

# Deutsche Mutual Fund

DWS Debt Schemes

Annual Report 2006-2007

1<sup>ST</sup> CHOICE FOR YOUR MONEY.



## Sponsors / Co-Sponsors

### Deutsche Asset Management (Asia) Limited

Registered Office :

20 Raffles Place, #27-01 Ocean Towers,  
Singapore 048620.

### Deutsche India Holdings Private Limited

5th Floor, Nicholas Piramal Tower,  
Peninsula Corporate Park, Ganpatrao Kadam Marg,  
Lower Parel, Mumbai 400 013.

## Asset Management Company

### Deutsche Asset Management (India) Private Limited

Registered & Corporate Office :

2nd Floor, 222, Kodak House, Dr. D. N. Road, Fort,  
Mumbai 400 001.

## Trustee

### Deutsche Trustee Services (India) Private Limited

Registered Office :

2nd Floor, 222, Kodak House, Dr. D. N. Road,  
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.

## Board of Directors of the Trustee Company

Mr. Gunit Chadha - Chairman

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. Stephen Paul Harris

Mr. Bhalchandra Bhide

Mr. Vijai Mantri

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# Trustee Report

Dear Investor,

It gives us great pleasure to welcome you to Deutsche Mutual Fund - India ("the Mutual Fund" or "the Fund"). The Fund has now successfully completed four years and we furnish herein the audited financials of the various schemes as on **31st March, 2007**.

- **Highlights of the year 2006-07**

The Fund launched nineteen new schemes during the year and consequently the Assets Under Management (AUM) rose by 132% from Rs. 2,535 Crores as on March 31, 2006 to Rs. 5,905 Crores as on March 31, 2007. The gross collection under all the New Fund Offers launched during the year was approximately Rs. 4,588 Crores.

- **Constitution of the Fund**

Deutsche Mutual 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. Deutsche Trustee Services (India) Private Limited is the trustee to the Fund and Deutsche Asset Management (India) Private Limited has been appointed as Asset Management Company to the Mutual Fund vide Investment Management Agreement dated 29th May, 2002.

- **Sponsor**

Deutsche Mutual Fund had been set up as a trust settled by Deutsche Asset Management (Asia) Ltd. (DeAM Asia) (liability restricted to Rs. 1 lakh). DeAM Asia and Deutsche India Holdings Private Limited (DIHPL) are the co-sponsors of the Mutual Fund. During the Financial Year 2005-06 the entire shareholding of DeAM Asia in Deutsche Asset Management (India) Private Limited (DeAM) was transferred to DIHPL. Further, during the Financial Year 2006-07, 23,02,500, 3% Cumulative Redeemable Preference Shares of Rs.100/- each held by DIHPL in DeAM were converted into 2,30,25,000 Equity Shares of Rs.10/- each fully paid-up at par in the ratio of 1:10. Pursuant to the above conversion, DIHPL now holds 98.025% of the paid-up share capital of DeAM.

DeAM Asia was incorporated in 1987 and is headquartered in Singapore. DeAM Asia is responsible for marketing and sourcing new assets in the region for investments into Asia and Global range of equity and fixed interest products. DeAM Asia has an Investment Adviser License issued by the Monetary Authority of Singapore ("MAS").

DIHPL, a company incorporated under the Companies Act, 1956 having its registered office at 5th Floor, Nicholas Piramal Tower, Peninsula Corporate Park, Ganpatrao Kadam Marg, Lower Parel, Mumbai, is the co-sponsor for Deutsche Mutual Fund by virtue of its contribution of more than 40% to the networth of Deutsche Asset Management (India) Pvt. Ltd. Consequently, Deutsche Asset Management (Asia) Limited ("DeAM Asia") and Deutsche India Holdings Private Limited are the co-sponsors for the Deutsche Mutual Fund. The company has been formed to act as a holding and investment company for the various existing and future operating subsidiaries of the Deutsche Bank Group that are engaged in the financial services and back office processing services.

- **DWS Investments**

DWS Investments is the retail mutual fund management division of Deutsche Asset Management, Deutsche Bank Group's asset management network. As one of the largest global fund management companies, Deutsche Asset Management oversees EUR 557 billion (as of 31 May, 2007) worth of assets for clients worldwide. DWS Investments is the largest mutual fund company in Germany and among the top ten players globally in terms of assets under management. It has been recognized by Standard & Poor's as Germany's top fund manager for 13 consecutive years (1995 - 2007). Since 1956, DWS Investments has pursued a consistent strategy: one that focuses on quality, innovation, performance and trust.

- **Directors**

Mr. Ayaz Ebrahim was appointed as an Additional Director on the Board of Deutsche Trustee Services (India) Private Limited on December 29, 2006.

Mr. Sandeep Dasgupta resigned from the Board of Deutsche Asset Management (India) Private Limited on December 8, 2006. Mr. Vijai Mantri was appointed as an associate Director to fill in the casual vacancy caused by the resignation of Mr. Sandeep Dasgupta, on the Board of Deutsche Asset Management (India) Private Limited on January 16, 2007.

- **Awards**

DWS Insta Cash Plus Fund - Institutional Plan has been ranked ICRA MFR 1 by ICRA Mutual Funds Awards 2007 in the category Open ended Liquid Fund - Institutional Plan for its 1 year performance till December 31, 2006. The rank indicates performance within the top 10% of the stated category.

The rank is an outcome of an objective and comparative analysis against various parameters, including: risk adjusted return, fund size, sector concentration, portfolio turnover, liquidity, company concentration and average maturity. The ranking methodology did not take into account entry and exit loads imposed by the Fund. The rank is neither a certificate of statutory compliance nor any guarantee on the future performance of DWS Insta Cash Plus Fund - Institutional Plan. Ranking Source & Publisher: ICRA Online

- **Investor Service Initiatives**

To increase the geographical reach and spread the network, we added 3 new branches viz. Ahmedabad, Hyderabad and Pune which totalled to 8 branches at the year end. Further, new collection centres of Karvy Computershare Private Limited were also added which totalled to 26 at the year end.

# Trustee Report

## Report of the Board of Trustees on the Operations of Various Schemes of the Fund and the Fund as a whole during the year and the Future Outlook of the Fund

### The Year that was 2006-2007

The Indian economy maintained its strong growth momentum, with FY07 seeing the economy grow at the fastest pace in recent times. Consumption led demand is now being complemented by the investment cycle as is evident by the steady rise in recent times, of the investment to GDP ratio which is now above 33%. The upturn in India's business cycle, supported by the twin drivers of capital expenditure and infrastructure spending, continued to strengthen in FY07. Full year GDP growth was 9.4% for the year, beating all forecasts.

The strong economic environment led to an impressive performance by corporate India. Corporate sector profits grew at over 35% in FY07. This was reflected in the stock market seeing yet another year of positive returns with the BSE Sensex showing an impressive gain of around 15.9% for the financial year. Impressive performance by many index heavyweights at the corporate level and earnings upgrades across many sectors were some of the factors leading to the rise in the Index.

The strong growth did lead to some hiccups along the way. Strong credit growth and asset price inflation led to concerns of an overheating economy. Inflation became a major issue for policy makers and financial markets during the latter half of the year. During latter part of the FY07, inflation as measured by the WPI, crossed 6.6% before closing at 5.94% at the year end. The RBI then proactively stepped in to tighten monetary policy to cool the inflationary pressures. The RBI raised repo rates by 75 bps during the year and 10-year bond yields rose 45 bps to 7.98% in March'07.

### Market Outlook for 2007-2008

The Indian economy is likely to remain one of the fastest growing economies in the world. Various forecasts put the growth estimates at around 8.5% for the coming year. Corporate capital expenditure and large infrastructure build up are expected to drive growth in the economy. Infrastructural investment is at an all time high level and with a proposed expenditure of US \$ 320 bn in next 5 years, the growth in industrial production is likely to remain strong in the coming years. The services sector growth will continue to be driven by IT services exports, financial services and other sectors. Lower growth in agriculture sector is a matter of concern and the government has come out with a series of initiatives for the sector. This should help in boosting longer term growth in the sector.

The Indian rupee has witnessed unprecedented appreciation since April 2007. This may have some impact in terms of pressure on profitability in sectors having high dependence on exports like Information Technology, pharmaceuticals, auto ancillaries, textiles etc. On the positive side, the stronger rupee will help in reducing the impact of higher crude oil prices.

The strong momentum in the economy provides a favourable environment for equities. The corporate sector is expected to grow profits by around 20%. The strong performance by equities in the past few months does factor in the positive fundamentals to an extent. Liquidity in the markets remains strong. Apart from FIIs, domestic players like private sector insurance companies and mutual funds are also investing significantly in equities, which is positive from a longer term point of view. Key risks to the markets include a sustained rise in the crude oil prices that may pressure inflation and also reduce consumption. Any reduction in global risk appetite may also induce some volatility in the markets.

On the fixed income market, we could see some stabilization in interest rates after sustained rise for last few years. Benign inflation and fall of credit growth pointed to a stable/ benign rate environment. The RBI is however likely to keep a close watch on money market liquidity in view of volatile crude oil prices.

### Performance Review

During the period under review, Deutsche Mutual Fund launched various schemes under DWS Fixed Term Series. The total Assets Under Management were Rs. 5905.28 crores as at March 31, 2007.

#### Performance Record (As on March 31, 2007)

Particulars	DWS Investment Opportunity Fund	Benchmark Returns BSE 200 Index	DWS Alpha Equity Fund	Benchmark Returns NSE Nifty
Last 1 Year*	8.35%	10.20%	8.24%	12.31%
Last 2 Years	32.80%	33.95%	36.83%	37.02%
Last 3 Years	30.16%	28.51%	31.96%	29.20%
Since Inception	28.13%	25.96%	45.62%	35.25%
Particulars	DWS Premier Bond Fund	Benchmark Returns CRISIL Composite Bond Fund Index	DWS Money Plus Fund	Benchmark Returns CRISIL Liquid Fund Index
Last 1 Year*	2.80%	3.72%	7.70%	6.41%
Last 2 Years	3.49%	3.51%	N.A.	N.A.
Last 3 Years	2.59%	2.39%	N.A.	N.A.
Since Inception	4.42%	3.62%	7.81%	6.41%

# Trustee Report

Particulars	DWS MIP Fund – Plan A	Benchmark Returns CRISIL MIP Blended Index	DWS MIP Fund – Plan B	Benchmark Returns CRISIL MIP Blended Index
Last 1 Year*	3.74%	5.49%	2.57%	5.49%
Last 2 Years	7.30%	8.32%	5.29%	8.32%
Last 3 Years	7.31%	6.30%	5.51%	6.30%
Since Inception	7.15%	6.26%	5.45%	6.26%

Particulars	DWS Short Maturity Fund	Benchmark Returns CRISIL Short Term Bond Fund Index	DWS Tax Saving Fund	Benchmark Returns S&P CNX 500
Last 1 Year*	6.30%	5.68%	-8.67%	8.07%
Last 2 Years	5.32%	4.76%	N.A.	N.A.
Last 3 Years	5.09%	4.18%	N.A.	N.A.
Since Inception	5.48%	4.49%	-1.25%	11.50%

Particulars	DWS Insta Cash Plus Fund (Regular)	Benchmark Returns CRISIL Liquid Fund Index	DWS Insta Cash Plus Fund (Institutiona)	Benchmark Returns CRISIL Liquid Fund Index
Last 1 Year*	7.19%	6.37%	7.35%	6.37%
Last 2 Years	6.37%	5.61%	6.53%	5.61%
Last 3 Years	5.83%	5.13%	N.A.	N.A.
Since Inception	5.65%	4.92%	6.10%	5.22%

Particulars	DWS Floating Rate Fund	Benchmark Returns CRISIL Liquid Fund Index	DWS Fixed Term Fund Series - 4	Benchmark Returns CRISIL Liquid Fund Index
Last 1 Year*	7.15%	6.37%	7.81%	6.41%
Last 2 Years	6.42%	5.61%	N.A.	N.A.
Last 3 Years	5.93%	5.13%	N.A.	N.A.
Since Inception	5.76%	4.99%	6.21%	6.11%

Particulars	DWS Fixed Term Fund Series - 5	Benchmark Returns CRISIL Liquid Fund Index	DWS Fixed Term Fund Series - 6	Benchmark Returns CRISIL Liquid Fund Index
Last 1 Year*	8.51%	6.41%	8.26%	6.41%
Since Inception	8.46%	6.38%	7.67%	6.30%

\* Absolute Returns, other performance figures are based on CAGR. Past Performance may or may not be sustained in future and should not be used as basis of comparison with other investments. Performances calculated on Growth Plan NAV. Returns do not take in to account the entry load. Since inception returns are calculated on Rs. 10 invested on inception. Inception date is deemed as date of NFO closing for all schemes.

## Investment Objectives and Policy of Investment and Scheme-wise Operation During the Year:

### Equity Funds:

#### DWS 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 with Dividend and Growth options. The scheme had a corpus of Rs. 46.11 crores as at 31st March, 2006 which increased by more than 100% during the year and was Rs. 102.72 crores as at 31st March, 2007.

#### DWS 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.

# Trustee Report

It is a dynamic allocation fund launched in January 2004 with Dividend and Growth options. The scheme had a corpus of Rs. 7.59 crores as at 31st March, 2006 which has increased to Rs. 8.93 crores as at 31st March, 2007.

## DWS Tax Saving Fund

This scheme is an open ended equity linked saving scheme with an investment objective to generate long term capital appreciation from a portfolio that is invested predominantly in equity and equity related instruments.

It is an equity linked saving scheme launched in February 2006. The scheme had a corpus of Rs. 30.49 crores as at 31st March, 2006 which increased to Rs. 32.94 crores as at 31st March, 2007.

## Debt Funds:

### DWS 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. The scheme had a corpus of Rs. 4.20 crores as at March 31, 2006 which has decreased to Rs. 1.65 crores as at March 31, 2007.

### DWS 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 and had a corpus of Rs. 104.40 crores as at March 31, 2006 which increased to Rs. 10.56 crores as at March 31, 2007.

### DWS Money Plus Fund

The investment objective of the scheme is to generate steady return by investing in debt and money market securities across the credit spectrum. The portfolio will be invested in money market instruments and investment grade debt securities with an aim to preserve capital and offer higher return and moderate liquidity over a short medium term.

With effect from November 1, 2006, the existing plan under this Scheme was renamed as Regular Plan and a new plan, viz. Institutional Plan was introduced.

The scheme was launched in February 2006. The scheme had a corpus of Rs. 80.63 crores as at March 31, 2006 and increased manifold to Rs. 670.41 crores as at March 31, 2007.

### DWS 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 with Dividend and Growth options. The scheme had a corpus of Rs. 728.44 crores as at March 31, 2006 which decreased to Rs. 513.13 crores as at March 31, 2007.

### DWS 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.

The scheme was launched in October 2003 and had a corpus of Rs. 208.05 crores as at March 31, 2006 which decreased to Rs. 51.71 crores as at March 31, 2007.

### DWS 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. The scheme had a combined corpus of Rs. 9.95 crores as at March 31, 2006 which decreased to Rs. 6.34 crores as at March 31, 2007.

### DWS Fixed Maturity Plan

The investment objective of all the series under the Deutsche Fixed Term Schemes 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 series had a combined corpus of Rs. 1,315.45 crores as at March 31, 2006 which increased manifold to Rs. 4,506.87 crores as at March 31, 2007.

# Trustee Report

## 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 DeAM Asia 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.

## Acknowledgements

The Trustees wish to thank the Government of India, the Securities and Exchange Board of India (SEBI), the Reserve Bank of India (RBI), and the Association of Mutual Funds in India (AMFI) for their support and directions.

The Trustees also wish to thank all unitholders for their strong support.

For and On behalf of the Board of Directors,  
**Deutsche Trustee Services (India) Private Limited**  
(Trustee to Deutsche Mutual Fund)

**Gunit Chadha**  
Chairman

Place : Mumbai  
Date : September 6, 2007

Notes :

- A copy of the Annual Report of the Fund will be posted to all the unit holders.
- The Annual results have been placed by Deutsche Asset Management (India) Private Limited before the Board of the Trustee Company and approved by the Trustee Company on September 6, 2007.

# Auditors' Report

To the Trustee,

## DEUTSCHE MUTUAL FUND

1. We have audited the Balance Sheet of Deutsche Mutual Fund - **DWS Premier Bond Fund (formerly Deutsche Premier Bond Fund)** ("The Scheme") as at March 31, 2007 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, 2007 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 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 - DWS Premier Bond Fund as at March 31, 2007 and its net surplus for the year ended on that date.
  - (ii) The Balance Sheet as at March 31, 2007 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 India  
  
as at March 31, 2007 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 : September 6, 2007



# Balance Sheet

as at March 31, 2007

	Schedule	March 31, 2007 Rupees	March 31, 2006 Rupees
<b>Assets</b>			
Investments	1	15,157,826	40,436,838
Other Current Assets	2	1,592,451	2,434,222
<b>TOTAL</b>		<b>16,750,277</b>	<b>42,871,060</b>
<b>Liabilities</b>			
Unit Capital	3	14,502,992	37,316,643
Reserves and Surplus	4	2,001,774	4,656,766
Current Liabilities and Provisions	5	245,511	897,651
<b>TOTAL</b>		<b>16,750,277</b>	<b>42,871,060</b>

## Reconciliation of Net Asset Value Per Unit

	Regular Plan March 31, 2007				Total Rupees
	Growth Option Rupees	Annual Dividend Option Rupees	Quarterly Dividend Option Rupees	Monthly Dividend Option Rupees	
Net Assets as per Balance Sheet (Total Assets less Current Liabilities and Provisions) (Note 2.5)	11,474,259	1,059,056	2,801,618	1,169,833	16,504,766
Number of Units in Issue	957,343.686	101,859.137	278,891.504	112,204.766	
Net Asset Value per Unit	11.9855	10.3973	10.0455	10.4259	

	Regular Plan March 31, 2006				Total Rupees
	Growth Option Rupees	Annual Dividend Option Rupees	Quarterly Dividend Option Rupees	Monthly Dividend Option Rupees	
Net Assets as per Balance Sheet (Total Assets less Current Liabilities and Provisions) (Note 2.5)	30,179,900	2,301,563	8,200,208	1,291,738	41,973,409
Number of Units in Issue	2,588,491.080	213,026.611	806,949.524	123,196.942	
Net Asset Value per Unit	11.6593	10.8041	10.1620	10.4851	

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

Stephen Paul Harris  
Director

Vijai Mantri  
Director

Y. B. Desai  
Director

A. S. Mitra  
Director

Kersi M. Gherda  
Director

Bhalchandra Bhide  
Director

Debabrata Bhadury  
Director

Vijay P. Gokhale  
Director

Place: Mumbai  
Date : September 6, 2007

Suresh Soni  
Portfolio Manager

# Revenue Account

for the year ended March 31, 2007

	Schedule	April 01, 2006 to March 31, 2007 Rupees	April 01, 2005 to March 31, 2006 Rupees
<b>Income and Gains</b>			
Interest and Discount	6	2,408,369	6,022,822
<b>TOTAL</b>		<b>2,408,369</b>	<b>6,022,822</b>
<b>Expenses and Losses</b>			
Net Loss on Sale of Investments [Including Net Loss on Inter-Scheme Sale of Investments Rs.128,622 (2006: Rs. 2,718,875)] (Note 2.3)		673,186	1,170,443
Investment Management and Advisory Fees (Note 3)		273,825	743,023
Trustee Fees and Expenses (Note 4)		3,043	8,351
Transfer Agents Fees and Expenses		126,034	220,366
Custodian Fees and Expenses (Note 5)		27,011	79,388
Audit Fees		615	2,717
Selling and Distribution Expenses		179,965	457,462
Other Operating Expenses		318,613	340,674
		<b>1,602,292</b>	<b>3,022,424</b>
Less: Expenses to be Reimbursed by the Investment Manager (Note 7)		320,605	197,186
<b>TOTAL</b>		<b>1,281,687</b>	<b>2,825,238</b>
Net Surplus for the Year		1,126,682	3,197,584
Net Change in Unrealised (Depreciation) / Appreciation in Value of Investments	7	(68,624)	1,083,360
<b>Net Surplus including Net Change in Unrealised (Depreciation) / Appreciation in Value of Investments</b>		<b>1,058,058</b>	<b>4,280,944</b>

	Regular Plan March 31, 2007				Total Rupees
	Growth Option Rupees	Annual Dividend Option Rupees	Quarterly Dividend Option Rupees	Monthly Dividend Option Rupees	
Net Surplus including Net Change in Unrealised (Depreciation) / Appreciation in Value of Investments by Option	830,168	50,922	143,700	33,268	1,058,058
Transfer from Dividend Equalisation Reserve (Note 2.7)	(2,390,218)	(23,488)	(58,427)	662	(2,471,471)
Transfer from Reserve Fund	–	74,559	32,115	1,440	108,114
Dividend Distributions (Note 13)	–	(96,654)	(120,292)	(36,067)	(253,013)
Dividend Tax Thereon	–	(13,556)	(16,871)	(5,155)	(35,582)
Balance Transferred to Reserve Fund	(1,560,050)	(8,217)	(19,775)	(5,852)	(1,593,894)

## Revenue Account (Contd..)

for the year ended March 31, 2007

	Institutional Plan (Note 18)					Regular Plan					April 01, 2005 to March 31, 2006
	April 01, 2005 to April 9, 2005					April 01, 2005 to March 31, 2006					
	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 (Depreciation) / Appreciation in Value of Investments by Option	(109,768)	-	-	(27,525)	(137,293)	2,596,611	222,773	582,017	1,016,836	4,418,237	4,280,944
Transfer from Dividend Equalisation Reserve (Note 2.7)	5,702,918	-	-	64,206	5,767,124	3,909,023	125,796	71,625	241,176	4,347,620	10,114,744
Transfer from Reserve Fund	-	-	-	77,721	77,721	-	87,950	211,075	-	299,025	376,746
Dividend Distributions (Note 13)	-	-	-	(63,477)	(63,477)	-	(74,874)	(532,188)	(413,099)	(1,020,161)	(1,083,638)
Dividend Tax Thereon	-	-	-	(14,244)	(14,244)	-	(13,076)	(87,550)	(85,223)	(185,849)	(200,093)
Balance Transferred to Reserve Fund	5,593,150	-	-	36,681	5,629,831	6,505,634	348,569	244,979	759,690	7,858,872	13,488,703

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

Stephen Paul Harris  
Director

Vijai Mantri  
Director

Y. B. Desai  
Director

A. S. Mitra  
Director

Kersi M. Gherda  
Director

Bhalchandra Bhide  
Director

Debabrata Bhadury  
Director

Vijay P. Gokhale  
Director

Place: Mumbai  
Date : September 6, 2007

Suresh Soni  
Portfolio Manager

## Schedules

forming part of the Balance Sheet as at March 31, 2007 and  
the Revenue Account for the year ended March 31, 2007

	March 31, 2007		March 31, 2006	
	Market / Fair Value Rupees	Cost Rupees	Market / Fair Value Rupees	Cost Rupees
<b>Schedule 1</b>				
<b>Investments</b>				
(Notes 2.2, 2.3, 8, 9, 10, 11 and 15)				
(Refer to the attached Statement of Portfolio Holding as at March 31, 2007)				
Privately Placed Non-Convertible Debentures / Bonds	627,362	651,619	6,568,604	6,858,537
Non-Convertible Debentures / Bonds Listed / Awaiting Listing	9,878,440	10,312,749	8,591,001	8,561,199
Securitized Debt	–	–	10,186,273	10,331,188
Government of India Securities	4,652,024	4,847,209	15,090,960	15,271,041
<b>TOTAL</b>	<b>15,157,826</b>	<b>15,811,577</b>	40,436,838	41,021,965

	March 31, 2007 Rupees	March 31, 2006 Rupees
<b>Schedule 2</b>		
<b>Other Current Assets</b>		
Balance with Banks		
- in Current Account	848,334	1,612,221
- in Dividend Account (Note 16)	30,742	214,524
Interest Receivables on :		
- Debentures / Bonds	345,032	86,275
- Government of India Securities	40,111	321,516
Receivable from Investment Manager	320,605	197,186
Inter-Scheme Receivable - Others	7,627	–
Miscellaneous Receivables	–	2,500
<b>TOTAL</b>	<b>1,592,451</b>	2,434,222

	March 31, 2007		March 31, 2006	
	Rupees	Units	Rupees	Units
<b>Schedule 3</b>				
<b>Unit Capital</b>				
<b>Institutional Plan (Refer Note 18)</b>				
Growth Option				
Issued and Subscribed:				
Units of Rs.10 each fully paid-up	1,150,000,000		115,000,000.000	
Outstanding:				
At the beginning of the year	46,975,808		4,697,580.771	
Issued during the year	351,980		35,197.980	
	47,327,788		4,732,778.751	
Redeemed during the year	47,327,788		4,732,778.751	
At the end of the year	–		–	

## Schedules

forming part of the Balance Sheet as at March 31, 2007 and  
the Revenue Account for the year ended March 31, 2007

	March 31, 2007		March 31, 2006	
	Rupees	Units	Rupees	Units
<b>Unit Capital (Contd...)</b>				
<b>Annual Dividend Option</b>				
<b>Issued and Subscribed:</b>				
Units of Rs.10 each fully paid-up				
<b>Outstanding:</b>				
At the beginning of the year			-	-
Issued during the year			-	-
			-	-
Redeemed during the year			-	-
At the end of the year			-	-
<b>Quarterly Dividend Option</b>				
<b>Issued and Subscribed:</b>				
Units of Rs.10 each fully paid-up			20,000,000	2,000,000.000
<b>Outstanding:</b>				
At the beginning of the year			-	-
Issued during the year			-	-
			-	-
Redeemed during the year			-	-
At the end of the year			-	-
<b>Monthly Dividend Option</b>				
<b>Issued and Subscribed:</b>				
Units of Rs.10 each fully paid-up			65,000,000	6,500,000.000
<b>Outstanding:</b>				
At the beginning of the year			38,860,769	3,886,076.928
Issued during the year			46,181	4,618.058
			38,906,950	3,890,694.986
Redeemed during the year			38,906,950	3,890,694.986
At the end of the year			-	-
TOTAL			-	-
<b>Regular Plan</b>				
<b>Growth Option</b>				
<b>Issued and Subscribed:</b>				
Units of Rs.10 each fully paid-up	216,554,198	21,655,419.800	216,554,198	21,655,419.800
<b>Outstanding:</b>				
At the beginning of the year	25,884,911	2,588,491.080	64,179,304	6,417,930.384
Issued during the year	18,001,757	1,800,175.703	13,492,468	1,349,246.787
	43,886,668	4,388,666.783	77,671,772	7,767,177.171
Redeemed during the year	34,313,231	3,431,323.097	51,786,861	5,178,686.091
At the end of the year	9,573,437	957,343.686	25,884,911	2,588,491.080
<b>Annual Dividend Option</b>				
<b>Issued and Subscribed:</b>				
Units of Rs.10 each fully paid-up	6,781,098	678,109.800	6,781,098	678,109.800
<b>Outstanding:</b>				
At the beginning of the year	2,130,266	213,026.611	10,660,650	1,066,064.974
Issued during the year	58,332	5,833.227	115,327	11,532.705
	2,188,598	218,859.838	10,775,977	1,077,597.679
Redeemed during the year	1,170,007	117,000.701	8,645,711	864,571.068
At the end of the year	1,018,591	101,859.137	2,130,266	213,026.611

## Schedules

forming part of the Balance Sheet as at March 31, 2007 and  
the Revenue Account for the year ended March 31, 2007

	March 31, 2007		March 31, 2006	
	Rupees	Units	Rupees	Units
<b>Unit Capital (Contd...)</b>				
<b>Quarterly Dividend Option</b>				
<b>Issued and Subscribed:</b>				
Units of Rs.10 each fully paid-up	13,553,150	1,355,315.000	13,553,150	1,355,315.000
<b>Outstanding:</b>				
At the beginning of the year	8,069,495	806,949.524	17,405,731	1,740,573.085
Issued during the year	77,530	7,752.954	227,063	22,706.298
	8,147,025	814,702.478	17,632,794	1,763,279.383
Redeemed during the year	5,358,110	535,810.974	9,563,299	956,329.859
At the end of the year	2,788,915	278,891.504	8,069,495	806,949.524
<b>Monthly Dividend Option</b>				
<b>Issued and Subscribed:</b>				
Units of Rs.10 each fully paid-up	14,533,000	1,453,300.000	14,533,000	1,453,300.000
<b>Outstanding:</b>				
At the beginning of the year	1,231,971	123,196.942	2,956,500	295,649.861
Issued during the year	855,229	85,522.947	56,137,034	5,613,703.399
	2,087,200	208,719.889	59,093,534	5,909,353.260
Redeemed during the year	965,151	96,515.123	57,861,563	5,786,156.318
At the end of the year	1,122,049	112,204.766	1,231,971	123,196.942
TOTAL	14,502,992	1,450,299.093	37,316,643	3,731,664.157
TOTAL	<b>14,502,992</b>	<b>1,450,299.093</b>	37,316,643	3,731,664.157

	Regular Plan				
	March 31, 2007				
	Growth Option	Annual Dividend Option Rupees	Quarterly Dividend Option Rupees	Monthly Dividend Option Rupees	Total Rupees
<b>Schedule 4</b>					
<b>Reserves and Surplus</b>					
<b>Unit Premium Reserve (Note 2.6)</b>					
At the beginning of the year	(10,879,911)	(726,932)	(125,483)	(1,231,979)	(12,964,305)
Transfer from Reserve Fund on account of earlier year	7,818,046	251,592	143,251	482,352	8,695,241
Added during the year	(834,117)	(48,056)	(66,120)	(4,691)	(952,984)
At the end of the year	(3,895,982)	(523,396)	(48,352)	(754,318)	(5,222,048)
<b>Dividend Equalisation Reserve (Note 2.7)</b>					
Added during the year	(2,390,218)	(23,488)	(58,427)	662	(2,471,471)
Transfer to Revenue Account	2,390,218	23,488	58,427	(662)	2,471,471
At the end of the year	-	-	-	-	-
<b>Reserve Fund</b>					
At the beginning of the year	15,174,900	898,229	256,196	1,291,746	17,621,071
Transfer to Unit Premium Reserve on account of earlier year	(7,818,046)	(251,592)	(143,251)	(482,352)	(8,695,241)
Transfer to Revenue Account	-	(74,559)	(32,115)	(1,440)	(108,114)
Balance Transferred from Revenue Account	(1,560,050)	(8,217)	(19,775)	(5,852)	(1,593,894)
At the end of the year [Including net unrealised depreciation in value of investments Rs. 653,751]	5,796,804	563,861	61,055	802,102	7,223,822
TOTAL	1,900,822	40,465	12,703	47,784	2,001,774

## Schedules

forming part of the Balance Sheet as at March 31, 2007 and  
the Revenue Account for the year ended March 31, 2007

	Institutional Plan (Refer Note 18)					Regular Plan					March 31, 2006
	March 31, 2006					March 31, 2006					
	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
<b>Reserves and Surplus</b>											
Unit Premium Reserve (Note 2.6)											
At the beginning 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)
Added during the year	(12,135,370)	-	-	(1,352,751)	(13,488,121)	(9,850,771)	(571,081)	(318,330)	(812,199)	(11,552,381)	(25,040,502)
At the end of the year	(11,405,861)	-	(45)	(748,971)	(12,154,877)	(10,879,911)	(726,932)	(125,483)	(1,231,979)	(12,964,305)	(25,119,182)
Dividend Equalisation Reserve (Note 2.7)											
Added during the year	5,702,918	-	-	64,206	5,767,124	3,909,023	125,796	71,625	241,176	4,347,620	10,114,744
Transfer to Revenue Account	(5,702,918)	-	-	(64,206)	(5,767,124)	(3,909,023)	(125,796)	(71,625)	(241,176)	(4,347,620)	(10,114,744)
At the end of the year	-	-	-	-	-	-	-	-	-	-	-
Reserve Fund											
At the beginning of the year	5,812,711	-	45	790,011	6,602,767	8,669,266	637,610	222,292	532,056	10,061,224	16,663,991
Transfer to Revenue Account	-	-	-	(77,721)	(77,721)	-	(87,950)	(211,075)	-	(299,025)	(376,746)
Balance Transferred from Revenue Account	5,593,150	-	-	36,681	5,629,831	6,505,634	348,569	244,979	759,690	7,858,872	13,488,703
At the end of the year [Including net unrealised depreciation in value of investments Rs. 585,127]	11,405,861	-	45	748,971	12,154,877	15,174,900	898,229	256,196	1,291,746	17,621,071	29,775,948
<b>TOTAL</b>	-	-	-	-	-	4,294,989	171,297	130,713	59,767	4,656,766	4,656,766

March 31, 2007  
Rupees

March 31, 2006  
Rupees

### Schedule 5

#### Current Liabilities and Provisions

##### Current Liabilities

Investment Management and Advisory Fees	13,811	33,603
Trustee Fees and Expenses	154	373
Transfer Agent Fees and Expenses	11,400	11,384
Custodian Fees and Expenses	750	2,570
Audit Fees	615	2,717
Selling and Distribution Expenses	6,784	18,750
Purchase Contracts Awaiting Completion - Non-Convertible Debentures / Bonds	-	440,919
Redemption of Units	-	59,302
Dividend Payable	50,402	-
Dividend Distribution Tax Payable	8,522	-
Unclaimed Dividend (Note 16)	30,742	214,524
Unclaimed Redemption (Note 17)	89,717	33,993
Units Pending Allotment	10,230	-
Sundry Payables	22,384	79,516
<b>TOTAL</b>	<b>245,511</b>	<b>897,651</b>

## Schedules

forming part of the Balance Sheet as at March 31, 2007 and the Revenue Account for the year ended March 31, 2007

	March 31, 2007 Rupees	March 31, 2006 Rupees
<b>Schedule 6</b>		
<b>Interest and Discount (Note 2.4)</b>		
Debentures / Bonds	1,428,431	2,749,481
Securitised Debt	242,901	989,661
Government of India Securities	547,287	1,733,698
Treasury Bills	3,593	155,697
Reverse Repos	168,259	372,603
Commercial Paper / Certificate of Deposit	17,898	21,682
<b>TOTAL</b>	<b>2,408,369</b>	<b>6,022,822</b>

	April 01, 2005 to March 31, 2006 Rupees	April 01, 2004 to March 31, 2005 Rupees
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## Schedule 7

### Unrealised Appreciation / (Depreciation) in Value of Investments (Note 8)

(a) Privately Placed Non-Convertible Debentures / Bonds		
At the beginning of the year	(289,933)	(1,454,882)
At the end of the year	(24,257)	(289,933)
Net change during the year	(I) 265,676	1,164,949
(b) Non-Convertible Debentures / Bonds Listed / Awaiting Listing		
At the beginning of the year	29,802	68,563
At the end of the year	(434,309)	29,802
Net change during the year	(II) (464,111)	(38,761)
(c) Securitised Debt		
At the beginning of the year	(144,915)	(288,351)
At the end of the year	-	(144,915)
Net change during the year	(III) 144,915	143,436
(d) Government of India Securities		
At the beginning of the year	(180,081)	6,183
At the end of the year	(195,185)	(180,081)
Net change during the year	(IV) (15,104)	(186,264)
Net change in unrealised (depreciation) / appreciation in value of investments during the year	(I)+(II)+(III)+(IV) <b>(68,624)</b>	1,083,360

## Schedule 8

### Notes to the Financial Statements

#### 1. Organisation

DWS Premier Bond Fund (formerly, 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 had two Plans - Institutional Plan and Regular Plan each offering four options - Growth Option, Annual Dividend Option, Quarterly Dividend Option and Monthly Dividend Option. Institutional Plan was discontinued / wound up with effect from April 9, 2005. Refer note 18 below.

