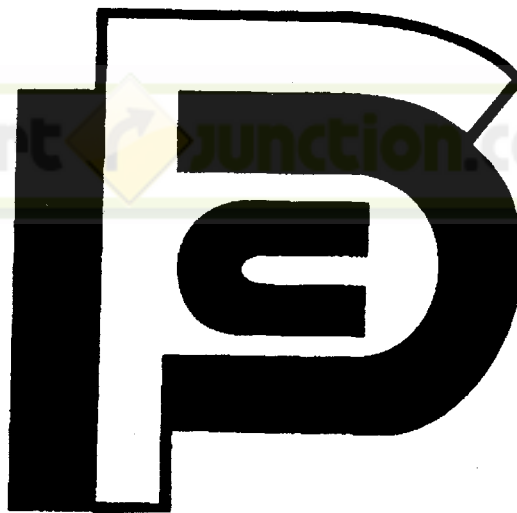


16th
ANNUAL REPORT
2005-2006



PARSOLI CORPORATION LIMITED



PARSOLI CORPORATION LIMITED

16TH ANNUAL REPORT

BOARD OF DIRECTORS

Uto Baader
Chairman

Pradeep Asrani
Director

Mahesh Bhatt
Director

Sanjay Shah
Director

M. I. Hawa
Director

Habibullah Akudi
Director

Uves Sareshwala
Joint Managing Director

Zafar Sareshwala
Managing Director & CEO

AUDITORS

M/s J. Vageriya & Associates
Chartered Accountants
Ahmedabad

BANKS

HDFC Bank Ltd.
Ahmedabad

Canara Bank
Ahmedabad

Union Bank of India
Mumbai

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- Parsoli UK Limited	38

REGISTERED OFFICE

121-122, 2nd Floor,
Ashoka Complex,
L.T. Marg,
Mumbai - 400 001.

CORPORATE OFFICE

B-8, 4th Floor, Shalimar Complex,
Mahalaxmi, Paldi,
Ahmedabad - 380 007.
(India)

SHARE TRANSFER

Share Transfer Processing &
Investors Relation Centre.

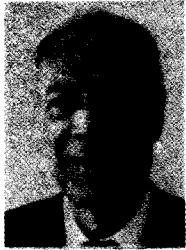
PINNACLE SHARE REGISTRY PVT. LTD.
Near Ashoka Mills, Naroda Road,
Ahmedabad - 380 025.



PARSOLI CORPORATION LIMITED

MESSAGE

From the desk of the CHAIRMAN



Dear Shareholders,

In April 2006 Baader Wertpapierhandelsbank AG, one of the leading banks providing a broad spectrum of banking services across Europe, became a major shareholder of Parsoli Corporation Limited.

We are particularly excited about this investment. India is a highly attractive market and Parsoli Corporation Limited is a very promising company. We look forward to working with our new partner.

Why did we choose India? Being a modern and innovative family business and being a publicly listed company at the same time Baader naturally looks for growth opportunities outside Germany.

India is one of the largest economies in the world. In the past 15 years it has shown a remarkably stable GDP growth. International banks almost unanimously forecast that India will be the top performer among the BRIC countries (Brazil, Russia, India and China) in the coming decade. But this is not the only reason to favour India over any other prospering economy.

Already at this point, capital markets in India are strong and solid. Unlike in other fast growing economies in India large parts of the population participate in the increasing prosperity. The current savings ratio amounts almost to an incredible 30 percent. And the number of people that economists consider to be higher income people increases at the speed of 25 percent annually.

India is a young nation. Its demographic structure with a high percentage of young people forms the strong backbone of this healthy economy.

The Bombay Stock Exchange is the oldest stock exchange in Asia. Furthermore, India is the BRIC country with the best functioning public market for derivatives. The Indian legal system with its Anglo-Saxon roots and the widely-spread acceptance of English as a business language turns India into a much sought-after trading partner.

