Principal Mutual Fund

Investment Manager: Principal Pnb Asset Management Company Private Limited

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Principal pnb Asset Management in association with Vijaya Bank

REVENUE ACCOUNT FOR THE HALF YEAR ENDED MARCH 31, 2005 (UNAUDITED - ABRIDGED)

(Rupees in Lacs)

Particulars	Principal Equity Fund 31/03/05	Principal Equity Fund 31/03/04	Principal Tax Savings Fund 31/03/05	Principal Tax Savings Fund 31/03/04	Principal Deposit Fund – Plan 54 EA/EB 31/03/05	Plan 54 EA/EB 31/03/04	FMP (371 Days Fixed Maturity Plan Mar 2004) 31/03/05	FMP (371 Days Fixed Maturity Plan Mar 2004) 31/03/04	FMP (371 Days Fixed Maturity Plan June 2004) 31/03/05	FMP (371 Days Fixed Maturity Plan Nov 2004) 31/03/05	FMP (91 Days Fixed Maturity Plan Jan 2005) 31/03/05	FMP (91 Days Fixed Maturity Plan Feb 2005) 31/03/05	FMP (371 Days Fixed Maturity Plan Mar 2005) 31/03/05
1 Income													
1.1 Dividend	42.43	20.59	53.81	22.35	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1.2 Interest	21.34	23.33	8.04	5.64	3.93	14.59	452.57	11.20	318.90	179.22	134.53	29.26	24.66
1.3 Profit on sale/redemption of investments (other than inter scheme transfer/sale)	2,045.90	937.84	2,139.04	1,571.05	8.16	0.36	46.21	0.52	14.27	0.00	0.42	0.29	0.00
1.4 Profit on inter-scheme transfer/sale of investments	0.00	17.74	7.99	142.45	0.28	0.00	5.11	0.00	0.00	0.15	0.00	0.00	0.00
1.5 Other Income	40.40	120.53	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total	**2,150.08**	**1,120.03**	**2,208.88**	**1,741.49**	**12.37**	**14.95**	**503.89**	**11.72**	**333.17**	**179.36**	**134.95**	**29.56**	**24.66**
2 Expenses & Losses													
2.1 Management, trusteeship, audit, administrative and Other operating expenses	109.59	75.42	107.70	86.24	4.22	(2.34)	27.79	0.53	10.21	9.85	3.49	0.69	0.72
2.2 Provision for doubtful outstanding income	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2.3 Provision for doubtful investments	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2.4 Loss on sale/redemption of investments (other than inter-scheme transfer/sale)	215.54	47.11	19.69	0.05	0.28	0.02	131.41	0.00	0.00	5.67	0.00	0.00	1.29
2.5 Loss on inter-scheme transfer/sale of investments	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2.6 Deferred Revenue expenditure written-off	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2.7 Excess of expenditure over limit recovered from AMC	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(4.32)	(4.44)	0.00	0.00	0.00
	325.13	**122.53**	**127.39**	**86.29**	**4.50**	**(2.32)**	**159.20**	**0.53**	**5.88**	**11.08**	**3.49**	**0.69**	**2.02**
Surplus / (Deficit)	1,824.95	997.50	2,081.49	1,655.20	7.87	17.27	344.69	11.19	327.29	168.28	131.46	28.87	22.64
Total	**2,150.08**	**1,120.03**	**2,208.88**	**1,741.49**	**12.37**	**14.95**	**503.89**	**11.72**	**333.17**	**179.36**	**134.95**	**29.56**	**24.66**
3.1 Opening Balance of Appropriation Account	3,396.74	1,998.61	6,340.23	4,179.43	1,755.59	1,274.61	344.84	0.00	114.85	0.00	0.00	0.00	0.00
3.2 Appreciation / (Depreciation)	(816.96)	467.90	(135.13)	65.15	(0.41)	(0.62)	20.14	4.05	(111.04)	(6.84)	0.00	0.27	(0.53)
3.3 Income Equalisation (Debit) / Credit	1,972.03	280.83	(79.63)	(160.42)	1.58	459.95	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3.4 Net Surplus / (Deficit) for the period/ year	1,824.95	997.50	2,081.49	1,655.20	7.87	17.27	344.69	11.19	327.29	168.28	131.46	28.87	22.64
	6,376.75	**3,744.84**	**8,206.96**	**5,739.37**	**1,764.63**	**1,751.20**	**709.67**	**15.24**	**331.09**	**161.45**	**131.46**	**29.14**	**22.11**
4.1 Income Distribution	3,066.88	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	90.82	0.00	0.00
4.2 Assured Return Distributed	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4.3 Distribution Tax Paid	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	18.97	0.00	0.00
5 Retained Surplus / (Deficit) carried to Balance sheet	3,309.88	3,744.84	8,206.96	5,739.37	1,764.63	1,751.20	709.67	15.24	331.09	161.45	21.68	29.14	22.11