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

The name of the Scheme has been changed from Deutsche Premier Bond Fund to DWS Premier Bond Fund with effect from May 2, 2006 for which necessary approvals have been received.



# Schedules

forming part of the Balance Sheet as at March 31, 2007 and the Revenue Account for the year ended March 31, 2007

## 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 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 upto the date of resale.
- vii. 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 Regular Plan.

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.

## Schedules

forming part of the Balance Sheet as at March 31, 2007 and the Revenue Account for the year ended March 31, 2007

### 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 0.90% of the average daily net asset values of the Regular Plan 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.

### 5. Custodian Fees

JP 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 2.00% of the average daily net assets of the Regular Plan. Deutsche Asset Management (India) Private Limited has borne Rs. 320,605 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, 2007 Rupees	March 31, 2006 Rupees
Privately Placed Non-Convertible Debentures / Bonds		
- Appreciation	-	-
- Depreciation	24,257	289,933
Non-Convertible Debentures / Bonds Listed / Awaiting Listing		
- Appreciation	-	29,802
- Depreciation	434,309	-
Securitized Debt		
- Appreciation	-	-
- Depreciation	-	144,915
Government of India Securities		
- Appreciation	-	-
- Depreciation	195,185	180,081

### 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, 2007 securities aggregating to Rs. 4,652,024 (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, 2007 is Rs. 10,505,802.

## Schedules

forming part of the Balance Sheet as at March 31, 2007 and the Revenue Account for the year ended March 31, 2007

### 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. 103,476,714 (excluding accretion of discount Rs. 560,205) and Rs. 128,574,121 respectively being 340.10% and 422.59% 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
<b>Regular Plan</b>	1,666,559	5.48%	608,501	2.00%

### 13. Dividend Distribution

The Scheme has distributed dividend on various record dates during the year aggregating to Rs. 41,223 and Rs. 39,425 in the Regular Plan - Monthly Dividend Option and Regular Plan - Quarterly Dividend Option from the Reserve Fund in accordance with the Eleventh Schedule of the Regulations without considering the debit balance in the Unit Premium Reserve.

### 14. 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. 7,307 and Rs. 1,996 respectively for procuring unit subscriptions for the Scheme. The commission was at rates similar to those offered to other distributors.

### 15. 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	Schemes invested in by the Company	Investment 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, 2007 At Market / Fair Value (Rupees In Lakhs)
Celebrity Fashions Limited	DWS Short Maturity Fund	DWS Alpha Equity Fund	53.84	-
		DWS Investment Opportunity Fund	17.13	-
		DWS MIP Fund - Plan A	3.67	-
		DWS MIP Fund - Plan B	1.71	-
DSP Merrill Lynch Capital Limited	DWS Insta Cash Plus Fund	DWS Alpha Equity Fund	54.89	-
		DWS Floating Rate Fund	4,189.75	9.86
		DWS Insta Cash Plus Fund	76,148.04	1,458.83
		DWS Money Plus Fund	88,680.54	19.71
		DWS Premier Bond Fund	44.56	-
		DWS Short Maturity Fund	3,163.35	-
		DWS Fixed Term Fund Series - 11	87.10	-
		DWS Fixed Term Fund Series - 12	2,252.13	-
		DWS Fixed Term Fund Series - 13	1,500.00	-
		DWS Fixed Term Fund Series - 16	99.83	-
		DWS Fixed Term Fund Series - 17	2,294.02	1,959.61
		DWS Fixed Term Fund Series - 18	1,509.10	1,478.08
		DWS Fixed Term Fund Series - 19	10,000.00	9,861.05
		DWS Fixed Term Fund Series - 2	211.56	-
		DWS Fixed Term Fund Series - 20	69.51	48.93
		DWS Fixed Term Fund Series - 21	537.16	-
		DWS Fixed Term Fund Series - 24	59.10	59.14
		DWS Fixed Term Fund Series - 26	1,728.89	88.72
		DWS Fixed Term Fund Series - 27	29.55	29.57
DWS Fixed Term Fund Series - 3	1,719.12	-		
DWS Fixed Term Fund Series - 4	126.40	29.57		
DWS Fixed Term Fund Series - 5	86.33	-		

## Schedules

forming part of the Balance Sheet as at March 31, 2007 and  
the Revenue Account for the year ended March 31, 2007

Company Name	Schemes invested in by the Company	Investment 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, 2007 At Market / Fair Value (Rupees In Lakhs)
		DWS Fixed Term Fund Series - 6	184.57	88.72
		DWS Fixed Term Fund Series - 7	4,216.78	–
		DWS Fixed Term Fund Series - 8	196.21	–
		DWS Fixed Term Fund Series - 9	49.25	49.29
		DWS Fixed Term Fund	14.08	–
		DWS MIP Fund - Plan A	235.17	–
		DWS MIP Fund - Plan B	137.16	–
Grasim Industries Limited	DWS Fixed Term Fund Series - 10	DWS Alpha Equity Fund	1,801.80	428.71
	DWS Fixed Term Fund Series - 22	DWS Insta Cash Plus Fund	4,300.00	–
	DWS Fixed Term Fund Series - 23	DWS Investment Opportunity Fund	103.34	39.73
		DWS Tax Saving Fund	220.54	–
HCL Technologies Limited	DWS Fixed Term Fund Series - 14	DWS Alpha Equity Fund <sup>^</sup>	795.61	–
	DWS Fixed Term Fund Series - 16	DWS Tax Saving Fund <sup>^</sup>	71.52	–
Hero Honda Motors Limited	DWS Fixed Term Fund Series - 14	DWS Investment Opportunity Fund	0.62	–
Hindalco Industries Limited	DWS Fixed Term Fund Series - 10	DWS Alpha Equity Fund	478.40	–
	DWS Fixed Term Fund Series - 13	DWS Floating Rate Fund	205.61	–
	DWS Money Plus Fund	DWS Short Maturity Fund	822.42	–
	DWS Fixed Term Fund Series - 28	DWS Fixed Term Fund Series - 4	935.13	–
		DWS Tax Saving Fund	120.94	–
Hindustan Lever Limited	DWS Fixed Term Fund Series - 13	DWS Alpha Equity Fund	725.21	–
	DWS Fixed Term Fund Series - 22	DWS Investment Opportunity Fund	12.22	–
	DWS Fixed Term Fund Series - 27			
Hindustan Zinc Limited	DWS Fixed Term Fund Series - 13	DWS Alpha Equity Fund	170.99	–
	DWS Fixed Term Fund Series - 20	DWS Tax Saving Fund	77.25	–
	DWS Fixed Term Fund Series - 21			
	DWS Fixed Term Fund Series - 24			
ICI India	DWS Fixed Term Fund Series - 21	DWS Fixed Term Fund Series - 7	500.00	–
Infosys Technologies Limited	DWS Insta Cash Plus Fund	DWS Alpha Equity Fund	3,172.02	724.54
		DWS Investment Opportunity Fund	79.80	17.71
		DWS MIP Fund - Plan A	34.56	13.36
		DWS Tax Saving Fund	403.93	230.34
ITC Limited	DWS Insta Cash Plus Fund	DWS Alpha Equity Fund	1,840.20	488.80
	DWS Floating Rate Fund	DWS Investment Opportunity Fund	376.99	38.35
	DWS Fixed Term Fund Series - 14	DWS MIP Fund - Plan A	7.73	–
	DWS Fixed Term Fund Series - 16	DWS Tax Saving Fund	274.99	164.69

## Schedules

forming part of the Balance Sheet as at March 31, 2007 and  
the Revenue Account for the year ended March 31, 2007

Company Name	Schemes invested in by the Company	Investment 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, 2007 At Market / Fair Value (Rupees In Lakhs)
	DWS Fixed Term Fund Series - 23			
Larsen and Toubro Limited	DWS Insta Cash Plus Fund	DWS Alpha Equity Fund	1,938.29	582.89
		DWS Floating Rate Fund	1,000.00	–
		DWS Insta Cash Plus Fund	900.00	–
		DWS Short Maturity Fund	100.00	–
		DWS Investment Opportunity Fund	181.88	32.38
		DWS Tax Saving Fund	318.52	153.82
		DWS Floating Rate Fund^^	6,100.00	–
		DWS Insta Cash Plus Fund^^	81,157.10	200.00
		DWS Money Plus Fund^^	67,472.40	10,400.00
		DWS Short Maturity Fund^^	7,229.74	–
		DWS Fixed Term Fund Series - 10^^	113.08	117.32
		DWS Fixed Term Fund Series - 13^^	6,214.57	–
		DWS Fixed Term Fund Series - 14^^	4,310.28	3,566.28
		DWS Fixed Term Fund Series - 15^^	37.59	–
		DWS Fixed Term Fund Series - 16^^	216.12	224.87
		DWS Fixed Term Fund Series - 19^^	4,604.21	4,722.73
		DWS Fixed Term Fund Series - 2^^	1,698.95	–
		DWS Fixed Term Fund Series - 20^^	999.82	–
		DWS Fixed Term Fund Series - 25^^	990.77	986.22
		DWS Fixed Term Fund Series - 5^^	200.00	–
		DWS Fixed Term Fund Series - 7^^	3,700.00	–
		DWS Fixed Term Fund^^	1,799.21	–
		DWS Money Plus Fund^^^	500.00	–
Patni Computer Systems Limited	DWS Fixed Term Fund Series - 25	DWS Alpha Equity Fund	400.31	–
	DWS Fixed Term Fund Series - 21	DWS Investment Opportunity Fund	186.56	–
	DWS Fixed Term Fund Series - 12			
Ranbaxy Holding Company	DWS Insta Cash Plus Fund	DWS Money Plus Fund	45,000.00	500.00
		DWS Fixed Term Fund Series - 27	800.00	800.00
		DWS Fixed Term Fund Series - 28	3,700.00	3,700.00
		DWS Alpha Equity Fund	108.81	–
		DWS Floating Rate Fund	6,900.00	–
		DWS Insta Cash Plus Fund	5,000.00	–
		DWS Short Maturity Fund	3,500.00	–
		DWS Fixed Term Fund Series - 12	2,200.00	–
		DWS Tax Saving Fund	99.27	–
Reliance Petroleum Limited	DWS Insta Cash Plus Fund	DWS Alpha Equity Fund	11.19	–
		DWS Fixed Term Fund Series - 9	34.38	–
		DWS Investment Opportunity Fund	1.90	–
		DWS MIP Fund - Plan A	1.76	–
		DWS MIP Fund - Plan B	0.70	–
		DWS Tax Saving Fund	7.53	–
Tata Chemicals Limited	DWS Fixed Term Fund Series - 27	DWS Investment Opportunity Fund	27.18	–
Tata Consultancy Services Limited	DWS Money Plus Fund	DWS Alpha Equity Fund	1,128.29	246.94
	DWS Fixed Term Fund Series - 23	DWS Tax Saving Fund	133.93	86.18
	DWS Fixed Term Fund Series - 24			

## Schedules

forming part of the Balance Sheet as at March 31, 2007 and  
the Revenue Account for the year ended March 31, 2007

Company Name	Schemes invested in by the Company	Investment 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, 2007 At Market / Fair Value (Rupees In Lakhs)
Tata Steel Limited	DWS Insta Cash Plus Fund	DWS Alpha Equity Fund DWS Investment Opportunity Fund DWS Tax Saving Fund	1,263.16 510.16 116.78	– – –
Videsh Sanchar Nigam Limited	DWS Money Plus Fund DWS Fixed Term Fund Series - 12 DWS Fixed Term Fund Series 13	DWS Investment Opportunity Fund	94.30	–
Wipro Limited	DWS Money Plus Fund	DWS Tax Saving Fund	127.27	–

^ DTSF and DAEF have invested in HCL Technologies Limited which is a subsidiary of HCL Corporation Limited.

^^ DICPF, DFRF, DFTF-7, DSMF, DFTF, DFTF-2, DFTF-10, DFTF-13, DFTF-14, DFTF-15, DFTF-16, DFTF-19, DFTF-20, DFTF-25, DFTF-5 and DMPF have invested in L & T Finance Limited which is a subsidiary of Larsen & Toubro Limited.

^^^ DMPF have invested in Tractors Engineers which is a subsidiary of Larsen & Toubro 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.

(Note: The following abbreviations have been used above: DTSF - DWS Tax Saving Fund, DAEF - DWS Alpha Equity Fund, DICPF - DWS Insta Cash Plus Fund, DFRF - DWS Floating Rate Fund, DFTF-7 - DWS Fixed Term Fund - Series-7, DSMF - DWS Short Maturity Fund, DFTF - DWS Fixed Term Fund, DFTF-2 - DWS Fixed Term Fund - Series 2, DFTF-10 - DWS Fixed Term Fund - Series 10, DFTF-13 - DWS Fixed Term Fund - Series 13, DFTF-14 - DWS Fixed Term Fund - Series 14, DFTF-15 - DWS Fixed Term Fund - Series 15, DFTF-16 - DWS Fixed Term Fund - Series 16, DFTF-19 - DWS Fixed Term Fund - Series 19, DFTF-20 - DWS Fixed Term Fund - Series 20, DFTF-25 - DWS Fixed Term Fund - Series 25, DFTF-5 - DWS Fixed Term Fund - Series 5 and DMPF - DWS Money Plus Fund)

### 16. Unclaimed Dividend

As at March 31, 2007 unclaimed dividends aggregate Rs. 30,742 payable to forty 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.

### 17. Unclaimed Redemption

As at March 31, 2007 unclaimed redemptions aggregate Rs. 89,717 payable to three 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.

### 18. 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 fund's 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.

## Schedules

forming part of the Balance Sheet as at March 31, 2007 and the Revenue Account for the year ended March 31, 2007

In accordance with the above mentioned circular the Institutional Plan of the Scheme has been wound up with effect from April 9, 2005.

### 19. Perspective Historical Per Unit Statistics\*

	April 01, 2006 to March 31, 2007	April 01, 2005 to March 31, 2006	April 01, 2004 to March 31, 2005
(a) Net asset value per unit at the end of the year / period (Note 2.5)			
<b>Institutional Plan</b>			
Growth Option	NA	NA	11.3927
Annual Dividend Option	NA	NA	NA
Quarterly Dividend Option	NA	NA	NA
Monthly Dividend Option	NA	NA	10.3587
<b>Regular Plan</b>			
Growth Option	11.9855	11.6593	11.1904
Annual Dividend Option	10.3973	10.8041	10.4519
Quarterly Dividend Option	10.0455	10.1620	10.2385
Monthly Dividend Option	10.4259	10.4851	10.3798
(b) Gross Income			
(i) income other than profit on sale of investment	1.6606	1.6140	6.9374
(ii) income from profit / (loss) on inter-scheme sales / transfer of investment	(0.0887)	(0.7286)	(0.0882)
(iii) income (net) from profit / (loss) on sale of investment to third party	(0.3755)	0.4149	(4.7125)
(iv) transfer of revenue account from past year's reserve	0.0000	0.1010	2.3589
Gross income and gains	1.1964	1.4013	4.4956
(c) Aggregate of expenses, writeoff, amortisation and charges	0.4196	0.4434	1.3156
(d) Net income	0.7769	0.8569	0.8211
(e) Net change in unrealised (depreciation) / appreciation in value of investments	(0.0473)	0.2903	(2.2286)
(f) Redemption price			
– Highest			
<b>Institutional Plan</b>			
Growth Option	NA	11.3852	11.3877
Annual Dividend Option	NA	NA	10.4231
Quarterly Dividend Option	NA	NA	10.5909
Monthly Dividend Option	NA	10.3318	10.5858
<b>Regular Plan</b>			
Growth Option	12.3028	11.7931	11.2013
Annual Dividend Option	11.0318	10.9174	10.4615
Quarterly Dividend Option	10.5149	10.4432	10.5898
Monthly Dividend Option	10.8546	10.6833	10.5652
– Lowest			
<b>Institutional Plan</b>			
Growth Option	NA	11.3586	10.9635
Annual Dividend Option	NA	NA	10.4231
Quarterly Dividend Option	NA	NA	10.2258
Monthly Dividend Option	NA	10.2479	10.1024
<b>Regular Plan</b>			
Growth Option	11.6553	11.1468	10.8305
Annual Dividend Option	10.3973	10.3309	10.1190
Quarterly Dividend Option	10.0456	10.0990	9.9916
Monthly Dividend Option	10.3628	10.3475	10.0521



## Schedules

forming part of the Balance Sheet as at March 31, 2007 and the Revenue Account for the year ended March 31, 2007

	April 01, 2006 to March 31, 2007	April 01, 2005 to March 31, 2006	April 01, 2004 to March 31, 2005
(g) Purchase price			
– Highest			
<b>Institutional Plan</b>			
Growth Option	NA	11.3939	11.3927
Annual Dividend Option	NA	NA	10.4108
Quarterly Dividend Option	NA	NA	10.5731
Monthly Dividend Option	NA	10.3398	10.5472
<b>Regular Plan</b>			
Growth Option	12.2413	11.7916	11.2013
Annual Dividend Option	10.9766	10.9263	10.4608
Quarterly Dividend Option	10.4623	10.4313	10.5898
Monthly Dividend Option	10.8003	10.6604	10.5667
– Lowest			
<b>Institutional Plan</b>			
Growth Option	NA	11.3586	10.9671
Annual Dividend Option	NA	NA	10.4108
Quarterly Dividend Option	NA	NA	10.2292
Monthly Dividend Option	NA	10.2479	10.1812
<b>Regular Plan</b>			
Growth Option	11.5970	11.1552	10.8344
Annual Dividend Option	10.3453	10.3702	10.2173
Quarterly Dividend Option	9.9954	10.1285	9.9916
Monthly Dividend Option	10.3110	10.3716	10.1042
(h) Price earnings ratio	NA	NA	NA
(i) Ratio of expenses to daily average net assets by percentage			
Institutional Plan	NIL	1.06%	1.11%
Regular Plan	5.39%	2.00%	2.01%
(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			
<b>Institutional Plan</b>	NIL	-6.92%	-0.36%
<b>Regular Plan</b>	5.78%	7.42%	0.75%

\* 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

### 20. 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 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

Stephen Paul Harris  
Director

Vijai Mantri  
Director

Y. B. Desai  
Director

A. S. Mitra  
Director

Kersi M. Gherda  
Director

Bhalchandra Bhide  
Director

Debabrata Bhadury  
Director

Vijay P. Gokhale  
Director

Place: Mumbai  
Date : September 6, 2007

Suresh Soni  
Portfolio Manager



Deutsche Asset Management   
A Member of the Deutsche Bank Group



# Statement of Portfolio Holding

as at March 31, 2007

(Referred to in Schedule 1 to the Balance Sheet as at March 31, 2007 and the Revenue Account for the year ended March 31, 2007)

Description		Fair / Market Value Rupees
<b>Privately Placed Non-Convertible Debentures / Bonds (4.14%)</b>		
<b>Banks (100.00%)</b>		
7% ICICI Bank Limited 2012*		627,362
<b>TOTAL</b>	<b>(Cost - Rs. 651,619)</b>	<b>627,362</b>
<b>Non-Convertible Debentures / Bonds Listed / Awaiting Listing (65.17%)</b>		
<b>Banks (38.81%)</b>		
10.05% UTI Bank Limited Tier I Perpetual Maturity Bond 2025#		3,834,312
		<b>3,834,312</b>
<b>Finance (29.24%)</b>		
8.6% Infrastructure Development Finance Company Limited 2011#		2,888,151
		<b>2,888,151</b>
<b>Retailing (31.95%)</b>		
2% Trent Limited 2010#		3,155,977
		<b>3,155,977</b>
<b>TOTAL</b>	<b>(Cost - Rs. 10,312,749)</b>	<b>9,878,440</b>
<b>Government of India Securities (30.69%)</b>		
7.95% Government of India 2032		4,305,524
9.39% Government of India 2011		346,500
<b>TOTAL</b>	<b>(Cost - Rs. 4,847,209)</b>	<b>4,652,024</b>
<b>TOTAL INVESTMENTS</b>	<b>(Cost - Rs. 15,811,577)</b>	<b>15,157,826</b>

Confirmation has been received from JP 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) debt 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.

# Auditors' Report

To the Trustee,

## DEUTSCHE MUTUAL FUND

1. We have audited the Balance Sheet of Deutsche Mutual Fund - **DWS Short Maturity Fund (formerly Deutsche Short Maturity Fund)** ("The Scheme") as at March 31, 2007 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, 2007 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 - DWS Short Maturity Fund as at March 31, 2007 and its net surplus for the year ended on that date.
  - (ii) The Balance Sheet as at March 31, 2007 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 in good faith and
    - b) Non traded / thinly traded debt securities in accordance with the guidelines for valuation for 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, 2007 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 : September 6, 2007

# Balance Sheet

as at March 31, 2007

	Schedule	March 31, 2007 Rupees	March 31, 2006 Rupees
<b>Assets</b>			
Investments	1	100,037,302	999,694,794
Other Current Assets	2	6,037,142	48,031,018
<b>TOTAL</b>		<b>106,074,444</b>	<b>1,047,725,812</b>
<b>Liabilities</b>			
Unit Capital	3	90,590,297	996,490,918
Reserves and Surplus	4	14,878,210	47,485,850
Current Liabilities and Provisions	5	605,937	3,749,044
<b>TOTAL</b>		<b>106,074,444</b>	<b>1,047,725,812</b>

## Reconciliation of Net Asset Value Per Unit

	March 31, 2007				March 31, 2006			
	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)	72,397,877	21,157,483	11,913,147	105,468,507	272,412,577	679,755,301	91,808,890	1,043,976,768
Number of Units in Issue	5,788,107.113	2,081,661.877	1,189,260.705		23,152,178.955	67,346,744.440	9,150,168.460	
Net Asset Value per Unit	12.5080	10.1637	10.0173		11.7662	10.0933	10.0336	

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 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

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

Stephen Paul Harris  
Director

Kersi M. Gherda  
Director

Vijay P. Gokhale  
Director

Vijai Mantri  
Director

Bhalchandra Bhide  
Director

Place: Mumbai  
Date : September 6, 2007

Suresh Soni  
Portfolio Manager

# Revenue Account

for the year ended March 31, 2007

	Schedule	April 01, 2006 to March 31, 2007 Rupees	April 01, 2005 to March 31, 2006 Rupees
<b>Income and Gains</b>			
Interest and Discount	6	57,300,399	238,607,578
<b>TOTAL</b>		<b>57,300,399</b>	<b>238,607,578</b>
<b>Expenses and Losses</b>			
Net Loss on Sale of Investments [Including Net Loss on Inter-Scheme Sale of Investments Rs.12,205,641 (Previous Year Rs. 28,094,360)] (Note 2.3)		19,455,708	71,684,723
Investment Management and Advisory Fees (Note 3)		2,189,977	10,723,041
Trustee Fees and Expenses (Note 4)		70,973	329,461
Transfer Agent Fees and Expenses		728,967	2,778,761
Custodian Fees and Expenses (Note 5)		372,630	1,849,213
Audit Fees		3,930	67,542
Selling and Distribution Expenses		2,215,651	12,270,263
Other Operating Expenses		805,446	1,633,185
<b>TOTAL</b>		<b>25,843,282</b>	<b>101,336,189</b>
Net Surplus for the Year		31,457,117	137,271,389
Net Change in Unrealised Appreciation / (Depreciation) in Value of Investments	7	13,870,016	(12,360,843)
<b>Net Surplus including Net Change in Unrealised Appreciation / Depreciation in Value of Investments</b>		<b>45,327,133</b>	<b>124,910,546</b>

	April 01, 2006 to March 31, 2007				April 01, 2005 to March 31, 2006			
	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 Surplus including Net Change in Unrealised Appreciation / Depreciation in Value of Investments by Plan	23,512,050	14,652,097	7,162,986	45,327,133	65,758,242	47,637,817	11,514,487	124,910,546
Transfer from Dividend Equalisation Reserve (Note 2.7)	(51,241,965)	(3,521,276)	(1,321,241)	(56,084,482)	(60,367,159)	16,901,530	1,340,854	(42,124,775)
Transfer From Reserve Fund	-	1,831,666	101,623	1,933,289	-	6,642,574	4,864,476	11,507,050
Transfer From Unit Premium Reserve	-	-	-	-	-	-	18,058	18,058
Dividend Distributions (Note 11)	-	(10,561,684)	(4,879,400)	(15,441,084)	-	(56,831,808)	(14,588,617)	(71,420,425)
Dividend Tax Thereon	-	(2,304,695)	(1,039,845)	(3,344,540)	-	(12,607,022)	(3,015,266)	(15,622,288)
Balance Transferred to Reserve Fund	(27,729,915)	96,108	24,123	(27,609,684)	5,391,083	1,743,091	133,992	7,268,166

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

Stephen Paul Harris  
Director

Vijai Mantri  
Director

Y. B. Desai  
Director

A. S. Mitra  
Director

Kersi M. Gherda  
Director

Bhalchandra Bhide  
Director

Debabrata Bhadury  
Director

Vijay P. Gokhale  
Director

Place: Mumbai  
Date : September 6, 2007

Suresh Soni  
Portfolio Manager



Deutsche Asset Management   
A Member of the Deutsche Bank Group

## Schedules

forming part of the Balance Sheet as at March 31, 2007 and  
the Revenue Account for the year ended March 31, 2007

	March 31, 2007		March 31, 2006	
	Market / Fair Value Rupees	Cost Rupees	Market / Fair Value Rupees	Cost Rupees
<b>Schedule 1</b>				
<b>Investments</b>				
(Notes 2.2, 2.3, 7, 8, 9 and 13)				
(Refer to the attached Statement of Portfolio Holding as at March 31, 2007)				
Privately Placed Non-Convertible Debentures / Bonds	11,000,000	11,000,000	95,913,877	97,848,727
Non-Convertible Debentures / Bonds Listed / Awaiting Listing	89,037,302	93,592,469	408,929,230	417,502,378
Securitised Debt	–	–	384,501,101	392,229,486
Government of India Securities	–	–	34,867,200	35,056,000
Certificate of Deposit / Commercial Paper	–	–	75,483,386	75,483,386
<b>TOTAL</b>	<b>100,037,302</b>	<b>104,592,469</b>	999,694,794	1,018,119,977

	March 31, 2007 Rupees	March 31, 2006 Rupees
<b>Schedule 2</b>		
<b>Other Current Assets</b>		
Balances with Banks		
– in Current Account	3,071,096	2,228,800
– in Dividend Account (Note 14)	96	48,667
Sales Contracts Awaiting Completion - Debentures / Bonds	–	3,348,214
Application Money Pending Allotment - Debentures / Bonds	–	37,000,000
Interest Receivables on :		
– Debentures / Bonds	2,965,950	4,662,484
– Government of India Securities	–	742,853
<b>TOTAL</b>	<b>6,037,142</b>	48,031,018

## Schedules

forming part of the Balance Sheet as at March 31, 2007 and  
the Revenue Account for the year ended March 31, 2007

	March 31, 2007		March 31, 2006	
	Rupees	Units	Rupees	Units
<b>Schedule 3</b>				
<b>Unit Capital</b>				
<b>Growth Plan</b>				
<b>Issued and Subscribed :-</b>				
Units of Rs.10 each fully paid-up	2,112,481,400	211,248,140.000	2,112,481,400	211,248,140.000
<b>Outstanding :</b>				
At the beginning of the year	231,521,790	23,152,178.955	265,638,078	26,563,807.686
Issued during the year	1,256,153,641	125,615,364.080	6,061,081,137	606,108,113.732
	1,487,675,431	148,767,543.035	6,326,719,215	632,671,921.418
Redeemed during the year	1,429,794,359	142,979,435.922	6,095,197,425	609,519,742.463
At the end of the year	57,881,072	5,788,107.113	231,521,790	23,152,178.955
<b>Weekly Dividend Plan</b>				
<b>Issued and Subscribed :-</b>				
Units of Rs.10 each fully paid-up				
<b>Outstanding :</b>				
At the beginning of the year	673,467,444	67,346,744.440	462,076,611	46,207,661.131
Issued during the year	1,384,961,474	138,496,147.449	4,615,228,452	461,522,845.174
	2,058,428,918	205,842,891.889	5,077,305,063	507,730,506.305
Redeemed during the year	2,037,612,300	203,761,230.012	4,403,837,619	440,383,761.865
At the end of the year	20,816,618	2,081,661.877	673,467,444	67,346,744.440
<b>Monthly Dividend Plan</b>				
<b>Issued and Subscribed :-</b>				
Units of Rs.10 each fully paid-up	107,873,000	10,787,300.000	107,873,000	10,787,300.000
<b>Outstanding :</b>				
At the beginning of the year	91,501,684	9,150,168.460	293,060,528	29,306,052.887
Issued during the year	290,318,616	29,031,861.580	1,368,694,136	136,869,413.616
	381,820,300	38,182,030.040	1,661,754,664	166,175,466.503
Redeemed during the year	369,927,693	36,992,769.335	1,570,252,980	157,025,298.043
At the end of the year	11,892,607	1,189,260.705	91,501,684	9,150,168.460
<b>TOTAL</b>	<b>90,590,297</b>	<b>9,059,029.695</b>	<b>996,490,918</b>	<b>99,649,091.855</b>

	March 31, 2007				March 31, 2006			
	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
<b>Schedule 4</b>								
<b>Reserves and Surplus</b>								
<b>Unit Premium Reserve (Note 2.6)</b>								
At the beginning of the year	(1,808,020)	4,343,505	173,214	2,708,699	(3,392,000)	3,023,068	612,467	243,535
Added during the year	1,355,933	(4,211,434)	(209,166)	(3,064,667)	1,583,980	1,320,437	(421,195)	2,483,222
Transfer to Revenue Account	-	-	-	-	-	-	(18,058)	(18,058)
At the end of the year	(452,087)	132,071	(35,952)	(355,968)	(1,808,020)	4,343,505	173,214	2,708,699
<b>Dividend Equalisation Reserve (Note 2.7)</b>								
Added during the year	(51,241,965)	(3,521,276)	(1,321,241)	(56,084,482)	(60,367,159)	16,901,530	1,340,854	(42,124,775)
Transfer to Revenue Account	51,241,965	3,521,276	1,321,241	56,084,482	60,367,159	(16,901,530)	(1,340,854)	42,124,775
At the end of the year	-	-	-	-	-	-	-	-
<b>Reserve Fund</b>								
At the beginning of the year	42,698,807	1,944,352	133,992	44,777,151	37,307,724	6,843,835	4,864,476	49,016,035
Transfer to Revenue Account	-	(1,831,666)	(101,623)	(1,933,289)	-	(6,642,574)	(4,864,476)	(11,507,050)
Balance Transferred from Revenue Account	(27,729,915)	96,108	24,123	(27,609,684)	5,391,083	1,743,091	133,992	7,268,166
At the end of the year [including net unrealised depreciation in value of investments Rs. 4,555,167 (Previous Year - Rs. 18,425,183)]	14,968,892	208,794	56,492	15,234,178	42,698,807	1,944,352	133,992	44,777,151
<b>TOTAL</b>	<b>14,516,805</b>	<b>340,865</b>	<b>20,540</b>	<b>14,878,210</b>	<b>40,890,787</b>	<b>6,287,857</b>	<b>307,206</b>	<b>47,485,850</b>

## Schedules

forming part of the Balance Sheet as at March 31, 2007 and  
the Revenue Account for the year ended March 31, 2007

	March 31, 2007 Rupees	March 31, 2006 Rupees
<b>Schedule 5</b>		
<b>Current Liabilities and Provisions</b>		
<b>Current Liabilities</b>		
Investment Management and Advisory Fees	122,125	1,213,594
Trustee Fees and Expenses	2,045	12,479
Transfer Agent Fees and Expenses	47,206	105,130
Custodian Fees and Expenses	10,994	66,516
Audit Fees	3,930	67,542
Selling and Distribution Expenses	68,659	502,567
Purchase Contracts Awaiting Completion - Debentures / Bonds	-	2,204
Inter-Scheme Payable - Switch Out	200,000	-
- Others	16,487	1,014,712
Dividend Payable	21,970	317,180
Dividend Tax Payable	14,327	167,946
Unclaimed Dividend (Note 14)	96	48,667
Units Pending Allotment	66,134	-
Sundry Payables	31,964	230,507
<b>TOTAL</b>	<b>605,937</b>	<b>3,749,044</b>

	April 01, 2006 to March 31, 2007 Rupees	April 01, 2005 to March 31, 2006 Rupees
<b>Schedule 6</b>		
<b>Interest and Discount</b>		
<b>(Note 2.4)</b>		
Debentures / Bonds	30,666,936	121,076,223
Securitized Debt	17,460,584	67,586,940
Government of India Securities	1,488,063	23,294,573
Treasury Bills	-	3,841,745
Reverse Repos	1,394,353	2,337,271
Deposits	1,046,640	225,479
Certificate of Deposit / Commercial Paper	5,243,823	20,245,347
<b>TOTAL</b>	<b>57,300,399</b>	<b>238,607,578</b>

## Schedules

forming part of the Balance Sheet as at March 31, 2007 and  
the Revenue Account for the year ended March 31, 2007

	April 01, 2006 to March 31, 2007 Rupees	April 01, 2005 to March 31, 2006 Rupees
<b>Schedule 7</b>		
<b>Unrealised (Depreciation) / Appreciation in Value of Investments</b> (Note 7)		
<b>(a) Privately Placed Non-Convertible Debentures / Bonds</b>		
At the beginning of the year	(1,934,850)	(3,382,381)
At the end of the year	–	(1,934,850)
Net change during the year	(I) 1,934,850	1,447,531
<b>(b) Non-Convertible Debentures / Bonds Listed / Awaiting Listing</b>		
At the beginning of the year	(8,573,148)	(6,058,627)
At the end of the year	(4,555,167)	(8,573,148)
Net change during the year	(II) 4,017,981	(2,514,521)
<b>(c) Securitised Debt</b>		
At the beginning of the year	(7,728,385)	3,383,399
At the end of the year	–	(7,728,385)
Net change during the year	(III) 7,728,385	(11,111,784)
<b>(d) Government of India Securities</b>		
At the beginning of the year	(188,800)	1,847
At the end of the year	–	(188,800)
Net change during the year	(IV) 188,800	(190,647)
<b>(e) Treasury Bills</b>		
At the beginning of the year	–	(8,578)
At the end of the year	–	–
Net change during the year	(V) –	8,578
<b>Net change in unrealised appreciation / (depreciation) in value of investments during the year</b>	<b>(I)+(II)+(III)+(IV)+(V) 13,870,016</b>	<b>(12,360,843)</b>



# Schedules

forming part of the Balance Sheet as at March 31, 2007 and the Revenue Account for the year ended March 31, 2007

## Schedule 8

### Notes to the Financial Statements

#### 1. Organisation

DWS Short Maturity Fund (formerly, 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, 2007 the Scheme has three plans - Growth Plan, Weekly Dividend Plan 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.

