

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.

HARMONY CAPITAL SERVICES LIMITED

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, 2008 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.

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, 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

HARMONY CAPITAL SERVICES LIMITED

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

Internal control

The Company has adequate system of internal controls for business processes with regard to operations, financial reporting, fraud control, compliance with applicable laws and regulation etc. Regular internal audit and checks ensure that responsibilities are executed effectively. The Audit committee of the board of directors actively reviews the adequacy and effectiveness of the internal control system and suggests improvement for strengthening the existing control system in view of changing business needs from time to time.

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

HARMONY CAPITAL SERVICES LIMITED

analyzes the various risks associated with the business and adopts relevant risk management practices to minimize the adverse impact of these risks both external and internal developments are assessed regularly. Fund raising both in the form of debt syndication, IPO, Rights, FCCB, ECB and other forms is dependent upon government policies, performance of capital markets, and central banks decisions. Also in this era of liquidity crunch and volatile capital markets, there is fair amount of liquidity and financial risk from the clients.

Future Outlook

The global economic scenario that was filled with uncertainties during F.Y. 2008-09, seems to be stabilizing. Many analysts believe that it is safe to say that the worst is finally over. Although, this does not imply that the global economies will resume the rapid growth that they showed over the 2005-08 period, it definitely provides a hope of better times to come. With Central governments world wide lowering interest rates and announcing enormous economic stimulus packages and moderating commodity prices we expect those in emerging economies like India, will resume their growth momentum albeit at a slightly moderate pace as compared to the previous Bull Run.

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 : - 21.08.2012

Sd/-

CHAIRMAN & MANAGING DIRECTOR

HARMONY CAPITAL SERVICES LIMITED

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 Harmony capital services limited. Consists of 4 Directors, three of whom are non-executive. Shri K. K. Jhunjhunwala represent the Promoter group. Shri Asutosh Raulo is the Chairman and Managing Director of the Company.

HARMONY CAPITAL SERVICES LIMITED

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. Two directors in Harmony Capital services Ltd. will be retiring directors.

B. Attendance record of directors.

The composition of the Board and the attendance record of all the directors at the four Board meetings held during 2011-2012:

Sr. No.	Name of Director	Designation	Board Meetings Attended
1	Asutosh Raulo	Chairman & MD	7
2	Krishna Kumar Jhunjunwala	Director	7
3	Shushikumar Sharma	Director	7
4	Balaji Bhagwat Raut	Director	4

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:

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

HARMONY CAPITAL SERVICES LIMITED

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 Jhunhunwala	NIL	NIL	NIL
3	Shushilkumar Sharma	NIL	NIL	NIL
4	Balaji Bhagwat Raut	NIL	NIL	NIL

D. Number of Board meetings held.

The Board of Director met 7 (Seven) times on the following dates: 18th day of July 2011, 19th day of July 2011, 30th day of July 2011, 20th day of August 2011, 31st day of August 2011, 29th day of October 2011 and 19th day of January 2012.

AUDIT COMMITTEE

i. Constitution and Composition of the Audit Committee

With a view to ensure compliance with the various requirements under the Companies Act, 1956 and Clause 49 of the Listing Agreement, Harmony Capital services Ltd. has set up its Audit Committee. The Company has been taking measures from time to time to improve the effectiveness of the Committee.

The Audit Committee consists of four Directors:

1. Shri Asutosh Raulo
2. Shri Krishna kumar Jhunhunwala
3. Shri Shushilkumar Sharma
4. Shri Balaji Bhagwat Raut

HARMONY CAPITAL SERVICES LIMITED

Shri Asutosh Raulo is Chairman of the Committee and all the other members of the audit committee are non-executive directors.

ii. **Meetings and Attendance and Topics Discussed.**

During 2011-12, the audit committee met 7 (Seven) times on the 18th day of July 2011, 19th day of July 2011, 30th day of July 2011, 20th day of August 2011, 31st day of August 2011, 29th day of October 2011 and 19th day of January 2012. The meetings were scheduled well in advance and were attended by all the members of the Committee.

The terms of reference of the audit committee are extensive and include all that is mandated in clause 49 of the Listing Agreement and section 292a of the Companies Act, 1956.

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. Shri Shushilkumar Sharma
4. Shri Balaji Bhagwat Raut

Shri Asutosh Raulo is the Chairman of the Committee and all the other members of the remuneration committee are non-executive directors.

HARMONY CAPITAL SERVICES LIMITED

b. Meetings and Attendance and Topics Discussed.

