

# HARMONY CAPITAL SERVICES LTD.

(CIN: L67120RJ1994PLC008796)

Corp. Off: Office No. 8A, 8<sup>th</sup> Floor, Astral Centre,  
470-B, N. M. Joshi Marg, Chinchpokli - West, Mumbai - 400 011.  
Tel.: 022 2300 1206, Web Site: www.hesl.co.in, E-mail: harmonycsl@yahoo.com

To,

Date: 04/10/2016

**The Manager**

**Listing Dept./Market Operation Dept.**

BSE Limited.

14<sup>th</sup> floor, Phiroz Jeejeebhoy Towers,

Dalal Street, Mumbai - 400 023

**Sub : Submission of Annual Report for the Financial Year 2015-16**

**Ref : Harmony Capital Services Limited (Scrip Code-530055, Scrip ID- HRMNYCP)**

Dear Sir/Madam,

Pursuant to Regulation 34(1) of the SEBI (Listing Obligations and Disclosures Requirements) Regulation, 2015 we are submitting here with the Annual Report for the year ending March 2016

Please take on record the same.

Thanking you,

Yours truly,

**For Harmony Capital Services Limited**



**Asutosh Raulo**

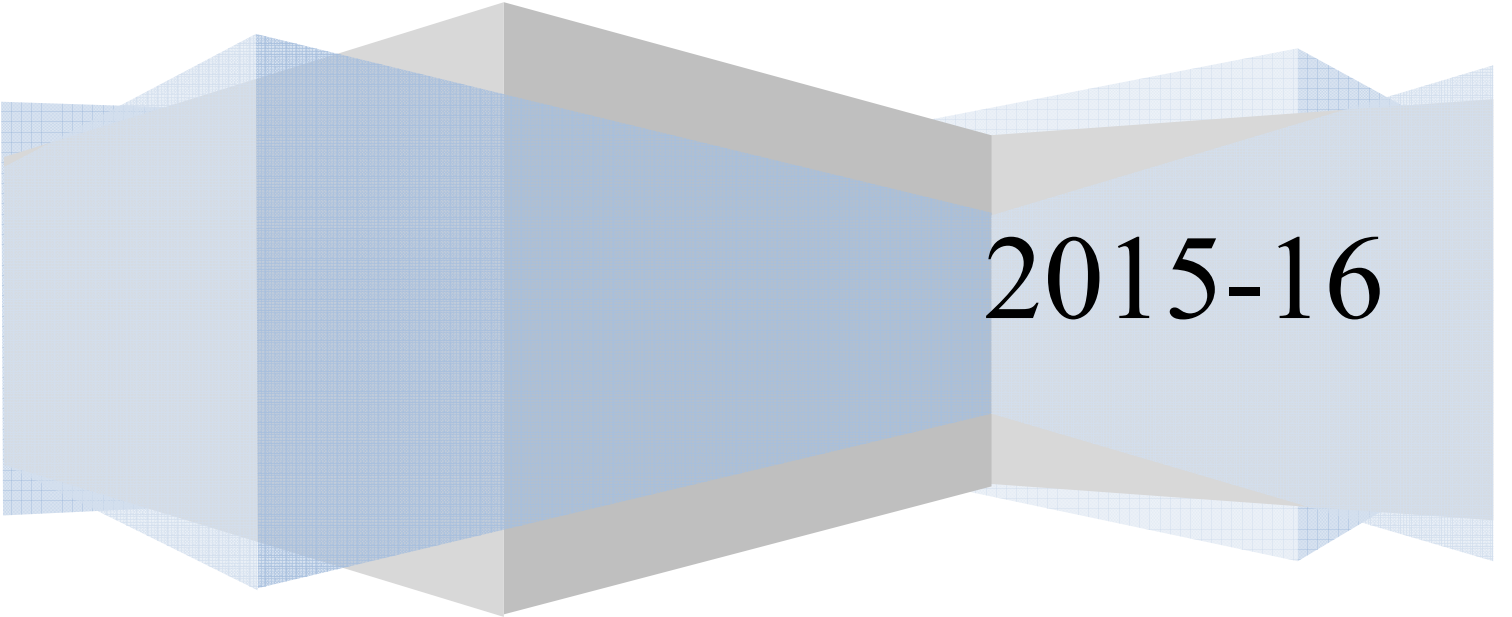
**Managing Director**

**DIN: 01589574**



***HARMONY CAPITAL SERVICES LIMITED***

***22<sup>ND</sup> ANNUAL REPORT***



**2015-16**

# HARMONY CAPITAL SERVICES LIMITED

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## CORPORATE INFORMATION

### BOARD OF DIRECTORS

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

### REGISTERED OFFICE:

PLOT NO. 278,  
VIJAYWADI PATH NO. 6,  
DHER KA BALAJI, JAIPUR- 302016

### CORPORATE 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. B. M. GATTANI & CO.  
CHARTERED ACCOUNTANTS  
B-702, OM SAI SHRAVAN  
OPP. SHIMPOLI TELEPHONE EXCHANGE  
NEW LINK ROAD, SHIMPOLI, BORIVALI - WEST  
MUMBAI 400 092

### REGISTRAR AND SHARE TRANSFER AGENT

Sharex Dynamic (India) Private Limited  
AGENT 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

# HARMONY CAPITAL SERVICES LIMITED

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## NOTICE OF ANNUAL GENERAL MEETING

**NOTICE** is hereby given that the **22<sup>nd</sup> Annual General Meeting** of the Members of **HARMONY CAPITAL SERVICES LIMITED** will be held on Friday the 30<sup>th</sup> day of September 2016 at 11.00 A. M. at the Registered office of the Company 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, 2016 the report of Board of Directors and Auditors thereon.
2. To appoint a Director in place of Pooja Lalchand Kumawat (DIN: 07158872V) who retires by rotation 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 all other relevant provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, the Company hereby ratifies the appointment of M/s. B. M. Gattani & Co. Chartered Accountants, Mumbai (Firm Registration No. 113536W, with the Institute of Chartered Accountants of India), as the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the 25th Annual General Meeting, to be held on the year 2019 to examine and audit the accounts of the Company at such remuneration as may be mutually agreed between the Board of Directors of the Company and the Auditors”.

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**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 : 02.09.2016

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, 4 & 5 is annexed herewith.
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 completed and signed, not less than 48 hours before the commencement of the meeting.

Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.

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. A Member holding more than ten per cent of the total share capital of the Company carrying voting rights may appoint

3. The Register of Members and Share Transfer Books of the Company will remain closed from 24<sup>th</sup> September, 2016 to 30<sup>th</sup> September, 2016 (both days inclusive).
4. 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

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public holidays between 10.30 a. m. and 05.30 p. m. up to the date of the Annual General Meeting.

5. As a measure of economy, copies of Annual Report will not be distributed at the Annual General Meeting. Therefore members are requested to bring their copy of the Annual Report to the Meeting.
6. Shareholders seeking any information with regard to Accounts are requested to write to the Company at an early date so as to enable the management to keep the information ready.
7. The Company has appointed 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 as the Share Transfer Agent to undertake all Investor Servicing activities, Both demate and physical segments. All concerned are requested to send their documents and address all their correspondence directly to the above registrar.
8. 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.
9. Members holding shares in physical form are requested to consider converting their holdings to dematerialized form to eliminate all risks associated with physical shares and for ease of portfolio management. Members can contact the Company or The Registrar of the Company for assistance in this regard
10. 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 physical form may submit the same to the Registrar of the Company. Members holding shares in electronic form may submit the same to their respective depository participant
11. The Ministry of Corporate Affairs has taken "Green initiative in the Corporate Governance" by allowing paperless compliance by the Companies and has issued circulars stating that

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Services of Notice/Documents including Annual Report can be sent by e-mail to its members To support this green initiative of the Government in full measure, Members who have not registered their e-mail addresses, so far, are requested to register their current e-mail addresses, in respect of electronic holding with the depository through their concerned Depository Participants. Members who holds shares in physical form are requested to register the same with the company's share Transfer Agents Sharex Dynamic (India) Pvt. Ltd.