The name of the Scheme has been changed from Deutsche Short Maturity Fund to DWS Short Maturity Fund with effect from May 2, 2006 for which necessary approvals have been received.

#### 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. 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 upto 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.

## Schedules

forming part of the Balance Sheet as at March 31, 2007 and the Revenue Account for the year ended March 31, 2007

### 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.

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.

## 5. Custodian Fees

JP 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. Aggregate Depreciation In Value of Investments

Aggregate depreciation in value of investments is as follows:

	March 31, 2007 Rupees	March 31, 2006 Rupees
Privately Placed Non-Convertible Debentures / Bonds		
– Appreciation	–	–
– Depreciation	–	1,934,850
Non-Convertible Debentures / Bonds Listed / Awaiting Listing		
– Appreciation	–	–
– Depreciation	4,555,167	8,573,148
Securitized Debt		
– Appreciation	–	–
– Depreciation	–	7,728,385
Government of India Securities		
– Appreciation	–	–
– Depreciation	–	188,800

## 8. 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, 2007 is Rs. 100,037,302.

## Schedules

forming part of the Balance Sheet as at March 31, 2007 and the Revenue Account for the year ended March 31, 2007

### 9. 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. 7,277,589,439 (excluding accretion of discount Rs. 19,230,818) and Rs. 8,190,892,057 respectively being 1027.86% and 1156.85% of the average daily net assets.

### 10. Income and Expenses

The total income (including net loss on sale of investments and net change in unrealized appreciation / depreciation in the value of investments) and expenditure is Rs. 51,714,707 and Rs. 6,387,574 respectively being 7.30% and 0.90% of the average daily net assets.

### 11. Dividend Distribution

The Scheme has distributed dividend on various record dates during the year aggregating to Rs.19,481 in the Monthly Dividend Plan of the Scheme from the Reserve Fund in accordance with the Eleventh Schedule of the Regulations without considering the debit balance in the Unit Premium Reserve.

### 12. 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. 352,018 and Rs. 633 respectively for procuring unit subscriptions for the Scheme. The commission paid was at rates similar to those offered to other distributors.

### 13. 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	Schemes invested in by the Company	Investment 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, 2007 At Market / Fair Value (Rupees In Lakhs)
Celebrity Fashions Limited	DWS Short Maturity Fund	DWS Alpha Equity Fund	53.84	-
		DWS Investment Opportunity Fund	17.13	-
		DWS MIP Fund - Plan A	3.67	-
		DWS MIP Fund - Plan B	1.71	-
DSP Merrill Lynch Capital Limited	DWS Insta Cash Plus Fund	DWS Alpha Equity Fund	54.89	-
		DWS Floating Rate Fund	4,189.75	9.86
		DWS Insta Cash Plus Fund	76,148.04	1,458.83
		DWS Money Plus Fund	88,680.54	19.71
		DWS Premier Bond Fund	44.56	-
		DWS Short Maturity Fund	3,163.35	-
		DWS Fixed Term Fund Series - 11	87.10	-
		DWS Fixed Term Fund Series - 12	2,252.13	-
		DWS Fixed Term Fund Series - 13	1,500.00	-
		DWS Fixed Term Fund Series - 16	99.83	-
		DWS Fixed Term Fund Series - 17	2,294.02	1,959.61
		DWS Fixed Term Fund Series - 18	1,509.10	1,478.08
		DWS Fixed Term Fund Series - 19	10,000.00	9,861.05
		DWS Fixed Term Fund Series - 2	211.56	-
		DWS Fixed Term Fund Series - 20	69.51	48.93
		DWS Fixed Term Fund Series - 21	537.16	-
		DWS Fixed Term Fund Series - 24	59.10	59.14
		DWS Fixed Term Fund Series - 26	1,728.89	88.72
		DWS Fixed Term Fund Series - 27	29.55	29.57
		DWS Fixed Term Fund Series - 3	1,719.12	-
		DWS Fixed Term Fund Series - 4	126.40	29.57
DWS Fixed Term Fund Series - 5	86.33	-		
DWS Fixed Term Fund Series - 6	184.57	88.72		
DWS Fixed Term Fund Series - 7	4,216.78	-		
DWS Fixed Term Fund Series - 8	196.21	-		
DWS Fixed Term Fund Series - 9	49.25	49.29		
		DWS Fixed Term Fund	14.08	-
		DWS MIP Fund - Plan A	235.17	-
		DWS MIP Fund - Plan B	137.16	-

# Schedules

forming part of the Balance Sheet as at March 31, 2007 and the Revenue Account for the Year ended March 31, 2007

Company Name	Schemes invested in by the Company	Investment 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, 2007 At Market / Fair Value (Rupees In Lakhs)
Grasim Industries Limited	DWS Fixed Term Fund Series - 10	DWS Alpha Equity Fund	1,801.80	428.71
	DWS Fixed Term Fund Series - 22	DWS Insta Cash Plus Fund	4,300.00	–
	DWS Fixed Term Fund Series - 23	DWS Investment Opportunity Fund	103.34	39.73
		DWS Tax Saving Fund	220.54	–
HCL Technologies Limited	DWS Fixed Term Fund Series - 14	DWS Alpha Equity Fund^	795.61	–
	DWS Fixed Term Fund Series - 16	DWS Tax Saving Fund^	71.52	–
Hero Honda Motors Limited	DWS Fixed Term Fund Series - 14	DWS Investment Opportunity Fund	0.62	–
Hindalco Industries Limited	DWS Fixed Term Fund Series - 10	DWS Alpha Equity Fund	478.40	–
	DWS Fixed Term Fund Series - 13	DWS Floating Rate Fund	205.61	–
	DWS Money Plus Fund	DWS Short Maturity Fund	822.42	–
	DWS Fixed Term Fund Series - 28	DWS Fixed Term Fund Series - 4	935.13	–
Hindustan Lever Limited	DWS Fixed Term Fund Series - 28	DWS Tax Saving Fund	120.94	–
	DWS Fixed Term Fund Series - 13	DWS Alpha Equity Fund	725.21	–
	DWS Fixed Term Fund Series - 22	DWS Investment Opportunity Fund	12.22	–
Hindustan Zinc Limited	DWS Fixed Term Fund Series - 27			
	DWS Fixed Term Fund Series - 13	DWS Alpha Equity Fund	170.99	–
	DWS Fixed Term Fund Series - 20	DWS Tax Saving Fund	77.25	–
	DWS Fixed Term Fund Series - 21			
ICI India	DWS Fixed Term Fund Series - 24			
	DWS Fixed Term Fund Series - 21	DWS Fixed Term Fund Series - 7	500.00	–
Infosys Technologies Limited	DWS Insta Cash Plus Fund	DWS Alpha Equity Fund	3,172.02	724.54
		DWS Investment Opportunity Fund	79.80	17.71
		DWS MIP Fund - Plan A	34.56	13.36
		DWS Tax Saving Fund	403.93	230.34
ITC Limited	DWS Insta Cash Plus Fund	DWS Alpha Equity Fund	1,840.20	488.80
	DWS Floating Rate Fund	DWS Investment Opportunity Fund	376.99	38.35
	DWS Fixed Term Fund Series - 14	DWS MIP Fund - Plan A	7.73	–
	DWS Fixed Term Fund Series - 16	DWS Tax Saving Fund	274.99	164.69
	DWS Fixed Term Fund Series - 23			
Larsen and Toubro Limited	DWS Insta Cash Plus Fund	DWS Alpha Equity Fund	1,938.29	582.89
		DWS Floating Rate Fund	1,000.00	–
		DWS Insta Cash Plus Fund	900.00	–
		DWS Short Maturity Fund	100.00	–
		DWS Investment Opportunity Fund	181.88	32.38
		DWS Tax Saving Fund	318.52	153.82

## Schedules

forming part of the Balance Sheet as at March 31, 2007 and  
the Revenue Account for the Year ended March 31, 2007

Company Name	Schemes invested in by the Company	Investment 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, 2007 At Market / Fair Value (Rupees In Lakhs)
		DWS Floating Rate Fund^^	6,100.00	–
		DWS Insta Cash Plus Fund^^	81,157.10	200.00
		DWS Money Plus Fund^^	67,472.40	10,400.00
		DWS Short Maturity Fund^^	7,229.74	–
		DWS Fixed Term Fund Series - 10^^	113.08	117.32
		DWS Fixed Term Fund Series - 13^^	6,214.57	–
		DWS Fixed Term Fund Series - 14^^	4,310.28	3,566.28
		DWS Fixed Term Fund Series - 15^^	37.59	–
		DWS Fixed Term Fund Series - 16^^	216.12	224.87
		DWS Fixed Term Fund Series - 19^^	4,604.21	4,722.73
		DWS Fixed Term Fund Series - 2^^	1,698.95	–
		DWS Fixed Term Fund Series - 20^^	999.82	–
		DWS Fixed Term Fund Series - 25^^	990.77	986.22
		DWS Fixed Term Fund Series - 5^^	200.00	–
		DWS Fixed Term Fund Series - 7^^	3,700.00	–
		DWS Fixed Term Fund^^	1,799.21	–
		DWS Money Plus Fund^^^	500.00	–
Patni Computer Systems Limited	DWS Fixed Term Fund Series - 25 DWS Fixed Term Fund Series - 21 DWS Fixed Term Fund Series - 12	DWS Alpha Equity Fund DWS Investment Opportunity Fund	400.31 186.56	– –
Ranbaxy Holding Company	DWS Insta Cash Plus Fund	DWS Money Plus Fund DWS Fixed Term Fund Series - 27 DWS Fixed Term Fund Series - 28 DWS Alpha Equity Fund DWS Floating Rate Fund DWS Insta Cash Plus Fund DWS Short Maturity Fund DWS Fixed Term Fund Series - 12 DWS Tax Saving Fund	45,000.00 800.00 3,700.00 108.81 6,900.00 5,000.00 3,500.00 2,200.00 99.27	500.00 800.00 3,700.00 – – – – – –
Reliance Petroleum Limited	DWS Insta Cash Plus Fund	DWS Alpha Equity Fund DWS Fixed Term Fund Series - 9 DWS Investment Opportunity Fund DWS MIP Fund - Plan A DWS MIP Fund - Plan B DWS Tax Saving Fund	11.19 34.38 1.90 1.76 0.70 7.53	– – – – – –
Tata Chemicals Limited	DWS Fixed Term Fund Series - 27	DWS Investment Opportunity Fund	27.18	–
Tata Consultancy Services Limited	DWS Money Plus Fund DWS Fixed Term Fund Series - 23 DWS Fixed Term Fund Series - 24	DWS Alpha Equity Fund DWS Tax Saving Fund	1,128.29 133.93	246.94 86.18
Tata Steel Limited	DWS Insta Cash Plus Fund	DWS Alpha Equity Fund DWS Investment Opportunity Fund DWS Tax Saving Fund	1,263.16 510.16 116.78	– – –
Videsh Sanchar Nigam Limited	DWS Money Plus Fund DWS Fixed Term Fund Series - 12 DWS Fixed Term Fund Series 13	DWS Investment Opportunity Fund	94.30	–
Wipro Limited	DWS Money Plus Fund	DWS Tax Saving Fund	127.27	–

## Schedules

forming part of the Balance Sheet as at March 31, 2007 and the Revenue Account for the Year ended March 31, 2007

- ^ DTSF and DAEF have invested in HCL Technologies Limited which is a subsidiary of HCL Corporation Limited.
- ^^ DICPF, DFRF, DFTF-7, DSMF, DFTF, DFTF-2, DFTF-10, DFTF-13, DFTF-14, DFTF-15, DFTF-16, DFTF-19, DFTF-20, DFTF-25, DFTF-5 and DMPF have invested in L & T Finance Limited which is a subsidiary of Larsen & Toubro Limited.
- ^^^ DMPF have invested in Tractors Engineers which is a subsidiary of Larsen & Toubro 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.

(Note: The following abbreviations have been used above: DTSF - DWS Tax Saving Fund, DAEF - DWS Alpha Equity Fund, DICPF - DWS Insta Cash Plus Fund, DFRF - DWS Floating Rate Fund, DFTF-7 - DWS Fixed Term Fund - Series-7, DSMF - DWS Short Maturity Fund, DFTF - DWS Fixed Term Fund, DFTF-2 - DWS Fixed Term Fund - Series 2, DFTF-10 - DWS Fixed Term Fund - Series 10, DFTF-13 - DWS Fixed Term Fund - Series 13, DFTF-14 - DWS Fixed Term Fund - Series 14, DFTF-15 - DWS Fixed Term Fund - Series 15, DFTF-16 - DWS Fixed Term Fund - Series 16, DFTF-19 - DWS Fixed Term Fund - Series 19, DFTF-20 - DWS Fixed Term Fund - Series 20, DFTF-25 - DWS Fixed Term Fund - Series 25, DFTF-5 - DWS Fixed Term Fund - Series 5 and DMPF - DWS Money Plus Fund)

### 14. Unclaimed Dividend

As at March 31, 2007 unclaimed dividends aggregate Rs. 96 payable to two 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.

### 15. Perspective Historical Per Unit Statistics\*

	April 01, 2006 to March 31, 2007 Rupees	April 01, 2005 to March 31, 2006 Rupees	April 01, 2004 to March 31, 2005 Rupees
(a) Net asset value per unit at the end of the year / period (Note 2.5)			
Growth Plan	12.5080	11.7662	11.2768
Weekly Dividend Plan	10.1637	10.0933	10.2135
Monthly Dividend Plan	10.0173	10.0336	10.1869
(b) Gross Income			
(i) income other than profit on sale of investment	6.3252	2.3945	1.5468
(ii) income from profit on inter-scheme sales / transfer of investment	(1.3473)	(0.2819)	0.1613
(iii) income (net) from profit on sale of investments to third party	(0.8003)	(0.4374)	(0.1895)
(iv) transfer of revenue account from past year's reserve	0.2134	0.1155	0.3915
(c) Aggregate of expenses, writeoff, amortisation and charges	0.7051	0.2976	0.2058
(d) Net income	3.4725	1.3775	1.3128
(e) Net change in unrealised (depreciation) / appreciation in value of investments	1.5311	(0.1240)	(0.4084)
(f) Redemption Price			
- Highest			
Growth Plan	12.5110	11.7662	11.2768
Weekly Dividend Plan	10.2897	10.2563	10.2898
Monthly Dividend Plan	10.1892	10.2123	10.2737
- Lowest			
Growth Plan	11.7795	11.2786	10.7782
Weekly Dividend Plan	10.1048	10.0669	10.1506
Monthly Dividend Plan	10.0173	9.9852	10.1023

## Schedules

forming part of the Balance Sheet as at March 31, 2007 and  
the Revenue Account for the Year ended March 31, 2007

	April 01, 2006 to March 31, 2007 Rupees	April 01, 2005 to March 31, 2006 Rupees	April 01, 2004 to March 31, 2005 Rupees
(g) Purchase price			
– Highest			
Growth Plan	12.5110	11.7662	11.2768
Weekly Dividend Plan	10.2897	10.2563	10.2935
Monthly Dividend Plan	10.1892	10.2123	10.2785
– Lowest			
Growth Plan	11.7795	11.2786	10.7782
Weekly Dividend Plan	10.1048	10.0669	10.1480
Monthly Dividend Plan	10.0173	9.9852	10.1023
(h) Price earnings ratio	NA	NA	NA
(i) Ratio of expenses to daily average net assets by percentage	0.91%	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	7.33%	4.69%	4.87%

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

### 16. 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 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

Stephen Paul Harris  
Director

Vijai Mantri  
Director

Y. B. Desai  
Director

A. S. Mitra  
Director

Kersi M. Gherda  
Director

Bhalchandra Bhide  
Director

Debabrata Bhadury  
Director

Vijay P. Gokhale  
Director

Place: Mumbai  
Date : September 6, 2007

Suresh Soni  
Portfolio Manager



# Statement of Portfolio Holding

as at March 31, 2007

(Referred to in Schedule 1 to the Balance Sheet as at March 31, 2007 and the Revenue Account for the year ended March 31, 2007)

Description	Market / Fair Value Rupees
<b>Privately Placed Non-Convertible Debentures / Bonds (11.00%)</b>	
Finance (100.00%)	
1 Year Gsec+130 Bps Cholamandalam DBS Finance Limited 2009*	11,000,000
<b>TOTAL</b>	<b>(Cost - Rs. 11,000,000) 11,000,000</b>
<b>Non-Convertible Debentures / Bonds Listed / Awaiting Listing (89.00%)</b>	
Banks (22.61%)	
10.05% UTI Bank Ltd. Tier I Perpetual Maturity Bond 2016#	20,130,138
	<b>20,130,138</b>
Finance (37.92%)	
8.6% Infrastructure Development Finance Company Limited 2011#	19,254,340
8.72% Citicorp Maruti Finance Limited 2009#	14,505,344
	<b>33,759,684</b>
Retailing (39.47%)	
2% Trent Limited 2010#	35,147,480
	<b>35,147,480</b>
<b>TOTAL</b>	<b>(Cost - Rs. 93,592,469) 89,037,302</b>
<b>TOTAL INVESTMENTS</b>	<b>(Cost - Rs. 104,592,469) 100,037,302</b>

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

\* Fair value of non-traded (privately placed) debt 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.



# Auditors' Report

To the Trustee,

## DEUTSCHE MUTUAL FUND

1. We have audited the Balance Sheet of Deutsche Mutual Fund - **DWS Insta Cash Plus Fund (formerly Deutsche Insta Cash Plus Fund)** ("The Scheme") as at March 31, 2007 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, 2007 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 - DWS Insta Cash Plus Fund as at March 31, 2007 and its net surplus for the year ended on that date.
  - (ii) The Balance Sheet as at March 31, 2007 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 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, 2007 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 : September 6, 2007

# Balance Sheet

as at March 31, 2007

	Schedule	March 31, 2007 Rupees	March 31, 2006 Rupees
<b>Assets</b>			
Investments	1	4,852,747,884	6,343,909,888
Deposits	2	150,100,000	390,000,000
Other Current Assets	3	137,733,905	567,851,053
<b>TOTAL</b>		<b>5,140,581,789</b>	<b>7,301,760,941</b>

## Liabilities

Unit Capital	4	4,785,584,374	7,075,638,759
Reserves and Surplus	5	344,605,599	208,767,706
Current Liabilities and Provisions	6	10,391,816	17,354,476
<b>TOTAL</b>		<b>5,140,581,789</b>	<b>7,301,760,941</b>

## Reconciliation of Net Asset Value Per Unit

	Regular Plan					Institutional Plan					
	March 31, 2007					March 31, 2007					
	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 Assets as per Balance Sheet (Total Assets less Current Liabilities and Provisions) (Note 2.5)	402,829,861	499,280,603	320,819,939	25,579,924	1,248,510,327	1,491,742,306	1,481,565,102	838,063,173	70,309,065	3,881,679,646	5,130,189,973
Number of Units in Issue	31,995,995.198	48,469,139.217	31,375,550.171	2,503,797.762		126,651,678.793	147,868,167.375	82,720,748.591	6,973,360.203		
Net Asset Value per Unit	12.5900	10.3010	10.2252	10.2164		11.7783	10.0195	10.1312	10.0825		

	Regular Plan					Institutional Plan					
	March 31, 2006					March 31, 2006					
	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 Assets as per Balance Sheet (Total Assets less Current Liabilities and Provisions) (Note 2.5)	295,845,576	376,853,636	315,246,379	142,351,246	1,130,296,837	1,480,740,706	3,468,155,999	1,103,291,922	101,921,001	6,154,109,628	7,284,406,465
Number of Units in Issue	25,188,351.947	36,584,179.713	31,018,599.031	13,943,022.425		134,962,574.001	346,140,625.743	109,613,384.623	10,113,138.388		
Net Asset Value per Unit	11.7453	10.3010	10.1631	10.2095		10.9715	10.0195	10.0653	10.0781		

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

Stephen Paul Harris  
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Director

Kersi M. Gherda  
Director

Bhalchandra Bhide  
Director

Debabrata Bhadury  
Director

Vijay P. Gokhale  
Director

Place: Mumbai

Date : September 6, 2007

Suresh Soni

Portfolio Manager



Deutsche Asset Management

A Member of the Deutsche Bank Group

# Revenue Account

for the year ended March 31, 2007

	Schedule	April 01, 2006 to March 31, 2007 Rupees	April 01, 2005 to March 31, 2006 Rupees
<b>Income and Gains</b>			
Interest and Discount	7	1,138,927,524	712,781,884
Net Profit on Sale of Investments [Net of Net Loss on Inter-Scheme Sale of Investments Rs. 406,846] (Note 2.3)		10,743,822	–
Miscellaneous Income (Note 14)		48,000	–
<b>TOTAL</b>		<b>1,149,719,346</b>	712,781,884
<b>Expenses and Losses</b>			
Net Loss on Sale of Investments [Previous Year : Including Net Loss on Inter-Scheme Sale of Investments Rs. 28,243,032] (Note 2.3)		–	35,416,703
Investment Management and Advisory Fees (Note 3)		36,858,628	28,431,523
Trustee Fees and Expenses (Note 4)		1,566,716	1,144,725
Transfer Agent Fees and Expenses		10,632,052	7,942,062
Custodian Fees and Expenses (Note 5)		7,733,416	6,727,372
Audit Fees		191,165	471,272
Selling and Distribution Expenses		15,227,527	10,917,007
Other Operating Expenses		9,237,050	5,124,987
		81,446,554	96,175,651
Less: Expenses to be Reimbursed by the Investment Manager (Note 7)		792,952	1,127,343
<b>TOTAL</b>		<b>80,653,602</b>	95,048,308
Net Surplus for the year		1,069,065,744	617,733,576
Net Change in Unrealised (Depreciation) / Appreciation in Value of Investments	8	2,061,621	11,094,467
Net Surplus including Net Change in Unrealised Depreciation / Appreciation in Value of Investments		<b>1,071,127,365</b>	628,828,043

	Regular Plan					Institutional Plan					
	April 01, 2006 to March 31, 2007					April 01, 2006 to March 31, 2007					
	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	33,682,130	40,954,747	27,038,510	4,506,418	106,181,805	384,251,628	423,566,486	113,585,771	43,541,675	964,945,560	1,071,127,365
Transfer from Dividend Equalisation Reserve (Note 2.7)	4,545,334	3,150,673	(516,734)	(2,066,018)	5,113,255	(290,049,148)	(3,308,638)	(6,233,326)	(3,079,400)	(302,670,512)	(297,557,257)
Transfer from Reserve Fund	–	982,154	1,516,022	2,083,581	4,581,757	–	5,285,448	150,656	484,803	5,920,907	10,502,664
Dividend Distributions	–	(34,014,380)	(20,825,105)	(3,651,695)	(58,491,180)	–	(347,011,805)	(84,778,379)	(33,223,059)	(465,013,243)	(523,504,423)
Dividend Tax Thereon	–	(6,940,367)	(3,770,935)	(687,870)	(11,399,172)	–	(76,554,681)	(18,842,578)	(7,455,254)	(102,852,513)	(114,251,685)
Balance Transferred to Reserve Fund	38,227,464	4,132,827	3,441,758	184,416	45,986,465	94,202,480	1,976,810	3,882,144	268,765	100,330,199	146,316,664

# Revenue Account (Contd...)

for the year ended March 31, 2007

## Schedule

	Regular Plan					Institutional Plan					Total Rupees
	April 01, 2005 to March 31, 2006					April 01, 2005 to March 31, 2006					
	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 Surplus including Net Change in Unrealised (Depreciation) / Appreciation in Value of Investments by Option	34,453,127	27,920,013	14,788,565	8,790,132	85,951,837	216,103,275	169,664,716	124,908,373	32,199,842	542,876,206	628,828,043
Transfer from Dividend Equalisation Reserve (Note 2.7)	73,429,044	4,665,608	(1,308,456)	(183,197)	76,602,999	211,896,185	(3,103,600)	4,625,652	4,034,851	217,453,088	294,056,087
Transfer from Reserve Fund	-	6,032,341	712,148	451,464	7,195,953	-	8,954,538	-	6,116,939	15,071,477	22,267,430
Dividend Distributions	-	(23,232,379)	(11,825,238)	(6,597,318)	(41,654,935)	-	(138,582,088)	(95,481,898)	(27,473,709)	(261,537,695)	(303,192,630)
Dividend Tax Thereon	-	(4,687,749)	(2,100,253)	(1,221,643)	(8,009,645)	-	(31,083,040)	(21,292,161)	(6,165,100)	(58,540,301)	(66,549,946)
Balance Transferred to Reserve Fund	107,882,171	10,697,834	266,766	1,239,438	120,086,209	427,999,460	5,850,526	12,759,966	8,712,823	455,322,775	575,408,984

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

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

Gunit Chadha  
Director

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For **Deutsche Asset Management (India)  
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Stephen Paul Harris  
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Kersi M. Gherda  
Director

Vijay P. Gokhale  
Director

Suresh Soni  
Portfolio Manager

Vijai Mantri  
Director

Bhalchandra Bhide  
Director

Place: Mumbai  
Date : September 6, 2007

# Schedules

forming part of the Balance Sheet as at March 31, 2007 and the Revenue Account for the year ended March 31, 2007

	March 31, 2007		March 31, 2006	
	Market / Fair Value Rupees	Cost Rupees	Market / Fair Value Rupees	Cost Rupees
<b>Schedule 1</b>				
<b>Investments</b>				
(Notes 2.2, 2.3, 8, 9, 10, and 16)				
(Refer to the attached Statement of Portfolio Holding as at March 31, 2007)				
Privately Placed Non-Convertible Debentures / Bonds	497,904,390	497,920,776	439,347,851	439,347,851
Non-Convertible Debentures / Bonds Listed / Awaiting Listing	2,105,660,426	2,105,296,524	2,777,467,422	2,774,791,712
Securitized Debt	708,633,272	710,638,896	1,336,863,358	1,343,258,797
Commercial Paper / Certificate of Deposit	1,540,549,796	1,540,549,796	1,790,231,257	1,790,231,257
<b>TOTAL</b>	<b>4,852,747,884</b>	<b>4,854,405,992</b>	6,343,909,888	6,347,629,617

	March 31, 2007 Rupees	March 31, 2006 Rupees
<b>Schedule 2</b>		
<b>Deposits</b>		
Deposit with Scheduled Banks	150,000,000	390,000,000
Margin Deposit with Clearing Corporation of India (Note 12)	100,000	–
<b>TOTAL</b>	<b>150,100,000</b>	390,000,000

	March 31, 2007 Rupees	March 31, 2006 Rupees
<b>Schedule 3</b>		
<b>Other Current Assets</b>		
Balances with Banks		
– in Current Account	81,279,222	24,890,894
– in Dividend Account	–	1,303
Unit Subscription Receivable	7,000,000	700,000
Interest Receivable on :		
– Debentures / Bonds	42,522,751	60,138,678
– Securitized Debt	5,446,240	24,895,841
– Deposits	102,740	96,165
Application Money Pending Allotment		
– Non-Convertible Debentures / Bonds	–	456,000,000
Receivable from Investment Manager	792,952	1,127,342
Inter-Scheme Receivable - Others	590,000	830
<b>TOTAL</b>	<b>137,733,905</b>	567,851,053

# Schedules

forming part of the Balance Sheet as at March 31, 2007 and the Revenue Account for the year ended March 31, 2007

	March 31, 2007		March 31, 2006	
	Rupees	Units	Rupees	Units
<b>Schedule 4</b>				
<b>Unit Capital</b>				
<b>Regular Plan</b>				
<b>Growth Option</b>				
<b>Issued and Subscribed:</b>				
Units of Rs.10 each fully paid-up	597,290,000	59,729,000.000	597,290,000	59,729,000.000
<b>Outstanding :</b>				
At the beginning of the year	251,883,519	25,188,351.947	731,754,413	73,175,441.300
Issued during the year	3,462,859,341	346,285,934.112	3,180,865,241	318,086,524.128
	3,714,742,860	371,474,286.059	3,912,619,654	391,261,965.428
Redeemed during the year	3,394,782,909	339,478,290.861	3,660,736,135	366,073,613.481
At the end of the year	319,959,951	31,995,995.198	251,883,519	25,188,351.947
<b>Daily Dividend Option</b>				
<b>Issued and Subscribed:</b>				
Units of Rs.10 each fully paid-up				
<b>Outstanding :</b>				
At the beginning of the year	365,841,798	36,584,179.713	527,529,712	52,752,971.159
Issued during the year	4,619,823,121	461,982,312.122	3,156,345,931	315,634,593.142
	4,985,664,919	498,566,491.835	3,683,875,643	368,387,564.301
Redeemed during the year	4,500,973,526	450,097,352.618	3,318,033,845	331,803,384.588
At the end of the year	484,691,393	48,469,139.217	365,841,798	36,584,179.713
<b>Weekly Dividend Option</b>				
<b>Issued and Subscribed:</b>				
Units of Rs.10 each fully paid-up				
<b>Outstanding :</b>				
At the beginning of the year	310,185,991	31,018,599.031	250,218,157	25,021,815.678
Issued during the year	1,766,964,491	176,696,449.076	842,181,425	84,218,142.480
	2,077,150,482	207,715,048.107	1,092,399,582	109,239,958.158
Redeemed during the year	1,763,394,979	176,339,497.936	782,213,591	78,221,359.127
At the end of the year	313,755,503	31,375,550.171	310,185,991	31,018,599.031
<b>Regular Dividend Option</b>				
<b>Issued and Subscribed:</b>				
Units of Rs.10 each fully paid-up	50,100,000	5,010,000.00	50,100,000	5,010,000.000
<b>Outstanding :</b>				
At the beginning of the year	139,430,224	13,943,022.425	112,865,948	11,286,594.815
Issued during the year	210,830,632	21,083,063.162	471,167,123	47,116,712.331
	350,260,856	35,026,085.587	584,033,071	58,403,307.146
Redeemed during the year	325,222,878	32,522,287.825	444,602,847	44,460,284.721
At the end of the year	25,037,978	2,503,797.762	139,430,224	13,943,022.425
<b>TOTAL</b>	<b>1,143,444,825</b>	<b>114,344,482.348</b>	<b>1,067,341,532</b>	<b>106,734,153.116</b>
<b>Institutional Plan</b>				
<b>Growth Option</b>				
<b>Issued and Subscribed:</b>				
Units of Rs.10 each fully paid-up				
<b>Outstanding :</b>				
At the beginning of the year	1,349,625,740	134,962,574.001	3,357,867,876	335,786,787.611
Issued during the year / period	104,006,705,766	10,400,670,576.594	84,143,150,671	8,414,315,067.078
	105,356,331,506	10,535,633,150.595	87,501,018,547	8,750,101,854.689
Redeemed during the year / period	104,089,814,718	10,408,981,471.802	86,151,392,807	8,615,139,280.688
At the end of the year / period	1,266,516,788	126,651,678.793	1,349,625,740	134,962,574.001

