Principal Mutual Fund

Investment Manager: Principal Asset Management Company Private Limited

5th Floor, Apeejay House, 3 Dinshaw Vaccha Road, Churchgate, Mumbai 400 020.

• Tel: 91-22-5659 0333 • Fax: 91-22-2204 4990 • email: customer@principalindia.com • visit us at: www.principalindia.com

Principal pnb Asset Management in association with Vijaya Bank

REVENUE ACCOUNT FOR THE HALF YEAR ENDED SEPTEMBER 30, 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 Fixed Maturity Plan Jan 2004)	FMP (371 Days Fixed Maturity Plan Mar 2004)	FMP (371 Days Fixed Maturity Plan June 2004)	FMP (91 Days Fixed Maturity Plan Aug 2004)	Principal Child Benefit Fund		Principal Index Fund	
	30/09/04	30/09/03	30/09/04	30/09/03	30/09/04	30/09/03	30/09/04	30/09/04	30/09/04	30/09/04	30/09/04	30/09/03	30/09/04	30/09/03
1 INCOME														
1.1 Dividend	70.94	117.04	112.96	116.40	0.00	0.00	0.00	0.00	0.00	0.00	2.98	3.13	129.82	331.74
1.2 Interest	22.40	25.64	9.44	1.65	7.43	76.66	210.17	392.09	155.91	28.74	5.41	4.19	4.61	5.34
1.3 Profit on sale/redemption of investments (other than inter scheme transfer/sale)	337.65	718.14	767.92	725.20	0.05	15.60	0.00	55.97	8.57	0.00	43.51	17.76	401.06	2,391.26
1.4 Profit on inter-scheme transfer/sale of investments	0.00	7.88	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	54.87
1.5 Net Change in Value of Investments	(584.27)	2,154.11	(36.23)	1,497.99	4.20	(19.14)	(7.92)	(101.41)	(46.64)	0.00	(19.30)	50.63	268.57	5,303.47
1.6 Other Income	15.73	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	(137.54)	3,022.81	854.10	2,341.24	11.68	73.12	202.25	346.65	117.83	28.74	32.60	75.71	804.07	8,086.68
2 EXPENSES & LOSSES														
2.1 Management, trusteeship, audit, administrative and Other operating expenses	71.59	73.30	86.79	60.27	5.43	22.38	20.80	25.60	6.76	1.27	5.91	3.02	111.52	116.02
2.2 Provision for Doubtful 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)	78.49	577.57	7.99	99.67	0.28	6.48	0.00	0.00	0.00	0.00	13.40	2.85	2,018.16	2,714.34
2.5 Loss on inter-scheme transfer/sale of investments	0.00	17.88	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	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	(8.55)	(3.78)	(0.31)	(1.29)	0.00	(46.43)	0.00
	150.08	668.75	94.78	159.94	5.71	28.87	20.80	17.05	2.98	0.95	18.02	5.87	2,083.25	2,830.36
Surplus / (Deficit)	(287.62)	2,354.07	759.32	2,181.30	5.97	44.26	181.45	329.60	114.85	27.79	14.59	69.84	(1,279.18)	5,256.32
Total	(137.54)	3,022.81	854.10	2,341.24	11.68	73.12	202.25	346.65	117.83	28.74	32.60	75.71	804.07	8,086.68
3.1 Opening Balance of Appropriation Account	3,369.91	(449.55)	6,196.14	2,294.55	1,751.20	1,230.35	84.95	15.24	0.00	0.00	198.00	79.10	1,023.74	(5,826.68)
3.2 Income Equalisation (Debit) / Credit	314.45	94.09	(615.23)	(296.42)	(1.58)	0.00	0.00	0.00	0.00	0.00	0.21	(1.16)	2,542.30	3,685.36
3.3 Net Surplus / (Deficit) for the period	(287.62)	2,354.07	759.32	2,181.30	5.97	44.26	181.45	329.60	114.85	27.79	14.59	69.84	(1,279.18)	5,256.32
	3,396.74	1,998.61	6,340.23	4,179.43	1,755.59	1,274.61	266.40	344.84	114.85	27.79	212.80	147.78	2,286.86	3,115.00
4.1 Income Distribution	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 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	0.00	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 Retained Surplus / (Deficit) carried to Balance sheet	3,396.74	1,998.61	6,340.23	4,179.43	1,755.59	1,274.61	266.40	344.84	114.85	27.79	212.80	147.78	2,286.86	3,115.00

