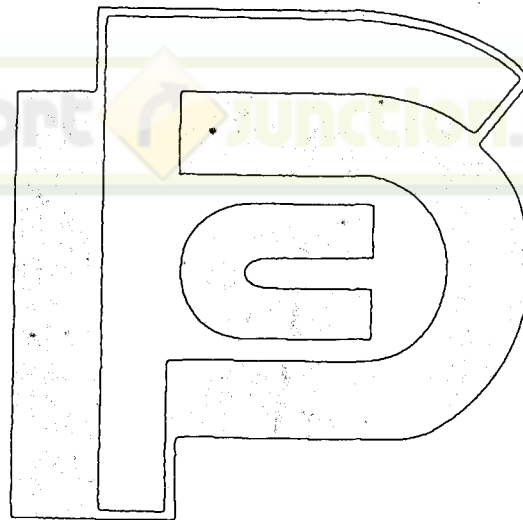


17th
ANNUAL REPORT
2006-2007



PARSOLI CORPORATION LIMITED



PARSOLI CORPORATION LIMITED

17TH ANNUAL REPORT

BOARD OF DIRECTORS

Uto Baader
Chairman

Pradeep Asrani
Director

Mahesh Bhatt
Director

Sanjay Shah
Director

M. I. Hava
Director

Christine Schiedermaier
Director

Mushtaq Al Saleh
Director

Uves Sareshwala
Joint Managing Director

Zafar Sareshwala
Managing Director & CEO

AUDITORS

M/s. J. Vageriya & Associates
Chartered Accountants
Ahmedabad

BANKS

UTI Bank Ltd.
Ahmedabad

HDFC Bank Ltd.
Ahmedabad

Canara Bank
Ahmedabad

Union Bank of India
Mumbai

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REGISTERED OFFICE

325, Ambasadán,
402-403, 4th Floor,
Linking Road, Khar (West)
Mumbai - 400 052.

CORPORATE OFFICE

B/6-8, 4th Floor, Shalimar Complex,
Mahalaxmi, Paldi,
Ahmedabad - 380 007.
(India)

SHARE TRANSFER

Share Transfer Processing &
Investors Relation Centre.

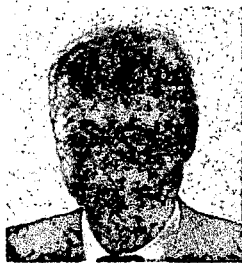
PINNACLE SHARE REGISTRY PVT. LTD.
Near Ashoka Mills, Naroda Road,
Ahmedabad - 380 025.



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 investment 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 strongest growing economies in the world. In the past 15 years it has shown a remarkably stable increase in GDP. International banks almost unanimously forecast that India will be a top performer among the BRIC countries (Brazil, Russia, India and China) and the "Next Eleven" (Egypt, Bangladesh, Indonesia, Iran, Mexico, Nigeria, Pakistan, Philippines, South Korea, Turkey, Vietnam) 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 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 the 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 the 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 supports 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)

17th Annual Report



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 29th September 2007** at 11:00 a.m. at Terrace Hall, Ashoka Shopping Centre, L.T. Marg, Mumbai - 400 001 to transact the following business:

ORDINARY BUSINESS :

1. To receive, consider and adopt the audited Balance Sheet as at 31st March 2007 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 confirm the interim dividend as final dividend.
3. To appoint a Director in place of C.A. Sanjay Shah, who retires at the ensuing Annual General Meeting and being eligible, offers himself for reappointment.
4. To appoint a Director in place of Mr. M. I. Hava, who retires at the ensuing Annual General Meeting and being eligible, offers himself for reappointment.
5. To appoint Auditors and in that connection, to pass with or without modification, the following resolution as an **SPECIAL RESOLUTION**.

'RESOLVED THAT M/s. Chandabhoy & Jassoobhoy, Chartered Accountants be and are hereby appointed as the auditors of the Company in place of the retiring Auditors M/s. J. Vageriya & Associates, Chartered Accountants, to hold office until the conclusion of next Annual General Meeting at a remuneration as may be decided by Board of Directors of the Company.'