## Schedules

forming part of the Balance Sheet as at March 31, 2007 and the Revenue Account for the year ended March 31, 2007

	March 31, 2007		March 31, 2006	
	Rupees	Units	Rupees	Units
<b>Unit Capital (Contd...)</b>				
<b>Daily Dividend Option</b>				
<b>Issued and Subscribed:</b>				
Units of Rs.10 each fully paid-up				
At the beginning of the year	3,461,406,257	346,140,625.743	1,935,132,358	193,513,235.811
Issued during the year / period	108,831,177,902	10,883,117,790.243	48,467,902,301	4,846,790,230.077
	112,292,584,159	11,229,258,415.986	50,403,034,659	5,040,303,465.888
Redeemed during the year / period	110,813,902,486	11,081,390,248.611	46,941,628,402	4,694,162,840.145
At the end of the year / period	1,478,681,673	147,868,167.375	3,461,406,257	346,140,625.743
<b>Weekly Dividend Option</b>				
<b>Issued and Subscribed:</b>				
Units of Rs.10 each fully paid-up				
<b>Outstanding :</b>				
At the beginning of the year	1,096,133,846	109,613,384.623	1,294,133,358	129,413,335.825
Issued during the year / period	8,733,790,901	873,379,090.117	15,331,846,309	1,533,184,630.931
	9,829,924,747	982,992,474.740	16,625,979,667	1,662,597,966.756
Redeemed during the year / period	9,002,717,261	900,271,726.149	15,529,845,821	1,552,984,582.133
At the end of the year / period	827,207,486	82,720,748.591	1,096,133,846	109,613,384.623
<b>Regular Dividend Option</b>				
<b>Issued and Subscribed:</b>				
Units of Rs.10 each fully paid-up				
<b>Outstanding :</b>				
At the beginning of the year	101,131,384	10,113,138.388	1,209,680,029	120,968,002.891
Issued during the year / period	1,401,097,827	140,109,782.703	2,102,957,869	210,295,786.882
	1,502,229,211	150,222,921.091	3,312,637,898	331,263,789.773
Redeemed during the year / period	1,432,495,609	143,249,560.888	3,211,506,514	321,150,651.385
At the end of the year / period	69,733,602	6,973,360.203	101,131,384	10,113,138.388
<b>TOTAL</b>	<b>3,642,139,549</b>	<b>364,213,954.962</b>	<b>6,008,297,227</b>	<b>600,829,722.755</b>
<b>TOTAL</b>	<b>4,785,584,374</b>	<b>478,558,437.310</b>	<b>7,075,638,759</b>	<b>707,563,875.871</b>

	Regular Plan					Institutional Plan					
	March 31, 2007					March 31, 2007					
	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

<b>Unit Premium Reserve (Note 2.6)</b>											
At the beginning of the year	(148,971,041)	(9,902,293)	(396,413)	4,356	(159,265,391)	(423,890,096)	5,914,298	(9,257,084)	(8,078,239)	(435,311,121)	(594,576,512)
Transfer from / (to) Reserve											
Fund on account of earlier year	146,858,085	9,331,215	(2,616,912)	(366,392)	153,205,996	423,792,370	(6,207,199)	9,251,303	8,069,702	434,906,176	588,112,172
Added during the year	680,389	426,699	78,312	(479,911)	705,489	(91,928)	(557,675)	(33,877)	1,884	(681,596)	23,893
At the end of the year	(1,432,567)	(144,379)	(2,935,013)	(841,947)	(5,353,906)	(189,654)	(850,576)	(39,658)	(6,653)	(1,086,541)	(6,440,447)
<b>Dividend Equalisation Reserve (Note 2.7)</b>											
Added during the year	4,545,334	3,150,673	(516,734)	(2,066,018)	5,113,255	(290,049,148)	(3,308,638)	(6,233,326)	(3,079,400)	(302,670,512)	(297,557,257)
Transfer to Revenue Account	(4,545,334)	(3,150,673)	516,734	2,066,018	(5,113,255)	290,049,148	3,308,638	6,233,326	3,079,400	302,670,512	297,557,257
At the end of the year	-	-	-	-	-	-	-	-	-	-	-

# Schedules

forming part of the Balance Sheet as at March 31, 2007 and the Revenue Account for the year ended March 31, 2007

	Regular Plan					Institutional Plan					
	March 31, 2007					March 31, 2007					
	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
<b>Reserves and Surplus (Contd...)</b>											
<b>Reserve Fund</b>											
At the beginning of the year	192,933,098	20,914,131	5,456,801	2,916,666	222,220,696	555,005,062	835,444	16,415,160	8,867,856	581,123,522	803,344,218
Transfer (to) / from Unit Premium Reserve on account of earlier year	(146,858,085)	(9,331,215)	2,616,912	366,392	(153,205,996)	(423,792,370)	6,207,199	(9,251,303)	(8,069,702)	(434,906,176)	(588,112,172)
Transfer to Revenue Account	-	(982,154)	(1,516,022)	(2,083,581)	(4,581,757)	-	(5,285,448)	(150,656)	(484,803)	(5,920,907)	(10,502,664)
Balance Transferred from Revenue Account	38,227,464	4,132,827	3,441,758	184,416	45,986,465	94,202,480	1,976,810	3,882,144	268,765	100,330,199	146,316,664
At the end of the year [including net unrealised depreciation in value of investments Rs.1,658,108]	84,302,477	14,733,589	9,999,449	1,383,893	110,419,408	225,415,172	3,734,005	10,895,345	582,116	240,626,638	351,046,046
<b>TOTAL</b>	<b>82,869,910</b>	<b>14,589,210</b>	<b>7,064,436</b>	<b>541,946</b>	<b>105,065,502</b>	<b>225,225,518</b>	<b>2,883,429</b>	<b>10,855,687</b>	<b>575,463</b>	<b>239,540,097</b>	<b>344,605,599</b>

	Regular Plan					Institutional Plan					
	March 31, 2006					March 31, 2006					
	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
<b>Unit Premium Reserve (Note 2.6)</b>											
At the beginning of the year	(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)
Added during the year	(146,355,814)	(9,532,414)	2,113,522	304,510	(153,470,196)	(423,760,332)	6,079,834	(9,246,537)	(8,076,022)	(435,003,057)	(588,473,253)
At the end of the year	(148,971,041)	(9,902,293)	(396,413)	4,356	(159,265,391)	(423,890,096)	5,914,298	(9,257,084)	(8,078,239)	(435,311,121)	(594,576,512)
<b>Dividend Equalisation Reserve (Note 2.7)</b>											
Added during the year	73,429,044	4,665,608	(1,308,456)	(183,197)	76,602,999	211,896,185	(3,103,600)	4,625,652	4,034,851	217,453,088	294,056,087
Transfer to Revenue Account	(73,429,044)	(4,665,608)	1,308,456	183,197	(76,602,999)	(211,896,185)	3,103,600	(4,625,652)	(4,034,851)	(217,453,088)	(294,056,087)
At the end of the year	-	-	-	-	-	-	-	-	-	-	-
<b>Reserve Fund</b>											
At the beginning of the year	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
Transfer to Revenue Account	-	(6,032,341)	(712,148)	(451,464)	(7,195,953)	-	(8,954,538)	-	(6,116,939)	(15,071,477)	(22,267,430)
Balance Transferred from Revenue Account	107,882,171	10,697,834	266,766	1,239,438	120,086,209	427,999,460	5,850,526	12,759,966	8,712,823	455,322,775	575,408,984
At the end of the year [including net unrealised depreciation in value of investments Rs.3,719,729]	192,933,098	20,914,131	5,456,801	2,916,666	222,220,696	555,005,062	835,444	16,415,160	8,867,856	581,123,522	803,344,218
<b>TOTAL</b>	<b>43,962,057</b>	<b>11,011,838</b>	<b>5,060,388</b>	<b>2,921,022</b>	<b>62,955,305</b>	<b>131,114,966</b>	<b>6,749,742</b>	<b>7,158,076</b>	<b>789,617</b>	<b>145,812,401</b>	<b>208,767,706</b>



# Schedules

forming part of the Balance Sheet as at March 31, 2007 and the Revenue Account for the year ended March 31, 2007

	March 31, 2007 Rupees	March 31, 2006 Rupees
<b>Schedule 6</b>		
<b>Current Liabilities and Provisions</b>		
<b>Current Liabilities</b>		
Investment Management and Advisory Fees	893,297	1,678,892
Trustee Fees and Expenses	55,902	67,333
Transfer Agent Fees and Expenses	347,399	459,204
Custodian Fees and Expenses	288,874	431,006
Audit Fees	191,165	471,272
Selling and Distribution Expenses	532,661	677,289
Dividend Payable	434,163	620,684
Dividend Tax Payable	4,877,312	2,214,105
Unclaimed Dividend	-	1,303
Unclaimed Redemption (Note 17)	3,068	3,068
Inter-Scheme Payable - Others	-	7,643,554
Units Pending Allotment	2,375,207	2,500,000
Sundry Payables	392,768	586,766
<b>TOTAL</b>	<b>10,391,816</b>	<b>17,354,476</b>

	April 01, 2006 to March 31, 2007 Rupees	April 01, 2005 to to March 31, 2006 Rupees
<b>Schedule 7</b>		
<b>Interest and Discount (Note 2.4)</b>		
Debentures / Bonds	555,577,456	290,622,466
Securitized Debt	126,242,085	153,224,828
Government of India Securities	980,000	-
Treasury Bills	3,143,898	9,220,144
Commercial Paper / Certificate of Deposit	397,098,805	195,713,472
Reverse Repos	31,000,961	17,946,022
Deposits	24,884,319	46,054,952
<b>TOTAL</b>	<b>1,138,927,524</b>	<b>712,781,884</b>

	April 01, 2006 to March 31, 2007 Rupees	April 01, 2005 to to March 31, 2006 Rupees
<b>Schedule 8</b>		
<b>Unrealised (Depreciation) / Appreciation in Value of Investments (Note 8)</b>		
(a) Privately Placed Non-Convertible Debentures / Bonds		
At the beginning of the year	-	(261,607)
At the end of the year	(16,386)	-
Net change during the year	(II) (16,386)	261,607
(b) Non-Convertible Debentures / Bonds Listed / Awaiting Listing		
At the beginning of the year	2,675,710	1,494,609
At the end of the year	363,902	2,675,710
Net change during the year	(II) (2,311,808)	1,181,101
(c) Securitized Debt		
At the beginning of the year	(6,395,439)	(15,820,505)
At the end of the year	(2,005,624)	(6,395,439)
Net change during the year	(III) 4,389,815	9,425,066
(d) Treasury Bills		
At the beginning of the year	-	(226,693)
At the end of the year	-	-
Net change during the year	(IV) -	226,693
<b>Net change in unrealised (depreciation) / appreciation in value of investments during the year</b>	<b>(II) + (III) + (IV) 2,061,621</b>	<b>11,094,467</b>

# Schedules

forming part of the Balance Sheet as at March 31, 2007 and the Revenue Account for the year ended March 31, 2007

## Schedule 9

### Notes to the Financial Statements

#### 1. Organisation

DWS Insta Cash Plus Fund (formerly 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.

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.

The name of the Scheme has been changed from Deutsche Insta Cash Plus Fund to DWS Insta Cash Plus Fund with effect from May 2, 2006 for which necessary approvals have been received.

#### 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) 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 upto 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 unrealised appreciation / depreciation in the value of investments is determined separately for each category of investments. Further the change in net unrealised appreciation / depreciation, if any, between two Balance Sheet dates / dates of determination is recognized in the Revenue Account. Unrealised 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.

## Schedules

forming part of the Balance Sheet as at March 31, 2007 and the Revenue Account for the year ended March 31, 2007

### 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.

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 0.28% and 0.23% 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.

## 5. Custodian Fees

JP 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 are limited to 0.65% and 0.50% of the average daily net assets of Regular Plan and Institutional Plan respectively. Deutsche Asset Management (India) Private Limited has borne Rs.792,952 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, 2007 Rupees	March 31, 2006 Rupees
Privately Placed Non-Convertible Debentures / Bonds		
– Appreciation	–	–
– Depreciation	16,386	–
Non-Convertible Debentures / Bonds Listed / Awaiting Listing		
– Appreciation	461,489	2,864,253
– Depreciation	97,587	188,543
Securitized Debt		
– Appreciation	510,078	–
– Depreciation	2,515,702	6,395,439

## Schedules

forming part of the Balance Sheet as at March 31, 2007 and the Revenue Account for the year ended March 31, 2007

### 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, 2007 is Rs. 4,852,747,884.

### 10. 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.192,085,059,958 (excluding accretion of discount Rs. 422,529,526) and Rs. 194,011,556,931 respectively being 1226.18% and 1238.48% of the average daily net assets.

### 11. 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	116,229,749	7.52%	10,047,944	0.65%
Institutional Plan	1,035,551,218	7.33%	70,605,658	0.50%

### 12. Margin Deposit with Clearing Corporation of India Limited

The Scheme has placed a margin deposit of Rs.100,000 with Clearing Corporation of India Limited towards 'Collateralised Borrowing and Lending Obligation' transactions, which is held in the name of Deutsche Mutual Fund.

### 13. Dividend Distribution

The Scheme has distributed dividend on various record dates during the year aggregating to Rs. 759,986 and Rs. 561,688 in the Regular Plan - Weekly Dividend Option and Regular Plan - Dividend Option respectively from the Reserve Fund in accordance with the Eleventh Schedule of the Regulations without considering the debit balance in Unit Premium Reserve.

### 14. Miscellaneous Income

Miscellaneous Income of Rs. 48,000 represents compensation calculated at yield plus 90 basis points for that day of delay received from Deutsche Asset Management (India) Private Limited, the investment advisor towards delay in utilisation of available investible funds by one day.

### 15. 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. 1,459,394 and Rs. 249,713 respectively for procuring unit subscriptions for the Scheme. The commission was at rates similar to those offered to other distributors.

### 16. 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	Schemes invested in by the Company	Investment 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, 2007 At Market / Fair Value (Rupees In Lakhs)
Celebrity Fashions Limited	DWS Short Maturity Fund	DWS Alpha Equity Fund	53.84	–
		DWS Investment Opportunity Fund	17.13	–
		DWS MIP Fund - Plan A	3.67	–
		DWS MIP Fund - Plan B	1.71	–
DSP Merrill Lynch Capital Limited	DWS Insta Cash Plus Fund	DWS Alpha Equity Fund	54.89	–
		DWS Floating Rate Fund	4,189.75	9.86
		DWS Insta Cash Plus Fund	76,148.04	1,458.83
		DWS Money Plus Fund	88,680.54	19.71
		DWS Premier Bond Fund	44.56	–
		DWS Short Maturity Fund	3,163.35	–
		DWS Fixed Term Fund Series - 11	87.10	–

## Schedules

forming part of the Balance Sheet as at March 31, 2007 and the Revenue Account for the year ended March 31, 2007

Company Name	Schemes invested in by the Company	Investment 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, 2007 At Market / Fair Value (Rupees In Lakhs)
		DWS Fixed Term Fund Series - 12	2,252.13	–
		DWS Fixed Term Fund Series - 13	1,500.00	–
		DWS Fixed Term Fund Series - 16	99.83	–
		DWS Fixed Term Fund Series - 17	2,294.02	1,959.61
		DWS Fixed Term Fund Series - 18	1,509.10	1,478.08
		DWS Fixed Term Fund Series - 19	10,000.00	9,861.05
		DWS Fixed Term Fund Series - 2	211.56	–
		DWS Fixed Term Fund Series - 20	69.51	48.93
		DWS Fixed Term Fund Series - 21	537.16	–
		DWS Fixed Term Fund Series - 24	59.10	59.14
		DWS Fixed Term Fund Series - 26	1,728.89	88.72
		DWS Fixed Term Fund Series - 27	29.55	29.57
		DWS Fixed Term Fund Series - 3	1,719.12	–
		DWS Fixed Term Fund Series - 4	126.40	29.57
		DWS Fixed Term Fund Series - 5	86.33	–
		DWS Fixed Term Fund Series - 6	184.57	88.72
		DWS Fixed Term Fund Series - 7	4,216.78	–
		DWS Fixed Term Fund Series - 8	196.21	–
		DWS Fixed Term Fund Series - 9	49.25	49.29
		DWS Fixed Term Fund	14.08	–
		DWS MIP Fund - Plan A	235.17	–
		DWS MIP Fund - Plan B	137.16	–
Grasim Industries Limited	DWS Fixed Term Fund Series - 10	DWS Alpha Equity Fund	1,801.80	428.71
	DWS Fixed Term Fund Series - 22	DWS Insta Cash Plus Fund	4,300.00	–
	DWS Fixed Term Fund Series - 23	DWS Investment Opportunity Fund	103.34	39.73
		DWS Tax Saving Fund	220.54	–
HCL Technologies Limited	DWS Fixed Term Fund Series - 14	DWS Alpha Equity Fund^	795.61	–
	DWS Fixed Term Fund Series - 16	DWS Tax Saving Fund^	71.52	–
Hero Honda Motors Limited	DWS Fixed Term Fund Series - 14	DWS Investment Opportunity Fund	0.62	–
Hindalco Industries Limited	DWS Fixed Term Fund Series - 10	DWS Alpha Equity Fund	478.40	–
	DWS Fixed Term Fund Series - 13	DWS Floating Rate Fund	205.61	–
	DWS Money Plus Fund	DWS Short Maturity Fund	822.42	–
	DWS Fixed Term Fund Series - 28	DWS Fixed Term Fund Series - 4	935.13	–
		DWS Tax Saving Fund	120.94	–
Hindustan Lever Limited	DWS Fixed Term Fund Series - 13	DWS Alpha Equity Fund	725.21	–
	DWS Fixed Term Fund Series - 22	DWS Investment Opportunity Fund	12.22	–
	DWS Fixed Term Fund Series - 27			
Hindustan Zinc Limited	DWS Fixed Term Fund Series - 13	DWS Alpha Equity Fund	170.99	–
	DWS Fixed Term Fund Series - 20	DWS Tax Saving Fund	77.25	–
	DWS Fixed Term Fund Series - 21			
	DWS Fixed Term Fund Series - 24			

# Schedules

forming part of the Balance Sheet as at March 31, 2007 and the Revenue Account for the year ended March 31, 2007

Company Name	Schemes invested in by the Company	Investment 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, 2007 At Market / Fair Value (Rupees In Lakhs)
ICI India	DWS Fixed Term Fund Series - 21	DWS Fixed Term Fund Series - 7	500.00	–
Infosys Technologies Limited	DWS Insta Cash Plus Fund	DWS Alpha Equity Fund DWS Investment Opportunity Fund DWS MIP Fund - Plan A DWS Tax Saving Fund	3,172.02 79.80 34.56 403.93	724.54 17.71 13.36 230.34
ITC Limited	DWS Insta Cash Plus Fund DWS Floating Rate Fund DWS Fixed Term Fund Series - 14 DWS Fixed Term Fund Series - 16 DWS Fixed Term Fund Series - 23	DWS Alpha Equity Fund DWS Investment Opportunity Fund DWS MIP Fund - Plan A DWS Tax Saving Fund	1,840.20 376.99 7.73 274.99	488.80 38.35 – 164.69
Larsen and Toubro Limited	DWS Insta Cash Plus Fund	DWS Alpha Equity Fund DWS Floating Rate Fund DWS Insta Cash Plus Fund DWS Short Maturity Fund DWS Investment Opportunity Fund DWS Tax Saving Fund DWS Floating Rate Fund^^ DWS Insta Cash Plus Fund^^ DWS Money Plus Fund^^ DWS Short Maturity Fund^^ DWS Fixed Term Fund Series - 10^^ DWS Fixed Term Fund Series - 13^^ DWS Fixed Term Fund Series - 14^^ DWS Fixed Term Fund Series - 15^^ DWS Fixed Term Fund Series - 16^^ DWS Fixed Term Fund Series - 19^^ DWS Fixed Term Fund Series - 2^^ DWS Fixed Term Fund Series - 20^^ DWS Fixed Term Fund Series - 25^^ DWS Fixed Term Fund Series - 5^^ DWS Fixed Term Fund Series - 7^^ DWS Fixed Term Fund^^ DWS Money Plus Fund^^^	1,938.29 1,000.00 900.00 100.00 181.88 318.52 6,100.00 81,157.10 67,472.40 7,229.74 113.08 6,214.57 4,310.28 37.59 216.12 4,604.21 1,698.95 999.82 990.77 200.00 3,700.00 1,799.21 500.00	582.89 – – – 32.38 153.82 – 200.00 10,400.00 – 117.32 – 3,566.28 – 224.87 4,722.73 – – 986.22 – – – – –
Patni Computer Systems Limited	DWS Fixed Term Fund Series - 25 DWS Fixed Term Fund Series - 21 DWS Fixed Term Fund Series - 12	DWS Alpha Equity Fund DWS Investment Opportunity Fund	400.31 186.56	– –
Ranbaxy Holding Company	DWS Insta Cash Plus Fund	DWS Money Plus Fund DWS Fixed Term Fund Series - 27 DWS Fixed Term Fund Series - 28 DWS Alpha Equity Fund DWS Floating Rate Fund DWS Insta Cash Plus Fund DWS Short Maturity Fund DWS Fixed Term Fund Series - 12 DWS Tax Saving Fund	45,000.00 800.00 3,700.00 108.81 6,900.00 5,000.00 3,500.00 2,200.00 99.27	500.00 800.00 3,700.00 – – – – – –
Reliance Petroleum Limited	DWS Insta Cash Plus Fund	DWS Alpha Equity Fund DWS Fixed Term Fund Series - 9	11.19 34.38	– –

## Schedules

forming part of the Balance Sheet as at March 31, 2007 and the Revenue Account for the year ended March 31, 2007

Company Name	Schemes invested in by the Company	Investment 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, 2007 At Market / Fair Value (Rupees In Lakhs)
		DWS Investment Opportunity Fund	1.90	–
		DWS MIP Fund - Plan A	1.76	–
		DWS MIP Fund - Plan B	0.70	–
		DWS Tax Saving Fund	7.53	–
Tata Chemicals Limited	DWS Fixed Term Fund Series - 27	DWS Investment Opportunity Fund	27.18	–
Tata Consultancy Services Limited	DWS Money Plus Fund	DWS Alpha Equity Fund	1,128.29	246.94
	DWS Fixed Term Fund Series - 23	DWS Tax Saving Fund	133.93	86.18
	DWS Fixed Term Fund Series - 24			
Tata Steel Limited	DWS Insta Cash Plus Fund	DWS Alpha Equity Fund	1,263.16	–
		DWS Investment Opportunity Fund	510.16	–
		DWS Tax Saving Fund	116.78	–
Videsh Sanchar Nigam Limited	DWS Money Plus Fund	DWS Investment Opportunity Fund	94.30	–
	DWS Fixed Term Fund Series - 12			
	DWS Fixed Term Fund Series 13			
Wipro Limited	DWS Money Plus Fund	DWS Tax Saving Fund	127.27	–

^ DTSF and DAEF have invested in HCL Technologies Limited which is a subsidiary of HCL Corporation Limited.

^^ DICPF, DFRF, DFTF-7, DSMF, DFTF, DFTF-2, DFTF-10, DFTF-13, DFTF-14, DFTF-15, DFTF-16, DFTF-19, DFTF-20, DFTF-25, DFTF-5 and DMPF have invested in L & T Finance Limited which is a subsidiary of Larsen & Toubro Limited.

^^^ DMPF have invested in Tractors Engineers which is a subsidiary of Larsen & Toubro 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.

(Note: The following abbreviations have been used above: DTSF - DWS Tax Saving Fund, DAEF - DWS Alpha Equity Fund, DICPF - DWS Insta Cash Plus Fund, DFRF - DWS Floating Rate Fund, DFTF-7 - DWS Fixed Term Fund - Series-7, DSMF - DWS Short Maturity Fund, DFTF - DWS Fixed Term Fund, DFTF-2 - DWS Fixed Term Fund - Series 2, DFTF-10 - DWS Fixed Term Fund - Series 10, DFTF-13 - DWS Fixed Term Fund - Series 13, DFTF-14 - DWS Fixed Term Fund - Series 14, DFTF-15 - DWS Fixed Term Fund - Series 15, DFTF-16 - DWS Fixed Term Fund - Series 16, DFTF-19 - DWS Fixed Term Fund - Series 19, DFTF-20 - DWS Fixed Term Fund - Series 20, DFTF-25 - DWS Fixed Term Fund - Series 25, DFTF-5 - DWS Fixed Term Fund - Series 5 and DMPF - DWS Money Plus Fund)

### 17. Unclaimed Redemptions

As at March 31, 2007 unclaimed redemption aggregate Rs. 3,068 payable to one investor. These details are based on confirmation received from the Scheme's Registrar and Transfer Agent that maintain information of unclaimed redemptions on behalf of the Scheme.



# Schedules

forming part of the Balance Sheet as at March 31, 2007 and the Revenue Account for the year ended March 31, 2007

## 18. Perspective Historical Per Unit Statistics\*

	April 01, 2006 to March 31, 2007 Rupees	April 01, 2005 to March 31, 2006 Rupees	April 01, 2004 to March 31, 2005 Rupees
(a) Net asset value per unit at the end of the year / period (Note 2.5)			
<b>Regular Plan</b>			
Growth Option	12.5900	11.7453	11.1265
Daily Dividend Option	10.3010	10.3010	10.3010
Weekly Dividend Option	10.2252	10.1631	10.1356
Monthly Dividend Option	10.2164	10.2095	10.1620
<b>Institutional Plan</b>			
Growth Option	11.7783	10.9715	10.3778
Daily Dividend Option	10.0195	10.0195	10.0195
Weekly Dividend Option	10.1312	10.0653	10.0282
Monthly Dividend Option	10.0825	10.0781	10.0518
(b) Gross Income			
(i) income other than profit on sale of investment	1.5976	1.0074	0.7110
(ii) income from profit / (loss) on inter-scheme sales / transfer of investment.	(0.0006)	(0.0390)	(0.0002)
(iii) income (net) from profit on sale of investments to third party	0.0156	(0.0111)	0.0096
(iv) transfer of revenue account from past year's reserve	–	0.0315	0.0193
(c) Aggregate of expenses, writeoff, amortisation and charges	0.1131	0.0843	0.0740
(d) Net income	1.4995	0.8730	0.6464
(e) Net change in unrealised (depreciation) / appreciation in value of investments	0.0029	0.0157	(0.0233)
(f) Redemption Price			
– Highest			
<b>Regular Plan</b>			
Growth Option	12.5900	11.7431	11.1265
Daily Dividend Option	10.3068	10.3010	10.3097
Weekly Dividend Option	10.2344	10.1694	10.1440
Monthly Dividend Option	10.2706	10.1993	10.1679
<b>Institutional Plan</b>			
Growth Option	11.7783	10.9693	10.3741
Daily Dividend Option	10.0252	10.0195	10.0256
Weekly Dividend Option	10.1409	10.0709	10.0356
Monthly Dividend Option	10.1387	10.0695	10.0378
– Lowest			
<b>Regular Plan</b>			
Growth Option	11.7495	11.1316	10.6227
Daily Dividend Option	10.3010	10.3010	10.2937
Weekly Dividend Option	10.1627	10.1360	10.1003
Monthly Dividend Option	10.1667	10.1304	10.1159
<b>Institutional Plan</b>			
Growth Option	10.9755	10.3826	10.0037
Daily Dividend Option	10.0195	10.0195	10.0037
Weekly Dividend Option	10.0651	10.0330	10.0037
Monthly Dividend Option	10.0356	10.0213	10.0017
(g) Purchase price			
– Highest			
<b>Regular Plan</b>			
Growth Option	12.5900	11.7431	11.1243



## Schedules

forming part of the Balance Sheet as at March 31, 2007 and the Revenue Account for the year ended March 31, 2007

	April 01, 2006 to March 31, 2007 Rupees	April 01, 2005 to March 31, 2006 Rupees	April 01, 2004 to March 31, 2005 Rupees
Daily Dividend Option	10.3068	10.3010	10.3097
Weekly Dividend Option	10.2344	10.1712	10.1440
Monthly Dividend Option	10.2706	10.2075	10.1719
<b>Institutional Plan</b>			
Growth Option	11.7783	10.9693	10.3757
Daily Dividend Option	10.0252	10.0195	10.0283
Weekly Dividend Option	10.1409	10.0715	10.0356
Monthly Dividend Option	10.1387	10.0621	10.0355
– Lowest			
<b>Regular Plan</b>			
Growth Option	11.7495	11.1316	10.6227
Daily Dividend Option	10.3010	10.3010	10.2937
Weekly Dividend Option	10.1627	10.1360	10.1003
Monthly Dividend Option	10.1667	10.1236	10.1159
<b>Institutional Plan</b>			
Growth Option	10.9755	10.3826	10.0000
Daily Dividend Option	10.0195	10.0195	10.0000
Weekly Dividend Option	10.0651	10.0288	10.0000
Monthly Dividend Option	10.0356	10.0110	10.0000
(h) Price earnings ratio	NA	NA	NA
(i) Ratio of expenses to daily average net assets by percentage			
<b>Regular Plan</b>	1.20%	0.65%	0.65%
<b>Institutional Plan</b>	1.08%	0.50%	0.50%
(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			
<b>Regular Plan</b>	18.13%	6.03%	5.17%
<b>Institutional Plan</b>	6.17%	6.01%	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

### 19. 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

Stephen Paul Harris  
Director

Vijai Mantri  
Director

Y. B. Desai  
Director

A. S. Mitra  
Director

Kersi M. Gherda  
Director

Bhalchandra Bhide  
Director

Debabrata Bhadury  
Director

Vijay P. Gokhale  
Director

Place: Mumbai  
Date : September 6, 2007

Suresh Soni  
Portfolio Manager

# Statement of Portfolio Holding

as at March 31, 2007

(Referred to in Schedule 1 to the Balance Sheet as at March 31, 2007 and the Revenue Account for the year ended March 31, 2007)

Description	Market / Fair Value Rupees
<b>Privately Placed Non-Convertible Debentures / Bonds (10.26%)</b>	
<b>Chemicals (10.04%)</b>	
13% DIC India Limited 2007*	50,000,000
	<b>50,000,000</b>
<b>Finance (27.70%)</b>	
Cholamandalam DBS Finance Limited 2007*	70,000,000
1 Year Gsec+158 Bps L & T Finance Limited 2008* <sup>@</sup>	40,000,000
L & T Finance Limited 2008 * <sup>@</sup>	20,000,000
8.52% Shriram Transport Finance Company Limited 2007*	5,904,390
1 Year Gsec+130 Bps Cholamandalam DBS Finance Limited 2009*	2,000,000
	<b>137,904,390</b>
<b>Packaging (42.18%)</b>	
Essel Propack Limited 2007*	170,000,000
Essel Propack Limited 2007*	40,000,000
	<b>210,000,000</b>
<b>Textiles (20.08%)</b>	
Bombay Dyeing and Mfg. Co. Limited 2007*	100,000,000
	<b>100,000,000</b>
<b>TOTAL</b>	<b>(Cost - Rs. 497,920,776) 497,904,390</b>
<b>Non-Convertible Debentures / Bonds Listed / Awaiting Listing (43.39%)</b>	
<b>Banks (14.61%)</b>	
1 Year Gsec+85 Bps UTI Bank Limited 2010#	101,122,400
1 Year Gsec+50 Bps ICICI Bank Limited 2011#	100,000,000
1 Year Gsec+130 Bps Industrial Development Bank of India Limited 2009#	79,411,020
1 Year Gsec+33 Bps Export Import Bank of India 2008#	27,000,000
	<b>307,533,420</b>
<b>Finance (85.39%)</b>	
1 Year Gsec+15 Bps Sundaram Home Finance Limited 2008#	352,188,949
Kotak Mahindra Prime Limited 2007#	297,000,000
5 Year Gsec+560 Bps Indian Railway Finance Corporation Limited 2010#	265,764,726
1 Year Gsec+50 Bps Cholamandalam DBS Finance Limited 2008#	250,000,000
1 Year Gsec+37 Bps LIC Housing Finance Limited 2012#	247,791,680
1 Year Gsec+54 Bps Housing Development Finance Corporation Limited 2009#	100,449,000
3 Year Gsec+45 Bps Cholamandalam DBS Finance Limited 2008#	100,000,000
1 Year Gsec+25 Bps Housing Development Finance Corporation Limited 2008#	85,030,005
1 Year Gsec+90 Bps Mahindra and Mahindra Financial Services Limited 2007#	50,050,596
1 Year Gsec+60 Bps LIC Housing Finance Limited 2011#	49,852,050
	<b>1,798,127,006</b>
<b>TOTAL</b>	<b>(Cost - Rs. 2,105,296,524) 2,105,660,426</b>
<b>Securitized Debt (14.60%)</b>	
<b>Finance (100.00%)</b>	
IRE Loans Trust Series A1 IL&FS PTC 2007*	250,000,000
Indian Corporate Loan Securitisation Trust Series 3 Yes Bank PTC 2007*	150,000,000
3 Year Gsec+30 Bps GE Loan Trust Series I PTC 2008*	100,000,000
AutoLoan Trust GE Capital Services India PTC 2008*	84,144,910
Indian Retail ABS Trust Series XLI Series A ICICI Bank PTC 2009*	40,476,674
Credit Asset Trust Series II Class A HSBC PTC 2007*	30,186,124

# Statement of Portfolio Holding (Contd...)

as at March 31, 2007

Description	Market / Fair Value Rupees
1 Year Gsec+40 Bps Asset Securitisation Trust June 05 Series A Chola PTC 2008*	28,877,924
Corporate Loan Securitisation Trust Series XIV Kotak Mahindra Prime PTC 2007*	6,303,404
UBPP Series I A6 UTI Bank PTC 2007*	6,181,387
UBPP Series I A7 UTI Bank PTC 2007*	4,789,010
Indian Retail ABS Trust Series XXXIV A1 ICICI Bank PTC 2007*	3,509,574
Asset Secu Trust Dec04 IV Series A7 Chola PTC 2008*	3,070,411
IBL Auto Series Nov. 04 Series A IndusInd Bank PTC 2007*	729,236
IBL Auto Series A Nov. 04 IndusInd Bank PTC 2007*	364,618
<b>TOTAL</b>	<b>(Cost - Rs. 710,638,896) 708,633,272</b>
<b>Commercial Paper / Certificate of Deposit (31.75%)</b>	
<b>Commercial Paper (21.28%)</b>	
First India Credit Corporation Limited*	160,255,548
DSP Merrill Lynch Capital Limited*@	145,883,291
Kotak Securities Limited*	21,730,802
	<b>327,869,641</b>
<b>Certificate of Deposit (78.72%)</b>	
ICICI Bank Limited*	471,848,335
ICICI Bank Limited*	293,131,957
State Bank of Hyderabad*	173,104,742
ING Vysya Bank Limited*	131,206,114
Development Credit Bank Limited*	35,327,052
Karur Vysya Bank Limited*	33,067,240
HDFC Bank Limited*	32,493,150
Indian Bank*	24,667,587
ING Vysya Bank Limited*	15,840,117
Indian Bank*	1,993,861
	<b>1,212,680,155</b>
<b>TOTAL</b>	<b>(Cost - Rs. 1,540,549,796) 1,540,549,796</b>
<b>TOTAL INVESTMENTS</b>	<b>(Cost - Rs. 4,854,405,993) 4,852,747,884</b>

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

\* Fair value of non-traded (privately placed) debt 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.