	Principal Cash Management Fund				Principal Floating Rate Fund		Principal Income Fund				Principal Government Securities Fund					Principal Growth Fund	
	Money at Call		Liquid		Flexible Maturity Plan	Short Maturity Plan			Short-Term Plan		Investment Plan		Provident Fund Plan	Savings Plan			
	30/09/04	30/09/03	30/09/04	30/09/03	30/09/04	30/09/04	30/09/04	30/09/03	30/09/04	30/09/03	30/09/04	30/09/03	30/09/04	30/09/04	30/09/03	30/09/04	30/09/03
1 INCOME																	
1.1 Dividend	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	206.24	30.40
1.2 Interest	33.71	107.53	5,392.53	1,420.03	25.74	79.21	1,141.29	2,554.06	467.16	919.99	62.07	74.56	183.97	1.02	4.46	33.75	2.43
1.3 Profit on sale/redemption of investments (other than inter scheme transfer/sale)	0.44	1.61	383.62	22.55	2.27	4.08	398.59	2,326.08	132.96	87.30	31.28	114.39	47.30	0.25	0.65	1,462.72	429.02
1.4 Profit on inter-scheme transfer/sale of investments	0.00	0.00	0.57	1.11	0.00	0.00	2.65	16.91	3.13	4.99	0.00	0.00	0.00	0.00	0.69	0.00	23.17
1.5 Net Change in Value of Investments	0.00	0.06	(70.59)	(2.04)	(1.69)	(4.14)	(467.66)	1,020.87	(59.74)	126.86	(22.80)	32.84	(54.03)	(0.30)	(0.08)	1,576.33	292.38
1.6 Other Income	0.00	0.00	0.13	0.07	(0.04)	0.00	0.00	0.00	(0.89)	0.00	0.00	0.00	0.00	0.00	0.00	0.65	0.00
Total	34.15	109.20	5,706.26	1,441.72	26.29	79.15	1,074.86	5,917.92	542.61	1,139.14	70.55	221.78	177.23	0.97	5.72	3,279.69	777.40
2 EXPENSES & LOSSES																	
2.1 Management, trusteeship, audit, administrative and Other operating expenses	4.74	15.15	784.74	177.28	8.19	11.56	321.86	650.94	75.99	123.87	11.96	14.18	37.31	0.35	0.69	451.42	18.85
2.2 Provision for Doubtful 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	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	0.00
2.4 Loss on sale/redemption of investments (other than inter-scheme transfer/sale)	0.00	0.00	79.40	38.87	0.00	0.00	1,120.98	32.62	92.22	53.86	104.62	3.91	300.63	0.03	0.28	519.47	39.93
2.5 Loss on inter-scheme transfer/sale of investments	0.00	0.06	0.00	0.00	0.00	0.00	35.29	0.17	10.97	0.00	0.00	0.00	0.00	0.00	0.00	0.61	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	0.00	0.00	26.13	0.00
2.7 Excess of expenditure over limit recovered from AMC	(0.97)	(4.85)	(92.81)	(4.45)	(5.69)	(5.10)	(52.72)	0.00	(3.64)	0.00	(0.08)	0.00	(5.51)	(0.09)	(0.08)	(285.00)	0.00
	3.76	10.36	771.33	211.70	2.50	6.46	1,425.41	683.73	175.54	177.73	116.50	18.09	332.43	0.29	0.89	712.63	58.78
Surplus / (Deficit)	30.39	98.84	4,934.93	1,230.02	23.79	72.69	(350.55)	5,234.19	367.07	961.41	(45.95)	203.70	(155.20)	0.69	4.83	2,567.05	718.62
Total	34.15	109.20	5,706.26	1,441.72	26.29	79.15	1,074.86	5,917.92	542.61	1,139.14	70.55	221.78	177.23	0.97	5.72	3,279.69	777.40
3.1 Opening Balance of Appropriation Account	53.39	289.22	8,429.82	3,984.48	0.00	0.00	9,094.05	13,513.27	753.18	808.41	346.72	267.60	29.04	10.46	42.93	(744.46)	(348.98)
3.2 Income Equalisation (Debit) / Credit	(2,926.54)	(184.35)	(315.75)	(2,122.61)	0.00	0.00	(6,099.83)	3,061.63	(107.33)	115.45	146.08	403.59	(50.65)	(1.26)	(34.38)	2,995.10	1,003.06
3.3 Net Surplus / (Deficit) for the period	30.39	98.84	4,934.93	1,230.02	23.79	72.69	(350.55)	5,234.19	367.07	961.41	(45.95)	203.70	(155.20)	0.69	4.83	2,567.05	718.62
	83.78	203.71	13,049.00	3,091.89	23.79	72.69	2,643.67	21,809.09	1,012.91	1,885.26	446.85	874.89	(176.81)	9.89	13.38	4,817.69	1,372.69
4.1 Income Distribution	7.17	50.78	2,286.03	392.72	1.56	11.23	140.35	5,430.07	210.27	228.95	17.81	54.41	0.00	0.06	0.56	0.00	316.62
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	0.00
4.3 Distribution Tax Paid	1.06	6.51	365.94	50.43	0.32	2.24	24.03	695.72	33.35	29.33	2.99	6.97	0.00	0.01	0.07	0.00	0.00
5 Retained Surplus / (Deficit) carried to Balance sheet	75.55	146.42	10,397.02	2,648.74	21.91	59.22	2,479.29	15,683.30	769.29	1,626.98	426.05	813.51	(176.81)	9.82	12.76	4,817.69	1,056.07

