



14. Details of investment made by any scheme in company which has invested in any scheme of Principal Mutual Fund in excess of 5% of net assets of that scheme in terms of regulation 25(11) (Contd.)

Name of the Company (Investor)	Scheme by which investment is made in securities of the company	Aggregate investment by schemes in securities of the company during 01/09/2004 to 30/09/2006 ₹		Aggregate Investment outstanding as on September 30, 2006 (At Market Value)	
		Nature of Investment	(Rupees in Lacs)	Nature of Investment	(Rupees in Lacs)
RAYMOND	RIF, JUNIOR, LCAP, GROWTH	Equity Shares	2,581.45	Equity Shares	779.62
	LIQUID, STP	Debt	2,513.36	Debt	-
RELIANCE ENERGY	GROWTH, INDEX, MINCOM, MIPPL, LCAP, INFRA, FOCUS	Equity Shares	3,596.76	Equity Shares	1,241.43
	INCOME, LIQUID, MINCOM, MIPPL, FR-SMP	Debt	6,736.77	Debt	-
RELIANCE INDUSTRIES	DNIT95, FOCUS, GROWTH, INDEX, MINCOM, MIPPL, PBF, PTSF, RIF, TAX96, LCAP, INFRA, FDF, CHILD1	Equity Shares	23,806.04	Equity Shares	7,156.46
	FR-FMP, FR-SMP, INCOME, MINCOM, MIPPL, STP, FMP-19, FMP-11	Debt	12,945.47	Debt	-
RELIANCE PETROLEUM	GROWTH, RIF, TAX96, LCAP, INFRA, FOCUS	Equity Shares	409.48	Equity Shares	-
SASKEN COMMUNICATION TECHNOLOGIES	DNIT95, FOCUS, MINCOM, MIPPL, PBF, PTSF, RIF, TAX96, CHILD1	Equity Shares	91.00	Equity Shares	-
SINTEX INDUSTRIES LTD	FR-SMP, LIQUID, FR-FMP	Debt	4,515.75	Debt	2,507.00
STERLITE INDUSTRIES	MINCOM, MIPPL, RIF, JUNIOR, INFRA, GROWTH	Equity Shares	6,303.83	Equity Shares	742.31
	LIQUID, STP, JUNIOR, FR-SMP	Debt	11,900.00	Debt	-
SUN PHARMACEUTICAL INDUSTRIES	GROWTH, INDEX, RIF, TAX96, CHILD1	Equity Shares	337.20	Equity Shares	5.28
	LIQUID	Debt	4,000.00	Debt	-
TATA CONSULTANCY SERVICES	FOCUS, GROWTH, INDEX, MINCOM, MIPPL, PBF, PTSF, RIF, TAX96, LCAP, INFRA, CHILD1	Equity Shares	8,595.10	Equity Shares	30.49
TATA INDUSTRIES LTD	FR-SMP, LIQUID, FMP-11	Debt	4,135.40	Debt	-
TATA IRON & STEEL COMPANY	FOCUS, GROWTH, INDEX, MINCOM, MIPPL, PBF, PDYF, RIF, TAX96, LCAP, DNIT95	Equity Shares	10,466.35	Equity Shares	875.71
TATA TEA	INDEX	Equity Shares	18.05	Equity Shares	-
THERMAX	MIPPL, PTSF, TAX96, MINCOM	Equity Shares	394.89	Equity Shares	406.31
VIDESH SANCHAR NIGAM	INDEX	Equity Shares	43.48	Equity Shares	3.46
VIJAYA BANK	JUNIOR, RIF	Equity Shares	1,051.80	Equity Shares	-
	LIQUID, FR-SMP	Term Deposit	2,500.00	Term Deposit	-
UCO BANK	FR-SMP, LIQUID, STP, FMP-19, FMP-21, FMP-20, FR-FMP	Certificate of Deposit	68,419.20	Certificate of Deposit	12,169.43
UTI BANK	DNIT95, FOCUS, GROWTH, MINCOM, MIPPL, PBF, RIF, TAX96, JUNIOR, INFRA, CHILD1	Equity Shares	7,206.82	Equity Shares	1,671.13
	FR-SMP, LIQUID, STP, FR-FMP	Debt	27,159.61	Debt	10,338.88
	FR-SMP, LIQUID, STP, FMP-15, FR-FMP	Term Deposit	24,500.00	Term Deposit	2,500.00
	FR-FMP, FR-SMP, LIQUID, STP, JUNIOR, FMP-19, FMP-20, FMP-18, FMP-27, FOCUS	Certificate of Deposit	61,434.96	Certificate of Deposit	16,274.87
WIPRO	GROWTH, INDEX, MINCOM, MIPPL, RIF, LCAP, INFRA, FOCUS	Equity Shares	6,732.89	Equity Shares	1,475.12
YES BANK	FR-SMP, LIQUID, FMP-19, FMP-17, FR-FMP	Certificate of Deposit	10,635.37	Certificate of Deposit	2,859.57

