



sustained growth
through foresight

Jindal South West Holdings Limited

ANNUAL REPORT 2009-2010

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Shri O. P. Jindal

August 7, 1930 – March 31, 2005
O. P. Jindal Group – Founder and Visionary

Only a life lived for others is a life lived worth while

An industrialist par excellence under whose aegis the O P Jindal Group grew from strength to strength. But for the world at large Late Shri O P Jindal was much more than that. He was also a leader of masses, some one who would often champion the cause of the poor and downtrodden.

He was not just a celebrated politician, but also a great humanitarian and an avant-garde visionary. His life both as an industrialist and as social worker left an indelible mark on this nation. And for us at O P Jindal group, his life gives us inspiration to touch new heights.

BORD OF DIRECTORS

Mr. Sajjan Jindal

Chairman

Mr. K. N. Patel

Jt. Managing director & CEO

Mr. N. K. Jain

Director

Dr. S. K. Gupta

Director

Mr. Atul Desai

Director

Mr. I. Qureshi

Director

Ms. Hemangi Wadkar

Company Secretary

Statutory Auditors

Shah Gupta & Co.

Chartered Accountants

Mumbai

Bankers

Vijaya Bank

ICICI Bank Limited

Registered Office

Jindal Centre,

12, Bhikaiji Cama Place,

New Delhi - 110 066

Tel.: 011 - 2618 8360

Fax: 011 - 2617 0691

Corporate Office

Jindal Mansion,

5A, Dr. G. Deshmukh Marg,

Mumbai - 400 026

Tel.: 022 - 2351 3000

Fax: 022 - 2351 5294

Website

www.jsw.in

Registrar & Share Transfer Agent

Sharepro Services (India) Pvt. Ltd.

Satam Estate, 3rd Floor,

Above Bank of Baroda,

Cardinal Gracious Road, Chakala,

Andheri (E), Mumbai - 400 099

Tel.: 022 - 2821 5168

Fax: 022 - 2837 5646

NOTICE

NOTICE is hereby given that the **Ninth** Annual General Meeting of the Members of **JINDAL SOUTH WEST HOLDINGS LIMITED** will be held on Saturday, the 3rd day of July, 2010 at 3.30 p.m. at N. C. Jindal Public School Auditorium, Road No. 73, Punjabi Bagh, New Delhi – 110 026, to transact the following business :-

ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2010 and the Profit and Loss Account for the year ended on that date, together with the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Sajjan Jindal, who retires from office by rotation, and being eligible, offers himself for re-appointment.
3. To appoint M/s Shah Gupta & Co., Chartered Accountants, Mumbai as the Statutory Auditors of the Company to hold office from the conclusion of this Annual General meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS:

4. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution** :

“RESOLVED THAT subject to the provisions of Sections 198, 269, 309 and 310 read with Schedule XIII and other applicable provisions of the Companies Act, 1956 (including any statutory modification or re enactment thereof for the time being in force), the Company hereby approves the reappointment of Mr. K. N. Patel, as Managing Director of the Company, designated as “Jt. Managing Director & CEO”, for a further period of 5 years with effect from 28th April, 2010, upon such terms and conditions as are set out in the draft Agreement to be executed with Mr. K. N. Patel (a copy of which is initialed by the Chairman for the purpose of identification and placed before this meeting), with specific authority to the Board of Directors to alter or vary the terms and conditions of the said reappointment and/or Agreement including the remuneration which shall not exceed an overall ceiling of Rs.20,00,000 (Rupees Twenty Lacs only) per month, as may be agreed to between the Board of Directors and Mr. K. N. Patel.”

By Order of the Board
For **Jindal South West Holdings Limited**

Place : Mumbai
Date : 4th May, 2010

Hemangi Wadkar
Company Secretary

Registered Office:

Jindal Centre
12, Bhikaiji Cama Place
New Delhi – 110 066

NOTES FOR MEMBERS' ATTENTION:

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 THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
THE INSTRUMENT APPOINTING THE PROXY SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING. PROXIES SHALL NOT HAVE ANY RIGHT TO SPEAK AT THE MEETING.
2. The Explanatory statement in respect of item no. 4 setting out the material facts pursuant to Section 173(2) of the Companies Act, 1956 is annexed hereto.
3. Corporate Members are requested to send a duly certified copy of the Board Resolution authorising their representatives to attend and vote at the Annual General Meeting.
4. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
5. Members who hold shares in electronic form are requested to write their Client ID and DP ID numbers and those who hold shares in physical form are requested to write their Folio Number in the attendance slip for attending the meeting to facilitate identification of membership at the meeting.
6. The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, 26th June, 2010 to Saturday, 3rd July, 2010 (both days inclusive).
7. As per the requirement of Clause 49 of the Listing Agreement with Stock Exchanges, the details of the Directors proposed to be appointed/re-appointed at the Annual General Meeting, is annexed hereto.
8. Members are requested to intimate the Registrar and Share Transfer Agents of the Company – Sharepro Services (India) Pvt. Ltd. immediately of any change in their address in respect of equity shares held in physical mode and to their Depository Participant (DPs) in respect of equity shares held in electronic form.
9. Members desirous of having any information regarding Accounts are requested to address their queries to Accounts Department at the Corporate office of the Company at Jindal Mansion, 5A, Dr. G. Deshmukh Marg, Mumbai 400026, atleast seven days before the date of the meeting, so that requisite information is made available at the meeting. All the documents referred to in the accompanying Notice and Explanatory Statement are open for inspection at the Corporate Office of the Company on all working days, except Saturdays between 10.00 a.m. and 1.00 p.m. upto the date of the Annual General Meeting.

10. Members holding share certificates under different folio numbers but in same order of name are requested to apply for consolidation of such folios and send the relevant share certificates to the Registrar and Share Transfer Agents of the Company.
11. Members / Proxies should bring the attendance slip duly filled in for attending the meeting.
12. As an austerity measure, copies of Annual Report will not be distributed at the Annual General Meeting. Members may please bring their copies of the Annual Report to the meeting.

ANNEXURE TO NOTICE

EXPLANATORY STATEMENT:

The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, for item number 4 of the accompanying notice is as under:

Item No. 4

The Members of the Company had at the 4th Annual General Meeting of the Company held on 20th July, 2005 appointed Mr. K. N. Patel as the Jt. Managing Director & CEO of the Company for a period of 5 years commencing from 28th April, 2005, with specific authority to the Board to fix, alter, vary the terms and conditions of appointment and /or Agreement including revision in the remuneration effective 1st April each year subject to the maximum ceiling limit approved by the members.

The tenure of Mr. K. N. Patel as Jt. Managing Director & CEO expired on 27th April, 2010. Your Directors have at their meeting held on 21st January, 2010 re-appointed Mr. K. N. Patel as Managing Director of the Company, designated as "Jt. Managing Director & CEO", for a further period of 5 years with effect from 28th April, 2010, on the terms and conditions contained in the Draft Agreement to be executed with Mr. Patel.

Mr. K. N. Patel, aged 58 years, is a Commerce Graduate from Mumbai University and a Fellow Member of The Institute of Chartered Accountants of India. With JSW Group, Mr. Patel has an association of 15 years with significant contribution in the areas of Financial Management, Management Information Systems, Corporate Taxation, Corporate Finance, Investment and Fund Management, etc. Prior to joining the Jindal Group, he was associated with Standard Industries Limited for 21 years. He joined Jindal Iron & Steel Company Limited (erstwhile) as Vice President (Finance) in August, 1995 and was responsible for Corporate Finance, Accounts and Taxation. He has made significant contribution in the areas of Financial Management, Management Information Systems and Corporate Taxation. He has also acted as Director (Commercial) & Director (Corporate Affairs) of JISCO. He possesses over 35 years of rich and varied experience and has an outstanding performance record during his association with the Jindal Group since August, 1995.

Members' approval is sought for the said re-appointment of Mr. K. N. Patel as Managing Director of the Company, designated as "Jt. Managing Director & CEO", for a further period of 5 years with effect from 28th April, 2010 and for payment of remuneration to be fixed from time to time by the Board of Directors of your Company.

The remuneration of Mr. K. N. Patel is to be so fixed by the Board of Directors from time to time, such that the salary and the aggregate value of all perquisites and allowances like furnished accommodation or house rent allowance in lieu thereof; house maintenance allowance together with reimbursement of expenses or allowances for utilities such as gas, electricity, water, furnishings and repairs; Bonus; Performance Reward/Incentive; medical reimbursement; club fees and leave travel concession for himself and his family; medical insurance, retention bonus, employee stock ownership plans and such other perquisites and allowances in accordance with the rules of the Company or as may be agreed to by the Board of Directors and Mr. K. N. Patel, such that the perquisites and allowances together with the Basic Salary shall not exceed the overall ceiling on remuneration approved by the Members in their General Meeting. Your Directors have recommended a ceiling of Rs.20,00,000 (Rupees Twenty Lacs only) per month.

The following perquisites shall not be included in the computation of the ceiling on remuneration specified above:

- a) Contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961;
- b) Gratuity as per rules of the Company (which shall not exceed one half month's Salary for each completed year of Service); and
- c) Encashment of leave at the end of the tenure.

For the purposes of calculating the above ceiling, perquisites shall be evaluated as per Income-tax Rules, wherever applicable.

Provision for use of the Company's car for official duties and telephone at residence (including payment for local calls and long distance official calls) shall not be included in the computation of perquisites for the purpose of calculating the said ceiling.

In the event of loss or inadequacy of profits in any financial year during the tenure of appointment, the Jt. Managing Director & CEO shall be paid remuneration by way of salary and perquisites as specified above, subject to the limits prescribed in Schedule XIII to the Companies Act, 1956 and the approval of Central Government, if required.

For the purpose of Gratuity, Provident Fund, Superannuation or Annuity Fund, leave balance, etc. the service of the Jt. Managing Director & CEO will be considered as continuous service with the Company from the date of his joining erstwhile Jindal Iron & Steel Company Limited (JISCO), a Jindal Group Company.

The Jt. Managing Director & CEO shall not be subject to retirement by rotation and shall not be eligible for any sitting fees for attending the Company's Board or Committee Meetings.

The proposed remuneration is within the limits prescribed under Part II Section I of Schedule XIII of the Companies Act, 1956.

The terms of remuneration of the Jt. Managing Director & CEO has the approval of the Remuneration Committee.

The above details may also be treated as an abstract of the terms of reappointment of Mr. K. N. Patel under Section 302 of the Companies Act, 1956.

A copy of the draft Agreement to be executed with Mr. K. N. Patel is available for inspection by the Members of the Company at the Company's Office at Jindal Mansion, 5A, Dr. G. Deshmukh Marg, Mumbai 400026, on all working days of the Company, between 10.00 a.m. and 1.00 p.m.