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

c. No Remuneration has been paid to Directors.

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. Shri Shushilkumar Sharma
4. Shri Balaji Bhagwat Raut

Shri Asutosh Raulo is the Chairman of the Committee, and all the other members of the committee are non-executive directors.

II. Investors Complaints received and resolved during the Year

During 2011-12 Trading in the Shares of the Company is in physical form. During the year the nil complaints were received.

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

Shri Narendra Kumar
Compliance Officer
Kamala Nehru Nagar, Dhobi Ghat,
Behind Dr. Laad, Ulhasnagar - 1
Thane - 421001,

HARMONY CAPITAL SERVICES LIMITED

GENERAL BODY MEETINGS

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

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, 2012 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

MEANS OF COMMUNICATION

- a) News, Releases etc: The Company has its own website 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

17 th Annual General Meeting	:	26.09.2011 at 10.30 A.M.
16 th Annual General Meeting	:	25.08.2010 at 10.30 A.M.
15 th Annual General Meeting	:	30.09.2009 at 10.30 A.M.

Place : Plot No.278, Vijayvadi
Path No. 6 Dher Ka Balaji,
Jaipur – 302012.
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.

HARMONY CAPITAL SERVICES LIMITED

Audit Qualifications

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

Training of Board Members

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

Whistle Blower Policy

The Company has not adopted any Whistle Blower policy.

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, 1st 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 2011-2012 have been paid to The Bombay Stock Exchange Limited. As far as the other stock exchange is concerned, Company has not paid the listing fees to these exchanges.

2. Market Price & Data

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

HARMONY CAPITAL SERVICES LIMITED

Stock price data at BSE

Stock Price Data of BSE (Month wise)	High (Rs.)	Low (Rs.)
April 2011		
May 2011		
June 2011		
July 2011		
August 2011		
September 2011		
October 2011		
November 2011	11.10	11.10
December 2011	12.05	11.65
January 2012	N. T	N. T
February 2012	N. T	N. T
March 2012	11.41	11.41

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. 5, 1st Floor, Gyan Bhavan,

336/B, Kalbadevi Raod, Mumbai – 400 002.

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.

HARMONY CAPITAL SERVICES LIMITED

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 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 2011-12. 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 : - 21.08.2012

Sd/-

CHAIRMAN & MANAGING DIRECTOR

HARMONY CAPITAL SERVICES LIMITED

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 31st march 2012 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: 06.08.2012

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

HARMONY CAPITAL SERVICES LIMITED

AUDITORS REPORT

To

The Members of
HARMONY CAPITAL SERVICES LIMITED

We have audited the attached Balance sheet of **HARMONY CAPITAL SERVICES LIMITED** as at **31ST MARCH 2012** and also the Profit & Loss Account and the cash flow statement of the Company for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in India.

Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditor's Report) Order, 2003 as amended by the Companies (Auditor's Report) (Amendment) order, 2004 (now herein after referred to as "the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

Further to our comments in the annexure referred to in paragraph 1 above we report that:-

- a) We have obtained all the information and explanations except mentioned in the notes to accounts which to the best of our knowledge and belief were necessary for the purpose of our audit;
- b) In our opinion, proper books of accounts as required by Law have been kept by the Company, so far as appears from our examinations of the Books;
- c) The Balance-sheet and Profit & Loss Account and cash flow statement dealt with by this report are in agreement with the books of accounts of the Company;

HARMONY CAPITAL SERVICES LIMITED

- d) In our opinion the Balance Sheet and Profit & Loss Account and cash flow statement comply with the requirement of the Accounting standards referred to in Sub Section (3C) of Section 211 of the Companies Act, 1956
- e) On the basis of written representations received from the directors, as on 31st March, 2012, and taken on record by the Board of Directors, we report that none of the directors of the Company is disqualified as on 31st March, 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
- I. The Company doesn't have a whole time Company Secretary as on date as required under section 383-A of the Companies Act, 1956.
- f) In our opinion and to the best of our information and according to the explanations given to us, the said Balance-sheet and Profit & Loss Account and cash flow statement read together with the other notes thereon give the information required by the Companies Act, 1956 in the manner so required, and give a true and fair view :
- 1 In case of the Balance-sheet, of the state of affairs of the Company as at 31st March 2012; and
 - 2 In case of the Profit & Loss Account of the profit for the year ended on 31st March 2012
 - 3 In the case of Cash Flow Statement, of the Cash Flows for the year ended on that date.