12. Members holding shares in physical form are requested to advise any change of address immediately to the company/ Share Transfer Agent, Sharex Dynamic (India) Pvt. Ltd.
13. 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 the Company or its Registrar and Share Transfer Agent M/s. Sharex Dynamic (India) Private Limited
14. The Annual Report of the Company circulated to the member of the Company will be made available on the Company's website at "[www.hcsl.co.in](http://www.hcsl.co.in)"
15. 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.

## Voting through electronic means

- 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).



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- 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.,2016 (9:00 am) and ends on 29<sup>th</sup> Sept, 2016 (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.,2016, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by 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:
  - A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/Depository Participants(s)] :
    - (i) Open email and open PDF file viz; "AGM.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password.
    - (ii) Launch internet browser by typing the following URL:  
<https://www.evoting.nSDL.com/>
    - (iii) Click on Shareholder - Login
    - (iv) Put user ID and password as initial password/PIN noted in step (i) above. Click Login.
    - (v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
    - (vi) Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
    - (vii) Select "EVEN" of "Harmony Capital Services Limited".
    - (viii) Now you are ready for remote e-voting as Cast Vote page opens.
    - (ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
    - (x) Upon confirmation, the message "Vote cast successfully" will be displayed.

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(xi) Once you have voted on the resolution, you will not be allowed to modify your vote.

(xii) 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. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to [sumanmsureka@yahoo.com](mailto:sumanmsureka@yahoo.com) or [harmonycsi@yahoo.com](mailto:harmonycsi@yahoo.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

B. In case a Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company/Depository Participants(s) or requesting physical copy] :

(i) Initial password is provided as below/at the bottom of the Attendance Slip for the AGM:

<b>EVEN (Remote e-voting Event Number)</b>	<b>USER ID</b>	<b>PASSWORD/PIN</b>
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(ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.

- VI. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the downloads section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990.
- VII. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.
- VIII. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- IX. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 23<sup>rd</sup> Sept.,2016.
- X. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 23<sup>rd</sup> Sept.,2016, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or [Issuer/ RTA](#).  
However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User

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Details/Password” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or contact NSDL at the following toll free no.: 1800-222-990.

- XI. 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.
- XII. 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.
- XIII. Ms. Suman Murarilal Sureka, Company Secretary (Membership No. 6842) and Proprietor of M/s. Suman Sureka & Associates has been appointed for as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.
- XIV. 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 “remote e-voting” or “Ballot Paper” or “Poling Paper” for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- XV. 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-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days 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.

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- XVI. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company "www.hcsl.co.in" and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited, Mumbai.

**BY ORDER OF THE BOARD**

**For HARMONY CAPITAL SERVICES LTD.**

**PLACE: - MUMBAI.**

**DATE : 02.09.2016**

Sd/-

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

## 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. B. M. Gattani & Co. Chartered Accountants, Mumbai (Firm Registration No. 113536W, with the Institute of Chartered Accountants of India) were appointed as the statutory auditors of the Company for a period of Five at the Annual General Meeting (AGM) of the Company held on Sept 30, 2015, to hold office from the conclusion of the twenty-one AGM till conclusion of the twenty-five AGM to be held in the year 2019.

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, ratification 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 : 02.09.2016**

Sd/-

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

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## DIRECTOR'S REPORT

To  
The Shareholders,

Your Directors have pleasure in presenting their 22<sup>nd</sup> ANNUAL REPORT along with the audited annual accounts for the year ended on 31<sup>ST</sup> MARCH, 2016, AND REPORT THAT: -

### 1. FINANCIAL RESULTS

A summary of your Company's Financial Performance for the Financial Year ended 31<sup>st</sup> March 2016 is given below: -

(Amount in Rs.)

PARTICULARS	2015-2016	2014-2015
Revenue from operation	(8,42,109)	27,08,372
Profit Before Tax (PBT)	(13,51,212)	19,59,797
Profit After Tax (PAT)	(13,51,212)	16,19,797
Less :- Prior year tax adjustments	NIL	NIL
Add :- Balance b/f from the previous year	(16,430,671)	(18,050,468)
Balance available for Appropriation	(17,781,882)	(16,430,671)
Less :- Transferred to General Reserve	NIL	NIL
Proposed Dividend	NIL	NIL
Balance Carried to Balance Sheet	(17,781,882)	(16,430,671)

### 3. EXTRACT OF ANNUAL RETURN

The details forming part of the extract of Annual Return in Form MGT-9 as required under Section 92 of the Companies Act, 2013 (herein after referred to as "the Act") form an integral part of this Report.

ANNEXURE - A

### 4. NUMBER OF MEEINGS OF THE BOARD

During Financial Year 2015-16 Six Board Meetings were held by the Company on 24<sup>th</sup> April.,2015, 21<sup>st</sup> July.,2015, 25<sup>th</sup> Aug.,2015, 30<sup>th</sup> Oct.,2015, 28<sup>th</sup> Dec.,2015, and 29<sup>th</sup> Jan.,2016. 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

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number of Committee Meeting held during the Financial Year 2015-16 forms part of the Corporate Governance Report.

## **5. DIRECTOR'S RESPONSIBILITY STATEMENT**

Pursuant to the requirement of Sub-Sections (3)(C ) and (5) of Section 134 of the Companies Act, it is hereby confirmed:

- (a) That in the preparation of the annual financial statements, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- (b) That such accounting policies as mentioned in Notes to the Financial Statements have been selected and applied consistently and judgments have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at 31st March, 2016 and of the profit or loss of the Company for the Financial Year ended on that date;
- (c) That proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and the irregularities;
- (d) That the annual Financial Statements have been prepared on a going concern basis;
- (e) That proper internal financial controls were in place and that the financial controls Were adequate and were operating effectively;
- (f) That systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## **6. DIRECTORS AND KEY MANAGERIAL PERSONELS:**

In accordance with the provisions of Section 152 of the Act, and that of Articles of Association of the Company, Mrs Pooja Lalchand Kumawat (DIN: 07158872) Director of the Company retires by rotation at this AGM of the Company and being eligible, offers herself 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.

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Mr.Sushil Kumar Sharma, independent director resigned from the Board of Directors of the Company with effect from Jan 28, 2016

Mr. Asutosh Raulo, Chairman & Managing Director, Mr. Krishna Kumar Jhunjhunwala Executive Director and Mr. Narendra Kumar, 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. None of the KMP has resigned during the year under review.

## **7. DECLARATION BY INDEPENDENT DIRECTORS**

The Company has received declarations from all 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.

## **8. INDEPENDENT DIRECTORS MEETING**

The Independent Directors of the Company met on 28<sup>th</sup> March 2016 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.

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

The Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations") stipulate the evaluation of the performance of the Board, its Committees, Individual Directors and the Chairperson. The Company has formulated a Policy for performance evaluation of the Independent Directors, the Board, its Committees and other individual Directors which includes criteria for performance evaluation of the Non-Executive Directors and Executive Directors.



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## **10. AUDITORS AND AUDITORS REPORT.**

The Shareholder of the Company in the 21<sup>st</sup> Annual General Meeting held on 30<sup>th</sup> Sept.,2015 had approved Appointment of M/s. B. M. Gattani & Co., Chartered Accountants (Reg. No. 113536W) Auditors of the Company, until the conclusion of 25th 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.