In view of his vast experience and illustrious career, re-appointment of Mr. K. N. Patel would be in the best interest of your Company.

None of the Directors of the Company except Mr. K. N. Patel is in any way concerned or interested in these resolutions.

Your Directors recommend the resolution as at Item No.4 for your approval.

**Details of Directors seeking Appointment /Re-appointment in Annual General Meeting to be held on 3rd July, 2010
[Pursuant to Clause 49 of the Listing Agreement]**

Name of Director	Mr. Sajjan Jindal	Mr. K. N. Patel
Date of Birth	05.12.1959	30.05.1951
Date of Appointment	12.07.2001	28.04.2005
Expertise in specific functional areas	<p>Mr. Sajjan Jindal, an Industrialist, holds Bachelor's degree in Mechanical Engineering from Bangalore University. He is Vice - Chairman and Managing Director of JSW Steel Limited and Chairman and Managing Director of JSW Energy Ltd. and is on the Board of other JSW Group Companies.</p> <p>He is a member of Indian Council for Sustainable Development, member of the Advisory Committee of TERI School of Management, member of CII National Council, member on the Board of Airport Authority of India, council member of Indian Institute of Metals, and member of the Board of Directors of Indian Institute of Management, Indore. He has held the position of President of ASSOCHAM from June 2008 to October 2009 and is presently the member of the Managing Committee of ASSOCHAM.</p>	<p>Mr. Patel is a Commerce Graduate from Mumbai University and Fellow Member of Institute of Chartered Accountants of India.</p> <p>He was with Standard Industries Ltd for 21 years prior to joining the Jindal Group. He joined Jindal Iron & Steel Company Limited (erstwhile) as Vice President (Finance) in August, 1995 and was responsible for Corporate Finance, Accounts and Taxation. He has made significant contribution in the areas of Financial Management, Management Information Systems and Corporate Taxation.</p>
Qualification	B. E. (Mech.)	B. Com. (Hons.), F. C.A.
Directorship in other Public Limited Companies \$	<ul style="list-style-type: none"> ● JSW Steel Limited ● JSW Energy Limited ● JSW Bengal Steel Limited ● TCPL Packaging Limited ● JSOFT Solutions Limited ● Vrindavan Fintrade Limited 	<ul style="list-style-type: none"> ● JSW Aluminium Ltd. ● JSW Cement Ltd. ● JSW Infrastructure Ltd. ● JSW Jaigarh Port Ltd. ● South West Port Ltd. ● South West Mining Ltd. ● JSW Natural Resources India Ltd. ● Jindal Steel & Alloys Ltd. ● Sapphire Technologies Ltd.
Membership of Committees in other Public Limited Companies # (C = Chairman M = Member)	None	<p>Audit Committee</p> <ul style="list-style-type: none"> ● JSW Cement Ltd. (C) ● JSW Infrastructure Ltd. (C) ● Jindal Steel & Alloys Ltd. (C) ● JSW Jaigarh Port Ltd. (M) ● South West Port Ltd. (M) <p>Investors'/Shareholders' Grievance Committee</p> <p>NIL</p>
No. of Equity Shares held	2,197 (Two Thousand One Hundred & Ninety Seven only)	100 (One Hundred only)

Only two committees i.e. Audit Committee and Shareholders'/Investors' Grievance Committee have been considered as per provisions of revised Clause 49 of the Listing Agreement.

\$ Excluding directorship in Private Limited Companies, Foreign Companies and Companies under Section 25 of the Companies Act, 1956.

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the Ninth Annual Report together with the Audited Annual Accounts of your Company for the year ended 31st March, 2010.

1. Financial Results

Your Company has achieved a reasonably good financial performance during the financial year 2009-10, which is summarized below :

Financial Highlights

(Rupees in Thousands)

Particulars	Current Year ended 31.03.2010	Previous Year ended 31.03.2009
Total Income	7,03,41	40,87,89
Profit Before Depreciation & Tax	5,78,83	39,67,97
Less : Depreciation	29	39
Profit Before Tax	5,78,54	39,67,58
Tax	1,40,23	3,33,00
Profit After Tax	4,38,31	36,34,58
Add : Balance brought forward from previous year	72,69,03	43,61,45
Amount available for Appropriation	77,07,34	79,96,03
Less : Appropriations:	87,70	7,27,00
Transfer to Reserve Fund		
Balance carried to Balance Sheet	76,19,64	72,69,03

2. Dividend

Your Directors have deemed it prudent not to recommend any dividend on equity shares for the year ended 31st March, 2010, in order to conserve the resources for future years.

3. Review of Operations

Your Company has recorded a reasonably good performance during the year under review. Inclusive of Income by way of Dividend of Rs.206.64 lakhs and Interest of Rs.496.77 lakhs, the Total Income is Rs. 703.41 lakhs as against Total Income of Rs.4087.89 lakhs in the previous year. The decrease was mainly on account of subdued performance of the Investee Companies which resulted in receipt of lower dividends by your Company during the year. The Profit before depreciation and tax is Rs.578.83 lakhs. After providing for depreciation of Rs. 0.29 lakh and Tax of Rs.140.23 lakhs, the Net Profit is Rs.438.31 lakhs.

An amount of Rs. 87.70 Lakhs was transferred to Statutory Reserve Fund pursuant to section 45-IC of the Reserve Bank of India Act, 1934, during the financial year under review.

4. Future Prospects

Your Company continues to hold significant investments in Equity Shares of JSW Steel Limited besides certain other Investments in other O. P. Jindal Group of Companies. The financial year under review saw the economy recovering from the severe recession witnessed in the earlier year. The Steel Sector in India also is on the growth path and the performance

of the Investee Companies are expected to substantially improve in the current financial year, which is expected to result in higher dividend payouts in the coming year. The anticipated infrastructure development being undertaken in the country is expected to give a further boost to the Steel industry and your Company is looking forward for a sustainable growth in its Investee Companies in the coming year which would enhance the shareholders' value.

Your Company will continue to focus on making long-term strategic investments in various New Ventures promoted by JSW Group, a part of O. P. Jindal Group, besides consolidating the existing investments through further investments in the existing companies. Considering the further forecasted recovery in the economy and the prospects of the economy as a whole and the steel industry in particular, your Company expects to restore its value with a hope of further enhancement in the long term for the benefit of the shareholders at large.

5. Holding & Subsidiary Company

Your Company has neither any holding company nor a subsidiary company.

6. Fixed Deposits

Your Company has neither accepted nor renewed any deposits within the meaning of Section 58A of the Companies Act, 1956 and the rules made there under.

7. Directors

Mr. Sajjan Jindal, Director, retires by rotation at the forthcoming Annual General Meeting and being eligible, offers himself for re-appointment.

Your Directors have at their meeting held on 21st January 2010, re-appointed Mr. K. N. Patel as the Managing Director of the Company, designated as "Jt. Managing Director & CEO", for a further period of 5 years with effect from 28th April, 2010 to 27th April, 2015, subject to your approval.

The proposals regarding the appointment/ re-appointment of the aforesaid Directors are placed for your approval.

8. Auditors

M/s. Shah Gupta & Co., Chartered Accountants, Mumbai, Statutory Auditors of the Company retire at the conclusion of the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. Your Company has received confirmation that their appointment, if made, would be within the limits prescribed under Section 224(1B) of the Companies Act, 1956, and that they are not disqualified for such appointment within the meaning of section 226 of the Companies Act, 1956. Your Directors recommend re-appointment of M/s. Shah Gupta & Co. as the Statutory Auditors of the Company for the current financial year and fixation of their remuneration.

9. Reserve Bank of India's Guidelines

Your Company has duly complied with all applicable rules, regulations, directions and guidelines issued by Reserve Bank of India for Non-Banking Financial Companies from time to time.

10. Particulars regarding Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo

As your Company is not engaged in any manufacturing activity, particulars under Section 217(1)(e) of the Companies Act, 1956, regarding conservation of energy, technology absorption are not applicable.

There were no foreign exchange transactions during the year.

11. Particulars of Employees

The particulars of employees as required under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 are set out in the annexure to the Directors' Report.

12. Corporate Governance

Your Company has complied with the requirements of Clause 49 of the Listing Agreement on Corporate Governance.

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges, Report on Corporate Governance along with the Auditors' Certificate on its compliance is annexed separately to this Annual Report.

13. Management Discussion and Analysis Report

The Management Discussion and Analysis Report on the operations of your Company for the year under review, as required under Clause 49 of the Listing Agreement with the Stock Exchanges, is provided in a separate section and forms part of this Annual Report.

14. Human Resources

Your Company continues to put due emphasis on appropriate human resource development for its business. The employees of your Company and the Group fully identify with the Company's and Group's vision and business goals.

15. Directors Responsibility Statement

Pursuant to the requirements under Section 217(2AA) of the Companies Act, 1956, your Directors hereby state and confirm that:

- i. in the preparation of the annual accounts, the applicable accounting standards have been followed;
- ii. they have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year on 31st March, 2010, and of the profit of the Company for that period;
- iii. they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. they have prepared the annual accounts on a going concern basis.

16. Appreciation & Acknowledgements

Your Directors wish to express their sincere appreciation of the valuable support and guidance provided by Securities Exchange Board of India, the Stock Exchanges and all other Regulatory bodies.

Your Directors also take this opportunity to acknowledge the continued assistance and co-operation received from Banks, the Reserve Bank of India and other Government Agencies and Shareholders.

Your Directors also wish to place on record their appreciation for the valuable services rendered and the commitment displayed by the employees of the Company and look forward to their continued support in the future as well.

For and on behalf of the Board of Directors

Place : Mumbai
Date : 4th May, 2010

Sajjan Jindal
Chairman

ANNEXURE TO DIRECTORS' REPORT

Information as per Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 and forming part of the Directors' Report for the year ended 31st March, 2010

Name	Designation & Nature of Duties	Remuneration in Rupees	Qualifications	Experience No. of Years	Age Years	Date of commencement of Employment	Last Employment / Designation
(A)	Employed throughout the year and were in receipt of remuneration of not less than Rs.24,00,000 per annum						
Patel K. N.	Jt. Managing Director & CEO Management	90,32,402	B. Com. (Hons.), F.C.A.	36	58	28.04.2005	JSW Steel Limited Director (Corporate Affairs)
(B)	Employed for the part of the year and were in receipt of remuneration aggregating to not less than Rs.2,00,000 per month						
N I L							

Notes:

- 1 Remuneration shown above includes Salary, Variable Pay, House Rent Allowance, Bonus, Leave Travel Allowance, Medical Reimbursement and Company's contribution to Provident Fund but does not include Provision for Gratuity, Leave Encashment & Employees Stock Ownership Plan. The monetary value of perquisites is calculated in accordance with the provisions of the Income-tax Act, 1961 and Rules made thereunder.
- 2 The employee has adequate experience to discharge the responsibility assigned to him.
- 3 The nature of employment is contractual.
- 4 The above employee is not related to any Director or Manager of the Company.