From a German perspective India is more accessible than Brazil or China, regarding both travelling time and time difference. With respect to political stability India, the largest democracy worldwide, is far more predictable and reliable than all the other BRIC countries.

With Parsoli Corporation Limited we have found the ideal partner for our commitment in India. Parsoli, being a company providing Shari'ah compliant and ethical investment services to its niche market, embraces certain ethic, humanitarian and moral principles, which we share irrespective of our different religions, nationalities or ethnic backgrounds.

Parsoli has started its business in a niche market by offering Sharia-compliant financial products to its niche market. We are convinced that Parsoli will expand from this niche market. It has great potential and is in an excellent starting position to benefit from the ongoing upsurge of Indian capital markets.

Baader Wertpapierhandelsbank AG hopes to support Parsoli in this endeavour. And we have more to offer than merely providing capital. Baader has many years of experience in setting-up highly innovative IT-infrastructure and constantly adapting it to market needs. We look forward to sharing our know-how with our new partner. May Parsoli thrive and prosper.

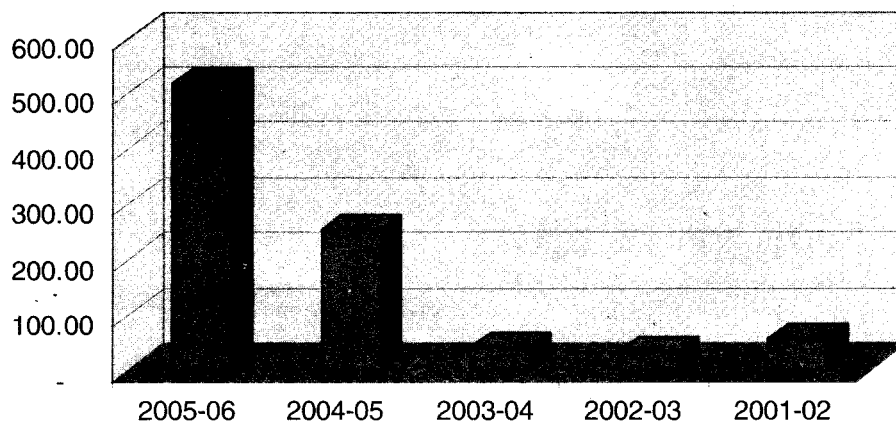
Uto Baader
(Chairman)



PARSOLI CORPORATION LIMITED

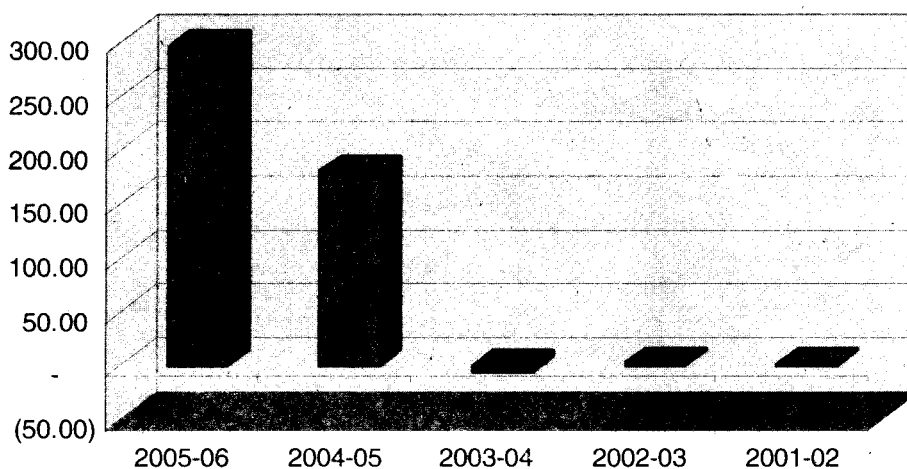
FINANCIAL HIGHLIGHTS

Income From Operation & Other Income (Rs. in Lacs)



