Principal Asset Management Company Private Limited

Investment Manager for Principal Mutual Fund

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WE UNDERSTAND WHAT YOU'RE WORKING FOR™

REVENUE ACCOUNT FOR THE HALF YEAR ENDED MARCH 31, 2004 (UNAUDITED - ABRIDGED)

(Rupees in Lacs)

	Principal Equity Fund		Principal Tax Savings Fund		Principal Deposit Fund										Principal Future Goals Series																							
					Plan 54 EA/EB		FMP (371 Days Maturity Plan March 2003)		FMP (371 Days Maturity Plan June 2003)	FMP (371 Days Fixed Maturity Plan Jan. 2004)	FMP (91 Days Fixed Maturity Plan March 2004)	FMP (371 Days Fixed Maturity Plan March 2004)	FMP (371 Days Maturity Plan)		Principal Child Benefit Fund		Principal Index Fund		Principal Cash Management Fund				Principal Income Fund				Principal Government Securities Fund						Principal Growth Fund		Principal Balanced Fund		Principal Monthly Income Plan (An open-ended fund. Monthly Income is not assured and is subject to the availability of distributable surplus.)			Principal Trust Benefit Fund		Principal Global Opportunities Fund
																			Money at Call		Liquid				Short-Term Plan		Investment Plan		Provident Fund Plan		Savings Plan								MIP Plus			
	31/03/04	31/03/03	31/03/04	31/03/03	31/03/04	31/03/03	31/03/04	31/03/03	31/03/04	31/03/03	31/03/04	31/03/04	31/03/03	31/03/03	31/03/04	31/03/03	31/03/04	31/03/03	31/03/04	31/03/03	31/03/04	31/03/03	31/03/04	31/03/03	31/03/04	31/03/03	31/03/04	31/03/03	31/03/04	31/03/03	31/03/04	31/03/03	31/03/04	31/03/03	31/03/04	31/03/03	31/03/04	31/03/04	31/03/03	31/03/04
1 INCOME																																								
1.1 Dividend	20.59	13.56	22.35	19.38	–	–	–	–	–	–	–	–	–	–	0.42	0.40	26.16	73.97	–	–	–	–	–	–	–	–	–	–	–	–	19.02	5.19	5.72	3.62	8.15	0.94	1.20	–	–	–
1.2 Interest	23.33	36.91	5.64	5.16	14.59	432.40	57.37	0.92	165.98	95.77	20.85	11.20	–	183.70	2.85	4.92	5.76	7.68	79.43	90.66	3,428.38	670.58	2,356.93	2,339.69	838.61	1,610.68	66.96	71.10	25.96	1.92	6.27	6.15	2.40	45.09	18.25	1,093.53	374.03	253.83	83.34	60.70	–
1.3 Profit on sale/redemption of investments (other than inter scheme transfer/sale)	937.84	316.92	1,571.05	253.59	0.36	43.22	–	–	–	–	2.23	0.52	–	0.58	34.36	3.25	3,723.50	96.41	0.02	0.68	79.53	41.91	1,661.01	2,347.63	97.64	272.19	65.79	122.49	0.28	0.03	2.01	1,012.54	19.80	435.57	68.19	712.56	244.61	54.30	27.04	35.11	–
1.4 Profit on inter-scheme transfer/sale of investments	17.74	8.95	142.45	–	–	2.24	–	–	–	–	–	–	–	–	–	–	–	–	–	–	23.10	0.55	86.16	–	34.90	65.50	–	–	–	–	1.73	1.70	–	–	–	19.08	–	–	–	–	–