Particulars	Principal Future Goals Series – Principal Child Benefit Fund 31/03/05	Principal Child Benefit Fund 31/03/04	Principal Index Fund 31/03/05	Principal Index Fund 31/03/04	Principal Cash Management Fund – Money at Call 31/03/05	Money at Call 31/03/04	Liquid 31/03/05	Liquid 31/03/04	Principal Floating Rate Fund – Flexible Maturity Plan 31/03/05	Short Maturity Plan 31/03/05	Principal Income Fund 31/03/05	Principal Income Fund 31/03/04
1 Income												
1.1 Dividend	1.59	0.42	10.45	26.16	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1.2 Interest	9.20	2.85	2.70	5.76	48.82	79.43	7,014.68	3,428.38	358.45	1,124.80	446.80	2,356.93
1.3 Profit on sale/redemption of investments (other than inter scheme transfer/sale)	46.52	34.36	473.19	3,723.50	0.00	0.02	473.78	79.53	21.05	35.31	143.59	1,661.01
1.4 Profit on inter-scheme transfer/sale of investments	0.00	0.00	0.00	0.00	0.00	0.00	9.42	23.10	4.72	0.00	2.19	86.16
1.5 Other Income	0.00	0.00	0.50	0.00	0.51	0.14	(0.13)	0.04	0.04	0.00	0.00	0.00
Total	**57.30**	**37.63**	**486.84**	**3,755.41**	**49.33**	**79.59**	**7,497.75**	**3,531.05**	**384.26**	**1,160.11**	**592.58**	**4,104.11**
2 Expenses & Losses												
2.1 Management, trusteeship, audit, administrative and Other operating expenses	8.42	4.10	12.62	56.46	5.86	12.05	602.69	470.42	44.13	114.81	97.30	593.24
2.2 Provision for doubtful outstanding income	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2.3 Provision for doubtful investments	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2.4 Loss on sale/redemption of investments (other than inter-scheme transfer/sale)	0.00	0.80	64.07	361.92	0.00	0.01	873.96	76.14	16.02	18.76	318.42	664.49
2.5 Loss on inter-scheme transfer/sale of investments	0.00	0.00	0.00	0.00	0.00	0.00	22.86	10.54	1.39	9.83	29.40	8.37
2.6 Deferred Revenue expenditure written-off	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2.7 Excess of expenditure over limit recovered from AMC	0.00	0.00	0.00	0.00	(1.15)	(3.20)	0.00	(45.66)	0.00	0.00	0.00	(15.99)
	8.42	**4.90**	**76.69**	**418.38**	**4.71**	**8.87**	**1,499.51**	**511.44**	**61.54**	**143.40**	**445.12**	**1,250.10**
Surplus / (Deficit)	48.88	32.72	410.15	3,337.04	44.62	70.72	5,998.24	3,019.61	322.72	1,016.71	147.46	2,854.01
Total	**57.30**	**37.63**	**486.84**	**3,755.41**	**49.33**	**79.59**	**7,497.75**	**3,531.05**	**384.26**	**1,160.11**	**592.58**	**4,104.11**
3.1 Opening Balance of Appropriation Account	212.80	148.83	2,286.86	3,268.15	75.55	2,962.70	10,397.02	2,648.73	21.91	59.22	2,479.29	15,683.30
3.2 Appreciation / (Depreciation)	40.33	16.20	2.54	(1,799.93)	0.00	0.00	125.90	5.87	15.71	28.51	106.82	(1,547.22)
3.3 Income Equalisation (Debit) / Credit	146.73	0.26	(1,930.48)	(1,034.05)	(27.77)	(2,926.54)	(2,828.84)	4,253.65	(53.90)	(65.69)	(738.60)	(7,377.25)
3.4 Net Surplus / (Deficit) for the period/ year	48.88	32.72	410.15	3,337.04	44.62	70.72	5,998.24	3,019.61	322.72	1,016.71	147.46	2,854.01
	448.74	**198.00**	**769.07**	**3,771.20**	**92.40**	**106.88**	**13,692.31**	**9,927.87**	**306.44**	**1,038.75**	**1,994.97**	**9,612.84**
4.1 Income Distribution	0.00	0.00	0.00	2,747.46	19.14	47.42	3,206.87	1,327.93	141.89	458.36	43.14	459.87
4.2 Assured Return Distributed	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4.3 Distribution Tax Paid	0.00	0.00	0.00	0.00	3.95	6.07	665.28	170.12	28.72	92.08	7.85	58.92
5 Retained Surplus / (Deficit) carried to Balance sheet	448.74	198.00	769.07	1,023.74	69.31	53.39	9,820.16	8,429.82	135.82	488.31	1,943.98	9,094.05