## **11.. 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 2015-16. The Secretarial Audit report is annexed herewith as "Annexure B". The Board of Directors has appointed Mrs. Manisha Agarwal, Company Secretary to conduct Secretarial Audit for FY 2015-16 on 28th July.,2016. The Secretarial Auditor observed as under:

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

1. The company has not filed certain forms with the Registrar of Companies.
2. The Company has not complied with the section 203 and Clause 47 of the listing agreement by not appointing Company Secretary and Chief Financial Officer.
3. In Directors Report for the year ended 31st March, 2015 Directors have not replied on the observations of the Secretarial audit report.
4. The Ahmedabad Stock Exchange has suspended the company to trade the equity shares on the exchange due to non-compliances with certain formalities and also the company has not paid listing fees to Ahmedabad and Jaipur Stock Exchange..
5. The company has its website but the disclosures are not as per the Companies Act, 2013 and listing agreement

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6. The Company has not provided for e-voting facility and related compliances
7. The company has not complied with certain provisions of the listing agreement and SEBI Rules and regulations

Further, the explanation given by the Board on the observation given by the Secretarial Auditor is Under:

The observations of the Secretarial Auditors in their report are self-explanatory and therefore, the directors do not have any further comments to offer on the same.

## **12. 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.

## **13. 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://hcsl.co.in/corporategovernance.aspx/determination%20of%20material%20events>

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

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

## **15. DEPOSITORY SYSTEM:**

Your Company has not accepted any deposits within the meaning of section 73 of the Companies Act, 2013 and the Rule made thereunder and therefore no amount of principal or interest was outstanding as on the date of Balance Sheet.

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

Your Company has earned total revenue of ₹ (08.42) lakhs in Financial Year 2015-16 as compared to ₹27.08 lakhs in Financial Year 2014-15. The profit after tax in Financial Year 2015-16 is ₹ (13.51) lacs as compared to Profit ₹16.20 lakhs in Financial Year 2014-15.

# HARMONY CAPITAL SERVICES LIMITED

(CIN: L67120RJ1994PLC008796)

## 17. DIVIDEND

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

## 18. 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 may be accessed on the website of the Company "www.hcsl.co.in"

## 19. 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.

## 20. SHARE CAPITAL

The Issued, Subscribed and Paid-Up Equity Share Capital as on 31st March, 2016 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 31st March,

# HARMONY CAPITAL SERVICES LIMITED

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2016 none of the Directors of the Company holds instrument convertible into equity shares of the Company.

## **21. 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 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.

## **22. 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.

## **23. 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.

## **24. PARTICULARS OF EMPLOYEES**

The information required pursuant to section 197 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2015 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.

# HARMONY CAPITAL SERVICES LIMITED

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## **25. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT THE WORKPLACE (PREVENTATION, PROHIBITON 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 2015-2016

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

### **LISTING**

The Equity Shares of the Company are at present listed with the following Stock Exchanges:-

Jaipur Stock Exchange Ltd : Malviya Nagar, Jaipur – 302 017

The Bombay Stock Exchange : Phiroze Jeejeebhoy Towers, Dalal St., Mumbai Limited

Ahmedabad Stock Exchange : Kamdhenu Complex, Panjara Pole, Ahmedabad Limited

## **27. PAYMENT OF LISTING FEES**

The Company has paid listing fee to the Mumbai Stock Exchange and has not paid listing fee to the Jaipur and Ahmedabad Stock Exchanges.

## **28. 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

# HARMONY CAPITAL SERVICES LIMITED

(CIN: L67120RJ1994PLC008796)

## **29. 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 : - 02.09.2016**

Sd/-

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

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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### GLOBAL ECONOMIC

During 2015-16, global economic growth continued at a slow pace leaving the world economy more exposed to risks. Some of the factors for the lacklustre growth include a sharper-than-expected slowdown in China; return of financial turmoil in emerging markets; waning political solidarity in Europe and a persistent slump in oil prices. The Eurozone's economic recovery continued although overall growth remained subdued. Solid domestic data continued to drive the recovery while the external sector dragged on the economy's performance. The Japanese economy is struggling for growth against structural headwinds including a declining and aging population, weakening productivity, low return on capital, and high debt levels.

### INDIAN ECONOMY

In 2015-16, the Indian economy emerged as one of the few large economies with an encouraging outlook. The factors contributing to this positive outlook were controlled inflation, rise in domestic demand, and increase in investments, decline in oil prices and the boost to reforms, among others. According to the IMF, India is set to become the world's fastest-growing major economy by 2016, ahead of China.

The economic fundamentals are showing healthy trends, which corroborates the expected growth in the economy. Inflation has been largely tamed. The investment cycle in India is showing positive growth and expenditure on consumption is increasing, although in a fluctuating trend. This growth is likely to be sustainable considering government's focus on industrial activities, infrastructure development and ease of doing business.

Budget 2016 is a good indicator of the government's intentions and plans. With the global economy fraught with uncertainties, it is commendable that the Indian Government is sticking to its fiscal deficit target while pursuing the growth agenda. Government targets to narrow the central fiscal deficit to 3.5% in 2016-17, after having comfortably met its 3.9% target for 2015-16. While public investment and urban consumption were the major drivers for growth last fiscal year, a reinforcement of private investment and rural consumption is critical if growth is to remain strong in 2016-17 and 2017-18

# HARMONY CAPITAL SERVICES LIMITED

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## OPPORTUNITIES AND THREATS

### Opportunities

The sentiment in the Indian financial market has changed considerably over the past few years; the economic growth, though subdued for last couple of years, is likely to show positive momentum over the coming years. This has presented ongoing opportunities for financial intermediaries to spread and benefit from the investment culture across the country. Following factors present specific opportunities across our businesses:

Following factors present specific opportunities across our businesses:

- Growing corporate activities and related need for fund raising, re-organization and acquisitions;
- Low penetration of financial services and products in India;
- Globalization - corporates are looking at expanding in domestic/overseas markets through merger & acquisitions;
- Growing midsize segment of corporate activity where the need for customized solution is particularly high;
- Regulatory reforms including policy framework aiding greater participation by all class of investors;
- Growing Financial Services industry's share of wallet for disposable income;
- Wealth management business is transforming from mere wealth safeguarding to growing wealth;
- Regulatory reforms would aid greater participation by all class of investors;
- Emerging technology to enable best practices and processes;
- Size of the Indian capital market and favorable demographics like huge middle class, relatively large younger population with disposable income and investible surplus and risk taking abilities of the youth.

### Threats

Volatile Capital markets

Increasing fiscal deficit

Intense competition from Indian and multinational investment banks

High Attrition rate of young, dynamic and experienced Professionals



# HARMONY CAPITAL SERVICES LIMITED

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## Internal control

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

Your Company operates in an ERP system, and has many of its accounting records stored in an electronic form and backed up periodically. The ERP system is configured to ensure that all transactions are integrated seamlessly with the underlying books of account. Your Company has automated processes to ensure accurate and timely Updation of various master data in the underlying ERP system.

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.

# HARMONY CAPITAL SERVICES LIMITED

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## Human Resource

The human resource assets are integral to your Company's ongoing plans and will enable the company to deliver better performance in order to optimize the contribution of the employees to the company's business, several training and development programme at all levels are being conducted. Further, the company is also exploring other avenues to keep the employee morale at the highest level to enable them to optimally utilize their strengths for maximum benefit to your company.

## 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

Macroeconomic scenario in India significantly improved during current year and the economy is in much better shape vis-à-vis previous few years – primarily driven by services sector as well as picking up industrial activity. This points to buoyancy in domestic consumption. With this sound footing, now the savings-investment dynamics will be crucial for the growth to strengthen further in the coming years in addition to reversal of the subdued export performance being currently witnessed. The key will be the response of savings to improved price and financial market stability, and of investment, particularly in the crucial infrastructure sector, to reform efforts of the Government that are underway. With the government putting its act together to resolve issues related to mining and construction (read coal block auctions, etc.), that will provide much needed impetus to GDP as these two sectors have effect on quite a few industries. Better use of resources is critical to shore up productivity which is currently abysmal as reflected in current ICOR.

