Principal Asset Management Company Pvt. Ltd.

Investment Manager for Principal Mutual Fund

WE UNDERSTAND WHAT YOU'RE WORKING FOR™

Bajaj Bhavan, 2nd Floor, Jamnalal Bajaj Marg, Nariman Point, Mumbai - 400 021, India.
• Tel: 91-22-2204 4988 • Fax: 91-22-2204 4990 • email: customer@principalindia.com • visit us at: www.principalindia.com

REVENUE ACCOUNT FOR THE HALF YEAR ENDED SEPTEMBER 30, 2003 (UNAUDITED - ABRIDGED)

(Rupees in Lacs)

	Principal Equity Fund		Principal Tax Savings Fund		Principal Deposit Fund						Principal Future Goals Series																					
					Plan 54 EA/EB		FMP 6 (371 days Maturity Plan)		FMP (371 days Maturity Plan - Mar 03)	FMP (371 days Maturity Plan - Jun 03)	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 Income scheme with no assured monthly returns*		Principal Trust Benefit Fund
															Money at Call		Liquid				Short-Term Plan		Investment Plan		Savings Plan							
	30/09/03	30/09/02	30/09/03	30/09/02	30/09/03	30/09/02	30/09/03	30/09/02	30/09/03	30/09/03	30/09/03	30/09/02	30/09/03	30/09/02	30/09/03	30/09/02	30/09/03	30/09/02	30/09/03	30/09/02	30/09/03	30/09/02	30/09/03	30/09/02	30/09/03	30/09/02	30/09/03	30/09/02	30/09/03	30/09/02	30/09/03	30/09/02	30/09/03
1 INCOME																																
1.1 Dividend	117.04	127.82	116.40	75.94	0.00	0.00	0.00	0.00	0.00	0.00	3.13	1.49	331.74	279.67	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	30.40	17.06	18.84	23.15	29.11	2.45	0.00
1.2 Interest	25.64	49.15	1.65	3.67	76.66	413.63	0.97	191.24	57.66	92.19	4.19	4.51	5.34	10.89	107.53	85.38	1,420.03	815.54	2,554.06	1,971.41	919.99	565.60	74.56	155.33	4.46	19.71	2.43	3.67	14.50	19.69	442.68	126.97	79.29
1.3 Profit on sale/redemption of investments (other than inter scheme transfer/sale)	718.14	288.36	725.20	372.97	15.60	141.41	0.00	0.00	0.08	0.51	17.76	7.73	2,391.26	283.49	1.61	0.00	22.55	47.27	2,326.08	997.10	87.30	48.73	114.39	150.78	0.65	5.55	429.02	53.71	433.42	45.31	206.45	34.79	39.48
1.4 Profit on inter-scheme transfer/sale of investments	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	0.00	0.00	0.00	1.11	0.00	16.91	0.62	4.99	0.54	0.00	0.00	0.69	1.09	23.17	0.00	14.44	0.00	0.00	0.00	0.00
1.5 Net Change in Value of Investments	2,154.11	(1,148.46)	1,497.99	(445.26)	(19.14)	(31.32)	0.00	24.80	4.90	5.61	50.63	(21.59)	5,303.47	(2,085.69)	0.06	0.00	(2.04)	(14.60)	1,020.87	525.99	126.86	133.43	32.84	(32.81)	(0.08)	(1.60)	292.38	(126.30)	22.22	(95.46)	625.36	52.06	48.09
1.6 Other Income (Refer Note 1)	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	0.07	0.00	0.00	0.11	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.03	0.00
Total	**3,022.81**	**(683.12)**	**2,341.24**	**7.33**	**73.12**	**523.72**	**0.97**	**216.05**	**62.64**	**98.31**	**75.71**	**(7.86)**	**8,086.68**	**(1,511.64)**	**109.20**	**85.38**	**1,441.72**	**848.21**	**5,917.92**	**3,495.22**	**1,139.14**	**748.29**	**221.78**	**273.31**	**5.72**	**24.75**	**777.40**	**(51.85)**	**503.42**	**(7.31)**	**1,303.60**	**216.29**	**166.86**
2 EXPENSES & LOSSES																																
2.1 Management, trusteeship, audit, administrative and Other operating expenses	73.30	94.64	60.27	52.30	22.38	115.54	0.15	15.58	5.79	3.87	3.02	3.95	116.02	139.36	15.15	13.35	177.28	95.61	650.94	445.23	123.87	84.69	14.18	29.34	0.69	3.82	18.85	11.76	12.99	16.14	135.19	43.83	17.52