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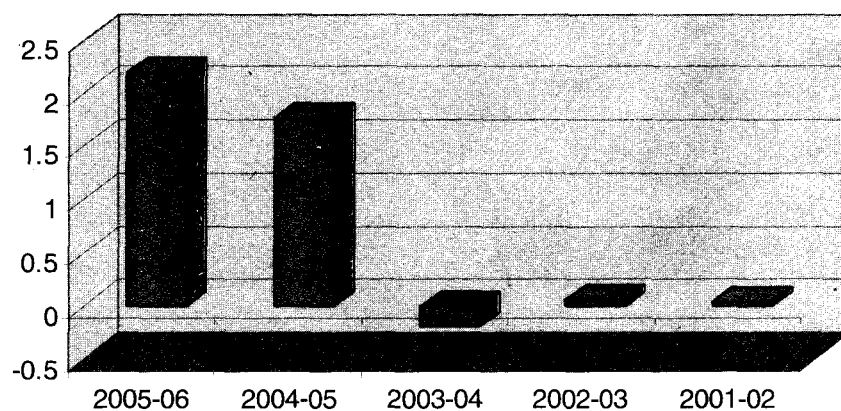
Profit After Tax (Rs. in Lacs)





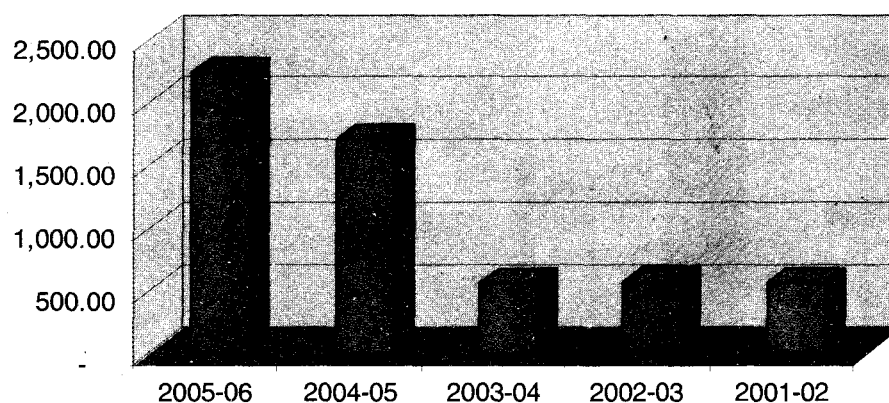
PARSOLI CORPORATION LIMITED

Earning Per Share (Rs. in Lacs)



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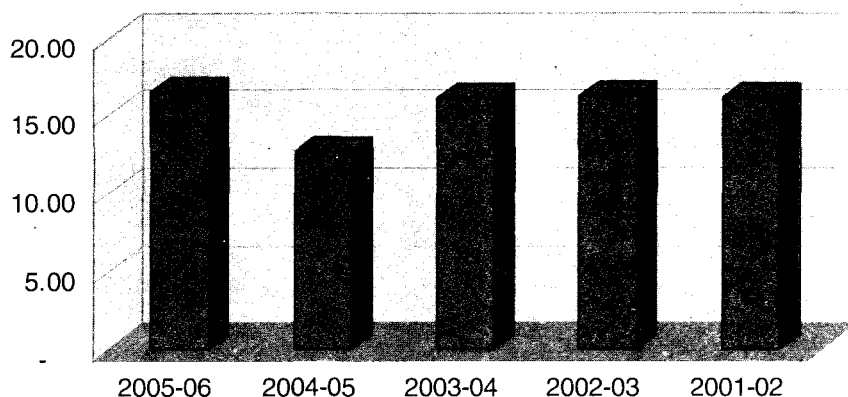
Net Worth (Rs. in Lacs)





PARSOLI CORPORATION LIMITED

Book Value per Share (Rs. in Lacs)