1.5 Other Income	120.53	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	0.14	3.15	0.04	–	–	3.17	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
	1,120.03	376.34	1,741.49	278.13	14.95	477.86	57.37	0.92	165.98	95.77	23.08	11.72	–	184.28	37.63	8.57	3,755.41	178.06	79.59	94.49	3,531.05	713.04	4,104.11	4,690.49	971.16	1,948.37	132.75	193.59	26.24	1.95	10.01	1,039.40	27.40	486.37	90.06	1,833.32	619.58	309.32	110.38	95.81	–
2 EXPENSES & LOSSES																																								
2.1 Management, trusteeship, administrative and Other operating expenses	75.42	83.19	86.24	75.71	(2.34)	67.04	5.63	0.12	14.05	7.95	0.99	0.53	–	18.92	4.10	2.84	56.46	197.68	12.05	9.29	470.42	125.34	593.24	621.23	121.55	265.72	14.78	17.92	18.61	0.60	1.67	105.94	13.61	56.30	15.51	454.63	116.81	162.44	15.16	13.72	5.00
2.2 Provision for doubtful income	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
2.3 Provision for doubtful investments	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
2.4 Loss on sale/redemption of investments (other than inter-scheme transfer/sale)	47.11	1,061.59	0.05	218.19	0.02	24.85	–	–	–	–	–	–	–	–	0.80	–	361.92	446.40	0.01	0.15	76.14	0.05	664.49	525.09	35.36	111.41	24.05	59.27	4.51	–	0.56	169.20	29.07	435.42	0.01	135.69	57.52	92.98	1.06	–	–
2.5 Loss on inter-scheme transfer/sale of investments	–	–	–	–	–	2.91	–	–	–	–	–	–	–	–	–	–	–	–	–	0.06	10.54	7.18	8.37	(0.02)	75.60	82.35	–	–	–	–	–	–	–	–	–	10.06	–	7.03	–	–	–
2.6 Deferred Revenue expenditure written-off	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	0.90	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	11.36	11.28	–	–	–	–	–	–
2.7 Excess of expenditure over limit recovered from AMC	–	–	–	(23.76)	–	–	(1.30)	(0.03)	(11.46)	(0.15)	–	–	–	(5.81)	–	–	–	(54.49)	(3.20)	–	(45.66)	(42.36)	(15.99)	(61.54)	(6.42)	(54.45)	(1.21)	(5.60)	(13.18)	(0.14)	(0.69)	(36.87)	–	–	–	(87.40)	(18.71)	(67.04)	–	(2.91)	(0.04)
	122.53	1,144.78	86.29	270.14	(2.32)	94.80	4.33	0.09	2.59	7.80	0.99	0.53	–	13.11	4.90	3.74	418.38	589.59	8.87	9.50	511.44	90.21	1,250.10	1,084.76	226.10	405.03	37.62	71.59	9.93	0.47	1.53	238.27	42.68	503.07	26.80	512.99	155.62	195.42	16.22	10.81	4.96
Surplus / (Deficit)	997.50	(768.44)	1,655.20	7.99	17.27	383.06	53.04	0.83	163.39	87.97	22.08	11.19	–	171.17	32.72	4.82	3,337.04	(411.53)	70.72	84.99	3,019.61	622.83	2,854.01	3,605.73	745.06	1,543.34	95.12	122.00	16.30	1.48	8.49	801.13	(15.29)	(16.70)	63.26	1,320.33	463.96	113.90	94.16	85.00	(4.96)
Total	1,120.03	376.34	1,741.49	278.13	14.95	477.86	57.37	0.92	165.98	95.77	23.08	11.72	–	184.28	37.63	8.57	3,755.41	178.06	79.59	94.49	3,531.05	713.04	4,104.11	4,690.49	971.16	1,948.37	132.75	193.59	26.24	1.95	10.01	1,039.40	27.40	486.37	90.06	1,833.32	619.58	309.32	110.38	95.81	–
