

HARMONY CAPITAL SERVICES LIMITED

REPORT ON CORPORATE GOVERNANCE

Harmony Capital Services Limited is committed to strong Corporate Governance and believes in its indispensability in investor's protection. Integrity, transparency, accountability and compliance with laws are cemented in the Company's business practices to ensure ethical and responsible leadership both at the Board and at the Management level.

The report on Corporate Governance is prepared for the financial year ended 31st March, 2021 pursuant to Regulation 34(3) read with Part C of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Regulations")

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Harmony Capital Services Limited's ("The Company") philosophy on Corporate Governance is based on holistic approach not only towards its own growth but also towards maximization of benefits to the shareholders, employees, customers, government and also the general public at large. Transparency and accountability are the fundamental principles of sound Corporate Governance, which ensures that the organization is managed and monitored in a responsible manner for creating and sharing stakeholder's value.

The Corporate Governance framework ensures timely disclosure and share accurate information regarding the Company's financials and performance as well as its leadership and governance.

The Company is committed to good Corporate Governance and its adherence best practice at all times and its philosophy is based on five basic elements namely, Board's accountability, value creation, strategic-guidance, transparency and equitable treatment to all stakeholders

CORPORATE GOVERNANCE GUIDELINES

The board has developed Corporate Governance Guidelines to help fulfill, our corporate responsibility towards our stakeholders. These guidelines ensure that the Board will have the necessary authority and processes in place to review and evaluate our operation when required. Further, these guidelines allow the Board to make decisions that are independent of the management. The Board may change these guidelines from time to time to effectively achieve our stated objectives.

HARMONY CAPITAL SERVICES LIMITED

BOARD OF DIRECTORS

A. The constitution of the Board

The Board of Directors ("the Board") of your Company is responsible for and is committed to sound principles of the corporate governance in the Company. The Board plays a crucial role in overseeing how the management serves the interest of the Shareholders and other Stakeholders. This belief is reflected in our governance practice, under which we strive to maintain an effective, informed and independent Board to ensure best practice.

As on 31st March 2021, the Board of Harmony capital services limited. Consists of 4 Directors, two of whom are non-executive and Independent. Shri K. K. Jhunjhunwala represents the Promoter group. Shri Asutosh Raulo is the Chairman and Managing Director of the Company.

According to Clause 49 of the Listing Agreement if the Chairman is an executive, at least half of the board should consist of non-executive, independent directors, this provision is now met at Harmony capital services Ltd. All non-executive directors are persons of eminence, and bring a wide range of expertise and experience to the Board.

As per statutory requirements, at least two third of the Board should consist of retiring directors Of these, one third are liable to retire by rotation every year and if eligible, offers themselves for reappointment subject to consent of members in meeting. Three directors in Harmony Capital services Ltd. will be retiring directors

B. Attendance record of directors

The Company's Governance Policy, which is in pursuance with the Listing Agreement, is strictly followed by the Board. The Board meets at regular intervals to discuss and decide on Company's business policy along with the other Board business. However, in case of a special and urgent business need, the Board approval is taken by passing resolution by circulation, as permitted by law, which is then confirmed in the ensuing Board Meeting.

The composition of the Board and the attendance record of all the directors at the six Board meetings held during 2020-2021:

HARMONY CAPITAL SERVICES LIMITED

Name of Director with DIN	Category	No. of Board Meetings Attended	Last Annual General Meeting Attended (Held on 30.09.2020)	No. of Shares held as on 31.03.2021
Asutosh Raulo DIN: 01589574	Chairman & MD	5	YES	1,14,900
Krishna Kumar Jhunjhunwala DIN: 00335070	Promoter and Executive Director	5	YES	1,00,000
Balaji Bhagwat Raut DIN: 03604215	Non-Executive – Independent Director	5	YES	NIL
Pooja Lalchand Kumawat DIN: 07158872	Non-Executive – Independent Director	5	YES	NIL

The Chairman briefs the Board at every meeting on the overall performance of the Company, followed by presentations by the Executive. The non-executive directors are also given opportunities to express their respective opinions. A detailed report is also placed at every Board Meeting. The Board also reviews:

- Compliance with statutory / regulatory requirements and review of major legal issues.
- Adoption of quarterly / half yearly / annual results.