# HARMONY CAPITAL SERVICES LIMITED

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Globally, while some economies have shown resilience and improvement – Germany and USA, respectively, others like several European countries, Japan as well as China have shown slowing growth. Hence the global scenario is a mixed bag.

Considering the improving domestic macroeconomic parameters supported by benign crude prices and Government's commitment to reforms, the outlook for Indian economy looks positive, though the uncertainties arising from increasing rate scenario in US and situation prevailing in Eurozone could have an impact in the coming year. Given the above and assuming normal monsoons, growth of around 8.5% looks possible in 2016-17.

## Cautionary Statement:

Statement in this Management Discussion and Analysis Report describing the Company's objectives, projections, estimates and expectations may be forward looking statements within the meaning of applicable laws and regulations. Actual results might differ materially from those either expressed or implied.

The Company is not under obligation to publicly amend, modify or revise any forward looking statements on the basis of any subsequent developments, information or events.

**BY ORDER OF THE BOARD**

**For HARMONY CAPITAL SERVICES LTD**

**PLACE: - MUMBAI.**

**DATE : - 02.09.2016**

Sd/-

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

## 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 objects.

### BOARD OF DIRECTORS

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

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

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As on 31<sup>st</sup> March 2016, the Board of Harmony capital services limited. Consists of 4 Directors, two of whom are non-executive and Independent. Shri K. K. Jhunjunwala represent the Promoter group. Shri Asutosh Raulo is the Chairman and Managing Director of the Company.

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

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

## B. Attendance record of directors

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

The composition of the Board and the attendance record of all the directors at the six Board meetings held during 2015-2016:

Sr. No.	Name of Director	Designation	Board Meetings Attended
1	Asutosh Raulo	Chairman & MD	6
2	Krishna Kumar Jhunjunwala	Director	6
3	Balaji Bhagwat Raut	Director	6
4	Pooja Lalchand Kumawat	Director	5
5	Sushil Kumar Sharma*	Director	4

\*Note: Mr. Shushil Kumar Sharma resigned from Board of Director w.e.f 28<sup>th</sup> Jan.,2016

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

# HARMONY CAPITAL SERVICES LIMITED

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

## C. Outside Directorships and Membership of Board Committees.

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

Sr. No.	Name of Director	Listed Companies	Directorship in Unlisted Public Limited Companies	Membership of Board Committees
1	Asutosh Raulo	NIL	NIL	NIL
2	Krishna Kumar Jhunjhunwala	NIL	NIL	NIL
3	Balaji Bhagwat Raut	NIL	NIL	NIL
4	Pooja Lalchand Kumawat	NIL	NIL	NIL

## D. Number of Board meetings held.

The Board of Director met 6 (Six) times on the following dates: 24<sup>th</sup> April.,2015, 21<sup>st</sup> July.,2015, 25<sup>th</sup> Aug.,2015, 30<sup>th</sup> Oct.,2015, 28<sup>th</sup> Dec.,2015, and 29<sup>th</sup> Jan.,2016

## 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 three Directors:

1. Shri Asutosh Raulo
2. Shri Balaji Bhagwat Raut
3. Ms. Pooja Lalchand Kumawat

Shri Balaji Bhagwat Raut is Chairman of the Committee and Independent Director, Shri Asutosh Raulo is Managing Director and Ms. Pooja Lalchand Kumawat is Independent director.

# HARMONY CAPITAL SERVICES LIMITED

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## ii. Meetings and Attendance.

During 2015-16, the audit committee met 6 (Six) times on the 24<sup>th</sup> April.,2015, 21<sup>st</sup> July.,2015, 25<sup>th</sup> Aug.,2015, 30<sup>th</sup> Oct.,2015, 28<sup>th</sup> Dec.,2015, and 29<sup>th</sup> Jan.,2016,The meetings were scheduled well in advance and were attended by the members of the Committee.

## REMUNERATION COMMITTEE

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

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

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

Shri Asutosh Raulo is Chairman of the Committee, Shri Krishna Kumar Jhunjhunwala is Promoter Director and the other members of the audit committee are non-executive directors

### b. Meetings and Attendance.

No meeting of remuneration committee was held as there were no significant changes in the existing structure/policy, which was required to be discussed.

# HARMONY CAPITAL SERVICES LIMITED

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## c. No Remuneration has been paid to Directors

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

#### I. Constitution and Composition of the Shareholders/Investors Grievance Committee

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

The Shareholders/Investors Grievance Committee consists of four directors:

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

Shri Asutosh Raulo is Chairman of the Committee, Shri Krishna Kumar Jhunjhunwala is Promoter Director and the other members of the audit committee are non-executive directors

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

During 2015-16 Trading in the Shares of the Company is in Demate and physical both form. During the year the NIL complaints were received.

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

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

### GENERAL BODY MEETINGS

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



# HARMONY CAPITAL SERVICES LIMITED

(CIN: L67120RJ1994PLC008796)

## DISCLOSURES

### **Related Party Transactions:**

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

### **Risk Management:**

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

### **CEO/CFO Certification:**

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

### **Review of Directors' Responsibility Statement:**

The Board in its report have confirmed that the annual accounts for the year ended March 31, 2016 have been prepared as per applicable accounting standards and policies and that sufficient care has been taken for maintaining adequate accounting records.

### **Penalties and Structures:**

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

## CODE OF CONDUCT

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

# HARMONY CAPITAL SERVICES LIMITED

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## MEANS OF COMMUNICATION

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

## GENERAL SHAREHOLDERS INFORMATION

### A. Annual General Meeting

21 <sup>st</sup> Annual General Meeting	:	30.09.2015 at 10.30 A. M
20 <sup>th</sup> Annual General Meeting	:	30.09.2014 at 10.30 A.M
19 <sup>th</sup> Annual General Meeting	:	01.08.2013 at 10.30 A.M

Place : Plot No.278, Vijayvadi  
Path No. 6 Dher Ka Balaji,  
Jaipur – 302016.  
Rajasthan

### B. Dividend

No dividend is declared.

### C. Dates of Book Closure

Information about the Book Closure dates has been provided in the Notice covering the AGM, which forms a part of the Annual Report.

### Audit Qualifications

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

### Training of Board Members

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

# HARMONY CAPITAL SERVICES LIMITED

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## 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.

## D. Share Transfer System and the Scheme of transfer-cum-demat.

Applications for transfer of shares held in physical form are received at the office of the Company. The Share Transfer Committee attends the share transfer formalities very frequently depending on the number of transfers and Company has appointed Registrar and Share Transfer Agent to Sharex Dynamic (India), Unit - 1, Luthra Industrial Premises, 1<sup>st</sup> Floor, 44-E, M. Vasanti Marg, Andheri - Kurla Road, Safed Pool, Andheri - East, Mumbai - 400072 for Share Transfer procedures.

## E. Stock Code

Bombay Stock Exchange Ltd. - 530055

ISIN for Dematerialisation - INE264N01017

### 1. Listing of Securities

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

The listing fees for the financial year 2015-2016 have been paid to The Bombay Stock Exchange Limited. As far as the other stock exchange is concerned, Company has not paid the listing fees to these exchanges.

### 2. Market Price & Data

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

#### Stock price data at BSE

Sr. No.	Stock Price Data of BSE (Month wise)	High (₹)	Low (₹)
1	April 2015	N. T	N. T
2	May 2015	N. T	N. T
3	June 2015	N. T	N. T

# HARMONY CAPITAL SERVICES LIMITED

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4	July 2015	N. T	N. T
5	August 2015	5.70	5.70
6	September 2015	N. T	N. T
7	October 2015	N. T	N. T
8	November 2015	N. T	N. T
9	December 2015	N. T	N. T
10	January 2016	5.42	5.42
11	February 2016	N. T	N. T
12	March 2016	5.69	5.69

N. T stands for Not Traded

## F. Address for Correspondence

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

Registered Office: Plot no.278, Vijaywadi, Path No.6

Dehar Ka balaji, Jaipur – 302 012.

