

***HARMONY CAPITAL SERVICES LIMITED***

***25<sup>TH</sup> ANNUAL REPORT***



**2018-19**

# HARMONY CAPITAL SERVICES LIMITED

## C O N T E N T S

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# HARMONY CAPITAL SERVICES LIMITED

## CORPORATE INFORMATION

### BOARD OF DIRECTORS

|                            |                     |
|----------------------------|---------------------|
| ASUTOSH RAULO              | - MANAGING DIRECTOR |
| KRISHNA KUMAR JHUNJHUNWALA | - DIRECTOR          |
| BALAJI BHAGWAT RAUT        | - DIRECTOR          |
| POOJA LALCHAND KUMAWAT     | - DIRECTOR          |

### CHIEF FINANCIAL OFFICER

MR. SUNIL BIHARILAL KATARIA

### COMPANY SECRETARY & COMPLIANCE OFFICER

MS. RAMDULARI SAINI

### REGISTERED OFFICE

OFFICE NO. 8A, 8<sup>TH</sup> FLOOR,  
ASTRAL CENTRE,  
470/B, N. M. JOSHI MARG,  
CHINCHPOKLI – WEST,  
MUMBAI – 400 011

### AUDITORS

M/S. D. LODHA & ASSOCIATES  
CHARTERED ACCOUNTANTS  
8-B-7, ROOM NO. 4, GROUND FLOOR,  
NEAR SHAH AUTO GOPAL NAGAR,  
KALYAN ROAD, BHIWANDI,  
THANE - 421302

### REGISTRAR AND SHARE TRANSFER AGENT

Sharex Dynamic (India) Private Limited  
Unit 1, Luthra Industrial Premises, 1st Floor,  
44-E, M. Vasanti Marg, Andheri Kurla Road,  
Safed Pool, Andheri (East), Mumbai-400 072

### BANKER

CENTRAL BANK OF INDIA

### WEBSITE

[www.hcsl.co.in](http://www.hcsl.co.in)

**CORPORATE IDENTIFICATION NO.** L67120MH1994PLC288180

# HARMONY CAPITAL SERVICES LIMITED

## NOTICE

**NOTICE** is hereby given that the 25<sup>th</sup> **Annual General Meeting** of the Members of **HARMONY CAPITAL SERVICES LIMITED** will be held on Monday the 30<sup>th</sup> day of Sept 2019 at 11.00 A. M. at the Registered office of the Company at Office No. 8A, 8<sup>th</sup> Floor, Astral Centre, 470/B, N. M. Joshi Marg, Chinchpokli-West, Mumbai – 400 011 to transact the following business:

### ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statement of the Company for the financial year ended 31<sup>st</sup> March, 2019, together with the report of Board of Directors and Auditors thereon.
2. To appoint a Director in place of Shri Krishna Kumar Jhunjhunwala (DIN: 00335070) who retires by rotation and who is not disqualified to act as a director as per the provisions of the Companies Act, 2013, and being eligible, offers himself for re-appointment.
3. Ratification of Appointment of Auditors

To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary

Resolution:

“RESOLVED THAT pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 read with rule 3(7) of the Companies (Audit and Auditor) Rules, 2014(including any statutory modification or re-enactment thereof for the time being in force), the Company be and hereby ratifies the appointment of M/s. D. Lodha & Associates. (Firm Registration No. 135606W), Chartered Accountants as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) until conclusion of the next annual General Meeting to be held in the calendar year 2020 (subject to ratification of their appointment at every AGM) at such remuneration (including fees for certification) and reimbursement of out of pocket expenses for the purpose of audit as may be approved by the Board of Directors of the Company on the recommendation of the Audit Committee.”

# HARMONY CAPITAL SERVICES LIMITED

**RESOLVED FURTHER THAT** Shri Asutosh Raulo, Managing Director of the Company, be and is hereby authorised to sign and submit the necessary application and forms with appropriate authorities and to perform all such acts, deeds and things as he may in his absolute discretion deem necessary or desirable for and on behalf of the Company for the purpose of giving effect to aforesaid resolution.”

**BY ORDER OF THE BOARD**

**For HARMONY CAPITAL SERVICES LTD.**

**PLACE: - MUMBAI.**

**DATE : -06.08.2019**

Sd/-

**ASUTOSH B. RAULO**

**MANAGING DIRECTOR**

**DIN: 1589574**

## **NOTES TO NOTICE**

1. The relevant Explanatory Statement pursuant Section 102 of the Companies Act, 2013, in respect of Item No. 3 is annexed hereto.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (AGM) IS ENTITLED TO APPOINT A PROXY OR PROXIES TO ATTEND AND VOTE ON A POLL ON HIS BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly stamped, completed and signed, not later than 48 hours before the time fixed the meeting.

Pursuant To Section 105 Of The Companies Act, 2013, A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten per cent of the total share capital of the Company caring voting rights. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.

3. Corporate Members intending to send their authorized representative(s) pursuant to section 113 of the Companies Act 2013 to attend the Meeting are requested to send a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting. An authorized representative of a body corporate member may also appoint a proxy under his signature in the manner provided above.

# HARMONY CAPITAL SERVICES LIMITED

4. Non-Resident Indian Members are requested to inform M/s Sharex Dynamic (India) Pvt. Ltd, immediately of :
  - (i) Change in their residential status on return to India for permanent settlement.
  - (ii) Particulars of their bank account maintained in India with complete name, branch, account type, account number, IFSC code and address of the bank with pin code number, if not furnished earlier.
5. Proxies and Authorised Representatives are requested to bring to the meeting, the Attendance Slip enclosed herewith, duly completed and signed, mentioning therein details of their DP ID and Client ID / Folio No.
6. All documents referred to in the Notice and Explanatory Statement are open for inspection at the Registered Office of the Company during office hours on all working days except public holidays between 10.30 a. m. and 05.30 p. m. up to the date of the Annual General Meeting.
7. The Register of Members and Share Transfer Books of the Company will remain closed from 23<sup>RD</sup> Sept, 2019 to 30<sup>th</sup> Sept, 2019 (both days inclusive) for the purpose of Annual General Meeting.
8. Members are requested to:
  - (i) Note that copies of Annual Report will not be distributed at the Annual General Meeting.
  - (ii) Bring their copies of Annual Report, Notice and Attendance Slip duly completed and signed at the meeting.
  - (iii) Deliver duly completed and signed Attendance Slip at the entrance of the meeting venue as entry to the Hall will be strictly on the basis of the entry slip available at the counters at the venue to be exchanged with the attendance slip.
  - (iv) Quote their Folio / Client ID & DP ID Nos. in all correspondence.
  - (v) Duplicate admission slips will not be provided at the AGM venue.
9. Shareholders seeking any information with regard to Accounts are requested to write to the Company at least ten (10) days before the AGM to enable the management to keep the information ready at the Meeting.
10. The Registrar of Company is M/s. Sharex Dynamic (India) Pvt. Ltd, Unit – 1, Luthra Industrial Premises, 1<sup>st</sup> Floor, 44-E, M. Vasanti Marg, Andheri – Kurla Road, Safed Pool, Andheri – East, Mumbai – 400072. All concerned are requested to send their documents and address all their correspondence directly to the above registrar.

# HARMONY CAPITAL SERVICES LIMITED

11. Members holding shares in dematerialized form are requested to intimate all changes pertaining to their bank details such as bank account number, name of the bank and branch details, MICR code and IFSC code, mandates, nominations, power of attorney, change of address, change of name, e-mail address, contact numbers, etc., to their depository participant (DP). Changes intimated to the DP will then be automatically reflected in the Company's records which will help the Company and the Company's Registrars and Transfer Agents, M/s. Sharex Dynamic (India) Pvt. Ltd to provide efficient and better services. Members holding shares in physical form are requested to intimate such changes to M/s. Sharex Dynamic (India) Pvt. Ltd.
12. Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to M/s . Sharex Dynamic (India) Pvt. Ltd, for consolidation into a single folio. **SEBI has stipulated that securities of listed companies can be transferred only in dematerialized form from 1st April, 2019. In view of the above and to avail various benefits of dematerialization, members are advised to dematerialize shares held by them in physical form. Hence, the company will not entertain any requests of transfer of equity shares, if they are in physical form.**
13. In case of joint holders attending the AGM, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.
14. As per the provisions of Section 72 of the Act, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. Members holding shares in electronic form may submit the same to their respective depository participant
15. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified
16. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to Company or M/s. Sharex Dynamic (India) Private Limited.
17. Details as required sub-regulation (3) of Regulation 36 of the SEBI Listing Regulations and Secretarial Standard on General Meeting (SS-2) of ICSI SEBI (LODR), in respect of the Directors seeking appointment/re-appointment at the Annual General Meeting, forms integral part of the notice. The Directors have furnished the requisite declarations for their appointment/re-appointment

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18. The Annual Report including Notice of the 25<sup>th</sup> Annual General Meeting, instructions for e-voting, attendance Slip and proxy form of the Company for 2018-19 circulated to the member of the Company by electronic mode to those members whose e-mail address are registered with the Company/Depository. Will also be made available on the Company's website at "[www.hcsl.co.in](http://www.hcsl.co.in)" and also on website of the respective Exchanges.
19. The business set out in the notice will be transacted through electronic voting system and the Company is providing facility for voting by electronic means. Instructions and other information relating to e-voting are given in this notice.
20. A Road MAP showing directions to reach the venue of the 25<sup>th</sup> AGM is given at the end of this Notice

## **Instruction and other information relating to e-Voting**

- I. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Clause 35B of the Listing Agreement, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).
- II. The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.
- III. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
- IV. The remote e-voting period commences on 27<sup>th</sup> Sept.,2019 (9:00 am) and ends on 29<sup>th</sup> Sept, 2019 (5:00 pm). During this period members' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 23<sup>rd</sup> Sept.,2019, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by



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NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.

V. The process and manner for remote e-voting are as under:

## **How do I vote electronically using NSDL e-Voting system?**

*The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:*

**Step 1 : Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>**

**Step 2 : Cast your vote electronically on NSDL e-Voting system.**

**Details on Step 1 is mentioned below:**

**How to Log-in to NSDL e-Voting website?**

- i. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
- ii. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
- iii. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

*Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.*

iv. Your User ID details are given below :

|  |  |
|--|--|
| Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical | Your User ID is:   |
| a) For Members who hold shares in demat account with NSDL.     | 8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is |

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|  |   |
|--|---|
|  | IN300*** and Client ID is 12***** then your user ID is IN300***12*****.   |
| b) For Members who hold shares in demat account with CDSL. | 16 Digit Beneficiary ID<br>For example if your Beneficiary ID is 12***** then your user ID is 12*****   |
| c) For Members holding shares in Physical Form.            | EVEN Number followed by Folio Number registered with the company<br>For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001*** |

V. Your password details are given below:

- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
- c) How to retrieve your 'initial password'?
  - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
  - (ii) If your email ID is not registered, your 'initial password' is communicated to you on your postal address.

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- vi. If you are unable to retrieve or have not received the " Initial password" or have forgotten your password:
  - a) Click on "[Forgot User Details/Password?](#)"(If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - b) [Physical User Reset Password?](#)" (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN,your name and your registered address.
- vii. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
- viii. Now, you will have to click on "Login" button.
- ix. After you click on the "Login" button, Home page of e-Voting will open.

## **Details on Step 2 is given below:**

### **How to cast your vote electronically on NSDL e-Voting system?**

- i. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
- ii. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
- iii. Select "EVEN" of company for which you wish to cast your vote.
- iv. Now you are ready for e-Voting as the Voting page opens.
- v. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
- vi. Upon confirmation, the message "Vote cast successfully" will be displayed.

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- vii. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
- viii. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

## **General Guidelines for shareholders**

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [sumanmsureka@yahoo.com](mailto:sumanmsureka@yahoo.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990 or send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

## **General Instructions**

- A. A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.
- B. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
- C. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of ballot paper for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- D. The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-

# HARMONY CAPITAL SERVICES LIMITED

voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than 48 Hours of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith

- E. The results of voting along with details of the number of votes cast for and against the Resolution, invalid votes will be declared within 48 hours from the conclusion of the AGM. The results declared along with the Scrutinizer's Report shall be placed on the company's website [www.hcsl.co.in](http://www.hcsl.co.in) and on the website of M/s NSDL. Further, the results shall be displayed on the Notice Board of the Company at its Registered Office. It shall also be communicated to BSE

**BY ORDER OF THE BOARD**

**For HARMONY CAPITAL SERVICES LTD.**

**PLACE: - MUMBAI.**

**DATE : 06.08.2019**

Sd/-

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

# HARMONY CAPITAL SERVICES LIMITED

## Explanatory Statement

(Pursuant to Section 102 of the Companies Act, 2013)

As required by Section 102 of the Companies Act, 2013 ("Act"), the following explanatory statement sets out all material facts relating to the business mentioned under Item Nos. 3 of the accompanying Notice:

### Item No. 3

This explanatory statement is provided though strictly not required as per Section 102 of the Act. M/s. D. Lodha & Associates. Chartered Accountants, Mumbai (Firm Registration No. 135606W) with the Institute of Chartered Accountants of India) were appointed as the statutory auditors of the Company for a period of five years at the Annual General Meeting held on 28th Sept., 2018, to hold office from the conclusion of the 24<sup>th</sup> AGM till conclusion of the 29<sup>th</sup> AGM to be held in the year 2023.

As per provisions of Section 139(1) of the Act, their appointment for the above tenure is subject to ratification by members at every AGM.