Particulars	Principal Income Fund – Short-Term Plan 31/03/05	Short-Term Plan 31/03/04	Principal Government Securities Fund – Investment Plan 31/03/05	Investment Plan 31/03/04	Provident Fund Plan 31/03/05	Provident Fund Plan 31/03/04	Savings Plan 31/03/05	Savings Plan 31/03/04	Principal Growth Fund 31/03/05	Principal Growth Fund 31/03/04	Principal Balanced Fund 31/03/05	Principal Balanced Fund 31/03/04	Principal Monthly Income Plan[$$] 31/03/05	Principal Monthly Income Plan[$$] 31/03/04	MIP Plus 31/03/05	MIP Plus 31/03/04
1 Income																
1.1 Dividend	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	175.96	19.02	10.20	5.72	18.74	8.15	10.02	1.20
1.2 Interest	559.76	838.61	51.87	66.96	337.31	25.96	1.08	1.92	77.45	6.15	29.81	45.09	900.38	1,093.53	280.77	253.83
1.3 Profit on sale/redemption of investments (other than inter scheme transfer/sale)	0.00	97.64	55.30	65.79	337.27	0.28	0.00	0.03	6,159.26	1,012.54	516.06	435.57	1,003.86	712.56	316.87	54.30
1.4 Profit on inter-scheme transfer/sale of investments	4.01	34.90	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.70	0.00	0.00	19.82	19.08	0.00	0.00
1.5 Other Income	0.89	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total	**564.66**	**971.16**	**107.17**	**132.75**	**674.58**	**26.24**	**1.08**	**1.95**	**6,412.67**	**1,039.40**	**556.07**	**486.37**	**1,942.80**	**1,833.32**	**607.66**	**309.32**
2 Expenses & Losses																
2.1 Management, trusteeship, audit, administrative and Other operating expenses	61.49	121.55	10.05	14.78	61.14	18.61	0.23	0.60	371.25	105.94	34.10	56.30	249.75	454.63	76.20	162.44
2.2 Provision for doubtful outstanding income	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2.3 Provision for doubtful investments	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2.4 Loss on sale/redemption of investments (other than inter-scheme transfer/sale)	133.05	35.36	69.78	24.05	406.63	4.51	0.00	0.00	18.01	169.20	36.87	435.42	488.20	135.69	141.16	92.98
2.5 Loss on inter-scheme transfer/sale of investments	8.36	75.60	0.08	0.00	0.00	0.00	0.00	0.00	0.00	0.00	6.61	0.00	80.97	10.06	45.39	7.03
2.6 Deferred Revenue expenditure written-off	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	33.84	0.00	11.29	11.36	0.00	0.00	0.00	0.00
2.7 Excess of expenditure over limit recovered from AMC	0.00	(6.42)	0.00	(1.21)	0.00	(13.18)	0.00	(0.14)	0.00	(36.87)	0.00	0.00	0.00	(87.40)	(0.63)	(67.04)
	202.90	**226.10**	**79.91**	**37.62**	**467.77**	**9.93**	**0.23**	**0.47**	**423.10**	**238.27**	**88.87**	**503.07**	**818.92**	**512.99**	**262.12**	**195.42**
Surplus / (Deficit)	361.77	745.06	27.26	95.12	206.81	16.30	0.85	1.48	5,989.57	801.13	467.20	(16.70)	1,123.89	1,320.33	345.54	113.90
Total	**564.66**	**971.16**	**107.17**	**132.75**	**674.58**	**26.24**	**1.08**	**1.95**	**6,412.67**	**1,039.40**	**556.07**	**486.37**	**1,942.80**	**1,833.32**	**607.66**	**309.32**
3.1 Opening Balance of Appropriation Account	769.29	1,626.98	426.05	813.51	(176.81)	0.00	9.82	12.76	4,817.69	1,056.07	503.35	196.76	2,861.41	2,413.00	117.03	0.00
3.2 Appreciation / (Depreciation)	31.33	(97.53)	9.87	(52.07)	41.80	12.09	0.00	0.19	(234.99)	(143.44)	(13.41)	(157.62)	(99.61)	404.30	50.10	(13.25)
3.3 Income Equalisation (Debit) / Credit	(340.85)	(1,210.73)	(271.50)	(469.50)	(80.46)	0.65	(5.16)	(3.85)	4,118.37	1,126.06	(173.38)	5,124.33	(1,326.18)	857.99	(83.48)	(18.44)
3.4 Net Surplus / (Deficit) for the period/ year	361.77	745.06	27.26	95.12	206.81	16.30	0.85	1.48	5,989.57	801.13	467.20	(16.70)	1,123.89	1,320.33	345.54	113.90
	821.53	**1,063.77**	**191.69**	**387.05**	**(8.65)**	**29.04**	**5.51**	**10.57**	**14,690.64**	**2,839.82**	**783.76**	**5,146.78**	**2,559.51**	**4,995.63**	**429.19**	**82.22**
4.1 Income Distribution	167.49	275.32	9.74	35.75	0.00	0.00	0.04	0.10	3,825.89	2,095.36	0.00	4,723.21	337.46	637.41	81.64	0.00
4.2 Assured Return Distributed	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4.3 Distribution Tax Paid	34.56	35.28	2.02	4.58	0.00	0.00	0.00	0.01	0.00	0.00	0.00	0.00	59.06	81.67	12.41	0.00
5 Retained Surplus / (Deficit) carried to Balance sheet	619.48	753.18	179.92	346.72	(8.65)	29.04	5.47	10.46	10,864.75	744.46	783.76	423.56	2,162.99	4,276.54	335.14	82.22

Particulars	Principal Trust Benefit Fund 31/03/05	Principal Trust Benefit Fund 31/03/04	Principal Dividend Yield Fund 31/03/05	Principal PNB Debt Fund 31/03/05	Principal PNB Debt Fund 31/03/04	Principal Resurgent India Equity Fund 31/03/05	Principal Resurgent India Equity Fund 31/03/04	Principal Money Value Bond Fund 31/03/05	Principal Money Value Bond Fund 31/03/04	Principal Personal Tax Saver Fund 31/03/05	Principal Personal Tax Saver Fund 31/03/04	Principal Global Opportunities Fund 31/03/05	Principal Global Opportunities Fund 31/03/04	Principal Focussed Advantage Fund 31/03/05
1 Income														
1.1 Dividend	0.00	0.00	392.39	0.00	0.00	37.56	0.90	0.00	0.00	3.38	1.98	20.33	0.00	8.69
1.2 Interest	42.35	83.34	332.92	82.33	913.26	40.46	2.83	33.99	269.51	1.27	1.38	3.94	0.00	83.92
1.3 Profit on sale/redemption of investments (other than inter scheme transfer/sale)	5.03	27.04	3,723.31	54.71	302.30	1,284.51	40.75	32.99	55.90	120.87	41.42	620.03	0.00	5.43
1.4 Profit on inter-scheme transfer/sale of investments	0.00	0.00	0.00	4.45	0.22	0.00	0.00	3.18	18.93	0.00	0.00	0.00	0.00	0.00
1.5 Other Income	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.01	0.00	0.00	6.16	0.00	0.00
Total	**47.38**	**110.38**	**4,448.62**	**141.49**	**1,215.77**	**1,362.53**	**44.47**	**70.16**	**344.35**	**125.52**	**44.78**	**650.45**	**0.00**	**98.04**
2 Expenses & Losses														
2.1 Management, trusteeship, audit, administrative and Other operating expenses	7.16	15.16	397.41	30.93	175.57	103.21	6.09	15.82	79.60	6.57	6.25	76.73	5.00	65.98
2.2 Provision for doubtful outstanding income	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2.3 Provision for doubtful investments	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2.4 Loss on sale/redemption of investments (other than inter-scheme transfer/sale)	26.21	1.06	0.00	134.90	0.00	11.49	0.40	70.93	8.12	0.85	0.00	142.59	0.00	0.00
2.5 Loss on inter-scheme transfer/sale of investments	0.00	0.00	0.00	15.84	0.00	0.00	0.00	12.42	8.43	0.01	0.00	0.00	0.00	0.00
2.6 Deferred Revenue expenditure written-off	0.00	0.00	140.06	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	37.46	0.00	6.22
2.7 Excess of expenditure over limit recovered from AMC	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(0.00)	0.00	(0.04)	0.00
	33.37	**16.22**	**537.47**	**181.67**	**175.57**	**114.70**	**6.50**	**99.17**	**96.15**	**7.43**	**6.25**	**256.78**	**4.96**	**72.20**
Surplus / (Deficit)	14.02	94.16	3,911.15	(40.18)	1,040.20	1,247.83	37.97	(29.01)	248.20	118.09	38.53	393.67	(4.96)	25.84
Total	**47.38**	**110.38**	**4,448.62**	**141.49**	**1,215.77**	**1,362.53**	**44.47**	**70.16**	**344.35**	**125.52**	**44.78**	**650.45**	**0.00**	**98.04**
3.1 Opening Balance of Appropriation Account	136.31	195.56	0.00	1,115.12	2,518.40	6.13	191.41	1,696.67	5,556.30	1,058.94	1,096.20	258.88	0.00	0.00
3.2 Appreciation / (Depreciation)	3.22	(45.01)	1,069.78	(174.09)	20.49	(85.99)	111.26	63.05	(147.57)	25.62	146.14	(43.85)$	(23.82)$	(969.88)
3.3 Income Equalisation (Debit) / Credit	(55.14)	(5.42)	(501.37)	2,888.97	485.54	6,754.20	(11.72)	(1,273.88)	(4,015.62)	126.17	(60.62)	(100.40)	0.00	(1.65)
3.4 Net Surplus / (Deficit) for the period/ year	14.02	94.16	3,911.15	(40.18)	1,040.20	1,247.83	37.97	(29.01)	248.20	118.09	38.53	393.67	(4.96)	25.84
	98.41	**239.29**	**4,479.55**	**3,789.81**	**4,064.63**	**7,922.17**	**328.92**	**456.83**	**1,641.30**	**1,328.82**	**1,220.25**	**508.30**	**(28.78)**	**(945.69)**
4.1 Income Distribution	3.02	20.17	0.00	0.00	307.99	6,375.04	0.00	0.00	43.52	0.00	0.00	0.00	0.00	0.00
4.2 Assured Return Distributed	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4.3 Distribution Tax Paid	0.63	2.58	0.00	0.00	0.00	0.00	0.00	0.00	5.57	0.00	0.00	0.00	0.00	0.00
5 Retained Surplus / (Deficit) carried to Balance sheet	94.76	216.53	4,479.55	3,789.81	3,756.64	1,547.14	328.92	456.83	1,592.21	1,328.82	1,220.25	508.30	(28.78)	(945.69)

