

ANNUAL REPORT
2008-2009

the challengers



THE JOSH OF A BILLION DREAMS

Jindal South West Holdings Limited

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The strength of a ship is not tested by the miles navigated in calm water

... but by its resilience
... to withstand the vagaries of the turbulent seas
...that challenges its very existence.

The DNA of an organization is tested not by its growth potential in good times

... but by its strength
... to seamlessly sustain through the unprecedented downturns
... that threatens its very survival.

Shri O. P. Jindal

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

BOARD 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 **Eighth** Annual General Meeting of the Members of **JINDAL SOUTH WEST HOLDINGS LIMITED** will be held on Saturday, the 27th day of June, 2009 at 11.30 a.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 31.03.2009 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. N. K. Jain, 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 Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting on such remuneration as may be fixed by the Board of Directors of the Company.

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 Mr. I. Qureshi, who was appointed by the Board of Directors as an Additional Director of the Company with effect from 23.10.2008, pursuant to Article 120 of the Articles of Association of the Company and Section 260 of the Companies Act, 1956, and who holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice under Section 257 of the Companies Act, 1956, from a member, in writing, proposing his candidature for the office of Director of the Company, be and is hereby appointed as a Director of the Company, liable to retire by rotation, under the Articles of Association of the Company.”

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

“RESOLVED THAT in partial modification of the resolution passed at the Fourth Annual General Meeting of the members of the Company held on 20.07.2005, as further modified vide a special resolution passed at the Fifth Annual General Meeting of the members of the Company held on 23.06.2006 and in accordance with the provisions of Sections 198, 269, 309 and 310 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, in force from time to time, including any statutory modification(s) thereto, the Company do hereby approve the revision in the terms of payment of remuneration payable to Mr. K. N. Patel, Jt. Managing Director & CEO of the Company w.e.f. 01.04.2008, for the remainder of his tenure i.e. upto 27.04.2010, from the existing limit of Rs. 7 lakhs per month to Rs. 12 lakhs per month with specific authority to the Board of Directors of the Company to fix, alter, vary the

terms and conditions of payment of remuneration within the said ceiling limit of Rs. 12 lakhs per month, as may be agreed to between the Board of Directors and Mr. Patel in the best interest of the Company.”

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

Place: Mumbai
Date: 24th April, 2009

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 Nos. 4 and 5 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, the 20th June, 2009 to Saturday, the 27th June, 2009 (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 are annexed hereto.
8. Members are requested to intimate M/s. Sharepro Services (India) Pvt. Ltd., the Registrar and Share Transfer Agents of the Company, 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 Mumbai atleast seven days before the date of the meeting, so that requisite information is made available at the meeting. All documents referred to in the accompanying Notice are open for inspection at the Corporate Office of the Company on all working days, except Saturdays 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 and Item Number 5 of the accompanying notice are as under:

Item No. 4

Mr. I. Qureshi was appointed as an Additional Director of the Company by the Board of Directors at its meeting held on 23.10.2008, in terms of Article 120 of the Articles of Association of the Company and Section 260 of the Companies Act, 1956, and accordingly he holds office only upto the date of the forthcoming Annual General Meeting.

Mr. Qureshi, proprietor of M/s. I. Qureshi & Associates, Chartered Accountants, is a ACA & FCS in practice since last 8 years. Prior to practice, Mr. Qureshi worked with the erstwhile Jindal Iron and Steel Company Ltd. (JISCO), heading the group's legal, secretarial, tax and corporate affairs functions. He has over 20 years of post qualification experience in business structuring, corporate secretarial and legal functions, off shore business structuring, taxation, joint ventures/collaborations and merchant banking services. The qualifications, diverse experience and expertise of Mr. Qureshi will immensely benefit the Company.

A notice pursuant to Section 257 of the Companies Act, 1956, has been received from a shareholder of the Company, signifying its intention to propose the appointment of Mr. I. Qureshi. This may also be treated as individual notice to the Members of his candidature, pursuant to Section 257 (1A) of the Companies Act, 1956.

Your Directors recommend the resolution set out in this item of the Notice for your approval.

Except Mr. I. Qureshi, none of the Directors of the Company are concerned or interested in the aforesaid Resolution.

Item No. 5

Mr. K. N. Patel was appointed as the Jt. Managing Director & CEO of the Company in the Board Meeting held on 28.04.2005 for a period of 5 years w.e.f. 28.04.2005 and his appointment was confirmed by the shareholders at the 4th Annual General Meeting of the Company held on 20.07.2005 with specific authority to the Board of Directors to vary the terms and conditions of his appointment and/or Agreement including the remuneration subject to the maximum ceiling limit of Rs. 6 lakhs per month.

At the 5th Annual General Meeting of the Company held on 23.06.2006, the Shareholders approved the revision in the terms and payment of Remuneration payable to Mr. K. N. Patel w.e.f. 01.04.2006 for a period of three years with specific authority to the Board of Directors to fix, alter, vary the terms and conditions of payment of remuneration subject to the maximum ceiling limit of Rs. 7 lakhs per month.

The Board of Directors have at its meeting held on 29.07.2008 based on the recommendation of the Remuneration Committee of the Company approved an increase in the maximum ceiling limit of remuneration payable to Mr. K. N. Patel from Rs. 7 lakhs per month to Rs. 12 lakhs per month w.e.f. 01.04.2008 for the remainder of his tenure i.e. upto 27.04.2010, subject to the approval of the Shareholders of the Company at their meeting.

Members' approval is therefore being sought for the revision in the terms & payment of remuneration of Mr. K. N. Patel, Jt. Managing Director & CEO w.e.f. 01.04.2008 for the remainder of his tenure i.e. upto 27.04.2010, to be fixed from time to time by the Board of Directors of your Company within the overall ceiling limit of Rs. 12 lakhs per month as mentioned in the accompanying resolution.

The remuneration of the Jt. Managing Director & CEO will be so fixed by the Board of Directors from time to time that the Salary, Perquisites and Allowances shall not exceed the overall ceiling on remuneration approved by the Members in General Meeting. In addition to the basic salary payable, he will also be entitled to 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 electricity, furnishings and repairs, Bonus, Performance Reward/Incentive, Variable Pay, medical reimbursement, club fees and leave travel concession for himself and his family, medical insurance, retention bonus, employee stock ownerships 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, provided that the perquisites and allowances together with the Basic Salary will be subject to a overall ceiling limit on remuneration approved by the Members in General Meeting.