Accordingly, Appointment of the members is being sought for appointment of statutory auditors as per the proposal contained in the Resolution set out at item no. 3 of the Notice.

The Board commends the Resolution at item No. 3 for approval by the Members.

None of the Directors or Key Managerial Personnel (KMP) or relatives of Directors and KMPs is concerned or interested in the Resolution at Item No. 3 of the accompanying Notice.

**BY ORDER OF THE BOARD**

**For HARMONY CAPITAL SERVICES LTD.**

**PLACE: - MUMBAI.**

**DATE : 06.08.2019**

Sd/-

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

# HARMONY CAPITAL SERVICES LIMITED

**Information pursuant to Regulation 36(3) of SEBI(Listing obligation and disclosure Requirement) Regulation, 2015 with regard to Directors seeking Appointment/Re-Appointment as the Forthcoming Annual General Meeting**

|  |  |
|--|--|
| Name of Director   | Mr. Krishna Kumar Jhunjunwala  |
| Date of Birth  | 22.04.1968   |
| Date of Appointment  | 08.11.1994   |
| Qualification  | B. COM, FCA  |
| DIN  | 00335070   |
| Expertise in specific functional areas                           | He has vast experience of more than 20 years in fields of management, Business Administration & marketing consultancy related areas. |
| List of Companies in which directorship is held as on 31.03.2019 | Percept Financial Consultants Pvt. Ltd<br>Shekhawati Corporate Services Pvt. Ltd<br>Jhunjunwala Finance Pvt. Ltd                     |
| Chairman / Member of the committee of other companies            | NIL  |
| Relationship between directors inter-se                          | None   |
| Number of meetings of the board attended during the year         | He has attended all the 5(five) meetings held during the year  |

## **Route MAP to the AGM Venue**

Venue: Office No. 8A, 8<sup>th</sup> Floor, Astral Centre,  
470/B, N. M. Joshi Marg,  
Chinchpokli – West,  
Mumbai – 400 011

Landmark: Near to Chinchpokli Railway Station

Date & Time: 30<sup>th</sup> Sept 2019 at 11.00 am



# HARMONY CAPITAL SERVICES LIMITED

Distance from Chinchpokli Railway Station: 0.4 KM





# HARMONY CAPITAL SERVICES LIMITED

## DIRECTOR'S REPORT

To  
The Shareholders,

Your Directors present the **25<sup>th</sup> ANNUAL REPORT** of Harmony Capital Services Limited (The Company) along with the Audited Financial Statement for the financial year ended on 31<sup>st</sup> March 2019.

### 1. **FINANCIAL RESULTS**

A summary of your Company's Financial Performance for the Financial Year ended 31<sup>st</sup> March 2019 is given below: -

(Amount in ₹.)

| PARTICULARS   | Financial Year<br>2018-2019 | Financial Year<br>2017-2018 |
|---|-----------------------------|-----------------------------|
| Total Revenue   | 10,96,960                   | 34,35,578                   |
| Expenses excluding Interest, Depreciation and amortization expenses | 8,85,869                    | 12,08,368                   |
| Depreciation and amortization expenses                              | 2,095                       | 2095                        |
| Finance Cost  | NIL                         | NIL                         |
| Profit Before Tax (PBT)   | 2,08,996                    | 22,25,116                   |
| Tax Expense   | 14,890                      | 3,87,623                    |
| Net Profit for the Year   | 1,94,106                    | 18,37,493                   |
| Other Comprehensive Income  | NIL                         | NIL                         |
| Total Comprehensive Income  | 1,94,106                    | 18,37,493                   |
| Add :- Balance b/f from the previous year                           | (15,454,958)                | (17,292,451)                |
| Balance available for Appropriation                                 | (15,260,852)                | (15,454,958)                |
| Less :- Transferred to General Reserve                              | NIL                         | NIL                         |
| Proposed Dividend   | NIL                         | NIL                         |
| Balance Carried to Balance Sheet                                    | (15,260,852)                | (15,454,958)                |

### 2. **TRANSFER TO RESERVES**

The Board of Directors has decided to retain the entire amount of profits for Financial Year 2018-19 in the profit & Loss account

# HARMONY CAPITAL SERVICES LIMITED

## 3. DIVIDEND

Due to non-availability of sufficient funds, your directors express their inability to recommend any dividend for the year under review.

## 4. EXTRACT OF ANNUAL RETURN

Pursuant to Section 92 and 134(3) of the Companies Act and Rule 12 of the Companies (Management and Administration) Rules, 2014, the extract of Annual Return in Form MGT-9 is attached as

ANNEXURE – A

## 5. SHARE CAPITAL

The Issued, Subscribed and Paid-Up Equity Share Capital as on 31<sup>st</sup> March, 2019 was ₹ 30,009,000/-. During the year under review, the Company has not issued shares with differential voting rights nor granted any stocks options or sweat equity. As on 31<sup>st</sup> March, 2019 none of the Directors of the Company holds instrument convertible into equity shares of the Company.

## 6. DEPOSITS FROM PUBLIC:

The Company has not accepted any deposits from public and as such, no amount on account of principal or interest on deposits from public was outstanding as on the date of the balance sheet within the meaning of Section 73 of the Companies Act, 2013.

## 7. MATERIAL EVENTS OCCURRING AFTER BALANCE SHEET

There are no material events that have occurred after Balance Sheet

## 8. NUMBER OF MEEINGS OF THE BOARD

During Financial Year 2018-19 Five Board Meetings were held by the Company on 20<sup>th</sup> April.,2018, 27<sup>th</sup> July.,2018, 6<sup>th</sup> Nov.,2018, 24<sup>th</sup> Jan.,2019 and 30<sup>th</sup> March.,2019. The intervening gap between the meetings was prescribed under the Companies Act.2013 and clause 49 of the Listing Agreement entered with the BSE. The number of Committee Meeting held during the Financial Year 2018-19 forms part of the Corporate Governance Report.

# HARMONY CAPITAL SERVICES LIMITED

## 9. DIRECTOR'S RESPONSIBILITY STATEMENT

Pursuant to the Sections 134(5) of the Companies Act, The Board of Directors to the best of their knowledge and ability confirmed that:

- (a) in the preparation of the annual accounts, the applicable accounting standards have been followed and there are no material departures;
- (b) they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- (c) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) they have prepared the annual accounts on a going concern basis;
- (e) they have laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and operating effectively;

## 10. DIRECTORS AND KEY MANAGERIAL PERSONNELS:

In accordance with the provisions of Section 152 of the Act, and that of Articles of Association of the Company, Shri Krishna Kumar Jhunjunwala (DIN:00335070) Director of the Company retires by rotation at this AGM of the Company and being eligible, offers himself for reappointment. In accordance with the provision of the Act, the Articles of Association of the Company, and as per the Clause 49 of the listing agreement entered with Stock Exchange. The Company has received declarations from all the Independent Directors confirming that they meet with the criteria of independence as prescribed both under Section 149 (6) of the Companies Act, 2013 and under Clause 49 of the Listing Agreement with the BSE.

Mr. Asutosh Raulo, Chairman & Managing Director, Mr. Sunil Biharilal Kataria, CFO and Ms. Ramdulari Saini, Compliance Officer of the Company have been designated as the Key Managerial Personnel of the Company (KMP) pursuant to the provisions of sections 2(51) and 203 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

# HARMONY CAPITAL SERVICES LIMITED

## **11. DECLARATION OF INDEPENDENCY BY THE INDEPENDENT DIRECTORS**

The Company has received declarations from both the Independent Directors of the Company confirming that they fulfill the criteria of independence as prescribed under sub-section (6) of section 149 of the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015.

## **12. INDEPENDENT DIRECTORS MEETING**

The Independent Directors of the Company met on 6<sup>th</sup> November 2018 during the year inter-alia to discuss:

- a. Evaluation of performance of Non-Independent Directors and the Board of the Company as a whole.
- b. Evaluation of performance of the Chairman of the Company, taking in to account the views of Executive and No-Executive Directors.
- c. Evaluation of Quality, content and timelines of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duty.

## **13. PERFORMANCE EVALUATION OF THE BOARD**

The Board of Directors has carried out an annual evaluation of its own performance, board committees, and individual directors pursuant to the provisions of the Act and the corporate governance requirements as prescribed by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations 2015 ('SEBI Listing Regulations').

The performance of the board was evaluated by the board after seeking inputs from all the directors on the basis of criteria such as the board composition and structure, effectiveness of board processes, information and functioning, etc. as provided by the Guidance Note on Board Evaluation issued by the Securities and Exchange Board of India.

The performance of the committees was evaluated by the board after seeking inputs from the committee members on the basis of criteria such as the composition of committees, effectiveness of committee meetings, etc.

The Board and the Nomination and Remuneration Committee reviewed the performance of individual directors on the basis of criteria such as the contribution of the individual director to the

# HARMONY CAPITAL SERVICES LIMITED

board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc.

In a separate meeting of independent directors, performance of non-independent directors and the board as a whole was evaluated, taking into account the views of executive directors and non-executive directors. The same was discussed in the board meeting that followed the meeting of the independent directors, at which the performance of the board, its committees, and individual directors was also discussed. Performance evaluation of independent directors was done by the entire board, excluding the independent director being evaluated.

## **14. POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION AND OTHER DETAILS**

The Company's policy on directors' appointment and remuneration and other matters provided in Section 178(3) of the Act has been disclosed in the Corporate Governance Report, which is a part of this report.

## **15. AUDITORS AND AUDITORS REPORT.**

The Shareholder of the Company in the 24<sup>th</sup> Annual General Meeting held on 28<sup>th</sup> Sept., 2018 had approved Appointment of M/s. D. Lodha & Associates., Chartered Accountants (Firm Registration No 135606W), Auditors of the Company, until the conclusion of 28<sup>th</sup> Annual General Meeting of the Company and authorized the Board to fix their remuneration. In terms of the requirements of the Act, their appointment is require to be ratified by the Members As per the provisions of Section 139 their appointment is required to be ratified in every Annual General Meeting and being eligible for appointment the Directors recommended for their reappointment for ratification.

The Company has received their consent and a certificate as required under Section 139 (1) of the Companies Act, 2013 from them to the effect that they qualify for their re-appointment, if made and it would be within the prescribed limits under Section 141 of the Companies Act, 2013.

Notes to the financial statements referred in the Auditors Report are self-explanatory and therefore do not call for any comments under Section 134 of the Companies Act, 2013.

# HARMONY CAPITAL SERVICES LIMITED

## **16. AUDIT COMMITTEE**

The details pertaining to the composition of the audit committee are included in the Corporate Governance Report, which is a part of this report

## **17. . SECRETARIAL AUDITOR**

Pursuant to provisions of section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2015 the company has appointed Mrs. Manisha Agarwal, Company Secretary to undertake the Secretarial Audit of the Company for F.Y 2018-19. The Secretarial Audit report is annexed herewith as "Annexure B

## **18. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS BY THE COMPANY UNDER SECTION 186.**

There are no loans, Guarantees made under the provisions of Section 186 of the Companies Act, 2013 during the year. Further, pursuant to the provisions of section 186 (4) of the Act, the details of investments made by the Company are given in the Notes to the Financial Statements.

## **19. RELATED PARTY TRANSACTIONS:**

There are no contracts or arrangements with related parties referred to section 188(1) of the companies Act, 2013. The Company has been uploaded on the website of the Company at [http://www.hcsl.co.in/download/corporate\\_governance/Related-party-transaction-policy.pdf](http://www.hcsl.co.in/download/corporate_governance/Related-party-transaction-policy.pdf)

## **20. SUBSIDIARY COMPANIES, JOINT VENTURES NAD ASSOCIATES COMPANIES**

The Company does not have any Subsidiary and Associate Company or Joint venture

## **21. ADOPTION OF INDIAN ACCOUNTING STANDARDS**

The Company adopted the Indian Accounting Standards ("Ind AS") notified under the Companies(Indian Accounting Standards) Rules, 2015 during the year for preparation and presentation of these Financial Statements. Consequently, the Financial Statements of the previous year have had to be restated to conform to the provisions of Ind AS. The corresponding reconciliation and description of the effects of this transition from the provisions of the Companies (Accounting Standards) Rules, 2005 has been provided under Note 13 to the Financial Statements

# HARMONY CAPITAL SERVICES LIMITED

## **22. FINANCIAL HIGHLIGHTS AND COMPANY AFFAIRS:**

Your Company has earned total revenue of ₹ 10.97 lakhs in Financial Year 2018-19 as compared to revenue of ₹34.36 lakhs in Financial Year 2017-18. The profit after tax in Financial Year 2018-19 is ₹ 1.94 lacs as compared to ₹18.37 lakhs in Financial Year 2017-18.

## **23. VIGIL MECHANISM/WHISTLE BLOWER POLICY**

The Vigil Mechanism of the Company, which also incorporates a Whistle Blower policy in terms of the Listing Regulations, includes an Ethics & Compliance Task Force comprising senior executives of the Company. Protected disclosures can be made by a whistle blower through an e-mail, or dedicated telephone line or a letter to the task Force to the Chairman of the Audit Committee. The Vigil Mechanism and Whistle Blower policy of the Company is available on its website "www.hcsl.co.in"

## **24. RISK MANAGEMENT**

As per the Act, and as part of good corporate governance the Company has constituted the Risk Management Committee. The Committee is required to lay down the procedures to inform to the Board about the risk assessment and minimization procedures and the Board shall be responsible for framing, implementing and monitoring the risk management plan and policy for the Company. The main objective of this policy is to ensure sustainable business growth with stability and to promote a pro-active approach in reporting, evaluating and resolving risks associated with the business. In order to achieve the key objective, the policy establishes a structured and disciplined approach to Risk Management, in order to guide decisions on risk related issues.

