

# **HARMONY CAPITAL SERVICES LTD.**

(CIN: L67120RJ1994PLC008796)

Corp. Off: Office No. 8A, 8<sup>th</sup> Floor, Astral Centre,

470-B, N. M. Joshi Marg, Chinchpokli - West, Mumbai – 400 011.

Tel.: 022 23001201/1202/1203/1205/1206, Web Site: www.hcsl.co.in, E-mail: harmonycsl@yahoo.com

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## **CORPORATE GOVERNANCE REPORT (Under Clause 49 (VI) (i) of Listing Agreement)**

### **COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE**

Your Company believes that good corporate governance is essential to achieve long-term corporate goals and to enhance stakeholder value. There is no one universal model of a corporate governance code. Different environments require specific solutions to meet the demands of legal compliances and regulations. However there is a single thread, which weaves through the tapestry of governance that calls for the affairs of a Company to be controlled and regulated in a manner that is transparent, ethical and accountable. In pursuit of this objective, your Company is committed to achieving transparency in all its dealings, providing high quality products and services to its customers and stakeholders. This places a significant emphasis on integrity, proper internal controls and regulatory compliances, which cannot be compromised. The basic philosophy of Corporate Governance in your Company has been to achieve business excellence, to enhance shareholder value, keeping in view the needs and the interest of all its stakeholders and customers.

### **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 objects.

### **BOARD OF DIRECTORS**

#### **A. The constitution of the Board**

The Board of Harmony capital services limited. Consists of 4 Directors, three of whom are non-executive. Shri K. K. Jhunjhunwala represent 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 composition of the Board and the attendance record of all the directors at the five Board meetings held during 2013-2014:

Sr. No.	Name of Director	Designation	Board Meetings Attended
1	Asutosh Raulo	Chairman & MD	5
2	Krishna Kumar Jhunjhunwala	Director	5
3	Shushil kumar Sharma	Director	4
4	Balaji Bhagwat Raut	Director	4

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.**

The Number of outside directorships and committee positions held by the directors of Harmony capital Services ltd. can be summarized as follows:

<b>Sr. No.</b>	<b>Name of Director</b>	<b>Listed Companies</b>	<b>Directorship in Unlisted Public Limited Companies</b>	<b>Membership of Board Committees</b>
1	Asutosh Raulo	NIL	NIL	NIL
2	Krishna Kumar Jhunjhunwala	NIL	NIL	NIL
3	Shushilkumar Sharma	NIL	NIL	NIL
4	Balaji Bhagwat Raut	NIL	NIL	NIL

**D. Number of Board meetings held.**

The Board of Director met 5 (Five) times on the following dates: 28<sup>th</sup> day of May 2013, 19<sup>th</sup> day of July 2013, 18<sup>th</sup> Oct 2013, 29<sup>th</sup> day of Oct 2013, 20<sup>th</sup> day of Jan 2014,

**AUDIT COMMITTEE**

**i. Constitution and Composition of the Audit Committee**

With a view to ensure compliance with the various requirements under the Companies Act, 1956 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 Asutosh Raulo
2. Shri Krishna kumar Jhunjhunwala
3. Shri Shushilkumar Sharma
4. Shri Balaji Bhagwat Raut

Shri Asutosh Raulo is Chairman of the Committee and all the other members of the audit committee are non-executive directors.

**ii. Meetings and Attendance and Topics Discussed.**

During 2013-14, the audit committee met 5 (five) times on the 28<sup>th</sup> day of May 2013, 19<sup>th</sup> day of July 2013, 18<sup>th</sup> Oct 2013, 29<sup>th</sup> day of Oct 2013, 20<sup>th</sup> day of Jan

2014, The meetings were scheduled well in advance and were attended by all the members of the Committee. The terms of reference of the audit committee are extensive and include all that is mandated in clause 49 of the Listing Agreement and section 292a of the Companies Act, 1956.