Your Board of Directors recommends a maximum remuneration of Rs. 12 lakhs per month payable to Mr. K. N. Patel.

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. Mr. Patel, Jt. Managing Director & CEO of the Company shall not be subject to retirement by rotation and shall not be eligible for any sitting fees for attending the Meetings of the Board of the Director or its Committees.

The information as required under the provisions of Schedule XIII to the Companies Act, 1956, is furnished below:

I. General Information

The Company was incorporated in the year 2001 and after demerger of the Investment Division of erstwhile JISCO into the Company. Equity shares of the Company were listed on the Bombay, National and Delhi Stock Exchanges in the year 2005-06.

The Company is an Investment Company registered with Reserve Bank of India as a Non-Banking Financial Company, carrying out the business of Investing and Lending.

The financial year 2008-09 was a good year for the Company in terms of profit and growth. The Company is not engaged in any export business and doesn't have any foreign collaboration. It has not made any foreign investment or entered into foreign collaborations during the year ended 31.03.2009.

II. Information about the Appointee

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.

Mr. Patel has excellent track record in areas pertaining to Corporate Finance, Investment and fund management. Under his stewardship, the Company has achieved consistent profitability and sustained growth.

Prior to joining the Jindal Group, he had worked 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 held the positions of Director (Finance), 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.

Past Remuneration, Job Profile, Remuneration Proposed

Members of the Company at their 4th Annual General Meeting held on 20.07.2005 had approved remuneration to be paid to Mr. Patel and granted specific authority to the Board of Directors to vary the terms and conditions of appointment and/or Agreement including the remuneration subject to the maximum limit of Rs. 6 lakhs per month, which was further revised to Rs. 7 lakhs per month, by the members of the Company at the 5th Annual General Meeting held on 23.06.2006.

Mr. Patel has played a pivotal role in getting the Company registered as a NBFC with Reserve Bank of India and in formulating the Company's long-term business strategies and policies. Under the leadership of Mr. Patel, the Company has made strategic long-term investments in Promoters' Group Companies, which has helped in substantially enhancing the financial strength of the Company.

Mr. Patel has good vision and entrepreneur skills. He is also Director of JSW Infrastructure Ltd., South West Port Ltd., JSW Jaigarh Port Ltd., JSW Cement Ltd. and JSW Aluminium Ltd. His personal interest lies in reading, light music, theatre and sports.

The remuneration proposed is as mentioned in the accompanying resolution.

Comparative Remuneration profile with respect to industry, size of the Company, profile of the position and person

As regards the comparative remuneration profile with respect to industry, size of the Company, profile of the position and person, the remuneration payable to Mr. K. N. Patel which is proposed for your approval is at comparable level within the industry standards. The Company has its own distinctive remuneration policy based on its short-term and long-term objectives and role perceived and played by employees at all levels.

Considering his rich experience, competence and the strides made by the Company under his leadership, the terms of his remuneration are considered fair, just and reasonable.

Mr. Patel doesn't have any pecuniary relationship directly or indirectly with the Company other than as Jt. Managing Director & CEO.

III. Other Information – Apprehensions for loss/inadequacy of profits and steps for its improvements

The Company's business prospects mainly depend upon healthy financial market, agricultural & industrial growth, steel and energy sectors, in particular. This resolution has been proposed as an

abundant caution in case there is any change in the aforesaid factors adversely affecting the profitability of the Company during the term of his appointment.

Considering the business of the Company, which is mainly confined to activities in the financial sector, much would depend on the business environment in the Country, which in turn, depends upon a variety of factors like agricultural & industrial growth, consumer demand, money/capital market environment, etc. Though adequate steps would be taken for improvement of the Company's performance and profitability position in such circumstances, there might arise a possibility of payment of the aforesaid minimum remuneration to the Jt. Managing Director & CEO, subject to the limits prescribed in Schedule XIII of the Companies Act, 1956 and the approval of Central Government, if required.

The Company's stress on operational excellence, cost consciousness and effective financial management will ensure that the impact of any adverse financial market conditions on the Company's performance will be minimal.

In view of the relevant provisions of Schedule XIII of the Companies Act, 1956, requiring a Special Resolution for payment of Minimum Remuneration to a Managing Director in the event of loss or inadequacy of profits, this resolution is being proposed as a Special Resolution.

IV. Conclusion & Disclosures

Considering the qualification, experience, proven track record and performance of Mr. Patel, vis-à-vis efforts required to be put in by him

for the growth of the Company as well as the emerging challenges in times to come, the remuneration paid and proposed to be paid to Mr. Patel, at the level as mentioned in the above resolution are considered to be quite fair, just and reasonable. The Remuneration Committee constituted by the Board consisting of three Non-Executive Independent Directors of the Company has also approved such payment of remuneration to Mr. Patel which was also approved at the meeting of the Board of Directors held on 29.07.2008.

The details of remuneration package, terms of contract, notice period, etc. are separately mentioned in the Corporate Governance Report, which is forming part of the Annual Report for the year ended 31.03.2009.

Mr. Patel Jt. Managing Director & CEO of the Company shall not be subject to retirement by rotation and shall not be eligible for any sitting fees for attending any Meetings of the Board of Directors of the Company or its Committees.

An abstract of the above variation in the terms of payment of Remuneration to Mr. K. N. Patel, Jt. Managing Director & CEO of the Company and Memorandum of Interest, pursuant to Section 302 of the Companies Act, 1956, was duly sent by the Company to its Shareholders.

Your Directors recommend the Special Resolution mentioned in this item of notice to the members for their approval.

Except Mr. K. N. Patel, none of the Directors of the Company is in any way concerned or interested in this resolution.