The Committee reviewed the risk trend, exposure and potential impact analysis carried out by the management. It was specifically confirmed to the Committee by the MD & CEO and the CFO that the mitigation plans are finalized and up to date, owners are identified and the progress of mitigation actions are monitored.

## **25. CORPORATE GOVERNANCE**

The Company is committed to maintain the highest standards of Corporate Governance and adhere to the Corporate Governance requirements set out by the Securities and Exchange Board of India (SEBI). The Company has also implemented several best Corporate Governance practices as prevalent globally. The Report on Corporate Governance as stipulated under the Listing Regulations Forms an integral part of this Report. A Report on Corporate Governance along with a Certificate from the Statutory Auditors of the Company regarding the compliance of conditions of Corporate

# HARMONY CAPITAL SERVICES LIMITED

Governance as stipulated in regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of regulation 46 and paragraph C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 are annexed to this Report. The requisite Certificate from the Auditors of the Company confirming compliance with the conditions of Corporate Governance is attached to the report on Corporate Governance.

## **26. INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY**

The details in respect of Internal Financial Control and their adequacy are included in the Management discussion & Analyses, which forms part of this Report.

## **27. MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT**

Management's Discussion and Analysis Report for the year under review, as stipulated under Regulation 34 read with Schedule V to the Securities and Exchange Board of India ( Listing Obligations and Disclosure Requirements) Regulations, 2015 ( Listing Regulations), is presented in separate section forming part of the Annual Report.

## **28. PARTICULARS OF EMPLOYEES**

The information required pursuant to section 197 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company are not applicable to the Company, as the Company has not employed any employees whose salary exceeds the prescribed limits.

## **29. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT THE WORKPLACE (PREVENTATION, PROHIBITION AND REDRESSAL ) ACT, 2013**

The Company has in place a policy for Prevention of Sexual Harassment in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. Complaints Committee has been set up to redress complaints received regarding sexual harassment. All employees are covered under this policy. This Policy has been uploaded on the website of the Company. The Company has not received any complaint of sexual harassment during the Financial Year 2018-2019



# HARMONY CAPITAL SERVICES LIMITED

## **30. PARTICULARS REQUIRED UNDER THE LISTING AGREEMENT LISTING**

The Equity Shares of the Company are at present listed and traded with the Bombay Stock Exchange

## **31. PAYMENT OF LISTING FEES**

The Company has paid listing fee to the Bombay Stock Exchange.

## **32. DISCLOSURE OF PARTICULARS RELATING TO CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

The information pertaining to conservation of energy, technology absorption, Foreign exchange Earnings and outgo as required under Section 134 (3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2015 is furnished in as

| Sr. No. | Conservation of Energy | Technology | Absorption | Foreign Exchange Earnings And Outgo | Remark |
|---------|------------------------|------------|------------|-------------------------------------|--------|
| 1       | NIL                    | NIL        | NIL        | NIL                                 | N.A    |

## **33. ACKNOWLEDGEMENT**

Your Directors wish to place on record their appreciation and acknowledgement with gratitude's for the support and assistance to the Company's Bankers, Shareholders and Customers. Your Directors place on record their deep sense of appreciation for the devoted services of the executives and staff at all levels of the Company, to the growth & success of the Company.

### **BY ORDER OF THE BOARD**

For HARMONY CAPITAL SERVICES LTD

PLACE: - MUMBAI.

DATE : - 06.08.2019

Sd/-

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

# HARMONY CAPITAL SERVICES LIMITED

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Your Directors are pleased to present the Management Discussion and Analysis Report for the year ended 31<sup>st</sup> March, 2019 as stipulated under Regulation 34 (2) (e) read with Schedule VB of SEBI (LODR) Regulations 2015

The Management Discussion and Analysis have been included in consonance with the Code of Corporate Governance as approved by The Securities and Exchange Board of India (SEBI). Investors are cautioned that these discussions contain certain forward looking statements that involve risk and uncertainties including those risks which are inherent in the Company's growth and strategy. The company undertakes no obligation to publicly update or revise any of the opinions or forward looking statements expressed in this report consequent to new information or developments, events or otherwise.

The management of the company is presenting herein the overview, opportunities and threats, initiatives by the Company and overall strategy of the company and its outlook for the future. This outlook is based on management's own assessment and it may vary due to future economic and other future developments in the country.

The operational performance and future outlook of the business has been reviewed by the management based on current resources and future development of the Company

### ECONOMIC OVERVIEW

The global economy witnessed strong growth in 2017, and the momentum continued in 2018 with a growth rate of 3.6%. However, global economic growth is expected to ease moderately to 3.2% in 2019, before edging up to 3.4% in 2020, as per OECD1. Persistent moderation in China, owing to financial tightening amidst rising shadow banking and local government debt, and trade conflicts with the US had a dampening effect on the overall emerging markets' and developing economies' performance.

The impact of these geopolitical uncertainties and this trade slowdown were notable across various advanced economies, causing a contraction in global trade volumes from approximately 5.5% in 2017 to 0.75% in the first quarter of 2019. This, along with the tightening of financial conditions and policy uncertainties cast a shadow on business and consumer sentiment. With weakening prospects for global demand, industrial production also decelerated, particularly for capital goods.

Although financial stress is expected to ease for most emerging-market economies, underlying vulnerabilities persist. Weak global trade, financial stability risks and significant adjustment challenges from the past, along with financial market tensions may continue to impede growth. However, the projected pickup in the second half of 2019 is predicated on an ongoing buildup of policy stimulus in China, improvements in global financial market sentiment, the waning of some temporary drags on growth in the euro area, and a gradual stabilisation of conditions in stressed emerging market

# HARMONY CAPITAL SERVICES LIMITED

economies. Improved momentum for emerging market and developing economies is projected to continue into 2020.

## **SUBSIDIARY COMPANY.**

As there are no subsidiaries of the Company, Investment made in Subsidiaries is NIL.

## **SEGMENT-WISE PERFORMANCE**

The Company operates in single reported segment with main business of Finance and Share Trading activity.

## **OPPORTUNITIES AND THREATS**

There are several large and profitable opportunities for Financial Companies and the sector plays an important role in the Indian financial system. The key is for the Financial Companies sector to grow in a prudential manner while focusing on financial innovation and in having in place, the adequate risk management systems and procedures before entering into risky areas. The regulator constantly endeavors to balance the multiple objectives of financial stability, consumer and depositor protection and regulatory arbitrage concerns.

The Company is amongst the few Financial Companies that offers a full range of Retail and Corporate products and services. A balance in the mix as a preferred partner for all financial needs of the customer. We believe our digital assets across social, mobile and web, providing reach, operating efficiency and improved customer experience will be an opportunity for us to capitalize on in the coming years.

It will be critical to retain talent at the right cost for effectively building a high performance organization with an engaged and young workforce. Adequate funding at the right cost and tenure will be critical to achieve business growth.

## **Internal Financial control System and their Adequacy**

Your Company has put in place adequate internal financial controls with reference to the financial statements, some of which are outlined below.

Your Company has adopted accounting policies which are in line with the Accounting Standards prescribed in the Companies (Accounting Standards) Rules, 2006 that continue to apply under Section 133 and other applicable provisions, if any, of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 and relevant provisions of the Companies Act, 1956, to

# HARMONY CAPITAL SERVICES LIMITED

the extent applicable. These are in accordance with generally accepted accounting principles in India.

Your Company has a robust financial closure self-certification mechanism wherein the line managers certify adherence to various accounting policies, accounting hygiene and accuracy of provisions and other estimates.

Your Company in preparing its financial statements makes judgments and estimates based on sound policies and uses external agencies to verify/ validate them as and when appropriate.

The Management periodically reviews the financial performance of your Company against the approved plans across various parameters and takes necessary action, wherever necessary.

## Human Resource

The Company has excellent combination of experienced and talented employees. The Company also undertakes on regular basis various training programme to keep its employees updated on new technical developments and information which directly results in optimum capacity utilization and cost effectiveness. The Company's relation with its employees continues to be cordial. The Company always reciprocates commitment to its employees in order to motivate them to perform the best

## Risk & Concerns

Risks are integral aspects of business. Evaluation of risk and its management becomes more important in the global scenario especially when the company is trying to penetrate the global markets. The management of your company consistently analyzes the various risks associated with the business and adopts relevant risk management practices to minimize the adverse impact of these risks both external and internal developments are assessed regularly. Fund raising both in the form of debt syndication, IPO, Rights, FCCB, ECB and other forms is dependent upon government policies, performance of capital markets, and central banks decisions. Also in this era of liquidity crunch and volatile capital markets, there is fair amount of liquidity and financial risk from the clients.

## Future Outlook

The Indian economy is expected to grow at 7.4% in 2019-20 on account of steady improvement in major sectors as government and private consumption remains robust and investment is steadily picking up. One of the main factors - domestic consumption, which drives 60% of the GDP growth is expected to grow up to USD 6 trillion by 2030, supported by a 1.4 billion population. In the longer

# HARMONY CAPITAL SERVICES LIMITED

term, however, India's growth is expected to reflect the benefits of its structural reforms and its growing workforce. But to unlock India's massive economic potential, the nation will need to accelerate and sustain its continuing upward trajectory on key human development indicators and aim for a more inclusive growth.

## **Cautionary Statement:**

Statements in foregoing paragraphs of this report describing the current industry structure, outlook, opportunities, etc., may be construed as "forward looking statements", based on certain assumptions of future events over which the Company exercises no control. Therefore, there can be no guarantee as to their accuracy. These statements involve a number of risks, uncertainties and other factors that could cause actual results to differ materially from those that may be implied by these forward looking statements.

**BY ORDER OF THE BOARD**

**For HARMONY CAPITAL SERVICES LTD**

**PLACE: - MUMBAI.**

**DATE : - 06.08.2019**

Sd/-

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

# 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.

# HARMONY CAPITAL SERVICES LIMITED

As on 31<sup>st</sup> March 2019, 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 four Board meetings held during 2018-2019:

| Sr. No. | Name of Director           | Designation   | Board Meetings Attended | Last Annual General Meeting Attended (Held on 28.09.2018) |
|---------|----------------------------|---------------|-------------------------|---|
| 1       | Asutosh Raulo              | Chairman & MD | 5                       | YES   |
| 2       | Krishna Kumar Jhunjhunwala | Director      | 5                       | YES   |
| 3       | Balaji Bhagwat Raut        | Director      | 5                       | YES   |
| 4       | Pooja Lalchand Kumawat     | Director      | 5                       | 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 opportunities to express

# HARMONY CAPITAL SERVICES LIMITED

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              | 7                               | NIL                            |
| 2       | Krishna Kumar<br>Jhunjhunwala | NIL              | 3                               | NIL                            |
| 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: 20<sup>th</sup> April.,2018, 27<sup>th</sup> July.,2018, 6<sup>th</sup> Nov.,2018, 24<sup>th</sup> Jan.,2019 and 30<sup>th</sup> March.,2019. 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:**



# HARMONY CAPITAL SERVICES LIMITED

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 2018-19, the audit committee met 5 (Five) times on 20<sup>th</sup> April, 2018, 27<sup>th</sup> July, 2018, 6<sup>th</sup> Nov., 2018, 24<sup>th</sup> Jan., 2019 and 30<sup>th</sup> March, 2019. 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 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 four meeting of remuneration committee was held on 20<sup>th</sup> April, 2018, 27<sup>th</sup> July, 2018, 6<sup>th</sup> Nov., 2018 and 24<sup>th</sup> Jan., 2019. 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

# HARMONY CAPITAL SERVICES LIMITED

## **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 Jhunjhunwala 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 2018-19 on 20<sup>th</sup> April.,2018, 27<sup>th</sup> July.,2018, 6<sup>th</sup> Nov.,2018 and 24<sup>th</sup> Jan.,2019. All the Members were attended all the Meetings.

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

During 2018-19 Trading in the Shares of the Company is in Demate. During the year the NIL complaints were received.

## **III. 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.

# HARMONY CAPITAL SERVICES LIMITED

## GENERAL BODY MEETINGS

### i. Annual General Meeting(AGM)

| Financial Year | Date       | Time       | Venue   |
|----------------|------------|------------|---|
| 2015-16        | 30.09.2016 | 11.00 A. M | PLOT NO. 278, VIJAYWADI PATH<br>NO. 6, DHER KA BALAJI, JAIPUR-<br>302018<br>Rajasthan   |
| 2016-17        | 30.09.2017 | 11.00 A. M | OFFICE NO. 8A, 8 <sup>TH</sup> FLOOR,<br>ASTRAL CENTRE, 470/B, N. M.<br>JOSHI MARG, CHINCHPOKLI -<br>WEST, MUMBAI - 400 011,<br>MAHARASHTRA |
| 2017-18        | 28.09.2018 | 11.00 A. M | OFFICE NO. 8A, 8 <sup>TH</sup> FLOOR,<br>ASTRAL CENTRE, 470/B, N. M.<br>JOSHI MARG, CHINCHPOKLI -<br>WEST, MUMBAI - 400 011,<br>MAHARASHTRA |

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.

### 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, 2019 have been prepared as per applicable accounting standards and policies and that sufficient care has been taken for maintaining adequate accounting records.

# HARMONY CAPITAL SERVICES LIMITED

## 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:** Monday, 30<sup>th</sup> Sept 2019 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.