3.1 Opening Balance of Appropriation Account	1,998.61	173.66	4,179.43	2,065.26	1,274.61	2,634.87	59.22	–	96.86	–	–	–	(0.97)	207.36	148.83	67.20	3,268.15	(6,007.15)	2,962.70	133.08	2,648.73	1,898.61	15,683.30	11,149.16	1,626.98	974.67	813.51	184.78	–	12.76	29.94	1,056.07	(245.73)	196.76	(101.58)	2,413.00	272.54	–	195.56	–	–
3.2 Appreciation / (Depreciation)	467.90	1,275.00	65.15	257.08	(0.62)	(194.56)	(4.67)	(0.04)	(15.25)	(3.02)	(2.58)	4.05	–	(23.08)	16.20	4.44	(1,799.93)	635.16	–	(0.05)	5.87	(22.55)	(1,547.22)	(137.15)	(97.53)	(124.97)	(52.07)	13.92	12.09	0.19	(0.21)	(143.44)	85.67	(157.62)	10.85	404.30	23.88	(13.25)	(45.01)	14.02	(23.82)[$]
3.3 Income Equalisation (Debit) / Credit	280.83	(1,129.77)	(160.42)	(35.79)	459.95	(1,593.03)	–	–	–	–	–	–	–	–	0.26	3.68	(1,034.05)	109.99	(2,926.54)	2,710.67	4,253.65	1,499.74	(7,377.25)	(469.55)	(1,210.73)	(1,517.17)	(469.50)	1.11	0.65	(3.85)	5.21	1,126.06	(173.64)	5,124.33	7.87	857.99	49.89	(18.44)	(5.42)	12.02	–
3.4 Net Surplus / (Deficit) for the period / year	997.50	(768.44)	1,655.20	7.99	17.27	383.06	53.04	0.83	163.39	87.97	22.08	11.19	–	171.17	32.72	4.82	3,337.04	(411.53)	70.72	84.99	3,019.61	622.83	2,854.01	3,605.73	745.06	1,543.34	95.12	122.00	16.30	1.48	8.49	801.13	(15.29)	(16.70)	63.26	1,320.33	463.96	113.90	94.16	85.00	(4.96)
	3,744.84	(449.55)	5,739.37	2,294.54	1,751.20	1,230.34	107.60	0.79	245.00	84.95	19.50	15.24	(0.97)	355.45	198.00	80.14	3,771.20	(5,673.53)	106.88	2,928.69	9,927.87	3,998.63	9,612.84	14,148.19	1,063.77	875.87	387.05	321.81	29.04	10.57	43.43	2,839.82	(348.99)	5,146.78	(19.60)	4,995.63	810.27	82.22	239.29	111.04	(28.78)
4.1 Income Distribution	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	2,747.46	–	47.42	7.54	1,327.93	14.14	459.87	634.92	275.32	67.47	35.75	54.20	–	0.10	0.50	2,095.36	–	4,723.21	–	637.41	18.17	–	20.17	31.55	–
4.2 Assured Return distributed	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
4.3 Distribution Tax Paid	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	6.07	–	170.12	–	58.92	–	35.28	–	4.58	–	–	0.01	–	–	–	–	–	81.67	–	–	2.58	–	–
5 Retained Surplus / (Deficit) carried to Balance sheet	3,744.84	(449.55)	5,739.37	2,294.54	1,751.20	1,230.34	107.60	0.79	245.00	84.95	19.50	15.24	(0.97)	355.45	198.00	80.14	1,023.74	(5,673.53)	53.39	2,921.15	8,429.82	3,984.49	9,094.05	13,513.27	753.18	808.40	346.72	267.61	29.04	10.46	42.93	744.46	(348.99)	423.56	(19.60)	4,276.54	792.10	82.22	216.53	79.49	(28.78)