**Details of Directors seeking Appointment /Re-appointment in Annual General Meeting
to be held on 27.06.2009
[Pursuant to Clause 49 of the Listing Agreement]**

Name of Director	Mr. N. K. Jain	Mr. I. Qureshi
Date of Birth	03.05.1946	08.08.1962
Date of Appointment	12.07.2001	23.10.2008
Expertise in specific functional areas	<p>Mr. N. K. Jain, aged 62 years has held several key positions in the O.P. Jindal Group. Having travelled extensively in Asia, Europe, USA and within India, he has gained enormous insight into the workings of many successful companies.</p> <p>He possesses rich and varied experience spanning over three decades in the areas of Strategic Planning, Project Identification & Appraisal, Corporate Financial Management and other allied areas.</p>	<p>Mr. I. Qureshi, aged 46 years, proprietor of M/s. I. Qureshi & Associates, Chartered Accountants, is a ACA & FCS in practice since last 8 years, specialized in providing financial, legal, accounting, tax and management consultancy services. Prior to his practice, Mr. Qureshi worked with the erstwhile Jindal Iron and Steel Company Ltd. (JISCO), heading the group's legal, secretarial, tax and corporate affairs functions.</p> <p>He has over 20 years of post qualification experience in business structuring, corporate secretarial and legal functions, off shore business structuring, taxation, joint ventures/collaborations and merchant banking services.</p>
Qualification	B.Com., FCA, FCS	B.Com., ACA, FCS
Directorship in other Public Limited Companies	<ul style="list-style-type: none"> • South West Port Limited • JSW Jaigarh Port Limited • JSW Infrastructure Limited • JSW Aluminium Limited 	<ul style="list-style-type: none"> • International Maritime Services Ltd.
Membership of Committees in other Public Limited Companies # (C = Chairman) (M = Member)	<p>Audit Committee</p> <ul style="list-style-type: none"> • South West Port Limited (C) • JSW Jaigarh Port Limited (M) • JSW Infrastructure Limited (M) • JSW Aluminium Limited (M) 	Nil
No. of Equity Shares held	100 (One Hundred only)	Nil

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.

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the Eighth Annual Report together with the Audited Annual Accounts of your Company for the year ended 31st March, 2009.

1. Financial Results

Your Company has achieved significant improvement in its financial performance during the year 2008-09, which is summarized below:

Financial Highlights

(Rupees in Thousands)

Particulars	Current Year ended 31.03.2009	Previous Year ended 31.03.2008
Total Income	40,87,89	5,77,92
Profit Before Depreciation & Tax	39,67,97	4,96,60
Less: Depreciation	39	34
Profit Before Tax	39,67,58	4,96,26
Tax	3,33,00	1,62,58
Profit After Tax	36,34,58	3,33,68
Add: Balance brought forward from previous year	43,61,45	40,94,52
Amount available for Appropriation	79,96,03	44,28,20
Less: Appropriations:		
Transfer to Reserve Fund	7,27,00	66,75
Balance carried to Balance Sheet	72,69,03	43,61,45

2. Dividend

Your Directors have deemed it prudent not to recommend any dividend on equity shares for the year ended 31st March, 2009, in order to conserve the resources for future years.

3. Review of Operations

Your Company has recorded a substantially improved performance during the year under review. Inclusive of Income by way of Dividend of Rs.2521.47 lakhs, Interest of Rs.979.15 lakhs and Profit on sale of Investments of Rs.587.27 lakhs, the Total Income is Rs.4087.89 lakhs as against Total Income of Rs.577.92 lakhs in the previous year. The increase was mainly on account of improved performance of the Investee Companies in the earlier year, which resulted in receipt of higher dividends by the Company during the year. The Profit before depreciation and tax is Rs.3967.97 lakhs. After providing for depreciation of Rs.0.39 lakhs and Tax of Rs.333 lakhs, the Net Profit is Rs.3634.58 lakhs, as against Rs.333.68 lakhs in the previous year.

An amount of Rs.727 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. During the financial year under review, the Indian economy was badly hit by the global recession, which in turn led to a slump in the stock markets. This resulted in substantial meltdown in the values of stocks held by the Company. The Steel Sector in India, affected by the global downswing, witnessed pressures on demand as well as price realisations, which in turn impacted the performance of our Investee Companies. Though the full fledged recovery of the economy may take some time, the

financial & economic stimulus measures taken by various Governments have shown signs of revival in demand and may lead to revival of the economies in the near future. Considering the anticipated recovery in the economy as a whole and Steel sector in particular, your Company is looking forward to a sustainable growth in its Investee Companies in the coming year, which would help in restoring 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 forecasted recovery in the depressed economy, the Company expects to restore its entrenched 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 thereunder.

7. Directors

The Board of your Company has been further strengthened with the induction of Mr. I. Qureshi as an Additional Director on the Board during the year under review. Mr. Qureshi, proprietor of M/s I. Qureshi & Associates, Chartered Accountants, is a ACA & FCS in practice since last 8 years, prior to which he was in employment for over 16 years.

Mr. Qureshi holds office upto the date of the ensuing Annual General Meeting. A notice in writing pursuant to Section 257 of the Companies Act, 1956, has been received from a shareholder of the Company, proposing his candidature for appointment as a Director of the Company. Your Directors recommend appointment of Mr. Qureshi as a Director at the ensuing Annual General Meeting.

In terms of Article 133 of the Articles of Association of the Company, Mr. N. K. Jain, Director of your Company, shall retire by rotation at the ensuing Annual General Meeting and being eligible, has offered himself for re-appointment at the ensuing Annual General Meeting.

The proposal regarding appointment of Mr. I. Qureshi and re-appointment of Mr. N. K. Jain, as Directors is placed for your approval.

8. Constitution of Finance Committee

During the year under review, the Board of Directors of your Company has constituted a Finance Committee in terms of Section 292 of the Companies Act, 1956, on 23rd October, 2008. The Committee comprises of Mr. N. K. Jain, Mr. I. Qureshi and Mr. K. N. Patel. The scope of the functions of the Committee inter alia includes powers in terms of Section 292 and other allied business powers of the Company. Mr. N. K. Jain is the Chairman of the Committee. The formation of the Committee would aid the Company in its business exigencies.

9. 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. The 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.

10. Reserve Bank of India's Guidelines

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

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

Since the 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.

12. 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.

13. 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.

14. Management Discussion and Analysis Report

The Management Discussion and Analysis Report on the operations of the 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.

15. 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 goal.

16. 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, 2009, 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.

17. Appreciation & Acknowledgements

Your Directors wish to express their sincere appreciation of the 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 resulting in improved performance during the year under review.

