

HARMONY CAPITAL SERVICES LIMITED

18th ANNUAL REPORT

F. Y. 2011-2012

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
B-702, OM SAI SHRAVAN
OPP. SHIMPOLI TELEPHONE EXCHANGE
NEW LINK ROAD, SHIMPOLI, BORIVALI – WEST
MUMBAI 400 092

HARMONY CAPITAL SERVICES LIMITED

NOTICE

NOTICE is hereby given that the **18th Annual General Meeting** of the Members of **HARMONY CAPITAL SERVICES LIMITED** will be held on Wednesday the 18th day of September 2012 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, 2012 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 Shushilkumar Sharma (DIN: 03553533) who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditor and to fix their remuneration and in this regard to consider and, if thought fit, to pass, with or without modifications, the following resolution as an ordinary resolution:

"**RESOLVED THAT** M/s. B. M. Gattani & Co. Chartered Accountants (Reg. No. 113536W), be and hereby appointed as auditor of the Company, to hold office as such from the conclusion of this Annual General Meeting until the conclusion of the Next Annual General Meeting of the Company on such remuneration as may be fixed by the Board of Directors"

BY ORDER OF THE BOARD

For **HARMONY CAPITAL SERVICES LTD.**

PLACE: - MUMBAI.

DATE : 21.08. 2012

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/herself and a proxy need not be a member of the Company. 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. A proxy so appointed shall not have any right speak at the meeting. A body corporate being a member shall be deemed to be personally present the meeting if represented in accordance with the provision of Section 187 of the Companies Act, 1956. The representative so appointed, shall have the right to appoint a proxy.

HARMONY CAPITAL SERVICES LIMITED

2. The Register of Members and Share Transfer Books of the Company will remain closed from 14th September, 2012 to 18th September, 2012 (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.
6. The Company has appointed M/s. Sharex Dynamic (India) Pvt. Ltd, Unit – 1, Luthra Industrial Premises, 1st Floor, 44-E, M. Vasanti Marg, Andheri – Kurla Road, Safed Pool, Andheri – East, Mumbai – 400072 as the Share Transfer Agents to undertake all Investor Servicing activities, Both demate and physical segments with effects from 8th June 2011. All concerned are requested to send their documents and address all their correspondence directly to the above registrar.
7. 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 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.
8. 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.

BY ORDER OF THE BOARD

For HARMONY CAPITAL SERVICES LTD.

Sd/-

CHAIRMAN & MANAGING DIRECTOR

PLACE: - MUMBAI.

DATE : 21.08.2012

HARMONY CAPITAL SERVICES LIMITED

DIRECTOR'S REPORT

To
The Shareholders,

Your Directors have pleasure in presenting their **18th ANNUAL REPORT** along with the audited annual accounts for the year ended on **31ST MARCH, 2012**, AND REPORT THAT: -

FINANCIAL RESULTS

A summary of your Company's Financial Performance for the Financial Year ended 31st March 2012 is given below: -

PARTICULARS	2011-2012	2010-2011
Revenue from operation	13,00,438	2,37,300
Profit Before Tax (PBT)	46,644	(1,25,507)
Profit After Tax (PAT)	32,144	(1,25,507)
Less :- Prior year tax adjustments	NIL	NIL
Add :- Balance b/f from the previous year	(18,103,894)	(179,78,387)
Balance available for Appropriation	(18,071,750)	(181,03,894)
Less :- Transferred to General Reserve	NIL	NIL
Proposed Dividend	NIL	NIL
Balance Carried to Balance Sheet	(18,071,750)	(181,03,894)

DIVIDEND

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

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AUDITORS

M/s. B. M. Gattani & Co., Chartered Accountants (Reg. No. 113536W) was appointed as Auditor of the Company for the financial year 2011-2012.

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.

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, 2012 and of the profit of the Company for the year ended 31st March, 2012.
- iii) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies

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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.

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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, to the growth & success of the Company.

BY ORDER OF THE BOARD

For HARMONY CAPITAL SERVICES LTD

PLACE: - MUMBAI.

DATE : - 21.08.2012

Sd/-

CHAIRMAN & MANAGING DIRECTOR

HARMONY CAPITAL SERVICES LIMITED

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

ECONOMIC SCENARIO

For the Indian economy, FY 2012 was a year of recovery interrupted. The sovereign debt crisis in the Euro Zone intensified, political turmoil in Middle East injected widespread uncertainty, crude oil prices rose, an earthquake struck Japan and the overall gloom refused to lift.

The global crises has affected our country. India's Gross Domestic Product (GDP) is estimated to grow by 6.9 per cent in 2011-12, after having grown at the rate of 8.4 per cent in each of the two preceding years. Though India has been able to limit the adverse impact of this slow down on our economy, this year's performance has been disappointing. But it is also a fact that in any cross-country comparison, India still remains among the front runners in economic growth.

For the better part of the past two years, India had to battle near double-digit headline inflation. The monetary and fiscal policy response during this period was geared towards taming domestic inflationary pressures. A tight monetary policy impacted investment and consumption growth. The fiscal police had to absorb expanded outlays on subsidies and duty reductions to limit the pass-through of higher fuel and the fiscal balance deteriorated.

However, with agriculture and services continuing to perform well, India's slowdown can be attributed almost entirely to weak industrial growth. Numerous indicators suggest that the economy is now turning around. There are signs of recovery in coal, fertilizers, cement and electricity sectors. These are core sectors that have an impact on the entire economy. Indian manufacturing appears to be on the cusp of revival.

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