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

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

## G. Committees of the Board

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

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

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

## I. Warning against Insider Trading

Comprehensive guidelines advising and cautioning the management staff and other relevant business associates on the procedure to be followed while dealing with the securities of your Companies are in place. In light of the SEBI [Insider Trading] Amendment Regulations, 2002, a fresh set of guidelines is being issued by the

# HARMONY CAPITAL SERVICES LIMITED

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company on the subject. The code of conduct and corporate disclosure practices framed by the company will help in ensuring compliance of the amended regulations.

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

The Company has obtained the certificate from the auditors of the Company regarding compliance with the provisions relating to corporate governance laid down in clause 49 of the Listing Agreement with the Stock Exchange, which also attached herewith. This report is annexed to the Directors' Report for the year 2015-16. This certificate will be sent to the stock exchanges, along with the annual return to be filed by the company.

**BY ORDER OF THE BOARD**

**For HARMONY CAPITAL SERVICES LTD**

**PLACE: - MUMBAI.**

**DATE : - 02.09.2016**

Sd/-

**ASUTOSH B. RAULO**

**MANAGING DIRECTOR**

**DIN: 1589574**

# HARMONY CAPITAL SERVICES LIMITED

(CIN: L67120RJ1994PLC008796)

**ANNEXURE - A  
FORM NO. MGT-9  
EXTRACT OF ANNUAL RETURN  
As on the FY 2015-15**

[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	L67120RJ1994PLC008796
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.	Plot No. 278, Vijay Wadi Path No. 6, Dher Ka Balaji, Jaipur - 302 012 022-23001206
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. Luthra Ind Premises, Unit-1, Safed Pool, Andheri Kurla Road, Andheri (East), Mumbai-400 072, Phone: 022 2851 5644

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

The business activity of your company is investing in Shares and Securities. (The total turnover of your Company's is ₹(8.42) Lacs). Net loss of the Company is ₹(13.51)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

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

**i. Category-wise Shareholding**

# HARMONY CAPITAL SERVICES LIMITED

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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									
<b>Sub Total(B)(1)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

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a)Bodies Corporates	1225	43000	44225	1.47	550	43000	43550	1.45	0
b)Individuals									
i) upto Rs 1-Lac	71297	522700	593997	19.79	74372	520300	594672	19.81	0
ii) above Rs1-Lac	605078	23500	628578	20.95	605078	23500	628578	20.95	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)	677600	690600	1276900	45.59	680000	688200	1368200	45.59	0
TOTAL Public Shareholders (A)+(B)	677600	690600	1329500	45.59	680000	688200	1368200	45.59	0
C. Shae held by Custodian for GDRS and ADRS									
<b>Grand total(A+B+C)</b>	<b>2310300</b>	<b>690600</b>	<b>3000900</b>	<b>100.00</b>	<b>2312700</b>	<b>688200</b>	<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>	



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### 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	Babita Pkesh Sharma	33718	1.12	300	-	34018	1.13
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	-	-	80800	2.69
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	20000	0.67	-	-	20000	0.67

### 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 Rauro	114900	3.83	-	-	114900	3.83
2	Krishna Kumar Jhunjhunwala	100000	3.33	-	-	100000	3.33

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## 5. INDEBTEDNESS

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

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

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## 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	-	12000/-	-	12000/-
5	Total (1)	-	-	-	-
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)	-	-	-	-

# HARMONY CAPITAL SERVICES LIMITED

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

Sl. No.	Particulars of Remuneration	Key Managerial Personnel
1	Gross salary	-
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 - as % of profit - others, specify...	-
8	Others	-
	Total	-

# HARMONY CAPITAL SERVICES LIMITED

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## 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) 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 : - 02.09.2016

Sd/-

ASUTOSH B. RAULO

CHAIRMAN & MANAGING DIRECTOR

DIN: 1589574

# HARMONY CAPITAL SERVICES LIMITED

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## Annexure B

### Secretarial Audit Report

#### FOR THE FINANCIAL YEAR ENDED 31st MARCH 2016

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2015]

To,

The Members,

Harmony Capital Services Limited

Plot No.-278, Vijay Wadi Path No.-6,

Dher Ka Balaji, Jaipur – 302 012

I 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: L67120RJ1994PLC008796)** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my 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, I hereby report that in my opinion, during the audit period covering the financial year ended on 31st March, 2016 ('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 31st March, 2016 according to the provisions of undernoted Acts, regulations and guidelines as applicable to the Company:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder.
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

# HARMONY CAPITAL SERVICES LIMITED

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- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder to the extent of Regulation 55A
- (iv) 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.
- (v) 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(Issue of Capital and Disclosure Requirements) Regulations,2009 (Not Applicable, since the Company did not issue any securities during the financial year under review);
  - (b) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 ( Not Applicable, since the Company has not granted any option to its employees during the financial year under review)
  - (c) The Securities and Exchange Board of India (Share based employee Benefit) Regulation 2014 ( Not applicable)
  - (d) 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)
  - (e) 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)
  - (f) 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 (SS1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India under the provisions of the Companies Act,2013 and made effective from 1st July,2015..
- (ii) The Listing Agreements entered into by the Company with Bombay Stock Exchange and the uniform listing agreement entered with the said stock exchanges pursuant to the provisions of the SEBI( Listing Obligations and Disclosure Requirements) Regulations,2015(applicable with effect from

# HARMONY CAPITAL SERVICES LIMITED

(CIN: L67120RJ1994PLC008796)

1st December,2015. The Company has complied with the rules made thereunder.

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

1. The company has not filed certain forms with the Registrar of Companies.
2. The Company has not complied with the section 203 and Clause 47 of the listing agreement by not appointing Company Secretary and Chief Financial Officer.
3. In Directors Report for the year ended 31st March, 2015 Directors have not replied on the observations of the Secretarial audit report.
4. The Ahmedabad Stock Exchange has suspended the company to trade the equity shares on the exchange due to non-compliances with certain formalities and also the company has not paid listing fees to Ahmedabad and Jaipur Stock Exchange..
5. The company has its website but the disclosures are not as per the Companies Act, 2013 and listing agreement
6. The Company has not provided for e-voting facility and related compliances
7. The company has not complied with certain provisions of the listing agreement and SEBI Rules and regulations

**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, agenda and detailed notes on agenda were sent at least seven days in advance and 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 were taken unanimously.

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.



# HARMONY CAPITAL SERVICES LIMITED

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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.

Place: Mumbai

Date: 02/09/2016

Sd/-

Manisha Agarwal

Practicing Company Secretary

ACS No.-29621 C.P. No. - 12324

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

# HARMONY CAPITAL SERVICES LIMITED

(CIN: L67120RJ1994PLC008796)

## ANNEXURE A

To, The Members,  
Harmony Capital Services Limited  
Plot No.-278, Vijay Wadi Path No.-6,  
Dher Ka Balaji Jaipur,  
Jaipur – 302 012.

Our report of even date 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 for the year ended on 31.03.2016 for the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Wherever required, we have obtained the Management representation 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: 02/09/2016

Sd/-

Manisha Agarwal

Practicing Company Secretary

ACS No.-29621 C.P. No. - 12324

# HARMONY CAPITAL SERVICES LIMITED

(CIN: L67120RJ1994PLC008796)

## CODE OF CONDUCT DECLARATION

### ANNUAL DECLARATION BY CEO PURSUANT TO CLAUSE 49(1) (D) (II) OF LISTING AGREEMENT

To,  
The Members of the Harmony Capital Services Limited

As the chief executive officer of HCSL and as required by clause 49(1) (D) (ii) of the Listing Agreement, I hereby declare that all the Board Members and Senior Management Personnel of the company have affirmed compliance with the Company's Code of Business Conduct and Ethics, for the F. Y. 2015-16.