C. Outside Directorships and Membership of Board Committees.

As mandated by Regulation 26 of the SEBI (LODR) Regulations, 2015, none of the Directors are members of more than ten Board level Committees nor are they Chairman of more than five Committees in which they are members. The below table gives the details of the composition of the Board, attendance and details of Committee Memberships and Committee Chairmanships in other Companies.

Sr. No.	Name of Director	Listed Companies	Directorship in Other Companies	Membership of Board Committees
1	Asutosh Raulo	NIL	6	NIL
2	Krishna Kumar Jhunjhunwala	NIL	3	NIL

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3	Balaji Bhagwat Raut	NIL	1	NIL
4	Pooja Lalchand Kumawat	NIL	NIL	NIL

D. Number of Board meetings held.

The Board of Director had met 5 (Five) times on the following dates: 29th June.,2020, 11th Aug.,2020, 2nd Sept.,2020, 28th Oct.,2020 and 29th Jan.,2021. The maximum gap between any two meetings was less than 4 months.

E. Matrix setting out the skills/expertise/competence of the Board of Directors

The Directors of the Company possesses the following skills/ expertise/ competencies: - Compliance, Legal, Accounting, Finance, Consultancy, Marketing, Human Resources, Information Technology and hold expertise in various businesses like Broking & Distribution, Private Equity, Institutional Equities, Registered Valuation and Insolvency Resolution

AUDIT COMMITTEE

i. Constitution and Composition of the Audit Committee

With a view to ensure compliance with the various requirements under the Companies Act, 2013 and Clause 49 of the Listing Agreement, Harmony Capital services Ltd. has set up its Audit Committee. The Company has been taking measures from time to time to improve the effectiveness of the Committee.

The Audit Committee consists of Four Directors:

1. Shri Balaji Bhagwat Raut
2. Shri Asutosh Raulo
3. Shri Krishna Kumar Jhunjhunwala
4. Ms. Pooja Lalchand Kumawat

Shri Balaji Bhagwat Raut is Chairman of the Committee and Independent Director, Shri Asutosh Raulo is Managing Director, Shri Krishna Kumar Jhunjhunwala is Promoter Director and Ms. Pooja Lalchand Kumawat is the Independent directors.

ii. Meetings and Attendance.

During 2020-21, the audit committee met 5 (Five) times 29th June.,2020, 11th Aug.,2020, 2nd Sept.,2020, 28th Oct.,2020 and 29th Jan.,2021. The meetings were scheduled well in advance and were attended by the members of the Committee.

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NOMINATION & REMUNERATION COMMITTEE

a. Constitution and Composition of the Nomination & Remuneration Committee.

HARMONY CAPITAL SERVICES LIMITED has set up its Nomination & Remuneration Committee to review the remuneration package of the executive directors and for recommending suitable revisions to the Board. It should be noted that the remuneration of the Managing Director and Executive Director is subject to the approval of the Board of Director and members as well as such other approvals as may be required. Besides, approval of the Central Government may also be necessary in certain circumstances. The Company has been taking measures from time to time to improve the effectiveness of the committee. The remuneration committee consists of Three Directors:

1. Shri Balaji Bhagwat Raut : CHAIRMAN AND INDEPENDENT DIRECTOR
2. Shri Asutosh Raulo : MANAGING DIRECTOR
3. Ms. Pooja Lalchand Kumawat : INDEPENDENT DIRECTOR

b. Meetings and Attendance.

There is Five meeting of remuneration committee was held on 29th June.,2020, 11th Aug.,2020, 2nd Sept.,2020, 28th Oct.,2020 and 29th Jan.,2021. As there were no significant changes in the existing structure/policy, which was required to be discussed.

c. No Remuneration has been paid to Directors

STAKEHOLDERS/INVESTORS GRIEVANCE COMMITTEE & SHARE TRANSFER COMMITTEE

III. Constitution and Composition of the Stakeholders/Investors Grievance Committee

The Shareholders/Investors Grievance Committee was set up with the objective of speedy redressal of investor's queries and complaints. The committee specifically looks into the investor's complaints on matters relating to transfer of shares, non-receipt of annual report, non-receipt of dividend, etc. In addition, the committee also looks into matters, which can facilitate better investor's services and relations. The Company has been taking measures from time to time to improve the effectiveness of the committee.