For and on behalf of the Board of Directors

Place : Mumbai
Date : 4th May, 2010

Sajjan Jindal
Chairman

MANAGEMENT DISCUSSION AND ANALYSIS

A) Overview – Financial Performance

The Company during the Financial Year 2009-10 has posted a reasonably good financial performance. Inclusive of Income by way of Dividend of Rs.206.64 lakhs and Interest of Rs.496.77 lakhs, the Total Income is Rs. 703.41 lakhs as against Total Income of Rs.4087.89 lakhs in the previous year. The decrease was mainly on account of subdued performance of the Investee Companies which resulted in receipt of lower dividends by the Company during the year. The Profit before depreciation and tax is Rs.578.83 lakhs. After providing for depreciation of Rs. 0.29 lakh and Tax of Rs.140.23 lakhs, the Net Profit is Rs.438.31 lakhs. The Share Capital of the Company as on 31st March, 2010 stood at Rs.11.10 crores and Reserves and Surplus at Rs.610.74 crores resulting in Net worth of Rs.621.84 crores.

B) Outlook

Major activities and Future Prospects

The Company is registered as a Non Banking Financial Company (NBFC) with Reserve Bank of India under the provisions of Section 45 IA of the Reserve Bank of India Act, 1934. In terms of Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007, the Company is a 'Systemically Important Non-Deposit Taking Non-Banking Financial Company' (i.e a non-banking financial company not accepting / holding public deposits and having an asset size of more than Rs.100 crores) having total assets of Rs.621.84 crores.

Your Company continues to hold significant investments in Equity Shares of JSW Steel Limited besides certain other Investments in other O. P. Jindal Group of Companies. The financial year under review saw the economy recovering from the severe recession witnessed in the earlier year. The Steel Sector in India also is on the growth path and the performance of the Investee Companies are expected to substantially improve in the current financial year, which is expected to result in higher dividend payouts in the coming year. The anticipated infrastructure development being undertaken in the country is expected to give a further boost to the Steel industry and your Company is looking forward for a sustainable growth in its Investee Companies in the coming year which would enhance the shareholders' value.

The Company will continue to focus on making long-term strategic investments in various New Ventures promoted by JSW Group, a part of O. P. Jindal Group, besides consolidating the existing investments through further investments in the existing companies. Considering the further forecasted recovery in the economy and the prospects of the economy

as a whole and the steel industry in particular, the Company expects to restore its value with a hope of further enhancement in the long term for the benefit of the shareholders at large.

Opportunities & Threats

Considering that the economy on the whole is on the path of growth, the Company foresees a lot of opportunities coming up for equity participation in new projects/expansion of existing projects of the Investee companies in the future. The Company can also explore other opportunities in the Capital market, which may come up.

The Company holds significant investments in equity of Steel Companies. The steel industry is characterized by cyclical fluctuations in prices. Downward movement in the Steel prices could adversely affect margins of the Steel Companies, which could be a major threat to the Company's fortunes.

C) Risk and Concerns

The Company is mainly exposed to market risks in the form of reduction in value of its investments and fall in returns due to dip in the investee Company's performance. The Company is also exposed to the fluctuations of economy and industry cycles/ downturns.

D) Internal Control Systems

The Company has adequate internal control systems for the business processes in respect of all operations, financial reporting, compliance with laws and regulations etc. The management information system forms an effective and sound tool for monitoring and controlling all operating parameters. Regular internal audits ensure that responsibilities are executed effectively. The Audit Committee reviews the Internal Audit Reports and the adequacy of internal controls on regular basis.

E) Human Resources Management

The Company presently has 2 employees who are professionals in their field and are given independent responsibilities to perform significant roles in the Company's development. The Company will strengthen its operative staff as and when the need arises.

F) Cautionary Statement

Statement in this Management Discussion and Analysis Report, describing the Company's outlook, projections, estimates, expectations or predictions may be "Forward Looking Statements" within the meaning of applicable securities laws or regulations. Actual results could differ materially from those expressed or implied.

CORPORATE GOVERNANCE REPORT

1. Company's Philosophy on Code of Governance

Sound Corporate Governance principles are the foundation upon which the trust of investors is built. These principles are critical for growing the reputation that JSW has established over the years as a group dedicated to excellence in both performance and integrity. This trust and respect are fostered by our management in line with the prescribed guiding principles of Corporate Governance.

In our view, modern Corporate Governance is about promoting fairness, transparency, accountability and integrity in role playing. It involves a number of elements, including a clear understanding by directors of their company's strategic objectives, structures to ensure that the objectives are being met, systems to ensure the effective management of risks and the mechanisms to ensure that the company's obligations are identified and discharged. Although corporate governance involves many systems and structures, the heart of it lies with the top management of a Company.

Our commitment to the highest business standards and effective corporate governance is essential in achieving respect from JSW stakeholders, as well as JSW communities, government officials and the general public. Together, the Board members ensure that Jindal South West Holdings Limited remains a company of uncompromised integrity and excellence.

Your Company confirms the compliance of Corporate Governance as contained in Clause 49 of the Listing Agreement, details of which are given below :

2. Board of Directors

i) Composition:

The Board of Directors comprises of 6 Directors all are with rich and varied experience in their respective fields :

Name of the Director	Designation
<i>Non-Executive Promoter</i> Mr. Sajjan Jindal	Chairman
<i>Non-Executive Independent</i> Dr. S. K. Gupta Mr. Atul Desai Mr. I. Qureshi	Director Director Director
<i>Non-Executive Non-Independent</i> Mr. N. K. Jain	Director
<i>Executive</i> Mr. K. N. Patel	Jt. Managing Director & CEO

Notes :

- Independent Director means a director as defined under Clause 49 of the Listing Agreement.
- No Director is related to other Directors on the Board.

ii) Meetings and attendance record of each director:

The Board met four (4) times during the year ended 31st March, 2010.

No.	Date of Board Meeting	City	No. of Directors present
1	24.04.2009	Mumbai	6 out of 6
2	21.07.2009	Mumbai	5 out of 6
3	22.10.2009	Mumbai	5 out of 6
4	21.01.2010	Mumbai	5 out of 6

The attendance record of the Directors at the Board Meetings held during the year ended 31st March, 2010, and the last Annual General Meeting (AGM) and the details of other Directorships and Committee Chairmanships and Memberships held by the Directors of the Company as at 31st March, 2010 are given below: -

Name of the Director	No. of Equity Shares held	Attendance Particulars		No. of Directorships and Committee (*) Memberships/Chairmanships		
		Board Meetings	Last AGM (Y/N)	Other Directorships (\$)	Other Committee Memberships	Other Committee Chairmanships
Mr. Sajjan Jindal	2,197	1	No	6	Nil	Nil
Mr. N. K. Jain	100	4	Yes	7	1	3
Dr. S. K. Gupta	-	4	No	7	3	4
Mr. Atul Desai	-	4	Yes	5	4	2
Mr. K. N. Patel	100	4	Yes	9	2	3
Mr. I. Qureshi	-	4	Yes	1	1	-

(*) Only two committees, namely, Audit Committee and Shareholders'/Investors' Grievance Committee have been considered as per Clause 49 of the Listing Agreement.

(\$) Excluding directorship in Private Limited Companies, Foreign Companies and Companies under Section 25 of the Companies Act, 1956.

3. Audit Committee

- i) The Audit Committee presently comprises of three Directors, namely:
- Mr. Atul Desai (Chairman)
 - Mr. N. K. Jain
 - Dr. S. K. Gupta

All the Members of the Committee possess adequate knowledge of Accounts, Audit, Finance, etc. The Statutory and Internal Auditors are invited to attend the Audit Committee meetings. Mr. K. N. Patel, Jt. Managing Director & CEO is a permanent invitee to the meetings of the Committee. The Company Secretary acts as the Secretary to the Committee.

ii) Terms of reference:

The terms of reference of the Audit Committee cover all applicable matters specified under clause 49 of the Listing Agreement with the Stock Exchanges and Section 292A of the Companies Act, 1956, which inter alia include overseeing the Company's financial reporting process, recommending the appointment and removal of external Auditors, fixation of audit fees and also approval for payment for any other services, reviewing with the management the financial statement before submission to the Board and reviewing adequacy of internal control systems, etc.

iii) Meetings and attendance record of each Director for Audit Committee:

The Audit Committee met four (4) times during the year ended 31st March, 2009.

No.	Date of Audit Committee Meeting	City	No. of Directors present
1	24.04.2009	Mumbai	3 out of 3
2	21.07.2009	Mumbai	3 out of 3
3	22.10.2009	Mumbai	3 out of 3
4	21.01.2010	Mumbai	3 out of 3

The attendance record of the Members at the Audit Committee meeting held during the year ended 31st March, 2010 is given below: -

No.	Name of the Director	No. of Meetings	
		Held	Attended
1.	Mr. Atul Desai	4	4
2.	Mr. N. K. Jain	4	4
3.	Dr. S. K. Gupta	4	4

4. Remuneration Committee

- i) The Remuneration Committee comprises of three Directors, namely:
- Dr. S. K. Gupta (Chairman)
 - Mr. N. K. Jain
 - Mr. Atul Desai

- ii) The terms of reference of the Remuneration Committee are as follows:

- 1) To determine on behalf of the Board and on behalf of the shareholders, the Company's policy on specific remuneration packages for Executive Directors including pension rights and any compensation payment.
- 2) To approve the payment of remuneration to managerial personnel as per the Policy laid down by the Committee.

- iii) The Committee met once during the year on 21.07.2009, to approve the increase in the ceiling limit of Remuneration payable and change in the terms and conditions of payment of remuneration to Mr. K.N. Patel, Jt. Managing Director & CEO of the Company. All the Members of the Committee attended the meeting.

- iv) Remuneration Policy:

The Remuneration Committee recommends the remuneration package for the Executive Director/s of the Company. In determining the remuneration, the Committee takes into consideration the performance and contribution, remuneration practices followed by Companies of similar size and stature and the Industry Standards.

The Directors' compensation is based on the appraisal system wherein the individual goals are linked to the Organizational goals. Executive Director is paid, subject to the approval of the Board and the Members of the Company in the General Meeting and such other approvals, as may be necessary, compensation as per the agreement entered into between him and the Company. The present remuneration structure of Jt. Managing Director & CEO comprises of salary, perquisites, allowances, special pay, performance reward/incentive, retention bonus, employee stock ownership plans and contributions to Provident Fund and Gratuity.

