listing		
At the beginning of the year	(3,539,697)	115,276
At the end of the year	1,494,609	(3,539,697)
Net change during the year	(II) 5,034,306	(3,654,973)
(c) Securitized Debt		
At the beginning of the year	12,007,189	–
At the end of the year	(15,820,505)	12,007,189
Net change during the year	(III) (27,827,694)	12,007,189
(d) Treasury Bills		
At the beginning of the year	–	–
At the end of the year	(226,693)	–
Net change during the year	(IV) (226,693)	–
Net change in unrealised (depreciation) / appreciation in value of investments during the year	(I)+(II)+(III)+(IV) (21,948,678)	7,019,206

Schedules

forming part of the Balance Sheet as at March 31, 2005 and the Revenue Account for the year ended March 31, 2005

Schedule 9

Notes to the Financial Statements

1. Organisation

Deutsche Insta Cash Plus Fund (the "Scheme") is an open-ended Liquid Income Scheme of Deutsche Mutual Fund (the "Fund") and was launched on January 14, 2003. Deutsche Mutual Fund has been sponsored by Deutsche Asset Management (Asia) Limited. Deutsche Asset Management (India) Private Limited incorporated under the Companies Act, 1956, has been appointed as the asset management company. The duration of the Scheme is perpetual. The Scheme closed initial subscription on January 21, 2003 and reopened for issue and redemption of units on January 27, 2003. The investment objective of the Scheme is to generate steady returns along with high liquidity by investing in a portfolio of short term, high quality money market and debt instruments.

During the year, an Institutional Plan has been launched effective from June 25, 2004.

As at March 31, 2005 the Scheme has two Plans - Regular Plan and Institutional Plan each offering four Options - Growth Option, Daily Dividend Option, Weekly Dividend Option and Regular Dividend Option.

The Scheme will not declare dividend under the Growth Options of both the Plans. The income earned on such units will remain invested within the Scheme and will be reflected in the net asset value.

2. Significant Accounting Policies

2.1 Basis of Accounting

The Scheme maintains its books of account on an accrual basis. These financial statements have been prepared in accordance with the accounting policies and standards specified in the Ninth Schedule of 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 / date of determination. In valuing the Scheme's investments:

- (i) Debt securities listed on a recognised stock exchange are valued at the last quoted closing price on the National Stock Exchange of India Limited. If no sale is reported at that time, such security is valued at fair value as determined in good faith by Deutsche Asset Management (India) Private Limited under procedures approved by the Trustee of Deutsche Mutual Fund.
- (ii) Non-traded and thinly traded debt securities are valued at fair value as determined by Deutsche Asset Management (India) Private Limited under procedures approved by the Trustee of Deutsche Mutual Fund in accordance with the guidelines for valuation of securities for mutual funds dated September 18, 2000 and amendments thereto, as applicable issued by the Securities and Exchange Board of India (SEBI).
- (iii) Privately placed debt securities are valued at fair value as determined in good faith by Deutsche Asset Management (India) Private Limited under procedures approved by the Trustee of Deutsche Mutual Fund.
- (iv) Securitised debt securities are valued at fair value as determined in good faith by Deutsche Asset Management (India) Private Limited under procedures approved by the Trustee of Deutsche Mutual Fund.
- (v) Money Market Instruments were valued at cost plus accrued interest up to October 24, 2004. Effective October 25, 2004, traded money market securities are valued at the yield at which they are traded on the valuation date. If no sale is reported at that time, such security is valued at the last traded price plus accretion of the difference between the face value and the last traded price. Non-traded money market instruments are valued at cost plus accrued interest.
- (vi) Instruments bought on 'repo' basis are valued at the resale price after deduction of applicable interest up to the date of resale.

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 Regulations) net unrealized appreciation / depreciation in the value of investments is determined separately for each category of investments. Further the change in net unrealized appreciation / depreciation, if any, between two Balance Sheet dates / dates of determination is recognized in the Revenue Account. Unrealized appreciation is reduced from the distributable income at the time of income distribution. At the end of the financial year, the balance in the Revenue Account including change in the net unrealized appreciation or depreciation in the value of investments is transferred to Reserve Fund.

2.3 Securities Transaction

Investment securities transactions are accounted for on a trade date basis. The Scheme uses the average cost method for determining the realized gain or loss on sale of investments.

2.4 Investment Income

Interest income is recorded on an accrual basis.

2.5 Net Asset Value for Growth / Dividend Options

The net asset value of the units of the Scheme is determined separately for the units issued under the Growth and Dividend Options for the Regular and Institutional Plans.

Schedules

forming part of the Balance Sheet as at March 31, 2005 and the Revenue Account for the year ended March 31, 2005

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

2.6 Unit Premium Reserve

Upon issue and redemption of units, the net premium or discount to the face value of units is adjusted against the unit premium reserve of the Scheme after an appropriate portion of the issue proceeds and redemption payout is credited or debited respectively to the dividend equalization reserve.

The unit premium reserve is available for dividend distribution except to the extent it is represented by unrealized net appreciation in value of investments.

2.7 Dividend Equalization Reserve

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

3. Investment Management and Advisory Fees

The Scheme has paid or provided for investment management and advisory fees payable to Deutsche Asset Management (India) Private Limited for managing the Scheme at an annual rate of 0.32% and 0.25% of the average daily net asset values of the Regular Plan and Institutional Plan respectively recorded by the Scheme. All costs, charges and expenses incurred by Deutsche Asset Management (India) Private Limited in the administration and execution of the activities of the Scheme, except costs allowed to be charged to the Scheme under the Regulations and amendments thereto as applicable, are on their own account for which they receive investment management and advisory fees.

4. Trustee Fees

In accordance with the Deed of Trust dated May 29, 2002 between Deutsche Asset Management (Asia) Limited ("The Settlor") and Deutsche Trustee Services (India) Private Limited (the "Trustee"), the Scheme has paid or provided for trustee fees payable to the Trustee at an annual rate of 0.01% of the average daily net asset values recorded by the Scheme subject to a maximum of Rs. 500,000 per annum.

5. Custodian Fees

J P Morgan Chase Bank provides custodial services to the Scheme for which it receives custody fees.

6. Income Taxes

No provision for income tax is made as the Scheme qualifies as a recognized Mutual Fund under Section 10 (23D) of the Income Tax Act, 1961 of India.

7. Limitation on Expenses

The total expenses chargeable to the Scheme is limited to 0.65% and 0.50% (annualised) of the average daily net assets of Regular Plan and Institutional Plan respectively. Deutsche Asset Management (India) Private Limited has borne Rs.1,987,671 in excess of the above mentioned percentage of the average daily net assets to be charged to the Scheme as total expenses for the year.

8. Aggregate Appreciation and Depreciation in Value of Investments

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

	March 31, 2005 Rupees	March 31, 2004 Rupees
Privately Placed Non-Convertible Debentures / Bonds		
– Appreciation	–	9,200
– Depreciation	261,607	1,342,210
Non-Convertible Debentures / Bonds Listed / Awaiting Listing		
– Appreciation	2,029,983	–
– Depreciation	535,374	3,539,697
Securitized Debt		
– Appreciation	1,317,544	12,007,189
– Depreciation	17,138,049	–
Treasury Bills		
– Appreciation	5,918	–
– Depreciation	232,611	–

9. Registered Securities

In accordance with Regulation 44(1) of the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996, securities purchased should be held in the name of the Scheme. As at March 31, 2005 securities aggregating to Rs. 972,927,967 (market / fair value) are held in the name of Deutsche Mutual Fund.

Schedules

forming part of the Balance Sheet as at March 31, 2005 and the Revenue Account for the year ended March 31, 2005

10. Aggregate Fair Value of Non - Traded Investments

Aggregate fair value of non-traded (including privately placed) investments as determined by Deutsche Asset Management (India) Private Limited under the procedures approved by the Trustee as at March 31, 2005 is Rs. 7,815,375,175.

11. Aggregate Value of Purchases and Sale of Investments

The aggregate value of investment securities purchased and sold (including matured) during the financial year is Rs. 77,573,393,507 (excluding accretion of discount Rs. 281,621,071) and Rs. 74,733,960,189 respectively being 623.88% and 601.04% of the average daily net assets.

12. Income and Expenses

The total income (including net profit on sale of investments and net change in unrealized depreciation / appreciation in value of investments) and expenditure during the year is:

Plan	Total Income		Total Expenditure	
	Rupees	Percentage of Average Daily Net Assets	Rupees	Percentage of Average Daily Net Assets
Regular Plan	261,399,683	5.17%	32,869,492	0.65%
Institutional Plan	395,224,279	5.36% @	36,862,970	0.50% @

@ - Annualised

13. Disclosure Under Regulation 25(8) of the Securities and Exchange Board of India (Mutual Funds) Regulation, 1996 as amended

Deutsche Bank AG, Mumbai Branch and Kotak Mahindra Bank Limited, associate entities of Deutsche Asset Management (India) Private Limited were paid commission amounting to Rs. 1,653,864 and Rs. 557,962 respectively for procuring unit subscriptions for the Scheme. The commission was at rates similar to those offered to other distributors.

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

Deutsche Mutual Fund has made the following investments in companies, which hold units in excess of 5% of the net asset value of any Scheme of Deutsche Mutual Fund.

Company Name	Scheme invested in by the Company	Investments made by Schemes of Deutsche Mutual Fund in the Company / Subsidiary	Aggregate for the period under Regulation 25(11) At Cost (Rupees in lakhs)	Outstanding as at March 31, 2005 At Market / Fair Value (Rupees in lakhs)
Bank of Baroda	Deutsche Insta Cash Plus Fund	Deutsche Alpha Equity Fund	206.01	-
Bharti Tele-Ventures Ltd.	Deutsche Floating Rate Fund	Deutsche Investment Opportunity Fund	124.18	1.03
		Deutsche Alpha Equity Fund	402.23	3.62
		Deutsche Insta Cash Plus Fund	947.56	-
		Deutsche MIP Fund-Plan A	11.85	-
Export Import Bank of India	Deutsche Short Maturity Fund	Deutsche MIP Fund-Plan B	5.92	-
		Deutsche Insta Cash Plus Fund	3,843.90	2,408.38
		Deutsche Premier Bond Fund	17,704.13	-
		Deutsche Short Maturity Fund	6,956.79	-
		Deutsche MIP Fund-Plan A	299.56	-
Finolex Cables Ltd.	Deutsche Short Maturity Fund	Deutsche MIP Fund-Plan B	199.71	-
		Deutsche Insta Cash Plus Fund	1,200.00	301.86
		Deutsche Premier Bond Fund	519.16	-
Glaxo Smithkline Pharmaceuticals Ltd.	Deutsche Floating Rate Fund	Deutsche Short Maturity Fund	2,552.65	201.24
		Deutsche Investment Opportunity Fund	80.55	-
Grasim Industries Ltd.	Deutsche Insta Cash Plus Fund	Deutsche Alpha Equity Fund	122.95	-
		Deutsche Investment Opportunity Fund	132.05	60.68
		Deutsche Alpha Equity Fund	376.63	242.72
		Deutsche MIP Fund-Plan A	30.26	25.62
		Deutsche MIP Fund-Plan B	9.98	9.77
		Deutsche Investment Opportunity Fund^	44.12	-
Deutsche Alpha Equity Fund^	Deutsche MIP Fund-Plan A^	Deutsche Alpha Equity Fund^	130.76	-
		Deutsche MIP Fund-Plan A^	14.41	-
		Deutsche MIP Fund-Plan B^	9.25	-
		Deutsche MIP Fund-Plan B^	9.25	-



Schedules

forming part of the Balance Sheet as at March 31, 2005 and the Revenue Account for the year ended March 31, 2005

Company Name	Scheme invested in by the Company	Investments made by Schemes of Deutsche Mutual Fund in the Company / Subsidiary	Aggregate for the period under Regulation 25(11) At Cost (Rupees in lakhs)	Outstanding as at March 31, 2005 At Market / Fair Value (Rupees in lakhs)
HCL Technologies Ltd.	Deutsche Short Maturity Fund	Deutsche Investment Opportunity Fund	146.49	55.56
		Deutsche Alpha Equity Fund	747.11	148.16
		Deutsche MIP Fund-Plan A	28.51	–
Hindalco Industries Ltd.	Deutsche Floating Rate Fund Deutsche Short Maturity Fund	Deutsche Investment Opportunity Fund	93.52	–
		Deutsche Alpha Equity Fund	676.65	194.05
		Deutsche MIP Fund-Plan A	14.03	–
		Deutsche MIP Fund-Plan B	9.35	–
		Deutsche Insta Cash Plus Fund@@@ Deutsche Short Maturity Fund@@@	2,000.00 2,000.00	– –
Hindustan Lever Ltd.	Deutsche Fixed Term Fund Deutsche Insta Cash Plus Fund Deutsche Short Maturity Fund	Deutsche Floating Rate Fund	508.93	–
		Deutsche Insta Cash Plus Fund	873.14	–
				–
Hindustan Zinc Limited	Deutsche Floating Rate Fund	Deutsche Alpha Equity Fund	35.78	–
Housing Development Finance Corporation	Deutsche Insta Cash Plus Fund	Deutsche Alpha Equity Fund	275.45	–
		Deutsche Dynamic Bond Fund	1,446.57	–
		Deutsche Floating Rate Fund	2,392.59	3,144.04
		Deutsche Insta Cash Plus Fund	21,492.53	6,992.78
		Deutsche Premier Bond Fund	14,457.31	–
		Deutsche Short Maturity Fund	14,887.35	–
		Deutsche MIP Fund-Plan A Deutsche MIP Fund-Plan B	1,239.83 200.00	– –
Industrial Development Bank of India	Deutsche Floating Rate Fund Deutsche Insta Cash Plus Fund Deutsche Short Maturity Fund	Deutsche Fixed Term Fund	1,425.16	1,424.58
		Deutsche Investment Opportunity Fund	101.19	91.15
		Deutsche Alpha Equity Fund	512.83	273.45
		Deutsche Dynamic Bond Fund	761.31	7.14
		Deutsche Floating Rate Fund	7,741.86	733.14
		Deutsche Insta Cash Plus Fund	23,131.79	6,147.51
		Deutsche Premier Bond Fund	9,282.64	115.47
		Deutsche Short Maturity Fund	9,974.79	692.66
		Deutsche MIP Fund-Plan A Deutsche MIP Fund-Plan B	1,390.68 472.70	262.72 146.64
		Deutsche Fixed Term Fund^^ Deutsche Short Maturity Fund^^	1,992.73 1,000.10	1,993.01 –
		Infrastructure Development Finance Company Limited	Deutsche Dynamic Bond Fund Deutsche Insta Cash Plus Fund Deutsche Premier Bond Fund Deutsche Short Maturity Fund	Deutsche Insta Cash Plus Fund
Infrastructure Leasing and Financial Services Limited	Deutsche Insta Cash Plus Fund	Deutsche Floating Rate Fund	5,510.00	509.24
		Deutsche Insta Cash Plus Fund	8,039.91	–
		Deutsche Short Maturity Fund	4,710.60	–
ITC Limited	Deutsche Insta Cash Plus Fund Deutsche Short Maturity Fund	Deutsche Investment Opportunity Fund	224.64	17.28
		Deutsche Alpha Equity Fund	1,661.07	158.16
		Deutsche MIP Fund-Plan A Deutsche MIP Fund-Plan B	20.37 12.20	– –
Jet Airways India Pvt. Limited	Deutsche Insta Cash Plus Fund	Deutsche Premier Bond Fund	1,215.38	348.66
		Deutsche Short Maturity Fund	815.87	1,089.62
		Deutsche MIP Fund-Plan A	101.28	251.87

Schedules

forming part of the Balance Sheet as at March 31, 2005 and the Revenue Account for the year ended March 31, 2005

Company Name	Scheme invested in by the Company	Investments made by Schemes of Deutsche Mutual Fund in the Company / Subsidiary	Aggregate for the period under Regulation 25(11) At Cost (Rupees in lakhs)	Outstanding as at March 31, 2005 At Market / Fair Value (Rupees in lakhs)
Larsen & Toubro Ltd.	Deutsche Investment Opportunity Fund Deutsche Alpha Equity Fund Deutsche Insta Cash Plus Fund	Deutsche Investment Opportunity Fund	663.91	–
		Deutsche Alpha Equity Fund	2,561.27	99.52
		Deutsche Insta Cash Plus Fund	1,884.49	–
		Deutsche Short Maturity Fund	617.77	–
		Deutsche MIP Fund-Plan A	205.12	–
		Deutsche MIP Fund-Plan B	77.45	–
		Deutsche Floating Rate Fund ^{^^^}	100.00	–
		Deutsche Insta Cash Plus Fund ^{^^^}	2,402.34	500.18
LIC Housing Finance Ltd.	Deutsche Floating Rate Fund	Deutsche Floating Rate Fund	1,266.63	250.85
		Deutsche Insta Cash Plus Fund	4,555.99	250.85
		Deutsche Premier Bond Fund	4,229.55	–
Mahindra & Mahindra Limited	Deutsche Dynamic Bond Fund	Deutsche Investment Opportunity Fund	500.00	–
		Deutsche Alpha Equity Fund	824.39	–
		Deutsche Insta Cash Plus Fund	477.02	–
		Deutsche MIP Fund-Plan A	73.23	–
		Deutsche MIP Fund-Plan B	22.31	–
		Deutsche Alpha Equity Fund ^{^^^^}	1,300.00	–
		Deutsche Floating Rate Fund ^{^^^^}	8,290.62	1,708.46
		Deutsche Insta Cash Plus Fund ^{^^^^}	22,885.19	5,354.36
		Deutsche Premier Bond Fund ^{^^^^}	3,418.56	–
		Deutsche Short Maturity Fund ^{^^^^}	9,781.86	167.89
Nestle India Limited	Deutsche Insta Cash Plus Fund	Deutsche Alpha Equity Fund	43.01	–
		Deutsche Investment Opportunity Fund	106.68	–
		Deutsche Alpha Equity Fund	192.41	–
		Deutsche MIP Fund-Plan A	22.04	–
Patni Computer Systems Limited	Deutsche Fixed Term Fund	Deutsche MIP Fund-Plan B	12.82	–
		Deutsche Floating Rate Fund	500.00	–
		Deutsche Insta Cash Plus Fund	4,000.00	–
		Deutsche Short Maturity Fund	6,800.00	–
Raymond Limited	Deutsche Insta Cash Plus Fund	Deutsche Insta Cash Plus Fund ^{^^^^}	494.31	–
		Deutsche Dynamic Bond Fund	–	–
		Deutsche Floating Rate Fund	–	–
		Deutsche Short Maturity Fund	–	–
Tata Chemicals Limited	Deutsche Dynamic Bond Fund	Deutsche Alpha Equity Fund	16.34	–
		Deutsche Short Maturity Fund	–	–
Tata Motors Limited	Deutsche Insta Cash Plus Fund	Deutsche Investment Opportunity Fund	568.28	82.79
		Deutsche Alpha Equity Fund	1,639.00	227.67
		Deutsche Floating Rate Fund	1,045.00	1,041.93
		Deutsche Insta Cash Plus Fund	2,090.00	2,083.87
		Deutsche MIP Fund-Plan A	135.95	–
		Deutsche MIP Fund-Plan B	36.39	–
The Tata Iron and Steel Company Ltd.	Deutsche Insta Cash Plus Fund	Deutsche Investment Opportunity Fund	611.24	179.07
		Deutsche Alpha Equity Fund	1,378.07	525.80
		Deutsche MIP Fund-Plan A	181.19	102.61
		Deutsche MIP Fund-Plan B	78.88	29.80
The Tata Power Company Limited	Deutsche Insta Cash Plus Fund	Deutsche Investment Opportunity Fund	1,193.73	–
		Deutsche Alpha Equity Fund	478.41	–
		Deutsche MIP Fund-Plan A	170.03	–

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forming part of the Balance Sheet as at March 31, 2005 and the Revenue Account for the year ended March 31, 2005

Company Name	Scheme invested in by the Company	Investments made by Schemes of Deutsche Mutual Fund in the Company / Subsidiary	Aggregate for the period under Regulation 25(11) At Cost (Rupees in lakhs)	Outstanding as at March 31, 2005 At Market / Fair Value (Rupees in lakhs)
UTI Bank Limited	Deutsche Floating Rate Fund	Deutsche Floating Rate Fund	112.22	–
	Deutsche Insta Cash Plus Fund	Deutsche Insta Cash Plus Fund	2,137.06	1,667.66
	Deutsche Short Maturity Fund	Deutsche Short Maturity Fund	190.29	–

- ^ DEF, DIOF, DMIP-A, DMIP-B have invested in Ultratech Cemco which is a subsidiary of Grasim Industries Limited.
- ^^ DSMF, DICF, DFF have invested in IDBI Capital Markets Limited which is a subsidiary of IDBI.
- ^^^ DSMF, DICF have invested in L&T Finance Limited which is a subsidiary of Larsen & Toubro Limited.
- ^^^^ DICF have invested in Raymond Apparels which is a subsidiary of Raymond Limited.
- ^^^^^ DSMF, DICF, DPBF, DEF, DFF, DMIP-A, DMIP-B have invested in Mahindra and Mahindra Financial Services which is subsidiary of Mahindra and Mahindra Limited.
- @@@@ DSMF & DICF have invested in Indian Aluminium Limited which is a subsidiary of Hindalco Industries Limited.

The above investments comprise equity shares, debentures / bonds, commercial paper, fixed deposits and other debt instruments. These investments have been made on account of their high credit quality and competitive yield for the investment in fixed income / money market instruments and in case of equity shares because of attractive valuations of these companies.

15. Interest and Discount

Interest and discount -others Rs. 6165 represents interest received from Deutsche Asset Management (India) Private Limited on account of delay in investment of unit subscription money received by the Scheme. The Interest amount is calculated for the period of delay on the basis of the average prevailing rate of return generated by the portfolio of liquid Schemes.

16. Non compliance with SEBI circular dated March 19, 2004

As per SEBI circular dated March 19, 2004, the residual average maturity of fixed / floating rate investments made by liquid schemes should be one year or less. The Scheme had on September 28, 2004 invested Rs.10,31,05,186 in mibor linked security UBL Trust Series A2 Mibor +150 basis points maturing September 25, 2006 which was sold subsequently in February 2005 to ensure compliance with the above mentioned circular. The Scheme has not suffered any loss.

17. Perspective Historical Per Unit Statistics*

	April 01, 2004 to March 31, 2005 Rupees	April 01, 2003 to March 31, 2004 Rupees	January 14, 2003 to March 31, 2003 Rupees
(a) Net asset value per unit at the end of the year / period (Note 2.5)			
Regular Plan			
Growth Option	11.1265	10.6227	10.1095
Daily Dividend Option	10.3010	10.2937	–
Weekly Dividend Option	10.1356	10.1038	–
Regular Dividend Option	10.1620	10.1719	10.1094
Institutional Plan			
Growth Option	10.3778	–	–
Daily Dividend Option	10.0195	–	–
Weekly Dividend Option	10.0282	–	–
Regular Dividend Option	10.0518	–	–
(b) Gross Income			
(i) income other than profit on sale of investment	0.7110	0.3283	0.1089
(ii) income from profit on inter-scheme sales / transfer of investment	(0.0002)	0.0006	(0.0002)
(iii) income (net) from profit on sale of investments to third party	0.0096	0.0063	0.0005
(iv) transfer of revenue account from past year's reserve	0.0193	0.0000	NA
(c) Aggregate of expenses, write off, amortisation and charges	0.0740	0.0413	0.0090
(d) Net income	0.6464	0.2939	0.1002
(e) Net change in unrealised (depreciation) / appreciation in value of investments	(0.0233)	0.0079	0.0017

Schedules

forming part of the Balance Sheet as at March 31, 2005 and the Revenue Account for the year ended March 31, 2005

	April 01, 2004 to March 31, 2005 Rupees	April 01, 2003 to March 31, 2004 Rupees	January 14, 2003 to March 31, 2003 Rupees
(f) Redemption Price			
– Highest			
Regular Plan			
Growth Option	11.1265	10.6227	10.1128
Daily Dividend Option	10.3097	10.2937	–
Weekly Dividend Option	10.1440	10.1354	–
Regular Dividend Option	10.1679	10.1823	10.0313
Institutional Plan			
Growth Option	10.3741	–	–
Daily Dividend Option	10.0256	–	–
Weekly Dividend Option	10.0356	–	–
Regular Dividend Option	10.0378	–	–
– Lowest			
Regular Plan			
Growth Option	10.6227	10.1128	10.0200
Daily Dividend Option	10.2937	10.2937	–
Weekly Dividend Option	10.1003	10.0922	–
Regular Dividend Option	10.1159	10.1253	10.0313
Institutional Plan			
Growth Option	10.0037	–	–
Daily Dividend Option	10.0037	–	–
Weekly Dividend Option	10.0037	–	–
Regular Dividend Option	10.0017	–	–
(g) Purchase price			
– Highest			
Regular Plan			
Growth Option	11.1243	10.6227	10.1077
Daily Dividend Option	10.3097	10.2937	–
Weekly Dividend Option	10.1440	10.1354	–
Regular Dividend Option	10.1719	10.1823	10.1077
Institutional Plan			
Growth Option	10.3757	–	–
Daily Dividend Option	10.0283	–	–
Weekly Dividend Option	10.0356	–	–
Regular Dividend Option	10.0355	–	–
– Lowest			
Regular Plan			
Growth Option	10.6227	10.1128	10.0000
Daily Dividend Option	10.2937	10.2937	–
Weekly Dividend Option	10.1003	10.0922	–
Regular Dividend Option	10.1159	10.1191	10.0000
Institutional Plan			
Growth Option	10.0000	–	–
Daily Dividend Option	10.0000	–	–
Weekly Dividend Option	10.0000	–	–
Regular Dividend Option	10.0000	–	–
(h) Price earnings ratio	NA	NA	NA
(i) Ratio of expenses to daily average net assets by percentage			
Regular Plan	0.65%	0.65%	0.55%@
Institutional Plan	0.50% #	–	–



Schedules

forming part of the Balance Sheet as at March 31, 2005 and the Revenue Account for the year ended March 31, 2005

	April 01, 2004 to March 31, 2005 Rupees	April 01, 2003 to March 31, 2004 Rupees	January 14, 2003 to March 31, 2003 Rupees
(j) Ratio of gross income (including net profit / loss on sale of investments and net change in unrealised depreciation / appreciation in value of investments) to daily average net assets by percentage			
Regular Plan	5.17%	5.38%	6.81% [@]
Institutional Plan	5.36% #	-	-

* The above per unit calculations are based on the number of units outstanding at the end of the financial year / period

The ratios of expenses and gross income to average daily net assets by percentage has been annualised for the period June 26, 2004 to March 31, 2005

@ The ratios of expenses and gross income to average daily net assets by percentage has been annualised for the period January 27, 2003 to March 31, 2003

18. Prior Year's Figures

Prior year's figures have been re-grouped / re-arranged where appropriate.

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

K. H. VACHHA
Partner

For **Deutsche Trustee Services (India)
Private Limited**

For **Deutsche Asset Management (India)
Private Limited**

For and on behalf of
PRICE WATERHOUSE
Chartered Accountants

Gunit Chadha
Director

M. H. Kania
Director

Peter Noel Sampson Hanbury
Director

Sandeep Dasgupta
Director

Y. B. Desai
Director

A. S. Mitra
Director

Kersi M. Gherda
Director

Dileep Choksi
Director

Debabrata Bhadury
Director

Choy Peng Wah
Director

Vijay P. Gokhale
Director

Carl Saldanha
Director

Place: Mumbai
Date : August 30, 2005

Jignesh Barasara
Portfolio Manager

Statement of Portfolio Holding

as at March 31, 2005

(Referred to in Schedule 1 to the Balance Sheet as at March 31, 2005 and the Revenue Account for the year ended March 31, 2005)

Description	Market / Fair Value Rupees
Privately Placed Non-Convertible Debentures / Bonds (19.38%)	
Banks (0.12%)	
14.25% ICICI Bank 2005 *	2,047,660
	2,047,660
Finance (46.56%)	
Kotak Mahindra Investment 2005 *	250,000,000
Kotak Mahindra Investment 2005 *	99,000,000
Kotak Mahindra Investment 2005 *	117,000,000
8% Global Trade Finance 2005 *	200,000,000
Kotak Mahindra Primus 2005 *	70,000,000
7.75% L & T Finance 2005 *	50,018,416
	786,018,416
Media and Entertainment (2.96%)	
Deccan Chronicle Holdings 2008 *	50,000,000
	50,000,000
Telecom - Equipment and Accessories (50.36%)	
ITI 2005 *	650,000,000
ITI 2005 *	200,000,000
	850,000,000
Total	(Cost – Rs.1,688,327,683) 1,688,066,076
Non Convertible Debentures / Bonds Listed / Awaiting Listing (11.62%)	
Banks (41.47%)	
Industrial Development Bank of India 2007 #@	300,023,675
Industrial Development Bank of India 2009 #@	102,684,700
14% Industrial Development Bank of India 2005 #@	16,813,632
	419,522,007
Finance (41.18%)	
Mahindra and Mahindra Financial Services 2007 #	100,883,344
Mahindra and Mahindra Financial Services 2007 #	50,431,349
Mahindra and Mahindra Financial Services 2007 #	100,405,339
Infrastructure Development Finance Corporation 2007 #@	85,762,300
Housing Development Finance Corporation 2009 #@	50,024,750
LIC Housing Finance 2011 #@	25,084,900
Kotak Mahindra Primus 2006 #	4,000,000
	416,591,982
Industrial Products (2.98%)	
8.15% Finolex Cables 2005 #@	30,186,210
	30,186,210
Consumer Finance (14.37%)	
Citicorp Finance India 2007 #	100,333,333
Citi Financial Consumer Finance India 2005 #	45,000,000
	145,333,333
Total	(Cost – Rs. 1,010,138,924) 1,011,633,533
Securitised Debt (34.50%)	
Finance (100%)	
IND Retail ABS TR SR XXXVI A1 2005 *	400,000,000
Loan Trust Sr I Sept. 2004 GECSI 2005 *	351,109,100
Retail Pool Trust Dec. 2004 Sr A2 2006 *	257,251,979
BHPC Auto Secur.Trust June 04 A2 2007 *	208,386,835
VE Trust 7 MMFSL Ptc 2007 *	202,158,913
Retail Pool Tr Centurion Bank Sr A1 2005 *	168,674,630
Indian RMBS Trust Series II ICICI Bank 2016 *	162,283,244
HDFC Retail 2004 Series1 A2 2005 *	133,483,412
Indian Loan Sec Ser I Trst 2005 Ser A PTC 2007 *	124,082,983
Retail Pool Trust Sept. 2004 Srs A2 2006 *	116,023,420



Statement of Portfolio Holding

as at March 31, 2005

Description	Market / Fair Value Rupees
Goldstar Trust July 2004 Ser A1 PTC 2006 *	115,558,348
IND Retail ABS XXI ICICI BK PTC 2005 *	111,726,821
UBPP UTI Bank Ptc SR A6 2007 *	84,914,657
UBPP UTI Bank Ptc SR A7 2007 *	81,851,289
VE Trust 5 SerA6 PTC MMFSL 2006 *	81,556,854
Ind Retail ABS Trust Ser XIII A2 2006 *	68,700,366
ICICI Bank.Indian Retail ABS Trust Sr I 2006 *	65,549,513
Asset Sec Trust 2004 I Chola. PTC SerA2 2006 *	64,741,654
Indian Retail ABS VIII A2 Sr ICICI Bank 2005 *	42,108,912
Fleet Trust Dec. 2003 PTC Ser A1 2005 *	35,280,523
Indian Retail ABS Trust Series XI A2 PTC 2005 *	34,491,882
Fleet Trust Nov. 2003 Series A1 2005 *	30,251,974
UBL Trust SR 2 UTI-PTC ALFL 2006 *	17,523,563
HDFC Bank Ptc Auto Loan Retail Ser I 2006 *	17,450,851
Asset Sec Trust 2004 I Chola. PTC SerA1 2005 *	16,543,217
HDFC Bank Retail 2004 Srs I Ptc A1 2005 *	7,516,973
ICICI Bank Retail ABS Trust SeriesII PTC 2005 *	5,604,018
Total	(Cost – Rs. 3,020,646,436) 3,004,825,931
Treasury Bills (11.17%)	
364 Days Treasury Bill - 03 March 2006	332,851,750
91 Days Treasury Bill - 23 June 2005	223,949,465
364 Days Treasury Bill - 27 May 2005	198,390,600
91 Days Treasury Bill - 27 May 2005 *	60,013,157
364 Days Treasury Bill - 17 March 2006	52,194,230
364 Days Treasury Bill - 21 January 2006	47,846,500
364 Days Treasury Bill - 16 September 2005	39,032,240
364 Days Treasury Bill - 29 April 2005 *	18,650,025
Total	(Cost – Rs. 973,154,660) 972,927,967
Commercial Paper / Certificate of Deposit (23.33%)	
Commercial Paper (74.41%)	
Housing Development Finance Corporation 2005* @	96,211,330
Housing Development Finance Corporation 2005* @	24,068,238
Housing Development Finance Corporation 2005* @	433,303,006
EXIM Bank 2005* @	240,838,376
National Housing Bank 2005*	240,723,892
Industrial Development Bank of India 2005* @	195,228,854
Standard Chartered Inv. & Loans India 2005*	186,111,488
Housing Development Finance Corporation 2006* @	95,670,780
	1,512,155,964
Certificate of Deposit (25.59%)	
Jammu and Kashmir Bank 2006*	236,793,521
Karnataka Bank 2006*	188,587,700
Federal Bank 2006*	94,649,268
	520,030,489
TOTAL	(Cost – Rs. 2,032,186,453) 2,032,186,453
TOTAL INVESTMENTS	(Cost – Rs. 8,724,454,156) 8,709,639,960

Confirmation has been received from J P Morgan Chase Bank, Mumbai Branch at the end of the financial year for the investments held by them and from Standard Chartered Bank, Mumbai Branch for the securities held by them in the Constituent Subsidiary General Ledger (CSGL) account.

- * Fair value of non-traded (privately placed) securities as determined in good faith by Deutsche Asset Management (India) Private Limited under procedures approved by the Trustee.
- # Fair value of non-traded and thinly traded debt securities 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) as determined by Deutsche Asset Management (India) Private Limited under procedures approved by the Trustee.
- @ Investment in companies which have invested more than five per cent of the net asset value of any scheme of Deutsche Mutual Fund

Auditors' Report

To the Trustee

DEUTSCHE MUTUAL FUND

1. We have audited the Balance Sheet of Deutsche Mutual Fund – Deutsche Dynamic Bond Fund ("The Scheme") as at March 31, 2005 and the related Revenue Account for the year ended on that date, both of which we have signed under reference to this report. These financial statements are the responsibility of the Trustee of Deutsche Mutual Fund and the Management of Deutsche Asset Management (India) 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 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, 2005 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 statement 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 purpose of our audit. The Balance Sheet and the Revenue Account referred to above are in agreement with the books of account of the Scheme.
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 amendments thereto, as applicable, and also give respectively, a true and fair view of the state of affairs of Deutsche Mutual Fund – Deutsche Dynamic Bond Fund as at March 31, 2005 and its net deficit for the period ended on that date.
 - (ii) The Balance Sheet as at March 31, 2005 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, privately placed securities as at March 31, 2005 as determined in good faith by Deutsche Asset Management (India) Private Limited under procedures approved by the Trustee of Deutsche Mutual Fund are fair and reasonable.