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FINANCIAL GROWTH 2002 TO 2006

					(Rs. in Lacs)
Particulars	2005-06	2004-05	2003-04	2002-03	2001-02
Income From Operation & Other Income	517.08	254.01	40.58	34.27	56.91
PBDIT	457.13	227.78	8.90	18.18	17.60
Profit After Tax	295.55	180.46	(6.82)	2.02	1.36
PAT/Income	57.16%	71.04%	(16.80)%	5.88%	2.38%
RONW	13.20%	10.56%	(1.20)%	0.35%	0.24%
Fixed Assets - Net Block	115.29	108.82	114.01	127.57	142.21
Share Capital & Share Application Money	1,608.02	1,351.49	351.49	351.49	351.49
Net Worth	2,239.29	1,709.33	567.08	572.06	568.21
Earning Per Share	2.19	1.77	(0.19)	0.06	0.04
Book Value per Share	16.57	12.65	16.13	16.28	16.17



PARSOLI CORPORATION LIMITED

NOTICE

NOTICE is hereby given that the Annual General Meeting of the Members of the Company will be held on **Saturday, the 2nd September 2006** at 11.00 a.m. at **402/403, Amba Sadan, Plot 325, Linking Road, Khar (W) Mumbai - 400 052** to transact the following business:

ORDINARY BUSINESS :

1. To receive, consider and adopt the audited Balance Sheet as at 31st March 2006 and the Profit and Loss Account for the year ended on that date, together with the Directors' Report and the Auditors' Report thereon.
2. To appoint a Director in place of Mr. Sanjay Shah, who retires at the ensuing Annual General Meeting and being eligible, offers himself for reappointment.
3. To appoint a Director in place of Mr. M. I. Hawa, who retires at the ensuing Annual General Meeting and being eligible, offers himself for reappointment.
4. To appoint Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting and to fix up their remuneration.

SPECIAL BUSINESS :

5. To Consider and if thought fit, to pass with or without modifications, the following resolution as an **ORDINARY RESOLUTION**:

"RESOLVED THAT Mr. Mahesh Bhatt appointed as an Additional Director of the Company and who holds office up to the conclusion of the ensuing Annual General Meeting, be and is hereby appointed as a Director of the Company."

- (6) To Consider and if thought fit, to pass with or without modifications, the following resolution as an **ORDINARY RESOLUTION**:

"RESOLVED THAT Mr. Uto Baader appointed as an Additional Director of the Company and who holds office up to the conclusion of the ensuing Annual General Meeting, be and is hereby appointed as a Director of the Company."

- (7) To Consider and if thought fit, to pass with or without modifications, the following resolution as an **ORDINARY RESOLUTION**:

"RESOLVED THAT Mr. Pradeep Asrani appointed as an Additional Director of the Company and who holds office up to the conclusion of the ensuing Annual General Meeting, be and is hereby appointed as a Director of the Company."

- (8) To consider and if thought fit, to pass with or without modifications, the following resolution as a **SPECIAL RESOLUTION**:

"RESOLVED THAT pursuant to provisions of sections 198, 269, 309 read with Schedule XIII and other applicable provisions of the Companies Act, 1956 as amended up to date, approval be and is hereby granted for the re-appointment and re-designation of Mr. Uves Sureshwal as a Joint Managing Director of the Company for a period of three years with effect from 01-08-2006 on revised terms and conditions as detailed in the explanatory statement attached hereto."

"RESOLVED FURTHER THAT the aggregate of the remuneration and perquisites payable to him alongwith other managerial personnel shall be subject to overall ceiling of total remuneration for each year as provided under section 198 & 309 of the Companies, Act, 1956."



PARSOLI CORPORATION LIMITED

"RESOLVED FURTHER THAT wherein in any financial year during the tenure of Joint Managing Director, the Company has no profits or inadequate profits, the Company will pay aforesaid remuneration as minimum remuneration."

