

# HARMONY CAPITAL SERVICES LIMITED

## REPORT ON CORPORATE GOVERNANCE

### 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 objectives.

### 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.

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As on 31<sup>st</sup> March 2017, the Board of Harmony capital services limited. Consists of 4 Directors, two of whom are non-executive and Independent. 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 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 four Board meetings held during 2016-2017:

Sr. No.	Name of Director	Designation	Board Meetings Attended	Last Annual General Meeting Attended (Held on 30.09.2016)
1	Asutosh Raulo	Chairman & MD	4	YES
2	Krishna Kumar Jhunjhunwala	Director	4	YES
3	Balaji Bhagwat Raut	Director	4	YES
4	Pooja Lalchand Kumawat	Director	4	YES

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

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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 Unlisted Public Limited Companies	Membership of Board Committees
1	Asutosh Raulo	NIL	NIL	NIL
2	Krishna Kumar Jhunjhunwala	NIL	NIL	NIL
3	Balaji Bhagwat Raut	NIL	NIL	NIL
4	Pooja Lalchand Kumawat	NIL	NIL	NIL

## D. Number of Board meetings held.

The Board of Director had met 4 (Four) times on the following dates: 13<sup>th</sup> May.,2016, 28<sup>th</sup> July.,2016, 14<sup>th</sup> Oct.,2016 and 18<sup>th</sup> Jan.,2017. The maximum gap between any two meetings was less than 4 months.

## 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

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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 2016-17, the audit committee met 4 (Four) times on 9<sup>th</sup> May.,2016, 25<sup>th</sup> July.,2016, 10<sup>th</sup> Oct.,2016 and 16<sup>th</sup> Jan.,2017. The meetings were scheduled well in advance and were attended by the members of the Committee.

## 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 four Directors:

- |                                    |                                     |
|------------------------------------|-------------------------------------|
| 1. Shri Balaji Bhagwat Raut        | : CHAIRMAN AND INDEPENDENT DIRECTOR |
| 2. Shri Krishna Kumar Jhunjhunwala | : PROMOTER DIRECTOR                 |
| 3. Shri Asutosh Raulo              | : MANAGING DIRECTOR                 |
| 4. Ms. Pooja Lalchand Kumawat      | : INDEPENDENT DIRECTOR              |

### b. Meetings and Attendance.

There is four meeting of remuneration committee was held on 15<sup>th</sup> April.,2016, 28<sup>th</sup> July.,2016, 14<sup>th</sup> October.,2016 and 20<sup>th</sup> Jan.,2017. As there were no significant changes in the existing structure/policy, which was required to be discussed.

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## c. No Remuneration has been paid to Directors

## STAKEHOLDERS/INVESTORS GRIEVANCE COMMITTEE & SHARE TRANSFER COMMITTEE

### I. 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

Shri Balaji Bhagwat Raut, is Chairman of the Committee, Ms. Pooja Lalchand Kumawat is Independent director and Shri Krishna Kumar Jhunjhuhwala 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 2016-17 on 20<sup>th</sup> day May 2016, 14<sup>th</sup> day July, 2016, 7<sup>th</sup> day October, 2016 and 27<sup>th</sup> day of January 2017. All the Members were attended all the Meetings.

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

During 2016-17 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,

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470-B, N. M. Joshi Marg, Chinchpokli –West,  
Mumbai – 400011.

## **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.

The Risk Management Committee consists of three directors:

1. Shri Asutosh Raulo : CHAIRMAN
2. Shri Krishna Kumar Jhunjhunwala : PROMOTER DIRECTOR
3. Shri Balaji Bhagwat Raut : INDEPENDENT DIRECTOR

Two Meetings of Risk Management Committee were held on 20<sup>th</sup> day May 2016 and 27<sup>th</sup> day of January 2017

## **GENERAL BODY MEETINGS**

### **i. Annual General Meeting(AGM)**

Financial Year	Date	Time	Venue
2013-14	30.09.2014	10.30 A.M	PLOT NO. 278,
2014-15	30.09.2015	10.30 A. M	VIJAYWADI PATH NO. 6,
2015-16	30.09.2016	11.00 A. M	DHER KA BALAJI, JAIPUR- 302016 Rajasthan

ii. No Special Board Resolution has been passed

## **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.

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## **CEO/CFO Certification:**

A 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, 2017 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 INFORMATIONS**

### **Annual General Meeting**

**Date, Time & Venue:** Saturday, 30th September 2017 at 11.00 am  
At Office No. 8A, 8th Floor, Astral Centre, 470/B, N. M. Joshi Marg,  
Chinchpokli- West, Mumbai – 400 011

### **A. Dividend**

No dividend is declared.

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## **B. 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**

Pursuant to Clause 49 of the Listing Agreement and upon recommendation by the Audit Committee, the Board of Directors, approved and adopted the Whistle Blower Policy. This Policy can be viewed on the Company's website viz. [www.hcsl.co.in](http://www.hcsl.co.in) in the "Corporate Governance" Section.

## **C. 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.

## **D. 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.



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The listing fees for the financial year 2015-2017 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

Sr. No.	Stock Price Data of BSE (Month wise)	High (₹)	Low (₹)
1	April 2016	N. T	N. T
2	May 2016	5.69	5.69
3	June 2016	N. T	N. T
4	July 2016	N. T	N. T
5	August 2016	N. T	N. T
6	September 2016	N. T	N. T
7	October 2016	5.69	5.69
8	November 2016	N. T	N. T
9	December 2016	N. T	N. T
10	January 2017	N. T	N. T
11	February 2017	N. T	N. T
12	March 2017	N. T	N. T

N. T stands for Not Traded

## E. 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, 8<sup>th</sup> Floor, Astral Centre, 470-B,

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

## F. Committees of the Board

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

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## 4. Remuneration Committee

### **G. 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.

### **H. 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.

### **I. 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 2016-17. 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 : - 02.09.2017

Sd/-

**ASUTOSH B. RAULO**  
**MANAGING DIRECTOR**  
**DIN: 1589574**