K. H. Vachha
Partner
Membership No. F/30798

For and on behalf of
Price Waterhouse
Chartered Accountants

Place : Mumbai
Date : August 30, 2005

Balance Sheet

as at March 31, 2005

	Schedule	March 31, 2005 Rupees	March 31, 2004 Rupees
Assets			
Investments	1	7,443,693	594,455,812
Other Current Assets	2	1,838,152	51,667,659
TOTAL		9,281,845	646,123,471
Liabilities			
Unit Capital	3	8,931,542	637,255,555
Reserves and Surplus	4	230,182	7,411,432
Current Liabilities and Provisions	5	120,121	1,456,484
TOTAL		9,281,845	646,123,471

Reconciliation of Net Asset Value Per Unit

	Institutional Plan*				Regular Plan				March 31, 2005	
	March 31, 2005				March 31, 2005					
	Growth Option Rupees	Quarterly Dividend Option Rupees	Monthly Dividend Option Rupees	Total Rupees	Growth Option Rupees	Annual Dividend Option Rupees	Quarterly Dividend Option Rupees	Monthly Dividend Option Rupees	Total Rupees	Total Rupees
Net Assets as per Balance Sheet (Total Assets less Current Liabilities and Provisions) (Note 2.5)	-	-	-	-	1,976,661	252,083	3,301,964	3,631,016	9,161,724	9,161,724
Number of Units in Issue	-	-	-	-	192,700.634	24,574.975	321,899.851	353,978.566	-	-
Net Asset Value per Unit	-	-	-	-	10.2577	10.2577	10.2577	10.2577	-	-

*Refer Note 1 - Schedule 8

Reconciliation of Net Asset Value Per Unit

	Institutional Plan				Regular Plan				March 31, 2004	
	March 31, 2004				March 31, 2004					
	Growth Option Rupees	Quarterly Dividend Option Rupees	Monthly Dividend Option Rupees	Total Rupees	Growth Option Rupees	Annual Dividend Option Rupees	Quarterly Dividend Option Rupees	Monthly Dividend Option Rupees	Total Rupees	Total Rupees
Net Assets as per Balance Sheet (Total Assets less Current Liabilities and Provisions) (Note 2.5)	592,848,794	-	10,119,285	602,968,079	15,592,767	162,092	18,420,598	7,523,451	41,698,908	644,666,987
Number of Units in Issue	58,586,036.679	-	1,000,000.000	-	1,547,919.592	16,091.076	1,828,642.785	746,865.296	-	-
Net Asset Value per Unit	10.1193	-	10.1193	-	10.0734	10.0734	10.0734	10.0734	-	-

Notes to the Financial Statements

8

The Schedules referred to herein form an integral part of the Financial Statements

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

K. H. VACHHA
Partner

For **Deutsche Trustee Services (India)
Private Limited**

For **Deutsche Asset Management (India)
Private Limited**

For and on behalf of
PRICE WATERHOUSE
Chartered Accountants

Gunit Chadha
Director

M. H. Kania
Director

Peter Noel Sampson Hanbury
Director

Sandeep Dasgupta
Director

Y. B. Desai
Director

A. S. Mitra
Director

Kersi M. Gherda
Director

Dileep Choksi
Director

Debabrata Bhadury
Director

Choy Peng Wah
Director

Vijay P. Gokhale
Director

Carl Saldanha
Director

Place: Mumbai
Date : August 30, 2005

Suresh Soni
Portfolio Manager

Revenue Account

for the year ended March 31, 2005

	Schedule	April 01, 2004 to March 31, 2005 Rupees	October 16, 2003 to March 31, 2004 Rupees
Income And Gains			
Interest and Discount	6	15,114,008	25,213,416
TOTAL		15,114,008	25,213,416
Expenses and Losses			
Net Loss on Sale of Investments [Net of Net Profit on Inter-Scheme Sale of Investments Rs. 14,738 (2004 - Rs.17)] (Note 2.3)		17,590,624	12,394,777
Investment Management and Advisory Fees (Note 3)		1,303,273	2,210,111
Trustee Fees and Expenses (Note 4)		23,940	37,997
Transfer Agents Fees and Expenses		912,139	527,031
Custodian Fees and Expenses (Note 5)		305,911	494,125
Audit Fees		78,975	81,173
Selling and Distribution Expenses		1,092,165	1,678,402
Other Operating Expenses		305,190	280,470
		21,612,217	17,704,086
Less: Expenses to be Reimbursed by the Investment Manager (Note 7)		816,541	711,329
TOTAL		20,795,676	16,992,757
Net (Deficit) / Surplus for the year / period		(5,681,668)	8,220,659
Net Change in Unrealised (Depreciation) / Appreciation in Value of Investments	7	(2,005,031)	2,015,094
Net (Deficit) / Surplus including Net Change in Unrealised (Depreciation) / Appreciation in Value of Investments		(7,686,699)	10,235,753

	Institutional Plan *				Regular Plan					April 01, 2004 to March 31, 2005
	April 01, 2004 to December 16, 2004				April 01, 2004 to March 31, 2005					
	Growth Option Rupees	Quarterly Dividend Option Rupees	Monthly Dividend Option Rupees	Total Rupees	Growth Option Rupees	Annual Dividend Option Rupees	Quarterly Dividend Option Rupees	Monthly Dividend Option Rupees	Total Rupees	Total Rupees
Net (Deficit) / Surplus including Net Change in Unrealised Depreciation / Appreciation in Value of Investments by Option	(154,110)	-	(5,795,711)	(5,949,821)	(213,944)	4,395	(693,577)	(833,752)	(1,736,878)	(7,686,699)
Transfer from Dividend Equalisation Reserve (Note 2.7)	(8,487,683)	-	5,443,591	(3,044,092)	265,007	5,710	1,206,572	869,438	2,346,727	(697,365)
Balance Transferred to Reserve Fund	(8,641,793)	-	(352,120)	(8,993,913)	51,063	10,105	512,995	35,686	609,849	(8,384,064)

*Refer Note 1 - Schedule 8

Revenue Account

for the year ended March 31, 2005

Schedule

	Institutional Plan				Regular Plan				October 16, 2003 to March 31, 2004	Total Rupees
	October 16, 2003 to March 31, 2004				October 16, 2003 to March 31, 2004					
	Growth Option Rupees	Quarterly Dividend Option Rupees	Monthly Dividend Option Rupees	Total Rupees	Growth Option Rupees	Annual Dividend Option Rupees	Quarterly Dividend Option Rupees	Monthly Dividend Option Rupees		
Net (Deficit) / Surplus including Net Change in Unrealised Depreciation / Appreciation in Value of Investments by Option	8,305,043	15,585	1,556,727	9,877,355	98,195	395	223,742	36,066	358,398	10,235,753
Transfer from Dividend Equalisation Reserve (Note 2.7)	468,872	56,490	(1,203,812)	(678,450)	56,831	529	(91,580)	16,237	(17,983)	(696,433)
Balance Transferred to Reserve Fund	8,773,915	72,075	352,915	9,198,905	155,026	924	132,162	52,303	340,415	9,539,320

Notes to the Financial Statements

8

The Schedules referred to herein form an integral part of the Financial Statements

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

K. H. VACHHA
Partner

For **Deutsche Trustee Services (India) Private Limited**

For **Deutsche Asset Management (India) Private Limited**

For and on behalf of
PRICE WATERHOUSE
Chartered Accountants

Gunit Chadha
Director

M. H. Kania
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Dileep Choksi
Director

Debabrata Bhadury
Director

Choy Peng Wah
Director

Vijay P. Gokhale
Director

Carl Saldanha
Director

Place: Mumbai
Date : August 30, 2005

Suresh Soni
Portfolio Manager

Schedules

forming part of the Balance Sheet as at March 31, 2005
and the Revenue Account for the year ended March 31, 2005

	March 31, 2005		March 31, 2004	
	Market / Fair Value Rupees	Cost Rupees	Market / Fair Value Rupees	Cost Rupees
Schedule 1				
Investments				
(Notes 2.2, 2.3, 8, 9, 10, 11 and 14)				
(Refer to the attached Statement of Portfolio Holding as at March 31, 2005)				
Privately Placed Non-Convertible Debentures / Bonds	1,758,046	1,755,231	59,053,826	58,798,326
Non-Convertible Debentures / Bonds-Listed / Awaiting Listing	–	–	237,710,420	237,391,210
Securitized Debt	630,647	624,524	–	–
Government of India Securities	5,055,000	5,053,875	297,691,566	296,251,182
TOTAL	7,443,693	7,433,630	594,455,812	592,440,718

	March 31, 2005 Rupees	March 31, 2004 Rupees
Schedule 2		
Other Current Assets		
Balance with Banks in Current Account	764,178	40,170,965
Interest Receivable on :		
– Debentures / Bonds	55,216	6,102,751
– Government of India Securities	162,556	5,006,012
Receivable from Investment Manager	812,253	387,931
Miscellaneous Receivables	43,949	–
TOTAL	1,838,152	51,667,659

	March 31, 2005		March 31, 2004	
	Rupees	Units	Rupees	Units
Schedule 3				
Unit Capital				
Institutional Plan				
Growth Option				
Issued and Subscribed :				
Units of Rs.10 each fully paid-up	505,023,000	50,502,300.000	505,023,000	50,502,300.000
Outstanding:				
At the beginning of the year / period	585,860,367	58,586,036.679	–	–
Initial Issue and Subscription	–	–	505,023,000	50,502,300.000
Issued during the year / period	54,027,913	5,402,791.304	380,326,968	38,032,696.761
	639,888,280	63,988,827.983	885,349,968	88,534,996.761
Redeemed during the year / period	639,888,280	63,988,827.983	299,489,601	29,948,960.082
At the end of the year / period	–	–	585,860,367	58,586,036.679

Schedules

forming part of the Balance Sheet as at March 31, 2005
and the Revenue Account for the year ended March 31, 2005

	March 31, 2005		March 31, 2004	
	Rupees	Units	Rupees	Units
Quarterly Dividend Option				
Issued and Subscribed :				
Units of Rs.10 each fully paid-up	-	-	-	-
Outstanding:				
At the beginning of the year / period	-	-	-	-
Initial Issue and Subscription	-	-	-	-
Issued during the year / period	-	-	10,019,638	1,001,963.849
	-	-	10,019,638	1,001,963.849
Redeemed during the year / period	-	-	10,019,638	1,001,963.849
At the end of the year / period	-	-	-	-
Monthly Dividend Option				
Issued and Subscribed :				
Units of Rs.10 each fully paid-up	330,000,000	33,000,000.000	330,000,000	33,000,000.000
Outstanding:				
At the beginning of the year / period	10,000,000	1,000,000.000	-	-
Initial Issue and Subscription	-	-	330,000,000	33,000,000.000
Issued during the year / period	256,982,755	25,698,275.465	-	-
	266,982,755	26,698,275.465	330,000,000	33,000,000.000
Redeemed during the year / period	266,982,755	26,698,275.465	320,000,000	32,000,000.000
At the end of the year / period	-	-	10,000,000	1,000,000.000
Total	-	-	595,860,367	59,586,036.679
Regular Plan				
Growth Option				
Issued and Subscribed :				
Units of Rs.10 each fully paid-up	30,105,000	3,010,500.000	30,105,000	3,010,500.000
Outstanding:				
At the beginning of the year / period	15,479,196	1,547,919.592	-	-
Initial Issue and Subscription	-	-	30,105,000	3,010,500.000
Issued during the year / period	15,272,608	1,527,260.774	18,265,271	1,826,527.130
	30,751,804	3,075,180.366	48,370,271	4,837,027.130
Redeemed during the year / period	28,824,797	2,882,479.732	32,891,075	3,289,107.538
At the end of the year / period	1,927,007	192,700.634	15,479,196	1,547,919.592
Annual Dividend Option				
Issued and Subscribed :				
Units of Rs.10 each fully paid-up	805,000	80,500.000	805,000	80,500.000
Outstanding :				
At the beginning of the year / period	160,911	16,091.076	-	-
Initial Issue and Subscription	-	-	805,000	80,500.000
Issued during the year / period	543,012	54,301.196	165,942	16,594.155
	703,923	70,392.272	970,942	97,094.155
Redeemed during the year / period	458,173	45,817.297	810,031	81,003.079
At the end of the year / period	245,750	24,574.975	160,911	16,091.076

Schedules

forming part of the Balance Sheet as at March 31, 2005
and the Revenue Account for the year ended March 31, 2005

	March 31, 2005		March 31, 2004	
	Rupees	Units	Rupees	Units
Quarterly Dividend Option				
Issued and Subscribed :				
Units of Rs.10 each fully paid-up	3,302,000	330,200.000	3,302,000	330,200.000
Outstanding:				
At the beginning of the year / period	18,286,428	1,828,642.785	-	-
Initial Issue and Subscription	-	-	3,302,000	330,200.000
Issued during the year / period	46,208,641	4,620,864.110	30,161,855	3,016,185.450
	64,495,069	6,449,506.895	33,463,855	3,346,385.450
Redeemed during the year / period	61,276,070	6,127,607.044	15,177,427	1,517,742.665
At the end of the year / period	3,218,999	321,899.851	18,286,428	1,828,642.785
Monthly Dividend Option				
Issued and Subscribed :				
Units of Rs.10 each fully paid up	3,105,000	310,500.000	3,105,000	310,500.000
Outstanding :				
At the beginning of the year / period	7,468,653	746,865.296	-	-
Initial Issue and Subscription	-	-	3,105,000	310,500.000
Issued during the year / period	51,012,443	5,101,244.265	13,635,106	1,363,510.559
	58,481,096	5,848,109.561	16,740,106	1,674,010.559
Redeemed during the year / period	54,941,310	5,494,130.995	9,271,453	927,145.263
At the end of the year / period	3,539,786	353,978.566	7,468,653	746,865.296
Total	8,931,542	893,154.026	41,395,188	4,139,518.749
TOTAL	8,931,542	893,154.026	637,255,555	63,725,555.428

	Institutional Plan				Regular Plan					
	March 31, 2005				March 31, 2005					March 31, 2005
	Growth Option Rupees	Quarterly Dividend Option Rupees	Monthly Dividend Option Rupees	Total Rupees	Growth Option Rupees	Annual Dividend Option Rupees	Quarterly Dividend Option Rupees	Monthly Dividend Option Rupees	Total Rupees	Total Rupees

Schedule 4

Reserves and Surplus

Unit Premium Reserve (Note 2.6)

At the beginning of the year / period	(1,785,488)	(72,075)	(233,630)	(2,091,193)	(41,455)	257	2,008	2,495	(36,695)	(2,127,888)
Added during the year / period	1,653,366	-	232,835	1,886,201	(114,980)	(4,953)	(564,200)	746	(683,387)	1,202,814
At the end of the year / period	(132,122)	(72,075)	(795)	(204,992)	(156,435)	(4,696)	(562,192)	3,241	(720,082)	(925,074)

Dividend Equalisation Reserve (Note 2.7)

Added during the year / period	(8,487,683)	-	5,443,591	(3,044,092)	265,007	5,710	1,206,572	869,438	2,346,727	(697,365)
Transfer to Revenue Account	8,487,683	-	(5,443,591)	3,044,092	(265,007)	(5,710)	(1,206,572)	(869,438)	(2,346,727)	697,365
At the end of the year / period	-	-	-	-	-	-	-	-	-	-

Schedules

forming part of the Balance Sheet as at March 31, 2005
and the Revenue Account for the year ended March 31, 2005

	Institutional Plan				Regular Plan					March 31, 2005
	March 31, 2005				March 31, 2005					
	Growth Option Rupees	Quarterly Dividend Option Rupees	Monthly Dividend Option Rupees	Total Rupees	Growth Option Rupees	Annual Dividend Option Rupees	Quarterly Dividend Option Rupees	Monthly Dividend Option Rupees	Total Rupees	
Reserve Fund										
At the beginning of the year / period	8,773,915	72,075	352,915	9,198,905	155,026	924	132,162	52,303	340,415	9,539,320
Balance Transferred from Revenue Account	(8,641,793)	-	(352,120)	(8,993,913)	51,063	10,105	512,995	35,686	609,849	(8,384,064)
At the end of the year / period [Including net unrealised appreciation in value of investments Rs.10,063]	132,122	72,075	795	204,992	206,089	11,029	645,157	87,989	950,264	1,155,256
TOTAL	-	-	-	-	49,654	6,333	82,965	91,230	230,182	230,182

	Institutional Plan				Regular Plan					March 31, 2004
	March 31, 2004				March 31, 2004					
	Growth Option Rupees	Quarterly Dividend Option Rupees	Monthly Dividend Option Rupees	Total Rupees	Growth Option Rupees	Annual Dividend Option Rupees	Quarterly Dividend Option Rupees	Monthly Dividend Option Rupees	Total Rupees	
Reserves and Surplus										
Unit Premium Reserve (Note 2.6)										
Added during the period	(1,785,488)	(72,075)	(233,630)	(2,091,193)	(41,455)	257	2,008	2,495	(36,695)	(2,127,888)
At the end of the period	(1,785,488)	(72,075)	(233,630)	(2,091,193)	(41,455)	257	2,008	2,495	(36,695)	(2,127,888)
Dividend Equalisation Reserve (Note 2.7)										
Added during the period	468,872	56,490	(1,203,812)	(678,450)	56,831	529	(91,580)	16,237	(17,983)	(696,433)
Transfer to Revenue Account	(468,872)	(56,490)	1,203,812	678,450	(56,831)	(529)	91,580	(16,237)	17,983	696,433
At the end of the period	-	-	-	-	-	-	-	-	-	-
Reserve Fund										
Balance Transferred from Revenue Account	8,773,915	72,075	352,915	9,198,905	155,026	924	132,162	52,303	340,415	9,539,320
At the end of the period [Including net unrealised appreciation in value of investments Rs.2,015,094]	8,773,915	72,075	352,915	9,198,905	155,026	924	132,162	52,303	340,415	9,539,320
TOTAL	6,988,427	-	119,285	7,107,712	113,571	1,181	134,170	54,798	303,720	7,411,432

Reserves and Surplus

	Institutional Plan				Regular Plan					
	March 31, 2005				March 31, 2005					March 31, 2004
	Growth Option Rupees	Quarterly Dividend Option Rupees	Monthly Dividend Option Rupees	Total Rupees	Growth Option Rupees	Annual Dividend Option Rupees	Quarterly Dividend Option Rupees	Monthly Dividend Option Rupees	Total Rupees	Total Rupees
Unit Premium Reserve (Note 2.6)										
Added during the period	(1,785,488)	(72,075)	(233,630)	(2,091,193)	(41,455)	257	2,008	2,495	(36,695)	(2,127,888)
At the end of the period	(1,785,488)	(72,075)	(233,630)	(2,091,193)	(41,455)	257	2,008	2,495	(36,695)	(2,127,888)
Dividend Equalisation Reserve (Note 2.7)										
Added during the period	468,872	56,490	(1,203,812)	(678,450)	56,831	529	(91,580)	16,237	(17,983)	(696,433)
Transfer to Revenue Account	(468,872)	(56,490)	1,203,812	678,450	(56,831)	(529)	91,580	(16,237)	17,983	696,433
At the end of the period	-	-	-	-	-	-	-	-	-	-
Reserve Fund										
Balance Transferred from Revenue Account	8,773,915	72,075	352,915	9,198,905	155,026	924	132,162	52,303	340,415	9,539,320
At the end of the period [Including net unrealised appreciation in value of investments Rs.2,015,094]	8,773,915	72,075	352,915	9,198,905	155,026	924	132,162	52,303	340,415	9,539,320
TOTAL	6,988,427	-	119,285	7,107,712	113,571	1,181	134,170	54,798	303,720	7,411,432

March 31, 2005 Rupees March 31, 2004 Rupees

Schedule 5

Current Liabilities and Provisions

Investment Management and Advisory Fees	6,579	488,119
Trustee Fees and Expenses	88	6,854
Transfer Agent Fees and Expenses	-	97,131
Custodian Fees and Expenses	1,327	201,896
Audit Fees	78,975	81,173
Selling and Distribution Expenses	7,298	307,601
Sundry Payables	25,854	273,710
TOTAL	120,121	1,456,484

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forming part of the Balance Sheet as at March 31, 2005
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	April 01, 2004 to March 31, 2005 Rupees	October 16, 2003 to March 31, 2004 Rupees
Schedule 6		
Interest and Discount		
(Note 2.4)		
Debentures / Bonds	4,292,334	2,456,353
Securitised Debt	73,586	–
Government of India Securities	8,972,542	21,908,935
Reverse Repos	714,924	211,692
Treasury Bills	1,060,622	472,886
Commercial Paper / Certificate of Deposit	–	163,550
TOTAL	15,114,008	25,213,416

	April 01, 2004 to March 31, 2005 Rupees	October 16, 2003 to March 31, 2004 Rupees
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Schedule 7

Unrealised (Depreciation) / Appreciation in Value of Investments

(Note 8)

(a) Privately Placed Non-Convertible Debentures / Bonds			
At the beginning of the year / period		255,500	–
At the end of the year / period		2,815	255,500
Net change during the year / period	(I)	(252,685)	255,500
(b) Non-Convertible Debentures / Bonds Listed / Awaiting Listing			
At the beginning of the year / period		319,210	–
At the end of the year / period		–	319,210
Net change during the year / period	(II)	(319,210)	319,210
(c) Securitised Debt			
At the beginning of the year / period		–	–
At the end of the year / period		6,123	–
Net change during the year / period	(III)	6,123	–
(d) Government of India Securities			
At the beginning of the year / period		1,440,384	–
At the end of the year / period		1,125	1,440,384
Net change during the year / period	(IV)	(1,439,259)	1,440,384
Net change in unrealised (depreciation) / appreciation in value of investments during the year / period	(I)+(II)+(III)+(IV)	(2,005,031)	2,015,094

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Schedule 8

Notes to the Financial Statements

1. Organisation

Deutsche Dynamic Bond Fund (the "Scheme") is an open-ended income scheme of Deutsche Mutual Fund (the "Fund") and was launched on October 16, 2003. Deutsche Mutual Fund has been sponsored by Deutsche Asset Management (Asia) Limited. Deutsche Asset Management (India) Private Limited incorporated under the Companies Act, 1956, has been appointed as the asset management company. The duration of the Scheme is perpetual. The Scheme closed for initial subscription on October 21, 2003 and reopened for issue and redemption of units on October 27, 2003. The investment objective of the Scheme is to generate reasonable returns and liquidity to the unitholders by investing in good quality debt and money market instruments.

The Scheme has two Plans - Institutional Plan and Regular Plan each offering four options - Growth Option, Annual Dividend Option, Quarterly Dividend Option and Monthly Dividend Option.

No subscription has been received in the Institutional Plan - Annual Dividend Option both during the initial public offer and subsequently. During the year the Institutional Plan was discontinued / wound up as at December 16, 2004 pursuant to the investors redeeming out of Growth, Quarterly Dividend and Monthly Dividend Options of the Plan.

The Scheme will not declare dividend under the Growth Option of both the Plans. The income earned on such units will remain invested within the Scheme and will be reflected in the net asset value.

2. Significant Accounting Policies

2.1 Basis of Accounting

The Scheme maintains its books of account on an accrual basis. These financial statements have been prepared in accordance with the accounting policies and standards specified in the Ninth Schedule of 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 / date of determination. In valuing the Scheme's investments:

- i. Debt securities listed on a recognised stock exchange are valued at the last quoted closing price on the National Stock Exchange of India Limited. If no sale is reported at that time, such security is valued at fair value as determined in good faith by Deutsche Asset Management (India) Private Limited under procedures approved by the Trustee of Deutsche Mutual Fund.
- ii. Non-traded and thinly traded debt securities are valued at fair value as determined by Deutsche Asset Management (India) Private Limited under procedures approved by the Trustee of Deutsche Mutual Fund in accordance with the guidelines for valuation of securities for mutual funds dated September 18, 2000 and amendments thereto, as applicable issued by the Securities and Exchange Board of India (SEBI).
- iii. Privately placed debt securities are valued at fair value as determined in good faith by Deutsche Asset Management (India) Private Limited under procedures approved by the Trustee of Deutsche Mutual Fund.
- iv. Securitised debt securities are valued at fair value as determined in good faith by Deutsche Asset Management (India) Private Limited under procedures approved by the Trustee of Deutsche Mutual Fund.
- v. Money Market instruments were valued at cost plus accrued interest up to October 24, 2004. Effective October 25, 2004, traded money market securities are valued at the yield at which they are traded on the valuation date. If no sale is reported at that time, such security is valued at the last traded price plus accretion of the difference between the face value and the last traded price. Non-traded money market instruments are valued at cost plus accrued interest.
- vi. Instruments bought on 'repo' basis are valued at the resale price after deduction of applicable interest up to the date of resale.
- vii. Government securities are valued at prices obtained from The Credit Rating Information Services of India Limited in accordance with the guidelines for valuation of 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 Regulations) net unrealized appreciation / depreciation in the value of investments is determined separately for each category of investments. Further the change in net unrealized appreciation / depreciation, if any, between two Balance Sheet dates / dates of determination is recognized in the Revenue Account. Unrealized appreciation is reduced from the distributable income at the time of income distribution. At the end of the financial year, the balance in the Revenue Account including change in the net unrealized appreciation or depreciation in the value of investments is transferred to Reserve Fund.

2.3 Securities Transaction

Investment securities transactions are accounted for on a trade date basis. The Scheme uses the average cost method for determining the realized gain or loss on sale of investments.

2.4 Investment Income

Interest income is recorded on an accrual basis.

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forming part of the Balance Sheet as at March 31, 2005
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2.5 Net Asset Value for Growth / Dividend Option

The net asset value of the units of the Scheme is determined separately for the units issued under the Growth and Dividend Options for the Institutional and Regular Plans.

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

2.6 Unit Premium Reserve

Upon issue and redemption of units, the net premium or discount to the face value of units is adjusted against the unit premium reserve of the Scheme after an appropriate portion of the issue proceeds and redemption payout is credited or debited respectively to the dividend equalization reserve.

The unit premium reserve is available for dividend distribution except to the extent it is represented by unrealized net appreciation in value of investments.

2.7 Dividend Equalization Reserve

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

2.8 Load

Load collected is retained under a separate account in the Scheme and is utilised to meet the selling and distribution expenses of the Scheme.

3. Investment Management and Advisory Fees

The Scheme has paid or provided for investment management and advisory fees payable to Deutsche Asset Management (India) Private Limited for managing the Scheme at an annual rate of 0.48% and 0.77% of the average daily net asset values of the Institutional Plan and Regular Plan respectively recorded by the Scheme. All costs, charges and expenses incurred by Deutsche Asset Management (India) Private Limited in the administration and execution of the activities of the Scheme, except costs allowed to be charged to the Scheme under the Regulations, and amendments thereto as applicable, are on their own account for which they receive investment management and advisory fees.

4. Trustee Fees

In accordance with the Deed of Trust dated May 29, 2002 between Deutsche Asset Management (Asia) Limited (the "Settlor") and Deutsche Trustee Services (India) Private Limited (the "Trustee"), the Scheme has paid or provided for trustee fees payable to the Trustee at an annual rate of 0.01% of the average daily net asset values recorded by the Scheme subject to a maximum of Rs. 500,000 per annum.

5. Custodian Fees

J P Morgan Chase Bank provides custodial services to the Scheme for which it receives custody fees.

6. Income Taxes

No provision for income tax has been made as the Scheme qualifies as a recognized Mutual Fund under Section 10 (23D) of the Income Tax Act, 1961, of India.

7. Limitation on Expenses

The total expenses chargeable to the Scheme is limited to 1.16% and 2.01% of the average daily net assets of the Institutional Plan and Regular Plan respectively recorded by the Scheme. Deutsche Asset Management (India) Private Limited has borne Rs. 816,541 in excess of the above mentioned percentage of the average daily net assets allowable to be charged to the Scheme as total expenses for the year.

8. Aggregate Appreciation and Depreciation in Value of Investments

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

	March 31, 2005 Rupees	March 31, 2004 Rupees
Privately Placed Non-Convertible Debentures / Bonds		
– Appreciation	2,815	255,500
– Depreciation	–	–
Non-Convertible Debentures / Bonds - Listed / Awaiting Listing		
– Appreciation	–	675,360
– Depreciation	–	356,150
Securitized Debt		
– Appreciation	6,123	–
– Depreciation	–	–
Government of India Securities		
– Appreciation	1,125	1,440,384
– Depreciation	–	–

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forming part of the Balance Sheet as at March 31, 2005
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9. Registered Securities

In accordance with Regulation 44(1) of the Securities and Exchange Board of India (Mutual Fund) Regulations, 1996, securities purchased should be held in the name of the Scheme. As at March 31, 2005 securities aggregating to Rs. 5,055,000 (market value) are held in the name of Deutsche Mutual Fund.

10. Aggregate Fair Value of Non-Traded Investments

Aggregate fair value of non-traded (including privately placements) investments as determined in good faith by Deutsche Asset Management (India) Private Limited under procedures approved by the Trustee as at March 31, 2005 is Rs. 2,388,693.

11. Aggregate Value of Purchases and Sale of Investments

The aggregate value of investment securities purchased and sold (including matured) during the financial year is Rs. 3,391,547,151 (excluding accretion of discount Rs. 1,134,207) and Rs. 3,960,097,822 respectively being 1427.08% and 1666.31% of the average daily net assets.

12. Income and Expenses

The total income (including net loss on sale of investments and net change in unrealized depreciation in the value of investments) and expenditure during the year / period is:

Plan	Total Income		Total Expenditure	
	Rupees	Percentage of Average Daily Net Assets	Rupees	Percentage of Average Daily Net Assets
Institutional Plan	(3,810,780)	(2.06%) *	2,139,041	1.16% *
Regular Plan	(670,867)	(1.26%)	1,066,011	2.01%

* Annualised

13. Disclosure Under Regulation 25(8) of the Securities and Exchange Board of India (Mutual Funds) Regulation, 1996 as amended

Deutsche Bank AG, Mumbai Branch and Kotak Mahindra Bank Limited, associate entities of Deutsche Asset Management (India) Private Limited were paid commission amounting to Rs. 114,194 and Rs. 3,069 respectively for procuring unit subscriptions for the Scheme. The commission paid was at rates similar to those offered to other distributors.

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

Deutsche Mutual Fund has made the following investments in companies, which hold units in excess of 5% of the net asset value of any Scheme of Deutsche Mutual Fund.