$ Include depreciation in foreign currency due to exchange rate fluctuation.

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

BALANCE SHEET AS AT MARCH 31, 2004 (UNAUDITED - ABRIDGED)

(Rupees in Lacs)

	Principal Equity Fund		Principal Tax Savings Fund		Principal Deposit Fund										Principal Future Goals Series																							
					Plan 54 EA/EB		FMP (371 Days Maturity Plan March 2003)		FMP (371 Days Maturity Plan June 2003)	FMP (371 Days Fixed Maturity Plan Jan. 2004)	FMP (91 Days Fixed Maturity Plan March 2004)	FMP (371 Days Fixed Maturity Plan March 2004)	FMP ((371 Days Maturity Plan)		Principal Child Benefit Fund		Principal Index Fund		Principal Cash Management Fund				Principal Income Fund				Principal Government Securities Fund						Principal Growth Fund		Principal Balanced Fund		Principal Monthly Income Plan (An open-ended fund. Monthly Income is not assured and is subject to the availability of distributable surplus.)			Principal Trust Benefit Fund		Principal Global Opportunities Fund
																			Money at Call		Liquid				Short-Term Plan		Investment Plan		Provident Fund Plan		Savings Plan								MIP Plus			
	31/03/04	31/03/03	31/03/04	31/03/03	31/03/04	31/03/03	31/03/04	31/03/03	31/03/04	31/03/04	31/03/04	31/03/04	31/03/03	31/03/03	31/03/04	31/03/03	31/03/04	31/03/03	31/03/04	31/03/03	31/03/04	31/03/03	31/03/04	31/03/03	31/03/04	31/03/03	31/03/04	31/03/03	31/03/04	31/03/03	31/03/04	31/03/03	31/03/04	31/03/03	31/03/04	31/03/03	31/03/04	31/03/04	31/03/03	31/03/04
LIABILITIES																																								
1. Unit Capital	D:1,634.61 G:1,951.74	D:2,631.15 G:3,805.26	2507.71	2,989.90	301.70	1,528.57	D: 7.27 G:1,634.89	D: 9.95 G:1,634.88	5,002.00	7102.45	10274.44	13420.65	–	D: 15.90 G:4,075.49	CB: 95.21 FG: 42.41	CB: 104.69 FG: 39.38	A: 8312.24 G: 3065.14	23,359.55	DD:179.01 G:237.48	DD:507.53 G:16,962.05	WD:1,401.21 G:10,331.13 MD:33.47 DD:1,623.39 IWD:19,526.84 IG:56,803.86 IMD:8,536.64 IDD:43,644.19	D:340.51 G:21,345.68	QD:5,810.49 HD:4,719.84 AD:489.88 G:13,957.20 IQD:1159.96 IG:10758.10	QD:4,733.59 HD:4,128.79 G:32,986.53	MD:1613.57 G:2895.10 IMD:6560.43 IWD:919.13 IG:4075.30	MD:13.53 G:11,639.67	QD:988.17 HD:78.05 AD:0.92 G:498.64	QD:958.01 HD:67.48 G:677.10	AD:28.60 HD:41.00 ARB:3624.54 G:753.34	D: 3.54 G: 38.11	D: 8.93 G: 221.31	D:5022.15 G: 750.34	D: 572.84 G: 954.31	D:2,515.35 G: 897.23	D:1,366.25 G: 95.38	MD:10,875.91 QD:9,150.26 G:17,591.47	MD:173.43 QD:212.35 G:8,486.1	MD:2,523.97 QD:7,883.94 G:6,952.35	QD:449.51 HD:158.72 AD:229.37 G:1067.62	QD:691.42 HD:129.33 AD:207.49 G:967.43	A:4,771.24 G:1,750.73