$ Include depreciation in foreign currency due to exchange rate fluctuation. $$ (An open-ended fund. Monthly Income is not assured and is subject to the availability of distributable surplus.)

Note: 1. Other Income in Principal Equity Fund pertains to recovery towards fully provided Non Performing Assets.

BALANCE SHEET AS AT MARCH 31, 2005 (UNAUDITED - ABRIDGED)

(Rupees in Lacs)

Particulars	Principal Equity Fund 31/03/05	Principal Equity Fund 31/03/04	Principal Tax Savings Fund 31/03/05	Principal Tax Savings Fund 31/03/04	Principal Deposit Fund – Plan 54 EA/EB 31/03/05	Plan 54 EA/EB 31/03/04	FMP (371 Days Fixed Maturity Plan Mar 2004) 31/03/05	FMP (371 Days Fixed Maturity Plan Mar 2004) 31/03/04	FMP (371 Days Fixed Maturity Plan Jun 2004) 31/03/05	FMP (371 Days Fixed Maturity Plan Nov 2004) 31/03/05	FMP (91 Days Fixed Maturity Plan Jan 2005) 31/03/05	FMP (91 Days Fixed Maturity Plan Feb 2005) 31/03/05	FMP (371 Days Fixed Maturity Plan Mar 2005) 31/03/05
LIABILITIES													
1. Unit Capital	3,435.91 D 1,674.08 G	1,634.61 D 1,951.74 G	2,373.66	2,507.71	296.61	301.70	13,420.65	13,420.65	8852.63	140.00 D 6,677.65 G	11,069.28 D 703.15 G	5,000.57 D 1,000.10 G	14.75 D 16,556.93 G
2. Reserves & Surplus													
2.1 Unit Premium Reserve	389.13	(914.50)	(1,311.97)	(1,292.46)	(1,575.22)	(1,572.12)	0.00	0.00	0.00	0.00	0.09	0.00	0.00
2.2 Other Reserves	3,309.88	3,744.84	8,206.96	5,739.37	1,764.63	1,751.20	709.67	15.24	331.09	161.45	21.68	29.14	22.11
3. Loans & Borrowings	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4. Current Liabilities & Provisions													
4.1 Provision for doubtful Income/Deposits	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4.2 Proposed Income Distibution	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4.3 Other Current Liabilities & Provisions	600.36	202.26	139.30	119.20	2.72	1.16	16.73	0.61	6.45	4.28	3.34	0.68	0.76
Total	**9,409.37**	**6,618.94**	**9,407.96**	**7,073.81**	**488.74**	**481.94**	**14,147.06**	**13,436.50**	**9,190.18**	**6,983.38**	**11,797.54**	**6,030.49**	**16,594.55**
ASSETS													
1. Investments													
1.1 Equity Shares	8,017.42	5,308.12	9,167.92	6,370.05	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1.2 Privately Placed Debentures / Bonds	0.00	0.00	0.00	2.60	0.00	70.05	1,999.97	4,207.47	1,710.94	1,000.24	8,600.00	500.00	605.58
1.3 Debentures / Bonds Listed / Awaiting Listing on Recognised Stock Exchange	0.00	0.00	0.00	0.00	0.00	0.00	1,002.01	0.00	2,039.61	992.76	0.00	0.00	4,722.53
1.4 Central & State Government Securities	0.00	529.23	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1.5 Others	0.00	0.00	0.00	0.00	403.58	100.01	5,107.76	3,813.25	1,303.67	4,296.14	1,477.15	5,493.24	9,041.86
Total	**8,017.42**	**5,837.35**	**9,167.92**	**6,372.65**	**403.58**	**170.06**	**8,109.74**	**8,020.72**	**5,054.22**	**6,289.14**	**10,077.15**	**5,993.24**	**14,369.97**
2. Deposits													
2.1 With Scheduled Banks	25.00	0.00	0.00	0.00	84.00	300.00	0.00	3,300.00	3,675.00	19.00	1,595.00	0.00	0.00
2.2 With Others	0.00	760.00	50.00	595.60	0.00	0.00	163.00	55.00	61.00	500.00	8.00	7.50	22.00
3. Other Current Assets													
3.1 Cash and Bank Balance	108.46	8.54	91.81	89.29	1.15	3.11	0.50	2.53	0.19	1.18	0.48	0.67	1.16
3.2 Outstanding Income and Current Assets	1,258.48	13.05	98.22	16.27	0.01	8.77	5,873.82	2,058.25	399.77	174.05	116.92	29.09	2,201.43
4. Fixed Assets (At Depreciated Value)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
5. Deferred Revenue Expenditure (to the extent not written off)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total	**9,409.37**	**6,618.94**	**9,407.96**	**7,073.81**	**488.74**	**481.94**	**14,147.06**	**13,436.50**	**9,190.18**	**6,983.38**	**11,797.54**	**6,030.49**	**16,594.55**