The Shareholders/Investors Grievance Committee consists of three directors:

1. Shri Balaji Bhagwat Raut : INDEPENDENT DIRECTOR
2. Ms. Pooja Lalchand Kumawat : INDEPENDENT DIRECTOR
3. Shri Krishna Kumar Jhunjhunwala : PROMOTER DIRECTOR

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Shri Balaji Bhagwat Raut, is Chairman of the Committee, Ms. Pooja Lalchand Kumawat is Independent director and Shri Krishna Kumar Jhunjuhwalwa is a Promoter Director of the Company. The minutes of the Committee meetings are placed at the Board Meetings from time to time. All valid shares transfers received during the year have been acted upon. Four meetings were held during the year 2020-20 on 30th April,2020, 20th June.,2020, 6th Aug.,2020, 12th Sept.,20229, 24th Oct.,2020 and 24th Jan.,2021. All the Members were attended all the Meetings.

IV. Shareholder's Complaints during the financial year 2020-21.

The Investors can also raise complaints in a centralized web-based complaints redress system called "Scores". The Company uploads the action taken report on the complaints raised by the Shareholders on "Scores", which can be viewed by the Shareholder. The complaints are closed to the satisfaction of the Shareholder and SEBI. The details of complaints/requests etc., received and resolved during the Financial Year 2020-21 are as below.

Sr. No.	Nature of Complaint	Pending as on 1-04-2020	Received during the year	Disposed off during the year	Pending as on 31-03-2021
1	NIL	0	0	0	0

V. Name, designation and address of the Compliance Officer:

Ms. Ramdulari Saini
Compliance Officer
Office No. 8A, 8th Floor, Astral Centre,
470-B, N. M. Joshi Marg, Chinchpokli –West,
Mumbai – 400011.

GENERAL BODY MEETINGS

Annual General Meeting(AGM)

HARMONY CAPITAL SERVICES LIMITED

Financial Year	Date	Time	Venue	Special Business at the General Meetings
2017-18	28.09.2018	11.00 A. M	OFFICE NO. 8A, 8 TH FLOOR, ASTRAL CENTRE, 470/B, N. M. JOSHI MARG, CHINCHPOKLI – WEST, MUMBAI – 400 011, MAHARASHTRA	No special business transacted
2018-19	30.09.2019	11.00 A. M	OFFICE NO. 8A, 8 TH FLOOR, ASTRAL CENTRE, 470/B, N. M. JOSHI MARG, CHINCHPOKLI – WEST, MUMBAI – 400 011, MAHARASHTRA	No special business transacted
2019-20	30.09.2020	11.00 A. M	through Video Conferencing(“VC”)/Other Audio Visual Means(“OAVM”)	No special business transacted

Means of Communication

i. Quarterly and Annual Financial Results

The Unaudited Quarterly/Half Yearly Financial Results are announced within forty-five days of the close of the quarter. The Annual Audited Financial Results are announced within sixty days from the close of the financial year as per the requirements of the Listing Regulations. The aforesaid financial results are sent to Bombay Stock Exchange Limited (BSE) after they are approved by the Board. Simultaneously, they are also put on the Company’s website and can be accessed at http://www.hcsl.co.in/quarterly_financial_information.php

ii. Website

The Annual Report of the Company, the quarterly/ half yearly results, the annual results, presentations made to the Institutional Investors and Analysts of the Company, information required to be disclosed under Regulation 30(8) and 46 of the Listing Regulations are also placed on the Company’s website www.hcsl.co.in

DISCLOSURES

Related Party Transactions:

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There were no related party transactions, pecuniary transactions made by the Company with its promoters, directors, management and their relatives, etc. that may have potential conflicts with the interest of the Company at large.