SPECIAL BUSINESS :

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

"RESOLVED THAT Ms. Christine Schiedermaier appointed as an Additional Director of the Company and who holds office up to the date 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. Mushtaq Al Saleh appointed as an Additional Director of the Company and who holds office up to the date 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 the present Authorised Share Capital of the Company Rs. 34,00,00,000/- (Rupees Thirty Four Crore only) divided in to 3,40,00,000 Equity Shares of Rs. 10/- each, be increased to Rs. 50,00,00,000/- (Rupees Fifty Crore only) by creation further 1,60,00,000 Equity Shares of Rs. 10/- each ranking pari passu with the existing Equity Shares AND THAT the existing Clause V (being Capital Clause) of the Memorandum of Association of the Company shall be substituted by the following Clause:

Clause V

The Authorised Share Capital of the Company is Rs. 50,00,00,000/- (Rupees Fifty Crore only) divided into 5,00,00,000 (Five Crore) Equity Shares of Rs. 10/- (Rupees Ten only) each."

"RESOLVED THAT pursuant to Section 31 and other applicable provisions, if any, of the Companies Act, 1956, Article 4 of the Article of Association of the Company be altered by substituting the following Article in place and in lieu thereof:



PARSOLI CORPORATION LIMITED

Article 4

The Authorised Share Capital of the Company is Rs. 50,00,00,000/- [Rupees Fifty Crore Only] divided into 5,00,00,000 [Five Crore] Equity Shares of Rs.10/- each with power to increase or reduce the capital of the Company and to divide the shares in the capital for time being into several classes and to attach thereto respectively such preferential, deferred, qualified or applied rights privileges or conditions as may be determined or to vary, modify or abrogate any such rights, privilege or condition in such manner as may for the time being be provided by the regulations of the Company.

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 AND A PROXY NEED NOT BE 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. 6 to 8 is annexed hereto.
3. Members are requested to notify the changes, if any, in their registered address.
4. The Register of Members and Share Transfer Book of the Company shall remain closed from 24th September 2007 to 29th September 2007 (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 with the Stock Exchanges, the particulars of Directors who are proposed to be appointed, are given below:

	I	II	III	IV
Name	C.A. Sanjay Shah	Mr. M. I. Hava	Ms. Christine Schiedemaier	Mr. Mushtaq Al Saleh
Date of Birth	15th May 1949	8th August 1948	28th July 1954	5th October 1951
Qualification	Chartered Accountant	B.Com., LL.B. LL.M	Lawyer	Master of International Politics
Expertise	Accounting & Taxation	Senior Advocate, Solicitor & Notary	General Legal Counsel in Munich	International Affairs
Other Directorship	Nil	Nil	M/s. Baader Management AG	Nil

9. A special notice in terms of Section 190 of the Companies Act, 1956 has been received under Section 225(1) from a member proposing the appointment of M/s. Chandabhoy & Jassoobhoy, Chartered Accountants, Mumbai as the Auditors of the Company in place of M/s. J. Vageriya & Associates, Chartered Accountants, the retiring auditors of the company. The retiring auditors have informed the company that they have no representation to make for notification to the members of the company relating to special notice.

BY ORDER OF THE BOARD
FOR PARSOLI CORPORATION LIMITED

(UVES SARESHWALA)
Joint Managing Director

PLACE : Ahmedabad
DATE : 21st August 2007



PARSOLI CORPORATION LIMITED

EXPLANATORY STATEMENT

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

For Item No. 6

Ms. Christine Schiedermaier was appointed as an Additional Director of the Company under section 260 of the Companies Act, 1956 with effect from 11th March 2007 and will hold office until the date of this Annual General Meeting. Being eligible Ms. Christine Schiedermaier has offered herself for the appointment as a Director. Notice, along with a deposit of five hundred rupees, as required by section 257 of the Companies Act, 1956, has been received from a member proposing the appointment of Ms. Christine Schiedermaier as a Director of the Company.

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

Your directors recommend passing of the proposed resolution.

Except Ms. Christine Schiedermaier, herself, no other Director is in anyway concerned or interested in the proposed resolution.

For Item No. 7

Mr. Mushtaq Al Saleh was appointed as an Additional Director of the Company under section 260 of the Companies Act, 1956 with effect from 21st August 2007 and will hold office until the date of this Annual General Meeting. Being eligible Mr. Mushtaq Al Saleh has offered himself for appointment as a Director. Notice, along with a deposit of five hundred rupees, as required by section 257 of the Companies Act, 1956, has been received from a member proposing the appointment of Mr. Mushtaq Al Saleh as a Director of the Company.

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

Your directors recommend passing of the proposed resolution.

Except Mr. Mushtaq Al Saleh, himself, no other Director is in anyway concerned or interested in the proposed resolution.

For Item No. 8

At present the Authorised Share Capital of the Company is Rs. 34 Crore. Your Directors are of the opinion that in view of the future planning, projections and conversion of Debentures, it would be advisable and necessary to increase the authorised and paid-up share capital of the Company. Hence it is proposed to increase the authorised share capital of the Company by Rs. 16 Crore by creation of 160 Lakh Equity Shares of Rs. 10/- each.