At present the Non-Executive Directors are being paid only sitting fees for attending meetings of the Board / Committee.

- v) Remuneration of Directors:

The disclosure in respect of remuneration paid / payable to Jt. Managing Director & CEO of the Company for the financial year 2009-10 is given below: -

Name of Director	: Mr. K. N. Patel
Designation	: Jt. Managing Director & CEO
Remuneration details	
(a) Salary and Perquisites	: Rs.90,32,402/-
(b) Commission	: Nil
(c) Stock Options	: Nil
(d) Pension	: Nil
Service Contract	: Agreement for a period of 5 years from 28.04.2005
Notice Period	: 3 months notice from either side
Severance Fees	: Nil

Note : Remuneration shown above includes Salary, House Rent Allowance, Bonus, Leave Travel Allowance, Medical Reimbursement and Company's contribution to Provident Fund but does not include Provision for Gratuity, Leave Encashment & Employees Stock Ownership Plan. The monetary value of perquisites is calculated in accordance with the provisions of the Income-tax Act, 1961 and Rules made there under.

The Non-Executive Directors do not draw any remuneration from the Company except that they are being paid sitting fees of Rs. 10,000/- for attending each meeting of the Board and Committees, viz, Remuneration, Audit, Shareholders'/ Investors' Grievance Committee and the Finance Committee. The details of sitting fees paid during the year 2009-10 to the Non-Executive Directors are given below: -

Name of Director	Sitting fees (in Rs.)
Mr. N. K. Jain	100,000
Dr. S. K. Gupta	100,000
Mr. Atul Desai	100,000
Mr. I Qureshi	40,000

5. Shareholders'/Investors' Grievance Committee

i) The Shareholders'/Investors' Grievance Committee comprises of three Members, namely:

- Mr. N. K. Jain (Chairman)
- Dr. S. K. Gupta
- Mr. Atul Desai

Mr. K. N. Patel, Jt. Managing Director & CEO is a permanent invitee to the meetings of the Committee. Ms. Hemangi Wadkar, Company Secretary is the Compliance Officer w.e.f. 24th September, 2007. Ms. Hemangi Wadkar acts as a Secretary to this Committee.

ii) The Committee looks into issues relating to shareholders / investors, including complaints relating to transfer/transmission of shares, issue of duplicate share certificates, non-receipt of annual report etc. and their redressal.

iii) During the year under review no complaints were received from Shareholders/Investors. There Committee met once during the year on 24.04.2009, in which all the three Committee members attended the meeting.

6. General Body Meetings

i) The details of Annual General Meetings (AGM) of the Company held in last 3 years are as under :

AGM	Date	Time	Venue
8th AGM	27.06.2009	11.30 a.m	N. C. Jindal Public School Auditorium, Road No. 73, Punjabi Bagh, New Delhi – 110 026.

AGM	Date	Time	Venue
7th AGM	28.06.2008	11.30 a.m.	N. C. Jindal Public School Auditorium, Road No. 73, Punjabi Bagh, New Delhi – 110 026.
6th AGM	23.06.2007	11.00 a.m.	N. C. Jindal Public School Auditorium, Road No. 73, Punjabi Bagh, New Delhi – 110 026.

ii) Special Resolutions passed in the previous three AGMs:

a) At the 8th AGM

- Revision in the terms and conditions of the payment of remuneration to the Jt. Managing Director & CEO of the Company.

b) At the 7th AGM

None

c) At the 6th AGM

None

iii) No Special Resolutions have been put through by postal ballot so far by the Company. At present, the Company does not have any proposal for postal ballot this year.

7. Disclosures

- There are no materially significant related party transactions i.e. transactions of the Company of material nature, with its Promoters, the Directors or the Management, their Subsidiaries or relatives etc. that would have potential conflict with the interests of the Company at large.
- There were no instances of non-compliance with Stock Exchanges or SEBI regulations nor any penalties or strictures have been imposed on the Company by the Stock Exchanges or SEBI or any statutory authority on any matter related to capital markets during the last three years.
- Details of information on appointment/reappointment of Directors : A brief resume, nature of expertise in specific functional areas, names of companies in which the person already holds directorship and membership of Committees of the Board of Directors, appears in the Notice of the Annual General Meeting, which forms part of this Annual Report.
- The Board of Directors of the Company have laid down a 'Code of Conduct' applicable to the Board Members and Senior Management Executives. The Code has been posted on the Company's website (www.jsw.in). A declaration by the Jt. Managing Director & CEO affirming the compliance of the Code of Conduct for

Board Members and Senior Management Executives forms part of the Annual Report.

- As per the requirement of Clause 49 (V) of the Listing Agreement, the Jt. Managing Director & CEO of the Company has furnished the requisite certificate to the Board of Directors of the Company.
- The Company has adopted a management framework to identify risks and exposures to the organization, to recommend risk mitigation and to set up a system to appraise the Board of Directors of the Company about the risk assessment and minimization procedure and their periodic review.
- No funds have been raised through public issue of equity or debt in the form of public or rights or preferential issues during the year under review.
- The Company has not established any formal Whistle Blower Policy.

8. Means of Communication

- i) Quarterly Results : The Quarterly, Half-yearly and Yearly financial results of the Company are faxed/sent to stock exchanges on which the Company's shares are listed and also posted on the Company's website after they are approved by the Board. These are also published in the newspapers as per the provisions of the Listing Agreement.
- ii) Newspapers wherein results are normally published : ● Financial Express (English Language) and
● Jansatta (Local language)
- iii) Website of the Company : www.jsw.in
- iv) EDIFAR : As per the requirement of clause 51 of the listing agreement, all the data relating to quarterly financial results, shareholding pattern, etc. were electronically filed on the electronic data information filing and retrieval (EDIFAR) website of SEBI (www.sebiedifar.nic.in) within the timeframe prescribed in this regard.
- v) Whether it also displays official news releases : Yes, wherever applicable.

- vi) The Presentations : Will be complied with whenever made to institutional investors or to the analysts applicable/made.

9 Management Discussion & Analysis Report

The Management Discussion and Analysis Report (MDA) covering various matters specified under clause 49(IV)(F) of the listing agreement forms part of the Annual Report.

10 Subsidiaries

Your Company does not have any subsidiary company.

11 General Shareholders Information

a) Annual General Meeting

Date : 3rd July, 2010

Time : 3.30 p.m.

Venue : N. C. Jindal Public School Auditorium,
Road No. 73, Punjabi Bagh,
New Delhi – 110 026

b) Financial Calendar 2010-11

Financial reporting for the quarter ending 30th June, 2010	:	July, 2010
Financial reporting for the half-year ending 30th September, 2010	:	October, 2010
Financial reporting for the quarter ending 31st December, 2010	:	January, 2011
Financial reporting for the year ending 31st March, 2011	:	April, 2011
Annual General Meeting for the year ending 31st March, 2011	:	June/July, 2011

c) Dates of Book Closure

Saturday, 26th June, 2010 to Saturday, 3rd July, 2010 (both days inclusive).

d) Dividend Payment Date

No dividend is recommended for the financial year ended on 31st March, 2010.

e) Listing of Securities

The Equity Shares of your Company are listed on Bombay Stock Exchange Limited (BSE), National Stock Exchange of India Limited (NSE) and The Delhi Stock Exchange Association Limited (DSE).

Annual Listing Fees as prescribed have been paid to the Stock Exchanges for the financial year 2010-11.

Stock Code / Security Symbol (Equity Shares)

BSE	NSE
532642	JINDALSWHL

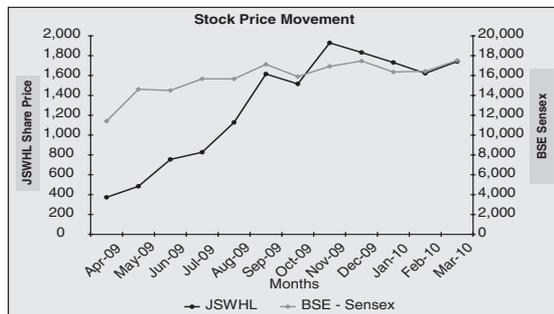
f) ISIN No. for Dematerialization of Equity Shares

INE824G01012

g) Market Price Data

The details of High & Low share price of equity shares of the Company during each month of the year under review are as under: -

Months (2009-10)	BSE		NSE	
	High	Low	High	Low
April 2009	456.75	261.00	457.05	253.90
May 2009	557.40	375.00	559.95	336.85
June 2009	896.20	485.85	895.00	486.15
July 2009	879.00	561.10	875.10	560.00
August 2009	1165.00	751.00	1165.00	750.10
September 2009	1660.35	1007.00	1659.85	1005.00
October 2009	1934.00	1395.00	1932.15	1397.60
November 2009	2096.00	1419.00	2097.00	1420.00
December 2009	2042.00	1538.00	2043.15	1530.00
January 2010	2137.80	1640.00	2139.00	1621.00
February 2010	1888.00	1558.00	1886.60	1563.40
March 2010	1858.00	1633.00	1857.70	1632.05



Note : There has been no trading in Equity Shares of the Company on DSE during the year under review.

(data source : www.bseindia.com & www.nseindia.com)

i) Distribution of Shareholding

The distribution of shareholding as on 31st March, 2010 is given below:

Sr. No	No. of Equity Shares	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shareholding
1	Upto – 500	30,946	98.14	13,04,226	11.75
2	501 – 1000	265	0.84	1,98,493	1.79
3	1001 – 2000	158	0.50	2,28,462	2.06
4	2001 – 3000	44	0.14	1,11,737	1.01
5	3001– 4000	27	0.09	92,274	0.83
6	4001 – 5000	13	0.04	59,822	0.54
7	5001 – 10000	21	0.07	1,55,499	1.40
8	10001 & above	56	0.18	89,49,112	80.62
	Total	31530	100.00	1,10,99,625	100.00

h) Registrar and Share Transfer Agent

Sharepro Services (India) Pvt. Ltd.

Satam Estate, 3rd Floor, Above Bank of Baroda,

Cardinal Gracious Road, Chakala,

Andheri (East), Mumbai – 400 099.

Tel.: 022-28215168 Fax: 022-28375646

E-mail: sharepro@vsnl.com

i) Share Transfer System

Equity Shares sent for transfer in physical form are normally registered by our Registrar and Share Transfer Agent within 15 days of receipt of the documents, if documents are found in order. Shares under objection are returned within two weeks. All the share transfer requests are approved by the Share Transfer Committee of the Company at its various meetings held during the year under review. The Company conducts periodical audit of share transfer system and securities issued, through competent professionals.

j) Dematerialization of Shares and Liquidity

Trading in equity shares of the Company is permitted only in the dematerialized form. The Company has arrangements with both, National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) to enable the shareholders to hold shares in electronic form with either of these depositories.