	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 PNB Debt Fund	Principal Resurgent India Equity Fund		Principal Money Value Bond Fund		Principal Personal Tax Saver Fund		Principal Global Opportunities Fund
					MIP Plus										
	30/09/04	30/09/03	30/09/04	30/09/03	30/09/04	30/09/04	30/09/03	30/09/04	30/09/04	30/09/03	30/09/04	30/09/03	30/09/04	30/09/03	30/09/04
1 INCOME															
1.1 Dividend	55.60	64.02	59.94	29.11	31.71	0.00	0.00	0.00	4.49	5.08	0.00	0.00	6.09	6.48	65.69
1.2 Interest	37.77	39.90	1,286.13	442.68	418.51	61.16	79.29	221.16	1.14	1.31	156.88	478.18	1.40	0.24	3.69
1.3 Profit on sale/redemption of investments (other than inter scheme transfer/sale)	554.12	352.40	879.09	206.45	243.97	10.07	39.48	71.80	212.10	45.00	84.60	391.91	179.21	18.82	243.61
1.4 Profit on inter-scheme transfer/sale of investments	0.00	8.35	0.00	0.00	0.05	0.00	0.00	0.00	0.00	0.00	0.00	169.72	0.00	0.00	0.00
1.5 Net Change in Value of Investments	(125.89)	636.14	(960.59)	625.36	(6.64)	(32.87)	48.09	(77.57)	(202.95)	138.22	(86.17)	(82.30)	(158.12)	119.60	357.10$
1.6 Other Income	0.85	0.00	0.00	0.00	1.16	0.00	0.00	0.27	0.03	0.00	0.00	0.00	0.00	0.00	(6.16)
Total	522.45	1,100.81	1,264.57	1,303.60	688.77	38.36	166.86	215.65	14.81	189.61	155.31	957.51	28.58	145.14	663.93
2 EXPENSES & LOSSES															
2.1 Management, trusteeship, audit, administrative and Other operating expenses	110.74	48.22	492.07	135.19	163.76	11.94	17.52	70.40	7.29	3.52	47.76	135.52	5.74	4.44	174.27
2.2 Provision for Doubtful 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
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
2.4 Loss on sale/redemption of investments (other than inter-scheme transfer/sale)	141.10	733.43	783.25	7.10	491.64	40.84	0.56	298.22	6.97	3.19	121.08	14.92	2.19	30.43	238.45
2.5 Loss on inter-scheme transfer/sale of investments	0.00	6.21	0.00	0.00	0.31	0.00	0.00	0.00	0.00	0.00	18.60	3.24	0.00	0.00	0.00
2.6 Deferred Revenue expenditure written-off	8.63	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	35.40
2.7 Excess of expenditure over limit recovered from AMC	(54.48)	0.00	(38.66)	0.00	0.00	0.00	(3.12)	0.00	(2.30)	0.00	0.00	0.00	0.00	0.00	(74.63)
	205.99	787.86	1,236.66	142.29	655.71	52.78	14.95	368.63	11.96	6.71	187.44	153.68	7.93	34.87	373.48
Surplus / (Deficit)	316.46	312.95	27.91	1,161.31	33.05	(14.42)	151.90	(152.98)	2.85	182.90	(32.13)	803.83	20.65	110.27	290.45
Total	522.45	1,100.81	1,264.57	1,303.60	688.77	38.36	166.86	215.65	14.81	189.61	155.31	957.51	28.58	145.14	663.93
3.1 Opening Balance of Appropriation Account	423.56	(3,094.66)	4,276.54	792.10	82.22	216.53	79.49	(283.77)	79.94	8.51	1,644.04	1,535.90	1,018.72	985.93	(28.78)
3.2 Income Equalisation (Debit) / Credit	(236.67)	1,085.74	(538.46)	622.85	105.13	(53.92)	8.50	1,551.86	(76.66)	0.00	84.76	0.00	19.58	0.00	(2.78)
3.3 Net Surplus / (Deficit) for the period	316.46	312.95	27.91	1,161.31	33.05	(14.42)	151.90	(152.98)	2.85	182.90	(32.13)	803.83	20.65	110.27	290.45
	503.35	(1,695.97)	3,765.99	2,576.26	220.40	148.18	239.89	1,115.12	6.13	191.41	1,696.67	2,339.73	1,058.94	1,096.20	258.88
4.1 Income Distribution	0.00	0.00	790.32	144.71	90.51	10.04	39.29	0.00	0.00	0.00	0.00	143.03	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	0.00
4.3 Distribution Tax Paid	0.00	0.00	114.26	18.54	12.87	1.83	5.04	0.00	0.00	0.00	0.00	18.33	0.00	0.00	0.00
5 Retained Surplus / (Deficit) carried to Balance sheet	503.35	(1,695.97)	2,861.41	2,413.00	117.03	136.31	195.56	1,115.12	6.13	191.41	1,696.67	2,178.37	1,058.94	1,096.20	258.88