Accordingly the Company would be required to alter existing Capital Clause "V" of Memorandum of Association and Capital clause Article 4 of the Articles of Association of the Company. Necessary resolutions have been proposed for approval of members for the same.

Your directors recommend passing of the proposed resolutions as special resolutions.

None of the Directors of the Company is in any way concerned or interested in the proposed resolutions.

**BY ORDER OF THE BOARD
FOR PARSOLI CORPORATION LIMITED**

PLACE : Ahmedabad
DATE : 21st August 2007

(UVES SARESHWALA)
Joint Managing Director



PARSOLI CORPORATION LIMITED

DIRECTOR'S REPORT

To,
The Members,

Your Directors have pleasure in presenting the Annual Report along with the Audited Statement of Accounts of the Company for the year ended 31st March 2007.

FINANCIAL RESULTS:

	(Rs. In Million)	
	2006-2007	2005-2006
Income From Operation & Other Income	90.49	51.56
Profit before tax, interest and depreciation	62.27	45.57
Less: Financial charges	0.36	0.05
Depreciation	2.22	1.09
Profit Before Tax	59.69	44.43
Less: Provision for taxation		
-Current year	20.37	15.04
-Deferred	1.88	(0.18)
-Short (Excess) provision of earlier years	0.11	0.02
Profit after tax	37.33	29.55
Less: Prior period Exp.	0.42	-
Add: Balance brought forward from Previous year	44.90	17.37
Balance Available for appropriation	81.81	46.92
Appropriation:		
Provisions for Interim Dividend	26.92	-
Provision for Tax on Dividend	4.53	-
Transferred to Special Reserve 45IC of RBI Act	3.12	-
Transfer to General Reserve	1.00	-
Deferred Tax Liabilities	-	2.02
Balance carried to Balance Sheet	46.24	44.90

PERFORMANCE OF THE COMPANY :

During the year under review, your Company has performed very well. The total income during the year increased to Rs. 90.49 Million as compared to Rs. 51.56 Million for previous year showing growth of 75.48 %. The profit after tax also increased to Rs. 37.33 Million as compared to Rs. 29.55 Million for the previous year showing growth of 26.33%.

CORPORATE GOVERNANCE REPORT :

Pursuant to Clause 49 of the Listing Agreement with Stock Exchange, a compliance report on Corporate Governance has been annexed hereto as part of the Annual Report. The Company is in compliance with the requirements and disclosures that have to be made in this regard. The Auditors' Certificate on compliance with Corporate Governance requirements by the Company forms part of said report.

DIVIDEND:

During the year under review, the Company has already paid interim Dividend @ 10% on Equity Shares of the Company. In view of the same, no further dividend is recommended and the interim dividend is confirmed as final dividend. (Previous year NIL %)

DEPOSITS :

The Company has not accepted any deposit within the meaning of Section 58A of the Companies Act, 1956 during the year under review.



PARSOLI CORPORATION LIMITED

ALLOTMENT OF SHARES:

During the year under review, the Company has made allotments to three different foreign entities.

On 20th April 2006 the Company has allotted total 13,50,139 Equity Shares of Rs. 10/- each (10,00,139 Equity Shares of Rs. 10/- each for cash at a premium of Rs. 16/- per share and 3,50,000 Equity Shares of Rs. 10/- each at a premium of Rs. 16/- per share as a part of licensing agreement and in lieu of technical service/support) on preferential basis to M/s. Baader Wertpapierhandelsbank AG, Germany.

Further on 24th July 2006 the Company has allotted 53,54,861 Equity Shares to M/s. Baader Wertpapierhandelsbank AG, Germany, 53,84,980 equity shares to M/s. Gulf Investment Services Co. S.A.O.G., and 13,20,020 Equity Shares to M/s. Oman Commercial Services LLC for cash at a price of Rs. 22/- per share (including premium of Rs. 12/- per share) on preferential basis.

DIRECTORS :

C.A. Sanjay Shah and Mr. M. I. Hava, Directors of the Company retire by rotation at the ensuing Annual General Meeting and are eligible for re-appointment.

Ms. Christine Schiedermaier and Mr. Mushtaq Al Saleh were appointed as Additional Directors of the Company w.e.f. 11th March 2007 and 21st August 2007 respectively. They hold office up to the date of ensuing Annual General Meeting and are eligible for re-appointment and necessary resolutions have been proposed for their appointment as Directors of the Company for the approval of members at the ensuing Annual General Meeting.