2. Reserves & Surplus																																								
2.1 Unit Premium Reserve	(914.50)	–	(1,292.46)	(1,151.57)	(1,572.12)	(458.33)	(0.17)	–	–	–	–	–	–	(5.48)	12.21	10.64	207.32	–	–	–	(3,211.82)	148.45	357.08	831.13	20.02	46.29	48.73	54.57	(9.84)	(1.33)	(2.28)	1,329.06	300.83	216.21	18.73	2,361.84	144.31	30.51	14.92	14.79	–
2.2 Other Reserves	3,744.84	(449.55)	5,739.37	2,294.54	1,751.20	1,230.34	107.60	0.79	245.00	84.95	19.50	15.24	–	355.45	198.00	80.14	1,023.75	(5,673.53)	53.39	2,921.15	8,429.82	3,984.49	9,094.05	13,513.27	753.18	808.40	346.72	267.60	29.04	10.45	42.93	744.46	(348.99)	423.56	(19.60)	4,276.55	792.10	82.22	216.53	79.49	(28.78)
3. Loans & Borrowings	–		–		–		–		–	–	–	–		–	–		–		–		–		–		–		–		–		–		–		–	–		–
4. Current Liabilities & Provisions																																								
4.1 Provision for doubtful Income/Deposits	–		–		–		–		–	–	–	–		–	–		–		–		–		–		–		–		–		–		–		–	–		–
4.2 Proposed Income Distibution	–		–		–		–		–	–	–	–		–	–		–		–		–		–		–		–		–		–		–		–	–		–
4.3 Other Current Liabilities & Provisions	202.26	58.04	119.20	107.92	1.16	54.82	0.58	0.11	0.23	3.78	39.27	0.61	–	2.12	1.13	0.44	139.90	631.85	6.21	11.94	1,218.02	157.67	1,122.37	2,819.37	20.85	160.71	4.43	212.87	(10.16)	0.23	0.35	2,750.60	64.75	1,226.29	5.56	326.77	39.95	19.45	3.49	2.25	380.83
Total	6,618.94	6,044.90	7,073.81	4,240.79	481.94	2,355.40	1,750.16	1,645.73	5,247.23	7,191.18	10,333.21	13,436.50	–	4,443.48	348.96	235.30	12,748.35	18,317.87	476.09	20,402.68	148,336.75	25,976.80	47,468.97	59,012.68	16,857.58	12,668.60	1,965.66	2,237.63	4,456.53	51.00	271.24	10,596.61	1,543.74	5,278.64	1,466.31	44,582.80	9,848.24	17,492.44	2,140.16	2,092.19	6,874.02
ASSETS																																								
1. Investments																																								
1.1 Equity Shares	5,308.12	5,099.59	6,370.05	4,078.20	–	–	–	–	–	–	–	–	–	–	209.95	127.97	12,686.07	17,442.33	–	–	–	–	–	–	–	–	–	–	–	–	–	6,986.92	1,357.31	2,720.81	949.15	3,627.92	443.83	2,983.01	–	–	6,407.25
1.2 Privately Placed Debentures / Bonds	–	353.19	2.60	–	70.05	141.93	800.09	100.01	–	2,413.72	2,014.96	4,207.47	–	1,925.23	–	–	–	–	100.00	1,700.00	30,918.78	9,744.14	11,226.68	5,586.28	7,930.60	4,696.50	–	–	–	–	–	–	–	24.02	37.35	13,539.45	1,135.94	5,924.20	630.82	79.20	–
1.3 Debentures / Bonds Listed / Awaiting Listing on Recognised Stock Exchange	–	227.36	–	5.32	–	1,104.44	–	102.27	2,606.80	–	–	–	–	–	0.23	56.53	–	–	–	–	3,097.95	2,506.53	6,116.64	19,926.35	1,604.43	3,632.94	–	–	–	–	–	–	–	–	226.24	4,685.46	5,751.48	1,562.67	515.77	719.99	–