Company Name	Scheme invested in by the Company	Investments made by Schemes of Deutsche Mutual Fund in the Company / Subsidiary	Aggregate for the period under Regulation 25(11) At Cost (Rupees in lakhs)	Outstanding as at March 31, 2005 At Market / Fair Value (Rupees in lakhs)
Bank of Baroda	Deutsche Insta Cash Plus Fund	Deutsche Alpha Equity Fund	206.01	–
Bharti Tele-Ventures Ltd.	Deutsche Floating Rate Fund	Deutsche Investment Opportunity Fund	124.18	1.03
		Deutsche Alpha Equity Fund	402.23	3.62
		Deutsche Insta Cash Plus Fund	947.56	–
		Deutsche MIP Fund-Plan A	11.85	–
		Deutsche MIP Fund-Plan B	5.92	–
Export Import Bank of India	Deutsche Short Maturity Fund	Deutsche Insta Cash Plus Fund	3,843.90	2,408.38
		Deutsche Premier Bond Fund	17,704.13	–
		Deutsche Short Maturity Fund	6,956.79	–
		Deutsche MIP Fund-Plan A	299.56	–
		Deutsche MIP Fund-Plan B	199.71	–
Finolex Cables Ltd.	Deutsche Short Maturity Fund	Deutsche Insta Cash Plus Fund	1,200.00	301.86
		Deutsche Premier Bond Fund	519.16	–
		Deutsche Short Maturity Fund	2,552.65	201.24
Glaxo Smithkline Pharmaceuticals Ltd.	Deutsche Floating Rate Fund	Deutsche Investment Opportunity Fund	80.55	–
		Deutsche Alpha Equity Fund	122.95	–
Grasim Industries Ltd.	Deutsche Insta Cash Plus Fund	Deutsche Investment Opportunity Fund	132.05	60.68
		Deutsche Alpha Equity Fund	376.63	242.72

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Company Name	Scheme invested in by the Company	Investments made by Schemes of Deutsche Mutual Fund in the Company / Subsidiary	Aggregate for the period under Regulation 25(11) At Cost (Rupees in lakhs)	Outstanding as at March 31, 2005 At Market / Fair Value (Rupees in lakhs)
	Deutsche Short Maturity Fund	Deutsche MIP Fund-Plan A	30.26	25.62
		Deutsche MIP Fund-Plan B	9.98	9.77
		Deutsche Investment Opportunity Fund^	44.12	–
		Deutsche Alpha Equity Fund^	130.76	–
		Deutsche MIP Fund-Plan A^	14.41	–
		Deutsche MIP Fund-Plan B^	9.25	–
HCL Technologies Ltd.	Deutsche Short Maturity Fund	Deutsche Investment Opportunity Fund	146.49	55.56
		Deutsche Alpha Equity Fund	747.11	148.16
		Deutsche MIP Fund-Plan A	28.51	–
Hindalco Industries Ltd.	Deutsche Floating Rate Fund	Deutsche Investment Opportunity Fund	93.52	–
		Deutsche Alpha Equity Fund	676.65	194.05
	Deutsche Short Maturity Fund	Deutsche MIP Fund-Plan A	14.03	–
		Deutsche MIP Fund-Plan B	9.35	–
		Deutsche Insta Cash Plus Fund@@@@	2,000.00	–
		Deutsche Short Maturity Fund@@@@	2,000.00	–
Hindustan Lever Ltd.	Deutsche Fixed Term Fund	Deutsche Floating Rate Fund	508.93	–
	Deutsche Insta Cash Plus Fund	Deutsche Insta Cash Plus Fund	873.14	–
	Deutsche Short Maturity Fund			–
Hindustan Zinc Limited	Deutsche Floating Rate Fund	Deutsche Alpha Equity Fund	35.78	–
Housing Development Finance Corporation	Deutsche Insta Cash Plus Fund	Deutsche Alpha Equity Fund	275.45	–
		Deutsche Dynamic Bond Fund	1,446.57	–
		Deutsche Floating Rate Fund	2,392.59	3,144.04
		Deutsche Insta Cash Plus Fund	21,492.53	6,992.78
		Deutsche Premier Bond Fund	14,457.31	–
		Deutsche Short Maturity Fund	14,887.35	–
		Deutsche MIP Fund-Plan A	1,239.83	–
		Deutsche MIP Fund-Plan B	200.00	–
Industrial Development Bank of India	Deutsche Floating Rate Fund	Deutsche Fixed Term Fund	1,425.16	1,424.58
		Deutsche Investment Opportunity Fund	101.19	91.15
	Deutsche Insta Cash Plus Fund	Deutsche Alpha Equity Fund	512.83	273.45
		Deutsche Dynamic Bond Fund	761.31	7.14
	Deutsche Short Maturity Fund	Deutsche Floating Rate Fund	7,741.86	733.14
		Deutsche Insta Cash Plus Fund	23,131.79	6,147.51
		Deutsche Premier Bond Fund	9,282.64	115.47
		Deutsche Short Maturity Fund	9,974.79	692.66
		Deutsche MIP Fund-Plan A	1,390.68	262.72
		Deutsche MIP Fund-Plan B	472.70	146.64
		Deutsche Fixed Term Fund^^	1,992.73	1,993.01
		Deutsche Short Maturity Fund^^	1,000.10	–
Infrastructure Development Finance Company Limited	Deutsche Dynamic Bond Fund	Deutsche Insta Cash Plus Fund	7,356.99	857.62
	Deutsche Insta Cash Plus Fund			
	Deutsche Premier Bond Fund			
	Deutsche Short Maturity Fund			
Infrastructure Leasing and Financial Services Limited	Deutsche Insta Cash Plus Fund	Deutsche Floating Rate Fund	5,510.00	509.24
		Deutsche Insta Cash Plus Fund	8,039.91	–
		Deutsche Short Maturity Fund	4,710.60	–
ITC Limited	Deutsche Insta Cash Plus Fund	Deutsche Investment Opportunity Fund	224.64	17.28
		Deutsche Alpha Equity Fund	1,661.07	158.16

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Company Name	Scheme invested in by the Company	Investments made by Schemes of Deutsche Mutual Fund in the Company / Subsidiary	Aggregate for the period under Regulation 25(11) At Cost (Rupees in lakhs)	Outstanding as at March 31, 2005 At Market / Fair Value (Rupees in lakhs)
	Deutsche Short Maturity Fund	Deutsche MIP Fund-Plan A Deutsche MIP Fund-Plan B	20.37 12.20	– –
Jet Airways India Pvt. Limited	Deutsche Insta Cash Plus Fund	Deutsche Premier Bond Fund Deutsche Short Maturity Fund Deutsche MIP Fund-Plan A	1,215.38 815.87 101.28	348.66 1,089.62 251.87
Larsen & Toubro Ltd.	Deutsche Investment Opportunity Fund Deutsche Alpha Equity Fund Deutsche Insta Cash Plus Fund	Deutsche Investment Opportunity Fund Deutsche Alpha Equity Fund Deutsche Insta Cash Plus Fund Deutsche Short Maturity Fund Deutsche MIP Fund-Plan A Deutsche MIP Fund-Plan B Deutsche Floating Rate Fund ^{^^^} Deutsche Insta Cash Plus Fund ^{^^^} Deutsche Short Maturity Fund ^{^^^}	663.91 2,561.27 1,884.49 617.77 205.12 77.45 100.00 2,402.34 1,700.00	– 99.52 – – – – – 500.18 –
LIC Housing Finance Ltd.	Deutsche Floating Rate Fund	Deutsche Floating Rate Fund Deutsche Insta Cash Plus Fund Deutsche Premier Bond Fund	1,266.63 4,555.99 4,229.55	250.85 250.85 –
Mahindra & Mahindra Limited	Deutsche Dynamic Bond Fund	Deutsche Investment Opportunity Fund Deutsche Alpha Equity Fund Deutsche Insta Cash Plus Fund Deutsche MIP Fund-Plan A Deutsche MIP Fund-Plan B Deutsche Alpha Equity Fund ^{^^^^} Deutsche Floating Rate Fund ^{^^^^} Deutsche Insta Cash Plus Fund ^{^^^^} Deutsche Premier Bond Fund ^{^^^^} Deutsche Short Maturity Fund ^{^^^^} Deutsche MIP Fund-Plan A ^{^^^^} Deutsche MIP Fund-Plan B ^{^^^^}	500.00 824.39 477.02 73.23 22.31 1,300.00 8,290.62 22,885.19 3,418.56 9,781.86 310.78 207.19	– – – – – – 1,708.46 5,354.36 – 167.89 202.81 202.81
Nestle India Limited	Deutsche Insta Cash Plus Fund	Deutsche Alpha Equity Fund	43.01	–
Patni Computer Systems Limited	Deutsche Fixed Term Fund	Deutsche Investment Opportunity Fund Deutsche Alpha Equity Fund Deutsche MIP Fund-Plan A Deutsche MIP Fund-Plan B	106.68 192.41 22.04 12.82	– – – –
Raymond Limited	Deutsche Dynamic Bond Fund Deutsche Floating Rate Fund Deutsche Insta Cash Plus Fund Deutsche Short Maturity Fund	Deutsche Floating Rate Fund Deutsche Insta Cash Plus Fund Deutsche Short Maturity Fund Deutsche Insta Cash Plus Fund ^{^^^}	500.00 4,000.00 6,800.00 494.31	– – – –
Tata Chemicals Limited	Deutsche Dynamic Bond Fund Deutsche Short Maturity Fund	Deutsche Alpha Equity Fund	16.34	–
Tata Motors Limited	Deutsche Insta Cash Plus Fund	Deutsche Investment Opportunity Fund Deutsche Alpha Equity Fund Deutsche Floating Rate Fund Deutsche Insta Cash Plus Fund Deutsche MIP Fund-Plan A Deutsche MIP Fund-Plan B	568.28 1,639.00 1,045.00 2,090.00 135.95 36.39	82.79 227.67 1,041.93 2,083.87 – –

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Company Name	Scheme invested in by the Company	Investments made by Schemes of Deutsche Mutual Fund in the Company / Subsidiary	Aggregate for the period under Regulation 25(11) At Cost (Rupees in lakhs)	Outstanding as at March 31, 2005 At Market / Fair Value (Rupees in lakhs)
The Tata Iron and Steel Company Ltd.	Deutsche Insta Cash Plus Fund	Deutsche Investment Opportunity Fund	611.24	179.07
		Deutsche Alpha Equity Fund	1,378.07	525.80
		Deutsche MIP Fund-Plan A	181.19	102.61
		Deutsche MIP Fund-Plan B	78.88	29.80
The Tata Power Company Limited	Deutsche Insta Cash Plus Fund	Deutsche Investment Opportunity Fund	1,193.73	-
		Deutsche Alpha Equity Fund	478.41	-
		Deutsche MIP Fund-Plan A	170.03	-
UTI Bank Limited	Deutsche Floating Rate Fund	Deutsche Floating Rate Fund	112.22	-
		Deutsche Insta Cash Plus Fund	2,137.06	1,667.66
	Deutsche Insta Cash Plus Fund	Deutsche Short Maturity Fund	190.29	-
		Deutsche Short Maturity Fund		

^ DEF, DIOF, DMIP-A, DMIP-B have invested in Ultratech Cemco which is a subsidiary of Grasim Industries Limited.

^^ DSMF, DICF, DFF have invested in IDBI Capital Markets Limited which is a subsidiary of IDBI.

^^^ DSMF, DICF have invested in L&T Finance Limited which is a subsidiary of Larsen & Toubro Limited.

^^^^ DICF have invested in Raymond Apparels which is a subsidiary of Raymond Limited.

^^^^^ DSMF, DICP, DPBF, DEF, DFF, DMIP-A, DMIP-B have invested in Mahindra and Mahindra Financial Services which is subsidiary of Mahindra and Mahindra Limited.

@@@@ DSMF & DICF have invested in Indian Aluminium Limited which is a subsidiary of Hindalco Industries Limited.

The above investments comprise equity shares, debentures / bonds, commercial paper, fixed deposits and other debt instruments. These investments have been made on account of their high credit quality and competitive yield for the investment in fixed income / money market instruments and in case of equity shares because of attractive valuations of these companies.

15. Unit Holdings (in excess of 25% of the Net Assets of the Scheme) as at March 31, 2005

Number of Investors : 1

Percentage Holding : 29.30%

16. Perspective Historical Per Unit Statistics *

	April 01, 2004 to March 31, 2005 Rupees	October 16, 2003 to March 31, 2004 Rupees
(a) Net asset value per unit at the end of the year / period (Note 2.5)		
Institutional Plan		
Growth Option	-	10.1193
Quarterly Dividend Option	-	NA
Monthly Dividend Option	-	10.1193
Regular Plan		
Growth Option	10.2577	10.0734
Annual Dividend Option	10.2577	10.0734
Quarterly Dividend Option	10.2577	10.0734
Monthly Dividend Option	10.2577	10.0734
(b) Gross Income		
(i) income other than profit on sale of investment	16.9221	0.3957
(ii) income from profit on inter-scheme sales / transfer of investment	0.0165	0.0000 #
(iii) income (net) from profit on sale of investment to third party	(19.7115)	(0.1945)
(iv) transfer of revenue account from past year's reserve	0.0000	NA
(c) Aggregate of expenses, writeoff, amortisation and charges	3.5885	0.0722
(d) Net income	(6.3614)	0.1290

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and the Revenue Account for the year ended March 31, 2005

	April 01, 2004 to March 31, 2005 Rupees	October 16, 2003 to March 31, 2004 Rupees
(e) Net change in unrealised (depreciation) / appreciation in value of investments	(2.2449)	0.0316
(f) Redemption price		
– Highest		
Institutional Plan		
Growth Option	10.2381	10.0992
Quarterly Dividend Option	–	10.0325
Monthly Dividend Option	10.1325	10.0992
Regular Plan		
Growth Option	10.2577	10.0544
Annual Dividend Option	10.2467	9.9955
Quarterly Dividend Option	10.2485	10.0215
Monthly Dividend Option	10.1565	10.0195
– Lowest		
Institutional Plan		
Growth Option	9.9345	9.8535
Quarterly Dividend Option	–	9.9597
Monthly Dividend Option	9.8877	9.9339
Regular Plan		
Growth Option	9.7845	9.8443
Annual Dividend Option	9.9314	9.8788
Quarterly Dividend Option	9.8026	9.8731
Monthly Dividend Option	9.7845	9.8690
(g) Purchase price		
– Highest		
Institutional Plan		
Growth Option	10.2310	10.1193
Quarterly Dividend Option	–	9.9804
Monthly Dividend Option	10.2376	10.0000
Regular Plan		
Growth Option	10.2467	10.0734
Annual Dividend Option	10.2288	10.0000
Quarterly Dividend Option	10.2385	10.0290
Monthly Dividend Option	10.1514	10.0249
– Lowest		
Institutional Plan		
Growth Option	10.1193	9.9519
Quarterly Dividend Option	–	9.9804
Monthly Dividend Option	10.0253	10.0000
Regular Plan		
Growth Option	9.7845	9.8503
Annual Dividend Option	10.0615	9.9388
Quarterly Dividend Option	9.8026	9.8443
Monthly Dividend Option	10.1346	9.8850

Schedules

forming part of the Balance Sheet as at March 31, 2005
and the Revenue Account for the year ended March 31, 2005

	April 01, 2004 to March 31, 2005 Rupees	October 16, 2003 to March 31, 2004 Rupees
(h) Price earnings ratio	NA	NA
(i) Ratio of expenses to daily average net assets by percentage		
Institutional Plan	1.16%\$	1.15%@
Regular Plan	2.01%	1.99%@
(j) Ratio of gross income (including net loss on sale of investments and net change in unrealised depreciation / appreciation in value of investments) to daily average net assets by percentage		
Institutional Plan	(2.06%)\$	3.93%@
Regular Plan	(1.26%)	3.33%@

* The above per unit calculations are based on the number of units in issue at the end of the financial year / period.

Below 0.0001 per unit

@ The ratio of expenses and gross income to average daily net assets by percentage has been annualised for the period October 24, 2003 to March 31, 2004.

\$ The ratio of expenses and gross income to average daily net assets by percentage has been annualised for the period April 01, 2004 to December 16, 2004.

17. Prior Year's Figures

Prior period's figures which are for a period of approximately six months and have been re-grouped/ re-arranged where appropriate.

Signatures to the Schedules 1 to 8 forming part of the Balance Sheet and the Revenue Account

K. H. VACHHA
Partner

For and on behalf of
PRICE WATERHOUSE
Chartered Accountants

For **Deutsche Trustee Services (India)
Private Limited**

Gunit Chadha
Director

Y. B. Desai
Director

Debabrata Bhadury
Director

M. H. Kania
Director

A. S. Mitra
Director

Choy Peng Wah
Director

For **Deutsche Asset Management (India)
Private Limited**

Peter Noel Sampson Hanbury
Director

Kersi M. Gherda
Director

Vijay P. Gokhale
Director

Suresh Soni
Portfolio Manager

Sandeep Dasgupta
Director

Dileep Choksi
Director

Carl Saldanha
Director

Place: Mumbai
Date : August 30, 2005

Statement of Portfolio Holding

as at March 31, 2005

(Referred to in Schedule 1 to the Balance Sheet as at March 31, 2005 and the Revenue Account for the year ended March 31, 2005)

Description		Market / Fair Value Rupees
Privately Placed Non-Convertible Debentures / Bonds (23.62%)		
Banks (100%)		
9.75% ICICI Bank 2006 *		1,043,794
11.5% Industrial Development Bank of India 2010 *@		714,252
		1,758,046
Total	(Cost – Rs. 1,755,231)	1,758,046
Securitised Debt (8.47%)		
Finance (100%)		
JUS Trust Jet Airways Series 4 PTC 2013 *		630,647
Total	(Cost – Rs. 624,524)	630,647
Government of India Securities (67.91%)		
6.65% Government of India 2009		5,055,000
Total	(Cost – Rs. 5,053,875)	5,055,000
TOTAL INVESTMENTS	(Cost – Rs. 7,433,630)	7,443,693

Confirmation has been received from J P Morgan Chase Bank, Mumbai Branch at the end of the financial year for the investments held by them and from Standard Chartered Bank, Mumbai Branch for the securities held by them in the Constituent Subsidiary General Ledger (CSGL) account.

- * Fair value of non-traded (privately placed) securities as determined in good faith by Deutsche Asset Management (India) Private Limited under procedures approved by the Trustee.
- @ Investment in companies which have invested more than five per cent of the net asset value of any schemes of Deutsche Mutual Fund.

Auditors' Report

To the Trustee

DEUTSCHE MUTUAL FUND

1. We have audited the Balance Sheet of Deutsche Mutual Fund – Deutsche Floating Rate Fund ("The Scheme") as at March 31, 2005 and the related Revenue Account for the year ended on that date, both of which we have signed under reference to this report. These financial statements are the responsibility of the Trustee of Deutsche Mutual Fund and the Management of Deutsche Asset Management (India) 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 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, 2005 by correspondence with the custodian. An audit also includes assessing the accounting principles used and significant estimates made by the Management as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. 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 Scheme.
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 amendments thereto, as applicable, and also give respectively, a true and fair view of the state of affairs of Deutsche Mutual Fund – Deutsche Floating Rate Fund as at March 31, 2005 and its net surplus for the year ended on that date.
 - (ii) The Balance Sheet as at March 31, 2005 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 methods used to value,
 - a) Privately placed securities in good faith and
 - b) Non-traded thinly traded debt securities 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 Indiaas at March 31, 2005 as determined by Deutsche Asset Management (India) Private Limited under procedures approved by the Trustee of Deutsche Mutual Fund are fair and reasonable.

K. H. Vachha
Partner
Membership No. F30798

For and on behalf of
Price Waterhouse
Chartered Accountants

Place : Mumbai
Date : August 30, 2005

Balance Sheet

as at March 31, 2005

	Schedule	March 31, 2005 Rupees	March 31, 2004 Rupees
Assets			
Investments	1	4,439,961,804	217,350,938
Deposits	2	90,000,000	11,000,000
Other Current Assets	3	61,533,850	3,564,798
TOTAL		4,591,495,654	231,915,736

Liabilities

Unit Capital	4	4,379,994,332	227,673,269
Reserves and Surplus	5	205,886,250	3,924,346
Current Liabilities and Provisions	6	5,615,072	318,121
TOTAL		4,591,495,654	231,915,736

Reconciliation of Net Asset Value Per Unit

	March 31, 2005				March 31, 2004			
	Growth Plan Rupees	Weekly Dividend Reinvestment Plan Rupees	Monthly Dividend Reinvestment Plan Rupees	Total Rupees	Growth Plan Rupees	Weekly Dividend Reinvestment Plan Rupees	Monthly Dividend Reinvestment Plan Rupees	Total Rupees
Net Assets as per Balance Sheet (Total Assets less Current Liabilities and Provisions) (Note 2.5)	2,245,699,876	2,137,912,874	202,267,832	4,585,880,582	38,491,932	94,257,490	98,848,193	231,597,615
Number of Units in Issue	209,747,763.065	208,508,191.149	19,743,478.825		3,773,206.245	9,285,290.376	9,708,830.160	
Net Asset Value per Unit	10.7067	10.2534	10.2448		10.2014	10.1513	10.1813	

Notes to the financial statements 9

The Schedules referred to herein form an integral part of the Financial Statements

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

K. H. VACHHA
Partner

For **Deutsche Trustee Services (India)
Private Limited**

For **Deutsche Asset Management (India)
Private Limited**

For and on behalf of
PRICE WATERHOUSE
Chartered Accountants

Gunit Chadha
Director

M. H. Kania
Director

Peter Noel Sampson Hanbury
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Sandeep Dasgupta
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Y. B. Desai
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A. S. Mitra
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Kersi M. Gherda
Director

Dileep Choksi
Director

Debabrata Bhadury
Director

Choy Peng Wah
Director

Vijay P. Gokhale
Director

Carl Saldanha
Director

Place: Mumbai
Date : August 30, 2005

Jignesh Barasara
Portfolio Manager

Revenue Account

for the year ended March 31, 2005

	Schedule	April 01, 2004 to March 31, 2005 Rupees	October 16, 2003 to March 31, 2004 Rupees
Income And Gains			
Interest and Discount	7	253,408,572	5,780,208
TOTAL		253,408,572	5,780,208
Expenses And Losses			
Net Loss on Sale of Investments [Including Net Loss on Inter - Scheme Sale of Investments Rs. 59,526. (2004 : Rs. 11,887)] (Note 2.3)		2,202,242	49,119
Investment Management and Advisory Fees (Note 3)		14,548,233	378,640
Trustee Fees and Expenses (Note 4)		439,254	11,471
Transfer Agent Fees and Expenses		3,744,719	239,842
Custodian Fees and Expenses (Note 5)		2,109,387	74,859
Audit Fees		300,000	81,173
Selling and Distribution Expenses		6,603,955	195,695
Other Operating Expenses		2,722,003	68,659
		32,669,793	1,099,458
Less: Expenses to be Reimbursed by the Investment Manager (Note 7)		1,913,855	305,775
TOTAL		30,755,938	793,683
Net Surplus for the Year / Period		222,652,634	4,986,525
Net Change in Unrealised (Depreciation) / Appreciation in Value of Investments	8	(8,455,105)	90,866
Unrealised Appreciation in Value of Interest Rate Swaps (Note 2.8 and 15)		280,900	-
Net Surplus including Net Change in Unrealised Depreciation / Appreciation in Value of Investments and Unrealised Appreciation in Value of Interest Rate Swaps		214,478,429	5,077,391

	April 01, 2004 to March 31, 2005				October 16, 2003 to March 31, 2004			
	Growth Plan Rupees	Weekly Dividend Reinvestment Plan Rupees	Monthly Dividend Reinvestment Plan Rupees	Total Rupees	Growth Plan Rupees	Weekly Dividend Reinvestment Plan Rupees	Monthly Dividend Reinvestment Plan Rupees	Total Rupees
Net Surplus including Net Change in Unrealised Depreciation / Appreciation in Value of Investments and Unrealised				214,478,429				5,077,391
Appreciation in Value of Interest Rate Swaps by Plan	94,168,136	102,678,477	17,631,816	214,478,429	2,591,695	1,707,270	778,426	5,077,391
Transfer from Dividend Equalisation Reserve (Note 2.7)	49,484,563	31,808,247	1,713,600	83,006,410	(1,831,711)	177,507	1,181,037	(473,167)
Transferred from Reserve Fund	-	544,314	194,959	739,273	-	-	-	-
Dividend Distributions	-	(73,398,605)	(14,145,793)	(87,544,398)	-	(425,625)	(181,386)	(607,011)
Dividend Tax Thereon	-	(14,637,716)	(2,537,254)	(17,174,970)	-	(54,533)	(23,240)	(77,773)
Balance Transferred to Reserve Fund	143,652,699	46,994,717	2,857,328	193,504,744	759,984	1,404,619	1,754,837	3,919,440

Notes to the Financial Statements 9
The Schedules referred to herein form an integral part of the Financial Statements

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

K. H. VACHHA
Partner

For **Deutsche Trustee Services (India) Private Limited**

For **Deutsche Asset Management (India) Private Limited**

For and on behalf of
PRICE WATERHOUSE
Chartered Accountants

Gunit Chadha
Director

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Debabrata Bhadury
Director

Choy Peng Wah
Director

Vijay P. Gokhale
Director

Carl Saldanha
Director

Place: Mumbai
Date : August 30, 2005

Jignesh Barasara
Portfolio Manager

Schedules

forming part of the Balance Sheet as at March 31, 2005 and the Revenue Account for the year ended March 31, 2005

	March 31, 2005		March 31, 2004	
	Market / Fair Value Rupees	Cost Rupees	Market / Fair Value Rupees	Cost Rupees
Schedule 1				
Investments				
(Notes 2.2, 2.3, 8, 9, 10,11 and 14)				
(Refer to the attached Statement of Portfolio Holding as at March 31, 2005)				
Privately Placed Non-Convertible Debentures / Bonds	1,044,916,667	1,045,251,829	121,195,732	121,195,732
Non-Convertible Debentures / Bonds Listed / Awaiting Listing	1,142,021,857	1,144,501,994	714,529	705,014
Securitised Debt	1,780,101,371	1,785,805,121	94,944,471	94,863,120
Government of India Securities	49,988,850	49,805,000	–	–
Treasury Bills	93,611,873	93,640,913	–	–
Commercial Paper / Certificate of Deposit	329,321,186	329,321,186	496,206	496,206
TOTAL	4,439,961,804	4,448,326,043	217,350,938	217,260,072

	March 31, 2005 Rupees	March 31, 2004 Rupees
Schedule 2		
Deposits		
Deposits with Scheduled Bank	90,000,000	11,000,000
TOTAL	90,000,000	11,000,000

	March 31, 2005 Rupees	March 31, 2004 Rupees
Schedule 3		
Other Current Assets		
Balances with Banks in Current Account	3,327,098	1,237,728
Unrealised Appreciation in Value of Interest Rate Swaps (Note 2.8 and 15)	280,900	–
Interest Receivables on :		
– Debentures / Bonds	50,525,541	1,908,500
– Securitised Debt	4,351,608	182,167
– Government of India Securities	962,124	–
– Deposits	28,849	15,189
– Interest Rate Swaps	61,411	–
Receivable from Investment Manager	1,951,469	218,714
Miscellaneous Receivables	44,850	2,500
TOTAL	61,533,850	3,564,798

Schedules

forming part of the Balance Sheet as at March 31, 2005 and the Revenue Account for the year ended March 31, 2005

	March 31, 2005		March 31, 2004	
	Rupees	Units	Rupees	Units
Schedule 4				
Unit Capital				
Growth Plan				
Issued and Subscribed :				
Units of Rs.10 each fully paid-up	92,500,000	9,250,000.000	92,500,000	9,250,000.000
Outstanding :				
Initial Issue and Subscription	–	–	92,500,000	9,250,000.000
At the beginning of the year / period	37,732,063	3,773,206.245	–	–
Issued during the year / period	9,469,049,133	946,904,913.295	683,840,413	68,384,041.278
	9,506,781,196	950,678,119.540	776,340,413	77,634,041.278
Redeemed during the year / period	7,409,303,565	740,930,356.475	738,608,350	73,860,835.033
At the end of the year / period	2,097,477,631	209,747,763.065	37,732,063	3,773,206.245
Weekly Dividend Reinvestment Plan				
Issued and Subscribed :				
Units of Rs.10 each fully paid-up	10,000,000	1,000,000.000	10,000,000	1,000,000.000
Outstanding :				
Initial Issue and Subscription	–	–	10,000,000	1,000,000.000
At the beginning of the year / period	92,852,904	9,285,290.376	–	–
Issued during the year / period	8,883,685,529	888,368,552.883	179,999,455	17,999,945.515
	8,976,538,433	897,653,843.259	189,999,455	18,999,945.515
Redeemed during the year / period	6,891,456,521	689,145,652.110	97,146,551	9,714,655.139
At the end of the year / period	2,085,081,912	208,508,191.149	92,852,904	9,285,290.376
Monthly Dividend Reinvestment Plan				
Issued and Subscribed:				
Units of Rs.10 each fully paid-up	250,000	25,000.000	250,000	25,000.000
Outstanding :				
Initial Issue and Subscription	–	–	250,000	25,000.000
At the beginning of the year / period	97,088,302	9,708,830.160	–	–
Issued during the year / period	805,299,177	80,529,917.713	141,228,510	14,122,850.961
	902,387,479	90,238,747.873	141,478,510	14,147,850.961
Redeemed during the year / period	704,952,690	70,495,269.048	44,390,208	4,439,020.801
At the end of the year / period	197,434,789	19,743,478.825	97,088,302	9,708,830.160
TOTAL	4,379,994,332	437,999,433.039	227,673,269	22,767,326.781

Schedules

forming part of the Balance Sheet as at March 31, 2005 and the Revenue Account for the year ended March 31, 2005

	March 31, 2005				March 31, 2004			
	Growth Plan Rupees	Weekly Dividend Reinvestment Plan Rupees	Monthly Dividend Reinvestment Plan Rupees	Total Rupees	Growth Plan Rupees	Weekly Dividend Reinvestment Plan Rupees	Monthly Dividend Reinvestment Plan Rupees	Total Rupees

Schedule 5

Reserves and Surplus

Unit Premium Reserve (Note 2.6)

At the beginning of the year / period	(115)	(33)	5,054	4,906	-	-	-	-
Added during the year / period	3,809,677	4,975,973	410,783	9,196,433	(115)	(33)	5,054	4,906
At the end of the year / period	3,809,562	4,975,940	415,837	9,201,339	(115)	(33)	5,054	4,906

Dividend Equalisation Reserve (Note 2.7)

Added during the year / period	49,484,563	31,808,247	1,713,600	83,006,410	(1,831,711)	177,507	1,181,037	(473,167)
Transfer to Revenue Account	(49,484,563)	(31,808,247)	(1,713,600)	(83,006,410)	1,831,711	(177,507)	(1,181,037)	473,167
At the end of the year / period	-	-	-	-	-	-	-	-

Reserve Fund

At the beginning of the year / period	759,984	1,404,619	1,754,837	3,919,440	-	-	-	-
Transfer to Revenue Account	-	(544,314)	(194,959)	(739,273)	-	-	-	-
Balance Transferred from Revenue Account	143,652,699	46,994,717	2,857,328	193,504,744	759,984	1,404,619	1,754,837	3,919,440
At the end of the year / period **	144,412,683	47,855,022	4,417,206	196,684,911	759,984	1,404,619	1,754,837	3,919,440

TOTAL	148,222,245	52,830,962	4,833,043	205,886,250	759,869	1,404,586	1,759,891	3,924,346
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** including net unrealised depreciation in value of investments Rs. 8,364,239 (2004:- Unrealised appreciation Rs.90,866) and unrealised appreciation in value of Interest Rate Swaps Rs. 280,900 (2004: Rs. Nil)

March 31, 2005
Rupees

March 31, 2004
Rupees

Schedule 6

Current Liabilities and Provisions

Current Liabilities

Investment Management and Advisory Fees	1,450,994	62,110
Trustee Fees and Expenses	39,204	2,280
Transfer Agent Fees and Expenses	380,378	44,987
Custodian Fees and Expenses	198,061	35,306
Audit Fees	300,000	81,173
Selling and Distribution Expenses	626,845	58,272
Purchase Contracts Awaiting Completion - Non-Convertible Debentures	-	3,240
Dividend Payable	1,666,081	-
Dividend Tax Payable	620,598	5,788
Sundry Payables	332,911	24,965
TOTAL	5,615,072	318,121

Schedules

forming part of the Balance Sheet as at March 31, 2005 and the Revenue Account for the year ended March 31, 2005

	April 01, 2004 to March 31, 2005 Rupees	October 16, 2003 to March 31, 2004 Rupees
Schedule 7		
Interest and Discount		
(Note 2.4)		
Debentures / Bonds	146,132,768	3,809,695
Securitised Debt	60,954,818	210,514
Government of India Securities	1,896,958	–
Treasury Bills	7,577,781	–
Commercial Paper / Certificate of Deposit	8,123,860	754,648
Interest Rate Swaps (Net) (Note 2.8)	61,411	–
Reverse Repos	1,884,008	229,736
Deposits	26,776,968	775,615
TOTAL	253,408,572	5,780,208

	April 01, 2004 to March 31, 2005 Rupees	October 16, 2003 to March 31, 2004 Rupees
Schedule 8		
Unrealised (Depreciation) / Appreciation in Value of Investments		
(Note 8)		
(a) Privately Placed Non-Convertible Debentures / Bonds		
At the beginning of the year / period	–	–
At the end of the year / period	(335,162)	–
Net change during the year / period	(I) (335,162)	–
(b) Non-Convertible Debentures / Bonds Listed / Awaiting Listing		
At the beginning of the year / period	9,515	–
At the end of the year / period	(2,480,137)	9,515
Net change during the year / period	(II) (2,489,652)	9,515
(c) Securitised Debt		
At the beginning of the year / period	81,351	–
At the end of the year / period	(5,703,750)	81,351
Net change during the year / period	(III) (5,785,101)	81,351
(d) Government of India Securities		
At the beginning of the year / period	–	–
At the end of the year / period	183,850	–
Net change during the year / period	(IV) 183,850	–
(e) Treasury Bills		
At the beginning of the year / period	–	–
At the end of the year / period	(29,040)	–
Net change during the year / period	(V) (29,040)	–
Net change in unrealised (depreciation) / appreciation in value of investments during the year / period	(I)+(II)+(III)+(IV)+(V) (8,455,105)	90,866

Schedules

forming part of the Balance Sheet as at March 31, 2005 and the Revenue Account for the year ended March 31, 2005

Schedule 9

Notes to the Financial Statements

1. Organisation

Deutsche Floating Rate Fund (the "Scheme") is an open-ended income scheme of Deutsche Mutual Fund (the "Fund") and was launched on October 16, 2003. Deutsche Mutual Fund has been sponsored by Deutsche Asset Management (Asia) Limited. Deutsche Asset Management (India) Private Limited incorporated under the Companies Act, 1956, has been appointed as the asset management company. The duration of the Scheme is perpetual. The Scheme closed for initial subscription on October 21, 2003 and reopened for issue and redemption of units on October 27, 2003. The investment objective of the Scheme is to generate income consistent with prudent risk by investing in a portfolio of floating rate and fixed rate debt instruments and money market instruments.

The Scheme has two plans - Growth Plan and Dividend Plan. The Dividend Plan offers two options - Weekly Dividend Reinvestment Option and Monthly Dividend Reinvestment Option.

The Scheme will not declare dividend under the Growth Plan. The income earned on such units will remain invested within the Scheme and will be reflected in the net asset value.

2. Significant Accounting Policies

2.1 Basis of Accounting

The Scheme maintains its books of account on an accrual basis. These financial statements have been prepared in accordance with the accounting policies and standards specified in the Ninth Schedule of 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 / date of determination. In valuing the Scheme's investments:

- i. Debt securities listed on a recognised stock exchange are valued at the last quoted closing price on the National Stock Exchange of India Limited. If no sale is reported at that time, such security is valued at fair value as determined in good faith by Deutsche Asset Management (India) Private Limited under procedures approved by the Trustee of Deutsche Mutual Fund.
- ii. Non-traded and thinly traded debt securities are valued at fair value as determined by Deutsche Asset Management (India) Private Limited under procedures approved by the Trustee of Deutsche Mutual Fund in accordance with the guidelines for valuation of securities for mutual funds dated September 18, 2000 and amendments thereto, as applicable issued by the Securities and Exchange Board of India (SEBI).
- iii. Privately placed debt securities are valued at fair value as determined in good faith by Deutsche Asset Management (India) Private Limited under procedures approved by the Trustee of Deutsche Mutual Fund.
- iv. Securitised debt securities are valued at fair value as determined in good faith by Deutsche Asset Management (India) Private Limited under procedures approved by the Trustee of Deutsche Mutual Fund.
- v. Money market instruments were valued at cost plus accrued interest up to October 24, 2004. Effective October 25, 2004, traded money market securities are valued at the yield at which they are traded on the valuation date. If no sale is reported at that time, such security is valued at the last traded price plus accretion of the difference between the face value and the last traded price. Non-traded money market instruments are valued at cost plus accrued interest.
- vi. Instruments bought on 'repo' basis are valued at the resale price after deduction of applicable interest up to the date of resale.
- vii. Government securities are valued at prices obtained from The Credit Rating Information Services of India Limited in accordance with the guidelines for valuation of 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 Regulations) net unrealized 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 / dates of determination is recognized in the Revenue Account. Unrealized appreciation is reduced from the distributable income at the time of income distribution. 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 is transferred to Reserve Fund.

2.3 Securities Transaction

Investment securities transactions are accounted for on a trade date basis. The Scheme uses the average cost method for determining the realized gain or loss on sale of investments.

2.4 Investment Income

Interest income is recorded on an accrual basis.

2.5 Net Asset Value for Growth / Dividend Plans

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

Schedules

forming part of the Balance Sheet as at March 31, 2005 and the Revenue Account for the year ended March 31, 2005

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

2.6 Unit Premium Reserve

Upon issue and redemption of units, the net premium or discount to the face value of units is adjusted against the unit premium reserve of the Scheme after an appropriate portion of the issue proceeds and redemption payout is credited or debited respectively to the dividend equalization reserve.

The unit premium reserve is available for dividend distribution except to the extent it is represented by unrealized net appreciation in value of investments.

2.7 Dividend Equalization Reserve

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

2.8 Interest Rate Swaps

Interest rate swaps with a maturity period of more than 182 days are marked to market and net present value of differences in outflows and inflows is recorded as unrealized appreciation / depreciation in the Revenue Account. Interest rate swaps with a maturity period of less than 182 days are valued at the price as on 183 days plus accretion / amortisation of the difference between the face value and the last price on 183rd day.

3. Investment Management and Advisory Fees

The Scheme has paid or provided for investment management and advisory fees payable to Deutsche Asset Management (India) Private Limited for managing the Scheme at an annual rate of 0.33% of the average daily net asset values recorded by the Scheme. All costs, charges and expenses incurred by Deutsche Asset Management (India) Private Limited in the administration and execution of the activities of the Scheme, except costs allowed to be charged to the Scheme under the Regulations and amendments thereto as applicable, are on their own account for which they receive investment management and advisory fees.

4. Trustee Fees

In accordance with the Deed of Trust dated May 29, 2002 between Deutsche Asset Management (Asia) Limited ("The Settlor") and Deutsche Trustee Services (India) Private Limited (the "Trustee"), the Scheme has paid or provided for trustee fees payable to the Trustee at an annual rate of 0.01% of the average daily net asset values recorded by the Scheme subject to a maximum of Rs. 500,000 per annum.