#### 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

# HARMONY CAPITAL SERVICES LIMITED

## **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.

The listing fees for the financial year 2018-2019 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.

# HARMONY CAPITAL SERVICES LIMITED

## Stock price data at BSE

| Sr. No. | Stock Price Data of BSE<br>(Month wise) | High<br>(₹) | Low<br>(₹) |
|---------|---|-------------|------------|
| 1       | April 2018                              | N. T        | N. T       |
| 2       | May 2018                                | N. T        | N. T       |
| 3       | June 2018                               | 5.28        | 5.28       |
| 4       | July 2018                               | 5.20        | 5.20       |
| 5       | August 2018                             | 5.20        | 4.95       |
| 6       | September 2018                          | 4.99        | 4.99       |
| 7       | October 2018                            | N. T        | N. T       |
| 8       | November 2018                           | 4.99        | 4.99       |
| 9       | December 2018                           | 4.99        | 4.99       |
| 10      | January 2019                            | N. T        | N. T       |
| 11      | February 2019                           | N. T        | N. T       |
| 12      | March 2019                              | 4.99        | 4.99       |

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
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

# HARMONY CAPITAL SERVICES LIMITED

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 2018-19. 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 : - 06.08.2019**

Sd/-

**ASUTOSH B. RAULO**

**MANAGING DIRECTOR**

**DIN: 1589574**

# HARMONY CAPITAL SERVICES LIMITED

**ANNEXURE - A**  
**FORM NO. MGT-9**  
**EXTRACT OF ANNUAL RETURN**  
**As on the FY 2018-18**

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2015]

**1. REGISTRATION AND OTHER DETAILS :**

|      |   |  |
|------|---|--|
| i.   | CIN   | L67120MH1994PLC288180  |
| ii.  | Registration Date   | 19.09.1994   |
| iii. | Name of the Company   | Harmony Capital Services Limited   |
| iv.  | Category/Sub-category of the Company                              | Company Limited by Shares / Indian Non-Government Company  |
| v.   | Address of the Registered office, Tel. No.                        | Office No. 8A, 8 <sup>th</sup> Floor, Astral Centre, 470/B, N. M. Joshi Marg, Chinchpokli- West, Mumbai - 400 011<br>022-23001206  |
| vi.  | Whether listed company  | Yes (listed on BSE, JSE AND ASE)   |
| vii. | Name, Address and Contact details of Registrar and Transfer Agent | M/s. Sharex Dynamic (India) Private Limited.<br>Luthra Ind Premises, Unit-1, Safed Pool,<br>Andheri Kurla Road, Andheri (East),<br>Mumbai-400 072,<br>Phone: 022 2851 5644 |

**2. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY.**

The business activity of your company is investing in Shares and Securities. (The Gross Profit of your Company's is ₹ 10.97 Lacs). Net Profit of the Company is ₹ 1.94 Lacs.

**3. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES: NOT APPLICABLE**

| Sl. No. | Name and Description of main products / services | NIC Code of the Product/ service | % to total turnover of the company |
|---------|--|----------------------------------|------------------------------------|
|         |  |                                  |                                    |
|         |  |                                  |                                    |
|         |  |                                  |                                    |
|         |  |                                  |                                    |



# HARMONY CAPITAL SERVICES LIMITED

## 4. SHREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

### I. CATEGORY-WISE SHAREHOLDING

| Category of Shareholders      | No. of shares held at the beginning of the year |          |                |                  | No. of shares held at the end of the year |          |                |                  |                         |
|-------------------------------|---|----------|----------------|------------------|---|----------|----------------|------------------|-------------------------|
|                               | Demate  | Physical | Total          | %of total Shares | Demate                                    | Physical | Total          | %of total Shares | Changes During the Year |
| <b>A. Promoters</b>           |   |          |                |                  |   |          |                |                  |                         |
| <b>i. Indian</b>              |   |          |                |                  |   |          |                |                  |                         |
| a) Individual/Huf             | 345000  | 0        | 345000         | 11.50            | 345000                                    | 0        | 345000         | 11.50            | 0                       |
| b)Central/State Gov           |   |          |                |                  |   |          |                |                  |                         |
| c)Bodies Corporates           | 1287700   | 0        | 1287700        | 42.91            | 1287700                                   | 0        | 1287700        | 42.91            | 0                       |
| d)Fins / Banks                |   |          |                |                  |   |          |                |                  |                         |
| e)Any Other specify           |   |          |                |                  |   |          |                |                  |                         |
| <b>Sub Total(A)(1)</b>        | <b>1632700</b>                                  |          | <b>1632700</b> | <b>54.41</b>     | <b>1632700</b>                            |          | <b>1632700</b> | <b>54.41</b>     | <b>0</b>                |
| <b>ii. Foreign</b>            |   |          |                |                  |   |          |                |                  |                         |
| a) Indv NRI/For Ind           |   |          |                |                  |   |          |                |                  |                         |
| b) Bodies Corporate           |   |          |                |                  |   |          |                |                  |                         |
| c) Institutions               |   |          |                |                  |   |          |                |                  |                         |
| d) Qualified For.Inv.         |   |          |                |                  |   |          |                |                  |                         |
| e) Any Other Specify          |   |          |                |                  |   |          |                |                  |                         |
| Sub Total(A)(2)               | 0   | 0        | 0              | 0                | 0   | 0        | 0              | 0                | 0                       |
| <b>Total Promoter (A1+A2)</b> | <b>1632700</b>                                  | <b>0</b> | <b>1632700</b> | <b>54.41</b>     | <b>1632700</b>                            | <b>0</b> | <b>1632700</b> | <b>54.41</b>     | <b>0</b>                |
| <b>B. Public Shareholding</b> |   |          |                |                  |   |          |                |                  |                         |
| <b>i. Institutions</b>        |   |          |                |                  |   |          |                |                  |                         |
| a) Mutual Funds               |   |          |                |                  |   |          |                |                  |                         |
| b) Fins / Banks               |   |          |                |                  |   |          |                |                  |                         |
| c) Central/State Govt         |   |          |                |                  |   |          |                |                  |                         |
| d) Venture Cap Fund           |   |          |                |                  |   |          |                |                  |                         |
| e) Insurance Comp(s)          |   |          |                |                  |   |          |                |                  |                         |
| f) Foreign Ins Invest         |   |          |                |                  |   |          |                |                  |                         |
| g) Foreign Ven Cap In         |   |          |                |                  |   |          |                |                  |                         |
| h) Qualified For.Inv.         |   |          |                |                  |   |          |                |                  |                         |
| i) Any Other -Specify         |   |          |                |                  |   |          |                |                  |                         |
|                               | 0   | 0        | 0              | 0                | 0   | 0        | 0              | 0                | 0                       |

# HARMONY CAPITAL SERVICES LIMITED

|   |                |               |                |               |                |        |                |               |          |
|---|----------------|---------------|----------------|---------------|----------------|--------|----------------|---------------|----------|
| <b>Sub Total(B)(1)</b>                      |                |               |                |               |                |        |                |               |          |
| ii. Non- Institutions                       |                |               |                |               |                |        |                |               |          |
| a) Bodies Corporates                        | 35             | 43000         | 43035          | 1.44          | 33753          | 43000  | 76753          | 2.56          | 0        |
| b) Individuals                              |                |               |                |               |                |        |                |               |          |
| i) upto Rs 2-Lac                            | 111847         | 542800        | 654647         | 21.82         | 127347         | 527700 | 655047         | 21.82         | 0        |
| ii) above Rs2-Lac                           | 569118         | 0             | 569118         | 18.96         | 535000         | 0      | 535000         | 17.83         | 0        |
| c) Qualified For. Inv.                      |                |               |                |               |                |        |                |               |          |
| d) Any Other -Clr-Mem                       |                |               |                |               |                |        |                |               |          |
| e) OCB                                      |                |               |                |               |                |        |                |               |          |
| f) NRI                                      | 0              | 101400        | 101400         | 3.38          | 0              | 101400 | 101400         | 3.38          | 0        |
| Sub-Total (B)(2)                            | 681000         | 687200        | 1368200        | 45.59         | 696100         | 672100 | 1368200        | 45.59         | 0        |
| TOTAL Public Shareholders (A)+(B)           | 681000         | 687200        | 1368200        | 45.59         | 696100         | 671900 | 1368200        | 45.59         | 0        |
| C. Shae held by Custodian for GDRS and ADRS |                |               |                |               |                |        |                |               |          |
| <b>Grand total(A+B+C)</b>                   | <b>2313700</b> | <b>687200</b> | <b>3000900</b> | <b>100.00</b> | <b>2315600</b> | 685300 | <b>3000900</b> | <b>100.00</b> | <b>0</b> |

## II. SHAREHOLDING OF PROMOTERS

| Sr. No. | Shareholders Name                      | shareholding at the beginning of the year |                                  |   | shareholding at the end of the year |                                  |   |                         |
|---------|--|---|----------------------------------|---|-------------------------------------|----------------------------------|---|-------------------------|
|         |  | No. of Shares                             | % of Total shares of the Company | % of Shares pledged/ encumbered of total shares | No. of Shares                       | % of Total shares of the Company | % of Shares pledged/ encumbered of total shares | Changes During the Year |
| 1       | Jhunjhunwala Finance Pvt. Ltd          | 1155000                                   | 38.49                            | 0   | 1155000                             | 38.49                            | 0   |                         |
| 2       | Krishnakumar Jhunjhunwala              | 100000                                    | 3.33                             | 0   | 100000                              | 3.33                             | 0   |                         |
| 3       | Shekhawati Corporate Services Pvt. Ltd | 132700                                    | 4.42                             | 0   | 132700                              | 4.42                             | 0   |                         |
| 4       | Nirmala Jhunjhunwala                   | 100000                                    | 3                                | 0   | 100000                              | 3                                | 0   |                         |
| 5       | K. K. Jhunjhunwala HUF                 | 5000                                      | 0                                | 0   | 5000                                | 0                                | 0   |                         |
| 6       | Ravikant Jhunjhunwala                  | 140000                                    | 4.67                             | 0   | 140000                              | 4.67                             | 0   |                         |
|         | <b>TOTAL</b>                           | <b>1632700</b>                            | <b>54.41</b>                     | <b>0</b>  | <b>1632700</b>                      | <b>54.41</b>                     | <b>0</b>  |                         |

# HARMONY CAPITAL SERVICES LIMITED

## III. CHANGE IN PROMOTERS SHAREHOLDING: NIL

| Sr. No. | Particulars | Shareholding during the year |                                  | Cumulative Shareholding during the year |                                  |
|---------|-------------|------------------------------|----------------------------------|---|----------------------------------|
|         |             | No. Shares                   | % of total shares of the Company | No. Shares                              | % of total shares of the Company |
|         |             | NIL                          |                                  |   |                                  |

## IV. SHAREHOLDING PATTERN OF TOP TEN HOLDERS

(Other than Directors, Promoters and holders of GDRS & ADRS)

| Sr. No. | Particulars                             | Shareholding at the beginning of the year |                          | Changes in Shareholding |          | Shareholding at the end of the year |                          |
|---------|---|---|--------------------------|-------------------------|----------|-------------------------------------|--------------------------|
|         |   | No. Shares                                | % of total share Capital | Increase                | Decrease | No. Shares                          | % of total share Capital |
| 1       | Archana Patodia                         | 74700                                     | 2.49                     | -                       | -        | 74700                               | 2.49                     |
| 2       | Fashions Brands (India) Private Limited | 0   | 0                        | 28718                   | -        | 28718                               | 0.957                    |
| 3       | Bahadurmal Maniram Saini                | 114900                                    | 3.83                     | -                       | -        | 114900                              | 3.83                     |
| 4       | Mahendra Saini                          | 102900                                    | 3.43                     | -                       | -        | 102900                              | 3.43                     |
| 5       | Surendra Kumar Sureka                   | 80800                                     | 2.69                     | -                       | 100      | 80700                               | 2.689                    |
| 6       | Anital Saini                            | 25900                                     | 0.86                     | -                       | -        | 25900                               | 0.86                     |
| 7       | Shukra Capital Ltd                      | 23000                                     | 0.77                     | -                       | -        | 23000                               | 0.77                     |
| 8       | Darshna Saini                           | 21000                                     | 0.70                     | -                       | -        | 21000                               | 0.70                     |
| 9       | Pradip Kalyanji Jobanputra              | 20000                                     | 0.67                     | -                       | -        | 20000                               | 0.67                     |
| 10      | Vaishnav Tushar                         | 19893                                     | 0.66                     | -                       | -        | 19893                               | 0.66                     |

## V. SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

| Sr. No. | Particulars                | Shareholding at the beginning of the year |                          | Changes in Shareholding |          | Shareholding at the end of the year |                          |
|---------|----------------------------|---|--------------------------|-------------------------|----------|-------------------------------------|--------------------------|
|         |                            | No. Shares                                | % of total share Capital | Increase                | Decrease | No. Shares                          | % of total share Capital |
| 1       | Asutosh Raulo              | 114900                                    | 3.83                     | -                       | -        | 114900                              | 3.83                     |
| 2       | Krishna Kumar Jhunjhunwala | 100000                                    | 3.33                     | -                       | -        | 100000                              | 3.33                     |

# HARMONY CAPITAL SERVICES LIMITED

## 5. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

| PARTICULARS | SECURED LOANS<br>EXCLUDING DEPOSITS | UNSECURED<br>LOANS | DEPOSITS | TOTAL<br>INDEBTEDNESS |
|-------------|-------------------------------------|--------------------|----------|-----------------------|
|             | -----                               | ----- NIL -----    | -----    |                       |
|             |                                     |                    |          |                       |