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: 24th April, 2009

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, 2009

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	90,22,069	B. Com. (Hons.), F.C.A.	35	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						
NIL							

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 & ESOP. 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 : 24th April, 2009

Sajjan Jindal
Chairman

MANAGEMENT DISCUSSION AND ANALYSIS

A) Overview – Financial Performance

The Company during the Financial Year 2008-09 has posted a commendable performance compared to the previous financial year. Inclusive of Income by way of Dividend of Rs.2521.47 lakhs, Interest of Rs.979.15 lakhs and Profit on sale of Investments of Rs.587.27 lakhs, the Total Income is Rs. 4087.89 lakhs as against Total Income of Rs.577.92 lakhs in the previous year. The increase was mainly on account of improved performance of the Investee Companies in the earlier year, which resulted in receipt of higher dividends by the Company during the year. The Profit before depreciation and tax is Rs.3967.97 lakhs. After providing for depreciation of Rs. 0.39 lakhs and Tax of Rs.333 lakhs, the Net Profit is Rs. 3634.58 lakhs, as against Rs.333.68 lakhs in the previous year. The Share Capital of the Company as on 31st March, 2009 stood at Rs.11.10 crores and Reserves and Surplus at Rs.606.36 crores resulting in Net worth of Rs. 617.46 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.617.46 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. During the financial year under review, the Indian economy was badly hit by the global recession, which in turn led to a slump in the stock markets. This resulted in substantial meltdown in the values of stocks held by the Company. The Steel Sector in India affected by the global downswing, witnessed pressures on demand as well as price realizations, which in turn impacted the performance of our Investee Companies. Though the full fledged recovery of the economy may take some time, the financial & economic stimulus measures taken by various Governments have shown signs of revival in demand and may lead to revival of the economies in the near future. Considering the anticipated recovery in the economy as a whole and Steel sector in particular, your Company is looking forward to a sustainable growth in its Investee Companies in the coming year, which would help in restoring 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 forecasted recovery in the depressed economy, the Company expects to restore its entrenched 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 recovery, 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 and demand 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 at present 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 following 6 Directors, all of which are with rich and varied experience in their respective fields :

Name of the Director	Position
<i>Non-Executive Promoter</i> Mr. Sajjan Jindal	Chairman
<i>Non-Executive Independent</i> Mr. N. K. Jain Dr. S. K. Gupta Mr. Atul Desai Mr. I. Qureshi	Director Director Director Additional 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, 2009.

No.	Date of Board Meeting	City	No. of Directors present
1	25.04.2008	Mumbai	4 out of 5
2	29.07.2008	Mumbai	3 out of 5
3	23.10.2008	Mumbai	5 out of 6
4	29.01.2009	Mumbai	5 out of 6

The attendance record of the Directors at the Board Meetings held during the year ended 31st March, 2009, 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, 2009 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	3,453	0	No	7	Nil	Nil
Mr. N. K. Jain	100	4	Yes	4	3	1
Dr. S. K. Gupta	-	3	No	8	5	3
Mr. Atul Desai	-	4	Yes	4	3	2
Mr. K. N. Patel	100	4	Yes	10	1	4
Part of the year						
Mr. I. Qureshi#	-	2	N. A.	1	-	-

(*) Only two committees, namely, Audit Committee and Shareholders'/Investors' Grievance Committee have been considered as per Clause 49 of the Listing Agreement, excluding committee in Private Limited Companies, Foreign Companies and Companies under Section 25 of the Companies Act, 1956.

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

(#) Joined the Board w.e.f. 23.10.2008.

3. Audit Committee

i) The Audit Committee presently comprises of three Non-Executive Independent 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 31 March, 2009.

No.	Date of Audit Committee Meeting	City	No. of Directors present
1	25.04.2008	Mumbai	3 out of 3
2	29.07.2008	Mumbai	2 out of 3
3	23.10.2008	Mumbai	3 out of 3
4	29.01.2009	Mumbai	3 out of 3

The attendance record of the Members at the Audit Committee meeting held during the year ended 31st March, 2009 is given below:

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

4. Remuneration Committee

i) The Remuneration Committee comprises of three Non-Executive Independent 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 29.07.2008, to approve the change in the terms and conditions of payment of remuneration to Mr. K.N. Patel, Jt. Managing Director & CEO of the Company. Except Dr. S. K. Gupta, the other two 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 Directors are 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 agreements entered into between them and the Company. The present remuneration structure of Jt. Managing Director & CEO comprises of salary, perquisites, allowances, special pay, variable pay, performance reward/incentive, retention bonus and contributions to Provident Fund and Gratuity.

At present the Non-Executive Directors are being paid only sitting fees for attending the meetings of the Board of Directors or its Committees.

v) Remuneration of Directors:

The disclosure in respect of remuneration paid/payable to Jt. Managing Director & CEO of the Company for the financial year 2008-09 is given below:

Name of Director : Mr. K. N. Patel
Designation : Jt. Managing Director & CEO

Remuneration details

(a) Salary and Perquisites : Rs.90,22,069/-

(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, Variable Pay, Leave Travel Allowance, Medical Reimbursement and Company's contribution to Provident Fund but does not include Provision for Gratuity, Leave Encashment & ESOP. The monetary value of perquisites is calculated in accordance with the provisions of the Income-tax Act, 1961 and Rules made thereunder.

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 and Finance Committee. The details of sitting fees paid during the year 2008-09 to the Non-Executive Directors are given below:

Name of Director	Sitting fees (in Rs.)
Mr. N. K. Jain	1,10,000
Dr. S. K. Gupta	70,000
Mr. Atul Desai	1,00,000
Mr. I. Qureshi	30,000

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 and 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. The Committee met once during the year on 25.04.2008, at which all the three Committee Members were present.

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
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.

AGM	Date	Time	Venue
5th AGM	23.06.2006	11.30 a.m.	Federation of Indian Chambers of Commerce & Industry (FICCI), Federation House, Tansen Marg, New Delhi – 110 001.

- ii) Special Resolutions passed in the previous three AGMs:
- a) At the 7th AGM
None
 - b) At the 6th AGM
None
 - c) At the 5th AGM
 - Revision in the terms and conditions of the payment of remuneration to the Jt. Managing Director & CEO of the Company.
- 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/re-appointment 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 of Directors. 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. are being electronically filed on the electronic data information filing and retrieval (EDIFAR) website of SEBI (www.sebiedifar.nic.in) within the time frame prescribed in this regard.
- v) Whether it also displays official news releases : Yes, wherever applicable.
- vi) The Presentations made to institutional investors or to the analysts : Will be complied with whenever 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 companies.

11. General Shareholders Information

a) Annual General Meeting

Date : 27.06.2009

Time : 11.30 a.m.