5. Custodian Fees

J P Morgan Chase Bank provides custodial services to the Scheme for which it receives custody fees.

6. Income Taxes

No provision for taxation has been made as the Scheme qualifies as a recognized Mutual Fund under Section 10 (23D) of the Income Tax Act, 1961, of India.

7. Limitation on Expenses

The total expenses chargeable to the Scheme is limited to 0.65% of the average daily net assets recorded by the Scheme. Deutsche Asset Management (India) Private Limited has borne Rs.1,913,855 in excess of the above mentioned percentage of the average daily net assets to be charged to the Scheme as total expenses for the year.

8. Aggregate Appreciation and Depreciation in Value of Investments

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

	March 31, 2005 Rupees	March 31, 2004 Rupees
Privately Placed Non-Convertible Debentures / Bonds		
– Appreciation	–	–
– Depreciation	335,162	–
Non-Convertible Debentures / Bonds Listed / Awaiting Listing		
– Appreciation	251,300	9,515
– Depreciation	2,731,437	–
Securitized Debt		
– Appreciation	449,792	81,351
– Depreciation	6,153,542	–
Government of India Securities		
– Appreciation	183,850	–
– Depreciation	–	–
Treasury Bills		
– Appreciation	–	–
– Depreciation	29,040	–

Schedules

forming part of the Balance Sheet as at March 31, 2005 and the Revenue Account for the year ended March 31, 2005

9. Registered Securities

In accordance with Regulation 44(1) of the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996, securities purchased should be held in the name of the Scheme. As at March 31, 2005 securities aggregating to Rs.143,600,723 (market / fair value) are held in the name of Deutsche Mutual Fund.

10. Aggregate Fair Value of Non-Traded Investments

Aggregate fair value of non traded (including privately placed) investments as determined by Deutsche Asset Management (India) Private Limited under the procedures approved by the Trustee as at March 31, 2005 is Rs. 4,144,805,724.

11. Aggregate Value of Purchases and Sale of Investments

The aggregate value of investment securities purchased and sold (including matured) during the financial year is Rs.29,400,440,070 (excluding accretion of discount Rs. 39,527,708) and Rs. 25,206,699,565 respectively being 669.59% and 574.08% of the average daily net assets.

12. Income and Expenses

The total income (including net loss on sale of investments, net change in unrealised depreciation / appreciation in the value of investments and unrealised appreciation in value of interest rate swaps) and expenditure is Rs. 243,032,125 and Rs. 28,553,696 respectively being 5.54% and 0.65% of the average daily net assets.

13. Disclosure Under Regulation 25(8) of the Securities and Exchange Board of India (Mutual Funds) Regulation, 1996 as amended

Deutsche Bank AG, Mumbai Branch and Kotak Mahindra Bank Limited associate entities of Deutsche Asset Management (India) Private Limited were paid commission amounting to Rs. 1,197,350 and Rs. 26,332 respectively for procuring unit subscriptions for the Scheme. The commission paid was at rates similar to those offered to other distributors.

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

Deutsche Mutual Fund has made the following investments in companies, which hold units in excess of 5% of the net asset value of any Scheme of Deutsche Mutual Fund.

Company Name	Scheme invested in by the Company	Investments made by Schemes of Deutsche Mutual Fund in the Company / Subsidiary	Aggregate for the period under Regulation 25(11) At Cost (Rupees in lakhs)	Outstanding as at March 31, 2005 At Market / Fair Value (Rupees in lakhs)
Bank of Baroda	Deutsche Insta Cash Plus Fund	Deutsche Alpha Equity Fund	206.01	–
Bharti Tele-Ventures Ltd.	Deutsche Floating Rate Fund	Deutsche Investment Opportunity Fund	124.18	1.03
		Deutsche Alpha Equity Fund	402.23	3.62
		Deutsche Insta Cash Plus Fund	947.56	–
		Deutsche MIP Fund-Plan A	11.85	–
Export Import Bank of India	Deutsche Short Maturity Fund	Deutsche MIP Fund-Plan B	5.92	–
		Deutsche Insta Cash Plus Fund	3,843.90	2,408.38
		Deutsche Premier Bond Fund	17,704.13	–
		Deutsche Short Maturity Fund	6,956.79	–
Finolex Cables Ltd.	Deutsche Short Maturity Fund	Deutsche MIP Fund-Plan A	299.56	–
		Deutsche MIP Fund-Plan B	199.71	–
		Deutsche Insta Cash Plus Fund	1,200.00	301.86
Glaxo Smithkline Pharmaceuticals Ltd.	Deutsche Floating Rate Fund	Deutsche Premier Bond Fund	519.16	–
		Deutsche Short Maturity Fund	2,552.65	201.24
		Deutsche Investment Opportunity Fund	80.55	–
Grasim Industries Ltd.	Deutsche Insta Cash Plus Fund	Deutsche Alpha Equity Fund	122.95	–
		Deutsche Investment Opportunity Fund	132.05	60.68
		Deutsche Alpha Equity Fund	376.63	242.72
		Deutsche MIP Fund-Plan A	30.26	25.62
		Deutsche MIP Fund-Plan B	9.98	9.77
		Deutsche Investment Opportunity Fund^	44.12	–
		Deutsche Alpha Equity Fund^	130.76	–
HCL Technologies Ltd.	Deutsche Short Maturity Fund	Deutsche MIP Fund-Plan A^	14.41	–
		Deutsche MIP Fund-Plan B^	9.25	–
		Deutsche Investment Opportunity Fund	146.49	55.56
		Deutsche Alpha Equity Fund	747.11	148.16
		Deutsche MIP Fund-Plan A	28.51	–

Schedules

forming part of the Balance Sheet as at March 31, 2005 and the Revenue Account for the year ended March 31, 2005

Company Name	Scheme invested in by the Company	Investments made by Schemes of Deutsche Mutual Fund in the Company / Subsidiary	Aggregate for the period under Regulation 25(11) At Cost (Rupees in lakhs)	Outstanding as at March 31, 2005 At Market / Fair Value (Rupees in lakhs)
Hindalco Industries Ltd.	Deutsche Floating Rate Fund	Deutsche Investment Opportunity Fund	93.52	–
	Deutsche Short Maturity Fund	Deutsche Alpha Equity Fund	676.65	194.05
		Deutsche MIP Fund-Plan A	14.03	–
		Deutsche MIP Fund-Plan B	9.35	–
		Deutsche Insta Cash Plus Fund@@@@	2,000.00	–
		Deutsche Short Maturity Fund@@@@	2,000.00	–
Hindustan Lever Ltd.	Deutsche Fixed Term Fund	Deutsche Floating Rate Fund	508.93	–
	Deutsche Insta Cash Plus Fund	Deutsche Insta Cash Plus Fund	873.14	–
	Deutsche Short Maturity Fund			–
Hindustan Zinc Limited	Deutsche Floating Rate Fund	Deutsche Alpha Equity Fund	35.78	–
Housing Development Finance Corporation	Deutsche Insta Cash Plus Fund	Deutsche Alpha Equity Fund	275.45	–
		Deutsche Dynamic Bond Fund	1,446.57	–
		Deutsche Floating Rate Fund	2,392.59	3,144.04
		Deutsche Insta Cash Plus Fund	21,492.53	6,992.78
		Deutsche Premier Bond Fund	14,457.31	–
		Deutsche Short Maturity Fund	14,887.35	–
		Deutsche MIP Fund-Plan A	1,239.83	–
	Deutsche MIP Fund-Plan B	200.00	–	
Industrial Development Bank of India	Deutsche Floating Rate Fund	Deutsche Fixed Term Fund	1,425.16	1,424.58
	Deutsche Insta Cash Plus Fund	Deutsche Investment Opportunity Fund	101.19	91.15
	Deutsche Short Maturity Fund	Deutsche Alpha Equity Fund	512.83	273.45
		Deutsche Dynamic Bond Fund	761.31	7.14
		Deutsche Floating Rate Fund	7,741.86	733.14
		Deutsche Insta Cash Plus Fund	23,131.79	6,147.51
		Deutsche Premier Bond Fund	9,282.64	115.47
		Deutsche Short Maturity Fund	9,974.79	692.66
		Deutsche MIP Fund-Plan A	1,390.68	262.72
		Deutsche MIP Fund-Plan B	472.70	146.64
		Deutsche Fixed Term Fund^^	1,992.73	1,993.01
	Deutsche Short Maturity Fund^^	1,000.10	–	
Infrastructure Development Finance Company Limited	Deutsche Dynamic Bond Fund	Deutsche Insta Cash Plus Fund	7,356.99	857.62
	Deutsche Insta Cash Plus Fund			
	Deutsche Premier Bond Fund			
	Deutsche Short Maturity Fund			
Infrastructure Leasing and Financial Services Limited	Deutsche Insta Cash Plus Fund	Deutsche Floating Rate Fund	5,510.00	509.24
		Deutsche Insta Cash Plus Fund	8,039.91	–
		Deutsche Short Maturity Fund	4,710.60	–
ITC Limited	Deutsche Insta Cash Plus Fund	Deutsche Investment Opportunity Fund	224.64	17.28
	Deutsche Short Maturity Fund	Deutsche Alpha Equity Fund	1,661.07	158.16
		Deutsche MIP Fund-Plan A	20.37	–
		Deutsche MIP Fund-Plan B	12.20	–
Jet Airways India Pvt. Limited	Deutsche Insta Cash Plus Fund	Deutsche Premier Bond Fund	1,215.38	348.66
		Deutsche Short Maturity Fund	815.87	1,089.62
		Deutsche MIP Fund-Plan A	101.28	251.87
Larsen & Toubro Ltd.	Deutsche Investment Opportunity Fund	Deutsche Investment Opportunity Fund	663.91	–
	Deutsche Alpha Equity Fund	Deutsche Alpha Equity Fund	2,561.27	99.52
	Deutsche Short Maturity Fund	Deutsche Insta Cash Plus Fund	1,884.49	–
		Deutsche Short Maturity Fund	617.77	–

Schedules

forming part of the Balance Sheet as at March 31, 2005 and the Revenue Account for the year ended March 31, 2005

Company Name	Scheme invested in by the Company	Investments made by Schemes of Deutsche Mutual Fund in the Company / Subsidiary	Aggregate for the period under Regulation 25(11) At Cost (Rupees in lakhs)	Outstanding as at March 31, 2005 At Market / Fair Value (Rupees in lakhs)
	Deutsche Insta Cash Plus Fund	Deutsche MIP Fund-Plan A	205.12	–
		Deutsche MIP Fund-Plan B	77.45	–
		Deutsche Floating Rate Fund^^^^	100.00	–
		Deutsche Insta Cash Plus Fund^^^^	2,402.34	500.18
		Deutsche Short Maturity Fund^^^^	1,700.00	–
LIC Housing Finance Ltd.	Deutsche Floating Rate Fund	Deutsche Floating Rate Fund	1,266.63	250.85
		Deutsche Insta Cash Plus Fund	4,555.99	250.85
		Deutsche Premier Bond Fund	4,229.55	–
Mahindra & Mahindra Limited	Deutsche Dynamic Bond Fund	Deutsche Investment Opportunity Fund	500.00	–
		Deutsche Alpha Equity Fund	824.39	–
		Deutsche Insta Cash Plus Fund	477.02	–
		Deutsche MIP Fund-Plan A	73.23	–
		Deutsche MIP Fund-Plan B	22.31	–
		Deutsche Alpha Equity Fund^^^^^	1,300.00	–
		Deutsche Floating Rate Fund^^^^^	8,290.62	1,708.46
		Deutsche Insta Cash Plus Fund^^^^^	22,885.19	5,354.36
		Deutsche Premier Bond Fund^^^^^	3,418.56	–
		Deutsche Short Maturity Fund^^^^^	9,781.86	167.89
		Deutsche MIP Fund-Plan A^^^^^	310.78	202.81
		Deutsche MIP Fund-Plan B^^^^^	207.19	202.81
Nestle India Limited	Deutsche Insta Cash Plus Fund	Deutsche Alpha Equity Fund	43.01	–
Patni Computer Systems Limited	Deutsche Fixed Term Fund	Deutsche Investment Opportunity Fund	106.68	–
		Deutsche Alpha Equity Fund	192.41	–
		Deutsche MIP Fund-Plan A	22.04	–
		Deutsche MIP Fund-Plan B	12.82	–
Raymond Limited	Deutsche Dynamic Bond Fund	Deutsche Floating Rate Fund	500.00	–
		Deutsche Insta Cash Plus Fund	4,000.00	–
	Deutsche Floating Rate Fund	Deutsche Short Maturity Fund	6,800.00	–
	Deutsche Insta Cash Plus Fund	Deutsche Insta Cash Plus Fund^^^^	494.31	–
	Deutsche Short Maturity Fund			
Tata Chemicals Limited	Deutsche Dynamic Bond Fund	Deutsche Alpha Equity Fund	16.34	–
	Deutsche Short Maturity Fund			
Tata Motors Limited	Deutsche Insta Cash Plus Fund	Deutsche Investment Opportunity Fund	568.28	82.79
		Deutsche Alpha Equity Fund	1,639.00	227.67
		Deutsche Floating Rate Fund	1,045.00	1,041.93
		Deutsche Insta Cash Plus Fund	2,090.00	2,083.87
		Deutsche MIP Fund-Plan A	135.95	–
		Deutsche MIP Fund-Plan B	36.39	–
The Tata Iron and Steel Company Ltd.	Deutsche Insta Cash Plus Fund	Deutsche Investment Opportunity Fund	611.24	179.07
		Deutsche Alpha Equity Fund	1,378.07	525.80
		Deutsche MIP Fund-Plan A	181.19	102.61
		Deutsche MIP Fund-Plan B	78.88	29.80
The Tata Power Company Limited	Deutsche Insta Cash Plus Fund	Deutsche Investment Opportunity Fund	1,193.73	–
		Deutsche Alpha Equity Fund	478.41	–
		Deutsche MIP Fund-Plan A	170.03	–

Schedules

forming part of the Balance Sheet as at March 31, 2005 and the Revenue Account for the year ended March 31, 2005

Company Name	Scheme invested in by the Company	Investments made by Schemes of Deutsche Mutual Fund in the Company / Subsidiary	Aggregate for the period under Regulation 25(11) At Cost (Rupees in lakhs)	Outstanding as at March 31, 2005 At Market / Fair Value (Rupees in lakhs)
UTI Bank Limited	Deutsche Floating Rate Fund	Deutsche Floating Rate Fund	112.22	–
	Deutsche Insta Cash Plus Fund	Deutsche Insta Cash Plus Fund	2,137.06	1,667.66
	Deutsche Short Maturity Fund	Deutsche Short Maturity Fund	190.29	–

- ^ DEF, DIOF, DMIP-A, DMIP-B have invested in Ultratech Cemco which is a subsidiary of Grasim Industries Limited.
- ^^ DSMF, DICF, DFF have invested in IDBI Capital Markets Limited which is a subsidiary of IDBI.
- ^^^ DSMF, DICF have invested in L&T Finance Limited which is a subsidiary of Larsen & Toubro Limited.
- ^^^^ DICF have invested in Raymond Apparels which is a subsidiary of Raymond Limited.
- ^^^^^ DSMF, DICP, DPBF, DEF, DFF, DMIP-A, DMIP-B have invested in Mahindra and Mahindra Financial Services which is subsidiary of Mahindra and Mahindra Limited.
- @@@@ DSMF & DICF have invested in Indian Aluminium Limited which is a subsidiary of Hindalco Industries Limited.

The above investments comprise equity shares, debentures / bonds, commercial paper, fixed deposits and other debt instruments. These investments have been made on account of their high credit quality and competitive yield for the investment in fixed income / money market instruments and in case of equity shares because of attractive valuations of these companies.

15. Interest Rate Swaps

The notional value of interest rate swaps outstanding as at March 31, 2005 aggregates to Rs. 200,000,000.

16. Perspective Historical Per Unit Statistics *

	April 01, 2004 to March 31, 2005 Rupees	October 16, 2003 to March 31, 2004 Rupees
(a) Net asset value per unit at the end of the year / period (Note 2.5)		
Growth Plan	10.7067	10.2014
Weekly Dividend Reinvestment Plan	10.2534	10.1513
Monthly Dividend Reinvestment Plan	10.2448	10.1813
(b) Gross Income		
(i) income other than profit on sale of investment	0.5785	0.2539
(ii) income from profit on inter-scheme sales / transfer of investment	(0.0001)	(0.0005)
(iii) income (net) from profit on sale of investments to third party	(0.0049)	(0.0016)
(iv) transfer of revenue account from past year's reserve	0.0017	NA
(c) Aggregate of expenses, writeoff, amortisation and charges	0.0652	0.0328
(d) Net income	0.5083	0.2190
(e) Net change in unrealised (depreciation) / appreciation in value of investments and interest rate swaps	(0.0187)	0.0040
(f) Redemption Price		
– Highest		
Growth Plan	10.7067	10.1984
Weekly Dividend Reinvestment Plan	10.2616	10.1513
Monthly Dividend Reinvestment Plan	10.2476	10.1783
– Lowest		
Growth Plan	10.2180	10.0173
Weekly Dividend Reinvestment Plan	10.1513	10.0780
Monthly Dividend Reinvestment Plan	10.1887	10.0277

Schedules

forming part of the Balance Sheet as at March 31, 2005 and the Revenue Account for the year ended March 31, 2005

	April 01, 2004 to March 31, 2005 Rupees	October 16, 2003 to March 31, 2004 Rupees
(g) Purchase Price		
– Highest		
Growth Plan	10.7052	10.1933
Weekly Dividend Reinvestment Plan	10.2616	10.1513
Monthly Dividend Reinvestment Plan	10.2448	10.1707
– Lowest		
Growth Plan	10.2113	10.0000
Weekly Dividend Reinvestment Plan	10.1480	10.0000
Monthly Dividend Reinvestment Plan	10.1629	10.0000
(h) Price earnings ratio	NA	NA
(i) Ratio of expenses to daily average net assets by percentage	0.65%	0.65%@
(j) Ratio of gross income (including net loss on sale of investments and net change in unrealised depreciation / appreciation in value of investments and interest rate swaps) to daily average net assets by percentage	5.54%	5.05%@

* The above per unit calculations are based on the number of units outstanding as at the end of the financial year / period

@ The ratio of expenses and gross income to average daily net assets by percentage has been annualised for the period October 23, 2003 to March 31, 2004.

17. Prior Year's Figures

Prior period's figures which are for a period of approximately six months have been re-grouped / re-arranged where appropriate.

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

K. H. VACHHA
Partner

For **Deutsche Trustee Services (India) Private Limited**

For **Deutsche Asset Management (India) Private Limited**

For and on behalf of
PRICE WATERHOUSE
Chartered Accountants

Gunit Chadha
Director

M. H. Kania
Director

Peter Noel Sampson Hanbury
Director

Sandeep Dasgupta
Director

Y. B. Desai
Director

A. S. Mitra
Director

Kersi M. Gherda
Director

Dileep Choksi
Director

Debabrata Bhadury
Director

Choy Peng Wah
Director

Vijay P. Gokhale
Director

Carl Saldanha
Director

Place: Mumbai
Date : August 30, 2005

Jignesh Barasara
Portfolio Manager

Statement of Portfolio Holding

as at March 31, 2005

(Referred to in Schedule 1 to the Balance Sheet as at March 31, 2005 and the Revenue Account for the year ended March 31, 2005)

Description	Market / Fair Value Rupees
Privately Placed Non-Convertible Debentures / Bonds (23.53%)	
Banks (0.96%)	
13.75% ICICI Bank 2005 *	8,535,283
10.00% Industrial Development Bank of India 2007 *@	845,797
11.00% ICICI Bank 2005 *	611,439
	9,992,519
Finance (65.54%)	
Kotak Mahindra Investment 2005 *	234,000,000
Kotak Mahindra Primus 2005 *	180,000,000
8.00% Global Trade Finance 2005 *	170,000,000
7.75% IL & FS 2010 *@	50,924,148
Dewan Housing Finance Corporation 2007 *	50,000,000
	684,924,148
Media & Entertainment (4.79%)	
Deccan Chronicle Holdings 2008 *	50,000,000
	50,000,000
Telecom - Equipment & Accessories (28.71%)	
ITI 2005 *	300,000,000
	300,000,000
Total	(Cost – Rs.1,045,251,829) 1,044,916,667
Non Convertible Debentures / Bonds Listed / Awaiting Listing (25.72%)	
Banks (23.85%)	
EXIM Bank 2007 #@	100,104,800
5.85% NABARD 2007 # \$	99,834,100
Industrial Development Bank of India 2009 #@	51,342,350
14.00% Industrial Development Bank of India 2005# @	21,125,483
	272,406,733
Finance (49.40%)	
0% Housing Development Finance Corporation 2005 @ \$	192,168,400
Mahindra and Mahindra Financial Services 2007 #	100,066,507
Kotak Mahindra Primus 2006 #	96,000,000
8.75% Cholamandalam Investment & Finance Co. 2005 #	50,469,651
Mahindra and Mahindra Financial Services 2006 #	50,389,959
Housing Development Finance Corporation 2009 #@	50,024,750
LIC Housing Finance 2011 #@	25,084,900
	564,204,167
Consumer Finance (26.75%)	
Citi Financial Consumer Finance India 2006 #	199,988,057
Citi Financial Consumer Finance India 2005 #	55,000,000
7.8% Citi Financial Consumer Finance India 2005 #	50,422,900
	305,410,957
Total	(Cost – Rs. 1,144,501,994) 1,142,021,857
Securitised Debt (40.10%)	
Finance (100%)	
NM+150 Bps UBL Trust Series 10 A2 IndusInd Bank PTC 2006 *	260,875,954
NM+350 Bps AutoLoan Trust PTC GE Cap Serv Ind 2008 *	236,236,028
Loan Trust Sr I Sept. 2004 GECSI 2005 *	150,475,329
NM+120 Bps Retail Pool Trust Sept 2004 Srs A2 2006 *	147,666,171
Asset Sec Trust 2004 I Chola. PTC SerA2 2006 *	105,205,187
NM+75 Bps BHPC Auto Secur.Trust June 04 A2 2007 *	104,193,282
NM+150 Bps IND Retail ABS TR SR XXXVI A1 2005 *	100,000,000
5 Year Gsec+70 bps Fleet Trust Apr. 04 PTC A6 2007 *	98,876,848
Indian RMBS Trust Series II ICICI Bank 2016 *	81,141,622
SCB Mum Auto Rec Trust 2004 SerIII A2 PTC 2007 *	80,745,565

Statement of Portfolio Holding

as at March 31, 2005

Description	Market / Fair Value Rupees
NM+ 110 Bps Ind Retail ABS Trust Ser XIII A2 2006 *	78,514,704
NM+175 Bps IND Retail ABS XXI ICICI BK PTC 2005 *	68,477,729
Retail Pool Trust Ptc Centurion Bank 2007 *	65,079,985
UBL Trust SR 6 A2 Dec. 03 ALFL Ptc 2006 *	56,741,730
HDFC Retail 2004 Series1 A2 2005 *	33,370,854
UBL Trust SR 2 UTI-PTC ALFL 2006 *	21,028,275
NM+150 Bps VE Trust 5 SerA6 PTC MMFSL 2006 *	20,389,214
NM+275 Bps Indian Loan Sec Ser I Trst 2005 Ser A PTC 2007 *	19,089,690
Asset Sec Trust 2004 I Chola. PTC SerA1 2005 *	17,921,819
GECSI Loan Trust Class D Senior Ptc IRFC 2008 *	10,079,979
HDFC Bank Retail 2004 Srs I Ptc A1 2005 *	8,143,387
Indian RMBS Ptc ICICI Bank 2006 *	8,127,155
ICICI Bank.Indian Retail ABS Trust Sr I 2006 *	4,682,108
Indian Retail ABS VIII A2 Sr ICICI Bank 2005 *	1,684,356
JUS Trust Jet Airways Series 1 PTC 2013 *@	1,354,400
Total	(Cost – Rs.1,785,805,121) 1,780,101,371
Government of India Securities (1.13%)	
GOI Floating Rate Bonds November 2006	49,988,850
Total	(Cost – Rs. 49,805,000) 49,988,850
Treasury Bills (2.11%)	
364 Days Treasury Bill -10 June, 2005 *	29,701,560
364 Days Treasury Bill - 16 September, 2005	29,274,180
364 Days Treasury Bill - 17 March, 2006	23,724,650
91 Days Treasury Bill - 27 May, 2005 *	10,911,483
Total	(Cost – Rs. 93,640,913) 93,611,873
Commercial Paper / Certificate of Deposit (7.41%)	
Commercial Paper (25.69%)	
Housing Development Finance Corporation 2005@ *	72,211,258
Standard Chartered Inv. & Loans India 2005 *	12,407,433
	84,618,691
Certificate of Deposit (74.31%)	
UCO Bank 2005 *	244,702,495
	244,702,495
Total	(Cost – Rs. 329,321,186) 329,321,186
TOTAL INVESTMENTS	(Cost – Rs. 4,448,326,043) 4,439,961,804

Confirmation has been received from J P Morgan Chase Bank, Mumbai Branch at the end of the financial year for the investments held by them and from Standard Chartered Bank, Mumbai Branch for the securities held by them in the Constituent Subsidiary General Ledger (CSGL) Account.

- * Fair value of non-traded (privately placed) securities as determined in good faith by Deutsche Asset Management (India) Private Limited under procedures approved by the Trustee
- # Fair value of non traded and thinly traded debt securities 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) as determined by Deutsche Asset Management (India) Private Limited under procedures approved by the Trustee
- @ Investment in companies which have invested more than five percent of the net asset value of any scheme of Deutsche Mutual Fund
- \$ Indicates securities fully / partially marked as underlying for interest rate swaps

Auditors' Report

To the Trustee

DEUTSCHE MUTUAL FUND

1. We have audited the Balance Sheet of Deutsche Mutual Fund – Deutsche Investment Opportunity Fund ("The Scheme") as at March 31, 2005 and the related Revenue Account for the year ended on that day, both of which we have signed under reference to this report. These financial statements are the responsibility of the Trustee of Deutsche Mutual Fund and the Management of Deutsche Asset Management (India) 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 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, 2005 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 statement 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 purpose of our audit. The Balance Sheet and the Revenue Account referred to above are in agreement with the books of account of the Scheme.
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 amendments thereto, as applicable, and also give respectively, a true and fair view of the state of affairs of Deutsche Mutual Fund – Deutsche Investment Opportunity Fund as at March 31, 2005 and its net surplus for the year ended on that date.
 - (ii) The Balance Sheet as at March 31, 2005 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.

K. H. Vachha
Partner
Membership No. F/30798

For and on behalf of
Price Waterhouse
Chartered Accountants

Place : Mumbai
Date : August 30, 2005

Balance Sheet

as at March 31, 2005

	Schedule	March 31, 2005 Rupees	March 31, 2004 Rupees
Assets			
Investments	1	188,239,211	447,481,516
Other Current Assets	2	11,030,214	58,223,519
TOTAL		199,269,425	505,705,035
Liabilities			
Unit Capital	3	168,346,387	471,032,481
Reserves and Surplus	4	27,722,852	(2,392,987)
Current Liabilities and Provisions	5	3,200,186	37,065,541
TOTAL		199,269,425	505,705,035

Reconciliation of Net Asset Value Per Unit

	March 31, 2005			March 31, 2004		
	Growth Plan Rupees	Dividend Plan Rupees	Total Rupees	Growth Plan Rupees	Dividend Plan Rupees	Total Rupees
Net Assets as per Balance Sheet (Total Assets less Current Liabilities and Provisions) (Note 2.6)	41,720,220	154,349,019	196,069,239	177,238,770	291,400,724	468,639,494
Number of Units in Issue	3,353,781.257	13,480,857.517		17,814,379.424	29,288,868.716	
Net Asset Value per Unit	12.44	11.45		9.95	9.95	

Notes to the Financial Statements 8

The Schedules referred to herein form an integral part of the Financial Statements

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

K. H. VACHHA
Partner

For **Deutsche Trustee Services (India)
Private Limited**

For **Deutsche Asset Management (India)
Private Limited**

For and on behalf of
PRICE WATERHOUSE
Chartered Accountants

Gunit Chadha
Director

M. H. Kania
Director

Peter Noel Sampson Hanbury
Director

Sandeep Dasgupta
Director

Y. B. Desai
Director

A. S. Mitra
Director

Kersi M. Gherda
Director

Dileep Choksi
Director

Debabrata Bhadury
Director

Choy Peng Wah
Director

Vijay P. Gokhale
Director

Carl Saldanha
Director

Place: Mumbai
Date : August 30, 2005

Vinay Kulkarni
Portfolio Manager

Revenue Account

for the year ended March 31, 2005

	Schedule	April 01, 2004 to March 31, 2005 Rupees	January 15, 2004 to March 31, 2004 Rupees
Income And Gains			
Dividends (Note 2.4)		7,866,670	152,016
Interest and Discount	6	897,514	510,480
Net Profit on Sale of Investments (Note 2.3)		27,973,445	2,691,166
TOTAL		36,737,629	3,353,662
Expenses And Losses			
Investment Management and Advisory Fees (Note 3)		4,432,785	736,728
Trustee Fees and Expenses (Note 4)		35,462	5,894
Transfer Agent Fees and Expenses		545,265	91,533
Custodian Fees and Expenses (Note 5)		315,349	110,238
Audit Fees		78,975	25,174
Selling and Distribution Expenses		2,039,959	222,713
Initial Issue Expenses (Note 2.5)		–	5,640,588
Other Operating Expenses		1,279,842	169,568
		8,727,637	7,002,436
Less: Expenses to be Reimbursed by the Investment Manager (Note 7)		748,624	35,284
TOTAL		7,979,013	6,967,152
Net Surplus / (Deficit) for the Year / Period		28,758,616	(3,613,490)
Net Change in Unrealised Appreciation/ (Depreciation) in Value of Investments	7	38,566,702	(227,777)
Net Surplus / (Deficit) including Net Change in Unrealised Appreciation / (Depreciation) in Value of Investments		67,325,318	(3,841,267)

	April 01, 2004 to March 31, 2005			January 15, 2004 to March 31, 2004		
	Growth Plan Rupees	Dividend Plan Rupees	Total Rupees	Growth Plan Rupees	Dividend Plan Rupees	Total Rupees
Net Surplus / (Deficit) including Net Change in Unrealised Appreciation / (Depreciation) in Value of Investments by Plan	14,918,236	52,407,082	67,325,318	(1,715,301)	(2,125,966)	(3,841,267)
Transfer From Dividend Equalisation Reserve (Note 2.8)	3,182,722	(2,544,980)	637,742	596,445	118,243	714,688
Dividend Distribution	–	(15,814,632)	(15,814,632)	–	–	–
Balance Transferred to Reserve Fund	18,100,958	34,047,470	52,148,428	(1,118,856)	(2,007,723)	(3,126,579)

Notes to the Financial Statements 8
The Schedules referred to herein form an integral part of the Financial Statements

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

K. H. VACHHA
Partner

For **Deutsche Trustee Services (India)
Private Limited**

For **Deutsche Asset Management (India)
Private Limited**

For and on behalf of
PRICE WATERHOUSE
Chartered Accountants

Gunit Chadha
Director

M. H. Kania
Director

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Sandeep Dasgupta
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Director

Dileep Choksi
Director

Debabrata Bhadury
Director

Choy Peng Wah
Director

Vijay P. Gokhale
Director

Carl Saldanha
Director

Place: Mumbai
Date : August 30, 2005

Vinay Kulkarni
Portfolio Manager

Schedules

forming part of the Balance Sheet as at March 31, 2005 and the Revenue Account for the year ended March 31, 2005

	March 31, 2005		March 31, 2004	
	Market / Fair Value Rupees	Cost Rupees	Market / Fair Value Rupees	Cost Rupees
Schedule 1				
Investments				
(Notes 2.2, 2.3, 8, 9 and 12)				
(Refer to the attached Statement of Portfolio Holding as at March 31, 2005)				
Equity Shares	188,239,211	149,900,286	447,481,516	447,709,293
TOTAL	188,239,211	149,900,286	447,481,516	447,709,293

	March 31, 2005 Rupees	March 31, 2004 Rupees
Schedule 2		
Other Current Assets		
Balance with Banks in Current Account	10,197,719	6,158,110
Sales Contracts Awaiting Completion – Equity Shares	–	3,938,824
Reverse Repos	–	47,760,625
Unit Subscription Receivable	66,000	326,000
Interest Receivable on Reverse Repos	–	3,926
Dividend Receivable	12,551	–
Receivable from the Investment Manager	748,624	36,034
Tax Deducted at Source	5,320	–
TOTAL	11,030,214	58,223,519

	March 31, 2005		March 31, 2004	
	Rupees	Units	Rupees	Units
Schedule 3				
Unit Capital				
Growth Plan				
Issued and Subscribed:				
Units of Rs.10 each fully paid-up	75,311,027	7,531,102.700	75,311,027	7,531,102.700
Outstanding:				
At the beginning of the year / period	178,143,794	17,814,379.424	–	–
Initial issue and subscription	–	–	75,311,027	7,531,102.700
Issued during the year / period	85,577,193	8,557,719.337	114,435,497	11,443,549.709
	263,720,987	26,372,098.761	189,746,524	18,974,652.409
Redeemed during the year / period	230,183,175	23,018,317.504	11,602,730	1,160,272.985
At the end of the year / period	33,537,812	3,353,781.257	178,143,794	17,814,379.424
Dividend Plan				
Issued and Subscribed:				
Units of Rs.10 each fully paid-up	206,718,379	20,671,837.890	206,718,379	20,671,837.890
Outstanding:				
At the beginning of the year / period	292,888,687	29,288,868.716	–	–
Initial issue and subscription	–	–	206,718,379	20,671,837.890
Issued during the year / period	156,095,007	15,609,500.656	91,778,831	9,177,883.080
	448,983,694	44,898,369.372	298,497,210	29,849,720.970
Redeemed during the year / period	314,175,119	31,417,511.855	5,608,523	560,852.254
At the end of the year / period	134,808,575	13,480,857.517	292,888,687	29,288,868.716
TOTAL	168,346,387	16,834,638.774	471,032,481	47,103,248.140

Schedules

forming part of the Balance Sheet as at March 31, 2005 and the Revenue Account for the year ended March 31, 2005

	March 31, 2005			March 31, 2004		
	Growth Plan Rupees	Dividend Plan Rupees	Total Rupees	Growth Plan Rupees	Dividend Plan Rupees	Total Rupees
Schedule 4						
Reserves and Surplus						
Unit Premium Reserve (Note 2.7)						
At the beginning of the year / period	213,832	519,760	733,592	–	–	–
Added during the year / period	(9,013,526)	(13,019,063)	(22,032,589)	213,832	519,760	733,592
At the end of the year / period	(8,799,694)	(12,499,303)	(21,298,997)	213,832	519,760	733,592
Dividend Equalisation Reserve (Note 2.8)						
Added during the year / period	3,182,722	(2,544,980)	637,742	596,445	118,243	714,688
Transferred to Revenue Account	(3,182,722)	2,544,980	(637,742)	(596,445)	(118,243)	(714,688)
At the end of the year / period	–	–	–	–	–	–
Reserve Fund						
At the beginning of the year / period	(1,118,856)	(2,007,723)	(3,126,579)	–	–	–
Balance Transferred from Revenue Account	18,100,958	34,047,470	52,148,428	(1,118,856)	(2,007,723)	(3,126,579)
At the end of the year / period [including net unrealised appreciation in value of investments Rs. 38,338,925 (2004 - unrealised depreciation Rs. 227,777)]	16,982,102	32,039,747	49,021,849	(1,118,856)	(2,007,723)	(3,126,579)
TOTAL	8,182,408	19,540,444	27,722,852	(905,024)	(1,487,963)	(2,392,987)

	March 31, 2005 Rupees	March 31, 2004 Rupees
Schedule 5		
Current Liabilities and Provisions		
Current Liabilities		
Investment Management and Advisory Fees	222,311	465,630
Trustee Fees and Expenses	1,779	3,725
Transfer Agent Fees and Expenses	46,729	47,560
Custodian Fees and Expenses	14,581	110,238
Audit Fees	78,975	25,174
Purchase Contracts Awaiting Completion – Equity Shares	–	34,305,144
Redemption of Units	2,232,005	63,900
Selling and Distribution Expenses	252,109	1,807,948
Initial Issue Expenses Payable to Investment Manager	88,601	88,601
Sundry Payables	263,096	147,621
TOTAL	3,200,186	37,065,541

Schedules

forming part of the Balance Sheet as at March 31, 2005 and the Revenue Account for the year ended March 31, 2005

	April 01, 2004 to March 31, 2005 Rupees	January 15, 2004 to March 31, 2004 Rupees
Schedule 6		
Interest and Discount		
(Note 2.4)		
Debentures / Bonds	16,907	-
Treasury Bills	3,456	-
Reverse Repos	851,202	510,480
Others	25,949	-
TOTAL	897,514	510,480

	April 01, 2004 to March 31, 2005 Rupees	January 15, 2004 to March 31, 2004 Rupees
Schedule 7		
Unrealised Appreciation / (Depreciation) in Value of Investments		
(Note 8)		
Equity Shares		
At the beginning of the year / period	(227,777)	-
At the end of the year / period	38,338,925	(227,777)
Net change in unrealised appreciation / depreciation in value of investments during the year / period	38,566,702	(227,777)

Schedule 8 Notes to the Financial Statements

1. Organisation

Deutsche Investment Opportunity Fund (the "Scheme") is an open-ended scheme of Deutsche Mutual Fund (the "Fund") and was launched on January 15, 2004. Deutsche Mutual Fund has been sponsored by Deutsche Asset Management (Asia) Limited. Deutsche Asset Management (India) Private Limited incorporated under the Companies Act 1956, has been appointed as the asset management company. The duration of the Scheme is perpetual. The Scheme closed for initial subscription on January 29, 2004 and reopened for issue and redemption of units on February 11, 2004. The investment objective of the Scheme is to generate capital appreciation on the portfolio over a long term period by actively investing in different asset classes as per market conditions.