## 6. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### a. Remuneration to Managing Director, Whole time Directors and/or Manager

| Sl. No. | Particulars Of Remuneration   | Name Of MD                         | Total Amount |
|---------|---|------------------------------------|--------------|
|         |   | ASUTOSH RAULO<br>Managing Director |              |
| 1       | Gross salary<br>(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961<br>(b) Value of perquisites u/s 17(2) Income-tax Act, 1961<br>(c) Profits in lieu of salary under Section 17(3) Income- tax Act, 1961 | -                                  | -            |
| 2       | Stock Option  | -                                  | -            |
| 3       | Stock Option  | -                                  | -            |
| 4       | Commission<br>- as % of profit<br>- others, specify...  | -                                  | -            |
| 5       | Others, please specify –  | -                                  | -            |
| 6       | Total (A)   | -                                  | -            |
|         | Ceiling as per the Act  | -                                  | -            |

# HARMONY CAPITAL SERVICES LIMITED

## b. Remuneration to other Directors

| Sl. No. | Particulars of Remuneration                    | Name of Directors          |             |               | TOTAL Rs. |
|---------|--|----------------------------|-------------|---------------|-----------|
|         |  | Krishna Kumar Jhunjhunwala | Balaji Raut | Pooja Kumawat |           |
| 1       | 1. Independent Director                        | -                          | -           | -             | -         |
| 2       | • Fee for attending board / committee meetings | -                          | -           | -             | -         |
| 3       | • Commission                                   | -                          | -           | -             | -         |
| 4       | • Others, Sitting Fees                         | -                          | 28000/-     | 32000/-       | 60000/-   |
| 5       | Total (1)                                      | -                          | 28000/-     | 32000/-       | 60000/-   |
| 6       | 2. Other Non-Executive Directors               | -                          | -           | -             | -         |
| 7       | • Fee for attending board / committee meetings | -                          | -           | -             | -         |
| 8       | • Commission                                   | -                          | -           | -             | -         |
| 9       | • Others, please specify                       | -                          | -           | -             | -         |
|         | Total (2)                                      | -                          | -           | -             | -         |
|         | Total (B)=(1+2)                                | -                          | 28000/-     | 32000/-       | 60000/-   |

In view of low profit, the Company is paying sitting fees to only Independent Directors, other directors are not being paid Remuneration/Sitting Fees.

# HARMONY CAPITAL SERVICES LIMITED

## c. Remuneration to key managerial personnel other than MD/MANAGER/WTD

| Sl. No. | Particulars of Remuneration   | Key Managerial Personnel |
|---------|---|--------------------------|
| 1       | Gross salary  | <b>1,25,000</b>          |
| 2       | (a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961 | -                        |
| 3       | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961                             | -                        |
| 4       | (c) Profits in lieu of salary under section 17(3) Income tax Act, 1961              | -                        |
| 5       | Stock Option (nos)  | -                        |
| 6       | Sweat Equity  | -                        |
| 7       | Commission<br>- as % of profit<br>- others, specify...                              | -                        |
| 8       | Others  | -                        |
|         | Total   | <b>1,25,000</b>          |

# HARMONY CAPITAL SERVICES LIMITED

## 7. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES

| Type                            | Sections of the Companies Act | Brief Description | Penalty / Punishment/ Compounding fees imposed Authority | Authority RD/ NCLT/COURT | if any (give Details)<br>A. COMPANY |
|---------------------------------|-------------------------------|-------------------|--|--------------------------|-------------------------------------|
| <b>A.COMPANY</b>                | -                             | -                 | -  | -                        | -                                   |
| Penalty                         |                               |                   |  |                          |                                     |
| Punishment                      |                               |                   |  |                          |                                     |
| Compounding                     |                               |                   |  |                          |                                     |
| <b>B. Directors</b>             |                               |                   |  |                          |                                     |
| Penalty                         |                               |                   |  |                          |                                     |
| Punishment                      |                               |                   |  |                          |                                     |
| Compounding                     |                               |                   |  |                          |                                     |
| <b>C.OTHER OFFIC IN DEFAULT</b> |                               |                   |  |                          |                                     |
| Penalty                         |                               |                   |  |                          |                                     |
| Punishment                      |                               |                   |  |                          |                                     |
| Compounding                     |                               |                   |  |                          |                                     |

BY ORDER OF THE BOARD

For HARMONY CAPITAL SERVICES LTD

PLACE: - MUMBAI.

DATE : - 06.08.2019

Sd/-

ASUTOSH B. RAULO

CHAIRMAN & MANAGING DIRECTOR

DIN: 1589574

# HARMONY CAPITAL SERVICES LIMITED

## Annexure B SECRETARIAL AUDIT REPORT

### Form No. MR-3

(For the financial year ended 31<sup>st</sup> March, 2019)

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies  
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members of  
Harmony Capital Services Limited  
Office No. 8A, 8<sup>th</sup> Floor, Astral Centre,  
470/B, N.M. Joshi Marg,  
Chinchpokli West,  
Mumbai – 400011

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Harmony Capital Services Limited (CIN: L67120MH1994PLC288180)** (hereinafter called the "Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2019 ("Audit Period"), the Company has, complied with the statutory provisions listed hereunder and also that the Company has proper Board- processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the company for the financial year ended on 31<sup>st</sup> March, 2019 according to the provisions of undernoted Acts, regulations and guidelines as applicable to the Company:

1. The Companies Act, 2013 (the Act) and the rules made there under.
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA) and the rules made thereunder;



# HARMONY CAPITAL SERVICES LIMITED

3. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder to the extent of Regulation 55A.
4. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings. **(Not Applicable).**
5. The following Regulations and guidelines prescribed under Securities and Exchange Board of India Act, 1992('SEBI Act'):-
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 **(Not Applicable, since the Company did not issue any securities during the financial year under review);**
  - d) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
  - e) The Securities and Exchange Board of India (Share based employee Benefit) Regulation 2014 **(Not applicable);**
  - f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations. 2008 **(Not Applicable, since the Company has not issued any debt securities, during the financial year under review);**

# HARMONY CAPITAL SERVICES LIMITED

- g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **(Not applicable, as the Company has not delisted its equity shares from any stock exchange during the financial year under review);**
- h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 **(Not Applicable, as the Company has not bought any of its securities during the financial year under review);**

**We have also examined compliance with the applicable clauses of the following:**

- (i) Secretarial Standards with respect to meeting of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India under the provisions of the Companies Act, 2013.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above.

**We further report that,**

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- Adequate notice is given to all directors to schedule the Board Meetings/Committee Meetings, agenda and detailed notes on agenda were sent generally seven days in advance.
- A system exist for seeking and obtaining further information and clarifications on agenda items before the meeting and for meaningful participation at the meeting.
- Decisions at the Board Meetings/ Committee Meetings were taken with requisite majority.

# HARMONY CAPITAL SERVICES LIMITED

**We further report that** there are adequate systems and processes in the Company, commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**We further report that** the compliance by the Company of applicable financial laws including but not limited to direct and indirect tax laws has not been reviewed in this audit since the same have been subject to review by statutory financial auditor and other designated professional.

**I further report that,**

**During the audit period, there were no instances of:**

(i) Public/ Rights/ Preferential issue of shares/ debentures/ sweat equity, etc.;

(ii) Redemption/ buy-back of securities;

(iii) Foreign technical collaborations;

(iv) Major decisions taken by the members in pursuance to section 180 of the Companies Act, 2013;

(v) Merger / amalgamation / reconstruction, etc.

Place: Mumbai

Date: 06.08.2019

Sd/-

**Manisha Agarwal**

Practising Company Secretary

(ACS No. – 29621 C.P. No. – 12324)

This report is to be read along with our letter annexed as **Annexure A** and forms an integral part of this report.

# HARMONY CAPITAL SERVICES LIMITED

## ANNEXURE A

To,

The Members,  
**Harmony Capital Services Limited**  
Office No. 8A, 8<sup>th</sup> Floor, Astral Centre,  
470/B, N.M. Joshi Marg,  
Chinchpokli West,  
Mumbai – 400011

Our Secretarial Audit Report for the financial year ended 31<sup>st</sup> March, 2019 is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records, based on our audit.
2. We have followed the audit practices and processes as were appropriate, to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have relied on the audited financial statements of the Company for the correctness and appropriateness of financial records and Books of Accounts.
4. We have obtained the Management representation, wherever required, about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place: Mumbai

Date: 06.08.2019

Sd/-

**Manisha Agarwal**

Practising Company Secretary

(ACS No. – 29621 C.P. No. – 12324)

# HARMONY CAPITAL SERVICES LIMITED

## **Managing Director's Certification Declaration on Code of Conduct**

**To,  
The Members of the Harmony Capital Services Limited**

This is to inform that the Company has adopted a Code of Conduct for its Board Members and Senior Management. The Code is posted on the Company's website. I confirm that the Company has in respect of the year ended March 31, 2019 received from the senior management team of the Company and the Members of the Board affirmations of compliance with the Code of Conduct as applicable to them.

Sd/-

**Asutosh Raulo  
(Managing Director)  
DIN: 1589574**

**Date : 06.08.2019  
Place: Mumbai**

# HARMONY CAPITAL SERVICES LIMITED

## Managing director/Chief Executive Officer/ Chief Financial Officer Certification

### The Board of Directors, Harmony Capital Services Limited

We Asutosh Raulo, Chief Executive Officer and Managing Director and Sunil Biharilal Kataria, Chief Financial Officer of Harmony Capital Services Limited to the best of our knowledge and belief, certify that:

1. We have reviewed the financial statements and the cash flow statement for the year ended March 31, 2019 and to the best of our knowledge and belief:
  - a) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - b) 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.
2. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and Audit Committee, deficiencies in the design or operation of internal controls and we have taken steps to rectify these deficiencies.
4. We have indicated to the auditors and the Audit Committee that there is no
  - a) Significant changes in internal control during the year, if any;
  - b) Significant changes in accounting policies during the year and the same have been disclosed in the notes to the financial statements, if any and
  - c) Instances of significant fraud of which we are aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system

# HARMONY CAPITAL SERVICES LIMITED

1. We reviewed the Financial Statement and Statement of Cash Flows and summary of the significant accounting policies and other explanatory information of the Company and the Board Report.
2. These Statements do not contain any materially untrue statement or omit to state a material fact necessary to make the statements made in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report.
3. The Financial Statements, and other financial information included in this report, present in all material respects a true and fair view of the Company's affairs the Financial Conditions, results of operations and cash flows of the company as at and for the periods presented in this report and are in compliance with the existing accounting standard and/or applicable laws and regulations.

Sd/-  
Asutosh Raulo  
Managing Director  
DIN: 01589574

Sd/-  
Sunil Biharilal Kataria  
Chief Financial Officer

Place: Mumbai  
Date: 30.04.2019

# HARMONY CAPITAL SERVICES LIMITED

## AUDITOR`S CERTIFICATE ON CORPORATE GOVERNANCE

To  
**THE MEMBERS OF  
HARMONY CAPITAL SEVICES LIMITED,**

We have examined the compliance of conditions of Corporate Governance by **Harmony Capital Services Limited** ('The Company') for the year ended on 31<sup>st</sup> march 2019 as stipulated in chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, pursuant to the listing agreement of the said company with stock exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of an opinion on the financial statements of the company.

In our opinion and to the best of our information and according to the explanations given to us, subject to the following:

In our opinion and to the best of our information and according to the explanations given to us, we certify that the company has complied with the conditions of corporate governance as Stipulated in the provisions as specified in chapter IV of Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015, pursuant to listing agreement of the said company with stock exchanges

We state that such compliance is neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the company.

**For and on behalf of  
D. Lodha & Associates.  
Chartered Accountants  
F. R. No. 135606W**

Sd/-

**Dinesh Lodha  
Proprietor  
Membership No. 401118**

**Place: Mumbai  
Date: 30.04.2019**



# HARMONY CAPITAL SERVICES LIMITED

## INDEPENDENT AUDITORS' REPORT

To  
The Members of  
**HARMONY CAPITAL SERVICES LIMITED**

### **Report on the standalone Ind. AS Financial Statements**

#### **Opinion**

We have audited the accompanying standalone Ind AS financial statements of **Harmony Capital Services Limited ("the Company")**, which comprise the Balance Sheet as at March 31, 2019, and the Statement of Profit and Loss including Other Comprehensive Income, Cash Flow Statement and the Statement of Changes in Equity for the year then ended and a summary of significant accounting policies and other explanatory information ("the standalone Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and loss, changes in equity and its cash flows for the year ended on that date.