Scheme Codes	Scheme
CALL	PRINCIPAL CASH MANAGEMENT FUND - MONEY AT CALL OPTION
CHILD1	PRINCIPAL CHILD BENEFIT FUND
DNIT95	PRINCIPAL DEPOSIT FUND - FOR 54EA BENEFIT
EQUITY	PRINCIPAL EQUITY FUND
FMP-11	PRINCIPAL FIXED MATURITY PLAN - 371 DAYS - MAR 2004
FMP-12	PRINCIPAL FIXED MATURITY PLAN - 91 DAYS - JUNE 2004
FMP-13	PRINCIPAL FIXED MATURITY PLAN - 371 DAYS - JUNE 2004
FMP-14	PRINCIPAL FIXED MATURITY PLAN - 91 DAYS - AUG 2004
FMP-15	PRINCIPAL FIXED MATURITY PLAN - 371 DAYS - NOV 2004
FMP-16	PRINCIPAL FIXED MATURITY PLAN - 371 DAYS - MARCH 2003
FMP-17	PRINCIPAL FIXED MATURITY PLAN - 91 DAYS - JAN 2005
FMP-18	PRINCIPAL FIXED MATURITY PLAN - 91 DAYS - FEB 2005
FMP-19	PRINCIPAL FIXED MATURITY PLAN - 371 DAYS - MAR 2005
FMP-20	PRINCIPAL FIXED MATURITY PLAN - 371 DAYS - OCT 2005
FMP-21	PRINCIPAL FIXED MATURITY PLAN - 91 DAYS - NOV 2005
FMP-22	PRINCIPAL PNB FIXED MATURITY PLAN - 91 DAYS - SERIES I

Scheme Codes	Scheme
FMP-23	PRINCIPAL PNB FIXED MATURITY PLAN - 460 DAYS
FMP-24	PRINCIPAL PNB FIXED MATURITY PLAN - 91 DAYS - SERIES II
FMP-25	PRINCIPAL PNB FIXED MATURITY PLAN - 385 DAYS - SERIES I
FMP-26	PRINCIPAL PNB FIXED MATURITY PLAN - 91 DAYS - SERIES III
FMP-27	PRINCIPAL PNB FIXED MATURITY PLAN - 385 DAYS - SERIES II
FMP-28	PRINCIPAL PNB FIXED MATURITY PLAN - 91 DAYS - SERIES IV
FOCUS	PRINCIPAL FOCUSED ADVANTAGE FUND
FR-FMP	PRINCIPAL FLOATING RATE FUND - FLEXIBLE MATURITY PLAN
FR-SMP	PRINCIPAL FLOATING RATE FUND - SHORT MATURITY PLAN
GILT-I	PRINCIPAL GOVERNMENT SECURITIES FUND - INVESTMENT PLAN
GILT-P	PRINCIPAL GOVERNMENT SECURITIES FUND - PROVIDENT FUND PLAN
GILT-S	PRINCIPAL GOVERNMENT SECURITIES FUND - SAVINGS PLAN
GOF	PRINCIPAL GLOBAL OPPORTUNITIES FUND
GROWTH	PRINCIPAL GROWTH FUND
INCOME	PRINCIPAL INCOME FUND
INDEX	PRINCIPAL INDEX FUND