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	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 Deposits/Current Assets	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	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)	577.57	130.82	99.67	200.74	6.48	80.69	0.07	0.00	0.00	0.00	2.85	0.00	2,714.34	761.80	0.00	0.00	38.87	54.26	32.62	583.61	53.86	1.81	3.91	148.57	0.28	3.65	39.93	19.23	50.85	19.69	7.10	0.21	0.56
2.5 Loss on inter-scheme transfer/sale of investments	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	0.00	0.06	0.00	0.00	1.78	0.17	9.69	0.00	1.52	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	0.07	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	11.36	11.36	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	(2.73)	(1.59)	(2.43)	0.00	(1.41)	0.00	0.00	(4.85)	(1.45)	(4.45)	0.00	0.00	0.00	0.00	0.00	0.00	(5.04)	(0.08)	(0.58)	0.00	0.00	0.00	0.00	0.00	(12.67)	(3.12)
	668.75	225.46	159.94	253.04	28.86	196.23	0.22	12.85	4.20	1.44	5.87	2.61	2,830.36	901.16	10.36	11.90	211.70	151.65	683.73	1,038.53	177.73	88.02	18.09	172.87	0.89	6.89	58.78	30.99	75.20	47.19	142.29	31.37	14.96
Surplus / (Deficit)	2,354.06	(908.58)	2,181.30	(245.71)	44.26	327.49	0.75	203.20	58.44	96.87	69.84	(10.47)	5,256.32	(2,412.80)	98.84	73.48	1,230.02	696.57	5,234.19	2,456.69	961.41	660.27	203.70	100.44	4.83	17.87	718.62	(82.84)	428.22	(54.50)	1,161.31	184.92	151.90
Total	**3,022.81**	**(683.12)**	**2,341.24**	**7.33**	**73.12**	**523.72**	**0.97**	**216.05**	**62.64**	**98.31**	**75.71**	**(7.86)**	**8,086.68**	**(1,511.64)**	**109.20**	**85.38**	**1,441.72**	**848.21**	**5,917.92**	**3,495.22**	**1,139.14**	**748.29**	**221.78**	**273.31**	**5.72**	**24.75**	**777.40**	**(51.85)**	**503.42**	**(7.31)**	**1,303.60**	**216.29**	**166.86**
3.1 Opening Balance of Appropriation Account	(449.55)	1,100.04	2,294.55	2,379.39	1,230.35	2,307.39	(1.72)	4.16	0.79	0.00	79.10	74.50	(5,826.68)	(2,323.90)	289.22	86.08	3,984.48	1,742.47	13,513.27	5,987.30	808.41	0.00	267.60	553.46	42.93	27.70	(348.98)	(48.50)	(19.62)	(40.17)	792.10	0.00	79.49
3.2 Income Equalisation (Debit) / Credit	94.10	(17.80)	(296.42)	(68.42)	0.00	0.00	0.00	0.00	0.00	0.00	(1.16)	3.17	3,685.36	(1,270.45)	(184.35)	0.00	(2,122.61)	(505.39)	3,061.63	2,869.92	115.44	324.14	403.59	(468.39)	(34.38)	(15.41)	1,003.06	(114.39)	(211.86)	(6.91)	622.85	91.87	8.50
3.3 Net Surplus / (Deficit) for the period	2,354.06	(908.58)	2,181.30	(245.71)	44.26	327.49	0.75	203.20	58.43	96.87	69.84	(10.47)	5,256.32	(2,412.80)	98.84	73.48	1,230.02	696.57	5,234.19	2,456.69	961.41	660.27	203.70	100.44	4.83	17.87	718.62	(82.84)	428.22	(54.50)	1,161.31	184.92	151.90
	1,998.61	173.66	4,179.43	2,065.26	1,274.61	2,634.87	(0.97)	207.36	59.23	96.87	147.78	67.20	3,115.00	(6,007.15)	203.71	159.56	3,091.89	1,933.65	21,809.09	11,313.91	1,885.26	984.41	874.89	185.51	13.38	30.16	1,372.69	(245.73)	196.76	(101.58)	2,576.26	276.79	239.89
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	50.78	26.48	392.72	35.04	5,430.07	164.75	228.95	9.74	54.41	0.73	0.56	0.22	316.62	0.00	0.00	0.00	144.71	4.25	39.29
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	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	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	6.51	0.00	50.43	0.00	695.72	0.00	29.33	0.00	6.97	0.00	0.07	0.00	0.00	0.00	0.00	0.00	18.54	0.00	5.04
5 Retained Surplus / (Deficit) carried to Balance sheet	1,998.61	173.66	4,179.43	2,065.26	1,274.61	2,634.87	(0.97)	207.36	59.23	96.87	147.78	67.20	3,115.00	(6,007.15)	146.42	133.08	2,648.74	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