$ 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 SEPTEMBER 30, 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 Fixed Maturity Plan Jan 2004)	FMP (371 Days Fixed Maturity Plan Mar 2004)	FMP (371 Days Fixed Maturity Plan June 2004)	FMP (91 Days Fixed Maturity Plan Aug 2004)	Principal Child Benefit Fund		Principal Index Fund	
	30/09/04	30/09/03	30/09/04	30/09/03	30/09/04	30/09/03	30/09/04	30/09/04	30/09/04	30/09/04	30/09/04	30/09/03	30/09/04	30/09/03
LIABILITIES														
1. Unit Capital	D: 1397.16 G: 1822.99	D: 2061.01 G: 2239.43	G: 2407.21	G: 2787.35	G: 296.61	G: 303.4	G: 7102.45	G: 13420.65	G: 8852.68	D: 4384.07 G: 2056.54	CB: 115.68 FG: 45.89	CB:92.19 FG:40.79	D: 658.10 G: 772.35	G: 8359.12
2. Reserves & Surplus														
2.1 Unit Premium Reserves	(1,102.27)	(292.25)	(1,322.32)	(1,000.24)	(1,575.22)	(1,111.22)	0.00	0.00	(0.00)	0.00	49.51	6.74	509.35	(2,220.28)
2.2 Other Reserves	3,396.74	1,998.61	6,340.23	4,179.43	1,757.15	1,274.61	266.40	344.84	114.85	27.79	212.59	147.78	(255.44)	3,115.00
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	397.55	533.21	0.55	0.55	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
4.1 Other Current Liabilities & Provisions	44.50	49.50	414.19	125.63	3.14	52.60	12.47	1.02	0.45	0.81	92.73	1.31	38.17	28.65
Total	5,956.66	6,589.51	7,839.86	6,092.72	481.68	519.39	7,381.31	13,766.52	8,967.97	6,469.21	516.40	288.81	1,722.53	9,282.49
ASSETS														
1. INVESTMENTS														
1.1 Equity and Preference Shares	4,429.49	5,139.03	6,650.65	5,801.48	0.00	0.00	0.00	0.00	0.00	0.00	227.42	186.87	1,686.66	9,353.60
1.2 Privately Placed Debentures / Bonds	0.00	0.00	0.00	0.00	0.00	0.00	2,405.80	4,853.48	2,762.74	2,700.00	0.00	0.23	0.00	0.00
1.3 Debentures / Floating Rate Bonds and Listed / Awaiting Listing on Recognised Stock Exchange	0.00	0.05	2.50	5.20	0.00	46.24	0.00	2,600.45	2,106.02	0.00	11.54	0.00	0.00	0.00
1.4 Term Loans	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
1.5 Central & State Government Securities	696.67	566.02	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	149.30	0.00	0.00	0.00
1.6 Others (includes Mutual Fund Units, CBLO Commercial Paper and Certificate of Deposits)	399.93	0.00	749.87	0.00	403.99	0.00	1,892.72	2,391.56	0.00	1,969.90	0.00	0.00	0.00	0.00
2. DEPOSITS														
2.1 With Scheduled Banks	0.00	220.80	0.00	181.60	0.00	471.00	2,670.00	3,500.00	3,675.00	1,600.00	0.00	0.00	0.00	1.00
2.2 With Others	2.00	0.00	30.00	0.00	77.00	0.00	136.00	109.00	256.00	171.50	110.00	100.00	0.00	0.00
3. OTHER CURRENT ASSETS														
3.1 Cash and Bank balance	5.54	(7.08)	81.00	82.43	0.67	0.34	0.88	0.52	(0.29)	0.38	7.80	0.72	54.07	(115.61)
3.2 Others	423.03	670.69	325.83	22.01	0.02	1.81	275.90	311.50	168.50	27.43	10.33	0.99	(18.20)	43.50
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	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	5,956.66	6,589.51	7,839.86	6,092.72	481.68	519.39	7,381.31	13,766.52	8,967.97	6,469.21	516.40	288.81	1,722.53	9,282.49