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

b) Financial Calendar 2009-10

Financial reporting for the quarter : July, 2009
ending 30.06.2009

Financial reporting for the half-year : October, 2009
ending 30.09.2009

Financial reporting for the quarter : January, 2010
ending 31.12.2009

Financial reporting for the year : April, 2010
ending 31.03.2010

Annual General Meeting for the : June/July, 2010
year ending 31.03.2010

c) Dates of Book Closure

20th June, 2009 to 27th June, 2009 (both days inclusive).

d) Dividend Payment Date

No dividend is recommended for the financial year ended on 31st March, 2009.

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 2008-09.

Stock Code/Security Symbol (Equity Shares)

BSE	NSE
532642	JINDALSWHL

f) ISIN No. for Dematerialization of Equity Shares

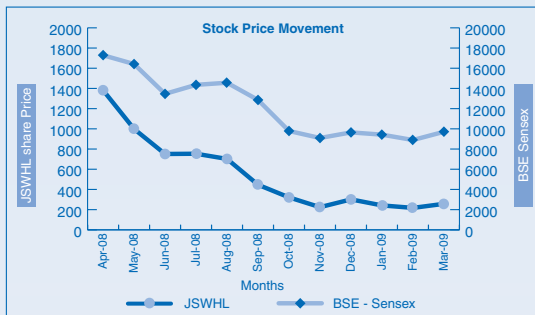
INE824G01012

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 (2008-09)	BSE		NSE	
	High	Low	High	Low
April 2008	1,527.65	800.00	1503.65	1360.45
May 2008	1,436.00	946.10	1031.50	992.40
June 2008	1,029.90	751.05	799.00	750.90
July 2008	869.95	632.05	768.00	740.00
August 2008	975.00	671.10	721.00	696.20
September 2008	780.00	375.05	474.90	401.55
October 2008	463.90	217.00	340.00	290.10
November 2008	368.00	218.30	232.00	215.00
December 2008	363.70	203.05	311.00	293.00
January 2009	348.00	215.00	248.00	234.85
February 2009	255.70	212.00	226.90	210.55
March 2009	266.20	192.75	262.45	245.90

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)



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

l) Distribution of Shareholding

The distribution of shareholding as on 31st March, 2009 is given below:

Sl. No.	No. of Equity Shares	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shareholding
1	Upto – 500	29,621	98.34	12,63,682	11.38
2	501 – 1000	231	0.77	1,75,869	1.58
3	1001 – 2000	137	0.45	1,96,212	1.77
4	2001 – 3000	40	0.13	1,01,738	0.92
5	3001– 4000	19	0.06	66,130	0.60
6	4001 – 5000	12	0.04	54,078	0.49
7	5001 – 10000	17	0.06	1,39,714	1.26
8	10001 & above	45	0.15	91,02,202	82.00
	Total	30122	100.00	1,10,99,625	100.00

Categories of Shareholders as on 31st March, 2009:

Category	No. of shareholders	% of holders	No. of Equity Shares	% of holding
Promoters/Persons acting in concert	60	0.20	62,04,386	55.90
Resident Individuals	27,693	91.94	15,99,162	14.41
Non-Resident Individuals	1,537	5.10	1,78,110	1.60
Bodies Corporate	776	2.58	4,16,970	3.76
Overseas Corporate Bodies	2	0.01	10,025	0.09
Foreign Institutional Investors (FIIs)	18	0.05	24,24,476	21.84
Nationalised & Non-Nationalised Banks	13	0.04	1,268	0.01
UTI & Mutual Funds	14	0.05	4,526	0.04
LIC/Insurance Companies	2	0.01	2,02,277	1.82
Others – Trust	7	0.02	58,425	0.53
Total	30,122	100.00	1,10,99,625	100.00

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 31 March, 2009, 92.97% (1,03,19,590 equity shares) are held in dematerialized form with NSDL and 3.82% (4,24,483 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.

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 Investor 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: 24th April, 2009

Sajjan Jindal
Chairman

DECLARATION

As provided under Clause 49 of the Listing Agreement with the Stock Exchanges, it is hereby declared that all the board members and senior managerial personnel of the Company have affirmed the compliance of Code of Conduct for the year ended 31 March, 2009.

For Jindal South West Holdings Limited

Place: Mumbai
Date: 24th April, 2009

K. N. Patel
Jt. Managing Director & CEO

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 2008-09 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: 24th April, 2009

K. N. Patel
Jt. Managing Director & CEO

AUDITORS' CERTIFICATE ON COMPLIANCE OF CONDITIONS OF 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 31st March, 2009, 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

Place: Mumbai
Date: 24th April, 2009

VIPUL K. CHOKSI
PARTNER
Membership No. 37606

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 31st March, 2009 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 31st March, 2009 and taken on record by the Board of Directors of the Company, none of the Directors of the Company is disqualified as on 31st March 2009 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 31st March, 2009;
 - 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

VIPUL K. CHOKSI
Partner
M. No: 37606

Mumbai
Date: 24th April, 2009

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph 3 of our Report of even date)

1. The nature of the Company's business/activities for the year are such that the requirements of items (ii), (viii), (x), (xi), (xii), (xiii), (xvi), (xix) and (xx) of paragraph 4 of the Order are not applicable to the Company.
2.
 - 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 a 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.
3.
 - 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 Act.
 - b. The Company has not taken secured or unsecured loans from parties listed in the register maintained under section 301 of the Act.
4. 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
5. In our opinion, and according to the information and explanations given to us, there were no contracts or arrangements that need to be entered into the register referred to in section 301 of the Act.

6. 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.
7. In our opinion, the internal audit system of the Company is commensurate with its size and nature of its business.
8.
 - 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. No undisputed amount were outstanding as at 31st March, 2009 for a period of more than six months from the date they became payable.
 - b. According to the information and explanations given to us, the following demands as at 31st March, 2009 have not been deposited since appeals are pending before the relevant Authorities:
10. 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.
11. 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.
12. 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.
13. 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.

Name of the statute	Nature of dues	Amount In Rs.	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	1,562,245	A.Y. 2006-07	Commissioner of Income Tax (Appeals)

9. The Company is dealing or trading in shares, securities, debentures and other investments. It has maintained proper records of the transactions and contracts in respect of such dealings.