Out of total equity share capital of 1,10,99,625 Equity shares as on 31st March, 2010, 91.87% (1,01,97,049 equity shares) are held in dematerialized form with NSDL and 5.09% (5,65,331 equity shares) are held in dematerialized form with CDSL.

k) Outstanding GDRs / ADRs / Warrants or any Convertible Instruments, conversion dates and likely impact on equity

There are no GDRs / ADRs or Warrants or any other convertible instruments which are pending for conversion into equity shares.

Categories of Shareholders as on 31st March, 2010 :

Category	No. of shareholders	% of holders	No. of Equity Shares	% of holding
Promoters/Persons acting in concert	56	0.17	62,04,386	55.90
Resident Individuals	28,855	91.52	16,18,510	14.57
Non Resident Individuals	1,502	4.76	1,47,220	1.32
Bodies Corporate	1,050	3.33	7,54,092	6.80
Overseas Corporate Bodies	2	0.01	10,025	0.09
Foreign Institutional Investors	34	0.11	21,94,153	19.77
Nationalised & Non-Nationalised Banks	11	0.03	1,217	0.01
UTI & Mutual Funds	14	0.04	4,526	0.04
LIC/Insurance Companies	1	0.01	1,07,172	0.97
Others – Trust	5	0.02	58,324	0.53
Total	31,530	100.00	1,10,99,625	100.00

m) Office address & website of the Company

Registered Office

Jindal Centre,
12, Bhikaiji Cama Place,
New Delhi – 110 066.
Tel. : 011-2618 8360
Fax : 011-2617 0691
Website : www.jsw.in

Corporate Office

Jindal Mansion,
5A, Dr. G. Deshmukh Marg,
Mumbai – 400 026.
Tel.: 022-2351 3000
Fax: 022-2352 6400
Website : www.jsw.in

n) Address for Investors Correspondence

Registrar & Share Transfer Agent

Sharepro Services (India) Pvt. Ltd.
Satam Estate, 3rd Floor, Above Bank of Baroda,
Cardinal Gracious Road, Chakala, Andheri (E),
Mumbai – 400 099.
Tel. : 022-2821 5168
Fax : 022-2837 5646
E-mail : sharepro@vsnl.com

Company Secretary & Compliance Officer

Hemangi Wadkar
Jindal South West Holdings Limited
Jindal Mansion, 5A, Dr. G. Deshmukh Marg,
Mumbai – 400 026
Tel. : 022-2351 3000
Fax : 022-2351 5294
E-mail : hemangi.wadkar@jsw.in

The Company has designated an exclusive e-mail Id : grievance.jswhl@jsw.in for the purpose of registering the Investors complaints and expediting their redressal.

Compliance Certificate by Auditors

The Company has obtained a certificate from the Statutory Auditors regarding compliance of conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement, which is annexed herewith.

For and on behalf of the Board of Directors

Place : Mumbai
Date : 4th May, 2010

Sajjan Jindal
Chairman

CHIEF EXECUTIVE OFFICER (CEO) CERTIFICATION

I, K. N. Patel, Jt. Managing Director & CEO of Jindal South West Holdings Limited, do hereby certify that :

- a) I have reviewed the financial statements and the cash flow statement of the Company for the year 2009-10 and to the best of my knowledge, information and belief:
 - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) To the best of my knowledge and belief, no transactions entered into by the Company during the year are fraudulent, illegal or violative of the Company's Code of Conduct.
- c) The Company's other certifying officers and I, are responsible for establishing and maintaining internal controls for financial reporting and that I have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and I have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which I am aware and the steps I have taken or propose to take to rectify these deficiencies.
- d) I have indicated to the Auditors and the Audit Committee that :
 - (i) there are no significant changes in internal control over financial reporting during the year;
 - (ii) there are no significant changes in accounting policies during the year; and
 - (iii) there are no instances of fraud during the year.

Place : Mumbai
Date : 4th May, 2010

K. N. Patel
Jt. Managing Director & CEO

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members,
JINDAL SOUTH WEST HOLDINGS LIMITED
Mumbai

We have examined the compliance of the conditions of Corporate Governance by **JINDAL SOUTH WEST HOLDINGS LIMITED** ("**the Company**"), for the year ended on March 31, 2010, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges in India.

The Compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the 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 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 and the representation made by Directors and the Management, We certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We further 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 **SHAH GUPTA & CO.**
Chartered Accountants

HENEEL K. PATEL
Partner
M. No: 114103
FRN – 109574W

Place : Mumbai
Date : May 4, 2010

AUDITORS' REPORT

To,
The members of,
JINDAL SOUTH WEST HOLDINGS LIMITED

1. We have audited the attached Balance Sheet of **JINDAL SOUTH WEST HOLDINGS LIMITED**, as at March 31, 2010 and the related Profit and Loss Account for the year ended on that date and the Cash Flow Statement 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.
2. 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 the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis of our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 (as amended) (the 'Order'), issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956 (the 'Act'), we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the annexure referred to in paragraph (3) above, we report that:
 - a. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c. The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;

- d. In our opinion, Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
- e. On the basis of the written representations received from the Directors of the Company as on March 31, 2010 and taken on record by the Board of Directors of the Company, none of the Directors of the Company is disqualified as on March 31, 2010 from being appointed as a Director in terms of clause (g) of sub-section (1) of section 274 of the Act;
- f. In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - i. in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2010;
 - ii. in the case of the Profit and Loss Account, of the profit for the year ended on that date and
 - iii. in the case of the Cash Flow Statement, of the cash flows for the year ended on that date

For SHAH GUPTA & CO.
Chartered Accountants

HENEEL K. PATEL
Partner
M. No: 114103
FRN – 109574W

Place : Mumbai
Date : May 4, 2010

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph 3 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 on the basis of available information.
- (b) As explained to us, the fixed assets have been physically verified by the management in the phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.
- (c) The Company has not disposed off any substantial part of the fixed assets during the year and the going concern status of the Company is not affected.
- (ii) As the Company does not have inventory, the Clauses (ii)(a) to (ii)(c) of paragraph 4 of the Order are not applicable to the Company.
- (iii) (a) As informed, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, sub-clause (b), (c) and (d) are not applicable.
- (b) As informed, the Company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, sub-clause (f) and (g) are not applicable.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of fixed assets. Further, on the basis of our examination of the books of account and according to the information and explanations given to us, we have not come across nor have we been informed of any instance of major weaknesses in the aforesaid internal control system.
- (v) According to the information and explanations provided by the management, there were no transactions during the year pursuant to the contracts or arrangements referred to in section 301 of the Act. Accordingly, sub-clause (b) is not applicable.
- (vi) The Company has not accepted any deposits under the provisions of Section 58A and 58 AA or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 1957 framed there under.
- (vii) In our opinion, the internal audit system of the Company is commensurate with its size and nature of its business.
- (viii) To the best of our knowledge and as explained, the Central

Government has not prescribed maintenance of cost records under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956 for the products of the Company.

- (ix) (a) According to the information and explanations given to us, the Company is regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Wealth Tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Cess and other statutory dues with appropriate authorities applicable to it.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, investor education and protection fund, employees' state insurance, income-tax, wealth-tax, service tax, sales-tax, customs duty, excise duty, cess and other undisputed statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (c) According to the information and explanations given to us, the following demands as at March 31, 2010 have not been deposited since appeals are pending before the relevant Authorities:

Name of the statute	Nature of dues	Amount (Rupees)	Amount Paid/ adjusted (Rupees)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	28,08,002	15,00,000	A.Y. 2006-07	Income Tax Appellate Tribunal (Mumbai)
Income Tax Act, 1961	Income Tax	27,22,305	27,22,305	A.Y. 2007-08	Commissioner of Income Tax (Appeals)

- (x) The Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and immediately preceding financial year.
- (xi) According to the books of account and records of the Company, no amount is due to financial institution or bank or debenture holders.
- (xii) According to the information and explanations given to us and based on the documents and records produced 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 (as amended) are not applicable to the Company.

- (xiv) In our opinion and according to the information and explanations given to us, the Company has not dealt/traded in shares, debentures and other investments. The shares, securities, debentures and other investments have been held by the Company, in its own name.
- (xv) The Company has not given any guarantee for loans taken by others. The term and conditions on which it has pledged its shares as security in favour of Lenders for financial assistance given to others are not prejudicial to the interest of the Company.
- (xvi) The Company did not have any term loans outstanding during the year.
- (xvii) According to the information and explanations given to us and on overall examination of the cash flow statements and balance sheet of the Company, in our opinion, the funds raised on short-term basis have, prima facie not been used for long term investment.
- (xviii) During the year, the Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act.

- (xix) The Company did not have any outstanding debentures during the year.
- (xx) The Company has not raised any money by public issue during the year.
- (xxi) To the best of our knowledge and belief and according to the information and explanations given to us, no material fraud on or by the Company was noticed or reported during the year.

For SHAH GUPTA & CO
Chartered Accountants

HENEEL K. PATEL
Partner
M. No: 114103
FRN – 109574W

Place : Mumbai
Date : May 4, 2010

AUDITORS' REPORT

The Board of Directors

JINDAL SOUTH WEST HOLDINGS LIMITED

Jindal Mansion,
5A, Dr. G. Deshmukh Marg,
Mumbai – 400 026

Dear Sirs,

We have audited the Balance Sheet of **JINDAL SOUTH WEST HOLDINGS LIMITED** as at March 31, 2010 and the Profit and Loss account for the year ended on that date.

As required by the Non-Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 1998 vide notification No.DFC.117/DG(SPT)-98 dated January 2, 1998 issued by Reserve Bank of India (RBI), we give hereunder our report on matters specified in paragraphs 3(A) and (C) of the said Directions.

- i. The Company has obtained a Certificate of Registration as provided in Section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934).
- ii. The Company is engaged in the business of non-banking financial institution requiring it to hold a Certificate of Registration under Section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) for the year ended on March 31, 2010.
- iii. The Board of Directors has passed a resolution for the non-acceptance of any public deposits.

- iv. The Company has not accepted any public deposits during the relevant year; and
- v. The Company has complied with the prudential norms relating to income recognition, accounting standards, asset classification and provisioning for bad and doubtful debts as applicable to it.
- vi. The Company has complied with the requirements of capital adequacy ratio applicable to the 'Systematically important non-deposit taking non-banking financial company' as defined in paragraph 2(1)(xix) of the Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007. It has also furnished the statement of capital funds, risk assets/exposures and risk asset ratio (NBS – 7) within the stipulated period.