	Principal Cash Management Fund				Principal Floating Rate Fund		Principal Income Fund				Principal Government Securities Fund					Principal Growth Fund	
	Money at Call		Liquid		Flexible Maturity Plan	Short Maturity Plan			Short-Term Plan		Investment Plan		Provident Fund Plan	Savings Plan			
	30/09/04	30/09/03	30/09/04	30/09/03	30/09/04	30/09/04	30/09/04	30/09/03	30/09/04	30/09/03	30/09/04	30/09/03	30/09/04	30/09/04	30/09/03	30/09/04	30/09/03
LIABILITIES																	
1. Unit Capital	DD: 305.97 G: 682.84	DD:2220.10 G:731.43	DD: 4223.58 DW: 7367.26 DM: 395.48 G: 13406.73 IDD: 18470.11 IDW: 5852.55 IDM: 4238.54 IG: 39482.28 PDD: 64878.23 PDW: 20603.41 PDM: 6603.10 PG: 33724.12	DD:1111.66 DW:1827.71 DM:1047.26 G:8629.42 IDD:16873.19 IDW:7709.82 IDM:2011.71 IG:28532.82	DW: 242.77 DM: 744.95 G: 570.25 IDW: 600.99 IDM: 2428.34 IG: 2276.48	DD: 384.12 DW: 3237.85 DM: 187.02 G: 1587.19 IDD: 3376.03 IDW: 1882.77 IDM: 1400.05 IG: 11971.54	DQ: 1614.65 DHY: 4424.13 DAY: 40.11 G: 4193.14 IDQ: 1084.58 IG: 1955.57	DQ:11783.78 DHY:5316.30 DAY:11805.53 G:27593.75 IDQ:8345.92 IG:8136.16	DM: 1130.98 G: 1949.00 IDM: 2847.32 IDW: 916.67 IG: 4424.78	DM:1615.42 G:7453.48 IDM:5387.66 IDW:4037.03 IG:15396.30	DQ: 946.35 DHY: 74.07 DAY: 0.85 G: 929.58	DQ:1017.37 DHY:97.15 DAY:0.99 G:734.43	DHY: 1546.17 DAY: 28.60 ARO: 3854.01 G: 2864.57	D: 3.53 G: 33.72	D:18.06 G:36.98	D: 5457.92 G: 4368.62	D:1511.48 G:687.17
2. Reserves & Surplus																	
2.1 Unit Premium Reserves	95.36	0.00	(3,653.94)	(77.03)	(2.23)	(13.82)	(5,900.23)	1,701.96	(95.11)	63.30	70.86	(310.56)	(13.56)	(1.23)	(4.29)	1,414.62	(287.61)
2.2 Other Reserves	75.55	146.42	10,397.02	2,648.74	21.91	59.22	8,579.12	15,683.30	876.62	1,626.98	426.06	813.51	(176.81)	9.83	12.76	6,306.62	1,056.07
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	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	172.65	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	0.00
4.1 Other Current Liabilities & Provisions	3.72	7.83	79.52	37.72	7.17	8.11	950.01	474.04	2,018.29	1,071.35	5.06	27.70	4.43	0.00	0.25	3,402.08	935.70