#### **Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

# HARMONY CAPITAL SERVICES LIMITED

## **Information Other than the Standalone Financial Statements and Auditor's Report Thereon**

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## **Responsibilities of the Management and those charged with governance for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance

with the accounting principles generally accepted in India, including the Ind AS. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities;

selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of

# HARMONY CAPITAL SERVICES LIMITED

the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. That Board of Directors are also responsible for overseeing the Company's financial reporting process.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- i. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ii. Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under the section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- iii. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

# HARMONY CAPITAL SERVICES LIMITED

- iv. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- v. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

# HARMONY CAPITAL SERVICES LIMITED

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the **Annexure A**, a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
  - a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - c) the Balance Sheet, the Statement of Profit and Loss, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
  - d) in our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act read with relevant rules issued there under;
  - e) on the basis of written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019, from being appointed as a director in terms of Section 164(2) of the Act;
  - f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in **"Annexure B"**;
  - g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

# HARMONY CAPITAL SERVICES LIMITED

- i. the Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer note 46 to the standalone Ind AS financial statements.
  - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. there has been no delay in transferring amounts, required to be transferred, to the Investor, Education and Protection Fund by the Company.
3. As required by Section 197(16) of the Act, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act. We have audited the accompanying standalone Ind. AS financial statement of

**FOR D. LODHA & ASSOCIATES  
CHARTERED ACCOUNTANTS  
F.R.NO. 135606W**

Sd/-

**DINESH LODHA  
(PROPRIETOR)  
M. No. 401118**

**PLACE : MUMBAI  
DATE : 30.04.2019**

# HARMONY CAPITAL SERVICES LIMITED

## **Annexure "A" to the Auditors' Report**

### **As required by the Companies (Auditor's Report) order, 2016**

(Referred to in our Report of even date on financial statements of Harmony Capital Services Limited as at March 31, 2019)

As required by the Companies (Auditor's Report) Order 2016 issued by the Central Government in terms of Section 143(11) of the Companies Act 2013, on the basis of the checks as we considered appropriate, we report on the matters specified in paragraph 3 and 4 of the said order to the extent applicable to the company:

1. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.  
  
(b) As explained to us, the company has a regular programme of physical verification of fixed assets by the management so as to cover all the fixed assets over a period of five years, which in our opinion is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, certain fixed assets were physically verified during the year and no material discrepancies were noticed on such verification.  
  
(c) According to the information and explanations provided to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company. In respect of immovable properties which have been taken on lease and disclosed as property, plant and equipment in the standalone Ind AS financial statements, the lease agreements are in the name of the Company.
2. In our opinion and according to the information and explanations provided to us, the inventories have been physically verified by the management during the year. In our opinion the frequency of such verification is reasonable. In our opinion and as explained to us, there were no material discrepancies noticed on physical verification of inventories as compared with the books of account.

# HARMONY CAPITAL SERVICES LIMITED

3. The Company has granted an unsecured loan to one party covered in the register maintained Under Section 189 of the Act.
  - a) In our opinion and according to the information and explanations provided to us, the rate of interest and other terms and conditions on which the loan had been granted to party covered in the register maintained under Section 189 of the Act were, prima facie, not prejudicial to the interest of the Company.
  - b) In the case of loan granted to the body corporate listed in the register maintained under Section 189 of the Act, the borrower has been regular in the payment of the interest as stipulated.
  - c) There is no overdue amount in respect of the loan granted to the body corporate listed In The register maintained Section 189 of the Act as the loan has been completely repaid during the year under audit.
4. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Act, with respect to the loans and investments made.
5. In our opinion and according to the information and explanation given to us The Company has not accepted any deposits from the public within the meaning of the directives issued by the Reserve Bank of India, provisions of Section 73 to 76 of the Act, any other relevant provisions of the Act and the relevant rules framed thereunder.
6. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014 prescribed by the Central Government under Section 148(1) (d) of the Companies Act, 2013 and are of the opinion that, prima facie, the prescribed accounts and cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
7. (a) According to the information and explanation given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Employees State Insurance, Income tax, Sales tax, Service tax, Custom duty, Excise duty, Value Added tax, Cess and any other material statutory dues have been generally regularly deposited during the year with the appropriate



# HARMONY CAPITAL SERVICES LIMITED

authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were in arrears as at March 31, 2019 for a period of more than six months from the date they became payable

(b) According to the information and explanation given to us there are no dues of customs duty and service tax that have not been deposited on account of any dispute. According to the information and explanation given to us there is no dues of income tax, central excise and sales tax have not been deposited by the Company on account of disputes:

8. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to a financial institution, bank, Government or debenture holders.
9. In our opinion and according to the information and explanations given to us, the Company has raised term loans and the term loans so raised have been applied for the purpose for which these were obtained. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year under audit.
10. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
11. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid / provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
12. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
13. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the standalone Ind AS financial statements as required by the applicable accounting standards.

# HARMONY CAPITAL SERVICES LIMITED

14. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
15. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
16. According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act 1934.

**FOR D. LODHA & ASSOCIATES  
CHARTERED ACCOUNTANTS  
F.R.NO. 135606W**

**PLACE : MUMBAI  
DATE : 30.04.2019**

Sd/-

**DINESH LODHA  
(PROPRIETOR)  
M. No. 401118**

# HARMONY CAPITAL SERVICES LIMITED

## **Annexure - B to the Auditors' Report**

### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of Harmony Capital Services Limited ("the Company") as of March 31, 2019 in conjunction with our audit of the Standalone Ind AS financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

# HARMONY CAPITAL SERVICES LIMITED

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

## **Meaning of Internal Financial Controls over Financial Reporting**

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that:

1. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
2. provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and
3. provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

## **Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal

# HARMONY CAPITAL SERVICES LIMITED

financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

## Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**FOR D. LODHA & ASSOCIATES  
CHARTERED ACCOUNTANTS  
F.R.NO. 135606W**

**Sd/-  
DINESH LODHA  
(PROPRIETOR)  
M. No. 401118  
PLACE : MUMBAI  
DATE : 30.04.2019**

# HARMONY CAPITAL SERVICES LIMITED

## BALANCE SHEET AS ON 31.03.2019

| PARTICULARS                          | NOTES NO. | AS ON 31.03.2019   | ASON 31.03.2018    |
|--------------------------------------|-----------|--------------------|--------------------|
| <b>I. ASSETS</b>                     |           |                    |                    |
| <b>1. Non-current assets</b>         |           |                    |                    |
| a) Property, Plant and Equipment     | 2         | 15,660             | 17,756             |
| b) Other Intangible Assets           |           | -                  | -                  |
| c) Capital Work-In-Progress          |           | -                  | -                  |
| d) Financial Assets                  |           |                    |                    |
| i) Investments                       | 3         | 1,42,79,481        | 14133,829          |
| ii) Loans                            |           | -                  | -                  |
| e) Deferred tax assets(net)          |           | -                  | -                  |
| f) Other non-current assets          |           | -                  | -                  |
| <b>Total Non-Current Assets</b>      |           | <b>1,42,95,141</b> | <b>14151584</b>    |
| <b>2. Current Assets</b>             |           |                    |                    |
| a) Inventories                       |           | -                  | -                  |
| b) Financial Assets                  |           |                    |                    |
| i) Trade Receivables                 |           | -                  | -                  |
| ii) Cash & Bank Equivalents          | 4         | 1,43,469           | 80,639             |
| iii) Loans                           |           | -                  | -                  |
| c) Other current assets              | 5         | 3,46,007           | 7,23,538           |
| <b>Total Current Assets</b>          |           | <b>4,89,476</b>    | <b>8,04,177</b>    |
| <b>TOTA ASSETS</b>                   |           | <b>1,47,84,618</b> | <b>149,55,761</b>  |
| <b>II. EQUITY &amp; LIABILITIES</b>  |           |                    |                    |
| <b>Equity</b>                        |           |                    |                    |
| a) Equity Share Capital              | 6         | 3,00,09,000        | 3,00,09,000        |
| b) Other Equity                      | 7         | (1,52,60,852)      | (154,54,958)       |
| <b>Total Equity</b>                  |           | <b>1,47,48,148</b> | <b>1,45,54,042</b> |
| <b>Liabilities</b>                   |           |                    |                    |
| <b>1. Non-Current Liabilities</b>    |           |                    |                    |
| a) Financial Assets                  |           |                    |                    |
| i) Borrowings                        |           | -                  | -                  |
| ii) Other Financial Liabilities      |           | -                  | -                  |
| <b>Total Non-Current Liabilities</b> |           | <b>-</b>           | <b>-</b>           |
| <b>2. Current Liabilities</b>        |           |                    |                    |
| a) Financial Assets                  |           |                    |                    |
| i) Borrowings                        |           | -                  | -                  |
| ii) Trade Payables                   |           | -                  | -                  |
| c) Other current Liabilities         |           | -                  | -                  |
| d) Deferred Tax Liability (Net)      |           | 3,469              | 3,432              |
| e) Short-term provisions             | 8         | 33,000             | 3,98,287           |
| <b>Total Current Liabilities</b>     |           | <b>36,469</b>      | <b>4,01,719</b>    |
| <b>TOTAL EQUITY AND LIABILITIES</b>  |           | <b>1,47,84,618</b> | <b>149,55,761</b>  |
| Significant Accounting Policies      | 1         |                    |                    |
| Accompanying Notes to Accounts       | 11        | -                  | -                  |

The accompanying notes form an integral part of the standalone financial statements

AS PER OUR REPORT OF EVEN DATE ATTACHED

FOR D. LODHA & ASSOCIATES

CHARTERED ACCOUNTANTS

F. R. NO. 135606W

Sd/-

DINESH LODHA

(PROPRIETOR)

M. NO. 401118

PLACE : MUMBAI.

DATE : 30.04.2019

FOR AND ON BEHALF OF THE BOARD OF

HARMONY CAPITAL SERVICES LIMITED

Sd/-

K. K. JHUNJHUNWALA

DIRECTOR

DIN: 00335070

Sd/-

BALAJI B. RAUT

DIRECTOR

DIN: 03604215

Sd/-

ASUTOSH RAULO

DIRECTOR

DIN: 01589574

Sd/-

SUNIL KATARIA

CHIEF FINANCIAL OFFICER

# HARMONY CAPITAL SERVICES LIMITED

## STATEMENT OF PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31.03.2019

| PARTICULARS  | NOTES NO. | YEAR ENDED 31.03.2019 | YEAR ENDED 31.03.2018 |
|--|-----------|-----------------------|-----------------------|
| I. Revenue from Operations                                 |           | -                     | -                     |
| II. Other Income   | 9         | 10,96,960             | 34,35,578             |
| III. TOTAL REVENUE (I+II)                                  |           | 10,96,960             | 34,35,578             |
| IV. EXPENSES   |           |                       |                       |
| Employee Benefits Expenses                                 |           | 1,89,856              | 1,45,685              |
| Depreciation and amortisation Expenses                     |           | 2,095                 | 2,095                 |
| Other expenses   | 10        | 6,96,013              | 10,62,683             |
| TOTAL EXPENSES   |           | 8,87,964              | 12,10,463             |
| V. Profit/(Loss) Before Exceptional items and Tax (III-IV) |           | 2,08,996              | 22,25,115             |
| VI. Exceptional Items                                      |           | -                     | -                     |
| VII. Profit/(Loss) Before Tax (V-VI)                       |           | 2,08,996              | 22,25,115             |
| VIII. Tax expense:   |           |                       |                       |
| Current Tax Charge   |           | 21,500                | 3,86,000              |
| Deferred Tax Charge  |           | 37                    | 1,623                 |
| Tax in respect of earlier years                            |           | (6,647)               | -                     |
| IX Profit/(Loss) for the year ( VII-VIII)                  |           | 1,94,106              | 18,37,492             |
| X Other Comprehensive Income                               |           | -                     | -                     |
| Total Comprehensive Income/(Loss) for the year (IX+X)      |           | 1,94,106              | 18,37,492             |
| Earnings per equity share:                                 |           |                       |                       |
| (1) Basic  |           | 0.06                  | 0.61                  |
| (2) Diluted  |           | 0.06                  | 0.61                  |
| Face value per Equity Share                                |           | 10.00                 | 10.00                 |
| Significant Accounting Policies                            | 1         |                       |                       |
| Accompanying Notes to Accounts                             | 11        |                       |                       |

The notes form an integral part of these financial statement  
AS PER OUR REPORT OF EVEN DATE ATTACHED  
FOR D. LODHA & ASSOCIATES  
CHARTERED ACCOUNTANTS  
F. R. NO. 135606W