Sd/-

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

**Date : 02.09.2016**  
**Place: Mumbai**

# HARMONY CAPITAL SERVICES LIMITED

(CIN: L67120RJ1994PLC008796)

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

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

We have reviewed the financial statements and the cash flow statement for the year ended March 31, 2016 and that to the best of our knowledge and belief.

1. These Statement do not contain any materially untrue statement or omit any material fact or contain statement that might be misleading;
2. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
3. To the best of our knowledge and belief, no transactions entered in to by the Company during the year ended March 31, 2016 which are fraudulent, illegal or violative of the Company's Code of Conduct.
4. We accept responsibility for establishing and maintaining internal control system and that we have evaluated the effectiveness of the internal control system of the company and we have disclosed to the auditors and the Audit committee, deficiencies in the design or operation of internal control system, if any, of which we are aware and steps we have taken or propose to taken to rectify these deficiencies.
5. We further certify that we have indicated to the Auditors and the Audit Committee:
  - a) There have been no significant changes in internal control system during the year.
  - b) There have been no significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - c) There have been no instances of significant fraud, of which we have become aware, involving management or an employee having a significant role in the Company's internal control system.

For Harmony Capital Services Limited

Sd/-

Asutosh Raulo  
Managing Director  
DIN: 01589574  
Place: Mumbai  
Date: 02.09.2016

# HARMONY CAPITAL SERVICES LIMITED

(CIN: L67120RJ1994PLC008796)

## AUDITOR`S CERTIFICATE ON COMPLIANCE WITH THE CONDITION OF CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENT (S)

To  
THE MEMBERS OF  
HARMONY CAPITAL SERVICES LIMITED,

We have examined the compliance of conditions of Corporate Governance by **Harmony Capital Services Limited** for the year ended on 31<sup>st</sup> march 2016 as stipulated in clause 49 of 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:

The company has not laid down procedures to inform the board members about risk management and minimization requirements. We certify that the company has complied with the conditions of corporate Governance as stipulated in the above-mentioned Listing Agreement.

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  
**B. M. Gattani & Co.**  
Chartered Accountants

Sd/-

Place: Mumbai  
Date: 02.09.2016

**Balmukund N. Gattani**  
Proprietor  
Membership No. 047066  
F. R. No. 113536W

# HARMONY CAPITAL SERVICES LIMITED

(CIN: L67120RJ1994PLC008796)

## INDEPENDENT AUDITORS' REPORT

To

The Members of  
**HARMONY CAPITAL SERVICES LIMITED**

### **Report on the Financial Statements**

We have audited the accompanying financial statement of **HARMONY CAPITAL SERVICES LIMITED ("the company")**, which comprise the Balance Sheet as at **31<sup>ST</sup> MARCH 2016** and the statement of Profit & Loss Account and the cash flow statement of the Company for the year then ended and a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the Financial Statement.**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position and financial performance of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2015.

This responsibility also includes 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 frauds and other irregularities; selection and application of appropriate 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 the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder Section 143(11) of the Act,.

# HARMONY CAPITAL SERVICES LIMITED

(CIN: L67120RJ1994PLC008796)

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

## Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2016 and its profit and its cash flows for the year ended on that date.

## 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 subsection (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 it appears from our examination of those books;
  - c. The balance sheet and the statement of profit & loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;

# HARMONY CAPITAL SERVICES LIMITED

(CIN: L67120RJ1994PLC008796)

- d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2015;
- e. On the basis of the written representations received from the directors as on 31 March 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2016 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"; and
- 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, 2015, in our opinion and to the best of our information and according to the explanations given to us :
  - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements.
  - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, and as required on long-term contracts including derivative contracts.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

**FOR B. M. Gattani & Co.  
CHARTERED ACCOUNTANTS**

Sd/-

**PLACE : MUMBAI  
DATE : 02.09.2016**

**Balmukund N. Gattani  
(PROPRIETOR)  
M. No. 047066  
F. R. No. 113536W**



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

**Re: HARMONY CAPITAL SERVICES LIMITED.**

The Annexure referred to in our Independent Auditors' Report to the members of the Company on the financial statements for the year ended 31 March 2016, we report that:

- (i) In according to the information and explanation given to us, company is not having any fixed assets and hence clause 3 (i) of the Order is not applicable to the Company.
- (ii) The Company is not a trading concern, primarily rendering other business activities. Accordingly, it does not hold any physical inventories. Thus, paragraph 3(ii) of the Order is not applicable
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the Register maintained under Section 189 of the Act.
- (iv) In respect of loans, investments guarantees, and security the provisions of section 185 and 186 of the Companies Act, 2013 have been not complied with company.
- (v) In our opinion and according to the information and explanation given to us, The Company has not accepted any deposits during the year and does not have any unclaimed deposits. Therefore, the provisions of the clause 3(v) of the Order are not applicable to the Company.
- (vi) It has been explained to us that the maintenance of cost records has not been prescribed under section 148(1) of the Act.
- (vii) (a) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, wealth tax, service tax, duty of customs, value added tax, cess and other material statutory dues were in arrears as at 31 March 2016 for a period of more than six months from the date they became payable.  
(b) According to the information and explanations given to us, there are no material dues of wealth tax, duty of customs and cess which have not been deposited with the appropriate authorities on account of any dispute. However, according to information and explanations given to us, the following dues of income tax, sales tax, service tax and value added tax have not been deposited by the Company on account of disputes:
- (viii) Based on our audit procedures and according to the information and explanations given to us, we are of the opinion, the company has not defaulted in repayment of dues to a financial institution, bank, Government or dues to debenture holders.

# HARMONY CAPITAL SERVICES LIMITED

(CIN: L67120RJ1994PLC008796)

- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.
- (x) 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.
- (xi) 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.
- (xii) 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.
- (xiii) 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 financial statements as required by the applicable accounting standards.
- (xiv) 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.
- (xv) 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.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

**FOR B. M. Gattani & Co.  
CHARTERED ACCOUNTANTS**

Sd/-

**PLACE : MUMBAI  
DATE : 02.09.2016**

**Balmukund N. Gattani  
(PROPRIETOR)  
M. No. 047066  
F. R. No. 113536W**

## **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 LTD. ("the Company") as of 31 March 2016 in conjunction with our audit of the standalone 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

# HARMONY CAPITAL SERVICES LIMITED

(CIN: L67120RJ1994PLC008796)

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.