Scheme Codes	Scheme
INFRA	PRINCIPAL INFRASTRUCTURE & SERVICES FUND
JUNIOR	PRINCIPAL JUNIOR CAP FUND
LCAP	PRINCIPAL LARGE CAP FUND
LIQUID	PRINCIPAL CASH MANAGEMENT FUND - LIQUID OPTION
MINCOM	PRINCIPAL MONTHLY INCOME PLAN
MIPPL	PRINCIPAL MONTHLY INCOME PLAN - MIP PLUS
MVBF	PRINCIPAL MONEY VALUE BOND FUND
PBF	PRINCIPAL BALANCED FUND
PDYF	PRINCIPAL DIVIDEND YIELD FUND
PTSF	PRINCIPAL PERSONAL TAX SAVER FUND
RIF	PRINCIPAL RESURGENT INDIA EQUITY FUND
STP	PRINCIPAL INCOME FUND - SHORT TERM PLAN
TAX96	PRINCIPAL TAX SAVINGS FUND
TBF-D	PRINCIPAL TRUST BENEFIT FUND
FDF	PRINCIPAL PNB FIXED DURATION FUND - 3 YEAR PLAN - SERIES I
FMP-29	PRINCIPAL PNB FIXED MATURITY PLAN - 460 DAYS - SERIES II
FMP-30	PRINCIPAL PNB FIXED MATURITY PLAN - 91 DAYS - SERIES V

Most of the above securities were purchased from the open secondary/primary market at relevant market/offer prices over a period of time based on the approved investment strategy. All the securities pertain to highly rated blue-chip companies.

The AMC is of the view that the above investments are considered sound and in line with the investment objective of the relevant schemes.

₹ This is the aggregate of all investments made during the above mentioned period in accordance with Regulation 25(11) without considering sale / redemptions and interscheme transaction, which might have occurred.

Notes:

1(A). Schemes launched during the half year ended September 30<sup>th</sup>, 2006.

Scheme Name	Launch Date	Allotment Date
Principal Pnb Fixed Maturity Plan - 385 Days - Series II	07-June-2006	08-June-2006
Principal Pnb Fixed Duration Fund - 3 Year Plan - Series I	22-May-2006	06-July-2006
Principal Pnb Fixed Maturity Plan - 91 Days - Series IV	12-July-2006	14-July-2006
Principal Pnb Fixed Maturity Plan - 460 Days - Series II	02-Aug-2006	09-Aug-2006
Principal Pnb Fixed Maturity Plan - 91 Days - Series V	12-Sep-2006	14-Sep-2006

Since these schemes have been launched during the half year ended September 30<sup>th</sup>, 2006, their Unit capital, Net Assets and NAV per unit at the beginning of the period is not available.

1(B). Schemes closed / redeemed during the half year ended September 30<sup>th</sup>, 2006.

Scheme Name	Date(s) of Rollover	Date of Closure / Redemption	NAV at the time of Closure / Redemption	
			Dividend	Growth
Principal Deposit Fund - 91 Days Fixed Maturity Plan - Nov 2005	15-Feb-2006 / 17-May-2006	16-Aug-2006	10.0000	10.5063
Principal Pnb Fixed Maturity Plan - 91 Days - Series I	21-Apr-2006	20-July-2006	10.0000	10.3362
Principal Pnb Fixed Maturity Plan - 91 Days - Series II	26-May-2006	24-Aug-2006	10.0000	10.3584
Principal Pnb Fixed Maturity Plan - 91 Days - Series III	23-Jun-2006	21-Sep-2006	10.0000	10.3850

Since these schemes have matured during the half-year ended September 30<sup>th</sup>, 2006 their Unit capital, Net Assets and NAV per unit at the end of the period is not available.

1(C). Further as on August 04<sup>th</sup>, 2006 Principal Equity Fund was merged with Principal Dividend Yield Fund. Accordingly the financials of the scheme has been prepared for the period April 01<sup>st</sup>, 2006 to August 08<sup>th</sup>, 2006. SEBI has vide its letter dated January 03, 2006 noted the merger of the aforesaid schemes. As the scheme has been merged during the half year ended September 30<sup>th</sup>, 2006, their Unit capital, Net Assets and NAV per unit at the end of the period is not available.

2. The per unit dividend figures given above are net of dividend distribution tax.

3. As per Regulation 44(2), the Fund has made overnight borrowing from bank/s to meet the redemption/repurchase of units to unit holders. The same was within 20% of the Net Assets of the Scheme(s) and not exceeding for a period of six months. Details of borrowing exceeding 10% of the Net Assets of the Scheme(s) during the half year ended September 30, 2006:

Name of the scheme	Purpose	Date of Borrowing	Amount Borrowed (Rs.)	Amount Borrowed as % of Net Assets	Amount paid as Interest (Rs.)
Principal Equity Fund	Redemption	03-Apr-06	108,487,313.33	13.21%	31,951.74

- During the half-year ended September 30<sup>th</sup>, 2006 there has been no change in the Accounting Policies.
- Other Income represents receipts / payments of miscellaneous nature. Further, in respect of Principal Equity Fund it includes amounts recovered towards fully provided NPAs.
- None of the Schemes have declared bonus during the period under review.
- None of the Schemes have exposure in derivative products during the period under review.