Sd/-  
DINESH LODHA  
(PROPRIETOR)  
M. NO. 401118  
PLACE : MUMBAI.  
DATE : 30.04.2019

FOR AND ON BEHALF OF THE BOARD OF  
HARMONY CAPITAL SERVICES LIMITED

Sd/-  
K. K. JHUNJHUNWALA  
DIRECTOR  
DIN: 00335070

Sd/-  
BALAJI B. RAUT  
DIRECTOR  
DIN: 03604215

Sd/-  
ASUTOSH RAULO  
DIRECTOR  
DIN: 01589574

Sd/-  
SUNIL KATARIA  
CHIEF FINANCIAL OFFICER

# HARMONY CAPITAL SERVICES LIMITED

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2019

| Particulars   | Year ended<br>31.03.2019 | Year ended<br>31.03.2018 |
|---|--------------------------|--------------------------|
| <b>A) Cash Flow from Operating Activities</b>                         |                          |                          |
| Net Profit before Tax   | 2,08,996                 | 22,25,115                |
| Adjustments for:  |                          |                          |
| Depreciation and amortisation   | 2,095                    | 2,095                    |
| Loss on sale of Fixed Assets  | -                        | -                        |
| Interest Paid   | -                        | -                        |
| <b>Operating Profit Before Working Capital Changes</b>                | <b>2,11,091</b>          | <b>22,27,210</b>         |
| <b>Changes in working capital</b>                                     |                          |                          |
| Adjustments for:  |                          |                          |
| (Increase) / Decrease in Short Term Loans and Advances                | -                        | -                        |
| (Increase) / Decrease in Long Term Loans and Advances                 | -                        | -                        |
| Increase / (Decrease) in Trade Payable                                | -                        | -                        |
| (Increase)/Decrease in Trade Receivable                               | -                        | -                        |
| (Increase)/Decrease in Other Current Assets                           | 3,77,531                 | 4,83,087                 |
| Increase / (Decrease) in Other Current Liabilities                    | -                        | (2,50,000)               |
| Increase / (Decrease) in Short Term Provisions                        | (3,65,287)               | (98,390)                 |
| Increase / (Decrease) in Long Term Provisions                         | -                        | -                        |
| (Increase) / Decrease in Non- Current Investments                     | -                        | -                        |
| (Increase) / Decrease in Current Investments                          | (145,652)                | (41,32,520)              |
| <b>CASH GENERATED FROM OPERATIONS</b>                                 | <b>77,682</b>            | <b>17,70,613</b>         |
| Income tax Paid   | 14,853                   | 4,70,000                 |
| <b>Net cash generated from operating activities</b>                   | <b>62,829</b>            | <b>(22,40,613)</b>       |
| <b>B. Cash Flow from Investing Activities</b>                         |                          |                          |
| Sale of Property, Plant and equipment                                 | -                        | -                        |
| Purchase of property, plant and equipment                             | -                        | -                        |
| Shares received against Share Application Money                       | -                        | -                        |
| <b>Net Cash Flow Used in Investing Activities</b>                     | <b>-</b>                 | <b>-</b>                 |
| <b>C. Cash Flow from Financing Activities</b>                         |                          |                          |
| Proceeds from Issue of Equity Shares                                  | -                        | -                        |
| Proceeds of Short Term and Long Term Borrowings                       | -                        | -                        |
| Repayment of Short Term/Long Term Borrowings                          | -                        | -                        |
| Interest  | -                        | -                        |
| Dividend Paid   | -                        | -                        |
| <b>Net Cash Flow from Financing Activities</b>                        | <b>-</b>                 | <b>-</b>                 |
| <b>Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)</b> | <b>62,829</b>            | <b>(22,40,613)</b>       |
| <b>Cash and cash equivalents at the beginning of the year</b>         | <b>80,639</b>            | <b>23,21,252</b>         |
| <b>Cash and cash equivalents at the end of the year</b>               | <b>1,43,468</b>          | <b>80,639</b>            |
| <b>Cash and Cash Equivalents Comprise</b>                             |                          |                          |
| Cash on Hand  | 1,26,116                 | 56,900                   |
| Balance with Bank, Current Account                                    | 17,353                   | 23,740                   |
|   | <b>1,43,469</b>          | <b>80,639</b>            |

FOR D. LODHA & ASSOCIATES

CHARTERED ACCOUNTANTS

F. R. NO. 135606W

Sd/-

DINESH LODHA

(PROPRIETOR)

M. NO. 401118

PLACE : MUMBAI.

DATE : 30.04.2019

FOR AND ON BEHALF OF THE BOARD OF  
HARMONY CAPITAL SERVICES LIMITED

Sd/-

K. K. JHUNJHUNWALA

DIRECTOR

DIN : 00335070

Sd/-

ASUTOSH RAULO

DIRECTOR

DIN : 01589574

Sd/-

BALAJI B. RAUT

DIRECTOR

DIN : 03604215

Sd/-

SUNIL KATARIA

CHIEF FINANCIAL OFFICER



# HARMONY CAPITAL SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENT

### Statement of Changes In Equity For the Year Ended March 31, 2019

#### A. Equity Share Capital

| Particulars             | Notes | Amount      |
|-------------------------|-------|-------------|
| As at April 2018        |       | 3,00,09,000 |
| Changes during the year | 7     | -           |
| As at 31st March 2019   |       | 3,00,09,000 |
| Changes during the year | 7     | -           |
| As at 31st March 2019   |       | 3,00,09,000 |

#### B. Other Equity

| Particulars                                       | Notes | Securities Premium | Capital Reserves | Retained Earnings    | Total Other Equity   |
|---|-------|--------------------|------------------|----------------------|----------------------|
| Balance at 01 April 2018                          |       | -                  | -                | (154,54,958)         | (154,54,958)         |
| Profit/(loss) for the year                        |       | -                  | -                | 194,106              | 194,106              |
| Other Comprehensive Income/(expense) [Net of Tax] |       | -                  | -                | -                    | -                    |
| <b>Total Comprehensive Income for the year</b>    |       | -                  | -                | <b>194,106</b>       | <b>194,106</b>       |
| Issue of Equity shares and warrants               |       | -                  | -                | -                    | -                    |
| Transfer within Equity                            | 8     | -                  | -                | -                    | -                    |
| <b>Balance at 31st March 2019</b>                 |       | -                  | -                | <b>(1,52,60,852)</b> | <b>(1,52,60,852)</b> |

| Particulars                                       | Notes | Securities Premium | Capital Reserves | Retained Earnings    | Total Other Equity   |
|---|-------|--------------------|------------------|----------------------|----------------------|
| Balance at 01 April 2018                          |       | -                  | -                | (172,92,451)         | (172,92,451)         |
| Profit/(loss) for the year                        |       | -                  | -                | 18,37,492            | 18,37,492            |
| Other Comprehensive Income/(expense) [Net of Tax] |       | -                  | -                | -                    | -                    |
| <b>Total Comprehensive Income for the year</b>    |       | -                  | -                | <b>18,37,492</b>     | <b>18,37,492</b>     |
| Issue of Equity shares and warrants               |       | -                  | -                | -                    | -                    |
| Transfer within Equity                            | 8     | -                  | -                | -                    | -                    |
| <b>Balance at 31st March 2019</b>                 |       | -                  | -                | <b>(1,54,54,959)</b> | <b>(1,54,54,959)</b> |

The notes form an integral part of these financial statement

AS PER OUR FOR AND ON BEHALF OF THE BOARD OF

FOR D. LODHA & ASSOCIATES

HARMONY CAPITAL SERVICES LIMITED

CHARTERED ACCOUNTANTS

F. R. NO. 135606W

Sd/-  
DINESH LODHA  
(PROPRIETOR)  
M. NO. 401118  
PLACE : MUMBAI.  
DATE : 30.04.2019

Sd/-  
K. K. JHUNJHUNWALA  
DIRECTOR  
DIN : 00335070

Sd/-  
BALAJI B. RAUT  
DIRECTOR  
DIN : 03604215

Sd/-  
ASUTOSH RAULO  
DIRECTOR  
DIN : 01589574

Sd/-  
SUNIL KATARIA  
CHIEF FINANCIAL OFFICER

# HARMONY CAPITAL SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

### NOTE NO. 1 SUMMERY OF SIGNIFICANT ACCOUNTING POLICIES

#### **1. Corporate Information :-**

HARMONY CAPITAL SERVICES LIMITED (The Company) was incorporated under the provision of Companies Act 1956 on 19th day of September 1994 and is domiciled in India.

#### **2. Basis of Preparation of Financial Statement:-**

These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ('Act') read with of the Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Act.

Effective April 1, 2017, the company has adopted all the IND AS standards and the adoption was carried out in accordance with IND AS 101, First-time Adoption of Indian Accounting Standards, with April 1, 2015 as the transition date. The transition was carried out from Indian Accounting Principles generally accepted in India as prescribed Under Section 133 of the Act, read with Rule 7 of the Companies(Accounts) Rules, 2014 (IGAAP), which was the previous GAAP.

#### **3. Use of Estimates and Judgement:-**

The estimates and judgments used in the preparation of the financial statements are continuously evaluated by the Company and are based on historical experience and various other assumptions and factors (including expectations of future events) that the Company believes to be reasonable under the existing circumstances. Differences between actual results and estimates are recognized in the period in which the results are known/materialized.

# HARMONY CAPITAL SERVICES LIMITED

The said estimates are based on the facts and events, that existed as at the reporting date, or that occurred after that date but provide additional evidence about conditions existing as at the reporting date.

## **4. Segment Reporting:-**

The Company has only one business segment i.e investment in shares

## **5. Revenue Recognition:-**

Revenue is recognized only when risk and rewards incidental to ownership are transferred to the customer/client it can be reliably measured and it is reasonable to expect ultimate collection. Revenue from operations includes sale of service, sale of quoted shares, and Dividend Income.

Dividend income is recognized when the right to receive payment is established.

## **6. PROVISIONS:**

A provision is recognized when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates

## **7. Fixed Assets**

All the Fixed Assets have been stated at cost of acquisition

## **8. Tangible Asset**

Tangible Assets are stated at cost of acquisition less accumulated amortization.

## **9. Depreciation**

Depreciation of Fixed Assets is provided on straight - line Method to allocate their cost, net of their residual values, over their estimated useful lives in accordance with life of assets specified in Part C of Schedule II to the Companies Act 2013

# HARMONY CAPITAL SERVICES LIMITED

## **10. Inventories:**

Items of inventories are measured at lower of cost and quoted/ fair value, computed category – wise.

## **11. INVESTMENTS**

Investments are stated at cost of acquisition.

## **12. Contingencies and events occurring after the date of Balance Sheet: - NIL**

# HARMONY CAPITAL SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENT

### NOTE 2 :- PROPERTY, PLANT AND EQUIPMENT

| PARTICULARS                  | GROSS BLOCK                |  |   |                            | DEPRECIATION/AMORTISATION  |  |                            | NET BLOCK                  |                            |
|------------------------------|----------------------------|--|---|----------------------------|----------------------------|--|----------------------------|----------------------------|----------------------------|
|                              | As at<br>01.04.18<br>(Rs.) | Additions<br>During the<br>Year<br>(Rs.) | Deletion<br>During the<br>Year<br>(Rs.) | As at<br>31.03.19<br>(Rs.) | As at<br>01.04.18<br>(Rs.) | Providing<br>During the<br>Year<br>(Rs.) | As at<br>31.03.19<br>(Rs.) | As at<br>31.03.19<br>(Rs.) | As at<br>31.03.18<br>(Rs.) |
| <u>Tangible Assets</u>       |                            |  |   |                            |                            |  |                            |                            |                            |
| <u>BLOCK-I</u>               |                            |  |   |                            |                            |  |                            |                            |                            |
| Laptop                       | 19,990                     | -  | -                                       | 19,990                     | 2,235                      | 2,095                                    | 4,330                      | 15,660                     | 19,850                     |
| GRAND TOTAL AS ON 31.03.2019 | 19,990                     | -  | -                                       | 19,990                     | -                          | 2,095                                    | 4,330                      | 15,660                     | -                          |
| GRAND TOTAL AS ON 31.03.2018 | -                          | 19,990                                   | -                                       | 19,990                     | -                          | 2,095                                    | 2,235                      | 17,756                     | 19,850                     |

# HARMONY CAPITAL SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENT

### NOTE 3 - FINANCIAL ASSETS

| PARTICULARS  | AS AT<br>31.03.2019 | AS AT<br>31.03.2018 |
|--|---------------------|---------------------|
| <b>INVESTMENTS</b>   |                     |                     |
| <u>Unquoted Shares</u>   |                     |                     |
| i) Unquoted Shares and Securities                                    | 17,49,950           | 17,49,950           |
| ii) Advance against Property   | 1,66,500            | 1,66,500            |
| -  |                     |                     |
| TOTAL ( I ) :-   | 19,16,450           | 19,16,450           |
| <u>Quoted Shares and Securities</u>                                  |                     |                     |
| (Total Market Value Rs.1,28,84,619/-<br>Previous Year 1,03,51,947/-) | 1,23,63,031         | 1,22,17,379         |
| -  |                     |                     |
| TOTAL ( II ) :-  | 1,23,63,031         | 1,22,17,379         |
|  |                     |                     |
| <b>TOTAL INVESTMENTS</b>   | <b>1,42,79,481</b>  | <b>1,41,33,829</b>  |

### NOTE 4 - CASH AND BANK EQUIVALENTS

| PARTICULARS   | AS AT<br>31.03.2019 | AS AT<br>31.03.2018 |
|---|---------------------|---------------------|
| <u>Cash and Cash Equivalents</u>                    |                     |                     |
| a) Cash on Hand                                     | 1,26,116            | 56,900              |
| b) Balances in Current Accounts with Scheduled Bank | 17,353              | 23,740              |
|   |                     |                     |
| <b>Total</b>  | <b>1,43,469</b>     | <b>80,639</b>       |

### NOTE 5 - OTHER CURRENT ASSETS

| PARTICULARS                          | AS AT<br>31.03.2019 | AS AT<br>31.03.2018 |
|--------------------------------------|---------------------|---------------------|
| Balances with Government Authorities | 35,000              | 4,70,000            |
| Claims and other receivable          | 3,10,507            | 2,53,038            |
| Deposit                              | 500                 | 500                 |
| Others                               | -                   | -                   |
|                                      |                     |                     |
| <b>Total</b>                         | <b>3,46,007</b>     | <b>7,23,538</b>     |

# HARMONY CAPITAL SERVICES LIMITED

## NOTE 6 - EQUITY SHARE CAPITAL

### A. Equity Share Capital

| PARTICULARS   | AS AT<br>31.03.2019 | AS AT<br>31.03.2018 |
|---|---------------------|---------------------|
| <u>Authorised</u><br>35,00,000(35,00,000) Equity Shares of Rs. 10/- each.   | 3,50,00,000         | 3,50,00,000         |
| <u>Issued, Subscribed &amp; paid up</u><br>30,00,900 (30,00,900) Equity Shares of Rs. 10/- each<br>fully paid up.(Each Share Carrying 1Voting Rights) | 3,00,09,000         | 3,00,09,000         |
| <b>TOTAL :-</b>   | <b>3,00,09,000</b>  | <b>3,00,09,000</b>  |