For SHAH GUPTA & CO
Chartered Accountants

VIPUL K. CHOKSI
Partner
M. No: 37606

Mumbai
Date: 24th April, 2009

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 31st March, 2009 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 2nd January, 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 31 March, 2009.

- 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.

Yours faithfully

For SHAH GUPTA & CO
Chartered Accountants

VIPUL K. CHOKSI
Partner
M. No: 37606

Mumbai
Date: 24th April, 2009

BALANCE SHEET AS AT 31ST MARCH, 2009

(Rupees in Thousands)

	Schedule No.	As at 31.03.2009	As at 31.03.2008
SOURCES OF FUNDS:			
1. Shareholders' Funds			
a) Share Capital	A	11,09,96	11,09,96
b) Reserves and Surplus	B	606,35,98	570,01,40
TOTAL		617,45,94	581,11,36
APPLICATION OF FUNDS:			
1. Fixed Assets	C		
Gross Block		1,86	1,60
Less : Depreciation		1,14	75
Net Block		72	85
2. Investments	D	537,37,03	482,89,52
3. Deferred Tax Asset - Net		27	1,74
4. Current Assets, Loans and Advances	E	88,83,68	103,55,11
Less : Current Liabilities & Provisions	F	8,75,76	5,35,86
Net Current Assets		80,07,92	98,19,25
TOTAL		617,45,94	581,11,36
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 SHAH GUPTA & CO.
Chartered Accountants

VIPUL K. CHOKSI
Partner

Mumbai
Dated: 24th April, 2009

For and on behalf of the Board of Directors

N. K. JAIN
Director

K.N. PATEL
Jt. Managing Director & CEO

HEMANGI WADKAR
Company Secretary

Mumbai
Dated: 24th April, 2009

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009

(Rupees in Thousands)

	Schedule No.	Year ended 31.03.2009	Year ended 31.03.2008
INCOME :			
Dividend		25,21,47	25,80
Interest Received (TDS Rs. 2,21,87 Thousands Previous Year Rs.1,24,96 Thousands)		9,79,15	5,52,12
Profit on Sale of Investments		5,87,27	-
		40,87,89	5,77,92
EXPENDITURE :			
Employees' Remuneration & Benefits	G	97,45	63,07
Office, Administrative & Other Expenses	H	22,47	18,25
Depreciation		39	34
		1,20,31	81,66
Profit before Tax		39,67,58	4,96,26
Less : Provision for Taxation			
Current Tax		3,31,25	1,60,25
Previous Year		-	2
Fringe Benefit Tax		28	21
Deferred Tax		1,47	2,10
Profit after tax		36,34,58	3,33,68
Balance Brought forward from previous year		43,61,45	40,94,52
Amount available for Appropriation		79,96,03	44,28,20
Appropriations:			
Transferred to Reserve Fund		7,27,00	66,75
Balance carried to Balance Sheet		72,69,03	43,61,45
Basic and Diluted Earnings Per Share (in Rs.)		32.75	3.01
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 SHAH GUPTA & CO.
Chartered Accountants

VIPUL K. CHOKSI
Partner

Mumbai
Dated: 24th April, 2009

For and on behalf of the Board of Directors

N. K. JAIN
Director

K.N. PATEL
Jt. Managing Director & CEO

HEMANGI WADKAR
Company Secretary

Mumbai
Dated: 24th April, 2009

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2009

(Rupees in Thousands)

	Year ended 31.03.2009	Year ended 31.03.2008
A. CASH FLOW FROM OPERATING ACTIVITIES		
NET PROFIT/(LOSS) BEFORE TAX	39,67,58	4,96,26
Adjusted for:		
Depreciation	39	34
Dividend Income	(25,21,47)	(25,80)
Interest income	(9,79,15)	(5,52,12)
Profit on Sale of Investments	(5,87,27)	-
Operating Profit Before Working Capital Changes	<u>(1,19,92)</u>	<u>(81,32)</u>
Adjustments for Changes in Working Capital		
Direct Taxes Refund/(Paid)	(3,06,97)	(1,57,41)
Increase/ (Decrease) In Trade Payables	18,38	9,43
	<u>(2,88,59)</u>	<u>(1,47,98)</u>
	<u>(4,08,51)</u>	<u>(2,29,30)</u>
Dividend Received	25,21,47	25,80
Interest Received	9,79,15	5,52,12
Net Cash from Operating Activities	<u><u>30,92,11</u></u>	<u><u>3,48,62</u></u>
B. CASH FLOW FROM INVESTING ACTIVITIES		
Sale/(Purchase) of Investments (net)	(48,60,24)	-
Purchase of Fixed Assets	(26)	(65)
Loans & Advances	17,31,95	(3,32,63)
Net Cash used in Investing Activities	<u><u>(31,28,55)</u></u>	<u><u>(3,33,28)</u></u>
C. CASH FLOW FROM FINANCING ACTIVITIES	-	-
Net Cash used in Financing Activities	<u>-</u>	<u>-</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	<u><u>(36,44)</u></u>	<u><u>15,34</u></u>
CASH AND CASH EQUIVALENTS - OPENING BALANCE	1,26,24	1,10,90
CASH AND CASH EQUIVALENTS - CLOSING BALANCE	<u><u>89,80</u></u>	<u><u>1,26,24</u></u>
	<u><u>(36,44)</u></u>	<u><u>15,34</u></u>

Notes:

- 1) 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.
- 2) Previous year's figures have been regrouped/rearranged wherever necessary to conform to current year's classification.

As per our attached report of even date

For SHAH GUPTA & CO.
Chartered Accountants

VIPUL K. CHOKSI
Partner

Mumbai
Dated: 24th April, 2009

For and on behalf of the Board of Directors

N. K. JAIN
Director

K.N. PATEL
Jt. Managing Director & CEO

HEMANGI WADKAR
Company Secretary

Mumbai
Dated: 24th April, 2009

SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS

(Rupees in Thousands)

	As at 31.03.2009	As at 31.03.2008
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 per last Balance Sheet Add : Transferred from Profit & Loss Account	<u>10,82,75</u>	<u>10,16,00</u>
	<u>7,27,00</u>	<u>66,75</u>
B	<u>18,09,75</u>	<u>10,82,75</u>
c) Surplus in Profit and Loss Account As per annexed account	<u>72,69,03</u>	<u>43,61,45</u>
C	<u>72,69,03</u>	<u>43,61,45</u>
Total (A + B + C)	<u>606,35,98</u>	<u>570,01,40</u>