#### **REMUNERATION COMMITTEE**

**a. Constitution and Composition of the Remuneration Committee.**

HARMONY CAPITAL SERVICES LIMITED has set up its 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 four Directors:

1. Shri Asutosh Raulo
2. Shri Krishna kumar Jhunjhunwala
3. Shri Shushilkumar Sharma
4. Shri Balaji Bhagwat Raut

Shri Asutosh Raulo is the Chairman of the Committee and all the other members of the remuneration committee are non-executive directors.

**b. Meetings and Attendance and Topics Discussed.**

No meeting of remuneration committee was held 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.**

#### **SHAREHOLDERS/INVESTORS GRIEVANCE COMMITTEE & SHARE TRANSFER COMMITTEE**

**I. Constitution and Composition of the Shareholders/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 investors 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 four directors:

1. Shri Asutosh Raulo
2. Shri Krishna kumar Jhunjhunwala
3. Shri Shushilkumar Sharma
4. Shri Balaji Bhagwat Raut

Shri Asutosh Raulo is the Chairman of the Committee, and all the other members of the committee are non-executive directors.

## **II. Investors Complaints received and resolved during the Year**

During 2013-14 Trading in the Shares of the Company is in Demate and physical both form. During the year the nil complaints were received.

## **III. Name, designation and address of the Compliance Officer:**

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

## **GENERAL BODY MEETINGS**

The Company has not passed any resolution through postal ballot during the last year.

## **DISCLOSURES**

### **Related Party Transactions:**

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.

### **Risk Management:**

The Company has laid down procedures to inform Board members about the risk / assessment and minimization procedures. The Board shall periodically review the same.

**CEO/CFO Certification:**

A certificate received from Shri Asutosh Raulo, Chairman and Managing Director on the financial statements of the Company was placed before the Board.

**Review of Directors' Responsibility Statement:**

The Board in its report have confirmed that the annual accounts for the year ended March 31, 2014 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.

**MEANS OF COMMUNICATION**

- a) News, Releases etc: The Company has its own website [www.hcsl.co.in](http://www.hcsl.co.in) and all vital information relating to the company and its performance including Financial Result, performance updates and corporate presentations etc. are regularly posted on the website.
- b) Investors Relation: The Company's website contains a separate dedicated section "Investor Relation" where share holders information is available.

## GENERAL SHAREHOLDERS INFORMATION

### A. Annual General Meeting

19 <sup>th</sup> Annual General Meeting	:	01.08.2013 at 10.30 A.M
18 <sup>th</sup> Annual General Meeting	:	18.09.2012 at 10.30 A.M
17 <sup>th</sup> Annual General Meeting	:	26.09.2011 at 10.30 A.M.

Place : Plot No.278, Vijayvadi  
Path No. 6 Dher Ka Balaji,  
Jaipur – 302014.  
Rajasthan

### B. Dividend

No dividend is declared.

### C. Dates of Book Closure

Information about the Book Closure dates has been provided in the Notice covering the AGM, which forms a part of 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 not adopted any Whistle Blower policy.

### D. 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 Sharex Dynamic (India), Unit – 1, Luthra Industrial Premises, 1<sup>st</sup> Floor, 44-E, M. Vasanti Marg, Andheri – Kurla Road, Safed Pool, Andheri - East, Mumbai – 400072 for Share Transfer procedures.

**E. Stock Code**

Bombay Stock Exchange Ltd - 530055

ISIN for Dematerialisation - INE264N01017

**1. Listing of Securities**

The Jaipur Stock Exchange and Ahmedabad Stock Exchange had suspended the trading of equity shares of the Company due to non compliance with certain formalities.

The listing fees for the financial year 2013-2014 have been paid to The Bombay Stock Exchange Limited. As far as the other stock exchange is concerned, Company has not paid the listing fees to these exchanges.

**2. Market Price & Data**

Following table gives the monthly market high and lows of your Company on the Bombay Stock Exchange Limited, Mumbai.