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 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

# HARMONY CAPITAL SERVICES LIMITED

(CIN: L67120RJ1994PLC008796)

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 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 31 March 2016, 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 B. M. Gattani & Co.  
CHARTERED ACCOUNTANTS**

Sd/-  
**Balmukund N. Gattani**  
**(PROPRIETOR)**  
M. No. 047066  
F. R. No. 113536W

**PLACE : MUMBAI**  
**DATE : 02.09.2016**

# HARMONY CAPITAL SERVICES LIMITED

(CIN: L67120RJ1994PLC008796)

## BALANCE SHEET AS ON 31.03.2016

PARTICULARS	NOTES NO.	AS ON 31.03.2016	AS ON 31.03.2015
<b>I. EQUITY &amp; LIABILITIES</b>			
<b>1. Shareholders Fund :</b>			
a) Equity Capital	2	30,009,000	30,009,000
b) Reserve & Surplus	3	(17,781,882)	(16,430,671)
<b>2. Non-Current Liabilities</b>			
a) Long-term borrowings		-	-
b) Other long term Liabilities		-	-
<b>3. Current Liabilities</b>			
a) Short -term borrowings		-	-
b) Trade Payables		-	-
c) Other current Liabilities		-	-
d) Short-term provisions	4	574,173	374,173
<b>TOTAL</b>		<b>12,801,291</b>	<b>13,952,502</b>
<b>II. ASSETS</b>			
<b>Non-current assets</b>			
<b>1.</b>			
a) Fixed assets			
i) Tangible Assets		-	-
ii) Intangible Assets		-	-
iii) Capital Work-In-Progress		-	-
b) Non-current Investments :	5	1,916,451	1,916,501
c) Deferred tax assets(net)		-	-
d) Long-term loans & advances		-	-
e) Other non-current assets		-	-
<b>2. Current Assets</b>			
a) Current Investment	6	9,708,142	10,488,612
b) Inventories	7	442,117	442,117
c) Trade Receivables		-	-
d) Cash & Bank Balances	8	141,644	607,944
e) Short-term Loans & Advances		-	-
f) Other current assets	9	592,937	497,329
<b>TOTAL</b>		<b>12,801,291</b>	<b>13,952,502</b>
Significant Accounting Policies	1		
Accompanying Notes to Accounts	12	-	-

The notes form an integral part of these financial statement

AS PER OUR REPORT OF EVEN DATE ATTACHED

FOR B. M. GATTANI & CO.  
CHARTERED ACCOUNTANTS

F. R. NO. 113536W

Sd/-

BALMUKUND N. GATTANI  
(PROPRIETOR)

M. NO. 047066

PLACE : MUMBAI.

DATE : 02.09.2016

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

# HARMONY CAPITAL SERVICES LIMITED

(CIN: L67120RJ1994PLC008796)

## STATEMENT OF PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31.03.2016

PARTICULARS	NOTES NO.	YEAR ENDED 31.03.2016	YEAR ENDED 31.03.2015
<b>I. Revenue from Operations</b>		-	-
<b>II. Other Income</b>	10	(842,109)	2,708,372
<b>III. TOTAL REVENUE (I+II)</b>		(842,109)	2,708,372
<b>IV. EXPENSES</b>			
Employee Benefits Expenses		-	-
Other expenses	11	509,103	748,575
<b>TOTAL EXPENSES</b>		509,103	748,575
<b>V. Profit Before Tax (III-IV)</b>		(1,351,212)	1,959,797
<b>VI. Tax expense:</b>			
Current Tax		-	340,000
Deferred Tax		-	-
Tax in respect of earlier years		-	-
<b>Profit for the year</b>		(1,351,212)	1,619,797
Earnings per equity share:			
(1) Basic		N. A	0.54
(2) Diluted		N. A	0.54
<b>Face value per Equity Share</b>		10.00	10.00
Significant Accounting Policies	1		
Accompanying Notes to Accounts	12		

The notes form an integral part of these financial statement

AS PER OUR REPORT OF EVEN DATE ATTACHED FOR B. M. GATTANI & CO. CHARTERED ACCOUNTANTS F. R. NO. 113536W

Sd/-

BALMUKUND N. GATTANI  
(PROPRIETOR)  
M. NO. 047066

PLACE : MUMBAI.  
DATE : 02.09.2016

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

# HARMONY CAPITAL SERVICES LIMITED

(CIN: L67120RJ1994PLC008796)

## CASH FLOW STATEMENT FROM 01.04.2015 TO 31.03.2016

Particulars	Year ended 31.03.2016	Year ended 31.03.2015
<b>A) Cash Flow from Operating Activities</b>		
Profit before Tax	(1,351,212)	1,959,797
Adjustments for:		
Depreciation on Fixed Assets	-	-
Loss on sale of Fixed Assets	-	-
Interest Paid	-	-
<b>Operating Profit Before Working Capital Changes</b>	<b>(1,351,212)</b>	<b>1,959,797</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	(95,608)	386,093
Increase / (Decrease) in Other Current Liabilities	-	-
Increase / (Decrease) in Short Term Provisions	200,000	340,164
Increase / (Decrease) in Long Term Provisions	-	-
(Increase) / Decrease in Non- Current Investments	51	-
(Increase) / Decrease in Current Investments	780,470	(1,930,613)
<b>CASH GENERATED FROM OPERATIONS</b>	<b>(466,300)</b>	<b>(16,745)</b>
Income tax Paid	(80,000)	-
<b>Net cash generated from operating activities</b>	<b>(386,300)</b>	<b>(16,745)</b>
<b>B. Cash Flow from Investing Activities</b>		
Sale of Fixed Assets	-	-
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 / (Repayment) of Short Term Borrowings	-	-
Interest	-	-
Dividend and Taxes Paid thereon	(80,000)	(340,000)
<b>Net Cash Flow from Financing Activities</b>	<b>(80,000)</b>	<b>(340,000)</b>
<b>Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)</b>	<b>(466,300)</b>	<b>(356,745)</b>
Cash and cash equivalents at the beginning of the year	607,944	964,688
<b>Cash and cash equivalents at the end of the year</b>	<b>141,644</b>	<b>607,944</b>

FOR B. M. GATTANI & CO  
CHARTERED ACCOUNTANTS  
F. R. NO. 113536W

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

Sd/-

BALMUKUND N. GATTANI  
(PROPRIETOR)  
M. NO. 047066  
F. R. NO. 113536W

Sd/-

K. K. JHUNJHUNWALA  
DIRECTOR  
DIN: 00335070

Sd/-

ASUTOSH RAULO  
DIRECTOR  
DIN: 01589574

Sd/-

BALAJI B. RAUT  
DIRECTOR  
DIN: 03604215

PLACE : MUMBAI.

DATE : 02.09.2016



# HARMONY CAPITAL SERVICES LIMITED

(CIN: L67120RJ1994PLC008796)

## NOTES TO THE FORMING PART OF THE FINANCIAL STATEMENTS

### 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

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

The financial statements of the company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The company has prepared these financial statements to comply in all material respects with the Accounting Standards notified under the relevant provisions of the Companies Act 2013.

The financial statements are prepared on accrual basis and under the historical cost convention. The financial statements are presented in Indian rupees rounded off to the nearest rupees.

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

The preparation of financial statements are in conformity with generally accepted accounting principles requires estimates and assumption to be made that effect the reported amount of assets and liabilities on the date of the financial Statements and reported amounts of revenues and expenses during the reporting period. Differences between actual results and estimated are recognized in the period in which the results are materialized.

#### **4. Revenue Recognition:-**

# HARMONY CAPITAL SERVICES LIMITED

(CIN: L67120RJ1994PLC008796)

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.

## **5. Tangible Asset**

There is no Tangible Asset in the Company

## **6. Inventories:**

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

## **7. INVESTMENTS**

Investments are stated at cost of acquisition.

## **8. Prior Period Items:**

Material amount of Income and expenditure pertaining to prior years are disclosed separately.