DIRECTORS' RESPONSIBILITY STATEMENT :

Pursuant to Section 217(2AA) of the Companies Act, 1956 the Directors confirm that:

- (1) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (2) appropriate accounting policies have been selected and applied them consistently and judgments and estimates made that are reasonable and prudent so as to give true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- (3) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguard the assets of the Company and for preventing and detecting fraud and other irregularities ;
- (4) the accounts have been prepared on going concern basis.

SUBSIDIARY COMPANY :

During the year under review, considering the future planning three wholly owned subsidiary Companies have been incorporated namely M/s. Parsoli Insurance Services Ltd., M/s. Parsoli Travel House Ltd. and M/s. Parsoli Commodities Ltd.

A statement pursuant to Section 212(1)(e) of the Companies Act, 1956 in respect of the subsidiary Companies is annexed herewith.

LISTING :

The Company's securities are listed with Bombay Stock Exchange Ltd, Mumbai. The Company has paid annual listing fee for the year 2006-2007 to the said stock Exchange.

EMPLOYEES :

As required under provisions of section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules 1975 as amended, from time to time, the requisite particulars in respect of the employees of the Company, who were in receipt of remuneration in excess of the limits specified under the said section are set out in the annexure herewith and form part of this report.



PARSOLI CORPORATION LIMITED

INSURANCE:

The Company has taken adequate insurance to cover its assets.

AUDITORS :

There is a proposal to appointment M/s. Chandabhoy & Jassoobhoy, Chartered Accountants, Mumbai as the auditors of the Company in place of M/s. J. Vageriya & Associates, Chartered Accountants, Ahmedabad, who are retiring at the forthcoming Annual General Meeting. We take this opportunity to thank M/s. J. Vageriya & Associates, Chartered Accountants, for their co-operation & understanding.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:

The Company has no activities relating to Conservation of Energy, Technology Absorption etc. Details of foreign exchange earnings and out go are given into notes to accounts.

ACKNOWLEDGEMENT :

Your Directors acknowledge unstinted support provided by the management of M/s. BAADER Wertpapierhandelsbank AG, Germany for their continued support and trust in the management and workings of the Company.

Your Directors wish to sincerely thanks the management of M/s. Gulf Investment Services S.A.O.G. and M/s. Oman Commercial Services LLC for making strategic investment in the Company and the faith they have shown in the management and workings of the Company.

Your Directors recognize the patronage extended by the customers, business associates, employees and UTI Bank Ltd & Canara Bank Ltd, the bankers of the company.

BY ORDER OF THE BOARD
FOR PARSOLI CORPORATION LIMITED

PLACE : Ahmedabad
DATE : 21st August 2007

UTO BAADER
Chairman



PARSOLI CORPORATION LIMITED

Information regarding subsidiary Companies pursuant to Section 212(1)(e) of the Companies Act, 1956

Sr. No.	Name of the Subsidiary Companies	Parsoli U.K. Limited	Parsoli Insurance Services Limited	Parsoli Travel House Limited	Parsoli Commodities Limited
1	Financial year of the Subsidiary Company	31 st December 2006	31 st March 2007	31 st March 2007	31 st March 2007
2	Shares Held by the Company on and above date				
I	Number & Face value	95800 Equity shares of £ 1 each	50000 Equity Shares of Rs.10 each.	50000 Equity Shares of Rs.10 each.	520000 Equity Shares of Rs.10 each.
II	Extent of Holding	100%	100%	100%	100%
3.	Changes if any in the holding Company's interest in the subsidiary	Nil	Nil	Nil	Nil
4.	Net profit For the financial year	£ 5916/-	-	-	-

All 3 Indian subsidiaries are yet to start commercial operations .

Information as per Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975.

Name & Designation	Nature of Duties	Gross Remuneration (Rupees)	Qualification	Experience	Date of Commencement of Employment	Particulars of Previous Employment	Age Yrs.
Zafar Sarehwala, Managing Director & CEO	Overall Management	2,235,236	Diploma In Mechanical Eng. Diploma in Marketing Management	22 Years	01.08.1994	Self Employed	44
Uves Sarehwala Jt. Managing Director	Day to Day management	2,310,235	B.Com.	20 Years	28.06.1997	Self Employed	42

Notes : Salary includes salary, allowances, monetary value of perquisites, commission.

**For and on behalf of the Board
FOR PARSOLI CORPORATION LIMITED**

PLACE : Ahmedabad
DATE : 21st August 2007

UTO BAADER
Chairman