Particulars	Principal Future Goals Series – Principal Child Benefit Fund 31/03/05	Principal Child Benefit Fund 31/03/04	Principal Index Fund 31/03/05	Principal Index Fund 31/03/04	Principal Cash Management Fund – Money at Call 31/03/05	Money at Call 31/03/04	Liquid 31/03/05	Liquid 31/03/04	Principal Floating Rate Fund – Flexible Maturity Plan 31/03/05	Short Maturity Plan 31/03/05	Principal Income Fund 31/03/05	Principal Income Fund 31/03/04
LIABILITIES												
1. Unit Capital	226.16 CB 53.52 FG	95.21 CB 42.41 FG	74.05 D 334.60 G	8,312.24 D 3,065.14 G	394.07 DD 249. 25 G	179.01 DD 237.48 G	1,724.88 WD 5,803.98 G 355.13 MD 1,738.97 DD 1,187.29 IWD 14,115.80 IG 853.26 IMD 11,383.01 IDD 82,666.27 PDD 14,760.61 PWD 14,777.38 PMD 98,990.19 PIG	1,401.21 WD 10,331.13 G 33.47 MD 1,623.39 DD 19,526.84 IWD 56,803.86 IG 8,536.64 IMD 43,644.19 IDD	1,711.50 RG 641.81 RMD 1,358.73 RWD 2,470.34 IG 1,201.31 IMD 2,710.69 IWD	1,670.50 RG 850.80 RMD 902.24 RWD 1,296.58 RDD 14,428 69 IG 5,715.86 IMD 5,604.28 IWD 10,876.78 IDD	802.80 QD 287.30 HD 22.29 AD 2,720.44 G 1,276.50 IQD 317.23 IG	5,810.49 QD 4,719.84 HD 489.88 AD 13,957.20 G 1,159.96 IQD 10,758.10 IG
2. Reserves & Surplus												
2.1 Unit Premium Reserve	122.98	12.21	(586.96)	207.32	0.00	0.00	(3,692.25)	(3,211.82)	(5.69)	(14.24)	(14.53)	357.08
2.2 Other Reserves	448.74	198.00	769.07	1,023.74	69.31	53.39	9,820.16	8,429.82	135.82	488.31	1,943.98	9,094.05
3. Loans & Borrowings	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4. Current Liabilities & Provisions												
4.1 Provision for doubtful Income/Deposits	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4.2 Proposed Income Distibution	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4.3 Other Current Liabilities & Provisions	6.69	1.13	203.52	139.90	1.37	6.21	216.01	1,218.02	18.29	183.15	141.51	1,122.37
Total	**858.09**	**348.96**	**794.27**	**12,748.35**	**713.98**	**476.09**	**254,700.70**	**148,336.75**	**10,242.78**	**42,002.95**	**10,352.59**	**47,468.97**
ASSETS												
1. Investments												
1.1 Equity Shares	483.46	209.95	545.90	12,686.07	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1.2 Privately Placed Debentures / Bonds	0.00	0.00	0.00	0.00	0.00	100.00	25,447.33	30,918.78	1,904.99	8,016.40	511.78	11,226.68
1.3 Debentures / Bonds Listed / Awaiting Listing on Recognised Stock Exchange	205.04	0.23	0.00	0.00	0.00	0.00	13,176.41	3,097.95	3,397.33	9,102.98	3,840.05	6,116.64
1.4 Central & State Government Securities	0.00	107.25	0.00	0.00	0.00	0.00	468.01	0.00	0.00	0.00	3,826.42	22,477.97
1.5 Others	94.55	0.00	0.00	0.00	0.00	0.00	140,396.27	33,795.65	4,247.72	18,891.06	805.52	710.97
Total	**783.06**	**317.43**	**545.90**	**12,686.07**	**0.00**	**100.00**	**179,488.02**	**67,812.38**	**9,550.04**	**36,010.43**	**8,983.77**	**40,532.27**
2. Deposits												
2.1 With Scheduled Banks	0.00	0.00	0.00	0.00	0.00	200.00	58,350.00	78,640.00	0.00	5,000.00	0.00	0.00
2.2 With Others	60.00	27.00	18.00	50.00	713.00	170.00	3,987.00	7.00	195.00	90.00	83.00	1,717.00
3. Other Current Assets												
3.1 Cash and Bank Balance	9.07	2.94	8.10	24.84	0.83	0.60	264.54	1.97	380.53	59.58	42.66	706.50
3.2 Outstanding Income and Current Assets	5.97	1.59	222.27	(12.56)	0.15	5.49	12,611.15	1,875.40	117.21	842.94	1,243.16	4,513.21
4. Fixed Assets (At Depreciated Value)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
5. Deferred Revenue Expenditure (to the extent not written off)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total	**858.09**	**348.96**	**794.27**	**12,748.35**	**713.98**	**476.09**	**254,700.70**	**148,336.75**	**10,242.78**	**42,002.95**	**10,352.59**	**47,468.97**