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

# HARMONY CAPITAL SERVICES LIMITED

(CIN: L67120RJ1994PLC008796)

## NOTES TO THE FINANCIAL STATEMENT

### NOTE 2 - SHARE CAPITAL

A. Details of authorised, issued and subscribed share capital

PARTICULARS	AS AT 31.03.2016	AS AT 31.03.2015
<b>Authorised Share Capital</b> 35,00,000(Previous Year 35,00,000) Equity Shares of Rs. 10/- each.	35,000,000	35,000,000
	<b>35,000,000</b>	<b>35,000,000</b>
<b>Issued, Subscribed &amp; paid up</b> 30,00,900 (Previous Year 30,00,900) Equity Shares of Rs. 10/- each fully paid up.	30,009,000	30,009,000
<b>TOTAL :-</b>	<b>30,009,000</b>	<b>30,009,000</b>

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

PARTICULARS	AS AT 31.03.2016	AS AT 31.03.2015
No. of shares at the beginning of the year	3,000,900	3,000,900
Fresh Issue	-	-
Bonus Issue	-	-
Conversion of Securities/Debts/ESOSs/ESPPs	-	-
Buyback	-	-
Other changes	-	-
No. of shares at the end of the year	<b>3,000,900</b>	3,000,900

C. Details of Shareholders holding more than 5% shares:

NAME OF SHAREHOLDER	AS AT 31.03.2016	AS AT 31.03.2015
Jhunjhunwala Finance pvt. Ltd	1,155,000 38.49%	1,155,000 38.49%

### NOTE 3 - RESERVES & SURPLUS :-

PARTICULARS	AS AT 31.03.2016	AS AT 31.03.2015
<b>a) Securities Premium Accountant</b>		
Opening Balance	-	-
Add :- Current year transfer	-	-
<b>Closing Balance (I)</b>	-	-
<b>b) General Reserve</b>		
Opening Balance	-	-
Add : Transferred (To)/ From	-	-
<b>Closing Balance (II)</b>	-	-
<b>c). Profit &amp; Loss Surplus</b>		
Opening Balance	(16,430,671)	(18,050,468)
Add : Transferred from P & L A/c	(1,351,212)	1,619,797
<b>Closing Balance (III)</b>	<b>(17,781,882)</b>	(16,430,671)
<b>TOTAL (I+II+III)</b>	<b>(17,781,882)</b>	<b>(16,430,671)</b>

# HARMONY CAPITAL SERVICES LIMITED

(CIN: L67120RJ1994PLC008796)

## NOTES TO THE FINANCIAL STATEMENT

### NOTE 4 - SHORT -TERM PROVISIONS

PARTICULARS	AS AT 31.03.2016	AS AT 31.03.2015
Audit Fees Payable	11,400	11,400
Provision for Income Tax (earlier Years)	362,773	22,773
Provision for Listing Fees for A. Y. 2016-17	200,000	-
Provision for Income Tax	-	340,000
<b>Total</b>	<b>574,173</b>	<b>374,173</b>

### NOTE 5 - NON-CURRENT INVESTMENTS

PARTICULARS	AS AT 31.03.2016	AS AT 31.03.2015
<u>Unquoted</u>	1,916,451	1,916,501
-	-	-
<b>TOTAL :-</b>	<b>1,916,451</b>	<b>1,916,501</b>

### NOTE 6 - CURRENT INVESTMENTS

PARTICULARS	AS AT 31.03.2016	AS AT 31.03.2015
<u>Quoted</u>	9,708,142	10,488,612
(Total Market Value Rs.86,14,511/- )		
-	-	-
<b>TOTAL :-</b>	<b>9,708,142</b>	<b>10,488,612</b>

### NOTE 7 - INVENTORIES

PARTICULARS	AS AT 31.03.2016	AS AT 31.03.2015
Stock-in trade	442,117	442,117
<b>TOTAL</b>	<b>442,117</b>	<b>442,117</b>

### NOTE 8 - CASH AND BANK BALANCES

PARTICULARS	AS AT 31.03.2016	AS AT 31.03.2015
<b><u>Cash and Cash Equivalents</u></b>		
a) Cash on Hand	8,552	28,917
b) Balances in Current Accountant with Scheduled Bank	133,092	579,027
<b>Total</b>	<b>141,644</b>	<b>607,944</b>

# HARMONY CAPITAL SERVICES LIMITED

(CIN: L67120RJ1994PLC008796)

## NOTES TO THE FINANCIAL STATEMENT

### NOTE 9 - OTHER CURRENT ASSETS

PARTICULARS	AS AT 31.03.2016	AS AT 31.03.2015
Advance Tax ( A. Y. 2016-17)	80,000	-
Advance Tax ( A. Y. 2015-16)	340,000	340,000
Claims and other receivable( Service Tax receivable)	153,841	142,793
TDS/Self Assessment Tax (Earlier Years)	18,596	14,036
Deposit	500	500
<b>Total</b>	<b>592,937</b>	<b>497,329</b>

### NOTE 10 - OTHER INCOME

PARTICULARS	AS AT 31.03.2016	AS AT 31.03.2015
Professional Fees	-	155,000
Dividend	218,536	201,196
Short Term Capital Gain	(1,200,539)	780,770
Long Term Capital Gain	135,072	1,571,406
Others	4,822	-
<b>TOTAL :-</b>	<b>(842,109)</b>	<b>2,708,372</b>

### NOTE 11 - OTHER EXPENSES

PARTICULARS	AS AT 31.03.2016	AS AT 31.03.2015
Audit Fees	11,400	11,400
Advertising Expenses	16,653	-
Accounting Charges	18,000	35,630
Bank Charges	350	169
Books & Periodicals	8,356	22,356
Conveyance	17,560	41,526
Demate Charges	2,510	3,337
Donation paid	-	25,000
General Expenses	7,577	36,258
Listing & other Fee (BSE)	200,000	300,000
NSDL/CDSL Fee	19,000	12,000
Office Expenses	8,370	38,958
Other Charges	48,160	35,866
Post & Telegram	2,356	4,582
Printing & Stationary	27,865	47,874
Professional Fees	53,500	8,000
ROC Filing Fees	9,000	7,200
Sitting Fees	12,000	12,000
Software and Website Charges	2,340	3,850
Swachh Bharat Cess (SBC)	173	-
Telephone Exp	7,781	8,977
Transaction Charges	22,872	70,032
Travelling Expenses	13,280	23,560
<b>TOTAL :-</b>	<b>509,103</b>	<b>748,575</b>

# HARMONY CAPITAL SERVICES LIMITED

(CIN: L67120RJ1994PLC008796)

## NOTE NO. 12 NOTES FORMING PART OF THE FINANCIAL STATEMENTS: -

### i. Payment to Auditors :-

	<u>As at 31.03.2016</u>	<u>As at 31.03.2015</u>
	(Rs.)	(Rs.)
a) Audit Fees	11400	11400
b) Tax Audit Fees	NIL	NIL
c) Certification and Taxation matter	NIL	NIL
	-----	-----
	11400	11400
	=====	=====

### ii. Managerial Remuneration: -

Director Salary	NIL	NIL
Director Sitting Fees	12000	12000
	-----	-----
	NIL	NIL
	=====	=====

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

iv. **Earnings Per Share (As per AS - 20)** --- N. A --- 0.54

### v. Taxes on Income

In terms of Accounting Standard 22 on "Accounting for Taxes on Income" as notified by the Companies (accounting standard) Rules, 2006 the Company has recognized Deferred Tax Assets Rs. NIL/- for the year ended 31<sup>st</sup> March, 2016 in the Profit & Loss A/c.

# HARMONY CAPITAL SERVICES LIMITED

(CIN: L67120RJ1994PLC008796)

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

Particulars	Deferred Tax Liability/ (Asset) as at 1 <sup>st</sup> April 15 (Rs.)	Current Year change (Rs.)	Deferred Tax Liability/ (Asset) as at 31 <sup>st</sup> March 16 (Rs.)
Difference between Book & Tax Depreciation	NIL	NIL	NIL
Deferred Tax Liability/ (Assets) (Net)	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	2015 - 2016 (Amt. In Rs.)	2014 - 2015 (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 31st March 2016

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.

# HARMONY CAPITAL SERVICES LIMITED

(CIN: L67120RJ1994PLC008796)

- 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 Corporate Office branch only. Head office (Jaipur) accounts Details were not available with the directors of the company, Hence Head office Account balance has been shown as per last audited statements.
- 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 12

AS PER OUR REPORT ON EVEN DATE ATTACHED  
FOR B. M. Gattani & Co.  
CHARTERED ACCOUNTANTS

Sd/-

Balmukund N. Gattani  
(PROPRIETOR)

PLACE: - MUMBAI.  
DATE :- 02.09.2016

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