Yours faithfully

For SHAH GUPTA & CO
Chartered Accountants

HENEEL K. PATEL
Partner
M. No: 114103
FRN – 109574W

Place : Mumbai
Date : May 4, 2010

BALANCE SHEET AS AT 31ST MARCH, 2010

(Rupees in Thousands)

	Schedule No.	As at 31.03.2010	As at 31.03.2009
SOURCES OF FUNDS :			
1. Shareholders Funds			
a) Share Capital	A	11,09,96	11,09,96
b) Reserves and Surplus	B	610,74,29	606,35,98
2 Deferred Tax Liability - Net		10	-
TOTAL		621,84,35	617,45,94
APPLICATION OF FUNDS :			
1. Fixed Assets	C		
Gross Block		1,86	1,86
Less: Depreciation		1,43	1,14
Net Block		43	72
2. Investments	D	537,37,03	537,37,03
3. Deferred Tax Asset - Net		-	27
4. Current Assets, Loans and Advances	E	87,47,66	83,23,56
Less : Current Liabilities & Provisions	F	3,00,77	3,15,64
Net Current Assets		84,46,89	80,07,92
TOTAL		621,84,35	617,45,94
Significant Accounting Policies and Notes forming part of the financial Statements	I		
Schedules referred to herein form an integral part of the Financial Statements			

As per our attached report of even date

For and on behalf of the Board of Directors

For **SHAH GUPTA & CO.**
Chartered Accountants**N. K. JAIN**
Director**K.N. PATEL**
Jt. Managing Director & CEO**HENEEL K. PATEL**
Partner**HEMANGI WADKAR**
Company SecretaryMumbai
Dated : 4th May, 2010Mumbai
Dated : 4th May, 2010

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

(Rupees in Thousands)

	Schedule No.	Year ended 31.03.2010	Year ended 31.03.2009
INCOME :			
Dividend		2,06,64	25,21,47
Interest Received (TDS Rs.64,87 Thousands Previous year Rs.2,21,87 Thousands)		4,96,77	9,79,15
Profit on Sale of Investments		-	5,87,27
		7,03,41	40,87,89
EXPENDITURE :			
Employees' Remuneration & Benefits	G	1,00,79	97,45
Office, Administrative & Other Expenses	H	23,79	22,47
Depreciation		29	39
		1,24,87	1,20,31
Profit before Tax		5,78,54	39,67,58
Less : Provision for Taxation			
Current Tax		1,39,85	3,31,25
Fringe Benefit Tax		-	28
Deferred Tax (Refer Note No. 9 in Schedule I (II))		38	1,47
Profit after tax		4,38,31	36,34,58
Balance Brought forward from previous year		72,69,03	43,61,45
Amount available for Appropriation		77,07,34	79,96,03
Appropriations:			
Transferred to Reserve Fund		87,70	7,27,00
Balance carried to Balance Sheet		76,19,64	72,69,03
Basic and Diluted Earnings Per Share (Equity Shares, par value of Rs. 10 each) (in Rs.)		3.95	32.75
Significant Accounting Policies and Notes forming part of the Financial Statements	I		
Schedules referred to herein form an integral part of the Financial Statements			

As per our attached report of even date

For and on behalf of the Board of Directors

For **SHAH GUPTA & CO.**
Chartered Accountants

N. K. JAIN
Director

K.N. PATEL
Jt. Managing Director & CEO

HENEEL K. PATEL
Partner

HEMANGI WADKAR
Company Secretary

Mumbai
Dated : 4th May, 2010

Mumbai
Dated : 4th May, 2010

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2010

(Rupees in Thousands)

	Year ended 31.03.2010	Year ended 31.03.2009
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit/(Loss) before tax	5,78,54	39,67,58
Adjusted for :		
Depreciation	29	39
Dividend Income	(2,06,64)	(25,21,47)
Interest income	(4,96,77)	(9,79,15)
Profit on Sale of Investments	-	(5,87,27)
Operating Profit Before Working Capital Changes	(1,24,58)	(1,19,92)
Adjustments For Changes In Working Capital		
Increase/(Decrease) In Trade Payables	5,09	18,38
	(1,19,49)	(1,01,54)
Dividend Received	2,06,64	25,21,47
Interest Received	4,96,77	9,79,15
Cash flow from Operating Activities	5,83,92	33,99,08
Direct Taxes Refund/ (Paid)	(2,20,89)	(3,06,97)
Net Cash from Operating Activities	3,63,03	30,92,11
B. CASH FLOW FROM INVESTING ACTIVITIES		
Sale/(Purchase) of Investments (net)	-	(48,60,24)
Purchase of Fixed Assets	-	(26)
Loans & Advances	(4,50,87)	17,31,95
Net Cash used in Investing Activities	(4,50,87)	(31,28,55)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Net Cash used in Financing Activities	-	-
	-	-
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(87,84)	(36,44)
Cash and Cash Equivalents - Opening Balance	89,80	1,26,24
Cash and Cash Equivalents - Closing Balance	1,96	89,80
	(87,84)	(36,44)

Notes:

- The above cash flow statement has been prepared by using the indirect method as per Accounting Standard 3 - "Cash Flow Statements" Notified in the Companies (Accounting Standard) Rules, 2006.
- Previous year's figure have been regrouped/rearranged wherever necessary to conform to current year's classification.

As per our attached report of even date

For and on behalf of the Board of Directors

For **SHAH GUPTA & CO.**
Chartered Accountants

N. K. JAIN
Director

K.N. PATEL
Jt. Managing Director & CEO

HENEEL K. PATEL
Partner

HEMANGI WADKAR
Company Secretary

Mumbai
Dated : 4th May, 2010

Mumbai
Dated : 4th May, 2010

SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS

(Rupees in Thousands)

	As at 31.03.2010	As at 31.03.2009
SCHEDULE A		
SHARE CAPITAL :		
AUTHORISED :		
1,15,00,000 (previous year 1,15,00,000) Equity Shares of Rs 10 each	<u>11,50,00</u>	<u>11,50,00</u>
ISSUED, SUBSCRIBED AND PAID UP :		
1,10,99,625 (previous year 1,10,99,625) Equity Shares of Rs.10 each, fully paid up	<u>11,09,96</u>	<u>11,09,96</u>
	<u>11,09,96</u>	<u>11,09,96</u>
SCHEDULE B		
RESERVES & SURPLUS :		
a) General Reserve As per last Balance Sheet	<u>515,57,20</u>	<u>515,57,20</u>
A	<u>515,57,20</u>	<u>515,57,20</u>
b) Reserve Fund (As required by Section 45-IC of Reserve Bank Of India Act, 1934) As per last Balance Sheet Add : Transferred from Profit & Loss Account	<u>18,09,75</u>	<u>10,82,75</u>
	<u>87,70</u>	<u>7,27,00</u>
B	<u>18,97,45</u>	<u>18,09,75</u>
c) Surplus in Profit and Loss Account As per annexed account	<u>76,19,64</u>	<u>72,69,03</u>
C	<u>76,19,64</u>	<u>72,69,03</u>
Total (A+B+C)	<u>610,74,29</u>	<u>606,35,98</u>

SCHEDULE C

FIXED ASSETS :

(Rupees in Thousands)

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 1st April, 2009	Additions	Deductions	As at 31st March, 2010	Up to 31st March, 2009	For the year	Deductions/ Adjustments	Up to 31st March, 2010	As at 31st March, 2010	As at 31st March, 2009
Computer	1,86	-	-	1,86	1,14	29	-	1,43	43	72
TOTAL	1,86	-	-	1,86	1,14	29	-	1,43	43	72
Previous Year	1,60	26	-	1,86	75	39	-	1,14	72	

SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS

	Note No.	Face Value Rupees	As at 31st March, 2010		As at 31st March, 2009	
			Nos.	Amount Rupees in Thousands	Nos.	Amount Rupees in Thousands
SCHEDULE D						
INVESTMENTS :						
LONG TERM - (NON TRADE) :						
Quoted Equity Shares						
JSW Steel Ltd.	2	10	1,72,84,923	349,61,35	1,72,84,923	349,61,35
Jindal Steel & Power Ltd.	3	1	36,85,800	1,98,61	6,14,300	1,98,61
JSL Ltd.		2	4,60,720	84,43	4,60,720	84,43
Nalwa Sons Investments Ltd.		10	25,014	31,46	25,014	31,46
JSW Energy Ltd.	4	10	445	2	178	2
Amal Ltd.		10	143	-	143	-
				<u>352,75,87</u>		<u>352,75,87</u>
Unquoted Equity Shares						
Sun Investments Pvt. Ltd.		10	3,24,56,800	106,12,01	3,24,56,800	106,12,01
Satellite Developers Limited	5	10	1,169	27	334	27
Jindal Coated Steel Pvt.Ltd.	2	10	1,10,00,000	8,85,08	1,10,00,000	8,85,08
Jindal Overseas Pte. Ltd.		S\$1	1,53,000	3,80	1,53,000	3,80
Midland Steel Processors Ltd.		10	2,00,000	-	2,00,000	-
				<u>115,01,16</u>		<u>115,01,16</u>
Unquoted Preference Shares						
5% Non-cumulative Preference shares of Reynold Traders Pvt. Ltd.		100	4,00,000	4,00,00	4,00,000	4,00,00
8% Cumulative Optionally Convertible Preference Shares of JSW Investments Pvt. Ltd.		10	6,56,00,000	65,60,00	6,56,00,000	65,60,00
				<u>69,60,00</u>		<u>69,60,00</u>
TOTAL			537,37,03		537,37,03	
a) Aggregate Value of Quoted Investments	- at Cost			352,75,87		352,75,87
	- at Market Value			2,402,80,74		479,48,76
b) Aggregate Value of Unquoted Investments	- at Cost			184,61,16		184,61,16

Notes :

- All Investments are fully paid up.
- 1,20,75,000 equity shares of JSW Steel Ltd. and 1,10,00,000 equity shares of Jindal Coated Steel Pvt. Ltd. are pledged as security in favour of Lenders for financial assistance given by them to JSW Steel Ltd.
- During the year, Company has received 30,71,500 equity shares of Jindal Steel & Power Ltd. as Bonus shares in the ratio of 5 shares for every 1 share held.
- During the year, Company has received 267 equity shares of JSW Energy Ltd. as Bonus shares in the ratio of 3 shares for every 2 shares held. During the year, shares of JSW Energy Ltd. have got listed on Stock Exchanges.
- During the year, Company has received 835 equity shares of Satellite Developers Ltd. as Bonus shares in the ratio of 5 shares for every 2 shares held.

SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS

(Rupees in Thousands)

	As at 31.03.2010	As at 31.03.2009
SCHEDULE E		
CURRENT ASSETS, LOANS AND ADVANCES :		
Current Assets :		
Balance with Scheduled Bank:		
- In Current Account	1,96	89,80
A	1,96	89,80
Loans & Advances		
Sundry Loans, matured debentures including interest due		
	86,14,84	8,182,27
Other Advances *		
	69,80	51,49
Advance Income Tax, FBT and Tax deducted at source (Net)		
	61,06	-
B	87,45,70	82,33,76
Total (A+B)	87,47,66	83,23,56
* Includes advance to an officer of the Company (Maximum amount outstanding during the year Rs.11 Thousands Previous year Rs.38 Thousands)		
	-	11
SCHEDULE F		
CURRENT LIABILITIES & PROVISIONS :		
Sundry Creditors		
- Payable to Micro & Small Enterprises	-	-
- Payable to others	1,74	1,29
Others		
	45,23	40,58
Provisions		
- For Income Tax & FBT (Net)	-	19,97
- For Diminution in value of Investments	3,80	3,80
- For Non Performing Assets	2,50,00	2,50,00
	3,00,77	3,15,64
	3,00,77	3,15,64
	Year ended 31.03.2010	Year ended 31.03.2009
SCHEDULE G		
EMPLOYEES' REMUNERATION & BENEFITS :		
Salaries, Bonus, etc.		
	95,78	92,56
Contributions to Provident and other funds		
	4,62	3,98
Staff Welfare Expenses		
	39	91
	1,00,79	97,45
SCHEDULE H		
OFFICE ADMINISTRATIVE & OTHER EXPENSES :		
Repairs & Maintenance (other than on building and Plant & machinery)		
	-	5
Advertisement Expenses		
	1,75	1,50
Telephone Expenses		
	38	41
Travelling & Conveyance		
	1,91	1,62
Vehicle Expenses		
	1,49	1,19
Printing & Stationery		
	1,79	2,20
Postage & Telegram		
	2,54	3,56
Professional Fees		
	67	24
Auditors' Remuneration		
	2,27	1,79
Demat & Custodial Charges		
	1,87	1,13
Listing Fees		
	1,14	1,15
Share Transfer Agent Expenses		
	3,87	3,93
Director's Sitting Fees		
	3,40	3,10
AGM charges		
	16	21
Bad Debts Written Off		
	-	10
Less : Provision for NPA Written back		
	-	(10)
	55	39
Miscellaneous Expenses	23,79	22,47
	23,79	22,47

SCHEDULE I

SIGNIFICANT ACCOUNTING POLICIES & NOTES FORMING PART OF THE FINANCIAL STATEMENTS

I. ACCOUNTING POLICIES:

(a) General

- (i) The financial statements are prepared under the historical cost convention on the accounting principle of a going concern and comply with the applicable accounting standards issued by the Institute of Chartered Accountants of India and the relevant provisions of the Companies Act, 1956, except otherwise stated.
- (ii) The Company follows Mercantile system of accounting and recognizes Income & Expenditure on accrual basis except dividend, which is accounted when the right to receive the same is established, and those with significant uncertainties and in accordance with the applicable accounting standards.
- (iii) Advances are classified as "Performing Assets" and "Non Performing Assets" as per the directions issued by the Reserve Bank of India. Provision for Advances is made as per the directions issued by the Reserve Bank of India.

(b) Fixed Assets

Fixed assets are stated at cost of acquisition, including any attributable cost for bringing the assets to its working conditions for its intended use, less accumulated depreciation.

(c) Depreciation

The Company provides depreciation on assets on the written down value method on pro-rata basis at the rates prescribed in Schedule XIV to the Companies Act, 1956.

(d) Investments

Long term Investments are stated at cost. In case, there is a diminution in the value of investments other than temporary in nature, a provision for the same is made in the accounts.

(e) Employee Retirement Benefits

- (i) Provident Fund is a defined contribution scheme and the contributions are charged to the Profit & Loss Account of the year when the contributions to the respective funds are due.
- (ii) Gratuity liability are defined benefit obligations and are provided for on the basis of an actuarial valuation as per AS 15 (Revised) made at the end of each financial year based on the projected unit credit method.
- (iii) Long term compensated absences are provided for based on actuarial valuation.
- (iv) Actuarial gains/losses are immediately taken to the profit and loss account and are not deferred.

(f) Taxes on Income

Current tax is determined as the amount of tax payable in respect of taxable income for the year in accordance with the Income Act, 1961.

The deferred tax for timing difference between the book and tax profits for the year is accounted for, using the tax rates and laws that have been substantively enacted as of the Balance Sheet date. Deferred tax assets arising from timing differences are recognized to the extent there is reasonable certainty that this would be realized in future.

(g) Impairment of Fixed Assets

Consideration is given at each balance sheet date to determine whether there is any indication of impairment of the carrying amount of the Company's fixed assets. If any indication exists, an asset's recoverable amount is estimated. An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is greater of the net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value based on an appropriate discount factor.

(h) Contingent Liabilities

The Company creates a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require outflow of resources. When there is a possible obligation or present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

II. NOTES ON FINANCIAL STATEMENTS

1. In the opinion of the Board, Current Assets, Loans and Advances have a value on realization in the ordinary course of business, at least equal to the amount at which they are stated.
2. Contingent Liabilities not provided in respect of :

Particulars	Current Year Rupees in Thousands	Previous Year Rupees in Thousands
Disputed Income tax Demand	55,30	30,62

3. Details of provision for Non Performing Assets :

	Current Year Rupees in Thousands	Previous Year Rupees in Thousands
Opening Balance	2,50,00	2,60,00
Add : Provision made during the year	Nil	Nil
Less : Provision reversed during the year	Nil	10,00
Closing Balance	2,50,00	2,50,00

4. a) Managerial Remuneration :

Managerial Remuneration under Section 198 of the Companies Act, 1956 paid or payable to the Directors is as under :

	Current Year Rupees in Thousands	Previous Year Rupees in Thousands
Salary	33,81	28,89
Perquisites	52,45	57,86
Contribution to Provident Fund	4,06	3,47
TOTAL	90,32	90,22

Note : The above figures exclude provision for leave encashment and gratuity, which are actuarially determined for the Company as a whole.

b) No commission is payable to the Directors and hence, the computation of Net Profit under Section 349 of the Companies Act, 1956 is not given.

5. The Company has not received any intimation from suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures, if any, relating to amounts unpaid as at the year end together with interest paid/ payable as required under the said act have not been given.

6. Remuneration to the Auditors :

(including Service Tax)

	Current Year Rupees in Thousands	Previous Year Rupees in Thousands
Audit Fees	1,38	1,10
Tax Audit Fees	14	11
Other services	23	34
Limited Review Fees	43	19
Out of pocket expenses	9	5
TOTAL	2,27	1,79

7. Gratuity (Non-Funded) :

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service.

The following tables summarise the components of net benefit expense recognised in the profit and loss account and the funded status and amounts recognised in the balance sheet.

Profit and Loss account:

Net employee benefit expense (recognised in Employee Cost):

	Current Year Rupees in Thousands	Previous Year Rupees in Thousands
Current service cost	9	1,27
Interest cost on benefit obligation	8	1,36
Expected return on plan assets	-	-
Net actuarial (gain) / loss recognised in the year	10	1,15
Past service cost	-	-
Net benefit expense	27	3,78
Actual return on plan assets	NA	NA

Balance Sheet :

Details of Provision for Gratuity :

	Current Year Rupees in Thousands	Previous Year Rupees in Thousands
Defined benefit obligation	9,98	9,71
Fair value of plan assets	-	-
	(9,98)	(9,71)
Less: Unrecognised past service cost	-	-
Plan asset / (liability)	(9,98)	(9,71)

Changes in the present value of the defined benefit obligation are as follows :

	Current Year Rupees in Thousands	Previous Year Rupees in Thousands
Opening defined benefit obligation	9,71	5,93
Interest cost	8	1,36
Current service cost	9	1,27
Benefits paid	-	-
Actuarial (gains) / losses on obligation	10	1,15
Closing defined benefit obligation	9,98	9,71

Changes in the fair value of plan assets are as follows :

	Current Year Rupees in Thousands	Previous Year Rupees in Thousands
Opening fair value of plan assets	Not Applicable	Not Applicable
Expected return	Not Applicable	Not Applicable
Contributions by employer	Not Applicable	Not Applicable
Benefits paid	Not Applicable	Not Applicable
Actuarial gains / (losses)	Not Applicable	Not Applicable
Closing fair value of plan assets	Not Applicable	Not Applicable

The principal assumptions used in determining gratuity obligations for the Company's plans are shown below :

	Current Year %	Previous Year %
Discount Rate	7.75	7.75
Salary Escalation Rate	5.00	5.00

8. Segment Reporting :

Based on guiding principles given in Accounting Standard - 17 'Segment Reporting', issued by the Institute of Chartered Accountants of India, the Company's primary business segment is Investing & Financing. These activities mainly have similar risks and returns. As company's business activities fall within a single primary business segment the disclosure requirements of AS-17 in this regard are not applicable.

9. Deferred Tax Asset/(Liability) comprises timing difference on account of :

	Current Year Rupees in Thousands	Previous Year Rupees in Thousands
Deferred Tax Liability :		
a) Depreciation	10	14
Total	10	14
Deferred Tax Asset :		
a) Expenses covered by Section 35 D of the Income Tax Act, 1961	Nil	41
Total	Nil	41

10. Related Party Disclosures, as required by Accounting Standard (AS) 18 :

- a) Parties with whom the Company has entered into transactions during the year.
- i) Associates/Enterprises where control/significant influence exists :
- JSW Steel Ltd.
 - Sun Investments Pvt. Ltd.
 - Jindal Coated Steel Pvt. Ltd.
 - JSW Holdings Employees' Welfare Trust
- ii) Key Management Personnel
- Mr. K N Patel

b) Related Party Transactions:

(Rupees in Thousands)

Nature of Transactions	Associates/Enterprises where control/significant influence exists	Key Management Personnel	Total
Dividend Received	1,72,85 (24,96,89)	Nil (Nil)	1,72,85 (24,96,89)
Remuneration Paid	Nil (Nil)	90,32 (90,22)	90,32 (90,22)
Loans/Advances Taken	26 (10,44)	Nil (Nil)	26 (10,44)
Loans/Advances Repaid	26 (18,90)	Nil (Nil)	26 (18,90)

c) Closing Balances of Related Parties :

(Rupees in Thousands)

Investments made	464,62,24 (464,62,24)	Nil (Nil)	464,62,24 (464,62,24)
Provision for Diminution in value of Investments	3,80 (3,80)	Nil (Nil)	3,80 (3,80)
Loans/Advances	36,00 (36,00)	Nil (Nil)	36,00 (36,00)
Collaterals provided	253,08,58 (253,08,58)	Nil (Nil)	253,08,58 (253,08,58)

Notes:

- i) Figures in brackets relates to previous year.
- ii) Related party relationships have been identified by the management and relied upon by the auditors.
- iii) Previous Year figures have been regrouped/rearranged wherever necessary to conform to current year's presentation.