The Scheme has two plans - Growth Plan and Dividend Plan.

The Scheme will not declare dividend under the Growth Plan. The income earned on such units will remain invested within the Scheme and will be reflected in the net asset value.

2. Significant Accounting Policies

2.1 Basis of Accounting

The Scheme maintains its books of account on an accrual basis. These financial statements have been prepared in accordance with the accounting policies and standards specified in the Ninth Schedule of 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 / date of determination. In valuing the Scheme's investments:

- i. Equity securities listed on a recognised stock exchange are valued at the last quoted closing price on the Mumbai Stock Exchange (BSE). If on a particular valuation day, a security is not traded on BSE, the value at which it is traded on the National Stock Exchange of India Limited (NSE) is used. If no sale is reported at that time, the last quoted closing price on the principal stock exchange on which the security is traded is used when it is not more than thirty days prior to the valuation date.
- ii. Non-traded and thinly traded equity securities, including those not traded within thirty days prior to the valuation date are valued at fair value as determined by Deutsche Asset Management (India) Private Limited under procedures approved by the Trustee of Deutsche Mutual Fund in accordance with the guidelines for valuation of securities for mutual funds dated September 18, 2000 and amendments thereto, as applicable, issued by the Securities and Exchange Board of India (SEBI).

Schedules

forming part of the Balance Sheet as at March 31, 2005 and the Revenue Account for the year ended March 31, 2005

- iii. Equity shares awaiting listing are valued at fair value as determined in good faith by Deutsche Asset Management (India) Private Limited under procedures approved by the Trustee of Deutsche Mutual Fund.
- iv. Debt securities listed on a recognised stock exchange are valued at the last quoted closing price on the NSE. If no sale is reported at that time, such security is valued at fair value as determined in good faith by Deutsche Asset Management (India) Private Limited under procedures approved by the Trustee of Deutsche Mutual Fund.
- v. Non-traded and thinly traded debt securities are valued at fair value as determined by Deutsche Asset Management (India) Private Limited under procedures approved by the Trustee of Deutsche Mutual Fund in accordance with the guidelines for valuation of securities for mutual funds dated September 18, 2000 and amendments thereto, as applicable, issued by SEBI.
- vi. Privately placed debt securities are valued at fair value as determined in good faith by Deutsche Asset Management (India) Private Limited under procedures approved by the Trustee of Deutsche Mutual Fund.
- vii. Instruments bought on 'repo' basis are valued at the resale price after deduction of applicable interest up to the date of resale.
- viii. Money market instruments were valued at cost plus accrued interest up to October 24, 2004. Effective October 25, 2004, traded money market securities are valued at the yield at which they are traded on the valuation date. If no sale is reported at that time, such security is valued at the last traded price plus accretion of the difference between the face value and the last traded price. Non-traded money market instruments are valued at cost plus accrued interest.

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 Regulations) net unrealized 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 / dates of determination is recognized in the Revenue Account. Unrealized appreciation is reduced from the distributable income at the time of income distribution. 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 is transferred to Reserve Fund.

2.3 Securities Transaction

Investment securities transactions are accounted for on a trade date basis. The Scheme uses the average cost method for determining the realized gain or loss on sale of investments.

2.4 Investment Income

Dividend and interest income are recorded on an accrual basis.

2.5 Initial Issue Expenses

Initial issue expenses of up to 2% of the amount mobilized during the initial offer period was borne by the Scheme and charged to the Revenue Account in the year of incurrence. Expenses over and above 2% were borne by the asset management company.

2.6 Net Asset Value for Growth / Dividend Plans

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

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

2.7 Unit Premium Reserve

Upon issue and redemption of units, the net premium or discount to the face value of units is adjusted against the unit premium reserve of the Scheme, after an appropriate portion of the issue proceeds and redemption payout is credited or debited respectively to the dividend equalization reserve.

The unit premium reserve is available for dividend distribution except to the extent it is represented by unrealised net appreciation in value of investments.

2.8 Dividend Equalisation Reserve

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

2.9 Load

Load collected is retained under a separate account in the Scheme and is used to meet the selling and distribution expenses of the Scheme.

3. Investment Management and Advisory Fees

The Scheme has paid or provided for investment management and advisory fees payable to Deutsche Asset Management (India) Private Limited for managing the Scheme at an annual rate of 1.25% of the average daily net asset values recorded by the Scheme up to Rs.100 crores. All costs, charges and expenses incurred by Deutsche Asset Management (India) Private Limited in the administration and execution of the activities of the Scheme, except costs allowed to be charged to the Scheme under the Regulations and amendments thereto, as applicable, are on their own account for which they receive investment management and advisory fees.

Schedules

forming part of the Balance Sheet as at March 31, 2005 and the Revenue Account for the year ended March 31, 2005

4. Trustee Fees

In accordance with the Deed of Trust dated May 29, 2002 between Deutsche Asset Management (Asia) Limited (the "Settlor") and Deutsche Trustee Services (India) Private Limited (the "Trustee"), the Scheme has paid or provided for trustee fees payable to the Trustee at an annual rate of 0.01% of the average daily net asset values recorded by the Scheme subject to a maximum of Rs. 500,000 per annum.

5. Custodian Fees

J P Morgan Chase Bank provides custodial services to the Scheme for which it receives custody fees.

6. Income Taxes

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

7. Limitation on Expenses

In accordance with Regulation 52(6) of the Regulations, Deutsche Asset Management (India) Private Limited has borne Rs. 748,624 which is in excess of 2.25% of the average daily net assets allowable to be charged to the Scheme as total expenses for the year.

8. Aggregate Appreciation and Depreciation in Value of Investments

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

	March 31, 2005 Rupees	March 31, 2004 Rupees
Equity Shares		
- Appreciation	41,814,331	12,664,327
- Depreciation	3,475,406	12,892,104

9. Aggregate Value of Purchases and Sale of Investments

The aggregate value of investment securities purchased and sold (including matured) during the financial year are Rs. 863,951,294 (excluding accretion of discount Rs. 3,456) and Rs. 1,189,737,202 respectively being 244.14% and 336.20% of the average daily net assets.

10. Income and Expenses

The total income (including net profit on sale of investments and net change in unrealized appreciation in the value of investments) and expenditure is Rs. 75,304,331 and Rs. 7,979,013 respectively being 21.28% and 2.25% of average daily net assets.

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

Deutsche Bank AG, Mumbai Branch and Kotak Mahindra Bank Limited, associate entities of Deutsche Asset Management (India) Private Limited were paid commission amounting to Rs. 1,675,736 and Rs. 1,102 respectively for procuring unit subscriptions for the Scheme. Further Deutsche Equities India Private Limited was paid brokerage of Rs.380,597 on purchase and sale of investments by the Scheme. The commission and brokerage paid were at rates similar to those offered to other distributors / brokers.

The scheme subscribed to the issue of equity shares of Jet Airways (India) Limited where Deutsche Equities India Private Limited, an associate entity of Deutsche Asset Management (India) Private Limited was one of the lead managers / co-manager to the issue.

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

Deutsche Mutual Fund has made the following investments in companies, which hold units in excess of 5% of the net asset value of any Scheme of Deutsche Mutual Fund.

Company Name	Scheme invested in by the Company	Investments made by Schemes of Deutsche Mutual Fund in the Company / Subsidiary	Aggregate for the period under Regulation 25(11) At Cost (Rupees in lakhs)	Outstanding as at March 31, 2005 At Market / Fair Value (Rupees in lakhs)
Bank of Baroda	Deutsche Insta Cash Plus Fund	Deutsche Alpha Equity Fund	206.01	-
Bharti Tele-Ventures Ltd.	Deutsche Floating Rate Fund	Deutsche Investment Opportunity Fund	124.18	1.03
		Deutsche Alpha Equity Fund	402.23	3.62
		Deutsche Insta Cash Plus Fund	947.56	-
		Deutsche MIP Fund-Plan A	11.85	-
		Deutsche MIP Fund-Plan B	5.92	-
Export Import Bank of India	Deutsche Short Maturity Fund	Deutsche Insta Cash Plus Fund	3,843.90	2,408.38
		Deutsche Premier Bond Fund	17,704.13	-
		Deutsche Short Maturity Fund	6,956.79	-
		Deutsche MIP Fund-Plan A	299.56	-
		Deutsche MIP Fund-Plan B	199.71	-

Schedules

forming part of the Balance Sheet as at March 31, 2005 and the Revenue Account for the year ended March 31, 2005

Company Name	Scheme invested in by the Company	Investments made by Schemes of Deutsche Mutual Fund in the Company / Subsidiary	Aggregate for the period under Regulation 25(11) At Cost (Rupees in lakhs)	Outstanding as at March 31, 2005 At Market / Fair Value (Rupees in lakhs)
Finolex Cables Ltd.	Deutsche Short Maturity Fund	Deutsche Insta Cash Plus Fund	1,200.00	301.86
		Deutsche Premier Bond Fund	519.16	–
		Deutsche Short Maturity Fund	2,552.65	201.24
Glaxo Smithkline Pharmaceuticals Ltd.	Deutsche Floating Rate Fund	Deutsche Investment Opportunity Fund	80.55	–
		Deutsche Alpha Equity Fund	122.95	–
Grasim Industries Ltd.	Deutsche Insta Cash Plus Fund	Deutsche Investment Opportunity Fund	132.05	60.68
		Deutsche Alpha Equity Fund	376.63	242.72
		Deutsche Short Maturity Fund	30.26	25.62
		Deutsche MIP Fund-Plan A	9.98	9.77
		Deutsche MIP Fund-Plan B	44.12	–
		Deutsche Investment Opportunity Fund^	130.76	–
		Deutsche Alpha Equity Fund^	14.41	–
HCL Technologies Ltd.	Deutsche Short Maturity Fund	Deutsche MIP Fund-Plan A^	9.25	–
		Deutsche Investment Opportunity Fund	146.49	55.56
		Deutsche Alpha Equity Fund	747.11	148.16
		Deutsche MIP Fund-Plan A	28.51	–
Hindalco Industries Ltd.	Deutsche Floating Rate Fund	Deutsche Investment Opportunity Fund	93.52	–
		Deutsche Alpha Equity Fund	676.65	194.05
		Deutsche Short Maturity Fund	14.03	–
		Deutsche MIP Fund-Plan A	9.35	–
		Deutsche MIP Fund-Plan B	2,000.00	–
Hindustan Lever Ltd.	Deutsche Fixed Term Fund	Deutsche Insta Cash Plus Fund@@@@	2,000.00	–
		Deutsche Floating Rate Fund	508.93	–
		Deutsche Insta Cash Plus Fund	873.14	–
Hindustan Zinc Limited	Deutsche Floating Rate Fund	Deutsche Short Maturity Fund@@@@	2,000.00	–
		Deutsche Alpha Equity Fund	35.78	–
Housing Development Finance Corporation	Deutsche Insta Cash Plus Fund	Deutsche Floating Rate Fund	275.45	–
		Deutsche Alpha Equity Fund	1,446.57	–
		Deutsche Dynamic Bond Fund	2,392.59	3,144.04
		Deutsche Floating Rate Fund	21,492.53	6,992.78
		Deutsche Insta Cash Plus Fund	14,457.31	–
		Deutsche Premier Bond Fund	14,887.35	–
		Deutsche Short Maturity Fund	1,239.83	–
		Deutsche MIP Fund-Plan A	200.00	–
Industrial Development Bank of India	Deutsche Insta Cash Plus Fund	Deutsche MIP Fund-Plan B	1,425.16	1,424.58
		Deutsche Floating Rate Fund	101.19	91.15
		Deutsche Fixed Term Fund	512.83	273.45
		Deutsche Investment Opportunity Fund	761.31	7.14
		Deutsche Alpha Equity Fund	7,741.86	733.14
		Deutsche Dynamic Bond Fund	23,131.79	6,147.51
		Deutsche Floating Rate Fund	9,282.64	115.47
		Deutsche Insta Cash Plus Fund	9,974.79	692.66
		Deutsche Premier Bond Fund	1,390.68	262.72
		Deutsche Short Maturity Fund	472.70	146.64
		Deutsche MIP Fund-Plan A	1,992.73	1,993.01
		Deutsche MIP Fund-Plan B	1,000.10	–
		Deutsche Fixed Term Fund^^	7,356.99	857.62
Infrastructure Development Finance Company Limited	Deutsche Insta Cash Plus Fund	Deutsche Floating Rate Fund	–	–
		Deutsche Dynamic Bond Fund	–	–
		Deutsche Premier Bond Fund	–	–
		Deutsche Short Maturity Fund	–	–

Schedules

forming part of the Balance Sheet as at March 31, 2005 and the Revenue Account for the year ended March 31, 2005

Company Name	Scheme invested in by the Company	Investments made by Schemes of Deutsche Mutual Fund in the Company / Subsidiary	Aggregate for the period under Regulation 25(11) At Cost (Rupees in lakhs)	Outstanding as at March 31, 2005 At Market / Fair Value (Rupees in lakhs)
Infrastructure Leasing and Financial Services Limited	Deutsche Insta Cash Plus Fund	Deutsche Floating Rate Fund	5,510.00	509.24
		Deutsche Insta Cash Plus Fund	8,039.91	–
		Deutsche Short Maturity Fund	4,710.60	–
ITC Limited	Deutsche Insta Cash Plus Fund	Deutsche Investment Opportunity Fund	224.64	17.28
		Deutsche Alpha Equity Fund	1,661.07	158.16
		Deutsche MIP Fund-Plan A	20.37	–
		Deutsche MIP Fund-Plan B	12.20	–
Jet Airways India Pvt. Limited	Deutsche Insta Cash Plus Fund	Deutsche Premier Bond Fund	1,215.38	348.66
		Deutsche Short Maturity Fund	815.87	1,089.62
		Deutsche MIP Fund-Plan A	101.28	251.87
Larsen & Toubro Ltd.	Deutsche Investment Opportunity Fund	Deutsche Investment Opportunity Fund	663.91	–
		Deutsche Alpha Equity Fund	2,561.27	99.52
		Deutsche Insta Cash Plus Fund	1,884.49	–
		Deutsche Short Maturity Fund	617.77	–
		Deutsche MIP Fund-Plan A	205.12	–
		Deutsche MIP Fund-Plan B	77.45	–
		Deutsche Floating Rate Fund ^{^^^}	100.00	–
		Deutsche Insta Cash Plus Fund ^{^^^}	2,402.34	500.18
LIC Housing Finance Ltd.	Deutsche Floating Rate Fund	Deutsche Floating Rate Fund	1,266.63	250.85
		Deutsche Insta Cash Plus Fund	4,555.99	250.85
		Deutsche Premier Bond Fund	4,229.55	–
Mahindra & Mahindra Limited	Deutsche Dynamic Bond Fund	Deutsche Investment Opportunity Fund	500.00	–
		Deutsche Alpha Equity Fund	824.39	–
		Deutsche Insta Cash Plus Fund	477.02	–
		Deutsche MIP Fund-Plan A	73.23	–
		Deutsche MIP Fund-Plan B	22.31	–
		Deutsche Alpha Equity Fund ^{^^^^}	1,300.00	–
		Deutsche Floating Rate Fund ^{^^^^}	8,290.62	1,708.46
		Deutsche Insta Cash Plus Fund ^{^^^^}	22,885.19	5,354.36
		Deutsche Premier Bond Fund ^{^^^^}	3,418.56	–
		Deutsche Short Maturity Fund ^{^^^^}	9,781.86	167.89
Nestle India Limited	Deutsche Insta Cash Plus Fund	Deutsche Alpha Equity Fund	43.01	–
		Deutsche Investment Opportunity Fund	106.68	–
		Deutsche Alpha Equity Fund	192.41	–
		Deutsche MIP Fund-Plan A	22.04	–
		Deutsche MIP Fund-Plan B	12.82	–
Raymond Limited	Deutsche Dynamic Bond Fund	Deutsche Floating Rate Fund	500.00	–
		Deutsche Insta Cash Plus Fund	4,000.00	–
		Deutsche Short Maturity Fund	6,800.00	–
		Deutsche Insta Cash Plus Fund ^{^^^}	494.31	–
		Deutsche Short Maturity Fund	–	–
Tata Chemicals Limited	Deutsche Dynamic Bond Fund	Deutsche Alpha Equity Fund	16.34	–
		Deutsche Short Maturity Fund	–	–
Tata Motors Limited	Deutsche Insta Cash Plus Fund	Deutsche Investment Opportunity Fund	568.28	82.79
		Deutsche Alpha Equity Fund	1,639.00	227.67
		Deutsche Floating Rate Fund	1,045.00	1,041.93

Schedules

forming part of the Balance Sheet as at March 31, 2005 and the Revenue Account for the year ended March 31, 2005

Company Name	Scheme invested in by the Company	Investments made by Schemes of Deutsche Mutual Fund in the Company / Subsidiary	Aggregate for the period under Regulation 25(11) At Cost (Rupees in lakhs)	Outstanding as at March 31, 2005 At Market / Fair Value (Rupees in lakhs)
		Deutsche Insta Cash Plus Fund	2,090.00	2,083.87
		Deutsche MIP Fund-Plan A	135.95	–
		Deutsche MIP Fund-Plan B	36.39	–
The Tata Iron and Steel Company Ltd.	Deutsche Insta Cash Plus Fund	Deutsche Investment Opportunity Fund	611.24	179.07
		Deutsche Alpha Equity Fund	1,378.07	525.80
		Deutsche MIP Fund-Plan A	181.19	102.61
		Deutsche MIP Fund-Plan B	78.88	29.80
The Tata Power Company Limited	Deutsche Insta Cash Plus Fund	Deutsche Investment Opportunity Fund	1,193.73	–
		Deutsche Alpha Equity Fund	478.41	–
		Deutsche MIP Fund-Plan A	170.03	–
UTI Bank Limited	Deutsche Floating Rate Fund	Deutsche Floating Rate Fund	112.22	–
	Deutsche Insta Cash Plus Fund	Deutsche Insta Cash Plus Fund	2,137.06	1,667.66
	Deutsche Short Maturity Fund	Deutsche Short Maturity Fund	190.29	–

^ DEF, DIOF, DMIP-A, DMIP-B have invested in Ultratech Cemco which is a subsidiary of Grasim Industries Limited.

^^ DSMF, DICF, DFF have invested in IDBI Capital Markets Limited which is a subsidiary of IDBI.

^^^ DSMF, DICF have invested in L&T Finance Limited which is a subsidiary of Larsen & Toubro Limited.

^^^^ DICF have invested in Raymond Apparels which is a subsidiary of Raymond Limited.

^^^^^ DSMF, DICF, DPBF, DEF, DFF, DMIP-A, DMIP-B have invested in Mahindra and Mahindra Financial Services which is subsidiary of Mahindra and Mahindra Limited.

@@@@ DSMF & DICF have invested in Indian Aluminium Limited which is a subsidiary of Hindalco Industries Limited.

The above investments comprise equity shares, debentures / bonds, commercial paper, fixed deposits and other debt instruments.

These investments have been made on account of their high credit quality and competitive yield for the investment in fixed income / money market instruments and in case of equity shares because of attractive valuations of these companies.

13. Perspective Historical Per Unit Statistics*

	April 01, 2004 to March 31, 2005 Rupees	January 15, 2004 to March 31, 2004 Rupees
(a) Net asset value per unit at the end of the year / period (Note 2.6)		
Growth Plan	12.44	9.95
Dividend Plan	11.45	9.95
(b) Gross Income		
(i) income other than profit on sale of investment	0.52	0.01
(ii) income from profit on inter-scheme sales / transfer of investment	0.00	0.00
(iii) income (net) from profit on sale of investments to third party	1.66	0.06
(iv) transfer of revenue account from past year's reserve	0.00	NA
(c) Aggregate of expenses, writeoff, amortisation and charges (^ including initial issue expenses)	0.47	0.15 ^
(d) Net income	1.71	(0.08)
(e) Net change in unrealised appreciation / (depreciation) in value of investments	2.29	(0.00) #
(f) Redemption price		
– Highest		
Growth Plan	13.19	10.64
Dividend Plan	12.92	10.64



Schedules

forming part of the Balance Sheet as at March 31, 2005 and the Revenue Account for the year ended March 31, 2005

	April 01, 2004 to March 31, 2005 Rupees	January 15, 2004 to March 31, 2004 Rupees
- Lowest		
Growth Plan	7.98	9.42
Dividend Plan	7.98	9.42
(g) Purchase price		
- Highest		
Growth Plan	13.14	10.64
Dividend Plan	12.92	10.64
- Lowest		
Growth Plan	7.98	9.42
Dividend Plan	7.98	9.42
(h) Price earnings ratio	NA	NA
(i) Ratio of expenses (excluding initial issue expenses) to average daily net assets by percentage	2.25%	2.23% [@]
(j) Ratio of gross income (including net profit on sale of investments and net change in unrealised appreciation / depreciation in value of investments) to average daily net assets by percentage	21.28%	5.27% [@]

* The above per unit calculations are based on the number of units in issue at the end of the financial year / period

[@] The ratio of expenses and gross income to average daily net assets by percentage have been annualised for the period February 05, 2004 to March 31, 2004

Below Rs. 0.01 per unit

14. Prior Period's Figures

Prior period's figures which are for a period of approximately three months and have been regrouped / rearranged where appropriate.

Signatures to the Schedules 1 to 8 forming part of the Balance Sheet and the Revenue Account

K. H. VACHHA
Partner

For **Deutsche Trustee Services (India)
Private Limited**

For **Deutsche Asset Management (India)
Private Limited**

For and on behalf of
PRICE WATERHOUSE
Chartered Accountants

Gunit Chadha
Director

M. H. Kania
Director

Peter Noel Sampson Hanbury
Director

Sandeep Dasgupta
Director

Y. B. Desai
Director

A. S. Mitra
Director

Kersi M. Gherda
Director

Dileep Choksi
Director

Debabrata Bhadury
Director

Choy Peng Wah
Director

Vijay P. Gokhale
Director

Carl Saldanha
Director

Place: Mumbai
Date : August 30, 2005

Vinay Kulkarni
Portfolio Manager

Statement of Portfolio Holding

as at March 31, 2005

(Referred to in Schedule 1 to the Balance Sheet as at March 31, 2005 and the Revenue Account for the year ended March 31, 2005)

Description	Quantity	Market / Fair Value Rupees
Equity Shares (100%)		
Auto (4.40%)		
Tata Motors Limited@	20,000	8,279,000
		8,279,000
Auto Ancillaries (2.69%)		
Apollo Tyres Limited	10,000	2,856,500
Sundaram Fasteners Limited	20,000	2,198,000
		5,054,500
Banks (14.61%)		
State Bank of India	16,250	10,675,438
IDBI Bank Limited@	100,000	9,115,000
ICICI Bank Limited	15,000	5,895,000
Punjab National Bank Limited	4,628	1,820,192
		27,505,630
Cement (6.96%)		
Gujarat Ambuja Cement Limited	17,500	7,028,000
Grasim Industries Limited@	5,000	6,068,000
		13,096,000
Construction (0.87%)		
Jaiprakash Associates Limited	8,334	1,646,798
		1,646,798
Consumer Non Durables (4.84%)		
Tata Tea Limited	10,385	5,446,413
I T C Limited@	1,286	1,728,063
Colgate Palmolive (India) Limited	9,352	1,697,856
Emami Limited	3,095	240,791
		9,113,123
Ferrous Metals (19.67%)		
Tata Iron and Steel Company Limited@	44,667	17,907,000
Sesa Goa Limited	14,326	10,470,157
Steel Authority of India Limited	120,000	7,554,000
Essar Steels Limited	20,000	1,100,000
		37,031,157
Industrial Capital Goods (0.22%)		
Asea Brown Boveri Limited	354	408,268
		408,268
Media and Entertainment (2.32%)		
Deccan Chronicle Holdings Limited	30,000	4,363,500
		4,363,500
Oil (2.34%)		
Oil and Natural Gas Corporation Limited	5,000	4,413,750
		4,413,750
Pharmaceuticals (7.05%)		
Strides Arcolabs Limited	25,000	5,278,750
Ranbaxy Laboratories Limited	5,000	5,019,250
Ind-Swift Laboratories Limited	15,000	2,970,750
		13,268,750

Statement of Portfolio Holding

as at March 31, 2005

Description	Quantity	Market / Fair Value Rupees
Power (2.73%)		
National Thermal Power Corporation Limited	60,000	5,142,000
		5,142,000
Software (23.85%)		
Infosys Technologies Limited	8,750	19,709,813
Tata Consultancy Services Limited	8,787	12,589,574
Wipro Limited	10,481	7,033,799
HCL Technologies Limited@	15,000	5,556,000
		44,889,186
Telecom - Services (0.05%)		
Bharti Tele-Ventures Limited@	500	103,425
		103,425
Transportation (6.64%)		
Mercator Lines Limited	100,000	9,510,000
Shipping Corporation of India Limited	20,000	2,996,000
		12,506,000
Travel (0.76%)		
Thomas Cook (India) Limited	3,347	1,418,124
		1,418,124
TOTAL INVESTMENTS	(Cost - Rs. 149,900,286)	188,239,211

Confirmation has been received from J P Morgan Chase Bank, Mumbai Branch at the end of the financial year for the investments held by them.

@ Investment in companies which have invested more than five percent of the net asset value of any schemes of Deutsche Mutual Fund

Auditors' Report

To the Trustee

DEUTSCHE MUTUAL FUND

1. We have audited the Balance Sheet of Deutsche Mutual Fund – Deutsche MIP Fund ("The Scheme") as at March 31, 2005 and the related Revenue Account for the year ended on that day, both of which we have signed under reference to this report. These financial statements are the responsibility of the Trustee of Deutsche Mutual Fund and the Management of Deutsche Asset Management (India) 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 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, 2005 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 statement 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 purpose of our audit. The Balance Sheet and the Revenue Account referred to above are in agreement with the books of account of the Scheme.
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 read together with Note 18 on Schedule 8 regarding investment made by the Scheme in a debt instrument of a single issuer in excess of 15% of its net asset value and other notes thereon give the information required by the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 and amendments thereto, as applicable, and also give respectively, a true and fair view of the state of affairs of Deutsche Mutual Fund – Deutsche MIP Fund as at March 31, 2005 and its net surplus for the year ended on that date.
 - (ii) The Balance Sheet as at March 31, 2005 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 methods used to value,
 - a) Privately placed debt securities
 - b) Non-traded / thinly traded debt securities in accordance with guidelines for valuation of securities for mutual funds dated September 18, 2000 and amendments thereto, as applicable, issued by the Securities and Exchange Board of Indiaas at March 31, 2005 as determined by Deutsche Asset Management (India) Private Limited under procedures approved by the Trustee of Deutsche Mutual Fund are fair and reasonable.

K. H. Vachha

Partner

Membership No. F/30798

For and on behalf of

Price Waterhouse

Chartered Accountants

Place : Mumbai

Date : August 30, 2005



Balance Sheet

as at March 31, 2005

Schedule	PLAN A		PLAN B		
	March 31, 2005 Rupees	March 31, 2005 Rupees	March 31, 2004 Rupees	March 31, 2004 Rupees	
Assets					
Investments	1	246,224,196	125,751,291	459,111,363	218,148,382
Other Current Assets	2	9,751,119	24,762,100	21,025,436	7,751,488
TOTAL		255,975,315	150,513,391	480,136,799	225,899,870
Liabilities					
Unit Capital	3	239,270,044	144,248,833	466,287,871	223,512,724
Reserves and Surplus	4	15,452,021	5,825,009	2,813,501	1,641,456
Current Liabilities and Provisions	5	1,253,250	439,549	11,035,427	745,690
TOTAL		255,975,315	150,513,391	480,136,799	225,899,870

Reconciliation of Net Asset Value Per Unit

	PLAN A					PLAN B				
	March 31, 2005					March 31, 2005				
	Growth Option Rupees	Monthly Dividend Option Rupees	Quarterly Dividend Option Rupees	Annual Dividend Option Rupees	Total Rupees	Growth Option Rupees	Monthly Dividend Option Rupees	Quarterly Dividend Option Rupees	Annual Dividend Option Rupees	Total Rupees
Net Assets as per Balance Sheet (Total Assets less Current Liabilities and Provisions) (Note 2.5)	153,771,995	37,480,306	51,932,265	11,537,499	254,722,065	58,050,292	30,757,770	57,432,814	3,832,966	150,073,842
Number of Units in Issue	14,222,555.824	3,649,509.910	4,987,815.857	1,067,122.729		5,438,500.002	3,032,162.240	5,595,125.988	359,095.119	
Net Asset Value per Unit	10.8118	10.2700	10.4118	10.8118		10.6740	10.1438	10.2648	10.6740	

	PLAN A					PLAN B				
	March 31, 2004					March 31, 2004				
	Growth Option Rupees	Monthly Dividend Option Rupees	Quarterly Dividend Option Rupees	Annual Dividend Option Rupees	Total Rupees	Growth Option Rupees	Monthly Dividend Option Rupees	Quarterly Dividend Option Rupees	Annual Dividend Option Rupees	Total Rupees
Net Assets as per Balance Sheet (Total Assets less Current Liabilities and Provisions) (Note 2.5)	245,821,724	50,901,724	115,590,737	56,787,187	469,101,372	39,943,330	90,359,767	88,829,002	6,022,081	225,154,180
Number of Units in Issue	24,434,737.301	5,059,643.373	11,489,746.483	5,644,659.794		3,965,212.765	8,970,101.238	8,818,140.601	597,817.785	
Net Asset Value per Unit	10.0603	10.0603	10.0603	10.0603		10.0734	10.0734	10.0734	10.0734	

Notes to the Financial Statements. 8

The Schedules referred to herein form an integral part of the Financial Statements

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

K. H. VACHHA
Partner

For **Deutsche Trustee Services (India)
Private Limited**

For **Deutsche Asset Management (India)
Private Limited**

For and on behalf of
PRICE WATERHOUSE
Chartered Accountants

Gunit Chadha
Director

M. H. Kania
Director

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Dileep Choksi
Director

Debabrata Bhadury
Director

Choy Peng Wah
Director

Vijay P. Gokhale
Director

Carl Saldanha
Director

Place: Mumbai
Date : August 30, 2005

Suresh Soni
Portfolio Manager

Vinay Kulkarni
Portfolio Manager

Revenue Account

for the year ended March 31, 2005

Schedule	PLAN A	PLAN B	PLAN A	PLAN B
	April 01, 2004 to March 31, 2005 Rupees	April 01, 2004 to March 31, 2005 Rupees	January 15, 2004 to March 31, 2004 Rupees	January 15, 2004 to March 31, 2004 Rupees
Income And Gains				
Dividends (Note 2.4)	1,093,633	261,275	–	–
Interest and Discount	6	24,623,155	19,027,093	3,922,641
Net Profit on Sale of Investments (including Net Profit on Inter-scheme Sale of Investments Rs. 37,279 under Plan A and Net of Net Loss on Inter-scheme Sale of Investments Rs. 2,578,472 under Plan B) (Note 2.3)	158,857	1,160,801	–	–
TOTAL	25,875,645	20,449,169	3,922,641	2,455,576

Expenses And Losses

Net Loss on Sale of Investments (Net of Net Profit on Inter-scheme Sale of Investments Rs. Nil under Plan A and Rs.1,480 under Plan B) (Note 2.3)	–	–	695,712	249,979
Investment Management and Advisory Fees (Note 3)	5,109,152	2,776,510	955,089	554,654
Trustee Fees and Expenses (Note 4)	41,164	23,843	7,641	4,437
Transfer Agent Fees and Expenses	550,050	534,650	91,513	88,893
Custodian Fees and Expenses (Note 5)	296,181	161,618	184,868	101,588
Audit Fees	78,975	78,975	25,174	25,174
Selling and Distribution Expenses	2,311,246	1,734,697	511,790	282,228
Other Operating Expenses	875,086	452,582	169,140	79,397
	9,261,854	5,762,875	2,640,927	1,386,350
Less : Expenses to be Reimbursed by the Investment Manager (Note 7)	–	393,212	229,001	142,989
TOTAL	9,261,854	5,369,663	2,411,926	1,243,361
Net Surplus for the Year / Period	16,613,791	15,079,506	1,510,715	1,212,215
Net Change in Unrealised Appreciation / (Depreciation) in Value of Investments	7	2,491,879	(2,299,946)	1,622,649
Net Surplus including Net Change in Unrealised Appreciation / Depreciation in Value of Investments	19,105,670	12,779,560	3,133,364	1,994,231