Particulars	Principal Income Fund – Short-Term Plan 31/03/05	Short-Term Plan 31/03/04	Principal Government Securities Fund – Investment Plan 31/03/05	Investment Plan 31/03/04	Provident Fund Plan 31/03/05	Provident Fund Plan 31/03/04	Savings Plan 31/03/05	Savings Plan 31/03/04	Principal Growth Fund 31/03/05	Principal Growth Fund 31/03/04	Principal Balanced Fund 31/03/05	Principal Balanced Fund 31/03/04	Principal Monthly Income Plan[$$] 31/03/05	Principal Monthly Income Plan[$$] 31/03/04	MIP Plus 31/03/05	MIP Plus 31/03/04
LIABILITIES																
1. Unit Capital	348.81 MD 764.59 G 2,831.41 IMD 2.47 IWD 4,025.97 IG	1,613.57 MD 2895.10 G 6,560.43 IMD 919.13 IWD 4,075.30 IG	50.27 QD 76.48 HD 0.26 AD 425.76 G	988.17 QD 78.05 HD 0.92 AD 498.64 G	139.19 AD 2,578.49 HD 2,753.85 ARB 6,558.07 G	28.60 AD 41.00 HD 3,624.54 ARB 753.34 G	2.30 D 17.29 G	3.54 D 38.11 G	17,116.37 D 5,136.05 G	5,022.15 D 750.34 G	1,301.94 D 512.57 G	2,515.35 D 897.23 G	2,403.38 MD 4,324,47 QD 8,078.16 G	10,875.91 MD 9,150.26 QD 17,591.47 G	702.89 MD 1,556.25 QD 3,399.79 G	2,523.97 MD 7,883.94 QD 6,952.35 G
2. Reserves & Surplus																
2.1 Unit Premium Reserve	(15.26)	20.02	29.41	48.73	4.20	(9.84)	(0.65)	(1.33)	5,808.13	1,329.06	(34.05)	216.21	1,001.04	2,361.84	(9.43)	30.51
2.2 Other Reserves	619.48	753.18	179.92	346.72	(8.65)	29.04	5.47	10.46	10,864.75	744.46	783.76	423.56	2,162.99	4,276.54	335.14	82.22
3. Loans & Borrowings	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4. Current Liabilities & Provisions																
4.1 Provision for doubtful Income/Deposits	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4.2 Proposed Income Distibution	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4.3 Other Current Liabilities & Provisions	22.82	20.85	3.20	4.43	22.88	(10.16)	0.10	0.23	2,385.23	2,750.60	32.89	1,226.29	153.31	326.77	91.36	19.45
Total	**8,600.30**	**16,857.58**	**765.31**	**1,965.66**	**12,048.04**	**4,456.53**	**24.49**	**51.00**	**41,310.53**	**10,596.61**	**2,597.12**	**5,278.64**	**18,123.34**	**44,582.80**	**6,076.00**	**17,492.44**
ASSETS																
1. Investments																
1.1 Equity Shares	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	37,867.11	6,986.92	1,757.79	2,720.81	1,727.36	3,627.92	1,057.91	2,983.01
1.2 Privately Placed Debentures / Bonds	400.00	7,930.60	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	24.02	900.00	13,539.45	300.00	5,924.20
1.3 Debentures / Bonds Listed / Awaiting Listing on Recognised Stock Exchange	3,532.43	1,604.43	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	99.77	0.00	6,652.96	4,685.46	1,235.04	1,562.67
1.4 Central & State Government Securities	0.00	0.00	99.00	1,829.42	8,992.71	3,693.65	0.00	0.00	0.00	0.00	116.99	650.17	705.10	7,237.61	105.05	2,237.06
1.5 Others	3,326.57	4,438.62	0.00	0.00	0.00	0.00	0.00	8.30	0.00	0.00	33.20	0.00	5,458.84	9,211.63	2,141.73	2,014.06
Total	**7,259.01**	**13,973.66**	**99.00**	**1,829.42**	**8,992.71**	**3,693.65**	**0.00**	**8.30**	**37,867.11**	**6,986.92**	**2,007.76**	**3,395.00**	**15,444.26**	**38,302.08**	**4,839.74**	**14,721.01**
2. Deposits																
2.1 With Scheduled Banks	800.00	2,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	100.00	0.00	0.00	2,700.00	127.00	1,800.00
2.2 With Others	378.00	9.00	65.00	84.40	130.00	182.00	17.00	41.50	236.00	54.00	78.00	1,459.00	1,130.00	1,000.00	0.00	301.00
3. Other Current Assets																
3.1 Cash and Bank Balance	7.44	1.25	4.96	12.64	1.39	521.41	7.46	1.21	551.70	3,547.53	47.96	305.60	58.82	710.97	29.39	347.87
3.2 Outstanding Income and Current Assets	155.86	873.68	596.35	39.20	2,923.94	59.47	0.04	0.00	2,655.73	8.16	350.56	83.54	1,490.25	1,869.76	1,079.86	322.56
4. Fixed Assets (At Depreciated Value)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
5. Deferred Revenue Expenditure (to the extent not written off)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	12.85	35.50	0.00	0.00	0.00	0.00
Total	**8,600.30**	**16,857.58**	**765.31**	**1,965.66**	**12,048.04**	**4,456.53**	**24.49**	**51.00**	**41,310.53**	**10,596.61**	**2,597.12**	**5,278.64**	**18,123.34**	**44,582.80**	**6,076.00**	**17,492.44**