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

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

**PLACE : MUMBAI
DATE : 06.08.2012**

HARMONY CAPITAL SERVICES LIMITED

ANNEXURE TO THE AUDITOR'S REPORT

Re: HARMONY CAPITAL SERVICES LIMITED.

Referred to in the Paragraph 1 of our report of even date,

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed Assets.
 - (b) All the assets have been physically verified by the management during the year. There is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (ii) (a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
 - (b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
 - (c) The Company is maintaining proper records of inventory.
- (iii) (a) The Company has not taken loan from other Companies covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. Nil and the year-end balance of loans taken from such parties was Rs. NIL. There are no firms covered in the register maintained under section 301 of the Companies Act, 1956 to which the Company has granted loans. The maximum amount involved during the year was Rs. nil and the year end balance of loans granted to such parties Rs. nil
 - (b) The clause relating to the rate of interest and other terms and conditions on which loans have been taken from/granted to companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956 is not applicable.
 - (c) Since the company has not taken / granted loans therefore this clause is not applicable.

HARMONY CAPITAL SERVICES LIMITED

- (d) Since the company has not taken / granted loans therefore this clause is not applicable.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.
- (v) (a) According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.

(b) In our opinion and according to the information and explanations given to us, there are NIL transactions during the year made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956.
- (vi) The Company has not accepted deposits from directors and public.
- (vii) In our opinion, the Company has adequate internal audit system commensurate with the size and nature of its business.
- (viii) The Rules made by the Central Government for the maintenance of cost records under section 209 (1) (d) of the Companies Act, 1956 are not applicable to the Company.
- (ix) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education protection fund, employees' state insurance, income tax, sales tax, wealth tax, custom duty, excise duty, cess and other material statutory dues applicable to it

(b) According to the information and explanation given to us, no undisputed amounts payable in respect of income tax, wealth tax, sales tax, customs duty, excise duty and cess were in arrears, as at 31st March 2012 a period of more than six months from the date they became payable.

(c) According to the information and explanations given to us, there are NO dues Of Sale Tax and Income Tax, customs duty, wealth tax, excise duty and cess.

HARMONY CAPITAL SERVICES LIMITED

- (x) The Accumulated losses of the company are more than fifty percent of its net worth at the end of the financial year. The Company has not incurred cash loss during the year. In the immediately preceding financial year, the company had incurred cash loss.
- (xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to banks or institute in the current year.
- (xii) As Explained to us the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the Company is not a chit fund or a *nidhi*/ mutual benefit fund/ society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- (xiv) According to the information and explanations given to us, the company has maintained proper records of transactions and contracts showing full particulars of investments including quantitative details. The company has made entries timely.
- (xv) As explained to us the Company has not given any guarantee for loan taken by others from Banks or Financial Institution.
- (xvi) As explained to us the Company has not taken any Term Loan.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that the no funds raised on short-term basis have been used for long term investment.
- (xviii) According to the information and explanations given to us, the Company has not made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act.

HARMONY CAPITAL SERVICES LIMITED

- (xix) Company has not raised funds by loans.
- (xx) The Company has not raised funds by public issue during the year under audit.
- (xxi) According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

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

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

**PLACE : MUMBAI
DATE : 06.08.2012**

HARMONY CAPITAL SERVICES LIMITED

Harmony Capital Services Limited

Balance Sheet as on 31st March 2012.

PARTICULARS	Note Nos.	AS ON 31.03.2012	AS ON 31.03.2011
I. EQUITY & LIABILITIES			
1. Shareholders Fund :			
a) Equity Capital	2	30,009,000	30,009,000
b) Reserve & Surplus	3	(18,071,750)	(18,103,894)
2. Non-Current Liabilities			
a) Long-term borrowings	4	-	1,470,000
b) Other long term Liabilities		NIL	NIL
3. Current Liabilities			
a) Short -term borrowings		NIL	NIL
b) Trade Payables		NIL	NIL
c) Other current Liabilities	5	25,530	11,030
d) Short-term provisions		-	-
TOTAL		11,962,780	13,386,136
II. ASSETS			
Non-current assets			
1. Fixed assets			
i) Tangible Assets		-	-
ii) Intangible Assets		NIL	NIL
iii) Capital Work-In-Progress		NIL	NIL
b) Non-current Investments :	6	1,893,106	1,893,106
c) Deferred tax assets(net)		NIL	NIL
d) Long-term loans & advances	7	NIL	1,950,000
e) Other non-current assets		NIL	NIL
2. Current Assets			
a) Current Investment		166,500	166,500
b) Inventories	8	442,117	442,117
c) Trade Receivables	9	8,790,609	8,789,716
d) Cash & Bank Balances	10	501,169	144,697
e) Short-term Loans & Advances		NIL	NIL
f) Other current assets	11	169,279	NIL
TOTAL		11,962,780	13,386,136
The notes form an integral part of these financial statement	15	-	-

