

REPORT OF DEBENTURE TRUSTEES FOR THE HALF YEAR ENDED 31ST MARCH, 2015

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NAME	PNB INVESTMENT SERVICES LIMITED
REGISTRATION NO	IND000000510
DATE OF REGISTRATION	FEBRUARY 22,2010

SECTION I: ACTIVITIES

A. Details of Debenture Issues (Public (P) / Rights (R)/ Privately Placed Listed (PPL) / Privately Placed Unlisted (PPUL)

Type	No. of debenture issues accepted during the half year ended 30th March, 2015			Cumulative No. of debenture issues handled up to the year ended 30th March, 2015	Size (in Rs. crores) of debenture issues accepted during the half year ended 30th March, 2015			Cumulative Size (in Rs. crores) of debenture issues handled up to the year ended 30th March, 2015
	Secured	Unsecured	Total		Secured	Unsecured	Total	
Public	0	0	0	0	0.00	0.00	0.00	0.00
Rights	0	0	0	0	0.00	0.00	0.00	0.00
Privately Placed Listed	0	0	0	0	0.00	0.00	0.00	0.00
Privately Placed Unlisted	0	0	0	0	0.00	0.00	0.00	0.00
Total	0	0	0	0	0.00	0.00	0.00	0.00

We are already acting as Debenture Trustee to 23 Bonds issues of Power Finance Corporation of India Limited and HUDCO Limited. Although no new assignment has been undertaken during the HY ended March 31st, 2015 but day to day compliances and execution of assignments in respect of existing Debenture Trustee Assignments was being carried out during HY Ended 30th March, 2015.

B. Activities other than debenture trusteeship

ACTIVITY TYPE	DESCRIPTION OF THE ACTIVITY	DURING THE HY ENDED 31.03.2015
Security Trustee	Acting as Security and Facilities Agent in holding the charge and mortgage, holding pledge of share(s) monitoring the performance of the facilities and transparently servicing all the lenders.	20
Corporate Debt Restructuring	<p>Our product portfolio under this activity includes : -</p> <ul style="list-style-type: none"> • Preparation Flash Report • Preparation of Techno Economic Viability Study • Preparation of CDR Package • Preparation of Final Report for CDR EG Approval • Preparation of Letter of Approval 	11
Debt Syndication and Project Appraisal	<p>Our product portfolio under this activity includes : -</p> <ul style="list-style-type: none"> • Project appraisal and preparation of information memorandum • Structured finance Syndication • Infrastructure Project Advisory • Securitization • Debt & Equity Syndication 	6
Merchant Banking	<p>Our product portfolio under this activity includes : -</p> <ul style="list-style-type: none"> • Managing Initial Public Offerings and Follow-on Public offerings and Offers-for-Sale. • Managing Rights Offering, be it the traditional or the structured formats. • Qualified Institutional Placements. • Open offers, Buyback and Delisting of securities. 	2

Section II - REDRESSAL OF INVESTOR GRIEVANCES

For the Half Year ended 31st March, 2015

A Status of Investor Grievances

Name of the issuer (tranche wise)	Pending complaints at the end of the previous half year	No. of complaints received during the half year	No. of complaints resolved during the half year	No of complaints pending at the end of half year
POWER FINANCE CORPORATION	NIL	NIL	NIL	NIL
HUDCO	NIL	NIL	NIL	NIL

B Details of the complaints pending for more than 30 days

Name of the Issuer	No. of complaints pending for more than 30 days	Nature of the Complaint(s)			Steps taken for redressal	Status of the complaint (if redressed, date of redressal)
		Delay in payment of interest	Delay in payment of redemption	Any other		
POWER FINANCE CORPORATION	NIL	NIL	NIL	NIL	NIL	NIL
HUDCO	NIL	NIL	NIL	NIL	NIL	NIL

Section III - DEFAULT DETAILS

Information regarding default by the Issuer Companies in Public (P) / Rights (R) / Privately Placed Listed (PPL) Issues of Debentures up to the half year ended 31st MARCH, 2015 :-

Name of the Issuer	Secured / Unsecured	Type (P/R/PPL)	Issue Size (in Rs. crores)	Type of Default*	Details of action taken
NOT APPLICABLE - No default in any of the Issues handled					

*Type of Default

1. Non-payment of interest;
2. Non-payment of redemption;
3. Delay in payment of interest/redemption;
4. Any other (like non-creation of security)

SECTION - IV – COMPLIANCE

COMPLIANCE CERTIFICATE FOR THE HALF YEAR ENDED 31ST MARCH, 2015

A	No conflict of interests with other activities
	The activities other than debenture trusteeship performed by are not in conflict with DEBENTURE TRUSTEE activities and appropriate Systems and Policies have been put in place to protect the interests of debenture holders.

We confirm that activities other than debenture trusteeship performed by Debenture Trustee are not in conflict with DEBENTURE TRUSTEE activities and appropriate Systems and Policies have been put in place to protect the interests of debenture holders.