Note: 1. Other income pertains to reimbursement received from registrar towards error in transaction processing

BALANCE SHEET AS AT SEPTEMBER 30, 2003 (UNAUDITED - ABRIDGED)

(Rupees in Lacs)

	Principal Equity Fund		Principal Tax Savings Fund		Principal Deposit Fund						Principal Future Goals Series																					
					Plan 54 EA/EB		FMP 6 (371 days Maturity Plan)		FMP (371 days Maturity Plan - Mar 03)	FMP (371 days Maturity Plan - Jun 03)	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 Income scheme with no assured monthly returns*		Principal Trust Benefit Fund
															Money at Call		Liquid				Short-Term Plan		Investment Plan		Savings Plan							
	30/09/03	30/09/02	30/09/03	30/09/02	30/09/03	30/09/02	30/09/03	30/09/02	30/09/03	30/09/03	30/09/03	30/09/02	30/09/03	30/09/02	30/09/03	30/09/02	30/09/03	30/09/02	30/09/03	30/09/02	30/09/03	30/09/02	30/09/03	30/09/02	30/09/03	30/09/02	30/09/03	30/09/02	30/09/03	30/09/02	30/09/03	30/09/02	30/09/03
LIABILITIES																																
1. Unit Capital	D:2061.01 G:2239.43	D:3833.19 G:3957.69	2,787.35	3,048.27	303.40	7,105.14	0.00	4,192.14	D:10.00 G:1634.88	G:5002.00	CB:92.19 FG:40.79	CB:99.35 FG:33.73	8,359.12	22,334.21	DD:2220.10 G:731.43	DD:487.36 G:766.82	DD:1111.66 DW:1827.71 DM:1047.26 G:8629.42 IDD:16873.19 IDW:7709.82 IDM:2011.71 IG:28532.82	D:712.03 G:12372.55	DQ:11783.78 DHY:5316.30 DAY:11805.53 G:27593.75 IDQ:8345.92 IG:8136.16	DQ:4633.83 DHY:2824.94 G:33625.18	DM:1615.42 G:7453.48 IDM:5387.66 IDW:4037.03 IG:15396.30	DM:1490.56 G:27714.61	DQ:1017.37 DHY:97.15 DAY:0.99 G:734.43	DQ:36.36 DHY:57.87 G:978.62	D:18.06 G:36.98	D:7.17 G:249.64	D:1511.48 G:687.17	D:452.06 G:669.13	D:106.95 G:131.97	D:1372.09 G:129.60	DM:4935.39 DQ:3819.11 G:12357.38	DM:144.28 DQ:123.19 G:6534.08	DQ:750.16 DHY:153.38 DAY:262.89 G:1024.46
2. Reserves & Surplus																																
2.1 Unit Premium Reserves	(292.25)	(1,135.98)	(1,000.24)	(1,165.44)	(1,111.22)	648.00	0.00	0.00	0.00	0.00	6.74	7.41	(2,220.28)	388.54	0.00	(25.42)	(77.03)	70.26	1,701.96	577.79	63.30	101.58	(310.56)	24.48	(4.29)	2.07	(287.61)	138.25	(100.24)	23.14	897.22	60.01	20.47
2.2 Other Reserves	1,998.61	173.66	4,179.43	2,065.26	1,274.61	2,634.87	0.00	207.36	59.23	96.87	147.78	67.20	3,115.00	(6,007.15)	146.42	133.08	2,648.74	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. 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	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	533.21	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	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	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	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 Other Current Liabilities & Provisions	49.50	152.82	125.63	228.12	52.60	55.07	0.00	(3.02)	2.86	1.89	1.31	(0.17)	28.65	31.18	7.83	6.54	37.72	3.22	474.04	2,314.88	1,071.35	456.74	27.70	(3.07)	0.25	(0.91)	935.70	17.57	16.63	39.11	440.15	117.00	21.23
Total	**6,589.51**	**7,514.59**	**6,092.72**	**4,176.76**	**519.39**	**10,443.08**	**0.00**	**4,396.48**	**1,706.97**	**5,100.76**	**288.81**	**207.52**	**9,282.49**	**16,746.79**	**3,105.79**	**1,368.38**	**70,353.02**	**15,056.67**	**90,840.74**	**55,125.79**	**36,651.52**	**30,738.16**	**2,380.58**	**1,279.04**	**63.76**	**287.91**	**3,902.81**	**1,031.28**	**352.07**	**1,462.36**	**24,862.26**	**7,251.10**	**2,428.15**