Total	1,163.43	3,105.79	226,067.99	70,353.02	6,890.63	24,080.07	16,941.08	90,840.74	14,068.55	36,651.52	2,452.83	2,380.58	8,107.40	45.85	63.76	21,122.50	3,902.81
ASSETS																	
1. INVESTMENTS																	
1.1 Equity and Preference Shares	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	16,249.45	2,618.28
1.2 Privately Placed Debentures / Bonds	0.00	600.00	65,181.77	20,740.74	2,872.48	9,728.35	1,270.40	14,319.07	5,218.50	16,117.39	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1.3 Debentures / Floating Rate Bonds and Listed / Awaiting Listing on Recognised Stock Exchange	0.00	0.00	8,539.84	3,738.79	2,044.97	4,066.15	5,996.75	21,747.79	1,068.21	8,500.34	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1.4 Term Loans	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	0.00
1.5 Central & State Government Securities	0.00	0.00	13,309.89	0.00	0.00	0.00	7,718.94	50,196.16	2,593.03	0.00	1,929.00	2,261.02	6,669.38	0.00	0.00	1,986.23	0.00
1.6 Others (includes Mutual Fund Units, CBLO Commercial Paper and Certificate of Deposits)	499.88	786.48	20,643.74	17,773.92	0.00	4,484.69	986.42	963.28	2,486.04	1,945.16	349.94	0.00	949.84	0.00	8.11	1,699.82	0.00
2. DEPOSITS																	
2.1 With Scheduled Banks	0.00	399.00	107,380.00	21,887.00	1,600.00	5,400.00	0.00	300.00	500.00	5,800.00	0.00	0.00	0.00	0.00	0.00	4.00	299.10
2.2 With Others	433.00	1,876.00	510.00	1,087.00	416.00	43.00	690.00	1,746.50	362.00	2,891.00	21.00	51.00	24.00	45.00	47.00	26.50	811.40
3. OTHER CURRENT ASSETS																	
3.1 Cash and Bank balance	230.27	537.34	8,684.08	(476.20)	45.19	529.40	0.53	(557.95)	4.38	1.57	100.75	22.54	302.06	0.85	8.64	365.31	157.04
3.2 Others	0.28	(1,093.04)	1,818.67	5,601.77	(88.01)	(171.52)	278.05	2,125.89	1,836.39	1,396.06	52.14	46.03	162.12	(0.00)	0.01	757.35	16.99
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	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	0.00	0.00	33.84	0.00
Total	1,163.43	3,105.79	226,067.99	70,353.02	6,890.63	24,080.07	16,941.08	90,840.74	14,068.55	36,651.52	2,452.83	2,380.58	8,107.40	45.85	63.76	21,122.50	3,902.81