CEO/CFO Certification:

As required by the Listing Regulation, the CEO and CFO Certification is provided in this Annual Report.

Review of Directors' Responsibility Statement:

The Board in its report have confirmed that the annual accounts for the year ended March 31, 2021 have been prepared as per applicable accounting standards and policies and that sufficient care has been taken for maintaining adequate accounting records.

Penalties and Structures:

No penalty or structure was imposed on the Company by any Stock Exchange, SEBI or other authority for non-compliance of any matter related the Capital Market.

CODE OF CONDUCT

The Board has formulated a code of conduct for the Board members and Senior Management of the Company, All Board members and Senior Management personnel have affirmed their compliance with the code. A declaration to this effect is signed by the Chairman of the Board of Directors of the Company is given elsewhere in the Annual Report.

Audit Qualifications

Strategic decisions were taken during the year resulting in unqualified financial statements of the Company.

Training of Board Members

The Company has not yet adopted any training programme for the members of the Board

Whistle Blower Policy

The Company has established Whistle Blower Policy for its Directors and Employees to report concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct and is displayed on Company's website at http://www.hcsl.co.in/code_of_conduct.php. The Company takes cognizance of complaints made and suggestions given by the employees and others. Even anonymous complaints are looked into and whenever necessary, suitable corrective steps are taken. No personnel has been denied access to the Audit Committee of the Board of Directors of the Company.

Prevention of Insider Trading

HARMONY CAPITAL SERVICES LIMITED

Pursuant to the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 ("PIT Regulations") the Company has in place Code of Internal Procedures and Conduct for Regulating, Monitoring, and Reporting of Trading by Designated Persons ("Code"), Code of Conduct for Fair Disclosures of Un-published Price Sensitive Information and Policy and Procedure for dealing with Leak or Suspected Leak of Unpublished Price Sensitive Information (UPSI), which may be accessed at http://www.hcsl.co.in/code_of_conduct.php to deter the instances of insider trading in the securities of the Company based on the Un-published Price Sensitive Information.

Prevention of Sexual Harassment at Workplace Policy

The Company has in place Prevention of Sexual Harassment at Workplace Policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition, Redressal) Act, 2013 and the Rules made thereunder. The Company has zero tolerance towards any action on the part of any executive which may fall under the ambit of "Sexual Harassment" at workplace and is fully committed to uphold and maintain the dignity of every executive working in the Company. The Policy provides for protection against sexual harassment at workplace and for prevention and redressal of such complaints

Disclosure on Risk Management

The Company has in place a Risk Management Policy. The Risk Management System is periodically reviewed and evaluated by the Audit Committee and Board of Directors

CEO/CFO Certification

As required under Regulation 17(8) of the Listing Regulations, a Certificate from Mr. Asutosh Raulo, Managing Director and Mr. Sunil Biharilal Kataria Chief Financial Officer of the Company, on the Financial Statements of the Company is annexed to this report

Disclosure with respect to Demat Suspense Account/ Unclaimed Suspense Account

During the year under review, there were no shares in Demat Suspense Account or Unclaimed Suspense Account of the Company

The quarterly shareholding pattern and the Corporate Governance Report of the Company are filed with BSE Ltd. through BSE Online Portal. They are also displayed on the Company's website under the tab "Investor Relations

GENERAL SHAREHOLDERS INFORMATIONS

A. Annual General Meeting

HARMONY CAPITAL SERVICES LIMITED

Date: Thursday, 30th Sept 2021

Time: AT 3.00 pm

Venue: Pursuant to MCA Circular dated May 05, 2020 read with circulars dated April 08, 2020, April 13, 2020 and January 13, 2021 and SEBI circular dated May 12, 2020 and January 15, 2021 the Annual General Meeting of the Company will be held through VC/OAVM and the Registered Office of the Company shall be the deemed venue for this Meeting Thursday, 30th Sept 2021 at 3.00 pm
At Office No. 8A, 8th Floor, Astral Centre, 470/B, N. M. Joshi Marg,
Chinchpokli- West, Mumbai – 400 011