ASSETS																																
1. INVESTMENTS																																
1.1 Equity and Preference Shares	5,139.03	5,488.48	5,801.48	3,457.28	0.00	0.00	0.00	0.00	0.00	0.00	186.87	97.01	9,353.60	16,488.11	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2,618.28	919.96	223.91	879.20	2,084.73	97.95	0.00
1.2 Privately Placed Debentures / Bonds (include securitised debt)	0.00	0.00	0.00	7.89	0.00	0.00	0.00	3,549.40	804.86	1,918.03	0.23	0.00	0.00	0.00	600.00	0.00	20,740.74	0.00	14,319.07	2,000.00	16,117.39	3,100.10	0.00	0.00	0.00	0.00	0.00	0.00	0.00	112.82	8,406.10	4,777.46	491.83
1.3 Debentures and Bonds Listed / Awaiting Listing on Recognised Stock Exchange	0.05	317.01	5.20	0.00	46.24	7,842.22	0.00	0.00	0.00	704.02	0.00	58.34	0.00	0.00	0.00	600.00	3,738.79	7,760.76	21,747.79	25,480.06	8,500.34	15,524.49	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	5,928.51	0.00	746.03
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	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 Government Securities	566.02	621.60	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	50,196.16	19,999.68	0.00	0.00	2,261.02	1,079.94	0.00	157.38	0.00	0.00	54.15	101.41	4,549.19	811.64	1,037.80
1.6 Others (includes Mutual Fund Units, Commercial Paper and Certificate of Deposits)	0.00	100.19	0.00	0.00	0.00	2091.17	0.00	640.85	188.10	0.00	0.00	0.00	0.00	0.00	786.48	0.00	17,773.92	6,251.20	963.28	3615.17	1,945.16	10,550.26	0.00	0.00	8.11	0.00	0.00	0.00	0.00	183.75	1,155.66	500.76	0.00
2. DEPOSITS																																
2.1 With Scheduled Banks	220.80	283.30	181.60	568.70	471.00	130.00	0.00	14.00	657.00	2,387.50	0.00	48.00	1.00	207.00	399.00	766.00	21,887.00	807.00	300.00	1,978.50	5,800.00	979.50	0.00	114.00	0.00	125.05	299.10	81.70	0.00	65.50	895.00	411.00	0.00
2.2 With Others	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	100.00	0.00	0.00	0.00	1,876.00	0.00	1,087.00	0.00	1,746.50	0.00	2,891.00	0.00	51.00	0.00	47.00	0.00	811.40	0.00	18.10	0.00	405.50	0.00	90.50
3. OTHER CURRENT ASSETS																																
3.1 Cash and Bank Balance	(7.08)	6.51	82.43	105.07	0.34	1.79	0.00	0.70	0.30	0.49	0.72	2.05	(115.61)	22.85	537.34	0.77	(476.20)	3.53	(557.95)	417.94	1.57	20.71	22.54	57.96	8.64	3.34	157.04	13.71	4.96	6.97	954.08	59.43	8.20
3.2 Others	670.69	697.50	22.01	37.82	1.81	377.90	0.00	191.53	56.71	90.72	0.99	1.21	43.50	28.83	(1,093.04)	1.61	5,601.77	234.18	2,125.89	1,634.45	1,396.06	563.10	46.03	27.14	0.01	2.14	16.99	15.91	4.09	43.21	483.48	592.86	53.79
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	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	0.91	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	46.85	69.50	0.00	0.00	0.00
Total	**6,589.51**	**7,514.59**	**6,092.72**	**4,176.76**	**519.39**	**10,443.08**	**0.00**	**4,396.48**	**1,706.97**	**5,100.76**	**288.81**	**207.52**	**9,282.49**	**16,746.79**	**3,105.79**	**1,368.38**	**70,353.02**	**15,056.67**	**90,840.74**	**55,125.79**	**36,651.52**	**30,738.16**	**2,380.58**	**1,279.04**	**63.76**	**287.91**	**3,902.81**	**1,031.28**	**352.07**	**1,462.36**	**24,862.26**	**7,251.10**	**2,428.15**