"RESOLVED FURTHER THAT the Joint Managing Director shall work under the direction, control and supervision of Board of directors of the Company and look after the affairs as may be delegated to him from time to time by the Board of Directors of the company."

"RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to take all such steps as may be considered necessary, proper or expedient in order to give effect to the above resolution."

(9) To consider and if thought fit, to pass with or without modifications, the following resolution as a SPECIAL RESOLUTION:

"RESOLVED THAT pursuant to provisions of sections 198, 269, 309, read with Schedule XIII and other applicable provisions of the Companies Act, 1956 as amended up to date, approval be and is hereby granted for the appointment of Mr. Zafar Sareshwala as a Managing Director of the Company for a period of three years with effect from 01-08-2006 on the terms and conditions as detailed in the explanatory statement attached hereto."

"RESOLVED FURTHER THAT the aggregate of the remuneration and perquisites payable to him alongwith other managerial personnel shall be subject to overall ceiling of total remuneration for each year as provided under section 198 & 309 of the Companies Act, 1956."

"RESOLVED FURTHER THAT wherein in any financial year during the tenure of Managing Director, the Company has no profits or inadequate profits, the Company will pay aforesaid remuneration as minimum remuneration."

"RESOLVED FURTHER THAT the Managing Director shall work under the direction, control and supervision of Board of directors of the Company and look after the affairs as may be delegated to him from time to time by the Board of Directors of the company."

"RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to take all such steps as may be considered necessary, proper or expedient in order to give effect to the above resolution."

(10) To consider and if thought fit, to pass with or without modifications, the following resolution as a SPECIAL RESOLUTION:

"RESOLVED THAT pursuant to the provisions of the section 314 (1)(b) and other applicable provisions, if any, of the Companies Act, 1956, consent of the Company be and is hereby accorded to appoint Mr. Talha Sareshwala, a relative of Managing Directors of the Company, as Chief Financial Officer (CFO) in the Company with effect from 1st August, 2006 on a total monthly remuneration of Rs. 49500/- (Rupees Forty Nine Thousand Five Hundred only) alongwith other amenities and facilities applicable to other employees occupying similar position with an authority to Board of Directors to change his terms of appointment including designation."

NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF / HERSELF. Proxy need not be a member of the Company. Proxy in order to be valid must be delivered at the Registered Office of the Company not later than 48 hours before the commencement of the meeting.
2. The relative Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of Item No. 5 to 10 is annexed hereto.
3. Members are requested to notify the changes, if any, in their registered address.



PARSOLI CORPORATION LIMITED

4. The Register of Members and Share Transfer Book of the Company shall remain closed from Tuesday, 29th August 2006 to Saturday, 2nd September 2006 (both days inclusive) for the purpose of Annual General Meeting.
5. Members are requested to bring their copy of Annual Report to the meeting.
6. Members desiring to seek information on Annual Accounts to be explained at the meeting are requested to send their queries at least ten days before the date of the meeting so that the information can be made available at the meeting.
7. The Company's shares are listed with The Bombay Stock Exchange Limited, Mumbai.
8. Information required to be furnished under the Listing Agreement, as required under the Listing Agreement with the Stock Exchanges, the particulars of Directors who are proposed to be appointed, are given below:

	I	II	III	IV	V
Name	Mr. Sanjay D. Shah	Mr. M. Iqbal Hawa	Mr. Mahesh N. Bhatt	Mr. Uto Baader	Mr. Pradeep Asrani
Date of Birth	15-05-1949	08-08-1948	20-09-1948	21-02-1944	06-06-1952
Qualification	Chartered Accountant	B.Com., LL.B., LL.M.	B.A.	Dip. In Economics (Uni. Of Munich)	B.Sc. Post Graduate in Business Management
Expertise	Accounting & Taxation	Senior Advocate, Solicitor & Notary	Leading Film maker and social activist	Research, investment Banking, Securities Trading, etc.	Financial Management & Business Development
Other Directorship	Nil	Nil	1. Allahabad Bank 2. Vishesh Entertainment Ltd.	1. Baader Wertpapierhandelsbank AG 2. Baader Beteiligungs GmbH 3. Baader Management AG 4. Medi-Globe Corp. Tempe AZ 5. Bayerischen Borse AG	Nil