1.4 Government Securities	529.23	–	–	–		108.75		–	–	–	–	–	–	–	107.25	–	–	–	–	–	–	–	22,477.97	28,918.66	–	–	1,829.42	2,087.60	3,693.65	–	24.33	–	–	650.17	125.40	7,237.61	1,542.02	2,237.06	750.27	938.09	–
1.5 Others	–	–	–	–	100.01	–	800.11	188.10	–	1,892.72	3,103.76	3,813.25	–	2,301.10	–	–	–	–	–	485.42	33,795.65	5,805.45	710.97	853.49	4,438.62	1,436.89	–	–	–	8.29	–	–	–	–	–	9,211.63	93.27	2,014.06	138.80	–	–
	5,837.35	5,680.14	6,372.65	4,083.52	170.06	1,355.12	1,600.20	390.38	2,606.80	4,306.44	5,118.72	8,020.72	–	4,226.33	317.43	184.50	12,686.07	17,442.33	100.00	2,185.42	67,812.38	18,056.12	40,532.26	55,284.78	13,973.65	9,766.33	1,829.42	2,087.60	3,693.65	8.29	24.33	6,986.92	1,357.31	3,395.00	1,338.14	38,302.07	8,966.54	14,721.00	2,035.66	1,737.28	6,407.25
2. Deposits																																								
2.1 With Scheduled Banks	–	241.50	–	56.30	300.00	953.30	–	1,043.50	2,369.00	2,720.00	5,080.00	3,300.00	–	43.00	–	45.00	–	586.90	200.00	12,710.50	78,640.00	7,605.00	–	1,376.70	2,000.00	2,596.00	–	53.00	–	–	78.30	–	126.10	–	56.90	2,700.00	567.40	1,800.00	–	259.60	–
2.2 With Others	760.00	–	595.60	–	–	–	94.00	–	14.00	51.50	82.00	55.00	–	–	–	27.00	–	50.00	–	170.00	–	7.00	–	1,717.00	–	9.00	–	84.40	–	182.00	41.50	–	54.00	–	1,459.00	–	1,000.00	–	301.00	50.00	–	–
3. Other Current Assets																																								
3.1 Cash and Bank balance	8.54	8.47	89.29	100.92	3.11	0.61	0.71	2.74	1.08	0.31	0.62	2.53	–	0.60	2.94	1.17	24.84	280.76	0.60	2,500.58	1.97	1.10	706.50	793.16	1.25	1.04	12.64	40.85	521.41	1.21	168.49	3,547.53	60.32	305.60	2.14	710.97	36.66	347.87	1.51	41.00	90.90
3.2 Outstanding Income and Current Assets	13.05	114.79	16.27	0.05	8.77	46.37	55.25	209.11	256.35	112.93	51.87	2,058.25	–	173.55	1.59	4.63	(12.56)	7.86	5.49	3,006.18	1,875.40	314.58	4,513.21	1,558.04	873.68	305.23	39.20	56.18	59.47	0.00	0.12	8.16	0.01	83.54	10.91	1,869.76	277.64	322.57	52.99	54.31	0.04
4. Fixed Assets(At Depreciated Value)	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
5. Deferred Revenue Expenditure (to the extent not written off)	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	35.50	58.22	–	–	–	–	–	375.83
Total	6,618.94	6,044.90	7,073.81	4,240.79	481.94	2,355.40	1,750.16	1,645.73	5,247.23	7,191.18	10,333.21	13,436.50	–	4,443.48	348.96	235.30	12,748.35	18,317.85	476.09	20,402.68	148,336.75	25,976.80	47,468.97	59,012.68	16,857.58	12,668.60	1,965.66	2,237.63	4,456.53	51.00	271.24	10,596.61	1,543.74	5,278.64	1,466.31	44,582.80	9,848.24	17,492.44	2,140.16	2,092.19	6,874.02