Note:

2. 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;
3. The figures pertaining to half-year end are as on September 30, 2003.
4. The first NAV dates of the following plans launched after April 1, 2003 were as follows :

Scheme and Plan	First NAV Date	Allotment Date
Principal Income Fund - Annual Dividend Plan	09/09/2003	08/09/03
Principal Government Securities Fund - Investment Plan (Annual Dividend Plan)	09/09/2003	08/09/03
Principal Cash Management Fund - Money at Call Option - Institutional Plan (Daily Dividend)	23/07/2003	22/07/03
Principal Income Fund - Short Term Plan - Institutional Plan (Weekly Dividend)	27/06/2003	26/06/03
Principal Deposit Fund - 371 Days (G) - June 03	23/06/2003	19/06/03
Principal Income Fund - Short Term Plan - Institutional Plan (Monthly Dividend Option)	13/05/2003	09/05/03
Principal Income Fund - Short Term Plan - Institutional Plan (Growth)	13/05/2003	09/05/03
Principal Income Fund - Institutional Plan (Quarterly Dividend)	13/05/2003	09/05/03
Principal Income Fund - Institutional Plan (Growth)	13/05/2003	09/05/03
Principal Cash Management Fund - Money at Call Option - Institutional Plan (Growth)	13/05/2003	09/05/03
Principal Cash Management Fund - Liquid Option - Institutional Plan (Weekly Dividend)	13/05/2003	09/05/03
Principal Cash Management Fund - Liquid Option - Institutional Plan (Monthly Dividend)	13/05/2003	09/05/03
Principal Cash Management Fund - Liquid Option - Institutional Plan (Growth)	13/05/2003	09/05/03
Principal Cash Management Fund - Liquid Option - Institutional Plan (Daily Dividend)	13/05/2003	09/05/03
Principal Cash Management Fund - Liquid Option (Daily Dividend)	19/04/2003	17/04/03
Principal Cash Management Fund - Liquid Option (Monthly Dividend)	11/04/2003	10/04/03

5. Principal Deposit Fund - FMP 6 (371 days Maturity Plan) units were fully redeemed on 3rd April 2003.
   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 September 30, 2003.
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 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.
8. Corresponding years figures are not available for Principal Trust Benefit Fund as the first NAV of the Scheme was declared on October 7, 2002.
9. On written request, present and prospective unitholders/investors can obtain a copy of the Annual Report of the Schemes of Principal Mutual Fund.