@ 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

Auditors' Report

To the Trustee,

DEUTSCHE MUTUAL FUND

1. We have audited the Balance Sheet of Deutsche Mutual Fund - **DWS Floating Rate Fund (formerly Deutsche Floating Rate Fund)** ("The Scheme") as at March 31, 2007 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, 2007 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 - DWS Floating Rate Fund as at March 31, 2007 and its net surplus for the year ended on that date.
  - (ii) The Balance Sheet as at March 31, 2007 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 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 India  
  
as at March 31, 2007 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 : September 6, 2007

# Balance Sheet

as at March 31, 2007

	Schedule	March 31, 2007 Rupees	March 31, 2006 Rupees
<b>Assets</b>			
Investments	1	523,399,564	1,966,266,817
Other Current Assets	2	8,886,092	116,420,377
<b>TOTAL</b>		<b>532,285,656</b>	<b>2,082,687,194</b>

## Liabilities

Unit Capital	3	460,846,915	1,906,701,959
Reserves and Surplus	4	56,318,506	173,776,321
Current Liabilities and Provisions	5	15,120,235	2,208,914
<b>TOTAL</b>		<b>532,285,656</b>	<b>2,082,687,194</b>

## Reconciliation of Net Asset Value Per Unit

	March 31, 2007					March 31, 2006				
	Growth Plan Rupees	Weekly Dividend Reinvestment Plan Rupees	Monthly Dividend Reinvestment Plan Rupees	Daily 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)	274,718,765	190,616,842	49,723,403	2,106,411	517,165,421	1,302,651,518	547,161,346	230,665,416	2,080,478,280	
Number of Units in Issue	22,654,939.863	18,381,436.666	4,837,982.929	210,332.003		115,102,705.076	53,112,838.669	22,454,652.111		
Net Asset Value per Unit	12.1262	10.3701	10.2777	10.0147		11.3173	10.3019	10.2725		

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

Stephen Paul Harris  
Director

Vijai Mantri  
Director

Y. B. Desai  
Director

A. S. Mitra  
Director

Kersi M. Gherda  
Director

Bhalchandra Bhide  
Director

Debabrata Bhadury  
Director

Vijay P. Gokhale  
Director

Place: Mumbai  
Date : September 6, 2007

Suresh Soni  
Portfolio Manager

# Revenue Account

for the year ended March 31, 2007

	Schedule	April 01, 2006 to March 31, 2007 Rupees	April 01, 2005 to March 31, 2006 Rupees
<b>Income and Gains</b>			
Income And Gains			
Interest and Discount	6	126,710,367	462,892,141
Net Profit on Sale of Investments [Net of Net Loss on Inter-Scheme Sale of Investments Rs. 77,968] (Note 2.3)		149,801	–
<b>TOTAL</b>		<b>126,860,168</b>	462,892,141
<b>Expenses and Losses</b>			
Net Loss on Sale of Investments [2006: Including Net Loss on Inter-Scheme Sale of Investments Rs. 20,249,293] (Note 2.3)		–	22,795,427
Investment Management and Advisory Fees (Note 3)		3,485,084	23,846,019
Trustee Fees and Expenses (Note 4)		174,240	732,829
Transfer Agent Fees and Expenses		1,514,039	6,251,286
Custodian Fees and Expenses (Note 5)		814,340	3,756,256
Audit Fees		19,268	134,600
Selling and Distribution Expenses		2,858,773	11,093,497
Other Operating Expenses		1,403,629	3,657,027
		10,269,373	72,266,941
Less: Expenses to be Reimbursed by the Investment Manager (Note 7 )		430,154	1,833,401
<b>TOTAL</b>		<b>9,839,219</b>	70,433,540
Net Surplus for the Year		117,020,949	392,458,601
Net Change in Unrealised (Depreciation) / Appreciation in Value of Investments	7	(306,235)	8,621,725
Net Change in Unrealised Depreciation in Value of Interest Rate Swaps (Note 2.8)		(27,400)	(253,500)
<b>Net Surplus including Net Change in Unrealised Appreciation / Depreciation in Value of Investments and Net Change in Unrealised Depreciation / Appreciation in Value of Interest Rate Swaps</b>		<b>116,687,314</b>	400,826,826

# Revenue Account

for the year ended March 31, 2007 (contd.....)

	April 01, 2006 to March 31, 2007					April 01, 2005 to March 31, 2006				
	Growth Plan Rupees	Weekly Dividend Reinvestment Plan Rupees	Monthly Dividend Reinvestment Plan Rupees	Daily 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 Appreciation / Depreciation in Value of Investments and Net Change in Unrealised Depreciation / Appreciation in Value of Interest Rate Swaps by Plan	54,458,083	46,176,734	11,677,702	4,374,795	116,687,314	141,928,762	211,609,172	47,288,892	400,826,826	
Transfer from Dividend Equalisation Reserve (Note 2.7)	(154,622,923)	(12,816,217)	(4,305,045)	(334,392)	(172,078,577)	(136,705,185)	(53,026,891)	150,784	(189,581,292)	
Transfer from Reserve Fund	-	8,461,114	4,181,499	-	12,642,613	-	29,409,777	1,105,275	30,515,052	
Dividend Distributions	-	(34,903,297)	(9,738,679)	(3,306,757)	(47,948,733)	-	(157,603,115)	(38,385,666)	(195,988,781)	
Dividend Tax Thereon	-	(6,854,495)	(1,831,626)	(730,555)	(9,416,676)	-	(34,063,043)	(7,789,276)	(41,852,319)	
Balance Transferred to Reserve Fund	(100,164,840)	63,839	(16,149)	3,091	<b>(100,114,059)</b>	5,223,577	(3,674,100)	2,370,009	3,919,486	

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  
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Director

Vijay P. Gokhale  
Director

Place: Mumbai  
Date : September 6, 2007

Suresh Soni  
Portfolio Manager

# Schedules

forming part of the Balance Sheet as at March 31, 2007 and the Revenue Account for the year ended March 31, 2007

	March 31, 2007		March 31, 2006	
	Market / Fair Value Rupees	Cost Rupees	Market / Fair Value Rupees	Cost Rupees
<b>Schedule 1</b>				
<b>Investments</b>				
(Notes 2.2, 2.3, 8, 9, 10 and 13)				
(Refer to the attached Statement of Portfolio Holding as at March 31, 2007)				
Privately Placed Non-Convertible Debentures / Bonds	106,920,325	106,919,650	129,718,800	130,000,000
Non-Convertible Debentures / Bonds Listed / Awaiting Listing	385,493,504	385,542,928	1,672,610,115	1,672,021,107
Securitized Debt	30,000,000	30,000,000	113,949,052	114,183,224
Government of India Securities	–	–	49,988,850	49,805,000
Commercial Paper	985,735	985,735	–	–
<b>TOTAL</b>	<b>523,399,564</b>	<b>523,448,313</b>	1,966,266,817	1,966,009,331

	March 31, 2007 Rupees	March 31, 2006 Rupees
<b>Schedule 2</b>		
<b>Other Current Assets</b>		
Balances with Banks in Current Account	2,130,380	3,063,064
Unrealised Appreciation in Value of Interest Rate Swaps ( Note 2.8 )	–	27,400
Interest Receivables on :		
- Debentures / Bonds	6,102,127	33,780,733
- Securitized Debt	183,431	293,522
- Government of India Securities	–	1,023,042
- Interest Rate Swaps	–	319,042
Application Money Pending Allotment - Debentures / Bonds	–	70,000,000
Receivable from Investment Manager	430,154	1,833,401
Inter-scheme Receivables - Others	40,000	6,080,173
<b>TOTAL</b>	<b>8,886,092</b>	116,420,377

	March 31, 2007		March 31, 2006	
	Rupees	Units	Rupees	Units

## Schedule 3

### 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
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##### Outstanding :

At the beginning of the year	1,151,027,051	115,102,705.076	2,097,477,631	209,747,763.065
Issued during the year	460,680,276	46,068,027.559	8,622,524,701	862,252,470.122
	1,611,707,327	161,170,732.635	10,720,002,332	1,072,000,233.187

Redeemed during the year	1,385,157,928	138,515,792.772	9,568,975,281	956,897,528.111
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At the end of the year	226,549,399	22,654,939.863	1,151,027,051	115,102,705.076
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#### 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
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# Schedules

forming part of the Balance Sheet as at March 31, 2007 and the Revenue Account for the year ended March 31, 2007

	March 31, 2007		March 31, 2006	
	Rupees	Units	Rupees	Units
<b>Outstanding :</b>				
At the beginning of the year	531,128,387	53,112,838.669	2,085,081,912	208,508,191.149
Issued during the year	2,327,778,621	232,777,862.121	14,440,686,248	1,444,068,624.790
	2,858,907,008	285,890,700.790	16,525,768,160	1,652,576,815.939
Redeemed during the year	2,675,092,641	267,509,264.124	15,994,639,773	1,599,463,977.270
At the end of the year	183,814,367	18,381,436.666	531,128,387	53,112,838.669
<b>Monthly Dividend Reinvestment Plan Issued and Subscribed :-</b>				
Units of Rs.10 each fully paid up	250,000	25,000.000	250,000	25,000.000
<b>Outstanding :</b>				
At the beginning of the year	224,546,521	22,454,652.111	197,434,789	19,743,478.825
Issued during the year	129,577,694	12,957,769.441	2,176,430,985	217,643,098.593
	354,124,215	35,412,421.552	2,373,865,774	237,386,577.418
Redeemed during the year	305,744,386	30,574,438.623	2,149,319,253	214,931,925.307
At the end of the year	48,379,829	4,837,982.929	224,546,521	22,454,652.111
<b>Daily Dividend Reinvestment Plan Issued and Subscribed :-</b>				
Units of Rs.10 each fully paid up	100,015,000	10,001,499.991		
<b>Outstanding :</b>				
Initial issue and subscription	100,015,000	10,001,499.991		
Issued during the period	537,758,345	53,775,834.534		
	637,773,345	63,777,334.525		
Redeemed during the period	635,670,025	63,567,002.522		
At the end of the period	2,103,320	210,332.003		
<b>TOTAL</b>	<b>460,846,915</b>	<b>46,084,691.461</b>	<b>1,906,701,959</b>	<b>190,670,195.856</b>

	March 31, 2007					March 31, 2006				
	Growth Plan	Weekly Dividend Reinvestment Plan	Monthly Dividend Reinvestment Plan	Daily Dividend Reinvestment Plan	Total	Growth Plan	Weekly Dividend Reinvestment Plan	Monthly Dividend Reinvestment Plan	Total	
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	
At the beginning of the year	1,988,207	1,261,814	436,955	-	3,686,976	3,809,562	4,975,940	415,837	9,201,339	
Added during the year	(3,290,261)	(833,209)	(577,673)	-	(4,701,143)	(1,821,355)	(3,714,126)	21,118	(5,514,363)	
At the end of the year	(1,302,054)	428,605	(140,718)	-	(1,014,167)	1,988,207	1,261,814	436,955	3,686,976	
Dividend Equalisation Reserve (Note 2.7)										
Added during the year	(154,622,923)	(12,816,217)	(4,305,045)	(334,392)	(172,078,577)	(136,705,185)	(53,026,891)	150,784	(189,581,292)	
Transfer to Revenue Account	154,622,923	12,816,217	4,305,045	334,392	172,078,577	136,705,185	53,026,891	(150,784)	189,581,292	
At the end of the year	-	-	-	-	-	-	-	-	-	
<b>Reserve Fund</b>										
At the beginning of the year	149,636,260	14,771,145	5,681,940	-	170,089,345	144,412,683	47,855,022	4,417,206	196,684,911	
Transfer to Revenue Account	-	(8,461,114)	(4,181,499)	-	(12,642,613)	-	(29,409,777)	(1,105,275)	(30,515,052)	
Balance Transferred from Revenue Account	(100,164,840)	63,839	(16,149)	3,091	(100,114,059)	5,223,577	(3,674,100)	2,370,009	3,919,486	
At the end of the year **	49,471,420	6,373,870	1,484,292	3,091	57,332,673	149,636,260	14,771,145	5,681,940	170,089,345	
<b>TOTAL</b>	<b>48,169,366</b>	<b>6,802,475</b>	<b>1,343,574</b>	<b>3,091</b>	<b>56,318,506</b>	<b>151,624,467</b>	<b>16,032,959</b>	<b>6,118,895</b>	<b>173,776,321</b>	

## Schedule 4

### Reserves and Surplus

#### Unit Premium Reserve (Note 2.6)

At the beginning of the year	1,988,207	1,261,814	436,955	-	3,686,976	3,809,562	4,975,940	415,837	9,201,339
Added during the year	(3,290,261)	(833,209)	(577,673)	-	(4,701,143)	(1,821,355)	(3,714,126)	21,118	(5,514,363)
At the end of the year	(1,302,054)	428,605	(140,718)	-	(1,014,167)	1,988,207	1,261,814	436,955	3,686,976

#### Dividend Equalisation Reserve (Note 2.7)

Added during the year	(154,622,923)	(12,816,217)	(4,305,045)	(334,392)	(172,078,577)	(136,705,185)	(53,026,891)	150,784	(189,581,292)
Transfer to Revenue Account	154,622,923	12,816,217	4,305,045	334,392	172,078,577	136,705,185	53,026,891	(150,784)	189,581,292
At the end of the year	-	-	-	-	-	-	-	-	-

#### Reserve Fund

At the beginning of the year	149,636,260	14,771,145	5,681,940	-	170,089,345	144,412,683	47,855,022	4,417,206	196,684,911
Transfer to Revenue Account	-	(8,461,114)	(4,181,499)	-	(12,642,613)	-	(29,409,777)	(1,105,275)	(30,515,052)
Balance Transferred from Revenue Account	(100,164,840)	63,839	(16,149)	3,091	(100,114,059)	5,223,577	(3,674,100)	2,370,009	3,919,486
At the end of the year **	49,471,420	6,373,870	1,484,292	3,091	57,332,673	149,636,260	14,771,145	5,681,940	170,089,345
<b>TOTAL</b>	<b>48,169,366</b>	<b>6,802,475</b>	<b>1,343,574</b>	<b>3,091</b>	<b>56,318,506</b>	<b>151,624,467</b>	<b>16,032,959</b>	<b>6,118,895</b>	<b>173,776,321</b>

\*\* including net unrealised depreciation in value of investments Rs. 48,749 (2006:- Net unrealised appreciation Rs. 257,486) and unrealised appreciation in value of Interest Rate Swaps Rs. Nil (2006: Rs. 27,400)

# Schedules

forming part of the Balance Sheet as at March 31, 2007 and the Revenue Account for the year ended March 31, 2007

	March 31, 2007 Rupees	March 31, 2006 Rupees
<b>Schedule 5</b>		
<b>Current Liabilities and Provisions</b>		
<b>Current Liabilities</b>		
Investment Management and Advisory Fees	104,617	428,733
Trustee Fees and Expenses	5,230	19,185
Transfer Agent Fees and Expenses	50,923	186,110
Custodian Fees and Expenses	26,131	106,567
Audit Fees	19,268	134,600
Selling and Distribution Expenses	75,868	358,766
Redemption of Units	14,121,200	–
Inter Scheme Payable - Others	90,000	–
Unclaimed Redemption (Note 14)	2,063	1,472
Dividend Payable	54,301	526,051
Dividend Tax Payable	80,813	240,587
Units Pending Allotment	432,102	–
Sundry Payables	57,719	206,843
<b>TOTAL</b>	<b>15,120,235</b>	<b>2,208,914</b>

	April 01, 2006 to March 31, 2007 Rupees	April 01, 2005 to March 31, 2006 Rupees
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## Schedule 6

### Interest and Discount

(Note 2.4)

Debentures / Bonds	96,692,510	266,486,250
Securitised Debt	21,584,084	136,400,797
Government of India Securities	999,459	6,788,013
Treasury Bills	–	2,216,833
Commercial Paper / Certificate of Deposit	6,911,658	45,013,523
Interest Rate Swaps (Net) (Note 2.8)	58,314	478,052
Reverse Repos	464,342	2,409,908
Deposits	–	3,098,765
<b>TOTAL</b>	<b>126,710,367</b>	<b>462,892,141</b>

# Schedules

forming part of the Balance Sheet as at March 31, 2007 and the Revenue Account for the year ended March 31, 2007

April 01, 2006 to  
March 31, 2007  
Rupees

April 01, 2005 to  
March 31, 2006  
Rupees

## Schedule 7

### Unrealised Appreciation / Depreciation in Value of Investments (Note 8)

(a) Privately Placed Non-Convertible Debentures / Bonds			
At the beginning of the year		(281,200)	(335,162)
At the end of the year		675	(281,200)
Net change during the year	(I)	281,875	53,962
(b) Non-Convertible Debentures / Bonds Listed / Awaiting Listing			
At the beginning of the year		589,008	(2,480,137)
At the end of the year		(49,424)	589,008
Net change during the year	(II)	(638,432)	3,069,145
(c) Securitised Debt			
At the beginning of the year		(234,172)	(5,703,750)
At the end of the year		–	(234,172)
Net change during the year	(III)	234,172	5,469,578
(d) Government of India Securities			
At the beginning of the year		183,850	183,850
At the end of the year		–	183,850
Net change during the year	(IV)	(183,850)	–
(e) Treasury Bills			
At the beginning of the year		–	(29,040)
At the end of the year		–	–
Net change during the year	(V)	–	29,040
Net change in unrealised (depreciation) / appreciation in value of investments during the year	(I)+(II)+(III)+(IV)+(V)	<b>(306,235)</b>	8,621,725

# Schedules

forming part of the Balance Sheet as at March 31, 2007 and the Revenue Account for the year April 01, 2006 to March 31, 2007

## Schedule 8

### Notes to the Financial Statements

#### 1. Organisation

DWS Floating Rate Fund (formerly, 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 Option. During the year a Daily Dividend Reinvestment Option under the Dividend Plan was introduced in accordance with the addendum dated August 30, 2006 to the offer document dated May 23, 2003 and units were allotted on September 1, 2006 at Rs. 10 per unit.

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.

The name of the Scheme has been changed from Deutsche Floating Rate Fund to DWS Floating Rate Fund with effect from May 2, 2006 for which necessary approvals have been received.

#### 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 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. 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 upto 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 unrealised appreciation / depreciation in the value of investments is determined separately for each category of investments. Further the change in net unrealised appreciation / depreciation, if any, between two Balance Sheet dates / dates of determination is recognized in the Revenue Account. Unrealised 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.

# Schedules

forming part of the Balance Sheet as at March 31, 2007 and the Revenue Account for the year ended March 31, 2007

## 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.

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.

## 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 the 183rd day plus accretion / amortization of the difference between the face value and the last price on the 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 0.20% 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.

## 5 Custodian Fees

JPMorgan 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 are limited to 0.56% of the average daily net assets recorded by the Scheme. Deutsche Asset Management (India) Private Limited has borne Rs. 430,154 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, 2007 and the Revenue Account for the year April 01, 2006 to March 31, 2007

### 8 Aggregate Appreciation and Depreciation in Value of Investments

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

	March 31, 2007 Rupees	March 31, 2006 Rupees
Privately Placed Non-Convertible Debentures / Bonds		
- Appreciation	675	-
- Depreciation	-	281,200
Non-Convertible Debentures / Bonds Listed / Awaiting Listing		
- Appreciation	11,659	1,019,658
- Depreciation	61,083	430,650
Securitised Debt		
- Appreciation	-	-
- Depreciation	-	234,172
Government of India Securities		
- Appreciation	-	183,850
- 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, 2007 is Rs. 523,399,564.

### 10 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. 5,781,388,320 (excluding accretion of discount Rs. 16,205,070) and Rs. 7,240,304,209 respectively being 331.78% and 415.50% of the average daily net assets.

### 11 Income and Expenses

The total income (including net profit / loss on sale of investments, net change in unrealised appreciation / depreciation in the value of investments and net change in unrealised depreciation in the value of interest rate swaps) and expenditure is Rs. 126,526,533 and Rs. 9,839,219 respectively being 7.26% and 0.56% of the average daily net assets.

### 12 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. 464,403 and Rs. 898 respectively for procuring unit subscriptions for the Scheme. The commission paid was at rates similar to those offered to other distributors.

### 13. 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	Schemes invested in by the Company	Investment 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, 2007 At Market / Fair Value (Rupees In Lakhs)
Celebrity Fashions Limited	DWS Short Maturity Fund	DWS Alpha Equity Fund	53.84	-
		DWS Investment Opportunity Fund	17.13	-
		DWS MIP Fund - Plan A	3.67	-
		DWS MIP Fund - Plan B	1.71	-
DSP Merrill Lynch Capital Limited	DWS Insta Cash Plus Fund	DWS Alpha Equity Fund	54.89	-
		DWS Floating Rate Fund	4,189.75	9.86
		DWS Insta Cash Plus Fund	76,148.04	1,458.83
		DWS Money Plus Fund	88,680.54	19.71
		DWS Premier Bond Fund	44.56	-

# Schedules

forming part of the Balance Sheet as at March 31, 2007 and the Revenue Account for the year April 01, 2006 to March 31, 2007

Company Name	Schemes invested in by the Company	Investment 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, 2007 At Market / Fair Value (Rupees In Lakhs)
		DWS Short Maturity Fund	3,163.35	–
		DWS Fixed Term Fund Series - 11	87.10	–
		DWS Fixed Term Fund Series - 12	2,252.13	–
		DWS Fixed Term Fund Series - 13	1,500.00	–
		DWS Fixed Term Fund Series - 16	99.83	–
		DWS Fixed Term Fund Series - 17	2,294.02	1,959.61
		DWS Fixed Term Fund Series - 18	1,509.10	1,478.08
		DWS Fixed Term Fund Series - 19	10,000.00	9,861.05
		DWS Fixed Term Fund Series - 2	211.56	–
		DWS Fixed Term Fund Series - 20	69.51	48.93
		DWS Fixed Term Fund Series - 21	537.16	–
		DWS Fixed Term Fund Series - 24	59.10	59.14
		DWS Fixed Term Fund Series - 26	1,728.89	88.72
		DWS Fixed Term Fund Series - 27	29.55	29.57
		DWS Fixed Term Fund Series - 3	1,719.12	–
		DWS Fixed Term Fund Series - 4	126.40	29.57
		DWS Fixed Term Fund Series - 5	86.33	–
		DWS Fixed Term Fund Series - 6	184.57	88.72
		DWS Fixed Term Fund Series - 7	4,216.78	–
		DWS Fixed Term Fund Series - 8	196.21	–
		DWS Fixed Term Fund Series - 9	49.25	49.29
		DWS Fixed Term Fund	14.08	–
		DWS MIP Fund - Plan A	235.17	–
		DWS MIP Fund - Plan B	137.16	–
Grasim Industries Limited	DWS Fixed Term Fund Series - 10	DWS Alpha Equity Fund	1,801.80	428.71
	DWS Fixed Term Fund Series - 22	DWS Insta Cash Plus Fund	4,300.00	–
	DWS Fixed Term Fund Series - 23	DWS Investment Opportunity Fund	103.34	39.73
		DWS Tax Saving Fund	220.54	–
HCL Technologies Limited	DWS Fixed Term Fund Series - 14	DWS Alpha Equity Fund^	795.61	–
	DWS Fixed Term Fund Series - 16	DWS Tax Saving Fund^	71.52	–
Hero Honda Motors Limited	DWS Fixed Term Fund Series - 14	DWS Investment Opportunity Fund	0.62	–
Hindalco Industries Limited	DWS Fixed Term Fund Series - 10	DWS Alpha Equity Fund	478.40	–
	DWS Fixed Term Fund Series - 13	DWS Floating Rate Fund	205.61	–
	DWS Money Plus Fund	DWS Short Maturity Fund	822.42	–
	DWS Fixed Term Fund Series - 28	DWS Fixed Term Fund Series - 4	935.13	–
		DWS Tax Saving Fund	120.94	–
Hindustan Lever Limited	DWS Fixed Term Fund Series - 13	DWS Alpha Equity Fund	725.21	–
	DWS Fixed Term Fund Series - 22	DWS Investment Opportunity Fund	12.22	–
	DWS Fixed Term Fund Series - 27			
Hindustan Zinc Limited	DWS Fixed Term Fund Series - 13	DWS Alpha Equity Fund	170.99	–
	DWS Fixed Term Fund Series - 20	DWS Tax Saving Fund	77.25	–
	DWS Fixed Term Fund Series - 21			



# Schedules

forming part of the Balance Sheet as at March 31, 2007 and the Revenue Account for the year April 01, 2006 to March 31, 2007

Company Name	Schemes invested in by the Company	Investment 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, 2007 At Market / Fair Value (Rupees In Lakhs)
	DWS Fixed Term Fund Series - 24			
ICI India	DWS Fixed Term Fund Series - 21	DWS Fixed Term Fund Series - 7	500.00	–
Infosys Technologies Limited	DWS Insta Cash Plus Fund	DWS Alpha Equity Fund	3,172.02	724.54
		DWS Investment Opportunity Fund	79.80	17.71
		DWS MIP Fund - Plan A	34.56	13.36
		DWS Tax Saving Fund	403.93	230.34
ITC Limited	DWS Insta Cash Plus Fund	DWS Alpha Equity Fund	1,840.20	488.80
		DWS Investment Opportunity Fund	376.99	38.35
	DWS Floating Rate Fund	DWS MIP Fund - Plan A	7.73	–
	DWS Fixed Term Fund Series - 14	DWS Tax Saving Fund	274.99	164.69
	DWS Fixed Term Fund Series - 16			
DWS Fixed Term Fund Series - 23				
Larsen and Toubro Limited	DWS Insta Cash Plus Fund	DWS Alpha Equity Fund	1,938.29	582.89
		DWS Floating Rate Fund	1,000.00	–
		DWS Insta Cash Plus Fund	900.00	–
		DWS Short Maturity Fund	100.00	–
		DWS Investment Opportunity Fund	181.88	32.38
		DWS Tax Saving Fund	318.52	153.82
		DWS Floating Rate Fund^^	6,100.00	–
		DWS Insta Cash Plus Fund^^	81,157.10	200.00
		DWS Money Plus Fund^^	67,472.40	10,400.00
		DWS Short Maturity Fund^^	7,229.74	–
		DWS Fixed Term Fund Series - 10^^	113.08	117.32
		DWS Fixed Term Fund Series - 13^^	6,214.57	–
		DWS Fixed Term Fund Series - 14^^	4,310.28	3,566.28
		DWS Fixed Term Fund Series - 15^^	37.59	–
		DWS Fixed Term Fund Series - 16^^	216.12	224.87
		DWS Fixed Term Fund Series - 19^^	4,604.21	4,722.73
		DWS Fixed Term Fund Series - 2^^	1,698.95	–
		DWS Fixed Term Fund Series - 20^^	999.82	–
		DWS Fixed Term Fund Series - 25^^	990.77	986.22
		DWS Fixed Term Fund Series - 5^^	200.00	–
DWS Fixed Term Fund Series - 7^^	3,700.00	–		
DWS Fixed Term Fund^^	1,799.21	–		
DWS Money Plus Fund^^^	500.00	–		
Patni Computer Systems Limited	DWS Fixed Term Fund Series - 25	DWS Alpha Equity Fund	400.31	–
		DWS Investment Opportunity Fund	186.56	–
		DWS Fixed Term Fund Series - 21		
DWS Fixed Term Fund Series - 12				
Ranbaxy Holding Company	DWS Insta Cash Plus Fund	DWS Money Plus Fund	45,000.00	500.00
		DWS Fixed Term Fund Series - 27	800.00	800.00
		DWS Fixed Term Fund Series - 28	3,700.00	3,700.00
		DWS Alpha Equity Fund	108.81	–
		DWS Floating Rate Fund	6,900.00	–
		DWS Insta Cash Plus Fund	5,000.00	–
		DWS Short Maturity Fund	3,500.00	–
		DWS Fixed Term Fund Series - 12	2,200.00	–
DWS Tax Saving Fund	99.27	–		

DWS Floating Rate Fund



## Schedules

forming part of the Balance Sheet as at March 31, 2007 and the Revenue Account for the year April 01, 2006 to March 31, 2007

Company Name	Schemes invested in by the Company	Investment 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, 2007 At Market / Fair Value (Rupees In Lakhs)
Reliance Petroleum Limited	DWS Insta Cash Plus Fund	DWS Alpha Equity Fund	11.19	–
		DWS Fixed Term Fund Series - 9	34.38	–
		DWS Investment Opportunity Fund	1.90	–
		DWS MIP Fund - Plan A	1.76	–
		DWS MIP Fund - Plan B	0.70	–
		DWS Tax Saving Fund	7.53	–
Tata Chemicals Limited	DWS Fixed Term Fund Series - 27	DWS Investment Opportunity Fund	27.18	–
Tata Consultancy Services Limited	DWS Money Plus Fund DWS Fixed Term Fund Series - 23 DWS Fixed Term Fund Series - 24	DWS Alpha Equity Fund	1,128.29	246.94
		DWS Tax Saving Fund	133.93	86.18
Tata Steel Limited	DWS Insta Cash Plus Fund	DWS Alpha Equity Fund	1,263.16	–
		DWS Investment Opportunity Fund	510.16	–
		DWS Tax Saving Fund	116.78	–
Videsh Sanchar Nigam Limited	DWS Money Plus Fund DWS Fixed Term Fund Series - 12 DWS Fixed Term Fund Series 13	DWS Investment Opportunity Fund	94.30	–
Wipro Limited	DWS Money Plus Fund	DWS Tax Saving Fund	127.27	–

^ DTSF and DAEF have invested in HCL Technologies Limited which is a subsidiary of HCL Corporation Limited.

^^ DICPF, DFRF, DFTF-7, DSMF, DFTF, DFTF-2, DFTF-10, DFTF-13, DFTF-14, DFTF-15, DFTF-16, DFTF-19, DFTF-20, DFTF-25, DFTF-5 and DMPF have invested in L & T Finance Limited which is a subsidiary of Larsen & Toubro Limited.