	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 PNB Debt Fund	Principal Resurgent India Equity Fund		Principal Money Value Bond Fund		Principal Personal Tax Saver Fund		Principal Global Opportunities Fund
					MIP Plus										
	30/09/04	30/09/03	30/09/04	30/09/03	30/09/04	30/09/04	30/09/03	30/09/04	30/09/04	30/09/03	30/09/04	30/09/03	30/09/04	30/09/03	30/09/04
LIABILITIES															
1. Unit Capital	D: 2238.16 G: 646.06	4,161.32	DM: 7140.52 DQ: 8011.25 G: 14068.17	DM:4935.39 DQ:3819.11 G:12357.38	DM: 1724.01 DQ: 3984.56 G: 4092.95	DQ: 292.94 DHY: 154.84 DAY: 81.67 G: 859.03	DQ:750.16 DHY:153.38 DAY:262.89 G:1024.46	D: 3790.92 G: 317.89	D: 121.26 G: 46.72	156.42	D: 1373.57 G: 1099.24	5,772.78	G: 54.20	G: 65.60	D: 6981.55 G: 2226.01
2. Reserves & Surplus															
2.1 Unit Premium Reserves	510.04	1,439.26	2,076.15	897.22	21.07	(43.85)	20.47	1,551.86	373.43	24.12	951.01	(1,837.97)	(812.98)	(792.82)	118.81
2.2 Other Reserves	79.79	(1,695.97)	2,861.42	2,413.00	117.02	190.24	195.56	(436.74)	2.85	191.92	(32.13)	5,556.31	1,240.90	1,160.41	258.88
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
4. Current Liabilities & Provisions															
4.1 Provision for doubtful Income/Deposits	0.00	0.45	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.05	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
4.1 Other Current Liabilities & Provisions	463.62	19.76	360.49	440.15	225.88	8.70	21.23	37.42	86.53	10.94	14.89	99.02	38.24	2.68	59.29
Total	3,937.67	3,924.83	34,518.00	24,862.26	10,165.49	1,543.57	2,428.15	5,261.34	630.79	383.40	3,407.62	9,590.13	520.36	435.86	9,644.55
ASSETS															
1. INVESTMENTS															
1.1 Equity and Preference Shares	2,463.23	2,919.86	2,950.63	2,084.73	1,467.97	0.00	0.00	0.00	512.33	292.42	0.00	0.00	410.86	406.82	9,131.46
1.2 Privately Placed Debentures / Bonds	150.72	266.42	11,746.43	8,406.10	3,138.55	94.30	491.83	501.14	0.00	0.00	382.04	3,672.40	0.00	0.00	0.00
1.3 Debentures / Floating Rate Bonds and Listed / Awaiting Listing on Recognised Stock Exchange	316.13	661.92	13,291.33	5,928.51	4,158.63	419.07	746.03	1,361.23	0.00	0.00	1,474.71	2,343.92	0.00	0.00	0.00
1.4 Term Loans	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
1.5 Central & State Government Securities	308.72	0.00	2,531.23	4,549.19	594.75	559.05	1,037.80	3,143.59	0.00	0.00	1,281.16	2,890.25	0.00	0.00	0.00
1.6 Others (includes Mutual Fund Units, CBLO Commercial Paper and Certificate of Deposits)	499.92	0.00	3,003.11	1,155.66	549.91	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	149.98
2. DEPOSITS															
2.1 With Scheduled Banks	4.00	0.00	400.00	895.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2.2 With Others	20.00	11.00	68.00	405.50	32.00	466.00	90.50	87.00	107.00	74.00	172.00	393.50	67.00	25.00	19.00
3. OTHER CURRENT ASSETS															
3.1 Cash and Bank balance	(35.68)	3.84	57.36	954.08	(1.01)	(27.09)	8.20	24.13	(10.27)	1.92	(3.41)	59.34	(1.36)	1.49	133.24
3.2 Others	186.49	61.78	469.92	483.48	224.70	32.25	53.79	144.25	21.74	15.05	101.12	230.72	43.86	2.55	(129.57)
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
5. DEFERRED REVENUE EXPENDITURE (to the extent not written off)	24.14	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	340.43
Total	3,937.67	3,924.83	34,518.00	24,862.26	10,165.49	1,543.57	2,428.15	5,261.34	630.79	383.40	3,407.62	9,590.13	520.36	435.86	9,644.55