**Stock price data at BSE**

<b>Stock Price Data of BSE (Month wise)</b>	<b>High (Rs.)</b>	<b>Low (Rs.)</b>
<b>April 2013</b>	<b>N. T</b>	<b>N. T</b>
<b>May 2013</b>	<b>N. T</b>	<b>N. T</b>
<b>June 2013</b>	<b>N. T</b>	<b>N. T</b>
<b>July 2013</b>	<b>N. T</b>	<b>N. T</b>
<b>August 2013</b>	<b>07.31</b>	<b>06.97</b>
<b>September 2013</b>	<b>N. T</b>	<b>N. T</b>
<b>October 2013</b>	<b>N. T</b>	<b>N. T</b>
<b>November 2013</b>	<b>06.95</b>	<b>06.28</b>
<b>December 2013</b>	<b>N. T</b>	<b>N. T</b>
<b>January 2014</b>	<b>N. T</b>	<b>N. T</b>
<b>February 2014</b>	<b>N. T</b>	<b>N. T</b>
<b>March 2014</b>	<b>05.97</b>	<b>05.68</b>

N. T stands for Not Traded



#### **F. 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: Plot no.278, Vijaywadi, Path No.6

Dehar Ka balaji, Jaipur – 302 012.

Corporate Office : Office No. 8A, 8<sup>th</sup> Floor, Astral Centre, 470-B,

N. M. Joshi Marg, Chinchpokli –West, Mumbai – 400 011.

#### **G. Committees of the Board**

1. Audit Committee
2. Shareholders/Investors Grievance Committee
3. Share Transfer Committee
4. Remuneration Committee

#### **H. Management Discussion and Analysis Report (MDA)**

The Management Discussion and Analysis Report (MDA) have been attached to the Directors' Report and forms part for this Annual Report.

#### **I. Warning against Insider Trading**

Comprehensive guidelines advising and cautioning the management staff and other relevant business associates on the procedure to be followed while dealing with the securities of your Companies are in place. In light of the SEBI [Insider Trading] Amendment Regulations, 2002, a fresh set of guidelines is being issued by the company on the subject. The code of conduct and corporate disclosure practices framed by the company will help in ensuring compliance of the amended regulations.

#### **J. Auditor's Certificate on Corporate Governance**

The Company has obtained the certificate from the auditors of the Company regarding compliance with the provisions relating to corporate governance laid down in clause 49 of the Listing Agreement with the Stock Exchange, which also attached herewith. This report is annexed to the Directors' Report for the year 2013-14. This certificate will be sent to the stock exchanges, along with the annual return to be filed by the company.

**BY ORDER OF THE BOARD**

**For HARMONY CAPITAL SERVICES LTD.**

**PLACE: - MUMBAI.**

**DATE : - 03.09.2014**

Sd/-

**CHAIRMAN & MANAGING DIRECTOR**

**DIN: 01589574**

## Certificate of Chief Executive Officer and Chief Financial Officer

We have reviewed the financial statements and the cash flow statement for the year ended March 31, 2014 and that to the best of our knowledge and belief.

1. These Statement do not contain any materially untrue statement or omit any material fact or contain statement that might be misleading;
2. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
3. To the best of our knowledge and belief, no transactions entered in to by the Company during the year ended March 31, 2014 which are fraudulent, illegal or violative of the Company's Code of Conduct.
4. We accept responsibility for establishing and maintaining internal control system and that we have evaluated the effectiveness of the internal control system of the company and we have disclosed to the auditors and the Audit committee, deficiencies in the design or operation of internal control system, if any, of which we are aware and steps we have taken or propose to taken to rectify these deficiencies.
5. We further certify that we have indicated to the Auditors and the Audit Committee:
  - a) There have been no significant changes in internal control system during the year.
  - b) There have been no significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - c) There have been no instances of significant fraud, of which we have become aware, involving management or an employee having a significant role in the Company's internal control system.

For Harmony Capital Services Limited

Sd/-

Asutosh Raulo  
Chief Executive Officer  
DIN: 01589574

Place: Mumbai  
Date: 03.09.2014