BY ORDER OF THE BOARD
FOR PARSOLI CORPORATION LIMITED

Sd/-

(UVES SARESHWALA)
Joint Managing Director

PLACE : MUMBAI
DATE : 10-07-2006



PARSOLI CORPORATION LIMITED

EXPLANATORY STATEMENT

Pursuant to Section 173(2) of the Companies Act, 1956

For Item No. 5

Mr. Mahesh Bhatt was appointed as an additional director of the Company with effect from 31-12-2005 u/s. 260 of the Companies Act, 1956. As per the provisions of the said section he will hold office up to the date of the forthcoming Annual General Meeting. Pursuant to section 257 of the Companies Act, 1956, the Company has received a notice from a member proposing the candidature of Mr. Mahesh Bhatt as a Director of the Company.

Considering his experience and expertise, your directors have thought it advisable to continue to avail his services as a Director of the Company.

Your directors recommend to pass the proposed resolution.

Except Mr. Mahesh Bhatt, himself, none of the other Directors of the Company is in any way concerned or interested in the proposed resolution.

For Item No. 6

Mr. Uto Baader was appointed as an additional director of the Company with effect from 23-03-2006 u/s. 260 of the Companies Act, 1956. As per the provisions of the said section he will hold office up to the date of the forthcoming Annual General Meeting. Pursuant to section 257 of the Companies Act, 1956, the Company has received a notice from a member proposing the candidature of Mr. Uto Baader as a Director of the Company.

Considering his experience and expertise, your directors have thought it advisable to continue to avail his services as a Director of the Company.

Your directors recommend to pass the proposed resolution.

Except Mr. Uto Baader, himself, none of the other Directors of the Company is in any way concerned or interested in the proposed resolution.

For Item No. 7

Mr. Pradeep Asrani was appointed as an additional director of the Company with effect from 10-07-2006 u/s. 260 of the Companies Act, 1956. As per the provisions of the said section he will hold office up to the date of the forthcoming Annual General Meeting. Pursuant to section 257 of the Companies Act, 1956, the Company has received a notice from a member proposing the candidature of Mr. Pradeep Asrani as a Director of the Company.

Considering his experience and expertise, your directors have thought it advisable to continue to avail his services as a Director of the Company.

Your directors recommend to pass the proposed resolution.

Except Mr. Pradeep Asrani, himself, none of the other Directors of the Company is in any way concerned or interested in the proposed resolution.

For Item No. 8 & 9

- (i) The members of the Company have approved appointment and payment of remuneration to Mr. Uves Sareshwala as a Managing Director of the Company for a period of 5 years commencing from 1st August 2003 at the Annual General Meeting held on 30th September 2003. Under the present scenario, the Board of Directors have thought it fit to re-designate and re-appoint him as a Joint Managing Director on revised terms for a period of 3 years w.e.f. 01-08-2006 and accordingly the Board of directors at its board meeting held on 10-07-2006 re-designated and reappointed him as a Joint Managing Director on revised terms as stated below:

The Remuneration committee of Board of Directors has also approved the said re-appointment on revised terms.

(1) Remuneration package:

The term of the office is for a period of three years with effect from 01-08-2006. He is entitled to following remuneration, benefits / perquisites.

- (A) **Salary** : Rs. 1,00,000/- per month in the scale of 1,00,000 - 15,000 - 1,75,000. The Board may give one or more increment(s) depending upon work performance, working of the Company etc. First annual increment will fall due on 01-04-2007.