	PLAN A					PLAN B				
	April 01, 2004 to March 31, 2005					April 01, 2004 to March 31, 2005				
	Growth Option Rupees	Monthly Dividend Option Rupees	Quarterly Dividend Option Rupees	Annual Dividend Option Rupees	Total Rupees	Growth Option Rupees	Monthly Dividend Option Rupees	Quarterly Dividend Option Rupees	Annual Dividend Option Rupees	Total Rupees
Net Surplus including Net Change in Unrealised Appreciation / Depreciation in Value of Investments by Option	9,512,240	2,494,336	5,306,208	1,792,886	19,105,670	4,973,615	2,825,237	4,724,377	256,331	12,779,560
Transfer from Dividend Equalisation Reserve (Note 2.7)	1,143,978	672,391	(518,089)	(588,151)	710,129	(1,740,531)	(411,864)	(677,066)	(58,092)	(2,887,553)
Transfer from Reserve Fund	–	149,859	–	–	149,859	–	405,832	23,480	–	429,312
Dividend Distributions	–	(2,336,761)	(2,710,165)	–	(5,046,926)	–	(2,320,830)	(2,674,871)	–	(4,995,701)
Dividend Tax Thereon	–	(373,876)	(397,152)	–	(771,028)	–	(369,184)	(477,898)	–	(847,082)
Balance Transferred to Reserve Fund	10,656,218	605,949	1,680,802	1,204,735	14,147,704	3,233,084	129,191	918,022	198,239	4,478,536



Revenue Account

for the year ended March 31, 2005

Schedule

	PLAN A					PLAN B				
	January 15, 2004 to March 31, 2004					January 15, 2004 to March 31, 2004				
	Growth Option Rupees	Monthly Dividend Option Rupees	Quarterly Dividend Option Rupees	Annual Dividend Option Rupees	Total Rupees	Growth Option Rupees	Monthly Dividend Option Rupees	Quarterly Dividend Option Rupees	Annual Dividend Option Rupees	Total Rupees
Net Surplus including Net Unrealised Appreciation / Depreciation in Value of Investments by Option Transfer from Dividend Equalisation Reserve (Note 2.7)	2,217,680	350,190	697,583	(132,089)	3,133,364	666,728	647,200	637,670	42,633	1,994,231
	(180,878)	(8,575)	(32,446)	9,864	(212,035)	(280,986)	11,511	7,021	559	(261,895)
Balance Transferred to Reserve Fund	2,036,802	341,615	665,137	(122,225)	2,921,329	385,742	658,711	644,691	43,192	1,732,336

Notes to the Financial Statements 8

The Schedules referred to herein form an integral part of the Financial Statements

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

K. H. VACHHA
Partner

For **Deutsche Trustee Services (India)
Private Limited**

For **Deutsche Asset Management (India)
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For and on behalf of
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Choy Peng Wah
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Vijay P. Gokhale
Director

Carl Saldanha
Director

Place: Mumbai
Date : August 30, 2005

Suresh Soni
Portfolio Manager

Vinay Kulkarni
Portfolio Manager

Schedules

forming part of the Balance Sheet as at March 31, 2005 and the Revenue Account for the year ended March 31, 2005

	PLAN A		PLAN B		PLAN A		PLAN B	
	March 31, 2005		March 31, 2005		March 31, 2004		March 31, 2004	
	Market / Fair Value Rupees	Cost Rupees	Market / Fair Value Rupees	Cost Rupees	Market / Fair Value Rupees	Cost Rupees	Market / Fair Value Rupees	Cost Rupees

Schedule 1

Investments

(Notes 2.2, 2.3, 8, 9, 10, 11 and 14)

(Refer to the attached Statement of Portfolio Holding as at March 31, 2005)

Equity Shares	31,612,081	26,317,404	11,906,116	10,160,673	89,910,466	90,181,573	22,042,172	21,781,788
Privately Placed Non-Convertible Debentures / Bonds	19,176,636	19,242,632	3,806,086	3,807,459	56,987,501	56,903,248	-	-
Non-Convertible Debentures / Bonds Listed / Awaiting Listing	32,891,546	33,457,347	31,138,561	32,176,119	164,353,525	163,903,970	69,634,377	69,736,718
Securitised Debt	97,896,433	98,453,240	52,179,329	54,395,438	103,855,621	102,715,498	74,681,833	74,069,860
Government of India Securities	64,647,500	64,639,045	24,306,000	24,314,175	44,004,250	43,784,425	51,790,000	51,778,000
Treasury Bills	-	-	441,792	441,950	-	-	-	-
Certificate of Deposit	-	-	1,973,407	1,973,407	-	-	-	-
TOTAL	246,224,196	242,109,668	125,751,291	127,269,221	459,111,363	457,488,714	218,148,382	217,366,366

	PLAN A	PLAN B	PLAN A	PLAN B
	March 31, 2005	March 31, 2005	March 31, 2004	March 31, 2004
	Rupees	Rupees	Rupees	Rupees

Schedule 2

Other Current Assets

Balances with Banks				
- in Current Account	6,388,138	22,224,035	3,488,661	2,985,793
- in Dividend Account (Note 16)	3,025	405	-	-
Sales Contracts Awaiting Completion - Equity Shares	-	-	5,494,043	-
Unit Subscription Receivable	45,000	-	231,000	15,000
Interest Receivables on :				
- Debentures / Bonds	1,590,810	1,495,425	10,733,573	3,557,255
- Government of India Securities	1,722,457	647,950	892,451	1,076,817
Receivable from Investment Manager	-	393,212	185,708	116,623
Tax Deducted at Source	1,689	1,073	-	-
TOTAL	9,751,119	24,762,100	21,025,436	7,751,488

Schedules

forming part of the Balance Sheet as at March 31, 2005 and the Revenue Account for the year ended March 31, 2005

	PLAN A		PLAN B		PLAN A		PLAN B	
	March 31, 2005		March 31, 2005		March 31, 2004		March 31, 2004	
	Rupees	Units	Rupees	Units	Rupees	Units	Rupees	Units
Schedule 3								
Unit Capital								
Growth Option								
Issued and Subscribed :								
Units of Rs.10 each fully paid-up	328,029,370	32,802,937.000	130,757,769	13,075,776.900	328,029,370	32,802,937.000	130,757,769	13,075,776.900
Outstanding :								
At the beginning of the year / period	244,347,374	24,434,737.301	39,652,128	3,965,212.765	-	-	-	-
Initial Issue and Subscription	-	-	-	-	328,029,370	32,802,937.000	130,757,769	13,075,776.900
Issued during the year / period	340,966,740	34,096,674.004	114,563,866	11,456,386.567	19,324,810	1,932,480.973	16,284,500	1,628,449.965
	585,314,114	58,531,411.305	154,215,994	15,421,599.332	347,354,180	34,735,417.973	147,042,269	14,704,226.865
Redeemed during the year / period	443,088,555	44,308,855.481	99,830,993	9,983,099.330	103,006,806	10,300,680.672	107,390,141	10,739,014.100
At the end of the year / period	142,225,559	14,222,555.824	54,385,001	5,438,500.002	244,347,374	24,434,737.301	39,652,128	3,965,212.765
Monthly Dividend Option								
Issued and Subscribed :								
Units of Rs.10 each fully paid-up	57,651,822	5,765,182.200	80,412,599	8,041,259.900	57,651,822	5,765,182.200	80,412,599	8,041,259.900
Outstanding :								
At the beginning of the year / period	50,596,434	5,059,643.373	89,701,012	8,970,101.238	-	-	-	-
Initial Issue and Subscription	-	-	-	-	57,651,822	5,765,182.200	80,412,599	8,041,259.900
Issued during the year / period	57,934,036	5,793,403.571	38,547,770	3,854,776.968	12,324,654	1,232,465.373	10,088,413	1,008,841.338
	108,530,470	10,853,046.944	128,248,782	12,824,878.206	69,976,476	6,997,647.573	90,501,012	9,050,101.238
Redeemed during the year / period	72,035,370	7,203,537.034	97,927,160	9,792,715.966	19,380,042	1,938,004.200	800,000	80,000.000
At the end of the year / period	36,495,100	3,649,509.910	30,321,622	3,032,162.240	50,596,434	5,059,643.373	89,701,012	8,970,101.238
Quarterly Dividend Option								
Issued and Subscribed :								
Units of Rs.10 each fully paid-up	83,356,958	8,335,695.800	88,979,052	8,897,905.200	83,356,958	8,335,695.800	88,979,052	8,897,905.200
Outstanding :								
At the beginning of the year / period	114,897,465	11,489,746.483	88,181,406	8,818,140.601	-	-	-	-
Initial Issue and Subscription	-	-	-	-	83,356,958	8,335,695.800	88,979,052	8,897,905.200
Issued during the year / period	53,989,806	5,398,980.646	32,437,759	3,243,775.947	32,414,498	3,241,449.845	4,252,354	425,235.401
	168,887,271	16,888,727.129	120,619,165	12,061,916.548	115,771,456	11,577,145.645	93,231,406	9,323,140.601
Redeemed during the year / period	119,009,113	11,900,911.272	64,667,906	6,466,790.560	873,991	87,399.162	5,050,000	505,000.000
At the end of the year / period	49,878,158	4,987,815.857	55,951,259	5,595,125.988	114,897,465	11,489,746.483	88,181,406	8,818,140.601
Annual Dividend Option								
Issued and Subscribed :								
Units of Rs.10 each fully paid-up	9,172,225	917,222.480	5,675,376	567,537.600	9,172,225	917,222.480	5,675,376	567,537.600
Outstanding :								
At the beginning of the year / period	56,446,598	5,644,659.794	5,978,178	597,817.785	-	-	-	-
Initial Issue and Subscription	-	-	-	-	9,172,225	917,222.480	5,675,376	567,537.600
Issued during the year / period	4,296,110	429,611.000	1,545,257	154,525.745	47,329,398	4,732,939.793	302,802	30,280.185
	60,742,708	6,074,270.794	7,523,435	752,343.530	56,501,623	5,650,162.273	5,978,178	597,817.785
Redeemed during the year / period	50,071,481	5,007,148.065	3,932,484	393,248.411	55,025	5,502.479	-	-
At the end of the year / period	10,671,227	1,067,122.729	3,590,951	359,095.119	56,446,598	5,644,659.794	5,978,178	597,817.785
TOTAL	239,270,044	23,927,004.320	144,248,833	14,424,883.349	466,287,871	46,628,786.951	223,512,724	22,351,272.389

Schedules

forming part of the Balance Sheet as at March 31, 2005 and the Revenue Account for the year ended March 31, 2005

	PLAN A					PLAN B				
	March 31, 2005					March 31, 2005				
	Growth Option Rupees	Monthly Dividend Option Rupees	Quarterly Dividend Option Rupees	Annual Dividend Option Rupees	Total Rupees	Growth Option Rupees	Monthly Dividend Option Rupees	Quarterly Dividend Option Rupees	Annual Dividend Option Rupees	Total Rupees
Schedule 4										
Reserves and Surplus										
Unit Premium Reserve (Note 2.6)										
At the beginning of the year / period	(562,452)	(36,325)	28,135	462,814	(107,828)	(94,540)	44	2,905	711	(90,880)
Added during the year / period	(584,132)	223,826	(319,967)	(679,052)	(1,359,325)	141,005	54,034	(60,583)	(127)	134,329
At the end of the year / period	(1,146,584)	187,501	(291,832)	(216,238)	(1,467,153)	46,465	54,078	(57,678)	584	43,449
Dividend Equalisation Reserve (Note 2.7)										
Added during the year / period	1,143,978	672,391	(518,089)	(588,151)	710,129	(1,740,531)	(411,864)	(677,066)	(58,092)	(2,887,553)
Transfer to Revenue Account	(1,143,978)	(672,391)	518,089	588,151	(710,129)	1,740,531	411,864	677,066	58,092	2,887,553
At the end of the year / period	-	-	-	-	-	-	-	-	-	-
Reserve Fund										
At the beginning of the year / period	2,036,802	341,615	665,137	(122,225)	2,921,329	385,742	658,711	644,691	43,192	1,732,336
Transfer to Revenue Account	-	(149,859)	-	-	(149,859)	-	(405,832)	(23,480)	-	(429,312)
Balance Transferred from Revenue Account	10,656,218	605,949	1,680,802	1,204,735	14,147,704	3,233,084	129,191	918,022	198,239	4,478,536
At the end of the year / period **	12,693,020	797,705	2,345,939	1,082,510	16,919,174	3,618,826	382,070	1,539,233	241,431	5,781,560
TOTAL	11,546,436	985,206	2,054,107	866,272	15,452,021	3,665,291	436,148	1,481,555	242,015	5,825,009

	PLAN A					PLAN B				
	March 31, 2004					March 31, 2004				
	Growth Option Rupees	Monthly Dividend Option Rupees	Quarterly Dividend Option Rupees	Annual Dividend Option Rupees	Total Rupees	Growth Option Rupees	Monthly Dividend Option Rupees	Quarterly Dividend Option Rupees	Annual Dividend Option Rupees	Total Rupees
Reserves and Surplus										
Unit Premium Reserve (Note 2.6)										
At the beginning of the year / period	-	-	-	-	-	-	-	-	-	-
Added during the year / period	(562,452)	(36,325)	28,135	462,814	(107,828)	(94,540)	44	2,905	711	(90,880)
At the end of the year / period	(562,452)	(36,325)	28,135	462,814	(107,828)	(94,540)	44	2,905	711	(90,880)

Reserves and Surplus

Unit Premium Reserve (Note 2.6)

At the beginning of the year / period	-	-	-	-	-	-	-	-	-	-
Added during the year / period	(562,452)	(36,325)	28,135	462,814	(107,828)	(94,540)	44	2,905	711	(90,880)
At the end of the year / period	(562,452)	(36,325)	28,135	462,814	(107,828)	(94,540)	44	2,905	711	(90,880)



Schedules

forming part of the Balance Sheet as at March 31, 2005 and the Revenue Account for the year ended March 31, 2005

	PLAN A					PLAN B				
	March 31, 2004					March 31, 2004				
	Growth Option Rupees	Monthly Dividend Option Rupees	Quarterly Dividend Option Rupees	Annual Dividend Option Rupees	Total Rupees	Growth Option Rupees	Monthly Dividend Option Rupees	Quarterly Dividend Option Rupees	Annual Dividend Option Rupees	Total Rupees
Dividend Equalisation Reserve (Note 2.7)										
Added during the year / period	(180,878)	(8,575)	(32,446)	9,864	(212,035)	(280,986)	11,511	7,021	559	(261,895)
Transfer to Revenue Account	180,878	8,575	32,446	(9,864)	212,035	280,986	(11,511)	(7,021)	(559)	261,895
At the end of the year / period	-	-	-	-	-	-	-	-	-	-
Reserve Fund										
At the beginning of the year / period	-	-	-	-	-	-	-	-	-	-
Transfer to Revenue Account	-	-	-	-	-	-	-	-	-	-
Balance Transferred from Revenue Account	2,036,802	341,615	665,137	(122,225)	2,921,329	385,742	658,711	644,691	43,192	1,732,336
At the end of the year / period **	2,036,802	341,615	665,137	(122,225)	2,921,329	385,742	658,711	644,691	43,192	1,732,336
TOTAL	1,474,350	305,290	693,272	340,589	2,813,501	291,902	658,755	647,596	43,903	1,641,456

** including net unrealised appreciation in value of investments Rs. 4,114,528 (2004 : Rs. 1,622,649) for Plan A and net unrealised depreciation in value of investments of Rs. 1,517,930 (2004 : net unrealised appreciation Rs. 782, 016) for Plan B

	PLAN A	PLAN B	PLAN A	PLAN B
	March 31, 2005 Rupees	March 31, 2005 Rupees	March 31, 2004 Rupees	March 31, 2004 Rupees

Schedule 5

Current Liabilities and Provisions

Current Liabilities

Investment Management and Advisory Fees	442,569	130,871	537,122	291,841
Trustee Fees and Expenses	2,144	1,309	4,297	2,335
Transfer Agent Fees and Expenses	47,293	46,039	46,694	45,029
Custodian Fees and Expenses	26,692	9,208	184,868	101,588
Audit Fees	78,975	78,975	25,174	25,174
Selling and Distribution Expenses	182,610	86,526	303,210	172,354
Purchase Contracts Awaiting Completion - Equity Shares	-	-	9,717,171	-
Redemption of Units	-	10,663	-	10,008
Unclaimed Redemption (Note 15)	305,289	-	-	-
Unclaimed Dividend (Note 16)	3,025	405	-	-
Sundry Payables	164,653	75,553	216,891	97,361
TOTAL	1,253,250	439,549	11,035,427	745,690

Schedules

forming part of the Balance Sheet as at March 31, 2005 and the Revenue Account for the year ended March 31, 2005

	PLAN A	PLAN B	PLAN A	PLAN B
	April 01, 2004 to March 31, 2005 Rupees	April 01, 2004 to March 31, 2005 Rupees	January 15, 2004 to March 31, 2004 Rupees	January 15, 2004 to March 31, 2004 Rupees

Schedule 6

Interest and Discount (Note 2.4)

Debentures / Bonds	11,581,677	6,624,184	2,133,121	1,505,104
Securitised Debt	6,354,584	8,831,652	-	-
Government of India Securities	5,700,249	2,248,839	1,234,435	610,703
Treasury Bills	423,718	631,252	-	-
Commercial Paper / Certificate of Deposit	1,497	5,589	-	-
Reverse Repos	553,189	680,344	555,085	339,769
Others	8,241	5,233	-	-
TOTAL	24,623,155	19,027,093	3,922,641	2,455,576

	PLAN A	PLAN B	PLAN A	PLAN B
	April 01, 2004 to March 31, 2005 Rupees	April 01, 2004 to March 31, 2005 Rupees	January 15, 2004 to March 31, 2004 Rupees	January 15, 2004 to March 31, 2004 Rupees

Schedule 7

Unrealised Appreciation / (Depreciation) in Value of Investments

(Note 8)

(a) Equity Shares				
At beginning of the year / period	(271,107)	260,384	-	-
At the end of the year / period	5,294,677	1,745,443	(271,107)	260,384
Net change during the year / period (i)	5,565,784	1,485,059	(271,107)	260,384
(b) Privately Placed Non-Convertible Debentures / Bonds				
At beginning of the year / period	84,253	-	-	-
At the end of the year / period	(65,996)	(1,373)	84,253	-
Net change during the year / period (ii)	(150,249)	(1,373)	84,253	-
(c) Non-Convertible Debentures / Bonds Listed / Awaiting Listing				
At beginning of the year / period	449,555	(102,341)	-	-
At the end of the year / period	(565,801)	(1,037,558)	449,555	(102,341)
Net change during the year / period (iii)	(1,015,356)	(935,217)	449,555	(102,341)
(d) Securitised Debt				
At beginning of the year / period	1,140,123	611,973	-	-
At the end of the year / period	(556,807)	(2,216,109)	1,140,123	611,973
Net change during the year / period (iv)	(1,696,930)	(2,828,082)	1,140,123	611,973
(e) Government of India Securities				
At beginning of the year / period	219,825	12,000	-	-
At the end of the year / period	8,455	(8,175)	219,825	12,000
Net change during the year / period (v)	(211,370)	(20,175)	219,825	12,000
(f) Treasury Bills				
At beginning of the year / period	-	-	-	-
At the end of the year / period	-	(158)	-	-
Net change during the year / period (vi)	-	(158)	-	-
Net change in unrealised appreciation / depreciation in value of investments during the year / period (i)+(ii)+(iii)+(iv)+(v)+(vi)	2,491,879	(2,299,946)	1,622,649	782,016



Schedules

forming part of the Balance Sheet as at March 31, 2005 and the Revenue Account for the year ended March 31, 2005

Schedule 8

Notes to the Financial Statements

1. Organisation

Deutsche MIP Fund (the "Scheme") is an open-ended income scheme of Deutsche Mutual Fund (the "Fund") and was launched on January 15, 2004. Deutsche Mutual Fund has been sponsored by Deutsche Asset Management (Asia) Limited. Deutsche Asset Management (India) Private Limited incorporated under the Companies Act, 1956, has been appointed as the asset management company. The duration of the Scheme is perpetual. The Scheme closed for initial subscription on January 29, 2004, and reopened for issue and redemption of units on February 11, 2004. The investment objective of the Scheme is to generate regular income by investing primarily in fixed income securities or money market instruments.

The Scheme has two plans - Plan A and Plan B each with a separate portfolio and each offering four options - Growth Option, Monthly Dividend Option, Quarterly Dividend Option and Annual Dividend Option.

The Scheme will not declare dividend under the Growth Option of both the Plans. The income earned on such units will remain invested within the Scheme and will be reflected in the net asset value.

2. Significant Accounting Policies

2.1 Basis of Accounting

The Scheme maintains its books of account on an accrual basis. These financial statements have been prepared in accordance with the accounting policies and standards specified in the Ninth Schedule of 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 / date of determination. In valuing the Scheme's investments:

- i. Equity securities listed on a recognised stock exchange are valued at the last quoted closing price on the Mumbai Stock Exchange (BSE). If on a particular valuation day, a security is not traded on BSE, the value at which it is traded on the National Stock Exchange of India Limited (NSE) is used. If no sale is reported at that time, the last quoted closing price on the principal stock exchange on which the security is traded is used when it is not more than thirty days prior to the valuation date.
- ii. Non-traded and thinly traded equity securities, including those not traded within thirty days prior to the valuation date are valued at fair value as determined by Deutsche Asset Management (India) Private Limited under procedures approved by the Trustee of Deutsche Mutual Fund in accordance with the guidelines for valuation of securities for mutual funds dated September 18, 2000 and amendments thereto, as applicable, issued by the Securities and Exchange Board of India (SEBI).
- iii. Equity shares awaiting listing are valued at fair value as determined in good faith by Deutsche Asset Management (India) Private Limited under procedures approved by the Trustee of Deutsche Mutual Fund.
- iv. Debt securities listed on a recognised stock exchange are valued at the last quoted closing price on the NSE. If no sale is reported at that time, such security is valued at fair value as determined in good faith by Deutsche Asset Management (India) Private Limited under procedures approved by the Trustee of Deutsche Mutual Fund.
- v. Non-traded and thinly traded debt securities, are valued at fair value as determined by Deutsche Asset Management (India) Private Limited under procedures approved by the Trustee of Deutsche Mutual Fund in accordance with the guidelines for valuation of securities for mutual funds dated September 18, 2000 and amendments thereto, as applicable, issued by SEBI.
- vi. Privately placed debt securities are valued at fair value as determined in good faith by Deutsche Asset Management (India) Private Limited under procedures approved by the Trustee of Deutsche Mutual Fund.
- vii. Securitised debt securities are valued at fair value as determined in good faith by Deutsche Asset Management (India) Private Limited under procedures approved by the Trustee of Deutsche Mutual Fund.
- viii. Government securities are valued at prices obtained from The Credit Rating Information Services of India Limited in accordance with the guidelines for valuation of securities for mutual funds dated September 18, 2000 and amendments thereto, as applicable, issued by SEBI.
- ix. Instruments bought on 'repo' basis are valued at the resale price after deduction of applicable interest up to the date of resale.
- x. Money market instruments were valued at cost plus accrued interest up to October 24, 2004. Effective October 25, 2004, traded money market securities are valued at the yield at which they are traded on the valuation date. If no sale is reported at that time, such security is valued at the last traded price plus accretion of the difference between the face value and the last traded price. Non-traded money market instruments are valued at cost plus accrued interest.

Schedules

forming part of the Balance Sheet as at March 31, 2005 and the Revenue Account for the year ended March 31, 2005

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 Regulations) net unrealized 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 / dates of determination is recognized in the Revenue Account. Unrealized appreciation is reduced from the distributable income at the time of income distribution. 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 is transferred to Reserve Fund.

2.3 Securities Transaction

Investment securities transactions are accounted for on a trade date basis. The Scheme uses the average cost method for determining the realized gain or loss on sale of investments.

2.4 Investment Income

Dividend and interest income is recorded on an accrual basis.

2.5 Net Asset Value for Growth / Dividend Options

The net asset value of the units of the Scheme is determined separately for the units issued under the Growth and Dividend Options for Plan A and Plan B.

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

2.6 Unit Premium Reserve

Upon issue and redemption of units, the net premium or discount to the face value of units is adjusted against the unit premium reserve of the Scheme after an appropriate portion of the issue proceeds and redemption payout is credited or debited respectively to the dividend equalization reserve.

The unit premium reserve is available for dividend distribution except to the extent it is represented by unrealized net appreciation in value of investments.

2.7 Dividend Equalization Reserve

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

2.8 Load

Load collected is retained under a separate account in the Scheme and is utilised to meet the selling and distribution expenses of the Scheme.

3. Investment Management and Advisory Fees

The Scheme has paid or provided for investment management and advisory fees payable to Deutsche Asset Management (India) Private Limited for managing the Scheme at an annual rate of 1.24% and 1.16% of the average daily net asset values of Plan A and Plan B respectively recorded by the Scheme. All costs, charges and expenses incurred by Deutsche Asset Management (India) Private Limited in the administration and execution of the activities of the Scheme, except costs allowed to be charged to the Scheme under the Regulations and amendments thereto as applicable, are on their own account for which they receive investment management and advisory fees.

4. Trustee Fees

In accordance with the Deed of Trust dated May 29, 2002 between Deutsche Asset Management (Asia) Limited ("The Settlor") and Deutsche Trustee Services (India) Private Limited (the "Trustee"), the Scheme has paid or provided for trustee fees payable to the Trustee at an annual rate of 0.01% of the average daily net asset values recorded by the Scheme subject to a maximum of Rs. 500,000 per annum.

5. Custodian Fees

J P Morgan Chase Bank provides custodial services to the Scheme for which it receives custody fees.

6. Income Taxes

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

7. Limitation on Expenses

In accordance with the Offer Document dated January 6, 2004 the total expenses chargeable to the Scheme is limited to 2.25% of the average daily net assets of each of Plan A and Plan B. Deutsche Asset Management (India) Private Limited has borne Rs. 393,212 under Plan B in excess of the above mentioned percentage of the average daily net assets to be charged to the Scheme as total expenses for the year.

Schedules

forming part of the Balance Sheet as at March 31, 2005 and the Revenue Account for the year ended March 31, 2005

8. Aggregate Appreciation and Depreciation in Value of Investments

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

	PLAN A	PLAN B	PLAN A	PLAN B
	March 31, 2005 Rupees	March 31, 2005 Rupees	March 31, 2004 Rupees	March 31, 2004 Rupees
Equity Shares				
- Appreciation	5,886,721	2,080,636	1,972,708	859,294
- Depreciation	592,044	335,193	2,243,815	598,910
Privately Placed Non-Convertible Debentures / Bonds				
- Appreciation	1,656	-	84,253	-
- Depreciation	67,652	1,373	-	-
Non-Convertible Debentures / Bonds Listed / Awaiting Listing				
- Appreciation	-	-	453,815	264,750
- Depreciation	565,801	1,037,558	4,260	367,091
Securitized Debt				
- Appreciation	499,322	318,164	1,140,123	611,973
- Depreciation	1,056,129	2,534,273	-	-
Government of India Securities				
- Appreciation	9,455	-	219,825	25,000
- Depreciation	1,000	8,175	-	13,000
Treasury Bills				
- Appreciation	-	-	-	-
- Depreciation	-	158	-	-

9. Registered Securities

In accordance with Regulation 44(1) of the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996, securities purchased should be held in the name of the Scheme. As at March 31, 2005 securities aggregating to Rs. 64,647,500 (market value) under Plan A and Rs. 24,747,792 (market value) under Plan B, are held in the name of Deutsche Mutual Fund.

10. Aggregate Fair Value of Non-Traded Investments

Aggregate fair value of non-traded (including privately placed) investments as determined by Deutsche Asset Management (India) Private Limited under procedures approved by the Trustee as at March 31, 2005 is Rs. 149,964,615 and Rs. 89,097,383 for Plan A and Plan B respectively.

11. Aggregate Value of Purchases and Sale of Investments

The aggregate value of investment securities purchased (excluding accretion of discount Rs. 6,788,423 for Plan A and Rs. 9,475,680 for Plan B) and sold (including matured) during the financial year is:

Plan	Aggregate Purchases		Aggregate Sales	
	Rupees	Percentage of Average Daily Net Assets	Rupees	Percentage of Average Daily Net Assets
Plan A	3,293,078,400	801.14%	3,515,404,726	855.23%
Plan B	1,205,617,733	506.09%	1,306,351,359	548.37%

12. Income and Expenses

The total income (including net profit / loss on sale of investments and net change in unrealized appreciation / depreciation in the value of investments) and expenditure during the year is:

Plan	Total Income		Total Expenditure	
	Rupees	Percentage of Average Daily Net Assets	Rupees	Percentage of Average Daily Net Assets
Plan A	28,367,524	6.90%	9,261,854	2.25%
Plan B	18,149,223	7.62%	5,369,663	2.25%

Schedules

forming part of the Balance Sheet as at March 31, 2005 and the Revenue Account for the year ended March 31, 2005

13 Disclosure Under Regulation 25(8) of the Securities and Exchange Board Of India (Mutual Funds) Regulation, 1996 as amended

Deutsche Bank AG, Mumbai Branch and Kotak Mahindra Bank Limited, associate entities of Deutsche Asset Management (India) Private Limited were paid commission amounting to Rs.433,742 and Rs.10,076 respectively under Plan A and Rs.396,729 and Rs.3,922 respectively under Plan B for procuring unit subscriptions for the Scheme. Further Deutsche Equities India Private Limited an associate entity of Deutsche Asset Management (India) Private Limited was paid brokerage of Rs.73,652 under Plan A and Rs.27,180 under Plan B on purchase and sale of investments by the Scheme. The commission and brokerage paid were at rates similar to those offered to other distributors / brokers.

The scheme subscribed to the issue of equity shares of Jet Airways (India) Limited where Deutsche Equities India Private Limited, an associate entity of Deutsche Asset Management (India) Private Limited was one of the lead managers / co-manager to the issue.

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

Deutsche Mutual Fund has made the following investments in companies, which hold units in excess of 5% of the net asset value of any Scheme of Deutsche Mutual Fund.

