

HARMONY CAPITAL SERVICES LIMITED

17th ANNUAL REPORT

F. Y. 2010-2011

HARMONY CAPITAL SERVICES LIMITED

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HARMONY CAPITAL SERVICES LIMITED

BOARD OF DIRECTORS

ASUTOSH RAULO – MANAGING DIRECTOR

KRISHNA KUMAR JHUNJHUNWALA – DIRECTOR

SHUSHILKUMAR SHARMA- DIRECTOR

BALAJI BHAGWAT RAUT- DIRECTOR

AUDITORS

B. M. GATTANI & CO.
CHARTERED ACCOUNTANTS

HARMONY CAPITAL SERVICES LIMITED

NOTICE

NOTICE is hereby given that the **17th Annual General Meeting** of the Members of **HARMONY CAPITAL SERVICES LIMITED** will be held on Thursday the 26th day of September 2011 at 10.30 A. M. at the Registered office of the Company to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance-sheet as at 31st March, 2011 and the Profit & Loss Account for the year ended on that date and the report of Auditors and Directors thereon.
2. To appoint a Director in place of Shri K. K Jhunjhunwala who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint M/s. B. M. Gattani & Co. Chartered Accountants, as auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the Next Annual General Meeting and to fix their remuneration apart from reimbursing out of pocket expenses incurred by them in the normal course of their duties.

SPECIAL BUSSINESS:-

4. To consider and if thought fit, to pass, with or without modification, the following Resolution as on Ordinary Resolution : -
“RESOLULVED THAT Shri Shushilkumar Sharma, who was appointed as an Additional Director of the Company in terms of Section 260 of the companies Act, 1956 at the Meeting of the Board of Directors held on 18.07.2011 to hold the office up to the conclusion of then ensuing Annual General Meeting and in respect of whom the Company has received the notice from a member u/s. 257 of the Companies Act. 1956 proposing his candidature for the Office of the Director of the Company, be and hereby appointed as a Director of the Company liable to retire by rotation”.
5. To consider and if thought fit, to pass, with or without modification, the following Resolution as on Ordinary Resolution : -
“RESOLULVED THAT Shri Balaji Bhagwat Raut, who was appointed as an Additional Director of the Company in terms of Section 260 of the companies Act, 1956 at the Meeting of the Board of Directors held on 20.08.2011 to hold the office up to the conclusion of then ensuing Annual General Meeting and in respect of whom the Company has received the notice from a member

HARMONY CAPITAL SERVICES LIMITED

u/s. 257 of the Companies Act. 1956 proposing his candidature for the Office of the Director of the Company, be and hereby appointed as a Director of the Company liable to retire by rotation”

BY ORDER OF THE BOARD

For HARMONY CAPITAL SERVICES LTD.

PLACE: - MUMBAI.

DATE : - 01-09-2011

Sd/-

CHAIRMAN & MANAGING DIRECTOR

NOTES:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and a proxy need not be a member. Proxies duly stamped and executed, must reach the Registered Office of the Company not less than 48 hours before the time of the Annual General Meeting.
2. The Register of Members and Share Transfer Books of the Company will remain closed from 21st September, 2011 to 26th September, 2011 (both days inclusive).
3. All documents referred to in the Notice and Explanatory Statement are open for inspection at the Registered Office of the Company during office hours on all working days except public holidays between 10.30 a. m. and 05.30 p. m. up to the date of the Annual General Meeting.
4. 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.
5. 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.

BY ORDER OF THE BOARD

For HARMONY CAPITAL SERVICES LTD.

PLACE: - MUMBAI.

DATE : - 01-09-2011

Sd/-

CHAIRMAN & MANAGING DIRECTOR

HARMONY CAPITAL SERVICES LIMITED

DIRECTOR'S REPORT

To

The Shareholders,

Your Directors have pleasure in presenting their **17th ANNUAL REPORT** along with the audited annual accounts for the year ended on **31ST MARCH, 2011**, AND REPORT THAT: -

FINANCIAL RESULTS

A summary of your Company's Financial Performance is given below: -

PARTICULARS	2010-2011	2009-2010
Sales & Other Income	2,37,300	NIL
Profit Before Tax (PBT)	(1,25,507)	(17,276)
Profit After Tax (PAT)	(1,25,507)	(17,276)
Less :- Prior year tax adjustments	NIL	NIL
Add :- Balance b/f from the previous year	(179,78,387)	(179,61,111)
Balance available for Appropriation	(181,03,894)	(179,78,387)
Less :- Transferred to General Reserve	NIL	NIL
Proposed Dividend	NIL	NIL
Balance Carried to Balance Sheet	(181,03,894)	(179,78,387)

DIVIDEND

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

AUDITORS

M/s. B. M. Gattani & Co., Chartered Accountants was appointed as Auditor of the Company for the financial year 2010-2011.