^^^ DMPF have invested in Tractors Engineers which is a subsidiary of Larsen & Toubro 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.

(Note: The following abbreviations have been used above: DTSF - DWS Tax Saving Fund, DAEF - DWS Alpha Equity Fund, DICPF - DWS Insta Cash Plus Fund, DFRF - DWS Floating Rate Fund, DFTF-7 - DWS Fixed Term Fund - Series-7, DSMF - DWS Short Maturity Fund, DFTF - DWS Fixed Term Fund, DFTF-2 - DWS Fixed Term Fund - Series 2, DFTF-10 - DWS Fixed Term Fund - Series 10, DFTF-13 - DWS Fixed Term Fund - Series 13, DFTF-14 - DWS Fixed Term Fund - Series 14, DFTF-15 - DWS Fixed Term Fund - Series 15, DFTF-16 - DWS Fixed Term Fund - Series 16, DFTF-19 - DWS Fixed Term Fund - Series 19, DFTF-20 - DWS Fixed Term Fund - Series 20, DFTF-25 - DWS Fixed Term Fund - Series 25, DFTF-5 - DWS Fixed Term Fund - Series 5 and DMPF - DWS Money Plus Fund)

#### 14. Unclaimed Redemption

As at March 31, 2007 unclaimed redemptions aggregate Rs. 2,063 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, 2006 to March 31, 2007 Rupees	April 01, 2005 to March 31, 2006 Rupees	April 01, 2004 to March 31, 2005 Rupees
(a) Net asset value per unit at the end of the year / period (Note 2.5)			
Growth Plan	12.1262	11.3173	10.7067
Weekly Dividend Reinvestment Plan	10.3701	10.3019	10.2534
Monthly Dividend Reinvestment Plan	10.2777	10.2725	10.2448
Daily Dividend Reinvestment Plan	10.0147	–	–

# Schedules

forming part of the Balance Sheet as at March 31, 2007 and the Revenue Account for the year April 01, 2006 to March 31, 2007

	April 01, 2006 to March 31, 2007 Rupees	April 01, 2005 to March 31, 2006 Rupees	April 01, 2004 to March 31, 2005 Rupees
(b) Gross Income			
(i) income other than profit on sale of investment.	2.7621	2.4277	0.5786
(ii) income from loss on inter-scheme sales / transfer of investment.	(0.0017)	(0.0003)	(0.0001)
(iii) income (net) from loss on sale of investments to third party	0.0017	(0.1192)	(0.0049)
(iv) transfer of revenue account from past year's reserve	–	0.0000	0.0017
(c) Aggregate of expenses, writeoff, amortisation and charges	0.2145	0.2498	0.0652
(d) Net income	2.5476	2.0583	0.5083
(e) Net change in unrealised (depreciation) / appreciation in value of investments	(0.0067)	0.0439	(0.0187)
(f) Net change in unrealised appreciation in value of Interest Rate Swaps	(0.0006)	0.0000	–
(g) Redemption Price			
– Highest			
Growth Plan	12.1262	11.3173	10.7067
Weekly Dividend Reinvestment Plan	10.3816	10.3097	10.2616
Monthly Dividend Reinvestment Plan	10.3343	10.2681	10.2476
Daily Dividend Reinvestment Plan	10.0181	–	–
– Lowest			
Growth Plan	11.3232	10.7085	10.2180
Weekly Dividend Reinvestment Plan	10.3012	10.2551	10.1513
Monthly Dividend Reinvestment Plan	10.2329	10.2039	10.1887
Daily Dividend Reinvestment Plan	10.0000	–	–
(h) Purchase price			
– Highest			
Growth Plan	12.1262	11.3173	10.7052
Weekly Dividend Reinvestment Plan	10.3816	10.3086	10.2616
Monthly Dividend Reinvestment Plan	10.3343	10.2725	10.2448
Daily Dividend Reinvestment Plan	10.0181	–	–
– Lowest			
Growth Plan	11.3232	10.7085	10.2113
Weekly Dividend Reinvestment Plan	10.3012	10.2551	10.1480
Monthly Dividend Reinvestment Plan	10.2329	10.2015	10.1629
Daily Dividend Reinvestment Plan	10.0000	–	–
(i) Price earnings ratio	NA	NA	NA
(j) Ratio of expenses to daily average net assets by percentage	0.56%	0.65%	0.65%
(k) 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	7.26%	6.12%	5.53%

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

# Below 0.01 per unit

## 16. 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 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

Stephen Paul Harris  
Director

Vijai Mantri  
Director

Y. B. Desai  
Director

A. S. Mitra  
Director

Kersi M. Gherda  
Director

Bhalchandra Bhide  
Director

Debabrata Bhadury  
Director

Vijay P. Gokhale  
Director

Place: Mumbai  
Date : September 6, 2007

Suresh Soni  
Portfolio Manager



Deutsche Asset Management   
A Member of the Deutsche Bank Group

# Statement of Portfolio Holding

as at March 31, 2007

(Referred to in Schedule 1 to the Balance Sheet as at March 31, 2007 and the Revenue Account for the year ended March 31, 2007)

Description	Market / Fair Value Rupees
<b>Privately Placed Non-Convertible Debentures / Bonds(20.43%)</b>	
Finance (90.65%)	
Cholamandalam DBS Finance Limited INBMK+130 2009*	92,000,000
8.52% Shriram Transport Finance Company Limited 2007*	4,920,325
	<b>96,920,325</b>
Packaging (9.35%)	
Essel Propack Limited 2007*	10,000,000
	<b>10,000,000</b>
<b>TOTAL</b>	<b>(Cost Rs. 106,919,650) 106,920,325</b>
<b>Non-Convertible Debentures / Bonds Listed / Awaiting Listing(73.65%)</b>	
Banks (49.37%)	
ICICI Bank Limited INBK+50 2011 #	100,000,000
Export Import Bank of India 1YGSC+33 2010 #	73,000,000
Industrial Development Bank of India Limited GSEC+130 2009 #	17,307,530
	<b>190,307,530</b>
Finance (31.31%)	
Indian Railway Finance Corporation Limited 5Y-1Y INBMK+560 2010 #	72,662,276
Sundaram Home Finance Limited IN+10 2008#	48,025,772
	<b>120,688,048</b>
Consumer Finance (18.66%)	
LIC Housing Finance Limited 1YRINBMK+37 2012 #	71,939,520
	<b>71,939,520</b>
Retailing (0.66%)	
2% Trent Limited 2010#	2,558,406
	<b>2,558,406</b>
<b>TOTAL</b>	<b>(Cost - Rs. 385,542,928) 385,493,504</b>
<b>Securitised Debt (5.73%)</b>	
Finance (100.00%)	
KGE Loan Trust Series 1 GE Capital Services PTC 2008*	30,000,000
<b>TOTAL</b>	<b>(Cost - Rs. 30,000,000) 30,000,000</b>
<b>Commercial Paper(0.19%)</b>	
Commercial Paper(100.00%)	
DSP Merrill Lynch Capital *@	985,735
<b>TOTAL</b>	<b>(Cost - Rs. 985,735) 985,735</b>
<b>TOTAL INVESTMENTS</b>	<b>(Cost Rs. 523,448,313) 523,399,564</b>

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

\* Fair value of non-traded (privately placed) debt 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 - **DWS MIP Fund (formerly Deutsche MIP Fund)** ("The Scheme") as at March 31, 2007 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, 2007 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 - DWS MIP Fund as at March 31, 2007 and its net surplus for the year ended on that date.
  - (ii) The Balance Sheet as at March 31, 2007 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 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, 2007 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 : September 6, 2007

# Balance Sheet

as at March 31, 2007

Schedule	PLAN A	PLAN B	PLAN A	PLAN B
	March 31, 2007 Rupees	March 31, 2007 Rupees	March 31, 2006 Rupees	March 31, 2006 Rupees
<b>Assets</b>				
Investments	1	52,356,402	6,639,294	66,836,279
Other Current Assets	2	3,976,580	1,365,900	2,883,796
<b>TOTAL</b>		<b>56,332,982</b>	<b>8,005,194</b>	<b>69,720,075</b>
<b>Liabilities</b>				
Unit Capital	3	52,243,217	7,594,444	61,666,244
Reserves and Surplus	4	3,350,679	286,417	7,346,362
Current Liabilities and Provisions	5	739,086	124,333	707,469
<b>TOTAL</b>		<b>56,332,982</b>	<b>8,005,194</b>	<b>69,720,075</b>

## Reconciliation of Net Asset Value Per Unit

	PLAN A					PLAN B				
	March 31, 2007					March 31, 2007				
	Growth Plan Rupees	Monthly Dividend Plan Rupees	Quarterly Dividend Plan Rupees	Annual Dividend Plan Rupees	Total Rupees	Growth Plan Rupees	Monthly Dividend Plan Rupees	Quarterly Dividend Plan Rupees	Annual Dividend Plan Rupees	Total Rupees
Net Assets as per Balance Sheet (Total Assets less Current Liabilities and Provisions) (Note 2.5)	14,713,104	21,737,839	17,291,670	1,851,283	55,593,896	2,110,659	1,543,236	3,417,521	809,445	7,880,861
Number of Units in Issue	1,182,013.298	2,135,042.437	1,726,422.065	180,843.959		178,369.717	156,135.869	344,243.246	80,695.418	
Net Asset Value per Unit	12.4475	10.1815	10.0159	10.2369		11.8331	9.8839	9.9276	10.0309	

	PLAN A					PLAN B				
	March 31, 2006					March 31, 2006				
	Growth Plan Rupees	Monthly Dividend Plan Rupees	Quarterly Dividend Plan Rupees	Annual Dividend Plan Rupees	Total Rupees	Growth Plan Rupees	Monthly Dividend Plan Rupees	Quarterly Dividend Plan Rupees	Annual Dividend Plan Rupees	Total Rupees
Net Assets as per Balance Sheet (Total Assets less Current Liabilities and Provisions) (Note 2.5)	25,414,683	11,496,614	21,321,784	10,779,525	69,012,606	14,547,801	6,094,701	8,838,755	1,045,031	30,526,288
Number of Units in Issue	2,118,078.082	1,098,833.020	1,996,381.913	953,331.339		1,261,072.338	593,469.859	851,185.491	95,975.339	
Net Asset Value per Unit	11.9989	10.4626	10.6802	11.3072		11.5361	10.2696	10.3841	10.8885	

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

Stephen Paul Harris  
Director

Vijai Mantri  
Director

Y. B. Desai  
Director

A. S. Mitra  
Director

Kersi M. Gherda  
Director

Bhalchandra Bhide  
Director

Debabrata Bhadury  
Director

Vijay P. Gokhale  
Director

Place: Mumbai  
Date : September 6, 2007

Suresh Soni  
Portfolio Manager

# Revenue Account

for the year ended March 31, 2007

		PLAN A	PLAN B	PLAN A	PLAN B
		April 01, 2006 to March 31, 2007	April 01, 2006 to March 31, 2007	April 01, 2005 to March 31, 2006	April 01, 2005 to March 31, 2006
Schedule		Rupees	Rupees	Rupees	Rupees
<b>Income and Gains</b>					
Dividends (Note 2.4)		194,623	21,324	493,766	94,765
Interest and Discount	6	4,697,398	433,138	10,932,973	6,028,756
Net Profit on Sale of Investments (Net of Net Loss on Inter-scheme Sale of Investments Rs. 538,983 (2006: Rs. 1,741,310) under Plan A and Rs. 370,337 (2006: Rs. 3,915,401) under Plan B) (Note 2.3)		1,942,179	309,769	10,896,328	118,173
<b>TOTAL</b>		<b>6,834,200</b>	<b>764,231</b>	<b>22,323,067</b>	<b>6,241,694</b>
<b>Expenses and Losses</b>					
Investment Management and Advisory Fees (Note 3)		696,101	199,195	1,582,674	689,045
Trustee Fees and Expenses (Note 4)		6,961	1,992	15,827	6,890
Transfer Agent Fees and Expenses		539,720	534,503	547,009	538,735
Custodian Fees and Expenses (Note 5)		151,330	18,616	116,456	67,254
Audit Fees		2,071	294	4,464	1,973
Selling and Distribution Expenses		458,132	123,368	1,265,462	357,215
Miscellaneous Receivable written-off		4,188	-	-	-
Other Operating Expenses		350,670	262,770	402,910	239,213
		2,209,173	1,140,738	3,934,802	1,900,325
Less : Expenses to be Reimbursed by the Investment Manager (Note 7)		642,945	692,549	373,785	354,988
<b>TOTAL</b>		<b>1,566,228</b>	<b>448,189</b>	<b>3,561,017</b>	<b>1,545,337</b>
Net Surplus for the Year		5,267,972	316,042	18,762,050	4,696,357
Net Change in Unrealised (Depreciation) / Appreciation in Value of Investments	7	(3,131,402)	356,267	(2,578,733)	763,864
<b>Net Surplus including Net Change in Unrealised Depreciation / Appreciation in Value of Investments</b>		<b>2,136,570</b>	<b>672,309</b>	<b>16,183,317</b>	<b>5,460,221</b>

	PLAN A					PLAN B				
	April 01, 2006 to March 31, 2007					April 01, 2006 to March 31, 2007				
	Growth Plan Rupees	Monthly Dividend Plan Rupees	Quarterly Dividend Plan Rupees	Annual Dividend Plan Rupees	Total Rupees	Growth Plan Rupees	Monthly Dividend Plan Rupees	Quarterly Dividend Plan Rupees	Annual Dividend Plan Rupees	Total Rupees
Net Surplus including Net Change in Unrealised Depreciation / Appreciation in Value of Investments by Option	1,132,388	281,972	614,662	107,548	2,136,570	235,858	106,645	305,966	23,840	672,309
Transfer from Dividend Equalisation Reserve (Note 2.7)	(3,021,852)	683,298	(44,023)	(463,062)	(2,845,639)	(2,364,647)	(274,573)	(169,119)	(10,695)	(2,819,034)
Transfer from Reserve Fund	-	223,437	1,796,729	1,269,565	3,289,731	-	397,094	292,431	118,013	807,538
Dividend Distributions (Note 13)	-	(1,119,957)	(1,691,105)	(801,426)	(3,612,488)	-	(200,357)	(429,747)	(87,971)	(718,075)
Dividend Tax thereon	-	(165,710)	(253,524)	(112,400)	(531,634)	-	(30,189)	(72,192)	(12,337)	(114,718)
Balance Transferred to Reserve Fund	(1,889,464)	(96,960)	422,739	225	(1,563,460)	(2,128,789)	(1,380)	(72,661)	30,850	(2,171,980)

# Revenue Account (Contd...)

for the year ended March 31, 2007

Schedule

	PLAN A					PLAN B				
	April 01, 2005 to March 31, 2006					April 01, 2005 to March 31, 2006				
	Growth Plan Rupees	Monthly Dividend Plan Rupees	Quarterly Dividend Plan Rupees	Annual Dividend Plan Rupees	Total Rupees	Growth Plan Rupees	Monthly Dividend Plan Rupees	Quarterly Dividend Plan Rupees	Annual Dividend Plan Rupees	Total Rupees
Net Surplus including										
Net Change in Unrealised										
Depreciation / Appreciation in										
Value of Investments by Option	10,791,677	1,499,512	2,996,543	895,585	16,183,317	2,592,027	1,255,926	1,483,064	129,204	5,460,221
Transfer from Dividend										
Equalisation Reserve (Note 2.7)	(17,319,359)	(320,783)	(943,230)	33,134	(18,550,238)	(3,663,336)	(337,834)	(762,020)	(32,417)	(4,795,607)
Transfer from Reserve Fund	-	608,568	988,614	666,952	2,264,134	-	359,688	1,217,630	215,457	1,792,775
Dividend Distributions	-	(1,465,824)	(2,085,851)	(584,917)	(4,136,592)	-	(714,341)	(1,629,611)	(186,821)	(2,530,773)
Dividend Tax thereon	-	(253,525)	(322,069)	(82,035)	(657,629)	-	(122,482)	(281,406)	(28,636)	(432,524)
Balance Transferred to										
Reserve Fund	(6,527,682)	67,948	634,007	928,719	(4,897,008)	(1,071,309)	440,957	27,657	96,787	(505,908)

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

Stephen Paul Harris  
Director

Vijai Mantri  
Director

Y. B. Desai  
Director

A. S. Mitra  
Director

Kersi M. Gherda  
Director

Bhalchandra Bhide  
Director

Debabrata Bhadury  
Director

Vijay P. Gokhale  
Director

Place: Mumbai  
Date : September 6, 2007

Suresh Soni  
Portfolio Manager

# Schedules

forming part of Balance Sheet as at March 31, 2007 and the Revenue Account for the year ended March 31, 2007

	PLAN A		PLAN B		PLAN A		PLAN B	
	March 31, 2007		March 31, 2007		March 31, 2006		March 31, 2006	
	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 15)

(Refer to the attached Statement of Portfolio Holding as at March 31, 2007)

Equity Shares	10,737,919	10,882,356	1,122,785	1,202,872	8,313,898	4,584,969	1,746,911	862,400
Privately Placed Non-Convertible Debentures / Bonds	1,792,464	1,862,038	3,584,928	3,754,540	-	-	3,646,418	3,807,459
Non-Convertible Debentures / Bonds Listed / Awaiting Listing	24,995,883	25,727,965	1,931,581	2,079,681	14,081,944	14,499,028	3,670,226	3,754,811
Securitised Debt	-	-	-	-	25,728,798	27,493,048	9,973,286	11,342,637
Government of India Securities	14,830,136	15,479,650	-	-	2,179,200	2,191,000	4,358,400	4,382,000
Commercial Paper / Certificate of Deposit	-	-	-	-	16,532,439	16,532,439	5,803,234	5,803,234
<b>TOTAL</b>	<b>52,356,402</b>	<b>53,952,009</b>	<b>6,639,294</b>	<b>7,037,093</b>	<b>66,836,279</b>	<b>65,300,484</b>	<b>29,198,475</b>	<b>29,952,541</b>

	PLAN A	PLAN B	PLAN A	PLAN B
	March 31, 2007 Rupees	March 31, 2007 Rupees	March 31, 2006 Rupees	March 31, 2006 Rupees

## Schedule 2

### Other Current Assets

Balances with Banks

- in Current Account	2,225,498	459,321	1,445,149	748,676
- in Dividend Account (Note 17)	28,360	15,452	24,866	22,008
Application Money Pending Allotment - Equity Shares	370,920	72,600	912,500	402,500
Interest Receivables on :				
- Debentures / Bonds	595,906	125,978	76,314	61,194
- Government of India Securities	112,956	-	46,428	92,857
- Securitised Debt	-	-	570	-
Receivable from Investment Manager	642,940	692,549	373,780	354,988
Tax Deducted at Source	-	-	1,689	1,073
Other Receivables	-	-	2,500	-
<b>TOTAL</b>	<b>3,976,580</b>	<b>1,365,900</b>	<b>2,883,796</b>	<b>1,683,296</b>



# Schedules

forming part of Balance Sheet as at March 31, 2007 and the Revenue Account for the year ended March 31, 2007

	PLAN A		PLAN B		PLAN A		PLAN B	
	March 31, 2007		March 31, 2007		March 31, 2006		March 31, 2006	
	Rupees	Units	Rupees	Units	Rupees	Units	Rupees	Units
<b>Schedule 3</b>								
<b>Unit Capital</b>								
<b>Growth Plan</b>								
<b>Issued and Subscribed</b>								
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
<b>Outstanding :</b>								
At the beginning of the year	21,180,781	2,118,078.082	12,610,724	1,261,072.338	142,225,559	14,222,555.824	54,385,001	5,438,500.002
Issued during the year	12,859,128	1,285,912.772	2,303,703	230,370.301	50,461,533	5,046,153.347	3,701,237	370,123.726
	34,039,909	3,403,990.854	14,914,427	1,491,442.639	192,687,092	19,268,709.171	58,086,238	5,808,623.728
Redeemed during the year	22,219,776	2,221,977.556	13,130,729	1,313,072.922	171,506,311	17,150,631.089	45,475,514	4,547,551.390
At the end of the year	11,820,133	1,182,013.298	1,783,698	178,369.717	21,180,781	2,118,078.082	12,610,724	1,261,072.338
<b>Monthly Dividend Plan</b>								
<b>Issued and Subscribed</b>								
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
<b>Outstanding :</b>								
At the beginning of the year	10,988,331	1,098,833.020	5,934,698	593,469.859	36,495,100	3,649,509.910	30,321,622	3,032,162.240
Issued during the year	30,805,948	3,080,594.809	2,383,138	238,313.805	24,576,153	2,457,615.293	24,398,824	2,439,882.406
	41,794,279	4,179,427.829	8,317,836	831,783.664	61,071,253	6,107,125.203	54,720,446	5,472,044.646
Redeemed during the year	20,443,854	2,044,385.392	6,756,478	675,647.795	50,082,922	5,008,292.183	48,785,748	4,878,574.787
At the end of the year	21,350,425	2,135,042.437	1,561,358	156,135.869	10,988,331	1,098,833.020	5,934,698	593,469.859
<b>Quarterly Dividend Plan</b>								
<b>Issued and Subscribed</b>								
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
<b>Outstanding :</b>								
At the beginning of the year	19,963,819	1,996,381.913	8,511,855	851,185.491	49,878,158	4,987,815.857	55,951,260	5,595,125.988
Issued during the year	6,551,233	655,123.316	607,134	60,713.401	3,968,206	396,820.576	1,536,066	153,606.588
	26,515,052	2,651,505.229	9,118,989	911,898.892	53,846,364	5,384,636.433	57,487,326	5,748,732.576
Redeemed during the year	9,250,832	925,083.164	5,676,556	567,655.646	33,882,545	3,388,254.520	48,975,471	4,897,547.085
At the end of the year	17,264,220	1,726,422.065	3,442,433	344,243.246	19,963,819	1,996,381.913	8,511,855	851,185.491
<b>Annual Dividend Plan</b>								
<b>Issued and Subscribed:</b>								
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
<b>Outstanding :</b>								
At the beginning of the year	9,533,313	953,331.339	959,754	95,975.339	10,671,227	1,067,122.729	3,590,951	359,095.119
Issued during the year	454,267	45,426.714	50,278	5,027.798	4,625,448	462,544.826	130,980	13,097.951
	9,987,580	998,758.053	1,010,032	101,003.137	15,296,675	1,529,667.555	3,721,931	372,193.070
Redeemed during the year	8,179,141	817,914.094	203,077	20,307.719	5,763,362	576,336.216	2,762,177	276,217.731
At the end of the year	1,808,439	180,843.959	806,955	80,695.418	9,533,313	953,331.339	959,754	95,975.339
<b>TOTAL</b>	<b>52,243,217</b>	<b>5,224,321.759</b>	<b>7,594,444</b>	<b>759,444.250</b>	<b>61,666,244</b>	<b>6,166,624.354</b>	<b>28,017,031</b>	<b>2,801,703.027</b>

# Schedules

forming part of Balance Sheet as at March 31, 2007 and the Revenue Account for the year ended March 31, 2007

	PLAN A					PLAN B				
	March 31, 2007					March 31, 2007				
	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
<b>Schedule 4</b>										
<b>Reserves and Surplus</b>										
Unit Premium Reserve (Note 2.6)										
At the beginning of the year	(1,931,436)	251,198	(633,367)	(98,065)	(2,411,670)	(610,440)	(303,336)	(22,360)	(37,484)	(973,620)
Added during the year	548,533	199,528	43,475	65,972	857,508	518,673	220,349	13,280	4,376	756,678
At the end of the year	(1,382,903)	450,726	(589,892)	(32,093)	(1,554,162)	(91,767)	(82,987)	(9,080)	(33,108)	(216,942)
Dividend Equalisation Reserve (Note 2.7)										
Added during the year	(3,021,852)	683,298	(44,023)	(463,062)	(2,845,639)	(2,364,647)	(274,573)	(169,119)	(10,695)	(2,819,034)
Transfer to Revenue Account	3,021,852	(683,298)	44,023	463,062	2,845,639	2,364,647	274,573	169,119	10,695	2,819,034
At the end of the year	-	-	-	-	-	-	-	-	-	-
Reserve Fund										
At the beginning of the year	6,165,338	257,085	1,991,332	1,344,277	9,758,032	2,547,517	463,339	349,260	122,761	3,482,877
Transfer to Revenue Account	-	(223,437)	(1,796,729)	(1,269,565)	(3,289,731)	-	(397,094)	(292,431)	(118,013)	(807,538)
Balance Transferred from Revenue Account	(1,889,464)	(96,960)	422,739	225	(1,563,460)	(2,128,789)	(1,380)	(72,661)	30,850	(2,171,980)
At the end of the year **	4,275,874	(63,312)	617,342	74,937	4,904,841	418,728	64,865	(15,832)	35,598	503,359
<b>TOTAL</b>	<b>2,892,971</b>	<b>387,414</b>	<b>27,450</b>	<b>42,844</b>	<b>3,350,679</b>	<b>326,961</b>	<b>(18,122)</b>	<b>(24,912)</b>	<b>2,490</b>	<b>286,417</b>

	PLAN A					PLAN B				
	March 31, 2006					March 31, 2006				
	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
<b>Reserves and Surplus</b>										
Unit Premium Reserve (Note 2.6)										
At the beginning of the year	(1,146,584)	187,501	(291,832)	(216,238)	(1,467,153)	46,465	54,078	(57,678)	584	43,449
Added during the year	(784,852)	63,697	(341,535)	118,173	(944,517)	(656,905)	(357,414)	35,318	(38,068)	(1,017,069)
At the end of the year	(1,931,436)	251,198	(633,367)	(98,065)	(2,411,670)	(610,440)	(303,336)	(22,360)	(37,484)	(973,620)
Dividend Equalisation Reserve (Note 2.7)										
Added during the year	(17,319,359)	(320,783)	(943,230)	33,134	(18,550,238)	(3,663,336)	(337,834)	(762,020)	(32,417)	(4,795,607)
Transfer to Revenue Account	17,319,359	320,783	943,230	(33,134)	18,550,238	3,663,336	337,834	762,020	32,417	4,795,607
At the end of the year	-	-	-	-	-	-	-	-	-	-
Reserve Fund										
At the beginning of the year	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
Transfer to Revenue Account	-	(608,568)	(988,614)	(666,952)	(2,264,134)	-	(359,688)	(1,217,630)	(215,457)	(1,792,775)
Balance Transferred from Revenue Account	(6,527,682)	67,948	634,007	928,719	(4,897,008)	(1,071,309)	440,957	27,657	96,787	(505,908)
At the end of the year **	6,165,338	257,085	1,991,332	1,344,277	9,758,032	2,547,517	463,339	349,260	122,761	3,482,877
<b>TOTAL</b>	<b>4,233,902</b>	<b>508,283</b>	<b>1,357,965</b>	<b>1,246,212</b>	<b>7,346,362</b>	<b>1,937,077</b>	<b>160,003</b>	<b>326,900</b>	<b>85,277</b>	<b>2,509,257</b>

\*\* including net unrealised depreciation in value of investments Rs.1,595,607 (2006: net unrealised appreciation Rs. 1,535,795) for Plan A and Rs.397,799 (2006: Rs.754,066) for Plan B

# Schedules

forming part of Balance Sheet as at March 31, 2007 and the Revenue Account for the year ended March 31, 2007

	PLAN A	PLAN B	PLAN A	PLAN B
	March 31, 2007	March 31, 2007	March 31, 2006	March 31, 2006
	Rupees	Rupees	Rupees	Rupees

## Schedule 5

### Current Liabilities and Provisions

#### Current Liabilities

Investment Management and Advisory Fees	48,095	9,371	288,279	27,821
Trustee Fees and Expenses	481	95	601	279
Transfer Agent Fees and Expenses	45,449	45,002	44,669	44,340
Custodian Fees and Expenses	2,910	1,034	3,785	1,859
Audit Fees	2,071	294	4,464	1,973
Selling and Distribution Expenses	39,722	4,699	34,244	15,814
Dividend Payable	359,100	27,054	524	-
Dividend Distribution Tax Payable	62,357	3,973	16,374	13,464
Unclaimed Redemption (Note 16)	27,723	1,500	51,875	-
Unclaimed Dividend (Note 17)	28,360	15,452	24,866	22,008
Redemption of Units	30,540	-	108,806	196,232
Units Pending Allotment	54,119	1,254	-	-
Inter-Scheme Payable - Others	-	-	26,000	-
Sundry Payables	38,159	14,605	102,982	31,693
<b>TOTAL</b>	<b>739,086</b>	<b>124,333</b>	<b>707,469</b>	<b>355,483</b>

	PLAN A	PLAN B	PLAN A	PLAN B
	April 01, 2006 to March 31, 2007	April 01, 2006 to March 31, 2007	April 01, 2005 to March 31, 2006	April 01, 2005 to March 31, 2006
	Rupees	Rupees	Rupees	Rupees

## Schedule 6

### Interest and Discount (Note 2.4)

Debentures / Bonds	1,698,030	247,772	3,940,289	1,939,544
Securitized Debt	1,171,425	-	4,946,508	3,184,500
Government of India Securities	1,155,546	17,737	790,081	428,711
Treasury Bills	-	-	164,351	56,438
Commercial Paper / Certificate of Deposit	303,804	102,995	665,013	141,764
Reverse Repos	368,593	64,634	426,731	277,799
<b>TOTAL</b>	<b>4,697,398</b>	<b>433,138</b>	<b>10,932,973</b>	<b>6,028,756</b>

# Schedules

forming part of Balance Sheet as at March 31, 2007 and the Revenue Account for the year ended March 31, 2007

	PLAN A	PLAN B	PLAN A	PLAN B
	April 01, 2006 to March 31, 2007 Rupees	April 01, 2006 to March 31, 2007 Rupees	April 01, 2005 to March 31, 2006 Rupees	April 01, 2005 to March 31, 2006 Rupees
<b>Schedule 7</b>				
<b>Unrealised (Depreciation) / Appreciation in Value of Investments (Note 8)</b>				
<b>(a) Equity Shares</b>				
At the beginning of the year	3,728,929	884,511	5,294,677	1,745,443
Net change during the year (I)	(3,873,366)	(964,598)	(1,565,748)	(860,932)
At the end of the year	(144,437)	(80,087)	3,728,929	884,511
<b>(b) Privately Placed Non Convertible Debentures / Bonds</b>				
At the beginning of the year	–	(161,041)	(65,996)	(1,373)
Net change during the year (II)	(69,574)	(8,571)	65,996	(159,668)
At the end of the year	(69,574)	(169,612)	–	(161,041)
<b>(c) Non-Convertible Debentures / Bonds Listed / Awaiting Listing</b>				
At the beginning of the year	(417,084)	(84,585)	(565,801)	(1,037,558)
Net change during the year (III)	(314,998)	(63,515)	148,717	952,973
At the end of the year	(732,082)	(148,100)	(417,084)	(84,585)
<b>(d) Securitised Debt</b>				
At the beginning of the year	(1,764,250)	(1,369,351)	(556,807)	(2,216,109)
Net change during the year (IV)	1,764,250	1,369,351	(1,207,443)	846,758
At the end of the year	–	–	(1,764,250)	(1,369,351)
<b>(e) Government of India Securities</b>				
At the beginning of the year	(11,800)	(23,600)	8,455	(8,175)
Net change during the year (V)	(637,714)	23,600	(20,255)	(15,425)
At the end of the year	(649,514)	–	(11,800)	(23,600)
<b>(f) Treasury Bills</b>				
At the beginning of the year	–	–	–	(158)
Net change during the year (VI)	–	–	–	158
At the end of the year	–	–	–	–
<b>Net movement in unrealised (depreciation) / appreciation in value of investments during the year</b>	<b>(3,131,402)</b>	<b>356,267</b>	<b>(2,578,733)</b>	<b>763,864</b>
	(I)+(II)+(III)+(IV)+(V)+(VI)			

# Schedules

forming part of Balance Sheet as at March 31, 2007 and the Revenue Account for the year ended March 31, 2007

## Schedule 8

### Notes to the Financial Statements

#### 1. Organisation

DWS MIP Fund (formerly 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.

The name of the Scheme has been changed from Deutsche MIP Fund to DWS MIP Fund with effect from May 2, 2006 for which necessary approvals have been received.

#### 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 Bombay Stock Exchange Limited (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.

# Schedules

## forming part of Balance Sheet as at March 31, 2007 and the Revenue Account for the year ended March 31, 2007

- x. 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 unrealised appreciation / depreciation in the value of investments is determined separately for each category of investments. Further the change in net unrealised appreciation / depreciation, if any, between two Balance Sheet dates / dates of determination is recognized in the Revenue Account. Unrealised 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 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 realised and unrealised 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 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.

### 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 1.00% of the average daily net asset values of both, Plan A and Plan B 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.

## 5. Custodian Fees

JP 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.

## Schedules

forming part of Balance Sheet as at March 31, 2007 and the Revenue Account for the year ended March 31, 2007

### 7. Limitation on Expenses

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. 642,945 under Plan A and Rs. 692,549 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.