B	Change in status or constitution	
	Reporting of 'changes in status or constitution' of Debenture Trustee (In terms of SEBI Circular No. CIR/MIRSD/10/2011 dated June 20, 2011)	NIL
C	Other Information	
i.	Details of arrest / conviction of key officials of Debenture Trustee	NIL
ii.	Details of prosecution cases or criminal complaints filed by investors against the Debenture Trustee	NIL
iii.	Details of any fraudulent activity by the employees associated with Debenture Trustee activities and action taken by the Debenture Trustee	NIL
iv.	Details of conviction of any offence involving moral turpitude or any economic offence by employees of DEBENTURE TRUSTEE	NIL
v.	Action taken by the Debenture Trustee on the above issues	NIL
D	Compliance with registration requirements	
	Certified that the requirements specified for SEBI registration as Debenture Trustee are fulfilled, the details are as under;	
i.	Net worth (audited) as defined in the Regulations as on FY ended 31 ST MARCH, 2014 (as per the latest audited financials)	Rs. 33.82 Crores
ii.	Any change in infrastructure since the last report / registration/ renewal	NIL

Changes in Key personnel during the half year ended 31ST MARCH, 2015

Name(s) of the key personnel	Appointment / Cessation	Date of appointment/resignation	Qualification	Experience	Functional areas of work
Mr. Farid Akhtar	Appointed as Director in the company	16.03.2015	B.Sc, MBA	More than 35 Years	Banking and Financial Services
Mr. Gauri Shankar	Appointed as Director in the company	16.03.2015	B Sc. BCom CAIIB-1	More than 35 Years	Banking and Financial Services
Mr. A.K Verma	Resigned as Director in the company	31.12.2014	MSc Physics	More than 35 Years	Banking and Financial Services
Mr. K.R. Kamath	Resigned as Chairman of the company	27.10.2014	B.COM and CAIIB	More than 35 Years	Banking and Financial Services

E	DETAILS OF DEFICIENCIES AND NON COMPLIANCES	<p>During the half year ended March,2015. the company has not handled any fresh Debenture Trustee (DT) assignments. Further, during the period no regulatory authority has pointed out any fresh deficiencies or compliance issues in the existing assignments.</p> <p>However, the rectification in respect of the following deficiencies, as pointed out by a team of SEBI Officials, which carried out inspection of the Company's books and records during the period 10th February to 12th February 2013 for the activity of Debenture Trustee and submitted their report vide letter dated 22.08.2013, are in correspondence with SEBI: -</p> <ul style="list-style-type: none"> ➤ In the trust deed executed by company with PFC & HUDCO there are certain clauses which absolve or extinguishes the obligation of Debenture Trustee. <p>Action Taken :</p> <p>After getting indicative list of clauses which absolves or extinguishes the obligations of Debenture Trustee, the matter has been taken up with both the Issuer companies for execution of</p>
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		<p>revised Trust Deeds for rectification of the deficiencies in all Operative Trust Deeds to comply with Regulation 14 of SEBI (Debenture Trustee Regulation 1993, and Regulation 15(3)(ii), SEBI Issue and Listing of Debt Securities(ILDS) 2008.</p> <p>Earlier both the companies were reluctant for the execution of the revised Trust Deeds in view of the cost involved and fact that there are no default what so ever and compliance of all parameters of issue of Debentures by both the companies.</p> <p>Meanwhile, both the companies have pointed out that the SEBI in its Circular reference - CIR/MIRSD/25/2011 Dated 19, Dec, 2011- Under Sr. (b)(6) had earlier clarified that if there are clauses included in the trust deed that limit or extinguish the obligations of DTs in relation to any rights or interests of investors or are in conflict with the Provisions of the Regulations, then such clauses in the existing Trust Deeds shall not be applicable and shall stand null and void.</p> <p>However, for ensuring the compliance of the observation by the SEBI, the matter is being followed up for the execution of revised Trust Deeds for the requisite Statutory Compliance.</p>
F	DETAILS OF THE REVIEW OF THE REPORT BY THE BOARD OF DIRECTORS	
	DATE OF REVIEW OF THE BOARD	[*]
I	OBSERVATION OF THE BOD	The Board has taken note of the matter of rectification of the observation in correspondence with SEBI and corrective actions undertaken/ proposed by the company for rectification and desired that the matter be closed as earliest with the execution of the supplementary Trust Deeds in all the operative Trust Deeds.
II	CORRECTIVE MEASURES INITIATED	In view of strenuous responsibility and accountability attached

		with the assignment, the Board desired that the company should further strengthen its internal control procedures to obviate any chance of deficiency or non-compliance in future.
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Certified that we have complied with SEBI (Debenture Trustee) Regulations, 1993, applicable provisions of SEBI (Issue and Listing of Debt Securities) Regulations, 2008, Circulars issued by SEBI and any other laws applicable from time to time except the deficiencies and non compliances those specifically reported at Section IV (E) above.