Company Name	Scheme invested in by the Company	Investments made by Schemes of Deutsche Mutual Fund in the Company / Subsidiary	Aggregate for the period under Regulation 25(11) At Cost (Rupees in lakhs)	Outstanding as at March 31, 2005 At Market / Fair Value (Rupees in lakhs)
Bank of Baroda	Deutsche Insta Cash Plus Fund	Deutsche Alpha Equity Fund	206.01	–
Bharti Tele-Ventures Ltd.	Deutsche Floating Rate Fund	Deutsche Investment Opportunity Fund	124.18	1.03
		Deutsche Alpha Equity Fund	402.23	3.62
		Deutsche Insta Cash Plus Fund	947.56	–
		Deutsche MIP Fund-Plan A	11.85	–
Export Import Bank of India	Deutsche Short Maturity Fund	Deutsche MIP Fund-Plan B	5.92	–
		Deutsche Insta Cash Plus Fund	3,843.90	2,408.38
		Deutsche Premier Bond Fund	17,704.13	–
		Deutsche Short Maturity Fund	6,956.79	–
Finolex Cables Ltd.	Deutsche Short Maturity Fund	Deutsche MIP Fund-Plan A	299.56	–
		Deutsche MIP Fund-Plan B	199.71	–
		Deutsche Insta Cash Plus Fund	1,200.00	301.86
Glaxo Smithkline Pharmaceuticals Ltd.	Deutsche Floating Rate Fund	Deutsche Premier Bond Fund	519.16	–
		Deutsche Short Maturity Fund	2,552.65	201.24
		Deutsche Investment Opportunity Fund	80.55	–
Grasim Industries Ltd.	Deutsche Insta Cash Plus Fund	Deutsche Alpha Equity Fund	122.95	–
		Deutsche Investment Opportunity Fund	132.05	60.68
		Deutsche Alpha Equity Fund	376.63	242.72
		Deutsche MIP Fund-Plan A	30.26	25.62
		Deutsche MIP Fund-Plan B	9.98	9.77
		Deutsche Investment Opportunity Fund^	44.12	–
		Deutsche Alpha Equity Fund^	130.76	–
HCL Technologies Ltd.	Deutsche Short Maturity Fund	Deutsche MIP Fund-Plan A^	14.41	–
		Deutsche MIP Fund-Plan B^	9.25	–
		Deutsche Investment Opportunity Fund	146.49	55.56
Hindalco Industries Ltd.	Deutsche Floating Rate Fund	Deutsche Alpha Equity Fund	747.11	148.16
		Deutsche MIP Fund-Plan A	28.51	–
		Deutsche Investment Opportunity Fund	93.52	–
		Deutsche Alpha Equity Fund	676.65	194.05
Hindustan Lever Ltd.	Deutsche Short Maturity Fund	Deutsche MIP Fund-Plan A	14.03	–
		Deutsche MIP Fund-Plan B	9.35	–
		Deutsche Insta Cash Plus Fund@@@	2,000.00	–
		Deutsche Short Maturity Fund@@@	2,000.00	–
Hindustan Lever Ltd.	Deutsche Fixed Term Fund	Deutsche Floating Rate Fund	508.93	–
		Deutsche Insta Cash Plus Fund	873.14	–
	Deutsche Insta Cash Plus Fund			–
	Deutsche Short Maturity Fund			–

Schedules

forming part of the Balance Sheet as at March 31, 2005 and the Revenue Account for the year ended March 31, 2005

Company Name	Scheme invested in by the Company	Investments made by Schemes of Deutsche Mutual Fund in the Company / Subsidiary	Aggregate for the period under Regulation 25(11) At Cost (Rupees in lakhs)	Outstanding as at March 31, 2005 At Market / Fair Value (Rupees in lakhs)
Hindustan Zinc Limited	Deutsche Floating Rate Fund	Deutsche Alpha Equity Fund	35.78	–
Housing Development Finance Corporation	Deutsche Insta Cash Plus Fund	Deutsche Alpha Equity Fund	275.45	–
		Deutsche Dynamic Bond Fund	1,446.57	–
		Deutsche Floating Rate Fund	2,392.59	3,144.04
		Deutsche Insta Cash Plus Fund	21,492.53	6,992.78
		Deutsche Premier Bond Fund	14,457.31	–
		Deutsche Short Maturity Fund	14,887.35	–
		Deutsche MIP Fund-Plan A	1,239.83	–
		Deutsche MIP Fund-Plan B	200.00	–
Industrial Development Bank of India	Deutsche Floating Rate Fund	Deutsche Fixed Term Fund	1,425.16	1,424.58
		Deutsche Investment Opportunity Fund	101.19	91.15
		Deutsche Alpha Equity Fund	512.83	273.45
		Deutsche Dynamic Bond Fund	761.31	7.14
		Deutsche Floating Rate Fund	7,741.86	733.14
		Deutsche Insta Cash Plus Fund	23,131.79	6,147.51
		Deutsche Premier Bond Fund	9,282.64	115.47
		Deutsche Short Maturity Fund	9,974.79	692.66
		Deutsche MIP Fund-Plan A	1,390.68	262.72
		Deutsche MIP Fund-Plan B	472.70	146.64
		Deutsche Fixed Term Fund^^	1,992.73	1,993.01
		Deutsche Short Maturity Fund^^	1,000.10	–
Infrastructure Development Finance Company Limited	Deutsche Dynamic Bond Fund	Deutsche Insta Cash Plus Fund	7,356.99	857.62
		Deutsche Insta Cash Plus Fund		
		Deutsche Premier Bond Fund		
		Deutsche Short Maturity Fund		
Infrastructure Leasing and Financial Services Limited	Deutsche Insta Cash Plus Fund	Deutsche Floating Rate Fund	5,510.00	509.24
		Deutsche Insta Cash Plus Fund	8,039.91	–
		Deutsche Short Maturity Fund	4,710.60	–
ITC Limited	Deutsche Insta Cash Plus Fund	Deutsche Investment Opportunity Fund	224.64	17.28
		Deutsche Alpha Equity Fund	1,661.07	158.16
		Deutsche MIP Fund-Plan A	20.37	–
		Deutsche MIP Fund-Plan B	12.20	–
Jet Airways India Pvt. Limited	Deutsche Insta Cash Plus Fund	Deutsche Premier Bond Fund	1,215.38	348.66
		Deutsche Short Maturity Fund	815.87	1,089.62
		Deutsche MIP Fund-Plan A	101.28	251.87
Larsen & Toubro Ltd.	Deutsche Investment Opportunity Fund	Deutsche Investment Opportunity Fund	663.91	–
		Deutsche Alpha Equity Fund	2,561.27	99.52
		Deutsche Insta Cash Plus Fund	1,884.49	–
		Deutsche Short Maturity Fund	617.77	–
		Deutsche MIP Fund-Plan A	205.12	–
		Deutsche MIP Fund-Plan B	77.45	–
		Deutsche Floating Rate Fund^^^	100.00	–
		Deutsche Insta Cash Plus Fund^^^	2,402.34	500.18
		Deutsche Short Maturity Fund^^^	1,700.00	–
LIC Housing Finance Ltd.	Deutsche Floating Rate Fund	Deutsche Floating Rate Fund	1,266.63	250.85
		Deutsche Insta Cash Plus Fund	4,555.99	250.85
		Deutsche Premier Bond Fund	4,229.55	–
Mahindra & Mahindra Limited	Deutsche Dynamic Bond Fund	Deutsche Investment Opportunity Fund	500.00	–
		Deutsche Alpha Equity Fund	824.39	–
		Deutsche Insta Cash Plus Fund	477.02	–
		Deutsche MIP Fund-Plan A	73.23	–

Schedules

forming part of the Balance Sheet as at March 31, 2005 and the Revenue Account for the year ended March 31, 2005

Company Name	Scheme invested in by the Company	Investments made by Schemes of Deutsche Mutual Fund in the Company / Subsidiary	Aggregate for the period under Regulation 25(11) At Cost (Rupees in lakhs)	Outstanding as at March 31, 2005 At Market / Fair Value (Rupees in lakhs)
		Deutsche MIP Fund-Plan B	22.31	–
		Deutsche Alpha Equity Fund^^^^	1,300.00	–
		Deutsche Floating Rate Fund^^^^	8,290.62	1,708.46
		Deutsche Insta Cash Plus Fund^^^^	22,885.19	5,354.36
		Deutsche Premier Bond Fund^^^^	3,418.56	–
		Deutsche Short Maturity Fund^^^^	9,781.86	167.89
		Deutsche MIP Fund-Plan A^^^^	310.78	202.81
		Deutsche MIP Fund-Plan B^^^^	207.19	202.81
Nestle India Limited	Deutsche Insta Cash Plus Fund	Deutsche Alpha Equity Fund	43.01	–
Patni Computer Systems Limited	Deutsche Fixed Term Fund	Deutsche Investment Opportunity Fund	106.68	–
		Deutsche Alpha Equity Fund	192.41	–
		Deutsche MIP Fund-Plan A	22.04	–
		Deutsche MIP Fund-Plan B	12.82	–
Raymond Limited	Deutsche Dynamic Bond Fund	Deutsche Floating Rate Fund	500.00	–
	Deutsche Floating Rate Fund	Deutsche Insta Cash Plus Fund	4,000.00	–
	Deutsche Short Maturity Fund	Deutsche Short Maturity Fund	6,800.00	–
	Deutsche Insta Cash Plus Fund	Deutsche Insta Cash Plus Fund^^^^	494.31	–
Tata Chemicals Limited	Deutsche Dynamic Bond Fund	Deutsche Alpha Equity Fund	16.34	–
	Deutsche Short Maturity Fund			
Tata Motors Limited	Deutsche Insta Cash Plus Fund	Deutsche Investment Opportunity Fund	568.28	82.79
		Deutsche Alpha Equity Fund	1,639.00	227.67
		Deutsche Floating Rate Fund	1,045.00	1,041.93
		Deutsche Insta Cash Plus Fund	2,090.00	2,083.87
		Deutsche MIP Fund-Plan A	135.95	–
		Deutsche MIP Fund-Plan B	36.39	–
The Tata Iron and Steel Company Ltd.	Deutsche Insta Cash Plus Fund	Deutsche Investment Opportunity Fund	611.24	179.07
		Deutsche Alpha Equity Fund	1,378.07	525.80
		Deutsche MIP Fund-Plan A	181.19	102.61
		Deutsche MIP Fund-Plan B	78.88	29.80
The Tata Power Company Limited	Deutsche Insta Cash Plus Fund	Deutsche Investment Opportunity Fund	1,193.73	–
		Deutsche Alpha Equity Fund	478.41	–
		Deutsche MIP Fund-Plan A	170.03	–
UTI Bank Limited	Deutsche Floating Rate Fund	Deutsche Floating Rate Fund	112.22	–
	Deutsche Insta Cash Plus Fund	Deutsche Insta Cash Plus Fund	2,137.06	1,667.66
	Deutsche Short Maturity Fund	Deutsche Short Maturity Fund	190.29	–

^ DEF, DIOF, DMIP-A, DMIP-B have invested in Ultratech Cemco which is a subsidiary of Grasim Industries Limited.

^^ DSMF, DICF, DFF have invested in IDBI Capital Markets Limited which is a subsidiary of IDBI.

^^^ DSMF, DICF have invested in L&T Finance Limited which is a subsidiary of Larsen & Toubro Limited.

^^^^ DICF have invested in Raymond Apparels which is a subsidiary of Raymond Limited.

^^^^^ DSMF, DICP, DPBF, DEF, DFF, DMIP-A, DMIP-B have invested in Mahindra and Mahindra Financial Services which is subsidiary of Mahindra and Mahindra Limited.

@@@@ DSMF & DICF have invested in Indian Aluminium Limited which is a subsidiary of Hindalco Industries Limited.

The above investments comprise equity shares, debentures / bonds, commercial paper, fixed deposits and other debt instruments. These investments have been made on account of their high credit quality and competitive yield for the investment in fixed income / money market instruments and in case of equity shares because of attractive valuations of these companies.



Schedules

forming part of the Balance Sheet as at March 31, 2005 and the Revenue Account for the year ended March 31, 2005

15. Unclaimed Redemptions

As at March 31, 2005 unclaimed redemptions aggregate Rs. 305,289 being payable to one investor for Plan A. These details are based on confirmations received from the Scheme's Registrar and Transfer Agent that maintain information of unclaimed redemptions on behalf of the Scheme.

16. Unclaimed Dividends

As at March 31, 2005 unclaimed dividends aggregate Rs. 3,025 being payable to two investors for Plan A and Rs. 405 being payable to two investors for Plan B. These details are based on confirmations received from the Scheme's Registrar and Transfer Agent that maintain information of unclaimed dividends on behalf of the Scheme.

17. Compliance with Investment Restrictions

Clause I of the Seventh Schedule of the Regulations specifies that a mutual fund shall not invest more than 15% of its net asset value in debt instruments issued by a single issuer. Such investment limit may be extended to 20% of the net asset value of the Scheme with the prior approval of the Trustees and the Board of asset management company. On November 1, 2004 Deutsche MIP Fund - Plan B has invested Rs. 20,000,000 in mibor linked securities of Mahindra and Mahindra Financial Services aggregating to 15.81% of the net asset value which was sold on November 3, 2004. The Scheme has not suffered any loss. This has been communicated to SEBI on April 4, 2005.

18. Perspective Historical Per Unit Statistics*

	PLAN A	PLAN B	PLAN A	PLAN B
	April 01, 2004 to March 31, 2005	April 01, 2004 to March 31, 2005	January 15, 2004 to March 31, 2004	January 15, 2004 to March 31, 2004
(a) Net asset value per unit at the end of the year / period (Note 2.5)				
Growth Option	10.8118	10.6740	10.0603	10.0734
Monthly Dividend Option	10.2700	10.1438	10.0603	10.0734
Quarterly Dividend Option	10.4118	10.2648	10.0603	10.0734
Annual Dividend Option	10.8118	10.6740	10.0603	10.0734
(b) Gross Income				
(i) income other than profit on sale of investment	1.0748	1.3372	0.0841	0.1099
(ii) income from profit on inter scheme sales / transfer of investment	0.0016	(0.1788)	0.0000	0.0001
(iii) income (net) from profit on sale of investments to third party	0.0051	0.2592	(0.0149)	(0.0113)
(iv) transfer of revenue account from past year's reserve	0.0063	0.0298	NA	NA
(c) Aggregate of expenses, writeoff, amortisation and charges	0.3871	0.3722	0.0368	0.0444
(d) Net income	0.6944	1.0454	0.0324	0.0542
(e) Net change in unrealised appreciation / (depreciation) in value of investments	0.1041	(0.1594)	0.0348	0.0350
(f) Redemption Price				
– Highest				
Growth Option	10.8741	10.7039	10.1066	10.0908
Monthly Dividend Option	10.3927	10.2465	10.0825	10.0518
Quarterly Dividend Option	10.4929	10.3444	10.0749	10.0732
Annual Dividend Option	10.8741	10.7039	10.8250	10.0000
– Lowest				
Growth Option	9.8803	10.0577	9.9620	9.9859
Monthly Dividend Option	9.8203	9.9969	9.9835	10.0000
Quarterly Dividend Option	9.8950	10.0732	9.9676	9.9830
Annual Dividend Option	9.8950	10.0524	9.9620	10.0000

Schedules

forming part of the Balance Sheet as at March 31, 2005 and the Revenue Account for the year ended March 31, 2005

	PLAN A	PLAN B	PLAN A	PLAN B
	April 01, 2004 to March 31, 2005	April 01, 2004 to March 31, 2005	January 15, 2004 to March 31, 2004	January 15, 2004 to March 31, 2004
(g) Purchase price				
– Highest				
Growth Option	10.8741	10.6918	10.1066	10.1075
Monthly Dividend Option	10.3747	10.3277	10.1066	10.0758
Quarterly Dividend Option	10.4975	10.3444	10.1066	10.0818
Annual Dividend Option	10.8299	10.4387	10.1066	10.1075
– Lowest				
Growth Option	9.8803	10.0439	9.9620	9.9793
Monthly Dividend Option	9.8381	10.0192	9.9717	9.9877
Quarterly Dividend Option	9.8982	10.0732	9.9620	9.9793
Annual Dividend Option	9.8982	10.1140	9.9793	9.9830
(h) Price earnings ratio	NA	NA	NA	NA
(i) Ratio of expenses to daily average net assets by percentage	2.25%	2.25%	2.25%@	2.25%@
(j) Ratio of gross income (including net profit / loss on sale of investments and net change in unrealised appreciation / depreciation in value of investments) to daily average net assets by percentage	6.90%	7.62%	6.35%@	6.77%@

* The above per unit calculations are based on the number of units outstanding at the end of the financial year / period

@ The ratio of expenses and gross income to average daily net assets by percentage has been annualised for the period February 05, 2004 to March 31, 2004.

19. Prior Period's Figures

Prior period's figures which are for a period of approximately three months have been re-grouped / re-arranged where appropriate.

Signatures to the Schedules 1 to 8 forming part of the Balance Sheet and the Revenue Account

K. H. VACHHA
Partner

For **Deutsche Trustee Services (India) Private Limited**

For **Deutsche Asset Management (India) Private Limited**

For and on behalf of
PRICE WATERHOUSE
Chartered Accountants

Gunit Chadha
Director

M.H. Kania
Director

Peter Noel Sampson Hanbury
Director

Sandeep Dasgupta
Director

Y. B. Desai
Director

A. S. Mitra
Director

Kersi M. Gherda
Director

Dileep Choksi
Director

Debabrata Bhadury
Director

Choy Peng Wah
Director

Vijay P. Gokhale
Director

Carl Saldanha
Director

Place: Mumbai
Date : August 30, 2005

Suresh Soni
Portfolio Manager

Vinay Kulkarni
Portfolio Manager



Statement of Portfolio Holding

as at March 31, 2005

(Referred to in Schedule 1 to the Balance Sheet as at March 31, 2005 and the Revenue Account for the year ended March 31, 2005)

PLAN A

Description	Quantity	Market / Fair Value Rupees
Equity Shares (12.83%)		
Auto (2.84%)		
Hero Honda Motors Limited	1,638	897,870
		897,870
Banks (17.18%)		
State Bank of India	5,000	3,284,750
Punjab National Bank Limited	5,459	2,147,025
		5,431,775
Cement (8.10%)		
Grasim Industries Limited@	2,111	2,561,910
		2,561,910
Consumer Non-Durables (5.05%)		
Tata Tea Limited	2,500	1,311,125
Emami Limited	3,658	284,592
		1,595,717
Ferrous Metals (34.20%)		
Tata Iron and Steel Company Limited@	25,595	10,261,036
Essar Steels Limited	10,000	550,000
		10,811,036
Media & Entertainment (13.52%)		
Deccan Chronicle Holdings Limited	29,378	4,273,030
		4,273,030
Petroleum Products (0.58%)		
Hindustan Petroleum Corporation Limited	600	183,570
		183,570
Power (10.17%)		
National Thermal Power Corporation Limited	37,500	3,213,750
		3,213,750
Software (8.36%)		
Tata Consultancy Services Limited	1,845	2,643,423
		2,643,423
Total	(Cost – Rs. 26,317,404)	31,612,081
Privately Placed Non-Convertible Debentures / Bonds (7.79%)		
Banks (100%)		
11.50% Industrial Development Bank of India 2010 *@		16,427,796
10.00% Industrial Development Bank of India 2007 *@		2,748,840
Total	(Cost – Rs. 19,242,632)	19,176,636
Non-Convertible Debentures / Bonds Listed / Awaiting Listing (13.36%)		
Banks (38.34%)		
9.00% Industrial Development Bank of India 2005 #@		7,095,781
12.00% Punjab National Bank 2007 #		5,515,065
		12,610,846
Finance (61.66%)		
8.80% Mahindra and Mahindra Financial Services 2005 #		20,280,700
		20,280,700
Total	(Cost - Rs. 33,457,347)	32,891,546

Statement of Portfolio Holding

as at March 31, 2005

Description	Market /Fair Value Rupees
Securitised Debt (39.76%)	
Finance (100%)	
GECSI Loan Trust Class D Senior Ptc IRFC 2008 *	30,239,938
ICICI Bank NTPC Loan Sec Trust TR 12 PTC 2009 *	21,360,322
JUS Trust Jet Airways Ser 4 PTC 2013 *	18,288,757
Retail Pool Trust Ptc Centurion Bank 2007 *	13,015,997
Asset Sec Trust 2004 I Chola. PTC SerA2 2006 *	8,092,707
JUS Trust Jet Airways Ser 6 PTC 2014 *	6,898,712
Total	(Cost - Rs.98,453,240) 97,896,433
Government of India Securities (26.26%)	
6.65% Government Stock 2009	42,967,500
8.07% Government Stock 2017	21,680,000
Total	(Cost – Rs. 64,639,045) 64,647,500
TOTAL INVESTMENTS	(Cost – Rs. 242,109,668) 246,224,196

Confirmation has been received from J P Morgan Chase Bank, Mumbai Branch at the end of the financial year for the investments held by them and from Standard Chartered Bank, Mumbai Branch for securities held by them in Constituent Subsidiary General Ledger (CSGL) Account.

- * Fair value of non-traded (privately placed) securities as determined in good faith by Deutsche Asset Management (India) Private Limited under procedures approved by the Trustee.
- # Fair value of non traded and thinly traded debt securities 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 as determined by Deutsche Asset Management (India) Private Limited under procedures approved by the Trustee.
- @ Investment in companies which have invested more than five per cent of the net asset value of any scheme of Deutsche Mutual Fund.

Statement of Portfolio Holding

as at March 31, 2005

PLAN B

Description	Quantity	Market / Fair Value Rupees
Equity Shares (9.47%)		
Banks (16.40%)		
Punjab National Bank Limited	3,295	1,295,924
State Bank of India	1,000	656,950
		1,952,874
Cement (8.21%)		
Grasim Industries Limited@	805	976,948
		976,948
Consumer Non-Durables (1.45%)		
Emami Limited	2,212	172,094
		172,094
Ferrous Metals (27.34%)		
Tata Iron and Steel Company Limited@	5,000	2,979,890
Essar Steels Limited	7,433	275,000
		3,254,890
Media & Entertainment (23.49%)		
Deccan Chronicle Holdings Limited	19,227	2,796,566
		2,796,566
Power (14.40%)		
National Thermal Power Corporation Limited	20,000	1,714,000
		1,714,000
Software (8.72%)		
Tata Consultancy Services Limited	725	1,038,744
		1,038,744
Total	(Cost - Rs.10,160,673)	11,906,116
Privately Placed Non-Convertible Debentures / Bonds (3.03%)		
Banks (100%)		
10.00% Industrial Development Bank of India 2007 *@		3,806,086
Total	(Cost - Rs. 3,807,459)	3,806,086
Non-Convertible Debentures / Bonds Listed / Awaiting Listing (24.76%)		
Banks (34.87%)		
14.00% Industrial Development Bank of India 2005 #@		6,797,804
9.00% Industrial Development Bank of India 2005 #@		3,041,049
14.00% Industrial Development Bank of India 2005 #@		1,019,008
		10,857,861
Finance (65.13%)		
8.80% Mahindra and Mahindra Financial Services 2005 #		20,280,700
		20,280,700
Total	(Cost - Rs. 32,176,119)	31,138,561

Statement of Portfolio Holding

as at March 31, 2005

Description	Market / Fair Value Rupees
Securitised Debt (41.49%)	
Finance (100%)	
JUS Trust Jet Airways Ser 4 PTC 2013 *	16,667,094
UBL Trust SR 6 A2 Dec03 ALFL Ptc 2006 *	15,475,017
GECSI Loan Trust Class D Senior Ptc IRFC 2008 *	10,079,979
Indian Retail ABS VIII A2 Sr ICICI Bank 2005 *	6,737,426
JUS Trust Jet Airways Ser 1 PTC 2013 *	2,200,900
ICICI Bank Retail ABSTrust SeriesII PTC 2005 *	1,018,913
Total	(Cost - Rs.54,395,438) 52,179,329
Government of India Securities (19.33%)	
6.65% Government Stock 2009	16,176,000
8.07% Government Stock 2017	8,130,000
Total	(Cost - Rs. 24,314,175) 24,306,000
Treasury Bills (0.35%)	
364 Days Treasury Bill - 5th August, 2005	441,792
Total	(Cost - Rs. 441,950) 441,792
Certificate of Deposit (1.57%)	
Certificate of Deposit (100%)	
UCO Bank 2005 *	1,973,407
Total	(Cost - Rs.1,973,407) 1,973,407
TOTAL INVESTMENTS	(Cost - Rs. 127,269,221) 125,751,291

Confirmation has been received from J P Morgan Chase Bank, Mumbai Branch at the end of the financial year for the investments held by them and from Standard Chartered Bank, Mumbai Branch for securities held by them in Constituent Subsidiary General Ledger (CSGL) Account.

- * Fair value of non-traded (privately placed) securities as determined in good faith by Deutsche Asset Management (India) Private Limited under procedures approved by the Trustee
- # Fair value of non traded and thinly traded debt securities 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 as determined by Deutsche Asset Management (India) Private Limited under procedures approved by the Trustee
- @ Investment in companies which have invested more than five per cent of the net asset value of any scheme of Deutsche Mutual Fund

Auditors' Report

To the Trustee

DEUTSCHE MUTUAL FUND

1. We have audited the Balance Sheet of Deutsche Mutual Fund – Deutsche Fixed Term Fund ("The Scheme") as at March 31, 2005 and the related Revenue Account for the period March 29, 2005 to March 31, 2005, both of which we have signed under reference to this report. These financial statements are the responsibility of the Trustee of Deutsche Mutual Fund and the Management of Deutsche Asset Management (India) 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 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, 2005 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 statement 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 purpose of our audit. The Balance Sheet and the Revenue Account referred to above are in agreement with the books of account of the Scheme.
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 amendments thereto, as applicable, and also give respectively, a true and fair view of the state of affairs of Deutsche Mutual Fund – Deutsche Fixed Term Fund as at March 31, 2005 and its net surplus for the period ended on that date.
 - (ii) The Balance Sheet as at March 31, 2005 and the Revenue Account for the period March 29, 2005 to March 31 2005, 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 methods used to value,
 - a) Privately placed securities in good faith and
 - b) Non-traded / thinly traded debt securities in accordance with guidelines for valuation of securities for mutual funds dated September 18, 2000 and amendments thereto, as applicable, issued by the Securities and Exchange Board of Indiaas at March 31, 2005 as determined by Deutsche Asset Management (India) Private Limited under procedures approved by the Trustee of Deutsche Mutual Fund are fair and reasonable.

K. H. Vachha

Partner

Membership No. F/30798

For and on behalf of

Price Waterhouse

Chartered Accountants

Place : Mumbai

Date : August 30, 2005

Balance Sheet

as at March 31, 2005

	Schedule	March 31, 2005 Rupees
Assets		
Investments	1	970,566,469
Deposits	2	100,000,000
Other Current Assets	3	272,915,931
TOTAL		1,343,482,400
Liabilities		
Unit Capital	4	1,343,022,230
Reserves and Surplus	5	392,410
Current Liabilities and Provisions	6	67,760
TOTAL		1,343,482,400

Reconciliation of Net Asset Value Per Unit

	March 31, 2005		
	Growth Option Rupees	Dividend Option Rupees	Total Rupees
Net Assets as per Balance Sheet (Total Assets less Current Liabilities and Provisions) (Note 2.5)	1,343,014,523	400,117	1,343,414,640
Number of Units in Issue	134,262,222.999	40,000.000	
Net Asset Value per Unit	10.0029	10.0029	

Notes to the Financial Statements 9

The Schedules referred to herein form an integral part of the Financial Statements

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

K. H. VACHHA
Partner

For **Deutsche Trustees Services (India)
Private Limited**

For **Deutsche Asset Management (India)
Private Limited**

For and on behalf of
PRICE WATERHOUSE
Chartered Accountants

Gunit Chadha
Director

M. H. Kania
Director

Peter Noel Sampson Hanbury
Director

Sandeep Dasgupta
Director

Y. B. Desai
Director

A. S. Mitra
Director

Kersi M. Gherda
Director

Dileep Choksi
Director

Debabrata Bhadury
Director

Choy Peng Wah
Director

Vijay P. Gokhale
Director

Carl Saldanha
Director

Place: Mumbai
Date : August 30, 2005

Suresh Soni
Portfolio Manager



Revenue Account

for the period March 29, 2005 to March 31, 2005

	Schedule	March 29, 2005 to March 31, 2005 Rupees
Income And Gains		
Interest and Discount	7	417,197
TOTAL		417,197
Expenses And Losses		
Investment Management and Advisory Fees (Note 3)		11,041
Trustee Fees and Expenses (Note 4)		736
Transfer Agent Fees and Expenses		811
Custodian Fees and Expenses (Note 5)		11,195
Audit Fees		20,000
Other Operating Expenses		6,727
		50,510
Less: Expenses to be Reimbursed by the Investment Manager (Note 7)		32,107
TOTAL		18,403
Net Surplus for the Period		398,794
Net Unrealised Depreciation in Value of Investments	8	(6,384)
Net Surplus including Net Unrealised Depreciation in Value of Investments		392,410

	March 29, 2005 to March 31, 2005		
	Growth Option Rupees	Dividend Option Rupees	Total Rupees
Net Surplus including Net Unrealised Depreciation in Value of Investments by Option	392,293	117	392,410
Balance Transferred to Reserve Fund	392,293	117	392,410
Notes to the Financial Statements	9		

The Schedules referred to herein form an integral part of the Financial Statements

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

K. H. VACHHA
Partner

For **Deutsche Trustee Services (India)
Private Limited**

For **Deutsche Asset Management (India)
Private Limited**

For and on behalf of
PRICE WATERHOUSE
Chartered Accountants

Gunit Chadha
Director

M. H. Kania
Director

Peter Noel Sampson Hanbury
Director

Sandeep Dasgupta
Director

Y. B. Desai
Director

A. S. Mitra
Director

Kersi M. Gherda
Director

Dileep Choksi
Director

Debabrata Bhadury
Director

Choy Peng Wah
Director

Vijay P. Gokhale
Director

Carl Saldanha
Director

Place: Mumbai
Date : August 30, 2005

Suresh Soni
Portfolio Manager

Schedules

forming part of the Balance Sheet as at March 31, 2005 and the Revenue Account for the period March 29, 2005 to March 31, 2005

	March 31, 2005	
	Market / Fair Value Rupees	Cost Rupees
Schedule 1		
Investments		
(Notes 2.2, 2.3, 8, 9, 10 and 12)		
(Refer to the attached Statement of Portfolio Holding as at March 31, 2005)		
Privately Placed Non-Convertible Debentures / Bonds	366,695,110	366,680,050
Non-Convertible Debentures / Bonds Listed / Awaiting Listing	285,266,713	285,321,838
Securitised Debt	271,280,012	271,246,331
Certificate of Deposit	47,324,634	47,324,634
TOTAL	970,566,469	970,572,853

	March 31, 2005 Rupees
Schedule 2	
Deposits	
Deposits with Scheduled Banks	100,000,000
TOTAL	100,000,000

	March 31, 2005 Rupees
Schedule 3	
Other Current Assets	
Balance with Banks in Current Account (Net)	1,459,205
Interest Receivables on :	
– Debentures / Bonds	21,392,564
– Deposits	32,055
Application Money Pending Allotment - Non-Convertible Debentures	250,000,000
Receivable from the Investment Manager	32,107
TOTAL	272,915,931

	March 31, 2005	
	Rupees	Units
Schedule 4		
Unit Capital		
Growth Option		
Issued and Subscribed:		
Units of Rs. 10 each fully paid-up	1,342,622,230	134,262,222.999
Outstanding :		
Initial issue and subscription	1,342,622,230	134,262,222.999
Issued during the period	–	–
	1,342,622,230	134,262,222.999
Redeemed during the period	–	–
At the end of the period	1,342,622,230	134,262,222.999

Schedules

forming part of the Balance Sheet as at March 31, 2005 and the Revenue Account for the period March 29, 2005 to March 31, 2005

	March 31, 2005	
	Rupees	Units
Schedule 4 (Contd...)		
Unit Capital		
Dividend Option		
Issued and Subscribed:		
Units of Rs.10 each fully paid-up	400,000	40,000.000
Outstanding:		
Initial issue and subscription	400,000	40,000.000
Issued during the period	–	–
	400,000	40,000.000
Redeemed during the period	–	–
At the end of the period	400,000	40,000.000
TOTAL	1,343,022,230	134,302,222.999

	March 31, 2005		
	Growth Option Rupees	Dividend Option Rupees	Total Rupees
Schedule 5			
Reserves and Surplus			
Reserve Fund			
Balance Transferred from Revenue Account	392,293	117	392,410
At the end of the period [including net unrealised depreciation in value of investments Rs. 6,384]	392,293	117	392,410
TOTAL	392,293	117	392,410

	March 31, 2005 Rupees
Schedule 6	
Current Liabilities and Provisions	
Current Liabilities	
Investment Management and Advisory Fees	11,041
Trustee Fees and Expenses	736
Transfer Agent Fees and Expenses	811
Custodian Fees and Expenses	11,195
Audit Fees	20,000
Sundry Payables	23,977
TOTAL	67,760

Schedules

forming part of the Balance Sheet as at March 31, 2005 and the Revenue Account for the period March 29, 2005 to March 31, 2005

March 29, 2005
to March 31, 2005
Rupees

Schedule 7

Interest and Discount

(Note 2.4)

Debentures / Bonds	317,786
Securitised Debt	26,230
Deposits	32,055
Certificate of Deposit	8,034
Reverse Repos	33,092
TOTAL	417,197

March 29, 2005
to March 31, 2005
Rupees

Schedule 8

Unrealised Depreciation in Value of Investments

(Note 8)

(a) Privately Placed Non-Convertible Debentures / Bonds

At the beginning of the period	–
At the end of the period	15,060
Net movement during the period	(I) 15,060

(b) Non-Convertible Debentures / Bonds Listed / Awaiting Listing

At the beginning of the period	–
At the end of the period	(55,125)
Net movement during the period	(II) (55,125)

(c) Securitised Debt

At the beginning of the period	–
At the end of the period	33,681
Net movement during the period	(III) 33,681
Net unrealised depreciation in value of investments	(I) + (II) + (III) (6,384)

Schedule 9

Notes to the Financial Statements

1. Organisation

Deutsche Fixed Term Fund (the "Scheme") is a close-ended fixed income scheme of Deutsche Mutual Fund (the "Fund") and was launched on March 29, 2005. Deutsche Mutual Fund has been sponsored by Deutsche Asset Management (Asia) Limited. Deutsche Asset Management (India) Private Limited incorporated under the Companies Act, 1956 has been appointed as the asset management company. The duration of the Scheme is 389 days from the date of allotment. The Scheme closed for initial subscription on March 29, 2005. The investment objective of the Scheme is to generate regular income by investing in a portfolio of high credit quality fixed / floating rate securities usually maturing in line with the time profile of the Scheme.

The Scheme has two options - Growth Option and Dividend Option.

The Scheme will not declare dividend under the Growth Option. The income earned on such units will remain invested within the Scheme and will be reflected in the net asset value.

Schedules

forming part of the Balance Sheet as at March 31, 2005 and the Revenue Account for the period March 29, 2005 to March 31, 2005

2. Significant Accounting Policies

2.1 Basis of Accounting

The Scheme maintains its books of account on an accrual basis. These financial statements have been prepared in accordance with the accounting policies and standards specified in the Ninth Schedule of 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 / date of determination. In valuing the Scheme's investments:

- (i) Debt securities listed on a recognised stock exchange are valued at the last quoted closing price on the National Stock Exchange of India Limited. If no sale is reported at that time, such security is valued at fair value as determined in good faith by Deutsche Asset Management (India) Private Limited under procedures approved by the Trustee of Deutsche Mutual Fund.
- (ii) Non-traded and thinly traded debt securities are valued at fair value as determined by Deutsche Asset Management (India) Private Limited under procedures approved by the Trustee of Deutsche Mutual Fund in accordance with the guidelines for valuation of securities for mutual funds dated September 18, 2000 and amendments thereto, as applicable issued by the Securities and Exchange Board of India (SEBI).
- (iii) Privately placed debt securities are valued at fair value as determined in good faith by Deutsche Asset Management (India) Private Limited under procedures approved by the Trustee of Deutsche Mutual Fund.
- (iv) Securitised debt securities are valued at fair value as determined in good faith by Deutsche Asset Management (India) Private Limited under procedures approved by the Trustee of Deutsche Mutual Fund.
- (v) Money market instruments were valued at cost plus accrued interest up to October 24, 2004. Effective October 25, 2004, traded money market securities are valued at the yield at which they are traded on the valuation date. If no sale is reported at that time, such security is valued at the last traded price plus accretion of the difference between the face value and the last traded price. Non-traded money market instruments are valued at cost plus accrued interest.
- (vi) Instruments bought on 'repo' basis are valued at the resale price after deduction of applicable interest up to the date of resale.

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 Regulations) net unrealized 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 / dates of determination is recognized in the Revenue Account. Unrealized appreciation is reduced from the distributable income at the time of income distribution. 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 is transferred to Reserve Fund.

2.3 Securities Transaction

Investment securities transactions are accounted for on a trade date basis. The Scheme uses the average cost method for determining the realized gain or loss on sale of investments.

2.4 Investment Income

Interest income is recorded on an accrual basis.

2.5 Net Asset Value for Growth / Dividend Options

The net asset value of the units of the Scheme is determined separately for the units issued under the Growth and Dividends Options.

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

2.6 Unit Premium Reserve

In accordance with the Offer Document dated March 24, 2005 unitholders have the option of redeeming the units prior to the specified termination date of the Scheme at the prevailing net asset value subject to an exit load as applicable. The premium / discount on redemption of units will be debited / credited to unit premium reserve.

2.7 Load

Load collected on redemption of units prior to the specified termination date of the Scheme is retained under a separate account in the Scheme and is used to meet the selling and distribution expenses of the Scheme.

3. Investment Management and Advisory Fees

The Scheme has paid or provided for investment management and advisory fees payable to Deutsche Asset Management (India) Private Limited for managing the Scheme at an annual rate of 0.15% of the average weekly net asset values recorded by the Scheme. All costs, charges and expenses incurred by Deutsche Asset Management (India) Private Limited in the administration and execution of the activities of the Scheme, except costs allowed to be charged to the Scheme under the Regulations, and amendments thereto as applicable, are on their own account for which they receive investment management and advisory fees.

Schedules

forming part of the Balance Sheet as at March 31, 2005 and the Revenue Account for the period March 29, 2005 to March 31, 2005

4. Trustee Fees

In accordance with the Deed of Trust dated May 29, 2002 between Deutsche Asset Management (Asia) Limited ("The Settlor") and Deutsche Trustee Services (India) Private Limited (the "Trustee"), the Scheme has paid or provided for trustee fees payable to the Trustee at an annual rate of 0.01% of the average weekly net asset values recorded by the Scheme subject to a maximum of Rs. 500,000 per annum.

5. Custodian Fees

J P Morgan Chase Bank provides custodial services to the Scheme for which it receives custody fees.

6. Income Taxes

No provision for taxation has been made as the Scheme qualifies as a recognized mutual fund under Section 10 (23D) of the Income Tax Act, 1961 of India.

7. Limitation of Expenses

The total expenses chargeable to the Scheme is limited to 0.25% of the average weekly net assets recorded by the Scheme. Deutsche Asset Management (India) Private Limited has borne Rs. 32,107 in excess of the above mentioned percentage of the average weekly net assets allowable to be charged to the Scheme as total expenses for the period.

8. Aggregate Appreciation and Depreciation In Value of Investments

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

	March 31, 2005 Rupees
Privately Placed Non-Convertible Debentures / Bonds	
– Appreciation	28,300
– Depreciation	13,240
Non-Convertible Debentures / Bonds Listed / Awaiting Listing	
– Appreciation	1,047
– Depreciation	56,172
Securitised Debt	
– Appreciation	33,681
– Depreciation	–

9. Aggregate Fair Value of Non-Traded Investments

Aggregate fair value of non-traded (including privately placed) investments as determined by Deutsche Asset Management (India) Private Limited under the procedures approved by the Trustee as at March 31, 2005 is Rs. 918,088,969.