### 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, 2007	March 31, 2007	March 31, 2006	March 31, 2006
	Rupees	Rupees	Rupees	Rupees
Equity Shares				
- Appreciation	488,734	9,205	3,728,929	884,511
- Depreciation	633,171	89,292	-	-
Privately Placed Non-Convertible Debentures / Bonds				
- Appreciation	-	-	-	-
- Depreciation	69,574	169,612	-	161,041
Non-Convertible Debentures / Bonds Listed / Awaiting Listing				
- Appreciation	2	-	-	-
- Depreciation	732,084	148,100	417,084	84,585
Securitized Debt				
- Appreciation	-	-	-	-
- Depreciation	-	-	1,764,250	1,369,351
Government of India Securities				
- Appreciation	-	-	-	-
- Depreciation	649,514	-	11,800	23,600

### 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, 2007 securities aggregating to Rs. 14,830,136 (market value) under Plan A, 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, 2007 is Rs. 26,788,347 and Rs. 5,516,509 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.1,724,576 for Plan A and amortisation of premium of Rs. 466,181 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
<b>Plan A</b>	121,601,479	174.69%	136,616,709	196.26%
<b>Plan B</b>	23,177,261	116.35%	45,936,297	230.60%

### 12. Income and Expenses

The total income (including net profit / loss on sale of investments and net change in unrealised 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
<b>Plan A</b>	3,702,798	5.32%	1,566,228	2.25%
<b>Plan B</b>	1,120,498	5.62%	448,189	2.25%

## Schedules

forming part of Balance Sheet as at March 31, 2007 and the Revenue Account for the year ended March 31, 2007

### 13. Dividend Distribution

The Scheme has distributed dividend on various record dates during the year aggregating to Rs. 344,985, Rs. 20,040 and Rs. 28,287 in the MIP Plan A - Quarterly Dividend Plan, MIP Plan B - Monthly Dividend Plan and MIP Plan B - Annual Dividend Plan respectively from the Reserve Fund in accordance with the Eleventh Schedule of the Regulations without considering the debit balance in the Unit Premium Reserve.

### 14. 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. 74,339 and Rs. 50,808 respectively under Plan A and Rs. 1,096 and Rs. 70 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. 12,945 under Plan A and Rs. 1,311 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.

### 15. 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	Schemes invested in by the Company	Investment 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, 2007 At Market / Fair Value (Rupees In Lakhs)
Celebrity Fashions Limited	DWS Short Maturity Fund	DWS Alpha Equity Fund	53.84	-
		DWS Investment Opportunity Fund	17.13	-
		DWS MIP Fund - Plan A	3.67	-
		DWS MIP Fund - Plan B	1.71	-
DSP Merrill Lynch Capital Limited	DWS Insta Cash Plus Fund	DWS Alpha Equity Fund	54.89	-
		DWS Floating Rate Fund	4,189.75	9.86
		DWS Insta Cash Plus Fund	76,148.04	1,458.83
		DWS Money Plus Fund	88,680.54	19.71
		DWS Premier Bond Fund	44.56	-
		DWS Short Maturity Fund	3,163.35	-
		DWS Fixed Term Fund Series - 11	87.10	-
		DWS Fixed Term Fund Series - 12	2,252.13	-
		DWS Fixed Term Fund Series - 13	1,500.00	-
		DWS Fixed Term Fund Series - 16	99.83	-
		DWS Fixed Term Fund Series - 17	2,294.02	1,959.61
		DWS Fixed Term Fund Series - 18	1,509.10	1,478.08
		DWS Fixed Term Fund Series - 19	10,000.00	9,861.05
		DWS Fixed Term Fund Series - 2	211.56	-
		DWS Fixed Term Fund Series - 20	69.51	48.93
		DWS Fixed Term Fund Series - 21	537.16	-
		DWS Fixed Term Fund Series - 24	59.10	59.14
		DWS Fixed Term Fund Series - 26	1,728.89	88.72
		DWS Fixed Term Fund Series - 27	29.55	29.57
		DWS Fixed Term Fund Series - 3	1,719.12	-
		DWS Fixed Term Fund Series - 4	126.40	29.57
		DWS Fixed Term Fund Series - 5	86.33	-
		DWS Fixed Term Fund Series - 6	184.57	88.72
DWS Fixed Term Fund Series - 7	4,216.78	-		
DWS Fixed Term Fund Series - 8	196.21	-		
DWS Fixed Term Fund Series - 9	49.25	49.29		
DWS Fixed Term Fund	14.08	-		
DWS MIP Fund - Plan A	235.17	-		
DWS MIP Fund - Plan B	137.16	-		
Grasim Industries Limited	DWS Fixed Term Fund Series - 10	DWS Alpha Equity Fund	1,801.80	428.71
		DWS Insta Cash Plus Fund	4,300.00	-



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forming part of Balance Sheet as at March 31, 2007 and  
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Company Name	Schemes invested in by the Company	Investment 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, 2007 At Market / Fair Value (Rupees In Lakhs)
	DWS Fixed Term Fund Series - 22	DWS Investment Opportunity Fund	103.34	39.73
	DWS Fixed Term Fund Series - 23	DWS Tax Saving Fund	220.54	–
HCL Technologies Limited	DWS Fixed Term Fund Series - 14	DWS Alpha Equity Fund^	795.61	–
	DWS Fixed Term Fund Series - 16	DWS Tax Saving Fund^	71.52	–
Hero Honda Motors Limited	DWS Fixed Term Fund Series - 14	DWS Investment Opportunity Fund	0.62	–
Hindalco Industries Limited	DWS Fixed Term Fund Series - 10	DWS Alpha Equity Fund	478.40	–
	DWS Fixed Term Fund Series - 13	DWS Floating Rate Fund	205.61	–
	DWS Money Plus Fund	DWS Short Maturity Fund	822.42	–
	DWS Fixed Term Fund Series - 28	DWS Fixed Term Fund Series - 4	935.13	–
		DWS Tax Saving Fund	120.94	–
Hindustan Lever Limited	DWS Fixed Term Fund Series - 13	DWS Alpha Equity Fund	725.21	–
	DWS Fixed Term Fund Series - 22	DWS Investment Opportunity Fund	12.22	–
	DWS Fixed Term Fund Series - 27			
Hindustan Zinc Limited	DWS Fixed Term Fund Series - 13	DWS Alpha Equity Fund	170.99	–
	DWS Fixed Term Fund Series - 20	DWS Tax Saving Fund	77.25	–
	DWS Fixed Term Fund Series - 21			
	DWS Fixed Term Fund Series - 24			
ICI India	DWS Fixed Term Fund Series - 21	DWS Fixed Term Fund Series - 7	500.00	–
Infosys Technologies Limited	DWS Insta Cash Plus Fund	DWS Alpha Equity Fund	3,172.02	724.54
		DWS Investment Opportunity Fund	79.80	17.71
		DWS MIP Fund - Plan A	34.56	13.36
		DWS Tax Saving Fund	403.93	230.34
ITC Limited	DWS Insta Cash Plus Fund	DWS Alpha Equity Fund	1,840.20	488.80
	DWS Floating Rate Fund	DWS Investment Opportunity Fund	376.99	38.35
	DWS Fixed Term Fund Series - 14	DWS MIP Fund - Plan A	7.73	–
	DWS Fixed Term Fund Series - 16	DWS Tax Saving Fund	274.99	164.69
	DWS Fixed Term Fund Series - 23			
Larsen and Toubro Limited	DWS Insta Cash Plus Fund	DWS Alpha Equity Fund	1,938.29	582.89
		DWS Floating Rate Fund	1,000.00	–
		DWS Insta Cash Plus Fund	900.00	–
		DWS Short Maturity Fund	100.00	–
		DWS Investment Opportunity Fund	181.88	32.38
		DWS Tax Saving Fund	318.52	153.82
		DWS Floating Rate Fund^^	6,100.00	–

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forming part of Balance Sheet as at March 31, 2007 and  
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Company Name	Schemes invested in by the Company	Investment 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, 2007 At Market / Fair Value (Rupees In Lakhs)
		DWS Insta Cash Plus Fund^^	81,157.10	200.00
		DWS Money Plus Fund^^	67,472.40	10,400.00
		DWS Short Maturity Fund^^	7,229.74	–
		DWS Fixed Term Fund Series - 10^^	113.08	117.32
		DWS Fixed Term Fund Series - 13^^	6,214.57	–
		DWS Fixed Term Fund Series - 14^^	4,310.28	3,566.28
		DWS Fixed Term Fund Series - 15^^	37.59	–
		DWS Fixed Term Fund Series - 16^^	216.12	224.87
		DWS Fixed Term Fund Series - 19^^	4,604.21	4,722.73
		DWS Fixed Term Fund Series - 2^^	1,698.95	–
		DWS Fixed Term Fund Series - 20^^	999.82	–
		DWS Fixed Term Fund Series - 25^^	990.77	986.22
		DWS Fixed Term Fund Series - 5^^	200.00	–
		DWS Fixed Term Fund Series - 7^^	3,700.00	–
		DWS Fixed Term Fund^^	1,799.21	–
		DWS Money Plus Fund^^^	500.00	–
Patni Computer Systems Limited	DWS Fixed Term Fund Series - 25	DWS Alpha Equity Fund	400.31	–
	DWS Fixed Term Fund Series - 21	DWS Investment Opportunity Fund	186.56	–
	DWS Fixed Term Fund Series - 12			
Ranbaxy Holding Company	DWS Insta Cash Plus Fund	DWS Money Plus Fund	45,000.00	500.00
		DWS Fixed Term Fund Series - 27	800.00	800.00
		DWS Fixed Term Fund Series - 28	3,700.00	3,700.00
		DWS Alpha Equity Fund	108.81	–
		DWS Floating Rate Fund	6,900.00	–
		DWS Insta Cash Plus Fund	5,000.00	–
		DWS Short Maturity Fund	3,500.00	–
		DWS Fixed Term Fund Series - 12	2,200.00	–
		DWS Tax Saving Fund	99.27	–
Reliance Petroleum Limited	DWS Insta Cash Plus Fund	DWS Alpha Equity Fund	11.19	–
		DWS Fixed Term Fund Series - 9	34.38	–
		DWS Investment Opportunity Fund	1.90	–
		DWS MIP Fund - Plan A	1.76	–
		DWS MIP Fund - Plan B	0.70	–
		DWS Tax Saving Fund	7.53	–
Tata Chemicals Limited	DWS Fixed Term Fund Series - 27	DWS Investment Opportunity Fund	27.18	–
Tata Consultancy Services Limited	DWS Money Plus Fund	DWS Alpha Equity Fund	1,128.29	246.94
	DWS Fixed Term Fund Series - 23	DWS Tax Saving Fund	133.93	86.18
	DWS Fixed Term Fund Series - 24			
Tata Steel Limited	DWS Insta Cash Plus Fund	DWS Alpha Equity Fund	1,263.16	–
		DWS Investment Opportunity Fund	510.16	–
		DWS Tax Saving Fund	116.78	–
Videsh Sanchar Nigam Limited	DWS Money Plus Fund	DWS Investment Opportunity Fund	94.30	–
	DWS Fixed Term Fund Series - 12			
	DWS Fixed Term Fund Series 13			
Wipro Limited	DWS Money Plus Fund	DWS Tax Saving Fund	127.27	–

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forming part of Balance Sheet as at March 31, 2007 and the Revenue Account for the year ended March 31, 2007

^ DTSF and DAEF have invested in HCL Technologies Limited which is a subsidiary of HCL Corporation Limited.

^^ DICPF, DFRF, DFTF-7, DSMF, DFTF, DFTF-2, DFTF-10, DFTF-13, DFTF-14, DFTF-15, DFTF-16, DFTF-19, DFTF-20, DFTF-25, DFTF-5 and DMPF have invested in L & T Finance Limited which is a subsidiary of Larsen & Toubro Limited.

^^^ DMPF have invested in Tractors Engineers which is a subsidiary of Larsen & Toubro 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.

(Note: The following abbreviations have been used above: DTSF - DWS Tax Saving Fund, DAEF - DWS Alpha Equity Fund, DICPF - DWS Insta Cash Plus Fund, DFRF - DWS Floating Rate Fund, DFTF-7 - DWS Fixed Term Fund - Series-7, DSMF - DWS Short Maturity Fund, DFTF - DWS Fixed Term Fund, DFTF-2 - DWS Fixed Term Fund - Series 2, DFTF-10 - DWS Fixed Term Fund - Series 10, DFTF-13 - DWS Fixed Term Fund - Series 13, DFTF-14 - DWS Fixed Term Fund - Series 14, DFTF-15 - DWS Fixed Term Fund - Series 15, DFTF-16 - DWS Fixed Term Fund - Series 16, DFTF-19 - DWS Fixed Term Fund - Series 19, DFTF-20 - DWS Fixed Term Fund - Series 20, DFTF-25 - DWS Fixed Term Fund - Series 25, DFTF-5 - DWS Fixed Term Fund - Series 5 and DMPF - DWS Money Plus Fund)

### 16. Unclaimed Redemption

As at March 31, 2007 unclaimed redemptions aggregate Rs. 27,723 being payable to two investor for Plan A and Rs. 1,500 being payable to one investor for Plan B. 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.

### 17. Unclaimed Dividend

As at March 31, 2007 unclaimed dividends aggregate Rs. 28,360 being payable to twenty one investors for Plan A and Rs. 15,452 being payable to ten 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.

### 18. Perspective Historical Per Unit Statistics\*

	PLAN A	PLAN B	PLAN A	PLAN B	PLAN A	PLAN B
	April 01, 2006 to March 31, 2007 Rupees	April 01, 2006 to March 31, 2007 Rupees	April 01, 2005 to March 31, 2006 Rupees	April 01, 2005 to March 31, 2006 Rupees	April 01, 2004 to March 31, 2005 Rupees	April 01, 2004 to March 31, 2005 Rupees
(a) Net asset value per unit at the end of the period (Note 2.5)						
Growth Option	12.4475	11.8331	11.9989	11.5361	10.8118	10.6740
Monthly Dividend Option	10.1815	9.8839	10.4626	10.2696	10.2700	10.1438
Quarterly Dividend Option	10.0159	9.9276	10.6802	10.3841	10.4118	10.2648
Annual Dividend Option	10.2369	10.0309	11.3072	10.8885	10.8118	10.6740
(b) Gross Income						
(i) income other than profit on sale of investment	0.9364	0.5984	1.8530	2.1856	1.0748	1.3372
(ii) income from profit on inter-scheme sales / transfer of investment	(0.1032)	(0.2281)	(0.2824)	(1.3975)	0.0016	(0.1788)
(iii) income (net) from profit on sale of investments to third party	0.4749	0.4190	2.0494	1.4397	0.0051	0.2592
(iv) transfer of revenue account from past year's reserve	-	-	0.3672	0.7698	0.0063	0.0298
(c) Aggregate of expenses, writeoff, amortisation and charges	0.2998	0.5902	0.5775	0.5516	0.3871	0.3722
(d) Net income	1.0084	0.1992	3.0425	1.6763	0.6944	1.0454
(e) Net change in unrealised appreciation / (depreciation) in value of investments	(0.5994)	0.4691	(0.4182)	0.2726	0.1041	(0.1594)

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forming part of Balance Sheet as at March 31, 2007 and the Revenue Account for the year ended March 31, 2007

	PLAN A	PLAN B	PLAN A	PLAN B	PLAN A	PLAN B
	April 01, 2006 to March 31, 2007 Rupees	April 01, 2006 to March 31, 2007 Rupees	April 01, 2005 to March 31, 2006 Rupees	April 01, 2005 to March 31, 2006 Rupees	April 01, 2004 to March 31, 2005 Rupees	April 01, 2004 to March 31, 2005 Rupees
(f) Redemption Price						
– Highest						
Growth Option	12.8851	12.1688	11.9989	11.5656	10.8741	10.7039
Monthly Dividend Option	10.7544	10.4472	10.6078	10.3533	10.3927	10.2465
Quarterly Dividend Option	10.7968	10.5024	10.8479	10.4736	10.4929	10.3444
Annual Dividend Option	11.2440	10.7268	11.2959	10.8885	10.8741	10.7039
– Lowest						
Growth Option	11.7260	11.4641	10.6891	10.6226	9.8803	10.0577
Monthly Dividend Option	10.0205	9.8022	10.0600	10.0382	9.8203	9.9969
Quarterly Dividend Option	10.0159	9.8456	10.1216	10.0514	9.8950	10.0732
Annual Dividend Option	10.2330	10.0309	10.0729	10.0266	9.8950	10.0524
(g) Purchase price						
– Highest						
Growth Option	12.8207	12.1080	11.9964	11.5656	10.8741	10.6918
Monthly Dividend Option	10.7006	10.3950	10.6244	10.3512	10.3747	10.3277
Quarterly Dividend Option	10.7428	10.4499	10.8543	10.3832	10.4975	10.3444
Annual Dividend Option	11.1878	10.6732	11.2507	10.7690	10.8299	10.4387
– Lowest						
Growth Option	11.6674	12.1688	10.7195	10.6612	9.8803	10.0439
Monthly Dividend Option	9.9704	9.7532	10.0600	10.0204	9.8381	10.0192
Quarterly Dividend Option	9.9658	9.7964	10.1216	10.1238	9.8982	10.0732
Annual Dividend Option	10.1818	9.9807	10.1386	10.0934	9.8982	10.1140
(h) Price earnings ratio	NA	NA	NA	NA	NA	NA
(i) Ratio of expenses (excluding initial issue expenses) to daily average net assets by percentage	2.25%	2.26%	2.25%	2.24%	2.25%	2.25%
(j) Ratio of gross income (including net loss on sale of investments and net change in unrealised depreciation in value of investments) to daily average net assets by percentage	5.32%	5.64%	12.48%	10.17%	6.90%	7.62%

\* The above per unit calculations with the exception of the net asset value are based on the number of units at the year end

# Below 0.01 per unit

@ 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.

# Schedules

forming part of Balance Sheet as at March 31, 2007 and the Revenue Account for the year ended March 31, 2007

## 19. Prior Year's Figures

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

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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*

Stephen Paul Harris  
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Vijai Mantri  
*Director*

Y. B. Desai  
*Director*

A. S. Mitra  
*Director*

Kersi M. Gherda  
*Director*

Bhalchandra Bhide  
*Director*

Debabrata Bhadury  
*Director*

Vijay P. Gokhale  
*Director*

Place: Mumbai

Date : September 6, 2007

Suresh Soni

*Portfolio Manager*

# Statement of Portfolio Holding

as at March 31, 2007

(Referred to in Schedule 1 to the Balance Sheet as at March 31, 2007 and the Revenue Account for the year ended March 31, 2007)

## PLAN A

Description	Quantity	Market / Fair Value Rupees
<b>Equity (20.51%)</b>		
<b>Minerals / Mining (55.44%)</b>		
Sesa Goa Limited	3,500	5,952,800
		5,952,800
<b>Petroleum Products (10.04%)</b>		
Reliance Industries Limited	788	1,078,260
		1,078,260
<b>Software (29.96%)</b>		
Satyam Computer Services Limited	4,000	1,880,400
Infosys Technologies Limited@	664	1,336,366
		3,216,766
<b>Transportation (3.15%)</b>		
Great Eastern Shipping Co. Limited	1,667	338,151
		338,151
<b>Telecom - Service (1.41%)</b>		
Idea Cellular Limited	1,607	151,942
		151,942
<b>TOTAL</b>	<b>(Cost - Rs. 10,882,356)</b>	<b>10,737,919</b>
<b>Privately Placed Non-Convertible Debentures / Bonds (3.42%)</b>		
<b>Banks (100.00%)</b>		
7% ICICI Bank Limited 2012*		1,792,464
		1,792,464
<b>TOTAL</b>	<b>(Cost - Rs.1,862,038)</b>	<b>1,792,464</b>
<b>Non-Convertible Debentures / Bonds Listed / Awaiting Listing (47.74%)</b>		
<b>Banks (20.37%)</b>		
1 Year Gsec+130 Bps Industrial Development Bank of India Limited 2009#		5,090,450
		5,090,450
<b>Finance (54.25%)</b>		
8.6% Infrastructure Development Finance Company Limited 2011#		6,739,019
5 Year Gsec+560 Bps Indian Railway Finance Corporation Limited 2010#		4,976,868
7.3% Rural Electrification Corporation Limited 2011#		1,845,612
		13,561,499
<b>Retailing (25.38%)</b>		
2% Trent Limited 2010#		6,343,934
		6,343,934
<b>TOTAL</b>	<b>(Cost - Rs. 25,727,965)</b>	<b>24,995,883</b>
<b>Government of India Securities (28.33%)</b>		
7.95% Government of India 2032		14,830,136
		14,830,136
<b>TOTAL</b>	<b>(Cost - Rs.15,479,650)</b>	<b>14,830,136</b>
<b>TOTAL INVESTMENTS</b>	<b>(Cost - Rs. 53,952,009)</b>	<b>52,356,402</b>

Confirmation has been received from JP 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) debt 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, 2007

## PLAN B

Description	Quantity	Market / Fair Value Rupees
<b>Equity (16.90%)</b>		
<b>Minerals / Mining (83.31%)</b>		
Sesa Goa Limited	550	935,440
		935,440
<b>Software (12.56%)</b>		
Satyam Computer Services Limited	300	141,030
		141,030
<b>Telecom - Service (2.68%)</b>		
Idea Cellular Limited	318	30,067
		30,067
<b>Finance (1.45%)</b>		
Power Finance Corporation Limited	156	16,248
		16,248
<b>TOTAL</b>	<b>(Cost - Rs. 1,202,872)</b>	<b>1,122,785</b>
<b>Privately Placed Non-Convertible Debentures / Bonds (54.00%)</b>		
<b>Banks (100.00%)</b>		
7% ICICI Bank Limited 2012*		3,584,928
<b>TOTAL</b>	<b>(Cost - Rs.3,754,540)</b>	<b>3,584,928</b>
<b>Non-Convertible Debentures / Bonds Listed / Awaiting Listing (29.10%)</b>		
<b>Finance (90.54%)</b>		
7.3% Rural Electrification Corporation Limited 2015#		1,748,838
		1,748,838
<b>Retailing (9.46%)</b>		
2% Trent Limited 2010#		182,743
		182,743
<b>TOTAL</b>	<b>(Cost - Rs. 2,079,681)</b>	<b>1,931,581</b>
<b>TOTAL INVESTMENTS</b>	<b>(Cost - Rs. 7,037,093)</b>	<b>6,639,294</b>

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

\* Fair value of non-traded (privately placed) debt 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.

# Auditors' Report

To the Trustee,

## DEUTSCHE MUTUAL FUND

1. We have audited the Balance Sheet of Deutsche Mutual Fund - **DWS Money Plus Fund (formerly Deutsche Money Plus Fund)** ("The Scheme") as at March 31, 2007 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, 2007 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 - DWS Money Plus Fund as at March 31, 2007 and its net surplus for the year ended on that date.
  - (ii) The Balance Sheet as at March 31, 2007 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 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, 2007 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 : September 6, 2007



# Balance Sheet

as at March 31, 2007

	Schedule	March 31, 2007 Rupees	March 31, 2006 Rupees
<b>Assets</b>			
Investments	1	6,175,125,821	683,221,290
Other Current Assets	2	548,084,720	143,701,937
<b>TOTAL</b>		<b>6,723,210,541</b>	<b>826,923,227</b>
<b>Liabilities</b>			
Unit Capital	3	6,596,914,838	802,555,982
Reserves and Surplus	4	105,546,473	3,784,190
Current Liabilities and Provisions	5	20,749,230	20,583,055
<b>TOTAL</b>		<b>6,723,210,541</b>	<b>826,923,227</b>

## Reconciliation of Net Asset Value Per Unit

	Regular Plan					Institutional Plan					
	March 31, 2007					March 31, 2007					
	Growth Option Rupees	Daily Dividend Option Rupees	Weekly Dividend Option Rupees	Monthly Dividend Option Rupees	Total Rupees	Growth Option Rupees	Daily Dividend Option Rupees	Weekly 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)	565,876,080	1,152,705,794	1,427,090,430	427,269,109	3,572,941,413	1,346,179,906	1,472,989,826	188,050,396	122,299,770	3,129,519,898	6,702,461,311
Number of Units in Issue	52,293,231.695	114,972,799.867	141,895,142.022	42,192,792.184		130,262,508.198	147,178,296.288	18,759,129.081	12,137,584.354		
Net Asset Value per Unit	10.8212	10.0259	10.0574	10.1266		10.3344	10.0082	10.0245	10.0761		

## Reconciliation of Net Asset Value Per Unit

	March 31, 2006		
	Growth Option Rupees	Dividend Option Rupees	Total Rupees
Net Assets as per Balance Sheet (Total Assets less Current Liabilities and Provisions) (Note 2.5)	242,782,912	563,557,260	806,340,172
Number of Units in Issue	24,164,311.878	56,091,286.248	
Net Asset Value per Unit	10.0472	10.0472	

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

Stephen Paul Harris  
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Vijai Mantri  
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Y. B. Desai  
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A. S. Mitra  
Director

Kersi M. Gherda  
Director

Bhalchandra Bhide  
Director

Debabrata Bhadury  
Director

Vijay P. Gokhale  
Director

Place: Mumbai  
Date : September 6, 2007

Suresh Soni  
Portfolio Manager

# Revenue Account

for the year ended March 31, 2007

	Schedule	April 01, 2006 to March 31, 2007 Rupees	February 10, 2006 to March 31, 2006 Rupees
<b>Income and Gains</b>			
Interest and Discount	6	1,563,029,603	3,565,676
Net Profit on Sale of Investments (Note 2.3)		–	63,677
Miscellaneous Income		24,000	–
<b>TOTAL</b>		<b>1,563,053,603</b>	<b>3,629,353</b>
<b>Expenses and Losses</b>			
Net Loss on Sale of Investments [Including Net Loss on Inter-Scheme Sale of Investments Rs. 14,342,445] (Note 2.3)		12,118,023	–
Investment Management and Advisory Fees (Note 3)		57,082,624	125,289
Trustee Fees and Expenses (Note 4)		1,963,213	3,580
Transfer Agent Fees and Expenses		17,277,785	24,570
Custodian Fees and Expenses (Note 5)		9,020,210	31,090
Audit Fees		249,763	52,164
Selling and Distribution Expenses		31,316,184	1,153
Other Operating Expenses		11,274,871	42,617
		140,302,673	280,463
Less: Expenses to be Reimbursed by the Investment Manager (Note 7)		463,470	29,886
<b>TOTAL</b>		<b>139,839,203</b>	<b>250,577</b>
Net Surplus for the Year / Period		1,423,214,400	3,378,776
Net Change in Unrealised Depreciation in Value of Investments	7	(190,089)	(2,903)
<b>Net Surplus including Net Change Unrealised Depreciation in Value of Investments</b>		<b>1,423,024,311</b>	<b>3,375,873</b>

	Regular Plan					Institutional Plan					
	April 01, 2006 to March 31, 2007					April 01, 2006 to March 31, 2007					
	Growth Option Rupees	Daily Dividend Option Rupees	Weekly Dividend Option Rupees	Monthly Dividend Option Rupees	Total Rupees	Growth Option Rupees	Daily Dividend Option Rupees	Weekly Dividend Option Rupees	Monthly Dividend Option Rupees	Total Rupees	Total Rupees
Net Surplus including Net Change in Unrealised Depreciation in Value of Investments by Plan	226,060,503	63,088,081	640,467,441	112,880,260	1,042,496,285	66,263,203	177,443,175	105,479,792	31,341,856	380,528,026	1,423,024,311
Transfer From Income Equalisation Reserve (Note 2.7)	(184,402,013)	2,770,010	(34,698,530)	(6,736,958)	(223,067,491)	(22,708,952)	(1,635,556)	(4,067,786)	(6,998,242)	(35,410,536)	(258,478,027)
Dividend Distributions	–	(52,007,300)	(493,078,321)	(85,812,273)	(630,897,894)	–	(142,627,100)	(82,458,297)	(19,126,122)	(244,211,519)	(875,109,413)
Dividend Tax thereon	–	(10,900,462)	(104,438,209)	(17,639,808)	(132,978,479)	–	(31,945,580)	(18,486,372)	(4,291,958)	(54,723,910)	(187,702,389)
<b>Balance Transferred to Reserve Fund</b>	<b>41,658,490</b>	<b>2,950,329</b>	<b>8,252,381</b>	<b>2,691,221</b>	<b>55,552,421</b>	<b>43,554,251</b>	<b>1,234,939</b>	<b>467,337</b>	<b>925,534</b>	<b>46,182,061</b>	<b>101,734,482</b>

# Revenue Account

for the year ended March 31, 2007

February 10, 2006 to March 31, 2006

	Growth Option Rupees	Dividend Option Rupees	Total Rupees
Net Surplus including Net Unrealised Depreciation in Value of Investments by Plan	1,135,069	2,240,804	3,375,873
Transfer From Income Equalisation Reserve (Note 2.7)	4,714	400,605	405,319
Balance Transferred to Reserve Fund	1,139,783	2,641,409	3,781,192

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*

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Debabrata Bhadury  
*Director*

Vijay P. Gokhale  
*Director*

Place: Mumbai  
Date : September 6, 2007

Suresh Soni  
*Portfolio Manager*

# Schedules

forming part of the Balance Sheet as at March 31, 2007 and the Revenue Account for the year ended March 31, 2007

	March 31, 2007		March 31, 2006	
	Market / Fair Value Rupees	Cost Rupees	Market / Fair Value Rupees	Cost Rupees
<b>Schedule 1</b>				
<b>Investments</b>				
(Notes 2.2, 2.3, 8, 9, 10 and 13)				
(Refer to the attached Statement of Portfolio Holding as at March 31, 2007)				
Privately Placed Non-Convertible Debentures / Bonds				
	1,551,536,350	1,551,538,506	280,000,000	280,000,000
Non-Convertible Debentures / Bonds Listed / Awaiting Listing				
	1,557,807,338	1,557,807,320	3,952,464	3,946,440
Securitized Debt				
	1,645,155,112	1,645,345,966	116,664,046	116,672,973
Commercial Paper / Certificate of Deposit				
	1,420,627,021	1,420,627,021	282,604,780	282,604,780
<b>TOTAL</b>	<b>6,175,125,821</b>	<b>6,175,318,813</b>	683,221,290	683,224,193

	March 31, 2007 Rupees	March 31, 2006 Rupees
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## Schedule 2

### Other Current Assets

Balance with Banks		
– in Current Account	105,127,622	13,431,454
– in Dividend Account (Note 14)	477	–
Unit Subscription Receivable	11,150,000	–
Interest Receivables on :		
– Debentures / Bonds	69,440,493	2,240,597
– Securitized Debt	26,663,686	–
Application Money Pending Allotment - Debentures / Bonds	335,026,919	128,000,000
Receivable from the Investment Manager	217,091	29,886
Inter-Scheme Receivable - Switch In	434,432	–
– Others	24,000	–
<b>TOTAL</b>	<b>548,084,720</b>	143,701,937

	March 31, 2007		March 31, 2006	
	Rupees	Units	Rupees	Units

## Schedule 3

### Unit Capital

#### Regular Plan

#### Growth Option

#### Issued and Subscribed:

Units of Rs.10 each fully paid-up	240,476,000	24,047,600.000	240,476,000	24,047,600.000
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#### Outstanding:

At the beginning of the year	241,643,119	24,164,311.878		
Initial issue and subscription	–	–	240,476,000	24,047,600.000
Issued during the year / period	20,083,921,779	2,008,392,177.904	1,167,119	116,711.878
Redeemed during the year / period	20,325,564,898	2,032,556,489.782	241,643,119	24,164,311.878
At the end of the year / period	19,802,632,581	1,980,263,258.087	–	–
At the end of the year / period	522,932,317	52,293,231.695	241,643,119	24,164,311.878

#### Daily Dividend Option

#### Issued and Subscribed:

Units of Rs.10 each fully paid-up	5,000	500.000	–	–
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## Schedules

forming part of the Balance Sheet as at March 31, 2007 and the Revenue Account for the year ended March 31, 2007

	March 31, 2007		March 31, 2006	
	Rupees	Units	Rupees	Units
<b>Outstanding:</b>				
Initial issue and subscription	5,000	500.000	–	–
Issued during the period	5,344,755,533	534,475,553.280	–	–
	5,344,760,533	534,476,053.280	–	–
Redeemed during the period	4,195,032,534	419,503,253.413	–	–
At the end of the period	1,149,727,999	114,972,799.867	–	–
<b>Weekly Dividend Option</b>				
<b>Issued and Subscribed:</b>				
Units of Rs.10 each fully paid-up	642,191,434	64,219,143.457	–	–
<b>Outstanding:</b>				
Initial issue and subscription	642,191,434	64,219,143.457	–	–
Issued during the period	38,220,276,313	3,822,027,631.217	–	–
	38,862,467,747	3,886,246,774.674	–	–
Redeemed during the period	37,443,516,327	3,744,351,632.652	–	–
At the end of the period	1,418,951,420	141,895,142.022	–	–
<b>Monthly Dividend Option</b>				
<b>Issued and Subscribed:</b>				
Units of Rs.10 each fully paid-up	449,960,280	44,996,027.977	449,960,280	44,996,027.977
<b>Outstanding:</b>				
At the beginning of the year	560,912,863	56,091,286.248		
Initial issue and subscription	–	–	449,960,280	44,996,027.977
Issued during the year / period	5,274,601,535	527,460,153.486	310,153,786	31,015,378.589
	5,835,514,398	583,551,439.734	760,114,066	76,011,406.566
Redeemed during the year / period	5,413,586,476	541,358,647.550	199,201,203	19,920,120.318
At the end of the year / period	421,927,922	42,192,792.184	560,912,863	56,091,286.248
<b>TOTAL</b>	<b>3,513,539,658</b>	<b>351,353,965.768</b>	<b>802,555,982</b>	<b>80,255,598.126</b>
<b>Institutional Plan</b>				
<b>Growth Option</b>				
<b>Issued and Subscribed:</b>				
Units of Rs.10 each fully paid-up	129,230,464	12,923,046.444	–	–
<b>Outstanding:</b>				
Initial issue and subscription	129,230,464	12,923,046.444	–	–
Issued during the period	12,552,636,920	1,255,263,691.966	–	–
	12,681,867,384	1,268,186,738.410	–	–
Redeemed during the period	11,379,242,302	1,137,924,230.212	–	–
At the end of the period	1,302,625,082	130,262,508.198	–	–
<b>Daily Dividend Option</b>				
<b>Issued and Subscribed:</b>				
Units of Rs.10 each fully paid-up	3,244,874,473	324,487,447.268	–	–
<b>Outstanding:</b>				
Initial issue and subscription	3,244,874,473	324,487,447.268	–	–
Issued during the period	10,374,134,402	1,037,413,440.169	–	–
	13,619,008,875	1,361,900,887.437	–	–
Redeemed during the period	12,147,225,911	1,214,722,591.149	–	–
At the end of the period	1,471,782,964	147,178,296.288	–	–