Particulars	Principal Trust Benefit Fund 31/03/05	Principal Trust Benefit Fund 31/03/04	Principal Dividend Yield Fund 31/03/05	Principal PNB Debt Fund 31/03/05	Principal PNB Debt Fund 31/03/04	Principal Resurgent India Equity Fund 31/03/05	Principal Resurgent India Equity Fund 31/03/04	Principal Money Value Bond Fund 31/03/05	Principal Money Value Bond Fund 31/03/04	Principal Personal Tax Saver Fund 31/03/05	Principal Personal Tax Saver Fund 31/03/04	Principal Global Opportunities Fund 31/03/05	Principal Global Opportunities Fund 31/03/04	Principal Focussed Advantage Fund 31/03/05
LIABILITIES														
1. Unit Capital	128.77 QD 47.00 HD 68.33 AD 515.20 G	449.51 QD 158.72 HD 229.37 AD 1,067.62 G	22,309.33 D 4,516.29 G	75.43 D 213.34 G	5,484.20	2,675.54 D 54.11 G	92.55 D 48.24G	354.32 D 618.51 G	944.25 D 2,003.84 G	49.29 G	57.77 G	2,461.25 D 848. 88 G	4,771.24 D 1,750,73 G	20,939.38 D 10,875.64 G
2. Reserves & Surplus														
2.1 Unit Premium Reserve	5.32	14.92	(761.85)	(3,580.09)	(1,209.74)	2,933.04	(14.56)	85.63	108.14	(828.96)	(786.81)	(241.34)	0.00	8.75
2.2 Other Reserves	94.76	216.53	4,479.55	3,789.81	3,756.64	1,547.14	328.92	456.83	1,592.21	1,328.82	1,220.25	508.30	(28.78)	(945.69)
3. Loans & Borrowings	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4. Current Liabilities & Provisions														
4.1 Provision for doubtful Income/Deposits	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4.2 Proposed Income Distibution	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4.3 Other Current Liabilities & Provisions	10.81	3.49	2,970.15	21.15	34.33	65.82	12.55	16.78	38.92	16.04	3.21	175.75	380.83	3,811.55
Total	**870.19**	**2,140.16**	**33,513.46**	**519.64**	**8,065.43**	**7,275.66**	**467.69**	**1,532.06**	**4,687.36**	**565.19**	**494.41**	**3,752.83**	**6,874.02**	**34,689.63**
ASSETS														
1. Investments														
1.1 Equity Shares	0.00	0.00	24,545.49	0.00	0.00	7,025.74	374.91	0.00	0.00	505.51	442.52	3,201.38	6,407.25	20,479.74
1.2 Privately Placed Debentures / Bonds	0.00	630.82	0.00	0.00	0.00	0.00	0.00	0.00	412.32	0.00	0.00	0.00	0.00	0.00
1.3 Debentures / Bonds Listed / Awaiting Listing on Recognised Stock Exchange	412.76	515.77	0.00	0.00	1,383.99	0.00	0.00	0.00	1,280.24	0.00	0.00	0.00	0.00	0.00
1.4 Central & State Government Securities	105.05	750.27	0.00	0.23	6,355.85	0.00	0.00	0.00	1,418.41	0.00	0.00	0.00	0.00	0.00
1.5 Others	48.06	138.80	498.30	421.32	0.00	0.00	0.00	1,504.92	1,201.16	0.00	0.00	0.00	0.00	9,483.08
Total	**565.87**	**2,035.66**	**25,043.79**	**421.55**	**7,739.84**	**7,025.74**	**374.91**	**1,504.92**	**4,312.13**	**505.51**	**442.52**	**3,201.38**	**6,407.25**	**29,962.82**
2. Deposits														
2.1 With Scheduled Banks	0.00	0.00	1,000.00	0.00	0.00	0.00	89.00	0.00	25.00	0.00	49.50	87.00	0.00	2,500.00
2.2 With Others	88.00	50.00	170.00	90.00	48.00	87.00	0.00	16.00	198.50	55.00	0.00	0.00	0.00	160.50
3. Other Current Assets														
3.1 Cash and Bank Balance	1.27	1.52	1,041.75	8.07	63.11	32.90	1.60	3.81	4.80	2.86	1.38	30.44	90.90	159.81
3.2 Outstanding Income and Current Assets	215.05	52.99	4,847.98	0.02	214.48	130.02	2.18	7.33	146.93	1.82	1.01	131.04	0.04	1,276.95
4. Fixed Assets (At Depreciated Value)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
5. Deferred Revenue Expenditure (to the extent not written off)	0.00	0.00	1,409.94	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	302.97	375.83	629.54
Total	**870.19**	**2,140.16**	**33,513.46**	**519.64**	**8,065.43**	**7,275.66**	**467.69**	**1,532.06**	**4,687.36**	**565.19**	**494.41**	**3,752.83**	**6,874.02**	**34,689.63**

$$ (An open-ended fund. Monthly Income is not assured and is subject to the availability of distributable surplus.)

NOTE:

2 D-Dividend; G-Growth;AD- Annual Dividend; HD- Half Yearly Dividend; QD- Quarterly Dividend ; MD- Monthly Dividend; WD- Weekly Dividend; DD-Daily Dividend; CB-Career Builder; FG-Future Guard; IG-Inst.Growth; IDQ-Inst.Dividend Quarterly; IDM-Inst.Dividend Monthly;IDW-Inst.Dividend Weekly;IDD-Inst.Daily Dividend; PDD- Premier Institutional Daily Dividend; PWD-Premier Institutional Weekly Dividend; PMD- Premier Institutional Monthly Dividend; PIG- Premier Institutional Growth; RG- Regular Growth; RMD- Regular Monthly Dividend; RWD- Regular Weekly Dividend; RDD- Regular Daily Dividend; IG- Institutional Growth; IMD- Institutional Monthly Dividend; IWD- Institutional Weekly Dividend; IDD- Institutional Daily Dividend; ARB- Annual Re-balancing

3 The first nav dates of the following schemes/ plans launched after October 1, 2004

Scheme and Plan	First Nav Date	Allotment Date
Principal Deposit Fund - 371 Days Fixed Maturity Plan Nov 2004	November 9, 2004	November 9, 2004
Principal Deposit Fund - 91 Days Fixed Maturity Plan Jan 2005	January 19, 2005	January 19, 2005
Principal Deposit Fund - 91 Days Fixed Maturity Plan Feb 2005	February 28, 2005	February 28, 2005
Principal Deposit Fund - 371 Days Fixed Maturity Plan March 2005	March 24, 2005	March 24, 2005
Principal Floating Rate Fund - FMP	September 14, 2004	September 14, 2004
Principal Floating Rate Fund - SMP	September 14, 2004	September 14, 2004
Principal Focussed Advantage Fund	March 15, 2005	March 15, 2005

4 Following plans were fully redeemed during the period October 1, 2004 to March 31, 2005. The assets and liabilities as on the day of redemption have been transferred to the trust corpus.