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 : 06.08.2012

Sd/-
DIRECTOR

Sd/-
DIRECTOR

Sd/-
DIRECTOR

HARMONY CAPITAL SERVICES LIMITED

Harmony Capital Services Limited

Statement of Profit & Loss Account for the year ended 31st march 2012.

PARTICULARS	Refer Note	Year ended 31.03.2012	Year ended 31.03.2011
I. Revenue from Operation		-	-
II. <u>Other Income</u>	12	1,300,438	237,300
III. TOTAL REVENUE (I+II)		1,300,438	237,300
IV. EXPENSES			
Other expenses	13	1,253,794	362,807
TOTAL EXPENSES		1,253,794	362,807
V. Profit before tax (III-IV)		46,644	(125,507)
VI. Tax expense:			
Current Tax		-	-
Deferred Tax		14,500	-
Tax in respect of earlier years			
VII. Profit (Loss) After Tax		32,144	(125,507)
VIII. Profit /(Loss) brought forward	14	(18,103,894)	(17,978,387)
IX. Profit /(Loss) carried to Balance Sheet		(18,071,750)	(18,103,894)
X. Earnings per equity share:			
(1) Basic		0.01	-0.04
(2) Diluted		0.01	-0.04
Face value per Equity Share		10.00	10.00
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

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

Sd/-
BALMUKUND N. GATTANI
(PROPRIETOR)
M. NO. 047066

Sd/-
DIRECTOR

Sd/-
DIRECTOR

PLACE : MUMBAI.
DATE : 06.08.2012

Sd/-
DIRECTOR

HARMONY CAPITAL SERVICES LIMITED

Harmony Capital Services Limited

NOTES TO THE FINANCIAL STATEMENT

NOTE 2 - SHARE CAPITAL

PARTICULARS	AS AT 31.03.2012	AS AT 31.03.2011
<u>Authorised Share Capital</u> 35,00,000(Previous Year 35,00,000) Equity Shares of Rs. 10/- each.	35,000,000	35,000,000
	35,000,000	35,000,000
<u>Issued, Subscribed & paid up</u> 30,00,900 (Previous Year 30,00,900) Equity Shares of Rs. 10/- each fully paid up.	30,009,000	30,009,000
TOTAL :-	30,009,000	30,009,000

Note 3 RESERVES & SURPLUS :-

PARTICULARS	AS AT 31.03.2012	AS AT 31.03.2011
a) Capital Reserve Opening Balance Add: Current year transfer from Profit & Loss Closing Balance	- - -	- - -
b) General Reserve	(18,103,894)	(18,103,894)
c). Profit & Loss Surplus	32,144	NIL
D). Securities Premium Accountant	NIL	NIL
Total	(18,071,750)	(18,103,894)

Note 4 - LONG TERM BORROWINGS

PARTICULARS	AS AT 31.03.2012	AS AT 31.03.2011
<u>SECURED</u> Term Loans From Bank	- -	- -
<u>UNSECURED</u> From Corporates From Others	-	1,470,000
TOTAL :-	-	1,470,000

Note 5 - OTHER CURRENT LIABILITIES

PARTICULARS	AS AT 31.03.2012	AS AT 31.03.2011
Audit Fees Payable Provision for Income Tax	11,030 14,500	11,030 -
Total	25,530	11,030

HARMONY CAPITAL SERVICES LIMITED

Note 6 - NON-CURRENT INVESTMENTS

PARTICULARS	AS AT 31.03.2012	AS AT 31.03.2011
<u>Quoted</u> Pantaloon Retail (India) Ltd. 500 Shares of Rs. 10/- (Market Value Rs 76575)	143,105	143,105
<u>Unquoted</u>	1,750,001	1,750,001
TOTAL :-	1,893,106	1,893,106

Note 7 - LONG TERM LOANS AND ADVANCES

PARTICULARS	AS AT 31.03.2012	AS AT 31.03.2011
<u>Loans and Advances</u>		
Loan to Corporate	-	1,950,000
Loans to Other	-	-
TOTAL	-	1,950,000