11. Computation of Basic and Diluted Earnings per share :

Particulars	Current Year	Previous Year
Profit after Tax (As per Profit and Loss Account) (Rupees in Thousands)	4,38,31	36,34,58
Weighted Average Number of shares for calculating EPS	1,10,99,625	1,10,99,625
Earnings Per Share (Basic and Diluted) (Face Value – Rs. 10/- per share) (Rupees)	3.95	32.75

12. Previous year figures have been regrouped/ rearranged wherever necessary to conform with current year's presentation.

13. The additional Information pursuant to Part II of Schedule VI to the Companies Act, 1956 are either Nil or Not Applicable.

For and on behalf of the Board of Directors

N. K. JAIN **K.N. PATEL**
Director Jt. Managing Director & CEO

HEMANGI WADKAR
Company Secretary

Mumbai
Dated : 4th May, 2010

Schedule to the Balance Sheet of a Non Deposit taking Non-Banking Financial Company

(as required in terms of Paragraph 13 of Non-Banking Financial (Non Deposit Accepting or Holding)
Companies Prudential Norms (Reserve Bank) Directions, 2007)

(Rupees in Thousands)

Particulars	Amount Outstanding	Amount Overdue
Liabilities side :		
(1) Loans and advances availed by the Non Banking Financial Company inclusive of interest accrued thereon but not paid:		
(a) Debentures : Secured		
: Unsecured		
(other than falling within the meaning of public deposits*)		
(b) Deferred Credits	Nil	Nil
(c) Term Loans		
(d) Inter-corporate loans and borrowing		
(e) Commercial Paper		
(e) Other Loans (specify nature)		
* Please see Note 1 below		
Assets side :		Amount outstanding
(2) Break-up of Loans and Advances including bills receivables [other than those included in (4) below] :		
(a) Secured		-
(b) Unsecured		86,84,64
(3) Break up of Leased Assets and stock on hire and other assets counting towards AFC activities		
(i) Lease assets including lease rentals under sundry debtors :		
(a) Financial lease		
(b) Operating lease		
(ii) Stock on hire including hire charges under sundry debtors:		
(a) Assets on hire		
(b) Repossessed Assets		
(iii) Other loans counting towards AFC activities		
(a) Loans where assets have been repossessed		
(b) Loans other than (a) above		
(4) Break-up of Investments :		
Current Investments:		
1. Quoted :		
(i) Shares : (a) Equity		
(b) Preference		
(ii) Debentures and Bonds		
(iii) Units of mutual funds		
(iv) Government Securities		
(v) Others (please specify)		
2. Unquoted :		
(i) Shares : (a) Equity		
(b) Preference		
(ii) Debentures and Bonds		
(iii) Units of mutual funds		
(iv) Government Securities		
(v) Others (please specify)		

(Rupees in Thousands)

Long Term investments :**1. Quoted :**

(i) Shares : (a) Equity	352,75,87
(b) Preference	-
(ii) Debentures and Bonds	-
(iii) Units of mutual funds	-
(iv) Government Securities	-
(v) Others (please specify)	-

2. Unquoted :

(i) Shares : (a) Equity	115,01,16
(b) Preference	69,60,00
(ii) Debentures and Bonds	-
(iii) Units of mutual funds	-
(iv) Government Securities	-
(v) Others (please specify)	-
	537,37,03

(5) Borrower group-wise classification of assets financed as in (2) and (3) above :

Please see Note 2 below

Category	Amount Net of Provisions		
	Secured	Unsecured	Total
1. Related Parties **			
(a) Subsidiaries	-	-	-
(b) Companies in the same group	-	-	-
(c) Other related parties	-	36,00	36,00
2. Other than related parties	-	83,98,64	83,98,64
Total	-	84,34,64	84,34,64

(6) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):

Please see note 3 below

Category	Market Value / Break up or fair value or NAV	Book Value (Net of Provisions)
1. Related Parties **		
(a) Subsidiaries	-	-
(b) Companies in the same group	-	-
(c) Other related parties	2,251,21,45	464,58,44
2. Other than related parties	336,16,65	72,74,79
Total	2,587,38,10	537,33,23

** As per Accounting Standard of ICAI (Please see Note 3)

(7) Other information :

Particulars	Amount
(i) Gross Non-Performing Assets	
(a) Related parties	-
(b) Other than related parties	2,50,00
(ii) Net Non-Performing Assets	
(a) Related parties	-
(b) Other than related parties	-
(iii) Assets acquired in satisfaction of debt	-

Notes:

- As defined in Paragraph 2(1)(xii) of the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998.
- Provisioning norms as prescribed in the Non-Banking Financial (Non- Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007 have been followed.
- All Accounting Standards and Guidance Notes issued by ICAI are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debt. However, market value in respect of quoted investments and break up/fair value/NAV in respect of unquoted investments are disclosed irrespective of whether they are classified as long term or current in (4) above.

Additional Disclosures by a Systematically Important Non-Deposit taking Non-Banking Financial Company as required by Non-Banking Financial (Non Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007

1) Capital to Risk Assets Ratio (CRAR)

Items	Current Year	Previous Year
(i) CRAR (%)	92.53	92.42
(ii) CRAR - Tier I Capital (%)	92.53	92.42
(iii) CRAR - Tier II Capital (%)	Nil	Nil

2) Exposure to Real Estate Sector

Category	Current Year	Previous Year
(a) Direct Exposure :		
(i) Residential Mortgages- Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented.: (Individual housing loans up to Rs.15 lacs may be shown separately)	Nil	Nil
(ii) Commercial Real Estate- Lending secured by mortgages on commercial real estates (office buildings, retail space, multipurpose commercial premises, multi-family building, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non- fund based (NFB) limits:	Nil	Nil
(iii) Investments in Mortgage Backed Securities (MBS) and other securitised exposures -		
a) Residential	Nil	Nil
b) Commercial Real Estate	Nil	Nil
(b) Indirect Exposure : Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs).	Nil	Nil

3) Maturity pattern of certain items of assets and liabilities

(Rupees in Thousands)

	1 day to 30/31 days one month	Over one month to 2 months	Over 2 months upto 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years	Total
Liabilities :									
Borrowings from banks	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Market Borrowings	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Assets :									
Advances (net of NPA's)	1,55,70	10,00	17,50,00	1,37,50	3,50,00	60,31,44	Nil	Nil	84,34,64
Investments (net of Provision)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	537,33,23	537,33,23

For and on behalf of the Board of Directors

N. K. JAIN **K.N. PATEL**
Director Jt. Managing Director & CEO

HEMANGI WADKAR
Company Secretary

Mumbai
Dated : 4th May, 2010

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. Registration Details		
Registration No.	:	145668
State Code No.	:	55
Balance Sheet Date	:	31-03-2010
II. Capital raised during the year(Amount Rs. In Thousands)		
Public Issue	:	NIL
Rights Issue	:	NIL
Bonus Issue	:	NIL
Private Placement	:	NIL
III. Position of Mobilisation and Deployment of Funds (Amount Rs. In Thousands)		
Total Liabilities	:	621,84,35
Total Assets	:	621,84,35
Sources of Funds		
Paid up Capital	:	11,09,96
Reserves & Surplus	:	610,74,29
Secured Loans	:	NIL
Unsecured Loans	:	NIL
Deferred Tax Liability	:	10
Application of Funds		
Net Fixed Assets	:	43
Deferred Tax Assets	:	NIL
Investments	:	537,37,03
Net Current Assets	:	84,46,89
IV. Performance of Company (Amount Rs. In Thousands)		
Turnover/Receipts	:	7,03,41
Total Expenditure	:	1,24,87
Profit/(Loss) before tax	:	5,78,54
Profit/(Loss) after tax	:	4,38,31
Earnings per Share in Rs.	:	3.95
Dividend %	:	NIL
V. Generic Names of Three Principal Products/Services of the Company (as per monetary terms)		
Product Description	:	N.A.
Item Code No.	:	N.A.

For and on behalf of the Board of Directors

N. K. JAIN **K.N. PATEL**
 Director Jt. Managing Director & CEO

HEMANGI WADKAR
 Company Secretary

Mumbai
 Dated : 4th May, 2010

JINDAL SOUTH WEST HOLDINGS LIMITED

Registered Office : Jindal Centre, 12, Bhikaiji Cama Place, New Delhi - 110 066

ATTENDANCE SLIP

Ninth Annual General Meeting - 3rd July, 2010

Regd. Folio No.....

** DP ID

** Client ID

I certify that I am a member/proxy for the member of the Company.

I hereby record my presence at the **Ninth Annual General Meeting** of the Company to be held on Saturday, 3rd July, 2010 at 3.30 p.m. at N.C.Jindal Public School Auditorium, Road No. 73, Punjabi Bagh, New Delhi - 110 026.

 * Membe's / Proxy's Name in Block Letters

 * Membe's / Proxy's Name in Block Letters

Note :

1. Member/Proxy must bring the Attendance Slip to the Meeting and hand it over, duly signed, at the registration counter.
2. The Copy of the Notice may please be brought to the Meeting Hall.

* *Strike out whichever is not applicable.*

JINDAL SOUTH WEST HOLDINGS LIMITED

Registered Office : Jindal Centre, 12, Bhikaiji Cama Place, New Delhi - 110 066

PROXY FORM

Ninth Annual General Meeting - 3rd July, 2010

Regd. Folio No.....

** DP ID

** Client ID

I/We.....

of.....

being a member/members of Jindal South West Holdings Limited, hereby appoint

.....of.....

or failing him/her.....

of.....

as my/our proxy to attend and vote for me/us on my/our behalf at the Ninth Annual General Meeting of the Company to be held on Saturday, 3rd July, 2010 at 3.30 p.m. at N.C.Jindal Public School Auditorium, Road No. 73, Punjabi Bagh, New Delhi - 110 026 and at any adjournment thereof.

Signed this day of2010

Notes :

1. Proxy need not be a member.
2. Proxy form, complete in all respects, should reach the Company's Registered Office at Jindal Centre, 12, Bhikaiji Cama Place, New Delhi - 110 066, not less than 48 hours before the scheduled time of the meeting.

** *Applicable only in case of investors holding shares in Electronic Form*

Signature _____

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Keeping pace with
a changing economy





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