8. Details of Investment made in Foreign Securities/Units of Mutual Fund as on September 30<sup>th</sup>, 2006.

Name of the Mutual Fund Units	Market value of Investment (Rs. in lakhs)
Principal Global Investors Fund - Emerging Markets Equity Fund	12,483.76
<b>TOTAL</b>	<b>12,483.76</b>

The total exposure in foreign securities at the end of the period by Principal Global Opportunities Fund is 66.10 % of the schemes assets.

9. The NAV of all the scheme(s) except Principal Cash Management Fund - Liquid Option and Principal Floating Rate Fund - Short Maturity Plan is provided as of September 29, 2006 (as September 30, 2006 was a non-business day).

For and on behalf of  
Principal Pnb Asset Management Company Pvt. Ltd.

Place : Mumbai  
Date : October 30, 2006

Sd/-  
**RAJAN GHOTGALKAR**  
Managing Director

**Statutory Details:** Principal Mutual Fund has been constituted as a trust with Principal Financial Group (Mauritius) Limited, Punjab National Bank and Vijaya Bank as co-settlers. The Sponsor is not responsible or liable for any loss resulting from the operations of the Principal Mutual Fund beyond the initial contribution of an amount of Rs. 25 Lakhs towards setting up of Principal Mutual Fund. **Sponsor:** Principal Financial Services Inc., USA. **Trustee:** Principal Trustee Company Private Limited. **Investment Manager:** Principal Pnb Asset Management Company Private Limited. **Risk Factors:** Mutual Funds and Securities investments are subject to market risks and there can be no assurance and no guarantee that the objectives of the Principal Mutual Fund can be achieved. All investments in mutual funds and securities are subject to market risks and the NAV of the schemes may go up or down depending upon the factors and forces affecting the securities market. Past performance of the Sponsor/AMC/ Principal Mutual Fund/Punjab National Bank/Vijaya Bank does not indicate or guarantee the future performance of the scheme(s) of the Principal Mutual Fund. Principal Growth Fund (The investment objective is to achieve long-term capital appreciation.); Principal Dividend Yield Fund (The investment objective of the scheme would be to provide capital appreciation and / or dividend distribution by investing predominantly in a well diversified portfolio of companies that have a relatively high dividend yield.); Principal Equity Fund (The objective of the Scheme is to provide investors long-term capital appreciation.); Principal Large Cap Fund (Investment Objective: The Investment Objective of the scheme would be to provide capital appreciation and / or dividend distribution by investing predominantly in companies having a large market capitalization.); Principal Focused Advantage Fund (Investment Objective: The Investment Objective of the scheme would be to provide capital appreciation and / or dividend distribution by investing in companies from a Maximum of six sectors, depending upon their growth prospects and valuation at any given point in time.); Principal Infrastructure & Services Industries Fund (Investment Objective: The Investment Objective of the scheme is to provide capital appreciation and income distribution to the unit holders by investing predominantly in equity/equity related securities of the companies belonging to the infrastructure and service industries and the balance in debt securities and money market instruments including call money.); Principal Resurgent India Equity Fund (Investment Objective: To generate long term capital appreciation by investing in equity and equity related securities of Indian companies that are perceived to be potential growth stories.); Principal Tax Savings Fund (Investment Objective: The objective of the Scheme is to build a high quality growth oriented portfolio to provide long-term capital gains to the investors. The Scheme aims at providing returns through capital appreciation over the life of the Scheme.); Principal Personal Tax Saver Fund (Investment Objective: To provide long-term growth of capital.); Principal Junior Cap Fund (Investment Objective: The investment objective of the scheme is to provide capital appreciation and / or income in the form of dividend by investing predominantly (at least 65% of net assets) in the equity and equity related instruments of the companies within the market capitalization range of the companies comprising CNX Nifty Junior Index. Of this, at least 51% will be invested in the equity and equity related instruments of the companies that comprise the CNX Nifty Junior Index. Upto 35% of net assets will be invested in the stocks of companies with the market capitalization below Rs. 2000 crore as on the date of investment.); Principal Government Securities Fund (Investment Objective: The investment objective of the scheme is to generate risk-free return through investment in sovereign securities and thus provide medium to long term capital gains and income distribution to its Unitholders, while at all times emphasizing the importance of capital preservation.); Principal Cash Management Fund (Investment