Note 8 - INVENTORIES

PARTICULARS	AS AT 31.03.2012	AS AT 31.03.2011
Stock-in trade	442,117	442,117
TOTAL	442,117	442,117

Note 9 - TRADE RECEIVABLE

PARTICULARS	AS AT 31.03.2012	AS AT 31.03.2011
<u>SUNDRY DEBTORS</u>		
Unsecured, Considered good		
- Head Office (Jaipur Office)	8,789,728	8,789,728
- Anad Rathi Share and Stock Brokers Ltd	881	12
Total	8,790,609	8,789,716

Note 10 - CASH AND BANK BALANCES

PARTICULARS	AS AT 31.03.2012	AS AT 31.03.2011
<u>Cash and Cash Equivalents</u>		
a) Cash on Hand	64,649	81,363
b) Balances in Current Accountants with Scheduled Bank	436,520	63,334
Total	501,169	144,697

Note 11 - OTHER CURRENT ASSETS

PARTICULARS	AS AT 31.03.2012	AS AT 31.03.2011
a) Claims and other receivable(Service Tax receivable)	79,362	-
b) TDS (A. Y. 2012-13)	89,917	-
Total	169,279	-

HARMONY CAPITAL SERVICES LIMITED

Note 12 - OTHER INCOME

PARTICULARS	AS AT 31.03.2012	AS AT 31.03.2011
Commission Income	899173	-
Dividend	450	-
Professional Fees	400815	237300
TOTAL :-	1300438	237300

Note 13 - OTHER EXPENSES

PARTICULARS	AS AT 31.03.2012	AS AT 31.03.2011
Audit Fees	11,030	11030
Accounting Charges	54,500	30000
Bank Charges	2,531	165
Books & Periodicals	24,162	20,897
Conveyance	36,285	23,771
Demate Charges	548	1,771
General Expenses	34,676	19,433
Listing & other Fee (BSE)	771,030	99,844
Office Expenses	47,798	24,349
Other Charges	88,335	234
Post & Telegram	6,760	5,656
Printing & Stationary	43,220	25,267
Professional Fees	54,463	4,577
ROC Filing Fees	2,000	47,375
Staff & Welfare	38,808	24,483
Travelling Expenses	37,648	23,955
TOTAL :-	1,253,794	362,807

Note 14 - PROFIT AND LOSS ACCOUNT

PARTICULARS	AS AT 31.03.2012	AS AT 31.03.2011
<u>PROFIT & LOSS A/C :-</u>		
Profit & Loss Account (b/f)	(18,103,895)	(17,978,387)
Add : - Transferred From Profit & Loss Account	32,144	(125,507)
TOTAL :-	(18071751)	(18103895)

HARMONY CAPITAL SERVICES LIMITED

Note No. 15 NOTES TO THE ACCOUNTS

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

A) SIGNIFICANT ACCOUNTING POLICIES :-

1. Basis of Accounting:-

The Financial statements are prepared under the historical cost convention, on a going concern concept and in compliance with the accounting standard issued by ICAI/ Companies (Accounting Standard), Rules 2006, company follows mercantile system of accounting and recognizes income & expenditure on accrual basis to the extent measurable and where there is certainty of ultimate realization in respect of incomes accounting policies note specifically referred to otherwise, are consistent and in consonance with the generally accepted accounting principles.

3. Use of Estimates:

The preparation of financial statements 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. Recognition of income and expenditure:-

The company follows the accrual basis of accounting except in the following cases, where the same are recorded on the basis of realization or ascertainment of rights and obligations

- a. Insurance claims
- b. Payment of bonus and leave salary
- c. Gratuity

5. Fixed Assets

HARMONY CAPITAL SERVICES LIMITED

Fixed Assets are stated at cost of acquisition less accumulated depreciation. The cost of acquisition comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

6. Depreciation:

Industrial Gala is not in use hence Depreciation has not been provided on the same.

7. Stock in trade

Stock in trade of shares is valued at cost.

8. Impairment of fixed Assets

At the end of each year, the company determines whether a provision should be made for impairment loss on fixed assets by considering the indication that an impairment loss may have occurred in accordance with accounting standard "28 on impairment of Assets" issued by the ICAI\ Companies (Accounting standard), Rules, 2006. Where the recoverable amount of any fixed assets is lower than its carrying amount, a provision for impairment loss on fixed assets is made for the difference.

9. INVESTMENTS

Investments are stated at cost of acquisition.