### B. Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period

| PARTICULARS   | AS AT<br>31.03.2019 | AS AT<br>31.03.2018 |
|---|---------------------|---------------------|
| Equity Shares outstanding at the beginning of the year                      | 30,00,900           | 30,00,900           |
| Equity Shares issued during the year pursuant to<br>Exercise of ESOSs/ESPPs | -                   | -                   |
| Equity shares at the end of the year  | 30,00,900           | 30,00,900           |

### C. Details of shares held by each shareholder holding more than 5% equity shares:

| NAME OF SHAREHOLDER           | AS AT<br>31.03.2019 | AS AT<br>31.03.2018 |
|-------------------------------|---------------------|---------------------|
| Jhunjhunwala Finance pvt. Ltd | 11,55,000<br>38.49% | 11,55,000<br>38.49% |

## NOTE 7 - OTHER EQUITY :-

| PARTICULARS                      | AS AT<br>31.03.2019  | AS AT<br>31.03.2018  |
|----------------------------------|----------------------|----------------------|
| - a) Securities Premium          | -                    | -                    |
| b) General Reserve               | -                    | -                    |
| c) Capital Reserve               |                      |                      |
| Opening Balance                  | (1,54,54,958)        | (1,72,92,451)        |
| Add : Transferred from P & L A/c | 1,94,106             | 18,37,492            |
| <b>Total</b>                     | <b>(1,52,60,852)</b> | <b>(1,54,54,958)</b> |

# HARMONY CAPITAL SERVICES LIMITED

## NOTE 8 - SHORT -TERM PROVISIONS

| PARTICULARS                              | AS AT<br>31.03.2019 | AS AT<br>31.03.2018 |
|--|---------------------|---------------------|
| Audit Fees Payable                       | 11,500              | 11,500              |
| Provision for Income Tax (A. Y. 2019-20) | 21,500              | -                   |
| Others                                   | -                   | 3,86,787            |
| <b>Total</b>                             | <b>33,000</b>       | <b>3,98,287</b>     |

## NOTE 9 - OTHER INCOME

| PARTICULARS             | AS AT<br>31.03.2019 | AS AT<br>31.03.2018 |
|-------------------------|---------------------|---------------------|
| Dividend                | 1,21,389            | 3,05,599            |
| Short Term Capital Gain | 44,739              | 7,34,772            |
| Long Term Capital Gain  | 9,26,342            | 23,95,207           |
| Others                  | 4,490               | -                   |
| <b>TOTAL :-</b>         | <b>10,96,960</b>    | <b>34,35,578</b>    |

## NOTE 10 - OTHER EXPENSES

| PARTICULARS                  | AS AT<br>31.03.2019 | AS AT<br>31.03.2018 |
|------------------------------|---------------------|---------------------|
| Audit Fees                   | 11,500              | 11,500              |
| Accounting Charges           | 42,000              | 35,000              |
| Bank Charges                 | 1,403               | 484                 |
| Books & Periodicals          | 28,765              | 35,124              |
| Conveyance                   | 42,658              | 45,875              |
| Demate Charges               | 2,408               | 2,988               |
| General Expenses             | 27,952              | 36,985              |
| Listing & other Fee (BSE)    | 2,50,000            | 7,000               |
| Loss on Stocks/Write off     | -                   | 4,42,117            |
| NSDL/CDSL Fee                | 26,720              | 24,000              |
| Office Expenses              | 35,625              | 52,585              |
| Other Charges                | 59,210              | 84,463              |
| Post & Courier               | 4,213               | 5,458               |
| Printing & Stationary        | 30,125              | 47,858              |
| Legal & Professional Fees    | 35,000              | 84,500              |
| ROC Filing Fees              | 6,000               | 3,600               |
| Sitting Fees                 | 60,000              | 50,000              |
| Software and Website Charges | 2,300               | 2,760               |
| Swachh Bharat Cess (SBC)     | -                   | 1,456               |
| Telephone Exp                | 6,332               | 12,512              |
| Transaction Charges          | 8,113               | 41,531              |
| Travelling Expenses          | 15,690              | 34,887              |
| <b>TOTAL :-</b>              | <b>6,96,013</b>     | <b>10,62,683</b>    |



# HARMONY CAPITAL SERVICES LIMITED

## NOTE NO. 11 NOTES FORMING PART OF THE FINANCIAL STATEMENTS: -

### i. Payment to Auditors :-

|                                      | <u>As at 31.03.2019</u> | <u>As at 31.03.2018</u> |
|--------------------------------------|-------------------------|-------------------------|
|                                      | (Rs.)                   | (Rs.)                   |
| a) Audit Fees                        | 11500                   | 11500                   |
| b) Tax Audit Fees                    | NIL                     | NIL                     |
| c) Certification and Taxation matter | NIL                     | NIL                     |
|                                      | -----                   | -----                   |
|                                      | 11500                   | 11500                   |
|                                      | =====                   | =====                   |

### ii. Managerial Remuneration: -

|                       |       |       |
|-----------------------|-------|-------|
| Director Salary       | NIL   | NIL   |
| Director Sitting Fees | 60000 | 50000 |
|                       | ----- | ----- |
|                       | 50000 | 24000 |
|                       | ===== | ===== |

iii. Contingent Liabilities :- --- NIL --- --- NIL ---

iv. Earnings Per Share (As per Ind. AS ) 0.06 0.61

### v. Taxes on Income

In terms of Ind. AS on "Accounting for taxes of Income" as notified by the Companies (accounting standard) Rules, 2006 the Company has recognized Deferred Tax Assets Rs. 37/- for the year ended 31<sup>st</sup> March, 2019 in the Profit & Loss A/c.

# HARMONY CAPITAL SERVICES LIMITED

The accumulated balance in Net Deferred Tax Liability/ (Assets) comprises of:-

| Particulars                      | Deferred Tax Liability/ (Asset) as at 1 <sup>st</sup> April 18 (Rs.) | Current Year change (Rs.) | Deferred Tax Liability/ (Asset) as at 31 <sup>st</sup> March 19 (Rs.) |
|----------------------------------|--|---------------------------|---|
| Difference between Book & Tax    | 3432   | 37                        | 3469  |
| Deferred Tax Liability/ (Assets) | NIL  | NIL                       | NIL   |

## vi. Information pursuant to para 5(viii) of the General Instructions to the Statement of Profit and Loss

- Foreign Exchange Earnings & Outgo : NIL

| Particulars                                 | 2018 – 2019 (Amt. In Rs.) | 2017 – 2018 (Amt. In Rs.) |
|---|---------------------------|---------------------------|
| Earning and Expenditure in Foreign currency | Nil                       | Nil                       |

vii. No Dividend declared in the current year.

## viii. Disclosure under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED ACT, 2006)

As required to be disclosed under Micro, Small & Medium Enterprises Development Act, 2006 and to the extent such parties are identified on the basis of information available with the Company, there are no Micro enterprises or Small Scale enterprises to whom the Company owes any due which are outstanding for more than 45 days as at 31<sup>st</sup> March 2019

- ix. In the opinion of the board any of the current assets, Loan and Advances etc. have value on realization in ordinary course of business at least equal to the amounts at Which they are stated.
- x. Previous year's figures have been regrouped, rearranged and recast wherever found necessary.
- xi. Books of Accounts of the Company have been prepared on the basis of details of Head Office only.

# HARMONY CAPITAL SERVICES LIMITED

xii. The Accumulated Losses of the company as at end of the financial year have resulted in erosion of more than fifty per cent of its net worth.

## SIGNATURE TO NOTES 1 TO 11

AS PER OUR REPORT ON EVEN DATE ATTACHED  
FOR D. LODHA & ASSOCIATES  
CHARTERED ACCOUNTANTS

F. R. NO. 135606W

Sd/-  
DINESH LODHA  
(PROPRIETOR)

M. NO. 401118  
PLACE: - MUMBAI.  
DATE :- 30.04.2019

FOR AND ON BEHALF OF THE BOARD  
HARMONY CAPITAL SERVICES LTD.

Sd/-

K. K. JHUNJHUNWALA  
DIRECTOR  
DIN: 00335070

Sd/-

ASUTOSH RAULO  
DIRECTOR  
DIN: 01589574

Sd/-

BALAJI B. RAUT  
DIRECTOR  
DIN: 03604215

Sd/-

SUNIL KATARIA  
CHIEF FINANCIAL OFFICE

# HARMONY CAPITAL SERVICES LIMITED

## **REGISTRATION OF E-MAIL ADDRESS FORM**

(In terms of Circular Nos. 17/2011 and 18/2011 dated 21.04.2011 and 29.04.2011, respectively issued by Ministry of Corporate Affairs)

Sharex Dynamic (India) Private Limited  
Unit 1, Luthra Industrial Premises, 1st Floor,  
44-E, M Vasant Marg, Andheri Kurla Road,  
Andheri (East), Mumbai-400 072.

I/We Shareholder(s) of Harmony Capital Services Limited hereby accord my/our approval to receive documents viz. Annual Reports, Notices of General Meeting /Postal Ballot and such other documents that Ministry of Corporate Affairs may allow, to be sent in the electronic mode. I/We request you to note my/our latest email address, as mentioned below. If there is any change in the e-mail address. I/We will promptly communicate the same to you. I/We attach the self attested copy of PAN Card / Passport towards identification proof for the purpose of verification.

|  |  |
|--|--|
| Folio No.                                  |  |
| Name of the First/Sole Shareholder         |  |
| Name of the Joint Shareholder(s)<br>if any |  |
| Registered Address                         |  |
| E-mail Address (to be registered)          |  |

Place:

Date:

\_\_\_\_\_  
(Signature of Shareholder/s)

For Shares in dematerialized mode you are requested to register your E-mail address and/or changes therein from time to time with your Depository Participant.

# HARMONY CAPITAL SERVICES LIMITED

## ATTENDANCE SLIP

( To be surrender at the time of entry)  
**Date & Time: Monday, 30<sup>th</sup> September, 2019 at 11.00 A.M**  
**Venue: Office No. 8A, 8th Floor Astral Centre, 470/B, N. M. Joshi Marg, Chinchpokli-  
West, Mumbai – 400 011**

I hereby record my presence at the Twenty-fifth Annual General Meeting of the company

Name of Share Holder :-

Registered Address of Shareholder :-

Name of Joint Holder :-

Reg. Folio No./Client ID No. :-

No. of Shares held :-

Name of Proxy/Representative, if any :-

\_\_\_\_\_  
Signature of Member/Joint Member/Proxy attending the meeting

Note:

Shareholders/Proxy/Representatives are requested to produce this Attendance Slip signed, for admission to meeting hall. The admission may, however, be subject to further verification/checks, as may be deemed necessary. Under no circumstances, any duplicate Attendance Slip will be issued at the entrance to the meeting hall.

----- Tear here-----

### FOR IMMEDIATE ATTENTION OF THE SHAREHOLDER

| ELECTRONIC VOTING PARTICULARS     |         |          |
|-----------------------------------|---------|----------|
| Electronic Voting Sequence Number | User ID | Password |
|                                   |         |          |

Please read the instructions for e-voting as set out in notice of 25<sup>th</sup> Annual General Meeting dated 2<sup>nd</sup> Sept' 2019. The E-voting period starts from 27<sup>th</sup> Sept.,2019, **09.00 A.M. IST and ends at 29<sup>th</sup> September' 2019, 05.00 P.M IST**. At the end of the E-voting period, the portal where the votes are cast shall be blocked.

# HARMONY CAPITAL SERVICES LIMITED

## FORM NO. MGT.11 PROXY FORM 25<sup>th</sup> Annual General Meeting

Name of the member(s) :  
Registered address :  
e-mail Id :  
Folio No/ \*Client Id :  
\*DP Id :

I/We, being the member(s) of \_\_\_\_\_ shares of HARMONY CAPITAL SERVICES LIMITED, hereby appoint Shri/Smt. \_\_\_\_\_ Or filling him Shri/Smt. \_\_\_\_\_ as my / our proxy to attend and vote for me/us and on my / our behalf at the 25<sup>th</sup> Annual General Meeting of the company, to be held on Monday, the 30<sup>th</sup> day of Sept, 2019 at 11:00 a.m. at Registered Office and at any adjournment thereof in respect of such resolutions as are indicated below:

\*\* I wish my above Proxy to vote in the manner as indicated in the box below:

| No | Resolutions   | For | Against |
|----|---|-----|---------|
| 1  | To consider and adopt the Audited Financial Statements including Consolidated Financial Statements of the Company for the FY ended 31st March, 2019, the Reports of the Board of Directors and Auditors thereon.  |     |         |
| 2  | To appoint a Director in place of Shri Krishna Kumar Jhunjhunwala (DIN: 00335070), who retires by rotation and, being eligible, offers himself for re-appointment.  |     |         |
| 3  | Ratifies the appointment of M/s. D. Lodha & Associates. (Firm Registration No. 135606W), Chartered Accountants as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) until conclusion of the 29th AGM to be held in the calendar year 2023 |     |         |

Signed this..... day of.....2019

\_\_\_\_\_  
Signature of Shareholder

\_\_\_\_\_  
Signature of first proxy holder

\_\_\_\_\_  
Signature of second proxy holder

\_\_\_\_\_  
Signature of third proxy holder

|  |
|--|
| Affix a<br>Re. 1/-<br>Revenue<br>Stamp |
|--|

**NOTES:**

- This form of proxy in order to be effective should be duly completed and deposited at The Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
- \*\*This is only optional. Please put a 'X' in the appropriate column against the resolutions indicated in the Box. If you leave the 'For' or 'against' column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
- Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes.
- In the case of joint holders, the signature of any one holder will be sufficient, but names of all the joint holders should be stated.