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-Institutional Growth; IQD-Institutional Quarterly Dividend; IMD-Institutional Monthly Dividend; IWD-Institutional Weekly Dividend; IDD-Institutional Daily Dividend.

3 The figures pertaining to half year end are as on March 31, 2004.

4 The first NAV dates of the following plans launched after October 1, 2003

Scheme and Plan	First NAV Date	Allotment Date
Principal Monthly Income Plan - MIP Plus (Growth Plan)	05/01/2004	30/12/2003
Principal Monthly Income Plan - MIP Plus (Monthly Dividend)	05/01/2004	30/12/2003
Principal Monthly Income Plan - MIP Plus (Quarterly Dividend)	05/01/2004	30/12/2003
Principal Government Securities Fund - Provident Fund Plan (Annual Dividend Plan)	16/02/2004	12/02/2004
Principal Government Securities Fund - Provident Fund Plan (Growth Plan)	16/02/2004	12/02/2004
Principal Government Securities Fund - Provident Fund Plan (Semi Annual Plan)	16/02/2004	12/02/2004
Principal Government Securities Fund - Provident Fund Plan (Annual Rebalancing Plan)	16/02/2004	12/02/2004
Principal Deposit Fund - 371 Days Fixed Maturity Plan Mar 04 (Growth Plan)	31/03/2004	29/03/2004
Principal Deposit Fund - 91 Days Fixed Maturity Plan Mar 04 (Dividend Plan)	19/03/2004	18/03/2004
Principal Deposit Fund - 371 Days Fixed Maturity Plan Jan 04 (Growth Plan)	13/01/2004	12/01/2004
Principal Index Fund (Dividend Plan)	09/03/2004	08/03/2004
Principal Global Opportunities Fund (Annual Dividend Plan)	12/04/2004	29/03/2004
Principal Global Opportunities Fund (Growth Plan)	12/04/2004	29/03/2004

5 Principal Deposit Fund - FMP6(371 days Maturity Plan) units were fully redeemed on 3rd April, 2004. The assets and liabilities as on that day have been transferred to the trust corpus.

6 No changes have been carried out in the accounting policies during the half- year ended March 31, 2004.

7 Accounting policy on Valuation of Investments

Portfolio Valuation

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

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

7.3 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.

7.4 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.

7.5 A debt security (other than government securities), which has been purchased by way of private placement is valued at cost on the date of purchase and thereafter valued on the CRISIL Bond Valuer.

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

7.7 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.

7.8 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.

7.9 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.

7.10 Securities in the nature of Floating Rate Notes (FRN) are valued at cost.

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

7.12 There were no investments recognised as Non-Performing Assets(NPA's) during the half-year ended March 31,2004. For investments which have been recognised as NPA in the previous years, a full provision has been made and no income is accrued on such investments.

7.13 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.

7.14 The dollar balances are valued at the exchange rates available on Bloomberg at around 4.00 p.m. These rates are used for conversion of pricing files, sale transactions and corporate actions. Purchase transactions are accounted at average rate of remittances.

7.15 The above policies are followed as and when applicable.

8 Previous years figures are not available for Principal Deposit Plan (371 Days FMP Jan 2004);(371 Days FMP Mar 2004); (91 Days FMP Mar 2004), Principal Government Securities Fund - Provident Fund Plan, Principal Monthly Income Plan - MIP Plus and Principal Global Opportunities Fund as the first NAV's were declared on January 4, 2004, March 31,2004, March 19, 2004, February 16, 2004, April 12, 2004 respectively.

9 Details of Investments made in Foreign Securities as on 31/03/2004

Name of the Scrip	Market value of Investment
3M COMPANY	13,747,553.09
BASF AG	25,136,425.44
BAYER AG	15,063,917.76
BOC GROUP	11,040,768.20
COLGATE-PALMOLIVE CO.	5,092,380.57
CUMMINS. INC.	36,520,495.20
DAINIPPON INK AND CHEM	525,453.00
DEGUSSA AG	2,395,763.29
DENSO CORP	36,968,688.24
GILLETTE CO.	12,215,152.80
HONDA MOTOR CO.LTD	18,017,350.20
IMPERIAL CHEMICAL ICI	2,790,389.05
INGERSOLL-RAND CO-CL A	12,915,467.40
KONINKLIJKE PHILIPS ELEC	49,184,577.12
MATSUSHITA ELECTRIC	12,742,080.20
MITSUBISHI CORP	9,234,000.00
MONSANTO	28,321,781.14
NESTLE S.A.	40,156,550.84
NHK SPRING CO	15,940,620.00
NOVARTIS LTD	27,638,995.50
PROCTER & GAMBLE CO.	49,148,026.56
RICOH COMPANY LTD	48,196,744.20
SIEMENS AG	48,712,738.08
SKF BEARING	3,612,751.22
SULZER	36,680,569.52
SUMITOMO CORP	19,540,685.00
TIMKEN CO	17,135,144.90
WYETH	32,585,890.00
YODOGAWA STEEL WORKS	9,464,529.00
Total	640,725,487.52

10 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.