Scheme and Plan	Redemption Date
Principal Deposit Fund - 371 Days Fixed Maturity Plan June 2003	January 25, 2005
Principal Deposit Fund - 371 Days Fixed Maturity Plan Jan 2004	January 18, 2005
Principal Deposit Fund - 91 Days Fixed Maturity Plan Aug 2004	November 25, 2004
Principal PNB Debt Fund - Dividend Plan	April 1, 2005
Principal Cash Management Fund - Money at Call Option	April 1, 2005

5 Corresponding years figures are not available for Principal Deposit Plan (Deposit Fund 371 Days Fixed Maturity Plan June 2004), (Deposit Fund 371 Days Fixed Maturity Plan Nov 2004), (Deposit Fund 91 Days Fixed Maturity Plan Jan 2005), (Deposit Fund 91 Days Fixed Maturity Plan Feb 2005), (Deposit Fund 371 Days Fixed Maturity Plan March 2005), Principal Floating Rate Fund ñ FMP, Principal Floating Rate Fund - SMP, Principal Dividend Yield Fund & Principal Focussed Advantage Fund as the fist NAVís was declared on 29 June 2004, 9 November 2004, 19 January 2005, 28 February 2005, 24 March 2005, 14 September 2004 , 14 September 2004 & 15th March 2005 respectively.

6 **Accounting policy on Valuation of Investments**

Portfolio Valuation

6.1 Investments are valued on the Balance Sheet date as per the recommendations of the Securities and Exchange Board of India (SEBI).

6.2 Traded securities (excluding government securities and Treasury bills) are valued at the last quoted closing price on the principal stock exchange on which the security is traded.

6.3 A security (other than debt securities), which is not traded on any stock exchange on a particular valuation day, is valued at the price at which it was traded on the selected stock exchange, as the case may be, on the earliest previous day, such day not being more than thirty days prior to the valuation date.

6.4 A debt security (other than government securities), which is not traded on any stock exchange on any particular valuation day, is valued by using the CRISIL Bond Valuer.

6.5 A debt security (other than government securities is valued at cost on the date of first purchase and thereafter valued on the CRISIL Bond Valuer.

6.6 Investments in traded/non-traded/thinly traded government securities are valued at the prices released by an approved agency.

6.7 Treasury bills are valued at cost plus the difference between the redemption value and the cost spread uniformly over the remaining maturity period of the instrument. Treasury Bills listed on a recognised stock exchange are valued at the last quoted weighted average yield on the principal exchange on which the security is traded. If no sale is reported at that date Treasury Bills are valued at fair value as determined in good faith by Principal Pnb Asset Management Company Private Limited under procedures approved by the Trustees of Principal Mutual Fund in accordance with the guidelines for valuation of securities for mutual funds issued by the Securities and Exchange Board of India (SEBI).

6.8 Money Market securities and non-traded debt securities with residual maturity of upto 182 days are valued at cost (including accrued interest) plus the difference between the redemption value(inclusive of interest) and the cost spread uniformly over the remaining maturity period of the instrument.

6.9 Thinly traded Equity shares /Equity related securities/non-traded securities (other than Government Securities) are valued in good faith by the investment manager on the basis of valuation principles laid down by SEBI.

6.10 Investment in non-traded debt securities including securitised debt (other than government securities) with a residual maturity greater than 182 days are valued using CRISIL Bond Valuer, which is based on the concept of using spread to maturity to arrive at the yields for pricing.

6.11 Securities in the nature of Floating Rate Notes (FRN) are valued at cost plus the difference between the redemption value and the cost spread uniformly over the remaining maturity period of the instrument. FRNs listed on a recognised stock exchange are valued at the last quoted closing price on the principal exchange on which the security is traded. If no sale is reported at that date FRNís are valued at fair value as determined in good faith by Principal Pnb Asset Management Company Private Limited under procedures approved by the Trustees of Principal Mutual Fund in accordance with the guidelines for valuation of securities for mutual funds issued by the Securities and Exchange Board of India (SEBI).

6.12 Securitised Debt are valued at fair value as determined in good faith Principal Pnb Asset Management Company Private Limited under procedures approved by the Trustees of Principal Mutual Fund in accordance with the guidelines for valuation of securities for mutual funds issued by the Securities and Exchange Board of India (SEBI).

6.13 Investments in Call money, bills purchased under re-discounting scheme and term deposits with banks are valued at cost plus accruals.

6.14 An investment is regarded as non-performing if the interest and /or principal amount has not been received or remains outstanding for one quarter from the day such income or instalment has fallen due.

6.15 Appreciation/Depreciation, as the case may be, in the value of the securities at the year-end has been computed for the scheme, whereby the aggregate market value taken together is compared with the aggregate cost of acquisition. Such net balance is charged to Revenue Account.

6.16 The above policies are followed as and when applicable.

7 Details of Investments in Foreign Securities as on 31/03/2005

Name of the scrip	Market value of Investment
BASF AG	25,106,627.67
MITSUBISHI CORP	22,723,580.00
ATLAS COPCO AB	21,361,307.54
GILLETTE CO., THE	21,155,640.46
SULZER	21,170,276.40
COLGATE PALMOLIVE CO	20,996,649.40
SKF BEARING	18,783,075.17
NOVARTIS LTD	17,756,392.36
DENSO CORP	17,472,622.40
CUMMINS. INC.	16,741,883.97
DEGUSSA AG	15,056,076.80
SUMITOMO WIRING SYSTEM	12,997,987.80
HONDA MOTOR CO.LTD	11,201,266.17
INGERSOLL-RAND CO	10,975,837.32
KENNAMETAL, INC	10,803,061.36
SUMITOMO CORP	10,524,309.60
SHOWA CORPORATION	9,913,961.60
TIMKEN CO	9,663,872.30
3M COMPANY	9,521,495.82
BAYER AG	8,844,289.96
RICOH COMPANY LTD	7,367,636.80
Total	**320,137,850.90**

8 On written request, present and prospective unitholders/ investors can obtain a copy of the Annual Report of the schemes of Principal Mutual Fund in which he has invested.