# Schedules

forming part of the Balance Sheet as at March 31, 2007 and the Revenue Account for the year ended March 31, 2007

	March 31, 2007		March 31, 2006	
	Rupees	Units	Rupees	Units
<b>Weekly Dividend Option</b>				
<b>Issued and Subscribed:</b>				
Units of Rs.10 each fully paid-up	1,373,243,267	137,324,326.676	-	-
<b>Outstanding:</b>				
Initial issue and subscription	1,373,243,267	137,324,326.676	-	-
Issued during the period	5,097,657,182	509,765,718.206	-	-
	6,470,900,449	647,090,044.882	-	-
Redeemed during the period	6,283,309,158	628,330,915.801	-	-
At the end of the period	187,591,291	18,759,129.081	-	-
<b>Monthly Dividend Option</b>				
<b>Issued and Subscribed:</b>				
Units of Rs.10 each fully paid-up	50,044,087	5,004,408.734	-	-
<b>Outstanding:</b>				
Initial issue and subscription	50,044,087	5,004,408.734	-	-
Issued during the period	1,471,559,146	147,155,914.618	-	-
	1,521,603,233	152,160,323.352	-	-
Redeemed during the period	1,400,227,390	140,022,738.998	-	-
At the end of the period	121,375,843	12,137,584.354	-	-
<b>TOTAL</b>	<b>3,083,375,180</b>	<b>308,337,517.921</b>	-	-
<b>TOTAL</b>	<b>6,596,914,838</b>	<b>659,691,483.689</b>	802,555,982	80,255,598.126

	Regular Plan					Institutional Plan					
	March 31, 2007					March 31, 2007					
	Growth Option	Daily Dividend Option	Weekly Dividend Option	Monthly Dividend Option	Total	Growth Option	Daily Dividend Option	Weekly Dividend Option	Monthly Dividend Option	Total	Total
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees

## Schedule 4

### Reserves and Surplus

#### Unit Premium Reserve (Note 2.6)

At the beginning of the year	10	-	-	2,988	2,988	-	-	-	-	-	2,988
Added during the year / period	145,480	27,466	(113,371)	5,569	65,144	573	(28,077)	(8,232)	(1,607)	(37,343)	27,801
At the end of the year / period	145,490	27,466	(113,371)	8,557	68,142	573	(28,077)	(8,232)	(1,607)	(37,343)	30,799

#### Dividend Equalisation Reserve (Note 2.7)

Added during the year / period	(184,402,013)	2,770,010	(34,698,530)	(6,736,958)	(223,067,491)	(22,708,952)	(1,635,556)	(4,067,786)	(6,998,242)	(35,410,536)	(258,478,027)
Transfer to Revenue Account	184,402,013	(2,770,010)	34,698,530	6,736,958	223,067,491	22,708,952	1,635,556	4,067,786	6,998,242	35,410,536	258,478,027
At the end of the year / period	-	-	-	-	-	-	-	-	-	-	-

#### Reserve Fund

At the beginning of the year / period	1,139,783	-	-	2,641,409	3,781,192	-	-	-	-	-	3,781,192
Balance Transferred from Revenue Account	41,658,490	2,950,329	8,252,381	2,691,221	55,552,421	43,554,251	1,234,939	467,337	925,534	46,182,061	101,734,482
At the end of the year / period [including net unrealised depreciation in value of investments Rs. 192,992]	42,798,273	2,950,329	8,252,381	5,332,630	59,333,613	43,554,251	1,234,939	467,337	925,534	46,182,061	105,515,674
<b>TOTAL</b>	<b>42,943,763</b>	<b>2,977,795</b>	<b>8,139,010</b>	<b>5,341,187</b>	<b>59,401,755</b>	<b>43,554,824</b>	<b>1,206,862</b>	<b>459,105</b>	<b>923,927</b>	<b>46,144,718</b>	<b>105,546,473</b>

## Schedules

forming part of the Balance Sheet as at March 31, 2007 and the Revenue Account for the year ended March 31, 2007

March 31, 2006			
	Growth Option Rupees	Dividend Option Rupees	Total Rupees
<b>Reserves and Surplus</b>			
<b>Unit Premium Reserve (Note 2.6)</b>			
Added during the period	10	2,988	2,998
At the end of the period	10	2,988	2,998
<b>Dividend Equalisation Reserve (Note 2.7)</b>			
Added during the period	4,714	400,605	405,319
Transfer to Revenue Account	(4,714)	(400,605)	(405,319)
At the end of the period	-	-	-
<b>Reserve Fund</b>			
Balance Transferred from Revenue Account	1,139,783	2,641,409	3,781,192
At the end of the period (including net unrealised depreciation in value of investments Rs. 2,903)	1,139,783	2,641,409	3,781,192
	1,139,793	2,644,397	3,784,190
<b>TOTAL</b>	<b>1,139,793</b>	<b>2,644,397</b>	<b>3,784,190</b>

March 31, 2007  
Rupees

March 31, 2006  
Rupees

### Schedule 5

#### Current Liabilities and Provisions

##### Current Liabilities

Investment Management and Advisory Fees	1,252,326	125,289
Trustee Fees and Expenses	104,908	3,580
Transfer Agent Fees and Expenses	820,654	24,570
Custodian Fees and Expenses	507,628	31,090
Audit Fees	249,763	52,164
Redemption of Units	6,699,608	-
Selling and Distribution Expenses	1,384,174	267,585
Dividend Payable	827,407	-
Dividend Tax Payable	2,691,963	-
Units Pending Allotment	5,567,326	20,000,000
Inter-Scheme Payable - Switch Out	369	-
Unclaimed Dividend (Note 14)	477	-
Unclaimed Redemption (Note 15)	4,499	-
Load Payable	-	34,362
Sundry Payables	638,128	44,415
<b>TOTAL</b>	<b>20,749,230</b>	<b>20,583,055</b>

# Schedules

forming part of the Balance Sheet as at March 31, 2007 and the Revenue Account for the year ended March 31, 2007

	April 01, 2006 to March 31, 2007 Rupees	February 10, 2006 to March 31, 2006 Rupees
<b>Schedule 6</b>		
<b>Interest and Discount</b>		
(Note 2.4)		
Debentures / Bonds	729,049,446	1,537,326
Securitised Debt	361,171,027	524,420
Treasury Bills	2,435,759	
Deposits	9,732,128	-
Commercial Paper / Certificate of Deposit	449,241,347	1,268,996
Reverse Repos	11,399,896	234,934
<b>TOTAL</b>	<b>1,563,029,603</b>	<b>3,565,676</b>

	April 01, 2006 to March 31, 2007 Rupees	February 10, 2006 to March 31, 2006 Rupees
<b>Schedule 7</b>		
<b>Unrealised Depreciation in Value of Investments</b>		
(Note 8)		
<b>(a) Privately Placed Non-Convertible Debentures / Bonds</b>		
At the beginning of the year / period	-	-
At the end of the year / period	(2,156)	-
Net change during the year / period	(I) (2,156)	-
<b>(b) Non-Convertible Debentures / Bonds Listed / Awaiting Listing</b>		
At the beginning of the year / period	6,024	-
At the end of the year / period	18	6,024
Net change during the year / period	(II) (6,006)	6,024
<b>(c) Securitised Debt</b>		
At the beginning of the year / period	(8,927)	-
At the end of the year / period	(190,854)	(8,927)
Net change during the year / period	(III) (181,927)	(8,927)
Net change in unrealised depreciation in value of investments during the year / period	(I)+(II)+(III) <b>(190,089)</b>	<b>(2,903)</b>



# Schedules

forming part of the Balance Sheet as at March 31, 2007 and the Revenue Account for the year ended March 31, 2007

## Schedule 8

### Notes to the Financial Statements

#### 1. Organisation

DWS Money Plus Fund (formerly Deutsche Money Plus Fund) (the "Scheme") is an open-ended debt scheme of Deutsche Mutual Fund (the "Fund") and was launched on February 10, 2006. 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 March 09, 2006 and reopened for issue and redemption of units on March 14, 2006. The investment objective of the Scheme is to generate steady return by investing in debt and money market securities across the credit spectrum.

The Weekly Dividend Option and Daily Dividend Option were introduced during the year in accordance with the addendum dated April 21, 2006 and August 30, 2006 respectively made to the offer document dated July 19, 2005 and units were allotted on April 21, 2006 and September 1, 2006 respectively at Rs. 10 per unit. The unitholders under the existing Dividend Option were deemed to be unitholders under the Monthly Dividend Option effective April 21, 2006. Further the existing unitholders under the scheme were deemed to be unitholders under the Regular Plan and an Institutional Plan with Growth Option, Daily Dividend Option, Weekly Dividend Option and Monthly Dividend Option was introduced in accordance with the addendum dated November 1, 2006 made to the offer document dated July 19, 2005 and units were allotted on November 6, 2006 at Rs. 10 per unit.

Consequent to the above the Scheme has two Plans - Regular Plan and Institutional Plan each offering four Options - Growth Option, Daily Dividend Option, Weekly Dividend Option and Monthly 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.

The name of the Scheme has been changed from Deutsche Money Plus Fund to DWS Money Plus Fund with effect from May 2, 2006 for which necessary approvals have been received.

#### 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. 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 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 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.

# Schedules

forming part of the Balance Sheet as at March 31, 2007 and the Revenue Account for the year ended March 31, 2007

## 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.

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 income 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 Income Equalization Reserve

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

## 2.8 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 0.31% and 0.06% 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.

## 5. Custodian Fees

JP 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 expense chargeable to the Scheme is limited to 0.70% and 0.50% (annualised) of the average daily net assets of the Regular Plan and Institutional Plan respectively. Deutsche Asset Management (India) Private Limited has borne Rs. 463,470 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.

## 8. Aggregate Appreciation and Depreciation in Value of Investments

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

	March 31, 2007 Rupees	March 31, 2006 Rupees
Privately Placed Non-Convertible Debentures / Bonds		
– Appreciation	–	–
– Depreciation	2,156	–

## Schedules

forming part of the Balance Sheet as at March 31, 2007 and the Revenue Account for the year ended March 31, 2007

	March 31, 2007 Rupees	March 31, 2006 Rupees
Non-Convertible Debentures / Bonds Listed / Awaiting Listing		
– Appreciation	18	6,024
– Depreciation	–	–
Securitized Debt		
– Appreciation	–	–
– Depreciation	190,854	8,927

### 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, 2007 is Rs. 6,175,125,821.

### 10. 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. 181,511,055,841 (excluding accretion of discount Rs. 555,311,831) and Rs. 176,562,155,029 respectively being 640.34% and 622.88% of the average daily net assets.

### 11. Income and Expenses

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

Plan	Total Income		Total Expenditure	
	Rupees	Percentage of Average Daily Net Assets (Annualised)	Rupees	Percentage of Average Daily Net Assets (Annualised)
Regular Plan	1,145,970,980	7.91%	103,474,695	0.70%
Institutional Plan	404,774,511	8.34%	24,246,485	0.50%

### 12. 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. 4,194,306 and Rs. 185,182 respectively for procuring unit subscriptions for the Scheme. The commission paid was at rates similar to those offered to other distributors.

### 13. 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	Schemes invested in by the Company	Investment 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, 2007 At Market / Fair Value (Rupees In Lakhs)
Celebrity Fashions Limited	DWS Short Maturity Fund	DWS Alpha Equity Fund	53.84	–
		DWS Investment Opportunity Fund	17.13	–
		DWS MIP Fund - Plan A	3.67	–
		DWS MIP Fund - Plan B	1.71	–
DSP Merrill Lynch Capital Limited	DWS Insta Cash Plus Fund	DWS Alpha Equity Fund	54.89	–
		DWS Floating Rate Fund	4,189.75	9.86
		DWS Insta Cash Plus Fund	76,148.04	1,458.83
		DWS Money Plus Fund	88,680.54	19.71
		DWS Premier Bond Fund	44.56	–
		DWS Short Maturity Fund	3,163.35	–
		DWS Fixed Term Fund Series - 11	87.10	–
DWS Fixed Term Fund Series - 12	2,252.13	–		
DWS Fixed Term Fund Series - 13	1,500.00	–		

# Schedules

forming part of the Balance Sheet as at March 31, 2007 and the Revenue Account for the year ended March 31, 2007

Company Name	Schemes invested in by the Company	Investment 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, 2007 At Market / Fair Value (Rupees In Lakhs)
		DWS Fixed Term Fund Series - 16	99.83	–
		DWS Fixed Term Fund Series - 17	2,294.02	1,959.61
		DWS Fixed Term Fund Series - 18	1,509.10	1,478.08
		DWS Fixed Term Fund Series - 19	10,000.00	9,861.05
		DWS Fixed Term Fund Series - 2	211.56	–
		DWS Fixed Term Fund Series - 20	69.51	48.93
		DWS Fixed Term Fund Series - 21	537.16	–
		DWS Fixed Term Fund Series - 24	59.10	59.14
		DWS Fixed Term Fund Series - 26	1,728.89	88.72
		DWS Fixed Term Fund Series - 27	29.55	29.57
		DWS Fixed Term Fund Series - 3	1,719.12	–
		DWS Fixed Term Fund Series - 4	126.40	29.57
		DWS Fixed Term Fund Series - 5	86.33	–
		DWS Fixed Term Fund Series - 6	184.57	88.72
		DWS Fixed Term Fund Series - 7	4,216.78	–
		DWS Fixed Term Fund Series - 8	196.21	–
		DWS Fixed Term Fund Series - 9	49.25	49.29
		DWS Fixed Term Fund	14.08	–
		DWS MIP Fund - Plan A	235.17	–
		DWS MIP Fund - Plan B	137.16	–
Grasim Industries Limited	DWS Fixed Term Fund Series - 10	DWS Alpha Equity Fund	1,801.80	428.71
	DWS Fixed Term Fund Series - 22	DWS Insta Cash Plus Fund	4,300.00	–
	DWS Fixed Term Fund Series - 23	DWS Investment Opportunity Fund	103.34	39.73
		DWS Tax Saving Fund	220.54	–
HCL Technologies Limited	DWS Fixed Term Fund Series - 14	DWS Alpha Equity Fund^	795.61	–
	DWS Fixed Term Fund Series - 16	DWS Tax Saving Fund^	71.52	–
Hero Honda Motors Limited	DWS Fixed Term Fund Series - 14	DWS Investment Opportunity Fund	0.62	–
Hindalco Industries Limited	DWS Fixed Term Fund Series - 10	DWS Alpha Equity Fund	478.40	–
	DWS Fixed Term Fund Series - 13	DWS Floating Rate Fund	205.61	–
	DWS Money Plus Fund	DWS Short Maturity Fund	822.42	–
	DWS Fixed Term Fund Series - 28	DWS Fixed Term Fund Series - 4	935.13	–
		DWS Tax Saving Fund	120.94	–
Hindustan Lever Limited	DWS Fixed Term Fund Series - 13	DWS Alpha Equity Fund	725.21	–
	DWS Fixed Term Fund Series - 22	DWS Investment Opportunity Fund	12.22	–
	DWS Fixed Term Fund Series - 27			
Hindustan Zinc Limited	DWS Fixed Term Fund Series - 13	DWS Alpha Equity Fund	170.99	–
	DWS Fixed Term Fund Series - 20	DWS Tax Saving Fund	77.25	–
	DWS Fixed Term Fund Series - 21			
	DWS Fixed Term Fund Series - 24			

DWS Money Plus Fund

## Schedules

forming part of the Balance Sheet as at March 31, 2007 and the Revenue Account for the year ended March 31, 2007

Company Name	Schemes invested in by the Company	Investment 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, 2007 At Market / Fair Value (Rupees In Lakhs)
ICI India	DWS Fixed Term Fund Series - 21	DWS Fixed Term Fund Series - 7	500.00	–
Infosys Technologies Limited	DWS Insta Cash Plus Fund	DWS Alpha Equity Fund DWS Investment Opportunity Fund DWS MIP Fund - Plan A DWS Tax Saving Fund	3,172.02 79.80 34.56 403.93	724.54 17.71 13.36 230.34
ITC Limited	DWS Insta Cash Plus Fund DWS Floating Rate Fund DWS Fixed Term Fund Series - 14 DWS Fixed Term Fund Series - 16 DWS Fixed Term Fund Series - 23	DWS Alpha Equity Fund DWS Investment Opportunity Fund DWS MIP Fund - Plan A DWS Tax Saving Fund	1,840.20 376.99 7.73 274.99	488.80 38.35 – 164.69
Larsen and Toubro Limited	DWS Insta Cash Plus Fund	DWS Alpha Equity Fund DWS Floating Rate Fund DWS Insta Cash Plus Fund DWS Short Maturity Fund DWS Investment Opportunity Fund DWS Tax Saving Fund DWS Floating Rate Fund^^ DWS Insta Cash Plus Fund^^ DWS Money Plus Fund^^ DWS Short Maturity Fund^^ DWS Fixed Term Fund Series - 10^^ DWS Fixed Term Fund Series - 13^^ DWS Fixed Term Fund Series - 14^^ DWS Fixed Term Fund Series - 15^^ DWS Fixed Term Fund Series - 16^^ DWS Fixed Term Fund Series - 19^^ DWS Fixed Term Fund Series - 2^^ DWS Fixed Term Fund Series - 20^^ DWS Fixed Term Fund Series - 25^^ DWS Fixed Term Fund Series - 5^^ DWS Fixed Term Fund Series - 7^^ DWS Fixed Term Fund^^ DWS Money Plus Fund^^^	1,938.29 1,000.00 900.00 100.00 181.88 318.52 6,100.00 81,157.10 67,472.40 7,229.74 113.08 6,214.57 4,310.28 37.59 216.12 4,604.21 1,698.95 999.82 990.77 200.00 3,700.00 1,799.21 500.00	582.89 – – – 32.38 153.82 – 200.00 10,400.00 – 117.32 – 3,566.28 – 224.87 4,722.73 – – 986.22 – – – –
Patni Computer Systems Limited	DWS Fixed Term Fund Series - 25 DWS Fixed Term Fund Series - 21 DWS Fixed Term Fund Series - 12	DWS Alpha Equity Fund DWS Investment Opportunity Fund	400.31 186.56	– –
Ranbaxy Holding Company	DWS Insta Cash Plus Fund	DWS Money Plus Fund DWS Fixed Term Fund Series - 27 DWS Fixed Term Fund Series - 28 DWS Alpha Equity Fund DWS Floating Rate Fund DWS Insta Cash Plus Fund DWS Short Maturity Fund DWS Fixed Term Fund Series - 12 DWS Tax Saving Fund	45,000.00 800.00 3,700.00 108.81 6,900.00 5,000.00 3,500.00 2,200.00 99.27	500.00 800.00 3,700.00 – – – – – –

## Schedules

forming part of the Balance Sheet as at March 31, 2007 and the Revenue Account for the year ended March 31, 2007

Company Name	Schemes invested in by the Company	Investment 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, 2007 At Market / Fair Value (Rupees In Lakhs)
Reliance Petroleum Limited	DWS Insta Cash Plus Fund	DWS Alpha Equity Fund	11.19	–
		DWS Fixed Term Fund Series - 9	34.38	–
		DWS Investment Opportunity Fund	1.90	–
		DWS MIP Fund - Plan A	1.76	–
		DWS MIP Fund - Plan B	0.70	–
		DWS Tax Saving Fund	7.53	–
Tata Chemicals Limited	DWS Fixed Term Fund Series - 27	DWS Investment Opportunity Fund	27.18	–
Tata Consultancy Services Limited	DWS Money Plus Fund	DWS Alpha Equity Fund	1,128.29	246.94
		DWS Fixed Term Fund Series - 23	133.93	86.18
		DWS Fixed Term Fund Series - 24		
Tata Steel Limited	DWS Insta Cash Plus Fund	DWS Alpha Equity Fund	1,263.16	–
		DWS Investment Opportunity Fund	510.16	–
		DWS Tax Saving Fund	116.78	–
Videsh Sanchar Nigam Limited	DWS Money Plus Fund	DWS Investment Opportunity Fund	94.30	–
		DWS Fixed Term Fund Series - 12		
		DWS Fixed Term Fund Series 13		
Wipro Limited	DWS Money Plus Fund	DWS Tax Saving Fund	127.27	–

^ DTSF and DAEF have invested in HCL Technologies Limited which is a subsidiary of HCL Corporation Limited.

^^ DICPF, DFRF, DFTF-7, DSMF, DFTF, DFTF-2, DFTF-10, DFTF-13, DFTF-14, DFTF-15, DFTF-16, DFTF-19, DFTF-20, DFTF-25, DFTF-5 and DMPF have invested in L & T Finance Limited which is a subsidiary of Larsen & Toubro Limited.

^^^ DMPF have invested in Tractors Engineers which is a subsidiary of Larsen & Toubro 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.

(Note: The following abbreviations have been used above: DTSF - DWS Tax Saving Fund, DAEF - DWS Alpha Equity Fund, DICPF - DWS Insta Cash Plus Fund, DFRF - DWS Floating Rate Fund, DFTF-7 - DWS Fixed Term Fund - Series-7, DSMF - DWS Short Maturity Fund, DFTF - DWS Fixed Term Fund, DFTF-2 - DWS Fixed Term Fund - Series 2, DFTF-10 - DWS Fixed Term Fund - Series 10, DFTF-13 - DWS Fixed Term Fund - Series 13, DFTF-14 - DWS Fixed Term Fund - Series 14, DFTF-15 - DWS Fixed Term Fund - Series 15, DFTF-16 - DWS Fixed Term Fund - Series 16, DFTF-19 - DWS Fixed Term Fund - Series 19, DFTF-20 - DWS Fixed Term Fund - Series 20, DFTF-25 - DWS Fixed Term Fund - Series 25, DFTF-5 - DWS Fixed Term Fund - Series 5 and DMPF - DWS Money Plus Fund)

#### 14. Unclaimed Dividend

As at March 31, 2007 unclaimed dividends aggregate Rs. 477 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.

#### 15. Unclaimed Redemption

As at March 31, 2007 unclaimed redemptions aggregate Rs. 4,499 payable to one investor. 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.

# Schedules

forming part of the Balance Sheet as at March 31, 2007 and the Revenue Account for the year ended March 31, 2007

## 16. Perspective Historical Per Unit Statistics\*

	April 01, 2006 to March 31, 2007 Rupees	February 10, 2006 to March 31, 2006 Rupees
(a) Net asset value per unit at the end of the period (Note 2.6)		
<b>Regular Plan</b>		
Growth Option	10.8212	10.0472
Daily Dividend Option	10.0259	–
Weekly Dividend Option	10.0574	–
Monthly Dividend Option	10.1266	10.0472
<b>Institutional Plan</b>		
Growth Option	10.3344	–
Daily Dividend Option	10.0082	–
Weekly Dividend Option	10.0245	–
Monthly Dividend Option	10.0761	–
(b) Gross Income		
(i) income other than profit on sale of investment	2.3694	0.0444
(ii) income from profit on inter-scheme sales / transfer of investment	(0.0217)	0.0000
(iii) income (net) from profit on sale of investments to third party	0.0034	0.0008
(iv) transfer of revenue account from past year's reserve	–	NA
(c) Aggregate of expenses, writeoff, amortisation and charges	0.1936	0.0031
(d) Net income	2.1574	0.0421
(e) Net change in unrealised depreciation in value of investments	(0.0003)	(0.0000)#
(f) Redemption price		
– Highest		
<b>Regular Plan</b>		
Growth Option	10.8212	–
Daily Dividend Option	10.0325	–
Weekly Dividend Option	10.0662	–
Monthly Dividend Option	10.1819	10.0423
<b>Institutional Plan</b>		
Growth Option	10.3344	–
Daily Dividend Option	10.0148	–
Weekly Dividend Option	10.0343	–
Monthly Dividend Option	10.1344	–
– Lowest		
<b>Regular Plan</b>		
Growth Option	10.0546	–
Daily Dividend Option	10.0000	–
Weekly Dividend Option	10.0000	–
Monthly Dividend Option	10.0546	10.0423
<b>Institutional Plan</b>		
Growth Option	10.0000	–
Daily Dividend Option	10.0000	–
Weekly Dividend Option	10.0000	–
Monthly Dividend Option	10.0000	–
(g) Purchase price		
– Highest		
<b>Regular Plan</b>		
Growth Option	10.8104	10.0423



# Schedules

forming part of the Balance Sheet as at March 31, 2007 and the Revenue Account for the year ended March 31, 2007

	April 01, 2006 to March 31, 2007 Rupees	February 10, 2006 to March 31, 2006 Rupees
Daily Dividend Option	10.0259	–
Weekly Dividend Option	10.0561	–
Monthly Dividend Option	10.1717	10.0472
<b>Institutional Plan</b>		
Growth Option	10.3241	–
Daily Dividend Option	10.0048	–
Weekly Dividend Option	10.0243	–
Monthly Dividend Option	10.1243	–
– Lowest		
<b>Regular Plan</b>		
Growth Option	10.0395	10.0000
Daily Dividend Option	10.0000	–
Weekly Dividend Option	9.9850	–
Monthly Dividend Option	10.0395	10.0000
<b>Institutional Plan</b>		
Growth Option	9.9920	–
Daily Dividend Option	9.9920	–
Weekly Dividend Option	9.9920	–
Monthly Dividend Option	9.9920	–
(h) Price earnings ratio	NA	NA
(i) Ratio of expenses (excluding initial issue expenses) to average daily net assets by percentage		
<b>Regular Plan</b>	0.64%	0.70% <sup>@</sup>
<b>Institutional Plan</b>	0.50%	–
(j) Ratio of gross income (including net loss on sale of investments and net unrealised depreciation in value of investments) to average daily net assets by percentage		
<b>Regular Plan</b>	5.47%	10.13% <sup>@</sup>
<b>Institutional Plan</b>	5.47%	

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

# Below 0.01 per unit

@ The ratio of expenses and gross income to average daily net assets by percentage have been annualised for the period March 14, 2006 to March 31, 2006.

## 17. Prior Period's Figures

Prior period'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 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

Stephen Paul Harris  
Director

Vijai Mantri  
Director

Y. B. Desai  
Director

A. S. Mitra  
Director

Kersi M. Gherda  
Director

Bhalchandra Bhide  
Director

Debabrata Bhadury  
Director

Vijay P. Gokhale  
Director

Place: Mumbai  
Date : September 6, 2007

Suresh Soni  
Portfolio Manager



Deutsche Asset Management   
A Member of the Deutsche Bank Group



# Statement of Portfolio Holding

as at March 31, 2007

(Referred to in Schedule 1 to the Balance Sheet as at March 31, 2007 and the Revenue Account for the period February 10, 2007 to March 31, 2007)

Description	Fair Value Rupees
<b>Privately Placed Non-Convertible Debentures / Bonds (25.13%)</b>	
<b>Finance (96.78%)</b>	
1 Year Gsec+130 Bps Cholamandalam DBS Finance Limited 2009*	395,000,000
1 Year Gsec+153 Bps L & T Finance Limited 2009*@	250,000,000
1 Year Gsec+155 Bps L & T Finance Limited 2009*@	250,000,000
L & T Finance Limited 2008*@	230,000,000
1 Year Gsec+158 Bps L & T Finance Limited 2009*@	210,000,000
L & T Finance Limited 2008*@	100,000,000
1 Year Gsec+100 Bps Infrastructure Leasing and Financial Services Limited 2010*	52,759,440
8.52% Shriram Transport Finance Company Limited 2007*	13,776,910
	<b>1,501,536,350</b>
<b>Pharmaceuticals(3.22%)</b>	
11.5% Ranbaxy Holding Company 2007*@	50,000,000
	<b>50,000,000</b>
<b>TOTAL</b>	<b>(Cost Rs. 1,551,538,506) 1,551,536,350</b>
<b>Non-Convertible Debentures / Bonds Listed / Awaiting Listing (25.23%)</b>	
<b>Bank (4.17%)</b>	
1 Year Gsec+25 Bps Housing Development Finance Corporation Limited 2008#	65,022,945
	<b>65,022,945</b>
<b>Consumer Finance (75.75%)</b>	
1 Year Gsec+116 Bps BHW Home Finance Limited 2008#	500,000,000
1 Year Gsec+165 Bps Dewan Housing Finance Corp. Limited 2011#	400,000,000
1 Year Gsec+90 Bps Dewan Housing Finance Corp. Limited 2010#	150,000,000
1 Year Gsec+37 Bps LIC Housing Finance Limited 2012#	129,890,800
	<b>1,179,890,800</b>
<b>Finance (20.08%)</b>	
Kotak Mahindra Prime Limited 2007#	203,000,000
1 Year Gsec+95 Bps GRUH Finance Limited 2011#	87,000,000
5 Year Gsec+560 Bps Indian Railway Finance Corporation Limited 2008#	22,893,593
	<b>312,893,593</b>
<b>TOTAL</b>	<b>(Cost - Rs. 1,557,807,320) 1,557,807,338</b>
<b>Securitised Debt (26.64%)</b>	
<b>Finance (100%)</b>	
Indian Corporate Loan Securitisation Trust Series 3 Yes Bank PTC 2007*	600,000,000
KGE Loan Trust Series 1 GE Capital Services PTC 2008*	370,000,000
IRE Loans Trust Series A1 IL&FS PTC 2007*	250,000,000
IAP Loan Trust Series 1 GE Capital Services India PTC 2007*	186,104,040
3 Year Gsec+30 Bps GE Loan Trust Series I PTC 2008*	150,000,000
Indian Retail ABS Trust Series 56 ICICI Bank PTC 2008*	50,476,137
3 Year Gsec+50 IGD Loan Trst Srs I GE Capital Service India PTC 2007*	35,227,151
IBL Auto Series Nov 04 Series A IndusInd Bank PTC 2007*	3,281,561
UBL Trust Series 13 A2 Indusind Bank PTC 2007*	66,223
<b>TOTAL</b>	<b>(Cost - Rs. 1,645,345,966) 1,645,155,112</b>

# Statement of Portfolio Holding

as at March 31, 2007

Description	Fair Value Rupees
Commercial Paper / Certificate of Deposit (23.00%)	
Commercial Paper (0.14%)	
DSP Merrill Lynch Capital Limited#@	1,971,470
	<b>1,971,470</b>
Certificate of Deposit (99.86%)	
State Bank of Hyderabad#	633,729,237
ICICI Bank Limited#	326,475,898
HDFC Bank Limited#	265,220,958
Indian Bank#	92,216,042
HDFC Bank Limited#	38,893,504
Federal Bank Limited#	37,991,457
Karur Vysya Bank Limited#	14,312,683
ING Vysya Bank Limited#	5,375,605
Indian Bank#	4,440,167
	<b>1,418,655,551</b>
<b>TOTAL</b>	<b>(Cost - Rs. 1,420,627,021)</b>
<b>TOTAL INVESTMENTS</b>	<b>(Cost Rs. 6,175,318,813)</b>
	<b>6,175,125,821</b>

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

- \* Fair value of non-traded (privately placed) debt 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.

#### Statutory Details :

Deutsche Mutual Fund had been set up as a trust settled by Deutsche Asset Management (Asia) Ltd. (DeAM Asia) (liability restricted to Rs. 1 lakh). Pursuant to an internal restructuring the shareholdings of Deutsche Asset Management (Asia) Limited and United Associates Holdings India Pvt. Ltd. in Deutsche Asset Management (India) Pvt. Ltd. and Deutsche Trustee Services India Pvt. Ltd. have been acquired by Deutsche India Holdings Private Limited ('DIHPL'). The Co-sponsors to the Fund are DeAM Asia and DIHPL. The Trustee of the Mutual Fund is Deutsche Trustee Services (India) Private Limited and the Investment Manager is Deutsche Asset Management (India) Private Ltd. 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.

#### 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 Sponsor / AMC / Mutual Fund / Scheme nor their affiliates / associates indicate the future performance of the scheme of the mutual fund. As per SEBI Circular, each 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 such scheme / plan(s). The name of the Scheme(s) do not in any manner indicate the quality of the Scheme(s), its future prospects or returns. 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.**





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