HARMONY CAPITAL SERVICES LIMITED

AUDITOR'S REPORT

Observations made in the Auditor's Report are self explanatory and therefore do not call for any further comments under section 217(3) of the Companies Act, 1956.

LISTING OF SHARES

The company is making efforts to get the suspension removed so as to enable the shares to be traded in Bombay Stock Exchange Limited (BSE) and/or any another exchange of all India Operations and pursue the voluntary delisting.

CORPORATE GOVERNANCE

The Company has always followed the philosophy of conducting its business with due compliance of laws, rules, regulations and sound internal control systems and procedures.

Pursuant to clause 49 of the Listing Agreement with the stock exchange, management discussion analysis, and corporate governance report are made a part of the annual report.

DIRECTOR'S RESPONSIBILITY STATEMENT

As required under Section 217(2AA) which was introduced by the Companies (Amendment) Act, 2000 your Director's confirm that:

- i) In the preparation of the annual accounts, the applicable accounting standards have been followed.
- ii) The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on 31st March, 2011 and of the profit of the Company for the year ended 31st March, 2011.
- iii) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies

HARMONY CAPITAL SERVICES LIMITED

Act, 1956 for safe guarding the assets of the Company and for preventing and detecting fraud and other irregularities.

- iv) The Directors have prepared the annual accounts on a going concern basis.

FIXED DEPOSITS

Your Company has not accepted any fixed deposits within the meaning of section 58A from the public under the Companies Act, 1956, and the rules made there under.

PARTICULARS OF EMPLOYEES

The information required u/s. 217(2A) of the Companies Act, 1956, with the Companies (Particulars of Employees) Rules, 1975 are not applicable to the Company, as the Company has not employed any employees whose salary exceeds the prescribed limits.

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

PAYMENT OF LISTING FEES

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

HARMONY CAPITAL SERVICES LIMITED

INFORMATION ON ENERGY CONSERVATION AND FOREIGN EXCHANGE

Information required to be given under section 217(1) (e) of the companies Act, 1956 read with the companies (Disclosure of particulars in the report of the board of directors) Rules 1988 does not apply to your company. There was no foreign exchange earning or outgo during the year.

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.

BY ORDER OF THE BOARD

For HARMONY CAPITAL SERVICES LTD

PLACE: - MUMBAI.

DATE : - 01-09-2011

Sd/-

CHAIRMAN & MANAGING DIRECTOR

HARMONY CAPITAL SERVICES LIMITED

ANNEXURE TO THE DIRECTOR'S REPORT MANAGEMENT DISCUSSION AND ANALYSIS REPORT

ECONOMIC SCENARIO

The path for the Indian economy in the last few years were, to a very large Extent, determined by the happenings in the global economic environment. The Onset of the global Financial Crisis Interrupted India's growth momentum the moderation in growth was mainly felt in the industry and the services sectors which have been the prime growth engines for India over the past five years.

FINANCIAL MARKETS

The turmoil in the global financial markets had a significant adverse impact on India's balance of payment (Bop) position. This impact was manifested by the reversal of FII inflows and the decline in the long term and short term debt flows. On the other hand, NRI inflows improved and FDI inflows resilient.

OPPORTUNITIES AND THREATS

Opportunities

Being Part of India's Growth story

Recovery of capital Markets

Increasing awareness of various types of financing activities among the sme's & the Mid-Cap Segment

Relaxation in FDI Norms by the Government and increased inflow of money through FII's in INDIA

Threats

Volatile Capital markets

Increasing fiscal deficit

Intense competition from Indian and multinational investment banks

High Attrition rate of young, dynamic and experienced Professionals