- B. Financial Year : Financial year, in relation to the Company means the period ending on the 31st day of March every year.
- C. Dividend : No dividend is declared.
- D. Dates of Book Closure : The dates of book closure shall be from Thursday, September 23, 2021 to Thursday, September 30, 2021 (both days inclusive).
- E. Stock Code : The BSE Code of the Company. – 530055
- F. ISIN : INE264N01017
- G. Listing on Stock Exchanges : Your Company's equity shares are listed on the BSE Ltd. (Stock Exchange) as on March 31, 2021 at Phiroze Jeejeebhoy Towers, 25th Floor, Dalal Street, Fort, Mumbai 400 001. Listing fees for the Financial Year 2020-21 has been paid to the BSE Ltd. within the stipulated time
- H. Corporate Identity Number (CIN) : The Corporate Identity Number (CIN) allotted by the Ministry of Corporate Affairs, Government of India, is L67120MH1994PLC288180. Your Company's registered office is in the State of Maharashtra, India
- I. Registered Office of Company: Office No. 8^a, 8th Floor, Astral Centre, N. M. Joshi

HARMONY CAPITAL SERVICES LIMITED

Marg, Chinchpokli-West, Mumbai – 400 011

Tel No. 022-2300 1206

Email Id: harmonycsl@yahoo.com

Website: www.hcsl.co.in

- J. Share Transfer Agent : Link Intime India, Unit – 1, Luthra Industrial Premises, 1st Floor, 44-E, M. Vasanti Marg, Andheri – Kurla Road, Safed Pool, Andheri - East, Mumbai – 400072
Tel. No. Tel: 022-4918 6000
Fax: 022-4918 6060
Email: Mumbai@linkintime.co.in
Website: www.linkintime.co.in
- K. Share Transfer System and the Scheme of transfer-cum-demat.
Applications for transfer of shares held in physical form are received at the office of the Company. The Share Transfer Committee attends the share transfer formalities very frequently depending on the number of transfers and Company has appointed Registrar and Share Transfer Agent to Link Intime India, Unit – 1, Luthra Industrial Premises, 1st Floor, 44-E, M. Vasanti Marg, Andheri – Kurla Road, Safed Pool, Andheri - East, Mumbai – 400072 for Share Transfer procedures.
- L. Dematerialization of Equity Shares
The Company's shares are traded in dematerialized form. To facilitate trading in dematerialized form there are two depositories, i.e., National Securities Depository Limited. (NSDL) and Central Depository Services (India) Limited. (CDSL). The Company has entered into agreement with both these depositories. Shareholders can open account with any of the Depository Participants registered with any of these depositories. As on March 31, 2021 about 77.70% comprising 23,31,600 Equity Shares were in the dematerialized form
- M. Stock Market Data relating to Shares listed in India
The monthly high and low prices on Bombay Stock Exchange Limited during the financial year 2020-21 are as below:

HARMONY CAPITAL SERVICES LIMITED

Stock price data at BSE

Sr. No.	Stock Price Data of BSE (Month wise)	High (₹)	Low (₹)
1	April 2020	N. T	N. T
2	May 2020	N. T	N. T
3	June 2020	N. T	N. T
4	July 2020	N. T	N. T
5	August 2020	N. T	N. T
6	September 2020	5.18	4.94
7	October 2020	N. T	N. T
8	November 2020	4.94	4.94
9	December 2020	4.94	4.47
10	January 2021	N. T	N. T
11	February 2021	N. T	N. T
12	March 2021	4.47	4.47

N. T stands for Not Traded

N. Address for Correspondence

Investors and shareholders can correspond with the registered office as well as corporate Address of the company at the following addresses:

Registered Office: Office No. 8A, 8th Floor, Astral Centre, 470-B,
N. M. Joshi Marg, Chinchpokli –West, Mumbai – 400 011.

BY ORDER OF THE BOARD

For HARMONY CAPITAL SERVICES LTD

PLACE: - MUMBAI.

DATE : - 10.06.2021

ASUTOSH B. RAULO
MANAGING DIRECTOR
DIN: 1589574