Notes:

1 The schemes of PNB Mutual Fund were merged/taken over by Principal Mutual Fund at the close of business hours of April 30, 2004

PNB Mutual Fund schemes	Name of schemes of Principal Mutual Fund into which PNB Mutual Fund schemes were merged
PNB Equity Growth Fund 1996*	Principal Growth Fund
PNB Balanced Fund	Principal Balanced Fund

(*PNB Equity Growth 1995 was merged into PNB Equity Growth Fund 1996 on April 30, 2004)

PNB Debt Fund of PNB MF was taken over by Principal Mutual Fund and renamed as Principal - PNB Debt Fund and run separately.

2 The schemes of SUN F&C Mutual Fund were merged/taken over at the close of business hours of May 14, 2004 by Principal Mutual Fund

Sun F&C Mutual Fund schemes	Name of schemes of Principal Mutual Fund into which Sun F&C Mutual Fund schemes were merged
Value Fund	Growth Fund
Emerging Tech. Fund	Growth Fund
MVF-Liquid Option	Cash Management Fund - Liquid Option
Fixed Income Securities Fund (Short term Plan & Medium Term Plan)	Cash Management Fund - Liquid Option
Monthly Income Plan	Monthly Income Plan - MIP Plus

The original Balanced Fund of Principal Mutual Fund was merged into the Balanced Fund taken over from SUN F&C on 14/05/2004. The Fund was renamed as Principal Balanced Fund.

Schemes of SUN F&C MF taken over and run seperately by Principal Mutual Fund

Resurgent India Equity Fund	renamed as Principal Resurgent India Equity Fund
Personal Tax Saver Fund	renamed as Principal Personal Tax Saver Fund
MVF-Bond Option*	renamed as Principal Money Value Bond Fund

(*Sun F& C Fixed Income Securities Fund(Long term Plan) and Sun F&C Bond Fund was merged into Sun F&C Money Value Fund-Bond Option)

3. Institutional Premium Plan was introduced with effect from August 30, 2004 in the Principal Cash Management Fund - Liquid Option hence the figures at the beginning of the half year period are not available.

4. Principal Floating Rate Fund was launched on August 19, 2004 and the date of allotment was September 6, 2004 and hence the figures at the beginning of the half year period are not available.

5. For Principal Global Opportunities Fund the date of allotment was March 29, 2004 and the first NAV date was April 12, 2004 hence the figures at the beginning of the half year period are not available.

6. D-Dividend G-Growth DAY-Dividend Annual DHY-Dividend Half Yearly DQ-Dividend Quarterly DM-Dividend Monthly DW-Dividend Weekly DD-Daily Dividend CB-Carrer Builder FG-Future Guard IG-Inst. Growth IDQ- Inst. Dividend Quarterly IDM-Inst. Dividend Monthly IDW-Inst. Dividend Weekly IDD-Inst. Daily Dividend. PDD Premium Daily Dividend. PDW Premium Dividend Weekly. PDM Premium Dividend Monthly. PG Premium Growth. ARO Annual Rebalancing Option.

7. Other income pertains to reimbursement received from registrar towards error in transaction processing.

8. On request, the unit holder can obtain from the mutual fund a copy of the Annual Report as of 31st March 2004 of the scheme in which he has invested.

9. Principal Deposit Fund - FMP 8 (371 days Fixed Maturity Plan - June 2003), Principal Deposit Fund - FMP 10 (371 days Maturity Plan - March 2004), Principal Deposit Fund - FMP 12 (91 days Maturity Plan - June 2004) and Principal Deposit Fund - FMP 16 (371 days Maturity Plan - March 2003) were fully redeemed . The assets and liabilities as on that day have been transferred to the trust corpus.

10. Accounting policy on Valuation of Investments

Portfolio Valuation

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

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

10.3 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.

10.4 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.

10.5 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.

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

10.7 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.

10.8 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.

10.9 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.

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

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

10.12 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.

10.13 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.

10.14 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.

10.15 The above policies are followed as and when applicable.