Objective: The investment objective of the scheme is to provide investors with as, high a level of income available from short-term investments as is considered consistent with preservation of capital and maintenance of liquidity, by investing in a portfolio of money market and investment grade debt instruments.); Principal Index Fund (Investment Objective: The Investment Objective of the scheme would be to invest principally in securities that comprise S&P CNX Nifty (NSE) and subject to tracking errors endeavour to attain results commensurate with the Nifty.); Principal Balanced Fund (Investment Objective: The Investment Objective of the Scheme is to provide long-term appreciation and current income by investing in a portfolio of equity, equity related securities and fixed income securities.); Principal Child Benefit Fund (Investment Objective: The Investment Objective of the Scheme is to generate regular returns and / or capital appreciation / accretion with the aim of giving lumpsum capital growth at the end of the chosen target period or otherwise to the beneficiary.); Principal Floating Rate Fund (Investment Objective: The primary investment objective of the floating rate fund will be to generate income consistent with the prudent risk from a portfolio comprising substantially of floating rate debt instruments, fixed rate debt instruments swapped for floating rate return, and also fixed rate instruments and money market instruments.); Principal Monthly Income Plan (Investment Objective: The investment objective of the scheme is to generate regular income through investments in fixed income securities so as to make periodical income distribution to the Unitholders and also to generate long-term capital appreciation by investing a portion of the Scheme's assets in equity and equity related instruments. The investment objective of MIP Plus is the same as that of the Principal Monthly Income Plan. However, MIP Plus has been designed to cater to investors seeking a slightly more aggressive exposure to equity markets.); Principal Income Fund (Investment Objective: The investment objective of the scheme is to generate regular income and capital appreciation/accretion through investment in debt instruments and related securities besides preservation of capital. The investment objective of the Short Term Plan (STP) under Income Fund is the same as that of the Principal Income Fund. However, the STP has been designed to achieve stable returns over shorter-term investment horizons.); Principal Global Opportunities Fund (Investment Objective: The Investment Objective of the scheme would be to build a high quality International Equity portfolio out of the permissible Investments as defined and permitted under the regulations from time to time, and provide returns and/or capital appreciation along with regular liquidity to the investors.); Principal PNB Fixed Maturity Plan - 91 Days - Series I, Principal PNB Fixed Maturity Plan - 460 Days - Series I, Principal PNB Fixed Maturity Plan - 91 Days - Series II, Principal PNB Fixed Maturity Plan - 385 Days - Series I, Principal PNB Fixed Maturity Plan - 91 Days - Series III, Principal PNB Fixed Maturity Plan - 91 Days - Series IV, Principal PNB Fixed Maturity Plan - 460 Days - Series II, Principal PNB Fixed Maturity Plan - 385 Days - Series II, Principal PNB Fixed Maturity Plan - 91 Days - Series V (Investment Objective: The investment objective of the scheme is to build an income oriented portfolio and provide returns along with regular liquidity to investors.); Principal Deposit Fund - 371 Days Fixed Maturity Plan - MAR 2005, Principal Deposit Fund - 371 Days Fixed Maturity Plan - OCT 2005 & Principal Deposit Fund - 91 Days Fixed Maturity Plan - NOV 2005 (Investment Objective: The investment objective of the scheme is to build a high quality income oriented portfolio and provide returns along with regular liquidity to investors.) are only the name of the Schemes and do not in any manner indicate either the quality of the Scheme or their future prospects or returns. Investors are therefore urged to read the Offer Document carefully, and consult their legal/tax/investment advisor before they invest in the scheme. The Sponsor is not responsible or liable for any loss resulting from the operations of the Principal Mutual Fund beyond the initial contribution of an amount of Rs.25 lakhs towards setting up Principal Mutual Fund. Investors in the scheme are not being offered a guaranteed or assured rate of return or monthly or regular/periodical income distribution, and the actual returns and/or periodical income distribution to an investor will be based on the actual NAV, which may go up or down, depending on the market conditions. Investment of the Scheme's assets in fixed income securities is subject to credit risk, interest rate risk, settlement risk and liquidity risk. **Scheme specific risk factors asset allocation & terms of issue are mentioned in the Offer Document. Please refer to the Offer Documents of the respective schemes before investing.**