10. Aggregate Value of Purchases and Sale of Investments

The aggregate value of investment securities purchased and sold (including matured) during the financial period is Rs. 970,538,589 (excluding accretion of discount Rs. 34,264) and Rs. Nil respectively being 72.25% and 0.00% of the average weekly net assets.

11. Income and Expenses

The total income (including net unrealized depreciation in the value of investments) and expenditure is Rs. 410,813 and Rs. 18,403 respectively being 5.58% and 0.25% (annualised) of the average weekly net assets.

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

Deutsche Mutual Fund has made the following investments in companies, which hold units in excess of 5% of the net asset value of any Scheme of Deutsche Mutual Fund.

Company Name	Scheme invested in by the Company	Investments made by Schemes of Deutsche Mutual Fund in the Company / Subsidiary	Aggregate for the period under Regulation 25(11) At Cost (Rupees in lakhs)	Outstanding as at March 31, 2005 At Market / Fair Value (Rupees in lakhs)
Bank of Baroda	Deutsche Insta Cash Plus Fund	Deutsche Alpha Equity Fund	206.01	–
Bharti Tele-Ventures Ltd.	Deutsche Floating Rate Fund	Deutsche Investment Opportunity Fund	124.18	1.03
	Deutsche Insta Cash Plus Fund	Deutsche Alpha Equity Fund	402.23	3.62
		Deutsche Insta Cash Plus Fund	947.56	–
		Deutsche MIP Fund-Plan A	11.85	–
		Deutsche MIP Fund-Plan B	5.92	–



Schedules

forming part of the Balance Sheet as at March 31, 2005 and
the Revenue Account for the period March 29, 2005 to March 31, 2005

Company Name	Scheme invested in by the Company	Investments made by Schemes of Deutsche Mutual Fund in the Company / Subsidiary	Aggregate for the period under Regulation 25(11) At Cost (Rupees in lakhs)	Outstanding as at March 31, 2005 At Market / Fair Value (Rupees in lakhs)
Export Import Bank of India	Deutsche Short Maturity Fund	Deutsche Insta Cash Plus Fund	3,843.90	2,408.38
		Deutsche Premier Bond Fund	17,704.13	–
		Deutsche Short Maturity Fund	6,956.79	–
		Deutsche MIP Fund-Plan A	299.56	–
		Deutsche MIP Fund-Plan B	199.71	–
Finolx Cables Ltd.	Deutsche Short Maturity Fund	Deutsche Insta Cash Plus Fund	1,200.00	301.86
		Deutsche Premier Bond Fund	519.16	–
		Deutsche Short Maturity Fund	2,552.65	201.24
Glaxo Smithkline Pharmaceuticals Ltd.	Deutsche Floating Rate Fund	Deutsche Investment Opportunity Fund	80.55	–
		Deutsche Alpha Equity Fund	122.95	–
Grasim Industries Ltd.	Deutsche Insta Cash Plus Fund Deutsche Short Maturity Fund	Deutsche Investment Opportunity Fund	132.05	60.68
		Deutsche Alpha Equity Fund	376.63	242.72
		Deutsche MIP Fund-Plan A	30.26	25.62
		Deutsche MIP Fund-Plan B	9.98	9.77
		Deutsche Investment Opportunity Fund^	44.12	–
		Deutsche Alpha Equity Fund^	130.76	–
HCL Technologies Ltd.	Deutsche Short Maturity Fund	Deutsche MIP Fund-Plan A^	14.41	–
		Deutsche MIP Fund-Plan B^	9.25	–
		Deutsche Investment Opportunity Fund	146.49	55.56
Hindalco Industries Ltd.	Deutsche Floating Rate Fund Deutsche Short Maturity Fund	Deutsche Alpha Equity Fund	747.11	148.16
		Deutsche MIP Fund-Plan A	28.51	–
		Deutsche Investment Opportunity Fund	93.52	–
		Deutsche Alpha Equity Fund	676.65	194.05
Hindustan Lever Ltd.	Deutsche Floating Rate Fund Deutsche Short Maturity Fund	Deutsche MIP Fund-Plan A	14.03	–
		Deutsche MIP Fund-Plan B	9.35	–
		Deutsche Insta Cash Plus Fund@@@	2,000.00	–
		Deutsche Short Maturity Fund@@@	2,000.00	–
		Deutsche Fixed Term Fund	508.93	–
Hindustan Zinc Limited	Deutsche Floating Rate Fund	Deutsche Insta Cash Plus Fund	873.14	–
		Deutsche Alpha Equity Fund	35.78	–
		Deutsche Floating Rate Fund	275.45	–
Housing Development Finance Corporation	Deutsche Insta Cash Plus Fund	Deutsche Dynamic Bond Fund	1,446.57	–
		Deutsche Floating Rate Fund	2,392.59	3,144.04
		Deutsche Insta Cash Plus Fund	21,492.53	6,992.78
		Deutsche Premier Bond Fund	14,457.31	–
		Deutsche Short Maturity Fund	14,887.35	–
		Deutsche MIP Fund-Plan A	1,239.83	–
		Deutsche MIP Fund-Plan B	200.00	–
		Deutsche Alpha Equity Fund	275.45	–
Industrial Development Bank of India	Deutsche Floating Rate Fund Deutsche Insta Cash Plus Fund Deutsche Short Maturity Fund	Deutsche Fixed Term Fund	1,425.16	1,424.58
		Deutsche Investment Opportunity Fund	101.19	91.15
		Deutsche Alpha Equity Fund	512.83	273.45
		Deutsche Dynamic Bond Fund	761.31	7.14
		Deutsche Floating Rate Fund	7,741.86	733.14
		Deutsche Insta Cash Plus Fund	23,131.79	6,147.51
		Deutsche Premier Bond Fund	9,282.64	115.47
		Deutsche Short Maturity Fund	9,974.79	692.66
		Deutsche MIP Fund-Plan A	1,390.68	262.72
		Deutsche MIP Fund-Plan B	472.70	146.64
		Deutsche Fixed Term Fund^^	1,992.73	1,993.01
		Deutsche Short Maturity Fund^^	1,000.10	–

Schedules

forming part of the Balance Sheet as at March 31, 2005 and
the Revenue Account for the period March 29, 2005 to March 31, 2005

Company Name	Scheme invested in by the Company	Investments made by Schemes of Deutsche Mutual Fund in the Company / Subsidiary	Aggregate for the period under Regulation 25(11) At Cost (Rupees in lakhs)	Outstanding as at March 31, 2005 At Market / Fair Value (Rupees in lakhs)
Infrastructure Development Finance Company Limited	Deutsche Dynamic Bond Fund	Deutsche Insta Cash Plus Fund	7,356.99	857.62
	Deutsche Insta Cash Plus Fund			
	Deutsche Premier Bond Fund			
	Deutsche Short Maturity Fund			
Infrastructure Leasing and Financial Services Limited	Deutsche Insta Cash Plus Fund	Deutsche Floating Rate Fund	5,510.00	509.24
		Deutsche Insta Cash Plus Fund	8,039.91	–
		Deutsche Short Maturity Fund	4,710.60	–
ITC Limited	Deutsche Insta Cash Plus Fund	Deutsche Investment Opportunity Fund	224.64	17.28
	Deutsche Short Maturity Fund	Deutsche Alpha Equity Fund	1,661.07	158.16
		Deutsche MIP Fund-Plan A	20.37	–
		Deutsche MIP Fund-Plan B	12.20	–
Jet Airways India Pvt. Limited	Deutsche Insta Cash Plus Fund	Deutsche Premier Bond Fund	1,215.38	348.66
		Deutsche Short Maturity Fund	815.87	1,089.62
		Deutsche MIP Fund-Plan A	101.28	251.87
Larsen & Toubro Ltd.	Deutsche Investment Opportunity Fund	Deutsche Investment Opportunity Fund	663.91	–
	Deutsche Alpha Equity Fund	Deutsche Alpha Equity Fund	2,561.27	99.52
	Deutsche Insta Cash Plus Fund	Deutsche Insta Cash Plus Fund	1,884.49	–
	Deutsche Alpha Equity Fund	Deutsche Short Maturity Fund	617.77	–
	Deutsche Insta Cash Plus Fund	Deutsche MIP Fund-Plan A	205.12	–
		Deutsche MIP Fund-Plan B	77.45	–
		Deutsche Floating Rate Fund ^{^^^}	100.00	–
LIC Housing Finance Ltd.	Deutsche Floating Rate Fund	Deutsche Floating Rate Fund	1,266.63	250.85
		Deutsche Insta Cash Plus Fund	4,555.99	250.85
		Deutsche Premier Bond Fund	4,229.55	–
Mahindra & Mahindra Limited	Deutsche Dynamic Bond Fund	Deutsche Investment Opportunity Fund	500.00	–
		Deutsche Alpha Equity Fund	824.39	–
		Deutsche Insta Cash Plus Fund	477.02	–
		Deutsche MIP Fund-Plan A	73.23	–
		Deutsche MIP Fund-Plan B	22.31	–
		Deutsche Alpha Equity Fund ^{^^^^}	1,300.00	–
		Deutsche Floating Rate Fund ^{^^^^}	8,290.62	1,708.46
		Deutsche Insta Cash Plus Fund ^{^^^^}	22,885.19	5,354.36
		Deutsche Premier Bond Fund ^{^^^^}	3,418.56	–
		Deutsche Short Maturity Fund ^{^^^^}	9,781.86	167.89
Nestle India Limited	Deutsche Insta Cash Plus Fund	Deutsche Alpha Equity Fund	43.01	–
Patni Computer Systems Limited	Deutsche Fixed Term Fund	Deutsche Investment Opportunity Fund	106.68	–
		Deutsche Alpha Equity Fund	192.41	–
		Deutsche MIP Fund-Plan A	22.04	–
		Deutsche MIP Fund-Plan B	12.82	–
Raymond Limited	Deutsche Dynamic Bond Fund	Deutsche Floating Rate Fund	500.00	–
	Deutsche Floating Rate Fund	Deutsche Insta Cash Plus Fund	4,000.00	–
	Deutsche Insta Cash Plus Fund	Deutsche Short Maturity Fund	6,800.00	–
	Deutsche Short Maturity Fund	Deutsche Insta Cash Plus Fund ^{^^^^}	494.31	–

Schedules

forming part of the Balance Sheet as at March 31, 2005 and the Revenue Account for the period March 29, 2005 to March 31, 2005

Company Name	Scheme invested in by the Company	Investments made by Schemes of Deutsche Mutual Fund in the Company / Subsidiary	Aggregate for the period under Regulation 25(11) At Cost (Rupees in lakhs)	Outstanding as at March 31, 2005 At Market / Fair Value (Rupees in lakhs)
Tata Chemicals Limited	Deutsche Dynamic Bond Fund Deutsche Short Maturity Fund	Deutsche Alpha Equity Fund	16.34	–
Tata Motors Limited	Deutsche Insta Cash Plus Fund	Deutsche Investment Opportunity Fund Deutsche Alpha Equity Fund Deutsche Floating Rate Fund Deutsche Insta Cash Plus Fund Deutsche MIP Fund-Plan A Deutsche MIP Fund-Plan B	568.28 1,639.00 1,045.00 2,090.00 135.95 36.39	82.79 227.67 1,041.93 2,083.87 – –
The Tata Iron and Steel Company Ltd.	Deutsche Insta Cash Plus Fund	Deutsche Investment Opportunity Fund Deutsche Alpha Equity Fund Deutsche MIP Fund-Plan A Deutsche MIP Fund-Plan B	611.24 1,378.07 181.19 78.88	179.07 525.80 102.61 29.80
The Tata Power Company Limited	Deutsche Insta Cash Plus Fund	Deutsche Investment Opportunity Fund Deutsche Alpha Equity Fund Deutsche MIP Fund-Plan A	1,193.73 478.41 170.03	– – –
UTI Bank Limited	Deutsche Floating Rate Fund Deutsche Insta Cash Plus Fund Deutsche Short Maturity Fund	Deutsche Floating Rate Fund Deutsche Insta Cash Plus Fund Deutsche Short Maturity Fund	112.22 2,137.06 190.29	– 1,667.66 –

^ DEF, DIOF, DMIP-A, DMIP-B have invested in Ultratech Cemco which is a subsidiary of Grasim Industries Limited.

^^ DSMF, DICF, DFF have invested in IDBI Capital Markets Limited which is a subsidiary of IDBI.

^^^ DSMF, DICF have invested in L&T Finance Limited which is a subsidiary of Larsen & Toubro Limited.

^^^^ DICF have invested in Raymond Apparels which is a subsidiary of Raymond Limited.

^^^^^ DSMF, DICP, DPBF, DEF, DFF, DMIP-A, DMIP-B have invested in Mahindra and Mahindra Financial Services which is subsidiary of Mahindra and Mahindra Limited.

@@@@ DSMF & DICF have invested in Indian Aluminium Limited. which is a subsidiary of Hindalco Industries Limited.

The above investments comprise equity shares, debentures / bonds, commercial paper, fixed deposits and other debt instruments.

These investments have been made on account of their high credit quality and competitive yield for the investment in fixed income / money market instruments and in case of equity shares because of attractive valuations of these companies.

13. Perspective Historical Per Unit Statistics*

	March 29, 2005 to March 31, 2005
(a) Net asset value per unit at the end of the period (Note 2.5)	
Growth Option	10.0029
Dividend Option	10.0029
(b) Gross Income	
(i) income other than profit on sale of investment	0.0031
(ii) income from profit on inter-scheme sales / transfer of investment	0.0000
(iii) income (net) from profit on sale of investments to third party	0.0000
iv) transfer of revenue account from past year's reserve	NA
(c) Aggregate of expenses, write off, amortisation and charges	0.0001
(d) Net income	0.0030
(e) Net unrealised depreciation in value of investments	(0.0000)#
(f) Redemption price	
– Highest	
Growth Option	NA
Dividend Option	NA

Schedules

forming part of the Balance Sheet as at March 31, 2005 and the Revenue Account for the period March 29, 2005 to March 31, 2005

	March 29, 2005 to March 31, 2005
– Lowest	
Growth Option	NA
Dividend Option	NA
(g) Purchase price	
– Highest	
Growth Option	10.0000
Dividend Option	10.0000
– Lowest	
Growth Option	10.0000
Dividend Option	10.0000
(h) Price earnings ratio	NA
(i) Ratio of expenses to average daily net assets by percentage	0.25%@
(j) Ratio of gross income (including net unrealised depreciation in value of investments) to average daily net assets by percentage	5.58%@

* The above per unit calculations are based on the number of units in issue at the end of the financial period

Below 0.0001 per unit

@ The ratio of expenses and gross income to average daily net assets by percentage have been annualised for the period March 30, 2005 to March 31, 2005

14. Prior Year's Figures

As these are the first financial statements of the Scheme since the date of its commencement, there are no comparative figures.

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

K. H. VACHHA
Partner

For **Deutsche Trustee Services (India)
Private Limited**

For **Deutsche Asset Management (India)
Private Limited**

For and on behalf of
PRICE WATERHOUSE
Chartered Accountants

Gunit Chadha
Director

M. H. Kania
Director

Peter Noel Sampson Hanbury
Director

Sandeep Dasgupta
Director

Y. B. Desai
Director

A. S. Mitra
Director

Kersi M. Gherda
Director

Dileep Choksi
Director

Debabrata Bhadury
Director

Choy Peng Wah
Director

Vijay P. Gokhale
Director

Carl Saldanha
Director

Place: Mumbai
Date : August 30, 2005

Suresh Soni
Portfolio Manager

Statement of Portfolio Holding

as at March 31, 2005

(Referred to in Schedule 1 to the Balance Sheet as at March 31, 2005 and the Revenue Account for the period March 29, 2005 to March 31, 2005)

Description	Market / Fair Value Rupees
Privately Placed Non-Convertible Debentures / Bonds (37.78%)	
Banks (10.20%)	
14% Industrial Development Bank of India 2006 *@	21,466,800
14% Industrial Development Bank of India 2006 *@	15,926,910
	37,393,710
Finance (89.80%)	
6% IDBI Capital 2006 *	199,301,400
8% Global Trade Finance 2005 *	130,000,000
	329,301,400
Total	(Cost – Rs. 366,680,050) 366,695,110
Non-Convertible Debentures / Bonds Listed / Awaiting Listing (29.39%)	
Banks (36.83%)	
14.3% Industrial Development Bank of India 2006 #@	54,855,700
6.75% Industrial Development Bank of India 2006 #@	50,208,200
	105,063,900
Finance (6.84%)	
10.45% Indian Railway Finance Corporation 2006 #	2,110,648
6.98% Indian Railway Finance Corporation 2006 #	10,078,827
9.7% Power Finance Corporation 2006 #	7,328,454
	19,517,929
Petroleum Products (56.33%)	
10.25% Indian Oil Corporation 2006 #	4,189,184
11% Reliance Industries 2006	52,477,500
9.6% Reliance Industries 2006 #	104,018,200
	160,684,884
Total	(Cost – Rs. 285,321,838) 285,266,713
Securitised Debt (27.95%)	
Finance (100%)	
GECSI Loan Trust Series I Class B Ptc 2006 *	76,228,286
Indian RMBS PTC ICICI Bank 2006 *	195,051,726
Total	(Cost - Rs. 271,246,331) 271,280,012
Certificate of Deposit (4.88%)	
Federal Bank 2006*	47,324,634
Total	(Cost – Rs. 47,324,634) 47,324,634
TOTAL INVESTMENTS	(Cost – Rs. 970,572,853) 970,566,469

Confirmation has been received from J P Morgan Chase Bank, Mumbai Branch at the end of the financial period for the investments held by them

* Fair value of non-traded (privately placed) securities as determined in good faith by Deutsche Asset Management (India) Private Limited under procedures approved by the Trustee.

Fair value of non-traded and thinly traded debt securities 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 as determined by Deutsche Asset Management (India) Private Limited under procedures approved by the Trustee.

@ Investment in companies which have invested more than five per cent of the net asset value of any scheme of Deutsche Mutual Fund.

Auditors' Report

To the Trustee

DEUTSCHE MUTUAL FUND

1. We have audited the Revenue Account of Deutsche Mutual Fund – Deutsche Fixed Maturity Plans ("The Scheme") for the period April 1, 2004 to April 15, 2004, which we have signed under reference to this report. No Balance Sheet of the Scheme has been prepared for reasons disclosed in Schedule 5 - Note 2.1 to the Revenue Account. The revenue Account is the responsibility of the Trustee of Deutsche Mutual Fund and the Management of Deutsche Asset Management (India) Private Limited (the "Management"). Our responsibility is to express an opinion on the Revenue Account 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 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, 2005 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 statement 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 purpose of our audit. The Revenue Account referred to above is in agreement with the books of account of the Scheme.
4. In our opinion and to the best of our information and according to the explanations given to us,
 - (i) The Revenue Account together with the notes to the Financial statements gives the information required by the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 and amendments thereto, as applicable, and also gives, a true and fair view of the net surplus of Deutsche Mutual Fund – Deutsche Fixed Maturity Plans for the period April 1, 2004 to April 15, 2004.
 - (ii) The Revenue Account for the period ended April 1, 2004 to April 15, 2004, 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.

K. H. Vachha

Partner

Membership No. F/30798

For and on behalf of

Price Waterhouse

Chartered Accountants

Place : Mumbai

Date : August 30, 2005



Revenue Account

for the period April 01, 2004 to April 15, 2004

Matured Plan		385 Days Series	385 Days Series
	Schedule	April 01, 2004 to April 15, 2004 Rupees	April 01, 2003 to March 31, 2004 Rupees
Maturity Date		April 15, 2004	
Income And Gains			
Interest and Discount	3	346,605	10,026,437
Other Income		-	-
TOTAL		346,605	10,026,437
Expenses And Losses			
Net Loss on Sale of Investments [Net of Net Profit on Inter - Scheme Sale of Investments Rs. 24.) (Note 2.3)		2,198	-
Investment Management and Advisory Fees (Note 3)		16,521	396,193
Trustee Fees and Expenses (Note 4)		661	15,605
Transfer Agent Fees and Expenses		661	9,870
Audit Fees		-	10,000
Selling and Distribution Expenses		-	853
Other Operating Expenses		1,983	35,642
TOTAL		22,024	468,163
Net Surplus for the Period / Year		324,581	9,558,274
Net Change in Unrealised Depreciation in Value of Investments	4	(9,714)	(136,152)
Net Surplus including Net Change in Unrealised Depreciation in Value of Investments		314,867	9,422,122
Balance Transferred to Reserve Fund		314,867	9,422,122
Notes to the Financial Statements	5		
The Schedules form an integral part of the Financial Statements			

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

K. H. VACHHA
Partner

For **Deutsche Trustee Services (India)
Private Limited**

For **Deutsche Asset Management (India)
Private Limited**

For and on behalf of
PRICE WATERHOUSE
Chartered Accountants

Gunit Chadha
Director

M. H. Kania
Director

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Director

Dileep Choksi
Director

Debabrata Bhadury
Director

Choy Peng Wah
Director

Vijay P. Gokhale
Director

Carl Saldanha
Director

Place: Mumbai
Date : August 30, 2005

Suresh Soni
Portfolio Manager

Schedules

forming part of the Financial Statements for the period April 01, 2004 to April 15, 2004

	385 Days Series		385 Days Series	
	March 31, 2005 Rupees	Units	March 31, 2004 Rupees	Units
Schedule 1				
Unit Capital				
Matured Plan				
Growth Option				
Issued and Subscribed :				
Units of Rs.10 each fully paid up	151,000,000	15,100,000.000	151,000,000	15,100,000.000
Outstanding :				
At the beginning of the period / year	151,000,000	15,100,000.000	151,000,000	15,100,000.000
Issued during the period / year	-	-	-	-
	151,000,000	15,100,000.000	151,000,000	15,100,000.000
Matured during the period / year	151,000,000	15,100,000.000	-	-
At the end of the period / year	-	-	151,000,000	15,100,000.000

	385 Days Series	
	March 31, 2005 Rupees	March 31, 2004 Rupees
Schedule 2		
Reserves and Surplus		
Matured Plan		
Growth Option		
Reserve Fund		
At the beginning of the period / year	9,726,217	304,095
Balance Transferred from Revenue Account	314,867	9,422,122
Utilisation towards Redemption	(10,041,084)	-
At the end of the period / year [including net unrealised appreciation in value of investments Rs. Nil. (2004: Rs. 9,714)]	-	9,726,217

	385 Days Series	
	April 01, 2004 to April 15, 2004 Rupees	April 01, 2003 to March 31, 2004 Rupees
Schedule 3		
Interest and Discount (Note 2.4)		
Debentures / Bonds	114,269	2,811,042
Deposits	125,435	3,107,054
Reverse Repos	2,103	-
Treasury Bills	104,798	2,726,324
Commercial Paper	-	1,382,017
TOTAL	346,605	10,026,437



Schedules

forming part of the Financial Statements for the period April 01, 2004 to April 15, 2004

385 Days Series

	April 01, 2004 to April 15, 2004 Rupees	April 01, 2003 to March 31, 2004 Rupees
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Schedule 4

Unrealised Depreciation in Value of Investments (Note 7)

(a) Privately Placed Non-Convertible Debentures / Bonds

At the beginning of the period / year		9,714	64,012
At the end of the period / year		–	9,714
Net change during the period / year	(I)	(9,714)	(54,298)

(b) Treasury Bills

At the beginning of the period / year		–	81,854
At the end of the period / year		–	–
Net change during the period / year	(II)	–	(81,854)
Net change in unrealised depreciation in value of investments during the period / year	(I)+(II)	(9,714)	(136,152)

Schedule 5

Notes to the Financial Statements

1. Organisation

Deutsche Fixed Maturity Plans (the "Scheme") is an umbrella scheme of Deutsche Mutual Fund (the "Fund") offering a series of plans with fixed maturities and was launched on March 26, 2003. Deutsche Mutual Fund has been sponsored by Deutsche Asset Management (Asia) Limited. Deutsche Asset Management (India) Private Limited incorporated under the Companies Act 1956, has been appointed as the asset management company. The Scheme has a series of closed-ended plans (the "Plans") having fixed maturities of 98 days, 189 days and 385 days with a new plan being offered weekly on every Wednesday. The first 385 days Series Plan of the Scheme was launched on March 26, 2003 which received subscription only for the Growth Option. The investment objective of the Scheme and the Series / Plan therein is to generate income and capital appreciation by investing in a portfolio of fixed income securities usually maturing in line with the time profile of the respective Series / Plans.

The Series / Plans have two options – (i) Growth Option and (ii) Dividend Option. The Scheme will not declare dividend under the Growth Option. The income earned on such units would remain invested within the Scheme and will be reflected in the net asset value.

During the year, the Scheme did not launch any new Plans and the only Plan - 385 Days Series launched on March 26, 2003 has matured on April 15, 2004.

2. Significant Accounting Policies

2.1 Basis of Accounting

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

In respect of the Plan of the Scheme matured during the year, investments have been liquidated on the maturity date and the unit capital has been liquidated on the business day immediately following the date of maturity. Accordingly the Revenue Account for the Plan matured during the year has been prepared for the period ending on the maturity date.

Since there are no outstanding assets and liabilities as at March 31, 2005 in respect of the Plan matured during the year, a Balance Sheet has not been prepared as of that date for the Plan.

Historical per unit statistics have not been disclosed for the Plan matured during the year.

2.2 Portfolio Valuation

Investments are stated at market / fair value at the Balance Sheet date / date of determination. In valuing the Scheme's investments:

- i. Debt securities listed on a recognised stock exchange are valued at the last quoted closing price on the National Stock Exchange of India Limited. If no sale is reported at that time, such security is valued at fair value as determined in good faith by Deutsche Asset Management (India) Private Limited under procedures approved by the Trustee of Deutsche Mutual Fund.

Schedules

forming part of the Financial Statements for the period April 01, 2004 to April 15, 2004

- ii. Non traded and thinly traded debt securities are valued at fair value as determined by Deutsche Asset Management (India) Private Limited under procedures approved by the Trustee of Deutsche Mutual Fund in accordance with the guidelines for valuation of securities for mutual funds dated September 18, 2000 and amendments thereto, as applicable issued by the Securities and Exchange Board of India (SEBI).
- iii. Privately placed debt securities are valued at fair value as determined in good faith by Deutsche Asset Management (India) Private Limited under procedures approved by the Trustee of Deutsche Mutual Fund.
- iv. Money market instruments are valued at cost plus accrued interest.
- v. Instruments bought on 'repo' basis are valued at the resale price after deduction of applicable interest upto the date of resale.

Following the issue of the guidance note on accounting for investments in the financial statements of mutual funds by the Institute of Chartered Accountants of India (pursuant to the Eleventh Schedule of the Regulations) net unrealized appreciation / depreciation in the value of investments is determined separately for each category of investments. Further the change in net unrealized appreciation / depreciation, if any, between two Balance Sheet dates / dates of determination is recognized in the Revenue Account. Unrealized appreciation is reduced from the distributable income at the time of income distribution. At the end of the financial year, the balance in the Revenue Account including change in the net unrealized appreciation or depreciation in the value of investments is transferred to Reserve Fund.

2.3 Securities Transaction

Investment securities transactions are accounted for on a trade date basis. The Scheme uses the average cost method for determining the realized gain or loss on sale of investments.

2.4 Investment Income

Interest income is recorded on an accrual basis.

2.5 Net Asset Value for Growth / Dividend Options

The net asset value of the units of the Scheme is determined separately for the units issued under the Growth and Dividend Options.

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

2.6 Unit Premium Reserve

Upon redemption of units, the net premium or discount to the face value of units is adjusted against the unit premium reserve of the Scheme.

The unit premium reserve is available for dividend distribution except to the extent it is represented by net unrealized appreciation in value of investments.

3. Investment Management and Advisory Fees

The Scheme has paid or provided for investment management and advisory fees payable to Deutsche Asset Management (India) Private Limited for managing the Scheme at an annual rate of 0.25 % of the average weekly net asset values recorded by the Scheme. All costs, charges and expenses incurred by Deutsche Asset Management (India) Private Limited in the administration and execution of the activities of the Scheme, except costs allowed to be charged to the Scheme under the Regulations and amendments thereto as applicable, are on their own account for which they receive investment management and advisory fees. All expenses subsequent to the maturity of the Plan will be borne by Deutsche Asset Management (India) Private Limited from the investment manager fees received from the Plan.

4. Trustee Fees

In accordance with the Deed of Trust dated May 29, 2002 between Deutsche Asset Management (Asia) Limited ("The Settlor") and Deutsche Trustee Services (India) Private Limited (the "Trustee"), the Scheme has paid or provided for trustee fees payable to the Trustee at an annual rate of 0.01% of the average weekly net asset values recorded by the Scheme subject to a maximum of Rs. 500,000 per annum.

5. Custodian Fees

J P Morgan Chase Bank provides custodial services to the Scheme for which it receives custody fees.

6. Income Taxes

No provision for taxation has been made as the Scheme qualifies as a recognized mutual fund under Section 10 (23D) of the Income Tax Act 1961, of India.

Schedules

forming part of the Financial Statements for the period April 01, 2004 to April 15, 2004

7. Aggregate Appreciation and Depreciation in Value of Investments

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

	April 15, 2004 Rupees	March 31, 2004 Rupees
Privately Placed Non-Convertible Debentures / Bonds		
- Appreciation	-	9,714
- Depreciation	9,714	-

8. Aggregate Value of Purchases and Sale of Investments

The aggregate value of investment securities purchased and sold (including matured) during the financial period is Rs. 99,691,220 (excluding accretion of discount Rs. 104,798) and Rs. 213,472,097 respectively being 61.99 % and 132.73 % of the average weekly net assets.

9. Income and Expenses

The total income (including net loss on sale of investments and net change in unrealized depreciation in the value of investments) and expenditure is Rs. 334,693 and Rs.19,826 respectively being 5.06 % and 0.30 % (annualised) of the average weekly net assets.

10. Prior Year's Figures

Prior year's figures have been re-grouped / re-arranged where appropriate.

Signatures to the Schedules 1 to 5 forming part of the Revenue Account

K. H. VACHHA
Partner

For **Deutsche Trustee Services (India)
Private Limited**

For **Deutsche Asset Management (India)
Private Limited**

For and on behalf of
PRICE WATERHOUSE
Chartered Accountants

Gunit Chadha
Director

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Kersi M. Gherda
Director

Dileep Choksi
Director

Debabrata Bhadury
Director

Choy Peng Wah
Director

Vijay P. Gokhale
Director

Carl Saldanha
Director

Place: Mumbai
Date : August 30, 2005

Suresh Soni
Portfolio Manager

Official Points for Accepting Transactions

Karvy Investor Service Centres

AHMEDABAD

201-203, Shail Building, Opp. Madhusudan House,
Near Navrangpura Tel. Exchange,
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BANGALORE

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51 / 25, Richmond Road, Bangalore 560 025.
Tel. : 080-25320085 / 86

BARODA

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Sayajiguj, Baroda 390 005.
Tel. : 0265-2225210 / 2225168 / 69

CHENNAI

Flat 2 - B, First Floor, Wellington Estate No. 24, Ethiraj Salai,
Commander-in-Chief Road, Chennai 600 105.
Tel. : 044-52028858 (D) / 52028512

COCHIN

G 39, Panampally Nagar, Cochin 682 036.
Tel. : 0484-310884 / 322152

HYDERABAD

21, Road No. 4, Street No.1, Banjara Hills, Hyderabad 500 034.
Tel. : 040-23312454 Extn. 488 / 119

KOLKATA

49, Jatindas Road, Kolkata 700 029.
Tel. : 033-24659267 (D) / 24659263

LUCKNOW

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Hazratganj, Lucknow 226 001.
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Opp. MSC Bank, Fort, Mumbai 400 023.
Tel. : 022-56346513 (D) / 56381746 to 50

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Tel. : 011-51511627 (D)

PUNE

202, Mahadkar Chambers, Opp. Karishma Heights,
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Tel. : 020-25456890 / 870 / 4028431

Deutsche Asset Management (India) Private Limited

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CHENNAI

Suite #121,
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31A Cathedral Garden Road,
Near Palmgroove Hotel,
Nugambakkam,
Chennai - 600 034.
Tel.: +91 (44) 5564 9695



Statutory Details :

Deutsche Mutual Fund has been set up as a trust sponsored by Deutsche Asset Management (Asia) Limited (liability restricted to Rs 1 lakh). The Trustee of the mutual fund is Deutsche Trustee Services (India) Private Limited and the Investment Manager is Deutsche Asset Management (India) Private Limited.

Standard Risk Factors :

Mutual funds, like securities investments, are subject to market and other risks and there can be no guarantee against loss resulting from an investment in the Scheme nor can there be any assurance that the Scheme's objectives will be achieved. As with any investment in securities, the NAV of the Units issued under the Scheme can go up or down depending on various factors that may affect the values of the Scheme's investments. In addition to the factors that affect the value of individual securities, the NAV of the Scheme can be expected to fluctuate with movements in the broader equity and bond markets and may be influenced by factors affecting capital markets in general, such as, but not limited to, changes in interest rates, currency exchange rates, changes in governmental policies, taxation, political, economic or other developments and increased volatility in the stock and bond markets. Neither the past performance of the mutual funds managed by the Sponsors and their affiliates / associates, nor the past performance of the Sponsors or AMC or the Fund is necessarily indicative of future performance of the schemes. The names of the schemes do not in any manner indicate the quality of the Scheme(s), their future prospects or returns. The Sponsors are not responsible or liable for any loss resulting from the operation of the Scheme beyond the initial contribution of an amount of Rs.1 lakh collectively made by them towards setting up the Fund or such other accretions and additions to the initial corpus set up by the Sponsors. Investors in the Schemes are not being offered a guaranteed or assured rate of return. Please refer to the offer document for scheme specific risk factors before investing.

Load Structure :

Deutsche Alpha Equity Fund & Deutsche Investment Opportunity Fund : Entry Load : For subscription less than Rs. 2 Crore -2.25%, Above Rs. 2 Crore -Nil; Exit Load: Nil. Deutsche Premier Bond Fund (Regular Plan) & Deutsche Dynamic Bond Fund (Regular Plan): Entry Load: Nil; Exit Load: For less than Rs. 10 Lakh if exit within 3 months -0.5%, Other Cases -Nil. Deutsche MIP Fund (Plan A & Plan B): Entry Load: Nil; Exit Load: For less than Rs. 10 Lakh if redeemed before 12 months -0.5% , Rs. 10 Lakhs to less than Rs. 25 Lakhs, if redeemed before 6 months -0.25%, Rs. 25 Lakhs and above -Nil. Deutsche Short Maturity Fund, Deutsche Floating Rate Fund & Deutsche Insta Cash Plus Fund: Entry Load : Nil; Exit Load: Nil. Deutsche Fixed Term Fund: Entry Load: Nil; Exit Load; 3% if redeemed within 4 months, 2% if redeemed after 4 months but before 8 months and 1% if redeemed after 8 months but before maturity date.

**Deutsche Asset Management (India)
Private Limited**

Registered & Corporate Office :

DB House, Hazarimal Somani Marg,

Fort, Mumbai - 400 001

Tel: +91 (22) 5658 4600

Fax: +91 (22) 2207 4411

E-mail: deutsche.mutual@db.com

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