10. Prior Period Items:

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

11. Contingencies and events occurring after the date of Balance Sheet: - NIL

HARMONY CAPITAL SERVICES LIMITED

B) NOTES FORMING PART OF THE ACCOUNTS: -

1 i.Payment to Auditors :-

	<u>As at 31.03.2012</u>	<u>As at 31.03.2011</u>
	(Rs.)	(Rs.)
a) Audit Fees	11030	11030
b) Tax Audit Fees	NIL	NIL
c) Certification and Taxation matter	NIL	NIL
	-----	-----
	11030	11030
	=====	=====

ii. Managerial Remuneration: -

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

iii. Contingent Liabilities	:-	--- NIL ---	--- NIL ---
iv. Earnings Per Share (As per AS – 20)		0.01	Not Applicable
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 31st March, 2012 in the Profit & Loss A/c.

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

Particulars	Deferred Tax Liability/ (Asset) as at 1 st April 11 (Rs.)	Current Year change (Rs.)	Deferred Tax Liability/ (Asset) as at 31 st March 11 (Rs.)
Difference between Book & Tax Depreciation	NIL	NIL	NIL
Deferred Tax Liability/ (Assets) (Net)	NIL	NIL	NIL

HARMONY CAPITAL SERVICES LIMITED

vi. Additional information pursuant to the provision of Part II of the Schedule VI of the Companies Act 1956 to the extent applicable:

Foreign Exchange Earnings & Outgo : NIL

Particulars	2011 - 2012 (Amt. In Rs.)	2010 - 2011 (Amt. In Rs.)
Earning and Expenditure in Foreign currency	Nil	Nil

vii. No Dividend declared in the current year.

viii. 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.

ix. Previous year's figures have been regrouped, rearranged and recast wherever found necessary.

x. 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.

xi. 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 15

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

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

Sd/-
Balmukund N. Gattani
(PROPRIETOR)
PLACE: - MUMBAI.
DATE : - 21.08.2012

Sd/- Sd/-
DIRECTOR DIRECTOR

Sd/-
DIRECTOR

HARMONY CAPITAL SERVICES LIMITED

Information required to be given in pursuance of Part IV of the Companies Act, 1956

Registration Details

Registration No. : L67120RJ1994PLC008796
Balance-sheet Date : 31st March, 2012.

State Code :

Capital Raised during the Year

(Amt. in '000)

Public Issue	--- NIL ---
Bonus Issue	--- NIL ---
Right Issue	--- NIL ---
Placement	--- NIL ---

Position of Mobilisation and Deployment of Funds

Total Liabilities	11,962.78
Total Assets	11,962.78

1

Sources of Funds :

Equity Capital	30,009.00
Share Application Money	(18,071.75)
Reserve & Surplus	(18,071.75)
Secured Loans	--- NIL ---
Unsecured Loans	---

2

Application of Funds :

Net Fixed Assets	--- NIL ---
Net Current Assets	169.28
Accumulated Losses	(18,071.75)
Investments	1,893.11
Misc. Expenditure	--- NIL ---

3

Performance of Company

Turnover	--- NIL ---
Profit Before Tax (PBT)	46.64
Total Expenditure	1,253.79
Profit After Tax (PAT)	32.14
Earning Per Share (EPS) Rs.	0.01
Dividend Rate (%)	--- NIL ---

4

Generic names of principal products/services of the Company (as per monetary terms)

5 a) Item Code No. (ITC Code) : ----- NOT APPLICABLE -----

Product description -

SIGNATURE TO NOTES 1 TO 15 AS PER OUR REPORT ATTACHED

FOR B. M. GATTANI & CO.

CHARTERED ACCOUNTANTS
F. R. NO. 113536W

Sd/-

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

FOR AND
ON BEHALF
OF THE
BOARD OF

Sd/- Sd/-
DIRECTOR DIRECTOR

PLACE : MUMBAI
DATE : 06.08.2012

Sd/-
DIRECTOR

REGD. OFF.: PLOT NO. 278, VIJAYWADI PATH NO.6, DHER KA BALAJI, JAIPUR-302012

HARMONY CAPITAL SERVICES LIMITED

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

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. 2011-12.

Sd/-

Asutosh Raulo

Date : 06.08.2012

Place: Mumbai

HARMONY CAPITAL SERVICES LIMITED

Certificate of Chief Executive Officer and Chief Financial Officer

We have reviewed the financial statements and the cash flow statement for the year ended March 31, 2012 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 statement 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, 2012 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.

Chief Executive Officer

Sd/-
Place: Mumbai
Date: 06.08.2012