SCHEDULE C
FIXED ASSETS:

(Rupees in Thousands)

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 1st April, 2008	Additions	Deductions	As at 31st March, 2009	Up to 31st March, 2008	For the year	Deductions/ Adjustments	Up to 31st March, 2009	As at 31st March, 2009	As at 31st March, 2008
Computer	1,60	26	-	1,86	75	39	-	1,14	72	85
TOTAL	1,60	26	-	1,86	75	39	-	1,14	72	85
Previous Year	95	65	-	160	41	34	-	75	85	

SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS

	Note No.	Face Value Rupees	As at 31.03.2009		As at 31.03.2008	
			Nos.	Amount Rupees in Thousands	Nos.	Amount Rupees in Thousands
SCHEDULE D						
INVESTMENTS:						
LONG TERM - (NON TRADE):						
Quoted Equity Shares						
JSW Steel Ltd.	2 & 3	10	17,284,923	349,61,35	17,834,923	360,73,84
Nalwa Sons Investments Ltd.		10	25,014	31,46	25,014	31,46
JSL Ltd. (Formerly known as Jindal Stainless Ltd.)		2	460,720	84,43	460,720	84,43
Jindal Steel & Power Ltd.		1	614,300	1,98,61	614,300	1,98,61
Amal Rasayan Ltd.		10	143	-	143	-
				<u>352,75,85</u>		<u>363,88,34</u>
Unquoted Equity Shares						
Sun Investments Pvt. Ltd.		10	32,456,800	106,12,01	32,456,800	106,12,01
Satellite Developers Pvt. Ltd. (Formerly known as BPM Industries Ltd.)	5	10	334	27	1,000	27
Jindal Coated Steel Pvt. Ltd.	2 & 6	10	11,000,000	8,85,08	11,000,000	8,85,08
Jindal Overseas Pte. Ltd.	6	S\$1	153,000	3,80	153,000	3,80
Midland Steel Processors Ltd.	6	10	200,000	-	200,000	-
JSW Energy Ltd.		10	178	2	178	2
				<u>115,01,18</u>		<u>115,01,18</u>
Unquoted Preference Shares						
5% Non-cumulative Preference shares of Reynold Traders Pvt. Ltd.		100	400,000	4,00,00	400,000	4,00,00
8% Cumulative Optionally Convertible Preference Shares of JSW Investments Pvt. Ltd.	4	10	65,600,000	65,60,00	-	-
				<u>69,60,00</u>		<u>4,00,00</u>
TOTAL				<u>537,37,03</u>		<u>482,89,52</u>
a) Aggregate Value of Quoted Investments	- at Cost			352,75,85		363,88,34
	- at Market Value			479,48,76		1596,95,89
b) Aggregate Value of Unquoted Investments	- at Cost			184,61,18		119,01,18

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, 5,50,000 equity shares of JSW Steel Ltd. were sold for Rs.16,99,75,464.
- During the year, the Company has been allotted 6,56,00,000 - 8% Cumulative Optionally Convertible Preference Shares of JSW Investments Pvt. Ltd. of Rs.10 each at Rs.10 per share on conversion of loan of Rs.65,60,00,000 receivable from JSW Investments Pvt. Ltd.
- During the year, pursuant to a Scheme of Arrangement for Amalgamation of BPM Industries Ltd. with Satellite Developers Pvt. Ltd., the Company has been allotted 334 equity shares of Satellite Developers Pvt. Ltd. in lieu of 1,000 equity shares held in BPM Industries Ltd.
- Some of the Investments acquired consequent upon the "Scheme" in an earlier year, are pending transmission/transfer in the name of the Company.

SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS

(Rupees in Thousands)

	As at 31.03.2009	As at 31.03.2008
SCHEDULE E		
CURRENT ASSETS, LOANS AND ADVANCES:		
Current Assets:		
Balance with Scheduled Bank:		
- In Current Account	89,80	1,26,24
A	89,80	1,26,24
Loans & Advances		
Sundry Loans, matured debentures including interest due	82,18,27	99,49,26
Advances for Capital Assets	-	10,00
Other Advances *	15,49	16,46
Advance Income Tax and Tax deducted at source	5,60,12	2,53,15
B	87,93,88	102,28,87
Total (A+B)	88,83,68	103,55,11
* Includes advance to an officer of the Company (Maximum amount outstanding during the year Rs. 38 Thousands Previous year Rs.Nil)	11	-
SCHEDULE F		
CURRENT LIABILITIES & PROVISIONS:		
Sundry Creditors	1,29	3,92
Others	40,58	19,58
Provisions		
- For Income Tax	5,78,85	2,47,60
- For Fringe Benefit Tax	1,24	96
- For Diminution in value of Investments	3,80	3,80
- For Non Performing Assets	2,50,00	2,60,00
	8,75,76	5,35,86
SCHEDULE G		
EMPLOYEES' REMUNERATION & BENEFITS:		
Salaries, Bonus, etc.	92,56	58,88
Contributions to Provident and other funds	3,98	3,61
Staff Welfare Expenses	91	58
	97,45	63,07
SCHEDULE H		
OFFICE ADMINISTRATIVE & OTHER EXPENSES:		
Advertisement Expenses	1,50	1,76
Auditors' Remuneration	1,79	1,62
Directors' Sitting Fees	3,10	2,50
Listing Fees	1,15	1,18
Telephone Expenses	41	65
Demat & Custodial Charges	1,13	91
Professional Fees	24	63
Printing & Stationery	2,20	1,77
Travelling & Conveyance	1,62	1,22
Repairs & Maintenance	5	-
AGM charges	21	12
Postage & Telegram	3,56	1,30
Share Transfer Agent Expenses	3,93	3,78
Vehicle Expenses	1,19	48
Bad Debts Written Off	10,00	
Less: Provision for NPA Written back	10,00	
	39	33
Miscellaneous Expenses	39	33
	22,47	18,25

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.

(i) Miscellaneous Expenditure

Preliminary Expenses and Share Issue Expenses are charged to the profit & loss Account in the year in which they are incurred.

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	30,62	-

- 3. Details of provision for Non-Performing Assets :

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

- 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	28,89	25,80
Perquisites	57,86	22,20
Contribution to Provident Fund	3,47	3,10
TOTAL	90,22	51,10

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	1,10	96
Tax Audit Fees	11	11
Limited Review Fees	34	34
Other services	19	21
Out of pocket expenses	5	-
TOTAL	1,79	1,62

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	1,27	1,14
Interest cost on benefit obligation	1,36	1,09
Expected return on plan assets	-	-
Net actuarial (gain)/loss recognised in the year	1,15	1,07
Past service cost	-	-
Net benefit expense	3,78	3,30
Actual return on plan assets	-	-

Balance Sheet :

Details of Provision for Gratuity :

	Current Year Rupees in Thousands	Previous Year Rupees in Thousands
Defined benefit obligation	9,71	5,93
Fair value of plan assets	-	-
	(9,71)	(5,93)
Less: Unrecognised past service cost	-	-
Plan asset/(liability)	(9,71)	(5,93)

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	5,93	2,62
Interest cost	1,36	1,09
Current service cost	1,27	1,14
Benefits paid	-	-
Actuarial (gains)/losses on obligation	1,15	1,08
Closing defined benefit obligation	9,71	5,93

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 and post-employment medical benefit obligations for the Company's plans are shown below:

	Current Year %	Previous Year %
Discount Rate	7.75	8.00
Salary Escalation Rate	5.00	5.00

8. Segment Reporting :

Based on guiding principles given in Accounting Standard - 17 'Segment Reporting', notified in the Companies (Accounting Standard) Rules, 2006, 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/(liabilities) comprises timing difference on account of :

	Current Year Rupees in Thousands	Previous Year Rupees in Thousands
Deferred Tax Liability :		
a) Depreciation	14	11
Total	14	11
Deferred Tax Assets :		
a) Expenses covered by Section 35 D of the Income Tax Act, 1961	41	1,31
b) Expenses covered by Section 35 DD of the Income Tax Act, 1961	-	54
Total	41	1,85

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 and Closing Balances:

(Rupees in Thousands)

Nature of Transactions	Associates/ Enterprises where control/significant influence exists	Key Management Personnel	Total
<u>Transactions during the year :</u>			
Dividend Received	24,96,89 (Nil)	Nil (Nil)	24,96,89 (Nil)
Receiving of Services	Nil (Nil)	90,22 (51,10)	90,22 (51,10)
Loans/Advances Given	10,44 (66,33)	Nil (Nil)	10,44 (66,33)
Loans/Advances Received back	18,90 (28,44)	Nil (Nil)	18,90 (28,44)
Contribution to Corpus Fund	Nil (10)	Nil (Nil)	Nil (10)
<u>Closing Balances :</u>			
Investments made	464,62,24 (475,74,72)	Nil (Nil)	464,62,24 (475,74,72)
Provision for Diminution in value of Investments	3,80 (3,80)	Nil (Nil)	3,80 (3,80)
Loans/Advances Given	36,00 (44,46)	Nil (Nil)	36,00 (44,46)
Collaterals provided	253,08,58 (359,92,25)	Nil (Nil)	253,08,58 (359,92,25)

Notes:

- Figures in brackets relates to previous year.
- Related party relationships have been identified by the management and relied upon by the auditors.
- 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)	36,34,58	3,33,68
Total Number of shares	11,099,625	11,099,625
Earnings Per Share (Basic and Diluted) (Face Value – Rs. 10/- per share) (Rupees)	32.75	3.01

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

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

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 : 24th April, 2009

(Rupees in Thousands)

**Amount
outstanding**

Long Term investments :

1. Quoted:		
(i) Shares:	(a) Equity	352,75,85
	(b) Preference	-
(ii) Debentures and Bonds		-
(iii) Units of mutual funds		-
(iv) Government Securities		-
(v) Others (please specify)		-
2. Unquoted:		
(i) Shares:	(a) Equity	115,01,18
	(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	-	79,47,76	79,47,76
Total	-	79,83,76	79,83,76

(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	517,45,03	464,58,44
2. Other than related parties	146,61,11	72,74,79
Total	664,06,14	537,33,23

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

(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 Systemically 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 (%)	92.42	91.44
(ii) CRAR - Tier I Capital (%)	92.42	91.44
(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 lakhs to 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)	96,07	4	4	8,32,50	46,96,60	23,58,51	Nil	Nil	79,83,76
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
Director

K. N. PATEL
Jt. Managing Director & CEO

HEMANGI WADKAR
Company Secretary

Mumbai
Dated : 24th April, 2009

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. Registration Details

Registration No.	:	145668
State Code No.	:	55
Balance Sheet Date	:	31-03-2009

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	:	617,45,94
Total Assets	:	617,45,94

Sources of Funds

Paid up Capital	:	11,09,96
Reserves & Surplus	:	606,35,98
Secured Loans	:	NIL
Unsecured Loans	:	NIL

Application of Funds

Net Fixed Assets	:	72
Deferred Tax Assets	:	27
Investments	:	537,37,03
Net Current Assets	:	80,07,92

IV. Performance of Company (Amount Rs. in Thousands)

Turnover/Receipts	:	40,87,89
Total Expenditure	:	1,20,31
Profit/(Loss) before tax	:	39,67,58
Profit/(Loss) after tax	:	36,34,58
Earnings per Share in Rupees	:	32.75
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
Director

K. N. PATEL
Jt. Managing Director & CEO

HEMANGI WADKAR
Company Secretary

Mumbai

Dated : 24th April, 2009



JINDAL SOUTH WEST HOLDINGS LIMITED

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

ATTENDANCE SLIP

Eighth Annual General Meeting - 27th June, 2009

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 **Eighth Annual General Meeting** of the Company held on Saturday, 27th June, 2009 at 11.30 a.m. at N. C. Jindal Public School Auditorium, Road No. 73, Punjabi Bagh, New Delhi - 110 026.

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

* Member's/Proxy's Signature

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

Eighth Annual General Meeting - 27th June, 2009

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 **Eighth Annual General Meeting** of the Company to be held on Saturday, 27th June, 2009 at 11.30 a.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 of2009

Note:

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 _____

<p>Af[x Re.1 Revenue Stamp</p>
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THE JSW

S

SPEED

To get to the top in the shortest time

P

PASSION

Focused multiple-nation and multi-product presence

I

INNOVATION

Commitment to raise the global benchmark

R

RETURNS

Consistent focus to derive more from less

I

INVESTMENT

Continuous Investment in the future

T

TECHNOLOGY

Persistent pursuit of world-beating standards



BOOK-POST

